

NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE-MONTHS AND SIX-MONTHS PERIODS ENDED
30 June 2024
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH AND SIX MONTH PERIOD ENDED 30 June 2024

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

TO THE SHAREHOLDERS OF NAQI WATER COMPANY

INTRODUCTION

We have reviewed the accompanying Interim Condensed Statement of Financial Position of **NAQI WATRE COMPANY** (the "Company") as at 30 June 2024 and the related interim Condensed statement of Profit or Loss and Other Comprehensive Income for the three-month and six-month periods then ended, and the related interim condensed statements of changes in shareholders' equity and cash flows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim Condensed financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

For PKF AI Bassam
Chartered Accountants



Ahmed A. Mohandis
Certified Public Accountant
License No. (477)
Qassim: 3 Safar 1446
Corresponding to: 7 August 2024



NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2024
(Expressed in Saudi Arabian Riyals)

	Note	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
<u>Cash flows from operating activities</u>			
Profit for the period before zakat		20,136,746	25,595,092
Adjustments:			
Depreciation of Property, Plant and Equipment	4	10,122,427	11,096,515
Amortization of intangible assets	8	363,964	66,711
Amortization of Biological assets	6	1,082,190	--
Amortization of right-of-use assets	7	675,409	482,647
Gain on disposals of property, plant and equipment	23	(3,565,390)	--
Unrealized gain from investment held at fair value through profit or loss statement	9	(69,224)	--
Provision for employees' end of service benefits	16	630,287	810,262
Provision for expected credit losses for trade receivables	10	450,000	91,326
Finance costs		350,725	523,674
Loss on disposals on biological assets	6	179,072	--
		30,356,206	38,666,227
<u>Changes in operating assets and liabilities</u>			
Inventories		(4,943,055)	1,847,099
Trade receivables		(4,395,750)	(3,166,766)
Prepayments and other receivables		(1,261,547)	4,612,816
Due from related party		348,539	1,983,540
Trade payable		3,613,272	655,849
Accrued expenses and other payables		2,737,183	2,369,324
Due to related party		(1,187,643)	(21,571)
Cash generated from operating activities		25,267,205	46,946,518
Employee's end -of-service benefits paid	16	(80,593)	(9,062)
Zakat paid	19	(3,029,391)	(3,148,110)
Net cash generated from operating activities		22,157,221	43,789,346
<u>Investing activities</u>			
Purchase of property, plant and equipment	4	(4,492,736)	(871,766)
Payments for purchase of biological assets	6	(981,856)	--
Advanced payments for the purchase of property, plant and equipment	5	--	(7,702,741)
Payments for Purchase of Intangible assets	8	(175,403)	(5,483)
Purchase of financial assets at fair value through profit or loss statement		(5,755,790)	--
Proceeds from sale of property, plant and equipment		9,500,000	674,404
Net cash used in investing activities		(1,905,785)	(7,905,586)
<u>Financing activities</u>			
Repayment of loans	17	(2,131,814)	(2,013,075)
Finance costs paid		(131,437)	(446,117)
Payment of lease liabilities	7	(37,360)	(775,000)
Dividends paid	27	(10,000,000)	(20,000,000)
Net cash used in financing activities		(12,300,611)	(23,234,192)
Net change in cash and cash equivalents		7,950,825	12,649,568
Cash and cash equivalent at the beginning of the period		78,797,294	88,057,269
Cash and cash equivalents at end of the period		86,748,119	100,706,837
<u>Non-cash transaction</u>			
Right of use addition	7	392,477	2,696,279
Other reserve		249,809	350,565

Chief Financial Officer

Dr. Oasim Zureigat

Chief Executive Officer

Mr. Abdulaziz Alsayegh

The accompanying notes form an integral part of these financial statements

NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2024
(Expressed in Saudi Arabian Riyals)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total</u>
2023:				
Balance at 1 January 2023 (Unaudited)	200,000,000	12,598,306	36,883,080	249,481,386
Net profit for the period	--	--	24,395,092	24,395,092
Other comprehensive income	--	--	350,565	350,565
Dividends (Note 27)	--	--	(20,000,000)	(20,000,000)
Balance at 30 June 2023 (Unaudited)	<u>200,000,000</u>	<u>12,598,306</u>	<u>41,628,737</u>	<u>254,227,043</u>
2024:				
Balance at 1 January 2024 (Unaudited)	200,000,000	16,893,318	36,238,434	253,131,752
Net income for the period	--	--	18,936,746	18,936,746
Other comprehensive income	--	--	249,809	249,809
Dividends (Note 27)	--	--	(10,000,000)	(10,000,000)
Balance at 30 June 2024 (Unaudited)	<u>200,000,000</u>	<u>16,893,318</u>	<u>45,424,989</u>	<u>262,318,307</u>

Chief Financial Officer

Dr. Qasim Zureigat

Chief Executive Officer

Mr. Abdulaziz Alsayegh

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

NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2024

(Expressed in Saudi Arabian Riyals)

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Assets			
Non-current assets			
Property, plant and equipment, net	4	129,497,790	137,183,701
Advance payments for the purchase of property, plant and equipment	5	1,381,479	8,440,314
Biological assets, net	6	1,571,107	1,850,513
Right of use assets, net	7	4,179,498	4,462,430
Intangible assets, net	8	7,895,764	4,903,880
Non-current assets		144,525,638	156,840,838
Current assets			
Financial assets at fair value through Profit or loss	9	5,825,014	--
Trade receivables, net	10	26,613,654	22,667,904
Inventory	11	27,153,687	22,210,632
Due from related parties	12	4,457,354	4,805,893
Prepaid expenses and other receivables, net	13	8,441,885	7,180,338
Cash and cash equivalents	14	86,748,119	78,797,294
Current Assets		159,239,713	135,662,061
Total Assets		303,765,351	292,502,899
Shareholders' equity and liabilities			
Shareholders' Equity			
Share capital	15	200,000,000	200,000,000
Statutory reserve		16,893,318	16,893,318
Retained earnings		45,424,989	36,238,434
Total shareholder's equity		262,318,307	253,131,752
Liabilities			
Non-current liabilities			
Employees' end of service benefits	16	4,796,799	4,390,338
Long term loan – noncurrent portion	17	2,026,154	4,157,968
Lease liability – noncurrent portion	2/7	3,418,625	3,063,508
Non-current liabilities		10,241,578	11,611,814
Current liabilities			
Trade payables		16,746,036	13,132,764
Lease liability – current portion	2/7	991,522	878,810
Long term loan –current portion	17	4,755,671	4,755,671
Accrued expenses and other credit balances	18	6,723,963	3,986,780
Due to related parties	12	788,274	1,975,917
Zakat provision	19	1,200,000	3,029,391
Current liabilities		31,205,466	27,759,333
Total Liabilities		41,447,044	39,371,147
Total equity and liabilities		303,765,351	292,502,899

Chief Financial Officer

Dr. Qasim Zureigat

Chief Executive Officer

Mr. Abdulaziz Alsayegh

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

NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)**
FOR THE THREE-MONTHS AND SIX-MONTHS PERIODS ENDED ON 30 JUNE 2024
(Expressed in Saudi Arabian Riyals)

	Note	Three-month period for the period ended		Six-month period for the period ended	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenues, net	20	56,030,609	61,685,207	113,735,692	123,018,073
Cost of sales	21	(36,263,758)	(37,555,046)	(74,816,055)	(77,959,229)
Gross profit		19,766,851	24,130,161	38,919,637	45,058,844
Selling and Distribution expenses		(9,002,337)	(7,320,665)	(17,314,105)	(13,868,112)
General and Administrative expenses		(3,988,990)	(3,499,616)	(7,183,720)	(7,240,735)
Other operating income, net		681,447	(320,040)	705,404	430,302
Expected credit losses Provision – Trade receivables	10	(450,000)	--	(450,000)	--
Profit from operation		7,006,971	12,989,840	14,677,216	24,380,299
Finance costs		(222,598)	(217,047)	(465,309)	(523,674)
Gain on disposals of property, plant and equipment		3,565,390	--	3,565,390	--
Time deposit income		1,204,957	1,050,959	2,290,225	1,738,467
Unrealized gain on financial assets at fair value through profit or loss	9	69,224	--	69,224	--
Profit before zakat		11,623,944	13,823,752	20,136,746	25,595,092
Zakat	19	(600,000)	(600,000)	(1,200,000)	(1,200,000)
Net profit for the period		11,023,944	13,223,752	18,936,746	24,395,092
Other comprehensive income:					
<i>Items that will not be reclassified under profit or loss:</i>					
Re-measurement of employee benefit liabilities	16	(13,316)	172,947	249,809	350,565
Total comprehensive income		11,010,628	13,396,699	19,186,555	24,745,657
Earnings per share:					
Basic and Diluted	23	0,55	0,66	0,95	1.22

Chief Financial Officer

Dr. Qasim Zureigat

Chief Executive Officer

Mr. Abdulaziz Alsayegh

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024
(Expressed in Saudi Arabian Riyals)

1. BRIEF ABOUT THE COMPANY AND ACTIVITIES

Naqi Water Company is a Saudi joint-stock company registered in the city of Unaizah in the Al-Qassim region of the Kingdom of Saudi Arabia under commercial registration number 1128018184, issued on 27 Jumada Al-Akhirah 1435 AH, corresponding to April 27, 2014. Subsequent amendments were made, and on 7 Jumada Al-Awwal 1443 AH, corresponding to December 11, 2021, the Board of Directors approved the company's initial public offering (IPO) plan by offering 30% of the company's shares for the first-year subscription by submitting an application and registering the securities with the Capital Market Authority and listing the company on the Saudi Stock Exchange (Tadawul). On 24 Shawwal 1443 AH, corresponding to May 25, 2022, the Capital Market Authority announced its approval to offer 6,000,000 shares for the first-year subscription, representing 30% of the company's shares. The Saudi Capital Market Authority approved the company's listing on the Saudi Stock Exchange (Tadawul) on 17 Muharram 1444 AH, corresponding to August 15, 2022. The regulatory procedures to amend the company's articles of association to become a listed joint-stock company were completed on 26 Rabi' Al-Awwal 1444 AH, corresponding to October 26, 2022, along with commercial registration number 1128018184.

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

The Company Activities are:

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

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

Factory	City/Place	CR Number	Hijri Date of CR	Gregorian Date of CR
Naqi Water Company	Riyadh	1010603193	13/3/1441H	10/11/2019
Naqi's Qatra Water Company	Riyadh	1010460840	17/1/1440H	27/9/2018
Naqi Water Company	Unaizah	1128183653	18/5/1444H	11/12/2022
Naqi Water Company	Unaizah	1128184884	14/3/1442H	29/11/2020
Naqi Water Company	Jeddah	4030498557	27/6/1444H	19/1/2023
Naqi Water Company	Unaizah	1128189986	29/1/1445H	15/8/2023
Naqi Water Company	Dammam	2050180099	12/6/1445H	24/12/2023
Naqi Water Company	Jeza	5900145516	16/5/1445H	28/11/2023

2. BASIS OF PREPARATION

2/1 Statement of compliance

These interim condensed financial statement for the six-months period ended 30 June 2024 been prepared in compliance with international accounting standard ("IAS") 34" interim financial reporting "as endorsed in the kingdom of Saudi Arabia, other standards and pronouncements issued by the Saudi organization for chartered and professional accountants ("SOCPA").

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024
(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION (CONTINUED)

2/2 Basis of measurement

These condensed interim financial statements have been prepared on a historical cost basis, unless the international financial reporting standards allow measurement in accordance with other valuation methods.

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts disclosed in the condensed interim financial statements. These significant estimates and assumptions have been disclosed in the annual financial statements for the year ending on December 31, 2023

2/3 functional currency

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

2/4 Use of judgements and estimates

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

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

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

2/5 Going Concern

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**
(Expressed in Saudi Arabian Riyals)

3. SIGNIFICANT ACCOUNTING POLICIES

New standards, amendments to standards and interpretations

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Company's interim condensed financial statements.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The Company has not applied the following amendment to IFRS that have been issued but are not yet effective:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Management anticipates that this amendment will be adopted in the Company's financial statements as and when it is applicable and adoption of this amendments may have no material impact on the financial statements of the Company in the period of initial application.

NAQI WATER COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR SIX PERIOD ENDED 30 JUNE 2024

(Expressed in Saudi Arabian Riyals)

4. PROPERTY, PLANT AND EQUIPMENT, NET

	Land	*Buildings & constructions on owned and leased lands	Trucks	Vehicles	Furniture and fixtures	Machinery and equipment	Tools	Computers	Desalination plant and laboratory equipment	Total
Cost:										
As at 1 January 2023	4,750,000	35,832,165	20,250,000	10,861,231	4,112,045	121,051,134	170,028	464,289	16,162,471	213,653,363
Additions during the year	7,350,000	2,636,559	--	2,029,500	383,963	258,800	471,406	124,966	367,162	13,622,356
Disposal during the year	--	--	(810,000)	--	(1,900)	--	--	--	--	(811,900)
As at 31 December 2023	12,100,000	38,468,724	19,440,000	12,890,731	4,494,108	121,309,934	641,434	589,255	16,529,633	226,463,819
Additions during the period	--	1,285,388	--	1,918,399	566,793	19,900	528,892	148,455	24,909	4,492,736
Transfer to assets held for sale during the period	--	(2,100,000)	--	--	--	--	--	--	--	(2,100,000)
As at 30 June 2024 (Unaudited)	12,100,000	37,654,112	19,440,000	14,809,130	5,060,901	121,329,834	1,170,326	737,710	16,554,542	228,856,555
Accumulated depreciation:										
As at 1 January 2023	--	4,350,407	2,531,708	5,429,653	2,463,988	42,560,054	92,534	269,605	9,568,194	67,266,143
Depreciation charge for the year	--	1,083,978	1,996,635	2,773,134	708,210	12,501,402	32,341	84,499	2,969,468	22,149,667
Disposals Depreciation	--	--	(135,596)	--	(96)	--	--	--	--	(135,692)
As at 31 December 2023	--	5,434,385	4,392,747	8,202,787	3,172,102	55,061,456	124,875	354,104	12,537,662	89,280,118
Depreciation charge for the period	--	593,606	981,337	913,284	361,045	6,246,794	50,563	56,068	919,730	10,122,427
Accumulated depreciation for assets held for sale during the period	--	(43,780)	--	--	--	--	--	--	--	(43,780)
As at 30 June 2024 (Unaudited)	--	5,984,211	5,374,084	9,116,071	3,533,147	61,308,250	175,438	410,172	13,457,392	99,358,765
Net book value:										
As at 30 June 2024 (Unaudited)	12,100,000	31,669,901	14,065,916	5,693,059	1,527,754	60,021,584	994,888	327,538	3,097,150	129,497,790
As at 31 December 2023 (Audited)	12,100,000	33,034,339	15,047,253	4,687,944	1,322,006	66,248,478	516,559	235,151	3,991,971	137,183,701

* Item includes property, Plant and equipment mortgaged to a commercial bank under an Islamic financing agreement as collateral for the loan (note 17)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 June 2024
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5. ADVANCED PAYMENTS FOR THE PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<u>Cost</u>		
Advance payments – for water production line*	1,380,000	1,380,000
Advance payments – other**	1,479	7,060,314
	1,381,479	8,440,314

* The balance of advance payments represents the amounts paid to the Middle East Machinery Factory Company Limited (a related party), which is the value of an advance payment to purchase a production line.

** Included in advance payments - others in transferring an amount of 7 million Saudi riyals to intangible asset, Note No. (8)

6. BIOLOGICAL ASSETS, NET

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<u>Cost:</u>			
Balance at the beginning of the period / year		2,230,242	--
Additions during the period / year		981,856	2,423,212
Disposals during the period / year		(269,388)	(192,970)
Balance at end of period / year		2,942,710	2,230,242
<u>Accumulated Amortization:</u>			
Balance at the beginning of the period/year		379,729	--
Amortization during the period / year	(21)	1,082,190	408,120
Amortization for disposal during the period / year		(90,316)	(28,391)
Balance at end of the period / year		1,371,603	379,729
<u>Net book value</u>			
Balance at end of the period / year		1,571,107	1,850,513

NAQI WATER COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 June 2024
(Expressed in Saudi Arabian Riyals)

7. RIGHT OF USE ASSETS

The company's lease contracts used as headquarters for the company's sales branches and warehouses for storing goods in the city of Riyadh. The duration of each contract is five years from the date of the contract. As well as a lease contract for another property that was rented during the year end 31 December 2023 in the city of Jeddah and is used as a headquarters for the Jeddah sales branch and a warehouse to store goods, and its duration is also five years.

7/1 Right of use assets

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<u>Cost:</u>		
Balance at the beginning of the period / year	6,623,989	3,927,710
Additions during the period / year	392,477	2,696,279
Balance at end of period / year	7,016,466	6,623,989
<u>Accumulated Depreciation:</u>		
Balance at the beginning of the period / year	2,161,559	1,016,513
Depreciation during the period / year	675,409	1,145,046
Balance at end of period / year	2,836,968	2,161,559
<u>Net book value</u>		
Balance at end of the period / year	4,179,498	4,462,430

7/2 The movement in the lease liabilities is as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/year	3,942,318	2,529,600
Additions during the period/year	392,477	2,696,279
Interest during the year	112,712	193,020
Payment during the period/year	(37,360)	(1,476,581)
Balance at end of the period / year	4,410,147	3,942,318
current portion	991,522	878,810
Non-current portion	3,418,625	3,063,508
	4,410,147	3,942,318

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

NAQI WATER COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 June 2024
(Expressed in Saudi Arabian Riyals)

8. INTANGIBLE ASSETS, NET

	software and computer licenses	Right of use leased land	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cost				
Balance at the beginning of the period/year	1,360,962	4,050,000	5,410,962	1,355,478
Additions during the period/ year*	--	7,234,238	7,234,238	4,055,484
Transfer to assets held for sales	--	(4,050,000)	(4,050,000)	
Balance at end of the period / year	1,360,962	7,234,238	8,595,200	5,410,962
Accumulated Amortization				
Balance at the beginning of the period/year	472,760	34,322	507,082	339,245
Amortization charged on the period/year	66,804	297,160	363,964	167,837
Amortization charged on the period/year for asset held for sale	--	(171,610)	(171,610)	--
Balance at end of the period / year	539,564	159,872	699,436	507,082
Net book value				
Balance at end of the period / year	821,398	7,074,366	7,895,764	4,903,880

The additions to the right of use leased land are represents in value of the portion specified for the right of use leased land from the total value of the contract of assignment of the right to lease a plot of land No. (0020M00216) included in the lease contract No. (24000129) of the Industrial Cities and Technology Zones Authority (MODON) in the Second Industrial City in Riyadh.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

It consists of the investment value in shares of companies traded in the Saudi stock market for the purpose of trading. The company retains this portfolio with a licensed local brokerage firm in the Kingdom of Saudi Arabia. The investments are proven at fair value as of June 30, 2024, according to the closing prices at the end of trading on the financial center's date. The movement of the assets is as follows:

30 June 2024 (Unaudited)	No of shares	Market value
ANB Investment portfolio	282,435	5,825,014
	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/year	--	--
Additions during the period/year	5,755,790	--
Revaluation profit (Unrealized)	69,224	--
Balance at end of the period / year	5,825,014	--

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10. TRADE RECEIVABLES, NET

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Trade receivables	28,831,427	24,435,677
Less: Expected credit loss provision	(2,217,773)	(1,767,773)
	26,613,654	22,667,904

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance, at beginning of the year	1,767,773	1,174,728
Provided during the year	450,000	593,045
Balance at end of year	2,217,773	1,767,773

Aging of the trade receivables as at 30 June 2024 is as follows:

Duration	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Balance	Impairment In value	Balance	Impairment In value
Not due	815,399	535	670,801	17,004
From 0 to 90 days	1,319,165	4,350	6,339,249	91,618
From 91 to 180 days	1,564,185	35,869	1,060,962	15,333
Over 181 Days	4,373,148	2,177,019	2,864,665	1,643,818
	8,071,898	2,217,773	10,935,677	1,767,773

Collections in the subsequent period amounted to 20 million Saudi riyals from the balances of the company's existing trade payables as of June 30, 2024, which were excluded from trade receivable when calculating expected credit losses, resulting in a net balance subject to calculation of 8,071,898 Saudi riyal classified according to their age (On December 31, 2023, collections in the subsequent period amounted to 14 million Saudi Riyals).

11. INVENTORIES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Raw materials-Water	12,327,607	12,571,984
Spare parts	8,409,959	6,631,791
Finished goods-Water	4,631,648	2,085,086
Raw materials-Eggs	894,300	226,000
Vehicle spare parts	368,669	224,450
Chemicals	323,023	408,932
Finished goods-Eggs	198,481	62,389
	27,153,687	22,210,632

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12. RELATED PARTY TRANSACTIONS AND BALANCES

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

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

<u>Name of related parties</u>	<u>Nature of Relation</u>	<u>Nature of transaction</u>	<u>30 June 2024 (Unaudited)</u>	<u>30 June 2023 (Audited)</u>
Seqa united company (previously Al Sadd Modern advanced company)	shareholder	Raw material purchases	33,300,970	38,665,984
		Payments	(34,488,613)	(36,399,449)
		expenses on behalf	--	(238,812)
		Collect expenses on behalf	--	238,812
		Services Invoices	--	18,411
		Services Invoices Payments	--	(18,411)
		Raw material purchases	--	
Zulal Water Factory Company	Associate	Advanced Payments		
		Other expenses	(2,341)	5,392
Middle East Machinery Factory Co. Ltd.	Associate	Payment	(1,086,948)	(2,461,531)
		Raw material purchases	1,022,399	2,075,765
		Payments		
		Other expenses	410,747	75,805

Due from Related parties:

	<u>30 June 2024 (Unaudited)</u>	<u>31 December 2023 (Audited)</u>
Middle East Machinery Factory Co. Ltd.	<u>4,457,354</u>	<u>4,803,552</u>
Zulal Water Factory Company	<u>--</u>	<u>2,341</u>
	<u>4,457,354</u>	<u>4,805,893</u>

An allowance for expected credit losses was calculated for the balances due from related parties, considering the movement of those balances and subsequent collections. According to the best estimates of the management, it was found that the allowance is not material and did not affect the financial statements.

Due to related parties

	<u>30 June 2024 (Unaudited)</u>	<u>31 December 2023 (Audited)</u>
Seqa united company (previously Al Sadd Modern advanced company)	<u>788,274</u>	<u>1,975,917</u>
	<u>788,274</u>	<u>1,975,917</u>

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13. PREPAYMENTS AND OTHER RECEIVABLES, NET

Prepayments and other receivables comprise of the following:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Advance to suppliers	6,240,000	3,415,707
Prepaid expenses	1,288,313	2,573,892
Employee's custody	502,078	671,595
Employee's loans	462,165	554,029
Accrued time deposit interest	172,278	205,820
Checks under collection	29,226	11,470
Other debit balances	892,821	892,821
Less:		
Provision for Other debit balances	(892,821)	(892,821)
Provision for Employee's custody	(252,175)	(252,175)
	8,441,885	7,180,338

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at March 31 comprise the following:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Time deposits*	50,000,000	66,800,000
Cash at banks	20,801,767	11,268,661
Cash in the investment portfolio	14,244,209	--
Cash on hand	1,649,005	724,557
Credit cards	53,138	4,076
	86,748,119	78,797,294

*The maturity period of the deposits is less than three months from the date of acquisition, and according to Islamic law, they are distributed among commercial banks. The company achieved revenues during the period of 2,290,225 Saudi riyals (30 June 2023: 1,738,467 Saudi riyals).

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

15. SHARE CAPITAL

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

Major shareholders as follows:

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	No. of shares	Ratio	No. of shares	Ratio
Mr/Amin bin Abdullah bin Ali				
Al mallah	7,000,000	35%	7,000,000	35%
Seqa united company	7,000,000	35%	7,000,000	35%

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16. EMPLOYEE END OF SERVICE BENEFITS

The valuation was prepared by an independent external actuary using the following key assumptions:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
	(Percentage per annum)	
Salaries increase rate	4.20%	4%
Discount rate	5.17%	4.20%

The following are the significant actuarial assumptions:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period /year	4,390,338	3,744,106
Current service cost during the period /year	630,287	1,304,048
Finance cost during the period /year	106,576	160,305
Actual benefits paid during the period /year	(80,593)	(117,876)
Actuarial Gains from re-measurement of employee end of service benefits	(249,809)	(700,245)
Balance at the end of the period /year from remeasurement of employee end of service benefits	4,796,799	4,390,338

The sensitivity of the employee benefit obligation to changes in weighted average key assumptions is:

Factor	Change in assumption	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Discount rate	1%	4,117,821	4,054,453
	-1%	4,828,457	4,754,154
Salary increase rate	1%	4,828,350	4,754,049
	-1%	4,117,770	4,054,403
Mortality rate	1%	4,414,916	4,346,977
	-1%	4,501,508	4,432,236
Employee turnover rates	10%	4,375,754	4,301,253

The sensitivity analysis above is based on a change in a hypothesis while all other assumptions remain constant. In practice, this is unlikely to happen, and changes in some assumptions may be interconnected. The same method was used in calculating employees' end-of-service benefit liabilities recognized in the statement of financial position when calculating Sensitivity of the employee end-of-service obligation to significant actuarial assumptions (present value of the employee benefit obligation calculated by the projected unit credit method at the end of the report)

The undiscounted expected cash flows for employee termination benefits is as follow:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Within one year	271,049	248,362
From one to five years	2,711,380	4,913,035
More than five years	5,812,677	5,374,913

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17. LOANS AND CREDIT FACILITIES

17/1 Classification of the loan between current and non-current portion:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Current portion	4,755,671	4,755,671
No Current Portion	2,026,154	4,157,968
	6,781,825	8,913,639

17/2 Movement in loans:

The movement in loans consists of the following:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period /year	8,913,639	12,997,535
Payment during the Period /year	(2,131,814)	(4,083,896)
Balance at end of period /year	6,781,825	8,913,639

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

The total financing cost charged to the income statement for the loan during the period was 246,021 Saudi riyals (2023: 671,774 Saudi riyals)

17/3 Classification of the loan between current and non-current portion:

As at 30 June 2024	Less than year	From year to 5 years	Total
Loans	4,755,671	2,026,154	6,781,825
	4,755,671	2,026,154	6,781,825
As at 31 December 2023	Less than year	From year to 5 years	Total
Loans	4,755,671	4,157,968	8,913,639
	4,755,671	4,157,968	8,913,639

18. ACCRUED EXPENSES AND OTHER PAYABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Accrued expenses	4,929,145	2,902,397
Value added tax (VAT)	1,791,681	1,042,686
Advances from customers	--	31,157
Other Payables	3,137	10,540
	6,723,963	3,986,780

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19. ZAKAT

a) Movement of Zakat provision during the period

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance, at beginning of the period / year	3,029,391	3,148,110
Add: Charge for the period / Year	1,200,000	3,029,391
Less: payments during the period / year	(3,029,391)	(3,148,110)
Balance at the end of the period / year	1,200,000	3,029,391

20. SALES, NET

	For the Three-Months Period Ended		For the Six-Months Period Ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Product Sales:				
Local Wholesale Sales - Bottled Water	34,048,371	27,347,766	67,373,249	57,154,489
Local Retail Sales - Bottled Water	17,734,590	31,233,949	37,324,562	59,041,272
Local Wholesale Sales - Egg Production	2,039,781	--	4,478,949	--
Export Sales - Bottled Water	854,251	1,181,641	1,723,127	2,907,999
Services revenue:				
Net Logistics Service Revenue	1,353,616	1,921,851	2,835,805	3,914,313
	56,030,609	61,685,207	113,735,692	123,018,073

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

21. COST OF SALES

	<u>Note</u>	For the three-Month Period Ended		For the Six-Month Period Ended	
		30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Consumed Raw materials		23,158,498	26,684,220	46,894,105	54,407,999
Depreciation of property plant and equipment		4,042,539	4,310,577	8,378,614	8,988,999
Salaries, wages and equivalent		3,548,254	3,451,691	7,149,580	6,431,691
Operating Expenses – Egg Production Lines		1,399,722	--	3,290,619	--
Operating expenses		680,830	495,789	2,645,198	971,691
Consumed Spare Parts		1,015,372	1,079,630	2,073,428	3,322,691
Electricity and Water		886,991	756,102	1,701,662	1,571,691
Logistics expenses		879,142	749,049	1,524,231	1,551,691
Amortization of Biological Assets	(6)	608,380	--	1,082,190	498,691
Maintenance and Insurance		44,030	27,988	76,428	217,691
		36,263,758	37,555,046	74,816,055	77,959,691

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22. ASSETS HELD FOR SALE

On March 10, 2024, Naqi Water Company announced the signing of a lease assignment agreement for a plot of land and its properties and buildings, leased from the Saudi Authority for Industrial Cities and Technology Zones (MODON) and located in Riyadh, which was contracted for the purpose of establishing a new bottled drinking water factory in Riyadh. On May 16, 2024, Naqi Water Company announced the completion of the legal procedures for the transfer of its leasehold rights to a piece of land, including buildings and assets, in favor of the Saudi Company for Light Snacks Limited. This was in exchange for a sum of 10,925,000 Saudi Riyals, inclusive of value-added tax. As a result of this transaction, the company recognized a net profit from the disposal of 3,565,390 Saudi Riyals. The full consideration for the transfer was received in the subsequent period.

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Assets held for sale			
Buildings and constructions on owned and leased lands	(4)	2,056,220	--
Intangible assets	(8)	3,878,390	--
Total assets held for sale		5,934,610	--
Gain from assets held for sale		(9,500,000)	--
Total profit from assets held for sale		3,565,390	--

23. EARNINGS LOSSES PER SHARE

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

	For the six-month period ended June 30 (Unaudited)		For the three-month period ended June 30 (Unaudited)	
	2024	2023	2024	2023
Net income attributable to equity holders	18,936,746	24,395,092	11,023,944	13,223,752
Number of shares	20,000,000	20,000,000	20,000,000	20,000,000
earnings per share attributable to Company's shareholders	0,95	1,22	0,55	0,66

Diluted loss per share

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

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

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24. FINANCIAL RISK MANAGEMENT

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

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

24/1 Financial risk management framework

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

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

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

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

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

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

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24. FINANCIAL RISK MANAGEMENT (CONTINUED)

24/2 Market risk

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

24/2/1 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to fluctuations in foreign exchange rates. The Company is not significantly exposed to fluctuations in foreign exchange rates during its normal course of business, as the company core transactions during the period were denominated in Saudi Riyals and UAE Dirham. Since the exchange rate of the Saudi riyal is fixed against the UAE dirham, there are no significant risks associated with transactions and balances denominated in the UAE dirham.

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

As at 30 June 2024

	<u>UAE Dirham</u>	<u>Saudi Riyal</u>
Trade payable	699,638	714,986

As at 31 December 2023:

	<u>UAE Dirham</u>	<u>Saudi Riyal</u>
Trade payable	786,334	769,454

24/2/2 Risks of change in other purchasing prices

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

24/3 Credit risk

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

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

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

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Trade receivable	(10)	26,613,654	22,667,904
Cash in Banks	(14)	20,854,905	11,272,737
Time deposit	(14)	50,000,000	66,800,000
Cash in investment portfolio	(14)	14,244,209	--
Due from related party	(12)	4,457,354	4,805,893
Other Debit balances	(13)	913,572	1,190,739
		117,083,694	106,737,273

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24. FINANCIAL RISK MANAGEMENT (CONTINUED)

24/4 Liquidity risk

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

<u>As at 30 June 2024 (Unaudited)</u>	<u>Less than year</u>	<u>From year to 5 years</u>	<u>Total</u>
Trade payable	16,746,036	--	16,746,036
Accrued expenses and other credit	6,723,963	--	6,723,963
Due to related party	788,274		788,274
Loans	4,755,671	2,026,154	6,781,825
Lease Liabilities	991,522	3,418,625	4,410,147
	<u>30,005,466</u>	<u>5,444,779</u>	<u>35,450,245</u>
<u>As at 31 December 2023 (Audited)</u>	<u>Less than year</u>	<u>From year to 5 years</u>	<u>Total</u>
Trade payable	13,132,764	--	13,132,764
Accrued expenses and other credits	4,755,671	4,157,968	8,913,639
Loans	3,986,780	--	3,986,780
Due to related party	1,975,917	--	1,975,917
Lease Liabilities	878,810	3,063,508	3,942,318
	<u>24,729,942</u>	<u>7,221,476</u>	<u>31,951,418</u>

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

25. CONTINGENCIES AND CAPITAL COMMITMENTS

The company has no potential obligations against the covered portion of bank guarantees or documentary credits as of June 30, 2024 and December 31, 2023.

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

The following are the details of the capital commitments:

	<u>30 June 2024 (Unaudited)</u>	<u>31 December 2023 (Audited)</u>
Total capital commitments	13,800,000	13,800,000
Advance payments for the purchase of properties, plant and equipment	(1,380,000)	(1,380,000)
Net obligations to equity	<u>12,420,000</u>	<u>12,420,000</u>

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26. SEGMENT REPORTING

Segment report

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

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

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

Revenue for the year ending at	Local Sales-Water	Export Sales-Water	Logistic sales	Egg sales	Total
30 June 2024 (Unaudited)	104,697,811	1,723,127	2,835,805	4,478,949	113,735,692
30 June 2023 (Unaudited)	116,195,764	2,907,996	3,914,313	--	123,018,073

Trade receivables as at	Local Customers-Water	Export Customers - Water	Egg customers	Total
30 June 2024 (Unaudited)	27,966,315	408,553	456,559	28,831,427
30 June 2023 (Unaudited)	19,888,424	745,743	--	20,634,167

Geographical Segment

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Central Region	78,478,854	80,748,915
Western Region	12,952,371	11,839,467
Eastern Region	6,883,827	11,014,260
Northern Region	8,183,291	8,649,372
Southern Region	2,678,417	3,943,747
Logistics	2,835,805	3,914,313
Export	1,723,127	2,907,999
	113,735,692	123,018,073

27. DIVIDENDS

On June 27, 2024, the Ordinary General Assembly, based on the recommendation of the Board of Directors, approved cash dividends amounting to 10,000,000 Saudi Riyals, representing 5% of the company's capital, to shareholders for the third and fourth interim periods of 2023, at a rate of 0.5 Saudi Riyals per share. (On January 8, 2023, the Ordinary General Assembly, based on the recommendation of the Board of Directors, approved cash dividends amounting to 20,000,000 Saudi Riyals, representing 10% of the company's capital, to shareholders for the second and third interim periods of 2022, at a rate of 1 Saudi Riyal per share).

28. COMPARATIVE FIGURES

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX MONTHS PERIOD ENDED 30 June 2024
(Expressed in Saudi Arabian Riyals)

29. SUBSEQUENT EVENTS

On 24 Muharram 1446 AH, corresponding to July 30, 2024, the company signed a contract to purchase a bottled drinking water production line as part of its expansion plan to establish a new factory for producing bottled drinking water in the Jazan region. The contract includes the purchase and supply of a production line for bottled drinking water, completing the construction of its new factory in the Jazan region, with a value of 20,125,000 Saudi Riyals.

30. APPROVAL OF THE FINANCIAL STATEMENTS

These condensed interim financial statements for the period ended 30 June 2024 were approved by the Audit Committee, as authorized by the Board of Directors, on 26 Mahram 1446 (corresponding to 1 August 2024)