

ABOUT OUR INTEGRATED ANNUAL REPORT

Softlogic Life Insurance PLC presents its 13th Integrated Annual Report for the year ended 31 December 2025. This Report is our main communication to shareholders, lenders, and capital providers, but it also contains information relevant to other stakeholders. It provides a transparent and comprehensive account of our financial performance, capital position, risk governance, sustainability related exposures and long term strategic direction.

In an increasingly complex macroeconomic and climate environment, we recognise that institutional investors require clarity on financial resilience, governance robustness and sustainability integration. This Report has therefore been prepared to demonstrate how we safeguard capital, manage risk prudently and position the Group for sustainable growth over short, medium and long term.

REPORTING BOUNDARY, PERIOD AND CONSISTENCY

This Integrated Annual Report covers the financial year from 1st January 2025 to 31 December 2025 and includes material events up to Board approval on 6 March 2026.

The report provides information regarding Softlogic Life Insurance PLC, a publicly listed company on the Colombo Stock Exchange, together with its subsidiary, Softlogic Life Insurance Lanka Limited (collectively referred to as the Group).

CHANGES TO REPORTING BOUNDARY

During the year, the Group expanded its operational boundary through the acquisition of 100% stake in Softlogic Life Insurance Lanka Limited (Formerly known as Allianz Life Insurance Lanka Limited), a Life insurance company operating in Sri Lanka. The acquisition strengthens the Group's presence in life insurance market and enhances its

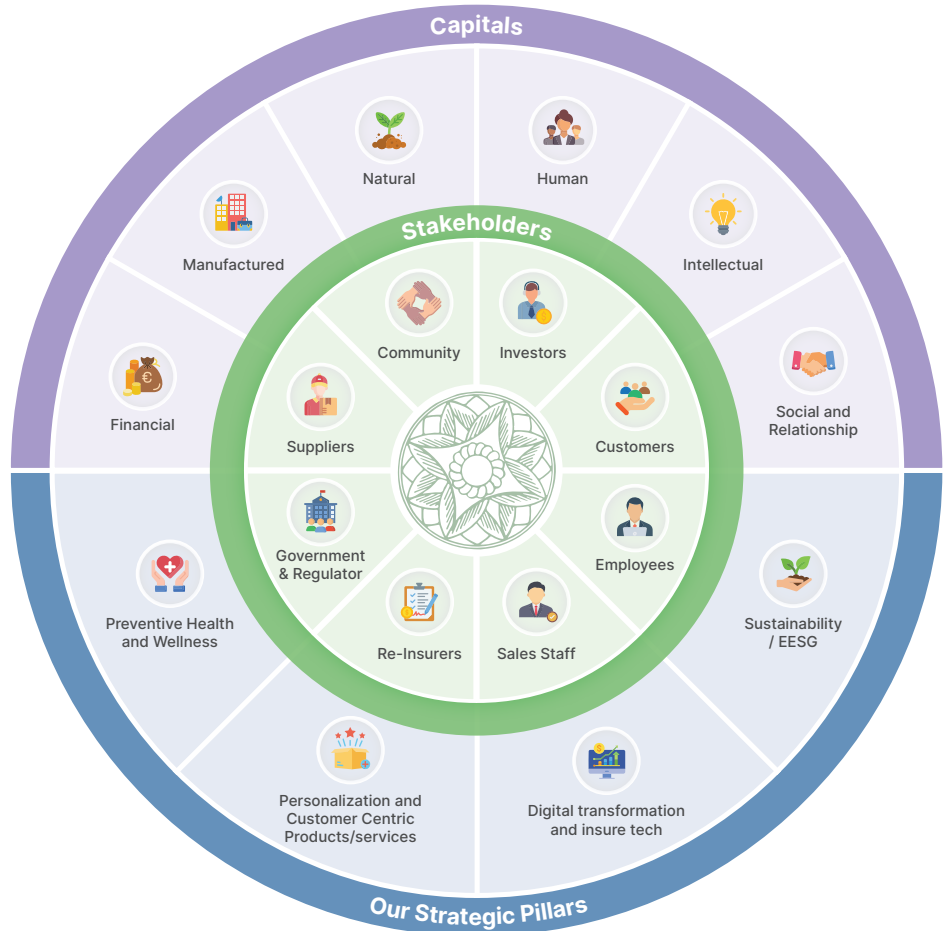
value creation capabilities through expansion of sales advisors approximately by 1,000 and expanding market presence through widespread branch network. Since the date of acquisition, the subsidiary has been fully consolidated into the Group's financial statements, and a phase-out plan for the consolidation of operational processes has been implemented.

Financial Reporting Boundary	Sustainability and Integrated Reporting Boundary	GHG Emission Reporting Boundary
Covers the operations of the Group prepared in accordance with SLFRSs.	The scope includes the Group's activities, as well as its associated upstream and downstream value chain, considering its operating environment and stakeholder concerns in alignment with SLFRS S1 & S2.	Covers operational control over 9 corporate offices and 124 branches.

INTEGRATED THINKING AND VALUE CREATION AND REPORTING

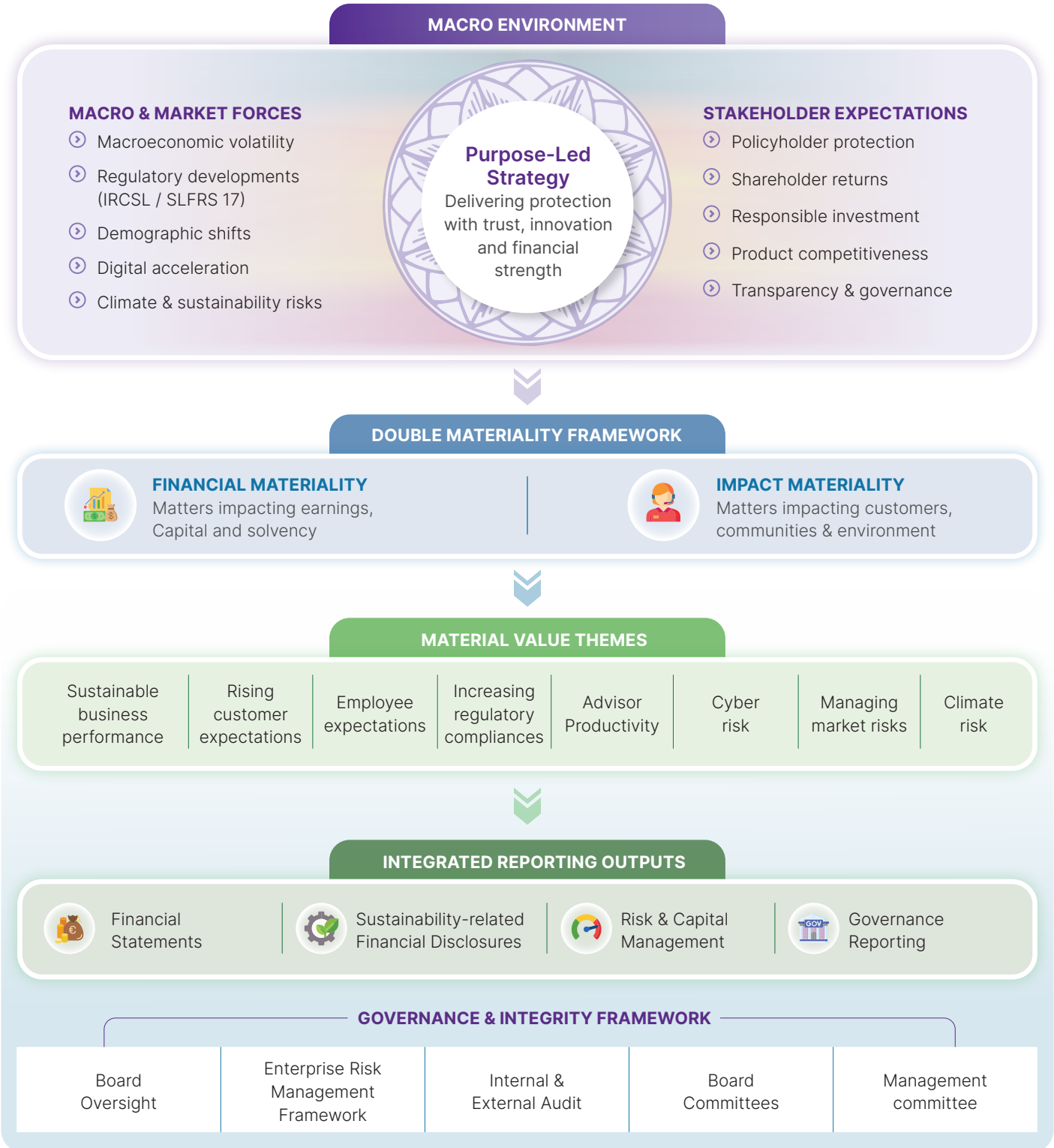
Our strategy development and value creation processes are integrated across the enterprise and form the foundation of this Report. Oversight is exercised by the Board of Directors and the management, supported by functional leadership and reinforced through a robust combined assurance framework.

ICON NAVIGATION



CONNECTING PURPOSE TO PERFORMANCE

This framework translates our purpose led strategy into tangible financial and sustainability outcomes by addressing the value themes that matter most.



ABOUT OUR INTEGRATED ANNUAL REPORT

OUR INTEGRATED THINKING

We apply INTEGRATED THINKING to recognise factors that may impact our capacity to generate value in a more sustainable manner over an extended period. These considerations shape our strategy, aiming to mitigate risks and capitalise on emerging opportunities.

STRATEGIC ORIENTATION

The Annual Report outlines the company's current and future business strategies aimed at achieving sustainable growth, providing valuable insights for its stakeholders.

NON FINANCIAL INFORMATION

Creating a wider understanding of a company's position, performance and strategy and enhancing the transparency, this report discloses non-financial information where relevant and appropriate.

COMPLIANCE WITH SLFRS S1 AND S2

Following the voluntary adoption of SLFRS S1 and S2 last year, the Group has this year transitioned to mandatory compliance, extending its reporting obligations accordingly

MATERIALITY

We apply a formal and documented materiality assessment process aligned with SLFRS S1 and S2 to identify sustainability-related risks and opportunities that could reasonably influence the decisions of investors and other primary users of general-purpose financial reports.

Our materiality determination incorporates:

- **Financial Materiality** – Potential impact on profitability, capital adequacy, liquidity or financial position.
- **Impact Materiality** – Significant effects on customers, society or the environment that may translate into financial or reputational risk.

TIME HORIZONS

The group had adopted following time horizons

Purpose	Time Horizons	Basis
Financial reporting, planning and sustainability reporting	Short Term: 2026 Medium Term: 2027 & 2028 Long Term: Beyond 2028	Align to financial planning cycle .
Climate related impacts assessment and reporting	Short Term: 2030 Medium Term: 2030 & 2050 Long Term: Beyond 2050	Align to Sri Lankas climate commitments to Paris agreement

QUALITATIVE OVERLAY

Qualitative considerations may elevate matters to material status irrespective of size where they involve:

- Regulatory or supervisory scrutiny
- Governance or control deficiencies
- Reputational sensitivity
- Strategic significance

Material matters are integrated into:

- Enterprise risk management
- Strategic planning and capital allocation
- Performance management and executive oversight
- Board monitoring processes

This ensures that sustainability-related financial disclosures are proportionate, focused and aligned with long-term enterprise value protection.

EXEMPTIONS APPLIED

Last year, the group voluntarily implemented SLFRS S1 and S2. This year, we are presenting sustainability-related financial disclosures, including comparative information.

In accordance with transitional provisions:

- Relief from comprehensive climate-related scenario analysis has been applied.

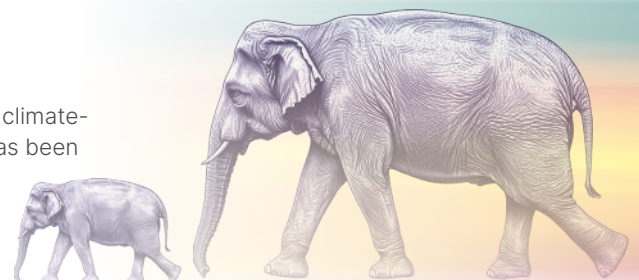
Despite these reliefs, we have strengthened processes over sustainability related information to support progressive enhancement in future reporting cycles.

DISCLAIMER ON FUTURE ACTIONS.

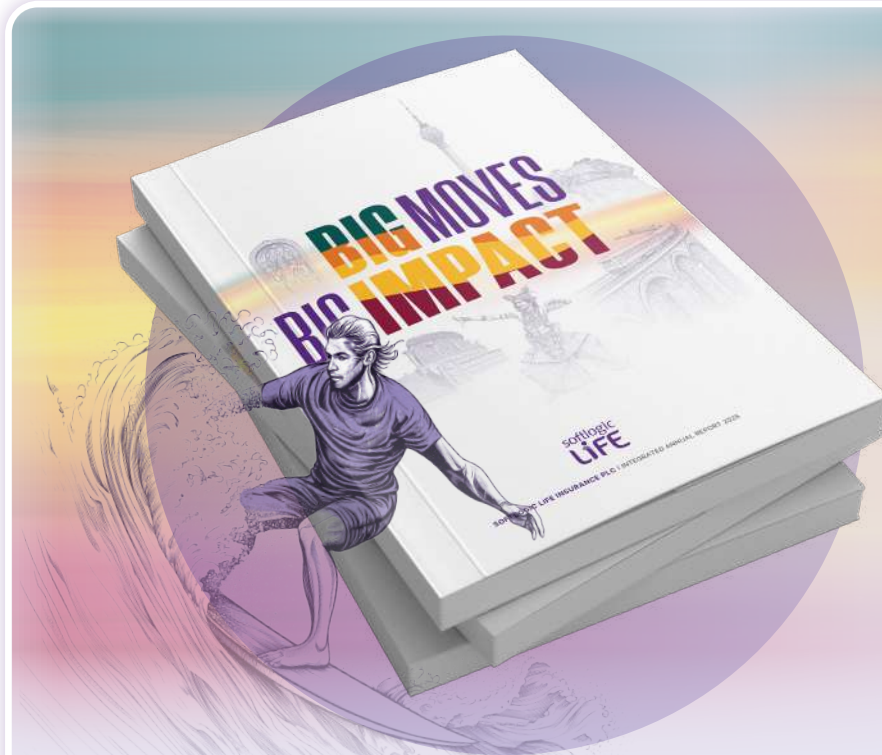
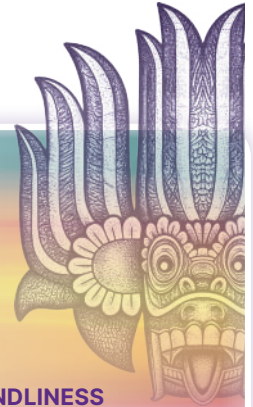
This report may contain forward looking statements concerning the Group's future performance and prospects. While these statements reflect our current expectations, it is essential to recognise that various risks, uncertainties, and other significant factors could cause actual results to differ materially from those anticipated. We are dedicated to transparently and relevantly providing all future oriented information to stakeholders.

RESTATEMENTS

The Group's comparative figures for financed emissions have been restated following changes in assumptions. Over the year, the Group became a member of PCAF (Partnership for Carbon Accounting Financials) and, under their guidance, applied PCAF emission factors to calculate financed emissions. To enhance comparability, last year's figures have also been revised based on the same methodology.



SMARTER CONTENT, DEEPER CONNECTIONS: 2025 REPORT INNOVATIONS



USER FRIENDLINESS

AI-Optimised Intelligence Report

An improved AI capacity for precise analysis of information

Predictive Intelligence Analyser

Enhanced predictive capacity through algorithms

Adaptive Intelligence Engine

Enhanced digital accessibility of the report

Stakeholder Sentiment Intelligence

Adoption of AI powered sentiment intelligence

Annual Report Audio Intelligence

Listen to our Annual Report anytime, anywhere

TRANSPARENCY

Six-year KPIs (3Y future / 3Y past)

The only company to disclose future three-year KPIs. This year, we further expanded the number of KPIs to cover broader aspects of our business.

Budget vs actual analysis

Variance analysis for 2025 targets was conducted, with findings closely aligned to our broader business perspective.

External assurance for SLFRS S1 and S2 / Integrated reporting / GRI indicators

An independent assurance for enhanced credibility

Extended future targets on human capital management

Set three year future target for human capital

CLIMATE FRIENDLINESS

A Carbon neutral annual report

Carbon neutral annual report for the second consecutive year

Partner with PCAF for financed emissions calculation

Aligned financed emission calculation with PCAF emission factors to improve transparency

CONTENT

Linking financial with non-financial information

Enhanced connections between financial data and sustainability metrics by implementing direct cross-referencing.

Enhanced disclosure of value chain impact due to SRRO and CRRO

As this marked mandatory reporting under SLFRS S1 & S2, we conducted an in depth analysis of material risks and opportunities, gaining improved visibility into value chain impacts supported by clear visual presentations.


Quantified current and future financial impact due to SRRO and CRROs

Quantified financial impacts both current and projected over three years were disclosed, based directly on the effects considered in our corporate plan.

OUR INTEGRATED ANNUAL REPORT

REPORTING STANDARDS AND FRAMEWORKS

The following reporting standards and frameworks were applied or referenced in the preparation of this report.

Mandatory Reporting Standards, Frameworks and Guidelines	Voluntary Reporting Frameworks and Guidelines
Financial Reporting <ul style="list-style-type: none"> Sri Lanka Accounting Standards (SLFRSs/LKASs) The Regulations of Insurance Industry Act No.43 2000 and amendments thereto. Statement of Recommended Practice (SoRP) Regulations and directions issued by the of Insurance Regulatory Commission of Sri Lanka (IRCSL) Companies Act No. 07 of 2007 and amendments thereto 	Integrated Reporting <ul style="list-style-type: none"> Integrated Reporting Framework Guidelines for Presentation of Annual Reports issued by the Institute of Chartered Accountants of Sri Lanka
Sustainability Reporting <ul style="list-style-type: none"> Sri Lanka Sustainability Disclosure Standards S1 – General Requirements of sustainability-related financial information. Sri Lanka Sustainability Disclosure Standards S2 – Climate Related Disclosures. The Preparer’s guide to SLFRS S1 and S2 issued by CA Sri Lanka. 	<ul style="list-style-type: none"> GRI Standards Sustainability Accounting Standards Board (SASB) Standards Gender Parity Reporting Framework of the Institute of Chartered Accountants of Sri Lanka Sustainable Development Goals (SDGs) Guide on communicating sustainability issued by the Colombo Stock Exchange United Nations Global Compact (UNGC) Exposure draft from IRCSL on implementing ESG and green financing initiatives in insurance sector
Corporate Governance Reporting <ul style="list-style-type: none"> Listing Rules of the Colombo Stock Exchange Laws and Regulations of the Companies Act No. 7 of 2007 Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended) Corporate governance framework for insurers issued under Section 96A of the Regulations of the Insurance Industry Act No. 43 of 2000 (IRCSL) 	<ul style="list-style-type: none"> Code of best practices on Corporate Governance 2023 (CA Sri Lanka) Integrated Risk Management Framework is crafted based on the guidelines provided in ISO 31000:2018
Assurance <ul style="list-style-type: none"> Sri Lanka Auditing Standards (SLAuSs) Sri Lanka Standard on Assurance Engagements SLSAE 3000; Assurance Engagements other than Audits or Review of Historical Financial Information (CA Sri Lanka). Internal Auditing Framework of Institute of Internal Auditors. 	GHG Emissions <p>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard</p>

CONNECTIVITY WITH FINANCIAL STATEMENTS

The sustainability report and financial statements have been prepared in accordance with SLFRSs and LKASs as issued by CA Sri Lanka, covering the same reporting period. To provide greater clarity on the integration of our value creation journey with financial outcomes, both the sustainability-related financial disclosures and financial statements should be reviewed concurrently. Relevant references to the financial statements are included within the sustainability report to facilitate better understanding.

EXTERNAL ASSURANCE

The following external assurances have been obtained for this annual report.

Annual report section	Nature of assurance	Independent Assurance provider	Page of the assurance report
Financial reporting	Reasonable assurance	Messrs. KPMG	312-314
Integrated reporting	Limited assurance		121-123
SLFRS S1 and S2 reporting	Limited assurance		124-127
GRI indicators	Limited assurance		203-208
GHG Emissions	Reasonable assurance	Climate Fund in line with ISO 14064-1(2018): Greenhouse gases	119

REPORT PREPARATION PROCESS

The following processes were followed in the preparation and approval of our reports:

- An expert reporting project team ensures that a mature and effective report preparation process is followed. Detailed debriefing together with internal and external feedback on processes and content, as well as the application of the Integrated Reporting (IR) Framework in the prior year’s reporting, were used to improve this integrated report.
- Executives and senior management throughout the Group provide oversight and guidance for the processes, particularly in the reporting approach and content planning.
- Majority of the report content was developed through AI software’s including ChatGPT, Copilot etc. and manual intervention is made to verify the AI generated content for accuracy.
- Cross-functional collaboration involves key departments in the report preparation process, ensuring accurate and complete disclosures.

- The Group’s leadership team is accountable to the board for preparing the integrated report. The board is review and approve the content of the annual report before publishing.

BOARD RESPONSIBILITY FOR SUSTAINABILITY PRACTICES

The Board of Directors of Softlogic Life Insurance PLC holds ultimate responsibility for ensuring the integrity of this Integrated Annual Report. We confirm that the Report for the year ended 31 December 2025 addresses all material matters and presents a fair and balanced representation of the Group’s integrated and sustainability-related performance.

The Report has been prepared in accordance with the International Integrated Reporting Framework (as amended in January 2021) and in compliance with Sri Lanka Financial Reporting Standards SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 Climate-related Disclosures. In assessing compliance, management evaluated the Report against the Guiding Principles and Content Elements of the Integrated Reporting Framework.

The Board has reviewed and approved the disclosures contained in this Report and authorises it for publication.

Sgd.
Nuwan Withanage
Chief Financial Officer

Sgd.
Iftikar Ahamed
Managing Director

Sgd.
Ashok Pathirage
Chairman

(On behalf of the Board of Directors)

Your comments or questions on this Report are welcome and we invite you to communicate your feedback. A feedback form is attached with this Report on page Annexure 479. You may direct your feedback to the designated person below.



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Abbreviations used in this report

- GWP** - Gross written premium
- ANBP** - Annualised new business premium
- EV** - Embedded value
- VONB** - Value of new business
- SRRO** - Sustainability related risk and opportunities
- CRRO** - Climate related risk and opportunities
- GHG** - Green house gas
- EESG** - Economic, Environment, Social and Governance
- BRC** - Board risk committee
- BAC** - Board audit committee
- BIC** - Board investment committee
- CAR** - Capital adequacy ratio
- AV** - Appraisal value