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

Supplementary Prospectus

This Supplementary Prospectus ("Supplementary Prospectus") is a supplement to the Red Herring Prospectus dated 30/02/1444H (corresponding to 26/09/2022G) (the "Red Herring Prospectus") issued by The Power and Water Utility Company for Jubail and Yanbu (Marafiq) (the "Company" or the "Issuer") in connection with the offering of seventy-three million, ninety-four thousand and five hundred (73,094,500) ordinary shares representing 29.24% of the Company's share capital (the "Offering"). This Supplementary Prospectus must be read in conjunction with the Red Herring Prospectus.

Financial Advisors, Bookrunners, Joint Global Coordinators and Underwriters

HSBC

الرياض المالية Riyad Capital

Lead Manager

HSBC

Receiving Agents

بنك الرياض Riyad Bank

SABB ساب

SNB

مصرف الراجحي alrajhi bank

البنك السعودي الفرنسي Banque Saudi Fransi

This Supplementary Prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia (the "**CMA**" or the "**Authority**") and the application for listing of securities in compliance with the requirements of the Listing Rules of the Saudi Exchange. The Directors, whose names appear on page (iv) of the Red Herring Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this Supplementary Prospectus and, having made all reasonable inquiries, confirm that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading. The Authority and the Exchange do not take any responsibility for the contents of this Supplementary Prospectus, do not make any representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Supplementary Prospectus.

For purposes of the Offering in the Kingdom of Saudi Arabia, (i) this Supplementary Prospectus is an unofficial English translation of the official Arabic Supplementary Prospectus and is provided for information purposes only and (ii) the Arabic Supplementary Prospectus published on the CMA's website (www.cma.org.sa) remains the only official, legally binding version and shall prevail in the event of any conflict between the two versions.

This Supplementary Prospectus is dated 24/03/1444H (corresponding to 20/10/2022G).

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1. The Company

The Power and Water Utility Company for Jubail and Yanbu (Marafiq) (hereinafter referred to as the "**Company**" or the "**Issuer**") is a Saudi closed joint stock company registered under Commercial Registration No. 2055004968 dated 17/06/1422H (corresponding to 05/09/2001G). The Company was established by Royal Decree No. M/29 dated 21/07/1421H (corresponding to 18/10/2000G), and its head office is in Jubail - Jubail Industrial City, First Industrial Support Area, Street No. 3522, Road No. 100, Unit No. 1, Jubail 35717-8894, P.O. Box 11133, Postal Code no. 31961, Kingdom of Saudi Arabia.

The Company was established on 17/06/1422H (corresponding to 05/09/2001G) as a Saudi closed joint stock company with a share capital of two billion, five hundred million Saudi Riyals (SAR 2,500,000,000), of which six hundred and twenty-five million Saudi Riyals (SAR 625,000,000) were paid upon incorporation (equivalent to 25% of the issued share capital), divided into fifty million (50,000,000) shares, all of which are of equal value, with a nominal value of fifty Saudi Riyals (SAR 50) per share. In January 2003G, an amount of six hundred and twenty-five million Saudi Riyals (SAR 625,000,000) was paid. On 19 October 2008G, the remainder of the cash share value of one billion, two hundred and fifty million Saudi Riyals (SAR 1,250,000,000) was paid, completing the payment of the entire share capital. On 19/05/1434H (corresponding to 31 March 2013G), the Extraordinary General Assembly of the Company decided to reduce the nominal value of the shares to ten Saudi Riyals (SAR 10) and consequently the number of shares was adjusted to two hundred and fifty million (250,000,000) ordinary shares, all of which are of equal value, with a nominal value of ten Saudi Riyals (SAR 10) per share, all of which are ordinary cash shares.

2. Directors' Declarations

The Directors whose names appear on page (iv) of the Red Herring Prospectus hereby acknowledge and confirm the following:

- There have been no significant changes in material matters nor additional significant matters have arisen other than what has been disclosed in this Supplementary Prospectus.
- This Supplementary Prospectus was submitted to the CMA and issued on 24/03/1444H (corresponding to 20/10/2022G), and it supplements the Red Herring Prospectus issued by the Company dated 30/02/1444H (corresponding to 26/09/2022G) and published on the CMA's website on 08/03/1444H (corresponding to 04/10/2022G).

3. Notices

- The Company, the Selling Shareholders and the Financial Advisors draw the attention of the recipients of this Supplementary Prospectus to the importance of considering and abiding by all of the terms and restrictions relating to the Offering set forth in the Red Herring Prospectus.
- This Supplementary Prospectus should be read in conjunction with the Red Herring Prospectus and prior to making an investment decision, each recipient of this Supplementary Prospectus is responsible for obtaining independent professional advice (in the case of investors in the Kingdom, from a CMA licensed financial advisor) in relation to the Offering. Each recipient of this Supplementary Prospectus must rely on its own examination of the Company and the appropriateness of both the investment opportunity and the information herein with regard to the recipient's individual objectives, financial situation and needs, including the merits and risks involved in investing in the Offers Shares.
- It should also be noted that Participating Parties who submitted applications to subscribe to the Offer Shares prior to the publication of this Supplementary Prospectus may cancel or amend their application to subscribe to said shares before the end of the Offering Period, in accordance the Rules on the Offer of Securities and Continuing Obligations issued by the board of the CMA.
- This Supplementary Prospectus may not be distributed, and the Offer Shares may not be sold, to any person other than the Participating Parties and/or the Individual Subscribers described in the Red Herring Prospectus.
- Defined terms used in the Supplementary Prospectus shall have the same meaning ascribed to them in the Red Herring Prospectus. Such terms are defined in Section (1) ("**Definitions and Abbreviations**") of the Red Herring Prospectus.

4. Reason for the Issuance of this Supplementary Prospectus

The issuer must submit a supplementary prospectus to the CMA pursuant to the Rules on the Offer of Securities and Continuing Obligations issued by the board of the CMA if at any time after the prospectus has been published, and prior to the completion of the Offering, an issuer becomes aware that:

1- there has been a significant change in material matters contained in the prospectus; or
2- additional significant matters have become known which would have been required to be included in the prospectus.

The Company has made certain amendments to the Red Herring Prospectus which are illustrated in section (5) ("**Amendments to Certain Information in the Red Herring Prospectus**") of this Supplementary Prospectus for the purposes of clarifying certain parts relating to the Group's businesses more accurately and clearly.

5. Amendments to Certain Information in the Red Herring Prospectus

For ease of reading the amendments to the relevant amended text, we have underlined the amendments and inserted them in blue color.

A- Table (1.2) ("Expected Offering Timetable") of the Red Herring Prospectus has been amended as follows:

Expected Offering Timetable	
Event	**Dates**
Amendment or cancellation period for the bids of Participating Parties' in the event any Participating Party elects to amend or cancel its bids and the completion of the Book-Building Period	A period of four (4) calendar days starting from Thursday dated 24/03/1444H (corresponding to 20/10/2022G) until Sunday dated 27/03/1444H (corresponding to 23/10/2022G) at 12:00 pm.
Subscription period for Individual Subscribers	A period of five (5) calendar days starting from Wednesday dated 01/04/1444H (corresponding to 26/10/2022G) until the end of Sunday dated 05/04/1444H (corresponding to 30/10/2022G)
Deadline for submission of Subscription Application Forms based on the number of Offer Shares provisionally allocated to Participating Parties	Thursday dated 02/04/1444H (corresponding to 27/10/2022G)
Deadline for payment of the subscription monies for Participating Parties based on the number of provisionally allocated Offer Shares	Sunday dated 05/04/1444H (corresponding to 30/10/2022G)
Deadline for submission of Subscription Application Forms and payment of subscription monies (for Individual Subscribers)	Sunday dated 05/04/1444H (corresponding to 30/10/2022G)
Announcement of final allotment of Offer Shares	Thursday dated 09/04/1444H (corresponding to 03/11/2022G)
Refund of excess subscription monies (if any)	Monday dated 13/04/1444H (corresponding to 07/11/2022G)
Expected date of commencement of trading on the Exchange	Trading of the Company's shares on the Exchange is expected to commence after fulfillment of all relevant statutory requirements. Trading will be announced in local newspapers and on the Saudi Exchange's website (www.saudiexchange.sa).

- Note 1: The Participating Parties who have not participated previously in the Book-Building may not submit a Subscription Application.
- Note 2: The above timetable and dates therein are indicative. Actual dates will be communicated through announcements appearing on Saudi Exchange's website (www.saudiexchange.sa), the Financial Advisors' websites (www.hsbcsaudi.com) and (www.riyadcapital.com) and the Company's website (www.marafiq.com.sa).

B- The second paragraph of Section ("Competitive Advantages of the Company") on page (xviii) and the second paragraph of Section (4.4.1) ("Competitive Strengths") on page (77) of the Red Herring Prospectus has been amended to become as follows (after amendment):

In addition, the Company has also been selected by the Royal Commission as the sole power and water service provider for JCPDI and the sole water services provider for RIC, two industrial cities that are currently under development. Similar to the situation in Jubail and Yanbu, there are no plans as at the date of the Prospectus to grant third-party access rights to the RIC and JCPDI markets. As a result, the Group will also benefit from high barriers to entry in these newly developed cities.

C- The first paragraph of Section ("Electricity and Water Sector Regulation") on page (xxii) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Vertically integrated facilities support retail, supply, transmission, distribution, and generation services in the electricity and water sectors. There are many players in this field. However, the Company operates under a license in designated service areas, as is known in regulated industries. The Company has a duty to serve customers in accordance with regulated tariffs and quality services, but it also operates in the industrial cities under the Royal Commission pursuant to the resolution issued to establish the Company. The Company has a license to produce 2,032 MW of electricity and 683,000 cubic meters of desalinated water per day.

D- The third paragraph of Section ("Saudi Arabia's Electricity and Water Demand") on page (xxiii) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Marafiq currently is the sole company that has a license to provide energy and water services in the industrial cities of Yanbu, as well as water services in Jubail. Therefore, it faces no real competition in the regulated utility business lines. However, competition for tenders for unregulated activities and contracts in areas outside of the Royal Commission cities is expected to be strong.

E- Any reference in the Red Herring Prospectus to "exclusive provider" has been replaced to become "sole provider" to ensure consistency in the use of the term in this regard.

F- The last row ("Return on equity") of the table under Section ("Summary of Financial Information") on page (xxv) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Return on equity (9)	3%	4.1%	8.8%	18.3%

G- The definition of the "the Renewable Energy Projects Development Office" of Section (1) ("Definitions and Abbreviations") on page (5) of the Red Herring Prospectus has been amended to become as follows (after amendment) (we have also updated any reference in the Prospectus to "REPDO" to become "REA"):

REA or the Renewable Energy Agency: The agency responsible for the renewable energy sector, which started as the renewable energy projects development office in 2017G, and became one of the agencies under the Ministry of Energy in 2019G, and works to achieve the National Renewable Energy Program (NREP) goals under the initiative of the Custodian of the Two Holy Mosques regarding renewable energy and the Saudi Vision 2030 framework.

H- The third and fourth paragraphs in Section (2.2.1) ("Risks related to the regulatory environment and regulatory changes") on page (26) of the Red Herring Prospectus have been amended to become as follows (after amendment):

It should be noted that the Saudi Government plans to improve the quality of life and protect future generations in the Kingdom. This includes the Saudi Green Initiative, which will contribute to increasing reliance on clean energy, reducing carbon emissions, combating climate change and reaching carbon neutrality (net zero emissions) by 2060G. This will be achieved through several methods, including (1) establishing a platform for trading and exchanging carbon insurance and compensation in the MENA region, and (2) generating electricity from renewable energy sources such as solar or wind energy sources. The Kingdom's plans also include a strategy to reduce oil product consumption and encourage consumers to replace them with natural gas. In light of this, a number of laws, rules and regulations that apply to the Group and its subsidiaries and operations may be issued under such initiatives and strategies the implementation of which may result in the Group incurring additional costs. In the event that a decision is issued obliging companies operating in the relevant sector (including the Group's companies) to follow certain procedures to comply with such regulations and resolutions, this may require additional expenses and costs. If the Government does not subsidize the costs related to implementing such procedures, the Company will bear considerable expenses to implement them, including making modifications to some of its plants and shutting down others. This may have an adverse effect on the revenues of the Group and its subsidiaries, increase its costs or liabilities, limit its ability to realize expansion plans or implement objectives, or result in the loss of licenses, which would adversely and materially affect the Group's business, results of operations, financial condition and future prospects and therefore the Company's share price.

Based on the continuous growth of the regulatory environment in the Kingdom of Saudi Arabia, a number of laws, rules and regulations that apply to the Group, its subsidiaries and its operations are new or constantly updated, as the Water Law and the Electricity Law entered were issued on 11/11/1441H and 16/05/1442H, respectively. Given that these laws, rules and regulations are new, the Company is unable to assess the impact on its financial position and operations which may have a negative impact. This may have a negative impact on the Group's and its Subsidiaries' revenues, increase its costs or liabilities, limit its ability to achieve expansion plans, implement objectives or result in the loss of licenses, which would adversely and materially affect the Group's business, results of operations, financial position or future prospects, and therefore the Company's share price.

I- The seventh and eighth paragraphs in Section (2.2.1) ("Risks related to the regulatory environment and regulatory changes") on pages (26) and (27) of the Red Herring Prospectus have been amended to become as follows (after amendment):

Pursuant to Royal Decree No. 41156 dated 23/07/1440H, a Ministerial Committee for the Restructuring of the Power Sector was formed in the Kingdom of Saudi Arabia. Although the Ministerial Committee have indicated to the Group that there are no decisions related to the Group's assets or activities at this time that may affect the process of listing part of the Company's shares, the Company cannot guarantee that the Ministerial Committee will not make any future decisions that affect the Group's assets and/or operations in the power sector. If this occurs, it could adversely and materially affect the Group's business, results of operations, financial position, or future prospects, and therefore the Company's share price.

According to COM No. (26) dated 08/02/1376H, the Royal Commission for Jubail and Yanbu requires the Company to pay a municipality fee of 2% of the electricity sales made since the beginning of 2003G. However, the Company has not paid such fee as at the date of this Prospectus because the ordinance states that a fee is to be collected from domestic electricity companies that provide electricity services in exchange for a tariff determined by such companies, which differs from the current situation in which the tariff is set by the government. In its capacity as an electricity service provider in Yanbu, the Company submitted a request to waive such fee because it could have a negative effect on the Company's financial position. Royal Decree No. (M/85) dated 24/05/1438H, cancelling said fee and exempting the SEC from paying the fees due, was issued. This decree, however, did not include an exemption for Marafiq from the applicable fees. As a result, Marafiq submitted a request to the Ministry of Energy to submit to His Majesty the King to consider issuing an order exempting Marafiq from such fee, just as the SEC was exempted, as this additional cost may result in a difference in the costs between the two industrial cities of Jubail and Yanbu. This, in turn, would have an impact on the Company's investments in Yanbu (the city where Marafiq provides electricity services). It should be noted that the matter is still being studied as at the date of this Prospectus. In the event that Marafiq is not granted this exemption, it shall pay the fee due since 2003G, which is estimated at approximately SAR 300 million.

J- The second, third and fourth paragraphs of Section (2.2.2) ("Risks related to high operational and maintenance costs, Group product and service prices and industrial city water and electricity tariffs") on pages (27) and (28), and the second paragraph of Section (6.8.1) ("Regulatory factors") on page (191) of the Red Herring Prospectus have been amended to become as follows (after amendment):

As at the date of this Prospectus, the tariffs imposed on the water and electricity services provided by the Company had not been adjusted in the past three years. The tariffs are subject to periodic revisions by the regulatory authorities. However, the Company is at risk of regulatory authorities failing to adjust and increase the tariff in proportion to the Group's costs, or at all, in the future. Decisions made by regulatory authorities regarding the determination of the tariff imposed by the Company on its customers may not serve the interests of the Group, which may result in a decrease in the Company's profitability or even loss. Under COM No. 57 issued on 28/03/1420H and other subsequent resolutions, Marafiq is responsible for providing consistent services in the industrial cities where it operates. As a result, it does not have the option to transfer operations or provide services only to customers who are not subject to the regulated tariff. The regulatory authorities may decide in the future to set the tariff at prices that do not support the Group's current or expected future profit margins, which could adversely and materially affect the Group's business, results of operations, financial position and future prospects, and therefore the Company's share price.

In addition, COM No. (111) dated 14/02/1443H sets an intensive tariff electricity consumption. This tariff applies to certain enterprise categories that operate in qualified sectors and activities as determined by a new committee led by the MOE and comprised of the Ministry of Finance, Ministry of Investment, Ministry of Economy and Planning, WERA and the Local Content and Government Procurement Authority (LCGPA) (it does not include the governmental and residential sectors, institutions, charities and cooperatives and private health enterprises and educational enterprises). The resolution also states that any shortfall in electricity sector income caused by the implementation of this intensive electricity consumption tariff will be compensated for through unqualified enterprises' consumption tariffs in the industrial, commercial, and agricultural sectors. As at the date of this Prospectus, the mechanism to compensate for the shortfall in the Company's revenues as a result of applying the heavy tariff due to the nature of the Company's location and business or how it will affect its financial position or unqualified customers is not clear to the Company. The Company is working with the regulatory authorities to calculate the financial impact of applying the heavy tariff based on the approved regulations. Based on the Company's preliminary assessment, this may adversely impact the cash flow and reduce the revenues.

The Group's performance is dependent on its ability to maintain profitability by applying the approved prices its water and energy services and products, as well as its ability to raise the capital and operational performance and the Company will submit to the regulatory authorities in an orderly manner any production or service cost increase, including any future rise in power or fuel prices to take into account when approving tariffs for each of the services and products provided, and the Company will incur additional costs if the tariff is not raised. This could adversely and materially affect the Group's business, results of operations, financial position, or future prospects, and therefore the Company's share price.

K- The first paragraph of Section (3.3) ("The industrial cities of Jubail, Yanbu, Jazan, and Ras Al-Khair") on page (38) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Marafiq provides its services primarily to Jubail and Yanbu industrial cities, which are respectively located on the coasts of the Arabian Gulf (East of Saudi Arabia) and the Red Sea (West of Saudi Arabia). Both were founded in the mid-1970s with the objective of exploiting natural gas reserves in Saudi Arabia. Both cities are connected by a pipeline, which fuels Yanbu's industries and exports via the Red Sea. In addition, Marafiq has been selected as the water utility service provider for Ras Al-Khair Industrial City (RIC) and power and water utility provider for Jazan City for Primary and Downstream Industries (JCPDI). Marafiq is also seeking to provide gas distribution services in RIC. The Royal Commission for Jubail and Yanbu (RC) is responsible for managing and overseeing the development of all four industrial cities in which Marafiq is currently operating or expected to operate in the future.

L- The third paragraph of Section (3.4.2) ("Regulatory framework") on page (44) of the Red Herring Prospectus has been deleted.

M- The fourteenth paragraph of Section (3.4.2) ("Regulatory framework") on page (46) of the Red Herring Prospectus has been amended to become as follows (after amendment):

The regulatory framework for the electricity and water sectors in Saudi Arabia is still evolving. The Government is continuing to develop the regulatory framework and hence laws and regulations that apply to Marafiq are expected to be updated over time.

N- The first paragraph of Section (3.4.3) ("Regulation of right to generation and distribute power") on page (46) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Currently in Saudi Arabia, the national electricity system operates under a principal buyer system, where all producers must sell wholesale power to the principal buyer. Within Marafiq's own region (the Industrial city of Yanbu), Marafiq produces, distributes (via transmission and distribution voltage assets), and sells electricity to its own customers, and so is an exception. At the meeting of 22 December 2019G two questions were raised regarding Marafiq's licenses to sell power. At this date, the ECRA shared opinions that Marafiq should not operate as a power generator and a distributor at the same time. However, it is unclear whether this implies retail separation or whether this applies only to customers outside the industrial cities in which Marafiq operates.

O- Sub-paragraph (i) of the second paragraph of Section (3.4.4) ("Regulated tariffs") on page (46) of the Red Herring Prospectus has been deleted.

P- The first, third and fourth paragraphs (without any amendments to the second paragraph) of Section (3.4.4.2) ("Power and single purpose Cogen-water production tariffs") under Section (3.4.4) ("Regulated tariffs") on page (49) and (50) of the Red Herring Prospectus have been amended to become as follow (after amendment):

Marafiq follows the national power tariff for all customer categories, while the Company applies the national water tariff for all categories except for industrial customers. This national power and water tariff is set by the regulatory authorities in the Kingdom and subject to obtaining all required governmental approvals.

Some documents such as WACC principles and WACC estimation for the general framework of the required revenue methodology were shared with London Economics demonstrating a standard regulatory best practice to capital remuneration. Thus, it is expected that the required revenue is determined based on RAB x WACC for power and single purpose water. The expectation is the control of such framework will be for three years.

The Ministerial Committee for the Restructuring of the Electricity Sector outlined the regulatory reform as ensuring the sustainability and efficiency of the electricity sector in line with the goals of Vision 2030. Key elements of the regulatory reform include the revenue of the SEC being determined using a RAB from the beginning of 2022G, a WACC of 6% between 2021G-2023G and a balancing account which enables the SEC to meet its financial obligations by covering the difference between required and actual revenues.

Q- The sixth paragraph of Section (3.4.4.2) ("Power and single purpose Cogen-water production tariffs") under Section (3.4.4) ("Regulated tariffs") on page (50) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Marafiq is in the process of making a revenue requirements submission to the WERA for the process of determining the required revenue, and further outputs of the required revenues after satisfying the authority's requirements and after the authority reviews and approves it.

R- The tenth paragraph of Section (3.4.4.2) ("Power and single purpose Cogen-water production tariffs") under Section (3.4.4) ("Regulated tariffs") on page (50) of the Red Herring Prospectus have been amended to become as follows (after amendment):

The possible introduction of the Balancing Account may aid the regulatory required revenues for electricity. The Balancing Account will cover the difference between the required revenue and the revenue from approved tariffs. It will be a forward-looking model based on fair returns to investments and enabling long-term planning.

S- The thirteenth and fourteenth paragraphs of Section (3.4.4.2) ("Power and single purpose Cogen-water production tariffs") under Section (3.4.4) ("Regulated tariffs") on page (50) of the Red Herring Prospectus have been amended to become as follows (after amendment):

Ministerial Committee for the Restructuring of the Electricity Sector is separate from the WERA which will determine the appropriate method to cover the deficit, if any, based on the laws and regulations issued by the regulatory authorities.

The Electricity Law states that "a government agency may, for the purpose of providing service to its sites, assign electricity activity assets to the licensee, according to the rules set by the WERA". The RC cannot transfer the assets without obtaining the official approvals, but the WERA has indicated the necessary procedures to assign the electrical activities' assets.

T- The first paragraph of Section (3.4.4.3) ("Sales gas distribution tariffs") under Section (3.4.4) ("Regulated tariffs") on page (52) of the Red Herring Prospectus has been amended to become as follow (after amendment):

The tariff for Gas Distribution is set by the MOE, based on the service cost, including an appropriate return on investment to be added to the dry gas price set by the Government as specified in license number (8), Please refer to Section (12.5) ("**Key Licenses and Approvals**") of the Prospectus.

U- The ninth and tenth paragraphs of Section (3.4.6) ("Ongoing policy changes") on page (54) of the Red Herring Prospectus have been amended to become as follows (after amendment):

Components of the NREP provide support for the energy technology industry and private sector investment in generation projects through public-private partnerships. In January 2019G, all projects tendered by REA are 100% IPPs that will be backed by 20 to 25-year PPAs. REA will lead the development of 30% of the total capacity, with the remainder being overseen by the PIF.

REA plans to hold six procurement rounds by 2023G, with Rounds 1 and 2 focused on solar Photovoltaic (PV) and wind with a small percentage of concentrated solar power (CSP). While it is expected that solar PV and wind will continue to dominate the energy mix in subsequent rounds to achieve the Kingdom's goal to reach 50% of the installed generation capacities from renewable energy sources.

V- The third and fourth paragraphs of Section (3.6.2) ("Marafiq's market share") on page (58) of the Red Herring Prospectus have been amended to become as follows (after amendment):

Marafiq has also entered two relatively new industrial cities; RIC and JCPDI, where it will provide water utility services in the former and water and power services in the latter. This will increase Marafiq's total market share for electricity and water service provision. According to the Marafiq Business Plan, in 2022G, RIC is expected to see average demand of 24,000 m³/d in seawater cooling, 4,000 m³/d in potable water, and 1,000 m³/d in industrial wastewater. This demand is projected to increase slightly in further years and will increase Marafiq's share of water supply services. Similarly, JCPDI also forecasts average demand of 36,590 m³/d in 2022G across its seawater cooling, wastewater, and potable water services. Marafiq will also act as electricity distributor in the industrial city where average demand is expected to be 57.5 MW.

W- The third and fourth paragraphs of Section (3.7.2.2) ("New service areas") under Section (3.7.2) ("Local demand drivers") on page (62) of the Red Herring Prospectus have been amended to become as follows (after amendment):

Simultaneously Marafiq through its Operations & Maintenance (O&M) subsidiary MaSa Services Company for Operation and Maintenance (MaSa), is also exploring the potential to involve in the long-term O&M contracts to be announced for the operation of plants and associated networks in the kingdom given the management endorsement.[1]

Marafiq also seeks to expand its operations within the RC regions. Marafiq has been selected as the power and water utility service provider for Jazan City for Primary and Downstream Industries (JCPDI) and water utility service provider for RIC. The MOE has put on hold Marafiq's application for power transmission, power distribution, and retail sale licenses in RIC, currently, the SEC remains the provider of power.

1 Source: The Company

X- Table (3.23) ("Upcoming Projects in Yanbu, RIC and Jubail") on page (63) of the Red Herring Prospectus have been amended to become as follows (after amendment):

Table (3.23): Projects under consideration in Jubail, Yanbu and RIC

Yanbu	RIC	Jubail
Renewable power in RCY	Gas distribution network	Wastewater reuse
Discharge brine utilization		PlasChem Value Park (Gas, Firewater, Steam)
Sludge recycling with SIRC		Gas distribution project in Jubail II
		IWWTP in Jubail for future industries
		Cooling water tower in Jubail for future industries

Source: The Company

Y- The last two paragraphs of Section (4.1) ("Overview of the Company and its business activities") on page (73) of the Red Herring Prospectus have been amended to become as follows (after amendment):

The Group's revenue increased with a CAGR of 0.7% from 2019G to 2021G, with the Group realizing revenues of SAR 6,108 million, SAR 6,092 million and SAR 6,192 million for the financial years ending 31 December 2019G, 2020G and 2021G, respectively. The Group's revenue increased by 2.8% in the period ending 31 March 2022G compared to the same period in the previous year with the Group realizing revenues of SAR 1.422 million and SAR 1,462 million for the periods ended 31 March 2021G and 31 March 2022G, respectively.

The Group's net income increased with a CAGR of 76.6% with the Group recording net income of SAR 213 million, SAR 290 million and SAR 665 million for the financial years ending 31 December 2019G, 2020G and 2021G, respectively. At the same time, the Group increased its net income margin (the ratio of net income and operating revenues) from 3.5% in 2019G to 4.8% in 2020G, and 10.7% in 2021G. The Group's net income increased by 22.3% in the period ending 31 March 2022G compared to the same period in the previous year with the Group realizing net income of SAR 104.2 million and SAR 142.9 million as at 31 March 2021G and 31 March 2022G, respectively.

Z- The third paragraph of Section ("The Group has a strong and creditworthy industrial customer base") under Section (4.4.1) ("Competitive Strengths") on page (79) of the Red Herring Prospectus has been amended to become as follows (after amendment):

The Group's customer base comprises mainly industrial, governmental, commercial, and residential entities. Typically, industrial, governmental, and commercial customers have steady consumption levels, higher operating rates, and optimal tariffs. They are generally more prompt in their payments than retail and household customers. The predominant corporate client base has generally allowed the Group to be flexible in maintaining a level of revenues to a certain degree and therefore allowed the Group to maintain profitability. Power and water expenses currently represent a relatively low proportion of the overall operating cost for most industrial clients, which effectively reduces the resistance to operational costs increase. In the financial year 2021G, 83% of the Group's revenue were derived from the Royal Commission, Saudi Aramco, SABIC subsidiaries, and the associated joint ventures entered into by them. All agreements with the Royal Commission, Saudi Aramco, and SABIC's subsidiaries to provide services are governed by utility user agreements as it is the case for other major customers.

AA- The row entitled ("Net Debt / EBITDA") under Table (4.9) ("Key Financial Indicators") on page (87) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Net Debt / EBITDA	682.8%	691.5%	608.5%	665.0%	642.3%

BB- The first paragraph of Section (4.6) ("The Group's principal activities and business") on page (89) of the Red Herring Prospectus has been amended to become as follows (after amendment):

The Group's core business 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 Group has also been selected by the Royal Commission as the sole power and water service provider for JCPDI and the water service provider in RIC. In addition, the Group distributes sales gas in the Light Industrial Park area of Yanbu Industrial City. The Group is also in the process of constructing and commissioning wastewater treatment facilities in Jeddah.

CC- The last three rows under Table (4.18) ("Volume breakdown Jubail") on page (98) of the Red Herring Prospectus have been amended to become as follows (after amendment):

Industrial wastewater (collection and treatment)	43	44.2	44.4	11,16
Sanitary wastewater (collection and treatment)	42.6	47.8	45.8	11,58
Total	5,796.6	6,291.0	6,398.2	1,335.75

DD- The fifth paragraph of Section ("Ras Al-Khair (RIC)") under Section (4.8.4) ("New Plants and Facilities located in other cities within the Kingdom") on page (113) of the Red Herring Prospectus has been amended to become as follows (after amendment):

The Company has now formally applied to WERA for power distribution licenses to so as to be the service provider in the area, guided by the approach agreed upon for the same in JCPDI. The Company is also in active interaction with Saudi Electricity Company, Saudi National Grid Company, and Saudi Power Purchase Company (Principal Buyer) for the sale of power to reach modalities for transfer of assets, customers, and operating model in the area. The Saudi Electricity Company is still the power provider for the time being. The Company's opportunities in RIC focus around the following:

a- providing utility operation and management services in RIC;

b- providing potable water production and supply services, with potable water demand expected to grow substantially by 27% during the planning cycle 2022G / 2023G and the water supply planned to be conducted through a swapping mechanism from the Jubail water supply agreement with SWCC to meet the RIC demand;

c- providing wastewater collection and treatment facilities with existing supply capable to meet the demand;

d- constructing a connecting pipeline for potable water between Jubail Industrial City and RIC for water in order to more reliably supply potable water in both cities; and

e- utilizing land for a future water production plant.

EE- The fourth paragraph of Section ("Administrative expenses") on page (197) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Administrative expenses increased by 49.9% from SAR 22.7 million in the three-month period ending 31 March 2021G to SAR 34.1 million in the three-month period ending 31 March 2022G as a result of an increase in: (1) employee related costs by SAR 2.9 million due to an increase in the average monthly salary from SAR 39.7 thousand to SAR 45.8 thousand, (2) service contracts expenses by SAR 2.7 million in line with the increase in contracts concluded by the Group in information technology, and (3) donations by SAR 2.3 million which largely depend on the timing of charities' needs during the same period.

FF- The last row entitled ("Others") under Section ("As a percentage of total revenue") of Table (6.9) ("Revenue by main clients for the fiscal years ending 31 December 2019G, 2020G, 2021G and the three-month period ending 31 March 2021G and 2022G") on page (209) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Others	12.1%	14.6%	15.0%	2.5	0.6	2.9	14.4%	15.6%	1.2

GG- The first paragraph of Section ("Sea water cooling") on page (217) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Sea water cooling gross profit increased by 42.1% from SAR 64.5 million in 2019G to SAR 91.6 million in 2020G (gross profit margin increased from 13.2% to 17.6%) mainly driven by the increase in quantities sold from 7,751,318,378 cubic meter to 8,237,822,710 cubic meter driven by the increase in the quantities sold in Jubail and Yanbu in line with the high demand and consumption from industrial clients, in addition to the decrease in employee costs in line with the cost optimization initiative implemented by the Group to reduce the number of employees, coupled with lower operating and maintenance expenses due to the decrease in the value of operation and maintenance contracts, as these contracts depend on the number and volume of maintenance work that was carried out during the period.

HH- The fourth paragraph of Section ("Other comprehensive income for the year / period") on page (227) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Other comprehensive income increased by 99.7% from SAR 50.6 million in the three-month period ending 31 March 2021G to SAR 101.1 million in the three-month period ending 31 March 2022G driven by the increase in the Group's share in gain from hedges against equity-accounted investments cashflows during the same period.

II- The third paragraph of Section ("Current liabilities") on page (231) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Current liabilities increased by 0.1% from SAR 2,196.7 million as of 31 December 2021G to SAR 2,200.0 million as of 31 March 2022G due to the reduction in the current portion of lease liabilities by SAR 32.2 million as the Group signed the sixth lease agreement with the Royal Commission for Jubail and Yanbu, in addition to an increase in trade payables by SAR 48.0 million.

JJ- The second paragraph of Section ("Trade receivable - others") on page (243) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Trade receivables from others increased by 17.7% from SAR 365.7 million as of 31 December 2019G to SAR 430.5 million as of 31 December 2020G in line with the increase in respective revenue from SAR 1,457.8 million to SAR 1,712.7 million, whereby the increase was driven by The Jubail Water Directorate with an amount of SAR 59.9 million and the Saline Water Conversion Corporation by SAR 17.8 million during the same period.

KK- The second and fourth paragraphs (without any amendments to the third paragraph) of Section ("Cash and cash equivalents") on page (246) of the Red Herring Prospectus have been amended to become as follows (after amendment):

Cash and cash equivalents decreased by 45.2% from SAR 1,085.3 million as of 31 December 2019G to SAR 594.8 million as of 31 December 2020G, mainly due to the decrease in cash generated from operating activities from SAR 2,953.3 million to SAR 1,969.9 million, in addition to dividends paid amounting to SAR 117.3 million during the same period.

Cash and cash equivalents increased by 31.9% from SAR 482.7 million as of 31 December 2021G to SAR 636.6 million as of 31 March 2022G due to cash generated from operating activities amounting to SAR 401.3 million, in addition to the Group obtaining a short-term loan of SAR 51.0 million to support working capital requirements during the same period.

LL- The last column under Table (6.49) ("Accounts payable as of 31 December 2019G, 2020G, 2021G, and as of 31 March 2022G") on page (452) of the Red Herring Prospectus has been amended to become as follows (after amendment):

In SAR thousands	31 December 2019G (Audited)	31 December 2020G (Audited)	31 December 2021G (Audited)	Compound annual growth rate 2019G-2021G	31 March 2022G (Management information)	31 December 2021G- 31 March 2022G variance
Trade payables	233,210	284,509	222,223	2.4%	248,150	11.7%
Due to related parties	239,924	159,116	140,913	(23.4%)	156,738	11.2%
Retention payable	98,560	104,743	211,883	46.6%	221,434	4.5%
Due to contractors	35,785	36,325	37,298	2.1%	34,020	(8.8%)
Total	607,479	584,693	612,327	0.4%	660,342	7.8%
Average days payables outstanding (1)	36	31	28	(8)	27	(1)

MM- The second and third of Section ("Trade payables") on page (254) and (255) of the Red Herring Prospectus have been amended to become as follows (after amendment):

Trade payables decreased by 21.9% to SAR 222.2 million as of 31 December 2021G as a result of settlements of balances during the same period.

Trade payables increased by 11.7% from SAR 222.2 million as of 31 December 2021G to SAR 248.2 million as of 31 March 2022G due to timing of additional invoices issued.

NN- The second and third paragraphs of Section ("Due to related parties") on page (255) of the Red Herring Prospectus have been amended to become as follows (after amendment):

Due to related parties decreased by 11.4% from SAR 159.1 million as of 31 December 2020G to SAR 140.9 million as of 31 December 2021G as a result of the Group's settlement of some balances owed to the Saudi Electricity Company and Aramco.

Due to related parties increased by 11.2% from SAR 140.9 million as of 31 December 2021G to SAR 156.8 million as of 31 March 2022G due to the increase in the balance due to Aramco.

OO- The first paragraph of Section ("Operation and maintenance accrued expenses") on page (256) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Operation and maintenance accrued expenses remained relatively stable at SAR 170.2 million as of 31 December 2020G and SAR 169.9 million as of 31 December 2021G, and then decreased by 2.9% to SAR 164.9 million as of 31 March 2022G as a result of adjustments to the balance. It is worth noting that during the fiscal year 2019G, this item was classified under accrued expenses and other payables balances - other.

PP- The second paragraph of Section ("Finance costs") on page (267) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Finance costs decreased by 53.5% from SAR 686 thousand in 2019G to SAR 319 thousand in 2020G mainly due to the settlement of long-term loans, which led to a decrease in the interest expense on long-term loans to nil in 2020G, coupled with the decrease in interest on lease liabilities by SAR 1.1 million.

QQ- The third paragraph of Section ("Current assets") on page (281) of the Red Herring Prospectus has been amended to become as follows (after amendment):

Current assets increased by 6.7% from SAR 1,023.6 million as of 31 December 2021G to SAR 1,092.3 million as of 31 March 2022G driven by the increase in cash and cash equivalents by SAR 92.3 million as a result of net cash generated from investing activities amounting to SAR 159.3 million in addition to net cash generated from operating activities amounting to SAR 53.5 million, which were offset by the net cash used from financing activities amounting to SAR 120.6 million, in addition to the increase in short term lease liabilities by SAR 29.9 million.

RR- The first paragraph of Section ("Net cash used in financing activities") on page (284) of the Red Herring Prospectus to become as follows (after amendment):

Net cash used in financing activities increased from SAR 733.1 million in 2019G to SAR 801.9 million in 2020G to reach SAR 896.4 million in 2021G due to the increase in the value of loan repayments and dividends during the same period.

SS- Table (9.1) ("Capitalization and Indebtedness of the Company") on page (287) of the Red Herring Prospectus has been amended to add the following two rows:

Fair value reserve for cash flow hedge of investees	(102,745)	(162,146)	(71,304)	29,750
Non-controlling interest	40,968	53,633	-	-

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