THE HASHEMITE KINGDOM OF JORDAN

National Electric Power Company

Public Shareholding Company

ANNUAL REPORT 2019

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His Majesty

King Abdullah II Bin Al Hussein

Chairman and Board Members of the National Electric Power Company are honoured to submit the 53th Annual Report of the Year 2019 to His Majesty King Abdullah The Second Bin Al-Hussein..

H.R.H Crown Prince

Hussein bin Abdullah II

بسم الله الرحمن الرحيم

PRIME MINISTRY

H.E. Chairman of the Board of Directors of National Electric Power Company

It gives me great pleasure, as I have reviewed (the financial statements and the auditor's report of the National Electric Power Company for the fiscal period ended on 31/12/2019) in their form attached to the above-mentioned letter of your Excellency, to extend my sincere gratitude to your Excellency for the actions taken, which had the greatest impact on reaching the break-even point for 2019, and working right up to the Company's recovery phase of losses incurred in 2018.

I, having appreciated the blessed efforts of your Excellency and all the Company's personnel, hereby reaffirm the need for pursuing work at the same pace of giving and achievement for the promotion of the Company and to bring it up to the level, which we all aspire, so that it can efficiently and skillfully carry out its duties.

Kindly Accept the Assurance of our Highest Esteem,

Prime Minister

Dr. Omar Al-Razzaz

بسم الله الرحمن الرحيم

Ministry of Energy and Mineral Resources

H.E. Chairman of the Board of Directors of National Electric Power Company

Subject: **The Financial Statements and the Auditor›s Report of National Electric Power Company**

I would like to address to your Excellency my profound appreciation and privilege to you and your efforts, for the actions taken, which had the greatest impact on reaching the break-even point for 2019, and working right up to the Company's recovery phase of losses incurred in 2018.

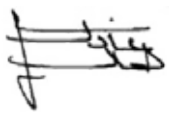
I am hopeful that we all will succeed and we, God willing, will keep working right up to the Company's recovery phase of losses incurred during the past years, where the source of hope and optimism stemmed from the fact that the Company comprising privileged elite of specialized experts in all its fields, so that it can efficiently and skillfully carry out its duties.

I reiterate my gratitude to your Excellency, to the ladies and gentlemen of Board of Director's members and to the Company management for their commendable blessed efforts, and I extend my gratitude to all colleagues in the National Electric Power Company for their dedication and devotion to make the achievements march successful, for the promotion of the Company and to bring it up to the level, which we all aspire, and that contribute in the leadership, renaissance and development process towards keeping Jordan prosperous under the leadership of our beloved leader, his Majesty King Abdullah II Bin Al Hussein, may Allah protect him.

Kindly Accept the Assurance of our Highest Esteem,

Hala Adel Zawati

Minister of Energy and Mineral Resources



Board of Directors

Chairman

Eng. Sakhr AL-Ajlouni

Former Secretary General of the Royal Court

Vice Chairman

Eng. Amani AL -Azaam

General Secretary of Ministry of Energy and Mineral Resources.

Members

H.E Dr. Ghassan Omet

Professor / Economics

H.E Osama Fatalleh

Former General Manager of ARAMEX

H.E Omer AL-Taweel

Lawyer

H.E Dr Abdelhakeem AL-Shebly

General Secretary of Ministry of Finance

Managing Director

Eng.Amjad Al-Rawashda

Contents

Abbreviations

CEGCO	Central Electricity Generating Company.	QAIA	Queen Alia International Airport
SEPGCO	Samra Electric Power Generating Company.	SS	Substation
AES Jordan PSC	Amman East Power Plant (IPP1)	GT	Gas Turbine
QEPCO	Qatrana Electric Power Company. (IPP2)	OHL	Overhead Line
AAEPCO	Amman Asia Electric Power Company. (IPP3)	JD	Jordan Dinar
AES LEVANT	AES LEVANT Holding B.V Jordan (IPP4)	GNP	Gross National Product
EDCO	Electricity Distribution Company.	GDP	Gross Domestic Product
NEPCO	National Electric Power Company.	T.O	Tons of Oil
JEPCO	Jordan Electric Power Company.	Kg.O.E	Kilogram of Oil Equivalent
IDECO	Irbid District Electricity Company.	T.T.O.E	Thousand Tons of Oil Equivalent

kW	Kilowatt (1000 Watt)
MW	Megawatt (1000 kW)
GW	Gegawatt (1000 MW)
kV	Kilovolt (1000 Volt)
kVA	Kilovolt Ampere (1000 Volt Ampere)
MVA	Megavolt Ampere (1000 kVA)
kWh	Kilowatt - hour (1000 wh)
MWh	Megawatt - hour (1000 kWh)
GWh	Gegawatt - hour (1000 MWh)

A Message from Managing Director

The electricity sector has the most prominent role in accelerating economic evolution, which is considered the major mainstay and driver of the developmental process, the National Electric Power Company (NEPCO) is also considered the major backbone of the electricity sector in the Kingdom. Despite the heavy volume of indebtedness incurred by the Company, which is the outcome of the interruptions of the Egyptian gas supply during the period 2011- 2015 and as a result utilizing diesel and heavy fuel instead, which are expensive compared to the price of gas, the Company continued performing the role assigned thereto, which lies in maintaining the sustainability and stability of the electric power system with high standard percentages in terms of availability, that would be in line with the noble royal visions for achieving sustainable development and social welfare.

To mark the issuance of the annual report of NEPCO for 2019, I am pleased to review the most prominent achievements that have been made on the ground and the major challenges that have been addressed.

During the current year, the Company was able to conclude its work without losses and was able to make a profit of around (JOD 270,000), despite the expected losses were around (84) Million JOD, and has thus been able to fulfill its obligations to international institutions, this posed a considerable challenge addressed by the concerted efforts of the Company's personnel, adopting serious and effective plans to minimize losses and the commitment to implement the road map of the Company's financial sustainability. This achievement was crowned with a letter of recognition addressed unprecedentedly by the Honorable Prime Minister to the Company's Board of Directors, its management and personnel for the actions taken, which had the greatest impact on reaching the break-even point for 2019, and leading to the Company's recovery phase of losses incurred in 2018.

The Company has worked, through its specialized and qualified technical personnel, on implementing the projects needed to reinforce the electric transmission grid and to complete the interconnection of several renewable energy projects by the construction of substations, new transmission lines, and expanding and reinforcing the constructed ones. By the end of 2019, the contribution of renewable energy projects to the electric transmission grid has reached up to (16.8%) of the electric power system capacity (Installed Capacity), and (11.2%) of the total electricity generated (excluding the renewable energy projects connected to distribution and transmission grids by the wheeling and net metering schemes). The Company is also working on developing and implementing regular, annual, and preventive maintenance programs to all components of the national transmission grid needed to ensure good performance, to maintain continuous electricity supply and availability of the national transmission grid.

In the area of regional electric interconnection, the energy exchange agreement between the Jordanian and the Egyptian sides has been renewed, the construction of Al-Ramah substation agreement on the Palestinian-Jordanian borders has been signed for the purposes of elevating the capacity of power supply for the Jerusalem District Electricity Company's loads, and the memorandum of understanding to implement the Iraqi-Jordanian electric interconnection project has been signed in preparation for signing the agreement for the construction and supply. During 2020, a memorandum of understanding is also expected to be signed with the Saudi side, which will serve to enhance the stability of the electric power system, to achieve economic savings through the exchange of electric power, and to increase contributions of renewable energy, thereby paving the way for access to the Arab Common Market and openness to the world through the interconnection with the Gulf states, the North African region and Europe.

On the other hand, the Company began to embrace the concepts of strategic planning and institutional capacity-building, in an endeavor to raise the performance efficiency and optimal utilization of available resources. The Company has achieved major progress in this area by training its personnel on these concepts, the Company has also begun to prepare the electric power system master plan to determine future requirements of energy production and to enhance the electric transmission grid according to a clear vision established on scientific bases, and in line with the master strategy of the energy sector of (2020 - 2030), so as to ensure achieving fair costs of electric power that will serve to improve the overall performance and support the efforts to achieve sustainable development.

Despite the numerous challenges faced by NEPCO, and in partnership with the other companies of the sector, it had made achievements resulted in Jordan becoming ranked first in the delivery of electricity to the inhabitants, in accordance with the Global Competitiveness Index, such achievements have also resulted in Jordan becoming ranked first in the middle east and north Africa and ranked sixth in the world in the area of renewable energy investment, where Jordan ranked first at the level of the Arabic states in per capita the capacity of renewable energy. Furthermore, the Company has received several awards in the area of power industry at the level of Asian continent for 2019, which is organized on an annual basis in Malaysia, in honor of its efforts in following-up the implementation of major projects for (2017 - 2018), which was part of the development plan of the Company's areas of business.

In conclusion, I would like to express my appreciation to the Company's Board of Directors for its continuous support, and to NEPCO's personnel for their continued efforts and outstanding performance to serve this institution under the wise Hashemite leadership.

Eng. Amjad Al-Rawashda

General Director

National Electric Power Company (NEPCO)

A SHORT BRIEF

The National Electric Power Company (NEPCO) was established in the 1st of September 1996 in accordance with the General Electricity Law number (10) for the year 1996.

In compliance with this Law, the Jordan Electricity Authority was transferred to a Public Shareholding Company named as the National Electric Power Shareholding Company which is considered as the actual public legal successor for Jordan Electricity Authority, where all its shares are completely owned by the Jordan Jordanian Government.

In 1999, the modified Electricity Law number (13) of the year 1999 has been issued.

In compliance with this modified Law, the National Electric Power Company (the mother) has been divided into three electric companies of administrative and financial dependence as from the beginning of the year 1999. These companies are: National Electric Power Company (NEPCO), Central Electricity Generation Company (CEGCO) and Electricity Distribution Company (EDCO).

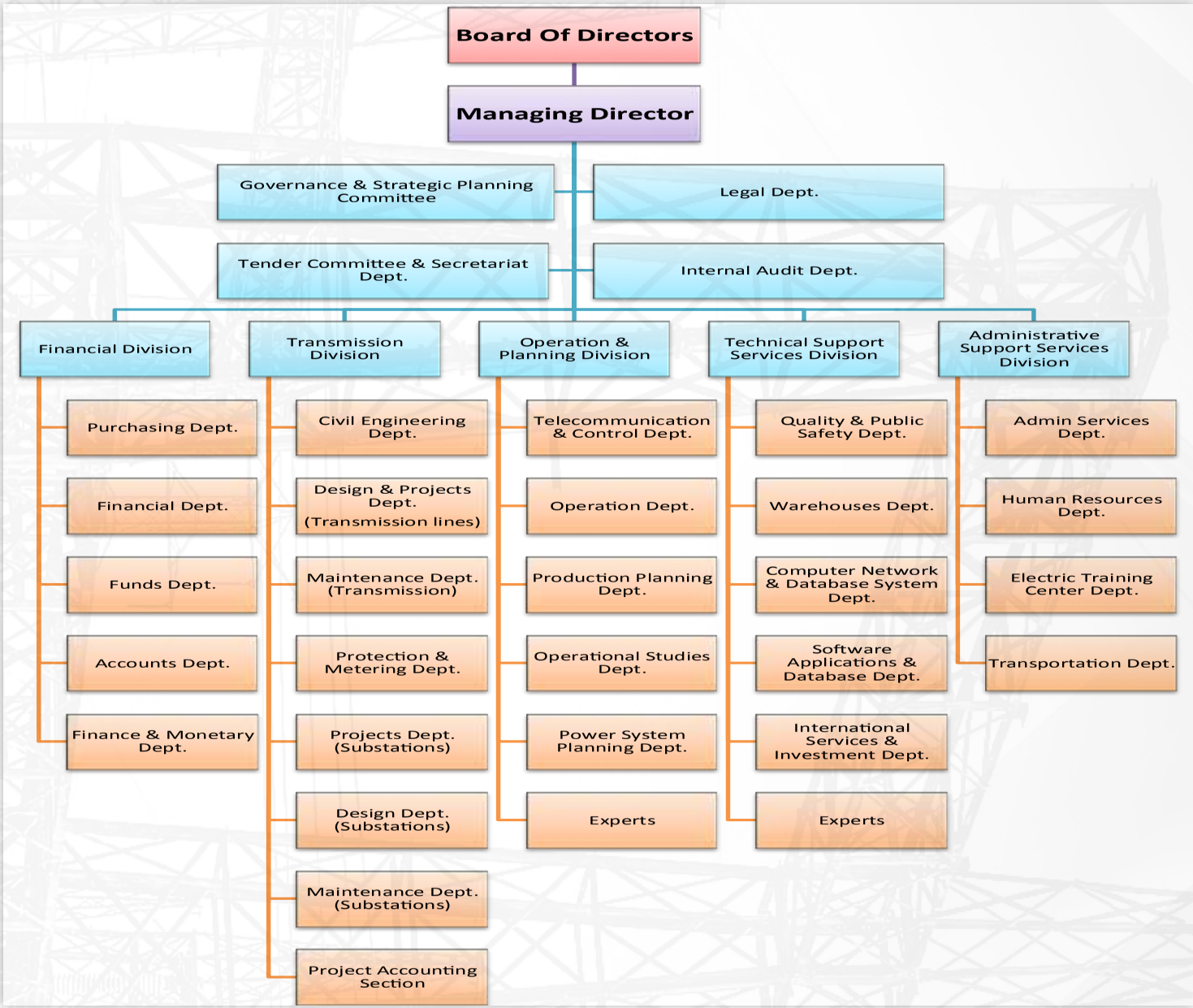
Vision

To elevate the Company's status in all aspects to world standards at the same class of the best regional and international electric utilities.

Mission

Provision of secured electric energy; with high levels of reliability of the electric power system; and continuity of supply of electric energy demand at economical prices pursuant to international quality standards; meeting environmental requirements and good business practice in exchanging electric energy with neighboring countries; a consolidation of corporate governance at the company; achieving optimal investment in the infrastructure of the electric power transmission grid for the benefit of society; contribution in the technology transfer; attraction of national and international investments in electricity sector and creation of job opportunities for Jordanian professionals.

Organization Frame



Energy and Electricity in 2019 (Facts and Achievements)

Throughout the past 10 years, Jordan had faced several challenges in the energy sector, where the total dependency on energy import was one of the major causes thereof, the dependency thereupon had reached over (98%) in 2011, which has led to considerable losses incurred by the Kingdom that particularly affected the energy sector and the overall economy in general.

Faced with such a challenge, there is an urgent need to seek solutions within a strategic plan, its objectives were revolved around: a safe, sustainable, reliable and affordable energy to be delivered, whenever feasible, by self-reliance and diversifying sources, therefore, the focus came down on developing the renewable energy sector and energy efficiency. Jordan has scored impressive success in this regard by attracting several renewable energy projects, in the first, second and third rounds of direct proposals for renewable energy projects, in addition to the wheeling and net metering projects on the transmission and distribution grids.

Nowadays, the national grid is being fed by over (1400) MW of renewable energy, of which (1100) MW are solar energy, and (370) MW are wind energy. At the end of 2020, this capacity is expected to reach up to (2400) MW, and with about (20%) contribution of the total energy mix, given that the total capacity of renewable energy projects by the end of 2030 is expected to reach up to (3200) MW, as per the national master strategy of the energy sector for (2020-2030).

The greater exploitation of renewable energy resources and raising their contribution to the total energy mix in Jordan was one of the most remarkable transformations in the Jordanian energy sector. The Kingdom is considered at the forefront of States, which kept pace with and carried out energy transformation since the launching of the restructuring process of the electricity sector. Currently, Jordan has an organized electricity sector under the global best practices, and that the electricity is delivered to more than (99%) of citizens.

Starting in 2012, Jordan was one of the earliest States to exploit renewable energy, where work has started by the promulgation of the Renewable Energy and Energy Efficiency Law, the directives and regulations issued thereunder, currently, about (1470) MW is exported to NEPCO with about (15%) contribution of the total electric power generated by the electricity sector. It is expected that such percentage to double to reach about (31%) by the year 2030, as envisaged by the national master strategy of the energy sector for (2020-2030).

National Electric Power Company (NEPCO)

NEPCO had made strenuous efforts to fulfill its responsibilities properly, given the importance of the Company's pivotal role, the nature of requirements and functions entrusted thereto, as an institution which is primarily concerned with the management and operation of the electricity sector, which is of utmost importance and has a direct effect on the national economy by driving growth forward in various sectors in a manner that serves the national efforts towards realizing the aspirations and goals of Jordan, which are reflected in the renaissance and improvement of Jordan at all local, regional and international levels.

The role assigned to NEPCO as part of the government policy aimed at enhancing the contribution of renewable and local energy resources to the total energy mix, shall be regarded as one of the most significant roles assigned to the Company to achieve sustainable development, together with the management and operation of the electric power system, and strengthening the interconnection system with neighboring States, with the objective of increasing the reliability and dependability of the national transmission grid, and thereby supporting the stability and efficiency of the Jordanian electric power system.

The wind energy and solar energy installed into the Jordanian electric power system are deemed significant capacities, which are ratios more than what has been achieved by developed States that had made good progress in this area, where the generating capacity of renewable energy projects is expected to increase about (2400) MW by the end of 2020, this achievement would not have been possible without the support that the government attaches to this sector, which has become a pioneering experience at the regional and international levels.

NEPCO would soon complete the works of the green corridor project, which would assist in transmitting electric power between (800-1000) MW of the renewable energy from the south of the Kingdom to the load centers, by the integration of the production of all renewable energy companies, which were contracted and committed thereto in accordance with the established timetable.

Our partnerships altogether, government and the private sector, to complete such projects have given Jordan a chance to be included on the list of the forefront States in the field of renewable energy. Currently, Jordan ranked third in the world in attracting investment to this vital sector in the hopes that such facilities are not mere electric power generation plants, but also plants for capacity-building and strengthening of local expertise, thereby promoting development and national revival in Jordan.

Hence, NEPCO is keen and interested in the success and completion of such projects, besides contracting therefor and integrating them in the electric power system in due time according to the agreed schedule without delay, being part of the government policy aimed at the enhancement of the local energy contribution, so as to achieve energy supply security, which would be in line with the royal visions in supporting the economy and achieving sustainable development.

NEPCO was able to finalize integrating and operating about (20) of the renewable energy projects to date, together with other (12) solar energy and wind energy projects, which would be about to be implemented, connected to the national grid and operated within the next two years in accordance with the established timetable

The Company prepares, on an annual basis, a contingency plan and precautionary measures in preparation for the winter season, and emphasis on the readiness of the Company's technical teams for the prompt handling of

all technical faults that may occur to the electric transmission system's equipment (High voltage transmission lines and substations), through the direct coordination with the National Control Center (NCC) concerned with following-up such faults that may occur to the electric power system.

In the face of demand for electric power, the Company exerts every possible effort through its the National Control Center to meet the Kingdom's needs for the electric power, by developing and implementing appropriate strategies and operational plans and ascertaining the capability of the generation plants and their readiness to accommodate any surge demands for electricity.

On the basis of the Company's concern for supplying electricity to all subscribers throughout the Kingdom in accordance with the highest internationally adopted technical specifications, the Company developed and executed appropriate planning strategies and studies. Additionally, an expansion study of electricity generation projects and an expansion study of substations and the necessary transmission lines were conducted. In 2019, the Company implemented many electrical projects throughout the Kingdom to develop and enhance the national transmission grid, where main substations were installed and expanded 400/132/33 kV and 132/33 kV and transmission lines 400 kV and 132 kV, required to connect substations with the new generation plants, were established. The Company has also prepared and implemented operational programs and routine and annual maintenance programs for all components of the national transmission grid in order to maintain continuous electricity supply and availability of the national transmission grid. The main substations capacity, by the end of 2019, amounted to (15265) MVA distributed to 65 main substations, while the lengths of the transmission lines of (400 and 132 kV) are (1376), (3764) circuit kilometers respectively.

In 2019, the Company renewed the energy exchange agreement with the Egyptian Electricity Transmission Company for 2020 to meet the Kingdom's needs of electricity as available. It is expected that the amount of electricity imported from the Egyptian side during 2020 will be about (300) GWh.

The peak load of the electric power system in 2019 is (3380) MW, while was (3205) MW in 2018. This is expected to increase by (3.0%) in 2019 and (2.9%) annually, based on the results of the Electricity Demand Forecast Study for the period (2020-2040). In order to meet the demand for electric power in Jordan, the Company, through its National Control Center, takes all necessary measures to ensure continuous electricity supply to all subscribers as per international standards and for nominal prices. Such measures are done in coordination and cooperation with relevant bodies, including generation and distribution companies, the Ministry of Energy and Mineral Resources and the Energy and Minerals Regulatory Commission.

In contrast, the generation capacity of the Jordanian electric power system reached about (5728) MW at the end of 2019, including the generation capacity of renewable energy projects on the distribution grid, which reached about (460) MW compared to (360) MW for the last year with a growth ratio of (27.8%).

It is worth mentioning that NEPCO has gained four prestigious awards within the Asian Power Awards 2019, which are organized on an annual basis in Malaysia, in honor of its efforts in following-up to the implementation of the major projects for (2017-2018), which was part of the development plan of the Company›s areas of business. The Company has also won an award for the green corridor project, as the best project of renewable energy transmission (wind energy and solar energy), which is supervised and implemented by NEPCO; with a view to reinforce and enhance the capacity of the national grid to the transmission of the electric power generated by such resources from the southern regions of the Kingdom to the load regions in the north and middle of the Kingdom.

First: NEPCO's Achievement & Performance Indicators

NEPCO's statistical data 2019 (table 1) showed positive growth in the peak load of the (winter and summer) electric power system, compared to the peak load for 2018, additionally, the lengths of transmission lines and the capacity of the main substations. Also, the performance indicators (table 2) showed a decrease in power outages, alternatively, the electrical loss on the transmission grid increased during 2018 from (1.98%) to (2.18%) for 2019. Noting the fact that such percentages of electrical loss on the national transmission grid are considered within the normal limits according to the global indicators of electrical loss on transmission grids.

Highlights of the statistics and performance indicators of 2019 compared to 2018 are reviewed below.

1- NEPCO's Significant Figures

Table (1): NEPCO's Significant Figures

		2019	2018	(%)
Peak load for Interconnected System (MW)	Summer	3260	3100	5.2
	Winter	3380	3205	5.5
Available Capacity for Interconnected System (MW)		5658	5347	5.8
Purchased Electrical energy (GWh)		19273	18913	1.9
Sold Electrical Energy (GWh)		18853	18539	1.7
Transmission Losses (%)		2.18	1.98	--
National Grid Transmission Lines 400 kV (Km-Circuit)		1376	1164	18.2
National Grid Transmission Lines 132 kV (Km-Circuit)		3826	3636	5.2
Substations Installed Capacities 132/33kV (MVA)		9625	9151	5.2
Substations Installed Capacities 400/132/33kV (MVA)		5360	4560	17.5
No. of Employees		1323	1402	(5.6)
NEPCO's Fixed Assets (Million JD)		624	567	10.1

Table (2): NEPCO's Performance Indicators

	2019	2018	(%)
1. Manpower Indicators			
Annual Productivity (GWh Sold/Employee)	14.2	13.2	7.6
Transforming Installed Capacity (MVA/Employee)	11.5	10.0	15.0
2. Financial Indicator			
Total Cost of kWh sold (Fils/kWh)	83.19	92.65	(10.2)
Cost of Energy Purchased (Fils/kWh) sold	73.24	82.82	(11.6)
Other Costs (Fils/kWh) sold	9.95	9.83	1.2
Revenues (Fils/kWh)	74.61	74.51	0.1
Current Ratio (Times)	0.11	0.16	(31.3)
Net Profit (Loss) Ratio (%)	7.56	1.32	--
Total Debt to Total Assets Ratio (%)	168.7	141.0	--
3. Technical Indicator			
Transmission Losses (%)	2.18	1.98	--
Availability of National Transmission Grid (%)	99.95	99.89	--
Number of Interruptions	1.4	1.5	(6.7)
Unsupplied Energy (MWh)	1041	127	719.7
Average Interruption Duration (Min/ Interruption)	72	30	140.0
Average Unsupplied Energy (MWh/ Interruption)	40	8.5	370.6
Interruption Duration (Hour)	31	7.5	313.3

2-Generation Capacity and Electric Power Generated

- The generation capacity of Jordan electrical system for the year 2019 reached (5728) MW compared to (5347) MW in 2018 with a growth rate of (5.8%).
- The generation capacity of renewable energy projects carried out on the transmission and distribution grids reached about (1470) MW by late 2019, representing about (25.7%) of the total generation capacity.

Table (3): Generation Capacity of Renewable Energy Projects in JORDAN

	Transmission Network			Distribution Network	
	Direct Offers	Net Metering Projects	Wheeling Projects	Net Metering Projects	Wheeling Projects
	M.W			M.W	
Solar Energy	591.5	15	34	297	163
Wind Energy	369.6	--	--	--	--

Table (4): Available Capacity of Generating Plants in JORDAN (MW)

Year	Steam	Gas Turbines		Combined Cycle	Diesel*	Renewable Energy				Total
		Diesel	N.GAS			Biogas	Hydro	Wind	Solar	
2015	787	27	332	2044	814	3.5	12	118.4	5	4142.9
2016	605	--	307	2044	814	3.5	12	198.4	295.5	4279.4
2017	605	--	228	2044	814	3.5	12	198.4	405.5	4310.4
2018	605	--	83	2740	814	3.5	12	280.4	808.5	5346.7
2019	605	--	83	2740	814	3.5	12	369.6	1100.5	5727.8

* Works on (heavy fuel, diesel, and natural gas)

- The total electricity generated and imported in the Kingdom reached (21235) GWh in 2019 compared to (20664) GWh in 2018 with a growth rate of (2.8%). The total generation of electric power in Jordan amounted to (20996) GWh with a growth rate of (2.5%) in 2018, while the imported electric power amounted to (239) GWh compared to (188) GWh in 2018, and with a growth rate of (27.1%).
- Electricity generated by conventional energy sources contributing by (85.1%) of the total electricity generated in the Electricity Sector in 2019. While the contribution of renewable energy sources amounted to (15.1%), as follows:

		GWh	Contribution Margin (%)
Solar Energy	Transmission Grid- Direct Offers	1368.6	6.8
	Distribution Grid	717.6	3.6
Wind Energy		892.4	4.4
Biogas		3.5	--
Hydro		18.4	0.1

Table (5): Electrical Energy Generated and Imported in Jordan (GWh)

		2016	2017	2018	2019	(%)
1. Electricity Sector		**19118.6**	**20087.4**	**19727.6**	**20150.3**	**2.1**
CEGCO		4260.4	4332.3	1833.6	502.3	(72.6)
SEPGCO		7194.4	7643.2	7710.2	6608.1	(14.3)
AES Jordan PSC (IPP1)		3163.0	2626.2	2794.9	2892.5	3.5
QEPCO (IPP2)		2880.6	3033.2	2754.5	2823.2	2.5
AAEPCO (IPP3)		262.8	288.1	499.3	397.5	(20.4)
AES Levant (IPP4)		509.0	767.2	764.5	640.5	(16.2)
Zarqa Power Station (ACWA)		--	--	1218.4	3285.8	169.7
Wind Energy		398.7	456.6	719.8	892.3	24.0
Solar Energy	Transmission Grid (1)	273.0	603.4	853.3	1368.6	60.4
	Distribution Grid	153.9	316.1	561.6	717.6	27.8
King Talal Dam		18.7	17.0	14.1	18.4	30.5
Jordan Biogas Company		4.1	4.1	3.4	3.5	2.9
2. Large Industries		**558.6**	**706.1**	**748.4**	**845.5**	**13.0**
Potash Co.		222.0	354.1	339.7	405.6	19.4
Indo-Jordan Chemicals Co.		46.3	76.2	86.5	91.7	6.0
Refinery		84.1	79.3	81.3	61.2	(24.7)
Fertilizer Co.		51.2	45.3	81.0	82.4	1.7
Qatranna Cement Co.		N.A	N.A	N.A	N.A	--
Modern Cement and Mining Co.		--	--	--	119.0	--
3. Imported Energy		**333.8**	**51.3**	**188.3**	**239.3**	27.1
Imported Energy from Egypt		333.8	51.3	188.3	239.3	27.1
Total		**20011.0**	**20844.8**	**20664.3**	**21235.1**	**2.8**

(1) Direct Offers Projects (Calculation)

3-Fuel Consumption

Table (6): Fuel Consumption for Electricity Generation (T.T.O.E)

	2016	2017	2018	2019	(%)
Heavy Fuel	344.6	454.2	120.0	15.1	(87.4)
Natural Gas	3377.1	3340.9	3402.2	3337.9	(1.9)
Diesel	13.6	9.4	4.2	1.8	(57.1)
Total	**3735.3**	**3804.4**	**3526.4**	**3354.8**	(4.9)

4-The Power Demand

The peak load of the electrical system in 2019 amounted to (3380) MW during January, compared to (3205) MW in 2018 during January also, with agrowth rate of about (5.5%). The average annual growth for the period (2010-2019) amounted to about (2.7%).

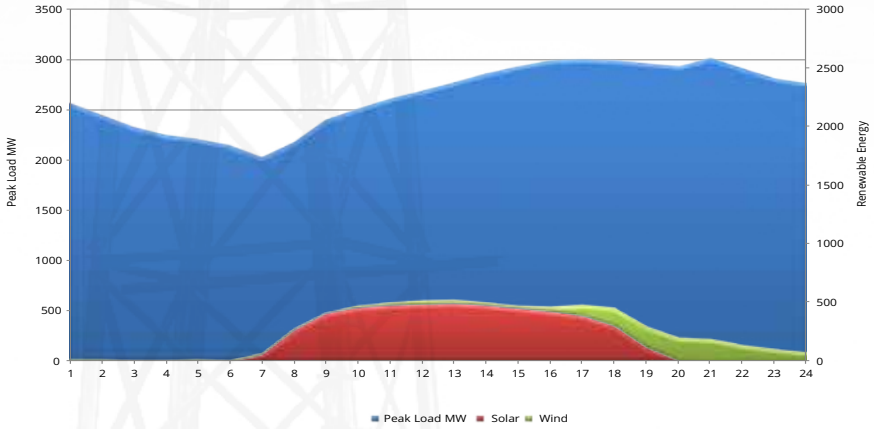
Table (7): Peak load for Interconnected System (MW)

	Peak Load		Minimum Load
	Summer	Winter	
2014	2845	2900	1250
2015	3310	3160	1300
2016	3180	3250	1300
2017	3320	3220	1350
2018	3100	3205	1290
2019	3260	3380	1195

Table (8): Contributing of Generating Units in the System Peak Load in 2019

Combined cycle units	69.06
Steam units	7.10
Gas Turbine units	0.77
Diesel units	21.30
Hydro units	0.06
Solar units	--
Wind units	1.21
Imports	0.5

Renewable energy behavior with summer load



Renewable energy behavior with winter load

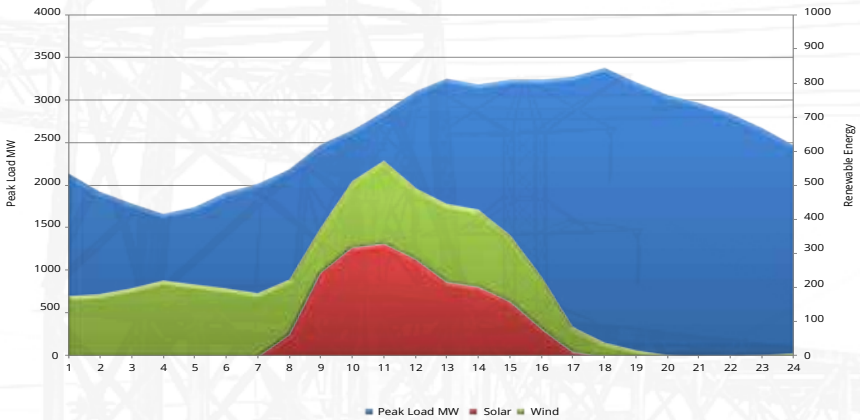


Table (9): Peak load for The Large Consumers (MW)

	2013	2017	2018	2019	(%)
JEPCO	1889.9	2032.7	1999.0	2129.9	6.5
EDCO	450.8	561.1	562.8	580.8	3.2
IDECO	469.5	573.8	582.5	622.7	6.9
Refinery	11.9	9.2	8.8	9.9	12.5
Jordan Cement Company / Al-Fuheis plant	12.7	0.5	0.5	0.3	(40.0)
Jordan Cement Co. / Al-Rashadieh plant	20.4	22.4	21.2	10.9	(48.6)
Al-Rajhi Cement Company	18.2	19.4	26.1	15.5	(40.6)
Al-Hadeetha Cement Company	11.2	28.6	26.0	2.8	(89.2)
Qatrana Cement Company	22.0	0.8	0.24	0.4	66.7
Potash Co.	54.1	21.1	32.9	52.2	58.7
EL-Hasa Phosphate	9.5	8.7	7.3	7.5	2.7
Sheidiyah Phosphate	13.6	12.8	13.8	11.9	(13.8)
Queen Alia Airport	12.7	13.7	13.0	12.0	(7.7)
Indo-Jordan Fertilizer Company	1.0	20.6	19.8	20.3	2.5

Table (10): Electricity Demand Forecast in the Interconnected System

Year	Max. Demand*		Electrical Energy Generated**	
	MW	Growth (%)	GWh	Growth (%)
2020	3050	3.0	19850	2.9
2022	3240	3.1	21110	3.1
2025	3535	2.9	23205	3.2
2030	4058	2.8	27011	3.1
2035	4665	2.8	31446	3.1
2040	5360	2.8	36610	3.1

*Summer loads ** Sent-out (purchased)

5-Electrical Energy Purchases

Table (11): NEPCO's Electrical Energy Purchases (GWh)

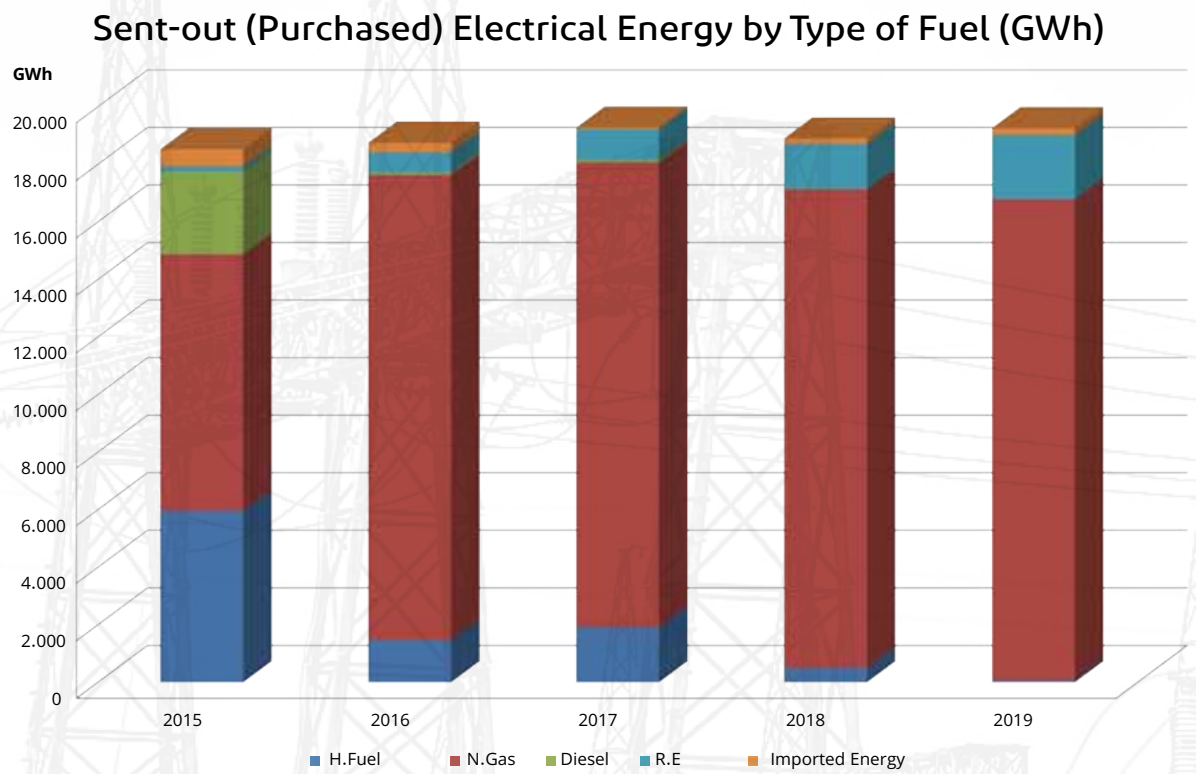
	2016	2017	2018	2019	(%)
(A) CEGCO	4009.4	4096.6	1707.8	453.3	(73.5)
(B) SEPGCO	7028.0	7478.0	7568.0	6475.4	(14.4)
(C) AES Jordan PSC (IPP1)	3113.0	2576.0	2739.8	2840.4	3.7
(D) QEPCO (IPP2)	2839.9	2989.7	2713.1	2778.7	2.4
(E) AAEPCO (IPP3)	258.3	280.1	485.5	397.5	(18.1)
(F) AES Levant Holding (IPP4)	501.2	755.7	752.1	632.0	(16.0)
(G) Zarqa Power Station (ACWA)	--	--	1197.7	3216.6	168.6
(H) Wind Energy Companies	390.7	447.5	705.4	874.5	24.0
(I) Solar Energy Companies	267.5	591.3	836.2	1341.2	60.4
(J) Others	21.7	21.0	18.8	23.8	26.6
King Talal Dam	18.7	17.0	14.1	18.4	30.5
Indo-Jordan Chemicals Co.	3.0	4.0	4.7	5.4	14.9
(K) Imported Energy from Egypt	333.8	51.3	188.3	239.3	27.1
Total Energy Purchased	**18763.5**	**19287.2**	**18912.7**	**19272.7**	1.9

Table (12): Electrical Energy Purchased by type of Generation in Jordan (GWh)

	2016	2017	2018	2019	(%)
1. Electricity Sector	**18426.7**	**19231.9**	**18719.7**	**19028.4**	1.6
Steam Units	1975.6	1909.3	792.1	140.4	(82.3)
Simple Cycle	321.1	349.5	315.6	313.2	(0.8)
Combined Cycle	749.8	1026.3	1234.2	1026.6	(16.8)
Diesel Engines	41.6	38.0	22.7	18.4	(18.9)
Hydro Units	393.9	449.1	707.0	874.9	23.7
Wind Energy	14677.2	14868.4	14811.9	15313.3	3.4
Solar Energy	267.5	591.3	836.2	1341.2	60.4
2.Industrial Sector/Indo-Jordan Chemicals Co.	**3.0**	**4.0**	**4.7**	**5.4**	14.9
3.Imported Energy (Eygpt)	**333.8**	**51.3**	**188.3**	**239.3**	27.1
Total Energy Purchased	**18763.5**	**19287.2**	**18912.7**	**19272.7**	1.9

Table (13): Electrical Energy Purchased by type of Fuel in Jordan (GWh)

	2016	2017	2018	2019	(%)
1. Electricity Sector	**18426.7**	**19231.9**	**18719.7**	**19028.0**	1.6
Heavy Fuel	1468.4	1928.7	514.1	70.0	(86.4)
Natural Gas	16164.4	16141.9	16623.1	16723.5	0.6
Diesel	90.9	83.0	16.6	--	--
Renewable Energy	703.0	1078.4	1565.9	2234.5	42.7
2.Industrial Sector/Indo-Jordan Chemicals Co.	**3.0**	**4.0**	**4.7**	**5.4**	14.9
3.Imported Energy (Eygpt)	**333.8**	**51.3**	**188.3**	**239.3**	27.1
Total Energy Purchased	**18763.5**	**19287.3**	**18912.7**	**19272.7**	1.9



6- Electrical Energy Sales

Table (14): NEPCO's Electrical Energy Sales (GWh)

	2016	2017	2018	2019	(%)
A. Distribution Companies	**17663.2**	**18320.0**	**17985.2**	**18391.0**	2.3
JEPCO	10975.0	11383.0	11065.6	11230.1	1.5
JEPCO /	--	--	--	37.1	--
EDCO	3461.4	3558.9	3577.5	3680.3	2.9
IDECO	3226.8	3378.1	3342.1	3443.5	3.0
B. Large Consumers	**737.6**	**585.0**	**459.9**	**362.8**	(21.1)
Refinery Co.	27.1	27.5	24.3	32.2	32.5
Jordan Cement Co./Al Fuhies Plant	8.7	2.1	2.0	1.6	(20.0)
Jordan Cement Co./Al Rashadiyeh Plant	98.6	95.2	89.4	56.5	(36.8)
Al-Rajhi Cement Co.	144.1	112.4	116.7	99.9	(14.4)
Al-Hadeetha Cement Co.	100.0	133.4	28.5	2.8	(90.2)
Qatranna Cement Co.	5.2	3.9	2.0	1.6	(20.0)
Potash Co.	126.6	31.3	29.5	12.3	(58.3)
El-Hasa Phosphate Co.	39.4	32.6	28.9	28.4	(1.7)
Sheidiyah Phosphate Co.	33.3	20.8	16.4	7.1	(56.7)
QAIA	73.4	74.6	72.6	72.1	(0.7)
Indo-Jordan Fertilizer Co.	61.3	32.1	23.6	24.1	2.1
Haraneh (New Broadcasting)	0.7	0.4	0.3	0.4	33.3
AAEPCO (IPP3)	13.7	12.2	11.2	10.9	(2.7)
AES Levant Holding (IPP4)	3.5	3.1	3.1	3.9	25.8
Zarqa Power Station (ACWA)	--	--	5.7	--	--
Wind Energy Companies	0.5	0.6	0.8	1.1	37.5
Solar Energy Companies	1.5	2.8	4.9	7.4	51.0
Attarat Power Co. / Oil Shale	--	--	--	0.5	--
C. Exported Energy	**45.5**	**57.4**	**93.5**	**98.0**	4.8
Egypt	--	--	--	--	--
Jerusalem Co. (Jericho)	42.4	54.0	88.1	91.7	4.1
Iraqi Border (Trabeel)	3.1	3.3	5.4	6.2	14.8
D. Other	**0.2**	**0.5**	**0.6**	**0.8**	33.3
Total	**18446.5**	**18962.8**	**18539.2**	**18852.6**	1.7

7-Demand for Electricity

Table (15): Electrical Energy Consumption in Jordan (GWh)

	2016	2017	2018	2019	(%)
1. EDCO's Areas	**3052.0**	**3139.0**	**3157.0**	**3247.0**	**2.1**
2. JEPCO's Areas	**9446.9**	**9921.8**	**9653.3**	**9796.3**	**1.5**
3. IDECO's Areas	**2885.9**	**3051.1**	**3027.4**	**3094.4**	**2.2**
4. Industrial Companies	**1019.9**	**1024.1**	**1030.1**	**981.2**	**(4.7)**
A - Large Industries / Purchased Energy	**395.9**	**337.7**	**333.1**	**272.7**	**(18.1)**
Jordan Cement Co. / Al-Rashadieh plant	98.6	95.2	89.4	56.5	**(36.8)**
Al-Rajhi Cement Company	144.1	112.3	116.7	99.9	**(14.4)**
Jordan Phosphate Mines Company / Sheidiyah Phosphate	33.3	46.8	48.8	40.4	**(17.2)**
Indo-Jordan Fertilizer Company	61.3	32.1	23.6	24.1	**2.1**
AAEPCO (IPP3)	13.7	12.2	11.2	10.9	**2.7**
AES Levant (IPP4)	3.5	3.1	3.1	3.9	**25.8**
Wind Power Companies	0.5	0.6	0.8	0.9	**12.5**
Solar Power Companies	1.5	2.8	4.9	7.2	**46.9**
Zarqa Power Station (ACWA)	--	--	5.7	--	**--**
Attarat Power Company	--	--	--	0.5	**--**
Jordan Phosphate Mines Company / EL-Hasa Phosphate	39.4	32.6	28.9	28.4	(1.7)
B - Large Industries / Purchased + Self Generation	**624.0**	**686.4**	**697.0**	**708.5**	**1.6**
Refinery	105.3	101.3	99.9	89.1	**(10.8)**
Jordan Cement Company / Al-Fuheis plant (1)	8.7	2.1	2.0	1.6	**(20.0)**
Qatrana Cement Company (1)	5.2	3.9	2.0	1.6	**(20.0)**
Modern Cement and Mining Co.	100.0	133.4	126.5	100.8	**(20.3)**
Potash Co.	331.1	360.6	345.4	389.5	**12.8**
Fertilizer Company (2)	47.6	42.1	75.3	**76.6**	**1.7**
Indo-Jordan Chemicals Company (3)	26.1	43.0	45.9	49.3	**7.4**
5. Solar Power System / Distribution Grid	**153.9**	**316.1**	**561.6**	**717.6**	**27.8**
6. Renewable Energy Projects (Wheeling + Net Metering) / Transmission Grid	**--**	**--**	**--**	**N.A**	**--**
7. Queen Alia Airport	**73.4**	**74.6**	**72.6**	**72.1**	**(0.7)**
8. Haraneh B.Station	**0.7**	**0.4**	**0.3**	**0.4**	**33.3**
9. Others	**0.2**	**0.5**	**0.6**	**0.7**	**16.7**
Total Consumption	**16632.9**	**17527.6**	**17502.9**	**17909.7**	**2.3**

1- Included Energy Purchased Only (Self Generation is not included-N.A)

2- EDCO's sales to Fertilizer are not included

3- Self Generation only

Table (16): Electrical Energy Consumption by Sector Type (GWh)

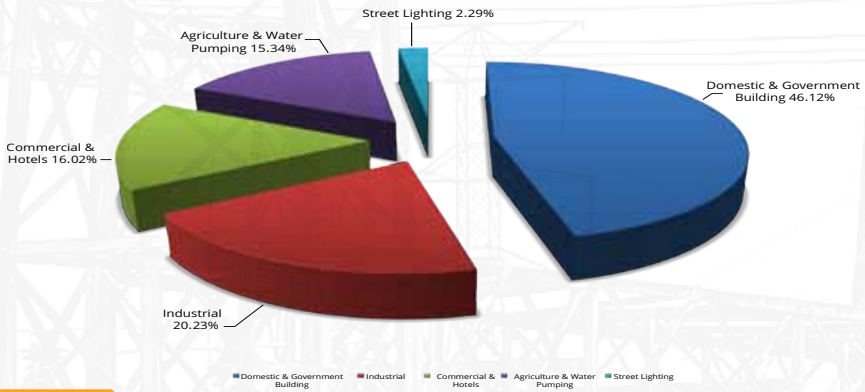
	Domestic & Government[1]	Industrial	Commercial & Hotels	Agriculture & Water Pumping	Street Lighting	Total
EDCO	988.1	410.1	313.0	1446.8	89.0	**3247.0**
JEPCO	5182.2	1841.7	1949.5	646.6	176.3	**9796.3**
IDECO	1723.6	281.6	297.1	646.7	145.4	**3094.4**
NEPCO	--	289.9	73.3	--	--	**363.2**
Large Industries / Self-generation [2]	--	658.0	--	--	--	**658.0**
Large Industries / Energy Sold [3]	--	33.3	--	--	--	**33.3**
Solar Power Systems/Distribution Grid	366.0	107.6	236.8	7.2	--	**717.6**
Renewable Energy Projects (Wheeling + Net Metering) / Transmission Grid	--	N.A	N.A	--	--	**N.A**
2019	**8259.9**	**3622.2**	**2869.7**	**2747.3**	**410.7**	**17909.8**
2018	7928.6	3821.6	2650.2	2695.9	406.6	**17502.9**
2017	8096.6	3782.2	2562.4	2684.1	402.3	**17527.6**
2016	7641.5	3625.0	2435.0	2553.1	378.3	**16632.9**
2015	7227.6	3823.2	2376.0	2412.1	338.7	**16177.6**
2014	6583.4	3878.3	2357.7	2284.2	315.6	**15419.2**
2013	6265.4	3517.1	2414.9	2076.0	291.0	**14564.4**
2012	6126	3464	2427	1955	305	**14277.0**

1- Include about (6%) Government Building + (1.5%) Others

2- Some of Large Industries are Not Included (N.A)

3- Indo-Jordan Chemical Co. Sales to Al-Sheidiyah Phosphate

Electrical Energy Consumption by Sector Type for the year 2019



8-Number of Consumers

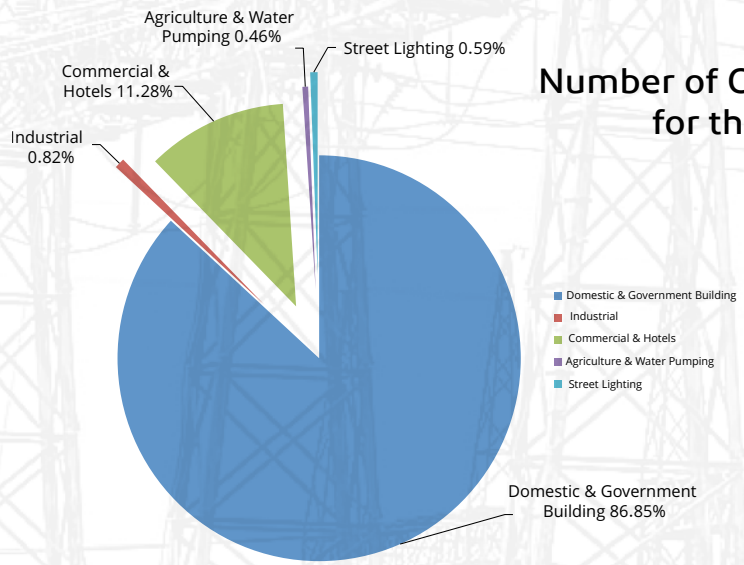
Table (17): Number of Consumers in Jordan (Thousands)

	2016	2017	2018	2019	(%)
NEPCO	0.033	0.035	0.040	0.046	15.0
EDCO	236.8	245.6	253.5	261.9	3.3
JEPCO	1328.4	1391.1	1438.5	1489.1	3.5
IDECO	495.5	521.3	545.8	565.8	3.7
Total	**2060.7**	**2158.0**	**2253.0**	**2316.8**	2.8

Table (18): Number of Consumers by Type of Consumption in Jordan for the Year 2019

	Domestic & Government Buildings	Industrial	Commercial & Hotels	Agriculture & Water Pumping	Street Lighting	Bulk Sales	Total
NEPCO	--	33	10	--	--	3	**46**
EDCO (1)	221224	2278	30298	6049	2016	--	**261865**
JEPCO	1289781	11588	177469	1980	8277	--	**1489095**
IDECO	501183	4998	53603	2561	3419	--	**565764**
Total	**2012188**	**18897**	**261380**	**10590**	**13712**	**3**	**2316770**

1- Estimated

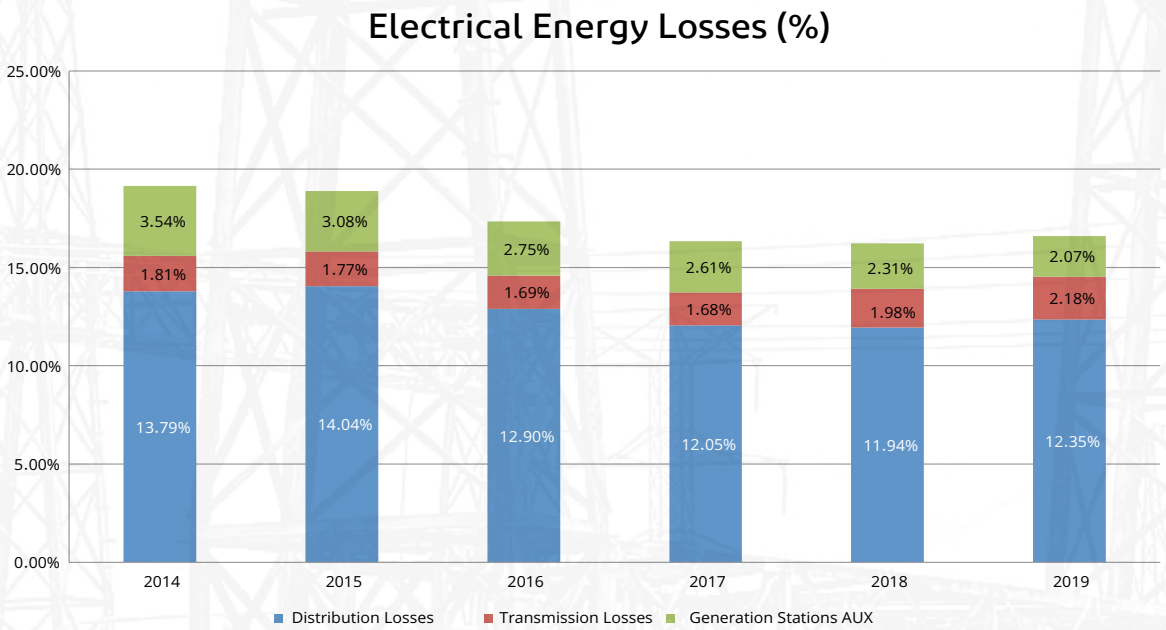


9-Electrical Energy Losses

Table (19): Electrical Losses by Sector Type

	2016	2017	2018	2019
1.Generation Losses				
Generated Energy	18928	19729	19149	19411
Sent Out Energy	18408	19215	18706	19010
Losses (%)	**2.75**	**2.61**	**2.31**	**2.07**
2. Transmission Losses				
Purchased Energy	18764	19287	18913	19273
Sold Energy / Bulk	18447	18963	18539	18853
Losses (%)	**1.69**	**1.68**	**1.98**	**2.18**
3. Distribution Losses				
Purchased Energy	17663	18320	17985	18411
Sold Energy/Retail	15385	16112	15838	16138
Losses (%)	**12.90**	**12.05**	**11.94**	**12.35**
4. Total Energy losses in Electricity Sector(1)				
Sent Out Energy and Imported Energy	18742	19266	18894	19249
Consumed and Exported Energy	16168	16755	16392	16599
Losses (%)	**13.73**	**13.03**	**13.24**	**13.77**

(1) AUX is not included



10-Electricity Tariffs

Table (20): Electricity Tariff in Jordan

1.Bulk Supply Tariff		Retail Tariff .2	
A- JEPCO		**A- Household (Fils/kWh)**	
Peak Load (JD/kW/ Month)	2.98	First Block : from 1-160 kWh/Month	33
Day Energy (Fils/kWh)	71.90	Second Block : from 161-300 kWh/Month	72
Night Energy (Fils/kWh)	61.88	Third Block : from 301-500 kWh/Month	86
B- EDCO		Fourth Block : from 501-600 kWh/Month	114
Peak Load (JD/kW/ Month)	2.98	Fifth Block : from 601-750 kWh/Month	158
Day Energy (Fils/kWh)	74.02	Sixth Block : from 751-1000 kWh/Month	188
Night Energy (Fils/kWh)	64.07	Seventh Block : more than 1000 kWh/Month	265
C- IDECO		**B- Domestic (Fils/kWh)**	
Peak Load (JD/kW/ Month)	2.98	First Block : from 1-160 kWh/Month	42
Day Energy (Fils/kWh)	58.20	Second Block : from 161-300 kWh/Month	92
Night Energy (Fils/kWh)	48.29	Third Block : from 301-500 kWh/Month	109
D- Large Industries		Fourth Block : from 501-600 kWh/Month	145
1- Mining & Quarrying Industries		Fifth Block : from 601-750 kWh/Month	**169**
Peak Load (JD/kW/ Month)	2.98	Sixth Block : from 751-1000 kWh/Month	190
Day Energy (Fils/kWh)	237	Seventh Block : more than 1000 kWh/Month	256
Night Energy (Fils/kWh)	170	**C- Flat Rate Tariff for TV & Broadcasting Stations (Fils/kWh)**	173
2- Others		**D- Commercial Sector (Fils/kWh)**	
Peak Load (JD/kW/ Month)	2.98	First Block : from 1-2000 kWh/Month	120
Day Energy (Fils/kWh)	124	Second Block : more than 2000 kWh/Month	175
Night Energy (Fils/kWh)	109	**E- Flat Rate Tariff for Banking Sector (Fils/kWh)**	285

F- Telecommunication Sector (Fils/kWh)		Night Energy (Fils/kWh)	49
First Block : from 1-2000 kWh/Month	230	**K- Flat Rate Tariff for Water Pumping (Fils/kWh)**	94
Second Block : more than 2000 kWh/Month	273	**L- Flat Rate Tariff for Hotels (Fils/kWh)**	91
G- Small Industries (Fils/kWh)		**M- Hotels (Fils/kWh) (2)**	
First Block : from 1-10000 kWh/Month	71	Peak Load (JD/kW/ Month)	3.79
Second Block : more than 10000 kWh/Month	81	Day Energy (Fils/kWh)	89
H- Medium Industries (Fils/kWh)		Night Energy (Fils/kWh)	75
Peak Load (JD/kW/ Month)	2.00	**N- Streets Lighting (Fils/kWh)**	114
Day Energy (Fils/kWh)	89	**O- Army Forces (Fils/kWh)**	146
Night Energy (Fils/kWh)	75	**P- Port Corporation (Fils/kWh)**	159
I- Flat Rate Tariff for Agriculture (Fils/kWh)	60	**Q- Agriculture / Commercial (Fils/kWh)**	60 120
J- Agriculture (Fils/kWh) (1)		Notice Monthly Minimum Charge	
Peak Load (JD/kW/ Month)	3.79	A- Domestic (JD/Month)	1.0
Day Energy (Fils/kWh)	59	B- Other Consumers (JD/Month	1.25

1. The three part tariff will applied compulsory on agricultural consumers whose connected to the network from 14/3/2008, and Maximum load exceeding 100 MVA
2. The Medium Industries Tariff will be applied on Hotels from 1/5/2015. Four Stars Hotels & above Connected to the Network before 14/3/2008, have to choose the three part Tariff

Second: NEPCO's Projects & Achievements

In 2019, the Company completed several projects that enhance and develop the national transmission network, and started with other projects that will be completed in the coming years. Such projects are summarized as follows:

1-Renewable Energy Projects:

Table (21): The Completed Renewable Energy Projects

Project Type	Project Name			Capacity (MW)	Operation Data
Wind Energy Projects	Jordan Wind Project / Tafila			117	SEP/2015
	Al-Hussein Wind Project / Ma'an			88	First Quarter/2016
	First Round of the Direct Offers: - Al-Rajaf project (82) MW - Al-Fajeej project (89) MW			171	Mid/2018
Solar Energy Projects	First Round of the Direct Offers, (12) PV Projects.			200	First Quarter 2016
	Second Round of the Direct Offers : -Mafraq Development Projects (153) MW. -Al Safawi Project (50) MW			204	2018 -2019
	Quwireh PV Project			95	First Quarter 2018
	Al-Risha PV Project			50	Mid/2019
	East Amman Project			40	Mid/2019
	Large Industries	Net Metering Projects	Lafarge Projects	15	--
		Wheeling Projects	Al-Haz'a Projects	16.5	2019
			Orange Projects	17.5	2019
	Small Solar Systems (< 5 MW)	Net Metering Projects		297	--
		Wheeling Projects		163	--

Table (22): Under- Construction Renewable Energy Projects

Project Type	Project Name		Capacity)MW(	Operation Data
Wind Energy Projects	First Round of the Direct Offers: - Shobak project (45) MW - Mas project (100) MW - Daihan Project (51) MW - El-Abour Project (51) MW		247	2020
Solar Energy Projects	Baynouna Project		200	2020
	Third round of the direct offers, (3) PV projects		150	2021
	Al-Hussiniha (Philadelphia) PV Project		50	2021
	Al-Haq PV Projects		50	2021
	Wheeling Projects / NEPCO,s Transmission Lines		370	--
	Small Solar Systems (< 5 MW)	Net Metering Projects	150	--
		Wheeling Projects	130	--

2- Other Projects

- The National Electric Power Company (NEPCO) and the Japan International Cooperation Agency (JICA) signed an Agreement of the project concerned with the connection of multiple renewable energy sources to the electric power system and increasing the reliability of supplying the electric power in the Kingdom.
- Under the Agreement, JICA will offer aid and conduct technical studies in the electricity sector through joint working groups, including a feasibility study on granting energy storage technology by batteries and equipment to increase the efficiency and reliability of the electric grid and electric interconnection.
- Jordan and Lebanon signed a memorandum of understanding (MoU) for cooperation in the field of energy, renewable energy, and energy efficiency through joint projects by taking advantage of the Arab Eight-Country Electric Interconnection project and exchange of information and expertise in the field of energy. The MoU signed between the two parties makes it possible to commence the negotiation phase for the exchange of electric power between the two countries through the respective electric power companies in the two countries and within the framework of the Arab Eight-Country Electric Interconnection project and Jordan›s ability and readiness to provide Lebanon with a portion of its electricity needs. The importance of this project lies in the fact that it is a realistic model for the significance of integration and unifying efforts to address the challenges facing the two countries.
- The National Electric Power Company (NEPCO) and the Jordanian-Egyptian FAJR for Natural Gas Transmission and Supply Company signed two agreements; the first agreement stipulates providing the Jordan Phosphate Mines Company (JPMC) with a daily supply of four million cubic feet of natural gas, while the other agreement is an amendment to the gas supply agreement with the Nuqul Group.

  The first agreement stipulates supplying the Southern Industrial Complex of Jordan Phosphate in Aqaba with about 4 million cubic feet of natural gas per day, while the second agreement stipulates supplying Al Sanawbar Company for Sanitary Paper Manufacturing/ Nuqul Group with the required quantities of natural gas.

  Such agreements aimed to reduce the burden of the energy bill on local industries, by directing such industries to switch to the use of natural gas, as part of the sustained efforts undertaken by the Government to help industries reduce their operational costs and enhance their competitiveness in regional and global markets to reflect positively on the national economy.
- In February 2019, Jordan and Iraq signed a memorandum of understanding (MoU), under which Jordan imports around (7%) of its total annual needs of crude oil, to no more than (10,000) barrels per day as a first phase, provided that such quantity is expected to increase at subsequent phases as agreed by the two sides.
- Jordanian and Palestinian sides agreed to increase the Kingdom's power exports to Palestine from (26) megawatts to (80), in order to supply the areas of Jerusalem, Azariya and Abu Dis, together with Jericho and the Jordan Valley (Ghor) with electricity through the Jordanian grid, which has also included signing an agreement to establish a new substation in Al Ramah region.

- During May 2020, the work is underway to finalize connecting the Attarat power plant for generating electricity from oil shale to the national grid.

  The generation capacity of this power plant is up to about (470) MW, which accounted for (15%) of the Kingdom's demand for electric power.

  According to the experts of Attarat Power Company (APCO) owned by the Malaysian Chinese Estonian consortium, the production of this quantity requires burning approximately (10) million tons per year of the oil shale, at a time the Kingdom's reserves of oil shale are estimated about (70) billion tons, thereby constituting the fourth largest oil shale reserve worldwide.

- With regard to the major projects implemented by the Company within the framework of the development and strengthening national transmission grid, the Company was able to receive several awards in honor of its efforts in following-up to the implementation of the major projects, including the green corridor project as the best renewable energy transmission project (wind energy and solar energy), which was supervised and implemented by NEPCO to reinforce the electric transmission grid from the southern regions to the northern and middle regions of the Kingdom.

  It is expected that the project funded by the European Investment Bank and French Development Agency would transmit renewable energy between (800-1000) MW, and that this project is expected to be operated by the end of 2020. This project is implemented by KEC Indian International Company and Electromontaj Romanian Company for the transmission lines with a capacity of (400 and 132) kV and Saudi National Contracting Company Limited (NCC) for the substations with a capacity of (400 and 132) kV.

- Also, the Company has won during the competition two (gold and silver) awards for the project of the two substations and the transmission lines in the south of the Kingdom of (400) kV, making NEPCO distinctive at the Middle East level, this was followed by the fourth award which honored NEPCO for its fine reputation and excellence at the level of the companies working within the electricity sector for 2019.

3-Transmission Network Projects

A) Substations Projects:-

Table (23): Projects of Constructing and Expanding 400 kV Substations

Substation	Added Capacity (MVA)	Operation Data
Ma'an S/S (Green Corridor Project)	2x400	2019
QAIA South S/S (Green Corridor Project)	2x500	2020
Al-Qatranah S/S (Green Corridor Project + Amman East)	--	2020

Table (24): Projects of Expanding 132 kV Substations

Substation	Added Capacity (MVA)	Operation Data
QAIA S / S (Green Corridor Project)	--	2019-2020
Rehabilitation of Al-Qatraneh S/S	2x25	2019
Amman East S / S (Renewable Energy Projects)	--	2019
Al-Risha S/S .PV	--	2019
University S/S	--	2019
Al-Hussein University S/S	--	2019
Al-Salt S/S	1x80	2020
Amman South S/S	1x80	2019 - 2020
Irbid S/S	2x80	2020 - 2021
Al Hassan Industrial S/S	--	2021- 2022
Irbid East S/S	1x80	2021 - 2022

Table (25): Projects of Constructing New Substations of 132/33 kV

Substation	Added Capacity(MVA)	Operation Data
KFW switching S/S	2x63	2019
Kospo S/S	2x50	2019
Mass S/S	2x120	2019
Shobak S/S	2x54	2019
Xenil S/S	2x63	2019 - 2020
Ma'an S/S (MDA2)	4x80	2019 - 2020
New Zarqa S/S	2x80	2020 - 2021
Jerash Industrial S/S	2x80	2021- 2022
New Fuheis S/S	3x80	2021 - 2022

Table (26): Switching Station Projects

Project	Operation Date
Mass / Wind	2019
Oil Shale - Atarat	2019
Al-Safawih / PV	2019
Ad-dulayl / PV	2019
KFW / PV	2019
Amman East / PV	2019
Masdar / PV	2020
Xnel / Wind	2020
Kospo / Wind	2020
Zain Solar / PV	2021
Al-zarqa 33 kV	2021 - 2022

Table (27): Main Substations Installed Capacity (MVA)

Year	400/132/33	230/132	132/33	132/6	132/11
2016	3760	100	8825	155	25
2017	3760	100	8985	155	25
2018	4560	100	9151	155	25
2019	5360	100	9625	155	25

B) 400, 132 kV Transmission Lines Projects:-

Table (28): The Completed and Under-Construction Projects

Project	Circuit	kV	Length of the Added line (Km.Circuit)	Completion Date
Connection of Al-Safawi Plant	Double Circuit	132	0.5	First Quarter 2019
Connection of Amman east S/S (renewable energy projects)	Double Circuit	132	1.8	Second Quarter 2019
Connection of Al-Dulail S/S	Double Circuit	132	6	Foruth Quarter 2019
Connection of (KFW) S/S with the airport - transmission line Madaba	Single Circuit	132	1.9	First Quarter 2019
Connection of Kosepo wind S/S with Al-Tafila S/S	Double Circuit	132	3.7	Third Quarter 2019
Connection of Xnel wind S/S with the new Al-Tafila S/S	Double Circuit	132	6.1	Foruth Quarter 2019
Connection of Al-Qatraneh S/S to the QAIA S/S (Green Corridor Project)	Double Circuit	132	62	First Quarter 2019
Connection of Al-Fujaij wind S/S (Bab Al-Hawa - Al-Shobak wind project)	Double Circuit	132	5.5	Third Quarter 2019
Connection of Al-Muwaqar S/S (Solar Project - Masdar)	Double Circuit	132	10.8	Foruth Quarter 2019
Connection of Mass wind fram with Al-Tafila - Al-Hasa transmission line	Double Circuit	132	2.4	Third Quarter 2019
Connection of Jerash Industrial S/S	Single Circuit	132	10	2019
Connection of New Ma'an S/S - Qatraneh S/S (Green Corridor Project)	Double Circuit	400	106	Second Quarter 2019
Connection of Al-Qatraneh S/S with Amman West Station	Double Circuit	400	108	First Quarter 2020
Connection of Al-Hazzam S/S with Al-Samra S/S	Double Circuit	132	21.6	First Quarter 2020
Connection of Amman West S/S with transmission line Sweimah Al-Sarw	Double Circuit	132	19	Second Quarter 2020
Connection of West Amman Amman with Al-Samra S/S	Double Circuit	400	75	Second Quarter 2020
Connection of oil shale / Atarat S/S	Double Circuit	400	82	First Quarter 2020
Connection of Al Rajhi S/S with the existing line (Rehab-Al-Samra)	Double Circuit	132	13	First Quarter 2020

Table (29): Transmission Line Length (km - Circuit)

year	400 kV	230 kV	132 kV		66 k.V
			Overhead lines	Underground cables	
2016	924	17	3511	62	17
2017	924	17	3555	62	17
2018	1164	17	3564	62	17
2019	1376	17	3764	62	17

* It was converted to work at 33 kV.

4-Telecommunication and Control Projects

During 2019, the Telecommunication and Control Department of the National Electric Power Company (NEPCO) has worked on completing several projects, the most prominent of which are set out below:

Installing telecommunication equipment (PLC) and transmittal equipment of optical fibres (SDH)) at the new substations; with a view to placing them within the telecommunications network of the substations, along with providing control services, interchangeable protection and telephone communication in each substation.

Installing and operating the power supply equipment with direct voltage (VDC48 batteries) at the new substations.

Developing a technical plan in collaboration between the control maintenance and programming departments to make a control system for telecommunications equipment in all sites, including delivering signals and alarms to all telecommunications equipment, so as to facilitate and accelerate the identification and resolution of problems.

Developing a regular maintenance plan and renovating all the telephone network's components in the National Control Center and main office sites, so as to facilitate the process of telephone service transfer to operate according to the new telephone switchboards system of (VoIP) type.

Installing and operating the control equipment of solar energy generation plants (KFW, Safawi, Azraq), wind generation plants (Mass, Kospo, Shobak) and the Attarat power plant for generating electricity from oil shale, and to be successfully connected with the National Control Center.

Following-up and completing all works and procedures regarding the equipment of the Telecommunication Department within the green corridor project.

Following-up the inspection works of the control systems of main substations (400, 132) kV.

5-Electrical Interconnection Projects

Interconnection Project	Project Status	Technical Specifications		
		Voltage (kV)	Length (KM)	Capacity (MW)
The Eighth Electrical Interconnection Projects				
The Egyptian – Jordanian Electric Interconnection (Submarine Cable)	– The energy exchange contract was renewed between the Jordanian and the Egyptian sides for 2020. – During 2019, (239.3) GWh has been imported from the Egyptian side.	400	13	550
The Jordanian – Syrian Electric Interconnection	– During 2019, there was no exchange of electric energy among the following electric grids, as a result of the current prevailing conditions in the region, except for the Syrian – Lebanon Electric Interconnection	400	147	(300-800)
The Egyptian – Syrian Electric Interconnection (Across the Jordanian Grid)		400	-	(250-300)
The Syrian – Lebanese Electric Interconnection		400	43	(150-300)
The Egyptian – Libyan Electrical Interconnection		220	163	(170-500)
The Syrian – Turkish Electric Interconnection	– All the works related to the Syrian – Turkish interconnection line of 400 kV (inside the two countries) were completed, where this line was constructed in 2003, however, this line is currently operating asynchronously. – It is planned to construct a substation 400 kV (HVDC) in the Berik area in Turkey with a capacity of (600) MW in order to increase the capacity exchange across the interconnection lines.	400	124	(300-600)
The Iraqi – Turkish Electric Interconnection	– The percent complete of this electric transmission line of (400) kV, which connects Iraq to Turkey reached to more than (90%), and as for the electric energy exchange, the Turkish side has previously supplied electricity to some areas in Iraq through a 132 kV line in an isolated form.	400	165	400
The Syrian – Iraqi Electric Interconnection	– The project is not yet operated as a result of the current prevailing conditions.	400	28	300

Interconnection Project	Project Status	Technical Specifications		
		Voltage (kV)	Length (KM)	Capacity (MW)
The Jordanian – Palestinian Electric Interconnection (Jericho)	– The draft of a new contract of selling electrical energy between NEPCO and Jerusalem District Electricity Company was prepared, and the contract has been signed in its final version during October 2018. – The Agreement of Al Ramah Substation Construction of 132/33 kV been signed in August 2019 with a transforming capacity of (80X1) MVA, for the purposes of elevating the capacity of electric power supply exported to the Jerusalem District Electricity Company, where the Supply Contract has been signed in its final version early in 2020.	*132	30	40
The Jordanian – Palestinian Electric Interconnection (West Bank)	– The two countries are preparing for the Jordanian-Palestinian interconnection project, where several technical meetings were held in this regard. Technical, commercial and legal committees were formed to lay the groundwork for the cooperation between the two countries. Currently, technical studies are being prepared to interconnect the two countries to the high voltages 400,132 kV, and discuss the alternatives proposed to the interconnection and their respective estimated costs.	400	101	
The Egyptian – Palestinian Electric Interconnection (GAZA Strip)	– This project did not practically see light yet; due to the recent security circumstances surrounding Gaza in recent years.	220	70	(70-150)
Pan Arab Electric Interconnection				
The Saudi – Egyptian Electric Interconnection	– On 12/12/2013, interconnection agreements were entered into between both countries, and such agreements including: electric interconnection agreement, commercial agreement and electric interconnection operation agreement.	500	1395 **	3000
The Jordanian – Saudi Electric Interconnection	– Technical and economic studies on the project were conducted by a global consultant, and work is currently ongoing to sign a new memorandum of understanding between the two countries represented by the Saudi Electricity Company and the Ministry of Energy and Mineral Resource, with a view to delegate the respective companies in both countries (NEPCO and Saudi Electricity Company), prepare interconnection agreements and select the best model to finance the project.	400	127	-

Interconnection Project	Project Status	Technical Specifications		
		Voltage (kV)	Length (KM)	Capacity (MW)
The Egyptian – Sudani Electric Interconnection	– Based on the request of the Sudani side to join the Eight-countries electric interconnection system, a contract for preparing the feasibility study of the interconnection project between Egypt and Sudan was signed with the consultancy office PB. The required actions are underway to begin the implementation of the interconnection project.	220	160	(200-70)
The Jordanian – Gulf- Egyptian Electric Interconnection	– A Memorandum of Understanding was signed between Gulf Cooperation Council Interconnection Authority (GCCIA) and the National Electric Power Company (NEPCO) to conduct technical and economic feasibility studies for the project, on 19/5/2016. – On 07/11/2019, the Memorandum of Understanding has been renewed, which contained the inclusion of the Egyptian side within the interconnection project. – The global consultant (CESI) has been appointed to conduct technical, economic and environmental feasibility studies for the project. It is expected that all the needed studies to be completed during 2020.	400	--	--
The Jordanian –Iraqi Electric Interconnection	– The draft of the interconnection project agreement between the two countries was prepared, and a draft of the electric power supply contract from the Jordanian side to the Iraqi side was prepared as a first phase of the project, and the work is underway to prepare the final version of the supply contract and the agreement of the project construction.	400	300	150-200

* It works on 33 KV ** of which (1370) km are overhead lines + (25) km are submarine cable

Third: The Company's Responsibilities

NEPCO is keen to implement its responsibilities represented in the following:

1-Operation of the Electrical Power System

NEPCO, through its national control centre (NCC), continued to work on managing and operating the electrical system through daily operations on various electrical system equipment according to the requirements of the electrical system to achieve the Company's main objective, as follows:

A. First: Ensure safe and reliable operation of the electrical system.

B. Second: Economic operation and dispatch of the electrical system using all available energy sources to minimize all costs.

- The main actions taken to achieve these objectives are summarized as follows:
- To maintain continuous electrical current, safe and secure electrical system and safety of employees.
- Work continuously to reduce the cost of purchasing power by following the most appropriate operating mode for the different circumstances.
- Utilizing the interconnection lines with neighbouring countries to reduce the cost of electricity generation.

Monitoring the electrical system frequency and voltages and in accordance to the Jordanian transmission grid code.

The electric system in Jordan is comprised of the main electricity generation power plants and the transmission and distribution grids. The transmission grid contains substations and transmission lines with voltages of 400 kV and 132 kV. The transmission grid connects the power plants with load centres around the Kingdom. In addition, to the interconnection line 400 kV with Syria and the sea cable 400 kV that connects Jordan grid with Egypt grid, the Jordanian electric system also includes the national control centre (NCC) as well as the distribution grids that feed 99.9% of the population.

It also includes some private generation plants that can be synchronized (normally not synchronized) with other generation plants in the common electrical system and other private generation plants that serve only their owners and are not connected to the unified electrical system.

The electrical system in Jordan is distinguished in terms of efficiency and continuity, and is comparable to many leading countries at the regional and international levels.

2-Building, Owning, Maintaining and Developing the Electrical Transmission System.

NEPCO continues its efforts to develop the electrical system in Jordan according to the latest equipment and technologies available. In 2019, the Company prepared and implemented several regular and annual preventive maintenance programs for all components of the transmission grid to maintain power supply with high efficiency and professionalism in accordance with international technical specifications and performance indicators for the best electric companies at the regional and international levels. Such development also includes the national transmission grid through the establishment and expansion of substations 400/132 kV and 132/33 kV, and the establishment of transmission lines 400 kV and 132 kV to connect substations and new generation plants with the electrical system.

3-Conducting Technical Studies for the Development of the Electrical System.

During the year 2019, NEPCO conducted technical studies for the operation and development of the electrical system, as follows:

- Study of expected demand for electric power and future loads.
- Study of the expansion of power generation projects.
- Study of the expansion of substations and transmission lines.
- Operational studies and performance standards of the electrical transmission grid.
- Studies of electrical faults and uncontrolled outages of the electrical system equipment.

4- Purchase of Electric Power to Sell it to Distribution Companies and Larde Consumers.

- NEPCO manages the purchase, transmit, control and sale of electric power by linking generation plants to the load centres around the Kingdom through the national transmission grid owned by the Company.

5-Providing the Fuel Needed to Operate Generation Units.

Providing the fuel needed by Jordan electrical system is one of the most important challenges facing NEPCO. This is because Jordan mainly depends on the primary sources of energy imported, which requires the Company to diversify the sources of energy and study all alternatives in anticipation of any change in fuel supply, specifically natural gas as it is the least expensive compared to other fuels such as diesel and heavy fuel. To face such challenges, it was necessary to highlight all short and long-term possible solutions and alternatives. Therefore, imported liquefied gas was used. An agreement were also signed to supply Jordan electrical system with its natural gas needs as of the beginning of 2019.

6-Import and Export of Electric Power among the Electric Interconnection Countries.

Through such import and export, NEPCO aims at many technical and economic benefits for the electrical system of Jordan. Benefits are achieved by the optimal utilization of the sources of electricity generation to reduce local production cost, increasing the reliability of the national electric grid, and operating the electrical system with the highest efficiency.

Jordan electrical system is currently connected with Egypt and Syria's ones, in addition to Jordan-Palestine electrical interconnection (Jericho area). The company is currently implementing the electric interconnection projects with Saudi Arabia, and Iraq.

7-Securing and Contracting the Required Reneration Capacity

NEPCO is directly concerned with securing the required generation capacity in accordance with the expansion plan. The plan includes the projects of future power plants required to meet the needs of Jordan electrical system generation capacity in order to meet the expected demand on electric power based on planning and technical studies of electric loads and projected growth rates in the short and long term.

8-Optimal Utilization of Electric Transmission Grid Infrastructure

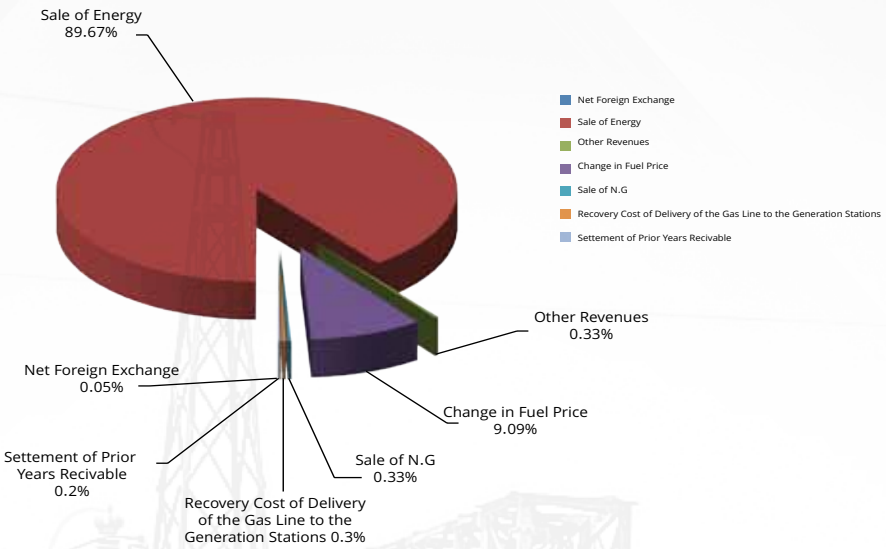
In order to achieve the Company's objectives to invest in the infrastructure of the electric transmission grid, and to invest the Company's technical capabilities and practical experience in various technical, administrative, financial and computer fields at local, regional and international levels.

NEPCO, through the Department of International Services and Investment, and the Electric Training Centre, provided many services and consultations and implemented many training programs internally and externally.

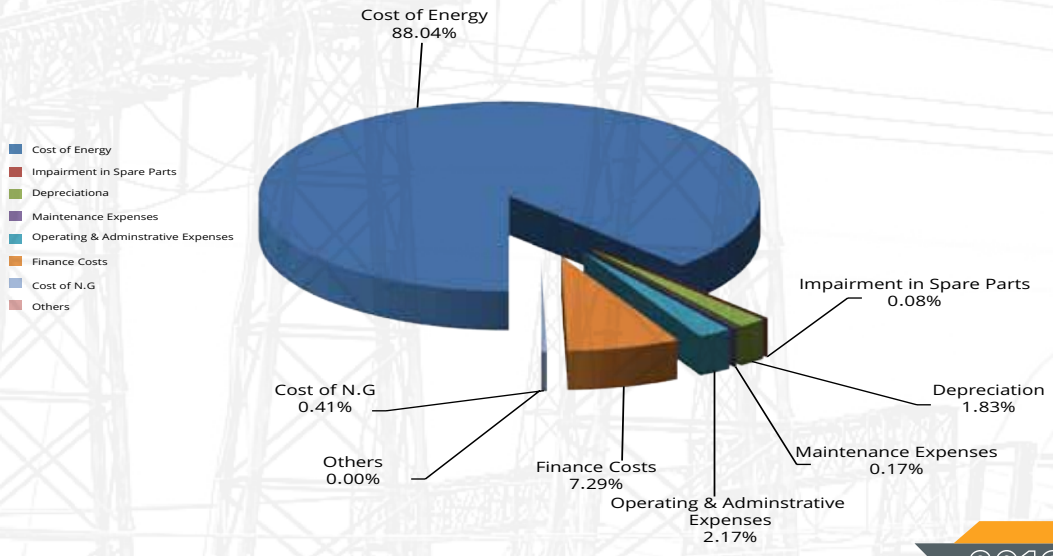
Fourth: Financial Performance

1 - (Revenues and expenditures).

Total revenue for 2019 million dinars (1568.7)



Total expenses for 2019 million dinars (1568.4)



Fifth: Manpower and Training:

The National Electric Power Company (NEPCO) has prepared and conducted several training programs and activities, in addition to some developmental studies, whether in response to changes in the work environment or in line with the requirements of the Company management or the Board of Directors' decisions. Below are highlights of the training programs and activities conducted during 2019:

1-Human Resources Department

- The training activities conducted in 2019 within the internal training program amounted to (22), while the number of participants in these activities was (131) from all departments in the Company.
- The training activities within the external training program in 2019 amounted to nine activities, represented only in training courses, and the number of participants in these activities was (34).
- Training opportunities were provided to students of universities, colleges and institutes, where a total of (68) students were trained within field and summer training programs.
- NEPCO's employees at the end of 2019 amounted to (1323), of whom (17%) were engineers, (39.5%) were technicians, (4%) were financial personnel, (25.5%) were administrative staff and (14%) were support services employees.

2-Electric Training Centre

The Electric Training Centre was established in 1986 comprising many labs and workshops as well as the training areas.

Objectives of the Centre:

- Qualifying new technical cadres for the Company and local companies and institutions
- Training the technical staff (competency upgrading courses) in the Company and local institutions and companies.
- Training universities' students and local and foreign institutes' students.
- Training technical staff in Arab countries and other countries.
- Maintenance and manufacture of spare parts for some equipment used in the Company.
- program Domains of Training:

Installation, operation and maintenance of substations.

- Design, installation, operation, maintenance and inspection of transmission grids.
- Design, installation, operation, maintenance and inspection of distribution grids, customer services and meters inspection.
- Electrical household wiring, inspection and faults detection.
- Operation, inspection and calibration of electrical protection systems.

Training System in the Centre

The training programs are designed to meet the needs of local and foreign Companies and institutions at various technical levels in the fields of electricity, control and mechanics. The training centre provides the following training programs:

Short-Term Training Programs

Programs are held for periods of less than one month and aim at raising the efficiency of the technical staff in NEPCO (internal training) and the local companies and institutions (local training). The total number of trainees in 2019 amounted to (154) trainees.

Long-Term Training Programs

Programs last for more than six months and target newcomers, who completed secondary school, in electricity companies (two year training) and diploma program (one year training). The number of trainees in 2019 was (94) trainees.

Training Programs for Educational Institutions (Universities and Institutes)

Programs serve students who are still in school, through summer training, semester training or field training. The total number of trainees was (158) trainees in 2019.

External Training Program

It is held to provide training services for engineers and technicians coming from other Arab countries in cooperation with Japan International Cooperation Agency (JICA) or other international institutions such as UNDP, Arab Monetary Fund, Distinct Trend Company and other consulting companies. The total number of trainees in 2019 amounted to (144).

The Hashemite Kingdom of Jordan

National Electric Power Company

NEPCO

Financial Statements

INDEPENDENT AUDITOR›S REPORT

To the Shareholders of National Electric Power Company

Public Shareholding Company

Amman- Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Electric Power Company (the «Company»), which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, change in equity, and statement of cash flow for the year ended 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as of 31 December 2019, its financial performance and its cash flows for the year then ended in accordance with the accounting policies stated in note (2) of the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor›s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants› Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Uncertainly of going concern

Without qualifying our opinion , the Company›s accumulated losses amounted to JD 4,963,677,153 as of 31 December 2019 , which exceeds 75 % of the paid in capital , and this requires specific measures in accordance with article (266 - A) of the Companies ‹ Law No. (22) of 1997 and its amendments , states that « if the accumulated losses of the Company exceeds 75 % of its capital , the Company should be liquidated unless the general assembly decides in an extraordinary meeting to increase the Company›s capitai “ . In addition , the Company›s current liabilities exceeded its current assets by JD 3,576,958,344 as of 31 December 2019. The future management plan disclosed in note (31) was to address the accumulated losses through the support provided by the Government Contribution Management Company owned by the ministry of finance of the government of the Hashemite kingdom of Jordon as the sole shareholder in the Company , accordingly the financial statements have been prepared on the going concern basis.

Other Matter

The financial statements for the year ended 31 December 2018 were audited by another auditor . and an unqualified opinion was issued on the financial statements for the year ended 31 December 2018 dated 5 May 2019.

Other information included in the Company›s 2019 annual report .

Other information consists of the information included in the annual report , other than the financial statements and our auditor›s report thereon . Management is responsible for the other information , We expect to be provided with the annual report later for our report . Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

With regard to the audit of financial statements , our responsibility is to read the other information when is becomes available to us , consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit of financial statements .

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with accounting policies stated in note (2) to the financial statements , and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement , whether due to fraud or error .

In preparing the financial statements , management is responsible for assessing the Company›s ability to continue as a going concern , disclosing , as applicable , matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations , or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company›s financial reporting process .

Auditor›s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement , whether due to fraud or error , and to issue an auditor›s report that includes our opinion . Reasonable assurance is a high level of assurance , but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists . Misstatements can arise from fraud or error and are considered material if , individually or in the aggregate , they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements .

As part of an audit in accordance with ISAs , we exercise professional judgment and maintain professional skepticism throughout the audit . We also:

- Identify and assess the risks of material misstatement of the financial statements , whether due to fraud or error , design and perform audit procedures responsive to those risks , and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion . The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error , as fraud may involve collusion , forgery , Intentional omissions , misrepresentations , or the override of internal control .
- Obtain an understanding of Internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances , but not for the purpose of expressing an opinion on the effectiveness of the Company›s Internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management›s use of the going concern basis of accounting and , based on the audit evidence obtained , whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company›s ability to continue as a going concern . If we conclude that a material uncertainty exist , we are required to draw attention in our auditor›s report to the related disclosures in the financial statements or if such disclosures are inadequate , to modify our opinion . Our conclusions are based on the audit evidence obtained up to the date of our auditor›s report . However future events or conditions may cause the Company to cease to continue as a going concern .
- We communicate with those charged with governance regarding , among other matters , the planned scope and timing of the audit and significant audit findings , including any significant deficiencies in internal control that we identify during our audit .

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts which are in agreement with the financial statements.

Amman – Jordan
28 May 2020

Ernst + Young

Statement of Financial Position

	Notes	2019	2018
		JD	JD
Assets			
Non-Current Assets -			
Property, plant and equipment	3	549,663,916	493,070,570
Subscriber's contribution asset	3	73,841,452	73,364,707
Spare parts of transmission and control equipment	4	29,673,036	36,460,211
Investments in financial assets at fair value through other comprehensive income	6	808,553	785,668
		653,986,957	**603,681,156**
Current Assets -			
Inventories	8	20,205,377	29,286,978
Other current assets	9	6,928,843	10,445,744
Trade receivable	10	425,660,757	661,390,053
Company's contribution in employees housing fund	7	3,923,060	3,642,060
Cash on hand and at banks	11	187,369	1,678,355
		456,905,406	**706,443,190**
Total Assets		**1,110,892,363**	**1,310,124,346**
Equity And Liabilities			
Equity -			
Paid in capital	12	230,000,000	230,000,000
Statutory reserve	12	9,657,187	9,657,187
Voluntary reserve	12	11,276,745	11,276,745
Special reserve	12	11,276,745	11,276,745
Treasury rights	12	22,043,304	22,041,852
Fair value reserve	6	499,980	477,095
Accumulated losses		(4,963,677,153)	(4,963,952,218)
Net deficit in equity		**(4,678,923,192)**	**(4,679,222,594)**

Liabilities -			
Non-Current Liabilities -			
Provision for end-of-service indemnity	15	8,525,242	8,347,184
Subscribers contribution liabilities		73,841,452	73,364,707
Subscribers' contribution received for projects under constructions	16	11,936,183	16,102,162
Bonds and Islamic Sukuk	14	525,000,000	525,000,000
Loans – long term	13	1,136,648,928	1,073,623,702
		1,755,951,805	**1,696,437,755**
Current Liabilities -			
Other current liabilities	17	127,126,159	110,958,860
Current portion of loans	13	737,453,686	774,144,506
Due to banks	19	226,707,436	141,021,595
Trade payables	18	2,942,576,469	3,266,784,224
		4,033,863,750	**4,292,909,185**
Total Liabilities		**5,789,815,555**	**5,989,346,940**
Total Equity and Liabilities		**1,110,892,363**	**1,310,124,346**

The accompanying notes from 1 to 35 form part of these financial statements

Statement of Comprehensive Income

	Notes	2019	2018
		JD	JD
Operating Revenues			
Revenues from sale of energy	21	1,406,570,890	1,381,442,977
Revenues from the change in Fuel price	22	142,647,683	236,856,392
Revenues from sale of natural gas		5,192,462	4,997,357
Recovery of cost of delivery of the gas line to the generating stations		5,038,280	1,909,267
Energy other income		1,014,426	2,698,443
Total operating revenues		1,560,463,741	1,627,904,436
Operating Expenses			
Cost of energy	23	(1,380,740,170)	(1,535,471,296)
Cost of sale natural gas		(6,547,443)	(5,172,991)
Gas delivery costs for generation stations		-	(3,610,594)
Maintenance expenses		(2,722,924)	(2,473,371)
Operating and administrative expenses	24	(34,091,647)	(34,082,313)
Depreciation	3	(28,710,614)	(27,509,958)
Impairment in the spare parts of transmission and control equipment	4	(1,283,007)	(1,307,603)
Total operating expenses		**(1,454,095,805)**	**(1,609,628,126)**
Operating profit		**106,367,936**	**18,276,310**
Settlement of prior years' receivables	25	3,390,379	3,534,131
Gain from net foreign exchange		758,273	747,315
Other revenues	26	4,067,245	2,619,215
Other expenses	27	(57,233)	(104,468)
Finance costs		(114,251,535)	(107,948,649)
Profit (Loss) for the year before income tax		**275,065**	**(82,876,146)**
Income tax expense	5	-	3,971,473
Profit for the year		**275,065**	**(78,904,673)**
Add: other comprehensive income which will not be reclassified to profit or loss in subsequent period			
Changes in fair value	6	22,885	(336,486)
Total comprehensive income for the year		**297,950**	**(79,241,159)**
Basic and diluted gain (loss) per share	28	**0.0012**	**(0.3431)**

The accompanying notes from 1 to 35 form part of these financial statements

Statement Of Changes In Equity

	Paid in capital	Statutory reserve	Voluntary reserve	Special reserve	Treasury rights	Fair value reserve	Accumulated Losses	Total
	JD	JD	JD	JD	JD	JD	JD	JD
For the year ended 31 December 2019 -								
Balance at 1 January 2019	230,000,000	9,657,187	11,276,745	11,276,745	22,041,852	477,095	(4,963,952,218)	(4,679,222,594)
Treasury rights	-	-	-	-	1,452	-	-	1,452
Total comprehensive income for the year	-	-	-	-	-	22,885	275,065	297,950
Balance at 31 December 2019	**230,000,000**	**9,657,187**	**11,276,745**	**11,276,745**	**22,043,304**	**499,980**	**(4,963,677,153)**	**(4,678,923,192)**
For the year ended 31 December 2018-								
Balance at 1 January 2018	230,000,000	9,657,187	11,276,745	11,276,745	22,036,852	813,581	(4,885,047,545)	(4,599,986,435)
Treasury rights	-	-	-	-	5,000	-	-	5,000
Total comprehensive income for the year	-	-	-	-	-	(336,486)	(78,904,673)	(79,241,159)
Balance at 31 December 2018	**230,000,000**	**9,657,187**	**11,276,745**	**11,276,745**	**22,041,852**	**477,095**	**(4,963,952,218)**	**(4,679,222,594)**

The accompanying notes from 1 to 35 form part of these financial statements

Statement of Cash Flows

	Notes	2019	2018
		JD	JD
Operating Activities			
Profit (Loss) for the year before income tax		275,065	(82,876,146)
Adjustments			
Depreciation	3	28,710,614	27,509,958
Impairment in the spare parts of transmission and control equipment	4	1,283,007	1,307,603
Provision for-of-service indemnity	15	708,223	760,073
Finance costs		114,251,535	107,948,649
Allowance for doubtful debt	10	1,643,077	2,787,053
Gain from sale of property, plant and equipment	26	(168)	(23,999)
Losses from liquidation of a subsidiary	27	-	8,602
		146,871,353	**57,421,793**
Working capital adjustments –			
Inventories		9,081,601	(13,934,263)
Other current assets		3,516,901	9,320,675
Trade receivables		234,086,219	(207,767,126)
Other current liabilities		15,668,187	6,321,318
Subscribers contribution received		(4,165,979)	8,036,415
Trade Payables		(324,207,755)	141,910,875
Net cash flow from operating activities before end-of service indemnity payments		**80,850,527**	**1,309,687**
End-of-service indemnity paid	15	(530,165)	(789,720)
Net cash flow from operating activities		**80,320,362**	**519,967**
Investing Activities			
Purchase of property, plant and equipment		(79,799,792)	(60,031,516)
Proceeds from sale of property, plant and equipment		168	24,000
Liquidation of a subsidiary		-	41,398
Company's contribution in employees housing fund		(281,000)	(281,000)
Net cash flows used in investing activities		**(80,080,624)**	**(60,247,118)**
Financing Activities			
Loans		26,334,406	103,082,590
Finance costs paid		(113,752,423)	(108,211,545)
Treasury Rights		1,452	5,000
Bonds and Islamic Sukuk		-	150,000,000
Cash flows (used in) from financing activities		**(87,416,565)**	**144,876,045**
Net (decrease) increase in cash and cash equivalents		(87,176,827)	85,148,894
Cash and cash equivalents at 1 January		(139,343,240)	(224,492,134)
Cash and cash equivalents at 31 December	11	(226,520,067)	(139,343,240)

The accompanying notes from 1 to 35 form part of these financial statements

Clarifications on the financial statements

(1) General

National Electric Power Company (the Company) was incorporated on 29 August 1996 as a public shareholding company under registration number (316) with paid-in capital of JOD 230,000,000, in accordance with Prime Ministers decision convert the Jordanian Electric Authority into public shareholding company. Based on Prime Ministers decision in its meeting held on October 4,1997, National Electric Power Company restructured into three companies starting on 1 January 1999 and keep the activity of transportation, electric control, purchasing energy and selling it and exchange electric power with neighboring countries at National Electric Power Company. The Company is wholly owned by Government contribution company which is owned by the Government of Hashemite Kingdom of Jordan.

The Company's objectives comprise of to purchasing generated energy from generating companies and selling it to distribution companies and major consumers supplied from transport networks around the kingdom. Exchange electric power with neighboring countries, importing and exporting. Purchase natural gas for the needs of electric generation stations and selling it to electric generation stations and selling it to electric generation companies

The location of the company's head office is the Al-Sweifieh - Amman - Hashemite Kingdom of Jordan.

The financial statements were approved by the Board of Directors on 13 May 2020 and it is subject to the approval of the General Assembly.

(2) Basis Of Preparation

- The financial statements for the year ended 31 December 2019 have been prepared in accordance with the following accounting policies:

A-Financial instruments

- **Financial assets at fair value through other comprehensive income**

These assets represent investments in equity instruments for the purpose of retains it in order to generate revenue in the long term and not for the purpose of trading.

- The financial assets through other comprehensive income are recoded in fair value plus the acquisition expenses when purchasing it, and it is revalued later in fair value, the change in fair value is shown in other comprehensive income and in equity which includes the change in fair value resulted from exchange differences nonmonetary assets in foreign currencies, in case selling these assets or portion of it profit or losses resulted from that is recorded in comprehensive income and in equity, the fair value reserve balance related to equity instruments sold is transferred directly to retained earnings not through profit or loss.
- These assets are not subject to impairment test.
- Dividends paid are recognized in the statement of profit or loss and other comprehensive income.

- **Financial assets at amortized cost**
  - The company initially recognizes financial assets at amortized cost on the date that they are originated. The financial assets held within the company management whose objective is to hold these assets in order to collect contractual cash flows, which represent payments of principal and interest on the principal amount outstanding.
  - These assets are recorded in cost plus acquisition costs, and the premium/discount is amortized using effective interest rate, restriction or for interest account, reduced by any allowances resulted by impairment in its value leads to inability of recover the asset or portion of it, any impairment in its value is booked in statement of profit or loss.
  - The impairment amount in these assets is represented by the difference between booked value in the records and the present value of the anticipated ash flows discounted by the original actual interest rate.
  - It's not allowed to reclassify any of the financial assets to/from this item expect for in specific cases. In case of sell any of these assets before maturity date the result of selling is recorded in statement of profit or loss in a separate item and disclosed about that.

- **Financial liabilities**
  - These liabilities are initially recognized in fair value minus any direct transaction costs and revalued later in amortized cost using effective interest rate.

- **Loans and Accounts receivable**
  - These assets are initially recognized in fair value plus any direct transaction costs and revalued later in amortized cost using effective interest method.

B-Property, plant and Equipment

Property, plant and equipment are shown at cost after deduction of accumulated depreciation and any impairment in value, property, plant and equipment (except land) are depreciated when ready for use in a straight-line manner over its expected useful life using the following annual rates:

Property plant and equipment	Rate٪
Legal compensations assets	10
Buildings	2-3.3
Transmissions line	2.5
Transformation stations	3.3
Landlines	2.8
Transmissions lines-sea cable	2.5
Fiber optics communications tools	10
Furniture and office equipment	10
Vehicles	20
Tools and Equipment	10
Operators and communication devices	5
Control and monitoring devices	12.5
Computers	20
Other equipment	10
Other	3-20

C- Subsequent costs

The cost of replacing part of an item of infrastructure assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Ongoing costs of repair and maintenance of infrastructure assets are expensed in the statement of profit or loss as incurred.

D- Subscribers contributions assets

Subscribers contributions presented in amounts received from major subscribes in exchange to construct transformation stations for them in a separate item in accordance with Energy and Mineral Regulatory Commission instructions which stated to present these assets in non-current assets under the name of subscribers contributions assets and had in the liability subscribers contributions liabilities in the same amount.

Subscribers contribution-assets are depreciated at a rate of 4% annually and the Subscribers contribution-liabilities are amortized with the same rate as it will not affect the financial position of the Company based on prime minister decision number 23/11/6189 on 4 June 1985 which do not affect the financial position for the Company.

E- Legal compensations assets

According to Electric Regulatory Authority in its meeting held on October 18,2003 the compensation paid from the Company to land owners that the electrics lines passes through their property considered as capitalized expenditure which shows in financial position under item legal compensations assets and depreciated over 10 years. The compensations paid during the year are capitalized in the end of accounting period from 1 January 2003.

F- Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

G-Projects under construction

Projects under construction are shown at cost which includes the cost of constructions and equipment and direct costs. Projects under construction do not depreciated until the completion of assets related to it when it is ready to be used.

H-Recognition of revenue and expenses

- Revenue recognized and expenses incurred on accrual basis.
- Sales revenue are recognized during the ordinary workflow of the Company in fair value for the received monetary exchange or realized after deducting returns and commercial discounts, the pricing is based on the price list from Mineral and energy regulatory sector.
- Revenues recognized when there is valid evidences which usually are selling agreements according to it the major risks and rewards are transferred to the client.
- Services revenue are recognized in statement of profit or loss which agrees with the stage of work in the date of report, the completion phase is assessed by reference to the completed work surveys.

I-Impairment

Financial assets:

- A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired.
- A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset.
- An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between it carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by companying together assets with similar and reduce risk characteristics.
- An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the statement of profit or loss.

Non-financial assets:

- The carrying amounts of the Company's non-financial assets are reviewed at each reporting date, except for the inventory and deferred tax assets, to determine whether is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

- An impairment loss is recognized if the carrying amount of an asset or cash generation unit exceeds its estimated recoverable amount.
- Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.
- All impairment losses are recognized in the statement of profit or loss.
- An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

J-Foreign Currency Transactions

- Transactions in foreign currencies during the year are translated at exchange rates at the dates of the transactions.
- Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jordanian Dinar at the exchange rate at that date.
- The foreign currency gain (loss) on monetary items is the difference between amortized cost in Jordanian Dinar at the beginning of the year, adjusted for effective interest rate and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.
- Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Jordanian Dinar at the exchange rate at the date that the fair value was determined.
- Foreign currency differences arising on retranslation are recognized in the statement of profit or loss.
- Foreign currency differences arising on revaluation of old foreign currency been are recognized as assets and amortized over 25 years.

K-Fair value

- Fair values represent the amount with which an asset could be exchanged, or a liability settled, in a transaction between knowledgeable, willing parties in an arm's length transaction.
- The closing prices (purchase of assets \ sale of liabilities) on financial statements date in effective markets, represents the fair value of financial assets and liabilities that have market prices.
- In the absence of quoted prices or lack of active trading of some financial assets or the in absence of an active market, fair value is determined by comparing with current market value of financial instrument, or by using the discounted future cash flows discounted at the rate of similar financial instrument or by use the net assets value method of investments

L-End of service indemnity

- This item represents expenses and related legal and constructive liabilities in respect of employees" end-of-service as of financial statements' date according to the accrual basis.
- The Company pays end of service indemnity fees at the rate equivalent for one month's salary for each year of service, less the Company's contribution to the social security for the employee.

M-Offsetting of financial instruments

- Financial liabilities are set off against financial assets, and the net amount is shown in the financial position only when the obliging legal rights are available and when settled on net basis or the realization of assets or settlement of liabilities is done at the same time.

N-Date of recognition of financial assets

- Purchase and sell of financial assets are recognized on the trading date (date when company commitment to sell or buy financial assets).

O-Provisions

- A provision is recognized if, as a result of a past event, the Company has a present (legal or constructive) obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

P-Finance Costs

- Finance expenses comprise interest expense on borrowings. All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of income using the effective interest method.

Q-Income tax

- Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

- Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
- Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.
- Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.
- A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.
- Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.
- Current tax payable is calculated at the tax rate of 24% in accordance with prevailing income tax law in Jordan.

R-Earnings per share

The Company calculate basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

S-Past due charges

The Company records credit and debit late interest fees in off balance sheets accounts outside the statement of financial position.

T-Applications and instructions of the Presidency of the Council of Ministers and the Energy and Minerals Regulatory Commission are as follows

- The Company capitalizes legal compensations expenses paid to the owners of land that the electricity networks passes through their property in accordance with Energy and Mineral Regulatory Commission decision (Electricity Regulatory Agency previously) in the meeting held on 18 November 2003 and they depreciate it over 10 years, according to IFRS these expenses should be recognized as incurred.
- According to the Energy and Mineral Regulatory Commission decision on 21 March 2018 National Electricity Power Company has been exempted from applying IFRS (9) - financial assets impairment for the years 2018 and 2019.
- Treasury rights was presented as an equity item according to two agreements between the National Electricity Power Company and Ministry of Planning and international Cooperation related to the Arab Fund for Social and Economic Development loan and OPEC Fund for International Development loan, according to IFRS it should be recorded as liabilities.
- According to the Energy and Mineral Regulatory Commission decision on 22 October 2019 National Electricity Power Company has been exempted from applying IFRS (16) - Leases for the years 2019, 2020 and 2021.

Use of Estimates

- The preparation of financial statements in accordance with the accounting policies mentioned in Note (2) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.
- The following a summary about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements:
- The company periodically reassesses the economic useful lives for tangible assets based on the general condition and management expectations for its future productive lives.
- Management frequently reviews the lawsuits raised against the company based on a legal study prepared by the Company's legal advisors. This study highlights potential risks that the company may incurred in the future.

- Management makes a provision for doubtful receivables based on its estimates of the possibility of recovering these receivables.
- A provision against the end of service indemnity obligations recognized in the statement of profit or loss and other comprehensive income.
- Management estimates the provision to decrease inventory to net realizable value if the cost of inventory may not be recoverable, damaged, wholly or partially obsolete, and its selling price to fall below cost or any other factors that cause the recoverable amount to be lower than its carrying amount.
- Management periodically reassesses the recoverability amount lives for other financial assets in order to determine if there is any impairment in it carrying amount.
- Management estimates the provision for income tax in accordance with the prevailing laws and regulations.
- Management believes that its estimates are reasonable and adequate

(3) Property plant and equipment

In Jordanian Dinar 2019	Cost						Accumulated depreciation					
Statement	Beginning balance	Additions	Transfers	Disposals	Adjustments	Ending Balance	Beginning balance	Additions	Disposals	Adjustments	Ending Balance	Net book value as at 31 December
Projects under constructions	55,185,626	74,522,306	(42,756,548)	-	-	86,951,384	-	-	-	-	-	86,951,384
Lands	42,314,162	2,706,141	-	-	5,579	45,025,882	-	-	-	-	-	45,025,882
Legal compensations assets	117,415,237	13,142,858	-	-	-	130,558,095	75,870,795	8,414,964	-	-	84,285,759	46,272,336
Buildings	82,359,008	-	7,722,901	-	(5,579)	90,076,330	32,314,607	2,465,124	-	-	34,779,731	55,296,599
Transmissions line	236,289,702	-	20,923,769	-	-	257,213,471	115,748,012	8,190,334	-	-	123,938,346	133,275,125
Transformation stations	423,269,066	-	14,109,878	-	54,078	437,433,022	203,109,921	12,140,454	-	-	215,250,375	222,182,647
Landlines	28,362,794	-	-	-	-	28,362,794	7,735,949	674,376	-	-	8,410,325	19,952,469
Transmissions lines-sea cable	25,231,064	-	-	-	-	25,231,064	12,698,886	630,687	-	-	13,329,573	11,901,491
Fiber optics communications tools	3,776,920	-	-	-	-	3,776,920	3,714,232	21,410	-	-	3,735,642	41,278
Furniture and office equipment	2,088,590	6,688	-	-	-	2,095,278	1,948,218	50,558	-	-	1,998,776	96,502
Vehicles	8,986,200	-	-	-	(930,019)	8,056,181	8,471,624	(690,821)	-	(868,386)	6,912,417	1,143,764
Tools and Equipment	2,821,476	56,206	-	-	-	2,877,682	2,650,129	75,187	-	-	2,725,316	152,366
Operators and communication devices	2,681,013	2,780	-	-	-	2,683,793	2,643,136	15,452	-	-	2,658,588	25,205
Control and monitoring devices	7,498,585	1,990	-	-	-	7,500,575	6,731,185	360,088	-	-	7,091,273	409,302
Computers	4,998,953	58,569	-	(452)	-	5,057,070	4,847,137	59,628	(452)	-	4,906,313	150,757
Other equipment	2,535,542	152,558	-	-	-	2,688,100	2,313,578	85,967	-	-	2,399,545	288,555
Other	4,646,922	7,412	-	-	875,941	5,530,275	3,228,174	1,094,009	-	868,386	5,190,569	339,706
Total – divided to	1,050,460,860	90,657,508	-	(452)	-	1,141,117,916	484,025,583	33,587,417	(452)	-	517,612,548	623,505,368
Property plant and equipment	928,986,906	85,303,960	-	(452)	-	1,014,290,414	435,916,336	28,710,614	(452)	-	464,626,498	549,663,916
Subscribers contributions assets	121,473,954	5,353,548	-	-	-	126,827,502	48,109,247	4,876,803	-	-	52,986,050	73,841,452
Total	1,050,460,860	90,657,508	-	(452)	-	1,141,117,916	484,025,583	33,587,417	(452)	-	517,612,548	623,505,368

In Jordanian Dinar 2018	Cost					Accumulated depreciation				
Statement	Beginning balance	Additions	Transfers	Disposals	Ending Balance	Beginning balance	Disposals	Adjustments	Ending Balance	Net book value as at 31 December
Projects under constructions	32,110,616	48,961,703	(25,886,693)	-	55,185,626	-	-	-	-	55,185,626
Lands	40,280,379	2,033,783	-	-	42,314,162	-	-	-	-	42,314,162
Legal compensations assets	107,807,153	9,608,084	-	-	117,415,237	68,504,077	7,366,718	-	75,870,795	41,544,442
Buildings	76,376,661	-	5,982,347	-	82,359,008	29,924,194	2,390,413	-	32,314,607	50,044,401
Transmissions line	233,160,895	-	807,128,3	-	236,289,702	107,768,852	7,979,160	-	115,748,012	120,541,690
Transformation stations	406,493,527	-	16,775,539	-	423,269,066	191,171,741	11,938,180	-	203,109,921	220,159,145
Landlines	28,362,794	-	-	-	28,362,794	7,048,160	687,789	-	7,735,949	20,626,845
Transmissions lines-sea cable	25,231,064	-	-	-	25,231,064	12,068,199	630,687	-	12,698,886	12,532,178
Fiber optics communications tools	3,776,920	-	-	-	3,776,920	3,647,699	66,533	-	3,714,232	62,688
Furniture and office equipment	2,023,196	65,394	-	-	2,088,590	1,891,983	56,235	-	1,948,218	140,372
Vehicles	8,986,900	25,800	-	(26,500)	8,986,200	8,125,551	372,572	(26,499)	8,471,624	514,576
Tools and Equipment	2,731,616	89,860	-	-	2,821,476	2,575,311	74,818	-	2,650,129	171,347
Operators and communication devices	2,679,717	1,296	-	-	2,681,013	2,590,991	52,145	-	2,643,136	37,877
Control and monitoring devices	7,489,876	8,709	-	-	7,498,585	6,371,487	359,698	-	6,731,185	767,400
Computers	4,915,313	83,640	-	-	4,998,953	4,780,104	67,033	-	4,847,137	151,816
Other equipment	2,458,801	76,741	-	-	2,535,542	2,210,908	102,670	-	2,313,578	221,964
Other	4,594,197	52,725	-	-	4,646,922	3,003,909	224,265	-	3,228,174	1,418,748
Total – divided to	**989,479,625**	**61,007,735**	-	(26,500)	**1,050,460,860**	**451,683,166**	**32,368,916**	(26,499)	**484,025,583**	**566,435,277**
Property plant and equipment	871,005,671	58,007,735	-	(26,500)	928,986,906	408,432,877	27,509,958	(26,499)	435,916,336	493,070,570
Subscribers contributions assets	118,473,954	3,000,000	-	-	121,473,954	43,250,289	4,858,958	-	48,109,247	73,364,707
Total	**989,479,625**	**61,007,735**	**-**	**(26,500)**	**1,050,460,860**	**451,683,166**	**32,368,916**	**(26,499)**	**484,025,583**	**566,435,277**

(4) Spare parts of transmission and control equipment

	2019	2018
	JD	JD
Spare parts (transmission and control devices)	32,961,041	38,465,209
Provision for impairment on spare parts	(3,288,005)	(2,004,998)
	29,673,036	36,460,211

The movement for income spare parts as follows:

	2019	2018
	JD	JD
Balance at 1 January	2,004,998	697,395
During the year	1,283,007	1,307,603
Balance at 31 December	**3,288,005**	**2,004,998**

(5) income tax provision

The movement for income tax provision as follows:

	2019	2018
	JD	JD
Balance at 1 January	-	3,971,473
Paid during the year	-	-
Accrued income tax	-	-
Return on income tax provision	-	(3,971,473)
Balance at 31 December	-	-

The Company has reached a settlement with the income tax department/Amman until the end of 2016. The Company filed its income tax return for the year 2017 and 2018, which had not been examined by the Income and Sales Tax Department yet. The Company has reached a settlement with the Income and Sales tax Department/ Aqaba up to the end of 2016, Moreover the Company filed its income tax return for 2017 and 2018 which had not been examined by Income and Sales Tax Department yet. Based on the opinion of the Company's management and its tax advisors, the provisions taken in the financial statements are sufficient to meet tax obligations.

sales tax:

The Company is examined until the end of 2016, and the returns filed for the following periods until the date of financial statements and there is no tax obligation on the company.

(6) Financial assets at fair value through other comprehensive income

This category consists of:

	Stocks Number	Fair Value	2019	2018
	JD	JD	JD	JD
Listed Stocks				
Jordanian Electric power company	626,142	1,22	763,893	745,109
Irbid District electricity company	4,060	11	44,660	40,559
			808,553	785,668

The movement for fair value provision as follows:

	2019	2018
	JD	JD
Balance at 1 January 2019	477,095	813,581
Changes in fair value	22,885	(336,486)
Balance at 31 December 2019	**499,980**	**477,095**

(7) Company's contribution in employees housing fund

This item represents the amounts transferred to employees housing fund as a contribution in the fund.

(8) Inventories

This item consists of:

	2019	2018
	JD	JD
Stationery and office supplies	16,079	22,362
Letters of credit	138,168	139,180
Liquid gas	20,051,130	29,125,436
	20,205,377	29,286,978

(9) Other current assets

This item consists of:

	2019	2018
	JD	JD
Net of supplying and consuming fuel – Generation stations (*)	-	2,395,805
Prepaid expenses	3,711,229	97,544
Prepaid advances to contractors	2,826,250	7,497,942
Studies and other's projects	151,663	78,388
Employees receivables	123,407	260,923
Others	116,294	115,142
	6,928,843	10,445,744

* This item represents the difference between fuel quantity that had been supplied for generation company's and paid by National Electricity Power Company and the quantities that had been consumed by the generation company's during the year.

(10) Accounts Receivable

This item consists of:

	2019	2018
	JD	JD
Power sales receivable (*)	435,094,261	655,519,424
Chiefs of the Staff	1,818,092	1,818,092
Insurance companies' receivables	4,465,343	4,478,153
Egyptian Natural Gas Holding Company	92,105	92,105
Jordanian Egyptian Fajr Company for Natural Gas	1,341,963	1,521,000
Aqua Power – Zarqa station independent project for electricity generating	-	15,366,535
Shell International Trading	542,399	145,476
Others	2,655,360	2,301,617
	446,009,523	**681,242,402**
Allowance for doubtful debts (**)	(20,348,766)	(19,852,349)
	425,660,757	**661,390,053**

(10) Accounts Receivable (continued)

The details of power sales receivables is as follows:

	2019	2018
	JD	JD
Jordanian Electric Power Company	151,257,278	302,986,394
Electricity Distribution Company	163,086,797	180,837,323
Irbid District Electricity Company	98,583,289	147,677,288
Roadway Lighting subscriber receivables	1,055,981	3,522,481
Wholesalers subscribes receivables	12,462,138	12,647,869
Trebil Border Crossing	7,248,586	6,542,581
Jerusalem District Electricity Company	1,400,192	1,305,488
	435,094,261	655,519,424

The receivables aging analysis is as follows:

	2019	2018
	JD	JD
Less than a year	428,129,049	659,041,363
More than a year	17,880,474	22,201,039
	446,009,523	**681,242,402**

** The movement for doubtful debts provision as follows:

	2019	2018
	JD	JD
Balance At 1 January	19,852,349	17,390,944
During the year	4,781,403	2,787,053
Receivable write-off – Electricity Distribution Company 1999	-	(325,648)
Receivable write-off – Jordanian Electric Power Company 1998 *	(1,146,660)	-
Reverse provision from Roadway Lighting Ministry of Local Administration *	(3,138,326)	-
Balance At 31 December	**20,348,766**	**19,852,349**

* As a result of the decisions of the Council of Ministers to conduct a settlement of government and military debt owed to the electricity distribution companies, which results in reducing the receivables due from the electricity distribution companies to the National Electricity Power Company and reducing these receivables from the Ministry of Finance advance account for the National Electricity Power Company.

(11) Cash on Hand and at Banks

This item consists of:

	2019	2018
	JD	JD
Cash at banks	163,407	1,505,530
Cash on hand	23,962	172,825
	187,369	1,678,355

Cash and cash equivalents shown in the statement of cash flows include the following:

	2019	2018
	JD	JD
Cash on hand and at banks	187,369	1,678,355
Less: Due to banks (Note 19)	(226,707,436)	(141,021,595)
	(226,520,067)	(139,343,240)

(12) Equity

Paid in capital –

The Company's authorized and paid in capital is JD 230,000,000 divided into 230,000,000 shares at a par value of JD 1 each.

Statutory reserve –

According to the Jordanian Companies Law No. 22 of 1997, the public shareholding company shall deduct 10% of their annual profits to calculate statutory reserve and will continue on this deduction every year until that it does not exceed the total of 25% of the Company's authorized capital.

Voluntary reserve –

According to the Jordanian Companies Law No. 22 of 1997, the General assembly of the Public Shareholding Company, upon the suggestion of its Board of Directors, may decide to deduct up to 20% of its net profits for that year for the voluntary reserve account."

Special reserve -

According to the Jordanian Companies Law No. 22 of 1997, the General assembly of the Public Shareholding Company, upon the suggestion of its Board of Directors, may decide to deduct up to 20% of its net profits for that year to the special reserve account. In order to use it for emergency situations or to expand or strengthen its financial position and to face risks that may face the Company.

Treasury rights –

This item represents the balance of the installments and interest for some previous loans that have been booked for treasury rights account shown in the equity in accordance with loans grants agreements. The balance of this item does not represent any obligation on the Company.

(13) Loans

	2019	2018
	JD	JD
Local loans	1,306,358,369	1,344,986,513
Foreign loans	567,744,245	502,781,695
	1,874,102,614	**1,847,768,208**

The classification of loans balances based on its maturity as follows:

	2019	2018
	JD	JD
Non-current portion	1,136,648,928	1,073,623,702
Current portion *	737,453,686	774,144,506
	1,874,102,614	**1,847,768,208**

* The current portion include accrued installments amounting to 395,603,194 JOD as of 31 December 2019, and 381,441,999 JOD as for 31 December 2018.

The loans above were granted with annual interest rates between 1,95% - 8%, and it has guaranteed by the Hashemite Kingdom of Jordan Government.

	2019	2018
	JD	JD
Loans guaranteed by government	1,469,329,773	1,457,032,023
Re-loaned from government	9,169,647	9,294,186
Accrued installments for Ministry of planning and International Cooperation	381,441,999	381,441,999
Unpaid Accrued installments	14,161,195	-
	1,874,102,614	**1,847,768,208**

(14) Bonds and Islamic sukuk

The National Electricity Power Company has issued public debt bonds in cooperation with Central Bank of Jordan as follows:

	2019	Interest rate	Due date
	JD		
Central bank of Jordan bond (13)	75,000,000	5,54٪	22 March 2022
Central bank of Jordan bond (14)	75,000,000	5,58٪	16 April 2022
Central bank of Jordan bond (15)	75,000,000	5,65٪	26 April 2022
	225,000,000		

The Company has also launched Islamic sukuk in cooperation with Central Bank of Jordan as follows:

	2019	Interest rate	Due date
	JD		
Islamic financing sukuk	75,000,000	3,5٪	23 May 2021
Islamic financing sukuk	75,000,000	4,1٪	23 May 2022
Islamic financing sukuk	150,000,000	5,5٪	22 August 2023
	300,000,000		

The bonds and Islamic sukuk issued above are guaranteed by the Hashemite Kingdom of Jordan Government.

The following is a classification of these securities based on the maturity date:

	2019	2018
	JD	JD
Non-Current portion	525,000,000	525,000,000
Current portion	-	-
	525,000,000	**525,000,000**

(15) End of service provision

The Company offers benefits to its employees represented by the provision for end-of-service indemnity, which aims to provide a benefit to employees after the end-of-service, where this amount is calculated with a month's salary for each year of service using the value of the last month's salary after subtracting the company's share of social security , where the benefit granted to the employee who ended his service and has the right to collect these benefits based on the Company's internal policies.

The movement on end of service indemnity provision during the year is as follows:

	2019	2018
	JD	JD
Balance at 1 January 2019	8,347,184	8,376,831
Current service expenses-Note (24)	708,223	760,073
Less: End of service indemnity provision paid during the year	(530,165)	(789,720)
Balance at 31 December 2019	**8,525,242**	**8,347,184**

(16) Subscribers' contribution received for projects under constructions

	2019	2018
	JD	JD
Adjustments of 400 K.V line project-Special Forces	3,636,183	3,636,183
KFW PV station project	-	4,165,979
Ma'an conversion station project (Solar)	7,100,000	7,100,000
Adjustments on Ma'an solar line- Shedieh K.V 132	1,200,000	1,200,000
	11,936,183	16,102,162

(17) Other current liabilities

	2019	2018
	JD	JD
Accrued interest	89,720,132	89,221,020
Contractors retentions	22,785,190	12,871,535
Subscriber contributions deposits	6,864,835	6,864,835
Fils Al-Reef withholdings	1,258,080	773,526
Prepayments on projects and studies for other parties	257,025	163,165
Deferred revenues	25,906	28,557
Employees payables	46,172	83,545
Net differences in fuel supply and consumption of generating stations (*)	5,104,103	-
Others	1,064,716	952,677
	127,126,159	110,958,860

* This account represents the difference between the quantities of fuel supplied to companies for generating paid by National Electricity Power Company and the quantities that were consumed by the generation companies during the year.

(18) Accounts payable

	2019	2018
	JD	JD
Ministry of Finance (advances)	2,477,232,421	2,819,284,164
Energy and fuel purchases (*)	160,362,607	171,587,647
Natural Gas purchases (**)	249,458,649	244,617,041
Solar power purchases	23,097,007	10,228,642
Wind energy purchases	21,626,627	12,126,960
Other payables	10,799,158	8,939,770
	2,942,576,469	3,266,784,224

* Energy and fuel purchases:

	2019	2018
	JD	JD
Central Electricity Generating Company	70,563,022	77,176,397
Al-Samara Electric Power Company	35,906,888	28,443,055
Jordan Petroleum Refinery Company	11,284,953	11,310,044
Al-Qatranah Electric Power Company	7,599,114	7,431,125
Amman East Station Power Plant	5,267,552	5,349,547
Amman East Power Plant Levant	6,826,284	6,932,220
Amman Asia Company	12,539,245	13,119,357
Aqua Power Company Al Zarqa	7,813,683	19,026,192
Others	2,561,866	2,799,710
	160,362,607	**171,587,647**

** Natural Gas purchases:

	2019	2018
	JD	JD
Jordanian Egyptian Fajr Company for Natural Gas Transmission and Supply	90,641,998	57,435,664
Sales and income tax department / Sales tax on gas	152,413,805	152,430,155
Shell International trading	-	23,979,566
Aqaba development corporation	182,418	619,078
Aqaba Portal Mena Services Company	833,182	4,436,818
Golar Eskimo Corporation	3,433,473	-
Others	1,953,773	5,715,760
	249,458,649	**244,617,041**

(19) Due to banks

	2019	2018
	JD	JD
Bank of Jordan	9,963,819	-
Citi Bank	3,400,000	2,400,000
Housing Bank for trading and financing	22,235,111	4,015,613
Cairo Amman Bank – USD	7,351,656	14,457,691
Cairo Amman Bank – JOD	38,894,916	35,988,975
Arab Bank – JOD	50,247,593	692,149
Standard Chartered Bank – USD	32,341,016	35,390,840
Standard Chartered Bank – JOD	16,999,978	16,568,029
Ban Al Etihad – USD	14,099,467	14,165,759
SGBJ – JOD	6,532,013	-
ABC – JOD	11,000,000	-
Capital Bank – JOD	13,641,867	17,342,539
	226,707,436	141,021,595

* Bank facilities above were granted with annual interest rates between 3.95% - 7.88%.

(20) Related party transactions

Related parties include sister companies, key shareholders, directors and senior executive management. The company's management has approved a policy for prices and terms of transactions with related parties where the transactions occurring within the activity.

Balances in the statement of financial position:

Accounts payable -	Relationship	2019	2018
		JD	JD
Al-Samra for Electric generating company – Generating electricity	Sister Company owned by the government contributions company	35,906,888	28,443,055
Al-Samra for Electric generating company – Wind energy		8,376,399	2,692,949
Al-Samra for Electric generating company – Solar energy		11,935,560	2,379,874
		56,218,847	**33,515,878**

Balances above do not bear interest and there is no timeline schedule for installments.

Transactions with a related party

	Relationship	2019	2018
		JD	JD
Al-Samara for Electric generating Company	Energy Purchases	395,407,947	544,867,085

(21) Revenues from sale of energy

2019	Amount of sold energy	Average price	Total
	Megawatt / Hour	Fils / Kilowatt	JOD
Jordanian Electric Power Company	11,230,066	74.52	836,804,229
Irbid District Electricity Company	3,443,527	62.18	214,101,400
Electricity Distribution Company	3,680,339	75.11	276,444,038
Wholesalers subscribes receivables	363,597	183.72	66,801,100
Jerusalem District Electricity Company	91,745	69.53	6,378,938
Trebil Border Crossing	6,215	113.60	706,005
Banks	37,083	143.87	5,335,180
	18,852,572	**74.61**	**1,406,570,890**

2018	Amount of sold energy	Average price	Total
	Megawatt / Hour	Fils / Kilowatt	JOD
Jordanian Electric Power Company	11,065,585	75.,72	837,896,225
Irbid District Electricity Company	3,342,126	62.51	208,923,050
Electricity Distribution Company	3,577,469	72.46	259,207,253
Wholesalers subscribes receivables	460,478	143.56	66,105,778
Jerusalem District Electricity Company	88,099	98.73	8,697,818
Trebil Border Crossing	5,395	113.60	612,853
	18,539,152	**74.51**	**1,381,442,977**

(22) Revenues from the change in fuel price

The Energy and Mineral Regulatory Commission instructions has activated the fuel price difference starting from 1/12/2018 on some categories based on the price of Brent crude oil in the case of a rise of more than 55 USD / barrel, which is the equilibrium point to the electrical system, the price is reviewed monthly, and income had recognized which the effect on the average rate of sale price as follows:

	2019		2018	
	Average Price	Total	Average Price	Total
	Fils/ Kilowatt	JOD	Fils/ Kilowatt	JOD
Jordanian Electric Power Company	7.60	85,354,621	12.64	139,876,299
Irbid District Electricity Company	7.25	24,971,540	12.57	42,015,226
Electricity Distribution Company	7.83	28,820,115	12.99	46,457,278
Wholesalers subscribes receivables	9.63	3,501,407	18.48	8,507,589
	7.57	142,647,683	12.48	236,856,392

(23) Cost of Energy

	2019			2018		
	Quantity of Energy leased	Average Price	Total	Quantity of Energy leased	Average Price	Total
	Megawatt/ Hour	Average Price Fils / Kilowatt	JD	Megawatt/ Hour	Average Price Fils / Kilowatt	JD
Cost of generated energy from fuel and gas	16,817,752	71.39	1,200,584,755	17,182,902	81.80	1,405,579,064
Cost of generated revenue from renewable energy resources	2,215,647	75.61	167,520,421	1,541,551	75.62	116,564,516
Cost of energy from international connectivity	239,322	52.79	12,634,994	188,296	70.78	13,327,716
Total	**19,272,721**	**71.64**	**1,380,740,170**	**18,912,749**	**81.19**	**1,535,471,296**
Details of the leased energy as below:						
Central Electricity Generating Company	453,285	203.46	92,224,660	1,707,778	105.86	180,789,756
Al-Samara Electric Power Company	6,475,435	61.06	395,407,947	7,568,039	72.00	544,867,085
Amman East Station Power Plant	2,840,357	59.85	169,990,553	2,739,830	71.75	196,574,457
Al-Qatranah Electric Power Company	2,778,746	64.89	180,326,204	2,713,145	76.22	206,786,415
Amman Asia Electricity Generating Company	397,469	231.04	91,829,470	485,535	213.32	103,573,436
Amman East Power Plant Levant	632,035	121.17	76,583,357	752,062	123.56	92,927,570
Egyptian Electricity Transmission Company.	239,322	52.79	12,634,994	188,296	70.78	13,327,716
Aqua Power Company -Zarqa	3,216,621	60.09	193,273,489	1,197,684	66.22	79,309,933
Wind energy purchases	874,457	79.94	69,900,459	705,374	70.25	49,554,912
Solar energy purchases	1,341,190	72.79	97,619,962	836,177	80.14	67,009,605
King Talal Dam and India- Jordan Chemicals Company	23,804	39.87	949,075	18,829	39.85	750,411
Total	**19,272,721**	**71.64**	**1,380,740,170**	**18,912,749**	**81.19**	**1,535,471,296**

(24) Operating and administrative expenses

	2019	2018
	JD	JD
Salaries and wages	19,716,614	19,183,458
Company's contribution (Social security, Saving, medical and life Insurance)	5,229,953	5,015,337
Assets insurance	936,525	859,001
Registration fees- Energy and Mineral Regulatory Commission	1,835,248	1,956,299
Allowance for doubtful accounts	1,643,077	2,787,053
Security	1,151,285	990,689
End of service indemnity- Note (15)	708,223	760,073
Professional and consultant services	1,587,834	1,217,964
Stamp fees	27,546	3,939
Fuel, electricity and water	429,245	426,838
Travel and per diem	71,788	89,777
Cleaning	187,068	201,529
Advertising and marketing services	55,816	85,904
Telecommunications	80,135	73,798
Stationery and prints	35,935	37,154
Subscriptions	81,510	68,470
Training	22,969	57,307
Cars licenses and registration fees	30,329	26,698
Board of directors' transportation and representations	69,461	38,100
Seminars and conferences	15,009	23,281
Hospitality	45,422	51,472
Miscellaneous	130,655	128,172
	34,091,647	**34,082,313**

(25) Settlement of prior years' receivables

This item represents the compensation value received from the insurance company for losses attributable to the accident of the gas unit in the Al-Samra for Electric generating company, in addition to the difference for the average wage boats diameter for the year 2018.

(26) Other income

	2019	2018
	JD	JD
Net international service revenue	2,747,934	1,527,357
Interest income from banks	14,378	51,644
Land Rents	50,000	50,000
Selling copies of tenders	14,835	34,885
Dividends	53,137	-
Compensations from insurance companies	46,217	97,389
Amortization of deferred revenues	2,651	2,651
Housing and break areas revenues	21,786	22,662
Interest on late payments	1,067,146	139,626
Gains from sale of property plant and equipment	168	23,999
Others	48,993	669,002
	4,067,245	**2,619,215**

(27) Other Expenses

	2019	2018
	JD	JD
Housing and break areas Expenses	-	45.601
Investment losses in subsidiaries	-	8.602
Others	57.233	50.265
	57.233	**104.468**

(28) Basic and Diluted Loss Per Share

	2019	2018
	JD	JD
Gain (Loss) of the year	275,065	(78,904,673)
Average number for shares	230,000,000	230,000,000
Basic and diluted gain (loss) per share	**0.0012**	**(0.3431)**

(29) Contingent liabilities

The Company has contingent liabilities as of the date of the financial statement as follow:

	2019	2018
	JD	JD
Letters of credit and	120,746,750	96,663,086
Cases / Issues*	45,812,981	33,404,550
	166,559,731	**130,067,636**

* Based on the opinion of the management and it's legal counsel of the Company, the Company's legal position in these cases is good and there is no need to record provisions against them.

The Company calculates late interest fees on recognized balances for its benefit or on it with all government entities and electric generating and distribution companies, and book it in off balance sheet accounts, the delays penalties for the benefit of the Company amounted to JOD 117,323,904 as of 31 December 2019 and the penalties on the Company amounted to JOD 35,387,876 as of 31 December 2019.

(30) Financial risk management

Credit Risk

- redit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises from the receivables, other debit balances and cash on hand and at banks.
- The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2019	2018
	JD	JD
Other current assets	6,928,843	10,445,744
Accounts Receivable	425,660,757	661,390,053
Cash on hand and at banks	163,407	1,505,530
	432,753,007	**673,341,327**

- The Company›s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country in which customer operate, has less of an influence on credit risk.

Liquidity Risk

- Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.
- The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.
- The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains line of credit from its bank for sudden cash requirements. Therefore, the Company maintains line of credit facilities to meet short-term obligations in an overdraft accounts taken from several local banks.

The following are the contracted maturities of financial liabilities, including estimated interest payments:

2019	Book value	Cash in-flows	Months or less 6	Months 6 to 12	> 1 year
	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	8,525,242	8,525,242	-	-	8,525,242
Subscribers' contribution received for projects under construction	11,936,183	11,936,183	-	-	11,936,183
Bonds and Islamic Sukuk	525,000,000	551,449,500	-	-	551,449,500
Loans	1,874,102,614	1,945,034,047	327,084,853	282,616,188	1,335,333,006
Other current liabilities	127,126,159	127,126,159	120,261,324	-	6,864,835
Due to banks	226,707,436	226,707,436	226,707,436	-	-
Trade payables	2,942,576,469	2,942,576,469	2,942,576,469	-	-
Total	**5,715,974,103**	**5,813,355,036**	**3,616,630,082**	**282,616,188**	**1,914,108,766**

2018	Book value	Cash in-flows	Months or less 6	Months 6 to 12	> 1 year
	JD	JD	JD	JD	JD
Provision for end-of-service indemnity	8,347,184	8,347,184	-	-	8,347,184
Subscribers' contribution received for projects under construction	16,102,162	16,102,162	-	-	16,102,162
Bonds and Islamic Sukuk	525,000,000	551,449,500	-	407,548,553	551,449,500
Loans	1,847,768,208	1,917,613,846	395,854,944	-	1,114,210,349
Other current liabilities	110,958,860	110,958,860	104,094,025	-	6,864,835
Due to banks	141,021,595	141,021,595	141,021,595	-	-
Trade payables	3,266,784,224	3,266,784,224	3,266,784,224		-
Total	**5,915,982,233**	**6,012,277,371**	**3,907,754,788**	**407,548,553**	**1,696,974,030**

The Company liquidity position as of date of financial statements was as follow:

	2019	2018
	JD	JD
Current assets	456,905,406	706,443,190
Less: Current Liabilities	4,033,863,750	4,292,909,185
Deficit in working capital	**(3,576,958,344)**	**(3,586,465,995)**

- The Company ensures that it has sufficient cash on demand to meet expected operating expenses, including the servicing of financial obligations through its operating future cash flows and borrowing; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market Risk

- Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Company's profit or the value of its holding of financial instruments.
- The objective of market risk management is to control the extent to which the company is exposed to market risks within acceptable limits in addition to maximizing returns.

Currency Fluctuation Risk

- Most of the company's financial assets and liabilities are denominated in Jordanian Dinars and most of the company's transactions are denominated in Jordanian Dinars and US Dollars. Since the dollar / dinar exchange rate is stale, the management of the company believes that it is not exposed to exchange rate risk substantially.

The summary of the quantitative data about the company's exposure to foreign currency risk provided to management of the Company based on its risk management policy was as follows:

2019	Euro	Kuwaiti Dinar	Islamic Dinar
	JD	JD	JD
Cash on hand and at banks	1,148	-	-
Loans	1,345,252	15,434,926	19,698,448
	1,346,400	**15,434,926**	**19,698,448**

2018	Euro	Kuwaiti Dinar	Islamic Dinar
	JD	JD	JD
Cash on hand and at banks	1,170	-	-
Loans	1,471,737	16,576,292	22,434,815
	1,472,907	**16,576,292**	**22,434,815**

Sensitivity analysis

- A strengthening (weakness) of the Jordanian Dinars, as indicated below, against the EURO, Kuwait Dinar and Islamic Dinar as of December 31 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2018, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below:

2019	Increase (Loss)	Decrease Profit
	JD	JD
Euro (10% change)	(134,410)	134,410
Kuwaiti Dinar (10% change)	(154,349)	154,349
Islamic Dinar (10% change)	**(196,984)**	**196,984**

2018	Increase (Loss)	Decrease Profit
	JD	JD
Euro (10% change)	(147,057)	147,057
Kuwaiti Dinar (10% change)	(1,657,629)	1,657,629
Islamic Dinar (10% change)	**2,243,482**	**2,243,482**

Financial instruments at a fixed interest rate

Financial instruments with interest are shown as at the date of the financial statements as follows:

Financial instruments at a fixed interest rate	2019	2018
	JD	JD
Loans	1,874,102,614	1,847,768,208
Bonds and Islamic sukuk	525,000,000	525,000,000
Due to banks	226,707,436	141,021,595
	2,625,810,050	**2,513,789,803**

Sensitivity analysis

An increase in the interest rate by 1% will lead to an increase in interest expense by 25,137,898 dinars, and a decrease in the interest rate by 1% will lead to a reduction of interest by 25,137,898 dinars.

Other market price risks

Stock price risk arises from financial assets at fair value through other comprehensive income held to meet the partially unfunded portion of the company's obligations, as well as investments at fair value through profit or loss. The company's management monitors the group of debts and securities in its investment portfolio, which is based on market indicators. Material investments in the portfolio are managed on an individual basis and the risk management committee approves all buying and selling decisions.

(31) Capital management

The main goal in relation to the company's capital management is to ensure that appropriate capital ratios are maintained in a manner that supports the company's activity in its business to achieve its goals and objectives for which it was established.

The company manages the capital structure and makes the necessary adjustments considering changes in working conditions. The company has not made any changes to the objectives, policies and procedures related to capital structure during the current year. The items included in the capital structure are paid-in capital, statutory reserve, Voluntary reserve, special reserve, treasury rights, fair value reserve and accumulated losses totaling a net deficit of JD 4,678,923,192 as of 31 December 2019 (31 December 2018: JD 4,679,222,594).

The accumulated losses for the year ended 31 December 2019 amounted to (JD 4,963,677,153) Jordanian dinars, which exceed 75% of the paid-in capital, and this requires specific measures in accordance with paragraph (266-a) of the Companies Law No. (22) for the year 1997 which states On "If the company's losses amount to three quarters of the value of its capital, it must be liquidated unless the General Assembly decides to increase its capital," In addition, the company's current liabilities exceeded its current assets by an amount of JD 3,576,958,344 as of 31 December 2019. The future management plan to address the accumulated losses through the support provided by the Government Contribution Management Company owned by The Ministry of Finance of the Government of the Hashemite Kingdom of Jordan as the sole shareholder in the Company and accordingly the financial statements have been prepared on Going Concern Basis.

(32) Fair value levels

The table below shows the analysis of the financial instruments determined at fair value, according to the valuation method. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in an active market for identical assets or liability.

Level 2: inputs other than quoted prices included within in Level 1 that can be determined for the assets and liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices). Prices quoted in active markets for similar instruments or by through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.

Level 3: inputs to assets and liability that do not based on observable market data (unobservable inputs).

A Financial assets and liabilities that are measured at fair value on a recurring basis:

	2019			
	Book value	Fair value		
		Level 1	Level 2	Level 3
	JD	JD	JD	JD
Financial Assets				
Investments in financial assets through other comprehensive income	808,553	808,553	-	-

	2018			
	Book value	Fair value		
		Level 1	Level 2	Level 3
	JD	JD	JD	JD
Financial Assets				
Investments in financial assets through other comprehensive income	785,668	785,668	-	-

There were no transfers between level 1 and level 2 during the year 2018 and 2019.

B Financial assets and liabilities that are not measured at fair value:

	2019			
	Book value	Fair value		
		Level 1	Level 2	Level 3
	JD	JD	JD	JD
Financial Assets				
Accounts receivable	425,660,757	425,660,757	-	-
Financial Liabilities				
Account payable	2,942,576,469	2,942,576,469	-	-
Loans	1,874,102,614	1,945,034,047	-	-
Bonds	525,000,000	551,449,500	-	-

	2018			
	Book value	Fair value		
		Level 1	Level 2	Level 3
	JD	JD	JD	JD
Financial Assets				
Accounts receivable	661,390,053	-	661,390,053	-
Financial Liabilities				
Account payable	3,226,784,224	-	3,266,784,224	-
Loans	1,847,768,208	-	1,917,613,846	-
Bonds	525,000,000	-	551,449,500	-

For items illustrated above, level 2 fair values for financial assets and liabilities have been determined based on effective interest rates and the agreed upon pricing models, which reflects credit risks for parties dealing with the Company. Management believes that the carrying amount of these financial assets approximate their fair value due to their short-term maturities.

(33) Comparative figures

Some of 2018 balances were reclassified to correspond with the financial statements figures for the year 2019 presentation, with no effect on profit and equity for the year 2018.

(34) Subsequent events

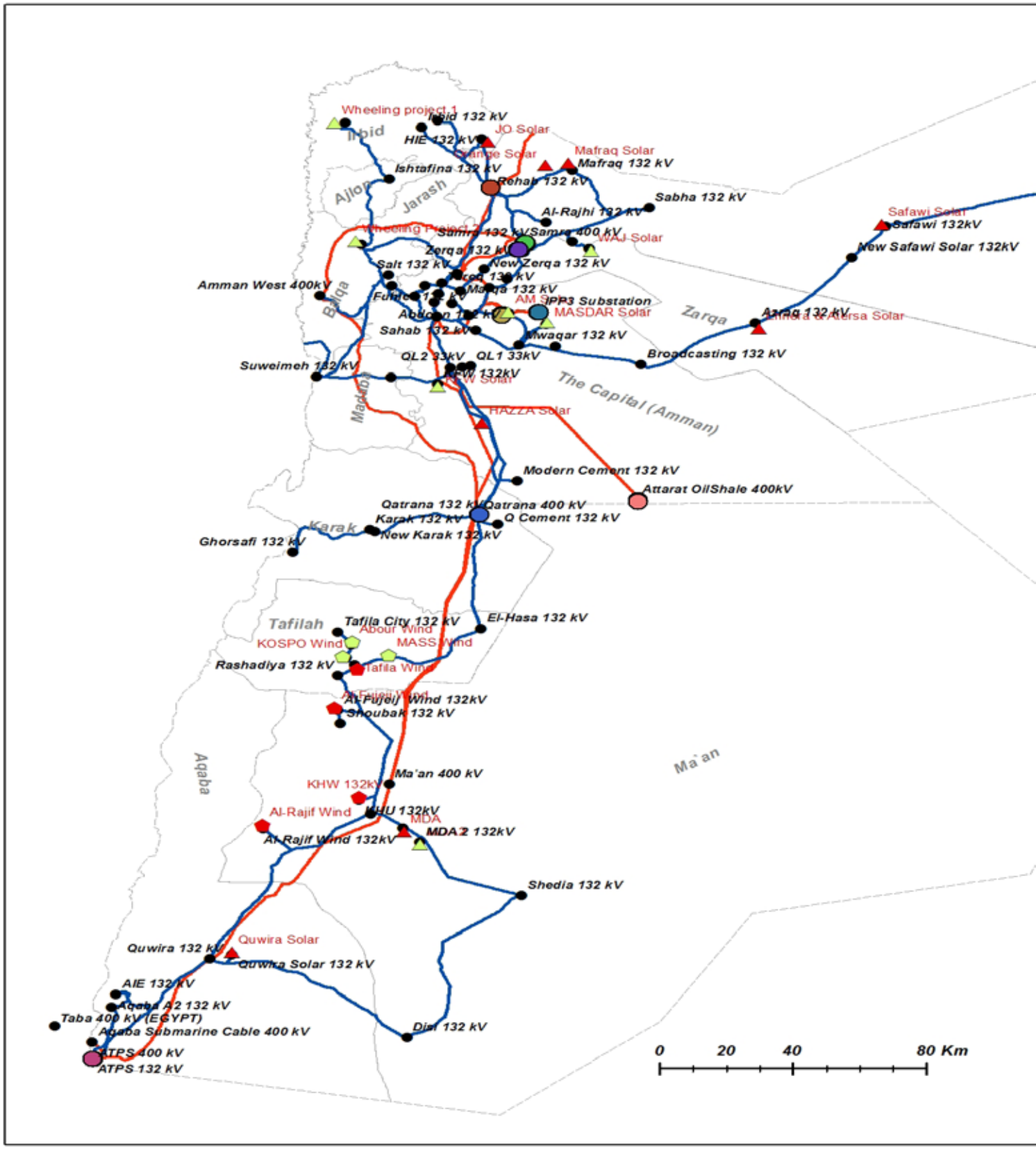
Subsequent to year-end, the Coronavirus outbreak has impacted the global macroeconomy and caused significant disruption in the global economy and different business sectors. Accordingly, the food and beverage and related industries have been affected by mass business closures, large-scale quarantines, and other government procedures.

The Prime Minister of Jordan resolved, on 17 March 2020, to enforce a mandatory curfew law and to suspend all business activity in Jordan until further notice as part of the precautions taken by the government to combat the spread of Coronavirus. The majority of the Jordan's business activity has halted since the resolution as a result.

The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of approval of these financial statements. These developments could impact the Company's future financial results, cash flows and financial condition.

(35) Segment Reporting

	2019			2018		
	Amman	Aqaba	Total	Amman	Aqaba	Total
	JD	JD	JD	JD	JD	JD
Operating revenues						
Revenues from sale of energy	1,352,247,756	54,323,134	1,406,570,890	1,328,604,244	52,838,733	1,381,442,977
Revenues from the change in Fuel price	137,084,423	5,563,260	142,647,683	227,855,849	9,000,543	236,856,392
Revenue from sale of natural gas	4,989,956	202,506	5,192,462	4,807,457	189,900	4,997,357
Recovery of cost of delivery of the gas line to the generating stations	4,841,787	196,493	5,038,280	1,836,715	72,552	1,909,267
Revenue from other energy	974,863	39,563	1,014,426	2,595,902	102,541	2,698,443
Total operating revenues	**1,500,138,785**	**60,324,956**	**1,560,463,741**	**1,565,700,167**	**62,204,269**	**1,627,904,436**
Operating expenses						
Cost of energy	1,326,891,303	53,848,867	1,380,740,170	1,477,123,387	58,347,909	1,535,471,296
Cost of sale natural gas	6,292,093	255,350	6,547,443	4,976,417	196,574	5,172,991
Gas delivery costs for generation stations	-	-	-	3,473,391	137,203	3,610,594
Maintenance expenses	2,616,730	106,194	2,722,924	2,379,383	93,988	2,473,371
Operating and administrative expenses	32,762,072	1,329,575	34,091,647	32,828,500	1,253,813	34,082,313
Depreciation	27,590,900	1,119,714	28,710,614	26,464,580	1,045,378	27,509,958
Impairment in the spare parts of control and transmission equipment	1,232,970	50,037	1,283,007	1,257,914	49,689	1,307,603
Total operating expenses	**1,397,386,068**	**56,709,737**	**1,454,095,805**	**1,548,503,572**	**61,124,554**	**1,609,628,126**
Operating profit	**102,752,717**	**3,615,219**	**106,367,936**	17,196,595	**1,079,715**	**18,276,310**
Settlement of prior years' receivables	3,258,154	132,225	3,390,379	2,801,535	732,596	3,534,131
Gain or loss on exchange	733,328	24,945	758,273	751,050	(3,735)	747,315
Other income	3,908,622	158,623	4,067,245	2,619,215	-	2,619,215
Other expense	(55,001)	(2,232)	(57,233)	(104,468)	-	(104,468)
Finance cost	(109,795,725)	(4,455,810)	(114,251,535)	(103,264,624)	(4,684,025)	(107,948,649)
Pretax income	**802,095**	**(527,030)**	**275,065**	**(80,000,697)**	**(2,875,449)**	**(82,876,146)**
Income tax expense	-	-	-	3,971,473	-	3,971,473
Profit/Loss for the year	**802,095**	**(527,030)**	**275,065**	**(76,029,224)**	**(2,875,449)**	**(78,904,673)**


Irbid
Ajloun
Jarash
Balqa
Madaba
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The Capital (Amman)
Karak
Tafilah
Aqaba
Ma'an
Wheeling project 1
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HIE 132 kV
JO Solar
Mafraq Solar
Mafraq 132 kV
Ishtafina 132 kV
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Sabha 132 kV
Al-Rajhi 132 kV
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Zerqa 132 kV
New Zerqa 132 kV
Salt 132 kV
Amman West 400kV
Fuheis 132 kV
Abdoon 132 kV
AM S
PP3 Substation
MASDAR Solar
Sahab 132 kV
Alwaqar 132 kV
Aarag 132 kV
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Suweimeh 132 kV
QL2 33kV
QL1 33kV
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NEW Solar
HAZZA Solar
Modern Cement 132 kV
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Ghorsafi 132 kV
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El-Hasa 132 kV
Abour Wind
KOSPO Wind
MASS Wind
Rashadiya 132 kV
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Al-Fujeij Wind 132kV
Shoubak 132 kV
Ma'an 400 kV
KHW 132kV
Al-Rajif Wind
MDA
MDA 2 132kV
Al-Rajif Wind 132kV
Shedia 132 kV
Quwira 132 kV
Quwira Solar
Quwira Solar 132 kV
AlE 132 kV
Aqaba A2 132 kV
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Aqaba Submarine Cable 400 kV
ATPS 400 kV
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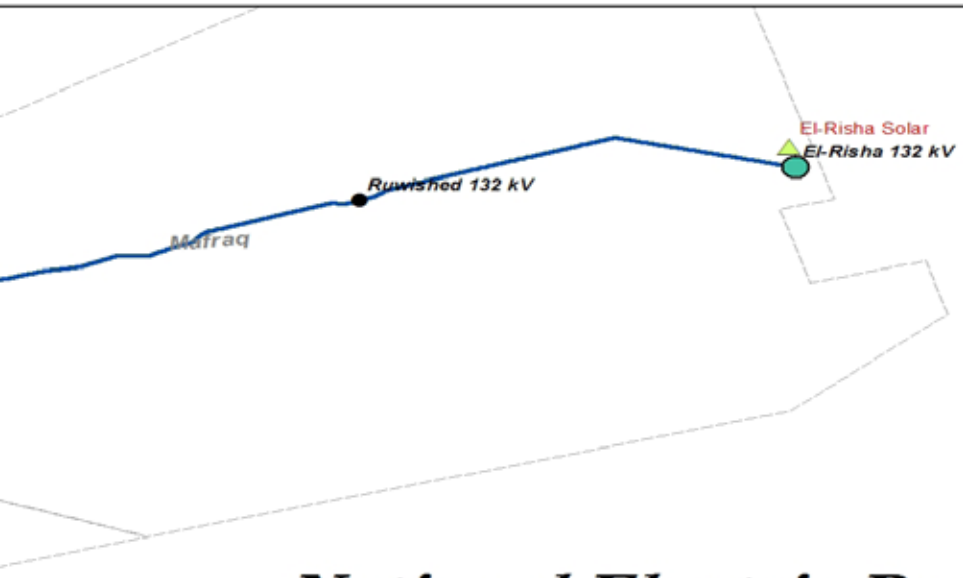
20
40
80 Km



National Electric Power Grid

Generation Map

NEPCO GIS

- AQABA Generation ATPS
- AQWA Generation
- Amman East Generation
- Attarat Oil Shale
- IPP3
- IPP4
- Qatranah Generation
- Rehab Generation
- Risha Generation
- SAMRA Generation

- Solar Farm, In Operation
- Solar Farm, Under Construction
- Wind Farm, In Operation
- Wind Farm, Under Construction

- Bulk Substations
- 132 kV
- 400 kV

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