GLOBAL INSURANCE SHARE COMPANY

Prospectus

For Registration of 682,180 Ordinary Shares Currently Held by Shareholders and the Issuance of 55,172 Ordinary Shares Through Dividend Capitalization

June 30, 2026

ግሎባል ኢንሹራንስ ኩባንያ (አ.ማ)
Global Insurance Co.(S.C)

Name of the Issuer:	Global Insurance Share Company
Commercial Registration No.:	AR/AA/3/0006334/2012
Type of Offer:	(i) Registration of 682,180 Ordinary Shares currently held by Existing Shareholders and (ii) Offer of 55,172 Ordinary Shares through a dividend capitalization scheme at a value of ETB 927 each.

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

This prospectus (the "Prospectus") is issued by Global Insurance Share Company (the "Company") under the provisions of the Capital Market Proclamation No. 1248/2021 (the "Capital Market Proclamation") and in compliance with the Public Offering and Trading of Securities Directive Number 1030/2024 (the "Public Offer Directive") of the Ethiopian Capital Market Authority (the "ECMA"). The purpose of the Prospectus is to provide comprehensive information to prospective investors regarding the registration of existing ordinary shares of the Company as at the record date as defined in the Prospectus (the "Existing Ordinary Shares"), and also the registration of the rights offer (through dividend capitalization) through this prospectus. The Prospectus has been approved, and the securities that it offers have been registered by the ECMA.

THE APPROVAL OF THE PROSPECTUS AND THE REGISTRATION OF THE SECURITIES SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE ETHIOPIAN CAPITAL MARKET AUTHORITY OF THE ISSUER OR OF THE SECURITIES THAT ARE THE SUBJECT OF THIS PROSPECTUS. THE ETHIOPIAN CAPITAL MARKET AUTHORITY DOES NOT ASSUME RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS, OPINIONS, OR REPORTS INCLUDED HEREIN.

The Company, Board of Directors, the Chief Executive Officer, and the Deputy Chief Executive Officer (the "Executive Management") whose names also appear in Section 11 of this Prospectus accept full responsibility for the information contained in the Prospectus. The Issuer does not maintain a separate Chief Financial Officer position within its current corporate structure. The financial management and reporting functions ordinarily performed by a Chief Financial Officer are undertaken by the Finance and Investment Department, which reports to the Deputy Chief Executive Officer, Corporate Services. Accordingly, the Deputy Chief Executive Officer, Corporate Services assumes responsibility for the financial disclosures contained in this Prospectus pursuant to Article 81 of the Public Offering and Trading of Securities Directive.

To the best of their knowledge and belief, all reasonable care has been taken to ensure the information in the Prospectus is in accordance with facts and does not omit anything likely to affect the importance of such information or make the expression of such information or opinion misleading or untrue.

Investing in this offer involves possible risks, and this Prospectus incorporates Section 9 (Risk Factors) for a discussion of certain risk factors that should be considered by both existing shareholders and prospective investors in connection with any investment in the Issuer. Please, read the Prospectus in full and, where in doubt as to the action you should consult ECMA-licensed securities investment advisor for guidance before investing in securities.

Transaction Advisor	Legal Advisor
i-Capital Institute PLC	**Yidnekachew Simeneh Law Office**

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

1. SECTION ONE – GENERAL INFORMATION

1.1. Definition and Abbreviation

This section sets out the principal defined terms and abbreviations used in this Prospectus. The definitions below apply unless the context otherwise requires.

Table 1: Table of Terms

Term or Abbreviations	***Meaning***
AABE	*Accounting and Auditing Board of Ethiopia*
AOA/Articles of Association	*The Articles of Association of the Company*
Auditors	*Auditors licensed by Accounting and Audit Board of Ethiopia (AABE)*
Authority	*The Ethiopian Capital Market Authority established under the Capital Market Proclamation No. 1248/2021*
Board or Director or BoD	*The board of directors of Global Insurance Share Company*
BSC	*Balanced Score Card*
Capital Market Proclamation	*Capital Market Proclamation No. 1248/2021*
Company / Issuer / Insurer / Global Insurance	*Global Insurance Share Company*
CSD	*Central Securities Depository*
Dematerialization	*The conversion of physical share certificates into electronic book-entry form in accordance with applicable capital market requirements*
Dividend Capitalization	*The capitalization of declared dividend entitlements into paid-up share capital through the issuance of Ordinary Shares*
ECMA	*Ethiopian Capital Market Authority*
ESS	*Ethiopian Statistical Services*
ESX	*Ethiopian Securities Exchange*
ETB/birr	*Ethiopian Birr, the lawful currency of the FDRE*
Ethiopia / The Country / FDRE	*Federal Democratic Republic of Ethiopia*
Financial Statements	*Audited financial statements of the Insurer*
FY	*Financial Year/ Fiscal Year*
Global Insurance or the Insurer or the Company	*Global Insurance S.C.*
GDP	*Gross Domestic Product*
GWP	*Gross Written Premium*

IFRS	*International Financial Reporting Standards*
Independent Director	*A non-executive director that has no family of first-degree consanguinity relationship or business, professional or commercial relationship with the insurer, and is neither part of senior management nor involved in the day-to-day operations of the insurer*
Investor	*Any person who sells, buys, or holds Global Insurance shares in accordance with this Proclamation with the expectation of a financial return from such transactions*
IT	*Information Technology*
MOA	*Memorandum of Association*
NBE	*National Bank of Ethiopia*
Offer/Rights Offer	*The capitalization of declared dividend entitlements into paid-up share capital through the issuance of Ordinary Shares*
Ordinary Shares	*Issued and fully paid-up ordinary shares*
PLC	*Private Limited Company*
Proclamation	*Ethiopian Capital Market Proclamation No. 1248/2021*
Prospectus	*This prospectus issued by Global Insurance Share Company in connection with the registration of Existing Ordinary Shares and the Rights Offer*
Public Offer Directive	*Public Offering and Trading of Securities Directive No. 1030/2024*
Record Date	*30 June 2025, being the date used to determine shareholder entitlement to participate in the Offer*
Rights Offer Shares	*The 55,172 Ordinary Shares offered under the dividend capitalization scheme*
Shareholders	*Holders of the ordinary shares in the Company*
Takaful	*Shariah-compliant insurance business operated by the Company*
USD	*United States Dollar*

1.2. Corporate Directory

Global Insurance is legally registered as a share company with a commercial registration number AR/AA/3/0006334/2012 and is licensed by the National Bank of Ethiopia (NBE) to undertake insurance business under license number 008/97.

The registered office of the Insurer is given as:

Global Insurance S.C.
Arada Subcity, Woreda 01 House No 030
Street Gobena Abatigu (Somaletera)
Addis Ababa City
Telephone: + 0111565850/53, 0111567400
Postal Address: P.O. Box 180112
Email: globalinsu@ethionet.et
Website: www.globalinsurancesc.com

As of June 10, 2026, the Insurer maintains 27 branches nationwide. Contact information for all the branches and district offices is provided in the Annex to the Registration Statement.

The Company's Commercial Registrar:

Ministry of Trade and Regional Integration ("MoTRI")
Bole Sub City
Addis Ababa, Ethiopia
Website: https://motri.gov.et

1.3. Persons Responsible for the Information Disclosed

The Insurer, the Insurer's Directors, the Chief Executive Officer, and the Deputy CEO, Corporate Services (Collectively, the "Responsible Parties" and whose names appear below) accept full responsibility for the information contained in this Prospectus.

The Issuer does not maintain a separate Chief Financial Officer position within its current corporate structure. The financial management and reporting functions ordinarily performed by a Chief Financial Officer are undertaken by the Finance and Investment Department, which reports to the Deputy Chief Executive Officer, Corporate Services. Accordingly, the Deputy Chief Executive Officer, Corporate Services assumes responsibility for the financial disclosures contained in this Prospectus pursuant to Article 81 of the Public Offering and Trading of Securities Directive.

To the best of their knowledge and belief, they collectively have taken all reasonable care to ensure that the information in the Prospectus is in accordance with facts and does not omit anything likely to affect the importance of such information or make the expression of such information or opinion misleading or untrue.

The Responsible parties can be reached at the Insurer's registered address, as indicated under Section 1.2 above.

1. Yahya Abdosh Ibrahim– Chairperson of the Board and Chairperson of the Audit Committee
2. Jemila Kibret Assres– Vice Chairperson of the Board and Chairperson of the Human Affairs Committee
3. Ahmed Ibrahim Mohammed – Director of the Board and Chairperson of the Risk Management and Compliance Committee
4. Adham Abdulwahid Bedri – Director of the Board and member of the Human Affairs Committee
5. ITMAS S.C. (Kassa Mehariw Minale) – Director of the Board and member of Audit Committee

6. Mohammed Ahmed Abob – Director of the Board and member of Risk Management and Compliance Committee
7. Zekia Mohammed Ahmed– Director of the Board and member of the Human Affairs Committee
8. Aida Mohammed Sherif – Director of the Board and member of Audit committee
9. Mohammed Ali Abdulahi – Director of the Board and member of Risk Committee
10. Tibebe Tesfaye Atnafie– CEO
11. Mengesha Tesfaye Mengesha – Deputy CEO, Corporate Service

1.3.1. Transaction Advisor Responsibility

i-Capital Institute PLC ("i-Capital"), in its capacity as Transaction Advisor to Global Insurance S.C., hereby accepts full responsibility for the information it has provided and consented to its inclusion in this Prospectus.

i-Capital declares that, to the best of its knowledge and belief, and having taken all reasonable care to ensure that such is the case, the information provided by it and included in this Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information or to make the expression of such information or opinion misleading or untrue.

i-Capital is licensed by the Ethiopian Capital Market Authority as a securities investment adviser under the Capital Market Service Providers Licensing and Supervision Directive No. 980/2024 and has been appointed by the Company as Transaction Advisor for the registration of its shares and rights offer.

In this capacity, i-Capital has provided advisory services to the Company in relation to regulatory compliance, the preparation and submission of the registration statement and this Prospectus, responses to regulatory queries, advisory support to the Board and senior management on statutory obligations, preparation of a valuation report for the Board, and such related activities as may be required under applicable laws, directives, and regulatory guidance.

The responsibilities of i-Capital are limited to the services expressly attributed to it in this Prospectus. Save for any responsibility and liability expressly arising under the Public Offering and Trading of Securities Directive, and only to the extent provided therein, i-Capital does not assume any additional duty, responsibility, or liability in respect of this Prospectus or its contents. To the fullest extent permitted by applicable law, i-Capital does not accept responsibility for any information in this Prospectus that is not expressly attributed to it.

In accordance with Article 81(3) of the Public Offering and Trading of Securities Directive, i-Capital confirms that it does not have any material interest in the Company, or the securities being offered, other than fees payable to it by the Company in the ordinary course of its engagement as transaction advisor.

The registered address of i-Capital Institute PLC is:

6th Floor, Elsi Building, Arada Sub-City, Arat-Killo,

Addis Ababa, Ethiopia.

1.3.2. External Auditor's Responsibility

Tafesse, Shisema and Ayalew Audit Partnership (the "External Auditor"), duly licensed by the Accounting and Auditing Board of Ethiopia (AABE), in its capacity as External Auditor of Global Insurance S.C., hereby accepts full responsibility for the audit opinions it has issued and consented to its inclusion in this Prospectus.

The External Auditor declares that, to the best of its knowledge and belief, and having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus that relates to the audit opinions issued by it is in accordance with the facts and does not omit anything likely to affect the importance of such information or to make the expression of such information or opinion misleading or untrue.

The External Auditor has audited the historical financial statements of the Company included in this Prospectus in accordance with International Standards on Auditing and the applicable requirements of the Accounting and Audit Board of Ethiopia. The audit opinions were prepared for purposes of inclusion in this Prospectus, and Tafesse, Shisema and Ayalew Audit Partnership has provided its written consent to such inclusion.

The responsibility of the External Auditor is limited to the audit opinions and related statements expressly attributed to it in this Prospectus. Save for any responsibility expressly arising under the Public Offering and Trading of Securities Directive and only to the extent provided therein, the External Auditor does not assume responsibility for any other information contained in this Prospectus.

In accordance with Article 81(3) of the Public Offering and Trading of Securities Directive, the External Auditor confirms that it does not have any material interest in the Company or the securities being offered, other than audit fees payable to it by the Company in the ordinary course of its engagement as external auditor.

The registered address of Tafesse, Shisema and Ayalew Audit Partnership is:

Quality Building 3rd floor, Bole Sub City, Woreda 04,

Addis Ababa, Ethiopia

1.3.3. Legal Advisor's Responsibility Statement

Yidnekachew Simeneh Law Office, in its capacity as Legal Advisor to Global Insurance S.C., hereby accepts full responsibility for the Legal Opinion it has issued and for the information it has provided and consented to its inclusion in this Prospectus.

Yidnekachew Simeneh Law Office declares that, to the best of its knowledge and belief, and having taken all reasonable care to ensure that such is the case, the information provided by it and included in this Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information or to make the expression of such information or opinion misleading or untrue.

Yidnekachew Simeneh Law Office has acted as independent legal counsel to the Company in connection with the registration and offer and has issued a legal opinion dated June 30, 2026 (the "Legal Opinion"). The Legal Advisor has consented to the inclusion of the Legal Opinion as an accompanying document and to references to its name in this Prospectus.

The responsibility of the Legal Advisor is limited to the Legal Opinion and the statements expressly attributed to it or stated to be based upon the Legal Opinion. Save for any responsibility expressly arising under the Public Offering and Trading of Securities Directive and only to the extent provided therein, the Legal Advisor does not assume responsibility for any other information contained in this Prospectus.

In accordance with Article 81(3) of the Public Offering and Trading of Securities Directive, the Legal Advisor confirms that it does not have any material interest in the Company, the securities being offered, other than fees payable to it by the Company in the ordinary course of its engagement as legal counsel.

The registered address of Yidnekachew Simeneh Law Office is:

Arada Sub City, Woreda 01, Global Insurance Building, 7th Floor

Addis Ababa, Ethiopia

1.4. Third-Party Information

The information presented in this Prospectus regarding macroeconomic conditions, the insurance industry, as well as relevant trends, challenges, and prospects, has been sourced or derived from publicly available data released by both governmental and private organizations. The Issuer has endeavored to reproduce such third-party information accurately and, to the best of its knowledge and belief, has omitted no facts that would render any of the reproduced information inaccurate or misleading.

Furthermore, certain market and industry data used in this Prospectus have been obtained from internal surveys, reports, and studies conducted by the Issuer, alongside publicly available information and industry publications, including those issued by the National Bank of Ethiopia (NBE), the Ethiopian Statistical Services (ESS), the International Monetary Fund (IMF), and the World Bank. While the Directors believe this third-party information to be reliable, the Company has not independently verified such data. Where third-party information is included herein, the specific source has been duly identified.

Rounding

Certain numerical figures presented in this Prospectus may have undergone rounding adjustments. Consequently, the totals displayed in specific figures may not represent a precise arithmetic sum of the preceding figures.

1.5. External Auditors

In appointing external auditors, the Insurer complies with the Commercial Code of Ethiopia and the relevant directives issued by the NBE. The Insurer's external auditor is selected through a competitive bidding process, conducted in accordance with its internal procurement policies and procedures, and is subsequently appointed by resolution of the shareholders at an Ordinary General Meeting. Each year, the NBE reviews and approves the appointment or reappointment of the external auditor. All external auditors engaged by the Insurer are legally registered in Ethiopia and licensed by the Accounting and Auditing Board of Ethiopia (AABE), in line with the Council of Ministers Regulation No. 332/2044.

Accordingly, the external auditors responsible for auditing the historical financial Information set out in Section 7 of this Prospectus and served the Insurer during the referenced fiscal years are as follows:

Table 2: External Auditors

Financial Year	External Auditor
2024/25 **2023/24** **2022/23**	Independent Auditor Name: Tafesse, Shisema and Ayalew Audit Partnership Principal Registration Number: ADF00006 TIN: 0061734201 First Registration Date: January 1, 2008 Telephone: +251911229425 | +251930034356 0116180638 | 0118961751 E-mail: tmsplus@ethionet.et AABE yearly license renewal: Issue date: April 14, 2026 Expiry date: February 02, 2027 Location: Quality Building 3rd floor, Bole Sub City, Woreda 04, Addis Ababa, Ethiopia

1.6. Prospectus Summary

This section offers a concise introduction to the Prospectus. It must be read in conjunction with the other sections herein. Any decision by a prospective investor to purchase Ordinary Shares should be made only after carefully reviewing the Prospectus as a whole.

1.6.1. Key Information about the Insurer

Global Insurance Share Company ("the Insurer") is legally registered in Ethiopia as a share company under registration number AR/AA/3/0006334/2012 and is licensed by the National Bank of Ethiopia (NBE) to undertake insurance business under license under registration number 008/97.

Global Insurance Company (GIC) was established in 1997 G.C by 23 founding members at an initial paid-up capital of 3.75 million Ethiopian Birr in an office located around the old airport area and one contact office in Arada Sub City.

As of 10 June 2026, the Company's authorized capital was ETB 400 million and its subscribed capital was ETB 341.09 million. The Company's issued and outstanding share capital comprised 682,180 Ordinary Shares with a par value of ETB 500 per share, representing paid-up capital of ETB 341.09 million. As of the same date, the Company had 215 shareholders.

The Company is undertaking the Rights Offer through the capitalization of shareholders' declared net dividend entitlements. The Rights Offer involves the issuance of 55,172 new Ordinary Shares at a price of ETB 927 per share, resulting in a capitalization amount of ETB 51,144,444. Upon completion of the Offer, the Company's paid-up capital is expected to increase from ETB 341.09 million to ETB 392,234,444, subject to completion of the allotment and applicable regulatory processes.

The capitalization was authorized by the shareholders at the 11th Extraordinary General Meeting held on 8 June 2024. The purpose of the capitalization is to support the Company's compliance with the minimum paid-up capital requirement prescribed by the National Bank of Ethiopia for insurance companies. The shareholders approved the fulfilment of the minimum capital requirement through existing shareholders, including by way of dividend capitalization, and granted the Board of Directors full authority to determine and implement the capitalization process, including the timing, amount, implementation plan and related procedural matters.

Since its founding in 1997, the insurer has served over 2 million customers, and the vision is to be the preferred insurance company in Ethiopia. To achieve this mission, Global Insurance has 27 branches across the country.

The principal activities of Global Insurance Company (GIC) of Ethiopia revolve around providing a comprehensive range of insurance and related services.

The main activities are:

Insurance Underwriting Services (General Insurance): This is the core business, covering a diverse set of products, including:

- Motor Insurance
- Property Insurance (e.g., Fire and Applied Perils)
- Engineering Insurance
- Marine Insurance
- Liability Insurance
- Pecuniary Insurance
- Personal and Group Insurance (including Travel Insurance)
- Professional Indemnity, Workmen's Compensation, and Bond Insurance

Pioneering Takaful Insurance: GIC is noted as a pioneer in introducing Takaful (Islamic/Sharia-compliant mutual insurance) in the Ethiopian insurance industry with its "Ahli Takaful" product. This is a significant area of business and growth for the company.

Investment Activities: The company is involved in various investment activities to indicate its financial strength and sustainability. These include:

- Investment in real estate (e.g., company headquarters buildings).
- Equity investments in other companies, such as the Ethiopian Reinsurance Share Company and Zemzem Bank.

Annual Vehicle Inspection Services: Global Insurance also provides modern vehicle roadworthiness inspection services at its own facilities, such as the recovery yard in Kality and in Harar town, in addition to its core insurance business.

Key Revenue Segments

The Company operates through two main insurance segments: Conventional insurance and Takaful insurance. For the year ended 30 June 2025, total insurance revenue amounted to approximately ETB 346.4 million, compared with ETB 298.6 million in FY2024.

In FY2025, Conventional insurance generated ETB 273.7 million, representing approximately 79.0% of total insurance revenue, while Takaful insurance generated ETB 72.8 million, representing approximately 21.0%. In FY2024, Conventional insurance generated ETB 233.9 million, representing approximately 78.3% of total insurance revenue, while Takaful insurance generated ETB 64.7 million, representing approximately 21.7%.

Motor insurance remained the Company's dominant product line across both segments and both periods. In FY2025, Motor insurance generated approximately ETB 259.3 million, representing approximately 74.9% of total insurance revenue. In FY2024, Motor insurance generated approximately ETB 221.1 million, representing approximately 74.1% of total insurance revenue.

The Company's revenue mix by segment and product line is summarized below:

Table 3: Revenue mix by segment and product line

Product Line	FY25 (ETB '000)				FY24 (ETB '000)			
	Conventional	Takaful	Total	Share	Conventional	Takaful	Total	Share
Motor	204,906	54,428	259,334	74.9%	172,093	49,040	221,133	74.1%
Others	25,914	27	25,941	7.5%	19,647	92	19,739	6.6%
Fire	10,844	12,559	23,403	6.8%	10,805	9,182	19,987	6.7%
Marine	12,877	787	13,664	3.9%	6,356	222	6,578	2.2%
Liability	4,396	2,525	6,921	2.0%	8,305	2,270	10,575	3.5%
Pecuniary	5,167	1,375	6,542	1.9%	8,134	3,329	11,463	3.8%
Engineering	3,509	666	4,175	1.2%	4,309	613	4,922	1.6%
Accident	3,533	94	3,625	1.0%	1,845	182	2,027	0.7%
Workmen's Compensation	2,514	296	2,810	0.8%	2,405	(237)	2,168	0.7%
Total Insurance Revenue	273,660	72,758	346,418	100.0%	233,899	64,694	298,593	100.0%

The revenue profile shows that the Company is primarily a general insurer with significant exposure to Motor insurance. The contribution of Motor insurance remained broadly consistent between FY2024 and FY2025, representing approximately three-quarters of total insurance revenue in both years. Takaful insurance also remained a meaningful contributor to total revenue, accounting for approximately one-fifth of total insurance revenue in both periods.

1.6.2. Corporate Governance of the Company

Board of Directors

GIC is governed by a Board of Directors comprising nine (9) members, who are elected by the shareholders at the Company's Annual General Meeting (AGM). The names of the Board members are listed in Section 1.3 of this Prospectus. The Board is responsible for providing strategic oversight and ensuring that the Company operates in compliance with regulatory requirements and best corporate governance practices.

Board Committees

To support its governance role, the Board has established several specialized committees in line with National Bank of Ethiopia (NBE) directives and the Company's own corporate governance policy. These committees include:

- Risk Management and Compliance Committee
- Human Affairs Committee
- Audit Committee

These committees provide focused oversight and guidance in their respective areas, ensuring that the Company maintains sound risk management, financial integrity, and strategic alignment.

Management Team

The Company's day-to-day operations are led by an Executive Management team, headed by the Chief Executive Officer (CEO).

The CEO is supported by ten (10) Officers and Managers as listed below:

- Deputy CEO, Corporate Service
- Deputy CEO, Operation
- Manager, Claims Management Department
- Manager, Business Development & Marketing Department
- Manager, Finance & Investment Department
- Manager, Audit & Inspection Service
- Manager, Engineering and Survey Service
- Manager, Takaful Operations Department
- Manager, IT Department
- Manager, HR & FM Department

This management structure ensures that all functional areas of the Company are effectively coordinated and aligned with the Company's strategic objectives.

1.6.3. Summary of Historical Financial Information

Global Insurance recorded growth in premium production, insurance revenue, profitability, assets, equity and customer base in FY2025. Gross Written Premium increased from ETB 290.0 million in FY2023 to ETB 335.0 million in FY2024 and ETB 400.7 million in FY2025, representing year-on-year growth of 15.5% in FY2024 and 19.6% in FY2025, and a CAGR of 17.5%. Insurance revenue increased from ETB 259.0 million in FY2023 to ETB 298.6 million in FY2024 and ETB 346.4 million in FY2025, representing a CAGR of 15.6%.

Gross claims incurred increased from ETB 108.9 million in FY2023 to ETB 114.5 million in FY2024 and ETB 122.7 million in FY2025, representing a CAGR of 6.1%. Claims grew at a lower rate than both Gross Written Premium and Insurance Revenue. As a result, the claims ratio decreased from 37.5% in FY2023 to 34.2% in FY2024 and 30.6% in FY2025. Insurance service result increased from ETB 36.7 million in FY2023 to ETB 72.0 million in FY2024 and ETB 87.5 million in FY2025, representing a CAGR of 54.4%. The insurance service result margin also improved from 14.2% in FY2023 to 24.1% in FY2024 and 25.3% in FY2025.

Profit before tax increased from ETB 75.4 million in FY2023 to ETB 98.9 million in FY2024 and ETB 136.2 million in FY2025, representing a CAGR of 34.4%. Profit after tax increased from ETB 59.9 million in FY2023 to ETB 76.2 million in FY2024 and ETB 104.5 million in FY2025, representing a CAGR of 32.3%. Profit before tax margin increased from 29.1% in FY2023 to 33.1% in FY2024 and 39.3% in FY2025, while profit after tax margin increased from 23.1% to 25.5% and 30.2% over the same period. Net investment income increased from ETB 25.0 million in FY2023 to ETB 25.4 million in FY2024 and ETB 32.4 million in FY2025, representing a CAGR of 13.8%.

Total assets increased from ETB 832.2 million in FY2023 to ETB 999.2 million in FY2024 and ETB 1.154 billion in FY2025, representing a CAGR of 17.8%. Total liabilities increased from ETB 483.3 million to ETB 621.3 million and ETB 664.9 million, representing a CAGR of 17.3%. Total equity increased from ETB 348.8 million in FY2023 to ETB 377.9 million in FY2024 and ETB 489.5 million in FY2025, representing a CAGR of 18.5%. Paid-up capital remained unchanged at ETB 242.2 million in FY2023 and FY2024, before increasing to ETB 332.6 million in FY2025, representing a CAGR of 17.2%.

Cash and cash equivalents increased from ETB 125.9 million in FY2023 to ETB 218.7 million in FY2024, before remaining broadly unchanged at ETB 218.6 million in FY2025. This represented a CAGR of 31.8%. Net cash from operating activities increased from ETB 136.1 million in FY2023 to ETB 167.4 million in FY2024, before decreasing to ETB 137.1 million in FY2025. The three-year CAGR was 0.3%, indicating limited change in operating cash generation over the period despite the FY2025 decline.

ROAA was 8.5% in FY2023, 8.3% in FY2024 and 9.7% in FY2025, while ROAE increased from 18.8% to 21.0% and 24.1% over the same period. EPS increased from ETB 134 in FY2023 to

ETB 162 in FY2024, before decreasing slightly to ETB 160 in FY2025, reflecting the effect of the increased share capital base during FY2025.

The Company's customer base increased from 29,815 policyholders in FY2023 to 31,408 in FY2024 and 39,059 in FY2025, representing a CAGR of 14.5%. Conventional policyholders increased from 25,454 to 27,374 and 33,745, representing a CAGR of 15.1%. Takaful policyholders decreased from 4,361 in FY2023 to 4,034 in FY2024, before increasing to 5,314 in FY2025, representing a CAGR of 10.4%.

The branch network remained at 20 branches in FY2023 and FY2024, before increasing to 27 branches in FY2025, representing a CAGR of 16.2%. The number of employees decreased from 196 in FY2023 to 192 in FY2024, before increasing to 195 in FY2025. Female employee participation increased from 51.5% in FY2023 to 58.3% in FY2024 and 59.5% in FY2025, representing a CAGR of 7.5%.

Overall, FY2025 was characterized by higher premium production, insurance revenue, insurance service result, profitability, equity and policyholder numbers. The main points to monitor are the decline in operating cash flow in FY2025, the slight decrease in EPS following the capital increase, and the effect of branch expansion on operating expenses and future earnings.

Table 4: Financial and Non Financial KPIs

Indicator*	FY2025	FY2024	FY2023	YoY		CAGR
				24/25	23/24	
Financial Performance						
Gross Written Premium	400,686	335,047	290,400	19.6%	15.5%	17.5%
Insurance Revenue	346,418	298,593	259,016	16.0%	15.3%	15.6%
Gross Claims Incurred	122,656	114,489	108,889	7.1%	5.1%	6.1%
Insurance Service Result	87,488	71,971	36,700	21.6%	96.1%	54.4%
Net Investment Income	32,411	25,366	25,040	27.8%	1.3%	13.8%
Profit Before Tax	136,223	98,915	75,396	37.7%	31.2%	34.4%
Profit After Tax	104,530	76,248	59,749	37.1%	27.6%	32.3%
EPS	160	162	134	(1.2%)	20.9%	9.3%
Financial Position						
Total Assets	1,154,423	999,207	832,157	15.5%	20.1%	17.8%
Total Liabilities	664,882	621,268	483,337	7.0%	28.5%	17.3%
Total Equity	489,539	377,937	348,821	29.5%	8.3%	18.5%
Paid-up Capital	332,557	242,156	242,156	37.3%	0.0%	17.2%
Cash and Cash Equivalents	218,577	218,684	125,887	(0.0%)	73.7%	31.8%
Net Cash from Operating Activities	137,078	167,366	136,144	(18.1%)	22.9%	0.3%
Key Financial Ratios						
Claims Ratio: Gross Claims Incurred / GWP	30.6%	34.2%	37.5%	(10.5%)	(8.8%)	(9.7%)
Insurance Service Result Margin	25.3%	24.1%	14.2%	5.0%	69.7%	33.5%

Profit Before Tax Margin	39.3%	33.1%	29.1%	18.7%	13.7%	16.2%
Profit After Tax Margin	30.2%	25.5%	23.1%	18.4%	10.4%	14.3%
ROAA	9.7%	8.3%	8.5%	16.9%	(2.4%)	6.8%
ROAE	24.1%	21.0%	18.8%	14.8%	11.7%	13.2%
Equity / Total Assets	42.4%	37.8%	41.9%	12.2%	(9.8%)	0.6%
Non-Financial KPIs						
Total Policyholders	39,059	31,408	29,815	24.4%	5.3%	14.5%
Conventional Policyholders	33,745	27,374	25,454	23.3%	7.5%	15.1%
Takaful Policyholders	5,314	4,034	4,361	31.7%	(7.5%)	10.4%
Branch Network	27	20	20	35.0%	0.0%	16.2%
Number of Employees	195	192	196	1.6%	(2.0%)	(0.3%)
Female Employees	59.5%	58.3%	51.5%	2.1%	13.2%	7.5%

**Certain variables combine Takaful and conventional insurance values.*

1.6.4. Information about the Offer

Type and Class of Securities

The price for the rights offer is ETB 927 per share. The new ordinary shares will rank pari passu with the existing shares in all respects, including voting rights, dividend entitlements, and rights upon liquidation.

Offer Structure

The Offer is structured as a dividend conversion scheme that allows existing shareholders and who validly elected to receive shares in lieu of cash dividend to reinvest their net dividend entitlement for the financial year ended June 30, 2025, into new ordinary shares. A total of 55,172 new shares with the price of ETB 927 will be offered, representing an aggregate value of ETB 51,144,444. Participation in the Offer is restricted to shareholders registered in the Company's share register as of the Record Date, being June 30, 2025.

Rights Attached to the Securities

The Company has, and following the completion of this offer will have, only one class of shares, being the Ordinary Shares. The rights attached to the Ordinary Shares are uniform in all respects, and they form a single class for all purposes. The rights attached to the Ordinary Shares are as set out below:

1. **Right to Participate in Profits:** Every Ordinary Share confers a right to participate in the Company's annual net profits and to a proportionate share in the net proceeds on a winding-up.

2. **Proportionate Calculation:** The share in the profits and in the net proceeds on a winding-up due to a holder of Ordinary Shares shall be calculated in proportion to their holding in the paid-up capital of the Company.
3. **Voting Rights:** Every Ordinary Share confers voting rights. The voting rights attached to a shareholder shall be in proportion to the amount of capital represented by their Ordinary Shares.
4. **Pre-emptive Rights:** Every holder of Ordinary Shares has a preferred right, in proportion to their holding, to subscribe for Ordinary Shares issued on an increase of capital, in accordance with Article 448 of the Commercial Code of Ethiopia Proclamation No. 1243/2021 and the Company's Articles of Association.
5. **Dividend Rights:** Holders of Ordinary Shares are entitled to receive dividends as declared by the Company at its Annual General Meeting, subject to the recommendation of the Board of Directors, the profitability of the Company, and the legal reserve requirements under Ethiopian law.
6. **Transferability:** The Ordinary Shares are freely transferable, subject to the ownership restrictions imposed by the National Bank of Ethiopia (NBE) as set out in Section 8.5 below and the applicable rules of the Ethiopian Securities Exchange once admitted to trading.

Pricing

The Allocation Price is fixed at ETB 927 per share. The Allocation Price was determined and approved by the Board of Directors after considering the independent valuation prepared by the Transaction Advisor. The valuation applied both an income-based approach, using a discounted cash flow methodology, and a market-based approach, using valuation multiples derived from comparable financial institutions. The Transaction Advisor considered factors including projected earnings, expected cash flows, growth prospects, capital requirements, profitability, and relevant market valuation benchmarks. Based on the valuation results, the Board concluded that the Allocation Price of ETB 927 per share is fair and reasonable and appropriately reflects the Company's underlying value while facilitating the capitalization of shareholders' dividend entitlements into equity.

Reasons for the Offer and Use of Proceeds

The primary reason for the Offer is to strengthen the Company’s balance sheet. By allowing shareholders to reinvest their dividends, the Company retains ETB 51,144,444 in distributable profits as permanent paid-up capital.

- The strengthened capital position is expected to support the following objectives:

- Compliance with the minimum paid-up capital requirements prescribed by the National Bank of Ethiopia.
- Enhancement of the Company's underwriting capacity, enabling it to underwrite larger and more complex risks.
- Support for the completion of strategic projects and investments, including the core insurance system implementation, the Bole mixed-use building project, and other approved business expansion initiatives.
- Strengthening of the Company's competitive position, financial resilience and long-term growth prospects.
- Enhancement of shareholder value through the capitalization of dividend entitlements into equity, thereby increasing shareholders' ownership interests and participation in the Company's future growth and profitability.

For shareholders, this offers a tax-efficient mechanism to increase equity participation, as reinvested dividends are exempt from the 15% dividend tax.

In accordance with the resolution passed at the Company's Extraordinary General Meeting of shareholders held on November 22, 2025, shareholders were given the option either to receive their declared dividend in cash or to reinvest their dividend entitlement by subscribing for shares to be issued by the Company. The total dividend declared for FY2025 amounted to ETB 76,277,114. Of this amount, ETB 20,792,527 was paid in cash to shareholders who elected to receive their dividend entitlement in cash, while ETB 4,285,500 was applied toward the settlement of amounts payable by existing shareholders for shares that had already been subscribed. Consequently, ETB 51,199,087 remained available from the FY2025 dividend for capitalization. In addition, shareholders had ETB 11,913 in unutilized fractional dividend balances carried forward from previous years, resulting in a total dividend amount of ETB 51,211,000 eligible for capitalization. Based on the allocation price of ETB 927 per Ordinary Share and the rounding-down methodology set out in the allotment report, 55,172 new Ordinary Shares will be issued, representing a capitalized amount of ETB 51,144,444. The difference of ETB 66,556, arising from dividend entitlements that were insufficient to acquire whole shares after rounding down, will be paid to the respective shareholders in cash as fractional dividend balances.

The amount capitalized through the current dividend capitalization scheme is therefore ETB 51,144,444. This amount relates only to newly issued shares under this scheme and excludes amounts applied toward shares that had already been subscribed by existing shareholders.

Tax Treatment

Dividends distributed by the Company are generally subject to a 15% income tax. Capital gains arising from the disposal of shares are subject to a 15% tax. Dividends that are reinvested under the dividend conversion scheme are exempt from the applicable 15% dividend tax, providing a reinvestment incentive to participating shareholders.

Trading and Registration

All physical share certificates must be dematerialized and converted into electronic book-entry form within the Central Securities Depository. The securities offered under this Prospectus are not intended for listing on the ESX at the time of the Offer. Accordingly, trading in the Issuer's shares shall be conducted in the over-the-counter market by a Capital Market Service Provider duly licensed by the ECMA.

Participation and Allotment

Eligibility and application for the Offer is limited to shareholders registered as of the Record Date, June 30, 2025.

To participate in the Offer, shareholders are required to open a brokerage account with a licensed Capital Market Service Provider. Shares will be allotted on a pro-rata basis by dividing the shareholder's converted dividend amount by the issue price. Fractional entitlements will be rounded down to the nearest whole share, with any residual amount paid to the shareholder in cash.

No cash payment shall be required from Eligible Shareholders, as the rights offer shares will be issued through the capitalization of approved dividends into paid-up share capital.

For implementation purposes, the Issuer shall submit the approved shareholder register and final entitlement schedule to the CSD. The rights offer shares shall be processed as a corporate action and credited electronically to the securities accounts of Eligible Shareholders.

Expected Timetable

The expected timeline is set out below:

Table 5: Expected Events of the Offer

EXPECTED EVENTS	DATE
Record date	June 30, 2025
Approval of the Registration Statement by the ECMA	June 30, 2026
Publication of the Prospectus	June 30, 2026
Submission of Allocation Report to the ECMA	June 30, 2026
Approval of Allotment Report by ECMA	June 30, 2026
Crediting of shares to shareholders' CSD securities accounts	July 9, 2026
Announcement of the results of the allotment	July 30, 2026

Expenses of the Offer

The total estimated expenses associated with the Offer amount to ETB 7.12 million. These costs include transaction advisory fees, external legal advisory fees, and application and registration fees payable to the ECMA.

1.6.5. Summary of Risks

An investment in the Ordinary Shares of the Company involves inherent risks and uncertainties arising from the Company's insurance operations, offer structure, share trading arrangements, regulatory environment, macroeconomic conditions and the broader business environment in which it operates. The risks summarized below have been identified by the Company as material, based on their likelihood of occurrence and potential impact.

The occurrence of one or more of these risks, whether individually or in combination, could have a material adverse effect on the Company's business, financial condition, results of operations, liquidity, capital position, prospects and the value of the Ordinary Shares.

The Company's risk exposures are broadly categorized as Company-specific risks, offer-related risks, risks related to the Ordinary Shares and trading arrangements, insurance sector risks, and macroeconomic and country risks. Company-specific risks relate to the Company's insurance portfolio, underwriting, claims, reinsurance, investments, technology, cybersecurity and Takaful operations. Offer-related risks arise from the dividend capitalization structure and implementation of the Rights Offer. Risks related to the Ordinary Shares and trading arrangements concern liquidity, future market price, dematerialization and trading processes. Insurance sector risks arise from competition, regulatory changes and industry disruption. Macroeconomic and country risks reflect external factors such as inflation, interest rate movements, foreign exchange volatility, political developments and general economic conditions.

A summary of the principal risks facing the Company is set out below.

1.6.5.1. Risks Related to the Company

- **Dependence on Motor insurance:** Motor insurance accounted for approximately 74.9% of the Company's total insurance revenue in FY2025. Any adverse development affecting Motor insurance, including changes in motor premium regulation, claims frequency, repair costs, customer demand or competition, may materially affect the Company's revenue and profitability.
- **Underwriting and claims risk:** The Company may incur losses if it inadequately assesses, prices or classifies insurance risks, or if claims frequency or severity exceeds expectations. Fraudulent, inflated or staged claims may also increase claims costs and reduce underwriting profitability.
- **Reinsurance risk:** The Company relies on reinsurance to manage large losses and risk accumulations. Higher reinsurance costs, reduced reinsurance capacity, less favourable treaty terms or reinsurer default may adversely affect underwriting capacity, liquidity, profitability and capital position.
- **Investment and regulatory asset allocation risk:** The Company's investment portfolio is exposed to market, credit, liquidity and interest rate risks. Mandatory investment requirements, including DBE bond investment obligations, and statutory deposit

requirements may limit investment flexibility and reduce funds available for underwriting, expansion or dividends.

- **Technology and cybersecurity risk:** The Company is implementing technology modernization initiatives, including a core insurance system. Implementation delays, system failures, data breaches, cyberattacks or fraud-related technology incidents may disrupt underwriting, claims processing, reporting and customer service.
- **Takaful operational risk:** The Company's Takaful business is subject to Shariah governance, fund segregation, product structuring and operational requirements. Any actual or perceived non-compliance may result in reputational damage, regulatory scrutiny or loss of policyholder confidence.
- **Strategy execution and operational capacity risk**: The Company's strategic plan includes branch expansion, product development, technology modernization and process improvement initiatives. Limited management capacity, operational resources, internal coordination or execution discipline may delay implementation, increase costs or reduce the expected benefits of these initiatives.
- **Key personnel and employee retention risk:** The Company depends on experienced management, underwriting, claims, finance, IT, audit, risk and branch personnel. Loss of key staff, high employee turnover, talent poaching or inability to retain qualified personnel may disrupt operations, weaken underwriting and claims management, increase costs and adversely affect business performance.

1.6.5.2. Offer-Related Risks

- **Dividend capitalization risk:** The Offer is structured as a dividend capitalization scheme and does not involve new cash payments by shareholders. Any delay or failure in completing election verification, allotment, reconciliation, documentation, dematerialization or share-crediting may affect the timing or completion of the offer.
- **Pricing and valuation risk:** The Rights Offer Shares are issued at a fixed Allocation Price of ETB 927 per share. The future market price of the shares may differ from the Allocation Price, valuation outcome or par value of ETB 500 per share.
- **Cash liquidity risk:** The offer converts declared dividend entitlements already retained by the Company into paid-up capital. Although this strengthens capital, it does not generate additional cash liquidity for operations, claims settlement or strategic projects.

1.6.5.3. Risks Related to Shares and Trading Arrangements

- **Limited trading history and liquidity risk:** The Company's Ordinary Shares have not previously been listed or traded on a licensed securities exchange or organized securities market. There is no assurance that an active or liquid trading market will develop.

- **Share price volatility risk:** The future trading price of the Ordinary Shares may fluctuate due to Company performance, underwriting results, claims experience, investment income, regulatory developments, investor sentiment and broader market conditions.
- **Market price may differ from par value:** The future market price of the Ordinary Shares may trade above or below both the ETB 927 Allocation Price and the ETB 500 par value. Shareholders should not assume that par value or Allocation Price represents the future trading price.
- **Capital market infrastructure risk:** Ethiopia's capital market infrastructure remains relatively new. Delays or issues in dematerialization, securities account administration, trading, clearing or settlement may affect shareholders' ability to trade shares efficiently.

1.6.5.4. Risks Related to the Insurance Sector

- **Competition and pricing pressure:** The Ethiopian insurance sector is competitive, particularly in Motor and Fire insurance. Competitive pricing, commission pressure, new entrants or customer switching may reduce premium rates, compress underwriting margins and affect customer retention.
- **Regulatory change risk:** The insurance sector is subject to ongoing regulation by the National Bank of Ethiopia. Changes to capital, solvency, investment, premium pricing, reinsurance, governance or reporting requirements may increase compliance costs, require additional capital or restrict business activities.
- **Proposed insurance sector reform and foreign competition risk:** The draft Insurance Proclamation contemplates significant changes to the insurance regulatory framework, including the establishment of an independent insurance regulator, stronger prudential and market conduct supervision, enhanced policyholder protection mechanisms, and the gradual opening of the insurance sector to foreign participation. If enacted, the reforms may increase compliance costs and regulatory obligations, while foreign insurer entry or foreign strategic investment may increase competition in pricing, underwriting, product development, technology, distribution and customer service. This may adversely affect the Company's market share, profitability, customer retention and growth prospects if it does not respond effectively.
- **Industry disruption risk:** Technological innovation, new distribution channels and changing customer expectations may affect the competitiveness of traditional insurance business models.

1.6.5.5. Risks Related to the Macroeconomic and Country Environment

- **Inflation risk:** Inflation may increase vehicle repair costs, spare parts, construction materials, medical costs and other claims settlement expenses, particularly in Motor, Fire, Engineering, Liability and Workmen's Compensation lines.

- **Interest rate risk:** Changes in interest rates may affect returns on fixed time deposits, bonds and other interest-bearing investments, which may adversely affect investment income and profitability.
- **Foreign exchange risk:** Foreign exchange volatility may increase the cost of imported spare parts, machinery, equipment, reinsurance arrangements and foreign currency-linked claims exposures, particularly in Marine insurance and insured assets linked to imported goods.
- **Political, legal and economic risk:** The Company's operations are concentrated in Ethiopia. Political instability, civil unrest, changes in government policy, tax changes, regulatory shifts or economic slowdown may affect demand for insurance products, claims experience, operating costs and financial performance.

2. SECTION TWO – INFORMATION ON THE ISSUER AND THE BUSINESS

2.1. Information on the Issuer

2.1.1. Brief History and Development of the Issuer

Global Insurance Company S.C is legally registered as a share company with a commercial registration number AR/AA/3/0006334/2012 and is licensed by the National Bank of Ethiopia (NBE) to undertake insurance business under license number 008/97 on April 01, 1997.

Registered Office:

Global Insurance Share Company

Global Insurance Building

Arada Sub City, Woreda 01,

Gobena Abatigu Street,

Addis Ababa City.

Postal Address: 180112

Telephone: +251 11565850/53, +251 11567400

Email: globalinsu@ethionet.et

Website: www.globalinsurancesc.com

Global Insurance Company S.C. was established on 1 January 1997 by 23 founding shareholders who identified a clear opportunity to provide modern insurance protection in Ethiopia during the early years of economic liberalization. With an initial paid-up capital of ETB 3.75 million, the Company commenced operations as a general (non-life) insurer, concentrating initially on motor, fire, and property classes of business to meet the basic risk-transfer needs of individuals and emerging enterprises.

As at 30 June 2026, the Company had authorized capital of ETB 400 million and subscribed capital of ETB 341.09 million. The Company's paid-up capital stood at ETB 341.09 million, represented by Ordinary Shares with a par value of ETB 500 per share. As at the same date, the Company had 215 shareholders.

The Company's ownership is widely distributed and diversified. Other than ITMAS S.C. and Mr. Biyut Haji Abdulahi, each holding 5.0% of the Company's paid-up capital, no other individual or entity holds 5.0% or more of the Company's issued shares.

Over the ensuing 28 years, Global Insurance has grown steadily into a mid-tier player in the Ethiopian insurance market, having issued policies to more than two million customers and navigated periods of high inflation, foreign exchange constraints, regional instability, and the global and domestic impacts of the COVID-19 pandemic. This enhanced performance is rooted in disciplined underwriting, prudent claims management, consistent capital strengthening, and a deliberate focus on customer trust and operational modernization.

The Company's financial trajectory demonstrates progressive strengthening. Paid-up capital remained stable at ETB 242.2 million from 30 June 2023 to 30 June 2024 and reached ETB 332.6 million at 30 June 2025, reflecting repeated rights issues, retained earnings, and shareholder confidence. Total assets grew from ETB 832.2 million in 2023 to ETB 999.2 million in 2024 and surpassed ETB 1.15 billion in 2025, while profit after tax advanced from ETB 59.749 million in 2023 to ETB 76.248 million in 2024 and ETB 104.530 million in 2025. These results have been achieved despite rising claims costs, particularly in the motor class, and have enabled the Company to maintain solvency margins comfortably above the NBE minimum of 100% (150% in 2025) and deliver a competitive combined operating ratio.

The Company's mission is to provide financial protection and peace of mind to its customers through diligent underwriting, efficient claims services, modern technologies, and diversified investments. Its vision is to become one of the leading, preferred, and inclusive insurance companies in Ethiopia by 2035. The organization is guided by core values that include commitment to mission, customer focus, high value to employees, continuous learning, teamwork, accountability, integrity, transparency, anti-corruption practices, and strong financial discipline. These values have been consistently applied and have underpinned the Company's resilience and reputation in a competitive and evolving market.

2.1.2. Recent events materially relevant to the Company's solvency

No events have been identified that are material to an evaluation of the Company's solvency and that are not already disclosed within the other sections of this prospectus.

2.1.3. Subsidiaries

The Issuer does not have any subsidiaries.

2.2. Business Overview

2.2.1 Branch Network and National Footprint

The Company's branch network constitutes the primary distribution channel and a key competitive advantage in a market where personal relationships and physical presence continue to drive insurance sales. As at 30 June 2025, Global Insurance operated 27 branches, a 35% increase from 20 branches at the end of 2023, strategically located to serve both urban concentration and emerging regional demand. Eighteen branches are situated in Addis Ababa, capturing the capital's dominant share of national premium volume (over 50%). The remaining nine branches cover key regional economic centers: two in Amhara and two in Central Ethiopia, and one each in Somali, Dire Dawa, Harar, Oromia, Sidama, and Central Ethiopia. This footprint enables the Company to maintain proximity to corporate clients in industrial zones, traders in commercial hubs, and agricultural communities in rural-adjacent areas, while also supporting the rollout of specialized products such as engineering and crop insurance pilots. The controlled pace of branch expansion balances market reach with overhead discipline has directly contributed to the 17.5% compound annual growth in gross written premiums achieved between 2023 and 2025.

Table 6: Regional Distribution

S/N	District/Region Name	No. of Branches
1	Addis Ababa	18
2	Amhara	2
3	Somali	1
4	Dire Dawa	1
5	Harar	1
6	Oromia	1
7	Sidama	1
8	Central Ethiopia	2
	Total	**27**

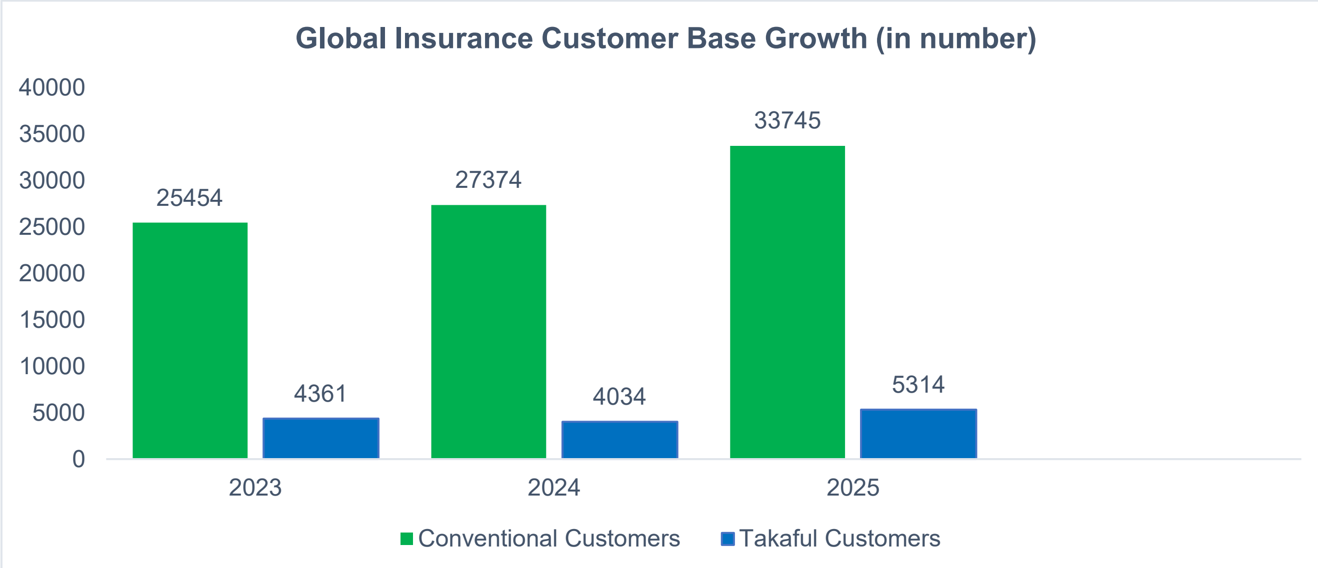
2.2.2 Customer Base Development

Global Insurance S.C. has demonstrated growth in its customer base across both its Conventional and Takaful business segments over the past three fiscal years, reflecting the contribution of its customer acquisition strategies and the increase in customer uptake in the Company's brand.

The Conventional insurance customer base expanded by 23.3% in FY2025, reaching 33,745 policyholders, building upon a steady 7.5% growth recorded in the prior year. This higher growth rate reflects the success of the Company's enhanced distribution network, competitive pricing strategies, and improved policy uptake, particularly in the dominant Motor Insurance line which grew by 19% during the year.

Concurrently, the Takaful segment recorded a turnaround, with its customer base increasing by 31.7% to 5,314 in FY2025, recovering from a marginal decline in FY2024. This significant increase in Takaful customers aligns with the segment's return to profitability and the 12.5% growth in Takaful insurance revenue, indicating the Company's strategic investments in Shariah-compliant product awareness and distribution efficiencies. The combined customer base growth of 24.2% in FY2025 to a total of 39,059 policyholders (up from 31,408 in FY2024) supports future premium generation, cross-selling opportunities, and long-term policyholder loyalty. This growing customer base, coupled with the Company's strategic investments in a new core insurance management system (ETB 24.9 million), positions Global Insurance to deliver better customer experiences and support its market position in Ethiopia's evolving insurance landscape. The chart below summarizes the customers base development trends in the last three years.

Figure 1: Global Insurance Customer Base Growth (in number)



The increase in the customer base reflects growth in both Conventional and Takaful policyholders during FY2025.

2.2.2.1. Net Earned Premium

Net earned premium increased from ETB 225.782 million in FY2024 to ETB 271.810 million in FY2025, representing an absolute increase of ETB 46.028 million or approximately 20.4%. The growth was mainly driven by higher premium contribution from Addis Ababa, Harar, Dire Dawa, Oromia, Amhara, Sidama, and Central Ethiopia.

Addis Ababa remained the Company's largest market, generating ETB 202.644 million in FY2025 compared to ETB 177.077 million in FY2024. This represents an increase of ETB 25.567 million or 14.4%, and confirms the continued importance of Addis Ababa as the Company's principal premium-generating region.

Harar recorded the strongest absolute and relative increase outside Addis Ababa, with net earned premium rising from ETB 14.410 million in FY2024 to ETB 23.872 million in FY2025, representing growth of ETB 9.462 million or 65.7%. Dire Dawa also recorded strong growth, increasing by ETB 3.670 million or 40.0%, while Oromia increased by ETB 5.099 million or 72.9%.

Central Ethiopia showed the highest percentage growth, increasing from ETB 0.305 million in FY2024 to ETB 0.966 million in FY2025, although its contribution to total net earned premium remained relatively small. Amhara and Sidama also recorded positive growth of 17.0% and 10.7%, respectively.

Somali was the only region that recorded a decline, with net earned premium decreasing from ETB 3.653 million in FY2024 to ETB 3.205 million in FY2025, representing a reduction of ETB 0.448 million or 12.3%.

Overall, the FY2025 performance indicates broad-based regional growth, with Addis Ababa continuing to dominate the Company's premium base, while Harar, Oromia, and Dire Dawa made stronger contributions to regional expansion.

Table 7: Net Earned Premium by Regions/District (ETB' 000)

S/N	District/Region Name	FY2025	FY2024
1	Addis Ababa	202,644	177,077
2	Amhara	9,386	8,025
3	Somali	3,205	3,653
4	Dire Dawa	12,834	9,164
5	Harar	23,872	14,410
6	Oromia	12,096	6,997
7	Sidama	6,808	6,152
8	Central Ethiopia	966	305
	Total	**271,810**	**225,782**

2.2.2.2. Underwriting Results

The Company's total underwriting result increased from ETB 71.971 million in FY2024 to ETB 87.488 million in FY2025, representing an increase of ETB 15.517 million or 21.6%.

Addis Ababa remained the largest contributor, generating ETB 62.796 million in FY2025, up by ETB 5.612 million or 9.8% from FY2024. The strongest improvements were recorded in Harar, Oromia, and Amhara, which increased by ETB 9.320 million, ETB 3.986 million, and ETB 2.448 million, respectively.

These gains were partly offset by weaker performance in Sidama, Somale, and Dire Dawa. Sidama recorded a negative underwriting result of ETB 0.837 million in FY2025, compared with a positive result of ETB 3.045 million in FY2024.

Overall, the improvement in FY2025 was mainly driven by stronger underwriting performance in Harar, Addis Ababa, Oromia, and Amhara.

Table 8: Underwriting Result by Region (ETB)

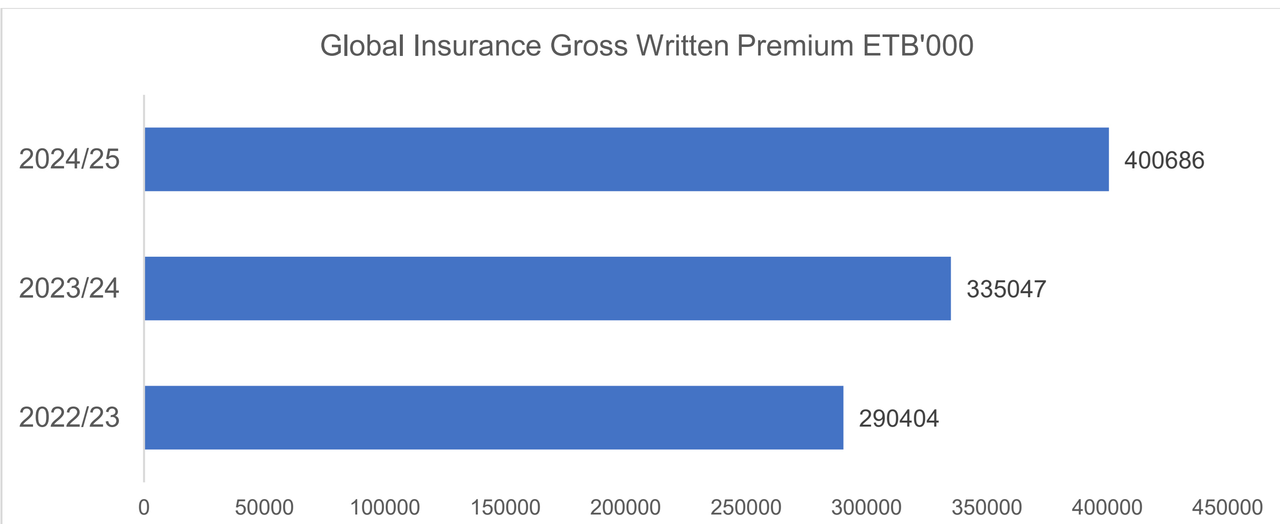
S/N	District/Region Name	FY2025	FY2024
1	Addis Ababa	62,796,046.71	57,184,474.34
2	Amhara	3,954,700.18	1,507,128.95
3	Somale	166,250	1,476,519.36

4	Dire Dawa	3,446,721.03	4,476,386.71
5	Harar	11,651,539.49	2,331,511.96
6	Oromia	5,802,403.84	1,816,208.42
7	Sidama	-837,286.45	3,045,006.17
8	Central Ethiopia	507,734.84	134,038.08
	Total	**87,488,110.07**	**71,971,274**

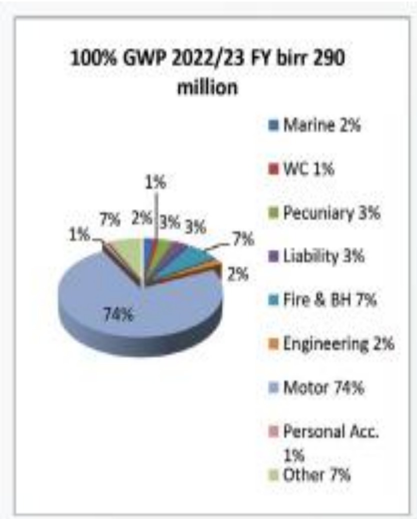
2.2.3 Insurance Premiums Revenue and Claims

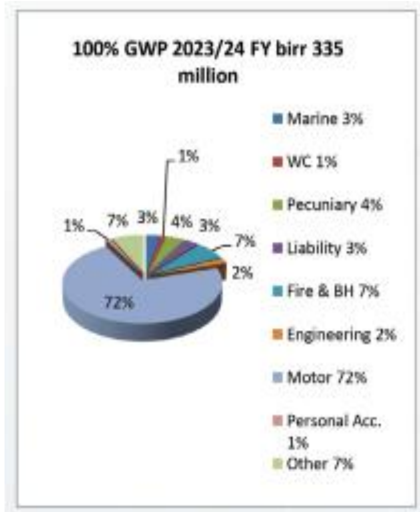
Global Insurance recorded total non-life insurance premium Revenue of ETB 273.7 million from its Conventional products and Birr 72.8 million from its Takaful offerings in the year ended June 30, 2025. The following chart shows the growth trend in gross written premium of the last three years under review.

Figure 2: Global Insurance Gross Written Premium



This represents a growth of approximately 17.0% from Birr 233.89 million in 2024 for Conventional premiums, and 12% growth from Birr 64.69 million in 2024 for Takaful premiums. Motor insurance remains the largest contributor, with Conventional premium revenue increasing from Birr 172.1 million in 2024 to Birr 204.9 million in 2025, while Takaful Premium revenue grew from Birr 49.0 million to Birr 54.4 million over the same period. Other significant lines such as fire, engineering, and liability also showed increases in the years under review (as shown in the chart below), reflecting the company’s diversified portfolio and positive market performance.





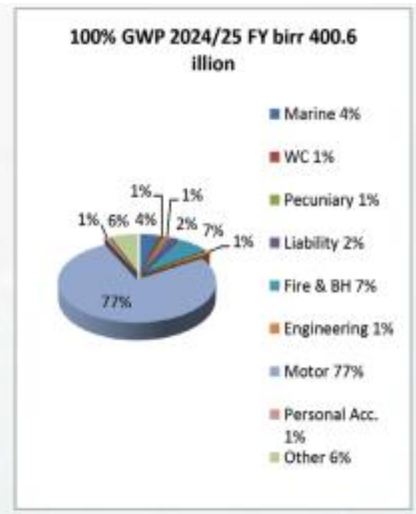


Table 9: Gross Insurance Revenue by Product Line (ETB '000)

Products	Conventional FY 2025	Conventional FY 2024	Conventional FY 2023	Takaful FY 2025	Takaful FY 2024	Takaful FY 2023
Accident	3,533	1,845	1,269	94	182	496
Engineering	3,509	4,309	4,426	666	613	350
Fire	10,844	10,805	10,987	12,559	9,182	7,614
Liability	4,396	8,305	6,868	2,525	2,270	785
Marine	12,877	6,356	6,649	787	222	338
Motor	204,906	172,093	159,534	54,428	49,040	31,478
Pecuniary	5,167	8,134	6,036	1,375	3,329	1,284
Others	25,914	19,647	17,904	27	92	3
Workmen's Compensation	2,514	2,405	2,372	296	(237)	625
Insurance Revenue	**273,660**	**233,899**	**216,044**	**72,758**	**64,693**	**42,972**

In relation with claim, the company's gross claims incurred in the budget the year 2025 amounted to Birr 122,656,000.00 reflecting an increase of Birr 8,167,000, or 7%, compared to the previous year's Birr 114,489,000.

Paid claims increased materially in the Conventional segment, driven mainly by Motor and Pecuniary claims. Conventional Motor paid claims increased by 17.6%, from ETB 76.2 million in FY2024 to ETB 89.6 million in FY2025, while Pecuniary paid claims increased sharply from ETB 1.1 million to ETB 32.2 million. Liability, Others and Workmen's Compensation also recorded notable increases of 97.8%, 68.2% and 40.6%, respectively. Overall, the increase in paid claims exceeded the 17.0% growth in Conventional insurance revenue, indicating increased claims settlement pressure in the Conventional portfolio during FY2025.

Incurred claims under the Conventional segment increased across key lines, particularly Motor, Liability, Pecuniary and Others. Motor incurred claims increased by 12.3% to ETB 75.5 million, while Liability incurred claims increased by 51.9% to ETB 4.0 million. Pecuniary moved from a negative incurred amount of ETB 4.2 million in FY2024 to ETB 7.8 million in FY2025, while Others increased from ETB 1.2 million to ETB 14.1 million. These movements indicate higher claims emergence and reserve pressure in selected Conventional product lines, notwithstanding favorable movements in Accident and Fire incurred claims.

The Takaful segment showed mixed claims performance. Paid claims remained concentrated in Motor, which increased modestly by 2.1%, from ETB 17.3 million to ETB 17.6 million. However, Takaful incurred claims increased materially in Motor and Liability, with Motor incurred claims rising by 84.3% to ETB 36.9 million, while Liability increased from ETB 0.06 million to ETB 3.4 million. This was partly offset by a favorable movement in Fire incurred claims, which shifted from ETB 25.3 million in FY2024 to negative ETB 22.8 million in FY2025. Overall, the claims profile remains highly sensitive to Motor performance across both Conventional and Takaful segments.

Table 10: Breakdown of paid and incurred claims

Paid						
Products	**Conventional FY 2025**	**Conventional FY 2024**	**YoY**	**Takaful FY 2025**	**Takaful FY 2024**	**YoY**
Accident	463,096.17	517,811.00	(11%)	13,141.03	103,415.27	(87%)
Engineering	1,715,670.65	1,383,223.00	24%	-	(152,970.07)	n.m.
Fire	206,814.63	-	n.m.	330,255.00	-	n.m.
Liability	2,184,798.28	1,104,460.00	98%	962.50	1,570.00	(39%)
Marine	15,491.50	73,093.00	(79%)	682.00	-	n.m.
Motor	89,609,698.44	76,218,793.00	18%	17,626,943.13	17,261,661.08	2%
Pecuniary	32,193,514.90	1,076,509.00	2.3X	-	-	n.m.
Others	288,075.84	171,283.00	68%	75,085.25	-	n.m.
Workmen's Compensation	239,173.50	170,156.00	41%	153,085.26	-	n.m.
Insurance Revenue	273,659,686.12	233,898,731.54	17%	72,757,996.45	64,692,641.89	12%
Incurred						
Accident	274,533.03	589,997.68	-53%	5,270.70	(69,189.59)	n.m.
Engineering	1,715,670.65	(253,684.44)	(776%)	22,283.21	(148,511.17)	n.m.
Fire	140,248.46	1,180,373.84	(88%)	(22,801,253.28)	25,326,563.90	n.m.
Liability	3,988,871.25	2,626,795.86	52%	3,414,601.16	62,431.79	5.4X

Marine	2,257,349.18	144,212.06	(1. 5X)	64,097.72	47,778.71	34%
Motor	75,465,317.97	67,223,641.74	12%	36,857,488.34	19,993,777.80	84%
Pecuniary	7,815,653.38	(4,173,486.15)	(287%)	(223,178.37)	207,881.94	(207%)
Others	14,101,223.41	1,205,367.00	1.1X	73,892.46	1,314.90	5.5X
Workmen's Compensation	(69,436.19)	(17,151.68)	305%	(446,588.70)	541,253.64	(183%)
Insurance Revenue	273,659,686.12	233,898,731.54	17%	72,757,996.45	64,692,641.89	12%

2.2.4 Strategy and Strategic Objectives

Global Insurance has developed a Five-Year Strategic Plan covering FY2024/25 to FY2028/29. The strategic plan sets out the Company's medium-term priorities for business growth, profitability, operational modernization, customer service, human capital development and process improvement. The Company uses a Balanced Scorecard framework to translate its strategic objectives into measurable initiatives and performance targets.

The strategic plan was prepared based on the Company's assessment of its operating environment, internal capacity, market position and sector outlook. Ethiopia's insurance market continues to present growth opportunities due to low insurance penetration, an expanding customer base and increasing demand for insurance protection. At the same time, the Company's strategy also takes into account operational challenges, including the need to strengthen management capacity, improve process efficiency, retain skilled employees, complete technology modernization and maintain underwriting discipline in a competitive market.

The Company's strategy is organized around six strategic pillars: growth and market expansion, profitability and financial resilience, operational excellence through technology, superior customer experience, human capital and organizational capacity, and productivity and process quality.

2.2.4.1. Strategic Pillars, Objectives, and Initiatives

The following sections detail the six strategic pillars, outlining the core objectives, key initiatives, and, where applicable, measurable targets that will guide the Company's efforts over the plan period.

Strategic Pillar 1: Growth and Market Expansion

Objective: To drive sustainable growth by expanding the Company's geographic footprint, diversifying its product portfolio, and enhancing distribution capabilities to increase market share and customer reach.

Context and Rationale: The Company's previous strategic plan achieved the opening of 23 branches, representing a 75% achievement against a target of 32. Building on this foundation, the new strategy sets an ambitious but achievable target of 40 branches by the end of the plan period. This expansion will be complemented by entry into high-growth, under-served insurance segments and the development of multi-channel distribution models to acquire customers cost-effectively.

Table 11: Key Initiatives and Targets for Growth & Market Expansion Strategy

Initiative	Description	Key Performance Indicators (KPIs) / Targets

Branch Network Expansion	Expand presence to 40 branches using a low-cost model combining full-fledged branches with contact offices.	• Cumulative branches opened: 40 by FY2029. • Percentage of target markets covered: 85%.
Product Portfolio Diversification	Develop and launch new insurance products, including Crop Insurance, Horticulture Insurance, and expansion of Takaful offerings.	• Number of new products launched: Minimum 3 by FY2027. • Revenue contribution from new products: 10% of total premium by FY2029.
Multi-Channel Distribution	Strengthen strategic alliances with banks (bancassurance) and other institutions; develop digital sales platforms.	• Number of active bancassurance partnerships: 5 by FY2027. • Percentage of premiums sourced through digital channels: 15% by FY2029.
Customer Base Growth	Acquire new customers across both Conventional and Takaful segments.	• Total policyholders: Grow from 39,059 (FY2025) to 65,000 by FY2029. • Takaful policyholders: Grow from 5,314 to 12,000 by FY2029.

Strategic Pillar 2: Profitability and Financial Resilience

Objective: To ensure financial soundness, optimize liquidity, enhance profitability, and maintain robust capital adequacy to meet regulatory requirements and support growth.

Context and Rationale: Financial resilience is the bedrock of the Company's ability to honor its commitments to policyholders and pursue its growth ambitions. This pillar focuses on strengthening the balance sheet, improving underwriting profitability, and ensuring strict compliance with NBE directives on capital adequacy and liquidity.

Table 12: Key Initiatives and Targets for Profitability & Financial Resilience Strategy

Initiative	Description	Key Performance Indicators (KPIs) / Targets
Underwriting Profitability Improvement	Enhance underwriting discipline, refine pricing models, and implement stricter claims management processes (particularly in the Conventional segment).	• Combined ratio: Improve to below 95% by FY2029. • Insurance service result margin: Maintain above 25%.
Liquidity Management	Formulate robust cash flow forecasting policies and implement fund transfer mechanisms to ensure timely claims payment, including during offline periods.	• Liquidity coverage ratio: Maintain above NBE minimum requirement. • Claims payment turnaround time: Reduce average settlement period by 20%.
Investment Income Optimization	Actively manage the investment portfolio to optimize returns while preserving capital, with a focus on the strategic shift towards fixed-income securities.	• Investment income: Achieve average annual growth of 10-12%.

		• Portfolio yield: Maintain at or above benchmark rates.
Regulatory Capital Compliance	Proactively manage capital levels to exceed NBE minimum requirements and support underwriting capacity.	• Capital adequacy ratio: Maintain at 1.5x regulatory minimum. • Paid-up capital: Ensure compliance with any future NBE increases.

Strategic Pillar 3: Operational Excellence through Technology

Objective: To implement state-of-the-art Information and Communication Technology (ICT) systems that drive operational efficiency, support real-time customer service, enable growth, and enhance data-driven decision-making.

Context and Rationale: The Company has commenced investment in a new core insurance management system ("Amity Core"), with ETB 24.9 million capitalized as "Intangible Asset Under Development" as of 30 June 2025. This pillar focuses on the successful and timely completion of this implementation and the broader modernization of the Company's technology infrastructure to support all strategic objectives.

Table 13: Key Initiatives and Targets for Operational Excellence Strategy

Initiative	Description	Key Performance Indicators (KPIs) / Targets
Core System Implementation	Complete the full deployment of the Amity Core insurance system across all business units (Conventional and Takaful) and all branches.	• System go-live: Fully operational by Q2 FY2026. • Business processes automated: 90% of core underwriting and claims processes.
Infrastructure Modernization	Upgrade supporting IT infrastructure, including servers, networking, and end-user devices. Implement a comprehensive disaster recovery plan.	• Disaster recovery plan: Tested and certified by FY2027. • System uptime: Achieve 99.5% availability.
Digital Finance Integration	Integrate digital financial payment systems with core accounting and financial policies to enhance efficiency and customer convenience.	• Digital payment adoption: 50% of premium collections via digital channels by FY2028.
Data Analytics Capability	Develop internal capability to leverage data analytics for improved risk selection, pricing, and customer insights.	• Implementation of business intelligence tools: By FY2028.

Strategic Pillar 4: Superior Customer Experience

Objective: To differentiate Global Insurance in the market by delivering a customer service experience that exceeds expectations across all touchpoints, from policy purchase to claims settlement.

Context and Rationale: In a competitive market, customer experience is a key differentiator. This pillar recognizes that timely claims settlement, convenience, and proactive communication are critical drivers of customer satisfaction, retention, and positive word-of-mouth. The strategy aims to leverage technology and process improvements to transform the customer journey.

Table 14: Key Initiatives and Targets for Superior Customer Experience Strategy

Initiative	Description	Key Performance Indicators (KPIs) / Targets
Claims Processing Excellence	Prioritize timely and fair settlement of claims. Introduce online claims submission and status tracking.	• Claims settlement turnaround: 80% of claims settled within 7 days of notification. • Customer satisfaction score (claims): Achieve 85% satisfaction rating.
Customer Convenience Initiatives	Implement web-based policy renewal information, SMS renewal reminders, and online sales for selected products (e.g., personal accident, travel insurance).	• Renewal rate: Increase policy renewal rate by 15%. • Digital self-service adoption: 40% of customers using online services by FY2028.
Corporate Client Portal	Develop a dedicated web-based portal for corporate clients to perform transactions such as policy alterations, endorsements, and certificate issuance.	• Corporate client portal launch: By Q4 FY2027. • Corporate client retention rate: Maintain above 90%.
Customer Feedback Mechanism	Establish a formal system for collecting, analyzing, and acting upon customer feedback and complaints.	• Complaint resolution rate: 95% of complaints resolved within stipulated timeframe.

Strategic Pillar 5: Human Capital and Organizational Capacity

Objective: To build a competent, motivated, and stable workforce with the leadership capability and technical expertise required to execute the strategic vision and deliver sustainable performance.

Context and Rationale: The Company recognizes that its employees are its most valuable asset. Past challenges with management instability and staff retention have hindered performance. This pillar is dedicated to creating an environment that attracts, develops, and retains top talent, fostering a culture of high performance and accountability.

Table 15: Key Initiatives and Targets for Human Capital and Organizational Capacity

Initiative	Description	Key Performance Indicators (KPIs) / Targets
HR Strategy Development and Implementation	Develop and implement a comprehensive human resources strategy covering talent acquisition, performance management, career development, and succession planning.	• Succession plan: Critical roles covered by FY2027. • Performance management system: 100% of employees with defined KPIs and regular reviews.

Competitive Reward and Retention	Review and enhance reward packages (including performance-based bonuses) to ensure market competitiveness and improve staff retention.	• Staff turnover rate: Reduce to below 10% per annum by FY2028. • Employee satisfaction score: Achieve 80% positive rating in annual survey.
Capacity Building and Training	Conduct targeted training programs to address knowledge, skill, and attitude gaps, with a focus on technology adoption, underwriting, and customer service.	• Training hours per employee: Average of 40 hours per year. • Training effectiveness: 90% of training programs rated "effective" or above.
Leadership Development	Identify and develop high-potential employees for future leadership roles to ensure management stability and continuity.	• Leadership pipeline: Minimum 2 identified successors for each senior management role by FY2028.

Strategic Pillar 6: Productivity and Process Quality

Objective: To optimize institutional capacity and streamline business processes to enhance productivity, improve work quality, and ensure efficient resource allocation.

Context and Rationale: Sustainable growth requires not only doing the right things but also doing things right. This pillar focuses on continuously improving core processes, empowering employees through appropriate delegation, and strengthening performance management systems to ensure that the Company's resources are deployed effectively to achieve strategic goals.

Table 16: Key Initiatives and Targets for Productivity and Process Quality Strategy

Initiative	Description	Key Performance Indicators (KPIs) / Targets
Process Optimization and Review	Conduct a comprehensive review of core business processes (underwriting, policy issuance, claims, finance) to identify bottlenecks and implement improvements.	• Process efficiency gains: 20% reduction in average policy issuance time. • Process documentation: All core processes documented and updated by FY2027.
Delegation of Authority Enhancement	Review and enhance delegation of authority limits to empower employees, speed up decision-making, and increase motivation.	• Decision-making turnaround: 30% reduction in approval times for routine matters.
Performance Management Alignment	Strengthen the link between individual and team performance metrics and the Company's strategic objectives.	• Strategic alignment: 100% of departmental goals directly linked to strategic pillars.

Quality Assurance Framework	Implement quality checks within key processes to reduce errors and rework.	• Error rate: Reduce policy/claims processing errors by 25%.

2.2.4.2. Foundational Enablers for Execution

The implementation of the strategic plan depends on cross-cutting initiatives that support the Company's operating framework, internal control environment and execution capacity. These include updating working manuals and internal policies, strengthening technology systems, improving process standardization, and reviewing the Company's marketing and promotional activities.

System and Manuals Update

The Company intends to update its key working manuals and system documents to reflect changes in law, technology, organizational structure and strategic priorities. These include underwriting manuals, claims handling procedures, finance and accounting policies, human resource policies and other operational manuals. The objective is to improve process consistency, clarify employee responsibilities and support standardized implementation across departments and branches.

- **Timeline:** Completion by Q4 FY2026.
- **Responsibility:** Respective department heads, coordinated by the Strategy and Transformation Office.

Promotional Activities and Brand Strategy Review

The Company also intends to review its promotional activities and marketing strategy. The review will assess the effectiveness of past promotional activities, brand positioning, customer acquisition channels and marketing expenditure. The objective is to align future marketing activities with the Company's strategic priorities across both Conventional and Takaful business lines.

- **Timeline:** Completion by Q2 FY2026.
- **Responsibility:** Marketing and Communications Department.

2.2.4.3. Alignment with Financial Projections

The Company's financial projections are linked to the strategic initiatives described above. Insurance revenue growth is expected to be supported by branch expansion, customer acquisition, product diversification and growth in both Conventional and Takaful business. Underwriting performance is expected to depend on improved claims management, pricing discipline and process efficiency. Investment income is expected to remain an important contributor to profitability, subject to the size, composition and performance of the Company's investment portfolio.

The Company’s strategic plan also targets growth in its customer base, including an increase in total policyholders from 39,059 in FY2025 to 65,000 by FY2029. The achievement of these projections will depend on market conditions, regulatory developments, competition, claims experience, investment returns, operational execution and the successful implementation of the Company’s strategic initiatives.

2.2.4.4. Board and Management Oversight

The Board of Directors has overall responsibility for approving the strategic plan and monitoring its implementation. The Board reviews progress against strategic objectives and key performance indicators on a periodic basis. Board committees provide oversight over matters within their respective mandates, including audit, risk management, compliance and human capital matters.

Executive Management, led by the Chief Executive Officer, is responsible for the day-to-day implementation of the strategic plan. Management is expected to report implementation progress, performance against targets, operational challenges and corrective actions to the Board. Material risks relating to strategy execution, technology implementation, employee retention, competition and regulatory change are addressed separately in Section 9 (Risk Factors).

2.2.4.5. Strategy Implementation Framework and Business Plan Metrics

The Company’s strategic plan is based on defined strategic pillars supported by measurable objectives and performance indicators aligned with the Company’s financial projections, risk management framework and capital planning requirements. Each pillar is monitored using key indicators covering premium growth, underwriting performance, claims management, investment income, operational efficiency, customer development, digital capability, governance and human capital. This enables Management and the Board to track implementation and ensure that growth remains consistent with regulatory capital requirements, liquidity needs, underwriting capacity and the Company’s risk appetite.

The Company’s financial forecasts, business growth plans and capital adequacy projections have been prepared by reference to these strategic objectives. Management regularly assesses the impact of strategic initiatives on insurance revenue, claims experience, underwriting results, investment income, operating expenses, liquidity and capital levels. The table below summarizes the strategic pillars together with the related objectives, performance indicators, execution considerations, and financial and capital implications derived from the strategic plan.

Table 17: Strategy–Performance–Risk–Capital Alignment Framework

Strategic Pillar	Key Strategic Objective	Performance Indicators / KPIs	Key Execution Considerations	Capital Planning and Financial Implications
Growth and Market Expansion	Expand the Company's geographic footprint, diversify the product portfolio, strengthen distribution channels and increase customer reach across Conventional and Takaful business lines.	Gross written premium growth; number of branches; number of policyholders; number of new products launched; revenue contribution from new products; Takaful policyholder growth; share of premium generated through alternative distribution channels.	Expansion may require sufficient branch management capacity, underwriting discipline, product development capability, distribution coordination and market demand. Growth must be managed without weakening pricing, claims control or service quality.	Growth may require additional working capital, branch investment, technology support and regulatory capital to support increased underwriting capacity. Capital planning should consider NBE capital requirements, solvency margins and the Company's ability to absorb higher business volumes.
Profitability and Financial Resilience	Strengthen financial soundness, optimize liquidity, improve profitability and maintain adequate capital to meet regulatory requirements and support growth.	Profit before tax; profit after tax; earnings per share; underwriting result; insurance service result; investment income; gross claims incurred; claims ratio; combined ratio; paid-up capital; solvency margin; liquidity position; recovery from third parties, reinsurers and legal claims.	Profitability depends on underwriting discipline, claims experience, investment returns, reinsurance cost and recoveries. Adverse claims development, lower investment income or higher operating costs may reduce earnings and capital generation.	Profit retention, dividend policy, shareholder capital contributions and regulatory capital planning should support solvency, underwriting capacity and financial resilience. Capital increases may be required where NBE capital or solvency requirements change or where business growth requires additional capital support.
Operational Excellence through Technology	Implement and integrate core insurance technology to improve underwriting, policy administration, claims processing, reinsurance management, reporting and decision-making.	Completion of Amity Core implementation; percentage of core processes automated; system uptime; downtime incidents; data migration completion; digital payment integration; number of branches using the system; management reports generated through the system.	Technology implementation may be affected by delays, data migration issues, system integration challenges, user adoption, cybersecurity controls and business continuity requirements.	Technology implementation requires capital expenditure and ongoing operating costs. Successful implementation may improve operational efficiency, reporting quality, claims processing, customer service and management information over time.
Superior Customer Experience	Improve customer service across policy issuance, renewals, claims	Claims settlement turnaround time; percentage compliance with service standards; customer satisfaction	Customer experience depends on service consistency, claims responsiveness, branch	Improved customer experience may support customer retention, renewal rates and premium growth,

	settlement, communication and complaint handling.	score; complaint resolution rate; renewal rate; customer retention rate; number of digital service users; marketing and brand visibility measures.	capacity, technology performance, staff capability and complaint handling. Weak service delivery may affect retention and premium growth.	but may require investment in systems, staff training, branch service capacity, communication channels and claims process improvement.
Human Capital and Organizational Capacity	Build and retain a skilled workforce with the technical and leadership capacity required to implement the strategic plan.	Number of skills training programs by work area; induction and orientation sessions; employee turnover rate; employee satisfaction rate; employee retention rate for key personnel; timely recruitment; succession planning coverage; updated HR policies and procedures; learning and knowledge-sharing forums.	Execution depends on the availability and retention of qualified staff in underwriting, claims, finance, reinsurance, risk, audit, IT, Takaful operations and branch management. High turnover or skill gaps may slow implementation and affect service quality.	Human capital development requires recruitment, training, retention and performance management expenditure. A stable and skilled workforce supports underwriting quality, claims management, governance, operational continuity and strategic execution.
Productivity and Process Quality	Improve institutional efficiency, streamline processes, reduce errors and strengthen internal coordination across business functions.	Policy issuance turnaround time; claims processing turnaround time; number of updated manuals and procedures; process automation rate; internal approval turnaround time; error rate; audit findings resolved; percentage of core processes documented; staff productivity measures.	Process improvement depends on updated procedures, delegation of authority, technology adoption, staff discipline, internal controls and management follow-up. Delays or weak process controls may increase operating costs and affect customer service.	Process improvement may require investment in systems, manuals, training, internal controls and change management. Over time, improved productivity may support cost control, faster service delivery, better risk management and improved profitability.

2.2.5 Recent/Major Developments

2.2.5.1. IT System Implementation

Global Insurance has initiated the partial implementation of the Amity Core insurance system. This strategic deployment represents a critical phase in the company's digital transformation roadmap. The full implementation of this integrated software solution is expected to significantly enhance operational performance through improved process automation, data management capabilities, and service delivery efficiency. The system's comprehensive functionality will support underwriting, policy administration, claims processing, and reinsurance management across all business units of Global Insurance.

2.2.5.2. Headquarters Construction

Global Insurance is nearing completion of its new corporate headquarters facility located on Bole Road. The project is a mixed-use building intended to support the Company's head office, operational, and commercial use, including leasable space. Construction has reached approximately 98% completion, and the Company is currently undertaking activities to identify and secure tenants for the leasable portions of the building.

As at 30 June 2025, the project was recorded as construction in progress with a net book value of ETB 282.234 million, representing the largest component of the Company's fixed asset base and a significant capital expenditure commitment. The project has been funded through the Company's capital expenditure program and related financing arrangements. The property is pledged as collateral/security in favor of the Commercial Bank of Ethiopia in connection with the related financing facility, with an outstanding secured loan balance of ETB 23.936 million.

The project has affected the Company's capital expenditure profile through the accumulation of construction-in-progress costs and has required liquidity allocation toward construction and related project costs. However, given the advanced stage of completion, the remaining capital expenditure requirement is expected to be limited relative to the total work completed. Once completed and operational, the building is expected to strengthen the Company's corporate presence, support operational efficiency, reduce long-term occupancy constraints, and generate additional rental income from leased commercial space.

This purpose-built structure represents a substantial investment in the company's long-term operational infrastructure and corporate identity. The modern facility is designed to accommodate the evolving workspace requirements of Global Insurance, providing consolidated operational spaces that support collaboration and operational efficiency. The headquarters project underscores the company's commitment to establishing a permanent, prominent presence that reflects its market position and supports future expansion initiatives.

The Company's history is marked by several defining milestones that illustrate its strategic evolution:

Table 18: Major Events and Milestones

Year	Milestone
2025	Total assets exceed ETB 1 billion; branch network reaches 27; core system deployment reaches final stage; claims ratio stabilized below 45%; second mixed-use B2+G+9 building at Bole nears completion.
2024	Core insurance system implementation initiated; paid-up capital exceeds ETB 240 million; Takaful premiums grow by approximately 50%.
2023	Total assets surpass ETB 800 million; solvency margin reaches 130%; branch network grows to 20.
2021	Launch of Takaful (Sharia-compliant) general insurance – the first of its kind in Ethiopia.
2012	Re-registration under the updated Commercial Code; branch network expands to 10 locations.
2005	Construction of the first G+8 head office building at Somale Tera, Addis Ababa.
1997	Incorporation with ETB 3.75 million paid-up capital and commencement of general insurance operations.

2.2.6 Future Opportunities & Prospects

Global Insurance is positioned to pursue several growth opportunities over the medium term, supported by its existing branch network, Conventional and Takaful insurance operations, investment in technology, and planned product expansion.

2.2.6.1. Opportunities

- **Diversification into New Insurance Products:** Having established its Takaful business, the Company intends to broaden its product offering by developing additional insurance products, including crop insurance and horticulture insurance. These products may enable the Company to access underserved customer segments, particularly in Ethiopia's agricultural sector, and reduce reliance on existing product lines over time.
- **Expansion of Physical Footprint:** The Company currently operates 27 branches and intends to expand its branch network to 40 branches under its strategic plan. This expansion is expected to improve market access, increase customer reach, and support premium growth, particularly in regional markets where insurance penetration remains low.
- **Operational Modernization:** The Company is implementing the Amity Core insurance system as part of its digital transformation program. Full deployment of the system is expected to improve underwriting, policy administration, claims processing, reinsurance management, data quality, and management reporting.
- **Strategic Marketing Review:** The Company intends to review its promotional activities and marketing strategy to improve customer acquisition, strengthen brand visibility, and enhance the effectiveness of marketing expenditure across both Conventional and Takaful business lines.

2.2.6.2. Challenges

Global Insurance operates in a competitive and evolving insurance market and faces challenges that may directly affect its growth, profitability, operational efficiency and strategic execution:

- **Intense Market Competition:** The Company operates in a market where insurers compete actively on pricing, service quality, distribution reach and customer relationships. This is particularly relevant to Global Insurance because Motor insurance remains its largest product line. Competitive pricing pressure in Motor and other general insurance lines may limit premium rate increases, reduce underwriting margins and affect customer retention.
- **Macroeconomic Volatility:** Inflation, foreign exchange volatility and liquidity constraints directly affect the Company's operations. Inflation may increase motor repair costs, spare parts prices, construction materials, medical costs and other claims settlement expenses. Foreign exchange shortages and currency volatility may also affect the cost of imported replacement parts, machinery, equipment and reinsurance arrangements, which may increase claims costs and pressure underwriting profitability
- **Technology implementation and infrastructure:** The Company's ability to achieve operational efficiency depends partly on the successful implementation of its core insurance system. Delays, integration issues, data migration challenges or system limitations may affect underwriting, claims processing, policy administration, reinsurance management, reporting and customer service.
- **Talent management and employee retention:** The Company depends on experienced staff in underwriting, claims, finance, reinsurance, risk management, audit, IT and branch operations. High employee turnover or difficulty retaining skilled personnel may weaken institutional knowledge, increase recruitment and training costs, slow strategic execution and affect service quality.
- **Socio-political environment:** The Company's operations are concentrated in Ethiopia and may be affected by political instability, regional disruptions, civil unrest or changes in government policy. Such developments may affect branch operations, customer demand, claims frequency, asset values, distribution activities and the Company's ability to expand into certain markets.
- **Internal process efficiency:** The Company's competitiveness depends on timely policy issuance, claims settlement, customer service and internal approvals. Delays or inefficiencies in claims handling, underwriting, documentation, branch operations or internal decision-making may affect customer satisfaction, renewal rates, operating costs and market positioning.

2.3. Operations and Principal Activities

Global Insurance operates primarily in the insurance sector, providing a wide range of services for both individual and corporate clients. Its core business consists of General Insurance, offered under both Conventional and Takaful models, designed to protect against non-life risks over short-term periods, typically one year.

The company's products are grouped into key insurance categories, each serving specific customer needs:

2.3.1. Overview of Operational Activities

2.3.1.1. Motor Insurance

Motor insurance remains the largest contributor to Global Insurance's premium base. It protects vehicles against loss or damage caused by accidents, theft, or fire. In 2025, Conventional motor Insurance premiums revenue reached Birr 204.9 million, up from Birr 172.1 million in 2024, a growth of 19%. Takaful motor Insurance premiums revenue increased from Birr 49.0 million to Birr 54.4 million, reflecting 11% growth. This line continues to dominate the portfolio due to strong demand from both private and corporate vehicle owners.

2.3.1.2. Property and Engineering Insurance

Fire Insurance protects buildings and contents from perils such as fire, explosion, and natural disasters. Conventional insurance premiums revenue remained stable at Birr 10.8 million, while Takaful insurance premiums revenue grew from Birr 9.2 million to Birr 12.6 million, a 36.7% increase.

Engineering Insurance covers construction and industrial projects against losses during installation, construction, or operational phases. Conventional Insurance premiums revenue declined slightly from Birr 4.3 million to Birr 3.5 million, whereas Takaful insurance premiums revenue increased modestly from Birr 0.6 million to Birr 0.7 million.

2.3.1.3. Marine Insurance

Marine insurance protects goods, ships, and cargo against damage or loss during transit. Conventional premiums revenue grew dramatically from Birr 6.4 million in 2024 to Birr 12.9 million in 2025, a growth of 102.6%, while Takaful premiums revenue increased from Birr 0.2 million to Birr 0.8 million, a 254.3% rise, reflecting expansion in domestic and international logistics coverage.

2.3.1.4. Liability and Pecuniary Insurance

Liability Insurance protects against legal claims arising from injuries or damages to third parties. Conventional premiums revenue declined from Birr 8.3 million to Birr 4.4 million, while Takaful premiums revenue increased slightly from Birr 2.3 million to Birr 2.5 million.

Pecuniary Insurance provides coverage against financial losses, with Conventional premiums revenue decreasing from Birr 8.1 million to Birr 5.2 million and Takaful premiums revenue falling from Birr 3.3 million to Birr 1.4 million.

2.3.1.5. Accident and Workmen's Compensation Insurance

Accident Insurance protects individuals against personal injury. Conventional premiums revenue rose significantly from Birr 1.8 million to Birr 3.5 million, while Takaful premiums revenue decreased from Birr 0.18 million to Birr 0.09 million.

Workmen's Compensation provides coverage for employees injured in the course of work. Conventional premiums revenue increased slightly from Birr 2.4 million to Birr 2.5 million, while Takaful premiums revenue, previously negative due to adjustments, turned positive at Birr 0.3 million.

2.3.1.6. Other Insurance Products

Other insurance products, including miscellaneous coverages, recorded a strong increase in Conventional premiums revenue from Birr 19.6 million to Birr 25.9 million, while Takaful premiums revenue were smaller, declining from Birr 0.09 million to Birr 0.03 million.

Table 19: Total Premiums Revenue and Growth (ETB'000)

Segment	FY 2025	FY 2024	Growth %	FY 2024	Growth %
Conventional	273,660	233,899	17.00%	233,899	8.26%
Takaful	72,758	64,693	12.47%	64,693	50.55%

2.3.2. Business Interruptions

There have been no material interruptions in the Company's business during the twelve months preceding the date of this Prospectus that have had, or may have had, a significant effect on its operations.

The Company has continued to conduct its insurance operations, branch activities, claims handling, underwriting, customer service, investment activities and administrative functions in the ordinary course of business during the relevant period.

2.3.3. New Products/Services Introduced

During the period, the Company did not introduce any new product or service that had a material financial impact on its revenue, profitability, operations or financial position.

However, the Company has continued to invest in technology infrastructure to improve operational efficiency and support future service delivery. In this regard, the Company has engaged Amity Software Systems Ltd for the development, customization, and implementation of a new integrated core insurance management system. The system is expected to automate and improve key insurance operations, including underwriting, policy administration, claims processing, customer relationship management, reporting, and data management.

The implementation has progressed to an advanced stage, with functional acceptance testing completed. The next phase involves a three-month parallel run with the existing system to ensure operational stability, data accuracy, user readiness, and effective migration before full deployment. Subject to successful completion of the parallel run and related implementation procedures, the new core insurance system is expected to become operational in October 2026.

2.3.4. Key Dependencies

The Company's operations are primarily dependent on its insurance business license issued by the National Bank of Ethiopia, which is fundamental to the continuation of its insurance operations in accordance with applicable insurance laws, directives and regulatory requirements.

The Company also depends on certain technology systems and service arrangements that support its underwriting, policy administration, claims handling, reinsurance management, accounting, reporting and branch operations. In particular, the Company is implementing its core insurance system as part of its operational modernization program. The Company may also rely on third-party service providers for technology support, connectivity, cybersecurity, maintenance, professional services and other operational support functions.

The Company does not own or depend on any material patent, trademark, intellectual property right or proprietary technology that is fundamental to its business or profitability. The Company also does not have any material royalty payment obligations.

The Company's business is not materially dependent on any single customer or a small group of customers. For the year ended 30 June 2025, the Company generated total gross written premium of ETB 400.7 million. The top five customers contributed aggregate gross written premium of ETB 15.5 million, representing approximately 3.9% of total gross written premium. The largest single customer contributed ETB 3.7 million, representing approximately 0.9% of total gross written premium. Accordingly, the Company does not have material customer concentration risk, and the loss of any single customer or small group of customers is not expected to materially affect the Company's business, revenue or financial condition.

The Company does not consider itself materially dependent on any single supplier, distributor, agent, broker, service provider, reinsurer, contractor or business partner in a manner that would materially affect its business operations, financial condition or profitability. The Company's insurance operations are supported by a diversified customer base, branch network, intermediary relationships, reinsurance arrangements and operational service providers.

With respect to management and personnel, the Company's operations are supported by its Board of Directors, executive management and employees across underwriting, claims, finance, reinsurance, risk management, audit, compliance, information technology, Takaful operations and branch administration. While experienced personnel are important to the Company's operations, the Company does not consider itself materially dependent on any single individual employee, director or executive. The Company maintains governance structures, internal controls, delegation arrangements and operational procedures intended to support continuity of operations.

2.4. Principal Markets and Competition[1]

2.4.1. Ethiopian Insurance Sector Overview

The Ethiopian insurance sector plays an important role in supporting economic activity by providing risk coverage, mobilizing financial resources, and contributing to financial sector stability. According to the National Bank of Ethiopia, as at 30 June 2025, Ethiopia had 19 insurance companies, comprising 14 composite insurers, four general insurers, one state-owned insurer, and one locally incorporated reinsurer. The market was also supported by 3,077 insurance agents, 54 insurance brokers, 80 loss assessors and two surveyors.

The sector recorded positive growth during FY2025. Total insurance sector assets increased by 29.3%, from ETB 65.6 billion in FY2024 to ETB 84.9 billion in FY2025. Total gross written premium reached ETB 41.1 billion, representing year-on-year growth of 43.1%. General insurance remained the dominant business line, accounting for ETB 38.0 billion, or 92.5% of total sector gross written premium, while long-term insurance and Takaful insurance together accounted for the remaining 7.5%.

Despite this growth, insurance penetration in Ethiopia remained low at approximately 0.3%, compared with the global average of 6.5% and the African average of 3.6%. This indicates that the sector remains underpenetrated, with significant potential for long-term expansion, but also reflects limited insurance awareness, affordability constraints, and the need for broader distribution and product development.

The sector’s operating performance remained profitable during FY2025. Net earned premium and net claims incurred for the general insurance business reached ETB 20.5 billion and ETB 10.5 billion, respectively. The sector’s claims ratio and expense ratio stood at 51.0% and 35.4%, respectively, resulting in a combined ratio of 86.4%, which remained within the maximum standard of 105%. The sector also generated ETB 8.3 billion in net income before tax.

Motor insurance continued to be the largest class of general insurance business. According to the NBE, motor-related insurance accounted for 49.6% of the general insurance business in FY2025. However, the NBE also noted that the share of motor-related insurance declined during the year, partly due to higher premium costs and a shift by some customers toward mandatory third-party motor insurance. This trend may encourage insurers to increase focus on non-motor business lines over time.

The sector continued to face material structural and operational challenges, including credit risk, operational risk, insurance risk and concentration risk. The NBE identified low insurance penetration, shortage of insurance professionals, limited actuarial capacity, inadequate information technology infrastructure, stiff price competition, and concentration in motor insurance as key sector risks. These sector conditions provide the context for assessing Global

[1] NBE Finance Sector Stability Report

Insurance's competitive position, financial performance and risk profile against the broader Ethiopian insurance market.

2.4.2. Comparative Market Position and Performance Analysis

The following table compares selected financial and operating indicators of Global Insurance against the Ethiopian insurance sector. The comparison is intended to provide an issuer-specific assessment of the Company's relative scale, growth, capital position, investment profile, profitability and product concentration within the broader insurance market.

The sector figures are based on data published by the National Bank of Ethiopia, while Global Insurance figures are based on the Company's audited financial statements and annual report for the years ended 30 June 2025 and 2024. Where sector-level and issuer-level ratios are calculated on different bases, the comparison should be read as indicative rather than directly like-for-like.

The Ethiopian insurance sector expanded at a faster rate than Global Insurance in FY2025. Sector gross written premium increased by 43.1%, from ETB 28.7 billion to ETB 41.1 billion, while Global's gross written premium increased by 19.6%, from ETB 335.0 million to ETB 400.7 million. This indicates that Global grew in absolute terms but at a slower pace than the overall market. Based on FY2025 gross written premium, Global represented approximately 1.0% of the Ethiopian insurance sector, indicating that it remains a smaller market participant relative to the broader industry.

Global's balance sheet also expanded, although below sector growth. The sector's total assets increased by 29.3%, while Global's total assets increased by 15.5% to ETB 1.154 billion. However, Global's capital strengthening was broadly aligned with the market. Total equity increased by 29.5%, close to the sector's 30.4% growth, and paid-up capital increased by 37.3%, slightly above the sector's 35.3% growth. This shows that, although Global's operating scale remains modest, the Company continued to strengthen its capital base in line with sector-wide capital formation trends.

Global's investment base grew broadly in line with the sector. Total investment increased by 26.4%, compared with sector investment growth of 27.2%. Within the investment portfolio, Global's fixed time deposits increased by 36.0%, exceeding the sector's 32.2% growth in bank deposits. However, Global's investment in equity increased by 10.2%, below the sector's 20.8% growth, indicating a relatively more conservative or slower-growing equity investment exposure compared with the broader market.

Global's liabilities increased by only 7.0%, materially below the sector liability growth of 28.9%, while its equity and paid-up capital grew at much higher rates. This indicates that the Company's balance sheet growth in FY2025 was supported more by capital accumulation than by liability expansion. Profit before tax increased by 19.7%, broadly in line with the sector's 20.6% growth, showing that Global maintained positive earnings momentum despite growing at a slower rate than the sector in terms of premiums and assets.

The main area where Global differs materially from the sector is product concentration. Motor insurance represented 74.9% of Global's total insurance revenue in FY2025, compared with 49.6% of the sector's general insurance business. This gives Global significant exposure to the largest general insurance class in Ethiopia, but it also means the Company is more sensitive than the sector average to motor claims frequency, vehicle repair costs, spare parts inflation, motor tariff regulation and competitive pressure in Motor insurance.

Table 20: Global Insurance vs Ethiopian Insurance Sector – Key Comparative Indicators

	Ethiopian Insurance Sector			Global		
Variable	FY2025	FY2024	YoY / Change	FY2025	FY2024	YoY / Change
Gross Written Premium	ETB 41.1bn	ETB 28.7bn	43.1%	ETB 400.7m	ETB 335.0m	19.6%
Total Assets	ETB 84.9bn	ETB 65.6bn	29.3%	ETB 1.154bn	ETB 999.2m	15.5%
Total Investment	ETB 46.3bn	ETB 36.4bn	27.2%	ETB 304.4m	ETB 240.8m	26.4%
Investment in Equity	ETB 8.8bn	ETB 7.3bn	20.8%	ETB 128.9m	ETB 116.9m	10.2%
Bank Deposits / Fixed Time Deposits	ETB 32.4bn	ETB 24.5bn	32.2%	ETB 94.6m	ETB 69.5m	36.0%
Total Liabilities	ETB 56.7bn	ETB 44.0bn	28.9%	ETB 664.9m	ETB 621.3m	7.0%
Total Equity	ETB 28.3bn	ETB 21.7bn	30.4%	ETB 489.5m	ETB 377.9m	29.5%
Paid-up Capital	ETB 15.9bn	ETB 11.7bn	35.3%	ETB 332.6m	ETB 242.2m	37.3%
Profit Before Tax	ETB 8.3bn	ETB 6.9bn	20.6%	ETB 121.3m	ETB 101.4m	19.7%
Motor Share	49.6% of sector general insurance business	n.a.	n.a.	74.9% of total insurance revenue	74.1%	0.8 pp

2.5. Regulatory Environment

2.5.1. Principal Sector Regulator and Supervisory Framework

The National Bank of Ethiopia is the principal regulatory and supervisory authority for Ethiopia's financial sector, including insurance companies, reinsurers and Takaful operators. The NBE licenses and supervises insurance companies, issues binding directives, conducts on-site and off-site supervision, sets prudential and governance requirements, and may take corrective or enforcement measures where regulated entities fail to comply with applicable laws and directives.

Global Insurance operates under this regulatory framework and is subject to continuing NBE oversight in relation to licensing, capital, solvency, governance, reporting, investment, reinsurance, product operations, premium regulation and fit-and-proper requirements. The NBE's supervisory framework increases compliance obligations for the Company, but also supports policyholder protection, market discipline and the stability of the insurance sector.

2.5.2. Insurance Business Licensing and Operating Framework

The Insurance Business Proclamation No. 746/2012, as amended by Proclamation No. 1163/2019, provides the core legal framework for licensing, operation and supervision of insurance business in Ethiopia. It regulates the conduct of insurance companies, insurance intermediaries and reinsurance arrangements, and empowers the NBE to issue directives on prudential, operational, governance and market conduct matters.

The Requirements for Licensing and Licence Renewal of Insurance Business Directive No. SIB/33/2013 further sets the requirements for obtaining and renewing an insurance business licence. A licensed insurer must renew its business licence every year and submit the required renewal application, original business licence, evidence of payment of any additional statutory deposit where applicable, and evidence of payment of renewal fees.

The Directive also requires licensed insurers to maintain appropriate policies and procedures covering human resource management, investment, liquidity management, internal audit and control, management information systems, planning and budgeting, finance, risk management, corporate governance, underwriting, claims, reinsurance and procurement.

For Global Insurance, this framework establishes the legal basis for its insurance operations and makes licensing compliance a continuing operational requirement. The Company must maintain its NBE licence, renew it annually, comply with the conditions of operation, and carry out its insurance activities within the scope of its licensed business.

2.5.3. Prudential Capital, Statutory Deposit and Investment Requirements

The insurance regulatory framework imposes capital, statutory deposit and investment-related requirements designed to support financial soundness, policyholder protection and sector stability. The Statutory Deposit Directive No. SIB/50/2020 requires insurance and reinsurance companies, in respect of each main class of insurance business carried on, to maintain with the NBE a statutory deposit equal to 15% of paid-up capital, either in cash or government securities.

For Global Insurance, this requirement results in part of its capital being maintained as a statutory deposit with the NBE. As at 30 June 2025, the Company's paid-up capital was ETB 332.6 million and its statutory deposit balance was ETB 49.5 million. The requirement supports regulatory compliance and policyholder protection, but restricts the Company's ability to deploy that portion of capital for ordinary business, investment, expansion or operational purposes.

The Company is also affected by the regulatory treatment of Development Bank of Ethiopia bond investments. The NBE issued Directive No. SIB/61/2025 to repeal the Investing in Development Bank Bond Directive No. SIB/54/2021, with effect from 31 December 2025. The repeal is subject to transitional provisions requiring insurance companies and Ethiopian Reinsurance S.C. that have not invested an amount equivalent to at least 15% of net income in Development Bank Bonds based on their 30 June 2025 financial position, or that failed to invest in Development Bank Bonds in prior years, to settle outstanding investment amounts by 31 January 2026.

Investments made before the effective date of the repealing Directive, and investments made under the transitional provisions, will have a maturity period of three years from the issue date, carry a bond rate at least two percentage points higher than the minimum savings deposit rate at the time of issuance, and pay interest annually. For Global Insurance, the repeal removes the continuing DBE bond investment requirement going forward, subject to compliance with any outstanding transitional obligation. As at 30 June 2025, the Company held ETB 30.9 million in bonds. Existing DBE bond holdings and any transitional investment requirement will continue to affect the Company’s investment portfolio, liquidity profile and asset allocation until maturity.

2.5.4. Governance, Fit-and-Proper and Management Requirements

The regulatory framework imposes governance and fit-and-proper requirements on persons who own, direct or manage insurance companies. Directive No. SIB/63/2026 on Requirements for Persons with Significant Influence in an Insurance Company applies to influential shareholders, directors, chief executive officers and senior executive officers. It requires NBE approval for the appointment of directors, chief executive officers and senior executive officers, and NBE approval for shareholding that makes a person an influential shareholder.

The Directive sets criteria relating to knowledge, experience, age, integrity, financial soundness, competence and capacity. It also requires insurance company boards to have an appropriate mix of competencies, prohibits single-gender boards, requires at least two female directors, and requires insurance companies to have three independent directors.

For Global Insurance, these requirements affect board composition, senior management appointments, influential shareholder approvals and governance planning. The Company must ensure that directors, senior executives and influential shareholders continue to satisfy applicable NBE fit-and-proper requirements and that future appointments or ownership changes receive required regulatory approvals.

2.5.5. Product, Pricing and Market Conduct Regulation

The NBE regulates certain aspects of insurance product conduct and pricing, particularly where market practices may affect policyholder protection or sector stability. The Motor Insurance Minimum Premium Rate Directive No. SIB/60/2023 applies to all insurance companies and was issued to ensure that motor insurance premiums are adequate, fair and commensurate with the risks insured. The Directive sets minimum premium rates for own-damage motor insurance across different categories of motor vehicles and prohibits insurance companies from charging premiums below the prescribed minimum rates.

This Directive is particularly relevant to Global Insurance because Motor insurance is the Company's largest product line. The minimum premium framework may reduce destructive price competition and support underwriting discipline in the Motor portfolio. However, it also limits pricing flexibility and may require the Company to compete more through underwriting quality, claims service, customer relationships, branch accessibility, product design and operational efficiency.

2.5.6. Takaful Regulatory Framework

The Takaful Directive No. STB/1/2020 establishes the regulatory framework for Shariah-compliant insurance operations in Ethiopia. It allows conventional insurers to operate Takaful business through approved window structures, subject to governance, Shariah compliance, fund segregation, accounting and reporting requirements.

Global Insurance operates both Conventional and Takaful business lines. The Takaful framework therefore requires the Company to maintain appropriate governance, operational and accounting arrangements for its Takaful operations, including separation from Conventional business where required. This increases operational complexity and compliance requirements, but also allows the Company to serve customers seeking Shariah-compliant insurance products.

2.5.7. Financial Reporting, Audit and Prudential Reporting Requirements

The Company's financial reporting is governed by International Financial Reporting Standards, applicable Ethiopian financial reporting requirements, the Accounting and Auditing Board of Ethiopia framework, the Insurance Business Proclamation and NBE directives.

These requirements affect the Company's recognition and measurement of insurance contract liabilities, reinsurance assets and liabilities, investment assets, impairment, discount rates, risk adjustments and financial disclosures. For Global Insurance, this increases the need for actuarial input, reliable data, internal controls, systems capacity and technical financial reporting capability, while improving transparency and comparability for investors and policyholders.

2.5.8. Insurance Intermediaries and Auxiliary Market Infrastructure

Insurance brokers, agents, loss assessors and surveyors form part of the insurance distribution and claims infrastructure in Ethiopia. The NBE regulates insurance brokers under the Licensing of Insurance Broker Directive No. SIB/62/2026 and regulates fees applicable to insurance auxiliaries under Directive No. SIB/59/2022.

These directives do not regulate Global Insurance in the same direct manner as licensing, capital, statutory deposit, governance or motor premium directives. However, they are relevant to the wider market infrastructure through which insurers distribute products, interact with intermediaries and process claims. Changes in broker, agent or auxiliary regulation may affect intermediary conduct, market discipline, customer acquisition, claims administration and distribution practices within the insurance sector.

2.5.9. Proposed Insurance Sector Reform and Draft Insurance Proclamation

The insurance sector regulatory framework is expected to undergo further reform through the draft Insurance Proclamation currently under consultation. The draft Proclamation contemplates significant changes to the structure and supervision of the insurance industry, including the establishment of an independent Insurance Regulatory Authority, gradual opening of the insurance sector to foreign competition, enhanced market conduct supervision, stronger complaint handling and dispute resolution mechanisms, and the creation of a policyholder protection fund.

The proposed Insurance Regulatory Authority is expected to focus on policyholder protection, development of a fair, safe, efficient and stable insurance market, and support for the overall stability of the financial sector. The proposed funding model for the Authority is industry-based and may include annual levies on insurers based on gross premiums, annual license fees, service charges payable by licensees, and other permitted funding sources.

The draft Proclamation also seeks to align the Ethiopian insurance regulatory framework more closely with international Insurance Core Principles, including stronger supervision, improved policyholder protection, promotion of long-term insurance business, greater sector competitiveness and increased engagement with regional and international partners.

For Global Insurance, the proposed reforms may result in a more developed and competitive insurance market over time. The establishment of an independent insurance regulator may increase supervisory specialization, regulatory expectations, reporting requirements, market conduct obligations and compliance costs. The gradual opening of the sector to foreign competition may also increase competitive pressure, particularly from insurers with greater capital, technical capacity, digital capability and product development experience. At the same time, the reforms may support sector development, increase insurance awareness, strengthen policyholder confidence and expand long-term growth opportunities for domestic insurers.

As at the date of this Prospectus, the draft Insurance Proclamation remains under consultation and has not yet been enacted. Accordingly, its final content, implementation timetable and specific impact on the Company remain uncertain.

2.5.10. Capital Market Laws

The Company is subject to the capital market regulatory framework established under the Capital Market Proclamation No. 1248/2021 and the directives issued by the Ethiopian Capital Market Authority.

The Capital Market Proclamation establishes the Ethiopian Capital Market Authority as the principal regulatory authority responsible for regulating securities markets, licensing market participants, supervising market conduct, approving public offering documents, and promoting investor protection. The Proclamation provides the legal basis for securities issuance, disclosure, trading, market supervision and enforcement.

The Public Offering and Trading of Securities Directive No. 1030/2024 sets out detailed requirements applicable to public offerings of securities, including prospectus preparation, disclosure of material information, offer procedures, investor communication, risk factor presentation, pricing disclosure, use of proceeds disclosure, financial information and continuing obligations. Accordingly, the Company is required to provide accurate, complete, balanced and timely information to enable investors to make informed investment decisions.

The Directive on Dematerialization of Publicly Offered Securities, Directive No. 1047/2025, establishes the framework for converting securities offered to the public from physical certificate form into electronic book-entry form. The dematerialization process is relevant to the Company because the Ordinary Shares offered under this Prospectus, and shares currently held by existing shareholders where applicable, may need to be converted into electronic records to facilitate securities registration, transfer, settlement and future trading through the applicable market infrastructure. The Company will therefore be required to coordinate shareholder communication, account-opening procedures, share register reconciliation, dematerialization and related operational steps in accordance with applicable ECMA, ESX and securities depository requirements.

The capital market framework also includes the Ethiopian Securities Exchange and its applicable rules. The ESX provides an organized platform for the admission, listing and trading of securities. The Company is not currently listed on the ESX. However, if the Company seeks admission to trading or listing in the future, it may become subject to ESX eligibility requirements, corporate governance standards, market disclosure obligations, trading procedures and continuing listing obligations.

Compliance with capital market laws requires the Company to maintain appropriate governance, disclosure, financial reporting, shareholder communication and securities administration arrangements. The framework may improve access to capital and broaden the Company’s investor base, but it also increases regulatory oversight, documentation requirements, disclosure obligations, operational coordination requirements and potential enforcement exposure in connection with the Offer and any future trading or listing of the Company’s securities.

The development of the capital market and the ESX may also broaden the range of investment instruments available to institutional investors, including insurance companies. Over time, this may provide insurers with additional opportunities to invest in listed equities, debt securities, collective investment products and other capital market instruments, subject to applicable NBE investment rules, internal investment policies, liquidity requirements and risk management considerations. For Global Insurance, a deeper capital market may support portfolio diversification beyond traditional bank deposits, statutory deposits and government or development bonds. However, any such investment activity would remain subject to market depth, liquidity, credit quality, price volatility, regulatory eligibility and the Company's own investment governance framework.

2.5.11. Other Applicable Laws

2.5.11.1. Taxation Laws

The taxation of the Company and its shareholders is governed by a comprehensive framework of Ethiopian tax legislation, primarily including the Income Tax Proclamation No. 979/2016 (as amended), the Value Added Tax (VAT) Proclamation No. 285/2002 (as amended), and subsequent amendments and regulations.

The Income Tax Proclamation governs the taxation of corporate profits, dividend distributions, and capital gains. Under this framework, the Company is subject to corporate income tax on its taxable profits, calculated after allowable deductions and adjustments in accordance with tax rules. Dividends distributed to shareholders are subject to withholding tax at the applicable statutory rate, which directly affects investor returns. In addition, gains arising from the disposal of shares may be subject to capital gains tax, depending on the nature of the transaction and applicable provisions of law.

The VAT Proclamation regulates indirect taxation on the supply of goods and services. While financial and insurance services may be exempt from VAT under certain provisions, the scope and interpretation of these exemptions may evolve through regulatory guidance and administrative practice. To the extent that certain services or inputs fall outside exemption categories, VAT may apply, thereby affecting cost structures and pricing.

Further tax regulations and amendments, including more recent proclamations such as Proclamation No. 1395/2025, provide additional clarity on withholding obligations, capital gains taxation, and transaction-based taxes. These regulations also define compliance requirements relating to tax filings, documentation, and reporting.

The Company is required to comply with ongoing tax obligations, including periodic filings, withholding and remittance of taxes, and cooperation with tax audits and assessments. Changes in tax legislation, enforcement practices, or administrative interpretations may impact the Company's effective tax rate, cash flows, and profitability.

The tax framework directly influences the Company's earnings, dividend distribution capacity, and overall investor returns. At the same time, it imposes ongoing compliance and administrative obligations, and any changes in tax policy or enforcement may have a material impact on financial performance.

2.5.11.2. Labor and Employment Laws

Employment relationships and workforce obligations of the Company are governed primarily by the Labor Proclamation No. 1156/2019 and the Private Organizations Employees' Pension Proclamation No. 1268/2021, together with related regulations and directives.

The Labor Proclamation establishes a comprehensive legal framework governing employment contracts, working conditions, employee rights, occupational health and safety, termination procedures, and dispute resolution mechanisms. It defines the rights and obligations of both employers and employees, including provisions relating to wages, working hours, leave entitlements, and severance payments. The proclamation also provides for the resolution of employment disputes through labor courts and administrative processes.

The Private Organizations Employees' Pension Proclamation introduces a mandatory pension scheme requiring contributions from both employers and employees. These contributions create ongoing financial obligations for the Company and form part of the overall employee compensation structure. The pension framework is intended to provide long-term social security benefits to employees while ensuring compliance with national social protection policies.

These laws collectively shape the Company's human resource management practices, including recruitment, retention, compensation, and termination. They also impose compliance obligations related to record-keeping, reporting, and adherence to statutory employment standards.

Labour and employment laws directly affect the Company's operating cost structure, particularly through wages, benefits, and pension contributions. They also influence workforce flexibility and may increase costs associated with termination or restructuring. Non-compliance may result in legal disputes, financial penalties, or reputational impact.

2.5.11.3. Corporate and Commercial Laws

The Company operates within Ethiopia's general corporate legal framework, primarily governed by the Commercial Code of Ethiopia Proclamation No. 1243/2021, together with related laws on business registration and licensing.

The Commercial Code provides the foundational legal structure for companies, including provisions relating to incorporation, capital structure, shareholder rights, governance arrangements, and fiduciary duties of directors and management. It defines the roles and responsibilities of corporate organs, including the general assembly and the board of directors, and establishes rules for dividend distribution, capital increases, mergers, and other corporate actions.

The Commercial Registration and Business Licensing Proclamation No. 980/2016 (as amended by Proclamation No. 1150/2019) requires all businesses to maintain valid registration and licensing as a condition for lawful operation. This includes periodic renewal of licenses and compliance with sector-specific requirements.

The Commercial Registration, Licensing and Post-Licensing Inspection Directive No. 935/2022 further operationalizes this framework by setting out procedures for registration, licensing, and compliance monitoring, including post-licensing inspections and enforcement measures.

These laws collectively ensure that the Company operates within a legally recognized and regulated corporate framework, while imposing ongoing obligations related to governance, reporting, and compliance.

Corporate and commercial laws establish the legal basis for the Company's existence and governance, ensuring clarity in shareholder rights and management responsibilities. At the same time, they impose ongoing compliance obligations, and failure to adhere to these requirements may result in penalties, operational restrictions, or reputational consequences.

2.6. Employees

2.6.1. Information on Employees

The Company's workforce remained broadly stable over the period under review, with total employee headcount standing at 196 employees in FY2023, 192 employees in FY2024 and 195 employees in FY2025. The workforce continued to be predominantly composed of professional staff, who accounted for 45.6% of total employees in FY2025. While the number of professional employees declined from 102 in FY2024 to 89 in FY2025, the overall employee base remained relatively consistent, reflecting the Company's stable operational requirements.

The Company's workforce also exhibited improving gender diversity during the period. Female employee representation increased from 51.5% of total employees in FY2023 to 59.5% in FY2025, with the number of female employees increasing from 101 to 116 over the same period. Senior management composition remained relatively stable, with female representation maintained at two positions throughout the period, while executive management remained exclusively male. Overall, the Company's employee profile reflects a stable workforce and increased female participation across its operations.

Table 21: Employee Composition by Staff Category and Gender (FY2023–FY2025)

Category	FY2025			FY2024			FY2023		
	Total No. of Employees	Gender		Total No. of Employees	Gender		Total No. of Employees	Gender	
		Male	Female		Male	Female		Male	Female
Executive Management	3	3	-	2	2	0	2	2	0
Senior Management	9	7	2	10	8	2	10	8	2
Professional	89	43	46	102	46	56	91	58	33
Clerical	43	10	33	51	17	34	49	17	32

Category	FY2025			FY2024			FY2023		
	Total No. of Employees	Gender		Total No. of Employees	Gender		Total No. of Employees	Gender	
		Male	Female		Male	Female		Male	Female
Other*	51	16	35	27	7	20	44	10	34
TOTAL	**195**	**79**	**116**	**192**	**80**	**112**	**196**	**76**	**101**

Table 22: Employee Composition by Employment Type and Category (FY2023–FY2025)

Category	FY2025			FY2024			FY2023		
	Total	Part time	Full time	Total	Part time	Full time	Total	Part time	Full time
Executive Management	3		3	2		2	2	0	2
Senior Management	9	1	8	10	1	9	10	1	9
Professional	89	8	81	78	7	71	97	12	85
Clerical	43	14	29	37	13	24	48	20	28
Other	51	22	29	26	12	14	39	16	23
TOTAL	**195**	**18**	**177**	**192**	**23**	**169**	**196**	**49**	**147**

The Company's workforce remained predominantly composed of full-time employees throughout the period under review. Total full-time employee headcount increased from 147 employees in FY2023 to 177 employees in FY2025, representing a CAGR of 9.7%, while part-time employee headcount declined from 49 employees to 18 employees over the same period, representing a CAGR of (39.4)%. Consequently, the proportion of full-time employees increased from 75.0% of the workforce in FY2023 to 90.8% in FY2025.

Following an increase in full-time employees from 147 in FY2023 to 169 in FY2024, the number further increased to 177 in FY2025, reflecting year-on-year growth of 15.0% and 4.7%, respectively. Conversely, part-time employee headcount declined from 49 employees in FY2023 to 23 employees in FY2024 and further to 18 employees in FY2025. Executive Management was composed entirely of full-time employees throughout the period, while Senior Management was also predominantly full-time, with only one part-time employee in each year. Professional staff were overwhelmingly employed on a full-time basis, with more than 89% of employees in this category serving full-time in FY2025. In contrast, clerical and other support roles exhibited a higher proportion of part-time employment, although full-time employees remained the majority within each category. Overall, the trend indicates a continued shift toward a predominantly full-time workforce, supporting greater operational continuity and workforce stability.

2.6.2. Description of Compensation and Benefit Plans

To attract and retain talent, the Company implements various reward and incentive programs. The Company's compensation structure is composed of direct monetary payments, reimbursements, in-kind benefits, and statutory entitlements, governed by specific internal directives and external legal frameworks. Key components include:

2.6.2.1. Cash Allowances

Monthly allowances such as Representation Allowance 10% of the base salary of Managerial positions (ranging from ETB 1,721 to 13,794 based on position), Housing Allowance (ETB 1000), Transportation Fuel Allowance (paid in liter equivalents from 110 liter-300 liter), Mobile Telephone Allowance (from 100 up to unlimited packages for senior staff), Hardship Allowance (15%) of basic salary based on branch location), and a wide array of specific role-based allowances for Contact Center staff, drivers, security guards, IT staff, and cash handlers.

2.6.2.2. Reimbursements & In-Kind Benefits

Full domestic medical coverage with grade-based hospital bed entitlements and specific limits, overseas medical treatment, per-diem for local and international travel with detailed daily rates and country categories, and provision of company vehicles and subscribed phone lines.

2.6.2.3. Statutory & Leave Entitlements

Adherence to Labor Proclamation No. 1156/2019 for leaves (annual, sick, maternity, paternity, mourning) and severance pay. Mandatory enrolment in the Private Organization Employees' Social Security Agency (POESSA) pension scheme, with the Insurance contributing 11% of gross salary (11% to POESSA).

2.6.2.4. Other Financial Benefits

The Company provides additional employee financial protection and welfare benefits, including Life Insurance coverage for all permanent employees, with compensation payable up to five years of the employee's current salary in the event of natural death. Employees are also covered under a 24-hour Accident Insurance Scheme, providing compensation of up to five years' salary in the event of accidental injury or death. Furthermore, Wellness and Fitness Benefits are provided for Directors and equivalent senior management positions, with eligible expenses covered in accordance with the Company's approved entitlement framework.

All processes for claiming these benefits, from medical reimbursements to loan approvals and separation clearances, are governed by strict internal directives requiring approvals from specified authorities like CEO, DCEO or relevant directors.

The Issuer does not maintain any form of share-based payment schemes, employee share ownership or other capital participation arrangements.

The table below shows the cost incurred by the Issuer on some of the employee benefits in the last three financial years.

Table 23: Employee Benefits in ETB' 000

	FY 2025	FY 2024	FY 2023
Salaries and wages	15,972	11,319	11,340
Other staff expenses*	5,751	2,434	951
Pension costs – Defined contribution plan	1,718	1,714	1,050
Staff allowances	4,541	3.043	1,938
Total	**27,981**	**17,970**	**15,279**

*Other employee-related expenses include annual leave provisions, uniform costs, medical benefits, severance payments, bonuses and other staff-related benefits provided in accordance with the Company's human resource policies, employment contracts and applicable labour laws.

Employee benefit expenses increased significantly between FY2023 and FY2025, rising from ETB 15.3 million in FY2023 to ETB 28.0 million in FY2025, representing a CAGR of 35.3%. Total employee benefit expenses increased by 17.6% in FY2024 and by a further 55.7% in FY2025, reflecting higher personnel-related costs and enhanced employee compensation and benefits.

Salaries and wages remained the largest component of employee benefit expenses, accounting for 57.1% of total employee benefit costs in FY2025. Salary and wage expenses increased from ETB 11.3 million in FY2023 to ETB 16.0 million in FY2025, representing a CAGR of 18.7%. Other staff expenses recorded the fastest growth, increasing from ETB 0.95 million in FY2023 to ETB 5.8 million in FY2025, while staff allowances increased from ETB 1.9 million to ETB 4.5 million over the same period. Pension costs under the defined contribution plan rose from ETB 1.1 million in FY2023 to ETB 1.7 million in FY2025, broadly in line with the growth in employee compensation. Overall, the increase in employee benefit expenses reflects the Company's continued investment in its workforce through higher compensation, expanded employee benefits, training and development initiatives, and other employee support programs.

2.7. Issuer's Debt Position

The Company's liabilities comprise both underwriting-related liabilities and financial indebtedness. Insurance contract liabilities and reinsurance contract liabilities arise from the Company's ordinary insurance and reinsurance operations and do not constitute interest-bearing financial debt. Interest-bearing financial indebtedness relates to borrowings obtained from financial institutions.

As at 30 June 2025, the Company had total liabilities of ETB 664.9 million. Of this amount, insurance contract liabilities amounted to ETB 336.6 million, reinsurance contract liabilities amounted to ETB 193.9 million, other payables amounted to ETB 67.9 million, and bank loan amounted to ETB 23.9 million. Insurance contract liabilities represented obligations arising from insurance contracts issued by the Company, including liabilities for incurred claims and remaining coverage. These liabilities are part of the Company's ordinary underwriting activities and are settled in the normal course of business through claims handling and policy administration.

The Company's interest-bearing financial indebtedness as at 30 June 2025 consisted of a bank loan obtained from the Commercial Bank of Ethiopia to finance the construction of the Company's new head office building. The amount utilized as at 30 June 2025 was ETB 23.9 million, and the loan bears interest at 16.5% per annum. The loan is separate from the Company's insurance contract liabilities and represents the Company's only interest-bearing borrowing as at 30 June 2025.

The Company has not guaranteed any significant debt of any third party as at the date of this Prospectus.

The Company expects to finance its business plans and activities through a combination of internally generated funds, underwriting cash flows, investment income, capital raised from shareholders, and, where required, borrowings from financial institutions. The Company's principal financing requirements include strengthening its regulatory capital position, supporting underwriting capacity, completing the ongoing core insurance system implementation, funding branch and operational expansion, and completing the Bole head office and mixed-use building project.

The following table summarizes the Company's principal liabilities and indebtedness as at 30 June 2025.

Table 24: Issuer's Debt Position

Liability / Debt Category	Amount as at 30 June 2025	Nature of Obligation	Interest-Bearing	Maturity Profile
Insurance contract liabilities	ETB 336.6 million	Underwriting-related liabilities arising from insurance contracts, including liabilities for claims and remaining coverage	No	Settled in the ordinary course of claims and policy administration
Reinsurance contract liabilities	ETB 193.9 million	Liabilities arising from reinsurance arrangements	No	Settled in accordance with applicable reinsurance arrangements
Other payables	ETB 67.9 million	Trade, tax, dividend, accrual and other operating payables	No, except where contractually applicable	Current and non-current portions as applicable
Bank loan – Commercial Bank of Ethiopia	ETB 23.9 million	Loan obtained to finance construction of the new head office building	Yes; 16.5% per annum	Settled within 6 years period as per loan agreement
Significant third-party debt guarantees	Nil	The Company has not guaranteed any significant third-party debt	Not applicable	No

The Company confirms that, as at 30 June 2026, it had no material contingent liabilities, commitments, guarantees, letters of credit, or off-balance-sheet obligations, except as disclosed in this Prospectus and in the audited financial statements for the financial year ended 30 June 2025.

The Company also confirms that there have been no material changes in its borrowing and funding structure since 30 June 2025, including any material new borrowings, repayment obligations, guarantees, security arrangements, or other financing commitments, other than those disclosed in this Prospectus.

2.8. Issuer's Investment Activity

The Company's investment portfolio comprises equity investments, fixed time deposits, bond investments, statutory deposits, and cash and bank balances. These investments are held for liquidity management, income generation, capital preservation, regulatory compliance, and strategic participation in selected domestic financial and business institutions.

As at 30 June 2025, the Company's investment-related assets included equity investments of ETB 129.5 million, DBE bond investments of ETB 30.9 million, fixed time deposits of ETB 94.6 million, statutory deposits of ETB 49.5 million, and cash and cash equivalents of ETB 218.6 million. The Company's equity investments are measured at fair value through other comprehensive income, while its fixed time deposits and DBE bond investments are measured at amortized cost. The Company did not hold treasury bills as at 30 June 2025.

The Company's equity investments are held in Ethiopian Reinsurance S.C., Zamzam Bank, Nur Selam College and Sky Bus Transport. All of these investments are located in Ethiopia. The investments are held as strategic financial investments and are not held for short-term trading purposes. The Company did not commission a separate independent valuation of its equity investments. The disclosed values are based on the amounts recognized in the Company's financial statements. In determining fair value, where applicable, the Company applied a market-based approach using available market information, observable transaction data, investee financial information and other relevant valuation indicators.

Table 25: Investment Portfolio (ETB '000s)

Entities	%of Ownership	FY 2024	Fair Value Adjustment	Additional investment/ (impairment)	FY 2025
Ethiopian Reinsurance S.C.	3.1%	98,445	0	11,472	109,917
Zamzam Bank	1.0%	14,732	650	0	15,382
Nur Selam College	24.4%	3,717	0	478	4,193
Sky Bus Transport	0.001%	10	0	0	10
Total		**116,904**	**650**	**11,948**	**129,502**

The Company's largest equity investment is its 3.1% shareholding in Ethiopian Reinsurance S.C., with a carrying value of ETB 109.9 million as at 30 June 2025. The Company also holds a 1.0% ownership interest in Zamzam Bank, a 24.4% ownership interest in Nur Selam College, and a 0.001% ownership interest in Sky Bus Transport. The increase in the equity investment portfolio during FY2025 was mainly attributable to additional investment in Ethiopian Reinsurance S.C. and Nur Selam College, together with a fair value adjustment in Zamzam Bank.

In addition to its equity portfolio, the Company maintains fixed time deposits with Ethiopian financial institutions, including Addis Bank, Global Bank Ethiopia, Oromia Bank, Berhan Bank, Grand Microfinance Institution, Vision Fund Microfinance, and Nisir Microfinance. These deposits are recognized as financial assets at amortized cost and carry effective interest rates ranging from 15% to 20% per annum, with six-month maturities from the relevant investment date.

Table 26: Fixed Time Deposits (ETB ’000)

Description	FY2025	FY2024
Gross fixed time deposits	94,589	69,530
Less: impairment allowance	(16)	(12)
Net fixed time deposits	**94,573**	**69,518**

The Company also holds Development Bank of Ethiopia bonds, recognized as financial assets at amortized cost. As at 30 June 2025, the Company’s DBE bond investment amounted to ETB 30.9 million, comprising principal of ETB 29.0 million, interest receivable of ETB 2.0 million, and expected credit loss allowance of ETB 0.07 million.

Table 27: Investments in DBE Bond (ETB ‘000)

	General Insurance 2025	Takaful 2025	Total 2025	Total 2024
Principal Amount	29,046	0	29,046	17,510
Interest receivable	1,960	0	1,960	890
ECL impairment allowance for DBE bond	(73)	0	(73)	(170)
Total Government Bond	**30,932**	**0**	**30,932**	**18,231**

The Company’s statutory deposit amounted to ETB 49.5 million as at 30 June 2025, compared with ETB 36.2 million as at 30 June 2024. The statutory deposit is maintained with the National Bank of Ethiopia in accordance with applicable insurance regulatory requirements and is measured at cost.

The Company’s investments generated dividend and interest income during the past three financial years. Dividend income was generated from Ethiopian Reinsurance S.C. and Zamzam Bank, while interest income was generated from DBE bond investments. No dividend income was recorded from Nur Selam College or Sky Bus Transport during the three-year period.

Table 28: Income Earned from Investments (ETB ’000)

Investment Type	Income Type	FY2025	FY2024	FY2023

Ethiopian Reinsurance S.C.	Dividends	11,471	7,161	6,813
Zamzam Bank		5,328	-	-
Nur Selam College		-	-	-
Sky Bus Transport		-	-	-
DBE Bond	Interest	4,995	3,679	3,276

Dividend income from Ethiopian Reinsurance S.C. increased from ETB 6.8 million in FY2023 to ETB 7.2 million in FY2024 and ETB 11.5 million in FY2025. Zamzam Bank generated dividend income of ETB 5.3 million in FY2025, while no dividend income was recorded from Zamzam Bank in FY2024 and FY2023. DBE bond interest income increased from ETB 3.3 million in FY2023 to ETB 3.7 million in FY2024 and ETB 5.0 million in FY2025.

The Company's investment portfolio is geographically concentrated in Ethiopia. Its equity investments are in Ethiopian entities, its fixed time deposits are held with Ethiopian financial institutions, and its statutory deposits and DBE bond investments are held in accordance with domestic regulatory requirements. The Company has no disclosed foreign financial investments as at 30 June 2025.

As at the date of this Prospectus, the Company does not foresee any material new investment activities and intends to maintain its existing investment portfolio. The Company's future investment activity is expected to be limited to ordinary-course investment management, including renewal, rollover, maturity or replacement of existing deposits and other financial assets, unless otherwise approved in accordance with applicable governance and regulatory requirements.

The Company has made no firm commitment to undertake any material new equity investment, bond investment, treasury bill investment, property investment or other financial investment after 30 June 2025, other than commitments arising in the ordinary course of investment and liquidity management. The Company expects to finance any ordinary-course investment activity through internally generated funds, investment income, operating cash flows and available cash resources.

As at December 31, 2025, the Company's cash balance increased to ETB 219 million, while fixed time deposits decreased to ETB 76.4 million. There have been no other changes.

The Company confirms that, since 30 June 2025, it has not made any material investments.

2.9. Property, Land and Fixed Assets

The Company owns and uses property, plant and equipment in the ordinary course of its insurance business. These assets support the Company's head office operations, branch operations, underwriting, claims handling, customer service, information technology, administration and other operating functions.

As at 30 June 2025, the Company's property, plant and equipment had a net book value of ETB 321.2 million, compared with ETB 233.9 million as at 30 June 2024. The increase was mainly driven by additions to construction in progress relating to the Bole mixed-use building project and additions to computer and accessories. The Company also held leasehold land with a net book value of ETB 21.1 million as at 30 June 2025.

The Company's principal property development project is the Bole mixed-use building project, which is recorded as construction in progress. As at 30 June 2025, construction in progress had a net book value of ETB 282.2 million, representing the largest component of the Company's fixed asset base. This project should be read together with the use of proceeds disclosure relating to the Bole mixed-use building project and other investments.

Table 29: Property, Plant and Equipment at Book Value (ETB '000)

Item	FY2025	FY2024
Construction in progress	282,234	195,540
Building	9,867	9,381
Motor vehicles	7,362	8,824
Computers and accessories	16,061	13,666
Furniture and equipment	1,883	1,918
Machinery	3,829	4,550
Total property, plant and equipment	**321,237**	**233,879**
Leasehold land	21,083	21,969
Total PPE and leasehold land	**342,320**	**255,848**

Table 30: Description, Use and Legal Characteristics of Key Fixed Assets (ETB '000)

General Category	Physical Details	Address / Location	Use of Asset	Legal Characteristics	Encumbrance / Mortgage / Lease Obligation / Restriction / Third-Party Claim	Net Book Value FY2025
Property, plant and equipment	Construction in progress	Addis Ababa, Bole	Bole mixed-use building project intended to support head office, operational and commercial use	Construction under progress; legal title, construction permit and land lease details to be confirmed from property records	Pledged as collateral/security in favor of Commercial Bank of Ethiopia in connection with the related financing facility. The outstanding secured loan amount is ETB 23.936 million. No other encumbrance, restriction or third-party claim has been identified, subject to confirmation from the relevant property and financing records.	282,234

Property, plant and equipment	Building	Addis Ababa, Somaletera	Existing office and operational premises	Direct ownership	No Encumbrance / Mortgage / Lease Obligation / Restriction / Third-Party Claims	9,867
Property, plant and equipment	Motor vehicles	Addis Ababa and various regions	Operational vehicles supporting branch operations, underwriting, claims and administration	Direct ownership	No Encumbrance / Mortgage / Lease Obligation / Restriction / Third-Party Claims	7,362
Property, plant and equipment	Furniture and equipment	Addis Ababa and various regions	Office furniture and operating equipment used in head office and branch operations	Direct ownership	No Encumbrance / Mortgage / Lease Obligation / Restriction / Third-Party Claims	1,883
Property, plant and equipment	Computers and accessories	Addis Ababa and various regions	Information technology equipment supporting operations, reporting, administration and customer service	Direct ownership	No Encumbrance / Mortgage / Lease Obligation / Restriction / Third-Party Claims	16,061
Property, plant and equipment	Machinery	Addis Ababa and Harar	Operational and facility-related machinery	Direct ownership	No Encumbrance / Mortgage / Lease Obligation / Restriction / Third-Party Claims	3,829
Leasehold land	Leasehold land	Addis Ababa	Land held under lease for Company operations and property development	Leasehold right under lease agreement	No Encumbrance / Mortgage / Lease Obligation / Restriction / Third-Party Claims	21,083

Table 31: Movement in Property, Plant and Equipment (ETB ’000)

Description	Construction in Progress	Building	Motor Vehicles	Furniture and Equipment	Computers and Accessories	Machinery	Total
Cost as at 1 July 2024	195,540	11,275	21,401	6,042	18,452	10,101	262,811
Additions	86,693	710	-	343	5,301	-	93,047
Adjustment / investment property classification	-	-	-	-	-	-	-
Cost as at 30 June 2025	282,234	11,985	21,401	6,385	23,753	10,101	355,858
Accumulated depreciation	-	1,894	12,577	4,123	4,786	5,550	28,931

as at 1 July 2024							
Charge for the year	-	223	1,462	379	2,905	721	5,690
Accumulated depreciation as at 30 June 2025	-	2,117	14,039	4,502	7,691	6,271	34,621
Net book value as at 30 June 2025	282,234	9,867	7,362	1,883	16,061	3,829	321,237
Net book value as at 30 June 2024	195,540	9,381	8,824	1,918	13,666	4,550	233,879

In accordance with the Company's accounting policies, property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method over the estimated useful lives of the relevant assets. Construction in progress is not depreciated until the asset is available for use. During the reporting period, no impairment adjustment was recognized in relation to property, plant and equipment.

The Bole mixed-use building project is the Company's principal property development project. The project is intended to support the Company's head office, operational and commercial requirements. The Company's disclosure in this section should be reconciled with the use of proceeds disclosure so that the description of the project, source of financing, construction status, expected completion timeline and intended use are consistent throughout the Prospectus.

In addition to property, plant and equipment used in its insurance operations, the Company holds investment property that generates rental income. During FY2025, the Company generated rental income of ETB 19.5 million. Investment property is presented separately from property, plant and equipment, as it is held for income-generating purposes rather than direct operational use.

2.10. Material Contracts

Global Insurance Share Company has entered into several material contracts in the ordinary course of business, primarily focused on the Company's operational modernization and infrastructure expansion. These contracts represent significant commitments and are critical to the Company's strategic objectives of enhancing service delivery, improving operational efficiency, and expanding its physical presence. The table below provides a detailed breakdown of these key contracts, outlining their description, key terms and conditions, total value, duration, current progress, and payment status as of June 10, 2026.

Table 32: Material Contracts

Contract Name	Vendor	Description of Services	Key Terms and Conditions	Value (ETB'000)	Duration	Progress	Amount Paid (ETB'000)	Amount Outstanding (ETB'000)
Core Insurance Software	Amity software systems LTD	Development, customization, and implementation of a new, integrated core insurance management system to automate underwriting, policy administration, claims processing, and customer relationship management.	• Fixed-price contract with milestone-based payments. • Includes warranty period for post-implementation support and bug fixing. • Vendor responsible for data migration from legacy systems. • Acceptance testing required prior to final payment.	56,745	18 months (estimated)	Active	23,436	33,309
Sanitary Installation & Painting and Gypsum	Mersi GC and Abebaew Fantie GC	Provision and installation of sanitary fixtures, plumbing works, interior painting, and gypsum ceiling and wall finishes for the Company's new headquarters and select branch offices.	• Fixed-price contract. • Contractor to adhere to specified quality standards and building codes. • Defects liability period of 6 months post-completion. • Payments tied to certified completion of works.	17,297	4 months	Active	6,463	10,834
Aluminum Installation and Floor and Wall Finishing	Mersi GC	Supply and installation of aluminum window and door frames, glass panels, and comprehensive floor and wall finishing works	• Fixed-price contract. • Materials to meet specified technical specifications and quality grades. • Contractor responsible	9,545	4 months	Active	1,445	8,100

Contract Name	Vendor	Description of Services	Key Terms and Conditions	Value (ETB'000)	Duration	Progress	Amount Paid (ETB'000)	Amount Outstanding (ETB'000)
		(tiling, marble, etc.) for new office premises.	for rectifying any defects arising from faulty materials or workmanship within a 12-month period.					
Building Electrical Installation	Kokeb and Hamere GC	Complete electrical works for new office facilities, including wiring, conduit installation, distribution boards, lighting fixtures, switchgears, and earthing systems.	• Fixed-price contract. • Works to comply with Ethiopian Electrical Code and safety regulations. • Includes testing and commissioning of all electrical installations. • Final payment upon successful inspection and certification by relevant authorities.	3,676	3 months	Active	864	2,812
TOTAL (ETB '000)				**87,262**			**32,208**	**55,055**

Notes on the Contracts:

1. **Core Insurance Software:** This is the Company's most significant strategic investment in technology, aimed at digital transformation. The outstanding balance of ETB 33.3 million will be paid upon successful completion of system testing, data migration, and final acceptance.
2. **Construction and Fit-Out Contracts:** The three building-related contracts (Sanitary, Aluminum, Electrical) are part of the Company's branch expansion and headquarters refurbishment program. These contracts are with reputable local contractors and are being managed by the Company's internal projects team to ensure timely completion and quality control.
3. **Payment Terms:** All contracts are structured with milestone-based payments to protect the Company's interests and ensure that payments are linked to verified progress and quality standards.

4. **Materiality:** These contracts are deemed "material" as they represent significant financial commitments (totaling ETB 87.3 million) and are critical to the Company's future operational efficiency, customer service capabilities, and physical infrastructure.

3. SECTION THREE – FINANCIAL STATEMENTS AND INFORMATION

3.1. Financial Information

The annual financial statements, including the supporting notes thereto and the related audit reports of the External Auditor, have been provided as a separate annex accompanying this Prospectus. The annual financial statements for the years ended 30 June 2025 and 30 June 2024 have been reproduced verbatim and without adjustment from the Company's published annual reports and accounts. The Issuer's annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Issuer has also submitted its unaudited management accounts for the period ended 31 December 2025 as part of the Accompanying Documents. No information from the management accounts has been incorporated into this Prospectus, and the Issuer confirms that no material changes have occurred since the date of the latest financial information included herein.

The financial statements for the year ended 30 June 2023 have not been included in Annex 1, as they were prepared prior to the Issuer's adoption of IFRS 17 (Insurance Contracts) and are therefore not directly comparable with the financial statements for the years ended 30 June 2024 and 30 June 2025. The annual report and audited financial statements for the year ended 30 June 2023 are, however, included as a separate annex to this Prospectus.

As the historical financial information constitutes a verbatim reproduction of the Company's published reports and accounts:

- The page and section references in Audited Statements refer to the corresponding reports and accounts of the Company and not to this Prospectus;
- Certain defined terms and references may differ from those used elsewhere in this Prospectus and should be interpreted in the context of the relevant reports and accounts; and
- References to "current year", "current period", "prior year" and/or "prior period" should be read as references to the respective reporting periods covered by the relevant financial statements and their comparative periods.

No unaudited financial statements have been attached to this prospectus. The historical financial information included herein is based on the Issuer’s audited financial statements.

The statements of capitalization and indebtedness as at 31 May 2026 have been prepared by management for purposes of updated prospectus disclosure and have not been audited or reviewed by the Issuer’s External Auditor. No additional information has been audited by the Issuer’s External Auditor.

3.2. Profit Forecast

This Prospectus does not contain any profit forecast or estimate. No statement herein should be construed as a projection of future profitability or financial performance

3.3. Significant Changes in Issuer's Financial Position

The Company's paid-up capital increased from ETB 332.557 million as at 30 June 2025 to ETB 341.09 million as at June 30, 2026.

3.4. Pro Forma Financial Information

There is no pro forma financial information included in this Prospectus.

4. SECTION FOUR – GOVERNANCE AND MANAGEMENT

4.1. Corporate Governance

The Company's corporate governance framework is guided by applicable Ethiopian laws and regulatory requirements, including the Commercial Code of Ethiopia and relevant directives and guidelines issued by the National Bank of Ethiopia.

Although Corporate Governance Directive No. SBB/91/2024 formally applies to banks, the Company has adopted key governance principles and practices reflected under the directive to the extent relevant to its operations, governance structure, and regulatory environment as an insurance company.

The Company confirms that its governance framework is designed to substantially align with the core principles of the directive, including transparency, accountability, ethical conduct, board oversight, risk management, internal controls, stakeholder protection, conflict of interest management, and disclosure practices.

The governance structure of the Company consists of the General Assembly of Shareholders, the Board of Directors, Executive Management, Internal Audit Function, and the Company Secretary, each with clearly defined roles and reporting responsibilities intended to support effective oversight, accountability, and prudent management of the Company.

The Board of Directors provides strategic oversight and supervision of the Company's operations and governance practices, while management is responsible for the day-to-day implementation of approved strategies, policies, and operational objectives. The Company has also established dedicated Board Committees, including the Risk Management and Compliance Committee, Audit Committee, and Human Affairs Committee, to strengthen oversight over risk management, compliance, internal controls, financial reporting, audit functions, human capital management, and governance matters.

In addition, the Company maintains management-level committees, including the Management Executive Committee, Human Resource Committee, and Procurement Committee, which support operational oversight, strategic execution, procurement governance, performance monitoring, and human capital management.

The Company further maintains internal control, risk management, internal audit, and corporate administration functions intended to support regulatory compliance, ethical conduct, accountability, transparency, and sound governance practices. The Company continuously reviews and strengthens its governance practices in line with evolving regulatory expectations and industry standards applicable to financial institutions in Ethiopia.

The Company's corporate governance framework is guided by applicable Ethiopian laws and regulatory requirements, including the Commercial Code of Ethiopia, Insurance Business Proclamation No. 746/2012, Board Governance Directive No. SIB/63/2026, and other directives and guidelines issued by the National Bank of Ethiopia ("NBE").

Although Corporate Governance Directive No. SBB/91/2024 formally applies to banks, the Company has adopted the key governance principles embodied in the Directive to the extent relevant to its operations as a licensed insurance company. The Company confirms that its governance framework substantially aligns with the core principles of accountability, transparency, ethical conduct, Board oversight, risk management, internal control, stakeholder protection, conflict-of-interest management and disclosure practices.

The Company has also assessed its governance arrangements against the requirements of Board Governance Directive No. SIB/63/2026 applicable to insurance companies. The Board currently comprises nine directors with diverse professional backgrounds in insurance, finance, accounting, economics, law, business administration and management. All directors satisfy the minimum age, educational qualification and professional experience requirements prescribed under the Directive. In addition, the Board includes three female directors, exceeding the Directive's requirement that an insurance company maintain at least two female directors on its Board.

The Company acknowledges that its current Board composition does not fully comply with the independent director requirements prescribed under the applicable governance framework, as all current directors are shareholder representatives and the Board does not presently include independent directors. The Company is actively undertaking the necessary steps to identify and appoint suitably qualified independent directors and expects to achieve full compliance within the applicable regulatory timeframe.

Governance Structure

The governance structure of the Company consists of the General Assembly of Shareholders, the Board of Directors, Executive Management, Board Committees, Internal Audit Function, Risk Management and Compliance Function, and the Company Secretary, each with clearly defined responsibilities intended to promote effective oversight, accountability and prudent management.

The Board of Directors provides strategic direction and oversight of the Company's affairs, while Executive Management is responsible for implementing approved strategies, policies and operational objectives. To strengthen governance and oversight, the Board has established specialized committees, including the Audit Committee, Risk Management and Compliance Committee, and Human Affairs Committee. These committees provide oversight over financial reporting, internal controls, risk management, compliance, governance practices, remuneration and human capital matters.

Governance Policies and Ethical Standards

The Company has adopted policies and procedures governing ethical conduct, conflicts of interest, related-party transactions, regulatory compliance, risk management and professional conduct. Directors, management and employees are expected to conduct business with integrity, fairness and professionalism. Compliance with these standards is monitored through management oversight, Board committee review, internal controls and periodic internal audit assessments.

The Company promotes a culture of accountability, transparency and ethical conduct throughout the organization. Governance policies are periodically reviewed to ensure continued alignment with applicable legal and regulatory requirements and evolving industry practices.

Internal Control and Risk Management Framework

The Company maintains a formal Risk Management Program approved by the Board of Directors, which establishes a structured framework for identifying, assessing, monitoring and mitigating risks across the organization. The framework covers key risk categories including underwriting risk, claims liability risk, credit risk, market risk, liquidity risk, operational risk, technology risk, technical reserve risk, reinsurance risk and related-party risk.

The Board has ultimate responsibility for overseeing the Company's risk management framework and risk appetite. To support this responsibility, the Risk Management and Compliance Committee periodically reviews risk exposures, risk management policies, internal control effectiveness and compliance matters. The Committee also oversees the periodic review of the Company's Risk Management Program and receives regular reports regarding the Company's risk profile and mitigation activities.

Executive Management is responsible for implementing Board-approved risk management policies and procedures. The Risk Management and Compliance Division identifies emerging risks, monitors risk exposures across business units and branches, prepares risk reports for management and the Board, and supports the development and updating of risk management policies and procedures.

The Internal Audit Function independently evaluates the adequacy and effectiveness of internal controls, governance processes and risk management practices and reports its findings to the Board through the Audit Committee.

The Company's internal control framework incorporates segregation of duties, delegated approval authorities, Board committee oversight, periodic management reporting, internal audit reviews, compliance monitoring and risk-based assessments designed to safeguard assets, ensure reliable financial reporting and promote compliance with applicable laws and regulations.

The Issuer also has the following policies and manuals in place.

Underwriting Manual: Global Insurance maintains an Underwriting Manual that guides the evaluation of risks, determination of coverage eligibility and calculation of appropriate premiums. The manual also sets out underwriting authority and referral limits to establish accountability and support the financial stability of the Company. The manual was updated in 2026.

Claims Manual: Global Insurance maintains a Claims Manual that guides the process for receiving, investigating and resolving policyholder claims for reimbursement or assistance. The manual also sets out claims authority and referral limits to establish accountability within the organization. The manual was updated in 2025.

Finance Manual: Global Insurance maintains a Finance Manual that standardizes the Company's accounting practices and internal controls. The manual promotes consistency, safeguards assets against fraud, and provides clear guidance for recording transactions, managing budgets and complying with applicable legal and regulatory requirements. The manual was updated in 2025.

Human Resource Manual: Global Insurance maintains a Human Resource Manual that establishes a standardized and transparent framework for managing the Company's workforce. The manual aligns employee expectations with the Company's objectives and promotes consistency in human resource management practices. The manual was updated in 2023.

Procurement Manual: Global Insurance maintains a Procurement Manual that provides a standardized, legally compliant and step-by-step framework for acquiring goods, services and works. The manual supports procurement activities that are efficient, transparent and accountable. The manual was updated in 2025.

Stakeholder Engagement and ESG Considerations

The Company recognizes the importance of maintaining constructive relationships with its key stakeholders, including shareholders, policyholders, employees, regulators, reinsurers, business partners and the wider community. Stakeholder engagement is undertaken through annual general meetings, customer service channels, regulatory reporting, employee engagement mechanisms and ongoing interactions with regulators, business partners and other stakeholders.

The Company also considers environmental, social and governance ("ESG") factors within its governance and risk management processes. This includes promoting ethical business conduct, employee development, regulatory compliance, responsible corporate citizenship and the management of operational, technological and business continuity risks that may affect stakeholders and the Company's long-term sustainability.

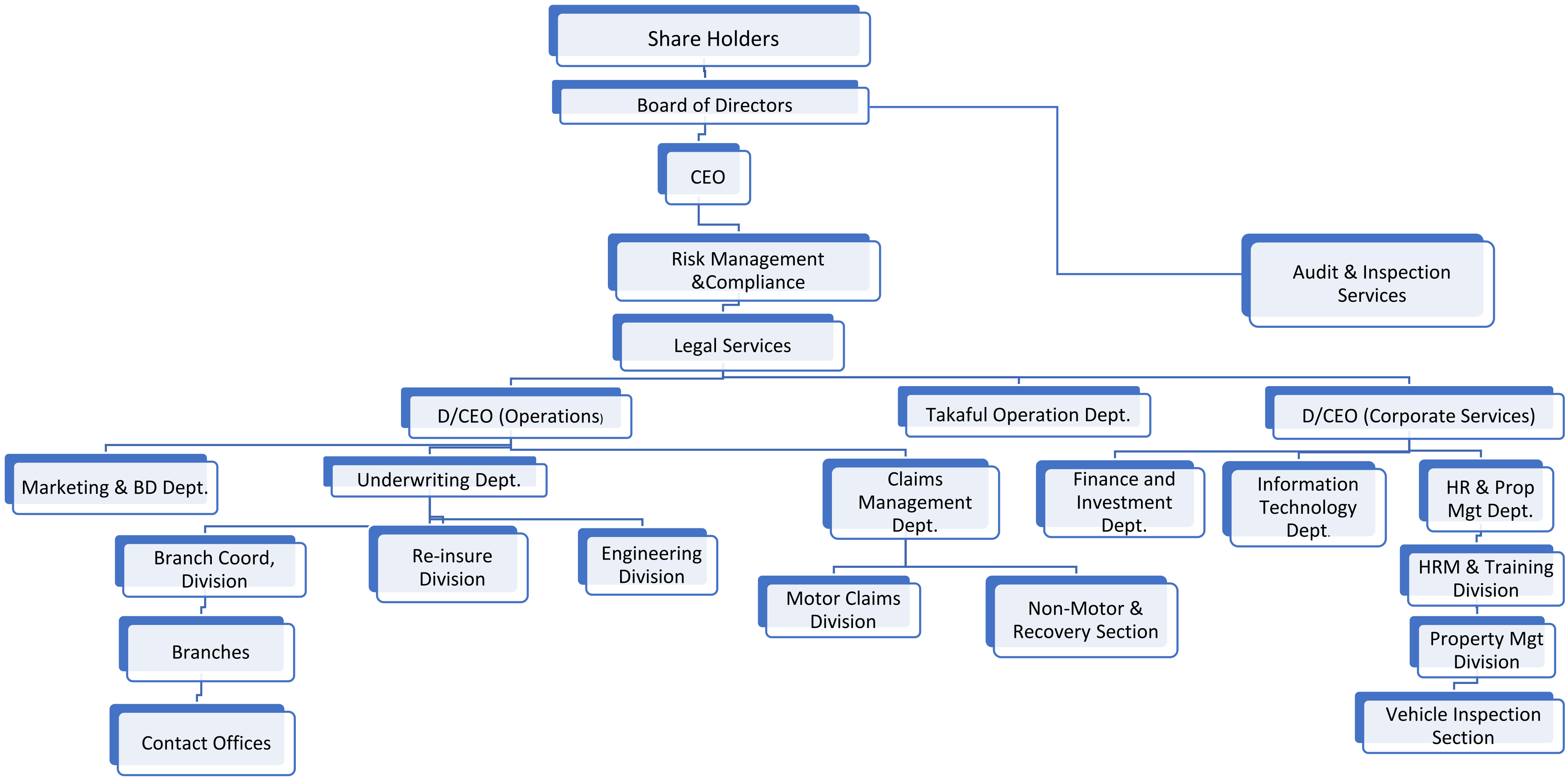
Future Governance Developments

As of June 10, 2026, the Company is not aware of any proposed changes to the composition of the Board of Directors or its committees, other than its ongoing initiative to appoint independent directors in order to strengthen governance practices and further align with applicable regulatory requirements.

4.2. Issuer's Organizational Structure

The Company's organizational chart is as below:

Figure 3: Organizational Structure of the Company



4.3. Board of Directors and Management's Brief Profile

The Board of Directors is the highest decision-making organ in the Company's structure, appointed by the general assembly of the shareholders based on the MOA and AOA of the Company. The Board is entrusted with the overall governance, strategic direction, and oversight of the Company's operations, ensuring compliance with relevant laws, regulations set forth by the NBE, and the Company's AOA.

As can be seen from the table below, all current members of the Board of Directors are shareholders of the Company. The Company acknowledges that, this may not be in a strict alignment with the requirements of the National Bank of Ethiopia (NBE) Directive, Directive No. SIB/63/2026, as the Board currently does not include any independent directors. The Company is actively working to address these gaps and is in the process of identifying and appoint suitably qualified candidates to serve as independent directors, with the objective of achieving full compliance with all applicable NBE governance requirements within the prescribed timeframe.

The Board, however, contains three female directors which is in compliance with appliable NBE directive.

The table below provides a full list of the nine members currently serving on the Board of Directors.

Table 33: Board of Directors

Full Name	Position	Date of Appointment	Term Expiry	Independent (Yes/No)	Gender	Nationality
Yahya Abdosh Ibrahim	Board Chairperson	23/9/2024	23/9/2027	No	Male	Ethiopian
Jemila Kibret Assres	Deputy Chairperson	23/9/2024	23/9/2027	No	Female	Ethiopian
Ahmed Ibrahim Mohammed	Member	23/9/2024	23/9/2027	No	Male	Ethiopian
Adham Abdulwahid Bedri	Member	23/9/2024	23/9/2027	No	Male	Ethiopian
Kassa Mehariw Minale	Member	23/9/2024	23/9/2027	No	Male	Ethiopian
Mohammed Ahmed Abob	Member	23/9/2024	23/9/2027	No	Male	Ethiopian

Full Name	Position	Date of Appointment	Term Expiry	Independent (Yes/No)	Gender	Nationality
Aida Mohammed Sherif	Member	23/9/2024	23/9/2027	No	Female	Ethiopian
Zekia Mohammed Ahmed	Member	17/05/2025	17/05/2028	No	Female	Ethiopian
Mohammed Ali Abdulahi	Member	23/01/2026	23/02/2029	No	Male	Ethiopian

The following table provides the professional and academic background of Global Insurance's Directors.

Table 34: Detailed Board of Directors Profile

No	Name	Position	Professional Experience	Education & Experience
1.	Yahya Abdosh Ibrahim	Chairperson	Finance Manager at Garad PLC	BA Degree in Accounting from Addis Ababa University With more than 40 years of experience
2.	Jemila Kibret Assres	Deputy Chairperson	Managing Partner, Jemila Kibret & Partners LLP	LLB Degree, Gonder University With more than 20 years of experience
3.	Ahmed Ibrahim Mohammed	Member	Freelance Consultant	Degree in Accounting, Addis Ababa University With more than 40 years of experience
4.	Adham Abdulwahid Bedri	Member	Owner Manager, Petram PLC	MS Civil Engineering, University Frame with more than 10 years of experience
5.	Kassa Mehariw Minale	Member	Manager at ITMAS	Degree in Accounting, Addis Ababa University With more than 30 years of experience
6.	Mohammed Ahmed Abob	Member	Owner Manager	Degree in Economics. With more than 10 years of experience
7.	Aida Mohammed Sherif	Member	Owner Manager, Nejcha M. Sherif Import PLC	Degree in Economics, Addis Ababa University with more than 25years of experience
8.	Zekia Mohammed Ahmed	Member	Owner Manager, Borssor Café	With more than 20 years of experience
9	Mohammed Ali Abdulahi	Member	2020 – Present ASSAS PROPERTIES PLC	Bachelor of Arts in Business Administration & Information Systems Graduated: July 2013

	(Co- Owner and Deputy manager) 2013 - 2017 - Moti Enginerring PLC on d/t types of work fields	

Executive Management

The Executive Management is headed by the Chief Executive Officer. Table below provides a brief detail about the executive management team.

Table 35: Executive Management Profiles

No	Name	Position	Professional Experience	Academic Credentials	Nationality
1.	Tibebe Tesfaye Atnafe	Chief Executive Officer	• CEO at Global Insurance (since October 1, 2018), • Executive Officer Operations and, Deputy CEO at Tsehay Insurance. With more than 25 years' experience	Master of Business Administration from Addis Ababa University; BA in Mathematics	Ethiopian
2.	Mengesha Tesfaye Mengesha	D/CEO Corporate Service	• DCEO corporate service at Global Insurance (since February 2024), • Executive Officer Corporate Resources at Zemen Insurance (2019-2024), • Finance Director at Zemen Insurance, • D/General Manager finance & MIS at Global Insurance. Over 25 years of experience	Master of Commerce from Andra Gandi University, India; Bachelor of Accounting at Unity University, Diploma in Business Management from Open University, UK	Ethiopian
3.	Lalisa Saketa Amente	Claims Management Dept. Manager	• Claims management department manager at Global Insurance (since 2019), • Claims supervisor at United Insurance, • senior claims officer & assigned as corporate motor section • Head at Oromia Insurance. • With over 15 years' experience	Master of Business Administration; BA in Business Administration	Ethiopian
4.	Yodit Gizaw Belachew	Business Development & Marketing	• Business Development & Marketing Dep't Manager at Global Insurance (since 2023) and,	Master of Business Administration; BA in Administrative Services Management and Technology System	Ethiopian

No	Name	Position	Professional Experience	Academic Credentials	Nationality
		Dept. Manager	• Branch manager at National Insurance Company of Ethiopia. • With more than 20 years experience		
5.	Yohannes Beyoro Erebo	Audit & Inspection Service Manager	• Audit & Inspection Manager at Global Insurance Company (February 2020- present), • Senior Internal Auditor at National Insurance Company • With more than 20 years' experience	BA in Accounting	Ethiopian
6.	Debru Getachew Zebene	Engineering and Survey Service Manager	• Engineering and Survey Service Manager at Global Insurance (May 2025 – present). • Senior Surveyor at Ethio Life & General Insurance (2021 - 2025). • Senior surveyor At Zemen Insurance (2020-2021). • Surveyor at Global Insurance (2014 - 202). • With more than 15 years' experience	MBA in Industrial Management	Ethiopian
7.	Zemzem Biru Legas	Takaful Operations Department Manager	• Takaful Operation Manager, Branch manager, Senior Underwriting Officer and Underwriting Officer at Global Insurance (October 2021 – present). • More than 20 years' experience	BA in Management	Ethiopian
8.	Fekadu Mekonnen Addis	IT Department Manager	IT Department Manager & Core Insurance Solution , Project Manager at Global Insurance (March 2022 – present). • Head Network infrastructure system at Symbol Technologies. • With more than 15 years' experience	MSC in Information Science; BA in Business Education	Ethiopian
9.	Degu Belay Teshome	HR & FM Department Manager	• Since April 2021at Global Insurance in various capacities • HR & FM Department Manager at Global Insurance.	MA in Public Management	Ethiopian

No	Name	Position	Professional Experience	Academic Credentials	Nationality
			• Property and Facility Management Division Manager at Ethio Life & General Insurance. • Senior Human resource expert and property administration & General Service team leader at Building permit and control Authority. • Construction Materials Distribution & Control Division • Head & Team leader at A.A Housing Corporation. • Property Administration Division Head at Baeaka General Business • More than 30 yeas experience		
10.	Tesfaye Getachew Tesfaye	Acting Legal Service Manager	• Since November 2022 at Global Insurance in various capacities • Acting Legal Service Manager, • Senior Legal Officer & legal officer at Global Insurance. • Framework Procurement Contract Monitoring Expert at Public Procurement Service. • With more than 10 years' experience	LLB	Ethiopian

4.4. Disclosures

- There have been no material changes to the Company's shareholding structure during the three years immediately preceding the date of this Prospectus, other than changes arising from ordinary share transfers conducted in accordance with the Company's Memorandum and Articles of Association and applicable laws.

- Mohammed Ahmed, the Company Secretary, is the father of W/ro Zekia Mohammed, a member of the Board of Directors. Other than this disclosed family relationship, there are no known family relationships between any members of the Board of Directors and Senior Management, nor are there any other known family relationships among members of the Board of Directors.

- As at the date of this Prospectus, the Company does not anticipate any material changes to its Senior Management team within the twelve (12) months following the registration of this Prospectus, other than changes that may arise in the ordinary course of business.

- As at the date of this Prospectus, none of the Company's Directors or Senior Management members has been subject to any bankruptcy, insolvency, liquidation, fraud conviction, regulatory sanction, administrative proceeding, or other matter that would be material to an assessment of their integrity, competence or suitability to serve in their respective positions. The background checks for the directors also includes international jurisdictions.

- As at the date of this Prospectus, none of the members of the Board of Directors or Senior Management has any material direct or indirect interest in any transaction or arrangement involving the Company, other than interests arising from their positions, approved remuneration, and shareholdings in the Company as disclosed elsewhere in this Prospectus.

- Directors are appointed by the General Assembly of Shareholders in accordance with the Company's Memorandum and Articles of Association and applicable regulatory requirements. Directors receive remuneration and allowances approved by the General Assembly. Other than such approved remuneration and benefits, no Director is entitled to any special compensation, termination benefit, success fee or other arrangement in connection with his or her service as a Director of the Company.

- All current Directors remain in active service and continue to discharge their duties and responsibilities as members of the Board of Directors.

- As at the date of this Prospectus, there is no pending regulatory action, litigation, investigation or proceeding involving any Director or Senior Management member that would be material to an assessment of the Company's governance, management or operations.

- The Company confirms that all members of the Board of Directors and Senior Management satisfy the applicable fit-and-proper requirements prescribed by the National Bank of Ethiopia and other applicable laws and regulations governing insurance companies.

- Except as otherwise disclosed in this Prospectus, there are no agreements, arrangements or understandings relating to the appointment, retention or compensation of any Director or Senior Management member that are material to investors' assessment of the Company.

4.5. Details of Remuneration

Board remuneration comprises annual compensation and monthly allowances. In accordance with NBE Directive No. SIB/46/2018, annual compensation payable to each Director is capped at ETB 150,000 and monthly allowances are capped at ETB 10,000 per Director. Based on a Board of 9 members, the maximum aggregate annual compensation amounts to ETB 2.43 million, assuming full attendance. Actual payments vary depending on attendance at Board meetings.

Total remuneration paid to Executive Management and Directors increased from ETB 7.1 million in FY2024 to ETB 9.1 million in FY2025, representing an absolute increase of ETB 1.9 million or 27.9%.

The increase was mainly driven by salaries and other short-term employee benefits, which rose by ETB 1.7 million, from ETB 5.4 million in FY2024 to ETB 7.2 million in FY2025. This represented a year-on-year increase of 31.9% and accounted for the largest share of the total increase in remuneration.

Post-employment benefits increased by ETB 0.2 million, or 44.1%, while representation allowance increased by ETB 0.16 million, or 41.0%, reflecting higher employee-related and management-related benefit costs during the year.

Board allowance decreased by ETB 0.1 million, from ETB 0.8 million in FY2024 to ETB 0.7 million in FY2025, representing a decline of 13.1%. This partly offset the increase recorded in salaries, post-employment benefits, and representation allowance.

Overall, the increase in remuneration during FY2025 was primarily attributable to higher salaries and short-term employee benefits, with additional increases in post-employment benefits and representation allowance, partly offset by lower Board allowance.

Based on existing contractual arrangements and approved remuneration structures, remuneration payable to directors and executive officers during the current financial year is expected to remain broadly consistent with the levels disclosed in the most recent audited financial statements.

Other than the remuneration and benefits disclosed in this Prospectus, no material benefits in kind, special incentives, termination benefits or other non-cash benefits have been granted or are expected to be granted to directors or executive officers during the current financial year.

Table 36: Details of Remuneration Paid to Executive Management and Directors (ETB '000)

Component	FY25	FY24	YoY
Salaries and other short-term employee benefits	7,183	5,447	31.9%
Post-employment benefits	637	442	44.1%
Representation allowance	567	402	41%
Board Allowance	722	831	(13.1%)
Total	9,109	7,122	27.9%

4.6. Committees of the Board and Practices

Global Insurance maintains a structured governance framework comprising Board-level and management-level committees established to support effective oversight, strategic direction, risk management, internal controls, regulatory compliance, and operational governance. The Company's governance framework is guided by applicable Ethiopian laws and regulatory requirements, including the Commercial Code of Ethiopia and relevant directives and guidelines issued by the National Bank of Ethiopia.

While Corporate Governance Directive No. SBB/91/2024 formally applies to banks, the Company has adopted governance principles and practices reflected under the directive to the extent relevant to its operations and governance structure as an insurance company. Accordingly, the Company considers the establishment, composition, and operation of its committees to be substantially aligned with applicable governance principles relating to transparency, accountability, ethical conduct, board oversight, risk management, internal control, and disclosure practices.

The Company has established Board Committees in accordance with the Commercial Code of Ethiopia, its Memorandum and Articles of Association, and applicable National Bank of Ethiopia governance requirements. The Board has established an Audit Committee, a Risk Management and Compliance Committee, and a Human Affairs Committee to support the effective discharge of its oversight responsibilities.

The Company confirms that the composition of the Audit Committee and the Risk Management and Compliance Committee generally satisfies the competency and qualification requirements prescribed under applicable National Bank of Ethiopia directives. Members of these committees possess relevant academic qualifications and professional experience in fields including accounting, finance, economics, business management and law.

The Company acknowledges that it does not fully comply with certain committee composition requirements under the National Bank of Ethiopia Corporate Governance Directive No.

SBB/91/2024 and Board Governance Directive No. SIB/63/2026. In particular, the Company currently does not have any independent directors on its Board. Further, the Audit Committee is chaired by the Board Chairperson rather than an independent director, and the Risk Management and Compliance Committee is not chaired by an independent director as contemplated by the applicable governance requirements.

The Company is actively undertaking the necessary steps to appoint suitably qualified independent directors and expects to strengthen the composition of its Board Committees and achieve full compliance with the applicable governance requirements within the prescribed regulatory timeframe.
The Company further confirms that minutes of Board and committee meetings are formally recorded, maintained, and periodically reviewed in accordance with the Company's governance and record-keeping practices to support transparency, accountability, and effective oversight. .

These committees are as follows:

a) Risk Management and Compliance Committee

Mandate and Scope of Work: Reviewing and recommending risk management strategies, policies and risk tolerance, reviewing and assessing adequacy of risk management policy, ensuring infrastructure, resource and system are in place for risk management, ensuring that the staff responsible for implementing risk management system and reviewing management periodic reports.

Number of Members - Three

Composition:

- Ahmed Ibrahim - Chairperson
- Mohammed Ahmed - Member
- Aida Mohammed - Member

Meeting Frequency - Monthly
Reporting Line - Direct to Board

b) Audit Committee

Mandate and Scope of Work: Ensure fair and transparent reporting and prompt publication of the financial statement, oversee the function of the internal audit, review the scope of internal audit program, appoint, set compensation, evaluate performance and decide on the transfer and dismissal of the chief internal auditor, review the effectiveness of internal control, and assess objectivity, performance and independence of external auditors etc.

Number of Members - Three

Composition:

- Yahya Abdosh - Chairperson
- Kassa Mehariw - Member
- Aida Mohammed - Member

Meeting Frequency - Monthly
Reporting Line - Direct to Board

c) Human Affairs Committee

Mandate and Scope of Work: Recommending a framework of hiring and replacing members of senior management of the insurer, recommending and monitoring of salaries and benefits for the members of senior management and overall benefit packages, overseeing management succession planning and performance evaluation of members of senior management and considering disciplinary issue related to senior management members.

The Company does not maintain a separately constituted remuneration committee. The Human Affairs Committee performs the functions of a remuneration committee, including matters relating to senior management salaries, benefits and overall remuneration packages.

Number of Members - Three

Composition:

- Jemila Kibret - Chairperson
- Adham Abdulwahid - Member
- Zekia Mohammed - Member

Meeting Frequency - Monthly
Reporting Line - Direct to Board

Management Committees

a) Management Executive Committee

Mandate & authority: Review performance(production) and financial report, set direction based on the outcomes

Membership structure:

- Tibebe Tesfaye - Chairperson
- Mengesha Tesfaye - Member
- Fekadu Mekonnen - Member
- Lelisa Saketa - Member
- Yodit Gizaw - Member
- Degu Belay - Member
- Yohannes Beyor - Member
- Debru Getachew - Member

- Zemzem Birru - Member
- Tesfaye Getachew - Member

Frequency of meetings: biweekly and quarterly

b) Human Resource Committee

Mandate & authority: Oversee all human capital strategies, including talent management, succession planning, and executive compensation, and review and recommend related policies for Board approval.

Membership structure:

- Mengesha Tesfaye - Chairman
- Degu Belay - Member
- Hiwot Tadese - Secretary
- Respective Unit - Member

Frequency of meetings - Monthly and quarterly

c) Procurement Committee

Mandate & authority: ensure transparent and competitive procurement processes and is authorized to approve major contracts and oversee tender evaluations in accordance with delegated financial thresholds.

Membership structure:

- Mengesha Tesfaye - Chairman
- Degu Belay - Member
- Girma Tesfaye - Secretary
- Respective Unit - Member

Frequency of meetings - Monthly and quarterly

4.7. Memorandum of Association of the Company

The Company's governance framework is fundamentally anchored in its Memorandum of Association ("MoA"), which serves as the primary constitutional document governing the relationship between the Company and its shareholders, as well as the internal management of the Company's affairs. The MoA, which has been duly registered with the competent authorities in accordance with the Commercial Code of Ethiopia Proclamation No. 1243/2021, establishes the legal foundation upon which the Company is built and operates. It defines the scope of the

Company's activities, the rights and obligations of shareholders, the authorities and responsibilities of the Board of Directors, and the procedural framework for key corporate actions.

The MoA comprises 43 articles, which collectively address various core aspects of the insurer's governance and operations. In line with the Company's commitment to transparency and robust corporate governance, the following table summarizes the key provisions of the MoA that are of most direct relevance to existing and prospective shareholders. This summary is provided for informational purposes only and does not purport to be a complete or definitive statement of the MoA's contents. Prospective investors are encouraged to review the full MoA document, which is available for inspection at the Company's registered office.

Table 37: Key Provisions of the Company's MOA

Article No.	Subject Matter	Summary of Key Provisions
1-5	**Interpretation and Preliminary Matters**	Defines key terms used throughout the MoA; establishes the Company's name, registered office, and legal personality; specifies the duration of the Company (unlimited, subject to dissolution in accordance with law).
6-10	**Objectives of the Company**	Enumerates the principal and ancillary objectives of the Company, including all classes of insurance business (Life, Non-Life, Takaful), investment activities, and such other businesses as may be incidental or conducive to the attainment of the main objectives.
11-15	**Share Capital and Shareholder Rights**	Specifies the authorized share capital, division into classes of shares (if any), rights attaching to shares (voting, dividend, liquidation proceeds), procedures for share transfers, and issuance of share certificates.
16-20	**Shareholders' Meetings**	Prescribes the procedures for calling and conducting Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs), including notice periods, quorum requirements, voting procedures (show of hands or poll), and the authority of meetings to pass resolutions.
21-25	**Board of Directors**	Sets out the composition of the Board (number of directors, qualification requirements), method of appointment and removal, term of office, powers and duties of the Board, procedures for Board meetings (notice, quorum, voting), and delegation of authority to committees.
26-30	**Executive Management**	Addresses the appointment and authority of the Chief Executive Officer and other key management personnel, their reporting lines to the Board, and the scope of their delegated powers for day-to-day management.
31-35	**Accounts, Audit, and Distribution of Profits**	Mandates the keeping of proper accounting records, preparation of annual financial statements, appointment and remuneration of external auditors, and the manner of determining and distributing dividends (subject to legal reserve requirements and Board recommendation).
36-40	**Borrowing Powers**	Defines the Company's power to borrow money and grant security, including any limitations on such powers and the requirement for shareholder approval for borrowings above specified thresholds.
41-43	**Miscellaneous Provisions**	Covers matters such as the common seal of the Company, indemnity of directors and officers, procedures for issuing notices, and the process for amending the MoA (requiring special resolution).

5. SECTION FIVE – CAPITAL STRUCTURE AND INFORMATION ON SECURITIES

5.1. Share Capital

The Company, Global Insurance Company S.C., was founded in 1997 by a group of 23 founders. Operations commenced with an initial paid-up capital totaling ETB 3,750,000.

The Company has demonstrated a history of sustained growth, progressively increasing its share capital over the years.

As of June 10, 2026, the Company's issued and outstanding share capital comprised 682,180 Ordinary Shares. With a par value of ETB 500 per share, the aggregate par value of the Company's paid share capital totaled ETB 341,090,000.

Table 38: Share Capital Structure

Financial Year	Authorized Capital (ETB '000)	Subscribed Capital at the end of the period (ETB '000)	Paid-Up Capital (ETB '000)	No of Shares Outstanding	Par Value (ETB)	Proceeds of Share Issue (ETB '000)	No. of Shareholders
Jun-23	250,000	242,156	242,156	484,312	500	-	184
Jun-24	400,000	242,156	242,156	484,312	500	-	196
Jun-25	400,000	341,090	242,156	484,312	500	-	206
November 24, 2025	400,000	341,090	336,805	673,610	500	94,649	210
June 30, 2026	400,000	341,090	341,090	682,180	500	4,285.5	215

The dividend capitalization was authorized by the shareholders at the Annual General Meeting held on 22 November 2025. The purpose of the capitalization is to enable the Company to meet the minimum paid-up capital requirement prescribed by the National Bank of Ethiopia for insurance companies.

The shareholders approved the fulfilment of the minimum capital requirement through existing shareholders, including through dividend capitalization, and granted the Board of Directors full authority to determine and implement the capitalization process, including the timing, amount, implementation plan and related procedural matters. The capitalization is therefore being implemented pursuant to the authority granted by the shareholders at the 11th Extraordinary General Meeting.

There is currently no established market price for the Company's ordinary shares. The Company's shares have not been listed or traded on any licensed securities exchange or over-the-counter market. All shares issued to date have been paid for in cash, and no shares have been issued in consideration for non-cash assets.

The table below provides a detailed breakdown of this historical capital expansion, which was achieved through the conversion of dividends and direct cash contributions (injections) from shareholders. The Rights Offer involves the issuance of 55,172 new Ordinary Shares at a price of ETB 927 per share. The Issuer capitalizes ETB 51,144,444, which will increase the Issuer's paid-up capital to ETB 392.2 million.

The table below presents the Issuer's share capital structure immediately before and after completion of the Offer.

Table 39: Share Capital Before and After the Dividend Capitalization

Description	Pre-offer	Offer adjustment	Post-offer
Number of new Ordinary Shares	682,180	55,172	737,352
Par Value per Share (ETB)	500		500
Paid-Up Share Capital (ETB)	341,090,000		392,234,444
Allocation Price (ETB)	-	927	-
Amount Capitalized through Offer (ETB)	-	51,144,444	-
Percentage Increase in Total Shares	-	8.1%	-

Non-participating shareholders who elected to receive cash dividend or did not participate in the dividend conversion may experience dilution in their proportional ownership interest in the Issuer following completion of the Offer.

5.2. Dividend Policy

While the Company currently operates without a formal written policy, a draft policy and consistent practice govern dividend distribution.

1. Declaration and Authority

The General Assembly (shareholders) declares dividends based on the Board of Directors' recommendation. This declaration must occur within three months of the external audit report. Dividends are paid annually following shareholder approval from net profit after all necessary deductions, including a 10% transfer of net profit to a legal reserve account.

2. Constraints and Considerations

- Dividend payments are subject to regulatory, legal, and financial considerations.
- Regulatory Requirements: The Company must comply with solvency and financial requirements imposed by the National Bank of Ethiopia, including maintaining adequate capital and liquidity levels before declaring dividends.
- Shareholder Agreements: There are no shareholder agreements that impose additional restrictions or conditions on dividend distributions.

- Legal Reserve Requirements: In accordance with applicable laws and internal policy, the Company is required to allocate 10% of its annual net profit to a legal reserve before distributing dividends. This reserve strengthens the Company's capital base and supports long-term financial stability.

3. Restrictions

The Company will not pay dividends or transfer profits if capital and reserves are inadequate as per the directives of the National Bank of Ethiopia. No interest accrues on unclaimed dividends.

Dividend Declaration History

Dividend distributions have increased consistently over the last three financial years, reflecting the Company's growing profitability and capital position. Total dividends declared increased from ETB 57.5 million in FY2022/23 to ETB 67.2 million in FY2023/24 and ETB 76.3 million in FY2024/25, representing year-on-year growth of 17.0% and 13.4%, respectively. The increase in declared dividends was supported by growth in net profit, which increased from ETB 65.2 million in FY2022/23 to ETB 78.7 million in FY2023/24 and ETB 94.1 million in FY2024/25.

Dividend per share also increased from ETB 132.5 in FY2022/23 to ETB 140.0 in FY2023/24 before moderating to ETB 130.0 in FY2024/25. The reduction in dividend per share in FY2024/25 occurred despite higher profitability and reflected the Company's decision to retain a greater portion of earnings to support capital growth and future business expansion.

Historically, only a portion of the dividends declared has been distributed to shareholders in cash, while the remaining amounts have been retained within the Company. In respect of FY2024/25, the Company has proposed that shareholders capitalize their net dividend entitlements through the Rights Offer. Under this arrangement, eligible shareholders may elect to convert their declared dividend entitlements into Ordinary Shares, thereby increasing their equity participation in the Company. Accordingly, the FY2024/25 dividend distribution forms the basis of the proposed capitalization and Rights Offer described in this Prospectus.

Table 40: Dividend Payment History

Fiscal Year	Net Profit	Dividend Declared	Total Dividend Paid	Dividend Capitalized	Dividend Per Share	Payout Ratio	Approval Reference
2021/22	47,203,000	41,395,200	6,241,156	35,154,044	115.00	23.00%	AGM 2022
2022/23	65,173,000	57,480,700	15,045,246	42,435,454	132.50	26.50%	AGM 2023
2023/24	78,700,000	67,244,000	16,951,743	50,292,257	140	28.00%	AGM 2024
2024/25	94,118,130	76,277,114	20,792,527	55,484,587*	130	26%	AGM 2025

In accordance with the resolution passed at the Company's Extraordinary General Meeting of shareholders held on November 22, 2025, shareholders were given the option either to receive their declared dividend in cash or to reinvest their dividend entitlement through shares to be issued by the Company. The total declared dividend amounted to ETB 76,277,114. Of this amount, ETB 20,792,527 was paid in cash to shareholders who elected to receive their dividend entitlement in cash, while ETB 4,285,500 was applied toward the settlement of amounts payable by existing shareholders

for shares that had already been subscribed. Accordingly, ETB 51,199,087 remained available from the declared dividend for capitalization. In addition, ETB 11,913 in fractional dividend balances carried forward from preceding years was added, resulting in a total amount of ETB 51,211,000 eligible for capitalization. Based on the allocation price of ETB 927 per Ordinary Share and the rounding-down methodology set out in the allotment report, 55,172 new Ordinary Shares will be issued, representing a capitalized amount of ETB 51,144,444. The difference of ETB 66,556 will be paid to the respective shareholders in cash as fractional dividend balances.

The amount capitalized through the current dividend capitalization scheme is therefore ETB 51,144,444. This amount relates only to the newly issued shares under this scheme and excludes amounts applied toward shares that had already been subscribed by existing shareholders.

Other Securities and Disclosures

The Company has not issued, and has no outstanding, securities other than its Ordinary Shares. In particular, the Company has not issued preference shares, bonds, debentures, convertible instruments, warrants, options, or any other equity-linked or debt securities.

The Company has a single class of shares, namely Ordinary Shares, and all issued shares rank equally in all respects.

All issued share capital of the Company has been subscribed and paid for in cash. No portion of the Company's issued share capital has been paid up through the contribution of assets, services, or any form of non-cash consideration.

The Company's shares have not previously been listed or traded on a licensed securities exchange or over-the-counter market. Accordingly, no established public trading market currently exists for the Company's shares.

6. SECTION SIX – INTERESTS AND RELATED PARTY TRANSACTIONS

6.1. Board of Directors Interest

As at the date of this Prospectus, the Directors, Senior Management and Executive Officers collectively hold 59,678 ordinary shares, representing approximately 8.75% of the Issuer's total paid-up share capital. These shareholdings constitute direct beneficial interests held in their personal capacities. To the extent that any shares are held through an entity in which a Director, Senior Management member or Executive Officer has an ownership interest, such holdings constitute indirect beneficial interests.

The Issuer confirms that no Director, Senior Management member or Executive Officer holds any shares in a non-beneficial capacity, whether directly or indirectly, and that none holds shares as nominee, trustee, agent or under any similar arrangement for the benefit of another person. The Issuer further confirms that no indirect or non-beneficial shareholding interests exist other than the beneficial interests expressly disclosed above.

As at the date of this Prospectus, no Director, shareholder, Senior Management member or Executive Officer has any direct or indirect beneficial or non-beneficial interest in the Issuer's registration with the Ethiopian Capital Market Authority or the proposed offer, other than their disclosed ordinary shareholding interests. No additional compensation, success fee or special arrangement has been granted to any Director, Senior Management member or Executive Officer in connection with the registration or offer process.

The Issuer confirms that all transactions with Directors, Senior Management members and related parties have been conducted in accordance with applicable laws, regulations and the Issuer's internal governance policies. Any related-party transactions requiring approval were undertaken in accordance with the relevant corporate governance and regulatory requirements.

Except as expressly disclosed in this Prospectus, no Director, Senior Management member or Executive Officer has any direct or indirect interest, whether beneficial or non-beneficial, in any material transaction entered into by the Issuer during the period.

The Company confirms that there are no loans, guarantees, security arrangements, advances, or similar financial accommodations granted by the Company to, or for the benefit of, any member of the Board of Directors.

Details of all sums paid or agreed to be paid, directly or indirectly, to members of the Board of Directors during the three years immediately preceding the date of this Prospectus, including directors' fees, allowances and other approved remuneration, are disclosed elsewhere in this Prospectus. Other than such disclosed amounts, no additional sums or benefits have been paid or agreed to be paid to any member of the Board of Directors in connection with their services to the Issuer.

6.2. Major Shareholders and Interested Persons

Pursuant to Article 109(1) of the Public Offering and Trading of Securities Directive No. 1030/2024, the Issuer confirms that no single individual directly or indirectly holds more than 5% of the Company’s issued share capital or voting rights. The Company’s ownership is widely distributed and diversified. Other than ITMAS S.C. and Mr. Biyut Haji Abdulahi, each holding 5.0% of the Company's paid-up capital, no other individual or entity holds 5.0% or more of the Company's issued shares.

Each ordinary share carries one vote and ranks pari passu in all respects with other ordinary shares. Accordingly, all shareholders enjoy equal voting rights and privileges.

The Audit Committee reviews all related party transactions on a quarterly basis to assess compliance with the Company's Related Party Transaction Policy and applicable legal and regulatory requirements. The Committee reports its findings and recommendations to the Board of Directors. Any transaction identified as non-compliant or otherwise raising governance concerns is subject to prompt review and corrective action, where necessary.

The Board of Directors confirms that, to the best of its knowledge, all related party transactions disclosed in this Prospectus were conducted on arm's-length terms and in the ordinary course of business. The Board is not aware of any related party transaction that would require restatement or that has had, or is reasonably expected to have, a material adverse effect on the Company's financial position, financial performance, or results of operations.

Voting Rights and Control

The Company is not aware of any informal agreements, voting arrangements, concert party arrangements, understandings, or other mechanisms among shareholders that may directly or indirectly influence the exercise of voting rights or confer control over the Company. Accordingly, control of the Company is exercised solely through the shareholding and voting rights attached to the issued shares.

Shareholder Rights

No shareholder enjoys special rights, privileges, or preferences beyond those attached to the ordinary shares held. In particular, no shareholder has exclusive Board nomination rights, veto rights, enhanced voting rights, or any other governance rights that differ from those available to other shareholders under the Company's Memorandum and Articles of Association and applicable laws.

Change of Control

As of June 10, 2026, the Company is not aware of any agreement, arrangement, option, undertaking, or other circumstance that may result in a change of control of the Company. The Board is not aware of any pending transaction or proposed arrangement that could materially alter the Company's ownership or control structure.

Shareholder Agreements

The Company is not a party to, and is not aware of, any shareholder agreement, voting agreement, relationship agreement, or similar arrangement governing the relationship among shareholders or between any shareholder and the Company that would materially affect the governance, management, ownership, or control of the Company.

6.3. Related Party Transactions

The Company maintains governance and compliance procedures concerning transactions with related parties, in strict adherence to the Commercial Code, International Financial Reporting Standards (IFRS), IAS 24, and other applicable standards. These arrangements are expected to continue into future financial periods.

For the past three fiscal years, all financial and material transactions with related parties have been comprehensively reviewed and compiled. These transactions were executed on an arm's-length basis and within the ordinary course of business, fully consistent with all applicable laws, regulatory requirements, and the Company's governance framework.

The disclosures provided ensure stakeholders have the necessary transparency to evaluate the extent of related party involvement in the Company's financial position and performance.

All material related parties are explicitly disclosed in the annual financial statements, in compliance with IFRS or applicable local accounting standards.

Significant related-party transactions are also reported to the National Bank of Ethiopia (NBE) or other relevant supervisory bodies, as required by law.

The aggregate compensation paid or payable to Key Management in the last two years is presented below.

Table 41: Related Party Transactions (ETB '000)

Related Party	Nature of Transaction	FY2025	FY2024	Terms and Conditions
Key Management Personnel Compensation				
Salaries and other short-term benefits	Short-term employee benefits	7,183	5,447	Approved by Board Remuneration Committee; based on performance and market benchmarks.
Post-employment benefits	Pension and provident fund contributions	637	442	As per Company's pension scheme rules applicable to all employees.
Representation allowance	Allowances	567	402	Paid in accordance with Company policy.
Other expenses (Board allowance)	Board-related expenses	722	831	Monthly and annual allowances as approved by shareholders.
Total Key Management Compensation		**9,109**	**7,122**	
Board of Directors				

Directors' fees and allowances	Monthly allowance and annual remuneration	2,890	2,567	Monthly allowance of ETB 10,000 per director; annual remuneration of ETB 150,000 per director (payable only in profitable years). Approved by shareholders at AGM.
Insurance Services Result (including Takaful)		87,488	78,309	
Total Related Party Transactions / Insurance Service Result		13.7%	12.4%	

7. SECTION SEVEN – MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) is a comprehensive discussion of the Issuer's historical financial performance, detailing key metrics and providing underlying reasons for the performance. This section should be read together with the information set out in Section 2 "Business Overview", Section 3 "Financial Information", and the information relating to the Issuer's business included elsewhere in this Prospectus.

The Issuer has made reference to the Historical Audited Financial Statements for the fiscal years ended June 30, 2025, 2024, and 2023. Certain FY2023 comparative figures were restated in the FY2024 audited financial statements following the adoption and application of IFRS 17. Accordingly, where applicable, the FY2023 figures presented in this Prospectus reflect the restated comparative balances disclosed in the FY2024 audited financial statements.

7.1. Overview

Global Insurance Share Company operates as a general insurer through two business segments: Conventional insurance and Takaful insurance. The Company's core activities include underwriting non-life insurance risks, claims management, reinsurance management, investment activities and related insurance services.

Financial performance. The Company recorded growth in premium production, insurance revenue and underwriting results over the three-year period. Gross Written Premium increased from ETB 290.0 million in FY2023 to ETB 335.0 million in FY2024 and ETB 400.7 million in FY2025, representing year-on-year growth of 15.5% in FY2024 and 19.6% in FY2025, and a CAGR of 17.5%. Insurance revenue increased from ETB 259.0 million in FY2023 to ETB 298.6 million in FY2024 and ETB 346.4 million in FY2025, representing a CAGR of 15.6%. Insurance service result increased from ETB 36.7 million in FY2023 to ETB 72.0 million in FY2024 and ETB 87.5 million in FY2025, representing a CAGR of 54.4%.

Profitability. Profit before tax increased from ETB 59.9 million in FY2023 to ETB 98.9 million in FY2024 and ETB 136.2 million in FY2025, representing year-on-year growth of 31.2% in FY2024 and 37.7% in FY2025, and a CAGR of 34.4%. Profit after tax increased from ETB 75.4 million in FY2023 to ETB 76.2 million in FY2024 and ETB 104.5 million in FY2025, representing a CAGR of 32.3%. Profit before tax margin increased from 29.1% in FY2023 to 33.1% in FY2024 and 39.3% in FY2025, while profit after tax margin increased from 23.1% in FY2023 to 25.5% in FY2024 and 30.2% in FY2025. Return on average assets was 8.5% in FY2023, 8.3% in FY2024, and 9.7% in FY2025. Return on average equity increased from 18.8% in FY2023 to 21.0% in FY2024 and 24.1% in FY2025. Earnings per share increased from ETB 134 in FY2023 to ETB 162 in FY2024, before decreasing slightly to ETB 160 in FY2025, reflecting the increase in share capital during the year.

Claims and underwriting performance. Gross claims incurred increased from ETB 108.9 million in FY2023 to ETB 114.5 million in FY2024 and ETB 122.7 million in FY2025, representing a CAGR of 6.1%. Claims grew at a lower rate than Gross Written Premium and insurance revenue over the period. As a result, the claims ratio decreased from 37.5% in FY2023 to 34.2%

in FY2024 and 30.6% in FY2025. Insurance service result margin increased from 14.2% in FY2023 to 24.1% in FY2024 and 25.3% in FY2025.

Investment income. Net investment income increased from ETB 25.0 million in FY2023 to ETB 25.4 million in FY2024 and ETB 32.4 million in FY2025. Growth was 1.3% in FY2024 and 27.8% in FY2025, resulting in a CAGR of 13.8% over the three-year period. Investment income was supported by income from deposits, bonds and dividend-generating investments.

Financial position. Total assets increased from ETB 832.2 million in FY2023 to ETB 999.2 million in FY2024 and ETB 1.154 billion in FY2025, representing a CAGR of 17.8%. Total liabilities increased from ETB 483.3 million in FY2023 to ETB 621.3 million in FY2024 and ETB 664.9 million in FY2025, representing a CAGR of 17.3%. Total equity increased from ETB 348.8 million in FY2023 to ETB 377.9 million in FY2024 and ETB 489.5 million in FY2025, representing a CAGR of 18.5%. Paid-up capital remained at ETB 242.2 million in FY2023 and FY2024, before increasing to ETB 332.6 million in FY2025, resulting in a CAGR of 17.2%. Equity to total assets was 41.9% in FY2023, 37.8% in FY2024, and 42.4% in FY2025.

Cash flow and liquidity. Cash and cash equivalents increased from ETB 125.9 million in FY2023 to ETB 218.7 million in FY2024, before remaining broadly unchanged at ETB 218.6 million in FY2025. This represented growth of 73.7% in FY2024, a marginal decrease in FY2025, and a three-year CAGR of 31.8%. Net cash from operating activities increased from ETB 136.1 million in FY2023 to ETB 167.4 million in FY2024, before decreasing to ETB 137.1 million in FY2025. The three-year CAGR was 0.3%, indicating limited change in operating cash generation over the period.

Segment performance. Conventional insurance remained the larger business segment throughout the period. Conventional insurance revenue increased from ETB 216.0 million in FY2023 to ETB 233.9 million in FY2024 and ETB 273.7 million in FY2025, representing a CAGR of 12.5%. Takaful insurance revenue increased from ETB 43.0 million in FY2023 to ETB 64.7 million in FY2024 and ETB 72.8 million in FY2025, representing a CAGR of 30.1%. In FY2025, Conventional insurance accounted for approximately 79.0% of total insurance revenue, while Takaful accounted for approximately 21.0%.

Product concentration. Motor insurance remained the Company's largest product line. In FY2025, Motor insurance generated ETB 259.3 million, representing approximately 74.9% of total insurance revenue. This indicates that Motor insurance continues to be the main driver of the Company's revenue base.

Operational performance. otal policyholders increased from 29,815 in FY2023 to 31,408 in FY2024 and 39,059 in FY2025, representing a CAGR of 14.5%. Conventional policyholders increased from 25,454 in FY2023 to 27,374 in FY2024 and 33,745 in FY2025, representing a CAGR of 15.1%. Takaful policyholders decreased from 4,361 in FY2023 to 4,034 in FY2024, before increasing to 5,314 in FY2025, representing a CAGR of 10.4%. The branch network remained at 20 branches in FY2023 and FY2024, before increasing to 27 branches in FY2025. The number of employees decreased from 196 in FY2023 to 192 in FY2024, before increasing to 195 in FY2025. Female employees represented 51.5% of total employees in FY2023, 58.3% in FY2024, and 59.5% in FY2025.

Table 42: Summary of Financial Performance, Financial Position, Ratios and Non-Financial KPIs (ETB '000, unless otherwise stated)

Indicator*	FY2025	FY2024	FY2023	YoY		CAGR
				24/25	23/24	
Financial Performance						
Gross Written Premium	400,686	335,047	290,400	19.6%	15.5%	17.5%
Insurance Revenue	346,418	298,593	259,016	16.0%	15.3%	15.6%
Gross Claims Incurred	122,656	114,489	108,889	7.1%	5.1%	6.1%
Insurance Service Result	87,488	71,971	36,700	21.6%	96.1%	54.4%
Net Investment Income	32,411	25,366	25,040	27.8%	1.3%	13.8%
Profit Before Tax	136,223	98,915	75,396	37.7%	31.2%	34.4%
Profit After Tax	104,530	76,248	59,749	37.1%	27.6%	32.3%
EPS	160	162	134	(1.2%)	20.9%	9.3%
Financial Position						
Total Assets	1,154,423	999,207	832,157	15.5%	20.1%	17.8%
Total Liabilities	664,882	621,268	483,337	7.0%	28.5%	17.3%
Total Equity	489,539	377,937	348,821	29.5%	8.3%	18.5%
Paid-up Capital	332,557	242,156	242,156	37.3%	0.0%	17.2%
Cash and Cash Equivalents	218,577	218,684	125,887	(0.0%)	73.7%	31.8%
Net Cash from Operating Activities	137,078	167,366	136,144	(18.1%)	22.9%	0.3%
Key Financial Ratios						
Claims Ratio: Gross Claims Incurred / GWP	30.6%	34.2%	37.5%	(10.5%)	(8.8%)	(9.7%)
Insurance Service Result Margin	25.3%	24.1%	14.2%	5.0%	69.7%	33.5%
Profit Before Tax Margin	39.3%	33.1%	29.1%	18.7%	13.7%	16.2%
Profit After Tax Margin	30.2%	25.5%	23.1%	18.4%	10.4%	14.3%
ROAA	9.7%	8.3%	8.5%	16.9%	(2.4%)	6.8%
ROAE	24.1%	21.0%	18.8%	14.8%	11.7%	13.2%
Equity / Total Assets	42.4%	37.8%	41.9%	12.2%	(9.8%)	0.6%
Non-Financial KPIs						
Total Policyholders	39,059	31,408	29,815	24.4%	5.3%	14.5%
Conventional Policyholders	33,745	27,374	25,454	23.3%	7.5%	15.1%
Takaful Policyholders	5,314	4,034	4,361	31.7%	(7.5%)	10.4%
Branch Network	27	20	20	35.0%	0.0%	16.2%
Number of Employees	195	192	196	1.6%	(2.0%)	(0.3%)
Female Employees	59.5%	58.3%	51.5%	2.1%	13.2%	7.5%

***Certain variables combine Takaful and conventional insurance values.**

Conventional insurance remained the larger segment, generating insurance revenue of ETB 216.0 million in FY2023, ETB 233.9 million in FY2024 and ETB 273.7 million in FY2025, representing a CAGR of 12.5%. Takaful insurance revenue increased from ETB 43.0 million in FY2023 to ETB 64.7 million in FY2024 and ETB 72.8 million in FY2025, representing a higher CAGR of 30.1%, although from a smaller base. Takaful's share of total insurance revenue increased from 16.6% in FY2023 to 21.7% in FY2024, before decreasing slightly to 21.0% in FY2025, while Conventional insurance accounted for 79.0% of total insurance revenue in FY2025. In terms of insurance service result, Conventional insurance increased from ETB 35.1 million in FY2023 to ETB 75.1 million in FY2024 and remained broadly stable at ETB 76.0 million in FY2025. Takaful insurance service result moved from ETB 1.6 million in FY2023 to a loss of ETB 3.2 million in FY2024, before recording a positive result of ETB 11.5 million in FY2025. This indicates that Takaful's FY2025 recovery contributed to segment-level underwriting performance, while Conventional insurance continued to account for the larger share of revenue and insurance service result.

Table 43: Conventional and Takaful Segment Information (ETB '000, unless otherwise stated)

	Conventional			Takaful		
Indicator	FY2025	FY2024	FY2023	FY2025	FY2024	FY2023
Insurance Revenue	273,660	233,899	216,044	72,758	64,694	42,972
Share of Total Insurance Revenue	79.0%	78.3%	83.4%	21.0%	21.7%	16.6%
Insurance Service Result	75,997	75,140	35,141	11,491	(3,169)	1,559
Profit Before Tax	121,349	101,367	73,805	14,874	(2,452)	1,591
Profit After Tax	94,118	78,700	58,158	10,411	(2,452)	1,591

Overall, FY2025 reflects improved financial performance, stronger capital levels, balance sheet expansion, growth in customer reach, and improved Takaful performance. The Company's performance remained materially linked to Motor insurance, which continued to account for the majority of insurance revenue.

7.2. Key Material Factors Affecting the Company's Results of Operations

The Company's results of operations are affected by a combination of macroeconomic conditions, insurance sector developments, regulatory requirements, and company-specific operating factors. These factors influence the Company through identifiable channels, including insurance demand, premium growth, claims costs, reinsurance expenses, investment income, operating expenses, solvency requirements, underwriting capacity, customer acquisition, and branch network expansion.

During FY2025, the Company recorded improved financial performance, supported by growth in gross written premium, higher insurance revenue, improved underwriting performance, stronger investment income, and continued strengthening of its capital base. Gross written premium increased by 19.6%, from ETB 335.0 million in FY2024 to ETB 400.7 million in FY2025. Total insurance revenue increased by 16.0%, from ETB 298.6 million to ETB 346.4 million, while insurance service result increased by 21.6%, from ETB 72.0 million to ETB 87.5 million. Profit before tax increased by 37.7%, from ETB 98.9 million to ETB 136.2 million, and profit after tax increased by 37.1%, from ETB 76.2 million to ETB 104.5 million.

The following factors materially affected the Company's results of operations during FY2025 and are expected to continue influencing future performance.

7.2.1. Macroeconomic Factors

Economic Growth and Insurance Demand

Ethiopia continued to record positive economic growth during FY2025, supported by activity in the services, agriculture, construction, industrial, and trade-related sectors. This macroeconomic environment supported demand for insurance products by increasing the volume of insurable assets, commercial transactions, vehicles, construction projects, and trade-related exposures.

For the Company, the effect of this operating environment was reflected in growth across its core business lines. Insurance revenue increased by 16.0% during FY2025, while the customer base increased by 24.4%, from 31,408 policyholders in FY2024 to 39,059 policyholders in FY2025. The Company's branch network also expanded from 20 branches to 27 branches, improving geographic reach and supporting premium generation.

The Company's core insurance portfolio remains concentrated in general insurance business, particularly Motor insurance. Motor insurance generated ETB 259.3 million in FY2025, representing approximately 74.9% of total insurance revenue. Accordingly, economic activity that affects vehicle ownership, transport activity, trade, logistics, construction, and asset financing has a direct bearing on the Company's premium growth and underwriting performance.

Inflation and Claims Costs

Although inflation moderated during FY2025, elevated price levels continued to affect the cost of claims settlement. Higher prices for vehicle spare parts, repair services, construction materials, medical services, imported inputs, and replacement assets directly affect insurance service expenses. This is particularly relevant for Motor, Fire, Engineering, Marine, and liability-related claims.

According to the National Bank of Ethiopia Financial Stability Report, headline inflation declined from 26.6% in June 2024 to 13.6% in June 2025. However, the reduction in the inflation rate did not fully reverse the impact of accumulated price increases on claims costs. For the Company, this was reflected most clearly in the Conventional insurance segment, where insurance service expenses increased during FY2025. The increase in claims-related and service expenses demonstrates the sensitivity of underwriting margins to inflation, particularly where premium pricing is determined before the full claims cost environment is known.

Claims inflation may continue to affect future profitability if premium pricing, underwriting terms, deductibles, and claims management processes are not adjusted in line with changes in repair, replacement, and settlement costs.

Interest Rates and Investment Income

Investment income is an important contributor to the Company's profitability. Insurance companies hold significant investment assets to support technical reserves, liquidity needs, and solvency requirements. As a result, changes in interest rates and yields on fixed-income instruments affect overall profitability.

During FY2025, the interest rate environment became more favorable for financial institutions and institutional investors. Treasury bill yields increased significantly following financial sector reforms, with the weighted average yield reaching approximately 17.3% by June 2025. This supported returns on fixed-income instruments and time deposits.

For the Company, investment income increased by 27.8% during FY2025, supported by income from time deposits, bonds, and other fixed-income investments. The Company also increased its allocation to bonds and other fixed-income instruments, strengthening the recurring income profile of the investment portfolio. Future changes in interest rates may therefore materially affect investment income, profitability, asset allocation, and liquidity management.

Foreign Exchange Developments

The foreign exchange market underwent significant reforms during FY2025, including the transition toward a more market-based foreign exchange regime. The resulting depreciation of the Ethiopian Birr and increased exchange-rate volatility affected businesses with foreign-currency exposures, including insurers with reinsurance arrangements, marine insurance exposure, imported claims inputs, and foreign-currency-linked replacement costs.

For the Company, foreign exchange movements affect performance through several channels. First, imported vehicle spare parts, machinery, construction materials, medical equipment, and other replacement items may increase claims settlement costs. Second, foreign-currency-denominated reinsurance arrangements may affect reinsurance expenses. Third, Marine insurance business may be affected by changes in import activity and trade finance flows. Finally, foreign exchange gains or losses may affect other operating income depending on the Company's foreign-currency position.

During FY2025, the Company's Marine insurance revenue increased materially, reflecting stronger trade-related activity and increased exposure to foreign-currency-linked risks. While foreign exchange gains contributed to other income during the period, exchange-rate volatility may also increase claims costs and reinsurance costs in future periods.

7.2.2. Industry Factors

Growth in the Insurance Sector

The Ethiopian insurance sector continued to expand during FY2025, supported by economic growth, increasing asset ownership, branch expansion, greater customer awareness, and growing demand for risk transfer products. This created opportunities for insurers to increase premium production across Motor, Fire, Marine, Engineering, and other general insurance lines.

The Company benefited from this sector growth. Gross written premium increased by 19.6% during FY2025, while insurance revenue increased by 16.0%. This indicates that the Company was able to expand business production and convert part of that growth into recognized insurance revenue during the year.

However, the insurance penetration level in Ethiopia remains relatively low compared with more mature markets. This creates long-term growth opportunities but also requires continued investment in customer education, distribution, product development, claims service, and digital capability.

Business Line Concentration

The Ethiopian insurance market remains heavily concentrated in general insurance, particularly Motor insurance. The Company's portfolio reflects this sector pattern. Motor insurance generated approximately three-quarters of total insurance revenue in FY2025 and remained the Company's dominant product line across both Conventional and Takaful segments.

This concentration has both advantages and risks. Motor insurance provides a broad and recurring source of premium revenue and supports customer acquisition. However, it also exposes the Company to accident frequency, claims inflation, spare parts costs, vehicle repair costs, fraud risk, traffic conditions, and competitive pricing pressure. Any adverse movement in claims frequency, claims severity, or pricing adequacy in Motor insurance could materially affect the Company's underwriting result.

The Company's future performance will therefore depend on its ability to maintain appropriate underwriting standards, risk-based pricing, effective claims management, and portfolio diversification across non-Motor lines such as Fire, Engineering, Marine, Liability, Pecuniary, Accident, and Workmen's Compensation.

Competition in the Insurance Market

The Ethiopian insurance market is competitive, particularly in Motor and other general insurance lines. Competition affects premium pricing, commission structures, customer retention, broker relationships, and profitability. Insurers may face pressure to reduce premiums or relax underwriting terms in order to maintain or grow market share.

Despite this competitive environment, the Company recorded growth in both Conventional and Takaful insurance revenue during FY2025. Conventional insurance revenue increased to ETB 273.7 million, representing approximately 79.0% of total insurance revenue, while Takaful insurance revenue increased to ETB 72.8 million, representing approximately 21.0% of total insurance revenue.

The Company's ability to sustain premium growth while improving profitability will depend on disciplined underwriting, service quality, customer retention, effective branch management, and continued differentiation through Takaful and other product offerings.

Reinsurance Market Conditions

Reinsurance is a key factor affecting the Company's risk retention capacity, underwriting strategy, earnings stability, and capital utilization. The availability, cost, and terms of reinsurance affect the Company's ability to underwrite larger and more complex risks, particularly in Fire, Engineering, Marine, and other high-severity classes.

During FY2025, the Company's reinsurance arrangements affected segment performance. In particular, the Takaful segment recorded a significant increase in net expenses from reinsurance contracts held, reflecting a deliberate risk management approach to cede more risk and stabilize the portfolio. While reinsurance can reduce retained claims volatility, higher reinsurance costs can also reduce underwriting margins.

Future changes in international reinsurance pricing, treaty capacity, credit terms, counterparty appetite, and foreign exchange conditions may materially affect the Company's underwriting profitability and capital efficiency.

Development of the Takaful Market

The Company operates both Conventional and Takaful insurance businesses. The Takaful segment remains strategically important because it allows the Company to serve customers seeking Shariah-compliant insurance solutions and to differentiate itself in the market.

During FY2025, Takaful insurance revenue increased to ETB 72.8 million, representing approximately 21.0% of total insurance revenue. The segment also returned to profitability, supported by improved underwriting discipline and claims management. Takaful insurance service expenses declined significantly during the year, reflecting stronger portfolio control and more effective claims management.

Future growth in the Takaful segment will depend on customer awareness, confidence in Shariah-compliant insurance products, distribution reach, product development, and the Company's ability to maintain underwriting discipline as the segment scales.

7.2.3. Regulatory Factors

Capital and Solvency Requirements

The Company operates under the prudential supervision of the National Bank of Ethiopia and is required to comply with applicable insurance laws, directives, solvency requirements, and minimum paid-up capital requirements. These requirements affect capital planning, dividend policy, underwriting capacity, product expansion, and the Company's ability to absorb risk.

The Company strengthened its capital base during FY2025. Paid-up capital increased by 37.3%, from ETB 242.2 million in FY2024 to ETB 332.6 million in FY2025. Total equity increased by 29.5%, from ETB 377.9 million to ETB 489.5 million. This improved capital position supports regulatory compliance, underwriting capacity, solvency resilience, and future business growth.

The Company is also undertaking a dividend capitalization process intended to further strengthen paid-up capital. The capitalization of shareholders' dividend entitlements into equity is expected to increase permanent capital, support compliance with minimum paid-up capital requirements, and improve the Company's ability to underwrite larger and more complex risks.

Changes in Regulatory Framework

The Company is subject to regulatory requirements issued by the National Bank of Ethiopia, the Ethiopian Capital Market Authority, and other relevant public authorities. Future amendments to insurance regulation, solvency requirements, corporate governance standards, financial reporting requirements, risk-management rules, anti-money laundering requirements, consumer protection obligations, or capital market rules may affect the Company's operating costs, capital needs, reporting obligations, and business strategy.

As the Company is registering its securities and moving toward a dematerialized securities environment, it may also be affected by capital market requirements relating to disclosure, trading arrangements, shareholder communication, Central Securities Depository processes, and ongoing reporting obligations. Compliance with these evolving requirements is expected to remain an important factor affecting future performance and administrative costs.

7.2.4. Company-Specific Factors

Underwriting Discipline and Risk Selection

The Company's profitability is materially affected by underwriting discipline, risk selection, pricing adequacy, and portfolio monitoring. During FY2025, the Company's insurance service result increased by 21.6%, indicating improved underwriting performance. The Takaful segment's return to profitability was particularly supported by stronger claims management and reduced insurance service expenses.

At the same time, the increase in Conventional insurance service expenses demonstrates the continued importance of maintaining pricing discipline, monitoring claims trends, and refining underwriting guidelines. The Company's ability to sustain profitability will depend on its capacity to price risks appropriately, avoid underpriced business, manage concentration in Motor insurance, and improve the quality of risk selection across all business lines.

Claims Experience

Claims frequency and severity are among the most significant drivers of profitability for insurance companies. Variations in accident rates, fire incidents, weather-related losses, engineering losses, marine losses, liability claims, fraud, and judicial or settlement practices can materially affect the Company's operating results.

During FY2025, gross claims incurred increased by 7.1%, from ETB 114.5 million to ETB 122.7 million. Although claims grew at a slower rate than gross written premium and insurance revenue, claims costs remain a major sensitivity for future profitability. The Company's results will continue to depend on effective claims assessment, fraud control, claims recovery, reinsurance recoveries, reserve adequacy, and timely settlement practices.

Investment Portfolio Management

The Company's investment portfolio is a key contributor to earnings and liquidity. Investment income supports overall profitability and helps offset volatility in underwriting results. During FY2025, investment income increased by 27.8%, supported by higher returns from time deposits, bonds, and other fixed-income investments.

The Company also increased its allocation to bonds and other fixed-income instruments to improve portfolio stability and generate recurring income. The performance of these investments, the credit quality of counterparties, the liquidity of the portfolio, and movements in interest rates will continue to influence future earnings.

Operational Efficiency and Cost Management

The Company's profitability is affected by its ability to manage operating expenses while expanding its business. During FY2025, the Company expanded its branch network from 20 branches to 27 branches and increased its customer base from 31,408 policyholders to 39,059 policyholders. This expansion supports future premium growth and geographic reach but may also increase short-term operating costs.

Employee numbers increased modestly from 192 to 195, while full-time employees increased from 169 to 177. This indicates a shift toward a more permanent staffing structure, which may support service quality, claims handling, and operational continuity. However, branch expansion, staffing costs, technology expenditure, and administrative expenses must be managed carefully to ensure that business growth translates into enhanced profitability.

Capital Strengthening and Business Expansion

The Company's strengthened capital base is an important factor supporting future performance. Higher paid-up capital and equity improve the Company's ability to meet regulatory requirements, absorb underwriting volatility, support larger risk retention, and pursue strategic projects.

The dividend capitalization process is expected to increase permanent paid-up capital by converting declared dividend entitlements into shares. This will support the Company's compliance with minimum capital requirements and strengthen its capacity to pursue strategic initiatives, including business expansion, technology investment, core insurance system implementation, and approved real estate or infrastructure projects.

Technology and Systems Development

Technology investment is increasingly important for insurance companies, particularly in underwriting, policy administration, claims processing, customer service, reporting, compliance, and data management. The Company's strategic projects include implementation of core insurance systems and related technology improvements.

In this regard, the Company has engaged Amity Software Systems Ltd for the development, customization, and implementation of a new integrated core insurance management system. The system is expected to automate and improve key insurance operations, including underwriting, policy administration, claims processing, customer relationship management, reporting, and data management.

The implementation has progressed to an advanced stage, with the functional acceptance testing phase completed. The next phase involves a three-month parallel run with the existing system to ensure operational stability, data accuracy, user readiness, and effective migration before full deployment. Subject to successful completion of the parallel run and related implementation procedures, the new core insurance system is expected to become operational in October 2026.

These investments may increase costs in the short term but are expected to support operational efficiency, service quality, data accuracy, claims management, and scalability over the medium to long term.

The Company's ability to implement technology projects effectively, manage cybersecurity and data risks, and integrate digital tools into underwriting and claims processes will continue to influence operating performance and competitiveness.

7.3. Analysis of Historical Financial Performance

The tables below set out the Company's historical statements of comprehensive income for the years ended June 30, 2025, 2024, and 2023 (restated).

Table 44: Statement of Profit or Loss and Other Comprehensive Income (ETB'000)

Line Item	FY25		FY24		FY23		CAGR Conventional (%)	CAGR Takaful (%)
	Conventional	Takaful	Conventional	Takaful	Conventional	Takaful		
Insurance Service Result								
Insurance Revenue	273,660	72,758	233,899	64,694	216,044	42,972	17.0%	12.5%
Insurance Service Expense	(175,426)	(29,978)	(126,291)	(82,928)	(215,450)	(45,493)	38.9%	(63.9%)

Net Expenses from Reinsurance Contracts Held	(22,236)	(31,288)	(32,467)	15,065	(34,546)	(4,079)	(31.5%)	n.m.
Insurance Service Result	75,997	11,491	75,140	(3,169)	35,141	1,559	1.1%	n.m.
Net Financial Result								
Net Investment Income	32,411	-	25,366	-	25,040	-	27.8%	-
Finance Income/(Expenses) from Insurance Contracts	5,536	2,128	493	3,499	2,465	513	n.m.	(39.2%)
Finance Income/(Expenses) from Reinsurance Contracts	1,594	1,267	514	(2,785)	(4,190)	(154)	210.1%	n.m.
Net Financial Result	39,540	3,395	25,387	714	23,315	359	55.8%	375.5%
Other Income and Expenses								
Other income accounted from commission income	26,456	-	15,757	-	19,680	-	67.9%	-
Other Income	28,947	1	19,984	-	14,700	-	44.9%	n.m.
Non-attributable Expenses	(48,183)	-	(34,459)	-	(18,188)	(319)	39.8%	-
Credit Impairment Losses	(1,407)	(13)	(442)	3	(843)	(7)	218.3%	n.m.
Profit Before Tax	121,349	14,874	101,367	(2,452)	73,805	1,591	19.7%	n.m.
Income Tax Expense	(27,231)	(4,462)	(22,667)	-	15,647	-	20.1%	n.m.
Profit for the Year	94,118	10,411	78,700	(2,452)	58,158	1,591	19.6%	n.m.

n.m. = not meaningful due to a change from profit to loss or loss to profit.

The following analysis provides a detailed, line-item review of the Company's Statement of Profit or Loss and Other Comprehensive Income, highlighting significant movements, underlying drivers, and strategic implications.

7.3.1 Insurance Revenue

Insurance revenue represents consideration earned from insurance contracts issued to policyholders and is the primary source of revenue for the Issuer. The Issuer operates through two reporting segments: Conventional Insurance and Takaful Insurance.

Total insurance revenue increased from ETB 259.0 million in FY2023 to ETB 298.6 million in FY2024 and ETB 346.4 million in FY2025, representing a CAGR of 15.7%. In FY2025, total insurance revenue increased by 16.0%, or ETB 47.8 million, compared with FY2024. The increase was mainly attributable to the Conventional segment, which increased by 17.0%, from ETB 233.9 million in FY2024 to ETB 273.7 million in FY2025. The Conventional segment contributed approximately ETB 39.8 million, or 83.2%, of the total FY2025 increase in insurance revenue. Takaful insurance revenue increased by 12.5%, from ETB 64.7 million in FY2024 to ETB 72.8 million in FY2025, contributing approximately ETB 8.1 million, or 16.8%, of the overall increase.

Over the three-year period, Conventional insurance revenue increased from ETB 216.0 million in FY2023 to ETB 273.7 million in FY2025, representing a CAGR of 12.6%. Takaful insurance revenue increased from ETB 43.0 million in FY2023 to ETB 72.8 million in FY2025, representing a higher CAGR of 30.1%, although from a smaller base. As a result, Takaful's contribution to total insurance revenue increased from 16.6% in FY2023 to 21.0% in FY2025, while Conventional insurance accounted for 79.0% of total insurance revenue in FY2025.

Revenue growth was accompanied by an increase in the Issuer's customer base. Total customers increased from 29,815 in FY2023 to 31,408 in FY2024 and 39,059 in FY2025, representing a CAGR of 14.5%. In FY2025, total customers increased by 24.4% compared with FY2024. Conventional customers increased by 23.3%, from 27,374 to 33,745, while Takaful customers increased by 31.7%, from 4,034 to 5,314. Over the three-year period, Conventional customers grew at a CAGR of 15.1%, while Takaful customers grew at a CAGR of 10.4%. The customer growth rate in FY2025 was higher than the insurance revenue growth rate, indicating that the increase in insurance revenue was supported by new policyholders, while average revenue per customer may have moderated during the year.

Table 45: Insurance Revenue (ETB '000) and Customer Growth by Segment

Line Item	FY25 Revenue	FY24 Revenue	FY23 Revenue	Revenue Growth CAGR (%)	FY25 Customers	FY24 Customers	FY23 Customers	Customer Growth CAGR (%)
Conventional	273,660	233,899	216,044	12.6%	33,745	27,374	25,454	15.1%
Takaful	72,758	64,694	42,972	30.1%	5,314	4,034	4,361	10.4%
Total Insurance Revenue	346,418	298,593	259,016	15.7%	39,059	31,408	29,815	14.5%

7.3.1.1. Conventional Insurance Revenue

Conventional insurance revenue increased from ETB 216.0 million in FY2023 to ETB 233.9 million in FY2024 and ETB 273.7 million in FY2025, representing year-on-year growth of 8.3% in FY2024 and 17.0% in FY2025, and a CAGR of 12.6%.

Motor insurance remained the largest class of business, increasing from ETB 159.5 million in FY2023 to ETB 172.1 million in FY2024 and ETB 204.9 million in FY2025, representing a CAGR of 13.3%. In FY2025, Motor insurance accounted for 74.9% of total Conventional insurance revenue and contributed ETB 32.8 million, or approximately 82.5%, of the total FY2025 increase in Conventional revenue. Other business lines also contributed to growth, with Others increasing by 31.9% in FY2025 to ETB 25.9 million, Marine increasing by 102.6% to ETB 12.9 million, and Accident increasing by 91.5% to ETB 3.5 million. These increases were partly offset by decreases in Pecuniary, Liability and Engineering insurance revenues, which declined by 36.5%, 47.1% and 18.6%, respectively, in FY2025. Overall, the Conventional portfolio remained concentrated in Motor insurance, while the growth in Marine, Others and Accident supported the increase in FY2025 revenue.

Table 46: Conventional Insurance Revenue by Class of Business (ETB '000)

Class of Business	FY25	FY24	FY23	YoY 24/5	YoY23/24	CAGR (%)	FY2025 Share
Motor	204,906	172,093	159,534	19.1%	7.9%	13.3%	74.9%
Others	25,914	19,647	17,904	31.9%	9.7%	20.3%	9.5%
Marine	12,877	6,356	6,649	102.6%	(4.4%)	39.3%	4.7%
Fire	10,844	10,805	10,987	0.4%	(1.7%)	(0.7%)	4.0%
Pecuniary	5,167	8,134	6,036	(36.5%)	34.8%	(7.5%)	1.9%
Liability	4,396	8,305	6,868	(47.1%)	20.9%	(20%)	1.6%
Accident	3,533	1,845	1,269	91.5%	45.4%	66.8%	1.3%
Engineering	3,509	4,309	4,426	(18.6%)	(2.6%)	(11%)	1.3%
Workmen's Compensation	2,514	2,405	2,372	4.5%	1.4%	3%	0.9%
Total Conventional Revenue	**273,660**	**233,899**	**216,044**	**17.0%**	**8.3%**	**12.6%**	**100.0%**

7.3.1.2. Takaful Insurance Revenue

Takaful insurance revenue increased from ETB 43.0 million in FY2023 to ETB 64.7 million in FY2024 and ETB 72.8 million in FY2025, representing year-on-year growth of 50.6% in FY2024 and 12.5% in FY2025, and a CAGR of 30.1%. T

he four largest Takaful classes in FY2025 were Motor, Fire, Liability and Pecuniary, which together accounted for approximately 97.5% of total Takaful revenue. Motor Takaful remained the main class, increasing from ETB 31.5 million in FY2023 to ETB 49.0 million in FY2024 and ETB 54.4 million in FY2025, representing a CAGR of 31.5% and 74.8% of FY2025 Takaful revenue. Fire Takaful increased from ETB 7.6 million in FY2023 to ETB 9.2 million in FY2024 and ETB 12.6 million in FY2025, representing a CAGR of 28.4% and 17.3% of FY2025 Takaful revenue. Liability Takaful increased from ETB 0.8 million in FY2023 to ETB 2.3 million in FY2024 and ETB 2.5 million in FY2025, representing a CAGR of 79.3%, although from a smaller base. Pecuniary Takaful increased from ETB 1.3 million in FY2023 to ETB 3.3 million in FY2024, before decreasing to ETB 1.4 million in FY2025, representing a CAGR of 3.5%.

The FY2025 increase in Takaful revenue was mainly supported by Motor and Fire, while the decline in Pecuniary partly offset growth in the other major classes.

Table 47: Takaful Insurance Revenue by Class of Business (ETB '000)

Class of Business	FY25	FY24	FY23	YoY 24/5	YoY23/24	CAGR (%)	FY2025 Share
Motor	54,428	49,040	31,478	11.0%	55.8%	31.5%	74.8%
Fire	12,559	9,182	7,614	36.8%	20.6%	28.4%	17.3%
Liability	2,525	2,270	785	11.2%	189.2%	79.3%	3.5%
Pecuniary	1,375	3,329	1,284	(58.7%)	159.3%	3.5%	1.9%
Marine	787	222	338	254.5%	(34.3%)	52.6%	1.1%
Engineering	665	613	350	8.5%	75.1%	37.8%	0.9%

Workmen's Compensation	296	(237)	625	N/M	(137.9%)	N/M	-
Accident	94	182	496	(48.4%)	(63.3%)	(56.5%)	0.1%
Others	27	92	3	(70.7%)	2,966.7%	200.0%	0.0%
Total Takaful Revenue	**72,758**	**64,694**	**42,972**	**12.5%**	**50.6%**	**30.1%**	**100.0%**

7.3.2 Insurance Service Expenses

Insurance service expenses represent the costs incurred by the Company in settling insurance claims and providing services under insurance contracts. These expenses include claims paid, claims handling costs, and changes in insurance contract liabilities. This line item is a critical indicator of underwriting performance and claims management effectiveness.

Total insurance service expenses decreased from ETB 260.9 million in FY2023 to ETB 209.2 million in FY2024 and ETB 205.4 million in FY2025, representing a decline of 19.8% in FY2024 and 1.8% in FY2025, and a negative CAGR of 11.3%. The movement was different across the two operating segments. Conventional insurance service expenses decreased from ETB 215.5 million in FY2023 to ETB 126.3 million in FY2024, before increasing to ETB 175.4 million in FY2025, representing a CAGR decline of 9.8% over the three-year period. Takaful insurance service expenses increased from ETB 45.5 million in FY2023 to ETB 82.9 million in FY2024, before decreasing to ETB 30.0 million in FY2025, representing a CAGR decline of 18.8%. In FY2025, the 38.9% increase in Conventional insurance service expenses was offset by the 63.9% decrease in Takaful insurance service expenses, resulting in a marginal reduction in total insurance service expenses despite the growth in insurance revenue. The reduction in total insurance service expenses from FY2023 to FY2025 indicates that expense growth did not move in line with revenue growth over the period.

The drivers of these movements are discussed below.

Table 48: Insurance Service Expenses by Segment (ETB '000)

Line Item (ETB '000)	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Conventional	175,426	126,291	215,450	38.9%	(41.4%)	(9.8%)
Takaful	29,978	82,928	45,493	(63.9%)	82.3%	(18.8%)
Total Insurance Service Expenses	**205,404**	**209,219**	**260,943**	**(1.8%)**	**(19.8%)**	**(11.3%)**

7.3.2.1. Conventional Insurance Service Expense

Conventional insurance service expenses decreased from ETB 215.5 million in FY2023 to ETB 126.3 million in FY2024, before increasing to ETB 175.4 million in FY2025. This represents a decline of 41.4% in FY2024, an increase of 38.9% in FY2025, and a negative CAGR of 9.8% over the three-year period. The FY2025 increase was mainly attributable to insurance claims service expenses, which increased by 54.2%, from ETB 68.5 million in FY2024 to ETB 105.7 million in FY2025. However, claims service expenses remained below the ETB 143.9 million recorded in FY2023, resulting in a negative CAGR of 14.3%. Insurance directly attributable expenses increased from ETB 43.8 million in FY2023 to ETB 49.4 million in FY2024 and ETB 58.0 million in FY2025, representing a CAGR of 15.0%.

Amortization of acquisition expenses also increased from ETB 9.8 million in FY2023 to ETB 12.6 million in FY2024 and ETB 12.7 million in FY2025, representing a CAGR of 13.8%. The movement in risk adjustment decreased from ETB 13.7 million in FY2023 to ETB 0.03 million in FY2024, before recording a negative movement of ETB 1.7 million in FY2025. The movement in loss component also fluctuated, moving from ETB 4.2 million in FY2023 to negative ETB 4.2 million in FY2024, before returning to ETB 0.8 million in FY2025.

Overall, the FY2025 increase in Conventional insurance service expenses was driven mainly by higher claims service expenses and directly attributable expenses, while the three-year movement shows that total Conventional insurance service expenses remained lower in FY2025 than in FY2023.

Table 49: Conventional Insurance Service Expense Components (ETB '000)

Component	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Insurance Claims Service Expense	105,689	68,526	143,903	54.2%	(52.4%)	**(14.3%)**
Insurance Directly Attributable Expenses	57,985	49,357	43,786	17.5%	12.7%	**15.0%**
Insurance Amortization of Acquisition Expenses	12,687	12,594	9,800	0.7%	28.5%	**13.8%**
Insurance Movement in Risk Adjustment	(1,692)	33	13,743	N/M	(99.8%)	**N/M**
Insurance Movement in Loss Component	756	(4,218)	4,218	N/M	(2X)	**N/M**
Insurance Service Expense	175,426	126,291	215,450	38.9%	(41.4%)	**(9.8%)**

7.3.2.2. Takaful Insurance Service Expense

In contrast, Takaful insurance service expenses decreased from ETB 45.5 million in FY2023 to ETB 82.9 million in FY2024, before declining to ETB 30.0 million in FY2025. This represents an increase of 82.3% in FY2024, a decrease of 63.9% in FY2025, and a negative CAGR of 18.8% over the three-year period. The FY2025 decrease was mainly driven by insurance claims service expenses, which declined from ETB 46.0 million in FY2024 to ETB 17.0 million in FY2025, after increasing from ETB 21.7 million in FY2023. Insurance directly attributable expenses also decreased from ETB 26.3 million in FY2024 to ETB 16.0 million in FY2025, compared with ETB 20.5 million in FY2023. The movement in risk adjustment changed from an expense of ETB 0.9

million in FY2023 to ETB 10.7 million in FY2024, before recording a negative movement of ETB 4.2 million in FY2025. In addition, a loss component of ETB 1.2 million was recognized in FY2025, while no loss component was recorded in FY2024 or FY2023. Amortization of acquisition expenses was ETB 2.5 million in FY2023, but no amount was recorded under this component in FY2024 and FY2025. Overall, the decrease in Takaful insurance service expenses in FY2025 was mainly due to lower claims service expenses, lower directly attributable expenses, and the negative movement in risk adjustment.

Table 50: Takaful Insurance Service Expense Components (ETB '000)

Component	FY2025	FY2024	FY2023	YoY24/25	FY2023/24	CAGR (%)
Insurance Claims Service Expense	16,967	45,963	21,672	(63.1%)	112.2%	(11.5%)
Insurance Directly Attributable Expenses	15,952	26,261	20,502	(39.3%)	28.1%	(11.8%)
Insurance Movement in Risk Adjustment	(4,152)	10,703	862	(138.8%)	1,141.9%	N/M
Insurance Movement in Loss Component	1,213	-	-	N/M	N/M	N/M
Insurance Amortization of Acquisition Expenses	-	-	2,458	N/M	(100.0%)	N/M
Insurance Service Expense	**29,978**	**82,928**	**45,493**	**(63.9%)**	**82.3%**	**(18.8%)**

The movements in insurance service expenses across the Conventional and Takaful segments were mainly driven by opposite movements in claims service expenses. Conventional claims service expenses increased by 54.2%, from ETB 68.5 million in FY2024 to ETB 105.7 million in FY2025, while Takaful claims service expenses decreased by 63.1%, from ETB 46.0 million to ETB 17.0 million. Directly attributable expenses also moved in opposite directions, increasing by 17.5% in the Conventional segment and decreasing by 39.3% in the Takaful segment. As a result, the ETB 52.9 million reduction in Takaful insurance service expenses offset the ETB 49.1 million increase in Conventional insurance service expenses, resulting in a 1.8% decline in total insurance service expenses at the consolidated level.

7.3.3 Net Expenses from Reinsurance Contracts Held

Net expenses from reinsurance contracts held represent the cost of purchasing reinsurance protection, net of recoveries from reinsurers for claims incurred. This line item reflects the Company's strategy of transferring a portion of its underwriting risk to reinsurers and the effectiveness of its reinsurance arrangements.

Table 51: Net Expenses from Reinsurance Contracts Held by Segment (ETB '000)

Line Item (ETB '000)	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Conventional	22,236	32,467	34,546	(31.5%)	(6.0%)	(19.8%)
Takaful	31,288	15,065	4,079	107.7%	269.3%	176.9%

Total Net Expenses from Reinsurance	**53,524**	**53,409**	**41,303**	**0.2%**	**29.3%**	**13.8%**

Conventional net expenses from reinsurance decreased from ETB 34.5 million in FY2023 to ETB 32.5 million in FY2024 and further to ETB 22.2 million in FY2025, representing a decline of 6.0% in FY2024, 31.5% in FY2025, and a negative CAGR of 19.8%. In contrast, Takaful net expenses from reinsurance increased from ETB 4.1 million in FY2023 to ETB 15.1 million in FY2024 and ETB 31.3 million in FY2025, representing growth of 269.3% in FY2024, 107.7% in FY2025, and a CAGR of 176.9%. As a result, total net expenses from reinsurance increased from ETB 41.3 million in FY2023 to ETB 53.4 million in FY2024, before remaining broadly unchanged at ETB 53.5 million in FY2025. The FY2025 reduction in the Conventional segment largely offset the increase in the Takaful segment, resulting in only a 0.2% increase in total net expenses from reinsurance during the year.

7.3.4 Insurance Service Result

Insurance service result increased from ETB 36.7 million in FY2023 to ETB 72.0 million in FY2024 and ETB 87.5 million in FY2025, representing growth of 96.1% in FY2024, 21.6% in FY2025, and a CAGR of 54.4%. The Conventional segment remained the main contributor to insurance service result, increasing from ETB 35.1 million in FY2023 to ETB 75.1 million in FY2024 and ETB 76.0 million in FY2025. This represented growth of 113.8% in FY2024 and 1.1% in FY2025, with a CAGR of 47.1%. The limited increase in FY2025 indicates that revenue growth in the Conventional segment was largely offset by higher insurance service expenses.

The Takaful segment recorded an insurance service result of ETB 1.6 million in FY2023, a loss of ETB 3.2 million in FY2024, and a positive result of ETB 11.5 million in FY2025. Due to the movement from profit to loss and back to profit, CAGR is not meaningful for the Takaful segment. The improvement in Takaful contributed ETB 14.7 million, or approximately 94.5%, of the ETB 15.5 million increase in total insurance service result in FY2025. As a result, the total insurance service result margin increased from 24.1% in FY2024 to 25.3% in FY2025, compared with 14.2% in FY2023.

Table 52: Insurance Service Result by Segment (ETB '000)

Line Item (ETB '000)	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Conventional	75,997	75,140	35,141	1.1%	113.8%	47.1%
Takaful	11,491	(3,169)	1,559	N/M	(303.3%)	N/M
Total Insurance Service Result	**87,488**	**71,971**	**36,700**	**21.6%**	**96.1%**	**54.4%**

7.3.5 Net Financial Result

Net financial result comprises investment income, finance expenses from insurance contracts, and finance income from reinsurance contracts. It represents the total financial return generated from the Company's investment activities and the impact of discounting on insurance and reinsurance balances.

Net financial result increased from ETB 23.7 million in FY2023 to ETB 26.1 million in FY2024 and ETB 42.9 million in FY2025, representing growth of 10.2% in FY2024, 64.5% in FY2025, and a CAGR of 34.6%. The FY2025 increase of ETB 16.8 million was mainly attributable to the Conventional segment, which increased by 55.8%, from ETB 25.4 million in FY2024 to ETB 39.5 million in FY2025. The Conventional segment contributed approximately ETB 14.2 million, or 84.2%, of the total increase in net financial result during FY2025. Over the three-year period, Conventional net financial result increased from ETB 23.3 million in FY2023 to ETB 39.5 million in FY2025, representing a CAGR of 30.2%.

Takaful net financial result increased from ETB 0.4 million in FY2023 to ETB 0.7 million in FY2024 and ETB 3.4 million in FY2025, representing growth of 98.9% in FY2024 and 375.5% in FY2025, and a CAGR of 207.6%. Although Takaful recorded the higher growth rate, its contribution remained smaller in absolute terms, contributing ETB 2.7 million, or approximately 15.8%, of the FY2025 increase in total net financial result.

The increase in net financial result in FY2025 was supported by higher investment income and improved finance income from insurance and reinsurance contracts. Net investment income increased by ETB 7.0 million, from ETB 25.4 million in FY2024 to ETB 32.4 million in FY2025. Finance income from insurance contracts increased by ETB 4.7 million to ETB 7.7 million, while finance income from reinsurance contracts improved by ETB 5.1 million, from a net expense position in FY2024 to income in FY2025. These movements collectively contributed to the ETB 16.8 million increase in total net financial result during FY2025.

Table 53: Net Financial Result by Segment (ETB '000)

Line Item (ETB '000)	FY2025	FY2024	FY2023	YoY24/5	YoY23/4	CAGR (%)
Conventional Net Financial Result	39,540	25,387	23,315	55.8%	8.9%	30.2%
Takaful Net Financial Result	3,395	714	359	375.5%	98.9%	207.6%
Total Net Financial Result	**42,935**	**26,101**	**23,674**	**64.5%**	**10.2%**	**34.6%**

Net financial result for the Conventional segment increased from ETB 23.3 million in FY2023 to ETB 25.4 million in FY2024 and ETB 42.9 million in FY2025, representing growth of 8.9% in FY2024, 69.1% in FY2025, and a CAGR of 35.7%. The FY2025 increase was mainly driven by higher net investment income and finance income from insurance and reinsurance contracts. Net investment income increased from ETB 25.0 million in FY2023 to ETB 25.4 million in FY2024 and ETB 32.4 million in FY2025, representing a CAGR of 13.8%. Finance income from insurance contracts moved from ETB 2.5 million in FY2023 to a negative ETB 0.5 million in FY2024, before increasing to ETB 7.7 million in FY2025. Finance income from reinsurance contracts also improved, moving from a negative ETB 4.2 million in FY2023 to ETB 0.5 million in FY2024 and ETB 2.9 million in FY2025. Due to the movement from negative to positive balances, CAGR is not meaningful for these finance income lines.

For the Takaful segment, net financial result increased from ETB 0.4 million in FY2023 to ETB 0.7 million in FY2024 and ETB 3.4 million in FY2025, representing growth of 98.9% in FY2024, 375.5% in FY2025, and a CAGR of 207.6%. Finance income from insurance contracts increased from ETB 0.5 million in FY2023 to ETB 3.5 million in FY2024, before decreasing to ETB 2.2 million in FY2025. Finance income from reinsurance contracts moved from a negative ETB 0.2 million in FY2023 to a negative ETB 2.8 million in FY2024, before recording positive income of ETB 1.3 million in FY2025. This movement was the main driver of the increase in Takaful net financial result in FY2025. Overall, the FY2025 improvement in net financial result was supported by higher investment income in the Conventional segment and the movement of Takaful reinsurance finance income from a negative position to a positive position.

Table 54: Components of Net Financial Result (Conventional and Takaful, ETB ‘000)

Line Item	**Conventional**					
	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Net Investment Income	32,411	25,366	25,040	27.8%	1.3%	13.8%
Finance Income from Insurance Contracts	5,536	(493)	2,465	N/M	(120.0%)	N/M
Finance Income from Reinsurance Contracts	1,594	514	(4,190)	456.6%	N/M	N/M
Net Financial Result	**39,540**	**25,387**	**23,315**	**69.1%**	**8.9%**	**35.7%**

Line Item	**Takaful**					
	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Net Investment Income	-	-	-	N/M	N/M	N/M
Finance Income from Insurance Contracts	2,218	3,499	513	(36.6%)	582.1%	107.9%
Finance Income from Reinsurance Contracts	1,267	(2,785)	(154)	N/M	N/M	N/M
Net Financial Result	**3,395**	**714**	**359**	**375.5%**	**98.9%**	**207.6%**

7.3.6 Investment Income

Investment income represents returns generated from the Company's investment portfolio, including interest on fixed-income securities, dividend income from equities, and other investment-related gains. The growth in investment income reflects the Company's strategic asset allocation and the expansion of its investment portfolio.

Investment income increased from ETB 25.0 million in FY2023 to ETB 25.4 million in FY2024 and ETB 32.4 million in FY2025, representing growth of 1.3% in FY2024 and 27.8% in FY2025, and a CAGR of 13.8%. The FY2025 increase was mainly attributable to higher dividend income, higher interest income from fixed time deposits, and higher interest income from government bonds.

Interest income from fixed time deposits was the largest component of investment income in FY2025, accounting for 40.5% of total investment income. It decreased from ETB 13.3 million in FY2023 to ETB 11.7 million in FY2024, before increasing to ETB 13.1 million in FY2025. This represented a 12.5% increase in FY2025, although the three-year CAGR was slightly negative at 0.6%.

Dividend income increased from ETB 6.8 million in FY2023 to ETB 7.2 million in FY2024 and ETB 11.5 million in FY2025, representing growth of 5.1% in FY2024 and 60.2% in FY2025, and a CAGR of 29.8%. Dividend income was the second-largest component of FY2025 investment income, accounting for 35.4% of the total.

Interest income from government bonds increased from ETB 3.3 million in FY2023 to ETB 3.7 million in FY2024 and ETB 5.0 million in FY2025, representing growth of 12.3% in FY2024 and 35.8% in FY2025, and a CAGR of 23.5%. Its share of FY2025 investment income was 15.4%.

Interest on savings accounts increased from ETB 1.7 million in FY2023 to ETB 2.9 million in FY2024, before decreasing slightly to ETB 2.8 million in FY2025. This represented a 1.4% decrease in FY2025, although the line item recorded a CAGR of 29.9% over the three-year period. Interest on savings accounts accounted for 8.7% of total investment income in FY2025.

Overall, the Company’s investment income was generated from fixed time deposits, dividend income, government bonds and savings accounts. In FY2025, fixed time deposits and dividend income were the two largest contributors, together accounting for 75.9% of total investment income. The growth in FY2025 was mainly driven by dividend income, which increased by ETB 4.3 million, followed by interest on government bonds and interest on fixed time deposits.

Table 55: Composition of Investment Income (ETB '000)

Income Category	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)	Share of FY25 Investment Income
Interest on Savings Account	2,824	2,863	1,674	(1.4%)	71.0%	29.9%	8.7%
Interest on Time Deposit	13,120	11,662	13,277	12.5%	(12.2%)	(0.6%)	40.5%
Dividend Income	11,471	7,161	6,813	60.2%	5.1%	29.8%	35.4%

Interest on Government Bond	4,995	3,679	3,276	35.8%	12.3%	23.5%	15.4%
Total Investment Income	**32,411**	**25,366**	**25,040**	**27.8%**	**1.3%**	**13.8%**	**100%**

7.3.7 Other Operating Income

Other operating income comprises income generated from non-insurance activities, including commission income, rental income, foreign exchange gains, and other miscellaneous income. This category reflects the Company's success in monetizing its distribution network, optimizing its asset base, and benefiting from favorable macroeconomic movements.

Other operating income increased from ETB 34.4 million in FY2023 to ETB 35.7 million in FY2024 and ETB 55.4 million in FY2025, representing growth of 4.0% in FY2024 and 55.0% in FY2025, and a CAGR of 26.9%. The FY2025 increase was mainly attributable to higher commission income and foreign exchange gains.

Commission income increased from ETB 19.7 million in FY2023 to ETB 26.5 million in FY2025, despite declining to ETB 15.8 million in FY2024. In FY2025, commission income increased by 67.9% and accounted for 47.8% of total other operating income, making it the largest component of the category.

Rental income increased from ETB 13.4 million in FY2023 to ETB 19.1 million in FY2024 and ETB 19.5 million in FY2025, representing a CAGR of 20.5%. Although rental income increased by only 2.4% in FY2025, it remained the second-largest component of other operating income, accounting for 35.2% of the FY2025 total.

Foreign exchange gains were not recorded in FY2023, amounted to ETB 0.4 million in FY2024, and increased to ETB 7.5 million in FY2025. This represented 13.6% of total other operating income in FY2025. Given its dependence on exchange rate movements and foreign currency-denominated balances or transactions, this line item may fluctuate between periods.

Service fee income from vehicle inspection increased from ETB 0.2 million in FY2023 to ETB 0.3 million in FY2024 and ETB 1.6 million in FY2025, representing a CAGR of 223.4%, although from a small base. Other income from service charge decreased from ETB 1.1 million in FY2023 to ETB 0.02 million in FY2024, with no amount recorded in FY2025.

Overall, the FY2025 increase in other operating income was mainly driven by commission income, which increased by ETB 10.7 million, and foreign exchange gains, which increased by ETB 7.1 million. Commission income and rental income together accounted for 83.0% of total other operating income in FY2025, while foreign exchange gains accounted for most of the remaining increase.

Table 56: Composition of Other Operating Income (ETB '000)

Income Category	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR%	Share of FY25 Total
Commission Income	26,456	15,757	**19,680**	67.9%	(19.9%)	15.9%	**47.8%**
Rental Income	19,519	19,062	**13,438**	2.4%	41.8%	20.5%	**35.2%**
Foreign Exchange Gain	7,528	412	**-**	1,727.2%	N/M	N/M	**13.6%**
Service fee from vehicle inspection	1,600	263	**153**	508.4%	71.9%	223.4%	**2.9%**
Other income from service charge	-	20	**1,108**	(100.0%)	(98.2%)	N/M	**-**
Takaful Other Operating Income	1	-	**-**	N/M	N/M	N/M	**-**
Total Other Operating Income	**55,404**	**35,741**		55.0%	4.0%	26.9%	

7.3.8 Employee Benefit Expenses

Employee benefit expenses represent the total cost of compensation provided to the Company's employees, including salaries, wages, bonuses, pension contributions, and other benefits. This is the largest component of operating expenses and reflects the Company's investment in human capital.

Employee benefit expenses increased from ETB 15.3 million in FY2023 to ETB 18.0 million in FY2024 and ETB 28.0 million in FY2025, representing growth of 17.6% in FY2024 and 55.7% in FY2025, and a CAGR of 35.3%. The FY2025 increase was mainly driven by higher salaries and wages, other staff expenses and staff allowances.

Salaries and wages remained the largest component of employee benefit expenses, accounting for 57.1% of total employee benefit expenses in FY2025. Salaries and wages were ETB 11.3 million in FY2023, remained broadly unchanged at ETB 11.3 million in FY2024, and increased to ETB 16.0 million in FY2025, representing a CAGR of 18.7%.

Other staff expenses increased from ETB 1.0 million in FY2023 to ETB 2.4 million in FY2024 and ETB 5.8 million in FY2025, representing a CAGR of 145.9%. In FY2025, other staff expenses increased by 136.3% and accounted for 20.6% of total employee benefit expenses.

Staff allowances increased from ETB 1.9 million in FY2023 to ETB 3.0 million in FY2024 and ETB 4.5 million in FY2025, representing growth of 57.0% in FY2024 and 49.2% in FY2025, and a CAGR of 53.1%. Staff allowances accounted for 16.2% of total employee benefit expenses in FY2025.

Pension contributions increased from ETB 1.1 million in FY2023 to ETB 1.7 million in FY2024, before remaining broadly unchanged at ETB 1.7 million in FY2025. Pension contributions accounted for 6.1% of total employee benefit expenses in FY2025.

Total employees decreased from 196 in FY2023 to 192 in FY2024, before increasing to 195 in FY2025. Accordingly, the increase in employee benefit expenses in FY2025 was not mainly attributable to headcount growth, but to higher salaries, allowances and other staff-related expenses.

Table 57: Composition of Employee Benefit Expenses (ETB '000)

Expense Category	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)	Share of FY25 Employee Benefit Expenses
Salaries and Wages	15,972	11,319	11,340	41.1%	(0.2%)	18.7%	**57.1%**
Other Staff Expenses	5,751	2,434	951	136.3%	155.9%	145.9%	**20.6%**
Pension Contributions (Defined Benefit)	1,718	1,714	1,050	0.2%	63.2%	27.9%	**6.1%**
Staff Allowances	4,541	3,043	1,938	49.2%	57.0%	53.1%	**16.2%**
Total Employee Benefit Expenses	**27,981**	**17,970**	**15,279**	**55.7%**	**17.6%**	**35.3%**	**100%**

7.3.9 Other Operating Expenses

Other operating expenses (also referred to as non-attributable expenses) comprise administrative and operational costs that are not directly attributable to specific insurance activities. These expenses support the Company's overall infrastructure and include office rent, utilities, IT costs, professional fees, marketing expenses, and depreciation.

Other operating expenses increased from ETB 18.2 million in FY2023 to ETB 34.5 million in FY2024 and ETB 48.2 million in FY2025, representing growth of 89.5% in FY2024 and 39.8% in FY2025, and a CAGR of 62.7%. The increase indicates higher administrative and operating costs over the three-year period. In FY2025, the increase was mainly associated with the expansion of branch operations, higher business support costs, marketing and customer acquisition activities, professional fees, and costs related to the implementation of the Company's new core insurance software system. While these expenses increased during the period, they supported the Company's operating infrastructure and business expansion.

Table 58: Other Operating Expenses (ETB '000)

Line Item (ETB '000)	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Other Operating Expenses	48,183	34,459	18,188	**39.8%**	**89.5%**	**62.7%**

7.3.10 Profit Before Tax and Profit for the Year

Profit before tax represents the Company's total earnings from all activities before deducting income tax expense. Profit for the year (or net profit) is the final bottom-line result after accounting for all revenues, expenses, and taxes, representing the amount attributable to shareholders.

Profit before tax increased from ETB 75.4 million in FY2023 to ETB 98.9 million in FY2024 and ETB 136.2 million in FY2025, representing growth of 31.2% in FY2024 and 37.7% in FY2025, and a CAGR of 34.4%. Profit for the year increased from ETB 59.7 million in FY2023 to ETB 76.2 million in FY2024 and ETB 104.5 million in FY2025, representing growth of 27.6% in FY2024 and 37.1% in FY2025, and a CAGR of 32.3%. The FY2025 increase was supported by higher insurance revenue, higher insurance service result, higher investment income and the movement of the Takaful segment from a loss position in FY2024 to profit in FY2025.

The Conventional segment remained the main contributor to profitability. Conventional profit before tax increased from ETB 73.8 million in FY2023 to ETB 101.4 million in FY2024 and ETB 121.3 million in FY2025, representing growth of 37.3% in FY2024 and 19.7% in FY2025, and a CAGR of 28.2%. Conventional profit for the year increased from ETB 58.2 million in FY2023 to ETB 78.7 million in FY2024 and ETB 94.1 million in FY2025, representing a CAGR of 27.2%. In FY2025, the Conventional segment accounted for 89.1% of total profit before tax and 90.0% of total profit for the year.

The Takaful segment recorded profit before tax of ETB 1.6 million in FY2023, a loss before tax of ETB 2.5 million in FY2024, and profit before tax of ETB 14.9 million in FY2025. Profit for the year followed the same pattern, moving from ETB 1.6 million in FY2023 to a loss of ETB 2.5 million in FY2024, before recording profit of ETB 10.4 million in FY2025. Due to the movement from profit to loss and back to profit, CAGR is not meaningful for the Takaful segment. In FY2025, Takaful accounted for 10.9% of total profit before tax and 10.0% of total profit for the year.

Table 59: Profit Before Tax and Profit for the Year (ETB '000)

Line Item	Conventional					
	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Profit Before Tax	121,349	101,367	73,805	19.7%	37.3%	28.2%
Income Tax Expense	(27,231)	(22,667)	(15,647)	20.1%	44.9%	31.9%

Profit for the Year	94,118	78,700	58,158	19.6%	35.3%	27.2%
Line Item	Takaful					
	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Profit Before Tax	14,874	(2,452)	1,591	N/M	(254.1%)	N/M
Income Tax Expense	(4,462)	-	-	N/M	N/M	N/M
Profit for the Year	10,411	(2,452)	1,591	N/M	(254.1%)	N/M

7.4. Analysis of Historical Financial Position

The table below sets out the Company's historical statements of financial position as at 30 June 2025, 2024, and 2023 (restated) and has been extracted without material adjustment from the Audited Financial Statements of the respective years.

Table 60: Statement of Financial Position (ETB '000)

	30 June 2025	30 June 2024	30 June 2023
ASSETS			
Property plant and equipment	321,237	233,879	212,558
Investment property	10,158	10,441	10,724
Leasehold land	21,083	21,969	22,855
Investments in Equities	128,852	116,904	86,931
Investment in bonds	30,932	18,231	7,602
Fixed time deposit	94,573	69,518	100,346
Statutory deposits	49,492	36,191	36,191
Reinsurance contract asset	206,510	215,280	175,020
Other receivable	46,718	58,109	54,043
Intangible asset under development (computer software)[2]	24,948	-	-
Deferred tax asset	1,342	-	-

[2] This amount relates to costs incurred by the Company in respect of its core insurance management system, which has been recognized as an intangible asset under development. The Company entered into an agreement with Amity Software Systems Ltd for the development, customization and implementation of a new integrated core insurance management system intended to automate and support key insurance operations, including underwriting, policy administration, claims processing and customer relationship management. The total agreed software cost under the arrangement is ETB 54,919,044.61, of which ETB 24.948 million has been paid. The amount has been recorded as an intangible asset under development pending completion, implementation and readiness for use.

Cash and cash equivalents	218,577	218,684	125,887
TOTAL ASSETS	**1,154,423**	**999,207**	**832,157**
LIABILITIES			
Insurance contract liabilities	336,589	339,072	283,080
Reinsurance contract liabilities	193,888	161,524	136,140
Deferred income tax	4,855	3,962	106
Current income tax liabilities	28,611	18,790	16,397
Other payables	67,865	97,335	28,556
Borrowing Cost	23,936	-	-
Participants Fund (Takaful)	9,138	584	19,058
TOTAL LIABILITIES	**664,882**	**621,268**	**483,337**
EQUITY			
Share capital	332,557	242,156	242,156
Retained earnings	76,277	63,948	64,143
Legal reserve	51,314	41,902	-
Other component of equity	29,391	29,931	8,206
TOTAL EQUITY	**489,539**	**377,937**	**348,821**
TOTAL EQUITY AND LIABILITIES	**1,154,423**	**999,207**	**832,157**

The following analysis provides a detailed, line-by-line examination of the Company's Statement of Financial Position, highlighting significant movements, underlying drivers, and strategic implications.

7.4.1. Assets

7.4.1.1. Property, Plant and Equipment

Property, plant and equipment ("PPE") represent the Company's tangible long-term assets used in its operations, including land, buildings, motor vehicles, office equipment, furniture and fixtures, and computer hardware. The increase in PPE over the three-year period reflects the Company's strategic investment in expanding its physical footprint and modernizing its operational infrastructure.

The net book value of property, plant and equipment increased from ETB 241.5 million in FY2023 to ETB 233.9 million in FY2024, before increasing to ETB 321.2 million in FY2025. This represents a decrease of 3.2% in FY2024, an increase of 37.4% in FY2025, and a CAGR of 15.3% over the three-year period. The FY2025 increase was mainly attributable to construction in progress, which increased from ETB 167.7 million in FY2023 to ETB 195.5 million in FY2024 and ETB 282.2 million in FY2025, representing a CAGR of 29.7%. Construction in progress accounted for approximately 87.9% of total net PPE as at 30 June 2025.

The increase in construction in progress relates principally to the Company's head office and mixed-use building project located in the Bole area. During FY2025, the project completed structural works, hollow block works and plastering, while electrical, sanitary and finishing works remained in progress at year-end. The project is expected to be completed during FY2026. Accordingly, the movement in PPE during FY2025 was primarily driven by capital expenditure on this project.

Other PPE categories represented a smaller share of the Company's asset base. Computer and accessories increased from ETB 13.7 million in FY2024 to ETB 16.1 million in FY2025, representing growth of 17.5%, although the balance remained below the ETB 17.7 million recorded in FY2023. Buildings increased modestly from ETB 9.4 million in FY2024 to ETB 9.9 million in FY2025, but remained below the FY2023 balance of ETB 22.4 million. Motor vehicles, fittings and equipment, and machinery declined in FY2025, mainly reflecting depreciation and limited additions within those asset classes. Overall, PPE growth in FY2025 was mainly driven by construction in progress, while most other PPE categories either remained broadly stable or declined compared with FY2024.

Table 61: Composition and Movement of Property, Plant and Equipment (ETB '000)

Asset Category	FY2025	FY 2024	FY2023
Construction in Progress	282,234	195,540	167,669
Building	9,867	9,381	22,387
Motor Vehicles	7,362	8,824	20,950
Fittings and Equipment	1,883	1,918	5,896
Computer and accessories	16,061	13,666	17,712
Machinery	3,829	4,550	6,879
Total PPE (Net Book Value)	**321,237**	**233,879**	**241,494**

7.4.1.2. Investment Property

Investment property, comprising land and buildings held for capital appreciation or rental income rather than for use in operations, remained relatively stable over the three-year period. As at 30 June 2025, investment property stood at ETB 10.16 million, compared to ETB 10.44 million in 2024 and ETB 10.72 million in 2023.

The marginal decrease of 2.7% in FY2025 reflects routine fair value adjustments. The Company has not engaged in significant acquisition or disposal activity within this portfolio during the period. Investment property is stated at fair value, with changes recognized in other comprehensive income. The stable value indicates that market conditions for these specific properties have remained relatively unchanged.

7.4.1.3. Investments

The Company's investment portfolio comprises investments in equities, bonds, fixed time deposits, and statutory deposits. The strategic allocation across these asset classes reflects the Company's objectives of capital preservation, income generation, and regulatory compliance.

The investment portfolio increased from ETB 225.5 million in FY2023 to ETB 240.8 million in FY2024 and ETB 303.8 million in FY2025, representing growth of 6.8% in FY2024 and 26.2% in FY2025, and a CAGR of 16.1%. The FY2025 increase was mainly driven by higher fixed time deposits, statutory deposits, bond investments and equity investments.

Equity investments remained the largest component of the investment portfolio, increasing from ETB 86.9 million in FY2023 to ETB 116.9 million in FY2024 and ETB 128.9 million in FY2025, representing a CAGR of 21.7%. However, the share of equity investments in the total portfolio decreased from 48.5% in FY2024 to 42.4% in FY2025, as other investment categories grew at higher rates during the year.

Fixed time deposits increased from ETB 69.5 million in FY2024 to ETB 94.6 million in FY2025, representing growth of 36.0%. However, the FY2025 balance remained below the ETB 100.3 million recorded in FY2023, resulting in a negative CAGR of 2.9%. Investment in bonds increased from ETB 7.6 million in FY2023 to ETB 18.2 million in FY2024 and ETB 30.9 million in FY2025, representing a CAGR of 101.7%, although from a lower base. Statutory deposits also increased from ETB 30.6 million in FY2023 to ETB 36.2 million in FY2024 and ETB 49.5 million in FY2025, representing a CAGR of 27.1%.

The composition of the investment portfolio changed during FY2025. Bonds, fixed time deposits and statutory deposits collectively accounted for 57.6% of total investments as at 30 June 2025, compared with 51.5% in FY2024 and 61.5% in FY2023. This indicates that the FY2025 portfolio had a higher allocation to interest-bearing assets compared with FY2024, while equity investments continued to represent the single largest investment category.

Table 62: Composition of Investment Portfolio (ETB '000)

Investment Category	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Investments in Equities	128,852	116,904	86,931	10.2%	34.5%	21.7%
Investment in Bonds	30,932	18,231	7,602	69.7%	139.8%	101.7%
Fixed Time Deposits (Net)	94,573	69,518	100,346	36.0%	(30.7%)	(2.9%)
Statutory Deposits	49,492	36,191	30,615	36.8%	18.2%	27.1%
Total Investments	303,849	240,844	225,494	26.2%	6.8%	16.1%

7.4.1.4. Other Receivables

Other receivables consist primarily of premiums due from policyholders, amounts due from agents and brokers, and other miscellaneous receivables. The decrease in FY2025 reflects improved collection processes and tighter credit management.

Based on the segment-level balances, total other receivables increased from ETB 54.0 million in FY2023 to ETB 58.1 million in FY2024, before decreasing to ETB 46.7 million in FY2025. This represents growth of 7.5% in FY2024, a decline of 19.6% in FY2025, and a negative CAGR of 7.0% over the three-year period.

The decline in FY2025 was mainly attributable to the Conventional segment, where receivables decreased from ETB 55.9 million in FY2024 to ETB 45.5 million in FY2025, representing a decline of 18.6%. Conventional receivables had increased slightly from ETB 53.9 million in FY2023 to ETB 55.9 million in FY2024, before declining in FY2025. Over the three-year period, Conventional receivables recorded a negative CAGR of 8.1%.

Takaful receivables increased from ETB 0.2 million in FY2023 to ETB 2.2 million in FY2024, before decreasing to ETB 1.2 million in FY2025. Although Takaful receivables declined by 44.5% in FY2025, they remained above the FY2023 level, resulting in a CAGR of 164.1%. The high growth rate reflects the low FY2023 base.

Overall, the FY2025 decrease in total other receivables indicates lower outstanding receivable balances at year-end, mainly within the Conventional segment. Conventional receivables continued to account for the majority of total other receivables, representing approximately 97.3% of the FY2025 total.

Table 63: Composition of Other Receivables (ETB '000)

Receivable Category	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Conventional	45,470	55,860	53,864	(18.6%)	3.7%	(8.1%)
Takaful	1,248	2,249	179	(44.5%)	1,156.4%	164.1%
Total	46,718	58,109	54,043	(19.6%)	7.5%	(7.0%)

7.4.1.5. Cash and Cash Equivalents

Cash and cash equivalents increased from ETB 125.9 million in FY2023 to ETB 218.7 million in FY2024, before remaining broadly unchanged at ETB 218.6 million in FY2025. This represents growth of 73.7% in FY2024, a marginal decrease in FY2025, and a CAGR of 31.8% over the three-year period.

The composition of cash and cash equivalents changed during FY2025. Saving account balances decreased by 30.5%, from ETB 121.2 million in FY2024 to ETB 84.3 million in FY2025, while current account balances increased by 36.1%, from ETB 21.8 million to ETB 29.7 million. IFB account balances increased by 39.2%, from ETB 74.9 million in FY2024 to ETB 104.2 million in FY2025, and represented the largest cash category at year-end. Cash on hand decreased from ETB 0.8 million to ETB 0.4 million.

Compared with FY2023, the main increase in cash and cash equivalents was driven by IFB accounts and saving accounts. IFB accounts increased from ETB 43.3 million in FY2023 to ETB 104.2 million in FY2025, representing a CAGR of 55.2%. Saving accounts increased only slightly over the same period, from ETB 82.6 million to ETB 84.3 million, representing a CAGR of 1.0%. Current account balances were not separately disclosed for FY2023, and therefore the related CAGR is not meaningful.

Gross cash and cash equivalents remained stable at ETB 218.6 million in FY2025, compared with ETB 218.7 million in FY2024. The impairment loss increased from ETB 22 thousand in FY2023 to ETB 29 thousand in FY2024 and ETB 37 thousand in FY2025, although the amount remained immaterial relative to total cash balances. As a result, net cash and cash equivalents stood at ETB 218.6 million as at 30 June 2025.

Table 64: Composition of Cash and Cash Equivalents (ETB '000)

Category	FY2025	FY2024	FY2023	YoY 24/25	YoY 23/24	CAGR (%)
Saving Accounts	84,280	121,210	82,600	(30.5%)	46.7%	1.0%
Current Accounts	29,717	21,832	–	36.1%	N/M	N/M
IFB Accounts	104,229	74,893	43,264	39.2%	73.1%	55.2%
Cash on Hand	389	779	45	(50.1%)	1,631.1%	194.0%
Gross Cash and Cash Equivalents	218,614	218,713	125,909	(0.0%)	73.7%	31.8%
Less: Impairment Loss	(37)	(29)	(22)	27.6%	31.8%	29.7%
Net Cash and Cash Equivalents	218,577	218,684	125,887	(0.0%)	73.7%	31.8%

7.4.2. Liabilities

7.4.2.1. Insurance Contract Liabilities

Insurance contract liabilities represent the Company's obligation to settle claims and pay benefits arising from insurance contracts issued. These liabilities are calculated using actuarial methods and reflect the best estimate of the ultimate cost of settling all claims incurred but not yet paid, including claims incurred but not reported (IBNR).

Insurance contract liabilities decreased slightly from ETB 339.1 million in FY2024 to ETB 336.6 million in FY2025, representing a decline of 0.7%. This followed an increase of 19.8% in FY2024, from ETB 283.1 million in FY2023 to ETB 339.1 million. Over the three-year period, insurance contract liabilities increased at a CAGR of 9.0%.

The FY2025 balance remained broadly in line with FY2024 despite the increase in insurance revenue during the year. This indicates that additions to insurance contract liabilities were largely offset by claim settlements, releases and other movements in the insurance contract liability balance. Compared with FY2023, however, the FY2025 balance remained higher by ETB 53.5 million, reflecting the larger scale of insurance obligations carried by the Company.

Table 65: Insurance Contract Liability

Description (ETB '000)	FY 2025	FY 2024	FY2023	YoY 2024/25	YoY2023/24	CAGR
Insurance Contract Liabilities	336,589	339,072	283,080	(0.7%)	19.8%	9%

7.4.2.2. Reinsurance Contract Liabilities

Conventional reinsurance contract liabilities increased from ETB 136.1 million in FY2023 to ETB 137.5 million in FY2024 and ETB 152.1 million in FY2025, representing growth of 1.0% in FY2024 and 10.6% in FY2025, and a CAGR of 5.7%. Takaful reinsurance contract liabilities were not separately presented in FY2023, but increased from ETB 24.0 million in FY2024 to ETB 41.8 million in FY2025, representing growth of 74.1%. Because FY2023 Takaful reinsurance contract liabilities were not separately disclosed, the FY2023/24 growth rate and CAGR are not meaningful for this segment.

The share of Takaful in total reinsurance contract liabilities increased from 14.9% in FY2024 to 21.6% in FY2025, while the Conventional segment accounted for the remaining 78.4% of the total balance as at 30 June 2025. Overall, the increase in total reinsurance contract liabilities reflects higher obligations arising from reinsurance arrangements, with the FY2025 movement mainly attributable to the increase in Takaful reinsurance contract liabilities and continued growth in the Conventional balance.

Table 66: Reinsurance Contract Liability

Description (ETB '000)	FY 2025	FY 2024	FY 2023	YoY24/25	YoY23/24	CAGR (%)
Conventional	152,050	137,487	136,140	10.6%	1.0%	5.7%
Takaful	41,838	24,037	-	74.1%	n.m.	n.m.
Total	**193,888**	**161,524**	**136,140**	**20.0%**	**18.6%**	**19.3%**

7.4.2.3. Other Payables

Other payables comprise amounts due to suppliers, agents, employees, and other creditors arising in the ordinary course of business.

Total other payables increased from ETB 28.6 million in FY2023 to ETB 97.3 million in FY2024, before decreasing to ETB 67.9 million in FY2025. This represents an increase of 240.9% in FY2024, a decrease of 30.3% in FY2025, and a CAGR of 54.1% over the three-year period.

The movement was mainly driven by the Conventional segment, which accounted for the majority of other payables in all three years. Conventional other payables increased from ETB 22.9 million in FY2023 to ETB 96.0 million in FY2024, before decreasing to ETB 65.3 million in FY2025. This represents an increase of 318.7% in FY2024, a decrease of 32.0% in FY2025, and a CAGR of 68.8%. Despite the decrease in FY2025, Conventional other payables remained higher than the FY2023 level.

Takaful other payables decreased from ETB 5.6 million in FY2023 to ETB 1.3 million in FY2024, before increasing to ETB 2.5 million in FY2025. This represents a decrease of 76.8% in FY2024, an increase of 93.3% in FY2025, and a negative CAGR of 33.0%. Takaful other payables remained a small portion of total other payables, accounting for approximately 3.7% of the FY2025 balance.

Overall, the decrease in total other payables in FY2025 was mainly attributable to the reduction in Conventional other payables. However, total other payables remained above the FY2023 level, reflecting higher outstanding obligations compared with the beginning of the three-year period.

Table 67: Other Payables (ETB '000)

Payable Category	FY2025	FY 2024	FY 2023	YoY24/25	YoY23/24	CAGR(%)
Conventional	65,343	96,031	22,935	(32.0%)	318.7%	68.8%
Takaful	2,522	1,305	5,621	93.3%	(76.8%)	(33.0%)
Total Other Payables	**67,865**	**97,335**	**28,556**	**(30.3%)**	**240.9%**	**54.1%**

7.4.2.4. Defined Benefit Obligation

The defined benefit obligation represents the Company's liability for employee termination benefits under Ethiopian labor law, which requires payment of severance pay to employees upon termination of employment, based on years of service and final salary.

Table 68: Defined Benefit Obligation (ETB '000)

Description	FY2025	FY2024	FY2023	YoY 24/25	YoY23/24	CAGR(%)
Present Value of Defined Benefit Obligation	1,647	1,585	1,250	3.9%	26.8%	14.8%

The defined benefit obligation represents the Company’s liability for employee termination benefits under Ethiopian labour law, which requires the payment of severance benefits to employees upon termination of employment, based on years of service and final salary.

The present value of the defined benefit obligation increased from ETB 1.3 million in FY2023 to ETB 1.6 million in FY2024 and ETB 1.6 million in FY2025, representing growth of 26.8% in FY2024 and 3.9% in FY2025, and a CAGR of 14.8% over the three-year period. The higher growth in FY2024 indicates an increase in the obligation during that year, while the FY2025 movement was more limited.

The increase over the three-year period may reflect changes in employee service periods, salary levels and actuarial assumptions used in measuring the obligation. The obligation is determined based on actuarial valuation assumptions, including discount rates, expected salary growth and employee turnover. The Company reviews the liability at each reporting date to assess whether the recorded obligation remains adequate.

7.4.3. Equity

7.4.3.1. Share Capital

Share capital represents the total par value of shares issued and subscribed by shareholders. The increase in FY2025 reflects a successful capital-raising exercise.

Table 69: Share Capital

Description (ETB '000)	FY 2025	FY 2024	FY 2023	YoY24/25	YoY23/24	CAGR (%)
Share Capital	332,557	242,156	242,156	37.3%	0%	17.2%

Share capital remained unchanged at ETB 242.2 million in FY2023 and FY2024, indicating that no increase in paid-up share capital was recorded during FY2024. In FY2025, share capital increased by 37.3%, from ETB 242.2 million to ETB 332.6 million, resulting in a three-year CAGR of 17.2%.

The FY2025 increase was made through dividend capitalization of ETB 84.9 million and cash contribution of ETB 5.5 million from existing shareholders. The increase expanded the Company's paid-up capital base and supported its regulatory capital position, underwriting capacity and balance sheet strength. Since the capital increase was made during FY2025, the movement also contributed to the slight decrease in earnings per share despite the increase in profit for the year.

7.4.3.2. Retained Earnings

Retained earnings represent the cumulative net profits of the Company that have been retained for use in the business rather than distributed as dividends.

Table 70: Movement in Retained Earnings (ETB '000)

Description	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Balance at Beginning of Year	63,948	64,143	52,345	(0.3%)	22.5%	10.5%
Profit for the Year (attributable to the Company)	104,530	76,248	59,748	37.1%	27.6%	32.3%
Dividends Paid / Declared	(67,243)	(57,481)	(38,050)	17.0%	51.1%	32.9%
Transfer to Legal Reserve	(9,412)	(7,586)	(5,975)	24.1%	27.0%	25.5%
Other Movements	(15,546)	(11,376)	(3,925)	36.7%	189.8%	99.0%
Balance at End of Year	**76,277**	**63,948**	**64,143**	**19.3%**	**(0.3%)**	**9.1%**

Retained earnings increased from ETB 64.1 million in FY2023 to ETB 63.9 million in FY2024 and ETB 76.3 million in FY2025, representing a marginal decrease of 0.3% in FY2024, an increase of 19.3% in FY2025, and a CAGR of 9.1% over the three-year period.

Profit attributable to the Company increased from ETB 59.7 million in FY2023 to ETB 76.2 million in FY2024 and ETB 104.5 million in FY2025, representing a CAGR of 32.3%. This supported the increase in retained earnings, although the impact was partly offset by dividends, transfers to legal reserve and other movements. Dividends paid or declared increased from ETB 38.1 million in FY2023 to ETB 57.5 million in FY2024 and ETB 67.2 million in FY2025, representing a CAGR of 32.9%. Transfers to legal reserve also increased from ETB 6.0 million in FY2023 to ETB 7.6 million in FY2024 and ETB 9.4 million in FY2025, in line with the increase in annual profit.

Other movements increased from ETB 3.9 million in FY2023 to ETB 11.4 million in FY2024 and ETB 15.5 million in FY2025, representing a CAGR of 99.0%. As a result, although profit for the year increased in FY2025, the growth in retained earnings was moderated by dividend distributions, statutory reserve transfers and other deductions. Overall, the increase in ending retained earnings in FY2025 reflects higher profitability, partly offset by continued distributions to shareholders and reserve appropriations.

7.4.3.3. Legal Reserve

The legal reserve is a statutory reserve created in accordance with the Commercial Code of Ethiopia, which requires companies to appropriate a percentage of their annual net profit to a legal reserve until the reserve reaches a certain percentage of the company's paid-up share capital.

Table 71: Legal Reserve

Description (ETB '000)	FY 2025	FY 2024	FY 2023	YoY24/25	YoY23/24	CAGR (%)
Legal Reserve	51,314	41,902	34,316	22.5%	22.1%	22.3%

Legal reserve increased from ETB 34.3 million in FY2023 to ETB 41.9 million in FY2024 and ETB 51.3 million in FY2025, representing growth of 22.1% in FY2024 and 22.5% in FY2025, and a CAGR of 22.3%. The increase reflects annual appropriations from profit for the year. Since the legal reserve is not available for dividend distribution, the movement increased the Company’s non-distributable reserves.

As a percentage of share capital, legal reserve was 14.2% in FY2023, 17.3% in FY2024 and 15.4% in FY2025. Although the legal reserve balance increased in FY2025, its ratio to share capital declined compared with FY2024 due to the increase in paid-up share capital during the year.

7.5. Analysis of Historical Cash Flows

While the Statement of Profit or Loss and Other Comprehensive Income measures the Company's financial performance on an accrual basis, the Statement of Cash Flows provides a complementary perspective by tracking the actual inflows and outflows of cash and cash equivalents during the period. The following is the company’s cashflow statement taken directly from its audited annual financial statements.

Net cash movements were limited in FY2025, with cash and bank balances remaining broadly unchanged at ETB 218.6 million at year-end. Cash and bank balances increased from ETB 125.9 million in FY2023 to ETB 218.7 million in FY2024, before decreasing marginally to ETB 218.6 million in FY2025. This represents growth of 73.7% in FY2024, a marginal decrease in FY2025, and a CAGR of 31.8% over the three-year period.

Net cash generated from operating activities increased from ETB 136.1 million in FY2023 to ETB 167.4 million in FY2024, before decreasing to ETB 137.1 million in FY2025. This represents growth of 22.9% in FY2024 and a decrease of 18.1% in FY2025. Over the three-year period, operating cash flow was broadly unchanged, with a CAGR of 0.3%.

Net cash used in investing activities was ETB 93.1 million in FY2023, decreased to ETB 17.1 million in FY2024, and increased to ETB 160.3 million in FY2025. The FY2025 investing outflow increased by 838.1% compared with FY2024 and was also higher than the FY2023 level, indicating higher investment activity during the year.

Net cash from financing activities moved from an outflow of ETB 3.3 million in FY2023 to an outflow of ETB 57.5 million in FY2024, before recording an inflow of ETB 23.2 million in FY2025. Due to the movement from outflow to inflow, the FY2025 percentage change and CAGR are not meaningful.

Overall, the Company generated positive operating cash flow in FY2025, but this was largely offset by higher investing cash outflows. Financing activities provided a net inflow during the year, partly offsetting the investing outflows. As a result, cash and bank balances remained broadly stable at ETB 218.6 million as at 30 June 2025.

Table 72: Cash flow dynamics (ETB '000)

	FY 2025	FY 2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Net Cash (Outflow)/Inflow from Operating Activities	137,078	167,366	136,144	(18.1%)	22.9%	0.3%
Net Cash (Outflow)/ Inflow from Investing Activities	(160,344)	(17,093)	(93,091)	838.1%	(81.6%)	31.2%
Net Cash (Outflow)/ Inflow from Financing Activities	23,158	(57,481)	(3,343)	N/M	1.7X	N/M
Net Increase/(Decrease) in Cash and Cash Equivalents	(108)	92,684	39,710	N/M	133.4%	N/M
Unexplained Difference	-	5	16	N/M	N/M	N/M
Cash and Bank book Balance at the end of the year	**218,576**	**218,684**	**125,887**	**(0.0%)**	**73.7%**	**31.8%**

*not meaningful

7.5.1. Net Cash Inflow from Operating Activities

The Issuer generated positive net cash inflows from operating activities in each of FY2023, FY2024 and FY2025. Net cash from operating activities increased from ETB 136.1 million in FY2023 to ETB 167.4 million in FY2024, representing growth of 22.9%, before decreasing to ETB 137.1 million in FY2025, representing a decline of 18.1%. Over the three-year period, net cash from operating activities remained broadly unchanged, with a CAGR of 0.3%.

The FY2025 decline was due to lower cash generated from operating activities before tax, which decreased from ETB 185.7 million in FY2024 to ETB 157.5 million in FY2025, together with higher income tax payments, which increased from ETB 18.3 million to ETB 20.4 million. Despite the decrease in FY2025, operating activities remained a positive source of cash generation and provided liquidity to support the Issuer's business operations.

7.5.2. Net Cash Outflow from Investing Activities

Net cash outflow from investing activities increased from ETB 93.1 million in FY2023 to ETB 17.1 million in FY2024, before increasing to ETB 160.3 million in FY2025. This represents a decrease of 81.6% in FY2024, an increase of 838.0% in FY2025, and a CAGR of 31.2% over the three-year period. The FY2025 increase was mainly attributable to higher purchases of property, plant and equipment, expenditure on the core insurance management system, additional statutory deposits and the movement in time deposits.

The largest investing cash outflow in FY2025 was the purchase of property, plant and equipment, which increased from ETB 25.5 million in FY2024 to ETB 93.3 million in FY2025, representing an increase of 265.7%. Compared with FY2023, PPE-related cash outflows increased from ETB 80.6 million to ETB 93.3 million, representing a CAGR of 7.6%. The FY2025 outflow accounted for approximately 58.2% of total net investing cash outflows during the year.

The Issuer also incurred ETB 24.9 million for the purchase of a core insurance management system in FY2025, with no corresponding outflow recorded in FY2024 or FY2023. In addition, statutory deposits increased by ETB 13.3 million in FY2025, compared with no movement in FY2024 and ETB 5.6 million in FY2023.

Cash deployed into investments decreased from ETB 40.6 million in FY2024 to ETB 24.7 million in FY2025, representing a decline of 39.3%. Compared with FY2023, cash deployed into investments also decreased, resulting in a negative CAGR of 15.2%. However, time deposits moved from a net inflow of ETB 30.8 million in FY2024 to a net outflow of ETB 25.1 million in FY2025, which contributed to the increase in investing cash outflows. Interest received increased from ETB 15.0 million in FY2023 to ETB 18.2 million in FY2024 and ETB 20.9 million in FY2025, representing a CAGR of 18.3%, partly offsetting the investing cash outflows.

Overall, the increase in net investing cash outflows in FY2025 was mainly driven by higher PPE additions, investment in the core insurance management system, additional statutory deposits and the net increase in time deposits.

Table 73: Investing Activities (ETB '000)

	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Purchase of core insurance management system	(24,948)	-	-	N/M	N/M	N/M

Purchase of property, plant and equipment	(93,331)	(25,523)	(80,639)	265.7%	(68.4%)	7.6%
Increase in statutory deposit	(13,301)	-	(5,576)	N/M	N/M	54.4%
Increase in investment	(24,650)	(40,602)	(34,269)	(39.3%)	18.5%	(15.2%)
Increase in time deposit	(25,054)	30,828	12,440	N/M	147.8%	N/M
Proceeds from sale of property, plant and equipment	-	-	-	N/M	N/M	N/M
Interest received	20,940	18,205	14,954	15.0%	21.7%	18.3%
Net Cash (Outflow)/Inflow from Investing Activities	(160,344)	(17,093)	(93,091)	838.0%	(81.6%)	31.2%

**For cash outflow items that remained negative across the relevant periods, YoY and CAGR are calculated based on the movement in absolute outflow amounts. N/M is used where the movement changes from inflow to outflow, where the base year is zero, or where the percentage movement is not economically meaningful.*

7.5.3. Net cash inflow/(outflow) from financing activities

Financing activities from a net cash outflow of ETB 3.3 million in FY2023 to a net cash outflow of ETB 57.5 million in FY2024, before recording a net cash inflow of ETB 23.2 million in FY2025. The FY2025 movement was mainly attributable to proceeds of ETB 90.4 million from the issue of shares, which exceeded dividend payments of ETB 67.2 million during the year.

Proceeds from the issue of shares were ETB 38.1 million in FY2023, nil in FY2024 and ETB 90.4 million in FY2025. Since no share issuance proceeds were recorded in FY2024, the FY2025 year-on-year percentage movement is not meaningful. However, compared with FY2023, share issuance proceeds increased at a CAGR of 54.2%.

Dividend payments increased from ETB 41.4 million in FY2023 to ETB 57.5 million in FY2024 and ETB 67.2 million in FY2025, representing growth of 38.9% in FY2024 and 17.0% in FY2025, and a CAGR of 27.4%. The calculation is based on the absolute cash outflow amount.

Overall, financing activities were a source of cash in FY2025 after being a use of cash in FY2023 and FY2024. The change was driven by the share issuance proceeds recorded in FY2025, partly offset by dividend payments. This financing inflow helped offset the higher cash outflows from investing activities during the year.

Table 74: Financing Activities (ETB '000)

	FY2025	FY2024	FY2023	YoY24/25	YoY23/24	CAGR (%)
Proceeds from issue of shares	90,401	-	38,052	N/M	N/M	54.1%

Dividends declared and paid	(67,243)	(57,481)	(41,395)	17.0%	38.9%	27.4%
Net Cash (Outflow)/Inflow from Financing Activities	**23,158**	**(57,481)**	**(3,343)**	**N/M**	**1,619.5%**	**N/M**

7.6. Contingent Liabilities, Guarantees and Letters of Credit and Off–Balance Sheet Arrangements

As of June 30, 2025, the Company had no material contingent liabilities, guarantees, letters of credit, or off-balance sheet arrangements that are reasonably likely to have a current or future effect on its financial condition, revenues, or expenses. The Company operates with a conservative risk profile regarding such instruments. Any standard industry commitments, such as those arising from legal proceedings in the ordinary course of business, are adequately provided for in the financial statements and are not expected to have a material adverse effect on the Company.

7.7. Capital Resources and Liquidity

7.7.1. Capital Resources

The Issuer's admitted capital resources comprise share capital, retained earnings, legal reserves and other equity reserves. Total admitted equity increased by 29.6% from ETB 377.9 million as at 30 June 2024 to ETB 489.5 million as at 30 June 2025, primarily reflecting profit retention and additional capital raised through the issuance of shares during the year.

The Issuer's capital adequacy is assessed with reference to the solvency requirements prescribed under the National Bank of Ethiopia's Margin of Solvency Directive No. SIB/45/2016. As at 30 June 2025, admitted capital amounted to ETB 260.6 million, compared to a required solvency margin of ETB 84.1 million. Consequently, the Issuer maintained an excess solvency margin of ETB 176.5 million and a solvency coverage ratio of 309.7%, compared to ETB 55.9 million and 166.0%, respectively, in FY2024.

The required solvency margin is determined based on the higher of 25% of technical provisions, 20% of net premium, or the minimum paid-up capital requirement. Accordingly, the solvency assessment incorporates both reserve risk through technical provisions and underwriting risk through net premium levels. The increase in admitted capital substantially exceeded the growth in the regulatory solvency requirement, resulting in a significant improvement in the Issuer's solvency coverage during FY2025.

In addition, the Issuer manages insurance risk through portfolio diversification, underwriting controls and the use of proportional and non-proportional reinsurance arrangements. Reinsurance is utilized to reduce exposure to individual risks and catastrophe losses, while reinsurance placements are diversified across counterparties such that no single counterparty accounted for more than 5% of total reinsurance assets as at the reporting date. These risk management practices complement the Issuer's capital resources in supporting its ability to absorb underwriting and reserve-related risks.

The Issuer's capital resources are funded through shareholder equity, including paid-up share capital, retained earnings and statutory reserves.

Table 75: Capital Adequacy and Solvency Position (ETB '000)

Item	FY2025	FY2024	YoY (%)
Admitted Assets	925,487	761,157	21.6%
Admitted Liabilities	664,882	621,267	7.0%
Admitted Capital	260,606	140,670	85.3%
Net Premium	202,489	185,610	9.1%
Technical Provision	336,589	339,072	(0.7%)
20% of Net Premium	40,498	37,122	9.1%
25% of Technical Provision	84,147	84,768	(0.7%)
Minimum Paid-Up Capital	60,000	60,000	0.0%
Required Solvency Margin	84,147	84,768	(0.7%)
Excess Solvency Margin	176,459	55,902	215.7%
Solvency Coverage Ratio (%)	309.7%	166.0%	86.6%

7.7.2. Liquidity

The Issuer maintains liquidity through a portfolio of cash and cash equivalents, fixed-term deposits and government securities. As at 30 June 2025, these liquid and near-liquid assets amounted to ETB 344.1 million, compared to ETB 306.4 million as at 30 June 2024, representing an increase of 12.3%.

Cash and cash equivalents remained broadly stable at ETB 218.6 million in FY2025, compared to ETB 218.7 million in FY2024. Accordingly, references elsewhere in this Prospectus to a cash balance of ETB 128.2 million have been removed, as they were inconsistent with the audited financial statements.

As at 30 June 2025, cash and cash equivalents represented 64.9% of insurance contract liabilities, compared to 64.5% in FY2024. When fixed-term deposits and government securities are included, liquid and near-liquid assets amounted to 102.2% of insurance contract liabilities and 51.8% of total liabilities. These metrics indicate that the Issuer maintained a substantial pool of liquid resources relative to its insurance obligations and overall liabilities during the year.

Table 76: Liquidity Position (ETB '000)

Item	FY2025	FY2024	YoY (%)
Cash and Cash Equivalents	218,577	218,684	(0.05%)
Fixed Time Deposits	94,573	69,518	36.0%
Government Bonds	30,932	18,231	69.7%
Liquid and Near-Liquid Assets	344,082	306,433	12.3%

Insurance Contract Liabilities	336,589	339,072	(0.7%)
Total Liabilities	664,882	621,267	7.0%
Cash & Cash Equivalents / Insurance Contract Liabilities	64.9%	64.5%	-
Liquid Assets / Insurance Contract Liabilities	102.2%	90.4%	-
Liquid Assets / Total Liabilities	51.8%	49.3%	-

7.8. Working Capital Statement

The Issuer believes that its working capital is sufficient for its current operational requirements and will remain adequate for at least the next 12 months from the date of this Prospectus. The Issuer's principal sources of income comprise premium income, investment income and other insurance-related income generated in the ordinary course of business.

7.9. Capitalizations and Indebtedness

The table below details the Company's capitalization as of May 31, 2026. This information is derived from unaudited management accounts.

Table 77: Statement of Capitalization

Statement of Capitalization	As at 31 May 2026
Total Financial Liabilities	
Comprising:	
Current Financial Liabilities(B)	491,945,030.81
Non-Current Debt (Borrowing)(D)	123,008,429.87
Shareholders' Equity	**543,058,708.63**
Total Capitalization	**1,158,012,169.31**

The table below shows the Company's indebtedness.

Table 78: Statement of Indebtedness

Statement of Indebtedness	As at 31 May 2026
Cash and cash equivalents (A)	186,396,379,.94
Net Current Financial Indebtedness (C=A-B)	**(305,548,650.87)**
Net Financial Indebtedness (E=C-D)	**(428,557,080.74)**

The net financial indebtedness figures are negative, indicating that the Company's cash and liquid assets significantly exceed its financial liabilities, reflecting a strong, unleveraged balance sheet.

7.10. Going Concern

The Board of Directors has assessed the Company's ability to continue in operation for the foreseeable future. Based on this assessment, nothing has come to the attention of the Directors indicating that the Company will not continue as a going concern for at least twelve months from the date of this Prospectus. The Directors are of the opinion that the Company will continue in operation for the foreseeable future.

In forming this opinion, the Directors considered the Company's historical financial performance, cash flow position, liquidity, solvency, capital position, borrowing facilities, business plans, operating environment, and the principal risks and uncertainties affecting the Company's business.

The Company's historical financial statements for the fiscal years ended June 30, 2025 and 2024 have also been prepared on a going concern basis.

7.11. Legal and Arbitration Proceedings

The Company is involved in legal proceedings arising in the ordinary course of its insurance operations. These proceedings primarily relate to disputed insurance claims where claims were rejected by the Company and subsequently challenged by the relevant claimant or insured party.

As at 30 June 2025, the Company had seven pending legal proceedings with an aggregate claim amount of ETB 31.2 million. The Company's total gross outstanding claims provision, including incurred but not reported claims, amounted to ETB 118.8 million as at the same date. Accordingly, the aggregate value of the pending litigation represented approximately 26.3% of the Company's gross outstanding claims provision, 33.1% of profit after tax, 6.4% of total equity, 2.7% of total assets, and 14.3% of cash and cash equivalents as at 30 June 2025.

Although the Company has recognized reserves in respect of these claims as part of its outstanding claims provisioning process, the final outcome of litigation remains subject to judicial determination. If the Company is unsuccessful in one or more of the pending cases, or if awards, interest, costs or enforcement expenses exceed the amounts reserved, the Company may be required to make additional payments. Such outcomes may affect the Company's profitability, liquidity, claims experience and risk management position.

The Company discloses pending legal proceedings involving claim amounts above ETB 100,000. In assessing the materiality of legal proceedings, the Company considers the amount claimed, the nature of the dispute, the stage of proceedings, the likelihood of loss, the extent of insurance or reinsurance recoverability, the amount reserved, and the potential financial, liquidity, operational or reputational impact on the Company.

The pending cases disclosed below have been included because they involve claim amounts above ETB 100,000 and may be relevant to investors when considered individually or in aggregate. A comprehensive summary of such pending cases that may or may not potentially lead to a financial loss is presented in the following table.

Table 79: Schedule of pending claims and litigations

No	Plaintiff	Defendant	Claim Amount	Status of the Case	Summary of allegation or dispute	Potential Financial or Reputational impact
1	Zerihun Mirkina	GIC	10,050,000.00	Pending	Claim rejected by the Company; claimant instituted legal proceedings; matter remains pending before the relevant court	Amount reserved as part of outstanding claims provisioning; adverse judgment may result in payment of the claim, related costs or amounts exceeding reserve
2	Amare Asefa	GIC	1,501,477.19	Pending	Claim rejected by the Company; claimant instituted legal proceedings; matter remains pending before the relevant court	Amount reserved as part of outstanding claims provisioning; adverse judgment may result in payment of the claim, related costs or amounts exceeding reserve
3	Tesfaye Yedage	GIC	3,079,442.80	Pending	Claim rejected by the Company; claimant instituted legal proceedings; matter remains pending before the relevant court	Amount reserved as part of outstanding claims provisioning; adverse judgment may result in payment of the claim, related costs or amounts exceeding reserve
4	Solomon Admasu	GIC	4,701,171.62	Pending	Claim rejected by the Company; claimant instituted legal proceedings; matter remains pending before the relevant court	Amount reserved as part of outstanding claims provisioning; adverse judgment may result in payment of the claim, related costs or amounts exceeding reserve
5	Helen Abera	GIC	4,606,248.00	Pending	Claim rejected by the Company; claimant instituted legal proceedings; matter remains pending before the relevant court	Amount reserved as part of outstanding claims provisioning; adverse judgment may result in payment of the claim, related costs or amounts exceeding reserve

6	Tewodros Admasu	GIC	2,634,720.91	Pending	Claim rejected by the Company; claimant instituted legal proceedings; matter remains pending before the relevant court	Amount reserved as part of outstanding claims provisioning; adverse judgment may result in payment of the claim, related costs or amounts exceeding reserve
7	Gashahun Dereje	GIC	4,623,000.00	Pending	Claim rejected by the Company; claimant instituted legal proceedings; matter remains pending before the relevant court	Amount reserved as part of outstanding claims provisioning; adverse judgment may result in payment of the claim, related costs or amounts exceeding reserve
8	Indris Omar	GIC	2,232,095	GIC Appeal reversed and paid	Claim rejected by the Company; insured sued and won.	No material impact
9	Melkamu Lakew	GIC	3,230,890.55	Decided and paid	Claim rejected by the Company; insured sued and won.	No material impact
10	Zerihun Mirkina	GIC	10,050,000.00	Decided and paid	Claim rejected by the Company; insured sued and won.	No material impact

The cases involving Indris Omar, Melkamu Lakew and Zerihun Mirkina relate to legal proceedings that were closed during the last 12 months.

As at 30 June 2025, the Company's total gross outstanding claims provision, including incurred but not reported claims, was ETB 118,783,439.69. The Company has considered the pending litigations in determining its outstanding claims provision. However, provisioning does not eliminate litigation risk, as the timing, amount and final outcome of each case remain uncertain until final judgment, settlement or withdrawal.

8. SECTION EIGHT – INFORMATION ON THE OFFER OF SECURITIES

This prospectus is issued for the registration of existing shares and rights offer shares of Global Insurance S.C. Existing shareholders were given the right to elect either to receive their declared dividend in cash or to receive shares through dividend capitalization. Shareholders who elected to receive cash dividend have already been paid in accordance with the Company's dividend payment procedures. Accordingly, the newly issued shares will be allocated only to eligible existing shareholders who elected to receive shares in lieu of their declared cash dividend.

8.1. Information Concerning the Securities being Offered

8.1.1. Type and Class of Securities being Offered

Pursuant to the resolution passed at the Annual General Meeting held on November 22, 2025, shareholders have approved the capitalization of dividends declared for the financial year ended 30 June 2025. This dividend capitalization will result in the issuance of 55,172 shares to eligible existing shareholders, increasing the total number of Ordinary Shares in issue following the offer to be 737,352 Ordinary Shares.

The Company has, and following the completion of this offer will have, one class of Ordinary Shares.

8.1.2. Legal Basis of the Issuance

The issuance of the additional Ordinary Shares issued through dividend capitalization is duly authorized by a resolution of the shareholders dated 22 November (29^{th} AGM), in accordance with the Capital Market Proclamation, the Public Offer Directive, the Commercial Code, and the Company's Memorandum of Association, which collectively provide the legal authority for the creation, offering, and allotment of such shares.

8.1.3. Registration of Securities

The Ordinary Shares of the Company, including both the existing shares and the new shares to be issued through dividend capitalization, will be registered with the ECMA upon approval of the registration statement.

8.1.4. Record Keeping

In line with Directive No. 1047/2025, records of the securities issued will be maintained by the CSD. The Company will maintain an internal shadow register that mirrors the primary register maintained by the CSD.

The Company Secretary, Mohammed Ahmed, in his role, is and will be the person responsible for keeping the shadow records of the Ordinary Shares of the Company. The Company Secretary's address is:

Name: Mohammed Ahmed

Gobena Abatigu Street (Somaletera)
Arada Subcity, Woreda 01, House Number 030
Addis Ababa, Ethiopia
Telephone: 011 1 56 74 00

8.1.5. Rights Attached to the Securities

The Company has, and following the completion of this offer will have, only one class of shares, being the Ordinary Shares. The rights attached to the Ordinary Shares are uniform in all respects, and they form a single class for all purposes. The rights attached to the Ordinary Shares are as set out below:

- **Right to Participate in Profits:** Every Ordinary Share confers a right to participate in the Company's annual net profits and to a proportionate share in the net proceeds on a winding-up.
- **Proportionate Calculation:** The share in the profits and in the net proceeds on a winding-up due to a holder of Ordinary Shares shall be calculated in proportion to their holding in the paid-up capital of the Company.
- **Voting Rights:** Every Ordinary Share confers voting rights. The voting rights attached to a shareholder shall be in proportion to the amount of capital represented by their Ordinary Shares.
- **Pre-emptive Rights:** Every holder of Ordinary Shares has a preferred right, in proportion to their holding, to subscribe for Ordinary Shares issued on an increase of capital, in accordance with Article 448 of the Commercial Code of Ethiopia Proclamation No. 1243/2021 and the Company's Articles of Association.
- **Dividend Rights:** Holders of Ordinary Shares are entitled to receive dividends as declared by the Company at its Annual General Meeting, subject to the recommendation of the Board of Directors, the profitability of the Company, and the legal reserve requirements under Ethiopian law.
- **Transferability:** The Ordinary Shares are freely transferable, subject to the ownership restrictions imposed by the National Bank of Ethiopia (NBE) and the applicable rules of the Ethiopian Securities Exchange once admitted to trading.

The Ordinary Shares do not carry any special rights, preferences, restrictions, limitations or conditions. All Ordinary Shares rank pari passu in all respects, including voting rights, dividend entitlements, rights to participate in capital increases and rights to share in the distribution of assets upon liquidation.

The Company will be subject to the continuing obligations of ECMA with regard to the issuance of equity securities and the disclosure requirements for publicly traded companies.

8.1.6. Issue Date

The additional Ordinary Shares are expected to be issued following ECMA approval of the allotment report and completion of the required CSD validation.

8.1.7. Information on the Tax Treatment of the Securities

Investment in the securities is subject to the taxation laws of Ethiopia. The taxation treatment of the securities is governed by the Federal Income Tax Proclamation No. 979/2016, as amended by the Income Tax (Amendment) Proclamation No. 1395/2025. Under these laws, the following tax implications may apply to holders of the securities on offer.

Pursuant to Article 57 of the Income Tax Proclamation, as amended, a resident of Ethiopia who derives income from dividends is liable to income tax at a rate of 15% of the gross amount of the dividend. Similarly, a non-resident who derives an Ethiopian-source dividend attributable to a permanent establishment in Ethiopia is subject to income tax at a rate of 15% on the gross dividend amount. However, dividend tax does not apply where a body distributes dividends to a permanent establishment in Ethiopia or to a resident company that is a member of a group of companies. For this purpose, a “group of companies” refers to a company that directly or indirectly owns more than 50% of the shares of one or more other companies.

In accordance with Article 59 of the Income Tax Proclamation, as amended, a person who realizes a gain from the disposal of shares is liable to income tax at a rate of 15%. The gain on disposal is calculated as the excess of the consideration received over the cost of the shares at the time of acquisition, adjusted for inflation by 30%.

In addition, under Article 64 of the Federal Income Tax Proclamation No. 979/2016, as amended by the Income Tax (Amendment) Proclamation No. 1395/2025, the Company may be subject to an additional income tax at a rate of 15% on net profits remaining after income tax where such profits are neither distributed to shareholders nor reinvested within twelve months following the end of the fiscal year. This tax applies to profits classified as undistributed profits, which include net profits not distributed or reinvested within the prescribed period, as well as profits attributable to a permanent establishment in Ethiopia that are not remitted to a foreign head office. The application of this tax is subject to directives to be issued by the Ministry of Finance. Pending the issuance of such directives, net profits applied toward increasing the Company’s capital or increasing the shareholdings of its shareholders are deemed to have been reinvested and are therefore not treated as undistributed profits for the purposes of this tax.

The issuance of new shares may also be subject to stamp duty in accordance with applicable laws and regulations, and such stamp duty is typically borne by the Company.

8.1.8. Restrictions on the Transferability of the Securities

The securities that are registered will be freely transferable.

8.1.9. Public Takeover Bids

The Company has not received any public takeover bids by third parties in the last financial year ended 30 June 2025, nor during the period up to the date of this Prospectus.

8.2. Terms and Conditions of the Offer

8.2.1. Conditions of the Offer

The commencement of this Offer is contingent upon the registration of the Company's securities with the ECMA.

8.2.2. Expected Timetable

The Offer will start immediately after the conditions set out in the preceding sections are fully met. The expected timetable is presented below:

Table 80: Expected Events of the Offer

EXPECTED EVENTS	DATE
Record date	June 30, 2025
Approval of the Registration Statement by the ECMA	June 30, 2026
Publication of the Prospectus	June 30, 2026
Submission of Allocation Report to the ECMA	June 30, 2026
Approval of Allotment Report by ECMA	June 30, 2026
Crediting of shares to shareholders' CSD securities accounts	July 9, 2026
Announcement of the results of the allotment	July 30, 2026

8.2.3. Total amount of the Offer

The total amount capitalized is ETB 51,144,444.

8.2.4. Rights Share Allocation Process

Shareholders are expected to open a brokerage account with a licensed CMSP, such as a broker or investment bank. The account opening process requires submission of a valid government-issued identification document, such as Fayda (National ID) and a Tax Identification Number (TIN). Participating corporate shareholders are expected to provide company registration documents, and a power of attorney is submitted where applicable.

Allocated shares are credited directly to the applicant's designated brokerage account.

8.2.5. Allotment and Allocation Procedure

Eligibility for the share allotment shall be limited to shareholders whose names appear in the Company's official share register as of the close of business on 30 June 2025 (the "Record Date") and who validly elected to receive shares in lieu of their approved cash dividend.

The allotment of new shares shall be made only to Eligible Shareholders who elected to convert their dividend entitlement into shares. The allotment shall be made on a pro rata basis, proportionate to the dividend amount elected for conversion by each participating shareholder.

The number of new shares to be allotted to each participating shareholder shall be calculated by dividing the dividend amount elected for conversion by the issue price of Birr 927 per share.

Shareholders who elected to receive their dividend in cash are not participants in this share allotment, having already received their cash dividend in accordance with the Company's dividend payment procedures. Accordingly, this allotment relates only to shareholders who elected to receive shares in lieu of cash dividend.

Any entitlement to shares arising from a shareholder's dividend conversion election shall be applied only for purposes of this allotment. No subsequent offer round or reallocation of any residual amount arising from fractional entitlement shall be undertaken.

Where the calculation of shares results in a fractional entitlement, the number of shares allotted shall be rounded down to the nearest whole share. Any residual value attributable to the fractional entitlement shall be settled in cash to the relevant shareholder.

Shareholders who elected to receive cash dividend shall retain their existing number of shares. However, to the extent that participating shareholders receive additional shares through the dividend capitalization, non-participating shareholders' proportional ownership and voting interest in the Company may be diluted.

8.2.6. Plan for Distribution of the Offer

The offer is effected through the capitalization of shareholders' declared net dividend entitlements. No cash payment is required from shareholders. Upon approval of the Prospectus by the ECMA, the corresponding Ordinary Shares will be credited to the investment accounts of eligible shareholders on a pro-rata basis in accordance with their dividend entitlements.

8.2.7. Minimum and Maximum Allocation Amounts

The minimum allocation amount is one (1) share. The maximum allocation amount is limited to the shareholder's pro-rata entitlement based on the dividend amount validly elected for conversion.

8.2.8. Payment and Delivery of Securities

As the Offer is effected through the conversion of declared dividends, shareholders are not required to make any additional cash payments for the allotment. Allotted shares are credited to shareholders' brokerage accounts within four (4) calendar days following ECMA approval of the allotment. No physical share certificates are issued.

8.2.9. Publication of Results

The final basis of allotment will be submitted to the ECMA, on June 30, 2026, for approval. Once approved, the results will be published on the Company's website within five (5) business days.

8.3. Pricing of Shares

The securities offered under this Prospectus are priced at ETB 927 per share. The Allocation Price has been determined and approved by the Board of Directors, based on an independent valuation prepared by the Transaction Advisor.

In setting the price, the Directors selected a price that enables the efficient reinvestment of declared dividends into equity. The pricing approach supports the strengthening of the Company's capital base through earnings retention, while providing shareholders with an opportunity to increase their stake at a level aligned with the Company's underlying valuation.

As the Company's shares are not traded on a licensed securities exchange, there is no prevailing market price, and no theoretical ex-rights price is presented. Accordingly, the economic value of the tradeable right is embedded entirely within the Rights Offer Allocation Price.

The Transaction Advisor prepared an independent valuation report for the consideration of the Board of Directors. In determining an indicative value for the Company, the Transaction Advisor applied both an income-based approach and a market-based approach and triangulated the outcomes of these methodologies to support the pricing of the Rights Offer Shares.

The valuation methodologies applied are summarized below.

Income approach:

An income-based valuation was performed using a discounted cash flow methodology, based on projected free cash flows to the Company. Key valuation drivers considered included forecast revenue growth, operating margins, reinvestment requirements in net working capital, projected capital expenditures, the applicable discount rate, and the terminal value assumptions.

Market approach:

The market approach involved assessing the Company's value using valuation multiples commonly applied to banking and financial services institutions, including price-to-book (P/B) and price-to-earnings (P/E) ratios. For the purposes of the valuation, the Transaction Advisor derived a benchmark P/B multiple from a peer group of comparable banking institutions operating in Africa. Adjustments were made to the observed multiples to reflect differences in size, country risk, and control characteristics, resulting in an adjusted P/B multiple range that was applied to estimate the Company's equity value on a controlling and marketable basis.

8.4. Reasons for the Offer and Use of Proceeds

8.4.1. Reasons for the Offer

The primary purpose of this Offer of Securities is to enable eligible existing shareholders who elected to receive shares in lieu of cash dividend to reinvest their declared net dividend entitlement for the financial year ended 30 June 2025 into newly issued Ordinary Shares of the Company. This mechanism supports the capitalization of dividend entitlements into paid-up share capital and strengthens the Company's capital base. This mechanism allows shareholders to choose between two options for their declared dividend to receive 100% of their dividend in cash or to reinvest their entire dividend by purchasing shares to be issued by the Company and allocated to them based on their divided entitlements. The underlying rationale for this option is to encourage investment, as reinvested dividends are exempt from the applicable 15% dividend tax.

8.4.2. Use of Proceeds

The Offer is being undertaken through the capitalization of shareholders' declared net dividend entitlements. Accordingly, the transaction will not generate new cash proceeds for the Company. Instead, amounts that would otherwise be payable to shareholders as dividends will be converted into permanent equity capital.

The principal purpose of the capitalization is to strengthen the Company's paid-up capital base and support compliance with the minimum paid-up capital requirements prescribed by the National Bank of Ethiopia under the Minimum Paid-Up Capital for an Insurance Company Directive No. SIB/57/2022. The Directive requires a general insurance company to maintain minimum paid-up capital of ETB 400 million and requires existing insurance companies below the prescribed level to raise their paid-up capital to the required level by 30 June 2027.

The strengthened capital position is expected to support the following objectives:

- compliance with the National Bank of Ethiopia's minimum paid-up capital requirement applicable to general insurance companies;
- enhancement of the Company's underwriting capacity, as a stronger capital base supports the Company's ability to retain and underwrite larger and more complex insurance risks;
- improvement of the Company's prudential position, including its ability to meet applicable regulatory liquidity, solvency and investment requirements;

- support for the completion of approved strategic projects and investments, including the implementation of the core insurance management system, the Bole mixed-use building project and other business expansion initiatives;

- strengthening of the Company's competitive position, financial resilience and long-term growth prospects; and

- enhancement of shareholder value by converting declared dividend entitlements into equity, thereby increasing shareholders' ownership interests and participation in the Company's future growth and profitability.

Although the Offer will not result in new cash proceeds, the conversion of dividend entitlements into paid-up capital is expected to improve the Company's regulatory capital position and support its business development objectives. The Company expects to apply existing and internally generated resources to support approved strategic projects, including approximately ETB 33 million for the core insurance management system and approximately ETB 18 million for the Bole mixed-use building project, subject to implementation requirements and the Company's approved budget.

8.5. Distribution and Underwriting

The offer is not being underwritten. No such arrangements have been made by the Company.

8.6. Expenses of the Offer

The table below provides an itemized list of the major categories of estimated expenses incurred in connection with the registration of the Ordinary Shares and the preparation of this Prospectus. All expenses of the offer are payable by the Company in full.

Table 81: Estimated Expenses of the Offer

Expense Category	Amount (ETB)
Transaction Advisor Fees	6,250,000
Legal Advisor Fees	70,000
ECMA Registration Fees	697,586.50
Advertising and Marketing	100,000
Total Estimated Expenses	7,117,587

8.7. Professional Parties

Set out below is a summary of the professional parties and experts who have been engaged by the Company in connection with this offer of securities.

Table 82: Professional Parties

Professional Party	Role	Interest in the Issuer	Material Conflict of Interest

i-Capital Institute PLC	Transaction Advisor	None	None
Yidnekachew Simeneh Law Office	Legal Advisor	None	None
Tafesse, Shisema & Ayalew Audit	External Auditor	None	None

The consent of each of the parties named above to act in their stated capacity has been obtained and has not been withdrawn prior to the publication of this Prospectus.

9. SECTION NINE – RISKS

9.1. An Overview

Investing in the shares of any company involves inherent risks. Prospective investors should carefully consider all of the information contained in this Prospectus, including the specific risk factors described below, before making an investment decision. The risks and uncertainties discussed in this section are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also have a material adverse effect on its business, financial condition, results of operations, and prospects.

The following information should be read in conjunction with the detailed discussions contained elsewhere in this Prospectus, including Section Seven: Management Discussion and Analysis of Financial Condition and Results of Operations, the audited financial statements and related notes, and all other sections that provide further context on the Company's business, financial condition, and the environment in which it operates.

9.2. Risks Related to the Company

9.2.1. Dependence on Motor Insurance Business and Motor Insurance Regulatory Framework

A substantial portion of the Company's insurance revenue is derived from Motor insurance products. For the year ended 30 June 2025, Motor insurance generated ETB 259.3 million of total insurance revenue, representing approximately 74.9% of the Company's aggregate Conventional and Takaful insurance revenue. As a result, the Company's financial performance is significantly dependent on the continued profitability and growth of the Motor insurance business.

The Motor insurance market is subject to regulatory oversight by the NBE, including the Motor Insurance Minimum Premium Rate Directive No. SIB/60/2023, which prescribes minimum premium rates applicable to various categories of motor insurance business. Future amendments to the Directive, revisions to minimum premium rates, changes in premium rating methodologies, additional regulatory requirements, or other regulatory interventions affecting motor insurance products may affect the Company's ability to price risks, maintain underwriting margins, and compete effectively within the market.

In addition, adverse developments affecting the Motor insurance sector, including increased claims frequency or severity, higher vehicle repair and replacement costs, changes in customer demand, increased competition, growth in lower-margin compulsory insurance products, or shifts in purchasing behavior may have a disproportionate effect on the Company's revenue, profitability, financial condition and results of operations due to the Company's concentration in this line of business.

9.2.2. Underwriting Risk

The Company's profitability depends on its ability to accurately evaluate, classify and price insurance risks. Underwriting decisions are based on assumptions regarding the likelihood and severity of future claims, policyholder behavior, market conditions and other factors that may subsequently prove to be inaccurate.

If the Company underestimates the risks associated with policies written, charges inadequate premiums, or fails to appropriately assess policyholder risk profiles, insurance revenue may be insufficient to cover future claims and related expenses. Such adverse underwriting outcomes may result in reduced profitability, deterioration in underwriting performance, increased reserve requirements and pressure on the Company's capital position.

9.2.3. Claims Experience Risk

The Company is exposed to the risk that actual claims experience may differ materially from expectations used in pricing, reserving and risk management. The Company's gross claims incurred in FY2025 amounted to ETB 122.7 million, representing an increase of ETB 8.2 million, or 7.0%, compared with FY2024.

Claims frequency or severity may increase due to road traffic accidents, fire incidents, industrial accidents, natural catastrophes, adverse weather conditions, social disturbances, inflation in repair and replacement costs, or other unforeseen events. Unexpected increases in claims costs may adversely affect underwriting profitability, liquidity, capital adequacy and overall financial performance. Large individual losses or multiple losses arising from a single event may have a particularly significant impact on the Company's results.

9.2.4. Fraud and Misconduct Risk

The Company is exposed to the risk of fraud, misconduct and control failures arising from policyholders, claimants, intermediaries, service providers, employees or other third parties. Fraud risk is particularly relevant in insurance operations because underwriting, premium collection, claims assessment, claims settlement and recoveries involve multiple parties and depend on the accuracy of documentation, valuation and verification processes.

Fraudulent or inflated claims, staged accidents, false policy information, premium misappropriation, collusion with service providers, manipulation of repair or replacement costs, or internal control overrides may increase claims costs, reduce underwriting profitability and result in financial losses. Given the Company's significant exposure to Motor insurance, fraudulent motor claims or inflated repair costs may have a material adverse effect on the Company's claims experience.

Any material fraud, misconduct or failure of internal controls may also result in regulatory sanctions, litigation, reputational damage, loss of customer confidence and adverse effects on the Company's financial condition and results of operations.

9.2.5. Reinsurance Availability and Cost Risk

The Company relies on reinsurance arrangements to manage exposure to large losses, catastrophic events and risk accumulations. The availability, capacity and cost of reinsurance directly affect the Company's underwriting capacity, risk retention strategy and profitability.

During FY2025, the Company incurred net expenses from reinsurance contracts held of ETB 53.5 million, compared with ETB 17.4 million in FY2024, representing an increase of ETB 36.1 million, or 207.6%. Reinsurance expenses represented approximately 15.5% of insurance revenue in FY2025, compared with 5.8% in FY2024, and accounted for approximately 20.7% of total underwriting expenses, compared with 7.7% in FY2024.

The significant increase in reinsurance costs demonstrates the Company's dependence on the availability and pricing of reinsurance protection. If reinsurance capacity becomes constrained, if reinsurers increase pricing, impose less favorable terms, reduce coverage limits, or withdraw from certain classes of business, the Company may be required to retain a greater proportion of risk, purchase more expensive protection, or reduce underwriting activity. Any such developments could increase earnings volatility, reduce underwriting capacity and adversely affect the Company's financial condition, results of operations and growth prospects.

9.2.6. Reinsurer Credit Risk

The Company is exposed to credit risk arising from amounts recoverable from reinsurers under its reinsurance arrangements. Although reinsurance transfers a portion of the economic risk associated with insured losses, it does not relieve the Company of its contractual obligations to policyholders.

As at 30 June 2025, reinsurance contract assets amounted to ETB 206.5 million. If one or more reinsurers fail to meet their obligations, experience financial difficulty, become insolvent, or delay settlement of amounts due under reinsurance contracts, the Company may be required to absorb losses that would otherwise have been recoverable from such reinsurers.

Given the significance of reinsurance recoverable to the Company's financial position, any deterioration in the financial condition or creditworthiness of its reinsurers could adversely affect the Company's liquidity, profitability, capital position and results of operations.

9.2.7. Investment Portfolio Risk

The Company holds a significant investment portfolio and investment income is an important component of its earnings. As at 30 June 2025, the Company's investment portfolio included ETB 128.9 million in equities, ETB 30.9 million in bonds, ETB 94.6 million in fixed time deposits and ETB 49.5 million in statutory deposits, for a total investment portfolio of ETB 303.8 million.

The value and income-generating capacity of these investments are exposed to market price volatility, interest rate movements, counterparty credit risk, liquidity conditions and broader economic developments. Adverse movements in financial markets, deterioration in the creditworthiness of counterparties, lower dividend income, or reduced returns on deposits and bonds could adversely affect investment income, profitability and financial position.

9.2.8. Mandatory Investment and Regulatory Asset Allocation Risk

The Company is subject to National Bank of Ethiopia regulations governing the composition of insurance company investments, including Investing in Development Bank Bond Directive No. SIB/54/2021. As at 30 June 2025, the Company held ETB 30.9 million in bond investments.

Mandatory investment requirements and regulatory asset allocation rules may limit the Company's flexibility to allocate capital solely based on commercial return, liquidity and risk considerations. Future changes to mandatory investment requirements, concentration limits, eligible asset rules or investment restrictions may affect the Company's portfolio diversification, liquidity profile and investment returns, which could adversely affect profitability and financial performance.

9.2.8. Statutory Deposit and Capital Lock-Up Risk

The Company is required to maintain statutory deposits with the National Bank of Ethiopia in accordance with Statutory Deposit Directive No. SIB/50/2020. As at 30 June 2025, the Company held ETB 49.5 million in statutory deposits, compared with ETB 36.2 million as at 30 June 2024.

Any increase in paid-up capital, regulatory capital requirements or statutory deposit requirements may require additional funds to be placed in restricted deposits. These funds may not be freely available for underwriting activities, investments, business expansion or dividend distributions. As a result, statutory deposit requirements may reduce financial flexibility, affect liquidity management and adversely affect returns on capital.

9.2.9. Technology and Systems Implementation Risk

The Company is implementing a significant technology modernization program, including core insurance system. As at 30 June 2025, the Company recorded ETB 24.9 million as intangible asset under development in respect of computer software.

Large-scale technology projects involve risks relating to implementation delays, cost overruns, system integration failures, data migration issues, business disruption and user adoption challenges. If the Company fails to successfully implement or integrate its technology systems, this could adversely affect underwriting, policy administration, claims processing, reinsurance management, regulatory reporting, customer service and operational efficiency.

9.2.10. Cybersecurity and Information Security Risk

The Company's operations depend on information technology systems, electronic records, customer data and digital infrastructure. Increased use of digital systems and the ongoing implementation of core insurance technology increase exposure to cyberattacks, unauthorized access, ransomware, data breaches, fraud, system outages and other information security incidents.

A significant cybersecurity incident could disrupt business operations, compromise confidential policyholder or corporate information, result in regulatory sanctions, create financial losses, damage the Company's reputation and reduce customer confidence. The evolving nature of cyber threats means that existing controls may not always prevent or detect all attacks or vulnerabilities.

9.2.11. Takaful Segment Operational Risk

The Company operates a Takaful business that is subject to Shariah principles and governance requirements that differ from conventional insurance. In FY2025, Takaful insurance revenue amounted to ETB 72.8 million, representing approximately 21.0% of total insurance revenue.

Takaful operations require dedicated governance, product structuring, accounting treatment, fund segregation and Shariah oversight. Any actual or perceived failure to comply with applicable Shariah principles may result in reputational damage, policyholder dissatisfaction, regulatory scrutiny, disputes regarding product compliance or operational disruption. The Takaful business may also be exposed to risks arising from limited market depth, operational complexity and evolving regulatory expectations applicable to Shariah-compliant financial products.

9.2.12. Strategy Execution and Operational Capacity Risk

The Company’s ability to achieve its strategic objectives depends on its capacity to implement multiple initiatives within the planned timeframe, including branch expansion, product development, technology modernization, customer service improvement and operational process enhancement.

If the Company does not have sufficient management capacity, operational resources, internal coordination, or execution discipline to implement these initiatives effectively, strategic projects may be delayed, cost more than expected, or fail to deliver the intended benefits. Any such failure may adversely affect the Company’s growth, profitability, competitiveness, operational efficiency and financial performance.

9.2.13. Key Personnel and Employee Retention Risk

The Company’s performance depends on the continued service, experience and technical capability of its Board, senior management, underwriting, claims, finance, technology, audit, risk management and branch personnel.

The insurance sector requires specialized technical expertise, and the Company may face challenges in attracting, developing and retaining qualified employees. Loss of key personnel, high staff turnover, talent poaching by competitors, or inability to maintain sufficient technical capacity may disrupt operations, weaken underwriting and claims management, delay strategic execution, increase recruitment and training costs, and adversely affect the Company's business and results of operations.

9.3. Offer Related Risks

9.3.1. Dividend Capitalization and Capital Formation Risk

The Offer is structured as a dividend capitalization scheme. It does not involve a new cash payment by shareholders to the Company. Instead, participating shareholders convert their declared net dividend entitlements into new Ordinary Shares.

The Company intends to capitalize approximately ETB 51.1 million of declared dividend entitlements through the issuance of 55,172 Ordinary Shares at an Allocation Price of ETB 927 per share. If any shareholder entitled to participate does not complete the required election, account opening, documentation or procedural steps within the applicable timetable, the amount ultimately capitalized may be lower than expected.

Any reduction in the amount capitalized may reduce the Company's ability to strengthen its paid-up capital, enhance underwriting capacity, support strategic projects, and improve its capital position within the planned timeframe.

9.3.2. Pricing and Valuation Risk

The Offer Shares will be issued at a fixed Allocation Price of ETB 927 per share. The Allocation Price has been determined based on the valuation prepared by the Transaction Advisor and approved by the Board of Directors. However, the Allocation Price may not reflect the future trading price of the Company's shares after registration, dematerialization and any subsequent admission to trading.

The future market price of the Company's shares may trade above or below the Allocation Price or the par value of the shares. Differences between the Allocation Price, valuation outcome, par value and future market price may affect investor perception, shareholder value, trading activity and liquidity.

9.3.3. Allotment, Rounding and Residual Dividend Risk

Shares under the dividend capitalization will be allotted based on the amount of each participating shareholder's dividend entitlement converted into equity and the fixed Allocation Price. Where a shareholder's converted dividend entitlement does not produce a whole number of shares, fractional entitlements may arise.

Any fractional entitlement will be treated in accordance with the terms of the offer, including rounding down to the nearest whole share and payment of any residual amount in cash. This may result in some shareholders receiving a lower number of shares than the exact mathematical conversion of their dividend entitlement would suggest.

9.3.4. Regulatory and Execution Risk

The Offer and dividend capitalization process are subject to applicable approvals, registration procedures, documentation requirements, shareholder communication, reconciliation and compliance obligations under Ethiopian capital market and corporate laws.

Any delay in obtaining regulatory clearance, completing shareholder verification, reconciling dividend entitlements, confirming valid elections, or completing required documentation may delay or disrupt the implementation of the dividend capitalization. Any material delay may affect the timing of share allotment, dematerialization, registration of capital increase and crediting of shares to shareholder investment accounts.

9.3.5. Securities Account and Dematerialization Risk

The implementation of the dividend capitalization requires participating shareholders to have the necessary investment accounts and to complete the required procedures for receiving shares in book-entry form. Shareholders who do not open or maintain the required securities or brokerage accounts, or who provide incomplete or inaccurate information, may experience delays in receiving their allotted shares.

Ethiopia's capital market infrastructure, including securities account administration, dematerialization, share registration and settlement processes, remains relatively new. Operational delays, system limitations, data mismatches, reconciliation issues or evolving procedural requirements may affect the timing and efficiency of crediting the new shares to participating shareholders.

9.3.6. Liquidity Risk

The Offer will not generate new cash proceeds for the Company because the offer is being implemented through capitalization of declared dividend entitlements already retained by the Company pending settlement. The transaction converts amounts otherwise payable as dividends into paid-up share capital.

Accordingly, although the capitalization may strengthen the Company's capital base, it will not provide additional cash liquidity. The Company's ability to fund operations, settle claims, finance strategic projects and meet other obligations will continue to depend on its existing cash resources, operating cash flows, investment income and other available funding sources.

9.4. Risks Related to Shares and Trading Arrangements

9.4.1. Limited Trading History and Liquidity Risk

The Company's Ordinary Shares have not previously been listed or traded on a licensed securities exchange or organized securities market. Accordingly, there is no established public trading history, market price or trading liquidity for the Ordinary Shares.

Following registration and completion of the required dematerialization and trading arrangements, the Company's shares may become eligible for trading in accordance with applicable capital market rules. However, there can be no assurance that an active, liquid or orderly trading market will develop or be sustained.

If trading liquidity is limited, shareholders may be unable to sell their shares when desired, may be required to sell at a discount to the Allocation Price or perceived value, or may be unable to sell a large number of shares without materially affecting the trading price.

9.4.2. Share Price Volatility Risk

The future trading price of the Company's Ordinary Shares may fluctuate due to factors specific to the Company and broader market conditions. These factors may include changes in financial performance, dividend expectations, underwriting results, claims experience, investment income, regulatory developments, investor sentiment, trading liquidity, macroeconomic conditions and general capital market conditions in Ethiopia.

As a result, shareholders may experience volatility in the value of their investment, and the market price of the Company's shares may decline after registration or commencement of trading.

9.4.3. Market Price May Differ from Allocation Price and Par Value

The Ordinary Shares have a par value of ETB 500 per share, while the Offer Shares are being issued at an Allocation Price of ETB 927 per share. The future trading price of the Company's shares will be determined by market supply and demand, investor perception, liquidity, Company performance, industry conditions and broader economic factors.

There is no assurance that the future market price of the Ordinary Shares will correspond to either the par value or the Allocation Price. The shares may trade above or below the par value, the Allocation Price or any valuation considered in connection with the Offer. Accordingly, shareholders should not assume that par value, Allocation Price or valuation reference represents the future trading price of the shares.

9.4.4. Capital Market Infrastructure and Trading Process Risk

Ethiopia's capital market infrastructure, including securities registration, dematerialization, central securities depository processes, brokerage account administration, trading, clearing and settlement arrangements, remains relatively new. As a result, shareholders may be exposed to operational, administrative, technological and process-related risks in connection with the registration and future trading of the Company's shares.

System limitations, processing delays, reconciliation issues, data mismatches, account-opening delays, settlement disruptions or changes in applicable procedures may affect the timing, efficiency or reliability of trading and settlement arrangements. Any such disruption may affect shareholders' ability to trade shares or receive timely settlement of transactions.

9.5. Risks Related to the Insurance Sector

9.5.1. Intense Competition and Pricing Pressure

The Ethiopian insurance industry is characterized by intense competition, with numerous players vying for market share, particularly in the Motor and Fire lines of business. This competition can lead to aggressive pricing, reduced premium rates, and increased commission payouts, which compress underwriting margins. The Company's ability to maintain its 17.0% revenue growth in the Conventional segment depends on its capacity to compete effectively while maintaining underwriting discipline. New entrants or aggressive pricing strategies by competitors could lead to customer attrition or force the Company to accept lower margins to retain business.

9.5.2. Regulatory Change Risk

The Ethiopian insurance sector is subject to ongoing regulation and supervision by the National Bank of Ethiopia, including requirements relating to capital adequacy, solvency, investment limits, statutory deposits, premium pricing, reinsurance, policyholder protection, financial reporting and corporate governance.

Certain existing regulatory requirements materially affect the Company's operations. In particular, the Motor Insurance Minimum Premium Rate Directive No. SIB/60/2023 prescribes minimum premium rates for motor insurance, which is the Company's largest line of business. Any amendment to the Directive, change in motor premium rating methodology, revision of applicable minimum premium rates, or stricter regulatory intervention in motor insurance pricing may materially affect the Company's pricing flexibility, underwriting margins and competitiveness.

Future changes to insurance laws, directives or supervisory expectations may also increase the Company's compliance costs, require additional capital, restrict investment or underwriting activities, affect product pricing, or impose additional reporting and governance obligations. Any such changes may adversely affect the Company's profitability, return on equity, liquidity position, capital management and ability to execute its business strategy.

9.5.3. Proposed Insurance Sector Reform and Foreign Competition Risk

The Ethiopian insurance sector may be subject to significant regulatory reform if the draft Insurance Proclamation is enacted in its current or substantially similar form. The draft Proclamation contemplates the establishment of an independent Ethiopian Insurance Regulatory Authority, enhanced prudential and market conduct supervision, stronger policyholder protection mechanisms, broader resolution powers, and the gradual opening of the insurance sector to foreign participation.

If enacted, the proposed reforms may increase the Company's compliance obligations, reporting requirements, governance standards, market conduct responsibilities and regulatory costs. The establishment of a specialized insurance regulator may also result in more intensive supervision and enforcement of insurers.

The draft Proclamation also contemplates foreign participation in the Ethiopian insurance sector, including the ability of foreign insurers to establish subsidiaries, acquire shares in domestic insurers, or establish representative offices, subject to applicable ownership limits and regulatory approvals. Entry by foreign insurers or strategic investors may increase competition in pricing, underwriting, product development, technology, customer service, distribution, reinsurance access and technical expertise.

Global Insurance may face competitive pressure from new entrants with stronger capital bases, advanced digital systems, international insurance experience, broader product capabilities and stronger technical underwriting capacity. If the Company is unable to respond effectively through capital strengthening, operational modernization, product diversification, service quality and underwriting discipline, its market share, profitability, customer retention and growth prospects may be adversely affected.

As at the date of this Prospectus, the draft Insurance Proclamation has not been enacted. Accordingly, the final scope, timing and impact of the proposed reforms remain uncertain.

9.5.4. Changing Industry Practices and Disruption

The global insurance industry is undergoing significant transformation driven by technological innovation, changing customer expectations, and the emergence of new distribution channels (e.g., insurtech). While the Company is investing in its own digital capabilities, there is a risk that disruptive new business models or technologies could render certain products or practices obsolete, or that new competitors could enter the market with more agile and cost-effective operations.

9.6. Risks Related to the Macroeconomic Environment

9.6.1. Inflationary Pressures on Claims and Expenses

As a general insurer, the Company is exposed to inflationary pressures that may increase both claims costs and operating expenses. Inflation may increase the cost of vehicle repairs, spare parts, building materials, medical treatment, labor, professional services and other inputs required to settle claims.

This risk is particularly relevant to the Company's Motor, Fire, Engineering, Liability and Workmen's Compensation lines of business. Motor claims may be affected by increases in vehicle repair costs and imported spare parts, while Fire and Engineering claims may be affected by increases in construction materials, replacement equipment and restoration costs. Liability and Workmen’s Compensation claims may also be affected where settlement amounts, medical costs or compensation payments increase over time.

High and volatile inflation may erode underwriting margins if premium rates, pricing assumptions and claims reserves do not adequately reflect the rising cost of settling claims. Any sustained increase in claims costs or operating expenses may adversely affect the Company’s profitability, liquidity, capital position and results of operations.

9.6.2. Interest Rate Risk

The Company's financial performance is exposed to movements in interest rates because a portion of its earnings is generated from investments in fixed time deposits, bonds and other interest-bearing assets. Changes in interest rates may affect the yield earned on new investments, the reinvestment return on maturing assets and the overall performance of the Company's investment portfolio.

A decline in market interest rates may reduce future investment income, while sudden increases in interest rates may affect the relative value and attractiveness of existing fixed-income investments. Any adverse movement in interest rates may negatively affect the Company's investment income, profitability, liquidity position and results of operations.

9.6.3. Foreign Exchange Risk

The Company is exposed to foreign exchange risk through insurance and reinsurance activities that may be directly or indirectly affected by foreign currency movements. This risk is particularly relevant to Marine insurance, imported goods, vehicles, spare parts, machinery, equipment and other insured assets whose replacement or repair costs may be linked to foreign currency prices.

The materiality of this risk has increased following the depreciation of the Ethiopian Birr and the shift to a more market-based foreign exchange regime. Foreign exchange volatility may increase the cost of claims, increase the cost of reinsurance arrangements, affect the valuation of foreign currency-linked obligations and create uncertainty in pricing and reserving assumptions.

If foreign exchange movements are not adequately reflected in premium pricing, claims reserves or reinsurance arrangements, the Company may experience higher claims costs, increased reinsurance expenses, reduced underwriting margins and adverse effects on profitability, liquidity and results of operations.

9.7. Political, Legal, and Economic Conditions in Ethiopia

The Company's operations and financial performance are subject to the political, legal, and economic conditions prevailing in the Federal Democratic Republic of Ethiopia. Factors such as political instability, changes in government policies, civil unrest, changes in tax laws, or a significant economic downturn could adversely affect the Company's business. For example, a slowdown in economic growth could reduce demand for insurance products, particularly in the corporate and construction sectors. The Company's customer base of 39,059 policyholders is predominantly located in Ethiopia, making it highly concentrated in the domestic economy.

10. SECTION TEN – OTHER RELATED MATTERS

10.1. Trading Arrangement

The securities offered under this Prospectus are not intended for listing on the ESX. Accordingly, trading in the Issuer's shares shall be conducted in the over-the-counter market by a Capital Market Service Provider duly licensed by the ECMA.

10.2. Documents Made Available to the Public

This prospectus and its accompanying documents are available to the public on the insurer's website, https://www.globalinsurancesc.com .This disclosure is in accordance with Article 8 of the Public Offering and Trading of Securities Directive No. 1030/2024 and the requirements of the Ethiopian Capital Markets Authority (ECMA). The Issuer shall make all ongoing disclosures on its website in accordance with Article 137 of the Public Offering and Trading of Securities Directive.

1. A certified copy of the Issuer's Memorandum of Association;
2. Certified copies of the Issuer's business licenses, including;
   a) Commercial registration certificate;
   b) Business license for Insurance activity;
3. Copies of the Issuer's tax documents, which include;
   a) Taxpayer registration certificate;
   b) Value Added Tax ("VAT") certificate; and
   c) Tax clearance certificate
4. Certified Minutes of Extraordinary General Meeting of shareholders of the Issuer held on November 22, 2025, authorizing dividend capitalization;
5. Evidence of payment remittance related to the registration as prescribed by the Authority's Fee Directive;
6. An external, independent legal opinion issued in connection with the Offer;
7. Schedule of estimated expenses and fees payable to all external professional parties related to the Offer;
8. A certified copy of a no-objection letter from the National Bank of Ethiopia;
9. Written consent of Advisors
   a) Transaction Advisor;
   b) Legal advisor;
   c) External Auditor
10. Schedule of pending claims and litigation;
11. Schedule of material contracts outside of the ordinary course of business;
12. Summary of agreements with the Transaction Advisor and other professional parties related to the Offer.
13. Certified copy of containing the details of the Board of Directors of the Issuer
14. Copies of the Issuer's annual reports for the preceding two financial years, including the audited financial statements
15. Latest management accounts as at 31 December 2025;

The following documents have not been annexed to this Prospectus or submitted as accompanying documents due to their nature. Relevant information from these documents has been summarized or disclosed in the Prospectus where applicable.

1. Copies of material contracts
2. Securities Valuation report prepared by the Transaction Advisor
3. Board resolution on offer price

11. APPROVAL OF THE PROSPECTUS

Approval of the Prospectus is made by the members of the Board of Directors, the Chief Executive Officer and Deputy Chief Executive Officer, Corporate Services, on June 30, 2026.

The Issuer does not maintain a separate Chief Financial Officer position within its current corporate structure. The financial management and reporting functions ordinarily performed by a Chief Financial Officer are undertaken by the Finance and Investment Department, which reports to the Deputy Chief Executive Officer, Corporate Services. Accordingly, the Deputy Chief Executive Officer, Corporate Services assumes responsibility for the financial disclosures contained in this Prospectus pursuant to Article 81 of the Public Offering and Trading of Securities Directive.

Table 83: Approval of the Prospectus

SN	Full Name	Date	Signature
1	Yahya Abdosh Ibrahim – Chairperson	30-06-26	
2	Jemila Kibret Assres – Deputy Chairperson		
3	Ahmed Ibrahim Mohammed – Member	30.06.26	
4	Adham Abdulwahid Bedri – Member	30.06.2026	
5	ITMAS S.C. (Kassa Mehariw Minale) – Member	30-06-2026	
6	Mohammed Ahmed Abob – Member	30.06.2026	
7	Aida Mohammed Sherif – Member	30-06-26	
8	Zekia Mohammed Ahmed – Member	30-06-26	
9	Mohammed Ali Abdulahi – Member	30-06-26	
10	Tibebe Tesfaye Atnafie – CEO	30-06-26	
11	Mengesha Tesfaye – Deputy Chief Executive Officer	30-06-26	

A. ANNEX

Table 84: Branches' Area & Contact Address

NO	BRANCH NAME	TOWN	REGION	CONTACT ADDRESS (TELEPHONE)
1.	MAIN BRANCH	AROUND SOMALE TERA OPPOSITE T/ HAIMANOT HOSPITAL	ADDIS ABABA	0966216906
2.	T/HAIMONAOT	T/HAIMANOT GARAD BUILDING	ADDIS ABABA	0966216917
3.	KERA	LIDYA BUILDING	ADDIS ABABA	0114705125
4.	ARADA	CHRCHIL AVE. HARON TOWER	ADDIS ABABA	0966216907
5.	BOLE	BOLE GARAD CITY CENTER	ADDIS ABABA	0960368645
6.	NIFAS SILK	ADEY ABEBA KADISCO BUILDIDNG	ADDIS ABABA	0966061767
7.	YERE	YERER ANGELS HOUSE BUILDING	ADDIS ABABA	0966216906
8.	MERKATO	CENTER MERKATO TANA TRADE CENTER	ADDIS ABABA	0112311116
9.	EASTERN ADDIS	AROUND MEGENEAGNA ZEFMESH MALL	ADDIS ABABA	0116686728
10.	MEXICO	MEXICO SAJEDA BUSINESS CENTER	ADDIS ABABA	0115576151
11.	CENTRAL ADDIS	LEGEHAR YEHA BUILDING	ADDIS ABABA	0115582693
12.	SOUTHERN ADDIS	ADDIS ABABA KAFDEM PLAZA	ADDIS ABABA	0114716851
13.	GULELE	ADDIS ABABA SEYOUM BUILDING	ADDIS ABABA	0111265895
14.	BETHEL	ARROUND BETHEL SQUARE	ADDIS ABABA	0113696797
15.	LEBU	ROYAL APPARTMENT	ADDIS ABABA	0114622179
16.	BEKLOBET	INFRONT OF ETHIOPIAN CUSTOM AUTHORITY	ADDIS ABABA	0114703527

17.	SUMMIT	-	ADDIS ABABA	NEW
18.	ADEYABEBA STADIUM	MEDI BUILDING	ADDIS ABABA	NEW
19.	HARAR	HARAR AW HAKIM BUILDING	HARAR	0256663600
20.	JIGJIGA	JIGJIGA RABH BUILDING	JIGJIGA	0257754440
21.	DIRE DAWA	DIREDAWA GARAD BUILDING	DIRE DAWA	0251115550
22.	ADAMA	ADAMA AB BUILDING	ADAMA	0967941282
23.	BAHIR DAR	BARHIR DAR DASHEN BANK BUILDING	BAHIR DAR	0967941279
24.	HAWASSA	HAWASSA ALLIANCE MARKET CNETER	HAWASSA	0462204030
25.	DESSIE	DESSIE SOLOMON BUIDING	DESSIE	0333118163
26.	HALABA	SURAJ GELETE BUILING	HALABA	0465562191
27.	DURAME (CONTACT OFFICE)	KENBA NET BUILDING	DURAME	0465540071

ግሎባል ኢንሹራንስ ኩባንያ (አ.ማ)
Global Insurance Co.(S.C)

HEAD OFFICE ADDRESS

GOBENA ABBA TIGU STREET /SOMALE TERA/
ADDIS ABABA.
P.O.BOX: 180112
TEL.: 0111 56 58 50
FAX:- 0111 56 62 00
E-MAIL:GLOBALINSU@ETHIONET.ET
ADDIS ABABA – ETHIOPIA
WEBSITE: WWW.GLOBALINSURANCESC.COM

“እርስዎን ማገልገል ሙያዊ ክብራችን ነው!”
SERVING YOU IS OUR PROFESSIONAL PRIDE!