



NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
AND REPORT OF THE INDEPENDENT AUDITOR'S REVIEW
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026**

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

<u>Index</u>	<u>Page</u>
Independent auditor's review report on the interim condensed financial information	1
Interim condensed statement of financial position (Unaudited)	2
Interim condensed statement of profit or loss and other comprehensive income (Unaudited)	3
Interim condensed statement of changes in equity (Unaudited)	4
Interim condensed statement of cash flows (Unaudited)	5
Notes to the interim condensed financial information (Unaudited)	6 - 20

Independent Auditor's Review Report On the Interim Condensed Financial Information

To The Shareholders of Naqi Water Company
(A Listed Saudi Joint Stock Company)
Qassim, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Naqi Water Company** ("the Company") as of 30 June 2026, and the related interim condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim condensed statements of changes in equity and the interim condensed statement of cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

Other Matter

The interim condensed financial information for the three-month and six-month periods ended 30 June 2025, and for the three-month period ended 31 March 2026, was reviewed by another auditor, who expressed an unmodified conclusion on this interim condensed financial information on 18 Safar 1447H (corresponding to 12 August 2025) and on 24 Dhul Qa'dah 1447H (corresponding to 11 May 2026), respectively. In addition, the financial statements for the year ended 31 December 2025 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 18 Shawwal 1447H (corresponding to 6 April 2026).

RSM Allied Accountants Professional Services



Abdullah Bin Ahmed Al Faddaghi

License No. 706

Riyadh, Kingdom of Saudi Arabia

16 Safar 1448 H (Corresponding to 30 July 2026)



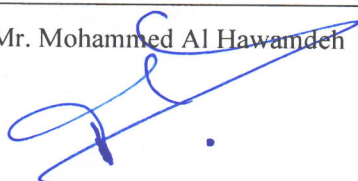
NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Assets			
Non-current assets			
Property, plant and equipment, net	4	175,142,720	169,935,618
Biological assets	5	6,656,206	2,686,037
Right-of-use assets		2,987,997	3,508,126
Intangible assets		6,717,000	7,023,618
Total non-current assets		191,503,923	183,153,399
Current assets			
Inventory	7	25,104,148	18,051,545
Prepaid expenses and other current assets, net		4,781,556	6,341,133
Due from a related party	8/a	11,995,793	7,291,105
Accounts receivables	6	14,678,219	12,212,648
Investments in financial instruments at fair value through profit or loss	9	7,194,890	53,406,269
Cash and cash equivalents	10	51,941,795	16,834,898
Total current assets		115,696,401	114,137,598
Total assets		307,200,324	297,290,997
Equity and liabilities			
Equity			
Share capital	11	200,000,000	200,000,000
Other reserves		19,911,805	19,911,805
Retained earnings		66,049,770	51,011,160
Total equity		285,961,575	270,922,965
Liabilities			
Non-current liabilities			
Employees' benefits obligations		6,952,439	6,168,219
Lease liabilities		1,633,893	1,422,022
Total non-current liabilities		8,586,332	7,590,241
Current liabilities			
Lease liabilities		756,814	1,559,877
Accrued expenses and other current liabilities		5,742,486	4,506,823
Due to a related party	8/b	989,167	1,575,442
Trade payables		4,056,892	8,765,732
Zakat provision	12	1,107,058	2,369,917
Total current liabilities		12,652,417	18,777,791
Total liabilities		21,238,749	26,368,032
Total equity and liabilities		307,200,324	297,290,997

Chief Financial Officer

Mr. Mohammed Al Hawamdeh



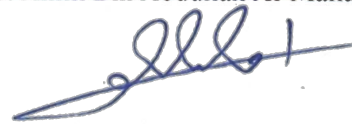
**Managing Director and
Chief Executive Officer**

Mr. Abdulaziz Al-Sayegh



Chairman of the Board

Mr. Amin Bin Abdullah Al-Mallah



The accompanying notes 1 to 24 form an integral part of this interim condensed financial information.

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Revenue	13	60,458,114	51,166,611	112,134,835	95,639,612
Cost of revenue	14	(36,389,719)	(32,033,818)	(69,056,212)	(60,518,751)
Gross profit		24,068,395	19,132,793	43,078,623	35,120,861
Selling and distribution expenses		(10,374,100)	(9,817,645)	(21,730,936)	(18,642,120)
General and administrative expenses		(4,307,981)	(3,885,022)	(8,255,851)	(7,803,224)
Expected credit losses provision	6	(450,000)	(1,160,109)	(853,865)	(1,688,461)
Profits from operations		8,936,314	4,270,017	12,237,971	6,987,056
Finance costs		(115,411)	(163,717)	(236,614)	(303,525)
Other income, net	15	264,422	623,383	461,996	700,570
Time deposits income – Short term	10	384,404	801,193	517,979	2,243,695
Gain on disposal of property, plant and equipment		88,696	-	88,696	-
Gain / (loss) on revaluation of investments at fair value through profit or loss	9	(91,172)	(1,254,561)	1,899,443	(1,216,797)
Dividend income from investments at fair value through profit or loss		-	1,083,990	1,312,532	1,189,501
Net profit for the period before zakat		9,467,253	5,360,305	16,282,003	9,600,500
Zakat expense	12	(600,000)	(600,000)	(1,200,000)	(1,200,000)
Net profit for the period		8,867,253	4,760,305	15,082,003	8,400,500
Other comprehensive income:					
<u>Items not to be reclassified subsequently to profit or loss:</u>					
Remeasurement of losses on employees' benefits obligations		175,950	(304,574)	(43,393)	(92,180)
Total other comprehensive loss for the period		175,950	(304,574)	(43,393)	(92,180)
Total comprehensive income for the period		9,043,203	4,455,731	15,038,610	8,308,320
<u>Earnings per share</u>					
Basic and diluted earnings per share from net profit for the period	16	0.44	0.24	0.75	0.42

Chief Financial Officer

Mr. Mohammed Al Hawandeh

Managing Director and Chief Executive Officer

Mr. Abdulaziz Al-Sayegh

Chairman of the Board

Mr. Amin Bin Abdullah Al-Mallah

The accompanying notes 1 to 24 form an integral part of this interim condensed financial information.

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

For the six-month period ended 30 June 2025

	Share Capital	Other Reserves	Retained Earnings	Total
Balance as of 1 January 2025 (Audited)	200,000,000	19,911,805	54,011,706	273,923,511
Net profit for the period	-	-	8,400,500	8,400,500
Total other comprehensive loss for the period	-	-	(92,180)	(92,180)
Total comprehensive income for the period	-	-	8,308,320	8,308,320
Balance as of 30 June 2025 (Unaudited)	200,000,000	19,911,805	62,320,026	282,231,831

For the six-month period ended 30 June 2026

Balance as of 1 January 2026 (Audited)	200,000,000	19,911,805	51,011,160	270,922,965
Net profit for the period	-	-	15,082,003	15,082,003
Total other comprehensive loss for the period	-	-	(43,393)	(43,393)
Total comprehensive income for the period	-	-	15,038,610	15,038,610
Balance as of 30 June 2026 (Unaudited)	200,000,000	19,911,805	66,049,770	285,961,575

Chief Financial Officer

Mr. Mohammed Al-Hawamdeh

Managing Director and Chief Executive Officer

Mr. Abdulaziz Al-Sayegh

Chairman of the Board

Mr. Amin Bin Abdullah Al-Mallah

The accompanying notes 1 to 24 form an integral part of this interim condensed financial information.

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

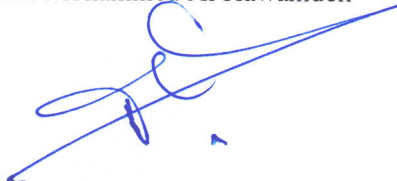
INTERIM CONDENSED STATEMENT OF CASH FLOWS

FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	For the six-month period ended	
		30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Cash flows from operating activities			
Net profit for the period before zakat		16,282,003	9,600,500
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	4	10,051,837	10,306,044
Amortisation of intangible assets		306,618	306,614
Amortisation of biological assets	5	1,446,998	354,339
Depreciation of right-of-use assets		819,334	735,968
Provision for obsolete inventory no longer required	7	-	(1,060,571)
(Gain) / loss on revaluation of investments at fair value through profit or loss	9	(1,899,443)	1,216,797
Employees' benefits obligations		764,406	671,495
Expected credit losses expense	6	853,865	1,688,461
Finance costs		236,614	303,525
Loss on disposal of biological assets	5	58,492	9,311
Gain on disposals of property, plant and equipment		(88,696)	-
		<u>28,832,028</u>	<u>24,132,483</u>
Changes in operating assets and liabilities:			
Inventory		(7,052,603)	1,270,900
Prepaid expenses and other current assets		1,559,577	412,107
Due from a related party		(4,704,688)	400,287
Accounts receivables		(3,319,436)	876,158
Accrued expenses and other current liabilities		1,235,663	3,267,194
Trade payables		(4,708,840)	(61,333)
Restricted cash		-	(1,716,035)
Due to a related party		(586,275)	1,565,178
Cash generated from operating activities		<u>11,255,426</u>	<u>30,146,939</u>
Employees' benefits obligations paid		(175,590)	(353,983)
Zakat paid	12	(2,462,859)	(2,955,969)
Net cash generated from operating activities		<u>8,616,977</u>	<u>26,836,987</u>
Cash flows from investing activities			
Payments for purchase of property, plant and equipment	4	(15,258,939)	(8,213,702)
Payments for purchase of biological assets	5	(5,475,659)	-
Proceeds from disposal of property, plant and equipment		88,696	-
Proceeds from disposal of financial assets at fair value through profit or loss	9	52,069,833	-
Payments for purchase of financial assets at fair value through profit or loss	9	(3,959,011)	(35,048,218)
Net cash generated from / (used in) investing activities		<u>27,464,920</u>	<u>(43,261,920)</u>
Cash flows from financing activities			
Repayment of Islamic Murabaha		-	(2,293,911)
Finance costs paid		(84,603)	(83,926)
Payments of the principal portion of lease liabilities		(890,397)	(275,000)
Net cash used in financing activities		<u>(975,000)</u>	<u>(2,652,837)</u>
Net change in cash and cash equivalents		<u>35,106,897</u>	<u>(19,077,770)</u>
Cash and cash equivalents at the beginning of the period		16,834,898	77,594,661
Cash and cash equivalents at the end of the period	10	<u>51,941,795</u>	<u>58,516,891</u>
Non-cash transactions	21		

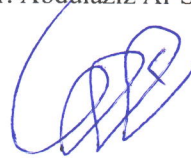
Chief Financial Officer

Mr. Mohammed Al Hawamdeh



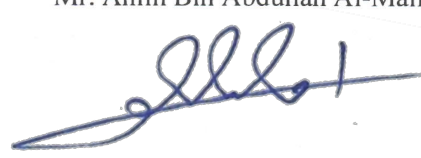
Managing Director and Chief Executive Officer

Mr. Abdulaziz Al-Sayegh



Chairman of the Board

Mr. Amin Bin Abdullah Al-Mallah



The accompanying notes 1 to 24 form an integral part of this interim condensed financial information.

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1- ORGANIZATION AND ACTIVITY

Naqi Water Company is a listed Saudi joint stock company, established under the Companies Law in the Kingdom of Saudi Arabia and registered in the city of Unaizah, Qassim Region, Kingdom of Saudi Arabia under Commercial Registration No. 1128018184, and Unified Number 7011032112, dated 27 Jumada Al-Akhirah 1435H (corresponding to 27 April 2014), and subsequent amendments to the commercial registration and the Company's by-laws.

On 7 Jumada Al-Ula 1443H (corresponding to 11 December 2021), the Board of Directors approved the Company's first-year initial public offering plan through an offering of 30% of the Company's shares for first-year subscription, by submitting a securities registration application to the Capital Market Authority and listing them on the Saudi Exchange (Tadawul). The Capital Market Authority announced on 24 Shawwal 1443H (corresponding to 25 May 2022) its approval of the offering of 6,000,000 shares for the year's subscription, representing 30% of the Company's shares. The Capital Market Authority approved the listing of the Company on the Saudi Exchange (Tadawul) on 17 Muharram 1444H (corresponding to 15 August 2022).

The statutory procedures for amending the Company's by-laws to become a listed Saudi joint stock company were completed on 26 Rabi' Al-Awwal 1444H (corresponding to 26 October 2022), under Commercial Registration No. 1128018184.

The Company's activities are as follows:

- Production and bottling of purified filtered water.
- Wholesale of bottled water, carbonated water and juices.
- Retail sale of beverages in specialized stores.
- Land transportation of goods.
- Breeding and production of layer breeder hens, operation of their hatcheries, and egg production.

The Company's registered head office address is: Al-Absah District, P.O. Box 5228, Unaizah, Qassim Region, Kingdom of Saudi Arabia

The Company operates through its branches in cities within the Kingdom, and these branches operate under the following commercial registrations:

Branch	City	Unified National Number	Commercial Registration	Commercial Registration Date
Naqi Water Company, listed joint stock	Unaizah	7016639382	1128183653	12 January 2020
Naqi Water Company, listed joint stock	Unaizah	7037637753	2050180099	24 December 2023
Naqi Water Company, listed joint stock	Hail	7040605201	3350173509	9 June 2024
Naqi Water Branch	Jazan	7037347213	5900145516	28 November 2023
Naqi Water Branch	Tabuk	7042157227	3550163229	17 October 2024
Naqi Water Company, listed joint stock	Riyadh	7036846157	1128189986	9 August 2023
Desert Nature Company	Riyadh	7004779554	1010460840	27 September 2018
Naqi Water Company, listed joint stock	Unaizah	7009262168	1128184884	29 November 2020
Naqi Water Company, listed joint stock	Unaizah	7033606935	4030498557	19 January 2023
Naqi Water Company, listed joint stock	Riyadh	7016233111	1010603193	10 November 2019

**NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

2- Basis of preparation and measurement

2-1 Statement of compliance

This interim condensed financial information of the Company has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants. It should be read in conjunction with the Company's financial statements as of and for the year ended 31 December 2025, as it does not include all the information and disclosures required for a complete set of financial statements. However, selected accounting policies and explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the Company's last annual financial statements.

The results for the six-month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2-2 Basis of measurement

This interim condensed financial information has been prepared on an accrual basis and under the going concern assumption, and on a historical cost basis, except for the following items in the interim condensed statement of financial position:

- Financial assets at fair value through profit or loss are measured at the quoted prices in the Saudi stock market at the date of the statement of financial position.
- Employees' benefits obligations are measured at the present value of future obligations using the projected unit credit method.
- Lease liabilities are measured at the net present value of lease payments.

2-3 Functional and presentation currency

This interim condensed financial information is presented in Saudi Riyals, which is the Company's functional and presentation currency. Amounts are rounded to the nearest Riyal unless otherwise stated.

2-4 Significant accounting judgments, estimates and assumptions

The preparation of the interim condensed financial information requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenues and expenses. The related estimates and assumptions are based on historical experience and various other factors believed to be reasonable; actual results may differ from these estimates.

Underlying estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were consistent with those disclosed in the last annual financial statements.

The Company's management has performed an assessment of its ability to continue as a going concern and is satisfied that the Company has the resources needed to continue in operation for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, this interim condensed financial information has been prepared on a going concern basis.

3- Material accounting policies

The accounting policies applied in preparing this interim condensed financial information are consistent with those applied in preparing the Company's annual financial statements for the year ended 31 December 2025.

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

3-Material accounting policies (continued)

3-1 New standards, amendments to standards and interpretations

New standards and amendments to standards disclosed in the Company's annual financial statements remain unchanged.

IFRS 18 "Presentation and Disclosure in Financial Statements" will replace IAS 1 "Presentation of Financial Statements" and applies to annual reporting periods beginning on or after 1 January 2027. The Company has not early adopted it in preparing this interim financial information, although early adoption is permitted.

The Company is currently assessing the expected impact of the initial application of IFRS 18 on its annual financial statements.

A. Presentation of the statement of profit or loss

IFRS 18 requires entities to classify revenues and expenses into categories within the statement of profit or loss, namely: operating, investing, financing, zakat and tax, and discontinued operations. The classification of revenues and expenses depends on the entity's main business activities. The Company has determined that it does not have a specified main business activity of investing in assets and/or providing financing to customers.

Net profit or net assets will not change as a result of the Company's application of IFRS 18. However, the Company will be required to present two new subtotals, being "operating profit" and "profit or loss before financing and tax". Nevertheless, the operating profit subtotal differs from the operating profit subtotal currently presented by the Company. Based on information currently available, the Company expects changes to arise in the current structure of the statement of profit or loss as a result of the following:

- Interest income and expenses are generally included within finance income and finance costs under the Company's current accounting policy and presented within the "net finance costs" subtotal. IFRS 18 provides specific guidance on revenues and expenses classified within the investing category and the financing category.
- The interest cost relating to employees' benefits obligations, currently presented within employees costs, will be classified and presented within finance costs.
- Foreign currency exchange losses are currently included within finance costs and presented within net finance costs. Under IFRS 18, they are required to be presented within the same category as the revenues and expenses arising from the items that gave rise to those differences. For example, if such differences arise on trade receivables or trade payables, they will be classified within operating activities.
- Gains/(losses) on fair value through profit or loss (FVTPL) investments and the dividends resulting from them will be classified and presented within the investment category

B. Management-defined performance measures

Management-defined performance measures represent subtotals of revenues and expenses used in public communications outside the financial statements and reflect management's view of one aspect of the entity's overall financial performance. The Company is required to disclose specific information relating to management-defined performance measures within a single note in the financial statements.

The Company is currently working to identify the public communications that should be considered when determining management-defined performance measures. These measures relate to the same reporting period covered by the financial statements. Accordingly, the management-defined performance measures that the Company will disclose upon application of IFRS 18 will be determined based on the public communications issued by the Company relating to the interim reporting periods of 2027.

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

3-Material accounting policies (continued)

C. Aggregation and disaggregation principles

IFRS 18 provides principles on how related information should be aggregated in the financial statements (i.e. the primary financial statements and the accompanying notes). It also provides guidance on items presented in the financial statements or disclosed in the notes.

The Company is currently studying and assessing those items based on similar and dissimilar characteristics. Accordingly, additional material information will be disclosed in the notes accompanying the financial statements.

The Company's management assesses items classified under "other" and uses more descriptive labels consistent with the nature of each item.

D) Consequential amendments

There are consequential amendments to IAS 7, which require entities to use the new operating profit subtotal as the starting point for preparing the statement of cash flows when presenting cash flows from operating activities using the indirect method. The Company currently uses profit for the year/period as the starting point for the reconciliation to cash flows from operating activities. As a result of using a new starting point, some of the reconciling items presented will change.

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

4- Property, plant and equipment, net

	Land	Buildings and constructions on owned and leased land	Trucks	Vehicles	Furniture and fixtures	Machinery and equipment	Tools and equipment	Computers	Desalination plant and laboratory equipment	Projects under construction	Total
<u>Cost</u>											
Balance as of 1 January 2025 (Audited)	12,100,000	37,801,837	19,440,000	15,849,501	5,198,423	122,450,151	1,200,366	838,068	17,067,324	26,011,548	257,957,218
Additions during the year	-	134,814	-	2,481,056	215,372	1,878,129	314,113	198,032	30,500	38,534,932	43,786,948
Transferred from projects under construction	-	2,719,160	-	-	-	2,909,052	301,148	-	-	(5,929,360)	-
Disposals during the year	-	-	-	(186,349)	-	(13,214,689)	-	-	-	-	(13,401,038)
Balance as of 31 December 2025 (Audited)	12,100,000	40,655,811	19,440,000	18,144,208	5,413,795	114,022,643	1,815,627	1,036,100	17,097,824	58,617,120	288,343,128
Additions during the period	-	161,116	55,000	2,415,040	383,745	858,788	58,222	129,375	2,300	11,195,353	15,258,939
Transferred from projects under construction	-	12,437,489	-	-	683,000	9,728,028	722,117	-	-	(23,570,634)	-
Disposals during the period	-	-	-	(135,902)	-	-	-	-	-	-	(135,902)
Balance as of 30 June2026 (Unaudited)	12,100,000	53,254,416	19,495,000	20,423,346	6,480,540	124,609,459	2,595,966	1,165,475	17,100,124	46,241,839	303,466,165
<u>Accumulated depreciation</u>											
Balance as of 1 January 2025 (Audited)	-	6,552,368	6,355,418	9,799,431	3,938,250	67,552,552	236,768	505,427	14,345,050	-	109,285,264
Depreciation charge for the year	-	1,168,125	1,962,776	2,655,027	504,174	12,443,639	138,427	128,949	1,687,933	-	20,689,050
Depreciation on disposals during the year	-	-	-	(186,349)	-	(11,380,455)	-	-	-	-	(11,566,804)
Balance as of 31 December2025 (Audited)	-	7,720,493	8,318,194	12,268,109	4,442,424	68,615,736	375,195	634,376	16,032,983	-	118,407,510
Depreciation charge for the period	-	743,197	982,209	1,479,998	168,625	5,919,505	112,259	79,237	566,807	-	10,051,837
Disposals during the period	-	-	-	(135,902)	-	-	-	-	-	-	(135,902)
Balance as of 30 June2026 (Unaudited)	-	8,463,690	9,300,403	13,612,205	4,611,049	74,535,241	487,454	713,613	16,599,790	-	128,323,445
<u>Net book Value</u>											
As of 30 June 2026 (Unaudited)	12,100,000	44,790,726	10,194,597	6,811,141	1,869,491	50,074,218	2,108,512	451,862	500,334	46,241,839	175,142,720
As of 31 December 2025 (Audited)	12,100,000	32,935,318	11,121,806	5,876,099	971,371	45,406,907	1,440,432	401,724	1,064,841	58,617,120	169,935,618

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

4- Property, plant and equipment, net (continued)

Projects under construction include the expansion of the water and laying-hen poultry segments, as follows:

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Two water production lines with a capacity of 52 thousand and 100 thousand bottles – Riyadh plant	4-1	30,536,499	28,973,635
Building construction project – Riyadh plant	4-2	8,576,752	3,800,629
Project to purchase automated poultry breeding batteries	4-3	2,204,863	11,494,622
Desalination plant project – Riyadh plant	4-4	2,100,000	2,100,000
Project to convert the Qatra production line to bottle production – Qassim plant	4-5	1,185,786	1,185,786
Project to purchase pallet lifts for the Riyadh plant	4-6	801,000	-
Poultry expansion project	4-7	538,288	10,478,239
Other		298,651	584,209
		46,241,839	58,617,120

4-1 The Company contracted with a related party to construct two production lines for water bottles (200 ml, 300 ml, 600 ml). The first line, with a speed of 52 thousand bottles/hour, of which a portion has been paid as advance payments amounting to SR 14.65 million, with invoices received amounting to SR 3.35 million. The second line, valued at EUR 9.58 million, with a speed of 100 thousand bottles/hour, of which SR 12.56 million has been paid. These lines are expected to be completed during the fourth quarter of 2026.

4-2 During 2025, the Company contracted with Al-Memari Al-Motagadima Company to construct a plant in the city of Riyadh at a total value of SR 19,003,144. The Company has paid 20% of the value in accordance with the contract.

4-3 The project includes the supply and installation of batteries for poultry houses at a value of EUR 2.89 million (equivalent: SAR 11,6 million), with capitalized works of SR 7.62 million. It also includes the supply and installation of egg-sorting machines at a value of EUR 0.63 million, which have been fully capitalized during the period.

4-4 During 2025, the Company contracted with Middle East Machinery Factory Company (a related party) to supply machinery and equipment for a water treatment and desalination plant at the Riyadh plant, at a total value of SR 4,200,000. The Company has paid 50% of the value in accordance with the contract.

4-5 During 2025, the Company contracted with Middle East Machinery Factory Company (a related party) to supply machinery and equipment to convert the “Qatra” production line to “Desert Product” bottle production, at a total value of EUR 900 thousand (equivalent: SAR 3,6 million). The Company has paid 30% of the value in accordance with the contract. These lines are expected to be completed during the fourth quarter of 2026.

4-6 During 2026, the Company contracted with Middle East Machinery Factory Company (a related party) to supply and install pallet lifts for raising and lowering raw materials inside the Company's plant in Riyadh at a total value of SR 2,670,000, and the Company has paid 30% of the value in accordance with the contract. This project is expected to be completed during the fourth quarter of 2026.

4-7 The poultry expansion project includes the construction of houses and infrastructure and cooling works at a value of SR 19.46 million, of which SR 14.62 million has been paid, in addition to direct expenses of SR 0.76 million, and the value of capitalized works amounted to SR 12.40 million. This project is expected to be completed during the fourth quarter of 2026.

- As of 30 June 2026 and (31 December 2025), management did not identify any indicators of impairment in property and equipment, and accordingly, there was no need to recognize any impairment losses.

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

5- Biological assets

	Table-egg laying flocks - producing	Table-egg laying flocks – under rearing	Total
Cost			
Balance as of 1 January 2025	2,724,487	-	2,724,487
Additions during the year	-	2,686,037	2,686,037
Disposals during the year	(2,724,487)	-	(2,724,487)
Balance as of 31 December 2025	-	2,686,037	2,686,037
Additions during the period		5,475,659	5,475,659
Transferred to producing flocks	5,057,576	(5,057,576)	-
Disposals during the period	(75,407)	-	(75,407)
Balance as of 30 June 2026	4,982,169	3,104,120	8,086,289
Accumulated Amortization			
Balance as of 1 January 2025	2,360,837	-	2,360,837
Amortization for the year	354,339	-	354,339
Disposals during the year	(2,715,176)	-	(2,715,176)
Balance as of 31 December 2025	-	-	-
Amortization for the period	1,446,998	-	1,446,998
Disposals during the period	(16,915)	-	(16,915)
Balance as of 30 June 2026	1,430,083	-	1,430,083
Net book value			
As of 30 June 2026	3,552,086	3,104,120	6,656,206
As of 31 December 2025	-	2,686,037	2,686,037

6- Trade receivables

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables	22,170,871	18,851,435
Less: Expected credit losses provision	(7,492,652)	(6,638,787)
	14,678,219	12,212,648

The movement in the expected credit losses provision is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	6,638,787	2,897,254
Formed during the period / year	853,865	3,741,533
Balance at the end of the period / year	7,492,652	6,638,787

The following is an analysis of the movement in trade receivables

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Not past due	8,090,361	5,345,878
Past due 0-90 days	3,224,132	6,024,506
Past due 91-180 days	1,552,132	1,185,556
Past due 181-365 days	9,304,246	6,295,495
	22,170,871	18,851,435
Expected credit loss allowance	(7,492,652)	(6,638,787)
Balance at the end of the period / year	14,678,219	12,212,648

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7- Inventory

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
<u>Raw materials inventory:</u>		
Raw materials and supplies – water	10,001,600	7,860,494
Raw materials and supplies – table eggs	2,867,801	361,488
Chemical materials and supplies	432,082	499,654
<u>Finished goods for sale:</u>		
Bottled water	4,281,962	2,990,984
Table eggs	41,116	-
<u>Spare parts inventory:</u>		
Equipment spare parts	7,073,790	6,974,364
Vehicle spare parts	405,797	246,641
	25,104,148	18,933,625
Provision for slow-moving inventory	-	(882,080)
	25,104,148	18,051,545

The movement in the provision for slow-moving inventory is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	882,080	2,130,820
Used during the period / year	(882,080)	(188,169)
Provision no longer required during the period / year	-	(1,060,571)
Balance at the end of the period / year	-	882,080

8- Related party transactions and balances

Transactions with related parties mainly represent purchases of raw materials and provision of services, which are carried out on terms agreed upon and approved by management, in addition to compensation and committee and Board member allowances and those of senior executives and senior management incurred during the period. The most significant transactions with related parties and the resulting balances are set out below:

Related party	Nature of relationship	Nature of transactions	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Saqa United Group (formerly Al-Sad Al-Haditha Company)	Shareholder	Purchases of raw materials	(28,223,904)	(24,353,330)
		Payments for raw material invoices	30,500,000	21,762,250
		Discount on purchases	1,888,355	2,190,793
		Transportation income	469,718	-
		Returns	70,520	-
Middle East Machinery Factory Company	Affiliate Company	Purchase of equipment, property and spare parts	(3,903,818)	(1,463,581)
		Settlement of purchases of raw materials	1,260,915	-
		Other expenses	(578,788)	(101,597)
		Settlement of projects under construction	3,807,965	-
Al-Memari Al- Motagadima Company	Affiliate Company	Invoices for projects under construction	4,644,273	-
		Settlement of invoices for projects under construction	(4,644,273)	-

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

8- Related party transactions and balances (continued)

A. Due from a related party

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Saqa United Group (formerly Al-Sad Al-Haditha Company)	11,995,793	7,291,105
	11,995,793	7,291,105

B. Due to a related party

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Middle East Machinery Factory Company	989,167	1,575,442

C. Senior management and key executives' benefits, remuneration and compensation:

	For the three-month period ended		For the six-month period ended	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Salaries, remuneration and benefits of key management personnel	569,374	605,291	1,110,733	1,202,779
Remuneration and allowances of Board and committee members	154,500	500	285,000	145,000
	723,874	605,791	1,395,733	1,347,779

9- Investments in financial instruments at fair value through profit or loss

This represents the value of investments in shares of companies listed on the Saudi stock exchange aimed at providing a reasonable level of income and liquidity generated from short-term commercial investments denominated in Saudi Riyals. The Company holds this portfolio with a local brokerage firm licensed in the Kingdom of Saudi Arabia. Investments are recognized at fair value as of 30 June 2026, based on the closing prices announced at the close of trading at the date of the statement of financial position. The movement in investments is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	53,406,269	6,187,094
Additions during the period / year	3,959,011	61,782,348
Disposals during the period / year	(52,069,833)	(827,277)
Gain / (loss) on revaluation during the period / year	1,899,443	(13,735,896)
Balance at the end of the period / year	7,194,890	53,406,269

- On 19 November 2025, the Company's Board of Directors approved raising the maximum value of funds invested in the investment portfolio to SR 70 million. However, during the current period ending June 30, 2026, the company's management reassessed its investment strategy and decided to divest from these investments through sales in the coming financial periods, in line with the company's strategic plans and objectives.
- Level 1 is used in measuring fair value (quoted prices in an active market for identical assets or liabilities).

10- Cash and cash equivalents

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Short-term time deposits	48,000,000	-
Cash at banks	3,164,131	16,535,653
Cash on hand	733,188	243,718
Cash held in credit cards	42,834	55,527
Cash held in the investment portfolio	1,642	-
	51,941,795	16,834,898

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

10- Cash and cash equivalents (continued)

- The maturity period of the deposits is less than three months from the date of acquisition, and they are, in accordance with Islamic Shari'ah provisions, and distributed among local commercial banks. The Company earned deposits income during the period ended 30 June 2026 of SR 517,979 (30 June 2025: SR 2,243,695).
- At each financial reporting date, all bank balances are assessed as having low credit risk, as they are held with local banking institutions with a high credit rating, and there is no history of default on any of the Company's bank balances; therefore, the probability of default is based on forward-looking factors, and any default losses arising are considered minimal or nil.

11- Share capital

The Company's issued and paid-up capital amounted to SR 200 million at 30 June 2026 (31 December 2025: SR 200 million) divided into 20 million shares (31 December 2025: 20 million shares), with a value of SR 10 per share.

12- Zakat provision

The movement in the zakat provision during the period/ year is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	2,369,917	2,955,969
Charged during the period / year	1,200,000	2,369,917
Zakat differences during the period / year	(94,334)	-
Paid during the period / year	(2,368,525)	(2,955,969)
Balance at the end of the period / year	1,107,058	2,369,917

- The Company has submitted its zakat return to the Zakat, Tax and Customs Authority (the "Authority") up to the year ended 31 December 2025 and has obtained a final certificate from the Authority valid until 23 Dhul Qa'dah 1448H (corresponding to 30 April 2027).
- The Zakat, Tax and Customs Authority issued a final assessment for the year 2024 of SR 94,334, which the Company paid during the second quarter of 2026. There are no other zakat assessments issued against the Company up to 30 June 2026.

13- Revenue

	For the three-month period ended		For the six-month period ended	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
<u>Water sales revenue:</u>				
Domestic retail sales – bottled water	49,131,811	37,295,997	92,875,997	68,016,025
Domestic wholesale sales – bottled water	4,765,633	10,938,642	9,587,196	21,211,815
Export sales – bottled water	556,653	1,091,142	1,758,678	1,727,841
<u>Table egg sales revenue:</u>				
Domestic retail sales – table eggs	5,003,909	456,455	6,320,021	1,788,455
Domestic wholesale sales - table eggs	550,635	2,157	550,635	206,307
<u>Service revenue:</u>				
Logistics transportation service revenue	449,473	1,382,218	1,042,308	2,689,169
	60,458,114	51,166,611	112,134,835	95,639,612

- All the Company's revenue is recognized at a point in time, and there are no contracts with customers for the supply of products over long periods of time.

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

14- Cost of revenue

	For the three-month period ended		For the six-month period ended	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Raw materials used	22,065,145	18,740,182	41,634,815	34,198,125
Depreciation of property, plant and equipment	3,911,005	4,256,213	7,756,585	8,505,770
Salaries, wages and related benefits	3,449,530	3,717,778	7,178,457	7,214,756
Operating costs – egg production	3,020,366	541,904	3,614,801	1,380,884
Spare parts consumed	776,959	930,639	2,121,963	1,847,242
Electricity and water	666,261	1,054,791	1,744,877	1,692,742
Amortization of biological assets	900,005	-	1,446,998	354,339
Cost of pallets held by customers	655,668	615,791	1,162,158	1,085,766
Operating expenses	283,163	1,769,219	1,063,317	3,355,125
Logistics service expenses	290,444	234,343	703,565	531,314
Chemical materials used	281,281	109,395	468,456	256,316
Maintenance and insurance	89,892	63,563	160,220	96,372
	36,389,719	32,033,818	69,056,212	60,518,751

15- Other income, net

	For the three-month period ended		For the six-month period ended	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Foreign exchange gains	-	517,228	-	517,228
Gain / (loss) on disposal of biological assets	(46,506)	24,700	(58,492)	15,389
Scrap sales income	310,928	81,455	520,488	167,953
	264,422	623,383	461,996	700,570

16- Earnings per share – basic and diluted

Basic and diluted earnings per share have been calculated from the net profit for the period attributable to shareholders by dividing net profit for the period by the weighted average number of shares outstanding during the period. Diluted earnings per share is the same as basic earnings per share, as follows:

	For the three-month period ended		For the six-month period ended	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit for the period	8,867,253	4,760,305	15,082,003	8,400,500
	share	share	share	share
Weighted average number of shares	20,000,000	20,000,000	20,000,000	20,000,000
	SR / share	SR / share	SR / share	SR / share
Basic and diluted earnings per share from net profit for the period	0.44	0.24	0.75	0.42

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

17- Financial instruments and risk management

The Company's activities are exposed to a variety of financial risks such as (market price risk, credit risk and liquidity risk).

The financial instruments recognized in the Company's interim condensed statement of financial position consist primarily of investments in financial instruments at fair value through profit or loss, cash and cash equivalents, other assets and trade payables and other liabilities.

A. Market risk

Market risk is the risk of fluctuation in a financial instrument due to changes in prevailing market prices such as commission rates and commodity prices and foreign currency exchange rates, which affect the Company's income or the value of its holdings of financial instruments. Market risk management aims to manage exposure to market risk and control it within acceptable limits while maximizing returns.

Commission rate risk

Commission rate risk represents the risk related to the effects of fluctuations in prevailing market commission rates on the Company's financial position and cash flows .

Foreign currency risk

Currency risk represents fluctuation in the value of a financial instrument as a result of changes in foreign currency exchange rates. The Company is not materially exposed to fluctuations in foreign currency exchange rates in its normal course of business, since the Company's significant transactions during the period were denominated in Saudi Riyals, UAE Dirhams, US Dollars and Euros. As the Saudi Riyal exchange rate is pegged to both the UAE Dirham and the US Dollar, and the Company's Euro transactions are not material, there are no significant currency risks associated with transactions and balances denominated in these currencies.

B. Credit risk

Credit risk represents the inability of one party to a financial instrument to meet its obligations, leading the other party to incur a financial loss. Concentration risk arises when several parties have similar activities, operate in the same geographic regions, or have similar economic characteristics that would prevent them from meeting their contractual obligations. To mitigate credit risk, the Company applies formal approval procedures for credit limits granted to its customers, based on a comprehensive assessment of customers and their previous payment records.

C. Fair Value Measurement

The financial assets and financial liabilities measured at fair value are derivative financial instruments comprising forward contracts and profit rate agreements, based on counterparty valuations using widely recognized valuation models.

The classification methodology applied is consistent with that used in the annual financial statements as of 31 December 2025, and no transfers were recorded between the three levels of fair value during the period ended 30 June 2026.

D. Liquidity risk

Liquidity risk represents the difficulty an entity faces in providing funds to meet its obligations related to financial instruments. Liquidity risk can arise from the inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by continuously monitoring liquidity and ensuring that sufficient financial resources are available. Concentration in liquidity risk may arise in terms of settlement of financial obligations, sources of financing and loans, or reliance on a specific market to obtain liquid assets. The following are the contractual maturities of financial liabilities at the end of the period, presented on a gross, undiscounted basis.

The Company manages liquidity risk by monitoring it regularly to ensure the availability of the necessary funds, bank facilities and other credit facilities to deliver goods or meet the Company's future obligations. The Company's sales terms provide that amounts are settled in cash on a credit sale basis.

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

18- Capital commitments and contingent liabilities

A) Capital commitments:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Total capital contracts	111,611,415	98,517,677
Total executed and payments settled	(57,040,086)	(47,155,231)
	54,571,329	51,362,446

B) Contingent liabilities

As of 30 June 2026, and as of 31 December 2025, there were no material contingent liabilities on the Company

19- Operating segment

The primary operating segments are determined on the basis that the risks and returns relating to the Company are materially affected by the differences in the products of those segments, and that these segments are organized and regularly managed according to the nature of the products, such that each is a separate unit. The segments shown below are determined by distinguishing between the business activities from which the Company generates revenue and incurs expenses.

Economic characteristics are reviewed and operating segments are aggregated based on the organization overseen by operating decision makers at least every quarter, which is reviewed by the Company's senior management.

The Company carries out its principal activities through the following business segments:

Revenue for the period ended	Domestic water sales	Export water sales	Logistics service revenue	Table egg sales	Total
30 June 2026 (Unaudited)	102,463,193	1,758,678	1,042,308	6,870,656	112,134,835
30 June 2025 (Unaudited)	89,227,840	1,727,841	2,689,169	1,994,762	95,639,612
Accounts receivables as of	Domestic water customers	Export water customers	Logistics service customers	Table egg customers	Total
30 June 2026 (Unaudited)	21,194,842	102	65,543	910,384	22,170,871
30 June 2025 (Unaudited)	18,801,028	-	-	50,407	18,851,435

Geographic segment

Revenue by geographic region is as follows:

	For the three-month period ended		For the six-month period ended	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Central Region	40,160,395	34,923,125	75,122,531	65,981,051
Western Region	7,135,884	5,579,753	12,690,776	10,402,099
Eastern Region	6,673,672	4,751,006	11,930,434	8,410,291
Northern Region	4,867,145	2,759,518	8,601,464	5,032,971
Southern Region	614,892	759,491	988,644	1,396,190
Others	1,006,126	2,393,718	2,800,986	4,417,010
	60,458,114	51,166,611	112,134,835	95,639,612

NAQI WATER COMPANY
(A LISTED SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

20- Dividends

- On 1 Sha'ban 1447H (corresponding to 20 January 2026), the Company received two letters from major shareholders holding a combined 70% of the Company's share capital, waiving 50%, 55% and 60% of dividends for the years 2026, 2027 and 2028, respectively, with the aim of maintaining stability and supporting the Company's financial position. Management is currently assessing the impact of this waiver on its annual financial statements.
- On 15 Ramadan 1447H (corresponding to 3 March 2026), the Extraordinary General Assembly, with an attendance rate of 71%, approved the Company's dividend distribution policy for the years 2026, 2027 and 2028, as follows:
 - SR 2 per share for the financial year 2026.
 - SR 3 per share for the financial year 2027.
 - SR 4 per share for the financial year 2028.

This policy takes effect from the beginning of year 2026 for a period of three years, starting with the distributions for the first half of 2026 and ending with the distributions for the second half of the year ending 2028.

The Company has not declared any dividends up to the period ending 30 June 2026. Which will be announced later.

The dividend distribution policy is subject to change based on any material changes to the Company's strategy and business, the regulatory requirements to which it is subject, its banking covenants, or increases in its future investments and projects.

21- Non-Cash Transactions

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Additions to right-of-use assets against lease liabilities	299,204	1,939,644
Transferred from projects under construction	-	451,064

22-Significant Geopolitical Events

During the six-month period ended June 30, 2026, geopolitical instability in the Middle East region increased, which may have an impact on all countries in the region. The Company's management is closely monitoring these geopolitical developments and has concluded that these events represent subsequent events that do not require any adjustments to the interim condensed financial statements for the current period.

23-Subsequent Events

- On 16 Muharram 1448H (corresponding to 1 July 2026), the Company announced the signing of a non-binding memorandum of understanding with Ahali Najd Car Rental Company (a limited liability company), for the purpose of acquiring 70% of the Company's share capital. This memorandum is non-binding on Naqi Water Company and binding on Ahali Najd Car Rental Company, as part of the Company's strategy to expand and diversify its business activities.
- On 20 Muharram 1448H (corresponding to 5 July 2026), the Company announced the signing of a contract for the purchase and installation of specialized machinery for manufacturing water bottle caps at the Company's main factory, with a total value of SAR 17.6 million, aimed at improving the Company's operational efficiency.
- On 27 Muharram 1448H (corresponding to 12 July 2026), the Company's Board of Directors resolved to distribute an interim cash dividend to the Company's shareholders of SAR 1 per share, with actual distribution to take place during the third quarter of 2026, on 21 Safar 1448H (corresponding to 4 August 2026).
- On 9 Safar 1448H (corresponding to 23 July 2026), the Company announced obtaining a license from the Saudi Food and Drug Authority, enabling the Company to export table eggs to a number of foreign markets, following the fulfillment of all relevant regulatory requirements and conditions.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

23-Subsequent Events (continued)

The events mentioned above had no material impact requiring adjustment to this interim condensed financial information for the six-month period ended 30 June 2026.

Other than as mentioned above, management believes there are no significant subsequent events from the end of the financial period up to the date of approval of the interim condensed financial information for the six-month period ended 30 June 2026 that would require disclosure or adjustment to this interim condensed financial information.

24-Approval of the interim condensed financial information

This interim condensed financial information for the six-month period ending on 30 June 2026 was approved by the Board of Directors on 12 Safar 1448 H (corresponding to 26 July 2026).