



Board of Directors report

Naqi Water Company

About the company's activities and performance

2023

FOR THE FISCAL YEAR

Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud





His Royal Highness

Mohammed bin Salman bin Abdulaziz Al Saud



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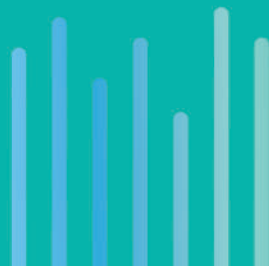
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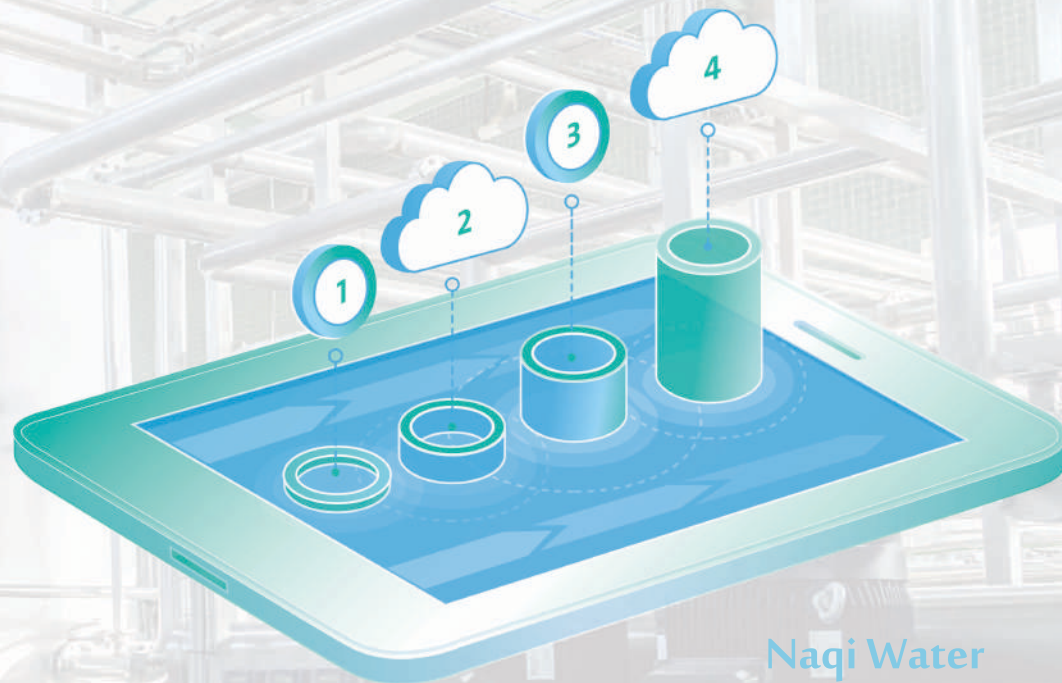
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First: a general overview



About Naqi Water



Naqi Water

In its journey, the company relied on the slogan “The next is better,” believing in the importance of continuous improvement in its various fields of operation and operations. The company paid primary attention to research and development processes and enhancing the concepts of institutional performance, ensuring the continued provision of products that take into account the needs of various categories of consumers and within the best health and nutritional specifications. Believing in the importance of maintaining and developing the governance of its business and consolidating institutional work practices, sustainability and transparency, the company worked to offer its shares for public subscription at the end of 2022 AD, making it the first joint-stock bottled drinking water production company listed on the main stock market. The development of the company’s governance and management processes contributed to enhancing the flexible review of the company’s strategy and diversifying its activities, aiming to maximize revenues and reduce the risks of dependence on one activity, through expansion in the table egg production sector.

Naqi Water Company began its operations in 2016 AD at its current headquarters in Unayzah Governorate in the Qassim region, taking advantage of its distinguished geographical location to extract groundwater from its own wells and reprocess it in accordance with the best international practices in the drinking water production and bottling sector, relying on

Qualified expertise and using the latest technology methods available globally

Naqi Company continued to rely on a regular expansion strategy over the past years until it has become today one of the most prominent Saudi producers of bottled drinking water, which the company provides to its customers in various sectors.

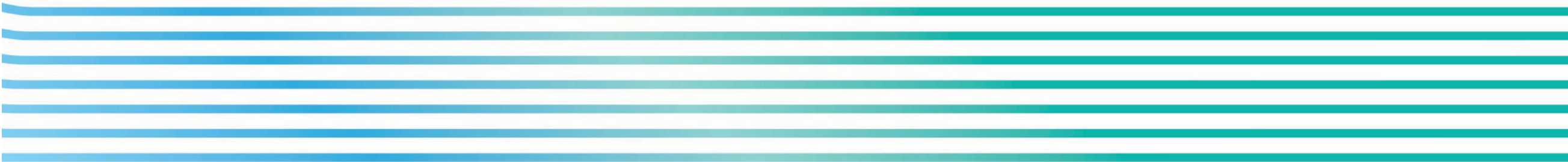
Regions of the Kingdom of Saudi Arabia in addition to four neighboring countries

At the end of 2023 AD, the company expanded into its main business sectors by entering the table egg production sector through the acquisition of a laying poultry project in the Qassim region, which contributes to diversifying the company’s operational activities.

Naqi Water is a Saudi joint stock company and is considered one of the leading companies in the food production sector, as well as the only bottled drinking water company listed on the main stock market



Vision, mission and values

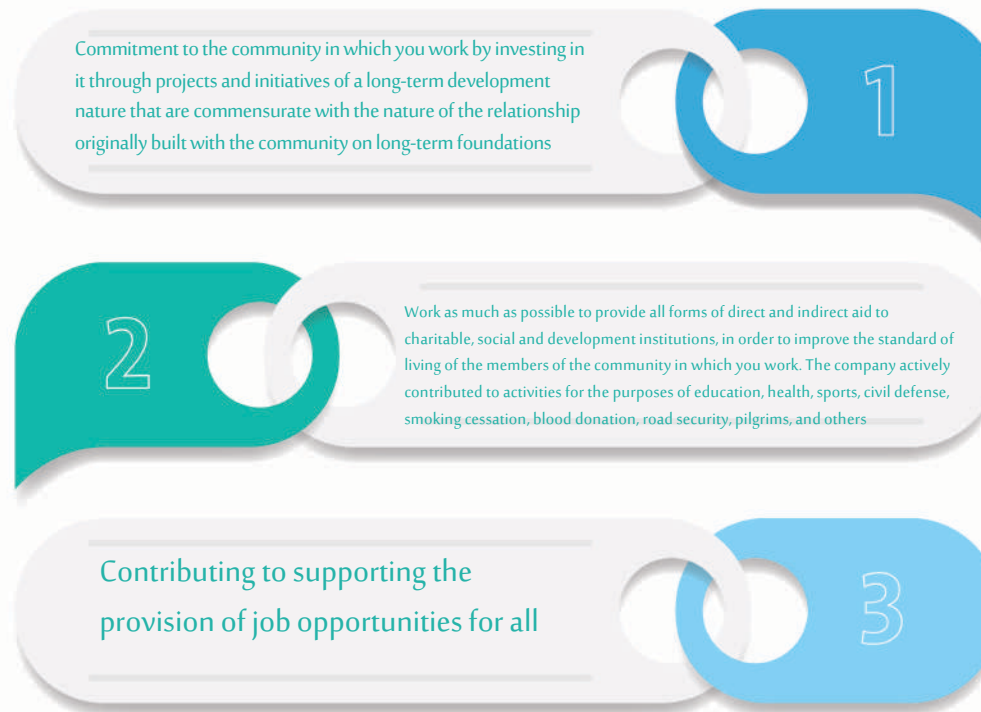


Principles of community contribution:

Naqi is committed to launching effective initiatives as part of its ongoing efforts to participate with its community and customers in many occasions that contribute to supporting them in line with its moral values. It is keen to instill these values and work with them in all of its activities internally and externally, believing in the importance of its role towards society through participation, care, etc., and in fulfillment of Objectives of the Kingdom’s Vision 2030 / Enhancing companies’ social responsibility

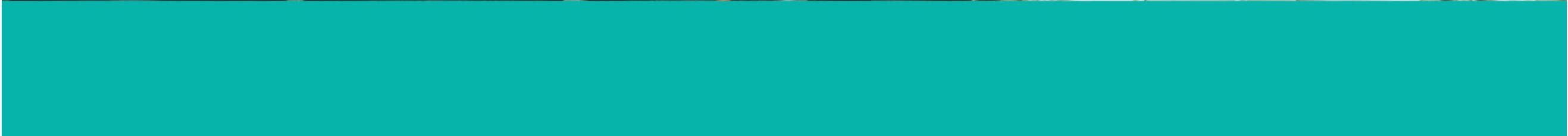
Location	The initiative
Unayzah	Concluding an agreement with Al-Khaniniya Center for Employment and Social Empowerment
Inside the company Unayzah - Hail	Visit the Association for Children with Disabilities Distributing iftar on the roads across the emirate during the holy month of Ramadan
Buraidah	Participation with the Qassim Girls Council in the Third Volunteer Unit Forum
Buraidah	Distributing water to pilgrims passing through the Hajj City of Buraidah
Unayzah	Participation with Al-Shifa Hospital in Unayzah in the International Day of Older Persons campaign
Unayzah	Participation and support with the National Committee for the Care of Prisoners / Tarahum
Within the company	Distributing breakfast to company employees throughout the holy month of Ramadan

Current social responsibility practices are based on:



Our social responsibility

Naqi Company was keen to respond to the needs of the local community within its social strategy. The flexible review of the company’s strategy also contributed to identifying additional axes to enhance Naqi’s initiatives towards sustainability and societal impact, in line with the company’s orientation towards adopting ESG and societal sustainability concepts and enhancing governance applications



Second: The strategic report





Dear shareholders and contributors of the company,

Naqi completed the year 2023 with a vision to enable its business model to operate in accordance with global best practices in the food retail sector. Which relied on the methodology of continuous development and expansion of business sectors and diversification of their risks. The company continued to adopt the slogan "The next is better," out of belief in the company's vision of the importance of providing safe and healthy products in accordance with the best practices in its sector. The year 2023 witnessed a disciplined commitment by the company to fulfill its promise to its shareholders and society, and its strategy focused on the basic elements of its business model, which are to create added value for its investors and provide products that take into account the needs of the final consumer, with a commitment to achieving

The societal goals set by the company.

In 2023, Naqi worked to implement the outcomes of its review of its strategy and business model, and took a decision to diversify its financial resources by investing in the poultry sector, which enhances food security in the Kingdom. This is in addition to expanding its operational plans, which include enhancing the share of retail sales in the drinking water sector by taking into consideration increasing the production capacity of its factories by adding two new bottled drinking water factories. Naqi has committed to promoting local content as one of the sectors with local suppliers at a rate exceeding 99% of its total suppliers. The company has also maintained its role as one of the most important attractors of personnel in the area of its headquarters, taking into consideration that the company achieved outstanding sales during the year by efficiently exploiting its production and sales capacity, and was able to continue to maintain its operations and adopt a distinguished profit margin. It has also maintained a distinguished level of cash dividends at a rate of 15% of the nominal value of the share, in line with its societal role. On its market share, achieving

Ensures the continued fulfillment of the interests of its shareholders.

Naqi's future strategy is based on enhancing the processes of creating demand for its products through the opening of new retail sales branches, investing in the expansion of the poultry and bottled drinking water sectors, and continuing its focus on quality assurance operations. Naqi aims to continue reviewing its strategic plan according to a flexible methodology capable of

Understanding market variables and hedging the ongoing fluctuations witnessed by the bottled drinking water production sector during the year 2023 AD.

In conclusion, I extend my sincere thanks and appreciation to the position of our wise government, which has given much of its attention to enhancing the role of the various business sectors to contribute to achieving the goals of

The ambitious "Vision 2030", which represents a distinct historical transformation for our dear homeland. I also extend my thanks to the company's shareholders for the trust they have placed in the Board of Directors, and I also extend my thanks to my fellow members of the Board of Directors and the emerging committees for the efforts and wise guidance they have provided, and I also extend my thanks to the executive management and employees of the company and those who share our vision. I extend my thanks

In turn, they were keen to achieve the company's goals under difficult circumstances, adhere to the company's values and principles, and continue to provide the highest levels of sincerity and dedication to work.



Speech of the Chairman of the Board of Directors

Amin Abdullah Al Saleh

Dear Ladies and Gentlemen, Contributors and Contributors

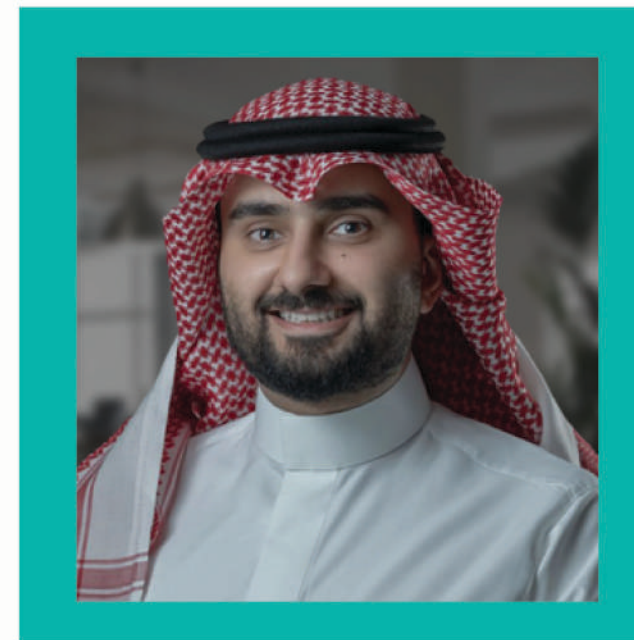
Naqi Company began its operations for the year 2023 AD based on its flexible review of its future strategy for the next five years, which relied on enhancing the capabilities of its business model and investing in its accumulated experience in the food sector, based on measuring business risks and sustainability, while continuing to focus on its strategic axis of providing food products according to the best standards.

Local and global practices.

The company's strategy was based on activating sustainable production practices by raising the level of integration between departments, activating operating efficiency, and using automated systems in its operational processes. It also paid special attention to its sales plan, which was able to achieve sales amounting to more than 238 million Saudi riyals during the year 2023 AD. The company was able to achieve its sales in the water sector by using seven high-quality production lines within two separate manufacturing sites at its headquarters, and it also worked to activate the efficiency of its fleet.

Private and what contributes to raising the value of revenues. Table egg sales also contributed to supporting the company's total sales by approximately 1% during the initial operation phase, which began in the fourth quarter, relying on the poultry project that was acquired due to its readiness for production.

During the current year, the bottled drinking water sales sector witnessed strong competition in the local market, which resulted in a decrease in sales during the year compared to 2022 AD.



Speech of the Managing Director and CEO

Abdul Aziz Yousef Al-Sayegh



Naqi Water

نقى المياه



Company strategy:

Naqi's management during the year 2023 was based on the outcomes of the company's strategic flexible review, which was announced to begin at the end of 2022 and the beginning of the current year. The company has established key strategic objectives based on its strengths and market opportunities that are consistent with its vision and mission. The company's strategic objectives include strengthening its leadership position in the food production sector by developing the company's business strategies, growing its customer base, and expanding the scope of its operations in new markets in the Kingdom, the Gulf states, and the Middle East and North Africa region, in addition to developing production and manufacturing processes, production capacity, and improving the efficiency of working capital. Developing work team competencies and improving company governance. The company is also working on complementary strategies that include a marketing, sales and distribution development strategy, in addition to advertising and a market penetration pricing strategy, aligning business strategies to ensure the development of its customer base and the expansion of its operations.

The foundations of our business model:

During the previous year, Naqi worked to develop its business model to enable it to fulfill its promise to its customers and in line with its slogan "The next is better" by paying attention to enhancing the practices and applications of continuous improvement and innovation in its operations and products. The flexible strategic review resulted in the company approving new strategic objectives based on Market data and growth opportunities



Our inputs and operations:



Distinguished level in logistics services:

1-The company's newest transportation and distribution fleet in the entire Sasloug region 2- Transporting and distributing the company's products to all parts of the Kingdom 3-Biased performance levels in the timing of transportation and delivery in the various regions of the Kingdom and neighboring countries where we export our products.



1-Strengthening product safety control by developing mechanisms and devices for careful periodic inspection to ensure that cat noises are presented healthily. 2-Ultraviolet and exclusive production equipment in the bottled water production and salt egg production sectors. 3-Maintaining a high rate of breastfeeding for the selection of special products and adhering to ideal health measures and requirements. 4-Develop and improve the qualifications and competencies of our employees responsible for the production and supervision of our products and ensure that they comply with local and international quality standards.

Safety and quality are the focus of operations



1-Providing communication with various customer segments around the clock with specialized services. 2-With customer opinions, it contributes to enhancing quality, customer satisfaction, and customer retention 3-Building a platform studded with customer and consumer engagement experiences

Communicate with our customers:



Our outputs



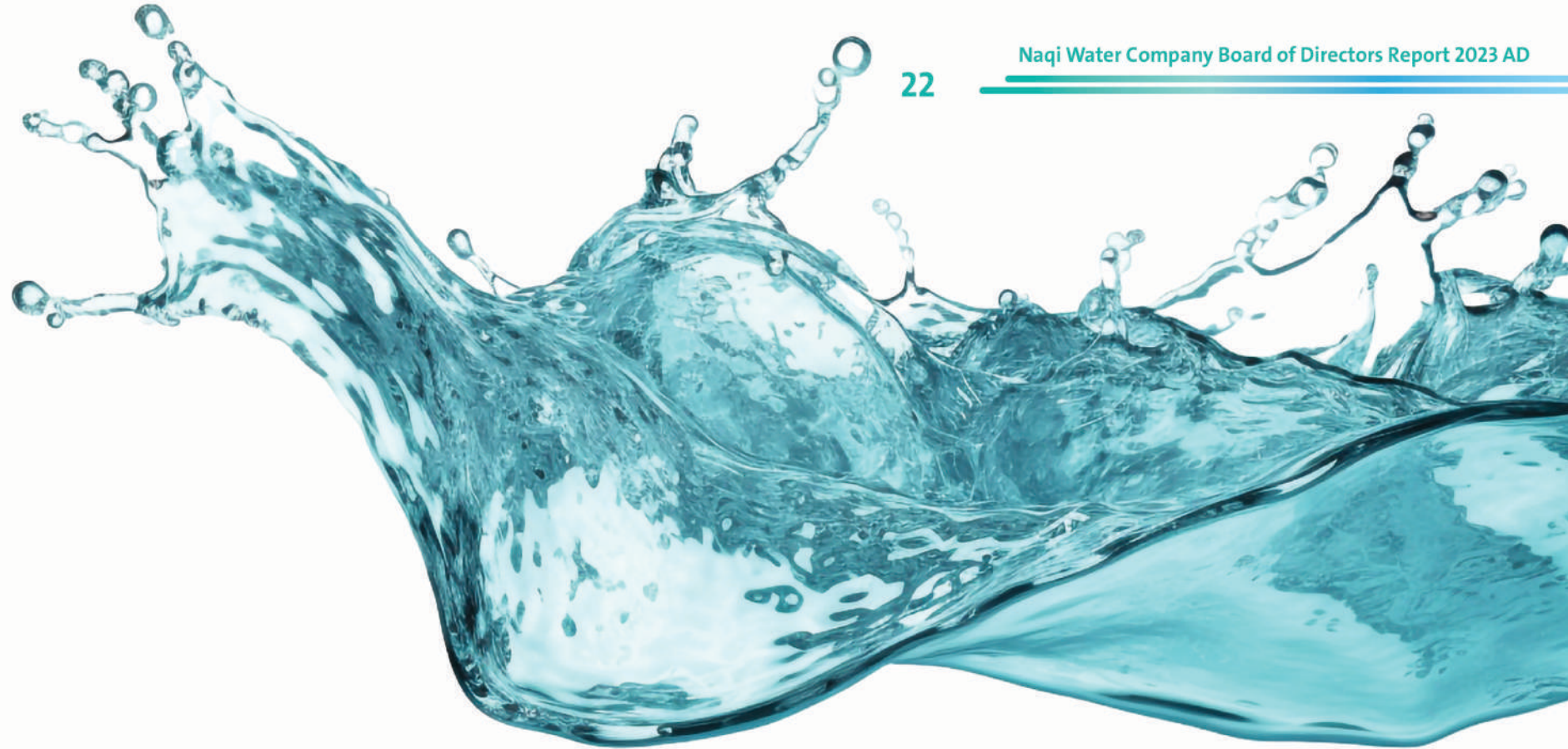
- 1-Activating environmental sustainability practices
- 2-Concluding partnerships and agreements with non-profit entities in a way that contributes to enhancing the company's societal impact
- 3-Continuous presence and participation in various community events and activities, which contributes to strengthening the concepts of partnership and community influence
- 4-Activating cooperative training programs for students in educational and university institutions



- 1- The spread of points of sale and distribution agents in all regions of the Kingdom
- 2-Continuous access to various customer segments
- 3-Providing a variety of products to serve different expected needs
- 4-Providing lean and healthy products by best practices in the food production sector
- 5-Building customer relationship management to enhance the concepts of communication, partnership, and customer service



- 1-During the previous years and the current year, the company was able to maintain distinguished returns in the Saudi market
- 2- The company is committed to enhancing the value of return on investment for shareholders
- 3-Maintaining regular dividend distributions, in addition to the long-term returns represented by the growth of the value of net assets



Company strategy:

Naqi worked on conducting a flexible review of its strategic plan in response to the changes witnessed by the industry sector in general. The flexible review of the strategy included a focus on the concept of added value for shareholders and stakeholders. It also took into account the rapid developments witnessed by the bottled drinking water production sector in the Kingdom during the years 2022 and 2023. Some of the effects of the review were reflected in the company's response and achievements towards the current strategic plan.



Strategic direction

As part of its flexible review, Naqi Water Company worked on setting expansion targets in the main operational sectors. This review, which was based on studying the opportunities and risks of expansion in the food production sector, resulted in identifying the following main targets:

Third: Strengthening the retail sales sector while maintaining wholesale sales targets

In its sales, Naqi Company relies on the wholesale and retail sectors. The wholesale sector is represented by the company's sales to distribution agents spread across various regions of the Kingdom, while the retail sector's sales are represented by the company's sales to the supermarket, horeca, and home sectors, which are reached through distribution branches that are completely managed by the Naqi Company's sales. Company sales: This structure contributes to the continued arrival of Naqi Water Company's products to various regions of the Kingdom. It also contributes to enhancing the efficiency of production lines and enhancing the profitability structure during the year 2023 AD. Based on a study of sales regions across the Kingdom, the company took a decision to raise the pace of expansion in the sales sector. Retail while maintaining the wholesale sales sector, which enhances the reach of the company's products to all regions of the Kingdom. This strategic direction resulted in strengthening the retail sales branch in the Riyadh region by adding a new distribution branch in the north of Riyadh and supplying it with qualified personnel and suitable capabilities capable of enhancing retail sales in the Riyadh region. The company aims to continue strengthening its presence in the Riyadh region by raising the level of access to a larger segment of customers. The bottled drinking water factory, which is currently being established in Riyadh, will contribute to promoting and financing the company's products to its customers within a more appropriate cost structure. This was completed during the year 2023 AD. The opening of a retail sales branch in Jeddah Governorate in the Makkah Al-Mukarramah region, which currently aims to enhance the presence of the company's products in the region and achieve sustainable growth in retail sector sales, which achieves sustainable financial returns, and contributes to enhancing access to the company's customers and serving them according to the service levels that are managed by Customer service management

Second: Diversifying the main operating sectors

During the year 2023, the company set out to expand and diversify its main operating activities within the food production sector. The company worked on reviewing the opportunities available in the market in accordance with a comprehensive review of the food production sectors, which resulted in the company targeting the table egg production sector to be a counterpart to the bottled drinking water production sector in diversifying operational revenues. The company took the decision to acquire an existing project for laying poultry, which It was acquired during the current year, and the acquisition process resulted in the entire transfer of the project's total assets to the Naqi Water Company. This is in addition to the acquisition of technical and administrative expertise in this project, which enables the rapid completion of operations in this sector. Experimental production began in the sector. Table eggs during the fourth quarter of the current year, with a production capacity of approximately 26 million eggs annually. At the end of 2023, work was done to raise this production capacity to 40 million eggs together through a contract to supply productive layer poultry. The company currently aims to make the necessary expansions in the project to raise the annual production capacity by the end of 2024 to approximately four times the current production capacity. The planned expansions include the construction of new breeding and production sheds and supplying the current project with equipment in accordance with the best international standards, which is almost entirely based on the latest types of technology in the egg production sector. In a way that contributes to reducing labor costs and raising operating efficiency, in accordance with the best international practices in the field of bio and food security, the company has relied in its current plans for expansion in the table egg production sector on financing all self-planned expansions from net operating cash flows, which contributes to maintaining its position. The company and its financing structure are within ideal levels

First: Expanding the bottled drinking water production sector

The bottled drinking water production sector in the Kingdom has a promising market that derives its opportunities from the Kingdom's programs in raising the quality of life and the steady rise in population numbers, especially in the Kingdom's main regions. This is in addition to the rapid change in the consumer and social lifestyle, which is enhancing sales of the food production sector. The company expects the volume of local consumption of bottled drinking water to rise at a rate of continuous growth during the next five years. However, this sector is witnessing continuous competition as a result of the promising opportunities that this sector offers to many investors and companies operating in the food production sector, which requires companies to invest their expertise to deal with the ongoing changes in this sector. The company relied on its strategic review that it implemented by the end of 2022. By taking the decision to expand the production of bottled drinking water, relying on its accumulated experience in this field, in accordance with a strategy of expansion and spread across the regions of the Kingdom, which helps the company achieve a competitive advantage by exporting quality products in accordance with the best specifications and standards in this sector, while reducing The costs associated with the production and supply chains are maximized, so that a sustainable competitive advantage can be achieved. The decision to expand in this sector resulted in the development of a plan aimed at establishing new factories for the production of bottled drinking water outside the Qassim region, which contributes to raising the production capacity significantly compared to the current production capacity. The company aims to Establishing factories based on modern production techniques in order to enhance the arrival of the product at the lowest possible costs to multiple regions of the Kingdom. The expansion plan was built based on population and industrial expansion data in the Kingdom, and the flexibility of supply chains in the expansion areas was taken into account. This plan resulted in identifying two locations for expansion of the company's new factories in both Riyadh and Jazan. The company adopted in its expansion plan the opening of its new factories. It is based on a self-financing structure that guarantees financing of bottled drinking water expansion projects on its own, relying on the company's operating cash flows. In a way that contributes to the continued maintenance of a strong financial position and an ideal financing structure, taking into account the current high interest rates

معك ..
في كل لحظة

Company activity:

Naqi Water Company is one of the companies working to enhance the private sector's contribution to food security inputs in the Kingdom of Saudi Arabia. Naqi Water Company works to provide bottled drinking water products in accordance with the best international practices and standards. The company also supplies local markets with table egg products.



B. The activity of producing and selling table eggs

During the year 2023 AD, the company invested in expanding its commercial activities by acquiring a layer poultry farm in the Qassim region. The company worked to provide this farm with qualified technical and administrative personnel in order to raise the level of biosecurity and maintain operational processes capable of ensuring the delivery of table egg products in accordance with quality standards. Environmental safety for the final consumer.

The company's business model in the table egg production sector is based on raising young poultry (chicks) until they are capable of commercial production, and then the young poultry that have become capable of production are transferred from the breeding pens to the production pens. All poultry sheds are located within the scope of the poultry farm, which relies in its operations on an integration methodology in the operations and production processes. Table egg production operations began during October 2023, with the company investing in purchasing poultry businesses capable of producing eggs. Two flocks of Lohmann breed poultry were purchased with the aim of accelerating the operation and production process. The company will also work during the year 2024 to increase production capacity by adding a new sector of poultry capable of production and of the same breed. Note that the company is currently working on implementing an integrated expansion project within the poultry sector in a way that can significantly increase the production capacity of this sector, noting that the current production in the poultry sector is still in its infancy, and its contributions to the company's total sales amounted to approximately 19% due to the start of production in The fourth quarter of the year, in addition to continuing work on the current expansion project and not starting to operate this expansion until it is completed.

The impact of these main activities on the company's business volume and its contribution to the results are as follows:

Ratio	Activity revenues	
%99	237,410,256	The activity of producing and selling bottled drinking water and logistical transportation services
%1	1,412,371	The activity of producing and selling table eggs
%100	238,822,627	Total

A. The activity of producing and selling bottled drinking water and logistical transportation services

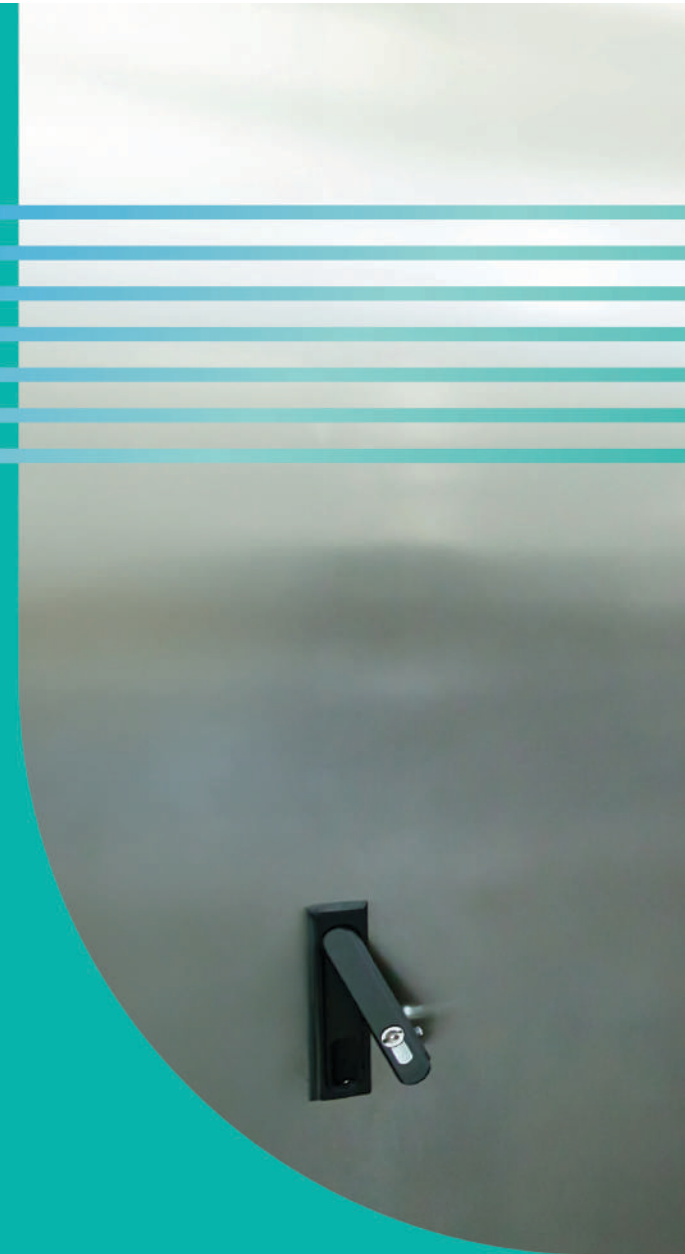
Production lines are operated according to a regular annual plan that takes into account preventive and repair maintenance periods. Taking into account the seasonality of production, which contributes to maintaining high production efficiency compared to the bottled drinking water production sector, the average efficiency of production lines for the year 2023 was 70%, according to an average continuous operation of 275 working days. Production during the year relied on providing water that conforms to the specifications and standards adopted by the company through three desalination plants equipped to produce health-safe water. The production capacity of the desalination plants is approximately double the production capacity of the production lines, which constitutes one of the most important strengths for the company's future expansions. The company owns seven warehouses for stock of the finished product, raw materials and their consequences, in addition to the distribution warehouses for the Riyadh, Qassim and Jeddah regions. The management of these seven warehouses located on the land owned by the company contributes to achieving operational and production efficiency due to its ability to achieve a waste rate in handling and delivery time reaching zero. Naqi has equipped all its warehouses with advanced safety and protection systems in order to maintain product quality and security while reducing inventory risks to a minimum. The warehouses of the distribution branches, in all regions of Qassim, Riyadh, and Jeddah, enable the company to easily reach the largest possible segment of customers in several regions across the Kingdom. Quality management and production control provide continuous and real-time support for all production processes. The company's products are subject to integrated control to ensure the safety of these products and their fulfillment of all health conditions. Our team works using the latest types of technology to carry out periodic checks that take place every 30 minutes in a way that ensures the safety of our products. The quality and production control team works in accordance with ISO 220,000 standards, HACCP standards, and GMP standards to activate the joint work strategy with the production department, which contributes to achieving the integration of production processes and achieving the goals of health controls. In order to ensure the sustainability of quality-related processes, the company has contracted with laboratories specialized in microbiological and chemical analyses. This is to raise the level of reliability of the quality of its products and to ensure that our promise to our customers to provide safe and healthy products is met. The company adopts a dual model in sales operations, as the company's sales are divided into wholesale sector sales, which is the sector that includes direct sales from the company's main warehouses to distribution agents, and the retail sales sector, which is managed through the company's sales cadres to distribute the company's products to market, supermarket and Horeca customers. And houses. The bottled drinking water sector includes the use of the company's own transportation fleet in order to enhance the company's revenues from the logistical transportation services sector, which is directly linked to the transportation of bottled drinking water for the benefit of distribution agents in the regions of the Kingdom.

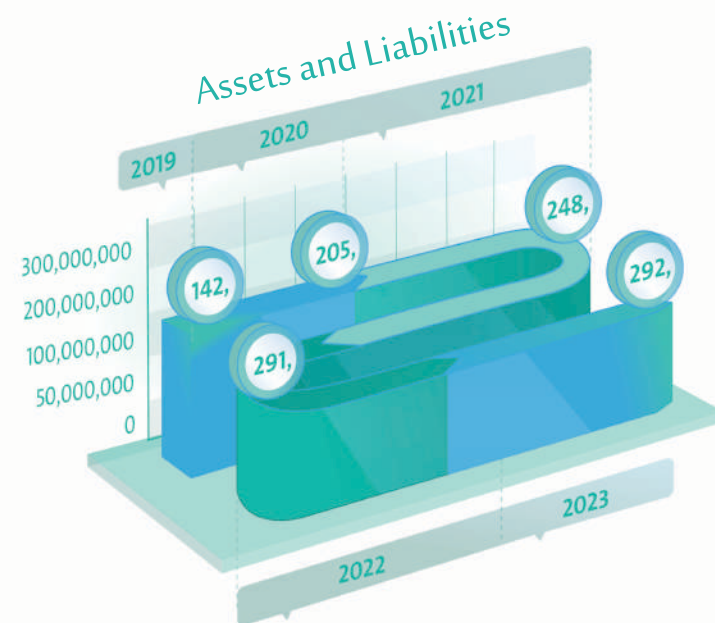


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Third: Summary of financial performance





Sales for the current year decreased by 16% compared to the previous year as a result of increased competition in the bottled drinking water sector, and the company is moving towards focusing on spreading in various regions of the Kingdom with the aim of enhancing the retail sector's share of sales in the future. Although sales decreased by 16%, net profit was affected by 12% compared to last year. This came as a result of the company's investment in cost management and enhancing production efficiency. This is despite the expansions that the company witnessed during the current year, which led to an increase in selling expenses by 17% and an increase in administrative and general expenses by 28%, as a result of the opening of new branches and as a result of the company beginning to implement its expansion plans. Previously announced, which includes the establishment of new factories for bottled drinking water and the start of the initial operation of the table egg production project. The revenues generated from investing in Murabaha deposits also contributed to enhancing the net profit.

Worker results within five years: Loans:

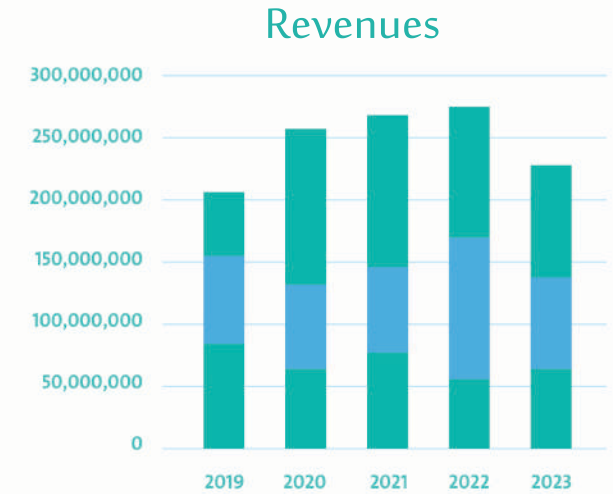
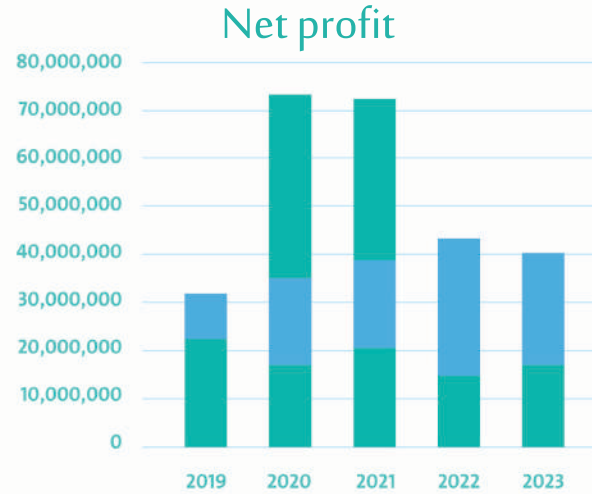
2023	2022	2021	2020	2019	Statement
238,822,627	284,290,176	277,823,065	264,514,045	217,529,529	Revenues
153,663,556	194,252,724	164,868,568	160,493,074	174,604,147	Revenue costs
85,159,071	90,037,452	112,954,497	104,020,971	42,925,382	Gross profit
42,950,121	48,707,066	77,275,987	77,954,815	34,778,814	Net profit

2023	2022	2021	2020	2019	Statement
135,662,061	139,420,786	82,789,090	56,956,119	28,854,980	Assets
156,840,838	151,694,650	165,319,932	148,297,530	113,925,279	Non-current assets
292,502,899	291,115,436	248,109,022	205,253,649	142,780,259	Total assets
27,759,261	27,907,402	25,237,573	22,223,312	24,226,150	Current Liabilities
11,611,814	13,726,648	14,937,504	18,767,569	154,436	Non-current liabilities
39,371,075	41,634,050	40,175,077	40,990,881	24,380,856	Total liabilities

Loans

In 2020, the company obtained a long-term loan from Riyadh Bank to finance the purchase of trucks and strengthen the local transportation fleet to transport its products to various regions of the Kingdom. The loan was contracted on a fixed Islamic Murabaha basis, which led to the company avoiding incurring additional interest expenses during the current year as a result of the high interest rates. The balance reached... The loan at the beginning of the year is 12,997,535 riyals, and the last installment is due on October 7, 2025. The company committed to paying all payments at the time they were due, and the company did not accrue any additional interest other than what was contracted. The details of the loan during the year 2023 were as follows:

The total indebtedness of the company and its subsidiaries	The remaining amount of the loan	Amounts paid in repayment of a loan during the year	Loan term	The principal amount of the loan	Name of the loan provider	Sequence
-	8,913,639	4,083,896	5 سنوات	20,500,000	Riyadh Bank	1



Percentage of change	Changes + or -	2023	2022	Statement
-16%	-45,467,549	238,822,627	284,290,176	Sales/Revenue
-21%	-40,589,168	153,663,556	194,252,724	Cost of sales revenue
-5%	-4,878,381	85,159,071	90,037,452	Gross profit
-68%	-1,188,075	565,070	1,753,145	Other operating income
9%	3,384,750	42,733,345	39,348,595	Other operating expenses
-18%	-9,451,206	42,990,796	52,442,002	Operating profit (loss)



Sales

During the fourth quarter of 2023, experimental commercial production began in the table egg sector, which aims to market egg products produced within the poultry farm owned by the company. Despite the different nature of the sector, the selling experience of the company's sales capabilities has been able to achieve sales targets of up to zero inventory within 3 days of production



Sales of table eggs during the year 2023 amounted to less than 1% of the company's total sales due to the modernity of operation and production in the poultry farm, which requires additional time to prepare the project's assets, whether the assets represented in buildings and operational equipment or the vital assets (laying poultry).



The company is currently working within an expansion project in the table egg products sector in accordance with its strategic plan to expand both production capacity and operational production in parallel, with the aim of enhancing operation in this sector in the shortest possible time.



During the year 2023, Naqi Company continued to implement its strategic plan, which is based on expanding the capabilities of reaching the largest possible segment of customers in an efficient manner that takes into account the opportunities of the company's distinguished geographical location, which enables it to reach the various regions of the Kingdom within a reasonable cost structure.



During the current year, the company worked to continue expanding and diversifying its sales channels by strengthening its relationships with a network of distribution agents in the regions of the Kingdom. The company also worked to expand retail sales channels by deepening its concentration in the central region in order to meet the needs of the largest segment of retail customers, including customers. Homes, mosques, the HORECA sector, hotels and supermarkets, in addition to clients specified in agreements



The company's strategy includes working to increase the proportion of retail sales in accordance with the profitability margins achieved by the retail sales sector, while the company continuously maintains the sustainability of its relationship with wholesale sales agents.



Naqi Company's products currently reach all regions of the Kingdom in different concentrations, and the company is currently seeking to raise the level of concentration in the densely populated regions of the Kingdom, which will contribute to supporting its market share and enhancing the presence of the company's products. This is in addition to the company's openness to export operations to the State of Kuwait, the State of Bahrain, the State of Oman, and the Hashemite Kingdom of Jordan, which led to an increase in export sales during the year 2023 compared to the previous year.



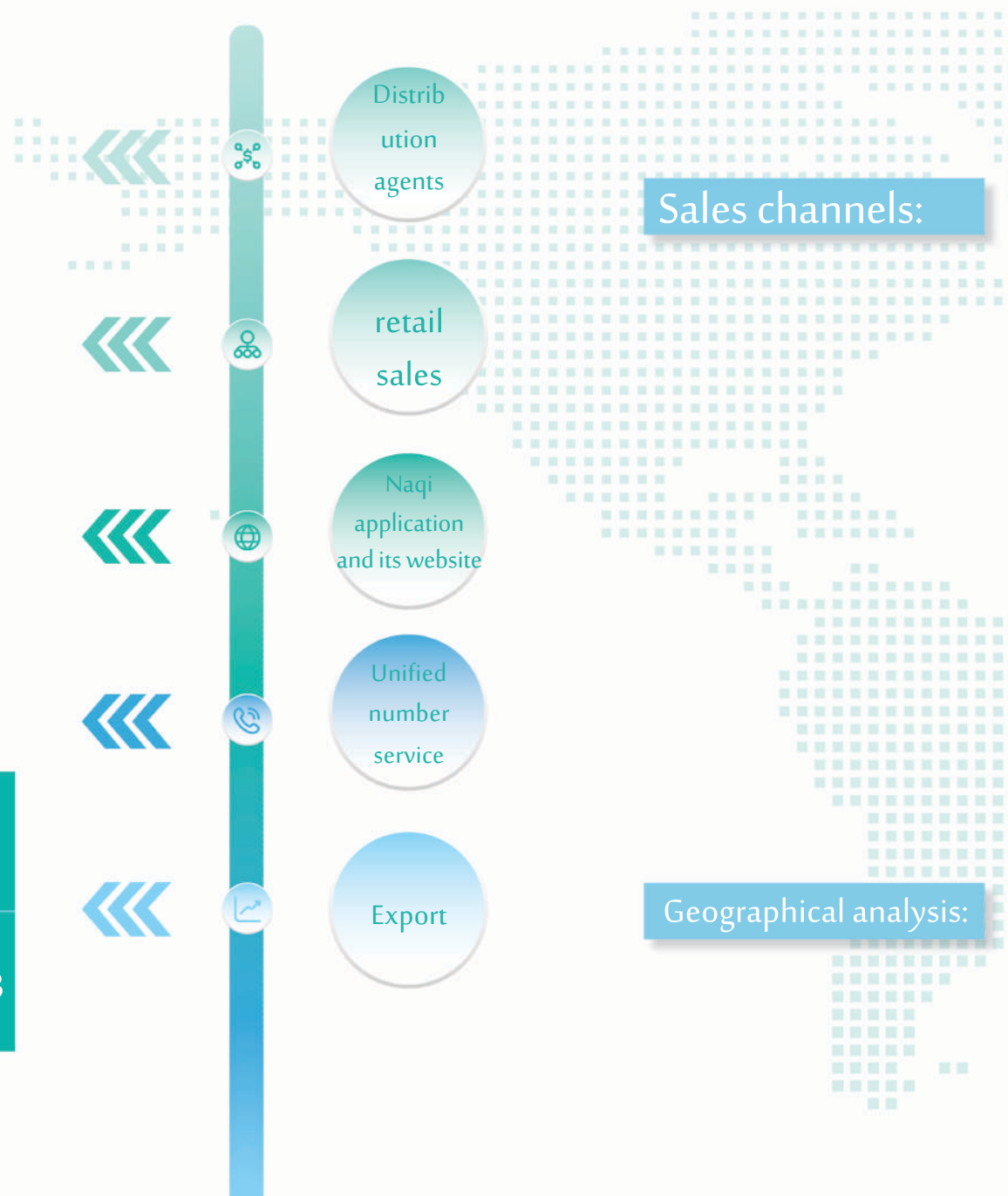
Naqi products reach 39 distribution agents in various regions of the Kingdom. Naqi Company aims to expand with the leaders of retail agents in less competitive areas, with the aim of enhancing the spread of its products through local agents capable of responding to the different needs for bottled drinking water products in their regions. Naqi's strategy in dealing with distribution agents who represent the wholesale sales sector is based on strengthening communication with the agents and enhancing their sales capabilities in their regions, through a low cost structure that includes the company not bearing additional costs for distributing and selling its products within these regions, and ensuring the sustainability of the efficiency of operating operations in its factories.

During the year 2023 AD, Naqi Company worked to fulfill its strategic commitments towards expanding retail sales within the most densely populated areas in the Kingdom. During the year, the company worked to continue supporting the capabilities of the sales and distribution branches in both Qassim and Riyadh, by expanding the sales capabilities in the second Riyadh branch, and developing the sales capabilities at the level of the two Riyadh branches. The Qassim branch continued to achieve its targets and efficiently maintain its market share during the year. During the year, the company worked to open a new branch for retail sales in the city of Jeddah to continue to raise the share of retail sales in the company's total sales due to the higher profit margins in retail sales than in wholesale sales. The Jeddah branch is expected to reach its targeted sales capacity during the second half of 2024. The distribution branches for retail sales contribute to expanding the customer base to which the company's products reach, by enhancing access to the final consumer and to supermarkets that deal directly with the final consumer.

Naqi enables its customers to have direct access to its products through its website and smartphone application around the clock, adhering to a maximum delivery period of no more than 72 hours. During the year 2024, the company is working to expand the sales capabilities of the website and smartphone application by enhancing the use of modern, sustainable technology solutions. Sales of the application and website contribute directly to enhancing retail sales, in line with the company's strategic plan

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

Beautiful geographical analysis of company revenues								Year
Foreign export	Other areas	Southern area	Eastern	northern Region	Western Region	Central Region	Total revenue	
5,054,304	7,235,639	7,449,781	12,763,336	20,143,569	24,427,535	161,748,463	238,822,627	2023



Sanctions and Punishments



Pure Water Company was not subjected to any penalties or sanctions during the year 2023 AD by a supervisory, regulatory or judicial authority.



Regular Payments:

Statement of reasons	Brief description of it	2023		Statement
		Due until the end of the annual financial period and not paid	The payer	
Entitlement according to the regulations	Regular payments	3,029,391	3,148,110	Zakat
Entitlement according to the regulations	Regular payments	-	16,860,215	Tax
Entitlement according to the regulations	Regular payments	-	2,151,719	General Organization for Social Insurance
Entitlement according to the regulations	Regular payments	-	13,044	Visa and passport costs
Entitlement according to the regulations	Regular payments	-	117,975	Labor office fees
Entitlement according to the regulations	Amounts paid or imposed under other laws	-	314,862	Other regulatory bodies







Fourth: Governance,
transparency and disclosure



Compliance with corporate governance regulations:

Reasons for not applying	Text of article/paragraph	Article/paragraph number
Guidance material	Training	37
Guidance material	Forming a risk management committee	67
Guidance material	Terms of reference of the Risk Management Committee	68
Guidance material	Risk Management Committee meetings	69
Guidance material	Motivating employees	82
Guidance material	Social work initiatives	85
Guidance material	Forming a corporate governance committee	92

Board of Directors



Qualifications and experience	previous jobs	Current jobs	Name	
Secondary diploma in 1997	- Chairman of the Board of Directors of Naqi Installment Company from 2010 AD until 2018 AD - Architectural draftsman at the Ministry of Municipal and Rural Affairs and Housing from 1998 AD until 2010 AD	Chairman of the Company's Board of Directors since 2021 AD - Vice Chairman of the Board of Directors of the Unayzah Chamber of Commerce and Industry since 2019 AD - Chairman of the Board of Directors of the Arab Club since 2019 AD	Amin bin Abdullah Al Mallah, Chairman of the Board of Directors	1
Diploma in Industrial Management, in 2022 Bachelor's degree in Chemical Engineering, King Saud University 1998 AD	- Undersecretary of the Ministry of Industry and Mineral Resources from 2016 AD to 2018 AD - Vice Chairman of the Company's Board of Directors from 2021 AD until March 2023 AD - Undersecretary of the Ministry of Commerce from 2015 to 2016 AD - General Manager of Al-Mudaifer Investment Group, from 2010 AD until 2010 AD - Director of Product Development, Packaging Materials Manufacturing Company / FIPCO, from 1999 AD until 2005 AD.	Secretary General of the Saudi Export Development Authority since 2017 AD Member of the Board of Directors, Al Rajhi International Investment Company since 2021 AD Member of the Board of Directors of the Food Security Company, a limited liability company since 2021 AD	Saleh Shabab Al-Sulami, Vice Chairman of the Board of Directors (resigned member)	2
High school at the Capital Model Institute in 2002	1- Member of the Board of Directors of Maharah Human Resources Company from 2018 AD until 2020 AD 2- CEO of Maharah Human Resources Company from 2018 AD until 2020 AD 3 - Managing Director of Abu Moati Library Company from 2017 AD until 2018 AD 4 - Member of the Board of Directors of Al-Wusta Food Industries Company since From 2015 until 2017 AD 5-Member of the Board of Directors of Riyadh Food Industries Company from 2013 AD until 2017 AD 6- Advisor to the Chairman of the Board of Directors of Al-Othaim Holding Company, a closed joint stock company, from 2021 AD until 2022 AD. 7- Member of the Board of Directors of Al-Othaim Investment Company from 2006 to 2016 AD 8- CEO of Al-Othaim Markets Company from 2006 AD until 2017 AD 9- Executive Vice President of L'azurde Jewelry Company from 2005 AD until 2006 AD 10- Deputy Assistant Secretary-General of the General Tourism Authority, seconded from Samba) from 2000 AD until 2004 AD 11 - Director of Human Resources at Al Rajhi Bank from 1991 AD until 1994 AD. 12- Chairman of the Board of Directors of the Saudi Advanced Industries Company from 2022 until February 2023 AD 13- Member of the Board of Directors of Al-Othaim Markets Company from 2006 AD until 2017 AD 14 - Chairman of the Board of Directors of Moeen Human Resources Company from 2015 AD until 2017 AD	- Member of the Board of Directors of Naqi Water Company since 2021 AD - Chairman of the Remuneration and Nominations Committee since 2021 AD Member of the Board of Directors of Abdullah Saad Abu Moati Libraries Company from 2013 until now - Member of the Board of Directors of Innovest Real Estate Development Company from 2020 AD until now - Chairman of the Board of Directors of Muqaddim Investment Company from 2020 AD until now - Chairman of the Board of Directors of the Blue Sky Aviation Education Company from 2022 until now - Founder and Chairman of the Board of Directors of Safety Valve Holding Company from November 2022 until now - Chairman of the Board of Directors of Atlas Elevators General Trading and Contracting Company from 2020 until now - Chairman of the Board of Directors of Wasool Company Al-Oula for Information Technology and Systems (closed joint stock company) since the end of 2023 AD until now Member of the Board of Directors of Mado' Company (closed joint stock company) since the beginning of 2024 AD	***Youssef bin Muhammad Al-Qafari, Vice Chairman of the Board of Directors	3
He holds a Master's degree from Sulaiman Al-Rajhi University, Executive EMBA in Business Administration, and a Bachelor's degree in Business Administration from Qassim University	Saudi Ceramic Company - Director of Marketing and Public Relations at Sulaiman Al Rajhi University from 2016 to 2017 AD - General Manager of Sales and Marketing at Naqi Water Company from 2017 to 2022 AD	- Managing Director from 03-12-2023 until now - CEO from 2022 until now - Member of the Board of Directors of the Arab Club in Unayzah from 2022 until now	**Abdul Aziz Yousef Al-Sayegh, Managing Director and CEO	4
Master in International Management, University of Salford, 2020AD Diploma in Business Administration, University of Cumbria Carlisle, United Kingdom, 2017AD Certificate in Securities Dealing - Capital Market Authority in 2009 (1-CME) - Diploma in Electronics Engineering from the College of Technology in 1996	CEO of Al Othaim Holding Company, a public joint stock company working in the field of investment from 2018 AD until 2019 AD- CEO of Care International Limited from 2017 to 2018 AD. Director General of the Saudi Paper Manufacturing Company from 2013 to 2015 AD.- Head of Fund Management at MEFIC Capital from 2010 to 2012.- Research analyst and fund manager at the National Investment Company from 2006 until 2010 AD. Supervisor and speculator for the companies and currencies department at the Arab Investment Bank from 1999 until 2005 AD	- Member of the company's Board of Directors since 2021 AD Chairman of the company's audit committee since 2021. Managing director and CEO of Rasana Financial Company since 2019.	Abdullah bin Abdul Rahman Al-Rabdi, member of the Board of Directors	5
Bachelor of Business Administration at Jackson State University - Mississippi in 1998	General Manager of a company at Al Sharq Machinery Company Limited from 2015 AD until 2016 AD - General Manager of Takween Advanced Industries Company (Takween) from 2007 AD until 2013 AD - General Manager of the Arab Paper Products Company from 1998 AD until 2007 AD	- Member of the company's Board of Directors since 2021 AD Member of the company's Remuneration and Nominations Committee since 2021. - Executive Vice President at Middle East Machinery Company Limited since 2016 AD	Zaid Nihad Al-Nazer, Member of the Board of Directors	6
American Fellowship of Certified Public Accountants in 2009, New Hampshire State License No. 08352. - American Fellowship of Internal Auditors in 2007 AD American Fellowship of Management Accountants in 2005 AD American Fellowship of Financial Managers in 2005 AD - Bachelor of Commerce from Alexandria University, 1990	- Head of Financial Affairs and Investment at Mudar Investment Company - a closed joint stock company operating in the field of real estate investment and development from August 2021 until November 2022. - Executive Vice President for Financial Affairs at Saqa Holding Group from 2019 to 2022 AD. - Executive Vice President of Finance at Packaging Products Company from 2018 AD until 2019 AD. - Executive Vice President for Financial and Administrative Affairs at the Saudi Plastic Factory from 2016 AD until 2018 AD - Executive Vice President for Financial Affairs and Head of Support Services from 2014 AD until 2016 AD - Financial Director at Nayyara Celebrations Company from 2007 AD until 2013 AD - Financial Director at Zahran Holding Company from 2005 AD until 2006 AD - Director of Internal Audit at Saleh Al-Mudaifer Holding Group from 2002 AD until 2004 AD. - Financial Director at Batterjee Holding Company - a closed joint stock company from 1999 AD until 2002 AD. - Director of Accounts at Batterjee Holding Company from 1992 AD until 1998 AD - Accountant at the Arab Contractors Company from 1990 AD until 1991 AD	- Member of the company's Board of Directors since 2021 AD. Member of the company's Audit Committee since 2021 AD - Head of Financial Affairs at Saqa United Holding Group since December 2022 AD - Member of the Board of Directors at Saqa United Holding Group since June 2023 AD	Mustafa Hasaballah Al-Hofy, Member of the Board of Directors	7

*He resigned from the Board of Directors on March 12, 2023

**He was appointed Managing Director on March 12, 2023

***He was appointed Vice Chairman of the Board of Directors on March 12, 2023

Board of Directors Committees:

B. Members of the Nominations and Remuneration Committee:

1

Yousef Muhammad Al-Qaffari, Chairman of the Nominations and Remuneration Committee. Please refer to Board Memberships for more details about Yousef Muhammad Al-Qaffari's experiences, qualifications, and current and previous positions.

2

Zaid Nihad Al-Nazer, Member of the Nominations and Remuneration Committee. Please refer to Board Memberships for more details about Zaid Nihad Al-Nazer's experience, qualifications, and current and previous positions.

3

Obaid Saad Al-Mutairi, Member of the Nominations and Remuneration Committee. Please refer to the Memberships of Audit Committee Members for more details about Obaid Saad Al-Mutairi's experiences, qualifications, and current and previous positions.

a. Members of the audit committee

2 Mustafa Hasballah Al-Hawaif Member of the Audit Committee Please refer to Board Memberships for more details about Mustafa Hasballah Al-Hawaif's experience, qualifications, and current and previous positions

1 Abdullah Abdul Rahman Al-Bardi Chairman of the Audit Committee Please refer to Board Memberships for more details about Abdullah Abdul Rahman Al-Bardi's experiences, qualifications, and current and previous positions.

Qualifications and experience	previous jobs	Current jobs	Name	
American Fellowship for Internal Auditors in 2019 - British Fellowship for Certified Public Accountants in 2015 - Bachelor's degree in Accounting and Management, Sana'a University in 2008	- Member of the company's audit committee from 2021 AD until May 2023 AD - Chief Financial Officer, Saqa Group of Companies from 2020 AD until 2023 AD - Executive Director of Capital Advisory and Accounting Consulting Services, PricewaterhouseCoopers Certified Public Accountants from 2017 to 2020 AD - Senior Director of Audit Services, Deloitte & Touche Middle East from 2010 AD until 2017 AD - Auditor, KPMG Hazem Hassan, certified public accountants and consultants from 2008 to 2010 AD.		*Haitham Abdullah Dahhan, member of the audit committee	1
- Doctorate in Accounting from the University of Essex 1999 - Master's in Accounting from Colorado State University 1994 - Bachelor's in Accounting from King Saud University 1990 - Professor Dr. Obaid Al-Mutairi held several leadership positions in the Kingdom with more than 30 years of experience in leadership, strategic planning and supervision. - Administrative and membership of accounting and auditing standards committees- Professor Dr. Obaid currently works as Dean of the College of Business at Sulaiman Al-Rajhi University. He served as Dean of the College of Economics and Administration at Qassim University and worked as a financial advisor for investment in the General Authority for Tourism and Antiquities. He also served as a member of several boards of directors in Saudi companies, and served as president and member of many Audit committees in multiple companies. Professor Dr. Obaid has extensive experience in corporate governance, audit committees, and internal audit	- Member of the Board of Directors and Chairman of the Audit Committee at the National Poultry Company from April 2018 until December 2021. - Member of the Auditing Standards Committee of the Saudi Organization for Auditors and Accountants from 2002 AD until 2009 AD. - Member of the General Assembly Council of the Accounting and Auditing Organization for the Gulf Cooperation Council countries from 2015 to 2017 AD.	Member of the Audit Committee and Committee - Rewards and nominations in the company since May 2023 AD - Member of the Audit Committee at Tawtheeq Company since February 2020 AD - Member of the Audit Committee at Imkan Company since January 2020 AD - Member of the Audit Committee at Neolib Company since March 2021 AD - Chairman of the Audit Committee at Sulaiman Al Rajhi Company International Investment since January 2024 AD	**Obaid Saad Al-Mutairi, member of the Audit Committee	2

*He resigned from the Audit Committee on May 1, 2023

**He was appointed a member of the Audit Committee on May 1, 2023

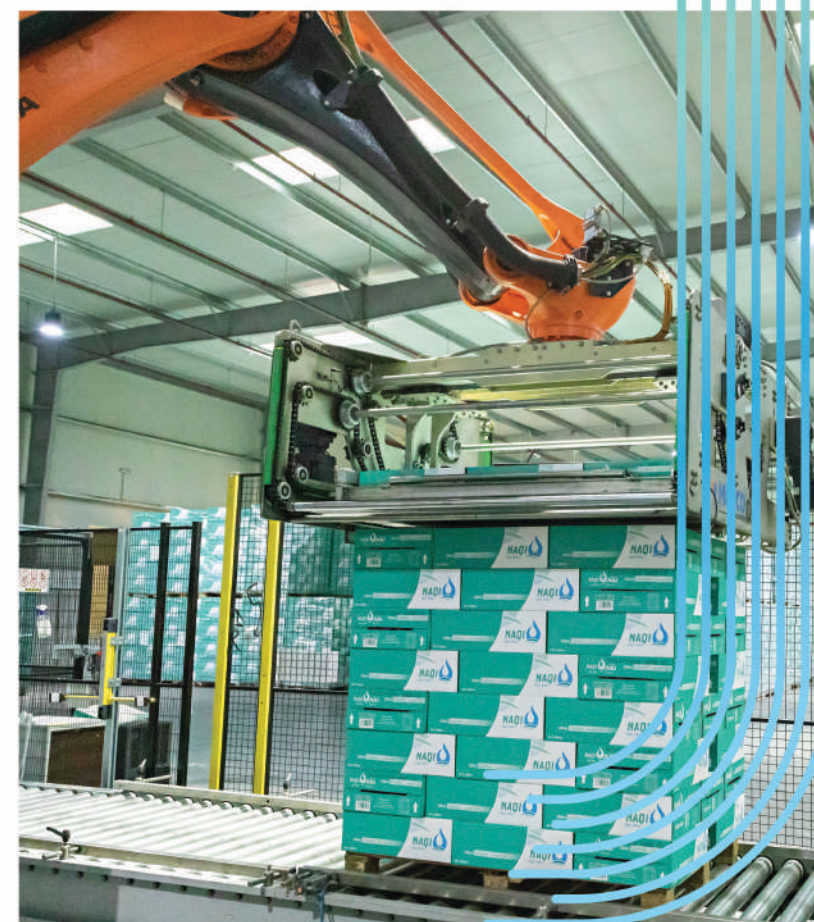
Qualifications and experience	previous jobs	Current jobs	Name	
- He holds an Executive Master's degree in Business Administration - Sulaiman Al Rajhi University EMBA - Bachelor of Business Administration (Qassim University)	- Saudi Ceramic Company - Director of Marketing and Public Relations at Sulaiman Al Rajhi University From 2016 to 2017 - General Manager of Sales and Marketing at Naqi Water Company from 2017 to 2020	- Managing Director from 03/12/2023 until now - CEO from 2020 until now - Member of the Board of Directors of the Arab Club in Unayzah from 2022 until now	Abdul Aziz Youssef Al-Sayegh	1
- Diploma in Computer in 2001	- Executive Director of the company from 2016 AD until 2020 AD - Executive Director of Naqi Installments Corporation from 2013 AD until 2016 AD - Administrator at the Adel Al-Hatlani Foundation from 2006 AD until 2013 AD - Customer Service Officer at the Saudi Telecom Company from 2001 until 2002 AD	- General Manager of Support Services at the company from 2020 AD until now - He was assigned to become General Manager of Sales and Marketing in addition to his current duties from December 2023 until now	Asim Ibrahim Al-Hatlani	2
He holds a bachelor's and master's degree in accounting. He holds a doctorate in accounting and auditing. AAA is a member of the American Accounting Association - Member of the Information Systems Auditors and Supervision Association (ISACA). - Local expert accredited by the international AACSB accreditation body - He holds the rank of professor in accounting and auditing	- Financial Director of Sawa Financial Investments Company from 2007 to 2008 - Assistant Dean and University Professor from 2003 to 2022 - Founder of Al-Ekhwa Foodstuff Trading Company, Jordan 2009 - Head of Budget and Financial Planning, Jerash Private University from 2003 to 2006 - Member and team leader of the Investment Committee of Sulaiman bin Abdulaziz Al Rajhi Education and Development Company from 2020 to 2022 - Consultant in governance, restructuring and strategy building for several companies - Consultant in financial and accounting planning for several companies - Founding member of teams establishing business schools in the Kingdom of Saudi Arabia - Qualification member within the teams of the UNESCO Creative Cities Network	Chief Financial Officer - from 2022 until now	Qasim Muhammad Zureikat, Falah	3

Executive management:



Legal entity (listed joint stock / unlisted joint stock limited liability)	inside	(previous company names)	Legal entity (listed joint stock / unlisted joint stock limited liability)	inside	Company names (current)	member name
Limited liability	inside	Naqi Installment Company	Contribution included	inside	Naqi Water Company	Amin bin Abdullah Al-Mallah
-Contribution included- Contribution included- Contribution included- Closed contribution - Contribution included - Closed contribution	inside	-Maharah Human Resources Company - Al-Wusta Food Industries Company - Riyadh Food Company for Food Industries- Al Othaim Holding Company- Al Othaim Investment Company- Al Othaim Markets Company	-Contribution included- Contribution included - Closed contribution - Limited liability -Closed contribution	inside	-Naqi Water Company - Saad Abu Moati Libraries Company - International Human Resources Company - Quantum Investment Company - Blue Sky Aviation Education Company - Safety Valve Holding Company	Youssef bin Muhammad Al-Qaffari
-Contribution —included- Limited liability- Closed contribution- Closed contribution - Contribution included	inside	-Naqi Water Company- Obeikan Investment Group - Al-Mudaifer Investment Group- National Company for Industry- Packaging Materials Manufacturing Company / FIPCO	Contribution included Limited liability	inside	Al Rajhi International Investment Company Food security company	*Saleh Shabab Al-Salami
Limited liability	inside	Sulaiman Al Rajhi University	Contribution included	inside	Naqi Water Company	**Abdul Aziz bin Youssef Al-Sayegh
Limited liability	inside	-Mudar Investment Company- Packaging Products Company- Nayyara Company- Zahran Holding Company- Saleh Al-Mudaifer Holding Group- Al-Bartaji Holding Company	Contribution included Limited liability	inside	-Naqi Water Company - Saqa United Company - Al Mal Holding Group - Najmat Al-Mada'in Group	Mustafa bin Hasaballah Al-Hofy
Closed contribution Contribution included Contribution included Contribution included	inside	-Al Othaim Holding Company- Kbar International Company - Saudi Paper Manufacturing Company - Middle East Financial Investment Company / MEFIC Capital - Al Arabi Investment Company- Arab Investment Bank	Contribution included Closed contribution	inside	Naqi Water Company Rummana Financial Company	Abdullah bin Abdul Rahman Al-Zubadi
Contribution included Limited liability	inside	Takween Advanced Industries Company Arab Paper Products Company	Contribution included Limited liability	inside	Naqi Water Company Middle East Machinery Factory Company Limited	Zaid bin Nihad Al-Nazir

Names of companies inside or outside the Kingdom in which a member of the company's board of directors is a member of its current or previous boards of directors or one of its managers:



*He resigned from the Board of Directors on March 12, 2023

**He was appointed Vice Chairman of the Board of Directors on March 12, 2023

Associations:

Attendance Record			Name	
The third assembly meeting 18/10/2023 AD	The Second Assembly Meeting 22/06/2023 AD	The First Assembly Meeting 08/01/2023 AD		
✓	✗	✓	Amin bin Abdullah Al-Mallah	1
-	-	✓	*Saleh Shabab Al-Salami	2
✓	✓	✗	Youssef bin Muhammad Al-Qaffari	3
✗	✗	✗	Abdullah bin Abdul Rahman Al-Zubadi	4
✗	✓	✓	Mustafa bin Hasaballah Al-Hofy	5
✓	✓	✓	Zaid bin Nihad Al-Nazir	6
✓	✓	-	**Abdul Aziz bin Youssef Al-Sayegh	7

*He resigned from the Board of Directors on March 12, 2023

**He was appointed Vice Chairman of the Board of Directors on March 12, 2023

Suggestions:

The Board of Directors is always keen for the majority of its members, especially non-executives, to attend general assembly meetings. The Corporate Governance Regulations also included the Board of Directors' work procedures, which gave special attention to hearing shareholders' proposals and inquiries and responding to them, listening to shareholders' questions, proposals and inquiries and responding to them, and listening to shareholders' questions and proposals regarding the company and its performance. Responding to them and documenting them in the minutes of the assemblies, in addition to the company's establishment and performance and responding to them and documenting them in the minutes of the assemblies. In addition, the company provides members with minutes of association meetings that include shareholders' inquiries, if any. Members are also notified of any inquiries or questions received by the company from various means of communication.



c. Review Committee:

The Audit Committee consists of 3 members, and to enhance its role in assisting the Board of Directors in performing its duties effectively and based on the committee's work regulations, the committee held 7 meetings during the year 2023. Among the tasks and powers of the Audit Committee are, for example, but not limited to, supervising the internal audit department in The company, studying the internal control system and internal audit reports, recommending to the Board of Directors to appoint auditors, determining their fees, following up on their work, studying the audit plan and the auditor's observations, studying the initial and annual financial statements before presenting them to the Board of Directors, studying the accounting policies followed and their fulfillment of requirements in accordance with generally accepted accounting standards and the recommendation. In this regard, the Board of Directors shall review the auditor's plan and work, and the results of the regulatory authorities' reports, and verify that the company has taken the necessary measures in this regard. Verify the company's compliance with the relevant rules, regulations, policies, and instructions and present its views regarding this to the Board of Directors.

Number of meetings (7) meeting							Nature of membership	Name	
Seventh meeting 11/28/2023 AD	Sixth meeting 11/06/2023 AD	Fifth meeting 08/10/2023 AD	Fourth meeting 06/20/2023	Third meeting 05/22/2023 AD	Second meeting 05/10/2023 AD	First meeting 03/29/2023 AD			
✓	✓	✓	✓	✓	✗	✓	Chairman of the Audit Committee	Abdullah bin Abdul Rahman Al-Zubadi	1
✓	✓	✓	✓	✓	✓	-	Member of the audit committee	Obaid Saad Al-Mutairi	2
✓	✓	✓	✓	✓	✓	✓	Member of the audit committee	Mustafa bin Hasaballah Al-Hofy	3

b. Nominations and Remuneration Committee

The Nominations and Remuneration Committee consists of 3 members, and to enhance its role in assisting the Board of Directors in performing its duties effectively and based on the Committee's work regulations, the Committee held 1 meetings during the year 2023, and among the tasks and powers of the Remuneration and Nominations Committee are, but not limited to, recommending nominations to the Board of Directors. For Board membership and proposing clear policies and standards for membership in the Board and Executive Management, reviewing the structure of the Board of Directors and Executive Management and submitting recommendations regarding changes that can be made, identifying areas of weakness and strength in the Board of Directors and proposing solutions to address them in a way that benefits the company's interest, and ensuring on an annual basis the independence of the independent members, Preparing and updating the necessary policies for the remuneration of members of the Board of Directors and the committees emanating from the Board and the Executive Management, periodically reviewing them and evaluating their effectiveness in achieving the objectives, clarifying the relationship between the remuneration granted and the applicable remuneration policy.

Number of meetings meeting (1)	Nature of membership	Name	
First meeting 10/01/2023 AD			
✓	Chairman of the Nominations and Remuneration Committee	Youssef bin Muhammad Al-Qaffari	1
✓	Member of the Nominations and Remuneration Committee	Obaid Saad Al-Mutairi	2
✓	Member of the Nominations and Remuneration Committee	Zaid bin Nihad Al-Nazir	3

Meetings:

a. Board of Directors:

Total	Number of meetings (4)					Membership classification	Name of member	
	Fourth meeting 12/28/2023 AD	Third meeting 11/30/2023 AD	Second meeting 10/31/2023 AD	First meeting 05/29/2023 AD				
3	✓	✗	✓	✓	Non-executive	Amin bin Abdullah Al-Mallah	1	
4	✓	✓	✓	✓	Independent	Youssef bin Muhammad Al-Qaffari	2	
4	✓	✓	✓	✓	Executive	**Abdul Aziz bin Youssef Al-Sayegh	3	
2	✓	✗	✓	✗	Independent	Abdullah bin Abdul Rahman Al-Zubadi	4	
4	✓	✓	✓	✓	Non-executive	Mustafa bin Hasaballah Al-Hofy	5	
3	✗	✓	✓	✓	Non-executive	Zaid bin Nihad Al-Nazir	6	
-	-	-	-	-	Non-executive	*Saleh Shabab Al-Salami	V	

*He resigned from the Board of Directors on March 12, 2023

**He was appointed Vice Chairman of the Board of Directors on March 12, 2023

Complete satisfaction all the time	Most of the time better than average	Some time is average	Sometimes less than average	Rarely weak	Standards
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Member skills: The council member has the appropriate skills and experience for the course?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Understanding the company and its activities: The board member makes the effort required to know and understand the company and its activities?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sufficient time for tasks: Council member devotes sufficient time to performing his duties?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Flexibility: The board member anticipates and accepts change and promotes the positive aspects of change in others?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Personal influence: The council member communicates effectively, seeks to understand the viewpoints of others, and negotiates or influences depending on the time.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Demonstrate business acumen: Board member makes sound decisions and judgment when discussing the Board agenda?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Professional development: The council member bears the responsibility of constantly developing himself professionally.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Successful relations with the company's management: Is the board member open in his communications with the company's management and others as necessary?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Successful relations with external parties: Board member is open in communications with major shareholders and other stakeholders as appropriate for a session in the Board?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Coordination with the Company Secretary: Does the Board member benefit appropriately from the support of the Company Secretary?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Coordination with the most senior independent member: The council member consults and communicates with the most senior independent member of the council whenever necessary or according to the situation?

Complete satisfaction all the time	Most of the time better than average	Some time is average	Sometimes less than average	Rarely weak	Standards
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Strategy development: The board member clearly understands the company's core activity and participates in setting its strategic objectives?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Performance success: The board member is keen on the availability of the financial and human resources necessary to achieve the company's goals?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Identify and implement support: The board member supports the company's standards and values, enabling him to control performance from the top of the organization?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Demonstrating courage and integrity: The council member is prepared to stand up for his position, oppose constructively, and set an example in acting ethically?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Attending council meetings: Council member attends its meetings regularly?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Preparing for the meeting: Does the council member prepare well before the meetings?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Positive participation: The council member participates positively in the difficult and revealing discussions and between council meetings?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Bearing personal accountability: Does the board member demonstrate responsibility for promoting the company's success?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Risk and control frameworks: Is the board member's approach to assessing company risks open and inquisitive?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Responding to bad news: Does the Council member respond positively and constructively to bad news by encouraging transparency and frankness in exchanging information?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Understanding individual contributions: The Chairman of the Board and the CEO work well together, and the difference in skills and experiences of each of them leads to integration between them?

Evaluation:

In its continuous endeavor to develop its performance to be in line with the development of systems and controls for the work of companies, Naqi Water Company was keen to take appropriate means to evaluate the performance of the members of the Board of Directors and its committees within the tasks of the Nominations and Remuneration Committee according to recognized performance indicators and standards.





Remuneration and compensation for senior executives:

Remuneration of 5 senior executives / includes the CEO and CFO											
Grand total / Saudi riyals	Indemnity	Variable rewards					Fixed rewards				
		Total	Granted shares	Long-term incentive plans	Short-term incentive plans	Earnings	Periodic bonuses	Total	Benefits in kind	Suits	payroll
1,910,555	77,647	0	0	0	0	0	0	1,832,908	0	500,967	1,331,941

The company has committed to disclosing the remuneration of senior executives in general in accordance with the regulatory requirements contained in subparagraph (b) of paragraph (4) of Article (90) of the Corporate Governance Regulations, but to protect the interests of the company, its shareholders and its employees and to avoid causing any harm that may result as a result of detailed disclosure. By designation and position, the details are not presented as included in Appendix 1 of the Senior Executives of the Corporate Governance Regulations.

Remuneration and compensation for members of the Board of Directors and its committees:


Total amount	Committee membership			Membership of the Board of Directors			Members
	Total	Instead of attending meetings	Fixed equivalent	Membership	Total	Instead of attending meetings	
First: Non-executive members							
-	-	-	-	-	-	-	Chairman of Board of Directors
-	-	-	-	-	-	-	Deputy Chairman of the Board
16,000	6,000	6,000	-	Review Committee	10,000	10,000	Member of the Board of Directors
10,000	2,000	2,000	-	Nominations and Remuneration Committee	8,000	8,000	Member of the Board of Directors
Second: Independent members							
62,000	2,000	2,000	-	Nominations and Remuneration Committee	60,000	10,000	50,000
29,000	6,000	6,000	-	Review Committee	23,000	8,000	15,000
Fourth: Committee members from outside the Council							
10,000	-	-	-	-	10,000	10,000	-
127,000	16,000	-	-	-	111,000	-	-
Fourth: Committee members from outside the Council							
6,000	6,000	6,000	-	Review Committee	-	-	-
2,000	2,000	2,000	-	Nominations and Remuneration Committee	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,000	8,000	-	-	-	-	-	-
				Total			
				135,000			
				Total (SAR)			

*He resigned from the Board of Directors on March 12, 2023

**He was appointed Vice Chairman of the Board of Directors on March 12, 2023

Rewards:

The remuneration policy for members of the Board of Directors, its committees, and the executive management of the company is in line with the company's bylaws and the policy, compensation, and remuneration for members of the Board of Directors, the emerging committees, and the executive management, which were approved by the Ordinary General Assembly in accordance with the Companies Law and the rules and provisions of the Corporate Governance Regulations issued by the Board of the Capital Market Authority. The remuneration includes attendance allowances. Sessions or lump sums, with the possibility of combining these benefits in accordance with the requirements of the corporate system and the company's articles of association.


The Chairman of the Board of Directors, Mr. Amin bin Abdullah Al-Mallah, waived his fixed bonuses and bonuses in lieu of attending Board meetings, amounting to 108,000 Saudi riyals for the year 2023 AD.

Review committee opinion:

The company's management is responsible for preparing a comprehensive and effective control system commensurate with the level of risks to which the company may be exposed and at a reasonable amount of cost. It provides acceptable assurances to avoid fundamental errors and losses that may result from these risks, and that the adequacy and effectiveness of internal control systems may change with changing surrounding circumstances, and implementing and developing supervisory controls or any other controls and evaluating the feasibility of improvements is the responsibility of executive management, and it must study their cost and expected benefits. From its application to verify its impact before implementation. The internal control system also aims to evaluate policies and procedures, implement the provisions of the governance rules adopted in the company, and adherence to the relevant laws and regulations. The Audit Committee supervises the company's internal audit work for the purpose of ensuring the adequacy and effectiveness of the internal control system in general and the fairness of the financial statements and reports in particular, and paying attention to any observations it finds to deal with.

Based on this, the Audit Committee, in accordance with its scope of work, and 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, the reports of the independent auditor issued by it, and the information provided to it by the company's management, it did not become apparent to it, to a reasonable degree, that there is any material weakness. In the internal control system, which makes it believe that there is a fundamental deficiency that requires disclosure and affects the integrity and fairness of the financial statements.

During the year, the Internal Audit Department witnessed structural transformations and a shortage of its cadres, which made it necessary for the Audit Committee to make an urgent recommendation to the Board of Directors and the Executive Management to expedite the agreement with one of the specialized offices to support the existing administration. We believe that this step will play an important role in raising the level of quality of the results of the audit work. In addition, the internal control system has achieved many 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 in order to ensure the achievement of objectives, improve the efficiency and effectiveness of operations, and adherence to applicable systems, laws and regulations. There is also no any conflict between the recommendations and decisions of the Audit Committee and the Board of Directors.



Censorship:

The company's management is responsible for preparing a comprehensive and effective control system commensurate with the level of risks to which the company may be exposed. Control procedures and their effectiveness are extremely important and are considered one of the most important basics in protecting the company's assets and play an important role in supporting it in achieving the company's goals and strategy. A system has been prepared. Internal control is on sound foundations by establishing the internal audit department and supporting its effectiveness through the audit committee, which supports the application of best practices related to oversight. During the year 2023, the audit committee supported the company's internal audit department through many activities for the purpose of reviewing and examining the company's internal control and systems. In a sound manner, with the aim of verifying and ensuring the adequacy and effectiveness of the company's internal control system and procedures, through the following:



Risks associated with changes in interest rates

The cost of financing is greatly affected by interest rates, which in turn are highly sensitive to a number of factors outside the company's control, including government, monetary and tax policies, and local and global economic and political conditions. It may lead to an increase in related financing costs, which may lead to a decrease in companies' profitability and cash flows. The company has worked to maintain very low levels of financing, as the total financing contracted by the company amounts to 8,913,639 Saudi riyals as of 12/31/2023, amounting to 4% of the company's total assets and less than 9% of the total current assets, as this contract represents the remaining amount of financing. A principal loan amounting to 20,500,000 riyals was obtained to finance the purchase of the company's trucks in 2020, with a fixed interest rate that is not affected by fluctuations in local and international interest rates.

Liquidity risk

Liquidity risk represents the difficulties that the company may face in providing funds to meet its obligations related to financial instruments. Liquidity risk management is mainly related to the efficiency of managing working capital and cash flows on an ongoing basis. Liquidity management is also linked to the size of obligations related to financial instruments. The company is constantly working to evaluate its cash assets and study their adequacy to cover its contractual obligations. The total value of the company's cash items on December 31, 2023 amounted to 78,797,294 Saudi riyals. The company works to ensure dealing with banks with a high credit rating in order to reduce cash risks to the lowest levels.

Risks associated with competition and the company's market share

The bottled drinking water production sector is witnessing fierce competition in the Kingdom of Saudi Arabia, where competitive factors include price, water purity, brand spread, geographic presence, innovation, and customer service. The bottled drinking water production sector is also exposed to indirect competition from companies that provide home water purification solutions, which may affect demand levels for bottled drinking water products. This competition mainly leads to pressure on the price levels and market share of many bottled drinking water companies.

The company worked to build a long-term strategic plan to offset these risks, which is mainly based on controlling and monitoring quality levels and maintaining the provision of products that meet the desires of a wide segment of customers and final consumers, thus enhancing the position of Naqi Company's products as high-quality products with health specifications that are compatible with all approved health standards. The company worked to restructure the customer service department and establish a customer relations department to enhance continuous communication with the company's various customer segments and end consumers. The company also worked to build a clear plan to enhance its geographical spread and increase its market share in various regions of the Kingdom in a way that enables the company to deliver its final product to the largest possible number of targeted consumers.

On another level, the company worked to diversify its main operating sectors by adding the poultry sector that produces table eggs, with the aim of diversifying revenue sources and reducing the overall risks associated with the company's reliance on one operating sector.

Risks of fluctuation 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 multiple sales channels. Thus, changes in the cost of production elements and inputs are fundamentally reflected in the overall major costs that the company bears in its operational operations. The food retail sector is also affected, similarly to other industrial sectors, by changes in general economic and financial conditions, as changes in macroeconomic conditions affect the cost of production, quantities and values of sales and thus affect the company's various profit margins. Taking into account that the company's profits depend on several factors, the most important of which are the prices of raw materials, which represent miniature plastic bottles (preform), plastic covers, cardboard, and feed, which are subject to price fluctuations based on the prevailing prices in the local and global markets driven by local and global supply and demand, the company is not able to control the factors affecting the prices of raw materials or the actual changes in supply and demand that significantly affect the prices of raw materials.

The company worked to develop a plan to manage these risks, which relies mainly on managing inventory periodicity, dealing with local and global variables, fluctuations in raw material prices, and achieving variable inventory targets in accordance with these expectations. The company also worked to develop mechanisms for supplying raw materials by utilizing its transportation fleet to reduce the cost of transporting raw materials, and reducing the volume of long-term transactions related to raw material purchases, in a way that reflects positively on reducing the direct costs of raw materials. The company also worked on developing supply contracts for the supply of some parts of raw materials in order to benefit from economies of scale in reducing costs, which currently contributes continuously to controlling costs and reducing the risks of industry fluctuations in a relatively important way.

Risk analysis and management:

The company continuously works to identify and analyze the risks related to all its activities in order to ensure the continuity of managing these risks in accordance with acceptable levels, which ensures the sustainability of operations is maintained and the levels of financial performance are continuously raised. The following is a presentation of the most important risks that the company deals with:



49 Business interruption risk

The company continuously evaluates the risks of business interruption based on business continuity assurance plans, which are mainly concerned with ensuring the sustainability of production operations and the supply of water, 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 operation. The company also established three water desalination and sterilization stations to ensure business continuity in a sustainable manner.

Information security risks

The company attaches utmost importance to its information in order to ensure the security, confidentiality and integrity of its data and the data of its customers. The company identified information security risks in cooperation with competent authorities, identified potential information security risks, and worked on establishing an integrated infrastructure under the supervision of our engineers in the Information Technology Department and in accordance with local and international best practices. The company has also established specialized data rooms to maintain backup copies of its data, and the infrastructure is equipped with specialized systems to protect data security, ensure no unauthorized access, and ensure its sustainability. The company is working to take advantage of cloud storage services to facilitate authorized access and ensure its sustainability.

Inflation risks and rising costs

The company is exposed to the risk of inflation and high operating costs of various activities other than the cost of raw materials and production inputs. The risks of rising wages, high transportation costs, and the high cost of maintenance inputs represent the most prominent risk factors associated with inflation. The company is continuously working to build plans to manage these risks, as the company worked to build its own transportation fleet during the years 2021 AD and 2022 AD in order to reduce the costs of shipping and transporting finished products and raw materials. The company also worked to build a development plan for employees to enhance belonging, reduce the turnover rate, and increase the retention of competencies. Nationalism. The company is also working to build a special maintenance team that works according to regular plans to ensure the preservation of operational capacity, reduce the costs of maintaining machines 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 sustainability against fire risks and natural disaster risks, which may affect operations, production and sales. The company is constantly working to create many asset control mechanisms, which include, for example, concluding insurance contracts for all the company's assets. Including production lines, logistics services and transportation fleet, the company also works to maintain the sustainability of safety and fire systems in all company facilities in accordance with best practices and in compliance with the requirements of regulatory and supervisory authorities. The company adopts monitoring systems for transportable assets and is currently working innovatively and in partnership with specialized suppliers to develop production and product movement monitoring systems.

Risks of fluctuations in foreign exchange rates

The risk of fluctuations in foreign currency rates represents the differences resulting from forward transactions in foreign currencies other than the Saudi riyal, which the company may bear differences in paying receivables or collecting receivables in currencies other than the Saudi riyal. The company maintains its accounts in Saudi riyals, and transactions carried out in foreign currencies are converted into Saudi riyals according to the exchange rates prevailing at the time of the transaction, and financial assets and liabilities registered in foreign currencies as of the date of the statement of financial position are converted into Saudi riyals according to the exchange rates prevailing on that date. The company works to monitor transactions carried out in currencies other than the Saudi riyal in order to monitor the materiality of these transactions and take appropriate precautions against non-significant fluctuations. This is note that the company's policy of promoting local content and relying almost entirely on transactions with local suppliers has led to the absence of forward transactions of intrinsic value with suppliers in other currencies that fluctuate against the Saudi riyal. Substantial dealing in foreign currencies is mainly limited to transactions in UAE dirhams, and since the exchange rate for both the UAE dirham and the Saudi riyal is fixed against the US dollar, therefore the risks from changes in the foreign exchange rate are limited.

The company deals with export customers in Saudi Riyals in all operations and in a manner that results in eliminating the risks of fluctuation in foreign exchange rates for export customers.

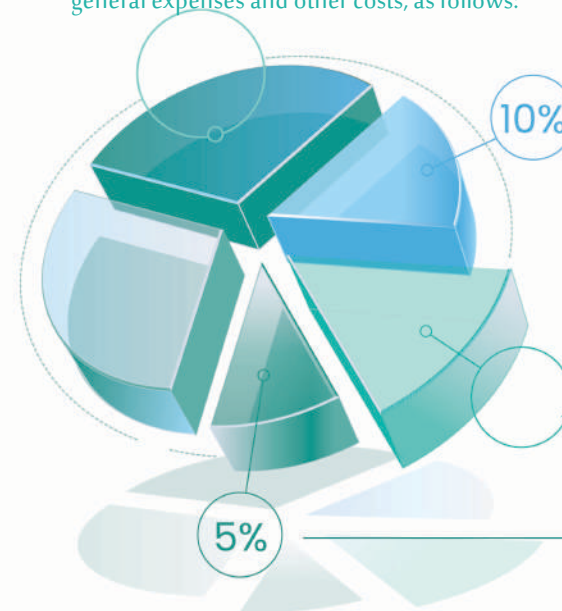
Dividend distribution policy:

The percentages of profits distributed to shareholders during the various periods of the fiscal year, in addition to the percentage of profits proposed to be distributed at the end of the financial year and the total of these profits (in riyals):

During the year 2023 AD, the company implemented cash distributions for the first half of the year 2023 AD at the rate of one riyal per share, amounting to 10% of the nominal value of the share, with a total of 20 million Saudi riyals, knowing that the company has fulfilled the distributions for the second half of the year 2022 AD, amounting to one riyal per share. A total of 20 million Saudi riyals during the year 2023.

distribution date	due date	Advertisement date	Equity share	Total distribution	Statement
2023/09/14	2023/08/24	2023/08/10	1	20,000,000	cash dividends distributed to shareholders for the first half of 2023

Pursuant to Article 110 of the Companies Law, all rights related to shares are established for each shareholder, which includes in particular the right to obtain a share of the profits to be distributed. The Board of Directors shall recommend the distribution of any profits before they are approved by the shareholders at the general assembly meeting and are not obligated to. The company announces profits, and any decision to distribute profits depends on a number of factors, including the company’s previous and expected profits, cash flow, financing and capital requirements, market data and economic factors in general, zakat, as well as other legal and regulatory considerations. The distribution of profits is subject to the restrictions contained in the agreements. Financing concluded with financing entities. The distribution of profits is subject to the restrictions contained in the bylaws, and profits are distributed in Saudi riyals. The company follows a policy of distributing its annual net profits in accordance with Article No. (47) of the Articles of Association, after deducting all general expenses and other costs, as follows:



1. Ten percent (10) of net profits shall be set aside to form a statutory reserve. The Ordinary General Assembly may stop this reserve when the aforementioned reserve reaches thirty percent (30) of the paid-up capital.
2. The Ordinary General Assembly may decide to form other reserves, to the extent that serves the interest of the company or ensures the distribution of fixed profits as much as possible to shareholders. The aforementioned association may also deduct amounts from the net profits to establish institutions. Social for the owners of the company or subsidiary that exists from these institutions.
3. The Ordinary General Assembly may, based on the proposal of the Board of Directors, set aside five percent (5) of the net operating profits to form a contractual reserve and allocate it for a specific purpose or purposes decided by the General Assembly.



Terms of employment or contract	Duration of employment	Work amount	work nature	member name	
The same prevailing business terms that the company follows with all other dealers and contractors.	year	65,130,319	Purchasing raw materials for production inputs from Saqa United Group. A shareholder owns 35% of the company's shares.	Mustafa Hasaballah Al-Hofy, Member of the Board of Directors	1
The same prevailing business terms that the company follows with all other dealers and contractors.	year	65,130,319	Purchasing raw materials for production inputs from Saqa United Group. A shareholder owns 35% of the company's shares.	*Saleh Al-Sulami, Vice Chairman of the Board of Directors	2
The same prevailing business terms that the company follows with all other dealers and contractors.	year	3,509,527	Purchasing supplies and spare parts for production lines from the Middle East Machinery Company Limited (MEMCO)	Zaid Nahid Al-Nazer, Member of the Board of Directors	3

Transactions with related parties:

The company deals with Saqa United Group as a supplier to purchase raw materials, mainly represented by plastic production inputs. It also deals with the Middle East Machinery Company Limited (MEMCO) to supply spare parts and maintain production lines.

value	duration	Transaction type	Type of relationship with the company	Related party
65,130,319	year	Purchase orders for raw materials and paid dividends	A shareholder owns 35% of the company's shares	Saqa United Group
3,509,527	year	Orders to purchase spare parts for a year and maintenance services	Associate company	Middle East Machinery Company Limited Mamco

Shareholders' records:

Reasons for request	The date of application	The number of company requests for the shareholders' register
General Assembly	03/01/2023	(1)
Company procedures	08/01/2023	(2)
Other	14/02/2023	(3)
Company procedures	21/03/2023	(4)
Company procedures	18/05/2023	(5)
General Assembly	22/06/2023	(6)
General Assembly	18/10/2023	(7)
Other	10/12/2023	(8)





There are no treasury shares held

There are no investments or reserves established for the interest of the company's employees

There are no procedures that may impede shareholders' right to vote

There are no procedures that may impede shareholders' right to vote

It did not receive a request from the external auditors to convene the General Assembly to meet during the year 2023

There are no equity stakes or debt instruments owned by the subsidiaries

There is no interest, contractual securities, or subscription rights belonging to the members of the company's board of directors, senior executives, and their relatives in the company's shares or debt instruments

Board of Directors Declarations:

There is no doubt about the ability of Naqi Water Company to continue its activity

The account records were prepared correctly

The Board of Directors did not recommend changing the auditor before the end of the period for which he was appointed

The auditor's report does not include reservations about the annual financial statements for the year 2023

That there are no activities competing with the activity of the company's Board of Directors carried out by any member of the Board of Directors

There are no fundamental events that affect the soundness of the company's financial position after the end of the fiscal year 2023 that require disclosure, other than the information already available and explained. The company has provided eight obligations or facilities to any member of the Board of Directors

We did not receive a request from shareholders who own 5% or more of the company's capital to convene the General Assembly during the year 2023

There is no material conflict of interest during the year 2023, other than what was disclosed during the year's meeting

There are no transferable debt instruments, no securities, contractual rights to subscribe, or similar rights issued or granted by the company, and there is no compensation received by the company in return for that

There is no interest in the class of shares entitled to vote, except for members of the company's board of directors, senior executives and their relatives who informed the company of those rights during the last fiscal year

The internal control system was prepared on sound foundations and implemented effectively

Recommendations to the General Assembly:

After reviewing the most important operational and financial activities for the fiscal year 2023, we are pleased to attach consolidated financial statements with the auditor's report. It recommends that the General Assembly approve the Board of Directors' report, consolidated financial statements, and the auditor's report. It recommends distributing cash dividends for the second half of the fiscal year 2023 as follows:

distribution date	Eligibility date	The ratio	Equity share	Number of Shares	Total distribution
The dividend distribution date will be announced later	Eligibility for cash dividends will be for shareholders who own shares on the entitlement date registered in the company's shareholder register at the end of the second trading day following the day of the General Assembly, which will be announced later.	5%	0.50 Saudi riyals/per share	20,000,000	10,000,000 Saudi riyals



Naqi Water Company advertisements on trading sites for the year 2023 AD

Advertisement details	Advertisement date	#
Naqi Water Company announces the preliminary financial results for the period ending on 06-30-2023, six months	10/08/2023	21
Naqi Water Company announces the distribution of cash dividends to shareholders for the first half of the fiscal year 2023	10/08/2023	22
Naqi Water Company invites its shareholders to attend the extraordinary general assembly meeting/first meeting via modern technology	26/09/2023	23
An addendum announcement from Naqi Water Company regarding the latest fundamental developments related to the contract to purchase the poultry project for egg production	26/09/2023	24
Naqi Water Company announces to its shareholders the start date of electronic voting on the agenda items for the Extraordinary General Assembly Meeting/first meeting	12/10/2023	25
Naqi Water Company announces the results of the extraordinary general assembly meeting/first meeting	19/10/2023	26
Naqi Water Company's announcement of the latest developments in the contract to purchase the poultry project for egg production and the conclusion of agreements to supply egg-producing poultry	5/11/2023	27
Naqi Water Company announces the preliminary financial results for the period ending on 09-30-2023, nine months	7/11/2023	28
Naqi Water Company announces the signing of a contract to acquire the lease of a plot of land belonging to the Saudi Authority for Industrial Cities and Technology Zones (Madon) in the Second Industrial City in Riyadh.	28/12/2023	29

Naqi Water Company advertisements on trading sites for the year 2023 AD

Advertisement details	Advertisement date	#
Naqi Water Company announces the preliminary financial results for the period ending on 03-31-2023, three months	22/05/2023	11
Naqi Water Company announces the start of construction of a new factory in the city of Riyadh and the signing of a contract to acquire an industrial property	29/05/2023	12
Naqi Water Company invites its shareholders to attend the Ordinary General Assembly meeting/first meeting through modern technological means	1/06/2023	13
An addendum announcement from Naqi Water Company regarding the start of construction of a new factory in the city of Riyadh and the signing of a contract to acquire an industrial property	6/06/2023	14
Supplemental announcement from Naqi Water Company regarding inviting its shareholders to attend the Ordinary General Assembly meeting/first meeting via modern technology means	13/06/2023	15
Naqi Water Company announces to its shareholders the start date of electronic voting on the agenda items of the Ordinary General Assembly Meeting/first meeting	15/06/2023	16
Naqi Water Company announces the latest developments regarding the Board of Directors' recommendation to split the nominal value of the share	20/06/2023	17
Naqi Water Company announces the results of the Ordinary General Assembly meeting/first meeting	2/07/2023	18
Naqi Water Company announces the signing of a contract to purchase the egg production poultry project at a value of 7,000,000 Saudi riyals / seven million Saudi riyals	4/07/2023	19
An explanatory announcement from Naqi Water Company regarding the legality of the stock	17/04/2023	20

Naqi Water Company advertisements on trading sites for the year 2023 AD

Advertisement details	Advertisement date	#
Naqi Water Company announces to its shareholders the start date of electronic voting on the agenda items of the Ordinary General Assembly Meeting/first meeting	2/01/2023	1
Naqi Water Company announces the results of the Ordinary General Assembly Meeting/first meeting	9/01/2023	2
Naqi Water Company announces the approval of the Board of Directors to accept the resignation of a Board of Directors member, appoint a Board of Directors member and managing director to replace the resigned member, and appoint a Vice Chairman of the Board of Directors.	13/03/2023	3
Naqi Water Company announces its annual financial results ending 12-31-2022	30/03/2023	4
Naqi Water Company announces the final approval to register, produce and sell bottled drinking water fortified with Vitamin D	30/04/2023	5
Naqi Water Company announces the opening of its new branch in the Makkah Al-Mukarramah region	1/05/2023	6
Naqi Water Company announces the approval of the Board of Directors to accept the resignation of a member of the Audit Committee and a member of the Remuneration and Nominations Committee and to appoint a member of the Audit Committee and a member of the Remuneration and Nominations Committee to replace the resigned member.	3/05/2023	7
Naqi Water Company announces the Board of Directors' recommendation to split the nominal value of the stock	7/05/2023	8
Naqi Water Company announces that it has received a letter from one of the major shareholders and the Chairman of the Board of Directors, Mr. Amin bin Abdullah Al-Mallah, on 5/21/2023.	21/05/2023	9
Naqi Water Company announces that it has received a letter from one of the major shareholders, Saqi United Group, on 21/05/2023	21/05/2023	10

Shareholder rights and mechanisms for communicating with them:

Based on the company's keenness, interest and concern for the rights of its shareholders and stakeholders, and the Board of Directors' awareness of its responsibilities towards the company's shareholders and in order to achieve communication based on a common understanding of the company's goals, strategies, aspirations, interests and all its important developments, all shareholders' rights have been included in the company's bylaws and governance regulations. The company publishes financial reports, announcements, and essential information through the financial market website (Tadawul), the company's website, and the general shareholders' assemblies. It also gives the utmost importance to communicating with its shareholders and answering their inquiries by providing direct communication channels, and allowing shareholders to communicate with the company easily through investor relations officials. In the company



Shareholder relations officer

Name: Rayan Ibrahim Al-Suwailem

Mail: investor.relations@naqiwater.com

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