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

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

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

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

**INTERIM CONDENSED FINANCIAL STATEMENTS**
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026**

PKF Al-Bassam
Chartered Accountants

MOORE
El Sayed El Ayouty & Co.
Certified Public Accountants
An Independent Member Firm of Moore Global

# INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

# TO THE SHAREHOLDERS OF SAUDI ENAYA COOPERATIVE INSURANCE COMPANY A SAUDI JOINT STOCK COMPANY

## INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of Saudi Enaya Cooperative Insurance Company ("the Company") as at 30 June 2026, the interim condensed statements of income and comprehensive income for the three-month and six-month periods then ended, interim condensed statements of changes in equity and cash flows for the six-month period then ended, and notes to 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 statements 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 is not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

PKF Al-Bassam
Chartered Accountants

MOORE
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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS – (CONTINUED)

## TO THE SHAREHOLDERS OF SAUDI ENAYA COOPERATIVE INSURANCE COMPANY A SAUDI JOINT STOCK COMPANY

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 4 to the interim condensed financial statements, which indicates that, as at 30 June 2026, the Company had accumulated losses of SAR 100.29 million, representing 43.61% of its share capital, and continued to face regulatory capital and solvency challenges. Following the non-approval of the proposed merger by shareholders, the Company obtained a six-month extension from the Insurance Authority and initiated a capital restoration plan involving a capital reduction and a proposed rights issue, subject to the relevant including regulatory approvals. The successful implementation of these measures and achievement of the forecast operational improvements remain uncertain. 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. Our conclusion is not modified in respect of this matter.

### OTHER MATTER

The interim condensed financial statements of the Company for the three-month and six-month periods ended 30 June 2025, were jointly reviewed by another auditors, who expressed an unmodified conclusion on those interim condensed financial statements on 16 Safar 1447H corresponding to 10 August 2025. In addition, the financial statements of the Company for the year ended 31 December 2025 were jointly audited by another auditors, who expressed an unmodified opinion on 7 Shawwal 1447H corresponding to 26 March 2026.

| | |
|---|---|
| **PKF Al-Bassam** | **El Sayed El Ayouty & Co.** |
| **Chartered Accountants** | **Certified Public Accountants** |
| Ibrahim Ahmed Al Bassam | Abdullah Ahmed Balamesh |
| Certified Public Accountant | Certified Public Accountant |
| License No. 337 | License No. 345 |

Jeddah, Kingdom of Saudi Arabia
XX Safar 1448H
Corresponding to: XX August 2026

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**
**AS AT 30 JUNE 2026**
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

| | Notes | 30 June 2026 (Unaudited) | 31 December 2025 (Audited) |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | 5 | **195,499** | 151,451 |
| Investments | 6 | **34,891** | 34,685 |
| Property and equipment, net | | **1,290** | 1,588 |
| Intangible assets, net | | **2,363** | 631 |
| Right of use assets, net | | **1,154** | 1,704 |
| Statutory deposit | 7 | **34,500** | 34,500 |
| Insurance contract assets | 8 | **11,982** | - |
| Accrued income on statutory deposit | | **608** | 1,651 |
| Prepaid expenses and other assets | | **3,798** | 4,171 |
| **TOTAL ASSETS** | | **286,085** | 230,381 |
| | | | |
| **LIABILITIES** | | | |
| Insurance contract liabilities | 8 | **131,802** | 49,360 |
| Accrued income payable to Insurance Authority | | **608** | 1,651 |
| Accrued expenses and other liabilities | | **4,535** | 2,917 |
| Lease liabilities | | **714** | 1,275 |
| Employees' end of service benefits | | **5,526** | 5,562 |
| Provision for zakat and income tax | 9 | **11,359** | 13,066 |
| **TOTAL LIABILITIES** | | **154,544** | 73,831 |
| | | | |
| **EQUITY** | | | |
| Share capital | 10 | **230,000** | 230,000 |
| Accumulated losses | | **(100,293)** | (75,284) |
| Re-measurement reserve for employees' end of service benefits | | **1,834** | 1,834 |
| **TOTAL EQUITY** | | **131,541** | 156,550 |
| **TOTAL LIABILITIES AND EQUITY** | | **286,085** | 230,381 |

Chairman | Managing Director | Chief Financial Officer

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

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

**INTERIM CONDENSED STATEMENT OF INCOME**
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026**
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

| | | *For the three-month period ended 30 June* | | *For the six-month period ended 30 June* | |
|---|---|---|---|---|---|
| | **Notes** | **2026 (Unaudited)** | 2025 (Unaudited) | **2026 (Unaudited)** | 2025 (Unaudited) |
| Insurance revenue | 8 | **41,310** | 49,041 | **73,100** | 104,902 |
| Insurance service expenses | 8 | **(64,202)** | (44,798) | **(95,002)** | (97,834) |
| **Insurance service result** | 8 | **(22,892)** | 4,243 | **(21,902)** | 7,068 |
| **Investment income** | | | | | |
| Commission income on financial assets at amortised cost | 6.1 | **1,933** | 2,140 | **3,947** | 4,434 |
| Net impairment reversal on financial assets | | **-** | - | **-** | 13 |
| **Net investment income** | | **1,933** | 2,140 | **3,947** | 4,447 |
| **Net insurance and investment results** | | **(20,959)** | 6,383 | **(17,955)** | 11,515 |
| Other operating expenses | | **(3,827)** | (4,535) | **(6,140)** | (9,049) |
| **Net (loss) / income for the period before zakat and Income tax attributable to the shareholders** | | **(24,786)** | 1,848 | **(24,095)** | 2,466 |
| Zakat charge | 9 | **(260)** | (1,677) | **(913)** | (1,777) |
| Income tax charge | 9 | **-** | (2) | **(1)** | (7) |
| **Net (loss) / income for the period after zakat and income tax attributable to the shareholders** | | **(25,046)** | 169 | **(25,009)** | 682 |
| **(Losses) / earnings per share (expressed in SAR per share)** | | | | | |
| Weighted average number of ordinary shares outstanding (in thousands shares) | 11 | **23,000** | 23,000 | **23,000** | 23,000 |
| **Basic and diluted (losses) / earnings per share for the period (SAR / share)** | 11 | **(1.09)** | 0.01 | **(1.09)** | 0.03 |

Chairman | Managing Director | Chief Financial Officer

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

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

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026**
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

| | ***For the three-month period ended 30 June*** | | ***For the six-month period ended 30 June*** | |
|---|---|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) | **2026 (Unaudited)** | 2025 (Unaudited) |
| **OTHER COMPREHENSIVE INCOME** | | | | |
| Net (loss) / income for the period after zakat and income tax attributable to the shareholders | **(25,046)** | 169 | **(25,009)** | 682 |
| ***Items that will not be reclassified to interim condensed statement of income in subsequent periods*** | | | | |
| Remeasurement gain / (loss) on employees' end of service benefits | **-** | - | **-** | - |
| **TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD** | **(25,046)** | 169 | **(25,009)** | 682 |

Chairman | Managing Director | Chief Financial Officer

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

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026**
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

| | Share capital | Accumulated losses | Re-measurement reserve for employees' end of service benefits | Total equity |
|---|---|---|---|---|
| **Balance as at 31 December 2025 (Audited)** | **230,000** | **(75,284)** | **1,834** | **156,550** |
| Net loss for the period after zakat and income tax attributable to the shareholders | **-** | **(25,009)** | **-** | **(25,009)** |
| Other comprehensive income for the period | **-** | **-** | **-** | **-** |
| Total comprehensive loss for the period | **-** | **(25,009)** | **-** | **(25,009)** |
| **Balance as at 30 June 2026 (Unaudited)** | **230,000** | **(100,293)** | **1,834** | **131,541** |
| | | | | |
| Balance as at 31 December 2024 (Audited) | 230,000 | (68,585) | 2,499 | 163,914 |
| Net income for the period after zakat and income tax attributable to the shareholders | - | 682 | - | 682 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | 682 | - | 682 |
| Balance as at 30 June 2025 (Unaudited) | 230,000 | (67,903) | 2,499 | 164,596 |

Chairman | Managing Director | Chief Financial Officer

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

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026**
(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

| | | *For the six-month period ended 30 June* | |
|---|---|---|---|
| | **Notes** | **2026 (Unaudited)** | 2025 (Unaudited) |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net (loss) / income for the period before zakat and income tax | | **(24,095)** | 2,466 |
| *Adjustments for non-cash items:* | | | |
| Depreciation of property and equipment | | **357** | 424 |
| Amortization of intangible assets | | **409** | 125 |
| Depreciation of right-of-use assets | | **550** | 550 |
| Finance cost on lease liabilities | | **26** | 51 |
| Reversal of impairment on financial assets | 6 | **-** | (10) |
| Commission income from financial asset at amortized cost | | **(206)** | - |
| Provision for employees' end of service benefits | | **225** | 111 |
| | | **(22,734)** | 3,717 |
| *Changes in operating assets and liabilities:* | | | |
| Prepaid expenses and other assets | | **373** | (3,734) |
| Accrued expenses and other liabilities | | **1,617** | (167) |
| Insurance contract assets | | **(11,982)** | - |
| Insurance contract liabilities | | **82,442** | (14,725) |
| **Cash generated from / (used in) operating activities** | | **49,716** | (14,909) |
| Employees' end of service benefits paid | | **(261)** | (528) |
| Zakat and income tax paid | 9 | **(2,621)** | (2,918) |
| **Net cash flows generated from / (used in) operating activities** | | **46,834** | (18,355) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Purchase of property and equipment | | **(58)** | (135) |
| Purchase of intangible assets | | **(2,141)** | - |
| Proceeds from maturity of investment | 6 | **-** | 147,715 |
| **Net cash flows (used in) / generated from investing activities** | | **(2,199)** | 147,580 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Payment of lease liabilities | | **(587)** | (587) |
| **Net cash flows used in financing activities** | | **(587)** | (587) |
| Net change in cash and cash equivalents | | **44,048** | 128,638 |
| Cash and cash equivalents, beginning of the period | | **151,451** | 78,560 |
| **Cash and cash equivalents, end of the period** | | **195,499** | 207,198 |

Chairman | Managing Director | Chief Financial Officer

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

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

## 1. GENERAL

Saudi Enaya Cooperative Insurance Company (a Saudi Joint Stock Company incorporated in Kingdom of Saudi Arabia), (the “Company”), was formed pursuant to Royal Decree No. 98/Q dated 16 Rabi Awwal 1433H (Corresponding to 8 February 2012). The Company operates under Unified no. 7001703672 and Commercial Registration no. 4030223528 dated 27 Rabi Awwal 1433H (corresponding to 19 February 2012). The registered address of the Company's head office is as follows:

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

Following is the branch of the Company:

| ***Branch*** | ***Commercial Registration Number:*** |
|---|---|
| Riyadh | 1010421871 |

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

On 27 Rajab 1432H (corresponding to 29 June 2011), the Law on the Supervision of Cooperative Insurance Companies (“Insurance Law”) was promulgated by Royal Decree Number (M/49). On 27 February 2012, the Saudi Central Bank (“SAMA”), as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license to transact insurance activities in the Kingdom of Saudi Arabia. From 23 November 2023, the Insurance Authority (IA) became the authorized regulator of the insurance industry in Saudi Arabia, however, laws and regulations issued previously by SAMA related to the insurance sector will remain in effect until further instructions are issued by the IA.

**Proposed merger (terminated)**

On 26 Sha’ban 1446H (corresponding to 25 February 2025), the Company signed a non-binding Memorandum of Understanding (MoU) with Salama Cooperative Insurance Company (“Salama”), to evaluate a potential merger between Salama and the Company. On 29 May 2025, General Authority for Competition issued the non-objection on the completion of the economic concentration resulting from the Potential Merger. The Company announced the signing of a binding MoU with Salama on 20 Safar 1447H (corresponding to 14 August 2025) (the “Merger Agreement”) pursuant to which the Company will be merged into Salama and all of the Company’s rights, liabilities, assets and contracts of the Company will be subsumed by Salama in exchange for Salama’s issuance of 18,984,000 new ordinary shares with nominal value of SAR 10 each in Salama to the Company’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 (the “CMA”), and in accordance with the conditions and provisions of the Merger Agreement (the “Merger”).

On 15 Rajab 1447H (corresponding to 4 January 2026) shareholders of Salama announced approval of increase in the share capital through merger with the Company.

On 13 Sha’ban 1447H (corresponding to 1 February 2026), the Company announced disapproval of the offer submitted by Salama to the shareholders for the purpose of merging the Company.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The interim condensed financial statements for the three-month and six-month periods ended 30 June 2026 has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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 clearly attributable to either operation, are recorded in the respective accounts.

In preparing the Company's financial statements in compliance with IFRS accounting standards as endorsed in KSA, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, transactions and unrealized gains and 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 interim condensed financial statements may not be considered indicative of the expected results for the full year.

### (b) Basis of measurement

The interim condensed financial statements are prepared under the going concern basis and the historical cost convention, except for defined benefits obligations, which are recognised at the present value of future obligation using Projected Unit Credit Method.

### (c) Basis of presentation

The interim condensed financial statements does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as of and for the year ended 31 December 2025. The Company's interim condensed statement of financial position is not presented using a current / non-current classification and is presented in order of liquidity. However, the following balances would generally be classified as current: cash and cash equivalents, prepaid expenses and other assets, accrued commission income on statutory deposit, accrued expenses and other liabilities, provision for zakat and income tax and accrued income payable to Insurance Authority. The following balances would generally be classified as non-current: financial assets at fair value through other comprehensive income, financial assets at amortised cost, right-of-use assets, property and equipment, intangible assets and employees' end of service benefits. The balances which are of mixed in nature i.e. include both current and non-current portions including insurance contract assets / liabilities, and lease liabilities.

### (d) Functional and presentation currency

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

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

The preparation of 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 expenses and the accompanying notes disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. In preparing the interim condensed financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2025.

### (f) Seasonality of operations

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

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

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2025, except as explained below.

### 3.1 New and amended standards adopted by the Company

Certain amendments to existing standards became applicable for the current reporting period i.e. for reporting periods beginning on or after 1 January 2026. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments which are described below:

| Interpretation | Description | Effective date |
|---|---|---|
| Amendment to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments | These amendments:<br>- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;<br>- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;<br>- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and<br>- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). | Annual periods beginning on or after 1 January 2026. |
| Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity | These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as ‘contracts referencing nature-dependent electricity’. | Annual periods beginning on or after 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:<br>• IFRS 1 First-time Adoption of International Financial Reporting Standards;<br>• IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;<br>• IFRS 9 Financial Instruments;<br>• IFRS 10 Consolidated Financial Statements; and<br>• IAS 7 Statement of Cash Flows. | Annual periods beginning on or after 1 January 2026. |

***Impact assessment***

The Company did not identify any impact as a result of these amendments.

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

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION - (CONTINUED)

### 3.2 New standards, amendments and interpretations not yet applied by the Company

Certain new standards and interpretations issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The listing is of standards and interpretations issued, which the Company expects to be applicable at a future date. Management is in the process of assessing the impact of such new standards and interpretations on its condensed interim financial statements. The Company intends to adopt these interpretations when they are effective.

| Interpretation | Description | Effective date |
|---|---|---|
| Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency | These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:<br>• its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or<br>• it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.<br>The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency. | Annual periods beginning on or after 1 January 2027. |
| IFRS 18 — Presentation and disclosure in financial statements | The new standard on presentation and disclosure in financial statements, require more focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:<br>- the structure of the statement of profit or loss;<br>- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and<br>- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. | Annual periods beginning on or after 1 January 2027. |
| IFRS 19 subsidiaries without Public accountability: disclosures | This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.<br><br>A subsidiary is eligible if:<br>- it does not have public accountability;<br>- it has ultimate or intermediate parent that produces consolidated financial statement available for public use that comply IFRS Accounting Standards. | Annual periods beginning on or after 1 January 2027. |

## 3. MATERIAL ACCOUNTING POLICIES INFORMATION - (CONTINUED)

### 3.2 New standards, amendments and interpretations not yet applied by the Company – (continued)

**IFRS 18 ‘Presentation and Disclosure in Financial Statements**

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The Company is progressing with its implementation plan and intends to adopt IFRS 18 from its effective date of 1 January 2027.

The Company has initiated an IFRS 18 implementation process to assess the standard's impact on the classification, presentation and disclosure of information in the financial statements, as well as the related data and systems requirements.

Based on the preliminary assessment performed, the Company expects the principal impacts of IFRS 18 to presentation, aggregation, disaggregation and disclosure of information in the financial statements including the classification of income and expenses into the categories required by IFRS 18 (operating, investing, financing, income taxes and discontinued operations), the introduction of two new mandatory subtotals (operating profit or loss, and profit or loss before financing and income tax), and expanded disclosure requirements for management-defined performance measures (MPMs).

MPM is a subtotal of income and expenses that is used in public communications outside the financial statements to communicate management's view of an aspect of the Company's financial performance as a whole and that is not specified by IFRS 18 or otherwise required to be presented or disclosed by IFRS.

The statement of cash flows is expected to undergo changes, principally due to the change in the starting point from “net income for the period/year before zakat and tax” to “operating profit”. In addition, based on the Company’s specified main business activity and preliminary classification assessment.

Further IFRS 18 introduces consequential amendments to other IFRS, including IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting.

The Company's preliminary assessment of IFRS 18 remains ongoing and will continue to be updated and refined in subsequent interim and annual financial statements ahead of the standard's effective date.

## 4. GOING CONCERN

The Company has accumulated losses of SAR 100.29 million as of 30 June 2026 (31 December 2025: accumulated losses of SAR 75.28 million). At the reporting period, the Company’s accumulated losses reached 43.61% of its share capital (31 December 2025: 32.73%) which exceed above the 20% threshold as per Article 4, Part 2 of the CMA guidelines for listed companies. In addition, the Company’s solvency margin position remains under pressure and continues to require strengthening in order to achieve sustainable compliance with regulatory capital expectations.

On 1 February 2026, the Extraordinary General Assembly did not approve the proposed merger with Salama Cooperative Insurance Company, which had previously been considered a key strategic initiative intended to strengthen the Company’s capital position and address its regulatory capital requirements.

Following the non-approval of the proposed merger, the exemption granted to the Company by the Insurance Authority in respect of the minimum capital requirement expired on 26 March 2026. Subsequently, the Company reassessed its strategic options and commenced the development of a revised capital restoration strategy aimed at addressing its capital position and supporting its long-term financial sustainability.

On 29 June 2026, the Company received approval from the Insurance Authority to extend the period for compliance with the minimum regulatory capital requirement by six months. The extension supports the Company's ongoing capital restructuring plan, which includes a proposed capital reduction to offset accumulated losses, followed by a rights issue. These measures remain subject to the necessary regulatory and shareholders' approvals.

On 6 July 2026, the Board of Directors recommended to the Extraordinary General Assembly ("EGM") the reduction of the Company's capital, followed by an increase in the Company's capital through a rights issue. The proposed restructuring plan comprises the following:

- A reduction of the Company's share capital from SAR 230 million to SAR 154.753 million through a reduction in the nominal value of each ordinary share from SAR 10.00 to SAR 6.73, while maintaining the same number of issued shares. The primary purpose of the capital reduction is to offset the Company's accumulated losses; and
- Following completion of the capital reduction, an increase in the Company's share capital through a rights issue of SAR 160 million, which is intended to increase the Company's capital to SAR 314.753 million. The primary objective of the proposed rights issue is to enable the Company to meet the minimum capital requirement prescribed by the Insurance Authority.

Following the Board's recommendation, the Company appointed Alawwal Capital as the Financial Advisor, Lead Manager, and Underwriter in connection with the proposed capital increase, which is intended to support the implementation of the proposed capital reduction and subsequent rights issue. The proposed transactions remain subject to obtaining the necessary regulatory and shareholders' approvals.

Management has prepared five-year cash flow forecasts and business plans that reflect the proposed capital restructuring, anticipated operational improvements, and initiatives to enhance underwriting performance, strengthen liquidity, and improve profitability. The forecasts are based on certain key assumptions, including the successful completion of the proposed capital restructuring and the achievement of the planned operational initiatives. These assumptions involve significant management judgment and are subject to inherent uncertainties, including uncertainties over the timing and successful implementation of the proposed capital restructuring and the achievement of the projected operational improvements. Based on its assessment, the Board of Directors has concluded that the going concern about accounting remains appropriate and that the Company is expected to have adequate resources to continue its operations and meet its obligations as they fall due for the foreseeable future.

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

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

| | **30 June 2026 (Unaudited)** | | |
|---|---|---|---|
| | **Insurance operations** | **Shareholders' operations** | **Total** |
| Bank balances | **42,457** | **3,376** | **45,833** |
| Deposits maturing within 3 months from the acquisition date | **-** | **149,666** | **149,666** |
| | **42,457** | **153,042** | **195,499** |

| | 31 December 2025 (Audited) | | |
|---|---|---|---|
| | **Insurance operations** | **Shareholders' operations** | **Total** |
| Bank balances | 9,004 | 704 | 9,708 |
| Deposits maturing within 3 months from the acquisition date | - | 141,743 | 141,743 |
| | 9,004 | 142,447 | 151,451 |

During the period, the deposits are held in short term murabaha deposit having maturity less than three months in the Kingdom of Saudi Arabia. These deposits were held with commercial banks and financial institutions in the Kingdom of Saudi Arabia. These deposits carried interest rates ranging from 3.8% to 5.15% as of 30 June 2026 (31 December 2025: 4% to 6.07%). These deposits are denominated in Saudi Arabian Riyals and have an original maturity of not exceeding three months.

The movement of impairment allowance for cash and cash equivalent are as follows:

| | **Shareholders' operations** | |
|---|---|---|
| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
| Balance at the beginning of the period / year | - | 3 |
| Impairment reversal during the period / year | - | (3) |
| **Balance at the end of the period / year** | - | - |

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

## 6. INVESTMENTS

Investments are classified as follows:

| | | Shareholders' operations | |
|---|---|---|---|
| | | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
| Financial assets at amortised cost | 6.1 | **34,891** | 34,685 |
| | | **34,891** | 34,685 |

### 6.1 Financial assets at amortised cost

The movement in the investments on amortised cost balance is as follows:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Opening balance | **34,685** | 147,715 |
| Interest income accrued during the period / year | **761** | 743 |
| Interest income received during the period / year | **(555)** | (743) |
| Placed during the period / year | **-** | 34,685 |
| Matured during the period / year | **-** | (147,715) |
| | **34,891** | 34,685 |

| Movement in impairment allowance on investment | Shareholders' operations | |
|---|---|---|
| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
| Balance at the beginning of the period / year | **-** | 10 |
| Impairment reversal during the period / year | **-** | (10) |
| **Balance at the end of the period / year** | **-** | - |

## 7. STATUTORY DEPOSIT

| | Shareholders' operations | |
|---|---|---|
| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
| Statutory deposit | **34,500** | 34,500 |

As required by the Regulations, the Company deposited an amount equivalent to 15% of its paid-up share capital in a bank designated by the Regulator. Accrued income on this deposit is payable to the Regulator as of 30 June 2026 amounting to SAR 0.61 million (31 December 2025: SAR 1.65 million) and this deposit cannot be withdrawn without approval from the Regulator. During the period, the Company released accrued income on the statutory deposit to the Insurance Authority amounting to SAR 1.86 million, representing income accrued up to 15 February 2026.

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

## 8. INSURANCE CONTRACTS

| | | Insurance operations | |
|---|---|---|---|
| | | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
| Insurance contract assets – Corporate | a | **(11,982)** | - |
| Insurance contract liabilities – Corporate | | **-** | 6,110 |
| Insurance contract liabilities - SME and others | b | **131,802** | 43,250 |
| | | **119,820** | 49,360 |

*a. Corporate*

| | For the six-month period ended 30 June 2026 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | Liability for Remaining Coverage (LRC) | | Liability for Incurred Claims (LIC) | | |
| | **Excluding loss component** | **Loss Component (LC)** | **Estimate of present value of cash flows** | **Risk adjustment for non-financial risk** | **Total** |
| **Insurance contract issued** | | | | | |
| Opening insurance contract liabilities | **(26,182)** | **1,498** | **30,475** | **319** | **6,110** |
| Closing insurance contract liabilities | **(26,182)** | **1,498** | **30,475** | **319** | **6,110** |
| **Insurance revenue** | **9,027** | **-** | **-** | **-** | **9,027** |
| **Insurance service expense** | | | | | |
| Incurred claims and other direct attributable expense | **-** | **-** | **8,401** | **123** | **8,524** |
| Changes that relate to past services – changes in the fulfilment cash flows (FCF) relating to the LIC | **-** | **-** | **(1,919)** | **(300)** | **(2,219)** |
| Loss on onerous contracts | **-** | **(647)** | **-** | **-** | **(647)** |
| Insurance acquisition cash flows | **1,944** | **-** | **-** | **-** | **1,944** |
| **Total insurance service expenses** | **1,944** | **(647)** | **6,482** | **(177)** | **7,602** |
| **Insurance service results** | **7,083** | **647** | **(6,482)** | **177** | **1,425** |
| **Cash flows** | | | | | |
| Premium received | **16,162** | **-** | **-** | **-** | **16,162** |
| Claims and other directly attributable expenses paid | **-** | **-** | **(30,293)** | **-** | **(30,293)** |
| Insurance acquisition cash flows | **(2,536)** | **-** | **-** | **-** | **(2,536)** |
| **Total cash flows** | **13,626** | **-** | **(30,293)** | **-** | **(16,667)** |
| **Net balance as at 30 June 2026** | **(19,639)** | **851** | **6,664** | **142** | **(11,982)** |

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

## 8. INSURANCE CONTRACTS – (CONTINUED)

### *a. Corporate*

| | For the year ended 31 December 2025 (Audited) | | | | |
|---|---|---|---|---|---|
| | Liability for Remaining Coverage (LRC) | | Liability for Incurred Claims (LIC) | | Total |
| | Excluding loss component | Loss component | Estimate of present value of cash flows | Risk adjustment for non-financial risk | |
| Insurance contract issued | | | | | |
| Opening insurance contract liabilities | (4,119) | 10,153 | 46,528 | 1,857 | 54,419 |
| Closing insurance contract liabilities | (4,119) | 10,153 | 46,528 | 1,857 | 54,419 |
| Insurance revenue | 96,432 | - | - | - | 96,432 |
| Insurance service expense | | | | | |
| Incurred claims and other direct attributable expense | - | - | 88,126 | 308 | 88,434 |
| Changes that relate to past services – changes in the fulfilment cash flows (FCF) relating to the LIC | - | - | (6,650) | (1,846) | (8,496) |
| Loss on onerous contracts and reversal of those losses | - | (8,655) | - | - | (8,655) |
| Insurance acquisition cash flows | 15,136 | - | - | - | 15,136 |
| Total insurance service expenses | 15,136 | (8,655) | 81,476 | (1,538) | 86,419 |
| Insurance service results | 81,296 | 8,655 | (81,476) | 1,538 | 10,013 |
| Cash flows | | | | | |
| Premium received | 70,093 | - | - | - | 70,093 |
| Claims and other directly attributable expenses paid | - | - | (97,529) | - | (97,529) |
| Insurance acquisition cash flows | (10,860) | - | - | - | (10,860) |
| Total cash flows | 59,233 | - | (97,529) | - | (38,296) |
| Net balance as at 31 December 2025 | (26,182) | 1,498 | 30,475 | 319 | 6,110 |

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

## 8. INSURANCE CONTRACTS – (CONTINUED)

***b. SME and others***

| | For the six-month period ended 30 June 2026 (Unaudited) | | | | |
|---|---|---|---|---|---|
| | Liability for Remaining Coverage (LRC) | | Liability for Incurred Claims (LIC) | | |
| | Excluding loss component | Loss Component (LC) | Estimate of present value of cash flows | Risk adjustment for non-financial risk | Total |
| **Insurance contract issued** | | | | | |
| Opening insurance contract liabilities | **13,174** | **5,251** | **24,284** | **541** | **43,250** |
| **Closing insurance contract liabilities** | **13,174** | **5,251** | **24,284** | **541** | **43,250** |
| **Insurance revenue** | **64,073** | **-** | **-** | **-** | **64,073** |
| **Insurance service expense** | | | | | |
| Incurred claims and other direct attributable expense | **-** | **-** | **64,462** | **1,176** | **65,638** |
| Changes that relate to past services – changes in the fulfilment cash flows (FCF) relating to the LIC | **-** | **-** | **(285)** | **(511)** | **(796)** |
| Loss on onerous contracts and reversal of those losses | **-** | **8,969** | **-** | **-** | **8,969** |
| Insurance acquisition cash flows | **13,589** | **-** | **-** | **-** | **13,589** |
| **Total insurance service expenses** | **13,589** | **8,969** | **64,177** | **665** | **87,400** |
| **Insurance service results** | **50,484** | **(8,969)** | **(64,177)** | **(665)** | **(23,327)** |
| **Cash flows** | | | | | |
| Premium received | **129,501** | **-** | **-** | **-** | **129,501** |
| Claims and other directly attributable expenses paid | **-** | **-** | **(45,189)** | **-** | **(45,189)** |
| Insurance acquisition cash flows | **(19,087)** | **-** | **-** | **-** | **(19,087)** |
| **Total cash flows** | **110,414** | **-** | **(45,189)** | **-** | **65,225** |
| **Net balance as at 30 June 2026** | **73,104** | **14,220** | **43,272** | **1,206** | **131,802** |

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

## 8. INSURANCE CONTRACTS – (CONTINUED)

### *b. SME and others*

| | For the year ended 31 December 2025 (Audited) | | | | |
|---|---|---|---|---|---|
| | Liability for Remaining Coverage (LRC) | | Liability for Incurred Claims (LIC) | | Total |
| | Excluding loss component | Loss component | Estimate of present value of cash flows | Risk adjustment for non-financial risk | |
| Insurance contract issued | | | | | |
| Opening insurance contract liabilities | (504) | 4,270 | 25,131 | 743 | 29,640 |
| Closing insurance contract liabilities | (504) | 4,270 | 25,131 | 743 | 29,640 |
| Insurance revenue | 74,107 | - | - | - | 74,107 |
| Insurance service expenses | | | | | |
| Incurred claims and other direct attributable expense | - | - | 63,320 | 536 | 63,856 |
| Changes that relate to past services – changes in the fulfilment cash flows (FCF) relating to the LIC | - | - | (3,245) | (738) | (3,983) |
| Loss on onerous contracts | - | 981 | - | - | 981 |
| Insurance acquisition cash flows | 12,413 | - | - | - | 12,413 |
| Total insurance service expenses | 12,413 | 981 | 60,075 | (202) | 73,267 |
| Insurance service results | 61,694 | (981) | (60,075) | 202 | 840 |
| Cash flows | | | | | |
| Premium received | 84,597 | - | - | - | 84,597 |
| Claims and other directly attributable expenses paid | - | - | (60,922) | - | (60,922) |
| Insurance acquisition cash flows | (9,225) | - | - | - | (9,225) |
| Total cash flows | 75,372 | - | (60,922) | - | 14,450 |
| Net balance as at 31 December 2025 | 13,174 | 5,251 | 24,284 | 541 | 43,250 |

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

## 9. PROVISION FOR ZAKAT AND INCOME TAX

The differences between the financial and the Zakatable results are mainly due to certain adjustments in accordance with the relevant fiscal regulations.

Movements in the Zakat and income tax accrued during the period ended 30 June 2026 and year ended 31 December 2025 respectively are as follows:

| | **Zakat payable** | **Income Tax Payable** | **Total 30 June 2026 (Unaudited)** |
|---|---|---|---|
| Balance at beginning of the period | **13,059** | **7** | **13,066** |
| Provision adjustment for prior periods / years | **-** | **1** | **1** |
| Provided during the period | **913** | **-** | **913** |
| Payments during the period | **(2,621)** | **-** | **(2,621)** |
| Balance at end of the period | **11,351** | **8** | **11,359** |

| | Zakat payable | Income Tax Payable | Total 31 December 2025 (Audited) |
|---|---|---|---|
| Balance at beginning of the year | 9,882 | - | 9,882 |
| Provided during the year | 8,034 | 7 | 8,041 |
| Payments during the year | (4,857) | - | (4,857) |
| Balance at end of the year | 13,059 | 7 | 13,066 |

**Status of zakat assessments**

The Company's zakat and income tax assessments until 2018 have been finalized.

For the years 2019 through 2020, the ZATCA has issued the revised assessments with additional zakat liability of SAR 2.18 million and SAR 2.33 million respectively. The Company has settled SAR 0.26 million and SAR 0.45 million for the years 2019 and 2020, respectively. The Company has filed an appeal with the General Secretariat of Zakat, Tax, and Customs Committee("GSZTC").

Subsequently, the GSZTC hearing was on hold as the Company has approached the Alternative Dispute Resolution Committee ("ADRC") to discuss an amicable settlement of their contested appeal matters for the years 2019 and 2020. However, the settlement proposal submitted by the Company was not accepted by ADRC, and as a result, the appeal process with GSZTC has resumed. The Company attended the hearing before GSZTC Level 1. The GSZTC Level 1 issued the decision rejecting the appeal for the above years and the Company is in the process of filing an appeal with GSZTC Level 2.

For the years 2021 through 2023, ZATCA has issued draft assessments indicating additional zakat liability of SAR 13.17 million and additional income tax liability of SAR 1.10 million relating to the years 2022 and 2023.

In addition, ZATCA has issued a draft assessment for the fiscal year 2024 indicating additional zakat liability of SAR 4.74 million. The Company has filed the return for the year 2025.

Based on management's assessment and in accordance with the applicable financial reporting requirements, the Company has recognized a provision in the interim condensed financial statements representing management's best estimate of the expected obligation arising from the above-mentioned assessments as at the reporting date.

## 10. SHARE CAPITAL

| | Shareholders’ operations | |
|---|---|---|
| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
| Share capital | **230,000** | 230,000 |

As at 30 June 2026, the authorized, subscribed and paid-up share capital of the Company is SAR 230 million, divided into 23 million shares of SAR 10 each (31 December 2025: SAR 230 million, divided into 23 million shares of SAR 10 each).

Following the non-approval of the proposed merger, the exemption granted to the Company by the Insurance Authority in respect of the minimum capital requirement expired on 26 March 2026. Further, on 29 June 2026, the Company received approval from the Insurance Authority to extend the period for compliance with the minimum regulatory capital requirement by a further six months. This extension supports the Company's ongoing capital restructuring plan, which includes a proposed capital reduction to offset accumulated losses, followed by a rights issue. These measures remain subject to obtaining the necessary regulatory and shareholders' approvals.

## 11. (LOSSES) / EARNINGS PER SHARE

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

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

| | For the three-month period ended 30 June | |
|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) |
| Net (loss) / income for the period (SAR’000) | **(25,046)** | 169 |
| Weighted average number of ordinary shares (shares’000) | **23,000** | 23,000 |
| Basic and diluted (losses) / earnings per share (SAR / share) | **(1.09)** | 0.01 |

| | For the six-month period ended 30 June | |
|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) |
| Net (loss) / income for the period (SAR’000) | **(25,009)** | 682 |
| Weighted average number of ordinary shares (shares’000) | **23,000** | 23,000 |
| Basic and diluted (losses) / earnings per share (SAR / share) | **(1.09)** | 0.03 |

## 12. CAPITAL MANAGEMENT

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

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

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

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

The capital structure of the Company as at 30 June 2026 consists of paid-up share capital of SAR 230 million (31 December 2025: SAR 230 million) and accumulated losses of SAR 100.30 million (31 December 2025: SAR 75.28 million) in the interim condensed statement of financial position.

As per the amendment to the Co-operative Insurance Companies Law under Royal Decree (M/12) dated 23 Muharram 1443H (corresponding to 01 September 2021), insurance companies are required to have a minimum share capital of SAR 300 million.

During the period, on 29 June 2026 the Company received approval from the Insurance Authority extending the period for compliance with the minimum regulatory capital requirement by six months.

## 13. COMMITMENTS AND CONTINGENCIES

The Company has no contingencies or letters of guarantee as at 30 June 2026 (31 December 2025: nil). There were no capital commitments outstanding as at 30 June 2026 (31 December 2025: nil).

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

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

## 14. OPERATING SEGMENTS

The Company only issues insurance contracts for providing health care services (‘medical insurance’) and all the insurance operations of the Company are carried out in the Kingdom of Saudi Arabia. For management reporting purposes, the operations are monitored in two groups that are Corporate, Small and Medium Enterprises & Others (SMEs & Others). Corporate segment / customer represents members of large corporations, and all others are considered as SMEs & Others. Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing the performance of operating segments in line with the strategic decisions. The insurance operations are being monitored by management under one segment; hence no separate information is required.

**As at 30 June 2026 (Unaudited)**

| **Operating segments** | **Corporate** | **SME & Others** | **Total** |
|---|---|---|---|
| **ASSETS** | | | |
| Liability for incurred claims | **(6,806)** | **-** | **(6,806)** |
| Assets for remaining coverage | **18,788** | **-** | **18,788** |
| **Insurance contract assets** | **11,982** | **-** | **11,982** |
| Unallocated assets | | | **274,103** |
| **Total assets** | | | **286,085** |
| **LIABILITIES** | | | |
| Liability for incurred claims | **-** | **44,479** | **44,479** |
| (Assets) / Liability for remaining coverage | **-** | **87,323** | **87,323** |
| **Insurance contract liabilities** | **-** | **131,802** | **131,802** |
| Unallocated liabilities | | | **22,742** |
| **Total liabilities** | | | **154,544** |

As at 31 December 2025 (Audited)

| Operating segments | Corporate | SME & Others | Total |
|---|---|---|---|
| ASSETS | | | |
| Unallocated assets | - | - | 230,381 |
| Total assets | - | - | 230,381 |
| LIABILITIES | | | |
| Liability for incurred claims | 30,794 | 24,825 | 55,619 |
| (Assets) / liability for remaining coverage | (24,684) | 18,425 | (6,259) |
| Insurance contract liabilities | 6,110 | 43,250 | 49,360 |
| Unallocated liabilities | | | 24,471 |
| Total liabilities | | | 73,831 |

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

## 14. OPERATING SEGMENTS (CONTINUED)

| | **For the three-month period ended 30 June 2026 (Unaudited)** | | | For the three-month period ended 30 June 2025 (Unaudited) | | |
|---|---|---|---|---|---|---|
| | **Corporate** | **SME & Others** | **Total** | Corporate | SME & Others | Total |
| Insurance revenue | **3,627** | **37,683** | **41,310** | 32,411 | 16,630 | 49,041 |
| Insurance service expenses | **(2,935)** | **(61,267)** | **(64,202)** | (28,925) | (15,873) | (44,798) |
| **Insurance service result** | **692** | **(23,584)** | **(22,892)** | 3,486 | 757 | 4,243 |
| Commission income on financial assets at amortised cost | | | **1,933** | | | 2,140 |
| **Net investment income** | | | **1,933** | | | 2,140 |
| **Net insurance and investment results** | | | **(20,959)** | | | 6,383 |
| Other operating expenses | | | **(3,827)** | | | (4,535) |
| **Net (loss) / income for the period before zakat and income tax attributable to shareholders** | | | **(24,786)** | | | 1,848 |
| Zakat charge | | | **(260)** | | | (1,677) |
| Income tax charge | | | **-** | | | (2) |
| **Net (loss) / income for the period after zakat and income tax attributable to the shareholders** | | | **(25,046)** | | | 169 |

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

## 14. OPERATING SEGMENTS (CONTINUED)

| | **For the six-month period ended 30 June 2026 (Unaudited)** | | | For the six-month period ended 30 June 2025 (Unaudited) | | |
|---|---|---|---|---|---|---|
| | **Corporate** | **SME & Others** | **Total** | Corporate | SME & Others | Total |
| Insurance revenue | **9,027** | **64,073** | **73,100** | 70,979 | 33,923 | 104,902 |
| Insurance service expenses | **(7,602)** | **(87,400)** | **(95,002)** | (64,457) | (33,377) | (97,834) |
| **Insurance service result** | **1,425** | **(23,327)** | **(21,902)** | 6,522 | 546 | 7,068 |
| Commission income on financial assets at amortised cost | | | **3,947** | | | 4,434 |
| Net impairment reversal on financial assets | | | **-** | | | 13 |
| **Net investment income** | | | **3,947** | | | 4,447 |
| **Net insurance and investment results** | | | **(17,955)** | | | 11,515 |
| Other operating expenses | | | **(6,140)** | | | (9,049) |
| **Net (loss) / income for the period before zakat and income tax attributable to shareholders** | | | **(24,095)** | | | 2,466 |
| Zakat charge | | | **(913)** | | | (1,777) |
| Income tax charge | | | **(1)** | | | (7) |
| **Net (loss) / income for the period after zakat and income tax attributable to the shareholders** | | | **(25,009)** | | | 682 |

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

## 15. GROSS WRITTEN PREMIUM

Details relating to gross written premium (“GWP’) for the three-month and six-month periods ended 30 June 2026 and 30 June 2025 are disclosed below to comply with the requirements of IA and are not calculated as per the requirements of IFRS 17.

| | **For the three-month period ended 30 June** | |
|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) |
| Individual | **28,880** | 4,037 |
| Micro enterprises | **23,854** | 1,651 |
| Small enterprises | **19,871** | 7,666 |
| Medium enterprises | **7,858** | 5,210 |
| Large enterprises | **7,157** | 4,473 |
| | **87,620** | 23,037 |

| | **For the six-month period ended 30 June** | |
|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) |
| Individual | **37,037** | 10,170 |
| Micro enterprises | **48,207** | 2,486 |
| Small enterprises | **31,864** | 15,895 |
| Medium enterprises | **16,280** | 16,937 |
| Large enterprises | **9,374** | 9,718 |
| | **142,762** | 55,206 |

## 16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties represent major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company’s management and Board of Directors. The Company has several related parties but there are no transactions or balances during / as of period ended 30 June 2026.

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

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

## 16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES – (continued)

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

| | For the three-month period ended | |
|---|---|---|
| | **30 June 2026 (Unaudited)** | 30 June 2025 (Unaudited) |
| *Top management executives* | | |
| Salaries and other allowances | **836** | 700 |
| End of service indemnities | **29** | 23 |
| | **865** | 723 |
| *Board and committees* | | |
| Board and committees' remuneration and fees | **516** | 449 |

| | For the six-month period ended | |
|---|---|---|
| | **30 June 2026 (Unaudited)** | 30 June 2025 (Unaudited) |
| *Top management executives* | | |
| Salaries and other allowances | **1,631** | 1,359 |
| End of service indemnities | **55** | 45 |
| | **1,686** | 1,404 |
| *Board and committees* | | |
| Board and committees' remuneration and fees | **917** | 965 |

## 17. SUBSEQUENT EVENT

In these interim condensed financial statements, there are no subsequent events that occurred between 30 June 2026 and the date of approval of these interim condensed financial statements, which may have material impact on these interim condensed financial statements.

## 18. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements has been approved by the Board of Directors on 03 August 2026, corresponding to 20 Safar 1448H.