

**POWER AND WATER UTILITY  
COMPANY FOR JUBAIL AND  
YANBU (MARAFIQ) AND ITS  
SUBSIDIARIES**

(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS**

**FIRST QUARTER OF 2026**

(1 January 2026 - 31 March 2026)

**WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

**POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ)**  
**AND ITS SUBSIDIARIES**  
(A SAUDI JOINT STOCK COMPANY)  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FIRST QUARTER OF 2026 (1 JANUARY 2026 – 31 MARCH 2026)**

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Adeer Tower, 15<sup>th</sup> Floor  
Prince Turki Bin Abdulaziz Street, Al Khobar Corniche  
P.O. Box 3795  
Al Khobar 31952  
Kingdom of Saudi Arabia  
Head Office – Riyadh

C.R. No. 2051058792

Tel: +966 13 840 4600

Fax: +966 13 882 0087

[ey.ksa@sa.ey.com](mailto:ey.ksa@sa.ey.com)

[ey.com](http://ey.com)

## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ) (A SAUDI JOINT STOCK COMPANY)

### Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Power and Water Utility Company for Jubail and Yanbu ("Marafiq") (the "Parent Company"), a Saudi Joint Stock Company and its subsidiaries (collectively referred to as "the Group") as at 31 March 2026, and the related condensed consolidated statements of income, comprehensive income and cash flows for the three-month period ended 31 March 2026, and the related condensed consolidated statement of changes in equity for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services



Marwan S. AlAfaliq  
Certified Public Accountant  
License No. (422)



Al Khobar: 19 Thul - Qi'dah 1447H  
6 May 2026

**POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ)  
AND ITS SUBSIDIARIES  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2026**




	Note	31 March 2026 (Unaudited) SR '000	31 December 2025 (Audited) SR '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	13,758,416	13,806,443
Intangible assets		4,675	6,086
Right of use assets		3,812,565	3,986,990
Equity accounted investees		730,580	723,632
Long-term receivables and prepayments		111,841	119,018
<b>Total non-current assets</b>		<b>18,418,077</b>	<b>18,642,169</b>
<b>Current assets</b>			
Inventories, net		353,827	369,082
Trade receivables, net	7	1,059,001	981,356
Prepayments and other current assets		457,552	455,086
Short-term deposits	14	679,750	657,719
Cash and cash equivalents		885,431	1,047,488
<b>Total current assets</b>		<b>3,435,561</b>	<b>3,510,731</b>
<b>TOTAL ASSETS</b>		<b>21,853,638</b>	<b>22,152,900</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		2,500,000	2,500,000
Retained earnings		2,728,325	3,050,769
Fair value reserve for cash flow hedge		56,840	59,007
<b>Total equity</b>		<b>5,285,165</b>	<b>5,609,776</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank loans and borrowings	15	5,870,315	5,868,824
Lease liabilities		5,514,806	5,979,770
Other non-current liabilities	16	1,708,410	1,563,437
<b>Total non-current liabilities</b>		<b>13,093,531</b>	<b>13,412,031</b>
<b>Current liabilities</b>			
Current portion of lease liabilities		1,692,333	1,397,227
Trade payables		603,390	780,550
Accrued expenses and other current liabilities		1,179,219	953,316
<b>Total current liabilities</b>		<b>3,474,942</b>	<b>3,131,093</b>
<b>Total liabilities</b>		<b>16,568,473</b>	<b>16,543,124</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,853,638</b>	<b>22,152,900</b>

The condensed consolidated interim financial statements appearing on pages 1 to 16 were approved by the Board of Directors of the Parent Company on 18 Dhul Qadah 1447H corresponding to 5 May 2026 and have been signed on their behalf by:

  
Khalid Mohammed Al-Salem  
Chairman of the Board

  
Mohammed Berki Al-Zuabi  
President & CEO

  
Muhammed Abdulhamid AlMulhim  
VP Finance

The accompanying notes 1 through 18 form an integral part of these condensed consolidated interim financial statements.

**POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ)  
AND ITS SUBSIDIARIES**  
(A SAUDI JOINT STOCK COMPANY)  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026**

**مرافق**  
**MARAFIQ**

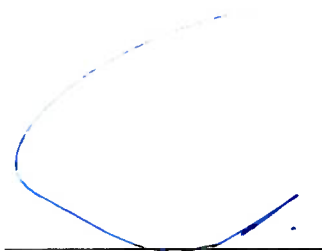
	Note	31 March 2026 (Unaudited) SR '000	31 March 2025 (Unaudited) SR '000
Revenue	11	1,814,568	1,703,948
Cost of revenue		(1,474,771)	(1,385,334)
<b>Gross profit</b>		<b>339,797</b>	<b>318,614</b>
Administrative expenses		(75,038)	(75,299)
(Charge) / reversal of impairment loss on trade receivables	7	(6,045)	6,739
Other operating income, net	12	57,641	78,552
<b>Operating profit</b>		<b>316,355</b>	<b>328,606</b>
Finance income		19,373	17,665
Finance cost		(215,409)	(239,421)
Share in results of equity accounted investees		10,434	17,013
<b>Profit before Zakat</b>		<b>130,753</b>	<b>123,863</b>
Zakat	8	(3,197)	(5,925)
<b>Net profit for the period</b>		<b>127,556</b>	<b>117,938</b>
<b>Earnings per share:</b>			
Basic and diluted earnings per share attributable to shareholders - SR		0.51	0.47



Khalid Mohammed Al-Salem  
Chairman of the Board



Mohammed Berki Al-Zuabi  
President & CEO



Muhammed Abdulhamid AlMulhim  
VP Finance

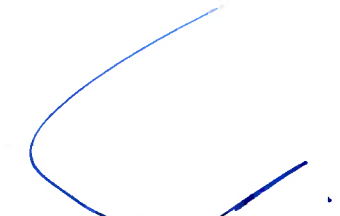
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**POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ)  
AND ITS SUBSIDIARIES  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026**

	<u>31 March 2026</u> <u>(Unaudited)</u>	<u>31 March 2025</u> <u>(Unaudited)</u>
	SR '000	SR '000
Net profit for the period	127,556	117,938
<b>Other comprehensive loss for the period</b>		
<i>Other comprehensive income items that are or may be reclassified to profit or loss account in subsequent periods:</i>		
Share of loss on cash flow hedge, net of deferred tax	<u>(2,167)</u>	<u>(24,496)</u>
<b>Total comprehensive income for the period</b>	<u><b>125,389</b></u>	<u><b>93,442</b></u>

  
Khalid Mohammed Al-Salem  
Chairman of the Board

  
Mohammed Berki Al-Zuabi  
President & CEO

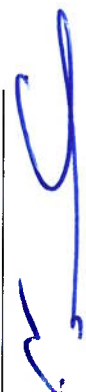
  
Muhammed Abdulhamid AIMulhim  
VP Finance

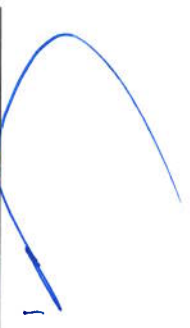
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**POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ)  
AND ITS SUBSIDIARIES  
(A SAUDI JOINT STOCK COMPANY)  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026**

	Share capital SR '000	Retained earnings SR '000	Fair value reserve for cash flow hedge SR '000	Total Equity SR '000
As at 1 January 2025 (Audited)	2,500,000	2,612,962	111,446	5,224,408
Profit for the period (Un-audited)	-	117,938	-	117,938
Other comprehensive loss (Un-audited)	-	-	(24,496)	(24,496)
As at 31 March 2025 (Un-audited)	2,500,000	2,730,900	86,950	5,317,850
As at 1 January 2026 (Audited)	2,500,000	3,050,769	59,007	5,609,776
Profit for the period (Unaudited)	-	127,556	-	127,556
Other comprehensive loss (Unaudited)	-	-	(2,167)	(2,167)
Dividend	-	(450,000)	-	(450,000)
As at 31 March 2026 (Unaudited)	2,500,000	2,728,325	56,840	5,285,165

  
Khalid Mohammed Al-Salem  
Chairman of the Board

  
Mohammed Berki Al-Zuabi  
President & CEO

  
Muhammed Abdulhamid AlMuhim  
VP Finance

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**POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ)  
AND ITS SUBSIDIARIES**  
(A SAUDI JOINT STOCK COMPANY)  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026**

**مرفق**  
**MARAFIQ**

	31 March 2026 (Unaudited) SR '000	31 March 2025 (Unaudited) SR '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before Zakat	130,753	123,863
<i>Adjustments to reconcile profit before zakat to net cash flow:</i>		
Depreciation of property, plant and equipment and right of use assets	373,361	383,257
Amortization of intangible assets	1,411	1,155
Amortization of deferred income	(15,077)	(14,819)
Amortization of deferred employee benefits	504	1,450
Charge / (reversal) for impairment of trade receivables	6,045	(6,739)
Provision for slow moving and obsolete inventories	4,462	5,581
Share in results of equity accounted investees	(10,434)	(17,013)
Provision for employee's benefits	17,262	16,156
Finance income	(19,373)	(17,665)
Finance costs	215,409	239,421
<i>Working capital adjustments:</i>		
Trade receivables	(83,690)	(432,739)
Inventories	10,793	(12,554)
Prepayments and other current assets	(2,766)	(33,784)
Long term receivables and prepayments	6,673	11,013
Trade payables	(177,160)	126,883
Accrued expenses and other current liabilities	134,706	(20,531)
Other non-current liabilities	4,917	5,396
<b>Cash generated from operating activities</b>	<b>597,796</b>	<b>358,331</b>
Employees' benefits paid	(5,378)	(14,236)
Finance cost paid	(99,045)	(115,262)
<b>Net cash generated from operating activities</b>	<b>493,373</b>	<b>228,833</b>
<b>CASH FLOWS GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(148,635)	(73,668)
Grant received	141,977	-
Investment in associate	(294)	-
Finance income on deposits received	18,656	14,342
Net movement in short-term deposits	(22,031)	(157,110)
<b>Net cash used in investing activities</b>	<b>(10,327)</b>	<b>(216,436)</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Payment of lease obligation	(196,533)	(181,821)
Dividends paid	(448,570)	-
<b>Net cash used in financing activities</b>	<b>(645,103)</b>	<b>(181,821)</b>
Net change in cash and cash equivalents	(162,057)	(169,424)
Cash and cash equivalents at the beginning of the period	1,047,488	1,452,872
<b>Cash and cash equivalents at the end of the period</b>	<b>885,431</b>	<b>1,283,448</b>
<b>Significant non-cash transactions</b>		
Non-cash consideration: customer funded assets acquired	2,515	-
Net change in fair value of cash flow hedge	2,167	24,496

  
Khalid Mohammed Al-Salem  
Chairman of the Board

  
Mohammed Berki Al-Zuabi  
President & CEO

  
Muhammed Abdulhamid AlMulhim  
VP Finance

The accompanying notes 1 through 18 form an integral part of these condensed consolidated interim financial statements.

**POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ)**  
**AND ITS SUBSIDIARIES**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026**



**1. CORPORATE INFORMATION**

Power and Water Utility Company for Jubail and Yanbu ("Marafiq" or "the Parent Company") was incorporated pursuant to Royal Decree No. M/29 dated 21/7/1421H corresponding to 18 October 2000 as a Saudi joint stock company, in accordance with Ministerial Decision No. 2101 dated 26/12/1421H corresponding to 21 March 2001. On 24 November 2022 the Parent Company completed its Initial Public Offering and listed its shares on Saudi Exchange.

The Parent Company operates under commercial registration number 2055004968 and unified number 7001433833 dated 17/6/1422H corresponding to 5 September 2001 issued in Jubail Industrial City. The Parent Company's registered office is situated in the Support Industries Area of Jubail Industrial City, Kingdom of Saudi Arabia.

The issued and paid-up capital of the Parent Company is divided into 250,000,000 shares of SR 10 per share amounting to SR 2,500,000,000 at the period / year end and was held as follows:

	<b>31 March 2026</b>	<b>31 December 2025</b>
Saudi Basic Industries Corporation ("SABIC")	<b>17.50%</b>	17.50%
Saudi Aramco Power Company ("SAPCO")	<b>17.50%</b>	17.50%
Royal Commission for Jubail & Yanbu ("Royal Commission")	<b>17.50%</b>	17.50%
Public Investment Fund ("PIF")	<b>17.50%</b>	17.50%
Free float	<b>30.00%</b>	30.00%
	<b>100%</b>	<b>100%</b>

The primary objective of the Parent Company is the operation, maintenance, construction, and management of (i) electric power systems, (ii) seawater cooling systems, (iii) desalinated water systems (including storage and distribution of process and potable water), and (iv) sanitary and industrial wastewater treatment systems to provide essential utility services to governmental, industrial, commercial, and residential customers in the industrial cities of Jubail and Yanbu. The Parent Company has also been selected by the Royal Commission as the sole power and water service provider for Jazan City for Primary and Downstream Industries (JCPDI) and the water service provider in Ras Al Khair Industrial City (RIC). The Parent Company may:

- own or lease related property, facilities and networks and/or install, extend, upgrade, replace or expand facilities or networks as required on its own or through others;
- engage in any activities necessary or complementary to those objectives, including importation of materials and the likes. The Parent Company shall provide those services to all beneficiaries in the two industrial cities of Jubail and Yanbu;
- acquire interests in other companies and own, lease, install, extend, upgrade, replace or expand related properties, facilities and networks and to engage in any activities in realizing its objectives; and
- own interest or shares in other companies or merge with or buy such companies and to establish new companies alone inside or outside the Kingdom Saudi Arabia.

The Parent Company commenced its commercial operations on 1 January 2003. The Group's principal places of business are Jubail and Yanbu Industrial Cities.

On 21 September 2021, the Council of Ministers Resolution No. 111 was issued approving the high intensity electricity consumption tariff (HIECT) that was applicable to establishments operating in qualified activities or sectors belonging to industrial, commercial and agricultural consumers effective 1 January 2022. Prior to determination of qualified activities or sectors, on 20 December 2022, the Council of Ministers Resolution No. 361 was issued approving the amendment of the effective date to be from 1 January 2023. Resolution No. 111 requires the Saudi Electricity Regulatory Authority (SERA) to approve, within three months from the date of this decision, the executive rules, controls, and procedures necessary for applying the HIECT.

As of 31 December 2024, due to the uncertainty surrounding the timing of collection, the Parent Company has recorded a provision for impairment of trade receivable amounting to SR 496.2 million for the eligible customer receivables in accordance with requirement of IFRS accounting standards as endorsed in Kingdom of Saudi Arabia ("KSA").

On 27 April 2025 corresponding to 29 Shawwal 1446H, the Parent Company received a notification from Saudi Electricity Regulatory Authority (SERA) for amendment of electricity consumption tariff for establishments that are not eligible for Heavy Consumption of Electricity Tariff in the Industrial, Commercial and Agricultural sectors effective 28 May 2025.

On 13 May 2025, the SERA issued a mechanism for the revenue shortfall resulted from implementation of the HIECT for eligible establishments, which outlines (i) increase the future tariff from establishments that are not eligible for Heavy Consumption of Electricity Tariff in the Industrial, Commercial and Agricultural sectors by 2 Halalah per Kw/H in such a way that it covers the revenue deficit and (ii) any revenue deficit not recovered from the establishments not eligible for Heavy Consumption of Electricity Tariff to be compensated from the other electricity service providers in the KSA as and when advised by SERA.

**POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ)  
AND ITS SUBSIDIARIES (A SAUDI JOINT STOCK COMPANY)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026**



**1. CORPORATE INFORMATION (continued)**

The Parent Company has communicated with the relevant regulatory authorities to include the Company into electricity Balancing Account which will cover the difference between the required revenue and the actual revenue resulting from implementing the approved electricity tariffs.

**Group structure**

**Subsidiaries**

The Parent Company and its subsidiaries are hereinafter referred to as ("the Group"). As at 31 March 2026 and 31 December 2025 the Parent Company has following subsidiaries:

- Marafiq Insurance Limited ("MIL"), owned 100% by the Parent Company, registered in the Island of Guernsey and is engaged in the business of captive insurance for Marafiq.
- Marafiq Water and Power Supply Company ("TAWREED"), owned 100% by the Parent Company, is registered in the Kingdom of Saudi Arabia for the purpose of purchase of water and electricity from Jubail Water and Power Company ("JWAP") and sale of these utilities to the On- Sale Parties: Saudi Power Procurement Company ("Principal Buyer"), Saudi Water Authority (SWA) ("previously The Saline Water Conversion Corporation") and Marafiq. TAWREED is also responsible for the purchase and supply of fuel to JWAP.
- MASA Services Company for Operation and Maintenance ("MASA"), owned 100% by Marafiq, is registered in the Kingdom of Saudi Arabia for the purpose of operation, maintenance and management of seawater cooling systems, desalinated and treated water systems, sanitary and industrial drainage systems, waste water treatment and operation and maintenance of utility services relating to management and treatment of industrial waste and hazardous waste.
- Jeddah Althaniya Operation and Maintenance Company ("JAOMC"), owned 100% by the Parent Company, is registered for operation and maintenance of a sewage collection and treatment plant in Jeddah. JAOMC was previously an associate owned 49% by the Parent Company, however in November 2024, the Parent Company signed an agreement to acquire 51% shareholding from other shareholder. Accordingly, effective November 2024, the Parent Company consolidated 100% of JOAMC. Commercial operations of the Company commenced on 10 December 2024.

**Investment in associates**

As at 31 March 2026, the Group has following associates:

- Jubail and Yanbu District Cooling Company ("TABREED"), owned 20% by Marafiq, is registered in Kingdom of Saudi Arabia with the principal activity being to develop, provide and support district cooling systems for industrial, commercial and residential customers in the industrial cities of Jubail and Yanbu.
- Al-Haer Operations Limited Company, established in 2024 and owned 45% by MASA (subsidiary of Marafiq). The main activity of the company is to engage in operation and maintenance of water supply, sanitation, waste management and treatment, sanitation and construction of utility projects. No activities have been undertaken by Al-Haer Operations during the period. The operation of the Company is expected to commence in 2027.

**Investment in joint venture**

As at 31 March 2026, the Group has following joint venture:

- Jubail Water and Power Company ("JWAP"), owned 30% by Marafiq, is registered in the Kingdom of Saudi Arabia with the principal activity being to develop, construct, own, operate and maintain an independent water and power plant in Jubail Industrial City, Kingdom of Saudi Arabia, sell water and electricity and to engage in any business or activities related or ancillary thereto. JWAP commenced its commercial operations in 2010.
- Jeddah Althaniya Water Company ("JAWC"), owned 45% by Marafiq, is registered for management, operation, maintenance, construction and expansion of a sewage collection and treatment plant, distribution and disposal of waste and the establishment and expansion of the necessary facilities and networks in Jeddah. Commercial operations of JAWC commenced during the year ended 31 December 2023.
- During 2024, Marafiq entered into the consortium with Miahona Company and N.V. BESIX S.A. Sharjah branch for the Al-Haer independent sewage treatment plant project in Riyadh ("Project") and established Al-Haer Environmental Services Company (A limited liability Company). Marafiq owns 35% of company and has accordingly contributed share capital. During 2025, the Company achieved financial close after receiving the closing certificates from Saudi Water Partnership Company and the lenders on 07 February 2025. The financing agreements have been signed after fulfilling all requirements and conditions with a group of financiers at a project cost of approximately 1.5 billion Saudi Riyals, excluding financing costs. The operation of the Company is expected to commence in 2027.

**1. CORPORATE INFORMATION (continued)**

**Group structure (Continued)**

During 2025, Marafiq entered into agreement with Veolia Middle East (Veolia) and Lamar Arabia for Energy (Lamar) for the development of an advanced Industrial Wastewater Treatment Plant (IWWTP) in Jubail 2 Industrial City, to enable the efficient recycling of wastewater into demineralized water, supporting sustainable industrial operations for the AMIRAL Project, and established Aqua Renew Company (A limited liability Company). Marafiq owns 40% of the Company and has accordingly contributed to share capital. The operation of the Company is expected to commence in 2028.

During 2025, a subsidiary of the Group ("MASA") entered into an agreement with Veolia Middle East (Veolia) relating to operation and maintenance of Industrial Wastewater Treatment Plant (IWWTP) in Jubail 2 Industrial City, for the AMIRAL Project. During the period ended 31 March 2026, Sustain Water Services Company was established. MASA owns a 49% equity interest in Sustain Water Services Company and has accordingly contributed to share of capital. The operation of the Company is expected to commence in 2028.

Marafiq entered into Consortium agreement with Miahona Company and Buhur for Investment Company for the development of an Arana Independent Sewage Treatment Plant (ISTP) under the Build, Own, Operate, Transfer (BOOT), for 25-year located in the Makkah province. During the period Arna Renewable Water Company (ARWC) (A limited liability Company) was established and Marafiq owns 35% of the Company and will accordingly contribute to share capital. The operation of the Company is expected to commence in 2028.

The Group's ownership percentage in the above companies is the same in all periods presented in these consolidated interim financial statements except for new establishments during the period.

**Date of authorization of condensed consolidated interim financial statements**

These condensed consolidated interim financial statements of the group for the three months period ended 31 March 2026 were approved by the Board of Directors on 18 Dhul Qadah 1447H corresponding to 5 May 2026.

**2. BASIS OF ACCOUNTING**

**2.1 Statement of compliance**

These condensed consolidated interim financial statements (herein referred to as the "interim financial statements") have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA"), and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2025 ("last annual financial statements"). These interim financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding the changes in the Group's financial position and performance since the last annual financial statements.

These interim financial statements have been prepared on a historical cost basis except for the cash flow hedge.

These interim financial statements comprise the condensed consolidated interim financial statements of the Parent Company and its subsidiaries for the three-months period ended 31 March 2026.

**2.2 Functional and presentational currency**

Items included in these interim financial statements are measured using the currency of the primary economic environment in which the Parent Company operates. These condensed consolidated interim financial statements are presented in Saudi Riyals which is the Group's functional and presentation currency. All amounts are rounded to the nearest thousand (SR '000), except when otherwise indicated.

**2.3 Basis of consolidation**

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Parent Company's voting rights and potential voting right.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

**2. BASIS OF ACCOUNTING (continued)**

**2.3 Basis of consolidation (Continued)**

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences, recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the Group's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Parent Company had directly disposed of the related assets or liabilities.

Non-Controlling Interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

**3. USE OF ESTIMATES AND JUDGEMENT**

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements

**4. NEW STANDARDS, AMENDMENTS AND INTERPRETATION**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**a) New and revised standards with no material effect on the interim financial statements**

Following are the recent changes to IFRSs that are required to be adopted in annual periods beginning on 1 January 2026:

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7.
- Annual Improvements to IFRS accounting Standards Volume 11.
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The application of the revised IFRSs did not have any material impact on the amounts reported for current and prior periods.

**b) Standards issued but not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's condensed consolidated interim financial statements are disclosed below. The group intends to adopt these standards, if applicable, when they become effective.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28), effective date yet to be determined.
- IFRS 18 – Presentation and Disclosure in Financial Statement, effective for annual periods beginning on or after 1 January 2027.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures, effective for annual periods beginning on or after 1 January 2027.

The Group is in the process of determining the impact of IFRS 18 on the condensed consolidated interim financial statements in the period of initial application. With regards to the other above-mentioned standards, the Group does not expect to have a significant impact on the Group's condensed consolidated interim financial statements.

**5. OPERATING SEGMENTS**

The main operating activities of the Group are divided into Power, Water, Gas and others which are complementary to each other in the production and distribution of electricity, water and gas to customers. The Group's primary revenues are currently realized from sale of power, water and gas to final customers according to the applicable tariffs.

***Segment information:***

The Group is organized into business units based on following reportable segments:

- Power, includes electric power generation, transmission, distribution and retail sales;
- Water, includes desalinated and treated water systems, and potable, process and industrial water production, distribution, sea water cooling systems for heavy industries, industrial and sanitary waste water treatment and disposal;
- Gas, includes sales gas distribution and retail sales of gas; and
- Independent Water and Power, includes power and water sold by TAWREED through separate arrangement, refer note 1.

Further, Corporate and others, includes all other activities that are not directly attributable to identifiable operating segments. This primarily includes finance income/expense, other income/expense, charge of impairment on trade receivables and share in results of equity accounted investees.

All of the Group's operating assets and principal activities are located in the Kingdom of Saudi Arabia.

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**5. OPERATING SEGMENTS (continued)**

For the three months period ended 31 March 2026

	Power	Water	Gas	Independent Water and Power	Corporate and others	Eliminations	Total
	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000
Third party revenue	393,807	705,094	52,449	654,418	8,800	-	1,814,568
Inter-segment revenue	65,480	29,743	-	101,119	3,706	(200,048)	-
Depreciation and amortization	(100,258)	(128,976)	(1,153)	(144,314)	(71)	-	(374,772)
Reversal for impairment of trade receivables (note 7)	-	-	-	-	(6,045)	-	(6,045)
Operating profit / (loss)	(96,633)	209,668	1,110	149,353	52,857	-	316,355
Share in results of equity accounted investees	-	-	-	-	10,434	-	10,434
Finance income	-	1,675	-	540	17,158	-	19,373
Finance cost	(68,327)	(47,995)	-	(99,045)	(42)	-	(215,409)
<b>Profit / (loss) before zakat</b>	<b>(164,960)</b>	<b>163,348</b>	<b>1,110</b>	<b>50,848</b>	<b>80,407</b>	<b>-</b>	<b>130,753</b>
Property, plant and equipment, right of use assets and intangibles as at 31 March 2026	6,419,739	7,617,006	44,401	2,453,341	1,041,169	-	17,575,656
Lease liabilities as at 31 March 2026	959,796	1,587,117	5	4,523,671	136,550	-	7,207,139
Additions during the period to segment assets*	90,724	32,449	1,241	-	26,736	-	151,150

For the three months period ended 31 March 2025

	Power	Water	Gas	Independent Water and Power	Corporate and others	Eliminations	Total
	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000
Third party revenue	368,040	595,637	50,110	685,508	4,653	-	1,703,948
Inter-segment revenue	56,034	31,089	-	106,353	-	(193,476)	-
Depreciation and amortization	(102,264)	(136,661)	(1,135)	(144,314)	(38)	-	(384,412)
Reversal for impairment of trade receivables	(4,998)	-	-	-	11,737	-	6,739
Operating profit	(9,768)	99,619	(1,002)	151,284	85,972	2,501	328,606
Share in results of equity accounted investees	-	-	-	-	17,013	-	17,013
Finance income	-	1,030	-	1,054	15,581	-	17,665
Finance cost	(65,957)	(58,138)	-	(115,262)	(64)	-	(239,421)
<b>Profit / (loss) before Zakat</b>	<b>(75,725)</b>	<b>42,511</b>	<b>(1,002)</b>	<b>37,076</b>	<b>118,502</b>	<b>2,501</b>	<b>123,863</b>
Property, plant and equipment, right of use assets and intangibles as at 31 December 2025	6,420,300	7,706,184	43,984	2,597,655	1,031,396	-	17,799,519
Lease liabilities as at 31 December 2025	931,184	1,593,841	5	4,717,828	134,139	-	7,376,997
Additions during the period to segment assets*	76,680	201,031	710	-	185,317	-	463,738

\* This comprises additions during the period to property, plant and equipment. There were no additions to right of use assets and intangibles.

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**6. PROPERTY, PLANT AND EQUIPMENT**

During the three months ended 31 March 2026, the Group acquired assets with a cost of SR 151.15 million (31 December 2025: SR 443.9 million), including CWIP additions. Disposals during the period were nil (31 December 2025: SR 15.1 million).

**7. TRADE RECEIVABLES**

	<b>31 March 2026</b> <b>(Unaudited)</b>	<b>31 December 2025</b> <b>(Audited)</b>
	<b>SR '000</b>	<b>SR '000</b>
Trade receivables – related parties	<b>812,506</b>	815,848
Trade receivables – others	<b>311,662</b>	224,630
	<b>1,124,168</b>	1,040,478
Provision for impairment	<b>(65,167)</b>	(59,122)
	<b>1,059,001</b>	981,356

Movement in provision for impairment during the period/year is as follows:

	<b>31 March 2026</b> <b>(Unaudited)</b>	<b>31 December 2025</b> <b>(Audited)</b>
	<b>SR '000</b>	<b>SR '000</b>
Opening balance	<b>59,122</b>	542,114
Charge / (reversal) for the period (note 7.1)	<b>6,045</b>	(482,992)
Closing balance	<b>65,167</b>	59,122

**7.1** Reversal during the year 2025 includes reversal of expected credit loss pertaining to HIECT receivable amounting to SR 496.2 resulting from implementation of HIECT.

As disclosed in Note 1 to these financial statements, on 28 May 2025, the Company implemented the HIECT. As a result, the Company has considered the change in tariff as contract modification and recognized the change as cumulative adjustment to previously recognized revenue in accordance with IFRS 15. This resulted in a one-time power revenue reversal of SR 475.5 million related to prior periods and resultantly expected credit loss pertaining to the HIECT receivables was also reversed during that period.

**8. ZAKAT**

Zakat charge for the period represents the accumulated amount of Zakat provision made by the Parent Company and its subsidiaries. Zakat provision as of 31 March 2026 amounts to SR 17.75 million (31 December 2025: 14.8 million)

**Status of assessments**

**Power and Water Utility Company for Jubail and Yanbu (Marafiq)**

Annual zakat returns have been filed up to the financial year 2025 within the statutory filing deadlines.

Zakat and Income Tax assessments for the financial years 2015 through 2019 and 2021 through 2024 have been finalized by ZATCA. Zakat returns for the years up to 31 December 2025 have been filed with ZATCA within statutory deadlines. The Zakat and income tax assessment for the year 2020 is under review by ZATCA.

**Marafiq Water and Power Supply Company (TAWREED)**

Zakat and Income Tax assessments up to the year 2017 has been finalized with the ZATCA. Zakat returns for the years up to 31 December 2025 have been submitted within the statutory deadline and ZATCA review is awaited. ZATCA has raised certain additional queries for the years 2018 through 2021 which have been responded by TAWREED and ZATCA's review is awaited. The Zakat assessment for the years 2021 through 2024 are under review by ZATCA.

**MASA Services Company for Operation and Maintenance (MASA)**

Zakat assessment for the year 2017 and 2018 has been finalized with the ZATCA. The Zakat and income Tax assessment for the financial year 2019 and prior years have become time barred due to statute of limitations. ZATCA has not yet issued assessment for the financial year 2020 through 2024. Zakat and Income tax returns for the year ended 31 December 2025 have been submitted within the statutory deadline.

**Jeddah Althaniya Operation and Maintenance Company (JAOMC)**

Zakat and income tax returns from inception till the year ended 31 December 2024 have been filed and are under review by ZATCA. Zakat and income tax returns for the year ended 31 December 2025 have been submitted within the statutory deadline.

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**9. FINANCIAL INSTRUMENTS**

**i. Financial assets**

	<b>31 March 2026</b> <b>(Unaudited)</b>	<b>31 December 2025</b> <b>(Audited)</b>
	<b>SR '000</b>	<b>SR '000</b>
Due from employee home ownership program	<b>104,473</b>	111,146
Trade receivables	<b>1,124,168</b>	1,040,478
Other receivables	<b>347,647</b>	335,501
Short term deposits	<b>679,750</b>	657,719
Cash and cash equivalents	<b>885,431</b>	1,047,488
<b>Total financial assets not measured at fair value</b>	<b>3,141,469</b>	<b>3,192,332</b>

**ii. Financial liabilities**

	<b>31 March 2026</b> <b>(Unaudited)</b>	<b>31 December 2025</b> <b>(Audited)</b>
	<b>SR '000</b>	<b>SR '000</b>
Loans and borrowings	<b>5,900,000</b>	5,900,000
Lease liabilities	<b>7,207,139</b>	7,376,997
Other non-current liabilities	<b>362,674</b>	217,226
Trade payables	<b>603,390</b>	780,550
Accrued expense and other payables (note a)	<b>1,102,211</b>	879,358
<b>Total financial liabilities not measured at fair value</b>	<b>15,175,414</b>	<b>15,154,131</b>

a. This includes due to related parties amounting to SR 550.76 million (31 December 2025: SR 339.3 million) and accrued finance cost amounting to SR 88.96 million (31 December 2025: SR 0.76 million).

**iii. Fair value hierarchy for financial instruments**

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the interim financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value:

	<b>Fair value</b>			<b>Total fair value</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Cash flow hedge reserve</b>				
<b>31 March 2026 (Unaudited)</b>	-	<b>56,840</b>	-	<b>56,840</b>
31 December 2025 (audited)	-	59,007	-	59,007

Fair value of cash flows hedge reserve represents the mark to market values of the interest rate swaps as of 31 March 2026 and 31 December 2025. Interest rate swaps are fair valued by calculating present value of the estimated future cash flows. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current default swap or bond prices.

**10. COMMITMENTS AND CONTINGENCIES**

**Capital commitments**

Capital expenditure contracted by the Group at the end of the period but not incurred is SR 607 million (31 December 2025: SR 710.62 million).

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**10. COMMITMENTS AND CONTINGENCIES (continued)**

**Other commitments**

One of the Group companies, TAWREED entered into an agreement with Saudi Aramco to purchase fuel required for the IWPP for a period of twenty years and the cost of the fuel will be reimbursed by On-Sale Parties on a monthly basis without any mark-up.

**Contingent liabilities**

i) At 31 March 2026, bank guarantees have been issued amounting to SR 727.72 million (31 December 2025: SR 727.72 million), by the Group's bankers, on behalf of the Group in the ordinary course of business. The Parent Company has also issued a corporate guarantee on behalf of its joint ventures amounting to SR 349.8 million (31 December 2025: SR 349.8 million).

ii) The Parent Company is currently involved in ongoing litigation with a contractor relating to the development of housing project. The contractor filed the legal dispute with Commercial Court and an initial judgement issued by the Commercial Court on 24 November 2025, ordering the Parent Company to pay SAR 40.6 million.

The Parent Company filed an appeal on 25 December 2025, asserting that the disputed amount represents contractually agreed delay penalties due to significant delays by the Contractor in completing its performance obligations. Based on management's assessment and legal counsel opinion, the Parent Company has sufficient grounds and evidence to defend its position and dispute the initial judgement. Accordingly, no provision has been recorded in these consolidated financial statements.

**11. REVENUE**

Revenue from contracts with customers is disaggregated as follows:

	<b>For the three-month period ended</b>	
	<b>31 March 2026</b> <b>(Unaudited)</b>	<b>31 March 2025</b> <b>(Unaudited)</b>
	<b>SR '000</b>	<b>SR '000</b>
Power	865,419	874,103
Water	878,255	765,578
Gas	52,450	50,110
Others	18,444	14,157
	<b>1,814,568</b>	<b>1,703,948</b>

**12. OTHER OPERATING INCOME, NET**

	<b>For the three-month period ended</b>	
	<b>31 March 2026</b> <b>(Unaudited)</b>	<b>31 March 2025</b> <b>(Unaudited)</b>
	<b>SR '000</b>	<b>SR '000</b>
Power margin	29,233	29,564
Income from service provided to affiliate	27,332	44,920
Others	1,076	4,068
	<b>57,641</b>	<b>78,552</b>

**13. RELATED PARTY TRANSACTIONS AND BALANCES**

**13.1 Significant transactions with related parties**

Billings for providing power and water services to related parties in accordance with long term supply agreements are as follows:

	<b>For the three-month period ended</b>	
	<b>31 March 2026</b> <b>(Unaudited)</b>	<b>31 March 2025</b> <b>(Unaudited)</b>
	<b>SR '000</b>	<b>SR '000</b>
<i>Shareholders</i>		
SABIC and its subsidiaries	425,246	332,796
Royal Commission for Jubail & Yanbu	56,393	50,069
<i>Other related parties</i>		
Saudi Aramco and its subsidiaries	382,341	318,634
Principal Buyer	577,938	618,816
SWA	208,915	203,721
Other government entities	49,913	36,429

\*Billings include revenue and income from other services billed to related parties inclusive of VAT.

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**13. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

**13.1 Significant transactions with related parties (Continued)**

Costs include fuel oil, gas, power and water costs in accordance with long-term purchase agreements as follows:

	For the three-month period ended	
	31 March 2026 (Unaudited) SR '000	31 March 2025 (Unaudited) SR '000
<i>Other related parties</i>		
Saudi Aramco and its subsidiaries	633,346	559,516
JWAP	125,158	136,894
Other government entities	40,956	30,673

**13.2 Balances with related parties**

	31 March 2026 (Unaudited) SR '000	31 December 2025 (Audited) SR '000
<b>Due to related parties</b>		
<i>Shareholders</i>		
Royal Commission (13.2.1)	2,675,294	2,649,049
<i>Other related parties</i>		
Saudi Aramco and its subsidiaries	720,178	544,504
JWAP (13.2.2)	4,669,413	5,029,086
SEC	28,163	26,057
	<b>8,093,048</b>	<b>8,248,696</b>

**13.2.1** This includes lease obligation in respect of assets on finance lease from Royal Commission amounting to SR 2,666.50 million (31 December 2025: SR 2,640.2 million).

**13.2.2** This includes lease liability in respect of assets on finance lease from JWAP by Tawreed amounting to SR 4,523.67 million (31 December 2025: SR 4,717.83 million).

	31 March 2026 (Unaudited) SR '000	31 December 2025 (Audited) SR '000
<b>Due from related parties</b>		
<i>Shareholders</i>		
SABIC and its subsidiaries	222,949	186,204
Royal Commission	86,667	94,590
<i>Other related parties</i>		
Saudi Aramco and its subsidiaries	292,581	175,945
Principal Buyer	191,780	197,264
SWA	213,530	345,168
JWAP	-	5,980
Other government entities	61,961	43,479
	<b>1,069,468</b>	<b>1,048,630</b>

**13.3 Transactions with key management personnel**

Key management personnel of the Group comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The remuneration of directors and other members of key management personnel during the period was as follows:

	For the three-month period ended	
	31 March 2026 (Unaudited) SR '000	31 March 2025 (Unaudited) SR '000
Short-term employee benefits	16,229	14,223
Post-employment defined benefit plan	1,043	822
<b>Total compensation to key management personnel</b>	<b>17,272</b>	<b>15,045</b>

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**14. SHORT TERM DEPOSITS**

Short term deposits represent deposits placed with commercial banks for varying periods of between three to twelve months and earn finance income at market rates of interest.

**15. BANK LOANS AND BORROWINGS**

	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
	<b>SR '000</b>	<b>SR '000</b>
<i>MARAFIQ</i>		
Fourth Murabaha	<b>1,500,000</b>	1,500,000
Fifth Murabaha	<b>1,500,000</b>	1,500,000
Sixth Murabaha	<b>2,900,000</b>	2,900,000
	<b>5,900,000</b>	5,900,000
Less: Unamortised transaction costs	<b>(29,685)</b>	(31,176)
	<b>5,870,315</b>	5,868,824

Bank loans and borrowings are presented in these interim financial statements as follows:

	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
	<b>SR '000</b>	<b>SR '000</b>
Non-current maturity under non-current liabilities	<b>5,870,315</b>	5,868,824
	<b>5,870,315</b>	5,868,824

**16. OTHER NON-CURRENT LIABILITIES**

	<b>31 March 2026 (Unaudited)</b>	<b>31 December 2025 (Audited)</b>
	<b>SR '000</b>	<b>SR '000</b>
Obligation for post-employment defined benefits	<b>856,951</b>	845,067
Non-current portion of deferred income	<b>488,785</b>	501,144
Deferred government grant	<b>248,049</b>	106,072
Employees' savings plan	<b>91,176</b>	86,091
Provision against losses in Equity accounted investee	<b>10,107</b>	11,719
Others	<b>13,342</b>	13,344
	<b>1,708,410</b>	1,563,437

**17. GEOPOLITICAL DEVELOPMENTS AND OPERATING ENVIRONMENT**

During the period ended 31 March 2026, geopolitical tensions in certain parts of the Middle East increased. Management has assessed the implications of these developments on the Group's operations, financial position and performance based on information currently available. The Group continues to operate normally, and no material disruption to its operations was experienced during the period.

Given the evolving nature of these developments, it is not practicable at this stage to reliably estimate their potential future financial impact, if any, on the Group. Management continues to monitor the situation closely and will take appropriate measures as required.

Management has also considered the impact of these developments on the Group's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

**18. SUBSEQUENT EVENTS**

No subsequent event occurred between 31 March 2026 and the date of approval of the condensed consolidated interim financial statements by the Board of Directors which may have an impact on these condensed interim financial statements.