

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL INFORMATION
AND INDEPENDENT AUDITORS' REVIEW REPORT
(UNAUDITED)**

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL INFORMATION

**TO THE SHAREHOLDERS OF
SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
KINGDOM OF SAUDI ARABIA**

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of Saudi Enaya Cooperative Insurance Company (A Saudi Joint Stock Company) ("the Company") as of 30 June 2025, and the related interim condensed statements of income and comprehensive income for the three month and six-month periods then ended, and the related interim condensed statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes (collectively referred to as the "interim condensed financial information". Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

EMPHASIS OF MATTER

We draw attention to note 10 of the interim condensed financial information, which indicates that the Company has obtained an extension for the minimum share capital requirement of SAR 300 million. This extension remains valid until the earlier of the completion of the proposed merger (note 1) or a period of one year. Our conclusion is not modified in respect of this matter.

For El Sayed El Ayouty & Co.
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10 August 2025
16 Safar, 1447H
Jeddah, Kingdom of Saudi Arabia

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

		30 June 2025	31 December 2024
	Notes	(Unaudited)	(Audited)
ASSETS			
Cash and cash equivalents	5	207,198	78,560
Investments	6	-	147,705
Statutory deposit	7	34,500	34,500
Accrued income on statutory deposit		734	1,040
Property and equipment, net		1,883	2,172
Prepaid expenses and other assets		6,321	2,587
Right of use assets, net		2,263	2,813
Intangible assets, net		359	484
TOTAL ASSETS		253,258	269,861
LIABILITIES			
Insurance contract liabilities	8	69,334	84,059
Accrued expenses and other liabilities		2,909	3,076
Lease liabilities		1,823	2,359
Accrued income payable to Insurance Authority		734	1,040
Employees' end of service benefits		5,114	5,531
Provision for zakat and income tax	9	8,748	9,882
TOTAL LIABILITIES		88,662	105,947
EQUITY			
Share capital	10	230,000	230,000
Accumulated losses		(67,903)	(68,585)
Re-measurement reserve for employees' end of service benefits – related to insurance operations		2,499	2,499
TOTAL EQUITY		164,596	163,914
TOTAL LIABILITIES AND EQUITY		253,258	269,861



Chairman



Acting Chief Executive Officer /
Chief Financial Officer

The accompanying notes from 1 to 17 form an integral part of this interim condensed financial information.

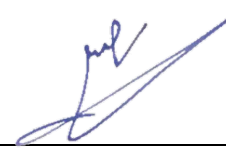
SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

		<i>Three - month period ended 30 June</i>		<i>Six - month period ended 30 June</i>	
	Notes	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Insurance revenue	8,13	49,041	57,291	104,902	116,987
Insurance service expenses	8,13	(44,798)	(54,905)	(97,834)	(119,766)
Insurance service result	8,13	4,243	2,386	7,068	(2,779)
Investment income					
Investment income on financial assets at amortised cost		2,140	3,526	4,434	7,303
Investment (loss)/income on financial assets at fair value through profit and loss (FVTPL)		-	(45)	-	113
Net impairment reversal/(loss) on financial assets		-	(12)	13	(19)
Net investment income		2,140	3,469	4,447	7,397
Net insurance and investment result		6,383	5,855	11,515	4,618
Other income		-	13	-	1,296
Other operating expenses		(4,535)	(4,090)	(9,049)	(6,890)
Net income/(loss) for the period before zakat and Income tax attributable to the shareholders		1,848	1,778	2,466	(976)
Zakat charge	9	(1,677)	(1,050)	(1,777)	(1,300)
Income tax charge	9	(2)	-	(7)	-
Net income/(loss) for the period after zakat and income tax attributable to the shareholders		169	728	682	(2,276)
Earnings/(loss) per share (expressed in SAR per share)					
Weighted average number of ordinary shares outstanding (in thousands shares)	14	23,000	23,000	23,000	23,000
Basic and diluted earnings/(loss) per share for the period (SAR/share)	14	0.01	0.03	0.03	(0.10)



Chairman



Acting Chief Executive Officer /
Chief Financial Officer

The accompanying notes from 1 to 17 form an integral part of this interim condensed financial information.

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	<i>Three - month period ended</i>		<i>Six - month period ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
OTHER COMPREHENSIVE INCOME				
Net income / (loss) for the period after zakat and income tax attributable to the shareholders	169	728	682	(2,276)
<i>Items that will not be reclassified to interim condensed statement of income in subsequent periods</i>				
Actuarial losses on employees' end of service benefits	-	-	-	-
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	169	728	682	(2,276)



 Chairman



 Acting Chief Executive Officer /
 Chief Financial Officer

The accompanying notes from 1 to 17 form an integral part of this interim condensed financial information.

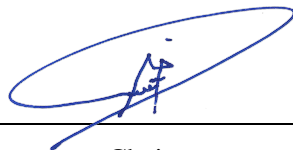
SAUDI ENAYA COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	<u>Share capital</u>	<u>Accumulated losses</u>	<u>Re-measurement reserve for employees' end of service benefits – related to insurance operations</u>	<u>Total equity</u>
Balance as at 31 December 2024 (Audited)	230,000	(68,585)	2,499	163,914
Net income for the period after zakat and income tax attributable to the shareholders	-	682	-	682
Balance as at 30 June 2025 (Unaudited)	230,000	(67,903)	2,499	164,596
 Balance as at 31 December 2023 (Audited)	 230,000	 (41,823)	 2,580	 190,757
Net loss for the period after zakat and income tax attributable to the shareholders	-	(2,276)	-	(2,276)
Balance as at 30 June 2024 (Unaudited)	230,000	(44,099)	2,580	188,481



Chairman


Acting Chief Executive Officer /
Chief Financial Officer

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SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

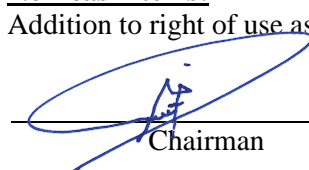
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

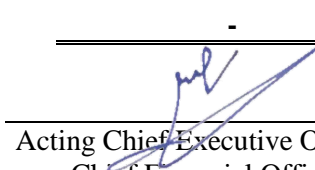
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

		<i>Six- month period ended 30</i>	
		<i>June</i>	
	Notes	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income/(loss) for the period before zakat and income tax		2,466	(976)
<i>Adjustments for non-cash items:</i>			
Depreciation of property and equipment		424	337
Amortization of intangible assets		125	163
Depreciation of right of use assets		550	426
Finance cost on lease liabilities		51	11
(Reversal)/provision of impairment	6	(10)	19
Unrealized gain on investments		-	(113)
Provision/(reversal) for employees' end of service benefits		111	(805)
		<u>3,717</u>	<u>(938)</u>
<i>Changes in operating assets and liabilities:</i>			
Prepaid expenses and other assets		(3,734)	(3,539)
Accrued expenses and other liabilities		(167)	1,864
Insurance contract liabilities		<u>(14,725)</u>	<u>(34,837)</u>
Cash used in operating activities		(14,909)	(37,450)
Employees' end of service benefits paid		(528)	(1,946)
Zakat and income tax paid	9	(2,918)	(2,308)
Net cash flows used in operating activities		<u>(18,355)</u>	<u>(41,704)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from short-term murabaha deposits, net		-	68,531
Purchase of property and equipment		(135)	(943)
Proceeds from maturity of investment	6	<u>147,715</u>	<u>-</u>
Net cash flows generated from investing activities		<u>147,580</u>	<u>67,588</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of finance lease		<u>(587)</u>	<u>(587)</u>
Net cash flows used in financing activities		<u>(587)</u>	<u>(587)</u>
Net change in cash and cash equivalents		128,638	25,297
Cash and cash equivalents, beginning of the period		<u>78,560</u>	<u>23,334</u>
Cash and cash equivalents, end of the period		<u>207,198</u>	<u>48,631</u>

Non-cash items:

Addition to right of use assets through lease liabilities	-	3,459
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Chairman


Acting Chief Executive Officer /
Chief Financial Officer

The accompanying notes from 1 to 17 form an integral part of this interim condensed financial information.

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

1. GENERAL

Saudi Enaya Cooperative Insurance Company (a Joint Stock Company incorporated in Kingdom of Saudi Arabia), (the "Company"), was formed pursuant to Royal Decree No. 98/Q dated 16 Rabi Awwal 1433H. (Corresponding to 8 February 2012). The Company operates under Commercial Registration no. 4030223528 dated 27 Rabi Awwal 1433H (corresponding to 19 February 2012). The registered address of the Company's head office is as follows:

Building No. 7521, Al Fakhr, Al Khalidiya District
P.O. Box 3732, Jeddah 23423
Kingdom of Saudi Arabia.

Following is the branch of the Company:

<u>Branch</u>	<u>Commercial Registration Number:</u>
Riyadh	1010421871

The Company is licensed to conduct medical insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree No. M/49 dated 27 Rajab 1432H (corresponding to 29 June 2011) pursuant to the Council of Ministers' Resolution No 224 dated 25 Rajab 1432H (corresponding to 27 June 2011). As of the date of incorporation, the Company is 77% owned by the Saudi shareholders and the general public and 23% owned by non-Saudi shareholders. The Company was listed on the Saudi Stock Exchange (Tadawul) on 27 February 2012.

On 27 Rajab 1432H (corresponding to 29 June 2011), the Law on the Supervision of Cooperative Insurance Companies ("Insurance Law") was promulgated by Royal Decree Number (M/49). On 27 February 2012, the Saudi Central Bank ("SAMA"), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license to transact insurance activities in the Kingdom of Saudi Arabia.

The new Companies Law, issued through Royal Decree No. M/132 dated 01/12/1443H (corresponding to 30 June 2022) (hereinafter referred to as the "New Law"), came into force on 26/06/1444H (corresponding to 19 January 2023). The amended implementing regulations were subsequently issued by the Capital Market Authority (CMA) based on the provisions of the New Law. Certain provisions of the New Law and the amended CMA implementing regulations require full compliance no later than two years from 26/06/1444H (corresponding to 19 January 2023). Accordingly, the Company proposed updates to its by-laws, which were subsequently approved by the shareholders at the Third Extraordinary General Assembly (EGA) meeting on 10 Ramadan 1446H (corresponding to 10 March 2025). All the legal formalities associated with the change in by-laws were completed during the period.

Proposed Merger

During the period, on 26 Sha'ban 1446H (corresponding to 25 February 2025), the Company signed a non-binding Memorandum of Understanding (MoU) with Salama Cooperative Insurance Company ("Salama"), to evaluate a potential merger between Salama and the Company. In the event that a binding merger agreement is signed with Salama, the transaction would be executed through a share exchange offer with Salama as the merging company and Enaya as the merged company. Both companies have agreed to negotiate definitive agreements that will outline the commercial terms, including the final transaction structure and swap ratio. The completion of the merger will be subject to obtaining the necessary approvals from the regulatory authorities and the shareholders of both Salama and the Company. In connection with this proposed merger, Saudi Enaya has appointed a financial advisor to support the Company in evaluating the transaction and related processes. On May 29, 2025, General Authority for Competition has issued the non-objection on the completion of the economic concentration resulting from the Potential Merger.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

1. GENERAL (CONTINUED)

Proposed Merger (continued)

Following the Company's request on 3 March 2025, the Insurance Authority (The Regulator) approved an extension to the deadline for meeting minimum capital requirements. The extension remains valid until the earlier of the completion of the proposed merger or a period of one year. The Company is required to submit monthly progress reports on the merger to the Regulator (note 10).

2. BASIS OF PREPARATION

(a) Statement of compliance

The interim condensed financial information for the three-month and six-month periods ended 30 June 2025 has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The interim condensed financial information is prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value, measurement of employees' end of service benefits which are recognized at the present value of future obligations. The Company's interim condensed statement of financial position is not presented using a current / non-current classification.

However, the following balances would generally be classified as current: cash and cash equivalents, prepaid expenses and other assets, investments, insurance contract liabilities, accrued expenses and other liabilities and provision for zakat and income tax. The following balances would generally be classified as non-current: employees' end-of-service benefits, accrued income on statutory deposit, accrued income payable to insurance authority, statutory deposit, property and equipment, net, intangible assets, net, right of use assets, net and lease liabilities.

The interim condensed financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as of and for the year ended 31 December 2024.

(b) Functional and presentation currency

This interim condensed financial information has been presented in Saudi Arabian Riyals (SAR), which is also the functional currency of the Company. All financial information presented in Saudi Arabian Riyal has been rounded to the nearest thousands, except where otherwise indicated.

(c) Critical accounting judgments, estimates and assumptions

The preparation of interim condensed financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and the accompanying notes disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. In preparing the interim condensed financial information, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended December 31, 2024.

(d) Seasonality of operations

Due to the seasonality of operations, operating profits are expected to fluctuate from one period to another.

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES

The accounting policies, estimates and assumptions used in the preparation of this interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2024.

a) New IFRS Standards, IFRIC interpretations and amendments thereof, adopted by the Company

A number of other amendments became applicable for the current reporting period i.e., for reporting periods beginning

<u>Interpretation</u>	<u>Description</u>	<u>Effective date</u>
Amendments to IAS 21 'Foreign currencies' ("IAS 21") - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025

on or after 1 January 2025. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments which are described below:

These amendments had no material impact on the interim condensed financial information of the Company.

b) New standards, amendments and interpretations not yet applied by the Company

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2026, but do not have a material impact on the interim condensed financial information of the Company.

<u>Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	These amendments address the classification and measurement of financial instruments and related disclosures. The key changes include adjustments to the treatment of financial instruments, particularly in relation to the measurement of certain hybrid contracts, and more detailed disclosures related to financial instruments under IFRS 7. These amendments are designed to provide more transparency in how financial instruments are classified and measured.	1 January 2026.
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/effective date deferred indefinitely
New standard "IFRS 18"	IFRS 18, 'Presentation and Disclosure in Financial Statements'	1 January 2027.
New standard "IFRS 19"	IFRS 19, 'Reducing subsidiaries disclosures'	1 January 2027.

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

4. GOING CONCERN

The Company has accumulated losses of SAR 67.90 million as of 30 June 2025 (31 December 2024: accumulated losses of SAR 68.59 million). At the reporting period, the Company's accumulated losses reached 29.52% of its share capital (31 December 2024: 29.82%) which exceed above the 20% threshold as per Article 4, Part 2 of the CMA guidelines for listed companies. On 26 Shaaban 1446H (corresponding to 25 February 2025), the Company signed a non-binding Memorandum of Understanding ("MOU") with Salama Cooperative Insurance Company ("SALAMA") to evaluate a potential merger between the two companies. Both companies are engaged in conducting technical, financial, legal and actuarial due diligence on the terms and conditions of the potential merger. The Management and Board are committed to ongoing efforts to enhance the Company's stability and shareholder value.

Based on the above, the Company's Management has assessed its ability to continue as a going concern and is satisfied that the Company's operations shall continue for the foreseeable future under the normal course of business. Accordingly, the financial information has been prepared on the going concern basis and do not include any adjustments, which may be required, if the Company is not able to continue as a going concern.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	30 June 2025 (Unaudited)		
	Insurance operations	Shareholders' operations	Total
Bank balances	9,366	117	9,483
Deposits maturing within 3 months from the acquisition date	-	197,715	197,715
Less: impairment allowance	-	-	-
	9,366	197,832	207,198

	31 December 2024 (Audited)		
	Insurance operations	Shareholders' operations	Total
Bank balances	9,709	4,986	14,695
Deposits maturing within 3 months from the acquisition date	-	63,868	63,868
Less: impairment allowance	-	(3)	(3)
	9,709	68,851	78,560

The movement in impairment allowance for cash and cash equivalents is as follows:

	Shareholders' operations	
	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	3	-
(Reversal)/impairment allowance during the period / year	(3)	3
Balance at the end of the period / year	-	3

The deposits are held with commercial banks and financial institution in the Kingdom of Saudi Arabia and GCC. These deposits are denominated in Saudi Arabian Riyals and have an original maturity of not exceeding three months.

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

6. INVESTMENTS

Investments are classified as follows:

	Shareholders' operations	
	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
Financial assets at amortised cost, net	-	147,705

6.1 Financial assets at amortised cost

	Shareholders' operations	
	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
Sukuk *	-	147,715
Less: impairment allowance	-	(10)
Net amount	-	147,705

*The investment in sukuk was matured during the period.

Movement in impairment allowance on investment in financial assets at amortised cost is as follows:

	Shareholders' operations	
	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	10	-
Impairment (reversal)/losses during the period/year	(10)	10
Balance at the end of the period/year	-	10

7. STATUTORY DEPOSIT

	Shareholders' operations	
	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
Statutory deposit	34,500	34,500

As required by the Saudi Arabian Insurance Regulations, the Company deposited an amount equivalent to 15% of its paid-up share capital, in a bank designated by Insurance Authority ("IA"). This statutory deposit cannot be withdrawn without the consent of IA, and commission accruing on this deposit is payable to IA. As requested by the Regulator, the Company has released the accrued income on statutory deposit to Regulator up to 2 February 2025 amounting to SAR 1.227 million (31 December 2024: SAR 2.95 million).

SAUDI ENAYA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

8. INSURANCE CONTRACT LIABILITIES

		Insurance operations	
		30 June 2025	31 December 2024
		(Unaudited)	(Audited)
Corporate	a	32,524	54,419
SME and others	b	36,810	29,640
		69,334	84,059

a. Corporate

	For the six-month period ended 30 June 2025 (Unaudited)				
	Liability for Remaining Coverage (LRC)		Liability for Incurred Claim (LIC)		
	Excluding loss component	Loss component (LC)	Estimate of present value of cash flows	Risk adjustment for non-financial risk	Total
Insurance contract issued					
Opening insurance contract liabilities	(4,119)	10,153	46,528	1,857	54,419
Insurance revenue	70,979	-	-	-	70,979
Insurance service expenses					
Incurred claims and other directly attributable expense	-	-	67,885	971	68,856
Changes that relate to past services – changes in the fulfilment cash flows (FCF) relating to the LIC	-	-	(7,398)	(1,753)	(9,151)
Losses on onerous contracts and reversal of those losses	-	(6,615)	-	-	(6,615)
Insurance acquisition cash flows	11,367	-	-	-	11,367
Total insurance service expenses	11,367	(6,615)	60,487	(782)	64,457
Insurance service result	59,612	6,615	(60,487)	782	6,522
Cash flows					
Premium received	44,558	-	-	-	44,558
Claims and other directly attributable expenses paid	-	-	(54,360)	-	(54,360)
Insurance acquisitions cash flows	(5,571)	-	-	-	(5,571)
Total cash flows	38,987	-	(54,360)	-	(15,373)
Net balance as at 30 June 2025	(24,744)	3,538	52,655	1,075	32,524

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8. INSURANCE CONTRACT LIABILITIES (CONTINUED)**a. Corporate**

	For the year ended 31 December 2024 (Audited)				
	Liability for Remaining Coverage (LRC)		Liability for Incurred Claim (LIC)		Total
	Excluding loss component	Loss component (LC)	Estimate of present value of cash flows	Risk adjustment for non-financial risk	
Insurance contract issued					
Opening insurance contract liabilities	(20,348)	10,822	40,013	768	31,255
Insurance revenues	136,985	-	-	-	136,985
Insurance service expenses					
Incurred claims and other directly attributable expense	-	-	135,547	1,822	137,369
Changes that relate to past services – changes in the fulfilment cash flows (FCF) relating to the LIC	-	-	1,363	(733)	630
Losses on onerous contracts and reversal of those losses	-	(669)	-	-	(669)
Insurance acquisition cash flows	21,921	-	-	-	21,921
Total insurance service expenses	21,921	(669)	136,910	1,089	159,251
Insurance service result	115,064	669	(136,910)	(1,089)	(22,266)
Cashflows					
Premium received	150,918	-	-	-	150,918
Claims and other directly attributable expenses paid	-	-	(130,395)	-	(130,395)
Insurance acquisitions cash flows	(19,625)	-	-	-	(19,625)
Total cash flows	131,293	-	(130,395)	-	898
Net balance as at 31 December 2024	(4,119)	10,153	46,528	1,857	54,419

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8. INSURANCE CONTRACT LIABILITIES (CONTINUED)
b. SME and others

	For the six-month period ended 30 June 2025 (Unaudited)				
	Liability for Remaining Coverage (LRC)		Liability for Incurred Claim (LIC)		Total
	Excluding loss component	Loss component (LC)	Estimate of present value of cash flows	Risk adjustment for non-financial risk	
Insurance contract issued					
Opening insurance contract liabilities	(504)	4,270	25,131	743	29,640
Insurance revenues	33,923	-	-	-	33,923
Insurance service expenses					
Incurred claims and other directly attributable expense	-	-	29,194	448	29,642
Changes that relate to past services – changes in the fulfilment cash flows (FCF) relating to the LIC	-	-	(2,467)	(703)	(3,170)
Losses on onerous contracts and reversal of those losses	-	(205)	-	-	(205)
Insurance acquisition cash flows	7,110	-	-	-	7,110
Total insurance service expenses	7,110	(205)	26,727	(255)	33,377
Insurance service result	26,813	205	(26,727)	255	546
Cash flows					
Premium received	39,496	-	-	-	39,496
Claims and other directly attributable expenses paid	-	-	(28,970)	-	(28,970)
Insurance acquisitions cash flows	(2,810)	-	-	-	(2,810)
Total cash flows	36,686	-	(28,970)	-	7,716
Net balance as at 30 June 2025	9,369	4,065	22,888	488	36,810

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8. INSURANCE CONTRACT LIABILITIES (CONTINUED)
b. SME and others

	For the year ended 31 December 2024 (Audited)				
	Liability for Remaining Coverage (LRC)		Liability for Incurred Claim (LIC)		Total
	Excluding loss component	Loss component (LC)	Estimate of present value of cash flows	Risk adjustment for non-financial risk	
Insurance contract issued					
Opening insurance contract liabilities	32,587	4,192	38,035	719	75,533
Insurance revenues	96,523	-	-	-	96,523
Insurance Service Expenses					
Incurred claims and other directly attributable expense	-	-	84,879	714	85,593
Changes that relate to past services – changes in the fulfilment cash flows (FCF) relating to the LIC	-	-	(5,025)	(690)	(5,715)
Losses on onerous contracts and reversal of those losses	-	78	-	-	78
Insurance acquisition cash flows	19,268	-	-	-	19,268
Total insurance service expenses	19,268	78	79,854	24	99,224
Insurance service result	77,255	(78)	(79,854)	(24)	(2,701)
Cashflows					
Premium received	58,521	-	-	-	58,521
Claims and other directly attributable expenses paid	-	-	(92,758)	-	(92,758)
Insurance acquisitions cash flows	(14,357)	-	-	-	(14,357)
Total cash flows	44,164	-	(92,758)	-	(48,594)
Net balance as at 31 December 2024	(504)	4,270	25,131	743	29,640

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9. PROVISION FOR ZAKAT AND INCOME TAX

Movements in the provision for zakat and income tax during the period ended 30 June 2025 and year ended 31 December 2024 respectively are as follows:

	Zakat payable	Income tax payable	Total 30 June 2025 (Unaudited)
Balance at beginning of the period	9,882	-	9,882
Provided during the period	1,777	7	1,784
Payments during the period	(2,918)	-	(2,918)
Balance at end of the period	8,741	7	8,748

	Zakat payable	Income tax payable	Total 31 December 2024 (Audited)
Balance at beginning of the year	14,853	65	14,918
Provided during the year	409	-	409
Payments during the year	(5,380)	(65)	(5,445)
Balance at end of the year	9,882	-	9,882

Status of zakat assessments

The Company has filed its Zakat and tax returns until the year ended 31 December 2024 and zakat assessments until 2018 have been finalized.

The Zakat, Tax and Customs Authority ("ZATCA") has issued revised assessments for the years 2015 through 2018 based on Tax Violations and Dispute Appellate Committee ("TVDAC") decision with additional zakat liability of SAR 9.1 million. The Company has partially paid 20% of the total outstanding liability amounting to SAR 1.8 million with the remaining amount of SAR 7.3 million to be paid in fifteen (15) equal monthly installment plan starting from August 2024.

For the years 2019 through 2020, the ZATCA has issued revised assessments with additional zakat liability of SAR 2.17 million and SAR 2.33 million respectively. The Company has filed an appeal with the General Secretariat of Zakat, Tax, and Customs Committee ("GSZTC").

The GSZTC hearing is currently on hold as Saudi Enaya has approached the Alternative Dispute Resolution Committee ("ADRC") to discuss an amicable settlement of their contested appeal matters for the years 2019 and 2020. The case is awaited for the ADRC's evaluation of the settlement proposal submitted by the Company.

The Zakat and tax returns for the years 2021 onwards are currently under review by the ZATCA.

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10. SHARE CAPITAL

	Shareholders' operations	
	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
Share capital	<u>230,000</u>	<u>230,000</u>

As at 30 June 2025, the authorized, issued and paid-up share capital of the Company was SAR 230 million, divided into 23 million shares of SAR 10 each (31 December 2024: SAR 230 million, divided into 23 million shares of SAR 10 each).

Following the Company's request on 3 March 2025, the Insurance Authority (The Regulator) approved an extension to the deadline for meeting minimum capital requirements. The extension remains valid until the earlier of the completion of the proposed merger or a period of one year. The Company is required to submit monthly progress reports on the merger to the Regulator.

11. CAPITAL MANAGEMENT

Objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value.

The Company manages its capital to ensure that it is able to continue as a going concern and comply with the regulator's capital requirements of the markets in which the Company operates while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity attributable to equity holders comprising paid up share capital, reserves and accumulated losses. The Company maintains its capital as per guidelines laid out by Insurance Authority in Article 66 table 3 and 4 of the Implementing Regulations detailing the solvency margin required to be maintained.

The Company shall maintain solvency margin equivalent to the highest of the following three methods as per Insurance Authority Implementing Regulations:

- Minimum Capital Requirement of SAR 100 million.
- Premium Solvency Margin.
- Claims Solvency Margin.

The Company is in compliance with all the externally imposed Capital requirements with sound solvency margin. The Capital structure of the Company as at 30 June 2025 consists of paid-up share capital of SAR 230 million (31 December 2024: SAR 230 million) and accumulated losses of SAR 67.9 million (31 December 2024: SAR 68.59 million) in the interim condensed statement of financial position. In the opinion of the Board of Directors the Company has fully complied with the externally imposed capital requirements during the reported financial period.

12. COMMITMENTS AND CONTINGENCIES

The Company has no contingencies or letter of guarantee as at 30 June 2025 (31 December 2024: nil). There were no capital commitments outstanding as at 30 June 2025 (31 December 2024: nil).

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending legal proceedings, management does not believe that such proceedings will have a material effect on its results and financial position. The Company did not have any significant outstanding legal proceedings as at the reporting date.

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13. OPERATING SEGMENTS

The Company only issues insurance contracts for providing health care services ('medical insurance') and all the insurance operations of the Company are carried out in the Kingdom of Saudi Arabia. The insurance operations are being monitored by management under one segment; hence no separate information is required.

As at 30 June 2025 (Unaudited)**Operating segments****ASSETS**

Unallocated assets

Total assets

Corporate	SME & Others	Total
-	-	253,258
-	-	253,258

LIABILITIES

Liability of incurred claims

Liability of remaining coverage

Insurance contract liabilities

Unallocated liabilities

Total liabilities

53,730	23,376	77,106
(21,206)	13,434	(7,772)
32,524	36,810	69,334
-	-	19,328
-	-	88,662

As at 31 December 2024 (Audited)**Operating segments****ASSETS**

Unallocated assets

Total assets

Corporate	SME & Others	Total
-	-	269,861
-	-	269,861

LIABILITIES

Liability of incurred claims

Liability of remaining coverage

Insurance contract liabilities

Unallocated liabilities

Total liabilities

48,385	25,874	74,259
6,034	3,766	9,800
54,419	29,640	84,059
-	-	21,888
-	-	105,947

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13. OPERATING SEGMENTS (CONTINUED)

	Three-month period ended 30 June 2025 (Unaudited)			Three-month period ended 30 June 2024 (Unaudited)		
	Corporate	SME & Others	Total	Corporate	SME & Others	Total
Insurance revenue	32,411	16,630	49,041	35,099	22,192	57,291
Insurance service expenses	(28,925)	(15,873)	(44,798)	(35,053)	(19,852)	(54,905)
Insurance service result	3,486	757	4,243	46	2,340	2,386
Investment income on financial assets at amortised cost			2,140			3,526
Investment loss on financial assets (FVTPL)			-			(45)
Net impairment losses on financial assets			-			(12)
Net investment result			2,140			3,469
Net insurance and investment result			6,383			5,855
Other income			-			13
Other operating expenses			(4,535)			(4,090)
Net income for the period before zakat and income tax attributable to shareholders			1,848			1,778
Zakat charge			(1,677)			(1,050)
Income tax charge			(2)			-
Net income for the period after zakat and income tax attributable to the shareholders			169			728

The details of gross written premium are as follows:

	Three-month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Individual	4,037	537
Micro enterprises	1,651	966
Small enterprises	7,666	13,993
Medium enterprises	5,210	8,571
Large enterprises	4,473	16,141
	23,037	40,208

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13. OPERATING SEGMENTS (CONTINUED)

	Six-month period ended 30 June 2025 (Unaudited)			Six-month period ended 30 June 2024 (Unaudited)		
	Corporate	SME & Others	Total	Corporate	SME & Others	Total
Insurance revenue	70,979	33,923	104,902	64,530	52,457	116,987
Insurance service expenses	(64,457)	(33,377)	(97,834)	(75,154)	(44,612)	(119,766)
Insurance service result	6,522	546	7,068	(10,624)	7,845	(2,779)
Investment income on financial assets at amortised cost			4,434			7,303
Investment income on financial assets (FVTPL)			-			113
Net impairment reversal/ (losses) on financial assets			13			(19)
Net investment result			4,447			7,397
Net insurance and investment result			11,515			4,618
Other income			-			1,296
Other operating expenses			(9,049)			(6,890)
Net income/(loss) for the period before zakat and income tax attributable to shareholders			2,466			(976)
Zakat charge			(1,777)			(1,300)
Income tax charge			(7)			-
Net income/(loss) for the period after zakat and income tax attributable to the shareholders			682			(2,276)

The details of gross written premium are as follows:

	Six-months period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Individual	10,170	2,097
Micro enterprises	2,486	2,154
Small enterprises	15,895	30,454
Medium enterprises	16,937	24,615
Large enterprises	9,718	42,338
	55,206	101,658

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14. EARNINGS/(LOSS) PER SHARE

The basic and diluted earnings per share for the period has been calculated by dividing the net income/(loss) for the period by the weighted average number of issued and outstanding shares for the period.

- a. The basic and diluted earnings per share is calculated as follows:

		For the three-month period ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
Net income for the period – (SAR'000)		169	728
Weighted average number of ordinary shares – (shares'000)		23,000	23,000
Basic and diluted earnings per share (SAR/Share)		0.01	0.03

- b. The basic and diluted earnings/(loss) per share is calculated as follows:

		For the six-month period ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
Net income/(loss) for the period – (SAR'000)		682	(2,276)
Weighted average number of ordinary shares – (shares'000)		23,000	23,000
Basic and diluted earnings/(loss) per share (SAR/Share)		0.03	(0.10)

15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors.

During the reporting period, the International Medical Center was the only related party, and no transactions were conducted with them.

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives including the Chief Executive Officer and the Chief Financial Officer of the Company.

The following table shows the annual salaries, remuneration and allowances obtained by the Board members and top executives for the period ended:

		Six - month period ended	
		30 June 2025	30 June 2024
		(Unaudited)	(Unaudited)
Salaries and other allowances		1,359	2,662
End of service indemnities		45	98
		1,404	2,760
<i>Board and committees</i>			
Board and committees' remuneration and fees		965	815

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16. SUBSEQUENT EVENTS

There were no subsequent events after the interim condensed statement of financial position date which require adjustments to /or disclosure in the interim condensed financial information.

17. APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

The interim condensed financial information has been approved by the Board of Directors, on 9 Safar 1447H (corresponding to 3 August 2025).