

**UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

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

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2025

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P.O Box 8335
Riyadh 12333
Kingdom of Saudi Arabia

P.O Box 10504
Riyadh 11443
Kingdom of Saudi Arabia

INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL INFORMATION

TO THE SHAREHOLDERS OF UNITED COOPERATIVE ASSURANCE COMPANY – A SAUDI JOINT STOCK COMPANY

INTRODUCTION

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

SCOPE OF REVIEW

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

CONCLUSION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1 to the accompanying interim condensed financial information which indicates that the Company had accumulated losses of SR 367.65 million as of 30 September 2025. These losses represent 92% of the Company's share capital as at the reporting period, and it also reported negative net operating cash outflows of SR 128.1 million for the period. Further, the Company's solvency margin is significantly deteriorated in negative as of 30 September 2025, which is a non-compliance with the minimum solvency requirements as mandated by the Implementing Regulations of the Cooperative Insurance Companies Control Law (the "Regulations"). These events and conditions, along with other matters as set forth in note 1 to the accompanying interim condensed financial information, indicate the existence of a material uncertainty 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.

For RSM Allied Accountants Professional Services



Mohammed Farhan Bin Nader
License No. 435

Crowe Solutions for Professional Consulting



Abdullah M. AlAzem
License No. 335

Jeddah: 16 November 2025
Corresponding to: 25 Jumada I 1447H

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

		30 September 2025	31 December 2024
	Note	(Unaudited)	(Audited)
ASSETS			
Cash and cash equivalents	5	33,693	73,030
Term deposits	6	-	83,475
Investments:			
Financial assets at fair value through profit or loss ("FVTPL")	7	250	250
Financial assets at amortised cost	7	173,761	176,102
Financial assets at fair value through other comprehensive income ("FVOCI")	7	63,632	61,124
Prepaid expenses and other assets		51,092	29,473
Insurance contract assets	8	281,354	229,836
Reinsurance contract assets	8	95,522	80,608
Right-of-use assets		-	3,037
Property and equipment		26,539	12,419
Intangible assets		12,304	31,219
Goodwill		78,400	78,400
Statutory deposit	9	59,989	59,989
Accrued commission income on statutory deposit	9	68	1,641
TOTAL ASSETS		876,604	920,603
LIABILITIES			
Insurance contract liabilities	8	647,325	487,373
Reinsurance contract liabilities	8	91,370	100,605
Accrued expenses and other liabilities		24,253	35,882
Lease liabilities		-	1,375
Employees' benefit obligations		11,226	11,484
Accrued income payable to Insurance Authority	9	68	1,641
Provision for zakat and income tax	10	3,572	13,929
TOTAL LIABILITIES		777,814	652,289
EQUITY			
Share capital		400,000	400,000
Accumulated losses	1	(367,649)	(195,617)
Fair value reserve for investments		61,709	59,201
Re-measurement reserve of employees' benefit obligations		4,730	4,730
TOTAL EQUITY		98,790	268,314
TOTAL LIABILITIES AND EQUITY		876,604	920,603


Senior Financial Controller

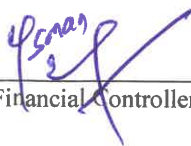

Acting Chief Executive Officer


Vice Chairman

The accompanying notes from 1 to 25 form an integral part of this interim condensed financial information.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF INCOME
(All amounts in Saudi Riyals '000 unless otherwise stated)

	Note	<i>Three-month period ended</i> <i>30 September</i>		<i>Nine-month period ended</i> <i>30 September</i>	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Insurance revenue	13	208,913	281,246	639,344	747,646
Insurance service expenses	13	(226,265)	(190,778)	(663,402)	(562,931)
Net expense from reinsurance contracts	13	(41,384)	(90,363)	(134,893)	(163,170)
Insurance service result from					
Company's directly written business		(58,736)	105	(158,951)	21,545
Share of surplus / (deficit) from insurance pools	14	-	215	36	(90)
Total insurance service result		(58,736)	320	(158,915)	21,455
Net gain on financial assets measured at FVTPL		-	-	-	4
Commission income on investments		2,729	3,733	9,442	10,956
Net investment income		2,729	3,733	9,442	10,960
Net finance costs from insurance contracts issued		(456)	(1,579)	(3,155)	(4,306)
Net finance income from reinsurance contracts held		242	938	1,342	1,610
Net insurance finance costs		(214)	(641)	(1,813)	(2,696)
Net insurance and investment result		(56,221)	3,412	(151,286)	29,719
Other income / (loss)		615	-	1,116	(3,367)
Other operating expenses		(11,565)	(3,182)	(25,836)	(19,817)
(Loss) / profit for the period attributable to the shareholders before zakat and income tax		(67,171)	230	(176,006)	6,535
Zakat and income tax	10	-	(500)	3,974	(1,500)
Net (loss) / profit for the period attributable to the shareholders		(67,171)	(270)	(172,032)	5,035
Basic and diluted (losses) / earnings per share (expressed in SR per share)	11	(1.68)	(0.01)	(4.30)	0.13


Senior Financial Controller

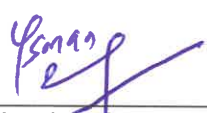

Acting Chief Executive Officer


Vice Chairman

The accompanying notes from 1 to 25 form an integral part of this interim condensed financial information.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(All amounts in Saudi Riyals '000 unless otherwise stated)

	<i>Three-month period ended</i> <i>30 September</i>		<i>Nine-month period ended</i> <i>30 September</i>	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net (loss) / profit for the period attributable to the shareholders	(67,171)	(270)	(172,032)	5,035
Other comprehensive income:				
<i>Items that will not be reclassified to the interim condensed statement of income in subsequent periods:</i>				
Net changes in fair value of investment measured at FVOCI	-	-	2,508	-
Total other comprehensive income	-	-	2,508	-
Total comprehensive (loss) / income for the period attributable to the shareholders	(67,171)	(270)	(169,524)	5,035


Senior Financial Controller


Acting Chief Executive Officer

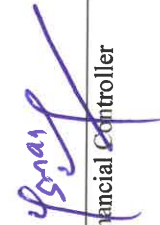

Vice Chairman

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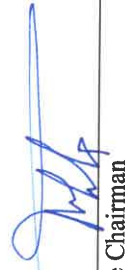
UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

	Share capital	Accumulated losses	Fair value reserve for investments	Re-measurement reserve of employees' benefit obligations	Total
Balance at 01 January 2025 (Audited)	400,000	(195,617)	59,201	4,730	268,314
Total comprehensive loss for the period:					
Net loss for the period attributable to the shareholders	-	(172,032)	-	-	(172,032)
Other comprehensive income	-	-	2,508	-	2,508
Total comprehensive loss for the period attributable to the shareholders	-	(172,032)	2,508	-	(169,524)
Balance at 30 September 2025 (Unaudited)	400,000	(367,649)	61,709	4,730	98,790

	Share capital	Accumulated losses	Fair value reserve for investments	Re-measurement reserve of employees' benefit obligations	Total
Balance at 01 January 2024 (Audited)	400,000	(180,562)	41,540	4,177	265,155
Total comprehensive income for the period:					
Net income for the period attributable to the shareholders	-	5,035	-	-	5,035
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period attributable to the shareholders	-	5,035	-	-	5,035
Balance at 30 September 2024 (Unaudited)	400,000	(175,527)	41,540	4,177	270,190


Senior Financial Controller


Acting Chief Executive Officer


Vice Chairman

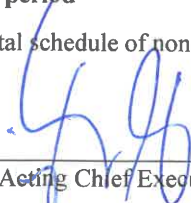
The accompanying notes from 1 to 25 form an integral part of this interim condensed financial information.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
(All amounts in Saudi Riyals '000 unless otherwise stated)

		<i>Nine-month period ended 30</i>	
		<i>September</i>	
		2025	2024
	Note	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit for the period attributable to the shareholders before zakat and income tax		(176,006)	6,535
<u>Adjustments for non-cash items:</u>			
Depreciation of property and equipment		9,337	4,473
Amortisation of intangible assets		522	781
Depreciation of right-of-use assets		3,037	1,656
Finance costs on lease liabilities		48	56
Unrealised gain on financial assets measured at FVTPL		-	(4)
Unrealised gain on term deposits		-	(6,148)
Realised gain on term deposits		-	(1,231)
Commission income from investment		(9,442)	(3,573)
Provision for employees' benefit obligations		-	1,121
		(172,504)	3,666
<u>Changes in operating assets and liabilities:</u>			
Prepaid expenses and other assets		(21,619)	26,054
Insurance contract assets		(51,518)	-
Reinsurance contract assets		(14,914)	(26,678)
Insurance contract liabilities		159,952	41,505
Reinsurance contract liabilities		(9,235)	(27,709)
Accrued expenses and other liabilities		(11,629)	15,629
Cash (used in) / generated from operations		(121,467)	32,467
Zakat and income tax paid	10	(6,383)	(3,938)
Employees' benefit obligations paid		(258)	(1,286)
Net cash (used in) / generated from operating activities		(128,108)	27,243
CASH FLOWS FROM INVESTING ACTIVITIES			
Term deposits		83,475	(23,327)
Commission income received from investment	7	11,783	5,493
Payments for purchases of property and equipment		(4,300)	(9,608)
Payments for purchases of intangible assets		(764)	(7,283)
Net cash generated from / (used in) investing activities		90,194	(34,725)
CASH FLOWS FROM A FINANCING ACTIVITY			
Repayment of lease liabilities		(1,423)	(1,693)
Net cash used in a financing activity		(1,423)	(1,693)
Net change in cash and cash equivalents		(39,337)	(9,175)
Cash and cash equivalents at the beginning of the period	5	73,030	122,279
Cash and cash equivalents at the end of the period	5	33,693	113,104

Refer note 15 for details regarding supplemental schedule of non-cash information.


Senior Financial Controller


Acting Chief Executive Officer


Vice Chairman

The accompanying notes from 1 to 25 form an integral part of this interim condensed financial information.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

1. General information – Legal status and principal activities

(a) General information

United Cooperative Assurance Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030179955 dated 6 Jamad-al-Thani 1429H, corresponding to 6 June 2008. On 19 October 2022 corresponding to 23 Rabi Awwal, in an Extraordinary General Assembly, the shareholders approved the relocating of UCA’s head office from Jeddah to Riyadh under Commercial Registration No. 1010269076. The Company announcement of the same on Tadawul and the date of the official relocation was 14 March 2023 corresponding to 22 Sha’baan 1444H. The registered office address of the Company is:

Al-Saedan Building;
King Fahd Road
P.O. Box 2041
Riyadh 11491
Kingdom of Saudi Arabia.

The activities of the Company are to transact cooperative insurance and reinsurance operations and related activities in the Kingdom of Saudi Arabia. On 2 Muharram 1430H (31 December 2008), the Company received a license number (NMT/19/200812) from the Saudi Arabia Monetary Authority (“SAMA”) now Insurance Authority (“IA”) which is currently valid up to 29 Dhul Hijja 1448H corresponding to 4 June 2027 to engage in insurance business in Saudi Arabia. The Company was listed on the Saudi Stock Exchange on 23 May 2007. The Company started its operations on 1 January 2009. The Company is fully owned by the general public and Saudi shareholders.

(b) Merger agreement

On 23 Dhu al-Hijjah 1446H (corresponding to 19 June 2025), the Company signed a non-binding Memorandum of Understanding (MoU) with Arabia Insurance Cooperative Company (“Arabia”), to evaluate a potential merger between Arabia and the Company. In the event that a binding merger agreement is signed with Arabia, the transaction would be executed through a share exchange offer with Arabia as the merging company and UCA as the merged company. This will involve increasing Arabia’s capital and issuing new shares to the shareholders of UCA based on a swap ratio to be agreed between the parties. Both companies have agreed to negotiate definitive agreements that will outline the commercial terms, including the final transaction structure and swap ratio. The MoU also includes customary provisions that regulate confidentiality and other related matters. The completion of the merger will be subject to obtaining the necessary approvals from the regulatory authorities and the shareholders of both Arabia and the Company. On 17 July 2025 (corresponding to 22 Muharram 1447H), in connection with this proposed merger, UCA appointed a financial advisor to support the Company in evaluating the transaction and related processes. Furthermore, the Company has announced on 18 September 2025 (corresponding to 26 Rabiea Al Awwal 1447H) that it has obtained the non-objection of the General Authority for Competition on the completion of the economic concentration resulting from the potential merger.

(c) Suspension of compulsory insurance policies

Subsequent to the period end, on 27 October 2025, IA issued a directive to suspend the issuance and renewal of compulsory insurance policies (including Domestic workers, Medical, and Motor) due to non-compliance with certain regulatory requirements primarily related to the Company’s liquidity, solvency margin, and settlement mechanisms for payables to policyholders and others. The IA has requested the Company’s revised business plan, which should include the corrective measures to address the previously identified regulatory non-compliance. Management prepared the requested plan to ensure that all required corrective actions are implemented to the satisfaction of the IA. Completion of these actions is expected to enable the Company to resume the issuance and/or renewal of compulsory insurance policies from the fourth quarter of 2025.

(d) Material uncertainty related to going concern

The Company has incurred a net loss of SR 172.03 million for the nine-months period ended 30 September 2025, and as of that date, the Company has accumulated losses of SR 367.65 million (31 December 2024: accumulated losses of SR 195.6 million). At the reporting period, the Company’s accumulated losses reached 92% of its share capital (31 December 2024: 49%), which exceeds the 50% threshold as per Article 3, Part 2 of the CMA guidelines for listed companies. Furthermore, the Company’s solvency margin is significantly deteriorated in negative as of 30 September 2025, which is a non compliance with minimum solvency requirements as mandated by the Insurance Authority (IA). In addition, the Company reported net cash outflows from operating activities of SR 128.1 million for the nine-month period ended 30 September 2025 (2024: inflows of SR 27.2 million), reflecting the impact of change in insurance and reinsurance contract assets and liabilities, and working-capital pressures on the liquidity.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

1. General information – Legal status and principal activities – (continued)

(d) Material uncertainty related to going concern – (continued)

On May 11, 2025, the Company announced on Tadawul that its accumulated losses had reached 54.7% of its share capital. In accordance with Article 132 of the Saudi Companies Law (“the Regulations”), if the losses of a joint-stock company amounted to half of the share capital, the Board of Directors shall, within 60 days from the date of its knowledge thereof, announces the losses and the recommendations relating thereto, and shall, within 180 days from the said date, call for an extraordinary general assembly meeting to consider the continuation of the Company by taking measures necessary to resolve such losses or to dissolve the Company.

As part of this process, the Board of Directors shall provide its recommendation on the Company’s future direction for presentation to the shareholders. The Company is in the process of fulfilling these requirements, and the Extraordinary General Assembly meeting is expected to be held within the said deadline.

Article 68 2(b) of the Implementing Regulations of the Cooperative Insurance Companies Control Law (the “Regulations”), when the solvency margin falls more than 50% of the required margin, the Company shall restore its solvency margin to the required level. If the required solvency margin is not restored to its appropriate level for two consecutive quarters, the Company will be required by the IA to immediately take all or any of the measures, including formulating and providing the Authority with a corrective action plan to be taken, and the period necessary to restore its solvency. The Company received correspondence from IA requiring the Company to submit its rectification measures according to Article 68 of the Regulations.

In response to IA’s correspondence, the Company’s management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future (12 months from the reporting date). The management of the Company has prepared and implemented a detailed business plan for future prospects (2026 – 2028) of the Company, with approval by the Board of Directors, and has undertaken following strategic initiatives to address the accumulated losses, the solvency and liquidity position:

Capital Restructuring: Reduction of share capital by SR 300 million (from SR 400 million to SR 100 million) to offset accumulated losses, followed by a right issue of SR 300 million to strengthen capital and restore solvency. The shareholder circular (Article 76 CMA Regulations) has been submitted to the IA, which requested additional information including solvency recovery projections. Subsequent to the period end, these corrective measures were submitted to IA to seek their approval. Upon approval of the IA, the Company will seek the Capital Market Authority’s approval for the proposed capital reduction and rights issue, after which it will be presented to shareholders for approval at an Extraordinary General Assembly Meeting.

Cost Optimisation: Targeting a significant reduction in operating expenses through automation, process streamlining, and elimination of non-essential costs.

Underwriting Realignment: Shifting focus to a profitable portfolio mix by adopting an actuarial-based pricing and ensuring the premium adequacy level is higher than 100 %.

Receivables and Liquidity Enhancement: Implementing a comprehensive receivables recovery and credit-control program to strengthen the liquidity position of the Company and to reduce the losses related to non-recoverable balances.

Motor Portfolio Correction: The motor line accounted for the majority of the current-period loss, with Insurance Service Results declining from a profit of SR 41 million (2024) to a loss of SR 150 million (2025), primarily due to onerous-contract recognition and competitive pricing pressure. Corrective measures introduced since 2025 include revised pricing models and portfolio optimization.

Liability Settlement Plan: Subsequent to period end, the Company prepared a liability settlement plan and submitted it to IA to seek their approval, to ensure the lifting of the temporary suspension on compulsory policies, demonstrating progress toward restoring compliance and policyholder confidence. Furthermore, in alignment with the liability settlement plan, the Company settled its significant outstanding claims related to the compulsory business, including other stakeholders.

Merger Initiative: The Company has signed a non-binding MoU with Arabia Insurance Co-operative Company to explore a potential merger. Due-diligence procedures are ongoing; completion is expected to strengthen capital and operational capacity. Moreover, the Company has signed a non-binding Memorandum of Understanding (MoU) with Arabia Insurance Cooperative Company (“Arabia”), to evaluate a potential merger between Arabia and the Company. The due diligence evaluation process is still ongoing, and data are currently being exchanged between the parties. Once the swap ratio is agreed, the companies will proceed to sign a binding agreement. Following the merger, the Company’s financial position is expected to be strengthened.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

1. General information – Legal status and principal activities – (continued)

(d) Material uncertainty related to going concern – (continued)

Furthermore, no impairment has been recognised as of 30 September 2025. The most recent independent valuation (31 December 2024) showed recoverable amounts exceeding carrying values, with substantial headroom confirmed by sensitivity analysis. As part of the current-period review, management performed a brief internal assessment and stress testing of key assumptions and estimates, including discount rate, EBITDA margins, and terminal-growth rate. Based on this analysis, management concluded that no impairment is required as at the reporting date. These assumptions remain reasonable and will be reassessed at year-end, considering merger and capital restructuring developments.

Nevertheless, the successful implementation of these measures depends on several critical assumptions, including timely regulatory and shareholder approvals, realisation of the capital restructuring, cost optimization and underwriting reforms, and recovery of key receivables. Failure to achieve these could adversely affect the Company's ability to continue as a going concern.

Accordingly, these conditions, including recurring losses, negative operating cash flows, and continued solvency deficit, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the financial statements have been prepared on a going-concern basis, as management expects the combination of the above-mentioned corrective measures will enable the Company to meet its obligations as they fall due. Management continues to monitor all key performance indicators, solvency metrics, liquidity trends, and market conditions, and will update the business plan as necessary to respond to evolving circumstances.

2. Basis of preparation

(a) Statement of compliance

The interim condensed financial information of the Company has 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 pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

As required by the Saudi Arabian Insurance Regulations (herein referred to as "Insurance Regulations"), the Company maintains separate books of accounts for "Insurance Operations" and "Shareholders' Operations". Insurance Regulations require a clear segregation of assets, liabilities, income and expenses of the insurance and shareholders operations. Accordingly, assets, liabilities, revenues and expenses attributable to either operation are recorded in the respective accounts.

In preparing the Company's interim condensed financial information in compliance with IAS 34 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 information may not be considered indicative of the expected results for the full year.

(b) Basis of measurement

The interim condensed financial information is prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value through profit or loss and fair value through other comprehensive income and 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 information does not include all of the information required for full annual financial information and should be read in conjunction with the annual financial statements as of and for the year ended 31 December 2024. 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, term deposits, financial assets at FVTPL, 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 statutory deposit. The balances which are of mixed in nature i.e. include both current and non-current portions including insurance contract liabilities, reinsurance contract assets / liabilities, lease liabilities and employees' benefit obligations.

UNITED COOPERATIVE ASSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

2. Basis of preparation – (continued)

(d) Functional and presentation currency

This interim condensed financial information is expressed in Saudi Arabian Riyals (“SR”) which is the functional and presentation currency of the Company. All financial information presented in SR has been rounded to the nearest thousands, except where otherwise indicated.

(e) Seasonality of operations

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

(f) Changes in products and services

During the nine-month period ended 30 September 2025, there were no significant changes in products or services and their terms of the insurance contracts offered by the Company.

3. Material accounting policies

The material accounting policies used in the preparation of this interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2024, 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 2025. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments which are described below:

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

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 information are listed below. The listing is of standards and interpretations issued, which the Company reasonably 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 information. The Company intends to adopt these interpretations when they are effective.

Interpretation	Description	Effective date
Amendments to IFRS 10 and IAS 28	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:	Annual periods beginning on or after 1 January 2026.
Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	• IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements • IAS 7 Statement of Cash Flows	

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3. Material accounting policies - (continued)

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

Interpretation	Description	Effective date
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.
Amendment to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments	These amendments: - 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; - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; - 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 - 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.
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: - the structure of the statement of profit or loss; - 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 - 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. A subsidiary is eligible if: - it does not have public accountability; - 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.

Impact assessment

The management is in the process of assessing the impact of the amendments on its condensed interim financial information, however, no material impact is expected.

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4. Critical accounting judgments, estimates and assumptions

The preparation of interim condensed financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, and the accompanying 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 the interim condensed financial information, 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 information as at and for the year ended 31 December 2024.

5. Cash and cash equivalents

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Bank balances	198	72,273
Short term deposits	33,511	773
Less: Expected credit loss	(16)	(16)
	33,693	73,030

Cash at banks is placed with counterparties with sound credit ratings. As of 30 September 2025, deposits were placed with the local bank with original maturity of less than three months amounted SR 33.5 million (31 December 2024: SR 0.8 million) from the date of placement and earned commission income ranges from 5.20% to 5.30% per annum.

6. Term deposits

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Term deposits	-	81,804
Accrued commission income	-	1,671
Balance at end of the period / year	-	83,475

The term deposits represent deposits held with the local commercial banks and earn commission at market rates. These term deposits are denominated in Saudi Riyals and have an original maturity of more than three-months and less than twelve-months.

The gross carrying amount of term 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 AAA to BBB. The Company's exposures to credit risk are not collateralized.

7. Investments

a) Investments are classified as follows:

		30 September 2025 (Unaudited)	31 December 2024 (Audited)
	Note		
Financial assets at fair value through profit or loss ("FVTPL")	7.1	250	250
Financial assets at amortised cost	7.2	173,761	176,102
Financial assets at fair value through other comprehensive income ("FVOCI")	7.3	63,632	61,124
		237,643	237,476

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7. Investments (continued)

7.1 Financial assets at fair value through profit or loss ("FVTPL")

Movement in investment in discretionary portfolio is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	250	246
Changes in fair value of investments	-	4
Balance at end of the period / year	250	250

FVTPL includes investments managed by a fund manager under the discretionary portfolio of investments where all such investments are carried at fair value as provided by the fund managers. The fund manager keeps such investments in various equity and real estate funds.

7.2 Financial assets at amortised cost

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Saudi Government Sukuk – (note 7.2.1)	157,228	159,994
Other Sukuks	16,533	16,108
	173,761	176,102

7.2.1 This represents the Company's investment in Saudi Government Sukuks. This represents diversified portfolio across various Sukuks instruments yielding an average return of 4.64% with various maturity durations. The Company has earned commission income of SR 2.73 million during the period (30 September 2024: SR 3.57 million).

7.3 Financial assets at fair value through other comprehensive income ("FVOCI")

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	61,124	43,463
Changes in fair value of investments	2,508	17,661
Balance at end of the period / year	63,632	61,124

The above represents the Company's 3.45% (31 December 2024: 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.

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8. Insurance and reinsurance contracts

8.1 Composition of the statement of financial position

An analysis of the amounts presented on the statement of financial position for insurance contracts and reinsurance contracts has been included in the table below:

	Medical	Motor- Comprehensive	Motor- TPL	Energy	Engineering	Others	Total
As at 30 September 2025 – (Unaudited)							
<u>Insurance contracts</u>							
Insurance contract assets	14,546	63,939	131,127	14,557	31,208	25,977	281,354
Insurance contract liabilities	(81,005)	(70,488)	(378,280)	(17,109)	(82,508)	(17,935)	(647,325)
	(66,459)	(6,549)	(247,153)	(2,552)	(51,300)	8,042	(365,971)
<u>Reinsurance contracts</u>							
Reinsurance contract assets	3,754	19	2,097	3,322	60,298	26,032	95,522
Reinsurance contract liabilities	(6,538)	(2,687)	(8,027)	(70)	(42,156)	(31,892)	(91,370)
	(2,784)	(2,668)	(5,930)	3,252	18,142	(5,860)	4,152
	Medical	Motor- Comprehensive	Motor- TPL	Energy	Engineering	Others	Total
As at 31 December 2024 – (Audited)							
<u>Insurance contracts</u>							
Insurance contract assets	5,702	85,612	62,382	4,259	45,236	26,645	229,836
Insurance contract liabilities	(83,317)	(39,687)	(281,459)	(12,007)	(26,895)	(44,008)	(487,373)
	(77,615)	45,925	(219,077)	(7,748)	18,341	(17,363)	(257,537)
<u>Reinsurance contracts</u>							
Reinsurance contract assets	7,022	139	49	14,235	16,848	42,315	80,608
Reinsurance contract liabilities	(6,414)	(9,586)	(17,589)	(6,449)	(39,741)	(20,826)	(100,605)
	608	(9,447)	(17,540)	7,786	(22,893)	21,489	(19,997)

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8. Insurance and reinsurance contracts – (continued)

8.2 Analysis by remaining coverage and incurred claims

8.2.1 Insurance contracts

	As at 30 September 2025 – (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	
<u>Insurance contracts</u>					
Insurance contract liabilities – opening	179,983	48,551	253,564	5,275	487,373
Insurance contract assets – opening	(160,240)	(18,435)	(51,161)	-	(229,836)
Opening balance – net	19,743	30,116	202,403	5,275	257,537
Insurance revenue	(639,344)	-	-	-	(639,344)
<u>Insurance service expenses</u>					
Incurred claims and other incurred insurance service expenses	-	-	609,366	(1,616)	607,750
Reversal on onerous contracts	-	5,974	-	-	5,974
Changes that relate to past service	-	-	(36,673)	-	(36,673)
Insurance acquisition cashflows amortization	86,351	-	-	-	86,351
Insurance service expenses	86,351	5,974	572,693	(1,616)	663,402
Finance cost from insurance contracts	-	-	3,155	-	3,155
Total changes in the statement of income	(552,993)	5,974	575,848	(1,616)	27,213
<u>Cashflows</u>					
Premiums received	656,648	-	-	-	656,648
Claims and other incurred insurance service expenses	-	-	(490,304)	-	(490,304)
Insurance acquisition cashflows paid	(85,123)	-	-	-	(85,123)
Total cash inflows / (outflows)	571,525	-	(490,304)	-	81,221
<u>Insurance contracts</u>					
Insurance contract liabilities – closing	271,598	36,090	335,859	3,778	647,325
Insurance contract assets – closing	(233,323)	-	(47,912)	(119)	(281,354)
Closing balance – net	38,275	36,090	287,947	3,659	365,971

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8. Insurance and reinsurance contracts – (continued)

8.2 Analysis by remaining coverage and incurred claims – (continued)

8.2.1 Insurance contracts – (continued)

	As at 31 December 2024 – (Audited)				
	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	
<u>Insurance contracts</u>					
Insurance contract liabilities – opening	134,650	21,472	221,034	9,858	387,014
Insurance contract assets – opening	(79,021)	(16,962)	(5,146)	-	(101,129)
Opening balance – net	55,629	4,510	215,888	9,858	285,885
Insurance revenue	(1,049,578)	-	-	-	(1,049,578)
<u>Insurance service expenses</u>					
Incurred claims and other incurred insurance service expenses	-	-	675,764	(4,583)	671,181
Reversal of onerous contracts	-	25,606	-	-	25,606
Changes that relate to past service	-	-	(19,929)	-	(19,929)
Insurance acquisition cashflows amortisation	106,278	-	-	-	106,278
Insurance service expenses	106,278	25,606	655,835	(4,583)	783,136
Finance cost from insurance contracts	-	-	4,142	-	4,142
Total changes in the statement of income	(943,300)	25,606	659,977	(4,583)	(262,300)
<u>Cashflows</u>					
Premiums received	1,008,259	-	-	-	1,008,259
Claims and other incurred insurance service expenses	-	-	(673,462)	-	(673,462)
Insurance acquisition cashflows paid	(100,845)	-	-	-	(100,845)
Total cash inflows / (outflows)	907,414	-	(673,462)	-	233,952
<u>Insurance contracts</u>					
Insurance contract liabilities – closing	179,983	48,551	253,564	5,275	487,373
Insurance contract assets – closing	(160,240)	(18,435)	(51,161)	-	(229,836)
Closing balance – net	19,743	30,116	202,403	5,275	257,537

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8 Insurance and reinsurance contracts – (continued)

8.2 Analysis by remaining coverage and incurred claims – (continued)

8.2.2 Reinsurance contracts held

	As at 30 September 2025 – (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non- financial risk	
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	(7,915)	(415)	(68,695)	(3,583)	(80,608)
Reinsurance contract liabilities – opening	70,949	-	28,647	1,009	100,605
Opening balance – net	63,034	(415)	(40,048)	(2,574)	19,997
Allocation of reinsurance premium	145,701	-	-	-	145,701
<u>Amounts recoverable from reinsurers</u>					
Claims recovered and other directly attributable expenses	-	-	(42,484)	1,428	(41,056)
Loss-recovery on onerous underlying contracts	-	349	-	-	349
Changes that relate to past service	-	-	29,899	-	29,899
Amounts recoverable from reinsurers – net	-	349	(12,585)	1,428	(10,808)
Finance income from reinsurance contracts	-	-	(1,342)	-	(1,342)
Total changes in the statement of income	145,701	349	(13,927)	1,428	133,551
<u>Cashflows</u>					
Premiums ceded and acquisition cashflows paid	(198,716)	-	-	-	(198,716)
Recoveries from reinsurance	16,421	-	24,595	-	41,016
Total cash (outflows) / inflows	(182,295)	-	24,595	-	(157,700)
<u>Reinsurance contracts</u>					
Reinsurance contract assets – closing	(52,046)	(429)	(40,892)	(2,155)	(95,522)
Reinsurance contract liabilities – closing	78,486	363	11,512	1,009	91,370
Closing balance – net	26,440	(66)	(29,380)	(1,146)	(4,152)

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8 Insurance and reinsurance contracts – (continued)

8.2 Analysis by remaining coverage and incurred claims – (continued)

8.2.2 Reinsurance contracts held – (continued)

	As at 31 December 2024 – (Audited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding Loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
<u>Reinsurance contracts</u>					
Reinsurance contract assets – opening	(8,437)	-	(54,507)	(3,843)	(66,787)
Reinsurance contract liabilities – opening	74,698	-	18,825	973	94,496
Opening balance – net	66,261	-	(35,682)	(2,870)	27,709
Allocation of reinsurance premium	307,696	-	-	-	307,696
<u>Amounts recoverable from reinsurers</u>					
Claims recovered and other directly attributable expenses	-	-	(46,878)	296	(46,582)
Loss-recovery on onerous underlying contracts	-	(415)	-	-	(415)
Changes that relate to past service	-	-	(15,728)	-	(15,728)
Amounts recoverable from reinsurers – net	-	(415)	(62,606)	296	(62,725)
Finance expense from reinsurance contracts	-	-	(1,634)	-	(1,634)
Total changes in the statement of income	307,696	(415)	(64,240)	296	243,337
<u>Cashflows</u>					
Premiums ceded and acquisition cashflows paid	(389,962)	-	-	-	(389,962)
Recoveries from reinsurance	79,039	-	59,874	-	138,913
Total cash (outflows) / inflows	(310,923)	-	59,874	-	(251,049)
<u>Reinsurance contracts</u>					
Reinsurance contract assets – closing	(7,915)	(415)	(68,695)	(3,583)	(80,608)
Reinsurance contract liabilities – closing	70,949	-	28,647	1,009	100,605
Closing balance – net	63,034	(415)	(40,048)	(2,574)	19,997

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9. Statutory deposit

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Statutory deposit – (note 9.1)	60,000	60,000
Less: Expected credit loss	(11)	(11)
Balance at the end of the period / year	59,989	59,989

9.1 In compliance with Article 58 of the Implementing Regulations of Insurance Authority (IA), the Company has deposited 15% of its share capital amounting to SR 60 million as of 30 September 2025 (31 December 2024: SR 60 million) in a bank designated by SAMA now IA. The Company cannot withdraw this deposit without IA approval. Commission accruing on this deposit is payable to IA. In accordance with instructions received from IA vide their circular dated 1 March 2016, the Company has disclosed the commission due on the statutory deposit as an asset and a liability in the interim condensed financial information.

Accrued income on this deposit is payable to Insurance Authority (IA) amounting to SR 0.07 million (31 December 2024: SR 1.64 million) and this deposit cannot be withdrawn without approval from IA. During the quarter, the Company has paid amounting SR 3.6 million to IA on 17th September 2025.

10. Zakat and income tax

Significant components of zakat base of the Company attributable to the Saudi shareholders, which are subject to adjustment under zakat and income tax regulations, are shareholders' equity at the beginning of the year, adjusted net income and certain other items. zakat base has been computed based on the Company's understanding of the zakat regulations enforced in the Kingdom of Saudi Arabia. The zakat regulations in Saudi Arabia are subject to different interpretations, and the assessments to be raised by the Zakat, Tax and Customs Authority ("ZATCA") could be different from the declaration filed by the Company.

a. Movements in provision during the period / year

	Zakat payable	Income tax payable	Total 30 September 2025 (Unaudited)
Balance at beginning of the period	12,629	1,300	13,929
Reversal during the period	(3,974)	-	(3,974)
Payments during the period	(6,383)	-	(6,383)
Balance at end of the period	2,272	1,300	3,572

	Zakat payable	Income tax payable	Total 31 December 2024 (Audited)
Balance at beginning of the year	12,567	1,300	13,867
Provided during the year	4,000	-	4,000
Payments during the year	(3,938)	-	(3,938)
Balance at end of the year	12,629	1,300	13,929

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10. Zakat and income tax – (continued)

b. Status of zakat assessments

The Company submitted the zakat declaration for the year ended 31 December 2024 and obtained the necessary zakat certificate.

The zakat is applicable on 100% (2024: 100%) of the shareholders while income tax applicable on nil (2024: nil) of the shareholders. The Company has filed its zakat and income tax declarations for the periods ended 31 December 2009 to 2023 and obtained restricted zakat and tax certificates. The following are the detailed outstanding assessments as of the date of the financial information:

Assessment years 2009 – 2011

The Company has filed its Zakat/tax returns for the years ended 31 December 2009 to 2011 and obtained the necessary Zakat/tax certificates.

ZATCA has issued the amended assessment based on the decision of the Preliminary Objection Committee and claimed additional Zakat and tax and withholding tax for a total of SR 27 million. Accordingly, the Zakat, tax and withholding tax status for the said years are considered finalized as per our zakat consultant.

Assessment years 2012 and 2013

The Company has filed its Zakat/tax returns for the years ended 31 December 2012 and 2013 and obtained the necessary zakat/tax certificates.

ZATCA issued an assessment for the fiscal years 2012 and 2013, claiming additional Zakat, tax, and withholding tax liabilities amounting to SR 15.8 million. The Company actively pursued a final settlement with the Dispute Resolution Committee (DRC), which has accepted the Company's offer to settle the liability at SR 10.9 million. The Company is currently making payments in monthly installments over a one year period as per the agreed settlement terms.

Assessment years 2014 to 2020

The Company has filed its zakat/tax returns for the years ended 31 December 2014 to 2020 and obtained the necessary zakat/tax certificates.

ZATCA finalized reviewing the zakat and tax returns for the said year's and they are considered finalized as per our zakat consultant.

Assessment years 2021 and 2022

The Company has filed the zakat and Tax returns up to the years 2021 and 2022 and obtained the necessary certificates.

ZATCA has issued an assessment for the fiscal years 2021 and 2022 which shows a total credit balance of SR 0.39 million for both years resulting from the deduction of Governmental Sukuk.

The Company agreed with ZATCA, and the case is considered finalized as per our zakat consultant.

Assessment year 2023

The Company has filed its zakat return for the years ended 31 December 2023 and obtained the necessary zakat/tax certificates.

ZATCA is in the process of reviewing the zakat return for the said year.

Assessment year 2024

The Company has filed its zakat return for the years ended 31 December 2024 and obtained the necessary zakat/tax certificates.

ZATCA is in the process of reviewing the Zakat return for the said year.

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10. Zakat and income tax – (continued)

c. VAT assessment

On 25 August 2020, the Company received an assessment from ZATCA to pay additional principal VAT of SR 12.28 million for the years 2018 and 2019 as well as additional fines of SR 20.25 million for those years. In order to avoid incurring additional fines based on ZATCA's initiative the Company paid the principal VAT on 28 October 2020 without prejudice to its position and objected to the items issued for the evaluation. On 20 February 2021, the Company filed an appeal with the General Secretariat of Tax Committees (GSTC) against the decision of the ZATCA for which management is confident of a favorable outcome. The objected items are zero rated supplies, self-invoicing, and reinsurance commission.

The fines imposed on the assessments amounting to SR 20.25 million for the years 2018 and 2019 were subsequently canceled as the Company has taken advantage of ZATCA's initiative to stabilize the economy and boost the private sector.

The Company has booked a provision against VAT on zero rated supplies. On other objected items, the Company is confident that these will be recovered through input claim in the VAT return and from reinsurer.

11. Basic and diluted (losses) / earnings per share

(Losses) / earnings per share for the nine-month period ended 30 September 2025 and 2024 have been calculated by dividing the net (loss) / profit for the respective periods attributable to the shareholders by the weighted average number of ordinary shares at the reporting date. Diluted (losses) / earnings per share are not applicable to the Company.

The basic and diluted (losses) / earnings per share is calculated as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Net (loss) / profit for the period attributable to the shareholders	(67,171)	(270)	(172,032)	5,305
Weighted average number of ordinary shares	40,000	40,000	40,000	40,000
Basic and diluted (losses) / earnings per share	(1.68)	(0.01)	(4.30)	0.13

12. Commitments and contingencies

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Letters of guarantee issued in favour of ZATCA	-	22,096
Letters of guarantee issued in favour of non-government customers	300	300
	300	22,396

- The Company has capital commitments outstanding as at 30 September 2025 amounting to SR 6.04 million (31 December 2024: SR 16.61 million) in respect of software development project.
- As at 30 September 2025, the Company's bankers have given guarantees to non-government customers amounting to SR 0.3 million (2024: SR 0.30 million) in respect of motor insurance and to ZATCA amounting to nil (2024: SR 22.09 million) in respect of a disputed assessment order (also refer note 10) which is deposited with a bank and is included in term deposits. The Company cannot withdraw this deposit without ZATCA's approval.
- Refer note 10 for contingencies pertaining to zakat and income tax assessments.
- The Company is subject to legal proceedings in the ordinary course of business. There was no material change in the status of legal proceedings as at 30 September 2025 with those as disclosed in the annual financial statement for the year ended 31 December 2024.

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13. Insurance revenue and expenses

An analysis of insurance revenue, insurance expenses and net (expenses) / income from reinsurance contracts held by portfolio of contracts for the periods ended 30 September 2025 and 30 September 2024 are included in following tables respectively. Additional information on amounts recognized in interim condensed statement of income is included in the insurance and reinsurance contract balances reconciliation.

For the three-month period ended 30 September 2025 – (Unaudited)

	Medical	Motor- Comprehensive	Motor-TPL	Energy	Engineering	Others	Total
Insurance revenue from contracts measured under PAA	6,589	28,514	126,911	-	41,244	5,655	208,913
Insurance revenue – total	6,589	28,514	126,911	-	41,244	5,655	208,913
Incurred claims and other incurred insurance service expenses*	(9,822)	(44,048)	(150,510)	43	(369)	(23,006)	(227,712)
Reversal of losses / (losses) on onerous contracts	1,000	4,786	(2,781)	-	-	-	3,005
Changes that relate to past service	27	651	2,035	1,184	450	26,385	30,732
Insurance acquisition cash flows amortization	(1,687)	(7,274)	(14,511)	(69)	(8,993)	244	(32,290)
Insurance service expenses – total	(10,482)	(45,885)	(165,767)	1,158	(8,912)	3,623	(226,265)
Allocation of reinsurance premium paid – contracts measured under the PAA	(276)	(8,173)	(12,791)	-	(31,629)	(4,789)	(57,658)
<u>Amounts recoverable from reinsurers</u>							
Claims recovered and other directly attributable expenses	661	8,542	12,369	(119)	(234)	18,581	39,800
Changes to amounts recoverable for incurred claims	97	144	(139)	(1,098)	(429)	(22,101)	(23,526)
Amounts recoverable from reinsurers – net	758	8,686	12,230	(1,217)	(663)	(3,520)	16,274
Net income / (expenses) from reinsurance contracts – total	482	513	(561)	(1,217)	(32,292)	(8,309)	(41,384)
Insurance service result from Company's directly written business	(3,411)	(16,858)	(39,417)	(59)	40	969	(58,736)
Share of surplus from insurance pools	-	-	-	-	-	-	-
Total insurance service result	(3,411)	(16,858)	(39,417)	(59)	40	969	(58,736)

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13. Insurance revenue and expenses – (continued)

For the nine-month period ended 30 September 2025 – (Unaudited)

	Medical	Motor- Comprehensive	Motor-TPL	Energy	Engineering	Others	Total
Insurance revenue from contracts measured under PAA	28,974	71,772	389,522	10,297	121,447	17,332	639,344
Insurance revenue – total	28,974	71,772	389,522	10,297	121,447	17,332	639,344
Incurred claims and other incurred insurance service expenses*	(47,384)	(111,135)	(420,735)	135	(707)	(27,924)	(607,750)
Reversal of losses / (losses) on onerous contracts	3,487	(9,179)	(282)	-	-	-	(5,974)
Changes that relate to past service	14,985	(1,508)	(9,846)	4,586	(463)	28,919	36,673
Insurance acquisition cash flows amortization	(5,916)	(19,124)	(37,493)	(217)	(19,860)	(3,741)	(86,351)
Insurance service expenses – total	(34,828)	(140,946)	(468,356)	4,504	(21,030)	(2,746)	(663,402)
Allocation of reinsurance premium paid – contracts measured under the PAA	1,343	(8,151)	(15,302)	(10,121)	(98,936)	(14,534)	(145,701)
<u>Amounts recoverable from reinsurers</u>							
Claims recovered and other directly attributable expenses	(2,814)	8,978	12,614	(350)	(113)	22,392	40,707
Changes to amounts recoverable for incurred claims	(1,809)	419	(326)	(4,252)	432	(24,363)	(29,899)
Amounts recoverable from reinsurers – net	(4,623)	9,397	12,288	(4,602)	319	(1,971)	10,808
Net (expenses) / income from reinsurance contracts – total	(3,280)	1,246	(3,014)	(14,723)	(98,617)	(16,505)	(134,893)
Insurance service result from Company's directly written business	(9,134)	(67,928)	(81,848)	78	1,800	(1,919)	(158,951)
Share of surplus from insurance pools	-	-	-	-	-	36	36
Total insurance service result	(9,134)	(67,928)	(81,848)	78	1,800	(1,883)	(158,915)

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13. Insurance revenue and expenses – (continued)

For the three-month period ended 30 September 2024 – (Unaudited)

	Medical	Motor- Comprehensive	Motor-TPL	Energy	Engineering	Others	Total
Insurance revenue from contracts measured under PAA	27,064	23,870	132,806	40,441	49,348	7,717	281,246
Insurance revenue – total	27,064	23,870	132,806	40,441	49,348	7,717	281,246
Incurred claims and other incurred insurance service expenses*	(27,441)	(23,049)	(112,362)	(4,678)	327	(392)	(167,595)
Reversal of losses / (losses) on onerous contracts	2,006	101	(6,504)	-	-	-	(4,397)
Changes that relate to past service	(3,170)	12,314	2,354	(504)	2,613	(209)	13,398
Insurance acquisition cash flows amortization	(3,986)	(6,406)	(10,326)	(2,537)	(8,314)	(615)	(32,184)
Insurance service expenses – total	(32,591)	(17,040)	(126,838)	(7,719)	(5,374)	(1,216)	(190,778)
Allocation of reinsurance premium paid – contracts measured under the PAA	(546)	18,199	(20,646)	(39,139)	(37,812)	(7,038)	(86,982)
<u>Amounts recoverable from reinsurers</u>							
Claims recovered and other directly attributable expenses	(66)	739	(235)	63	(127)	341	715
Changes to amounts recoverable for incurred claims	375	(1,109)	(1,537)	473	(2,471)	173	(4,096)
Amounts recoverable from reinsurers – net	309	(370)	(1,772)	536	(2,598)	514	(3,381)
Net (expenses) / income from reinsurance contracts – total	(237)	17,829	(22,418)	(38,603)	(40,410)	(6,524)	(90,363)
Insurance service result from Company's directly written business	(5,764)	24,659	(16,450)	(5,881)	3,564	(23)	105
Share of surplus from insurance pools	192	-	-	-	-	23	215
Total insurance service result	(5,572)	24,659	(16,450)	(5,881)	3,564	-	320

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13. Insurance revenue and expenses – (continued)

For the nine-month period ended 30 September 2024 – (Unaudited)

	Medical	Motor- Comprehensive	Motor-TPL	Energy	Engineering	Others	Total
Insurance revenue from contracts measured under PAA	77,787	83,490	368,398	83,973	113,646	20,352	747,646
Insurance revenue – total	77,787	83,490	368,398	83,973	113,646	20,352	747,646
Incurred claims and other incurred insurance service expenses*	(89,559)	(79,475)	(298,233)	(8,997)	(1,842)	(6,428)	(484,534)
(Losses) / reversal of losses on onerous contracts	(5,395)	1,124	(16,824)				(21,095)
Changes that relate to past service	(1,863)	22,371	28,544	(2,181)	5,881	(25,701)	27,051
Insurance acquisition cash flows amortization	(11,731)	(15,495)	(31,695)	(4,679)	(19,168)	(1,585)	(84,353)
Insurance service expenses – total	(108,548)	(71,475)	(318,208)	(15,857)	(15,129)	(33,714)	(562,931)
Allocation of reinsurance premium paid – contracts measured under the PAA	(13,178)	1,937	(18,898)	(81,371)	(76,145)	(13,545)	(201,200)
<u>Amounts recoverable from reinsurers</u>							
Claims recovered and other directly attributable expenses	11,523	1,266	(37)	6,554	(17)	5,157	24,446
Changes to amounts recoverable for incurred claims	795	(299)	(5,014)	2,042	(5,537)	21,597	13,584
Amounts recoverable from reinsurers – net	12,318	967	(5,051)	8,596	(5,554)	26,754	38,030
Net (expenses) / income from reinsurance contracts – total	(860)	2,904	(23,949)	(72,775)	(81,699)	13,209	(163,170)
Insurance service result from Company's directly written business	(31,621)	14,919	26,241	(4,659)	16,818	(153)	21,545
Share of (deficit) / surplus from insurance pools	(892)	-	-	-	-	802	(90)
Total insurance service result	(32,513)	14,919	26,241	(4,659)	16,818	649	21,455

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14. Share of surplus from insurance pools

Hajj and Umrah scheme

This represents the Company's share in the surplus for general accident product arising from the Hajj and Umrah scheme. The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with Council of Cooperative Health Insurance ("CCHI") effective from 1 January 2020. The compulsory Umrah product is offered by the ministry and approved by SAMA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from 1 January 2020, and it is renewable for another four years subject to the terms and conditions of the agreement. There is no renewal to the agreement since 2024 as the aforementioned arrangement has been discontinued.

15. Supplemental schedule of non-cash information

	Note	For the nine-month period ended 30 September	
		2025 (Unaudited)	2024 (Unaudited)
Net changes in fair value of investment measured at FVOCI	7	2,508	-

16. Related party transactions and balances

Related parties represent shareholders with significant influence, directors and key management personnel (KMP) of the Company, and entities controlled or jointly controlled by such shareholders and KMP. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The following are the details of the major related party transactions during the period and the related balances

	Nature of transactions	Amount of transactions three-month period ended 30 September		Amount of transactions nine-month period ended 30 September	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<u>Major shareholders</u>					
Haji Hussien Ali Reza	Premium written	1,130	2,573	5,664	7,437
	Payments received and claims paid	(113)	(2,661)	(9,241)	(6,574)
Saudi Bin Laden – Group	Premium written	(40,604)	(258)	143,267	143,046
	Payments received and claims paid	(76,188)	14	(224,873)	(138,361)
Construction Product Co.	Premium written	70	(407)	947	1,328
	Payments received and claims paid	(49)	(142)	(49)	(334)

Related party balances

	Balance receivable as at	
	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Premium receivable		
Haji Hussein Ali Reza	1,824	5,401
Saudi Bin Laden – Group	116,662	198,268
Construction Product Company	8,307	7,409
	126,793	211,078
Other balances		
United Commercial Agencies	-	4

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16. Related party transactions and balances - (continued)

Key management personnel are people who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise directors, top management executives including the Chief Executive Officer and the Chief Financial Officer of the Company. The due from and due to balances of related parties are unsecured, interest free and repayable in cash on demand. Compensation to key management personnel is based on employment terms. The following table shows the compensation of the key management personnel for the nine month period:

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Salaries and other allowances	5,316	5,504
End of service indemnities	354	372
	5,670	5,876
Remuneration to those charged with governance	1,595	1,486

17. 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 the financial information.

a) 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 period end.

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17. Fair values of financial instruments – (continued)

b) Carrying amounts and fair value

The following table shows the carrying amount and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial asset and liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value, as these are either short-term in nature or carry interest rates which are based on prevalent market interest rates.

30 September 2025 – (Unaudited)	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment measured at fair value through other comprehensive income (FVOCI)				
Equity	-	-	63,632	63,632
Investment measured at fair value through profit or loss (FVTPL)				
Discretionary portfolio	250	-	-	250
	<u>250</u>	<u>-</u>	<u>63,632</u>	<u>63,882</u>
31 December 2024 – (Audited)	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment measured at fair value through other comprehensive income (FVOCI)				
Equity	-	-	61,124	61,124
Investment measured at fair value through profit or loss (FVTPL)				
Discretionary portfolio	250	-	-	250
	<u>250</u>	<u>-</u>	<u>61,124</u>	<u>61,374</u>

Specific valuation techniques used by management's independent experts to value financial instruments in Level 3 i.e. Najm investments, are as follows:

- **Discounted cashflows ("DCF") method:** The DCF valuation to discount the future operating cash flows of the Company to their present value using a weighted average cost of capital as the discount rate ("WACC"). The value derived from such an analysis result into a value for the enterprise (the "Enterprise Value"). This value includes the equity value of the Company in addition to its net debt position. In order to arrive to an equity value of a Company (the "Equity Value"), all outstanding financial debt and debt-like items, adjusted for excess cash and other liquid financial assets such as Murabahas and other investments, are subtracted from the Enterprise Value; and
- **Market multiples method:** The acquisition multiples of comparable private precedent transactions were assessed to indicate the value of the Company based on similar private transactions that have occurred during the previous period and covering full economic cycle. The Company has relied on local multiples valuation consisting of companies operating with a similar business model.

A weight of 60% and 40% are then applied to the fair values determined under both methods, to arrive at the total equity valuation of Najm and the Company then accounts for its share in equity of Najm i.e. 3.45%.

Cash and cash equivalents, term deposits, statutory deposit, accrued income on statutory deposits, corporate sukuks and the financial liabilities except employees' benefit obligations are measured at amortized cost.

There were no transfers between levels of the fair value hierarchy for the period ended 30 September 2025 and year ended 31 December 2024. Additionally, there were no changes in the valuation techniques. Furthermore, there were no transfers into and out of level 3 measurements.

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17. Fair values of financial instruments – (continued)

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	61,124	43,463
Fair value gain	2,508	17,661
Balance at the end of the period / year	63,632	61,124

d) 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
30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)	
Unquoted equity investment in Najm	63,632	61,124	Earnings growth factor	9.0%	9.9%	Reducing the revenue growth rate by 100 basis points, would decrease the fair value by SR 0.6 million. (2024: SR 0.6 million)
			WACC	16.5%	16.5%	Increasing the WACC by 100 basis points, would decrease the fair value by SR 1.8 million. (2024: SR 1.7 million)
			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. (2024: SR 1.1 million)
			EV/EBITDA multiple	7	7	Reducing the EV/EBITDA multiple to 6.3, would decrease the fair value by SR 1.8 million (2024: SR 1.4 million).

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

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17. Fair values of financial instruments – (continued)

e) Valuation process

The finance department of the Company performs the valuations of level 3 fair values required for financial reporting purposes. This team reports directly to the Chief Financial Officer (CFO), Investment Committee and the Audit Committee. Discussions of valuation processes and results are held between the CFO, AC, Investment Committee and the Finance team regularly. The main level 3 inputs used by the Company are derived and evaluated as follows:

- The discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- The terminal value growth rate is derived from publicly available databases.
- Revenue growth rate is estimated based on Company's own historical results and future projections.
- EV/EBITDA multiple is based on private precedent transactions.

18. Risk management

Risk governance

The Company's risk governance is manifested in a set of established policies, procedures and controls which uses the existing organizational structure to meet strategic targets. The Company's philosophy revolves on willing and knowledgeable risk acceptance commensurate with the risk appetite and strategic plan approved by the Board of Directors of the Company. The Company is exposed to insurance, reinsurance, regulatory framework, credit, liquidity, foreign currency, commission rate, and market risk.

Risk management structure:

A cohesive organizational structure is established within the Company in order to identify, assess, monitor, and control risks.

Board of directors:

The apex of risk governance is the centralized oversight of Board of Directors providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

Audit committee and internal audit department:

The internal audit department performs risk assessments with senior management annually. The internal audit department examines both adequacy of procedures and the Company's compliance with the procedures through regular audits. Audit findings and recommendations are reported directly to the Audit Committee.

Senior management:

Senior management is responsible for the day to day operations towards achieving the strategic goals within the Company's pre-defined risk appetite.

Risk management committee:

The Board of Directors of the Company has constituted a Risk Management Committee, which oversees the risk management function of the Company and report to Board on a periodic basis. This committee operates under framework established by the Board of Directors.

The primary objective of the Company's risk and financial management framework is to protect the Company from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

The risks under all insurance contracts issued, reinsurance contracts held by the Company and the risk management policies are consistent with those as disclosed in the annual financial information for the year ended 31 December 2024.

19. Capital management

Objectives are set by the Board of Directors 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.

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19. Capital management – (continued)

The Company manages its capital to ensure that it is able to continue as going concern and comply with the regulators' capital requirements of the markets in which the Company operates while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital, reserves and retained earnings.

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

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

The equity as at 30 September 2025 consists of paid-up share capital of SR 400 million, accumulated losses of SR 367.6 million, fair value revaluation reserve of SR 61.71 million and remeasurement reserve of employees' benefit obligations of 4.73 million (31 December 2024: paid-up share capital of SR 400 million, accumulated losses of SR 195.6 million, fair value revaluation reserve of SR 59.20 million and remeasurement reserve of employees' benefit obligations of 4.73 million), in the statement of financial position.

As of 30 September 2025, the solvency margin calculated in accordance with Article 66 of the Implementing Regulations of the Cooperative Insurance Companies Control Law shows a significant deterioration, resulting in a negative position. This indicates that the Company has not complied with the regulatory requirement to maintain the minimum solvency margin prescribed under the said Article.

The amendment made to the Co-operative Insurance Companies Law in accordance with the Royal Decree (M/12) dated 23/1/1443H (corresponding to 01/09/2021) requires the minimum capital of insurance companies to be SR 300 million by 15 December 2024.

In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements as of 30 September 2025.

20. 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. The Company has the following reportable segments.

- Medical - coverage for health insurance.
- Motor - coverage for motor insurance and for Manafeth third party liability insurance for foreign vehicles.
- Energy - coverage for energy insurance.
- Engineering - coverage for engineering insurance.
- Others - coverage for property, marine, aviation, third party liability and general accidents insurance.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions. Information disclosed in the note is based on current reporting to the Chief Operating decision maker. No inter-segment transactions occurred during the period.

Assets not allocated to segments include cash and cash equivalents, term deposits, investments including accrued investment income, receivable from brokers / agents, prepaid expenses and other assets, investments in equity accounted investments, intangible assets, property, equipment, and right-of-use assets, accrued income on statutory deposit and statutory deposit. Liabilities not allocated to segments include accrued expenses and other liabilities, zakat payable, accrued income payable on statutory deposit and defined benefits obligation.

These unallocated assets and liabilities are not reported to chief operating decision maker under related segments and are monitored on a centralized basis.

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20. Operating segments – (continued)

For the three-month period ended 30 September 2025 – (Unaudited)

	Medical	Motor	Energy	Engineering	Others	Total
Insurance revenue	6,589	155,425	-	41,244	5,655	208,913
Insurance service expenses	(10,482)	(211,652)	1,158	(8,912)	3,623	(226,265)
Net income / (expenses) from reinsurance contracts	482	(48)	(1,217)	(32,292)	(8,309)	(41,384)
Insurance service result from Company's directly written business	(3,411)	(56,275)	(59)	40	969	(58,736)
Share of surplus from insurance pools	-	-	-	-	-	-
Total insurance service result	(3,411)	(56,275)	(59)	40	969	(58,736)
Net gain on investments measured at FVTPL						-
Commission income on investments						2,729
Net investment income						2,729
Net finance cost from insurance contracts issued	(32)	(160)	(8)	(54)	(202)	(456)
Net finance income from reinsurance contracts held	3	25	7	44	163	242
Net insurance finance cost	(29)	(135)	(1)	(10)	(39)	(214)
Net insurance and investment result						(56,221)
Other income						615
Other operating expenses						(11,565)
Loss for the period attributable to the shareholders before zakat and income tax						(67,171)
Zakat and income tax						-
Net loss for the period attributable to the shareholders						(67,171)

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20. Operating segments – (continued)

For the nine-month period ended 30 September 2025 – (Unaudited)

	Medical	Motor	Energy	Engineering	Others	Total
Insurance revenue	28,974	461,294	10,297	121,447	17,332	639,344
Insurance service expenses	(34,828)	(609,302)	4,504	(21,030)	(2,746)	(663,402)
Net expenses from reinsurance contracts	(3,280)	(1,768)	(14,723)	(98,617)	(16,505)	(134,893)
Insurance service result from Company's directly written business	(9,134)	(149,776)	78	1,800	(1,919)	(158,951)
Share of surplus from insurance pools	-	-	-	-	36	36
Total insurance service result	(9,134)	(149,776)	78	1,800	(1,883)	(158,915)
Net gain on investments measured at FVTPL						-
Commission income on investments						9,442
Net investment income						9,442
Net finance cost from insurance contracts issued	(749)	(965)	(72)	(275)	(1,094)	(3,155)
Net finance income from reinsurance contracts held	47	164	67	226	838	1,342
Net insurance finance cost	(702)	(801)	(5)	(49)	(256)	(1,813)
Net insurance and investment result						(151,286)
Other income						1,116
Other operating expenses						(25,836)
Loss for the period attributable to the shareholders before zakat and income tax						(176,006)
Zakat and income tax						3,974
Net loss for the period attributable to the shareholders						(172,032)

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20. Operating segments – (continued)

For the three-month period ended 30 September 2024 – (Unaudited)

	Medical	Motor	Energy	Engineering	Others	Total
Insurance revenue	27,064	156,676	40,441	49,348	7,717	281,246
Insurance service expenses	(32,591)	(143,878)	(7,719)	(5,374)	(1,216)	(190,778)
Net (expense) / income from reinsurance contracts	(237)	(4,589)	(38,603)	(40,410)	(6,524)	(90,363)
Insurance service result from Company's directly written business	(5,764)	8,209	(5,881)	3,564	(23)	105
Share of surplus from insurance pools	192	-	-	-	23	215
Total insurance service result	(5,572)	8,209	(5,881)	3,564	-	320
Net gain on investments measured at FVTPL						-
Commission income on investments						3,733
Net investment income						3,733
Net finance cost from insurance contracts issued	(206)	(500)	1	(532)	(342)	(1,579)
Net finance income from reinsurance contracts held	24	362	(1)	474	79	938
Net insurance finance cost	(182)	(138)	-	(58)	(263)	(641)
Net insurance and investment result						3,412
Other operating expenses						(3,182)
Profit for the period attributable to the shareholders before zakat and income tax						230
Zakat and income tax						(500)
Net loss for the period attributable to the shareholders						(270)

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20. Operating segments – (continued)

For the nine-month period ended 30 September 2024 – (Unaudited)	Medical	Motor	Energy	Engineering	Others	Total
Insurance revenue	77,787	451,888	83,973	113,646	20,352	747,646
Insurance service expenses	(108,548)	(389,683)	(15,857)	(15,129)	(33,714)	(562,931)
Net (expense) / income from reinsurance contracts	(860)	(21,045)	(72,775)	(81,699)	13,209	(163,170)
Insurance service result from Company's directly written business	(31,621)	41,160	(4,659)	16,818	(153)	21,545
Share of (deficit) / surplus from insurance pools	(892)	-	-	-	802	(90)
Total insurance service result	(32,513)	41,160	(4,659)	16,818	649	21,455
Net gain on investments measured at FVTPL						4
Commission income on investments						10,956
Net investment income						10,960
Net finance cost from insurance contracts issued	(704)	(2,137)	(75)	(682)	(708)	(4,306)
Net finance income from reinsurance contracts held	51	620	70	589	280	1,610
Net insurance finance cost	(653)	(1,517)	(5)	(93)	(428)	(2,696)
Net insurance and investment result						29,719
						(3,367)
Other operating expenses						(19,817)
Profit for the period attributable to the shareholders before zakat and income tax						6,535
Zakat and income tax						(1,500)
Net profit for the period attributable to the shareholders						5,035

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20. Operating segments – (continued)

As at 30 September 2025 – (Unaudited)

	Medical	Motor	Energy	Engineering	Others	Total
<u>Assets</u>						
Insurance contract assets	14,546	195,066	14,557	31,208	25,977	281,354
Reinsurance contract assets	3,754	2,116	3,322	60,298	26,032	95,522
Unallocated assets						499,728
Total assets						876,604
<u>Liabilities</u>						
Insurance contract liabilities	81,005	448,768	17,109	82,508	17,935	647,325
Reinsurance contract liabilities	6,538	10,714	70	42,156	31,892	91,370
Unallocated liabilities						39,119
Total liabilities						777,814

As at 31 December 2024 (Audited)

	Medical	Motor	Energy	Engineering	Others	Total
<u>Assets</u>						
Insurance contract assets	5,702	147,994	4,259	45,236	26,645	229,836
Reinsurance contract assets	7,022	188	14,235	16,848	42,315	80,608
Unallocated assets	-	-	-	-	-	610,159
Total assets						920,603
<u>Liabilities</u>						
Insurance contract liabilities	83,317	321,146	12,007	26,895	44,008	487,373
Reinsurance contract liabilities	6,414	27,175	6,449	39,741	20,826	100,605
Unallocated liabilities	-	-	-	-	-	64,311
Total liabilities						652,289

21. Surplus distribution

As required by the Implementing Regulations and the by-laws of the Company, surplus arising from the Insurance Operations is distributed as follows:

Transfer to Shareholders' operations	90%
Transfer to Policyholders payable	10%
	100%

In case of deficit arising from insurance operations, the entire deficit is allocated and transferred to shareholders' operations.

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22. Gross written premium

Details relating to gross written premium 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 September 2025				
(Unaudited)				
Breakdown of GWP	Medical	Motor	Others	Total
Retail	21	92,999	755	93,775
Very small	469	10	459	938
Small	20	320	331	671
Medium	17	30	411	458
Corporate	163	3,545	3,864	7,572
Total	690	96,904	5,820	103,414

For the nine-month period ended 30 September 2025				
(Unaudited)				
Breakdown of GWP	Medical	Motor	Others	Total
Retail	96	370,176	1,779	372,051
Very small	1,055	1,103	2,320	4,478
Small	890	1,109	1,138	3,137
Medium	3,008	493	2,047	5,548
Corporate	544	67,902	144,083	212,529
Total	5,593	440,783	151,367	597,743

For the three-month period ended 30 September 2024				
(Unaudited)				
Breakdown of GWP	Medical	Motor	Others	Total
Retail	-	149,420	-	149,420
Very small	1,168	317	372	1,857
Small	4,471	229	615	5,315
Medium	3,311	313	667	4,291
Corporate	5,770	1,101	77,845	84,716
Total	14,720	151,380	79,499	245,599

For the nine-month period ended 30 September 2024				
(Unaudited)				
Breakdown of GWP	Medical	Motor	Others	Total
Retail	3,552	416,053	11	419,616
Very small	7,428	1,024	2,709	11,161
Small	10,368	1,731	6,281	18,380
Medium	19,785	820	2,559	23,164
Corporate	45,336	58,195	295,949	399,480
Total	86,469	477,823	307,509	871,801

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23. Net written premium

Details relating to net written premium 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 September 2025				
(Unaudited)				
Items	Medical	Motor	Others	Total
Gross written premium	690	96,904	5,820	103,414
Reinsurance premium ceded – globally (including excess of loss)	(161)	(687)	(5,286)	(6,134)
Reinsurance premium ceded – locally (including excess of loss)	(113)	(687)	(11,416)	(12,216)
Net written premium – total	416	95,530	(10,882)	85,064

For the nine-month period ended 30 September 2025				
(Unaudited)				
Items	Medical	Motor	Others	Total
Gross written premium	5,593	440,783	151,367	597,743
Reinsurance premium ceded – globally (including excess of loss)	(1,476)	(2,061)	(118,916)	(122,453)
Reinsurance premium ceded – locally (including excess of loss)	(3)	(2,061)	(32,145)	(34,209)
Net written premium – total	4,114	436,661	306	441,081

For the three-month period ended 30 September 2024				
(Unaudited)				
Items	Medical	Motor	Others	Total
Gross written premium	14,720	151,380	79,499	245,599
Reinsurance premium ceded – globally (including excess of loss)	(951)	(2,839)	(77,173)	(80,963)
Reinsurance premium ceded – locally (including excess of loss)	(317)	(947)	(1,278)	(2,542)
Net written premium - total	13,452	147,594	1,048	162,094

For the nine-month period ended 30 September 2024				
(Unaudited)				
Items	Medical	Motor	Others	Total
Gross written premium	86,469	477,823	307,509	871,801
Reinsurance premium ceded – globally (including excess of loss)	(10,626)	(15,330)	(284,262)	(310,218)
Reinsurance premium ceded – locally (including excess of loss)	(3,288)	(3,396)	(19,904)	(26,588)
Net written premium - total	72,555	459,097	3,343	534,995

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24. Subsequent events

In this interim condensed financial information, except as disclosed in note 1 (c), there are no other subsequent events that occurred between 30 September 2025 and the date of approval of this interim condensed financial information, which may have material impact on this interim condensed financial information.

25. Approval of the interim condensed financial information

The interim condensed financial information has been approved by the Board of Directors on 5 November 2025, corresponding to 14 Jumada I 1447H.