

**Earnings for the Annual Financial Results for the Year
Ended 31 December 2023**

Power and Water Utility Company for Jubail and Yanbu (“Marafiq”) is pleased to announce its consolidated annual financial results for the year ended 31 December 2023. The Company achieved net profits after deducting zakat and income tax amounting to SR 525.79 million

Highlights of financial performance

- The net profit of the period on 2023 amounted SR 525.79 million, decreased by 37.82% compared to the previous year 2022, this mainly attributable to the increase in financing cost for the current loans by 74% resulting from increasing in SIBOR rate, In addition, in 2022 deferred tax balances for Marafiq were reversed after listing.
- Total revenue amounted to SR 6,389.33 million, a decrease of 1.78% compared to the previous year 2022, this is due to a lower demand for power from some major customers in Yanbu Industrial City, despite the revenue increases in Water and sales Gas segments.
- The cost of revenue amounted to SR 5,264.45 million, a decrease of 1.73% compared to the year 2022. which is mainly driven by lower revenue.
- The total cash dividend distributions during the year 2023 amounted to SR 550 million, distributed to shareholders at 2.2 riyals per share, increased by 22.22% compared to the previous year 2022.
- Marafiq announced its early repayment of SR 500 million as part of its existing loans, which contributes to reducing financing costs.

Financial results summary (All figures in millions of Saudi Riyals)

Item	2023	2022	Change Percentage %
Revenue	6,389.33	6,505.09	(1.78%)
Cost of Revenue	5,264.45	5,356.90	(1.73%)
Net profit of the period	525.79	845.65	(37.82%)
Earnings per share (SR/Share)	2.10	3.38	(37.87%)
Dividends Paid	550	450	22.22%

Speech by the Company's CEO

Commenting on these results, Engineer Mohammed Berki Al-Zuabi said: All activities in all the sectors of the Company continued to meet all the needs of industrial and individual customers in the main industrial cities under Royal Commission for Jubail and Yanbu with high efficiency, this contributed to maintain the same level of revenues and costs compared to the previous year 2022. The increase in the financing costs mainly attributed to the net profits reduction by 37.82% compared to the previous year 2022, and to mitigate the financial impact of increasing financing costs, the Company made an early repayment of SR 500 million as part of its existing loans, which helped to reduce its financing costs. The CEO also praised on that, the Company maintained a strong financial position which enabled it to announce the distribution of dividends to its shareholders in the amount of SR 275 million for the second half of the year 2023 amounted, with a total of SR 550 million at 2.2 riyals per share.

Most notable events and achievements

- Marafiq achieved more than 12 million Safe Man-hours with zero incident rate.
- The completion of the new SWTP-9 wastewater treatment expansion project in Jubail city with a total capacity of 120,000 m³/day.
- Ranking Marafiq as best in its class in the Smart Industry Readiness Index (SIRI) evaluation program launched by the Ministry of Industry and Mineral Resources.
- Marafiq Laboratories have succeeded in obtaining ISO/IEC 17025:2017, which confirms its commitment to maintaining high levels of quality, efficiency and excellence in laboratory processes and procedures, in accordance with international standards.

Business Result by Sector (Include all internal operations within the sectors)

First: Power Sector

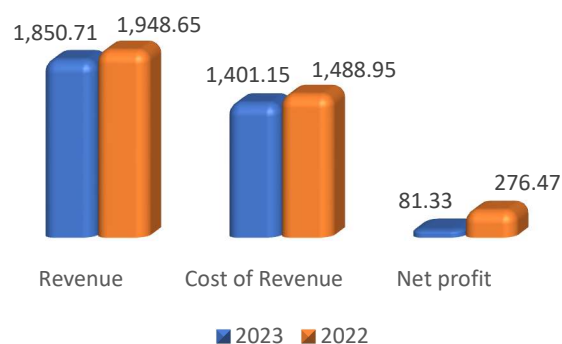
The Company provides power services (Generation, Transmission, Distribution and Retail) in Yanbu industrial city and Power Distribution & Retail in Jizan industrial city. Following is the financial overview of the power segment:

- Net profit for the power sector during the year 2023 amounted to SR 81.33 million, a decrease of 70.58% compared to the year 2022, this is due to lower power revenue and increase in financing costs.
- Power sector revenue during the year 2023 amounted to SR 1,850.71 million, a decrease of 5.02% compared to the year 2022, this is due to a decrease in demand for power due to a decrease in demand from some major customers in Yanbu Industrial City.
- Power cost of revenue improved by 5.90% during the year 2023 amounted SR 1,401.15 million, compared to the year 2022, which is mainly driven by lower fuel costs, result from lower power sales and less power quantities purchased from Jubail Water and Power Company (JWAP).

Summary of financial results for the power sector

(Millions of Saudi Riyals)

	2023	2022	%
Revenue	1,850.71	1,948.65	(5.02%)
Cost of Revenue	1,401.15	1,488.95	(5.90%)
Net profit of the year	81.33	276.47	(70.58%)



Second: Water Sector

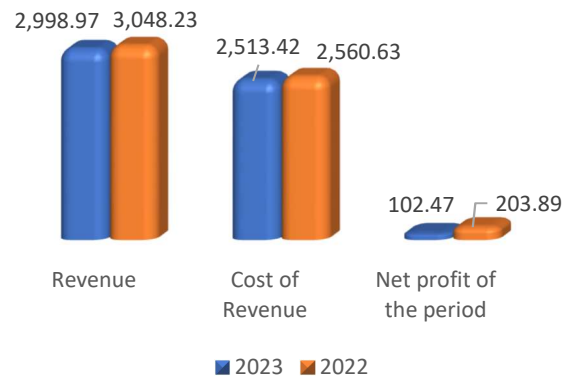
The Company provides water utility services in all four main industrial cities in which it operates: providing potable water to its all customers and process water to industrial customers as well as supply of seawater cooling to heavy industries. The Company also collects and treats wastewater (Industrial and Sanitary). Following is the financial overview of the water segment:

- Net profit for the water sector during the year 2023 amounted to SR 102.47 million, a decrease of 49.74% compared to the year 2022, this is mainly driven by increase in financing costs.
- Water sector revenue during the year 2023 amounted to SR 2,998.97 million, a decrease of 1.62% compared to the year 2022, this is due to the decrease in the quantities consumed internally among the company's sectors, despite the increase quantities sold to external customers.
- Water cost of revenue improved by 1.84% during the year 2023 amounted to SR 2,513.42 million, compared to the year 2022, this is due to improvement in production efficiencies which result to a reduction in operating and maintenance costs.

Summary of financial results for the water sector

(Millions of Saudi Riyals)

	2023	2022	%
Revenue	2,998.97	3,048.23	(1.62%)
Cost of Revenue	2,513.42	2,560.63	(1.84%)
Net profit of the year	102.47	203.89	(49.74%)



Third: Gas distribution sector

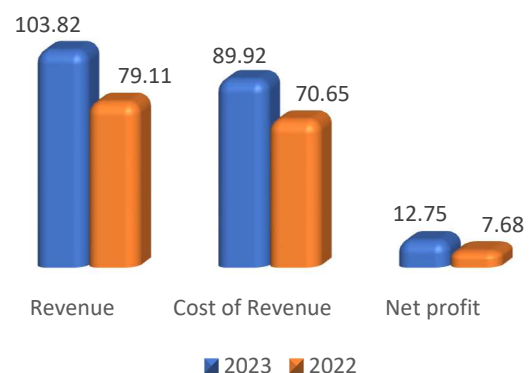
The Company distributes gas to the light industry area in Yanbu Industrial City. Following is the financial overview of the gas distribution:

- Net profit for the gas distribution sector during the year 2023 amounted to SR 12.75 million, an increase of 66.02% compared to the year 2022, this is due to the increase from customers revenue.
- Gas distribution sector revenue during the year 2023 amounted to SR 103.82 million, an increase of 31.23% compared to the year 2022, this was attributed to the increase in customers demand.
- Cost of revenue for gas distribution sector increased by 27.28% during the year 2023 amounted to SR 89.92 million, compared to the year 2022, as a result from revenue increases.

Summary of financial results for the

Gas distribution sector (Millions of Saudi Riyals)

	2023	2022	%
Revenue	103.82	79.11	31.23%
Cost of Revenue	89.92	70.65	27.28%
Net profit of the year	12.75	7.68	66.02%



Four: Independent Water and Power Production Sector

This sector illustrates the performance of the contractual agreements between Marafiq Water and Power Supply Company (Tawreed) and Jubail Water and Power Company (JWAP) where Tawreed purchases the entire water and power production from JWAP and then sell it to:

1-Saudi Principal Buyer 2- Saline Water Conversion Corporation (SWCC) 3- Marafiq.

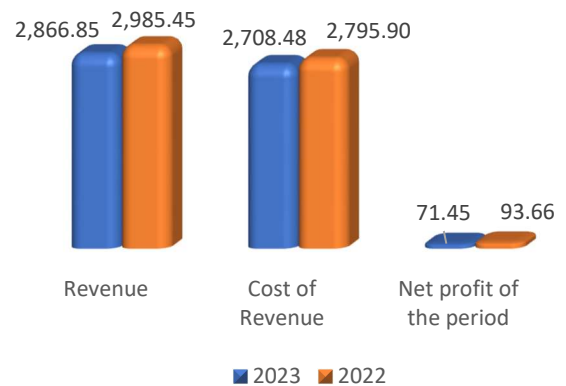
Below is the financial overview of the independent water and power production:

- Net profit during the year 2023 amounted to SR 71.45 million, a decrease of 23.71% compared to the year 2022, this is due to the decrease in sold quantities of power.
- Independent Water and Power Production Sector revenue during the year 2023 amounted to SR 2,866.85 million, a decrease of 3.97% compared to the year 2022, this is due to a decrease from JWAP power production.
- Cost of revenue during the year 2023 amounted to SR 2,708.48 million, a decrease of 3.13% compared to the year 2022, this was attributable to a decrease in JWAP power revenue.

Summary table of financial results for the Independent

Water and Power Production Sector (Millions of Saudi Riyals)

	2023	2022	%
Revenue	2,866.85	2,985.45	(3.97%)
Cost of Revenue	2,708.48	2,795.90	(3.13%)
Net profit of the year	71.45	93.66	(23.71%)



Future outlook

Marafiq is located in the main industrial cities of the Royal Commission in Jubail and Yanbu in the Kingdom of Saudi Arabia, as these cities are witnessing rapid developments in development projects in addition to the entry of new investments in them, which will contribute in future to increasing the demand for water and electricity services provided by the company. The Company also, after the approval of the Board of Directors, continuously studies the projects and tenders that are put forward by government agencies and others in order to contribute to them after confirming their economic feasibility for the company. The company's strategy aims to create new and diverse opportunities with additional value that contribute to achieving sustainable growth and optimal exploitation of the company's resources and assets in a way that achieves the aspirations of the company's shareholders and investors

Investor Relations

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