

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

(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS**

THIRD QUARTER OF 2024

(1 July 2024 - 30 September 2024)

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
THIRD QUARTER OF 2024 (1 JULY 2024 – 30 SEPTEMBER 2024)



Index	PAGE
Independent auditor's report on review of condensed consolidated interim financial statements	–
Condensed consolidated statement of financial position	1
Condensed consolidated statement of income	2
Condensed consolidated statement of comprehensive income	3
Condensed consolidated statement of changes in equity	4
Condensed consolidated statement of cash flows	5 – 6
Notes to the condensed consolidated interim financial statements	7 – 18



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
Adeer Tower, 15th 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
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 30 September 2024, and the related condensed consolidated statements of income, comprehensive income and cash flows for the three-month and nine-month periods ended 30 September 2024, and the related condensed consolidated statement of changes in equity for the nine-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.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 1 Ramadhan 1445H (corresponding to 11 March 2024). Further, the interim condensed consolidated financial statements of the Group for the three-month and nine-month periods ended 30 September 2023 were reviewed by another auditor who expressed an unmodified review conclusion on those interim condensed consolidated financial statements on 17 Rabi Al-Thani 1445H (corresponding to 1 November 2023).

for Ernst & Young Professional Services



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

Al Khobar: 29 Rabi Al-Thani 1446H
1 November 2024



**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 30 SEPTEMBER 2024**




	Note	30 September 2024 (Un-audited) SR '000	31 December 2023 (Audited) SR '000
ASSETS			
Non-current assets			
Property, plant and equipment	6	19,187,988	19,633,250
Intangible assets		8,715	12,633
Equity accounted investees		50,921	56,321
Long-term receivables and prepayments		160,748	225,369
Total non-current assets		19,408,372	19,927,573
Current assets			
Inventories		314,211	270,838
Trade receivables		1,405,925	1,086,110
Prepayments and other current assets		563,305	450,098
Short-term deposits	12	63,267	131,000
Cash and cash equivalents		1,194,342	1,186,936
Total current assets		3,541,050	3,124,982
TOTAL ASSETS		22,949,422	23,052,555
EQUITY AND LIABILITIES			
Equity			
Share capital		2,500,000	2,500,000
Statutory reserve		-	342,002
Retained earnings		5,515,790	5,242,173
Fair value reserve for cash flow hedge		85,464	118,700
Total equity		8,101,254	8,202,875
LIABILITIES			
Non-current liabilities			
Bank loans and borrowings	13	6,604,006	7,243,373
Lease liabilities		2,490,676	2,508,239
Other non-current liabilities	14	2,899,546	2,767,409
Deferred tax liabilities		1,591	2,984
Total non-current liabilities		11,995,819	12,522,005
Current liabilities			
Current portion of bank loans and borrowings	13	782,780	463,278
Short term borrowings		51,000	-
Current portion of lease liabilities		335,622	340,821
Trade payables		685,741	606,903
Accrued expenses and other current liabilities		997,206	916,673
Total current liabilities		2,852,349	2,327,675
Total liabilities		14,848,168	14,849,680
TOTAL EQUITY AND LIABILITIES		22,949,422	23,052,555

The condensed consolidated interim financial statements appearing on pages 1 to 18 were approved by the Board of Directors of the Parent Company on 27 Rabi Al-Thani 1446H corresponding to 30 October 2024G and have been signed on their behalf by:


Musaad Ahmed Al-Sayouhi
Authorized Board Member


Mohammed Berki Al-Zuabi
President & CEO


Muhammed Abdulhamid AlMulhim
VP Finance

The accompanying notes 1 through 17 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 AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2024

مرفق
MARAFIQ

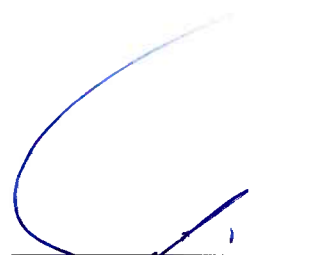
	Note	Three months from July to September		Nine months from January to September	
		2024	2023	2024	2023
		(Un-audited) SR '000	(Un-audited) SR '000	(Un-audited) SR '000	(Un-audited) SR '000
Revenue	10	1,856,806	1,701,048	5,176,111	4,766,019
Cost of revenue		(1,552,723)	(1,375,422)	(4,434,961)	(3,879,383)
Gross profit		304,083	325,626	741,150	886,636
Administrative expenses		(65,943)	(59,202)	(206,566)	(181,563)
Impairment reversal / (loss) on trade receivables		19,740	(7,796)	2,008	(16,596)
Other operating income		54,099	45,061	130,806	135,703
Other operating expenses		(330)	(3,033)	(562)	(4,902)
Operating profit		311,649	300,656	666,836	819,278
Finance income		17,273	29,329	51,796	81,425
Finance cost		(125,545)	(136,926)	(377,847)	(401,476)
Share in results of equity accounted investees		(926)	1,538	(6,015)	(7,606)
Profit before zakat and income tax		202,451	194,597	334,770	491,621
Zakat and income tax	7	(16,469)	(6,545)	(40,655)	(37,464)
Net profit for the period		185,982	188,052	294,115	454,157
Earnings per share:					
Basic and diluted earnings per share attributable to shareholders - SR		0.74	0.75	1.18	1.82



Musaad Ahmed Al-Sayouhi
Authorized Board Member



Mohammed Berki Al-Zuabi
President & CEO




Muhammed Abdulhamid AlMulhim
VP Finance


The accompanying notes 1 through 17 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 COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2024**

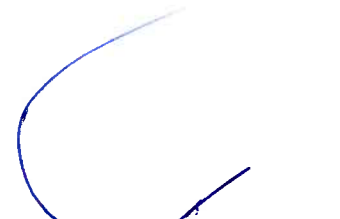
	Three months from July to September		Nine months from January to September	
	2024 (Un-audited) SR '000	2023 (Un-audited) SR '000	2024 (Un-audited) SR '000	2023 (Un-audited) SR '000
Net profit for the period	185,982	188,052	294,115	454,157
Other comprehensive income for the period				
<i>Other comprehensive income items that are or may be reclassified to profit or loss account in subsequent periods:</i>				
Share of (loss) / gain on cash flow hedge, net of deferred tax	(47,182)	12,579	(33,236)	16,847
Total comprehensive income for the period	138,800	200,631	260,879	471,004



Musaad Ahmed Al-Sayouhi
Authorized Board Member



Mohammed Berki Al-Zuabi
President & CEO



Muhammed Abdulhamid AlMulhim
VP Finance

The accompanying notes 1 through 17 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 CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024**

	Attributable to equity holders of the Parent Company				
	Share capital SR '000	Statutory reserve SR '000	Retained earnings SR '000	Fair value reserve for cash flow hedge SR '000	Total Equity SR '000
As at 1 January 2023 (Audited)	2,500,000	321,737	5,282,825	140,295	8,244,857
Profit for the period (Un-audited)	-	-	454,157	-	454,157
Other comprehensive income (Un-audited)	-	-	-	16,847	16,847
Dividends (Note 15)	-	-	(550,000)	-	(550,000)
As at 30 September 2023 (Un-audited)	2,500,000	321,737	5,186,982	157,142	8,165,861
As at 1 January 2024 (Audited)	2,500,000	342,002	5,242,173	118,700	8,202,875
Profit for the period (Un-audited)	-	-	294,115	-	294,115
Other comprehensive income (Un-audited)	-	-	-	(33,236)	(33,236)
Transfer of statutory reserve (Note 16)	-	(342,002)	342,002	-	-
Dividends (Note 15)	-	-	(362,500)	-	(362,500)
As at 30 September 2024 (Un-audited)	2,500,000	-	5,515,790	85,464	8,101,254

Musaad Ahmed Al-Sayouhi
Authorized Board Member

Mohammed Berki Al-Zuabi
President & CEO

Muhammed Abdulhamid AlMulhim
Vp Finance

The accompanying notes 1 through 17 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 CASH FLOWS
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2024




	Note	Three months from July to September		Nine months from January to September	
		2024	2023	2024	2023
		(Un-audited) SR '000	(Un-audited) SR '000	(Un-audited) SR '000	(Un-audited) SR '000
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit for the period		185,982	188,052	294,115	454,157
<i>Adjustments from:</i>					
Depreciation of property, plant and equipment	6	309,708	313,567	926,126	908,480
Amortization of intangible assets		1,195	2,018	3,918	6,110
Amortization of deferred income		(14,293)	(14,455)	(43,279)	(43,404)
Amortization of deferred employee benefits		1,450	1,396	4,296	4,188
Provision for slow moving and obsolete inventories		3,611	5,871	7,934	8,009
(Reversal) / charge for impairment of trade receivables		(19,740)	7,796	(2,008)	16,596
Share in results of equity accounted investees		926	(1,538)	6,015	7,606
Employees' benefits charge		17,066	16,326	80,086	78,388
Finance income		(17,273)	(29,329)	(51,796)	(81,425)
Finance costs		125,545	136,926	377,847	401,476
Zakat and income tax charge	7	16,469	6,545	40,655	37,464
<i>Changes in:</i>					
Trade receivables		(286,149)	(193,105)	(317,807)	(388,188)
Inventories		(18,319)	(674)	(51,307)	4,787
Prepayments and other current assets		(100,163)	(15,915)	(114,941)	5,161
Long term receivables and prepayments		11,049	10,513	32,747	30,436
Trade payables		70,866	4,710	78,838	(127,351)
Accrued expenses and other current liabilities		22,091	50,749	6,460	(96,100)
Other non-current liabilities		2,888	11,072	10,067	33,724
Cash generated from operating activities		312,909	500,525	1,287,966	1,260,114
Employees' benefits paid		(7,641)	(6,872)	(20,133)	(15,691)
Finance cost paid		(37,858)	(48,284)	(285,929)	(289,297)
Zakat and income tax paid		(2,149)	-	(48,879)	(117,590)
Net cash from operating activities		265,261	445,369	933,025	837,536
CASH FLOWS (USED IN) / FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		(108,009)	(174,098)	(375,468)	(454,119)
Finance income on deposits received		14,887	30,955	48,430	84,325
Net movement in short-term deposits		(25,553)	426,900	67,733	1,474,900
Net cash (used in) / from investing activities		(118,675)	283,757	(259,305)	1,105,106
CASH FLOWS USED IN FINANCING ACTIVITIES					
Repayment of bank loans and borrowings		(105,771)	(99,035)	(332,117)	(802,426)
Proceeds from short term borrowings		51,000	51,000	102,000	102,000
Repayment of short term borrowings		-	-	(51,000)	(51,000)
Payment of lease obligation		(1,042)	(160,072)	(22,762)	(190,357)
Dividends paid		(87,481)	(274,979)	(362,435)	(549,663)
Net cash used in financing activities		(143,294)	(483,086)	(666,314)	(1,491,446)
Net change in cash and cash equivalents		3,292	246,040	7,406	451,196
Cash and cash equivalents at the beginning of the period		1,191,050	890,850	1,186,936	685,694
Cash and cash equivalents at the end of the period		1,194,342	1,136,890	1,194,342	1,136,890

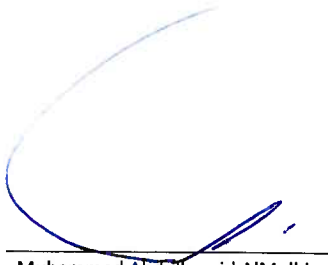
**POWER AND WATER UTILITY COMPANY FOR JUBAIL AND YANBU (MARAFIQ)
AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2024**

مرفق
MARAFIQ

	Three months from July to September		Nine months from January to September	
	2024 (Un-audited)	2023 (Un-audited)	2024 (Un-audited)	2023 (Un-audited)
	SR '000	SR '000	SR '000	SR '000
SUPPLEMENTAL CASH FLOW INFORMATION				
Significant non-cash transactions				
Customer funded assets acquired	6,649	-	8,132	-
Additions to right of use (ROU) assets	-	895	-	14,150
Transfers to intangible assets from CWIP	-	1,996	-	7,145
Transferred to lease liabilities from obligations for assets transferred	-	-	-	197,062
Property plant and equipment transferred from the Royal Commission	93,646	-	97,264	39,249
Net change in fair value of cash flow hedge	47,182	12,579	33,236	16,847


Musaad Ahmed Al-Sayouhi
Authorized Board Member


Mohammed Berki Al-Zuabi
President & CEO


Muhammed Abdulhamid AlMulhim
VP Finance

The accompanying notes 1 through 17 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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024



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 which approved the Articles of Association of the Parent Company.

The Parent Company operates under commercial registration number 2055004968 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:

	<u>30 September 2024</u>	<u>31 December 2023</u>
Saudi Basic Industries Corporation ("SABIC")	17.50%	17.50%
Saudi Aramco Power Company ("SAPCO")	17.50%	17.50%
Royal Commission for Jubail & Yanbu ("Royal Commission")	17.50%	17.50%
Public Investment Fund ("PIF")	17.50%	17.50%
Free float	30.00%	30.00%
	100%	100%

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 through a consortium in Jeddah Althaniya Water Company project (45% shareholding by the Parent Company) together with Alamwal Alkhaleejiya Althaniya (35% shareholding) and Veolia Middle East (20% shareholding) has completed the process of constructing and commissioning wastewater treatment facilities in Jeddah.

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 tariff for heavy consumption of electricity 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. The Resolution No. 111, has indicated that a compensation mechanism will be issued to compensate the Company for any reduction in revenue.

As of 30 Sep 2024, the regulatory authorities did not issue the compensation mechanism therefore, the Parent Company did not implement the tariff for heavy consumption of electricity and has recorded receivables and associated revenue based on the original tariff which is greater than the latest announced high intensity electricity consumption tariff. The Company continues to discuss this matter with the regulatory authorities and awaiting the final compensation mechanism to be issued which will ensure recovering the full receivable against the billed revenue in line with Council of Ministers Resolution No. 111.

On 2 January 2024 the Group has received Saudi Aramco notification for the newly established prices of Arab Light Crude Oil, Fuel Oil, Diesel Oil and Sales Gas effective 1 January 2024. During the three and nine months period ended 30 September 2024, the fuel costs have increased by SR 169.7 million and SR 459.9 million respectively due to the price change.

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.

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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024



1. CORPORATE INFORMATION (continued)

Group structure

Subsidiaries

The Parent Company and its subsidiaries are hereinafter referred to as ("the Group"). As at 30 September 2024 and 31 December 2023 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.

Joint operating arrangement

As at 30 September 2024 and 31 December 2023, the Group has following Joint Operating Arrangement:

- 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. The Group considers JWAP as a Joint Operating Arrangement. Consequently, the Group recognized its share in assets, liabilities, revenue from sale of output and expenses of the Joint Operation in these condensed consolidated interim financial statements.

Investment in associates

As at 30 September 2024 and 31 December 2023, 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.
- Jeddah Althaniya Operation and Maintenance Company ("JAOM"), owned 49% by the Parent Company, is registered for operation and maintenance of a sewage collection and treatment plant in Jeddah. Commercial operations of the Company have not commenced yet.
- During the year 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 own 35% of company and will accordingly contribute share capital. The operation of the Company is expected to be reflected on the Company's financial results starting from the first quarter of 2027.

Investment in joint venture

As at 30 September 2024 and 31 December 2023, the Group has following joint venture:

- 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 2023.

The Group's ownership percentage in the above companies is the same in all periods presented in these condensed consolidated interim financial statements.

Date of authorization of condensed consolidated interim financial statements

These condensed consolidated interim financial statements of the Group for the nine-month period ended 30 September 2024 were approved by the Board of Directors on 27 Rabi Al-Thani 1446H corresponding to 30 October 2024G.

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 2023 ("last annual financial statements").

2. BASIS OF ACCOUNTING (continued)

2.1 Statement of compliance (continued)

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 of 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 that is carried at fair value and obligation for post-employment defined benefits which is measured at projected unit credit method.

These interim financial statements comprise the condensed consolidated interim financial statements of the Parent Company and its subsidiaries for the nine-month period ended 30 September 2024.

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.

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

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 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Lease liabilities in a Sale and Leaseback (Amendments to IFRS 16); and
- Supplier Finance Arrangements – Amendments to IAS 7 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.

- Lack of exchangeability – Amendments to IAS 21, effective for annual periods beginning on or after 1 January 2025.
- 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.
- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

The above-mentioned standards are not expected 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 services 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;
- JWAP, as explained in note 1; and
- TAWREED, as explained in note 1.

Further, Corporate, 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.

**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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024**

5. OPERATING SEGMENTS (continued)

For the nine month period ended 30 September 2024

	Power	Water	Gas	JWAP	Tawreed	Corporate	Eliminations	Total
	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000
External customers	1,281,855	1,855,934	103,823	-	1,934,499	-	-	5,176,111
Inter segment	165,646	400,828	-	225,202	297,813	8,251	(1,097,740)	-
Total revenue	1,447,501	2,256,762	103,823	225,202	2,232,312	8,251	(1,097,740)	5,176,111
Cost of revenue								
Depreciation and amortisation	(321,229)	(451,248)	(2,438)	(3,615)	-	-	(128,823)	(907,353)
Others	(944,396)	(1,395,564)	(92,607)	(119,620)	(2,223,525)	-	1,248,104	(3,527,608)
Total cost of revenue	(1,265,625)	(1,846,812)	(95,045)	(123,235)	(2,223,525)	-	1,119,281	(4,434,961)
Reversal of impairment loss on trade receivables	-	-	-	-	-	2,008	-	2,008
Administrative expenses excluding depreciation and amortisation	(69,960)	(106,621)	(1,811)	(3,495)	(8,787)	(2,885)	9,684	(183,875)
Depreciation and amortisation	(2,126)	(20,531)	(34)	-	-	-	-	(22,691)
Total administrative expenses	(72,086)	(127,152)	(1,845)	(3,495)	(8,787)	(2,885)	9,684	(206,566)
Other income / expense, net	406	1,157	-	456	-	132,056	(3,831)	130,244
Finance income	-	3,612	-	1,960	1,217	45,007	-	51,796
Finance cost	(187,317)	(145,048)	-	(45,617)	-	-	135	(377,847)
Share in results of equity accounted investees	-	-	-	-	-	(6,015)	-	(6,015)
Zakat and income tax expense	(17,982)	(9,598)	-	(3,923)	-	(9,152)	-	(40,655)
Net profit / (loss) for the period	(95,103)	132,921	6,933	51,348	1,217	169,270	27,529	294,115
As at 30 September 2024								
Total assets	8,560,731	10,435,140	182,279	1,913,231	715,773	2,996,412	(1,854,144)	22,949,422
Total liabilities	3,011,722	5,978,914	31,261	1,185,494	712,334	4,218,296	(289,853)	14,848,168

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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024

5. OPERATING SEGMENTS (continued)

For the nine month period ended 30 September 2023

	Power	Water	Gas	JWAP	Tawreed	Corporate	Eliminations	Total
	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000
External customers	1,203,461	1,847,662	75,434	-	1,639,462	-	-	4,766,019
Inter segment	161,999	433,851	-	226,574	273,442	6,305	(1,102,171)	-
Total revenue	1,365,460	2,281,513	75,434	226,574	1,912,904	6,305	(1,102,171)	4,766,019
Cost of revenue								
Depreciation and amortisation	(302,691)	(451,933)	(2,089)	(3,522)	-	-	(128,823)	(889,058)
Others	(738,874)	(1,412,703)	(62,981)	(110,623)	(1,904,778)	-	1,239,634	(2,990,325)
Total cost of revenue	(1,041,565)	(1,864,636)	(65,070)	(114,145)	(1,904,778)	-	1,110,811	(3,879,383)
Impairment loss on trade receivables	-	-	-	-	-	(16,596)	-	(16,596)
Administrative expenses excluding depreciation and amortisation	(59,129)	(94,018)	(417)	(3,342)	(8,126)	(677)	9,684	(156,025)
Depreciation and amortisation	(5,617)	(19,848)	(73)	-	-	-	-	(25,538)
Total administrative expenses	(64,746)	(113,866)	(490)	(3,342)	(8,126)	(677)	9,684	(181,563)
Other income / expense, net	(156)	753	-	-	7	136,198	(6,001)	130,801
Finance income	-	2,057	-	10,555	229	68,584	-	81,425
Finance cost	(179,628)	(163,183)	-	(58,914)	-	-	249	(401,476)
Share in results of equity accounted investees	-	-	-	-	-	(7,606)	-	(7,606)
Zakat and income tax expense	(16,099)	(8,690)	-	(4,859)	(7)	(7,809)	-	(37,464)
Net profit / (loss) for the period	63,266	133,948	9,874	55,869	229	178,399	12,572	454,157
As at 31 December 2023								
Total assets	8,513,059	10,473,604	172,455	2,105,723	559,329	3,035,278	(1,806,893)	23,052,555
Total liabilities	3,021,967	5,798,013	29,250	1,362,369	557,107	4,294,021	(213,047)	14,849,680

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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Plant & machinery	Buildings, wells & civil infrastructure	Meters, pipe networks & lift stations	Power lines, cables, meters & networks	Common external facilities	Other equipment	Capital work – in-progress	Total
	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000	SR '000
Cost:									
Balance at 1 January 2023	411,511	18,054,878	3,846,328	4,738,102	3,553,201	90,369	860,715	1,982,736	33,537,840
Additions	-	59,678	120,246	66,846	1,416	-	43,684	576,873	868,743
Disposals	-	(1,740)	(78)	-	-	-	(38,955)	-	(40,773)
Transfers	-	710,630	22,909	401,739	203,502	-	85,877	(1,432,405)	(7,748)
Balance at 31 December 2023	411,511	18,823,446	3,989,405	5,206,687	3,758,119	90,369	951,321	1,127,204	34,358,062
Additions	-	513	70,364	17,763	-	-	12,918	379,306	480,864
Transfers	-	146,952	1,265	589	558	-	6,377	(155,741)	-
Disposals	-	-	-	-	-	-	(73)	-	(73)
Balance at 30 September 2024	411,511	18,970,911	4,061,034	5,225,039	3,758,677	90,369	970,543	1,350,769	34,838,853
Accumulated depreciation:									
Balance at 1 January 2023	60,766	7,964,001	1,583,909	2,213,566	1,094,088	53,086	577,563	-	13,546,979
Depreciation	11,488	661,691	104,127	253,069	116,828	4,504	66,899	-	1,218,606
Disposals	-	(1,740)	(78)	-	-	-	(38,955)	-	(40,773)
Balance at 31 December 2023	72,254	8,623,952	1,687,958	2,466,635	1,210,916	57,590	605,507	-	14,724,812
Depreciation	8,616	509,696	80,761	190,483	86,528	3,378	46,664	-	926,126
Disposals	-	-	-	-	-	-	(73)	-	(73)
Balance at 30 September 2024	80,870	9,133,648	1,768,719	2,657,118	1,297,444	60,968	652,098	-	15,650,865
Carrying value:									
Balance at 30 September 2024	330,641	9,837,263	2,292,315	2,567,921	2,461,233	29,401	318,445	1,350,769	19,187,988
Balance at 31 December 2023	339,257	10,199,494	2,301,447	2,740,052	2,547,203	32,779	345,814	1,127,204	19,633,250

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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024



7. ZAKAT AND INCOME TAX

Zakat and income tax charge for the period represents the accumulated amount of the Zakat and income tax provision made by the Parent Company and its subsidiaries. The Zakat and income tax charge consists of:

	For the nine-month period ended	
	30 September 2024 (Un-audited) SR '000	30 September 2023 (Un-audited) SR '000
Zakat charge	38,432	35,670
Income tax	2,223	1,794
Total	40,655	37,464

a) Status of assessments

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

Zakat and Income Tax assessments up to the year 2017 has been finalized. During the current period, ZATCA has finalized the assessment for the financial year ended 31 December 2018 and assessed additional Zakat liability of SR 21.5 million against which Parent Company has filed objection with ZATCA.

Zakat returns for the years up to 31 December 2023 have been filed with ZATCA within statutory deadlines. ZATCA has requested additional information for the years 2021 to 2023 which has been responded by Marafiq.

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 2023 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.

Jubail Water and Power Company (JWAP)

Zakat and income tax assessments has been finalized for the year 2012, 2017 and for 2018. The assessments for the years from 2013 to 2016 and 2019 to 2023 are under review by ZATCA. Income tax and Zakat return for the year ended 31 December 2023 have been filed within statutory deadline.

MASA Services Company for Operation and Maintenance (MASA)

During the period, ZATCA issued assessment for the year 2017 and 2018 to MASA for additional Zakat and income tax liability amounting to SR 0.76 million. MASA has filed objection with ZATCA for additional liability, however a provision has been recognised by the management in the financial statements.

The Zakat and income tax assessment for the years since inception through 2023 are under review by ZATCA. Income tax and Zakat returns for the year ended 31 December 2023 have been submitted within the statutory deadline.

**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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024**



8. FINANCIAL INSTRUMENTS

i. Financial assets

	30 September 2024 (Un-audited)	31 December 2023 <i>(Audited)</i>
	SR '000	SR '000
Due from employee home ownership program	135,658	163,623
Trade receivables	1,434,851	1,117,043
Other receivables	353,203	265,069
Short term deposits	63,267	131,000
Cash and cash equivalents	1,194,342	1,186,936
Total financial assets not measured at fair value	3,181,321	2,863,671

ii. Financial liabilities

	30 September 2024 (Un-audited)	31 December 2023 <i>(Audited)</i>
	SR '000	SR '000
Loans and borrowings	7,431,641	7,763,758
Lease liabilities	2,826,298	2,849,060
Other non-current liabilities	1,545,710	1,441,224
Short term borrowings	51,000	-
Trade payables	685,741	606,903
Accrued expense and other payables (note a)	907,975	819,745
Total financial liabilities not measured at fair value	13,448,365	13,480,690

a. This includes due to related parties amounting to SR 81.8 million (31 December 2023: SR 124.56 million) and accrued finance cost amounting to SR 114.49 million (31 December 2023: SR 34.82 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:

	Fair value			Total fair value
	Level 1	Level 2	Level 3	
Cash flow hedge reserve				
30 September 2024 (un-audited)	-	85,464	-	85,464
31 December 2023 (audited)	-	118,700	-	118,700

Fair value of cash flows hedge reserve represents the mark to market values of the interest rate swaps as of 30 September 2024 and 31 December 2023. 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.

9. COMMITMENTS AND CONTINGENCIES

Capital commitments

Capital expenditure contracted by the Group at the end of the period but not incurred is SR 388.3 million (31 December 2023: SR 574.1 million).

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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024



9. 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

At 30 September 2024, bank guarantees have been issued amounting to SR 708.5 million (31 December 2023: SR 539.2 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 venture (JWAC) amounting to SR 159 million (31 December 2023: SR 159 million)

10. REVENUE

Revenue from contracts with customers is disaggregated as follows:

	For the nine-month period ended	
	30 September 2024 (Un-audited)	30 September 2023 (Un-audited)
	SR '000	SR '000
Power	2,708,433	2,373,236
Water	2,336,283	2,290,205
Others	131,395	102,578
	5,176,111	4,766,019

11. RELATED PARTY TRANSACTIONS AND BALANCES

11.1 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:

	For the nine-month period ended	
	30 September 2024 (Un-audited)	30 September 2023 (Un-audited)
	SR '000	SR '000
<i>Shareholders</i>		
SABIC and its subsidiaries	1,222,445	1,267,983
Royal Commission for Jubail & Yanbu	166,120	113,794
<i>Other related parties</i>		
Saudi Aramco and its subsidiaries	1,184,794	1,186,333
Principal Buyer	1,775,864	1,483,748
SWA	588,279	547,813
Other government entities	139,700	69,621

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

	For the nine-month period ended	
	30 September 2024 (Un-audited)	30 September 2023 (Un-audited)
	SR '000	SR '000
<i>Other related parties</i>		
Saudi Aramco and its subsidiaries	1,493,226	1,007,952
Saudi Electricity Company	57,270	53,984
Principal Buyer	37,418	30,221
SWA	19,262	29,708

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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024



11. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

11.2 Balances with related parties

	30 September 2024 (Un-audited)	31 December 2023 (Audited)
	SR '000	SR '000
Due to related parties		
<i>Shareholders</i>		
Royal Commission (11.2.1)	4,284,706	4,199,217
<i>Other related parties</i>		
Saudi Aramco and its subsidiaries	457,118	203,080
	4,741,824	4,402,297

11.2.1 This includes lease obligation in respect of assets on finance lease from Royal Commission and obligation in respect of assets transferred from Royal Commission amounting to SR 2,823.3 million and SR 1,452.7 million respectively (31 December 2023: SR 2,835 million and SR 1,355.4 million respectively).

	30 September 2024 (Un-audited)	31 December 2023 (Audited)
	SR '000	SR '000
Due from related parties		
<i>Shareholders</i>		
SABIC and its subsidiaries	398,500	184,398
Royal Commission	81,375	82,661
<i>Other related parties</i>		
Saudi Aramco and its subsidiaries	358,724	267,830
Principal Buyer	374,611	328,824
SWA	195,781	247,604
Other government entities	36,184	45,190
	1,445,175	1,156,507

11.3 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 nine-month period ended	
	30 September 2024 (Un-audited)	30 September 2023 (Un-audited)
	SR '000	SR '000
Short-term employee benefits	31,437	20,542
Post-employment defined benefit plan	4,396	4,559
Total compensation to key management personnel	35,833	25,101

11.4 Transfer pricing

On 20 March 2023, the Board of Director of Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia (KSA) approved amendments to the Transfer Pricing Bylaws (TP Bylaws) to bring the following into effect: a) extend applicability of the Transfer Pricing (TP) provision to Zakat paying entities; and b) introduced Advance Pricing Agreement (APA) provisions for Tax payers and Zakat payers and these amendments were subsequently approved by publishing in Ummul Qura on 14 April 2023. The amendments are applicable for the financial year starting on or after 1 January 2024. Under these new requirements, Zakat paying entities will need to ensure that compliances with as stipulated in the TP Bylaws. The Group is in compliance with requirement of TP Bylaws and will accordingly submit disclosure forms and affidavits for the year ending 31 December 2024.

12. 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.

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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024



13. BANK LOANS AND BORROWINGS

	30 September 2024 (Un-audited)	31 December 2023 (Audited)
	SR '000	SR '000
<i>MARAFIQ</i>		
Fourth Murabaha	1,500,000	1,500,000
Fifth Murabaha	1,500,000	1,500,000
Sixth Murabaha	2,900,000	2,900,000
SIDF (a related party)	430,000	554,000
	6,330,000	6,454,000
Less: Unamortised transaction costs	(35,751)	(45,500)
	6,294,249	6,408,500
<i>JWAP</i>		
Long-term loans	1,101,641	1,309,758
Less: Unamortised transaction costs	(9,104)	(11,607)
Total	1,092,537	1,298,151
	7,386,786	7,706,651

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

	30 September 2024 (Un-audited)	31 December 2023 (Audited)
	SR '000	SR '000
Current maturity under current liabilities	782,780	463,278
Non-current maturity under non-current liabilities	6,604,006	7,243,373
	7,386,786	7,706,651

During 2023, JWAP completed its transition to alternative benchmark rate as part of interest rate benchmark reform (IBOR reform). All the IBOR exposure indexed to US dollar London Inter-bank Offered Rate have been switched to the Secured Overnight Financing Rate. The transition resulted in no material impact.

14. OTHER NON-CURRENT LIABILITIES

	30 September 2024 (Un-audited)	31 December 2023 (Audited)
	SR '000	SR '000
Obligation for assets transferred (note 11.2.1)	1,452,709	1,355,445
Obligation for post-employment defined benefits	817,245	757,292
Deferred income	536,592	568,893
Employees' savings plan	75,394	69,073
Retention payable	6,541	6,541
Others	11,065	10,165
	2,899,546	2,767,409

15. DIVIDENDS

During the nine-month period ended 30 September 2024, the Board of Directors of the Parent Company in their meeting held on 6 March 2024 announced to distribute cash dividends for second half of 2023 amounting to SR 275 million (SR 1.10 per share). Further, the Board of Directors of the Parent Company approved interim dividends for first half of 2024 on 31 July 2024 amounting to SR 87.5 million (SR 0.35 per share).

During the nine-month period ended 30 September 2023, the Board of Directors of the Parent Company in their meeting held on 1 March 2023 announced to distribute cash dividends for second half of 2022 amounting to SR 275 million (SR 1.10 per share). Further, the Board of Directors of the Parent Company approved interim dividends for first half of 2023 on 02 August 2023 amounting to SR 275 million (SR 1.10 per share).

16. STATUTORY RESERVE

The Shareholders of the Parent Company in their meeting held on 24 July 2024 approved the transfer of the statutory reserve in the financial statements of SR 342 million for the year ended 31 December 2023 to the retained earnings.

17. SUBSEQUENT EVENTS

No subsequent event occurred between 30 September 2024 and the date of approval of the condensed consolidated interim financial statements by the Board of Directors which may have an impact on these interim financial statements.

Jubail Address

P.O. Box 11133
Jubail Industrial City 31961
Kingdom of Saudi Arabia

Tel: 9-200-200-84
Fax: (+966) 13-340-1168

Yanbu Address

P.O. Box 30144
Yanbu Industrial City
Kingdom of Saudi Arabia

Tel: 9-200-200-84
Fax: (+966) 14-321-0367

