



Supplementary Prospectus

This supplementary Prospectus should be read in conjunction with the rights issue Prospectus issued by the Arabia Insurance Cooperative Company (hereinafter referred to as the "Company" or "Arabia Insurance") on 22/10/1443H (corresponding to 23/05/2022G), which was published on the website of the Capital Market Authority on 23/10/1443H (corresponding to 24/05/2022G) (hereinafter referred to as the "Prospectus") regarding the offering of twenty-six million five hundred thousand (26,500,000) ordinary shares, at an offer price of (10) Saudi riyals per share, through the issuance of rights issue shares with a total value of two hundred and sixty-five million (265,000,000) Saudi riyals, which represents an increase of 100% in the company's current capital. The capital of the Company, after the issuance of the rights issue, becomes five hundred and thirty (530,000,000) million Saudi riyals, divided into fifty-three million (53,000,000) ordinary shares.

Financial Advisor

الراجحي المالية
Al Rajhi Capital



This supplementary Prospectus contains information submitted in the application for registration and offering of securities, in accordance with the requirements of the “Rules on the Offer of Securities and Continuing Obligations” issued by the Capital Market Authority in the Kingdom of Saudi Arabia (referred to as the “Authority”), and in accordance with the application for acceptance of listing securities according to the requirements of the “Listing Rules” of the Saudi Stock Exchange.

The members of the Board of Directors whose names appear on the page (C) of the Prospectus jointly and severally bear full responsibility for the validity of the information contained in this Prospectus and this supplementary Prospectus and confirm - to the best of their knowledge and belief - after conducting all possible studies - to a reasonable extent - that there is no other facts whose failure to include in this Prospectus would render any statement contained therein misleading. The Authority and the Saudi Stock Exchange do not bear any responsibility for the contents of this Prospectus, do not give any assurances regarding its validity or completeness, and expressly disclaim any liability whatsoever for any loss resulting from what is contained in this Prospectus or from reliance on any part of it.

Financial Advisor, Lead Manager, and Underwriter

Al Rajhi Capital Company

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Kingdom Saudi Arabia

Tel: +966 11 92000 5856

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1. Company

The Arabia Insurance Cooperative Company (hereinafter referred to as the “Company” or “Issuer”), a Saudi joint stock company under the license of the Ministry of Investment No. (01- 102030104276) dated 05/05/1426H (corresponding to 12/06/2005G), and Cabinet Resolution No. (93) dated 14/03/1428H (corresponding to 02/04/2007G) and Royal Decree No. (23/م) dated 15/03/1428H (corresponding to 03/04/2007G), and pursuant to Ministry of Commerce Resolution No. (326/ق) issued on 21/12/1428H (corresponding to 31/12/2007G), and in accordance with the Commercial Register No. (1010243302) issued in Riyadh on 18/01/1429H (corresponding to 27/01/2008G) and the license of the Saudi Central Bank (SAMA) No. (20086/ 15/NMV) dated 06/14/1429H.

2. Acknowledgments of Members of the Board of Directors

The members of the Board of Directors whose names appear on page (C) of the initial Prospectus acknowledge and confirm the following:

- a. There is no significant change in material matters or any additional important matters other than those disclosed in this supplementary Prospectus.
- b. This supplementary Prospectus was submitted to the Capital Market Authority and issued on 29/03/1444H (corresponding to 25/10/2022G), and it is a supplement to the Prospectus issued by the company on 22/10/1443H (corresponding to 23/05/2022G), which was published on the website of the Saudi Capital Market Authority on 23/10/1443H (corresponding to 24/05/2022G).

3. Notes

- a. This supplementary Prospectus shall be read alongside the Prospectus, and everyone who reads it should be aware of all the risks associated with investing in accordance with the details of the risks set out in the Prospectus, and those who wish to invest in the subscription shares may obtain specialized advice from a person authorized by the Authority to provide advice; this is to verify that its investment in the subscription shares and the risks associated with investing in them does not conflict with its investment objectives and financial position.
- b. B. Other than as modified in this supplementary Prospectus; terms and definitions used in this supplementary Prospectus shall have the meanings assigned to them in the Prospectus (please see pages (1) to page (4) of the Prospectus).

4. Reason for Issuing a Supplementary Prospectus

In accordance with Article No. (49) of the “Rules on the Offer of Securities and Continuing Obligations” issued by the Board of Directors of the Capital Market Authority, the issuing company shall submit a supplementary Prospectus if the issuing company becomes aware at any time after the date of publication of the issue and before the completion of the offering of any of the following:

- a. There is a significant change in any material matters contained in the Prospectus.
- b. The emergence of any important issues that should have been included in the Prospectus.

Where there have been some events that are considered a significant change or an update in material matters mentioned in the Prospectus that shall be disclosed under the supplementary Prospectus, mainly represented in the appointment of a financial advisor, lead manager, and underwriter - in accordance with the amendments set out below -; Therefore, the Company has issued this Supplementary Prospectus, and modifications are described in Section (5) “Modifications to Certain Information in the Initial Prospectus” of this Supplementary Prospectus.

5. Modifications made to Certain Information in the Prospectus:

1. The logo of the financial advisor, Lead Manager and, underwriter on the cover page has been modified to become (after modification):



2. The following paragraphs on the “Important Notice” page in the Prospectus have been modified to become as follows (after modification):
 - a. Financial advisor and Lead Manager (www.alrajhi-capital.com)
 - b. The company has appointed Al Rajhi Capital as a financial advisor (“Financial Advisor”) and the Lead Manager (“Lead Manager”) and the underwriter (“Underwriter”), in connection with the offering of priority rights shares to increase the company’s capital under this Prospectus.
3. The advisors whose names appear in the Prospectus have been modified to become as follows (after modification):
 - Financial Advisor, Lead Manager, and Underwriter

Advisors

Financial Advisor, Lead Manager, and Underwriter

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4. Some of the paragraphs contained in the offering summary in the Prospectus were modified to become as follows (after modification):

Offering Costs

The Company will bear all costs associated with the Offering, which are estimated to amount to about fifteen million (15,000,000) Saudi Riyals. Such costs will be deducted from the total proceeds of the Offering amounting to two hundred and sixty-five million Saudi Riyals. These amounts include the fees of the Financial Advisor, Lead Manager, Legal Advisor, Underwriter, advertising and printing expenses, and other related expenses, bearing in mind that these costs are discretionary and not final. Please refer to Section No. (6) "Using the Offering Proceeds".

It is expected that the total proceeds of the offering will amount to about two hundred and sixty-five million (265,000,000) Saudi Riyals, and the net Offering Proceeds will be used mainly to support the growth of the Company's business while maintaining the solvency requirements imposed by the Central Bank. The Offering Proceeds will be used in financial investments in addition to the increase in the statutory deposit imposed on the Company by the Saudi Central Bank; due to the increase in the Company's capital. The Shareholders will not receive any of the Offering Proceeds.

The following table shows the details of the proposed use of the Offering Proceeds:

Total Proceeds Expected to Be Obtained, Analysis and Description of their Potential Use

Description	Amount (Million Saudi Riyals)	Total Offering Proceeds (%)
Total Offering Proceeds	265	100.0%
Offering Cost	15	5.7%
Net Offering Proceeds	250	94.3%
Increasing Statutory Reserve	26.5	10.0%
Financial Investments	223.5	84.3%

Source: The Company

For more details on the use of the Offering Proceeds, please refer to Section No. (6) "Using the Offering Proceeds".

5. The definition of (Lead Manager) contained in the definitions and terms in the Prospectus has been modified to become as follows (after modification):

Lead Manager

Al Rajhi Capital Company

6. The definition of Alinma Investment Company contained in the definitions and terms in the Prospectus has been deleted and replaced with Al-Rajhi Capital Company, as follows (after modification):

Al Rajhi Capital Company

Al Rajhi Capital, a company licensed by the Capital Market Authority to carry out management, advise, arrange, deal and custody in securities, and is 100% owned by Al Rajhi Bank.

7. The definition of the underwriter in the definitions and terms in the Prospectus has been modified to become as follows (after modification):

Underwriter

Al Rajhi Capital Company

8. Paragraph 6.1, Paragraph 6.1.1 and Table No. (52) of Paragraph 6.2 of Section 6 in the Prospectus related to the net proceeds of the offering, and the use of the net proceeds of the Offering, have been modified to become as follows (after modification):

a. Net Offering Proceeds:

It is expected that the total proceeds from the offering of the rights issue will amount to two hundred and sixty-five million (265,000,000) Saudi riyals. It is expected that about fifteen million (15,000,000) riyals will be deducted from the total proceeds of the offering; to cover the offering expenses and fees of the Financial Advisor, Legal Advisor, Lead Manager, Underwriter, advertising and printing expenses and other expenses related to the subscription. Accordingly: The net proceeds of the offering will amount to about two hundred and fifty million (250,000,000) Saudi riyals.

b. Using a part of net Offering Proceeds in financial investments

The Company will use the amounts of net Offering Proceeds allocated to medium and long-term investments and financial deposits, in addition to increasing and diversifying the Company's investment portfolio, which will be invested in investment funds such as Murabaha, trading, fixed income, shares and sukuk, in addition to direct investment in bonds, sukuk and shares, in line with the Implementing Regulations for control of cooperative insurance companies issued by Saudi Central Bank, and the investment policy approved by the Board of Directors. Most of the investments will be concentrated in investment pools of few and medium risks in the Kingdom. Part of the amount will be distributed to high-risk investments or investments outside the Kingdom. The Company intends to allocate about 223.5 million Saudi Riyals. The Company also intends to make financial investments as soon as the capital increase process is completed, as the Company will operate the net amounts allocated for financial investments as bank deposits in less than one year to ensure the ability to withdraw from the amounts as needed. The Company will study the available investment opportunities till there're opportunities in the other investment bases to complete the operation of all amounts according to the company's planning. It's all subject to the regulations of the Saudi Central Bank concerning investment and to Company policies. The company is expected to earn profits from the investment at a rate of 3-4% annually. It is worth noting that the Company will not engage in any unauthorized investment or business activity.

c. Table No. (52): Suggested use of Offering Proceeds

Statement	Amount (Million Saudi Riyals)	Total Offering Proceeds (%)
Total Offering Proceeds	265	100.0%
Offering Cost	15	5.7%
Net Offering Proceeds	250	94.3%
Increasing Statutory Reserve	26.5	10.0%
Financial Investments	223.5	84.3%

Source: The Company

9. Modifying section no. 7 of the Prospectus related to experts' statements to become as follows (after modification):

The advisors whose names appear on pages (d) and (e) have given their written consents to the publication of their names, logos, and statements in the form included in the Prospectus, taking into account the amendments contained in this supplementary Prospectus. With the exception of what has been modified in this supplementary Prospectus, any such consent has not been withdrawn up to the date of publication of this Supplementary Prospectus. None of the above advisers or their employees or any of their relatives has any shareholding or interest of any kind in the Company. There's no statement prepared by an expert included in this Prospectus.

10. Modifying section no. 10 of the Prospectus related to the underwriting undertaking to become as follows (after modification):

- The Company and the Underwriter (Al-Rajhi Capital) entered into an underwriting agreement to cover the subscription of twenty-six million five hundred thousand (26,500,000) ordinary shares at a price of ten (10) Saudi Riyals per share, representing 100% of the rights shares offered for a subscription ("Underwriting Agreement").
- Underwriter

Underwriter

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Stock Exchange

Saudi Tadawul Group (Tadawul)

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تداول السعودية
Saudi Exchange



Advisors

Financial Advisor, Lead Manager and Underwriter

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Al Rajhi Capital



Legal Adviser

Mohammed Al Dhabaan Legal Office

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الضبعان وشركاه
بال تعاون مع
إيفرشيدس سذرلاند
(الدولية) ال ال بي

Certified Public Accountants for the years ending December 31, 2019G, 2020G, and 2021G

Al-Azm and Al-Sudairy Office, Certified Public Accountants

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Albassam & Partners Allied Accountants

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Actuarial Expert

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