# THE MEDITERRANEAN & GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY

## (A SAUDI JOINT STOCK COMPANY)

## CONDENSED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)

## FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025

**THE MEDITERRANEAN & GULF COOPERATIVE INSURANCE AND REINSURANCE COMPANY**
**(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)**
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**

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PKF Al Bassam
Chartered Accountants
As Sulimaniyah - Prince Abdulaziz Ibn Musaid Street
P. O. Box 69658 - Riyadh 11557
Kingdom of Saudi Arabia
Commercial Registration: 1010385804

forvis mazars
Al Kharashi & Co.
Certified Accountants and Auditors
7425 Sahab Tower Alttakhassusi Street
Riyadh, KSA
P.O Box. 8306, Riyadh 11482
Tel: +966 920028229
Fax: +966 11 477 4924
www.forvismazars.com

# INDEPENDENT AUDITORS' REPORT
# ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

**TO THE SHAREHOLDERS OF**
**THE MEDITERRANEAN & GULF COOPERATIVE**
**INSURANCE AND REINSURANCE COMPANY**
**(A SAUDI JOINT STOCK COMPANY)**
**Kingdom of Saudi Arabia**

## INTRODUCTION

We have reviewed the accompanying condensed interim statement of financial position of **The Mediterranean & Gulf Cooperative Insurance and Reinsurance Company - (the "Company")** as at 30 September 2025, and the related condensed interim statements of income and other comprehensive income for the three-month and nine-month periods then ended and condensed interim statements of changes in equity and cash flows for the nine-months period then ended and a summary of material accounting policies and other explanatory notes ("condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements 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 these condensed interim financial statements based on our review.

## SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial statements 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 condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

## MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 (c) to the accompanying condensed interim financial statements, which states that the Company did not meet the solvency margin requirements as at 30 September 2025. The Company's accumulated losses as of 30 September 2025 are of 11.34% (December 2024: 14.77%) of share capital. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the accompanying condensed interim financial statements are prepared using the going-concern assumption based on management's assessment on the Company's abilities to continue as a going concern as detailed in the above referred note. Our conclusion is not modified with respect to this matter.

PKF Al Bassam
Chartered Accountants
As Sulimaniyah - Prince Abdulaziz Ibn Musaid Street
P. O. Box 69658 - Riyadh 11557
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www.forvismazars.com

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on the information that has been made available to us and disclosed in note 2 (c) of the accompanying condensed interim financial statements, the Company is not in compliance with solvency margin requirements as per Article 68 of the Implementation Regulations for Insurance Companies.

**PKF Al Bassam**
**Chartered Accountants**
P. O. Box 69658
Riyadh 11557
Kingdom of Saudi Arabia

Ibrahim A. Al-Bassam
Certified Public Accountant
License No. 337

**AlKharashi & Co.**
**Certified Accountants and Auditors**
P.O. Box 8306
Riyadh 11482
Kingdom of Saudi Arabia

Abdullah S. Al Msned
Certified Public Accountant
License No. 456

10 November 2025
19 Jumada Al-Awwal 1447H

شركة بي كي اف البسام
محاسبون ومراجعون قانونيون
C. R. 1010385804
PKF Al Bassam
chartered accountants

الخراشي وشركاه
محاسبون و مراجعون قانونيون
س.ت: C.R.: 1010327044
Certified Accountants & Auditors
AL-Kharashi Co.

| | Notes | SAR '000 | |
|---|---|---|---|
| | | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
| **ASSETS** | | | |
| Cash and cash equivalents | 6 | **916,964** | 486,067 |
| Short term deposits | 7 | **31,669** | 29,445 |
| Financial investments | 11 | **1,061,270** | 1,051,844 |
| Insurance contract assets | 5 | **503** | 2,866 |
| Reinsurance contract assets | 5 | **347,874** | 416,030 |
| Prepayment and other assets, net | 8 | **122,731** | 196,198 |
| Investment in an associate | 10 | **10,804** | 9,901 |
| Property and equipment, net | | **26,048** | 18,315 |
| Intangible assets, net | | **21,586** | 11,093 |
| Right of use assets, net | 9 | **20,497** | 1,577 |
| Statutory deposit | 12 | **157,500** | 157,500 |
| Accrued commission on statutory deposit | 14 | **-** | 11,726 |
| Goodwill | 13 | **480,000** | 480,000 |
| Deferred tax asset | 15 (c) | **10,474** | 10,474 |
| **TOTAL ASSETS** | | **3,207,920** | 2,883,036 |

The accompanying notes 1 to 27 form an integral part of these condensed interim financial statements.

| | | |
|---|---|---|
| Mr. Rakan Abdullah Abunayyan | Mr. Umar Abdulrahman AlMahmoud | Mr. Georgi Markov |
| Chairman of the Board of Directors | Chief Executive Officer | Chief Financial Officer |

| | Notes | SAR '000 September 30, 2025 (Unaudited) | SAR '000 December 31, 2024 (Audited) |
|---|---|---|---|
| **LIABILITIES** | | | |
| Accrued expenses and other liabilities | | **143,340** | 125,241 |
| Insurance contract liabilities | 5 | **1,913,162** | 1,659,510 |
| Reinsurance contract liabilities | 5 | **28,075** | 10,752 |
| Zakat & income tax | 15 (a) | **3,978** | 9,810 |
| Lease liability | 16 | **18,953** | 2,080 |
| End of service indemnities | | **33,188** | 35,273 |
| Accrued commission on statutory deposit | 14 | **-** | 11,726 |
| **TOTAL LIABILITIES** | | **2,140,696** | 1,854,392 |
| | | | |
| **EQUITY** | | | |
| Share capital | 21 | **1,050,000** | 1,050,000 |
| Share premium | | **70,000** | 70,000 |
| Statutory reserve | | **26,135** | 26,135 |
| Accumulated losses | | **(119,064)** | (155,135) |
| Re-measurement of end of service indemnities | | **(21,364)** | (21,364) |
| Fair values reserve on investments | | **61,517** | 59,008 |
| **TOTAL EQUITY** | | **1,067,224** | 1,028,644 |
| **TOTAL LIABILITIES AND EQUITY** | | **3,207,920** | 2,883,036 |

**COMMITMENTS AND CONTINGENCIES** 22

The accompanying notes 1 to 27 form an integral part of these condensed interim financial statements.

Mr. Rakan Abdullah Abunayyan
Chairman of the Board of Directors

Mr. Umar Abdulrahman AlMahmoud
Chief Executive Officer

Mr. Georgi Markov
Chief Financial Officer

| | | SAR '000 | | | |
|---|---|---|---|---|---|
| | | For the three-month period ended | | For the nine-month period ended | |
| | Notes | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) |
| Insurance revenue | 19 | **1,026,880** | 900,418 | **3,053,664** | 2,609,951 |
| Insurance service expense | 19 | **(959,688)** | (824,008) | **(2,836,243)** | (2,295,425) |
| Net expense from reinsurance contract held | 19 | **(60,158)** | (57,510) | **(180,046)** | (282,083) |
| Share of surplus from insurance pools | 17 | **2,019** | - | **3,926** | 1,274 |
| **Insurance service result** | | **9,053** | 18,900 | **41,301** | 33,717 |
| Special commission income | | **8,465** | 10,614 | **27,193** | 35,371 |
| Investment income / (loss) on financial assets at fair value through profit or loss | | **4,896** | 13,895 | **(3,115)** | 11,869 |
| Dividend income | | **2,025** | 2,146 | **7,109** | 12,168 |
| **Net investment income** | | **15,386** | 26,655 | **31,187** | 59,408 |
| Insurance finance expense for insurance contracts issued | 20 | **(3,834)** | (10,319) | **(30,524)** | (20,663) |
| Reinsurance finance income for reinsurance contracts held | 20 | **1,182** | 6,419 | **5,033** | 16,265 |
| **Net insurance finance income / (expense)** | | **(2,652)** | (3,900) | **(25,491)** | (4,398) |
| **Net insurance and investment result** | | **21,787** | 41,655 | **46,997** | 88,727 |
| Other Income | | **(1,124)** | 305 | **1,805** | 21,690 |
| Share of income from associate | 10 | **339** | - | **1,278** | - |
| Shareholders' general and admin expenses | | **(1,932)** | (1,536) | **(7,881)** | (3,608) |
| **Total other operating (expense) / income** | | **(2,717)** | (1,231) | **(4,798)** | 18,082 |
| **Net income for the period before appropriation and before zakat and income tax** | | **19,070** | 40,424 | **42,199** | 106,809 |
| Net income attributed to insurance operation | | **-** | - | **-** | - |
| **Net income for the period after appropriation and before zakat and income tax** | | **19,070** | 40,424 | **42,199** | 106,809 |
| Zakat and income tax expense | 15 (a) | **(1,167)** | (1,303) | **(6,128)** | (7,819) |
| Deferred tax | 15 (c) | **-** | - | **-** | - |
| **Income attributed to the shareholders after zakat and income tax** | | **17,903** | 39,121 | **36,071** | 98,990 |
| **Earnings per share (expressed in SAR per share)** | 21 (b) | **0.17** | 0.37 | **0.34** | 0.94 |

The accompanying notes 1 to 27 form an integral part of these condensed interim financial statements.

Mr. Rakan Abdullah Abunayyan
Chairman of the Board of Directors

Mr. Umar Abdulrahman AlMahmoud
Chief Executive Officer

Mr. Georgi Markov
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025



| | | SAR '000 | | | |
|---|---|---|---|---|---|
| | | For the three-month period ended | | For the nine-month period ended | |
| | Notes | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) |
| **Income attributed to the shareholders after zakat and income tax** | | **17,903** | 39,121 | **36,071** | 98,990 |
| **Other comprehensive income / (loss)** | | | | | |
| **Items that will not be reclassified to statement of income in subsequent** | | | | | |
| Net changes in fair value of investments measured at FVOCI – equity instruments | 11 (a) | **-** | - | **2,509** | - |
| Re-measurement (loss) / gain of end of service indemnities | | **-** | (237) | **-** | (237) |
| | | **-** | (237) | **2,509** | (237) |
| **Items that are or may be reclassified to statement of income in subsequent periods** | | | | | |
| Share of other comprehensive loss of investment in equity accounted investments | 10 | **-** | - | **-** | - |
| | | **-** | - | **-** | - |
| **Total comprehensive income for the period** | | **17,903** | 38,884 | **38,580** | 98,753 |

The accompanying notes 1 to 27 form an integral part of these condensed interim financial statements.

Mr. Rakan Abdullah Abunayyan
Chairman of the Board of Directors

Mr. Umar Abdulrahman AlMahmoud
Chief Executive Officer

Mr. Georgi Markov
Chief Financial Officer

| **For the nine-month period ended September 30, 2025** | **Share capital** | **Share Premium** | **Statutory reserve** | **Accumulated losses** | **Fair values reserve on investments** | **Re-measurement of defined benefit liability – employees benefits** | **Total** |
|---|---|---|---|---|---|---|---|
| | | | | **SAR ’000** | | | |
| **Balance as at December 31, 2024 (audited)** | **1,050,000** | **70,000** | **26,135** | **(155,135)** | **59,008** | **(21,364)** | **1,028,644** |
| **Total comprehensive income for the period** | | | | | | | |
| -Net income for the period | **-** | **-** | **-** | **36,071** | **-** | **-** | **36,071** |
| -Other comprehensive income | **-** | **-** | **-** | **-** | **2,509** | **-** | **2,509** |
| **Balance as at September 30, 2025 (unaudited)** | **1,050,000** | **70,000** | **26,135** | **(119,064)** | **61,517** | **(21,364)** | **1,067,224** |

| For the nine-month period ended September 30, 2024 | Share capital | Share Premium | Statutory reserve | Accumulated losses | Fair values reserve on investments | Re-measurement of defined benefit liability – employees benefits | Total |
|---|---|---|---|---|---|---|---|
| | | | | SAR ’000 | | | |
| Balance as at December 31, 2023 (audited) | 1,050,000 | 70,000 | 26,135 | (257,129) | 41,561 | (13,147) | 917,420 |
| Total comprehensive income for the period | | | | | | | |
| -Net income for the period | - | - | - | 98,990 | - | - | 98,990 |
| -Other comprehensive loss | - | - | - | - | - | (237) | (237) |
| Balance as at September 30, 2024 (unaudited) | 1,050,000 | 70,000 | 26,135 | (158,139) | 41,561 | (13,384) | 1,016,173 |

The accompanying notes 1 to 27 form an integral part of these condensed interim financial statements.

Mr. Rakan Abdullah Abunayyan
Chairman of the Board of Directors

Mr. Umar Abdulrahman AlMahmoud
Chief Executive Officer

Mr. Georgi Markov
Chief Financial Officer

| | | SAR '000 | |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | **Notes** | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) |
| Net income for the period before zakat and income tax | | **42,199** | 106,809 |
| **Adjustments for non-cash items:** | | | |
| Depreciation and amortization | | **13,521** | 6,381 |
| Depreciation on right of use assets | 9 | **7,245** | 6,758 |
| Financial charges on lease liability | 16 | **862** | 131 |
| Share of income from associate | 10 | **(1,278)** | - |
| Provision for end of service benefits | | **1,452** | 7,993 |
| Gain due to change in fair value of financial asset through profit or loss | 11 (b) | **3,115** | (10,669) |
| | | **67,116** | 117,403 |
| **Changes in operating assets and liabilities:** | | | |
| Insurance contract assets | | **2,363** | 4,137 |
| Reinsurance contract assets | | **68,156** | 237,111 |
| Prepayment and other assets, net | | **73,467** | (10,238) |
| Insurance contract liabilities | | **253,652** | (245,457) |
| Reinsurance contract liabilities | | **17,323** | (68,893) |
| Accrued expenses and other liabilities | | **18,099** | 79,488 |
| | | **500,176** | 113,551 |
| Zakat and income tax paid | | **(11,960)** | (4,261) |
| End-of-service benefits paid | | **(3,537)** | (6,933) |
| **Net cash generated from operating activities** | | **484,679** | 102,357 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Dividend from associate | | **375** | - |
| Additions to investments carried at FVTPL | 11 (b) | **(164,154)** | (140,904) |
| Proceeds from disposal of investments carried at FVTPL | | **154,122** | 12,134 |
| Additions in property, equipment and intangible | | **(31,747)** | (1,527) |
| Maturity of short term deposits | 7 | **(2,224)** | 203,822 |
| **Net cash (used in) / generated from investing activities** | | **(43,628)** | 73,525 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Lease liability paid | | **(10,154)** | (8,946) |
| **Net cash used in financing activities** | | **(10,154)** | (8,946) |
| Net change in cash and cash equivalents | | **430,897** | 166,936 |
| Cash and cash equivalents, beginning of the period | 6 | **486,067** | 440,570 |
| **Cash and cash equivalents, end of the period** | | **916,964** | 607,506 |
| **Non-cash supplemental information:** | | | |
| Net changes in fair value of investments measured at FVOCI – equity instruments | | **2,509** | - |

The accompanying notes 1 to 27 form an integral part of these condensed interim financial statements.

| | | |
|---|---|---|
| Mr. Rakan Abdullah Abunayyan | Mr. Umar Abdulrahman AlMahmoud | Mr. Georgi Markov |
| Chairman of the Board of Directors | Chief Executive Officer | Chief Financial Officer |

## 1 General

The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010231925 dated 8 Rabi Thani 1428H (corresponding to 26 April 2007). The registered address of the Company's head office is as follows:

Medgulf Insurance
Futuro Tower
King Saud Road
P.O. Box 2302
Riyadh 11451, Saudi Arabia

The objectives of the Company are to transact in cooperative insurance and reinsurance business and related activities in the Kingdom of Saudi Arabia. Its principal lines of business include medical, motor and other general insurance. The Company was listed on the Saudi Arabian Stock Exchange (Tadawul) on 28 Rabi Al-Awal 1428H (corresponding to 16 April 2007).

## 2 BASIS OF PREPARATION

### a) Basis of presentation and measurement

The condensed interim financial statements have been prepared on a historical cost basis except for the measurement of financial assets at fair value through profit & loss and financial assets at fair value through other comprehensive income and investment in associates which is accounted for under equity method and end of service benefits.

**Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncement that are endorsed by Saudi Organisation for Chartered and Professional Accountants ("SOCPA") ("IFRS as endorsed by SOCPA").

The condensed interim financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value through profit and loss (FVTPL) and fair value through other comprehensive income (FVOCI) and end of service benefits at present value. The Company's condensed interim statement of financial position is not presented using a current/non-current classification.

The Company's condensed interim statement of financial position is presented in order of liquidity. Except for financial assets, property and equipment, right-of-use assets, intangible assets, goodwill, statutory deposit, accrued income on statutory deposit and accrued income payable to Insurance Authority, all other assets and liabilities are of short-term nature.

As required by the Saudi Arabian Insurance Regulations (The Implementation Regulations), the Company maintains separate books of accounts for "Insurance Operations" and "Shareholders' Operations". Accordingly, assets, liabilities, revenues and expenses attributable to either operation are recorded in the respective accounts. Note 23 to these condensed interim financial statements provides the condensed interim statement of financial position, condensed interim statement of income, condensed interim statement of comprehensive income and condensed interim statement of cash flows of the insurance operations and shareholders operations, separately. The accounting policies adopted for the insurance and shareholders' operations are in accordance with IFRS as endorsed by SOCPA.

In preparing the condensed interim financial statements in compliance with IFRS as endorsed by SOCPA, the balances and transactions of insurance operations are combined with those of shareholders' operations. Inter-operation balances and transactions, if any, are eliminated in full. The accounting policies adopted for the insurance and shareholders' operations are uniform for like transactions and events in similar circumstances.

### b) Presentation currency

The presentational currency of the Company is Saudi Arabian Riyals. The condensed interim financial statements are presented in Saudi Riyal rounded to nearest thousand (SAR'000) unless otherwise stated.

## 2 BASIS OF PREPARATION (Continued)

### c) Going concern

The Company's accumulated losses as of September 30, 2025 are 11.34% (December 31, 2024: 14.77%) of its subscribed capital and as of the same date the Company's solvency coverage is below the prudential solvency requirements. The management has performed an assessment of its going concern assumption under different scenarios. Based on the underlying projections under such scenarios, the management believes that the Company will be able to continue the business and meet its obligations as and when they fall due over the next 12 months. As a result, the condensed interim financial statements have been prepared on a going concern basis. Management`s assessment is based on number of estimates and assumptions including significant underwriting and pricing measures, improved recoveries from major policyholders, reinsurers and related parties and other cost saving measures.

In preparing the Company-level condensed interim financial statements in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealised gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

The solvency margin of the Company as at September 30, 2025 is 64.14% (December 31, 2024: 71%).

## 3 MATERIAL ACCOUNTING POLICIES

### a) Insurance, reinsurance and investment contracts

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to insurance contracts are classified as reinsurance contracts held. Insurance and reinsurance contracts also expose the Company to financial risk.

The Company does not accept insurance risk from other insurers.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Company, unless otherwise stated. All of the Company's portfolios are eligible under PAA.

The coverage period of all the portfolios (primary and reinsurance) are assumed to be one year or less hence automatically qualifies for Premium Allocation Approach (PAA) except for Engineering, Accident and Liability, Marine Cargo (open cover), Visa Health Insurance and Property for which PAA eligibility testing was performed. Based on the results no material difference observed in the measurement of liability for remaining coverage between PAA and General Model, therefore, these qualify for PAA.
Reinsurance contracts: the coverage period of the reinsurance contracts is one year or less hence all such contracts qualify for PAA.

### i. Separating components from insurance and reinsurance contracts

At inception, the Company separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments:

• derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and
• distinct investment components – i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Company separates any promises to transfer distinct goods or non-insurance services to policyholders and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Company provides a significant service of integrating the good or service with the insurance component.

## 3 MATERIAL ACCOUNTING POLICIES (Continued)

### a) Insurance, reinsurance and investment contracts (continued)

#### ii. Level of aggregation

The Company identifies portfolios of insurance contracts. Each portfolio comprises contracts that are subject to similar risks and managed together, and is divided into three groups:

• any contracts that are onerous on initial recognition;
• any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
• any remaining contracts in the portfolio.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Company's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

Each group of insurance contracts is further divided by year of issue. The resulting groups represent the level at which the recognition and measurement accounting policies are applied. The groups are established on initial recognition and their composition is not reassessed subsequently.

#### iii. Recognition

The Company recognises a group of insurance contracts issued from the earliest of the following:

• The beginning of the coverage period of the group of contracts. The coverage period is the period during which the Company provides coverage for insured events in respect of all premiums within the boundary of an insurance contract.
• The date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, then it is considered to be the date when the first payment is received from the policyholder.
• The date when facts and circumstances indicate that the group to which a legally bound insurance contract belongs is onerous.

The Company recognises a group of reinsurance contracts initiated that provide proportionate coverage at the later of the beginning of the coverage period of the group of reinsurance contracts and the initial recognition of any underlying contract, and recognises all other groups of reinsurance contracts from the beginning of the coverage period of the group of reinsurance contracts. The coverage period is the period during which the Company receives coverage for claims arising from the reinsured portions of the underlying insurance contracts.

Subsequently, new contracts are added to the group when they are issued or initiated, provided that all contracts in the group are issued or initiated in the same year.

The Company recognises a group of contracts acquired at the date of acquisition.

#### iv. Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services.

A substantive obligation to provide services ends when:

• the Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
• the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The contract boundary is reassessed at each reporting date and, therefore, may change over time.

**3 MATERIAL ACCOUNTING POLICIES (Continued)**

**a) Insurance, reinsurance and investment contracts (continued)**

**v. Presentation**

Groups of insurance contracts that are assets and those that are liabilities, and groups of reinsurance contracts that are assets and those that are liabilities, are presented separately in the condensed interim statement of financial position.
The Company disaggregates amounts recognised in the condensed interim statement of income and condensed interim other comprehensive income into (a) an insurance service result, comprising insurance revenue and insurance service expenses, and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as ‘net expenses from reinsurance contracts’ in the insurance service result.

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

*Insurance revenue – Contracts measured under the PAA*

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing coverage in the period. The Company allocates the expected premium receipts to each period on the following bases:

- other contracts: the passage of time.

*Net results from reinsurance contracts*

Net results from reinsurance contracts comprise reinsurance service expenses less amounts recovered from reinsurers.

The Company recognises reinsurance service results as it receives coverage or other services under groups of reinsurance contracts. For contracts not measured under the PAA, the reinsurance service expenses relating to services received for each reporting period represent the total of the changes in the remaining coverage component that relate to services for which the Company expects to pay consideration.

For contracts measured under the PAA, the reinsurance service expenses for each period are the amount of expected premium payments for receiving coverage in the period.

*Insurance finance income and expenses*

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses.

**vi. Liability for incurred claims “LIC”**

The Company estimates the liability for incurred claims and expenses as the fulfillment cash flows related to incurred claims and non-acquisition expenses. The fulfillment cash flows are an explicit, unbiased, and probability-weighted estimate of the present value of the future cash flows, within the contract boundary of a group of contracts, that will arise as the entity fulfill its obligation under the insurance contracts, including a risk adjustment for non-financial risk. The Company presents the entire change in risk adjustment as part of insurance service results.

The Company establishes insurance claims liabilities to cover the estimated liability for the cash flows associated with incurred losses as at the balance sheet date, including claims not yet reported (“IBNR”) and loss adjustment expenses incurred with respect to insurance contracts underwritten and reinsurance contracts placed by the Company. The ultimate cost of claims liabilities is estimated by using generally accepted standard actuarial techniques.

## 3 MATERIAL ACCOUNTING POLICIES (Continued)

### a) Insurance, reinsurance and investment contracts (continued)

#### vi. Liability for incurred claims “LIC” (continued)

The main assumption underlying these techniques is that the Company’s past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim (severity) and average number of claims (frequency) based on the observed development of earlier years and expected loss ratios. Historical claims development is analyzed by accident year, geographical area, as well as claim type.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) to arrive at the estimated ultimate cost of claims that present the probability-weighted expected value outcome from the range of possible outcomes, taking into account all the uncertainties involved.

#### vii. Insurance acquisition costs and directly attributable expenses

Insurance acquisition cash flows are the costs that are directly associated with selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to a portfolio of insurance contracts.

Directly attributable expenses are the costs that can be fully or partially attributed to the fulfillment of the groups of insurance contracts. The Company allocates the attributable costs based on a number of drivers.

Both acquisition and attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses. The Company amortises the insurance acquisition costs over the contract period.

#### viii. Other operating expenses

Other operating expenses include non-attributable expenses which are administrative expenses and are not linked to insurance contracts.

#### ix. Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. The impact of seasonality is not considered material in relation to recording the insurance revenue.

Insurance revenue is adjusted to allow for policyholders’ default on future premiums. The default probability is derived from the expected loss model prescribed under IFRS 9.

#### x. Insurance service expenses

Insurance service expenses include the following:

a. Incurred claims for the period.
b. Other incurred directly attributable expenses.
c. Insurance acquisition cash flows amortization.
d. Changes that relate to past service – changes in the FCF relating to the LIC.
e. Changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

## 3 MATERIAL ACCOUNTING POLICIES (Continued)

### a) Insurance, reinsurance and investment contracts (continued)

**xi. Onerous contract**

The Company assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. A group of contracts is onerous at initial recognition if there is a net outflow of fulfilment cash flows. As a result, a liability for the net outflow is recognized as a loss component within the liability for remaining coverage and a loss is recognized immediately in the condensed interim statement of income in insurance service expense. The loss component is then amortized to condensed interim statement of income over the coverage period to offset incurred claims in insurance service expense. The loss component is measured on a gross basis but may be mitigated by a loss recovery component if the contracts are covered by reinsurance.

**xii. Risk adjustment for non-financial risk**

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. The Company has chosen a confidence level based on the 75th percentile of the distribution of the claim reserves, considering the confidence level is adequate to cover sources of uncertainty about the amount and timing of the cash flows.

### b) Financial assets and financial liabilities

**Financial assets – classification**

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

Financial assets at amortized cost

Debt Instruments:
A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- The asset is held within a business model whose objective is achieved by collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (“SPPI”).

Financial assets at FVOCI

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in condensed interim other comprehensive income (OCI). Interest income and foreign exchange gains and losses are recognized in the condensed interim statement of income.

For an equity investment that is not held for trading, the Company may irrecoverably elect to present subsequent changes in fair value in OCI. This election is made on an instrument-by- instrument basis on initial recognition.

**3 MATERIAL ACCOUNTING POLICIES (Continued)**

**b) Financial assets and financial liabilities (continued)**

**Financial assets – Classification (continued)**

Financial assets at FVTPL

All other financial assets are classified measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Business model assessment

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the application of those policies in practice.
- whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated- e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

For the purpose of the assessment of whether contractual cash flows are solely payments of principal and interest, principal is the fair value of the financial asset on initial recognition. Interest is the consideration for the time value of money, the credit and other basic lending risks associated with the principal amount outstanding during a particular period and other basic lending costs (e.g., liquidity risk and administrative costs), along with profit margin.

Financial assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in condensed interim statement of income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

• **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in condensed interim statement of income and presented in other gains/(losses) together with foreign exchange gains and losses.

• **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through condensed interim other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in condensed interim statement of income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in condensed interim other comprehensive income is reclassified from equity to condensed interim statement of income and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the condensed interim statement of income.

• **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the condensed interim statement of income and presented net within other gains/(losses) in the period in which it arises.

**3 MATERIAL ACCOUNTING POLICIES (Continued)**

**b) Financial assets and financial liabilities (continued)**

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in condensed interim other comprehensive income, there is no subsequent reclassification of fair value gains and losses to condensed interim statement of income following the derecognition of the investments. Dividends from such investments continue to be recognised in statement of income as investment income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in investment income in the condensed interim statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**Financial assets – Impairment**

Overview of expected credit loss ("ECL") principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss); unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime expected credit losses represent ECL that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of balance sheet date. Both lifetime ECLs and 12-month ECLs will be calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.

The Company recognizes loss allowances for ECL on the following financial instruments that are not measured at fair value:

- Financial assets that are debt instruments
- Deposits and bank balances
- Other receivables balances

No impairment loss is recognized on equity instruments.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Company considers debt securities to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. The measurement of ECL for other receivables is carried out using the simplified ECL impairment model and is determined by using a matrix which uses historical credit loss experience of the Company.

Staging of financial assets

The Company categorizes its investments portfolio classified as amortized cost and FVOCI into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 - Performing financial assets for which there has been no significant deterioration in credit quality since initial recognition;

Stage 2 - Underperforming financial assets for which there has been a significant deterioration in credit quality since initial recognition, but which are not credit-impaired; and

Stage 3 - Non-performing financial assets for which there has been a significant deterioration in credit quality since initial recognition and which have become credit-impaired.

Credit impaired financial asset

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event (more than 90 days);
- it is becoming probable that the borrower or issuer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

**3 MATERIAL ACCOUNTING POLICIES (Continued)**

**b) Financial assets and financial liabilities (continued)**

**Financial assets – Impairment (continued)**

In assessing whether an investment in sovereign debt is credit-impaired, the Company considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Definition of default

In assessing whether an issuer is in default, the Company considers indicators that are:

- qualitative- e.g., breaches of covenant.
- quantitative- e.g., overdue status and non-payment on another obligation of the same issuer to the Company; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

ECL methodology and measurement

ECL is computed based on the parameters namely Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) values. ECL is discounted by an appropriate rate to get the Present Value of ECL.

For the investment portfolio, a generalized approach is used, where assets are classified under 3 different stages based on the SICR criteria: Stage 1, Stage 2, and Stage 3 where 12-month ECL is computed for Stage 1 and lifetime ECL for Stage 2 and Stage 3. For other receivable portfolio, a simplified approach is used, for which staging is not required, based on a lifetime ECL computation.

ECL is a probability-weighted estimate of credit losses. It is measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Probability of default ('PD')

The probability of default is an estimate of the likelihood of default over a given time horizon.

Loss given default ('LGD')

Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data.

Exposure at default ('EAD')

The exposure at default is an estimate of the exposure at a future default date.

Forward looking estimate

While estimating the ECL, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyzes the relationship between key economic trends with the estimate of PD. The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on reports from economic experts and consideration of a variety of external actual and forecast information, the Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the Kingdom and selected private-sector and academic forecasters. The base case represents a most-likely outcome and is aligned with information used by the Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

## 3 MATERIAL ACCOUNTING POLICIES (Continued)

### b) Financial assets and financial liabilities (continued)

**Financial assets – Impairment (continued)**

Forward looking estimate (continued)

Presentation of allowance for ECL in the statement of financial position
Loss allowances for ECL are presented in the condensed interim statement of financial position as follows:
- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
- debt instruments measured at FVOCI: no loss allowance is recognized in the condensed interim statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

**Financial liabilities**

Classification and derecognition of financial liabilities

The Company classifies its financial liabilities, other than financial guarantees if any, as measured at Amortized cost. Amortized cost is calculated by considering any discount or premium and costs that are an integral part of the Effective Interest Rate (“EIR”). A liability is classified at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the condensed interim statement of income. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

### c) Provisions

Provisions are recognised when the Company has an obligation (legal or constructive) arising from past events, and the costs to settle the obligation are both probable and may be measured reliably. Provisions are not recognised for future operating losses.

### d) Employees’ end of service indemnities

The Company operates an end of service benefit plan for its employees based on the prevailing Saudi Labor Laws. Accruals are made at the present value of expected future payments in respect of services provided by the employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. The benefit payments obligation is discharged as and when it falls due. Remeasurements (actuarial gains/ losses) as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of comprehensive income – insurance operations.

### e) Dividend income

Dividend income is recognised when the right to receive dividend is established.

### f) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and at banks and short-term time deposits with an original maturity of less than three months at the date of acquisition.

### g) Goodwill

Goodwill represents the fair value of the consideration paid in excess of the fair value of net assets or liabilities acquired. Goodwill is tested for impairment by management at least once at the end of each financial year. Impairment for goodwill is determined by assessing the recoverable amount of the cash generating unit (or a group of cash generating units) to which the goodwill is related. When the recoverable amount of the cash-generating unit (or a group of cash generating units) is less than the carrying amount of the cash generating unit (or a group of cash generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses, if any, relating to goodwill cannot be reversed in future periods.

### h) Statutory reserve

In accordance with its bylaws, the Company shall allocate 20% of its net income from shareholders’ operations each year to the statutory reserve until it has built up a reserve equal to the share capital. In view of the accumulated losses, no such transfer has been made for the period ended September 30, 2025.

### i) Accrued and other liabilities

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

**3 MATERIAL ACCOUNTING POLICIES (Continued)**

**j) Leases**

**Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The Company applies the cost model, and measure right of use asset at cost;

1.less any accumulated amortization and any accumulated impairment losses; and

2.adjusted for any re-measurement of the lease liability for lease modifications.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, generally, the initial carrying value of a right-of-use asset would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction, etc. it needs to be added to the right of use asset value.

The recognised right-of-use assets are amortized on a straight-line basis over the shorter of its estimated useful life and the lease term. right-of-use assets are subject to impairment.

**Lease liabilities**

On initial recognition, the lease liability is the present value of all remaining payments to the lessor, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

After the commencement date, Company measures the lease liability by:

1.Increasing the carrying amount to reflect interest on the lease liability.

2.Reducing the carrying amount to reflect the lease payments made and;

3.Re-measuring the carrying amount to reflect any re-assessment or lease modification.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the condensed interim statement of income if the carrying amount of the right-of-use asset has been reduced to zero.

**Short-term leases and leases of low-value assets**

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**k) Zakat and income tax**

**Zakat**

The Company is subject to zakat in accordance with the regulations of the Zakat, Tax, and Customs Authority ("ZATCA"). Zakat is calculated based on higher of approximate zakat base and adjusted profit and charged to condensed interim statement of income. Additional zakat, if any, is accounted for when determined to be required for payment if the estimate of the annual charge changes.

Amounts accrued for zakat expense in one year may have to be adjusted in a subsequent year if the estimate of the annual charge changes.

On 22 March 2024, ZATCA announced the issuance of a new Zakat Implementing Regulation, through the Ministerial Resolution (MR) No.1007 dated 29 February 2024, which was electronically published in the Official Gazette (Umm Al-Qura) on 21 March 2024. The new Zakat regulation is replacing the current regulation issued through MR No. 2216 dated 14 March 2019.

**Income tax**

The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

**Deferred tax**

Deferred income tax is provided using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available and the credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the condensed interim statement of income, except to the extent that it relates to items recognised in condensed interim statement of other comprehensive income or directly in equity.

**3 MATERIAL ACCOUNTING POLICIES (Continued)**

**l) Land, property and equipment**

Land is stated at cost less any impairment and is not depreciated. Property and equipment are measured at cost less accumulated depreciation and any impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation is charged to the condensed interim statement of income on a straight line basis at the following depreciation rates:

| Class of Assets | Rates |
|---|---|
| Office equipment, furniture and fixtures | 10% - 15% |
| Computers | 25% |
| Motor vehicles | 25% |

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the condensed interim statement of income.

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. The carrying values of these assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

**m) Intangible assets**

IT development and software is shown at historical cost. It  has a finite useful life and are subsequent carried at cost less accumulated amortization and impairment losses. The Company amortises intangible assets with a limited useful life using straight-line method over the following rates:

| | Rates |
|---|---|
| IT development and software | 15% - 25% |

**n) Investment in an associate**

Associates are enterprises in which the Company generally holds 20% to 50% of the voting power and / or over which it exercises significant influence. Investments in an associates are carried in the condensed interim statement of financial position at cost, plus post acquisition changes in the Company's share of net assets of the associate, less any impairment in the value of individual investments.

**o) Segmental reporting**

An operating segment is a component of the Company that is engaged in business activities from which it earns revenues and incurs expenses and about which discrete financial statement is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. For management purposes, the Company is organized into business units based on their products and services and has three reportable operating segments as follows:

- Medical insurance, which covers medical costs, medicines, and all other medical services and supplies.
- Motor Insurance, which provides coverage against losses and liability related to motor vehicles.
- Other classes, which covers any other classes of insurance not included above.

Shareholders' operations' is a non-operating segment. Income earned from time deposits and investments is the only revenue generating activity. Certain direct operating expenses and other overhead expenses are allocated to this segment on an appropriate basis. The loss or surplus from the insurance operations is allocated to this segment on an appropriate basis.

Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from income or loss in the accompanying condensed interim financial statements.

No inter-segment transactions occurred during the year. If any transaction were to occur, transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expense and results will then include those transfers between operating segments which will then be eliminated at the level of condensed interim financial statements of the Company.

The preparation of the condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**3 MATERIAL ACCOUNTING POLICIES (Continued)**

**p) Critical accounting judgments, estimates and assumptions**

The preparation of condensed interim financial statements require 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.

**i) Insurance contracts**

The Company issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. The Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. In making this assessment, all substantive rights, and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis.

The measurement of these insurance contracts also requires significant judgement and estimates. These significant judgement and estimates include Risk Adjustment (“RA”) and liability for incurred claims – estimate of future cash flows. Refer to note 3 for further details.

**ii) Fair value of financial instruments**

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price. Where the fair values of financial assets and financial liabilities recorded on the condensed interim statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values.

**iii) Going concern**

The Company’s management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, these condensed interim financial statements continue to be prepared on the going concern basis.

**iv) Impairment of goodwill**

The Company tests whether goodwill has suffered any impairment on an annual basis. For the 2024 reporting period, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Goodwill is initially measured at cost being the excess of the net fair value of the identifiable assets and liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment for goodwill is determined by assessing the recoverable amount of the cash generating unit (or a group of cash generating units) to which the goodwill is related. When the recoverable amount of the cash-generating unit (or a group of cash generating units) is less than the carrying amount of the cash generating unit (or a group of cash generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The recoverable amount is the greater of its value in use or fair value less cost to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

**v) Expense attribution**

The Company identifies expenses which are directly attributable towards acquiring insurance contracts (acquisition costs) and fulfilling /maintaining (other attributable expenses) such contracts and those expenses which are not directly attributable to the aforementioned contracts (non-attributable expenses). Acquisition costs, such as underwriting costs including other expenses except for initial commission paid, are no longer recognized in the consolidated statement of income when incurred and instead spread over the lifetime of the group of contracts based on the passage of time.

Other attributable expenses are allocated to the groups of contracts using an allocation mechanism considering the activity-based costing principles. The Company has determined costs directly identified to the groups of contracts, as well as, costs where a judgement is applied to determine the share of expenses as applicable to that group.

On the other hand, non-directly attributable expenses, overheads and one-off exceptional expenses are recognized in the condensed interim statement of income immediately when incurred. The proportion of directly attributable and non-attributable costs at inception will change the pattern at which expenses are recognized.

**q) Surplus distribution**

The Company is required to distribute 10% of the net surplus from insurance operations to policyholders and the remaining 90% to be allocated to the shareholders of the Company in accordance with the Insurance Law and Implementation Regulations issued by the Insurance Authority (“IA”). In case of losses, losses are absorbed by shareholders.

**4 New and amended standards and interpretations**

**New standards, interpretations, and amendments effective in the current year**

The accounting policies adopted in the preparation of the condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. 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 2025, but do not have a significant impact on the condensed interim financial information of the Company.

| Standard / interpretation | Description | Effective from periods beginning on or after |
|---|---|---|
| Amendment to IFRS 21 – Lack of exchangeability | IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique. | 1 January 2025 |

**New standards, interpretations, and amendments not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the condensed interim financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective and not expected to have material impact on the Company.

| Standard / interpretation | Description | Effective from periods beginning on or after |
|---|---|---|
| Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full. | Effective date deferred indefinitely |
| Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures | Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.<br>The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system. | 1 January 2026 |
| Contracts referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 | Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements. | 1 January 2026 |
| Annual improvements to IFRS – Volume 11 | Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows. | 1 January 2026 |
| IFRS 18, Presentation and Disclosure in Financial Statements | IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences. | 1 January 2027 |
| IFRS 19, Subsidiaries without Public Accountability: Disclosures | IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards. | 1 January 2027 |

## 5 INSURANCE AND REINSURANCE CONTRACTS

| | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
|---|---|---|
| | **SAR'000** | |
| Insurance contract assets | **503** | 2,866 |
| Insurance contract liabilities | **(1,913,162)** | (1,659,510) |
| Reinsurance contract assets | **347,874** | 416,030 |
| Reinsurance contract liabilities | **(28,075)** | (10,752) |

### 5.1 Analysis by remaining coverage and incurred claims for insurance contracts

| | **September 30, 2025 (Unaudited)** | | | | |
|---|---|---|---|---|---|
| | **SAR'000** | | | | |
| **All portfolios / segments under PAA** | **Liability for remaining coverage (LRC)** | | **Liability for incurred claim (LIC)** | | |
| | **Excluding loss component** | **Loss component** | **Estimates of the present values of future cashflows** | **Risk Adjustment** | **Total** |
| Opening insurance contract assets | (10,404) | 3,532 | 3,430 | 576 | (2,866) |
| Opening insurance contract liabilities | 505,774 | 24,302 | 1,081,650 | 47,784 | 1,659,510 |
| **Net opening balance** | **495,370** | **27,834** | **1,085,080** | **48,360** | **1,656,644** |
| **Insurance revenue** | **(3,053,664)** | **-** | **-** | **-** | **(3,053,664)** |
| Incurred claims and other directly attributable expenses | - | (26,100) | 2,715,214 | 26,358 | 2,715,472 |
| Amortization of Insurance acquisition cash flows | 249,350 | - | - | - | 249,350 |
| Changes that relate to future service: loss & reversal of onerous loss contracts | - | 15,842 | - | - | 15,842 |
| Changes that relate to past service: changes related to LIC | - | - | (111,120) | (33,301) | (144,421) |
| **Insurance service expense** | **249,350** | **(10,258)** | **2,604,094** | **(6,943)** | **2,836,243** |
| **Insurance service result** | **(2,804,314)** | **(10,258)** | **2,604,094** | **(6,943)** | **(217,421)** |
| Net finance expense from insurance contract | - | - | 28,463 | 2,061 | 30,524 |
| **Total changes in statement of profit or loss** | **(2,804,314)** | **(10,258)** | **2,632,557** | **(4,882)** | **(186,897)** |
| **Cash flows** | | | | | |
| Premium received | 3,177,514 | - | - | - | 3,177,514 |
| Claims and other expenses paid including investment component | - | - | (2,471,617) | - | (2,471,617) |
| Acquisition cash flows paid | (262,985) | - | - | - | (262,985) |
| **Total cash flows** | **2,914,529** | **-** | **(2,471,617)** | **-** | **442,912** |
| **Net closing balance** | **605,585** | **17,576** | **1,246,020** | **43,478** | **1,912,659** |
| **Closing insurance contract assets** | **(1,803)** | **78** | **1,160** | **62** | **(503)** |
| **Closing insurance contract liabilities** | **607,388** | **17,498** | **1,244,860** | **43,416** | **1,913,162** |
| **Net Closing balance** | **605,585** | **17,576** | **1,246,020** | **43,478** | **1,912,659** |

| | December 31, 2024 (Audited) | | | | |
|---|---|---|---|---|---|
| | SAR'000 | | | | |
| All portfolios / segments under PAA | Liability for remaining coverage (LRC) | | Liability for incurred claim (LIC) | | |
| | Excluding loss component | Loss component | Estimates of the present values of future cashflows | Risk Adjustment | Total |
| Opening insurance contract assets | (15,981) | 997 | 9,409 | 283 | (5,292) |
| Opening insurance contract liabilities | 642,014 | 19,520 | 1,280,206 | 56,098 | 1,997,838 |
| **Net opening balance** | 626,033 | 20,517 | 1,289,615 | 56,381 | 1,992,546 |
| **Insurance revenue** | (3,551,790) | - | - | - | (3,551,790) |
| Incurred claims and other directly attributable expenses | - | (20,517) | 3,099,081 | 9,837 | 3,088,401 |
| Amortization of Insurance acquisition cash flows | 260,158 | - | - | - | 260,158 |
| Changes that relate to future service: loss & reversal of onerous loss contracts | - | 27,834 | - | - | 27,834 |
| Changes that relate to past service: changes related to LIC | - | - | (184,236) | (21,256) | (205,492) |
| **Insurance service expense** | 260,158 | 7,317 | 2,914,845 | (11,419) | 3,170,901 |
| **Insurance service result** | (3,291,632) | 7,317 | 2,914,845 | (11,419) | (380,889) |
| Net finance expense from insurance contract | - | - | 24,287 | 3,398 | 27,685 |
| **Total changes in statement of profit or loss** | (3,291,632) | 7,317 | 2,939,132 | (8,021) | (353,204) |
| Cash flows | | | | | |
| Premium received | 3,421,781 | - | - | - | 3,421,781 |
| Claims and other expenses paid including investment component | - | - | (3,143,667) | - | (3,143,667) |
| Acquisition cash flows paid | (260,812) | - | - | - | (260,812) |
| **Total cash flows** | 3,160,969 | - | (3,143,667) | - | 17,302 |
| **Net closing balance** | 495,370 | 27,834 | 1,085,080 | 48,360 | 1,656,644 |
| **Closing insurance contract assets** | (10,404) | 3,532 | 3,430 | 576 | (2,866) |
| **Closing insurance contract liabilities** | 505,774 | 24,302 | 1,081,650 | 47,784 | 1,659,510 |
| **Net Closing balance** | 495,370 | 27,834 | 1,085,080 | 48,360 | 1,656,644 |

**5 INSURANCE AND REINSURANCE CONTRACTS (Continued)**

**5.1.1 Analysis by remaining coverage and incurred claims for insurance contracts - Health**

| | **September 30, 2025 (Unaudited)** | | | | |
|---|---|---|---|---|---|
| | **SAR'000** | | | | |
| **Health - PAA** | **Liability for remaining coverage (LRC)** | | **Liability for incurred claim (LIC)** | | |
| | **Excluding loss component** | **Loss component** | **Estimates of the present values of future cashflows** | **Risk Adjustment** | **Total** |
| Opening insurance contract assets | - | - | - | - | - |
| Opening insurance contract liabilities | 324,679 | 3,435 | 580,478 | 31,601 | 940,193 |
| **Net opening balance** | **324,679** | **3,435** | **580,478** | **31,601** | **940,193** |
| **Insurance revenue** | **(2,388,017)** | **-** | **-** | **-** | **(2,388,017)** |
| Incurred claims and other directly attributable expenses | - | (3,289) | 2,209,062 | 21,043 | 2,226,816 |
| Amortization of Insurance acquisition cash flows | 144,685 | - | - | - | 144,685 |
| Changes that relate to future service: loss & reversal of onerous loss contracts | - | 4,107 | - | - | 4,107 |
| Changes that relate to past service: changes related to LIC | - | - | (11,899) | (26,156) | (38,055) |
| **Insurance service expense** | **144,685** | **818** | **2,197,163** | **(5,113)** | **2,337,553** |
| **Insurance service result** | **(2,243,332)** | **818** | **2,197,163** | **(5,113)** | **(50,464)** |
| Net finance expense from insurance contract | - | - | 20,968 | 1,415 | 22,383 |
| **Total changes in statement of profit or loss** | **(2,243,332)** | **818** | **2,218,131** | **(3,698)** | **(28,081)** |
| **Cash flows** | | | | | |
| Premium received | 2,443,494 | - | - | - | 2,443,494 |
| Claims and other expenses paid including investment component | - | - | (1,965,565) | - | (1,965,565) |
| Acquisition cash flows paid | (156,010) | - | - | - | (156,010) |
| **Total cash flows** | **2,287,484** | **-** | **(1,965,565)** | **-** | **321,919** |
| **Net closing balance** | **368,831** | **4,253** | **833,044** | **27,903** | **1,234,031** |
| **Closing insurance contract assets** | **-** | **-** | **-** | **-** | **-** |
| **Closing insurance contract liabilities** | **368,831** | **4,253** | **833,044** | **27,903** | **1,234,031** |
| **Net Closing balance** | **368,831** | **4,253** | **833,044** | **27,903** | **1,234,031** |

| | December 31, 2024 (Audited) | | | | |
|---|---|---|---|---|---|
| | SAR'000 | | | | |
| Health - PAA | Liability for remaining coverage (LRC) | | Liability for incurred claim (LIC) | | |
| | Excluding loss component | Loss component | Estimates of the present values of future cashflows | Risk Adjustment | Total |
| Opening insurance contract assets | - | - | - | - | - |
| Opening insurance contract liabilities | 424,992 | - | 610,032 | 33,994 | 1,069,018 |
| **Net opening balance** | 424,992 | - | 610,032 | 33,994 | 1,069,018 |
| **Insurance revenue** | (2,829,240) | - | - | - | (2,829,240) |
| Incurred claims and other directly attributable expenses | - | - | 2,540,780 | 3,330 | 2,544,110 |
| Amortization of Insurance acquisition cash flows | 160,467 | - | - | - | 160,467 |
| Changes that relate to future service: loss & reversal of onerous loss contracts | - | 3,435 | - | - | 3,435 |
| Changes that relate to past service: changes related to LIC | - | - | 116,632 | (7,788) | 108,844 |
| **Insurance service expense** | 160,467 | 3,435 | 2,657,412 | (4,458) | 2,816,856 |
| **Insurance service result** | (2,668,773) | 3,435 | 2,657,412 | (4,458) | (12,384) |
| Net finance expense from insurance contract | - | - | 8,786 | 2,065 | 10,851 |
| **Total changes in statement of profit or loss** | (2,668,773) | 3,435 | 2,666,198 | (2,393) | (1,533) |
| Cash flows | | | | | |
| Premium received | 2,748,453 | - | - | - | 2,748,453 |
| Claims and other expenses paid including investment component | - | - | (2,695,752) | - | (2,695,752) |
| Acquisition cash flows paid | (179,993) | - | - | - | (179,993) |
| **Total cash flows** | 2,568,460 | - | (2,695,752) | - | (127,292) |
| **Net closing balance** | 324,679 | 3,435 | 580,478 | 31,601 | 940,193 |
| **Closing insurance contract assets** | - | - | - | - | - |
| **Closing insurance contract liabilities** | 324,679 | 3,435 | 580,478 | 31,601 | 940,193 |
| **Net Closing balance** | 324,679 | 3,435 | 580,478 | 31,601 | 940,193 |

**5 INSURANCE AND REINSURANCE CONTRACTS (Continued)**

**5.1.2 Analysis by remaining coverage and incurred claims for insurance contracts - Motor**

| | September 30, 2025 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | SAR'000 | | | | |
| **Motor - PAA** | **Liability for remaining coverage (LRC)** | | **Liability for incurred claim (LIC)** | | |
| | **Excluding loss component** | **Loss component** | **Estimates of the present values of future cashflows** | **Risk Adjustment** | **Total** |
| Opening insurance contract assets | (10,404) | 3,532 | 3,430 | 576 | (2,866) |
| Opening insurance contract liabilities | 142,323 | 20,867 | 44,301 | 4,564 | 212,055 |
| **Net opening balance** | **131,919** | **24,399** | **47,731** | **5,140** | **209,189** |
| **Insurance revenue** | **(433,559)** | **-** | **-** | **-** | **(433,559)** |
| Incurred claims and other directly attributable expenses | - | (22,811) | 402,896 | 2,726 | 382,811 |
| Amortization of Insurance acquisition cash flows | 76,499 | - | - | - | 76,499 |
| Changes that relate to future service: loss & reversal of onerous loss contracts | - | 11,735 | - | - | 11,735 |
| Changes that relate to past service: changes related to LIC | - | - | (1,701) | (3,894) | (5,595) |
| **Insurance service expense** | **76,499** | **(11,076)** | **401,195** | **(1,168)** | **465,450** |
| **Insurance service result** | **(357,060)** | **(11,076)** | **401,195** | **(1,168)** | **31,891** |
| Net finance expense from insurance contract | - | - | 1,244 | 221 | 1,465 |
| **Total changes in statement of profit or loss** | **(357,060)** | **(11,076)** | **402,439** | **(947)** | **33,356** |
| **Cash flows** | | | | | |
| Premium received | 464,161 | - | - | - | 464,161 |
| Claims and other expenses paid including investment component | - | - | (424,332) | - | (424,332) |
| Acquisition cash flows paid | (76,444) | - | - | - | (76,444) |
| **Total cash flows** | **387,717** | **-** | **(424,332)** | **-** | **(36,615)** |
| **Net closing balance** | **162,576** | **13,323** | **25,838** | **4,193** | **205,930** |
| **Closing insurance contract assets** | **(1,803)** | **78** | **1,160** | **62** | **(503)** |
| **Closing insurance contract liabilities** | **164,379** | **13,245** | **24,678** | **4,131** | **206,433** |
| **Net Closing balance** | **162,576** | **13,323** | **25,838** | **4,193** | **205,930** |

| | December 31, 2024 (Audited) | | | | |
|---|---|---|---|---|---|
| | SAR'000 | | | | |
| Motor - PAA | Liability for remaining coverage (LRC) | | Liability for incurred claim (LIC) | | |
| | Excluding loss component | Loss component | Estimates of the present values of future cashflows | Risk Adjustment | Total |
| Opening insurance contract assets | - | - | - | - | - |
| Opening insurance contract liabilities | 105,309 | 5,454 | 103,237 | 7,563 | 221,563 |
| **Net opening balance** | 105,309 | 5,454 | 103,237 | 7,563 | 221,563 |
| **Insurance revenue** | (377,071) | - | - | - | (377,071) |
| Incurred claims and other directly attributable expenses | - | (5,454) | 342,571 | 1,501 | 338,618 |
| Amortization of Insurance acquisition cash flows | 62,114 | - | - | - | 62,114 |
| Changes that relate to future service: loss & reversal of onerous loss contracts | - | 24,399 | - | - | 24,399 |
| Changes that relate to past service: changes related to LIC | - | - | (41,121) | (4,377) | (45,498) |
| **Insurance service expense** | 62,114 | 18,945 | 301,450 | (2,876) | 379,633 |
| **Insurance service result** | (314,957) | 18,945 | 301,450 | (2,876) | 2,562 |
| Net finance expense from insurance contract | - | - | 2,301 | 453 | 2,754 |
| **Total changes in statement of profit or loss** | (314,957) | 18,945 | 303,751 | (2,423) | 5,316 |
| Cash flows | | | | | |
| Premium received | 379,028 | - | - | - | 379,028 |
| Claims and other expenses paid including investment component | - | - | (359,257) | - | (359,257) |
| Acquisition cash flows paid | (37,461) | - | - | - | (37,461) |
| **Total cash flows** | 341,567 | - | (359,257) | - | (17,690) |
| **Net closing balance** | 131,919 | 24,399 | 47,731 | 5,140 | 209,189 |
| **Closing insurance contract assets** | (10,404) | 3,532 | 3,430 | 576 | (2,866) |
| **Closing insurance contract liabilities** | 142,323 | 20,867 | 44,301 | 4,564 | 212,055 |
| **Net Closing balance** | 131,919 | 24,399 | 47,731 | 5,140 | 209,189 |

**5 INSURANCE AND REINSURANCE CONTRACTS (Continued)**

**5.1.3 Analysis by remaining coverage and incurred claims for insurance contracts - Property and casualty**

| | September 30, 2025 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | SAR'000 | | | | |
| **Property and casualty - PAA** | **Liability for remaining coverage (LRC)** | | **Liability for incurred claim (LIC)** | | |
| | **Excluding loss component** | **Loss component** | **Estimates of the present values of future cashflows** | **Risk Adjustment** | **Total** |
| Opening insurance contract assets | - | - | - | - | - |
| Opening insurance contract liabilities | 38,772 | - | 456,871 | 11,619 | 507,262 |
| **Net opening balance** | **38,772** | **-** | **456,871** | **11,619** | **507,262** |
| **Insurance revenue** | **(232,088)** | **-** | **-** | **-** | **(232,088)** |
| Incurred claims and other directly attributable expenses | - | - | 103,256 | 2,589 | 105,845 |
| Amortization of Insurance acquisition cash flows | 28,166 | - | - | - | 28,166 |
| Changes that relate to future service: loss & reversal of onerous loss contracts | - | - | - | - | - |
| Changes that relate to past service: changes related to LIC | - | - | (97,520) | (3,251) | (100,771) |
| **Insurance service expense** | **28,166** | **-** | **5,736** | **(662)** | **33,240** |
| **Insurance service result** | **(203,922)** | **-** | **5,736** | **(662)** | **(198,848)** |
| Net finance expense from insurance contract | - | - | 6,251 | 425 | 6,676 |
| **Total changes in statement of profit or loss** | **(203,922)** | **-** | **11,987** | **(237)** | **(192,172)** |
| **Cash flows** | | | | | |
| Premium received | 269,859 | - | - | - | 269,859 |
| Claims and other expenses paid including investment component | - | - | (81,720) | - | (81,720) |
| Acquisition cash flows paid | (30,531) | - | - | - | (30,531) |
| **Total cash flows** | **239,328** | **-** | **(81,720)** | **-** | **157,608** |
| **Net closing balance** | **74,178** | **-** | **387,138** | **11,382** | **472,698** |
| **Closing insurance contract assets** | **-** | **-** | **-** | **-** | **-** |
| **Closing insurance contract liabilities** | **74,178** | **-** | **387,138** | **11,382** | **472,698** |
| **Net Closing balance** | **74,178** | **-** | **387,138** | **11,382** | **472,698** |

| | December 31, 2024 (Audited) | | | | |
|---|---|---|---|---|---|
| | SAR'000 | | | | |
| Property and casualty - PAA | Liability for remaining coverage (LRC) | | Liability for incurred claim (LIC) | | |
| | Excluding loss component | Loss component | Estimates of the present values of future cashflows | Risk Adjustment | Total |
| Opening insurance contract assets | (15,981) | 997 | 9,409 | 283 | (5,292) |
| Opening insurance contract liabilities | 111,713 | 14,066 | 566,937 | 14,541 | 707,257 |
| Net opening balance | 95,732 | 15,063 | 576,346 | 14,824 | 701,965 |
| Insurance revenue | (345,479) | - | - | - | (345,479) |
| Incurred claims and other directly attributable expenses | - | (15,063) | 215,730 | 5,006 | 205,673 |
| Amortization of Insurance acquisition cash flows | 37,577 | - | - | - | 37,577 |
| Changes that relate to future service: loss & reversal of onerous loss contracts | - | - | - | - | - |
| Changes that relate to past service: changes related to LIC | - | - | (259,747) | (9,091) | (268,838) |
| Insurance service expense | 37,577 | (15,063) | (44,017) | (4,085) | (25,588) |
| Insurance service result | (307,902) | (15,063) | (44,017) | (4,085) | (371,067) |
| Net finance expense from insurance contract | - | - | 13,200 | 880 | 14,080 |
| Total changes in statement of profit or loss | (307,902) | (15,063) | (30,817) | (3,205) | (356,987) |
| Cash flows | | | | | |
| Premium received | 294,300 | - | - | - | 294,300 |
| Claims and other expenses paid including investment component | - | - | (88,658) | - | (88,658) |
| Acquisition cash flows paid | (43,358) | - | - | - | (43,358) |
| Total cash flows | 250,942 | - | (88,658) | - | 162,284 |
| Net closing balance | 38,772 | - | 456,871 | 11,619 | 507,262 |
| Closing insurance contract assets | - | - | - | - | - |
| Closing insurance contract liabilities | 38,772 | - | 456,871 | 11,619 | 507,262 |
| Net Closing balance | 38,772 | - | 456,871 | 11,619 | 507,262 |

**5 INSURANCE AND REINSURANCE CONTRACTS (Continued)**

**5.2 Analysis by remaining coverage and incurred claims for reinsurance contracts**

| | September 30, 2025 (Unaudited) SAR'000 | | | | |
|---|---|---|---|---|---|
| **All portfolios / segments under PAA** | **Asset for remaining coverage (ARC)** | | **Asset for incurred claim (AIC)** | | |
| | **Excluding loss component** | **Loss recovery component** | **Estimates of the present values of future cashflows** | **Risk Adjustment** | **Total** |
| Opening reinsurance contract assets | (150,512) | - | 557,512 | 9,030 | 416,030 |
| Opening reinsurance contract liabilities | (20,396) | - | 9,496 | 148 | (10,752) |
| **Net opening balance** | **(170,908)** | **-** | **567,008** | **9,178** | **405,278** |
| Reinsurance expense | (167,842) | - | - | - | (167,842) |
| Acquisition expenses | 599 | - | - | - | 599 |
| Incurred Claims recovered | - | - | 55,409 | 1,398 | 56,807 |
| Changes that relate to past service: Changes related to AIC | - | - | (68,049) | (1,572) | (69,621) |
| Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held | - | - | - | - | - |
| Effect of changes in the risk of reinsurers non-performance | - | - | 11 | - | 11 |
| **Net income / (expenses) from reinsurance contracts held** | **(167,243)** | **-** | **(12,629)** | **(174)** | **(180,046)** |
| Other - items attributable to the comprehensive income | - | - | - | - | - |
| Net Finance income from reinsurance contracts held | - | - | 4,709 | 324 | 5,033 |
| **Total changes in statement of profit or loss** | **(167,243)** | **-** | **(7,920)** | **150** | **(175,013)** |
| **Cash flows** | | | | | |
| Premium paid | 179,243 | - | - | - | 179,243 |
| Recoveries from reinsurance | - | - | (89,709) | - | (89,709) |
| **Total cash flows** | **179,243** | **-** | **(89,709)** | **-** | **89,534** |
| **Net closing balance** | **(158,908)** | **-** | **469,379** | **9,328** | **319,799** |
| **Closing reinsurance contract assets** | **(124,403)** | **-** | **462,977** | **9,300** | **347,874** |
| **Closing reinsurance contract liabilities** | **(34,505)** | **-** | **6,402** | **28** | **(28,075)** |
| **Net Closing balance** | **(158,908)** | **-** | **469,379** | **9,328** | **319,799** |

| | December 31, 2024 (Audited) SAR'000 | | | | |
|---|---|---|---|---|---|
| All portfolios / segments under PAA | Asset for remaining coverage (ARC) | | Asset for incurred claim (AIC) | | |
| | Excluding loss component | Loss recovery component | Estimates of the present values of future cashflows | Risk Adjustment | Total |
| Opening reinsurance contract assets | (89,554) | 316 | 767,636 | 14,089 | 692,487 |
| Opening reinsurance contract liabilities | (195,314) | 23 | 117,941 | 1,207 | (76,143) |
| **Net opening balance** | (284,868) | 339 | 885,577 | 15,296 | 616,344 |
| Reinsurance expense | (257,260) | - | - | - | (257,260) |
| Acquisition expenses | 1,025 | - | - | - | 1,025 |
| Incurred Claims recovered | - | - | 272,943 | 3,132 | 276,075 |
| Changes that relate to past service: Changes related to AIC | - | - | (370,419) | (10,170) | (380,589) |
| Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held | - | (339) | - | - | (339) |
| Effect of changes in the risk of reinsurers non-performance | - | - | 11 | - | 11 |
| **Net income (expenses) from reinsurance contracts held** | (256,235) | (339) | (97,465) | (7,038) | (361,077) |
| Other - items attributable to the comprehensive income | - | - | - | - | - |
| Net finance expense/income from insurance contract | - | - | 22,176 | 920 | 23,096 |
| **Total changes in statement of profit or loss** | (256,235) | (339) | (75,289) | (6,118) | (337,981) |
| Cash flows | | | | | |
| Premium paid | 370,195 | - | - | - | 370,195 |
| Recoveries from reinsurance | - | - | (243,280) | - | (243,280) |
| **Total cash flows** | 370,195 | - | (243,280) | - | 126,915 |
| **Net closing balance** | (170,908) | - | 567,008 | 9,178 | 405,278 |
| **Closing reinsurance contract assets** | (150,512) | - | 557,512 | 9,030 | 416,030 |
| **Closing reinsurance contract liabilities** | (20,396) | - | 9,496 | 148 | (10,752) |
| **Net Closing balance** | (170,908) | - | 567,008 | 9,178 | 405,278 |

**5 INSURANCE AND REINSURANCE CONTRACTS (Continued)**

**5.2.1 Analysis by remaining coverage and incurred claims for reinsurance contracts - Health**

| | September 30, 2025 (Unaudited) SAR'000 | | | | |
|---|---|---|---|---|---|
| **Health - PAA** | **Asset for remaining coverage (ARC)** | | **Asset for incurred claim (AIC)** | | **Total** |
| | **Excluding loss component** | **Loss recovery component** | **Estimates of the present values of future cashflows** | **Risk Adjustment** | |
| Opening reinsurance contract assets | - | - | 15,629 | 34 | 15,663 |
| Opening reinsurance contract liabilities | - | - | - | - | - |
| **Net opening balance** | **-** | **-** | **15,629** | **34** | **15,663** |
| Reinsurance expense | - | - | - | - | - |
| Acquisition expenses | - | - | - | - | - |
| Incurred Claims recovered | - | - | - | - | - |
| Changes that relate to past service: Changes related to AIC | - | - | (659) | (24) | (683) |
| Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held | - | - | - | - | - |
| Effect of changes in the risk of reinsurers non-performance | - | - | 1 | - | 1 |
| **Net income / (expenses) from reinsurance contracts held** | **-** | **-** | **(658)** | **(24)** | **(682)** |
| Other - items attributable to the comprehensive income | - | - | - | - | - |
| Net Finance income from reinsurance contracts held | - | - | 1 | 1 | 2 |
| **Total changes in statement of profit or loss** | **-** | **-** | **(657)** | **(23)** | **(680)** |
| **Cash flows** | | | | | |
| Premium paid | - | - | - | - | - |
| Recoveries from reinsurance | - | - | (4,019) | - | (4,019) |
| **Total cash flows** | **-** | **-** | **(4,019)** | **-** | **(4,019)** |
| **Net closing balance** | **-** | **-** | **10,953** | **11** | **10,964** |
| **Closing reinsurance contract assets** | **-** | **-** | **10,953** | **11** | **10,964** |
| **Closing reinsurance contract liabilities** | **-** | **-** | **-** | **-** | **-** |
| **Net Closing balance** | **-** | **-** | **10,953** | **11** | **10,964** |

| | December 31, 2024 (Audited) SAR'000 | | | | |
|---|---|---|---|---|---|
| Health - PAA | Asset for remaining coverage (ARC) | | Asset for incurred claim (AIC) | | Total |
| | Excluding loss component | Loss recovery component | Estimates of the present values of future cashflows | Risk Adjustment | |
| Opening reinsurance contract assets | (97,837) | - | 218,654 | 1,875 | 122,692 |
| Opening reinsurance contract liabilities | - | - | - | - | - |
| **Net opening balance** | (97,837) | - | 218,654 | 1,875 | 122,692 |
| Reinsurance expense | (7,040) | - | - | - | (7,040) |
| Acquisition expenses | (1,555) | - | - | - | (1,555) |
| Incurred Claims recovered | - | - | - | 32 | 32 |
| Changes that relate to past service: Changes related to AIC | - | - | (26,955) | (1,986) | (28,941) |
| Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held | - | - | - | - | - |
| Effect of changes in the risk of reinsurers non-performance | - | - | (2) | - | (2) |
| **Net income (expenses) from reinsurance contracts held** | (8,595) | - | (26,957) | (1,954) | (37,506) |
| Other - items attributable to the comprehensive income | - | - | - | - | - |
| Finance income from reinsurance contracts held | - | - | 4,405 | 113 | 4,518 |
| **Total changes in statement of profit or loss** | (8,595) | - | (22,552) | (1,841) | (32,988) |
| Cash flows | | | | | |
| Premium paid | 106,432 | - | - | - | 106,432 |
| Recoveries from reinsurance | - | - | (180,473) | - | (180,473) |
| **Total cash flows** | 106,432 | - | (180,473) | - | (74,041) |
| **Net closing balance** | - | - | 15,629 | 34 | 15,663 |
| **Closing reinsurance contract assets** | - | - | 15,629 | 34 | 15,663 |
| **Closing reinsurance contract liabilities** | - | - | - | - | - |
| **Net Closing balance** | - | - | 15,629 | 34 | 15,663 |

**5 INSURANCE AND REINSURANCE CONTRACTS (Continued)**

**5.2.2 Analysis by remaining coverage and incurred claims for reinsurance contracts - Motor**

| | September 30, 2025 (Unaudited) SAR'000 | | | | |
|---|---|---|---|---|---|
| **Motor - PAA** | **Asset for remaining coverage (ARC)** | | **Asset for incurred claim (AIC)** | | |
| | **Excluding loss component** | **Loss recovery component** | **Estimates of the present values of future cashflows** | **Risk Adjustment** | **Total** |
| Opening reinsurance contract assets | (679) | - | 82,489 | 93 | 81,903 |
| Opening reinsurance contract liabilities | - | - | - | - | - |
| **Net opening balance** | **(679)** | **-** | **82,489** | **93** | **81,903** |
| Reinsurance expense | (5,416) | - | - | - | (5,416) |
| Acquisition expenses | (1) | - | - | - | (1) |
| Incurred Claims recovered | - | - | - | - | - |
| Changes that relate to past service: Changes related to AIC | - | - | 440 | 171 | 611 |
| Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held | - | - | - | - | - |
| Effect of changes in the risk of reinsurers non-performance | - | - | 10 | - | 10 |
| **Net income / (expenses) from reinsurance contracts held** | **(5,417)** | **-** | **450** | **171** | **(4,796)** |
| Other - items attributable to the comprehensive income | - | - | - | - | - |
| Net Finance income from reinsurance contracts held | - | - | 467 | 3 | 470 |
| **Total changes in statement of profit or loss** | **(5,417)** | **-** | **917** | **174** | **(4,326)** |
| **Cash flows** | | | | | |
| Premium paid | (1,409) | - | - | - | (1,409) |
| Recoveries from reinsurance | - | - | (38,617) | - | (38,617) |
| **Total cash flows** | **(1,409)** | **-** | **(38,617)** | **-** | **(40,026)** |
| **Net closing balance** | **(7,505)** | **-** | **44,789** | **267** | **37,551** |
| **Closing reinsurance contract assets** | **56** | **-** | **42,899** | **267** | **43,222** |
| **Closing reinsurance contract liabilities** | **(7,561)** | **-** | **1,890** | **-** | **(5,671)** |
| **Net Closing balance** | **(7,505)** | **-** | **44,789** | **267** | **37,551** |

| | December 31, 2024 (Audited) SAR'000 | | | | |
|---|---|---|---|---|---|
| Motor - PAA | Asset for remaining coverage (ARC) | | Asset for incurred claim (AIC) | | |
| | Excluding loss component | Loss recovery component | Estimates of the present values of future cashflows | Risk Adjustment | Total |
| Opening reinsurance contract assets | - | - | - | - | - |
| Opening reinsurance contract liabilities | (167,887) | 23 | 112,172 | 1,148 | (54,544) |
| **Net opening balance** | (167,887) | 23 | 112,172 | 1,148 | (54,544) |
| Reinsurance expense | (8,797) | - | - | - | (8,797) |
| Acquisition expenses | 115 | - | - | - | 115 |
| Incurred Claims recovered | - | - | - | 61 | 61 |
| Changes that relate to past service: Changes related to AIC | - | - | 4,224 | (1,186) | 3,038 |
| Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held | - | (23) | - | - | (23) |
| Effect of changes in the risk of reinsurers non-performance | - | - | 4 | - | 4 |
| **Net income (expenses) from reinsurance contracts held** | (8,682) | (23) | 4,228 | (1,125) | (5,602) |
| Other - items attributable to the comprehensive income | - | - | - | - | - |
| Finance income from reinsurance contracts held | - | - | 146 | 70 | 216 |
| **Total changes in statement of profit or loss** | (8,682) | (23) | 4,374 | (1,055) | (5,386) |
| Cash flows | | | | | |
| Premium paid | 175,890 | - | - | - | 175,890 |
| Recoveries from reinsurance | - | - | (34,057) | - | (34,057) |
| **Total cash flows** | 175,890 | - | (34,057) | - | 141,833 |
| **Net closing balance** | (679) | - | 82,489 | 93 | 81,903 |
| **Closing reinsurance contract assets** | (679) | - | 82,489 | 93 | 81,903 |
| **Closing reinsurance contract liabilities** | - | - | - | - | - |
| **Net Closing balance** | (679) | - | 82,489 | 93 | 81,903 |

**5 INSURANCE AND REINSURANCE CONTRACTS (Continued)**

**5.2.3 Analysis by remaining coverage and incurred claims for reinsurance contracts - Property and casualty**

| | September 30, 2025 (Unaudited) SAR'000 | | | | |
|---|---|---|---|---|---|
| **Property and casualty - PAA** | **Asset for remaining coverage (ARC)** | | **Asset for incurred claim (AIC)** | | **Total** |
| | **Excluding loss component** | **Loss recovery component** | **Estimates of the present values of future cashflows** | **Risk Adjustment** | |
| Opening reinsurance contract assets | (149,833) | - | 459,394 | 8,903 | 318,464 |
| Opening reinsurance contract liabilities | (20,396) | - | 9,496 | 148 | (10,752) |
| **Net opening balance** | **(170,229)** | **-** | **468,890** | **9,051** | **307,712** |
| Reinsurance expense | (162,426) | - | - | - | (162,426) |
| Acquisition Expenses | 600 | - | - | - | 600 |
| Incurred Claims recovered | - | - | 55,409 | 1,398 | 56,807 |
| Changes that relate to past service: Changes related to AIC | - | - | (67,830) | (1,719) | (69,549) |
| Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held | - | - | - | - | - |
| Effect of changes in the risk of reinsurers non-performance | - | - | - | - | - |
| **Net income / (expenses) from reinsurance contracts held** | **(161,826)** | **-** | **(12,421)** | **(321)** | **(174,568)** |
| Other - items attributable to the comprehensive income | - | - | - | - | - |
| Net Finance income from reinsurance contracts held | - | - | 4,241 | 320 | 4,561 |
| Effect of movement in exchange rate | - | - | - | - | - |
| **Total changes in statement of profit or loss** | **(161,826)** | **-** | **(8,180)** | **(1)** | **(170,007)** |
| **Cash flows** | | | | | |
| Premium paid | 180,652 | - | - | - | 180,652 |
| Recoveries from reinsurance | - | - | (47,073) | - | (47,073) |
| **Total cash flows** | **180,652** | **-** | **(47,073)** | **-** | **133,579** |
| **Net closing balance** | **(151,403)** | **-** | **413,637** | **9,050** | **271,284** |
| **Closing reinsurance contract assets** | **(124,459)** | **-** | **409,125** | **9,022** | **293,688** |
| **Closing reinsurance contract liabilities** | **(26,944)** | **-** | **4,512** | **28** | **(22,404)** |
| **Net Closing balance** | **(151,403)** | **-** | **413,637** | **9,050** | **271,284** |

| | December 31, 2024 (Audited) SAR'000 | | | | |
|---|---|---|---|---|---|
| Property and casualty - PAA | Asset for remaining coverage (ARC) | | Asset for incurred claim (AIC) | | Total |
| | Excluding loss component | Loss recovery component | Estimates of the present values of future cashflows | Risk Adjustment | |
| Opening reinsurance contract assets | 8,283 | 316 | 548,982 | 12,214 | 569,795 |
| Opening reinsurance contract liabilities | (27,427) | - | 5,769 | 59 | (21,599) |
| **Net opening balance** | (19,144) | 316 | 554,751 | 12,273 | 548,196 |
| Reinsurance expense | (241,423) | - | - | - | (241,423) |
| Acquisition Expenses | 2,465 | - | - | - | 2,465 |
| Incurred Claims recovered | - | - | 272,943 | 3,039 | 275,982 |
| Changes that relate to past service: Changes related to AIC | - | - | (347,688) | (6,998) | (354,686) |
| Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held | - | (316) | - | - | (316) |
| Effect of changes in the risk of reinsurers non-performance | - | - | 9 | - | 9 |
| **Net income (expenses) from reinsurance contracts held** | (238,958) | (316) | (74,736) | (3,959) | (317,969) |
| Other - items attributable to the comprehensive income | - | - | - | - | - |
| Finance income from reinsurance contracts held | - | - | 17,625 | 737 | 18,362 |
| **Total changes in statement of profit or loss** | (238,958) | (316) | (57,111) | (3,222) | (299,607) |
| Cash flows | | | | | |
| Premium paid | 87,873 | - | - | - | 87,873 |
| Recoveries from reinsurance | - | - | (28,750) | - | (28,750) |
| **Total cash flows** | 87,873 | - | (28,750) | - | 59,123 |
| **Net closing balance** | (170,229) | - | 468,890 | 9,051 | 307,712 |
| **Closing reinsurance contract assets** | (149,833) | - | 459,394 | 8,903 | 318,464 |
| **Closing reinsurance contract liabilities** | (20,396) | - | 9,496 | 148 | (10,752) |
| **Net Closing balance** | (170,229) | - | 468,890 | 9,051 | 307,712 |

## 6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the condensed interim statement of cash flows comprise the following:

| | **Insurance operations** | |
|---|---|---|
| | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
| | **SAR'000** | |
| Cash and bank balances | **631,257** | 150,117 |
| Deposits maturing within 3 months from the acquisition date | **-** | - |
| Deposit against letter of guarantee | **95,285** | 95,481 |
| | **726,542** | 245,598 |

| | **Shareholders' operations** | |
|---|---|---|
| | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
| | **SAR'000** | |
| Cash and bank balances | **31,364** | 131,975 |
| Deposits maturing within 3 months from the acquisition date | **159,058** | 108,494 |
| | **190,422** | 240,469 |
| **Cash and cash equivalent** | **916,964** | 486,067 |

Cash at banks are placed with counterparties who have credit ratings equivalent to A+ to BBB ratings under Standard and Poor's, Fitch and Moody's rating methodologies.

Deposits maturing within 3 months are placed with the local and licensed foreign banks' branches in Kingdom of Saudi Arabia and earned special commission income at an average rate of 5.45% per annum (December 31, 2024: 5.81% per annum).

The carrying amounts disclosed above reasonably approximate the fair value at the condensed interim statement of financial position date.

Deposits against letters of guarantee comprise amounts placed with a local bank against issuance of payment guarantees in favor of the Company's customers (also see note 22b). Such deposits against letters of guarantee cannot be withdrawn before the expiration of guarantee (these are restricted in nature).

## 7 SHORT TERM DEPOSITS

Short term deposits are placed with counterparties that have credit ratings equivalent to Aa3 ratings under Standard and Poor's, Fitch and Moody's rating methodologies.

Short term deposits are placed with local and licensed foreign banks' branches in Kingdom of Saudi Arabia with a maturity of more than three months from the date of original acquisition and earned special commission income at an average rate of 6% per annum (December 31, 2024: 5.81% per annum).

| | **Insurance operations** | |
|---|---|---|
| | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
| | **SAR'000** | |
| Placed during the period / year | **-** | - |
| Matured during the period / year | **-** | - |
| | **-** | - |

| | **Shareholders' operations** | |
|---|---|---|
| | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
| | **SAR'000** | |
| At the beginning of the period / year | **29,445** | 233,267 |
| Placed during the period / year | **31,669** | - |
| Matured during the period / year | **(29,445)** | (203,822) |
| | **31,669** | 29,445 |
| **At the end of the period / year** | **31,669** | 29,445 |

## 8 PREPAYMENTS AND OTHER ASSETS, NET

| | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
|---|---|---|
| | **SAR'000** | |
| Security deposits and advances | **21,006** | 21,006 |
| Advances to employees | **7,749** | 6,990 |
| Value added tax (VAT) | **44,958** | 114,052 |
| Accrued interest | **25,338** | 28,281 |
| Prepaid expenses | **564** | 2,120 |
| Other receivables | **23,116** | 23,749 |
| | **122,731** | 196,198 |

## 9 RIGHT OF USE ASSETS - NET

Following are the details of right-of-use assets recognised and the movements during the period / year:

| | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
|---|---|---|
| | **SAR'000** | |
| **Cost:** | | |
| At the beginning of the period / year | **55,919** | 55,919 |
| Additions during the period / year | **26,165** | - |
| At the end of the period / year | **82,084** | 55,919 |
| **Accumulated depreciation:** | | |
| At the beginning of the period / year | **54,342** | 45,332 |
| Charge for the period / year | **7,245** | 9,010 |
| At the end of the period / year | **61,587** | 54,342 |
| **Net book value:** | | |
| At the end of period / year | **20,497** | 1,577 |

## 10 INVESTMENT IN AN ASSOCIATE

Investment in an associate comprises of an equity investment in Al-Waseel for Electronic Transportation amounting to SAR 10,804 thousands (a 25% equity interest) (December 31, 2024: SAR 9,901 thousands), in an unquoted company (the "associate"), registered in the Kingdom of Saudi Arabia.

| | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|---|---|
| | SAR'000 | |
| At the beginning of the period / year | **9,901** | 12,160 |
| Dividend received from investment in an associate | **(375)** | (1,750) |
| Share ofincome / (loss) from associate | **1,278** | (286) |
| Share of other comprehensive loss from associate | **-** | (223) |
| At the end of the period / year | **10,804** | 9,901 |

## 11 FINANCIAL INVESTMENTS

Financial investments are classified as set out below:

| | Notes | Shareholders' operations | | Insurance operations | | Total | |
|---|---|---|---|---|---|---|---|
| | | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
| | | SAR'000 | | SAR'000 | | SAR'000 | |
| Financial assets at fair value through other comprehensive income | 11 (a) | 81,782 | 79,273 | - | - | 81,782 | 79,273 |
| Financial assets at fair value through profit & loss | 11 (b) | 979,488 | 972,571 | - | - | 979,488 | 972,571 |
| | | **1,061,270** | 1,051,844 | - | - | **1,061,270** | 1,051,844 |

### 11 a) Financial assets at fair value through other comprehensive income

| | Shareholders' operations | | Insurance operations | | Total | |
|---|---|---|---|---|---|---|
| | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
| | SAR'000 | | SAR'000 | | SAR'000 | |
| Type of investments | | | | | | |
| -Equity - unquoted | **81,782** | 79,273 | - | - | **81,782** | 79,273 |
| | **81,782** | 79,273 | - | - | **81,782** | 79,273 |

The movements during the period / year in financial assets at fair value through other comprehensive income is as follows:

| | Shareholders' operations | | Insurance operations | | Total | |
|---|---|---|---|---|---|---|
| | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
| | SAR'000 | | SAR'000 | | SAR'000 | |
| Fair value at beginning of the period / year | **79,273** | 46,489 | - | - | **79,273** | 46,489 |
| Purchase during the period / year | **-** | 15,114 | - | - | **-** | 15,114 |
| Net change in fair values | **2,509** | 17,670 | - | - | **2,509** | 17,670 |
| Fair value at end of the period / year | **81,782** | 79,273 | - | - | **81,782** | 79,273 |

The Company has classified equity investment in Najm IO health and TachyHealth as fair value through other comprehensive income being strategic investment which is long term in nature and the Company does not intend to sell / liquidate these investments.

The fair value of Najm is based on the independent valuation report dated March 2025. The independent valuer was appointed by the Najm.

**11 INVESTMENTS (Continued)**

**11 b) Financial assets at fair value through profit & loss - restated**

| | Shareholders' operations | | Insurance operations | | Total | |
|---|---|---|---|---|---|---|
| | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
| | SAR'000 | | SAR'000 | | SAR'000 | |
| Type of investments | | | | | | |
| -Equity | **183,723** | 180,287 | **-** | - | **183,723** | 180,287 |
| -Mutual fund | **143,997** | 171,024 | **-** | - | **143,997** | 171,024 |
| -Sukuks quoted- domestic | **614,475** | 571,249 | **-** | - | **614,475** | 571,249 |
| -Sukuks quoted- international | **37,293** | 50,011 | **-** | - | **37,293** | 50,011 |
| | **979,488** | 972,571 | **-** | - | **979,488** | 972,571 |

The movements during the period / year in financial assets at fair value through profit & loss were as follows:

| | Shareholders' operations | | Insurance operations | | Total | |
|---|---|---|---|---|---|---|
| | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
| | SAR'000 | | SAR'000 | | SAR'000 | |
| Fair value at beginning of the period / year | **972,571** | 845,515 | **-** | - | **972,571** | 845,515 |
| Purchase during the period / year | **164,154** | 142,098 | **-** | - | **164,154** | 142,098 |
| Sold during the period / year | **(154,122)** | (12,186) | **-** | - | **(154,122)** | (12,186) |
| Change in fair values | **(3,115)** | (2,856) | **-** | - | **(3,115)** | (2,856) |
| Fair value at end of the period / year | **979,488** | 972,571 | **-** | - | **979,488** | 972,571 |

In the financial statements for the year ended December 31, 2024, all Sukuk instruments were correctly measured at fair value through profit or loss (FVTPL). However, these instruments were inadvertently disclosed under amortized cost. This classification has been corrected in the current period, and the comparative disclosure has been restated and reclassified accordingly. There was no impact on the condensed interim statement of financial position, condensed interim statement of income, or condensed interim statement of cash flows.

**11 c) Determination of fair value and fair value hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability

The fair values of on-balance sheet financial instruments are not significantly different from their carrying amounts included in the condensed interim financial statements.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;
Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
Level 3: valuation techniques for which any significant input is not based on observable market data.

During the period ended 30 September 2025, there were transfers between Level 1 and Level 2 fair value measurements. However, there were no transfers into or out of level 3 fair value measurements. The following table shows the carrying amount and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value:

| **September 30, 2025** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| | **SAR'000** | | | |
| Equity - unquoted | **-** | **-** | **81,782** | **81,782** |
| Sukuks quoted- domestic | **614,475** | **-** | **-** | **614,475** |
| Sukuks quoted- international | **37,293** | **-** | **-** | **37,293** |
| Equity - quoted | **183,723** | **-** | **-** | **183,723** |
| Mutual fund - quoted | **26,013** | **117,984** | **-** | **143,997** |
| Total | **861,504** | **117,984** | **81,782** | **1,061,270** |

| December 31, 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | SAR'000 | | | |
| Equity - unquoted | - | - | 79,273 | 79,273 |
| Sukuks quoted- domestic | 571,249 | - | - | 571,249 |
| Sukuks quoted- international | 50,011 | - | - | 50,011 |
| Equity - quoted | 180,287 | - | - | 180,287 |
| Mutual fund - quoted | 26,918 | 144,106 | - | 171,024 |
| Total | 828,465 | 144,106 | 79,273 | 1,051,844 |

## 12 STATUTORY DEPOSIT

In accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia, the Company maintains a statutory deposit at 15% (December 31, 2024: 15%). This statutory deposit cannot be withdrawn without the consent of Insurance Authority. During the period ended September 30, 2025, the statutory deposit is currently maintained at 15% of the paid up capital, SR 1,050 million, amounting to SR 157.5 million. The statutory deposit is placed at the commission rate of 5% per annum (December 31, 2024: 5% per annum).

## 13 GOODWILL

The Company held an ordinary general assembly meeting on December 22, 2008 and approved the purchase of the insurance portfolio and the related net assets and liabilities of the Saudi Arabian Operations of the Mediterranean and Gulf Insurance and Reinsurance Company (MEDGULF) B.S.C (closed) ("Portfolio") effective January 1, 2009. The acquisition resulted in a goodwill of SR 480 million.

The recoverable amounts were assessed as at December 31, 2024 based on their value in use, determined by discounting the future cash flows expected to be generated from the continuing use of this operating division. The assessment for goodwill impairment was based on a detailed five-year business plan, utilizing cash flow projections covering a five-year period, with a terminal growth rate of 2% applied thereafter. The forecasted cash flows were discounted at a rate of 14.1%. Additionally, an assessment was conducted using the 'Share Price' and 'Market' approach based on the trading activity of the Company's stock.

The aforementioned assessment was carried out by a consultant appointed by the Company. According to management's assessment supported by the external valuation, there was no indication of impairment.

## 14 ACCRUED COMMISSION ON STATUTORY DEPOSIT

The accrued commission on statutory deposit which is maintained in accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia was paid to the Insurance Authority on 28 August 2025.

## 15 ZAKAT AND INCOME TAX

### a) Movement in the provision for zakat and income tax during the period / year

The movement in the provision for zakat and income tax for the period / year was as follows:

| | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
|---|---|---|
| | **SAR '000** | |
| At the beginning of the period / year | **9,810** | 8,961 |
| Charge - current period / year | **6,128** | 8,232 |
| Payments during the period / year | **(11,960)** | (7,383) |
| At the end of the period / year | **3,978** | 9,810 |

The provision for zakat and income tax for the period is SR 6,128 thousands (December 31, 2024: SR 8,232 thousands).

### b) Status of zakat and tax assessments

The Company has filed its zakat and income tax declarations for the periods up to December 31, 2024 with the Zakat, Tax and Customs Authority (ZATCA).

### c) Deferred tax asset

| | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
|---|---|---|
| | **SAR '000** | |
| Opening deferred tax asset | **10,474** | 7,286 |
| Origination of temporary differences | **-** | 3,188 |
| Closing deferred tax asset | **10,474** | 10,474 |

## 16 LEASE LIABILITY

| | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|---|---|
| | SAR '000 | |
| **Liability** | | |
| At the beginning of the period / year | **2,080** | 10,878 |
| Additions for the period / year | **26,165** | - |
| Finance cost | **862** | 148 |
| At end of the period / year | **29,107** | 11,026 |
| **Payments** | | |
| Paid during the period / year | **(10,154)** | (8,946) |
| **At the end of the period / year** | **18,953** | 2,080 |

Lease liability is detailed by as follows:

| | | |
|---|---|---|
| Less than one year | **5,764** | 937 |
| One to five years | **13,189** | 1,143 |
| Lease liabilities - net | **18,953** | 2,080 |

## 17 SHARE OF SURPLUS FROM INSURANCE POOLS

### a) Hajj and umrah

This principally represents the Company's share in the surplus for general accident product arising from the Umrah & Haj scheme. The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with Company for Cooperative Insurance (Tawuniya) effective from January 1, 2020. The compulsory Umrah product is offered by the ministry and approved by IA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents and health benefits of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from January 1, 2020 and it is renewable for another four years subject to the terms and conditions of the agreement. There is no renewal to the agreement as at September 30, 2025 as the aforementioned arrangement has been discontinued.

The Company's share of income in the Hajj and Umrah for the nine-month period ended September 30, 2025 is nil (September 30, 2024: SAR 1.27 million).

### b) Rights and entitlements of non-saudi employees in private sector entities insurance

This represents the Company's share of surplus 7.4813% (2024: Nil) in the Employers' Delinquency Insurance Pool product. The Company along with eighteen other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with Al-Etihad Cooperative Insurance Company, effective from 3 November 2024. This compulsory product covers default of entities in paying the rights and entitlements of non-Saudi employees in private sector entities offered by the "Ministry of Human Resources and Social Development" through IA.

The agreement is valid for an initial term of five years, starting from 3 November 2024, and renewable for another five years, subject to the terms and conditions of the agreement.

The Company's share of income in this pool for the nine-month period ended September 30, 2025 is SAR 3.9 million (September 30, 2024: Nil).

## 18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

**18.a** The following are the details of major related party transactions during the period and their balances at the end of the period:

| **Related parties** | **Nature of transaction** | **Transactions for the period ended** | | **Balance receivable / (payable) as at** | |
|---|---|---|---|---|---|
| | | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
| | | SAR'000 | | | |
| **<u>Due to / from a related party</u>** | | | | | |
| Medgulf BSC - Head office account (major shareholder) | -Balance due from at period / year end | **-** | - | **2,453** | 2,453 |
| | -Impairment loss | **-** | - | **(2,390)** | (2,390) |
| | -Net balance due from at period / year end | **-** | - | **63** | 63 |
| Al-Waseel for Electronic transportation (Associate) | -Claims management fee | **2,174** | 1,099 | **-** | - |
| | -Balance due to at period / year end | **-** | - | **-** | (23) |
| Medivisa KSA (affiliate) | -Balance due from at period / year end | **-** | - | **715** | 715 |
| Other related parties transactions and balances – due from / (due to) | | | | | |
| The Saudi Investment Bank, (Founding shareholder) | -Statutory deposit (refer note 18.a (i)) | **-** | - | **157,500** | 169,226 |
| | -Gross written premiums | **4,257** | 4,370 | **-** | - |
| | -Premiums refundable | **-** | - | **4,465** | (431) |
| | -Claims incurred / adjustment | **862** | (100) | **-** | - |
| | -Outstanding claims | **750** | 1,600 | **-** | - |
| Medivisa KSA (affiliate) | -Medical claim Lebanon | **-** | - | **(654)** | (654) |
| | -Medical claim Egypt | **-** | - | **(81)** | (81) |
| Al Istithmar Capital (subsidiary of SIB-founding shareholder) | -Current account | **-** | - | **-** | - |
| | -Gross written premiums | **7** | 7 | **-** | - |
| | -Premiums receivable | **-** | - | **8** | 8 |
| | -Impairment loss | **-** | - | **(1)** | (3) |
| Abunayyan Trading Co (under common directorship) | -Gross written premiums | **6** | 1 | **-** | - |
| | -Claims incurred | **-** | - | **-** | - |
| Toray Membrane Middle East (under common directorship) | -Claims incurred | **-** | - | **-** | - |
| Medgulf BSC (major shareholder) | -Reinsurance recovery (refer 18.a(ii)) | **-** | **-** | **5,203** | 5,203 |
| | -Impairment loss | **-** | **-** | **(5,203)** | (5,203) |
| | -Net balance receivable at period / year end | **-** | **-** | **-** | - |
| Addison Bradley Overseas / Addison Bradley & Co. (affiliate) | -Balance receivable at period / year end | **-** | **-** | **3,856** | 3,856 |
| | -Impairment loss | **-** | **-** | **(3,856)** | (3,856) |
| Addison Bradley International / Medgulf Lebanon (affiliate) | -Balance receivable at period / year end | **-** | **-** | **59,498** | 59,498 |
| | -Impairment loss | **-** | **-** | **(59,498)** | (59,498) |
| Arabian Qudra (under common directorship) | -Claims incurred | **-** | - | **-** | - |

**18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

| Related parties | Nature of transaction | Transactions for the period ended | | Balance receivable / (payable) as at | |
|---|---|---|---|---|---|
| | | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) | **September 30, 2025 (Unaudited)** | December 31, 2024 (Audited) |
| | | SAR'000 | | | |
| Other related parties transactions and balances – due from / (due to) | | | | | |
| Saudi Tumpane Co.(under common directorship) | -Gross written premiums | **-** | - | **-** | - |
| | -Claims incurred | **-** | - | **-** | - |
| KSB Pumps Arabia (Under common directorship) | -Claims incurred | **-** | - | **-** | - |
| Tumpane Jubar (Under common directorship) | -Claims incurred | **-** | - | **-** | - |
| Addison Bradley Arabia-KSA (affiliate) | -Balance due from at year end | **-** | - | **15,623** | 15,623 |
| | -Impairment loss | **-** | - | **(15,623)** | (15,623) |
| | -Net balance due from at period / year end | **-** | - | **-** | - |
| Addison Bradley Arabia Holding LLC (UAE) (affiliate) | -Balance due from at period / year end | **-** | - | **1,472** | 1,472 |
| | -Impairment loss | **-** | - | **(1,472)** | (1,472) |
| Citiscape (Under common directorship) | -Claims incurred | **-** | - | **-** | - |

**18.a(i)** Statutory deposit is placed with the Saudi Investment Bank, at the commission rate of 5% (December 31, 2024: 5%) per annum.

**18.a (ii)** This represents overpayment of premium ceded to Medgulf Bahrain for reinsurance placement.

**18.b Compensation of key management personnel**
The following table shows the annual salaries, remuneration and allowances pertaining to the Board members and top executives for the period ended September 30, 2025 and 2024:

| | **September 30, 2025** | | September 30, 2024 | |
|---|---|---|---|---|
| | **BOD members (Non-Executive)** | **Top Executives including the CEO and CFO** | BOD members (Non-Executive) | Top Executives including the CEO and CFO |
| | **SAR'000** | | SAR'000 | |
| Salaries and compensation | **-** | **3,758** | - | 6,373 |
| Allowances | **422** | **1,196** | 680 | 1,294 |
| Annual remuneration | **1,966** | **2,613** | 2,026 | 1,796 |
| End of service indemnities | **-** | **3,675** | - | 3,291 |
| | **2,388** | **11,242** | 2,706 | 12,754 |

**18.c** All reinsurance treaties up to the underwriting year 2014 were managed by the Medgulf Group Corporate Reinsurance Center ("CRC"), a related party, who dealt with the Company's transactions, along with those of other related parties, on a consolidated basis with the reinsurers and brokers. All transactions with reinsurers and brokers were routed through CRC and the settlement of balances with these reinsurers and brokers were also made by CRC. The Company, together with CRC, carried out an exercise to separate the Company's transactions and balances with the respective reinsurers and brokers from those of other related parties. This exercise is completed and Saudi Riyals 59.4 million have been identified as receivable from related party. However, the Company has booked full provision for this balance.

## 19 INSURANCE REVENUE AND EXPENSES

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for the period ended September 30, 2025 and September 30, 2024 is included in the following tables. Additional information on the amounts recognized in condensed interim statement of income is included in the insurance contract balances.

| Insurance revenue | For the three-month period ended | | For the nine-month period ended | |
|---|---|---|---|---|
| | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) |
| | **SAR '000** | | **SAR '000** | |
| Contracts not measured under the PAA | | | | |
| Amounts relating to the changes in the LRC: | | | | |
| Expected incurred claims and other expenses after loss component allocation | **-** | - | **-** | - |
| Experience adjustments (premium and acquisition costs not through CSM) | **-** | - | **-** | - |
| Changes in the risk adjustment for non-financial risk for the risk expired after loss component allocation | **-** | - | **-** | - |
| CSM recognised in profit or loss for the services provided | **-** | - | **-** | - |
| Insurance acquisition cash flows recovery | **-** | - | **-** | - |
| Insurance revenue from contracts not measured under the PAA | **-** | - | **-** | - |
| Insurance revenue from contracts measured under the PAA | **1,026,880** | 900,418 | **3,053,664** | 2,609,951 |
| **Total insurance revenue** | **1,026,880** | 900,418 | **3,053,664** | 2,609,951 |

| Insurance service expense | For the three-month period ended | | For the nine-month period ended | |
|---|---|---|---|---|
| | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) |
| | **SAR '000** | | **SAR '000** | |
| Incurred claims and other directly attributable expenses | **(896,156)** | (743,879) | **(2,715,472)** | (2,233,352) |
| Changes that relate to past service: changes related to LIC | **26,622** | 187 | **144,421** | 155,340 |
| Changes that relate to future service: loss & reversal of onerous loss contracts | **(7,489)** | (13,461) | **(15,842)** | (21,901) |
| Amortization of Insurance acquisition cash flows | **(82,665)** | (66,855) | **(249,350)** | (195,512) |
| **Total insurance service expenses** | **(959,688)** | (824,008) | **(2,836,243)** | (2,295,425) |

| Net expense from reinsurance contracts held | For the three-month period ended | | For the nine-month period ended | |
|---|---|---|---|---|
| | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) |
| | **SAR '000** | | **SAR '000** | |
| Reinsurance income / (expenses) - contracts not measured under the PAA | **-** | - | **-** | - |
| Amounts relating to changes in the remaining coverage: | **-** | - | **-** | - |
| Expected claims and other expenses recovery | **-** | - | **-** | - |
| Changes in the risk adjustment recognised for the risk expired | **-** | - | **-** | - |
| CSM recognised for the services received | **-** | - | **-** | - |
| **Reinsurance expenses - contracts not measured under the PAA** | **-** | - | **-** | - |
| Reinsurance expenses - contracts measured under the PAA | **(54,884)** | 5,102 | **(167,842)** | (154,648) |
| Other incurred directly attributable expenses | **818** | (17,619) | **599** | 858 |
| Income on initial recognition of onerous underlying contracts | **-** | 4 | **-** | 11 |
| Incurred claims recovered | **50,461** | (43,138) | **56,807** | 142,684 |
| Movement in loss recovery component adjustment to reinsurance ARC | **-** | - | **-** | (339) |
| Effects of changes in the risk of reinsurers' non-performance | **(20)** | (326) | **11** | 4 |
| Changes that relate to past service: Changes related to AIC | **(56,533)** | (1,533) | **(69,621)** | (270,653) |
| **Total net expenses from reinsurance contracts held under PAA** | **(60,158)** | (57,510) | **(180,046)** | (282,083) |
| **Total insurance service result** | **7,034** | 18,900 | **37,375** | 32,443 |

## 20 NET INSURANCE FINANCE INCOME / (EXPENSES)

An analysis of the net insurance finance expenses is presented below:

| | **For the three-month period ended September 30, 2025 (Unaudited)** | | | | For the three-month period ended September 30, 2024 (Unaudited) | | | |
|---|---|---|---|---|---|---|---|---|
| | **Medical** | **Motor** | **Property & casualty** | **Total** | Medical | Motor | Property & casualty | Total |
| | **SAR '000** | | | | SAR '000 | | | |
| **Finance expenses from insurance contracts issued** | | | | | | | | |
| Interest accreted | **(4,654)** | **(457)** | **(2,111)** | **(7,222)** | (3,969) | (31) | (6,528) | (10,528) |
| Effect of changes in interest rates and other financial assumptions | **2,689** | **83** | **616** | **3,388** | 897 | 193 | (881) | 209 |
| **Finance expenses from insurance contracts issued** | **(1,965)** | **(374)** | **(1,495)** | **(3,834)** | (3,072) | 162 | (7,409) | (10,319) |
| **Finance income from reinsurance contracts held** | | | | | | | | |
| Interest accreted | **1** | **156** | **1,428** | **1,585** | 503 | 6 | 4,719 | 5,228 |
| Effect of changes in interest rates and other financial assumptions | **-** | **(17)** | **(386)** | **(403)** | 349 | (51) | 893 | 1,191 |
| **Finance income from reinsurance contracts held** | **1** | **139** | **1,042** | **1,182** | 852 | (45) | 5,612 | 6,419 |
| **Net insurance finance income / (expenses)** | **(1,964)** | **(235)** | **(453)** | **(2,652)** | (2,220) | 117 | (1,797) | (3,900) |
| **- recognized in interim condensed statement of income** | **(1,964)** | **(235)** | **(453)** | **(2,652)** | (2,220) | 117 | (1,797) | (3,900) |
| **- recognized in interim condensed other comprehensive income** | **-** | **-** | **-** | **-** | - | - | - | - |

| | **For the nine-month period ended September 30, 2025 (Unaudited)** | | | | For the nine-month period ended September 30, 2024 (Unaudited) | | | |
|---|---|---|---|---|---|---|---|---|
| | **Medical** | **Motor** | **Property & casualty** | **Total** | Medical | Motor | Property & casualty | Total |
| | **SAR '000** | | | | SAR '000 | | | |
| Finance expenses from insurance contracts issued | | | | | | | | |
| Interest accreted | **(15,325)** | **(1,001)** | **(5,080)** | **(21,406)** | (5,091) | (1,202) | (10,535) | (16,828) |
| Effect of changes in interest rates and other financial assumptions | **(7,058)** | **(464)** | **(1,596)** | **(9,118)** | (1,306) | (113) | (2,416) | (3,835) |
| Finance expenses from insurance contracts issued | **(22,383)** | **(1,465)** | **(6,676)** | **(30,524)** | (6,397) | (1,315) | (12,951) | (20,663) |
| Finance income from reinsurance contracts held | | | | | | | | |
| Interest accreted | **2** | **304** | **3,483** | **3,789** | 2,763 | 212 | 9,857 | 12,832 |
| Effect of changes in interest rates and other financial assumptions | **-** | **166** | **1,078** | **1,244** | 858 | (35) | 2,610 | 3,433 |
| Finance income from reinsurance contracts held | **2** | **470** | **4,561** | **5,033** | 3,621 | 177 | 12,467 | 16,265 |
| Net insurance finance income / (expenses) | **(22,381)** | **(995)** | **(2,115)** | **(25,491)** | (2,776) | (1,138) | (484) | (4,398) |
| - recognized in interim condensed statement of income | **(22,381)** | **(995)** | **(2,115)** | **(25,491)** | (2,776) | (1,138) | (484) | (4,398) |
| - recognized in interim condensed other comprehensive income | **-** | **-** | **-** | **-** | - | - | - | - |

## 21 SHARE CAPITAL AND EARNING PER SHARE

**a) Share capital**

The authorized and paid up share capital of the Company is SAR 1,050 million (December 31, 2024: SAR 1,050 million) divided into 105 million shares of SAR 10 each.

**b) Earnings per share**

Earnings per share has been calculated by dividing the net earnings / (loss) for the period by the weighted average number of shares outstanding as of the reporting date.

| | For the three-month period ended | | For the nine-month period ended | |
|---|---|---|---|---|
| | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) | **September 30, 2025 (Unaudited)** | September 30, 2024 (Unaudited) |
| Net income for the period (SAR '000) | **17,903** | 39,121 | **36,071** | 98,990 |
| Weighted average number of ordinary shares ('000) | **105,000** | 105,000 | **105,000** | 105,000 |
| Earnings per share (SAR / Share) | **0.17** | 0.37 | **0.34** | 0.94 |

## 22 COMMITMENTS AND CONTINGENCIES

**a) Legal proceedings**

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 or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

**b) Contingencies and capital commitments**

As at September 30, 2025, the Company's banker has issued letters of guarantee of SAR 95,285 thousands (December 31, 2024: SAR 95,481 thousands) to various customers as per the terms of the agreements with them. The Company had no capital commitments as at period ended September 30, 2025 (December 31, 2024: nil).

**c) Contingent liability**

The Company is subject to certain operationally related litigations. Based on the internal legal counsel, the Company does not believe that the outcome of these court cases will have a material impact on the Company`s income or financial position.

## 23 OPERATING SEGMENTS

Consistent with the Company's internal reporting process, operating segments have been approved by management in respect of the Company's activities, assets and liabilities as set out below.

Segment results do not include allocation of other income, dividend income, other operating expenses, impairment loss, to operating segments as these are reported and monitored on an overall basis.

Segment assets do not include allocation of cash and cash equivalents, time deposits, investments, prepayments and other assets, intangible assets, statutory deposit and property and equipment as these are reported and monitored on a total basis.

Segment liabilities do not include allocation of accrued expenses and other liabilities, account and commission payable, zakat and tax and commissions payable to Insurance Authority (IA).

| | **For the three-month period ended September 30, 2025 (Unaudited)** | | | |
|---|---|---|---|---|
| | **Medical** | **Motor** | **Property & casualty** | **Total** |
| | **SAR'000** | | | |
| Gross premiums written | | | | |
| - Large enterprise | **321,012** | **10,235** | **32,680** | **363,927** |
| - Medium enterprise | **109,807** | **1,886** | **16,484** | **128,177** |
| - Small enterprise | **67,760** | **4,114** | **11,113** | **82,987** |
| - Micro enterprise | **89,922** | **3,105** | **6,071** | **99,098** |
| - Individual | **5,065** | **129,360** | **1,161** | **135,586** |
| | **593,566** | **148,700** | **67,509** | **809,775** |

| | For the three month-period ended September 30, 2024 (Unaudited) | | | |
|---|---|---|---|---|
| | Medical | Motor | Property & casualty | Total |
| | SAR'000 | | | |
| Gross premiums written | | | | |
| - Large enterprise | 324,490 | 6,493 | 119,703 | 450,686 |
| - Medium enterprise | 74,340 | 1,568 | 15,088 | 90,996 |
| - Small enterprise | 58,914 | 3,511 | 5,139 | 67,564 |
| - Micro enterprise | 13,788 | 4,031 | 1,025 | 18,844 |
| - Individual | 1,528 | 163,469 | 1,900 | 166,897 |
| | 473,060 | 179,072 | 142,855 | 794,987 |

**23 OPERATING SEGMENTS (continued)**

| | **For the nine-month period ended September 30, 2025 (Unaudited)** | | | |
|---|---|---|---|---|
| | **Medical** | **Motor** | **Property & casualty** | **Total** |
| | **SAR'000** | | | |
| Gross premiums written | | | | |
| - Large enterprise | **2,094,083** | **99,318** | **180,462** | **2,373,863** |
| - Medium enterprise | **427,342** | **11,757** | **34,266** | **473,365** |
| - Small enterprise | **172,914** | **12,367** | **26,539** | **211,820** |
| - Micro enterprise | **161,564** | **11,089** | **8,160** | **180,813** |
| - Individual | **15,498** | **325,058** | **3,545** | **344,101** |
| | **2,871,401** | **459,589** | **252,972** | **3,583,962** |

| | For the nine-month period ended September 30, 2024 (Unaudited) | | | |
|---|---|---|---|---|
| | Medical | Motor | Property & casualty | Total |
| | SAR'000 | | | |
| Gross premiums written | | | | |
| - Large enterprise | 1,919,119 | 36,747 | 224,833 | 2,180,699 |
| - Medium enterprise | 411,080 | 10,094 | 48,187 | 469,361 |
| - Small enterprise | 159,292 | 10,476 | 17,970 | 187,738 |
| - Micro enterprise | 47,706 | 13,357 | 2,518 | 63,581 |
| - Individual | 7,353 | 270,397 | 2,880 | 280,630 |
| | 2,544,550 | 341,071 | 296,388 | 3,182,009 |

| | **As at September 30, 2025 (Unaudited)** | | | | | |
|---|---|---|---|---|---|---|
| **Operating segments** | **Medical** | **Motor** | **Property & casualty** | **Total - Insurance Operations** | **Shareholders' Operations** | **Total** |
| | **SAR'000** | | | | | |
| **Assets** | | | | | | |
| Insurance contract assets | **-** | **503** | **-** | **503** | **-** | **503** |
| Reinsurance contract assets | **10,964** | **43,222** | **293,688** | **347,874** | **-** | **347,874** |
| Unallocated assets | **-** | **-** | **-** | **1,766,977** | **1,092,566** | **2,859,543** |
| **Total assets** | **10,964** | **43,725** | **293,688** | **2,115,354** | **1,092,566** | **3,207,920** |
| **Liabilities** | | | | | | |
| Insurance contract liabilities | **1,234,031** | **206,433** | **472,698** | **1,913,162** | **-** | **1,913,162** |
| Reinsurance contract liabilities | **-** | **5,671** | **22,404** | **28,075** | **-** | **28,075** |
| Unallocated liabilities | **-** | **-** | **-** | **195,481** | **3,978** | **199,459** |
| **Total liabilities** | **1,234,031** | **212,104** | **495,102** | **2,136,718** | **3,978** | **2,140,696** |

| | As at December 31, 2024 (Audited) | | | | | |
|---|---|---|---|---|---|---|
| Operating segments | Medical | Motor | Property & casualty | Total - Insurance Operations | Shareholders' Operations | Total |
| | SAR'000 | | | | | |
| Assets | | | | | | |
| Insurance contract assets | - | 2,866 | - | 2,866 | - | 2,866 |
| Reinsurance contract assets | 15,663 | 81,903 | 318,464 | 416,030 | - | 416,030 |
| Unallocated assets | - | - | - | 1,387,472 | 1,076,668 | 2,464,140 |
| Total assets | 15,663 | 84,769 | 318,464 | 1,806,368 | 1,076,668 | 2,883,036 |
| Liabilities | | | | | | |
| Insurance contract liabilities | 940,193 | 212,055 | 507,262 | 1,659,510 | - | 1,659,510 |
| Reinsurance contract liabilities | - | - | 10,752 | 10,752 | - | 10,752 |
| Unallocated liabilities | - | - | - | 157,470 | 26,660 | 184,130 |
| Total liabilities | 940,193 | 212,055 | 518,014 | 1,827,732 | 26,660 | 1,854,392 |

**23 OPERATING SEGMENTS (continued)**

| | For the three-month period ended September 30, 2025 (Unaudited) | | | | | |
|---|---|---|---|---|---|---|
| **Operating segments** | **Medical** | **Motor** | **Property & casualty** | **Total Insurance Operations** | **Shareholders' Operations** | **Total** |
| | SAR'000 | | | | | |
| Insurance revenue | **793,578** | **158,026** | **75,276** | **1,026,880** | **-** | **1,026,880** |
| Insurance service expense | **(773,192)** | **(173,931)** | **(12,565)** | **(959,688)** | **-** | **(959,688)** |
| Net (expense) / income from reinsurance contract held | **(7)** | **(3,090)** | **(57,061)** | **(60,158)** | **-** | **(60,158)** |
| Share of surplus from insurance pools | **-** | **-** | **2,019** | **2,019** | **-** | **2,019** |
| **Insurance service result** | **20,379** | **(18,995)** | **7,669** | **9,053** | **-** | **9,053** |
| Special commission income | **-** | **-** | **-** | **-** | **8,465** | **8,465** |
| Investment income on financial assets at fair value | **-** | **-** | **-** | **-** | **4,896** | **4,896** |
| Dividend income | **-** | **-** | **-** | **-** | **2,025** | **2,025** |
| **Net investment income** | **-** | **-** | **-** | **-** | **15,386** | **15,386** |
| Insurance finance expenses for insurance contracts issued | **(1,965)** | **(374)** | **(1,495)** | **(3,834)** | **-** | **(3,834)** |
| Reinsurance finance income for reinsurance contracts held | **1** | **139** | **1,042** | **1,182** | **-** | **1,182** |
| **Net insurance finance (expense) / income** | **(1,964)** | **(235)** | **(453)** | **(2,652)** | **-** | **(2,652)** |
| **Net insurance and financial result** | **18,415** | **(19,230)** | **7,216** | **6,401** | **15,386** | **21,787** |
| Other (loss) / income | **-** | **-** | **-** | **(1,124)** | **-** | **(1,124)** |
| Share of income / (loss) from associate | **-** | **-** | **-** | **-** | **339** | **339** |
| Shareholders' general and admin expenses | **-** | **-** | **-** | **-** | **(1,932)** | **(1,932)** |
| **Total other operating (expense) / income** | **-** | **-** | **-** | **(1,124)** | **(1,593)** | **(2,717)** |
| **Income / (Loss) Attributed To The Shareholders Before Zakat And Income Tax** | **18,415** | **(19,230)** | **7,216** | **5,277** | **13,793** | **19,070** |
| Zakat and income tax expense | **-** | **-** | **-** | **-** | **(1,167)** | **(1,167)** |
| Deferred tax | **-** | **-** | **-** | **-** | **-** | **-** |
| **Income / (Loss) Attributed To The Shareholders After Zakat And Income Tax** | **18,415** | **(19,230)** | **7,216** | **5,277** | **12,626** | **17,903** |

| | For the three-month period ended September 30, 2024 (Unaudited) | | | | | |
|---|---|---|---|---|---|---|
| Operating segments | Medical | Motor | Property & casualty | Total Insurance Operations | Shareholders' Operations | Total |
| | SAR'000 | | | | | |
| Insurance revenue | 747,577 | 85,959 | 66,882 | 900,418 | - | 900,418 |
| Insurance service expense | (711,528) | (85,546) | (26,934) | (824,008) | - | (824,008) |
| Net (expense) / income from reinsurance contract held | 125 | (5,335) | (52,300) | (57,510) | - | (57,510) |
| Share of surplus from insurance pools | - | - | - | - | - | - |
| Insurance service result | 36,174 | (4,922) | (12,352) | 18,900 | - | 18,900 |
| Special commission income | - | - | - | - | 10,614 | 10,614 |
| Investment income on financial assets at fair value | - | - | - | - | 13,895 | 13,895 |
| Dividend income | - | - | - | - | 2,146 | 2,146 |
| Net investment income | - | - | - | - | 26,655 | 26,655 |
| Insurance finance income for insurance contracts issued | (3,072) | 163 | (7,410) | (10,319) | - | (10,319) |
| Reinsurance finance expense for reinsurance contracts held | 853 | (43) | 5,609 | 6,419 | - | 6,419 |
| Net insurance finance (expense) / income | (2,219) | 120 | (1,801) | (3,900) | - | (3,900) |
| Net insurance and financial result | 33,955 | (4,802) | (14,153) | 15,000 | 26,655 | 41,655 |
| Other (loss) / income | - | - | - | 305 | - | 305 |
| Share of income / (loss) from associate | - | - | - | - | - | - |
| Shareholders' general and admin expenses | - | - | - | - | (1,536) | (1,536) |
| Total other operating (expense) / income | - | - | - | 305 | (1,536) | (1,231) |
| Income / (Loss) Attributed To The Shareholders Before Zakat And Income Tax | 33,955 | (4,802) | (14,153) | 15,305 | 25,119 | 40,424 |
| Zakat and income tax expense | - | - | - | - | (1,303) | (1,303) |
| Deferred tax | - | - | - | - | - | - |
| Income / (Loss) Attributed To The Shareholders After Zakat And Income Tax | 33,955 | (4,802) | (14,153) | 15,305 | 23,816 | 39,121 |

**23 OPERATING SEGMENTS (continued)**

| | For the nine-month period ended September 30, 2025 (Unaudited) | | | | | |
|---|---|---|---|---|---|---|
| **Operating segments** | **Medical** | **Motor** | **Property & casualty** | **Total Insurance Operations** | **Shareholders' Operations** | **Total** |
| | SAR'000 | | | | | |
| Insurance revenue | **2,388,017** | **433,559** | **232,088** | **3,053,664** | **-** | **3,053,664** |
| Insurance service expense | **(2,337,553)** | **(465,450)** | **(33,240)** | **(2,836,243)** | **-** | **(2,836,243)** |
| Net (expense) / income from reinsurance contract held | **(682)** | **(4,796)** | **(174,568)** | **(180,046)** | **-** | **(180,046)** |
| Share of surplus from insurance pools | **-** | **-** | **3,926** | **3,926** | **-** | **3,926** |
| **Insurance service result** | **49,782** | **(36,687)** | **28,206** | **41,301** | **-** | **41,301** |
| Special commission income | **-** | **-** | **-** | **-** | **27,193** | **27,193** |
| Investment loss on financial assets at fair value | **-** | **-** | **-** | **-** | **(3,115)** | **(3,115)** |
| Dividend income | **-** | **-** | **-** | **-** | **7,109** | **7,109** |
| **Net investment income** | **-** | **-** | **-** | **-** | **31,187** | **31,187** |
| Insurance finance expenses for insurance contracts issued | **(22,383)** | **(1,465)** | **(6,676)** | **(30,524)** | **-** | **(30,524)** |
| Reinsurance finance income for reinsurance contracts held | **2** | **470** | **4,561** | **5,033** | **-** | **5,033** |
| **Net insurance finance (expense) / income** | **(22,381)** | **(995)** | **(2,115)** | **(25,491)** | **-** | **(25,491)** |
| **Net insurance and financial result** | **27,401** | **(37,682)** | **26,091** | **15,810** | **31,187** | **46,997** |
| Other (loss) / income | **-** | **-** | **-** | **(4,788)** | **6,593** | **1,805** |
| Share of income / (loss) from associate | **-** | **-** | **-** | **-** | **1,278** | **1,278** |
| Shareholders' general and admin expenses | **-** | **-** | **-** | **-** | **(7,881)** | **(7,881)** |
| **Total other operating (expense) / income** | **-** | **-** | **-** | **(4,788)** | **(10)** | **(4,798)** |
| **Income / (Loss) Attributed To The Shareholders Before Zakat And Income Tax** | **27,401** | **(37,682)** | **26,091** | **11,022** | **31,177** | **42,199** |
| Zakat and income tax expense | **-** | **-** | **-** | **-** | **(6,128)** | **(6,128)** |
| Deferred tax | **-** | **-** | **-** | **-** | **-** | **-** |
| **Income / (Loss) Attributed To The Shareholders After Zakat And Income Tax** | **27,401** | **(37,682)** | **26,091** | **11,022** | **25,049** | **36,071** |

| | For the nine-month period ended September 30, 2024 (Unaudited) | | | | | |
|---|---|---|---|---|---|---|
| Operating segments | Medical | Motor | Property & casualty | Total Insurance Operations | Shareholders' Operations | Total |
| | SAR'000 | | | | | |
| Insurance revenue | 2,101,048 | 256,754 | 252,149 | 2,609,951 | - | 2,609,951 |
| Insurance service expense | (2,075,413) | (255,345) | 35,333 | (2,295,425) | - | (2,295,425) |
| Net (expense) / income from reinsurance contract held | (34,450) | 2,354 | (249,987) | (282,083) | - | (282,083) |
| Share of surplus from insurance pools | - | - | 1,274 | 1,274 | - | 1,274 |
| Insurance service result | (8,815) | 3,763 | 38,769 | 33,717 | - | 33,717 |
| Special commission income | - | - | - | - | 35,371 | 35,371 |
| Investment income on financial assets at fair value | - | - | - | - | 11,869 | 11,869 |
| Dividend income | - | - | - | - | 12,168 | 12,168 |
| Net investment income | - | - | - | - | 59,408 | 59,408 |
| Insurance finance income for insurance contracts issued | (6,396) | (1,314) | (12,953) | (20,663) | - | (20,663) |
| Reinsurance finance expense for reinsurance contracts held | 3,621 | 178 | 12,466 | 16,265 | - | 16,265 |
| Net insurance finance (expense) / income | (2,775) | (1,136) | (487) | (4,398) | - | (4,398) |
| Net insurance and financial result | (11,590) | 2,627 | 38,282 | 29,319 | 59,408 | 88,727 |
| Other (loss) / income | - | - | - | 21,690 | - | 21,690 |
| Share of income / (loss) from associate | - | - | - | - | - | - |
| Shareholders' general and admin expenses | - | - | - | - | (3,608) | (3,608) |
| Total other operating (expense) / income | - | - | - | 21,690 | (3,608) | 18,082 |
| Income / (Loss) Attributed To The Shareholders Before Zakat And Income Tax | (11,590) | 2,627 | 38,282 | 51,009 | 55,800 | 106,809 |
| Zakat and income tax expense | - | - | - | - | (7,819) | (7,819) |
| Deferred tax | - | - | - | - | - | - |
| Income / (Loss) Attributed To The Shareholders After Zakat And Income Tax | (11,590) | 2,627 | 38,282 | 51,009 | 47,981 | 98,990 |

## 24 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 requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares.

The Company manages its capital to ensure that it is able to continue as going concern and comply with the regulators' 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 share capital, reserves and retained earnings.

As per guidelines laid out by Insurance Authority (IA) previously known as SAMA in Article 66 of the Insurance 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 Implementing Regulations:

- Minimum capital requirement of SAR 200 million
- Premium solvency margin
- Claims solvency margin

The Company uses Premium Method for determining its solvency requirements. The Company's net admissible assets as of September 30, 2025 are 64.14% (December 31, 2024: 71%) of the required minimum margin for solvency. The capital structure of the Company as of September 30, 2025 consists of paid-up share capital of SAR 1,050 million, share premium of SAR 70 million, statutory reserves of SAR 26.1 million and accumulated losses of SAR 119.06 million (December 31, 2024: paid-up share capital of SAR 1,050 million, share premium of SAR 70 million, statutory reserves of SAR 26.1 million and accumulated losses of SAR 155.1 million) in the condensed interim statement of financial position.

**25 SUPPLEMENTARY INFORMATION**
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

| | Insurance operations | Shareholders' operations | Total | Insurance operations | Shareholders' operations | Total |
|---|---|---|---|---|---|---|
| | September 30, 2025 (Unaudited) | | | December 31, 2024 (Audited) | | |
| | SAR '000 | | | | | |
| **ASSETS** | | | | | | |
| Cash and cash equivalents` | **726,542** | **190,422** | **916,964** | 245,598 | 240,469 | 486,067 |
| Short term deposits | **-** | **31,669** | **31,669** | - | 29,445 | 29,445 |
| Financial investments | **-** | **1,061,270** | **1,061,270** | - | 1,051,844 | 1,051,844 |
| Insurance contract assets | **503** | **-** | **503** | 2,866 | - | 2,866 |
| Reinsurance contract assets | **347,874** | **-** | **347,874** | 416,030 | - | 416,030 |
| Prepayment and other assets, net | **88,422** | **34,309** | **122,731** | 157,801 | 38,397 | 196,198 |
| Investment in an associate | **-** | **10,804** | **10,804** | - | 9,901 | 9,901 |
| Property and equipment, net | **26,048** | **-** | **26,048** | 18,315 | - | 18,315 |
| Intangible assets, net | **21,586** | **-** | **21,586** | 11,093 | - | 11,093 |
| Right of use assets, net | **20,497** | **-** | **20,497** | 1,577 | - | 1,577 |
| Statutory deposit | **-** | **157,500** | **157,500** | - | 157,500 | 157,500 |
| Deferred tax asset | **-** | **10,474** | **10,474** | - | 10,474 | 10,474 |
| Accrued commission on statutory deposit | **-** | **-** | **-** | - | 11,726 | 11,726 |
| Due from / to shareholders` / insurance operation | **883,882** | **(883,882)** | **-** | 953,088 | (953,088) | - |
| Goodwill | **-** | **480,000** | **480,000** | - | 480,000 | 480,000 |
| **TOTAL ASSETS** | **2,115,354** | **1,092,566** | **3,207,920** | 1,806,368 | 1,076,668 | 2,883,036 |
| **LIABILITIES** | | | | | | |
| Accrued expenses and other liabilities | **143,340** | **-** | **143,340** | 120,117 | 5,124 | 125,241 |
| Insurance contract liabilities | **1,913,162** | **-** | **1,913,162** | 1,659,510 | - | 1,659,510 |
| Reinsurance contract liabilities | **28,075** | **-** | **28,075** | 10,752 | - | 10,752 |
| Lease liability | **18,953** | **-** | **18,953** | 2,080 | - | 2,080 |
| Zakat & income tax | **-** | **3,978** | **3,978** | - | 9,810 | 9,810 |
| End of service indemnities | **33,188** | **-** | **33,188** | 35,273 | - | 35,273 |
| Accrued commission on statutory deposit | **-** | **-** | **-** | - | 11,726 | 11,726 |
| **TOTAL LIABILITIES** | **2,136,718** | **3,978** | **2,140,696** | 1,827,732 | 26,660 | 1,854,392 |
| **EQUITY** | | | | | | |
| Share capital | **-** | **1,050,000** | **1,050,000** | - | 1,050,000 | 1,050,000 |
| Share premium | **-** | **70,000** | **70,000** | - | 70,000 | 70,000 |
| Statutory reserve | **-** | **26,135** | **26,135** | - | 26,135 | 26,135 |
| Accumulated losses | **-** | **(119,064)** | **(119,064)** | - | (155,135) | (155,135) |
| Re-measurement of defined benefit liability – employees benefits | **(21,364)** | **-** | **(21,364)** | (21,364) | - | (21,364) |
| Fair values reserve on investments | **-** | **61,517** | **61,517** | - | 59,008 | 59,008 |
| **TOTAL EQUITY** | **(21,364)** | **1,088,588** | **1,067,224** | (21,364) | 1,050,008 | 1,028,644 |
| **TOTAL LIABILITIES AND EQUITY** | **2,115,354** | **1,092,566** | **3,207,920** | 1,806,368 | 1,076,668 | 2,883,036 |

**25 SUPPLEMENTARY INFORMATION (Continued)**
**CONDENSED INTERIM STATEMENT OF INCOME**

| | **Insurance Operations** | **Shareholders' Operations** | **Total** | Insurance Operations | Shareholders' Operations | Total |
|---|---|---|---|---|---|---|
| | **For the three-month period ended September 30, 2025 (Unaudited)** | | | For the three-month period ended September 30, 2024 (Unaudited) | | |
| | **SAR'000** | | | | | |
| Insurance revenue | **1,026,880** | **-** | **1,026,880** | 900,418 | - | 900,418 |
| Insurance service expense | **(959,688)** | **-** | **(959,688)** | (824,008) | - | (824,008) |
| Net income from reinsurance contract held | **(60,158)** | **-** | **(60,158)** | (57,510) | - | (57,510) |
| Share of surplus from insurance pools | **2,019** | **-** | **2,019** | - | - | - |
| **Insurance service result** | **9,053** | **-** | **9,053** | 18,900 | - | 18,900 |
| Special commission income | **-** | **8,465** | **8,465** | - | 10,614 | 10,614 |
| Investment income on financial assets at fair value through profit or loss | **-** | **4,896** | **4,896** | - | 13,895 | 13,895 |
| Dividend income | **-** | **2,025** | **2,025** | - | 2,146 | 2,146 |
| **Net Investment income** | **-** | **15,386** | **15,386** | - | 26,655 | 26,655 |
| Insurance finance expenses for insurance contracts issued | **(3,834)** | **-** | **(3,834)** | (10,319) | - | (10,319) |
| Reinsurance finance income for reinsurance contracts held | **1,182** | **-** | **1,182** | 6,419 | - | 6,419 |
| **Net insurance finance income / (expense)** | **(2,652)** | **-** | **(2,652)** | (3,900) | - | (3,900) |
| **Net insurance and financial result** | **6,401** | **15,386** | **21,787** | 15,000 | 26,655 | 41,655 |
| Other (loss) / income | **(1,124)** | **-** | **(1,124)** | 305 | - | 305 |
| Share of income / (loss) from associate | **-** | **339** | **339** | - | - | - |
| Shareholder general and admin expenses | **-** | **(1,932)** | **(1,932)** | - | (1,536) | (1,536) |
| **Total other operating income** | **(1,124)** | **(1,593)** | **(2,717)** | 305 | (1,536) | (1,231) |
| **Net income / (loss) for the period before appropriation and before zakat and income tax** | **5,277** | **13,793** | **19,070** | 15,305 | 25,119 | 40,424 |
| Shareholders' appropriation from income / (loss) | **-** | **-** | **-** | - | - | - |
| **Net income / (loss) for the period after appropriation and before zakat and income tax** | **5,277** | **13,793** | **19,070** | 15,305 | 25,119 | 40,424 |
| Zakat and income tax expense | **-** | **(1,167)** | **(1,167)** | - | (1,303) | (1,303) |
| Deferred tax | **-** | **-** | **-** | - | - | - |
| **Income for the period** | **5,277** | **12,626** | **17,903** | 15,305 | 23,816 | 39,121 |

| | **Insurance Operations** | **Shareholders' Operations** | **Total** | Insurance Operations | Shareholders' Operations | Total |
|---|---|---|---|---|---|---|
| | **For the nine-month period ended September 30, 2025 (Unaudited)** | | | For the nine-month period ended September 30, 2024 (Unaudited) | | |
| | **SAR'000** | | | | | |
| Insurance revenue | **3,053,664** | **-** | **3,053,664** | 2,609,951 | - | 2,609,951 |
| Insurance service expense | **(2,836,243)** | **-** | **(2,836,243)** | (2,295,425) | - | (2,295,425) |
| Net income from reinsurance contract held | **(180,046)** | **-** | **(180,046)** | (282,083) | - | (282,083) |
| Share of surplus from insurance pools | **3,926** | **-** | **3,926** | 1,274 | - | 1,274 |
| **Insurance service result** | **41,301** | **-** | **41,301** | 33,717 | - | 33,717 |
| Special commission income | **-** | **27,193** | **27,193** | - | 35,371 | 35,371 |
| Investment income / (loss) on financial assets at fair value through profit or loss | **-** | **(3,115)** | **(3,115)** | - | 11,869 | 11,869 |
| Dividend income | **-** | **7,109** | **7,109** | - | 12,168 | 12,168 |
| **Net Investment income** | **-** | **31,187** | **31,187** | - | 59,408 | 59,408 |
| Insurance finance expenses for insurance contracts issued | **(30,524)** | **-** | **(30,524)** | (20,663) | - | (20,663) |
| Reinsurance finance income for reinsurance contracts held | **5,033** | **-** | **5,033** | 16,265 | - | 16,265 |
| **Net insurance finance income / (expense)** | **(25,491)** | **-** | **(25,491)** | (4,398) | - | (4,398) |
| **Net insurance and financial result** | **15,810** | **31,187** | **46,997** | 29,319 | 59,408 | 88,727 |
| Other (loss) / income | **(4,788)** | **6,593** | **1,805** | 21,690 | - | 21,690 |
| Share of income / (loss) from associate | **-** | **1,278** | **1,278** | - | - | - |
| Shareholder general and admin expenses | **-** | **(7,881)** | **(7,881)** | - | (3,608) | (3,608) |
| **Total other operating income** | **(4,788)** | **(10)** | **(4,798)** | 21,690 | (3,608) | 18,082 |
| **Net income / (loss) for the period before appropriation and before zakat and income tax** | **11,022** | **31,177** | **42,199** | 51,009 | 55,800 | 106,809 |
| Shareholders' appropriation from income / (loss) | **-** | **-** | **-** | - | - | - |
| **Net income / (loss) for the period after appropriation and before zakat and income tax** | **11,022** | **31,177** | **42,199** | 51,009 | 55,800 | 106,809 |
| Zakat and income tax expense | **-** | **(6,128)** | **(6,128)** | - | (7,819) | (7,819) |
| Deferred tax | **-** | **-** | **-** | - | - | - |
| **Income for the period** | **11,022** | **25,049** | **36,071** | 51,009 | 47,981 | 98,990 |

**25 SUPPLEMENTARY INFORMATION (Continued)**
**STATEMENT OF COMPREHENSIVE INCOME**

| | **Insurance Operations** | **Shareholders' Operations** | **Total** | Insurance Operations | Shareholders' Operations | Total |
|---|---|---|---|---|---|---|
| | **For the three-month period ended September 30, 2025 (Unaudited)** | | | For the three-month period ended September 30, 2024 (Unaudited) | | |
| | **SAR'000** | | | | | |
| Net profit for the period | **5,277** | **12,626** | **17,903** | 15,305 | 23,816 | 39,121 |
| **Other comprehensive (loss) / income** | | | | | | |
| **Item that will not be reclassified to statement of income in subsequent period** | | | | | | |
| -Re-measurement of employees end of service indemnities | **-** | **-** | **-** | (237) | **-** | (237) |
| -Net changes in fair value of investments measured at FVOCI – equity instruments | **-** | **-** | **-** | **-** | **-** | - |
| **Items that are or may be reclassified to statement of income in subsequent periods** | | | | | | |
| Share of other comprehensive loss of investment in equity accounted investments | **-** | **-** | **-** | **-** | **-** | - |
| **Total comprehensive income / (loss)** | **-** | **-** | **-** | (237) | - | (237) |
| **Reconciliation:** | | | | | | |
| **Less: Net income attributable to insurance operations and transferred to surplus distribution payable.** | **-** | **-** | **-** | **-** | **-** | - |
| **Total comprehensive income / (loss) for the period** | **5,277** | **12,626** | **17,903** | 15,068 | 23,816 | 38,884 |

| | **Insurance Operations** | **Shareholders' Operations** | **Total** | Insurance Operations | Shareholders' Operations | Total |
|---|---|---|---|---|---|---|
| | **For the nine-month period ended September 30, 2025 (Unaudited)** | | | For the nine-month period ended September 30, 2024 (Unaudited) | | |
| | **SAR'000** | | | | | |
| Net profit for the period | **11,022** | **25,049** | **36,071** | 51,009 | 47,981 | 98,990 |
| **Other comprehensive (loss) / income** | | | | | | |
| **Item that will not be reclassified to statement of income in subsequent period** | | | | | | |
| -Re-measurement of employees end of service indemnities | **-** | **-** | **-** | (237) | - | (237) |
| -Net changes in fair value of investments measured at FVOCI – equity instruments | **-** | **2,509** | **2,509** | - | - | - |
| **Items that are or may be reclassified to statement of income in subsequent periods** | | | | | | |
| Share of other comprehensive loss of investment in equity accounted investments | **-** | **-** | **-** | - | - | - |
| **Total comprehensive income / (loss)** | **-** | **2,509** | **2,509** | (237) | - | (237) |
| **Reconciliation:** | | | | | | |
| **Less: Net income attributable to insurance operations and transferred to surplus distribution payable.** | - | **-** | **-** | - | - | - |
| **Total comprehensive income / (loss) for the period** | **11,022** | **27,558** | **38,580** | 50,772 | 47,981 | 98,753 |

**25 SUPPLEMENTARY INFORMATION (Continued)**
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

| | Insurance Operations | Shareholders' Operations | Total | Insurance Operations | Shareholders' Operations | Total |
|---|---|---|---|---|---|---|
| | For the nine-month period ended September 30, 2025 (Unaudited) | | | For the nine-month period ended September 30, 2024 (Unaudited) | | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | SAR '000 | | | | | |
| Net profit for the period before zakat and income tax | - | 42,199 | 42,199 | - | 106,809 | 106,809 |
| **Adjustments for non-cash items:** | | | | | | |
| Depreciation and amortization | 13,521 | - | 13,521 | 6,381 | - | 6,381 |
| Depreciation on right of use assets | 7,245 | - | 7,245 | 6,758 | - | 6,758 |
| Financial charges on lease liability | 862 | - | 862 | 131 | - | 131 |
| Share of income from associate | - | (1,278) | (1,278) | - | - | - |
| Provision for end of service benefits | 1,452 | - | 1,452 | 7,993 | - | 7,993 |
| Investment income on financial assets at fair value | - | 3,115 | 3,115 | - | (10,669) | (10,669) |
| | 23,080 | 44,036 | 67,116 | 21,263 | 96,140 | 117,403 |
| **Changes in operating assets and liabilities:** | | | | | | |
| Insurance contract assets | 2,363 | - | 2,363 | 4,137 | - | 4,137 |
| Reinsurance contract assets | 68,156 | - | 68,156 | 237,111 | - | 237,111 |
| Prepayment and other assets, net | 69,379 | 4,088 | 73,467 | 8,027 | (18,265) | (10,238) |
| Insurance contract liabilities | 253,652 | - | 253,652 | (245,457) | - | (245,457) |
| Reinsurance contract liabilities | 17,323 | - | 17,323 | (68,893) | - | (68,893) |
| Accrued expenses and other liabilities | 23,223 | (5,124) | 18,099 | 85,674 | (6,186) | 79,488 |
| Due from / to shareholders` / insurance operation | 69,206 | (69,206) | - | 7,403 | (7,403) | - |
| | 526,382 | (26,206) | 500,176 | 49,265 | 64,286 | 113,551 |
| Zakat and income tax paid | - | (11,960) | (11,960) | - | (4,261) | (4,261) |
| End-of-service benefits paid | (3,537) | - | (3,537) | (6,933) | - | (6,933) |
| **Net cash (used in) / generated from operating activities** | 522,845 | (38,166) | 484,679 | 42,332 | 60,025 | 102,357 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | |
| Dividend from associate | | 375 | 375 | - | - | - |
| Additions to investments carried at FVTPL | - | (164,154) | (164,154) | - | (140,904) | (140,904) |
| Proceeds from disposal of investments carried at FVTPL | - | 154,122 | 154,122 | - | 12,134 | 12,134 |
| Additions in property, equipment and intangible, net | (31,747) | - | (31,747) | (1,527) | - | (1,527) |
| Proceeds from / (placements in) from short term deposits, net | - | (2,224) | (2,224) | - | 203,822 | 203,822 |
| **Net cash generated from / (used in) investing activities** | (31,747) | (11,881) | (43,628) | (1,527) | 75,052 | 73,525 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | |
| Lease liability | (10,154) | - | (10,154) | (8,946) | - | (8,946) |
| **Net cash used in financing activities** | (10,154) | - | (10,154) | (8,946) | - | (8,946) |
| Net change in cash and cash equivalents | 480,944 | (50,047) | 430,897 | 31,859 | 135,077 | 166,936 |
| Cash and cash equivalents, beginning of the period | 245,598 | 240,469 | 486,067 | 349,064 | 91,506 | 440,570 |
| **Cash and cash equivalents, end of the period** | 726,542 | 190,422 | 916,964 | 380,923 | 226,583 | 607,506 |

## 26 OTHER INFORMATION

The Company announced the signing of a non-binding Memorandum of Understanding (the "MOU") with Buruj Cooperative Insurance Company ("Buruj") on 21/01/1446H (corresponding to 27/07/2024G) to evaluate a potential merger between the two companies.

The Company announced the signing of a binding Memorandum of Understanding (the "MOU") with Buruj Cooperative Insurance Company ("Buruj") on 01/02/1447H (corresponding to 26/07/2025G) pursuant to which Buruj will be merged into Medgulf and all of Buruj's rights, liabilities, assets and contracts will be subsumed by Medgulf in exchange for Medgulf's issuance of 33,157,894 new ordinary shares with a nominal value of SAR 10 each in Medgulf to Buruj's shareholders pursuant to Article (225) and Articles (227) to (229) of the Companies Law, Article (49)(a)(1) of the Merger and Acquisition Regulations and in accordance with the Rules on the Offer of Securities and Continuing Obligations issued by the board of the Capital Market Authority, and in accordance with the conditions and provisions of the Merger Agreement (the "Merger").

The Insurance Authority and the Capital Market Authority granted their approvals for the merger and related capital increase on 15/03/1447H (corresponding to 07 September 2025G) and 30/03/1447H (corresponding to 22 September 2025G) respectively.

Subsequent to the reporting date, on 01/05/1447H (corresponding to 23 October 2025G), the Company's Extraordinary General Meeting approved the increase of the Company's share capital from SAR 1,050,000,000 to SAR 1,381,578,940, representing an increase of 31.58%, through the issuance of 33,157,894 ordinary shares at an exchange ratio of 1.105263 shares in Medgulf for each share in Buruj. The new shares were listed and deposited into the accounts of Buruj shareholders on 06 May 1447H (corresponding to 28 October 2025G).

The Company announced the effective date of the merger of Buruj into the Company on 08/05/1447H (corresponding to 30 October 2025G) after fulfilling the merger conditions agreed upon between the two companies in the merger agreement and set out in the Shareholder Circular and the Offer Document issued by the Company with respect to the merger. This includes the expiry of the creditors' objection period with no outstanding or unsettled objections and approval of the transaction by both companies in the Extraordinary General Assemblies.

From the Merger's effective date, the rights, liabilities, assets, and contracts of Buruj shall be transferred to the merging entity, and the merging entity shall become the legal successor of Buruj. The formalities to update the legal documents are under process.

## 27 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors of the Company, on 12 Jumada Al-Awwal 1447H, corresponding to November 03, 2025.