

NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTHS AND SIX-MONTHS PERIODS ENDED
30 June 2025
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH AND SIX MONTH PERIOD ENDED 30 June 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF NAQI WATER COMPANY

INTRODUCTION

We have reviewed the accompanying Interim Condensed Statement of Financial Position of **NAQI WATER COMPANY** (the "Company") as at 30 June 2025 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 related interim condensed statements of changes in shareholders' equity and cash flows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements 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 these interim Condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Condensed Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements 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 statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For PKF Al Bassam
Chartered Accountants



Ahmed A. Mohandis
Certified Public Accountant
License No. (477)
Qassim: 18 Safar 1447
Corresponding to: 12 August 2025



NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

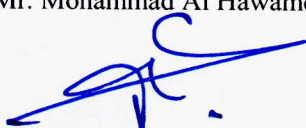
AS AT 30 JUNE 2025

(Expressed in Saudi Arabian Riyals)

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<u>Assets</u>			
Non-current assets			
Property, plant and equipment, net	4	146,128,548	148,671,954
Biological assets, net	5	--	363,650
Right of use assets, net	6	4,707,765	3,504,089
Intangible assets, net	7	7,330,232	7,636,847
Non-current assets		158,166,546	160,176,540
Current assets			
Trade receivables, net	8	19,050,325	21,584,944
Inventory	9	20,330,994	20,541,323
Due from related parties	10	13,485,774	13,886,061
Prepaid expenses and other receivables, net	11	3,912,078	3,903,121
Financial assets at fair value through Profit or loss	12	40,018,515	6,187,094
Cash and cash equivalents	13	58,516,891	77,594,661
Restricted cash	13	6,859,946	5,143,911
Current Assets		162,174,523	148,841,115
Total Assets		320,341,069	309,017,655
<u>Shareholders' equity and liabilities</u>			
Shareholders' Equity			
Share capital	14	200,000,000	200,000,000
Statutory reserve		19,911,805	19,911,805
Retained earnings		62,320,026	54,011,706
Total shareholder's equity		282,231,831	273,923,511
<u>Liabilities</u>			
Non-current liabilities			
Employees' end of service benefits		5,532,570	5,003,895
Lease liability – noncurrent portion	6/2	3,493,139	2,002,119
Non-current liabilities		9,025,709	7,006,014
Current liabilities			
Trade payables		13,843,177	13,904,510
Lease liability – current portion	6/2	1,296,306	1,022,066
Long term loan –current portion	15	2,360,558	4,654,469
Accrued expenses and other credit balances	16	8,581,064	5,313,870
Due to related parties	10	1,802,424	237,246
Zakat provision	17	1,200,000	2,955,969
Current liabilities		29,083,529	28,088,130
Total Liabilities		38,109,238	35,094,144
Total equity and liabilities		320,341,069	309,017,655

Chief Financial Officer (Acting)

Mr. Mohammad Al Hawamdah



Chief Executive Officer

Mr. Abdulaziz Alsayegh



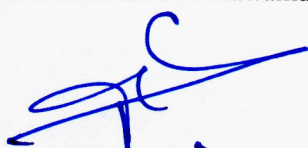
The accompanying notes form an integral part of these interim condensed financial statements.

NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)**
FOR THE THREE-MONTHS AND SIX-MONTHS PERIODS ENDED ON 30 JUNE 2025
(Expressed in Saudi Arabian Riyals)

	Notes	Three-month period for the period ended		Six-month period for the period ended	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenues, net	18	51,166,611	56,030,609	95,639,612	113,735,692
Cost of sales	19	(32,033,818)	(35,580,866)	(60,518,751)	(74,133,199)
Gross profit		19,132,793	20,449,743	35,120,861	39,602,493
Selling and Distribution expenses		(9,817,645)	(9,002,337)	(18,642,120)	(17,314,105)
General and Administrative expenses		(3,885,022)	(3,988,990)	(7,803,224)	(7,183,720)
Expected credit losses Provision	8,11	(1,160,109)	(450,000)	(1,688,461)	(450,000)
Profit from operation		4,270,017	7,008,416	6,987,056	14,654,668
Finance costs		(163,717)	(222,598)	(303,525)	(465,309)
Other operating income, net	20	623,383	3,563,945	700,570	3,587,938
Time deposit income	21	801,193	1,204,957	2,243,695	2,290,225
Unrealized gain on financial assets at fair value through profit or loss	12	(1,254,561)	69,224	(1,216,797)	69,224
Dividend received from financial assets held at fair value through profit or loss		1,083,990	--	1,189,501	--
Profit before zakat		5,360,305	11,623,944	9,600,500	20,136,746
Zakat	17	(600,000)	(600,000)	(1,200,000)	(1,200,000)
Net profit for the period		4,760,305	11,023,944	8,400,500	18,936,746
Other comprehensive income:					
<i>Items that will not be reclassified under profit or loss:</i>					
(loss)/gain Re-measurement of employee benefit liabilities		(304,574)	(13,316)	(92,180)	249,809
Total comprehensive income		4,455,731	11,010,628	8,308,320	19,186,555
Earnings per share:					
Basic and Diluted	22	0.24	0.55	0.42	0.95

Chief Financial Officer (Acting)
Mr. Mohammad Al Hawamdah



Chief Executive Officer
Mr. Abdulaziz Alsayegh



The accompanying notes form an integral part of these interim condensed financial statements.

NAQI WATER COMPANY
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INTERIM CONDENSED STATEMENT OF CHANGE IN CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(Expressed in Saudi Arabian Riyals)

	Note	Share capital	Statutory reserve	Retained earnings	Total
<u>2024:</u>					
Balance at 1 January 2024 (Audited)		200,000,000	16,893,318	36,238,434	253,131,752
Net profit for the period		--	--	18,936,746	18,936,746
Other comprehensive income		--	--	249,809	249,809
Total comprehensive income for the period		--	--	19,186,555	19,186,555
Dividends	26	--	--	(10,000,000)	(10,000,000)
Balance at 30 June 2024 (Unaudited)		<u>200,000,000</u>	<u>16,893,318</u>	<u>45,424,989</u>	<u>262,318,307</u>
<u>2025:</u>					
Balance at 1 January 2025 (Audited)		200,000,000	19,911,805	54,011,706	273,923,511
Net income for the period		--	--	8,400,500	8,400,500
Other comprehensive income		--	--	(92,180)	(92,180)
Total comprehensive income for the period		--	--	8,308,320	8,308,320
Balance at 30 June 2025 (Unaudited)		<u>200,000,000</u>	<u>19,911,805</u>	<u>62,320,026</u>	<u>282,231,831</u>

Chief Financial Officer (Acting)
Mr. Mohammad Al Hawamdah

Chief Executive Officer
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The accompanying notes form an integral part of these interim condensed financial statements.

NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGE IN CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025
(Expressed in Saudi Arabian Riyals)

	Note	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
<u>Cash flows from operating activities</u>			
Profit for the period before zakat		9,600,500	20,136,746
Adjustments:			
Depreciation of Property, Plant and Equipment	4	10,306,044	10,122,427
Amortization of intangible assets	7	306,614	363,964
Amortization of Biological assets	5	354,339	1,082,190
Amortization of right-of-use assets	6	735,968	675,409
No longer provision of inventory	9	(1,060,571)	--
Gain on disposals of property, plant and equipment		--	(3,565,390)
Unrealizes (loss) / gain from investment held at fair value through profit or loss statement	12	1,216,797	(69,224)
Provision for employees' end of service benefits		671,495	630,287
Provision for expected credit losses for trade receivables	8,11	1,688,461	450,000
Finance costs		303,525	350,725
Loss on disposals on biological assets	5	9,311	179,072
		24,132,483	30,356,206
<u>Changes in operating assets and liabilities</u>			
Inventories		1,270,900	(4,943,055)
Trade receivables		876,158	(4,395,750)
Prepayments and other receivables		412,107	(1,261,547)
Due from related party		400,287	348,539
Trade payable		(61,333)	3,613,272
Restricted cash		(1,716,035)	--
Accrued expenses and other payables		3,267,194	2,737,183
Due to related party		1,565,178	(1,187,643)
Cash generated from operating activities		30,146,939	25,267,205
Employee's end -of-service benefits paid		(353,983)	(80,593)
Zakat paid	17	(2,955,969)	(3,029,391)
Net cash generated from operating activities		26,836,987	22,157,221
<u>Investing activities</u>			
Purchase of property, plant and equipment	4	(8,213,702)	(4,492,736)
Payments for purchase of biological assets	5	--	(981,856)
Payments for Purchase of Intangible assets	7	--	(175,403)
Purchase of financial assets at fair value through profit or loss statement	12	(35,048,218)	(5,755,790)
Proceeds from sale of property, plant and equipment		--	9,500,000
Net cash used in investing activities		(43,261,920)	(1,905,785)
<u>Financing activities</u>			
Repayment of loans	15	(2,293,911)	(2,131,814)
Finance costs paid		(83,926)	(131,437)
Payment of lease liabilities	6	(275,000)	(37,360)
Dividends paid	26	--	(10,000,000)
Net cash used in financing activities		(2,652,837)	(12,300,611)
Net change in cash and cash equivalents		(19,077,770)	7,950,825
Cash and cash equivalent at the beginning of the period		77,594,661	78,797,294
Cash and cash equivalents at end of the period		58,516,891	86,748,119

Non-cash transaction

Right of use addition	6	1,939,644	392,477
Other reserve		(92,180)	249,809
Property, Plant and Equipment	4	451,064	--

Chief Financial Officer (Acting)

Mr. Mohammad Al Hawamdah

Chief Executive Officer

Mr. Abdulaziz Alsayegh

The accompanying notes form an integral part of these interim condensed financial statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(Expressed in Saudi Arabian Riyals)

1. BRIEF ABOUT THE COMPANY AND ACTIVITIES

Naqi Water Company is a Saudi joint-stock company registered in the city of Unaizah in the Al-Qassim region of the Kingdom of Saudi Arabia under commercial registration number 1128018184 (Unified number 7011032112), issued on 27 Jumada Al-Akhirah 1435 AH, corresponding to April 27, 2014. Subsequent amendments were made.

Head Office Address: Al-Ohsah District, P.O. Box 5228, Qassim, Unaizah, Kingdom of Saudi Arabia.

On 7 Jumada Al-Awwal 1443 AH, corresponding to December 11, 2021, the Board of Directors approved the company's initial public offering (IPO) plan by offering 30% of the company's shares for the first-year subscription by applying and registering the securities with the Capital Market Authority and listing the company on the Saudi Stock Exchange (Tadawul). On 24 Shawwal 1443 AH, corresponding to May 25, 2022, the Capital Market Authority announced its approval to offer 6,000,000 shares for the first-year subscription, representing 30% of the company's shares. The Saudi Capital Market Authority approved the company's listing on the Saudi Stock Exchange (Tadawul) on 17 Muharram 1444 AH, corresponding to August 15, 2022.

The regulatory procedures for amending the company's articles of association to become a listed joint stock company were completed on 26 Rabi' al-Awwal 1444 AH corresponding to October 26, 2022 AD, as well as commercial registration number 1128018184.

The Company Activities are:

- Production and bottling of filtered pure water.
- Wholesaling of bottled water, soft drinks, and juices.
- Retailing of beverages in specialized stores.
- Land transportation of goods.
- Raising and producing broiler breeder hens, operating their hatcheries, and producing eggs.

The Company operates through its branches in the following cities in the Kingdom and these factories operate under the following commercial registrations and their dates:

Register	City	CR Number	Hijri Date of CR	Gregorian Date of CR
Naqi Water Company	Riyadh	1010603193	13 Rabi' al-Awwal 1441 AH	10/11/2019
Naqi's Qatra Water Company	Riyadh	1010460840	17 Muharram 1440 AH	27/9/2018
Naqi Water Company	Unaizah	1128183653	18 Jumada al-Ula 1444 AH	11/12/2022
Naqi Water Company	Unaizah	1128184884	14 Rabi' al-Thani 1442 AH	29/11/2020
Naqi Water Company	Unaizah	1128189986	29 Muharram 1445 AH	15/8/2023
Naqi Water Company	Jeddah	4030498557	27 Jumada Al-Thani 1444 AH	19/1/2023
Naqi Water Company	Dammam	2050180099	12 Jumada Al-Thani 1445 AH	24/12/2023
Naqi Water Company	Jezan	5900145516	16 Jumada al-Ula 1445 AH	28/11/2023
Naqi Water Company	Hail	3550173509	3 Dhu al-Hijjah 1445	09/06/2024
Naqi Water Company	Tabuk	3550163229	14 Rabi II 1446 AH	17/10/2024

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**
(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION

2/1 Statement of compliance

These interim condensed financial statement for the six-months period ended 30 June 2025 been prepared in compliance with international accounting standard (“IAS”) 34” interim financial reporting “as endorsed in the kingdom of Saudi Arabia, other standards and pronouncements issued by the Saudi organization for chartered and professional accountants (“SOCPA”).

2/2 Basis of measurement

The financial statements were prepared according to the historical cost principle, with the exception of defined benefit obligations for employees (the provision for end-of-service benefits), and at the present value of future obligations using the projected unit credit method, trade receivables, right-of-use assets, and lease obligations, and using the accrual principle of accounting and the going concern principle.

2/3 functional currency

The financial statements are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). The financial statements are presented in Saudi riyals, which is the functional and presentation currency.

2/4 Use of judgements and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates.

Estimates and assumptions are based on previous experience and factors that may include expecting suitable future events which are used to extend book period of dependent assets and liabilities from other resources and estimates and assumptions are continuously being evaluated. Revised accounting estimates are reviewed in the period in which the estimates are revised in the audit period and future periods, if the changed estimates affect current and future periods.

Significant judgments made by the management upon the adopting the Company’s accounting policies correspond to the disclosed policies in last year’s financial statements.

2/5 Going Concern

The Company's management has assessed the Company's ability to continue as a going concern, and is convinced that the Company has sufficient resources to continue its business in the near future. In addition, the management does not have any material doubts about the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim condensed financial statements are in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and publications issued by the Saudi Organization for Chartered and Professional Accountants, and they are the same policies applied in the annual financial statements of the Company for the year ending 31 December 2024. The principal accounting policies applied in the preparation of these interim condensed financial statements have been consistently applied to all the periods presented.

3/1 New Standards, Amendments, and Interpretations

New standards and a set of amendments to standards effective from 1 January 2025 have been issued and are disclosed in the annual financial statements, but do not have a material impact on the interim condensed financial statements.

NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR SIX PERIOD ENDED 30 JUNE 2025
(Expressed in Saudi Arabian Riyals)

4. PROPERTY, PLANT AND EQUIPMENT, NET

	Land	*Buildings & constructions on owned and leased lands	Trucks	Vehicles	Furniture and fixtures	Machinery and equipment	Tools	Computers	Desalination plant and laboratory equipment	Projects under constructions**	Total
Cost:											
As at 1 January 2024 (audited)	12,100,000	38,468,724	19,440,000	12,890,731	4,494,108	121,309,934	641,434	589,255	16,529,633	8,440,314	234,904,133
Additions during the year	--	1,433,113		3,514,199	704,315	1,140,217	558,932	248,813	537,691	24,631,548	32,768,828
Disposal during the year	--	(2,100,000)	--	(555,429)	--	--	--	--	--	--	(2,655,429)
Transfers to intangible assets	--	--	--	--	--	--	--	--	--	(7,060,314)	(7,060,314)
As at 31 December 2024	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 period	--	--	--	28,600	30,336	86,955	11,709	61,339	18,000	7,525,699	7,762,638
As at 30 June 2025 (Unaudited)	12,100,000	37,801,837	19,440,000	15,878,101	5,228,759	122,537,106	1,212,075	899,407	17,085,324	33,537,247	265,719,856
Accumulated depreciation:											
As at 1 January 2024 (audited)	--	5,434,385	4,392,747	8,202,787	3,172,102	55,061,456	124,875	354,104	12,537,662	--	89,280,118
Depreciation charge for the year	--	1,161,763	1,962,671	2,054,093	766,148	12,491,096	111,893	151,323	1,807,388	--	20,506,375
Disposals Depreciation	--	(43,780)	--	(457,449)	--	--	--	--	--	--	(501,229)
As at 31 December 2024	--	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 period	--	572,871	981,339	1,237,225	221,729	6,305,128	61,734	63,044	862,974	--	10,306,044
As at 30 June 2025 (Unaudited)	--	7,125,239	7,336,757	11,036,656	4,159,979	73,857,680	298,502	568,471	15,208,024	--	119,591,308
Net book value:											
As at 30 June 2025 (Unaudited)	12,100,000	30,676,598	12,103,243	4,841,445	1,068,780	48,679,426	913,573	330,936	1,877,300	33,537,247	146,128,548
As at 31 December 2024 (Audited)	12,100,000	31,249,469	13,084,582	6,050,070	1,260,173	54,897,599	963,598	332,641	2,722,274	26,011,548	148,671,954

* Item includes property, Plant and equipment mortgaged to a commercial bank under an Islamic financing agreement as collateral for the loan (note 15)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR SIX PERIOD ENDED 30 JUNE 2025
(Expressed in Saudi Arabian Riyals)

4. PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

Advanced Payments for The Purchase Of Property, Plant And Equipment

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<u>Cost</u>		
Advance payments – Purchase of Water production line*	17,661,436	18,112,500
Down Payment – Poultry Expansion Project	7,510,885	--
Advance Payment - Purchase of Batteries for Poultry Pens **	5,130,225	4,801,376
Down Payment – Egg Sorting Machines Project***	2,650,491	2,650,048
Down Payment – Packaging Design Project	285,559	285,559
Sale System Development and Modernization Project	142,500	142,500
Others	156,151	19,565
	33,537,247	26,011,548

*During the year 2024, the company's management contracted with the Middle East Machinery Factory Company Ltd. (related party) to establish a new production line for the production of water bottles (200 & 300 and 600) at a value of 20,125,000 Saudi riyals, during the period, invoices related to the project were received, which included amounts related to Value Added Tax (VAT). This tax was excluded from the value of 'Projects Under Construction.

** The project includes the supply and installation of batteries for poultry houses, with a total value of 14,310,796 for the benefit of Dutchman Company, to supply and install batteries for layer poultry houses. The project is expected to be completed in 2025.

*** The project to supply and install egg sorting machines includes the amounts paid to Prinzen Company to supply and install egg sorting machines. It is expected to be completed in 2025.

5. BIOLOGICAL ASSETS, NET

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<u>Cost:</u>			
Balance at the beginning of the period / year		2,724,487	2,230,242
Additions during the period / year		--	981,856
Disposals during the period / year		(2,724,487)	(487,611)
Balance at end of period / year		--	2,724,487
<u>Accumulated Amortization:</u>			
Balance at the beginning of the period/year		2,360,837	379,729
Amortization during the period / year	(19)	354,339	2,229,110
Amortization for disposal during the period / year		(2,715,176)	(248,002)
Balance at end of the period / year		--	2,360,837
<u>Net book value</u>			
Balance at end of the period / year		--	363,650

* With reference to the balance of biological assets included in the financial statements for the second quarter of 2025, which shows the depletion of the cost of biological assets as a result of disposals made during the same period, in preparation for the implementation of the new business plan that includes the purchase of a new herd.

NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 June 2025
(Expressed in Saudi Arabian Riyals)

6. RIGHT OF USE ASSETS

The company's lease consists of three lease contracts used for the company's sales branches and warehouses for storing goods in the city of Riyadh. The duration of each contract is five years from the date of the contract. The company also concluded a new lease contract during the period 2025 for an additional property in Tabuk, to establish a new factory, with a lease period of twenty years and lease agreements for the Riyadh warehouses were also renewed for an additional period of three years.

6/1 Right of use assets

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<u>Cost:</u>		
Balance at the beginning of the period / year	7,016,466	6,623,989
Additions during the period / year	1,939,644	392,477
Balance at end of period / year	8,956,110	7,016,466
<u>Accumulated Depreciation:</u>		
Balance at the beginning of the period / year	3,512,377	2,161,559
Depreciation during the period / year	735,968	1,350,818
Balance at end of period / year	4,248,345	3,512,377
<u>Net book value</u>		
Balance at end of the period / year	4,707,765	3,504,089

6/2 The movement in the lease liabilities is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	3,024,185	3,942,318
Additions during the period/year	1,939,644	392,477
Interest during the period / year	100,616	203,327
Payment during the period/year	(275,000)	(1,513,937)
Balance at end of the period / year	4,789,445	3,024,185
current portion	1,296,306	1,022,066
Non-current portion	3,493,139	2,002,119
	4,789,445	3,024,185

The discount rates used in calculating the right to use assets and lease liabilities range from 5% to 5.77%

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7. INTANGIBLE ASSETS, NET

	software and computer licenses	Right of use leased land	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cost				
Balance at the beginning of the period/year	1,363,731	7,234,238	8,597,969	5,366,036
Additions during the period/ year	--	--	--	7,281,933
Transfer to assets held for sale	--	--	--	(4,050,000)
Balance at end of the period / year	1,363,731	7,234,238	8,597,969	8,597,969
Accumulated Amortization				
Balance at the beginning of the period/year	561,442	399,680	961,122	462,156
Amortization charged on the period/year	66,806	239,808	306,614	670,576
Amortization charged on the period/year for asset held for sale	-	-	--	(171,610)
Balance at end of the period / year	628,248	639,488	1,267,736	961,122
Net book value				
Balance at end of the period / year	735,483	6,594,750	7,330,233	7,636,847

8. TRADE RECEIVABLES, NET

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables	23,606,040	24,482,198
Less: Expected credit loss provision	(4,555,715)	(2,897,254)
	19,050,325	21,584,944

The movement in allowance for expected credit losses during the period is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance, at beginning of the period / year	2,897,254	1,767,773
Provided during the year period / year	1,658,461	1,129,481
Balance at end of period / year	4,555,715	2,897,254

Aging of the trade receivables as at 30 June 2025 is as follows:

Duration	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	Balance	Impairment In value	Balance	Impairment In value
Not due	8,636,364	57,254	8,744,858	17,822
From 0 to 90 days	5,767,424	119,627	4,086,880	81,496
From 91 to 180 days	1,988,806	227,690	4,045,474	233,582
Over 181 Days	7,213,446	4,151,144	7,604,986	2,564,354
	23,606,040	4,555,715	24,482,198	2,897,254

Collections in the subsequent period amounted to 8 million Saudi riyals from the balances of the company's existing trade payables as of June 30, 2025, which were excluded from trade receivable when calculating expected credit losses, resulting in a net balance subject to calculation of 15,701,935 Saudi riyal classified according to their age (On December 31, 2024, collections in the subsequent period amounted to 6 million Saudi Riyals).

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9. INVENTORIES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Inventory of water:		
Raw materials-Water	9,784,327	12,296,622
Finished goods-Water	3,034,648	1,760,368
Chemicals	349,470	527,500
Biological inventory:		
Raw materials-Eggs	361,488	894,300
Finished goods-Eggs	--	198,481
Spare parts:		
Spare parts	7,597,983	6,564,324
Vehicle spare parts	273,327	430,548
	21,401,243	22,672,143
Deduct: Obsolete inventory	(1,070,249)	(2,130,820)
	20,330,994	20,541,323

The following is an obsolete inventory provision movement:

	31 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance, at beginning of the period / year	2,130,820	--
Provided during the period / year	--	2,130,820
Provision no longer required	(1,060,571)	--
Balance at end of period / year	1,070,249	2,130,820

10. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions with related parties mainly consist of purchases of raw materials and provision of services, which are carried out according to agreed and approved terms by management.

The following is a statement of transactions with related parties during the year:

Name of related parties	Nature of Relation	Nature of transaction	30 June 2025 (Unaudited)	30 June 2024 (Audited)
Seqa united company (previously Al Sadd Modern advanced company)	shareholder	Raw material purchases	24,353,330	33,300,970
		Payments of raw material invoices	(21,762,250)	(34,488,613)
		Discount and services from Naqi water Company	(2,190,793)	--
Zulal Water Factory Company	Associate	Other expenses	--	(2,341)
Middle East Machinery Factory Co. Ltd.	Associate	Payment	--	(1,086,948)
		Purchase of spare parts	1,463,581	1,022,399
		Other expenses	101,597	410,747

Due from Related parties:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Seqa united company	13,485,774	13,886,061

Due to related parties

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Middle East Machinery Factory Co., Ltd	1,802,424	237,246

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11. PREPAYMENTS AND OTHER RECEIVABLES, NET

Prepayments and other receivables comprise of the following:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Prepaid expenses	1,524,055	2,344,949
Advance to suppliers	1,461,028	785,862
Employee's loans	585,819	574,167
Employee's custody	475,789	457,789
Accrued time deposit interest	198,089	144,264
Accrued dividend from financial asset held at fair value	102,473	--
Checks under collection	--	1,265
Other debit balances	892,821	892,821
Less:		
Provision for Other debit balances	(892,821)	(892,821)
Provision for Employee's custody	(435,175)	(405,175)
	3,912,078	3,903,121
	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance for the period / year	1,297,996	1,144,996
Addition during Period / year	30,000	153,000
Ending balance for the period / year	1,327,996	1,297,996

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

It consists of the investment value in shares of companies traded in the Saudi stock market for the purpose of trading. The company retains this portfolio with a licensed local brokerage firm in the Kingdom of Saudi Arabia. The investments are proven at fair value as of June 30, 2025, according to the closing prices at the end of trading on the financial center's date. The movement of the assets is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	6,187,094	--
Additions during the period / year	35,048,218	5,755,790
Revaluation (loss) / gain (Unrealized)	(1,216,797)	431,304
Balance at end of the period / year	40,018,515	6,187,094

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13. CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Time deposits*	10,000,000	42,067,060
Cash at banks	54,381,578	35,281,158
Cash in the investment portfolio	496,801	4,457,990
Cash on hand	426,378	920,482
Credit cards	72,080	11,882
	65,376,837	82,738,572
Deduct: Restricted cash	(6,859,946)	(5,143,911)
Cash and cash equivalents as shown in the statement of cash flows	58,516,891	77,594,661

*The maturity period of the deposits is less than three months from the date of acquisition, and according to Islamic law, they are distributed among commercial banks. The company achieved revenues during the period of 1,451,269 Saudi riyals (30 June 2024: 2,290,225 Saudi riyals).

**The cash withheld is part of the last installment of the project for the supply and installation of laying hens coops, which was due on November 15, 2024. The terms of the contract include payment of the last payment to the supplier to Dutchman with a covered letter of facilities. The company worked to complete the procedures for the implementation of the letter worth 1,736,341 million euros during the month of December 2024 and January 2025, and the amount of the letter of facilities covered in euros, which was transferred at an exchange rate equivalent to 6,859,946 Saudi Riyals, noting that the covered facility letter amount is still in the Company's bank accounts as at 31 March 2025 but represents cash credited to complete the payment of the capital contract for the supply of barns.

All balances are estimated to be of low credit risk as they are deposited with well-known institutions with high credit ratings. There were no indications of default at any time on any of the company's bank balances. Therefore, the probability of default based on future factors or any default cases resulting from losses is almost negligible or non-existent.

14. SHARE CAPITAL

The company's subscribed and paid-up capital amounted to 200 million Saudi riyals, fully distributed, divided into 20 million shares of equal value, each share valued at 10 Saudi riyals.

Major shareholders as follows:

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	No. of shares	Ratio	No. of shares	Ratio
Mr/Amin bin Abdullah bin Ali				
Al mallah	7,000,000	35%	7,000,000	35%
Seqa united company	7,000,000	35%	7,000,000	35%

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15. LOANS AND CREDIT FACILITIES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Islamic Murabaha	2,377,834	4,755,669
Deferred revenue	(17,276)	(101,200)
	2,360,558	4,654,469

15/1 Classification of the loan between current and non-current portion:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Current portion	2,360,558	4,654,469

15/2 Movement in loans:

The movement in loans consists of the following

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period /year	4,654,469	8,913,639
Payment during the Period /year	(2,293,911)	(4,259,170)
Balance at end of period /year	2,360,558	4,654,469

During the year 2020, the company entered into an Islamic financing agreement with Riyadh Bank for an amount of 20,500,000 Saudi riyals. The company used this loan to finance the purchase of cars. The loan is subject to a profit rate of SAIBOR plus 4% per annum, and is to be repaid in 20 quarterly installments over a period of 5 years. The value of the trucks, amounting to 20,250,000 Saudi riyals, was pledged as collateral for the financing, in addition to promissory notes in favor of the lending bank amounting to 24,600,000 Saudi riyals, which were signed by the company's shareholders. The loan does not include any financial covenants.

The total financing cost charged to the income statement for the loan during the period was 83,925 Saudi riyals (2024: 131,437 Saudi riyals)

16. ACCRUED EXPENSES AND OTHER PAYABLES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Accrued expenses	6,181,516	3,987,999
Value added tax (VAT)	1,247,171	1,184,916
Advances from customers	1,149,240	137,818
Other Payables	3,137	3,137
	8,581,064	5,313,870

17. ZAKAT

17/1 Movement of Zakat provision during the period

The movement of the zakat provision of the period is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance, at beginning of the period / year	2,955,969	3,029,391
Charge for the period / Year	1,200,000	2,955,969
payments during the period / year	(2,955,969)	(3,029,391)
Balance at the end of the period / year	1,200,000	2,955,969

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18. SALES, NET

	For the Three-Months Period Ended		For the Six-Months Period Ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Product Sales:				
Local Retail Sales - Bottled Water	37,295,997	34,048,371	68,016,025	67,373,249
Local Wholesale Sales - Bottled Water	10,938,642	17,734,590	21,211,815	37,324,562
Export Sales - Bottled Water	1,091,142	854,251	1,727,841	1,723,127
Poultry Sale Revenue:				
Local Retail Sales - Egg Production	456,455	2,039,781	1,788,455	4,478,949
Local Wholesale Sales - Egg Production	2,157	--	206,307	--
Services revenue:				
Net Logistics Service Revenue	1,382,218	1,353,616	2,689,169	2,835,805
	51,166,611	56,030,609	95,639,612	113,735,692

All of the company's sales are at a specific point in time, and there are no contracts with customers to supply products over long periods of time.

19. COST OF SALES

		For the three-Month Period Ended		For the Six-Month Period Ended	
		30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
	Note				
Consumed Raw materials		18,740,182	23,158,498	34,198,125	46,894,105
Depreciation of property plant and equipment		4,256,213	4,042,539	8,505,770	8,378,614
Salaries, wages and equivalents		3,717,778	3,548,254	7,214,756	7,149,580
Operating expenses		1,769,219	504,878	3,355,125	2,469,246
Consumed Spare Parts		930,639	1,015,372	1,847,242	2,073,428
Electricity and Water		1,054,791	886,991	1,692,742	1,701,662
Operating Expenses – Egg Production Lines		541,904	892,782	1,380,884	2,783,715
Cost of pallets of customer		615,791	--	1,085,766	--
Logistics expenses		234,343	879,142	531,314	1,524,231
Amortization of Biological Assets	(5)	--	608,380	354,339	1,082,190
Chemical Used		109,395	--	256,316	--
Maintenance and Insurance		63,563	44,030	96,372	76,428
		32,033,818	35,580,866	60,518,751	74,133,199

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20. OTHER INCOME/(EXPENSE)

	For the three-Month Period Ended		For the Six-Month Period Ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Forex gain	517,228	11,834	517,228	11,869
Gain and loss from biological assets	24,700	(90,583)	15,389	(179,071)
Scrap revenue	81,455	77,304	167,953	189,750
Capital gains from the sale of property, machinery and equipment	--	3,565,390	--	3,565,390
	623,383	3,563,945	700,570	3,587,938

21. DEPOSIT INCOME

	For the three-Month Period Ended		For the Six-Month Period Ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Short-term Murabaha deposit return	801,193	1,204,957	1,451,269	2,290,225
Forex Gain – Time deposit	--	--	792,426	--
	801,193	1,204,957	2,243,695	2,290,225

22. EARNINGS LOSSES PER SHARE

The Calculation of Basic earnings per share was calculated based on the distributable profit to shareholders from ordinary shares and the weighted average number of ordinary shares outstanding as of the financial statement date.

	For the three-Month Period Ended		For the Six-Month Period Ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Net income attributable to equity holders	4,760,305	11,023,944	8,400,500	18,936,746
Number of shares	20,000,000	20,000,000	20,000,000	20,000,000
earnings per share attributable to Company's shareholders	0.24	0.55	0.42	0.95

Diluted loss per share

The calculation of diluted loss per share has been based on the net loss for the year attributable to the company's shareholders on ordinary shares and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, if any.

During the year there were no diluted shares, accordingly the diluted earnings / (loss) per share does not differ from the basic loss per share.

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23. FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: Market risk (including currency risk, fair value and cash flow, interest rate risks and price risk), credit risk and liquidity risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

23/1 Financial risk management framework

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The most important types of risk are credit risk, currency risk and fair value and cash flow interest rate risks.

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk

management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Financial instruments carried on the balance sheet include cash and cash equivalents, trade and other receivables, Financial assets at fair value through Profit or loss, loans, trade payables and accrued expenses and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

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23. FINANCIAL RISK MANAGEMENT (CONTINUED)

23/2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: Interest rate risk, currency risk and another price risk.

23/2/1 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not significantly exposed to fluctuations in foreign exchange rates during its normal course of business, as the Company's core transactions during the period were denominated in Saudi Riyals, UAE Dirhams, US Dollars, and Euros. Since the exchange rate of the Saudi Riyal is fixed against both the UAE Dirham and the US Dollar, and the Company's transactions in Euros are not material, there are no significant risks associated with transactions and balances denominated in these currencies.

The following is the quantitative data related to the foreign currency position:

As at 30 June 2025

	UAE Dirham	USD	Euro	Saudi Riyal
Trade payable	790,182	3,500	215,144	1,770,045

As at 31 December 2024:

	UAE Dirham	USD	Euro	Saudi Riyal
Trade payable	1,038,970	28,440	43,469	1,060,938

23/2/2 Risks of change in other purchasing prices

These are the risks associated with changes in the prices of some commodities, which the company is exposed to, which may have an undesirable impact on the company's costs and cash flows. These commodity price risks arise from anticipated purchases of certain goods from the raw materials used by the company.

23/3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the Company has developed a formal approval process whereby credit

limits are applied to its customers, which are based on comprehensive customer ratings and past repayment rates. The management also continuously monitors the credit exposure related to its customers and makes provision against the expected credit losses. Standing balances of customers are continuously monitored. Cash and cash equivalents are placed with national banks with sound credit ratings. Trade and other receivables are mainly due from local customers and the company's trade receivables are due from eight main customers. Trade receivables are stated at their estimated realizable values.

The following is the total maximum credit risk that the company is exposed to:

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivable	(8)	19,050,325	21,584,944
Due from related party	(10)	13,485,774	13,886,061
Cash in investment portfolio	(13)	64,950,459	81,818,090
Other Debit balances	(11)	926,995	772,310
		98,413,553	118,061,405

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23. FINANCIAL RISK MANAGEMENT (CONTINUED)

23/4 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available. The concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets. The following is the contractual maturities for financial liabilities at the end of the period, which are presented in gross and undiscounted amounts:

As at 30 June 2025 (Unaudited)	Less than year	From year to 5 years	Total
Trade payable	13,843,177	--	13,843,177
Accrued expenses and other credit	8,581,064	--	8,581,064
Due to related party	1,802,424	--	1,802,424
Loans	2,360,558	--	2,360,558
Lease Liabilities	1,296,306	3,493,139	4,789,445
	27,883,529	3,493,139	31,376,668

As at 31 December 2024 (Audited)	Less than year	From year to 5 years	Total
Trade payable	13,904,510	--	13,904,510
Accrued expenses and other credits	5,313,870	--	5,313,870
Loans	4,654,469	--	4,654,469
Due to related party	237,246	--	237,246
Lease Liabilities	1,022,066	2,002,119	3,024,185
	25,132,161	2,002,119	27,134,280

The company manages liquidity risk by maintaining adequate reserves, bank facilities and loans, by continuously monitoring future cash flows, and by matching the maturities of assets and cash liabilities.

24. CONTINGENCIES AND CAPITAL COMMITMENTS

24/1 The final installment of the project for the supply and installation of laying hens' pens was due on November 15, 2024, which was contracted to be provided to the supplier by Dutchman with a covered concession letter of €1,736,341. The company worked to complete the procedures for implementing the letter during the month of December 2024 and January 2025, and the amount of the EUR covered facility letter was amounting 1,736,341 euros, which was transferred at an exchange rate equivalent to SAR 6,858,929, noting that the covered facility letter amount is still in the company's bank accounts as at June 30, 2025.

24/2 Capital commitments:

The company has capital commitments related to advance payments for the purchase of properties

The following are the details of the capital commitments:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Advance payments for the purchase of properties, plant and equipment	(29,735,274)	(25,169,649)
Total capital commitment **	48,595,662	34,435,796
	18,860,388	9,266,147

* * Capital commitments include advance payments to purchase a new production line with a total value of 20,125,000, as well as a poultry farm development project with a total value of 14,310,796 and a poultry expansion project with a total value of 14,159,866 Saudi Riyals.

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25. SEGMENT REPORTING

Segment report

The presentation of key segments is determined on the basis that the risks and rewards of the Company are substantially affected by the differences in the products of those segments. These segments are organized and managed separately according to the nature of the services and products, each forming a separate unit. The operational segments set out below are determined by distinguishing business activities from which the Company generates revenues and incurs costs.

The economic characteristics are reviewed and the operating segments are aggregated on the basis of the organization made by the Chief Operating Decision Maker at least every quarter and reviewed by Company's senior management.

The Company is operating its activities in the Kingdom of Saudi Arabia through the following main business sectors:

Revenue for the period ending at	Local Sales-Water	Export Sales-Water	Logistic sales	Egg sales	Total
30 June 2025 (Unaudited)	89,227,840	1,727,841	2,689,169	1,994,762	95,639,612
30 June 2024 (Unaudited)	104,697,811	1,723,127	2,835,805	4,478,949	113,735,692

Trade receivables as at	Local Customers-Water	Export Customers - Water	Egg customers	Total
30 June 2025 (Unaudited)	23,498,022	36,080	71,938	23,606,040
30 June 2024 (Unaudited)	27,966,315	408,553	456,559	28,831,427

Geographical Segment

	For the three-Month Period Ended		For the Six-Month Period Ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Central Region	34,923,125	39,203,223	65,981,051	78,478,854
Western Region	5,579,753	5,904,752	10,402,099	12,952,371
Eastern Region	4,751,006	3,029,239	8,410,291	6,883,827
Northern Region	2,759,518	4,572,251	5,032,971	8,183,291
Logistics	1,382,218	1,353,616	2,689,169	2,835,805
Export	1,011,500	854,251	1,727,841	1,723,127
Southern Region	759,491	1,113,277	1,396,190	2,678,417
	51,166,611	56,030,609	95,639,612	113,735,692

26. DIVIDENDS

2025:

There was no recommendation from the Board of Directors for distributions of dividend during the period.

2024:

On June 27, 2024, the Ordinary General Assembly, based on the recommendation of the Board of Directors, approved cash dividends of SAR 10,000,000, representing 5% of the company's capital, to shareholders for the third and fourth interim periods of 2023, at SAR 0.5 per share.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 June 2025
(Expressed in Saudi Arabian Riyals)

27. COMPARATIVE FIGURES

Some comparative figures have been reclassified to conform with the presentation of the financial statements for the current period.

28. SUBSEQUENT EVENTS

There are no events that have occurred after the date of the statement of financial position that require adjustment or disclosure in these interim condensed financial statements

29. APPROVAL OF THE FINANCIAL STATEMENTS

These condensed interim financial statements for the period ended 30 June 2025 were approved by the Board of Directors, on 13 safar 1447 AH (corresponding to 7 August 2025)