Earnings Press Release

SECOND QUARTER 2026

Q2 2026

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MARAFIQ

Q2 2026

CEO MESSAGE

Engr.
Mohammed Berki Al-Zuabi

Marafiq is pleased to announce its results for the second quarter of 2026, which reflect steady progress in executing its operational and strategic priorities, further reinforcing its role as a reliable utility provider in Royal Commission's industrial cities of Jubail and Yanbu and a key supporter of industrial and economic growth in the Kingdom of Saudi Arabia.

During the quarter, the Company delivered stable operational performance across its Power and Gas segments. In contrast, the Industrial Water segment in Jubail Industrial City was impacted by lower demand compared to the corresponding period of the previous year. Despite this temporary decline in demand, Marafiq continues to maintain high levels of operational readiness and production capacity, ensuring its ability to respond effectively to any future growth in industrial demand. This readiness is supported by a reliable infrastructure and strong operational capabilities.

Supported by our resilient business model and long-standing strategic relationships with our customers, we continued to strengthen the foundations for sustainable long-term growth and focused on enhancing operational efficiency, optimizing resource utilization, and maintaining a disciplined approach to capital management, supporting the creation of sustainable value for our shareholders while ensuring our ability to meet the growing demand for the essential utility services we provide.

Our strategic initiatives also continued to gain momentum during the quarter, we advanced the Yanbu natural gas conversion project, enhanced transmission network reliability, launched new digital platforms to improve customer experience. The Company also continues to accelerate the pace of implementing digital transformation programs and expanding the utilization of artificial intelligence technologies to support operational efficiency, enhance asset reliability, and achieve excellence in service delivery. In parallel, we continued to advance our sustainability agenda by further strengthening our environmental, social, and governance (ESG) practices. These accomplishments position Marafiq to capture future opportunities while contributing to Saudi Arabia’s Vision 2030 objectives and industrial growth objectives.

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Q2 2026

FINANCIAL HIGHLIGHTS

*All numbers are compared with prior year quarter results

REVENUE
1,714 Million
22%

NET PROFIT (LOSS)
(46) Million
(142)%

EARNINGS PER SHARE
(0.19) /share
(143)%

EBITDA
543 Million
(25)%

FREE CASH FLOW
672 Million
32%

DEBT TO EQUITY (Times)
3.15x
(2)%

FINANCIAL PERFORMANCE

- Total revenue amounted to SAR 1,714 million, reflecting a 22% increase compared to the same quarter last year. The increase was primarily due to a non-recurring adjustment related to the High Intensity Electricity Consumption Tariff (HIECT), which reduced the revenue in the same quarter last year by SAR 434 Million. The increase was partially offset by lower revenue from Tawreed (Wholly owned subsidiary) and a temporary decline in demand from Industrial Water segment customers in Jubail Industrial City during the current quarter.
- Cost of Revenue amounted to SAR 1,513 million with a decrease of 3%. This decrease is mainly due to the decrease of cost of revenue of Tawreed (Wholly owned Subsidiary) attributed to the lower quantity sold. This decrease was partially offset by an increase in cost of fuel used in production processes by 19%. In addition to the increase of Maintenance cost by SAR 15 Million due to the advancement of yearly maintenance activities.
- The company recorded a net loss of SAR (46) million, compared to a net profit in the same quarter last year. This shift was primarily driven by higher fuel costs, a temporary reduction of industrial customer demand in water segment during the current quarter.
- Free cash flow amounted to SAR 672 million, representing an increase of 32% compared to last year, driven by strong operating cash flows, partially offset by higher capital expenditures.

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

Item	Q2 2026	Q2 2025	Change Percentage %
Revenue	1,714	1,403	22%
Cost of Revenue	(1,513)	(1,554)	(3) %
Net profit (Loss)	(46)	110	(142) %
Earnings per Share (SAR/Share)	(0.19)	0.44	(143) %
Free cash flow [(1)]	672	509	32 %

(1) Free cash flow is calculated by: Net cash from operating activities, less additions to property, plant and equipment, plus financing costs paid.

ESG HIGHLIGHTS

Marafiq continues to advance its sustainability agenda through improving energy efficiency, reducing greenhouse gas emissions intensity, and mitigating environmental impacts.

As part of its commitment to integrating sustainability into its operations and long-term strategy, the Company is progressing with its program to replace heavy fuel oil with natural gas in Yanbu power generation facilities by 2029. This initiative is expected to enhance generation efficiency and strengthen the reliability of energy supply. Marafiq also continues to accelerate its digital transformation journey through the expanded use of artificial intelligence technologies, supporting operational efficiency, asset reliability, and service excellence.

During the second quarter of 2026, despite a 7% increase in power generation and a 6% rise in heavy fuel oil consumption compared to the first quarter of the year, the Company achieved a 1.5% improvement in greenhouse gas emissions intensity relative to its established target. At the same time, natural gas utilization increased by nearly 6%, demonstrating Marafiq's ability to meet growing customer demand while maintaining its commitment to emissions reduction and sustainability goals.

The Company's waste reduction initiatives also delivered positive results, with total waste generated during the first half of 2026 declining by 13% to 18,090 metric tons compared with the same period in 2025.

These achievements underscore the positive impact of Marafiq's sustainability initiatives and reflect the Company's ongoing commitment to environmental stewardship, operational excellence, and long-term value creation.

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