

Agreed-upon procedures report factual findings in connection with the accumulated losses of the Company shown in the unaudited financial position completing the requirements of “Procedures and instructions related to listed Companies with reduction of its accumulated losses below 20% of its share capital” which stated:

To the Shareholders
Salama Cooperative Insurance Company,
(A Saudi Joint Stock Company)
Jeddah, Kingdom of Saudi Arabia

Purpose of this Agreed-Up Procedures Report

Our report is solely for the purpose of compliance with the requirements of “Procedures and instructions related to listed Companies with Accumulated Losses reaching below 20% of their share capital” issued by the Capital Market Authority and may not be suitable for any other purpose.

Management’s Responsibilities

The management has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The management is responsible for the subject matter on which the agreed-upon procedures are performed.

Our Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Up Procedures Engagement*, that is endorsed in the Kingdom of Saudi Arabia. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with Salama Cooperative Insurance Company and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the International Code of Ethics for Professional Accountants, issued by the International Ethics Standard Board for Accountants, that is endorsed in the Kingdom of Saudi Arabia by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”), “referred as IESBA Code” and the independence requirements in Part 4A of IESBA Code.

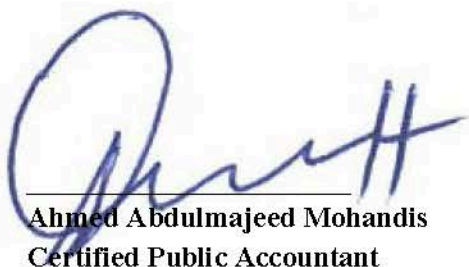
Our firm applies International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, that is endorsed in the Kingdom of Saudi Arabia and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with Salama Cooperative Insurance Company in the terms of engagement dated 11 December 2023, on reducing of the accumulated losses below 20% from their share capital:

S.no	Procedures	Findings
1	Obtaining the financial position of the Company showing the new capital after the right issue increase as on 07 December 2023, as well as the accumulated losses on that date.	We have obtained the Company's internally prepared statement of financial position as at 07 December 2023 (as in Appendix A) without any exception noted.
2	Obtaining the initial internally prepared financial position (unaudited) as on 07 December 2023 approved by the Company's management.	We have obtained the Company's internally prepared statement of financial position as at 07 December 2023 (as in Appendix A) as approved by the Company's management without any exception noted.
3	Recalculate the percentage of accumulated losses and verify that it is below than 20%.	We have recalculated the percentage of accumulated losses as of 07 December 2023. The percentage is 15.90%.
4	Checking the arithmetical accuracy.	No exceptions noted.

For Al Bassam & Co.



Ahmed Abdulmajeed Mohandis
Certified Public Accountant
License No. 477

Jeddah, Kingdom of Saudi Arabia
13 December 2023
(29 Jumada-Al-Awwal 1445H)



Public

APPENDIX “A”

	7 December 2023 (Unaudited)	30 September 2023 (Unaudited)	31 December 2022 (Restated – Notes 3 and 4) (Unaudited)
ASSETS			
Cash and cash equivalents	121,212	162,438	134,765
Term deposits	374,424	197,646	239,043
Investments	131,489	141,494	121,922
Prepaid expenses and other assets	47,540	34,144	30,009
Reinsurance contract assets	75,274	68,220	75,029
Right-of-use assets	18,288	19,072	17,454
Property and equipment	5,156	4,954	5,154
Intangible assets	894	952	1,021
Statutory deposit	37,500	37,500	37,500
Accrued commission income on statutory deposit	2,242	1,833	4,913
TOTAL ASSETS	814,019	668,253	666,810
LIABILITIES			
Insurance contract liabilities	510,457	465,447	524,418
Reinsurance contract liabilities	-	297	-
Accrued and other liabilities	35,262	37,807	20,785
Lease liabilities	19,837	20,204	18,493
Employee benefit obligations	6,931	6,397	6,716
Provision for zakat	33,442	32,442	30,629
Accrued income payable to SAMA	2,242	1,833	4,913
TOTAL LIABILITIES	608,171	564,427	605,954
EQUITY			
Share capital	200,000	100,000	100,000
Statutory reserve	-	-	-
Accumulated losses	(31,791)	(33,813)	(76,783)
Fair value reserve for investments	37,780	37,780	37,780
Remeasurement reserve of employees benefit obligations	(141)	(141)	(141)
TOTAL EQUITY	205,848	103,826	60,856
TOTAL LIABILITIES AND EQUITY	814,019	668,253	666,810


 Chief Financial Officer


 Chief Executive Officer