

**GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITORS REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED
31 March 2026**

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL STATEMENTS
As at 31 March 2026

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

To The Shareholders of Gulf General Cooperative Insurance Company

(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Gulf General Cooperative Insurance Company (the "Company") as at March 31, 2026 and the related condensed interim statements of income, other comprehensive income for the periods then ended and the condensed interim statement of changes in equity and cash flows for the period ended March 31, 2026, and notes to the condensed interim financial statements, including other explanatory notes.

Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that are endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at March 31, 2026, of the Company does not present fairly, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

To The Shareholders of Gulf General Cooperative Insurance Company

(A Saudi Joint Stock Company)

Material Uncertainty Related to Going Concern

We draw attention to note 2 (f) of these condensed interim financial statements, which indicates that the Company incurred a net loss of approximately SR 14 million for the three-month period ended 31 March 2026, and, as of that date, the Company's accumulated losses amounted to approximately SR 273 million which exceeded 50% of the share capital. Furthermore, as at 31 March 2026, the solvency ratio of the Company stands at a lower rate than required.

These conditions, along with other matters as set forth in Note 2 (f), indicate material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

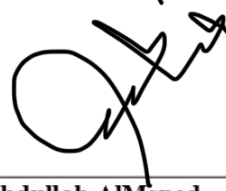
Subsequently, on 30 April 2026, The Company has entered into a binding agreement for issuing 17,600,000 new ordinary shares with prospective shareholders by a total of SR 176 million through cash injection of SR 126 million and converting the subordinated loans from certain shareholders by SR 50 million to new ordinary shares. This agreement is subject to regulatory approvals and the extraordinary general assembly of the Company. Our conclusion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

We draw your attention to note 17 of the condensed interim financial statements which describes that the Company has not complied with the applicable requirements of maintaining the solvency ratio as per Article 66 of the Implementing Regulations of the Cooperative Insurance Companies Control Law.

For El Sayed El Ayouty & Co.
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P.O. Box 8306
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Abdullah Ahmed Balamesh
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Date: 13 May 2026
Corresponding to 26 Dhul-Qadah 1447 H



GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 31 March 2026
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	4	12,743	8,179
Investments held at amortised cost	5	128,276	127,634
Financial assets at fair value through profit or loss ("FVTPL")	6	40,754	39,586
Financial assets at fair value through other comprehensive income ("FVOCI")	7	72,722	72,722
Prepaid expenses and other assets	8	15,796	14,011
Reinsurance contract assets	10	9,875	14,934
Insurance contract asset	10	5,298	3,606
Property and equipment		9,262	10,051
Intangible assets		9,754	9,995
Right of use asset		4,610	2,979
Statutory deposit	9	44,992	44,992
Accrued income on statutory deposit		894	354
TOTAL ASSETS		354,976	349,043
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Accrued expenses and other liabilities		14,593	12,242
Insurance contract liabilities	10	172,673	160,383
Reinsurance contract liabilities	10	1,851	-
Employees' defined benefit obligations		4,583	4,438
Zakat payable	12	5,496	4,296
Lease liabilities		3,791	2,216
Accrued income on statutory deposit		894	354
TOTAL LIABILITIES		203,881	183,929
<u>EQUITY</u>			
Share capital	13	300,000	300,000
Statutory reserve		2,165	2,165
Subordinated loan from shareholders		50,000	50,000
Accumulated losses		(272,843)	(258,824)
Fair value reserve for investment		70,799	70,799
Re-measurement reserve of defined benefit obligations		974	974
TOTAL EQUITY		151,095	165,114
TOTAL LIABILITIES AND EQUITY		354,976	349,043


COMMITMENTS AND CONTINGENCIES

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The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.



Finance Director



Chairman

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF INCOME (UNAUDITED)
For the three-month period ended 31 March 2026
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	Three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
REVENUES			
Insurance revenue	14	81,056	94,109
Insurance service expenses	14	(85,457)	(110,674)
Net expenses from reinsurance contracts	14	(7,482)	(4,904)
Insurance service result from Company's directly written business		(11,883)	(21,469)
Share of surplus from insurance pools		-	904
Total insurance service results		(11,883)	(20,565)
Net gains on investments measured at FVTPL		1,167	202
Commission income on investments measured at amortised cost		1,589	1,507
Commission income on investments measured at FVTPL		41	63
Dividend income		352	53
Investment return		3,149	1,825
Net finance expenses from insurance contracts	15	(335)	(610)
Net finance income from reinsurance contracts	15	150	374
Net insurance finance expense		(185)	(236)
Net insurance and investment result		(8,919)	(18,976)
Operating expense		(3,900)	(3,606)
Net loss for the period before zakat		(12,819)	(22,582)
Zakat	12	(1,200)	(1,200)
NET LOSS FOR THE PERIOD		(14,019)	(23,782)
Loss per share (expressed in SAR per share)	18	(0.47)	(0.79)

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.


Finance Director


Chairman



GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)


For the three-month period ended 31 March 2026

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	Three-month periods ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
NET LOSS FOR THE PERIOD		(14,019)	(23,782)
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to the statement of income:</i>			
Fair value gain on financial assets at fair value through other comprehensive income (FVOCI)	7	-	2,507
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(14,019)	(21,275)

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.


Finance Director


Chairman




GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the three-month period ended 31 March 2026
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	Share capital	Statutory reserve	Subordinated Loan	Accumulated losses	Fair value reserve on investments	Re-measurement reserve of defined benefit obligations	Total
Balance as at 1 January 2025 (Audited)		300,000	2,165	-	(138,336)	59,201	876	223,906
Total comprehensive income								
Loss for the period		-	-	-	(23,782)	-	-	(23,782)
Other comprehensive income for the period	7	-	-	-	-	2,507	-	2,507
Total comprehensive (loss)/income for the period		-	-	-	(23,782)	2,507	-	(21,275)
Balance as at 31 March 2025 (Unaudited)		300,000	2,165	-	(162,118)	61,708	876	202,631
Balance at 1 January 2026 (Audited)		300,000	2,165	50,000	(258,824)	70,799	974	165,114
Total comprehensive income:								
Loss for the period		-	-	-	(14,019)	-	-	(14,019)
Other comprehensive income for the period	7	-	-	-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(14,019)	-	-	(14,019)
Balance at 31 March 2026 (Unaudited)		300,000	2,165	50,000	(272,843)	70,799	974	151,095

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.



Finance Director



Chairman



GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
For the three-month period ended 31 March 2026
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Notes	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Total loss for the period before zakat		(12,819)	(22,582)
<u>Adjustments for non-cash items:</u>			
Depreciation		569	550
Amortization of intangible assets		395	289
Amortization of right-of-use assets		369	296
Finance cost on lease liability		5	38
Net gain on financial assets at FVTPL		(1,168)	(199)
Employee defined benefit obligation		423	409
Commission income on FVTPL investments and Murabaha		(1,630)	1,507
ECL Provision		(11)	48
Dividend income		(352)	(53)
		<u>(14,219)</u>	<u>(19,697)</u>
<u>Changes in operating assets and liabilities:</u>			
Insurance contract liability		12,290	(45,426)
Insurance contract asset		(1,692)	(790)
Reinsurance contract asset		5,059	(785)
Reinsurance contract liability		1,851	-
Prepaid and other assets		(6,395)	1,857
Accrued expenses and other liabilities		6,961	(3,094)
Cash generate from / (used in) operating activities		<u>3,855</u>	<u>(67,935)</u>
Zakat paid	13	-	-
Employee defined benefit obligation paid		(278)	(222)
Net cash generated from / (used in) operating activities		<u>3,577</u>	<u>(68,157)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(1,162)	-
Sale of property and equipment		1,382	-
Purchase of intangibles		(154)	-
Commission income on FVTPL investments and Murabaha		1,630	5,907
Dividend income		352	53
(Addition)/maturity of Murabaha deposits		(642)	174,149
Net cash generated from investing activities		<u>1,406</u>	<u>180,109</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(419)	(398)
Net cash used in financing activities		<u>(419)</u>	<u>(398)</u>
Net increase in cash and cash equivalents		4,564	111,554
Cash and cash equivalents at the beginning of the period		<u>8,179</u>	<u>6,559</u>
Cash and cash equivalents at the end of the period	4	<u>12,743</u>	<u>118,113</u>
NON-CASH TRANSACTIONS:			
Addition in Right of use asset and lease liability		3,851	-
Disposal of Right of use asset and lease liability		(1,850)	-

The accompanying notes 1 to 24 form an integral part of these condensed interim financial statements.

Finance Director

Chairman

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2026

(All amounts in Saudi Riyal thousands unless otherwise stated)

1. General

Gulf General Cooperative Insurance Company ("GGCI" or the "Company") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per the Ministry of Commerce and Industry's Resolution number 12/Q dated 17 Muharram 1431H (corresponding to January 3, 2010) and registered under Commercial Registration number 4030196620 dated 9 Safar 1431H (corresponding to January 25, 2010). The registered address of the Company's head office is as follows:

Gulf General Cooperative Insurance Company
Al Mukhmal Tower, Fourth Floor,
Prince Saud Al Faisal Ibn Abdulaziz Street
Jeddah, Kingdom of Saudi Arabia

The Company also has the following branches, which are operating under separate commercial registrations:

Branch	Commercial Registration No.	Date of Registration
Riyadh	1010316823	29 Shawwal 1432H (corresponding to 27 September 2011)
Al Khobar	2051046836	19 Dhul Qa'dah 1432H (corresponding to 17 October 2011)
Jeddah	4030376633	12 Jumada Al Khira 1441H (Corresponding to 6 February 2020)

The Company is licensed to conduct insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree No. M/85 dated 5 Thul Hujja 1429H (corresponding to December 3, 2008) pursuant to Council of Ministers' Resolution No. 365 dated 3 Thul Hujja 1429H (corresponding to December 1, 2008). The Company obtained a license to conduct insurance operations in the Kingdom of Saudi Arabia from the Saudi Arabian Monetary Authority ("SAMA") on 20 Rabi-al-Awwal 1431H (corresponding to March 6, 2010). The Company was listed on the Saudi Arabian Stock Exchange ("Tadawul") on 24 Safar 1431H (corresponding to February 8, 2010).

From November 23, 2024, 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. Insurance Authority (IA), as the principal authority responsible for the application and administration of the Insurance Law and its Insurance Implementing Regulations.

The objectives of the Company are to engage in providing insurance and related services, which include reinsurance, in accordance with its by-laws, and applicable regulations in the Kingdom of Saudi Arabia. Its principal lines of business include medical, motor, accident & liability, marine, property and engineering.

In accordance with the by-laws of the Company, the surplus arising from the insurance operations is distributed as follows:

Transfer to shareholders' operations	90%
Transfer to insurance operations	10%
	<u>100%</u>

In case of deficit arising from the insurance operations, the entire deficit is allocated and transferred to the shareholders' In case of deficit arising from the insurance operations, the entire deficit is allocated and transferred to the shareholders' operations in full. In accordance with Article 70 of SAMA implementing regulations, the Company proposes to distribute, subject to the approval of SAMA, its annual net policyholders' surplus directly to policyholders at a time, and according to criteria, as set by its Board of Directors.

The new Companies Law issued through Royal Decree M/132 on 01/12/1443H (corresponding to September 30, 2022) (hereinafter referred as "the New Law") came into force on 26/06/1444 H (corresponding to January 19, 2024) as well as the amended implementing regulations issued by the Capital Market Authority (CMA) based on the New Law. For certain provisions of the New Law and the amended CMA implementing regulations, full compliance is expected not later than two years from 26/6/1444H (corresponding to January 19, 2024). The Company has presented the amended By-laws, within the timeframe allowed, to the shareholders and got them approved in its Extraordinary General Assembly meeting held on 7 November 2024.

Impact of geopolitical disruptions

During the three-month period ended 31 March 2026, geopolitical developments in the Middle East have led to increased security tensions and economic uncertainty in the region. Management has continued to monitor these developments closely and has considered their potential implications for the Company's operations and financial position. As of the date of approval of this condensed interim financial information, the Company's operations have not experienced any significant disruptions.

Management has also evaluated the impact of the afore-mentioned events, on the Company's credit risk profile and the measurement of expected premium receipts. Based on this assessment, no observable or measurable deterioration in credit quality indicators was identified during the period. This conclusion is supported by stable collection/ default patterns observed

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2026

(All amounts in Saudi Riyal thousands unless otherwise stated)

Impact of geopolitical disruptions (Continue)

during the period, together with the absence of significant changes in the relevant macroeconomic variables. Accordingly, no changes were required to the forward-looking assumptions applied in calculation of the expected premium receipts.

Further, no claims have been reported or estimated in respect of geopolitical disruptions, as none of the affected sites fall within the coverage of the insurance policies issued by the Company. In addition, the Company has not underwritten any policies that provide coverage for the affected sea routes.

Management continues to closely monitor the evolving geopolitical conditions and their potential impact on the Company's operations, financial position and credit risk profile. Any necessary refinements to assumptions or enhancements will be incorporated in future reporting periods as additional information becomes available.

2 Basis of preparation

(a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by 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 condensed interim financial statements may not be considered indicative of the expected results for the full year.

(b) Basis of measurement

The condensed interim financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value and defined benefits obligations, which are recognised at the present value of future obligation using Projected Unit Credit Method. The Company's condensed interim statement of financial position is presented in order of liquidity. Except for property and equipment, intangible assets, investments, statutory deposit and accident and liability and engineering related insurance and reinsurance contracts, all other assets and liabilities are of short-term nature, unless, stated otherwise. The current and non-current classification of the assets and liabilities have not changed since the year ended 31 December 2025.

(c) Functional and presentation currency

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

(d) Basis of presentation

The condensed interim financial statements do not include all of the information required for complete set of annual financial statements and should be read in conjunction with the annual financial statements as of and for the year ended 31 December 2025. In addition, results for the interim three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

(e) Seasonality of operations

There are no seasonal changes that may affect the insurance operations of the Company.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2026

(All amounts in Saudi Riyal thousands unless otherwise stated)

2 Basis of preparation (continued)

(f) Going concern

The Company has incurred loss of approximately SR 14 million for the three-month period ended 31 March 2026, and as of that date, the Company's accumulated losses amounted to approximately SR 273 million which represents 91% of its share capital. Furthermore, the Company's calculated solvency ratio, in accordance with the requirements of the Insurance Authority, was 36%, which is below the minimum regulatory requirement of 100%. Accordingly, the Company remains exposed to potential corrective actions from the Insurance Authority.

These conditions indicate material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

In response, Management has performed an assessment of the Company's ability to continue as a going concern for a period of at least twelve months from the reporting date and believes that the Company has adequate resources to continue its operations. In support of this assessment, management and the Board of Directors have undertaken several strategic and operational initiatives to strengthen the Company's financial position and support its long-term viability, including the following:

- **Shareholder Support:** An Extraordinary General Assembly (EGM) held 18 January 2026 following the Company's breach of the accumulated losses threshold exceeding 50% of its share capital. During the meeting, shareholders approved the continuation of the Company's operations.
- **Capital and Liquidity Support:** The Company has obtained a subordinated loan of SR 50 million from its shareholders to support liquidity. Subsequently, on May 3, 2026, the Company announced on its agreement with the shareholders to settle the subordinated loan by either issuing shares with the suspension of pre-emptive rights and applying the amount of subordinated loan to subscribe for the shareholders new ordinary shares, or issuing new ordinary shares to the shareholders by the way of converting the subordinated loan to shares. After the completion of the proposed transactions, the Company will issue 5,000,000 new ordinary shares with SR 10 par value (representing 16.6% of the Company's share capital). These procedures are subject to obtaining the necessary regulatory approvals and the extraordinary general assembly of the Company, in additions to the satisfaction of the shareholders' conditions as stated above.
- **Portfolio Optimization:** The Company is focusing on profitable customer segments and refining its portfolio mix.
- **Strategic Investor:** on 30 April 2026. The Company has entered into a binding agreement with a strategic investor ("Bluefive") to explore long-term capital support. The proposed transaction contemplates an absorption of the accumulated losses against reduction of the Company's nominal share capital by SR 126 million, followed by a capital increase of SR 126 million through the issuance of 12,600,000 new ordinary shares with SR 10 par value to Bluefive. According to this agreement, Bluefive will hold 42% of the Company's share capital. The proposed transaction is subject to approvals from the necessary regulatory and the extra-ordinary general assembly of the Company.
- **Technical Excellence:** Implementation of enhanced underwriting controls and dynamic pricing models to improve the profitability of insurance products.
- **Cost Management:** Strengthening claims management processes and maintaining strict control over discretionary operating expenses.
- **Actuarial Oversight:** Increased use of actuarial pricing tools and more frequent technical reviews of underwriting performance.

Based on the above measures, together with the Company's existing liquid assets and the support demonstrated by shareholders, management and the Board of Directors believe that the Company will be able to continue its operations and meet its obligations as they fall due for a period of at least twelve months from the reporting date. Furthermore, the management does not have any intention to liquidate the Company or to cease the operations in the foreseen future. Accordingly, these financial statements have been prepared on a going concern basis.

However, the Company's accumulated losses amounted to 91% of its share capital, the requirements of Article 4, Part 2 of the "CMA's Procedures and Instructions Related to Listed Companies with Accumulated Losses Reaching 20% or More of Their Share Capital" remain applicable.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2026

(All amounts in Saudi Riyal thousands unless otherwise stated)

3. Material accounting policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's annual financial statement as at and for the year ended 31 December 2025, except for the adoption of new and revised standards disclosed below (note 3.1) which become effective as of 1 January 2026, the Company has not adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1 Standards, interpretations and amendments that became effective during the period

Following amendments to IFRS and International Accounting Standards were effective on or after 1 January 2026, but they did not have a material effect on the Company's condensed interim financial statements:

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning after the following date</u>
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS volume 11	Contracts Referencing Nature-dependent Electricity Annual Improvements to IFRS Accounting Standards	1 January 2026

3.2 Standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Company's condensed interim financial statements are disclosed below. The Company intends to adopt these standards, interpretations and amendments if applicable, when they become effective. Management do not anticipate material impact on the condensed interim financial statements on adopting the standards, interpretations and amendments if applicable.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

3.3 Critical accounting judgments, estimates and assumptions

The preparation of condensed interim 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 disclosures, and the 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 these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2025.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2026

(All amounts in Saudi Riyal thousands unless otherwise stated)

4 Cash and cash equivalents

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Cash in hand	24	10
Cash at bank	12,730	8,170
Expected credit loss ("ECL")	(11)	(1)
	<u>12,743</u>	<u>8,179</u>

The bank balances and deposits are with banks, registered in Saudi Arabia and are denominated in Saudi Riyals and US Dollars.

The gross carrying amount of financial assets measured at amortised cost represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Global ratings' of AAA to BBB, whereas non-investment grade represents un-rated exposures. The Company's exposures to credit risk are not collateralized.

5 Investments held at amortised cost

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Murabaha deposits	127,627	127,000
Accrued income	682	667
Expected credit loss ("ECL")	(33)	(33)
	<u>128,276</u>	<u>127,634</u>

Murabaha deposits with original maturity exceeding 3 months are placed with commercial banks registered in Saudi Arabia and yield income at rates of 5.06% to 6% per annum for the year ended 31 December 2025. The gross carrying amount of Murabaha deposits represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Investment grade includes those financial assets having credit exposure equivalent to Standard and Poor's rating of A to BBB. The Company's exposures to credit risk are not collateralized.

6 Investments held as fair value through profit or loss ("FVTPL")

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Equity securities	20,013	18,676
Mutual funds	17,741	17,910
Sukuks (6.1)	3,000	3,000
	<u>40,754</u>	<u>39,586</u>

6.1 Investment in Tier-1 sukuks:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Al Rajhi Bank – Sukuks	<u>3,000</u>	<u>3,000</u>

These represents the Company's investment in AL-Rajhi Tier 1 Sukuks. These represents Sukuk at a face value of SR 3 million with a coupon rate of 5.5% per annum. The Company has earned commission income of SR 0.04 million during the period (31 March 2025: SR 0.06 million). The profit distribution on these sukuk is at the discretion of the issuer therefore these sukuk classified as FVTPL.

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6 Investments held as fair value through profit or loss ("FVTPL") (continued)**6.2 Movement of investments held at fair value through profit or loss**

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Balance at beginning of the period / year	39,586	57,048
Addition during the period / year	-	(19,000)
Unrealized gain during the period / year	1,168	1,538
Balance at end of the period / year	<u>40,754</u>	<u>39,586</u>

7 Investments held at FVOCI

This represents the Company's 3.45% (31 December 2025: 3.45%) holding in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company. These shares are un-quoted and are carried at fair value.

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	72,722	61,124
Fair value gain	-	11,598
Balance at the end of the period / year	<u>72,722</u>	<u>72,722</u>

8 Prepaid expenses and other assets

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Prepayment	7,632	6,325
Due from employer's delinquency insurance pool	4,143	4,143
Due from Tawuniya for pool deals	472	472
Staff receivables	204	286
Bank guarantee	300	300
Other	3,119	2,559
	<u>15,870</u>	<u>14,085</u>
Expected credit loss ("ECL")	<u>(74)</u>	<u>(74)</u>
	<u>15,796</u>	<u>14,011</u>

9 Statutory Deposit

The statutory deposit as at 31 March 2026 amounted to SR 45 million which is equivalent to 15% of the share capital of the Company which is in compliance with Article 58 of the "Executive Regulations of the Cooperative Insurance Companies Control Law".

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10 Insurance and reinsurance contracts**10.1 Composition of statement of financial position**

An analysis of the amounts presented on the balance sheet for insurance contracts and reinsurance contracts has been included in the table below along with the presentation of current and non-current portion of balances:

	Medical	Motor- TPL	Motor- Comp	Property	Engineering	Marine	Accident & liability	Total
As at 31 March 2026								
(Unaudited)								
Insurance Contracts								
Insurance contract assets	-	-	-	(5,298)	-	-	-	(5,298)
Insurance contract liabilities	<u>9,037</u>	<u>85,132</u>	<u>69,654</u>	<u>-</u>	<u>2,523</u>	<u>1,997</u>	<u>4,330</u>	<u>172,673</u>
	<u>9,037</u>	<u>85,132</u>	<u>69,654</u>	<u>(5,298)</u>	<u>2,523</u>	<u>1,997</u>	<u>4,330</u>	<u>167,375</u>
Reinsurance contracts								
Reinsurance contract assets	<u>1,269</u>	<u>2,386</u>	<u>-</u>	<u>303</u>	<u>1,937</u>	<u>-</u>	<u>3,980</u>	<u>9875</u>
Reinsurance contract liabilities	<u>-</u>	<u>-</u>	<u>(1,213)</u>	<u>-</u>	<u>-</u>	<u>(638)</u>	<u>-</u>	<u>(1,851)</u>
	<u>1,269</u>	<u>2,386</u>	<u>(1,213)</u>	<u>303</u>	<u>1,937</u>	<u>(638)</u>	<u>3,980</u>	<u>8,024</u>
As at 31 December 20 25								
(Audited)								
Insurance Contracts								
Insurance contract assets	-	-	-	(3606)	-	-	-	(3606)
Insurance contract liabilities	<u>11,395</u>	<u>66,987</u>	<u>70,851</u>	<u>-</u>	<u>2,270</u>	<u>2,179</u>	<u>6,701</u>	<u>160,383</u>
	<u>11,395</u>	<u>66,987</u>	<u>70,851</u>	<u>(3,606)</u>	<u>2,270</u>	<u>2,179</u>	<u>6,701</u>	<u>156,777</u>
Reinsurance contracts								
Reinsurance contract assets	<u>915</u>	<u>2,815</u>	<u>303</u>	<u>3,398</u>	<u>1,355</u>	<u>948</u>	<u>5,200</u>	<u>14,934</u>
Reinsurance contract liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>915</u>	<u>2,815</u>	<u>303</u>	<u>3,398</u>	<u>1,355</u>	<u>948</u>	<u>5,200</u>	<u>14,934</u>

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10 Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims

10.2.1 Insurance contracts:

	As at 31 March 2026 (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities - opening	101,909	11,655	45,138	1,681	160,383
Insurance contract assets – opening	(5,017)	-	1,312	99	(3,606)
Opening balance – net (audited)	96,892	11,655	46,450	1,780	156,777
Insurance revenue	(81,057)	-	-	-	(81,057)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	63,355	267	63,622
Onerous contracts recognized	-	-	-	-	-
Changes that relate to past service - adjustments to the LIC	-	-	6,168	(324)	5,844
Reversal of losses on onerous contracts	-	(100)	-	-	(100)
Insurance acquisition cash flows amortisation	16,091	-	-	-	16,091
Insurance service expenses	16,091	(100)	69,523	(57)	85,457
Finance expense from insurance contracts	-	-	334	-	334
Total changes in the statement of income	(64,966)	(100)	(69,857)	(57)	4,734
Cash flows					
Premiums received	88,501	-	-	-	88,501
Claims and other directly attributable expenses paid	-	-	(55,115)	-	(55,115)
Insurance acquisition cash flows paid	(27,522)	-	-	-	(27,522)
Total cash inflows / (outflows)	60,979	-	(55,115)	-	5,864
Insurance contracts					
Insurance contract liabilities – closing	99,702	11,555	59,791	1,625	172,673
Insurance contract assets – closing	(6,797)	-	1,401	98	(5,298)
Closing balance – net (Unaudited)	92,905	11,555	61,192	1,723	167,375

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10 Insurance and reinsurance contracts (continued)**10.2 Analysis by remaining coverage and incurred claims (continued)****10.2.1 Insurance contracts (continued):**

	As at 31 December 2025 (Audited)				Total
	Liability for remaining coverage	Liability for incurred claims			
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	107,088	7,540	67,089	1,847	183,564
Insurance contract assets – opening	(3,110)	-	1,522	97	(1,491)
Opening balance – net	103,978	7,540	68,611	1,944	182,073
Insurance revenue	(321,752)	-	-	-	(321,752)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	305,649	1,465	307,114
Losses on onerous contracts	-	4,115	-	-	4,115
Changes that relate to past service - adjustments to the LIC	-	-	26,395	(1,629)	24,766
Insurance acquisition cash flows amortisation	62,281	-	-	-	62,281
Insurance service expenses	62,281	4,115	332,044	(164)	398,276
Finance expense from insurance contracts	-	-	1,426	-	1,426
Total changes in the statement of income	(259,471)	4,115	333,470	(164)	77,950
Cash flows					
Premiums received	301,487	-	-	-	301,487
Claims and other directly attributable expenses paid	-	-	(355,631)	-	(355,631)
Insurance acquisition cash flows paid	(49,102)	-	-	-	(49,102)
Total cash inflows / (outflows)	252,385	-	(355,631)	-	(103,246)
Insurance contracts					
Insurance contract liabilities – closing	101,909	11,655	45,138	1,681	160,383
Insurance contract assets – closing	(5,017)	-	1,312	99	(3,606)
Closing balance – net	96,892	11,655	46,450	1,780	156,777

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10 Insurance and reinsurance contracts (continued)

10.2 Analysis by remaining coverage and incurred claims (continued)

10.2.2 Reinsurance contracts held:

	As at 31 March 2026 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding recovery component	Recovery component	Estimates of present value of FCF	Risk adjustment for non- financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	-	241	16,586	251	17,078
Reinsurance contract liabilities – opening	(2,144)	-	-	-	(2,144)
Opening balance – net (audited)	(2,144)	241	16,586	251	14,934
Reinsurance premium earned	(6,804)	-	-	-	(6,804)
Reinsurance service expenses					
Claims recovered and other directly attributable expenses	-	-	1,094	23	1,117
Changes that relate to past service - adjustments to the LIC	-	-	(1,806)	11	(1,795)
Reversal of loss component	-	-	-	-	-
Reinsurance service expenses - net	-	-	(712)	34	(678)
Finance income from reinsurance contracts	-	-	149	-	149
Total changes in the statement of income	(6,804)	-	(563)	34	(7,333)
Cash flows					
Premiums ceded and acquisition cash flows paid	2,915	-	-	-	2,915
Recoveries from reinsurance	-	-	(1,712)	-	(1,712)
Commission from reinsurance	(780)	-	-	-	(780)
Total cash inflows / (outflows)	2,135	-	(1,712)	-	423
Reinsurance contracts					
Reinsurance contract assets – closing	297	147	9,262	169	9,876
Reinsurance contract liabilities – closing	(7,110)	94	5,049	116	(1,852)
Closing balance – net (Unaudited)	(6,813)	241	14,311	285	8,024

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10 Insurance and reinsurance contracts (continued)**10.2 Analysis by remaining coverage and incurred claims (continued)****10.2.2 Reinsurance contracts held (continued):**

	As at 31 December 2025 (Audited)				Total
	Asset for remaining coverage		Asset for incurred Claims		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets - opening	5,070	248	30,941	588	36,847
Reinsurance contract liabilities - opening	-	-	-	-	-
Opening balance – net	5,070	248	30,941	588	36,847
Reinsurance premium earned	(34,725)	-	-	-	(34,725)
Reinsurance service expenses					
Claims recovered and other directly attributable expenses	-	-	8,381	349	8,730
Reversal of recovery component	-	(7)	-	-	(7)
Changes that relate to past service - adjustments to the LIC	-	-	(6,310)	(686)	(6,996)
Reinsurance service expenses - net	-	(7)	2,071	(337)	1,727
Finance income from reinsurance contracts	-	-	1,052	-	1,052
Total changes in the statement of profit or loss	(34,725)	(7)	3,123	(337)	(31,946)
Cash flows					
Premiums ceded and acquisition cash flows paid	30,579	-	-	-	30,579
Recoveries from reinsurance	-	-	(17,478)	-	(17,478)
Commission from reinsurance	(3,068)	-	-	-	(3,068)
Total cash inflows/(outflows)	27,511	-	(17,478)	-	10,032
Reinsurance contracts					
Reinsurance contract assets – closing	-	241	16,586	251	17,078
Reinsurance contract liabilities - closing	(2,144)	-	-	-	(2,144)
Closing balance – net	(2,144)	241	16,586	251	14,934

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11 Related party transactions and balances

11.1 Related party transactions

Related parties represent shareholders, Board members 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. Contract pricing policies and terms are approved by the Company's management or where required and applicable the Company's Board of Directors. The due from and due to balances of related parties are unsecured, interest free and repayable in cash on demand. Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The following are the details of the related party transactions during the period and their related balances:

Related party	Relationship	Nature of transactions	Transaction for the three - months period ended		Balance receivable / (payable) as at	
			31 March 2026 (Unaudited)	31 March 2025 (Unaudited)	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Insurance operations						
Saudi General Insurance Company Ltd. E.C.	Shareholder	Expenses paid	-	-	(309)	(309)
Saudi General Investments Trading and Service Company	Shareholder	Shareholder Loan	-	-	(25000)	(25000)
Marketing and Commercial Agencies Company Ltd.	Shareholder	Shareholder Loan	-	-	(25,000)	(25,000)
Rolaco Group *	Related to Shareholders	Premiums underwritten. Claims paid	35 (8)	61 (12)	19 (5)	8 (5)
Dabbagh Group *	Related to Shareholders	Premiums underwritten. Claims paid	1349 (720)	(9) (741)	2721 (1002)	2,803 (2,591)
Raghaf Establishment *	Related to Shareholders	Premiums underwritten. Claims paid	-	- (6)	-	-
Key Management Personnel		Short-term benefits Long-term benefits	1,388 57	1,556 65	(408)	- (424)
Shareholders' operations						
Board of Directors		Board of Directors remuneration and related expenses	450	450	2,250	1,800

*The above table includes balances for due from and due to related parties pertaining to shareholder and entities having common directorships or common key management personnel in accordance with local laws and regulations.

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12 Zakat

12.1 Zakat Provision

Movements in the Zakat provision during the period ended 31 March 2026 and year ended 31 December 2025 are as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Balance as at beginning of the period / year	4,296	3,669
Provided during the period / year	1,200	3,500
Paid during the period / year	-	(2,873)
Balance as at end of the period / year	<u>5,496</u>	<u>4,296</u>

12.2 Status of assessments

The Company has filled its Zakat assessment returns up to the year 2025 and has obtained the related zakat certificates.

Year ended December 31, 2021 to 2022

ZATCA has issued the Zakat assessments for the years ended December 31, 2021, and 2022 and claimed additional Zakat liability of SR 0.580 million and 0.910 million respectively. The Company objected against the said assessment. ZATCA rejected the objection for the year 2021 and issued the revised assessment for the year 2022 which reduced the Zakat differences to SR 0.896 million.

Year ended December 31, 2023

ZATCA issued Zakat assessments for the years ended December 31, 2023 and claimed additional Zakat liability of SR.0.905 million. The Company objected against Zakat assessments; Accordingly, the Company paid 10% of the Zakat due on the disputed items. However, ZATCA rejected the objections

All cases for the year 2021 to 2023 were escalated to the General Secretariat of Zakat, Tax and Customs Committee (GSTC) and remain under review to date.

13 Share capital

The authorized, issued and paid-up capital of the Company at March 31, 2026 is SR 300 million divided into 30 million shares of SR 10 each (December 31, 2025: SR 300 million divided into 30 million shares of SR 10 each).

	<u>31 March 2026 (Unaudited)</u>		<u>31 December 2025 (Audited)</u>	
	Percentage of Holding	Amount SR '000	Percentage of Holding	Amount SR '000
Founding shareholders	12%	36,000	12%	36,000
General public	88%	264,000	88%	264,000
	<u>100%</u>	<u>300,000</u>	<u>100%</u>	<u>300,000</u>

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14 Insurance revenue and expenses

An analysis of insurance revenue, insurance service expenses and net income / (expenses) from reinsurance contracts held by product lines for the year ended March 31, 2026, and March 31, 2025, are included in the following tables. Additional information on amounts recognized in statement of income is included in the insurance and reinsurance contracts balances reconciliation.

<u>For the three-months period ended</u>	Medical	Motor-Comp	Motor-TPL	Property	Engineering	Marine	Accident & liability	Total
<u>31 March 2026</u>								
<u>(Unaudited)</u>								
Insurance revenue from contracts measured under PAA	3,196	38,724	30,515	4,156	1,251	1,406	1,808	81,056
Insurance revenue – total	3,196	38,724	30,515	4,156	1,251	1,406	1,808	81,056
Incurred claims and other directly attributable expenses	(2,253)	(22,244)	(36,982)	(627)	(277)	(780)	(460)	(63,623)
Changes that relate to past service - adjustments to the LIC	(447)	(12,213)	6,858	(73)	(1,157)	104	1,085	(5,843)
(Losses) on onerous contracts and reversal of the losses	239	1,825	(1,945)	-	-	(19)	-	100
Insurance acquisition cash flows amortisation	(327)	(9,116)	(5,412)	(691)	(117)	(165)	(263)	(16,091)
Insurance service expenses – total	(2,788)	(41,748)	(37,481)	(1,391)	(1,551)	(860)	362	(85,457)
<u>Reinsurance income (expenses) - contracts measured under the PAA</u>								
Claims recovered	12	233	241	600	-	31	-	1,117
Reinsurance premium ceded	(43)	(451)	(451)	(3,289)	(507)	(1,202)	(861)	(6,804)
Movement in Loss Recovery Component adjustment to reinsurance	(18)	(26)	28	-	-	16	-	-
Changes that relate to past service - adjustments to incurred claims	34	(886)	(699)	(573)	906	(131)	(446)	(1,795)
Net income / (expenses) from reinsurance contracts held - total	(15)	(1,130)	(881)	(3,262)	399	(1,286)	(1,307)	(7,482)
Insurance service result – total	393	(4,154)	(7,847)	(497)	99	(740)	863	(11,883)

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14 Insurance revenue and expenses (continued)

	Medical	Motor-Comp	Motor-TPL	Property	Engineering	Marine	Accident & liability	Total
<u>For the three-months period ended 31 March 2025</u> <u>(Unaudited)</u>								
Insurance revenue from contracts measured under PAA	4,331	29,338	52,103	4,335	1,049	1,206	1,747	94,109
Insurance revenue – total	4,331	29,338	52,103	4,335	1,049	1,206	1,747	94,109
Incurred claims and other directly attributable expenses	(3,462)	(10,851)	(20,936)	(786)	(355)	(584)	(598)	(37,572)
Changes that relate to past service - adjustments to the LIC	(3,250)	(21,871)	(30,589)	33	29	(203)	(33)	(55,884)
(Losses) on onerous contracts and reversal of the losses	1,126	(985)	168	--	--	--	--	309
Insurance acquisition cash flows amortisation	(302)	(6,237)	(9,693)	(696)	(171)	(147)	(281)	(17,527)
Insurance service expenses – total	(5,888)	(39,944)	(61,050)	(1,449)	(497)	(934)	(912)	(110,674)
<u>Reinsurance income (expenses) - contracts measured under the PAA</u>								
Claims recovered	130	182	301	-	-	28	1	642
Reinsurance premium ceded	(1,143)	(380)	(384)	(3,058)	(876)	(1,113)	(843)	(7,797)
Movement in Loss Recovery Component adjustment to reinsurance	(84)	10	(2)	--	--	--	--	(76)
Changes that relate to past service - adjustments to incurred claims	1,123	626	450	(47)	(34)	188	21	2,327
Net income / (expenses) from reinsurance contracts held – total	26	438	365	(3,105)	(910)	(897)	(821)	(4,904)
Insurance service result – total	(1,531)	(10,168)	(8,582)	(219)	(358)	(625)	14	(21,469)

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15 Insurance finance expense - net

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

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
For the three-month period ended 31 March 2026 (Unaudited)								
Finance income / (expense) from insurance contracts issued								
Interest accreted	(15)	(82)	(200)	(9)	(2)	(8)	(19)	(335)
Finance expense from insurance contracts issued	(15)	(82)	(200)	(9)	(2)	(8)	(19)	(335)
Finance income from reinsurance contracts held								
Interest accreted	8	47	14	43	4	15	19	150
Finance income from reinsurance contracts held	8	47	14	43	4	15	19	150
Insurance finance expense – net	(7)	(35)	(186)	34	2	7	-	(185)
For the three-months period ended 31 March 2025								
Finance income / (expense) from insurance contracts issued								
Interest accreted	(86)	46	(480)	(16)	(10)	(15)	(49)	(610)
Finance income / (expense) from insurance contracts issued	(86)	46	(480)	(16)	(10)	(15)	(49)	(610)
Finance income / (expense) from reinsurance contracts held								
Interest accreted	12	100	113	75	12	24	38	374
Finance income / (expense) from reinsurance contracts held	12	100	113	75	12	24	38	374
Insurance finance expense - net	(74)	146	(367)	59	2	9	(11)	(236)

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16 Financial Risk Management

The Company generally has exposure to the financial risks, credit risk, liquidity risk, market risk and capital management. Generally, the Company's objectives, policies and processes for managing risk are the same as those disclosed in its financial statements for the year ended 31 December 2025.

Fair values of financial instruments

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

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

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

Determination of fair value and fair value hierarchy

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

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data. The Company ascertains the Level 3 fair values based on a valuation technique which is primarily derived by net assets value of the respective investee at the year end. There are no transfers between Level 1, Level 2 and Level 3 during the year.

The following table shows the carrying value and fair value of financial assets measured at fair value at 31 March 2026 and 31 December 2025:

31 March 2026 (Unaudited)	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity	20,013	-	72,722	92,735
Mutual funds	-	17,741	-	17,741
Sukuks	-	3,000	-	3,000
	20,013	20,741	72,722	113,476
31 December 2025 (Audited)	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity	18,676	-	72,722	91,398
Mutual funds	-	17,910	-	17,910
Sukuks	-	3,000	-	3,000
	18,676	20,910	72,722	112,308

The fair value of investments in mutual funds and sukuks at level 2 is based on the net asset values and value of similar quoted sukuks communicated by the fund manager. The fair value of investments in equity securities at level 1 is based on quoted prices that are available on Tadawul.

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16 Financial Risk Management (continued)

Fair values of financial instruments (continued)

Determination of fair value and fair value hierarchy (continued)

There were no transfers between levels during the three months period ended 31 March 2026 and the year ended 31 December 2025. Further, there were no changes in the valuation techniques during the period from previous periods.

Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy.

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	72,722	61,124
Fair value gain	-	11,598
Balance at the end of the period / year	<u>72,722</u>	<u>72,722</u>

Determination of fair value and fair value hierarchy (continued)

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

The below table shows significant unobservable inputs used in the valuation of level 3 investments and their respective sensitivities.

	Fair value		Unobservable inputs		Range of inputs		Relationship of Unobservable input to Fair value
	31 March 2026 (Unaudited)	31 December 2025 (Audited)	31 March 2026 (Unaudited)	31 December 2025 (Audited)	31 March 2026 (Unaudited)	31 December 2025 (Audited)	
Unquoted equity investment in Najm	72,722	72,722	Earnings growth factor	Earnings growth factor	7.7%	7.7%	Reducing the Earnings growth factor to 10%, would decrease the fair value by SR 2.74 million. (2025: Reducing the Earnings growth factor to 10%, would decrease the fair value by SR 2.74 million)
			WACC	WACC	17%	17%	Increasing the WACC by 100 basis points, would decrease the fair value by SR 1.91 million. (2025: SR 1.91 million)
			Terminal value growth rate	Terminal value growth rate	1.5%	1.5%	Reducing the terminal value growth rate to 0.5%, would decrease the fair value by SR 1.1 million. (2025: SR 1.1 million)
			EV/EBITDA multiple	EV/EBITDA multiple	5.95	5.95	Reducing the EV/EBITDA multiple to 5.36, would decrease the fair value by Saudi Riyals 1.9 (2025: Saudi Riyals 1.9 million).

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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17 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 amounts of dividends paid to shareholders or issue shares.

The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital, reserves and retained earnings.

As per guidelines laid out by Insurance Authority (IA) previously published by SAMA in article 66 of the Insurance Implementing Regulations states that the solvency margin required to be maintained, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per Insurance Implementing Regulations:

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

During the year ended 31 December 2025, the Company obtained a subordinated loan of SAR 50 million from its shareholders:

- The Commercial Company for Marketing Services & Agencies Ltd; and
- The Saudi General Company for Commercial and Investment Services.

with the approval of the Saudi Central Bank (SAMA) under Articles (64) and (68) of the Implementing Regulations of the Cooperative Insurance Companies Control Law. Referring to note 2 (f), the Company agreed with both shareholders to convert this subordinated loan to new ordinary shares based on certain conditions.

As at 31 March 2026 consists of paid-up share capital of SR 300 million, statutory reserve of SR 2.2 million, accumulated losses of approximately SR 273 million and fair value reserve for investments of approximately SR 71 million (31 December 2025: paid-up share capital of SR 300 million, statutory reserve of approximately SR 2.2 million, accumulated losses of approximately SR 259 million and fair value reserve for investments of approximately SR 71 million), in the statement of financial position.

The solvency ratio as at 31 March 2026 calculated using the requirement as per article 40 equivalent to 36% which is below the required 100% margin (31 December 2025: 52%).

Board of Directors believe that except of the shortage in the solvency ratio, the Company has fully complied with other externally imposed capital requirements as at 31 March 2026.

As at 31 March 2026, the accumulated losses of the Company exceeded 50% of the Company's share capital due to which the requirements of Article 150 of the Regulations for Companies became applicable, the management and the Board of Directors are aware of the current situation and taking the necessary actions to comply with such requirements

18 Loss per share

The calculation of basic and diluted earnings per share has been based on the distributable earnings attributable to shareholder of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the condensed interim financial statements, after adjustment for the effects of all dilutive potential ordinary shares, if any.

	For the three-month period ended 31 March	
	2026 (Unaudited)	2025 (Unaudited)
Loss for the period	(14,019)	(23,782)
Weighted average number of ordinary shares for basic and diluted EPS	30,000	30,000
Earnings per share - basic and diluted	(0.47)	(0.79)

During the period, there are no transactions that might impact the diluted earnings per share and therefore, the earnings per diluted share are not different from the basic earnings per share.

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19 Operating segments

A segment is a distinguishable component of the Company that is engaged in providing products or services (a business segment), which is subject to risk and rewards that are different from those of other segments. Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the condensed interim financial statements.

The Board of Directors of the Company monitors the results of the Company's operations and have been identified as the Chief Operating Decision Maker (CODM). The net results of the Company are reported to the Board of Directors for the Company as a whole. Furthermore, the Company operates in one geographical area i.e. Kingdom of Saudi Arabia.

Accordingly, segmental analysis of the condensed interim statement of income, condensed interim statement of other comprehensive income and condensed interim statement of financial position is not carried out as the CODM considers the Company to be a single operating segment based on the nature of its operations and products. However, the Company has disclosed its insurance related balances/results by product lines, which are determined based on the disaggregation principles of IFRS 17. These include insurance contract liabilities/assets, reinsurance contract assets/liabilities, insurance service results and insurance finance income/expenses.

20 Gross Written Premium

Details relating to gross written premium are disclosed below to comply with the requirements of SAMA and are not calculated as per the requirements of IFRS 17.

For the three-month period ended 31 March 2026 (Unaudited)				
Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	769	37,657	27	38,453
Small	17	1,835	416	2,268
Medium	55	9,963	2,589	12,607
Corporate	1443	63,127	7,039	71,609
Total	2,284	112,582	10,071	124,937

For the three-month period ended 31 March 2025 (Unaudited)				
Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	510	26,076	28	26,614
Small	84	1,830	21	1,935
Medium	151	6,240	4,009	10,400
Corporate	6,990	13,962	10,869	31,821
Total	7,735	48,108	14,927	70,770

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21 Net Written Premium

Details relating to net written premium are disclosed below to comply with the requirements of SAMA and are not calculated as per the requirements of IFRS 17.

Item	For the three-month period ended 31 March 2026 (Unaudited)			
	Medical	Motor	Property & casualty	Total
Gross written premium	2,284	112,582	10,071	124,937
Reinsurance premium ceded – globally (including excess of loss)	(30)	(451)	(5,752)	(6,233)
Reinsurance premium ceded – locally (including excess of loss)	(13)	(451)	(2,672)	(3,136)
Net written premium – total	2,241	111,680	1,647	115,568

Item	For the three-month period ended 31 March 2025 (Unaudited)			
	Medical	Motor	Property & casualty	Total
Gross written premium	7,735	48,108	14,927	70,770
Reinsurance premium ceded – globally (including excess of loss)	(913)	(590)	(8,442)	(9,945)
Reinsurance premium ceded – locally (including excess of loss)	(229)	(174)	(3,053)	(3,456)
Net written premium – total	6,593	47,344	3,432	57,369

22 COMMITMENT AND CONTINGENCIES

- 22.1 The Company's bankers have issued payment guarantees of SR 0.3 million as at 31 March 2026 (December 31, 2025: SR 0.3 million) to its suppliers on behalf of the Company.
- 22.2 The Company operates in the insurance industry and is subject to legal proceedings in the ordinary 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.
- 22.3 Please refer to note 12 with respect to Zakat contingencies.
- 22.4 Saudi General Insurance Company E.C. ("SGI") has raised a lawsuit against the Company requesting the Company to settle the Zakat and taxes on financial years 2005 to 2010 which was amounted by SR 11.3 million. The Primary Committee ruled/decided to decline the case and obligate SGI to pay the Zakat and Tax amounts for 2005 to 2008, moreover, they ruled/decided to obligate GGI to pay the Zakat and tax amounts by SR 2.8 million for 2009 and 2010. GGI will object and reject the decision before the GSTC Appealing Committee based on the decision of GSTC in 2018, and they believe that the Company does not have any financial impact as a result of this case.

23 SUBSEQUENT EVENTS

Except for the information in note 2 (f), no subsequent events have been identified since the period-end, that would require disclosures or adjustments in these condensed interim financial statements.

24 APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors on May 03, 2026, corresponding to 17 Thul-Qi'dah 1447H.