

Offer Document

Issued by Salama Cooperative Insurance Company (“Salama Company”) and addressed to the shareholders of Saudi Enaya Cooperative Insurance Company (“Enaya Company”) regarding the offer submitted to the shareholders of Enaya Company for the purpose of merging Enaya Company into Salama Company in exchange for issuing new shares to them in Salama Company, in accordance with the provisions of Article (225) and Articles (227) to (229) of the Companies Law, and the provisions of sub-paragraph (1) of paragraph (a) of Article (49) of the Merger and Acquisition Regulations.

This document contains important information regarding the Merger Transaction, and therefore it should be read in full and all its sections reviewed carefully, particularly “Important Notice” section prior to voting on any resolution relating to the Merger Transaction. In case of any uncertainty regarding the decision to be made at the extraordinary general assembly relating to The Merger Transaction or regarding the offer, independent advice should be obtained from a CMA licensed independent financial Advisor should be consulted.

Salama Company entered into a binding merger agreement with Enaya Company on 20/02/1447H (corresponding to 14/08/2025G) (the “Merger Agreement”) for the purpose of merging Enaya Company into Salama Company and transferring all of its assets and liabilities to Salama Company (the “Merger Transaction”), in return for Salama Company issuing eighteen million eight hundred ninety-four thousand (18,894,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share to the shareholders of Enaya Company (the “Consideration Shares”). through increasing Salama Company’s share capital from three hundred million (300,000,000) Saudi Riyals to four hundred eighty-eight million nine hundred forty thousand (488,940,000) Saudi Riyals and increasing its number of shares from thirty million (30,000,000) shares to forty-eight million eight hundred ninety-four thousand (48,894,000) shares, representing an increase of 62.98% in the current share capital of Salama Company. the Merger Transaction is subject to the conditions set out in the Merger Agreement and summarized in section (2-3-1) (“Merger Agreement”), and none of these conditions may be amended or waived except with the written approval of both companies. Salama Company announced on 23/02/1447H (corresponding to 17/08/2025G) the execution of the Merger Agreement and its firm intention to proceed with the Merger Transaction and to submit an offer to the shareholders of Enaya Company for this purpose.

Salama Company confirms its ability to settle its debts in accordance with paragraph (2) of Article (225) of the Companies Law, and also confirms the ability of Enaya Company to do so based on the information provided by it. The two companies announced the Merger Transaction and the mechanism for creditors of Enaya Company to submit objections, in accordance with Article (227) of the Companies Law, at least thirty (30) days before convening the extraordinary general assembly meetings of both companies to vote on the merger resolutions, whereby such creditors are granted a period of fifteen (15) days from the date of the announcement to submit any objections in accordance with Article (227) of the Companies Law and the mechanism to be specified in the announcement (the “Creditors’ Objection Period”). Enaya Company must settle the objecting creditor’s debt if it is due, or provide adequate security for its settlement if it is deferred. A creditor who notified Enaya Company of his objection to the merger during the Creditors’ Objection Period, and whose debt was not settled if due, or who was not provided with sufficient warranty if deferred, may apply to the competent judicial authority within not less than ten (10) days before the date scheduled for voting on the merger resolutions. The competent judicial authority may, in such case, order the settlement of the debt if due or the provision of warranty if deferred. If it determines that the merger would result in severe harm to the objecting creditor and that the two companies are unable to settle the debt or provide warranty, it may order the suspension or postponement of the merger, provided that its decision is issued prior to the effectiveness of the merger resolution. If the competent judicial authority does not decide on the creditor’s objection before the effectiveness of the merger resolution and later determines the validity of the objecting creditor’s claim, it may issue a decision awarding compensation for any damages suffered as a result of the merger.

Under the Merger Transaction, Enaya Company will be merged into Salama Company in consideration of Salama Company issuing the Consideration Shares to the shareholders of Enaya Company. Pursuant to the Merger Agreement, following the approval of the extraordinary general assembly of both Salama Company and Enaya Company in relation to the Merger Transaction (referred to as the “**Issuance of the Merger Resolution**”), the shareholders of Enaya Company registered in its shareholders’ register at the end of the second trading period following the Issuance of the Merger Resolution will receive (0.8214782608695650) shares in Salama Company for each share they own in Enaya Company (the “**Exchange Ratio**”). Upon satisfaction of all conditions of the Merger Agreement and the effectiveness of the Merger Resolution, Salama Company will continue to exist, while Enaya Company will dissolved by operation of law and all of its shares will be cancelled in accordance with Article (225) and Articles (227) to (229) of the Companies Law, and sub-paragraph (1) of paragraph (a) of Article (49) of the Merger and Acquisition Regulations. All of its rights, obligations, assets, and contracts will be transferred to Salama Company. (For further details regarding the conditions of the Merger Transaction, please refer to section (2-4) (“**Procedures Required for the Issuance and Effectiveness of the Merger Resolution**”).

If the offer is fully accepted by the shareholders of Enaya Company in relation to the Merger Transaction (through the approval of the extraordinary general assembly of Enaya Company of the Merger Transaction) and all other conditions of the Merger Transaction are satisfied, as summarized in section (2-3-1-1) (“**Conditions of the Merger Agreement**”), this will result in an increase in the share capital of Salama Company from three hundred million (300,000,000) Saudi Riyals to four hundred eighty-eight million nine hundred forty thousand (488,940,000) Saudi Riyals, and an increase in its number of shares from thirty million (30,000,000) shares to forty-eight million eight hundred ninety-four thousand (48,894,000) shares. the shareholders of Enaya Company will then own 38.64% of the share capital of Salama Company after the capital increase. For further details on the effects of the Merger Transaction on Salama Company and Enaya Company and the rationale behind it, please refer to section (2-2) (“**Rationale and Drivers of The Merger Transaction**”).

All shares of Salama Company are of a single class, and no share grants its holder any preferential rights. The Consideration Shares will be issued from the same class as Salama Company’s existing shares and will carry the same rights, including the right to vote and the right to receive dividends. holders of the Consideration Shares will be entitled to receive any dividends declared by Salama Company after the date of issuance of the Merger Resolution, in accordance with the applicable record date for each declared dividend.

The total value of the Merger Transaction will be determined based on the value of The Consideration Shares. The total nominal value of The Consideration Shares amounts to one hundred eighty-eight million nine hundred forty thousand (188,940,000) Saudi Riyals. The total market value of The Consideration Shares amounts to two hundred thirty-four million two hundred eighty-five thousand six hundred (234,285,600) Saudi Riyals, based on the closing price of Salama Company’s share of twelve Saudi Riyals and forty halalas (12.40) as of 19/02/1447H (corresponding to 13/08/2025G), which is the last trading day preceding the execution of the Merger Agreement . the total value of The Consideration Shares to be reflected in the financial statements of Salama Company will be determined at a later stage based on the closing price of Salama Company’s share on the last trading day preceding the issuance of The Consideration Shares.

It should be noted that the Merger Transaction is conditional upon obtaining the approval of the extraordinary general assembly of Salama Company relating to the Merger Transaction, as well as obtaining the approval of the extraordinary general assembly of Enaya Company relating to the Merger Transaction. Following the issuance of the Merger Resolution, all shareholders of Enaya Company (including shareholders who voted against or did not participate in the vote) will receive The Consideration Shares in Salama Company in accordance with the Exchange Ratio. It should also be noted that, pursuant to the requirements of paragraph (n) of Article (3) of the Merger and Acquisition Regulations, any shareholder who owns shares in both Salama Company and Enaya Company may vote on matters relating to the Merger Transaction only at the extraordinary general assembly of one of the two companies. For further details on the conditions of the Merger Transaction and the procedures required for the issuance and effectiveness of the Merger Resolution, please refer to section (2-3-1) (“**Merger Agreement**”) and section (2-4)

("Procedures Required for the Issuance and Effectiveness of the Merger Resolution") of this document. For clarification, once the Creditors' Objection Period has expired, the approval of the Merger Resolution has been obtained, and all other conditions of the Merger Transaction have been satisfied (including the non-occurrence of a Material Adverse Event and the non-breach of the warranties provided by both parties), and after updating the commercial registrations of both companies, the Merger Transaction will be implemented. As a result, Enaya Company will be dissolved by operation of law, and all of its shares will be cancelled. (For further information on the conditions of the Merger Agreement, please refer to section (2-3-1-1) "Conditions of the Merger Agreement").

Salama Company was established pursuant to Royal Decree No. (M/60) dated 18/09/1427H (corresponding to 11/10/2006G). It is a joint stock company registered in the commercial register under No. (4030169661) dated 06/05/1428H (corresponding to 23/05/2007G), with its head office located in Jeddah, Salama Tower, Madinah Road, P.O. Box 7864, Jeddah 23525. The Company holds a license to conduct insurance business issued by the Insurance Authority under No. T M N /04/20079) dated 29/08/1428H (corresponding to 11/09/2007G). the current share capital of Salama Company amounts to three hundred million (300,000,000) Saudi Riyals, divided into thirty million (30,000,000) fully paid ordinary shares with a nominal value of ten (10) Saudi Riyals per share, and is listed on the Saudi Exchange (Tadawul).

As of the date of this document, there is no major shareholder owning 5% or more of the shares of Salama Company or **Enaya Company**. The table below sets out the ownership details of Salama Company before and after the effectiveness of the Merger Resolution and the deposit of The Consideration Shares, based on the shareholders' register at the end of the trading day on Monday, 05/05/1447H (corresponding to 27/10/2025G):

Shareholder	Before the effectiveness of the Merger Resolution		After the effectiveness of the Merger Resolution ⁽¹⁾	
	Number of shares in Salama Company	Ownership percentage in Salama Company	Number of shares in Salama Company	Ownership percentage in Salama Company
Members of the Board of Directors of Salama Company ^{(3) (2)}	8,065	0.03%	8,065	0.02%
Public	29,991,935	99.97%	48,885,935	99.98%
Total	30,000,000	100%	48,894,000	100%

- (1) The ownership of Enaya Company shareholders will amount to (38.64%) of the capital of Salama Company after the effectiveness of the merger decision and the deposit of The Consideration Shares and based on the information provided by Enaya Company this ownership will entirely be considered part of the public ownership after the effectiveness of the merger decision and the deposit of The Consideration Shares.
- (2) Based on the shares directly owned by the members of the Board of Directors, as there is no indirect ownership by the members of the Board of Directors or senior executives. For more information on the interest in the shares, please refer to Section (3-3) ("Ownership of Salama Company Board of Directors").
- (3) The shares owned by the Board member Mr./ Bader Khalid Alanzi were calculated once, as he holds the position of Chief Executive Officer of Salama Company and directly owns 1,000 shares, and he has no indirect ownership.

The Merger Transaction does not involve any related parties, and none of the members of the Board of Directors of Salama Company has any interest in the Merger Transaction. According to the confirmation provided by Enaya Company, none of its Board members has any interest in the Merger Transaction.

If the calculation of the number of shares due to any shareholder of Enaya Company based on the Exchange Ratio results in fractional shares, the resulting number will be rounded down to the nearest whole number. For example, if a shareholder of Enaya Company owns one hundred (100) shares in Enaya Company, he will be allocated eighty-two (82) of The Consideration Shares, not eighty-two point fifteen (82.15) shares. Fractional shares will be aggregated and sold in the market on behalf of the shareholders of Enaya Company, and the proceeds from the sale of such fractional shares will be distributed to the entitled shareholders according to their respective entitlements, after deducting the costs associated with the sale of the fractional shares from the total sale proceeds.

After the issuance of The Consideration Shares, the current shareholders of Salama Company will own 61.36% of the share capital of Salama Company after the issuance of the Merger Resolution, while the shareholders of Enaya Company will own 38.64% of the share capital of Salama Company after the issuance of the Merger Resolution.

Salama Company has submitted an application to the Capital Market Authority to register and offer The Consideration Shares, as well as an application to the Saudi Exchange (Tadawul) to approve the listing of The Consideration Shares. This document has been submitted to the Capital Market Authority, and approval has been granted for its publication. All requirements of the Capital Market Authority have also been satisfied. Subject to obtaining the necessary approvals from the extraordinary general assembly of Salama Company relating to the Merger Transaction and the extraordinary general assembly of Enaya Company relating to the Merger Transaction, all regulatory approvals relating to the Merger Transaction and the capital increase of Salama Company have been obtained. For further details in this regard, please refer to section (2-4-1) (“**Governmental Approvals**”).

Salama Company has issued this document and addressed it to the shareholders of Enaya Company. This document has been prepared in accordance with the requirements of Article (38) of the Merger and Acquisition Regulations. Salama Company, its Board members, executives, and employees bear no responsibility for the accuracy, correctness, or completeness of the information relating to Enaya Company, its shareholders, or its Board members included in this document, noting that all such information was obtained from Enaya Company in the context of **the Merger Transaction** and through Salama Company’s conduct - assisted by its advisors - of due diligence on Enaya Company. It should further be noted that Enaya Company is obligated under the Merger Agreement to provide Salama Company with all information relating to Enaya Company required for the preparation of this document. Enaya Company has also provided a warranty to Salama Company under the Merger Agreement (consistent with standard practice in such agreements) regarding the accuracy and completeness (in all material respects) of the information provided to Salama Company in connection with the Merger Transaction as of the date it was provided, including information submitted during the due diligence phase and during the preparation of the documents related to the merger, including this document, and that such information is not misleading in any material respect. Enaya Company has further warranted under the Merger Agreement that it has not concealed any material information relating to the Merger Transaction from Salama Company.

This document has been published at a time close to the publication of the Board Circular of **Enaya Company** issued in relation to the Merger Transaction. The Board Circular of Enaya Company contains information relating to the Merger Transaction and the view of the Board of Directors of Enaya Company on the transaction. The members of the Board of Directors of Salama Company, whether collectively or individually, bear no responsibility toward the shareholders of Enaya Company with respect to the information included in the Board Circular of Enaya Company. Accordingly, the members of the Board of Directors of Salama Company, whether collectively or individually, do not

provide any representations or warranties, whether express or implied, regarding the accuracy, correctness, or completeness of the information included in the Board Circular of Enaya Company.

Shareholders of Enaya Company should read this document in full and review all of its sections carefully, in particular the "Important Notice" section, and should also read the board circular of Enaya Company in full and carefully before voting on the resolution of the extraordinary general assembly of Enaya Company relating to the Merger Resolution.

Salama Company appointed Estidamah Capital Company (Estidamah Capital) as financial advisor regarding The Merger Transaction.

Financial Advisor

استدامة
الأعمال المالية Estidamah Capital

The Capital Market Authority and the Saudi Exchange (Tadawul) assume no responsibility for the contents of this offer document. They make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon any part of this document.

This Shareholders' Circular was published on: 13/06/1447H (corresponding to 04/12/2025G) and has been prepared in both the Arabic and English languages, and the Arabic language is considered the governing language. Therefore, in the event of any difference between the Arabic and English texts, the Arabic text shall prevail.



Shareholders' Circular

Prepared by

**SALAMA COOPERATIVE
INSURANCE COMPANY**

Important Notice

This document contains detailed information regarding the Merger Transaction, and it is intended to provide information to the shareholders of Enaya Company concerning the Merger Transaction and the offer submitted by Salama Company to the shareholders of Enaya Company. It should be noted that obtaining the approval of the shareholders of both Enaya Company and Salama Company for the Merger Transaction is one of the conditions of the Merger Transaction. The vote of the shareholders of Enaya Company on the Merger Transaction shall be considered based solely on the information contained in this document and in the Board Circular of Enaya Company.

The Capital Market Authority and the Saudi Exchange (Tadawul) assume no responsibility for the contents of this offer document. They make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from or reliance upon any part of this document.

The information, data, and statements contained in this document have been provided as of the date of publication of this document, unless another date is expressly specified for any of the information, data, or statements included herein. The information contained in this document is subject to change after the date of its publication. Accordingly, the publication of this document does not necessarily imply that none of the facts or information relating to Salama Company or Enaya Company included in this document have changed since the date of its publication. None of the information contained in this document should be considered as forecasts or projections of the future financial performance of Salama Company or Enaya Company, nor should any statement in this document be considered as an assurance that the future earnings per share of Salama Company will be equal to or exceed its earnings per share in previous financial periods.

It should also be noted that no person has been authorized to provide any information or statements on behalf of the Board of Directors of Salama Company other than what is disclosed in this document. Accordingly, no reliance should be placed on any information or statements issued by other parties on the basis that they have been issued by Salama Company, Estidamah Capital Company, or any of Salama Company's advisers in connection with the Merger Transaction.

This document should not be considered as a recommendation by Salama Company, its Board members, or any of its advisers regarding the Merger Transaction or how to vote on it. This document does not contain all information relating to Salama Company, nor does it include all information that must be taken into account when making any investment decision related to the Merger Transaction. Furthermore, the information contained in this document is of a general nature and has been prepared without taking into consideration the individual investment objectives, financial situation, or specific investment needs of any particular recipient of this document. Each recipient of this document is responsible for obtaining independent professional advice from a CMA licensed Financial Advisor regarding the Merger Transaction.

Copies of this document may be obtained from the headquarters of Salama, or by visiting the Salama website (<https://www.salama.com.sa>), the Capital Market Authority's website (<https://cma.org.sa>), or the Saudi Exchange (Tadawul) website (www.saudiexchange.sa). Except for the Offer Document, none of the content available on the aforementioned websites shall be considered as forming part of this document, and Salama assumes no responsibility for the content of such websites.

Salama has appointed Estidamah Capital Company as its Financial Advisor in connection with the Merger Transaction. Estidamah Capital Company - a CMA-licensed Financial Institution in the Kingdom of Saudi Arabia - is acting as the exclusive Financial Advisor to Salama with respect to the Merger Transaction and shall not be responsible to any party other than Salama for providing advice regarding the Merger Transaction or any other matter referred to in this document.

Neither Estidamah Capital Company nor any of the other advisors or auditors referred to in the (“

Company Directory)” section has independently verified the accuracy or completeness of the information and data contained in this document. Accordingly, none of such advisors, nor any of their affiliates, directors, or employees, accepts any responsibility for any direct or indirect loss or damage that may be incurred by any person as a result of relying on any information herein, or due to any inaccuracy, error, or omission in any of the information or data included in this document.

This document does not constitute, and should not be regarded as, legal, financial, zakat, or tax advice. In the event of any uncertainty regarding the legal, financial, zakat, or tax implications, consequences, or provisions, specialized advice should be obtained from licensed legal, financial, and tax advisors regarding such matters.

If any shareholder has any doubt regarding the vote they should cast at the Extraordinary General Assembly Meeting of Enaya Company concerning the Merger Transaction, an independent financial advisor licensed by the Capital Market Authority should be consulted.

The Merger Transaction relates to securities of Saudi companies listed on the Saudi Exchange (Tadawul), and the Consideration Shares constitute securities issued by a Saudi company. Accordingly, this document, and any other documents or announcements relating to the Merger Transaction, have been and will be prepared solely in accordance with the disclosure requirements applicable in the Kingdom of Saudi Arabia. The type and presentation of information contained herein may differ had it been prepared in accordance with the laws of any other jurisdiction. Salama Company does not intend to take any action to publish or register this document or the Consideration Shares in any jurisdiction other than the Kingdom of Saudi Arabia.

Forward-Looking Statements

This Circular contains certain forward-looking statements. Such forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, “expects,” “aims,” “estimates,” “intends,” “plans,” “will,” “believes,” “seeks,” “may,” “shall,” “can,” “should,” or the negative forms of these words, or other comparable expressions with a similar meaning. The forward-looking statements included in this Circular comprise, without limitation: (1) the expected benefits of the Merger Transaction, the forward-looking forecasts relating to financial performance and financial conditions, and other future events; (2) the business, management, expansion, and development strategies of Salama Company following the Merger Transaction; and (3) the Merger Transaction itself and the dates on which such events are expected to occur.

The forward-looking statements contained in this Circular reflect the current view of Salama Company and its management and are based on numerous assumptions, including those relating to the current and future business strategies of Salama Company and the regulatory environment in which Salama Company will operate in the future. These forward-looking statements do not constitute a promise or guarantee of future events, given the existence of many factors - both known and unknown - that may affect future events and may cause actual outcomes to differ materially from those expressly or implicitly expected in this Circular. The risks associated with forward-looking statements are considered to be outside the control of Salama Company and cannot be precisely assessed, such as future market conditions and the conduct of other market participants. Accordingly, recipients of this Circular must read such forward-looking statements in light of this notice and should not rely on them.

All forward-looking statements, whether oral or written, issued by Salama Company or by any persons acting on its behalf are expressly and entirely subject to the **Important Notice** contained in this section.

Salama Company will not amend or update any forward-looking statement contained in this Circular except as required under applicable laws and regulations.

Restrictions on the Distribution and Circulation of the Offer Document

This Offer Document is directed to the shareholders of Enaya Company, subject to any restrictions imposed by the laws and regulations of any relevant restricted jurisdiction. This Offer Document does not constitute an offer to sell or a solicitation of an offer to buy any securities to any person in any jurisdiction where such an offer or solicitation is not permitted.

Notice to Shareholders of Enaya Company Residing Outside the Kingdom

Although all shareholders of Enaya Company are entitled to attend the Extraordinary General Assembly of Enaya Company convened to vote on the resolutions relating to the Merger Transaction (subject to any statutory restrictions or other limitations imposed under the laws and regulations applicable in the Kingdom of Saudi Arabia), shareholders of Enaya Company residing outside the Kingdom should note that this Document has not been submitted to, nor registered with, any regulatory authority outside the Kingdom of Saudi Arabia. Accordingly, if any shareholder of Enaya Company resides in a jurisdiction whose laws require Salama Company to undertake any steps or formalities to enable such shareholder to vote on the resolutions relating to the Merger Transaction in a lawful manner, the shareholder must be aware that Salama Company has not undertaken such steps. Therefore, the relevant shareholder must refrain from participating in the vote on the resolutions proposed at the Extraordinary General Assembly of Enaya Company relating to the Merger Transaction. If, however, such shareholder proceeds to vote on the resolutions of the Merger Transaction despite the above, Salama Company, in agreement with Enaya Company, shall have the right not to proceed with the Merger Transaction unless the Merger Transaction has been approved by the required majority of Enaya Company shareholders excluding the votes cast by the concerned shareholder.

Financial and Other Information

The financial statements of Salama Company and Enaya Company for the financial years ended 31 December 2022, 31 December 2023, and 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the Kingdom of Saudi Arabia, as well as other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). These financial statements can be accessed through Salama Company's website (<https://www.salama.com.sa>) or the website of the Saudi Exchange (Tadawul) (<https://www.saudiexchange.sa>), and the financial statements of Enaya Company can be accessed through its website (<https://saudienaya.com>) or the Saudi Exchange website (<https://www.saudiexchange.sa/>).

It should be noted that certain financial information included in this Document is based on management estimates and has not been independently audited by external auditors or others, except where explicitly stated otherwise. All amounts are presented in Saudi Riyals unless otherwise disclosed.

Figures included herein, when aggregated or calculated, may differ from the totals shown in this Document due to rounding. This Document also includes percentages and ratio figures, which are approximate and presented for illustrative purposes only. Furthermore, the ownership percentages following the issuance of the Merger Resolution and the deposit of the Consideration Shares have been calculated based on the total number of shares, without taking into account any pre-existing shareholdings of any shareholder of Enaya Company or Salama Company in the other company, as applicable.

Company Directory

Salama Cooperative Insurance Company

Salama Cooperative Insurance Company

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Representatives of Salama Cooperative Insurance Company

Muntaser Mohammed Foudah

Chairman of the Board of Directors

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Bader Khalid Alanzi

Member of the Board of Directors and Chief Executive Officer

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Legal Advisor for Salama Company

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Consultations

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Auditors of Salama Company for the Financial Year Ended 31 December 2024G

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Auditors regarding the Pro Forma Consolidated Financial Information for the Year Ended 31 December 2024G

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Disclaimer: The advisors and auditors whose names are listed above have provided their written consent to the publication of their names, addresses, logos, and statements in accordance with the context contained in this Circular (as applicable), and none of them has withdrawn that consent as of the date of this Circular. Furthermore, none of the advisors have ownership in Salama Company shares that could affect their independence.

The Key Dates and Key Stages of The Merger Transaction

The following table outlines the expected timeline of the key events related to The Merger Transaction. The dates listed below are approximate, and Salama Company (or Enaya Company or the Saudi Exchange (Tadawul), as the case may be) will make an announcement when the actual events occur that require announcement on the website of the Saudi Exchange (Tadawul) in accordance with the relevant laws and regulations, including any changes that may occur to the timeline.

Event	Timeline/ Expected Date
1. Required Procedures Regarding the Extraordinary General Assembly and the Creditors' Objection Period	
Submission of the final draft of the Offer Document to the Capital Market Authority.	The final draft of the Offer Document was submitted to the Capital Market Authority on 05/06/1447H (corresponding to 26/11/2025G).
The Capital Market Authority's approval on the Capital Increase application and on the publication of the Offer Document.	Monday 10/06/1447H (corresponding to 01/12/2025G)
Announcement by the two companies of The Merger Transaction and the method of objection for Enaya Company creditors, in accordance with Article (227) of the Companies Law	Wednesday 12/06/1447H (corresponding to 03/12/2025G)
Publication of the Offer Document, Shareholders' Circular, and Circular of the Board of Directors of Enaya Company	Thursday 13/06/1447H (corresponding to 04/12/2025G)
Providing documents available for inspection.	Thursday 13/06/1447H (corresponding to 04/12/2025G)
Approval of the Capital Market Authority on the convening of both the Extraordinary General Assembly of Salama Company regarding The Merger Transaction and the Extraordinary General Assembly of Enaya Company regarding The Merger Transaction	Monday 17/06/1447H (corresponding to 08/12/2025G)
Announcement on the Saudi Exchange (Tadawul) website of the call for the Extraordinary General Assembly of Salama Company regarding The Merger Transaction (with reference to the possibility of holding a second meeting one hour after the end of the specified time for the first meeting, in the event that the necessary legal quorum for the meeting is not met)	[Thursday] [20]/ [06]/1447H (corresponding to [11]/[12]/2025G)
Announcement on the Saudi Exchange (Tadawul) website of the call for the Extraordinary General Assembly of Enaya Company regarding The Merger Transaction (with reference to the possibility of holding a second meeting one hour after the end of the specified time for the first meeting, in the event that the necessary legal quorum for the meeting is not met)	[Thursday] [20]/ [06]/1447H (corresponding to [11]/[12]/2025G)
Expiration of the Objection Period for Enaya Company creditors	[Thursday] [27]/ [06]/1447H (corresponding to [18]/[12]/2025G)
Announcement by Enaya Company regarding the existence or non-existence of creditors' objections	[Sunday] [01]/ [07]/1447H (corresponding to [21]/[12]/2025G)
Start of the electronic voting period for shareholders in the Extraordinary General Assembly of Salama Company on the agenda items of the Assembly	[Wednesday] [11]/ [07]/1447H (corresponding to [31]/[12]/2025G)

Event	Timeline/ Expected Date
Start of the electronic voting period for shareholders in the Extraordinary General Assembly of Enaya Company on the agenda items of the Assembly	[Wednesday] [11]/ [07]/1447H (corresponding to [31]/[12]/2025G)
Convening of the Extraordinary General Assembly of Salama Company regarding The Merger Transaction (First Meeting) – The legal quorum for the Assembly is met by the attendance of shareholders representing at least half of the shares of Salama Company that have voting rights	[Sunday] [15]/ [07]/1447H (corresponding to [04]/[01]/2026G)
Convening of the Extraordinary General Assembly of Salama Company regarding The Merger Transaction (Second Meeting) in the event that the necessary legal quorum for the First Meeting is not met - The legal quorum for the Assembly is met by the attendance of shareholders representing at least a quarter of the shares of Salama Company that have voting rights.	After one hour from the end of the specified time for the convening of the First Extraordinary General Assembly meeting which the necessary legal quorum for its convening was not met.
Convening of the Extraordinary General Assembly of Enaya Company regarding The Merger Transaction (First Meeting) – The legal quorum for the Assembly is met by the attendance of shareholders representing at least half of the shares of Enaya Company that have voting rights	[Sunday] [15]/ [07]/1447H (corresponding to [04]/[01]/2026G)
Convening of the Extraordinary General Assembly of Enaya Company regarding The Merger Transaction (Second Meeting) in the event that the necessary legal quorum for the First Meeting is not met – The legal quorum for the Assembly is met by the attendance of shareholders representing at least a quarter of the shares of Enaya Company that have voting rights	After one hour from the end of the specified time for the convening of the First Extraordinary General Assembly meeting which the necessary legal quorum for its convening was not met.
Publication of the merger resolution taken at the First Meeting or the Second Meeting of the Extraordinary General Assembly of Salama Company regarding The Merger Transaction on the Saudi Exchange (Tadawul) website (or the announcement of the non-convening of the Extraordinary General Assembly in the event that its legal quorum is not met)	At the earliest opportunity after the convening of the Extraordinary General Assembly, and this is expected to take place on: [Monday] [16]/ [07]/1447H (corresponding to [05]/[01]/2026G)
Publication of the merger resolution taken at the First Meeting or the Second Meeting of the Extraordinary General Assembly of Enaya Company regarding The Merger Transaction on the Saudi Exchange (Tadawul) website (or the announcement of the non-convening of the Extraordinary General Assembly in the event that its legal quorum is not met)	At the earliest opportunity after the convening of the Extraordinary General Assembly, and this is expected to take place on: [Monday] [16]/ [07]/1447H (corresponding to [05]/[01]/2026G)
2. The Procedures that will be followed in the event the Legal Quorum for the First and Second Extraordinary General Assembly Meetings is not met	
Approval of the Capital Market Authority on the Invitation for the Third Extraordinary General Assembly Meeting of Salama Company regarding The Merger Transaction or the Third Extraordinary General Assembly Meeting of Enaya Company regarding The Merger Transaction	[Wednesday] [18]/ [07]/1447H (corresponding to [07]/[01]/2026G)
Announcement on the Saudi Exchange (Tadawul) website of the call for the Extraordinary General Assembly of Salama Company regarding The Merger Transaction (Third Meeting) or the Extraordinary General Assembly of Enaya Company regarding The Merger Transaction (Third Meeting)	[Thursday] [19]/ [07]/1447H (corresponding to [08]/[01]/2026G)

Event	Timeline/ Expected Date
Start of the electronic voting period for shareholders in the Extraordinary General Assembly of Salama Company regarding The Merger Transaction (Third Meeting) or the Extraordinary General Assembly of Enaya Company regarding The Merger Transaction (Third Meeting)	[Wednesday] [09]/ [08]/1447H (corresponding to [28]/[01]/2026G)
Convening of the Extraordinary General Assembly of Salama Company regarding The Merger Transaction (Third Meeting) or the Extraordinary General Assembly of Enaya Company regarding The Merger Transaction (Third Meeting) – The legal quorum for the Third Meeting for the convening of the Extraordinary General Assembly is met regardless of the number of shares with voting rights represented therein.	[Sunday] [13]/ [08]/1447H (corresponding to [01]/[02]/2026G)
Publication of the merger decisions taken at the Third Extraordinary General Assembly Meeting of Salama Company or Enaya Company (as the case may be) on the Saudi Exchange (Tadawul) website	[Monday] [14]/ [08]/1447H (corresponding to [02]/[02]/2026G)
3. Approval of the Merger and complementary steps	
Issuance of the approval of the Extraordinary General Assembly regarding The Merger Transaction for both Salama Company and Enaya Company	<ul style="list-style-type: none"> • [Sunday] [15]/ [07]/1447H (corresponding to [04]/[01]/2026G) (In the event the approval of the Extraordinary General Assembly regarding The Merger Transaction for both Salama Company and Enaya Company is issued at the First or Second Meeting). • [Sunday] [13]/ [08]/1447H (corresponding to [01]/[02]/2026G) (In the event the approval of the Extraordinary General Assembly regarding The Merger Transaction for both Salama Company and Enaya Company- as the case may be- is issued at the Third Meeting).
Suspending the trading on Enaya Company shares	First trading period after the issuance of the merger resolution. This is expected to take place on: <ul style="list-style-type: none"> • [Monday] [16]/ [07]/1447H (corresponding to [05]/[01]/2026G) (In the event the approval of the Extraordinary General Assembly regarding The Merger Transaction for both Salama Company and Enaya Company is issued at the First or Second Meeting). • [Monday] [14]/ [08]/1447H (corresponding to [02]/[02]/2026G) (In the event the approval of the Extraordinary General Assembly regarding The Merger Transaction for both Salama Company and Enaya Company- as the case may be- is issued at the Third Meeting).
Delisting of Enaya Company shares from the Saudi Exchange (Tadawul)	During a period of not less than the third and not more than the sixth trading period after the date of issuance of the merger resolution.
Listing of The Consideration Shares on Tadawul and their allocation to the benefit of Enaya Company shareholders registered in the shareholders' register of Enaya Company at the end of the second trading period after the date of issuance of the merger resolution	During a period of not less than the third and not more than the sixth trading period after the date of issuance of the merger resolution.

Event	Timeline/ Expected Date
<p>Final Deadline for the distribution of the proceeds from the sale of fractional shares that were sold</p>	<p>Within thirty (30) days from the date of approval of The Merger Transaction. This is expected to take place on:</p> <p>Tuesday 15/08/1447H (corresponding to 03/02/2026G) (In the event the approval of the Extraordinary General Assembly regarding The Merger Transaction for Salama Company and Enaya Company is issued at the First or Second Meeting).</p> <p>Tuesday 14/09/1447H (corresponding to 03/03/2026G) (In the event the approval of the Extraordinary General Assembly regarding The Merger Transaction for Salama Company and Enaya Company - as the case may be - is issued at the Third Meeting).</p>
<p>4. Effectiveness of the Merger Resolution</p>	
<p>Amendment of the Commercial Register of Salama Company to reflect The Merger Transaction, the deposit of the Amended Bylaws with the Ministry of Commerce, and the effectiveness of the merger resolution</p>	<p>At the earliest time after the issuance of the merger resolution, and this is expected to take place on:</p> <ul style="list-style-type: none"> • [Wednesday] [18]/ [07]/1447H (corresponding to [07]/[01]/2026G) (In the event the approval of the Extraordinary General Assembly regarding The Merger Transaction for both Salama Company and Enaya Company is issued at the First or Second Meeting). • [Tuesday] [15]/ [08]/1447H (corresponding to [03]/[02]/2026G) (In the event the approval of the Extraordinary General Assembly regarding The Merger Transaction for Salama Company and Enaya Company-as the case may be-is issued at the Third Meeting).



Table of **CONTENTS**



TABLE OF CONTENTS

1	Terms and Definitions.....	1
2	Overview of the Merger Transaction	11
1-2	Evaluation of Salama Company and Enaya Company.....	13
2-2	Rationale and Drivers of The Merger Transaction	17
2-3	Agreements related to The Merger Transaction	20
2-3-1	Merger Agreement.....	20
2-3-2	Governance	22
2-3-3	Board of Directors of Salama Company After The Merger Transaction	22
2-3-4	Provisions for Termination of the Merger Agreement.....	23
2-3-5	Material Adverse Event Notice	23
2-3-6	Termination Fee.....	25
2-3-7	Other Agreements.....	25
2-4	Procedures Required for the Issuance and Effectiveness of the Merger Resolution	25
2-4-1	Governmental Approvals	25
2-4-2	Extraordinary General Assembly Approval.....	25
3-4-2	Creditors' Objection Period	27
2-4-4	Effectiveness of the Merger Resolution	27
2-5	Related Parties and Board Members with an Interest in The Merger Transaction	28
3	Ownership AND TRANSACTIONS.....	30
3-1	Salama Company's Ownership and Transactions	30
2-3	Shareholdings of the Board Members of Salama Company.....	30
3-3	Transactions of the Board Members of Salama Company.....	31
3-4	Shareholdings of Persons Acting in Concert with Salama Company	31
4	Special Arrangements, Conditions, and Transactions	33
5	Ultimate Beneficial Owners of Enaya Company Shares and Controlling Shareholders in Salama Company.....	35



TABLE OF CONTENTS

6	Financial Information	37
6-1	Closing Price of the Shares of Salama Company.....	37
6-2	Closing Price of Enaya Company's Shares.....	37
6-3	Dividends and Dividend Policy.....	37
7	Funding of The Merger Transaction	40
8	Effect of the Offer Termination	42
9	Description of Salama Company	44
9-1	Overview	44
2-9	Subsidiaries and Geographic Scope of Assets.....	44
9-3	Vision.....	44
9-4	Mission.....	44
9-5	Written Insurance Premiums	45
9-6	Products.....	46
9-7	Reinsurance	46
10	Exemptions.....	49
11	Documents Available for Inspection	51

01

TERMS AND DEFINITIONS



1 Terms and Definitions

The following phrases and terms - wherever they appear in this circular - shall have the meanings indicated opposite them, unless the context requires otherwise:

Merger Agreement	The binding merger agreement entered into between Salama Company and Enaya Company on 20/02/1447H (corresponding to 14/08/2025G), which governs the terms and conditions of The Merger Transaction, and the rights and obligations of the parties related thereto.
Extraordinary General Assembly Meeting	The Extraordinary General Assembly meeting of the shareholders of the related company which is held in accordance with the Bylaws of that company.
Total written premiums	Insurance premiums written during a specified period without deducting the premiums ceded to reinsurance companies.
Edaa Center	Securities Depository Center Company (Edaa)
Salama Company or The Offeror or The merging company	Salama Cooperative Insurance Company, which is a listed Saudi joint stock company with its main center located in the city of Jeddah and registered in the Commercial Register under number (4030169661) and date 06/05/1428H (corresponding to 23/05/2007G) and holds a license to practice insurance activity from the Insurance Authority under number (T M N /04/20079) and date 29/08/1428H (corresponding to 11/09/2007G), and its capital amounts to three hundred million (300,000,000) Saudi Riyals.
Enaya Company or The Offeree or The Merged Company	Saudi Enaya Cooperative Insurance Company, which is a listed Saudi joint stock company with its main center located in the city of Jeddah and registered in the Commercial Register under number (4030223528) and date 27/03/1433H (corresponding to 19/02/2012G) and holds a license to practice insurance activity from the Insurance Authority under number (T M N /32/20128) and date 19/09/1433H (corresponding to 07/08/2012G), and its capital amounts to two hundred thirty million (230,000,000) Saudi Riyals.
Consideration Shares	The new shares in Salama Company, which will be issued to Enaya Company shareholders for the purpose of the merger, amounting to eighteen million eight hundred ninety-four thousand (18,894,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share.
Announcement of Firm Intent	It is the announcement published by Salama Company on the Saudi Exchange (Tadawul) website on 23/02/1447H (corresponding to 17/08/2025G) regarding its firm intention to submit an offer for the merger of Enaya Company into it, in accordance with the provisions of Paragraph (e) of Article (17) of the Merger and Acquisition Regulations.

Affiliate	A person who controls another person, or is controlled by that other person, or is jointly controlled by a third party. In any of these cases, control can be direct or indirect.
Shareholders' Circular	This Shareholders' Circular, issued by Salama Company pursuant to the provisions of Article (60) of the Rules for Offering Securities and Continuing Obligations.
Board of Directors' Circular of Enaya Company	The circular issued by the Board of Directors of Enaya Company in accordance with Article (39) of the Merger and Acquisition Regulations to the shareholders of Enaya Company regarding the offer submitted by Salama Company concerning The Merger Transaction, in which the Board of Directors of Enaya Company expresses its opinion to the shareholders regarding that offer and Salama Company's plans concerning Enaya Company and its employees.
The Extraordinary General Assembly of Salama Company regarding The Merger Transaction	The Extraordinary General Assembly meeting of Salama Company which will be convened for the purpose of voting on the merger resolutions.
The Extraordinary General Assembly of Enaya Company regarding The Merger Transaction	The Extraordinary General Assembly meeting of Enaya Company which will be convened for the purpose of voting on the merger resolutions.
Public	<p>It means, in relation to an issuer of listed securities, the persons not mentioned below:</p> <ol style="list-style-type: none"> 1) Affiliates of the Issuer. 2) Major shareholders in the Issuer. 3) Members of the Board of Directors and senior executives of the Issuer. 4) Members of the Board of Directors and senior executives of the Issuer's affiliates. 5) Members of the Board of Directors and senior executives of the major shareholders in the Issuer. 6) Any relatives of the persons referred to in (1, 2, 3, 4, or 5) above. 7) Any company controlled by any of the persons referred to in (1, 2, 3, 4, 5, or 6) above. Or <p>Persons acting in concert, who collectively own (5%) or more of the class of shares intended to be listed.</p>
Material Adverse Event	Means - according to the definition agreed upon in the merger agreement - any event, circumstance, or change in circumstances which, individually or when aggregated with all such other events, circumstances, or changes, is reasonably expected to have a Material Adverse Effect on the business, assets, liabilities, financial condition, profitability, or future prospects of either of the two companies or on the merger agreement or its execution, including any material adverse event that results in a decrease in the final valuation of one of the two companies by 15% or more commencing from December 31, 2024, including the total comprehensive loss and/or income for the period ended June 30, 2025, and this decrease shall be

determined based on the valuation methodology, formula, and assumptions used by the relevant company in valuing the assets and liabilities of the other company commencing from the date of the conclusion of the merger agreement, and it has been agreed that the following shall not be taken into consideration in determining whether the event is a material adverse event for the purpose of the merger agreement:

- a. Any deterioration in the economic, political, market, securities market, credit, or financial market conditions in the global financial services sector, or the financial services sector in the Middle East or the Kingdom, or generally, unless that has a Material Adverse Effect that is disproportionate compared to other companies operating in the same sector in which the two companies operate (as the case may be).
- b. Any change, development, or event resulting solely from the signing and execution of the merger agreement or announcements related to The Merger Transaction, or the suspension, or completion of The Merger Transaction, or any other transaction contemplated in the merger agreement, including the effect of those changes or developments on the relationships—contractual or otherwise—between either of the two companies (as applicable) and their employees, customers, suppliers, or partners.
- c. Any change in the market price, or in the credit rating related to one of the two companies or their securities, or the trading volume on their securities (noting that the causes of that change may in themselves constitute a material adverse event or may be taken into consideration for the purposes of determining whether or not the material adverse event has occurred).
- d. Any change or proposed change, after the date of the merger agreement, in the applicable regulations/laws, except for changes that reasonably result in a Material Adverse Effect on the two companies (as applicable) that is disproportionate as between them or as between other companies operating in the same sector.
- e. Geopolitical conditions, or the outbreak or escalation of hostilities, or the occurrence of any acts of war, sabotage, or terrorism, or any escalation thereof, whether threatened or ongoing from the date of the conclusion of the merger agreement, except for events that result in an adverse effect on the two companies (as applicable) that is disproportionate as between them or as between other companies operating in the same sector.
- f. Floods, earthquakes, or the outbreak or escalation of any pandemic, or any other natural disasters, except for events that result in an adverse effect on the

	<p>two companies (as applicable) that is disproportionate as between them or as between other companies operating in the same sector.</p> <p>g. Any change, event, or development resulting from any action taken by the two companies (as applicable) that is expressly required to be taken in the context of The Merger Transaction.</p>
Restricted Country	Any country or jurisdiction where the offering of The Consideration Shares or the distribution or publication of this Circular or any other documents related to The Consideration Shares would be contrary to the laws of that country or jurisdiction.
Saudi Riyal	The Saudi Riyal, the official currency of the Kingdom of Saudi Arabia.
Capital Increase	The proposed increase in the capital of Salama Company from three hundred million (300,000,000) Saudi Riyals to four hundred eighty-eight million nine hundred forty thousand (488,940,000) Saudi Riyals and the increase in the number of its shares from thirty million (30,000,000) ordinary shares to forty-eight million eight hundred ninety-four thousand (48,894,000) ordinary shares which represents an increase of 62.98% in the current capital, for the purpose of the merger of Enaya Company into Salama Company.
Closing Price	Wednesday dated 19/02/1447H (corresponding to 13/08/2025G), which is the last price at which the shares were traded on the relevant trading day according to the mechanism specified by the Saudi Exchange (Tadawul).
Saudi Stock Exchange (Tadawul)	The Saudi Stock Exchange (Tadawul) is the market where securities are traded in the Kingdom. It is managed and operated by Tadawul Saudi Company and regulated by the Capital Market Authority. It also refers - depending on the context - to Tadawul Saudi Company, a wholly owned subsidiary of the Tadawul Saudi Group, which is responsible for operating the market.
Control	<p>For the purposes of the provisions under the Merger and Acquisition Regulations: it refers to the ability to influence the actions or decisions of another person, directly or indirectly (excluding indirect ownership through a swap agreement or through an investment fund in which the unitholder has no right to make investment decisions), whether individually or jointly with any person or persons acting in concert, through owning (directly or indirectly) 30% or more of the voting rights in a company. The term "controller" shall be interpreted accordingly.</p> <p>For other purposes: it refers to the ability to influence the actions or decisions of another person, directly or indirectly, individually or jointly with a relative or affiliate, through any of the following: (a) owning 30% or more of the voting rights in a company; or (b) having the right to appoint 30% or more of the members of the administrative body. The term "controller" shall be interpreted accordingly.</p>
Subsidiary	With regard to a person, or any other company he controls.

The Two Companies	Salama Company and Enaya Company.
The Merger Agreement	The merger of Enaya Company into Salama Company in accordance with the provisions of Article (225) and Articles (227) to (229) of the Companies Law and the provisions of Sub-paragraph (1) of Paragraph (a) of Article (49) of the Merger and Acquisition Regulations in exchange for Salama Company issuing The Consideration Shares for the benefit of Enaya Company shareholders by increasing the capital of Salama Company from three hundred million (300,000,000) Saudi Riyals to four hundred eighty-eight million nine hundred forty thousand (488,940,000) Saudi Riyals.
Creditors' Objection Period	It is the period during which the creditors of Enaya Company are entitled to submit their objections to The Merger Transaction referred to in Article (227) of the Companies Law and settle any objections submitted during it in accordance with the provisions of the Companies Law, where the creditors of Enaya Company are entitled to object to The Merger Transaction within a period of (15) days from the date of the announcement by the two companies of The Merger Transaction and the method of objection for Enaya Company creditors, in accordance with Article (227) of the Companies Law.
Related Party	<p>It refers to any person (whether acting in concert with Salama Company or Enaya Company or any of their subsidiaries, or not acting in concert with them) who owns or deals, directly or indirectly, in the shares of Salama Company or Enaya Company, whether through a private sale and purchase transaction, an offer, or any person who - beyond his ordinary interests as a shareholder-has an interest or a potential interest, whether personal, financial, or commercial, in the consequences of the merger, or who is a related party to either Salama Company or Enaya Company. Without prejudice to the general application of this definition, it shall include - by way of example and without limitation - the following:</p> <ol style="list-style-type: none"> 1) A person or persons who have provided financial assistance (other than a bank acting in the normal course of its business) to Salama Company or Enaya Company. 2) A Board Member in Salama Company and Enaya Company (or any of their affiliates). 3) A person who owns 20% or more in Salama Company and Enaya Company (whether individually or with a person or persons acting in concert with them). 4) A Major Shareholder in Salama Company who is simultaneously a Board Member of Enaya Company or vice versa.
Adjusted Book Value Method for Equity	It is the book value of equity plus adjustments resulting from financial, tax, actuarial, and legal professional studies.

The Offer	<p>The offer submitted by Salama Company to the shareholders of Enaya Company for the purpose of the merger of Enaya Company into Salama Company in exchange for the issuance of The Consideration Shares to the shareholders of Enaya Company in Salama Company.</p>
Offer Period	<p>The period commencing from the date on which Salama Company announced its firm intention to submit the offer to the shareholders of Enaya Company and ending on the date of the issuance of the Merger Resolution or the termination of the Merger Agreement in accordance with its terms (whichever occurs first). (For further details regarding the provisions <i>governing the termination of the Merger Agreement</i>, please refer to Section (2-3-4) "Provisions for Termination of the Merger Agreement")</p>
Merger Resolutions	<p>The resolutions to be presented to the shareholders of both Salama Company and Enaya Company regarding The Merger Transaction, which are the following (or any amendment thereto made upon the request of the CMA or by agreement of the two parties prior to the call for the relevant Assemblies):</p> <p>Regarding Salama Company: Approval of the increase of Salama Company capital from three hundred million (300,000,000) Saudi Riyals to four hundred eighty-eight million nine hundred forty thousand (488,940,000), which represents an increase of (62.98%) in the current capital, through the issuance of eighteen million eight hundred ninety-four thousand (18,894,000) shares at a ratio of (0.8214782608695650) share in Salama Company for every share in Enaya Company, in accordance with the provisions of Article (225) and Articles (227) to (229) of the Companies Law and the provisions of Sub-paragraph (1) of Paragraph (a) of Article (49) of the Merger and Acquisition Regulations in accordance with the terms and conditions of the merger agreement, including the approval of the following matters related to The Merger Transaction:</p> <ul style="list-style-type: none"> A) Approval of the terms of the merger agreement. B) Approval of the increase of Salama Company capital from three hundred million (300,000,000) Saudi Riyals to four hundred eighty-eight million nine hundred forty thousand (488,940,000) Saudi Riyals in accordance with the terms and conditions of the merger agreement. C) Approval of the proposed amendments to the Bylaws of Salama Company in accordance with the form set out in Appendix (1) of this Circular. D) Authorizing the Board of Directors of Salama Company, or any person authorized by the Board of Directors, to issue any decision or take any action that may be necessary to implement any of the aforementioned resolutions. <p>Regarding Enaya Company: Approval of the offer submitted by Salama Company to Enaya Company shareholders for the purpose of merging it into Salama Company in exchange for the issuance of (0.8214782608695650) share in Salama Company for every share in Enaya Company owned by Enaya Company shareholders in accordance with the provisions of Article (225) and Articles (227)</p>

	<p>to (229) of the Companies Law and the provisions of Sub-paragraph (1) of Paragraph (a) of Article (49) of the Merger and Acquisition Regulations in accordance with the terms and conditions of the merger agreement, including the approval of the following matters related to The Merger Transaction, whereby Enaya Company shall expire by force of law and its shares shall be cancelled, in accordance with the relevant statutory requirements and the terms and conditions of the merger agreement, including the approval of the following matters related to The Merger Transaction:</p> <p>a) Approval of the terms of the merger agreement.</p> <p>b) Authorizing the Board of Directors of Enaya Company, or any person authorized by the Board of Directors, to issue any resolution or take any action that may be necessary to implement any of the aforementioned resolutions.</p>
Relative	It means wife, the children, and the parents.
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 pursuant to Resolution No. (3-123-2017) and dated 09/04/1439H (corresponding to 27/12/2017G), and their amendments from time to time.
Merger and Acquisition Regulations	Merger and Acquisition Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (1-50-2007) and dated 21/09/1428H (corresponding to 03/10/2007G) and their amendments from time to time.
Non-binding Memorandum of Understanding	Non-binding Memorandum of Understanding concluded between Salama Company and Enaya Company dated 26/08/1446H (corresponding to 25/02/2025G) regarding The Merger Transaction.
Financial Advisor	Estidamah Capital Company (Estidamah Capital).
Auditors of Salama Company for the Financial Year Ended 31 December 2022G	Crowe Solutions for Professional Consulting Company and PKF Al Bassam Certified Accountants and Auditors Company
Auditors of Salama Company for the Financial Year Ended 31 December 2023G	PricewaterhouseCoopers Chartered Accountants Company and PKF Al Bassam Certified Accountants and Auditors Company
Auditors of Salama Company for the Financial Year Ended 31 December 2024G	PricewaterhouseCoopers Chartered Accountants Company and Crowe Solutions for Professional Consulting Company
Legal Advisor	Mohammed M. Zarei & Khalid N. Al Law Firm and Legal Consultations
Financial, Tax, and Actuarial Due Diligence Advisor	Deloitte for Financial Advisory Services Limited
Major Shareholder	A person who owns (5%) or more of the share capital of Salama Company or Enaya Company, as the case may be.

The Offer Document	The Offer Document prepared by Salama Company in accordance with the provisions of Article (38) of the Merger and Acquisition Regulations regarding the offer submitted by Salama Company to the shareholders of Enaya Company.
Exchange Ratio	It is the basis upon which the number of The Consideration Shares due to Enaya Company shareholders in relation to The Merger Transaction will be determined, which will result in (0.8214782608695650) share in Salama Company for every share in Enaya Company.
The Kingdom	Kingdom of Saudi Arabia.
The Companies Law	Companies Law issued pursuant to Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G).
Cooperative Insurance Companies Control Law	Cooperative Insurance Companies Control Law issued pursuant to Royal Decree No. (M/32) dated 02/06/1424H (corresponding to 31/07/2003G), and its amendments from time to time.
Issuance of The Merger Resolution	Issuance of the approval of the Extraordinary General Assembly regarding The Merger Transaction for both Salama Company and Enaya Company on the merger resolutions.
Effectiveness of The Merger Resolution	Date of recording of Enaya Company's data in the register of Salama Company with the Commercial Register.
Capital Market Authority or The Authority or CMA	The Capital Market Authority in the Kingdom of Saudi Arabia.
General Authority for Competition	The General Authority for Competition in the Kingdom of Saudi Arabia.
Insurance Authority	The Insurance Authority in the Kingdom of Saudi Arabia, which assumed responsibility for the supervision of the insurance sector that was previously carried out by the Saudi Central Bank (SAMA).
Ministry of Commerce	The Ministry of Commerce in the Kingdom of Saudi Arabia.
Acting in Concert	<p>It means, as determined by the Authority, the actual cooperation pursuant to an agreement (whether binding or non-binding) or an understanding (whether formal or informal) between persons to exercise control (whether directly or indirectly, excluding indirect ownership through a swap agreement or through an investment fund in which the unitholder has no right to make investment decisions) over a company, through any of them acquiring (whether through direct or indirect ownership) shares carrying voting rights in such company. The term "persons acting in concert" shall be interpreted accordingly.</p> <p>Without prejudice to the application of this definition, the persons listed below shall be deemed - by way of example and without limitation - to be acting in concert with</p>

	<p>other persons in the same category unless proven otherwise: (1) persons who are members of the same group; (2) a person's relatives; (3) any person or persons who have provided financial assistance (other than assistance provided by a bank in the ordinary course of its business) to the offeror (i.e., Salama Company) or to persons who are members of the same group as such person for the purpose of acquiring shares carrying voting rights or convertible debt instruments.</p>
<p>Business Day</p>	<p>Any day except Friday, Saturday and official holidays in the Kingdom of Saudi Arabia.</p>



02

OVERVIEW OF THE MERGER TRANSACTION



2 Overview of the Merger Transaction

Enaya Company and Salama Company announced on 26/08/1446H (corresponding to 25/02/2025G) the signing of a non-binding Memorandum of Understanding between the two companies regarding a potential merger. Under the Memorandum of Understanding, the two companies agreed that the structure for executing the potential merger would be through a share-swap offer submitted by Salama Company (as the Offeror and The merging company) to the shareholders of Enaya Company (as the Offeree and The merged company) in exchange for all issued shares in Enaya Company, and that an Exchange Ratio would be agreed upon after completing the required due-diligence procedures to be conducted by both companies.

On 23/02/1447H (corresponding to 17/08/2025G), Salama Company announced the signing of the Merger Agreement, which also included its Declaration of Confirmed Intent to proceed with The Merger Transaction and to submit an offer to the shareholders of Enaya Company for this purpose. The Merger Agreement includes all provisions and steps required to implement The Merger Transaction between the two companies in accordance with Article (225) and Articles (227) to (229) of the Companies Law and subparagraph (1) of paragraph (A) of Article (49) of the Merger and Acquisition Regulations, and in accordance with the Capital Market Law, the Cooperative Insurance Companies Control Law and their regulations, as well as other applicable laws and regulations in the Kingdom of Saudi Arabia, (For further details regarding the provisions of the Merger Agreement, please refer to Section (2-3-1) “Merger Agreement”).

Under the terms of the Merger Agreement, Enaya Company will be merged into Salama Company in exchange for Salama Company issuing The Consideration Shares to the shareholders of Enaya Company by increasing its share capital in accordance with Article (60) of the Rules on the Offer of Securities and Continuing Obligations, and based on the Exchange Ratio whereby the shareholders of Enaya Company will receive (0.8214782608695650) Salama Company shares for each share they own in Enaya Company. The total number of The Consideration Shares will be eighteen million eight hundred and ninety-four thousand (18,894,000) fully paid ordinary shares with a nominal value of ten (10) Saudi Riyals per share, and the total nominal value of The Consideration Shares will amount to one hundred eighty-eight million nine hundred and forty thousand (188,940,000) Saudi Riyals. These shares will be issued through increasing the current share capital of Salama Company by (62.98%) from three hundred million (300,000,000) Saudi Riyals to four hundred eighty-eight million nine hundred and forty thousand (488,940,000) Saudi Riyals and increasing its number of shares from thirty million (30,000,000) shares to forty-eight million eight hundred and ninety-four thousand (48,894,000) shares. Following The Merger Transaction, the ownership of Salama Company’s current shareholders will be (61.36%) of Salama Company’s share capital after the capital increase, and the ownership of Enaya Company’s shareholders will be (38.64%) of Salama Company’s share capital after the capital increase

The total value of The Merger Transaction will be determined based on the value of The Consideration Shares. The total nominal value of The Consideration Shares is one hundred eighty-eight million nine hundred and forty thousand (188,940,000) Saudi Riyals, while the total market value of The Consideration Shares amounts to two hundred thirty-four million two hundred eighty-five thousand six hundred (234,285,600) Saudi Riyals, based on the closing price of Salama Company’s share of (12.40) Saudi Riyals as of 19/02/1447H (corresponding to 13/08/2025G), which is the last trading day preceding the date of signing the Merger Agreement. The total value of The Consideration Shares to be reflected in the financial statements of Salama Company will be determined later based on the closing price of Salama Company’s share on the last trading day preceding the issuance of The Consideration Shares.

If the calculation of the number of shares due to any shareholder of Enaya Company based on the Exchange Ratio results in fractional shares, the resulting number will be rounded down to the nearest whole number. For example, if a shareholder of Enaya Company owns one hundred (100) shares in Enaya Company, they will be allocated eighty-two (82) shares of The Consideration Shares and not eighty-two and a fraction (82.15) shares. Fractional shares will be aggregated and sold in the market on behalf of the shareholders

of Enaya Company, and the proceeds from the sale of fractional shares will then be distributed to their entitled recipients according to their respective entitlements, after deducting the costs related to the sale of fractional shares from the total proceeds of the sale.

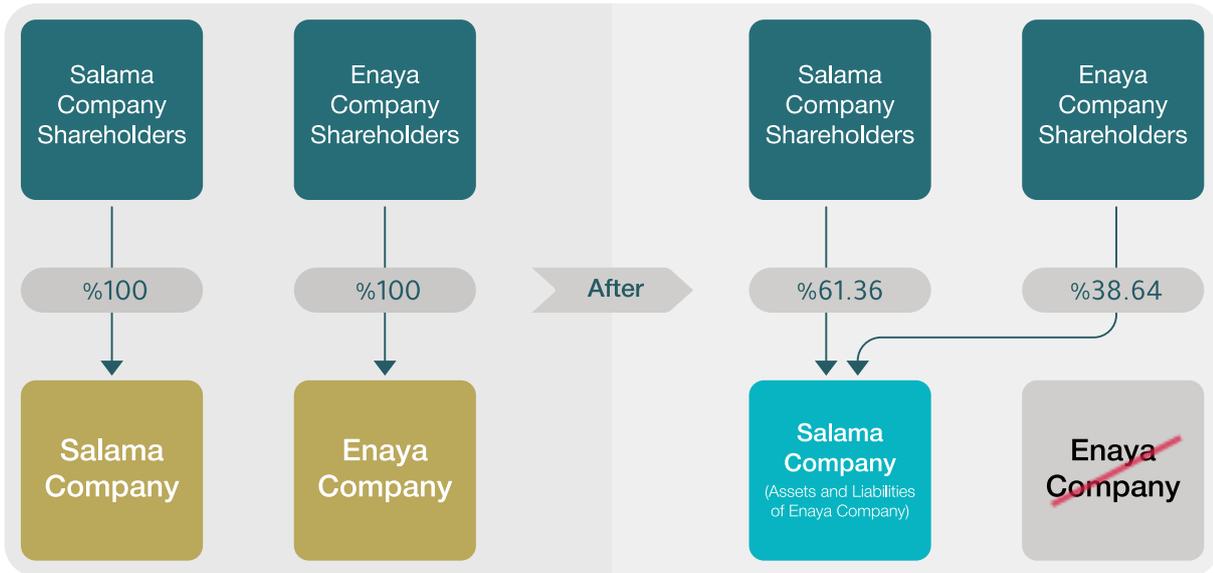
It should be noted that the merger deal, if implemented, is not expected to result in compulsory layoffs.

The following table shows the details of ownership in Salama Company before and after the effectiveness of the merger resolution and the deposit of The Consideration Shares based on the shareholders' register at the end of trading on Monday dated 05/05/1447H (corresponding to 27/10/2025G):

Shareholder	Before The Effectiveness of The Merger Resolution				After The Effectiveness of The Merger Resolution ⁽¹⁾			
	Number of shares in Salama Company	Ownership percentage in Salama Company	Number of shares in Enaya Company	Ownership percentage in Enaya Company	Number of shares in Salama Company	Ownership percentage in Salama Company	Number of shares in Enaya Company	Ownership percentage in Enaya Company
Members of the Board of Directors of Salama Company ⁽²⁾	8,065	0.03%	-	-	8,065	0.02%	Not applicable, as it will be merged into Salama Company.	
Members of the Board of Directors of Enaya Company ⁽³⁾	-	-	1,000	%0.0004	-	-		
Public	29,991,935	99.97%	22,999,000	99.996%	48,885,935	99.98%		
Total	30,000,000	100%	23,000,000	100%	48,894,000	100%		

- (1) The shareholders of Enaya Company will own 38.64% of the share capital of Salama Company following the effectiveness of the Merger Resolution and the deposit of the Consideration Shares, and based on the information provided by Enaya Company, such ownership will be considered entirely as part of the public ownership following the effectiveness of the Merger Resolution and the deposit of the Consideration Shares.
- (2) Based on the shares directly owned by the members of the Board of Directors, and as there is no indirect ownership by the Board members or senior executives. For further information regarding interests in shares, please refer to Section (3-2) ("Shareholdings of the Board Members of Salama Company").
- (3) The shares owned by the Board member Mr. Bader Khalid Alanzi have been counted only once, as he serves as the Chief Executive Officer of Salama Company and directly owns 1,000 shares, with no indirect ownership.

The following is a simplified model of the structure of The Merger Transaction:



2-1 Evaluation of Salama Company and Enaya Company

Salama Company and Enaya Company agreed on the Exchange Ratio, which determines the number of The Consideration Shares that the shareholders of Enaya Company will receive in Salama Company as a result of The Merger Transaction, following negotiation and discussion between the two companies. Salama Company, during this negotiation stage, took the advice of its consultants, in addition to reviewing the due diligence information related to Enaya Company's business.

The discussions that took place regarding the Exchange Ratio were subject to the provisions of the Memorandum of Understanding signed between Salama Company and Enaya Company on 26/08/1446H (corresponding to 25/02/2025G), whereby the two companies agreed that, in the event a final decision is reached regarding The Merger Transaction, it will be executed by merging Enaya Company into Salama Company through Salama Company issuing The Consideration Shares to the shareholders of Enaya Company, in exchange for transferring the rights, liabilities, assets, and contracts of Enaya Company to Salama Company.

The two companies also agreed that the valuation would be based on the Book Value of Equity method and the Adjusted Book Value of Equity method according to the announced financial data of both companies before or on the date of signing the merger agreement, after making the adjustments that will be agreed upon following the results of the necessary professional due diligence and verification process.

Based on that, the financial advisor to Salama Company, Estidamah Capital Company (Estidamah Capital), assessed Salama Company and Enaya Company using the Adjusted Book Value of Equity methodology as in the financial statements for the year ended 31 December 2024G, after making the adjustments resulting from the conclusions of the necessary professional due diligence studies in order to reach the Exchange Ratio related to The Merger Transaction. The final valuation for Salama Company reached by Estidamah Capital amounted to two hundred and forty-one million seven hundred and ninety-two thousand two hundred (241,792,200) Saudi Riyals, while the final valuation for Enaya Company reached by Estidamah Capital amounted to one hundred and fifty-two million two hundred and eighty-two thousand (152,282,000) Saudi Riyals. The following is a table clarifying the valuation method and the calculation of the Exchange Ratio.

Table (2-1): Evaluation Method and Calculation of Exchange Ratio

Thousand Saudi Riyals			
As of the financial statements announced for 2024G	Salama Company	Enaya Company	Merging Company
a) Book value of equity as of 31/12/2024G	254,326	163,914	Not Applicable
Adjustments to the book value of equity of Salama Company			
(-) Valuation of the Company's share in Najm Company	(24,450)		
(-) Statutory deposit	(7,500)		
(-) Aged receivables	(19,623)		
(-) Ongoing Litigations	(11,577)		
(-) Transaction costs (Rights Issue in the first quarter of 2025G)	(4,100)		
(-) Unknown deposits	(2,900)		
(-) Aged reinsurance receivables	(2,278)		
(-) Prepayment balances	(540)		
(-) Advances to Employee (services terminated)	(422)		
(+) Rights Issue in the first quarter of 2025G	100,000		
(-) End-of-service allowance provision	(1,517)		
(-) Results of total comprehensive income/(loss) for the six-month period ended 30 June 2025G (adjusted based on Najm Company's results, where the same reduction percentage applied in the valuation of Najm Company, as explained in item (1), has been applied)	(37,627)		
b) Total adjustments for Salama Company (consisting of due diligence adjustments and the inputs of Salama Company and Enaya Company as agreed upon by both parties)	(12,534)		
Adjustments to the book value of equity of Enaya Company			
(-) Premium receivables		(12,092)	
(-) Various Accruals		(41)	
(-) Legal cases		(181)	
(+) The results of total comprehensive income/(loss) for the six-month period ended 30 June 2025G		682	
c) Total adjustments for Enaya Company (representing the due diligence adjustments and	-	(11,632)	

Thousand Saudi Riyals			
As of the financial statements announced for 2024G	Salama Company	Enaya Company	Merging Company
the inputs of Enaya Company and Salama Company as agreed upon by both parties)			
Final Valuation after Due Diligence Adjustments and Input from Salama Company and Enaya Company as Agreed Upon by the Two Parties	(A+B) 241,792	(A+C) 152,282	394,074
Ownership in the merging company %	61.36%	38.64%	100%
Number of shares currently issued by Salama Company (share)			30,000
Number of shares currently issued by Enaya Company (share)			23,000
Number of shares to be issued to Enaya Company's shareholders (share)			18,894
Exchange Ratio per each (1) share owned in Enaya Company (Number of shares to be issued to Enaya Company's shareholders ÷ number of Enaya Company shares currently issued)			0.821478260869565 0
Total number of the merging company shares (after the issuance of the merger resolution) (Share)			48,894

Based on the Exchange Ratio mentioned above, Salama Company will increase its capital and issue eighteen million eight hundred ninety-four thousand (18,894,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share for the benefit of the shareholders in Enaya Company. The total nominal value of The Consideration Shares amounts to one hundred eighty-eight million nine hundred forty thousand (188,940,000) Saudi Riyals. The total market value of The Consideration Shares amounts to two hundred thirty-four million two hundred eighty-five thousand six hundred (234,285,600) Saudi Riyals based on the closing price of Salama Company's share, which is twelve Riyals and forty Halalas (12.40) Saudi Riyals as of 19/02/1447H (corresponding to 13/08/2025G) (which is the last trading day preceding the date of the conclusion of the merger agreement). The total market value of The Consideration Shares also amounts to [One hundred and eighty-five million, one hundred sixty-one thousand and two hundred Saudi rials] (185,161,200 Saudi Riyals.) based on the closing price of Salama Company's share, which is 9.80 Saudi Riyals as of 12/06/1447H (corresponding to 03/12/2025G) (which is the last trading day preceding the date of publication of this Circular). The total value of The Consideration Shares to be included in the financial statements of Salama Company will be determined at a later date based on the closing price of Salama Company's share on the last trading day preceding the date of issuance of The Consideration Shares.

The table below shows the value of the consideration based on the share price of Salama Company and its comparison with the market value of Enaya Company:

Table (2-2): Value of consideration

Total number of the Consideration Shares	Eighteen million eight hundred and ninety-four thousand (18,894,000) fully paid ordinary shares, with a nominal value of ten (10) Saudi Riyals per share.	
Total nominal value of the Consideration Shares	One hundred eighty-eight million nine hundred forty thousand (188,940,000) Saudi Riyals	Based on a nominal value of (10) Saudi Riyals per share.
Total market value of the Consideration Shares (at the end of the trading day preceding the signing of the Merger Agreement on 19/02/1447H (corresponding to 13/08/2025G))	Two hundred and thirty-four million, two hundred and eighty-five thousand and six hundred (234,285,600) Saudi Riyals.	Closing price of Salama Company: (12.40) Saudi Riyals.

Total market value of the Consideration Shares (based on the last trading day preceding the date of publication of this circular on 12/06/1447H (corresponding to 03/12/2025G)).	[One hundred and eighty-five million, one hundred sixty-one thousand and two hundred Saudi rials] (185,161,200 Saudi Riyals)	Closing price of Salama Company (9.80) Saudi Riyals.
Total market value of Enaya Company's shares subject to the Transaction (at the end of the trading day preceding the signing date of the Merger Agreement on 19/02/1447H (corresponding to 13/08/2025G)).	Two hundred and thirteen million nine hundred thousand (213,900,000) Saudi Riyals.	Closing price of Enaya Company: (9.30) Saudi Riyals. Number of currently issued shares in Enaya Company 23,000,000 ordinary shares.
The total market value of Enaya Company's shares subject to the Transaction (based on the last trading day preceding the publication date of this circular on 12/06/1447H (corresponding to 03/12/2025G)).	One seventy-one million, one hundred twenty thousands (171,120,000) Saudi Riyals.	Closing price of Enaya Company: (7.44) Saudi Riyals. Number of currently issued shares in Enaya Company 23,000,000 ordinary shares.
The percentage difference between the total market value of the Consideration Shares and the total market value of the Enaya Company shares subject to the Transaction (at the end of the trading day preceding the signing of the Merger Agreement on 19/02/1447H (corresponding to 13/08/2025G)).	An increase of approximately 9.530%	
The percentage difference between the total market value of the Consideration Shares and the total market value of the Enaya Company shares subject to the Transaction (based on the last trading day preceding the publication date of this circular on 12/06/1447H (corresponding to 03/12/2025G)).	8.205%	

The following table provides a detailed explanation of how to calculate the exchange ratio.

Table (3-2): Calculating the Exchange Ratio

Item	Explanation
Valuation of the merging company (after The Merger Transaction)	Valuation of Salama Company + Valuation of Enaya Company
Ownership percentage of Salama Company's shareholders in the merging company (after The Merger Transaction)	$\frac{\text{Valuation of Salama Company}}{\text{Valuation of The Merging Company (after The Merger Transaction)}}$

Ownership percentage of Enaya Company's shareholders in the merging company (after The Merger Transaction)	Valuation of Enaya Company <hr/> Valuation of The Merging Company (after The
Number of shares for the current shareholders of Salama Company after The Merger Transaction.	As before the capital increase (30,000,000) shares
Number of new shares for the shareholders of Enaya Company	$\frac{\text{Number of Salama Company's currently issued}}{\text{Percentage ownership of Salama Company in the merging company (after The Merger Transaction)}} \times \text{Number of Salama Company's}$
Exchange Ratio for each (1) share owned in Enaya Company	$\frac{\text{Number of shares to be issued to the shareholders of Enaya Company for the purpose of The Merger Transaction}}{\text{Number of currently issued shares of Enaya Company}}$

2-2 Rationale and Drivers of The Merger Transaction

This section contains Salama Company's opinions on the expected benefits from The Merger Transaction. This section includes forecasts and forward-looking statements, which are subject to risks and uncertainties, and should not be relied upon. For more information on these risks, please refer to the section ("**Important Notice**") of this Circular.

Nothing in this section is intended to be or should be construed as a prediction, forecast, or estimate of the future financial or operational performance of Salama Company or the market, and no statement in this Circular should be interpreted to mean that the earnings per share for the current or future financial periods of Salama Company after The Merger Transaction may match or exceed the historical earnings per share of Salama Company or Enaya Company.

The main drivers of The Merger Transaction revolve around enhancing the competitiveness of the merging company. According to the 2023G Saudi Insurance Market Report issued by the Insurance Authority, eight insurance companies accounted for 79.9% of the total gross written premiums in the insurance market in the Kingdom in 2023G, while the remaining 20 companies included in the report held only 20.1% of the total gross written premiums in the insurance market in the Kingdom.

In 2024G, the market share of Salama Company amounted to 0.69% of the total gross written premiums in the insurance market, while the market share of Enaya Company amounted to 0.31% of the total gross written premiums in the insurance market. The Merger Transaction is an important step aimed at enhancing the market share and the financial and operational position of the merging company, in addition to improving the quality of services provided to

customers. The Merger Transaction is also expected to contribute to increasing operational efficiency, enabling the merging company to compete, grow, innovate, invest in development and digitalization, attract and retain qualified human talent, and is expected to result in improved insurance services provided to customers and an enhanced ability to withstand risks.

It is also expected that the merger will contribute to achieving a number of economic objectives which, if realized, would benefit both the current and new shareholders of Salama Company. The drivers of The Merger Transaction include, without limitation, the following:

- Increasing market share and expanding the customer base:** The market share of the merging company is expected to increase through the growth in total gross written premiums. The market share of the merging company after the merger is expected to reach 1.00%, compared to 0.69% for Salama Company before the merger and 0.31% for Enaya Company before The Merger Transaction, representing an increase of 44.40% in the market share of the merging company after The Merger Transaction compared to the market share of Salama Company before The Merger Transaction. In addition, the merging company is expected to have a larger customer base as a result of combining the customer bases of both companies, which is in turn expected to improve the position of the merging company and its operational and financial performance compared to the current positions of Salama Company and Enaya Company. The following table shows the gross written premiums by customer classification for each of Salama Company and Enaya Company before and after The Merger Transaction.

Table (4-2): Details of Gross Written Premiums by Customer Classification Before and After the Merger Transaction for the Year Ended 31 December 2024G

The details of the gross written premiums have been disclosed to comply with the requirements of the Insurance Authority and are not calculated in accordance with the requirements of IFRS (17). Below are the details of the gross written premiums by customer classification before and after the Merger Transaction for the year ended 31 December 2024G:

Classification (Thousand Saudi Riyals)	Salama Company 31/12/2024G	Enaya Company 31/12/2024G	The Merging Company 31/12/2024G	Percentage increase in the merging company compared to Salama Company
Companies	96,906	102,543	199,449	105.82%
Medium	38,561	62,829	101,390	162.93%
Small	33,249	58,082	91,331	174.69%
Micro	69,982	6,268	76,250	8.96%
Retail	287,872	4,085	291,957	1.42%
Total	526,570	233,807	760,377	44.40%

Source: The financial statements of Salama Company for the financial year ended 31 December 2024G, the financial statements of Enaya Company for the financial year ended 31 December 2024G, and the pro forma combined financial information of the merging company for the year ended 31 December 2024G.

- Improving the ability of the merging company to invest its funds:** The Merger Transaction is expected to enhance the merging company's ability to invest its funds more effectively as a result of the combined investment experience of Salama Company and Enaya Company after The Merger Transaction, as well as the increased financial strength and value of the investments of the merging company. The following table presents the details of these investments for each of Salama Company and Enaya Company before The Merger Transaction and for the merging company after The Merger Transaction.

Table (2-5): Investments as of December 31, 2024G, based on the pro forma combined financial information

Item (Thousand Saudi Riyals)	Salama Company 31/12/2024G	Enaya Company 31/12/2024G	The Merging Company 31/12/2024G	Percentage increase in the merging company compared to Salama Company
Term Deposits	60,797	-	60,797	-
Financial assets at fair value through profit or loss	51,489	-	51,489	-
Financial assets at fair value through other comprehensive income	61,124	-	61,124	-
Financial assets at amortized cost	90,968	147,705	238,673	162.37%
Total Investments	264,378	147,705	412,083	55.87%

Source: The pro forma combined financial information of the merging company for the period ended December 31, 2024G.

- Reducing the ratio of operating expenses to total gross written premiums and enhancing the ability to offer competitively priced products:** The Merger Transaction is expected to strengthen the ability of the merging company to reduce operating expenses and general and administrative expenses in line with its new scale of operations as a result of combining the shared services of Salama Company and Enaya Company, which will enable it to reduce the ratio of operating expenses to total gross written premiums. Based on the financial statements for the year ended 31 December 2024G, the ratio of operating expenses (salaries and benefits, incurred commissions, Najm fees, etc.) to total gross written premiums for Salama Company amounted to 33.19%, while it amounted to 30.22% for the merging company according to the reviewed pro forma financial statements for the same period. In addition, the reduction in the operating expenses of the merging company will enhance its ability to offer insurance products at more competitive prices over the long term.
- Improving the ability of the merging company to negotiate prices with reinsurers:** The Merger Transaction is expected to create greater value for the merging company in terms of market share of total gross written premiums compared to the sector as a whole. The total gross written premiums of Salama Company as at 31 December 2024G amounted to 526.6 million Saudi Riyals, while the total gross written premiums of the merging company amounted to 760.4 million Saudi Riyals based on the pro forma combined financial information for the year ended 31 December 2024G. Accordingly, the ability of the merging company to negotiate with reinsurers will be enhanced due to the larger scale of business after the merger, which will place it in a stronger position during negotiations on prices and terms with reinsurers, thereby leading to reduced reinsurance costs.
- Enhancing the geographical reach of the merging company's operations:** The Merger Transaction will strengthen the geographical presence of the merging company, as it will benefit from a wider geographical footprint through the integration of the branch networks owned by both Salama Company and Enaya Company. This expanded presence is expected to increase the total gross written premiums through a larger and more widespread branch network, which in turn will enhance the economic strength of the merging company and improve its ability to compete within the insurance sector as a whole.
- Improving the capital efficiency of the merging company:** As a result of The Merger Transaction, the merging company will have stronger capital and a higher level of financial solvency, thereby increasing its ability to assume higher levels of risk and provide better insurance services. The new capital is also expected to support obtaining a better rating from global credit rating agencies. The capital of the merging company after the capital increase will amount to four hundred eighty-eight million nine hundred forty thousand (488,940,000) Saudi Riyals, representing an increase of 62.98% compared to the capital of Salama Company before The Merger Transaction, which amounted to (300,000,000) Saudi Riyals.
- Benefiting from the integration of managerial and technical expertise resulting from business consolidation:** The merging company is expected to benefit from the cumulative expertise of both companies following The Merger Transaction in administrative matters, technical aspects, technological infrastructure and risk management.

2-3 Agreements related to The Merger Transaction

2-3-1 Merger Agreement

Salama Company and Enaya Company entered into the merger agreement on 20/02/1447H (corresponding to 14/08/2025G), pursuant to which they agreed on the terms and conditions of The Merger Transaction and the obligations of both companies in relation to the implementation of The Merger Transaction. The merger agreement also includes a number of warranties provided by each company to the other, in addition to several restrictions related to the conduct of business.

The Merger Transaction is subject to the approval of both the shareholders of Salama Company and the shareholders of Enaya Company. Pursuant to paragraph (n) of Article (3) of the Merger and Acquisition Regulations, a shareholder who owns shares in both Salama Company and Enaya Company may only vote on the merger resolutions at the general assembly of one company only (for further details regarding shareholder voting in the extraordinary general assembly, please refer to section (2-4-2) “**Extraordinary General Assembly Approval**”).

2-3-1-1 Conditions of the Merger Agreement

The merger agreement includes a number of conditions that must be satisfied, which both companies have committed to pursue and satisfy as soon as possible prior to the issuance of the merger resolution, and to coordinate with each other in this regard. The two companies have also agreed that none of these conditions may be amended or waived except with the written approval of both companies, or with the approval of Salama Company with respect to commercial conditions related to Enaya Company. Below is a summary of these conditions:

1. Obtaining all required approvals from the Insurance Authority with respect to The Merger Transaction.
2. Obtaining all required approvals from the Capital Market Authority with respect to The Merger Transaction.
3. Obtaining the approval of the Saudi Exchange (Tadawul) for the listing of The Consideration Shares and any other approvals (or notifications) required with respect to The Merger Transaction.
4. Obtaining the non-objection of the Ministry of Commerce and the Insurance Authority regarding the proposed amendments to the By-Laws of Salama Company.
5. Expiration of the creditors’ objection period, and that all objections (if any) have been settled or withdrawn in accordance with the provisions of the Companies Law and the provisions of the merger agreement, or, in the event that any objections by the creditors of Enaya Insurance Company remain unsettled, that such objections do not constitute a material adverse event or do not materially affect the completion of the merger, as determined by both parties in good faith.
6. Obtaining the required majority approval of the shareholders of Salama Company on the merger resolutions.
7. Obtaining the required majority approval of the shareholders of Enaya Company on the merger resolutions.
8. That no material adverse event has occurred and is continuing.
9. Not breaching a number of warranties provided by both Salama Company and Enaya Company under the merger agreement as outlined in section (2-3-1-4) (“**Warranties**”), unless the breaching party remedies the relevant breach in a manner acceptable to the other party, if such breach is capable of remedy.
10. No issuance of any decision, law, regulation, order, judgment, or decree by any Saudi governmental body or authority that renders the effectiveness of the merger resolution - pursuant to the provisions of the merger agreement - unlawful or illegal.

2-3-1-2 Business Conduct Restrictions

The merger agreement includes an obligation on both companies not to undertake any action that violates specific restrictions set out in the agreement relating to how each company may conduct its business during the period between the date of signing the merger agreement and the effective date of the merger resolution, or the termination date of the merger agreement in accordance with its terms and conditions (whichever occurs first), without obtaining the prior approval of the other party. The other party may not withhold or delay its approval without a reasonable cause.

In the event that either company breaches any of these restrictions, the other party shall be entitled to treat such breach as a material adverse event (as reasonably determined by the non-breaching party) and consequently terminate the agreement by providing written notice to the breaching party. For further details regarding the termination provisions of the merger agreement, please refer to section (2-4-1) ("Termination Provisions of the Merger Agreement").

The business conduct restrictions set out in the merger agreement require that neither company undertakes, nor agrees to undertake, any act that would breach any of these restrictions unless such act is legally required. Below is a summary of these restrictions:

1. Restricting the company's activities to its ordinary course of business in a manner that is materially consistent with its previous practices, provided that such activities do not violate applicable laws.
2. Refraining from making any material change in the nature or scope of the company's business or engaging in any new material activities.
3. Entering into or amending any agreement, or entering into or providing any commitment, or taking any action that in each case involves consideration, expenses, or obligations exceeding 10% of its revenues:
4. Entering into any loan agreement or financing arrangement exceeding 10% of its total liabilities:
5. With respect to each company, declaring, distributing, or paying dividends or any other form of distribution (whether in cash or in kind) for any period:
6. Taking any action involving liquidation, merger, dissolution, or change of legal form:
7. Hiring or offering to hire any new senior executives (or any direct report to the Chief Executive Officer or the Board of Directors), or making or allowing any material changes (other than those required by applicable laws) to the terms and conditions of employment of any such senior executives:
8. Proposing, adopting, or implementing any repurchase of shares, sale of treasury shares, stock split or reverse split, change of nominal value, or cancellation of shares for any reason:
9. Making any amendments to its capital or association documents:

2-3-1-3 Exceptions to the Business Conduct Restrictions

Subject to the above, the two companies have agreed to specify a number of exceptions to the business conduct restrictions, which allow each company to undertake certain actions and activities without such actions being considered a breach of the business conduct restrictions referred to above. These exceptions are as follows:

1. Taking any action that has been publicly disclosed or privately disclosed in writing to the other party prior to the date of the merger agreement.
2. Undertaking any matter that is expected or required under the merger agreement or for the implementation of any of its provisions (including incurring any costs or engaging any person for the purposes of the merger).

2-3-1-4 Warranties

Each of the two companies has provided a number of warranties under the merger agreement, as follows:

1. That each of Salama Company and Enaya Company has the authority to enter into the merger agreement and to perform their respective obligations arising therefrom.
2. That the obligations arising from the merger agreement constitute binding obligations on both parties.
3. That entering into the merger agreement and performing the obligations thereunder will not result in a material breach of the articles of association of either party.
4. That neither party engages in any business or activity other than the insurance activities licensed to it by the Insurance Authority.
5. That neither party has been declared bankrupt, and there are no known circumstances, nor any circumstances that could reasonably be known upon due inquiry, that would give any person the right to request the liquidation of either party or the appointment of a receiver over its establishments or assets, whether in whole or in part.
6. That neither party has any outstanding obligations including: (1) securities convertible into shares or exchangeable for shares of any class of either party; or (2) options, warrants, or other rights to subscribe for or purchase shares of any class of either party; or (3) agreements of any kind relating to the issuance of any shares of any class of either party, or any securities convertible into or exchangeable for shares, or any options, warrants, or rights.
7. That the audited financial statements (and/or unaudited interim statements) for the financial periods up to the date of signing the agreement, including management accounts disclosed to the other party, provide a true, non-misleading, and accurate representation of that party's results for the relevant period and its financial position at the end of such period.
8. That signing the merger agreement and performing the obligations thereunder will not result in a material breach, constitute an event of default, or grant any right of termination or any right of material amendment (in price, services, or otherwise) under any material agreement to which either party is a party or by which it is bound.
9. That all information relating to the party provided to the other party in connection with The Merger Transaction or concerning the party (including information provided during the due diligence phase or for the purpose of preparing the merger transaction documents) is true, complete in all material respects, and not materially misleading as of its date.
10. That no material information has been withheld by either party in the context of The Merger Transaction, nor any other information requested during the due diligence phase.

Each party has also undertaken to the other that all information it has provided about itself to the other party after entering into the merger agreement (including all information reasonably requested by the other party or required under applicable laws for the purpose of preparing the shareholders' circular and the offer document issued by Salama Company and the Board circular of Enaya Company) is true and accurate in all material respects and not misleading in any material respect as of its date.

2-3-2 Governance

2-3-3 Board of Directors of Salama Company After The Merger Transaction

The two parties have agreed that, on the effective date, the Board of Directors of Salama Company will consist of seven (7) members.

Within a period not exceeding twenty-one (21) calendar days from the date of approval by the extraordinary general assemblies,

Enaya Company shall have the right to nominate up to two (2) new members (referred to as the “New Board Members”) to be appointed to the Board of Directors of Salama Company (the “Unified Board”). The two new members must meet all membership requirements necessary to serve on the Board of Directors of Salama Company in accordance with the regulations of the Insurance Authority and applicable regulations, and they must obtain the approval of the Insurance Authority. Enaya Company must also ensure that the appointment of the new members does not result in a breach of the independence requirements imposed on the Board of Directors of Salama Company under applicable regulations.

Salama Company shall, within two (2) business days from the date of receipt of the nominations submitted by Enaya Company for the new members or from the date of approval of the Insurance Authority for the nominated members - whichever occurs earlier - and following approval by the extraordinary general assembly, use its reasonable efforts to ensure the appointment of the new members, either by increasing the number of vacant seats or through the resignation of existing members as it deems appropriate, acknowledging that Salama Company shall not be liable in the event that such appointments cannot be made for any reason.

If the shareholders reject the appointment of the new members at the next extraordinary general assembly meeting convened after their appointment, the current Board of Directors of Salama Company shall continue as is without any change. The two companies have also agreed that the Chairman of the Board of Directors of Salama Company after the issuance of the merger resolution will remain Mr. Mountasar Mohammed Foudah (the current Chairman of the Board of Directors of Salama Company), and that the Chief Executive Officer, Mr. Bader Khalid Alanzi (the current CEO of Salama Company), will continue to serve as CEO after the issuance of the merger resolution. These changes will not take effect until after the issuance of the merger resolution, and the current boards of directors and executive management teams of both companies will continue to manage and operate their respective companies independently.

2-3-4 Provisions for Termination of the Merger Agreement

The merger agreement shall terminate with immediate effect, and all rights and obligations of both companies under the agreement shall accordingly terminate (except for certain rights and obligations that remain binding even after termination, such as confidentiality and dispute resolution) upon the occurrence of any of the following events:

1. Either party delivering a notice of termination of the agreement to the other party in the event a material adverse event occurs with respect to the other party, without such event being remedied to the satisfaction of the other party within fourteen (14) days.
2. Either party delivering a notice of termination of the agreement to the other party in the event of a breach by either party of any of the terms and provisions of the merger agreement (including any breach of warranties or undertakings), without such breach being remedied to the satisfaction of the non-breaching party within fourteen (14) days
3. Failure to satisfy the conditions of The Merger Transaction - unless waived pursuant to a written agreement between the two parties - before the lapse of six months from the date of entering into the merger agreement (unless the parties agree in writing to another date).
4. The written agreement of both parties to terminate the agreement.

2-3-5 Material Adverse Event Notice

In the event that an event occurs to either party which the other party considers to be a material adverse event prior to the effective date of the merger resolution, the party that considers such event to be a material adverse event must promptly send a written notice to the other party specifying such event (referred to as the “Material Adverse Event Notice”). The representatives of both parties

must meet within ten (10) business days from the date of receipt of the Material Adverse Event Notice to review the circumstances. If either party does not agree that a specific event or circumstance has resulted in what constitutes a material adverse event, the parties must cooperate to appoint an independent expert from among the auditors licensed by the Authority (referred to as the “Expert”), who shall act as an expert - not an arbitrator - review the circumstances and issue a final and binding report to both parties stating whether the elements of a material adverse event have been established with respect to the event or circumstance. Both parties shall initially bear equally all fees, costs, and expenses related to the appointment of the Expert. If the Expert concludes that no material adverse event has occurred, the party claiming the occurrence of such event shall be responsible for reimbursing the other party for the costs incurred in appointing the Expert. The Expert must be appointed by mutual agreement of both parties. If the representatives of both parties are unable to meet within ten (10) business days from the date of receipt of the Material Adverse Event Notice, or if they fail to agree on the appointment of the Expert within twenty (20) business days from the date of receipt of the Material Adverse Event Notice, the party claiming the existence of a material adverse event may apply to the Saudi Center for Commercial Arbitration to nominate an Expert, and such nomination shall be binding on both parties.

Upon the parties reaching an agreement, or upon the Expert issuing his final and binding report determining whether a material adverse event has occurred, the parties may negotiate in good faith either to continue The Merger Transaction or to amend its terms within fourteen (14) business days, or the agreement may be terminated in accordance with its provisions by the party not affected by the material adverse event (or The Merger Transaction shall be deemed effective under its terms if the affected party does not exercise its right within ten (10) business days after the end of the amicable negotiation period).

2-3-6 Termination Fee

Pursuant to the merger agreement, the two companies have agreed on a termination fee in consideration of the time, effort, and costs incurred by both parties in connection with The Merger Transaction. Under the merger agreement, if either party takes any action (or refrains from taking any action) that causes The Merger Transaction to fail, such party shall pay a lump sum amount of four million (4,000,000) Saudi Riyals to the other party within ten (10) days from the date of termination of the merger agreement, provided that the party shall not be obligated to pay such fee in the event of fraud, bad faith, or a material breach by the other party.

2-3-7 Other Agreements

Except for the non-binding memorandum of understanding and the merger agreement, there are no other material agreements entered into between the two companies in connection with the Merger Transaction.

2-4 Procedures Required for the Issuance and Effectiveness of the Merger Resolution

Subject to the satisfaction of all conditions set out in the merger agreement, the principal procedures required for the issuance and effectiveness of the merger resolution are as follows:

2-4-1 Governmental Approvals

The issuance and effectiveness of the merger resolution require obtaining a number of governmental approvals, as follows:

- a. Obtaining the non-objection of the General Authority for Competition regarding the economic concentration resulting from The Merger Transaction.
- b. Obtaining the approval of the Insurance Authority for The Merger Transaction and the procedures and matters resulting therefrom.
- c. Obtaining the approval of the Saudi Exchange (Tadawul) for the listing of The Consideration Shares.
- d. Obtaining the approval of the Capital Market Authority for the application to increase the share capital of Salama Company and for the publication of the offer document.
- e. Obtaining the non-objection of the Ministry of Commerce for the proposed amendments to the By - Laws of Salama Company. (as set out in Annex (1) of this document).
- f. Obtaining the approval of the Capital Market Authority for convening the extraordinary general assembly of Salama Company relating to The Merger Transaction and the extraordinary general assembly of Enaya Company relating to The Merger Transaction. The date of the assembly meeting will be announced on the Saudi Exchange (Tadawul) website.
- g. Obtaining the approval of the Ministry of Commerce to update the commercial registration of Salama Company and the commercial registration of Enaya Company, as required.

[With the exception of obtaining the approval of the Capital Market Authority for convening the extraordinary general assemblies of Salama Company and Enaya Company relating to The Merger Transaction, and the approval of the Ministry of Commerce for updating the commercial registrations, all of the governmental approvals listed above have been obtained]

2-4-2 Extraordinary General Assembly Approval

The conditions of The Merger Transaction include obtaining the approval of the extraordinary general assembly of each of Salama Company and Enaya Company for The Merger Transaction, as follows:

1- Approving the merger resolutions by the required majority, representing not less than three-quarters of the shares with voting rights represented at the meeting of the shareholders of Salama Company.

2- Approving the merger resolutions by the required majority, representing not less than three-quarters of the shares with voting rights represented at the meeting of the shareholders of Enaya Company.

Salama Company and Enaya Company have submitted a request to the Capital Market Authority to convene the extraordinary general assembly meeting for The Merger Transaction for each company after the publication of this document. After obtaining the CMA's approval, each of Salama Company and Enaya Company will publish the invitation to their respective extraordinary general assembly meetings for The Merger Transaction, which must be held within a period not exceeding twenty-eight (28) business days from the date of publication of this document (or any other date approved by the CMA).

The extraordinary general assembly meeting of Enaya Company shall be valid if shareholders representing at least half of the shares of Enaya Company with voting rights are present. If this quorum is not met at the first meeting, a second meeting shall be convened one hour after the end of the scheduled time of the first meeting (provided that the invitation to the first meeting states that a second meeting may be convened one hour after the first meeting if the required quorum is not met). The second meeting shall be valid if shareholders representing at least one-quarter of the shares of Enaya Company with voting rights are present. If the required quorum is not met at the second meeting, Enaya Company shall apply to the Capital Market Authority for approval to convene a third extraordinary general assembly meeting. Once approved, Enaya Company shall publish the invitation to the extraordinary general assembly meeting, which shall be held not less than twenty-one (21) days from the date of publication of the invitation. The third meeting shall be valid regardless of the number of shares represented therein.

All shareholders registered in the shareholders' register of Salama Company at the end of the trading day on which the extraordinary general assembly meeting for The Merger Transaction is held are entitled to attend the extraordinary general assembly meeting. Shareholders may vote on the agenda or appoint another person (who must not be a member of the Board of Directors of Enaya Company) to attend the meeting and vote on their behalf in accordance with applicable procedures, or vote electronically in accordance with the procedures applicable in this regard. Pursuant to paragraph (n) of Article (3) of the Merger and Acquisition Regulations, any shareholder who owns shares in both Salama Company and Enaya Company may vote on the merger resolutions only at the extraordinary general assembly meeting of one of the two companies. If a shareholder votes in both assemblies, one of the votes will be disregarded based on a decision jointly made by the two companies as they deem appropriate.

Although all shareholders of Enaya Company are entitled to attend the extraordinary general assembly meeting relating to The Merger Transaction and vote on its resolutions (subject to any restrictions arising from conflicts of interest or any other restrictions under the laws applicable in the Kingdom of Saudi Arabia), shareholders of Enaya Company residing outside the Kingdom of Saudi Arabia must take into account that this document has not been submitted or registered with any regulatory authority outside the Kingdom of Saudi Arabia. Accordingly, if any shareholder of Enaya Company resides in a jurisdiction whose laws require the company to undertake certain steps in order for such shareholder to vote validly on the merger resolutions, it should be noted that Salama Company has not undertaken such steps, and therefore, the relevant shareholder should not participate in voting on the proposed resolutions of the extraordinary general assembly of Enaya Company relating to The Merger Transaction. If the concerned shareholder nevertheless votes on the merger resolutions, Salama Company, in agreement with Enaya Company, shall have the right

not to proceed with The Merger Transaction unless it has been approved by the required majority of the shareholders of Enaya Company without counting the votes of the concerned shareholder.

If the required majority - being at least three-quarters of the shares with voting rights represented at the meeting - of the shareholders of Enaya Company approve The Merger Transaction at the extraordinary general assembly meeting of Enaya Company relating to The Merger Transaction, then all shareholders of Enaya Company (including those who voted against or did not participate in the vote) will cease to own any shares in Enaya Company, as its shares will be delisted and the company will cease to exist, and they will instead receive The Consideration Shares in Salama Company in accordance with the terms and conditions of the merger agreement.

2-4-3 Creditors' Objection Period

At least thirty (30) days before convening the extraordinary general assembly meetings of both companies to vote on the merger resolutions, the two companies announced The Merger Transaction and the mechanism for creditors of Enaya Company to submit objections. Such creditors were given a period of fifteen (15) days from the date of the announcement to submit any objections in accordance with Article (227) of the Companies Law and the mechanism specified in the announcement.

Enaya Company must settle a creditor's debt if it is due, or provide adequate security for its settlement if it is deferred. A creditor who notified Enaya Company of his objection to the merger during the creditors' objection period, and whose debt was not settled if due, or was not provided with adequate security if deferred, may apply to the competent judicial authority within not less than ten (10) days before the date scheduled for voting on the merger resolutions. The competent judicial authority may, in such case, order the settlement of the debt if due or the provision of security if deferred. If it determines that the merger would result in severe harm to the objecting creditor and that the two companies are unable to settle the debt or provide security, it may order the suspension or postponement of the merger, provided that its decision is issued prior to the effectiveness of the merger resolution. If the competent judicial authority does not decide on the creditor's objection before the effectiveness of the merger resolution but later determines the validity of the objecting creditor's claim, it may issue a decision awarding compensation for damages suffered as a result of the merger.

After the expiration of the creditors' objection period, Enaya Company shall announce on the Saudi Exchange (Tadawul) website the results of the creditors' objection period as follows:

- (a) That no objections were received during the period, or that objections were received but were withdrawn or settled, or that the competent judicial authority rejected the creditor's request to suspend The Merger Transaction (as applicable).
- (b) A description of any objections received that remain unsettled and are still outstanding, as agreed with Salama Company. In such case, The Merger Transaction shall proceed unless a judicial decision is issued to suspend it. Enaya Company shall also announce, on the Saudi Exchange (Tadawul) website, the completion of the settlement of all outstanding objections, if required.

2-4-4 Effectiveness of the Merger Resolution

Pursuant to Article (228) of the Companies Law, the merger resolution becomes effective as of the date on which the details of Enaya Company are recorded in the commercial register of Salama Company. As soon as possible after the issuance of the merger resolution:

- a) Enaya Company shall take all necessary actions to suspend the trading of its shares on Tadawul, to enable Edaa to withdraw the shareholders' register of Enaya Company who are entitled to receive The Consideration Shares, at the end of the second trading day following the date of such suspension or any other date determined by the Capital Market Authority, Tadawul, or Edaa.
- b) Salama Company shall take all necessary actions to enable the issuance of the new fully paid-up shares and have them deposited into the portfolios of the shareholders of Enaya Company listed in the agreed-upon register in accordance with the Exchange Ratio.
- c) Both companies shall take all necessary actions to update the commercial registrations in order to effect the merger resolution concurrently with the deposit of The Consideration Shares. or as soon as reasonably possible thereafter.
- d) Both companies shall take all necessary actions to update the commercial registrations in order to effect the merger resolution as soon as reasonably possible thereafter.

2-5 Related Parties and Board Members with an Interest in The Merger Transaction

The Merger Transaction does not involve any related parties, and none of the board members of Salama Company has an interest in The Merger Transaction. According to Enaya Company's confirmation, none of its board members has an interest in The Merger Transaction.

03

OWNERSHIP AND TRANSACTIONS



3 Ownership and transactions

3-1 Salama Company's Ownership and Transactions

Salama Company does not own any shares in Enaya Company, and Salama Company has not dealt in the shares of Enaya Company during the twelve-month period preceding the offer period and up to the day prior to the publication date of this document.

3-2 Shareholdings of the Board Members of Salama Company

The following table sets out the shareholdings of the board members of Salama Company and the extent of any controlling interest they may hold in Salama Company or Enaya Company as at the close of trading on Monday 05/05/1447H (corresponding to 27/10/2025G):

Name	Position	Status	Ownership in Salama Company				Ownership in Enaya Company			
			Direct	Indirect interest ⁽¹⁾	Total	Percentage	Direct	Indirect interest ⁽¹⁾	Total	Percentage
Mountasar Mohammed Foudah	Chairman	Independent	500	N/A	500	0.002%	N/A	N/A	N/A	N/A
Fahad Talal Kurdi	Deputy Chairman	Independent	100	N/A	100	0.0003%	N/A	N/A	N/A	N/A
Bader Khalid Alanzi	Member	Executive	1,000	N/A	1,000	0.003%	N/A	N/A	N/A	N/A
Khaled Mohammed Salem Bajnaid	Member	Independent	10	N/A	10	0.00003%	N/A	N/A	N/A	N/A
Nasser Dieffullah Alrahili	Member	Independent	3,000	N/A	3,000	0.010%	N/A	N/A	N/A	N/A
Wael Abdulrahman Albassam	Member	Independent	3,450	N/A	3,450	0.012%	N/A	N/A	N/A	N/A
Omar Basheer Alsayed	Member	Independent	5	N/A	5	0.00002%	N/A	N/A	N/A	N/A

⁽¹⁾ The indirect interest includes shares directly owned by: (1) companies controlled by the member, or (2) the member's relatives, i.e., his wife, parents, and children, or (3) the entity represented by the member.

3-3 Transactions of the Board Members of Salama Company

Except for the dealing details set out below, the board members of Salama Company have not traded in any shares of Salama Company or Enaya Company during the twelve-month period preceding the offer period and up to the day prior to the publication of this document.

Member Name	Company Traded	Trading Date	Type of Trade	Quantity (Shares)	Price per Share (Saudi Riyals)
Mountasar Mohammed Foudah	Salama	18/05/2025G	Purchase	500	13.52
Fahad Talal Kurdi	Salama	15/05/2025G	Purchase	100	13.62
Bader Khalid Alanzi	Salama	28/05/2025G	Purchase	1,000	12.82
Khaled Mohammed Salem Bajnaid	Salama	22/05/2025G	Purchase	10	13.40
Nasser Dieffullah Alrahili	Salama	19/05/2025G	Purchase	3,000	13.48
Wael Abdulrahman Albassam	Salama	20/05/2024G	Purchase	2,300	32.78
Omar Basheer Alsayed	Salama	05/05/2025G	Purchase	5	14.18

3-4 Shareholdings of Persons Acting in Concert with Salama Company

There are no shares in Salama Company or Enaya Company that are owned or controlled by any person acting in concert with Salama Company as at the publication date of this document, and no person acting in concert with Salama Company has dealt in the shares of Salama Company or Enaya Company during the twelve-month period preceding the offer period and up to the day prior to the publication of this document.

04

SPECIAL
ARRANGEMENTS,
CONDITIONS,
AND TRANSACTIONS



4 Special Arrangements, Conditions, and Transactions

There is no agreement, arrangement, or understanding relating to The Merger Transaction (including any compensation arrangement) between Salama Company (or any person acting in concert with it) and any of the board members of Enaya Company, its current shareholders, or any person who was a board member or shareholder of Enaya Company during the twelve-month period preceding the publication date of this document.



05

ULTIMATE BENEFICIAL
OWNERS OF ENAYA COMPANY
SHARES AND CONTROLLING
SHAREHOLDERS IN SALAMA
COMPANY



5 Ultimate Beneficial Owners of Enaya Company Shares and Controlling Shareholders in Salama Company

5-1 Major Shareholders

As of the date of this document, there is no major shareholder who owns 5% or more of the shares of Salama Company or Enaya Company.

5-2 Ultimate Beneficial Owner of the Acquired Shares and the Controlling Shareholder

According to Enaya Company's confirmation, there is no person or group of persons who owns or controls 30% or more of Enaya Company's share capital, or who is able to direct its decisions and management; and no securities acquired under the offer will be transferred to any other persons.

06

FINANCIAL INFORMATION



6 Financial Information

6-1 Closing Price of the Shares of Salama Company

The table below contains the closing price of the shares of Salama Company for the first day of each month during the six months immediately preceding the publication date of the offer document, as well as the last day prior to the commencement of the offer period and the last available day prior to the publication of the offer document.

Date	Salama Company's share price at market close (Saudi Riyals)
01/07/2025G	14.00
03/08/2025G	12.70
01/09/2025G	11.78
01/10/2025G	12.42
02/11/2025G	11.67
01/12/2025G	10.02
Last trading day prior to the start of the offer period	
13/08/2025G	12.14
Last trading day prior to the publication of this document	
03/12/2025G	9.80

Source: Saudi Exchange (Tadawul) website

6-2 Closing Price of Enaya Company's Shares

The table below contains the closing price of the shares of Enaya Company for the first day of each month during the six months immediately preceding the publication date of the offer document, as well as the last day prior to the commencement of the offer period and the last available day prior to the publication of the offer document.

Date	Enaya Company's share price at market close (Saudi Riyals)
01/07/2025G	10.18
03/08/2025G	8.90
01/09/2025G	8.80
01/10/2025G	9.21
02/11/2025G	8.55
01/12/2025G	7.62
Last trading day prior to the start of the offer period	
13/08/2025G	9.30
Last trading day prior to the publication of this document	
03/12/2025G	7.44

Source: Saudi Exchange (Tadawul) website

6-3 Dividends and Dividend Policy

Based on the Exchange Ratio, pursuant to which the shareholders of Enaya Company will receive (0.8214782608695650) shares in Salama Company for each share they own in Enaya Company, the total number of The Consideration Shares will amount to eighteen million eight hundred and ninety-four thousand (18,894,000) fully paid shares, with a nominal value of (10) Saudi Riyals per share. These shares will be issued through an increase of Salama Company's current share capital by (62.98%), raising the number of its shares from thirty million (30,000,000) shares to forty-eight million eight hundred and ninety-four thousand (48,894,000) shares. Following The Merger Transaction, the current shareholders of Salama Company will own (61.36%) of the share capital of Salama Company after the capital increase, while the shareholders of Enaya Company will own (38.64%) of the share capital of Salama Company after the capital increase.

All shares of Salama Company are of a single class, and no share grants its holder any preferential rights. The Consideration Shares will be issued from the same class as the existing shares of Salama Company and will carry the same rights. The Consideration Shares will be issued without any entitlement to dividends. Should the merger resolution be issued and Salama Company subsequently distribute dividends during any given financial period, all shareholders of Salama Company (including the shareholders holding The Consideration Shares) will be entitled to receive such dividends, each according to the number of shares they own and without any distinction in rights, in accordance with the record date of each declared dividend.

Pursuant to Article (45) of the Bylaw of Salama Company

- 1) The Ordinary General Assembly, when determining the share of net profits allocable to the shares, may resolve to establish other reserves to the extent that serves the Company's interests or ensures the distribution of stable dividends to shareholders as much as possible. The Assembly may also deduct amounts from the net profits to achieve social purposes for the Company's employees.
- 2) The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting the reserves, if any.
- 3) Twenty percent (20%) of the net profits shall be set aside as a statutory reserve, and the Ordinary General Assembly may suspend such allocation once the total reserve reaches one hundred percent (100%) of the paid-up share capital.

Salama Company is not obligated to declare or distribute dividends, and any dividend distribution decision depends on several factors, including Salama Company's past and expected profitability, cash flows, financing and capital requirements, market conditions and general economic factors, zakat and tax, as well as other legal and regulatory considerations, including any covenants under commercial contracts to which Salama Company is subject. Accordingly, there are no guarantees of actual dividend distributions, nor any assurance regarding the amounts that may be paid in any given year or period.

It should be noted that Salama Company has not distributed dividends for the financial years ended on 31 December 2022, 2023, and 2024, and up to the date of this document.

07

FUNDING OF THE MERGER TRANSACTION



7 Funding of The Merger Transaction

The full value of The Merger Transaction will be settled through the issuance of The Consideration Shares to the shareholders of Enaya Company. Accordingly, no loans or financing will be obtained by Salama Company for the purpose of executing The Merger Transaction.

08

EFFECT OF THE OFFER TERMINATION



8 Effect of the Offer Termination

The offer submitted by Salama Company to the shareholders of Enaya Company for the purposes of The Merger Transaction shall terminate if the merger agreement is terminated in accordance with its terms prior to the date of the extraordinary general assembly of Enaya Company convened for The Merger Transaction. (For further details regarding the termination provisions of the merger agreement, please refer to section (2-4-1) "Termination Provisions of the Merger Agreement"). The offer shall also terminate upon the issuance of a resolution by the extraordinary general assembly of Salama Company or Enaya Company, or both, not approving the merger resolutions. In such event, the shareholders of Enaya Company shall not have the right to accept the offer, nor may Salama Company be bound by any prior acceptance relating to the offer.



09

OWNERSHIP AND TRANSACTIONS



9 Description of Salama Company

9-1 Overview

Salama Company was established pursuant to the Ministry of Investment License No. (870/1) dated 13/09/1426H (corresponding to 15/10/2005G), the Council of Ministers Resolution No. (233) dated 16/09/1427H (corresponding to 09/10/2006G), and Royal Decree (M/60) dated 18/09/1427H (corresponding to 11/10/2006G). It is a joint stock company registered in the Commercial Register under No. (4030169661) dated 06/05/1428H (corresponding to 23/05/2007G), with its head office located in Jeddah, Madinah Road, Salama Tower, P.O. Box 7864, Jeddah 23525, Kingdom of Saudi Arabia. It holds a license to conduct insurance activities issued by the Insurance Authority under License No. (T M N/04/20079) dated 29/08/1428H (corresponding to 11/09/2007G). The current share capital of Salama Company is three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) fully paid ordinary shares with a nominal value of ten (10) Saudi Riyals per share, and listed on the Saudi Exchange (Tadawul).

The main activity of the company in the Kingdom of Saudi Arabia is the conduct of insurance business against risks in general and all related activities in accordance with the Cooperative Insurance Companies Control Law, its implementing regulations and amendments, and all applicable related regulations. The company's activities primarily cover general insurance and health insurance.

The activities of Salama Company under its Bylaw include engaging in cooperative insurance business in the general insurance and health insurance branches. The company conducts its operations in accordance with the Cooperative Insurance Companies Control Law, its implementing regulations, decisions issued by the Insurance Authority, and applicable laws and regulations in the Kingdom of Saudi Arabia. According to its commercial registration, the purposes of Salama Company are general insurance and health insurance.

9-2 Subsidiaries and Geographic Scope of Assets

Salama Company has no subsidiaries and does not have any operations or assets outside the Kingdom.

9-3 Vision

To be Salama Company the first choice when it comes to innovative and customized insurance solutions supported by strong financial and human resources.

9-4 Mission

Salama Company seeks to meet the insurance needs of individuals and companies to help them manage their daily risks, compensate them for unforeseen events, and achieve their aspirations. This will be accomplished by establishing long-term partnerships that enable the company to understand, anticipate, and meet customer needs, provide high-quality insurance solutions, and offer high service levels that meet and exceed their expectations.

9-5 Written Insurance Premiums

The table below sets out the written insurance premiums of Salama Company by insurance product categories for the financial years ended 31 December 2022G, 2023G, and 2024G:

Insurance Product Category (Thousand Saudi Riyals)	31 December 2022G	31 December 2023G	31 December 2024G
Motor	624,070	601,023	356,918
Health	142,575	140,653	94,584
General Insurance (all branches)	25,463	47,294	75,068
Total	792,108	788,970	526,570

Source: Salama Company



9-6 Products

The table below sets out the insurance products of Salama Company:

#	Insurance Product Name	Insurance Product Description	Approval Status
1.	Fire Insurance	General	Approved
2.	Property All Risks Insurance	General	Approved
3.	Home Insurance	General	Approved
4.	Marine Cargo Insurance	General	Approved
5.	Hull Insurance	General	Approved
6.	Carrier Liability Insurance (All Risks)	General	Approved
7.	Carrier Liability Insurance (Named Perils)	General	Approved
8.	Land Cargo Insurance (All Risks)	General	Approved
9.	Land Cargo Insurance (Basic Risks)	General	Approved
10.	Contractors' Errors Insurance	General	Approved
11.	Contractors' Plant and Machinery Insurance	General	Approved
12.	Electronic Equipment Insurance	General	Approved
13.	Loss of Profit and Machinery Breakdown Insurance	General	Approved
14.	Machinery Breakdown Insurance	General	Approved
15.	Erection All Risks Insurance	General	Approved
16.	Personal Accident Insurance (Individuals)	General	Approved
17.	Personal Accident Insurance (Groups)	General	Approved
18.	Travel Insurance	General	Approved
19.	Fidelity Guarantee Insurance	General	Approved
20.	Money Insurance	General	Approved
21.	Marine Hull & Liability Insurance	General	Approved
22.	General Liability Insurance	General	Approved
23.	Commercial Liability Insurance	General	Approved
24.	Workers' Compensation and Employer's Liability Insurance	General	Approved
25.	Medical Malpractice Insurance	General	Approved
26.	Directors' and Officers' Liability Insurance	General	Approved
27.	Professional Indemnity Insurance	General	Approved
28.	Comprehensive Motor Insurance (Individuals & Corporate)	General - Motor	Approved
29.	Third-Party Motor Insurance (Individuals & Corporate)	General - Motor	Approved
30.	Operational Motor Vehicles Insurance	General - Motor	Approved
31.	Third-Party Motor Insurance for Government Vehicles	General - Motor	Approved
32.	Corporate Health Insurance	Health	Approved
33.	SME Health Insurance	Health	Approved
34.	Health Insurance (Visit)	Health	Approved

Source: Salama Company

9-7 Reinsurance

To reduce the risks associated with insurance operations, ensure operational stability, mitigate loss exposures, and contribute to stabilizing profitability, Salama Company engages with reinsurance companies for a portion of the risks it underwrites under its insurance operations, in accordance with the Insurance Supervision Law and the implementing regulations governing insurance activities.

Reinsurance agreements cover various types of reinsurance coverage, including property, engineering, marine, and general accidents. Salama Company has nine (9) reinsurance agreements, as shown in the table below.

The reinsurance companies listed below have been rated by the following agencies: A.M. Best, Standard & Poor's Corporation (S&P), and Moody's Investor Service (Moody's), which are specialized credit rating agencies for insurance companies, and the rating grades vary according to several criteria applied by these agencies as set out below.

The following table sets out the reinsurance companies with which Salama Company deals:

#	Reinsurer	Country	Rating Grade	Rating Agency
1.	RGA	United Arab Emirates	-AA	Standard & Poor's
2.	Saudi Reinsurance Company	Kingdom of Saudi Arabia	A3	Moody's Investor Service
3.	SCOR	France	-AA	Standard & Poor's
4.	ECO	Switzerland	-A	Standard & Poor's
5.	Swiss Re	Switzerland	-AA	Standard & Poor's
6.	Chaucer	United Kingdom	-AA	Standard & Poor's
7.	Hannover Re	Kingdom of Bahrain	A	A.M. Best
8.	CCR Re	France	A	Standard & Poor's
9.	Aspen	Switzerland	A-	Standard & Poor's

Source: Salama Company



10

EXEMPTIONS



10 Exemptions

An exemption was obtained from the Capital Market Authority from the requirements of sub-paragraph (2) of paragraph (b) of Article (36) of the Merger and Acquisition Regulations, whereby the two companies agreed on a termination fee of four million (4,000,000) Saudi Riyals. For further details regarding the termination fee, please refer to section (2-4-3) (“**Termination Fee**”).

11

DOCUMENTS
AVAILABLE FOR
INSPECTION



11 Documents Available for Inspection

Salama Company will make copies of the following documents available for inspection at its headquarters from 9 a.m. to 4 p.m. on business days, from the date of publication of this document until the end of the offer period:

- 1- Bylaws of Salama Company.
- 2- Bylaws of Enaya Company.
- 3- The audited financial statements of Salama Company for the financial years ended 31 December 2022G, 2023G, and 2024G.
- 4- The audited financial statements of Enaya Company for the financial years ended 31 December 2022G, 2023G, and 2024G.
- 5- The non-binding memorandum of understanding.
- 6- The merger agreement (including the termination fee arrangements).
- 7- The unaudited pro forma consolidated financial information of Salama Company for the financial year ended 31 December 2024G for the purpose of The Merger Transaction.
- 8- The consent letters of the advisors and auditors regarding the use of their names, logos, and statements (as applicable) in this document.
- 9- The valuation report issued by the financial advisor.

Annex (1)

Proposed amendments to the Bylaw of Salama Company

Article	Article Before Amendment	Article After Amendment
Article Eight Capital	The Company's capital is three hundred million (300,000,000) Saudi Riyals, divided into thirty million (30,000,000) shares of equal value with a nominal value of (10) ten Saudi Riyals per share, and all are ordinary cash shares.	The Company's capital is four hundred eighty-eight million nine hundred forty thousand (488,940,000) Saudi Riyals, divided into forty-eight million eight hundred ninety-four thousand (48,894,000) shares of equal value with a nominal value of (10) ten Saudi Riyals per share, and all are ordinary cash shares.



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