| Auditors Report | /Audited<br>English<br>01/01/2021-31/12/2021 |
|---|---|
| **DISCLOSURE AUDITOR'S REPORT** | |
| **DISCLOSURE OF AUDITOR'S REPORT** | |
| **AUDITOR'S OPINION** | |
| Unmodified Opinion | Yes |
| **AUDITOR'S OPINION BASIS** | |
| Basis of Unmodified Opinion | Ref #1 |
| Key Audit Matters | Ref #2 |
| Other information | Ref #3 |
| Responsibilities of Management and Those Charged with Governance for the Financial Statements | Ref #4 |
| Auditor's Responsibilities for the Audit of the Financial Statements | Ref #5 |
| Report on Other Legal and Regulatory Requirements | Ref #6 |

**# 1**

## Report on the Audit of the Financial Statements

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the Company's financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**# 2**

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

*Valuation of insurance contract liabilities*

As at 31 December 2021, insurance contract liabilities include outstanding claims (‘OC’), claims incurred but not reported (‘IBNR’) and mathematical reserves (‘MR’), amounting to RO 17,104,133. The reinsurers’ share in insurance liabilities and the net insurance liabilities at 31 December 2021 amounted to RO 12,034,390 and RO 5,069,743 respectively, as detailed in the accompanying financial statements

The valuation of insurance contract liabilities has been considered as a key audit matter as it involves a significant degree of professional judgement and estimates by Management. The liabilities are based on the best-estimate of the ultimate cost of all claims incurred but not settled at a given date, whether reported or not.

A range of methods are used by the Management and the external actuary to determine these provisions. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.

The accounting policies, basis of estimation of insurance contract liabilities and other disclosures relating to insurance contract liabilities are disclosed in the financial statements.

Our audit procedures in response to this key audit matter included:

- Evaluating and testing the design, implementation and operating effectiveness of controls over the claims handling and reserve setting processes of the Company, including allocation of reinsurance portion of the claims;
- Checking samples of claims case reserves through comparing the estimated amount of the case reserve to appropriate documentation, such as reports from the loss adjuster;
- Evaluating the competence, objectivity and independence of the independent actuary appointed by the Management to review the adequacy of technical provisions;
- Re-performing reconciliations between the claims data recorded in the Company’s systems and the data used in the actuarial reserving calculations;
- Matching the insurance contract liabilities as recommended by the Company’s actuary to the liabilities in the financial statements;
- Verifying the ratios of proportional reinsurance assets to related insurance contract liabilities with the proportional reinsurance treaty agreements to identify any variances.

We involved actuarial specialists to assist us in our consideration of the report of the independent actuaries appointed by Management.

We also assessed the appropriateness of disclosures relating to the technical insurance provisions established by Management.

**# 3**

## Other information

The Management and the Board of Directors are responsible for other information. The other information comprises the Chairman’s report, Management Discussion and Analysis report and Corporate Governance Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**# 4**

## Responsibilities of Management and the Board of Directors for the Financial Statements

The Management and the Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the relevant requirements of the Commercial Companies Law and the Capital Market Authority of the Sultanate of Oman and for such internal control as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and the Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

# 5

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

تمت الموافقة على البيان المالي من قبل مجلس الإدارة على 20 Feb 2022

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**# 6**

## Report on the Regulatory Requirements

The financial statements also comply, in all material respects, with the relevant requirements of the Commercial Companies Law of the Sultanate of Oman, and the disclosure requirements for public joint stock companies issued by the Capital Market Authority.

| Auditors Report | /Audited<br>English<br>01/01/2021-31/12/2021 |
|---|---|
| **DISCLOSURE AUDITOR'S REPORT** | |
| **DISCLOSURE OF AUDITOR'S DETAILS** | |
| Name of partner signing off auditor's report | Paul Callaghan |
| Registration number of partner signing off auditor's report | 61499308 |
| Name of audit firm | MOORE STEPHENS LLC |
| Registration number of Audit firm | 1220356 |
| Date of certification from auditor | 20/02/2022 |

تمت الموافقة على البيان المالي من قبل مجلس الإدارة على 20 Feb 2022