MALATH COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

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

FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2026

MALATH COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2026

INDEX	**Page**
Independent auditors' review report	1
Interim condensed Statement of financial position	2
Interim condensed Statement of income	3
Interim condensed Statement of comprehensive income	4
Interim condensed Statement of changes in equity	5
Interim condensed Statement of cash flows	6
Notes to the Interim condensed financial statements & supplementary information	7 - 51

Professional Consultants
7425 Sahab Towor-Alttakhassusi Street
Riyadh-Kingdom of Saudi Arabia
P.O Box. 8306, Riyadh 11482
Tel : +966 9200 282 29
Fax: +966 11477 4924
www.forvismazars.com

El Sayed El Ayouty & Co.
Certified Public Accountants

INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

To: The Shareholders of Malath Cooperative Insurance Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Malath Cooperative Insurance Company** ("the Company") as of June 30, 2026, and the related interim condensed statements of income, comprehensive income for the three-month and six-month periods then ended, and the related interim condensed statements of changes in equity and cash flows for the six months period then ended, and other explanatory notes (collectively referred to as "the interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 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 interim condensed 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Other Matter

The financial statements for the year ended 31 December 2025 and the interim condensed financial information for the three-month and six-month periods ended 30 June 2025 were audited and reviewed, respectively, by other joint auditors who expressed an unmodified audit opinion on those financial statements and an unmodified review conclusion on the interim condensed financial information on 01 March 2026 (corresponding 12 Ramadan 1447H) and 06 August 2025 (corresponding to 12 Safar 1447H), respectively

For Professional Consultants Company – Forvis Mazars SA	**For EL Sayed El Alyouty & Co Certified Public Accountants**
P.O. Box 8306	P.O. Box 780
Riyadh 11482	Jeddah 21421
Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
	A. Balamesh
Abdullah S. Al Msned	**Abdullah Ahmed Balamesh**
Certified Public Accountant	Certified Public Accountant
License No. 456	License No. 345

August 06, 2026
(Safar 23, 1448H)

المستشارون المهنيون
C R : 1010327044 :س.ت
Professional Consultants

السيد العيوطي وشركاه
محاسبون ومراجعون قانونيون
س.ت رقم ٤٠٣٠٢٩١٢٤٥
CERTIFIED PUBLIC ACCOUNTANTS
C.R. No. 4030291245
EL SAYED EL AYOUTY & CO.

MALATH COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

(All amounts are in thousands Saudi Riyal unless otherwise stated)

AS AT 30 JUNE 2026

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Cash and cash equivalents	4	**121,908**	194,204
Term deposits	5	**306,026**	363,089
Reinsurance contract assets	6	**120,351**	140,527
Insurance contract assets	6	**11,800**	7,320
Investments	7	**276,715**	257,400
Investment property	8	**65,498**	64,018
Prepayments and other assets		**104,075**	117,763
Property and equipment		**2,111**	2,189
Right-of-use assets		**-**	227
Accrued income on statutory deposit		**2,573**	688
Statutory deposit	18	**74,996**	74,996
TOTAL ASSETS		**1,086,053**	1,222,421
LIABILITIES			
Accrued expenses and other liabilities		**39,530**	40,052
Insurance contract liabilities	6	**520,002**	659,250
Reinsurance contract liabilities	6	**-**	3,035
Provision for zakat	9	**21,625**	24,662
Lease liabilities		**-**	231
Employees' end-of-service benefits		**33,220**	32,172
Accrued income payable to Insurance Authority		**2,573**	688
TOTAL LIABILITIES		**616,950**	760,090
EQUITY			
Share capital	10	**500,000**	500,000
Statutory reserve	11	**2,131**	2,131
Accumulated losses		**(78,889)**	(86,359)
Investments fair value reserve		**66,999**	67,697
Re-measurement reserve on defined benefit plans		**(21,138)**	(21,138)
TOTAL EQUITY		**469,103**	462,331
TOTAL LIABILITIES AND EQUITY		**1,086,053**	1,222,421
Commitments and contingencies	15		

on behalf of

CHIEF FINANCIAL OFFICER | CHIEF EXECUTIVE OFFICER | DIRECTOR

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

MALATH COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF INCOME
(All amounts are in thousands Saudi Riyal unless otherwise stated)
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2026

	Notes	Three-months period ended 30 June		Six-months period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Insurance service revenue	6.1	**256,971**	365,951	**554,492**	706,079
Insurance service expenses	6.1	**(244,168)**	(342,934)	**(521,384)**	(707,779)
Insurance service result before reinsurance contracts held		**12,803**	23,017	**33,108**	(1,700)
Allocation of reinsurance premiums		**(13,704)**	(15,530)	**(26,579)**	(28,919)
Amounts recoverable from reinsurance		**2,055**	(3,654)	**(705)**	23,869
Net (expenses) / revenues from reinsurance contracts held		**(11,649)**	(19,184)	**(27,284)**	(5,050)
Insurance service result		**1,154**	3,833	**5,824**	(6,750)
Investment income on financial assets at amortised cost		**4,755**	8,727	**9,483**	16,570
Investment income on financial assets at FVTPL	7.1	**4,860**	(5,787)	**9,298**	(1,603)
Fair value (loss) / gain on investment property	8	**(569)**	-	**1,480**	-
Other investment income		**-**	980	**-**	980
Net investment income		**9,046**	3,920	**20,261**	15,947
Finance expenses from insurance contracts issued		**(1,829)**	(4,318)	**(4,069)**	(10,507)
Finance income from reinsurance contracts held		**711**	955	**1,697**	3,567
Net insurance finance expenses		**(1,118)**	(3,363)	**(2,372)**	(6,940)
Net insurance and investment result		**9,082**	4,390	**23,713**	2,257
Other operating expenses	19	**(7,668)**	(7,138)	**(14,696)**	(13,470)
Other income		**2,703**	13,425	**2,703**	32,770
Net income for the period attributable to shareholders before zakat		**4,117**	10,677	**11,720**	21,557
Zakat expense for the period	9	**(2,125)**	(4,000)	**(4,250)**	(5,000)
Net income for the period attributable to shareholders		**1,992**	6,677	**7,470**	16,557
Earnings per share					
Basic and diluted earning per share	12	**0.04**	0.13	**0.15**	0.33
Weighted average number of shares issued throughout the period (thousands)		**50,000**	50,000	**50,000**	50,000

CHIEF FINANCIAL OFFICER

on behalf of
CHIEF EXECUTIVE OFFICER

DIRECTOR

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

MALATH COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in thousands Saudi Riyal unless otherwise stated)

FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2026

	Notes	Three-months period ended 30 June		Six-months period ended 30 June	
		2026	2025	**2026**	2025
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Net income for the period attributable to shareholders		**1,992**	6,677	**7,470**	16,557
Other comprehensive income:					
Items that will not be recycled to interim condensed statements of income in subsequent periods:					
Change in fair value of financial investments at FVOCI	7	**(19)**	1,946	**(698)**	2,011
Total other comprehensive (loss) / income for the period		**(19)**	1,946	**(698)**	2,011
Total comprehensive income for the period		**1,973**	8,623	**6,772**	18,568

CHIEF FINANCIAL OFFICER

on behalf of

CHIEF EXECUTIVE OFFICER

DIRECTOR

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

MALATH COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
(All amounts are in thousands Saudi Riyal unless otherwise stated)
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2026

	Share capital	Statutory reserve	Accumulated losses	Investments fair value reserve	Re-measurement reserve on defined benefit plans	Total equity
Balance at 1 January 2025 (Audited)	500,000	2,131	(108,060)	57,596	(18,892)	432,775
Net income for the period attributable to shareholders	-	-	16,557	-	-	16,557
Change in fair value of financial investments at FVOCI	-	-	-	2,011	-	2,011
Total comprehensive income	-	-	16,557	2,011	-	18,568
Balance at 30 June 2025 (Unaudited)	500,000	2,131	(91,503)	59,607	(18,892)	451,343
Balance at 1 January 2026 (Audited)	**500,000**	**2,131**	**(86,359)**	**67,697**	**(21,138)**	**462,331**
Net income for the period attributable to shareholders	-	-	**7,470**	-	-	**7,470**
Change in fair value of financial investments at FVOCI	-	-	-	**(698)**	-	**(698)**
Total comprehensive income	-	-	**7,470**	**(698)**	**-**	**6,772**
Balance at 30 June 2026 (Unaudited)	**500,000**	**2,131**	**(78,889)**	**66,999**	**(21,138)**	**469,103**

CHIEF FINANCIAL OFFICER

on behalf of
CHIEF EXECUTIVE OFFICER

DIRECTOR

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

MALATH COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

(All amounts are in thousands Saudi Riyal unless otherwise stated)

FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2026

	Notes	Six-months period ended 30 June 2026 (Unaudited)	2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before zakat		**11,720**	21,557
Adjustments for:			
Depreciation of property and equipment & right of use Asset		**725**	1,062
Fair value gain on investment properties	8	**(1,480)**	-
Investment income on financial assets		**(14,806)**	1,603
Finance expenses from insurance contracts issued	6.1	**4,069**	10,507
Finance income from reinsurance contracts held	6.2	**(1,697)**	(3,567)
Finance cost on lease liabilities		**4**	-
Provision for employees' end-of-service benefits		**2,221**	2,207
Changes in operating assets and liabilities:			
Reinsurance contract assets		**21,873**	17,576
Insurance contract assets		**(4,480)**	-
Prepayments and other assets		**13,688**	(18,012)
Accrued expenses and other liabilities		**(571)**	(18,077)
Insurance contract liabilities		**(143,317)**	183,829
Reinsurance contract liabilities		**(3,035)**	-
		(115,086)	198,684
Zakat paid	9	**(7,287)**	(7,101)
Employees' end-of-service benefits paid		**(1,179)**	(2,712)
Net cash (used in) / generated from operating activities		**(123,552)**	188,871
CASH FLOWS FROM INVESTING ACTIVITIES			
Net proceeds from matured / (net placements to) term deposits		**57,063**	(84,613)
Additions to investments	7	**(80,065)**	(83,240)
Proceeds from investments disposals		**74,913**	-
Additions to property and equipment		**(420)**	(48)
Net cash generated from / (used in) investing activities		**51,491**	(167,901)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities paid		**(235)**	(231)
Net cash used in financing activities		**(235)**	(231)
Net change in cash and cash equivalents		**(72,296)**	20,739
Cash and cash equivalents at the beginning of the period	4	**194,204**	172,975
Cash and cash equivalents at the end of the period	4	**121,908**	193,714
Supplemental non-cash information:			
Change in fair value of financial investments at FVOCI		**(698)**	2,011

CHIEF FINANCIAL OFFICER

on behalf of
CHIEF EXECUTIVE OFFICER

DIRECTOR

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

1 ORGANIZATION AND PRINCIPAL ACTIVITIES

Malath Cooperative Insurance Company (the "Company") is a Saudi Joint Stock Company established in Riyadh, Kingdom of Saudi Arabia by Royal Decree Number M/60 and incorporated on 21 Rabi Al-Awal 1428H corresponding to 9 April 2007 under Commercial Registration No. 1010231787. The Company's head office is situated at Mohammad Bin Abdelaziz Street, P.O. Box 99763, Riyadh 11625, Kingdom of Saudi Arabia.

The purpose of the Company is to transact cooperative insurance operations and all related activities including reinsurance and agency activities. Its principal lines of business includes medical, motor, marine, property, engineering, casualty and other general insurance.

On 31 July 2003, corresponding to 2 Jumada II 1424H, the Law on the Supervision of Cooperative Insurance Companies ("Insurance Law") was promulgated by Royal Decree Number (M/32). During March 2008, the Insurance Authority ("IA"), then known as Saudi Arabian Monetary Authority (SAMA), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license to transact insurance activities in the Kingdom of Saudi Arabia.

The Board of Directors approved the distribution of the surplus from insurance operations in accordance with the Insurance Implementing Regulations issued by Insurance Authority (IA), whereby the shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising on insurance operations is transferred to the shareholders' operations in full. The surplus payable is included in the insurance contract liabilities under liability for incurred claims.

2 BASIS OF PREPARATION

(a) Statement of compliance

These interim condensed financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and in compliance with Regulations for Companies in the Kingdom of Saudi Arabia and By-Laws of the Company.

The interim condensed statement of financial position is presented in order of liquidity but not presented using a current / non-current classification. However, the following items would generally be classified as non-current: statutory deposit, accrued income on statutory deposit, property and equipment, right-of-use assets, investments measured at amortized cost, investments measured at FVOCI (partially), investment property, accrued income payable to Insurance Authority (IA), employees' end-of-service benefits and those insurance & reinsurance contracts liabilities and assets that would not be settled within next twelve months. All other financial statements line items would generally be classified as current.

2 BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

In preparing these interim condensed financial statements in compliance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and in compliance with Regulations for Companies in the Kingdom of Saudi Arabia and By-Laws of the Company, the balances and transactions of the insurance operations are combined with those of the shareholders' operations. Inter-operations balances, transactions if any, are eliminated in full during preparation. The accounting policies adopted for the insurance operations and shareholders operations are uniform for like transactions and events in similar circumstances.

The statement of interim condensed financial position, interim condensed statement of income, statement of interim condensed comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 20 of the financial statements have been provided as supplementary financial information to comply with the requirements of the Insurance Implementing Regulations (the "Implementing Regulations") and is not required by IFRS. The implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the statement of financial position, statement of income, statement of comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the interim condensed statement of financial position, statement of income, statement of comprehensive income of the respective operations.

2 BASIS OF PREPARATION (continued)

(b) Basis of measurement

These interim condensed financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments carried at fair value through profit and loss ("FVTPL") and investments carried at fair value through other comprehensive income ("FVOCI"), liabilities for defined benefit obligations recorded at the present value using the projected unit credit method and liabilities for incurred claim ("LIC") and assets for incurred claim ("AIC") recorded at the present value of the current discount rates.

(c) Functional and presentation currency

These interim condensed financial statements have been presented in Saudi Riyals (SR), which is also the functional currency of the Company. All financial information presented in Saudi Riyals (SR) has been rounded to the nearest thousand, unless otherwise stated.

(d) Seasonality of operations

There are no seasonal changes that affect insurance operations.

(e) Fiscal year

The Company follows a fiscal year ending December 31.

(f) Critical accounting judgments, estimates and assumptions

The preparation of the interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Following are the accounting judgments and estimates that are critical in preparation of these interim condensed financial statements:

(i) Premium Allocation Approach (PAA) eligibility assessment

Eligibility assessment testing to apply PAA on insurance and reinsurance contracts where the contract period is more than one year is the area where management assumptions and assessment are involved and the Company expects that this would produce a measurement of liability for remaining coverage that would not differ materially. The Company has applied the Premium Allocation Approach (PAA) only for contracts with a coverage period of 12 months or less. 'Inherent Defect Insurance' "IDI" portfolio pertains to the company share is measured at General Measurement Model (GMM).

2 BASIS OF PREPARATION (continued)

(e) Critical accounting judgments, estimates and assumptions (continued)

(ii) Liability for remaining coverage (LRC)

The Company does not discount the LRC to reflect the time value of money and financial risk for such insurance and reinsurance contracts with a coverage period of one year or less, that are measured at premium allocation approach.

Acquisition cash flows

The Company has opted to defer and amortize insurance acquisition cash flows over the term of the insurance contracts to which these relate, similar to premiums earned.

Expected premium receipts adjustment

Insurance revenue will be adjusted with the amounts of expected premium receipts adjustment calculated on premiums not yet collected as of the date of the statement of financial position. The computation is performed using IFRS 9 simplified approach to calculate Expected Credit Loss (ECL) allowance. The corresponding impact of this adjustment is recorded in the LRC.

(iii) Liability for incurred claims

The ultimate cost of incurred claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder, Bornheutter-Ferguson and other methods. The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios.

Historical claims development is mainly analysed by accident years, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in 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, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the best estimate ultimate cost of claims. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

2 BASIS OF PREPARATION (continued)

(e) Critical accounting judgments, estimates and assumptions (continued)

(iv) Onerosity determination

For contracts measured under GMM and PAA, 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 statement of income in insurance service expense. The loss component is then amortized to statement of income over the coverage period to offset incurred claims in insurance service expense.

For contracts measured under PAA, the Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise

The Company also considers facts and circumstances to identify whether a group of contracts are onerous based on the following key inputs:

- Pricing information: Underwriting combined ratios and price adequacy ratios.
- Historical combined ratio of similar and comparable sets of contracts
- Any relevant inputs from underwriters,
- Other external factors such as inflation and change in market claims experience or change in regulations

(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 such contracts (non-attributable expenses).

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 and overheads are recognized in the statement of income immediately when incurred.

2 BASIS OF PREPARATION (continued)

(e) Critical accounting judgments, estimates and assumptions (continued)

(vi) Estimates of future cash flows

The Company primarily uses deterministic projections to estimate the present value of future cash flows and for some groups it uses stochastic modelling techniques. A stochastic model is a tool for estimating probability distributions of potential outcomes by allowing for random variation in one or more inputs over time. The random variation is usually based on fluctuations observed in historical data for a selected period using standard time-series techniques.

(vii) Risk adjustment for non-financial risk

Risk adjustment reflects the compensation that is required for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Three stochastic methods were considered: Mack models, Stochastic - Bornheutter Ferguson, and Bootstrap. The paid triangles gross of recoveries were used. For each portfolio, once the risk adjustment was calculated based on the selected methodology, diversification was applied using the solvency II correlation matrix. The total diversified risk adjustment obtained was then allocated to each line proportional to its non - diversified risk adjustment. The Company decided to adopt the 75th percentile risk adjustment figures based on their risk appetite. The risk adjustment percentages will be revised once a year, unless more frequent review was deemed necessary.

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

(All amounts are in thousands Saudi Riyal unless otherwise stated)

2 BASIS OF PREPARATION (continued)

(e) Critical accounting judgments, estimates and assumptions (continued)

(ix) Unit of account

Judgement is involved in the identification of portfolios of contracts, as required by IFRS 17 (that is, having similar risks and being managed together). Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts. Similar grouping assessment is required for reinsurance contracts held. Areas of potential judgements include:

- The determination of contract sets within portfolios and whether the Company has reasonable and supportable information to conclude that all contracts within a set would fall into the same group, as required by IFRS 17,
- judgements might be applied on initial recognition to distinguish between non-onerous contracts (those having no significant possibility of becoming onerous) and other contracts.

For insurance contracts issued which are measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.

(x) Discount rates

Insurance contract liabilities and Reinsurance contracts assets are calculated by discounting expected future cash flows at a discount rate that reflects the characteristics of the cash flows and the liquidity characteristics of the insurance contracts. The Company applied bottom-up approach to derive the applicable yield curve when determining the discount rate, where the curve is based on the European Insurance and Occupational Pensions Authority (EIOPA) volatility adjusted risk-free curve denominated in United States Dollars while applying certain adjustments for factors under IFRS 17.

Discount rates applied for discounting of future cash flows are listed below:

Discount Yield Curve				
Evaluation date	**1 Year**	**2 Year**	**3 Year**	**4 Year**
30June 2026	5.04%	5.03%	4.97%	4.94%
31December 2025	4.44%	4.32%	4.34%	4.41%

2 BASIS OF PREPARATION (continued)

(e) Critical accounting judgments, estimates and assumptions (continued)

(xi) Measurement of the Expected Credit Losses allowance (ECL)

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL requires the use of complex models and significant assumptions about future economic conditions and credit behavior. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held). A number of factors are also considered in applying the accounting requirements for measuring ECL, such as:

- determining the criteria for significant increase in credit risk,
- choosing appropriate models and assumptions for the measurement of ECL, and
- establishing groups of similar financial assets for the purposes of measuring ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

(xiii) 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 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.

(xiv) 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, the interim condensed financial statements continue to be prepared on the going concern basis.

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these interim condensed financial statements are summarized below.

3.1 Standards, interpretations and amendments to accounting and reporting standards which are effective in current year

The standards, interpretations and amendments disclosed in the Company's annual financial statements remain unchanged.

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

Estimated impact of preliminary application of IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 - Presentation and Disclosure in Financial Statements (“IFRS 18”) will replace IAS 1- Presentation of financial statements (“IAS 1”) and will apply for annual periods beginning on or after 1 January 2027.

The Company has not early adopted the new accounting standard in preparing these interim condensed financial statements; however, the Company is in the process of assessing the detailed implications of applying the new standard on the financial statements.

Although many of the requirements of IAS 1 are carried forward to IFRS 18 largely unchanged, the new standard introduces new requirements relating to:

- Presentation of profit or loss
- Additional disclosure requirements (including MPM)
- Aggregation and disaggregation guidance
- Consequential amendments to other standards

The Company expects to apply the general classification requirements applicable for entities which do not have a specified main business activity for revenues and expenses recognised in the statement of profit or loss, however this assessment is still in progress. In addition:

- **Presentation of profit or loss:**

The Company currently does not present an operating profit subtotal in the statement of profit or loss, not a profit before financing and income taxes subtotal. The Company is assessing the impact of IFRS 18, Presentation and Disclosure in Financial Statements, including whether changes will be required to the composition and presentation of subtotals following the introduction of the new required subtotals under the standard.

- **Additional disclosure requirements:**

The Company is further assessing whether any of its existing subtotals or performance measures communicated externally meet the definition of management-defined performance measures under IFRS 18 and, if so, the effect of the related presentation and disclosure requirements.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective (continued)

- **Aggregation and disaggregation guidance:**

In addition, the Company is evaluating the impact of the new requirements relating to the aggregation and disaggregation of information in the financial statements, including the principles governing the labeling and presentation of line items and disclosures.

- **Consequential amendments to other standards:**

The Company is in the process of assessing the overall impact of adopting IFRS 18 on its financial statements. Based on the assessment performed to date, the Company expects that adoption of the standard will result in changes to the presentation of the statement of profit or loss and the statement of cash flows.

Management has commenced its assessment of the potential impact of IFRS 18 Company and any potential impact will be identified in the coming reporting periods.

(All amounts are in thousands Saudi Riyal unless otherwise stated)

4 CASH AND CASH EQUIVALENTS

	30 June 2026	31 December 2025
Insurance operations		
Cash in banks	**95,341**	158,229
Cash in hand	**13**	10
Short term - term deposits	**24,077**	23,605
Accrued income on term deposits	**215**	231
	119,646	182,075
Shareholders' operations		
Cash in banks	**2,262**	12,129
	2,262	12,129
Total cash and cash equivalents	**121,908**	194,204

5 TERM DEPOSITS

	30 June 2026	31 December 2025
Insurance operations		
Short term - term deposits	**211,695**	240,744
Accrued income on term deposits	**5,825**	10,239
Less: ECL allowance	**(13)**	(10)
	217,507	250,973
Shareholders' operations		
Short term - term deposits	**86,606**	106,673
Accrued income on term deposits	**1,922**	5,448
Less: ECL allowance	**(9)**	(5)
	88,519	112,116
Total term deposits	**306,026**	363,089

Term deposits have an original maturity of more than three months from the date of acquisition and are subject to an average commission rate of 4.86% per annum as at 30 June 2026 (December 31, 2025: 5.11%).

Term deposits are placed with local counterparties who have sound credit rating under standard and poor's rating, fitch and Moody's rating methodology.

As of 30 June 2026, (December 31, 2025: SR 20 million) the Company has a term deposit amounting to SR 20 million against issuance of letter of guarantees as a collateral placed in a local bank. Company may not withdraw the deposit before expiration of the guarantees.

(All amounts are in thousands Saudi Riyal unless otherwise stated)

6 INSURANCE AND REINSURANCE CONTRACTS

The breakdown of insurance and reinsurance contracts issued, and reinsurance contracts held measured in premium allocation approach (PAA) and general measurement model (GMM), that are in an asset position and those in a liability position is set out in the table below:

Insurance contracts issued	**Note**	**Measurement Model**	**30 June 2026**		31 December 2025	
			Assets	**Liabilities**	Assets	Liabilities
Medical	6.1	PAA	**-**	**330,041**	-	245,857
Motor	6.1	PAA	**5,958**	**-**	-	194,893
Property	6.1	PAA	**-**	**56,163**	-	57,785
Engineering	6.1	PAA	**-**	**35,016**	-	42,969
Marine	6.1	PAA	**5,842**	**-**	7,320	-
Others	6.1	PAA	**-**	**29,492**	-	48,457
Total insurance contracts issued - PAA			**11,800**	**450,712**	7,320	589,960
Inherent defect insurance (IDI)	6.1	GMM	**-**	**69,290**	-	69,290
Total insurance contracts issued			**11,800**	**520,002**	7,320	659,250

Reinsurance contracts held			**30 June 2026**		31 December 2025	
			Assets	**Liabilities**	Assets	Liabilities
Medical	6.2	PAA	**2,372**	**-**	5,651	-
Motor	6.2	PAA	**11,519**	**-**	19,169	-
Property	6.2	PAA	**29,886**	**-**	38,991	-
Engineering	6.2	PAA	**32,203**	**-**	35,136	-
Marine	6.2	PAA	**835**	**-**	-	3,035
Others	6.2	PAA	**4,758**	**-**	2,801	-
Total reinsurance contracts held - PAA			**81,573**	**-**	101,748	3,035
Inherent defect insurance (IDI)	6.2	GMM	**38,778**	**-**	38,778	-
Total reinsurance contracts held			**120,351**	**-**	140,526	3,035

(All amounts are in thousands Saudi Riyal unless otherwise stated)

6 INSURANCE AND REINSURANCE CONTRACTS (continued)

6.1 Analysis by liabilities / assets for remaining coverage (LRC) and incurred claims (LIC), including loss component (LC), risk adjustment for non - financial risk (RA) and present value of future cashflows (PV of FCF) for insurance contracts measured in premium allocation approach (PAA).

	30 June 2026					31 December 2025				
	LRC		LIC			LRC		LIC		
PAA in total	Excluding LC	LC	PV of FCF	RA	Total	Excluding LC	LC	PV of FCF	RA	Total
Opening insurance contract liabilities	257,624	4,105	316,540	11,691	589,960	240,649	8	346,608	13,890	601,155
Opening insurance contract assets	(5,916)	-	(1,298)	(106)	(7,320)	-	-	-	-	-
Net opening insurance contract	251,708	4,105	315,242	11,585	582,640	240,649	8	346,608	13,890	601,155
Insurance revenue	(554,492)	-	-	-	(554,492)	(1,440,382)	-	-	-	(1,440,382)
Insurance service expense										
Incurred claims and other directly attributable expenses	-	-	465,329	7,850	473,179	-	-	1,204,517	4,942	1,209,459
Insurance acquisition amortization	105,612	-	-	-	105,612	226,893	-	-	-	226,893
Losses / (reversals) on onerous contracts	-	(1,146)	-	-	(1,146)	-	4,097	-	-	4,097
Changes that relate to past service	-	-	(47,639)	(8,623)	(56,262)	-	-	44,079	(7,974)	36,105
Total	105,612	(1,146)	417,690	(773)	521,384	226,893	4,097	1,248,596	(3,032)	1,476,554
Insurance service result before reinsurance	(448,880)	(1,146)	417,690	(773)	(33,108)	(1,213,489)	4,097	1,248,596	(3,032)	36,172
Finance expenses	-	-	3,857	212	4,069	-	-	14,913	727	15,640
Premium received	408,871	-	-	-	408,871	1,339,573	-	-	-	1,339,573
Claims and other directly attributable expenses paid	-	-	(475,618)	-	(475,618)	-	-	(1,294,875)	-	(1,294,875)
Acquisition cash flows paid	(47,943)	-	-	-	(47,943)	(115,025)	-	-	-	(115,025)
Total cash flows	360,928	-	(475,618)	-	(114,690)	1,224,548	-	(1,294,875)	-	(70,328)
Closing insurance contract liabilities	105,502	468	334,353	10,387	450,712	257,624	4,105	316,540	11,691	589,960
Closing insurance contract assets	58,254	2,491	(73,182)	637	(11,800)	(5,916)	-	(1,298)	(106)	(7,320)
Net closing insurance contracts	163,756	2,959	261,171	11,024	438,912	251,708	4,105	315,242	11,585	582,640

***** Incurred claims and other directly attributable expenses includes insurance surplus expense, in the present value of FCF, amounting to SR 0.18 million (2025: SR 2.4 million). Surplus liabilities are amounting to SR 5 million (December 31, 2025: SR 5.2 million) part of LIC, present value of FCF.

(All amounts are in thousands Saudi Riyal unless otherwise stated)

6 INSURANCE AND REINSURANCE CONTRACTS (continued)

6.1 Analysis by remaining coverage and incurred claims for insurance contracts measured in general measurement model (GMM)

	30 June 2026					31 December 2025				
	LRC		**LIC**			LRC		LIC		
Inherent defect insurance (IDI)	**Excluding LC**	**LC**	**Excluding RA**	**RA**	**Total**	Excluding LC	LC	Excluding RA	RA	Total
Opening insurance contract liabilities	**68,057**	**-**	**1,199**	**34**	**69,290**	51,946	-	237	17	52,200
Insurance revenue										
Expected incurred claims and directly attributable expenses	-	-	-	-	-	(4,448)	-	-	-	(4,448)
Change in Risk Adjustment	-	-	-	-	-	(20)	-	-	-	(20)
CSM recognized for services provided	-	-	-	-	-	(513)	-	-	-	(513)
Premium and related Receipts Relating to Past and Current Service	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	(4,981)	-	-	-	(4,981)
Insurance service expense										
Incurred claims and other directly attributable expenses	-	-	-	-	-	-	-	1,360	26	1,386
Changes to liabilities for incurred claims - past service	-	-	-	-	-	-	-	(368)	(11)	(379)
Total	-	-	-	-	-	-	-	992	15	1,007
Total insurance service result	-	-	-	-	-	(4,981)	-	992	15	(3,974)
Finance expenses	-	-	-	-	-	2,028	-	19	2	2,049
Cash flows										
Premium received	-	-	-	-	-	19,303	-	-	-	19,303
Claims and other expenses paid	-	-	-	-	-	(239)	-	(49)	-	(288)
Total cash flows	-	-	-	-	-	19,064	-	(49)	-	19,015
Closing insurance contract liabilities	**68,057**	**-**	**1,199**	**34**	**69,290**	68,057	-	1,199	34	69,290

(All amounts are in thousands Saudi Riyal unless otherwise stated)

6 INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Analysis by liabilities / assets for remaining coverage (ARC) and assets for incurred claims (AIC), including loss component recovery (LC), risk adjustment for non - financial risk (RA) and present value of future cashflows (PV of FCF) for reinsurance contracts measured in premium allocation approach (PAA).

	30 June 2026					31 December 2025				
	ARC		**AIC**			ARC		AIC		
PAA in total	**Excluding LC**	**LC**	**PV of FCF**	**RA**	**Total**	Excluding LC	LC	PV of FCF	RA	Total
Opening reinsurance contract assets	**(17,281)**	**30**	**113,526**	**5,473**	**101,748**	(6,087)	9	98,414	4,364	96,700
Opening reinsurance contract liabilities	**(839)**	**-**	**(2,062)**	**(134)**	**(3,035)**	-	-	-	-	-
Net opening reinsurance contract	**(18,120)**	**30**	**111,464**	**5,339**	**98,713**	(6,087)	9	98,414	4,364	96,700
Reinsurance service expense	**(26,579)**	**-**	**-**	**-**	**(26,579)**	(58,698)	-	-	-	(58,698)
Claims recovered	**-**	**-**	**15,622**	**-**	**15,622**	-	-	68,660	-	68,660
Changes that relate to past service: Changes related to LIC	**-**	**-**	**(15,712)**	**(585)**	**(16,297)**	-	-	9,403	752	10,155
(Reversal) / recovery on losses on onerous contracts	**-**	**(30)**	**-**	**-**	**(30)**	-	21	-	-	21
Net (expense) / revenues from reinsurance contracts held	**(26,579)**	**(30)**	**(90)**	**(585)**	**(27,284)**	(58,698)	21	78,063	752	20,138
Finance income	**-**	**-**	**1,593**	**104**	**1,697**	-	-	3,622	223	3,845
Cash flows										
Premiums ceded paid net of commission	**26,231**	**-**	**-**	**-**	**26,231**	46,665	-	-	-	46,665
Recoveries from reinsurance	**-**	**-**	**(17,788)**	**-**	**(17,788)**	-	-	(68,635)	-	(68,635)
Total cash flows	**26,231**	**-**	**(17,788)**	**-**	**8,442**	46,665	-	(68,635)	-	(21,970)
Closing reinsurance contract assets	**(18,467)**	**-**	**95,182**	**4,858**	**81,573**	(17,281)	30	113,526	5,473	101,748
Closing reinsurance contract liabilities	**-**	**-**	**-**	**-**	**-**	(839)	-	(2,062)	(134)	(3,035)
Net closing reinsurance contract assets	**(18,467)**	**-**	**95,182**	**4,858**	**81,573**	(18,120)	30	111,464	5,339	98,713

(All amounts are in thousands Saudi Riyal unless otherwise stated)

6 INSURANCE AND REINSURANCE CONTRACTS (continued)

6.2 Analysis by remaining coverage and incurred claims for reinsurance contracts measured in GMM

General measurement model	**30 June 2026**					31 December 2025				
	ARC		**AIC**			ARC		AIC		
	Excluding LC	**LC**	**Excluding RA**	**RA**	**Total**	Excluding LC	LC	Excluding RA	RA	Total
Opening reinsurance contract assets	**46,654**	**-**	**(7,876)**	**-**	**38,778**	42,180	-	(8,400)	-	33,780
Allocation of reinsurance premiums										
Expected claims recoverable	-	-	-	-	-	(619)	-	-	-	(619)
Changes in risk adjustment for non-financial risk	-	-	-	-	-	(18)	-	-	-	(18)
Others items Relating to Past and Current Service	-	-	-	-	-	(538)	-	-	-	(538)
CSM recognized during the period	-	-	-	-	-	(326)	-	-	-	(326)
	-	-	-	-	-	(1,502)	-	-	-	(1,502)
Amounts recoverable from reinsurance										
Incurred claims & other directly attributable expenses	-	-	-		-	-	-	833		833
changes to assets for incurred claims - Past service	-	-	-	-	-	-	-	(332)	-	(332)
	-	-	-	-	-	-	-	501	-	501
Finance income	-	-	-	-	-	1,523	-	(22)	-	1,501
Cash flows										
Ceded premium	-	-	-	-	-	7,233	-	-	-	7,233
Incurred claims recoveries	-	-	-	-	-	-	-	45	-	45
Commission and management fees received	-	-	-	-	-	(2,780)	-	-	-	(2,780)
Total cash flows	-	-	-	-	-	4,453	-	45	-	4,498
Net closing balance	**46,654**	-	**(7,876)**	**-**	**38,778**	46,654	-	(7,876)	-	38,778

(All amounts are in thousands Saudi Riyal unless otherwise stated)

7 INVESTMENTS

	30 June 2026	31 December 2025
Insurance operations		
Financial assets measured at FVTPL	**25,963**	24,398
Financial assets at amortised cost – net	**55,197**	55,079
	81,160	79,477
Shareholders' operations		
Financial assets measured at FVTPL	**112,701**	102,280
Financial assets measured at FVOCI	**74,945**	75,643
Financial assets at amortised cost – net	**7,909**	-
	195,555	177,923
Total investments	**276,715**	257,400

a) Investments measured at FVTPL comprise of the following:

	30 June 2026	31 December 2025
Insurance operations		
Tier 1 sukuks	**11,329**	11,441
Funds	**14,633**	12,957
Shareholders' operations		
Equity & tier 1 sukuks	**93,562**	85,617
Funds	**19,139**	16,662
Total financial assets at FVTPL	**138,663**	126,677

b) Investments measured at FVOCI comprise of the following:

	30 June 2026	31 December 2025
Shareholders' operations		
Investment in Najm for Insurance Services Co.	**72,758**	72,758
Other equity investments	**2,187**	2,885
Total financial assets at FVOCI	**74,945**	75,643

(All amounts are in thousands Saudi Riyal unless otherwise stated)

7 INVESTMENTS (continued)

c) Investments measured at amortised cost comprise of the following:

	30 June 2026	31 December 2025
Insurance operations		
Saudi government sukuks	**54,153**	53,903
Accrued income	**1,050**	1,182
Impairment allowance	**(6)**	(6)
	55,197	55,079
Shareholders operations		
Saudi government sukuks	**7,778**	-
Accrued income	**131**	-
	7,909	-
Total investments	**63,106**	55,079

The government sukuks investments are issued and denominated in Saudi Arabian Riyals (SR).

d) There is no movement in impairment ECL allowance between stages 1 to 3 during the period.

The movement in the financial assets are as follows:

	30 June 2026	31 December 2025
a) Measured at FVTPL:		
Insurance operations		
Balance at beginning of the period	**24,398**	20,107
Addition during the period	**66,658**	71,958
Disposals during the period	**(66,658)**	(70,673)
Changes in the fair value of financial assets	**1,564**	3,007
Balance at end of the period	**25,962**	24,398
Shareholders' operations		
Balance at beginning of the period	**102,280**	114,475
Addition during the period	**5,629**	22,642
Disposals during the period	**(6,982)**	(25,003)
Changes in the fair value of financial assets	**4,665**	(10,373)
Cash with fund manager	**7,109**	539
Balance at end of the period	**112,701**	102,280

(All amounts are in thousands Saudi Riyal unless otherwise stated)

7 INVESTMENTS (continued)

	30 June 2026	31 December 2025
b) Measured at FVOCI:		
Shareholders' operations		
Balance at beginning of the period	**75,643**	65,529
Changes in the fair value of financial assets	**(698)**	10,114
Balance at end of the period	**74,945**	75,643

	30 June 2026	31 December 2025
c) Measured at amortised cost:		
Insurance operations		
Balance at beginning of the period	**55,079**	4,903
Addition during the period	**-**	48,946
Accrued income	**1,050**	1,182
Amortization	**(926)**	55
Impairment allowance	**(6)**	(6)
Balance at end of the period	**55,197**	55,079
Shareholders operations		
Balance at beginning of the period	**-**	-
Addition during the period	**7,778**	-
Accrued income	**131**	-
Balance at end of the period	**7,909**	-

(All amounts are in thousands Saudi Riyal unless otherwise stated)

7.1 Investment income

Details on investment income for the period are as follows:

	30 June 2026		
	Insurance operations	**Shareholders' operations**	**Total**
Income on financial assets at FVTPL			
Un-realized gain on investments at FVTPL	**1,564**	**2,394**	**3,958**
Realized loss on investments at FVTPL	**2,108**	**110**	**2,218**
Dividend income on investments at fair value	**405**	**2,717**	**3,122**
	4,077	**5,221**	**9,298**

	30 June 2025		
	Insurance operations	Shareholders' operations	Total
Income on financial assets at FVTPL			
Un-realized gain on investments at fair value	4,973	(6,712)	(1,739)
Realized gain on investments at fair value	-	137	137
Dividend income on investments at fair value	225	706	931
	5,198	(5,869)	(671)

(All amounts are in thousands Saudi Riyal unless otherwise stated)

8 INVESTMENT PROPERTY

The Company's investment property comprises a plot of land acquired from a financial institution as part of a in kind settlement agreement. Management has elected to apply the fair value model for the subsequent measurement of investment property.

8.1 Taking into consideration the valuation technique and key inputs utilized by the valuators, the valuations are categorized at Level 2 (for market approach) of the fair value hierarchy.

8.2 The Company engaged two different independent valuers for investment properties valuations and adopted the lower valuation for their fair value assessment.

Location	Purpose	Valuation Technique	Fair Value amount 2026	2025
Riyadh - KSA	Capital appreciation	Market approach	**65,498**	64,018

The following is a summary of investment property as of:

	30 June 2026	31 December 2025
Opening balance **(8.3)**	**64,018**	42,555
Fair value gain on investment property	**1,480**	21,463
Fair value at the end of the period	**65,498**	64,018

8.3 The plot of land was initially recognized at cost in 2022 under prepayments and other assets. Upon designation the land to be as investment property seeking capital appreciation and approval from the authorities, this has been reclassified to investment properties during 2025.

(All amounts are in thousands Saudi Riyal unless otherwise stated)

9 Provision for zakat

The movement in zakat payable during the period is as follows:

	30 June 2026	31 December 2025
Balance at beginning of the period	**24,662**	23,663
Charge for the period	**4,250**	8,100
Payments during the period	**(7,287)**	(7,101)
Balance at end of the period	**21,625**	24,662

9.1 Status of assessments

i) Zakat assessments

The Company has filed the zakat returns for the financial years upto and including 2025 and received a temporary Zakat certificate. Assessments have been received from ZATCA to date in respect of the following years.

Year ended December 31, 2007 to 2020

The zakat assessments have been finalized up to and including the year 2020.

Year ended December 31, 2021 to 2024

The Company's zakat returns for the years ended December 31, 2021 to 2024 are under review by ZATCA.

ii) VAT assessments

Year ended December 31, 2018 to 2023

The VAT assessments have been finalized up to and including the year 2023.

Year ended December 31, 2024

The Company's VAT returns are under review by ZATCA and the Company has not received any assessment till 30 June 2026.

Management believes that appropriate and adequate provisions have been created and that the finalization of the above-mentioned assessments is not expected to have a material impact on these interim condensed financial statements.

(All amounts are in thousands Saudi Riyal unless otherwise stated)

10 SHARE CAPITAL

As at 30 June 2026, the issued and paid up share capital of the Company amounting to SR 500 million (31 December 2025 : SR 500 million), divided into 50 million ordinary shares of SR 10 each.

11 STATUTORY RESERVE

In accordance with the Company's By-Laws and in compliance with Article 70(2)(g) of the Insurance Implementing Regulations issued by Insurance Authority, formerly Saudi Central Bank (SAMA), the Company is required to allocate 20% of its net shareholder's income for the year to the statutory reserve until it equals the value of share capital and such transfer is only made at year end. The statutory reserve is not available for distribution to shareholders until liquidation of the Company.

12 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the period have been calculated by dividing the total net income for the period by the weighted average number of shares in issue throughout the period.

The basic and diluted earning per share are as follows:

	Three-months period ended 30 June		**Six-months period ended 30 June**	
	2026	2025	**2026**	2025
Basic and diluted earnings per share (SR)	**0.04**	0.13	**0.15**	0.33
Weighted average number of shares throughout the period (thousands)	**50,000**	50,000	**50,000**	50,000

(All amounts are in thousands Saudi Riyal unless otherwise stated)

13 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 new 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. The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital and reserves.

As per guidelines laid out by Insurance Authority in Article 66 of the Implementing Insurance Regulations detailing the solvency margin requirements, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per Insurance Authority Implementing Regulations:

- Minimum Capital Requirement
- Premium Solvency Margin
- Claims Solvency Margin

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Level 1: Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable), and

Level 3: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The following table summarizes the financial assets recorded at fair value as of 30 June 2026 and 31 December 2025 by level of the fair value hierarchy. There are no transfers among the levels during the period. Some equity financial investment are reported at cost, where their fair value are not materially different from the currying value.

As at 30 June 2026	**Level 1**	**Level 2**	**Level 3**	**Carrying value**
Financial assets measured at FVTPL	**64,731**	**47,372**	**26,561**	**138,664**
Financial assets measured at FVOCI	**2,187**	**-**	**72,758**	**74,945**
	66,918	**47,372**	**99,319**	**213,609**

As at 31 December 2025	Level 1	Level 2	Level 3	Carrying value
Financial assets measured at FVTPL	61,162	41,859	23,657	126,678
Financial assets measured at FVOCI	2,885	-	72,758	75,643
	64,047	41,859	96,415	202,321

(All amounts are in thousands Saudi Riyal unless otherwise stated)

14 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

a) Measurement of fair value

Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair value at 30 June 2026 and 31 December 2025, as well as the significant unobservable inputs used. The fair value used for valuation of Level 2 Sukuks and mutual funds are based on prices quoted on reliable and third-party sources.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual fund	Mutual funds classified as Level 3 are fair valued based on the latest available NAV communicated by the fund manager	Fair value of underlying assets	The estimated fair value will increase / decrease directly in line with the change in fair value of underlying assets

b) Movement of level 3 instruments

	30 June 2026	31 December 2025
Opening fair value	**96,415**	83,055
Additions in level 3 investments	**-**	-
Transfer from level 3 to other levels	**-**	-
Fair value gain – net	**2,904**	13,360
Closing fair value	**99,319**	96,415

c) Sensitivity analysis

The impact of change in net assets value reported in level 3 on net income and total equity is as follows:

	30 June 2026	31 December 2025
+5% Increase	**104,285**	101,236
-5% Decrease	**94,353**	91,594
+5% Change	**4,966**	4,821
-5% Change	**(4,966)**	(4,821)

d) Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy:

	Total gain or loss recognised in others					
30 June 2026	**Balance January 1**	**Purchases**	**Disposals**	**Statement of income**	**Other comprehensive income**	**Balance June 30**
Private equity investment	**72,758**	**-**	**-**	**-**	**-**	**72,758**

(All amounts are in thousands Saudi Riyal unless otherwise stated)

14 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

d) Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy (continued):

		Total gain or loss recognised in others				
31 December 2025	Balance January 1	Purchases	Disposals	Statement of income	Other comprehensive income	Balance December 31
Private equity investment	61,141	-	-	-	11,617	72,758

Sensitivity analysis of Level 3 investments

30 June 2026	**Sensitivity factor**	**Impact on fair value due to increase in sensitivity factor**	**Impact on fair value due to increase in sensitivity factor**
Private equity investment	+/- 10% change in price	**7,276**	**(7,276)**

31 December 2025	Sensitivity factor	Impact on fair value due to increase in sensitivity factor	Impact on fair value due to increase in sensitivity factor
Private equity investment	+/- 10% change in price	7,276	(7,276)

15 COMMITMENTS AND CONTINGENCIES

a. Legal proceedings and regulations

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 for the current reporting period.

b. Contingent liabilities

The Company's contingent liabilities are as follows:

	30 June 2026	31 December 2025
Letters of guarantee	**12,327**	12,398

The Company has submitted these bank guarantees to various parties which are fully covered by margin deposits amounting to SR 20 million (2025: SR 20 million).

(All amounts are in thousands Saudi Riyal unless otherwise stated)

16 RELATED PARTY TRANSACTIONS

Members of the Board of Directors do not receive any remuneration for their role in managing the Company unless approved by the General Assembly. Members of the Board of Directors receive an attendance allowance for Board and Board Committee meetings. Key management personnel who is involved in planning, directing the activities of the company receive fixed remuneration as a result of their direct duties and responsibilities. The top Senior key personnel, receive remuneration according to the employment contracts signed with them.

Related parties represent transactions with directors and key management personnel of the Company.

The compensation of key management personnel and BOD accrued during the period is as follows:

	30 June 2026	30 June 2025
Remuneration and compulsory fees to BODs and committees	**650**	450
Board of directors' and committees meeting fees	**480**	305
Key management personnel compensation and benefits	**4,539**	4,020
End of service indemnities	**267**	249

The Key Management Personnel compensation and benefits consist of gross salaries, General Organization for Social Insurance contributions, allowances, insurance and accrued bonus.

(All amounts are in thousands Saudi Riyal unless otherwise stated)

17 SEGMENT INFORMATION

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 stated below. Segment results do not include income from investments, other income or unallocated expense, term deposits, or other assets and liabilities. Accordingly, they are included in unallocated assets and liabilities.

Gross written premium

	For the three-months period ended 30 June 2026					
Operating segment	**Individuals**	**Very small enterprises**	**Small enterprises**	**Medium enterprises**	**Corporates**	**Total**
Medical	**2,724**	**52,379**	**17,940**	**9,903**	**39,755**	**122,700**
Motor	**46,927**	**265**	**5,617**	**4,355**	**3,641**	**60,805**
Property	**4**	**27**	**361**	**1,457**	**6,803**	**8,652**
Engineering	**-**	**-**	**860**	**919**	**610**	**2,389**
Marine	**-**	**-**	**299**	**85**	**1,052**	**1,436**
Others	**483**	**4**	**616**	**2,841**	**107**	**4,051**
Total	**50,138**	**52,675**	**25,693**	**19,560**	**51,968**	**200,033**

	For the three-months period ended 30 June 2025					
Operating segment	Individuals	Very small enterprises	Small enterprises	Medium enterprises	Corporates	Total
Medical	3,271	21,265	12,133	9,063	70,834	116,566
Motor	124,041	7	17,290	710	358	142,406
Property	4	9	123	2,315	4,978	7,429
Engineering	-	18	413	1,284	1,133	2,848
Marine	-	-	(92)	69	963	940
Others	21,423	-	-	-	518	21,941
Total	148,739	21,299	29,867	13,441	78,784	292,130

Reinsurance premium ceded

	For the three-months period ended 30 June					
	2026			2025		
Operating segment	**Local**	**International**	**Total**	Local	International	Total
Medical	**100**	**100**	**200**	125	125	250
Motor	**-**	**1,805**	**1,805**	318	1,216	1,534
Property	**1,709**	**6,192**	**7,901**	1,805	7,596	9,401
Engineering	**573**	**1,849**	**2,422**	356	2,487	2,843
Marine	**240**	**824**	**1,064**	92	845	937
Others	**197**	**433**	**630**	5,796	1,695	7,491
Total	**2,819**	**11,203**	**14,022**	8,492	13,964	22,456

(All amounts are in thousands Saudi Riyal unless otherwise stated)

Gross written premium

	For the six-months period ended 30 June 2026					
Operating segment	**Individuals**	**Very small enterprises**	**Small enterprises**	**Medium enterprises**	**Corporates**	**Total**
Medical	**8,287**	**89,884**	**35,004**	**35,932**	**140,912**	**310,019**
Motor	**78,091**	**516**	**11,085**	**9,678**	**5,453**	**104,823**
Property	**7**	**27**	**645**	**3,224**	**20,279**	**24,182**
Engineering	**-**	**-**	**916**	**2,213**	**2,698**	**5,827**
Marine	**-**	**-**	**404**	**125**	**2,103**	**2,632**
Others	**5,449**	**16**	**950**	**4,398**	**2,631**	**13,444**
Total	**91,834**	**90,443**	**49,004**	**55,570**	**174,076**	**460,927**

	For the six-months period ended 30 June 2025					
Operating segment	Individuals	Very small enterprises	Small enterprises	Medium enterprises	Corporates	Total
Medical	11,604	48,553	23,811	23,616	183,851	291,435
Motor	364,164	531	25,230	2,945	1,479	394,349
Property	6	11	139	6,941	8,780	15,877
Engineering	-	38	1,015	2,557	3,584	7,194
Marine	-	-	28	165	1,018	1,211
Others	47,930	73	546	2,205	2,719	53,473
Total	423,704	49,206	50,769	38,429	201,431	763,539

Reinsurance premium ceded

	For the six-months period ended 30 June					
	2026			2025		
Operating segment	**Local**	**International**	**Total**	Local	International	Total
Medical	**208**	**209**	**417**	246	246	492
Motor	**1,482**	**2,100**	**3,582**	635	2,432	3,067
Property	**3,375**	**18,382**	**21,757**	3,248	13,609	16,857
Engineering	**1,327**	**4,069**	**5,396**	971	6,098	7,069
Marine	**500**	**1,570**	**2,070**	171	1,146	1,317
Others	**586**	**2,739**	**3,325**	10,477	5,024	15,501
Total	**7,478**	**29,069**	**36,547**	15,748	28,555	44,303

(All amounts are in thousands Saudi Riyal unless otherwise stated)

17 SEGMENT INFORMATION (continued)

	30 June 2026						
Operating segment	**Medical**	**Motor**	**Property**	**Engineering**	**Marine**	**Others**	**Total**
Assets							
Reinsurance contract assets	**2,372**	**11,519**	**29,886**	**32,203**	**835**	**43,536**	**120,351**
Insurance contract assets	**-**	**5,958**	**-**	**-**	**5,842**	**-**	**11,800**
Unallocated assets							**953,902**
Total assets							**1,086,053**
Liabilities							
Insurance contract liabilities	**330,041**	**-**	**56,163**	**35,016**	**-**	**98,782**	**520,002**
Unallocated liabilities and equity							**566,051**
Total liabilities and equity							**1,086,053**

	31 December 2025						
Operating segment	Medical	Motor	Property	Engineering	Marine	Others	Total
Assets							
Reinsurance contract assets	5,651	19,169	38,991	35,136	-	41,580	140,527
Insurance contract assets	-	-	-	-	7,320	-	7,320
Unallocated assets							1,074,574
Total assets							1,222,421
Liabilities							
Insurance contract liabilities	245,857	194,893	57,785	42,969	-	117,747	659,250
Reinsurance contract liabilities	-	-	-	-	3,035	-	3,035
Unallocated liabilities and equity							560,136
Total liabilities and equity							1,222,421

(All amounts are in thousands Saudi Riyal unless otherwise stated)

17 SEGMENT INFORMATION (continued)

	For the three-months period ended 30 June 2026						
Operating segment	**Medical**	**Motor**	**Property**	**Engineering**	**Marine**	**Others**	**Total**
Insurance service revenue	134,592	86,575	9,188	3,392	1,138	22,086	256,971
Insurance service expenses	(135,263)	(77,331)	(3,232)	(570)	(182)	(27,591)	(244,169)
Insurance service result before reinsurance contracts held	(671)	9,244	5,956	2,822	956	(5,505)	12,802
Allocation of reinsurance premiums	(200)	(1,805)	(6,573)	(2,870)	(792)	(1,464)	(13,704)
Amounts recoverable from reinsurance	840	177	1,124	(469)	(490)	873	2,055
Net revenues / (expenses) from reinsurance contracts held	640	(1,628)	(5,449)	(3,339)	(1,282)	(591)	(11,649)
Insurance service result	(31)	7,616	507	(517)	(326)	(6,096)	1,153
Finance (expenses) / income from insurance contracts issued	(1,153)	409	(525)	(400)	19	(179)	(1,829)
Finance income / (expenses) from reinsurance contracts held	-	-	480	362	24	(155)	711
Net insurance finance (expenses) / income	(1,153)	409	(45)	(38)	43	(334)	(1,118)
Net insurance result	(1,184)	8,025	462	(555)	(283)	(6,430)	35
Unallocated income							11,750
Unallocated expenses							(7,668)
Net income before zakat							4,117

(All amounts are in thousands Saudi Riyal unless otherwise stated)

17 SEGMENT INFORMATION (continued)

	For the three-months period ended 30 June 2025						
Operating segment	Medical	Motor	Property	Engineering	Marine	Others	Total
Insurance service revenue	143,258	192,548	6,177	4,029	273	19,666	365,951
Insurance service expenses	(121,498)	(216,529)	3,617	(118)	10,089	(18,495)	(342,935)
Insurance service result before reinsurance contracts held	21,760	(23,981)	9,794	3,911	10,362	1,171	23,016
Allocation of reinsurance premiums	(250)	(1,534)	(7,228)	(3,100)	(339)	(3,079)	(15,530)
Amounts recoverable from reinsurance	262	367	4,480	(74)	(8,988)	299	(3,654)
Net (expenses) / revenues from reinsurance contracts held	12	(1,167)	(2,748)	(3,174)	(9,327)	(2,780)	(19,184)
Insurance service result	21,772	(25,148)	7,046	737	1,035	(1,610)	3,832
Finance expenses from insurance contracts issued	(1,668)	(1,307)	(985)	(141)	(259)	42	(4,318)
Finance income / (expenses) from reinsurance contracts held	-	-	803	111	226	(185)	955
Net insurance finance expenses	(1,668)	(1,307)	(182)	(30)	(33)	(143)	(3,363)
Net insurance result	20,104	(26,455)	6,864	707	1,002	(1,752)	469
Unallocated income							17,345
Unallocated expenses							(7,138)
Net income before zakat							10,676

(All amounts are in thousands Saudi Riyal unless otherwise stated)

17 SEGMENT INFORMATION (continued)

	For the six-months period ended 30 June 2026						
Operating segment	**Medical**	**Motor**	**Property**	**Engineering**	**Marine**	**Others**	**Total**
Insurance service revenue	271,333	212,421	17,738	7,266	1,735	43,999	554,492
Insurance service expenses	(249,728)	(222,517)	(1,475)	1,707	(541)	(48,830)	(521,384)
Insurance service result before reinsurance contracts held	21,605	(10,096)	16,263	8,973	1,194	(4,831)	33,108
Allocation of reinsurance premiums	(417)	(3,582)	(12,595)	(5,594)	(1,233)	(3,158)	(26,579)
Amounts recoverable from reinsurance	511	(1,008)	(2,392)	(3,334)	4,148	1,370	(705)
Net (expenses) / revenues from reinsurance contracts held	94	(4,590)	(14,987)	(8,928)	2,915	(1,788)	(27,284)
Insurance service result	21,699	(14,686)	1,276	45	4,109	(6,619)	5,824
Finance expenses from insurance contracts issued	(2,225)	232	(1,099)	(674)	51	(354)	(4,069)
Finance income from reinsurance contracts held	-	-	1,010	608	(13)	92	1,697
Net insurance finance (expenses) / income	(2,225)	232	(89)	(66)	38	(262)	(2,372)
Net insurance result	19,474	(14,454)	1,187	(21)	4,147	(6,881)	3,452
Unallocated income							22,964
Unallocated expenses							(14,696)
Net income before zakat							11,720

(All amounts are in thousands Saudi Riyal unless otherwise stated)

17 SEGMENT INFORMATION (continued)

	For the six-months period ended 30 June 2025						
Operating segment	Medical	Motor	Property	Engineering	Marine	Others	Total
Insurance service revenue	296,725	351,540	12,205	7,931	1,913	35,765	706,079
Insurance service expenses	(259,956)	(388,842)	(33,367)	(4,532)	10,363	(31,445)	(707,779)
Insurance service result before reinsurance contracts held	36,769	(37,302)	(21,162)	3,399	12,276	4,320	(1,700)
Allocation of reinsurance premiums	(492)	(3,067)	(11,508)	(6,134)	(1,416)	(6,302)	(28,919)
Amounts recoverable from reinsurance	(69)	180	29,867	2,729	(9,637)	799	23,869
Net (expenses) / revenues from reinsurance contracts held	(561)	(2,887)	18,359	(3,405)	(11,053)	(5,503)	(5,050)
Insurance service result	36,208	(40,189)	(2,803)	(6)	1,223	(1,183)	(6,750)
Finance expenses from insurance contracts issued	(3,389)	(2,409)	(1,625)	(238)	(525)	(2,321)	(10,507)
Finance income from reinsurance contracts held	-	-	1,351	185	457	1,574	3,567
Net insurance finance expenses	(3,389)	(2,409)	(274)	(53)	(68)	(747)	(6,940)
Net insurance result	32,819	(42,598)	(3,077)	(59)	1,155	(1,930)	(13,690)
Unallocated income							48,717
Unallocated expenses							(13,470)
Net income before zakat							21,557

(All amounts are in thousands Saudi Riyal unless otherwise stated)

18 STATUTORY DEPOSIT

In compliance with Article 58 of the Implementing Regulations issued by the Insurance Authority (IA), formerly Saudi Central Bank (SAMA), the Company has deposited 15% (30 June 2026) of its share capital, amounting to SR 75 million (31 December 2025: SR 75 million), in a bank designated by IA. The statutory deposit is maintained with a reputed local bank and can be withdrawn only with the consent of IA. The Company is not entitled to receive the investment return on this deposit. This investment return is shown as a separate line item in the interim condensed statement of Financial Position. Income is accrued on statutory deposit at rate of 5% (31 December 2025: 5%) per annum.

19 EXPENSE ANALYSIS

Following is the breakdown of expenses by category:

	30 June 2026				
	Insurance acquisition costs	**Attributable non-acquisition costs**	**Total attributable expenses**	**Non attributable expenses**	**Total**
Expenses pertaining to insurance operations					
Commissions incurred	**48,454**	**-**	**48,454**	**-**	**48,454**
Claims handling and other expenses	**-**	**10,163**	**10,163**	**-**	**10,163**
Other underwriting expenses	**21,117**	**-**	**21,117**	**-**	**21,117**
Total expenses	**69,571**	**10,163**	**79,734**	**-**	**79,734**
Salaries and staff related costs	**20,686**	**25,180**	**45,866**	**9,516**	**55,382**
Depreciation and amortization	**184**	**318**	**502**	**-**	**502**
Communication and technology	**1,300**	**4,084**	**5,384**	**1,134**	**6,518**
Legal and professional fees	**1,358**	**1,026**	**2,384**	**1,111**	**3,495**
Regulatory fees	**8,829**	**-**	**8,829**	**-**	**8,829**
Rents	**1,874**	**868**	**2,742**	**-**	**2,742**
Advertisement and marketing expenses	**2,197**	**-**	**2,197**	**-**	**2,197**
Other expenses	**2,258**	**1,068**	**3,326**	**2,142**	**5,468**
Total expenses	**38,686**	**32,544**	**71,230**	**13,903**	**85,133**
Expenses pertaining to shareholders' operations					
Director's Remunerations	**-**	**-**	**-**	**650**	**650**
Others	**-**	**-**	**-**	**143**	**143**
Total	**-**	**-**	**-**	**793**	**793**
Total expenses	**108,257**	**42,707**	**150,964**	**14,696**	**165,659**

(All amounts are in thousands Saudi Riyal unless otherwise stated)

19 EXPENSE ANALYSIS (continued)

Following is the breakdown of expenses by category:

	30 June 2025				
	Insurance acquisition costs	Attributable non-acquisition costs	Total attributable expenses	Non attributable expenses	Total
Expenses pertaining to insurance operations					
Commissions incurred on premium written during the period	56,790	-	56,790	-	56,790
Claims handling and other expenses	-	9,341	9,341	-	9,341
Other underwriting expenses	18,780	-	18,780	-	18,780
Total expenses	75,570	9,341	84,911	-	84,911
Salaries and staff related costs	22,825	21,916	44,741	7,365	52,106
Depreciation and amortization	253	579	832	2	834
Communication and technology	1,962	3,557	5,519	1,018	6,537
Legal and professional fees	2,813	706	3,519	3,026	6,545
Regulatory fees	6,714	-	6,714	-	6,714
Rents	1,662	899	2,561	64	2,625
Advertisement and marketing expenses	3,135	-	3,135	-	3,135
Other expenses	2,019	1,422	3,441	1,350	4,791
Total expenses	41,383	29,079	70,462	12,825	83,287
Expenses pertaining to shareholders' operations					
Director's Remunerations	-	-	-	450	450
Others	-	-	-	195	195
Total	-	-	-	645	645
Total expenses	116,953	38,420	155,373	13,470	168,843

The breakdown of remuneration for the statutory audit, quarterly reviews, zakat, VAT, and other services of the Company's interim condensed financial statements is presented below:

	30 June	
	2026	2025
Quarterly review for first & second quarter – Professional Consultants Company	**117**	142
Quarterly review for first quarter – PKF Al Bassam Chartered Accountants	**88**	176
Quarterly review for first quarter – El Sayed El Ayouty & Co Certified Public Accountants	**80**	-
Zakat & VAT services	**244**	190
	529	508

(All amounts are in thousands Saudi Riyal unless otherwise stated)

20 SUPPLEMENTARY INFORMATION

20.1 Interim condensed statement of financial position

	Insurance operations		Shareholders' operations		Total	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025	**30 June 2026**	31 December 2025
ASSETS						
Cash and cash equivalents	**119,646**	182,075	**2,262**	12,129	**121,908**	194,204
Term deposits	**217,507**	250,973	**88,519**	112,116	**306,026**	363,089
Reinsurance contract assets	**120,351**	140,527	**-**	-	**120,351**	140,527
Insurance contract assets	**11,800**	7,320	**-**	-	**11,800**	7,320
Investments	**81,159**	79,477	**195,556**	177,923	**276,715**	257,400
Investment property	**-**	-	**65,498**	64,018	**65,498**	64,018
Prepayments and other assets	**102,439**	115,981	**1,636**	1,782	**104,075**	117,763
Property and equipment	**2,111**	2,189	**-**	-	**2,111**	2,189
Right-of-use assets	**-**	227	**-**	-	**-**	227
Accrued income on statutory deposit	**-**	-	**2,573**	688	**2,573**	688
Statutory deposit	**-**	-	**74,996**	74,996	**74,996**	74,996
	655,013	778,769	**431,040**	443,652	**1,086,053**	1,222,421
Due from insurance operations	**-**	-	**88,414**	72,355	**88,414**	72,355
TOTAL ASSETS	**655,013**	778,769	**519,454**	516,007	**1,174,467**	1,294,776

(All amounts are in thousands Saudi Riyal unless otherwise stated)

20 SUPPLEMENTARY INFORMATION (continued)

20.1 Interim condensed statement of financial position (continued)

	Insurance operations		Shareholders' operations		Total	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025	**30 June 2026**	31 December 2025
LIABILITIES						
Accrued expenses and other liabilities	**34,515**	32,864	**5,015**	7,188	**39,530**	40,052
Insurance contract liabilities	**520,002**	659,250	-	-	**520,002**	659,250
Reinsurance contract liabilities	**-**	3,035	-	-	**-**	3,035
Provision for zakat	**-**	-	**21,625**	24,662	**21,625**	24,662
Lease liabilities	**-**	231	-	-	**-**	231
Employees' end-of-service benefits	**33,220**	32,172	-	-	**33,220**	32,172
Accrued income payable to Insurance Authority	-	**-**	**2,573**	688	**2,573**	688
	587,737	727,552	**29,213**	32,538	**616,950**	760,090
Due to shareholders' operations	**88,414**	72,355	-	-	**88,414**	72,355
TOTAL LIABILITIES	**676,151**	799,907	**29,213**	32,538	**705,364**	832,445
EQUITY						
Share capital	-	-	**500,000**	500,000	**500,000**	500,000
Statutory reserve	-	-	**2,131**	2,131	**2,131**	2,131
Accumulated losses	-	-	**(78,889)**	(86,359)	**(78,889)**	(86,359)
Investments fair value reserve	-	-	**66,999**	67,697	**66,999**	67,697
Re-measurement reserve on defined benefit plans	**(21,138)**	(21,138)	-	-	**(21,138)**	(21,138)
TOTAL EQUITY	**(21,138)**	(21,138)	**490,241**	483,469	**469,103**	462,331
TOTAL LIABILITIES AND EQUITY	**655,013**	778,769	**519,454**	516,007	**1,174,467**	1,294,776

(All amounts are in thousands Saudi Riyal unless otherwise stated)

20 SUPPLEMENTARY INFORMATION (continued)

20.2 Interim condensed statement of income

	For the three-months period ended 30 June					
	Insurance operations		Shareholders' operations		Total	
	2026	2025	**2026**	2025	**2026**	2025
Insurance service revenue	**256,971**	365,951	-	-	**256,971**	365,951
Insurance service expenses	**(244,168)**	(342,934)	-	-	**(244,168)**	(342,934)
Insurance service result before reinsurance contracts held	**12,803**	23,017	-	-	**12,803**	23,017
Allocation of reinsurance premiums	**(13,704)**	(15,530)	-	-	**(13,704)**	(15,530)
Amounts recoverable from reinsurance	**2,055**	(3,654)	-	-	**2,055**	(3,654)
Net (expenses) / revenues from reinsurance contracts held	**(11,649)**	(19,184)	-	-	**(11,649)**	(19,184)
Insurance service result	**1,154**	3,833	-	-	**1,154**	3,833
Investment income on financial assets at amortised cost	**3,526**	6,323	**1,229**	2,404	**4,755**	8,727
Investment income on financial assets at FVTPL	**1,629**	1,120	**3,231**	(6,907)	**4,860**	(5,787)
Fair value loss on investment property	**-**	-	**(569)**	-	**(569)**	-
Other investment income	**-**	274	**-**	706	**-**	980
Net investment income	**5,155**	7,717	**3,891**	(3,797)	**9,046**	3,920
Finance expenses from insurance contracts issued	**(1,829)**	(4,318)	-	-	**(1,829)**	(4,318)
Finance income from reinsurance contracts held	**711**	955	-	-	**711**	955
Net insurance finance expenses	**(1,118)**	(3,363)	-	-	**(1,118)**	(3,363)
Net insurance and investment result	**5,191**	8,187	**3,891**	(3,797)	**9,082**	4,390
Other operating expenses	**(7,241)**	(6,816)	**(427)**	(322)	**(7,668)**	(7,138)
Other income	**732**	11,502	**1,971**	1,923	**2,703**	13,425
Net income for the period before Zakat	**(1,318)**	12,873	**5,435**	(2,196)	**4,117**	10,677
Zakat expense for the period	**-**	**-**	**(2,125)**	(4,000)	**(2,125)**	(4,000)
Net income for the period attributable to shareholders	**(1,318)**	12,873	**3,310**	(6,196)	**1,992**	6,677

(All amounts are in thousands Saudi Riyal unless otherwise stated)

20 SUPPLEMENTARY INFORMATION (continued)

20.3 Interim condensed statement of comprehensive income

	For the three-months period ended 30 June					
	Insurance operations		Shareholders' operations		Total	
	2026	2025	**2026**	2025	**2026**	2025
Net income for the period	**(1,318)**	12,873	**1,992**	6,677	**674**	19,550
Other comprehensive income:						
Items that will not be recycled to interim condensed statements of income in subsequent periods:						
Change in fair value of financial investments at FVOCI	**-**	-	**(19)**	1,946	**(19)**	1,946
Total comprehensive income for the period	**(1,318)**	12,873	**1,973**	8,623	**655**	21,496
Total comprehensive income attributable to insurance operations	**-**	-	**-**	-	**-**	-
Total comprehensive income	**(1,318)**	12,873	**1,973**	8,623	**655**	21,496

(All amounts are in thousands Saudi Riyal unless otherwise stated)

20 SUPPLEMENTARY INFORMATION (continued)

20.2 Interim condensed statement of income

	For the six-months period ended 30 June					
	Insurance operations		Shareholders' operations		Total	
	2026	2025	**2026**	2025	**2026**	2025
Insurance service revenue	**554,492**	706,079	-	-	**554,492**	706,079
Insurance service expenses	**(521,384)**	(707,779)	-	-	**(521,384)**	(707,779)
Insurance service result before reinsurance contracts held	**33,108**	(1,700)	-	-	**33,108**	(1,700)
Allocation of reinsurance premiums	**(26,579)**	(28,919)	-	-	**(26,579)**	(28,919)
Amounts recoverable from reinsurance	**(705)**	23,869	-	-	**(705)**	23,869
Net (expenses) / revenues from reinsurance contracts held	**(27,284)**	(5,050)	-	-	**(27,284)**	(5,050)
Insurance service result	**5,824**	(6,750)	-	-	**5,824**	(6,750)
Investment income on financial assets at amortised cost	**7,260**	12,189	**2,223**	4,381	**9,483**	16,570
Investment income on financial assets at FVTPL	**4,077**	4,973	**5,221**	(6,576)	**9,298**	(1,603)
Fair value gain on investment property	**-**	-	**1,480**	-	**1,480**	-
Other investment income	**-**	274	**-**	706	**-**	980
Net investment income	**11,337**	17,436	**8,924**	(1,489)	**20,261**	15,947
Finance expenses from insurance contracts issued	**(4,069)**	(10,507)	-	-	**(4,069)**	(10,507)
Finance income from reinsurance contracts held	**1,697**	3,567	-	-	**1,697**	3,567
Net insurance finance expenses	**(2,372)**	(6,940)	-	-	**(2,372)**	(6,940)
Net insurance and investment result	**14,789**	3,746	**8,924**	(1,489)	**23,713**	2,257
Other operating expenses	**(13,903)**	(12,825)	**(793)**	(645)	**(14,696)**	(13,470)
Other income	**732**	30,847	**1,971**	1,923	**2,703**	32,770
Net income for the period before Zakat	**1,618**	21,768	**10,102**	(211)	**11,720**	21,557
Zakat expense for the period	**-**	-	**(4,250)**	(5,000)	**(4,250)**	(5,000)
Net income for the period attributable to shareholders	**1,618**	21,768	**5,852**	(5,211)	**7,470**	16,557

(All amounts are in thousands Saudi Riyal unless otherwise stated)

20 SUPPLEMENTARY INFORMATION (continued)

20.3 Interim condensed statement of comprehensive income

	For the Six-months period ended 30 June					
	Insurance operations		Shareholders' operations		Total	
	2026	2025	**2026**	2025	**2026**	2025
Net income for the period	**-**	-	**7,470**	16,557	**7,470**	16,557
Other comprehensive income:						
Items that will not be recycled to interim condensed statements of income in subsequent periods:						
Change in fair value of financial investments at FVOCI	**-**	-	**(698)**	2,011	**(698)**	2,011
Total comprehensive income for the period	**-**	-	**6,772**	18,568	**6,772**	18,568
Total comprehensive income attributable to insurance operations	**-**	-	**-**	-	**-**	-
Total comprehensive income	**-**	-	**6,772**	18,568	**6,772**	18,568

(All amounts are in thousands Saudi Riyal unless otherwise stated)

20 SUPPLEMENTARY INFORMATION (continued)

20.4 Interim condensed statement of cash flows

	For the six-months period ended 30 June					
	Insurance operations		Shareholders' operations		Total	
	2026	2025	**2026**	2025	**2026**	2025
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the period before zakat	**-**	-	**11,720**	21,557	**11,720**	21,557
Adjustments for:						
Depreciation of property and equipment & right of use Asset	**725**	1,062	**-**	-	**725**	1,062
Fair value gain on investment properties	**-**	-	**(1,480)**	-	**(1,480)**	-
Investment income on financial assets	**(2,949)**	(4,973)	**(11,857)**	6,576	**(14,806)**	1,603
Finance expenses from insurance contracts issued	**4,069**	10,507	**-**	-	**4,069**	10,507
Finance income from reinsurance contracts held	**(1,697)**	(3,567)	**-**	-	**(1,697)**	(3,567)
Finance cost on lease liabilities	**4**	-	**-**	-	**4**	-
Provision for employees' end-of-service benefits	**2,221**	2,207	**-**	-	**2,221**	2,207
Changes in operating assets and liabilities:						
Reinsurance contract assets	**21,873**	17,576	**-**	-	**21,873**	17,576
Insurance contract assets	**(4,480)**	-	**-**	-	**(4,480)**	-
Prepayments and other assets	**13,542**	(17,862)	**146**	(150)	**13,688**	(18,012)
Accrued expenses and other liabilities	**1,651**	(15,505)	**(2,222)**	(2,572)	**(571)**	(18,077)
Insurance contract liabilities	**(143,317)**	183,829	**-**	-	**(143,317)**	183,829
Reinsurance contract liabilities	**(3,035)**	-	**-**	-	**(3,035)**	-
Cash (used in) / from operations	**(111,393)**	173,273	**(3,694)**	25,411	**(115,087)**	198,685

(All amounts are in thousands Saudi Riyal unless otherwise stated)

20 SUPPLEMENTARY INFORMATION (continued)

20.4 Statement of cash flows (continued)

	For the six-months period ended 30 June					
	Insurance operations		Shareholders' operations		Total	
	2026	2025	**2026**	2025	**2026**	2025
Due to shareholders / (from insurance operations)	**16,059**	(68,606)	**(16,059)**	68,606	**-**	-
Zakat paid	**-**	-	**(7,287)**	(7,101)	**(7,287)**	(7,101)
Employees' end-of-service benefits paid	**(1,179)**	(2,712)	**-**	-	**(1,179)**	(2,712)
Net cash (used in) / generated from operating activities	**(96,513)**	101,955	**(27,040)**	86,916	**(123,553)**	188,871
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from matured / (net placement to) term deposits	**33,466**	(56,237)	**23,597**	(28,376)	**57,063**	(84,613)
Additions to investments	**(66,658)**	(60,690)	**(13,407)**	(22,550)	**(80,065)**	(83,240)
Proceeds from investments disposals	**67,931**	-	**6,982**	-	**74,913**	-
Additions to property and equipment	**(420)**	(48)	**-**	-	**(420)**	(48)
Net cash generated from / (used in) investing activities	**34,319**	(116,975)	**17,172**	(50,926)	**51,491**	(167,901)
CASH FLOWS FROM FINANCING ACTIVITIES						
Lease liabilities paid	**(235)**	(231)	**-**	-	**(235)**	(231)
Net cash used in financing activities	**(235)**	(231)	**-**	-	**(235)**	(231)
Net change in cash and cash equivalents	**(62,429)**	(15,251)	**(9,867)**	35,990	**(72,296)**	20,739
Cash and cash equivalents at the beginning of the period	**182,075**	161,253	**12,129**	11,722	**194,204**	172,975
Cash and cash equivalents at the end of the period	**119,646**	146,002	**2,262**	47,712	**121,908**	193,714
Supplemental non-cash information:						
Change in fair value of financial investments at FVOCI	**-**	-	**(698)**	2,011	**(698)**	2,011

21 RIGHTS AND ENTITLEMENTS OF NON-SAUDI EMPLOYEES IN PRIVATE SECTOR ENTITIES INSURANCE

This represents the Company's share of surplus 4.99% (2025: 4.99%) 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.

22 SUBSEQUENT EVENTS

There have been no subsequent events that require disclosure or adjustment in these interim condensed financial statements except for those disclosed in these interim condensed financial statements.

23 APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Board of Directors on 20 Safar 1448 H corresponding to 3 August 2026.