

Amana Cooperative Insurance Company



Amana Cooperative Insurance Company is a Saudi public joint stock company established pursuant to Royal Decree No. (M/35) issued on 10/06/1430H (corresponding to 03/06/2009G) and Ministerial Resolution No. (188) dated 08/06/1430H (corresponding to 01/06/2009G) and the General Investment Authority License No. (102030094185-01) issued on 22/09/1430H (corresponding to 12/09/2009G), and it is registered under Commercial Registration No. (1010288711) dated 10/06/1431H (corresponding to 24/05/2010G) issued in the city of Riyadh and the license of the Central Bank of Saudi Arabia No.

(ن م ن /30/20107) dated 24/07/1431H (corresponding to 06/07/2010G) to practice insurance activity in accordance with the provisions of the Cooperative Insurance Companies Control Law and its implementing regulations.

Offering of thirty million (30,000,000) ordinary shares at an offer price of ten (10) Saudi riyals per share by issuing Rights Shares with a total value of three hundred million (300,000,000) Saudi riyals representing an increase in the Company's capital by (230.7%), from one hundred and thirty million (130,000,000) Saudi riyals to four hundred and thirty million (430,000,000) Saudi riyals.

Trading Period: starts on Monday 07/11/1443H (corresponding to 06/06/2022G) and ends on Monday 14/11/1443H (corresponding to 13/06/2022G)

Subscription Period: starts on Monday 07/11/1443H (corresponding to 06/06/2022G) and ends on Thursday 17/11/1443H (corresponding to 16/06/2022G)

Amana Cooperative Insurance Company (hereinafter referred to as the "Company" or "AMANA") was incorporated as a Saudi public joint stock (SJSC) company pursuant to Royal Decree No. (M/35) issued on 10/06/1430H (corresponding to 03/06/2009G) and Ministerial Resolution No. (188) on 08/06/1430H (corresponding to 01/06/2009G) and the license of the General Investment Authority No. (102030094185-01) dated 22/09/1430H (corresponding to 12/09/2009G), and it is registered under Commercial Registration certificate No. (1010288711) dated 10/06/1431H (corresponding to 24/05/2010G) issued by the Commercial Registry office in the city of Riyadh, and the Company's head office is located in Riyadh city.

The Company has obtained a license from the Central Bank of Saudi Arabia (hereinafter referred to as the "Central Bank"). No. (TMN/30/20107) dated 24/07/1431H (corresponding to 06/07/2010G) to practice insurance activity in accordance with the provisions of the Cooperative Insurance Companies Control Law and its implementing regulations.

The Company's current capital is one hundred and thirty million (130,000,000) Saudi riyals divided into thirteen million (13,000,000) nominal shares of equal value, the value of each is ten (10) Saudi riyals, all of which are fully paid shares (hereinafter referred to as the "Current Shares"). On 14/06/1443H (corresponding to 17/02/2022G), the Board of Directors recommended the capital increase of the Company by way of Rights Issue Shares at a value of three hundred million (300,000,000) Saudi riyals, after obtaining the approval of the Saudi Central Bank and the Capital Market Authority (referred to as hereinafter referred to as "the Authority") and other relevant statutory bodies in addition to the approval of the Extraordinary General Assembly.

The Company has also obtained the Central Bank of Saudi Arabia's no objection to the capital increase pursuant to letter No. (43083158) dated 24/09/1443H (corresponding to 25/04/2022G).

On 08/10/1443H (corresponding to 29/05/2022G), the EGA approved the Company's capital increase by a way of Rights Issue Shares, and the subscription consists of offering thirty million (30,000,000) new ordinary shares (hereinafter referred to as "Rights Issue Shares" or "New Shares") at an offer price of ten (10) Saudi riyals per share (hereinafter referred to as the "Offer Price") and with a nominal value of ten (10) Saudi riyals, in order to increase the Company's capital from one hundred and thirty million (130,000,000) Saudi riyals to four hundred and thirty million (430,000,000) Saudi riyals, an increase of about (230.7%).

The Rights Issue will be conducted through the issue of tradable securities (collectively referred to as "Rights Issue" and each as a "Right Issue"), to the Company's shareholders, as at the close of trading on the date of the EGA held for the capital increase (hereinafter referred to as the "Eligibility Date"), who are registered in the Company's shareholders register with the depository center at the end of the second trading day following the day of the EGA that includes the approval of the capital increase on 08/10/1443H (corresponding to 29/05/2022G) (collectively referred to as "Registered Shareholders" and each as a "Registered Shareholder"), with such Rights being deposited into the registered shareholders' portfolios following the day of the EGA and taking into account the settlement procedures with about (2.3) rights for each (1) share of the Company's shares, and each right entitles its holder to subscribe to one (1) new share at the offering price.

Registered Shareholders and other general investors ("New Investors") who may trade in Rights and subscribe to New Shares will be able to trade and subscribe to Rights Issues in the Saudi Tadawul Company (hereinafter referred to as "Tadawul" or "The Authority"). Both the trading and subscription period begin on Monday, the date of 07/11/1443H (corresponding to 06/06/2022G), provided that the trading period ends on Monday on 14/11/1443H (corresponding to 13/06/2022G) (the "Trading Period") and that the subscription period shall continue until the end of Thursday on the date of 17/11/1443H (corresponding to 16/06/2022G) ("Subscription Period").

Registered shareholders and other public investors (referred to as "New Investors") – who may trade the Rights and subscribe to the New Shares – will be able to trade and subscribe to the Rights on the Saudi Stock Exchange (referred to as "Tadawul" or "Stock Exchange").

The trading period and subscription period start on Monday 07/11/1443H (corresponding to 06/06/2022G), while the trading period ends on Monday 14/11/1443H (corresponding to 13/06/2022G) (referred to as the "Trading Period"), the subscription period ends on Thursday 17/11/1443H (corresponding to 16/06/2022G) (referred to as the "Subscription Period"). It should be noted that the Trading Period and Subscription Period will start on the same day. However, the Trading Period cease on the sixth (6) day of the start of the period, while the

Subscription Period will end on the ninth (9) day of the said period. The Registered Shareholders will be able to trade Rights during the Trading Period, by selling (in whole or in part) the entitled Rights, or by purchasing additional Rights from the Saudi Stock Exchange ("Tadawul"). New Investors may, during the Trading Period, purchase Rights from the Saudi Stock Exchange ("Tadawul") and sell the Rights purchased during the Trading Period.

The New Shares could be subscribed to during the Subscription Period via a single phase as follows:

- (1) During such period, all Registered Shareholders and New Investors may subscribe to the New Shares.
- (2) The Registered Shareholder may during the Subscription Period directly subscribe for the New Shares pro-rated to its own shares. In case the Registered Shareholder bought new right, he or she will be allowed to subscribe for them upon the cessation of the settlement period (two business days after buying the new rights).
- (3) The New Investors may directly subscribe for the New Shares upon settlement of such shares (two business days).
- (4) Subscription will be available online through the investment portfolio on Tadawul platforms and applications that are used to submit purchase and sale orders. Additionally, subscription shall be available through other media and channels available at the intermediary.

In the event that shares remain unsubscribed after the end of the subscription period (the "Rump Shares"), these shares will be offered at the minimum offering price to a number of institutional investors (hereinafter referred to as "Institutional Investors") (this Offering is referred to as the "Rump Offering"), provided that these institutional investors submit purchase offers for the Rump Shares. Offers will be accepted starting (10:00) am on 22/11/1443H (corresponding to 21/06/2022G) until (5:00) pm on 23/11/1443H (corresponding to 22/06/2022G) ("Rump Offering Period"). Rump shares will be allocated to institutional investors with the highest offer and then the lowest and lowest (provided that it is not less than the offer price), provided that the shares are proportionally allocated to institutional investors that submit the same offer. As for fractional shares (if any), they will be added to the Rump Shares and treated in the same way, and the total offering price collected from the Company's Rump Offering will be paid and the rest of the proceeds from the Rump Shares and fractional shares will be distributed (in excess of the Offering Price, if any) without any fees or deductions, from the eligible persons who have not exercised their right to subscribe in whole or in part, as well as those entitled to fractional shares, each according to what he is entitled to no later than 01/12/1443H (corresponding to 30/06/2022G).

In the event that the Institutional Investors do not subscribe for all of the Rump Shares and fractional shares (if any), then these shares shall be allocated to the Underwriter who shall subscribe for them at the Offer Price (see Section 12 "Information Related to the Shares and the Terms and Conditions of the Offering"). The final allocation for the New Shares will be announced no later than 27/11/1443H (corresponding to 26/06/2022G) (referred to as the "Allocation Date") (see Section 12 "Information related to the Shares and the Terms and Conditions of the Offering"). The subscription has also been fully underwritten by Al-Khair Capital Company (please refer to Section (11) "Underwriter").

Upon completion of the Offering, the Company's share capital will be four hundred and thirty million (430,000,000) Saudi riyals divided into forty-three million (43,000,000) ordinary shares. The net proceeds of the Offering will be mainly used to support and finance the Company's future plans and enhance the solvency margin (See Section (6) "Use of Offering Proceeds and Future Projects").

The Company has only one class of shares and no share give its holder any preferential right. The New Shares will be fully paid and rank identically with the outstanding shares. Each share entitles its holder to one vote, and each shareholder (the "Shareholder") has the right to attend and vote at the General Assembly meetings (referred to as the "General Assembly Meeting" or "General Assembly") of the Company (whether ordinary or extraordinary). Holders of the New Shares will be entitled to receive their portion of any dividends declared by the Company after their issuance (if any).

On 01/07/1431H (corresponding to 13/06/2010G), the Company listed thirty-two million (32,000,000) ordinary shares in the Saudi Stock Exchange Market ("Tadawul") by offering them for subscription, where the founding shareholders subscribed to a number of nineteen million and two hundred thousand (19,200,000) shares, or 60% of the shares, and twelve million and eight hundred thousand (12,800,000) shares, or a percentage

of (40%) of the shares for the initial public offering. On 05/12/1437H (corresponding to 06/09/2016G), the Board of Directors recommended to decrease the Company's capital from three hundred twenty million (320,000,000) Saudi riyals to one hundred and forty million (140,000,000) Saudi riyals, at a reduction rate of (56.25%), by reducing (1.125) shares for every two (2) shares. The Board of Directors (BOD) also recommended, by the same resolution, that, after completing the capital reduction process, the Company's capital should be increased through a Rights Issue of one hundred million (100,000,000) Saudi riyals. On 22/05/1438H (corresponding to 19/02/2017G), the EGA approved the Company's capital reduction from three hundred and twenty million (320,000,000) Saudi riyals to one hundred and forty million (140,000,000) Saudi riyals by canceling eighteen million (18,000,000) shares, after obtaining the Central Bank's no-objection on 26/01/1438H (corresponding to 27/10/2016G) and the approval of the Authority on 26/03/1438H (corresponding to 25/12/2016G). On 22/05/1440H (corresponding to 28/01/2019G), the EGA approved the Company's capital increase by one hundred million (100,000,000) Saudi riyals, so the Company's capital became two hundred and forty million (240,000,000) Saudi riyals, through Offering and listing Rights Issue of ten million (10,000,000) shares, after obtaining the Central Bank's no-objection on 27/11/1439H (corresponding to 09/08/2018G) and the approval of the Authority on 28/02/1440H (corresponding to 06/11/2018G). On 22/04/1442H (corresponding to 07/12/2020G), the BOD recommended the company's capital reduction from two hundred and forty million (240,000,000) Saudi riyals to one hundred and thirty million (130,000,000) Saudi riyals, at a reduction rate of (45.833%) by reducing one (1) share for every (2.1818) shares. On 11/10/1442H (corresponding to 23/05/2021G), the EGA approved the Company's capital reduction from two hundred and forty million (240,000,000) Saudi riyals to one hundred and thirty million (130,000,000) Saudi riyals, by canceling eleven million (11,000,000) shares, after obtaining the approval of the Central Bank on 12/06/1442H (corresponding to 25/01/2021G) and the approval of the CMA on 5/8/1442H (corresponding to 18/03/2021G).

The number of listed shares to the date of this Prospectus is thirteen million (13,000,000) shares. The Company's outstanding shares are currently traded in "Tadawul" or "the Market". As of the date of this Prospectus (the "Prospectus"), there are no major shareholders in the Company except for Amana Gulf Insurance Company (a Bahraini closed joint stock company), which owns (11.077%) of the Company's shares. The Company's outstanding shares are currently traded on the Market. The Company has applied to the Capital Market Authority (the "CMA") or "The Authority") to register and offer the New Shares and also submitted a request to the Saudi Stock Exchange Company ("Tadawul") to accept the listing of the New Shares. It has provided all supporting documents; and all the requirements of the relevant authorities have been met and this Prospectus has been approved. Trading in New Shares in Tadawul is expected to commence soon after the final allocation of the New Shares and returning the surplus (please see page (xi) "Key Dates for Eligible Persons"). Upon listing and admission of the shares, citizens of Saudi Arabia, legal residents therein, as well as GCC nationals ("the Cooperation Council") and Saudi companies, banks, Saudi investment funds, and GCC companies and institutions, and foreign investors from outside the KSA (through swap agreements or as qualified investors) will be permitted to trade in the New Shares. Moreover, Qualified Foreign Investors and Approved QFI Clients will be permitted to trade in the Company's shares according to the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities. The Company has filed a request to the Capital Market Authority of Saudi Arabia ("CMA") to register and offer the New Shares and also submitted a request to the Saudi Stock Exchange "Tadawul" to accept their listing after all requirements have been fulfilled.

This Prospectus must be read in full and the "Important Notice" section on page (i) and Section (2) "Risk Factors" of this Prospectus must be considered prior to making any investment decision in the Rights or New Shares offered hereby.

THE OFFERING OF RIGHTS ISSUE SHARES UNDER THIS PROSPECTUS IS SUBJECT TO THE SHAREHOLDERS' APPROVAL OF THE CAPITAL INCREASE IN ACCORDANCE WITH THE RECOMMENDATION OF THE BOARD OF DIRECTORS AND THE COMPANY OBTAINING OF THE REGULATORY APPROVALS. A MEETING INVITATION FOR THE COMPANY'S EXTRAORDINARY GENERAL ASSEMBLY (EGA) HAS BEEN PUBLISHED ON 08/10/1443H (CORRESPONDING TO 29/05/2022G) TO APPROVE THIS RIGHTS ISSUE. THE SHAREHOLDERS SHOULD BE AWARE THAT IF THE APPROVAL IS NOT OBTAINED FOR THIS RIGHTS ISSUE, THE OFFERING WILL AUTOMATICALLY STOP, AND AT THAT TIME THIS PROSPECTUS WILL BE CONSIDERED VOID AND SHAREHOLDERS WILL BE NOTIFIED OF THIS.

Financial Advisor,
Lead Manager and Underwriter



This Prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority") and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange. The directors, whose names appear on page (iii) collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The Authority and the Saudi Stock Exchange do not take any responsibility for the contents of this Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

This prospectus was issued on 22/10/1443H (corresponding to 23/05/2022G)



IMPORTANT NOTICE

This Prospectus (the “**Prospectus**”) contains detailed information about Amana Cooperative Insurance Company and the Rights Issue offered for subscription. When applying to subscribe for New Shares, investors will be treated as applying solely on the basis of the information contained in this Prospectus, a copy of which can be obtained from the Company, the Lead Manager, or by visiting the websites of the Company (www.amana.sa), the Financial Advisor (www.alkhaircapital.com.sa) and the website of the Capital Market Authority (www.cma.org.sa).

This Prospectus shall be published and made available to the public within a period not less than (14) days prior to the date of the EGA on the capital increase. In the event that EGA does not approve the capital increase within six (6) months of the of the CMA's approval of registering and offering the Rights Issue Shares, the CMA's approval shall be considered void.

The Company has appointed Al-Khair Capital Saudi Company as a financial advisor (referred to as “**Financial Advisor**”), lead manager (“**Lead Manager**”) and underwriter (the “**Underwriter**”), in relation to the Rights Issue Offering to increase the Company's capital under this Prospectus.

This Prospectus contains information provided according to the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the CMA's Board. The Directors, whose names appear on page (iii), collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus, and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading. Neither CMA nor the Saudi Stock (Tadawul) do not take any responsibility for the contents of this Prospectus, and do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

While the Company has made all reasonable enquiries as to the accuracy of the information contained in this Prospectus as at the date hereof, a portion of the information contained in this Prospectus are derived from external sources, and while none of the Company, its members of the board directors, its Financial Advisor or any of the Company's Advisors whose names appear on pages (v) and (vi) (the “**Advisors**”) of this Prospectus have any reason to believe that any information is materially inaccurate, such information has not been independently verified, and no representation is made as to the accuracy and completeness of any of this information.

The information contained in the Prospectus as at the date hereof is subject to change. In particular, the actual financial (condition) position of the Company and the value of the Offer Shares may be adversely affected by future developments such as inflation, interest rates, taxes, or other economic and political factors or other factors beyond the Company's control (see Section 2 “**Risk Factors**” of this Prospectus). Neither the delivery of this Prospectus nor any oral, written information or printed interaction in relation to the Offer Shares is intended to be, nor should be construed as or relied upon in any way as, a promise or representation as to future earnings, results or events.

This Prospectus may not to be considered as a recommendation by the Company or the Board of Directors or any of the Company's Advisors to participate in the Offering. Moreover, the information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or special investment needs. Prior to making an investment decision, each recipient (natural or legal) of this Prospectus is responsible for obtaining independent professional advice from a financial advisor licensed by CMA in relation to the Offering in order to assess the appropriateness of the investment opportunity and the information contained in this Prospectus with respect to his objectives, financial situation and needs.

The Registered Shareholders and other public investors (“**New Investors**”) - who may trade in Rights and subscribe to the New Shares - will be able to trade and subscribe to Rights Issue Shares in the Saudi Stock Exchange (“**Tadawul**” or “**Exchange**”) during the Trading Period and the Subscription Period which will begin at the same on Monday 07/11/1443H (corresponding to 06/06/2022G). The Trading Period shall end at the end of sixth day on Monday 14/11/1443H (corresponding to 13/06/2022G) (the “**Trading Period**”), whereas the subscription period shall last until the end of the ninth day on Thursday 17/11/1443H (corresponding to 16/06/2022G) (the “**Subscription Period**”). It should be noted that the Trading Period and the subscription period will start on the same day while the Trading Period continues until the end of the ninth day from the beginning of the period.

The Registered Shareholders will be able to trade the Rights during the Trading Period, by selling acquired Rights or part thereof or buying additional Rights through the Exchange, and New Investors will also be able to buy Rights through the Exchange and sell Rights purchased during the Trading Period.

Subscription to the New Shares will be available during the Subscription Period in one phase as follows:

1. During this period, all Registered Shareholders and New Investors will be entitled to subscribe to the New Shares.
2. Registered Shareholders will be entitled to subscribe directly to the number of their shares or less than the number of their shares during the Subscription Period, and if they acquire New Rights, he or she will be able to subscribe to them after the end of the settlement period (two business days after buying the new rights).
3. The New Investors will be entitled to subscribe to the New Shares after the end of settlement period (two business days).
4. Subscription will be available electronically through the investment portfolios in the trading platforms and applications through which sale and purchase orders are entered, in addition to subscription through other means and channels available at the broker/intermediary.

In the event that any shares remain unsubscribed after the end of the Subscription Period (the “**Rump Shares**”), those shares will be offered to a number of institutional investors (“**Institutional Investors**”); such offering is referred to as (the “**Rump offering**”). The Institutional Investors shall submit their offers to buy the Rump Shares. Receipt of such offers will start at [10] AM on 22/11/1443H (corresponding to 21/06/2022G) until [5] PM on 23/11/1443H (corresponding to 22/06/2022G) (the “**Rump Offering Period**”). Rump Shares will be allocated to the Institutional Investors with the highest bid, then the lowest and the lowest (provided that it is not less than the Offering Price). The shares will be allocated on a pro rata basis (proportionately) to the Institutional Investors submitting the same offer.

As for fractional shares, they will be added to the Rump Shares and be treated similarly, and the total Offering Price of the Rump Shares will be paid to the Company and the rest of the proceeds from the sale of those Rump Shares (exceeding the Offer Price, if any) will be distributed without deducting any fees to the eligible persons who have not exercised their right to subscribe either in whole or in part, as well as holders of fractional shares, each according to what he may be entitled to no later than 01/12/1443H (corresponding to 30/06/2022G). The investor who did not subscribe for or sell his Rights, and the owners of Fractional Shares, may not get any compensation if the Rump Shares are sold at the Offering Price.

In the event that Institutional Investors have not subscribed in all the Rump Shares and Fractional Shares, the remaining will be allocated to the Underwriter who will purchase them at the Offering Price (see Section 12 “**Shares Information and the Offering Terms & Conditions**”). The final allocation of the New Shares will be announced no later than 27/11/1443H (corresponding to 26/06/2022G) (the “**Allocation Date**”) (see Section 12 “**Shares Information and the Offering Terms & Conditions**”).

Financial Information

The Company’s audited financial statements for the financial years ending on December 31, 2019G, 2020G and 2021G, and the notes attached thereto, have been prepared in accordance with the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and the generally accepted accounting standards issued by the Saudi Organization for Chartered and Professional Accountants (“**SOCPA**”).

The audited financial statements for the fiscal year ending on December 31, 2019G were audited by Ibrahim Ahmed Al-Bassam & Partners, Chartered Accountants - Al-Bassam & Partners (Member of BKF International) and Al Dar Auditing - Grant Thornton. As for the financial statements for the fiscal year ending on December 31, 2020G, they were audited by Ibrahim Ahmed Al-Bassam CPA’s and Consultants - PKF Al-Bassam & Co and El Sayed El Ayouty & Co. (MOORE Global). While the financial statements for the fiscal year ending on December 31, 2021G, they were audited by Ibrahim Ahmed Al-Bassam CPA’s and Consultants - PKF Al-Bassam & Co, Al-Azem, Al-Sudairy, Al-Shaikh and Partners, CPA’s & Consultants - a member of Crowe International.

Forecasts and Forward-looking Statements

Forecasts set forth in this Prospectus have been prepared on the basis of specific and announced assumptions mentioned in the relevant issues. Future operating conditions may differ from the assumptions used and consequently there is no assurance, affirmation, representation, or warranty or commitment given as to the accuracy or completeness of any of these forecasts. The Company confirms that the information contained in this Prospectus has been prepared with due care.

Some of the forecasts and statements in this Prospectus constitute “forward-looking statements”. Such statements can generally be identified by their usage of words that indicate future prospects such as “intends”, “plans”, “estimates”, “believes”, “expects”, or “possibly” or “will”, “intend”, “should”, “expected”, or “may” or the contrary thereof or other variations of such terms or comparable terminology.

These forward-looking statements reflect the Company’s and its management’s current views of future events, but do not constitute a guarantee of any future actual performance of the Company. Many factors could cause the actual results,

performance or achievements of the Company to be materially different from that which may be expressed or implied by such forward-looking statements.

The most important risks or factors that could lead to such an effect are described in more detail in other sections of this Prospectus (please see section (2) **“Risk Factors”** of this Prospectus). Should any one or more of these risks is met, or if any underlying assumptions or estimates prove to be incorrect or inaccurate, the actual results of the Company may vary materially from those expected, estimated, planned or assumed in this Prospectus.

In compliance with the requirements of Rules on the Offer of Securities and Continuing obligations, the Company must submit a supplementary Prospectus to the Capital Market Authority if at any time after the date of the publication of this Prospectus and before the completion of the offering, the Company becomes aware of any of the following: (1) There is a significant change in material matters mentioned in the Prospectus or any document required by the Listing Rules and the ongoing commitments; (2) any significant issues that should have been included in the Prospectus have arisen.

With the exception of these two situations, the Company does not intend to update or amend any information contained in this Prospectus, whether as a result of new additional information or as a result of future incidents or otherwise.

As a result of this, as well as other risks, uncertainties and assumptions, future expectations and circumstances discussed in this Prospectus might not occur in the manner expected by the Company or may not occur at all. New investors should consider all forward-looking statements in the light of these explanations and should not place undue reliance on forward-looking statements.

Company's Directory

Board of Directors (BOD)*										
Name	Position	Represented side	Nationality	Age	Membership Status	Owned Shares				Date of Membership
						Direct	Indirect**	Total	Percentage	
Mahmoud Mohammad AlToukhi	Chairman of the Board	Himself	Saudi	56	Independent	162,500	-	162,500	1.25%	11/09/1440H (corresponding to 16/05/2019G)
Abdullah Othman AlMousa	Vice Chairman of the Board	Himself	Saudi	62	Independent	405	-	405	0.00311%	11/09/1440H (corresponding to 16/05/2019G)
AbdulRahman Abdullah AlSakran*	Board Member	Amana AlKhaleej	Saudi	56	Non-Executive	1,421	-	1,421	0.0109%	11/09/1440H (corresponding to 16/05/2019G)
Naif Faisal AlSudairi	Board Member	Amana AlKhaleej	Saudi	45	Non-Executive	-	-	-	-	11/09/1440H (corresponding to 16/05/2019G)
Haitham Tawfik AlFraih	Board Member	Himself	Kuwaiti	47	Independent	-	-	-	-	11/09/1440H (corresponding to 16/05/2019G)
Bader Ibrahim AlSuwailem	Board Member	Himself	Saudi	56	Independent	10	-	10	0.000076%	09/09/1440H (corresponding to 14/05/2019G)
Pierre Michele Faraoun	Board Member	Amand AlKhaleej	Lebanese	33	Non-Executive	-	-	-	-	09/09/1440H (corresponding to 14/05/2019G)

Source: The Company.

* On 09/09/1440H (corresponding to 14/05/2019G), the Ordinary General Assembly elected the above-mentioned BOD for a period of three years starting from (16/05/2019G) and ending on (15/05/2022G). On 26/01/1441H (corresponding to 25/09/2019G), the BOD decided to appoint Eng. Mahmoud bin Muhammad Al-Toukhi as Chairman of the Board and Dr. Abdullah bin Othman Al-Mousa as Vice Chairman, after the company received a letter of no-objection from the Central Bank of Saudi Arabia No. (89-2234) dated 26/01/1441H (corresponding to 25/09/2019G). On 11/10/1443H. (corresponding to 12/05/2022G), the Company notified the CMA about the term of the Board which will end on 15/10/1443H. (corresponding to 16/05/2022G) and requested that the Board and its committees extend its term from 15/10/1433H. (corresponding to 16/05/2022G) for a period of 3months or up to the date of next OGA that will elect the new Board.

** refers to the shares indirectly owned by the BOD members in the Company through their ownership in companies owning shares in the Company. Documents showing whether any of the Board members have indirect ownership have not been seen.

Company's Address and Representatives

Amana Cooperative Insurance Company

Riyadh - Salah Al-Din Al-Ayoubi Street
Platinum Center - Second Floor
P.O. Box: 27986 - Riyadh 11427
Kingdom of Saudi Arabia
Phone: +966 (11) 4757700
Fax: +966 (11) 4757722
E-mail: info@amana-coop.com.sa
Website: www.amana.sa



First Authorized Representative of the Company	Second Authorized Representative of the Company
Abdullah bin Othman Al-Moussa Vice Chairman of the Board Riyadh - Salah Al-Din Al-Ayoubi Street Platinum Center - Second Floor P.O. Box: 27986 – Riyadh 11427 Kingdom of Saudi Arabia Phone: +966 (11) 4757700 Extension N: 1425 Fax: +966 (11) 4757700 Website: www.amana.sa E-mail: a.almussa@gmail.com	Sulaiman bin Mahmoud Hilal Chief Executive Officer Riyadh - Salah Al-Din Al-Ayoubi Street Platinum Center - Second Floor P.O. Box: 27986 – Riyadh 11427 Kingdom of Saudi Arabia Phone: +966 (11) 4757700 Extension N: 1113 Fax: +966 (11) 4757722 Website: www.amana.sa E-mail: s.hilal@amana-coop.com.sa

Stock Market

Saudi Exchange (Tadawul)
King Fahd Road - Olaya 6897
Unit No.: 15
P.O. Box: 60612, Riyadh 11555
Kingdom of Saudi Arabia
Phone: +966 (11) 2181200
Fax: +966 (11) 2181260
Website: www.saudiexchange.sa
E-mail: csc@saudiexchange.sa



Advisors

Financial Advisor, Lead manager and Underwriter

AlKhair Capital Saudi

King Abdul Aziz Road - Ministries District - Madarat Towers
P.O. Box: 69410, Riyadh 11547
Kingdom of Saudi Arabia
Phone: +966112155678
Fax: +966112191270
Website: www.ssfirm.com.sa
E-mail: corporate@ssfirm.com.sa

الخير كابيتال
ALKHAIR CAPITAL



Legal Advisor

Al-Saleh & Al-Sahli Law Firm

Al-Seif Center - King Abdullah Road - Al-Wurud District
PO Box 90549 Riyadh 11623
Kingdom of Saudi Arabia
Phone: +966 (11) 2054555
Fax: +966 (11) 2054222
Website: www.ssfirm.com.sa
E-mail: @corporatessfirm.com.sa

الصالح والسهلي ومشاركوهم
للمحاماة والاستشارات القانونية
Alsaleh, Alsahli & Partners Law Firm



Financial Due Diligence Advisor

The Company's Auditor for the fiscal years ending on December 31, 2019G, 2020G and 2021G

Ibrahim Ahmed AlBassam CPA's and Consultants PKF

Prince Abdul Aziz bin Musa'ed Road - Sulaymaniyah District
Pour. 69658 - Riyadh 11557
Kingdom Saudi Arabia
Telephone: +966 (11) 2065333
Fax: +966 (11) 2065444
E-mail: info.sa@pkf.com
website: http://www.pkfalbassam.com/

PKF ALBASSAM
& PARTNERS

The Company's Auditor for the fiscal year ending on December 31, 201G

Aldar auditing company

Abdullah Al-Basri and Co
Member of Grant Thornton International
Al Mousa Complex - Tower 4 - Floor 7
Olaya Street - Riyadh
Kingdom Saudi Arabia
Telephone: +966 (11) 4630680
Fax: +966 (11) 2065444
E-mail: info@sa.gt.com
website: www.grantthornton.sa

Aldar Audit Bureau
Abdullah Al-Basri & Co.
Member firm of Grant Thornton International Ltd.
Grant Thornton



The Company's Auditor for the fiscal year ending on December 31, 2020G

Mr. Alsayed El-Ayouti & Co. Certified Public Accountants and Auditors - (MOORE)

58 The Arab World - Al Hamra
Pour. 780 Jeddah 21421
Telephone: +966 (12) 6693478
Fax: +961 (12) 6602432
E-mail: info@elayouty.com
website: elayouty-cpas.com

MOORE
السيد العيوطي وشركاه
محاسبون ومراجعون قانونيون

The Company's Auditor for the fiscal year ending on December 31, 2021G

Al-Azem, Al-Sudairy, Al-Shaikh & Partners, CPA's & Consultants (Member of Crowe International)

Prince Muhammad Bin Abdulaziz Street - Unit No. 11

P.O. Box: 10504 Riyadh 11443

Kingdom of Saudi Arabia

Phone: +966 (11) 217 5000

Fax: +966 (11) 217 6000

E-mail: info@crowe.sa

Website: www.crowe.com/sa



Note: All of the aforementioned Advisors have given and not withdrawn, as of the date of this Prospectus, their written consent to the publication of their names, logos and statements in the manner set forth in this Prospectus. Neither the Advisors nor any of their employees or relatives hold any shares or any interest of any kind in the Company as of the date of this Prospectus.

Offering Summary

Investors wishing to subscribe to shares of this offering must read the entire Prospectus and including the “Important Notice” and (2) the “Risk Factors” sections from this prospectus, before deciding to invest in the offered Company shares, as the offering summary is not sufficient to make an investment Decision. Below is a summary of the offering:

Issuer's Name, Description and Information of its Incorporation	Amana Cooperative Insurance Company (hereinafter referred to as “the Company” or “Amana”), was established as a joint stock company pursuant to Royal Decree No (M/35) dated 10/06/1430H (corresponding to 03/06/2009G), Ministerial Resolution No. (188) dated 08/06/1430H (corresponding to 01/06/2009G,) and the Saudi Arabian General Investment Authority (SAGIA) License No. (01-102030094185) dated 22/09/1430H (corresponding to 12/09/2009G). It is registered under Commercial Registration No. (1010288711) dated 10/06/1431H (corresponding to 24/05/2010G) issued by the Commercial Registry Office in Riyadh. The Company has also obtained a license from the Central Bank of Saudi Arabia No. (٢٢٢ 30/20107/) on 24/07/1431H (corresponding to 06/07/2010G) in order to practice insurance activity in accordance with the provisions of the Cooperative Insurance Companies Control Law and its implementing regulations.				
Issuer's Business Activities	The Company's activities, as stated in the Commercial Registration Certificate, are as follows: health insurance and general insurance.				
Major Shareholders	Those who own more than (5%) of the Company's shares. As of the date of this Prospectus, the Company has one major shareholder, which is Amana Gulf Insurance Company (a Bahraini closed joint stock company), which owns (1,505,400) shares, or (11.077%) of the Company's shares.				
Nature of the Offer	Capital increase by way of Rights Issue				
Issuer's Substantial Shareholders, their Ownership Percentages and Number of Shares Pre-offering	Those who own more than 5% of the Company's shares. As of the date of this Prospectus, the Company has no substantial (major) shareholders.				
Purpose Beyond the Proposed Rights Issue	The Company intends to increase its capital by offering Rights Issue Shares to support its plans and future projects and enhance the margin of solvency (for more information, please refer to Section No. (6) “Use of Offering Proceeds and Future Projects”).				
Total Proceeds Expected to Be Raised and a Detailed Breakdown and Description of the Proposed Use of Proceeds	It is expected that the total proceeds from the subscription of the Rights Issue will be one three hundred million (300,000,000) Saudi riyals. The net proceeds of the subscription, after deducting all offering costs, will be used to support the Company's plans and future projects and enhance the margin of solvency. Shareholders will not receive any of the proceeds from the offering.				
	The following table shows the uses of the offering proceeds:				
	Table of the Use of Net Offering Proceeds (in SR)				
	Use of Proceeds	Amount (SR)		Percentage	
	Systemic Deposit Increase	45,000,000		15.0%	
	Investment	249,200,000		83.1%	
	Offering costs	5,800,000		1.9%	
	Total	300,000,000		100%	
	Source: The Company				
	(For more information, please refer to Section No. (6) “Use of Offering Proceeds and Future Projects”).				
Total Proceeds Already Raised in the Last Rights Issue	Use of Proceeds	Proposed Amount (SR)	Actual Amount (SR)	Difference Between the Proposed & Actual Amount	Percentage of Deviation from Suggested Use (%)
	Total Subscription Proceeds	100,000,000	100,000,000	0	0
	Estimated Subscription Expenses	6,000,000	3,847,000	2,153,000	35.88
	Net Subscription Proceeds	94,000,000	96,153,000	2,153,000	2.29
	Increase of the Statutory Deposit (15%) According to the Requirements of the Saudi Central Bank	15,000,000	15,000,000	0	0
	Financial Investments	79,000,000	81,153,000	2,153,000	2.73
Source: The Company					
The Company complied with the timetable mentioned in the Prospectus for the use of the offering proceeds.					

Substantial Amendments to the Information Disclosed in the Last Prospectus	The last Prospectus was published on 22/05/1440H (corresponding to 29/01/2019G), and to review the substantial amendments that occurred to the information disclosed in the it, as well as review subsection No. (9.12) "The substantial information that have changed since the Authority's approval of the last Rights Issue Prospectus" of Section No. (9) "Legal Information".
Issuer's Capital Before Offering	One hundred and thirty million (130,000,000) Saudi riyals.
Total Number of Outstanding & Issued Shares Before Offering	Thirteen million (13,000,000) fully-paid Ordinary Shares
Nominal Value of Share	Ten (10) SR Saudi Riyals per share.
Capital Increase	The increase in the Company's capital will be from one hundred and thirty million (130,000,000) Saudi riyals to four hundred and thirty million (430,000,000) Saudi riyals.
Total Number of New Offered Shares	Thirty million (30,000,000) Ordinary Shares.
Capital Increase Percentage	Approximately (230.7%)
Offering Cost	Ten (10) SR Saudi Riyals per share.
Total Offering Value	Three hundred million (300,000,000) Saudi riyals.
Number of Shares Underwritten	Thirty million (30,000,000) Ordinary Shares.
Total Underwritten Sum	Three hundred million (300,00,000) Saudi riyals.
Types of Targeted Investors	Registered Shareholders and New Investors.
Eligible Persons	Shareholders who own shares at the end of trading on the day of the (Extraordinary) General Assembly meeting for the capital increase and are registered in the Company's shareholders register at the Depository Center at the end of trading on the second trading day following the (Extraordinary) General Assembly on 29/10/1443H (corresponding to 30/05/2022G).
New Investors	All investors whether individual and institutional investors - other than Registered Shareholders - who have purchased Rights during the Trading Period.
Rights	Rights are tradable securities giving their holder the right to subscribe to the New Shares offered, after approval of the capital increase. These securities are considered a right acquired by all Registered Shareholders. The Rights may be traded during the Trading Period. Each Right grants its holder eligibility to subscribe to one New Share at the Offering Price. The Rights will be deposited in the portfolio of Registered shareholders within two business days following the meeting of the Extraordinary General Assembly at which the capital increase has been approved. The Rights will appear in the portfolios of the Registered Shareholders under a new code designated for Rights.
Number of Issued Rights	Thirty million (30,000,000) rights.
Eligibility Factor	Each registered shareholder is granted (2.3) rights for each (1) share he owns, and this factor is the result of dividing the number of New Shares by the number of existing shares of the Company.
Eligibility Date	Shareholders at the end of the trading day of the Extraordinary General Assembly approving the Capital Increase who are registered in the Company's shareholders register at the Depository Center at the end of the second trading day following the Extraordinary General Assembly approving the Capital Increase on 29/10/1443H (corresponding to 30/05/2022G).
Trading Period	The Trading Period starts on Monday 07/11/1443H (corresponding to 06/06/2022G) and continues until the end of Monday 14/11/1443H (corresponding to 13/06/2022G). It is permissible during this period for all Rights issue holders - whether they are Registered Investors or New Investors - to trade Rights.
Subscription Period	The Subscription Period starts on Monday 07/11/1443H (corresponding to 06/06/2022G) and continues until the end of Thursday 17/11/1443H (corresponding to 16/06/2022G). During this period, all Rights holders - whether they are Registered Investors or New Investors - may exercise their rights to subscribe for the New Shares.
Subscription Procedure	Eligible persons wishing to subscribe for the New Shares must apply electronically through electronic broker sites and platforms that offer this service to subscribers or through any other mean offered by the brokers.
Subscriptions to Rights	<p>Eligible Persons are entitled to subscribe for Rights Issue Shares electronically through the electronic websites and platforms of brokers that provide these services for subscribers or through any other means provided by brokers. Eligible Persons can also exercise their Rights as follows:</p> <ol style="list-style-type: none"> 1. Registered Shareholders shall be entitled during the Subscription Period to exercise the Rights granted to them on the Eligibility Date and any additional Rights they have purchased during the Trading Period. They are also entitled to take no action on the Rights they own. 2. During the Subscription Period New investors have the right to exercise the Rights they have purchased during the Trading Period. They are also entitled to take no action on the Rights they own. <p>In the event that neither the Registered Shareholders nor the New Investors exercise their rights to subscribe for the New Shares during the Subscription Period, the shares associated with such rights shall be offered in the Rump Offering Period.</p>

Indicative Value of the Right	The indicative value of the Right is the difference between the market value of the Company's shares during the Trading Period and the Offering price. Tadawul will calculate and publish the indicative value of the Right during the Trading Period, on its website, five (5) minutes late. Market information providers will also publish this information, so that investors can see the indicative value of the Right when entering orders.
Trading Price of the Right	It is the price at which the Right is traded. This price is determined by the market supply and demand mechanism, and therefore may differ from the indicative value of the Right.
Rump Offering	In the event that shares remain unsubscribed for at the end of the Subscription Period (the "Rump Shares"), those shares will be offered to a number of Institutional Investors ("Institutional Investors"), and such Institutional Investors shall submit offers to purchase the Rump Shares. Receipt of such offers will start at 10 am on 22/11/1443H (corresponding to 21/06/2022G) until 5 pm on 23/11/1443H (corresponding to 22/06/2022G) (The Rump Offering Period). Rump Shares will be allocated to Institutional Investors with the highest bid, then the lowest and the lowest (provided that it is not less than the Offering Price). The shares will be allocated proportionately to the Institutional Investors submitting the same offer. As for the Fractional Shares (if any), they will be added to the Rump Shares and treated similarly.
Allocation Date	Shares will be allocated no later than Sunday 27/11/1443H (corresponding to 06/06/2022G)
Methods of Allocation and Excess Refund	Shares will be allocated to each investor based on the number of Rights properly and fully exercised. Fractional shares (if any) will be added together and offered to Institutional Investors during the Rump Offering Period. The Company will receive the total Offering price of the sale of the Rump Shares and Fractional Shares. The rest of the proceeds (the amount over the Offering Price, if any) will be distributed to those who have not fully or partially subscribed for the New Shares and to the persons entitled to Fractional Shares (please refer to section (12) "Terms, Conditions and Subscription Instructions"). Excess Funds (if any) will be returned to subscribers without any commissions or deductions by the Lead Manager. The Surplus (if any) will be refunded without any commissions or deductions from the Lead Manager.
Payment of Compensation (if any)	Cash compensation will be paid to Eligible Persons who have not fully or partially exercised their right to subscribe in the New Shares and to those who are entitled to fractional shares, without any deductions, by no later than 01/12/1443H (corresponding to 30/06/2022G). Note that the amounts of compensation represent the remaining proceeds of the sale of the Rump Shares and fractional shares.
Adjusted Price	The Company's share price on the Saudi Stock Exchange (Tadawul) has been adjusted to SR (13.94) per share, by the end of trading day of the Extraordinary General Assembly approving the Capital Increase. This represents a decrease in the share price by SR (9.08) per share.
Trading of New Shares	Trading of new shares in Tadawul begins after completing all procedures related to registering, allocating and listing the new shares.
Listing and Trading of Rights	Tadawul is preparing mechanisms to regulate Rights trading in its systems, and a separate Rights symbol will be designated, distinct from the symbol used for the Company's existing shares on Tadawul's interface. During the Trading Period, the shareholders have several options, including selling the Rights or any part thereof in the Exchange, purchasing additional Rights through the Exchange or abstaining from taking any action on the Rights Issue Shares either by selling them or purchasing additional Rights. During the Trading Period, New Investors will have the right to buy Rights in the Exchange, or sell it all or in part, or take no action on Rights acquired during the Trading Period. "Tadawul" system will void the Company's Rights symbol after the end of the Trading Period, and the trading of Rights will cease upon the end of this period.
Legibility for Profits	Owners of the New Shares will be entitled to any dividends the Company announces after the date it is issued.
Voting Rights	All shares of the Company are of one class, and no share gives its holder preferential rights. The new shares will be fully valued and equal to the existing shares. Each share gives its holder the right to one vote, and every shareholder in the Company has the right to attend the meeting of the general assembly of shareholders (whether ordinary or extraordinary) and vote in it.
Restrictions imposed on Shares Trading	There are no restrictions imposed on the trading of Shares, with the exception of the regulatory restrictions that are in general imposed on public joint stock companies and the restrictions imposed on the major shareholder (Amana Alkhaleej) as set out in details in sub-section 9.1.3 "Major Shareholders" of section 9.1 "Introduction to the Company and the Key Changes That Have Occurred" of section 9 "Legal Information".
Restrictions imposed on Rights Trading	With the exception of the restrictions imposed on the major shareholder (Amana Alkhaleej) as set out in details in sub-section 9.1.3 "Major Shareholders" of section 9.1 "Introduction to the Company and the Key Changes That Have Occurred" of section 9 "Legal Information". There are no restrictions imposed on subscribing for the Rights Issue Shares.

Previously Listed Shares	<p>On 01/07/1431H (corresponding to 13/06/2010G), the Company listed thirty-two million (32,000,000) ordinary shares in the Saudi Stock Exchange by offering them for subscription, where the founding shareholders subscribed for a number of nineteen million and two hundred thousand (19,200,000) shares, with a value of one hundred ninety-two million (192,000,000) Saudi riyals, or 60% of the shares. Twelve million and eight hundred thousand (12,800,000) shares at a value of one hundred and twenty-eight million (128,000,000) Saudi riyals and (40%) of the shares were offered for initial public subscription. On 05/12/1437H (corresponding to 06/09/2016G), the BOD recommended the company's capital reduction from three hundred twenty million (320,000,000) Saudi riyals to one hundred and forty million (140,000,000) Saudi riyals, at a reduction rate of (56.25%) by decreasing (1.125) shares for every two (2) shares. The BOD also recommended, by the same resolution, that, after completing the capital reduction process, the Company's capital should be increased through a Rights Issue of one hundred million (100,000,000) Saudi riyals. On 22/05/1438H (corresponding to 19/02/2017G), the EGA approved the reduction of the Company's capital from three hundred twenty million (320,000,000) Saudi riyals to one hundred and forty million (140,000,000) Saudi riyals, by canceling eighteen million (18,000,000) shares, after obtaining the Central Bank's no-objection on 26/01/1438H (corresponding to 27/10/2016G) and the approval of the Authority on 26/03/1438H (corresponding to 25/12/2016G). On 22/05/1440H (corresponding to 28/01/2019G), the EGA approved the company's capital increase by one hundred million (100,000,000) Saudi riyals, which became equal to two hundred and forty million (240,000,000) Saudi riyals, through the offering and listing of Rights Shares which number is equal to ten million (10,000,000) shares, after obtaining the Central Bank's no-objection on 27/11/1439H (corresponding to 09/08/2018G) and the approval of the Authority on 28/02/1440H (corresponding to 06/11/2018G). On 22/04/1442H (corresponding to 07/12/2020G), the BOD recommended the company's capital reduction from two hundred and forty million (240,000,000) Saudi riyals to one hundred and thirty million (130,000,000) Saudi riyals, with a reduction rate of (45.833%), through cancellation of (11,000,000) shares of the Company's shares, in order to extinguish the accumulated losses. On 11/10/1442H (corresponding to 23/05/2021G), the EGA approved the Company's capital reduction from two hundred and forty million (240,000,000) Saudi riyals to one hundred and thirty million (130,000,000) Saudi riyals, by canceling eleven million (11,000,000) shares, after obtaining the approval of the Central Bank on 12/06/ 1442H (corresponding to 25/01/2021G) and the approval of the CMA on 5/8/1442H (corresponding 18/03/2021G).</p>
Terms of Subscription for New Shares	<p>Eligible persons wishing to subscribe must meet the relevant subscription requirements. To review the Offering's terms, conditions, and instructions, kindly refer to section (12) "Information Related to the Shares and the Terms and Conditions of the Offering" of this Prospectus.</p>
Risk Factors	<p>Investment in this Rights Issue Shares involves certain risks, and these risks can be classified into:</p> <ol style="list-style-type: none"> 1. Risks Related to the Company's Activities; 2. Risks Related to the Market and Industry; and 3. Risks Related to the New shares. <p>These risks are described in Section (2) "Risk Factors" of this Prospectus, and they must be carefully studied before making any investment decision in the Rights Issue.</p>

Note: The "**Important Notice**" and "**Risk Factors**" of this Prospectus should be carefully considered prior to making a decision to invest in this Rights Issue Shares in accordance with this Prospectus.

Important Dates and Subscription Procedures

Event	Date
Date of the Extraordinary General Assembly approving the Capital Increase and setting the Eligibility Date and Eligible Shareholders. Eligible Shareholders are the shareholders who own shares at the end of the trading day of the Extraordinary General Assembly and are registered in the Company's shareholders register at the Depository Center at the end of the second trading day following the Extraordinary General Assembly	Sunday 28/10/1443H (corresponding to 29/05/2022G)
Trading Period	The Trading Period starts on Monday 07/11/1443H (corresponding to 06/06/2022G) and ends on Monday 14/11/1443H (corresponding to 13/06/2022G). During this period, all Rights holders of - whether they are Registered Shareholders or New Investors - to trade Rights.
Subscription Period	The Subscription Period starts on day Monday 07/11/1443H (corresponding to 06/06/2022G) and lasts until the end of day Thursday 17/11/1443H (corresponding to 16/06/2022G). During this period, all Rights holders - whether they are Registered Shareholders or New Investors - may exercise their right to subscribe to the new shares.
Date of End of the Subscription Period	The Subscription Period and the receipt of subscription requests ends with the end of day Thursday 17/11/1443H (corresponding to 16/06/2022G).
Rump Offering Period	The Rump Offering Period starts from 10:00 am on 22/11/1443H (corresponding to 21/06/2022G) until 5:00 pm on 23/11/1443H (corresponding to 22/06/2022G).
Final Allocation Notice	On Sunday 27/11/1443H (corresponding to 26/06/2022G).
Payment of Compensation (if any) for Eligible Person who did not participate in the subscription in whole or in part and for those who are eligible for fractional shares (if any)	On Thursday 01/12/1443H (corresponding to 30/06/2022G).
Trading Date of the New Shares	The shares offered for subscription will be traded upon completion of all relevant regulatory procedures. It will be announced later on the Tadawul website (www.saudiexchange.sa).

Note: All dates mentioned in the above table are approximate. Actual dates will be announced on the website of the Saudi Stock Exchange (Tadawul) (www.saudiexchange.sa).

Important Announcement Dates

Announcement	Announcer	Date
Announcement regarding the invitation to the Extraordinary General Assembly on the capital increase	The Company	Wednesday 24/10/1443H (corresponding to 25/05/2022G)
Announcement of the Extraordinary General Assembly on the Capital Increase result	The Company	Monday 29/10/1443H (corresponding to 30/05/2022G)
Announcement of the amendment of the Company's share price adjustment, the deposit of the Rights and the indicative value of the Right.	Tadawul	Monday 29/10/1443H (corresponding to 30/05/2022G)
Announcement on adding the Rights	Edaa	Wednesday 02/11/1443H (corresponding to 01/06/2022G)
Announcement of the Trading Period and Subscription Period for the New Shares	The Company	Sunday 06/11/1443H (corresponding to 05/06/2022G)
Announcement of the start of the rights trading period and the new shares subscription period	Tadawul	Monday 07/11/1443H (corresponding to 06/06/2022G)
A reminder about the start of the rights trading period and the new shares subscription period	The Company	Monday 07/11/1443H (corresponding to 06/06/2022G)
A reminder about the last day for trading of the Rights and the importance of selling the Rights for those who do not wish to subscribe	The Company	Monday 14/11/1443H (corresponding to 13/06/2022G)
Announcement of: <ul style="list-style-type: none"> The results of the subscription The details of the sale of Rump Shares (if any) and the commencement of the Rump Offering Period 	The Company	Sunday 20/11/1443H (corresponding to 19/06/2022G)
Announcement of the results of the Rump Offering and notification of final allocation	The Company	Sunday 27/11/1443H (corresponding to 26/06/2022G)
Announcement of the deposit of the New Shares in the investors' portfolios	Edaa	It is determined according to the arrangements between the issuer and the Securities Depository Center Company ("Edaa")
Announcement regarding the distribution of the compensation amounts (if any).	The Company	Thursday 01/12/1443H (corresponding to 30/06/2022G)

Note: The above-mentioned timetables and dates are indicative. Actual dates will be announced on the website of the Saudi Stock Exchange (Tadawul) (www.tadawul.com.sa) in coordination with the Depository Center Company (Edaa) to determine date for depositing the shares.

It should also be noted that if an advertisement related to the offering is published in a local newspaper after the publication of the Prospectus, the announcement must include the following:

1. The name and commercial registration certificate of the issuer.
2. The securities that are subject of the relevant application for registration and offer and their value, type and class.
3. The addresses and locations where the public may obtain the Prospectus.
4. The date of publication of the Prospectus.
5. A statement that the disclosure is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.
6. The names of the lead manager, the underwriter, the financial and legal advisors.
7. A disclaimer as follows: "The Capital Market Authority and the Saudi Stock Exchange (Tadawul) take no responsibility for the contents of this disclosure, make no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this disclosure they have".

How to Apply for the Offering

Subscription to Rights issue shares is limited to Eligible Persons, whether they are Registered Shareholders or New Investors. In the event that the Rights of Eligible Persons are exercised, any Rump Shares that were not subscribed for by Eligible Persons shall be offered to Institutional Investors during the Rump Offering Period.

The Eligible Persons wishing to subscribe for New Shares must submit their subscription application through the means and services provided by the broker to the investors, provided that the subscribing Eligible Person has an investment account with one of the brokers who provide these services.

Subscription applications are submitted through the investment portfolio in the trading platforms (through which buy and sell orders are entered) in addition to the possibility of subscribing through any other means provided by the broker to the investors and the custodian of shares.

The Company reserves the right to reject any application for the New Shares subscription in whole or in part if it does not fulfill any of the conditions or requirements of the subscription. It is not permissible to amend or withdraw the subscription application after its submission and delivery. The subscription application, upon submission, constitutes a binding contract between the Company and the Eligible Person.

Questions and Answers on Rights Issue

What is a Rights Issue?

Rights are tradable securities that give their holder the right to subscribe to the new shares offered, upon approval of the capital increase. All shareholders registered in the Company's shareholders register (at the Depository Center) at the end of the second trading day following the date the Extraordinary General Assembly at which the capital increase has been approved will be entitled to receive the Rights. Each right grants its holder eligibility to subscribe for one new share at the offering price.

Who is granted the Rights?

All registered shareholders in the Company's shareholders register at the Depository Center at the end of the second trading day following the Extraordinary General Assembly approving the capital increase.

When are the Rights deposited?

After the Extraordinary General Assembly convenes and its approval of the capital increase through the offering of Right Issue Shares, the Rights are deposited as securities in the shareholders' own portfolios in the Company's shareholders' register at the Depository Center at the end of the second trading day after the extraordinary general meeting; and will be listed in the shareholders' portfolios under a new symbol. These rights will only be traded or subscribed to at the beginning of the Trading and Subscription Period.

How are the investors notified of the Rights being deposited in their portfolios?

The notification is made through announcement on the Tadawul website, as well as through the (Tadawulaty) service provided by the Securities Depository Center Company, and short text messages (SMS) sent through the brokerage companies.

How many Rights Issue can be acquired by a registered shareholder?

The number is subject to the rights issue ratio and the number of the current shares held by the registered shareholder as at the end of the second trading day following the Extraordinary General Assembly approving the capital increase.

What is the Eligibility Factor?

It is the ratio that enables registered shareholders to know how many Rights he/she is entitled to in relation to the current shares that he/she already owned at the end of the second trading day following the Extraordinary General Assembly approving the capital increase. This factor is calculated by dividing the number of new shares by the number of the current shares of the Company, and accordingly, the eligibility factor is (2.3) rights approximately for every (1) share owned by the registered shareholder on the eligibility date, thus, if a registered shareholder owns (1,000) shares on the eligibility date, then he will be allocated (2,307) rights in exchange for the shares he owns.

Will the name and symbol for trading these rights differ from the name and symbol of the Company's shares?

Yes, the acquired rights will be deposited in the investors' portfolios under the original name, adding the Rights Issue term as well as a new symbol for these rights.

What is the value of the Rights at the beginning of trading?

The opening price of the Rights is the difference between the closing price of the Company's shares on the day prior to the inclusion of the rights and the offering price.

For example (using hypothetical prices), For if the closing price of a share on the preceding day is SAR (15) fifteen forty Saudi Riyals and the offering price is SAR (10) ten Saudi Riyals, then the opening price for the Rights will, at the beginning of trading, be SAR (5) five twenty Saudi Riyals (which is the difference between the above mentioned two prices).

Who is a Registered Shareholder?

Any shareholder owning shares at the end of trading on the day of the extraordinary general assembly approving the capital increase, and registered in the company's shareholders registry at the Depository Center at the end of the second trading day following the extraordinary general assembly approving the capital increase.

Can registered shareholders subscribe to additional shares?

Yes, the registered shareholders can subscribe for additional shares by purchasing new rights through the market during the Trading Period.

Is it possible for a shareholder to lose his eligibility to subscribe even if he has the right to attend the Extraordinary General Assembly and vote on increasing the capital through a rights issue?

Yes, the shareholder loses his right to subscribe if he sells his shares on the day of the Extraordinary General Assembly approving the capital increase or one business day before it.

How does the offering take place?

Subscription requests are submitted through the investment portfolio in the trading platforms through which the buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the broker to the investors and the custodian of shares.

Is it possible to subscribe more than once and through more than one broker?

Yes, it is possible, but it must be taken into account that the number of shares subscribed to does not exceed the number of rights owned at the end of the Rights Trading Period, since any increase in the number of shares subscribed to over the number of Rights owned at the end of the Rights Trading Period will result in the cancellation of the subscription application.

In the event that the Company's shares are owned through more than one investment portfolio, in which portfolio the Rights will be deposited?

Rights will be deposited in the same portfolio where the Company's rights-related shares are deposited. For example, if a shareholder owns (1,000) (one thousand) shares in the company, (800) of them in portfolio (A) and (200) shares in portfolio (B), then the total number of rights to be deposited are (2,307) (two thousand three hundred and seven) rights, on the basis that each share has (2) rights. In this case, (1,846) one thousand eight hundred and forty-six rights shall be deposited in portfolio (A) and (461) four hundred sixty-one rights shall be deposited in portfolio (B).

Are share certificate holders allowed to subscribe and trade?

Yes, they are allowed to subscribe. However, they will only be able to trade after depositing their share certificates in investment portfolios through brokers or the Tadawul's Securities Depository Center Company ("Edaa") and as well as submitting the requisite documents.

Are additional Rights purchasers entitled to trade them once again?

Yes, purchaser of additional rights may sell them and purchase other rights only during the trading period only.

Is it possible to sell part of these rights?

Yes, the investor can sell part of these rights and subscribe to the remaining part.

When can a shareholder subscribe to the rights, he/she purchased during the Trading Period?

After settlement of the purchase of Rights (which is two business days), provided that the subscription for Rights is completed during the Subscription Period.

Can the holder of Rights sell or assign the Rights after the end of the Trading Period?

No, it cannot. After the expiry of the Trading Period, the Eligible Person may only exercise the right to subscribe to the share capital increase or not exercise it. In the event that the Right is not exercised, the investor may be vulnerable to loss or decline in the value of his/her investment portfolio.

What happens to Rights that are unsold or unsubscribed during the trading and subscription period?

In the event that the new shares are not fully subscribed during the subscription period, the remaining new shares shall be offered during the Rump Offering organized by the Lead Manager, and the compensation value (if any) is calculated for the rights owner after deducting the subscription price. Note that the investor may not receive any consideration if the sale is made in the Rump offering period at the offering price.

Who has the right to attend the Extraordinary General Assembly and vote to increase the Company's capital by offering Rights issue shares?

A shareholder who is registered in the Company's shareholders' register at the Depository Center at the end of the second trading day following the Extraordinary General Assembly Day, has the right to attend the Extraordinary General Assembly and vote on increasing the Company's capital by offering Rights issue shares.

When is the share price adjusted as a result of the Company's capital increase by offering Right issue shares?

The share price is adjusted by the market before the start of trading on the day following the day of the Extraordinary General Assembly.

If an investor purchases security on the day of the assembly, is he entitled to obtain the Rights resulting from the issuer's capital increase?

Yes, as the investor will be registered in the Company's shareholders' register two business days from the date of purchasing the shares (i.e., at the end of the second trading day following the day of the Extraordinary General Assembly approving the capital increase), taking into consideration that the rights issue will be granted to all shareholders registered in the Company's shareholders' register at the end of the second trading day following the date of the Extraordinary General Assembly approving the capital increase. However, he/she will not be entitled to attend or vote in the Extraordinary General Assembly of the capital increase.

If the investor has more than one portfolio with more than one brokerage firm, how will the rights be calculated for him?

The investor's share will be distributed to the portfolios owned thereby, according to the percentage of ownership in each portfolio. If there are fractions, those fractions will be added together and if they came to a whole number, that number is added to the portfolio in which the investor has the largest number Rights.

What are the Trading and Subscription periods?

Trading Period and Subscription Period commence on the same day until the end of Trading on the sixth day, while the Subscription Period continues until the ninth day, according to what is mentioned in this Prospectus and the Company's announcements.

Is it possible to subscribe during the weekend?

No, it is not possible.

Can public investors other than registered shareholders subscribe to rights issue shares?

Yes, after completing the purchase of Rights through the market during the Trading Period.

Further Assistance:

In the event of any inquiries, please contact the Company on the e-mail: investorsrelations@amana-coop.com.sa and for legal reasons, the Company will only be able to provide the information contained in this Prospectus and will not be able to advise on the merits of issuing rights or even provide financial advice or Tax, legal or investment.

For more information on the subscription terms, conditions and instructions of the offering, please see section (12) “Information Related to Shares and the Terms and Conditions of the Offering” and the rest of the information contained in this Prospectus.

Summary of Key Information

This summary is a brief overview of the key information contained in this Prospectus. As a summary, it does not contain all of the information that may be of interest to shareholders and other general institutional and individual investors. Recipients of this Prospectus should read it in full and carefully before making any investment decision related to the Rights or the New Shares.

Overview of the Company

- Amana Cooperative Insurance Company (hereinafter referred to as “the Company” or “Amana”) is a Saudi public joint stock company established by Royal Decree No. (M/35) issued on 10/06/1430H (corresponding to 03/06/2009G), Ministerial Resolution No. (188) dated 08/06/1430H (corresponding to 01/06/2009G) and the Saudi Arabian General Investment Authority (SAGIA) License No. (102030094185-01) dated 22/09/1430H (corresponding to 12/09/2009G). It is registered under Commercial Registration No. (1010288711) dated 10/06/1431H (corresponding to 24/05/2010G) issued by the Commercial Registry Office in Riyadh City, and the Company’s head office is located in Riyadh City.
- The Company obtained a license from the Central Bank of Saudi Arabia No. (ت م ن /30/20107) dated 24/07/1431H (corresponding to 06/07/2010G) to practice insurance activity in accordance with the provisions of the Cooperative Insurance Companies Control Law and its implementing regulations.
- The Company’s shares were listed on 01/07/1431H (corresponding to 13/06/2010G) with a number of thirty-two million (32,000,000) ordinary shares in the Saudi Stock Exchange Market by offering them for subscription, whereby the founding shareholders subscribed to a number of nineteen million two hundred thousand (19,200,000) shares with a value of one hundred and ninety-two million (192,000,000) Saudi riyals, and (60%) of the shares. Twelve million and eight hundred thousand (12,800,000) shares at a value of one hundred and twenty-eight million (128,000,000) Saudi riyals and (40%) of the shares were offered for initial public offering (IPO).
- The Company’s current capital is one hundred and thirty million (130,000,000) Saudi riyals divided into thirteen million (13,000,000) shares of equal value with a nominal value of ten (10) Saudi riyals per share, fully paid in value.
- Amana Cooperative Insurance Company has one major shareholder (among those who own 5% or more of the Company’s shares), which is Amana Gulf Insurance Company BSC (a Bahraini closed shareholding company), which owns (11.077%) of the shares.

Summary of the Company’s Main Activities

The Company offers a wide range of insurance solutions designed to meet the special needs of its corporate and individual clients alike. Amana provides a diversified portfolio of products that have been pre-approved by the Central Bank of Saudi Arabia to cover health insurance, vehicle insurance, property insurance, fire insurance, home insurance. Shipping, engineering and other specialized insurances that cover the activities of various business sectors such as industries, trade and service sectors. Among its main products:

1. Health Insurance

Includes health insurance for groups and health insurance for individuals and small groups. This sector represents (55%) of the total insurance premiums, which amount to one hundred and fifty thousand one hundred and ninety-nine (150,199) Saudi riyals in the year 2021G.

2. Vehicle insurance

Includes compulsory insurance against third parties and damages to vehicles, as well as comprehensive insurance. This sector represents (43%) of the total insurance premiums, which amount to one hundred and nineteen thousand two hundred thirty-two (119,232) Saudi riyals in the year 2021G.

3. General Insurance

Includes property insurance, engineering insurance, miscellaneous accident insurance, marine insurance, and group protection insurance. This sector represents (2%) of the total insurance premiums, which amount to six thousand and fifty-six (6,056) Saudi riyals in the year 2021G.

The Company's Vision

The Company aims to be one of the best leading companies in the Kingdom in providing cooperative insurance services by supplying products compatible with customer requirements with the best possible services.

The Company's Mission

Providing customers with high quality insurance products and services and in compliance with the latest approved international standards, guaranteeing confidence and added value, and establishing a close and long-term relationship with them throughout the Kingdom.

The Company's Strengths and Competitive Advantages

Amana Company enjoys many competitive advantages, including:

- a historic business base in the Saudi market
- a team with the necessary experience and competence in the field of insurance
- effective and developed policies and procedures for company management
- reinsurance agreements with Class A rated reinsurers
- effective claims management
- outstanding customer service
- adequate reserves to control anticipated risks
- diversity of insurance services and products
- IT systems and technical support

Brief Overview of the Saudi Arabian Insurance Industry

According to the report of the third quarter of 2021G issued by the Central Bank of Saudi Arabia, the total written premiums during the first nine months of the year 2021G amounted to (31.8 billion) Saudi riyals, compared to the total written premiums amounting to (30.2 billion) Saudi riyals during the same period in 2020G. The gross written premiums witnessed a growth of 5.4%.

During the first nine months of 2021G, the health insurance sector's underwritten premiums witnessed a growth of 6.77% compared to the same period in 2020G. The total written premiums in the health sector amounted to (18.9 billion) Saudi riyals during the first nine months of 2021G, in comparison with an amount of (17.7 billion) Saudi riyals during the corresponding period of 2020G. The health insurance activity also accounted for 59.4% of the total underwritten premiums during the first nine months of 2021G, compared to 58.5% during the same period in 2020G.

The written premiums from the vehicle insurance sector witnessed a decrease of 6.1% during the first nine months of 2021G compared to the same period in 2020G. The total written premiums in the vehicle insurance sector amounted to (6.1 billion) Saudi riyals during the first nine months of the year 2021G in comparison with an amount of (6.5 billion) Saudi riyals during the same period in 2020G. The vehicle insurance sector also accounted for 19.1% of the total underwritten premiums during the first nine months of 2021G compared to 21.5% during the same period in 2020G.

The protection and savings insurance sector witnessed a growth of 19.1% during the first nine months of 2021G compared to the same period in 2020G. The total written premiums from the protection and savings sector amounted to (5.6 billion) Saudi riyals during the first nine months of 2021G compared to an amount of (4.7 billion) Saudi riyals during the corresponding period of 2020G. This sector also accounted for 17.6% of the total subscribed premiums during the first nine months of 2021G, in comparison with 15.5% during the corresponding period of 2020G.

Summary of Financial Information

The summary of the financial statements presented below is based on the audited financial statements for the financial years ended December 31, 2019G, 2020G and 2021G, and the notes attached thereto. Therefore, it should be read in conjunction with it.

The audited financial statements of the Company for the financial years ended December 31, 2019G, 2020G and 2021G have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and the standards and publications approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The financial statements for the financial years 2018G and 2019G, and 2020G were reviewed by Ibrahim Ahmed Al-Bassam & Partners, CPA's & Consultants - (Member of PKF International) and Al Dar Audit Bureau - Grant Thornton International Ltd. As for the financial statements for the financial year ended December 31, 2020G, they were audited by Ibrahim Ibrahim Ahmed Al-Bassam & Partners, CPA's & Consultants - (Member of PKF International) and Mr. Alsayed Al-Ayouti & Partners (MOORE Global). While the financial statements for the financial year ended December 31, 2021G, they were audited by Ibrahim Ahmed Al-Bassam & Partners, CPA's & Consultants - (Member of PKF International), Al-Azem, Al-Sudairi, Al-Sheikh & Partners, CPA's & Consultants (Member of Crowe International).

Statement of Financial Position:

SR	Financial year ended December 31, 2019G	Financial year ended December 31, 2020G	Financial year ended December 31, 2021G
Total Assets of Insurance Operations	270,434	354,195	279,529
Total Shareholders' Assets	276,568	237,268	116,003
Total Assets	547,002	591,463	395,532
Total Liabilities and (Deficit) Surplus of Insurance Operations	270,434	355,938	279,529
Total Shareholders' Liabilities	119,174	143,286	140,636
Total Shareholders' Equity	157,394	92,239	(24,633)
Total Liabilities and Shareholders' Equity	276,568	235,525	116,003
Total liabilities, insurance operations surplus, and shareholders' equity	547,002	591,463	395,532

Source: Consolidated financial statements for the financial years ended December 31, 2019G, 2020G and 2021G

Income Statement:

SR	Financial year ended December 31, 2019G	Financial year ended December 31, 2020G	Financial year ended December 31, 2021G
Gross Written Premiums	248,054	329,519	275,487
Total revenue	202,064	249,300	248,132
Total costs and expenses	235,795	313,552	371,653
Surplus/(deficit) from insurance operations	(33,731)	(64,252)	(123,521)
(Surplus) deficit carried over to shareholders' operations	(33,731)	(64,252)	(123,521)
Net surplus (deficit) transferred from insurance operations	(33,731)	(64,252)	(123,521)
Investment income for shareholders' operations	7,795	8,534	5,653
Total expenses for shareholders' operations	(1,770)	(1,555)	(3,538)
Provision for Zakat and income tax	-	(4,564)	2,270
Profit (loss) for the year	6,025	2,415	4,385
Total comprehensive loss for the year	(24,747)	(63,412)	(118,027)

Source: Consolidated financial statements for the financial years ended December 31, 2019G, 2020G and 2021G

Statement of Insurance Operations Cash Flows:

SR	Financial year ended December 31, 2019G	Financial year ended December 31, 2020G	Financial year ended December 31, 2021G
Adjusted net year result			
Changes in operating assets and liabilities	4,772	38,862	(12,575)
Net cash generated from operating activities	4,494	36,977	(13,061)
Net cash generated from (used in) investing activities	(4,658)	(2,292)	(1,704)
Net change in cash and cash equivalents	(4,705)	14,437	(14,299)
Cash and cash equivalents, beginning of year	25,935	21,230	35,667
Year-end cash and cash equivalents	21,230	35,667	21,368

Source: Consolidated financial statements for the financial years ended December 31, 2019G, 2020G and 2021G

Statement of Shareholders Cash Flows:

SR	Financial year ended December 31, 2019G	Financial year ended December 31, 2020G	Financial year ended December 31, 2021G
Income before changes in operating assets and liabilities			
Changes in operating assets and liabilities	(17,981)	(57,534)	(121,750)
Net cash from operating activities	(34,179)	(58,284)	(122,594)
Net cash from investing activities	(31,519)	83,067	34,504
Net change in cash and cash equivalents	9,996	75,031	(72,644)
Cash and cash equivalents, beginning of year	13,289	23,285	98,316
Year-end cash and cash equivalents	23,285	98,316	25,672

Source: Consolidated financial statements for the financial years ended December 31, 2019G, 2020G and 2021G

Key Performance Indicators

SR	Financial year ended December 31, 2019G	Financial year ended December 31, 2020G	Financial year ended December 31, 2021G
Gross Written Premium (GWP) Growth	80%	33%	-16%
Net paid claims /written premiums	52%	59%	95%
Net loss ratio: net incurred claims/ net earned premiums	82%	89%	105%
Attribution Ratio: Attributed Reinsurance Premiums/Total Written Premiums	7%	15%	20%
Retention Ratio: Net Written Premium / Gross Written Premium	93%	85%	80%
Ratio of insurance policy acquisition costs out of total written premiums	7%	8%	10%

Source: Management Data

Risk Factors Summary

a. Risks Related to The Company's Activities and Operations

- Risks of insufficient capital and minimum required capital requirements
- Risks Related to Accumulated Losses
- Risks Related to Foreign Capital in the Company
- Risks Related to Penalties, Penalties of Business Suspension by Competent Authorities
- Risks Related to Non-Issuance or Non-Renewal of Licenses, Permits and Certificates
- Risks Related to the Management Process Claims
- Risks Related to Potential Obligations and Commitments
- Risks Related to Increasing the Company's Liabilities
- Risks Related to Credit
- Risks Related to Investment
- Risks Related to Increase in Loss Rate Resulting from Insurance Business
- Risks Related to Credit Rating
- Risks Related to Concentration of Written Premiums
- Risks Related to Concentration of Reinsurance Transactions
- Risks Related to Reinsurance
- Risks Related to Reinsurance Contracts
- Risks Related to Recovery
- Risks Related to Relying on Intermediaries/Brokers and Agents
- Insufficient Provisions and Precautions
- Risks Related to Acquisition
- Risks Related to Obtaining Appropriate Financing in the Future
- Risks Related to False Insurance Claims and Uses and Other Fraudulent Activities
- Risks Related to Not Applying Loss Limits or Exclusions in Insurance Policies
- Risks Related to Translation of Insurance Documents
- Risks Related to Anti-Money Laundering Regulations
- Risks Related to Underestimating Risks
- Risks Related to the Company's Growth Strategy
- Risks Related to the Company's Reputation
- Risks Related to the Outbreak of Infectious or Other Threats to Public Health, Including the Ongoing Global Spread of the Coronavirus (COVID-19) Pandemic
- Risks Related to Reliance on Key Employees and Attracting Talent
- Risks Related to Employees Errors and Misconduct
- Related to Saudization
- Risks Related to Reliance on non-Saudi employees
- Risks Related to the Auditor's Material Uncertainty about the Company's Continuity
- Risks Related to Operating Systems and Information Technology
- Risks Related to Natural Disasters
- Risks Related to Non-Compliance with Quality Standards and Specifications Required by Customers
- Risks Related to Management Policies
- Risks Related to Litigation and Lawsuits
- Risks Related to Trademark Protection
- Risks Related to Adequacy of Insurance Coverage
- Risks Related to Contracts with Third Parties

- Risks Related to Lease Contract
- Risks Related to Existing and Potential Legal Zakat Entitlements
- Risks Related to the Changing Opinion of the Shariah Supervisory Board (SSB)
- Risks Related to Changes in Significant Accounting Standards and New Standards
- Risks Related to the Application of the Companies Law
- Risks Related to Non-Compliance with the Corporate Governance Regulations

b. Risks Related to Market and Sector

- Risks Related to Withdrawal of License to Undertake Insurance Activity
- Withdrawal of the Insurance Business License
- Risks Related to Not Obtaining the Necessary Approvals to Launch New Products or Renew Existing Ones
- Risks Related to Non-Compliance with Existing Laws and Regulations and/or Issuance of New Laws and Regulations
- Risks Related to Non-Compliance with the Regulations of the Council of Cooperative Health Insurance
- Risks Related to Environment Regulations
- Risks Related to Economic Conditions in General and the Insurance Sector in Particular
- Risks Related to The Saudi Economic Performance
- Risks Related to Political and Economic Instability in the Middle East Region
- Risks Related to Restrictions Imposed on Insurance Companies Ownership
- Risks Related to Competition
- Risks Related to Insurance Market Growth Opportunities
- Risks Related to the Instability of the Insurance Sector
- Risks Related to the Lack of Cultural Awareness of Insurance and its Importance
- Risks Related to Required Reports
- Risks Related to Not Obtaining the Necessary Approvals to Launch New Products or Renew Existing Ones
- Risks Related to the Impact of a Decline in the Customer Confidence
- Risks Related to the Inability to Control Prices
- Risks Related to Limited Historical Market Data
- Risks Related to the Insurance Business Cycle
- Risks Related to the Saudi Central Bank's Amendments to Accounting for Zakat and Income Tax
- Risks Related to The Application of Value-Added Tax (VAT)
- Risks Related to The Imposition of New Duties or Taxes
- Risks Related to the Inability to Comply with the Requirements of Saudization and the General Organization for Social Insurance
- Risks Related to Government Fees Applicable to Non-Saudi Employees
- Risks Related to Not Having Qualified Local Cadres in the Insurance Sector
- Risks Related to Currency Exchange Rate Fluctuations

c. Risks Related to Shares

- Risks Related to Potential Fluctuations in Share Price
- Risks Related to Potential Fluctuations in Rights Issue
- Risks Related to Non-Profitability or Sale of Rights Issue
- Risks Related to Future Data
- Risks Related to The Lack of Demand for Rights Issue and Company Shares
- Risks Related to a Decline in Ownership Percentage
- Risks Related to Not Exercising Subscription to Rights Issue in a Timely Manner
- Risks Related to Dividend Distribution to Shareholders

- Risks Related to Speculation in Rights Issue
- Risks Related to Poor Shareholders Awareness of the Trading Mechanism and Exercise of Rights Issue
- Risks Related to Suspending Trading the Company's Shares or Cancelling them as a Result of Not Publishing Its Financial Statements During the Statutory Period

Table of Contents

1. Definitions and Terms	1
2. Risk Factors	7
2.1 Risks Related to the Company's Activities and Operations	7
2.1.1 Risks of Insufficient Capital and Minimum Required Capital Requirements	7
2.1.2 Risks Related to Accumulated losses	8
2.1.3 Risks Related to Sanctions and Penalties and Suspension of Business by Competent Entities	9
2.1.4 Risks Related to Non-Issuance or Non-Renewal of the Necessary Licenses, Permits and Certificates	9
2.1.5 Risks Associated with Foreign Capital in the Company	11
2.1.6 Risks Related to Contracts and Business with Related Parties	11
2.1.7 Risks Related to Claims Management Process	12
2.1.8 Risks Related to Potential Obligations and Undertakings	12
2.1.9 Risks of the Increase in the Company's Liabilities	12
2.1.10 Credit Risks	12
2.1.11 Risks related to Investment	13
2.1.12 Risks Related to the Increase in the Rate Loss Resulting from the Insurance Business	13
2.1.13 Risks Related to Credit Rating	13
2.1.14 Risks Related to the Concentration of Written Insurance Premiums	13
2.1.15 Risks Related to Reinsurance Concentration	14
2.1.16 Risks Related to Reinsurance Contracts	14
2.1.17 Risks Related to Reinsurance Contracts' Recovery	15
2.1.18 Risks Related to Recovery	15
2.1.19 Risks Related to Reliance on Brokers and Agents	15
2.1.20 Risks Related to Inadequacy of Provisions and Reserves	15
2.1.21 Risks Related to Acquisition	16
2.1.22 Risks Related to Access to adequate Financing	16
2.1.23 Risks Related to Cheating in Insurance Usage and Claims and Other Fraudulent Activities	16
2.1.24 Risks Related to not Applying Loss Limits or Exclusions in Insurance Policies	17
2.1.25 Risks Related to Cancellation or Non-Renewal of Insurance Policies	17
2.1.26 Risks Related to Translation of Insurance Policies	17
2.1.27 Risks Related to Anti-money Laundering	17
2.1.28 Risks Related to Miscalculation of Risks	17
2.1.29 Risks Related to the Company's Development Strategy	17
2.1.30 Risks Related to the Company's Development Strategy	18
2.1.31 Risks Related to the Outbreak of the COVID-19 Pandemic	18
2.1.32 Risks Related to Dependence on Key Personnel and Attraction of Competencies	18

2.1.33 Risks Related to Employee Misconduct	18
2.1.34 Risks Related to Saudization	19
2.1.35 Risks Related to Reliance on Non-Saudi Employees	19
2.1.36 Risks Related to the Auditor's Uncertainty About the Continuity of the Company	19
2.1.37 Risk Related to Operating Systems and Information Technology	19
2.1.38 Risk Related to Natural Disasters	20
2.1.39 Risk Related to Non-Compliance with the Quality Standards and Specifications Required by Customers	20
2.1.40 Risk Related to Risk Management Policies	20
2.1.41 Risk Related to Litigation	20
2.1.42 Risk Related to the Protection of Trademarks	21
2.1.43 Risk Related to the Adequacy of Insurance Coverage	21
2.1.44 Risk Related to Contracts with Third Parties	21
2.1.45 Risk Related to Lease Contracts	21
2.1.46 Risk Related to Existing and Potential Legal Zakat Entitlements	22
2.1.47 Risks of a Change in the Opinion of the Shariah Committee	22
2.1.48 Risks Related to Changes in Significant Accounting Standards and New Standards	22
2.1.49 Risks Related to Application of the Companies Law	22
2.1.50 Risks Related to Non-compliance with Corporate Governance Regulations	23
2.2 Risks Related to the Market and Sector	23
2.2.1 Risks Related to Withdrawal of License to Undertake Insurance Activity	23
2.2.2 Risks Related to Approvals for New Products or Renewal of Existing Ones	24
2.2.3 Risks Related to Non-Compliance with Existing Laws and Regulations and/or Issuance of New Laws and Regulations	24
2.2.4 Risks Related to Non-Compliance with the Regulations of the Council of Cooperative Health Insurance	25
2.2.5 Risks Related to the Regulatory Environment	25
2.2.6 Risks Related to the Economic Performance and Insurance Sector	25
2.2.7 Risks Related to the Economic Performance of the Kingdom	26
2.2.8 Risks Related to Political and Economic Instability in the Middle East	26
2.2.9 Risks Related to Restrictions on Insurance Companies Ownership	26
2.2.10 Risks Related to Competition	26
2.2.11 Risks Related to Insurance Market Growth	27
2.2.12 Risks Related to the Insurance Sector and Its Instability	27
2.2.13 Risks Related to the Lack of Cultural Awareness of Insurance and Its Importance	27
2.2.14 Risks Related to Reporting Requirements	27
2.2.15 Risks Related to Approvals for New products or Renewal of Existing Ones	27
2.2.16 Risks Related to the Decline of Client Confidence	28
2.2.17 Risks Related to Lack of Control Over Prices	28
2.2.18 Risks Related to Limited Historical Market Data	28
2.2.19 Risks Related to the Insurance Business Cycle	28

2.2.20 Risks Related to Adjustments to Accounting for Zakat and Income Tax by the Saudi Central Bank's	28
2.2.21 Risks Related to Value-Added Tax (VAT)	28
2.2.22 Risks Related to Imposing New Fees or Taxes	29
2.2.23 Risks Related to Compliance with Saudization and GOSI Requirements	29
2.2.24 Risks Related to Government Fees Applicable to Non-Saudi Employees	29
2.2.25 Risks Related to the Lack of Qualified Local Cadres in the Insurance Sector	29
2.2.26 Risks Related to Currency Exchange Rates	30

2.3 Risks Related to Shares 30

2.3.1 Risks Related to Potential Fluctuation in the Price of Rights Issue	30
2.3.2 Risks Related to Potential Volatility in Share Price	30
2.3.3 Risks Related to Unprofitability or Sale of Rights	30
2.3.4 Risks Related to Future Data	30
2.3.5 Risks Related to the Issuance of New Shares	30
2.3.6 Risks Related to a Decrease in the Demand for Rights Issue and Company Shares	31
2.3.7 Risks Related to Ownership Percentage Decline	31
2.3.8 Risks Related to not Exercising Subscription to Rights Issue in a Timely Manner	31
2.3.9 Risks Related to Dividend Distribution to Shareholders	31
2.3.10 Risks Related to Speculation in Rights Issue	31
2.3.11 Risks Related to the Lack of Shareholders' Awareness of the Trading Mechanism and Exercise of Rights Issue	32
2.3.12 Risks Related to Suspending Trading or Canceling the Company's Shares as a Result of Not Publishing its Financial Statements within the Statutory Period	32

3. Company Overview and Nature of Business 33

3.1 Company Overview	33
3.2 Historical Background about the Company and Major Capital Structure Developments	33
3.3 The Company's Main Activities and Products	35
3.4 The Company's Branches	38
3.5 The Company's Vision	39
3.6 The Company's Major/Substantial Shareholders	39
3.7 The Company's Mission	39
3.8 The Company's Strategy	40
3.9 The Company's Values	41
3.10 The Company's Strengths and Competitive Advantages	41
3.11 Business Interruption	42
3.12 Employees and Saudization	42

4. The Company's Organizational Structure 43

4.1	Organizational Structure	43
4.2	Board of Directors	44
4.3	Mandatory Positions on the Board of Directors	45
4.4	Board Meetings	45
4.5	Board Committees	46
4.5.1	The Audit Committee	46
4.5.2	The Executive Committee	48
4.5.3	The Remuneration and Nomination Committee (R&NC)	49
4.5.4	The Investment Committee	50
4.5.5	The Risk Management Committee	50
4.5.6	The Product Committee	51
4.6	Executive Management	53
4.7	Compensation and Remuneration of Board Members and Senior Executives	53
4.8	Employees	54

5. Financial Information and Management Discussion and Analysis 55

5.1	Introduction	55
5.2	Directors' Declarations for Financial Statements	55
5.3	Basis of Preparation	56
5.3.1	Emphasis of matter	57
5.3.2	Functional and presentation currency	57
5.3.3	Going Concern	57
5.3.4	Fiscal Year	57
5.3.5	Changes in Accounting Policies	57
5.4	Critical Accounting Judgments, Estimates and Assumptions	57
5.4.1	The Ultimate Liability Arising from Claims Made Under Insurance Contracts	57
5.4.2	Impairment of Financial Assets	58
5.4.3	Impairment of Receivables	58
5.4.4	Fair Value of Financial Instruments	58
5.4.5	Useful Lives of Property, Equipment and Intangible Assets	58
5.4.6	Insurance Premium Deficiency Reserve and Other Technical Reserves	58
5.4.7	Employees' End of Service Benefits	58
5.4.8	Deferred Tax	58
5.4.9	Contingent Liabilities	59

5.5	Significant Accounting Policies	59
5.5.1	Standards Issues but Not Yet Effective	59
5.5.2	IFRS 9 - Financial Instruments	59
5.5.3	IFRS 17 – Insurance contracts	61
5.6	Summary of The Most Significant Accounting Policies	63
5.6.1	Cash and cash equivalents	63
5.6.2	Cash flow statement	63
5.6.3	Premiums and re-insurance receivable - net	63
5.6.4	Foreign currencies	64
5.6.5	Insurance Contracts	64
5.6.6	Reinsurance	64
5.6.7	Provisions, Accrued Expenses and Other Liabilities	64
5.6.8	Investments	64
5.6.9	Impairment of financial assets	66
5.6.10	Property and Equipment	67
5.6.11	Capital Work in Progress (CWIP)	67
5.6.12	Intangible Assets	67
5.6.13	Impairment of Non-Financial Assets	67
5.6.14	Employees' End of Service Benefits	67
5.6.15	Short-term Employees' Benefits	68
5.6.16	Other Short-term Employees' Benefits	68
5.6.17	Liability Adequacy test	68
5.6.18	Zakat and Income Tax Payable	68
5.6.19	Deferred Tax	68
5.6.20	Statutory Deposit	68
5.6.21	Revenue Recognition	69
5.6.22	Claims	69
5.6.23	Deferred Document Acquisition Costs	69
5.6.24	Offsetting	69
5.6.25	Trading Data Accounting	69
5.6.26	De-recognition of financial instruments	69
5.6.27	Salvage and subrogation reimbursement	70
5.6.28	Operating Sectors	70
5.6.29	Fair Values	70
5.7	Operation Results	71
5.7.1	Key Performance Indicators	71
5.7.2	Income Statement	71
5.7.3	Statement of Financial Position	78
5.7.4	Statement of Cash Flows	87
5.8	Solvency Statement	89

6. Use of Offering Proceeds	91
6.1 Net Offering Proceeds	91
6.2 Use of Net Offering Proceeds	91
7. Statements by Experts	94
8. Declarations of the BOD Members	95
9. Legal information	96
9.1 Introduction to the Company and the Key Changes That Have Occurred	96
9.1.1 Company's Trade name	96
9.1.2 Company's Incorporation and Capital Development Phases	96
9.1.3 Major Shareholders	98
9.1.4 Company's head office	99
9.1.5 Company's Duration	99
9.1.6 Company's By-laws	99
9.1.7 Company's Activities	99
9.1.8 Management	100
9.2 Licenses and Permits Obtained by the Company	108
9.2.1 Licenses, Certificates and Permits pertaining to the Head Office	108
9.2.2 Company's Branches	109
9.3 Subsidiaries	112
9.4 The Continuing Obligations Imposed by The Relevant Governmental Authorities on The Company in its Capacity as a "Licensee"	113
9.4.1 The Continuing Obligations According to the Ministry of Commerce's Requirements:	113
9.4.2 The Continuing Obligations According to the Zakat, Tax and Customs Authority (ZATCA)'s Requirements	114
9.4.3 The Continuing Obligations According to The Ministry of Human Resources and Social Development's Requirements	114
9.4.4 The Continuing Obligations According to The General Organization for Social Insurance (GOSI)'s Requirements	115
9.4.5 The Continuing Obligations According to CMA's Requirements	115
9.4.6 The Continuing Obligations According to Ministry of Municipal, Rural Affairs And Housing's Requirements	121
9.4.7 Continuing Obligations According to Council of Cooperative Health Insurance (CCHI)'s Requirements	123

9.4.8	The Continuing Obligations According to Foreign Investment License's Requirements	123
9.4.9	The Continuing Obligations According to Saudi Central Bank (SAMA)'s Requirements	124
9.5	Summary of Material Agreements	127
9.5.1	Related Party Contracts & Arrangements	127
9.5.2	Lease Contracts	128
9.5.3	Reinsurance Treaties	131
9.5.4	Insurance Agency Agreements	132
9.5.5	Insurance Brokerage Contracts	133
9.5.6	External Auditor Contract	143
9.5.7	Services Provider Contract	143
9.6	Company's Real Estate	143
9.7	Memorandums of Understanding	143
9.8	Assets and Property	143
9.8.1	Fixed Assets	143
9.8.2	Movable assets	143
9.9	Litigation	143
9.10	Trademarks	154
9.11	Insurance	154
9.12	Substantial information that has changed since the Authority's approval of the latest Rights Issue Prospectus	156
9.13	BOD Members Declarations Pertaining to the Legal Information Section	156
10.	Underwriting Arrangement	158
10.1	Underwriter	158
10.2	Summary of the Underwriting Agreement	158
11.	Waivers	159
12.	Shares Information & Offering Terms and Conditions	160
12.1	The Offering	160
12.2	How to Apply for Subscription to the Rights (New Shares)	160
12.3	Subscription Application Form	160
12.4	Trading Period, Offering Period and Rump Offering Period	161

12.5	Eligible Persons not participating in the Subscription of the New Shares	162
12.6	Allocation and Refund	162
12.7	Supplementary Prospectus	162
12.8	Suspension or Cancellation of the Offering	163
12.9	Questions and Answers on Rights issue	163
12.10	Decisions and Approvals According to Which Shares Will be Offered	166
12.11	Miscellaneous Items	166
12.12	Statement of Any Existing Arrangements to Prevent Disposal of Certain Shares	166
13.	Change in Share Price as a Result of The Capital Increase	167
<hr/>		
14.	Subscription Declarations	168
<hr/>		
14.1	Overview of the Subscription Applications and the Covenants	168
14.2	Allocation Processes	168
14.3	Saudi Tadawul Group (Tadawul)	168
14.4	Trading the Company Shares in the Saudi Stock Exchange	169
15.	Documents Available for Inspection	170
<hr/>		

Table Index

Table No. (1): DEFINITIONS & TERMS	1
Table No. (2): Distribution of the Company's Revenues According to the Different Insurance Sectors	14
Table No. (3): Provisions and Reserves as of December 31, 2021G	16
Table No. (4): Products Approvals	36
Table No. (5): Products and their share of the total insurance premiums as of December 31, 2021G	38
Table No. (6): Company's Commercial Records	38
Table No. (7): Board Members	44
Table No. (8): Summary of Appointment Decisions to Mandatory Positions	45
Table No. (9): The Number of Board Meetings during the Last Three Years until the Date of the Prospectus	45
Table No. (10): Members of the Audit Committee	46
Table No. (11): Number of Audit Committee Meetings:	48
Table No. (12): Formation of the Executive Committee	48
Table No. (13): Number of the Executive Committee Meetings:	49
Table No. (14): Formation of the Nominations and Remunerations Committee	49
Table No. (15): Number of the Nomination and Remuneration Committee Meetings:	49
Table No. (16): Formation of the Investment Committee	50
Table No. (17): Number of the Investment Committee Meetings:	50
Table No. (18): Formation of the Risk Management Committee	50
Table No. (19): Number of the Investment Committee Meetings:	51
Table No. (20): Formation of the Product Committee	51
Table No. (21): Number of the Product Committee Meetings:	52
Table No. (22): Executive Management	53
Table No. (23): Compensation and Remunerations of Board Members and Senior Executives	54
Table No. (24): Standards Issues but Not Yet Effective	59
Table No. (25): Impact assessment of IFRS 17	62
Table No. (26): IFRS 17 Implementation Design Phase	63
Table No. (27): Key Performance Indicators	71
Table No. (28): Income Statement	71
Table No. (29): Net revenues	73
Table No. (30): Gross Written Premiums (GWP) by Customers' Types	73
Table No. (31): Gross Written Premiums (GWP) by Operating Sectors	74
Table No. (32): Total Subscription Costs	75
Table No. (33): Net Claims Incurred	75
Table No. (34): General and Administrative Expenses	77
Table No. (35): Statement of Financial Position for the financial years 2019G, 2020G and 2021G	78
Table No. (36): Assets and liabilities related to insurance for the financial years 2019G, 2020G and 2021G	79
Table No. (37): Short-term deposits for the financial years 2019G, 2020G and 2021G	79
Table No. (38): The Statutory Deposit for The Financial Years 2019G, 2020G and 2021G	80
Table No. (39): Insurance Premiums and Reinsurance Receivables. Net	80

Table No. (40): Provision Movement for Doubtful Debts for the Financial Years 2019G, 2020G, and 2021G	80
Table No. (41): Age Group Analysis of Insurance Premiums and Reinsurance Receivables – Gross	81
Table No. (42): Investments For the Financial Years 2019G, 2020G, and 2021G	81
Table No. (43): Prepaid Expenses and Other Assets for the Financial Years 2019G, 2020G, and 2021G	82
Table No. (44): Property and Equipment, Net for the Financial Years 2019G, 2020G, and 2021G	83
Table No. (45): Accrued Expenses and Other Liabilities for the Financial Years 2019G, 2020G, and 2021G	84
Table No. (46): Transactions With Related Parties for the Financial Years 2019G, 2020G, and 2021G	85
Table No. (47): Due to Related Parties for the Financial Years 2019G, 2020G, and 2021G	86
Table No. (48): Compensation of Key Management Personnel for the Financial Years 2019G, 2020G, and 2021G	86
Table No. (49): Shareholders' Equity for the Financial Years 2019G, 2020G, and 2021G	86
Table No. (50): Cash Flow Statement for the Financial Years 2019G, 2020G, and 2021G	87
Table No. (51): Cash Flows from Operating Activities for the Financial Years 2019G, 2020G, and 2021G	87
Table No. (52): Cash Flows from Investment Activities for the Financial Years 2019G, 2020G, and 2021G	88
Table No. (53): Cash Flows from Financing Activities for the Financial Years 2019G, 2020G, and 2021G	89
Table No. (54): Solvency List for The Financial years 2019G, 2020G, and 2021G	89
Table No. (55): Suggested use of Offering Proceeds	91
Table No. (56): Solvency Statement as of 31 December 2019G, 31 December 2020G and 31 December 2021G	93
Table No. (57): Expected contribution of the net proceeds	93
Table No. (58): Board of Directors Positions	100
Table No. (59): Company's Mandatory Positions	101
Table No. (60): Remuneration of the Board & Senior Executives	102
Table No. (61): Meetings of the Board	102
Table No. (62): Audit Committee Members	103
Table No. (63): Audit Committee Meetings	103
Table No. (64): Members of the Nominations and Remunerations Committee	104
Table No. (65): (N&RC) Committee Meetings	104
Table No. (66): Executive Committee Members	104
Table No. (67): Executive Committee Meetings	105
Table No. (68): Investment Committee Members	105
Table No. (69): Investment Committee Meetings	105
Table No. (70): Risk Committee Members	106
Table No. (71): Risk Committee Meetings	106
Table No. (72): Products Committee Members	106
Table No. (73): Products Committee Meetings	107
Table No. (74): The Company's Executive Management	107
Table No. (75): Approvals, Licenses, Certificates and Permits Under Which the Company Operates and Conducts its Business Activities	108
Table No. (76): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities	109
Table No. (77): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities	110
Table No. (78): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities	110
Table No. (79): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities	111
Table No. (80): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities	111

Table No. (81): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities	112
Table No. (82): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities	112
Table No. (83): Number of Employees Working for the Company According to the Data of the Governmental Agencies	114
Table No. (84): Number of Saudi and Non-Saudi Employees (BATIC Company)	115
Table No. (85): Company's Adherence to Corporate Governance Regulations of the CMA and SAMA	117
Table No. (86): (Municipality and Civil Defence Permits for Branches and Points of Sales	121
Table No. (87): Company's Insurance Products	124
Table No. (88): Related Parties' Contracts& Arrangements	127
Table No. (89): Due to Related Party	127
Table No. (90): List of Valid & Renewed Lease Contracts renewed for the Sites Operated by the Company:	128
Table No. (91): reinsurance contracts	131
Table No. (92): contracts an agency Insurance	132
Table No. (93): Insurance Brokerage Contracts	133
Table No. (94): The Company's Lawsuits	144
Table No. (95): The Company's Trademarks	154

Figures Index

Figure No. (1): The Organizational Chart of the Company	43
Figure No. (2): Mechanism for trading and subscribing to the traded right issue.	163

1. Definitions and Terms

The terms and expressions contained in this Prospectus shall have the meanings shown below unless the context requires otherwise.

Table No. (1): DEFINITIONS & TERMS

Term	Definition
The Company, Amana Company, or the Issuer	Amana Cooperative Insurance Company
The Underwriting Agreement	Underwriting agreement between the Company and the underwriter
Procedures and instructions for companies listed in the market whose accumulated losses amounted to (20%) or more of their capital	Procedures and instructions for companies listed in the market whose accumulated losses amounted to (20%) or more of their capital issued by the Authority's Board pursuant to Resolution No. (2013-48-4) dated 15/01/1435H (corresponding to 18/11/2013G) according to the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H (corresponding to 31/07/2003G) and amended by the Authority's Board Resolution No. (1-77-2018) dated 05/11/1439H (corresponding to 18/07/ 2018G).
Gross Written Premiums	Total premiums for insurance contracts written during a specified period (whether assigned or not) without deducting the waived premiums.
Senior management (or company management)	The executive management team or senior executives of Amana Cooperative Insurance Company includes, but is not limited to, the CEO, Vice President of Operations, Vice President of Human Resources and Support Services, Vice President of Sales and Marketing, managers of key departments and those responsible for the functions of risk management, internal audit, compliance, governance and the like, and occupants of any other approved positions in administrations or departments as indicated in the organizational chart (for more details, please see Section 4 "The Company's Administrative Organizational Structure").
Shares	The Company's current shares amounting to thirteen million (13,000,000) ordinary shares, with a nominal value of ten (10) Saudi riyals per share.
New Shares	Thirty million (30,000,000) ordinary shares, which will be issued to increase the Company's capital.
Current Shares	Thirteen million (13,000,000) ordinary shares with a nominal value of ten (10) Saudi riyals per share, all fully paid up.
Rump Shares	The shares which were not subscribed for during the Subscription Period.
Eligible Persons	All holders of Rights, whether they are Registered Shareholders or those who purchased Rights during the Trading Period
Related Parties	According to the Rules on the Offer of Securities and Continuing Obligations, the list of terms used in the CMA Regulations, Capital Market and its Rules issued by the CMA Board according to Decision (4-11-2004G) dated 20/08/1425H (corresponding to 04/10/2004G) and amended by CMA Board Resolution No. (5-5-2022), and on 02/06/1443H (corresponding to 05/01/2022G), the Related Parties are meant to be the following: <ol style="list-style-type: none"> 1. Affiliates of the Issuer. 2. Substantial Shareholders of the Issuer. 3. Directors and senior executives of the Issuer. 4. Directors and senior executives of affiliates of the Issuer. 5. Directors and senior executives of substantial shareholders of the Issuer. 6. Any relatives of persons described at (1, 2, 3, 4 or 5) above. 7. Any Company controlled by any person described at (1, 2, 3, 4, 5 or 6) above.
Reinsurance	The process by which the insurance company or reinsurer insures or reinsures another insurer or reinsurer (the ceding company) against all or part of the insurance or reinsurance risks that the ceding company undertakes to cover, under one or more insurance policies.
Insurance policy	A legal document or contract issued by the company to the insured stating the terms of the contract for the insured against loss and damage covered by the policy, in return for a premium paid by the insured.
The Saudi Central Bank or SAMA	The Saudi Central Bank* is the body responsible for supervising the financial sectors authorized to operate in the KSA, such as banks, insurance companies, finance companies, exchange institutions, and credit information companies. * Former Saudi Arabian Monetary Agency.

Term	Definition
Saudi Central Bank License	The license was granted to the Company by the Saudi Central Bank pursuant to permit certificate No. (٣٠/٢٠١٠٧) dated 24/07/1431H (corresponding to 06/07/2010G) to allow it to engage in insurance activity within subsections (1) general insurance and (2) health insurance. The Company renewed this license on 24/05/1443H (corresponding to 28/12/2021G) for a period of three years starting on 23/07/1443H (corresponding to 24/02/2022G) and ending on 22/07/1446H (corresponding to 22/01/ 2025G).
Litigation	Recourse to courts or judicial committees to reach a settlement of a dispute.
Saudization	Saudization requirements applicable in the Kingdom in relation to the labor market.
General Assembly	The General Assembly that is held in the presence of the Company's Shareholders in accordance with the provisions of the Companies Law and the Company's Bylaws. It may be ordinary or extraordinary.
Ordinary General Assembly (OGA)	The Ordinary General Assembly of the Company's Shareholders.
Extraordinary General Assembly (EGA)	The Extraordinary General Assembly of the Company's Shareholders.
The Public	As per the Rules on the Offer of Securities and Continuing Obligations, the public is formed of the persons who are not mentioned below: 1. Affiliates of the Issuer. 2. Substantial Shareholders of the Issuer. 3. Directors and senior executives of the Issuer. 4. Directors and senior executives of affiliates of the Issuer. 5. Directors and senior executives of substantial shareholders of the Issuer. 6. Any relatives of the persons described at (1, 2, 3, 4 or 5) above. 7. Any Company controlled by any persons described at (1, 2, 3, 4, 5 or 6) above. 8. Persons acting in concert, with a collective shareholding of (5%) or more of the class of shares to be listed.
Rights Issue	Rights are issued as tradable securities giving their holders the priority to subscribe for the New Shares offered, upon approval of the capital increase. All shareholders registered in the Company's register at the end of trading and on the day of the EGA will be entitled to receive the Rights. Each right grants its holder eligibility to subscribe for one New Share at the Offer Price. Rights Issue will be deposited after the EGA dated 28/10/1443H (corresponding to 29/05/2022G) at which the capital increase has been approved. The Rights will appear in the Registered Shareholders portfolios under a new symbol specifying the Rights Issue. Registered Shareholders will be notified of the deposit of Rights in their portfolios.
The Government	The Government of the Kingdom of Saudi Arabia, and the word "Governmental" shall be interpreted accordingly.
Insurance Policy Holders	The person who concluded the insurance contract and is entitled to financial compensation for certain damages.
Actuarial Expert	A consultant who prepares statistical theories and various possibilities on the basis of which services are priced, obligations are evaluated, and provisions are calculated.
Vision 2030	The National Strategic Economic Program, which aims to reduce dependence on oil and the petrochemical industry, diversify the Saudi economy, and develop services.
Riyal, Saudi Riyal or the Riyal	The official currency of the Kingdom of Saudi Arabia.
Right Trading Price	It is the price at which the right is traded, noting that such price is set through the offer and demand mechanism; therefore, it may differ from the Indicative Value of the Right.
Offer / Subscription Price	Ten (10) SR Saudi riyals per share.
Financial Year(s)	It is the period set to present the result of the establishment's activity. Its start and end are specified in the incorporation contract or the concerned Company's By-laws. Noting that the Company's financial year ends on December 31 of each Gregorian calendar year.
The Saudi Stock Market, the financial market or the stock market or the market	The Saudi Stock Exchange
Person	A natural or legal person
Security Depository Center Company ("Edaa")	A closed joint stock Company wholly owned by the Saudi Tadawul Group (Tadawul), established in 2016 under the Saudi Companies Law issued by Royal Decree No. M/3 on 01/28/1437H (corresponding to 11/11/2015G).
Social insurance certificate	Certificate issued by the General Organization for Social Insurance in the Kingdom of Saudi Arabia.
Zakat Certificate	Certificate issued by the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.
Net Offering Proceeds	The net proceeds of the offering, after deducting offering expenses, will reach an amount of two hundred and ninety-four million two hundred thousand (294,200,000) Saudi riyals. (For more information, please refer to Section No. (6) "Use of Offering Proceeds and Future Projects").

Term	Definition
Value-added Tax (VAT)	On 02/05/1438H (corresponding to 30/01/2017G), the Council of Ministers decided to approve the unified agreement for value-added tax for the GCC countries, which came into effect on January 1, 2018G, as a new tax was added to the regulations of taxes and other fees must be applied by specific sectors in KSA and GCC countries. The amount of this tax is (5%), and some products are excluded from (such as basic foods, and services related to health care and education).
Controls for the expansion of branches and annual points of sale for insurance and/or reinsurance companies, brokerage companies and agencies	Controls for the expansion of annual branches and points of sale for insurance and/or reinsurance companies, brokerage and agency companies, issued by the Saudi Central Bank on 25/07/1437H (corresponding to 02/05/2016G).
Insurance depth	The ratio of total insurance premiums written to the gross domestic product.
Reinsurance commissions	The commission received as a result of reinsurance of another insured against all or part of the risks of insurance or reinsurance.
Offering Period	The period starting from Monday 07/11/1443H (corresponding to 06/06/2022G) and ended Thursday 17/11/1443H (corresponding to 16/06/2022G).
Rump Offering Period	The period from 10:00 a.m. on Tuesday 22/11/1443H (corresponding to 21/06/2022G) to 5:00 p.m. on Wednesday 23/11/1443H (corresponding to 22/06/2022G).
The Listing Rules	Listing rules issued by the Saudi Stock Exchange (Tadawul) and approved by CMA Board Resolution No. (3-123-2017), dated 09/04/1439H (corresponding to 27/12/2017G), amended by Resolution No. (1-104-2019), dated 01/02/1441H (corresponding to 30/09/2019G) and then amended by Resolution No. (01/22/2021) dated 12/07/1442H (corresponding to 04/02/2021G). The last amendment is pursuant to Resolution No. (1-19-2022) On 12/07/1443H (corresponding to 13/02/2022G).
Rules on the Offer of Securities and Continuing Obligations	Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority (CMA), pursuant to Resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G), according to the Capital Market Law issued by Royal Decree No. M/30 dated 06/02/1424H, (corresponding to 31/07/2003G) as amended by the CMA Board Resolution No. (5-5-2021) dated 06/02/1443H (corresponding to 05/01/2022G).
Rules for Qualified Foreign Financial Institutions Investment in Listed Securities	The purpose of these rules is to regulate investment in securities by non-Saudis residing outside the Kingdom (QFI: Qualified Foreign Investors), issued by the Board of the Capital Market Authority pursuant to its Resolution No. (1-422015) dated 15/07/1436H (corresponding to 04/05/2015G) and amended by the CMA Board's Resolution No. (3-65-2019) dated 14/10/1440H (corresponding to 17/06/2019G).
Financial Statements	In this Prospectus, it means the audited financial statements for the financial years ended December 31, 2019G, 2020G and 2021G.
Right Indicative Value	The indicative value of a Right reflects the difference between the market value of the Company's share during the Trading Period and the Offer Price.
Insurance density	Per capita spending on insurance
Corporate Governance Regulations	The Corporate Governance Regulations in KSA issued by the Board of the CMA under Resolution No. (8-16-2017G) dated 16/05/1438H (Corresponding to 13/02/2017G) based on the Companies Law issued by Royal Decree M/3 dated 28/01/1437H and amended by CMA Board Resolution (3- 57-2019G), dated 15/09/1440H (corresponding to 20/05/2019G), and its latest amendment by the CMA Resolution No. (1-7-2021) dated 01/06/1442H (corresponding to 14/01/2021G).
Insurance Companies Corporate Governance Regulations	Insurance Corporate Governance Regulations issued by the Central Bank of Saudi Arabia on 08/01/1437H (corresponding to 21/10/2015G).
Underwriter and Lead Manager	Al Khair Capital Saudi Company.
The Board, The Board of Directors or The Board Members	The Company's Board of Directors elected by the General Assembly of Shareholders in accordance with the provisions of the Company's Bylaws and the requirements of the competent authorities related to the membership of the BOD of joint stock companies (JSC) (in particular the requirements of the CMA and the Central Bank) recognized under the regulations in force in the KSA, and whose names appear on page (iii).
Health Insurance Council	A government body to oversee the implementation of the Cooperative Health Insurance Law.
Portfolios	An investment instrument that includes a number of assets.
Technical provisions	Technical provisions are calculated in accordance with the requirements of the Central Bank of Saudi Arabia and applicable accounting standards, after being approved and adopted by the actuary, in addition to the Company's obligations.
Headquarters	The Company is headquartered in Riyadh City - Salah Al-Din Al-Ayoubi Street - Platinum Center - Second Floor - PO Box: 27986 - Riyadh 11427.in Riyadh.
Registered Shareholder	The investor registered in the issuer's securities ownership registry.

Term	Definition
Substantial Shareholders	Shareholders who own 5% or more of the Company's shares. As of the date of this Prospectus, the Company has one major shareholder, Amana Gulf Insurance Company (a Bahraini closed joint stock company), which owns (11.077%) of the Company's shares.
Amana Gulf Insurance Company	It is a closed Bahraini joint stock company equally owned by the Lebanese Swiss Insurance Company and Al-Seef Commercial Investments Limited. Its current capital is two million five hundred thousand (2,500,000) Bahraini dinars, divided into twenty-five thousand (25,000) shares, the value of each share is (100) Bahraini dinars.
Eligible Shareholders	Shareholders registered in the Company's Shareholder Register at the end of the trading day following the eligibility date.
Advisors	Al-Khair Capital Saudi Company, which was appointed by the Company as a financial advisor in connection with the issuance of Rights Issue as tradable securities.
Eligibility Factor	Result of dividing the number of new shares by the number of the Company's current shares
International Financial Reporting Standards (IFRS)	A set of accounting standards and their interpretations issued by the International Accounting Standards Board. (International Financial Reporting Standards).
Subscriber	Any eligible shareholder who subscribes or submits an application to subscribe to the Rights Issue in accordance with the terms and conditions of the Company's Rights Issue Shares.
The Kingdom or Saudi Arabia	The Kingdom of Saudi Arabia.
Institutional Investors	<p>It includes a group of institutions, which are as follows:</p> <ol style="list-style-type: none"> 1. Governmental entities and companies owned by the government, directly or through a private portfolio manager, or any international body recognized by the CMA or the market, and any other financial market recognized by the CMA or the depository center "Edaa". 2. Public investment funds established in KSA that are publicly offered in addition to private funds that invest in securities listed on the Saudi Stock Exchange if the fund's terms and conditions allow it, while adhering to the provisions and restrictions stipulated in the investment funds regulations. 3. Persons authorized to deal in securities in a Principal capacity, while adhering to the requirements of financial sufficiency. 4. Agents of a person authorized to conduct management business, provided that that authorized person has been appointed under conditions that enable him to make decisions regarding accepting participation in the offering and investment in the Saudi Stock Exchange on the agent's behalf without the need to obtain prior approval from him. 5. Any other legal persons who may open an investment account in KSA and an account with the Depository Center, taking into account the investment controls of companies listed in securities, provided that the participation of the Company does not lead to any conflict of interest. 6. Gulf investors with legal personality, which include companies and funds established in the GCC countries. 7. Eligible Foreign Investors. 8. An ultimate beneficiary of legal person in a swap agreement concluded with a licensed person in accordance with the terms and conditions of the swap agreements.
General Organization for Social Insurance	The General Organization for Social Insurance in the Kingdom of Saudi Arabia.
Prospectus	This document prepared by the Company concerning the Offering of Rights Shares.
Gross Domestic Product (GDP)	The GDP of Saudi Arabia, which is the market value of all final goods and services locally recognized.
Nitaqat	<p>The Saudization program (Nitaqat) was approved pursuant to Resolution No. (4040) of His Excellency the Minister of Labor dated 28/01/1432 AH (corresponding to 10/09/2011 G) based on Cabinet Resolution No. (50) dated 13/05/1415 AH (corresponding to 10/27). /1994 G), and the Ministry of Human Resources and Social Development in the Kingdom launched the program to provide incentives for establishments to employ Saudis. The program evaluates the performance of the facility on the basis of specific ranges (Platinum, Green, and Red) according to the activity and sector under which the Company falls. On 29/03/1441 AH (corresponding to 11/16/2019G), Ministerial Resolution No. 63717 was issued, which stipulated the abolition of the yellow band in the Nitaqat program.</p> <p>On 11/10/1442H (corresponding to 23/05/2021G), the Ministry of Human Resources and Social Development launched the developed "Nitaqat" program (a Saudi nationalization scheme), which offers three main advantages: The first: a clear vision and transparent Saudization plan for the next three years in order to increase organizational stability in the private sector. The second: the direct relationship between the number of workforce and the required Saudization percentages for each facility is based on a linear equation that is proportionally related to the number the facility's workforce, instead of the current Saudization percentage system, based on the classification of establishments into specific and fixed sizes. The third: simplifying the design of the program and improving the customer experience by integrating the categories of activities with common characteristics, to be 32 instead of 85 activities in "Nitaqat". This program will also contribute to providing more than 340,000 jobs until 2024G.</p>
Bylaws	The Company's Bylaws are approved by the constituent or constitutional General Assembly and subsequent amendments. They were last amended, according to the EGA's Resolution dated 08/09/1442H (corresponding to 20/04/2021G). The Corporate Bylaws were also audited and approved by the Ministry of Commerce (Corporate Governance Department) on 25/10/1442H (corresponding to 06/06/2021G), and can be viewed either at the Company's headquarters or on its website (Tadawul website / the Company's profile page).

Term	Definition
Tadawul System	The automated system for trading of securities on the Saudi Stock Exchange
Law of Commercial Register	The Law of Commercial Register issued by Royal Decree No. (M/1) dated 21/02/1416H (19/07/1995G), and its regulations issued pursuant to Ministerial Decree No. (1003) dated 21/09/1416H (corresponding to 11/02/1996G).
Capital Market Law	The Capital Market Law pursuant to Royal Decree No. (M/30) dated 02/06/1424H (corresponding to 31/07/2003G), amended by the Capital Market Authority's Board Resolution No. (3-45-2018) dated 07/08/1439H (corresponding to 23/04/2018G), amended by the Authority's Board Resolution No. (1-104-2019) dated 01/02/1441H (corresponding to 30/09/2019G), and pursuant to Royal Decree No. (M/16) dated 19/01/1441H (corresponding to 18/09/2019G).
Companies Law	The Companies Law in the Kingdom of Saudi Arabia pursuant to Royal Decree No. (M/3) dated 28/01/1437H (corresponding to 10/11/2015G) which came into force on 25/07/1437H (corresponding to 02/05/2016G), and was then amended by Royal Decree No. (M/79) dated 25/07/1439H (corresponding to 11/04/2018G).
The Cooperative Health Insurance Law	The Cooperative Health Insurance Law No. (71) dated 27/04/1420H (corresponding to 11/08/1999G) issued by Royal Decree No. (M/10) dated 01/05/1420H (corresponding to 08/13/1999G).
Labor Law	The Saudi Labor Law pursuant to Royal Decree No. (M/51) dated 23/08/1426H (corresponding to 27/09/2005G), the implemented amendments, and the latest amendment to it pursuant to Royal Decree No. (M/5) on 07/01/1442H (corresponding to 26/08/2020G).
The Cooperative Insurance Companies Control Law and its Implementing Regulations	The Cooperative Insurance Companies Control Law issued by Royal Decree No. (M/32) dated 02/06/1424H (corresponding to 31/07/2003G) and amended by Royal Decree No. (M/12) dated 23/01/1443H (corresponding to 01/09/2021G) and its implementing regulations issued by the Minister of Finance Resolution No. (1/569) dated 01/03/1425H (corresponding to 20/04/2004G).
Anti-Money Laundering Law (AML)	The Anti-Money Laundering Law issued by Royal Decree No. (M/31) dated 11/05/1433H (corresponding to 03/04/2012G).
H	Hijri calendar
G	Gregorian calendar
Zakat, Tax and Customs Authority	<p>The Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.</p> <p>*The General Authority for Zakat and Revenue (formerly the Department of Zakat and Revenue Tax) is one of the government agencies that are organizationally linked to the Minister of Finance, and it is the body entrusted with the work of levying zakat and tax collection.</p> <p>*On 22/09/1442H (corresponding to 04/05/2021G), the Council of Ministers approved the merging of the General Authority of Zakat and Tax (GAZT) and the General Authority of Customs (GAC) to form the "Zakat, Tax and Customs Authority (ZTCA)".</p>
The Saudi Authority for Industrial Cities and Technology Zones (MODON)	The Saudi Authority for Industrial Cities and Technology Zones (MODON) is interested in developing industrial lands and integrated infrastructure. As of the date of this Prospectus, MODON supervises 36 existing and under development industrial cities in various parts of the KSA, in addition to its supervision over private industrial parks and cities.
The Saudi Organization for Chartered and Professional Accountants (SOCPA)	The Saudi Organization for Chartered and Professional Accountants in the Kingdom of Saudi Arabia. (Formerly the Saudi Organization for Certified Public Accountants).
Capital Market Authority or Authority	The Capital Market Authority in the Kingdom of Saudi Arabia.
Insurance Policy	A legal document or contract issued by the Company to the insured stating the terms of the contract to compensate the insured for the loss and damage covered by the policy in return for a premium paid by the insured.
Ministry of Investment Of Saudi Arabia (MISA)	The Ministry of Investment (formerly the General Investment Authority) in the Kingdom of Saudi Arabia.
Ministry of Commerce	The Ministry of Commerce in the Kingdom of Saudi Arabia (formerly the Ministry of Commerce and Investment).
Ministry of Interior	The Ministry of Interior in the Kingdom of Saudi Arabia.
Ministry of Municipal & Rural Affairs & Housing	<p>The Ministry of Municipal and Rural Affairs and Housing* in the Kingdom of Saudi Arabia.</p> <p>* On 11/06/1442H and 24/01/2021G pursuant to Royal Decree No. A/322 to combine the "Housing Ministry" and the "Ministry of Municipal and Rural Affairs", and modify its name to become The "Ministry of Municipal and Rural Affairs and Housing".</p>
Ministry of Human Resources and Social Development	The Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia (Formerly the Ministry of Labor and Social Development).
Intermediaries	A Capital Market Institutions licensed by the CMA to engage in the activity of dealing in securities as agents.
Insurance Brokers	A legal person who, in return for a certain fee, represents existing or potential insureds in attracting and negotiating insurance contracts.

Term	Definition
Insurance Agency	A legal person who, in return for a commission, represents the insurer to attract, negotiate and conclude insurance contracts.
Business Day	A business day means any day except any Friday, any Saturday, or any day which is a federal legal holiday in KSA or any day on which banking institutions are authorized or required by law or other governmental action to close.

2. Risk Factors

Prospective investors should carefully consider all of the information contained in this Prospectus, including the risks described below, prior to making any investment decision with respect to the Rights and the New Shares. However, the risks listed below do not necessarily comprise all risks that the Company may encounter or additional risks that are not currently known by the Company, which may have an adverse effect on the Company's operational performance if they occur. The Board Members declare that they are not aware of any other material risks than those set out below that may have an adverse effect on the Company's business, its financial position, results of operations, cash flow and future expectations as of the date of this Prospectus.

Investing in the offered shares is only suitable for investors who are able to assess the risks and benefits of that investment and who have sufficient resources to bear any loss that may result from that investment. A prospective investor who is doubtful about investing in the New Shares should seek advice from a specialist licensed by the CMA.

The BOD's Members also acknowledge, to the best of their knowledge and belief, that there are no material risks that may affect the investors' decision as of the date of this Prospectus. Moreover, they state that this section contains all substantial information, without any lack or prejudice, according to which investors may take a decision to invest as of the date of this Prospectus.

In the event of the occurrence of one of the risks that the Company's management ("**the Management**") currently believes to be important, or any other risks that the Management could not identify or which it believes to be immaterial, the Company's activity, its financial headquarters, financial statements, business results, cash flow and future expectations which may have an adverse and material effect. The occurrence of one or some of these risks may lead to the price of the Company's shares decreasing in the market and investors losing part of or all their investments in the New Shares.

It should be noted that the risks set out below are not ordered based on their importance. Additional risks and uncertainties, including those unknown or deemed non-essential at the present time, may have the effects described above.

2.1 Risks Related to the Company's Activities and Operations

2.1.1 Risks of Insufficient Capital and Minimum Required Capital Requirements

According to Articles (66) and (68) of the Implementing Regulations of the Cooperative Insurance Companies Control Law issued by the Saudi Central Bank, insurance companies must maintain certain levels of solvency for various types of business. According to Paragraph (a) of Clause (2) of Article (68) of the Implementing Regulations, if the actual solvency margin ranges from (75%) and (100%) of the required solvency margin, the Company must work to amend this percentage to become at least (100%) during the next quarter.

Paragraph (c) of Clause (2) of Article (68) of the Regulations stipulates a series of measures to rectify the insurance companies' situation as follows:

1. Increase the company's capital.
2. Adjust prices.
3. Reduce costs.
4. Stop accepting any new subscription.
5. Liquidate some assets.
6. Any other procedure deemed appropriate by the Company and approved by the Bank.

The Company's solvency margin coverage amounted to (137%), (45%) and (-55.85%) as of December 31, 2019G, 2020G and 2021G, respectively. On 14/06/1443H (corresponding to 17/02/2022G), the Board of Directors recommended increasing the Company's capital by offering Rights Issue Shares at a value of three hundred million (300,000,000) Saudi riyals, subject to obtaining all necessary statutory approvals and the approval of the EGA. The Company obtained the Central Bank of Saudi Arabia's no-objection to the capital increase under letter No. (43083158) dated 24/09/1443H (corresponding to 25/04/2022G).

The Company aims to increase its capital by offering Rights Issue Shares to enhance and maintain the solvency margin required by the Central Bank of Saudi Arabia (please refer to Section No. 6 “Use of Offering Proceeds”).

In the event that the Company is unable to meet the required solvency requirements, the Central Bank is entitled to oblige it to appoint an advisor (to provide advice as necessary) or withdraw its license and prevent it from selling its insurance products if it does not commit to improve its business's financial position within a period specified by the Central Bank of Saudi Arabia, which will negatively and materially affect Company's business, results of operations, financial position and future prospects.

2.1.2 Risks Related to Accumulated losses

The accumulated losses of the Company at the end of the year 2021G amounted to one hundred and fifty-seven million, two hundred and twenty-seven thousand (157,227,000) Saudi riyals, representing (120.9%) of the capital which was equal to one hundred and thirty million (130,000,000) Saudi riyals. At the end of the year 2020G, the accumulated losses amounted to one hundred and forty-seven million five hundred and three thousand (147,503,000) Saudi riyals, representing (61.5%) of the capital which was worth two hundred and forty million (240,000,000) Saudi riyals. As for the end of the year 2019G, the accumulated losses amounted to eighty-five million six hundred and sixty-six thousand (85,666,000) Saudi riyals, representing (35.7%) of the capital which was equal to two hundred and forty million (240,000,000) Saudi riyals. It should be noted that on 11/10/1442H (corresponding to 23/05/2021G), the (Extraordinary) General Assembly approved the company's capital reduction from two hundred and forty million (240,000,000) Saudi riyals to one hundred and thirty million (130,000,000) Saudi riyals. As a result, the number of shares was worth (13,000,000) Saudi riyals, by canceling eleven million (11,000,000) shares of the Company's shares, as one share was reduced for each (2.1818) shares, in order to restructure the Company's capital and extinguish losses by an amount of one hundred and ten million (110,000,000) Saudi riyals. The Company obtained the approval of the Central Bank to reduce the capital to one hundred and thirty million (130,000,000) Saudi riyals, pursuant to letter No. (42039348) issued on 12/06/1442H (corresponding to 25/01/2021G). It also received the approvals of the competent regulatory authorities (the Capital Market Authority “the Authority”, the Saudi Tadawul Company “Tadawul”, the Ministry of Commerce, the (Extraordinary) General Assembly of Shareholders and the Saudi Central Bank.

It should be noted that on 23/01/1438H (corresponding to 24/10/2016G), the CMA has issued an amendment to the “Procedures and Instructions Related to Listed Companies with Accumulated Losses amounting to (50%) or more of its Share Capital”, which has been implemented since 4/9/1435H corresponding to 1/7/2014G, to be named after the amendment as the “Procedures and Instructions Related to Listed Companies with Accumulated Losses amounting to (20%) or more of its Share Capital”.

Accordingly, the Company is subject to these procedures and instructions, especially Articles (5) and (6) thereof. Article (5) of these procedures and instructions states that in the event that the Company's accumulated losses amount to (50%) or more of its share capital, it must immediately disclose to the public without delay an independent announcement when its cumulative losses reach (50%) or more of its share capital. The CMA adds a mark next to the Company's name on the Market's website, symbolizing that the accumulated losses have reached (50%) or more of its share capital as soon as the Company's announcement is issued.

After this announcement, stating that accumulated losses reached (50%) or more of the capital, the Company should announce (1) the last date on which the BOD can invite the EGA to meet, and the last day of the EGA to address the accumulated losses, (2) the BOD's recommendation to the EGA regarding its accumulated losses as soon as it is issued - in accordance with the requirements of Article (150) of the Companies Law - either by increasing or decreasing the Company's capital, or dissolving the Company before the deadline specified in its Bylaws and (3) the last date of the completion of the subscription process in the capital increase to address accumulated losses (where applicable). On the other hand, in the event that accumulated losses are reduced by (50%) of the capital, the Company must immediately disclose this to the public and without delay by an independent announcement, provided that it includes the measures taken by the Company to improve its position. After that, the market will delete the aforementioned mark, as soon as the Company announces the improvement of its position.

Since the Company's accumulated losses amounted to (50%) or more of its share capital, it is subject to the requirements of Article (150) of the Companies Law, which obliges any company official or the auditor to inform the Chairman of the BOD immediately upon his knowledge that the Company's accumulated losses reached (50%) of its paid capital. The Chairman of the Board must inform the Board members immediately. Within (15) days of the Board's knowledge of such losses, the Board must call for convening of the EGA within 45 days from the date of their knowledge of the losses. The EGA must decide to either increase or decrease the company's capital – in accordance with the Companies Law and other related laws and regulations- to the degree where the percentage of losses would decrease below (50%) of the paid capital, or to dissolve the Company before the prescribed date in its Bylaws. In addition, according to the Companies Law, the Company will be deemed dissolved by force of law in any of the following cases: If the EGA does not convene during the specified period above. If a meeting was held but failed to issue a resolution on the matter. If it decided to increase the capital in accordance with the above but not all capital increase was subscribed for within (90) days from the issuance of the EGA's

decision to increase. If the Company is dissolved under Article (150) of the Companies Law or by a decision of the EGA, this will have a negative and material impact on its financial results and future prospects. It should be noted that in accordance with Article (5) of the procedures and instructions for companies listed in the market whose accumulated losses amounted to (20%) or more of their paid capital, the Company's shares shall be canceled when the Company expires by force of law or if the EGA decides to dissolve the Company before the specified deadline.

It should be noted that on 03/16/1442H (corresponding to 11/2/2020G), Royal Decree No. (15016) was issued regarding the suspension of some provisions of the Companies Law Articles, and the decision of His Excellency the Minister of Commerce No. (348) dated 10/04/1442H (corresponding to 25/11/2020G) based on the honorable Royal Order to suspend the work of Article (150) of the Companies Law for a period of two years from 01/08/1441H (corresponding to 25/03/2020G).

The Company complied with the procedures and instructions of the companies listed in the market, whose accumulated losses amounted to (20%) or more of their capital, in addition to Article (150) of the Companies Law. The Extraordinary General Assembly, held on 07/27/1443H (corresponding to 28/02/2022G), decided to approve directing the Company to proceed with the capital increase procedures and to obtain the approval of the competent authorities, and to refute the possibility of proceeding with the its dissolution while acquiring the approval of the competent authorities. In the event that the approval of the General Assembly and other official authorities to increase the Company's capital through a Rights Issue, which is the subject of this Prospectus, is not obtained, and the capital increase has not been subscribed within ninety days (which ends on 29/05/2022G), then the Company will enter in the process of financial reorganization, which will affect the continuity of its business and its financial position.

2.1.3 Risks Related to Sanctions and Penalties and Suspension of Business by Competent Entities

Considering that the Company's business is subject to several laws and instructions issued by the Saudi Central Bank, CMA, and a number of other government entities, it is subject to sanctions and penalties if it fails to comply with any of the laws, regulations, and instructions, or delays the satisfaction of any of them. The Company could be exposed to a number of penalties and sanctions by the Saudi Central Bank, CMA and other entities, including suspending all or some of its activities and its share trading which would have a material adverse impact on its business, financial position and prospects.

It should be noted that a number of fines were imposed on the Company during the past two years:

- A fine of ten thousand (10,000) Saudi riyals imposed by the Saudi Central Bank during the year 2020G, for violating its supervisory instructions.
- A fine of three hundred and ten thousand (310,000) Saudi riyals imposed by the Saudi Central Bank during the year 2020G, for violating its instructions regarding due diligence in combating money laundering and terrorist financing (number of decisions: 2).
- A fine of three hundred and seventy thousand (370,000) Saudi riyals was imposed by the Saudi Central Bank during the year 2021G, for violating its supervisory instructions (number of decisions: 5).

2.1.4 Risks Related to Non-Issuance or Non-Renewal of the Necessary Licenses, Permits and Certificates

The Company is required to obtain and maintain various permits, licenses and regulatory approvals in relation to its activities. Such licenses include but are not limited to: a service investment license issued by the General Authority for Foreign Investment, licenses for products obtained by the Company from the Central Bank of Saudi Arabia, licenses for opening points of sale and branches issued by the Ministry of Municipal and Rural Affairs, a permit from the Health Insurance Council, certificates of registration of the Company and its branches issued from the Ministry of Commerce and Investment, the Chamber of Commerce membership certificates, trademark registration certificates, Saudization, and Zakat and social insurance certificates. The Company, as an authorized person, is subject to compliance with the terms and instructions of each license, certificate, permit or official approval obtained from the abovementioned competent supervisory authority (for more details, please refer to Section No. (9) "Legal Information").

As of the date of this Prospectus, the Company has a number of expired or unissued licenses and permits, which are as follows:

- **Municipal licenses:**
 - Buraidah branch - expired.
 - Jeddah branch does not have a municipal license.
 - All points of sale were not issued with municipal licenses.

The Company's failure to comply with the requirements of the Ministry of Municipal, Rural Affairs and Housing in terms of renewing/issuing municipal licenses for the offices/branches through which it conducts its commercial activity is considered a violation, and the company may be subject to the penalties stipulated in the list of penalties for municipal violations (issued on 05/02/1442H, corresponding to 22/09 2020G), which may reach five hundred thousand (500,000) Saudi riyals, in addition to closing the branch. Hence, the Company's operations, results of operations and financial position may be negatively affected. In addition, the Company is considered in violation of the requirements for opening branches, which constitutes an infringement of the Cooperative Insurance Companies Control Law and its implementing regulations which require insurance companies to complete the licenses, records and legal certificates necessary to open the branch, such as the Municipality, Civil Defense, Ministry of Trade and Industry licenses, and any other required licenses.

- **Safety licenses (Civil Defense):**

- Medina branch - expired.
- Buraidah branch - expired.
- Jazan branch - expired.
- Jeddah branch - it does not have a safety license.
- All points of sale were not issued with safety / civil defense licenses except for one point of sale out of (13) points of sale.

The Civil Defense Law issued by Royal Decree No. (M/10) dated 10/05/1406H (corresponding to 21/01/1986G) and amended by Royal Decree No. (M/66) dated 02/10/1424H (corresponding to 26/11/2003G) obligates the Company's commitment to the requirements of security and safety, and failure to comply will expose it to the penalties and fines stipulated in Article (30), which provides for imposing a penalty on the violator of any provision of this Law or its regulations or the pursuant issued decisions, with imprisonment for a period not exceeding six months, or a fine of not more than thirty thousand (30,000) Saudi riyals or both. Failure to obtain Civil Defense licenses will result in the Company's inability to obtain new municipal licenses or renew existing ones. Thus, failing to obtain Civil defense safety licenses, will lead to closing the branch headquarters / point of sale until the completion of the regular procedures for obtaining Civil defense licenses.

Moreover, the Company is considered to have violated the requirements of opening branches, which constitutes a violation of the Cooperative Insurance Companies Control Law and its implementing regulations and the controls that regulate the expansion of branches and points of sale for insurance companies, which require insurance companies to complete all necessary licenses, records and legal certificates to open a branch, such as the Municipal, Civil Defense, Ministry of Trade and Industry licenses, and any other required licenses.

- **Certificates of Participation in the Chamber of Commerce and Industry:**

The Company did not extract the Chamber of Commerce subscriptions for all branches located outside the its main city Registry, which is considered a violation of Article (5) of the Commercial Register Law, stipulating that every person registered in the Commercial Register shall file with the Commercial Registry Office, within thirty (30) days from the date of registration, a certificate of participation in the Chamber of Commerce and Industry. Hence, the Company shall be exposed to a fine stipulated in Article (15) of the Commercial Register System, whose value does not exceed fifty thousand (50,000) Saudi riyals for each violation, and the branch shall not to benefit from the services provided by the Chambers of Commerce, which will lead to the disruption of the branch operations in this concern.

This is also considered a violation of the Cooperative Insurance Companies Control Law and its implementing regulations and the controls that regulate branch expansion of insurance companies issued by the Central Bank, which require insurance companies to complete the licenses, records and regulatory certificates necessary to open a branch, such as the Municipality, Civil Defense, Ministry of Trade and Industry licenses, and any other required licenses.

The inability of the Company to renew its existing licenses or obtain any of the licenses necessary for its business, or if on the other hand, any of its licenses are suspended, expired, or renewed on terms that are not suitable for its business, or if it fails to obtain additional required licenses in the future or to comply with the requirements of statutory approvals, licenses and certificates, it may be exposed to business interruption, such as closing a branch and/or a selling point, or freezing all services provided by its regulatory authorities (such as renewing licenses and certificates, issuing visas, residence permits, transferring guarantees, etc.), which will result in the disruption of the its operations and will incur additional costs. Thus, the Company's business, results of operations, financial position and future prospects will be negatively affected.

2.1.5 Risks Associated with Foreign Capital in the Company

Foreign investors' ownership of the Company's capital constitutes (11.077%) of its shares as of the date of this Prospectus. These shares are owned by the main shareholder, Amana Gulf Insurance Company BSC. As it is known, the ownership of foreign investors in Saudi companies is subject to the Foreign Investment Law issued by Royal Decree No. (M/1) dated 15/01/1421H (corresponding to 20/04/2000G) and its Implementing Regulation, issued under No. (1/20) and dated 13/04/1423H (corresponding to 24/06/2002G), which stipulates a number of violations and practices of the provisions of the Foreign Investment Law and its Implementing Regulation. In the event that a foreign investor commits any of these violations, he/she shall be subjected to a number of penalties according to this law that shall reach the cancellation of the foreign investment license.

The occurrence or committing of any of the violations stipulated in the Implementing Regulation of the Foreign Investment Law, shall expose the investor to penalties up to the cancellation of his/her license and thus of his ownership in the Company. Since foreign investors are considered founding partners, the loss of one of them will negatively and fundamentally affect the Company's business, results of operations, financial position and future prospects.

2.1.6 Risks Related to Contracts and Business with Related Parties

The Company has entered into insurance contracts with related parties, including some Board members and subsidiaries, with a total value of (56,121,00) Saudi riyals, (62,466,000) Saudi riyals and (12,591,000) Saudi riyals as of December 31, 2019G, 2020G and 2021G, respectively.

The following is a statement of the amounts of transactions with related parties as of December 31, 2021G:

- **Due from Related Parties:**
 - Al-Seef Group of Companies: (5,528) thousand Saudi riyals represented in insurance premiums and (403) thousand Saudi riyals, represented by paid claims, with a total value of (5,931) thousand Saudi riyals.
 - Al-Durra Leading Company: (45) thousand Saudi riyals.
 - Abdul Rahman Al-Sukran: (10) thousand Saudi riyals.
- **Required to Related Parties:**
 - Board of Directors and related committees: (1,425) thousand Saudi riyals represented by remuneration and other allowances.
 - Globe Med (Group): (5,180) thousand Saudi riyals, represented by administrative fees for reviewing medical and other claims.

On 19/11/1442H (corresponding to 06/2929202G), the Ordinary General Assembly approved the transactions that took place with related parties, whereby votes were taken on the business and contracts that were concluded with:

- Member of the Board of Directors, Mr. Nayef bin Faisal Al-Sudairy, in which he has direct interest: multiple annual insurance policies without conditions or benefits, knowing that the value of transactions in 2020G amounted to (13,000) Saudi riyals.
- Member of the Board of Directors, Mr. Abdul Rahman bin Abdullah Al-Sukran, in which he has direct interest: multiple annual insurance policies without special conditions or benefits, knowing that the value of transactions for the previous year 2020G is (16,000) Saudi riyals.
- In addition to voting on the business and contracts that were conducted and concluded between the Company and Globe Med Saudi Arabia, in which Board members: Mr. Nayef bin Faisal Al-Sudairi, Mr. Pierre Michel Pharaon and Mr. Abdul Rahman bin Abdullah Al-Sukran have an indirect interest, and it is a contract for the management of medical claims for the Company without conditions or special advantages, knowing that the value of the previous transactions in 2020G amounted to (11,384,000) Saudi riyals.

There is no guarantee that contracts with related parties will be renewed in the future when their terms expire, as it is possible that the Company's BOD or the General Assembly may not agree to renew those contracts, or the related parties may not approve their renewal in accordance with the terms of the insurance policies determined by the Company. In view of this, the non-renewal of these contracts may have a negative impact on the profitability of the Company and, consequently, on its business, expectations, financial position and results of operations.

If the General Assembly refuses to grant a license to conclude contracts with related parties under Article (71) of the Companies Law, the Board member shall submit his resignation within a period specified by the General Assembly, otherwise his membership shall be considered terminated, unless he decides to abandon the contract, deal or conciliate his status in accordance with the Companies Law and the Executive Regulations before the expiry of the deadline set by the General Assembly, which will fundamentally affect the Company's business and profitability.

2.1.7 Risks Related to Claims Management Process

Pricing of the Company's insurance products, as well as reserves for claims, is dependent on the period and efficiency of notification of claims, processing of claims and compensation of policyholders. Efficient and effective claims management depend, among other things, on well-trained personnel who make accurate and timely compensation decisions regarding claims processing. The value of the outstanding claims amounted to approximately (51,474,000) Saudi riyals, (35,661,000) Saudi riyals and (21,401,000) Saudi riyals for the financial years ended December 31, 2019G, 2020G and 2021G, respectively. As for the incurred but not reported claims, they amounted to approximately (28,356,000) Saudi riyals, (58,148,000) Saudi riyals and (58,250,000) Saudi riyals for the financial years ended December 31, 2019G, 2020G and 2021G, respectively.

Inefficiency in the administration and payment of claims can result in incorrect compensation decisions, wrong decisions about the creation of the claims' reserve and/or payment, increased fraud, incorrect management information about the reserve and pricing. This leads to additional claims and related costs and expenses for processing claims, as well as increase in risks involved in unsuitable technical claims and/or pricing models. These risks increase when the period between the claim and payment increases.

If the administrative handling of claims by the Company proves to be inefficient or ineffective, or if it is subject to costs or expenses that exceed the expected rates, the Company may be forced to change pricing models and/or increase prices, which may result in a loss of business and an increase in the technical claims reserves of the Company. These additional costs or the effects of inflation may harm the Company's profitability, which will have a negative and material impact on its business, results of operations, financial position and future prospects.

2.1.8 Risks Related to Potential Obligations and Undertakings

Some potential obligations could arise on the Company, which may result from any other obligations or costs related to the Company's activity. The Company has potential obligations and undertakings related to capital projects under implementation, amounting to approximately one hundred twenty-two thousand (122,000) Saudi riyals as of December 31, 2021G, compared to approximately three million eight hundred twenty-nine thousand (3,829,000) Saudi riyals as of December 31, 2020G and approximately three million and four hundred and forty-seven thousand (3,447,000) Saudi riyals as of December 31, 2019G.

The Company also operates in the insurance industry and is subject to legal procedures in the course of its normal business. Moreover, it is not possible to predict or determine the final results of all legal procedures that may result in the Company's potential obligations. If these obligations are realized, the Company's business, financial position and the results of operations would be materially and negatively affected.

2.1.9 Risks of the Increase in the Company's Liabilities

An increase in the Company's liabilities may pose a risk to the its general financial position and solvency. Total liabilities percentage reached (64%), (80%) and (110%) of Total Assets as of December 31, 2019G, 2020G and 2021G, respectively. The Company's quick liquidity ratio reached 1.18 times as of December 31, 2019G, 0.98 times as of December 31, 2020G, and 0.63 times as of December 31, 2021G. Accordingly, the increase in the Company's liabilities will negatively affect its financial position, hence, it will be difficult for the Company to meet its obligations. This will have a negative impact on the Company's business, financial position, results of operations and prospects.

2.1.10 Credit Risks

Credit risks arise when a party fails to fulfill a certain financial obligation of the other party. The Company may face credit risks in several temporary or permanent cases, including reinsurers' inability to fulfill their obligations with respect to settlements, the existence of receivables from customers, the failure of other creditors to fulfill their obligations to the company, and others.

The balance of "insurance premiums and receivables for city reinsurers – net amounted to (79,559,000) SAR, (129,207,000) SAR and (143,164,000) SAR as on December 31, 2019G, 2020G and 2021G, respectively. Balances with a lifespan of more than 365 days amounted to the amount of (28,497,000) Saudi riyals, (54,988,000) Saudi riyals and (64,692,000) Saudi riyals as of December 31, 2019G, 2020G and 2021G. Accordingly, the company took provisions against doubtful receivables, and the total provisions amounted to (26,938,000) Saudi riyals and (50,118,000) Saudi riyals and (55,621,000) Saudi riyals as on December 31, 2019G, 2020G and 2021G, respectively.

The Company may face credit risks in several temporary or permanent cases, including the inability of reinsurers to fulfill their obligations from settlements, including the presence of debit balances from clients. For more details, please see subsection (5.7.2) "Statement of Financial Position" of Section (5) "Financial Information and Management Discussion and Analysis".

Pursuant to Article Six (6) of the Unified Compulsory Motor Insurance Policy issued by the Saudi Central Bank, insurance companies are required to indemnify a party or parties (other than the insured) for the consequences of accidents covered under the third-party insurance policy. Insurance companies have the right of recovery from the insured, the driver or the person causing the accident to recover the amount it had paid to the third party. Therefore, recovery from the insured, the driver or the person causing the accident to recover the paid amounts results in risks of procrastination and failure by some people to repay the amounts due from them, which will adversely affect the Company's business, financial position and results of operations.

2.1.11 Risks related to Investment

The Company's operational results partially depend on the performance of its investment portfolio. The value of investments amounted to approximately (67,938,000) Saudi riyals, including investments available for sale at a rate of (28%), and investments held to maturity at a rate of (72%) as of December 31, 2019G, compared to (61,917,000) Saudi riyals. As of December 31, 2020G, investments available for sale recorded a rate of (21%) and investments held to maturity a rate of (79%), while the value of investments for the financial year ended December 31, 2021G amounted to (59,380,000) Saudi riyals, of which investments are available for sale by (26%) and investments held to maturity at a rate of (74%). The percentage of local (traded) investments amounted to (22%), while the percentage of local (non-traded) investments amounted to (74%) compared to (0%) for foreign investments as of December 31, 2021G, and December 31, 2021G. Investment results are subject to a number of investment risks, including risks associated with general economic conditions, market fluctuations, volatility of interest rates, liquidity and credit risks, in addition to political conditions. If the Company fails to balance its investment portfolio and solvency with its liabilities it may be forced to liquidate its investments at unfavorable times or prices. If the Company's returns on investment decrease, it will suffer financial losses that will adversely and materially impact the Company's business, results of operations, financial position and future prospects.

2.1.12 Risks Related to the Increase in the Rate Loss Resulting from the Insurance Business

Insurance companies face risks related to the increase in the rate of loss resulting from the insurance business which may be due to several factors, including subscribing to high-risk insurance policies, the spread of infectious diseases and viruses such as the Covid-19 pandemic, material damage caused by natural disasters, the wrong pricing of insurance policies, the intensification of competition in the market and the loss of customers, in addition to other factors that lead to insurance companies incurring losses.

The Company's loss rate reached (82%) during the financial year ended December 31, 2019G, (89%) during the financial year ended December 31, 2020G, and (105%) during the financial year ended December 31, 2021G.

Underestimation of potential risks prior to the issuance of insurance policies for the r clearly and accurately submitted requests may lead to incurring losses, which may negatively and fundamentally affect the Company's business, financial position, results of operations and future prospects.

2.1.13 Risks Related to Credit Rating

The Company has not yet applied for a credit rating. In the event it applies for a credit rating, there can be no guarantee that it will obtain a good rating if risks are higher than what is customary in the insurance market, which may negatively affect the Company's business.

In accordance with the provisions of the executive regulations of the Cooperative Insurance Companies Control Law, the Company must select reinsurers who have a minimum rating of BBB from a credit rating agency (S&P) or a rating of (B+) by (A.M. Best), or an equivalent rating from one of the recognized credit rating agencies. The company deals with reinsurers who have the required classification in accordance with the requirements of the Central Bank. If the Company wants to deal with reinsurers who are not approved by the Central Bank or who have a lower rating, or if the reinsurance class has been downgraded during their dealings, it must then obtain a written approval from the Central Bank. If the company fails to obtain this approval, it must stop reinsurance arrangements with these companies, which will increase the Company's burdens and expose it to additional risks, including the inability of low-rated reinsurers to meet their obligations, which may negatively and fundamentally affect the Company's business, financial position, results of operations and future prospects.

2.1.14 Risks Related to the Concentration of Written Insurance Premiums

The insurance business carried out by the Company was concentrated in the health insurance sector, and the value of revenues from this sector reached two hundred and twenty-four million four hundred and thirty-six thousand three hundred and thirty-five (224,436,335) Saudi riyals, representing (91.2%) of the Company's revenues for the year 2019G. Revenues from this sector increased to two hundred and ninety-one million one hundred and ninety-eight thousand two hundred and fifty (291,198,250) Saudi riyals, representing (88.65%) of the Company's revenues for the year 2020G. Health insurance sector revenues amounted to one hundred and fifty million one hundred and ninety-nine thousand five hundred and nine (150,199,509) Saudi riyals representing (54.74%) for the year 2021G. It should be noted that the motor insurance market is the second most profitable sector in the Company.

The following table shows the distribution of the Company's revenues according to the different insurance sectors it provides:

Table No. (2): Distribution of the Company's Revenues According to the Different Insurance Sectors

Sector	2019G		2020G		2021G	
	Value (SAR)	The ratio (%)	Value (SAR)	The ratio (%)	Value (SAR)	The ratio (%)
Medical Sector	224,436,335	91.20%	291,198,250	88.65%	150,199,509	54.74%
Motor sector	10,434,765	4.24%	29,697,470	9.04%	119,231,464	43.45%
Property Sector	1,659,007	0.67%	623,434	0.19%	333,445	0.12%
Engineering Sector	9,243,501	3.76%	6,494,435	1.98%	4,456,956	1.62%
Shipping Sector	320,662	0.13%	466,022	0.14%	182,322	0.07%
General Accidents and Other Sectors	1,960,130	0.80%	1,037,154	0.32%	1,082,141	0.39%

Source: The Company

The concentration of total written insurance premiums on the health insurance and motor sectors makes the Company vulnerable to being significantly and directly affected if demand decreases or health insurance products' supply increases, and/or the Company fails to renew the existing insurance policies and/or to subscribe to new insurance policies. Therefore, in the event of a decrease in the Company's insurance sectors written premiums in general and the health and motor sectors in particular, this will negatively affect the Company's written premiums, the results of operational and financial operations.

2.1.15 Risks Related to Reinsurance Concentration

The Company deals with a number of major reinsurance companies to insure its insurance portfolio, which may expose it to the risks the other party's default (For more details about the reinsurance companies that the Company deals with, please see subsection No. (9.5.3) "Reinsurance Contracts" of Section No. (9) "Legal Information"). The percentage of the Company's dealings/transactions with a number of reinsurers represents (7%), (15%) and (20%) of the total reinsured premiums as of December 31, 2019G, 2020G and 2021G, respectively.

In the event of a reinsurer's insolvency, bankruptcy, or any distress, particularly, the Company's business, financial position, results of operations and future prospects will be adversely impacted.

2.1.16 Risks Related to Reinsurance Contracts

The Company, in the context of its risk mitigation and capital management strategy, needs to reinsure its insurance portfolio to reduce certain potential risks notably in relation to motor insurance and other insurance products. Under such reinsurance arrangements, the Company either transfers the risks contained in the insurance policies to the reinsurer, or risks are borne by the reinsurer who demands premiums in exchange for the provision of reinsurance.

Furthermore, the Company, based on its business activity, must reinsure its insurance portfolio in accordance with the requirements of Article Forty (40) of the Implementing Regulations of the Cooperative Insurance Companies Control Law as follows:

1. Insurance companies retain at least (30%) of the total amounts of subscriptions. The Company is currently bound by this condition.
2. Obligation to reinsure at least (30%) of the total amounts of written subscriptions within the Kingdom of Saudi Arabia. The Company is currently bound by this condition.

In accordance with the provisions of Article Twenty-first (21) of the Cooperative Insurance Companies Control Law, the Saudi Central Bank may impose a fine of up to two million (2,000,000) Saudi riyals on companies that do not comply with the above-mentioned ratios. Therefore, in the event that the Company does not comply with these ratios, it will be exposed to this fine, and this will negatively affect the its business, results of operations, financial position and future prospects.

The availability, amount and costs of reinsurance are subject to prevailing market conditions which are usually beyond the control of the Company. In the event that the Company fails to maintain or replace its relations with reinsurance companies, this will increase its exposure to risks and limit its ability to increase the volume of its business. Transactions with reinsurers outside the Kingdom also involve additional risks related to political and economic conditions, and regulatory changes in the insurance sector in the regions to which they belong, and if these factors affect the ability of these companies to pay their shares of future claims. This will have a negative and material impact on the Company's business, results of operations, financial position and future expectations.

2.1.17 Risks Related to Reinsurance Contracts' Recovery

The Company has a number of contracts signed with reinsurers that are about to expire as of the date of this Prospectus (For more details about these contracts, please see sub-paragraph (9.5.3) "Reinsurance Contracts" of Subsection (9.5) "Summary of Essential Contracts" from Section No. (9) "Legal Information"). There is no evidence of the parties' desire to renew these contracts, knowing that some of these contracts allow the reinsurer to terminate the contract in the event that the Company loses all or part of its paid-up capital. Since the Company's accumulated losses reached, as of the date of this Prospectus, (120.9%) of the paid-up capital, there is a risk that the reinsurer might offer to terminate the contract with immediate effect or refuse to renew the contract, if the Company's losses continue to accumulate. This will negatively affect the Company's business, operations, and the clients' confidence from the insured, brokers to the insurance agents, because the reinsurance is very important in insurance operations as it compensates the insurance company for all or some of the risks that it may incur.

2.1.18 Risks Related to Recovery

Although reinsurers are responsible towards the Company for the risks it incurred within the scope of the agreed coverage, the Company remains primarily responsible to its customers for all the risks that it reinsures. Accordingly, the reinsurance agreements do not waive the Company's obligation to pay claims, and the Company may bear the risks related to the reinsurers. Hence, the Company is exposed to risks with regard to its ability to recover amounts due from reinsurers, including in the event of any default by the reinsurers with whom the Company substantially deals, as a result of the reinsurers' objection to some reinsurance claims based on the terms of the contract, and to not pay for the claim or pay part of the amount. The Company can't guarantee that the reinsurers will pay the reinsurance claims in a timely manner or that they will pay them at all.

2.1.19 Risks Related to Reliance on Brokers and Agents

The Company relies on brokers and agents as the main distributors to market its products. The total insurance premiums written through agents represent (55%), (53%) and (68%) of the total insurance premiums as of December 31, 2019G, 2020G and 2021G, respectively. The Company has concluded one hundred and forty-six thousand and ninety-eight (146,098) insurance policies during the year 2021G through insurance brokers and agents. Given the Company's reliance on major distribution channels to market its products, any interruption or termination of these arrangements with brokers and agents would have a significant negative impact on the its sales, which would have material negative effects on the its business, financial position and results of operations.

Insurance premiums are distributed among all brokers, which reduces the risk of relying on one intermediaries/broker. However, the Company may not be able to renew its contracts with them if the Central Bank prevents one of the brokers or a number of them from providing brokerage services or for any other reason, which will prompt it to appoint other new brokers, or it may fail to renew its current contracts with the same terms and conditions, which will affect negatively its operations, business and financial results.

2.1.20 Risks Related to Inadequacy of Provisions and Reserves

As per Article Sixty-Nine (69) of the Implementing Regulations of the Cooperative Insurance Companies Control Law, the Company shall maintain adequate provisions to meet and cover financial obligations. These provisions include:

- Provisions for unearned premiums
- Provisions for claims under settlement
- Provisions for claim settlement expenses
- Provisions for incurred but not reported claims
- Provisions for unexpired risks
- Provisions for disasters
- Provisions for general expenses

The size of the reserves is estimated based on the expected trends in the size and frequency of claims according available data at the time. Maintaining a suitable level of claims reserves is an inherently uncertain process due to the difficulty and complexity of making the necessary assumptions.

The following table shows the Provisions and Reserves as of December 31, 2021G:

Table No. (3): Provisions and Reserves as of December 31, 2021G

Provisions	As of December 31, 2021G ('000'SAR)
Unearned Premiums	113,295
Outstanding Claims	21,401
Claim settlement expenses	0
Claims Incurred but Not Reported	NA
Unexpired Risks	0
Disasters	0
General Expense	NA

Source: The Company

Since the size of the reserves depends on future estimates, it is possible for the Company to prove insufficient reserves in any period, and if the actual claims exceeded the claims reserve, the Company would have to increase its reserves. This will have a negative and material impact on the Company's business, financial position and results of operations.

2.1.21 Risks Related to Acquisition

In the context of the Company's acquisition of a portfolio of insurance operations, the acquisition evaluation process is subject to review by an independent committee appointed by the Central Bank to ensure that the chartered and actuarial accountant follows the standards set by the Central Bank with regard to evaluating the insurance portfolios to be acquired. To complete the acquisition, the Central Bank's final approval of the terms and conditions of the insurance portfolio sale and transfer agreement must be issued. As of the date of this Prospectus, the Company has not made any acquisition, and if it wishes to acquire an insurance portfolio in the future, it will have to obtain the final approval of the Central Bank on the terms and conditions of the insurance portfolio sale and transfer agreement, and the approval of the General Assembly of Shareholders. The Company may also pay amounts more than the book value which will affect its profitability and have a negative impact on its financial position.

2.1.22 Risks Related to Access to adequate Financing

The Company's ability to obtain sources of financing for its business depends on several factors, including factors related to its ability to obtain regulatory approvals, in addition to the company's financial condition and creditworthiness. In the future, if the Company needs to inject a large amount to finance expansion of its activities and products or improve its solvency, it will face difficulties in obtaining sources of financing and, if obtained, they may have unfavorable costs and terms. If the Company needs to increase its capital to obtain additional financing, the ownership percentages of the current Shareholders may decrease.

Difficult access to adequate financing in the future may adversely impact the Company's business, results of operations, financial position, and future prospects.

2.1.23 Risks Related to Cheating in Insurance Usage and Claims and Other Fraudulent Activities

The Company is vulnerable to cheating and fraudulent dealings from various sources, such as its suppliers, brokers, customers and other parties. This includes customers who provide incorrect statements or fail to fully disclose the covered risks before purchasing insurance coverage, and policyholders who make fraudulent claims or exaggerate those claims. It should be noted that the technical methods applied to cheating and fraud practices are constantly evolving, so they are difficult to detect.

The occurrence of cheating or fraud in any aspect of the Company's business will have an adverse impact on the Company's business, results of operations, financial position, and future prospects, and will harm the Company's reputation and trademark.

2.1.24 Risks Related to not Applying Loss Limits or Exclusions in Insurance Policies

The Company may not be able to apply, as it deems fit, different provisions of its insurance policies, such as limits on losses or exclusions from coverage that have been negotiated to limit the risks of these policies. As the practices of the sector change, and the legal, social and other conditions alter, unexpected and unintended problems related to claims and coverage may arise, which may negatively affect the Company's business either by expanding coverage beyond the its expectations, or by increasing the size or number of claims. It is very difficult to predict the effects of claims and coverage problems and this may harm the Company's business.

The insurance policies issued by the Company also include conditions requiring immediate notification of claims and the Company's right to refuse coverage in case of violation of that condition, in addition to restrictions that reduce the period during which the policy holder may file a claim against the Company for breach of contract or any other claim. A court or regulatory authority may cancel or invalidate any exception, and legislation may be issued to limit the use of insurance policy supplements and limits on losses in a way that negatively affects the Company's losses, which may have a negative and material impact on the Company's business, financial position or results its operations. In some cases, these changes may not become apparent until the Company issues the insurance policies that are affected by those changes. As a result, the full scope of liability under the Company's insurance contracts for many years after the contract is issued.

2.1.25 Risks Related to Cancellation or Non-Renewal of Insurance Policies

The Company is in a competitive insurance market, and since the duration of the insurance policies is short term in nature, the Company may fail to renew the issued insurance policies or the policies it will issue in the future as expected. In the event that policyholders do not renew or cancel their documents, the level of the Company's written premiums in the coming years will be negatively and fundamentally affected, which will impact the Company's business results.

2.1.26 Risks Related to Translation of Insurance Policies

Some of the Company's insurance policies are in Arabic and translated from English. However, the translation of some items in the insurance policies given by the Company is not accurate for some of the terms mentioned in the policy, leading to a different interpretation of meanings between the parties. Courts in the Kingdom of Saudi Arabia rely on the Arabic text in the event of any dispute between the Company and any of its clients, which may cause the Company to have disputes with customers, which would adversely affect its business and financial results.

2.1.27 Risks Related to Anti-money Laundering

The Company is currently complying with the Anti-Money Laundering and Combating Terrorism and Financing of Terrorism regulations issued by the Saudi Central Bank, the rules for combating money laundering and terrorist financing for insurance companies, the Anti-money Laundering Law and its Implementing Regulations, and the Combating Terrorism and Financing of Terrorism Law and its Implementing Regulations. These regulations clarify the procedures that must be taken upon accepting any client (whether an individual or a company), and clarify the due diligence procedures that must be followed as well as the procedures for reporting suspicious transactions and other procedures.

Failure by the Company to comply with the Anti-Money Laundering and Combating Terrorism and Financing of Terrorism regulations will result in imposing penalties by the regulatory authorities, and consequently, will have a negative material impact on the Company's business, financial condition, results of operations, and future prospects.

2.1.28 Risks Related to Miscalculation of Risks

The Company studies potential risks before issuing insurance policies to the applicants based on the reports of the actuary who studies risk development patterns and future projections based on historical performance. However, if the Company miscalculates potential risks upon issuance of insurance policies, it will suffer financial losses that will adversely and materially impact the Company's business, results of operations, financial position, and future prospects.

2.1.29 Risks Related to the Company's Development Strategy

The Company plans a specific strategy to develop its business through effective action plans to successfully manage its activities by achieving its various objectives towards the targeted sectors in order to be able to provide an integrated set of insurance products and services that fit with the needs and requirements of customers (For more details about the Company's strategy and the nature of its business, please see Section (3) "Background About the Company and the Nature of its Business"), and the failure of the strategy will negatively affect the Company's business and future prospects.

2.1.30 Risks Related to the Company's Development Strategy

The reputation of the Company is very important to attract and retain new clients and establish strong relationship with counterparties. The Company's reputation can be harmed in future as a result of several factors, including but not limited to, decline or change of its financial results, legal or regulatory actions against the Company, or behavior of any of its employees that may cause the Company to violate the applicable legal requirements. The damage to the Company's reputation will adversely affect its business, financial condition, results of operations, profitability of share and future prospects.

2.1.31 Risks Related to the Outbreak of the COVID-19 Pandemic

The Coronavirus (COVID-19) started spreading in December 2019G, and was classified as a global pandemic by the World Health Organization in March 2020G. The pandemic negatively impacted most business sectors across the world. As the virus spread, most world countries took preventive actions to limit its outbreak. The Government of Saudi Arabia was proactive in taking preventive measures to curb the spread of the virus. It took strict decisions in this regard, resulting in, but not limited to, imposing a partial or total curfew in some cities and governorates of the Kingdom during the year 2020G,

closing airports and malls and all activities within them, with the exception of grocery stores and pharmacies, and reducing the number of working hours for some sectors and forcing some of them to work remotely.

With the spread of (Covid-19) mutations and any other variants that may appear in the future, and in the event of an outbreak of any infectious disease - for example: Middle East Respiratory Syndrome (MERS), Severe Acute Respiratory Syndrome (SARS) – in the Middle East or any other region, which may call for re-imposing a complete or partial closure in some cities of the Kingdom and thus negatively affect the Kingdom's economy in general, it is difficult to predict the impact of the (Covid-19) pandemic on the Company's activity if the full or partial ban is re-imposed in the cities of the Kingdom which will adversely and significantly affect its business, financial condition, results of operations, and future prospects.

2.1.32 Risks Related to Dependence on Key Personnel and Attraction of Competencies

The Company depends on the experiences and capacities of leading personnel. Therefore, the Company's success may depend on its ability to ensure continuity of these competencies and find alternatives if they leave the Company. The Company's success relies on maintaining its relationships with brokers by ensuring long-term retention of staff and its ability to attract and retain new high-quality employees.

Despite providing encouraging remuneration, compensation and training to its staff, there can be no assurance that the Company will be able to retain their services or increase their skill levels. The Company may also need to increase salaries to ensure long-term retention of its personnel and attract new well-qualified staff. In addition, employment contracts lack some preventive terms and conditions (including but not limited to non-competition, etc.), all of which may make it difficult to retain some employees. The business of the Company may be adversely affected by the loss of the services of one or more members of key personnel, which could lead to a disruption of the Company's strategy and adversely impact the Company's business, financial condition, results of operations, and future prospects.

It should be noted that no official employment contract, as of the date of this Prospectus, has been signed with the Company's CEO; it was deemed sufficient to conclude an employment offer between the Company and the CEO in this regard. Despite the fact that this employment offer, from a regulatory point of view, proves that the functional and contractual relationship is reliable, the lack of sufficient provisions does not protect the Company's interests and rights as is customary in such contracts.

2.1.33 Risks Related to Employee Misconduct

Despite having internal work regulations approved by the Ministry of Human Resources and Social Service No. (584597) and dated 24/09/1441H (corresponding to 17/05/202G) in place with which all the Company's employees are familiar, the Company cannot guarantee that it can always deter or prevent events of employee misconduct or error such as fraud, intentional or unintentional errors, embezzlement, theft, forgery, abuse of property and acting on its behalf without obtaining the due administrative authorizations. As a result, employee misconduct or error could result in consequences and liabilities incurred by the Company, regulatory sanctions, or financial liability which could damage to the reputation of the Company. Hence, the Company cannot guarantee that employee misconduct or error will not materially and adversely affect its business, financial condition, results of operations and future prospects.

2.1.34 Risks Related to Saudization

The percentage of Saudi employees in the Company represents about (73.14%) of the total employees, and the percentage of non-Saudi employees in leadership positions is (5.88%). According to Nitaqat Program (a nationalisation scheme program), the Company entity is classified in the business services activity and is in the platinum domain. If the Company fails to comply with the requirements of the Nitaqat Program, and its classification becomes within the red band, it may be exposed to a number of penalties, including:

- Suspension of the Company's applications for new work visas
- Suspension of its requests to transfer sponsorship of a current or potential employee
- Prevention of non-Saudi employees working with the Company from changing their professions on work visas
- The possibility of a number of non-Saudi employees working for the Company to transfer their guarantees to other companies that fall within the green or (platinum) range without obtaining its approval
- Exclusion of the Company from participating in government auctions or denying it access to government loans

The Company may face challenges in maintaining its employees of Saudi nationals, and if the number of this category of employees decreases, this will lead to a decrease in its total Saudization percentage. The occurrence or realization of any of the above-mentioned events will have a materially negative impact on the Company's business, financial condition, results of operations and future prospects.

2.1.35 Risks Related to Reliance on Non-Saudi Employees

The government of Saudi Arabia has taken a number of other decisions that aim to implement comprehensive reforms in the labor market in the Kingdom, which included imposing additional fees on every non-Saudi employee working for Saudi institutions and companies as of 14/04/1439H (corresponding to 01/01/2017G) and requiring non-Saudi families to obtain and renew residency permits, which entered into effect on starting from 07/10/1438H (corresponding to 01/07/2017G), noting that fees increase gradually (for additional information please refer to Subsection 2.2.24 "Risks related to government fees applicable to non-Saudi employees" of Section (2) "Risk Factors".

If the Company relies on a higher percentage of non-Saudi employees, the government fees incurred by the Company for employing each non-Saudi, including work and residency permits, which would increase the Company's costs in general, and therefore negatively impact the Company's business, financial position, results of operations, and future prospects.

2.1.36 Risks Related to the Auditor's Uncertainty About the Continuity of the Company

The consolidated financial statements for the financial years ended December 31, 2021G and December 31, 2020G included the auditor's doubt regarding Company's ability to continue operating indefinitely i.e., to continue as a going concern, due to the incurred accumulated losses that reached one hundred and fifty-seven million two hundred and twenty-seven One thousand (157,227,000) Saudi riyals, representing (120.9%) of the Company's capital for the year 2021G, in exchange for an amount of one hundred and forty-seven million five hundred and three thousand (147,503,000) Saudi riyals, representing (61.5%) of the capital for the year 2020G, and the amount of eighty-five million six hundred and six Sixty thousand (85,666,000) Saudi riyals, representing (35.7%) of the Company's capital for the year 2019G. The Company's cash flow from operations are negative for the last three years, and in 2021G, the value of shareholders' equity turned into negative (with a value of approximately 26,100,000 Saudi riyals), compared to a positive value of about (92,200,000) Saudi riyals and (156,855,000) Saudi riyals for the years 2020G and 2019G, respectively.

These events and conditions indicate a material uncertainty about the Company's ability to continue as a going concern. In the event that the Company does not succeed in increasing its revenues and amortizing the accumulated losses, it would face risks related to its financial performance and continuity, which will negatively and fundamentally affect its ability to remain as a going concern in the future.

2.1.37 Risk Related to Operating Systems and Information Technology

IT systems in the Company support all its work and are necessary to provide the Company's services to its customers. The insurance sector depends significantly on electronic systems, which increases insurance companies - including the Company - exposure to risks of piracy and cyber-attacks as well as deliberate penetration to data, networks and software. In addition, increased use of cloud services for data storage may lead to increased vulnerability of the Company to the risk of IT failure. For example, a cyber-attack on the insurance network may lead to the Company's inability to provide services to its customers, which may damage its reputation and cause loss in revenues or expose it to financial penalties. Therefore, any failure to protect or use the data properly may cause loss of or unauthorized access to customer data.

The Company's IT systems are also subject to external and internal risks, such as malwares, code defects and attempts of penetrating the Company's networks and lack of required updates and modifications, data leaks and human errors. All that pose a direct risk to the Company's services and data. Other threats include equipment malfunction, physical attacks, stealing customer information, fire, explosion, floods, severe weather conditions, power outages and other problems that may occur during network upgrades or making other major changes as well as the failure of the suppliers in fulfilling their obligations.

If a partial or total collapse occurs in any of the IT or communications systems, the Company's business activities may stop or get severely affected, and any system failure, accident or penetration can cause an interruption of the Company's operations or affect its capacity to provide services to the customers, and thus will negatively affect its revenues and operations. These disturbances may also affect the Company's image and reputation and reduce its customer's confidence, which may result in loss of some of its customers. In addition, the Company may have to bear additional costs to repair any damage caused by these disturbances, and in all cases, this will have a negative and substantial impact on the Company's business, results of operations, financial position, and future prospects.

2.1.38 Risk Related to Natural Disasters

All insurance companies are exposed to losses resulting from unpredictable events that may affect many risks covered by the Company, in particular large-scale weather events with regard to vehicle insurance or epidemics in the case of health insurance. Other events that can affect the Company and insurance policies include natural and unnatural events, including, but not limited to, snow or sand and storms, floods, winds, fires, explosions, earthquakes, industrial accidents and terrorist actions.

The size of the Company's losses as a result of these disaster events depends on the frequency and severity of each event and reinsurance arrangements made by the Company. Despite the Company's efforts to reduce its exposure to these events, determine appropriate price for them, or establish appropriate conditions for risk insurance, these efforts may not succeed.

In addition, any disaster that may affect the Company's offices or any other sites will negatively affect the Company's business, financial position, and future prospectus.

2.1.39 Risk Related to Non-Compliance with the Quality Standards and Specifications Required by Customers

The Company seeks to maintain the satisfaction of its customers by continuing to provide the same level of quality of its products. However, the Company's inability to continue providing its products with the same level of quality will adversely affect its reputation, and thus make customers reluctant to deal with it. This will negatively affect the Company's sales and accordingly the results of operational and financial operations.

2.1.40 Risk Related to Risk Management Policies

The Company follows certain policies to manage, measure, and control risks in line with the Implementing Regulations of the Cooperative Insurance Companies Law and the Risk Management in Insurance Companies Regulations issued by the Saudi Central Bank, which are periodically assessed and updated. Failure to properly implement and update the policies, or the inability of the management to identify risks and evaluate them in a timely manner will expose the Company to various risks, including but not limited to, non-compliance with the Cooperative Insurance Companies Control Law and its regulations, which may expose the Company to various actions contained in the Law, including the withdrawal of the Company's license, which will adversely and substantially affect the Company's business, financial position, and future prospects.

2.1.41 Risk Related to Litigation

As of the date of this Prospectus, the Company is a party to a number of cases related to claims and suits brought by some policyholders with respect to its insurance operations, and legal disputes and claims related to the insurance coverage mainly in its capacity as a plaintiff or defendant. The total value of the existing lawsuits in which the Company is the plaintiff is one million three hundred and fifty-seven thousand nine hundred and nineteen riyals and ninety-six halalas (1,357,919.96) Saudi riyals, for an amount of three million two hundred and fifty-one thousand three hundred and eighty-three halalas (3,251,380.83) Saudi riyals for the existing cases in which the Company is defendant (For more details, please see Subsection (9.9) "Litigation" from Section No. (9) "Legal Information" of this Prospectus).

In the course of its business, the Company may be subject to suits and claims related to its general operations and insurance operations, and disputes and claims related to the insurance coverage. The Company cannot guarantee that no disputes will arise with other parties it deals with or its policyholders, which may lead to lawsuits before the competent judicial authorities brought by or against the Company. As a result, the Company may be exposed to legal claims made

by government bodies and departments and investigations within the framework of new controls on the insurance sector in the Kingdom. Of course, the Company cannot anticipate the results of such claims as they are made and does not guarantee that such claims would not have a material effect on its business, financial condition and results of operations. The Company cannot accurately anticipate the cost of legal claims or proceedings that may be brought by or against it or the final results of such claims or judgments passed in respect thereof, including damages and penalties. Therefore, any negative results of such lawsuits would negatively affect the Company.

2.1.42 Risk Related to the Protection of Trademarks

The Company's ability to market or advertise its insurance products and develop its business depends on the use of its name, logo and trademark. The inability of the company to prevent the violation of its rights in this regard will negatively affect its trademark and will make the practice of its work more expensive and thus affect the Company's operational results. Moreover, the Company's business will be more affected if it has to compete with similar trademarks within the main markets in which it operates and which do it doesn't own registered property rights. The Company has its own logo that it has registered as a trademark with the Ministry of Commerce (Trademarks Department), which will enable it to put its name and logo on the external facade of the building, offices or shops operated by the Company, as it has registered the trademark and granted it the necessary legal protection in accordance with the Trademark Law.

In the event that the Company does not maintain the protection of its trademark, this will expose its interests to which risks are closely related. This will have a negative and material impact on the Company's business, financial position and results of operations. It should be noted that to defend its trademark, the Company may have to enter into costly judicial procedures. This may in turn cause substantial damage to the trademark's reputation, which will have a negative impact on the Company's ability to attract new customers, leading to a decline in the Company's revenues, which will negatively and fundamentally affect the Company's business, financial position, results of operations and future prospects.

2.1.43 Risk Related to the Adequacy of Insurance Coverage

The Company has provided the necessary insurance coverage by concluding a number of insurance policies to ward off some risks and preserve its assets and property, (for more information on insurance coverage, please refer to subparagraph (9.11) "Insurance" of Section (9) "Legal Information" of this Prospectus).

The concluded insurance contracts include deductible amounts and factors excluded from the insurance coverage, in addition to other restrictions related to the insurance cover to be negotiated with insurance companies. The Company's ability to obtain the compensation due to it by the relevant insurance company depends on its financial solvency and ability to meet the value of this compensation. Hence, insurance may not cover all the losses incurred by the Company, and no guarantee is given that the Company will not incur losses that exceed the limits of the insurance policies or are outside the scope of coverage contained in these documents.

It is possible that cases may arise in which the value of the claim exceeds the value of the insurance held by the Company, or the compensation claim submitted by the Company to the relevant insurance company will be rejected, or the claim and compensation period may be prolonged, which will negatively affect the Company's business, future prospects, results of operations and financial position.

2.1.44 Risk Related to Contracts with Third Parties

The company has entered into contracts and agreements with other parties working in the field of insurance such as insurance brokerage contracts and reinsurance contracts, in addition to other service contracts such as IT contracts and consultancy contracts (for additional information, please refer to paragraph (9.5) "Summary of the Material Agreements" of Section (9) "Legal Information" of this Prospectus). The Company relies on the ability of these parties to fulfill their obligations under the terms and conditions of these contracts and agreements. However, there is no certainty that these parties will meet the Company's expectations in providing services. If the Company or contracted parties are unable to adhere to the provisions of such contracts, if future disputes or lawsuits arise and such disputes are lost, or the Saudi Central Bank's approval is not obtained in accordance with the Outsourcing Regulations for Insurance and Reinsurance Companies and Insurance Service Providers, this could have a negative and substantial impact on the Company's business, results of operations, financial position, and future prospects.

2.1.45 Risk Related to Lease Contracts

The Company has concluded (13) lease contracts in its capacity as a lessee, including two contracts with Sheikh Ali bin Abdul Rahman Al-Barghash Al-Tamimi that are not electronically registered through Ejar network, while there are two expired contracts and work is underway to renew them (for additional information, please refer to Sub-paragraph (9.5.2) "Lease Agreements" from Paragraph (9.5) "Summary of the Material Agreements" from Section (9) "Legal Information" of this Prospectus). The inability of the Company to maintain the continuity of the lease contracts related to these sites and renew them on the same current terms or preferential terms, or to use the leased premises for the designated purpose and

for any reason, will force it to vacate the leased premises and find other more suitable places to carry out its activity, with no guarantee of similar favorable lease terms. In the event of the occurrence of any of the aforementioned risks associated with lease contracts for the leased locations, it may affect the Company's expected business results, operational and financial statements.

The Council of Ministers' Resolution No. (292) was issued on 16/05/1438H (corresponding to 13/02/2017G) and stipulates that not registered leases through Ejar network are not considered valid and don't produce administrative and judicial effects. Ejar network has been launched in cooperation between the Ministries of Justice and Housing on 17/05/1439H, and a circular was issued by the Ministry of Justice approving its application on all contracts concluded after 04/05/1440H (corresponding to 10/01/2019G). As of the date of this Prospectus, the Company has two electronically unregistered leases on Ejar network; therefore, in the event that any dispute arises between the Company and any of the lessors regarding unregistered leases, it may not be considered by the Saudi courts. Thus, the Company, as a plaintiff, will not be able to protect its rights in the event that any of the lessors breach their contractual obligations, and this will negatively and materially affect the Company's business and future prospects.

2.1.46 Risk Related to Existing and Potential Legal Zakat Entitlements

The Company is compliant with the submission of its Zakat declaration for the period ended 31/12/2020G, and obtained the final Zakat certificate from the Zakat, Tax and Customs Authority with the number (1111017123) dated 14/03/1443H (corresponding to 20/10/2021G) and valid until 29/09/1443H (corresponding to 30/04/2022G). The Company may be exposed to obligations resulting from the differences in the method of calculating the amount of Zakat. The Zakat, Tax and Customs Authority issued a Zakat assessment for the years 2017G and 2018G, amounting to six million two hundred thousand (6,200,000) Saudi riyals, and the Company objected to it. Accordingly, the Company can't predict what will occur after the objection to the aforementioned assessment, or whether the Zakat, Tax and Customs Authority will accept its Zakat estimates or require it to pay any Zakat differences in the future.

If the Zakat, Tax and Customs Authority asks the Company to pay such differences, this will negatively and materially affect its profits, results of operations, financial position and future expectations (for additional information of Legal Zakat entitlements, please refer to paragraph No. (9.4.2) "Continuing Obligations According to the Requirements of the Zakat, Tax and Customs Authority" from Section (9) "Legal Information").

2.1.47 Risks of a Change in the Opinion of the Shariah Committee

The Company has a legal authority specialized in monitoring and legislating its insurance products. Therefore, in the event of a difference of opinion in jurisprudence or raising any issue regarding the compatibility of the currently existing products and previously approved by the Shariah Committee, the Company's reputation will be negatively affected, which in turn will impact its performance and business results.

2.1.48 Risks Related to Changes in Significant Accounting Standards and New Standards

The change in the applicable and well known (IFRS) into amended or new ones may lead to the inability to compare the Company's previous financial statements easily. In particular, the Company's financial statements for the financial years and periods beginning after December 31, 2020G, which may be prepared and presented under revised or new (IFRS), may not be easily comparable with those of the previous financial periods contained in this Prospectus that were prepared and submitted under currently recognized (IFRS). This will negatively and materially affect the Company's operations and financial condition.

2.1.49 Risks Related to Application of the Companies Law

The Company complied with the Companies Law issued by Royal Decree No. (M/3) dated (28/01/1437H) corresponding to 10/11/2015G (and published in the Official Saudi Gazette Umm Al-Qura) on 22/01/1437H (corresponding to 04/12/2015G), which came into effect on 27/01/1437H (corresponding to 04/05/2016G) and amended by Royal Decree No. (M/79) dated 25/07/1439 H (corresponding to 11/04/2018G). It also adheres to Article (224) of the Companies Law in terms of bylaws' amendments in accordance with the provisions of the Companies Law. The latest version of the bylaws has been released pursuant to EGA Resolution dated on 14/12/1441H (corresponding to 04/08/2020G). It was later approved by the Ministry of Commerce on 21/12/1441H (corresponding to 11/08/2020G).

The Companies Law imposes some statutory requirements that the Company must abide by. This will require it to take procedures and measures so as to comply with such requirements, which is time-consuming and may affect its business strategy. The current Companies Law also imposed more stringent penalties for violating its mandatory regulations. According to the Companies Law (Article 213), they may reach SR (500,000), as stipulated in Article (214). The Company will be subject to such penalties in the event of non-compliance with those regulations and provisions, which would adversely and materially affect the Company's business, financial position and results of its operations.

2.1.50 Risks Related to Non-compliance with Corporate Governance Regulations

The Company has a Corporate Governance that was prepared in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority (CMA), and the Corporate Governance Regulations for insurance companies issued by the Saudi Central Bank. The Company is committed to all the articles contained in the Corporate Governance Regulations issued by the Authority. However, the Company's to implement the Corporate Governance Regulations issued by the Authority may expose it to financial fines, which may have a negative and material impact on the Company's business, results of operations, financial position and future prospects.

The Company's BOD restructured the Investment Committee and added Mr. Suleiman Mahmoud Hilal on 10/08/1442H (corresponding to 23/03/2021G), as a no-objection letter was not obtained from the Central Bank for the appointment of the new member, which constitutes a violation of Article six (6) from the Cooperative Insurance Companies Control Law and the Implementing Regulations. Moreover, the Company has not yet updated a number of regulations and policies, thus it will face legal measures or penalties imposed by the Central Bank in accordance with the provisions of the Insurance Companies Control Law and its Implementing Regulations. In the event that the Central Bank imposes any penalties or measures against the Company for violating the provisions of the Insurance Companies Control Law and its Implementing Regulations, this will have a negative and material impact on the Company's reputation, financial position and future prospects.

The Company is committed to all the articles contained in the Corporate Governance Regulations issued by the Central Bank of Saudi Arabia. The Saudi Central Bank may impose fines on the Company if represented by its BOD and Executive Management, it does not implement the best governance practices.

In the event that the Company does not comply in the future with all the regulations and instructions issued by the Saudi Central Bank related to the insurance sector and the regulations, rules and requirements of the CMA and its Implementing Regulations, it will be subject to fines and penalties that will be imposed by the Saudi Central Bank and/or the CMA and/or any other executive body, which in turn may have a negative and material impact on the Company's business, results of operations, financial condition and future prospects.

2.2 Risks Related to the Market and Sector

2.2.1 Risks Related to Withdrawal of License to Undertake Insurance Activity

The Company obtained the license of the Central Bank of Saudi Arabia No. (TMN/30/20107) on 24/07/1431H (corresponding to 06/07/2010G) to practice general insurance activity in the branches of general insurance and health insurance. The license was renewed on 24/05/1443H (corresponding to 28/12/2021G) for a period of three years starting on 23/07/1443H (corresponding to 24/02/2022G) and ending on 22/07/1446H (corresponding to 22/01/ 2025G).

Article seventy-six (76) of the Implementing Regulations of the Insurance Companies Control Law states that the Saudi Central Bank has the right to withdraw the license of the Company if:

1. The Company does not practice its licensed activities for a period of six months from the issuance date of the license.
2. The Company does not fulfill the requirements of the Cooperative Insurance Companies Control Law or its Implementing Regulations.
3. It is established that the Company has deliberately provided the Saudi Central Bank with false information in its licensing application.
4. It is established that the rights of the insured, beneficiaries, or shareholders could be lost as a result of the way the Company conducts its activity.
5. The Company becomes bankrupt.
6. The Company conducts business in a fraudulent manner deliberately.
7. The paid-up capital of the Company falls below the prescribed minimum limit or the Company does not fulfill the solvency requirements mentioned in the Implementing Regulations of the Cooperative Insurance Companies Control Law.
8. The insurance activity in the insurance branches falls to a limit that the Saudi Central Bank deems unviable for the Company to operate under.
9. The Company refuses or delays payments of dues without just causes.
10. The Company refuses to have its records examined by the inspection team appointed by the Saudi Central Bank.
11. The Company fails to pay a final judgment against it in connection with any insurance dispute.

In the event that any of the above-mentioned cases applies, the Company will be liable to withdrawal of its license and thus will not be able to legally continue carrying out its activities in the Kingdom of Saudi Arabia. This will have a negative impact on its business and will thus adversely affect its business, results of operations, financial condition, future prospects, and its share price in the market. Accordingly, the shareholders may lose part or all of their investment in the Company.

2.2.2 Risks Related to Approvals for New Products or Renewal of Existing Ones

Based on the Cooperative Insurance Companies Control Law and Implementing Regulations for offering new insurance products, the Company is required to obtain the Saudi Central Bank's approval (final or temporary) before marketing or offering any new product, bearing in mind that the approval process for the Company's insurance products takes place in three stages: (1) Submit a product approval request (2) Review the form (3) Grant or reject the final or temporary approval of the product.

The Company obtained a license from the Central Bank to engage in insurance activity in the two branches of (1) general insurance (2) health insurance. The Company provides various types of insurance coverage to its clients, and it may currently offer 28 insurance products, and it has obtained final approvals, except for a temporary approval for marketing and selling the motor/vehicle insurance policy (comprehensive vehicle insurance and third-party liability insurance for vehicles).

Any delay in obtaining approvals for new products or renewal of approvals for current products will have a negative and substantial impact on the Company's business, financial position, and future prospects.

2.2.3 Risks Related to Non-Compliance with Existing Laws and Regulations and/or Issuance of New Laws and Regulations

The Company is subject to the applicable laws and regulations on the insurance sector in the Kingdom, including the Companies Law and the Cooperative Insurance Companies Control Law and its Implementing Regulations. It is also subject to the supervision of the Saudi Central Bank, which is responsible for regulating the insurance sector in the Kingdom, including policies, rules, licensing, competition, investment allocations, service standards, technical standards, and settlement arrangements.

Because the Saudi insurance market is a constantly evolving market, this may limit the Company's ability to respond to market opportunities, and may force it to bear significant annual expenses to comply with the regulatory laws and regulations. There can be no guarantee that the applicable laws or regulatory framework will not change further or be interpreted in a manner that may materially or negatively impact the Company's business, financial condition, or results of operations. Also, if the Company fails to comply with the applicable laws, regulations and instructions, it will be subject to regulatory penalties including fines, suspension of work, and withdrawal of its license to practice insurance, which would negatively impact the Company's business, financial position, and future prospects.

As a listed company, the Company is subject to the laws, rules, and requirements of the CMA and the Saudi Exchange (Tadawul). The CMA requires listed companies to comply with the Rules on the Offer of Securities and Continuing Obligations and special instructions issued by the CMA and the Listing Rules issued by Tadawul. In particular, listed companies are required to periodically disclose significant and financial developments and the Board of Directors report. Insurance companies shall also be committed to announcing their financial results in accordance with templates approved by the CMA, which shall include clear data on the surplus (deficit) of insurance operations minus the returns of policyholder's investments,

the total written insurance premiums, net insurance premiums, net claims incurred, the net profits (losses) of policyholder's investments, and net profits (losses) of shareholders investments, and compare this data with the corresponding quarterly or annual period. In accordance with the Continuing Obligations of Listed Companies Manual, the annual financial results published on Tadawul website must be derived from the audited financial statements approved by the Company's external auditor designated by the Assembly and approved by the Board. Announcements must be made using the announcement templates given in the Instructions of Companies' Announcement of their Financial Results. Furthermore, the Company must also submit a statement of all the reasons and factors related to the change in the financial results of the current fiscal year along with the comparison period, and the reasons must include all items of the financial results announcement.

It should be noted that a number of fines were imposed on the Company during the past two years:

- a fine of SAR 10,000 imposed by the Saudi Central Bank in 2020G due for violating its supervisory instructions.
- a fine of SAR 310,000 imposed by the Saudi Central Bank in 2020G for violating its instructions regarding due diligence in combating money laundering and terrorist financing (number of decisions: 2)
- a fine of SAR 370,000 imposed by the Saudi Central Bank in 2021G for violating its supervisory instructions (number of decisions: 5)

With respect to the solvency of public joint-stock companies, on 23/01/1438H (corresponding to 24/10/2016G), the CMA issued its Resolution no. (1-130-2016) amending the Procedures and Instructions Related to Listed Companies with Accumulated Losses amounting to 50% or more of its Share Capital in light of the new Companies Law, and its name was changed to "Procedures and Instructions Related to Listed Companies with Accumulated Losses amounting to 20% or more of its Share Capital" and was amended pursuant to CMA's Resolution no. (1-77-2018) on 05/11/1439H (corresponding to 18/07/2018G). Furthermore, CMA required listed companies to follow the "Instructions for the Listed Companies Announcements" issued pursuant to CMA Board's Resolution no. (1-199-2006) on 18/07/1427H (corresponding to 12/08/2006G) and amended pursuant to resolution no. (1-104-2019) on 01/02/1441H (corresponding to 30/09/2019G).

The Company's failure to comply with these laws, rules and requirements will expose it to penalties, including fines, suspension of stock trading, and delisting shares on the Saudi Exchange (Tadawul), which would negatively and substantially impact the Company's business, financial condition, results of operations, and future prospects.

The Company is also subject to the supervision of a number of government agencies in the Kingdom, including, but not limited to, the Saudi Central Bank, the Council of Cooperative Health Insurance, the Capital Market Authority, the Ministry of Commerce, the Ministry of Investment and others. Therefore, the company is subject to the risks of changes in the laws, regulations, circulars and policies in the Kingdom. The legislative and regulatory environment in the Kingdom is witnessing the issuance of many laws and regulations, which are continuously developed and improved.

In addition to the fact that the costs of complying with these regulations are considered high, however, in the event of changes to the current laws or regulations or the issuance of new laws or regulations, this will lead to the company incurring additional unexpected financial expenses for the purposes of complying with those regulations and meeting the requirements of these laws, or may it be subject to penalties and fines imposed by the competent supervisory authorities in the event of non-compliance with these regulations and regulations on an ongoing basis, which will negatively affect its business, results of operations, financial position and future prospects.

2.2.4 Risks Related to Non-Compliance with the Regulations of the Council of Cooperative Health Insurance

After the approval of the Saudi Central Bank, the health insurance products offered by the Company are subject to control by the Council of Cooperative Health Insurance. The requirements of the cooperative health insurance are obligated to abide by the requirements for the provision of health products, including the provision of a specialized medical team to give approvals within a period not exceeding (60) minutes. These requirements also oblige insurance companies to pay amounts due to health service providers such as hospitals, clinics and other medical service providers within a period not exceeding (45) days. If the Company does not comply with the requirements of the cooperative health insurance, it will be subject to statutory penalties, including withdrawing the license to provide health services products, which will negatively affect the Company's operations, financial position and future prospects.

2.2.5 Risks Related to the Regulatory Environment

The Company's work is subject to applicable Laws in the Kingdom. The regulatory environment in which the Company operates is subject to change. Regulatory changes resulting from political, economic, technical and environmental factors may have a significant impact on the Company's operations by restricting the development of the Company and the increase of its customers, reducing the Company operations and sales of its services or creating additional competition. The Company may deem it necessary or appropriate to modify its operations in accordance with these Laws and may bear additional costs in this regard, which would have a substantial negative impact on the Company's operations, financial position, and future prospects. In addition, non-compliance with these Laws and regulations will lead to administrative or criminal sanctions or suspension or termination of the Company's operations.

2.2.6 Risks Related to the Economic Performance and Insurance Sector

The financial performance of insurance companies depends largely on the local economic conditions within the Kingdom as well as the global economic conditions that affect its economy. The unstable global economic conditions and the significant drop in oil prices may be a factor affecting the Kingdom's economy. Since the Company's economic performance is linked to some extent with the economic situation in the Kingdom and in the world, then its financial results will be affected by the changes that may occur that result in a decrease in the demand for its products and services. In addition, the trends of premiums and claims in the insurance markets are volatile in nature, and unexpected events such as natural disasters, high inflation rates and competition may affect the size of future claims, which will negatively affect the profits and returns of insurance companies.

The drop in oil prices will significantly affect the local income, economic activity and the income of individuals, and consequently the ability of individuals and companies to obtain insurance products such as those offered by the Company. Hence, there will be a decrease in the Company's sales which will negatively impact the Company's financial position.

In addition, the rise in leases, which are hugely affected by economic changes in the Kingdom, will lead to higher costs incurred by the Company, which may change the location of its branches, and the transition period to other branches will lead to a slowdown in its business until the completion of the transfer process, thus negatively affecting its sales and business results.

2.2.7 Risks Related to the Economic Performance of the Kingdom

The expected future performance of the company depends on a number of factors related to the economic conditions in the Kingdom in general, including, but not limited to, inflation factors, GDP growth, average per capita income, and so on. The Kingdom's macro and micro economy depends mainly on oil and oil industries, which still control a large share of the GDP. Accordingly, any unfavorable fluctuations that occur in oil prices will have a direct and substantial impact on the plans and growth of the Kingdom's economy in general and on the government's spending rates, which in turn would adversely affect the Company's financial performance as it operates within the Kingdom's economic system and is affected by government spending rates. The continued growth of the Kingdom's economy also depends on several other factors, including the continued growth of the population and investments of the public and private sectors in the infrastructure. Therefore, any negative change in any of these factors will have a significant impact on the economy and thus will adversely and substantially affect the Company's business, financial results and future prospects.

2.2.8 Risks Related to Political and Economic Instability in the Middle East

Some countries in the Middle East suffer from economic, political or security instability at the present time, which may negatively affect the Kingdom's economy and consequently the ability of the Company's customers to renew their relationship with it and its inability to obtain new customers and thus negatively affect its revenues, profits and results of operations. There is no guarantee that the negative developments in relations with certain countries, or the economic and political conditions in those countries, or in other countries will not negatively affect the Kingdom's economy, foreign direct investment in them, or the financial markets in the Kingdom in general.

Any unexpected major changes in the political, economic, or legal environment in the Kingdom and/or any other country in the Middle East, including, but not limited to, normal market fluctuations, economic stagnation, insolvency, high unemployment rates, technological transformations, and other developments, may negatively and substantially affect the Company's business, results of operations, financial condition, and future prospects.

2.2.9 Risks Related to Restrictions on Insurance Companies Ownership

Ownership of shares in insurance companies is subject to certain restrictions imposed by the Cooperative Insurance Companies Control Law and its Implementing Regulations. Pursuant to Article (9) of the Cooperative Insurance Companies Control Law and Article (39) of its Implementing Regulations, insurance and reinsurance companies may not merge with, own or control other insurance and reinsurance companies, or purchase shares in them without obtaining the prior written approval of the Central Bank. In compliance with Article (38) of the Implementing Regulations, the Company must inform the Central Bank of the ownership percentage of any person who owns (5%) or more of the Company's shares, through a quarterly report prepared by the Company in this regard. The same person must inform the Central Bank in writing of his ownership percentage or any change therein within five days from the date of such change.

These restrictions will reduce the Company's chances of attracting financial or strategic investors in the event of the Central Bank's refusal or delay in issuing the required approval or imposing conditions that the Company is not able to fulfill, which will result in a fundamental negative impact on the Company's operations and future prospects.

2.2.10 Risks Related to Competition

The insurance sector's environment is an increasingly competitive one as the number of licensed insurance companies, as of the date of this Prospectus, has reached (28) companies and they are in intense competition to increase their market share. Amana's share represents (0.65%) of the insurance market for the year 2021G. The competitive position of the Company will be based on many factors, including financial strength, the geographical scope of its business, business relations with customers, the premiums charged, the terms and conditions of policies issued, the services and products offered, the Company's ability to design insurance programs according to the requirements of the market, quick payment of claims, the Company's reputation, experience and efficiency of the staff and their presence in the local market.

There can be no assurance that the Company will be able to achieve or maintain any particular level of premiums in this competitive environment. The increased competitive pressures may materially and adversely affect the Company's business, future prospects, and financial condition by:

- Reducing margins and profitability.
- Hindering the growth of the Company's customer base.

- Reducing market share.
- Increasing turnover of management and sales personnel.
- Elevating operating expenses, such as sales and marketing expenses
- Increasing policy acquisition costs.

There would be no guarantee that the Company will consistently be able to compete with other companies, and that could lead to reducing the Company's share in the market and thus adversely affect the Company's profits and financial results.

2.2.11 Risks Related to Insurance Market Growth

The growth rate of the Saudi Arabian insurance market may not be as high and sustainable as currently anticipated by the Company. Also, the impact on the insurance industry in the Kingdom as a result of the increase in the number of the insured, along with the economic growth and increase of population in the Kingdom of Saudi Arabia, as well as the continued development in the field of social welfare, demographic changes, opening of the insurance market in the Kingdom to foreign companies, and the continued mergers and acquisitions between existing insurance companies to form larger blocs with a wider presence is generally a matter whose future is unclear. Therefore, growth and development in the Kingdom's insurance market is subject to a number of uncertainties that are beyond the control of the Company, which could have a material adverse effect on the Company's business.

2.2.12 Risks Related to the Insurance Sector and Its Instability

Although the Saudi market is not new to the concept of insurance, it was not regulated until recently. Therefore, it has not yet been collected or provided information and data to the community that this sector does not play a pivotal role or operates within the scope of services that do not comply with the principles of solidarity and Islamic law. Society may lose confidence in the insurance sector, which may negatively and fundamentally affect the Company's business, results of its operations, financial position and future prospects.

2.2.13 Risks Related to the Lack of Cultural Awareness of Insurance and Its Importance

The society's view of the insurance sector is a key factor for the success of this sector. However, there are risks of society's perception of the insurance sector in general; it sees the sector as either not playing a key role or operating under the scope of services not compliant with the principles of solidarity and Shariah. Society may lose confidence in the sector, which may adversely affect the Company's business, financial position, and future prospects.

2.2.14 Risks Related to Reporting Requirements

The Insurance Companies Control Law and its Implementing Regulations require that the Company submit to the Saudi Central Bank financial statements and annual reports prepared on certain statutory accounting principles, and other information including information about the Company's general business operations, capital structure, ownership and financial position, with annual statement of total contingent commissions paid. The Company could be subject to regulatory actions, sanctions and fines if the Saudi Central Bank believes that the Company has failed to comply with any applicable laws, regulations and instructions. Any such failure to comply with these laws, regulations and instructions could result in imposing significant restrictions on the Company's ability to conduct its business or significant penalties that could adversely affect the Company's results of operations and financial condition.

The Company could also be subject to penalties and fines if it fails to meet the requirements of the Capital Market Authority, the Rules on the Offer of Securities and Continuing Obligations and the disclosures required by the Saudi Exchange. This may adversely and substantially affect the Company's business, financial position and future prospects.

2.2.15 Risks Related to Approvals for New products or Renewal of Existing Ones

Based on the Cooperative Insurance Companies Control Law and Implementing Regulations for offering new insurance products, the Company is required to obtain the Saudi Central Bank's approval before marketing or offering any new product. As of the date of this Prospectus, the Company has obtained approvals from the Saudi Central Bank for selling (27) products.

Any delay in obtaining approvals for new products or renewal of approvals for current products will have a negative and substantial impact on the Company's business, financial position, and future prospects.

2.2.16 Risks Related to the Decline of Client Confidence

Client confidence in the insurance sector around the world is of great importance in enhancing the strength of this sector. On the other hand, any decline in that of the client confident in the insurance industry in general, or in the Company in particular, may lead to an increase in the number of insurance policy cancellations and refunds, which will adversely affect the Company's sales, and thus its financial conditions.

2.2.17 Risks Related to Lack of Control Over Prices

The Company is committed to follow the recommendations of the actuarial advisor reports and the instructions of the Saudi Central Bank with regard to pricing insurance policies. It annually (based on the pricing adequacy report issued by the actuarial consultant) submits quotations to the Central Bank of Saudi Arabia.

Actuarial consultants issue pricing adequacy reports by studying the insurance portfolio owned by the company, and based on actuarial data that takes into account the performance of these insurance policies (in view of the performance of the insurance portfolio in general). The recommendations of the actuarial consultant at that time may require changing the prices of the insurance policies for the company's portfolio, due to the possibility of changing the performance of the insurance portfolio at that time. The increase in the prices of one of the Company's products would lead to the Company not being able to attract new clients, and may lose its current clients, and consequently direct them to other companies. Any fundamental change in future prices will affect the Company's share in the market and thus affect its sales and results of operations.

2.2.18 Risks Related to Limited Historical Market Data

The Saudi market can't be considered new in terms of the concept of insurance, but the insurance sector has not been properly regulated until recently. Therefore, the information and data required to build insurance schedules were not accurately collected and provided. Because of this, insurance companies depend in estimating losses and evaluating premiums on estimates that may not rise to the required level of accuracy; therefore, the risk ratio for insurance portfolios may increase, which will lead to losses incurred by the Company and negatively affect its business.

2.2.19 Risks Related to the Insurance Business Cycle

The global insurance industry has undergone periodic changes with significant fluctuations in operating results due to competition, catastrophic events, economic and social conditions and other factors beyond the control of companies working in the insurance industry. That may result in periods of price competition due to the excess of supply, and other periods during which companies will receive better premiums. In addition, the increase in the recurrence and magnitude of losses that affect the insured can have a significant impact on the mentioned business cycle. It is expected that the Company's insurance business cycles will be adversely affected as a result of these factors, which would adversely impact the Company.

2.2.20 Risks Related to Adjustments to Accounting for Zakat and Income Tax by the Saudi Central Bank's

The financial statements for the financial years ended December 31, 2019G, 2020G and 2021G, and the notes attached thereto included in this Prospectus, have been prepared in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Auditors and Accountants (SOCPA) based on the instructions issued by the Central Bank on 20/11/1440H (corresponding to 23/07/2019G) which provide for updating the treatment accounting policies for accounting for Zakat and income tax in the income statement, instead of calculating them on a quarterly basis through shareholders' equity in previously retained earnings. The Company has retrospectively adjusted the effect in line with International Financial Reporting Standards (IFRS) (for additional information please refer to Section No. (5) "Financial Information and Management Discussion and Analysis").

The Company is obligated in this case to apply the amendments or changes to these standards from time to time. Consequently, any changes in these standards or the mandatory application of some new standards may adversely affect the financial statements and thus the Company's financial results and financial position.

2.2.21 Risks Related to Value-Added Tax (VAT)

On 02/05/1438H (corresponding to 30/01/2017G), the Council of Ministers decided to approve the Unified Agreement for Value Added Tax for the GCC, which came into force as of January 1, 2018G. This system imposes an added value of (5%) on a number of products and services as a new tax added to the rest of the taxes and other fees on specific sectors in the Kingdom, including the insurance sector in which the Company operates. On 25/09/1441H (corresponding to 18/05/2020G), an increase in the value-added tax rate was approved from (5%) to (15%), and it began to be implemented from 10/11/1441H (corresponding to 01/07/2020G).

Accordingly, the Company has to adapt to the changes resulting from the application of VAT, which includes its collection and delivery. Any violation or wrong application of the tax system by the Company's management will expose it to fines or penalties or lead to damage its reputation. This will also increase costs and operating expenses, which could compromise the Company's competitive position and the level of demand for its products, which will have a negative and material impact on the Company's results of operations and future prospects.

2.2.22 Risks Related to Imposing New Fees or Taxes

Although the Company is not currently subject to any kind of taxes other than the Legal Zakat and VAT (15%) of the fees for provided services, it is possible that other fees or corporate taxes will be imposed by the government in the future. Accordingly, if new corporate taxes or fees are imposed other than those currently applied, this will negatively affect the Company's net profits.

2.2.23 Risks Related to Compliance with Saudization and GOSI Requirements

The Ministry of Labor and Social Development has introduced the "Nitaqat" program, which is designed to encourage companies to employ Saudi citizens and increase the percentage of Saudi employees in the workforce. Under this program, a company's compliance with Saudization requirements is measured against the percentage of Saudi nationals in the workforce, compared with the average rate of Saudization among companies in the same industry.

The Company has achieved a Saudization percentage of (73.14%) as on 10/03/2022G, it is currently placed under the "platinum" category of the Nitaqat program. However, there can be no guarantee, that the Company will succeed in keeping Saudization within the prescribed regulatory levels. The Company may be exposed to penalties in the event of non-compliance with resolutions issued in this regard, including stoppage of new work visas for foreign employees needed by the Company, stoppage of transfers of sponsorships for non-Saudi employees, and/or excluding the Company from participating in government tenders, which would adversely affect the Company's business and results of operations.

2.2.24 Risks Related to Government Fees Applicable to Non-Saudi Employees

During 2016G, the government approved a number of resolutions aimed at implementing comprehensive reforms of the labor market in the KSA, including the approval of imposing additional charges for every non-Saudi employee working for Saudi institutions as of 01/01/2018G at the rate of four hundred (400) Saudi riyals. per month for each non-Saudi employee in 2018G, increasing to six hundred (600) Saudi riyals per month in 2019G, and then to eight hundred (800) Saudi riyals per month in 2020G. This will lead to an increase in the government fees that the Company will pay for its non-Saudi employees, and thus an increase in the Company's costs in general, which will adversely and substantially affect its business, financial performance, and results of operations. The total fees for non-Saudi employees amounted to two hundred and ninety-eight thousand eight hundred and ninety-four (290,894) Saudi riyals, four hundred and twenty-seven thousand seven hundred and sixty-one (427,761) Saudi riyals and five hundred and fourteen thousand and ninety-six (514,096) Saudi riyals for the years 2019G, 2020G and 2021G, respectively.

It is worth noting that on 18/03/1442H (corresponding to 04/11/2020G), the Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia launched the initiative to improve the contractual relationship, which entered into force on 14/03/2021G, and aims to support the vision of the Ministry of Human Resources and Social Development in building an attractive labor market, empowering and developing human competencies as well as the work environment, and abolishing the sponsorship system. The initiative provides three main services: the job mobility service, the development of exit, return and final exit mechanisms, the initiative's services include all expatriate workers in private sector establishments within specific controls that take into account the rights of both parties to the contractual relationship and the terms of the contract between the employer and the expatriate worker. The job mobility service allows the expatriate worker to move to another job upon the expiry of his work contract without the need for the employer's approval. Accordingly, upon the entry into force of this initiative, the Company does not guarantee that it will maintain its cadres of non-Saudi workers and renew their contracts on conditions satisfactory to them, which will encourage them to move to another job according to the above-mentioned mechanisms. If the Company fails to maintain its cadres of non-Saudi workers or find replacements for them with the same skills and experience required, this will lead to an increase in its financial cost, which will negatively and permanently affect its business, financial results and future prospects.

2.2.25 Risks Related to the Lack of Qualified Local Cadres in the Insurance Sector

The cadres available in the local market may not meet the Company's needs of experienced employees. In the event that the Company fails to attract qualified cadres from the local market, it will have to recruit employees from outside the Kingdom. However, the Company can't guarantee to obtain the sufficient number of necessary work visas from the Ministry of Human Resources and Social Development, especially in light of the requirements of Saudization. This will create high competition among insurance companies to train and qualify their cadres, ensure their continued survival and attract talent from the local market, which may result in an increase in wages that may constitute an additional burden on the Company. Moreover, the Company's inability to attract and retain qualified employees will impede the implementation of its business strategy, which will negatively affect the results of its operations and financial position.

2.2.26 Risks Related to Currency Exchange Rates

Risks related to currency exchange rates are due to volatility in financial investments resulting from change in exchange rates. Companies exposed to the risk of currency exchange rates often have dealings with parties outside the Kingdom in the currency of those parties. Most of the Company's transactions are conducted in Saudi Riyals and all of its revenues are realized from clients in the local market and currency. If the Company receives any amounts from the sales of its products or conducts any transactions in a foreign currency, it may be exposed to risks related to currency exchange rates. If significant fluctuations in exchange rates occur, this would negatively impact the Company's financial performance.

2.3 Risks Related to Shares

2.3.1 Risks Related to Potential Fluctuation in the Price of Rights Issue

The Rights' market price may be subject to significant fluctuations due to the change of market trends with regard to the Company's Shares. These fluctuations may be significant due to the difference between the limits of price change allowed for trading in the Rights (share's indicative value), as compared to the authorized limits of price change (10%) upward or downward. In addition, the trading price of the Rights depends on the trading price of the Company's Shares and the market perception of the potential price of the Rights. These factors may affect the trading price of the Rights.

2.3.2 Risks Related to Potential Volatility in Share Price

The market price of the Company's Rights during the Offering period may not be indicative of the market price of the Company's Shares after the Offering. In addition, the Company's share price may not be stable and could be significantly affected by fluctuations resulting from a change of market trends in connection with the Rights or the Company's existing Shares. These fluctuations may also result from several factors including, among others, market conditions for equity, any regulatory changes in the sector or conditions and trends of the sector, deterioration in the Company's performance, inability to implement future plans, entry of new competitors, announcements by the Company or its competitors concerning mergers, acquisitions, strategic alliances, joint ventures, changes made by experts and securities analysts concerning the financial performance estimates.

There is no guarantee that the market price of the Company's Shares will not be lower than the Offer Price. If this happens once the investors have exercised their Rights, such subscription may not be canceled nor amended; therefore, the investors may immediately suffer from unrealized losses. Moreover, there is no guarantee that the Shareholder will be able to sell their Shares at a price equal or higher than the Offer Price after exercising their Rights. Selling substantial quantities of Shares by the shareholders or the perception that such sale may take place, may adversely affect the share price in the market. In addition, investors may be unable to sell their Shares in the secondary market without adversely affecting the price.

2.3.3 Risks Related to Unprofitability or Sale of Rights

There is no guarantee of profitability of the share by trading it at a higher price. In addition, there is no guarantee that it will be sold at all, which indicates that there is no guarantee of sufficient demand in the market to exercise the Rights or receive compensation from the Company.

2.3.4 Risks Related to Future Data

The future results and performance data of the Company can't be actually predicted and may differ from those contained in this Prospectus. As the Company's achievements and ability to develop determine the actual results, which can't be expected or determined. The inaccuracy of the data and results is one of the risks that the shareholder must identify so as not to affect his investment decision. If future results and performance data are fundamentally different from the information included in this Prospectus, this will lead to the shareholders losing part or all of their investments in the Company's shares.

2.3.5 Risks Related to the Issuance of New Shares

The issuance of any new shares (other than the Rights Shares mentioned in this Prospectus) by the Company depends on the approval of the EGA of shareholders. In the event the Company decides to issue new shares as Rights Issue Shares to increase its capital, and the EGA of shareholders approves this decision, yet shareholders did not exercise their rights by subscribing to the new shares, the ownership of the shares will proportionately decrease, in addition to its attachments of the right to vote and receive profits, which will affect the market price of the share.

2.3.6 Risks Related to a Decrease in the Demand for Rights Issue and Company Shares

There is no guarantee that there will be sufficient demand for the Rights Issue during the Trading Period to enable the Rights Issue holder (whether it is a Registered Shareholder or a new investor) to sell Rights and make a profit, or to sell the Rights in general. Moreover, there is no guarantee that there will be sufficient demand for the Company's shares by institutional investors during the Rump Offering Period. If institutional investors do not submit high purchase offers for the rump shares, there may not be insufficient compensation to be distributed to Rights Issue holders who did not exercise their right to subscribe. Furthermore, there is no guarantee that there will be sufficient demand in the market for the shares obtained by a subscriber either through the exercise of the Rights Issue, the Rump Offering or the open market.

2.3.7 Risks Related to Ownership Percentage Decline

If the holders of the Rights do not fully exercise their Rights with respect to the acquisition of the New Shares in the Offering, their shareholding percentage and voting rights will be reduced. In case the registered holder of the Rights wishes to sell its Rights during the trading period, there can be no assurance that returns will be sufficient to fully compensate for the drop of its shareholding percentage in the Company as a result of its capital increase.

There is also no guarantee that there will be a compensation amount distributed to the eligible shareholders who did not exercise their right to subscribe or to the owners of fractional shares in the event that the investment institutions during the remaining offering period did not submit offers for the remaining shares at a high price, or if the amount of compensation (if any) is sufficient to compensate for a decrease in the percentage of ownership in the Company's capital.

2.3.8 Risks Related to not Exercising Subscription to Rights Issue in a Timely Manner

The subscription phase starts on Monday 07/11/1443H (corresponding to 06/06/2022G) and ends on Thursday 17/11/1443H (corresponding to 16/06/2022G). Eligible shareholders and their representative financial intermediaries shall act to ensure that all necessary instructions are fulfilled before the subscription period expires. If eligible shareholders are not able to properly exercise their subscription rights by the end of the subscription period according to the Rights they hold, there can be no assurance that a compensation amount will be distributed to neither those who subscribed or exercised subscription properly nor to the owners of fractional shares.

2.3.9 Risks Related to Dividend Distribution to Shareholders

Dividend distribution depends on several factors, including future profits, financial position and cash flow, working capital requirements, capital expenditures, distributable reserves, available credit limits and investment requirements of the Company and the general economic situation, in addition to several other factors decided by the BOD. Moreover, the capital increase - if the Company is not able to achieve greater profits in the future – will lead to a Decrease in profitability of shares in the future; so, the profits of the Company will be distributed to a greater number of shares as a result of the increase in the Company's capital.

The Company does not guarantee the payment of any future profit to shareholders, nor does it provide any guarantee regarding the amount that will be paid in any year. Furthermore, dividend is subject to certain conditions and controls stipulated in the Company's By-laws.

2.3.10 Risks Related to Speculation in Rights Issue

Speculation in Rights Issue is subject to risks that could cause substantial losses. The range of permissible change in the Rights Issue tradable prices ("Right Indicative Value") exceeds the percentage that the share is subject to (which represents in 10% the rise and fall of the closing price of the previous day). There is a direct relationship between the Company's share price and the Right's indicative value. Accordingly, the daily price limits (i.e., the daily volatility range) for Rights trading will be affected by the daily price limits for shares trading. If the shareholder doesn't sell, he will have two options, either to exercise these Rights to subscribe to the new shares before the end of the subscription period, or to refrain from exercising these Rights. In the event of failure to exercise the Rights, the investor may be subject to a loss or decrease in the value of his investment portfolio, or profit if he sells shares during the Rump Offering Period at a price higher than the offering price. Therefore, investors must review the full details of the mechanism of listing and trading new Rights and Shares and their method of operation, and become familiar with all the factors affecting them, in order to ensure that any investment decision is based on full awareness, (for additional information, please refer to Section No. (12) "Information Related to Shares and Terms and Conditions of the Offering" of this Prospectus).

2.3.11 Risks Related to the Lack of Shareholders' Awareness of the Trading Mechanism and Exercise of Rights Issue

The trading of Rights Issue is a new market for some investors in Tadawul. Thus, many investors may not be familiar with the mechanism of trading and be discouraged to invest and trade in Rights Issue. In this case, their ownership percentage in the Company will be reduced, which will negatively impact those who did not exercise their rights to subscribe, especially if no compensation is distributed to them. This happens when investment institutions do not submit their offers at a high price during the Rump Offering Period.

2.3.12 Risks Related to Suspending Trading or Canceling the Company's Shares as a Result of Not Publishing its Financial Statements within the Statutory Period

In the event that the Company fails to publish its financial information within the statutory period (thirty days from the end of the financial period for the initial financial statements, and three months from the end of the financial period for the annual financial statements), the procedures for suspending the listed securities will be applied in accordance with the listing rules - approved by the CMA Board Resolution No. (2017-123-3) dated 09/04/1439H (corresponding to 27/12/2017G), and amended by Resolution No. (1-19-2022) dated 12/07/1443H (corresponding to 13/02/2022G) - which stipulates that the Market suspends trading of securities for a period of one trading session following the expiry of the statutory period. If the financial information is not published within twenty trading sessions following the first suspended trading session, the Saudi Tadawul Company will announce the re-suspension of the Company's securities until it announces its financial results. In case the suspension of trading the Company's shares continues for a period of six months, and the Company didn't take the appropriate measures to correct that suspension, the Authority may cancel the listing of the Company's securities. The Saudi Tadawul Company will lift the suspension after one trading session has passed following the announcement of the Company's financial results. However, if the Company is late in announcing its financial results, or if it fails to publish them within the abovementioned statutory period, the Company's shares will be suspended or the listing of its shares will be cancelled. This will negatively and fundamentally affect the interest of the Company's shareholders and reputation and the results of its operations.

In addition, the Authority may cancel the offering of the Company's initial Rights Shares if it deems that the offering may not be in the interest of the shareholders.

3. Company Overview and Nature of Business

3.1 Company Overview

- Amana Cooperative Insurance Company was established by a group of Saudi and non-Saudi investors, as a Saudi public shareholding company pursuant to Royal Decree No. (M/35) dated 06/10/1430H (corresponding to 06/03/2009G) and Ministerial Resolution No. (188) dated 06/08/1430H (corresponding to 01/06/2009G) and the General Investment Authority License No. (01-102030094185) dated 22/09/1430H (corresponding to 12/09/2009G) and the Ministerial Resolution announcing the incorporation of the Company No. (180/s) dated 03/06/1431H (corresponding to 17/05/2010G) and the Central Bank of Saudi Arabia's license No. (TMN/30/20107), dated 24/07/1431H (corresponding to 06/07/2010G).
- The Company has been licensed to engage in insurance activity in two branches: (1) General Insurance and (2) Health Insurance. The Company conducts its activities in accordance with the Insurance Companies Control Law, its Implementing Regulations, in addition to other regulations and instructions in force in the Kingdom, under the supervision of the Saudi Central Bank.
- Amana Cooperative Insurance Company was registered as a SJSC under Commercial Register Certificate No. (1010288711), and it was registered in the Registry of the Riyadh City on 10/06/1431H (corresponding to 24/05/2010G). The Company was established with a capital of three hundred twenty million (320,000,000) Saudi riyals divided into thirty two million (32,000,000) ordinary shares with a nominal value of ten (10) Saudi riyals per share. The founding partners have subscribed for public subscription to a total of (19,200,000) nineteen million and two hundred thousand shares, with a value of (192,000,000) one hundred and ninety-two million Saudi riyals, and (12,800,000) Twelve million and eight hundred thousand shares, with a value of (128,000,000) one hundred and twenty-eight million Saudi riyals, representing in total (40%) of the Company's capital. The Company's shares were listed and traded on the Saudi Stock Exchange ("Tadawul") as of June 13, 2010G.
- The Company obtained the license of the Central Bank of Saudi Arabia No. (TMN/30/20107) on 24/07/1431H (corresponding to 06/07/2010G) to engage in insurance activity in the General and Health Insurance branches. The Company renewed this license on 24/05/1443H (corresponding to 28/12/2021G) for a period of three years starting on 23/07/1443H (corresponding to 24/02/2022G) and ending on 22/07/1446H (corresponding to 22/01/2025G).
- The Company conducts its activities in accordance with the Cooperative Insurance Companies Control Law, its Implementing Regulations and is in compliance with the legislative and regulatory authority requirements in the Kingdom of Saudi Arabia under the supervision of the Central Bank. It carries out General and Health Insurance activities.

Amana has launched a wide range of insurance products to meet the needs and aspirations of its individual and corporate clients, including: (1) auto insurance (compulsory and comprehensive insurance) - (2) general insurance (engineering, marine, property and miscellaneous accident insurance) - and (3) health insurance (health insurance for groups and individuals). The Company's current capital is one hundred and thirty million (130,000,000) Saudi riyals divided into thirteen million (13,000,000) ordinary shares with a nominal value of ten (10) Saudi riyals per share, fully paid in value. The Company has one major shareholder who owns (5%) or more of its shares, which is Amana Gulf Insurance Company BSC (a Bahraini closed Shareholding Company), which owns (11.077%) of the Company's shares.

3.2 Historical Background about the Company and Major Capital Structure Developments

- Amana Cooperative Insurance Company was established by Royal Decree No. (M/35) issued on 10/06/1430H (corresponding to 03/06/2009G), Ministerial Resolution No. (188) on 08/06/1430H (corresponding to 01/06/2009G), and the Saudi Arabia General Investment Authority (SAGIA) license No. (01-102030094185) dated 22/09/1430H (corresponding to 12/09/2009G). It is registered under Commercial Registration No. (1010288711) dated 10/06/1431H (corresponding to 24/05/2010G) issued by the Office of the Commercial Registry in Riyadh city. The Company also obtained a license from the Saudi Central Bank No. (TMN/30/20107), dated 24/07/1431H (corresponding to 06/07/2010G) to practice insurance activity.

- On 01/07/1431H (corresponding to 13/06/2010G), the Company listed thirty-two million (32,000,000) ordinary shares in the Saudi Stock Exchange Market (Tadawul) by offering them for subscription. Founding shareholders subscribed to a number of nineteen million two hundred thousand (19,200,000) shares, i.e. (60%) of the shares, and twelve million eight hundred thousand (12,800,000) shares, i.e. (40%) of the shares were offered for initial public subscription.
- On 26/01/1438H (corresponding to 27/10/2016G), the Company obtained the approval of the Central Bank, pursuant to letter No. (381000010857) to reduce the Company's capital by one hundred and eighty million (180,000,000) Saudi riyals. After the capital decrease, it reached one hundred and forty million (140,000,000) Saudi riyals. On 22/05/1438H (corresponding to 19/02/2017G), the (Extraordinary) General Assembly of the shareholders agreed to reduce the Company's capital from three hundred twenty million (320,000,000) Saudi riyals to one hundred and forty million (140,000,000) Saudi riyals. Hence, the number of shares decreased from thirty-two million (32,000,000) shares to fourteen million (14,000,000) shares. On 11/03/1439H (corresponding to 29/11/2017G), all legal procedures were completed, knowing that the Company obtained the approval of the Authority on 26/03/1438H (corresponding to 25/12/2016G).
- On 18/03/1439H (corresponding to 06/12/2017G), the Company obtained initial approval from the Central Bank pursuant to letter No. (391000031610) to increase its capital by one hundred million (100,000,000) Saudi riyals, to become two hundred and forty million (240,000,000) Saudi riyals. This capital increase was conditional on submitting an unconditional and irrevocable underwriting by a licensed underwriter to fully cover the subscription to the Rights of the capital increase, in return for obtaining the capital increase approval from the Central Bank. On 22/05/1440H (corresponding to 28/01/2019G), the (Extraordinary) General Assembly of shareholders voted to increase the Company's capital from one hundred and forty million (140,000,000) Saudi riyals to two hundred and forty million (240,000,000) Saudi riyals, by offering Rights Shares of ten million (10,000,000) shares, so that the number of shares after the increase would reach twenty-four million (24,000,000) shares.
- On 22/04/1442H (corresponding to 07/12/2020G), the BOD recommended to the EGA of Shareholders to reduce the Company's capital from two hundred and forty million (240,000,000) Saudi riyals to one hundred and thirty million (130,000,000) Saudi riyals, with a reduction rate amounting to (45.833%), by canceling eleven million (11,000,000) shares of the Company's shares. The reason for the capital reduction is to extinguish the Company's accumulated losses, subject to the approval of the competent regulatory authorities and the EGA of shareholders. On 12/06/1442H (corresponding to 25/01/2021G), the Company obtained the approval of the Saudi Central Bank pursuant to letter No. (42039348) to reduce the Company's capital by one hundred and ten million (110,000,000) Saudi riyals, which became after the reduction one hundred and thirty million (130,000,000) Saudi riyals. On 15/06/1442H (corresponding to 28/01/2021G), the Company submitted the capital reduction file to the CMA, which issued its approval on 18/03/2021G.
- On 17/09/1442H (corresponding to 29/04/2021G), Amana Cooperative Insurance Company signed a binding merger agreement with Saudi Enaya Cooperative Insurance Company, which revolves around merging Enaya Company into Amana Company and transferring all the assets and obligations of Enaya Company to Amana Company on 04/12/1442H (corresponding to 14/07/2021G). The Company obtained the approval of the General Authority for Competition to complete the agreement. On 18/04/1443H (corresponding to 23/11/2021G), the company obtained the approval of the Central Bank for the proposed merger.
- On 10/11/1442H (corresponding to 23/05/2021G), the EGA of shareholders voted to reduce the Company's capital from two hundred and forty million (240,000,000) Saudi riyals to one hundred and thirty million (130,000,000) Saudi riyals, bringing the number of shares after the reduction to thirteen million (13,000,000) shares by canceling eleven million (11,000,000) shares of the Company's shares, as (1) share was reduced for each (2.1818) shares in order to restructure the Company's capital in order to extinguish the accumulated losses by an amount of one hundred and ten million (110,000,000) Saudi riyals, after obtaining the official approvals of the competent supervisory authorities.
- On 06/06/1443H (corresponding to 09/01/2022G), the EGA of Shareholders voted to merge Enaya Cooperative Insurance Company into Amana Company in accordance with the binding merger agreement concluded between Amana and Enaya on 17/09/1442H (corresponding to 29/04/2021G). The provisions of the merger agreement were also voted on and approved to increase the capital of Amana from one hundred and thirty million (130,000,000) Saudi riyals to two hundred and eighty-eight million five hundred and eighty thousand two hundred and forty (288,580,240) Saudi riyals, in accordance with the terms and conditions of the merger agreement, provided that this increase takes effect when the merger becomes effective in accordance with the provisions of the Companies Law and the merger agreement. However, the Assembly's Decision to merge became invalid due to the lack of approval by the General Assembly of Shareholders of Enaya Insurance Company for the merger.
- On 14/06/1443H (corresponding to 17/01/2022G), the BOD recommended to the General Assembly to increase the Company's capital from one hundred and thirty million (130,000,000) Saudi riyals to four hundred and thirty million (430,000,000) Saudi riyals through Rights Issue Shares with a value of (300,000,000)

Saudi riyals depending on the Company obtaining all necessary approvals from competent authorities and shareholders in the EGA. It should be noted that the EGA's approval must be obtained within (6) six months from the date of the approval of the Authority. Its capital and the general assembly of shareholders.

- On 27/07/1443H (corresponding to 28/02/2022G), the EGA of shareholders voted to approve directing the Company to proceed with the capital increase procedures and obtain the approval of the official competent authorities. However, it didn't approve directing the Company to proceed with the procedures for dissolving the Company and obtaining the approval of the competent authorities.
- The Company's accumulated losses at the end of 2021G reached one hundred and fifty-seven million two hundred and twenty-seven thousand (157,227,000) Saudi riyals, which represents (120.9%) of the Company's capital. While at the end of 2020G, it reached one hundred and forty-seven million five hundred and three thousand (147,503,000) Saudi riyals, at a rate of (61.5%).

3.3 The Company's Main Activities and Products

- The Company conducts its commercial activity under Commercial Registration No. (1010288711) issued by the Commercial Registry Office in Riyadh City and dated 10/06/1431H (corresponding to 24/05/2010G), and pursuant to the Central Bank of Saudi Arabia's license No. (TMN/30/20107) dated 24/07/1431H (corresponding to 06/07/2010G), to practice insurance activity in the two branches of Health and General Insurance, in accordance with the provisions of the Cooperative Insurance Companies Control Law and its Implementing Regulations.
- The Company's activities are represented in the practice of cooperative insurance business and everything related to this business such as reinsurance, agencies, representation, correspondence or mediation, to achieve its purposes, whether in the field of insurance or investing its funds. Moreover, it owns and moves fixed and cash funds, sells, exchanges or leases them directly, or through control system for cooperative insurance companies, by companies it establishes or buys individually or jointly with other parties. The Company conducts its activities in accordance with the Provisions of the Cooperative Insurance Companies Control Law, its Implementing Regulations, the Laws and Regulations in force in the Kingdom of Saudi Arabia, and after obtaining the necessary licenses from the competent authorities, if any (for additional information about the licenses, certificates and approvals obtained by the Company, please refer to Subsection (9.2) "**Certificate and Permits Obtained by the Company**" from Section No. (9) "**Legal Information**" of this Prospectus).
- The Company serves its customers through its main center in Riyadh City, its branches and points of sale, in addition to the Customer Service Center, Claims Centers, Auto Compensation Centers, and a specialized department in Health Insurance (for additional information about the Company's branches and points of sale, please refer to Subsection No. (9.2.2) "**Branches of the Company and Points of Sale**" from Section No. (9) "**Legal Information**" of this Prospectus).
- The Company's activity is also to provide integrated products in the field of insurance of various types. It offers such products as: Health Insurance programs include the healthcare services rendered in all hospitals and health centers; Motor Insurance covers expenses incurred from traffic accidents, fire and theft, as well as medical expenses incurred from accidents; Property Insurance covers properties including buildings, contents, installations and related items against from danger and loss as a result from theft, business interruption, and civil disobedience, among others; Engineering Insurance covers financial damage to facilities and equipment used during construction; Marine Cargo Insurance provides insurance programs for transportation and shipping of goods including damage, and Miscellaneous Accidents Insurance offers solutions to cover accidents through insurance programs.

The company has obtained approvals (final and temporary) for the products shown in the table below:

Table No. (4): Products Approvals

Number	Purpose	License Number	Release Date	Type of Approval	Notes
1.	Temporary approval for marketing and selling a vehicle insurance policy (comprehensive vehicle insurance and third-party vehicle civil liability insurance)	361000145043	02/19/1437H (corresponding to 12/11/2015G)	Temporary	
2.	Final approval for marketing and selling a product liability insurance policy	381000009170	23/01/1438H (corresponding to 24/10/2016G)	Final	
3.	Final approval for the marketing and sale of a one-trip marine freight insurance policy	381000009172	23/01/1438H (corresponding to 24/10/2016G)	Final	
4.	Final approval for marketing and selling travel insurance policy	38100003723	09/01/1438H (corresponding to 10/10/2016G)	Final	
5.	Final approval for marketing and selling theft insurance policy	38100003703	09/01/1438H (corresponding to 10/10/2016G)	Final	Theft Insurance Policy Included: covered property, exclusions, general conditions and policy cancellation
6.	Final approval to market and sell all property risks insurance policy - material losses	38100003717	09/01/1438H (corresponding to 10/10/2016G)	Final	
7.	Final approval for marketing and selling a fiduciary guarantee insurance policy	38100003736	09/01/1438H (corresponding to 10/10/2016G)	Final	
8.	Final approval to market and sell an insurance policy against all risks of business interruption and risks of consequential losses	38100003727	09/01/1438H (corresponding to 10/10/2016G)	Final	Consequential Loss/ Business Interruption insurance Policy Covered: terms and general exclusions, broadly for short periods.
9.	Final approval for marketing and selling the fire and loss of profits insurance policy	38100003722	09/01/1438H (corresponding to 10/10/2016G)	Final	
10.	Final approval for the marketing and sale of a civil liability insurance policy	38100003715	09/01/1438H (corresponding to 10/10/2016G)	Final	
11.	Final approval to market and sell all property risks insurance policy - consequential losses	38100003712	09/01/1438H (corresponding to 10/10/2016G)	Final	
12.	Final approval for marketing and selling money insurance policy	38100003708	09/01/1438H (corresponding to 10/10/2016G)	Final	
13.	Final approval to market and sell all contractors' all risks insurance policy	381000003707	09/01/1438H (corresponding to 10/10/2016G)	Final	Contractors' All risks Insurance Policy: Included: insurance coverage, geographical limits, general exclusions from coverage and short-term rates.
14.	Final approval to market and sell Consequential Loss/Business Interruption insurance Policy	38100003702	09/01/1438H (corresponding to 10/10/2016G)	Final	Consequential Loss/ Business Interruption Insurance Policy Included: coverage terms, general exclusions and short-term rates.

Number	Purpose	License Number	Release Date	Type of Approval	Notes
15.	Final approval for marketing and selling the insurance policy for losses in profits resulting from the explosion of boilers and steam mechanisms	38100003699	09/01/1438H (corresponding to 10/10/2016G)	Final	Insurance Policy Included: geographical borders, terms of coverage, and exclusions
16.	Final approval for marketing and selling the plant and equipment insurance policy	38100003698	09/01/1438H (corresponding to 10/10/2016G)	Final	
17.	Final approval for the marketing and selling of an insurance policy for damage to stored goods	38100003696	09/01/1438H (corresponding to 10/10/2016G)	Final	
18.	Final approval for marketing and selling electronic equipment insurance policy	38100003694	09/01/1438H (corresponding to 10/10/2016G)	Final	
19.	Final approval for marketing and selling fire insurance policy	38100003675	09/01/1438H (corresponding to 10/10/2016G)	Final	
20.	Final approval for the marketing and selling of a comprehensive vehicle insurance plan policy	38100003674	09/01/1438H (corresponding to 10/10/2016G)	Final	
21.	Final approval for marketing and selling an insurance policy against losses in profits resulting from the explosion of boilers and steam mechanisms	38100003673	09/01/1438H (corresponding to 10/10/2016G)	Final	
22.	Final approval for marketing and selling an insurance policy against losses in profits resulting from equipment malfunctions	38100003670	09/01/1438H (corresponding to 10/10/2016G)	Final	
23.	Final approval for the marketing and selling of an insurance policy against machinery failures	38100003665	09/01/1438H (corresponding to 10/10/2016G)	Final	
24.	Final approval for the marketing and selling of an open marine insurance policy	38100003663	09/01/1438H (corresponding to 10/10/2016G)	Final	
25.	Final approval to market and sell all construction risks insurance policy	38100003660	09/01/1438H (corresponding to 10/10/2016G)	Final	
26.	Final approval for the marketing and selling of a labor insurance policy in accordance with the Sharia Law	38100003649	09/01/1438H (corresponding to 10/10/2016G)	Final	
27.	Final approval for the marketing and selling of a personal accident insurance policy	38100003713	09/01/1438H (corresponding to 10/10/2016G)	Final	

Source: The Company

- Each policy related to the abovementioned insurance products states that the Company must distribute at least (10%) of the net annual surplus resulting from the insurance business, if any, to policyholders after deducting the Company's administrative expenses, obligations and reserves. This distribution shall be made either directly or by deducting it from the value of contributions arising from insurance policies for the next year. The amount, timing and mechanism of this distribution shall be determined in accordance with the provisions of Article (70) of the Implementing Regulations issued by the Central Bank. Exclusions, conditions, subscription amounts, and cancellations under each policy vary depending on the product being covered.
- The table below shows a distribution of the most important insurance products according to their share of the total insurance premiums:

Table No. (5): Products and their share of the total insurance premiums as of December 31, 2021G

Type of Insurance	Product	Percentage of total insurance premiums As of December 31, 2021G
Health Insurance	Health insurance for groups and individuals	54.74%
Vehicle/Motor/Auto Insurance	Compulsory and comprehensive insurance	43.45%
Property Insurance and Others	Engineering, marine, property and miscellaneous accident insurance	1.85%

Source: The Company

3.4 The Company's Branches

Article Five (5) of the Articles of Association stipulates that the company may establish branches, offices or agencies for it inside or outside the Kingdom after the approval of the Saudi Central Bank.

According to Article Nine (9) of the Cooperative Insurance Law and Article thirty-nine (39) of the Executive Regulations, which stipulates the necessity of obtaining the Central Bank's written approval before opening branches of insurance companies, and the Central Bank requires insurance companies that wish to open branches to adhere to the statutory procedures Related to the opening of branches for joint stock companies issued by the Ministry of Commerce. Accordingly, the company must be committed to completing the licenses, records, and regulatory certificates necessary to open branches or points of sale for it, such as municipal licenses (permit to open a shop, office or claims center), civil defense, the Ministry of Commerce and a membership certificate in chambers of commerce and industry.

As on the date of this prospectus, and in addition to the main branch, the Company has seven (7) registered branches inside the Kingdom of Saudi Arabia as indicated in the following table:

Table No. (6): Company's Commercial Records

#	Branch Name	Entity Type	Site	Commercial Register Nb.	Activity	Issue Date	Expiry date	Issuer
1	Amana Cooperative Insurance Company	Joint Stock Company	Riyadh City	1010288711	Health Insurance - General Insurance	10/06/1431H (corresponding to 04/02/2020G)	10/06/1444H (corresponding to 03/01/2023G)	Ministry of Commerce - Commercial Register Office in the City of Riyadh
2	Amana Cooperative Insurance Company	Joint Stock Company Branch	Al Khobar - Al Mousa Complex - King Faisal Road	2051059146	Protection insurance - Protection & Saving Insurance - Health Insurance - General Insurance - Reinsurance	05/01/1436H (corresponding to 29/10/2014G)	04/01/1444H (corresponding to 02/08/2022G)	Ministry of Commerce - Commercial Register Office in the City of Al Khobar
3	Amana Cooperative Insurance Company	Joint Stock Company Branch	Qurayyat - Main Street	2452145145	Health Insurance - General Insurance	21/06/1445H (corresponding to 03/01/2024G)	21/06/1440H (corresponding to 03/01/2024G)	Ministry of Commerce - Commercial Register Office in the City of Qurayyat

#	Branch Name	Entity Type	Site	Commercial Register Nb.	Activity	Issue Date	Expiry date	Issuer
4	Amana Cooperative Insurance Company	Joint Stock Company Branch	Medina (Al Madinah Al Munawwarah) - Main Street	4650207713	Health Insurance - General Insurance	21/06/1440H (corresponding to 26/02/2019G)	21/06/1445H (corresponding to 03/01/2024G)	Ministry of Commerce - Commercial Register Office Al Madinah Al Munawwarah
5	Amana Cooperative Insurance Company	Joint Stock Company Branch	Buraidah - Nazih District - Abdul Rahman Al-Hamad Al-Khudair Street	1131308321	Health Insurance - General Insurance	15/01/1442H (corresponding to 03/09/2020G)	15/01/1444H (corresponding to 13/08/2022G)	Ministry of Commerce - Commercial Register Office in the City of Buraidah
6	Amana Cooperative Insurance Company	Joint Stock Company Branch	Jazan - Main Street	5957100196	Health Insurance - General Insurance	21/06/1440H (corresponding to 26/02/2019G)	21/06/1445H (corresponding to 03/01/2024G)	Ministry of Commerce - Commercial Register Office in Jazan City for Basic and Downstream Industries
7	Amana Cooperative Insurance Company	Joint Stock Company Branch	Jeddah - Prince Sultan Street - Saba Commercial Center	4030302679	Health Insurance - General Insurance	08/16/1439H (corresponding to 02/05/2018G)	08/16/1447H (corresponding to 04/02/2026G)	Ministry of Commerce - Commercial Register Office in the City of Jeddah
8	Amana Cooperative Insurance Company	Joint Stock Company Branch	Najran - Fahd District	5950112165	Health Insurance - General Insurance	08/08/1439 H (corresponding to 24/04/2018G)	08/08/1444 H (corresponding to 28/02/2023G)	Ministry of Commerce - Commercial Register Office in Makkah Al-Mukarramah

Source: The Company

3.5 The Company's Vision

The Company aims to be one of the best leading companies in the Kingdom in offering cooperative insurance services by providing products compatible with customer requirements with the best services.

3.6 The Company's Major/Substantial Shareholders

As of the date of this Prospectus, Amana Cooperative Insurance Company has one major shareholder who owns (5%) or more of the Company's shares, which is Amana Gulf Insurance Company, which owns (11.077%) of the Company's shares.

Amana Gulf Insurance Company (BSC), which was established in 1992G in the Kingdom of Bahrain as a closed Bahraini joint stock company. Amana Gulf Insurance Company (BSC) is engaged in all insurance operations, guarantee and compensation operations, and investment of money and assets.

3.7 The Company's Mission

Providing insurance products and services of the highest quality to its customers in accordance with the latest approved international standards with confidence and added value, and establishing a close and long-term relationship with clients throughout the Kingdom.

3.8 The Company's Strategy

The Company's strategy depends on the growth of its business sector, such as health insurance, vehicle/auto insurance, property insurance, marine insurance, engineering insurance, and various accident insurance by setting action plans aimed at the growth of its targeted business sector, which is in line with the needs and requirements of the insurance market, customers and relevant regulatory parties, in addition to its endeavors to obtain a high credit rating to ensure the highest levels of its current and future financial solvency.

The Company also strives to develop an insurance portfolio parallel to the provisions of Islamic law in the fields of Health and General Insurance, serving the needs and requirements of its customers from various sectors and specializations, through its regional departments in the central, western and eastern regions of the KSA, in addition to strengthening its relations with insurance brokers and agents active in the insurance market.

The insurance protection and cooperative reinsurance strategies adopted by the Company are based on the following principles:

- Understand and meet the needs of customers, employees and underwriters, and always strive to reach levels that exceed their expectations.
- Continuous follow-up of the surrounding environment changes in order to identify the latest developments, trends, challenges and new opportunities in the Saudi insurance market.
- Ensure the availability of the necessary expertise in insurance and reinsurance operations. AMANA has a group of competencies and expertise specialized in the insurance business and continuously seeks to give employees the adequate opportunity to develop and master their expertise and skills by providing many different development and training programs.
- Ensure compliance of the Company's procedures and policies with best practices in the insurance industry
- Create a distinctive environment to attract expertise by providing competitive incentives among employees and enhancing their abilities and talents.
- Promote public awareness of the insurance industry in the Kingdom.
- Continuously develop products and services in line with the needs of current and future customers and establish good relations with insurance and reinsurance companies.

The Company has also identified a set of strategies for development and growth, which have been defined as catalysts for growth. They are set as follows:

1. Innovative Products: Provide added value by introducing new products.
2. Technical Expertise: Provide the best services at the best prices and dealing and cooperate only with the most experienced underwriters in accordance with the legislative regulations in the Kingdom.
3. Marketing Channels: Improve sales performance by reducing the administrative burden on distribution channels.
4. Quality of Service: Ensure the provision of good quality and distinguished services to clients.
5. Productivity: Constant quest to new and innovate ways to increase and enhance employees' productivity.

To achieve the highest levels of excellence in main operations, the Company has developed a set of policies and procedures to collect all comments and inquiries from clients, brokers and agents. AMANA intends to target all customer segments (individuals and companies). Furthermore, the Company's development plan continuously relies on a strong base of IT systems specialized in insurance management.

3.9 The Company's Values

The Company adopts a set of basic values that determine its obligations and duties towards its customers, employees and related parties and through which it achieves its objectives:

Credibility

Amana Cooperative Insurance Company is committed to providing its services and products in a transparent and ethical manner.

Innovation

Amana Cooperative Insurance Company is committed to nurturing a culture capable of developing innovative customer-centric solutions.

Trust in Employees

Amana Cooperative Insurance Company treats its employees as its long-term partners to establish trust and loyalty.

3.10 The Company's Strengths and Competitive Advantages

Amana Company enjoys many competitive advantages, which are expected to be utilized in strengthening the Company's position and showing it in a distinct manner in the Saudi insurance market, thus achieving its competitive goals. These advantages include:

Historic business base in the Saudi market

Amana Gulf Insurance Company (BSC), which owns (11.077%) of the Company's shares, is one of the main founders of the Company, which has a long history in the Saudi insurance market, through which it formed a large business base and geographical spread in the main cities of the Kingdom. It has branches in each of Riyadh, Jeddah and Al-Khobar, which will contribute to the promotion and development of the Company's business.

A team with the necessary experience and competence in the field of insurance

In addition to the qualified work team of Amana Gulf Insurance Company (BSC), from which the Company benefited a lot, Amana was able to attract an integrated team with the necessary experience and competence in the field of insurance in general and the needs and requirements of the Saudi insurance market in particular. Whereas, Amana's Human Resources Department works on implementing the necessary strategies to achieve the company's objectives, from selecting the appropriate competencies for each job, in addition to achieving high rates of employing highly qualified Saudis, and providing training programs to raise staff efficiency and job performance rates.

Effective and developed policies and procedures for company management

The company has a set of rules, regulations, and policies regulating the work of all departments that guarantee its control and follow-up of operational processes at all stages. Amana continuously seeks to support these systems and procedures with advanced programs and technologies to ensure the Company's workflow in a flexible and effective manner.

Reinsurance agreements with Class A rated reinsurers

Amana Cooperative Insurance Company continues to seek reinsurance agreements with international reinsurance companies that have full knowledge of the dynamics of the Saudi insurance market and have been awarded the highest ratings by international institutions such as Standard & Poor and A.M. Best, in order to first achieve the highest levels of protection for its clients, and second to manage and distribute insurance risks resulting from underwriting operations. These agreements enable the Company to conduct its business with high flexibility and higher accuracy in risk management.

Effective claims management

Amana relies on activating all procedures and systems in order to organize the work of the claims department, which is one of the most important operational departments in the Company, as it helps it ensure that all customers' entitlements and claims have been fulfilled in the appropriate manner and time. One of the fundamentals of the Company's principles towards its customers is to ensure the continuity of the customer's activity and not to cause financial damages, which may affect the growth of its daily business.

Outstanding customer service

Amana Company targets different segments of customers through points of sale spread throughout the Kingdom in order to reach the largest number of customers. Amana also continuously seeks to understand the needs of its customers and try to achieve them through continuous communication to be able to and stand on their changing requirements and then structure its products to meet their needs. Therefore, the Company's methodology depends on harnessing its energies and expertise in order to achieve customers' confidence to have joined the Company, as it follows up on all their inquiries and needs by striving and constantly paying attention in order to provide a distinguished service.

Adequate reserves to control anticipated risks

Amana always strives to make sure to adhere to the application of the regulations issued by the Central Bank of Saudi Arabia with respect to all types of technical reserves, with obtaining actuarial assurances of the correctness of the Company's commitment to those reserves.

Diversity of insurance services and products

Continuous pursuit of the permanent development of its products through cooperation and coordination between the marketing and sales departments and the various technical departments, taking into account the requirements of the Saudi insurance market, its variables, and the relevant regulatory laws, in order to meet the needs of customers, both individuals and institutions.

IT systems and technical support

Amana Company continuously aims to:

- Meet the main needs of the Company's operations, financial statements, legal and administrative affairs; and
- Organize the processes of future planning, monitor and measure performance and results; and
- Raise efficiency and effectiveness of branch and agency management to a high degree.

Accordingly, all of the Company's branches, departments and points of sale are linked to a unified network based on the highest levels of protection connected to a data center in the headquarters. Hence, all employees electronically perform operations and directly deal with daily work requirements using advanced technical systems that enable the processing of all data automatically; and preparing all reports required by management and users to achieve maximum levels of effectiveness and control, with high-level technical support that ensures confidentiality and integrity of information.

3.11 Business Interruption

There has been no interruption in the Company's business that could have affected or had a negative impact on the current position during the last twelve (12) months.

3.12 Employees and Saudization

According to the Nitaqat certificate issued by the Ministry of Labor and Social Development (Labor Office), the number of the Company's employees reached (175), including (128) Saudi workers and (47) non-Saudi workers, with a Saudization rate of (73.14%) as of 10/03/2022G. The Company is currently listed under the "Platinum" domain of the Nitaqat program for Saudization.

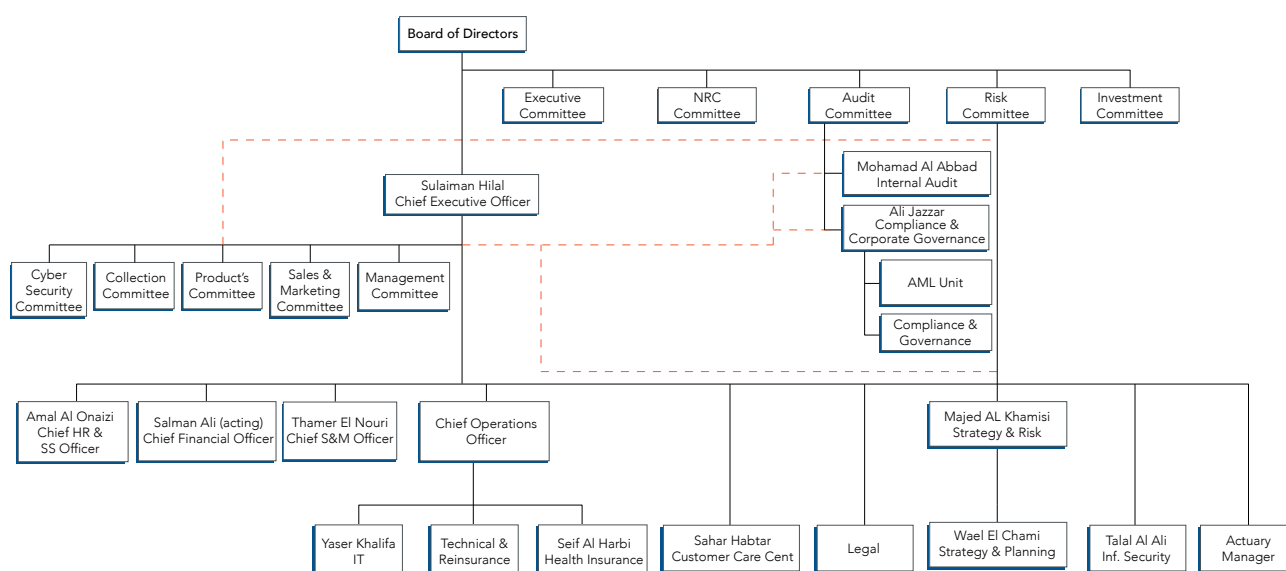
4. The Company's Organizational Structure

4.1 Organizational Structure

The Company has an organizational structure that lays down the different departments and delegation of powers and work among them. The Company's administrative structure consists of the Board of Directors and a team of senior executives (senior management). The organizational structure is headed by the Board of Directors and supported by the senior management, which is responsible for supervising the daily management of the Company. The Board is also responsible for setting comprehensive plans and strategies and their main objectives, as well as directing and controlling the performance of the Company's executive management, proposing appropriate decisions on issues and actions that are within the competence of the general assembly of shareholders, and the direction, general supervision and control of the company. The Board has delegated the responsibility for implementing the strategic plans and managing the Company's day-to-day business to the Executive/Senior Management, which is headed by the Managing Director, as well as directly supervising the development of the necessary policies and procedures to ensure the efficiency and effectiveness of the Company's management, the internal control system and the prevention of risks to the maximum extent possible. In addition to the Audit Committee, the Company has a Remuneration and Nomination Committee and an Executive Committee, whose task is to submit reports to the Board of Directors. The responsibility for managing the Company's day-to-day operations rests with the executive Management, who has been empowered by the Board of Directors with specific executive powers.

The following is an illustration showing the current organizational structure of the company according to the latest amendment approved by the Board of Directors on 10/08/1442H (corresponding to 23/03/2021G).

Figure No. (1): The Organizational Chart of the Company



Source: The Company

4.2 Board of Directors

The current BOD of the Company (for the fourth term) consists of seven members elected by the Company's general Assembly held on 09/09/1440H (corresponding to 14/05/2019G) for a period of three (3) years starting from 11/09/1440H (corresponding to 16/05/2019G) and ending on 14/10/1443H (corresponding to 15/05/2022G).

Table No. (7): Board Members

Board Members* Board of Directors Appointed on 09/09/1440H (corresponding to 14/05/2019G)										
Name	Position	Represented Side	On behalf of	Nationality	Age	Owned Shares				Membership Date
						Direct	Indirect**	Total	Percentage (%)	
Mahmoud M. AL-Toukhi	Chairman	Independent	--	Saudi	56	162,500	--	162,500	1.25%	11/09/1440H (corresponding to 16/05/2019G)
Dr. Abdullah A. Al-Mausa	Deputy Chairman of the Board	Independent	--	Saudi	62	405	--	405	0.00311%	11/09/1440H (corresponding to 16/05/2019G)
Abdulrahman A. Al-Sakran	Board Member	Non-Executive	Amana Gulf Insurance Company	Saudi	56	1,421	--	1,421	0.0109308%	11/09/1440H (corresponding to 16/05/2019G)
Naif F. Al-Sudairy	Board Member	Non-Executive	Amana Gulf Insurance Company	Saudi	45	--	--	--	--	11/09/1440H (corresponding to 16/05/2019G)
Haitham T. Al-Furaih	Board Member	Independent	--	Kuwaiti	47	--	--	--	--	11/09/1440H (corresponding to 16/05/2019G)
Bader I. Al-Sowailim	Board Member	Independent	--	Saudi	56	10	--	10	0.000076%	09/09/1440H (corresponding to 14/05/2019G)
Pierre M. Pharaon	Board Member	Non-Executive	Amana Gulf Insurance Company	Lebanese	33	--	--	--	--	09/09/1440H (corresponding to 14/05/2019G)

Source: The Company

* On 09/09/1440H (corresponding to 14/05/2019G), the Ordinary General Assembly elected the BOD members mentioned in the above table for a period of three years starting from (corresponding to 16/05/2019G) and ending on (corresponding to 15/05/2022G). On 26/01/1441H (corresponding to 25/09/2019G), the BOD decided to appoint Eng. Mahmoud M. Al Toukhi as Chairman of the Board and Dr. Abdullah A. Al-Mausa as Deputy Chairman, after the Company received the Central Bank of Saudi Arabia's no-objection letter No. (89-2234) on 26/01/1441H (corresponding to 25/09/2019G). On 11/10/1443H. (corresponding to 12/05/2022G), the Company notified the CMA about the term of the Board which will end on 15/10/1443H. (corresponding to 16/05/2022G) and requested that the Board and its committees extend its term from 15/10/1443H. (corresponding to 16/05/2022G) for a period of 3months or up to the date of next OGA that will elect the new Board.

** Means the shares indirectly owned by the BOD members in the Company through their ownership in companies owning shares in the Company. Documents showing whether any of the Board members have indirect ownership have not been seen.

4.3 Mandatory Positions on the Board of Directors

According to Article (20) of the Company's Bylaws, the Board of Directors shall appoint from among its members a chairman and a deputy/vice chairman, and it may appoint a managing director. It is not permissible to combine the position of the chairman of the Board of Directors with any executive position in the Company. The Chairman of the Board (or his representative in his absence or if he is temporarily prevented from carrying out his duties) has the power to invite the Board to meet and chair the meetings of the Board and the OGA and the EGA of shareholders, in addition to the powers stipulated in Article (20) of the Bylaws.

Accordingly, the appointment of a deputy/vice chairman has become a mandatory position. As for the managing director, and according to the context of the text, it is not mandatory. The BOD must appoint a Board Secretary.

The Company is in compliance with the Bylaws and the Corporate Governance Regulations with respect to the mandatory appointment in the compulsory positions as follows:

Table No. (8): Summary of Appointment Decisions to Mandatory Positions

Appointee	Date of Board Resolution	The Saudi Central Bank Approval	Position
Mr. Mahmoud M. AL. Toukhi	Board Meeting Minutes on 17/09/1440H (corresponding to 22/05/2019G)	Letter No. ((89/2234 Dated: 26/01/1441H (corresponding to 25/09/2019G)	Chairman of Board of Directors
Dr. Abdullah A. Al-Mausa	Board Meeting Minutes on 17/09/1440H (corresponding to 22/05/2019G)	Letter No. ((89/2234 Dated: 26/01/1441H (corresponding to 25/09/2019G)	Vice/Deputy Chairman of the Board
Mr. Sulaiman Hilal	Board Meeting Minutes on 01/11/1438H (corresponding to 24/07/2017G)	Letter No. (381000089027) Dated: 22/08/1438H (corresponding to 18/05/2017G)	Chief Executive Officer (CEO)
Ali Mustafa Jazzar	Board Meeting Minutes on 26/12/1441H (corresponding to 16/08/2020G)	No-Objection Letter Dated: 14/11/1441H (corresponding to 05/07/2020G)	Secretary of the Board*

Source: The Company

* On 12/02/1442H (corresponding to 29/09/2020G), the Board of Directors appointed Mr. Ali Mustafa Jazzar Secretary of the Board to replace Mr. Faisal Abdullah Al Kassem who resigned from the Company after obtaining the no-objection of the Saudi Central Bank.

4.4 Board Meetings

According to Article (21) of the Bylaws, the Board shall be convened upon a written invitation given by the Chairman. The Chairman shall call a meeting of the Board when requested to do so by two of the members. The invitation shall be documented in the manner deemed by the Board. The Board may convene outside the Company's headquarters. Board meetings are held periodically and whenever needed, provided that the number of annual Board meetings is not less than (4), so that there is at least one meeting every three months.

It is evident from the Board Minutes meetings for the years 2019G, 2020G, and 2021G that the Company is compliant with the provisions of the Bylaws.

The following table sets forth the Company's commitment to the Bylaws in terms of the number of meetings for the last three years and till the date of this Prospectus:

Table No. (9): The Number of Board Meetings during the Last Three Years until the Date of the Prospectus

Administrative Authority	2019G	2020G	2021G	2022G*
Board of Directors	4	4	4	2

Source: The Company

* As of the date of this Prospectus

4.5 Board Committees

The Board has five (5) committees which are: (1) Audit Committee, (2) Executive Committee, (3) Nomination and Remuneration Committee, (4) Investment Committee and (5) Risk Committee. These committees support the Board of Directors in following up the Company's activities and provide the Company's management with the necessary guidance and direction. These committees were formed as follows:

4.5.1 The Audit Committee

4.5.1.1 Formation of the Audit Committee

The Board of Directors formed the Audit Committee in accordance with the requirements of the Company's Bylaws, the Corporate Governance Regulations and the Implementing Regulations of the Cooperative Insurance Companies Control Law. It is composed of three (3) members who are not members of the Executive BOD, whether shareholders or others. The members of the Audit Committee were appointed by the OGA held on 24/02/1441H (corresponding to 23/10/2019G) pursuant to the BOD recommendation in its meeting held on 17/09/1440H (corresponding to 22/05/2019G), for a period of three years starting from the date of the approval of the OGA, and until the end of the current Board term on 14/11/1441H (corresponding to 05/07/2020G), and it consists of the following members:

Table No. (10): Members of the Audit Committee

Name	Position	Membership Status	Appointment Date
Badr bin Ibrahim Al-Suwailem	Committee Chairman	Independent Board Member	24/02/1441H (corresponding to 23/10/2019G)
Hussam Al-Din Bin Hashem Sadaqa	Committee Member	Non-Board Member	24/02/1441H (corresponding to 23/10/2019G)
Majed bin Ayed Al-Juaid	Committee Member	Non-Board Member	24/02/1441H (corresponding to 23/10/2019G)

Source: The Company

4.5.1.2 Duties, Terms of Reference and Powers of the Audit Committee

Article Nine (9) of the Company's Audit Committee's Regulation defines the duties and powers of this committee as follows:

1. In addition to the powers mentioned in the following paragraphs, the committee shall have powers that enable it to carry out the duties and responsibilities assigned to it in accordance with the interests of the Company.
2. Investigate any matter that falls within the scope of its responsibilities, and it has the right to directly communicate with the Board of Directors, senior management, employees, committees, legal advisors, internal and external auditors at the head office or branches of the Company, as well as other parties related to the Company. It has access to all records and private and confidential documents necessary for the performance of its business, and in using advisors to assist it in carrying out its responsibilities.
3. Request the BOD to call the Company's General Assembly for a meeting if the BOD obstructs its work or the Company suffers heavy losses.
4. The committee shall keep in mind that the procedures and policies it applies should be flexible and pragmatic.
5. The committee shall take the necessary measures to monitor the quality of the financial reports and study any unfamiliar important issues contained in the financial reports.
6. Thoroughly research any issues raised by the Company's financial manager, whomever assumes his duties, the Company's compliance officer, or the auditor.
7. Express a technical opinion - at the request of the Board of Directors - whether the Board's report and the Company's financial statements are fair, balanced and understandable and include information that allows shareholders and investors to assess the Company's financial position, performance, business model and strategy.
8. The Committee shall supervise:
 - Internal audit
 - Regular supervision
 - External audit
 - Review the rules, regulations and instructions issued by the supervisory authorities

- Review the effectiveness of the Company's systems in combating money laundering and terrorist financing, and all related internal regulations, in addition to the Company's commitment to education and all regulations issued in this regard
- Review the effectiveness of anti-fraud systems, the related internal regulations and the Company's commitment to the instructions issued in this regard
- Provide the Board with reports on the committee's performance, including appropriate recommendations
- Carry out any other tasks required by the laws, regulations, and instructions issued by the supervisory authorities, the Company's Bylaws, or the instructions issued by the Board
- Establishing procedures for receiving, preserving and handling complaints received by the company related to accounting matters, internal system and auditing, and the complaints received from other employees who did not disclose their names related to accounting and auditing issues are kept confidential.
- Verify the existence of a clear employment policy regarding the employment of current and former employees working with the chartered accountant/auditor in accordance with the regulations issued by the Saudi Organization for Auditors and Accountants and the Ministry of Commerce
- Discuss, examine and evaluate the committee's performance at least once a year to determine whether it is effectively performing its duties and agreeing to put in place the necessary procedures to improve its performance
- Recommend to the Board to appoint external auditors to review financial statements and other reviews and determine their fees
- Recommend to the Board to appoint an accounting firm that carries out internal audit work, and determine its fees
- Appoint and dismiss the Director of Internal Audit after obtaining the Central Bank of Saudi Arabia's written no-objection and determining his salary, bonuses and benefits
- Appoint and dismiss the compliance officer after obtaining the Central Bank of Saudi Arabia's written no-objection and determining his salary, bonuses and remuneration
- Approve the internal audit budget, including the staffing plan
- Seek the assistance of any consultant whose services are needed by the committee and determine his fees
- Prepare an annual report to be submitted to the Board to be included in the Board's report
- Study the reports of the actuary and make recommendations thereon to the Board of Directors.
- Ensure the Company's commitment to implementing the actuarial expert's suggestions and recommendations when they are mandatory, according to the regulations and instructions issued by the relevant official supervisory authorities
- Recommend to the Board to approve the correspondence and reports submitted to the Ministry of Commerce and the CMA related to the financial statements that fairly show the financial position of the Company and its results
- Coordinate between the Compliance Department and the Audit Department to avoid duplication in their work
- Study the control procedures' evaluation of internal and external auditors
- Ensure the availability of a written code of the professional rules of conduct after being approved by the Board of Directors to ensure that the Company's activities are carried out in a fair and ethical manner
- The duties and responsibilities of the Special Audit Committee also include the following functions:
 - Internal audit department
 - Regulatory control department
 - Chartered Accountant (External Auditor)
 - Financial statements and accounting policies

4.5.1.3 The Audit Committee Meetings

In accordance with paragraph (53) of the Audit Committee's Regulation in insurance and reinsurance companies, the minimum audit committee meetings shall be six (6) meetings during the year, and in accordance with Article (5) of the Company's Audit Committee work Regulation, the Audit Committee meets six (6) times annually during the Company's financial year, including the meeting with the Board of Directors.

The table below shows the number of the Audit Committee's meetings during the previous three years and up to the date of this Prospectus:

Table No. (11): Number of Audit Committee Meetings:

The Audit Committee Meetings	2019G	2020G	2021G	2022G*
	6	8	17	0

Source: The Company

* As of the date of this Prospectus

4.5.2 The Executive Committee

4.5.2.1 Formation of the Executive Committee

The Company has an Executive Committee consisting of four members that was formed according to the Minutes of the Board of Directors issued during its meeting held on 17/09/1440H (corresponding to 22/05/2019G).

Table No. (12): Formation of the Executive Committee

Name	Position	Membership Status	Appointment Date
Abdullah bin Othman Al Musa	Committee Chairman	Independent Board Member	17/09/1440H (corresponding to 22/05/2019G)
Abdul Rahman bin Abdullah Al-Sukran	Committee Member	Non-Executive Board Member	17/09/1440H (corresponding to 22/05/2019G)
Nayef bin Faisal Al Sudairi	Committee Member	Non-Executive Board Member	17/09/1440H (corresponding to 22/05/2019G)
Pierre Michel Pharaoh	Committee Member	Non-Executive Board Member	17/09/1440H (corresponding to 22/05/2019G)

Source: The Company

4.5.2.2 Duties, Responsibilities and Powers of the Executive Committee

The most prominent tasks, competencies and powers of the Executive Committee include the following:

- Follow up on the Company's long, medium and short-term strategic plans and objectives, update and review them from time to time and ensure the implementation of the Company's business plan
- Follow up the implementation of the Company's estimated budgets and make recommendations thereon
- Follow up the Company's performance level to achieve the set goals
- Provide the Executive Management with direction and guidance towards the best practices of Company Management
- Follow-up and review of all important issues related to lawsuits brought before the judiciary system, emergency cases and claims that must be included in the accounting statements
- Choose and assign consulting bodies as it deems appropriate for the interest of the work
- Any other responsibilities that the Board deems to be assigned to the Committee

4.5.2.3 Executive Committee Meetings

- In accordance with Paragraph (98) of the Corporate Governance of Insurance Companies and Paragraph (4) of Article (5) of the Company's Executive Committee Regulations, the Committee holds its meetings periodically, provided that it is not less than six (6) meetings per year.
- The table below shows the number of Executive Committee meetings during the previous three years and up to the date of this Prospectus:

Table No. (13): Number of the Executive Committee Meetings:

The Executive Committee Meetings	2019G	2020G	2021G	2022G*
	5	7	6	2

Source: The Company

* As of the date of this Prospectus

4.5.3 The Remuneration and Nomination Committee (R&NC)

According to Clause (100) of the Insurance Companies Governance Regulations, the Nominations and Remunerations Committee shall be formed by a decision of the Company's Board of Directors provided that It shall be composed of three (3) members as a minimum, who are not members of the executive board of directors, and that two of them shall be independent members.

This committee may be chaired by the Chairman of the Board of Directors.

The Company has a Nomination and Remuneration Committee consisting of three (3) members. The members of the Nomination and Remuneration Committee were appointed by the Board of Directors' Resolution on 17/09/1440H (corresponding to 22/05/2019G) and it consists of the following members:

Table No. (14): Formation of the Nominations and Remunerations Committee

Name	Position	Membership Status	Appointment Date
Abdullah bin Othman Al Musa	Committee Chairman	Independent Board Member	17/09/1440H (corresponding to 22/05/2019G)
Haitham bin Tawfiq Al-Fraih	Committee Member	Independent Board Member	17/09/1440H (corresponding to 22/05/2019G)
Mahmoud bin Mohammed Al-Toukhi	Committee Member	Independent Board Member	17/09/1440H (corresponding to 22/05/2019G)

4.5.3.1 Duties, Functions and Powers of the Nomination and Remuneration Committee

Follow up on the Company's long, medium and short-term strategic plans and objectives, update and review them from time to time and ensure the implementation of the company's business plan.

- Follow up the implementation of the Company's estimated budgets and make recommendations thereon
- Follow up the company's performance level to achieve the set goals
- Provide the Executive Management with direction and guidance towards the best practices of the Company's management
- Follow-up and review of all important issues related to cases brought before the judiciary system, emergency lawsuits and claims that must be included in the accounting statements
- Choose and assign consulting bodies as it deems appropriate for the interest of the work
- Any other responsibilities that the Board deems to be assigned to the Committee

4.5.3.2 The Nomination and Remuneration Committee Meetings

The table below shows the number of meetings of the Nomination and Remuneration Committee during the last three and up to the date of this Prospectus:

Table No. (15): Number of the Nomination and Remuneration Committee Meetings:

The Remuneration and Nomination Committee (R&NC Meetings)	2019G	2020G	2021G	2022G*
	5	5	4	2

Source: The Company

* As of the date of this Prospectus

4.5.4 The Investment Committee

4.5.4.1 Formation of the Investment Committee

- According to Clause (111) of the Insurance Companies Corporate Governance Regulations, the Investment Committee is formed by a Board Resolution in accordance with the instructions issued by the General Assembly.
- The Company has an Investment Committee consisting of four (4) members. These members were appointed pursuant to a Board Resolution during its meeting held on 10/08/1442H (corresponding to 23/03/2021G), and it consists of the following members:

Table No. (16): Formation of the Investment Committee

Name	Position	Membership Status	Appointment Date
Haitham Tawfiq Al-Fraih	Committee Chairman	Independent Board Member	10/08/1442H (corresponding to 23/03/2021G)
Mahmoud Mohamed Eltoukhi	Committee Member	Independent Board Member	10/08/1442H (corresponding to 23/03/2021G)
Pierre Michel Pharaon	Committee Member	Non-Executive Board Member	10/08/1442H (corresponding to 23/03/2021G)
Suleiman Mahmoud Hilal	Committee Member	Executive Non-Board Member	10/08/1442H (corresponding to 23/03/2021G)

Source: The Company

4.5.4.2 Duties, Terms of Reference and Powers of the Investment Committee

- Draw up the investment policy and supervise its implementation
- Approve investment activities and monitor the performance of investment portfolios
- Review and re-evaluate the Company's investment policy
- Adhere to the approved regulations and standards in the distribution of assets and the classification and management of investment portfolios

4.5.4.3 The Investment Committee Meetings

The table below shows the number of investment committee meetings during the previous three years and up to the date of this Prospectus:

Table No. (17): Number of the Investment Committee Meetings:

The Investment Committee Meetings	2019G	2020G	2021G	2022G*
	3	4	4	1

Source: The Company

* As of the date of this Prospectus

4.5.5 The Risk Management Committee

4.5.5.1 The Formation of the Risk Management Committee

- According to Clause (107) of the Insurance Companies Corporate Governance Regulations, the Risk Management Committee shall be formed by a Board Resolution in accordance with the instructions issued by the General Assembly.
- The Company has a Risk Management Committee consisting of three (3) members, who were appointed in accordance with Board Resolution during its meeting held on 17/09/1440H (corresponding to 22/05/2019G) and it consists of the following members:

Table No. (18): Formation of the Risk Management Committee

Name	Position	Membership Status	Appointment Date
Abdul Rahman bin Abdullah Al-Sukran	Committee Chairman	Non-Executive Board Member	17/09/1440H (corresponding to 22/05/2019G)
Nayef bin Faisal Al Sudairi	Committee Member	Non-Executive	17/09/1440H (corresponding to 22/05/2019G)
Salem bin Ghali Al-Rahili	Committee Member	Non-Board Member	17/09/1440H (corresponding to 22/05/2019G)

Source: The Company

4.5.5.2 Duties, Terms of Reference and Powers of the Risk Management Committee

- Determine risks that the Company may be exposed to while maintaining an acceptable level of risk
- Oversee the Company's risk management system and evaluate its effectiveness
- Develop a comprehensive risk management strategy and follow up on its implementation, review and update it based on the Company's internal and external variables
- Review risk management policies and approve the risk management manual
- Oversee the Company's risk management system and evaluate its effectiveness
- Re-evaluate the Company's ability to take risks and periodically present reports, notes, and recommendations to the Committee
- Submit periodic reports to the Board of Directors on exposure to risks and the proposed steps to manage these risks
- Provide recommendations to the Board on issues related to risk management
- Provide the Board with reports on the Committee's performance, including appropriate recommendations

4.5.5.3 The Risk Management Committee Meetings

The table below shows the number of Risk Committee meetings during the previous three years and up to the date of this Prospectus:

Table No. (19): Number of the Investment Committee Meetings:

The Risk Management Committee Meetings	2019G	2020G	2021G	2022G*
	3	2	4	1

Source: The Company

* As of the date of this Prospectus

4.5.6 The Product Committee

4.5.6.1 Formation of the Product Committee

- On 28/06/1442H (corresponding to 10/02/2021G), the Risk Management Committee decided to approve the Product Committee's Bylaws, provided that its reference to the Risk Management Committee is in accordance with the Central Bank of Saudi Arabia's circular No. (204/204/2012/ت.ع.م) dated 15/12/2020G, which includes controls and restrictions for approving insurance products.
- The Company's Product Committee consists of five (5) members who were appointed pursuant to a Board Resolution during its meeting held on 28/06/1442H (corresponding to 10/02/2021G). It is formed of the following members:

Table No. (20): Formation of the Product Committee

Name	Position	Membership Status	Appointment Date
Bader Hamdan Al-Shamry	Committee Chairman	Non-Board Member	28/06/1442H (corresponding to 10/02/2021G)
Ali Jazzar	Committee Member	Non-Board Member	28/06/1442H (corresponding to 10/02/2021G)
Adel Al Muwirqi	Committee Member	Non-Board Member	28/06/1442H (corresponding to 10/02/2021G)
Majed Al Khamisi	Committee Member	Non-Board Member	28/06/1442H (corresponding to 10/02/2021G)
Thamir AlNouri	Committee Member	Non-Board Member	28/06/1442H (corresponding to 10/02/2021G)

Source: The Company

4.5.6.2 Duties, Terms of Reference and Powers of the Product Committee

- Ensure that all administrative, technical, financial and organizational product development procedures have been taken and will be of added value to achieve the strategic objectives of the Company
- Ensure the quality of the insurance product and its development, and evaluate the performance and risks of the product. The Product Committee must also guarantee that the insurance product is in compliance with regulatory requirements
- Review the insurance product that requires the prior approval of the Central Bank of Saudi Arabia before submitting the application to ensure that it meets all regulatory and consumer protection requirements and that is technically sound
- Evaluate the performance of the insurance product annually, and the feasibility of selling and marketing the current insurance product and make recommendations on the continuity of selling a product, withdrawing it, or even modifying it
- Submit its annual report by the end of the year to the Risk Management Committee to assist the insurance company in effectively monitoring the risks of its insurance product
- Issue the Committee's approval certificate as requested by the Central Bank of Saudi Arabia
- Ensure that the insurance company has internal systems and controls to manage the risks associated with the insurance product

4.5.6.3 Product Committee Meetings

The table below shows the number of meetings of the Risk Management Committee during the year 2021G and up to the date of this Prospectus:

Table No. (21): Number of the Product Committee Meetings:

The Product Committee Meetings	2021G	2022G*
	3	0

Source: The Company

* As of the date of this Prospectus

4.6 Executive Management

- In accordance with the Company's policies and the relevant Resolutions of the Board of Directors, the Company's Executive Management is entrusted to the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).
- The position of CEO is currently occupied by Mr. Suleiman Mahmoud Hilal, as of 25/08/1438H (corresponding to 21/05/2017G), in accordance with the Board of Directors' Resolution dated 01/11/1438H (corresponding to 24/07/2017G).
- According to Article (5) of the requirements for appointment to leadership positions in financial institutions (including insurance companies), subject to the supervision of the Central Bank, priority in appointment to leadership positions is for Saudis, and the Company, in the event of a need to appoint a non-Saudi in a leadership position, must prove that a qualified Saudi to fill the position is not available. Specifying the period required for that replacement, is part of the request to obtain the Central Bank's written no-objection for the appointment.
- The table below shows the members of the Company's Executive Management

Table No. (22): Executive Management

Executive Management									
Name	Position*	Nationality	Age	Membership Date	Date of the Central Bank No-Objection Letter	Owned Shares			
						Direct		Indirect	
						%	No.	%	
Sulaiman Hilal	Managing Director	Saudi	52	21/05/2017G	18/05/2017G	-	-	-	-
Bader Hamdan Al Shamri	CEO (commissioned)	Saudi	53	02/12/2020G	22/11/2020G	-	-	-	-
Amal Al Onazi	Finance Manager (commissioned)	Saudi	48	16/11/2020G	18/10/2020G	-	-	-	-
Thamir AlNouri	Operations Manager	Saudi	50	06/05/2021G	04/05/2021G	-	-	-	-
Ali Mustafa Jazzar	Human Resources (HR) Manager	Saudi	43	12/07/2020G	05/07/2020G	-	-	-	-
Majed Al Khamisi	Purchasing Manager	Saudi	43	06/09/2020G	12/07/2020G	-	-	-	-
Mohammed Al Abbad	Internal Auditor	Saudi	39	20/07/2020G	03/04/2020G	-	-	-	-
Salman Ali Ikbal	Information Systems Analyst	Pakistani	42	05/03/2016G	17/11/2021G	-	-	-	-

Source: The Company

4.7 Compensation and Remuneration of Board Members and Senior Executives

- The Company's Bylaws specify in Article (19) Board members are remunerated, provided that their remuneration is a specific amount, an attendance allowance for meetings, benefits in kind, or a certain percentage of net profits. It is permissible to combine two or more of these benefits.
- If the remuneration is a specified percentage of the Company's profits, this percentage may not exceed (10%) of the net profits, after deducting the reserves decided by the General Assembly in application of the Cooperative Insurance Companies Control Law Provisions, the Companies Law and these Bylaws, and after distributing a profit to the shareholders that is less than (5%) of the Company's paid-up capital, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member, and any estimate to the contrary is void.
- The Board's report presented to the OGA shall include a comprehensive statement of all the amounts received by the Board Members during the financial year in terms of salaries, share of profits, attendance allowance, expenses and other benefits. It shall also contain a statement of the amounts paid to the Board Members in their capacity as workers or administrators, or in return for technical or administrative work or consultancy. Moreover, it shall comprise a statement of the number of Board sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly. The criteria adopted by the Company in the payment of the BOD remuneration was disclosed in the report of the BOD for the financial year ended December 31, 2020G, which was approved by the General Assembly of Shareholders on 19/11/1442H (corresponding to 29/06/2021G). It also comprehended a statement covering

all amounts received during the financial year, including salaries, a share in profits, attendance allowance, expenses and other benefits.

- The following are the detailed total amounts received by Board Members and Senior Executives during the past three years, 2019G, 2020G and 2021G:

Table No. (23): Compensation and Remunerations of Board Members and Senior Executives

Compensation and Remunerations	2019G	2020G	2021G
BOD Members	1,090,499	1,080,000	643,500*
Senior Executives (including the CEO, CFO and four (4) leading employees)	4,540,805.76	0	6,655,077**
TOTAL	5,631,304.76	1,080,000	7,298,577

Source: The Company

* Board members waived (50%) of their annual remuneration for the year 2021G, with a total amount of four hundred and fifty thousand (450,000) Saudi riyals due to the financial conditions that the Company is currently undergoing.

** These are salaries and allowances. Pursuant to the recommendation of the Nomination and Remuneration Committee, no remunerations were offered to the Company's Executive Management and employees for the year 2021G.

4.8 Employees

Employees' share schemes in place prior to filling the application for registration and offer of securities under this Prospectus

As of the date of this Prospectus, there are no arrangements to share capital with employees.

Arrangements involving the employees in the Company's capital

As of the date of this Prospectus, there are no arrangements for participation of the employees in the Company's capital.

5. Financial Information and Management Discussion and Analysis

5.1 Introduction

The section presents an analytical review of the operational performance and financial position of the Company during the financial years ending on December 31, 2019G, 2020G and 2021G. It should be read in conjunction with the Company's audited financial statements for the financial years ending on December 31, 2019G, 2020G and 2021G, and their accompanying notes.

The Aldar Audit Bureau Abdullah Al Basri & Co. (Chartered Accountants - Member of Grant Thornton) and Al-Bassam & Partners (Allied Accountants - PKF) have audited the Company's financial statements for the year ending on December 31, 2019G. While, Mr. Alsayed Al-Ayouti & Partners (Chartered Accountants - a member of Moore) and Al-Bassam & Partners (Allied Accountants - PKF) have audited and revised the Company's financial statements for the year ending on December 31, 2020G. In addition, the financial statements for the period ending on December 31, 2021G, have been audited by Al-Bassam & Partners Office (United Accountants - PKF), Al-Azem, Al-Sudairy, Al-Shaikh & Partners CPA's & Consultants (Member of Crowe Global).

Neither the Aldar Audit Bureau Abdullah Al Basri & Co. (Chartered Accountants - Member of Grant Thornton), Al-Bassam and Partners (Allied Accountants - PKF), Mr. Al-Ayouti & Partners (Chartered Accountants - a member of Moore) and the Office of Al-Azem, Al-Sudairy, Al Shaikh & Partners CPA's & Consultants (Member of Crow Global), nor any of their subsidiaries or sister companies have any shares or interest of any kind in the Company, that may affect their independence. The Auditors have provided their written consent to use their names, logos, and affidavit in this Prospectus as the Company's auditors which has not been withdrawn as of the date of the Prospectus.

All financial information in this section is presented in SAR unless otherwise stated. Percentages are rounded to the nearest decimal point. Accordingly, the percentage increase/(decrease) based on the amounts mentioned in the tables in the Prospectus (shown in millions of SAR and rounded to the nearest whole number) may not correspond to the percentages mentioned in those tables.

This Prospectus may include data of forward-looking nature about the Company's future projections based on Executive Management's plans and current expectations for the Company's growth, results of operations, and financial condition. Therefore, they may entail risks and uncertainties. The Company's actual results could differ materially from those expressed or implied in such forward-looking statements due to various factors and future events, including those discussed within this Prospectus.

5.2 Directors' Declarations for Financial Statements

- a. The Directors, to the best of their knowledge and belief, declare that the financial information contained in this Prospectus was extracted, without material changes, from the Company's audited consolidated financial statements for the years ending on December 31, 2019G, 2020G and 2021G. Furthermore, these financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved in The Kingdom of Saudi Arabia by the Saudi Organization for Auditors and Accountants, standards and other statements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and the Companies Law.
- b. The Directors declare that the Company has a working capital enough for twelve (12) months following the date of issue this Prospectus.
- c. The Directors declare that the Company is not aware of any seasonal factors or economic cycles associated with the business activities, which might have an impact on the business and the financial position of the Company.
- d. The Directors declare that the Company is not aware of any of any information related to any governmental, economic, financial, monetary, political or any other factors that may have a direct or indirect material impact on the Company's operations and financial position, except as disclosed in section (2) "Risk Factors" of this Prospectus.

- e. The Directors declare that the Company has no shares under option as of the date of this Prospectus.
- f. The Directors declare that - to the best of their knowledge - there are no mortgages, rights, or any encumbrances or costs on the property of the Company as to the date of this Prospectus.
- g. Except for what was disclosed in this Prospectus, Section 5.7- Shareholders' Equity in respect of accumulated losses, the Directors declare that there was no material negative change in the financial and commercial position of the Company during the three financial years preceding the date of submitting an application for registration and offering of rights subject to this Prospectus.
- h. The Directors declare that the Company does not have any property, including contractual securities or other assets, the value of which is subject to fluctuations or is difficult to ascertain so as to significantly affect the assessment of the financial position.
- i. The Directors declare that no commissions, discounts, brokerage fees or any other non-cash compensation were granted by the Company to any of the Directors, senior executives, those who offer or put forward securities or experts during the three years immediately preceding the date of submitting an application for issuing the priority rights subject to this Prospectus, as on the date of this Prospectus
- j. The Directors declare that all material facts related to the Company and its financial performance have been disclosed in this Prospectus.
- k. The Company has no commitments, potential guarantees or other fixed assets planned to be purchased or leased, except as disclosed in Section (5) **"Financial Information and Management Discussion and Analysis"**, of this Prospectus.
- l. The Directors declare that the Company has no other loans or debts including overdrafts from bank accounts, guarantee liabilities (covered or not covered by a personal guarantee or mortgage), liabilities under acceptances, acceptance credits, or hire purchase commitments, except as disclosed in Section (5) **"Financial Information and Management Discussion and Analysis"** of this Prospectus.
- m. The Directors declare that the Company didn't issue any debt instruments, long-term term loans, or mortgages (guaranteed or not guaranteed).
- n. The Directors declare that the Company has no subsidiaries, whether inside or outside the Kingdom of Saudi Arabia.

5.3 Basis of Preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia ("KSA"), and other standards and pronouncements that are endorsed by Saudi organization for Chartered and Professional Accountants ("SOCPA") standards and other statements issued by the Companies Law and the Company's Articles of Association. In accordance with the Article 70 of the Executive Regulations of the Saudi Central Bank, and in accordance with the Company's bylaws, the Company maintains separate accounts for both insurance operations and shareholder operations. It distributes the annual net insurance surplus when it was achieved, as stipulated in the Company's bylaws and insurance policy in terms of cooperative insurance. Customer (insurance policy) is valid, and has been paid to date at the time of payment of the Cooperative Distribution Amount.

The financial statements of the Company have been prepared under the going concern concept (also, refer 'Going Concern' Note below) and principle of historical cost, except for measurement at fair value of available-for-sale investments and measurement at present value of employee end-of-service benefit obligations. Financial position statement isn't to be presented using current/ non-current classification. However, the following balances would generally be classified as non-current: Held-to-maturity investments, Available-for-sale investments, Property and equipment, Intangible assets, Statutory deposit, Accrued income on statutory deposit, Employees' end-of-service benefits and Accrued commission income payable to Saudi Central Bank. All other financial statement items are generally classified as current.

The Company presents its statement of financial position according to liquidity. In accordance with the requirements of insurance regulations in the Kingdom of Saudi Arabia, the Company maintains separate books of accounts for insurance operations and shareholders' operations; it presents the financial statements accordingly (note 25). Assets, liabilities, revenues and expenses attributable to either activity is clearly recorded in the relevant accounts. The basis for allocating expenses from joint operations is determined and approved by the management and the BOD.

The statement of financial position, the statement of income, comprehensive income, cash flows from insurance operations and shareholders' operations, contained in note 25 of the financial statements was presented as supplementary financial information to comply with the requirements of the guidelines issued by the Saudi Central Bank and is not required under IFRSs. The implementing regulations of the Saudi Central Bank require a clear separation between the assets, liabilities, income and expenses of insurance operations and shareholder operations. Accordingly, the statement of financial position, statement of income, comprehensive statement of income and cash flow statement prepared for insurance operations and shareholders' operations, as referred to above, only reflect the assets, liabilities, revenues, expenses and comprehensive gains or losses from the respective operations.

In preparing Company-wide financial statements in accordance with IFRS, balances and transactions of insurance operations are combined and consolidated with those of shareholders. The balances and transactions between operations are completely deleted during the merge. The accounting policies applied to insurance operations and shareholders' operations are consolidated for like transactions and events in similar circumstances.

5.3.1 Emphasis of matter

It should be noted that the audited financial statements for 2021G included an emphasis of matter mentioning that the accumulated losses represented 120.94% (December 31, 2020G: 61.46%) of the Company's capital. On the same date, the Company's solvency amounted to negative 48.08% (December 31, 2020G: 45%). These events and conditions indicate that a material uncertainty exists regarding the Company's ability to continue as a going concern. However, the financial statements were prepared using the going concern assumption based on the Company's ability to continue as a going concern on a going concern basis. Otherwise, the auditors' opinion was unqualified.

5.3.2 Functional and presentation currency

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

5.3.3 Going Concern

The Company's accumulated losses as of December 31, 2021G amounted to 120.94% (December 31, 2020G: 61.46%) of the Company's share capital, and on the same date, the Company's solvency was negative 48.08% (December 31, 2020G: 45%). These events and conditions indicate a material uncertainty about the Company's ability to continue as a going concern. However, several strategic options, including capital restructuring, was considered by the Company's Board of Directors and have already approved the 2022G Business Plan on January 18, 2022G. Moreover, the capital was increased through a rights issue amounting to (300) million Saudi riyals. It was approved at the Extraordinary General Assembly meeting on February 28, 2022G. However, the legal procedures, including approval by the Capital Market Authority (CMA) and the Saudi Central Bank, are pending. Based on the above, management is satisfied that the Company will continue as a going concern for the foreseeable future.

5.3.4 Fiscal Year

The Company follows a fiscal year ending December 31.

5.3.5 Changes in Accounting Policies

The accounting policies and the risk management policy used in preparing the financial statements are consistent with those used in preparing the annual financial statements for the year ended December 31, 2020G.

5.4 Critical Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires the use of estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expenses during the reporting year. Although, these estimates and judgments are based on management's best knowledge of current events and actions, ultimately actual results may differ from those estimates.

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

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

5.4.1 The Ultimate Liability Arising from Claims Made Under Insurance Contracts

The estimation of the ultimate liability resulting from claims that are made under the insurance contracts is one of the most critical accounting estimates for the Company. There are several sources of uncertainty that need to be considered when estimating the liability that the Company will ultimately pay for these claims. These estimates are made at the end of the reporting period for both the expected ultimate cost of a reported claim and the expected ultimate costs of claims that is incurred but not reported (IBNR). Liabilities for reported unpaid claims are estimated using the input of assessments for the individual cases reported to the Company. At the end of every reporting period, the prior year's claims estimates are reassessed for adequacy; changes are made to the provision.

The provision for claims incurred but not reported (IBNR) is an estimation of claims which are expected to be reported subsequent to the date of statement of financial position, for which the insured event has occurred prior to the date of statement of financial position. The primary technique adopted by management in estimating the cost of notified and IBNR claims, is that of using the past claims settlement trends to predict future claims settlement trends. A range of methods such as Chain Ladder Method, Bornhuetter-Ferguson Method and Expected Loss Ratio Method are used by the actuaries to determine these provisions. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.

5.4.2 Impairment of Financial Assets

The Company announces that the financial assets are impaired when there has been a significant or prolonged decline in the fair value of the financial assets below their cost. It announces what is substantial, or the long-term requires decisions. A period of 12 months or more is considered a long term; a reduction of 30% of original cost is considered significant as per the Company policy. In making this judgment, the Company evaluates, among other factors, the natural volatility of the share price, the financial health of the investee, the industry and sector performance, the changes in technology, as well as the operating and financing cash flows.

5.4.3 Impairment of Receivables

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired.

5.4.4 Fair Value of Financial Instruments

Fair values of available-for-sale investments are based on quoted prices for marketable securities or estimated fair values. The fair value of commission-bearing items is estimated based on discounted cash flows using commission for items with similar terms and risk characteristics.

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions.

5.4.5 Useful Lives of Property, Equipment and Intangible Assets

The Company's management determines the estimated useful lives for depreciation/Amortization calculation. These estimates are determined after considering the expected use of the assets or the physical depreciation. Management reviews, annually, the residual values, the useful lives and the depreciation method. Future depreciation/Amortization, if any, is adjusted when management believes that the useful lives, the residual values and the method of depreciation differ from previous estimates.

5.4.6 Insurance Premium Deficiency Reserve and Other Technical Reserves

The estimation of the premium deficiency reserve is highly sensitive to a number of assumptions concerning the future events and conditions. It is based on the expected loss ratio for the unexpired portion of written policy risk. To reach an estimate of the expected loss ratio, the actuary considers the relationship of claims and premiums expected to be realized in the future. Other technical reserves represent the unallocated loss adjustment expense reserves and the accrued reinsurance reserves. The unallocated loss adjustment expense reserve is based on estimates of future payments derived from claims administration expenses, including payroll and other allocation of expenses.

5.4.7 Employees' End of Service Benefits

The retirement benefit obligation is determined using the projected unit credit method which requires estimates to be made of the various inputs. The main estimates are the discount rate, salary rate, mortality rate and withdrawal rate.

5.4.8 Deferred Tax

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available, and the credits can be utilized. The deferred tax asset was not presented in these financial statements for the years ending on December 31, 2021G and 2020G; this is because of the Company is not certain about the availability of the future taxable profits in the foreseeable future to use any tax exemptions.

5.4.9 Contingent Liabilities

By their nature, contingent liabilities are only resolved when one or more future events occur or fail. The assessment of such contingent liabilities, by its nature, involves the exercise of significant judgment, and estimates of the results of future events.

5.5 Significant Accounting Policies

The following is a summary of the important accounting policies used to prepare these financial statements. These accounting policies were consistently applied to each of the years presented. No new standards were issued; however, some amendments to standards are applicable to the period commencing as of January 01, 2021G, but do not have a material impact on the Company's financial statements. The Company has not early adopted any standard (interpretation) or amendments that were issued, but they are not yet effective.

5.5.1 Standards Issues but Not Yet Effective

The Company has elected not to early apply the amendments and the revisions to IFRS, which were published and are mandatory for compliance by the Company from future dates.

Table No. (24): Standards Issues but Not Yet Effective

IFRS Standards'	Description	Starting from
IFRS 9	Financial Instruments (See below)	January 01, 2023G
IFRS 17	Insurance Contracts (See below)	January 01, 2023G

Source: Financial Statements.

5.5.2 IFRS 9 - Financial Instruments

This standard was published on July 24, 2014G. and has replaced IAS 39. The new standard addresses the following items related to financial instruments:

Classification and Measurement

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset is measured at amortized cost if both:

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").

The financial asset is measured at fair value through other comprehensive income and realized gains or losses would be recycled through profit or loss upon sale, if both conditions are met:

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and for sale; and
2. the contractual terms of cash flows are SPPI.

Assets not meeting either of these categories are measured at fair value through profit or loss. Additionally, at initial recognition, an entity can use the option to designate a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

For equity instruments that are not held for trading, an entity can also make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the instruments (including realized gains and losses), dividends being recognized in profit or loss.

Additionally, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in statement in profit and loss.

Impairment

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the IFRS 9 approach, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

Hedge Accounting

IFRS 9 introduces new requirements for hedge accounting that align hedge accounting more closely with Risk Management. The requirements establish a more principles-based approach to the general hedge accounting model. The amendments apply to all hedge accounting with the exception of portfolio fair value hedges of interest rate risk (commonly referred to as "fair value macro hedges"). For these, an entity may continue to apply the hedge accounting requirements currently in IAS 39. This exception was granted largely because the IASB is addressing macro hedge accounting as a separate project.

Effective date

The published effective date of IFRS 9 was January 1, 2018G. However, amendments to IFRS 4 - Insurance Contracts: Applying IFRS 9 – Financial Instruments with IFRS 4 – Insurance Contracts, published on September 12, 2016G, changes the existing IFRS 4 to allow entities issuing insurance contracts within the scope of IFRS 4 to mitigate certain effects of applying IFRS 9 before the IASB's new insurance contract standard (IFRS 17 – Insurance Contracts) becomes effective. The amendments introduce two alternative options:

1. apply a temporary exemption from implementing IFRS 9 until the earlier of:
 - a. the effective date of a new insurance contract standard; or
 - b. annual reporting periods beginning on or after January 1, 2023G. Additional disclosures related to financial assets are required during the deferral period. This option is only available to entities whose activities are predominately connected with insurance and have not applied IFRS 9 previously; or
2. Adopt IFRS 9 but, for designated financial assets, remove from profit or loss the effects of some of the accounting mismatches that may occur before the new insurance contract standard is implemented.

Additional disclosures were required to be made, as of the date of this Prospectus:

The Company has performed a detailed assessment:

1. The carrying amount of the Company's liabilities arising from contracts within the scope of IFRS 4 (including deposit components or embedded derivatives unbundled from insurance contracts) were compared to the total carrying amount of all its liabilities; and
2. the total carrying amount of the company's liabilities connected with insurance were compared to the total carrying amount of all its liabilities. Based on these assessments, the Company determined that it is eligible for the temporary exemption. Consequently, the Company has decided to defer the implementation of IFRS 9 until the effective date of the new insurance contracts standard. Disclosures related to financial assets required during the deferral period are included in the Company's financial statements.

Impact Assessment

As at December 31, 2021G, the Company has total financial assets and insurance related assets amounting to SAR 228 million and SAR 104 million, respectively. Financial assets and insurance related assets are not mutually exclusive in terms of classification. The financial assets consist of financial assets held at amortized cost and other financial assets.

Currently, financial assets held at amortized cost are not mutually exclusive in terms of classification; they consist of cash and cash equivalents, short-term deposits, premiums and reinsurance receivables, amounting to SAR 212 million.

The other financial assets are composed of available-for-sale investments at SAR 15 million. The Company expects using the FVOCI (Fair Value Classification Through Other Comprehensive Income) for these financial assets based on the Company's work model related to the debt securities and strategic nature of equity investments. However, the Company did not make any detailed assessment to determine whether or not the debt securities meet the SPPI test as required according to the International Financial Reporting Standard (IFRS) 9.

Credit risk exposure, concentration of credit risk and credit quality of these financial assets are mentioned in note 23 to the financial statements of the Company. The Company's financial assets have low credit risks as at December 31, 2021G.

The above is based on high-level impact assessment of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Company in the future. Overall, the Company expects some effect of applying the impairment requirements of IFRS 9. However, the impact of the same is not expected to be significant. At present it is not possible to provide reasonable estimate of the effects of application of this new standard as the Company is yet to perform a detailed review.

5.5.3 IFRS 17 – Insurance contracts

This standard has been published on May 2017G; it establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 – Insurance contracts.

The new standard applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features, provided the entity also issues insurance contracts. It requires to separate the following components from insurance contracts:

1. embedded derivatives, if they meet certain specified criteria;
2. distinct investment components; and
3. any promise to transfer distinct goods or non-insurance services.

These components should be accounted for separately in accordance with the related standards (IFRS 9 and IFRS 15).

Measurements

In contrast to the requirements in IFRS 4, which permitted insurers to continue to use the accounting policies for measurement purposes that existed prior to January 2015, IFRS 17 provides the following different measurement models:

The General Measurement Model (GMM) is based on the following “building blocks”:

1. the fulfilment cash flows (FCF), which comprises:
 - a. probability-weighted estimates of future cash flows;
 - b. an adjustment to reflect the time value of money (i.e., discounting) and the financial risks associated with those future cash flows; and
 - c. a risk adjustment for non-financial risk.
2. the Contractual Service Margin (CSM) - The CSM represents the unearned profit for a group of insurance contracts and will be recognized as the entity provides services in the future. The CSM cannot be negative at inception; any net negative amount of the fulfilment cash flows at inception will be recorded in profit or loss immediately.

At the end of each subsequent reporting period, the carrying amount of a group of insurance contracts is remeasured to be the sum of:

- the liability for remaining coverage, which comprises the FCF related to future services and the CSM of the group at that date;
- and the liability for incurred claims, which is measured as the FCF related to past services allocated to the group at that date.

The CSM is adjusted subsequently for changes in cash flows related to future services but the CSM cannot be negative, so changes in future cash flows that are greater than the remaining CSM are recognized in profit or loss.

The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.

The Variable Fee Approach (VFA) is a mandatory model for measuring contracts with direct participation features (also referred to as ‘direct participating contracts’). This assessment of whether the contract meets these criteria is made at inception of the contract and not reassessed subsequently. For these contracts, the CSM is also adjusted for in addition to adjustment under general model:

1. the entity’s share of the changes in the fair value of underlying items;
2. the effect of changes in the time value of money and financial risks not relating to the underlying items.

In addition, a simplified Premium Allocation Approach (PAA) is permitted for the measurement of the liability for the remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period for each contract in the group is one year or less. With the PAA, the liability for remaining coverage corresponds to premiums received at initial recognition less insurance acquisition cash flows. The general model remains applicable for the measurement of incurred claims. However, the entity is not required to adjust future cash flows for the time value of money and the effect of financial risk if those cash flows are expected to be paid/received in one year or less from the date the claims are incurred.

Effective date

The IASB issued an Exposure Draft Amendments to IFRS 17 proposing certain amendments to IFRS 17 during June 2019G and received comments from various stakeholders. The IASB is currently re-deliberating issues raised by stakeholders. For any proposed amendments to IFRS 17, the IASB will follow its normal due process for standard-setting. The effective date of IFRS 17 and the deferral of the IFRS 9 temporary exemption in IFRS 4 is currently January 1, 2021G. Under the current exposure draft, it is proposed to amend the IFRS 17 effective date to reporting periods beginning on or after January 1, 2022G.

Furthermore, on March 17, 2020G, IASB completed its discussions on the amendments to IFRS 17; it decided to postpone the effective date of the standard refers to reporting periods beginning on or after January 01, 2023G.

Earlier application is permitted if both IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments have also been applied. The Company intend to apply the standard on its effective date.

Transition

Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

Presentation and Disclosures

The Company expects that the new standard will result in a change to the accounting policies for insurance and reinsurance contracts, [and investment contracts with discretionary participating features, if applicable] together with amendments to presentation and disclosures.

Impact assessment of IFRS 17

The Company has performed an initial impact assessment of the application and implementation of IFRS 17. As of the date of the publication of these financial statements, the financial impact of adopting the standard has yet to be fully assessed by the Company. The Company has undertaken an initial operational impact gap analysis and currently undergoing through detailed operational and financial impact assessment; the key areas of Gaps are as follows:

Table No. (25): Impact assessment of IFRS 17

Impact Area	Summary of Impact
Financial impact	<p>The Company has ascertained the financial impact on the balances recorded for 2018G. As most of the Company's short term and short tail insurance contracts evoke an approach to the premium allocation which is very similar to the current account practices, no significant impact is expected. The Company also successfully completed the reassessment of 2020G results as part of the first pilot round organized by the regulator and submitted on November 30, 2021G to the Saudi Central Bank.</p> <p>Based on the simulations that have been conducted, the financial impact of applying requirements of IFRS 17 compared to IFRS 4 was not significant. The Company will plan a more detailed review on the financial impact for the second and third trials, before the end of 2022G.</p>
Data impact	<p>IFRS 17 included additional data requirements (for example, premium due date for the initial recognition, premium receipt statement for IFRS, RI contracts held breakdown in to risk attaching or loss incurring for assessing contract boundaries, lower granularity to meet level of aggregation requirements and data for additional disclosures as per IFRS 17). Further extensive exercise has carried out to ensure the required data is available.</p> <p>No major data deficiencies or shortfalls were reported during the completion of the 1st dry-run simulation.</p>
IT systems impact	<p>Detailed assessment is needed of existing systems capabilities for IFRS 17 calculations, storage and reporting and whether new systems/calculations engines that should be implemented.</p>

Impact Area	Summary of Impact
Process impact	The Company has carried out an operational impact assessment exercise to assess the operational impact of implementing IFRS 17. Since, majority of the Company's contracts would be measured under the premium allocation approach, the process impact is expected to be moderate. No major process impact was reported during the completion of the first dry-run simulation.
Impact on Reinsurance Arrangements	Further assessment has carried out to confirm measurement approach for reinsurance arrangements where RI gross premium ceded does not automatically qualify for PAA.
Impact on policies & control's Frameworks	The Company's policies and procedures need to be updated to the accommodate changes in the Company's processes and systems that are related to the IFRS 17 implementation. A detailed exercise was conducted for this purpose, after ensuring that the financial and operational gaps were assessed.

The Company has started designing IFRS 17 implementation process which requires the development and the design of new business processes and procedures including any system developments required under IFRS 17 and detailed assessment of business requirements. The main areas under the design phase and the status of progress are as follows:

Table No. (26): IFRS 17 Implementation Design Phase

Main Area of the Design Stage	Progress Summary
Governance and oversight framework	The Company has developed a comprehensive governance program for IFRS 17 which includes the establishment of an oversight steering committee to monitor implementation progress and assign the roles and the responsibilities to various stakeholders.
Operational Area	The Company is advancing in designing the operational aspects of the design phase which include the development of a comprehensive data policy and data dictionary. The Company is also finalizing the architectural designs for the various sub-systems. The Company has made progress by evaluating business requirements; it is currently working on selecting the vendors with the completion of various processes that are needed for the transition, and as well as evaluating the new resources that are required.
Technical and financial fields	The Company has completed various policy papers encompassing various technical and financial matters after having completing the policy decisions required under IFRS 17. Policy decisions are taken after the necessary deliberations among several stakeholders. Currently, several of the policy papers have been approved by the Company's IFRS 17 Project Steering Committee.
Assurance plan	The Company works together with other stakeholders in order to complete the Assurance Plan for transitional and post-implementation periods.

The Company started the implementation process, and founded a project team supervised by the Company's CEO. Furthermore, to assess financial and operational impact of IFRS 17, the Company has appointed Price Waterhouse Coopers (PwC) as its advisors.

The effective interpretations / improvements / modifications do not have a material impact on these financial statements of the Company.

5.6 Summary of The Most Significant Accounting Policies

The significant accounting policies used in preparing these financial statements are set out below:

5.6.1 Cash and cash equivalents

Cash and cash equivalents comprise of current accounts at banks and deposits that have original maturity periods not exceeding three months from the date of acquisition.

5.6.2 Cash flow statement

The Company's main cash flows are from insurance operations which are classified as cash flow from operating activities. Cash flows generated from investing and financing activities are classified accordingly.

5.6.3 Premiums and re-insurance receivable - net

Premiums' receivable is stated at gross written premiums receivable from insurance contracts, less an allowance for any uncollectible amounts. Premiums and reinsurance balances receivable are recognized when due and measured on initial recognition at the fair value of the consideration received or receivable. The carrying value of receivable is reviewed for impairment and whenever events or circumstances indicate that the carrying amount may not be recoverable, the impairment loss is recorded as "Other expenses / income - net" in the statement of income. Receivable balances are

derecognized when the Company no longer controls the contractual rights that comprise the receivable balance, which is normally the case when the receivable balance is sold, or all the cash flows attributable to the balance are passed through to an independent third party. Receivables disclosed in note 6 fall under the scope of IFRS 4 "Insurance contracts". Receivables are analyzed according to their age; accordingly, a provision is maintained on a systematic basis.

5.6.4 Foreign currencies

Transactions in foreign currencies are recorded in Saudi Riyals (SAR) at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Saudi Riyals at the rate of exchange prevailing at the statement of financial position date. Exchange differences are taken to the statements of insurance operations or statement of shareholders' operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. As the Company's foreign currency transactions are primarily in US dollars, foreign exchange gains and losses are not significant.

5.6.5 Insurance Contracts

The Company issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. As a general guideline, the Company defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event, if the insured event did not occur. Once a contract is classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk is significantly reduced subsequently, unless all rights and liabilities are extinguished or expired.

5.6.6 Reinsurance

Reinsurance is distributed between treaty, facultative and excess of loss reinsurance contracts. Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts in "Insurance contracts - note" are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Company under which the contract holder is another insurance Company (inwards reinsurance) are included with the insurance contracts. An asset or liability is recorded in the statement of financial position representing payments due from reinsurers, the share of losses recoverable from reinsurers and premiums due to reinsurers. Amounts receivable from reinsurance is estimated in a manner consistent with the claim liability associated with the insured parties. Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when objective evidence exists that the Company may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Company will receive from the reinsurer can be measured reliably. The impairment loss is recorded in the statement of income as incurred.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders.

5.6.7 Provisions, Accrued Expenses and Other Liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses. Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

5.6.8 Investments

Available-for-sale investments (AFS)

Available-for-sale financial assets are those non-derivative financial assets that are neither classified as held for trading or held to maturity or loans and receivables, nor are designated at fair value through profit or loss. Such investments are initially recorded at cost, being the fair value of the consideration given including transaction costs directly attributable to the acquisition of the investment and subsequently measured at fair value. Cumulative changes in fair value of such investments are recognized in other comprehensive income in the statement of comprehensive income under "Net change in fair value – Available for sale investments". Realized gains or losses on sale of these investments are reported in the related statements of income under "Realized gain / (loss) on investments available-for-sale investments."

Dividend, commission income and foreign currency gain/loss on available-for-sale investments are recognized in the related statements of income or statement of comprehensive income as part of the net investment income / loss.

For unquoted investments, fair value is determined by reference to the market value of a similar investment or where the fair values cannot be derived from active markets, they are determined using a variety of valuation techniques. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The Company evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Company is unable to trade these financial assets due to inactive markets, the Company may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and management has the intention and ability to hold these assets for the foreseeable future or until maturity. The reclassification to Held-to-Maturity (HTM) is permitted only when the entity has the ability and intention to hold the financial asset until maturity. For a financial asset reclassified out of the available-for-sale category, the fair value at the date of reclassification becomes its new amortized cost and any previous gain or loss on that asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the Effective Interest Rate (EIR) method. Any difference between the new amortized cost and the maturity amount is also amortized over the remaining life of the asset using the EIR method. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of income.

Held as Fair Value through Statement of Income (FVSI)

Investments in this category are classified if they are held for trading or designated by management as FVSI on initial recognition. Investments classified as trading are acquired principally for the purpose of selling or repurchasing in short term and are recorded in the statement of financial position at fair value. Changes in fair value are recognized in statement of income.

An investment may be designated at FVSI by the management, at initial recognition, if it satisfies the criteria laid down by IAS 39 except for the equity instruments that do not have a quoted price in an active market and whose fair values cannot be reliably measured.

Investments at FVSI are recorded in the statement of financial position at fair value. Changes in the fair value are recognized in the statement of income for the year in which it arises. Transaction costs, if any, are not added to the fair value measurement at initial recognition of FVSI investments. Interest income and dividend income on financial assets held as FVSI are reflected as either trading income or income from FVSI financial instruments in the statement of income.

Investments at FVSI are not reclassified subsequent to their initial recognition, except that non-derivative FVSI instrument, other than those designated as FVSI upon initial recognition, may be reclassified out of the FVSI fair value through the statement of income (i.e., trading) category if they are no longer held for the purpose of being sold or repurchased in the near term, and the following conditions are met:

1. If the financial asset would have met the definition of loans and receivables, if the financial asset had not been required to be classified as held for trading at initial recognition, then it may be reclassified if the entity has the intention and ability to hold the financial asset for the foreseeable future or until maturity.
2. If the financial asset would not have met the definition of loans and receivables, and then it may be reclassified out of the trading category only in "rare circumstances".

Held-to-maturity

Investments having fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity are classified under this category. These investments are initially recognized at fair value including direct and incremental transaction costs and subsequently measured at amortized cost, less provision for impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition using an effective yield basis. Any gain or loss on such investments is recognized in the statement of income when the investment is derecognized or impaired.

Investments classified as held-to-maturity cannot ordinarily be sold or reclassified without impacting the Company's ability to use this classification and cannot be designated as a hedged item with respect to the commission rate or the prepayment risk, reflecting the long-term nature of these investments.

However, the sales and the reclassification in any of the following circumstances will not affect the Company's ability to use this classification:

1. Sales or reclassifications that are close to maturity; so, that changes in the market rate of commission do not have a significant impact on the fair value.
2. Sales or reclassification after the Company has collected, substantially, all the original assets of the assets.
3. Sales or reclassifications attributable to isolated, non-recurring events outside the Company's control that could not have been reasonably foreseen.

5.6.9 Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It is becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company, including:
 - a. adverse changes in the payment status of issuers or debtors in the Company; or
 - b. national or local economic conditions at the country of the issuers that correlate with defaults on the assets.

If there is objective evidence that an impairment loss on a financial asset exists, the impairment is determined as follows:

- For assets carried at fair value, impairment is the significant or prolong decline in the fair value of the financial asset.
- For assets carried at amortized cost, impairment is based on estimated future cash flows that are discounted at the original effective commission rate.

For available-for-sale financial assets, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of debt instruments classified as available-for-sale, the Company assesses individually whether there is objective evidence of impairment. Objective evidence may include indications that the borrower is experiencing significant financial difficulty, a default or delinquency in special commission income or capital payments, the possibility that the borrower will enter bankruptcy or other financial reorganization, and where observable statements indicate a significant decrease in the future cash flows, such as changes in economic conditions associated with defaults. However, the amount recorded for the impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of income, and statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument increases, in a later period, and the increase can be linked objectively to a credit event that occurred after the impairment loss was recognized in the statement of income and comprehensive statement of income, the impairment loss is reversed through the statement of income, and the comprehensive statement of income.

For equity investments held as available-for-sale, a significant or prolonged decline in fair value below its cost represents objective evidence of impairment. The impairment loss cannot be reversed through statement of income as long as the asset continues to be recognized i.e., any increase in fair value after impairment has been recorded can only be recognized in other comprehensive income. On derecognition, any cumulative gain or loss previously recognized in other comprehensive income is included in the statement of income under "Realized gain / (loss) on investments".

The determination of what is 'significant' or 'prolonged' requires judgement. A period of 12 months or longer is considered to be prolonged and a decline of 30% from original cost is considered significant as per Company policy. In making this judgement, the Company evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In assessing whether an investment in debt instrument is impaired, the Company considers the factors such as market's assessment of creditworthiness as reflected in the bond yields, rating agencies' assessment of creditworthiness, country's ability to access the capital markets for new debt issuance and probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness. The amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of income and statement of comprehensive income.

5.6.10 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial year in which they are incurred. Land is not depreciated. The cost of other items of property and equipment is depreciated on the straight-line method to allocate the cost over estimated useful lives, as follows:

	Years
Leasehold improvements	5
Computer and Office Equipment	4
Furniture and Fixtures	5
Vehicles	4

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. The carrying values of these assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Gains and losses on disposals, if any, are determined by comparing the proceeds with the carrying amount and are included in "Other income" (expenses) in the statement of income.

5.6.11 Capital Work in Progress (CWIP)

Capital Work in Progress (CWIP) mainly include facility renovation and modernization projects that are being developed for future use. On commissioning, the CWIP will be transferred to the respective category, i.e., property, equipment or intangible assets and depreciated and accounted, respectively as per the Company's policy.

5.6.12 Intangible Assets

Intangible assets shown at historical cost less accumulated amortization. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses. The Company amortizes intangible assets with a limited useful life using straight-line method over 4 years.

5.6.13 Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

5.6.14 Employees' End of Service Benefits

The Company manages employees' end of service benefits plan according to the prevailing Saudi labor laws. The accruals are made under actuarial valuation using the projected unit credit method, while the benefit payments obligation is discharged as and when it falls due.

Remeasurements of actuarial gains and losses are recognized directly in the statement of financial position with a corresponding credit to equity through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of income in subsequent periods.

The cost of past service is recognized in the statement of income in any of:

- The modification plan or the reduction date
- The date when the Company recognized the related restructuring costs

Net special commission income is calculated by applying the discount rate to the net defined benefit obligation. The Company recognizes the following changes in the net defined benefit obligation in the statement of income within general and administrative expenses:

- The service costs consist of the current service costs, the past service costs, as well as gains and losses from the non-routine reduction and adjustment.
- Net special commission expense or income.

5.6.15 Short-term Employees' Benefits

Short-term employees' benefits include leave pay and airfare, which are current liabilities included in accrued expenses, measured at the undiscounted amount that the entity expects to pay as a result of the unused accrual.

5.6.16 Other Short-term Employees' Benefits

The Company pays retirement contributions to its Saudi employees to the General Organization for Social Insurance. This is a state-owned defined contribution plan. The amounts paid are expensed as incurred.

5.6.17 Liability Adequacy test

At each statement of financial position date, the Company assesses whether its recognized insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If such an assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of estimated future cash flows, the entire deficiency is immediately recognized in the statement of income and an unexpired risk provision is made.

5.6.18 Zakat and Income Tax Payable

In accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"), the Company is subject to zakat attributable to Saudi shareholders and income tax attributable to foreign shareholders. The provision for zakat and income tax is charged to the statement of profit or loss. Additional amounts payable, if any, upon completion of final assessments are accounted for in determining such amounts. Zakat is calculated on the Saudi shareholders' share of equity and/or net income using the basis specified under the regulations of Zakat, Taxes and Customs Authority. Income tax is calculated on the foreign shareholders' share of net income for the year.

The Company withholds taxes on certain transactions with non-resident parties, including dividend payments to foreign shareholders, in the Kingdom of Saudi Arabia as required by the Saudi Income Tax Law. Withholding taxes paid on behalf of non-resident parties, which cannot be recovered from such parties, are expensed.

5.6.19 Deferred Tax

Deferred tax is calculated by using the statement of financial position liability method, providing temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for tax purposes. The amount of deferred tax provision is based on the expected method of realizing or settling the carrying amount of the assets and liabilities using the tax rates in force at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available and the balances can be used.

Deferred tax is charged or credited to the statement of income, except in the case of items credited or charged to other comprehensive income/equity, in which case it is included in other comprehensive income/equity.

The deferred tax asset is not provided in these financial statements for the year ended on December 31, 2021G, as the Company does not expect the availability of future tax profits in the foreseeable future for the use of any tax credits. The deferred tax liability is not recognized because there are no temporary tax differences.

5.6.20 Statutory Deposit

The statutory deposit represents 15% of the paid-up capital of the Company that is held with a bank designated by the Saudi Central Bank in accordance with the Cooperative Insurance Companies Control Law for Insurance Companies. This legal deposit cannot be withdrawn without the approval of the Saudi Central Bank.

5.6.21 Revenue Recognition

Recognition of Premium and Commission Income

Premiums and commissions are recorded in the statement of income on a straight-line basis over the insurance policy coverage period except for long term engineering policies and marine cargo policies. Unearned premiums are calculated using the straight-line method on the insurance policy coverage except for:

- 1- The last three months premium at the reporting date that is considered unearned in respect of sea freight;
- 2- Pre-determined calculation of the engineering class of risk undertaken that extends beyond one year. According to this calculation, lower premiums are obtained in the first year which increases gradually at the end of the policy term.

Unearned premiums represent the portion of written premiums that relates to the unexpired coverage period. The change in the provision for the unearned premiums is recognized in the statement of income in the same order in which revenue is recognized over the risk period.

Insurance policyholders are responsible for policy administration services and policy fees. This fee is recognized as revenue during the period in which the related services are performed. If the services fees are provided in future periods, they will be deferred and recognized over future periods.

5.6.22 Claims

Claims consist of amounts payable to policyholders and third parties; it related loss adjustment expenses, net of refunds and other recoveries.

Total outstanding claims includes the total estimated cost of claims incurred but not settled at the statement of financial position date plus related claims handling costs, whether or not reported by the insured. Provisions are made against reported and unpaid claims at the balance sheet date on a case-by-case basis. The provision is also made according to management's judgment and the Company's previous experience is maintained for the cost of settling claims incurred but not reported including related claims handling costs at the statement of financial position date.

The outstanding claims are shown on a gross basis; the relevant share of reinsurers is shown separately. Furthermore, the Company does not discount its liabilities for unpaid claims because all claims are expected to be paid within one year of the statement of financial position date.

5.6.23 Deferred Document Acquisition Costs

Commissions paid to sales personnel and additional direct costs incurred in connection with the acquisition and renewal of insurance contracts are deferred and shown as an asset in the statement of financial position. Subsequently, deferred policy acquisition costs are amortized based on the terms of the insurance contracts to which they relate as premiums are earned and charged to the statement of income.

5.6.24 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense are not offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation.

5.6.25 Trading Data Accounting

All routine purchases and sales of financial assets are recognized/derecognized on the exchange date (i.e., the date on which the Company commits to purchase or sell the assets). Regular way purchases or sales are purchases or sales of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the market place.

5.6.26 De-recognition of financial instruments

The derecognition of a financial instrument takes place when the Company no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party and the Company has also transferred substantially all risks and rewards of ownership.

5.6.27 Salvage and subrogation reimbursement

Some insurance contracts allow the Company to sell the property of its owner (generally damaged) upon settlement of the claim (for example, salvage). The Company may also pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included as an allowance when measuring outstanding claims liability. The allowance is the amount that can reasonably be recovered from the disposal of the asset.

Subrogation reimbursements are also considered as an allowance provision when measuring outstanding claims liability. This allowance is an assessment of the amount that can be recovered from the third party.

5.6.28 Operating Sectors

A segment is a distinct Company component involved in providing products or services (a business segment), which is subject to risks and rewards that are different from those of other segments. For management purposes, the Company consists of business units according to its products and services; it has four operating segments that are reported on as follows:

- Health insurance
- Vehicles Insurance
- Properties and accidents insurance
- Shareholders' segment - reporting on the Company shareholders operations. Income earned from the investments is the only income of the generating activity.

Certain direct operating expenses and other overheads are allocated to this segment on an appropriate basis. The surplus or loss from insurance operations is allocated to this segment on an appropriate basis.

Operating segments are approved by management related to the Company's activities, assets and liabilities; they are based on existing reports to the CEO.

5.6.29 Fair Values

The fair value of financial assets is based on quoted prices for marketable securities or estimated fair values. The fair value of commission-bearing items is estimated based on discounted cash flow using commission for items with similar terms and risk characteristics.

For financial assets where there is no active market, fair value is determined by reference to the market value of a similar financial assets or where the fair values cannot be derived from active market, they are determined using a variety of valuation techniques, including the use of mathematical models. The inputs of these models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

5.7 Operation Results

5.7.1 Key Performance Indicators

The table below shows the Company key performance indicators for the financial years ended December 31, 2019G, 2020G, and 2021G.

Table No. (27): Key Performance Indicators

Percentage %	2019G (Audited)	2020G (Audited)	2021G (Audited)
Ceding ratio	6.65%	15.17%	20.26%
Retention ratio	93.35%	84.83%	79.74%
Total loss ratio	80.39%	70.75%	99.14%
Total insurance policy acquisition costs / earned premiums, net	19.23%	20.94%	23.74%
Combined ratio	119.37%	128.14%	151.47%

Source: The Company.

5.7.2 Income Statement

The following table shows the Company's statement of income for the financial years ending on December 31, 2019G, 2020G, 2021G.

Table No. (28): Income Statement

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Revenues						
Gross premium written	248.1	329.5	275.5	33%	(16%)	4%
Reinsurance premium ceded	(10.5)	(5.4)	(4.6)	(49%)	(14%)	(24%)
Excess of loss expenses	(6.0)	(44.6)	(51.2)	641%	15%	104%
Net premium written	231.6	279.5	219.7	21%	(21%)	(2%)
Changes in earned premiums	(35.6)	(40.2)	27.8	13%	(169%)	(192%)
Changes in reinsurers' share of unearned premiums	(12.3)	(2.8)	(0.6)	(77%)	(78%)	(63%)
Net premiums earned	183.7	236.5	246.9	29%	4%	10%
Reinsurance commission	2.0	2.0	1.1	1%	(45%)	(18%)
Other underwriting income	16.4	10.8	0.2	(34%)	(98%)	(77%)
Net revenues	202.1	249.3	248.1	23%	0%	7%
Subscription to costs and expenses						
Gross Claims Paid	(174.4)	(220.5)	(314.9)	26%	43%	22%
Reinsurance companies' share of paid claims	46.4	27.7	53.8	(40%)	94%	5%
Net claims paid	(128.0)	(192.8)	(261.2)	51%	35%	27%
Changes in claims under settlement	3.6	15.8	14.3	337%	(10%)	58%
Changes in reinsurance share of outstanding claims	(9.9)	(3.9)	(10.5)	(61%)	171%	2%
Changes in claims incurred but not reported	(12.6)	(29.8)	(0.1)	137%	(100%)	(80%)
Changes in reinsurance share of claims incurred but not reported	(4.0)	(1.0)	(1.5)	(74%)	43%	(28%)
Net claims incurred	(150.8)	(211.7)	(259.0)	40%	22%	20%
Insurance premium deficiency reserve	0.4	(0.3)	(11.5)	(165%)	3.823%	(395%)
Other technical precautions	(9.3)	6.1	1.0	(166%)	(84%)	(147%)

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Insurance policy issuance costs	(17.5)	(28.4)	(28.4)	42%	14%	17%
Supervision and inspection costs	(12.7)	(16.2)	(12.0)	27%	(26%)	(2%)
Total underwriting costs and expenses	(190.0)	(246.9)	(309.8)	30%	25%	18%
Net underwriting income	12.1	2.4	(61.7)	(80%)	(2.649%)	(272%)
Other income / (expenses)						
Provision for doubtful debts	(2.5)	(23.2)	(5.5)	819%	(76%)	30%
General and administrative expenses	(45.2)	(45.8)	(59.9)	1%	31%	10%
Investment income	7.9	6.3	5.2	(20%)	(18%)	(13%)
Profits from investments prepared for sale	0.008	2.2	0.5	27,688%	(80%)	285%
Other expenses and income	-	0.8	-	NA	(100%)	0%
Total other expenses, net	(38.6)	(59.7)	(59.7)	50%	0%	14%
Total loss for the year before zakat	(27.7)	(57.3)	(121.4)	107%	112%	64%
Surplus attributable to insurance operations	-	-	-	NA	NA	NA
Total loss for the year attributable to shareholders before zakat and income tax	(27.7)	(57.3)	(121.4)	107%	112%	64%
Zakat and income tax	(9.5)	(4.6)	2.3	(52%)	(150%)	(162%)
Total loss for the year attributable to shareholders after zakat and income tax	(37.2)	(61.8)	(119.1)	66%	93%	47%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

The Company provides insurance services to several medium and small businesses, very small businesses, as well as individuals. These insurance services relate to medical, motor, property and casualty services.

During the period under review, the Company incurred accumulated net losses. Net losses increased from SAR 37.2 million in 2019G to SAR 119.1 million during 2021G. These losses led to an increase in the accumulated losses of the Company to SAR 157.2 million as of December 31, 2021G. As on this date, the accumulated losses as a percentage of the capital amounted to 120.94%.

Net revenues increased from SAR 202.1 million in 2019G to SAR 249.3 million in 2020G; this is mainly due to the significant increase in the gross written premiums of the individual's category by SAR 81.47 million.

During the financial year 2021G, the net revenues decreased slightly to SAR 248.1 million; however, underwriting costs increased significantly from SAR 246.9 million to SAR 309.8 million; this is mainly due to the sudden rise in net claims paid by 35%, because of the extraordinary claims from the automotive sector, as the Company insured premiums strongly in the automotive sector during the financial year 2021G.

Due to the sudden rise in the underwriting cost as explained above, the Company incurred a net underwriting loss of SAR 61.7 million during 2021G.

General and administrative expenses increased from SAR 45.8 million in 2020G to SAR 59.9 million during the 2021G; this is mainly due to an increase in the number of employees from 168 to 182. According to the management, the Company has appointed key personnel to meet the compliance requirements of the Central Bank of Saudi Arabia.

During the financial year 2020G, the provision for doubtful debts increased significantly by SAR 20.66 million; this is mainly due to the provision for reinsurance receivables amounting to SAR 16.5 million.

Table No. (29): Net revenues

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Revenues						
Gross premiums written	248.1	329.5	275.5	33%	(16%)	4%
Reinsurance premium ceded	(10.5)	(5.4)	(4.6)	(49%)	(14%)	(24%)
Excess loss expense	(6.0)	(44.6)	(51.2)	641%	15%	104%
Net premiums written	231.6	279.5	219.7	21%	(21%)	(2%)
Changes in unearned premiums	(35.6)	(40.2)	27.8	13%	(169%)	(192%)
Changes in unearned reinsurance premiums	(12.3)	(2.8)	(0.6)	(77%)	(78%)	(63%)
Net premium earned	183.7	236.5	246.9	29%	4%	10%
Reinsurance commissions earned	2.0	2.0	1.1	1%	(45%)	(18%)
Other underwriting income	16.4	10.8	0.2	(34%)	(98%)	(77%)
Total revenues	202.1	249.3	248.1	23%	0%	7%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Gross Written Premiums (GWP)

It was noted that the Gross Written Premiums (GWP) increased by 33% in 2020G, and decreased by 16% during 2021G.

The increase in 2020G was part of the Company's business plan to reach the appropriate amount to enable the Company to distribute its operations. However, with the general deterioration in the insurance market, the Company faced constant losses; therefore, in 2021G, the Company strategy was to obtain quality work and not to renew insurance policies that had historically high losses.

Table No. (30): Gross Written Premiums (GWP) by Customers' Types

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
United companies	111.7	88.9	39.6	(20%)	(55%)	(29%)
Medium companies	41.4	47.8	26.4	15%	(45%)	(14%)
Small businesses	23.7	48.7	28.8	106%	(41%)	7%
Too small	70.4	76.6	180.7	9%	136%	37%
Individuals	0.9	67.6	-	7.430%	(100%)	(100%)
Net written premiums	248.1	329.5	275.5	33%	(16%)	4%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Over the past three years, the Company has shifted its focus from commercial businesses to very small businesses. About 45% of the total insurance premiums written came from companies during the financial year 2019G; the same percentage of age decreased during the financial year 2021G to 14% of the total insurance premiums written; the share of very small companies increased from 28% in the 2019G financial year to 66% during the 2021G.

The Company's medical business has the highest loss rate and puts more pressure on the Company's cash flows. Hence, the Board of Directors recommended strict control of renewals to prevent the drain on equity and cash. During the financial year 2021G, the total written premiums amounting to SAR 58.1 million belong to Al-Saif Engineering Contracting Company, Sidr Trading Group Company, Ibtikar Technology Company Limited, Sahara Maintenance Services, Contracting and Construction Company, Saudi Arabian Computer Systems Company, Al-Sayed & Partners Limited and Aster Sanad Hospital; the bond has not been renewed by the Company.

The gross written premiums for medium-sized companies increased from SAR 41.4 million in 2019G to SAR 47.8 million in the 2020G financial year, and then decreased by 45% in the 2021G financial year to SAR 26.4 million. The 45% drop in financial year 2021G is due to the competitive pricing pressures from similar companies in the sector.

The gross written premiums with respect to small businesses increased from SAR 23.7 million to SAR 48.7 million during the financial year 2020G. Historically, small businesses have the best loss ratios. From the financial year 2019G, despite its

deterioration, due to the addition of several covers in the insurance policy by the Health Insurance Council. However, it still has a better performance for the Company and the sector. In the financial year 2021G, the gross written premiums of small companies decreased by 41%; this is mainly due to the competitive pricing policy from the other similar companies; so technically, the Company had to give up some business in order to restrain itself from entering into a price war like this situation, taking into account its final earnings and capital restrictions.

The Company's total written premiums from individuals amounted to SAR 0.9 million during the financial year 2019G, which rose to SAR 67.6 million in the 2020G financial year, and later, decreased to zero. In the field of medical business, there was a sector of individuals previously; however, after some modifications in the medical insurance, the medical insurance is, nowadays, provided to small and medium-sized companies only; an individual cannot obtain an insurance cover on a standalone basis; so, individuals are affected, and the very small businesses suffered from an insurance increase.

Notwithstanding the above, the GWP related to the very small businesses increased during the period under review; this is due to the continued focus on this segment.

Table No. (31): Gross Written Premiums (GWP) by Operating Sectors

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Health insurances	224.4	291.2	150.2	30%	(48%)	(13%)
Motor Vehicle insurances	10.4	29.7	119.2	185%	301%	125%
Property and accident insurances	13.2	8.6	6.1	(35%)	(30%)	(23%)
Net written premiums	248.1	329.5	275.5	33%	16%	4%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

The GPW for medical contracts increased from SAR 224.4 million in 2019G to SAR 291.2 million during the financial year 2020G. The Company has been developing and improving automotive products, pricing, and channels. However, in the meantime, there was no other product available other than the medical products during the financial year 2020G; this is especially due to the massive contraction in the property lines and accidents because of the lack of business activity in the financial year 2020G.

During the period under review, it was noted that the Company has focused more on vehicles, as the gross premium written increased from SAR 10.4 million in 2019G to SAR 29.7 million in 2020G, and to SAR 119.2 million in the financial year 2021G, compared to the sector medical. The total written premiums decreased from SAR 291.2 million in 2020G to SAR 150.2 million in the financial year 2021G. This shift was made to overcome the high net claims under the medical sector. Moreover, this was primarily due to the corrective actions taken to improve losses and diversify the portfolio to have a broad premium base and healthy product portfolio.

On average, 3% of total written premiums come from the property and casualty segment.

Reinsurance Premium Assigned

Reinsurance is allocated between pledge and voluntary reinsurance contracts and excess loss reinsurance contracts.

The assigned reinsurance premium refers to the risk percentage that a Company transfers to another insurance Company. This other insurer is often a specialist in reinsurance. This practice allows the Company to reduce its potential losses when they are liable to compensate policyholders for a large sum of money, when an insured event occurs.

Reinsurance premiums assigned are almost entirely related to the property and casualty segment. It decreased from SAR 10.5 million in 2019G to SAR 5.4 million in the 2020G, and to 4.6 million SAR during the financial year 2021G; this is mainly due to the decrease in the work total value from the real estate and victim businesses by 35% and 30% during the two financial years 2020G. and 2021G, respectively.

Excess of Loss Expenses

It is relating to the expense on a provided compensation to the reinsurance Company; this is due to the loss incurred above the expectations.

Excess loss expenses increased from SAR 6 million in 2019G to SAR 44.6 million in the financial year 2020G, and to SAR 51.2 million in the financial year 2021G. The excess of loss expense is dependent on the sum insured covered under the agreement with the reinsurers and the loss/burning cost ratio; once one of these factors changes, it becomes variable. The increasing trend in loss expenses is due to the increase in the total claims during the period under review.

Unearned Premiums

Unearned premiums are calculated on a straight-line method over the insurance policy coverage except for:

- The last three months premium at the reporting date is considered unearned in respect of marine cargo.
- Calculating the pre-determined contribution for the engineering class of risks extending beyond one year. According to this calculation, the lower premiums are obtained in the first year which increases gradually at the end of the policy term.

Unearned premiums represent the share of written premiums relating to the period of coverage in effect. The change in the provision for the unearned premiums is recognized in the statement of income in the same order in which revenue is recognized over the period of risk.

Reinsurance Commissions

It represents the commission received from the reinsurer in order to give the reinsurer the possibility to profit from the Company's risk portfolio, and to compensate the Company for its costs in this regard.

Other Underwriting Incomes

It includes provider discounts, Manafeth income, Hajj and Umrah complex share, etc. Due to the absence of commercial activities during the financial years 2020G and 2021G, the non-Saudi vehicles did not enter the Kingdom of Saudi Arabia and, accordingly, there was a decrease in the Manafeth income. Similarly, due to the temporary suspension of international Hajj and Umrah flights, the pool share related to Hajj and Umrah has decreased.

Table No. (32): Total Subscription Costs

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Total Claims Paid	(174.4)	(220.5)	(314.9)	26%	43%	22%
Reinsurance companies' share of paid claims	46.4	27.7	53.8	(40%)	94%	5%
Net claims paid	(128.0)	(192.8)	(261.2)	51%	35%	27%
Changes in claims under settlement	3.6	15.8	14.3	337%	(10%)	58%
Changes in reinsurance share of outstanding claims	(9.9)	(3.9)	(10.5)	(61%)	171%	2%
Changes in claims incurred but not reported	(12.6)	(29.8)	(0.1)	137%	(100%)	(80%)
Changes in reinsurance share of claims incurred but not reported	(4.0)	(1.0)	(1.5)	(74%)	43%	(28%)
Net claims incurred	(150.8)	(211.7)	(259.0)	40%	22%	20%
Insurance premium deficiency reserve	0.4	(0.3)	(11.5)	(165%)	3.823%	(395%)
Other technical reserves	(9.3)	6.1	1.0	(166%)	(84%)	(147%)
Costs of acquiring insurance policies	(17.5)	(28.4)	(28.4)	42%	14%	17%
Supervision and inspection costs	(12.7)	(16.2)	(12.0)	27%	(26%)	(2%)
Total subscription costs and expenses	(190.0)	(246.9)	(309.8)	30%	25%	18%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Table No. (33): Net Claims Incurred

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Health insurances	(145.3)	(209.0)	(157.9)	44%	(24%)	(3%)
Motor vehicle insurances	(6.3)	(2.2)	(101.1)	(66%)	4.598%	152%
Property and accident insurances	0.7	(0.6)	0.1	(175%)	(111%)	(56%)
Net written premiums	(150.8)	(211.7)	40%	(259.0)	22%	20%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

The total outstanding claims includes the total estimated cost of claims incurred but not settled at the statement of the financial position date plus related to the claims handling costs, whether or not reported.

Reported provisions for claims but not paid as at the statement of the financial position date are made on the basis of individual case estimates. In addition, a provision is maintained based on the management's estimates; the Company's past experience for the incurred settlement cost claims, but they are not reported including the related claims handling costs at the statement of the financial position date.

The net incurred claims increased by 40% and 22% during the financial years 2020G and 2021G, respectively; this increase was due to the volume of business and additional coverage that regulators introduced into the medical and auto insurance policies, which increased the number of claims. During the financial year 2020G, the sudden rise in net incurred claims is mainly due to the increase in the net claims incurred in the medical sector by 44%, while the net claims incurred in the financial year 2021G; this mainly increased is due to the significant increase of SAR 101.1 million related to the automotive sector. In the financial year 2021G, the Company shifted its focus towards the automotive sector with a strong underwriting that eventually led to extraordinary claims.

Premium Deficiency Reserve

When the creation of an unearned premium reserve is not sufficient to meet the expected cost of future claims, an annuity deficiency reserve must be created.

The estimation of the premium deficiency reserve is based on the expected loss ratio for the unexpired portion of the written policy risk. To reach these estimates, the actuary takes into consideration the claims and premiums relationship expected to be realized in the future.

The premium deficiency reserve increased from SAR 0.3 million in 2020G to SAR 11.5 million in financial year 2021G; this is mainly due to the increase in the reserve related to the automotive sector.

Other Technical Reserve

Other technical reserves represent the unallocated loss adjustment expense reserves and accrued reinsurance reserves. The unallocated loss adjustment expense reserve is based on the estimates of future payments derived from claims administration expenses, including payroll and other allocation of expenses.

The other technical reserve relates to the differences between the opening and closing balances, as in each reporting period, which is based on the actuarial report.

Policy Acquisition Costs

The cost of obtaining the policy is directly related to the insurance written premium on several products, representing mainly the expenses incurred to obtain the insurance policies, which includes commissions paid to sales intermediaries.

Policy acquisition costs as a percentage of age to total written premiums increased from 7% in 2019G to 8% in the financial year 2020G; this is mainly due to a 40% increase in the policy acquisition costs related to the medical sector as a result of a 30% increase in total premiums insurance underwritten from the same sector. Policy acquisition costs as a percentage of life to total written premiums increased to 10% in the financial year 2021G; this is mainly due to the sudden rise in the costs of obtaining insurance policies for the automotive segment as a result of the large underwriting in the same segment.

Provisions for Doubtful Debts

The provision for doubtful debts increased significantly by 819% from SAR 2.5 million in 2019G to SAR 23.2 million in the financial year 2020G. This increase is mainly due to the creation of a provision on the total balance of SAR 16.5 million, and receivables from reinsurers in the financial year 2020G, which were more than 360 days past due as of December 31, 2020G. The Company did this in order to comply with the guidelines of Article 69 of the Implementing Regulations of the Central Bank of Saudi Arabia for the Cooperative Insurance Companies.

Table No. (34): General and Administrative Expenses

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Staff costs and salaries	29.3	28.1	36.0	(4%)	28%	7%
Software licensing fees	1.4	1.9	3.2	38%	65%	32%
Consulting and professional fees	1.5	2.2	2.8	45%	28%	23%
Medical expenses	1.3	1.3	2.1	4%	60%	19%
Rent	2.4	2.0	1.9	(17%)	(4%)	(7%)
Employees' end of service benefits	1.0	1.2	1.6	22%	33%	18%
Communication account	0.4	1.5	1.0	245%	(35%)	31%
Consumption	1.2	1.5	1.5	29%	1%	9%
firefighting	0.4	0.4	0.4	(12%)	0%	(4%)
Allowance for members of the Board of Directors and the Committee	1.6	1.2	1.0	(22%)	(20%)	(14%)
Government expenses	0.9	1.1	1.1	12%	(0%)	4%
Miscellaneous	3.8	3.5	7.5	(7%)	112%	26%
Total	45.2	45.8	59.9	1%	31%	10%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

General and administrative expenses mainly include personnel costs, rent, depreciation, amortization, professional fees, communications, advertising, promotion expenses, withholding tax provision and other expenses. General and administrative expenses increased by 1.4%, from SAR 45.2 million in 2019G to SAR 45.8 million in the financial year 2020G; this is mainly due to the increase in the depreciation, communication and professional expenses during the same year.

General and administrative expenses increased by 30.7% in the financial year 2021G, from 45.8 million SAR in 2020G to SAR 59.9 million in the financial year 2021G, because of the significant increase in staff costs and professional fees during the same year. The increase in personnel costs for 2021G is mainly due to the appointment of key management personnel by the Company in order to comply with the regulations of the Saudi Arabia Central Bank.

Program licensing expenses increased from SAR 1.4 million in 2019G to SAR 1.9 million in the financial year 2020G, and to SAR 3.2 million in the financial year 2021G; this is mainly due to some major payments made in January, April and June 2021G. Moreover, the increase in professional fees is mainly due to the increase in the audit fees during the financial year 2021G.

Investment Income

Investment income mainly represents the income generated by the Company's investments in the equity instruments and the various debts.

5.7.3 Statement of Financial Position

Table No. (35): Statement of Financial Position for the financial years 2019G, 2020G and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Findings						
Cash and Cash flows	44.5	134.0	47.0	201%	(65%)	2%
Short term deposits	116.0	40.0	10.0	(66%)	(75%)	(56%)
City reinsurance premium	79.6	129.2	87.5	62%	(32%)	3%
Unearned premium	4.9	2.1	1.4	(58%)	(30%)	(33%)
Pending claims	15.6	11.8	1.3	(25%)	(89%)	(57%)
Pending claims not reported	3.7	2.7	1.2	(28%)	(55%)	(32%)
Investments available for sale	19.3	12.9	87.5	(33%)	18%	(8%)
Investments held until solution	48.6	49.0	44.2	1%	(10%)	(3%)
Preliminaries and other assets	20.0	21.5	14.8	7%	(31%)	(10%)
Property and equipment	6.0	6.0	6.1	0%	2%	1%
Regular deposits	36.0	36.0	19.5	0%	(46%)	(18%)
Commissions payable on regular deposits	2.6	2.9	3.0	12%	4%	5%
Long Term Deposits	30.0	-	-	(100%)	N/A	(100%)
Total assets	435.7	459.9	264.4	6%	42%	(15%)
Liabilities						
Insurance policy claims payable	0.2	1.3	3.5	428%	172%	143%
Eligible expenses	47.2	73.1	42.0	55%	(43%)	(4%)
Reinsurance balance payable	13.0	22.6	8.2	74%	(64%)	(14%)
Unearned premiums	100.9	141.1	113.3	40%	(20%)	4%
Unearned reinsurance commission	1.1	0.5	0.2	(57%)	(47%)	(39%)
Claims under settlement	51.5	35.7	21.4	(31%)	(40%)	(25%)
Claims incurred but not reported	28.4	58.1	58.3	105%	0%	27%
Other requirements	36.6	35.4	43.7	(3%)	23%	6%
Provision for deficiency installments	15.4	15.7	27.2	2%	73%	21%
Other technical allowances	10.9	4.8	3.8	(56%)	(20%)	(30%)
End of service specifier	4.0	4.5	5.3	12%	18%	10%
Provision for zakat and tax	2.9	6.7	3.6	133%	(47%)	8%
Life Insurance Distributions - Credits	0.8	0.8	0.8	0%	0%	0%
Commission due to Sama	2.6	2.9	3.0	12%	4%	5%
Total Liabilities	278.8	367.7	290.5	32%	(21%)	1%
Net assets	156.9	92.2	(26.1)	(41%)	(128%)	(155%)
Property rights						
Capital	240.0	240.0	130.0	0%	(46%)	(18%)
Accumulated losses	(85.7)	(147.5)	(157.2)	72%	7%	22%
Actuarial losses for end of service benefits	(0.5)	(1.7)	(1.5)	223%	(17%)	39%
Fair value reserve for investments prepared for sale	3.1	1.5	2.6	(51%)	75%	(5%)
Total Equity	156.9	92.2	(26.1)	(41%)	(128%)	(155%)

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Insurance Related Assets and Liabilities

Table No. (36): Assets and liabilities related to insurance for the financial years 2019G, 2020G and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Reinsurers' share of unearned premiums	4.9	2.1	1.4	(58%)	(30%)	(33%)
Reinsurers' share of outstanding claims	15.6	11.8	1.3	(25%)	(89%)	(57%)
Reinsurers' share of claims incurred but not reported	3.7	2.7	1.2	(28%)	(55%)	(32%)
Assignment for the acquisition of deferred documents	8.3	11.0	12.6	32%	14%	15%
	32.6	27.5	16.5	(16%)	(40%)	(20%)
Insurance policy claims payable	(0.2)	(1.3)	(3.5)	428%	172%	143%
Reinsurance balance payable	(13.0)	(22.6)	(8.2)	74%	(64%)	(14%)
Unearned premiums	(100.9)	(141.1)	(113.3)	40%	(20%)	4%
Unearned reinsurance commission	(1.1)	(0.5)	(0.2)	(57%)	(47%)	(39%)
Pending claims	(51.5)	(35.7)	(21.4)	(31%)	(40%)	(25%)
Claims incurred but not reported	(28.4)	(58.1)	(58.3)	105%	0%	27%
Insurance premium reserve	(15.4)	(15.7)	(27.2)	2%	73%	21%
Another technical reserve	(10.9)	(4.8)	(3.8)	(56%)	(20%)	(30%)
Total	(188.8)	(252.2)	(219.3)	34%	(13%)	5%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

According to the actuarial report, the Company needs to set aside total technical reserves of SAR 220 million net reinsurance to meet the obligations under the insurance contracts in effect as of December 31, 2021G.

The amounts relating to the following assets and liabilities are derived from the actuarial report as of the reporting periods, and are properly recognized in the financial statements.

- Reinsurance share of unearned premiums.
- Reinsurance share of outstanding claims.
- Reinsurers' share of claims incurred but not reported.
- Unearned premiums.
- Pending claims.
- Incurred but not reported claims.
- Reserve for shortage of insurance premiums, and
- Another technical reserve.

Short Term Deposits

Table No. (37): Short-term deposits for the financial years 2019G, 2020G and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Short term deposits	116.0	40.0	10.0	(66%)	(75%)	(56%)

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

The short-term deposit represents the Murabaha deposit with original maturity between 3 and 12 months, starting from the reporting date. The short-term deposits are profitable at an average rate of 5.23% per year (2020G: 4.22%/year). The deposit is due on April 24, 2022G.

The decrease in short-term deposits is mainly due to the maturity of deposits that are previously held by the Company in 2021G.

Statutory Deposit

Table No. (38): The Statutory Deposit for The Financial Years 2019G, 2020G and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Regular deposit	36.0	36.0	19.5	0%	(46%)	(18%)

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

The statutory deposit represents 15% of the Company's paid-up capital that it maintains with a local bank classified by the Saudi Central Bank, in accordance with the Cooperative Insurance Companies Control Law for Insurance Companies.

This statutory deposit is placed with a counterparty with an investment grade credit rating.

On July 27, 2021G, the Company obtained the Saudi Central Bank approval to withdraw an amount of SAR 16.5 million from the statutory deposit; this is due to a decrease in the capital from SAR 240 million on December 31, 2020G to SAR 130 million on December 31, 2021G.

Commission income payable on the statutory deposit is shown as an asset and a liability in the statement of financial position.

Table No. (39): Insurance Premiums and Reinsurance Receivables. Net

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Document holders	30.2	56.5	58.2	87%	3%	24%
Brokers and agents	39.8	76.6	48.8	93%	(36%)	7%
Related parties	1.2	3.7	2.0	209%	(46%)	19%
Receivables from reinsurers	35.3	42.5	34.1	20%	(20%)	(1%)
	106.5	179.3	143.2	68%	(20%)	10%
Less: provision for doubtful debts	(26.9)	(50.1)	(55.6)	86.0%	(11%)	27.0%
Insurance premiums and reinsurance receivables - net	79.6	129.2	87.5	62%	(32%)	3%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Balances receivable mainly include premiums received from the direct policyholders, brokers and agents, as well as the balances due from the reinsurers.

Receivables due from the policyholders represent 37.9%, 43.7% and 66.5% of the total net receivable balances as of December 31, 2019G, 2020G, and 2021G, respectively. Reinsurance dues represented 44.4%, 32.9% and 39.0% of the net balance as of December 31, 2019G, 2020G, and 2021G, respectively. Moreover, the dues from brokers and agents represent 50.0%, 59.3% and 55.8% of the net balance as of December 31, 2019G, 2020G, and 2021G, respectively.

The financial year 2020G witnessed a significant increase in the receivables from the direct policyholders, brokers, agents and reinsurance companies by 87.0%, 93.0% and 20%, from SAR 30.2, SAR 39.8 million and SAR 35.3 million on December 31, 2019G to SAR 56.5, SAR 76.6 and SAR 42.5 million on December 31, 2020G, respectively; this is due to the increase in the premium balances received from brokers and agents for the new clients during the financial year 2020G.

However, the receivables from brokers, agents and reinsurance companies decreased by 36.0% and 20.0% from SAR 76.6 million and SAR 42.5 million on December 31, 2020G to SAR 48.8 million and SAR 34.1 million on December 31, 2021G, over straight; this is due to the Company's improved and efficient collection process.

Provision Movement for Doubtful Debts

Table No. (40): Provision Movement for Doubtful Debts for the Financial Years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Opening balance	24.4	26.9	50.1	819%	86%	27%
Bearer of the year	2.5	23.2	5.5	819%	(76%)	30%
Closing balance	26.9	50.1	55.6	86%	11%	27%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

The accumulated provision for doubtful debts increased significantly by 86.0% from SAR 26.9 million in 2019G to SAR 50.1 million in the financial year 2020G; this is mainly due to the creation of a provision for the total balance of SAR 16.5 million and the receivables from the reinsurers in the financial year 2020G, which is more than 360 days past due as of December 31, 2020G. The Company has done this in order to comply with the guidelines of Article 69 of the Executive Regulations of the Saudi Central Bank for Cooperative Insurance Companies.

Table No. (41): Age Group Analysis of Insurance Premiums and Reinsurance Receivables – Gross

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)	
Financial year 2021G	41.2	8.8	4.5	13.0	10.9	64.7	143.2
Financial year 2020G	50.7	10.0	11.8	31.8	20.1	55.0	179.3
Financial year 2019G	4.0	16.5	5.8	32.8	18.9	28.5	106.5

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

The ages of the debit balances in the above table indicate that there are 26.8%, 30.7% and 45.2% of the total insurance premiums and reinsurance debtors as of December 31, 2019G, 2020G, and 2021G, respectively, for an extended period (more than a year); it indicates that the Company is facing difficulties in collecting a large part of the accounts receivable balance.

Investments

Table No. (42): Investments For the Financial Years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Investments available-for-sale - equity (local)	17.4	10.9	13.3	(37%)	21%	(9%)
Held-to-maturity investments - debt (domestic)	43.6	44.0	44.2	1%	0%	0%
Held-to-maturity investments - debt (International)	5.1	5.0	-	(1%)	(100%)	(100%)
Total	66.0	60.0	57.5	(9%)	(4%)	(5%)

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

The available-for-sale investment in insurance operations represents SAR 1.9 million related to the Company's share in Najm Insurance Services Company (Najm), which represents 3.85% of Najm capital.

The available-for-sale investment consist of equity instruments issued by the companies and financial institutions in the Saudi Arabia. The fair value of these investments decreased by 37.0% from SAR 17.4 million as of December 31, 2019G to SAR 10.9 million as of December 31, 2020G; this is due to a decrease in the prices of some shares in the portfolio.

Moreover, the fair value of these investments increased by 21.0% from SAR 10.9 million as of December 31, 2020G to SAR 13.3 million as of December 31, 2021G; this is due to an increase in the prices of some shares in the portfolio. However, the available-for-sale investment from insurance operations did not witness any fluctuations during the period between 2019G and 2021G.

All the available-for-sale investment for sale are tradable and listed securities

The held-to-maturity investment represents sukuk yielding an average profit rate of 3.45%, 3.40% and 3.91% per annum for 2019G, 2020G and 2021G, respectively. These investments are carried at amortized cost at every reporting date.

Prepaid Expenses and Other Assets

Table No. (43): Prepaid Expenses and Other Assets for the Financial Years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Accrued benefit income	3.1	6.0	-	95%	(100%)	(100%)
Review of deferred medical claims	3.3	4.6	2.5	38%	(46%)	(9%)
Deferred Health Insurance Council Fee	0.9	1.2	0.6	32%	(47%)	(11%)
Prepaid medical insurance premiums	1.0	1.1	1.8	15%	61%	23%
Increased advance loss excess	6.3	0.9	1.6	(86%)	85%	(36%)
Saudi Arabia Bank deferred fees	0.5	0.7	0.6	44%	(20%)	5%
Receivables to employees	0.1	0.2	1.7	71%	795%	148%
Advance rent	0.4	0.3	0.3	(19%)	(19%)	(16%)
Accrued benefits	2.4	0.1	0.4	(97%)	333%	(47%)
Other	2.1	6.4	4.5	209%	(30%)	29%
Value added services	-	-	1.0	NA	NA	0%
Total	20.0	21.5	14.8	7%	(31%)	(10%)

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Accrued Manafeth Income

Manafeth income pertains to the accrued profit from Tawuniya Motor Manafeth. The balance of SAR 6 million represents the accrued income as a result of the Umrah & Manafeth services. During 2021G, the accrued income decreased to zero as Hajj and Umrah related activities were halted due to the COVID-19.

Review of the Deferred Medical Claims

The deferred medical claim is medical claim from groups and individuals. It increased by 38% in 2020G compared to 2019G, and decreased by 46% in 2021G. This review is linked to the medical premium; it is based on 4% of the medical premium business. The differences are directly proportional to changes in medical insurance premiums.

Health Insurance Council (HIC) Deferred Fees

Health Insurance Council (HIC) represents 1% of the gross written premiums for medical insurance for every reporting period; it is paid in advance.

Increase of the Prepaid Loss Excess

During the historical period, the prepaid excess loss decreased from SAR 6.3 million to SAR 0.9 million in 2020G. It increased by 0.7 million in the 2021G. Until 2019G, management used to pay the entire excess of loss expense up front at the beginning of the financial year, while treaty with reinsurers typically begin during October. From 2020G, these payments are made on a quarterly basis as the outstanding balances are minimal compared to 2019G.

Saudi Central Bank Deferred Fees

The Saudi Central Bank deferred fees represents 0.5% of the total written premiums for every reporting period; it is paid in advance.

Employees' Receivables

Employees' receivables are basic salary loans and housing advances given by the Company to its employees. Two criteria that must be met before disbursing the loan to the employee, as summarized below:

- The loan amount must be equal to or less than the amount of end-of-service benefits attributable to the employee; and
- The employee cannot leave the Company until the loan is fully paid to the Company.

Property and Equipment, Net

Table No. (44): Property and Equipment. Net for the Financial Years 2019G. 2020G. and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Changes in rent	0.5	1.6	1.5	215%	(2%)	46%
Furniture and fixtures	0.5	0.6	0.6	26%	4%	10%
Computers and Office	1.8	2.0	2.3	13%	13%	9%
Motor vehicles	0.0	-	-	(100%)	N/A	(100%)
Capital work in progress	3.2	1.8	1.6	(44%)	(8%)	(20%)
Total closing	6.0	6.0	6.1	0%	2%	1%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G. 2020G and 2021G.

Historical Capital Expenditures (CAPEX)

Management stated that the historical capital expenditures were of a maintenance nature. Under the IAS 16, subsequent costs are included in the carrying amount. only if it is probable that the associated future economic benefits will flow to the Company. The Company capitalizes those costs which meet the capitalization criteria; all other repair and maintenance expenses are charged to the statement of profit or loss during the financial period.

The Company's property and equipment are significantly depreciated; this may lead to higher capital expenditures in the near future. Furthermore, the vehicles are fully depreciated since December 31, 2020G.

The standard amount for capitalization as a fixed asset is SAR 1,000.

Capital Work in Progress (CWIP)

Capital work in progress includes the facility renovation and modernization projects that are being developed for future use.

Intangible Assets - Net

Intangible assets consist of software licenses for various online products. The value of intangible assets increased from 0.5 million SAR as of December 31, 2019G to 0.9 million SAR as of December 31, 2021G, as a result of obtaining new software licenses worth SAR 0.5 million and transferring from capital work in progress upon ending the development of an intangible asset by the Company and developing the capabilities of the computer programs used.

Cash & Cash Equivalents

All bank balances with local banks subject to the supervision of the of Saudi Central Bank are placed with sound credit ratings under the Standard & Poor's and Moody's rating methodology.

Accrued expenses and other liabilities

Table No. (45): Accrued Expenses and Other Liabilities for the Financial Years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Payable to medical service provider	20.8	22.0	9.4	6%	(57%)	(23%)
Commission payable	8.0	12.2	9.9	53%	(19%)	7%
Unallocated receipts	0.8	19.3	6.1	2,407%	(69%)	99%
Maturity vs Old Checks	4.4	7.5	7.5	70%	(1%)	19%
Provision for withholding tax from reinsurance	1.7	2.3	2.4	35%	7%	13%
Accrued employee benefits	2.5	1.8	2.2	(30%)	26%	(4%)
value added tax provision	0.9	1.1	-	26%	(100%)	(100%)
Inspection and supervision fees	0.9	1.6	1.6	81%	1%	22%
Payable BOD allowances	1.5	1.6	1.1	8%	(29%)	(8%)
Custom Rewards	1.0	-	-	(100%)	N/A	(100%)
Other	4.8	3.7	1.9	(22%)	(49%)	(27%)
Total	47.2	73.1	42.0	55%	(43%)	(4%)

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Medical Service Providers Payable

Medical service providers decreased from 2020G to 2021G. There have been some billing delays due to the COVID-19 related shutdowns. However, the situation has improved in 2021G regarding the billing and settlement cycle; further improvements are expected in 2022G.

Accrued Commission

This relates to sales commission payable to brokers, sales agents, etc. It is paid when the installments are collected.

Unallocated Receipts

Unallocated receipts refer to collections received by the Company, which are not recognized as a particular receivable and are under investigation. As of December 31, 2020G, SAR 19.3 million was received from customers, but the Company was unable to allocate the specific insurance policy as at the reporting date. According to the management, the Company started its online collection work during the month of December 2020G, and there was no proper mechanism for allocating receipts at that time.

Accrual Against Stale Cheques

This represents accruals booked for cheques which are time barred.

VAT Provision

This represents the value added tax deducted from customers and payable to the Zakat, Tax and Customs Authority as of the reporting date.

Accrued BOD allowances

This represents directors' compensation payable, as at the reporting date.

Employees' End of Service Benefits Payable

Employees' end of service gratuity is a legal requirement for all Saudi companies and is payable to employees upon resignation or termination of service from the entity. Employee termination benefits have been treated as a debt-like item because it represents a long-term liability arising from current operations.

Zakat Provision and income tax

Zakat provision and income tax are a mandatory fee on the Company's income; in the absence of any notification from the Authority regarding the allowable deduction, the full amount of the provision has been adjusted as an item similar to debt. The discrepancy in the zakat and income tax provision balances between THE financial year 2019G and 2021G is mainly due to the fixed losses incurred by the Company.

The Company submitted its Zakat return to the Zakat, Tax and Customs Authority (ZATCA) until the year ended December 31, 2020G. All assessments up to the financial year 2016G have been settled with the Zakat, Tax and Customs Authority; the final clearance certificate has been obtained.

During the year ending on December 31, 2020G, the Zakat, Tax and Customs Authority issued zakat assessments for the financial years 2017G and 2018G, amounting to SAR 6.2 million. The Company has filed an objection to the assessment and management believes that the liability can be reduced to SAR 3.7 million with a very high probability. During the year ended December 31, 2020G, the Company also received assessments along with penalties related to Value Added Tax (VAT) for the financial years 2018G and 2019G amounting to SAR 1.6 million. The Company objected to the penalties that were canceled by the Zakat, Tax and Customs Authority; it is in the process of being processed to recover the funds. During the same year, the Zakat, Tax and Customs Authority requested information about the tax and zakat returns for the financial years 2019G and 2020G, which are still under review.

Transactions With Related Parties

Table No. (46): Transactions With Related Parties for the Financial Years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)
Al Saif Group Companies	51.6	43.4	5.9
Durra the leading Company	-	0.1	0.0
Abdul Rahman Al-Sukran	-	0.0	0.0
Nayef Al-Sudairy	-	0.1	-
Altoukhi Group of Companies	0.2	-	-
Med Globe	-	-	-
Total	51.8	43.5	6.0

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Related Parties

Related parties are the major shareholders, directors and personnel key management of the Company and the companies of which they are principal owners.

Controlling Transactions with Related Parties

Amana Insurance Policies system control is set up, so that an email with a transaction report is automatically sent to the Compliance Department when any insurance policy is created for BOD members or their first-degree relatives.

By the end of each financial year, the Chairman sends a report to the BOD on the transactions of all related parties. Moreover, the above Chairman's letter and the external audit report are presented to the shareholders at the General Assembly (GA) meeting in order to approve the related party transactions.

Table No. (47): Due to Related Parties for the Financial Years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)
Board of Directors and related committees	1.7	1.2	1.4
Globe Med	9.0	11.4	5.2
Total	10.7	12.6	6.6

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Transactions Nature with Related Parties

The Company provides primarily insurance services to the related parties; these transactions constitute the following:

1. Insurance premium written
2. Paid Claims

Compensation of Key Management Personnel

Table No. (48): Compensation of Key Management Personnel for the Financial Years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)
Salaries and other allowances	4.5	4.0	5.4
Indemnity	0.2	0.2	0.7
Total	4.7	4.2	6.0

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Personnel key management are the persons who have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and consist of senior executives including the CEO, and the chief financial officer of the Company.

Shareholders' Equity

Table No. (49): Shareholders' Equity for the Financial Years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Property rights						
Capital	240.0	240.0	130.0	0%	(46%)	(18%)
Accumulated losses	(85.7)	(147.5)	(157.2)	72%	7%	22%
Actuarial loss on end of service benefits	(0.5)	(1.7)	(1.5)	223%	(17%)	39%
Fair value reserve for available-for-sale investments	3.1	1.5	2.6	(51%)	75%	(5%)
Total Shareholders' Equity	156.9	92.2	(26.1)	(41%)	(128%)	(155%)

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Share Capital

As of December 31, 2020G, the Company's authorized, subscribed and paid-up capital amounted to SAR 240 million, divided into 24 million shares, at a value of 10 SAR per share. On December 07, 2020G, the Board of Directors recommended to reduce the Company's capital from SAR 240 million to SAR 130 million, divided into 13 million shares by settling the accumulated losses. In the Extraordinary General Assembly (EGA) meeting (the second meeting) held on Shawwal 11, 1442H corresponding to May 23, 2021G, the Company's shareholders approved this reduction and the required changes in the Company's Bylaws related to this reduction. Accordingly, the capital and accumulated losses were reduced by SAR 110 million. The purpose of the capital reduction is to restructure the Company's capital position in order to meet compliance with the Companies Act. Later on, at the end of the same year, the Company's shareholders agreed to increase the Company's capital by SAR 300 million in the EGA meeting hold on February 28, 2022G; so, the number of shares increased

from 13 million to 43 million. The capital increase is subject to regulatory approval from the Saudi Central Bank and the Capital Market Authority (CMA).

Accumulated Losses

The balance of accumulated losses increased significantly by 72.0%, from SAR 85.7 million as of December 31, 2019G, to 147.5 million SAR as of December 31, 2020G, after the Company recorded a loss of SAR 61.9 million in the financial year 2020G. In 2021G, the accumulated losses increased again by 7.0%, from SAR 147.5 million as of December 31, 2020G to 157.2 million SAR as of December 31, 2021G; this is due to the incurred losses in the financial year 2021G, which amounted to SAR 119.1 million.

5.7.4 Statement of Cash Flows

Table No. (50): Cash Flow Statement for the Financial Years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Millions of Saudi riyals	(29.7)	(21.3)	(135.7)	(28%)	537%	66%
Cash flow used in operating activities	(36.2)	80.7	32.8	(232%)	(59%)	(197%)
Cash flow used in investing activities	71.2	30.0	15.9	(58%)	(47%)	(39%)
Cash flow from financing activities	5.3	89.4	(87.0)	1.583%	(197%)	(354%)
Net change in cash and cash equivalents	39.2	44.5	133.9	14%	201%	51%
Cash and cash equivalents at the beginning of the year	44.5	133.9	47.0	201%	(65%)	2%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Cash Flows used Operating Activities

Table No. (51): Cash Flows from Operating Activities for the Financial Years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Cash flows used in operating activities						
Total loss before zakat and tax	(27.7)	(57.3)	(121.4)	107%	112%	64%
Adjustments for non-cash items						
Depreciation and amortization of debt	1.6	1.9	1.9	18%	1%	6%
Allowance for doubtful debts	2.5	23.2	5.5	819%	(76%)	30%
Profit realized from the sale of investments available for sale	(0.0)	(2.2)	(0.5)	27.688%	(80%)	285%
Amortization of held-to-maturity investments	(1.5)	(0.4)	(0.4)	(72%)	0%	(35%)
Employee end of service provision	1.0	1.2	1.6	22%	33%	18%
	3.60	23.60	8.10	552%	(66%)	31%
Changes in operating assets and liabilities						
Insurance premiums and debt reinsurance companies	(60.6)	(72.8)	36.2	20%	(150%)	(184%)
Reinsurers' share of unearned premiums	12.3	2.8	0.6	(77%)	(78%)	(63%)
Reinsurers' share of outstanding claims	9.9	3.9	10.5	(61%)	171%	2%
Reinsurers' share of outstanding but unreported claims	4.0	1.0	1.5	(74%)	43%	(28%)
Deferred document acquisition costs	(2.9)	(2.7)	(1.6)	(9%)	(40%)	(18%)
Prepaid expenses and other assets	14.5	(1.5)	6.7	(110%)	(554%)	(23%)
Policyholders' claims payable	(4.4)	1.0	2.2	(124%)	112%	(179%)
Accrued expenses and other liabilities	(4.5)	25.9	(31.1)	(671%)	(220%)	90%

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Reinsurance payable	(11.0)	9.6	(14.4)	(187%)	(250%)	9%
Unearned premiums	35.6	40.2	(27.8)	13%	(169%)	(192%)
Unearned reinsurance commission	0.2	(0.6)	(0.2)	(447%)	(64%)	(207%)
Pending claims	(3.6)	(15.8)	(14.3)	337%	(10%)	58%
Claims incurred but not reported	12.6	29.8	0.1	137%	(100%)	(80%)
Installment deficiency reserve	(0.4)	0.3	11.5	(165%)	3.823%	(395%)
Another technical reserve	9.3	(6.1)	(1.0)	(166%)	(84%)	(147%)
	(13.2)	(18.7)	(134.3)	41%	619%	116%
Provision for paid employees' end of service	(0.2)	(1.9)	(0.5)	727%	(74%)	29%
Zakat and income tax paid	(16.2)	(0.8)	(0.8)	(95%)	13%	63%
Net cash generated from operating activities	(29.70)	(21.30)	(135.70)	(28%)	573%	66%

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

Cash flows from operating activities fluctuated during the FY19, FY20, and FY21, primarily due to the movement in total unearned premiums, premiums and reinsurers' receivables, reinsurers balance payable, outstanding claims, claims incurred but not reported and zakat/tax and other assets and liabilities.

The net cash outflow of 21.3 million SAR was achieved in the financial year 2020G, compared to the net cash outflows of SAR 29.7 million in the financial year 2019G; this is due to the increase in cash inflows from the gross unearned premiums and claims incurred but not reported during the financial year 2020G.

The net cash outflow of SAR 135.7 million was recognized in the financial year 2021G. This cash movement from operating activities was mainly affected by the significant increase in the total loss incurred before Zakat and Tax, compared to the financial year 2020G.

Cash Flows from (used by) Investing Activities

Table No. (52): Cash Flows from Investment Activities for the Financial Years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Short term deposits	(23.6)	75.9	30.0	(421%)	(60%)	(208%)
Additions on investment available for sale	(9.2)	-	(2.8)	(100%)	N/A	(33%)
Proceeds from investments available for sale	1.3	7.1	2.0	429%	(71%)	15%
Proceeds from a held-to-maturity investment	-	-	5.3	N/A	N/A	0%
Capital expenditures	(4.7)	(2.3)	(1.7)	(51%)	(24%)	(28%)
Net cash from investing activities	(36.2)	80.7	32.8	(323%)	(59%)	(197%)

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

The cash generated from or used in investing activities witnessed several fluctuations during the period between the financial year 2019G and 2021G. The Company reported net cash outflows from the investment activities amounted to 36.2 million SAR in the financial year 2019G. During the financial year 2020G, the Company reported net cash inflows from the investment activities; this is mainly due to the collection of the short-term deposits.

Moreover, the net cash inflow amounted to 32.8 million SAR during the financial year 2021G, which mainly represents cash flows from short-term deposit payments.

Table No. (53): Cash Flows from Financing Activities for the Financial Years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Withdrawal from the security deposit	-	-	16.5	N/A	N/A	0%
Increasing regular deposits	(15.0)	-	-	(100%)	N/A	(100%)
Long-term deposit increase	(10.0)	30.0	-	(400%)	(100%)	(100%)
Proceeds from the capital issuance	100.00	-	-	(100%)	N/A	(100%)
Operation cost	(3.8)	-	(0.6)	(100%)	N/A	(47%)
Net cash from financing activities	71.2	30	15.9	(58%)	(47%)	(39%)

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

The Company recorded a net cash inflow amounting to SAR 71.2 million from financing activities in the financial year 2019G due to the cash inflows from the capital increase during the same year.

The net cash inflows during the financial years 2020G and 2021G are mainly due to the positive cash flows from long-term deposits and guarantee deposits, respectively.

Loss Ratio

The Company's total loss ratio for the year ending on December 31, 2021G was 105%, while the loss ratios for medical and motor segments were 98% and 119%, respectively.

5.8 Solvency Statement

Table No. (54): Solvency List for The Financial years 2019G, 2020G, and 2021G

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Accepted assets						
Acceptable Assets - Policyholders (Operations) (General and Health Insurance)	243.345	311.310	255.304	28%	(18%)	2%
Acceptable Assets - Policyholders (Operations) (Protection and Savings Insurance)	-	-	-	N/A	N/A	0%
Accepted Assets - Shareholders	276.568	237.109	116.003	(14%)	(51%)	(25%)
Adjustments	-	-	-	N/A	N/A	0%
Other assets are allowed to cover the minimum required margin	-	-	-	N/A	N/A	0%
Total Allowed Assets	519.913	548.419	371.307	5%	(32%)	(11%)
Liabilities						
Obligations of policyholders (operations) (general and health insurance)	269.655	353.416	278.750	31%	(21%)	1%
Obligations of policyholders (operations) (protection and savings insurance)	-	-	-	N/A	N/A	0%
Shareholders' obligations	119.174	143.286	140.636	20%	(2%)	6%
Minus: Liabilities are allowed to cover the minimum margin				N/A	N/A	0%
Total Liabilities	388.829	496.702	419.386	28%	(16%)	3%
Net assets accepted						
Net assets - policyholders (operations) (general and health insurance) before adjustments are made	(26,310)	(42,106)	(23,446)	60%	(44%)	(4%)

Millions Saudi Riyals	2019G (Audited)	2020G (Audited)	2021G (Audited)	2020G (Audited)	2021G (Audited)	CAGR (2019G-2021G)
Net assets - policyholders (operations) (protection and savings insurance) before adjustments are made	0	0	0	N/A	N/A	0%
Net assets - shareholders, before adjustments	157,394	93,823	(24,633)	(40%)	(126%)	(154%)
Allowed modifications, additions, and exceptions	0	0	0	N/A	N/A	0%
Total net assets accepted	131,084	51,717	(48,079)	(61%)	(193%)	(172%)
Minimum Margin Required						
Margin Required (General and Health Insurance)	38,820	46,819	50,298	21%	7%	9%
Required margin (protection and savings insurance)	0	0	0	N/A	N/A	0%
Total Margin Required	38,820	46,819	50,298	21%	7%	9%
Minimum Capital Requirement (MCR)	100,000	100,000	100,000	0%	0%	0%
Total Minimum Required Margin (top of Total Required Margin and MCR)	100,000	100,000	100,000	0%	0%	0%
Increasing (decreasing) the allowed net assets beyond the minimum required margin	31,048	(48,283)	(148,079)	(255%)	207%	(268%)

Source: Audited Financial Statements for the Financial Years ending on December 31, 2019G, 2020G and 2021G.

According to the Articles 66, 67 and 68 of Implementing Regulations, the Company is required to maintain certain solvency levels for different business classes. The Company's solvency level is mainly affected by the technical reserve to be maintained, which, in turn, is affected by the volume of insurance policies sold and claims incurred. During the financial year 2021G, the deficiency of net admissible assets over the required minimum margin requirement amounted to SAR 148.1 million.

The Saudi Central Bank imposes various corrective measures on the companies that do not comply with the solvency requirements levels including the following:

1. Increasing the Company's capital.
2. Amendment of product prices.
3. Decrease costs.
4. Suspension of underwriting new policies.
5. Liquidation of certain assets, and/ or
6. Any other procedure it deems appropriate for the Company and approved by the Saudi Central Bank.

The Saudi Central Bank may also frequently request the addition or deletion of solvency margin requirements that may adversely affect the results of the Company's operations and its financial position due to the retention of additional provisions. If the Company fails to meet the solvency requirements within the time determined by the Saudi Central Bank, and after taking the above-mentioned procedures, the Saudi Central Bank may request the appointment of a financial advisor to restructure the Company, or otherwise withdraw its license.

6. Use of Offering Proceeds

6.1 Net Offering Proceeds

The total proceed of the rights issue is estimated at SAR 300,000,000 of which SAR 5,800,000 will be paid to cover the expenses of the offering, which include the fees of the financial advisor, the underwriter, the legal advisor, the legal accountant, the media and public relations advisor, in addition to the expenses of the underwriting commitment and the expenses of marketing, printing, distribution and other expenses related to the offering.

The net proceeds of the offering will reach SAR 294,200,000, which will be used to support the future plans of the Company and enhance its solvency margin.

The Company will disclose to the public on the Saudi Stock Exchange website (Tadawul), before the opening of the trading session, when there is a difference of 5% or more between the actual use of the offering proceeds against what was disclosed in this Prospectus as soon as it becomes aware of it, in accordance with the requirements of Article 54 paragraph (b) of the Rules on the Offer of Securities and Continuing Obligations which stipulates that "The issuer must, in the event of any discrepancy of 5% or more between the actual use of the proceeds from a rights issue or a share issuance with the suspension of preemptive rights and the planned use of proceeds that was disclosed in the relevant prospectus, disclose such discrepancy to the public as it becomes aware of such discrepancy"

6.2 Use of Net Offering Proceeds

All insurance companies operating in the Kingdom operate according to the Cooperative Insurance Companies Control Law and its Implementing Regulations and subsequent amendments routinely issued by the Saudi Central Bank.

Net Offering Proceeds will be mainly used to support the Company's business and enhance its solvency margin while complying with the solvency requirements which are imposed by the Saudi Central Bank on all insurance companies operating in the Kingdom of Saudi Arabia. It will be used in Financial Investment and the increase of the Statutory Deposit as required by the Saudi Central Bank. Shareholders will not receive any of the Offering Proceeds.

Table No. (55): Suggested use of Offering Proceeds

Description	Q2 (Y2022G)	% of Total Offering Proceeds
Increase of the Statutory Deposit	45,000,000	%15.0
Investment	249,200,000	%83.1
Offering expenses	5,800,000	%1.9
Total	300,000,000	%100

Source: The Company

Use of Net Offering Proceeds to increase the Statutory Deposit

Pursuant to the Implementing Regulations of the Cooperative Insurance Companies Control Law issued by the Saudi Central Bank, the statutory deposit should be 10% of the paid-up share capital. The Saudi Central Bank, where the risk profile of the Company's business warrants it, shall increase this percentage to a maximum of 15%. Accordingly, the Company will allocate SAR 45 million from the Net Offering Proceeds as statutory deposit. The total statutory deposit will be SAR 64.5 million.

Use of Net Offering Proceeds for Investments and Deposits

The Company intends to allocate the Net Offering Proceeds for investments and financial deposits. The Company aims to increase short and medium-term deposits in addition to increasing and diversifying the Company's investment portfolio through the investment in investment funds such as Murabaha and Mutajara funds, fixed income funds and the equity shares and sukuk in addition to direct investment in bonds, equity shares, and sukuk in accordance with the Implementing Regulations of the Cooperative Insurance Companies Control Law issued by the Saudi Central Bank and the investment policy adopted by the Company's Board of Directors. The Company aims to have most of its investments in low and medium risks investments base in the Kingdom of Saudi Arabia. The Company intends to allocate SAR249.2 million from the Net Offering Proceeds for the increase of its financial deposits and diversifying the Company's investment portfolio immediately following the completion of the capital increase. These includes using parts of the investment short term Murabaha (less than one year) and medium term Murabaha (2-3 years) in sovereign sukuk of the Kingdom of Saudi Arabia.

The amounts will be distributed to investment channels in accordance with Article (61) of the Implementing Regulations of the Cooperative Insurance Companies Control Law, which states the following:

1. The Company shall, when formulating its investment policy, take into consideration that the maturity of its invested assets is in concurrence with its liabilities according to the issued policies. The Company shall provide Saudi Central Bank with an investment policy inclusive of assets distribution. If such investment policy was not approved by Saudi Central Bank, the Company shall adhere to the investment standards in Table (1) of the Implementing Regulations, provided that investments outside the Kingdom shall not exceed 20% of the total investment and in accordance with paragraph (2) of Article (59) which states that the Company shall invest (50%) of its total invested assets in Saudi Riyals. If the Company wishes to reduce this percentage, a prior written approval must be obtained by Saudi Central Bank.
2. The Company shall take into consideration the investment concentration risks, so that the concentration percentage does not exceed (50%) of each investment in Table (1) of the Implementing Regulations.

According to Article (62) of the Implementing Regulations of the Cooperative Insurance Companies Control Law, which states that the Company shall not use financial instruments, such as derivatives and off-balance-sheet items, other than for efficient portfolio management and with Saudi Central Bank's written approval. The Company is permitted to invest in such instruments when these conditions are met:

1. Such derivatives must be listed on a financial exchange, are capable of being readily closed out, are based on underlying admissible assets and have a prescribed pricing basis.
2. The Company has set aside assets that can be used to settle any obligations under these derivatives and set adequate provisions for any adverse changes on the derivatives and their coverage.
3. The counter party must be reputable and in an acceptable financial condition.

The Effect of the Capital Increase on the Solvency Margin

The Company intends to increase its capital from SAR130.0 to SAR 430.0 million to support the growth of its business, through Financial Investments (within the traditional activities of the Company) and increasing the Statutory Deposit. The Implementing Regulations of the Cooperative Insurance Companies Control Law require insurance companies to preserve a minimum level of admissible net assets recognizable in the solvency margin account. This requirement translates into the need to maintain a minimum amount of the full solvency margin (100%) (net admissible assets divided by the minimum solvency margin).

Saudi Central Bank requires insurance companies to evaluate their net assets for the purpose of calculating net admissible assets in the solvency account in accordance with the specific tables and percentages of inclusion issued by Saudi Central Bank, taking into account the following:

- The asset valuation shall not exceed its market value, except for the assets of securing protection and savings related to the investment
- The maximum shall be (20%) twenty percent of the total permitted assets associated with a single party

Article (66) of the Implementing Regulations of the Cooperative Insurance Companies Control Law stipulates that a company practicing general and health insurance business shall retain a minimum required solvency margin equivalent to the highest of the following three ways:

- Minimum capital requirements, which is SAR 100.0 million for insurance companies and SAR 200.0 million for reinsurance companies or insurance companies that are engaged in reinsurance operations
- Gross Premiums Written
- Claims

Article (67) of the Implementing Regulations of the Cooperative Insurance Companies Control Law stipulates that the solvency margin for a company practicing protection and savings insurance business shall be determined by taking the sum of the following parts:

- 4% of the technical allocation for protection and savings insurance
- 0.3% of the capital at risk for protection and savings policies for individuals after the deduction of ceded reinsurance, provided that the reinsurance amount does not exceed 50% of the total capital at risk of the protection and savings policies for individuals.
- 0.1% of the capital at risk for protection and savings policies for groups after the deduction of ceded reinsurance, provided that the reinsurance amount does not exceed 50% of the total capital at risk of protection and savings insurance policies for groups.

The following table shows the Solvency Statement as of 31 December 2019G, 31 December 2020G and 31 December 2021G:

Table No. (56): Solvency Statement as of 31 December 2019G, 31 December 2020G and 31 December 2021G

Item	2019G	2020G	2021G
Minimum Capital Requirements	100,000	100,000	100,000
Premium Solvency Margin	16,624	38,820	39,801
Claims Solvency Margin	4,075	12,026	53,547
Minimum Required Solvency Margin	100,000	100,000	100,000
Net Admissible Assets	131,084	51,717	(48,079)
Solvency Margin (%)	131%	52%	-48%

Source: The Company

As of December 31st, 2021G, the Company did not comply with the minimum solvency margin cover imposed by Saudi Central Bank of 100%, as the solvency margin cover reached (-48%) which has required the Company to increase its capital to comply with the minimum solvency margin.

The table below shows the expected contribution of the net proceeds of the subscribed to shares to maintain Saudi Central Bank's solvency requirements over the next few years.

Table No. (57): Expected contribution of the net proceeds

Item	2022G	2023G	2024G
Minimum Capital Requirements	100,000	100,000	100,000
Premium Solvency Margin	43,799	54,075	63,232
Claims Solvency Margin	29,212	26,322	29,670
Minimum Required Solvency Margin	100,000	100,000	100,000
Net Admissible Assets	188,364	181,578	186,408
Solvency Margin (%)	188%	182%	186%

Source: The Company

7. Statements by Experts

The Advisors whose names appear on pages (v) and (vi), have given their consents to the inclusion of their names, logos and statements in the form and content included in this Prospectus and have not withdrawn such a consent until the date of this Prospectus. None of such consents have been withdrawn until the date of this Prospectus. Nor do any of them or their employees or any of their relatives have any shares or interest of any kind in the Company.

8. Declarations of the BOD Members

As of the date of this Prospectus, the Company's Directors declare that:

1. There has not been any interruption in the business of the Issuer which may have or has had a significant effect on the financial position in the last 12 months.
2. No commissions, discounts, brokerage or other non-cash compensation have been granted within the three years immediately preceding the application for registration and offer of securities that are subject to this Prospectus in connection with the issue or offer of any securities by the Issuer.
3. Other than what has been mentioned in Section 5 "**Financial Information and Management Discussion and Analysis**", there has not been any material adverse change in the financial and trading position of the Issuer in the three financial years preceding the application for registration and offer of securities that are subject to this Prospectus, in addition to the period from the end of the period covered in the external auditors' report up to and including the date of approval of the Prospectus.
4. Other than what has been mentioned in Section 4 "**Management Organizational Chart**" and in Subsection 9.5.1 "**Related Parties Contracts and Arrangements**" of Section 9.5 "**Summary of Material Agreements**" of Section 9 "**Legal Information**", the Directors do not have any shareholding or interest of any kind in the Company or any of its subsidiaries, and nor does any relative of theirs.
5. The Issuer did not keep treasury shares, and the Extraordinary General Assembly did not approve the purchase of the Company's shares.

9. Legal information

9.1 Introduction to the Company and the Key Changes That Have Occurred

9.1.1 Company's Trade name

Amana Cooperative Insurance Company is a Saudi public joint stock Company established under the Commercial Registration Certificate No. (1010288711) dated 10/06/1431H (corresponding to 24/05/2010G) and which expires on 10/06/1444H (corresponding to 03/01/2023G). The Company was registered in the Commercial Registry of Joint Stock Companies in Riyadh city under the trade name "Amana Cooperative Insurance Company" and which is the current trade name of the Company and has not been changed since its incorporation and up to the date of this Prospectus.

9.1.2 Company's Incorporation and Capital Development Phases

- "Amana Cooperative Insurance" (a Public Joint Stock Company) was initially incorporate by (35) founding shareholders among them Saudi nationals and foreigners with a paid up capital of SAR 320 million divided into 32 million shares with a nominal value of ten (10) Saudi Riyals per share in accordance resolution no. (188) of the Council of Ministers' dated 08/06/1430H. (corresponding to 01/06/2009G) and Royal Decree no. (M/35) dated 10/06/1430H. (corresponding to 03/06/2000G) authorizing the formation of the Company and the foreign investment license no. (01-102030094185) of the Saudi Arabian General Investment Authority (SAGIA) (currently known as the "Ministry of Investment") dated 22/09/1430H. (corresponding to 12/09/2009G) and the Ministerial resolution no. (R/180) dated 03/06/1431H. (corresponding to 17/05/2010G) declaring the incorporation of the Company and followed by the decision of the constituent general assembly meeting dated 26/05/1431H. (corresponding to 10/05/2010G) which adopted the provisions of the by-laws of the Company. The Company was recorded in the Commercial Registry of the joint stock companies in Riyadh city pursuant to certificate no. (1010288711) dated 10/06/1431H. (corresponding to 24/05/2010G) and obtained, per consequent, the SAMA license no.(INS./30/20107) dated 24/07/1431H. (corresponding to 06/07/2010G) issued by Saudi Arabian Monetary Agency (SAMA) (currently known as "Saudi Central Bank") to conduct insurance activities (General and Health).
- The Company's initial paid up capital is SR 320million divided into 32 million shares with a nominal value of ten (10) Saudi Riyals. The Founding Shareholders subscribed to seven million (19,200,000) shares representing 60% of the Company's total number of shares and have fully paid them, while the remaining twelve million and eight hundred (12,800,000) shares representing 40% of the Company's total number of shares were offered to the public at ten (10) Saudi Riyals per share on 06/04/1431H. (corresponding to 22/03/2010G) and the Company was listed on the Saudi Stock Exchange – Tadawul on 01/07/1431H (corresponding to 13/06/2010G) and started trading of its shares after obtaining the approval of the Capital Market Authority on the publishing the prospectus dated 14/03/1431H.(corresponding to 28/02/2010G).
- On 26/01/1438H (corresponding to 27/10/2016G), the Company obtained the Saudi Central Bank ("SAMA")'s non-objection pursuant to the letter no. (381000010857) to reduce its capital by SAR 180 million and the paid up capital become SAR140million. The approval was conditional on obtaining the other regulatory approvals and that the capital reduction complies with the relevant laws and regulations with respect to the minimum capital requirements as imposed by subparagraph (3) of Article (3) of the Cooperative Insurance Companies Control Law notwithstanding the duration, timing and method of capital reduction). The Company also obtained the approval of CMA on the capital reduction on 26/03/1438H. (corresponding to 25/12/2016G).
- On 22/05/1438H. (corresponding to 19/02/2017G), the EGA approved the capital reduction from SAR320million to SAR140million via dilution of 18million shares and reduction of number of shares from 32million shares to 14million shares. The Company completed the regulatory procedures in relation to the capital reduction on 11/03/1439H. (corresponding to 29/11/2017G).
- On 23/09/1438H.(corresponding to 18/06/2017G), the Company's EGA approved the amendment of the By-laws in line with the Companies Law issued pursuant to RD(M/3) dated 28/01/1437H. (corresponding to 10/11/2015G) and its subsequent amendment pursuant to RD(M/79) dated 25/07/1439H.(corresponding to 11/04/2018G).

- On 18/03/1439H.(corresponding to 06/12/2017G), the Company obtained the SAMA's preliminary approval pursuant to letter (391000031610) to increase the capital by an amount of SAR100million so that the paid up capital of the Company become SAR240million and is conditional on the submission of an irrevocable underwriting commitment from an underwriter who is licensed to underwrite the offering of rights shares to increase the capital and this prior to obtain the final approval of SAMA.
- On 22/05/1440H. (corresponding to 28/01/2019G), the EGA approved the capital increase from SAR140million to SAR 240million by way of rights issue offering of 10million new shares so that the total number of shares following the increase become 24million shares.
- On 29/03/1442H. (corresponding to 15/11/2020G), the Company entered into a non-bidding memorandum of understanding (MoU) with Enaya Cooperative Insurance Company (Enaya) to evaluate potential merger between the two companies.
- On 22/04/1442H. (corresponding to 07/12/2020G), the Company's BoD issued a resolution recommending the capital reduction from SAR240million to SAR130million which consists a reduction representing 43.833% of its capital via dilution of shares (cancelling 11million shares) to reduce the accumulated losses subject to fulfilling all regulatory requirements and obtaining the EGA approval.
- On 12/06/1442H. (corresponding to 25/01/2021G), the Company obtained the approval of the Saudi Central Bank pursuant to letter no(42039348) to reduce the capital by SAR110million so that the Company's capital become SAR130million following the reduction.
- On 15/06/1442H. (corresponding to 28/01/2021G), the Company applied for the CMA approval on the capital reduction which was granted on 05/08/1442H. (corresponding to 18/03/2021G).
- On 17/09/1442 H. (corresponding to 29/04/2021G) the Company entered into a binding agreement with Enaya consisting of merger by way of absorption with Enaya merging with and into the Company and the transfer of all Enaya's liabilities and assets to the Company. Further, the Company obtained the approval of the General Authority for Competition (GAC) on 04/12/1442H. (corresponding to 14/07/2021G) and the approval of the Saudi Central Bank on 18/04/1443H. (corresponding to 23/11/2021G) to proceed with the merger (though the merger transaction did not complete).
- On 11/10/1442H. (corresponding to 23/05/2021G), the EGA of the Company approved the capital reduction from SARA 240million to SAR130million and accordingly the total number of shares become 13million shares after cancelling 11million shares via the dilution of 1 share for each 2.1818 shares for the purpose of the capital structuring and to reduce the accumulated losses by SAR110million after obtaining the approval of the regulatory authorities (the Saudi Central Bank and the CMA). Further, the EGA approved the amendment of Article 8 of the By-laws pertaining the paid up capital of the Company in addition to the amendment of other provisions of the By-laws.
- As of 30/09/2021G. the accumulated losses of the Company amounted SAR123,548,000 which represents 95.09% of its capital which amounted at the end of Y2020G SAR145,503,000 representing 61.46% of its capital.
- On 06/06/1443H. (corresponding to 09/01/2022G) the EGA approved the merger between the Company and Enaya in accordance with the terms of the binding merger agreement executed by the two companies. Prior this EGA, on 17/09/1442H.(corresponding to 29/04/2021G), the shareholders approved the terms of the binding merger agreement and the capital increase of the Company from SAR130million to SAR288,580,240 in accordance with the terms and conditions of the binding merger agreement provided that the capital increase become effective upon completion date of the merger pursuant to the Companies Law and the merger agreement. It should be noted that the resolution of the EGA which approved the capital increase has not been implemented as the shareholders of Enaya did not approve the merger transaction.
- On 14/06/1443H. (corresponding to 17/01/2022G), the BoD recommended recommended to increase the Company's capital from SAR 130 million to SAR430million, conditional on obtaining the necessary regulatory approvals (Saudi Central Bank, CMA, Tadawul and Ministry of Commerce) and the Extraordinary General Assembly approval. Pursuant to Article (53) of the OSCOs, the approval of the extraordinary general assembly of the issuer must be obtained within six months of the approval of the CMA. If the assembly's approval is not obtained during such time, the CMA's approval shall be deemed to be cancelled and the issuer will be required to resubmit its letter of application if it still wishes to increase its capital. However, As the Company is currently subject to Article 150 of the Companies Law which obligates any official in the Company or the auditor as soon as he learns that the Company's accumulated losses have reached (50%) or more of its capital to inform the Chairman of the Board of Directors, and the Chairman of the Board of Directors shall immediately inform the members of the Board thereof. The Board of Directors shall, within (15) days of becoming aware of this, invite the Extraordinary General Assembly to meet within (45) days from the date on which the Board became aware of the losses; to decide either to increase the Company's capital or reduce it to the extent that the percentage of losses falls below half of the paid-up capital, or to dissolve the Company before the term specified in the Company's By-laws.

- On 27/07/1443H. (corresponding 28/02/2022G), the extraordinary general assembly issued a decision on the matter and decided to continue the Company by way of capital increase subject to fulfilling all regulatory requirements and rejected to proceed with the dissolution of the Company after obtaining the approvals of the relevant regulators. As the Company voted on the continuance through the increase of the capital after fulfilling all regulatory requirements (the Saudi Central Bank, CMA and Tadawul), and according to the conditions established in Article 150 of the Companies Law, the subscription for all the capital increase shall be completed within (90) days from the issuance of the EGA's decision to increase which shall be held immediately following the approval of the CMA and Tadawul.
- On 24/09/1443H (corresponding to 25/04/2022G), the Company obtained the non-objection letter number (43083158) from the Saudi Central Bank from one hundred thirty million (130,000,000) saudi riyals to four hundred thirty million (430,000,000) saudi riyals.
- On 22/10/1443H (corresponding to 23/05/2022G), the Company obtained the CMA approval.
- On Sunday 28/10/1443H (corresponding to 29/05/2022G), the EGA approved to increase the Company's capital from one hundred thirty million (130,000,000) saudi riyals to four hundred thirty million (430,000,000) saudi riyals with the subscription for all the capital increase to be completed within (90) days from the issuance of the EGA's decision.
- The Company's current paid-up capital is one hundred thirty million (130,000,000) saudi riyals and the capital has alternated several times since the Company's inception upto the date of this Prospectus.

9.1.3 Major Shareholders

- As of the date of this Prospectus, there is one major Shareholder whose percentage exceeds (5%) of the Company shares, which is Amana Gulf Insurance Company (Bahraini joint stock company), owning (11.077%) of the Company's total shares before the offering.
- On 06/07/1443H (corresponding to 07/02/2022 AD), Amana and Amana Al Khaleej Insurance Company B.S.C., in its capacity as the founding shareholder, submitted an undertaking to the Capital Market Authority not to dispose of the one million four hundred and nineteen thousand shares allocated (1,419,000) shares owned by the founding shareholder in the company, except after obtaining the prior written approval of the Central Bank of Saudi Arabia.
- On 16/09/1443H (corresponding to 17/04/2022G), Amana Al Khaleej Insurance Company B.S.C submitted a letter of undertaking to participate in the company's capital increase process, at a rate determined by Amana Al Khaleej Insurance Company B.S.C., provided that it is not less than This percentage is for (10.7%) of the total increase amount specified in the amount of three hundred million (300,000,000) Saudi riyals.

Lock up period:

The Company was listed on Tadawul on 01/07/1431H. (corresponding 13/06/2010G). It is worth noting that the ban period of three full fiscal years, each of which is not less than twelve months, on founding shareholders has passed, and therefore all shares are tradable in accordance with the rules, regulations and instructions issued by the Capital Market Authority, however the founding shareholders must obtain Saudi Central Bank's approval before selling their shares.

Pursuant to Article 38 of the Implementing Regulations of the Cooperative Insurance Companies Control Law, the Company shall notify the Central Bank of the percentage of ownership of any person who owns (5%) or more of the Company through a quarterly report and it shall notify the Central Bank in writing of their percentage ownership and any changes thereof within 5 working days of the date of occurrence of such event.

Based on the above, the Company applied to the Saudi Central Bank to lift the suspension of disposal of the shares of Amana Gulf Insurance Company (Bahraini joint stock company), owning (5,880,000) shares which represents (18.38%) of the Company's total shares. Because the withdrawal of a major shareholder owning 5% or more of the Company's shares could lead to a major changes in the ownership structure, the Saudi Central Bank issued a letter number (351000038726) dated 26/03/1435H. (corresponding to 27/01/2014G) requesting Amana Gulf Insurance Company to provide a withdrawal plan delineating the terms of the disposal of shares and name of the potential new incoming shareholder who will own all or parts of Amana Gulf Insurance Company's shares following the completion of the acquisition and to complete the fit and proper form so that the Saudi Central Bank can assess its request prior to effect any changes in the ownership of the Company. If the founding shareholder Amana Gulf Insurance Company do not agree with the acquirer (new incoming shareholder), the Company will be required to adhere to the following requirements in order for the Saudi Central Bank to decide on the request of the founding shareholder Amana Gulf Insurance Company to lift the suspension.

As of the date of this Prospectus, and in accordance with the Listing Rules, Amana Gulf Insurance Company is still subject to restrictions on the sale of parts of its shares which currently represents 11.077%. It is worth noting that Amana Gulf Insurance Company has submitted an undertaking letter and committed to participate in this upcoming rights issue and to subscribe to rights shares that will be allocated to it.

It also imposes continuous obligations on it to disclose any change that may occur in its ownership percentage in the company, in accordance with the thirty-eighth article (38) of the executive regulations of the insurance system, the insurance company must inform the Central Bank of Saudi Arabia of the ownership percentage of any person who owns (5%) or more of the company's shares on a regular basis and inform the institution in writing of any change in the ownership percentages.

9.1.4 Company's head office

The head office of the Company is located in Riyadh, Tel : (114000000).

According to the Article (5) of the Bylaws, the Company may establish and open branches, offices or agencies inside or outside the Kingdom by the virtue of a resolution from the BOD (for further information, please see sub-section 9.2.2 "Branch offices and Points of Sales" of this Part).

9.1.5 Company's Duration

Article (6) of the Bylaws stipulates that the term of the Company shall be (99) Gregorian years, commencing on the date of recording it in the Commercial Registry on 10/06/1431H. (corresponding to 24/05/2010G). The term of the Company may be extended by a resolution issued by the Extraordinary General Assembly at least one (1) year prior to the expiration of its term. The Commercial Register data indicates the expiry of the Company term on 25/06/1533H (corresponding to 26/05/2109G).

9.1.6 Company's By-laws

The current version of the Company's Bylaws was issued based on the EGA resolution on 08/09/1442H (corresponding to 20/04/2021G) and was attested by the Ministry of Commerce (Corporate Governance Directorate) on 25/10/1442H. (corresponding to 06/06/2021G). Further, the By-laws have been amended several times as follows:

1. Capital Reduction: On 22/05/1438H. (corresponding to 19/02/2017G), the EGA approved the capital reduction from SAR320million to SAR140million via dilution of 18million shares and reduction of number of shares from 32million shares to 14million shares after obtaining the Saudi Central Bank's non-objection pursuant to the letter no. (381000010857) dated 26/01/1438H. (corresponding to 27/10/2016G) and the CMA approval on 26/03/1438H. (corresponding to 25/12/2016G).
2. Update the By-laws: On 23/09/1438H. (corresponding to 18/06/2017G), the EGA approved the amendment of the By-laws in line with the new companies regulations issued pursuant to RD no (M/3) dated 28/01/1437H. (corresponding to 10/11/2015G) and its subsequent amendments.
3. Capital Increase: On 22/05/1440H. (corresponding to 28/01/2019G), the EGA approved the capital increase from SAR140million to SAR 240million by way of rights issue offering of 10million new shares so that the total number of shares following the increase become 24million shares according to the Saudi Central Bank's non-objection pursuant to letter no (391000031610) dated 18/03/1439H. (corresponding to 06/12/2017G).
4. Capital Reduction: On 11/10/1442H. (corresponding to 23/05/2021G), the EGA of the Company approved the capital reduction from SARA 240million to SAR130million and accordingly the total number of shares become 13million shares after the dilution of shares.

The Company is in compliance with the CMA and Tadawul requirements with respect to uploading a copy of its By-laws on the website of the Company as per the latest version of the By-laws which was attested up by the Ministry of Investment (Corporate Governance Directorate) on 25/10/1442H. (corresponding to 06/06/2021G).

9.1.7 Company's Activities

- Article (3) of the Bylaws provides the activities that the Company is allowed to undertake after obtaining the approvals of the Commercial Registry Directorate and the relevant regulator to effect the activities in the Commercial Registration Certificate which includes the practice of cooperative insurance in the general insurance and health insurance. It may also exercise all necessary business activities to achieve its purposes. The Company shall carry out its own business activities in accordance with the Cooperative Insurance Companies Control Law and its Implemented Regulations, together with all laws and rules applicable in the Kingdom of Saudi Arabia, and after obtaining the necessary licenses from the relevant authorities, if any.
- According to the Commercial Register, the Company may practice: General insurance and Health insurance. The Company carries out its activities through its head office and branches which are established in the Kingdom of Saudi Arabia in accordance with the relevant applicable laws and regulations and after obtaining the licenses and certificates as requested by the relevant authorities. The Company obtained the final approval from the Saudi Central Bank and relevant licenses to practice its insurance activities. For more information, please refer to Subsection 10.6 "Government Approvals, Licenses and Certificates" of this Section.

9.1.8 Management

Pursuant to Article (15) of the Company's Bylaws, the Company shall be managed by a Board of Directors consisting of seven (7) members appointed by the Ordinary General Assembly for a term not exceeding three (3) years and the composition shall include independent directors which in all cases shall not be less than two members or one-third of the Board members, whichever is greater.

9.1.8.1 Composition of the Board

On 09/09/1440H. (corresponding to 14/05/2019G), the Company's Ordinary General Assembly approved the election of the Board of Directors' members for the current term starting on 11/09/1440H (corresponding to 16/05/2019G) for a period of 3 years ending on 14/10/1443G (corresponding to 15/05/2022G). The Board of Directors for the current term consist of the following members:

Table No. (58): Board of Directors Positions

Board of Directors (BOD)*										
Name	Position	Represented side	Nationality	Age	Membership Status	Owned Shares				Date of Membership
						Direct	Indirect***	Total	Percentage	
Mahmood Mohammad AlToukhi	Chairman of the Board	Himself	Saudi	56	Independent	162,500	-	162,500	1.25%	11/09/1440H (corresponding to 16/05/2019G)
Abdullah Othman AlMousa	Vice Chairman of the Board	Himself	Saudi	62	Independent	405	-	405	0.00311	11/09/1440H (corresponding to 16/05/2019G)
AbdulRahman Abdullah AlSakran*	Board Member	Amana AlKhaleej	Saudi	56	Non-Executive	1,421	-	1,421	0.0109%	11/09/1440H (corresponding to 16/05/2019G)
Naif Faisal AlSudairi	Board Member	Amana AlKhaleej	Saudi	45	Non-Executive	-	-	-	-	11/09/1440H (corresponding to 16/05/2019G)
Haitham Tawfik AlFraih	Board Member	Himself	Kuwaiti	47	Independent	-	-	-	-	11/09/1440H (corresponding to 16/05/2019G)
Bader Ibrahim AlSuwailem	Board Member	Himself	Saudi	56	Independent	10	-	10	0.000076	09/09/1440H (corresponding to 14/05/2019G)
Pierre Michele Faraoun	Board Member	Amand AlKhaleej	Lebanese	33	Non-Executive	-	-	-	-	09/09/1440H (corresponding to 14/05/2019G)

Source: The Company.

* On 11/10/1443H (corresponding to 12/05/2022G), the Company notified the CMA about the term of the Board which will end on 15/10/1443H (corresponding to 16/05/2022G) and requested that the Board and its committees extend its term from 15/10/1443H (corresponding to 16/05/2022G) for a period of 3 months or up to the date of next OGA that will elect the new Board.

**representing the major shareholder (Amana AlKahleej that owns 1,505,400 shares representing 11.077% of the paid-up capital). According to the articles of association of Amana AlKhaleej, the company is owned by two shareholders being, Lebanon Swiss Assurance Company and AlSeif Investment Company.

- Pursuant to Article 6 of Cooperative Insurance Companies Control Law and Article 27 of its implementing regulations, the Company shall obtain a non-objection letter from the Saudi Central Bank on the appointment of the Board. The Company obtained Saudi Central Bank's non-objection letter no (89/49036) dated 05/08/1440H. (corresponding to 10/04/2019G) on the appointment of the current members of the Board for its 4th term.
- Further, the Company obtained the Saudi Central Bank's non-objection letter no (89/2234) dated 26/01/1441H (corresponding 25/09/2019G). on the appointment of the Chairman (Mr/Mahmood Mohamad AlToukhi).
- The Company adheres to the Companies Law with respect to the number of the Board members which shall not be less than three and not more than eleven.
- The Company adheres to Article 95 of the Companies Law with respect to cumulative voting which shall be used in electing the Board, in which it is not allowed to use the voting right of a single share more than once. The Company provided such method in its By-laws (clause 34).
- With respect to the composition of the Board as stipulated in Article 16 of the Corporate Governance Regulations, the majority of the Board members shall be of Non-Executive Directors and the number of

Independent Directors shall not be less than two members or one-third of the Board members, whichever is greater. The Company adheres to Article 16 and has appointed 7 members non-executive out of which 4 are independent and 3 are non-independent. It is worth noting that the membership status could change in the event any independence requirement for an independent member has changed or any such event occurred which affect or may affect his independence or status as executive or non-executive as per the definition set out in the Corporate Governance Regulations.

9.1.8.2 Appointment in Mandatory Positions (Chairman, Vice Chairman, Board Secretary and Chief Executive Officer)

- In accordance with the Article (20) of the Company's Bylaws, the Board shall appoint from among its members a chairman, a vice-chairman, and a chief executive officer (CEO) and may also appoint a managing director of its members. It is not permissible to combine the position of the Board's chairman with any executive position in the Company. The BOD appoints a secretary from its members or others. The Chairman (or the Vice-Chairman in the absence of the Chairman or in case of a temporarily inability to perform his role) convening the Board and presiding its meetings, and convening the General Assembly (Ordinary or Extraordinary) in addition to the powers granted to him by the virtue of Article 20 of the Company's Bylaws. Accordingly, the appointment of a Vice-Chairman became mandatory. With respect to the managing director his appointment is not mandatory. Moreover, the Company is required to appoint a Secretary for the Board.
- The Company where the BOD approved the appointment in these positions according to the following:

Table No. (59): Company's Mandatory Positions

Position	Board Resolution	SAMA's Approval	Appointed Person
Chairman of BOD	Minutes of the Board meeting on 17/09/1440H (corresponding to 22/05/2019G)	Non-objection letter number (89/2234) dated 26/01/1441H. (corresponding to 25/09/2019G)	Mr/Mahmood Mohamad AlToukhi
Deputy Chairman of the Board	Minutes of the Board meeting on 17/09/1440H (corresponding to 22/05/2019G)	Non-objection letter number (89/2234) dated 26/01/1441H. (corresponding to 25/09/2019G)	Mr/Abdallah Othman Almoussa
CEO	BOD resolution dated 01/11/1438H (corresponding to 24/07/2017G)	Non-objection letter number (381000089027) dated 22/08/1438H. (corresponding to 18/05/2017G)	Mr/Sulaiman Mahmood Hilal
Secretary of the Board*	BOD resolution dated 12/02/1442H (corresponding to 29/09/2020G)	Non-objection dated 14/11/1441H. (corresponding to 05/07/2020G)	Mr/Ali Mustapha AlJazzar

Source: The Company

The powers of the BOD were defined in the Article (18) of the Company Bylaws; the powers of the chairman, his deputy, managing director and secretary were detailed in the Article (20) of the Company Bylaws. The BOD Secretary shall assume the duties and powers assigned to him by the BOD Director.

9.1.8.3 Board Members' Remuneration

- Article 19 of the Company's Bylaws stipulated that the Board of Directors' remuneration shall be a fixed amount or allowance for attending sessions or in-kind benefits or specific percentage of net profits, and two or more of the benefits may be combined.
- If the remuneration is a specific percentage of the Company's profits, such percentage must not exceed 10% of net profits after deducting the reserves determined by the General Assembly in implementation of the Cooperative Insurance Companies Control Law and the Companies Law and after distributing at least 5% of the Company's paid-up capital as dividends to shareholders. Remuneration shall be proportionate to the number of sessions attended by the member; and any estimate to the contrary is void.
- In any event, the total remuneration of the Board member, including bonuses and monetary or in-kind benefits, may not exceed SAR 500,000 annually (with the exception of the members of Audit Committee) in accordance with the requirements with relevant regulatory authority.
- The Board's report that will be presented to the OGA must include a comprehensive statement of all the bonuses, allowances, expenses, etc. received by the Board of Directors during the fiscal year. Furthermore, the mentioned report must also include a statement of the payments received by the Board members in their capacity as employees or administrative or the payments they received for technical, administrative, or consultancy works, as well as the number of Board sessions attended by each member as of the date of the last General Assembly meeting. It was disclosed in the Board's report for the financial year ending on December 31, 2020G, which was approved by the OGA on 19/11/1442H (corresponding to 29/06/2021G), about the criteria adopted by the Company in paying remunerations to the directors members of the Board.

It also included a comprehensive statement of all what the members received during the financial year, including salaries, dividends, attendance allowances, expenses and other benefits.

- It is worth mentioning that if the remuneration is a specific percentage of the Company's profits, such percentage must not exceed 10% of net profits after deducting the reserves determined by the General Assembly in implementation of the Cooperative Insurance Companies Control Law and the Companies Law and after distributing at least 5% of the Company's paid-up capital as dividends to shareholders. Remuneration shall be proportionate to the number of sessions attended by the member. Further, it should be noted that the Company did not distribute any dividends for Y2021G. The compensation of the directors for the year ended 31 December 2020G amounted to SAR1,080,000 and for the year ended 31 December 2021G amounted to SAR643,500.
- The following table shows the total remuneration of the Board and senior executives for the years ended 31 December, 2018G, 2019G, 2020G, 2021G.

Table No. (60): Remuneration of the Board & Senior Executives

Expenses & Benefits	2018G	2019G	2020G	2021G
Members of the Board	1,135,500	1,090,499	1,080,000	643,500*
Senior Executives (including the CEO, CFO and 4 employees in senior positions)	4,936,452	4,540,805.76	0	6,655,077
Total	6,071,952	5,631,304.76	1,080,000	7,298,577

Source: Company

*The members of the Board waived parts (50%) of their remuneration due to the current situation.

**represents salaries and other allowances excluding bonuses as the Remuneration and Nomination Committee recommended not to pay bonuses to the executive management for the year 2021G.

9.1.8.4 Board Meetings

Article (83) of the Companies Law and Article (21) of the Company's By-laws provides that the Board shall held its meetings at the Company's head office at the request of the Chairman of the Board who is required to convene the Board whenever two of its members at least requires so and such invitation shall be recorded as per the requirements of the Board. It is also permissible to hold such meeting outside the head office of the Company.

Further, the Board shall meet frequently and on periodic basis at least one meeting each quarter so that the total annual number of meetings is not less than 4 meetings per year.

With respect to the resolutions that are passed by circulation, the Company is in compliance with the By-laws which stipulates that any resolution by circulation shall be adopted at the first meeting held by the Board following the issuance of such resolution as stipulated in Article 22 of the By-laws.

The Company is in compliance with the provisions of its By-laws and has adhered to the minimum number of meetings that should be held during each fiscal year as follows; 2019G-2020G-2021G and 2022G. It should be noted that the Board held (4) meetings during 2019G, 2020G, 2021G and the Company held 2 meetings in 2022G. The below table summarize the meetings of the Board.

Table No. (61): Meetings of the Board

No of meetings	2019G	2020G	2021G	2022G
	4	4	4	2

9.1.8.5 Board Committees

The Board has formed six committees to assist it in carrying out its responsibilities.

9.1.8.5.1 The Audit Committee

- The Audit Committee consists of 3 members who were appointed by the Board in its meeting held on 17/09/1440H. (corresponding to 22/05/2019G) and this appointment was approved by the OGA.
- On 24/02/1441H. (corresponding to 23/09/2019G), the OGA approved the recommendation of the Board in relation to the formation of the Audit Committee for a 3years term commencing from the date of the OGA approving the appointment and ending with the end of the Board current term on 15/05/2022G.
- The current Audit Committee is composed of the following members:

Table No. (62): Audit Committee Members

Name	Position	Other positions
Bader Ibrahim AlSuwailem	Chairman	Member of the Board
Hussam ELDine Hashim Sadaqa	Member	-
Majid Bin Ayed AlJoeid	Member	-

The Company adopted the Audit Committee Chart which was approved by the OGA on 14/09/1439H. (corresponding to 30/05/2018G) based on the recommendation of the Board which was issued on 24/07/1439H (corresponding to 10/04/2018G).

- According to Article (53) of the Audit Committee Regulations In Insurance and/or Re-insurance Companies and Article (5) of the Audit Committee Chart, the Audit Committee shall meet at least six times a year, include an annual meeting with the Board of Directors.
- The table below shows the number of meeting held during the previous three financial years up to the date of the Prospectus.

Table No. (63): Audit Committee Meetings

Audit Committee Meetings	2019G	2020G	2021G	2022G*
	6	8	17	0

Source: Company

*As of the date of the Prospectus.

- The Total amount of compensation paid to the members of the Audit Committee for the Y2021G amounted to SAR 172,000 representing attendances expenses and fixed remuneration amounting to SAR50,000 for each member from outside the Board.
- Article 54 of the Corporate Governance Regulations stipulates that any person who works or has worked in the Company's finance Department, the Executive Management or for the Company's external auditor during the preceding two years may not be a member of the audit committee. The Company is in compliance with this provision.
- Article 23 of the Audit Committee Regulations In Insurance and/or Re-insurance Companies provides that the Board of Directors, after obtaining SAMA's written non-objection, shall appoint the Audit Committee's Chairman and members for a three-year term. The Company is in compliance with this requirement and obtained the non-objection letter no(89/2234) dated 26/01/1441H. (corresponding 25/09/2019G).
- Article 104 of the Companies Law stipulates that the Audit Committee shall review the Company's financial statements, reports and notes submitted by the auditor, and express its opinions, if any. It shall also prepare a report on its opinion regarding the adequacy of the Company's internal control system and the other work it undertakes which falls within the scope of its competence. The Board of Directors shall deposit sufficient copies of such report at the Company's Head Office within at least 21 days before the date of the General Assembly meeting, and the report shall be read out during the meeting. The Company adheres to such requirement and submitted the Audit Committee report for Y2020G on 14/10/1442H. (corresponding to 26/05/2021G).

9.1.8.5.2 The Nomination and Remuneration Committee

- Resolution of the Board of the CMA number 1-10-2010 dated 30/03/1431H. (corresponding to 16/03/2010G) requires all listed companies to establish a Nomination and Remuneration Committee (N&RC) in accordance with Article 15 of the Corporate Governance Regulations effectively starting from 01/01/2011G.
- Article 100 of the Insurance Corporate Governance Regulations issued by the Saudi Central Bank, the Board shall form a nomination and remuneration committee and appoint its members.
- The nomination and remuneration committee shall be composed of three (3) members as a minimum, two of these must be independent members. The Chairman of the Board cannot chair this committee.
- The Remuneration and Compensation Committee consists of (3) members who were appointed by the Board of Directors in its meeting held on 17/09/1440H. (corresponding to 22/05/2019G). The table below shows the members of the Remuneration and Compensation Committee:

Table No. (64): Members of the Nominations and Remunerations Committee

Member Name	Occupation	Other positions the member currently occupies
Dr. Abdullah Othman AlMoussa	Chairman of the Committee	Member of the Board
Mr. Haitham Taufiq AlFraih	Committee member	Member of the Board Chairman of the Investment Committee
Eng. Mahmood Mohamad AlToukhi	Committee member	Member of the Board Member of the Investment Committee

Source: The Company.

- The Company's General Assembly, as per the Board recommendation, issues a regulation for the remuneration committee including its procedure, duties and rules for selecting its members, the term of their membership and their remunerations.
- The updated Nomination and Remuneration Committee Chart was adopted by the OGA in its meeting on 14/09/1439H. (corresponding to 30/05/2018G) in line with the recommendation of the Board issued on 24/07/1439H. (corresponding to 10/04/2018G)
- The N&RC meets periodically at least three time every year based on an invitation from the N&RC's Chairman.
- The below table shows the meetings held during the financial year ending on December 31, 2019G, 2020G, 2021G. and 2022G. (up to the date of this Prospectus):

Table No. (65): (N&RC) Committee Meetings

Committee Meetings	2019G	2020G	2021G	2022G*
	5	5	4	2

Source: Company

*As of the date of this Prospectus

- The Total amount of compensation paid to the members of the N&RC Committee for the Y2021G amounted to SAR 18,000 representing attendances expenses.
- The Company obtained the Saudi Central Bank's non-objection letter no(89/2234) dated 26/01/1441H. (corresponding 25/09/2019G) on the nomination of the members of the N&RC.

9.1.8.5.3 The Executive Committee

- The Company's Executive Committee consists of 4 members.
- The Board adopted the Executive Committee Chart in its meeting on 24/07/2013.
- The Executive Committee was formed in accordance with the minutes of the Board of Directors meeting on 17/09/1440 AH (corresponding to 22/05/2019G) and includes the following members:

Table No. (66): Executive Committee Members

Name	Position	Membership Status	Appointment Date
Abdullah bin Othman Al Musa	Committee Chairman	Independent Board Member	17/09/1440H (corresponding to 22/05/2019G)
Abdul Rahman bin Abdullah Al-Sukran	Committee Member	Non-Executive Board Member	17/09/1440H (corresponding to 22/05/2019G)

Name	Position	Membership Status	Appointment Date
Nayef bin Faisal Al Sudairi	Committee Member	Non-Executive Board Member	17/09/1440H (corresponding to 22/05/2019G)
Pierre Michel Pharaoh	Committee Member	Non-Executive Board Member	17/09/1440H (corresponding to 22/05/2019G)

Source: The Company

- It should be noted that all the members of the Executive Committee are members of the Company BOD as follows: Dr. Abdullah Othman Moussa (independent director) and AbdulRahman Abdullah AlSakran (non-executive member), Naif AlSdairi (non-executive member), Pierre Pharaon (non-executive member).
- According to the Article 98 of the Insurance Corporate Governance Regulations and Article 5 of the Executive Committee Chart, the committee shall hold at least (6) meetings per year. The below table shows the number of meetings during the previous years up to the date of this Prospectus.

Table No. (67): Executive Committee Meetings

Committee Meetings	2019G	2020G	2021G	2022G*
	5	7	6	1

Source: Company

*As of the date of this Prospectus

- The Company obtained the Saudi Central Bank's non-objection letter no(89/2234) dated 26/01/1441H. (corresponding 25/09/2019G) on the nomination of the members of this committee.
- The Total amount of compensation paid to the members of the Executive Committee for the Y2021G amounted to SAR 36,000 representing attendances expenses.

9.1.8.5.4 Investment Committee

- According to Article 111 of the Insurance Corporate Governance Regulations, the Company shall form an Investment Committee by the virtue of a resolution from the Board based on the instructions of General Assembly.
- The Company has an Investment Committee and appointed its members by the virtue of a resolution from the Board in its meeting held on 10/08/1442H.(corresponding to 23/03/2021G) as follows:

Table No. (68): Investment Committee Members

Name	Position	Membership Status
Haitham Tawfiq AlFrah	Committee Chairman	Board Member Member of the N&RC
Mahmood Mohammad AlToukhi	Committee Member	Chairman of Board Member of the N&RC
Pierre Michel Pharaoh	Committee Member	Board Member Member of Executive Committee
Sulaiman Mahmood Hilal	Committee Member	CEO

Source: The Company

- The update Investment Committee Chart was adopted by the Board in its meeting held on 02/02/1440H(corresponding to 12/09/2018G).
- The Investment Committee shall hold at least (4) meetings per year at the Chairman call and the committee reports to the Board.
- The below table shows the number of meetings during the previous years up to the date of this Prospectus.

Table No. (69): Investment Committee Meetings

Committee Meetings	2019G	2020G	2021G	2022G*
	3	4	4	1

Source: Company

*As of the date of this Prospectus

- The Company obtained the Saudi Central Bank's non-objection letter no (2234/89) dated 26/01/1441H. (corresponding to 25/09/2019G).
- The total amount of remuneration amounted to SAR18,000 for Y2021G representing attendance expenses.

9.1.8.5.5 Risk Committee

- Article 107 of the Insurance Corporate Governance Regulations stipulates that the Board shall form a risk management committee and appoint its members in accordance with the rules issued by the general assembly.
- The Risk Committee consists of at least 3 members headed by a non-executive member.
- The Company formed its Risk Committee and appointed its members by the virtue of a resolution from the Board in its meeting held on 17/09/1440H.(corresponding to 22/05/2019G) as follows:

Table No. (70): Risk Committee Members

Name	Position	Membership Status
AbdulRahman AlSakran	Committee Chairman	Board Member
Naif Faisal AlSudairi	Committee Member	Board Member
Salem Ghali AlRahili	Committee Member	-

Source: The Company

- The update Risk Committee Chart was adopted by the Board in its meeting held on 02/01/1440H (corresponding to 12/09/2018G).
- The Risk Committee shall hold at least (4) meetings per year at the Chairman call and the committee reports to the Board.
- The below table shows the number of meetings during the previous years up to the date of this Prospectus.

Table No. (71): Risk Committee Meetings

Committee Meetings	2019G	2020G	2021G	2022G*
	3	2	4	1

Source: Company

*As of the date of this Prospectus

- The Company obtained the Saudi Central Bank's non-objection letter no(2234/89) dated 26/01/1441H. (corresponding to 25/09/2019G).
- The total amount of remuneration amounted to SAR68,000 for Y2021G representing attendance expenses and compensation amounting to SAR50,000 allocated to the member from outside the Board.

9.1.8.5.6 Products Committee

- On 28/06/1442H.(corresponding 10/02/2021G), the Risk Committee adopted the Products Committee which will report to the Risk Committee in line with Saudi Central Bank's circular no(2020212/204) dated 15/12/2020G. in relation to the new requirements of adopting insurance products.
- The Products Committee Chart was adopted by the Products Committee on 28/06/1442H.(corresponding to 10/02/2021G)
- The Products Committee consists of 5 members who were appointed by the virtue of the Board resolution issued on 28/06/1442H.(corresponding to 10/02/2021G) as follows:

Table No. (72): Products Committee Members

Name	Position	Membership Status
Bader Hamdan AlShammari	Committee Chairman	VP operations
Ali Mustapha AlJazzar	Committee Member	Head of Compliance&Governance
Adel AlMoriqi	Committee Member	-
Majed AlKamssi	Committee Member	Head of Risk&Strategy officer
Abdullah AlNoori	Committee Member	VP Sales & Marketing

Source: The Company

- The Products Committee shall hold its meetings at the calling of its chairman or any member and shall report to the Board.
- The below table shows the number of meetings during the previous years up to the date of this Prospectus.

Table No. (73): Products Committee Meetings

Committee Meetings	2021G	2022G*
	3	-

Source: Company

*As of the date of this Prospectus

9.1.8.6 Senior Management

The current executive management is headed by the CEO, Mr.Sulaiman Mahmood Hilal, who was appointed on 25/08/1438H (corresponding to 21/05/2017G) in accordance with the Board resolution issued on 01/11/1438H (corresponding to 24/07/2017G). Pursuant to the Requirements for Appointments to Senior Positions Priority for appointment to Senior Positions shall be given to Saudi candidates. If the Financial Institution nominates a non-Saudi candidate to be appointed or interim appointed to a Senior Position, the Financial Institution shall provide justifications for the nomination, demonstrate the non-availability of a qualified Saudi candidate for the position, develop and include an approved plan for replacement in the written non-objection request submitted to the Saudi Central Bank.

The following table shows the details of the Company's senior executives:

Table No. (74): The Company's Executive Management

Executive Management									
Name	Position*	Nationality	Age	Membership Date	Date of the Central Bank No-Objection Letter	Owned Shares			
						Direct		Indirect	
						No.	%	No.	%
Sulaiman Hilal	Managing Director	Saudi	52	21/05/2017G	18/05/2017G	-	-	-	-
Bader Hamdan Al Shamri	CEO (commissioned)	Saudi	53	02/12/2020G	22/11/2020G	-	-	-	-
Amal Al Onazi	Finance Manager (commissioned)	Saudi	48	16/11/2020G	18/10/2020G	-	-	-	-
Thamir AlNouri	Operations Manager	Saudi	50	06/05/2021G	04/05/2021G	-	-	-	-
Ali Mustafa Jazzar	Human Resources (HR) Manager	Saudi	43	12/07/2020G	05/07/2020G	-	-	-	-
Majed Al Khamisi	Purchasing Manager	Saudi	43	06/09/2020G	12/07/2020G	-	-	-	-
Mohammed Al Abbad	Internal Auditor	Saudi	39	20/07/2020G	30/04/2020G	-	-	-	-
Salman Ali Ikbal	Information Systems Analyst	Pakistani	42	05/03/2016G	17/11/2021G	-	-	-	-

9.1.8.7 Appointed Representatives before CMA

- According to the Rules On the Offer of Securities And Continuing Obligations, the Company's Board in its meeting held on 17/09/1440H.(corresponding to 22/05/2019G) appointed 2 representatives being Mr. Naif AlSudairi (member of Board) and Mr.Sulaiman Hilal (CEO) as two representatives of the Company before the CMA with respect to all matters pertaining to the Capital Market Law and its implementing regulations.
- Further the Board resolved on 12/02/1442H.(corresponding to 29/09/2020G) to appoint Mr. Haitham AlFrauh (member of the Board) and Mr. Ali Jazzar (head of compliance and governance) as senior executive to represent the Company before the CMA with respect to all matters pertaining to the Capital Market Law and its implementing regulations.

9.2 Licenses and Permits Obtained by the Company

9.2.1 Licenses, Certificates and Permits pertaining to the Head Office

The Company issued the required licenses, certificates and permits from the competent authorities that are necessary to carry out its activities, in accordance with the applicable laws and regulations in the Kingdom of Saudi Arabia. These licenses are renewed periodically.

The following tables show the current licenses and approvals obtained by the Company related to its head office.

Table No. (75): Approvals, Licenses, Certificates and Permits Under Which the Company Operates and Conducts its Business Activities

License type	Purpose	License holder	License number	Date of issue / renewal	Expiry date	Issuing authority
Commercial Registration certificate	Recording the Company in the Commercial Registry	Company	1010288711	10/06/1431H corresponding to 24/05/2010G	10/06/1444H corresponding to 03/01/2023G	Ministry of Commerce - Commercial Register Office in Riyadh
Membership Chamber of Commerce Certificate (1st degree)	The Company adherence to the Commercial Register Law	Company	101000232233	11/04/1431H corresponding to 25/05/2010G	10/06/1444H corresponding to 03/01/2023G	Riyadh Chamber of Commerce
Zakat & Income Tax certificate	The Company adherence to submitting its annual declaration and paying its zakat	Company	1111017123	14/03/1443H corresponding to 20/10/2021G	29/09/1443H corresponding to 30/04/2022G	Zakat, Tax and Customs Authority*
VAT registration certificate	To indicate that the Company is registered with value added tax	Company	300275562500003	02/12/1438H corresponding to 24/08/2017G.	-	Zakat, Tax and Customs Authority
(Nitaqat) Certificate	Evaluation of the Company entity according to Nitaqat program, which indicates that the Company is in the (Platinum) category.	Company	1-253698		-	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)
Social Insurance (GOSI Certificate) **	In compliance with the social insurance regulations	Company	45470547	03/09/1443H corresponding to 04/04/2022G	02/10/1443H corresponding to 03/05/2022G	General Organization of Social Insurance
Wage Protection Certificate***	In compliance with the wage protection law	Company	20012204005012	25/09/1443H corresponding to 26/04/2022G	25/11/1443H corresponding to 24/06/2022G	Wages Protection System - Ministry of Human Resources and Social Development (Labor Office - Electronic Services)
Saudization certificate****	To indicate that the Company is compliant with the required Saudization percentage according to Nitaqat program	Company	20002202029428	22/07/1443H corresponding to 23/02/2022G	22/10/1443H corresponding to 23/05/2022G	Ministry of Human Resources and Social Development
Foreign Investment License	Adhere to the foreign investment law	Company	01-102030094185	22/09/1430H (corresponding to 12/09/2009G).	02/07/1444H (corresponding to 24/01/2023G)	The Ministry of Investment (previously SAGIA)

License type	Purpose	License holder	License number	Date of issue / renewal	Expiry date	Issuing authority
Council of Cooperative Health Insurance (CCHI)	Eligibility license to practice cooperative health insurance	Company	127	-	02/08/1444H (corresponding to 22/02/2023G)	CCHI
Authorization to undertake insurance business	Undertaking General and Health insurance business	Company	INS/30/20107	24/07/1431H (corresponding to 06/07/2010G)	22/07/1446H (corresponding to 22/01/2025G)	Saudi Central Bank (SAMA)
Municipality Permit	The permit granted by the municipality to the Company in order to conduct its business activities	Company	206-33	15/02/1433H (corresponding to 09/02/2012G)	26/02/1445H (corresponding to 22/08/2022G)	Ministry of Municipal, Rural and Housing ***** - Riyadh Region – AlMalaz Municipality
Safety & Security Certificate	In compliance with the Civil Defense Safety & Security Standards and Conditions	Company		22/03/1441H (corresponding to 19/11/2019G)	22/03/1442H (corresponding to 08/11/2020G)	Ministry of the Interior/ General Directorate of Civil Defense

Source: The Company.

* The name of the governmental authority "General Authority for Zakat and IncomeTax" has been amended to become "Zakat, Tax and Customs Authority"

** The compliance certificate is valid for a maximum of one month, and is electronically renewable upon request.

*** The compliance certificate is valid for a maximum of two months, and is electronically renewable upon request.

**** The compliance certificate is valid for a maximum of three months, and is electronically renewable upon request.

***** The name of "Ministry of Municipality and Rural Affairs" has been changed to become "Ministry of Municipal, Rural and Housing Affairs".

9.2.2 Company's Branches

- Article (5) of the Company's By-laws stipulates that the Company may establish branches, offices or agencies inside or outside KSA, by the virtue of a Board resolution.
- As of the date of publishing this Prospectus, the Company established 7 branches in the Kingdom of Saudi Arabia.

1. AlKhobar Branch

- This branch was registered with the Commercial Registry pursuant to certificate number (2051059146) dated 05/01/1436H. (corresponding to 29/10/2014G) as a branch office in AlKhobar city to undertake its activities (General, Health, and Protection and Savings insurance and re-insurance business). The CR is valid till 04/01/1444H. (corresponding to 02/08/2022G)

Table No. (76): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities

License type	Purpose	License holder	License number	Date of issue / renewal	Expiry date	Issuing authority
Commercial Registration Certificate	Registering the Branch office with the Commercial Registry	Company	2051059146	15/01/1436H. (corresponding to 29/10/2014G)	04/01/1444H. (corresponding to 02/08/2022G)	Ministry of Commerce - Commercial Register Office in Riyadh
Municipality Permit	Adherence to Municipality Regulations	Company	400211695097	-	04/02/1444H. (corresponding to 31/08/2022G)	AlKhobar Municipality – Eastern Province Governorate
Safety License	Adherence to the requirements of safety and security as imposed by the Civil Defense	Company	42-000214165-3	14/03/1443H. (corresponding to 20/10/2021G)	14/03/1444H. (corresponding to 10/10/2022G)	Ministry of Interior – Civil Defence

Source: The Company.

2. AlQurayat Branch

- This branch was registered with the Commercial Registry pursuant to certificate number (2452145145) dated 21/06/1440H. (corresponding to 26/02/2019G) as a branch office in AlQurayat city to undertake its activities (General And Health insurance activities). The CR is valid till 21/06/1445H. (corresponding to 03/01/2024G)

Table No. (77): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities

License type	Purpose	License holder	License number	Date of issue / renewal	Expiry date	Issuing authority
Commercial Registration Certificate	Registering the Branch office with the Commercial Registry	Company	2452145153	21/06/1440H. (corresponding to 26/02/2019G)	21/06/1445H. (corresponding to 03/01/2024G)	Ministry of Commerce - Commercial Register Office in AlQurayat
Municipality Permit	Adherence to Municipality Regulations	Company	4304789500	-	17/05/1444H. (corresponding to 11/12/2022G)	Sakaka Municipality – AlJouf Province Governorate
Safety License	Adherence to the requirements of safety and security as imposed by the Civil Defense	Company	1-000655300-42	11/03/1443H. (corresponding to 17/10/2021G)	11/03/1444H. (corresponding to 07/10/2022G)	Ministry of Interior – Civil Defence

Source: The Company.

3. AlMadina Branch

- This branch was registered with the Commercial Registry pursuant to certificate number (4650207713) dated 21/06/1440H. (corresponding to 26/02/2019G) as a branch office in AlMadina city to undertake its activities (General And Health insurance activities). The CR is valid till 21/06/1445H. (corresponding to 03/01/2024G)

Table No. (78): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities

License type	Purpose	License holder	License number	Date of issue / renewal	Expiry date	Issuing authority
Commercial Registration Certificate	Registering the Branch office with the Commercial Registry	Company	4650207713	21/06/1440H. (corresponding to 26/02/2019G)	21/06/1445H. (corresponding to 03/01/2024G)	Ministry of Commerce - Commercial Register Office in AlMadina
Municipality Permit	Adherence to Municipality Regulations	Company	40082092074	-	09/04/1444H. (corresponding to 03/11/2022G)	Qabaa Municipality – AlMadina AlMunawara Province Governorate
Safety License	Adherence to the requirements of safety and security as imposed by the Civil Defense	Company	18635	02/04/1439H. (corresponding to 20/12/2017G)	03/04/1442H. (corresponding to 18/11/2020G)	Ministry of Interior – Civil Defence

Source: The Company.

4. Braida Branch

- This branch was registered with the Commercial Registry pursuant to certificate number (1131308321) dated 15/01/1442H. (corresponding to 03/09/2020G) as a branch office in Braida city to undertake its activities (General And Health insurance activities). The CR is valid till 15/01/1444H. (corresponding to 13/08/2022G)

Table No. (79): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities

License type	Purpose	License holder	License number	Date of issue / renewal	Expiry date	Issuing authority
Commercial Registration Certificate	Registering the Branch office with the Commercial Registry	Company	1131308321	15/01/1442H. (corresponding to 03/09/2020G)	15/01/1444H. (corresponding to 13/08/2022G)	Ministry of Commerce - Commercial Register Office in Braida
Municipality Permit	Adherence to Municipality Regulations	Company	41022574630	-	29/01/1443H. (corresponding to 06/09/2021G)*	AlDira Municipality – AlQassim Province Governorate
Safety License*	Adherence to the requirements of safety and security as imposed by the Civil Defense	Company	1-000642541-42	29/04/1442H. (corresponding to 14/12/2021G)	29/04/1443H. (corresponding to 04/12/2021G)	Ministry of Interior – Civil Defence

Source: The Company.

*The Company has submitted an application to renew the civil defence permit and is till under process.

5. Jazan Branch

- This branch was registered with the Commercial Registry pursuant to certificate number (5957100196) dated 21/06/1440H. (corresponding to 26/02/2019G) as a branch office in Jazan city to undertake its activities (General And Health insurance activities). The CR is valid till 21/06/1445H. (corresponding to 03/01/2024G)

Table No. (80): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities

License type	Purpose	License holder	License number	Date of issue / renewal	Expiry date	Issuing authority
Commercial Registration Certificate	Registering the Branch office with the Commercial Registry	Company	5957100196	dated 21/06/1440H. (corresponding to 26/02/2019G)	21/06/1445H. (corresponding to 03/01/2024G)	Ministry of Commerce - Commercial Register Office in Jizan
Municipality Permit	Adherence to Municipality Regulations	Company	40082104211	-	05/08/1444H (corresponding to 25/02/2023G)	AlSafa Municipality – Jizan Province Governorate
Safety License*	Adherence to the requirements of safety and security as imposed by the Civil Defense	Company	1-000626016-42	04/04/1442H. (corresponding to 19/11/2021G)	04/04/1443H (corresponding to 09/11/2021G)	Ministry of Interior – Civil Defence

Source: The Company.

*The Company has submitted an application to renew the civil defence permit and is till under process because the owner of the leased property is incapable of a certificate from engineering office which is till under process or alternatively to change the location of the premises.

6. Jeddah Branch

- This branch was registered with the Commercial Registry pursuant to certificate number (4030302679) dated 16/08/1439H. (corresponding to 02/05/2018G) as a branch office in Jeddah city (Prince Sultan street – AlSaba Commercial Center) to conduct its activities (General And Health insurance activities). The CR is valid till 16/08/1447H. (corresponding to 04/02/2026G)

Table No. (81): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities

License type	Purpose	License holder	License number	Date of issue / renewal	Expiry date	Issuing authority
Commercial Registration Certificate	Registering the Branch office with the Commercial Registry	Company	4030302679	16/08/1439H. (corresponding to 02/05/2018G)	16/08/1447H. (corresponding to 04/02/2026G)	Ministry of Commerce - Commercial Register Office in Jeddah
Municipality Permit	Adherence to Municipality Regulations	Company	-	-	-	Jeddah Municipality
Safety License*	Adherence to the requirements of safety and security as imposed by the Civil Defense	Company	-	-	-	Ministry of Interior – Civil Defence

Source: The Company.

*The Company has submitted an application to issue a municipality license and the civil defence permit which are till under process.

7. Najran Branch

- This branch was registered with the Commercial Registry pursuant to certificate number (5950112165) dated 08/08/1439H. (corresponding to 24/04/2018G) as a branch office in Najran city (AlFahd District) to undertake its activities (General And Health insurance activities). The CR is valid till 08/08/1444H. (corresponding to 08/02/2023G)

Table No. (82): License, Certificates and Permits Under Which The Branch Office Conducts its Business Activities

License type	Purpose	License holder	License number	Date of issue / renewal	Expiry date	Issuing authority
Commercial Registration Certificate	Registering the Branch office with the Commercial Registry	Company	5950112165	08/08/1439H. (corresponding to 24/04/2018G)	08/08/1444H. (corresponding to 08/02/2023G)	Ministry of Commerce - Commercial Register Office in Najran
Municipality Permit	Adherence to Municipality Regulations	Company	390842855	-	16/08/1444H. (corresponding to 08/03/2023G)	Najran Municipality – Alfahd district
Safety License*	Adherence to the requirements of safety and security as imposed by the Civil Defense	Company	1-000795687-43	10/04/1443H. (corresponding to 15/11/2021G)	10/04/1444H. (corresponding to 04/11/2022G)	Ministry of Interior – Civil Defence

Source: The Company.

9.3 Subsidiaries

- Pursuant to Article (4) from the Company's Bylaws, the Company may establish companies on its own (limited liability or closed joint stock companies), and it may also hold stocks and shares in other existing companies or merge with them. It shall have the right to participate with third parties in the establishment of joint stock or limited liability companies, after fulfilling the requirements of the applicable laws and regulations in this regard. It may also dispose of stocks or shares, provided that this does not include trading-related brokerage activities. As of the date of this Prospectus, the Company do not have any subsidiary whether in the Kingdom of Saudi Arabia or offshore.
- It is worth noting that the Company holds shares representing 3.45% of shares in Najm Insurance Services, a Saudi Arabian closed joint stock company established by virtue of Ministerial resolution no(D/232) dated 11/10/1434H.(corresponding to 18/08/2013G) having its headquarter in Riyadh city to undertake general insurance services excluding life insurance and is licensed to carry out insurance agency services and insurance claims settlement expert. The Company obtained shares certificate no(21) dated 14/08/1436H. (corresponding to 02/06/2015G) showing the number of shares allocated amounting to 192.308 shares with

a value SAR1.923.080.

9.4 The Continuing Obligations Imposed by The Relevant Governmental Authorities on The Company in its Capacity as a “Licensee”

The following regulatory authorities requires that the Company and its subsidiaries comply with certain essential requirements as follows:

9.4.1 The Continuing Obligations According to the Ministry of Commerce’s Requirements:

- The Company adheres to the Commercial Registry Law with respect to recording with the Commercial Registry Directorate and has been registered in Riyadh city where its head office is registered pursuant to Commercial Registration Certificate no(1010288711) dated 10/06/1431H.(corresponding to 24/05/2010G) which expires on10/06/1444H.(corresponding to 03/01/2023G).
- Further it adheres to the Companies Law in terms of adopting the Company Bylaws in line with the new and recent amendments made to the Companies Law, after obtaining a prior approval from the Ministry of Commerce on the draft Bylaws and the approval of the Shareholders in the EGA meeting dated 10/04/1442H (corresponding to 20/04/2021G). The Bylaws were approved by the Corporate Governance Department (Ministry of Commerce) on 25/10/1442H (corresponding to 06/06/2021G). The Company complied with the requirements of the CMA and the Saudi Stock Exchange (Tadawul) in terms of uploading a copy of the Bylaws on the Tadawul website on the Company page.
- The Company is also in compliance with the Commercial Registry Law in terms of obtaining a membership certificate in the Chamber of Commerce and Industry under the Certificate No. (1010002322233) dated 11/06/1431H (corresponding to 25/05/2010G) ending on 10/06/1444H (corresponding to 03/01/2023G).
- Further, the Company is in compliance with the completion of procedures to open its branch offices and has issued the requires certificates for its branches in 7 cities (Khobar-AlQurayat-ALMadina AIMunawara-Brayda-Jazan-Jeddah- Makkah- Najran) (for further information, please see sub-section 9.2.2 of this Part).
- The Company adheres to Article 150 of the Companies Law which obligates any official in the Company or the auditor as soon as he learns that the Company’s accumulated losses have reached (50%) or more of its capital to inform the Chairman of the Board of Directors, and the Chairman of the Board of Directors shall immediately inform the members of the Board thereof. The Board of Directors shall, within (15) days of becoming aware of this, invite the Extraordinary General Assembly to meet within (45) days from the date on which the Board became aware of the losses; to decide either to increase the Company’s capital or reduce it to the extent that the percentage of losses falls below half of the paid-up capital, or to dissolve the Company before the term specified in the Company’s By-laws. On 11/10/1442H. (corresponding to 23/05/2021G), the EGA of the Company approved the capital reduction from SARA 240million to SAR130million and accordingly the total number of shares become 13million shares after cancelling 11million shares via the dilution of 1 share for each 2.1818 shares for the purpose of the capital structuring and to reduce the accumulated losses by SAR110million after obtaining the approval of the regulatory authorities (the Saudi Central Bank and the CMA). Further, the EGA approved the amendment of Article 8 of the By-laws pertaining the paid up capital of the Company in addition to the amendment of other provisions of the By-laws. On 12/06/1442H. (corresponding to 25/01/2021G), the Company obtained the approval of the Saudi Central Bank pursuant to letter no(42039348) to reduce the capital by SAR110million so that the Company’s capital become SAR130million following the reduction. Following this it has issued the approvals of CMA, Tadawul and the EGA on the alteration of capital.
- The Company has a trademark registered with the Ministry of Commerce under no1439024703 dated 06/03/1440H. (corresponding to 14/11/2018G), under the category(36) which will enable the Company to place its name and logo on the front of the building or offices operated by the Company as it has registered the trademark and is granted legal protection according to the Trademarks Law.

With the exception of the above and the risk factors of this Prospectus. The Company adheres to the laws and regulations of the Ministry of Commerce.

9.4.2 The Continuing Obligations According to the Zakat, Tax and Customs Authority (ZATCA)'s Requirements

- Like other registered establishments and companies operating in the Kingdom, the Company is required to submit its Zakat and tax returns within 120 days from the end of the fiscal year for the purpose of renewing the certificate issued by the Zakat, Tax and Customs Authority (ZATCA). The Company was registered as a taxpayer under tax no. 3002755625, and the Company filed its Zakat returns for the fiscal year ended 31 December 2020G, and obtained a Zakat certificate from ZATCA under no. 1111-17123 dated 14/03/1443H (corresponding to 20/10/2021G) valid until 29/09/1443H (corresponding to 30/04/2022G). It is worth noting that the Zakat paid to the ZATCA amounting to SAR844,000 during the Y2021G.
- The Company is in compliance with the Value Added Tax Law and its Implementing Regulations and is registered with ZATCA under tax no. 30027556250003 pursuant to a certificate issued on 02/12/1438H (corresponding to 24/08/2017G), noting that the Company's registration validity date is 13/12/1439H (corresponding to 24/08/2018G).
- In accordance with ZATCA's rules, the Company registered its branch offices in its Zakat Certificate.
- Company submitted the declarations to ZATCA up to Y2020G and the Company settled all the outstanding up to Y2016 and obtained a final settlement during 2020G. However the ZATCA submitted final assessment regarding several periods from December 2017G to 2018G, claiming a total amount of SAR 6,200,000. the Company submitted objections to ZATCA over its evaluation decision for such period and believes it can reduce up to SAR3,700,000. On 11/09/1441H. (corresponding to 04/05/2020G) the ZATCA sent letter to Company claiming certain additional amount for VAT due and penalty for previous years 2018G and 2019G of SAR 1,600,000. The Company submitted an objection to ZATCA over its evaluation decision for such periods.

With the exception of the above and the risk factors of this Prospectus. The Company adheres to the laws and regulations of the ZATCA.

9.4.3 The Continuing Obligations According to The Ministry of Human Resources and Social Development's Requirements

- A file has been opened with the Ministry of Human Resources and Social Development (Labor Office) under the unified number (1-253698) according to the Saudization certificate. As of the date of publishing this Prospectus, the Company benefits from the electronic services of the Ministry of Human Resources and Social Development; a Saudization certificate has been issued to indicate that the Company adheres to the required Saudization percentage according to the Nitaqat program, which amounts to (%73.14) and is categorized under the platinum category.
- The Company is in compliance with the Article 13 of the Labour Law has an internal working regulation approved by the Ministry of Human Resources and Social Development (Labor Office) No. (584597) dated 24/09/1441H (corresponding to 17/05/2020G).
- The Company adheres to the wage protection rules and the organized reporting of wages of its employees and issued a compliance certificate No. (20012204005012) dated 25/09/1443H (corresponding to 24/06/2022G) and this certificate shows the percentage of adherence at 95% as of March 2022G. Further, the Company adheres to requirements of the Ministry with respect to recording the employment contracts of its employees and the report issued from platform of Maddad portal shows the percentage of adherence at 98% as of March 2022G.
- Moreover, the Company adheres to the Saudization requirements according to Netaqat programme and has obtained the certificate no(200022020028428) dated 22/07/1443H.(corresponding to 23/02/2022G) which expires on 22/10/1443H (corresponding to 23/05/2022G).

Table No. (83): Number of Employees Working for the Company According to the Data of the Governmental Agencies

Authority	Reference	Number of Saudi employees	Number of non-Saudi employees	Total	DATE
GOSI	GOSI certificate	119	49	168	As of 04/04/2022G.
Labour Office	Nitaqat Certificate	128	47	175	As of 10/03/2022G.
Passport Directorate – Ministry of Interior	Residents Extract	--	48	48	As of 03/10/2022G.

Source: The Company.

9.4.4 The Continuing Obligations According to The General Organization for Social Insurance (GOSI)'s Requirements

- The Company opened a GOSI file under the registration number (503370336) and is participating in the pension and occupational hazards branches for Saudi and non-Saudi employees according to GOSI certificate number (44847356) dated 07/08/1443H (corresponding to 10/03/2022G). The amount of the contributions paid for the 2021G is SAR (341,000).

Table No. (84): Number of Saudi and Non-Saudi Employees (BATIC Company)

Authority	Reference	Number of Saudi employees	Number of non-Saudi employees	Total	Observations
GOSI	GOSI certificate	168	49	119	As of 28/01/1443H (corresponding to 05/09/2021G)

Source: The Company.

* As of April 2022G.

Unemployment Insurance (Saned)

It is a GOSI scheme that is based on the patronage of the Saudi worker and his family during the period of unemployment. It is applied to all Saudis under the age of fifty-nine who are subject to pension under Social Insurance Law. This Law was issued by Royal Decree No. (M/18) dated 12/03/1435H and came into force as of 01/11/1435H in case of establishments that follow Hijri Calendar and as of 01/09/2014G in case of establishments that follow the Gregorian calendar.

The Company did not apply to use this scheme during the Covid.

9.4.5 The Continuing Obligations According to CMA's Requirements

- The CMA requires all listed companies on Saudi Stock Exchange to adhere to the Rules On the Offer of Securities And Continuing Obligations (OSCOs) and CMA's instructions in particular the reporting requirements of the material and financial developments and the Board's annual report. Moreover, the annual financial results announced on Tadawul website must be derived from the audited financial statements approved by the Company's external auditor appointed by the OGA and approved by the Board. The Company must adhere to the CMA's Instructions for Companies Announcement with respect to the disclosure of its financial results. The Company must also provide a statement of all the causes and effects of the changes in the financial results for the current financial year with the comparison period, so that the reasons include all the items of the financial results announcement.
- The Company is also in compliance with the sub-paragraph (9.a) of Article 28 which requires listed company to submit the approval of the relevant governmental agencies and has obtained the Saudi Central Bank's non-objection letter no(43083158) dated 24/09/1443H.(corresponding to 25/04/2022G) on the capital increase.
- The CMA requires listed companies in the Capital Market to disclose the stages of their compliance with the transition to the IFRS. The Company announced on Tadawul website that it is in compliance with such transition which commenced on 01/01/2017G. Further, the financial statements of the Company for the year ending 2020G has been prepared in accordance with the IFRS requirements.
- The CMA requires public joint stock companies to comply with the Instructions for Companies Announcement which was issued pursuant to the CMA Board Decision No. (1-199-2006) dated 18/07/1427H (corresponding to 12/08/2006G), as amended according to Resolution No. (1-104-2019) dated 01/02/1441H (corresponding to 30/09/2019G).
- The Company adheres to the requirement of appointing two authorized representatives before the CMA with respect to all matters pertaining to the Capital Market Law and its implementing regulations. The Board appointed on 17/09/1440H. (corresponding to 22/05/2019G) the following gentlemen as representatives: Naif AlSudairi (member of the Board) and Sulaiman Hilal (CEO).
- The CMA requires listed companies to adhere to the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies which requires the Board of a listed company to disclose in its annual report details of the Remuneration policies, and mechanisms for determining such Remuneration, including amounts in cash and in-kind benefits paid to each Board member in exchange for any executive, technical, managerial, or advisory work or positions.
- On 23/01/1438H (corresponding to 24/10/2016G), the CMA Board issued the resolution 1-130-2016 stipulating the amendment of the procedures and instructions for companies whose shares are listed on

Tadawul and whose accumulated losses amounted to 50% or more of their capital according to the new Companies Law, the name of which has been amended to "Procedures and Instructions Related to Listed Companies with Accumulated Losses reaching 20% or more of their Share Capital" as amended by CMA Board resolution 1-77-2018 dated 05/11/1439H (corresponding to 18/07/2018G), which stipulates that the company should, immediately and without delay, disclose to the public in a separate announcement when its Accumulated Losses reach 20% or more.

- On 30/09/2020G, the Company announced that its accumulated losses amounted to 45% of its capital and became subject to Article 4 when Accumulated Losses reach 35% or more and less than 50% of the Share Capital.
- On 30/03/2022G, the Company announced its financial results for the year ending 31/12/2021G and it appears that the accumulated losses amounted to 120.94% of its capital and became subject to Article 5 when Accumulated Losses reach 50% or more of its Share Capital.
- Per consequent, the company should, immediately and without delay, disclose to the public in a separate announcement when its Accumulated Losses reach 50% or more of its Share Capital. The announcement should reflect the total Accumulated Losses, its percentage of the capital, and the main reasons that caused the losses, with reference that these procedures will be applicable. In case the announcement coincides with the interim or annual financial results announcement, the company is exempt from the disclosure in a separate announcement if it disclosed the required information as per this paragraph in the preliminary or yearly financial results announcement. b) Following the public announcement referred to in paragraph (a) of this Article, the Exchange shall add a flag next to the company's name on the Exchange website indicating that the company's Accumulated Losses reached 50% or more of its Share Capital. c) Subject to the provisions of Article (150) of the Companies Law, the company shall, after announcing that its Accumulated Losses reached 50% or more of its Share Capital, announce the following:- 1. The date of the last day on which the Board of Directors may invite the extraordinary general assembly to convene, and the date of the last day for convening the extraordinary general assembly to address the Accumulated Losses. 2. The Board of Directors' recommendation to the extraordinary general assembly regarding its Accumulated Losses immediately following its issuance, either to increase or decrease the company's capital, or to dissolve the company before the prescribed date in its by-laws. 3. The date of the last day to complete the process of subscription of the capital increase to address the Accumulated Losses, where applicable.
- With respect to the Corporate Governance Regulations, the table below shows the extent of adherence by the Company to the provisions of the regulations.
- It is worth noting that any violations of the CMA laws and its implementing regulations, could lead to imposition by CMA of the following penalties:
- 1) Warning the person concerned.
- 2) Obliging the person concerned to take the necessary steps to avert the violation, or to take the necessary corrective steps to address the results of the violation.
- 3) Impose a fine by the Board on any person responsible for a violation of this Law and its Implementing Regulations, and the rules and regulations of the Exchange, the Depository Center, and the Clearing Center. The fine imposed shall not exceed five million Saudi Riyals (SR 5,000,000) for each violation committed by the violator.
- The Company was subject to penalties during the previous years and the CMA has imposed a fine amounting to SAR70,000 on 11/05/2016 for a violation of Article 46 of the Capital Market Law and the OSCO as the Company was banned by CHCI from issuing health insurance policies and has not disclosed immediately such event to CMA and Tadawul. The CHCI decision issued on 31/12/2015G. was disclosed on Tadawul on 03/01/2016 after the closure of market.

Table No. (85): Company's Adherence to Corporate Governance Regulations of the CMA and SAMA

CMA	SAMA	Detail	Responsible / Competent Authority	The relevant provisions in the Corporate Governance Guidebook of the Company	Notes
9/B	-	The Board of Directors must set a clear policy regarding the distribution of dividends in the interests of the shareholder and the Company in accordance with the Company By-laws	Board of Directors	11	-
12/5 & 54/A	106-105	Formation the audit committee	Shareholders General Assembly	37	In accordance with the Board recommendation (based on Article 22 of Audit Committee Regulation In Insurance and/or Re-insurance Companies)
54/C	-	The general Assembly of the Company - based on a proposal from the Board of Directors - shall adopt the audit committee chart, provided that it includes the controls and procedures for the committee work, its tasks, the rules for selecting its members, how to nominate them, the term of their membership, their remuneration, and a mechanism for temporarily appointing its members in the event of a seat vacancy	Shareholders General Assembly	37/c	The regulations were approved by the Ordinary General Assembly on 14/09/1439H (corresponding to 30/05/2018G)
12/6	-	Approval of the financial statements	Shareholders General Assembly	7/2/h	Compliant The reissued consolidated financial statements for the financial year ending on December 31, 2020G were approved by the Ordinary General Assembly on 19/11/1442H (corresponding to 29/06/2021G)
12/7	-	Approval of the annual report of the Board of Directors	Shareholders General Assembly	7/2/h	Compliant The report of the Board of Directors for the fiscal year 2020G was adopted by the Ordinary General Assembly held on 19/11/1442H (corresponding to 29/06/2021G)
12/9 & 81	-	Appointing Company's external auditors, determining their remuneration, reappointing them, changing them, and approving their reports	Shareholders General Assembly	7/2/	Compliant – Approved by the Ordinary General Assembly on 19/11/1442H (corresponding to 29/06/2021G).
22/1	64/A	Adopt the policies, plans and strategies and key targets of the Company	Board	181	Compliant- the Board approved it for Y2021G during its meeting held on 10/08/1442H.(corresponding to 23/03/2021G)
22/2	64/D	lay down systems and controls for internal control	Board	18/2	
22/3	65	lay down clear and specific policies, standards and procedures for membership in the Board of Directors, and putting them into effect after their approval by the General Assembly	Shareholders General Assembly	18/3	
22/3	57	Approving the policies and standards for membership in the Board of Directors	General Assembly	3/18	N/A

CMA	SAMA	Detail	Responsible / Competent Authority	The relevant provisions in the Corporate Governance Guidebook of the Company	Notes
22/4		<p>lay down a written policy that organizes the relationship with stakeholders in accordance with the provisions of the Governance Regulations, and must cover - in particular - the following:</p> <p>Mechanisms for compensation to stakeholders in the event of violation of their rights recognized by the regulations and protected by contracts.</p> <p>Mechanisms for settling complaints or disputes that may arise between the Company and stakeholders.</p> <p>Appropriate mechanisms to establish good relationships with customers and suppliers and to maintain the confidentiality of information related to them.</p>	Board of Directors	18/4	Compliant There is an independent adopted by the Board on 17/09/1440H(corresponding 22/05/2019G)
22/13 & 50	89	Forming specialized committees emanating from it by decisions specifying the committee term, powers and responsibilities, and how the board will monitor them, provided that the formation decision includes naming members and specifying their duties, rights and duties, along with evaluating the performance and work of these committees and their members	Board of Directors	36	Compliant Approved by the Board on 17/09/1440H(corresponding 22/05/2019G)
23/1	64/c	Approving and developing internal policies related to the Company work, including defining the tasks, specializations and responsibilities assigned to the various organizational levels	Board of Directors	18/9/a	Compliant
23/2		Adopt a written and detailed policy specifying the powers delegated to the executive management	Board of Directors	19/c	Compliant
25	64/f	Appointing the Chief Executive Officer	Board of Directors		Compliant – appointed Chief Executive Officer pursuant to a Board Decision dated 01/11/1438H (corresponding to 24/07/2014G)
26/5	13	lay down the organizational and functional structures of the Company and submitting them to the Board of Directors for consideration and approval	Board of Directors	18/24/9	Compliant - The organizational structure of the Company was adopted by the Board of Directors on 10/08/1442H (corresponding to 23/03/2021G)
34/A	48/A	Organizing the attendances at Board meetings	Board	16	Compliant
36/C		Establishing an internal policy for the work of the Board of Directors	Board of Directors	18	Compliant – approved by the Board of Director
43	12/a	A written and clear policy for dealing with current or potential conflicts of interest situations that may affect the performance of members of the Board of Directors, executive management, or other Company employees when they deal with the Company or other stakeholders	Board of Directors	7/2	Compliant - There is independent policy approved on February 2022G
48	30	Related party contracts and arrangements which any member of the board have interests directly or indirectly	General Assembly	7/2	Compliant – OGA approval obtained on 19/11/1442H.(corresponding to 29/06/2021G)

CMA	SAMA	Detail	Responsible / Competent Authority	The relevant provisions in the Corporate Governance Guidebook of the Company	Notes
54/c	105	Issuance of Audit Committee Chart	General Assembly	27/c	Compliant – OGA approval obtained on 14/09/1439H (corresponding to 30/05/2018G)
55/B/4		Appointing a director of the internal audit unit or department or the internal auditor and proposing his remuneration	Board of Directors	18/24/4	As recommended by the Audit Committee (pursuant to Article 49/c of Audit Committee Regulation in Insurance and/or re0insurance companies)
58	-	Establishing a mechanism that allows the company's employees to record their notes on any abuse in the financial reports	Review Committee	40	-
60/A /A64	100	Formation of the Nomination and Remuneration Committee	Board of Directors	44/A	appointed Chief Executive Officer pursuant to a Board Decision dated 17/09/1440 H (corresponding to 22/05/2019)
60/B & 64/B	100	The general Assembly of the Company - based on a proposal from the Board of Directors - shall issue a work bylaw for the Remuneration and Nomination Committee, provided that this list includes the committee controls, procedures, and work plan, its functions, the rules for selecting its members, how they are nominated, term of their membership, Compensation and temporarily appointment in case one of the seats of the committee	Shareholders' general Assembly	44	Compliant The chart of the committee was adopted by Ordinary General Assembly on 14/09/1439H (corresponding to 30/05/2018G)
61/1	101	The Remuneration and Nominations Committee shall prepare a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management, and submit it to the Board of Directors for consideration in preparation for its approval by the General Assembly, so that the follow-up of this policy and the follow-up of that policy are taken into account	Shareholders' general Assembly	43/d/20	Compliant
61/1		Adoption of remuneration policies for members of the board of directors and committees	General Assembly	-	Compliant – General Assembly dated 14/09/1439 H (corresponding to 30/05/2018G)
-	90 95&	Formation of the company's executive management	Board of Directors	44/A	Compliant – appointed Chief Executive Officer pursuant to a Board Decision dated 17/09/1440 H (corresponding to 22/05/2019 G)
-	95	Executive Committee Regulations	General Assembly	44/B	Compliant – approved by the Board of Directors dated on 16/09/1434 H (corresponding to 24/07/2013 G)
70	90 107&	Formation of a risk management committee	Board of Directors	45/A	Compliant – appointed Chief Executive Officer pursuant to a Board Decision dated 17/09/1440 H (corresponding to 22/05/2019 G)
	107	Risk Management Committee Regulations	General Assembly	45	Compliant – General Assembly dated 24/07/1437 H (corresponding to 01/05/2016G) and updated on 02/01/1440H (corresponding to 12/09/2018G)
-	90 111&	Formation of an investment committee	Board of Directors	46	Compliant – appointed Chief Executive Officer pursuant to a Board Decision dated 17/09/1440 H (corresponding to 22/05/2019 G)

CMA	SAMA	Detail	Responsible / Competent Authority	The relevant provisions in the Corporate Governance Guidebook of the Company	Notes
-	111	Investment Committee List	General Assembly	46	Compliant – approved by the Board of Directors dated on 02/01/1440H (corresponding to 12/09/2018)
73	122	Internal audit	Board of Directors	18/24/4	-
-	124	Commitment Monitor	Board of Directors	49	-
-	126	Actuary	Board of Directors	50	Compliant – no-objection was obtained from the Central Bank to extend the contract with Shamma Actuarial Services Company on 19/07/1442 H (corresponding to 03/03/2021 G)
	128	Top Management	Board of Directors	51	-
65/3	101/b	Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and for occupying executive management positions	Remunerations and nomination committee	43/6	Compliant
84		Policies or procedures for stakeholders to file complaints or report violating practices	Board of Directors	18/5	Compliant
86		A policy of professional conduct and ethical values	Board of Directors	58/b	Compliant
88		Develop programs and identify the necessary means to present the company's initiatives in the field of social work	Board of Directors	/12	Board of Directors
89	89	Written disclosure policies, supervisory procedures and systems thereof in accordance with the disclosure requirements contained in the Companies Law and the Financial Market Law	Board of Directors	66/12	Compliant
94	89/67	The Company corporate governance rules and regulations do not contradict the mandatory provisions	Board of Directors	60	Compliant The Governance Regulations approved on 15/09/1439H. (corresponding to 30/05/2018G)

Source: The Company

9.4.6 The Continuing Obligations According to Ministry of Municipal, Rural Affairs And Housing's Requirements

- A municipal license should be obtained for administrative offices branches, and points of sale; so, the Company can operate, by submitting copies of the following documents: the Register of Commerce, By-laws, lease contract and building permit for the rented building, food establishment or shop and warehouse and real estate license and a remote photograph of the building with the billboard (with a copy of the billboard bill and the property registration of the Company trademark to be used on the facade) in addition to the civil defense license.
- The Company resolved to close 13 points of sales pursuant to a request submitted to the Saudi Central Bank on 04/07/1442H.(corresponding to 16/02/2021G) in accordance with Article 27 of SAMA regulations pertaining to the establishment of branch offices and points of sales which requires prior approval of the authority to open or to close. On 01/01/1443H.(corresponding to 09/08/2021G) the Company obtained the Saudi Central Bank's non-objection letter to close 7 points of sales (in AlKharej-AlDawadmi- AlQonfodha-HafrBaten-Wadi AlDawasser- AlQurayat and Tabuk). With the respect to other points of sales (in Brayda-Makkah-Yanbu-Bisha-Mahayel Assir and Hail) the Company resolved the cloture of these branches /points of sales but Saudi Central Bank's non-objection has not been issued as of the date of this Prospectus.
- Further, the Company cancelled the municipality permits of 11 points of sales as follows:
 - Municipality permit no(40102409888) – AlKharij's point of sale
 - Municipality permit no(41012548858) – AlDawadmi's point of sale
 - Municipality permit no(39121530027) – AlQonfoda's point of sale
 - Municipality permit no(39111267228) – Wadi AlDawasser's point of sale
 - Municipality permit no(3910688420) – AlQurayat's point of sale
 - Municipality permit no(41052647809) – Tabuk's point of sale
 - Municipality permit no(41032606658) – Bisha's point of sale
 - Municipality permit no(40082125487) – Hail's point of sale
 - Municipality permit no(40062063755) – Mahyal Assir's point of sale
 - Municipality permit no(42044286924) – Makkah AlMukaram's point of sale
 - Municipality permit no(40072072572) – Yanbu's point of sale
- Further, the Company notified the lessors of the points of sales (in AlKharej-AlDawadmi- AlQonfodha-HafrBaten-Wadi AlDawasser- AlQurayat and Tabuk) of its intention not to renew the lease premises.
- The below table shows the branches and points of sales which are still opened as of the date of this Prospectus.

Table No. (86): (Municipality and Civil Defence Permits for Branches and Points of Sales

#	Name	Permit no	CR no	Validity date	Address	Civil Defence permit
Branch office						
1.	Company (AlKhobar city)	40021695097	2051059146	04/02/1444H (corresponding to 31/08/2022G)	AlMoussa Complex – King Faisal Road	Compliant- permit no(42-00214165) dated 14/03/1443 (corresponding to 20/10/2021G) valid till 14/03/1444 H(corresponding to 10/10/2022G)
2.	Company (AlQurayat)	430478500	3452145145	17/05/1444H (corresponding to 11/12/2022G)	AlQurayat	Compliant – Permit no(42-000655300-1) issued on 11/03/1443H.(corresponding to 17/10/2021G) valid till 11/03/1444H. (corresponding to 07/10/2022G)
3.	Company (AlMadina AlMunawara)	40082092074	4650207713	09/04/1444H (corresponding to 03/11/2022G)	AlMadina-	Compliant – permit no(18635) dated 02/04/1439H(corresponding to 20/12/2017G) valid till 03/04/1442H(18/11/2020G)
4.	Company Brayda	41022574630	1131308321	29/01/1444H (corresponding to 27/08/2022G)	Brayda – AlNaziya district – Khodeir street	Compliant – permit no(1-000642541-42) dated 29/04/1442H. (corresponding to 14/12/2020G) valid till 29/04/1443(corresponding to 04/12/2021G)

#	Name	Permit no	CR no	Validity date	Address	Civil Defence permit
5.	Company (Jazan)	40082104211	5957100196	05/08/1444H (corresponding to 25/02/2023G)	Jazan	Compliant – permit no(1-000626016-42) dated 04/04/1442H(19/11/2020G)
6.	Company (Jeddah city)	-	4030302679	-	Jeddah – Prince Sultan street- Saba Commercial center	Not compliant
7.	Company (Najran)	390842855	5950112165	16/08/1444H (corresponding to 08/03/2023G)	Najran – AlFahad District	Compliant – permit no(1-000795685-43) dated 10/04/1443H. (corresponding to 15/11/2021G) valid till 10/04/1444H(corresponding to 04/11/2022G)
8.	Company (AlRiyadh)	33206	1010288711	06/02/1445H (corresponding to 22/08/2023G)	Riyadh	Compliant – permit no(2-000475722-42) dated 23/01/1443H(corresponding to 31/08/2021G) valid till 23/01/1444H(corresponding to 21/08/2022G)
Points of Sales						
1.	Company (Jizan)	40082104211	-	05/08/1444H (corresponding to 25/02/2023G)	AlSafa district - King Abdullah ARoad	Not compliant
2.	Company (Khamiss Mushayet)	-	-	-	Next to passports – Khamiss Moshayt -	Not compliant
3.	Company (Alihssa)	40092193004	-	13/09/1444H (corresponding to 04/04/2023G)	Next to passports – Khamiss Moshayt -	Compliant – permit no(3-000331819-43) dated 05/04/1443H.(corresponding to 10/11/2021G) valid till 05/04/1444H. (corresponding 30/02/2022G)
4.	Company (Riyadh)	41042635616	1010288711	25/04/1444H (corresponding 29/11/2022G)	AlBatha	Compliant – permit no(2-000099719-42) dated 25/07/1442H.(corresponding to 29/03/2021G) valid till 25/07/1443H. (corresponding to 23/02/2022G)
5.	Company (AlMojamaa)	-	-	-	King Salman – Omar Bin Khattab Street	Not Compliant
6.	Company (AlMojamaa)	-	-	-	King Khalid – King Road	Not Compliant
7.	Company (AlTaif)	-	-	-	AlQamriye	Not Compliant
8.	Company (AlBaha)	-	-	-	AlHawiye -Abo Bakr AlSiddiq	Not Compliant
9.	Company (Arrar)	-	-	-	AlMosaidii – King Fahad	Not Compliant
10.	Company (Rafha)	-	-	-	Next to passports – Prince Naif	Not Compliant
11.	Company (Traif)	-	-	-	AlSalhia district– Ali Bin AbouTaleb	Not Compliant
12.	Company (Jeddah)	-	-	-	AlRihab District – Palestinian street	Not Compliant
13.	Company (Najran)	-	-	-	Passport Najran	Not Compliant
14.	Company (Abha)	-	-	-	AlFaisalia District – Prince Abdulaziz Road	Not Compliant

Source: Company

With the exception of the above and risk factors in this Prospectus, the Company is in compliance with the Ministry of Municipality and Rural Affairs.

9.4.7 Continuing Obligations According to Council of Cooperative Health Insurance (CCHI)'s Requirements

- The health/medical insurance products are subject to CCHI's rules after obtaining the Saudi Central Bank's non-objection letter (SAMA previously). The CCHI supervises insurance companies that offer health insurance products and to make sure they comply with the CCHI requirements pertaining to health insurance products.
- Article 43 of the implementing regulations of the CCHI, insurance companies are required to obtain CCHI qualifications prior to offer insurance products which validity is for 3 years renewable for same term. Further, Article 44 provides that the CCHI shall revise the application within 90 days from the date of the application.
- CCHI supervises the insurance companies to make sure they comply with the requirements of health insurance services including:
 1. arrange for medical staff to grant health approvals during at least 60 minutes and if approval is not granted it should provided the reasons.
 2. arrange for payment of medical services providers (i.e hospitals and clinics) within 45 days/
 - On 06/07/1443H(corresponding to 27/02/2022G) the CCHI approved the renewal of the Company's CCHI license for a period of one year ending on 02/08/1444H(corresponding to 22/02/2023G) pursuant to which the Company can undertake its health insurance activities and issue policies.
 - It is worth noting that previously on 25/05/1438H.(corresponding to 22/02/2017G) the CCHI' committee for settlement of disputes issued its resolution with respect to case (37/6) filed against the Company with respect to the violation by the Company of the insurance policies issued by it and breaching Article 36/b/2 and Article 91 and Article 77/4 of the implementing regulations of the CCHI law. The Company has been requested to pay SAR12,443,500 and has objected the CCHI's decision before the Board of Grievances on 22/07/1438H.(corresponding to 19/04/2017G) and a judgement was issued on 21/04/1439H(corresponding to 08/01/2018G) rejecting the Company's objections. Per consequent, the Company appealed this decision on 20.02.2018 and a final judgment was issued on 11/11/1439H(corresponding to 24/07/2018G) which rejected all demands of the Company.
 - Henceforth, the Company did not undertake any breach of the CCHI laws and regulations.

With the exception of the above and risk factors, the Company is in compliance with the CCHI requirements.

9.4.8 The Continuing Obligations According to Foreign Investment License's Requirements

- Because of the nationality of some founding shareholder being non-Saudi and non-GCC nationals, the Company has been required to issue a foreign investment license no(102030094185-01) dated 22/09/1430H,(corresponding to 12/09/2009G) issued from the Ministry of Investment (previously SAGIA) which is valid till 02/07/1444H.(corresponding to 24/01/2023G)
- The authority requires any holders of the foreign investment license to comply with certain terms as follows:
 1. (1)there should not be discrepancies between the details of the CR an SAGIA license.
 2. (2) not to undertake any activities or provide services without being licensed by the relevant governmental authorities;
 3. (3)obtaining separate license for each branch office or point of sales.
 4. (4)licensee is required to practice the business activities during the term of validity of its SAGIA license except in the event of a force majeure which should be approved by SAGIA after submitting a clear timetable showing the reporting date and this should be within 5 days from the occurrence of force majeure event.
 5. (5)not allowed to use the trade name or logo of an international commercial agency or local agency and use of a trade name that is different of the one provided in its license without prior approval of SAGIA,(6) compliance of products offered by the licensee with SASO and the GCC and international standards, and (7) to notify SAGIA in writing in case of any changes in the notification details and address and to update immediately the authority.
- Further, the holder of a SAGIA license is required to update its details with respect to any alteration of the paid up capital, change of trade name and establishment of branch offices and points of sales.

With the exception of the above and risk factors, the Company is in compliance with the SAGIA requirements.

9.4.9 The Continuing Obligations According to Saudi Central Bank (SAMA)'s Requirements

- The Company obtained the Saudi Central Bank's license no(INS/30/2010) dated 24/07/1431H(corresponding to 06/07/2010G) which is valid for three years commencing on 23/07/1443H(corresponding to 24/02/2022G) and ending on 22/07/1446H(corresponding to 22/01/2025G). Pursuant to such license the Company is authorized to undertake the General Insurance and Health Insurance Activities.
- The Company offers many types of insurance products to its customers in accordance with conditions of each policy as approved by SAMA which could be final or temporary approval according to Article 16 of the implementing regulations. It is worth noting, however, that all the approvals issued by SAMA concern a final approval to offer the below insurance products:

Table No. (87): Company's Insurance Products

#	Name of Product	Category of products (Individual or corporate or both)	SAMA's approval date	SAMA's approval number	Serial number of the insurance products (if available)
1	Contractors Plant and Machinery	Individual & Corporate	10/10/2016	381000003698	LPAMANA001
2	Workers Compensation	Corporate	10/10/2016	381000003649	LPAMANA026
3	Marine Cargo Open Cover	Corporate	10/10/2016	381000003663	LPAMANA016
4	Machinery Breakdown	Individual & Corporate	10/10/2016	381000003665	LPAMANA014
5	Boiler and Pressure Vessels Explosion Insurance	Corporate	10/10/2016	381000003699	LPAMANA003
6	Business Interruption / Consequential Loss (LM7)	Corporate	10/10/2016	381000003702	LPAMANA005
7	Product Liability	Corporate	24/10/2016	381000009170	LPAMANA021
8	Marine Cargo Single Voyage	Individual & Corporate	24/10/2016	381000009172	LPAMANA017
9	Travel Insurance	Individual & Corporate	10/10/2016	381000003723	LPAMANA025
10	Loss of Profit following Boiler and Pressure Vessel Explosion (Output Basis)	Corporate	10/10/2016	381000003673	LPAMANA013
11	loss of profit following Machinery Breakdown	Corporate	10/10/2016	381000003670	LPAMANA015
12	Contractor's All Risk	Corporate	10/10/2016	381000003707	LPAMANA006
13	Personal Accident -Individual	Individual & family	10/10/2016	381000003713	LPAMANA020
14	Burglary Insurance	Individual & Corporate	10/10/2016	381000003703	LPAMANA004
15	Property All Risks Material Damage (LM7)	Individual & Corporate	10/10/2016	381000003717	LPAMANA022
16	Fidelity Guarantee	Corporate	10/10/2016	381000003736	LPAMANA011
17	All Risks Business Interruption Consequential Loss (ABI)	Corporate	10/10/2016	381000003727	LPAMANA002
18	Fire and Allied Perils Loss of Profits	Corporate	10/10/2016	381000003722	LPAMANA024
19	Public Liability	Corporate	10/10/2016	381000003715	LPAMANA023
20	Property All Risks Accidental Damage (ABI)	Corporate & Individual	10/10/2016	381000003712	LPAMANA001
21	Money Insurance	Corporate	10/10/2016	381000003708	LPAMANA018
22	Group Personal Accident	Corporate	10/10/2016	381000003674	LPAMANA019
23	Fire Insurance	Corporate and Individual	10/10/2016	381000003675	LPAMANA012
24	Electronic Equipment	Corporate and Individual	10/10/2016	381000003694	LPAMANA009
25	Deterioration of Stock	Corporate	10/10/2016	381000003696	LPAMANA008

#	Name of Product	Category of products (Individual or corporate or both)	SAMA's approval date	SAMA's approval number	Serial number of the insurance products (if available)
26	Erection All Risk	Corporate	10/10/2016	381000003660	LPAMANA010
27	Motor Comprehensive – Commercial	Corporate	01/09/2015	361000145043	-
28	Motor Comprehensive – Private	Individual	01/12/2015	361000145043	-
29	Motor Third Party Liability – Private	Individual	01/12/2015	361000145043	-
30	Motor Third Party Liability – Commercial	Corporate	01/12/2015	361000145043	-
31	Medical Insurance	Individual & Corporate	19/07/2010	752/Is/21352	-

Source: The Company

Conditions of the SAMA license:

- Article 76 of the Implementing Regulations of the Insurance Companies Control Law states that the Saudi Central Bank has the right to withdraw the license of the Company if: a- The Company does not practice its licensed activities for a period of six months from the issuance date of the license; b- The Company does not fulfill the requirements of the Cooperative Insurance Companies Control Law or its Implementing Regulations; c- It is established that the Company has deliberately provided the Saudi Central Bank with false information in its licensing application; d- It is established that the rights of the insured, beneficiaries, or shareholders could be lost as a result of the way the Company's conducts its activity; e- The Company or the self-employed person becomes bankrupt in a way that makes them incapable of fulfilling their obligations; f- The Company or the self-employed person conducts business in a fraudulent manner deliberately; g- The capital of the Company falls below the prescribed minimum limit or the Company does not fulfill the solvency requirements mentioned in the Implementing Regulations; h- The insurance activity falls to a limit that the Saudi Central Bank deems unviable for the Company to operate under; i- The Company refuses or delays payments of dues without just causes; j- The Company or self-employed person refuses to have its records examined by the inspection team appointed by the Saudi Central Bank; or k- The Company fails to pay a final judgment against it in connection with any insurance dispute.
- As of the date of this Prospectus, the Company is in compliance with Article 76.
- With respect to the solvency requirements, the Company is required to comply with Articles 66 and 68 of the implementing regulations which stipulates:
 - a. Company shall maintain a solvency margin according to the standards specified, and implement the following measures when its solvency margin falls below the required margin; it shall restore, in a period not exceeding the next financial quarter, its solvency margin when it falls between the ranges of 75% to 100% of the required solvency margin
 - b. Company shall restore its solvency margin when it falls between 50% and 75% of the required margin. The company shall apply measures stated in paragraph (a) of this Article. If the required solvency margin is not restored to its appropriate level for two consecutive financial quarters, the company shall formulate and provide SAMA with a corrective action plan to be taken and the period necessary to restore its solvency
 - c. Company shall restore its solvency margin when it falls between 25% and 50% of the required margin. The Company shall apply measures stated in paragraph (b) of this Article; required solvency margin is not restored to its appropriate level for two consecutive quarters, the company will be required by SAMA to take all or any of the following measures immediately:
 1. Increase the Company's capital;
 2. Adjust insurance premiums;
 3. Reduce costs;
 4. Stop underwriting business;
 5. Assets liquidation; or
 6. Any other measures deemed appropriate by the Company and approved by SAMA.
 - d. SAMA shall appoint an advisor to provide consultation and advice to the company or issue a cease and desist order to the Company and recommend the withdrawal of it license if the solvency margin falls below 25% and/or the Company fails to act appropriately to rectify its financial situation.

- As of 30/09/2021G., the solvency margin reached 37.78% and the Company became subject to the provisions of Article 68.
- As of 08/06/1443H(corresponding to 11/01/2022G), the Company received SAMA letter no(43052121) requesting the Company to supply a detailed plan delineating its strategy to increase its solvency margin within five business days.
- Article 70 of the Implementing Regulations, Twenty percent (20%) of the net shareholders' income shall be set aside as a statutory reserve until this reserve amounts to 100% of the paid capital. As of the date of this Prospectus the Company did not comply with this provision as it has incurred losses in previous years and did not segregate any reserve in this regard.
- On 14/06/1443H(corresponding to 17/10/2022G), the Board recommended to EGA to increase its capital to SAR 430million. The Company obtained the Saudi Central Bank's non-objection letter no(43083158) dated 24/09/1443H(corresponding to 25/04/2022G).

Supervisory Check Visit

- The Company adheres to the Insurance Law with respect to allowing the SAMA officials to carry out their works during the supervisory check visit when they visit its premises and allowed them to inspect the documentation and registers of the Company. The Company was subject to multiple visit by SAMA official and the latest one took place on 14/07/1443H(corresponding to 15/02/2022G). During this visit the SAMA officials noticed non-compliance with respect to Anti-Fraud Regulations as the Company did not adopt a separate policy in this regard whether for internal purposes or in its arrangement with third party services providers. Further, the Company did not adopt a guidebook to tackle health insurance claims. SAMA requested that corrective actions be taken within 20 business days from the date of its letter and to commit to finalize the required steps under the CEO's supervision within 60 business days from the date of approving the program that will be submitted to SAMA to clear all comments and finalize the corrective actions.

Statutory Reserve

- Article 14 of the Insurance Law and Article 58 of its Implementing Regulations provide that the statutory deposit shall be ten percent (10%) of the paid up capital. SAMA, where the risk profile of the Company's business warrants it, shall increase this percentage to a maximum of fifteen percent (15%). The Company shall place the statutory deposit amount, within three (3) months period from the date of issuing the license, in a bank designated by SAMA. SAMA shall invest the statutory deposit and shall be entitled to its earnings.
- Statutory Reserve is deposited with a counterpart which has an investment grade rating.
- On 28/06/1437H(corresponding to 06/04/2016G), SAMA resolved to increase the percentage from 10% to 15% of the paid up capital following the financial results of the Company for Y2015G.
- On 17/12/1442H.(corresponding 27/07/2021G), the Company obtained the Saudi Central Bank's non-objection to withdraw SAR16.5 million from the Company's statutory reserve.

With the exception of the above and risk factors, the Company is in compliance with the SAGIA requirements.

9.5 Summary of Material Agreements

9.5.1 Related Party Contracts & Arrangements

- As of the date of this Prospectus. The Company entered into related parties' contracts and arrangements and it adheres to the disclosure requirements without any preferential and on commercial basis and obtained the approval of OGA without the participation of the related parties who have interested in such contracts or arrangements.
- The below table shows the related parties contracts and arrangements during previous three years up to 30/12/2021G:

Table No. (88): Related Parties' Contracts& Arrangements

Due from Related Parties								
Related Party	Nature of relationship	Type of Arrangement	Amount of Arrangements/SAR			Outstanding Amount of Relate Parties' Arrangements in SAR		
			As of 31/12/2019	As of 31/12/2020	As of 31/12/2021	As of 31/12/2019	As of 31/12/2020	As of 31/12/2021
AlSeif Group of Companies	Directors being (Naif AlSudairi and Abdullah AlSakran) indirect interest in this arrangement	Insurance payments -claims	51,616,000	43,358,000	5,931,000	755,000	3,304,000	1,650,000
AlToukhi Group of Companies	Chairman (Mahmood AlThoukhi) is chairman of AlToukhi group	Insurance payments -claims	198,000	-	-	456,000	356,000	356,000
AlDorra AlRaeda Co.		Insurance payments -claims	-	102,000	45,000	-	71,000	20,000
AbdulRahamn AlSakran	Director	Insurance payments -claims	-	53,000	10,000	-	-	-
Naif AlSudairi	Director	Insurance payments -claims	-	13,000	-	-	15,000	-
GlobMed	Directors (Niaf AlSudairi- AbdulRahman Alsakran- Pierre Michel Faraon) They have an indirect interest in this arrangement	-	-	-	-	9,440,000	7,5000	8,5000,000
TOTAL			51,805,000	43,526,000	5,986,000	10,651,000	11,246,000	2,026,000

Table No. (89): Due to Related Party

Due to Related Parties								
Related Party	Nature of relationship	Type of Arrangement	Amount of Arrangements/SAR			Outstanding Amount of Relate Parties' Arrangements in SAR		
			As of 31/12/2019	As of 31/12/2020	As of 31/12/2021	As of 31/12/2019	As of 31/12/2020	As of 31/12/2021
Board and its committees		Remuneration and expenses	1,664,000	1,211,000	1,425,000	1,451,000	1,563,000	1,562,000
GLD MED	Directors (Niaf AlSudairi- AbdulRahman Alsakran- Pierre Michel Faraon) They have an indirect interest in this arrangement	Payments in relation claims pertaining to health insurance policy	8,997,00	11,384,000	5,180,000	2,325,000	356,000	3,369,000
TOTAL			10,661,000	12,595,000	6,605,000	3,776,000	1,919,000	4,931,000

Source: Company

9.5.2 Lease Contracts

- The Company has concluded thirteen (13) lease contracts in its capacity as a tenant (consisting of points of sale and offices) in order to conduct its activity. Most of these contracts are traditional lease contracts (i.e., they stipulate the amount of rent that the Company annually pays to the lessor), are renewable, and considered void if the tenant is late in settling the lease. The tenant is not entitled to sublet the property without taking the written consent of the landlord. The method of using the leased property or the activity may not be changed without the consent of the lessor. The following is a list of the Company's sites leases and their most important details:

Table No. (90): List of Valid & Renewed Lease Contracts renewed for the Sites Operated by the Company:

#	Lessor	Tenant	Site	Real Estate/ Property Type	Contract Date	Contract Duration	Contract Expiry Date	Contract Value / SAR	Remarks
Lease Contracts which the Company is the Tenant									
1.	Bakhit Mubarak Al-Qahtani Park	Amana Cooperative Insurance Company	3547, Imam Abdullah bin Massoud bin Abdulaziz Road, Ishbilila District / Riyadh, 8-13225	Showroom	15/05/1442H (corresponding to 27/05/2021G)	(1096) Days starting from 01/09/1442H (corresponding to 13/04/2021G)	03/10/1445H (corresponding to 12/04/2024G)	SAR (598,50)	The lease term expires with the expiry of the contract term. If the parties wish to renew the lease, a new contract shall be written and agreed upon by both parties (Electronic Contract)
2.	Cheikh Ali bin Abdul-Rahman AlBarghash AlTamimi	Amana Cooperative Insurance Company	Siteen Street (Platinum Center)	Administrative Offices number (5)	28/10/1440H (corresponding to 01/07/2019G)	One Gregorian year starting from 01/07/2019G	09/11/1441H (corresponding to 30/06/2020G)	SAR (700,150)	This contract is automatically renewed for a similar period unless one of the parties notifies the other in writing that he does not wish to renew, two months before the end of the contract (not electronic).
3.	Cheikh Ali bin Abdul-Rahman AlBarghash AlTamimi	Amana Cooperative Insurance Company	Siteen Street (Platinum Center)	Administrative Office	28/10/1440H (corresponding to 01/07/2019G)	One Gregorian year starting from 01/07/2019G	09/11/1441H (corresponding to 30/06/2020G)	SAR (107,723)	This contract is automatically renewed for a similar period unless one of the parties notifies the other in writing that he does not wish to renew, two months before the end of the contract (not electronic).
4.	Amlak Sama Real Estate Development and Investment Company	Amana Cooperative Insurance Company	AlAmoudi tower - Jeddah	Office No. (501)	21/08/1443H (corresponding to 24/03/2022G)	Three Gregorian Years starting from 15/03/2019G	(364) Days Expiry Date: 22/08/1444H (corresponding to 14/03/2023G)	SAR (347,512) Annually	Electronic Contract
5.	Diwan Al Jazeera Company for Residential Complexes	Amana Cooperative Insurance Company	Custodian of the Two Holy Mosques Road, 8654, 4381 The intersection of Al-Jawhara Street and Murat, 34621, Al-khobar, Al-sharkiyah	Office in a Commercial Building	02/12/1442H (corresponding to 12/07/2021G)	(364) Days Starting from 16/11/1442H (corresponding to 26/06/2021G)	26/11/1443H (corresponding to 25/06/2022G)	SAR (120,578)	The lease term expires with the expiry of the contract term. If the two parties wish to renew, a new contract is written, agreed upon by both parties. (Electronic Contract)

#	Lessor	Tenant	Site	Real Estate/ Property Type	Contract Date	Contract Duration	Contract Expiry Date	Contract Value / SAR	Remarks
6.	Abdular- ahman bin Ahmad bin Rashed Al-Qareen	Amana Cooperative Insurance Company	8758, Prince Hammoud bin AbdulAziz, Ein Najm, Al- Hfouf	Shop in a Commercial – Residential Building	10/07/1442H (correspond- ing to 12/02/2021G)	(364) Days Starting from 01/06/1442H (corre- sponding to 14/01/2020G)	10/06/1443H (corresponding to 13/01/2022G)	SAR (30,000)	Work is under- way to renew the contract with the proper- ty owner. (Electronic Contract)
7.	Abdular- ahman bin Saad bin Mohammad Al-Amer	Amana Cooperative Insurance Company	Industry Street, 52359, Buraidah, 7814, 3543 Al-Qassim	Shop in a Commercial – Building	27/11/1442H (correspond- ing to 07/07/2021G)	(364) Days Starting from 23/11/1442H (corre- sponding to 03/07/2021G)	03/12/1443H (corresponding to 02/07/2022G)	SAR (30,000)	The term of the lease with the expiry of the contract term. If the two parties wish to renew, new contract is written, agreed upon by both parties. (Electronic Contract)
8.	Abdullah Omar Salem Bakhsawin	Amana Cooperative Insurance Company	Eastern Dam- mam	Shop in a Commercial – Residential Building	17/05/1443H (correspond- ing to 21/12/2021G)	(364) Days Starting from 24/02/1443H (corre- sponding to 03/09/2021G)	04/03/1444H (corresponding to 02/07/2022G)	SAR (24,150)	The lease term expires with the expiry of the contract term. If the two parties wish to renew, a new contract is written, agreed upon by both parties. (Electronic Contract)
9.	Toufik Nasser Ibrahim Khawaji	Amana Cooperative Insurance Company	3521, 2014, 68521, Jazan District	Office in a Commercial – Residential Building	21/06/1443H (correspond- ing to 24/01/2022G)	(364) Days Starting from 25/06/1443H (corre- sponding to 28/01/2022G)	05/07/1444H (corresponding to 27/01/2023G)	SAR (25,760)	The lease term expires with the expiry of the contract term. If the two parties wish to renew, a new contract is written, agreed upon by both parties. (Electronic Contract)
10.	Ali bin Salem bin Zafir Al- Sakour	Amana Cooperative Insurance Company	Suleiman AF- arisi, Al-Fahd, Najran	Shop in a Com- mercial Building	26/04/1443H (correspond- ing to 01/12/2021G)	(364) Days Starting from 01/04/1443H (corre- sponding to 06/11/2021G)	29/03/1444H (corresponding to 25/10/2022G)	SAR (27,500)	Work is under- way to renew the contract with the proper- ty owner. (Electronic Contract)
11.	Sultan Abdul- Mohsen Saad Al-Rasis	Amana Cooperative Insurance Company	King Faisal, Riyadh	Showroom in a Commercial – Residential Building	26/04/1443H (correspond- ing to 01/12/2021G)	(364) Days Starting from 01/04/1443H (corre- sponding to 06/11/2021G)	29/03/1444H (corresponding to 25/10/2022G)	SAR (47,380)	The term of the contract is automatically renewable for a similar period unless one of the parties no- tifies the other party of his de- sire to terminate the contract (60) days before the expiry of the lease term. (Electronic Contract)

#	Lessor	Tenant	Site	Real Estate/ Property Type	Contract Date	Contract Duration	Contract Expiry Date	Contract Value / SAR	Remarks
12.	Jamal Muhammad Ahmad Al-Khanani	Amana Cooperative Insurance Company	Sakaka, AlJouf	Shop in a Commercial - Residential Building	11/01/1443H (corresponding to 19/08/2021G)	(364) Days Starting from 21/11/1442H (corresponding to 16/07/2021G)	01/12/1443H (corresponding to 30/06/2022G)	SAR (10,000)	The lease term expires with the expiry of the contract term. If the two parties wish to renew, a new contract is written upon which both parties agree. (electronic contract)
13.	Khaled Ahmed Hindi Al-Zahrani	Amana Cooperative Insurance Company	Abu AbadaAl-Buh-turi, Al Qamariya District, Taif	Shop in a Commercial - Building	08/08/1442H (corresponding to 21/03/2021G)	(364) Days Starting from 05/07/1442H (corresponding to 09/03/2021G)	05/08/1443H (corresponding to 08/03/2022G)	SAR (16,000)	Work is underway to renew the contract with the property owner. (Electronic Contract)

Source: The Company

- Legal persons with whom the Company deals as a tenant who do not have any direct or indirect relation with Board members.
- On 16/05/1438H (corresponding to 13/02/2017G), Ministerial Resolution No. (292) dated 16/05/1438H (corresponding to 13/02/2017G) was issued. It stipulated that lease contracts not registered with the e-network "Ejar" are not considered valid contracts that produce administrative and judicial repercussions. The rental services e-network "Ejar", created to facilitate electronic payments and minimize disputes, was launched in cooperation between the Ministries of Justice and Housing on 17/05/1439H (corresponding to 02/03/2018G). A circular was issued by the Ministry of Justice approving its application to all contracts signed after on 05/05/1440H (corresponding to 11/01/2019G). Therefore, all companies shall register lease contracts with the "Ejar" e-network. It should be noted that the electronic lease contract is an executive document, and the two parties can request its implementation directly, even if by force, through the enforcement courts, without the need to file a lawsuit in the event that either party breaches its essential obligations arising from the contract. As of the date of this Prospectus, (11) lease contracts were registered with the rental services e-network "Ejar" out of (13) contracts, in accordance with the requirements of the circular of His Excellency the Minister of Justice.

9.5.3 Reinsurance Treaties

- The Company has concluded six (6) reinsurance contracts, with a number of reinsurance companies through direct contracting and insurance brokers, and these companies abide by the Saudi Regulations, are licensed by (the Central Bank) and specialized in the field of reinsurance of risks resulting from insurance products licensed to market and sell by insurance companies. The Central Bank obligated all insurance companies to reinsure risks resulting from insurance products licensed to market and sell.

Table No. (91): reinsurance contracts

#	Reinsurer	Contract Subject	Contract Date	Effective Date	Expiry Date	
1.	Chedid Re Reinsurance Company	Comprehensive Contract Engineering Surplus Share Reinsurance	03/12/1442H (Corresponding to 13/07/2021G)	21/11/1442H (Corresponding to 01/07/2021G)	01/12/1443H (Corresponding to 30/06/2022G)	Valid
2.	Chedid Re Reinsurance Company	Comprehensive Contract Fires, General Accidents and Reinsurance	03/12/1442H (Corresponding to 13/07/2021G)	21/11/1442H (Corresponding to 01/07/2021G)	01/12/1443H (Corresponding to 30/06/2022G)	Valid
3.	Chedid Re Reinsurance Company	Comprehensive Sea Freight and Reinsurance Contract	03/12/1442H (Corresponding to 13/07/2021G)	21/11/1442H (Corresponding to 01/07/2021G)	01/12/1443H (Corresponding to 30/06/2022G)	Valid
4.	Chedid Re Reinsurance Company	Full Comprehensive Excess of Loss Reinsurance Contract	03/12/1442H (Corresponding to 13/07/2021G)	21/11/1442H (Corresponding to 01/07/2021G)	01/12/1443H (Corresponding to 30/06/2022G)	Valid

Note:

The most important obligations included in these contracts are as follows:

The reinsurer undertakes to notify the Company in writing by e-mail, fax or other means about any claims. It was agreed to present notifications about the loss incurred by it which are specified in the contractual details, without delay and no later than thirty (30) days to oversee any loss and transfer all essential information to the reinsured Company for the loss it was informed about.

The reinsurer is subject to the terms and conditions of this agreement to pursue the underwriting fortunes of the reinsurance in respect of the original risks accepted by the reinsurer under the insurance contracts and cover bonds.

The most important obligations imposed by these contracts on the reinsurer are as follows:

The reinsured shall notify the reinsurer in writing of any gaps or lapses in the business policy especially with regard to changes in the nature and extent of reinsurance reserves and reinsurance liens.

The reinsured shall act in the same manner as the competent insurance company that has not been reinsured.

Any party is entitled to terminate the contract with immediate effect in the event of losing all or part of the paid-up capital.

5.	Swiss Reinsurance Company SWISS RE	A Comprehensive Accident Risks Reinsurance	04/12/1442H (Corresponding to 14/07/2021G)	21/11/1442H (Corresponding to 01/07/2022G)	01/12/1443H (Corresponding to 30/06/2022G)	Valid
6.	Swiss Reinsurance Company SWISS RE	A Comprehensive Accident Risks Reinsurance	04/12/1442H (Corresponding to 14/07/2021G)	21/11/1442H (Corresponding to 01/07/2022G)	01/12/1443H (Corresponding to 30/06/2022G)	Valid

Note:

The most important obligations included in these contracts are as follows:

- The reinsured must inform the reinsurer of any material changes in the applicable underwriting policy in relation to the lines of business to which this agreement applies.
- The applicable underwriting policy is set out, among other things, in the policy forms, general conditions and tariffs used by the reinsurer at the beginning of this agreement.
- A change in the applicable underwriting policy is material if it could increase the liability of the reinsurers to such an extent that under the same circumstances it would result in a refusal to cover such policies under the same terms and conditions.

Source: The Company

All contracts signed with reinsurers are nearing completion, and nothing has been seen of the parties' desire to renew these contracts. Some of these contracts allow the reinsurer to terminate the contract in the event that the Company loses all or part of its paid-up capital. Since the Company's accumulated losses as of the date of this Prospectus, reached (120.94%) of the paid-up capital, there is a risk that reinsurers will suggest the termination of the contract with immediate effect, or may not want to renew the contract if the Company's losses continue to accumulate, which negatively affects the Company's business, operations and the confidence of transacting parties.

9.5.4 Insurance Agency Agreements

The Company has concluded three (3) contracts of marketing and selling insurance policies, receiving claims from all the Company's clients with each of the Reinforcements Company for Insurance Agency Limited, the Safe Cover Company for the Insurance Agency and Sharjah Corner Insurance Services Ltd., which are companies working in compliance with the Saudi Laws and Regulations, and licensed by the Saudi Central Bank. They are specialized in the field of representing insurance companies to market and sell their insurance policies for their account or on their behalf in the KSA. The purpose of these contracts is to market and sell insurance policies to individuals, companies and other bodies on behalf of the Company.

Table No. (92): contracts an agency Insurance

#	Agent Name	Contract subject	Contract Date	Effective Date	Expiry Date	Notes
1.	Reinforcements Company for Insurance Agency Ltd.	Insurance Marketing and selling insurance policies	18/01/1438H (Corresponding to 19/10/2016G)	18/01/1438H (Corresponding to 19/10/2016G)	28/01/1439H (Corresponding to 18/10/2017G)	This contract has expired No evidence of contract renewal
2.	Sharjah Corner Insurance Services Ltd.	Insurance Marketing and selling insurance policies	01/04/1442H (Corresponding to 16/11/2020G)	01/04/1442H (Corresponding to 16/11/2020G)	10/04/1443H (Corresponding to 15/11/2021G)	This contract has expired No evidence of contract renewal
3.	Insurance Agency Safe Cover Company	Insurance Marketing and selling insurance policies	14/03/1443H (Corresponding to 20/10/2021G)	15/03/1443H (corresponding to 21/10/2021G)	24/03/1444H (Corresponding to 20/10/2022G)	-

Commitments included in these contracts are according to:

- In the event that the Company cancels any insurance policy issued by the agent during its validity, the agent is entitled only to the relative commission for the period elapsed from the entry into force of the policy until the date of its cancellation.
- During the validity of these contracts, the Company is obligated not to entice or attempt to entice any of the agents' clients in order to deal directly with clients, during the validity period of the insurance policy or upon its renewal. The Company undertakes to never entice or attempt to entice any of the agents' clients until the end of the contract's validity period.
- The Company shall indemnify the agent, compensate him and reimburse him for the expenses incurred in connection with any claims or legal expenses in exchange for any third-party responsibilities incurred by the agent as a result of any act, error, negligence or action by the Company that is in violation of any of the articles of these contracts or the rules and regulations, decisions and circulars issued by the Saudi Arabian Monetary Agency (currently the Central Bank) or a related government agency.
- The Company has no right in any way to obligate the agent to conduct any insurance for him, his branches, points of sale, his employees, or his business through it.
- The Company has no right to compete with the agent in sales operations at different prices, terms and coverage than what is granted to the agent's clients.
- The Company is committed to bear all banking transaction fees due as a result of customers' use of mada cards and credit cards.
- The Company is committed to making a financial settlement with the agent at the end of each financial year, provided that it is within two months from the end of the financial year.
- The insurance company is not entitled to withhold the agent's commissions due in the event of a late premium from a customer.
- **The Agent's Commitments:**
 - The agent is entitled to contract with or represent more than one insurance company after obtaining the approval of the Monetary Agency (currently the Central Bank), provided that the sales products are identified for each branch, and he is prohibited from selling or marketing a product or providing insurance services to two companies in one branch or one point of sale.
 - The agent is obligated to follow up the renewal of the insurance policies of his clients, and he is also obligated not to encourage clients to cancel any valid insurance policy, and he undertakes to bear all the consequences resulting from his breach of this commitment.

- Ensuring that notifications of renewal of insurance policies include the duties of clients towards disclosing changes that have occurred since the beginning of the insurance policy or since its last renewal, that may affect the insurance policy.
- Not to report, disclose or use any information or knowledge related to the methods of services, promotion, sale or distribution used by the Company that may inform the agent, or that he may obtain under this agreement for the benefit of any natural or legal person, and not to cause any act in breach or harmful to the business, name or reputation of the Company, throughout the validity of these agreements and after their termination or expiration.
- The agent is prohibited from issuing an insurance policy on a risk after becoming aware of the occurrence of such a risk.
- The agent acknowledges that it is established and regulated in accordance with the laws of the Kingdom of Saudi Arabia, and that it has all the powers required to conclude and implement its obligations under these contracts.
- The agent also acknowledges that he holds a valid statutory license to conduct insurance agency business in accordance with the laws of the Kingdom of Saudi Arabia, and pledges that this license will remain valid throughout the validity period of this contract.
- The agent must comply with all the rules, regulations, decisions and circulars issued by the Saudi Monetary Agency (currently the Central Bank) and the Council of Cooperative Health Insurance related to his business.
- During the validity period of this contract, the agent is obligated not to solicit or attempt to solicit any of the Company's clients, during the validity period of the insurance policy or upon its renewal.
- The agency company has the right to request a contract with another insurance company after the expiry of the specified period of ten (10) working days, from the date of confirming the insurance company's receipt of the contract termination request, with the agency's commitment to complete the requirements for ending the contract with the insurance company and the requirements for ending the contract in the regulations.

Failure to hold the agent company accountable for any default will not affect or weaken the Company's own rights related to any subsequent default in the same capacity or in a different capacity, and any delay or omission from the Company's exercise of any rights arising from that default will not affect or weaken the Company's rights related to that default or any subsequent default.

Source: The Company

9.5.5 Insurance Brokerage Contracts

- The Company has concluded fifty (50) insurance brokerage contracts with a number of companies organized according to the laws of the KSA and licensed by the Central Bank and specialized in the field of insurance brokerage. The objective of these contracts is to attract customers and facilitate the sale of the insurance company's products to individuals, companies and other bodies.

Table No. (93): Insurance Brokerage Contracts

#	Agent Name	Contract Subject	Contract Date	Effective Date	Expiry Date	Remarks
1,	Inayat Al Waseet Insurance Brokerage Company	The mediating party issues insurance documents to the beneficiaries and benefits from the experiences of the first party in marketing and electronic display for consumers	18/06/1439H (Corresponding to 06/03/2018G)	18 /06/1439H (Corresponding to 06/03/2018G)	17/06/1440H (Corresponding to 22/02/2019G)	This contract has expired/ An unsigned and certified copy of the marketing contract form and insurance documents were reviewed on 06/03/2021G.

Note: The most important obligations included in these contracts are as follows:

- **Broker's Obligations:**
 - The obligation not to market or offer any type of insurance products not mentioned in this agreement without taking the prior written consent of the second party (the company).
 - The commitment to periodically maintain the electronic website, ensure the integrity of the technical and automated systems for displaying documents.
 - To comply with all the regulations and instructions issued by the institution in relation to consumer and customer protection and the relationship with the insurance company, especially the electronic Insurance Operations Regulations.
 - To enable the second party (the Company) to review the records and books of his dealings upon request.

• **Company's commitments:**

- To Carry out periodic maintenance of the automated system that connects it to the first party, and making sure of the used automated systems.
- To commit to the coverage limits that the Company has issued, and if there are any modifications to the policy, those modifications are made by communicating with the consumer.
- To notify the other party immediately and within a maximum of one working day of any technical or mechanical changes it makes to the system or the website.
- To comply with all the regulations and instructions issued by the institution with regard to consumer protection and the relationship with the broker, especially the insurance operations regulations issued by the institution.
- To obtain all approvals and complete all procedures with the regulatory authorities in relation to this agreement and its enforcement.
- The Company is prohibited from conducting any dealings with the consumer for the purpose of issuing the document without the knowledge and approval of the broker.
- The Company is prohibited, without the knowledge of the broker, from communicating with consumers directly or communicating with those who have knowledge about the products of the second party through the offer and marketing carried out by the broker.

#	Agent Name	Contract Subject	Contract Date	Effective Date	Expiry Date	Remarks
2.	Inayat Al Waseet Company for Insurance and Reinsurance Brokers	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the benefit of the clients.	12 /05/1436H (Corresponding to 03/03/2015G)	12 /05/1436H (Corresponding to 03/03/2015G)	23 /05/1437H (Corresponding to 03/03/2016G)	
3.	Insurance House Insurance and Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the company to complete the insurance process for the benefit of the clients.	15 /06/1437H (Corresponding to 27/03/2016G)	15 /06/1437H (Corresponding to 27/03/2016G)	27/06/1438H (Corresponding to 26/03/2017G)	
4.	Arkan Cooperative Insurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the company to complete the insurance process for the benefit of the clients.	17 /08/1440H (Corresponding to 22/04/2019G)	17 /08/1440H (Corresponding to 22/04/2019G)	29 /08/1441H (Corresponding to 22/04/2020G)	This contract is automatically renewed without written notice signed by the two parties, and either party has the right not to renew the agreement by a notification sent by the party that wishes to the other party before the expiry of the term of the agreement at least thirty days.
5.	Esnad Insurance and Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	08/04/1433H (corresponding to 01/03/2012G)	08/04/1433H (corresponding to 01/03/2012G)	18/04/1434H (corresponding to 28/02/2013G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
6.	Jadara Alalamia Cooperative Insurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	07/05/1440H (corresponding to 13/01/2019G)	07/05/1440H (corresponding to 13/01/2019G)	18/07/1441H (corresponding to 13/01/2020G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.

#	Agent Name	Contract Subject	Contract Date	Effective Date	Expiry Date	Remarks
7.	Al Sabil Asia Insurance & Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	30/04/1439H (corresponding to 17/01/2018G)	05/05/1439H (corresponding to 22/01/2019G)	14/05/1440H (corresponding to 21/01/2019G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
8.	United International Company for Insurance and Reinsurance Brokers	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	24/12/1440H (corresponding to 25/08/2019G)	24/12/1440H (corresponding to 25/08/2019G)	06/01/1442H (corresponding to 25/08/2020G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
9.	Comprehensive Insurance Brokerage Policy (GBCO)	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	23/02/1439H (corresponding to 12/11/2017G)	23/02/1439H (corresponding to 12/11/2017G)	04/03/1440H (corresponding to 12/11/201G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
10.	Al-Wathiq Al-Masiya Insurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	20/03/1437H (corresponding to 31/12/2015G)	21/03/1437H (corresponding to 01/01/2016G)	02/04/1438 AH (corresponding to 12/31/2016 H)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
11.	Al-Wathiq Cooperative Insurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	12/08/1437H (corresponding to 19/05/2016G)	12/08/1437H (corresponding to 19/05/2016G)	22/08/1438HH (corresponding to 18/05/2017G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
12.	AMMN for Insurance & Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	10/02/1438H (corresponding to 11/11/2016G)	Contract duration one year		This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
13.	Saudi Arabia Aon for Insurance & Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	05/05/1440H (corresponding to 30/04/2019G)	25/08/1440H (corresponding to 30/04/2019G)	07/09/1441H (corresponding to 30/04/2020G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
14.	Tawkol Insurance and Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	22/06/1433H (corresponding to 13/05/2012G)	22/06/1433H (corresponding to 13/05/2012G)	02/07/1434H (corresponding to 12/05/2013 AD)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.

#	Agent Name	Contract Subject	Contract Date	Effective Date	Expiry Date	Remarks
15.	Support Company for Cooperative Insurance and Reinsurance Brokerage	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	29/07/1435H (corresponding to 28/05/2014G)	29/07/1435H (corresponding to 28/05/2014G)	10/08/1436H (corresponding to 28/05/2015G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
16.	Artkom International Insurance Brokers	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	22/02/1439H (corresponding to 12/11/2017G)	22/02/1439H (corresponding to 12/11/2017G)	04/03/1440H (corresponding to 12/11/2018G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
17.	Best Insurance Broker	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	10/02/1438H (corresponding to 11/11/2016G)	10/02/1438H (corresponding to 11/11/2016G)	21/02/1439H (corresponding to 10/11/2017G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
18.	Excellence Insurance Broker	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	23/06/1433H (corresponding to 14/05/2012G)	23/06/1433H (corresponding to 14/05/2012G)	03/07/1434H (corresponding to 13/05/2013G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
19.	Aims Gulf Insurance Brokers	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	05/05/1439H (corresponding to 22/01/2018G)	05/05/1439H (corresponding to 22/01/2018G)	15/05/1440H (corresponding to 21/01/2019G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
20.	Saudi Alliance Brokers	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	12/11/1439H (corresponding to 15/07/2018G)	12/11/1439H (corresponding to 15/07/2018G)	12/11/1440H (corresponding to 15/07/2019G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
21.	Gulf Insurance & Reinsurance and Reinsurance Brokers (GIB)	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	11/10/1435H (corresponding to 07/08/2014G)	11/10/1435H (corresponding to 07/08/2014G)	22/10/1436H (corresponding to 07/08/2015G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
22.	Al Mamoon Insurance Brokers	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	11/07/1439H (corresponding to 28/03/2018G)	08/07/1439H (corresponding to 25/03/2018G)	18/07/1440H (corresponding to 25/03/2019G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.

#	Agent Name	Contract Subject	Contract Date	Effective Date	Expiry Date	Remarks
23.	Prime Risks for Insurance Brokers	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	08/03/1439H (corresponding to 27/11/2017G)	08/03/1439H (corresponding to 27/11/2017G)	19/03/1440H (corresponding to 27/11/2018G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
24.	Almostashar Insurance Broker	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	23/07/1434H (corresponding to 02/06/2013G)	23/07/1434H (corresponding to 02/06/2013G)	03/08/1435H (corresponding to 01/06/2014G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
25.	Amin Insurance Company for Insurance Brokerage	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	25/08/1440H (corresponding to 30/04/2019G)	25/08/1440H (corresponding to 30/04/2019G)	07/09/1441H (corresponding to 30/04/2020G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
26.	Daman Insurance Brokers	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	19/07/1437H (corresponding to 26/04/2016G)	18/07/1437H (corresponding to 25/04/2016G)	27/07/1438H (corresponding to 24/04/2017G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
27.	Marina Insurance & Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	22/06/1433H (corresponding to 13/05/2012G)	22/06/1433H (corresponding to 13/05/2012G)	02/07/1434H (corresponding to 12/05/2013G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
28.	Yasser Mohammed A. Bugshan Insurance and Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	11/08/1437H (corresponding to 18/05/2016G)	11/08/1437H (corresponding to 18/05/2016G)	21/08/1438H (corresponding to 17/05/2017G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
29.	FAL Insurance and Reinsurance Brokers Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	11/05/1435H (corresponding to 12/03/2014G)	11/05/1435H (corresponding to 12/03/2014G)	21/05/1436H (corresponding to 12/03/2015G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
30.	Fenchurch Faris Insurance and Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	22/08/1439H (corresponding to 08/05/2018G)	Contract duration one year		This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.

#	Agent Name	Contract Subject	Contract Date	Effective Date	Expiry Date	Remarks
31.	SaudiMed Insurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	17/01/1439H (corresponding to 08/10/2017G)	Contract duration one year		This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
32.	Madarat Insurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	17/01/1440H (corresponding to 27/09/2018G)	02/11/1439H (corresponding to 15/07/2018G)	12/11/1440H (corresponding to 15/07/2019G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
33.	Nasco Saudi Arabia Insurance and Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	04/03/1440H (corresponding to 12/11/2018G)	04/03/1440H (corresponding to 12/11/2018G)	14/03/1441H (corresponding to 11/11/2019G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
34.	Gulf Coverage Insurance & Reinsurance Brokers	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	23/02/1439H (corresponding to 12/11/2017G)	12/02/1439H (corresponding to 01/11/2017G)	22/02/1440H (corresponding to 31/10/2018G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
35.	Namar Insurance and Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	02/03/1441H (corresponding to 30/10/2019G)	02/03/1441H (corresponding to 30/10/2019G)	13/03/1442H (corresponding to 30/10/2020G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
36.	Kingdom Insurance and Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	10/01/1440H (corresponding to 20/09/2018G)	02/11/1439H (corresponding to 15/07/2018G)	12/11/1440H (corresponding to 15/07/2019G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
37.	Trust Insurance Brokers	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	25/06/1441H (corresponding to 19/02/2020G)	29/02/1441H (corresponding to 28/10/2019G)	09/01/1442H (corresponding to 28/08/2020G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
38.	Derayah Insurance and Reinsurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	22/06/1433H (corresponding to 13/05/2012G)	22/06/1433H (corresponding to 13/05/2012G)	02/07/1434G (corresponding to 12/05/2013G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.

#	Agent Name	Contract Subject	Contract Date	Effective Date	Expiry Date	Remarks
39.	Chedid Insurance Brokers	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	08/01/1436H (corresponding to 01/11/2014G)	08/01/1436H (corresponding to 01/11/2014G)	19/01/1437H (corresponding to 01/11/2015G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
40.	Golden Nouran Insurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	06/06/1435H (corresponding to 06/04/2014G)	06/06/1435H (corresponding to 06/04/2014G)	16/06/1436H (corresponding to 05/04/2015G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.
41.	Al Bassami Insurance Brokerage Company	The second party to the contract, in return for a fee, negotiates with the Company to complete the insurance process for the customers' benefit.	20/05/1436H (corresponding to 11/03/2015G)	20/05/1436H (corresponding to 11/03/2015G)	02/06/1437H (corresponding to 11/03/2016G)	This contract may be automatically renewed by a written agreement signed by both parties upon a notification sent by the party wishing to renew within thirty (30) days before the expiry of the contract term.

note: The most important obligations included in these contracts are as follows:

- Broker's Obligations:**

- View the insurance policies issued by the Company with a commitment to insurance coverage in accordance with the rules and values of underwriting and the prices of insurance premiums established by the Company and the amendments it makes from time to time. The Company provides the broker with the price list, but it has the right to adjust the prices at any time according to the work requirements.
- The agent shall maintain, at his expense and account, the insurance policy that covers errors, omissions, negligence, abandonment of duties, etc., provided that it is valid and effective during the term of this agreement, with a limit of no less than SAR (3,000,000), and that it is subscribed and registered with a licensed insurance company acceptable to the Company. The broker must also notify the Company in writing of any termination, cancellation, modification or suspension of this policy within seven (7) days from the date of any of these actions in compliance with the provisions of Article Nine (9) of the Implementing Regulations.
- Allocate a work team, formed of his employees, who are required to be qualified in the field of various insurance business and customer service, provided that the broker alone bears all their rights and wages.
- Disclosure to clients about the existence of the agreement, and the commissions he receives from the Company in accordance with the provisions of Article Twenty-six (26) of the Implementing Regulations and Article Eight (8) of the Insurance Brokers Regulations.
- Directly inform the Company as soon as he becomes aware of any accident or change in any given risk in an insurance policy issued by him based on this agreement, or when he becomes aware of any data related to any of the clients that may cause damage to the Company.
- Not notify, disclose or use any information or data related to the means of promotion, sale or distribution used by the two parties throughout the term of the agreement and after its termination or expiration.
- Not give preference to other insurance companies that have a relationship with him at the expense of the Company.
- Obtain a written authorization to represent clients with the Company.
- The Broker shall be liable to pay all taxes, fees and charges arising from its business or which may arise as a result of this agreement.
- The Company reserves the absolute right to refuse or accept any insurance application or cancel any insurance policy subscribed under the Agreement.

- Company's Commitments:**

- Pay the due commission to the broker within fifteen (15) days, according to the account statement submitted by the broker.

- Not solicit or attempt to solicit any of the clients for whom a broker submits quotation requests for the duration of the validity of this agreement.
- The Company is obligated to indemnify and spare the broker from and towards civil liabilities arising as a direct result of the Company's mistakes and omissions, provided that the broker has not caused or participated in any of these errors or omissions.

#	Agent Name	Contract Subject	Contract Date	Effective Date	Expiry Date	Remarks
42.	Saudi International Insurance Brokerage Company	Inform the broker about the insurance policies and collection of contributions through its branches operating in the KSA and in accordance with the Saudi Regulations.	06/11/1432H (corresponding to 04/10/2011G)	-	A full Gregorian year	The contract is automatically renewed for a similar period or periods with the same terms and conditions unless one of the parties feels that the other party does not want to renew (60) days before the expiry date.
43.	Elite Insurance Brokerage Company	Inform the broker about the insurance policies and collection of contributions through its branches operating in the KSA and in accordance with the Saudi Regulations.	-	-	A full Gregorian year	The contract is automatically renewed for a similar period or periods with the same terms and conditions unless one of the parties feels that the other party does not want to renew (60) days before the expiry date.
44.	National Insurance Brokerage Company	Inform the broker about the insurance policies and collection of contributions through its branches operating in the KSA and in accordance with the Saudi Regulations.	-	-	A full Gregorian year	The contract is automatically renewed for a similar period or periods with the same terms and conditions unless one of the parties feels that the other party does not want to renew (60) days before the expiry date.
45.	Union Insurance Brokers Co., Ltd.	Inform the broker about the insurance policies and collection of contributions through its branches operating in the KSA and in accordance with the Saudi Regulations.	28/11/1432H (corresponding to 26/10/2011G)	Informing the broker of insurance policies and collection of contributions through its branches operating in the Kingdom of Saudi Arabia in accordance with its regulations	A full Gregorian year	The contract is automatically renewed for a similar period or periods with the same terms and conditions unless one of the parties feels that the other party does not want to renew (60) days before the expiry date.
46.	Masarat Insurance Brokerage Company	Inform the broker about the insurance policies and collection of contributions through its branches operating in the KSA and in accordance with the Saudi Regulations.	26/01/1432H (corresponding to 01/01/2011G)	26/01/1432H (corresponding to 01/01/2011G)	A full Gregorian year Company	The contract is automatically renewed for a similar period or periods with the same terms and conditions unless one of the parties feels that the other party does not want to renew (60) days before the expiry date.
47.	Al Yamama Insurance Brokerage Company	Inform the broker about the insurance policies and collection of contributions through its branches operating in the KSA and in accordance with the Saudi Regulations.	13/07/1432H (corresponding to 15/06/2011G)	-	A full Gregorian year Company	The contract is automatically renewed for a similar period or periods with the same terms and conditions unless one of the parties feels that the other party does not want to renew (60) days before the expiry date.

Note: The most important obligations included in these contracts are as follows:

- **Broker's Obligations:**

- The agent shall maintain, at his expense and account, the insurance policy that covers errors, omissions, negligence, abandonment of duties, etc., provided that it is valid and effective during the term of this agreement, with a limit of no less than SAR (3,000,000), and that the policy is subscribed and registered with a licensed insurance company acceptable to the Company. The broker also undertakes to notify the Company in writing of any termination, cancellation or amendment of this document within a period of thirty (30) days starting from the date of termination or cancellation of the amendment in accordance with the Provisions of Article Nine (9) of the Implementing Regulations.
- Directly inform the Company as soon as he becomes aware of any accident or change in any given risk in an insurance policy issued by it based on this agreement, or when he has knowledge of any data relating to any of the clients that may cause damage to the Company, or any circumstance that may lead to the emergence of a claim against the Company. Follow up on any complaints received from his clients with the Company.
- The broker is obligated not to allow his employees to combine insurance and reinsurance brokerage.
- The broker is obligated to take the necessary measures to assist the Company in identifying and addressing any conflict of interest to ensure fair dealing with all clients.
- The broker is obligated to inform the Company as soon as necessary of any accident that occurs to one of his clients, as soon as it occurs, so that it can be duly registered.
- Disclose to clients the existence of the agreement, and the number of commissions he receives from the Company in exchange for the services he provides in accordance with the provisions of Article Twenty-six (26) of the Implementing Regulations.
- In the event that the Company allows the broker to engage in individual medical insurance business, he must comply with the following:
 - Ensure that the information sent to the insurance company is correct.
 - Develop an integrated system to prevent fraud by the insured or individual errors by the broker's employees.
 - Provide an independent section to practice this type of insurance and ensure exit and entry control procedures for the broker's specialized employees.
 - Send all the required documents to the Company within forty-eight (48) hours from the date of entering their data on a regular basis.
 - Adhere to the issuance procedures issued by the Company according to an official letter.

- **Company's Commitments:**

- To settle claims, so that it is pursuant to the provisions of the Implementing Regulations issued by the Saudi Arabian Monetary Agency (currently the central bank) and according to its requirements, the Company, upon receipt of all the required data and documents, shall decide on the claim, settle it and issue a release after it is signed by the claimant. The Company shall also pay the amount of the claim to the claimant.
- Prepare and issue periodic reports: the Company shall provide the broker and his client with periodic reports (according to the type of risk subject to insurance), in order for them to take the necessary measures to control the risk subject to insurance within the limits on which the policy was issued. If the Company fails to send these periodic reports, that is considered an indication of its approval that the risk subject to insurance has been controlled within the basic limits of the policy.

48.	Saudi Marsh Insurance and Reinsurance Company	Determine rights and obligations of the parties in relation to the matters dealt with in the contract.	21/02/1433H (corresponding to 15/01/2012G)	07/02/1433H (corresponding to 01/01/2012G)	-	The contract ends at any time decided by one of the parties, provided that the other party is notified of the termination of the contract by written notice.
-----	---	--	---	---	---	--

Note: The most important obligations included in these contracts are as follows:

- Both the Broker and the Insurer shall comply with all applicable obligations it imposes, or may be imposed by laws providing for data protection and privacy along with any regulations and orders made thereunder and any applicable rules of practice.

49.	ACE Insurance and Reinsurance Brokerage Company Ltd.	Determine rights and obligations of the parties in relation to the matters dealt with in the contract.	22/05/1434H (corresponding to 03/04/2013G)	-	-	The contract ends at any time decided by one of the parties, provided that the other party is notified of the termination of the contract by written notice before a period of ninety (90) days from the date of the contract's termination.
-----	--	--	---	---	---	--

Note: The most important obligations included in these contracts are as follows:

- **Broker's Obligations:**

- The agent shall maintain, at his expense and account, the insurance policy that covers errors, omissions, negligence, abandonment of duties, etc., provided that it is valid and effective during the term of this agreement, with a limit of no less than SAR (3,000,000), and that the policy is subscribed and registered with a licensed insurance company acceptable to the Company. The broker must also notify the Company in writing of any termination, cancellation, modification or suspension This document within seven (7) days from the date of any of these actions in accordance with the provisions of Article Nine (9) of the Implementing Regulations.
- Allocate a work team, chosen from his employees, required to be qualified in the field of various insurance business and customer service, provided that the broker alone bears all their rights and wages.

- **Company's Commitments:**

- The Company undertakes to refrain from soliciting or approaching the broker's clients, either directly or through other brokers, for a period of no less than 12 months after the termination of this agreement.
- The Company shall not accept, either directly or indirectly, any of the broker's clients who are deposited with the Company.
- The Company is not entitled to compete with the broker for the same business after submitting to him the conditions.
- The Company is not entitled to offer to brokers or other producers better terms than those offered to the broker in respect of the same business.

50.	The Saudi Brokers Co Ltd	Determine rights and obligations of the parties in relation to the matters dealt with in the contract.	01/04/1434H (corresponding to 11/02/2013G)	02/04/1434H (corresponding to 12/02/2013G)	The term of the contract expires after three years from its effective date	This contract is automatically renewed for a similar period unless the parties agree to terminate it.
-----	--------------------------	--	---	---	--	---

Note: The most important obligations included in these contracts are as follows:

- **Broker's Obligations:**

- Undertake to carry out its obligations as stipulated in the rules and standards IIR, the Implementation Rules of the Insurance Act and the Regulations on the Conduct of the Insurance Market.
- Undertake to not deliver the policy documents to the customer unless the total amount of the policy is paid to the broker in advance and in full, or the first installment of the policy amount is to be paid in case of payment in installments.
- Apply and track high performance standards in accordance with recognized local and international market practices.
- He has the right to request on behalf of the clients from the insurance company the return of quotes under all insurance policy approved by the regulator, or that the insurance company may arrange some facilities in the market.

- **Company's Commitments:**

- The Company undertakes to refrain from soliciting or approaching broker clients either directly or through other brokers for a period of no less than 12 months after the termination of this agreement.
- The company is not entitled to compete with the broker for the same business after submitting the conditions to the broker.
- The Company is not entitled to offer brokers or other producers better terms than those offered to the broker in respect of the same business.

Source: The Company

9.5.6 External Auditor Contract

- The Company signed a contract with Ibrahim Ahmad AlBassam & Partners (accountants – AlBassam and Partners) on 02/01/1443H. (corresponding to 10/08/2021G) to carry out audit of the company's financials as of 31December 2021G. and to audit the income and losses and revenue, changes in ownership rights and cash flows statements for the fiscal year ending on 31/12/2021G. and clarifications about the financial statements including a summary about the material accountant policies.

9.5.7 Services Provider Contract

- The Company entered into 54 contracts pertaining to services providers including marketing-financial services-audit of national address of Saudis – management services – technical services- Electronic services – facilities cleaning and maintenance services- legal services – health insurance services).

9.6 Company's Real Estate

- The Company do not own real estate (lands or properties) in the Kingdom of Saudi Arabia and no title deeds have been issued under the name of the Company.

9.7 Memorandums of Understanding

The company has not entered into any partnership agreements with any parties other than the company's articles of incorporation / articles of association, nor any memorandum of understanding regarding possible future participation with third parties other than what is contained in the articles of association / bylaws.

9.8 Assets and Property

9.8.1 Fixed Assets

As of the date of this Prospectus, the Company does not own any fixed assets (which are company-owned, long-term tangible assets, such as forms of property or equipment such as land, real estate...).

9.8.2 Movable assets

The Company's auditor's report and the list of the its movable assets have been reviewed, which are: furniture and furnishings, rent improvements, computers and office equipment, cars, property and equipment, with a total book value of six million eighty-five thousand (6,085,000) Saudi riyals as of 31/12/2021G.

The book value of the intangible assets as of 31/12/2021G reached five hundred and seventy five thousand (575,000) Saudi riyals.

9.9 Litigation

As of the date of this Prospectus, the Company's management stated that the Company is not a party to any lawsuit, cases, complaints, claims, arbitrations administrative procedures or investigations that exist or are likely to be established, that would have, collectively or individually, a material impact on its business activity or financial position. Moreover, the Company's management was not aware of the existence of any current or potential legal disputes, litigation or facts that could create, collectively or individually, an imminent risk related to a fundamental dispute, until the date of preparing this report, except for the following:

- It should be noted that the Company is a party to a number of lawsuits in its capacity as the plaintiff (the number of existing lawsuits is 12), and the total claims from these lawsuits are estimated at one million three hundred and fifty-seven thousand nine hundred and nineteen riyals and ninety-six halalas (1,357,919.96) Saudi riyals. On the other hand, the Company is a party to a number of lawsuits as the defendant (the number of existing lawsuits is 37), and the total amounts that the Company may incur as a result of these lawsuits are estimated at three million two hundred fifty one thousand three hundred eighty and eighty-three halalas (3,251,380.83) Saudi riyals.
- The table below includes a summary of the lawsuits in which the Company is a party:

Table No. (94): The Company's Lawsuits

#	Session Date	Plaintiff	Lawsuit Numaber	Region/Place	Lawsuit Status	Allegation	Last Call	Requirements
Lawsuits in which the Company has taken the status of the defendant								
1.		Abdulaziz Fayhan Al-Otaibi	10038179421965	Riyadh Branch	Dismissed	Third-party Auto Insurance / claiming not to be obligated to pay to the third party SAR (4,004) an amount of	A preliminary decision was issued not to accept the plaintiff's claim	Judgement Received
2.		British Telecom Saudi Company Limited	369 for the year 1441	Riyadh Commercial Court	Commercial Court in Riyadh	A claim for an electronic services contract amounting to SAR (613,000)	A preliminary judgement was issued to compensate the plaintiff, by paying SAR (560,000)	The appeal has been lodged and the judgment of the Appeals Chamber is awaited
3.		Abdel Bari Al Hefzy	100045424	Al Solh Center	Dismissed	Third-party Auto Insurance SAR (2,574)	A conciliation minutes was issued to compensate the plaintiff, by paying SAR (2,574)	Minutes Received
4.		Abdulaziz Al-Shaalan	10044355	Riyadh Branch	The Appeal Committee	Third-party Auto insurance/ claiming not to be obligated to pay to the third party	The judgement of the Appeal committee was issued after accepting the case	Judgement Received
5.	The date for court session has been postponed and another date will be set	Muhammad Awad Al-Harthy	10041341 423751	Dammam Branch	The Appeal Committee	Third-party Auto insurance SAR (78,000)	The lawsuit was answered electronically	
6.		Fahda Saadoun Al-Saadoun (Plaintiff)	10039752 422498	Riyadh Branch	Dismissed	All Risk Auto insurance SAR (37,000)	A preliminary decision was issued in favour of the Company to dismiss the plaintiff's lawsuit	Decision Received
7.		Jalal Al Aslami		Committee for the Amicable Settlement of Labour Disputes	Dismissed	Claiming his commission from the April, 2021G until the end of his contract SAR (13,563)	A friendly settlement was made with the employee, by paying the amount of SAR (4,533)	
8.		Abdullah Al-Wahaibi		Committee for the Amicable Settlement of Labour Disputes	Dismissed	Asking for a certificate of service and party release	The amicable settlement didn't take place	
9.		Amjad Abdullah Al-Barrak		Committee for the Amicable Settlement of Labour Disputes	Dismissed	The plaintiff is requesting an end-of-service gratuity and compensation for her assignment	The amicable settlement was made after the Company refused to compensate her, as she was not worthy of it.	1442H

#	Session Date	Plaintiff	Lawsuit Numaber	Region/Place	Lawsuit Status	Allegation	Last Call	Requirements
10.		Al-Batool Abdel Aziz Al-Shanibir	439043043	Labour Court	Ongoing	The plaintiff is asking for an end-of-service gratuity and late wages	A judgment was issued compensating the plaintiff SAR (13,131) representing late wages and SAR (27,121) representing end-of-service gratuity	1443H
11.		Fayez Ali Al-Maliki	421133165	Riyadh Labour Court	Appeal Court	A labour claim for the rest of the contract value is SAR (378,000)	The appeal was issued after overturning the previous judgement of the Supreme Court, compensating the plaintiff SAR (247,557.32)	1442H
12.		Saud Faisal Al-Suyuhi (Plaintiff)	10044870	Riyadh Branch	Ongoing	All Risk Auto insurance SAR (28,000)	A preliminary ruling was issued to dismiss the case	Decision Received on 16/07/1443H (corresponding to 17/02/2022G)
13.		Jazia Muhammad Al-Hiwar	10046230	Al Solh Center	Dismissed	All Risk Auto insurance SAR (10,442)	A reconciliation report was issued to compensate the plaintiff, SAR (6,969.68), representing the value of the damages to her car	
14.		Jazia Muhammad Al-Hiwar	10046231	Al Solh Center	Dismissed	All Risk Auto insurance SAR (5,321)		
15.		Muhammad Tayseer Al Said	10047847	Dammam Branch	Cancelled	All Risk Auto insurance	The plaintiff dismissed the case	
16.		Muhammad Tayseer Al Said	10045257	Dammam Branch	Ongoing	All Risk Auto insurance SAR (21,839)	The claim was electronically answered	
17.		Muhammad Tayseer Al Said (Plaintiff)	10048646	Al Solh Center	Dismissed	All Risk Auto insurance	The request has been cancelled due to repetition	
18.		Abdullah Abed Al-Youbi	10047823	Al Solh Center	Dismissed	Claim for the value added tax VAT that has been deducted from the estimate value SAR (845.87)	A conciliation minutes was issued to compensate the plaintiff, SAR (845.87)	Minutes Received
19.		Noura Ahmed Al-Tamami	10045382	Al Solh Center	Dismissed	Third-party auto insurance SAR (3,343)	A conciliation report was issued to the plaintiff in the amount of SAR (434)	Minutes Received
20.		Saeed Suleiman Al-Shammari	10047916	Riyadh Branch	Ongoing	Third-party auto insurance SAR (22,000)	Electronically Answered	

#	Session Date	Plaintiff	Lawsuit Numaber	Region/Place	Lawsuit Status	Allegation	Last Call	Requirements
21.		Nafeh Saleh Al-Shammari	10048624	Al Solh Center	Ongoing	All Risk Auto insurance SAR (28,329)	Electronically Answered	
22.		Zainab Ali Al-Aboud	10048229	Dammam Branch	Ongoing	All Risk Auto insurance SAR (50,000)	Electronically Answered	
23.		Ahmed Abdel Aziz Al-Omar	10049440	Al Solh Center	Ongoing	Third- party auto insurance SAR (497.20)	Electronically Answered	
24.		Omima Omar Al-Rimi	10047909	Jeddah Branch	Ongoing	Third- party auto insurance SAR (15,000)	Electronically Answered	
25.		Nada Yahya Mashriqi	10049296	Al Solh Center	Ongoing	All Risk Auto insurance SAR (16,513.02)	Electronically Answered	
26.		Amira Magha Al-Jasser	10049001	Al Solh Center	Ongoing	All Risk Auto insurance SAR (34,048.86)	Electronically Answered	
27.		Amna Muhammad Al-Abd Al-Aziz	10049496	Al Solh Center	Ongoing	All Risk Auto insurance SAR (28,000)	Electronically Answered	
28.		Ayed Nawi Al-Shammari	10049558	Al Solh Center	Ongoing	Third- party auto insurance SAR (10,500)	In Progress	
29.		Lamis Ibrahim Al-Ghamdi	10049610	Al Solh Center	Ongoing	All Risk Auto insurance SAR (22,181.89)	Electronically Answered	
30.		Saud Al-Rawi Al-Anzi	10049689	Al Solh Center	Ongoing	Third- party auto insurance SAR (12,035)	In Progress	
31.		Hussein Ali Al-Mubarak	10049520	Al Solh Center	Ongoing	All Risk Auto insurance SAR (4,000)	Electronically Answered	
32.		Saleh Othman Aba Al-Khail	10048636	Al Solh Center	Ongoing	All Risk Auto insurance SAR (13,000)	Electronically Answered	
33.		Faisal Saud	10049037	Al Solh Center	Ongoing	Third- party auto insurance SAR (2,835.44)	Electronically Answered	
34.		Salman Munjed Al-Tamimi	10049111	Al Solh Center	Ongoing	All Risk Auto insurance SAR (2,780)	Electronically Answered	
35.		Muhammad Bibi	10039457 868422	Riyadh Branch	Appeal Committee	Third- party auto insurance SAR (500,000)	A preliminary decision was issued in favour of the plaintiff in the amount of SAR (300,000), and the appeal was made	The appeal has been made and the Appellate Committee's decision is awaited
36.		Ali Abdullah Abu Shanan	10047879	Al Solh Center	Dismissed	A claim for the value added tax VAT that was deducted from the estimate value of SAR (2,245.50)	A conciliation report was issued to compensate the plaintiff, SAR (2,245.50)	

#	Session Date	Plaintiff	Lawsuit Numaber	Region/Place	Lawsuit Status	Allegation	Last Call	Requirements
37.	Awaiting the scheduling of another session and	Abdel wahab Ali Abdallah Al Yami	401185383	General Court Criminal Chambers	Ongoing	Financial Lawsuit	The court session was attended / The judge asked the concerned party to express his claim	
38.	18/08/1443H Monday 17:00	Mubarak Nasser Al-Shahrani	10045947	Riyadh Branch	Appeal Committee	All Risk Auto insurance SAR (95,000)	The committees were provided with their requests via e-mail	
39.	The meeting has been postponed to a later date	Hussain Abdulaziz Al-Manasif	10045056	Riyadh Branch	Appeal Committee	All Risk Auto insurance SAR (17,000)	The court session was attended, and the Committee asked the plaintiff to write his claim in a corresponding manner, and the company to provide it with the insurance policy, including conditions and exceptions	
40.		Turki Assaf Al-Awaji	10040179 422900	Riyadh Branch	Appeal Committee	All Risk Auto insurance SAR (70,500)	A preliminary decision was issued in favour of the plaintiff in the amount of SAR (70,500) and it was then appealed	The appeal was made and the decision of the Committee is awaited
41.		Rasha Fawzi Raslan	10039391 422622	Riyadh Branch	Dismissed	Medical insurance SAR (3,000)	The decision of the Appeal Committee was issued in favour of the Company to dismiss the case	
42.		Suhail Bakr Al-Tayyar	10046178	Al Solh Center	Dismissed	All Risk Auto insurance SAR (10,000)	cancelled	
43.		Suhail Bakr Al-Tayyar	10046799	Al Solh Center	Dismissed	Auto Insurance SAR (10,385.25)	A reconciliation report was issued in the amount of SAR (9,385.25)	Record received
44.		Falah Nasser Al-Sahli	10047532	Riyadh Branch	Ongoing	Third- party auto insurance SAR (14,000)	Electronically answered	
45.		Mohamed Mahfouz Attia	10039465 422675	Riyadh Branch	Dismissed	Third- party auto insurance SAR (7,500)	The decision of the Appeal Committee was issued in favour of the Company not to accept the case	Decision received

#	Session Date	Plaintiff	Lawsuit Numaber	Region/Place	Lawsuit Status	Allegation	Last Call	Requirements
46.		Basheer Moqbel Al-Harbi	10039484 422834	Riyadh Branch	Appeal Committee	Third- party auto insurance SAR (735,000)	The decision was received and the party submitted an appeal and is awaiting the decision of the Appeal Committee	The decision of the Appeal Committee was issued in favour of the Company to dismiss the case
47.		Samir Mohsen Al-Otaibi	10038642 422278	Riyadh Branch	Dismissed	Medical insurance SAR (1,089)	An appeal was issued in favour of the company to dismiss the case	Appeal received
48.		Farhan Shukri Al-Omari	10042451 420537	Riyadh Branch	Appeal Committee	All Risk Auto insurance SAR (12,500)	A decision was issued dismissing the case	Receipt of the appeal
49.		Abdul Aziz Aqla Al-Uqla	10042354 420536	Riyadh Branch	Appeal Committee	Third- party auto insurance SAR (19,538)	An appeal was issued to compensate the plaintiff with SAR (19,538), representing the rest of the value of the damages, and an amount of SAR (9,400) compensation for the delay	The appeal has been appealed and the decision of the Appeal Committee is awaited
50.		Ali Shaker Al-Shalian	10047014	Al Solh Center	Ongoing	All Risk Auto insurance SAR (6,750)	Electronically answered	
51.		Yasser Ali Al-Sweileh	10047253	Al Solh Center	Dismissed	All Risk Auto insurance SAR (7,150)	A conciliation report was issued to compensate the plaintiff in the amount of SAR (5,500), representing the value of the damages to the plaintiff's vehicle	
52.		Abdul Mohsen Mohammed Al-Shaya	10047048	Al Solh Center	Dismissed	Third -party car insurance SAR (16,570)	A reconciliation report was issued to compensate the plaintiff with an amount of SAR (16,570), representing the value of the damages to the plaintiff's vehicle	
53.		Ahmed Ragab El-Zanaty	10046599	Riyadh Branch	Appeal Committee	Medical insurance SAR (30,400)	An appeal was made to refute the case	

#	Session Date	Plaintiff	Lawsuit Numaber	Region/Place	Lawsuit Status	Allegation	Last Call	Requirements
54.		Abdul Malik Abdulaziz Al-Atti	10042388 420532	Riyadh Branch	Appeal Committee	Third-party car insurance SAR (1,608)	A preliminary decision was issued to compensate the plaintiff, SAR (210) representing the rest of the value of the damages, and SAR (500) as compensation for the delay	The appeal has been made and the decision of the Appeal Committee is awaited.
55.		Muhammad Ajam Shamim	10037519 421824	Riyadh Branch	First Instance Committee	Third-party Motor insurance SAR (300,000)	A preliminary decision was issued dismissing the case.	Judgment Received on 07/08/1443H
56.		Abdullah Saad Al-Qahtani	10043783	Jeddah	Appeal Committee	Claim for the VAT that has been deducted from the estimate value of SAR (831.13)	A preliminary decision was issued by the First Instance Committee to compensate the plaintiff by an amount of SAR (831.13)	The appeal has been made and the decision of the Appeal Committee is awaited
57.		Abdulaziz Zayed Al-Asmari	10046791	Al Solh Center	Dismissed	All Risk Motor Insurance SAR (15,916)	A reconciliation report was issued to compensate the plaintiff with an amount of SAR (14,849.92), representing the value of the damages to the plaintiff's vehicle	Judgment Received
58.		Samaha Hamed Al-Shanqeeti	10038146 421917	Riyadh Branch	Dismissed	Medical insurance SAR (300,000)	The decision of the Appeal Committee was issued in favour of the Company dismissing the case.	Judgment Received
59.	20/08/1443H Wednesday 17:00pm	TOFIL (Water Bottles & Containers)	10046750	Jeddah Branch	First Instance Committee	Third-party Motor insurance SAR (25,692.50)	Case Electronically Answered	
60.	Waiting to be informed of the date	Muhammad Ali	10038509 422229	Riyadh Branch	First Instance Committee	Third-party Motor insurance SAR (300,000)	Case Electronically Answered	
61.		Abdul Aziz Fateh Al Sultan	10042545 430076	Riyadh Branch	Dismissed	Third-party Motor insurance SAR (14,230)	The plaintiff withdrew the case.	
62.		Youssef Hamid Ahmed	10029549 401377	Ash Sharqiyah Branch	Dismissed	Medical insurance SAR (25,000)	A judgment was issued by the Appeal Committee in favour of the plaintiff in the amount of SAR (20,157.73)	Judgment Received

#	Session Date	Plaintiff	Lawsuit Numaber	Region/Place	Lawsuit Status	Allegation	Last Call	Requirements
63.		Nayef Al-Saif	10029549 401377	Ash Sharqiyah Branch	Dismissed	The plaintiff demands compensation for the remainder of his contract with his dues equal to SAR (369,418.29)	The plaintiff signed the clearance with the Company after a judgement was issued rejecting his requests before the court in the amount of SAR (109,073.99)	Judgment Received
64.		Abdul Aziz Ali Al Dhalan	10045372	Al Solh Center	Dismissed	All Risk Motor Insurance SAR (23,733)	A reconciliation report was issued to the plaintiff in the amount of SAR (19,800.80)	Record Received
65.		Adel Muhammad Kariri	10046333	Al Solh Center	Dismissed	All Risk Motor Insurance SAR (15,461.52)	A reconciliation report was issued to the plaintiff in the amount of SAR (14,461.52)	Record Received
66.		Abdullah Muhammad Al-Bazai	10041849 420511	Al Solh Center	Dismissed	Third-party Motor insurance SAR (35,000)	A report has been issued that reconciliation is not possible	Record Received
67.		Abdul Mohsen Hassan Al-Fifi	10042029 420515	Al Solh Center	Dismissed	All Risk Motor Insurance SAR (35,000)	The reconciliation report was issued in favour of the plaintiff, with a compensation of SAR (35,000)	Record Received
68.		Muhammad Saud Al-Shamrani	10041546 420480	Al Solh Center	Dismissed	Third-party Motor insurance SAR (9,060)	A report was issued in favour of the plaintiff, amounting to SAR (4,630.50)	Record Received
69.		Al Mutlaq Trading and Industry Holding Company	10037116 421514	Jeddah Branch	Dismissed	Medical Insurance SAR (28,000)	The decision of the Appeal Committee was issued to compensate the plaintiff in the amount of SAR (25,000) and indicate the rate of losses.	The Appeal Committee' Decision was issued and was sent to the Medical Department for implementation.
70.		Hatem Hamad Al-Harbi	10041392 420466	Al Solh Center	Dismissed	Third-party Motor insurance SAR (1,895)	A report was issued in favour of the plaintiff, with a value of SAR (1,894.06)	Record Received
71.		Moaz Abdel Aziz Al Abdo	10039873	Al Solh Center	Cancelled	Third-party Motor insurance SAR (3,500)	Closed/ The plaintiff didn't respond back to the case.	

#	Session Date	Plaintiff	Lawsuit Numaber	Region/Place	Lawsuit Status	Allegation	Last Call	Requirements
72.		Abdullah Falah Al-Yami	10040720 423734	Jeddah Branch	Dismissed	Third-party Motor insurance SAR (177,000)	The decision of the First Instance Committee was issued not to accept the case and to raise the name of the plaintiff from the Saudi Credit Bureau (SIMAH)	Judgement Received
73.		Saeed Ayed Al-Ghamdi	10044788	Al Solh Center	Dismissed	Third-party Motor insurance SAR (750.59)	A reconciliation report was issued to the plaintiff with compensation of SAR (750.59)	
74.		Ali Ahmed Khabrani	10045172	Al Solh Center	Dismissed	Third-party Motor insurance SAR (1,750)	A reconciliation report was issued to the plaintiff in compensation of SAR (1,750)	
75.		Abdel Aziz Ayman Al-Jurayd	10044535	Solh Center	Dismissed	Third-party Motor insurance SAR (406)	A reconciliation report was issued to the plaintiff in compensation of SAR (406)	
76.	The case was postponed to a later date after her presence.	Maha Abdullah Al-Mutairi	10045115	Al Solh Center	Ongoing	Third-party Motor insurance SAR (2,900)	The wife was present, and the Company was asked to provide the Committee with the policy, including conditions and exceptions	
77.		Turki Salem Al-Saiari	10042669	Al Solh Center	Cancelled	A claim after being obliged to pay an amount of SAR (2,229) for not holding a license.	The case was dismissed upon the plaintiff's request.	
78.		Abdullah Saleh Al-Shehri	10043100 430048	Al Solh Center	Dismissed	Third-party Motor insurance	A report has been issued that reconciliation is not possible	Record received
79.		Mosfer Muhammad Al-Shamrani	10044299	Al Solh Center	Dismissed	A claim for the VAT that has been deducted from the estimate value of SAR (18,584)	A reconciliation report was issued to compensate the plaintiff, SAR (2,423.74)	Record received
80.		Nayel Ibrahim Al-Atwi	10030465 410350	Dammam Branch	Expunged	Third-party Motor insurance SAR (8,088)	The representation and pleading were made. The plaintiff did not attend, and the case was expunged.	

#	Session Date	Plaintiff	Lawsuit Numaber	Region/Place	Lawsuit Status	Allegation	Last Call	Requirements
81.		ABDULLAH OMAR BAHSHA-WAN EST FOR GOLD	10042441	Jeddah Branch	Appeal Committee	Medical insurance SAR (23,135)	A First Instance Judgement was issued in favour of the plaintiff in the amount of SAR (23,135)	The Appeal was made and the judgement of the Appeal Committee is awaited.
82.		Yasser Massoud Al-Qahtani	10043703	Al Solh Center	Dismissed	All Risk Motor Insurance SAR (17,112)	A reconciliation report was issued to compensate the plaintiff, SAR (3,537.13)	Record received
83.		Adel Obaid Al-Rashidi	10043099 430614	Riyadh Branch	First Instance Committee	All Risk Motor Insurance SAR (30,970)	The judgement of the First Instance Committee was issued in favour of the Company to dismiss the case.	The judgement has been received, the plaintiff has submitted an appeal statement and is awaiting the decision of the Appeal Committee.
84.		Abdullah Salem Al-Hujaili	10043390 430634	Jeddah Branch	Appeal Committee	A claim for VAT that has been deducted from the estimate value of SAR (543)	A judgement was issued in favour of the plaintiff in the amount of SAR (543)	The appeal has been appealed and the decision of the Appeal Committee is awaited.
85.		Manea Al-Qahtani	10035311 420326	Riyadh Branch	Dismissed	Third-party Motor insurance SAR (10,172.50)	A judgement was issued in favour of the plaintiff in the amount of SAR (10,172.50)	Judgement Received
86.		Abdulaziz Abdo Dosh	10043011 430266	Riyadh Branch	Dismissed	A claim for VAT that has been deducted from the estimate value of SAR (918).	A reconciliation report was issued to compensate the plaintiff of SAR (918).	Record Received
87.		Abdullah Abdul Aziz Al Dakhil for Goods and Equipment Transport Est.	10041358 430045	Riyadh Branch	Appeal Committee	All Risk Motor Insurance SAR (50,000)	The First Instance Judgement was issued to compensate the plaintiff with an amount of SAR (460), representing the value of the fees for submitting the vehicle in question.	The decision has been received and the plaintiff has submitted an appeal and is awaiting the decision of the Appeal Committee.
The Lawsuits in which the Company has taken the Status of the Plaintiff								
1.		Roads Trading and Contracting Co. Ltd. (Defendant)	40101420030 3748	Riyadh Execution Court	Dismissed	A claim under an execution bond against medical insurance premiums estimated at SAR (128,127)	The defendant paid the full amount of the claim.	


#	Session Date	Plaintiff	Lawsuit Number	Region/Place	Lawsuit Status	Allegation	Last Call	Requirements
2.		National Consolidated Distribution Company (Defendant)	401014200303724	Riyadh Execution Court	Ruling n. (46) was issued.	A claim under an execution bond against medical insurance premiums estimated at SAR (235,000)	Under Implementation	
3.		Mustafa Amin Mustafa Office (Defendant)	421212073	Jeddah Execution Court	Ruling n. (46) was issued, and then the defendant filed an enforcement dispute.	Medical insurance SAR (76,859.30)	A judgment was issued by the Court of Appeal to suspend the execution, as the issuer of the bond is not authorized to sign it, and a lawsuit was filed with the committees to claim the amount.	
4.		Yanabie Al-Enjaz General Contracting Co. (Defendant)	401014300072110	Riyadh Execution Court	Under Implementation	Insurance Premiums SAR (129,223.07)	Ruling n. (46) was issued.	
5.		Yanabie Al-Enjaz General Contracting Co. (Defendant)	401014300072117	Riyadh Execution Court	Under Implementation	Insurance Premiums SAR (129,223.07)	Ruling n. (46) was issued.	
6.		Ramlet Al Bayda Contracting Company (Defendant)	401014300088970	Riyadh Execution Court	Dismissed	Insurance Premiums SAR (73,155.25)	The full amount has been paid.	
7.		Mersal International for Entertainment and Tourism Services 1 (Defendant)	10037237421792	Jeddah Branch	Appeal Committee	Medical Insurance SAR (21,428.65)	A First Instance Judgement has been issued in favour of the Company for the full amount of the claim.	A request for a decision in an executive form
8.		Mersal International for Entertainment and Tourism Services 2 (Defendant)	10037120421790	Jeddah Branch	Appeal Committee	Medical Insurance SAR (17,515.40)	A First Instance Judgement has been issued in favour of the Company for the full amount of the claim.	A request for a decision in an executive form
9.		The Saudi Education and Training Company (Defendant)	10037117421789	Jeddah Branch	Appeal Committee	Medical Insurance SAR (55,698.56)	A First Instance Judgement has been issued in favour of the Company for the full amount of the claim.	The decision has been issued in the executive form and is being submitted for implementation.
10.		Al Bayader National Contracting Establishment (Defendant)	10037190421791	Jeddah Branch	Appeal Committee	Medical Insurance SAR (19,147.05)	A First Instance Judgement has been issued in favour of the Company for the full amount of the claim.	The decision has been issued in the executive form and is being submitted for implementation.

#	Session Date	Plaintiff	Lawsuit Number	Region/Place	Lawsuit Status	Allegation	Last Call	Requirements
11.		Al-Ghazali Trading Company 1 (Defendant)	10038197 422490	Jeddah Branch	Dismissed by Committees	Medical Insurance SAR (600)	A First Instance Judgement has been issued in favour of the Company for the full amount of the claim.	The decision has been issued in the executive form and is being submitted for implementation.
12.		Al-Ghazali Trading Company 2 (Defendant)	10038196 422491	Jeddah Branch	Dismissed by Committees	Medical Insurance SAR (600)	A First Instance Judgement has been issued in favour of the Company for the full amount of the claim.	The decision has been issued in the executive form and is being submitted for implementation.
13.		Al-Ghazali Trading Company 3 (Defendant)	10038194 422492	Jeddah branch	Dismissed by Committees	Medical Insurance SAR (229,436)	A First Instance Judgement has been issued in favour of the Company for the full amount of the claim.	The decision has been issued in the executive form and is being submitted for implementation.
14.		Mustafa Amin Mustafa's Office (Defendant)	10048117	Jeddah Branch	Ongoing	Medical Insurance SAR (30,859.30)	In Progress	
15.		Al-Ghazali Trading Company 4 (Defendant)	10038192 422493	Jeddah Branch	First Instance Committee	Medical Insurance SAR (971,310)	A First Instance Judgement was issued to dismiss the case, and an appeal was filed.	Judgement Received

9.10 Trademarks

The Company has a logo that it uses when carrying on business in dealings and transactions, and it has been registered as a trademark with the Ministry of Commerce (Trademarks Department) under category (36), which is one of the trademarks categories that are concerned with (insurance services, financing affairs, financial affairs and real estate affairs). It will enable the Company to put its name and logo on the external facade of the building, offices or shops operated by the Company, as it has registered the trademark and granted it the necessary legal protection in accordance with the Saudi Trademark Law.

Table No. (95): The Company's Trademarks

Registration/ Certificate Number	Registration Date	Category	Company	Insurance Date	Insurance Expiry Date	Trademark
1439024703	06/03/1440H (Corresponding to 14/11/2018G)	36	Amana Cooperative Insurance Company	03/11/1439H (Corresponding to 16/07/2018G)	02/11/1449H (Corresponding to 07/04/2028G)	

Source: The Company

9.11 Insurance

The Company has a number of insurance policies to ward off some risks and preserve its assets and properties, including the following:

- **Health insurance for workers**

- Article (144) of the Labor Law stipulates that the employer shall provide health, preventive and curative care to his workers according to the levels determined by the Minister of Labor, taking into account what is provided by the Cooperative Health Insurance Laws and Regulations. Article (5) of the Implementing Regulations of the Cooperative Health Insurance Law, approved by Ministerial Resolution No. (9/35/1/z), dated 13/04/1435H (corresponding to 13/02/2014G) emphasized the obligation of the employer to conclude a health insurance policy with an insurance company that covers all of its employees, who are subject to the law, and their family members as well. The business

owner is obligated to provide insurance coverage to the beneficiary from the date of arrival in the Kingdom and hand him the insurance card within a period not exceeding (10) ten working days from the date of his arrival.

- According to Article (14) of the Cooperative Health Insurance Law, if the employer does not participate or does not pay the cooperative health insurance premiums for the worker and his family members to whom this law applies and who are covered by the cooperative health insurance policy, he is obligated to pay all the installments due, in addition to paying a fine not exceeding the value of the annual subscription for each individual, with the possibility of depriving him of recruiting workers for a permanent or temporary period.
- If any of the cooperative insurance companies breaches any of its obligations specified in the Cooperative Health Insurance Policy, it is obligated to fulfill these obligations and compensate for the damages arising from the breach, in addition to paying a fine not exceeding (5,000) five thousand Saudi riyals for each individual covered by the policy subject of the violation.
- The insurance company issues a certificate to the employer (the policy holder) upon request stating the insurance for its employees to be submitted to the authority concerned with issuing and renewing residence permits.
- The Company, in its capacity as the employer, did not sign a health insurance contract for its employees with any of the insurance companies licensed to work in the Kingdom, but it directly provided health insurance for all its employees and members of their families. This document covers health care through the network of medical service providers appointed by the Company, provided that the case is covered by insurance coverage. The coverage benefits and compensation include all current or new employees shown in the payroll, (husband/wife, children - minimum: from the date of birth - maximum: up to 25 years, unmarried female children, including widows and divorced women and according to the Company's insurance policy). The policy is valid for one Gregorian year, from 07/02/1443H (corresponding to 14/09/2021G) till 18/02/1444H (corresponding to 14/09/2022G). The total amount of coverage amounted to SAR (2,704,857.50).
- **Compulsory Motor Insurance:**
 - It provided insurance for the vehicles owned by it directly under the documents (4210000104), (4210000101), (4210000102), (4210000103). Coverage starts from 17/08/1442H (corresponding to 30/03/2021G) and expires on 26/08/1443H (corresponding to 29/03/2022G). The coverage period is one Gregorian year, and extends to compensating the insured company for loss or damage, insured vehicles, and spare parts. The maximum liability of the insurance company in one incident for both physical and material damage that does not exceed an amount of SAR (10,000,000), and it includes (4) vehicles.
 - A document regarding the Company was extracted from the Ministry of Interior (Tamm e-Service). It turned out that the Company has (4) vehicles, all of which have valid insurance.
- **All Risk Property Insurance Policy**
 - The Company has concluded a property insurance policy against all risks that it may be exposed to for its head office in Riyadh City and its branch offices in Jeddah, Khobar, Riyadh, signed with Allianz Saudi Fransi Insurance Company, a company licensed to operate in the Kingdom and bearing the document No.(PAR/48801). The coverage begins on 16/09/1442H (corresponding to 28/04/2021G) and ends on 26/09/1443H (corresponding to 27/04/2022G). It comprises insurance coverage (the Company's facilities including main buildings, annexes and furniture). The total value of the insurance amount for the main branch in Riyadh is SAR (3,128,283).
- **Machinery and Equipment Insurance Policy**
 - The Company has concluded an insurance policy on the machinery and equipment owned by the Company with Borouge Cooperative Insurance Company, a company licensed to operate in the Kingdom bearing the document number (4210000103) dated 10/09/1442H (corresponding to 22/04/2021G) and expiring on 20/09/1443H (corresponding to 21/04/2022G). The coverage period is one Gregorian year, and the coverage includes compensating the insured company for loss or damage, or theft. The value of the full replacement for units that are not more than a year old is the value of the full replacement for the damaged item, and the coverage of additional expenses incurred once includes the maximum amount of SAR (100,000) for each or any loss.

9.12 Substantial information that has changed since the Authority's approval of the latest Rights Issue Prospectus

The following is a summary of the most important information that has changed since the Authority's approval of the last Rights Issue Prospectus, which was issued on January 29, 2019G:

- **Bylaws:** Some Bylaws articles have been modified several times pursuant to the EGA Resolutions. The Company's Bylaws were also amended and updated to match the new Companies Law, which was approved by the Ministry of Commerce - Corporate Governance Department on 25/10/1442H (corresponding to 06/06/2021G).
- **Capital:** The Company's capital has been reduced from two hundred and forty million (240,000,000) Saudi riyals to one hundred and thirty million (130,000,000) Saudi riyals. The number of shares after reduction became thirteen million (13,000,000) shares by cancellation of the Company's eleven million (11,000,000) shares, as one share was reduced for each (2,1818) shares, in order to restructure the Company's capital and extinguish accumulated losses by an amount of one hundred and ten million (110,000,000) Saudi riyals, after obtaining the approval of the competent regulatory authorities (The Saudi Central Bank and the CMA).
- **Board of Directors (BOD):** Electing members of the BOD for a new term starting from 16/05/2019G for a period of three years ending on 14/10/1443H (corresponding to 15/05/2022G) and appointing a new Chairman and Vice-Chairman.
- **Corporate Governance:** The creation and formation of the Product Committee and the development and updating of some regulations. The members of the committees emanating from the BOD have also been appointed for a new term ending on 15/05/2022G.
- **Upper Management:** The implementation of a few amendments, the most important of which are the appointment of a Head of Internal Audit and Head of Compliance and Governance.
- **Accumulated Losses:** The Company registered a high rate of accumulated losses which reached as of 31/12/2021G SAR (157,227,000), representing (120.94%) of the Company's capital. The announcement about the implementation of the provisions of Article (150) of the Companies Law, the procedures and instructions imposed on Companies Listed in the Market, whose accumulated losses amounted to (20%) and more of their capital.
- **Using the Proceeds of the Rights Issue for the year 2019G:** a (2.73%) deviation happened in the use of the the Rights Issue Proceeds for the year 2019G. The value of the proposed use of financial investments reached SAR (79,000,000) while the actual use value was SAR (81,153,000).

9.13 BOD Members Declarations Pertaining to the Legal Information Section

In addition to the other declarations referred to in this Prospectus, the members of the BoD declare the following:

- The issuance does not constitute a breach of the relevant Saudi laws and regulations.
- The issuance does not constitute a breach of any contract or agreement entered into by the Company or its subsidiaries.
- All material legal issues concerning the Company and its subsidiaries have been disclosed in this Prospectus
- The Company is not subject to any lawsuits or legal procedures that, alone or as a whole, may materially affect its business or financial position.
- Members of the Company's BOD are not subject to any lawsuits or legal procedures that, alone or in the aggregate, may materially affect the Company's business or financial position.
- The Company continues to comply with the requirements of the Ministry of Commerce until the date of this Prospectus, and it also pledges to continue abiding by all the rules and regulations.
- The Company continues to comply with the requirements of the Zakat, Tax and Customs Authority until the date of this Prospectus, and it pledges to continue.
- The Company continues to comply with the requirements of the Ministry of Human Resources and Social Development until the date of this Prospectus, and pledges to continue to comply with them.
- The Company carry on with its compliance with the requirements of the CMA and the Sock Exchange Market (Tadawul) Laws, Regulations and Instructions until the date of this Prospectus, and pledges to continue to conduct business accordingly.
- The Company continues to comply with the requirements of the Laws, Regulations and Instructions of the General Organization for Social Insurance (GOSI) until the date of this Prospectus, and pledges to continue to comply with them.

- The Company continues to comply with the requirements of the Laws, Regulations and Instructions of the Ministry of Municipal and Rural Affairs and Housing ("Ministry of Municipalities") until the date of this Prospectus, and undertakes to continue to abide by them.
- The Company continues to comply with the requirements of the Laws, Regulations and Instructions of the Central Bank of Saudi Arabia until the date of this Prospectus, and pledges to continue to comply with them.
- The Company continues to comply with the requirements of the Laws, Regulations and Instructions of the Ministry of Investment until the date of this Prospectus, and pledges to continue to comply with them.
- The Company continues to comply with the requirements of the Laws, Regulations and Instructions of the Council of Cooperative Health Insurance until the date of this Prospectus, and pledges to continue to comply with them.

10. Underwriting Arrangement

The Company and the Underwriter, have entered into an undertaking agreement to cover the subscription of (30,000,000) thirty million ordinary shares, at a price of SAR 10/share, with a total value of SAR (300,000,000) three hundred million Saudi riyals, representing the entire amount of the rights shares being offered for subscription ("Underwriting Agreement").

10.1 Underwriter

Al Khair Capital Saudi Company

Riyadh, King Abdulaziz Road, Ministries District, Madarat Towers

P.O. Box: 69410, Riyadh 11547

Kingdom of Saudi Arabia

Phone: +966112155678

Fax: +966112191270

Website: www.alkhaircapital.com.sa

Email: info@alkhaircapital.com.sa

الخير كابيتال
ALKHAIR CAPITAL



10.2 Summary of the Underwriting Agreement

In accordance with the terms and conditions of the Underwriting Agreement:

1. The Company pledges to the underwriter that on the date of allocation, all the Right issue shares promised to be covered will be issued and allocated to the underwriter in this subscription, which were not subscribed by the eligible shareholders as additional shares, and that at the subscription price.
2. The underwriter undertakes to the Company that on the date of allocation, he will purchase the shares pledged to be covered in this subscription, which were not subscribed by the eligible shareholders as additional shares, and that at the subscription price.
3. The underwriter charges a specific financial consideration/remuneration in exchange for his underwriting, which will be paid from the proceeds.
4. The commitment of the underwriter to subscribe to remaining shares (rump) is subject to the termination provisions as stipulated in the agreement such as the occurrence of a force majeure event as defined in the agreement and satisfaction of the conditions precedent in line with the agreement.
5. The Company shall provide a number of warranties, covenants and undertakings to the underwriter.

11. Waivers

The Company has not submitted a waiver request to the CMA in relation to this Offering.

12. Shares Information & Offering Terms and Conditions

The Company has filed a request with the CMA for registration and admission of the New Shares, and with the Saudi Stock Exchange (Tadawul) for listing the New Shares. All requirements have been fulfilled in accordance with the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules.

All Eligible Persons and bidding investors shall read the Offering terms and conditions carefully before online subscription or submission of the Subscription Application form through a broker or filling of the Rump Offering form. The submission of the Subscription Application form, or signing and delivery of the Rump offering form shall be deemed an approval and acceptance of the aforementioned offering's terms and conditions.

12.1 The Offering

The offering is an increase in the Company capital by issuing Right issue shares at the value of SAR (300,000,000) three hundred million Saudi riyals, divided into (30,00,000) thirty million ordinary shares, with a nominal value of SAR 10 per share, at an offer price of SAR 10 per share.

12.2 How to Apply for Subscription to the Rights (New Shares)

Eligible shareholders wishing to subscribe to the Rights Issue shall submit the Subscription Applications during the Subscription Period through the investment portfolio in the trading platforms used to insert purchase and sale orders in addition to subscribing through other channels available at the broker and shares Custodian. If there is a Rump offering period, Subscription Application Forms can also be submitted during such period by Institutional Investors for any Rump Shares only.

By presenting the Subscription Application form, the Subscriber declares that they will:

- Agree to subscribe for the Company Shares in the number of such Shares specified in the Subscription Application.
- Declare that he/she has read the Prospectus and understood its content.
- Accept the Company By-laws and the terms of the Prospectus.
- Not Apply to subscribe to the same shares for this offering through broker, and the Company has the right to reject all applications in the event of a repeat subscription request.
- Accept the number of Shares allocated thereto and all other subscription instructions and terms mentioned in the Subscription Application Form and in this Prospectus.
- Make sure not to cancel or amend the Subscription Application Form after submitting it to the Broker.

12.3 Subscription Application Form

Eligible Persons wishing to exercise their full right and subscribe for all the New Shares to which they are entitled must fill and submit a completed Subscription Application Form through the investment portfolio in the trading platforms used to insert purchase and sale orders in addition to subscribing through other channels available at the broker and shares Custodian.

The number of Shares to which the Eligible Person is entitled to subscribe will be calculated based upon the number of Rights held by him. As for the subscription monies that the subscriber must pay for the New Shares will be calculated by multiplying the number of Rights owned prior to closing of the Subscription Period by SAR 10.

12.4 Trading Period, Offering Period and Rump Offering Period

Eligible Shareholders wishing to subscribe to the Rights shall submit the Subscription Application during the Subscription Period, which begins on Monday 07/11/1443H (corresponding to 06/06/2022G) and ends on Thursday 17/11/1443H (corresponding to 16/06/2022G).

The EGA held on 28/10/1443H (corresponding to 29/05/2022G), approved the recommendation of the Board to increase the Company share capital through Rights Issue. Under this Prospectus, 30,00,000 thirty million Ordinary Shares (representing a 230.7% of the Capital before the offering period) will be offered at a nominal value of SAR 10/share, and at an Offer Price of SAR 10/share, with a total value of SAR (300,000,000) three hundred million Saudi riyals. New shares will be issued with one share for every eight (2.307) shares. Rights Subscription is entitled to all Shareholders registered in the Company register as of the close on the second trading day following the EGA Meeting dated Monday 29/10/1443H (corresponding to 30/05/2022G), and to those Eligible Persons who purchased the offered Rights during the Trading Period in addition to the Registered Shareholders who purchased additional Rights alongside the Rights they already own.

In the event that the Eligible Persons do not exercise their right to subscribe to the New Shares at the end of the Offering Period, the Rump Shares, in addition to Fractional Shares (if any) will be offered to the Institutional Investors during the Rump Offering Period.

The Registered Shareholders may trade in the Rights deposited in their portfolios through the Tadawul system. Such Rights are deemed a right entitled to all Shareholders registered in the Company register as of the close on the second trading day following the EGA Meeting. Each Right grants its holder eligibility to subscribe to one New Share at the Offer Price. The Rights will be deposited after the Extraordinary General Assembly. The Shares will appear in the portfolios of Registered Shareholders under a new symbol that designates Priority Rights.

Rights shares will be offered according to the phases and dates set out below:

1. **Eligibility Date:** Close of trading on the day of the EGA Meeting dated Sunday 28/10/1443H (corresponding to 29/05/2022G).
2. **Trading Period and Offering Period:** The Trading Period and Offering Period start on Monday 07/11/1443H (corresponding to 06/06/2022G), and the Trading Period will end on Monday 14/11/1443H (corresponding to 13/06/2022G), while the Offering Period will continue until the end of Thursday 17/11/1443H (corresponding to 16/06/2022G).
3. **Rump Offering Period:** The period will start at 10:00 am on Tuesday 22/11/1443H (corresponding to 21/06/2022G) until the following day at 5:00 pm on Wednesday 23/11/1443H (corresponding to 22/06/2022G). During this period, Rump Shares will be offered to several institutional investors (referred to as "Investment Institutions"). These investment institutions shall make offers to buy the Rump Shares during the Rump Offering Period. The Rump Shares will be allocated to the Investment Institutions in order of priority based on the price per Share offered (provided that it is not less than the Offering Price) with shares being allocated on a proportional bases among those Institutional Investors that tendered offers at the same price. Fractional Shares will be added to the Rump Shares and treated in the same manner. In the event that the price of the unsubscribed shares is higher than the offer price, the difference (if any) shall be distributed as compensation to holders of priority rights who did not subscribe for their rights in proportion to the rights they own.
4. **Final Allocation of Shares:** Shares will be allocated to each investor based on the number of Rights properly and fully exercised thereby. As for Shareholders entitled to fractional Shares, these shall be accumulated and offered to Institutional Investors during the Rump Offering. The total remaining Offering Price will be paid to the Company, and the remaining proceeds from the sale of the Rump Shares and fractional shares (i.e., above the offering price) shall be paid to the Eligible Persons, no later than Sunday 27/11/1443H (corresponding to 26/06/2022G).
5. **Trading of New Shares on the Exchange:** Trading in the New Shares will start on Tadawul upon the completion of all procedures relating to the registration, allocation and listing of the New Shares.

The Company has applied to the CMA for registration, admission and offering of the New Shares, and has also applied to Tadawul for listing the New Shares.

12.5 Eligible Persons not participating in the Subscription of the New Shares

Shareholders who do not participate fully or partially in the Subscription of New Shares will be subject to a decrease in their shareholding percentage in the Company, in addition to a decline in the value of their current shares. Eligible Persons who neither subscribe nor sell their rights, are subject to loss. Eligible Persons who do not participate in the New Shares will not receive any benefits or rewards in return for the Rights Shares due to them other than cash compensation from the proceeds of the Rump Offering shares, each according to his due amount (if any). The Registered Shareholders will retain the same number of shares they held before the capital increase. If the Institutional Investors wish to buy the Rump Shares at the Offering Price only, or if they do not wish to subscribe to shares, and therefore the Underwriter buys the Rump Shares at the Offering Price, the Eligible Persons who did not participate in the Subscription will not receive any compensation due to not exercising their Rights in the New Shares. The compensation amount (if any) for Eligible Persons who did not subscribe in the New Shares in whole or in part, and for the persons entitled to fractional shares (if any) will be calculated by dividing the compensation amount by the total number of shares and fractional shares that were not subscribed to by the Eligible Persons. This will determine the compensation payable for each remaining share, and will be paid to the Eligible Persons who did not subscribe in the New Shares in whole or in part, as well as to the persons entitled to fractional shares (if any) as follows:

$\text{Compensation amount for each unsubscribed share} = \frac{\text{Total Rump Offering Proceeds} - \text{Total Remaining Offering Price}}{\text{Number of unsubscribed shares}}$

12.6 Allocation and Refund

The Company and the Lead Manager will open an escrow account in which the proceeds of the Offering will be deposited. The Rights shall be allocated to Eligible Persons based on the number of Rights properly and fully exercised by it. As for the fractional Shares, these shall be accumulated and offered to Institutional Investors during the Rump Offering. The total remaining offering price will be paid to the Company, and the remaining proceeds from the sale of the Rump Shares and fractional shares (i.e., above the offering price, if any) shall be paid to Eligible Persons, whichever is due by the date of Thursday 01/12/1443H (corresponding to 30/06/2022G). Excess unsubscribed Shares shall purchase by and allocated to the Underwriter at the launch price.

Final notice for the number of Shares allocated to each Eligible Person is expected to take place by depositing the shares into the accounts of Subscribers without any charges or withholdings by the Lead Manager. Eligible Persons shall contact the branch of the Broker where they have submitted the Subscription Application Form to obtain any further information. The announcement regarding the allocation shall be made no later than Sunday 27/11/1443H (corresponding to 26/06/2022G).

The Cash compensation amounts (the remaining proceeds of the offering process beyond the offering price) will be paid to the Eligible Persons who did not subscribe wholly or partially to the Rights (if any) without any commissions or deductions no later than one day, dated Thursday 01/12/1443H (corresponding to 30/06/2022G).

12.7 Supplementary Prospectus

In accordance with the requirements of the Rules on the Offer of Securities and Continuing Obligations, A supplementary Prospectus must be submitted to CMA if, at any time after the date of the publication of this Prospectus and before the completion of the offering, the Company becomes aware that:

- There has been a significant change in material matters contained in this Prospectus.
- Additional significant matters have become known which would have been required to be included in this Prospectus.

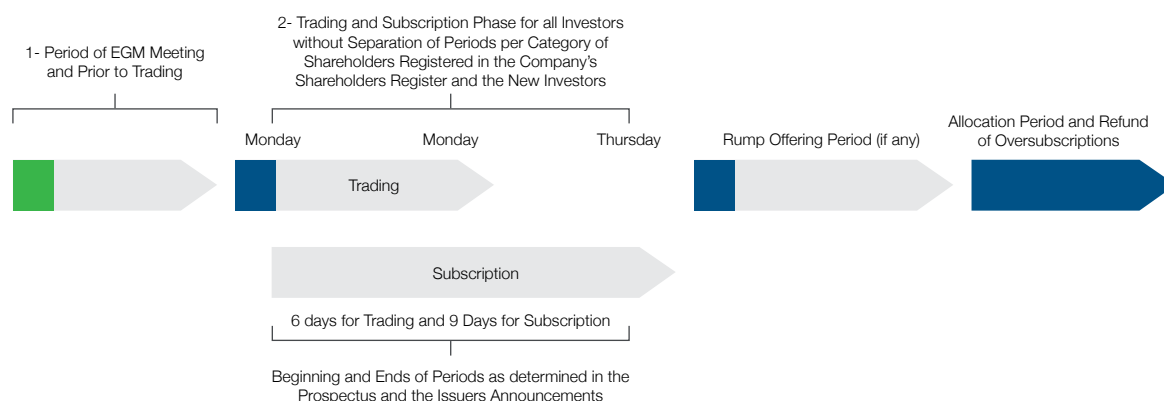
The investor who subscribed for the new shares prior to the publication of the supplementary Prospectus may cancel or amend his subscription for these shares before the end of the offering period.

12.8 Suspension or Cancellation of the Offering

The CMA may at any time issue a decision to suspend the offering if it deems that the offering may result in a breach of the capital market law, its implementing regulations, or the market rules. In addition, the offer will be canceled if the EGA does not approve any of the details of the offer.

The following figure shows the mechanism for trading and subscribing to the traded right issue.

Figure No. (2): Mechanism for trading and subscribing to the traded right issue.



12.9 Questions and Answers on Rights issue

What is a Rights issue?

Rights are tradable securities that give their holder the right to subscribe to the new shares offered, upon approval of the capital increase. All shareholders registered in the Company's shareholders register (at the Depository Center) at the close of the second trading day following the date the Extraordinary General Assembly at which the capital increase has been approved will be entitled to receive the Rights. Each right grants its holder eligibility to subscribe for one new share at the offering price.

Who is granted the Rights?

All registered shareholders recorded in the Company's shareholders register at the close of trading on the second trading day following the date of the Extraordinary General Assembly at which the capital increase has been approved.

Who is a Registered Shareholder?

Any shareholder whose name appears in the Company's Shareholders' Register at the end of second trading day following the Extraordinary General Assembly at which the capital increase has been approved.

When are the Rights deposited?

After the Extraordinary General Assembly convenes and its approval of the capital increase through the offering of Right issue shares, the Rights issue are deposited as securities in the shareholders' own portfolios in the Company's shareholders' register at the Depository Center at the end of the second trading day after the extraordinary general meeting. The shares will appear in their portfolios under a new symbol for Rights issue. Trading or subscribing to these rights will not be permitted until the beginning of the trading and subscription periods.

How are the investors notified of the Rights being deposited in their portfolios?

The notification is made through announcement on the Tadawul website, as well as through the (Tadawulaty) service provided by the Securities Depository Center Company, and short text messages sent through the brokerage firms.

How many Rights issue can be acquired by a registered shareholder?

The number is subject to the rights issue ratio and the number of the current shares held by the registered shareholder as at the close of the second trading day after the date of the Extraordinary General Assembly.

What is the Rights issue ratio?

It is the ratio that enables registered shareholders to know how many Rights he/she is entitled to in relation to the current shares that he/she already owned at the close of the second trading day after the date of the Extraordinary General Assembly meeting at which the capital increase has been approved. This parameter is calculated by dividing the number of new shares by the number of the current shares of the Company, and accordingly, the eligibility factor is (2.3) right approximately for every (1) share owned by the registered shareholder on the eligibility date, and accordingly, if a registered shareholder owns (1000) shares on the eligibility date, then he will be allocated (2,307) rights in exchange for the shares he owns.

Will the name and symbol for trading these rights differ from the name and symbol of the Company's shares?

Yes, the acquired rights will be added to the investors' portfolios under the name of the original share and by adding the word Rights issue, in addition to a new symbol for these rights.

What is the right's value upon the commencement of trading?

The opening price of the Rights is the difference between the Company's share closing price on the day preceding such Right's listing, and the Offer Price (indicative Rights value). For example: If the closing price of a share on the preceding day is SAR (40) Fourteen Saudi Riyals and the Offer Price is SAR (10) ten Saudi Riyals, the opening price of the Rights will, at the beginning of trading, be SAR (30) (40-10=30 Saudi Riyals).

Can Registered Shareholders subscribe for additional shares?

Yes, the registered shareholders can subscribe for additional shares by purchasing new Rights through the market during the trading period.

Is it possible for a Registered Shareholder to lose his eligibility to subscribe even if he has the right to attend the Extraordinary General Assembly and vote on the capital's increase through a Rights issue?

Yes, the shareholder loses his right to subscribe if he sells his shares on the day of the Extraordinary General Assembly meeting or one business day before it.

How does the subscription take place?

Subscription Applications are submitted through the investment portfolio in the trading platforms through which the buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the intermediaries and custodian.

In the event that the Company's shares are owned through more than one investment portfolio, in which portfolio the Rights will be deposited?

Rights will be deposited into the same portfolio where the related shares exist. For example, if a shareholder owns (1,000) (one thousand) shares in the Company, (800) of them in portfolio (A) and (200) in portfolio (B), then the total number of rights to be deposited are (8,000) (eight thousand) rights considering that each share has (8) rights. In this case, 6,400 (six thousand four hundred) rights will be deposited in portfolio (A) and 1,600 (one thousand six hundred) rights will be deposited in portfolio (B).

Are share certificate holders allowed to subscribe and trade?

Yes, they are allowed to subscribe. However, they will only be able to trade after depositing their certificates in electronic portfolios through the recipient or Tadawul Securities Depository Center Company ("Edaa") and submitting the requisite documents.

Are additional Rights purchasers entitled to trade them once again?

Yes, purchaser of additional rights may sell them and purchase other rights only during the trading period only.

When can a shareholder subscribe for the Rights he purchased during the Trading Period?

After settlement of the purchase of Rights (two working days), provided that he shall subscribe to the Rights during the Subscription Period.

Can a holder of Rights sell or assign them after expiry of the Trading Period?

That is not possible. After the expiry of the Trading Period, holder of the Rights may only exercise the right to subscribe for the Rights or not. In case the Right is not exercised, the investor may be subject to loss or decrease in the value of his investment portfolio or profit in the event that shares are sold in the Rump Offering Period at a price higher than the Offering Price.

What will happen to Rights that are unsold or unsubscribed during the Trading and Subscription Periods?

If the new shares are not fully subscribed for during the Subscription Period, the remaining new shares will be offered for subscription through an offering to be organized by the Lead Manager. The amount of compensation (if any) for the Rights holder will be calculated after deducting the subscription price. The investor may not receive any compensation if the sale occurs in the Rump Offering Period at the Offering Price.

What will happen in the event of subscribing to the new shares and selling the rights thereafter?

In the event that the Registered Shareholder subscribes and then sells the Rights, yet the number of purchased Rights is not equal to the number of Rights he subscribed for before the end of the trading period, then the subscription application will be entirely rejected in case all Rights are fully or partially sold, and the shareholder will be notified and refunded through his intermediary.

Who has the right to attend the Extraordinary General Assembly and vote to increase the Company capital by offering Right issue shares?

A shareholder who owns the share two days prior to the meeting of the Extraordinary General Assembly and is registered in the shareholders' register of the Company at the depository center after the end of the trading day of the Extraordinary General Assembly Day has the right to attend the Extraordinary General Assembly and vote on an increase in the Company capital by first proposing their right.

When is the share adjusted as a result of the Company capital increase by offering Right issue shares?

The share price is adjusted by the market before the start of trading on the day following the day of the Extraordinary General Assembly.

If an investor purchases security on the day of the Assembly, is he entitled to obtain the Right issue resulting from the increase in the issuer capital?

Yes, as the investor will be registered in the register of the shareholders of the Company after two business days from the date of the purchase of the shares (i.e., by the end of the second trading day on the day of the Extraordinary General Assembly meeting), knowing that the two rights of the first share will be awarded to the Company. The next trading day is the date of the Extraordinary General Assembly. However, he will not have the right to attend or vote in the Extraordinary General Assembly to increase the capital.

If the investor has more than one portfolio with more than one brokerage firm, how will his rights be calculated?

The investor share will be distributed to the portfolios owned by the investor, according to the percentage of ownership in each portfolio, and in case there are fractions, those fractions will be combined, and if you complete a correct number or more, the correct number is added to the shareholder in the portfolio.

What are Trading and Subscription periods?

Trading in and Subscription to the Rights shall commence at the same time until the end of trading on the sixth day, while Subscription shall continue until the ninth day, as stated in the Prospectus and the Company's issued announcements.

Is it possible to subscribe during the weekend?

No, that is not possible.

Can public investors other than registered shareholders subscribe to rights issue shares?

Yes, after completing the purchase of the Right issue during the Trading period.

Further Assistance:

In case of any inquiries, please contact the Company on the e-mail (investorsrelations@amana-coop.com.sa). For legal reasons, the Company will only be able to provide the information contained in this Prospectus and will not be able to provide advice on the merits of issuing rights or even provide financial, tax, legal or investment advice.

12.10 Decisions and Approvals According to Which Shares Will be Offered

On 14/06/1443H (corresponding to 17/01/2022G), the Company's Board has recommended to increase the Company's capital by issuing Rights Issue Share amounting to three hundred (300,000,000) million Saudi Riyals after obtaining the Saudi Central Bank's non-objection letter no (43083158) dated 24/09/1443H.(corresponding to 25/04/2022G).

On Sunday 28/10/1443H (corresponding to 29/05/2022G), the Company's Extraordinary General Assembly [EGA] approved the capital increase by issuing Rights Issue Share through offering 30 million ordinary shares at an offering price of ten (10) Saudi Riyals per share, at a nominal value of ten (10) Saudi Riyals, in order to increase the Company's capital from SAR130million to SAR430million and the increase in the number of shares from 13million ordinary shares to 43 million ordinary shares.

The application for listing the New Shares has been approved by the Saudi Exchange on Monday 22/10/1443H (corresponding to 23/05/2022G). Further, this Prospectus and all supporting documents requested by the CMA have been approved on the date of its announcement on the CMA's website on Monday 22/10/1443H (corresponding to 23/05/2022G).

12.11 Miscellaneous Items

- Subscription Application and all related terms, conditions and undertakings are binding and for the benefit of the applicants, their successors, assignees, will executors, estate managers and heirs, provided that, except for what is specifically stipulated in this Prospectus, the application or any rights, interests or obligations arising out of it shall not be waived or delegated to any of the parties referred to in this Prospectus without obtaining the prior written consent of the other party.
- These instructions, the conditions and any receipt of the Subscription Application or related contracts shall be governed, construed, interpreted and enforced in accordance with the laws of the Kingdom of Saudi Arabia.
- This Prospectus can be distributed in both Arabic and English. In the event of a difference between the two versions, the Arabic prevails.
- In spite of the CMA's approval of this Prospectus, this Offering may be suspended at any time after the CMA's approval of this Prospectus and prior to the acceptance and listing of the shares in the market, if the Company becomes aware that: (i) there has been a material change in the underlying basic information set out in this Prospectus or any documents that are required to be included under the Rules on the Offer of Securities and Continuous Obligations; or (ii) the raising of any additional information that should have been included in this Prospectus. In both of these cases, the Company is committed to submit to the CMA a supplementary Prospectus in accordance with the Rules on the Offer of Securities and Continuous Obligations. The supplementary Prospectus will then be issued and the new subscription dates will be announced. It is also possible to suspend this Offering if the Extraordinary General Assembly does not approve any of the details there

12.12 Statement of Any Existing Arrangements to Prevent Disposal of Certain Shares

There are no arrangements in place to prevent disposal of any shares.

13. Change in Share Price as a Result of The Capital Increase

The closing price of the Company's share on the day of the Extraordinary General Assembly is SAR (23.02), and is expected to reach SAR (13.94) at the opening day of the following day; this change represents a decrease of (60.65%). In the event that any of the shareholders registered in the Company's shareholders register at the Securities Depository Center (Edaa) fails to subscribe at the end of the second trading day following the date of the Extraordinary General Assembly approving the Capital Increase, this will lead to a decrease in their ownership percentage in the Company.

The method for calculating the share price as a result of the capital increase is as follows:

First: Calculation of the closing market value of the Company on the day of the Extraordinary General Assembly approving the Capital Increase:

The number of shares at the end of the Extraordinary General Assembly Day X The closing price of the Company's share on the day of the Extraordinary General Assembly = the market value of the Company at the close on the day of the Extraordinary General Assembly.

Second: Calculating the share price at the opening day of the day that follows the day of the Extraordinary General Assembly

(The market value of the Company at closing the day of the Extraordinary General Assembly + the value of the shares offered) / (the number of shares at the end of the day of the Extraordinary General Assembly + the number of shares offered for subscription) = the share price expected in the opening day following the day of the Extraordinary Ordinary General Assembly.

14. Subscription Declarations

14.1 Overview of the Subscription Applications and the Covenants

1. Subscription can be done through trading platforms or through any other means provided by the broker to the investors. New shares will be subscribed in upon one phase according to the following: Subscription to the New Shares will be available during the Subscription Period in one phase as follows:
2. During this period, all Registered Shareholders and New Investors will be entitled to subscribe to the New Shares.
3. Registered Shareholders will be entitled to subscribe directly to the number of their shares or less than the number of their shares during the Subscription Period, and if they acquire New Rights, they will be able to subscribe to them after the end of the settlement period (two business days).
4. New Investors will be entitled to subscribe to the New Shares after the end of settlement period (two business days).

Subscription will be available electronically through the investment portfolios in the trading platforms and applications through which sale and purchase orders are entered, in addition to subscription through other channels and means available at the broker.

- Each Right gives its holder the right to subscribe in one New Share at the Offering Price. Subscribers in New Shares acknowledge the following:
 - Acceptance of all the terms and conditions stated in this Prospectus.
 - They have carefully read this Prospectus and understood its contents.
 - Acceptance of the Company's by-laws.
 - Commitment not to cancel or amend the subscription application after its admission.

14.2 Allocation Processes

The shares will be allocated to each investor based on the number of Rights properly and fully exercised by it. As for shareholders entitled to Fractional Shares (if any), the fractions will be added together and offered to the Institutional Investors during the Rump Offering Period. The total remaining Offering Price will be paid to the Company, and the rest of the proceeds of the sale of the Rump Shares and Fractional Shares (i.e., in excess of the Offering Price, if any) will be distributed to the beneficiaries, each according to his dues, no later than Thursday 01/12/1443H (corresponding to 30/06/2022G). In case unsubscribed shares are remaining, the Underwriter will purchase them, and these shares will be allocated thereto.

Eligible Persons must contact the broker through which the Subscription Application Form was submitted for additional information. The allocation results will be announced no later than Sunday 27/11/1443H (corresponding to 26/06/2022G).

14.3 Saudi Tadawul Group (Tadawul)

Tadawul Saudi Arabia Group (Tadawul) which previously was Saudi Stock Exchange Company announced on 25/08/1442H. (corresponding to 07/04/2021G) its conversion to holding company under the name of Tadawul Saudi Group. The new legal form allows the group to further enhance the Saudi capital market and secure its continuity and development and is considered as preliminary step prior to list the company on Tadawul which took place in year 2021G. The Tadawul group includes the following subsidiaries being four companies: The Saudi Exchange Company ("Exchange"); Securities Depository Center Company ("Edaa"); The Securities Clearing Center Company ("Muqassa"); Tadawul Advanced Solutions Company ("WAMID") which will focus on solutions and pioneering technologies. This new organizational model will enable the Group to increase the diversification.

Tadawul system was established in 2001G as an alternative system to the electronic securities information system, and electronic stock trading began in the Kingdom in 1990. The trading process takes place through an integrated electronic system, starting with the execution of the deal and ending with its settlement. Trading takes place every business day from Sunday to Thursday in a single period from 10 am to 3 pm, during which orders are executed. Outside these times, orders are allowed to be entered, modified, and canceled from 9:30 in the morning until 10 in the morning.

The transactions are executed through automatic matching of orders, and orders are received and prioritized according to the price. In general, the market orders are executed first, which are the orders that include the best prices, followed by the fixed-price orders, and in the event that several orders are entered at the same price, they are executed according to the time of entry.

The Tadawul system distributes a comprehensive range of information through various channels, most notably the Tadawul website. Market data is provided instantly to well-known information providers such as "Reuters". Deals are automatically settled within two business days (T+2).

The Company must disclose all important decisions and information regarding investors through the "Tadawul" system. The Tadawul System is responsible for monitoring the market, with the aim of ensuring fair trading and the efficiency of market operations.

14.4 Trading the Company Shares in the Saudi Stock Exchange

An application was submitted with the CMA to register and offer the Right issue shares on the Saudi stock Exchange, and a request was made to the stock exchange (Tadawul) to be listed, and this Prospectus was approved, and all requirements were met.

It is expected to approve the registration and start trading in the Right issue shares in the Saudi stock Exchange after the final allocation of the Right issue shares has been completed. This will be announced in a timely manner on the Tadawul website. The dates mentioned in this Prospectus are preliminary and may be changed with the approval of the Capital Market Authority.

Although the existing shares are registered in the Saudi stock market and the Company is listed on the stock exchange (Tadawul), the new shares cannot be traded except after the final allocation of shares has been approved and deposited in the subscribers' portfolios. Trading in new shares prior to the approval of the allocation process is strictly prohibited.

The underwriters and the bidders of the Rump offering who deal in these prohibited trading activities bear full responsibility for them, and the Company will not bear any legal responsibility in this case.

15. Documents Available for Inspection

The following documents will be available for inspection at the head office of "AMANA" located in Riyadh city, Kingdom of Saudi Arabia, during the official working days from Sunday to Thursday between the hours of 8 in the morning until 4 in the evening, on the first working day after the Extraordinary General Assembly invitation, provided that the period is not less than 14 days before the date of the Extraordinary General Assembly. These documents will remain available for inspection until the end of the offering:

Documents Related to Incorporation and Company By-laws:

- Commercial Registration Certificate.
- By-laws.
- Articles of Association

Approvals Related to Capital Increase Shares:

- Board recommendation increasing the capital.
- Saudi Central Bank's non-objection on the capital increase
- Saudi Exchange conditional approval for the Rights Issue Offering
- CMA approval for the Rights Issue Offering.
- EGM resolution on the capital increase*

Reports, Letters and Documents:

- Underwriting agreement and lead management agreement.
- Written consent of AlKhair Capital Saudi Arabia as financial advisor, lead manager, underwriter,
- Written consent of AlSaleh, AlSahli & Partner LLP as legal advisor
- Written consent of three external auditors being [Ibrahim AlBassam&Partners – (2) AlDar Audit Abdullah AlBassro & Partners and (3) AlSayed Alayoutti & Partners and (4) AlAdhom AlSudairi AlSheikh & Partners
- Regarding the inclusion and use of their names, logos and statements in the Prospectus.

www.amana.sa

