

**ELECTRICITY DISTRIBUTION COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2025**

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders of Electricity Distribution Company- Public Shareholding Company Amman – Hashemite Kingdom of Jordan**

#### **Report on the Audit of the Consolidated Financial Statements**

#### **Qualified Opinion**

We have audited the consolidated financial statements of Electricity Distribution Company - Public Shareholding Company (the Company), and its subsidiaries (together referred to as "the Group") which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the effect of the matter described in the basis for qualified opinion paragraph of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### **Basis for Qualified Opinion**

As disclosed in note (13) to the consolidated financial statements, the Group has not implemented the requirements of International Financial Reporting Standard no.9 (IFRS 9) regarding the expected credit losses against accounts receivable.

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 consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in Jordan. We have also 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 qualified opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. In addition to the matters described in the Basis for Qualified Opinion section, These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<b>Key audit matter: Revenue recognition (Tariff)</b>	
Disclosures related to revenue recognition are included in note (32) to the consolidated financial statements.	
<b>Key audit matter</b>	<b>How the key audit matter was addressed in the audit</b>
We identified electricity power sales revenue as a key audit matter due to high volume of sales revenue originated from electricity power sales to subscribers' categories. The significant risks associated with the accuracy of measurement of recognized revenues are related to billing systems and revenue recognition. Total revenues recognized during 2025 amounted to JD 629,998,692.	Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies and assessing compliance with the policies in terms of applicable International Financial Reporting Standards. In addition to that, we have tested the Group's internal controls over the completeness, measurement and occurrence of revenue recognized including reconciliations between sales and cash receipts and testing the billing system controls. We selected a representative sample of transactions and tested proper revenues recording and recognition. In addition, we selected a sample during the period before and after the cutoff period to check proper recognition. Additionally, we performed substantive analytical procedures for the gross margin and sales revenues on a monthly basis.

## **Other information included in the Group's 2025 annual report**

Other information consists of the information included in the Group's 2025 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated 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 consolidated 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

The Group maintains proper books of accounts which are in agreement with the consolidated financial statements, taking into consideration the matter described in the basis for qualified opinion paragraph.

Amman – Jordan  
30 March 2026

**ERNST & YOUNG**  
Amman - Jordan

**ELECTRICITY DISTRIBUTION COMPANY - PUBLIC SHAREHOLDING COMPANY**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2025**

	Notes	2025 JD	2024 JD
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS-</b>			
Property and equipment	3	312,799,137	279,420,195
Subscribers' and rural fils contributions assets	4	219,651,384	212,022,811
Projects in progress	5	37,146,959	37,768,695
Dispute lawsuits payments	6	124,792	98,470
Long-term loan receivable	7	1,366,325	1,162,466
Deferred tax assets	8	4,920,872	4,517,065
Strategic inventory	12	11,600,962	9,689,126
Intangible assets	9	12,535,272	14,075,965
Investment in an associates	10	1,319,850	1,255,996
Right-of-use assets	11	928,253	1,191,450
		<u>602,393,806</u>	<u>561,202,239</u>
<b>CURRENT ASSETS</b>			
Inventory	12	11,632,079	10,986,035
Accounts receivable	13	288,066,492	344,645,663
Other current assets	14	16,947,155	18,575,061
Cash and bank balances	15	43,370,122	36,779,191
		<u>360,015,848</u>	<u>410,985,950</u>
<b>TOTAL ASSETS</b>		<u>962,409,654</u>	<u>972,188,189</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY-</b>			
Paid in capital	16	25,000,000	21,000,000
Statutory reserve		5,673,912	4,512,426
Voluntary reserve		698,677	698,677
Retained earnings		10,534,428	15,979,727
<b>Total equity - attributable to shareholders</b>		<u>41,907,017</u>	<u>42,190,830</u>
Non-controlling interest	34	33,100,730	30,309,444
<b>Total equity</b>		<u>75,007,747</u>	<u>72,500,274</u>
<b>LIABILITIES -</b>			
<b>NON-CURRENT LIABILITIES -</b>			
Subscribers and rural fils contributions liabilities	4	219,651,384	212,022,811
Lease liabilities	11	584,057	794,943
Advances from subscribers	17	26,308,390	27,410,609
Provision for end-of-service indemnity	18	25,507,204	24,341,123
Excess of subscribers' contribution	19	1,493,339	2,300,958
Unearned revenues		6,340,116	4,864,106
Subscribers' deposits	20	102,869,050	96,591,603
Long-term loans	21	27,200,000	12,800,000
		<u>409,953,540</u>	<u>381,126,153</u>
<b>CURRENT LIABILITIES -</b>			
Current portion of long-term loans	21	5,600,000	9,600,000
Short-term loan	21	116,924,953	103,255,592
Current portion of lease liabilities	11	387,464	307,568
Due to banks	22	29,202,674	26,903,867
Accounts payable	23	290,166,422	343,815,316
Accrued expenses and other current liabilities	24	25,673,194	24,914,270
Excess of subscribers' contributions	19	807,619	807,619
Other provisions	25	4,452,136	4,349,234
Income tax provision	8	4,233,905	4,608,296
		<u>477,448,367</u>	<u>518,561,762</u>
<b>Total Liabilities</b>		<u>887,401,907</u>	<u>899,687,915</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>962,409,654</u>	<u>972,188,189</u>

**The attached notes from 1 to 41 form an integral part of these consolidated financial statements**

**ELECTRICITY DISTRIBUTION COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
		<u>JD</u>	<u>JD</u>
Electricity power sales	35	629,998,692	616,480,545
Cost of power purchased		<u>(523,963,927)</u>	<u>(507,818,580)</u>
<b>Gross Profit</b>	27	106,034,765	108,661,965
Other operating revenues, net	28	1,520,694	2,384,837
General and administrative expenses	29	(64,938,530)	(64,068,019)
Depreciation	3	(25,582,923)	(23,485,097)
Amortization of dispute lawsuits payments	6	(25,106)	(19,476)
Provision for expected credit losses and doubtful debts	13,14	(813,667)	(2,370,596)
Provision for slow moving inventory	12	<u>(135,069)</u>	<u>(706,890)</u>
<b>Operating profit from core activities</b>		<u>16,060,164</u>	<u>20,396,724</u>
Revenue from non-core activities	30	15,673,946	10,857,602
Interest income		1,599,979	2,576,859
Interest income on late payments		13,834,788	14,900,012
Group's share of an associate's profits	10	63,854	73,528
Licenses amortization	9	(1,540,693)	(1,540,693)
Non-core activities expenses	31	(5,225,309)	(3,237,260)
Finance and Murabaha cost		(7,621,346)	(8,443,347)
Interest expense on late payments		<u>(14,098,022)</u>	<u>(14,823,445)</u>
<b>Profit from non-core activities</b>		<u>2,687,197</u>	<u>363,256</u>
<b>Profit before income tax</b>		18,747,361	20,759,980
Income tax expense	8	<u>(4,510,738)</u>	<u>(5,402,028)</u>
<b>Profit for the year</b>		14,236,623	15,357,952
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>14,236,623</u>	<u>15,357,952</u>
<b>Profit for the year and total comprehensive income for the year attributable to:</b>			
Shareholders		10,793,152	11,533,010
Non-controlling interest	34	<u>3,443,471</u>	<u>3,824,942</u>
		<u>14,236,623</u>	<u>15,357,952</u>
		<u>JD / Fils</u>	<u>JD / Fils</u>
Basic and diluted earnings per share attributable to shareholders	26	<u>0/432</u>	<u>0/461</u>

**The attached notes from 1 to 41 form an integral part of these consolidated financial statements**



**ELECTRICITY DISTRIBUTION COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Attributable to shareholders					Non-controlling interests	Total equity
	Paid-in capital	Statutory Reserve	Voluntary reserve	Retained earnings	Total		
	JD	JD	JD	JD	JD	JD	JD
<b>2025 -</b>							
<b>Balance at 1 January 2025</b>	21,000,000	4,512,426	698,677	15,979,727	42,190,830	30,309,444	72,500,274
Total comprehensive income for the year	-	-	-	10,793,152	10,793,152	3,443,471	14,236,623
Capital increase	4,000,000	-	-	(4,000,000)	-	-	-
Capital increase in a subsidiary	-	-	-	(2,576,965)	(2,576,965)	2,576,965	-
Transfer to statutory reserve	-	1,161,486	-	(1,161,486)	-	-	-
Subsidiaries' dividends (note 16)	-	-	-	-	-	(3,229,150)	(3,229,150)
Dividends paid to shareholders (note 16)	-	-	-	(8,500,000)	(8,500,000)	-	(8,500,000)
<b>Balance at 31 December 2025</b>	<u>25,000,000</u>	<u>5,673,912</u>	<u>698,677</u>	<u>10,534,428</u>	<u>41,907,017</u>	<u>33,100,730</u>	<u>75,007,747</u>
<b>2024 -</b>							
<b>Balance at 1 January 2024</b>	14,000,000	3,500,000	698,677	21,576,943	39,775,620	25,860,942	65,636,562
Total comprehensive income for the year	-	-	-	11,533,010	11,533,010	3,824,942	15,357,952
Capital increase	7,000,000	-	-	(7,000,000)	-	-	-
Capital increase in a subsidiary	-	-	-	(3,117,800)	(3,117,800)	3,117,800	-
Transfer to statutory reserve	-	1,012,426	-	(1,012,426)	-	-	-
Subsidiaries' dividends (note 16)	-	-	-	-	-	(2,494,240)	(2,494,240)
Dividends paid to shareholders (note 16)	-	-	-	(6,000,000)	(6,000,000)	-	(6,000,000)
<b>Balance at 31 December 2024</b>	<u>21,000,000</u>	<u>4,512,426</u>	<u>698,677</u>	<u>15,979,727</u>	<u>42,190,830</u>	<u>30,309,444</u>	<u>72,500,274</u>

The attached notes from 1 to 41 form an integral part of these consolidated financial statements

**ELECTRICITY DISTRIBUTION COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 JD	2024 JD
<b><u>OPERATING ACTIVITIES</u></b>			
Profit before tax		18,747,361	20,759,980
<b>Adjustments for:</b>			
License amortization		1,540,693	1,540,693
Depreciation and amortization	3, 6	26,102,896	23,843,215
Gain on sale of property and equipment		23,351	38,512
Interest income		(1,599,979)	(2,576,859)
Interest income from late payment of energy bills		(13,834,788)	(14,900,012)
Finance and Murabaha cost		7,621,346	8,443,347
Interest expense from late payment of energy bills		14,098,022	14,823,445
End-of-service indemnity provision	18	3,696,315	2,955,111
Provision for expected credit losses and doubtful debts	13, 14	813,667	2,370,596
Group's share of an associate's profit	10	(63,854)	(73,528)
Other provisions		310,128	1,285,975
Amortization profit of excess of subscribers' contributions		(807,619)	(807,619)
Provision for slow-moving inventories	12	135,069	706,890
Depreciation of right of use asset		263,197	181,857
Finance cost of leases	11	69,010	48,519
<b>Working capital changes:</b>			
Inventory		(2,692,949)	(769,636)
Accounts receivable and other current assets		71,024,339	(129,117,452)
Accounts payable, accrued expenses and other current liabilities		(66,987,992)	136,993,639
Advances from subscribers		24,093,184	25,577,122
Subscribers' deposits		6,277,447	5,753,330
Deferred revenues		1,476,010	852,583
End-of-service indemnity provision paid	18	(2,530,234)	(2,534,964)
Other provisions paid		(207,226)	(122,996)
Income tax paid	8	(5,288,936)	(5,292,224)
<b>Net cash flows from operating activities</b>		<b>82,278,458</b>	<b>89,979,524</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Projects in progress		(53,140,518)	(50,278,549)
Purchase of property and equipment.	3	(32,956,358)	(35,265,518)
Proceeds from sale of property and equipment		2,043,126	2,849,143
Interest income received		1,599,979	2,576,859
Dispute lawsuits payments	6	(51,428)	(27,683)
Deposits at banks		(10,063,247)	5,000,000
<b>Net cash flows used in investing activities</b>		<b>(92,568,446)</b>	<b>(75,145,748)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Loans, net		24,069,361	12,221,851
Interest expense paid		(7,621,346)	(8,443,347)
Dividends paid to non-controlling interest		(3,229,150)	(2,494,240)
Dividends paid		(8,500,000)	(6,000,000)
Lease liability and finance cost paid	11	(200,000)	(332,000)
<b>Net cash flows from (used in) financing activities</b>		<b>4,518,865</b>	<b>(5,047,736)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(5,771,123)</b>	<b>9,786,040</b>
Cash and cash equivalents at 1 January		(20,124,676)	(29,910,716)
<b>Cash and cash equivalents at 31 December</b>	15	<b>(25,895,799)</b>	<b>(20,124,676)</b>

**The attached notes from 1 to 41 form an integral part of these consolidated financial statements**

**(1) General**

Electricity Distribution Company Public Shareholding Company ("the Company") was established on 12 February 1998 as a public shareholding company in implementation of the Council of Ministers' resolution dated 4 October 1997 regarding establishment of a separate company from the National Electricity Company to undertake the distribution of electric power in the following areas: Aqaba, Ma'an, Karak, Tafayleh, Jordan Valley and Eastern area, and to be 75% owned by the Government and 25% by National Electricity Company until privatization, in which all distributing activities in National Electricity Company will revert to it. On 2 July 2008, the Company underwent privatization when Kingdom Electricity Company acquired both the Government's share and the National Electricity Company's shares.

The Company commenced its industrial and commercial activities on 1 January 1999.

The Company was registered in Aqaba Special Economic Authority under registration No. 1101103002 on 30 October 2001 in accordance with the regulations, and instructions of the Aqaba Special Economic Zone Law No. 32 for the year 2000.

The principal activities of the Company are to purchase and distribute electric power in the area mentioned above in accordance with the distribution license that the Company was granted in 30 June 2008 and its valid for 25 years from that date.

According to the distribution and supplies license granted to the Group on 30 June 2008 from Energy and Mineral Regulatory Commission (EMRC), the annual return from core activities before tax is determined based on the Regulatory Asset Base set by EMRC. The Group's financial results indicate that the deficit in profits continues until the end of 2025. Accordingly, this deficit will be recovered by determining the tariff for the upcoming tariff period as per the tariff determination methodology stated in the license; additionally, the deficit amount is subject to EMRC revision and amendment as mentioned in the license.

The consolidated financial statements have been approved by the Board of Directors in their meeting held on 30 March 2026. The consolidated financial statements require approval of the Company's General Assembly.

These financial statements are consolidated with the Ultimate Parent Company, Social Security Corporation.

## **(2) Basis Of Preparation and accounting policies**

### **2.1 Basis of preparation**

The consolidated financial statements for the Group have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

The consolidated financial statements are prepared under the historical cost convention.

The consolidated financial statements are presented in Jordanian Dinars which represent the functional currency of the Group.

### **2.2 Basis of consolidation**

The consolidated financial statements comprise of the financial statements of the Company and its subsidiary (Irbid District Electricity Company) as at 31 December 2025:

	<u>Year of incorporation</u>	<u>Paid-in- capital</u>	<u>Nature of Activity</u>	<u>Ownership</u>
		JD		%
Irbid District Electricity Company	1957	26,785,733	Electricity distribution	55,46

Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The investee company is controlled only when the following is achieved:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee, including:

- Contractual agreements with shareholders that have voting rights in the investee.
- Rights resulting from other contractual arrangements; and
- The Group's current and future voting rights in the investee.

The Group reassesses its control over the investee when circumstances and factors exist that lead to the change in one or more of the three factors listed above.

Subsidiaries are fully consolidated from the date of acquisition being the date on which the Group gains control, and continues to do so until the date when such control ceases. The subsidiaries revenues and expenses are consolidated in the consolidated statement of comprehensive income from the date the Group gains control over the subsidiaries until that control ceases.

Profits, losses, and all other comprehensive income items are attributed to the shareholders' equity of the parent company, and to non-controlling interest, even if this leads to a deficit balance. If need arises, the subsidiaries' financial statements are adjusted accordingly to comply with the Group's accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in the statement of profit or loss and other comprehensive income
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss.

### **2.3 Changes in accounting policies**

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 2024, except for the adoption of new amendments on the standards effective as of 1 January 2025 shown below:

#### **Lack of exchangeability - Amendments to IAS 21**

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

The amendments did not have a material impact on the Group's financial statements.

### **2.4 Summary of material accounting policies**

#### **Property and equipment**

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Repair and maintenance expenses are recognized in the consolidated statement of comprehensive income.

**ELECTRICITY DISTRIBUTION COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2025**

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

	<u>%</u>
Buildings and constructions	2
Underground cables	3
Transformation stations and network	5 – 7
Subscribers' meters	7
Telecommunication equipment	12
Computers	20
Vehicles	15
Laboratory equipment	9 – 20
Operating equipment	9 – 20
Tools	20
Other equipment	9 – 20
Furniture and office equipment	9 – 20

Property and equipment are depreciated using the above rates after excluding fully depreciated property and equipment.

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 relocated in the consolidated statement of comprehensive income.

The estimated useful lives are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of comprehensive income when the asset is derecognised.

### **Subscribers' contributions Assets and Liabilities**

These assets are stated separately based on the Energy and Mineral Regulatory Commission regulations under non-current assets, with a similar contra liability account under non-current liabilities with the same amount.

Subscriber's contributions assets are depreciated on a straight-line basis at 4% annually and the liability is amortized using the same rate, thus it does not affect the consolidated statement of comprehensive income.

### **Rural Fils assets**

This item represents the infrastructure assets to distribute electric power to rural area which are classified as non-current assets, with a similar contra liability account classified as non-current liabilities with the same amount based on Energy and Mineral Regulatory Commission regulations.

Rural fils assets are depreciated on a straight-line basis at 4% annually, and the liability is amortized using the same rate, thus it does not affect the consolidated statement of comprehensive income.

### **Dispute lawsuits payments**

This item represents payments made to locals as compensations for damages caused to their properties as a result of passing electrical lines through or any other damages to their properties; this account is amortized at 10% annually based on Energy and Mineral Regulatory Commission regulations.

### **Intangible assets**

Intangible assets are classified on the basis of their useful life as definite and indefinite useful lives. Intangible assets with finite lives are amortized over the useful economic life, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date, impairment is recorded in the consolidated statement of comprehensive income.

Internally generated intangible assets are not capitalized and are expensed in the consolidated statement of comprehensive income.

Indications of impairment of intangible assets are reviewed for and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent years.

### **Business combinations and Goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree.

For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in consolidated statement of comprehensive income.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

### **Projects in progress**

Projects in progress are stated at cost, which represents cost of constructions, equipment and direct costs. Projects in progress are not depreciated until they became ready for use.

### **Investment in an associate**

An associate is an entity in which the Company has significant influence, and which is neither a subsidiary nor a joint venture. The Group's investment in its associate is accounted for using the equity method of accounting Under the equity method.

The investment in the associate is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to

the associate is included in the carrying amount of the investment and is not amortized. The consolidated statement of comprehensive income reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

### **Inventories**

Inventories are valued at cost using the lower of weighted average costing and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### **Accounts receivable**

Accounts receivable are stated at the original invoice amount less amounts estimated to be uncollectible. An estimate for doubtful debts is made when collection is no longer probable. Bad debts are written off when there is no possibility of recovery.

### **Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand and at banks.

For the purpose of the preparation of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash at banks, net of outstanding bank overdrafts.

### **Loans**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the effective interest rate method ('EIR') amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statement of comprehensive income.

### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

### **End-of-service indemnity provision**

End-of-service indemnity provision is recognized when there are commitments on the Group to pay end of service indemnity to employees. Group is committed only when there is a separate and detailed plan. Provision is calculated based on the number of employees at the consolidated financial statements date and in accordance with the internal policies and IAS 19.



### **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 Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### **Income Taxes**

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 consolidated 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 consolidated 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 consolidated 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.

### **Revenue recognition**

Revenue is recognized in accordance with IFRS 15, which includes the 5 step approach where power sales revenues are recognized when power are consumed by customers and reliably measured.

Revenues are recognized upon rendering services and issuance of invoice.

Dividends from investees are recognized when declared by the general assembly of the investee.

Interest income is recognized as interest accrues using the effective interest rate method.

Rental income from operating leases is recognized on a straight-line basis over the lease term.

Revenues and expenses from rural fils projects are recognized in the same year the projects are completed.

Revenue form excess of subscriber's payment on completed projects is recognized on straight line basis using annual rate of 4% and its included as other revenues and revenues from non -core activities.

Other revenues are recognized on accrual basis.

## **Leases**

### **Group as a lessee**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

### **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

### **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### **Significant judgement in determining the lease term of contracts with renewal options**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on production if a replacement is not readily available.

### **Group as a lessor**

Operating lease revenue from investment properties are recognized as rent income in the consolidated statement of comprehensive income on a straight- line basis over the lease term.

### **Impairment of non-financial assets**

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount 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. When the carrying amount of an asset or CGU 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 of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

## **Fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## **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 retranslated at the rate of exchange ruling at the consolidated statement of financial position date.

All differences are taken to the consolidated statement of comprehensive income.

## **Segments information**

For the purpose of reporting to management and the decision makers in the Group, 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**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## **Contingencies**

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed when the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefit is possible.

## **2.5 Significant Accounting Estimates and Assumptions**

The preparation of the consolidated 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 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.

Judgments, estimates and assumptions in the consolidated financial statements are detailed below:

- A provision is booked for accounts receivable based on basis and assumptions approved by the Group's management to estimate the required provision.
- Income tax expense is calculated and charged for the year in accordance with laws and regulation and IFRS. Deferred tax assets and liabilities and income tax provision is calculated accordingly.
- The management periodically reviews the useful lives of property and equipment in order to calculate the annual depreciation expense on the general conditions of the property and equipment and estimate the future useful lives accordingly. Impairment losses of property and equipment are recognized in the consolidated statement of comprehensive income.

- Management derecognises property and equipment based on estimating the net book value of disposed assets.
- Provision for slow-moving items is recognized for inventory items that are not expected to be used for more than three years.
- End-of-services indemnity is calculated based on the Group's internal policies and actuarial studies.
- A provision will be established against court litigations where the Group is the defendant based on a legal study provided by the Group's legal advisor which will determine the risk that may occur. These studies are reviewed periodically, and the provision is adjusted accordingly.

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**(3) Property and equipment**

	Land	Buildings and constructions	Underground cables	Transformation stations and network	Subscribers' meters	Telecommunication equipment	Computers	Vehicles	Laboratory equipment	Operating equipment	Tools	Other equipment	Furniture and other equipment	Total
2025	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Cost -</b>														
At 1 January 2025	4,523,867	19,235,665	73,455,437	297,218,710	78,579,178	18,459,286	21,275,882	17,494,348	3,099	10,748,555	4,565,814	4,949,175	3,783,674	554,292,690
Additions	-	214,354	1,714,459	10,104,078	14,931,742	19,096	2,132,356	3,180,352	-	463,021	65,650	14,302	116,948	32,956,358
Transferred from projects in progress (note 5)	-	138,816	10,243,764	14,940,850	2,466,884	-	117,448	-	-	-	-	659,089	-	28,566,851
Disposals	-	-	(273,834)	(1,537,293)	(5,457,742)	(1,405)	(385,573)	(852,598)	-	(417,413)	-	(12,023)	(14,812)	(8,952,693)
At 31 December 2025	4,523,867	19,588,835	85,139,826	320,726,345	90,520,062	18,476,977	23,140,113	19,822,102	3,099	10,794,163	4,631,464	5,610,543	3,885,810	606,863,206
<b>Accumulated Depreciation -</b>														
At 1 January 2025	-	5,136,402	19,693,874	150,338,299	35,626,416	12,572,030	17,775,187	14,424,194	3,097	9,307,548	3,811,694	3,562,304	2,621,450	274,872,495
Depreciation for the year	-	621,013	1,990,731	11,111,545	6,808,063	2,062,461	1,484,601	750,937	-	637,111	108,264	311,025	192,039	26,077,790
Disposals	-	-	(145,761)	(982,868)	(4,339,090)	(822)	(379,514)	(851,680)	-	(168,049)	-	(9,216)	(9,216)	(6,886,216)
At 31 December 2025	-	5,757,415	21,538,844	160,466,976	38,095,389	14,633,669	18,880,274	14,323,451	3,097	9,776,610	3,919,958	3,864,113	2,804,273	294,064,069
<b>Net book value -</b>														
At 31 December 2025	4,523,867	13,831,420	63,600,982	160,259,369	52,424,673	3,843,308	4,259,839	5,498,651	2	1,017,553	711,506	1,746,430	1,081,537	312,799,137

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	Land	Buildings and constructions	Underground cables	Transformation stations and network	Subscribers' meters	Telecommunication equipment	Computers	Vehicles	Laboratory equipment	Operating equipment	Tools	Other equipment	Furniture and other equipment	Total
2024	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Cost -</b>														
At 1 January 2024	4,523,867	17,296,217	64,770,746	278,147,934	65,145,263	18,317,098	19,431,121	15,721,406	3,099	10,229,136	4,413,081	4,184,918	3,505,631	505,689,517
Additions	-	696,587	3,861,177	12,721,702	12,836,355	178,538	1,862,628	1,811,893	-	717,087	153,219	143,859	282,473	35,265,518
Transferred from projects in progress (note 5)	-	1,242,861	5,370,828	8,885,262	3,976,788	6,495	106,313	-	-	5,277	-	624,583	19,242	20,237,649
Disposals	-	-	(547,314)	(2,536,188)	(3,379,228)	(42,845)	(124,180)	(38,951)	-	(202,945)	(486)	(4,185)	(23,672)	(6,899,994)
At 31 December 2024	<u>4,523,867</u>	<u>19,235,665</u>	<u>73,455,437</u>	<u>297,218,710</u>	<u>78,579,178</u>	<u>18,459,286</u>	<u>21,275,882</u>	<u>17,494,348</u>	<u>3,099</u>	<u>10,748,555</u>	<u>4,565,814</u>	<u>4,949,175</u>	<u>3,783,674</u>	<u>554,292,690</u>
<b>Accumulated Depreciation</b>														
-														
At 1 January 2024	-	4,639,647	17,889,926	141,956,780	32,014,539	10,564,207	16,048,397	13,763,508	3,097	8,881,244	3,711,303	3,174,254	2,452,705	255,099,607
Depreciation for the year	-	496,755	1,846,755	9,914,354	5,740,583	2,050,668	1,841,982	666,582	-	590,888	100,875	391,656	182,641	23,823,739
Disposals	-	-	(42,807)	(1,532,835)	(2,128,706)	(42,845)	(115,192)	(5,896)	-	(164,584)	(484)	(3,606)	(13,896)	(4,050,851)
At 31 December 2024	<u>-</u>	<u>5,136,402</u>	<u>19,693,874</u>	<u>150,338,299</u>	<u>35,626,416</u>	<u>12,572,030</u>	<u>17,775,187</u>	<u>14,424,194</u>	<u>3,097</u>	<u>9,307,548</u>	<u>3,811,694</u>	<u>3,562,304</u>	<u>2,621,450</u>	<u>274,872,495</u>
<b>Net book value -</b>														
At 31 December 2024	<u>4,523,867</u>	<u>14,099,263</u>	<u>53,761,563</u>	<u>146,880,411</u>	<u>42,952,762</u>	<u>5,887,256</u>	<u>3,500,695</u>	<u>3,070,154</u>	<u>2</u>	<u>1,441,007</u>	<u>754,120</u>	<u>1,386,871</u>	<u>1,162,224</u>	<u>279,420,195</u>

\* Depreciation for the year is distributed as follows:

	2025	2024
	JD	JD
Depreciation in the consolidated statement of comprehensive income	25,582,923	23,485,097
Depreciation of non-core activities (note 31)	494,867	338,642
	<u>26,077,790</u>	<u>23,823,739</u>



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**(4) Subscribers' and rural fils contribution assets**

	<u>2025</u>	<u>2024</u>
	JD	JD
<b>Cost -</b>		
At 1 January	455,886,903	432,969,047
Transferred from project in progress (note 5)	25,195,403	22,917,856
At 31 December	<u>481,082,306</u>	<u>455,886,903</u>
<b>Accumulated depreciation -</b>		
At 1 January	243,864,092	227,081,289
Depreciation for the year *	17,566,830	16,782,803
At 31 December	<u>261,430,922</u>	<u>243,864,092</u>
<b>Net book value -</b>		
At 31 December	<u>219,651,384</u>	<u>212,022,811</u>

This item represents the infrastructure constructed by the Group to connect customers and rural areas with electricity. The cost of the infrastructure is paid by the customers and the Jordanian Rural Fils Fund Project and is recognised as an asset and a liability in the Group's consolidated statement of financial position.

\* Subscribers' and rural fils contribution assets are depreciated at 4% annually and Subscribers and rural fils contributions liabilities are amortized at the same rate, accordingly there is no effect on the consolidated statement of financial position. Details of subscribers and rural fils contributions liabilities are as follows as of 31 December:

	<u>2025</u>	<u>2024</u>
	JD	JD
Subscribers' contributions liabilities	156,079,290	150,569,398
Rural fils contributions liabilities	63,572,094	61,453,413
	<u>219,651,384</u>	<u>212,022,811</u>

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**(5) Projects in progress**

The following represent projects in progress and payments made to contractors by the Group:

	2025	2024
	JD	JD
Self-funded projects	15,716,273	16,647,258
Subscribers' contributions projects	16,371,061	13,885,717
Rural fils contributions projects	5,059,625	7,235,720
	<u>37,146,959</u>	<u>37,768,695</u>

Movement on the project in progress is as follows:

	2025	2024
	JD	JD
At 1 January	37,768,695	30,645,651
Additions (issuances from warehouses)	37,550,973	37,664,650
Capitalized expenses*	15,589,545	12,613,899
Transferred to property and equipment (note 3)	(28,566,851)	(20,237,649)
Transferred to subscribers and rural fils contributions assets (note 4)	(25,195,403)	(22,917,856)
At 31 December	<u>37,146,959</u>	<u>37,768,695</u>

\* Details of capitalized expenses on project in progress are as follows:

	2025	2024
	JD	JD
Salaries and other benefits	13,774,442	11,188,157
End-of-service indemnity (note 18)	614,056	609,098
Electricity	123,967	57,971
Water	39,231	4,769
Heating	14,524	616
Telecommunications	39,182	46,649
Hospitality	8,736	2,005
Perdiem	7,220	8,810
Stationary	59,913	58,701
Cleaning	15,222	53,531
Computer Expenses	9,894	29,455
Vehicles expenses	491,412	346,559
Rent	2,083	7,339
Employees Insurance	14,352	19,093
Others	375,311	181,146
	<u>15,589,545</u>	<u>12,613,899</u>

The cost of completing the remaining parts of projects in progress is estimated at JD 32,767,976 as of 31 December 2025 (2024: JD 29,571,671).

**(6) Dispute lawsuits payments**

	<u>2025</u>	<u>2024</u>
	JD	JD
<b>Cost -</b>		
At 1 January	8,424,642	8,358,007
Payments during the year	<u>51,428</u>	<u>66,635</u>
At 31 December	<u>8,476,070</u>	<u>8,424,642</u>
<b>Accumulated amortization -</b>		
At 1 January	8,326,172	8,306,696
Amortization for the year	<u>25,106</u>	<u>19,476</u>
At 31 December	<u>8,351,278</u>	<u>8,326,172</u>
<b>Net book value -</b>		
At 31 December	<u><u>124,792</u></u>	<u><u>98,470</u></u>

**(7) Long- term loan receivable**

This item represents housing loan granted to the Housing Fund employees at Murabaha rate of 2% annually calculated based on Islamic Murabaha. The number of employees who have borrowed are 76 employees up to 31 December 2025 (2024: 74 employees).

**(8) Income Tax**

**Deferred tax assets -**

This item represents deferred tax assets resulted from the accumulated losses of all areas (except Aqaba), and end-of-service indemnity provision and other provisions.

Movements on deferred tax assets are as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
At 1 January	4,517,065	4,283,536
Additions for the year	<u>403,807</u>	<u>233,529</u>
At 31 December	<u><u>4,920,872</u></u>	<u><u>4,517,065</u></u>

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**Income tax provision -**

Movement on income tax provision is as follows:

	2025	2024
	JD	JD
At 1 January	4,608,296	4,264,963
Income tax for the year	4,914,545	5,635,557
Income tax paid	(5,288,936)	(5,292,224)
At 31 December	<u>4,233,905</u>	<u>4,608,296</u>

The income tax for the year appearing in the consolidated statement of comprehensive income consists of the following:

	2025	2024
	JD	JD
Income tax for the year	4,914,545	5,635,557
Additions from the deferred tax assets	(403,807)	(233,529)
	<u>4,510,738</u>	<u>5,402,028</u>

The table below shows the reconciliation between the accounting profit before income tax and taxable income:

	2025					2024
	IDECO	EDCO	EDCO-Aqaba	Eliminations	Total	Total
	JD	JD	JD	JD	JD	JD
Accounting profit (loss)	12,630,188	(3,116,373)	14,731,237	(5,497,691)	18,747,361	20,759,980
Non-taxable revenues	(1,525,732)	1,440,822	318,214	-	233,304	(7,593,305)
Non-deductible expenses	2,927,268	(4,572,720)	(1,049,029)	-	(2,694,481)	7,125,563
<b>Taxable profit (loss)</b>	<u>14,031,724</u>	<u>(6,248,271)</u>	<u>14,000,422</u>	<u>(5,497,691)</u>	<u>16,286,184</u>	<u>20,292,238</u>
Income tax expense for the year	3,794,511	-	1,120,034	-	4,914,545	5,635,557
Deduct: Deferred tax assets movements	(403,807)	-	-	-	(403,807)	(233,529)
<b>Income tax expense for the year</b>	<u>3,390,704</u>	<u>-</u>	<u>1,120,034</u>	<u>-</u>	<u>4,510,738</u>	<u>5,402,028</u>
<b>Statutory income tax rate</b>	27%	27%	8%	-	8% - 27%	8% - 27%
<b>Effective income tax rate</b>	26,85%	-	7,60%	-	24%	26,02%

Income tax provision was calculated for the years ended 31 December 2025 and 2024 in accordance with the income tax law no. (34) for the year 2014 which was implemented on 1 January 2019. The Group is subject to a statutory income tax rate of 24% in addition to a 3% national contribution tax in all the Group's areas except for Aqaba where the income tax was calculated in accordance with Aqaba Special Zone Law with a statutory income tax rate of 5% in addition to a 3% national contribution tax .

**Tax Clearance:**

**Electricity Distribution Company**

The Company has obtained the final clearance from Income Tax Department for all years up to 2022. The Company has submitted its tax declaration for 2023, 2024. The Income and Sales Tax Department has not reviewed the Company's records up to the date of the consolidated financial statements.

**Electricity Distribution Company - Aqaba**

The Company has obtained a final tax clearance from the Income and Sales Tax Department for all years up to 2021. The Company submitted its tax declarations for the years 2022 and 2023, and the tax declaration for the year 2024 was accepted under the sample-based system. The Income and Sales Tax Department has not reviewed the Company's accounting records up to the date of the consolidated financial statements.

**Irbid District Electricity Company (Subsidiary)**

The Company has obtained a final tax clearance from the Income and Sales Tax Department for all years up to 2020. The Group submitted itself-assessment tax returns for the years 2021, 2022, 2023 and 2024. The Group has settled the income tax amounts due for the period covering the first half of 2025. As of the date of preparation of these consolidated financial statements, the Group has not been subject to a tax audit by the Income and Sales Tax Department.

**(9) Intangible Assets**

**Impairment test for indefinite intangible assets and goodwill**

During 2009, the Group has purchased 55.46% share of Irbid District Electricity Company – Public Shareholding Company (the "Subsidiary") which resulted in intangible assets representing the distribution licence which was granted to the Subsidiary to distribute electricity power within the specific assigned area by the licence for 25 years, in the Company's management opinion the licence is renewable based on specific conditions and The Energy and Minerals Regulatory Commission approval. The Company amortizes the license over 17.5 years. Also, goodwill which represents the excess in the amount paid over the fair value of the Subsidiary's assets and liability including distribution licence, for the purpose of impairment test the power distributions was defined as cash generating unit.

Intangible assets represent the following:

	2025			2024
	Electricity power distribution license	Goodwill*	Total	Total
	JD	JD	JD	JD
<b>Cost:</b>				
As at 1 January	26,962,131	980,071	27,942,202	27,942,202
As at 31 December	26,962,131	980,071	27,942,202	27,942,202
<b>Accumulated amortization</b>				
As at 1 January	13,866,237	-	13,866,237	12,325,544
Amortization during the year	1,540,693	-	1,540,693	1,540,693
As at 31 December	15,406,930	-	15,406,930	13,866,237
<b>Net book value</b>	<b>11,555,201</b>	<b>980,071</b>	<b>12,535,272</b>	<b>14,075,965</b>

**\* Impairment test**

As of 31 December 2025, the Group has performed impairment test by calculating the recoverable amount based on the expected cash flows for the next five years which were set out in the estimated financial budgets that prepared by the Group's subsidiary and approved by senior management.

**Key assumptions used**

Key financial assumptions used by management to determine the cash inflows were as follows:

1. Power electricity distribution revenues: revenue from sale of electricity power is projected by management to decrease by a percentage from 2% to 6% in the next five years as a result of the increase in the demand on the renewable energy.
2. Cost of power distributions: based on distribution agreement, the cost of power purchased is linked to revenue since any changes to the purchase price is often reflected on the selling price. Therefore, management expected that cost of electricity distribution constitutes 84% of revenues, which represents the trend in the historical years.
3. General and administrative expense: general and administrative expenses are projected by the management to increase from 5% to 6% based on historical trends.

**Discount rate**

The management has applied the discounted cash flow (DCF) method for the next five years, using a weighted average cost of capital (WACC) as the discount rate. The WACC includes both pre-tax cost of debt and cost of equity, resulting in an after-tax WACC of 12%.

**Conclusions**

Based on the impairment test, the recoverable amount was determined at higher than the book value. Accordingly, no impairment was recorded during the year ended 31 December 2025.

**Sensitivity analysis**

Group's management is not expecting changes on the basic assumptions which were used in determine of value and leads to impairment in the recoverable amount below book value.

**(10) Investment An Associates**

This item represents the Group's contributions in the following companies:

<b>Unquoted shares – Local</b>	<b>Activity</b>	<b>Country</b>	<b>Percentage of ownership %</b>	<b>2025 JD</b>	<b>2024 JD</b>
Electricity Equipment Industries Company LLC	Manufacturing spare parts for machines and Electricity transformers	Jordan	18.3	1,260,176	1,193,796
Sama AlMamlaka for Commercial projects and Services	Management consulting services	Jordan	31.1	59,674	62,200
				<u>1,319,850</u>	<u>1,255,996</u>

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Movement on investment in associates account is as follows:

	2025 JD	2024 JD
At 1 January	1,255,996	1,182,468
Investment in an associate	(18,523)	-
Group's share from associates' profit	82,377	73,528
At 31 December	<u>1,319,850</u>	<u>1,255,996</u>

**Electrical Equipment Industries Company Limited Liability Company:**

This item represents the Group's contribution in the capital of the Electrical Equipment Industries Company LLC, where the company owns 12.03% directly and the subsidiary owns 11.47%.

The following is the movement on investment in this associate:

	2025 JD	2024 JD
At 1 January	1,193,796	1,097,967
The Group's share of results of prior years	(18,523)	-
Group's share from associate's profit	84,903	95,829
At 31 December	<u>1,260,176</u>	<u>1,193,796</u>

The below shows summary of Electrical Equipment's Industries Company financial statements:

	2025 JD	2024 JD
Current assets	8,480,317	6,254,636
Non-current assets	2,749,929	1,883,784
Current liabilities	(3,757,257)	(1,758,052)
Non-current liabilities	(2,110,540)	(1,300,389)
Owners' equity	<u>5,362,449</u>	<u>5,079,979</u>
Group ownership percentage %	23.5%	23.5%
Actual group ownership percentage %	23.5%	23.5%
Investment carrying amount	1,260,176	1,193,796
Revenue	11,449,959	11,451,155
Cost of sales	(10,047,114)	(10,329,355)
Other income, net	(4,305)	(16,901)
Administrative expenses	(842,683)	(599,381)
Finance costs	(194,568)	(97,735)
<b>Profit before tax</b>	<u>361,289</u>	<u>407,783</u>
Income tax expense	-	-
<b>Profit for the year</b>	<u>361,289</u>	<u>407,783</u>
<b>Group's share of profit for the year</b>	<u>84,903</u>	<u>95,829</u>

**Sama AlMamlaka Company for Commercial Projects and Services:**

This item represents the Group's contribution in the capital of Sama AlMamlaka Company for Commercial Projects and Services, where the Company owns 20% directly and the subsidiary owns 20%.

The following is the movement on investment in this associate:

	2025 JD	2024 JD
At 1 January	62,200	84,501
The Group's share of the associate's loss	(2,526)	(22,301)
At 31 December	<u>59,674</u>	<u>62,200</u>

The below shows summary of Sama AlMamlaka Company for Commercial Projects and Services Company financial statements:

	2025 JD	2024 JD
Assets	186,092	191,857
Liabilities	(36,906)	(40,521)
Owners' equity	<u>149,186</u>	<u>151,336</u>
Group ownership percentage %	40%	40%
Actual group ownership percentage %	31%	31%
Investment carrying amount	59,674	62,200
Other expenses	-	(37,369)
Administrative expenses	(6,315)	(18,383)
<b>Loss before tax</b>	<u>(6,315)</u>	<u>(55,752)</u>
Income tax expense	-	-
<b>Loss for the year</b>	<u>(6,315)</u>	<u>(55,752)</u>
<b>Group's share of loss for the year</b>	<u>(2,526)</u>	<u>(22,301)</u>

On 12 July 2024, the Board of Directors of Irbid District Electricity Company – public shareholding Ltd. (a subsidiary) approved the Investment Company of the Kingdom Electricity Company (the parent) to invest in Noor Al Shamal Company for Commercial Projects and Services, which was 100% owned by the Irbid District Electricity Company Public Shareholding Ltd. (a subsidiary).

Following this decision and based on the extraordinary decision of the General Assembly of Noor Al Shamal Company for Commercial Projects and Services in its meeting held on 31 August 2024, it was decided to increase the company's authorized and subscribed capital to become 250,000 JD / share instead of 50,000 JD / share, as the value of the investment of Irbid District Electricity Company in the Company amounting to 50,000 JD / share was retained, constituting 20% of the value of the company's capital. During 2024, the name of Noor Al Shamal Company for Commercial Projects and Services was changed to Sama AlMamlaka for Commercial Projects and Services.



**(11) Right of use and Lease Contracts liabilities**

Set out below are the carrying amounts for the right-of-use assets and lease contracts liabilities during the year:

	Right of use assets JD	Lease contracts liabilities* JD
<b>At 1 January 2025</b>	1,191,450	1,102,511
Depreciation for the year	(263,197)	-
Finance costs	-	69,010
Lease payments	-	(200,000)
<b>At 31 December 2025</b>	<u>928,253</u>	<u>971,521</u>

	Right of use assets JD	Lease contracts liabilities* JD
<b>At 1 January 2024</b>	234,540	247,225
Additions	1,138,767	1,138,767
Depreciation for the year	(181,857)	-
Finance costs	-	48,519
Lease payments	-	(332,000)
<b>At 31 December 2024</b>	<u>1,191,450</u>	<u>1,102,511</u>

\* Details of lease contracts liabilities as at 31 December:

	Short term JD	Long term JD	Total JD
2025	<u>387,464</u>	<u>584,057</u>	<u>971,521</u>
2024	<u>307,568</u>	<u>794,943</u>	<u>1,102,511</u>

The Group recognised rent expense from short-term leases and of low-value assets in the consolidated statement of comprehensive income of JD 151,072 for the year ended 31 December 2025 (2024: JD 151,035).

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**(12) Inventory**

	<u>2025</u>	<u>2024</u>
	JD	JD
Raw materials and work-in-process inventory held in warehouses	1,860,960	3,332,405
Medium- and low-voltage electrical materials and customer supplies	18,966,863	14,707,424
Tools and vehicles spare parts	357,093	263,348
Stationary, furniture and computers equipment	873,980	593,154
Returned materials*	4,353,811	4,666,917
	<u>26,412,707</u>	<u>23,563,248</u>
Deduct: provision for slow moving inventories*	<u>(4,381,010)</u>	<u>(4,316,159)</u>
	22,031,697	19,247,089
Add: letter of credit and tenders' expenses	1,201,344	1,428,072
	<u>23,233,041</u>	<u>20,675,161</u>
Strategic inventory**	11,600,962	9,689,126
Inventory	<u>11,632,079</u>	<u>10,986,035</u>
	<u>23,233,041</u>	<u>20,675,161</u>

\* The provision for slow moving inventories includes the value of all returned materials at 31 December.

Movement on the provision for slow moving inventories is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
At 1 January	4,316,159	3,657,208
Provision for the year	135,069	706,890
Items written-off during the year	<u>(70,218)</u>	<u>(47,939)</u>
At 31 December	<u>4,381,010</u>	<u>4,316,159</u>

\*\* Strategic inventory consists of medium and low voltage material and other parts used in the Company's projects, maintenance operations, and replacements.

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**(13) Accounts Receivable**

	<u>2025</u>	<u>2024</u>
	JD	JD
Normal subscribers' receivables	142,896,528	165,210,171
Water Authority and Meyahuna receivables	76,133,598	110,795,252
Governmental departments receivables	53,228,063	50,172,296
Municipality receivables – Street lighting	23,226,998	19,490,436
Late interest receivables *	<u>20,184,304</u>	<u>25,823,027</u>
	315,669,491	371,491,182
Provision for excepted credit losses/ Allowance for doubtful debts	<u>(27,602,999)</u>	<u>(26,845,519)</u>
	<u>288,066,492</u>	<u>344,645,663</u>

\* This amount represents interest on subscribers (Government and large companies) for power electricity sold and not collected in accordance with electricity tariff. Interest is calculated on accrued amount for more than 30 days from issuing the bill at 1% monthly with cap of 9% yearly on the due amount.

As of 31 December, the aging of unimpaired accounts receivable is as follows:

	<u>Neither past due nor impaired</u>	<u>1-90 days</u>	<u>91 – 120 days</u>	<u>&gt; 120 days</u>	<u>Total</u>
	JD	JD	JD	JD	JD
2025	100,911,286	45,364,022	14,875,059	126,916,125	288,066,492
2024	104,190,111	38,276,084	18,936,682	183,242,786	344,645,663

Based on the Group's management estimations, unimpaired receivables are expected to be fully recoverable. The Group obtains cash margins against these receivables.

\*Movement on the expected credit losses/ allowance for doubtful accounts is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
At 1 January	26,845,519	24,584,129
Provision for the year **	757,480	2,261,390
At 31 December	<u>27,602,999</u>	<u>26,845,519</u>

\*\* The Company has not applied International Financial Reporting Standard No. (9) with regard to the requirements of recording expected credit losses on the Company's receivables that are applicable starting from 1 January 2018, since the Electricity Distribution Company operates under a license issued by the Energy & Minerals Regulatory Commission (EMRC), and accordingly, the EMRC is the authority authorized to approve the operating and capital expenditure allocations for the Company, considering these expenditures are the basis for determining the electric tariff, whether the tariff for purchasing energy from the National Electric Power Company or the tariff for selling to the final consumer. Management of the Electricity Distribution Company requested the EMRC to calculate the value of the increase resulting from the application of the standard to be added to the allowance for doubtful accounts, and to consider that expense within the electric tariff accounts, but the EMRC in its letter No. (3984/2025) dated 25 March 2025 extended the Company's exemption from the application of IFRS 9 for the electricity tariff period (2024-2025), provided that the possibility of applying this standard will be reviewed after the end of the above-mentioned period.

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**(14) Other Current Assets**

	<u>2025</u>	<u>2024</u>
	JD	JD
Cheques under collection	4,983,573	5,607,103
Debit balances – Funds	9,176,706	8,430,815
Rural Fils projects	221,861	878,019
Receivables – Housing Fund	21,192	166,827
Prepaid expenses	872,463	894,198
Refundable checks	2,516,143	2,671,564
Others	1,704,985	2,420,116
	<u>19,496,923</u>	<u>21,068,642</u>
Provision for doubtful debts	<u>(2,549,768)</u>	<u>(2,493,581)</u>
	<u>16,947,155</u>	<u>18,575,061</u>

Movement on the provision for doubtful debts is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
At 1 January	2,493,581	2,384,375
Provision for the year	56,187	109,206
At 31 December	<u>2,549,768</u>	<u>2,493,581</u>

**(15) Cash and Bank balances**

Cash and bank balances in the consolidated statement of financial position comprise of the following:

	<u>2025</u>	<u>2024</u>
	JD	JD
Cash on hand	109,014	101,604
Current accounts at banks	3,197,861	6,677,587
Short-term deposits with maturity more than 3-months to one year*	40,063,247	30,000,000
	<u>43,370,122</u>	<u>36,779,191</u>

- \* This item represents deposits with a local bank in Jordanian dinars maturing over a period of more than three months and up to a year and with an interest rate between (5,13 – 6,13%) (2024: 5,5 – 6,7%).

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For the purpose of preparing the consolidated statement of cash flows, cash and cash equivalents comprise of the following:

	2025 JD	2024 JD
Cash on hand and at banks	43,370,122	36,779,191
Short-term deposits with maturity 3-months to year	(40,063,247)	(30,000,000)
Due to banks (note 22)	(29,202,674)	(26,903,867)
	<u>(25,895,799)</u>	<u>(20,124,676)</u>

**(16) Owners Equity**

**Paid-in capital -**

The Company's authorized, subscribed and, paid-in-capital consist of 25,000,000 shares with JD 1 par value per share.

The General Assembly resolved at its Extraordinary Meeting held on 21 April 2025 to increase the Company's share capital by an amount of JOD 4,000,000 through the capitalization of retained earnings, thereby increasing the Company's share capital to JOD 25,000,000. The capital increase procedures were completed with the Companies Control Department on 29 October 2025.

The General Assembly of the subsidiary company (Irbid District Electricity Company Plc) resolved at its Extraordinary Meeting held on 20 April 2025 to increase the subsidiary's share capital by an amount of JOD 6,000,000 through the capitalization of retained earnings, thereby increasing the subsidiary's share capital to JOD 27,000,000 with a nominal value of one Jordanian Dinar per share as at 31 December 2025. The Group obtained the approval of the Securities Commission to increase the capital by an amount of JOD 5,785,733 instead of JOD 6,000,000. Accordingly, the authorized share capital amounts to JOD 27,000,000, while the issued and fully paid share capital amounts to JOD 26,785,733.

**Statutory reserve -**

As required by the Jordanian Companies Law, 10% of the annual profit before income tax is to be transferred to statutory reserve. The reserve is not available for distribution to shareholders. The Company may stop transferring to statutory reserve when its balance reaches 25% of the authorized share capital.

**Voluntary reserve -**

The accumulated amounts in this account represent cumulative appropriations not exceeding 20% of the annual profit before income tax. This reserve is available for distribution to shareholders.

**Dividends -  
2025-**

The General Assembly approved in its ordinary meeting held on 21 April 2025 to distribute an amount of JD 8,500,000 as dividends to shareholders for the profits of 2024 representing 40% of the Company's share capital on the meeting date.

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The General Assembly of the subsidiary (Irbid District Electricity Company) approved in its ordinary meeting held on 20 April 2025 to distribute an amount of JD 7,250,000 as dividends to shareholders for the profits of 2024 representing 34.5% of the Company's share capital on the meeting date.

**2024-**

The General Assembly approved in its ordinary meeting held on 25 April 2024 to distribute an amount of JD 6,000,000 as dividends to shareholders for the profits of 2023 representing 43% of the Company's share capital on the meeting date.

The General Assembly of the subsidiary (Irbid District Electricity Company) approved in its ordinary meeting held on 21 April 2024 to distribute an amount of JD 5,600,000 as dividends to shareholders for the profits of 2023 representing 40% of the Company's share capital on the meeting date.

**(17) Advances from subscribers**

This item represents advances received from subscribers to construct the subscribers' contribution projects; upon completion of the project the Group settles these advances into subscribers' contribution liabilities and excess of subscribers' contributions.

**(18) Provision For End-of-service indemnity**

Movement on the provision for end-of-service indemnity is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
At 1 January	24,341,123	23,920,976
Charged for the year (note 29)	3,066,941	2,233,452
Capitalized on projects in progress	614,056	609,098
Expenses allocated to poles factory	15,318	112,561
Paid during the year	<u>(2,530,234)</u>	<u>(2,534,964)</u>
At 31 December	<u>25,507,204</u>	<u>24,341,123</u>

The details for the end of service indemnity provision charged for the year and capitalized to projects under progress is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Interest on obligations	1,518,850	1,143,171
Current service costs	<u>2,177,465</u>	<u>1,811,940</u>
	<u>3,696,315</u>	<u>2,955,111</u>

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End-of-service indemnity was distributed as follows:

	2025	2024
	JD	JD
General and administrative expenses (note 29)	3,066,941	2,233,452
Capitalized on projects in progress (note 5)	614,056	609,098
Transferred to poles factory costs	15,318	112,561
	<u>3,696,315</u>	<u>2,955,111</u>

The principal actuarial assumptions used to determine the end-of-service indemnity provision is as follows:

	2025	2024
Discount rate	6,023%	6,09%
Mortality rate	0,07%	0,14%
Annual increase in salaries rate	4%	5,25%
Resignation rate	4%	3%
Group's social security contribution deducted from employee's end of service indemnity	7%	8%

The following schedule illustrates the possible changes in the current end-of-service indemnity value as of 31 December, due to changes by 1% in the discount rate, the salaries increase rate and resignation rate:

Increase by 1% in the rate	Effect on the current value of the end of service indemnity provision	
	2025	2024
	JD	JD
Discount	(3,978,211)	(2,468,146)
Increase in salaries	5,431,917	4,214,173
Resignations	1,027,037	986,979
Decrease by 1% in the rate	Effect on the current value of the end of service indemnity provision	
	2025	2024
	JD	JD
Discount	5,503,225	3,124,593
Increase in salaries	(3,735,469)	(3,087,230)
Resignations	(1,027,037)	(986,979)

**(19) Excess Of Subscribers Contribution**

This item represents the difference between the amount received from subscribers, contributions and the actual cost incurred to complete these projects. The Group amortizes this amount at 4% annually. Movement on this item is as follows:

	2025	2024
	JD	JD
<b>Excess of subscribers' contribution -</b>		
At 1 January	24,621,089	24,621,089
At 31 December	24,621,089	24,621,089
<b>Accumulated amortization of excess of subscribers' contribution</b>		
At 1 January	21,512,512	20,704,893
Amortization for the year *	807,619	807,619
At 31 December	22,320,131	21,512,512
<b>Net book value</b>		
At 31 December	2,300,958	3,108,577
Current portion of subscription contribution	807,619	807,619
Non-current subscription contribution	1,493,339	2,300,958
	2,300,958	3,108,577

\* Excess of subscribers' contribution amortization is transferred to revenues from non-core activities.

**(20) Subscribers' deposits**

This item represents the amount received from the subscribers as cash deposits for electricity power supply based on Energy and Minerals Regulator Commission regulations.



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**(21) Loans**

This item represents long term loans granted from the following banks:

		Loan instalments					
		2025			2024		
Currency		Short term	Long term	Total	Short term	Long term	Total
		JD	JD	JD	JD	JD	JD
Housing bank	JD	2,000,000	-	2,000,000	6,000,000	2,000,000	8,000,000
Cairo Amman Bank	JD	-	20,000,000	20,000,000	-	-	-
Jordan Islamic Bank	JD	3,600,000	7,200,000	10,800,000	3,600,000	10,800,000	14,400,000
Short term loans	JD	116,924,953	-	116,924,953	103,255,592	-	103,255,592
		122,524,953	27,200,000	149,724,953	112,855,592	12,800,000	125,655,592

**Housing bank - JD**

On 24 November 2015, the Company entered into a loan agreement with the Housing Bank for Trade and Finance. This item includes a loan from the Housing Bank for Trade and Finance with an amount and ceiling of JOD 40,000,000, with a grace period of one year. The loan bears an interest rate ranging between 5% and 5.4% or the Prime Lending Rate (PLR) less 3%, whichever is lower, for the first five years of the loan term. From the sixth year of the loan term until the end of the repayment period, the loan bears interest at the Prime Lending Rate (PLR) less 3%, subject to a minimum rate of 5.25% per annum. The loan is repayable over 20 equal semi-annual instalments. The first instalment was due on 31 December 2016, and interest is payable every six months.

The interest rate was amended to 5.75% and fixed for a period of one year effective from 1 September 2022. Subsequently, the interest rate was amended to 7.75% and fixed for a period of six months effective from 1 September 2024. The interest rate was reinstated at 5.75% effective 1 March 2025.

**Cairo Amman Bank – JD**

On 5 November 2025, the Company entered into a loan agreement with Cairo Amman Bank for an amount of JOD 20,000,000, with a term of 11 years including a grace period of one year, such that the final instalment is due on 5 November 2036. The principal amount of the loan is repayable in semi-annual instalments in accordance with the repayment schedule agreed with the Bank, and interest is payable every six months. During the first year of the loan term, the loan bears interest at a fixed rate of 6.5% per annum; thereafter, until full settlement, the loan bears interest at a variable rate equivalent to the prevailing Overnight Deposit Window Rate of the Central Bank of Jordan plus a fixed margin of 0.5%, subject to a minimum interest rate of 6.0% per annum throughout the loan term.

**Jordan Islamic Bank – JD**

During 2024, Irbid District Electricity Company (subsidiary) entered into a loan agreement with Jordan Islamic Bank for an amount of JOD 18,000,000 with a Murabaha profit of JOD 3,150,000 at a Murabaha rate of 3.5%. The loan is repayable over 10 equal semi-annual instalments of JOD 1,800,000 each, with the first instalment due in May 2025 and the final instalment due in November 2028. Accordingly, the total value of the loan including Murabaha amounts to JOD 21,150,000.

The annual payments and maturities for long-term loan instalments are as follows:

<u>Year</u>	<u>Amount</u> JD
2027	5,600,000
2028	5,600,000
2029	2,000,000
2030-2036	14,000,000
	<u>27,200,000</u>

### **Short-term loan**

#### **Jordan Islamic Bank – JD**

During 2025, Electricity Distribution Company entered into an electric power supply financing agreement (electricity purchase price financing) with Jordan Islamic Bank to settle part of the electricity purchase bill from the National Electric Power Company, with a credit ceiling inclusive of profit amounting to JOD 28,850,000, at an agreed annual profit rate of 4.3% (2024: 5.5%). The full amount of the financing is expected to be settled during the year 2026.

Irbid District Electricity Company entered into an electric power supply financing agreement (electricity purchase price financing) with Jordan Islamic Bank and Al-Arabi Islamic Bank to settle part of the electricity purchase bill from the National Electric Power Company, with credit ceilings inclusive of profit amounting to JOD 80,000,000, bearing an average annual profit rate of 4.4% (2024: 4.77%). The full amount of the financing is expected to be settled during the year 2026.

#### **Islamic International Arab Bank – JD**

During 2025, Electricity Distribution Company entered into an electric power supply financing agreement (electricity purchase price financing) with Al-Arabi Islamic International Bank to settle part of the electricity purchase bill from the National Electric Power Company, with a credit ceiling inclusive of profit amounting to JOD 16,999,004, at an agreed annual profit rate of 4.5%. The full amount of the financing is expected to be settled during the year 2026.

### **(22) Due To Banks**

This item represents the balance of credit facilities granted to the Group by several local banks with a total credit ceiling of JOD 82,500,000 and an average annual interest rate of 7.39% (2024: credit facilities granted to the Group by several local banks with a total credit ceiling of JOD 83,000,000 and an average annual interest rate of 6.86%).

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**(23) Accounts Payable**

	2025 JD	2024 JD
National Electricity Power Company - energy purchased	222,018,748	263,841,993
National Electricity Power Company - interests on late payment	13,763,189	22,170,298
National Electric Power Company – network services and privatization	5,619,220	4,814,714
Rural Fils deposits	6,246,446	6,056,065
Central Electricity Generating Company	765,215	806,106
Television fees deposits	5,679,475	5,690,468
Garbage deposits	13,212,482	11,885,115
Suppliers payables	16,009,504	22,205,105
Others	6,852,143	6,345,452
	<u>290,166,422</u>	<u>343,815,316</u>

**(24) Accrued Expenses And Other Current Liabilities**

	2025 JD	2024 JD
Governmental and other deposits	3,635,674	2,345,106
Energy price received in advance	95,728	79,342
Notes payable	1,151,459	3,220,831
Accrued expenses	8,986,967	8,564,431
Accrued bank interest	187,783	305,274
Contractors' retentions	914,547	723,904
Dividends payable	630,424	828,075
Board of directors' remuneration	93,331	89,000
Payables – Funds	9,176,706	8,430,815
Others	800,575	327,492
	<u>25,673,194</u>	<u>24,914,270</u>

**(25) Other Provisions**

Provisions included in the consolidated statement of financial position are as follows:

	2025					2024	
	Vacation provision	Social services provision	Employees provision	Provision for Civil Liability	Lawsuits provision	Total	Total
	JD	JD	JD	JD	JD	JD	JD
At 1 January	2,265,049	395	1,196,855	-	886,935	4,349,234	3,186,255
Charged during the year	54,310	1,322	-	12,500	241,996	310,128	1,285,975
Paid during the year	(110,643)	-	(92,303)	(450)	(3,830)	(207,226)	(122,996)
At 31 December	<u>2,208,716</u>	<u>1,717</u>	<u>1,104,552</u>	<u>12,050</u>	<u>1,125,101</u>	<u>4,452,136</u>	<u>4,349,234</u>

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**(26) Basic and Diluted Earnings Per Share**

	<u>2025</u>	<u>2024</u>
Profit attributable to the owners of the parent (JD)	10,793,152	11,533,010
Weighted average number of shares (Share)	25,000,000	25,000,000
	<u>JD/ Fils</u>	<u>JD/ Fils</u>
Basic earnings per share attributable to owners of the parent	<u>432/0</u>	<u>461/0</u>

The basic and diluted earnings per share are equal.

**(27) Gross Profit**

Electricity power sales represent sales to all subscribers and cost of electricity power sales represents the cost of electricity power purchases from National Electricity Power Company and other renewable energy resources.

The electricity tariff is determined by the Energy and Minerals Regulatory Commission. During 2025, no changes were made to the electricity tariff for any sector, except for the introduction of the time-of-use tariff for the water pumping, banking, armed forces, private hospitals and hotel sectors, effective from 1 January 2025. This change had an adverse impact on electricity sales, particularly on the water pumping sector.

Electricity is purchased from the National Electric Power Company and renewable energy sources. The purchase tariff applicable to Electricity Distribution Company is determined by the Energy and Minerals Regulatory Commission. The purchase tariff was increased effective from 1 January 2025 to 63.87 fils per kilowatt hour and was subsequently reduced effective from 1 July 2025 to 63.7 fils per kilowatt hour. The tariff was reduced again effective from 1 November 2025 to 57.89 fils per kilowatt hour, with the continued suspension of the maximum demand charge.

The purchase tariff applicable to Irbid District Electricity Company (a subsidiary) was increased during November 2025.

**(28) Other Operating Revenue, net**

	<u>2025</u>	<u>2024</u>
	<u>JD</u>	<u>JD</u>
Electricity power subscription and connection fees	3,779,875	4,148,382
Meters fees	3,261,423	3,174,925
Loss from rural electrification projects	(2,516,983)	(2,726,194)
Amortization of deferred revenues after 2 July 2008	(3,801,361)	(2,986,225)
Grid service fees / renewable energy	42	634
Others	797,698	773,315
	<u>1,520,694</u>	<u>2,384,837</u>

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**(29) General And Administrative Expense**

	<u>2025</u>	<u>2024</u>
	JD	JD
Salaries, wages and others	13,727,897	15,250,984
Employees' benefits	4,131,220	4,542,013
End-of-service indemnity (note 18)	3,066,941	2,233,452
Subscribers' services expense	18,691,754	16,362,796
Employees' vacation provisions	54,307	89,121
Electricity, water and heating expense	500,141	451,490
Vehicles expense	2,744,121	2,786,577
Mail, phone and fax expense	178,853	173,686
Smart meters expenses	2,210,277	1,610,238
Hospitality and cleaning expense	444,822	466,783
Per diem and transportation expense	83,921	108,292
Expenses and daily expenses of the judicial police	320,444	273,216
Stationary and printing	272,889	290,268
Stamps	653,904	707,783
Licenses and Government fees	721,766	1,013,152
Remuneration and incentives for different committees	653,350	1,060,942
Professional fees	831,012	1,561,281
Security expense	1,017,869	1,205,001
Training expense	130,021	299,148
Computer expense	833,892	785,281
Insurance expense	718,857	862,867
Maintenance expense	10,421,644	10,305,536
Public Safety	131,358	142,694
Leases	288,244	290,485
Electricity Bill Collection Commission	1,140,259	1,005,634
Others	2,132,728	988,050
Transferred to non-core activities in accordance with tariff (note 31)	<u>(1,163,961)</u>	<u>(798,751)</u>
	<u>64,938,530</u>	<u>64,068,019</u>

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**(30) Revenue from Non – Core Activities**

	<u>2025</u>	<u>2024</u>
	JD	JD
Poles factory net revenue	2,502,196	2,196,326
Amortization of deferred revenue up to 2 July 2008	807,619	807,619
Revenues from television fees collections	524,281	515,037
Revenues from garbage fees collections	2,456,431	2,408,944
Tenders' revenue	90,235	92,219
Late payment penalties revenues	316,893	329,637
Poles leases revenues	689,916	687,072
Revenues from private network projects and renewable energy	3,089,534	777,894
Gain on sale of damaged goods (property and equipment)	2,987,719	1,064,006
Damage compensation revenue received	274,848	226,487
Others	1,934,274	1,752,361
	<u>15,673,946</u>	<u>10,857,602</u>

**(31) Non-Core Activities Expenses**

	<u>2025</u>	<u>2024</u>
	JD	JD
Loss on sale of property and equipment	23,351	40,609
Street lighting maintenance	38,343	39,217
Non-core activities in accordance with tariff (note 29)	1,163,961	798,751
Board of directors' remuneration	437,554	434,363
Costs of private network projects	820,449	-
Non-core activities incentives	55,000	120,000
Depreciation of non-core activities assets (note 3)	494,867	338,642
Others	2,191,784	1,465,678
	<u>5,225,309</u>	<u>3,237,260</u>

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**(32) Segmentation Reports**

The main segments were classified and presented based on their substantial influence on the Group's risks and benefits. Each segment is treated as an independent unit and managed separately, aligned with the specific nature of the services provided. Measurement of these segments is performed using reports utilised by the Group's CEO and decision-makers.

	Jordan Valley & Eastern Area	Tafyleh	Al-Karak	Ma'an	Aqaba	Poles Factory	IDECO	Unallocated	Total	Elimination	Total
<b><u>For the year ended 31 December 2025</u></b>	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b><u>Revenues-</u></b>											
Electricity power sales	104,300,857	15,467,422	56,699,462	51,414,674	81,850,860	-	320,265,417	-	629,998,692	-	629,998,692
Other operating revenue	(358,073)	(16,465)	(626,592)	(328,551)	989,445	-	1,860,930	-	1,520,694	-	1,520,694
Other non- operating revenue	310,563	29,071	103,029	109,147	2,131,523	2,502,196	8,379,074	6,130,195	19,694,798	(4,020,852)	15,673,946
<b>Total revenue</b>	<b>104,253,347</b>	<b>15,480,028</b>	<b>56,175,899</b>	<b>51,195,270</b>	<b>84,971,828</b>	<b>2,502,196</b>	<b>330,505,421</b>	<b>6,130,195</b>	<b>651,214,184</b>	<b>(4,020,852)</b>	<b>647,193,332</b>
<b><u>Operation result -</u></b>											
Segment profit (loss)	784,396	(735,259)	2,634,196	686,877	13,485,016	2,502,196	9,239,484	(8,862,592)	19,734,314	(5,497,691)	14,236,623
<b><u>Other information -</u></b>											
Depreciation and amortization	2,242,511	1,002,903	1,869,261	1,419,805	1,810,892	-	15,175,228	2,087,429	25,608,029	-	25,608,029
Provision for expected credit losses and doubtful debts	-	-	-	-	79,204	-	506,676	227,787	813,667	-	813,667
Finance Costs and interest expense on late payment	-	-	-	-	3,712,179	-	7,331,080	10,676,109	21,719,368	-	21,719,368
Interest income and interest income on late payment	-	-	-	-	2,804,491	-	4,564,646	8,065,630	15,434,767	-	15,434,767
Group's share from associates' profit	-	-	-	-	-	-	-	63,854	63,854	-	63,854
<b><u>As of 31 December 2025</u></b>											
<b><u>Segment's assets and liability -</u></b>											
Segment assets	65,777,022	23,208,814	45,095,155	39,622,538	70,973,929	4,906,041	472,309,528	251,905,621	973,798,648	(11,388,994)	962,409,654
Segment liabilities	52,117,516	13,418,770	28,750,293	25,905,228	59,440,314	-	426,971,553	280,800,288	887,403,962	(2,055)	887,401,907
Investment in associates	-	-	-	-	-	-	336,719	350,781	687,500	632,350	1,319,850

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	Jordan Valley & Eastern					Poles					
<b>For the year ended 31 December 2024</b>	Area	Tafyleh	Al-Karak	Ma'an	Aqaba	Factory	IDECO	Unallocated	Total	Elimination	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Revenues-</b>											
Electricity power sales	110,175,731	15,190,904	55,389,050	50,375,942	80,395,252	-	304,953,666	-	616,480,545	-	616,480,545
Other operating revenue	(170,302)	(236,023)	58,702	(411,432)	762,623	-	2,381,269	-	2,384,837	-	2,384,837
Other non- operating revenue	310,563	29,071	103,029	109,147	1,889,511	2,490,950	4,068,786	4,686,964	13,688,021	(3,400,384)	10,287,637
<b>Total revenue</b>	<b>110,315,992</b>	<b>14,983,952</b>	<b>55,550,781</b>	<b>50,073,657</b>	<b>83,047,386</b>	<b>2,490,950</b>	<b>311,403,721</b>	<b>4,686,964</b>	<b>632,553,403</b>	<b>(3,400,384)</b>	<b>629,153,019</b>
<b>Operation result -</b>											
Segment profit (loss)	3,672,547	134,863	2,762,668	964,499	12,751,257	2,490,950	10,101,240	(12,652,516)	20,225,508	(4,867,556)	15,357,952
<b>Other information -</b>											
Depreciation and amortization	2,061,274	907,259	1,738,828	1,290,529	1,650,567	-	13,263,858	2,592,258	23,504,573	-	23,504,573
Provision for expected credit losses and doubtful debts	-	-	-	-	213,036	-	1,544,878	612,682	2,370,596	-	2,370,596
Finance Costs and interest expense on late payment	-	-	-	-	4,100,369	-	7,373,890	11,792,533	23,266,792	-	23,266,792
Interest income and interest income on late payment	-	-	-	-	2,969,128	-	5,869,695	8,638,048	17,476,871	-	17,476,871
Group's share from associates' profit	-	-	-	-	-	-	-	73,528	73,528	-	73,528
<b>As of 31 December 2024</b>											
<b>Segment's assets and liability -</b>											
Segment assets	63,118,754	22,787,942	40,530,206	36,129,259	67,937,941	5,035,166	462,466,887	284,992,200	982,998,355	(10,810,166)	972,188,189
Segment liabilities	50,348,425	13,062,975	26,846,686	24,830,022	59,680,208	-	419,118,396	306,701,273	900,587,985	(900,070)	899,687,915
Investment in associates	-	-	-	-	-	-	336,719	350,781	687,500	568,496	1,255,996



**(33) Related Parties Transactions**

The consolidated financial statements consist of the financial statements of the Company and the following subsidiary:

	Paid in capital JD	Principal activities	Ownership %
Irbid District Electricity Company PSC	26,785,733	Electricity power distributions	55.46

Related parties represent subsidiaries, associates, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

Related parties' transactions included in the consolidated statement of financial position:

**Amount due to a related party:**

	2025 JD	2024 JD
Electricity Equipment Industries Company (Associate)	138,216	88,168

The following represents transactions with related parties included in the consolidated statement of comprehensive income:

	2025 JD	2024 JD
Purchases from Electricity Equipment Industries Company (Associate)	2,190,590	4,209,086

Following is a summary of the benefits (salaries, bonuses and other benefits) of the Group's senior executive management:

	2025 JD	2024 JD
Salaries and other benefits	1,607,835	1,616,632
Board of Directors transportations and remuneration	500,631	420,216

**(34) Partially Owned Subsidiaries**

Below are the financial statements for Irbid Electricity Distribution Company before the elimination transactions and balances between the Company's entities which includes non – controlling interest:

	<u>2025</u>	<u>2024</u>
<b>Group ownership percentage</b>	55.46%	55.46%
<b>Country of incorporation and operation</b>	Jordan	Jordan
	<u>2025</u>	<u>2024</u>
	JD	JD
<b>Cumulative non – controlling interest balance</b>	33,100,730	30,309,444
<b>Non – controlling interest share of profit</b>	3,443,471	3,824,942
<b>Summary statement of financial position:</b>		
Current assets	149,173,925	168,797,494
Non-current assets	323,135,603	293,669,398
Current liabilities	(226,099,209)	(223,415,438)
Non-current liabilities	(200,872,344)	(195,702,963)
<b>Owners' equity</b>	<u>45,337,975</u>	<u>43,348,491</u>
<b>Attributable to:</b>		
Parent shareholders	25,144,441	24,041,073
Non-controlling interests	20,193,534	19,307,418
<b>Summary of statement of comprehensive income:</b>		
Revenues	320,265,417	304,953,666
Cost of revenues	(265,551,232)	(249,422,095)
Other revenues	14,804,650	12,319,750
Other expenses	(56,888,647)	(53,395,411)
<b>Profit before tax</b>	<b>12,630,188</b>	<b>14,455,910</b>
Income tax expense	(3,390,704)	(4,354,670)
<b>Profit of the year</b>	<u>9,239,484</u>	<u>10,101,240</u>
<b>Total comprehensive income</b>	9,239,484	10,101,240
Attributable to non – controlling interests	3,443,471	3,824,942
<b>Dividends distributed to non – controlling interests</b>	<b>(3,229,150)</b>	<b>(2,494,240)</b>
<b>Summary of statement of cash flow:</b>		
Operating activities	34,587,483	44,860,681
Investing activities	(32,911,999)	(30,414,239)
Financing activities	(15,166,286)	(13,626,538)
<b>Net increase (decrease) in cash and cash equivalent</b>	<u>(13,490,802)</u>	<u>819,904</u>

**(35) Operating Segments**

The basis for presenting the primary operating segments is that the risks and returns of the Company are significantly affected by differences in the services provided by these segments. Accordingly, these segments are organized and managed separately based on the nature of the services, with each segment representing a separate operating unit. Segment performance is measured in accordance with the internal reports that are reviewed by the Group's Chief Executive Officer, who is the Group's chief operating decision maker.

The Group is organized for management purposes into the following business segments based on energy sales:

	<u>2025</u>	<u>2024</u>
	JD	JD
Sales to Residential Subscribers – Households	186,822,852	187,169,156
Sales to Water Pumping Subscribers	122,156,161	127,171,908
Sales to Commercial Sector Subscribers	65,067,710	62,269,960
Sales to Medium Industrial Subscribers	44,368,704	42,209,378
Sales to Non-Residential Subscribers and Government Entities	43,981,959	44,606,030
Sales to Agricultural Sector Subscribers	32,675,427	30,674,907
Sales to Jordan Armed Forces Subscribers	31,447,442	30,904,177
Sales to Street Lighting Subscribers	20,731,532	20,848,076
Sales from Consumption Variance	14,900,322	13,513,653
Sales to Agricultural Subscribers – Time-of-Use Tariff	13,031,042	10,486,752
Sales to Small Industrial Subscribers	12,222,923	10,898,751
Sales to Hotel Sector Subscribers	8,830,722	8,407,601
Sales to Allocation Agreement Subscribers	6,910,572	4,561,554
Sales to Port Sector Subscribers	5,969,476	5,772,005
Sales to Electric Vehicle Charging Subscribers	5,963,254	2,885,329
Sales to Temporary Meter Subscribers	5,047,580	3,687,400
Sales to Telecommunications Sector Subscribers	4,667,728	5,352,817
Sales to Banking Sector Subscribers	2,923,833	2,984,288
Sales to Private Hospitals Subscribers	855,347	733,223
Sales to Commercial / Agricultural Subscribers	793,036	693,743
Sales to Residential Employee Subscribers	445,172	441,634
Sales to Radio and Television Subscribers	185,898	208,203
	<u>629,998,692</u>	<u>616,480,545</u>

**(36) CONTINGENT LIABILITIES**

**Bank guarantees and letters of credit -**

As at the date of the consolidated financial statements, the Group has contingent liabilities in the form of bank guarantees and letters of credit amounting to JOD 2,076,413 (2024: JOD 7,550,627).

**Lawsuits -**

The Group is a defendant in a number of lawsuits, including dispute claims and other legal claims related to its activities, amounting to JOD 2,712,149 (2024: JOD 2,853,125). The Group's management, in consultation with its legal advisor, believes that the provision recognized in respect of these cases is adequate to cover any potential obligations that may arise from such lawsuits and claims, and that no additional provision is required.

**Irbid District Electricity Company (a subsidiary) dispute with the National Electricity Company**

National Electric Power Company (IDECO power provider) has requested Irbid District Electricity Company (a subsidiary) to pay an amount of JD 717,357. This amount represents the interest charged on late payments. Irbid District Electricity Company, along with its legal counsel, is of the opinion that they have no obligations regarding this amount, as it adheres to the electricity Tariff (Wholesale Tariff) issued by the Energy & Minerals Regulatory Commission (EMRC), which should be applicable to both parties.

**Capital Commitments -**

The estimated cost to complete the unexecuted portion of projects under construction amounts to JOD 32,767,976 as at 31 December 2025 (2024: JOD 29,571,671).

**(37) RISK MANAGEMENT**

**Interest rate risk**

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

The sensitivity of the consolidated statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's profit for one year, based on financial assets and liabilities bearing floating interest rates.

The following table demonstrates the sensitivity of the consolidated statement of comprehensive income to reasonably possible changes in interest rates with all other variables held constant.

	Increase in Interest Rate (Basis Points)	Effect on profit for the year JD
<b>2025 -</b>		
JD	50	(769,638)
<b>2024 -</b>		
JD	50	(762,797)

The effect of decrease in interest rate is expected to be equal and opposite to the effect of the increase shown above.

### **Credit risk**

Credit risk is the risk that may result from the failure or inability of debtors and other parties to meet their obligations towards the Group.

The Group believes that it is not highly exposed to credit risk as it sets a credit limit for customers while monitoring outstanding receivables on an ongoing basis. The Group also maintains balances and deposits with leading banking institutions.

Government receivables represents 48% of total receivables as of 31 December 2025 (2024: 49%). The Group provides services to a large volume of customers.

### **Liquidity risk**

Liquidity risk represents the inability of the Group to pay its liabilities when accrued.

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

The table below summarises the maturities of the Group's (undiscounted) financial liabilities based on contractual payment dates and market interest rate.

**ELECTRICITY DISTRIBUTION COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2025**

<b>At 31 December 2025</b>	On demand	1 to 12 months	1 to 5 years	More than 5 years	Total
	JD	JD	JD	JD	JD
Due to banks	30,520,054	-	-	-	30,520,054
Accounts payable	-	290,168,481	-	-	290,168,481
Accrued and other current liabilities	-	25,673,194	-	-	25,673,194
Subscribers' deposits	102,869,050	-	-	-	102,869,050
Loans	-	126,686,561	20,811,750	14,570,749	162,069,060
Lease Liabilities	-	387,464	905,015	-	1,292,479
<b>Total</b>	<b>133,389,104</b>	<b>442,915,700</b>	<b>21,716,765</b>	<b>14,570,749</b>	<b>612,592,318</b>

<b>At 31 December 2024</b>	On demand	1 to 12 months	1 to 5 years	Total
	JD	JD	JD	JD
Due to banks	28,892,063	-	-	28,892,063
Accounts payable	-	318,822,636	-	318,822,636
Accrued and other current liabilities	-	24,914,270	-	24,914,270
Subscribers' deposits	96,591,603	-	-	96,591,603
Loans	-	119,626,928	13,568,000	133,194,928
Lease Liabilities	-	332,173	858,539	1,190,712
<b>Total</b>	<b>125,483,666</b>	<b>463,696,007</b>	<b>14,426,539</b>	<b>603,606,212</b>

### **Currency risk**

Most of the Group's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar exchange rate is fixed against USD (US\$ 1.41 for JD 1), so the impact of currency risk is not material to the consolidated financial statements.

### **(38) FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash, bank deposits and bank balances, accounts receivable and some other current assets. Financial liabilities consist of accounts payable, loans, due to banks, leases, and some other current liabilities.

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

**(39) CAPITAL MANAGEMENT**

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

The Group 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 current and previous year.

Capital comprises of paid-in capital, statutory reserve, voluntary reserve and retained earnings, and is measured at JD 41,907,017 as of 31 December 2025 (2024: JD 42,190,830).

**(40) Standard Issued But Not Yet Effective**

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

**Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7**

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.

The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only.

The company is in the process of identifying all impacts of the amendments on the primary financial statements and the related disclosures.

### **Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7**

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, such as wind, solar, and hydro power. These amendments aim to provide clearer guidance on the classification, measurement, and recognition of these contracts, which are inherently variable due to their dependence on natural conditions. The changes seek to improve the consistency and comparability of financial statements by clarifying whether such contracts should be treated as financial instruments or executory contracts and how they should be measured. Additionally, the amendments enhance disclosure requirements to provide greater transparency about the risks and financial impacts associated with these contracts, thereby offering users more relevant and reliable information. This initiative supports the global transition to renewable energy by addressing the unique accounting challenges posed by nature-dependent electricity contracts.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

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

### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures.



**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have a material impact on the financial statements of the Group.

**Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21**

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.

The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.

The amendments are not expected to have a material impact on the financial statements of the Group.

**(41) Comparative figures**

Some of the consolidated financial statement figures for the year 2024 have been reclassified to match the classification of the consolidated financial statement figures for the year 2025. The reclassification did not result in any impact on profit and equity for 2024.