



Annual 20 Report 25



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



The Custodian of the Two Holy Mosques

King Salman Bin Abdulaziz Al Saud

May Allah protect him

My first goal is for our country to be a pioneering and successful global model of excellence, on all fronts, and I will work with you to achieve that.



His Royal Highness
Crown Prince and Prime Minister

Mohammad Bin Salman Al Saud

May Allah protect him

We are determined to build a thriving country in which all citizens can fulfill their dreams, hopes and ambitions.

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Chairman's Statement

I am pleased to present to our valued shareholders the Board of Directors' report on the Company's performance for the fiscal year 2025, which reflects the Company's continued execution of its strategic direction aimed at enhancing the sustainability of its operations and developing its operating model in line with market changes. During the year, the Company witnessed significant operational and strategic transformations, as it continued to implement its plans to diversify revenue streams and strengthen its presence in the retail sector by expanding its branch network and developing sales channels, in alignment with its direction toward building a more flexible and sustainable business model. The results for the year were affected by several factors, most notably changes in the sales mix between the wholesale and retail segments, in addition to non-operational impacts that had a direct effect on net results during the period. However, this did not affect the strength of operational performance or the progress made in developing the operating infrastructure and enhancing efficiency, which form the foundation for achieving sustainable growth in the coming periods. The Board of Directors affirms that this phase is part of a carefully considered strategic direction aimed at improving operational efficiency and diversifying income sources, in a way that supports the creation of sustainable value for shareholders over the long term. In line with its supervisory role, the Board continues to support executive management, strengthen the governance framework, and reinforce principles of transparency and disclosure, ensuring a balance between growth, risk management, and maximizing shareholder value. The Company looks forward to the next phase with confidence, building on the progress achieved in developing its operational infrastructure, enhancing efficiency, and implementing strategic initiatives that will further improve financial performance and sustainability. In conclusion, I extend my sincere thanks and appreciation to our valued shareholders for their trust, and to the members of the Board, executive management, and all Company employees for their efforts. We look forward to continuing our journey of growth and development.

May success be granted.

Mr. Amin Abdullah Al-Mallah

Chairman of the Board of Directors



Mr. Amin Abdullah Al-Mallah



CEO and Managing Director's Statement

The Company's performance during the fiscal year 2025 came within the context of a strategic transformation phase aimed at restructuring the revenue mix and enhancing operational sustainability. The Company focused on directing its business toward value-added sectors, foremost among them the retail segment, by expanding its branch network and developing sales channels, thereby strengthening its proximity to customers and improving the quality of their experience. In this context, the year's results were impacted by several factors associated with this transitional phase, most notably changes in the sales mix between the wholesale and retail segments, in addition to non-operational effects represented by the fair value remeasurement of certain financial assets. Despite this, core operations continued to deliver positive results, reflecting the strength of underlying operations and the efficiency of cost management, and confirming the Company's ability to generate operating returns from its primary activities. We view this phase as a strategic investment in the Company's future, with a focus on building more flexible operational capabilities, enhancing asset quality, and developing systems and procedures, in a manner that supports improving business efficiency and profitability levels over the medium and long term. We also continue to enhance customer experience, strengthen sales channels, and invest in systems and human capital, thereby improving the Company's competitiveness and its ability to grow in target markets. We reaffirm our commitment to executing our strategy efficiently and with discipline, while maintaining a balance between growth and sustainability, and maximizing value for all stakeholders. I extend my sincere thanks to the Board of Directors for their support and guidance, to the Company's employees for their efforts, and to our shareholders and partners for their continued trust.

With sincere regards and appreciation.

Mr. AbdulazizYousef Alsayegh
Chief Executive Officer and Managing Director



Mr. Abdulaziz Yousef Al Sayegh



01

Overview



Overview of Naqi Water Company

Naqi Water Company is one of the leading companies in the food production sector in the Kingdom of Saudi Arabia, as well as the only company in the bottled drinking water production sector listed on the main stock exchange .

Naqi Water Company was established in 2014 and commenced its operations in 2016 at its current headquarters in Unaizah, Qassim region, leveraging its distinguished geographical location to extract groundwater from its own wells and treat it according to the best global practices in the drinking water production and bottling sector, relying on qualified expertise and utilizing the latest globally available technologies . At the end of 2023, the Company expanded into its main business sectors by entering the table egg production sector, aiming to maximize revenues and reduce the risks associated with reliance on a single activity .

Naqi Water has continued to rely on a strategy of steady expansion in previous years until it has become today one of the most prominent Saudi companies producing bottled drinking water, which the Company provides to its customers in various regions of the Kingdom of Saudi Arabia, in addition to neighboring countries .

Throughout its journey, the Company has adopted the motto "The Future is Better," believing in the importance of continuous improvement across its various operational and process areas. The Company has placed primary importance on research and development processes and enhancing corporate performance concepts to ensure continued delivery of products that cater to the needs of various consumer segments, in accordance with the highest health and food specifications.



Historical Overview

2014

- Establishment of the Company as a sole proprietorship under the name "Naqi Water Establishment."

2016

- Addition of a bottled water production line with a production capacity of 24,000 units per hour.

2017

- Conversion of the Company from a sole proprietorship to a limited liability company with a capital of 45 million. Establishment of a bottled water production line with a production capacity of 40,000 units per hour.

2018

- Establishment of two production lines with a total production capacity of 80,000 units per hour under a joint investment agreement.
- Establishment of a production line with a production capacity of 40,000 units per hour under a joint investment agreement.

2022

- On August 15, 2022, the company was listed on the main stock exchange.

2021

- Operation of a new production line with a capacity of 48,000 units per hour.
- Acquisition of a plot of land measuring 44,448.5 square meters to support the company's expansion plans.

2020

- Activation of a new production line with a production capacity of 48,000 units per hour.
- Acquisition of the production line established under the joint investment agreement with a capacity of 40,000 units per hour.
- Acquisition of Naqi Commercial Enterprise, including its Riyadh and Qassim branches, to accommodate the growing demand for the company's products from retail sector customers
- Purchase of 50 trucks to support the Company's operations.
- Acquisition of a plot of land measuring 72,672.6 square meters to support the company's expansion plans.

2019

- Establishment of a new water purification station at the company's factory in Unaizah.
- Acquisition of two production lines with a total production capacity of 80,000 units per hour.
- Acquisition of a plot of land measuring 45,173.5 square meters to support the company's expansion plans.

2023

- Acquisition of a poultry farm for table egg production.

2024

- Investment for industrial expansion in the Riyadh region.
- Contracting for a line to produce bottled water with a capacity of 52,000 bottles/hour in various sizes and packaging.
- Launch of the table egg production sector expansion project.
- Acquisition of critical assets for the table egg production sector project.

2025

- Purchase of two production lines for the new Riyadh factory, with a capacity exceeding the main factory in Qassim by 50%, and signing contracts for the construction of the factory and the water purification station.
- Completion of all financing obligations following the full repayment of the Islamic financing agreement with Riyadh Bank.
- Board of Directors' approval to open seven branches across various regions of the Kingdom.

Vision



To lead in the food production sectors across the Kingdom, the Gulf countries, and the Middle East and North Africa region by developing its brand to become the best in its field, focusing on quality and customer service, enhancing and developing business relationships, and relying on the best human resources by attracting, developing, and retaining them.

Values



Mastery, Authenticity, Responsibility, Innovation, Flexibility.

Mission



The Company seeks to develop a modern model in its fields of operation by offering various types of food products in different sizes and weights with the highest quality specifications and value at competitive prices, and to sustainably serve all the needs of its partners and customers by employing research and development for the purpose of creating added value and sustainable value for its shareholders, and to encourage active and constructive participation to meet the aspirations of shareholders and stakeholders.

Geographical Presence



Branches:

Qassim - Riyadh -
Jeddah
Hail - Eastern Region

Distributors Outside the Kingdom :

Sultanate of Oman - State of Kuwait
Hashemite Kingdom of Jordan

Distributors Within the Kingdom

Al-Muzahmiya - Tabuk - Al-Madinah Al-Munawwarah - Hafr Al-Batin - Al-Majma'ah - Khamis Mushait - Afif - Yanbu - Al-Hulayfah - Rimah - Sharurah - Badr - Al-Kharj - Al-Qurayyat - Wadi Al-Dawasir - Al-Dawadmi - Shaqra - Bishah - Al-Taif - Al-Khafji - Najran - Rafha - Al-Rayn - Al-Batra - Al-Asyah - Al-Aqiq - Arar - Jazan - Rabigh - Al-Bahah - Sakaka.

Key Achievements of 2025:

01

Signing of an agreement to purchase biological assets (layer chicks) for the first phase of the poultry project.

An agreement was signed to purchase biological assets (layer chicks) amounting to 790,000, as part of the first phase within the implementation plan of the poultry sector project.

03

Concluding a contract for the purchase, supply, and installation of machinery to develop the production line of the Qassim plant.

A contract was signed for the purchase, supply, and installation of new machinery with the aim of developing one of the existing production lines currently in the main plant.

Completion of financing obligations.

All financing obligations were completed following the repayment of the Islamic financing agreement concluded with Riyadh Bank.

05

Signing of a contract to implement the construction project of a new plant for the Company in Riyadh.

A contract was signed to implement the construction project of a new plant for the Company in Riyadh.

07

Purchase of two production lines for the new plant in Riyadh.

Two production lines were purchased for the new plant in Riyadh, with a production capacity exceeding that of the main plant in Qassim by 50%.

Signing of a contract for the purchase, supply, and installation of a water desalination plant for the Riyadh facility.

A contract was concluded for the purchase, supply, and installation of a water desalination plant dedicated to the Riyadh facility.

Approval to open seven new branches.

The Board of Directors approved the opening of seven new branches covering several regions across the Kingdom (Hafr Al-Batin, Al-Khafji, Al-Majma'ah, Al-Kharj, Rimah, Al-Muzahmiya, and Sakaka). The necessary preparations for opening these branches commenced as of January 1, 2026.

Poultry Project Developments

Arrival of the second batch of layer chicks (100,000 birds): Within the framework of the agreement to purchase biological assets (layer chicks) for the poultry project, the second batch arrived with a total of 100,000 birds, as part of the first phase of the implementation plan.

09

Signing of an agreement to purchase biological assets (layer chicks).

An agreement was signed to purchase biological assets (layer chicks) for the poultry project amounting to 908,500.

02

04

06

08

Awards and Recognitions

The Saudi Quality Mark is granted by the Saudi Standards, Metrology and Quality Organization (SASO) to companies that comply with approved Saudi specifications and standards.



Good Manufacturing Practices (GMP) is an international standard certification representing a set of guidelines and rules established by regulatory bodies to reduce risks associated with manufacturing in order to ensure product quality and safety.

A certificate of accreditation from the Emirates Authority for Standardization and Metrology (ESMA) is granted to products and services that meet the highest quality standards. This mark confirms Naqi Water's commitment to approved specifications. Products that obtain this mark are subject to periodic monitoring, ensuring their quality and compliance with the Authority's standards.



The Emirates Quality Mark is an official certificate of accreditation granted by the Ministry of Industry and Advanced Technology of the United Arab Emirates to products that comply with approved standards. It reflects the commitment of manufacturers to quality and the implementation of effective production management systems, thereby enhancing the reliability of products in local and international markets.

HACCP is a scientific approach to ensuring food safety. It helps companies improve food safety, thereby facilitating exports and strengthening their competitiveness in global markets.



The Superior Taste Award is granted to food and beverage products of high taste quality. Naqi Water Company obtaining this certificate confirms the quality and purity of its products.



Our Social Responsibility:

At Naqi, we believe that true success is not measured by the magnitude of achievements alone, but by the positive impact we leave on the lives of people and the community around us. From this perspective, social responsibility has become an integral part of our identity and a fundamental pillar of our strategy towards a more sustainable and prosperous future.

Our Practices in Social Responsibility:

Social responsibility practices at Naqi Water are based on a deep and rooted commitment to the community in which we operate. We are keen to launch developmental projects and initiatives that create a sustainable positive impact and contribute to building a stronger and more prosperous society.

We believe that our role does not stop at the boundaries of commercial activity, but extends to include supporting various aspects of the community, through initiatives that address its real needs and enhance the quality of life for all its members.

Community Initiatives:



01. Support for Government Entities in the Region

Naqi Water is committed to contributing to a number of initiatives aimed at supporting government entities, stemming from its commitment to its national role.



02. Health Initiatives:

Naqi Water Company places great importance on the health aspect within its social responsibility strategy, stemming from its fundamental role in providing products that adhere to the highest health standards and contribute to enhancing food security. The Company's concern for public health is not limited to its products alone, but extends to supporting health and awareness initiatives that benefit the community.

In this context, the Company was keen to support the (Yalla Namshi) initiative launched by the Ministry of Health to promote a culture of walking and physical activity among community members. The Company also collaborated with the Ministry of Health to arrange for Naqi Water employees to receive the seasonal influenza vaccine provided by the Ministry, affirming the importance of prevention and promoting health both within and outside the work environment.

These efforts embody the Company's commitment to its national and humanitarian role, and its dedication to being an active partner in building a healthier and more aware community.



03. Support for Education and Future Generations:

Naqi Water Company places great importance on supporting education and empowering young national cadres, believing that investing in knowledge is the foundation of sustainable development. In this context:

- The Company sponsored the College of Medicine ceremony at Qassim University in appreciation of the efforts of male and female students, and in pride of what this academic institution represents in preparing qualified medical cadres who serve the community and the health sector. Naqi is proud of its participation in this occasion and its support for the students' academic and professional journey, wishing them continued success and achievement.
- The company collaborated with Suliman Al-Rajhi University by hosting master's program students at its premises and organizing a field tour inside the factory to explore production lines and operational processes, thereby enhancing their practical experience and linking theoretical knowledge to real-world applications.
- Activation of cooperative training programs for university students and educational institutions, enabling them to gain practical experience and develop their skills in a real work environment.
- Participation in the "Future Industrialists" initiative of the Ministry of Industry and Mineral Resources, and participation in the "Made in Qassim" exhibition, where the Company received more than 25 schools through educational visits aimed at introducing students to the industrial work environment and raising awareness of the importance of national industry.



04. Support for Providing Employment Opportunities for All Segments of Society:

Stemming from Naqi Water's commitment to its role in promoting economic development and building a more inclusive and sustainable labor market, the Company is keen to support national initiatives aimed at enabling various segments of society to obtain suitable employment opportunities. The Company believes that investing in people is the foundation of genuine development, and therefore works to strengthen partnerships that contribute to integrating less advantaged groups into the labor market.

- Collaboration with Al-Khaniniya Center for Employment of People with Disabilities.



05. Support for the Hajj Season:

Naqi Water provided its water during the Hajj season as part of an initiative by the Saudi Export Development Authority, aiming to contribute to serving the guests of the Most Merciful and facilitating their spiritual journey. The Company's participation came from its community role in providing water to pilgrims of the Sacred House of God, helping them perform their rituals with ease, and reflecting the Kingdom's commitment to providing the best services to visitors of the Sacred House of God.

02

Strategic Report



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Company Strategy

Naqi Water’s strategy is based on three main pillars. The first pillar is the diversification of income sources, such as entering the poultry sector. The second pillar is enhancing profit margins by creating demand for its products through the opening of new retail sales branches. The third pillar is investing in technology to improve operational efficiency and ensure sustainable growth in both the poultry and bottled drinking water sectors.

Naqi Water Company is also committed to supporting the food security system, in line with the Kingdom’s Vision 2030, by providing healthy and safe products that meet consumer aspirations and contribute to enhancing food sustainability.

Strategic Direction

Naqi Water’s strategy is directed towards three strategic directions:

First Strategic Direction

Expansion in bottled drinking water production, targeting the establishment of new bottled drinking water plants outside the Qassim region, which will contribute to increasing production capacity compared to the current production capacity. The Company aims to establish plants utilizing modern production technologies to enhance product accessibility across multiple regions in the Kingdom at the lowest possible cost.

01

Second Strategic Direction

Diversification into key operational sectors, as through reviewing available opportunities, the Company targeted the table egg production sector to serve as a complementary sector to bottled drinking water production in diversifying operational revenues. In its current plans for expansion in the table egg production sector, the Company has relied on self-financing of all planned expansions from net operating cash flows, contributing to maintaining the Company’s position and financial structure within optimal levels.

02

Third Strategic Direction

Retail sales sector: After reviewing the sales areas across the Kingdom, Naqi Water made a decision to accelerate the pace of expansion in the retail sales sector, which enhances the accessibility of the Company’s products to all regions of the Kingdom. The Company announced its approval to open seven additional branches covering several regions across the Kingdom, and commenced the necessary preparations for opening the branches at the beginning of 2026.

03

Company Activities

Naqi Water Company is a company operating in the field of producing and distributing food products, working to meet the needs of the local market with the highest standards of quality and efficiency. This is achieved through producing bottled drinking water and table eggs using the latest technologies.

In addition, the Company provides specialized transportation services to enhance operational efficiency and ensure the safe and timely delivery of its products to customers across various regions of the Kingdom.

01

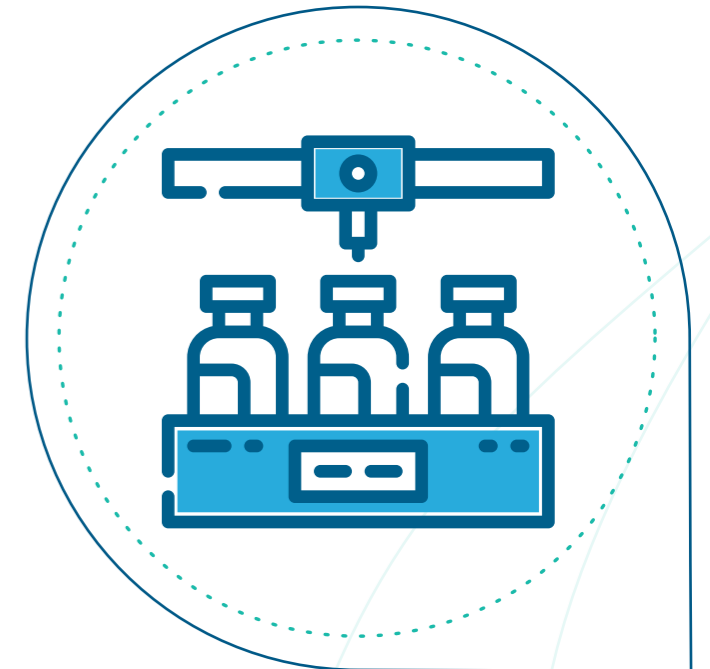
Production and Sale of Bottled Drinking Water

Our production lines operate according to a well-studied annual plan that takes into account preventive and corrective maintenance periods, as well as seasonal production variations, which contributes to maintaining high production efficiency.

Water is provided according to the highest quality standards through two fully equipped desalination plants to produce safe and healthy drinking water, where the production capacity of the desalination plants exceeds the capacity of the production lines, representing a fundamental pillar for the Company’s future expansion.

At the end of 2025, the Company signed an addendum to the previously signed contract for the purchase and supply of a production line for bottled drinking water in various packages and sizes. The addendum upgraded the contract to include two production lines instead of one, for the establishment of its new plant in Riyadh.

The Quality and Production Control Department provides continuous and immediate support for all production processes. The Company’s products are subject to comprehensive monitoring to ensure the safety of these products and their compliance with all health conditions. The Quality Department also contributes to the supervision of all production inputs, including raw materials, by inspecting and verifying them before use,



thereby enhancing the reliability of final product quality and ensuring its safety.

Our team operates using the latest types of technology to conduct periodic testing that ensures the safety of our products.

The Quality and Production Control Team operates in accordance with ISO 22000, HACCP, and GMP standards to activate the collaborative work strategy with the Production Department, contributing to the integration of production processes and achieving health control targets. Naqi is committed to the sustainability of processes related to product quality through its specialized laboratory for microbiological and chemical analyses, which enhances the reliability of product quality and ensures fulfilling our promise to customers to provide safe and healthy products.



02 Supply Chains



The Company owns 10 warehouses for finished products and raw materials for both the bottled drinking water and table egg sectors, located in strategic positions on lands owned by the Company. This contributes to improving operational efficiency and reducing losses during handling and transportation to levels close to zero. warehouses are located at the Company's main headquarters in Unaizah, Qassim region, in addition to warehouses for finished products at the Company's branches. All our warehouses are equipped with advanced safety and protection systems to ensure the preservation of product quality and safety, while minimizing inventory risks. Our warehouses in Riyadh, Qassim, Jeddah, Hail, and the Eastern Region also significantly contribute to easy access to the largest number of customers across all regions of the Kingdom.

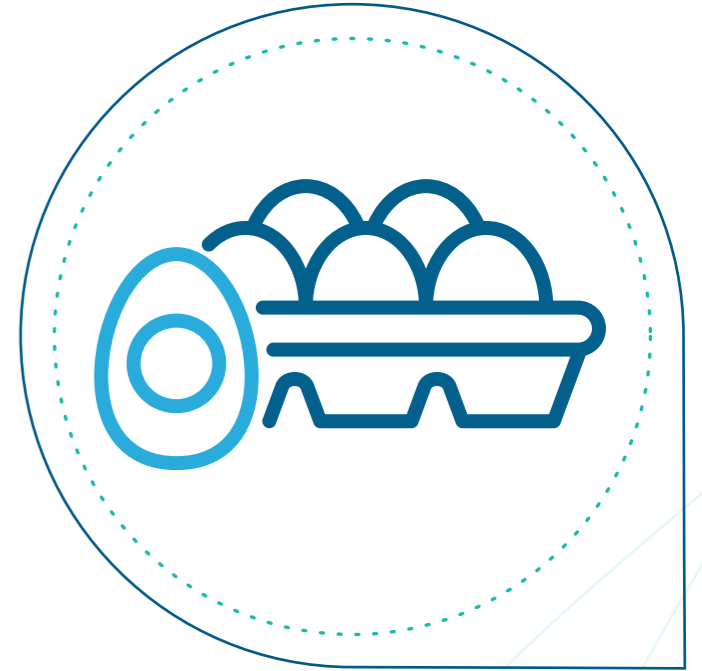
The Company's sales model divides commercial activity into two sectors:

First: Wholesale sector, through which products are sold directly from the Company's warehouses to distribution agents.

Second: Retail sales sector, through which our products are distributed directly to local markets and the end consumer. The bottled drinking water sector also utilizes the Company's own transportation fleet to provide logistics transportation services for water products to the Company's sales branches across the Kingdom's regions and for the benefit of distribution agents in all regions of the Kingdom.



03 Production and Sale of Table Eggs



The core model of the Company's business plan in the table egg production sector relies on raising young poultry until they become capable of commercial production. The young poultry, once they reach production maturity, are then transferred from rearing houses to production houses. All poultry houses are located within the poultry farm, which operates with an integrated methodology in its operational and production processes.

Production Stages:

Launch and Initial Operation Phase (from October 2023):

Table egg production operations began in October 2023, through the Company's investment in purchasing poultry at ages capable of egg production.

Expansion and Production Capacity Increase Phase (2024 – 2025):

Production operations continued throughout 2024 and extended into 2025 until the announcement of the project's expansion plans.

Targeted Production Capacity:

The company aims to reach a production capacity of 450% compared to the initial phase. This is part of supporting the project's expansion and enhancing its operational efficiency, in line with the company's strategic plans.



It is noted that current production in the poultry sector during 2025 and before remains in its early stages, with its contribution to the Company's total sales reaching approximately 1%, due to the ongoing work on the current expansion project and the fact that the operation of this expansion has not yet commenced until its completion.

	Revenue from Operations	Percentage
Water Production and Sales Activity	180,708,892	96.66 %
Logistics Transportation Activity	4,293,695	2.30 %
Table Egg Production and Sales Activity	1,942,500	1.04 %
Total	186,945,087	100 %



Our Business Model

Naqi has worked to develop its business model to enable it to fulfill its promise to its customers in alignment with its slogan "The Future is Better" by focusing on enhancing continuous improvement practices and innovation in its operations and products.

The Company has relied on defining the inputs and outputs of its business model to meet its commitments by directing the Company's operations towards specific concepts and objectives shared across all departments and divisions, ensuring the integration of operational processes and collaborative work among employees to execute business unit tasks and activity drivers within an institutional framework and organizational environment grounded in efficiency and effective management. This precise definition of these processes has enhanced the ability to grow and expand in operational processes and raised the levels of achieving main and subsidiary strategic objectives.

Determinants of Naqi Water Company's Business Model

Inputs

Production

01

Diversity and multiplicity of production input suppliers.

02

Production efficiency, low risk.

03

Bottled drinking water production lines equipped according to the best international standards.

04

Two separate bottled drinking water plants within the Company's premises, contributing to the reduction of risks associated with production concentration.

05

Four water desalination plants.

06

Seventeen warehouses dedicated to production and sales.

Innovation and Quality Control

- 01 A specialized laboratory equipped according to the best international practices.
- 02 Agreements with specialized entities to confirm quality assurance from independent parties.
- 03 Linking the Company's values to quality control mechanisms and adopting ISO 22000 standards, HACCP standards, and GMP standards.
- 04 Continuous operations to deliver innovative products in accordance with end consumer needs.

Distinguished Financial Position

- 01 Naqi completed all its obligations by the end of the fourth quarter of 2025.
- 02 Consistently high levels of cash.
- 03 Precise control of spending levels and accuracy in directing capital expenditures.
- 04 Distinguished financial management capable of controlling costs and increasing the return on assets and shareholders' equity.

Enhancing the Concept of Added Value

- 01 Adoption of flexible management and direction of operations.
- 02 Rapid response to surrounding variables.
- 03 Development of the traditional organizational structure to focus on business units and activity drivers.
- 04 Enhancing concepts of collaborative work across departments to focus on profitability and integration of sales processes.
- 05 Developing concepts and applications of support departments to achieve sustainability of production and sales activities.
- 06 Reliance on the drivers that create demand for the Company's products within a flexible strategy to meet consumer needs.

Safety and quality are the focus of operational processes.

- 01 Enhancing control over product safety by developing mechanisms and equipment for continuous periodic inspection to ensure the provision of products that are safe for health.
- 02 Exceptional and continuous care for all production equipment in both the bottled drinking water production and table egg production sectors.
- 03 Maintaining a high turnover rate for finished product inventory in accordance with ideal health standards and requirements.
- 04 Developing the qualifications and competencies of our employees responsible for producing and controlling our products in alignment with local and international quality standards.

Distinguished level in logistics services.

- 01 A transportation and distribution fleet wholly owned by the Company.
- 02 Partnership with specialized entities in logistics services to enhance the efficiency of transportation operations and support the Company's fleet.
- 03 Transportation and distribution of the Company's products to all regions of the Kingdom and neighboring countries.
- 04 Distinguished performance levels in transportation and delivery timing across various regions of the Kingdom and neighboring countries.

Engaging with Our Customers

- 01 Making communication available to various customer segments around the clock.
- 02 A specialized department dedicated to addressing customer opinions, contributing to enhancing quality levels, customer satisfaction, and retention.
- 03 Establishing mechanisms to raise the levels of trust among customers and consumers.



Determinants of Naqi Water Company's Business Model

Outputs

Achieving added value for shareholders.

- 01 The Company has managed during previous years and the current year to maintain a distinguished financial position at the level of the Saudi market.
- 02 The Company has committed to enhancing the value of owners' equity.
- 03 The Company completed all its financing obligations by the end of the fourth quarter of 2025.

Meeting the needs of consumers and customers.

- 01 Expansion of sales points across all regions of the Kingdom.
- 02 Continuous access to various customer segments.
- 03 Offering diverse products to serve various expected needs.
- 04 Offering safe and healthy products in accordance with the best practices in the food production sector.
- 05 Building customer relationship management to enhance the concepts of communication, partnership, and customer service.

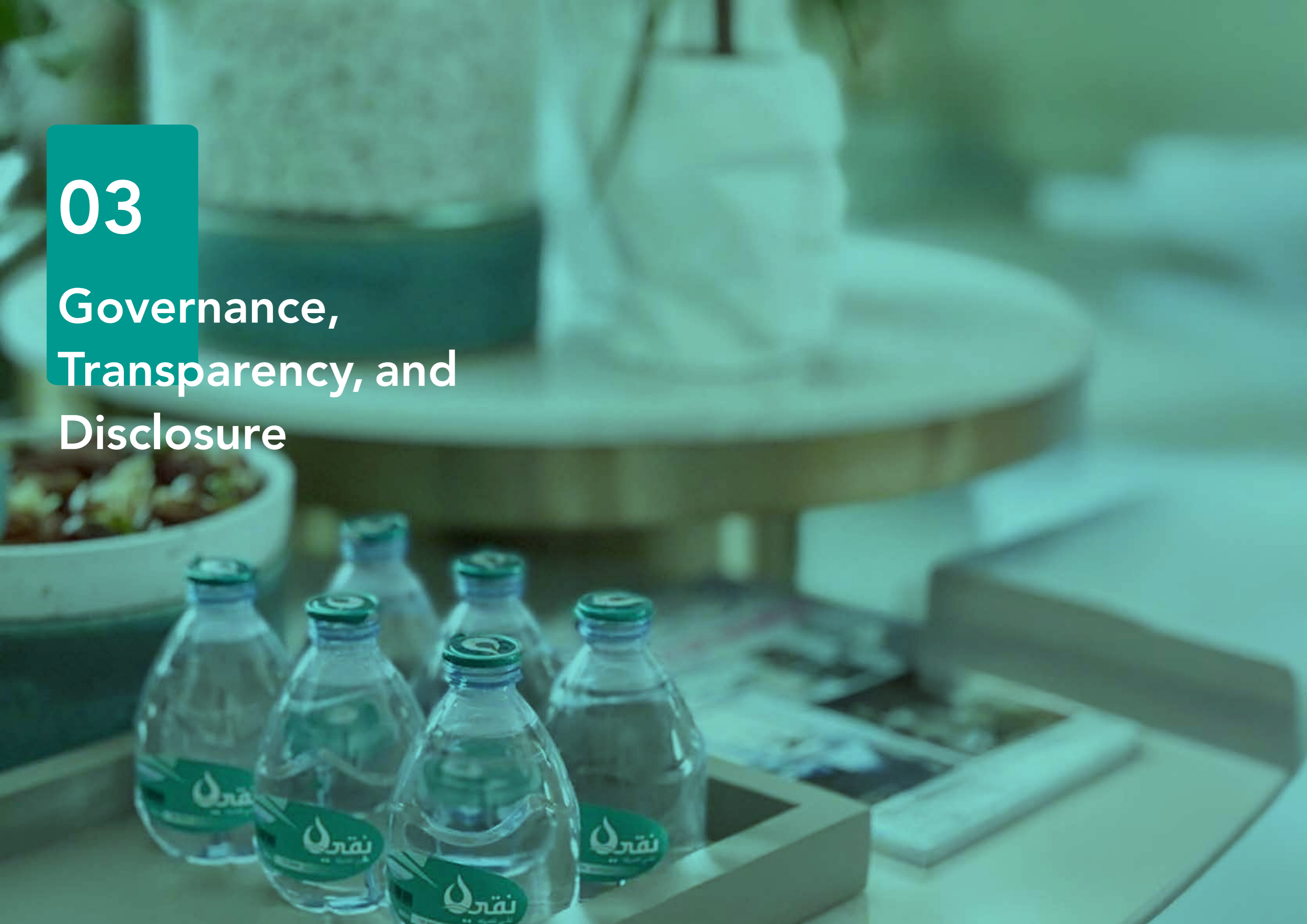
Community

- 01 Activating environmental sustainability practices.
- 02 Establishing partnerships and agreements with non-profit entities, contributing to enhancing the Company's social impact.
- 03 Continuous presence and participation in various community events and activities, contributing to enhancing the concepts of partnership and social impact.
- 04 Activating cooperative training programs for students in educational institutions and universities.



03

Governance,
Transparency, and
Disclosure



Financial Position

The company maintained the strength of its financial position at the end of 2025, despite implementing most of the approved strategic expansion plans in both the bottled water and table egg production sectors. The company succeeded in maintaining a solid liquidity level of approximately SAR 71 million, distributed between available cash and invested cash, representing 24% of total assets as of the end of the 2025 fiscal year.

As part of its liquidity management and income diversification policies, the company invested approximately SAR 62 million in an investment portfolio aimed at maximizing returns while minimizing risks associated with reliance on a single income source.

The company adopts a balanced approach in utilizing available cash, including:

- Supporting operational activities and enhancing the ability to meet short-term obligations.
- Financing approved investment projects within the expansion plans.
- Investing cash surpluses in short-term Islamic Murabaha deposits with high-rated banks, ensuring stable returns with a low level of risk.

During 2025, the company increased the value of non-current assets by 14% compared to 2024, reflecting its continued efforts to strengthen its long-term asset base to support future expansion plans.

At the same time, the company was able to meet all its financing obligations and fully repay the financing loan, contributing to reduced debt levels and improved leverage ratios. The company also succeeded in reducing a range of other operational liabilities, decreasing current liabilities by 36% compared to 2024, thereby enhancing the financial position and the company's ability to efficiently meet short-term obligations.

The following statement illustrates the temporal trend in the reduction of the company's total liabilities relative to its assets, with total liabilities amounting to SAR 26,368,032 at the end of 2025. This gradual decrease reflects the disciplined financial policies adopted by the company during 2025, which focused on improving the financial structure, reducing short-term liabilities, and enhancing the ability to finance operational activities through the company's own resources.:

Item	2025	2024	2023	2022	2021
Current Assets	114,137,598	148,841,115	135,662,061	139,420,786	82,789,090
Non-Current Assets	183,153,399	160,176,540	156,840,838	151,694,650	165,319,932
Total Assets	297,290,997	309,017,655	292,502,899	291,115,436	248,109,022
Current Liabilities	18,777,791	28,088,130	27,759,333	27,907,402	25,237,573
Non-Current Liabilities	7,590,241	7,006,014	11,611,814	13,726,648	14,937,504
Total Liabilities	26,368,032	35,094,144	39,371,147	41,634,050	40,175,077

Financial Performance

The company's total sales during 2025 decreased by approximately 15% compared to the previous year, as revenues were affected by its strategic shift toward expanding its geographical presence across various regions of the Kingdom to strengthen the retail sector's market share in the coming years. In this context, the company opened two new branches in Hail and the western area of Riyadh during the year, while simultaneously reducing reliance on wholesale sales through agents.

The table below shows the distribution of the company's revenues by sector. Positive results were recorded under the company's plan to expand retail sales in the bottled water sector, with retail sales in this sector increasing by more than 7% during 2025 compared to the previous year.

Conversely, wholesale sales in this sector declined by approximately 50%, directly impacting the overall reduction in total sales. This also led to a 25% decrease in revenues in the logistics services sector, which is closely linked to the volume of wholesale sales.

In the poultry sector, table egg production experienced a notable decline in total sales across both wholesale and retail segments compared to 2024. This was due to reduced operational activity during the year as a result of ongoing development work on the project, previously communicated to all shareholders. These development activities are planned, upon completion, to enhance the project's production efficiency, with positive financial effects expected to materialize starting in 2026.

Sector	2025	2024	Change
Bottled Water Sales Revenues			
Local Retail Sales – Bottled Water	143,300,518	133,409,049	9,891,469
Local Wholesale Sales – Bottled Water	34,348,972	67,700,988	-33,352,016
Export Sales – Bottled Water	3,059,401	3,187,189	-127,788
Poultry Sales Revenues			
Local Retail Sales – Egg Production	1,736,192	7,336,700	-5,600,508
Local Wholesale Sales – Egg Production	206,306	1,966,751	-1,760,445
Services Revenues			
Logistics Transportation Services Revenues	4,293,694	5,739,456	-1,445,762
	186,945,087	219,340,133	-32,395,046

Financial Performance

Regarding the company's operational performance in 2025, despite a decline of approximately 15% in total revenues compared to 2024, the company successfully limited the direct impact of this decrease on its cost structure. The cost of revenues fell slightly by only 1%, helping to maintain the cost of revenue as a percentage of total sales at a stable level of around 64%, similar to the previous year.

This outcome is attributed to the measures implemented by the company to enhance cost management efficiency, notably ensuring the continuity and smooth operation of supply chains and conducting constructive negotiations with key suppliers, which enabled control over raw material costs and mitigated the impact of market fluctuations.

As for gross profit, although its value decreased in 2025 compared to the previous year, the company managed to maintain a stable gross profit margin of approximately 36% of total sales. This performance demonstrates the company's resilience and its ability to efficiently manage operational costs, even amid the marketing and competitive challenges experienced during the year.

Item	2025	2024	Changes + or -	Percentage Change
Sales / Revenues	186,945,087	219,340,133	- 32,395,046	- 14.77 %
Cost of Sales / Revenues	119,872,359	142,693,365	- 22,821,006	- 15.99 %
Gross Profit	67,072,728	76,646,768	- 9,574,040	- 12.49 %
Other Operating Income	538,767	139,880	398,887	285.16 %
Other Operating Expenses	59,871,093	51,099,795	8,771,298	17.17 %
Operating Profit (Loss)	7,740,402	25,686,853	- 17,946,451	- 69.87 %

Item	2025	2024	2023	2022	2021
Revenues	186,945,087	219,340,133	238,822,627	284,290,176	277,823,065
Cost of Revenues	119,872,359	142,693,365	153,663,556	194,252,724	164,868,568
Gross Profit	67,072,728	76,646,768	85,159,071	90,037,452	112,954,497
Net Profit	-2,687,767	30,184,860	45,950,121	48,707,066	77,275,987

The loss for 2025 is attributable to a combination of operational and non-operational factors. On the non-operational side, these factors reduced net profit by a total of SAR 13.7 million, primarily due to the fair value revaluation of financial assets through profit or loss. This resulted in unrealized losses from changes in the fair value of investment assets (the investment portfolio), in accordance with the accounting treatment adopted for this category of financial instruments.

Operational factors affecting the year's results included an increase in selling and distribution expenses, as well as a rise in the provision for credit losses. Selling and distribution expenses increased by approximately 15% compared to the previous year, driven by the company's ongoing implementation of expansion plans through opening additional branches and expanding sales teams to support these plans. The provision for credit losses also increased, with a total rise of approximately SAR 2.4 million compared to 2024, reflecting

enhanced hedging and risk management. These factors impacted total operational costs and operating profitability.

The accompanying table provides a detailed comparison of operational performance for 2025 versus the previous year, highlighting the most significant changes in key operational indicators.

In line with its commitment to professional standards, management ensured careful adherence to the accounting standards issued by the Saudi Organization for Certified Public Accountants. The 2025 financial statements confirmed:

Exclusion of revenues from Islamic Murabaha deposits with local banks from operating income, Classification of logistics services sector revenues under operating revenues, ensuring fair financial presentation and clarity of reporting in accordance with best accounting practices.

Loans

In 2020, the company obtained a long-term loan from Riyadh Bank to finance the purchase of new trucks and support the expansion of its transportation fleet dedicated to distributing the company's products across various regions of the Kingdom. The financing was provided under an Islamic Murabaha structure with a fixed return, which helped avoid any additional financing costs not stipulated in the contract, despite fluctuations in financing rates in subsequent periods. The loan balance at the beginning of 2025 was SAR 4,654,469, and the final installment was fully repaid on October 7, 2025. The company met all installment payments on their scheduled dates without any delay, and no additional fees or interest were incurred, due to strict adherence to the terms and conditions of the financing. The following table presents the loan data and its movement during 2025:

Serial	Name of the Lending Entity	Loan Principal Amount	Loan Term	Amounts Paid for Loan Repayment During the Year	Loan Remaining Balance	Total Indebtedness of the Company and its Subsidiaries
1	Riyadh Bank	20,500,000	5 Years	4,654,469	0	

Sales

During 2025, Naqi Company continued implementing its strategic plan focused on efficiently expanding access to the largest possible customer base, leveraging its strategic geographic location to reach different regions of the Kingdom while maintaining a reasonable cost structure. Throughout the year, the company continued to expand and diversify its sales channels by strengthening relationships with a network of distribution agents across the Kingdom. Simultaneously, it expanded retail sales channels by deepening its presence in the central region to meet the needs of a larger segment of retail customers. The company's strategy aims to increase the proportion of retail sales based on the profitability margins achieved by the sector, while continuously maintaining sustainable relationships with wholesale sales agents.

Naqi's products currently reach all regions of the Kingdom at varying concentrations, and the company seeks to increase focus in densely populated areas to support its market share and enhance product distribution. Additionally, the company is open to export operations to Kuwait, the Kingdom of Bahrain, the Sultanate of Oman, and the Hashemite Kingdom of Jordan.

The poultry sector's production in 2025 and prior years remains in its early stages. Nevertheless, its contribution to the company's total sales reached approximately 4%, with table egg sales limited to the Qassim and

Western regions as an initial step in this sector. This is due to ongoing work on the current expansion project, which has not yet been fully operational. Despite this, total table egg sales contributed to an increase of approximately 550% in both retail and wholesale sales within the sector compared to 2024..

Sales Channels

Distributors

Naqi's products reach distributors across various regions of the Kingdom. The company aims to expand with major retail distributors in less competitive areas to increase the distribution of its products through local distributors capable of meeting the diverse needs for bottled drinking water in their regions. Naqi's strategy for dealing with distributors, representing the wholesale sales sector, focuses on strengthening communication with distributors and enhancing their sales capabilities in their areas. This is achieved through a low-cost structure, under which the company does not bear additional costs for distributing and selling its products in these regions, ensuring the sustainable efficiency of operations in its factories.

Retail Sales

During 2025, Naqi Water worked to fulfill its strategic commitments towards expanding retail sales in the highest population density regions across the Kingdom, due to the higher profit margins in retail sales compared to wholesale sales. During the year, the Company continued to support its capabilities by opening new branches to serve the retail sector in both the Eastern Region and Hail region, in addition to the existing branches in Riyadh, Qassim, and Makkah Al-Mukarramah regions, aiming to enhance retail sales and continue increasing their share of total sales. These branches contribute to expanding the customer base that the Company's products reach across various regions of the Kingdom, by enhancing access to the end consumer.

Unified Number Service

Naqi has a specialized team dedicated to responding to customer inquiries, complaints, and requests. Our team fulfills customer orders and delivers them directly to their locations.

Naqi App and Website

Naqi enables its customers to access its products directly through its website and smartphone application around the clock, committing to a maximum delivery period not exceeding 48 hours. During 2024, the Company worked to expand the sales capabilities of the website and smartphone application by enhancing the use of sustainable modern technology solutions. Sales through the application and website directly contribute to enhancing both wholesale and retail sales in alignment with the Company's strategic plan.

Export

The Company has so far expanded into exporting to three neighboring countries: the State of Kuwait, the Sultanate of Oman, and the Hashemite Kingdom of Jordan, which contributes to enhancing the competitiveness of local products and achieving competitive profit margins. The Company also seeks to expand its export reach to the Gulf Cooperation Council countries, neighboring countries, and North Africa in accordance with its expansion strategy.

Geographical Analysis

The table below shows the geographic distribution of the company's revenues during 2025. The central region accounted for over SAR 130 million of the company's revenues. This concentration is primarily due to lower revenues from regions farther from the factory in Unaizah Governorate, caused by higher transportation costs, which were affected by the increase in fuel (diesel) prices that persisted throughout 2025. It should be noted that the company expanded its sales capabilities in the Riyadh region, while table egg sales in the poultry sector remained limited to the Qassim and Western regions as an initial step in this sector.

Geographical Analysis of the Company's Total Revenues for 2024							
Total Revenues	Central Region	Western Region	Northern Region	Eastern Region	Southern Region	Other Regions	Export
219,340,133	151,052,836	24,440,364	13,404,217	17,220,674	4,295,397	5,739,456	3,187,189

Geographical Analysis of the Company's Total Revenues for 2025							
Total Revenues	Central Region	Western Region	Northern Region	Eastern Region	Southern Region	Other Regions	Export
186,945,087	130,854,263	20,835,679	8,747,001	16,692,130	2,462,918	4,293,695	3,059,401

Statement of the amounts of regular payments made and outstanding for the settlement of any Zakat, taxes, fees, or other liabilities not settled by the end of the fiscal year, including a brief description and the reasons for them.

The company settled all its regular payments due during 2025, except for the Zakat for the year 2025, which will be paid regularly within the statutory deadline prescribed by law. The table below presents all regular payments made during 2025 and those outstanding for settlement for the year 2025.

Item	2025		A brief description thereof.	Statement of reasons.
	Paid	Accrued and unpaid until the end of the annual financial period.		
Zakat	2,955,968.53 (For the year 2024)	2,369,917.00 (For the year 2025)		
Tax	7,818,363.00	603,082.79		
General Organization for Social Insurance	3,581,789.63	352,198.00		
Visa and Passport Fees	83,104.51	0		
Ministry of Labor Fees	2,920,143.80	0		

External Auditor

The external auditor issued an unmodified report stating that the accompanying financial statements present fairly, in all material respects, the financial position of Naqi Water Company as of December 31, 2025, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants.

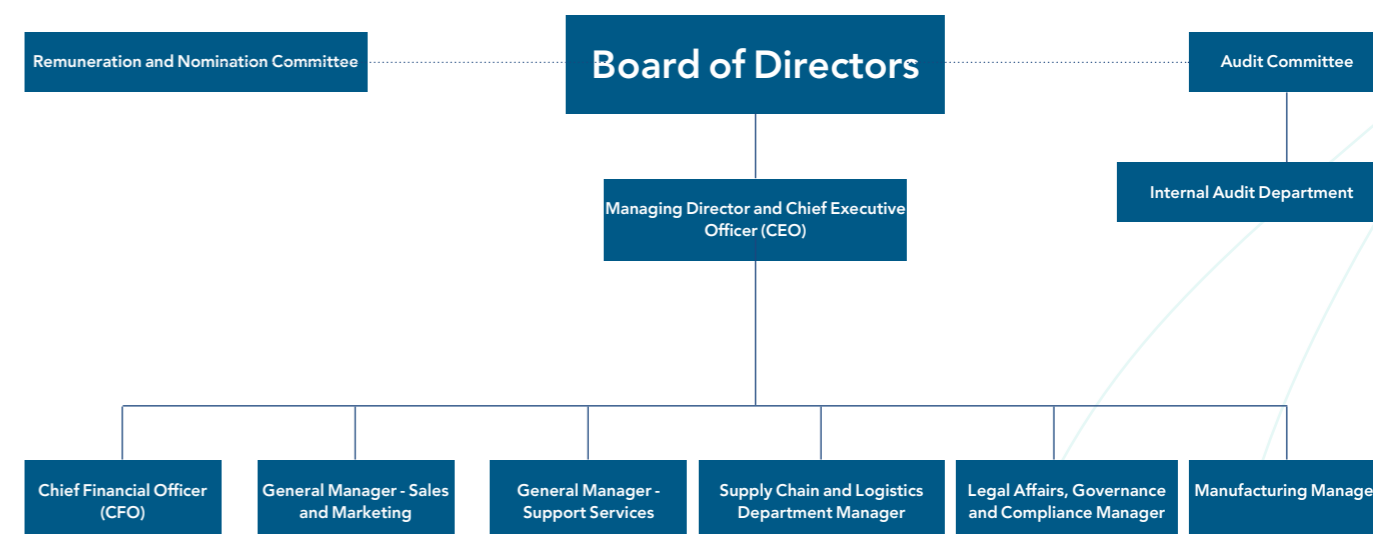
Corporate Governance

Corporate governance is the framework through which companies are managed and controlled, ensuring a balance between the interests of shareholders, management, and other stakeholders. Governance is based on a set of rules, policies, and procedures that regulate the decision-making mechanism and define authorities and responsibilities within the company. It aims to enhance transparency and disclosure, entrench the principles of fairness and accountability, and reduce conflicts of interest and misuse of authority. It also contributes to improving institutional performance efficiency, enhancing risk management, and ensuring compliance with regulations and laws. Boards of directors and the committees emanating from them are among the most important tools for implementing effective governance. By applying sound governance practices, companies enhance the confidence of investors and stakeholders and support their long-term sustainability.

Company's organizational structure

The company's shareholders entrust the Board of Directors with the responsibility for the overall guidance, supervision, and oversight of the company. The Board, in turn, delegates to the company's senior management particularly the Managing Director and CEO the responsibility for managing the company's daily operations.

The following chart illustrates the organizational structure of the Company:



Compliance with the Corporate Governance Regulations

Article No. / Paragraph	Text of the Article / Paragraph	Reasons for Non-Application
36	Secretary's Qualifications	Guidance Article
39	Evaluation	Guidance Article
37	Training	Guidance Article
67	Formation of the Risk Management Committee	Guidance Article
68	Terms of Reference of the Risk Management Committee	Guidance Article
69	Meetings of the Risk Management Committee	Guidance Article
82	Employee Incentives	Guidance Article
85	Social Initiatives	Guidance Article
92	Formation of the Corporate Governance Committee	Guidance Article

Board of Directors

Responsibilities of the Board of Directors

The Company is overseen by a Board of Directors comprising professional individuals with extensive experience. The Board of Directors has all powers to manage the Company's business and supervise its affairs. The Board entrusts the Executive Management with the responsibility for managing the Company's day-to-day operations.

Certain powers are entrusted to the Company's committees, namely the Audit Committee and the Nominations and Remuneration Committee (collectively referred to as the Committees). In addition, the Board of Directors reserves the authority to form any number of committees it deems necessary to effectively carry out governance, oversight, and management of the Company's operations, or to delegate some of its powers to one or more directors or to other parties. The ultimate responsibility for the Company rests with the Board of Directors regardless of any delegations made by it.

The responsibilities of the Board of Directors can be summarized as follows:

- Setting the Company's overall strategy, major business plans, and risk management policy, and reviewing them.
- Determining the optimal capital structure for the Company, its strategies and financial objectives, and approving the annual budgets.
- Overseeing the Company's capital expenditures, ownership and disposal of assets, and expansions inside and outside the Kingdom.
- Establishing a written policy to regulate the relationship with stakeholders in order to protect them and preserve their rights.
- Establishing mechanisms for compensating stakeholders in the event of violation of their rights established by regulations and protected by contracts.
- Establishing mechanisms for settling complaints or disputes that may arise between the Company and stakeholders.
- Establishing appropriate mechanisms to build good relationships with customers and suppliers and maintain the confidentiality of information related to them.
- Establishing professional conduct rules for the Company's directors and employees so that they align with sound professional and ethical standards and regulate the relationship between them and stakeholders, and establishing mechanisms to monitor the application of and compliance with these rules.
- Establishing policies related to the Company's social contributions.
- Approving the appointment of the Chief Executive Officer, Chief Financial Officer, and Internal Audit Manager of the Company.
- Setting the desired performance objectives and overseeing their implementation.
- Monitoring the overall performance of the Company.
- Reviewing and approving the Company's organizational and functional structures.
- Establishing policies and procedures to ensure the Company's compliance with applicable laws and regulations, as well as the Company's ongoing commitment to disclosing material information to shareholders and other related parties.
- Establishing and applying policies, standards, and procedures related to the membership of Board members.
- Ensuring alignment of the strategy and established plan with the Company's current resources, level of risk, economic and market conditions, and growth.
- Ensuring the integrity of financial and accounting procedures, including those related to financial reporting.
- Ensuring the implementation of appropriate monitoring procedures for risk management by anticipating risks that the Company may face and disclosing them transparently.
- Holding a meeting in the last quarter of each year to approve the budget for the following year.
- Forming committees under the Board of Directors with specific terms of reference, approving their bylaws, and appointing their members, except for the Audit Committee.
- Evaluating the performance of the Company's executive management members with regard to achieving the strategy.
- Ensuring the establishment, maintenance, and implementation of an internal control system (supported by the Audit Committee) at all levels.
- Reviewing the effectiveness of the Company's internal control systems.
- Ensuring compliance with the Company's Governance Regulations in addition to compliance with the Company's policies and procedures.
- Approving the system of delegations of authority, budgets, and financial statements.
- Determining the powers to be delegated to the members of the Company's Executive Management.
- Approving new business initiatives and closing existing businesses.
- Reviewing the performance of the committees formed by the Board of Directors.
- Reviewing compliance with the system of delegations of authority.
- Ensuring disclosure of major business transactions and related party transactions in the annual Board of Directors' report.
- Calling for the General Assembly meeting at least once a year within the six months following the end of the Company's fiscal year.
- Reviewing the Company's Governance Regulations periodically, and assessing whether any necessary changes are required in light of updated regulations and any changes in practices, and notifying the Board Secretary of such changes.
- Recommending to shareholders the distribution of dividends in accordance with the Company's dividend distribution policy.

Composition of the Board of Directors and Classification of its Members

Member Name	Position	Membership Type (Independent / Executive / Non-Executive)	Nationality
Mr. Amin Abdullah Al-Mallah	Chairman of the Board	Non-Executive	Saudi
Mr. Yousef Mohammed Al-Qafari	Vice Chairman of the Board	Independent	Saudi
Mr. AbdulazizYousef Alsayegh	Managing Director	Executive	Saudi
Mr. Mustafa Hasaballah Al-Hofi	Board Member	Non-Executive	Egyptian
Prof. Dr. Obaid Saad Al-Mutairi	Board Member	Independent	Saudi

Biographies of Board Members



Mr. Amin Abdullah Al-Mallah
Chairman of the Board

Current Positions

- Chairman of the Board of the Company since 2021

Previous Positions

- Chairman of the Board of Naqi for Installments from 2010 until 2018.
- Architectural Designer at the Ministry of Municipalities, Rural Affairs, and Housing from 1998 until 2010.
- Vice Chairman of the Board of the Unaizah Chamber of Commerce and Industry from 2019 until 2023.
- Chairman of the Board of Al-Arabi Club from 2019 until 2025.

Qualifications and Experience

- High School Diploma in 1997.



Mr. Yousef Mohammed Al-Qafari
Vice Chairman of the Board

Current Positions

- Holds the position of Chairman of the Board of Atlas Lifts for General Trading and Contracting Company (Listed Joint Stock Company).
- Holds the position of Board Member in Abdullah Abo Moati for Bookstores Company (Listed Joint Stock Company) (which operates in the field of trading and selling office supplies) from 2013 until now.
- Holds the position of Board Member in Innovative Real Estate Investments Company (Closed Joint Stock Company) (which operates in the field of real estate development services) from 2022 until now.
- Holds the position of Chairman of the Board in Mekdar for Investment (Closed Joint Stock Company).
- Holds the position of Chairman of the Board in Blue Sky Aviation Academy (Limited Liability Company).
- Holds the position of Founder and Owner of Safety Valve Holding Company (Limited Liability Company).
- Holds the position of Chairman of the Board in Wosul First for Technology and Information Systems (Unlisted Joint Stock Company).
- Holds the position of Board Member in Madfooa (Unlisted Joint Stock Company).
- Holds the position of Chairman of the Board in Quwa Al-Haraka Medical (Limited Liability Company).
- Holds the position of Chairman of the Board in New Economy for Trading (Limited Liability Company).
- Holds the position of Chairman of the Board in Taawon Third for Information Technology (Limited Liability Company).
- Holds the position of Chairman of the Board in Fitness World Center (Limited Liability Company).
- Holds the position of Vice Chairman of the Board of Naqi Water Company (Listed Joint Stock Company).

Qualifications and Experience

- Holder of a General Secondary School Certificate in the Kingdom of Saudi Arabia in 1988.

Previous Positions

- Held the position of Chairman of the Board in the International Human Resources Company (Public Joint Stock Company) (which operates in the field of human resources services) from 2020 until 2023.
- Held the position of Chairman of the Board in the Saudi Advanced Industries Company (Public Joint Stock Company) (which operates in the field of industry) from 2022 until 2023.
- Held the position of Board Member in Maharah Human Resources Company (Public Joint Stock Company) (which operates in the field of human resources services) from 2018 until 2019.
- Held the position of Chief Executive Officer in Maharah Human Resources Company (Public Joint Stock Company) (which operates in the field of human resources services) from 2018 until 2020.
- Held the position of Managing Director in Abdullah Abo Moati for Bookstores Company (Public Joint Stock Company) (which operates in the field of trading and selling office supplies) from 2017 until 2018.
- Held the position of Board Member in Al-Wusta for Food Services Company (Limited Liability Company) (which operates in the field of food) from 2015 until 2017.
- Held the position of Board Member in Riyadh Food Industries Company (which operates in the field of manufacturing and marketing food products) from 2013 until 2017.
- Held the position of Chief Executive Officer in Al-Othaim Holding Company (Closed Joint Stock Company) (which operates in the field of investment) from 2011 until 2013.
- Held the position of Board Member in Al-Othaim Holding Company (Closed Joint Stock Company) (which operates in the field of investment) from 2008 until 2017.
- Held the position of Board Member in Al-Othaim Real Estate Investment and Development Company (Closed Joint Stock Company) (which operates in the field of real estate investment and development) from 2007 until 2017.
- Held the position of Board Member in Abdullah Al-Othaim Markets Company (Public Joint Stock Company) (which operates in the field of hypermarket chain) from 2009 until 2017.
- Held the position of Chief Executive Officer in Abdullah Al-Othaim Markets Company (Public Joint Stock Company) (which operates in the field of hypermarket chain) from 2006 until 2016.
- Held the position of Deputy Chief Executive Officer in L'azurde Company for Jewelry (which operates in the field of jewelry manufacturing) from 2005 until 2006.
- Held the position of Assistant Deputy Secretary General in the Saudi Commission for Tourism and Antiquities (which operates in the field of tourism sector regulation) from 2000 until 2004.
- Held the position of General Manager of Administrative Development in the Saudi Commission for Tourism and Antiquities (which operates in the field of tourism sector regulation) from 2000 until 2004.
- Held the position of Human Resources Manager in Samba Financial Group (which operates in the field of banking and financial services) from 1997 until 2004.
- Held the position of Credit Officer in Riyadh Bank (which operates in the field of banking and financial services) from 1995 until 1997.
- Held the position of Personnel Manager in Alrajhi Bank (which operates in the field of banking and financial services) from 1991 until 1994.



Mr. Abdulaziz Yousef Alsayegh
Managing Director

Current Positions

- Managing Director from March 12, 2023 until now.
- Chief Executive Officer from 2020 until now.

Previous Positions

- Marketing and Public Relations Manager at Sulaiman Alrajhi University from 2016 until 2017.
- General Manager of Sales and Marketing at Naqi Water Company from 2017 until 2020.
- Member of the Board of Directors of Al-Arabi Club in Unaizah from 2022 until 2025.

Qualifications and Experience

- Holder of an Executive Master of Business Administration (EMBA) (Sulaiman Alrajhi University).
- Bachelor of Business Administration (Qassim University).



Mr. Mustafa Hasaballah Al-Hofi
Board Member

Current Positions

- Member of the Board of Directors of the Company since 2021.
- Member of the Audit Committee of the Company since 2021 until April 2024.
- Chairman of the Audit Committee of the Company since April 2024.
- Chairman of the Audit Committee of Al-Itehadat International for Trading Company – Closed Joint Stock Company since May 2024.

Previous Positions

- Executive Financial Manager at Alshafiya Water Bottling Company since January 2026 until now.
- Chief Financial Officer at United Seqa Group Holding from December 2022 until December 2025.
- Chief Financial Officer at Madr Investment Company – Closed Joint Stock Company operating in the field of investment and real estate development from August 2021 until November 2022.
- Deputy Chief Executive Officer for Financial Affairs at Seqa Holding Group from 2019 until 2021.
- Deputy Chief Executive Officer for Financial Affairs at Packaging Products Company from 2018 until 2019.
- Deputy Chief Executive Officer for Financial and Administrative Affairs at Saudi Plastic Factory from 2016 until 2018.
- Deputy Chief Executive Officer for Affairs and Head of Support Services at Najmat Al-Madain Group from 2014 until 2016.
- Financial Manager at Nayyara for Celebrations from 2007 until 2013.
- Financial Manager at Zahran Holding Company from 2005 until 2006.
- Internal Audit Manager at Saleh Al-Mudayfer Sons Holding Group from 2002 until 2004.
- Financial Manager at Al-Batterjee Holding Company – Closed Joint Stock Company from 1999 until 2002.
- Account Manager at Al-Batterjee Holding Company from 1992 until 1998.
- Accountant at The Arab Contractors Company from 1990 until 1991.

Qualifications and Experience

- American Fellowship of Certified Public Accountants in 2009 CPA.
- American Fellowship of Certified Internal Auditors in 2007 CIA.
- American Fellowship of Certified Management Accountants in 2005 CMA.
- American Fellowship of Certified Financial Managers in 2005 CFM.
- Bachelor of Commerce from Alexandria University in 1990.



Prof. Dr. Obaid Saad Al-Mutairi
Board Member

Current Positions

- Vice President of Al Yamamah University for Graduate Studies and Scientific Research from November 2024 until now.
- Member of the Audit Committee in Amaaken for Financing from 2018 until now.
- Member of the Audit Committee in Niowab (Financial Technology) from 2018 until now.
- Member of the Audit Committee in Naqi Water Bottling Company from March 2023 until now.
- Member of the Nominations and Remuneration Committee in Naqi Water Bottling Company from April 2023 until now.

Previous Positions

- Teaching Assistant at King Saud University and sponsored for postgraduate studies from 1990 until 2000.
- Faculty Member at King Saud University from 2000 until 2004.
- Consultant at the Saudi Commission for Tourism and Antiquities from 2005 until 2010.
- Faculty Member at Qassim University from 2010 until 2016.
- Dean of the College of Economics and Administration at Qassim University from 2012 until 2016.
- Dean of Sulaiman Alrajhi College of Business at Sulaiman Alrajhi University from 2016 until 2024.
- Member of the Board of Directors of National Poultry Company from 2018 until 2021.
- Chairman of the Audit Committee at National Poultry Company from 2018 until 2021.

Qualifications and Experience

- Doctorate degree in Accounting and Auditing from the University of Essex in the United Kingdom.
- Master's degree in Accounting from Colorado State University in the United States of America.
- Bachelor's degree in Accounting from King Saud University.

Board of Directors Meetings

Name	Membership Classification	Number of Meetings (4)				Total
		First Meeting 27/03/2025	Second Meeting 28/05/2025	Third Meeting 28/09/2025	Fourth Meeting 17/12/2025	
Mr. Amin Abdullah Al-Mallah	Non-Executive	✓	✓	✓	✓	4
Mr. Yousef Mohammed Al-Qafari	Independent	✓	✓	✗	✓	3
Mr. AbdulazizYousef Alsayegh	Executive	✓	✓	✓	✓	4
Mr. Mustafa Hasaballah Al-Hofi	Non-Executive	✓	✓	✓	✓	4
Prof. Dr. Obaid Saad Al-Mutairi	Independent	✓	✓	✓	✓	4

Board Committees

The Board of Directors has formed committees in order to improve the management of the Company and to fulfill relevant regulatory requirements. Each committee is required to establish clear rules defining its role, powers, and responsibilities. Minutes must be prepared for all meetings of each committee (the Board of Directors reviews and approves those minutes). The following is a summary of the structure of each standing committee, its responsibilities, and current members:

Audit Committee

The main role of the Committee is to monitor the Company's business and affairs and assist the Board of Directors in overseeing the audit operations and internal control systems of the Company, the Company's financial statements and other financial information, and the Company's compliance with legal and regulatory requirements.

The Committee's duties and responsibilities include the following:

1. Financial Statements and Reports:

- Studying the interim and annual financial statements of the Company and all announcements related to the Company's financial performance before presenting them to the Board of Directors, expressing its opinion, and making recommendations to the Board of Directors regarding them, to ensure their integrity, fairness, and transparency; and considering whether they are complete and consistent with the information known to the members and whether they reflect appropriate accounting principles and policies.
- Studying the interim and annual financial statements of the Company and all announcements related to the Company's financial performance before presenting them to the Board of Directors, expressing its opinion, and making recommendations to the Board of Directors regarding them, to ensure their integrity, fairness, and transparency; and considering whether they are complete and consistent with the information known to the members and whether they reflect appropriate accounting principles and policies.
- Expressing a technical opinion – based on a request from the Board of Directors – as to whether the Board of Directors' report and the Company's financial statements are fair, balanced, and understandable, and contain information that enables shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
- Reviewing any significant or unusual matters included in the Company's financial statements and reports, and reviewing and thoroughly investigating any matters raised by the Chief Executive Officer (or his delegate), the Chief Financial Officer (or his delegate), the Compliance Officer, the Internal Auditor, or the External Auditor.
- Reviewing other sections of the annual report and relevant regulatory filings before their issuance and considering the accuracy and completeness of the information.
- Verifying accounting estimates in material matters included in the Company's financial statements and reports.
- Studying the accounting policies adopted, expressing an opinion, and making recommendations to the Board of Directors regarding them.

- Reviewing significant matters related to accounting affairs and reporting, including complex or unusual transactions, critical judgmental areas, emerging professional and regulatory announcements, and assessing their impact on the financial statements.
- Reviewing audit results with management and the external auditor, including any difficulties encountered.
- Reviewing all matters required to be referred to the Committee in light of recognized auditing standards, in coordination with management and the external auditor.
- Understanding how management develops interim financial information, and the nature and extent of the involvement of the Internal Audit Department and the external auditor.

2. Internal Control and Audit:

- Studying and reviewing the effectiveness of the Company's internal control, financial control, and risk management systems, including information technology security and controls.
- Understanding the scope of internal audit for financial reporting by the Internal Audit Department and obtaining reports containing significant findings and observations of the Board of Directors.
- Studying internal audit reports and following up on the implementation of corrective actions for the observations contained therein.
- Monitoring and overseeing the performance and activities of the Company's Internal Audit Department to verify the availability and effectiveness of necessary resources in performing the duties and tasks assigned to it in accordance with appropriate professional standards.
- Approving the annual audit plan and any changes to the plan, and reviewing the performance and activities of the Internal Audit Department against the established plan.
- Working with the Internal Audit Manager regarding the internal audit budget, resource plan, activities, and organizational structure for internal audit tasks.
- Approving the Company's Internal Audit Regulations.
- Reviewing the Company's internal audit procedures.
- Recommending to the Board of Directors regarding the appointment, dismissal, and remuneration of the Company's Internal Auditor.
- Reviewing the performance and activities of the Internal Audit Manager and ensuring that there are no unjustified restrictions on his activities, and recommending to the Board of Directors regarding his appointment, dismissal, annual bonus, and salary.
- Holding periodic independent meetings with the Internal Audit Manager to discuss any matters that the Committee or internal audit officials deem necessary to discuss in private sessions.

3. External Audit:

- Recommending to the Board of Directors the nomination and dismissal of the External Auditor and determining his fees, after verifying his independence and reviewing the scope of his work and the terms of contract with him.
- Reviewing the professional qualifications of the External Auditor and the staff who will work with him at the Company.
- Reviewing the performance of the External Auditor, supervising his activities, and approving any activity outside the scope of the audit work assigned to him during the performance of his duties.

- Verifying the independence, objectivity, and fairness of the External Auditor, and the effectiveness of the audit work, taking into account relevant rules and standards, and recommending to the Board of Directors in this regard.
- Reviewing the proposed scope of the audit work, the methodology, and the proposed plan of the External Auditor, and expressing its views thereon, including coordinating audit efforts with internal audit activities.
- Reviewing the work of the External Auditor and verifying that he does not provide any technical or administrative services outside the scope of audit work other than what is authorized by legislative authorities, and recommending to the Board of Directors in this regard.
- Responding to the External Auditor's inquiries.
- Settling any disputes arising between management and the external auditor regarding financial reporting.
- Holding periodic independent meetings with the External Auditor to discuss any matters that the Committee or the Auditor deems necessary to discuss in private sessions.

4. Compliance:

- Obtaining regular updates from the Company's management and legal counsel regarding compliance matters.
- Verifying and monitoring the Company's compliance with relevant laws, regulations, policies, and instructions.
- Reviewing the effectiveness of the monitoring system and ensuring compliance with laws and regulations and the results of investigations conducted by management, and following up on any instances of non-compliance (including taking disciplinary actions).
- Reviewing the results of reports and investigations of competent supervisory or regulatory authorities, and any observations made by the external auditor or internal auditors, and verifying that the Company has taken the necessary actions regarding them.
- Reviewing the process of communicating the professional code of conduct to the Company's employees and monitoring compliance therewith.
- Reviewing contracts and transactions proposed to be conducted by the Company with related parties, and presenting its views and recommendations regarding them to the Board of Directors.
- Ensuring the establishment and implementation of appropriate mechanisms and arrangements that enable the Company's employees to submit their comments and concerns confidentially regarding any violation or breach in any financial matters (including financial reporting), accounting matters, audit work, or any instances of non-compliance.
- Reporting to the Board of Directors any matters or issues that require drawing the attention of the Board of Directors and making recommendations to the Board of Directors in this regard.

5. Reports:

- Providing open channels of communication between the Internal Audit Department, the External Auditor, and the Board of Directors.
- Submitting an annual report to shareholders describing the composition of the Committee, its duties, and its performance of those duties, and any other information as required by applicable rules, including approval of services outside the scope of audit.
- Reviewing any other reports issued by the Company relating to the Committee's responsibilities.
- Submitting periodic reports to the Board of Directors regarding the Committee's meeting procedures, activities, findings, recommendations, and decisions in any aspect of its terms of reference, and making any

recommendations to the Board of Directors it deems appropriate.

- Preparing an annual written report on its opinion regarding the adequacy and effectiveness of the Company's internal control, financial control, and risk management systems – including information technology security and controls – and its recommendations in this regard, in addition to other work performed within the scope of its terms of reference. Sufficient copies of this report shall be deposited at the Company's head office to provide a copy to any shareholder who requests it, and it shall be published on the Company's website and the Market's website when publishing the invitation for the relevant Annual General Assembly meeting, at least ten days before the scheduled date of the meeting, and the report shall be recited during the meeting.

6. Other Duties:

- Initiating and supervising special investigations, as needed.
- Performing other related work based on a request from the Board of Directors.
- Reviewing and evaluating the adequacy and appropriateness of the Committee's Charter annually and submitting recommendations to the Board of Directors in this regard, and ensuring that necessary disclosures are made in accordance with relevant laws and regulations.
- Confirming annually that all responsibilities assigned to the Committee have been fulfilled.
- Evaluating the performance of the Committee and the performance of each of its members on a regular basis.

Composition of the Audit Committee

Member Name	Position	Board Member / Non-Board Member
Mr. Mustafa Hasaballah Al-Hofi	Chairman of the Committee	Board Member
Prof. Dr. Obaid Saad Al-Mutairi	Member	Board Member
Mr. Nawaf Yousef Al-Qafari	Member	Non-Board Member

Biographies of Audit Committee Members



Mr. Mustafa Hasaballah Al-Hofi
Chairman of the Committee

Current Positions

- Member of the Board of Directors of the Company since 2021.
- Member of the Audit Committee of the Company since 2021 until April 2024.
- Chairman of the Audit Committee of the Company since April 2024.
- Chairman of the Audit Committee of Al-Itehadat International for Trading Company – Closed Joint Stock Company since May 2024.

Previous Positions

- Executive Financial Manager at Alshafiya Water Bottling Company since January 2026 until now.
- Chief Financial Officer at United Seqa Group Holding from December 2022 until December 2025.
- Chief Financial Officer at Madr Investment Company – Closed Joint Stock Company operating in the field of investment and real estate development from August 2021 until November 2022.
- Deputy Chief Executive Officer for Financial Affairs at Seqa Holding Group from 2019 until 2021.
- Deputy Chief Executive Officer for Financial Affairs at Packaging Products Company from 2018 until 2019.
- Deputy Chief Executive Officer for Financial and Administrative Affairs at Saudi Plastic Factory from 2016 until 2018.
- Deputy Chief Executive Officer for Affairs and Head of Support Services at Najmat Al-Madain Group from 2014 until 2016.
- Financial Manager at Nayyara for Celebrations from 2007 until 2013.
- Financial Manager at Zahran Holding Company from 2005 until 2006.
- Internal Audit Manager at Saleh Al-Mudayfer Sons Holding Group from 2002 until 2004.
- Financial Manager at Al-Batterjee Holding Company – Closed Joint Stock Company from 1999 until 2002.
- Account Manager at Al-Batterjee Holding Company from 1992 until 1998.
- Accountant at The Arab Contractors Company from 1990 until 1991.

Qualifications and Experience

- American Fellowship of Certified Public Accountants in 2009 CPA.
- American Fellowship of Certified Internal Auditors in 2007 CIA.
- American Fellowship of Certified Management Accountants in 2005 CMA.
- American Fellowship of Certified Financial Managers in 2005 CFM.
- Bachelor of Commerce from Alexandria University in 1990.



Prof. Dr. Obaid Saad Al-Mutairi
Committee Member

Current Positions

- Vice President of Al Yamamah University for Graduate Studies and Scientific Research from November 2024 until now.
- Member of the Audit Committee in Amaaken for Financing from 2018 until now.
- Member of the Audit Committee in Niowab (Financial Technology) from 2018 until now.
- Member of the Audit Committee in Naqi Water Bottling Company from March 2023 until now.
- Member of the Nominations and Remuneration Committee in Naqi Water Bottling Company from April 2023 until now.

Previous Positions

- Teaching Assistant at King Saud University and sponsored for postgraduate studies from 1990 until 2000.
- Faculty Member at King Saud University from 2000 until 2004.
- Consultant at the Saudi Commission for Tourism and Antiquities from 2005 until 2010.
- Faculty Member at Qassim University from 2010 until 2016.
- Dean of the College of Economics and Administration at Qassim University from 2012 until 2016.
- Dean of Sulaiman Alrajhi College of Business at Sulaiman Alrajhi University from 2016 until 2024.
- Member of the Board of Directors of National Poultry Company from 2018 until 2021.
- Chairman of the Audit Committee at National Poultry Company from 2018 until 2021.

Qualifications and Experience

- Doctorate degree in Accounting and Auditing from the University of Essex in the United Kingdom.
- Master's degree in Accounting from Colorado State University in the United States of America.
- Bachelor's degree in Accounting from King Saud University.



Mr. Nawaf Yousef Al-Qafari
Committee Member

Current Positions

- Account Manager at Naqi Nutrition.

Previous Positions

- Assistant Procurement Manager at Amazon.

Qualifications and Experience

- Bachelor's degree in Finance and Investment with honors CME1 certificate.
- Forecasting for Retail certificate.
- MENA Retail Selection certificate.

Audit Committee Meetings

The Audit Committee consists of 3 members. To enhance its role in assisting the Board of Directors in performing its duties effectively, and based on the Committee's Charter, the Committee held (5) meetings during the year 2025. The duties and terms of reference of the Audit Committee include, for example and not by way of limitation: "Overseeing the Internal Audit Department of the Company, studying the internal control system and internal audit reports, recommending to the Board of Directors the appointment of auditors and determining their fees, following up on their work, and studying the audit plan and the auditor's observations; studying the interim and annual financial statements before presenting them to the Board of Directors; studying the accounting policies adopted to ensure they meet the requirements in accordance with generally accepted accounting standards and recommending to the Board of Directors regarding them; reviewing the auditor's plan and work, and the results of reports of regulatory authorities and verifying that the Company has taken the necessary actions regarding them; verifying the Company's compliance with relevant laws, regulations, policies, and instructions and presenting its views regarding that to the Board of Directors.

Name	Membership Classification	Number of Meetings (5)					Attendance Percentage
		First Meeting 17/02/2025	Second Meeting 24/03/2025	Third Meeting 15/05/2025	Fourth Meeting 05/08/2025	Fifth Meeting 05/11/2025	
Mr. Mustafa Hasaballah Al-Hofi	Chairman of the Committee	✓	✓	✓	✓	✓	100 %
Prof. Dr. Obaid Saad Al-Mutairi	Member	✓	✓	✓	✓	✓	100 %
Mr. Nawaf Yousef Al-Qafari	Member	✓	✓	✓	✓	✓	100 %

Recommendation of the Audit Committee to Appoint an Internal Auditor in the Company in Case It Recommended His Appointment During the Last Fiscal Year

No appointment.

Nominations and Remuneration Committee

Duties and Responsibilities of the Nominations and Remuneration Committee

The Nominations and Remuneration Committee undertakes the duties of nominating members of the Board of Directors and establishing the remuneration policy for members of the Board and senior management of the Company. The duties and responsibilities of the Nominations and Remuneration Committee include the following:

1. Nominations:

- Establishing policies and criteria regarding the nomination and appointment of members of the Board of Directors and executive management members of the Company, proposing them to the Board of Directors, and supervising their implementation.
- Ensuring that necessary and appropriate inquiries are made regarding candidates for the Board of Directors and their qualifications before making a recommendation regarding their nomination to the Board of Directors.
- Recommending to the Board of Directors the nomination and renomination of members of the Board of Directors in accordance with applicable laws, regulations, rules, and approved policies and criteria.
- Reviewing, evaluating, and submitting recommendations to the Board of Directors regarding the necessary and appropriate capabilities, qualifications, and experiences for membership on the Board of Directors and executive management positions of the Company at least annually. This includes determining the time a Board member is required to allocate to Board affairs, preparing a job description, and a description of the required capabilities and qualifications for executive, non-executive, and independent Board members and the Company's executive management.
- Verifying annually the independence of independent Board members in accordance with applicable laws, regulations, and rules, and the absence of any conflict of interest if the member serves on the board of directors of another company.
- Periodically reviewing succession plans for Board members and senior executives and submitting recommendations regarding them to the Board of Directors, taking into account the challenges and opportunities facing the Company, along with the necessary needs for appropriate capabilities, skills, and experiences for Board membership and executive management positions.
- Evaluating potential candidates to fill executive management positions in the Company and submitting recommendations regarding them to the Board of Directors, and in particular assisting the Board of Directors in selecting, developing, and evaluating potential candidates for the position of Chief Executive Officer.
- Establishing and periodically reviewing procedures for filling a vacancy in a position of a Board member or executive management member, and recommending to the Board of Directors regarding the selection and approval of candidates to fill those positions.

2. Review and Evaluation:

- Periodically reviewing the structure, size, composition, strengths, and weaknesses of the Board of Directors and the Company's executive management (including skills, knowledge, and experiences) and submitting recommendations and proposing appropriate solutions to the Board of Directors in the best interest of the Company.

- Establishing and overseeing an orientation program for new Board members, and a continuing education program for current Board members, and supervising, reviewing, and periodically updating those programs as appropriate.
- Establishing an annual process for self-evaluation of Board members and certain senior executives of the Company, submitting recommendations regarding it to the Board of Directors, and supervising that process.

3. Remuneration:

- Establishing a clear policy for the remuneration of members of the Board of Directors, the committees emanating from the Board of Directors, and the executive management of the Company (the "Remuneration Policy"), submitting it to the Board of Directors for subsequent approval by the General Assembly, disclosing it, and supervising and verifying its implementation.
- Preparing an annual report on remuneration and other payments (cash or in-kind) granted to members of the Board of Directors, committees emanating from the Board of Directors, and executive management, explaining the relationship between the remuneration granted and the Remuneration Policy (including a statement of any material deviation from that policy) (the "Annual Remuneration Report"), to present it to the Board of Directors for consideration.
- Periodically reviewing the Remuneration Policy, assessing its appropriateness and effectiveness in achieving its intended objectives, and making recommendations to the Board of Directors in this regard.
- Recommending to the Board of Directors the remuneration of members of the Board of Directors, committees emanating from the Board of Directors, and executive management (including the nature and amount of remuneration) in accordance with the approved Remuneration Policy.

Composition of the Nominations and Remuneration Committee

The Nominations and Remuneration Committee consists of 3 members. To enhance its role in assisting the Board of Directors in performing its duties effectively, and based on the Committee's Charter, the Committee held (1) meeting during the year 2025. The duties and terms of reference of the Nominations and Remuneration Committee include, for example and not by way of limitation: recommending to the Board of Directors nominations for Board membership, proposing clear policies and criteria for membership on the Board and executive management, reviewing the structure of the Board of Directors and executive management and submitting recommendations regarding changes that may be made, identifying weaknesses and strengths of the Board of Directors and proposing solutions to address them in the best interest of the Company, verifying annually the independence of independent members, establishing and updating necessary policies for the remuneration of members of the Board of Directors, committees emanating from the Board, and executive management, periodically reviewing them, and assessing their effectiveness in achieving objectives, and explaining the relationship between the remuneration granted and the applicable Remuneration Policy.

Name	Membership Type	Board Member / Non-Board Member
Mr. Yousef Mohammed Al-Qafari	Chairman of the Nominations and Remuneration Committee	Board Member
Prof. Dr. Obaid Saad Al-Mutairi	Member of the Nominations and Remuneration Committee	Board Member
DR. Abdullah Omar Al-Hussaini	Member of the Nominations and Remuneration Committee	Non-Board Member

Nominations and Remuneration Committee Meetings

Name	Membership Type	Number of Meetings (1)
		First Meeting 15/04/2025
Mr. Yousef Mohammed Al-Qafari	Chairman of the Nominations and Remuneration Committee	✓
Prof. Dr. Obaid Saad Al-Mutairi	Member of the Nominations and Remuneration Committee	✓
DR. Abdullah Omar Al-Hussaini	Member of the Nominations and Remuneration Committee	✓



Biographies of Nominations and Remuneration Committee Members



Mr. Yousef Mohammed Al-Qafari
Chairman of the Nominations and Remuneration Committee

Current Positions

- Holds the position of Chairman of the Board of Atlas Lifts for General Trading and Contracting Company (Listed Joint Stock Company).
- Holds the position of Board Member in Abdullah Abo Moati for Bookstores Company (Listed Joint Stock Company) (which operates in the field of trading and selling office supplies) from 2013 until now.
- Holds the position of Board Member in Innovative Real Estate Investments Company (Closed Joint Stock Company) (which operates in the field of real estate development services) from 2022 until now.
- Holds the position of Chairman of the Board in Mekdar for Investment (Closed Joint Stock Company).
- Holds the position of Chairman of the Board in Blue Sky Aviation Academy (Limited Liability Company).
- Holds the position of Founder and Owner of Safety Valve Holding Company (Limited Liability Company).
- Holds the position of Chairman of the Board in Wosul First for Technology and Information Systems (Unlisted Joint Stock Company).
- Holds the position of Board Member in Madfooa (Unlisted Joint Stock Company).
- Holds the position of Chairman of the Board in Quwa Al-Haraka Medical (Limited Liability Company).
- Holds the position of Chairman of the Board in New Economy for Trading (Limited Liability Company).
- Holds the position of Chairman of the Board in Taawon Third for Information Technology (Limited Liability Company).
- Holds the position of Chairman of the Board in Fitness World Center (Limited Liability Company).
- Holds the position of Vice Chairman of the Board of Naqi Water Company (Listed Joint Stock Company).

Qualifications and Experience

- Holder of a General Secondary School Certificate in the Kingdom of Saudi Arabia in 1988.

Previous Positions

- Held the position of Chairman of the Board in the International Human Resources Company (Public Joint Stock Company) (which operates in the field of human resources services) from 2020 until 2023.
- Held the position of Chairman of the Board in the Saudi Advanced Industries Company (Public Joint Stock Company) (which operates in the field of industry) from 2022 until 2023.
- Held the position of Board Member in Maharah Human Resources Company (Public Joint Stock Company) (which operates in the field of human resources services) from 2018 until 2019.
- Held the position of Chief Executive Officer in Maharah Human Resources Company (Public Joint Stock Company) (which operates in the field of human resources services) from 2018 until 2020.
- Held the position of Managing Director in Abdullah Abo Moati for Bookstores Company (Public Joint Stock Company) (which operates in the field of trading and selling office supplies) from 2017 until 2018.
- Held the position of Board Member in Al-Wusta for Food Services Company (Limited Liability Company) (which operates in the field of food) from 2015 until 2017.
- Held the position of Board Member in Riyadh Food Industries Company (which operates in the field of manufacturing and marketing food products) from 2013 until 2017.
- Held the position of Chief Executive Officer in Al-Othaim Holding Company (Closed Joint Stock Company) (which operates in the field of investment) from 2011 until 2013.
- Held the position of Board Member in Al-Othaim Holding Company (Closed Joint Stock Company) (which operates in the field of investment) from 2008 until 2017.
- Held the position of Board Member in Al-Othaim Real Estate Investment and Development Company (Closed Joint Stock Company) (which operates in the field of real estate investment and development) from 2007 until 2017.
- Held the position of Board Member in Abdullah Al-Othaim Markets Company (Public Joint Stock Company) (which operates in the field of hypermarket chain) from 2009 until 2017.
- Held the position of Chief Executive Officer in Abdullah Al-Othaim Markets Company (Public Joint Stock Company) (which operates in the field of hypermarket chain) from 2006 until 2016.
- Held the position of Deputy Chief Executive Officer in L'azurde Company for Jewelry (which operates in the field of jewelry manufacturing) from 2005 until 2006.
- Held the position of Assistant Deputy Secretary General in the Saudi Commission for Tourism and Antiquities (which operates in the field of tourism sector regulation) from 2000 until 2004.
- Held the position of General Manager of Administrative Development in the Saudi Commission for Tourism and Antiquities (which operates in the field of tourism sector regulation) from 2000 until 2004.
- Held the position of Human Resources Manager in Samba Financial Group (which operates in the field of banking and financial services) from 1997 until 2004.
- Held the position of Credit Officer in Riyadh Bank (which operates in the field of banking and financial services) from 1995 until 1997.
- Held the position of Personnel Manager in Alrajhi Bank (which operates in the field of banking and financial services) from 1991 until 1994.



Prof. Dr. Obaid Saad Al-Mutairi
Member of the Nominations and Remuneration Committee

Current Positions

- Vice President of Al Yamamah University for Graduate Studies and Scientific Research from November 2024 until now.
- Member of the Audit Committee in Amaaken for Financing from 2018 until now.
- Member of the Audit Committee in Niowab (Financial Technology) from 2018 until now.
- Member of the Audit Committee in Naqi Water Bottling Company from March 2023 until now.
- Member of the Nominations and Remuneration Committee in Naqi Water Bottling Company from April 2023 until now.

Previous Positions

- Teaching Assistant at King Saud University and sponsored for postgraduate studies from 1990 until 2000.
- Faculty Member at King Saud University from 2000 until 2004.
- Consultant at the Saudi Commission for Tourism and Antiquities from 2005 until 2010.
- Faculty Member at Qassim University from 2010 until 2016.
- Dean of the College of Economics and Administration at Qassim University from 2012 until 2016.
- Dean of Sulaiman Alrajhi College of Business at Sulaiman Alrajhi University from 2016 until 2024.
- Member of the Board of Directors of National Poultry Company from 2018 until 2021.
- Chairman of the Audit Committee at National Poultry Company from 2018 until 2021.

Qualifications and Experience

- Doctorate degree in Accounting and Auditing from the University of Essex in the United Kingdom.
- Master's degree in Accounting from Colorado State University in the United States of America.
- Bachelor's degree in Accounting from King Saud University.



Dr. Abdullah Omar Al-Hussaini
Member of the Nominations and Remuneration Committee

Current Positions

- Director of the Family Business Center.
- Assistant Director of the Executive Master of Business Administration Program at Al Yamamah University.
- Part-time Consultant at the Research and Studies Institute at the Saudi Electronic University.

Previous Positions

- Assistant Professor, Director of the Master of Finance Program at Qassim University.
- Associate Fellow, Saudi Economics and Applied Economics Society, University of Oxford.
- Part-time Consultant, Institute of Banking Studies.
- Banking Inspector, Central Bank.

Qualifications and Experience

- Doctorate, University of Southampton.
- Master's in Finance, University of North Texas.
- Bachelor's in Finance, Qassim University.

Management

Abdulaziz Yousef Alsayegh

Current Positions

- Managing Director from March 12, 2023 until now.
- Chief Executive Officer from 2020 until now.

Previous Positions

- Marketing and Public Relations Manager at Sulaiman Alrajhi University from 2016 until 2017.
- General Manager of Sales and Marketing at Naqi Water Company from 2017 until 2020.

Qualifications and Experience

- Holder of an Executive Master of Business Administration (EMBA) from Sulaiman Alrajhi University.
- Bachelor of Business Administration from Qassim University.

Asem Ibrahim Alhatlany

Current Positions

- General Manager of Support Services at the Company from 2020 until now.
- Sales and Marketing Manager from December 2023 until now.

Previous Positions

- Executive Manager at the Company from 2016 until 2020.
- Executive Manager at Naqi Installments Foundation from 2013 until 2016.
- Administrator at Alhatlany Company from 2006 until 2013.
- Customer Service Employee at Saudi Telecom Company from 2001 until 2002.

Qualifications and Experience

- Diploma in Computer Science in 2001.

*Qasim Muhammad Falah Zureigat

Current Positions

- Chief Financial Officer of Al Osool Cultural Holding Group from 2025 until now.
- Member of the Investment Committee of Al Osool Cultural Holding Group from 2025 until now.

Previous Positions

- Chief Financial Officer of Naqi Water Company from 2022 until July 7, 2025.
- Financial Manager of Sawa for Financial Investments from 2007 until 2008.
- Assistant Director of King Abdulaziz University from 2003 until 2022.
- Founder of Al-Rabwah for General Trading Company from 2003 until 2009.
- Budget and Financial Planning Manager at Jazan University from 2003 until 2006.
- Member of the Investment Team at Sulaiman bin Abdulaziz Alrajhi for Education and Development Company from 2020 until 2022.
- Governance and Financial Planning Consultant for several companies.
- Financial and Accounting Planning Consultant for several companies.
- Member of the Board of Directors of Saudi United Business and Investments Company.
- Member of the Audit Committee of Yanbu Saudi Company.
- Member of the Board of Trustees of the UNESCO Creative Cities Network.

Qualifications and Experience

- Holder of a Bachelor's degree and Master's degree in Accounting.
- Holder of a Doctorate degree in Accounting and Auditing.
- Member of the American Accounting Association (AAA).
- Member of the Information Systems Audit and Control Association (ISACA) – Locally Certified Expert for the AACSB Accreditation Body.
- Holds the rank of Professor in Accounting and Auditing.

*Resigned on July 7, 2025

**Appointed on November 1, 2025

**Mohammad Ali Al-Hawamdeh

Current Positions

- Chief Financial Officer from November 1, 2025 until now.

Previous Positions

- Financial Manager at Naqi Water Company from 2022 until 2025.
- Financial Reporting Manager at SecuTronic from 2021 until 2022.
- Financial Manager at Al-Nafie Holding Company, Saudi Arabia from 2015 until 2019.
- Financial Manager at ELREHA Jordan, a German-American company, from 2013 until 2015.
- Chief Accountant at ProGas, a Jordanian-American company, from 2008 until 2012.
- Accountant at ProGas, a Jordanian-American company, from 2006 until 2008.

Qualifications and Experience

- Bachelor's Degree in Accounting.

Names of companies inside or outside the Kingdom in which the member of the Company's Board of Directors is a current or former member of their boards of directors or among their executives.

Member Name	Company Names (Current)	Inside / Outside the Kingdom	Legal Entity (Listed Joint Stock / Unlisted Joint Stock / Limited Liability)		Company Names (Previous)	Inside / Outside the Kingdom	Legal Entity (Listed Joint Stock / Unlisted Joint Stock / Limited Liability)
Mr. Amin bin Abdullah Al-Mallah	Naqi Water Company	Inside	Listed Joint Stock Company		Naqi Installments Company	Inside	Limited Liability Company
Mr. Yousef bin Mohammed Al-Qafari	Naqi Water Company Abdullah Saad Abo Moati for Bookstores Company Wosul First for Technology and Information Systems Innovative Real Estate Investments Company Mekdar for Investment Safety Valve Holding Company Quwa Al-Haraka Medical New Economy for Trading Taawon Third for Information Technology Fitness World Center Al-Ruya Commercial Company Madfooa Al-Arabia for Deferred Payment Atlas Lifts for General Trading Nuqtat Al-Ittiqat for Information Technology Al-Nama Commercial Company Peter Bakery Al-Warehouses for Storage and Cooling	Inside	Listed Joint Stock Company Listed Joint Stock Company Closed Joint Stock Company Closed Joint Stock Company Closed Joint Stock Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Single Person Joint Stock Company		Fitness Business Company New Economy Academy International Human Resources Company Saudi Advanced Industries Company Mueen Human Resources Company Maharah Human Resources Company Al-Othaim Holding Company Abdullah Al-Othaim Markets Company Blue Sky Aviation Academy Al-Wusta for Food Services Company Riyadh Food Industries Company Al-Othaim Investment Company L'azurde Company for Jewelry Al Ramz Al Afdal Company	Inside	Limited Liability Company Limited Liability Company Public Joint Stock Company Public Joint Stock Company Closed Joint Stock Company Listed Joint Stock Company Closed Joint Stock Company Listed Joint Stock Company Limited Liability Company Limited Liability Company Limited Liability Company Closed Joint Stock Company Listed Joint Stock Company Limited Liability Company
Mr. Abdulaziz bin Yousef Alsayegh	Naqi Water Company	Inside	Listed Joint Stock Company		Sulaiman Alrajhi University	Inside	Limited Liability Company
Mr. Mustafa bin Hasaballah Al-Hofi	Naqi Water Company Al Ittihad International Company	Inside	Listed Joint Stock Company Closed Joint Stock Company		United Seqa Group Madar Investment Company Packaging Products Company Saudi Plastic Factory Najmat Al-Madain Group Nayyara Zahran Holding Company Saleh Al-Mudayfer Sons Holding Group Al-Batterjee Holding Company	Inside	Limited Liability Company Closed Joint Stock Company

Member Name	Company Names (Current)	Inside / Outside the	Legal Entity (Listed Joint Stock / Unlisted Joint Stock / Limited Liability)	Company Names (Previous)	Inside / Outside the Kingdom	Legal Entity (Listed Joint Stock / Unlisted Joint Stock / Limited Liability)
Prof. Dr. Obaid Saad Al-Mutairi	EMKAN for Finance neoleap (Financial Technology)	Inside	Closed Joint Stock Company	National Foultry Company	Inside	Limited Liability Company

Names of Board of Directors Members Attending the General Assembly Meetings of Shareholders during the Year 2025

Name	Attendance Record	
	First General Assembly Meeting 22/06/2025	
Mr. Amin Abdullah Al-Mallah	✓	
Mr. Yousef Mohammed Al-Qafari	✓	
Mr. Abdulaziz Yousef Alsayegh	✓	
Mr. Mustafa Hasaballah Al-Hofi	✓	
Prof. Dr. Obaid Saad Al-Mutairi	✓	

Proposals

The Board of Directors always ensures the attendance of the majority of its members, especially non-executive members, at General Assembly meetings. The Corporate Governance Regulations also include procedures for the Board of Directors' work, which give special attention to listening to shareholders' inquiries and proposals regarding the Company and its performance, responding to them, and documenting them in the General Assembly minutes. In addition, the Company provides members with the minutes of General Assembly meetings containing shareholders' inquiries, if any, and members are notified of any inquiries or questions received by the Company through various communication channels.

Remuneration Policy for Board of Directors Members and Executive Management

In accordance with the Remuneration Policy for the Board of Directors, its subcommittees, and Executive Management approved by the General Assembly on June 22, 2024.

Details of Remuneration for Board of Directors Members:

The Chairman of the Board is entitled to remuneration of

200,000

In consideration of chairmanship of the Board.

The independent Board member in Naqi Company is entitled to a fixed lump sum remuneration of

30,000

In consideration of his work on the Board.

The Vice Chairman of the Board is entitled to a fixed lump sum remuneration of

70,000

In consideration of his position as Vice Chairman, in addition to the lump sum remuneration for his membership.

Board members are entitled to remuneration of

5,000

per session attendance allowance (in person).

Board members are entitled to remuneration of

2,000

per session attendance allowance (remote).

Board members are entitled to remuneration of

1,000

per session attendance allowance (decisions by circulation).

Non-independent Board members, except for the Chairman of the Board

are not entitled to any fixed lump sum remuneration for their membership on the Board.

Remuneration and Compensation of Board Members and its Committees:

Member Name	Fixed Remuneration						Total	Variable Remuneration						End of Service Gratuity	Total	Expense Allowance
	Fixed Amount	Session Attendance Allowance	Total Attendance Allowance for Committee Sessions	In-Kind Benefits	Statement of What Board Members Received as Employees or Administrators or What They Received for Technical, Administrative, or Consulting Work	Total		Percentage of Profits	Periodic Remuneration	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares	Total			
First: Independent Members																
Mr. Yousef Mohammed Al-Qafari	100,000	13,000	5,000	-	-	118,000	-	-	-	-	-	-	-	-	118,000	-
Prof. Dr. Obaid Saad Al-Mutairi	30,000	15,000	18,000	-	-	63,000	-	-	-	-	-	-	-	-	63,000	-
Total	130,000	28,000	23,000	-	-	181,000	-	-	-	-	-	-	-	-	181,000	-
Second: Non-Executive Members																
Mr. Amin Abdullah Al-Mallah*	100,000	11,000	-	-	-	111,000	-	-	-	-	-	-	-	-	111,000	-
Mr. Mustafa Hasaballah Al-Hofi	-	15,000	13,000	-	-	28,000	-	-	-	-	-	-	-	-	28,000	-
Total	100,000	26,000	13,000	-	-	139,000	-	-	-	-	-	-	-	-	139,000	-
Third: Executive Members																
Mr. AbdulazizYousef Alsayegh	-	15,000	-	-	-	15,000	-	-	-	-	-	-	-	-	15,000	-
Total	-	15,000	-	-	-	15,000	-	-	-	-	-	-	-	-	15,000	-

*The Chairman of the Board waived part of his lump sum remuneration for the fourth quarter in the amount of 100,000.

*The Chairman of the Board waived part of the session attendance allowance in the amount of 4,000.

Regulation of Executive Management Remuneration

The Remuneration and Nominations Committee continuously reviews and approves the salary scale determined for all employees, including senior executives, and the incentive programs and plans, based on a recommendation from the Executive Management. The remuneration of Executive Management includes the following:

- 01** Basic salary paid at the end of each Gregorian month, on a monthly basis, in accordance with the employment contract and in compliance with the applicable Labor Law.
- 02** Allowances including, for example and not by way of limitation, housing allowance, transportation allowance, children's education allowance, and phone allowance.
- 03** Medical insurance benefits for him and his family in accordance with the Company's human resources policy.
- 04** Life insurance policy (covering work-related injuries, partial and total disability, and death during work) in accordance with the human resources policy.
- 05** Annual bonus linked to performance indicators in accordance with the annual evaluation conducted in this regard, subject to annual approval by the Remuneration and Nominations Committee.
- 06** Executive Management remuneration may include short-term incentive plans linked to exceptional performance, and long-term incentive plans such as stock option programs.
- 07** Other benefits including, for example and not by way of limitation, annual leave, annual travel tickets, and end of service gratuity in accordance with the Labor Law and the human resources policy approved by the Company.
- 08** Plans, programs, and general guidelines for senior executive remuneration are approved by the Remuneration and Nominations Committee.
- 09** The Chief Executive Officer implements the remuneration policy for employees and senior executives in light of the plans, programs, and general guidelines approved by the Remuneration and Nominations Committee.

Remuneration and Compensation of Senior Executives:

Remuneration of 5 Senior Executives / Includes Chief Executive Officer and Chief Financial Officer Amount (ٴ)		
Fixed Remuneration	Salaries	1,515,018
	Allowances	560,014
	In-Kind Benefits	0
Total		2,075,032
Variable Remuneration	Periodic Remuneration	0
	Profits	0
	Short-Term Incentive Plans	0
	Long-Term Incentive Plans	0
	Granted Shares	0
Total		0
End of Service Gratuity		177,442
Total		2,252,475



Remuneration of Committee Members:

In accordance with the Remuneration Policy for the Board of Directors, its subcommittees, and Executive Management approved by the General Assembly on June 22, 2023.

Details of Remuneration for Members of Subcommittees of the Board of Directors:-

1. Members of subcommittees of the Board of Directors are entitled to a session attendance allowance in the amount of ﷲ 5,000 per session (in person).
2. Members of subcommittees of the Board are not entitled to any lump sum remuneration for their membership on the committees.
3. A committee member is entitled to travel and transportation allowance for attending sessions held (in person) at the Company's headquarters in Unaizah, Qassim, in the amount of ﷲ 3,000 per session.
4. Members of subcommittees are entitled to a session attendance allowance per session (remote) in the amount of ﷲ 2,000.
5. Members of subcommittees are entitled to a session attendance allowance per session (decisions by circulation) in the amount of ﷲ 1,000.

Audit Committee Members:	Fixed Remuneration	Session Attendance Allowance	Total
Mr. Mustafa Hasaballah Al-Hofi (Chairman of the Committee)	0	13,000	13,000
Prof. Dr. Obaid Saad Al-Mutairi	0	13,000	13,000
Mr. Nawaf Yousef Al-Qafari	0	13,000	13,000
Total	0	39,000	39,000
Nominations and Remuneration Committee Members:			
Mr. Yousef Mohammed Al-Qafari (Chairman of the Committee)	0	5000	5000
Prof. Dr. Obaid Saad Al-Mutairi	0	5000	5000
DR. Abdullah Omar Al-Hussaini	0	5000	5000
Total	0	15,000	15,000

Audit Results

Results of the Annual Audit of the Effectiveness of the Company's Internal Control Procedures, in Addition to the Audit Committee's Opinion on the Adequacy of the Company's Internal Control System.

Control

Company management is responsible for establishing a comprehensive and effective control system commensurate with the level of risks that the Company may face. Control procedures and their effectiveness are of utmost importance and are among the most critical fundamentals in protecting the Company's assets, playing a significant role in supporting the Company in achieving its objectives and strategy. The internal control system has been established on sound foundations by creating the Internal Audit Department and supporting its effectiveness through the Audit Committee, which supports the application of best practices related to control. During 2025, the Audit Committee supported the Internal Audit Department of the Company through numerous activities for the purpose of properly reviewing and examining the systems and internal control of the Company, with the aim of verifying and ensuring the adequacy and effectiveness of the Company's internal control system and procedures.

Opinion of the Audit Committee:

Company management is responsible for establishing a comprehensive and effective control system commensurate with the level of risks the Company may face, at a reasonable cost, providing reasonable assurance to avoid material errors and losses that may result from these risks. The adequacy and effectiveness of internal control systems may change with changing circumstances. The implementation, development, and evaluation of the feasibility of improvements to control procedures or any other controls are the responsibility of executive management, which must study their cost and expected benefits to verify their impact before implementation. The internal control system also aims to evaluate policies and procedures, apply the provisions of the approved governance rules in the Company, and comply with relevant laws and regulations.

The Audit Committee oversees the internal audit work of the Company for the purpose of ensuring the adequacy and effectiveness of the internal control system in general and the fairness of financial statements and reports in particular, and paying attention to any observations that become apparent to address them. Based on this, the Audit Committee, in accordance with its scope of work, during its periodic meetings with the Internal Audit Department and the external auditor, and based on the results of the work of the Internal Audit Department and the reports issued by the independent auditor, and the information provided to it by Company management, has not reasonably identified any material weakness in the internal control system that would lead it to believe there is a material deficiency requiring disclosure and affecting the integrity and fairness of the financial statements. Additionally, the internal control system has achieved several improvements, and the Company continues its work under the follow-up of the Internal Audit Department and under the periodic supervision of the Audit Committee to evaluate the internal control system to ensure the achievement of objectives, improve the efficiency and effectiveness of operations, and ensure compliance with applicable laws, regulations, and rules. There is also no conflict between the recommendations and decisions of the Audit Committee and the Board of Directors.

Risk Analysis and Management

The Audit Committee is a cornerstone of corporate governance, as it is responsible for reviewing internal control systems and ensuring the effectiveness of identifying and assessing material risks (financial, operational, and compliance).

Key Roles of the Audit Committee in Risk Management:

- **Assessment of Material Risks:** Reviewing the risk register to ensure that all material risks (financial and operational) are appropriately identified, measured, and mitigated.
- **Internal Audit Follow-up:** Using risk-based audit results to evaluate the effectiveness of internal control and provide recommendations for improvement.
- **Ensuring Compliance:** Ensuring the existence of a control system that prevents risks associated with non-compliance with laws and regulations.
- **Management of Financial Reporting Risks:** Ensuring the accuracy of financial statements and verifying the risks of fraud or material errors.

Opinion of the Committee:

Based on the reports and information made available to it during the period, the Audit Committee believes that the internal control and risk management systems of the Company are generally operating appropriately, with opportunities for continuous improvement to support enhancing performance efficiency and strengthening the control environment.

The Company continuously identifies and analyzes risks associated with its activities through the relevant executive departments, in line with the nature of its business and strategic objectives, in order to manage them within acceptable levels that ensure business continuity and enhance sustainability.

In this context, the Internal Audit Department undertakes an independent role in evaluating the effectiveness of internal control systems and risk management processes, verifying the adequacy of their design and the effectiveness of their implementation, and providing necessary recommendations to address deficiencies and enhance the efficiency of control procedures.

Risks of Volatility in the Industrial Sector and Production Inputs

The concept of the industrial sector is linked to the process of converting raw materials into finished products ready for sale and distribution through the Company's various sales channels. Therefore, changes in the cost of production elements and inputs are substantially reflected in the overall main costs borne by the Company in its operational processes. The food retail sector, similar to other industrial sectors, is affected by changes in general economic and financial conditions, as changes in macroeconomic conditions impact production costs, sales quantities and values, and consequently affect the Company's various profit margins. Considering that the Company's profits depend on several factors, most notably the prices of raw materials representing plastic container preforms (preforms), plastic caps, cardboard, and animal feed, which are subject to price fluctuations based on prevailing prices in local and international markets driven by supply and demand locally and globally, the Company is unable to control the factors affecting raw material prices or the actual changes

in supply and demand that significantly impact raw material prices.

The Company has developed a plan to manage these risks primarily based on periodic inventory management and dealing with local and global variables in raw material price fluctuations, achieving variable inventory targets according to these forecasts. The Company has also developed raw material supply mechanisms by utilizing its fleet of carriers to reduce raw material transportation costs, reducing the volume of forward transactions for raw material purchases, which positively reflects on reducing direct raw material costs. The Company has also developed supply contracts for certain raw material components to benefit from economies of scale in cost reduction, which currently continuously contributes to controlling costs and reducing industrial fluctuation risks relatively significantly.

Risks Associated with Competition and the Company's Market Share

The bottled drinking water production sector in the Kingdom of Saudi Arabia is witnessing intense competition, with competitive factors including price, water purity, brand presence, geographical presence, innovation, and customer service. The bottled drinking water production sector is also subject to indirect competition from companies offering home water purification solutions, which may affect demand levels for bottled drinking water products. This competition primarily puts pressure on price levels and market share for many bottled drinking water companies.

The Company has developed a long-term strategic plan to address these risks, focusing primarily on controlling and monitoring quality levels and maintaining the delivery of products that meet the desires of a wide range of customers and end consumers, thereby strengthening the position of Naqi Company's products as high-quality products with health specifications compliant with all approved health standards. The Company has also restructured the customer service department and established a customer relations department to enhance continuous communication with various segments of the Company's customers and end consumers. The Company has also developed a clear plan to enhance its geographical presence and increase its market share in various regions of the Kingdom, enabling the Company to deliver its final product to the largest possible number of target consumers.

On another level, the Company has diversified its main operating sectors by adding the poultry sector producing table eggs to diversify revenue sources and mitigate the overall risks associated with the Company's reliance on a single operating sector.

Liquidity Risks

Liquidity risks represent the difficulties the Company may face in providing funds to meet its obligations related to financial instruments. Liquidity risk management is primarily linked to the efficient management of working capital and cash flows on an ongoing basis. Liquidity management is also linked to the volume of obligations related to financial instruments. The Company continuously assesses its cash assets and studies their adequacy to cover its contractual obligations, and works to ensure dealing with banks with high credit ratings to minimize cash risks.

Foreign Currency Fluctuation Risks

Foreign currency fluctuation risks represent the differences arising from forward transactions in foreign currencies other than the Saudi Riyal, which may result in the Company bearing differences in paying dues

or collecting receivables in currencies other than the Saudi Riyal. The Company maintains its accounts in Saudi Riyals, and transactions conducted in foreign currency are converted to Saudi Riyals at the prevailing exchange rates at the time of the transaction. Financial assets and liabilities recorded in foreign currencies as of the statement of financial position date are converted to Saudi Riyals at the prevailing exchange rates on that date.

The Company monitors operations conducted in currencies other than the Saudi Riyal to assess the materiality of these transactions and take appropriate hedging against non-material fluctuations. It is noted that the Company's policy of enhancing local content and relying almost entirely on transactions with local suppliers has resulted in the absence of forward transactions of material value with suppliers in other currencies that fluctuate against the Saudi Riyal. Material transactions in foreign currencies are primarily limited to transactions in UAE Dirhams, and since the exchange rate for both the UAE Dirham and Saudi Riyal is fixed against the US Dollar, the risks from foreign exchange rate changes are limited.

The Company deals with export customers in Saudi Riyals in all transactions, which results in eliminating the risks of foreign exchange rate fluctuations for export customers.

Inflation and Cost Increase Risks

The Company is exposed to inflation risks and increased costs of operating various activities beyond those related to raw material costs and production inputs. The risks of wage increases, increased transportation costs, and increased maintenance input costs represent the most prominent risk factors associated with inflation. The Company continuously develops plans to manage these risks. The Company has built its own transportation fleet to reduce shipping and transportation costs for finished products and raw materials. The Company has also developed an employee development plan to enhance loyalty, reduce turnover rates, and increase the retention of national competencies. The Company is also building a specialized maintenance team that works according to regular plans to ensure the preservation of operational capacity, reduce maintenance costs for machinery and production lines, and enhance the sustainability of its operational capacity.

Risks Associated with Production Lines and Assets

The Company's management is committed to maintaining the efficiency of the Company's assets and ensuring their continuity and permanence against fire risks and natural disaster risks that may affect operations, production, and sales. The Company continuously establishes various asset control mechanisms, including, for example, concluding insurance contracts for all of the Company's assets, including production lines, logistics services, and transportation fleets. The Company also maintains the sustainability of safety and fire systems in all of the Company's facilities according to best practices and in compliance with the requirements of regulatory and supervisory authorities. The Company also adopts monitoring systems for movable and transportable assets and is currently working innovatively, in partnership with specialized suppliers, to develop production and product movement monitoring systems.

Business Interruption Risks

The Company continuously assesses business interruption risks based on business continuity plans, which primarily focus on ensuring the sustainability of production operations, water supply, electricity, and fuel. The Company has contracts with major companies in the local market for continuous fuel supply. The Company also owns electricity generation mechanisms that ensure the sustainability of operations. The Company has also established four water desalination and sterilization stations to ensure sustainable business continuity.

Information Security Risks

The Company attaches utmost importance to its information to ensure the security, confidentiality, and integrity of its data and its customers' data. The Company has identified information security risks in collaboration with specialized parties, potential information security risks have been identified, and work has been done to establish an integrated infrastructure under the supervision of our engineers in the Information Technology Department according to best local and global practices. The Company has also established specialized data rooms to retain backup copies of its data, and the infrastructure has been equipped with specialized systems to protect data security, ensure no unauthorized access, and ensure its sustainability. The Company is also utilizing cloud storage services to facilitate authorized access and ensure its sustainability.

Risks Associated with the Company's Inability to Implement its Growth Strategy

The Company regularly evaluates its expansion plans, such as purchasing new production lines and increasing production capacity, noting that this expansion entails risks including, but not limited to, the Company's ability to obtain additional financing contracts and the resulting effects on the Company's financial position, the Company's ability to integrate new production lines into the Company's operational processes, as well as its ability to efficiently manage the expansion process, respond to changes and developments in the bottled drinking water industry in a cost-effective and timely manner, and attract and train key managers and employees to manage its operations. If the Company is unable to exploit growth opportunities through expansion and implement its growth strategy in the future, or cannot manage the expansion process as required, this would have a material adverse effect on its business, financial position, results of operations, and future prospects.

Risks Associated with Transactions and Agreements with Related Parties

In the course of its normal business, the company deals with a number of related parties in areas including the supply of raw materials, spare parts, production lines, as well as certain construction activities for the Riyadh factory. All such transactions and agreements are conducted strictly on commercial terms and in accordance with prevailing market conditions, without granting any preferential benefits or procedural exceptions compared to similar transactions. This is in line with the company's approved policies and authority matrix.

These transactions are subject to applicable regulatory controls and procedures and are approved according to the established legal frameworks after obtaining the necessary approvals under relevant laws and regulations, ensuring fairness, transparency, and the protection of the company's and shareholders' interests.

There were no direct or indirect interests of Board members in these transactions during 2025. All such transactions have been disclosed in accordance with the applicable regulatory requirements and made available to all shareholders.

Risks Associated with Political Instability and Security Concerns in the Middle East Region

The Company's assets, operations, and target customers are located in the Kingdom. The Middle East region is exposed to a number of geopolitical and security risks that may affect the Gulf Cooperation Council countries, including the Kingdom.

Furthermore, investing in the Middle East region, which is experiencing continuous political, economic, and social changes, is considered unstable. Any unexpected changes in political, social, economic, or other conditions in the Middle East could have a material adverse effect on the markets in which the Company conducts its business, as well as on the Company's ability to attract and retain customers in those regions, and on the investments the Company has made or may make in the future, which would have a material adverse effect on the Company's business, financial position, results of operations, and future prospects.

Risks Associated with Competition and the Company's Market Share

The Company competes in the Kingdom of Saudi Arabia with companies operating in the bottled drinking water sector, with competitive factors including price, water purity, brand presence, geographical presence, innovation, and customer service. Additionally, technology has enabled customers to compare prices available from bottled drinking water companies with greater ease and convenience.

Consequently, if the Company attempts to increase its prices, its competitors may seek to intensify price competition. The Company may not be able to maintain its market position or its overall share of the bottled drinking water market, or enhance either of them, as some of the Company's competitors have financial and marketing resources exceeding those of the Company. Additionally, intense competition may lead to price reductions, increased sales offers and incentives, decreased gross profit margins, increased selling expenses, marketing programs, and expenditures allocated to expanding marketing channels. The Company's competitors, including new companies, may also reduce prices to gain, among other things, a competitive advantage and a larger market share. Therefore, the Company may not be able to maintain its market position or its overall share of the bottled drinking water market, or enhance either of them. If the Company is unable to meet these competitive challenges, this will materially and adversely affect the Company's business, financial position, results of operations, and future prospects.

Risks Associated with Changes in the Regulatory Environment

The bottled drinking water sector is subject to numerous laws and regulations applicable in the Kingdom, which may materially affect the Company's business and operations or may increase its costs in the future.

Risks Associated with Changes in Energy Prices

Diesel is the largest source of energy used by the Company, in addition to other energy sources such as gasoline and kerosene to a limited and non-material extent. The Company is affected by increases in the price of diesel, which it uses to operate all production equipment in the factory. Any expected increases in energy prices will in turn lead to an increase in the Company's operating costs. It is noted that any further increases in the price of diesel will have a material effect on the Company's operations, financial position, results of operations, and future prospects.

Description of the Dividend Distribution Policy

Pursuant to Article 110 of the Companies Law, each shareholder is entitled to all rights associated with shares, which specifically include the right to receive a share of the profits decided to be distributed. The Board of Directors is responsible for recommending the distribution of any profits before they are approved by shareholders at the General Assembly meeting. The Company is not obligated to declare any dividends. Any decision to distribute dividends depends on a number of factors, including the Company's historical and expected profits, cash flows, financing and capital requirements, market data and general economic factors, Zakat, as well as other legal and regulatory considerations. Dividend distribution is subject to the restrictions contained in financing agreements concluded with financing entities, and is also subject to the restrictions contained in the Company's Articles of Association. Dividends are distributed in Saudi Riyals.

The Company follows a policy for distributing its annual net profits in accordance with Article (47) of its Articles of Association, after deducting all public expenses and other costs, as follows:

1. The Ordinary General Assembly may decide to form other reserves to the extent that serves the Company's interest or ensures the distribution of fixed dividends to shareholders as much as possible. The aforementioned Assembly may also deduct from net profits amounts to establish social institutions for the Company's employees or to support existing such institutions.
2. The Ordinary General Assembly, based on a proposal from the Board of Directors, may set aside five percent (5%) of net profits to form a contractual reserve and allocate it for a specific purpose or purposes determined by the General Assembly.

Statement	Total Distribution	Share Per Share	Announcement Date	Entitlement Date	Distribution Date
Distribution of cash dividends to shareholders for the first half of the year 2025	0	0	-	-	-

Profit distribution ratios during the year			
Statement	Distributed during 2025	Profit percentages proposed to be distributed at the end of the year	Total dividends paid as distributions during 2025
Percentage of Nominal Value	0	0	0
Total	0	0	0

Statement of any arrangements or agreements under which one of the Company's shareholders waives any rights to profits.

Not applicable.

Shareholders' Records

Transactions with Related Parties

Related Party	Nature of Relationship with the Company	Type of Transaction	Duration	Value
United Seqa Group	Shareholder owning 35% of the Company's shares	Purchase of raw materials and other expenses	One year	ﷲ 43,761,139
Middle East Factory for Machines Company Limited (MEMCO)	Affiliated Company	Purchase of property, machinery, spare parts, maintenance services, and other expenses	One year	ﷲ 22,619,946
Zulal Water Factory Company	Affiliated Company	Purchase of property, machinery, spare parts, and other expenses	One year	ﷲ 1,537,968
Al-Ma'mari Al-Mutaqaddima Company	Affiliated Company	Execution of construction work for a factory in Riyadh	One year	ﷲ 4,433,973

Member Name	Nature of Work	Amount of Work	Duration of Work	Terms of Work or Contract
None	None	None	None	None
None	None	None	None	None

Number of requests from the Company's Shareholders Registry

Number of Requests from the Company's Shareholders Registry	Date of Request	Reasons for Request
1	02/01/2025	Company Procedures
2	21/05/2025	Company Procedures
3	22/06/2025	General Assembly
4	12/10/2025	Company Procedures



Board of Directors' Statements

The necessary professional care has been exercised in preparing all of the Company's financial statements in accordance with the accounting standards approved by the Saudi Organization for Chartered and Professional Accountants and in the required manner of implementation, ensuring the integrity of the financial statements. All operations of the Company have been subject to the foundations of control and governance in accordance with the policies and procedures approved by legislative and regulatory authorities and in accordance with the Company's internal policies. The internal control system has been established on sound foundations, and the Company's management has implemented the requirements of the internal control system in accordance with approved procedures and policies. Control over the internal control system is implemented through the Internal Audit Department, which is linked to the Audit Committee in accordance with governance regulations. The Audit Committee, in coordination with the Internal Audit Department, prepares periodic reports aimed at ensuring the effectiveness of internal control procedures and their proper implementation. No deficiencies in internal control procedures or their implementation have appeared during the year.

The Company enjoys a strong financial position and sustainable cash flows in the foreseeable future, and there are no circumstances affecting management's estimates regarding the Company's continuity. Management reliably expects that the Company is able to meet its obligations and continue to achieve sustainable profits and cash flows.

The Board of Directors of Naqi Water Company also confirms that:

- The accounting records have been prepared correctly.
- The internal control system has been established on sound foundations and implemented effectively.
- There is no doubt about the ability of Naqi Water Company to continue its operations.
- There is no interest in voting shares belonging to persons other than members of the Company's Board of Directors, senior executives, and their relatives who have notified the Company of such rights, nor any change in such rights during the last fiscal year.
- There is no interest, contractual securities, or subscription rights belonging to members of the Company's Board of Directors, senior executives, and their relatives in the Company's shares or debt instruments.
- There are no shares or debt instruments owned by subsidiaries.
- There are no convertible debt instruments, no securities, contractual subscription rights, or similar rights issued or granted by the Company, nor any compensation received by the Company in return.
- There was no material conflict of interest during the year 2025 other than what has been disclosed.
- No request was received from the external auditors to call for a General Assembly meeting during the year 2025.
- There are no contracts or agreements in which the company is a party, or in which any member of the Board of Directors, senior executives, or any related party has an interest.
- There are no procedures that may impede shareholders' right to vote.
- No request was received from shareholders owning 5% or more of the Company's share capital to call for a General Assembly meeting during the year 2025.
- There are no material events affecting the integrity of the Company's financial position after the end of the fiscal year 2025 requiring disclosure, other than information already available and announced.
- The Company has not provided loans or credit facilities to any member of the Board of Directors.
- There is no business competing with the Company's activity conducted by any member of the Board of Directors.

- The auditor's report contains no reservations on the annual financial statements for the year 2025.
- The Board of Directors has not recommended changing the auditor before the end of the period for which they were appointed.
- There are no treasury shares held.
- There are no investments or reserves established for the benefit of the Company's employees.

Recommendations to the General Assembly

After reviewing the most important operational and financial activities for the fiscal year 2025, we are pleased to attach the annual financial statements together with the independent auditor's report. We recommend that the General Assembly approve the Board of Directors' report, the financial statements, and the independent auditor's report. The location and date of the General Assembly meeting and any other items on the agenda will be announced at a later date.

Shareholders' Rights and Mechanisms for Communication with Them

Arising from the Company's diligence, interest, and care for the rights of its shareholders and stakeholders, and recognizing the Board of Directors' awareness of its responsibilities towards the Company's shareholders in achieving communication based on a shared understanding of the Company's objectives, strategies, aspirations, interests, and all its important developments, all shareholders' rights have been included in the Company's Articles of Association and Governance Regulations. The Company publishes financial reports, announcements, and material information through the Saudi Stock Exchange website "Tadawul" and the Company's website to enable shareholders to view them immediately. Direct communication channels are provided with the Company to answer their inquiries through the provision of direct contact channels, and shareholders can easily communicate with the Company through the Company's Investor Relations Officer.



Naqi Water Company Announcements on Tadawul for the Year 2025

1	Naqi Water Company announces the latest material developments regarding the signing of an industrial land lease agreement with the Saudi Authority for Industrial Cities and Technology Zones (MODON) in the Jazan region.	09/03/2025
2	Naqi Water Company announces the annual financial results for the period ended December 31, 2024.	27/03/2025
3	Naqi Water Company announces the preliminary financial results for the period ended March 31, 2025 (three months).	15/05/2025
4	The Board of Directors of Naqi Water Company invites shareholders to attend the Ordinary General Assembly Meeting (First Meeting).	01/06/2025
5	Naqi Water Company announces to its shareholders the start date for electronic voting on the agenda items of the Ordinary General Assembly Meeting (First Meeting) – Reminder Announcement.	16/06/2025
6	Naqi Water Company announces the results of the Ordinary General Assembly Meeting (First Meeting).	23/06/2025
7	Naqi Water Company announces the purchase of a bottled drinking water production line worth EUR 8,537,000 for the establishment of its new factory in Riyadh, with a production capacity increase of 50% compared to the main factory in Qassim.	06/07/2025
8	Naqi Water Company announces that the value of transactions with Seqa United Group (a major shareholder / related party) has exceeded 1% of its total revenues according to the latest audited annual financial statements.	31/07/2025
9	Naqi Water Company announces the preliminary financial results for the period ended June 30, 2025 (six months).	07/08/2025
10	Naqi Water Company announces the signing of a biological assets purchase agreement (layer chicks) as the first phase within the implementation plan of the poultry sector project, valued at ﷲ 790,000.	14/08/2025
11	Naqi Water Company announces the signing of a contract for the purchase, supply, and installation of machinery to upgrade one of the existing production lines at the main factory, valued at EUR 900,000.	02/09/2025

12	Naqi Water Company announces receipt of a letter from one of the major shareholders, Seqa United Group, dated September 25, 2025.	25/09/2025
13	Naqi Water Company announces receipt of a letter from one of the major shareholders and Chairman of the Board, Mr. Amin Abdullah Al-Mallah, dated September 25, 2025.	25/09/2025
14	Naqi Water Company announces the signing of a contract for the purchase, supply, and installation of a water desalination plant for the Riyadh factory, valued at ﷲ 4,200,000.	29/09/2025
15	Naqi Water Company announces the latest developments regarding the signing of a biological assets purchase agreement (layer chicks) as the first phase within the implementation plan of the poultry sector project, valued at ﷲ 790,000.	07/10/2025
16	Naqi Water Company announces the completion of all financing obligations following the repayment of the Shariah-compliant financing agreement with Riyadh Bank, amounting to ﷲ 23,778,353.	08/10/2025
17	Naqi Water Company announces the signing of a contract for the execution of the factory construction project for the Company in Riyadh, valued at ﷲ 16,524,473.	22/10/2025
18	Naqi Water Company announces the preliminary financial results for the period ended September 30, 2025 (nine months).	06/11/2025
19	Naqi Water Company announces the latest developments regarding the signing of a biological assets purchase agreement (layer chicks) regarding the arrival of 100,000 birds (as the second batch) within the first phase of the implementation plan of the poultry sector project.	09/11/2025
20	Naqi Water Company announces the signing of a biological assets purchase agreement (layer chicks) for the poultry sector project, valued at ﷲ 908,500.	27/11/2025
21	Naqi Water Company announces the Board of Directors' approval to open seven branches covering several regions across the Kingdom (Hafar Al-Batin, Al-Khafji, Al-Majma'ah, Al-Kharj, Rimah, Al-Muzahimiyah, and Sakaka).	04/12/2025
22	Naqi Water Company announces the latest developments regarding its announcement of the purchase of a bottled drinking water production line worth EUR 8,537,000 for the establishment of its new factory in Riyadh.	28/12/2025

Penalties and Sanctions

Any penalty, sanction, precautionary measure, or provisional restriction imposed on the company by the Authority or by any supervisory, regulatory, or judicial body, including details of the violation, the imposing authority, and the measures taken to address and prevent its recurrence in the future.

Penalty / Sanction / Precautionary Measure / Provisional Restriction	Reasons for the violation	The authority imposing the violation	Measures taken to remedy the violation and prevent its recurrence in the future
Fine	Delay in fulfilling the newly introduced regulatory requirements for accommodation licensing at the company's head office.	Unaizah Municipality	An accredited engineering office has been engaged to conduct the land survey and fulfill the regulatory requirements. Coordination is ongoing with the municipality to obtain the necessary licenses and fully rectify the situation.
Warning / Regulatory Violation	Delay in issuing the warehouse license for the Eastern Region branch	Saudi Food and Drug Authority	The license for the Eastern Region branch warehouse has been issued. The violation occurred due to the recent establishment of the branch at the time of the inspection. Licensing procedures were subsequently completed, with full compliance with all applicable regulatory requirements.
Violation	Delay in renewing the Civil Defense license	Civil Defense	The license has been issued after fulfilling the new safety requirements issued by Civil Defense, in coordination with the relevant consulting authority, while improving time management to ensure compliance with statutory deadlines in the future.
Violation	Absence of an external signboard at the factory in accordance with updated requirements	Unaizah Municipality	The external signboard was installed following the recorded violation, in accordance with the specifications approved by the municipality, ensuring full compliance.
Violation	Failure to meet the newly introduced accommodation requirements	Unaizah Municipality	A partial correction was implemented to address the existing accommodation issue, with a future plan in place to complete all necessary updates in line with current regulatory requirements.
Fine	Non-compliance of the restroom with the requirements of the National Center for Environmental Compliance Monitoring	National Center for Environmental Compliance Monitoring	Necessary measures related to environmental safety were taken, and environmental compliance requirements were applied.
Violations of the Ministry of Transport	Delay in renewing operating cards for some of the company's trucks	Ministry of Transport	All conditions and requirements for issuing the truck operating cards have been fulfilled.

Shareholder Relations Officer

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