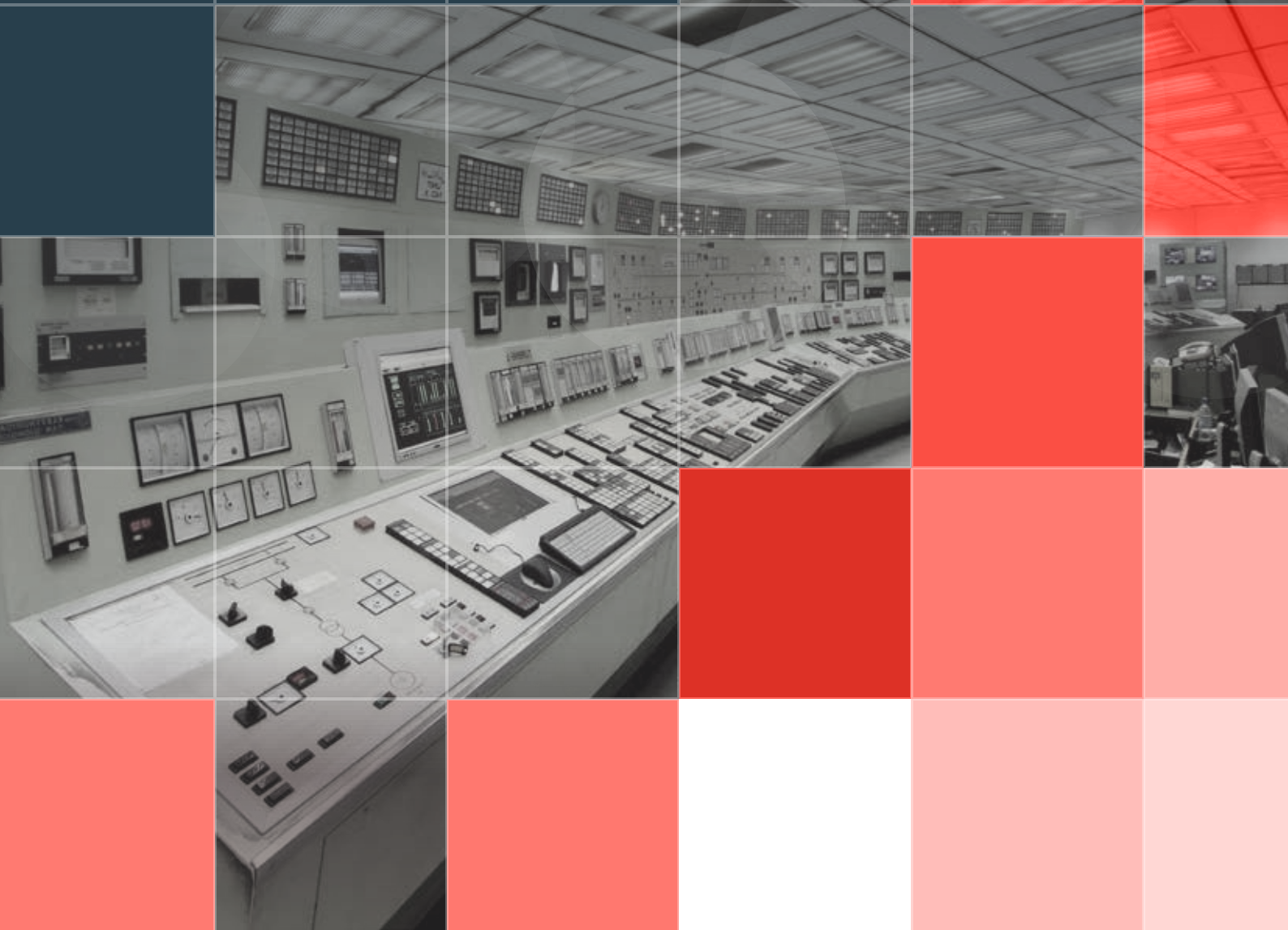




THE HASHEMITE KINGDOM OF JORDAN
Central Electricity Generating Company



ANNUAL REPORT 2023



His Majesty
King Abdullah II Bin Al Hussein



H.R.H Crown Prince
Hussein bin Abdullah II

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A.1 Chairman Address



Dr. Moayad Samman

Chairman

Valued Shareholders,

On behalf of myself and the members of the Central Electricity Generating Company (CEGCO) Board of Directors, I am pleased to share with you our 2023 Annual Report - outlining our financial data, performance indicators and a summary of our major activities. Despite the significant challenges brought on by the expiration of our power purchase agreements, with the last one concluding in 2025, the company persevered and continued to achieve set goals.

During 2023, the company achieved net profits of JOD 13.3 million, representing a 4 percent increase against declared budgeted estimates. However, this figure marks a 46 percent drop from the JOD 24.7 million net profits recorded the previous year. This decline was influenced by several factors, including the profits generated by the financial settlement with the Government of Jordan in 2022, valued at JOD 7.5 million, paired with the decrease in profit from excess strategic heavy fuel reserve due to the retirement of generating units in 2023 compared to 2022, amounting to JOD 5.6 million.

Moreover, company accounts receivable experienced a decline in 2023 compared to 2022. Company accounts receivable from the National Electric Power Company stood at JOD 7 million in 2023 as opposed to JOD 15 million in 2022.

On the operational front, the company recorded a 100 percent availability factor, surpassing declared budget estimates. Furthermore, the company continued to support the local community through various initiatives, notably by donating residential units and the land they occupy in Al Hashemiyyah area to the Ministry of Culture and Youth for the benefit of local community members.

Following the sale of both the Rehab Gas Turbine Power Station and Risha Power Station to the government-owned Samra Electric Power Company, 56 employees from both stations were re-employed in the latter as per the agreed terms.

On this note, allow me to thank our colleagues for their dedicated efforts toward sustaining our performance and achieving our objectives, despite the demanding challenges facing the company. I would also like to acknowledge the Government of Jordan, its institutions and its agencies for their tremendous efforts in maintaining the security and stability of the Kingdom, imploring Allah Almighty to continue bestowing this blessing upon us.

Lastly, on behalf of myself and the members of the Board of Directors, I extend my sincerest gratitude and appreciation to HM King Abdullah II Ibn Al Hussein and HRH Crown Prince Al Hussein bin Abdullah II for their wise leadership in managing state affairs and supporting the progress and prosperity of Jordan.

Best wishes for further distinction in 2024.

A.2 CEO Address



Eng. Mowaffaq Alawneh

Chief Executive Officer

Ladies and Gentlemen,

I am pleased to present to you the Central Electricity Generating Company (CEGCO) 2023 Annual Report, which showcases key achievements across multiple domains, financial and operational performance indicators, as well as notable outcomes undertaken throughout the year. Despite the challenges facing the company due to decreased installed capacity resulting from the expiration of power purchase agreements, our commitment to excellence endures.

The company recorded net profits of JOD 13.3 million, marking a 46 percent decline compared to JOD 24.7 million in 2022. This drop is primarily attributed to the profit generated by the settlement with the Government of Jordan in 2022, valued at JOD 7.5 million, coupled with the decrease in profit from excess strategic heavy fuel reserve due to the decommissioning of generating units in 2023 compared to 2022, amounting to JOD

5.6 million. Notably, net profits for 2023 exceeded declared budget estimates by approximately 4 percent. On the operational front, the company achieved a high availability factor of 100 percent, surpassing declared budget estimates.

Despite the challenges facing the company, management effectively executed the community support plan through diverse activities and initiatives spanning various regions of the Kingdom, encompassing local youth, schools and disadvantaged communities.

Acknowledging the vital role of human resources in the success of the company, management remains dedicated to consistently implementing varied training programs to bolster employee efficiency, equip them with essential skills to enhance performance and fulfill their knowledge and practical needs.

Nevertheless, the primary challenge confronting the company persists; the imminent expiration of National Electric Power Company power purchase agreements for all company stations is unavoidable. The final agreement pertaining to the Aqaba Thermal Power Station expires in late 2025, prompting the need to formulate necessary plans to address this hurdle.

In conclusion allow me to conclude by expressing my gratitude toward our esteemed Chairman and Board Members for their steadfast support, which has been instrumental to the accomplishments achieved by the company. I would also like to thank our colleagues across different locations for their unwavering dedication to sustaining the company and empowering us to realize our goals.

**May the Almighty God bless the Hashemite Kingdom of Jordan,
HM King Abdullah II Ibn Al Hussein and HRH Crown Prince Al Hussein bin Abdullah II.
Best wishes for greater success and progress during 2024.**

B Report of Board of Directors

The Board of Directors is pleased to present to you its Annual Report 25rd including activities and achievements of the Company as well as the Financial Statements of the year ended on 31/12/2023

1.A. Company's Activity

To generate the electric energy in various regions of the Kingdom using any primary sources of energy and the renewable energy to be supplied, in good quality, high availability and at the lowest possible cost, to the National Electric Power Company.

1.B. The Company's Geographic Locations and the number of employees in each

Head Office: King Hussein Business Park- Building No. 16
 Amman - King Abdullah II Street
 P.O.Box: 2564 Post Code 11953
 Phone: +962-6-5340008
 Fax: +962-6-5340800

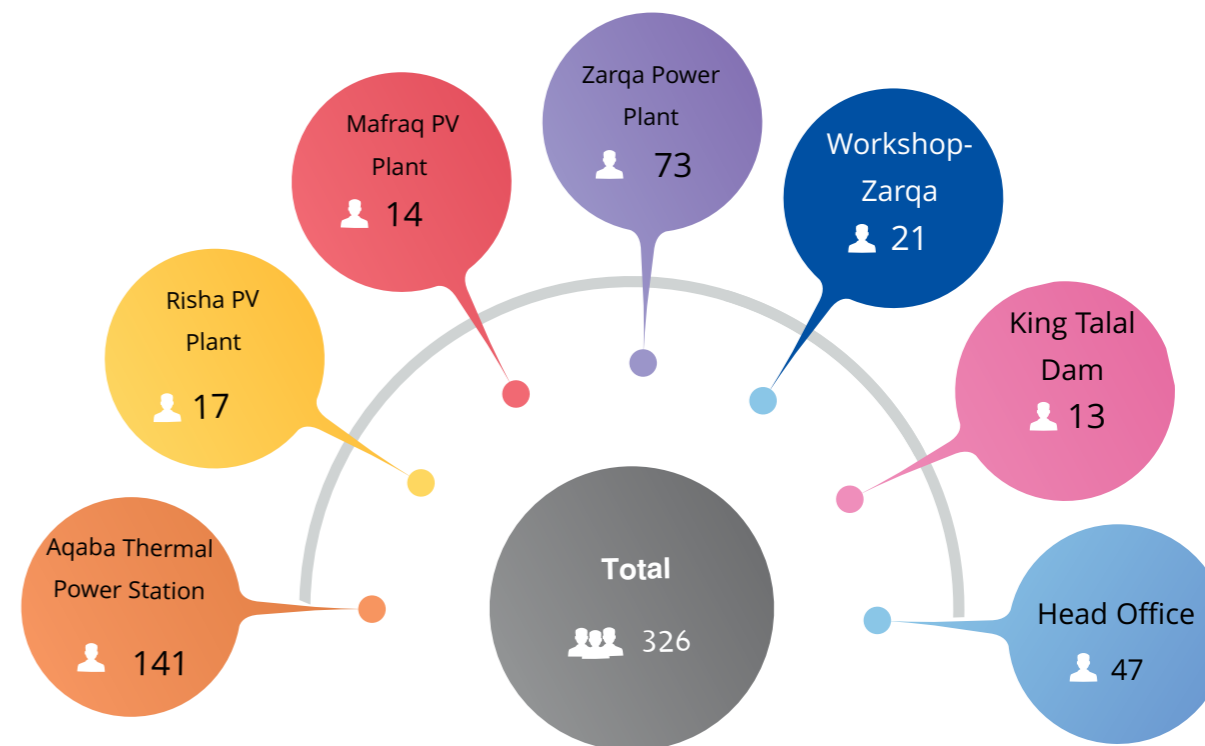
Aqaba Thermal Power Station

it is located in the south-west of Jordan, approximately 22 km south of the Aqaba City, 1 km from the Red Sea. The plant site is 35 meters above sea level and located in the middle of an industrial area.

Engineering workshops

it is located in the northern region of Jordan, about 30 Km north-east of Amman, and is situated 560 m above the sealevel in the center of the Industrial Area in Zarqa.

1.C. Employee's Distribution according to Locations until 31/12/2023



* The Company has no Branches within or outside the Kingdom.

1.D. Company's Capital Investment Volume

26,740,226 JD

2 There are no Affiliate Companies

3.A

The names of members of the Board of Directors and the curriculum vitae for each of them

Enara Energy Investment

H.E. Dr. Moayad Samman- Chairman from 17/06/2021.

H.E. Eng. John Harison Clarck- Vice-Chairman from 17/02/2021.

H.E. Eng. Yasser Adeeb Burgan- Member from 05/10/2021.

Enara (2) Energy Investment

H.E. Mr. Abid Hussain Malik Member From 7/3/2022

Government Investment Management Co. LLC

H.E. Dr. Faysal Al Hyari Member From 20/6/2017

H.E. Eng. Shorouq Abdel Ghani Member From 1/12/2020

Social Security Corporation


H.E. Eng. Ziad Ahmad Obeidat Member from 01/09/2021


H.E. Dr.
Moayad Samman



 Nationality
Jordanian

 Membership Date
17 /6/ 2021

 Date of Birth
18/11/1965

 Current Position
Chairman

 **Work Experience**

- ✔ Dr. Samman is currently the Chairman of the Central Electricity Generating Company (CEGCO). In addition to that, Dr. Samman is the Vice Chairman of the Board of Directors for Al Daman Company for the Development of Economic Zones, Member of the Board of Trustees for Al Hussein Bin Abdullah II Technical University, Member of the Board of Directors for MadfoatCom for ePayments (eFawateerCom), and Member of the Committee at the Jordan Engineers Association, Pension Fund Administrative Committee (2nd largest investment fund in Jordan).
- ✔ Dr. Moayad was formerly the Chairman of the Board for King Hussein Business Park; the largest Real Estate project in the Middle of the Capital Amman and Jordan's future smart city, the Chairman of the Board and Chief Executive Officer for King Abdullah II Design and Development Bureau (KADDB), Vice Chairman of the Board and General Manager for The National Resources Investment & Development Corporation (Mawared), Vice Chairman for Abdali Investment and Development company, Chairman of the Board for Abdali Boulevard company, Vice Chairman of the Board and General Commissioner for the Development and the Investment Projects Funds of the Jordan Armed Forces (DIP), Vice Chairman of the Board for Military Credit Fund, Chairman for King Abdullah II Special Operations Training Center (KASOTC), and Deputy General Manager for Lafarge Jordan Cement, and part-time lecturer in the Faculty of Engineering at the German-Jordanian University.
- ✔ With over 25 years of operational experience in the management of small, medium, large and mega business operations, Dr. Moayad has been a Chairman and Board Member in over 50 local and international professional business association and companies including Global Investment companies in the fields of heavy industries, real estate development, hospitality, education, banking, agriculture and trading. He has previous professional experiences in both public and private sectors organizations covering a diverse array of fields from general managements, business development, business process re-engineering to engineering research with special emphasis on board of directors' charters, governance and committees.
- ✔ Dr. Moayad received his PHD in Industrial Engineering from Loughborough University in 2000 and obtained his graduate and undergraduate studies with First Honors in Civil Engineering and Industrial Engineering from the University of Jordan.
- ✔ Dr. Moayad had been awarded the British Chevening Scholarship by the Foreign and Commonwealth Office, and has been selected by the Eisenhower Exchange Fellowship Inc for the year 2005 to represent Jordan, Dr. Samman was also elected in 2017 as the President for the Jordan Wrestling Federation.
- ✔ Dr. Moayad has been recently appointed as senior examiner for the King Abdullah Award for Government Performance and Transparency/ Distinguished Secretary General/General Manager Award.


H.E. Eng.

John Harrison Clark



 Nationality
United Kingdom

 Membership Date
17 /02/ 2021

 Date of Birth
30/12/1963

 Current Position
Vice Chairman

Qualifications:

- ✔ Degree, Mechanical & Electrical Engineering, University of Northumbria, Newcastle, UK
- ✔ Leadership for Energy Program, Harvard, USA
- ✔ Energy Risk Management Program, Princeton, USA

Work Experience:


- ✔ ACWA Power – Vice President, Portfolio Management, Middle East and Asia Region with responsibility for Jordan, Oman and the UAE.
- ✔ Enel SpA – Senior Vice President & Country Manager, Slovakia.
- ✔ Enel SpA – Senior Vice President & Chief Operating Officer, Russia.
- ✔ Enel SpA – Head of International Operations, Rome.
- ✔ Enel SpA – Country Manager, Bulgaria.
- ✔ Entergy Corporation – Director, Asset Management Europe.
- ✔ Intergen (Bechtel) – Maintenance & Engineering Manager, UK.
- ✔ Alcan – Power Operations Manager, UK.


H.E. Mr.

Abid Hussain Malik



 Nationality
Pakistani

 Membership Date
7/3/2022

 Date of Birth
31/10/1965

 Current Position
Member of Board

Work Experience:

- ✔ 2020 - Now - ACWA Power (Dubai Office) – Executive Vice President and Regional Director.
- ✔ Portfolio Management - MEA and Asia.
- ✔ 2018 - 2020 ACWA Power (KSA Office) - Vice President and Portfolio Head - KSA.
- ✔ 2015 - 2018 - ACWA Power (Turkey Office) - Managing Director - Turkey & Kazakhstan.
- ✔ 2009 - 2015 - ACWA Power (Turkey Office) - Country Head Business Development - Turkey.
- ✔ 2006 - 2009 - Engro Energy (Pakistan) - Project Director
- ✔ 2001 - 2006 - AES Kelanitissa Power Plant (Sri Lanka) - Construction Manager / Maintenance Manager.
- ✔ 1997 - 2001 - AES LalPir Power Plant (Pakistan) - Project Engineer.
- ✔ 1995 - 1997 - Hubco Power Plant (Pakistan) - Mechanical Engineer.

H.E. Eng.
ZIAD A. OBEIDAT



 Nationality
Jordanian

 Membership Date
01/09/2021

 Date of Birth
1961

 Current Position
Member of Board

Qualifications:

- ✔ The George Washington University, Faculty of Science and Engineering, Washington, D.C, USA M Sc., Engineering Management/ Construction Management
- ✔ University of Basrah, Faculty of Engineering, Basrah, Iraq B.Sc., Civil Engineering

Work Experience:

- ✔ General Director Vocational Training Cooperation (VTC) / Jordan 2019
- ✔ Secretary General Ministry of Labor (MOL) / Jordan 2017 - 2019
- ✔ Acting Secretary General Ministry of Planning and International Cooperation (MOPIC) / Jordan Feb. – Jul. 2014
- ✔ International Expert/ESCWA-10th National Development Plan of KSA (2015-2019) 2013 - 2017
- ✔ Director of the Development Plans and Programs Department
- ✔ Ministry of Planning and International Cooperation (MOPIC) / Jordan 2010 – 2013
- ✔ Director of the Programs and Projects Department
- ✔ Ministry of Planning and International Cooperation (MOPIC) / Jordan 2003 – 2010
- ✔ Director of the Plans and Monitoring & Evaluation Department
- ✔ Ministry of Planning and International Cooperation (MOPIC) / Jordan 2002 – 2003
- ✔ Program Coordinator/Enhanced Productivity Program-EPP
- ✔ Ministry of Planning and International Cooperation (MOPIC) / Jordan:
- ✔ Small Grants/Income Generating Projects and Direct Intervention Projects.
- ✔ Community Infrastructure/Governorates and Municipalities. 1999 - 2002

H.E. Eng.
Shorouq Abdel Ghani



 Nationality
Jordanian

 Membership Date
1/12/2020

 Date of Birth
30/6/1980

 Current Position
Member of Board

Qualifications:

- ✔ Master's Degree in Government Administration, Al- Ahliyya Amman University, Amman, Jordan 2020.
- ✔ Bachelor of Chemical Engineering, Mutah University, Karak, Jordan 2003.

Work Experience:

- ✔ She currently holds the position of Executive Director of Oversight and Compliance at Service and Public Administration Commission.
- ✔ The Director of Planning and Organizational Development at the Ministry of Energy and Mineral Resources, undertakes the tasks of preparing and developing strategic plans for the energy and mineral resources sector, developing policies and strategic plan of ministry's and following up on its implementation, in addition to managing statistical information of the sector and following-up the emergency plans, in addition to managing the tasks of bilateral cooperation relations with countries and international, regional and local institutions regarding the energy and mineral resources sectors. till 12- 2023
- ✔ Board Member in the Jordan Standards & Metrology Organization 2019 - 2021.
- ✔ Graduate from Royal Military Academy Sandhurst (RMAS) in the field of leadership skills/ Britain.
- ✔ Trainer in the field of Strategic planning, governance, operations and services management, government accelerators, and future foresight.
- ✔ Judgment Committee member and one of founders of award of the best product in the Jordanian Chemical Industries Sector / Jordan Engineer Association.

H.E. Dr.
Faysal A. Al-Hyari



 Nationality
Jordanian

 Membership Date
20/6/2017

 Date of Birth
30/12/1955

 Current Position
Member of Board

Qualifications:

- ✓ Ph.D., Economics, 1990 - University of Leicester, England
- ✓ M.A., Economics, 1987 - University of Leicester, England
- ✓ B.Sc., Economics/ Statistics 1979 - University of Jordan

Work Experience:


- ✓ 2016 - 2007 General Manager Orphans Fund Development Corporation.
- ✓ 2007 - 2002 Financial Advisor Minister of Finance office, Ministry of Finance, Amman, Jordan.
- ✓ 2002-1998 Financial Expert Technical Team commissioned with the privatization process of the Royal Jordanian (RJ) Airline.
- ✓ 1997-1992 Director of Economic. Research & Information Directorate General Budget Department, Jordan.
- ✓ 1991 Head of Economic Research Unit General Budget Department, Jordan.
- ✓ 1990-1986 Full-Time Graduate Student (MA, Ph.D. Program) University of Leicester/England.
- ✓ 1985-1979 Budget Analyst General Budget Department, Jordan.
- ✓ Vice Chairman of the Board of Directors of Jordan Dubai Islamic Bank
- ✓ Chairman of the Board of Directors of Aqari Company for Real Estate Industries and Investments
- ✓ Economic researcher at the Economic Unit / Center for Strategic Studies at the University of Jordan.

H.E. Eng.
Yasser A. Burgan



 Nationality
Jordanian

 Membership Date
05/10/2021

 Date of Birth
06/08/1964

 Current Position
Member of Board

Qualifications:

- ✓ Master of Business Administration (with Honors), 1987, California State University, Chico, California, U.S.A.
- ✓ Master of Science in Civil Engineering (with Honors), 1985 (Emphasis: Construction Engineering & Management), University of California, Berkeley, California, U.S.A.
- ✓ Bachelor of Science in Civil Engineering (with Distinction), 1984, California State University, Chico, California, U.S.A.

Work Experience:

- ✓ Consolidated Contractors Company (CCC): 1995 .
- ✓ Current position: Vice President – Sister Companies and General Manager, Chairman’s Office with varied duties and responsibilities.
- ✓ Yasser currently represents CCC on the Board of Directors of several CCC affiliated / related companies including ACWA Services Ltd. (UK), ENARA Co. for Energy Investments, Al-Faris National Company for Investment (Optimiza), and previously on the board of New Generation Telecommunication Company (Xpress).
- ✓ Eight years as a Project Engineer / Project Manager with a major US contractor in the State of California (USA) executing complex infrastructure projects such as Los Angeles Metro Stations and Tunnels, San Diego Convention Center, Seven Oaks Dam Diversion Tunnel, Los Angeles Federal Building

3.B Senior Executive Management



Eng. Mowaffaq Mahmoud Alawneh

CEO as of 17/06/2021

Nationality :Jordanian

Assignment Date : 4/5/1997

Date of Birth :14/ 5/ 1971

Qualifications:

Bachelor of Electrical Engineering
University of Science and
Technology

Work Experience:

- Eng. Mwaffaq alawneh is currently the CEO of Central Electricity Generating Company (CEGCO).
- Eng. Mwaffaq alawneh held the position of Operation and Maintenance Executive Manager at Central Electricity Generating Company (CEGCO) from 1/07/2019 - 16/06/2021
- Eng. Mwaffaq Alawneh was the senior Manager of Engineering Services and Contracts Department 7/2016 - 7/2019 at (CEGCO).
- Plant Manager of Aqaba Thermal Power Station (ATPS) from 1/2011-01/2016.
- Maintenance Manager from 4/2010 - 1/2011 at Aqaba Water Company
- Technical Support Manager at Aqaba Water Company from 11/2008 - 4/2010.
- Instrumentation and control section head at Aqaba Thermal Power Station from 1/2005 - 11/2008
- PLC and SCADA engineer / Kingdom of Saudi Arabia from 1/2002 - 1/2005
- Instrument and control engineer / Aqaba Thermal Power Plant from 5/1997 - 1/2002.



Mr. Ali (Mohammad Zuhair) Ali Abdullah

Current Position: Executive Manager Finance.

Nationality Jordanian

Assignment Date : 27/7/1999

Date of Birth: 3/1/1970

Qualifications:

- 1992 The University of Jordan, Amman/Jordan Accounting Bachelor
- 1997 The University of Jordan, Amman/Jordan High Diploma in Business Administration

Work Experience:

- 7/5/2021 till now Executive Manager Finance.
- 7/11/2020 - 6/5/2021 Acting Executive Manager Finance.
- 1/10/2017 - 6/11/2020 Financial Manager
- Jan. 2016 – 30/9/2017 Acting Financial Manager .
- 4/ 2004 – 30/9/2017 Budget Control Section Head .
- 7/ 1999 – 4/ 2004 Accountant – Budget Control Section .
- 10/ 1996 – 7/1999 Estimator - Income Tax Department .
- 12/ 1994 – 9/ 1996 Accountant – Jordan Electrical industries Investment Co .



Mr. Omar Ahmad Ibrahim Al Shammari

Current Position: Executive Manager Supply Chain Management

Nationality Jordanian

Assignment Date : 20/11/2006

Date of Birth: 1/12/1984

Qualifications:

- MBA, Yarmouk University, Jordan 2010
- BA, Marketing Management, Yarmouk University, Jordan, 2006.

Work Experience:

- 01/08/2019 – till now: Executive Manager Supply Chain Management.
- 01/10/2017 – 31/07/2019: Procurement Department Manager .
- 01/12/2016 – 01/07/2019: Secretary of Tender Panels .
- 01/01/2016 – 30/09/2017: Planning and Contracts Department Manager .
- 09/07/2012 – 31/12/2015: Planning and Contracts Section Head .
- 09/07/2011 – 08/07/2012: Foreign Purchasing and Clearance Acting Section Head .
- 01/07/2007 – 08/07/2011: Tendering and Procurement Administrator .
- 20/11/2006 – 30/06/2007: Trainee – Procurement Department .



Eng. Osama AlDaja'a

Current Position: Executive Manager Commercial Administration

Nationality Jordanian

Assignment Date : 1/11/2005

Date of Birth: 6/5/1983

Qualifications:

- Bachelor Degree/ Mechanical Engineering 2005
- Master in Industrial Engineering 2009 University of Jordan

Work Experience:

- 28/7/2021 till now : Executive Manager Commercial Administration.
- 30/9/2019 -27/7/2021 : Executive Manager Asset management.
- 2010 - 2019: Manger of Technical and Commercial Planning Department.
- 2008 - 2010: Head of the Commercial Department.
- 2007 - 2008: Planning Engineer / Technical Planning Department.
- 2005 - 2007: Engineer operating the Hussein Thermal Station.



Mrs. Alia Radwan Abdullah Hiassat

Current Position: BoD Secretary

Nationality :Jordanian
Assignment Date : 1/2/2000

Date of Birth :12/ 3/ 1977

Qualifications:

- B.Sc. in English Literature from University of Jordan /1999

Work Experience:

- 5/10/2016 till now : BoD Secretary till now .
- 22/9/2011: Secretary of the Audit Committee .
- 1/6/2012– 4/10/2016 : Tendering Department Manager .
- 9/12/2009 -31/5/2012 : Tendering Committees Secretary .
- 10/4/2007 - 8/12/2009 : Administrative in Tendering Department.
- 1/6/2000 – 9/4/2007 : Administrative in Administration & Personnel Department .
- 1/2/2000 – 31/5/2000 : Trainee in Administration & Personnel Department.



Mr. Ghaith .T.Q. Obeidat

Current Position: Financial Manager

Nationality :Jordanian
Assignment Date : 1/9/2001
Date of Birth: 31/5/1977

Qualifications:

- 1995 – 1999 BSc in Accounting
- 2001 ACPA (Arab certified public accountants) Arab Society of certified accountants
- 2009 JCPA (Jordan certified public accountants)

Work Experience:

- 1/06/2021 till now : Financial Manager
- 1/10/2017 - 31/5/2021 - Accounting department manager
- 10/2016 - 30/9/2017: Acting accounting department manager .
- 2011 – 30/9/2017: Accounts payable Section Head
- 2008 – 2011: Cash Control Section Head - Central Electricity Generating Co.
- 2001 – 2008: Accountant – Accounting & finance Department – Central Electricity Generating Co

4 Table of Shareholders whom Shares Exceed 5 %

2022
Shareholders Whom Shares Exceeds 5%

Name of share holder	Shares	%	Nationality
Enara Energy Investment Co.	15,250,000	50.83%	Jordanian
Government Investment management Co. LLC	12,000,000	40.00%	Jordanian
Social Security Corporation	2,700,000	9.00%	Jordanian

2023
Shareholders Whom Shares Exceeds 5%

Name of share holder	Shares	%	Nationality
Enara Energy Investment Co.	1,480,000	49.33%	Jordanian
Government Investment management Co. LLC	1,200,000	40.00%	Jordanian
Social Security Corporation	270,000	9.00%	Jordanian

5 The Competitive Position for the Company within the Electricity Sector

The total maximum load of the electrical system has reached (4240) MW for year 2023, compared to (4010) MW for year 2022, the company has contributed through its capacity of (394) MW which represents (%6,5) of the total electrical system capacity with a production of (60.9) GWh .

The company sale of electric power has reached (56.5) GWh in year 2023, compared to (626.3) GWh in year 2022.

6 The Competitive Position for the Company within the Electricity Sector

Major suppliers	Dealing Ratio from Total Procurements
None	

Major suppliers	Dealing Ratio from Total Procurements
National Electric Power CO.	100%

Governmental Protection & Privileges Possessed by the Company By Virtue of the Laws and Regulations

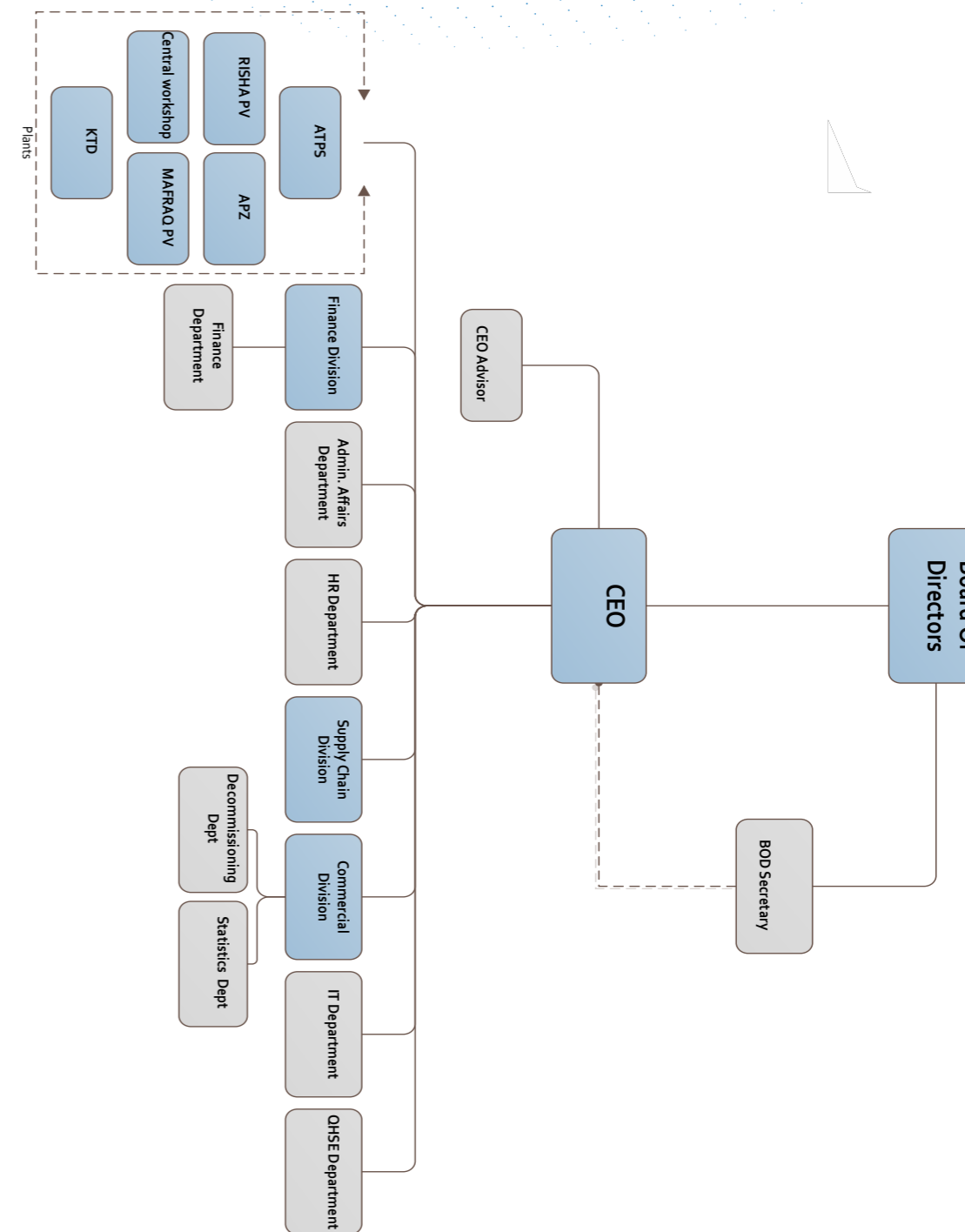
The company and its products don't possess any governmental protection or privileges by virtue of the laws and regulations in force, and the company didnot get any patents or concession rights however, we would like to point out that the government of the Hashemite Kingdom of Jordan has guaranteed the National Electric Power Co. in all the energy purchase agreements which were concluded between CEGCO and the National Electric Power Co. dated 20-9-2007. Moreover, the Jordanian Government by virtue of the executive agreement concluded on 20-9-2007 had guaranteed to the company some issues inclusive maintaining stability in taxes and legislations and not dealing differentially between companies, and permitting foreign exchange and transfer outside Jordan.

There are no Decisions Issued by the Government or International Organizations that have an impact on the work of the company or its competitive edge

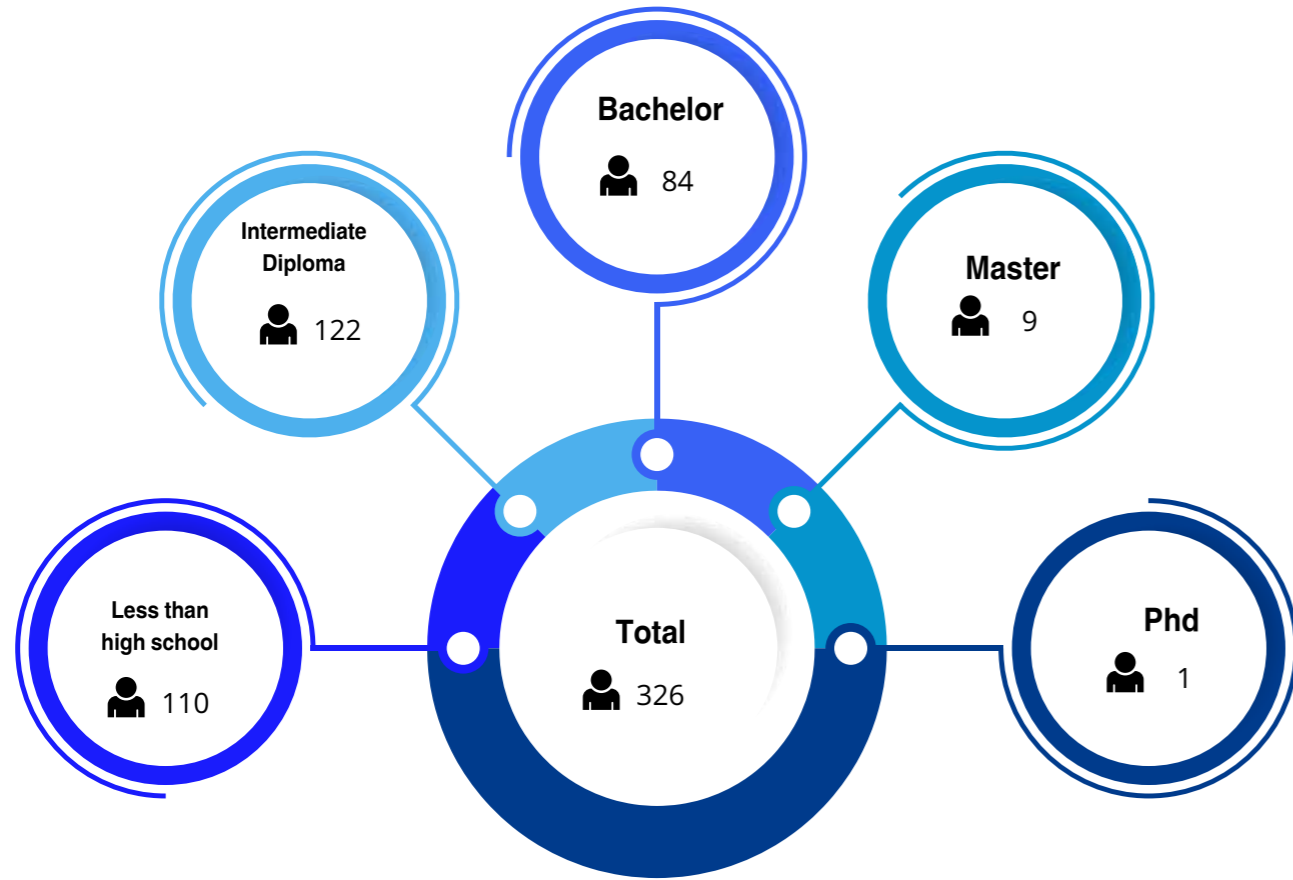
Quality and Technical Audit

- The Central Electricity Generating Company is committed to its pursuit to achieve its vision and mission with the continual development and improvement of the integrated quality systems applied in the company through managements review, internal and external auditing of integrated management system (IMS), through the work on the corrective measures, which is positively reflected on the company's in various activities, as well as to maintain IMS certificates granted by LMS, TUV Jordan.
- Renewed the certification of quality management systems certification for zarqa power station for three years by TUV.
- Obtained the new certifications of ISO 9001-2015 quality management systems for Mafraq PV and Risha PV for three years by TUV.
- A periodic review is conducted to continual improvement of the procedures of the integrated management system to maintain the certification of ISO 9001-2015 quality management systems certification.
- An internal and external audit was conducted in the field of the integrated quality system in all CEGCO sites to ensure the implementation of the procedures of the integrated management system in accordance with the international standard specifications ISO 9001-2015. The QHSE department carried out the internal audit process, while TUV and LMS Jordan carried out the external audit. The audits showed that the company is committed to applying the requirements of international standards for the integrated management system, and ensure corrective measures were taken for the outputs of the two audits and closed all the findings.
- Reviewing and evaluating on an annual basis the internal and external risks affecting the company and taking preventive and corrective action to eliminate or reduce the impact of these risks. Accordingly, the company's strategy is reviewed in an effective and sustainable manner, which ensures that all requirements of the integrated management system are implemented and is positively reflected on the process of continual development and improvements.

Organization Structure



9.B Number of employees of the company and categories of qualifications until 31/12/2023:



The number and Categories of staff 31/12/2023

9.C Learning & Development Activities during 2023

Training activities for the year 2023:

During the year 2023, many training programs were held, focusing on occupational safety and health requirements, renewing certificates and updating knowledge related to the field of work, in addition to our employees attending many conferences, seminars and technical forums with the aim of sharing knowledge and continuous communication with workers in the field of the electricity sector:

The training hours were achieved as follows

Number of attendees	Number of training hours	Number of training programs
1013 (repeated)	7030	72

the site	Actual hours
Risha	371.5
Zarqa	261
Aqaba	2053.5
Maffraq	576.5
Head Office	813
Hashemite	2652
King Talal Dam	302.5
Total	7030



Technical training	Number of attendees	The number of hours
	82	573
Air Processing Unit Air Compressor Inspection	4	12
BH-Masoneilan&BH;-Consolidated	2	17
Bop UPS Inspection	3	15
DCS Ovation (Trends and Signal diagram)	2	6
Earth Leakage Breakers Testing	3	15
EDG Routine Inspection	3	15
Electrical Apparatus Inspection	3	15
Emergency Diesel Generator Inspection-6M	4	12
FF MV Motor inspection	3	6
Foam System Inspection	6	30
GT Atomizing air booster compressor inspection	4	12
GT Generator Visual Inspection	3	30
Interlock Test for GT,ST & HRS GS.	2	6
LDO instrumentation	2	6
LDO Truck scale and instrumentation Check	2	6
Lux Measurement	3	15
process optimization with smart &connected; devices	1	5.5
Professional Training on Green Hydrogen and Renewable Power-to-X	1	72
PTW enhancement	21	68
Test & learn event	2	34
Sustainability and stability of the Jordanian electrical network	3	25.5
A practical course in the basics of welding	5	150

Financial training	Number of attendees	The number of hours
	2	40
Tax expert	2	40

HSE training	Number of attendees	The number of hours
	803	5606
Arc Flash Awareness Workshop	12	72
Conduct HSSE Training Management review -Site HSSE training plan, records, and data review with verifications	6	6
Deliver O&M Site HSSE Train the Trainer Training including HSSET Hub Training	9	9
Deliver workshop of HSSE Competency Pathway to CEGCO/APJ head office team key roles from each department/section including leadership management, HR	16	32
Deliver workshop of HSSE Competency Pathway to CEGCO/APJ Zarqa site representative from each department/section including Plant management, site HSSEs	16	32
Diesel Fire Pump Inspection -12M	4	12
Earthquake & crisis awareness	18	18
Fire Fighting Panels System	2	6
Greenroad Drive	18	18
Hazard Gas detection check and zero calibration for gas turbine	2	6
Hazard Identification And Stop Work Authority (HISWA)	19	38
HSSE Competency Pathway roll-out workshop with HSSE, HR & Training	4	4
HSSE training, plan, records, material, and data review with verifications, HSSE training system, equipment, and facilities review	4	8

HSE training	Number of attendees	The number of hours
ISO 45001:2018 Occupational Health & Safety Lead Auditor Course	1	750
Life Saving Rules	38	38
Mandatory HSE Procedure	23	23
Meeting & Discussion with Operator, Technician, Shift In-charge, Chemist, Engineer, Store Supervisor, ERT, Driver, and Contractors	13	26
Meeting & Discussion with Section Head, Manager, PGM, and admin	13	13
Near miss awareness	28	28
NEBOSH IGC	2	140
Procedure awareness	16	16
Safe Crane Driving & Operation	21	126
Safe Driving Application	4	4
Scaffolding competent person & inspector	15	180
Site HSE training Material, records, and data review with verifications	7	7
Suggestion and complaint	33	33
Tax expert for extinguishing fires and saving lives	50	200
Advanced first aid	33	286
Risk assessment	41	422
Comprehensive civil defense course	26	1248
Safe defensive driving course	304	1340
Occupational safety and health supervisors	5	465

HR	Number of attendees	The number of hours
	2	34
Training Module & performance appraisal module	2	34

IT	Number of attendees	The number of hours
	15	306.5
Commvault Certified Professional program	1	24
FireEye Training Course	4	48
FortiGate Security & FortiGate Infrastructure	1	15
Installation,storage,and computer with windows server 2016	3	115.5
Windows server 2019 Administration	2	84
Secure your world with digital confidence	4	20

Supply chain management courses	Number of attendees	The number of hours
	10	70
Purchase order procedures and direct purchase orders	10	70

Language courses	Number of attendees	The number of hours
	3	54
Drafting official correspondence	3	54

Technical conferences and seminars	Number of attendees	The number of hours
	64	220.5
Advanced excel	5	75
Information security and protection	59	145.5

Technical conferences and seminars	Number of attendees	The number of hours
	32	126
NSK Technical Day	2	17
The first specialized workshop in the field of energy	1	2
The investment sector within the framework of the economic modernization vision	3	15
The investment sector within the framework of the economic modernization vision	4	40
Seminar on cybersecurity of critical infrastructure	20	40
Strategic planning workshop for Al-Samra Company	2	12
TOTAL	1013	7030



• **Local community service:**

The company contributes to serving the local community in cooperation with universities and institutes through practical training programs in the company's sites aimed at providing graduates of Jordanian universities and institutes with the necessary experience and knowledge to engage in the labor market in electric power generation.

Where 17 students benefited from the practical training program during the year 2023 in the fields of electricity, mechanics, thermal machines and mechatronics at the company's various sites as follows:

Site	No.
ATPS	2
Balqa Applied University	1
Aqaba Vocational School	1
Mafraq	1
University of Science and Technology	1
Head Office	1
The Hashemite University	1
APZ	13
The Hashemite University	2
Al-Hussein bin Talal	1
Balqa Applied University	7
Zarqa Private University	1
Al-Bayt University	1
Jordanian-Korean Center - Vocational Training Institute	1
Grand total	17

• **Engineers training:**

In order to reinforce the principle of cooperation with the Jordanian Engineers Association and for the purpose of providing new engineers with experience and skills to qualify them for the labor market, the company has been training a number of engineers in accordance with the agreement to train newly graduated engineers within the specializations of electrical, mechanical and mechatronics engineering. 18 engineers have benefited from the training during the year 2023 at the company's sites. According to the following:

Location	No.
APZ	10
Electric Power	5
Mechatronics	2
Electronic Engineering	2
Mechanical Engineering	1
Risha	4
Electric Power	3
Electronic Engineering	1
KTD	1
Electric Power	1
Mafrq	2
Electric Power	2
Head office - IT	1
Electronic Engineering	1
TOTAL	18



10 **Risks Faced by the Company**

There are no risks that the company was exposed to or it is possible that the company will be exposed to, during the following year and it has a material impact on it

11 **Achievements of the Company in 2023**

11.1 **Occupational Health and Safety:**

CEGCO continued to take steady steps towards achieving its vision and mission of ensuring the ongoing improvement and enhancement of work systems and implementation of action plans, whilst placing a special focus on employe health and safety and protecting ambient environments and properties. In this regard:

- The company reviewed and developed some of the procedures and instructions of the occupational safety and health system to maintain the achievement of certification of occupational health and safety management systems ISO 45001: 2018 through TUV, LMS accreditation body in Jordan.
- Renewed the certification of occupational health and safety management systems ISO 45001: 2018 for zarqa power station for three years by TUV.
- Obtained the new certifications of Occupational health and safety management systems ISO 45001: 2018 for Mafrq PV and Risha PV for three years by TUV.
- An internal and external audit was conducted in the field of health, safety and environment in the various sites of the company to ensure the implementation of health, safety and environmental procedures in accordance with the international standard specifications ISO 45001:2018. The Department of Quality, Safety and occupational Health carried out the internal audit process, while TUV and LMS Jordan carried out the external audit. The audits showed that the company is committed to applying the requirements of the international standards for , occupational health and safety managment and environment ISO 45001: 2018. Corrective actions were taken for the audit outputs.
- ACWA Power conducted safety audit tour at all company sites, based on the results of the audit, the company takes the required corrective actions.
- Re-validation of all lifting equipment in the company was carried out and certificates of validity issued by an approved third party to ensure their safety and compliance with the required standards during their use in the various lifting works and activities of the company.
- The company conducted an annual medical test of the efficiency of the lungs and ears for all employees in various locations to ensure the safety of their occupational health in work areas related to noise and gases.
- The company continued to implement a non-smoking policy in various facilities to provide a healthy environment for all people, and to grant them the right to be within a healthy and clean environment.
- Some HSE procedures were reviewed and updated.
- Full implementation all HSE activities in HSE Synergy life system.
- Full implementation of ACWA Lesson Learnt (LL) conducted awareness and training and ensure implementations if required recommendation.
- In collaboration with the Department of Education and Development, CEGCO trained its qualified employees at company sites in specialized courses relating to occupational health, safety, and environment. The courses covered handling and operating and inspecting lifting equipment; driving forklifts; and installing and inspecting scaffoldings.
- The company is continual improving and updating procedures and instructions, according to government instructions updates, regarding the prevention of the spread of the Corona epidemic, conducting several electronic awareness sessions appropriate to prevent its spread, and distributing awareness brochures and posters and all CEGCO employees had gotten the 2d dose of vaccination.
- CEGCO achieved more than 7777535 work man\hours without LTI.

11.2 Consultations, Agreements, and External Services

- An internal audit agreement was concluded for a period of three years, at a value of \$60,000 annually, with ACWA Power Holding Company.
- An agreement was concluded with DeLoit Company, Saudi Arabia branch, to provide us with the transfer pricing - local file that required by the Income and sales Tax Department for amount of \$5,500.

11.3 Significant Statistics

Item	2022	2023	Growth rate(%)
Available capacity (MW)	752	394	-47.7
Generated energy (GWh)	652.4	60.9	-90.7
Internal consumed energy (GWh)	40.9	14.4	-64.8
Internal consumed energy (%)	6.26	23.62	277
Sold energy to NEPCO (GWh)	626	56	-91.0
Heavy fuel oil consumption (1000 ton)	0.00	0.00	0.00
Diesel oil consumption (cubic meter)	4.83	1.24	-74.3
Natural gas consumption / Egypt gas (Billion BTU)	3005	649	-78.4
Overall efficiency (generated) (%)	28.36	32.04	13.0
Overall efficiency (exported) (%)	26.58	29.71	11.8
Availability Factor (%)	99.60	100	0.40
Forced outage Factor (%)	0.40	0.00	-100
Planned outage Factor (%)	0.00	0.00	0.00
Employees	442	326	-26.2

Rehab Gas Station retired on 31/12/2021

Risha Gas Station retired on 17/10/2022

Performance Indicators

Table (1)

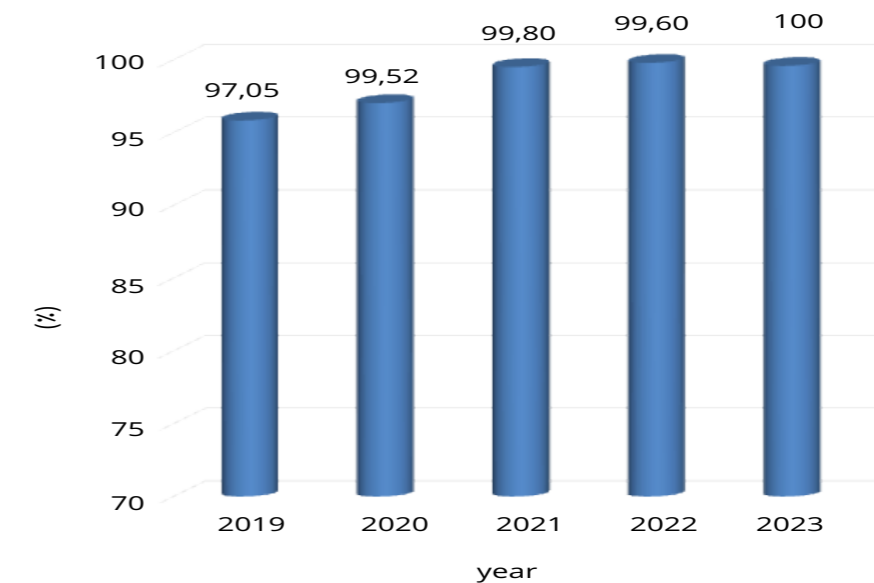
Technical Indicators	2019	2020	2021	2022	2023	Growth rate(%)
A. Performance Indicators						
Overall efficiency (generated) (%)	30.47	28.16	34.75	28.36	32.04	13.0
Overall efficiency (exported) (%)	27.98	26.96	31.16	26.58	29.71	11.8
Availability of generating units (%)	97.05	99.52	99.80	99.60	100	0.40
Percentage of internal consumed energy (%)	8.17	4.24	3.83	6.26	23.62	277
B. Financial Indicators						
Annual productivity (GWh/employee)	0.91	1.07	1.87	1.67	0.19	-88.8
Installed capacity (MW/employee)	1.89	1.44	1.70	1.16	1.21	3.81

Rehab Gas Station retired on 31/12/2021

Risha Gas Station retired on 17/10/2022

Fig (1)

Availability Factor (%)



CEGCO's Power Stations Performance Indicators

Table (2)
Availability Factor (%)

Power Station	2019	2020	2021	2022	2023
Aqaba Thermal	95.63	99.44	98.00	99.75	100.00
Total	97.05	99.52	99.80	99.60	100.00

Table (3)
Forced Outage Factor (%)

Power Station	2019	2020	2021	2022	2023
Aqaba Thermal	0.16	0.56	2.00	0.25	0.00
Total	0.24	0.35	0.10	0.40	0.00

Table (4)
Planned Outage Factor (%)

Power Station	2019	2020	2021	2022	2023
Aqaba Thermal	4.21	0.16	0.00	0.00	0.00
Total	2.71	0.13	0.10	0.00	0.00

Rehab Gas Station retired on 31/12/2021

Risha Gas Station retired on 17/10/2022

Power Station Efficiency

Table (5)
Efficiency (Generated) for Power Plants (%)

Power Station	2019	2020	2021	2022	2023
Aqaba Thermal	33.18	32.95	33.33	32.71	32.04
Total	30.47	28.16	34.75	28.36	32.04

Table (6)
Efficiency (Sent Out) for Power Plants (%)

Power Station	2019	2020	2021	2022	2023
Aqaba Thermal	25.47	24.72	27.81	28.21	29.71
Total	27.98	26.96	31.16	26.58	29.71

Rehab Gas Station retired on 31/12/2021

Risha Gas Station retired on 17/10/2022

Power Station Heat Rate

Table (7)

Heat Rate (Generated) for Power Plants (kJ/kWh)

Power Station	2019	2020	2021	2022	2023
Aqaba Thermal	10849	10926	10801	11004	11237
Total	11814	12785	12308	12696	11237

Table (8)

Heat Rate (Sent Out) for Power Plants (kJ/kWh)

Power Station	2019	2020	2021	2022	2023
Aqaba Thermal	14133	14564	12945	12763	12116
Total	12864	13352	12798	13544	12116

Rehab Gas Station retired on 31/12/2021

Risha Gas Station retired on 17/10/2022

Generated Electrical Energy

Table (9)

Generated Electrical Energy in CEGCO's Power Stations (GWh)

Power Station	2019	2020	2021	2022	2023	Growth rate (%)
Aqaba Thermal	153.8	73.8	140.6	288.2	60.9	78.9
Rehab	98.3	98.96	220.69	0.00	-	-
Risha	249.81	382.02	466.48	364.29	-	-
Ibrahimiya	0.40	1.72	0.10	0.00	-	-
Total	502.3	556.5	827.8	652.4	60.9	
Growth Rate (%)	-72.6	10.8	48.8	-21.2	-90.7	

Sold Electrical Energy

Table (10)

Sold Electrical Energy from CEGCO's Power Stations (GWh)

Power Station	2019	2020	2021	2022	2023	Growth rate (%)
Aqaba Thermal	141.0	68.0	129.7	264.3	56.5	78.6
Rehab	96.1	96.2	214.0	0.00	-	-
Risha	248.5	380.1	461.4	362.0	-	-
Ibrahimiya	0.37	0.25	0.10	0.00	-	-
Total	485.9	544.6	805.3	626.3	56.5	
Growth Rate (%)	77.2	12.1	47.9	-22.2	-91.0	

Rehab Gas Station retired on 31/12/2021

Risha Gas Station retired on 17/10/2022

Internal Electrical Energy Consumption

Table (11)

CEGCO's Power Stations Internal Consumption (MWh)

Power Station	2019	2020	2021	2022	2023
Aqaba Thermal	35734	18434	23288	39712	14386
Total	41025	23616	31685	40872	14386

Table (12)

CEGCO's Power Stations Internal Consumption (%)

Power Station	2019	2020	2021	2022	2023
Aqaba Thermal	23.23	24.97	16.57	13.78	23.62
Total	8.17	4.24	3.83	6.26	23.62

Rehab Gas Station retired on 31/12/2021

Risha Gas Station retired on 17/10/2022

Fuel Consumption

Table (13)

CEGCO's Power Plants Consumption of Fuel

Power Plant	Fuel Type	Unit	2018	2019	2020	2021	2022
ATPS	Natural Gas	Billion BTU	1247	764	631	3005	649
	HFO	Ton	8197	0	19828	0	0
	DO	Cubic meter	19	1	3	4	1
Total	Natural Gas	Billion BTU	2142	1706	845	3005	649
	HFO	Ton	8197	0	19828	0	0
	DO	Cubic meter	20	9	5	5	1

Rehab Gas Station retired on 31/12/2021

Risha Gas Station retired on 17/10/2022

Operating Power Stations Capacity in Electrical System

Table (14)

Installed capacity of CEGCO's Power Stations in 2022 (MW)

Power Station	steam	Hydro	Total
Aqaba	3 x 130	3.6	394
Total	390	3.6	394

Table (15)

Installed Capacity of Operating Power Stations in Electrical System (MW)

Source	2019	2020	2021	2022	2023
1- CEGCO	1044	752	752	454	394
Steam	650	390	390	390	390
Combined cycle	297	297	297	0	0
Gas turbines / Natural gas	90	60	60	60	0
Hydro	6	3.6	3.6	3.6	3.6
Wind	1.4	1.4	1.4	0	0
2. Other Organizations	4571	4643	5000	5313	5313
ACWA Power Zarqa	485	485	485	485	485
Samra Electrical Power Generting Company	1250	1241.29	1241	1241	1241
King Talal Dam	6	6	6	6	6
AES	370	370	370	370	370
Al Qatraneh	373	373	373	373	373
IPP3	573	573	573	573	573
IPP4	241	241	241	241	241
Al Attarat Power Company	0	0	0	235	235
Jordan Wind for Renewable Energy	117	117	117	117	117
Hussien University Wind	80	80	80	80	80
Al Rajef	82	86	86	86	86
Al Fujaij	89.1	89.1	89.1	89.1	89.1
Mass	-	100	100	100	100
Al Shobak	-	45	45	45	45
Aboor	-	-	50	50	50
Daihan	-	-	50	50	50
Al Ward Al Joury Co	10	10	10	10	10
Shamsna Aqaba	10	10	10	10	10
Maan Sun	52.5	52.5	52.5	52.5	52.5
Sun Edison Company	20	20	20	20	20
Zahrat Al Salam	10	10	10	10	10
Mertifier	10	10	10	10	10
Bright power	20	20	20	20	20
Green land	10	10	10	10	10
Ennera/ Maan	10	10	10	10	10
Catalyst	21	21	210	210	210
Jordan Solar one	20	20	20	20	20
Scatec Solar Company	10	10	10	10	10
Mafraq Development Projects/ Solar	153	153	153	153	153
Al Azraq/ Al Safawi	59	50	50	50	50
Quera/ Solar	-	92	92	92	92
Risha Solar	-	50	50	50	50
East Amman	-	40	40	40	40
Masdar	-	200	200	200	200
Azraq	-	11	11	11	11
Al Zaatry	-	12	12	12	12
Philadeifia Hussienieh	-	-	40	40	40
Others	95	25	52.91	131	131
Total System	5259	5615	5751.8	5767	5707

Loads of Electrical System

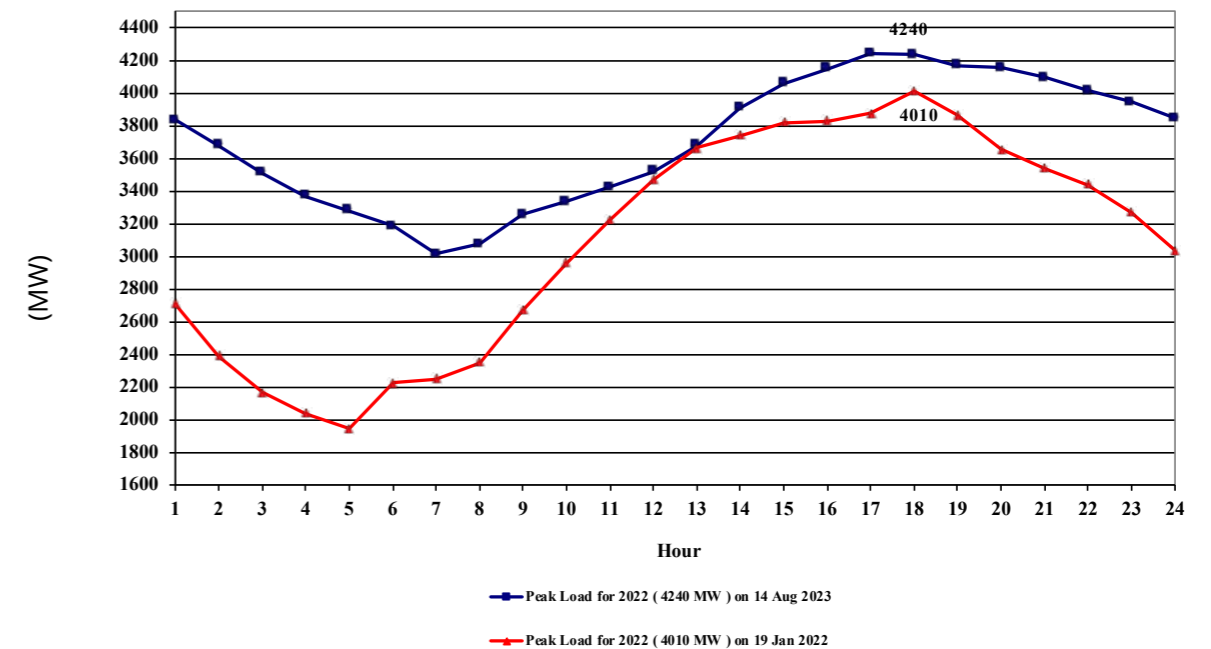
Table (16)

Electrical System Peak Load Development (MW)

Source	2019	2020	2021	2022	2023
Total Electrical System	3380	3630	3770	4010	4240
Load Growth Rate (%)	5.46	7.40	3.86	6.37	5.74
CEGCO	431	61	192	399	0.00
CEGCO share of Loads (%)	12.8	1.7	5.1	10.0	0.00

Fig (2)

Electrical System Peak Load for Years 2022 & 2023



12 There is no financial impact to the operations of non-recurrent in nature during the financial year and does not fall within the main company's activity

- The company's working capital was reduced by 27 million dinars and the mandatory reserve by 4.5 million dinars based after obtaining the necessary approvals from the concerned authorities.
- The company reduced the Decommissioning provision of retired units at the Aqaba station by 1.248.750 dinars due to the lack of need for it.

13 Time series of realized profits or losses and dividends and net shareholders equity and the prices of securities for a period of five years

	2023	2022	2021	2020	2019
Profit (loss)- after tax	13,273,222	24,689,059	11,941,565	10,049,107	21,317,749
Dividends	26,000,000	13,000,000	12,000,000	20,000,000	-
Dividends from voluntary reserve	-	-	10,000,000	-	-
Dividends from special reserve	-	-	-	-	-
Share holders equity (net)	24,995,360	64,830,353	51,457,284	60,417,249	70,068,968

* Shares issued price /JD

* CEGCO registered on Jordan Securities Commission on 26/9/2007.but its stock not listing at Amman Stock Exchange till now.

14 Analysis of the financial status of the company and the results during the financial year

Profitability indicators	2023	2022
Operation profit (loss) ratio (without fuel)	7.16%	6.47%
Net profit (loss) before interest , foreign exchange & tax (without fuel)	42.74%	67.05%
Net profit (loss) before tax (without fuel)	42.77%	68.31%
Net profit (loss) after tax (without fuel)	39.99%	73.30%
Return on assets ratio (without fuel)	12.81%	19.28%

Liquidity Indicators	2023	2022
Current Ratio (time)	1.07	3.46
Liquidity Ratio (time)	0.90	3.10
Work Capital (1000 JD)	1323	32166
Assets Utility Indicators	2023	2022
Accounts Receivable Turnover (TIME)	0.86	1.10
Number Of Days Of Receivables	423	331
Capital Structure Indicators	2023	2022
Debts / Total Assets Ratio	54.40%	31.76%
Debts / Equity Ratio	119.33%	46.50%

15 Future developments and future plans of the company

The company focuses on providing operation and maintenance services to other companies in the power generation sector, mainly ACWA Power projects in Jordan.

16 The amount of audit fees for the company and its subsidiaries and the amount of any fees for other services received by the auditor and due to him

Auditing Office : Ernst & Young 2023	JD
Auditing charges	29,870
Tax consultations charges	20,880
preparing & submission the transfer pricing form	4,530
Total	55,280

17.A The names of members of the Board of Directors and the curriculum vitae for each of them

NAME MEMBER	Position	Nationality	Share No.	Share No.
			2023	2022
Enara Energy Investment		Jordanian	1,480,000	15,250,000
H.E.Dr. Moayad Samman	Chairman	Jordanian		
H.E.Eng. John Harison Clarck	Vice-Chairman	British		
H.E. Eng. Yasser Adeeb Burgan	Member	Jordanian		
Enara (2) Energy Investment		Jordanian	50,000	50,000
H.E.MrAbid Hussain Malik	Member	Pakistani		
The Government Of Jordan		Jordanian	1,200,000	12,000,000
H.E. Dr.Faysal Abdul Razak Al Hyari	Member	Jordanian	—	—
H.E.Eng. Shorouq Abdel Ghani	Member	Jordanian		
H.E.Mrs. Shorouq Abdel Ghani		Jordanian	270,000	2,700,000
H.E. Eng. Ziad Ahmad Obeidat	Member	Jordanian		

17.B There are no Securities Owned by Senior Executive Management Personnel.

17.C There are no Securities Owned by Relatives of Members of Board of Directors & Senior Executive Management Personnel.

17.D There are no companies controlled by members of the Board of Directors or any of their relatives or the Executive Management or any of their relatives.

18.A Benefits and remuneration received by the Chairman and members of the board of directors

NAME	Position	Transportation	Remuneration	Total
Enara Energy Investment				
H.E.Dr. Moayad Samman	Chairman	6,000	5,000	11,000
H.E.Eng. John Harison Clarck	Vice-Chairman	6,000	5,000	11,000
* H.E. Eng. Yasser Adeeb Burgan	Member	6,000	5,000	11,000
Enara (2) Energy Investment				
* H.E.Mr Abid Hussain Malik	Member (From 7/3/2022)	6,000	5,000	11,000
The Government Of Jordan				
** H.E. Dr.Faysal Al Hyari	Member	6,000	5,000	11,000
** H.E.Eng. Shorouq Abdel Ghani	Member	6,000	5,000	11,000
Government Investment Management Co.LLC				
*** H.E. Eng. Ziad Ahmad Obeidat	Member	6,000	5,000	11,000
Total		42,000	35,000	77,000

*The total benefits that belong to H.E.Dr. Moayad Samman, H.E.Mr John Harrison Clark, H.E.Mr. Yasser Adeeb Burgan and H.E.Mr Abid Hussain Malik and H.E.Mr Jasdeep Singh Anand transferred to Enara Energy Investment

** The remuneration that belong to Mr. Faisal Al Hiari and H.E.Mrs. Shorouq Abdel Ghani who represent the Government Of Jordan transferred to Ministry of Finance /Governmental Contribution Department.

***The total benefits that belong to Mr. Ziad Ahmad Obeidat transferred to Social Security Corporation-Investment fund of Social Security .

18.B Benefits and remunerations received by the executive management

Name	POSITION	Total Salaries	Remunera-tions	Traveling	Other Bene-fits	TOTAL
Eng. Mwaffaq Alawneh	Chief Executive Officer	102600	15600	3850	0	122050
Mr. Ali Mohammad Zuhair	Financial Executive Manager	39690	6040	0	0	45730
Mr. Omar Al Shammari	Supply Chain Excutive Manager	39706	8011	425	0	48142
Eng. Osama Al Da aja	Executive Manager / Commercial directorate	34170	4305	550	0	39025
Mrs. Alia Radwan Hiassat	Secretary BOD	33945	6868	0	0	40813
Mr. Ghaith Obeidat	Financial Manager	32040	3664	0	0	35704
Total		282151	44488	4825	0	331464

19 Grants and Donations Paid by the Company in 2023

Item	AMOUNT
	2023
Donating ration cards to families in need during the holy month of Ramadan	8000
Donating the building to Al Shoala Sports Club	1586
Maintenance of government schools in Aqaba, Zarqa and Mafraq	14983
TOTAL	24569

20 The Contracts, projects, or engagements made by the exporting company with the subsidiaries, sister companies, associate companies, Chairman of the Board, board of directors, the president, or any employee in the company or their relatives

Issuing purchase order to Nomac Maintenance Energy Services to perform maintenance Services for a total amount of 65,500 USD.

21.A Environment Conservation

- The Central Electricity Generating Company continued to cooperate with the various local governments authorities responsible for ambient environments in order to develop plans, programs and practical solutions, and to implement the international standards, to ensure safely and acceptable environmental situation in all of the company’s sites. Among the most important activities carried out by the company during the year were:
- Renewed the certification of ISO 14001-2015 Environmental Management Systems certification for zarqa power station for three years by TUV.
- Obtained the new certifications of ISO 14001-2015 Environmental Management Systems for Mafraq PV and Risha PV for three years by TUV.
- An internal and external audit was conducted on the ISO 14001:2015 environmental management system in various company sites to ensure the implementation of environmental procedures, systems and measurements in accordance with international standards by (TUV, LMS companies awarding IMS certificates) where it showed the company’s commitment to international environmental standards.
- The company has effectively followed up the implementation by implementing the policies and procedures in effectiveness, the most important of which are:
- Commitment to relevant legislation and following up on any updated or new procedures and laws related to environment and waste managements.
- No violation of environmental legislation for the year 2023 was recorded.

21.B Contribution of the company to the local community

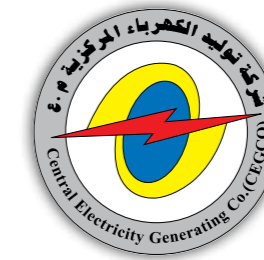
Central Electricity Generating Company (CEGCO) has continued its efforts to support and serve local communities. Throughout the year, the Company allocated a special budget and developed an effective action plan to ensure the implementation of its corporate social responsibility strategy and broaden the positive impact it has on societies.

In line with its commitment to its mission and values, CEGCO implemented a wide range of community initiatives and programs in different areas across the Kingdom, with a focus on the areas where it operates.

These programs included the following initiatives:

- Maintenance of government schools in Aqaba, Zarqa and Mafraq
- Donating the building to Al Shoala Sports Club
- Donating purchase cards to needy families

Year after year, CEGCO affirms its keenness to fulfill its corporate social responsibility by developing and improving various sectors, to achieve sustainable social and economic development in the Kingdom.



Central Electricity Generating Company

Financial Statements

31 December 2023



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INDEPENDENT AUDITOR'S REPORT To the Shareholders of Central Electricity Generating Company Amman - Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Central Electricity Generating Company - Public Shareholding Company ("the Company"), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including to material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (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

Other information included in the Company's 2023 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. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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's 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

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

The partner in charge of the audit resulting in this auditor's report was Ali Samara; license number 503.

Amman – Jordan
27 March 2024



CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	2023 JD	2022 JD
ASSETS			
NON-CURRENT ASSETS -			
Property, plant and equipment	3	26,255,486	39,979,542
Intangible assets	4	484,739	736,403
Right of use assets	6	1,066,846	1,275,266
Employees' housing fund loan	7	-	12,432
Deferred tax assets	8	2,711,628	2,624,429
Strategic fuel inventories	9	4,787,106	5,132,031
		<u>35,305,805</u>	<u>49,760,103</u>
CURRENT ASSETS -			
Inventories	10	3,106,280	4,704,552
Other current assets	11	4,404,972	14,529,069
Accounts receivable	12	5,709,332	13,645,105
Cash and bank balances	31	6,429,178	12,337,638
		<u>19,649,762</u>	<u>45,216,364</u>
TOTAL ASSETS		<u>54,955,567</u>	<u>94,976,467</u>
EQUITY AND LIABILITIES			
EQUITY -			
Paid in capital	1,13	3,000,000	30,000,000
Statutory reserve	13	3,000,000	7,500,000
Voluntary reserve	13	672,932	672,932
Retained earnings		18,322,429	26,657,422
TOTAL EQUITY		<u>24,995,361</u>	<u>64,830,354</u>
LIABILITIES			
NON-CURRENT LIABILITIES -			
Long term loans	14	3,973,513	8,225,063
Contract lease liabilities	6	789,076	980,616
Employees' end-of-service indemnity provision	15	4,546,138	4,474,708
Decommissioning provision	16	2,279,738	3,414,754
		<u>11,588,465</u>	<u>17,095,141</u>
CURRENT LIABILITIES -			
Current portion of long-term loans	14	3,827,785	4,092,922
Other current liabilities	17	11,853,883	3,734,652
Contract lease liabilities	6	262,878	261,375
Accounts payable	18	-	2,393,431
Due to banks	31,32	112,020	200,793
Income tax provision	8	2,315,175	2,367,799
		<u>18,371,741</u>	<u>13,050,972</u>
Total Liabilities		<u>29,960,206</u>	<u>30,146,113</u>
TOTAL EQUITY AND LIABILITIES		<u>54,955,567</u>	<u>94,976,467</u>

The attached notes from 1 to 39 form part of these financial statements

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 JD	2022 JD
Power generation revenues	20	33,191,189	48,155,923
Fuel cost	21	-	(14,475,753)
Stations operating costs	22	(491,129)	(480,459)
Depreciation and amortization	3,4	(13,578,517)	(15,190,079)
Depreciation of right-of-use assets	6	(208,420)	(208,420)
Interest expense on contract lease liabilities	6	(79,297)	(89,538)
Salaries and benefits	23	(9,932,640)	(11,533,243)
Maintenance expenses	24	(1,835,367)	(1,377,203)
Administrative expenses	25	(2,341,635)	(3,186,004)
Depreciation expense of slow-moving spare parts and general materials	10	(1,425,063)	(1,523,728)
Employees' end-of-service indemnity provision	15	(650,298)	(683,335)
Employees' termination benefits provision	17	(354,759)	(1,676,979)
Total operating costs		(30,897,125)	(50,424,741)
OPERATING PROFIT (LOSS)		2,294,064	(2,268,818)
Foreign currency exchange profit, net	26	465,967	884,943
Other income, net	27	11,732,223	25,197,946
Reversal of (provision for) expected credit losses	11,12	80,296	(259,129)
Finance costs	28	(377,560)	(547,531)
PROFIT FOR THE YEAR BEFORE INCOME TAX		14,194,990	23,007,411
Income tax (expense) benefit	8	(921,771)	1,681,649
PROFIT FOR THE YEAR		13,273,219	24,689,060
		Fills/JD	Fills/JD
Basic and diluted earnings per share	29	0/632	0/823

The attached notes from 1 to 39 form part of these financial statements

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 JD	2022 JD
PROFIT FOR THE YEAR		13,273,219	24,689,060
Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Actuarial (losses) gains on employees' end-of-service indemnity	8,15	(108,212)	634,666
TOTAL OTHER COMPREHENSIVE INCOME ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		(108,212)	634,666
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		13,165,007	25,323,726

The attached notes from 1 to 39 form part of these financial statements

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Paid in capital		Statutory reserve		Voluntary reserve		Cash flow hedge reserve		Retained earnings		Total	
	JD		JD		JD		JD		JD		JD	
2023 -												
Balance at 1 January 2023	30,000,000		7,500,000		672,932		-		26,657,422		64,830,354	
Profit for the year	-		-		-		-		13,273,219		13,273,219	
Other comprehensive items for the year	-		-		-		-		(108,212)		(108,212)	
Total comprehensive income for the year	-		-		-		-		13,165,007		13,165,007	
Capital reduction (note 1)	(27,000,000)		-		-		-		-		(27,000,000)	
Statutory reserve reduction (note 1)	-		(4,500,000)		-		-		4,500,000		-	
Cash dividends (note 13)	-		-		-		-		(26,000,000)		(26,000,000)	
Balance at 31 December 2023	3,000,000		3,000,000		672,932		-		18,322,429		24,995,361	
2022 -												
Balance at 1 January 2022	30,000,000		7,500,000		672,932		(1,049,344)		14,333,696		51,457,284	
Profit for the year	-		-		-		-		24,689,060		24,689,060	
Other comprehensive items for the year	-		-		-		-		634,666		634,666	
Total comprehensive income for the year	-		-		-		-		25,323,726		25,323,726	
Transferred to profit or loss due to the maturity of the hedged item	-		-		-		1,049,344		-		1,049,344	
Cash dividends (note 13)	-		-		-		-		(13,000,000)		(13,000,000)	
Balance at 31 December 2022	30,000,000		7,500,000		672,932		-		26,657,422		64,830,354	

The attached notes from 1 to 39 form part of these financial statements

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 JD	2022 JD
OPERATING ACTIVITIES			
Profit for the year before income tax		14,194,990	23,007,411
Adjustments for:			
Depreciation and amortization	3,4	13,578,517	15,190,079
Depreciation of right-of-use assets	6	208,420	208,420
Interest expense on contract lease liabilities	6	79,297	89,538
Depreciation expense of slow-moving spare parts and general materials	10	1,425,063	1,523,728
Provision for decommissioned units	16	113,734	106,792
Employees' end-of-service indemnity provision	15	650,298	683,335
Employees' vacations provision	17	51,118	72,305
Employees' termination benefits provision	17	354,759	1,676,979
Employees' incentive provision	17	415,600	448,999
Board of directors Remuneration provision	17	35,000	35,000
Legal cases provision	17	-	47,642
Gain on sale of property, plant, and equipment	27	(1,272,343)	(3,933,260)
Gain on sale of scrap- retired units	27	(303,498)	(701,410)
Gain from sale of strategic fuel inventory	27	(543,312)	(6,177,726)
Gain from foreign currency exchange	26	(465,967)	(884,943)
(Reversal) provision for expected credit losses	11,12	(80,296)	259,129
Reversal of decommissioning provision, net	16	(1,248,750)	-
Interest income	27	(949,078)	(178,494)
Finance costs	28	263,826	440,739
Working capital changes:			
Accounts receivable		7,935,773	60,088,079
Other current assets		10,204,393	(9,739,472)
Inventories		173,209	771,920
Accounts payable		(2,393,431)	(59,766,553)
Other current liabilities		(742,998)	671,942
Employees' vacations provision paid	17	(109,962)	(82,918)
Employees' end-of-service indemnity provision paid	15	(710,760)	(850,687)
Employees' termination benefits provision	17	(354,759)	(1,676,979)
Legal cases provision paid	17	-	(102,897)
Employees' incentive provision paid	17	(465,600)	(398,999)
Board of directors Remuneration paid		(35,000)	(35,000)
Income tax paid	8	(1,037,914)	(1,412,935)
Net cash flows from operating activities		38,970,329	19,379,764
INVESTING ACTIVITIES			
Purchases of property, plant and equipment, and projects under construction	3,5	(3,074)	(213,232)
Proceeds from sale of property, plant, and equipment		1,672,620	4,614,992
Proceeds from sale of scrap- retired units	27	303,498	701,410
Proceeds from sale of strategic fuel inventory		888,237	11,192,133
Employee's housing fund loan received	7	12,432	75,000
Deposits at banks with original maturity date more than three months	31	(5,096,434)	-
Interest received	27	949,078	178,494
Net cash flows (used in) from investing activities		(1,273,643)	16,548,797
FINANCING ACTIVITIES			
Repayments of loans		(4,053,890)	(5,788,090)
Dividends paid	13	(26,000,000)	(11,354,600)
Capital Reduction		(18,000,000)	-
Interest paid		(292,753)	(490,661)
Contract lease liabilities payments	6	(269,334)	(269,334)
Net cash flows used in financing activities		(48,615,977)	(17,902,685)
Net (decrease) increase in cash and cash equivalents		(10,919,291)	18,025,876
Effect of exchange rate changes on cash and cash equivalents		3,170	22,136
Cash and cash equivalents at 1 January		12,136,845	(5,911,167)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	31	1,220,724	12,136,845

The attached notes from 1 to 39 form part of these financial statements

(1) GENERAL

Central Electricity Generating Company (the “Company” or “CEGCO”) was registered in accordance with the Jordanian Companies Law No. (22) of 1997 and in implementation of the Council of Ministers resolution dated 4 October 1997, regarding the establishment of a separate Company from the National Electric Power Company, to conduct electrical generating activities, which is the main activity the Company is engaged in.

The Company was registered with the Ministry of Industry and Trade on 12 February 1998 as a public shareholding Company under number (334) and commenced its industrial and commercial activities on 1 January 1999.

In accordance with the privatization initiatives, the Government during 2007 sold 51% of CEGCO shares to ENARA Energy Investments (Private Shareholding Company). Another 9% of the Government’s shares was sold to the Social Security Corporation. In connection with the sale, on 20 September 2007, the Company signed a new Power Purchase Agreements (PPA) with its sole client, National Electric Power Company (NEPCO), of which one agreement is still in operation as at 31 December 2023 that is related to the operations of the site in Aqaba.

In its extraordinary meeting held on 10 April 2023, the Company’s General Assembly approved to reduce the Company’s paid in capital by an amount of JD 27,000,000. The new authorized and paid in capital amounted to JD 3,000,000 divided into 3,000,000 shares at a par value of JD 1 per share. The Company completed all legal procedures and obtained all the needed approvals from the Ministry of Industry and Commerce and from the Jordan Securities Commission.

In 2023, the Company obtained an approval from the Companies Control Department to reduce the statutory reserve by JD 4,500,000 to align with the reduction in paid in capital to become 100% of the new paid in capital.

The financial statements were authorized for issuance by the Company’s Board of Directors in their meeting held on 26 March 2024 and it is subject to the approval of the General Assembly.

(2-1) BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements are presented in Jordanian Dinars which is the functional currency of Jordan.

(2-2) CHANGES IN INFORMATION RELATED TO MATERIAL ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2022 except for the adoption of new standards effective as of 1 January 2023 shown below:

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

A specific adaptation for contracts with direct participation features (the variable fee approach), A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 has been applied retrospectively on 1 January 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the Company.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of ‘accounting estimates’. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective from 1 January 2023, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules as its revenue is less than EUR 750 million/year.

(2-3) SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Useful life of property, plant and equipment

The Company's management estimates the useful life for property, plant and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets. Future depreciation expense is adjusted if management believes that the remaining useful life of the assets differs from previous estimations. Starting 1 January 2020, management has adjusted power units remaining useful lives in accordance with the end of production period for each unit.

Income tax provision

The Company's management calculates tax expense for the year based on reasonable estimates, for possible consequences of audit by the Income and Sales tax department. The amount of tax provision is based on various factors, such as experience of previous tax audits. Additionally, the Company engages an independent tax specialist to review the tax provision calculations.

Deferred tax assets are recognized for all deductible temporary differences such as unused tax expenses and losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Details of income tax provision and deferred taxes are disclosed in (note 8).

Provision for decommissioning

The Company's management calculates provision for decommissioning costs based on future estimated expenditures discounted to present values. Changes in the provision arising from revised estimates or discount rates or changes in the expected timing of expenditures that relate to property, plant and equipment are recorded as adjustments to their carrying value and depreciated prospectively over their remaining estimated useful economic lives; otherwise, such changes are recognized in the statement of profit or loss.

The unwinding of the discount is included within the statement of profit or loss as part of finance costs.

Employees' end-of-service indemnity provision

Employees' end of service indemnity provision is measured using the Projected Unit Credit Method that is calculated by an actuary. Actuarial assumptions are disclosed in (note 15).

Provision for expected credit losses

Provision for expected credit losses on receivables is reviewed in accordance with the simplified approach and under the principles and assumptions approved by the Company's management to estimate the provision amount in accordance with IFRS requirements.

(2-4) INFORMATION RELATED TO MATERIAL ACCOUNTING POLICES

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets using annual percentages as follows:

	%
Buildings	2 -33
Steam generating units	4 - 17
Computers	17-25
Vehicles	20
Equipment	10
Tools	20
Furniture and office equipment	10

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount and impairment loss is presented in the statement of profit or loss.

The Company's management estimates the useful life for property, plant and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible asset. Intangible assets represent software and computer systems and are amortized over 5 years.

Projects in progress

Projects in progress are stated at cost including the cost of construction, equipment and other direct costs and it is not depreciated until it is available for use.

Decommissioning costs

Provision is recognized for decommissioning costs, based on future estimated expenditures discounted to present values. Where appropriate, the establishment of a provision is recorded as part of the original cost of the related property, plant and equipment.

Changes in the provision arising from revised estimates or discount rates or changes in the expected timing of expenditures that relate to property, plant and equipment are recorded as adjustments to their carrying value and depreciated prospectively over their remaining estimated useful economic lives; otherwise, such changes are recognized in the statement of profit or loss.

The unwinding of the discount is included within the statement of profit or loss as part of the finance costs.

Inventories

Inventories are valued at the lower of cost or net realisable value.

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition and is determined using the weighted average method, except for the operating fuel inventory, the cost of which is determined using the first-in-first-out (FIFO) method.

Slow moving provision for spare parts and general materials is calculated based on the estimated remaining lives of the of the power generation units related to these parts.

Accounts receivable

Accounts receivables are stated at original invoice amount less any provision for any uncollectible amounts or expected credit loss. The Company has applied the simplified method of International Financial Reporting Standard No. (9) to record the expected credit losses on all debt instruments, and to calculate the expected credit losses over the entire life of the debt instruments. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances, and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Loans

All term loans are initially recognized at net consideration received and interest is recognized using the effective interest rate method. Interest on long term loans is recorded during the year when earned. Interest on long term loans for the purpose of financing projects in progress, is capitalized as a part of the project cost.

Employees' end-of-service indemnity provision

Employees' end-of-service indemnity provision is calculated according to The Board of Directors' resolution No. (89) for the year 2000. It is computed for the accumulated service period based on the last salary and allowances vested to the employees multiplied by the accumulated service period less the Company's periodic contributions to the Social Security Corporation for the accumulated year of service at the statement of financial position date. The liability is valued by professionally qualified independent actuaries.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Revenue recognition

Revenue is recorded in accordance with International Accounting Standard No. (15), which includes a five-step model where sales revenue is recognized when the risks and benefits have been transferred substantially to the buyer and when the revenue can be measured reliably.

Revenues from electric Power Generation is recognised upon the use of power plants to generate electricity during the period when electric power is available at the power stations, according to the Power Purchase Agreement signed with NEPCO.

Other income is recognized when earned on the accrual basis.

Expense recognition

Expenses are recognized when incurred according to the accrual basis of accounting.

Cash flow hedges

Derivative financial instruments are recognized at fair value at the date of the contract and are subsequently measured at fair value. Financial derivatives are recorded within assets if their fair value is positive and within liabilities if their fair value is negative.

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

For the purposes of hedge accounting, the Company has classified interest rate swap contracts as cash flow hedges where the Company hedges to limit the variability in cash flows related to the risk of change in interest rates associated with expected transactions.

Hedges, to which the terms of use of hedge accounting apply, are accounted for as follows:

Cash Flow Hedges:

The effective part of the profit or loss from the hedging instrument is recognized in other comprehensive income, and the ineffective part is recognized directly in profit or loss within other operating expenses.

Amounts recorded in other comprehensive income are transferred to profit or loss when the hedging process affects profit or loss, such as recognizing interest expense in profit or loss. Since the hedged item represents the cost of the non-financial assets or liabilities, the amounts recognized in comprehensive income are transferred to the carrying amount of the non-financial assets or liabilities.

If the expected transaction is no longer likely to occur, the amounts previously recognized in other comprehensive income are transferred to profit or loss. If the hedging instrument is sold or held without redeeming or extending the term of the hedging instrument, or if it is de-identified as a hedging instrument, the amounts previously recognized in other comprehensive income remain in other comprehensive income until the forecast transaction occurs.

Derivatives for trading

The fair value of derivative financial instruments held for trading purposes (such as foreign exchange forward contracts, future interest contracts, swap contracts, foreign exchange rate options rights) is recorded in the statement of financial position, and the fair value is determined according to the prevailing market prices, and if it is not available, a method is mentioned. Valuation, and the amount of changes in fair value is recorded in the statement of profit or loss.

Income tax

Income tax expense represents current year income tax and deferred income tax.

Accrued tax expenses are calculated based on taxable income, which may be different from accounting income as it may include tax-exempt income, non-deductible expenses in the current year that are deductible in subsequent years, tax-accepted accumulated losses or tax-deductible items.

Current income tax is calculated based on the tax rates and laws that are applicable at the statement of financial position date and according to IAS (12).

Deferred income taxation is provided using the liability method on all temporary differences at the financial statement date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted at the financial position date. The carrying values of deferred income tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment of financial assets

The Company assesses at each financial position date whether there is any objective evidence that a financial asset or a group of financial assets are impaired. A financial asset or a group of financial assets are considered impaired when there is objective evidence of impairment as a result of one or more events (loss event) that occur after the asset's initial measurement, that will have a direct and reasonably estimated impact on its future cash flows. Permanent impairment indicators could comprise of indications that the borrower or a group of borrowers are facing significant financial difficulties, or neglect, or default in making interest or principal payments, and are likely to be subject to bankruptcy or financial restructuring. Furthermore, permanent impairment indicators exist when observable data indicates the existence of a measurable decrease in estimated cash flows such as changes in the Company's economic conditions due to negligence.

The Company's management does not believe there were any indications of impairments of its financial assets during the 2023 and 2022.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of profit or loss.

Fair value

Fair value represents the price received in exchange for financial assets sold, or price paid to settle a sale between market participants at the date of financial statements.

The fair value is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. The Company needs to acquire opportunities to access the active market or the best fit market.

The Company measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

The fair value measurement of non-financial assets considers the ability of market participants to utilize the assets efficiently in order to generate economic benefits, or to sell them to other participants who will utilize them in the best way possible.

The Company uses valuation techniques that are appropriate and commensurate with the circumstances, and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable, and minimizes the use of inputs that are not directly observed.

The Company uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements or have been written off are categories within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have accrued between levels in the hierarchy by reassessing categorization (based on the lowest level input that significant to the fair value measurement as a whole) at the end of each reporting period.

For the disclosure of fair value, the Company classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

Classification of current and non-current

The Company presents assets and liabilities in the statement of financial position based on current and non-current classification. An asset is considered current when:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- it is kept primarily for the purpose of trading
- expected to be achieved within twelve months after the reporting period
- cash and the like unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is considered current when:

- it is expected to be settled in a normal operating cycle;
- it is kept primarily for the purpose of trading;
- when it is due within twelve months after the reporting period; And the
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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Segment reporting

For the purpose of reporting to management and the decision makers in the Company, a business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

Offsetting

Offsetting between financial assets and financial liabilities and presenting the net amount on the statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

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(3) PROPERTY, PLANT AND EQUIPMENT

2023 -	Land & Buildings		Steam generating units		Computers		Vehicles		Equipment		Tools		Furniture and office equipment		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:																
At 1 January 2023	92,797,265	276,479,651	1,530,756	751,689	1,993,987	772,721	481,974	374,808,043								
Additions	-	-	-	-	3,074	-	-	3,074								
Disposals	(420,933)	(655,688)	(1,989)	(23,500)	(255,517)	(3,171)	(104,462)	(1,465,260)								
At 31 December 2023	92,376,332	275,823,963	1,528,767	728,189	1,741,544	769,550	377,512	373,345,857								
Accumulated depreciation:																
At 1 January 2023	82,118,143	247,838,693	1,311,436	584,384	1,898,921	663,744	413,180	334,828,501								
Depreciation for the year	2,879,864	10,223,515	95,682	48,888	36,677	26,605	15,622	13,326,853								
Disposals	(20,735)	(655,687)	(1,989)	(23,499)	(255,472)	(3,167)	(104,434)	(1,064,983)								
At 31 December 2023	84,977,272	257,406,521	1,405,129	609,773	1,680,126	687,182	324,368	347,090,371								
Net book value at 31 December 2023	7,399,060	18,417,442	123,638	118,416	61,418	82,368	53,144	26,255,486								

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	Land & Buildings		Steam generating units		Gas generating units		Wind generating units		Computers		Vehicles		Equipment		Tools		Furniture and office equipment		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2022 -																				
Cost:																				
At 1 January 2022	98,092,225	276,479,651	127,174,754	425,407	1,575,280	983,589	4,116,507	1,962,817	856,065	511,666,295										
Additions	75,000	-	-	-	17,487	43,500	13,302	-	-	-	-	-	-	-	-	-	-	-	-	149,289
Transferred from projects in progress (note 5)	213,474	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	213,474
Disposals	(5,583,434)	-	(127,174,754)	(425,407)	(62,011)	(275,400)	(2,135,822)	(1,190,096)	(374,091)	(137,221,015)										
At 31 December 2022	92,797,265	276,479,651	-	-	1,530,756	751,689	1,993,987	772,721	481,974	374,808,043										
Accumulated depreciation:																				
At 1 January 2022	84,630,925	237,615,178	125,483,650	237,095	1,277,722	815,959	3,901,319	1,719,631	747,885	456,429,364										
Depreciation for the year	2,886,955	10,223,515	1,520,301	3,939	95,493	43,813	86,466	54,624	23,309	14,938,415										
Disposals	(5,399,737)	-	(127,003,951)	(241,034)	(61,779)	(275,388)	(2,088,864)	(1,110,511)	(358,014)	(136,539,278)										
At 31 December 2022	82,118,143	247,838,693	-	-	1,311,436	584,384	1,898,921	663,744	413,180	334,828,501										
Net book value at 31 December 2022	10,679,122	28,640,958	-	-	219,320	167,305	95,066	108,977	68,794	39,979,542										

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(4) INTANGIBLE ASSETS

	Software and Computer Systems	
	2023	2022
	JD	JD
Cost:		
Balance at 1 January	1,454,219	1,454,219
Balance at 31 December	1,454,219	1,454,219
Accumulated amortization:		
Balance at 1 January	717,816	466,152
Amortization for the year	251,664	251,664
Balance at 31 December	969,480	717,816
Net book value:		
As at 31 December	484,739	736,403

(5) PROJECTS IN PROGRESS

Movement on projects in progress was as follows:

	2023	2022
	JD	JD
As at 1 January	-	149,531
Additions	-	63,943
Transferred to property, plant and equipment (note 3)	-	(213,474)
As at 31 December	-	-

The projects in progress were fully completed and transferred to property, plant and equipment as at 31 December 2022.

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(6) LEASES

(A) Right-of-use assets

The movement on right-of-use assets during the year was as follows:

	2023 JD	2022 JD
At 1 January	1,275,266	1,170,001
Additions	-	313,685
Depreciation for the year	(208,420)	(208,420)
At 31 December	<u>1,066,846</u>	<u>1,275,266</u>

The amounts that have been recorded in the statement of profit or loss were as follows:

	2023 JD	2022 JD
Depreciation for the year	208,420	208,420
Interest expenses for the year	79,297	89,538
	<u>287,717</u>	<u>297,958</u>

(B) Contract lease liabilities

The movement on the discounted contract lease liabilities balances during the year was as follows:

	2023 JD	2022 JD
At 1 January	1,241,991	1,108,102
Additions	-	313,685
Interest during the year	79,297	89,538
Paid during the year	(269,334)	(269,334)
As at 31 December	<u>1,051,954</u>	<u>1,241,991</u>

Analysis of contract lease liabilities classification is as follows:

	2023 JD	2022 JD
Short-term	262,878	261,375
Long-term	789,076	980,616
	<u>1,051,954</u>	<u>1,241,991</u>

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(7) EMPLOYEES' HOUSING FUND LOAN

This item represents the balance of loans granted to the Company's employees housing fund. The loan bears no interest and has no specified maturity date. Based on the Board of Directors meeting held on 4 December 2019, the fund will commit to pay back the Company an amount of JD 75,000. In 2023, the remaining balance of JD 12,432 has been fully collected.

(8) INCOME TAX

The reconciliation between accounting profit to taxable profit was as follows:

	2023				2022			
	Aqaba JD	Mafraq JD	Other locations JD	Total JD	Aqaba JD	Mafraq JD	Other locations JD	Total JD
Profit before income tax	13,119,000	(6,840)	1,082,830	14,194,990	15,715,000	203,005	7,089,406	23,007,411
Non-taxable income	(3,268,328)	(18,446)	(4,280,978)	(7,567,752)	(7,491,105)	(117,368)	(8,899,900)	(16,508,373)
Non-deductible expenses	2,440,885	43,152	875,916	3,359,953	3,350,413	127,580	1,810,494	5,288,487
Taxable income	12,291,557	17,866	(2,322,232)	9,987,191	11,574,308	213,217	-	11,787,525
Statutory income tax rate	5%	10%	24%	24%	5%	24%	24%	24%
National contribution tax rate*	3%	1%	3%	3%	3%	3%	3%	3%
Income tax expense for the year	(614,578)	(1,787)	-	(616,365)	(578,715)	(51,172)	-	(629,887)
National contribution tax rate expense	(368,747)	(178)	-	(368,925)	(347,229)	(6,397)	-	(353,626)
Change of law effect (Implementation Agreement)*	-	-	-	-	472,012	-	176,353	648,365
Deferred tax	140,611	-	(77,092)	63,519	(24,749)	-	2,041,546	2,016,797
Income tax (expense) surplus	<u>(842,714)</u>	<u>(1,965)</u>	<u>(77,092)</u>	<u>(921,771)</u>	<u>(478,681)</u>	<u>(57,569)</u>	<u>2,217,899</u>	<u>1,681,649</u>

* As a result of the Income Tax Law No. (38) of 2014, the national contribution tax of 3% has been increased in addition to the legal income tax rate on the Company, which is 24% under the Income Tax Law (34) in 2014, after it was 15% prior to the implementation agreement. Based on that, the Company recorded the balance due from the Jordanian government as at 31 December 2022 of JD 648,365, which represents the value of the additional tax incurred by the Company in 2022 as a result of the change in the above-mentioned rates. This is in accordance with the implementation agreement, as this agreement stipulates fixing the tax rate on the Company at a rate of 5% for Aqaba location and 15% for Company's other locations, otherwise, the Company will be compensated with the difference if the tax impact resulting from changing the tax rate exceeds JD 200,000.

In 2023, the Company did not record the impact of the income tax law change as a balance due from the Jordanian government, due to the completion of the implementation agreement in the preceding year.

Income tax expense presented in the statement of profit or loss consists of the following:

	2023	2022
	JD	JD
Current year income tax expense	(616,365)	(629,887)
National contribution tax expense	(368,925)	(353,626)
Change in law effect (Implementation Agreement)	-	648,365
Deferred tax:		
Deferred tax liabilities relating to employees' end-of- service indemnity provision	(60,104)	(165,849)
Deferred tax assets relating to temporary taxable differences arising from unrealized gain of the cash flows hedges	-	4,767
Deferred tax assets relating to the exchange differences arising from the revaluation of loans in foreign currencies	123,623	18,140
Deferred tax assets relating to impairment loss of slow-moving inventory for Rehab and Al-Risha stations	-	2,159,739
Income tax (expense) surplus	(921,771)	1,681,649
Deferred tax related to items recognized in other comprehensive income during the year was as follows:		
	2023	2022
	JD	JD
Relating to actuarial losses (gains)	23,680	(128,445)

The Company has calculated its income tax for the year ended 31 December 2023 and 2022 in accordance with Income tax law No. (34) for the year 2014 and its amendments, and in accordance with Aqaba Special Economic Zone Law No. (32) for the year 2000 for the Company's locations in Aqaba.

Development Areas-

The Company submitted its tax returns for the development areas up to the year 2022. The Income and Sales Tax Department reviewed the records, and the Company reached a final settlement from the Income and Sales Tax Department up to the year 2020.

Amman-

The Company submitted its tax returns for Amman locations up to 2022. The Income and Sales Tax Department reviewed the records, and the Company reached a final settlement from the Income and Sales Tax Department up to 2020.

Aqaba-

The Company submitted its tax returns for Aqaba locations up to 2022. The Income and Sales Tax Department reviewed the records, and the Company reached a final settlement from the Income and Sales Tax Department up to the year 2018.

Movement on deferred tax assets was as follows:

	2023	2022
	JD	JD
As at 1 January	2,624,429	736,077
Relating to actuarial losses (gains)	23,680	(128,445)
Relating to cash flow hedges	-	4,767
Relating to temporary differences in employees' end of service indemnity provision	(60,104)	(165,849)
Relating to temporary differences in loans revaluation	123,623	18,140
Relating to impairment loss of slow-moving inventory depreciation for Rehab and Al-Risha stations.	-	2,159,739
As at 31 December	2,711,628	2,624,429

Movement on the income tax provision was as follows:

	2023	2022
	JD	JD
At 1 January	2,367,799	3,017,113
Provided for during the year	985,290	983,513
Adjustments	-	(219,892)
Paid during the year	(1,037,914)	(1,412,935)
At 31 December	<u>2,315,175</u>	<u>2,367,799</u>

(9) STRATEGIC FUEL INVENTORIES

	2023	2022
	JD	JD
Heavy fuel inventory	4,322,955	4,322,955
Diesel inventory	464,151	809,076
	<u>4,787,106</u>	<u>5,132,031</u>

In accordance with the Power Purchase Agreements with NEPCO (note 1), the Company shall maintain sufficient quantities of fuel in the power generating stations to enable the stations to operate continuously. The Company agreed with NEPCO on the quantities of fuel it should maintain at the stations to enable the stations to generate power for the periods stated in the Power Purchase Agreement.

(10) INVENTORIES

	2023	2022
	JD	JD
Spare parts and general materials, net*	2,947,307	4,575,085
Materials in transit	158,973	129,467
	<u>3,106,280</u>	<u>4,704,552</u>

* Spare parts and general materials are presented net of its related depreciation of slow -moving spare parts and general materials which amounted to JD 1,425,063 as at 31 December 2023 (31 December 2022: JD 1,523,728).

(11) OTHER CURRENT ASSETS

	2023	2022
	JD	JD
Government of Jordan (note 30)	1,525,268	2,445,020
Al Zarqa Power Plant for Energy Generation (note 30)	777,780	7,719
Jordan Valley Authority	342,209	299,844
Jordan Petroleum Refinery Company (note 30)	301,878	301,878
Samra Electric Power Co.	193,013	1,297,385
Ministry of Energy and Mineral Resources (note 30)	40,667	7,540,667
The local Company for Water and Solar Projects (note 30)	3,543	406
Jordan Petroleum Products Marketing Company	-	1,354,851
Others	373,033	505,851
	<u>3,557,391</u>	<u>13,753,621</u>
Less: Provision for expected credit losses*	(719,856)	(800,152)
	<u>2,837,535</u>	<u>12,953,469</u>
Prepaid expenses	1,427,800	1,430,367
Employees' insurance claims	122,000	122,000
Employees' receivables	11,468	17,064
Refundable deposits	6,169	6,169
	<u>4,404,972</u>	<u>14,529,069</u>

*Movement on the provision for expected credit losses was as follows:

	2023	2022
	JD	JD
As at 1 January	800,152	490,921
Provision for the year	-	309,231
Reversal during the year	(80,296)	-
As at 31 December	<u>719,856</u>	<u>800,152</u>

(12) ACCOUNTS RECEIVABLE

	2023	2022
	JD	JD
National Electric Power Company – Power generation revenues	7,094,533	14,951,722
National Electric Power Company – Others	14,766	93,350
	<u>7,109,299</u>	<u>15,045,072</u>
Less: Provision for expected credit losses*	(1,399,967)	(1,399,967)
	<u>5,709,332</u>	<u>13,645,105</u>

* Movement on the provision for expected credit losses was as follows:

	2023	2022
	JD	JD
As at 1 January	1,399,967	1,450,069
Reversal for the year	-	(50,102)
As at 31 December	<u>1,399,967</u>	<u>1,399,967</u>

(13) EQUITY

PAID IN CAPITAL

In its extraordinary meeting held on 10 April 2023, the Company's General Assembly approved to reduce the Company's share paid in capital by an amount of JD 27,000,000. The new authorized and paid in capital amounted to JD 3,000,000 divided into 3,000,000 shares at a par value of JD 1 per share. The Company completed all legal procedures and obtained all the needed approvals from the Ministry of Industry and Commerce and from the Jordan Securities Commission

STATUTORY RESERVE

As required by the Jordanian Companies Law, 10% of the annual profit for the year before income tax is to be transferred to the statutory reserve as the company have the option to transfer from 25% - 100% of the Company's paid in capital.

In 2023, the Company obtained an approval from the Companies Control Department to reduce the statutory reserve by JD 4,500,000 to align with the reduction in paid in capital.

VOLUNTARY RESERVE

The amounts accumulated in this account represent what has been transferred from the annual net profit before income tax at a rate of no more than 20%. This reserve is available for distribution to the shareholders.

DIVIDENDS

In its ordinary meeting held on 10 April 2023, the General Assembly approved the recommendation of the Board of Directors to distribute an amount of JD 26,000,000 to shareholders for the year ended 2022, of which to be deducted from retained earnings.

The General Assembly approved in its ordinary meeting held on 26 April 2022 the recommendation of the Board of Directors to distribute an amount of JD 13,000,000 to shareholders for the year ended 2021, of which to be deducted from retained earnings.

(14) LOANS

	Currency	2023		2022	
		Loan Installments		Loan Installments	
		Current portion	Long-term portion	Current portion	Long-term portion
		JD	JD	JD	JD
Japanese loan (1)	JPY	1,116,169	-	1,177,638	1,177,637
Japanese loan (2)	JPY	2,649,009	3,973,513	2,794,892	6,987,229
Italian Soft loan	Euro	62,607	-	120,392	60,197
		<u>3,827,785</u>	<u>3,973,513</u>	<u>4,092,922</u>	<u>8,225,063</u>

Japanese Loan (1)

The loan is based on the original agreement between the Government of the Hashemite Kingdom of Jordan represented by the Ministry of Planning and International Cooperation and the Overseas Economic Cooperation Fund (Japan) dated 30 August 1994. On 22 August 2000, the Company was re-granted a loan from the Government for an amount of JPY 4,745,000,000 at an annual interest rate of 3%. The loan is repayable over 41 equal semiannual installments of JPY 110,674,000, the first of which fell due on 20 August 2004 and the last of which will fall due on 20 August 2024.

Japanese Loan (2)

The loan is based on the original agreement between the Government of the Hashemite Kingdom of Jordan represented by the Ministry of Planning and International Cooperation and the Overseas Economic Cooperation Fund (Japan) dated 17 April 1996. On 22 August 2000, the Company was re-granted a loan from the Government for an amount of JPY 10,813,000,000 at an annual interest rate of 2.7%. The loan is repayable over 41 equal semiannual installments of JPY 262,663,000, the first of which fell due on 20 April 2006 and the last of which will fall due on 20 April 2026.

Italian Soft Loan

The loan is based on the original agreement between the Government of the Hashemite Kingdom of Jordan represented by the Ministry of Planning and International Cooperation and the Istituto Centrale Per Il Credito A Medio Termine – Mediocredito Centrale dated 12 December 1993. On 13 September 2005, the Company was re-granted a loan from the Government for an amount of Euro 2,864,020 at an annual interest rate of 1 %. The loan is repayable over 36 equal semiannual installments of Euro 79,556 except for the last installment, which amounts to Euro 79,555. The first installment fell due on 8 September 2006 and the last installment will fall due on 8 March 2024.

All loans are guaranteed by the government of Jordan.

The annual payments amounts and maturities for the long-term loans are as follows:

	JD
2025	2,649,008
2026	1,324,505
	<u>3,973,513</u>

(15) EMPLOYEES' END-OF-SERVICE INDEMNITY PROVISION

	2023	2022
	JD	JD
Balance at 1 January	4,474,708	5,405,171
Provision for the year*	650,298	683,335
Paid during the year	(710,760)	(850,687)
Actuarial losses (gains)	131,892	(763,111)
Balance at 31 December	<u>4,546,138</u>	<u>4,474,708</u>

* Details of employees' end-of-service indemnity expense as presented on the statement of profit or loss was as follows:

	2023	2022
	JD	JD
Interest cost	353,406	332,339
Current year cost	229,951	287,062
Prior years adjustment	66,941	63,934
	<u>650,298</u>	<u>683,335</u>

The principal actuarial assumptions used to calculate employees end of-service indemnity provisions are as follow:

	2023	2022
Discount rate	7.131%	7.896%
Expected rate of increase of employee remuneration	5.5%	5.5%

Resignation rate:

Up to the age of 29 years	4%	4%
From the age of 30 to 34 years	3%	3%
From the age of 35 to 39 years	2%	2%
From the age of 40 to 54 years	1%	1%
Age 55 years and over	0%	0%

This provision is not funded by any assets.

The following schedule shows the sensitivity in the principal actuarial assumption's changes used to determine employees' end-of-service provision amount as of 31 December 2023 and 2022:

	Discount rate		Resignation rate		Mortality rate	
	Rate	Increase (decrease)	Rate	Increase (decrease)	Rate	Increase (decrease)
	%	JD	%	JD	%	JD
2023	+1	(417,890)	+1	(6,055)	+20	(98)
	-1	476,589	-1	6,993	-20	100
2022	+1	(428,884)	+1	(19,375)	+20	(1,426)
	-1	492,700	-1	20,334	-20	1,433

(16) DECOMMISSIONING PROVISION

The decommissioning provision of JD 2,279,738 as at 31 December 2023 (31 December 2022: JD 3,414,754) primarily represents the net present value of the estimated expenditure discounted at a rate of 6.5% (31 December 2022: 6.5%) expected to be incurred in respect of the decommissioning of the Aqaba Thermal Station generating units 1 to 5. Expenditures are expected to be incurred throughout the financial years 2022 to 2026.

Movement on the decommissioning provision was as follows:

	2023 JD	2022 JD
Balance at 1 January	3,414,754	3,307,962
Unwinding of discount during the year (note 28)	113,734	106,792
Reversal* (note 27)	(1,248,750)	-
Balance at 31 December	<u>2,279,738</u>	<u>3,414,754</u>

* During the year, the Company's management decided and approved to reduce its decommissioning provision by JD 1,248,750. This reduction constitutes 75% of the previously estimated liability balance for the completion of stage one at Aqaba Thermal Power Station (ATPS). The estimated liability balance for stage one was JOD 1,665,000, covering the dismantling and selling of key components such as turbines, generators, boilers, ground floor pumps, hydraulic turbine, and transformers. The reversal took place after completing 75% of stage one without incurring any liability.

(17) OTHER CURRENT LIABILITIES

	2023 JD	2022 JD
ENARA For Energy Investments (note 30)	4,590,000	-
Government Investment Management Company (note 30)	3,600,000	-
Deposits accrued for others	1,040,769	1,627,794
Social security corporation (note 30)	810,000	-
Employees' vacations provision*	482,826	541,670
Legal cases provision****	460,342	460,342
Employees' incentive provision***	400,000	450,000
Accrued expenses	86,421	172,927
Accrued interest	46,405	75,332
Board of directors' remuneration	35,000	35,000
Employees' payables	1,450	1,484
Contractors' payables	498	559
Employees' termination benefits provision**	-	-
Others	300,172	369,544
	<u>11,853,883</u>	<u>3,734,652</u>

Movements on provisions for the years 2023 and 2022 were as follows:

	Employees' vacations provision*	Employees' termination benefits provision**	Employees' incentive provision***	Legal cases provision****
	JD	JD	JD	JD
2023 -				
Balance at 1 January	541,670	-	450,000	460,342
Provision for the year	51,118	354,759	415,600	-
Paid during the year	(109,962)	(354,759)	(465,600)	-
Balance at 31 December	<u>482,826</u>	<u>-</u>	<u>400,000</u>	<u>460,342</u>
2022 -				
Balance at 1 January	552,283	-	400,000	515,597
Provision for the year	72,305	1,676,979	448,999	47,642
Paid during the year	(82,918)	(1,676,979)	(398,999)	(102,897)
Balance at 31 December	<u>541,670</u>	<u>-</u>	<u>450,000</u>	<u>460,342</u>

(18) ACCOUNTS PAYABLE

	2023 JD	2022 JD
Jordan Petroleum Refinery Company (JPRC)	-	-
National Petroleum Company – Government of Jordan	-	2,393,431
	<u>-</u>	<u>2,393,431</u>

(19) DERIVATIVE FINANCIAL INSTRUMENTS

CEGCO loans with Overseas Economic Cooperation Fund (Japan) are in JPY. To mitigate its exposure to fluctuations in currency rates, the Company entered into 12 forward contracts during the years 2011 to 2015 that effectively fix the currency rate for loan installments.

The last contract ended on 22 October 2022. For the purpose of hedge accounting, the forward contracts were classified as cash flow hedges as CEGCO was hedging the exposure to variability in cash flows that was attributable to the foreign currency fluctuations risk associated with a highly probable forecast transaction.

On 17 January 2023, the Company entered into JPY-USD short term (12 months) hedging contract where the Company has a call option to purchase 746,674,000 JPY at a rate of 128.60. A total premium of JOD 177.5K was recorded as a prepaid expenses in the balance sheet and amortized in the profit or loss statement for the year ended 31 December 2023. The option matured on October 2023.

(20) POWER GENERATION REVENUES

This item represents revenues mainly earned from the power generation invoices in accordance with the Power Purchase Agreements with NEPCO. NEPCO repays the value of the full electric capacity available at the power stations according to the pricing formula that has been pre-determined in the Power Purchase Agreements. Moreover, NEPCO bears the cost of fuel used in the generation of power according to the pricing formula stipulated in those agreements.

Power generation revenues consist of the following:

	2023	2022
	JD	JD
Stations capacity revenue	34,661,450	35,641,531
Power revenue	26,930	360,447
Fuel cost according to the pricing formula (note 21)	-	14,475,753
Startup cost	-	31,329
Additional costs (Imported energy)	(1,497,191)	(2,343,904)
Others	-	(9,233)
	<u>33,191,189</u>	<u>48,155,923</u>

(21) FUEL COST

	2023	2022
	JD	JD
Gas consumption	-	14,475,753

(22) STATION OPERATING COSTS

	2023	2022
	JD	JD
Operating water	215,146	256,347
Oil and lubricants	90,555	62,869
Chemical's materials	57,895	71,893
Other operating expenses	127,533	89,350
	<u>491,129</u>	<u>480,459</u>

(23) SALARIES AND BENEFITS

	2023	2022
	JD	JD
Salaries and wages	4,695,878	5,378,729
Bonuses and other expenses	3,011,165	3,645,975
Employees benefits	2,103,278	2,378,983
Temporary employees	122,319	129,556
	<u>9,932,640</u>	<u>11,533,243</u>

(24) MAINTENANCE EXPENSES

	2023	2022
	JD	JD
Spare parts	1,165,199	961,577
Maintenance materials and experts' wages	611,523	356,353
Other maintenance expenses	58,645	59,273
	<u>1,835,367</u>	<u>1,377,203</u>

(25) ADMINISTRATIVE EXPENSES

	2023	2022
	JD	JD
Insurance	618,137	679,397
Regulatory commission expenses	463,360	580,909
Consultancy fees	266,743	510,783
Security	194,628	241,946
Housing expense	114,817	127,423
Subscriptions and donations	41,369	58,175
Others	642,581	987,371
	<u>2,341,635</u>	<u>3,186,004</u>

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(26) FOREIGN CURRENCY EXCHANGE PROFIT, NET

	2023	2022
	JD	JD
Unrealized gains	426,934	1,931,610
Realized gains (losses)	39,033	(1,046,667)
	<u>465,967</u>	<u>884,943</u>

(27) OTHER INCOME, NET

	2023	2022
	JD	JD
Operating and maintenance revenues	6,863,420	6,183,193
Gain from sale of property, plant, and equipment *	1,272,343	3,933,260
Reversal of decommissioning provision *** (note 16)	1,248,750	-
Interest income on deposits	949,078	178,494
Gain from sale of strategic fuel inventory	543,312	6,177,726
Gain from sale of scrap- retired units	303,498	701,410
Non-operational revenue **	267,178	7,599,786
Non-operational revenue - handling and fuel operations	199,042	300,000
Others, net	85,602	124,077
	<u>11,732,223</u>	<u>25,197,946</u>

* In 2023, the land of Rehab Station has been sold as it represents the remaining part of Rehab Sale Agreement. All risks and rewards along with ownership have been transferred to the buyer in the current year.

** This item represents the amount of settlement reached between the Ministry of Energy and Mineral Resources and Central Electricity Generating Company "CEGCO" after the final decision over the dispute. The ministry shall pay damages to CEGCO for the operating years until the end of 2019 in the amount of JD 7,500,000 which includes all expenses, legal and expert fees. The amount represents the cumulative balance borne by CEGCO from modifying the tariff prices and inclusion of the fuel price clause to the monthly bill over the years. In return, CEGCO shall commit to not submit any claims arising from the obligations between the years 2020 – 2025.

*** During the year, the company's management decided and approved to reduce its decommissioning provision by JD 1,248,750. This reduction constitutes 75% of the previously estimated liability balance for the completion of stage one at Aqaba Thermal Power Station (ATPS). The estimated liability balance for stage one was JOD 1,665,000, covering the dismantling and selling of key components such as turbines, generators, boilers, ground floor pumps, hydraulic turbine, and transformers. The reversal took place after completing 75% of stage one without incurring any liability.

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(28) FINANCE COSTS, NET

	2023	2022
	JD	JD
Term loans interest expense	263,804	371,031
Bank overdraft interest expense	22	69,708
Unwinding of discount of decommissioning provision (Note 16)	113,734	106,792
	<u>377,560</u>	<u>547,531</u>

(29) EARNINGS PER SHARE

	2023	2022
Profit for the year (JD)	13,273,219	24,689,060
Weighted average number of shares outstanding (Share)	21,000,000	30,000,000
Basic and diluted earnings per share (JD)*	<u>0/632</u>	<u>0/823</u>

* The diluted earnings per share attributable to Company's shareholders is equal to the basic earnings per share.

(30) RELATED PARTY TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

Pricing policies and terms of the transactions with related parties are approved by the Company's management.

Amounts due from related parties:

	Nature of relationship	2023	2022
		JD	JD
Within accounts receivable and other current assets			
National Electric Power Company, net* (note 12)	Sister Company	5,709,332	13,645,105
Government of Jordan (note 11)	Shareholder	1,525,268	2,445,020
Al Zarqa Power Plant for Energy Generation* (note 11)	Sister Company	777,780	7,719
Jordan Petroleum Refinery Company (note 11)	Sister Company	301,878	301,878
Ministry of Energy and Mineral Resources (note 11)	Sister Company	40,667	7,540,667
Al-Risha for Solar Power Projects	Sister Company	41,012	75
The Local Company for Water and Solar Projects (note 11)	Sister Company	3,543	406
ACWA Power Jordan Holdings	Sister Company	2,464	44,579
ACWA Power International company for water and power – Dubai	Sister Company	45	-
		<u>8,401,989</u>	<u>23,985,449</u>

* This balance is presented net of allowance for expected credit losses of JD 1,399,967 as at 31 December 2023 (31 December 2022: JD 1,399,967).

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** On 21 December 2015, the Company entered into land operating lease with Al Zarqa Power Plant for Energy Generation for an annual rent of JD 50,000. Furthermore, on 20 May 2016, the Company entered into an agreement with Al Zarqa Power Plant for Energy Generation to provide operating and maintenance services.

Amounts due to related parties:	Nature of relationship	2023	2022
		JD	JD
Within accounts payable and other current liabilities			
ENARA For Energy Investments (note 17)	Shareholder	4,590,000	-
Government Investment Management Company (note 17)	Shareholder	3,600,000	-
Social Security Corporation (note 17)	Shareholder	810,000	-
ACWA Power International Company for water and power - Riyadh	Sister Company	4,904	3,590
National Petroleum Company – Government of Jordan (note 18)	Sister Company	-	2,393,431
		<u>9,004,904</u>	<u>2,397,021</u>

The following represent the total amount of transactions that have been entered into with related parties:

Amounts included in the statement of comprehensive income items:

	Nature of relationship	2023	2022
		JD	JD
Power generation revenues:			
National Electric Power Company (Government of Jordan)	Sister Company	<u>33,191,188</u>	<u>48,155,923</u>
Stations operating costs:			
National Petroleum Company (Government of Jordan) (note 21)	Sister Company	<u>-</u>	<u>14,475,753</u>
Other income:			
Al Zarqa Power Plant for Energy Generation*	Sister Company	5,558,333	4,768,129
ACWA Power Company / Riyadh	Parent Company	682,821	2,146
The Local Company for Water and Solar Projects*	Sister Company	757,845	778,835
Al-Risha for Solar Power Projects*	Sister Company	503,686	516,552
ACWA Power Jordan Holdings	Sister Company	67,360	131,965
ACWA Power International L.L.C. / Dubai	Sister Company	480	-
		<u>7,570,525</u>	<u>6,197,627</u>
Administrative expenses:			
ACWA Power Company / Riyadh	Parent Company	44,302	56
The Local Company for Water and Solar Projects*	Sister Company	3,384	3,046
Al Zarqa Power Plant for Energy Generation	Sister Company	2,969	26,423
ACWA Power International L.L.C. / Dubai	Sister Company	2,043	30
ACWA Power Global Services LTD	Sister Company	1,940	-
ENARA For Energy Investments	Shareholder	-	13,500
ACWA Power Jordan Holdings	Sister Company	-	534
		<u>54,638</u>	<u>43,589</u>

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Compensation of key management personnel

	2023	2022
	JD	JD
Salaries	326,639	310,978
Board of Directors remuneration and transportation	77,000	77,000
Benefits (traveling)	4,825	8,500
	<u>408,464</u>	<u>396,478</u>

* On 13 November 2016, the Company entered into an agreement with the Local Company for Water and Solar Projects to provide operation and maintenance services.

** On 21 November 2017, the Company entered into an agreement with Al-Risha for Solar Power Projects Company for Solar Projects to provide operation and maintenance services.

(31) CASH AND BANK BALANCES

	2023	2022
	JD	JD
Cash at banks *	6,421,183	12,330,014
Cash on hand	7,995	7,624
	<u>6,429,178</u>	<u>12,337,638</u>

* For the year ended 31 December 2023, bank deposits earned interest rate of 5.75-6.5% (31 December 2022: 5.75%). And it matures within six months.

For the purpose of the statement of cash flows, cash and cash equivalents consist of the following amounts which appears in the statement of financial position:

	2023	2022
	JD	JD
Cash at banks	6,421,183	12,330,014
Cash on hand	7,995	7,624
	<u>6,429,178</u>	<u>12,337,638</u>
Less: due to banks (note 32)	(112,020)	(200,793)
Less: Deposits at banks with original maturity date more than three months	(5,096,434)	-
	<u>1,220,724</u>	<u>12,136,845</u>

(32) DUE TO BANKS

This balance represents the utilized balance from the credit facilities granted from the following Banks:

- Facilities from Arab Jordan Investment Bank with a ceiling of JD 7,000,000 and an interest rate of 5.75% as at 31 December 2023 (31 December 2022: 5%).
- Facilities from Cairo Amman Bank with a ceiling of JD 5,000,000 and an interest rate of 7.75% as at 31 December 2023 (31 December 2022: 6.5%).

(33) SEGMENT INFORMATION

The following tables present the statement of profit or loss information for Aqaba, Mafrag, and other locations for the years ended 31 December 2023 and 2022. The information is presented to facilitate the income tax review as the Company is subject to different tax rates on Aqaba's operation.

	2023			
	Aqaba JD	Mafrag JD	Other locations JD	Total JD
Power generation revenues	33,184,114	-	7,075	33,191,189
Fuel Cost	-	-	-	-
Stations operating costs	(135,040)	(7,825)	(348,264)	(491,129)
Depreciation and amortization	(13,433,487)	(18,662)	(126,368)	(13,578,517)
Depreciation of right-of-use assets	(208,420)	-	-	(208,420)
Interest expense on contract lease liabilities	(76,500)	(271)	(2,526)	(79,297)
Salaries and benefits	(6,049,522)	(419,654)	(3,463,464)	(9,932,640)
Maintenance expenses	(242,298)	(195,896)	(1,397,173)	(1,835,367)
Administrative expenses	(1,648,870)	(111,791)	(580,974)	(2,341,635)
Depreciation expense of Slow-moving Spare parts and General Materials	(1,425,063)	-	-	(1,425,063)
Employees' end-of-service indemnity provision	(324,210)	(21,451)	(304,637)	(650,298)
Employees' termination benefits provision	-	-	(354,759)	(354,759)
Total operating costs	(23,543,410)	(775,550)	(6,578,165)	(30,897,125)
OPERATING PROFIT (LOSS)	9,640,704	(775,550)	(6,571,090)	2,294,064
Foreign currency exchange profit, net	465,244	70	653	465,967
Other income, net	3,330,679	767,012	7,634,532	11,732,223
Reversal of expected credit losses provision	58,570	1,671	20,055	80,296
Finance costs, net	(376,863)	(67)	(630)	(377,560)
PROFIT (LOSS) FOR THE YEAR BEFORE INCOME TAX	13,118,334	(6,864)	1,083,520	14,194,990
Income tax expense	(842,620)	(2,059)	(77,092)	(921,771)
PROFIT (LOSS) FOR THE YEAR	12,275,714	(8,923)	1,006,428	13,273,219

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	2022			
	Aqaba	Mafraq	Other locations	Total
	JD	JD	JD	JD
Power generation revenues	31,498,340	-	16,657,583	48,155,923
Fuel Cost	-	-	(14,475,753)	(14,475,753)
Stations operating costs	(218,950)	(5,854)	(255,655)	(480,459)
Depreciation and amortization	(13,318,855)	(14,221)	(1,857,003)	(15,190,079)
Depreciation of right-of-use assets	(208,420)	-	-	(208,420)
Interest expense on contract lease liabilities	(81,804)	(186)	(7,548)	(89,538)
Salaries and benefits	(5,509,884)	(347,582)	(5,675,777)	(11,533,243)
Maintenance expenses	(270,380)	(62,667)	(1,044,156)	(1,377,203)
Administrative expenses	(1,545,226)	(63,189)	(1,577,589)	(3,186,004)
Depreciation expense of Slow-moving Spare parts and General Materials	(1,508,826)	-	(14,902)	(1,523,728)
Employees' end-of-service indemnity provision	(321,091)	(23,599)	(338,645)	(683,335)
Employees' termination benefits provision	(679,259)	(81,940)	(915,780)	(1,676,979)
Total operating costs	(23,662,695)	(599,238)	(26,162,808)	(50,424,741)
OPERATING PROFIT (LOSS)	7,835,645	(599,238)	(9,505,225)	(2,268,818)
Foreign currency exchange profit, net	873,773	270	10,900	884,943
Other income, net	7,557,880	803,792	16,836,274	25,197,946
Provision for expected credit losses	(128,365)	(3,143)	(127,621)	(259,129)
Finance costs, net	(423,933)	1,319	(124,917)	(547,531)
PROFIT FOR THE YEAR BEFORE INCOME TAX	15,715,000	203,000	7,089,411	23,007,411
Income tax (expense) surplus	(950,693)	(57,569)	2,689,911	1,681,649
PROFIT FOR THE YEAR	14,764,307	145,431	9,779,322	24,689,060

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(34) COMMITMENTS AND CONTINGENCIES

Letters of credit and bills of collection

As at 31 December 2023, the Company had outstanding letters of credit and bills of collection amounting to JD 1,682,262 (31 December 2022: JD 2,663,896).

Letters of guarantee

As at 31 December 2023, the Company had outstanding letters of guarantee amounting to JD 16,800 (31 December 2022: JD 50,549).

Legal claims

The Company is a defendant in a number of lawsuits of approximately JD 8,000 as at 31 December 2023 (2022: JD 217,916).

The Company's management and its independent legal counsel believe that no additional provision is needed other than what has already been recognized in the financial statements.

Disputes with Jordan Petroleum Refinery Company (JPRC)

Jordan Petrol Refinery PLC is the fuel supplier ("the Supplier") During 2022, the Supplier has claimed from CEGCO an amount of JD 114,586,301 as an interest on late payment of the monthly fuel invoices. The Fuel Supply Agreement (FSA) with the Supplier stipulates that the Supplier shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from invoice. However, Article 13.3 of the FSA states that CEGCO shall not be liable for non-performance under the FSA and shall not be in default to the extent such non-performance or default is caused by NEPCO. Given the delay in making the fuel payments to the Supplier are caused by the delay in receipt of the fuel revenues from NEPCO (the off-taker), contractually the Supplier has no basis to claim for any delay interest from CEGCO. Hence the management and its independent legal counsel are of the view that as per the terms of the FSA signed between the Supplier and CEGCO, the Supplier has no contractual basis to claim these amounts. Accordingly, no provision has been made in these financial statements.

Furthermore, and during 2022, the supplier signed a settlement agreement with NEPCO which stated to transfer the amounts due from CEGCO of JD 57,568,924 to NEPCO and NEPCO agreed to commit to the settlement amount. The agreement signed covers the amounts and delay interest from 1 May 2018 and after. Accordingly, total amount due to the supplier was offset against the receivable balance without any effect on equity or profit or loss.

(35) RISK MANAGEMENT

Interest rate risk

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities such as bank deposits, term loans and due to banks.

The Company's policy is to manage its interest cost using a mix of fixed and variable rate debts.

The following table demonstrates the sensitivity of the statement of profit or loss to reasonably possible changes in interest rates as at 31 December 2023 and 2022, with all other variables held constant.

The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2023 and 2022.

	<i>Increase (decrease) in basis points</i>	<i>Effect on profit before income tax</i>
2023-		<i>JD</i>
Currency		
Jordanian Dinar	100	(1,120)
Jordanian Dinar	(50)	560
2022-		<i>JD</i>
Currency		
Jordanian Dinar	100	(2,008)
Jordanian Dinar	(50)	1,004

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company has entered into a Power Purchase Agreement with the Government of the Hashemite Kingdom of Jordan represented by the National Electric Power Company (NEPCO).

The amount due from NEPCO forms 100% of outstanding accounts receivable at 31 December 2023 and 2022.

The Company deals only with reputable local banks.

Liquidity risk

The Company limits its liquidity risk by ensuring bank facilities are available.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December 2023 and 2022, based on contractual payment dates and current market interest rates:

At 31 December 2023	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	JD	JD	JD	JD	JD
Due to banks	114,184	-	-	-	114,184
Loans	650,691	3,414,928	4,082,190	-	8,147,809
Other current liabilities	-	11,853,883	-	-	11,853,883
Contract lease liabilities	43,800	269,334	1,004,448	189,912	1,507,494
Total	808,675	15,538,145	5,086,638	189,912	21,623,370

At 31 December 2022	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	JD	JD	JD	JD	JD
Due to banks	206,794	-	-	-	206,794
Accounts payable	-	2,393,431	-	-	2,393,431
Other current liabilities	-	3,734,652	-	-	3,734,652
Loans	712,713	3,772,615	8,590,585	-	13,075,913
Contract lease liabilities	43,800	225,534	1,092,048	189,912	1,551,294
Total	963,307	10,126,232	9,682,633	189,912	20,962,084

Currency risk

The Company's transactions in U.S. Dollar have negligible currency risk since the Jordanian Dinar is fixed against the U.S. Dollar (USD 1.41 for each JD 1).

To mitigate its exposure to fluctuations in currency rates, the Company entered into forward contracts that effectively fix the currency rate for installments on each loan with Overseas Economic Cooperation Fund (Japan).

The table below indicates the analysis which calculates the effect of a reasonable possible movement of the JD currency rate against the foreign currencies, with all other variables held constant, on the statement of profit or loss

	<i>Increase / decrease in the rate to the JD</i>	<i>Effect on profit before income tax</i>
	%	JD
2023 -		
Currency		
Euro	10	(6,261)
Japanese Yen	10	(773,869)
Euro	-10	6,261
Japanese Yen	-10	773,869
2022 -		
Currency		
Euro	10	(18,059)
Japanese Yen	10	(1,213,740)
Euro	-10	18,059
Japanese Yen	-10	1,213,740

(36) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, accounts receivable, employees housing fund loan and some other current assets. Financial liabilities consist of term loans, due to banks, accounts payable, and some other current liabilities.

Book values of financial instruments are not materially different from their fair values.

The Company uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(37) CAPITAL MANAGEMENT

The primary objective of the Company's capital is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2023 and 2022. Capital comprises paid in capital, reserves and retained earnings and is measured at JD 24,995,361 as at 31 December 2023 (31 December 2022: JD 64,830,354).

(38) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

(39) COMPARATIVE FIGURES

During the year some comparative figures were reclassified to correspond with those of this year presentation. The reclassification has no effect on the profit and equity for the Company.



Ref. : _____

الرقم : _____

Date : _____

التاريخ : _____

3. Declaration of the Chairman, Chief Executive Officer, and Executive Manager - Finance Division

Declaration

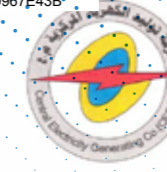
Attention: M/s Company's Shareholders

We the undersigned hereby certify and declare the authenticity and accuracy of the information and financial statements contained in this Annual Report.

Executive Manager -Finance Division
Ali (Mohamad Zuhair) Ali Abdullah

Chief Executive Officer
Mowafiq Mahmoud Ali Alawneh

Chairman
Moayad Ibrahim Abdul-Wahhab Samman



Ref. : _____

الرقم : _____

Date : _____

التاريخ : _____

ج.٢١. الإقرارات المطلوبة

1. يقر مجلس إدارة الشركة بعدم وجود أي أمور جوهرية قد تؤثر على استمرارية الشركة خلال السنة المالية التالية.
2. يقر مجلس الإدارة بمسؤوليته عن إعداد البيانات المالية وتوفير نظام رقابة فعال في الشركة.

Acknowledgment

1. The company's Board of Directors acknowledges that there were no material matters that may affect the continuity of the company during the next financial year.
2. Board of Directors acknowledges its responsibility for the preparation of financial statements and the availability of an effective monitoring system in the company.

رئيس مجلس الإدارة

مؤيد إبراهيم السمان

عضو
فيصل عبدالرزاق الحباري

عضو
ياسر أديب بركان

نائب الرئيس
جون كلارك

عضو
زياد أحمد عجيدات

عضو
شروق محمد عبدالغني

عضو
DocuSigned by:
شروق محمد عبدالغني

