NIC HOLDINGS LIMITED

(Formerly National Insurance Corporation Limited)

UNAUDITED RESULTS FOR THE HALF YEAR TO 30 JUNE 2026

The Board of Directors of NIC Holdings Limited is pleased to announce the following unaudited results for the six months period ended 30 June 2026

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Un-audited 30 June 2026 Ushs.'000	Un-audited 30 June 2025 Ushs.'000
Insurance revenue	13,839,615	16,454,081
Insurance service expenses	(14,928,463)	(13,144,255)
Net reinsurance contract held expenses	(1,411,952)	(3,023,924)
Insurance service result	**(2,500,801)**	**285,902**
Investment and interest income	1,675,258	2,074,687
Net impairment gain/(loss) on financial assets	390,459	502,105
Fair value gain on financial assets through profit or loss	411,052	(247,306)
Net insurance finance expense	-	-
Net investment and finance result	**2,476,769**	**2,329,486**
Other income	**105,239**	**(2,708,672)**
Finance cost	(396,882)	(453,921)
Other expenses- non-attributable	(330,275)	(553,247)
Profit before tax	**(645,950)**	**(1,100,452)**
Tax charge	228,003	38,819
Profit after tax	**(417,946)**	**(1,061,632)**
Other comprehensive income (net of tax)		
Items within OCI that may not be reclassified to Profit or Loss:		
Gain on equity instruments designated at fair value through other comprehensive income	32,924	163,886
	32,924	**163,886**
Total comprehensive income	**(385,023)**	**(897,745)**
Basic earnings per share(Ushs)		

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2026 Ushs.'000	31 December 2025 Ushs.'000
ASSETS		
Cash and cash equivalents balances	3,030,391	2,391,246
Other receivables and prepayments	5,694,550	6,166,918
Reinsurance Contract assets Held	2,882,299	1,468,752
Financial Assets:		
Fair value through profit or loss	1,867,916	1,456,864
Fair value through other comprehensive income	4,310,005	4,277,107
At amortised cost	7,732,587	8,621,623
Statutory deposit at amortised cost	1,655,945	1,360,686
Investment properties	42,380,800	42,380,800
Property, equipment and right-of-use assets	12,404,834	12,859,367
Intangible assets	301,041	301,041
TOTAL ASSETS	**82,260,368**	**81,284,404**
LIABILITIES		
Loans and Borrowings	2,273,561	2,106,387
Other payables and accruals	16,414,487	18,005,710
Dividend payable	1,324,644	1,336,017
Income tax payable	4,667,628	4,598,886
Investment Contract Liabilities	4,012,688	4,289,110
Insurance contract liabilities	12,613,565	9,338,495
Deferred tax liabilities	911,543	1,149,597
TOTAL LIABILITIES	**42,218,117**	**40,824,202**
NET ASSETS	**40,042,250**	**40,460,202**
EQUITY		
Share capital	10,618,348	10,618,348
Share premium	67,417	67,417
Other capital contribution	1,915,000	1,915,000
Retained earnings	26,059,796	26,477,788
Fair value reserve	(72,264)	(72,264)
Assets revaluation reserves	1,453,917	1,453,917
SHAREHOLDERS' FUNDS	**40,042,250**	**40,460,202**

3. CONSOLIDATED STATEMENT OF CASH FLOW

	30 June 2026 Ushs.'000	31 December 2025 Ushs.'000
Operating activities		
Net Cash flows generated from/ (used in) operating activities	2,328,454	(6,376,425)
Investing activities		
Net Cash flows (used in)/generated from investing activities	(1,654,214)	11,420,727
Financing activities		
Net cash flow used in financing activities	(87,332)	(3,693,905)
Net increase/ (decrease) in cash and cash equivalent	**586,908**	**1,350,397**
Movement in cash and cash equivalent		
At start of the period	**2,443,483**	**1,093,087**
Net increase / (decrease) in cash and cash equivalent	586,908	1,350,397
At the end of the period	**3,030,391**	**2,443,483**

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Ushs.'000	Share Premium Ushs.'000	Other capital Contribution Ushs.'000	Revenue Reserve Ushs.'000	Fair Value Reserves Ushs.'000	Assets Revaluation Reserve Ushs.'000	Total Ushs.'000
At 31st December 2025	**10,618,348**	**67,417**	**1,915,000**	**26,477,783**	**(72,264)**	**1,453,917**	**40,460,202**
Profit for the period	-	-	-	(417,946)	-	-	**(417,946)**
Dividends declared	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	-
Deposit for shares	-	-	-	-	-	-	-
Net Movement in the Reserves				-			-
At 30th June 2026	**10,618,348**	**67,417**	**1,915,000**	**26,059,837**	**(72,264)**	**1,453,917**	**40,042,250**

The unaudited results for the six months period ended 30 June, 2026 was approved by the **Board on 15th September, 2026**

DR. ALAN SHONUBI
CHAIRMAN

DAN MUSIIME
MANAGING DIRECTOR

PERFORMANCE REVIEW

The Group recorded insurance revenue of Ush 13.7 billion for the period ended 30 June 2026 compared to Ush 16.45 billion for the period ended 30 June 2025. The decrease of 15.89% in insurance revenue is attributable to slow Gross Written Premium underwritten in the year under review and the unwinding of prior-year Unearned Premium Reserves (UPR) in accordance with IFRS 17. Underwriting losses across subsidiaries Ush 1.8 billion by NIC General and Ush 1.2 billion by NIC Life along with loan interest expenses of Ush 378 million at NIC Holdings resulted in a negative Net Profit Margin of (3.02%) (net loss of Ush 417 million) as at June 2026, compared to a negative margin of (6.45%) (net loss of Ush 1.06 billion) as at June 2025 , despite positive net investment income of Ush 2.5 billion. Consequently, Return on Equity (ROE), Return on Assets (ROA), and Return on Capital Employed (ROCE) stood at (0.96%), (0.47%), and (0.53%) respectively as at 30 June 2026, driven by an overall comprehensive loss for the period of Ush 385 million.

INTERIM DIVIDEND

The Board has not approved the payment of interim dividend based on the half year 2026 un-audited financial statements.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The NIC Group continues its commitment to sustainability, supporting sport, youth, communities and stakeholders. The Group recognises sport's role in talent development, healthy lifestyles, inclusion and growth.During the period, the Group supported NIC Women Netball Club, which represented Uganda at the 2026 East African Netball Championship, finishing as First Runners-Up. This reflects the Group's support for women's sport and opportunities to compete regionally, gain experience and grow.The Group also strengthened football support through a partnership with Express Football Club in the StarTimes Uganda Premier League. It supports sports development, youth talent and community engagement.These initiatives form part of the Group's sustainability agenda, creating value for stakeholders and supporting communities where NIC operates.

INCREASE IN PAID UP SHARE CAPITAL BY WAY OF RIGHTS ISSUE

At the 21st AGM held on 14th July 2022 shareholders approved the resolution authorizing the directors to increase the Company's paid-up share capital from Ushs 10,618,347,885/- to any amount up to Ushs 30,226,191,025/-. However, the Rights Issue process, which effectively commenced in October 2022 with the appointment of Messrs Crested Capital as lead transaction adviser, could not be concluded due to the delayed completion of the 2023 audited financial statements as a result of implementation of IFRS 17 standard by the subsidiaries. A separate announcement on the Rights Issue process would be issued in due course.

STRATEGIC CORPORATE DEVELOPMENTS & FUTURE OUTLOOK

As NIC Holdings Limited and its subsidiaries, NIC General Insurance Company- SMC Limited and NIC Life Assurance Company - SMC Limited, enter the second half of the financial year, the Group remains focused on driving operational efficiency and core business growth.

Shareholders and the general public are advised that a strategic agreement has been executed for Ugandan investment firm Cornerstone Asset Managers (via its Special Purpose Vehicle, Twenty-One Ventures Limited) to acquire a 64.95% controlling stake in NIC Holdings Limited from Nigeria's Industrial and General Insurance (IGI).

The proposed transaction remains subject to obtaining final regulatory sign-offs and approvals from the Capital Markets Authority (CMA), the Insurance Regulatory Authority of Uganda (IRA), and the Uganda Securities Exchange (USE).

Subject to final completion, this proposed transition is expected to support the Group's long-term capitalization and strategic growth plan (2025–2030). Further updates will be provided to the market in accordance with regulatory disclosure requirements.