



Fiscal Risk Statement

November 2025

*Macro-Fiscal Unite
Fiscal Commitment Unit
Ministry Of Finance*

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Abbreviations

MOF: Ministry of Finance.

IMF: International Monetary Fund.

SOEs: Jordan's State-Owned Enterprises.

RJ: Royal Jordanian Airlines.

NEPCO: National Electric Power Company.

CMTC: The Comprehensive Multiple Transportation Company.

WAJ: Water Authority of Jordan.

JPMC: Jordan Phosphate Mines Company.

SEPC: Samra Electric Power Company.

CEGCO: Central Electricity Generating Company.

GDP: Gross Domestic Product.

PPPs: Public-Private Partnership Projects.

APC: Arab Potash Company.

NPC: National Petroleum Company.

JOTC: Jordan Oil Terminals Logistics Company.

JSSGC: Jordan Silos and Supply General Company.

ROA: Return on Assets.

ROE: Return on Equity.

CAGR: Compound Annual Growth Rate.

SSC: Social Security Corporation.

FCU: Fiscal Commitments Unit.

BRT: Bus Rapid Transit.

NRW: Non-Revenue Water.

WEO: World Economic Outlook.

EBIT: Earnings before Interest and Tax.

Concepts and Financial indicators

Liquidity

Current Ratio: Measures an SOE's ability to meet short-term liabilities (those falling due within 12 months) from liquidating short-term assets. A high ratio indicates that the company is better able to withstand shocks and still meet its current liabilities

$$= \frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$$

Quick Ratio: A stricter form of current ratio, this measures an SOE's ability to meet short-term liabilities with only the most liquid short-term assets. A high ratio indicates that the company is better able to withstand shocks and still meet its current liabilities

$$= \frac{(\text{Total Current Assets} - \text{Inventory})}{\text{Total Current Liabilities}}$$

Current Assets: Current assets are short-term assets that a company expects to convert into cash, sell, or use up within one year or during its operating cycle, whichever is longer. They are a critical component of a company's liquidity as they represent resources readily available to meet short-term obligations.

$$= (\text{total assets} - \text{fixed assets})$$

Current Liabilities: Current liabilities are a company's short-term financial obligations that are due within one year or its operating cycle, whichever is longer. They represent debts or obligations that a business must settle in the near term, typically using its current assets.

$$= (\text{total Liabilities} - \text{fixed Liabilities})$$

Solvency

Debt to Assets: Measures the proportion of a company's financing that comes from liabilities. This ratio helps to assess whether the company is solvent and the size of the debt burden on the entity. Debt financing is more cost-effective and therefore most companies maintain some level of leverage, but a high ratio indicates greater reliance on debt financing and has less financial flexibility.

$$= \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

Debt to Equity: Measures the proportion of a company's financing that comes from liabilities relative to equity. This ratio helps to assess whether the company is solvent and the size of the debt burden on the entity. Debt financing is more cost-effective and therefore most companies maintain some level of leverage, but a high ratio indicates greater reliance on debt financing and has less financial flexibility.

$$= \frac{\text{Total Liabilities}}{\text{Total Equity}}$$

Profitability

Net Profit Margin: Illustrates how much of each dollar of revenue collected by an SOE translates into profit. A higher ratio indicates that a large share of the revenues earned is realized as profits.

$$= \frac{\text{Net Profit after Tax}}{\text{Total Revenue excluding government grants}}$$

Operating Profit Margin: Measures how much of each dollar of revenue collected by an SOE translates into operating profit, i.e. the level of profits generated through the normal operating activities of the company before taking into account the cost of financing. Measures proportion of revenues that are available to cover non-operating expenses such as paying interest. A higher ratio indicates that a large share of the revenues earned is realized as operating profits. Highly variable operating margins are an indication of risk.

$$= \frac{EBIT}{\text{Total Revenue excluding government grants}}$$

Cost Recovery: Measures ability to generate adequate revenue to cover operating expenses. A ratio < 1 indicates entity is unable to cover its operating expenses and is not sustainable without supplementary funding. A higher ratio indicates a company better able to withstand shocks and remain profitable and sustainable

$$= \frac{\text{Total Revenue excluding government grants}}{(COGS + \text{Other Operating Expenses})}$$

50% Test: this is Government internship indicator to Assess whether the proportion of the operating expenses covered by the revenue generated by the company (excluding government grants received). A lower ratio indicates that the revenue covers a larger share of the operating expenses.

$$= \frac{\text{Cost of Goods Sold} + \text{Other Operating Expenses} + \text{Finance costs} - \text{Finance Income}}{\text{Revenue from Trading Activities} + \text{Other Operating Income}}$$

Executive Summary

Jordan's fiscal outlook under the baseline scenario projects a steady improvement in key indicators over the 2025–2028 period. Real GDP growth is expected to rise from 2.7% in 2025 to 3.1% by 2028, supported by continued structural reforms and regional stabilization. Nominal GDP growth remains stable at around 5.1%–5.4% annually, with headline inflation contained between 2.0% and 2.1%. Domestic revenues are projected to grow from 9,390 million JD in 2025 to 11,756 million JD by 2028, reflecting improvements in tax administration and broadening of the tax base. Total expenditures rise from 12,456 million JD to 14,084 million JD over the same period, with current expenditures growing moderately from 10,994 million JD to 12,401 million JD. The overall fiscal deficit narrows significantly from 5.3% of GDP in 2025 to 3.2% by 2028, while the primary balance swings from a deficit of 799 million JD (1.8% of GDP) to a surplus of 273 million JD (0.5% of GDP). Government and guaranteed gross debt (net of SSC holdings) declines from 82.9% of GDP in 2025 to 79.9% by 2028, consistent with the IMF EFF program targets.

Forecasts exhibit a high degree of ambiguity and global uncertainty remains a strong source of potential downside risks to Jordan's economy. Under an alternative adverse scenario, where regional instability resumes and fragile ceasefires fail to hold, resulting in higher oil prices and slower global interest rate declines, Jordan could face a potential dip in GDP growth and an uptick in inflation from 2026 onwards. This would also lead to persistently wider deficits and slower fiscal consolidation. Consequently, in this adverse scenario, the Debt-to-GDP ratio would remain elevated around 85–85% throughout the projection period, compared to the declining trajectory toward 80% under the baseline.

As for other macroeconomic risks, inflation remains a concern given Jordan's high exposure to international oil prices and regional developments. Similarly, exchange rate risk is notable, as the country faces potential challenges from fluctuations in the international currency market, an issue that can affect external debt servicing. To counter these challenges, strategies have been adopted to maintain sufficient foreign exchange reserves and diversify trading partners.

Jordan, like any other country in the world, faces diverse environmental risks from climate change, including droughts, floods, and extreme weather, which threaten infrastructure, agriculture, and fiscal stability. These challenges could strain public finances and elevate debt levels. To mitigate impacts, Jordan is prioritizing climate adaptation, infrastructure resilience, and sustainable development policies.

Jordan's State-Owned Enterprises (SOEs) continue to draw focus, especially Royal Jordanian Airlines (RJ), National Electric Power Company (NEPCO), and the Comprehensive Multiple Transportation Company (CMTC). Global uncertainties have weighed on their Profitability, Liquidity, and Solvency, highlighting the potential fiscal risks and contingent liabilities they pose for the government.

Jordan's State-Owned Enterprises (SOEs) remain a critical area of focus due to their significant economic role and the fiscal risks they pose. Companies such as Royal Jordanian Airlines (RJ), the National Electric Power Company (NEPCO), the Comprehensive Multiple Transportation Company (CMTC), Miyahuna, the Jordan Phosphate Mines Company (JPMC), the Samra Electric Power Company (SEPC), the National Petroleum Company (NPC), the Central Electricity Generating Company (CEGCO), the Arab Potash Company (APC), the Jordan Oil Terminals Logistics Company (JOTC), and the Jordan Silos and Supply General Company (JSSGC) face varying challenges related to profitability, liquidity, and solvency. While some SOEs have demonstrated improvements in financial performance, others continue to grapple with structural inefficiencies and fiscal vulnerabilities. Strengthening oversight and implementing targeted reforms are essential to reducing contingent liabilities and ensuring their sustainable contribution to the economy.

To develop infrastructure, the Jordanian government has been relying on Public-Private Partnerships (PPPs). There are currently 49 PPP projects across multiple sectors, representing an investment of JD 7.06 billion. In line with the government's institutional framework, the Fiscal Commitments Unit (FCU) was established in 2020 to strengthen oversight of these projects. Notable ongoing PPPs include the Bus Rapid Transit Project, the NRW Reduction Project, and the Schools Project involving 41 public educational facilities.

No contingent liabilities tied to PPPs have materialized on the government so far. Nonetheless, studying such scenarios and their potential consequences remains crucial, as ongoing regional events and interest rate fluctuations may affect fiscal obligations. To mitigate these risks, it is essential to distinguish between direct fiscal commitments and contingent liabilities. Emphasis is placed on refining technical capacities, informed project selection, and effective PPP structuring. Furthermore, a clear distribution of responsibilities among the key parties involved in PPPs has been prioritized to counter operational risks.

Fiscal Risk Matrix

Type of Risk	Description	Source of Risk
Forecast Risk	Deviations in fiscal outcomes compared to initial projections, which may arise from renewed regional instability.	Regional geopolitical fragility; oil price fluctuations; global interest rate uncertainty; tourism sector vulnerability.
Inflation Risk	Fluctuations in the inflation rate can decrease the real value of government revenues and increase the real value of certain types of government expenditures.	Increases in basic commodity prices and oil prices; global supply chain disruptions.
Exchange Rate Risk	Changes in the exchange rate can impact the value of foreign currency-denominated outstanding debt and debt services, potentially affecting fiscal balances and debt sustainability.	Global monetary policy shifts; lingering effects of Red Sea trade disruptions; fluctuations in foreign exchange markets.
Environment Risk	Climate change could pose risks to Jordan's long-term economic outlook, influencing productivity, fiscal sustainability, growth path, and overall debt trajectories.	Increased climate changes such as extreme weather events and drought.
Contingent Liabilities	Unforeseen events triggering government commitments to settle future claims can impact fiscal positions in the short and long term.	State Owned Enterprise Financial Performance; Public-Private Partnership (PPP) Projects

1. Medium-Term Fiscal Framework and Macroeconomic Risks

1.1. Forecast Risk

1.1.1 Baseline Scenario

The Jordanian economy saw improvements at the macro-fiscal level, but existing structural challenges remain susceptible to uncertainty due to regional geopolitical tensions and global developments. The external assumptions were based on the latest IMF World Economic Outlook (WEO) report. To gauge global growth sentiment, we used projections for global growth and Brent oil prices. The new WEO projections took into account the expected decline in fuel and non-fuel commodity prices, increased trade distortions, ongoing adjustments in global interest rates following the Federal Reserve's rate-cutting cycle in 2025, and their impact on global growth and inflation. Moreover, foreign grants are projected based on data provided by the Ministry of Planning and International Cooperation (MoPIC). For total expenditures, our projections align with both the IMF's review deficit targets and the 2026 Budget Law.

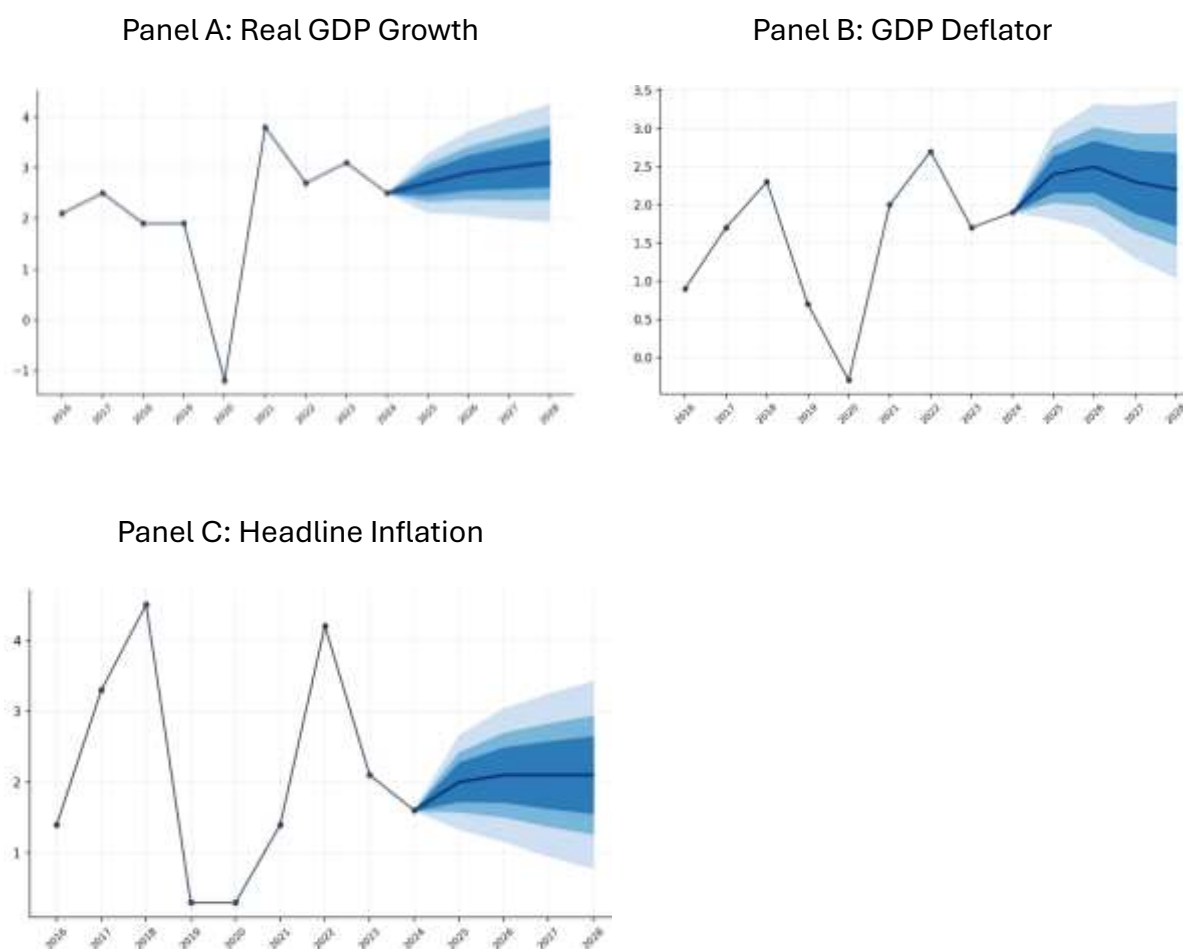
Table 3.1: Baseline Scenario

	2025	2026	2027	2028
Macro				
Real GDP Growth (% YoY)	2.7%	2.9%	3.0%	3.1%
Nominal GDP Growth (% YoY)	5.1%	5.4%	5.4%	5.4%
Deflator Inflation (% YoY)	2.4%	2.5%	2.3%	2.2%
Headline Inflation (% YoY)	2.0%	2.1%	2.1%	2.1%
Revenue				
Domestic Revenues	9,390	10,120	10,907	11,756
Grants	734	735	678	678
Taxes: Income	1,804	1,865	2,008	2,135
Taxes: GST	4,675	5,002	5,288	5,635
Taxes: Trade	293	437	508	577
Taxes: Other	113	117	193	273
Non-tax Revenue	2,504	2,699	2,909	3,135
Expenditure				
Total Expenditures	12,456	13,033	13,492	14,084
Current Expenditures	10,994	11,453	11,896	12,401
Interest Payments	2,267	2,316	2,460	2,601
Capital Expenditures	1,462	1,580	1,596	1,683
Fiscal Balance				
Overall Balance	(2,332)	(2,178)	(1,906)	(1,651)
Overall Balance (% of GDP)	-5.3%	-4.7%	-3.9%	-3.2%
Primary Balance	(799)	(597)	(125)	273
Primary Balance (% of GDP)	-1.8%	-1.3%	-0.3%	0.5%
Primary Balance incl. NEPCO & Water	(1,407)	(1,175)	(666)	(241)
Primary Balance incl. NEPCO & Water (% of GDP)	-3.2%	-2.5%	-1.4%	-0.5%
Debt				
Gross Debt (net of SSC)	36,247	37,597	39,339	40,870
Debt/GDP (net of SSC, %)	82.9%	81.6%	81.0%	79.9%

1.1.2 Alternative Scenario

Forecasts exhibit a high degree of ambiguity, and global uncertainty remains a significant source of potential downside risks to Jordan's economy. While the baseline forecast is essential, understanding the risks surrounding these forecasts is equally important. Although the baseline projection is fixed at 2.7% for real GDP growth in 2025, the fan chart in Figure 3.2, Panel A shows that real GDP growth could range between 2.3% and 3.1%. Panel B shows the deflator ranging between 1.9% and 2.7%, while Panel C shows headline inflation ranging between 1.5% and 2.3%, demonstrating a relatively moderate level of uncertainty and risks.

Figure 3.2 - Fan Charts for the Baseline Scenario



Considering an alternative adverse shock scenario: this scenario assumes that the fragile regional stability achieved in late 2025 proves temporary, contrary to the baseline assumption that recent ceasefires hold and the region continues to stabilize. A resumption of regional tensions would reverse recent gains in tourism and economic confidence, while Syrian reconstruction benefits may materialize more slowly than anticipated. Additionally, renewed geopolitical uncertainty could push oil prices higher. In addition, the Federal Reserve could pause its rate-cutting cycle, resulting in elevated borrowing costs compared to the baseline. These factors, regional instability, slower Syrian recovery, higher oil prices, and tighter monetary conditions, are interconnected and collectively exacerbate the adverse impacts on Jordan's economy.

The alternative scenario predicts lower economic growth compared to the baseline, starting from 2025. In 2025, real GDP growth in the alternative scenario is projected at 2.6%, below the baseline's 2.7%, as the adverse effects are expected to begin materializing from mid-2025. In 2026, real GDP growth in the alternative scenario is projected at 2.6%, below the baseline's projection of 2.9%. Nominal GDP growth under the alternative scenario decreases to 5.1% in 2026, compared to 5.4% in the baseline. Headline inflation is higher in the alternative scenario, with a rate of 2.4% in 2026, compared to 2.1% in the baseline scenario. This reflects the net effect of higher oil prices resulting from geopolitical tensions, leading to increased costs of goods and services.

Under this alternative scenario, domestic revenues in Jordan are projected to decline starting in 2025, driven by slower economic growth, heightened regional tensions, and disruptions to trade flows. Total domestic revenues are projected at 9,277 million JD in 2025 (versus 9,390 million JD in the baseline) and 9,874 million JD in 2026 (versus 10,120 million JD in the baseline). This reduction is primarily due to lower tax revenues, including income taxes and general sales taxes, as economic activities slow down.

Current expenditures are projected to rise to 11,512 million JD in 2026 under the alternative scenario (versus 11,453 million JD in the baseline). Interest payments start at similar levels in 2025, but diverge from 2027 onward as higher debt accumulation under the alternative scenario increases borrowing costs, reaching 2,688 million JD by 2028 versus 2,601 million JD in the baseline. The government is anticipated to provide higher levels of social transfers in the 2026 budget to protect its citizens from the adverse economic impacts, reallocating resources within the current expenditures to support vulnerable populations.

Capital expenditures are expected to decrease under the alternative scenario as the government reprioritizes spending to address immediate economic challenges. Capital expenditures in 2025 are projected at 1,250 million JD in the alternative scenario (versus 1,462 million JD in the baseline), rising to 1,450 million JD in 2026 but remaining below the baseline's 1,580 million JD. The reduction in capital spending reflects the government's efforts to manage the fiscal deficit by postponing non-priority investment projects.

The net effect of reduced revenues and adjusted expenditures is expected to deepen the fiscal deficit, consequently increasing the debt-to-GDP ratio beyond the levels projected in the baseline scenario. The overall fiscal deficit (including grants) is projected to be higher in the alternative scenario at 5.5% of GDP in 2025 (versus 5.3% in the baseline) and 5.2% of GDP in 2026 (versus 4.7% in the baseline). Government and guaranteed gross debt (net of SSC holdings) is projected to reach 83.4% of GDP in 2025 under the alternative scenario (versus 82.9% in the baseline), rising to 84.3% in 2026 (versus 81.6% in the baseline), and remaining elevated at around 84.3% in 2027 before easing slightly to 84.0% in 2028.

Facing these challenges requires cautious fiscal strategies to overcome the economic constraints arising from the interconnected geopolitical uncertainties affecting the region. The government may need to focus on efficient resource allocation, enhancing revenue collection mechanisms, and prioritizing essential expenditures to maintain fiscal sustainability. Additionally, to mitigate the harmful effects of potential trade route disruptions, oil price fluctuations, and any slowdown in the pace of global interest rate reductions, there is a need to diversify import sources and enhance strategic reserves. Strengthening economic partnerships with alternative markets and investing in energy diversification can also help reduce vulnerability to external shocks. These strategies aim not only to address the immediate fiscal challenges but also to secure economic stability and resilience against external shocks in the longer term.

Table 3.2: Macro Fiscal Risk Scenario

	2025	2026	2027	2028
Macro				
Real GDP Growth (% YoY)	2.6%	2.6%	2.7%	2.9%
Nominal GDP Growth (% YoY)	4.8%	5.1%	5.0%	5.3%
Deflator Inflation (% YoY)	2.2%	2.4%	2.2%	2.3%
Headline Inflation (% YoY)	2.0%	2.4%	2.3%	2.3%
Revenue				
Domestic Revenues	9,277	9,874	10,499	11,199
Grants	720	705	650	630
Taxes: Income	1,783	1,820	1,933	2,034
Taxes: GST	4,619	4,880	5,091	5,368
Taxes: Trade	289	426	489	550
Taxes: Other	112	114	186	261
Non-tax Revenue	2,474	2,634	2,800	2,987
Expenditure				
Total Expenditures	12,391	12,962	13,619	14,330
Current Expenditures	11,141	11,512	12,139	12,810
Interest Payments	2,254	2,297	2,491	2,688
Capital Expenditures	1,250	1,450	1,480	1,520
Fiscal Balance				
Overall Balance	(2,394)	(2,383)	(2,470)	(2,501)
Overall Balance (% of GDP)	-5.5%	-5.2%	-5.1%	-4.9%
Primary Balance	(860)	(791)	(629)	(443)
Primary Balance (% of GDP)	-2.0%	-1.7%	-1.3%	-0.9%
Primary Balance incl. NEPCO & Water	(1,505)	(1,431)	(1,242)	(1,033)
Primary Balance incl. NEPCO & Water (% of GDP)	-3.4%	-3.1%	-2.6%	-2.0%
Debt				
Gross Debt (net of SSC)	36,396	38,665	40,585	42,560
Debt/GDP (net of SSC, %)	83.4%	84.3%	84.3%	84.0%

1.2 Inflation Risk

Jordan maintains strong economic relation with countries regionally and globally, yet this also makes it highly susceptible to regional events and economic shifts. Over the years, Jordan has faced several inflationary pressures affecting consumption behavior, thus posing fiscal challenges for policymakers.

Balanced government economic policies with prudent monetary policy have contributed to containing inflation and maintaining financial stability. Since inflation risk in Jordan remains linked to global changes in commodity prices, Jordan continues to monitor these developments closely, including the Federal Reserve's decisions regarding fed rates.

The risk of inflation is accompanied by fluctuations in the prices of basic commodities in global markets. Recent moderation in inflation benefited from declining global oil and food prices earlier on, and higher interest rates but changes remain dynamic.

Despite these efforts, Jordan's reliance on imported goods and services means that disruptions in international trade, or even slight increases in global commodity prices, can quickly be reflected in its domestic pricing structures. Such inflationary trends, intensified by ongoing regional events, pose the risk of shrinking the real value of the government's revenues if nominal revenue growth does not keep pace with inflation. On the expenditure side, increased prices for goods and services can lead to real increases in certain areas of government spending, particularly those tied to global commodity prices or social protection measures. In response, effective fiscal planning, the diversification of import sources, and the maintenance of strategic reserves remain essential tools for policymakers to mitigate the adverse effects of inflation.

1.3 Exchange Rate Risk

Jordan, with its open economy and significant trading ties throughout the region and around the globe, remains naturally exposed to the dynamics of the international currency market. Although the Jordanian Dinar remains pegged to the US dollar, it continues to fluctuate against other currencies, reflecting wider global currency movements.

Recent international developments, including persistent regional tensions, the lingering effects of earlier trade disruptions in the Red Sea, and the aftereffects of global interest rate shifts, have continued to influence currency market volatility. While the Houthis suspension of Red Sea attacks in late 2025 has eased immediate concerns, shipping lines remain cautious and the situation could change. Ongoing regional uncertainties, along with global monetary policy adjustments, still pose challenges for countries like Jordan. These factors make it increasingly difficult for Jordan to fully avoid exchange rate risks, given its reliance on foreign currency-denominated transactions and the importance of its external sector.

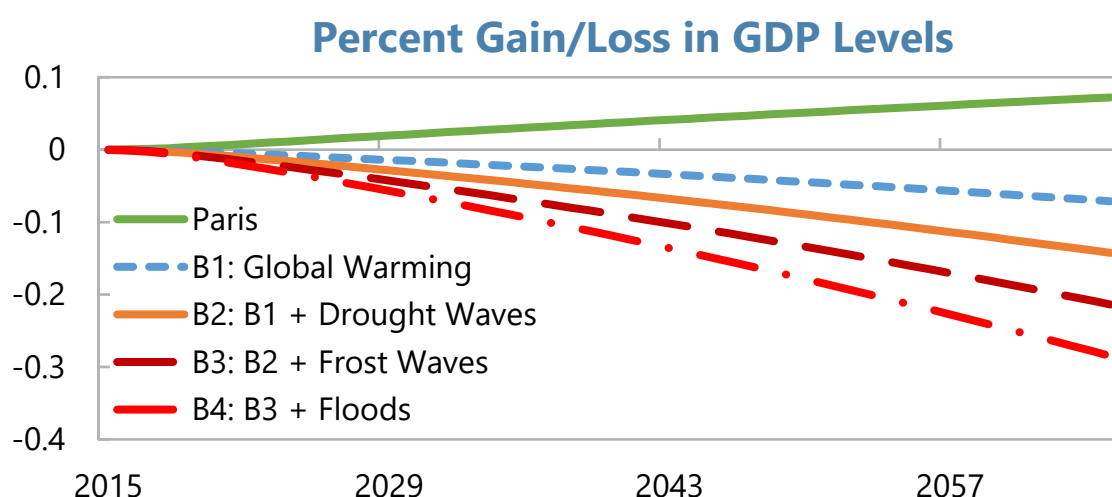
Fluctuations in exchange rates carry substantial fiscal implications. A depreciation of the US dollar (and consequently the Dinar against other currencies) could escalate the cost of servicing non-dollar denominated debt, thus increasing the burden on Jordan's external debt position. Conversely, an appreciation of the Dinar may temper revenues from exports and tourism by potentially reducing competitiveness. As such, exchange rate volatility can have a pronounced effect on the government's fiscal stance, influencing both debt obligations and revenue streams.

In response, the Jordanian government has maintained its pegged exchange rate regime and continued to build robust foreign exchange reserves, recently reaching around \$22 billion, equivalent to approximately eight and a half months of import coverage, to buffer against external shocks. It also remains focused on diversifying trade partners and export markets, while using various hedging tools to mitigate currency risks. Nevertheless, the heightened

volatility in the global currency landscape underscores the ongoing challenges faced by Jordan and emphasizes the need for continual adaptability in its fiscal and monetary strategies.

1.4 Environmental Risk

Jordan, like any other country in the world, has been affected by increasing climate changes such as flash floods, landslides, extreme weather events, and drought. These impacts affect people, natural resources, and the economy, causing economic and property losses and creating pressing adaptation needs across sectors. Climate change could pose risks to Jordan's long-term economic outlook, influencing productivity, fiscal sustainability, growth path, and overall debt trajectories. Although forecasts are subject to uncertainty, a series of modeled scenarios illustrate how deviations in GDP growth and debt trajectory may emerge over time due to increasing temperatures, weather extremes, and related climate impacts, especially drought waves.



These scenarios include:

- **Paris Scenario:** Assumes successful global mitigation consistent with the Paris Agreement, leading to minimal GDP impact over time and a slight decrease in debt-to-GDP ratio.
- **B1: Global Warming Scenario:** Reflects rising average temperatures without mitigation, resulting in a progressive slowing of productivity growth and modest GDP losses, with a modest increase in debt-to-GDP ratio.
- **B2: B1 + Drought Waves Scenario:** Builds on B1 by adding the economic effects of more frequent and prolonged droughts, further reducing GDP relative to baseline and moderately increasing the debt-to-GDP ratio as fiscal pressures mount.
- **B3: B2 + Frost Waves Scenario:** Incorporates the economic impact of severe frost waves in addition to droughts and warming, amplifying adverse effects on productivity and output, leading to a substantial rise in the debt-to-GDP ratio due to compounding economic losses.
- **B4: B3 + Floods Scenario:** Although this extreme scenario has a low probability of happening, it simulates the impact of major flood events on top of B3, causing substantial GDP losses over time and a significant elevation in the debt-to-GDP ratio as critical infrastructure, agriculture, and other key sectors face heightened strain.

Over the coming decades, the cumulative effects of higher temperatures, droughts, frost waves, and floods may translate into lower GDP levels compared with the baseline. Although annual changes may be subtle, these incremental reductions could cumulate into larger fiscal pressures over the longer term. This highlights the importance of proactive adaptation strategies, infrastructure resilience investments, and policy measures that help stabilize the economy and public finances as climatic conditions evolve.

In this context, Jordan is committed to sustainable growth and development, setting medium- and long-term goals linked to climate change, disaster risk management, and sustainable finance agendas. Recognizing sustainability as one of the main pillars in its Economic Modernization Vision 2033, the country has made disaster risk reduction a national priority.

2. Contingent Liabilities

2.1 Major SOEs in Jordan

This report examines the financial performance of several major State-Owned Enterprises (SOEs) in Jordan that play a critical role in the national economy and fiscal landscape. These enterprises include: Royal Jordanian Airlines (RJ), the national carrier and leading aviation operator; the National Electric Power Company (NEPCO), the primary entity responsible for electricity transmission and system operation; and the Comprehensive Multiple Transportation Company (CMTC), a key provider of multimodal transport services. The assessment also covers Miyahuna, which manages essential water and wastewater services; the Jordan Phosphate Mines Company (JPMC), a major player in the global phosphate industry; and the Samra Electric Power Company (SEPC), a central electricity producer supporting national energy security. Additional SOEs are reviewed to ensure a broad evaluation of the sector.

To provide a comprehensive and standardized analysis of their performance and financial health, we apply the IMF State-Owned Enterprise Health Check Tool (SOE-HCT). This framework offers a detailed assessment of financial indicators, operational strength, and potential fiscal risks, enabling a clearer understanding of each SOE's contribution to the economy and its implications for public finances.

A. Alia Company - Royal Jordanian

A.1 Introduction

Established in 1963 by a Royal Decree issued by His Late Majesty King Hussein and operating from its primary hub at Queen Alia International Airport in Amman, Royal Jordanian is the national air carrier of the Hashemite Kingdom of Jordan and has been a member of the one world airline alliance since 2007, continuing to connect people across the globe.

Today, the Government of Jordan owns approximately 95% of Royal Jordanian's capital, up from 86.2% in 2022, following the 2023 capital restructuring. This restructuring included writing off accumulated losses and the statutory reserve by applying JOD 14.8 million against the statutory reserve and JD 201 million against the Company's paid-in capital, resulting in a total reduction of JD 385 million from accumulated losses. Consequently, the capital after amortization became 123,627,470 shares/JOD 1, and the accumulated losses became JOD 184.174 million. The company's capital was then increased by JOD 240 million for the Government of Jordan (Government Investments Management Company). In addition, in 2023, an in-kind contribution of JOD 170 million was made through RJ's ownership of 17,853,225 shares of Jordan Airports Company (JAC), representing 90% of JAC's capital, valued at JOD 9.5220891/share.

In 2024, Royal Jordanian's faced some challenges, including the war on Gaza, the conflict in Lebanon, and broader regional and international crises. These geopolitical developments significantly affected air traffic to and from Jordan. Despite all this, Royal Jordanian effectively

mitigated the impact of these disruptions and achieved progress on multiple fronts. Throughout the year, the airline remained steadfast in its mission to connect the Hashemite Kingdom of Jordan with the world, serving as a stable and reliable bridge amid instability.

Royal Jordanian is currently implementing a fleet modernization plan aimed at expanding its aircraft count to 42 by 2028. In 2024, the airline added six new aircraft. Over the next two years, more Embraer E2 and Airbus A320neo aircraft with Wi-Fi will be introduced, followed by new Boeing 787-9s starting in 2026 to enhance passenger and cargo capacity.

On the route network level, RJ is expanding its strategic plan to establish Amman as the leading gateway to the Levant, reaching 60 destinations in the next few years. In 2024, RJ introduced direct flights to significant destinations, including London Stansted, Manchester, Moscow, Berlin, and Tripoli, in addition to seasonal flights to Al-Ula and Paphos. RJ continues to restore routes affected by the COVID-19 pandemic, adjust flight frequencies, and enhance connectivity to better serve the growing transit market

Additionally, RJ is now undertaking a comprehensive renovation project of the air cargo warehouse, which will positively support its strategy to enhance Jordan's position as the logistics hub and commercial gateway to this region. Cargo is considered an enabler of growth of the economy of the Kingdom, in general, and of the company, in particular, and a facilitator of the movement of goods between Jordan and countries of the world, particularly that a new freighter has joined the fleet to reach 9 new destinations

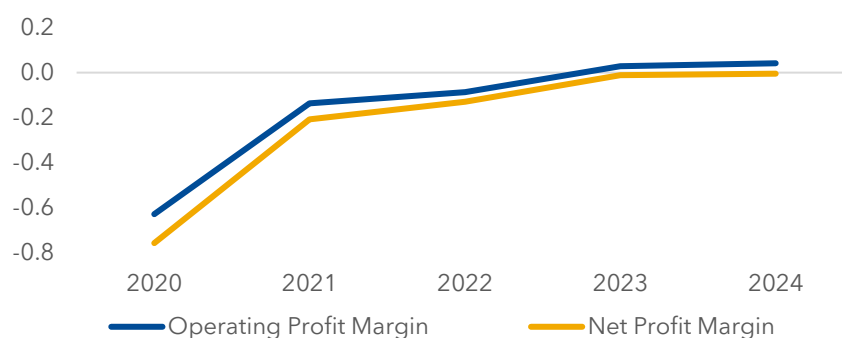
A.2 RJ Performance Indicators

In terms of profitability, Royal Jordanian Airlines achieved significant financial and operational growth in 2024, successfully reducing losses and enhancing operational efficiency, reflecting the effectiveness of its strategies despite facing several challenges in recent years, including COVID-19 and both regional and international conflicts, which have significantly impacted air traffic to and from Jordan.

Despite these challenges, Royal Jordanian managed to increase its revenue to approximately JOD 746 million, up 1.73% from JOD 733.24 million in 2023. Gross profit reached JOD 80.94 million, a 19.5% increase compared to JOD 67.45 million in 2023, indicating improved operational efficiency. Its operating and net profit margins improved from -63% in 2020 to 4% in 2024 for the operating profit margin and from -76% in 2020 to nearly breakeven in 2024 for the net profit margin, signaling that the company starts making profit.

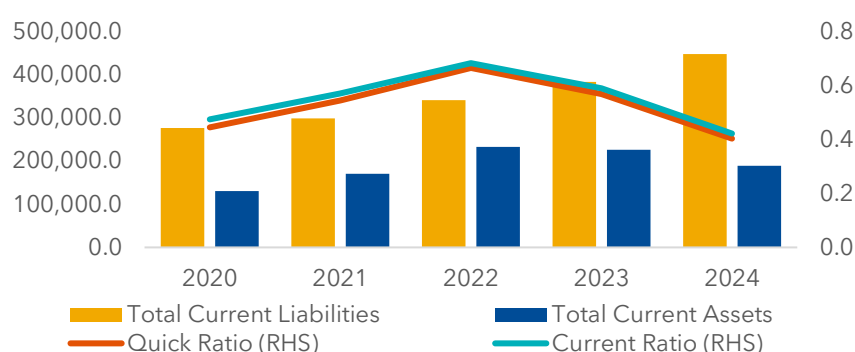
RJA shows an improvement of Cost Recovery Ratio, which rose from 0.61 in 2020 to 1.0 in 2024. Additionally, Net Loss After Tax: Reduced to JOD 3.7 million, down 57.58% from JOD 8.69 million in 2023, driven by cost reductions and higher revenues.

Profitability



In terms of liquidity performance, which measures the company's ability to meet short-term obligations, both the Current Ratio and Quick Ratio improved to 0.68 and 0.66 in 2022, but then declined to 0.59 and 0.40 in 2023, and further to 0.42 and 0.40 in 2024. On the other hand, Debtor Turnover Days improved to 19.8 in 2024, compared with 20.3 in 2023, 21.6 in 2022, 23.8 in 2021, and 96.5 in 2020, indicating excellent collection efficiency throughout the years. Meanwhile, Creditor Turnover Days increased from 47.7 in 2023 to 57 in 2024.

Short-term Liquidity



B. The National Electric Power Company (NEPCO)

B.1 Introduction

National Electric Power Company (NEPCO), established on September 1, 1996, as the successor to the Jordan Electricity Authority, is entirely owned by the Jordanian government. NEPCO manages the national transmission network, linking Jordanian electric generators with distributors and integrating the country's power grid with neighboring nations. The company has faced significant challenges, including the prolonged gas supply disruption from Egypt between 2011 and 2018, escalating global oil and gas prices, and complications from long term PPAs including the Attarat oil shale project. The COVID-19 pandemic further strained NEPCO's

finances due to reduced electricity bill collections, and the Ukraine conflict in 2022 exacerbated fuel price volatility. Despite these obstacles, NEPCO continues operations with full government debt guarantees, placing substantial pressure on national finances. An action plan, supported by international financial institutions like the EBRD, has been implemented to address accumulated losses and ongoing deficits, aiming to stabilize and enhance NEPCO's financial health.

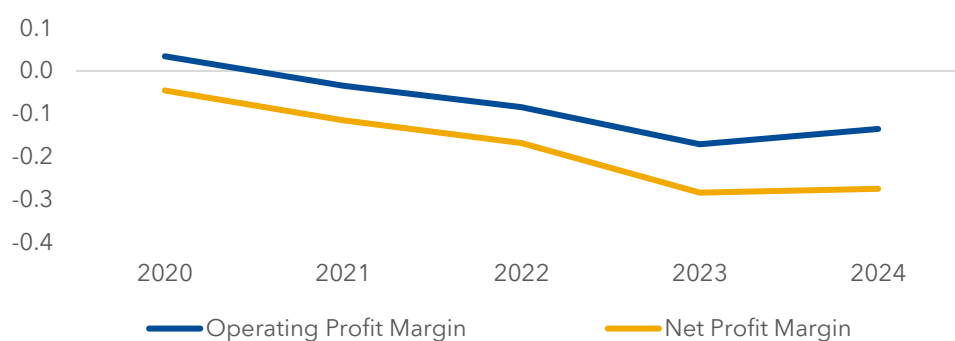
NEPCO has taken significant steps towards enhancing the energy security system in Jordan by working to diversify energy sources, increase the contribution of local resources, and raise the share of renewable energy in the overall energy mix, in alignment with the strategic goals of Jordan Energy Strategy for the years (2020–2030). This strategy aims to increase the contribution of renewable energy sources from 27% this year to 31% of total generated electricity by 2030.

To improve the utilization of electricity generated from renewable energy sources, NEPCO has continued its efforts to complete the requirements for implementing the strategic Mujib Dam pumped hydroelectric energy storage (PHES) project. This PHES will have a capacity of 450 MW and a storage duration of up to 7 hours and is expected to be completed by 2030.

B.2 NEPCO Performance Indicators

In terms of profitability, the National Electric Power Company (NEPCO) continued to exhibit profitability indicators throughout the period, reflecting ongoing structural and operational challenges. The gross profit margin declined from 7% in 2020 to –12% in 2023 due to rising energy costs that outpaced revenue growth. Although it improved slightly in 2024 following a modest increase in revenue, it remained negative at –10%. The operating profit margin followed a similar trend, remaining negative but showing improvement in 2024 (–0.14 compared to –0.17 in 2023). Likewise, the net profit margin stayed negative throughout the years, from –5% in 2020 to –17% in 2022, and further to –28% in 2024, mainly driven by financing costs. The cost recovery ratio also remained below one at 0.88 in 2024, indicating that revenues continued short of covering total costs. Additionally, return on Assets, remain consistently negative.

Profitability



In terms of liquidity, NEPCO recorded improvements over the period; however, the Company continues to exhibit a fair liquidity position, characterized by acceptable ratios and inefficient working capital cycles. The current ratio increased marginally to 0.16 in 2024 (up from 0.14 in 2023), driven primarily by a 51% increase in receivables, largely attributable to higher energy sales receivables—particularly from electricity distribution companies, which rose by more than 45%. The quick ratio showed modest stabilization, rising from 0.12 in 2022 to 0.13 in 2023 and 0.15 in 2024. Despite these incremental improvements, both ratios remain well below 1.0, indicating insufficient current assets to meet short-term obligations.

Additionally, NEPCO's debtor turnover days calculated at 132 days, reflecting slower collection of receivables, while creditor turnover days remained at 490 days in 2024.

Additionally, although the debt-to-EBITDA ratio showed improvement, it remained negative at -41.58 in 2024, and interest coverage ratio also improved .

C. Comprehensive Multiple Transportation Company

C.1 Introduction

Established in 2005, the Comprehensive Multiple Transportation Company (CMTC) is dedicated to providing reliable public transportation services throughout the Hashemite Kingdom of Jordan. The company operates a fleet of approximately 600 buses, with around 250 serving 43 routes within the Greater Amman Municipality and the remainder covering routes across other governorates. CMTC also serves as the parent entity for four subsidiaries, including Asia Company, Al-Tawfeeq Company, and Al-Thelal for Passenger Transport. The Jordanian government holds a 73% ownership stake in CMTC, reflecting a strong public investment and a clear commitment to enhancing the nation's transportation infrastructure.

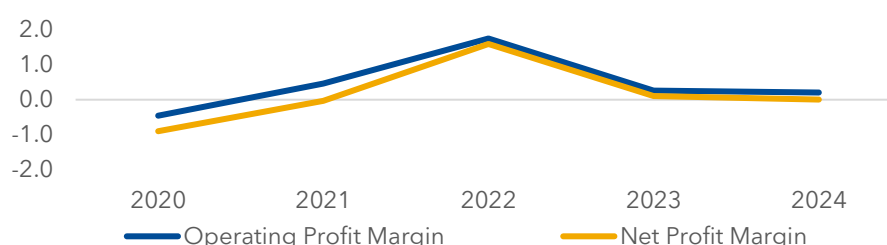
CMTC is committed to enhancing passenger transport services through several key initiatives planned for 2025. These initiatives include expanding the number of buses operating on public transport routes to boost service capacity and revenue, as well as completing the transition from cash-based to fully electronic fare collection systems. This digital transformation aims to improve operational efficiency, strengthen fare control mechanisms, and ultimately increase daily revenue from public transport operations.

The company has encountered persistent financial difficulties, accruing substantial losses that necessitate ongoing government support, such as fuel subsidies and assistance with financial obligations as recently as 2023. CMTC plays a vital role in Jordan's public transportation infrastructure, serving a significant number of university students, while striving to enhance operational efficiency and service reliability.

C.2 CMTC Performance Indicators

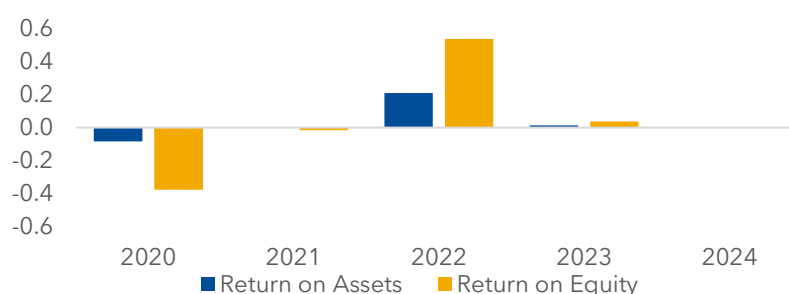
In terms of profitability, 2022 marked the peak year for CMTC, reflecting a strong turnaround following the losses recorded in 2020 and steady performance in subsequent years. This improvement was primarily driven by a significant increase in other operating income resulting from the 2022 debt settlement agreement between the Government of Jordan and the Housing Bank for Trade and Finance, which generated profits of 8,613,258 JOD before tax. Consequently, CMTC's operating profit margin improved markedly from -0.46 in 2020 to 1.75 in 2022, before stabilizing at around 0.21 in 2024, primarily due to the decline in other operating income. Net Profit Margin followed a similar trend, recovering from -0.90 to positive territory in 2022 and maintaining near-breakeven results in 2024, but remains thin.

Profitability



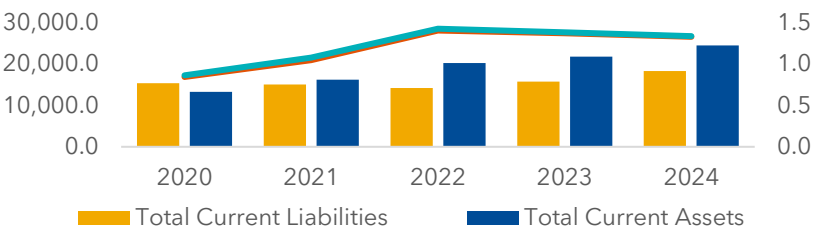
Return on Assets (ROA) and Return on Equity (ROE) turned positive in 2022, indicating that assets and equity are now contributing to value creation. However, they dropped slightly in 2024 to almost zero. Cost Recovery consistently improved above 1.0, confirming that revenues cover costs.

Rates of Return



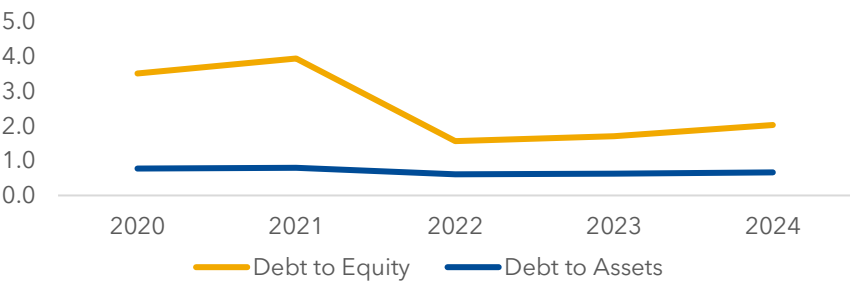
In terms of liquidity, CMTC demonstrated a solid improvement in its short-term financial position. The current ratio increased from 0.86 in 2020 to 1.34 in 2024, with only a slight decline from 1.38 in 2023, indicating adequate coverage of short-term liabilities. The quick ratio also remained strong at 1.12 in 2024, reflecting the company's ability to meet its short-term obligations without relying heavily on inventory.

Short-term Liquidity



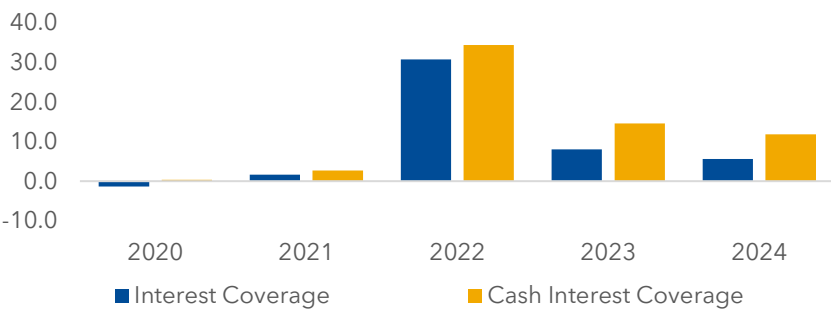
In terms of solvency, CMTC’s financial position has strengthened significantly, supported by reduced leverage and improved coverage ratios. The company lowered its reliance on external borrowing, with the debt-to-assets ratio decreasing from 0.78 in 2020 to 0.67 in 2024, with Total Assets grew from JD 38.3 million (2020) to JD 43.6 million (2024) (CAGR 3.3%), showing a healthy pace of growth and the debt-to-equity ratio improving markedly from 3.52 in 2020 to 2.03 in 2024, indicating effective deleveraging and enhanced financial sustainability.

Solvency



Furthermore, the interest coverage ratio improved substantially from -1.37 in 2020 to 5.64 in 2024, demonstrating CMTC’s ability to meet its interest obligations comfortably. Both the cash interest coverage and debt coverage ratios also increased significantly, confirming the company’s stronger ability to service and repay its debt.

Interest Coverage



D. Miyahuna

D.1 Introduction

Miyahuna LLC is a national company fully owned by the Jordanian government, represented by the Water Authority of Jordan (WAJ). The Company is responsible for providing water and sanitation services across the Central Governorates—Amman, Zarqa, Madaba, and Balqa—acting on behalf of WAJ to manage and operate the water and wastewater systems since 2007. Miyahuna initially assumed responsibility for the management and operation of water and sanitation services in the Capital Governorate under an assignment and development agreement with WAJ, and subsequently expanded its mandate to the remaining governorates.

Since assuming these responsibilities, Miyahuna has worked to achieve key performance targets, particularly improving service quality, increasing available water supply, and reducing non-revenue water (NRW). The Company's service area spans 14,718 square kilometers, serving over one million subscribers, and includes multiple drinking water treatment facilities—most notably the Zai and Ma'in plants—along with a wide network of water sources, pumping stations, and distribution infrastructure.

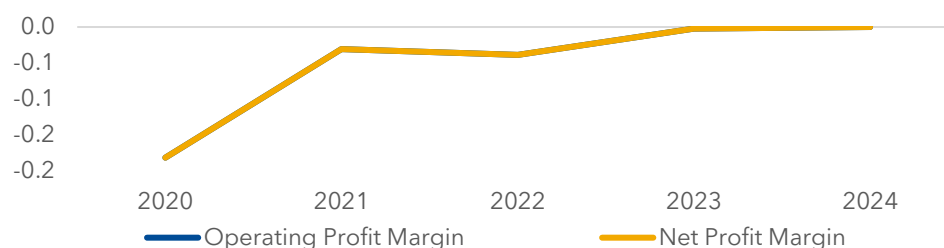
Miyahuna also oversees major development projects across its service areas, with an ongoing focus on enhancing water system reliability, rehabilitating distribution networks, and reducing non-revenue water. Currently, the Company aims to achieve its strategic target of reducing NRW by 2% annually, to reach 25% by 2040, in alignment with national water sector objectives.

D.2 Miyahuna Performance Indicators

In terms of profitability, Miyahuna's profitability remains in the same level, although it is gradually stabilizing. Profitability notable improvements in recent years. Revenue increased by approximately 34% between 2020 and 2024, and by nearly 15% from 2023 to 2024. The gross profit margin rose to 5% in 2024, and operating losses declined significantly, with the operating profit margin improving from –0.18 in 2020 to 0.00 in 2024. The net profit margin followed a similar trend, improving from –0.18 in 2020 to 0.00 in 2024, indicating that the Company is approaching breakeven; however, overall profitability remains weak and requires continued structural enhancements.

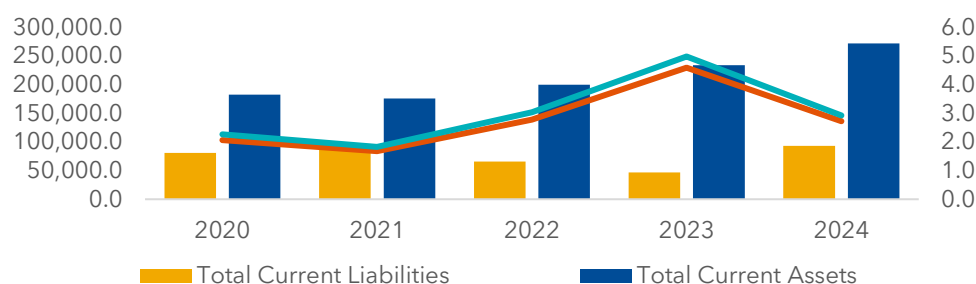
Additionally, cost recovery improved from 0.83 to 0.94, indicating that revenues are covering an increasing share of total costs—another signal of gradual financial stabilization.

Profitability



In terms of liquidity, Miyahuna's liquidity position continues to be one of the Company's strongest areas. The current ratio increased from 2.27 in 2020 to 4.98 in 2023, before stabilizing at 2.92 in 2024, primarily due to increases in deferred revenues and accounts payable. The quick ratio followed a similar trend, strengthening to 2.73 in 2024, indicating solid liquidity even without reliance on inventory.

Short-term Liquidity



Miyahuna's solvency position reflects improving leverage but weak earnings coverage, despite significant asset growth. Total assets increased by approximately 57% between 2020 and 2024 and by around 23% between 2023 and 2024, strengthening the Company's balance sheet. The debt-to-assets ratio improved from 0.57 in 2020 to 0.39 in 2023, then rose slightly to 0.48 in 2024, indicating a moderate increase in reliance on debt in the most recent year.

E. Jordan Phosphate Mines Company

E.1 Introduction

Jordan Phosphate Mines Company (JPMC), founded in 1949, stands as a leading producer of phosphate rock in Jordan and a significant player in the global phosphate market. Headquartered in Amman, JPMC operates several mines across the central and southern regions of Jordan, including the Russeifa, Al Hassa, Al-Abiad, and Eshidiya mines. JPMC implements exploration and mining works of phosphate and develops innovative products with high quality and competitive worldwide by employing modern technology; training and

qualifying its human resources with an eye on all aspects of sustainable development of environment and community via its operations.

In 2024, JPMC, in which the Government of the Hashemite Kingdom of Jordan holds an ownership stake of approximately 26%, made a direct contribution to public revenues amounting to approximately JD 188 million, primarily from income tax, mining revenues, customs duties, and sales tax on external purchases. In addition, indirect contributions totaled JD 194 million, mainly comprising JD 118 million from profit shares of government-owned companies and JD 76 million from the Social Security Corporation. Together, the Company's direct and indirect support to the public treasury reached nearly JD 382 million.

JPMC continued to advance strategic projects aimed at strengthening revenue generation and enhancing its competitive position. Feasibility studies were completed for the construction of two phosphoric acid plants with a combined production capacity of 700 thousand tons and an estimated cost of approximately JD 1 billion. Tenders are scheduled to be launched in the third quarter of the year, with the projects expected to create around 700 new jobs.

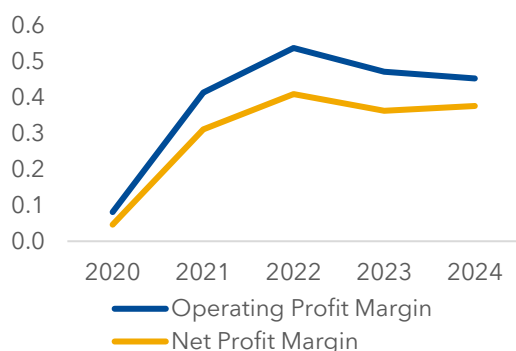
Additionally, studies for the expansion of the Aqaba Industrial Complex have been finalized. The expansion, expected to be completed by early 2027 at an estimated cost of USD 90 million, is projected to increase phosphoric acid production capacity by 140 thousand tons per year and boost annual sales by approximately USD 100 million.

E.2 JPMC Performance Indicators

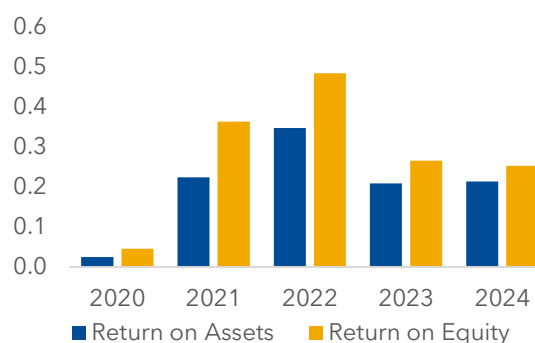
JPMC demonstrated strong financial performance over the period, with 2022 marking the peak year, supported by steady revenue growth. Profitability exhibited a clear upward trend, driven by revenue expansion and improved operational efficiency. Revenue more than doubled between 2020 and 2024, while the operating profit margin increased from 0.08 in 2020 to 0.45 in 2024, peaking at 0.54 in 2022, reflecting substantial operational improvement.

Despite the challenges posed by global markets, including the decline in the prices of the Company's products in global markets, and the increase in some production inputs; The Company was able to achieve a net profit after tax of more than JD (450) million in 2024 with Net profit grew by more than 2% from 2023 to 2024, and the net profit margin rose steadily to 0.38 in 2024, highlighting effective cost control. Both ROA and ROE improved significantly compared to 2020, indicating enhanced utilization of assets and shareholders' equity, although remaining below their 2022 peak levels. Nonetheless, Cost Recovery strengthened from 1.05 to 1.70, confirming that revenues increasingly exceed costs.

Profitability



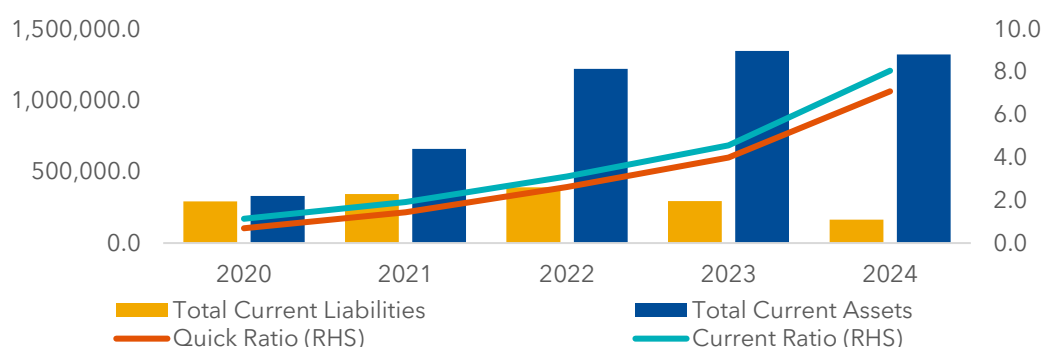
Rates of Return



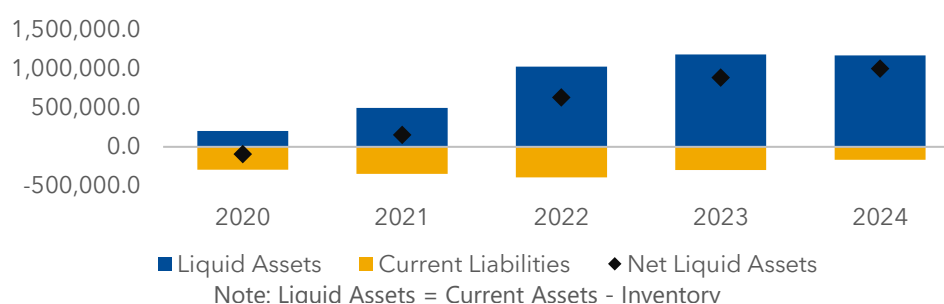
In terms of liquidity, JPMC maintained a strong liquidity position, reflecting excellent working capital management. Both assets and liabilities remained relatively stable over the period, with total assets recording a compound annual growth rate (CAGR) of 17% during 2020–2024. The current ratio increased significantly in 2024 to 8.06, compared with 4.57 in 2023 and 3.12 in 2022, indicating ample short-term solvency. This sharp increase was primarily attributable to a substantial decline in income tax provisions.

Similarly, the quick ratio rose to 7.10 in 2024, confirming strong coverage of short-term obligations by highly liquid assets. Debtor turnover days declined from 64.5 to 39.0, reflecting faster receivables collection, while creditor turnover days remained stable and at manageable levels, indicating balanced working capital management.

Short-term Liquidity



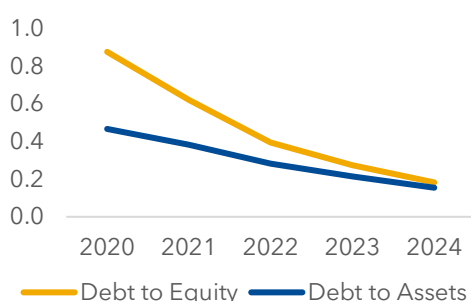
Net Liquid Assets



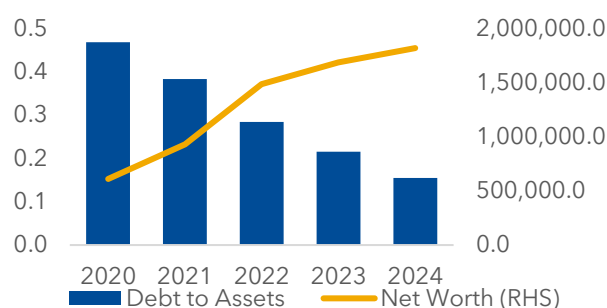
JPMC's capital structure strengthened significantly over the period, reflecting very strong solvency and a robust balance sheet position. Shareholders' equity increased by 8% in 2024 compared to 2023, supported by strong earnings. Total assets also expanded during the year, exceeding JD 2.148 billion by the end of 2024, further reinforcing the Company's financial base.

Leverage ratios improved markedly. The debt-to-assets ratio declined from 0.47 in 2020 to 0.21 in 2023, and further to 0.15 in 2024, indicating a substantial reduction in reliance on debt financing. Similarly, the debt-to-equity ratio improved sharply from 0.88 in 2020 to 0.18 in 2024, reflecting significant balance sheet deleveraging and a strengthened capital structure. The debt-to-EBITDA ratio also dropped materially from 6.74 to 0.58, demonstrating very strong earnings capacity to service outstanding debt.

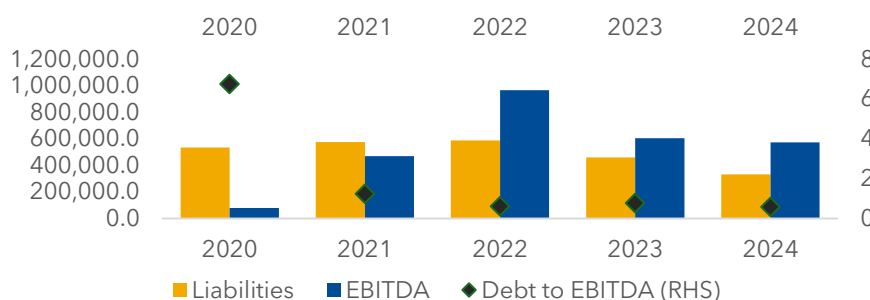
Solvency



Solvency

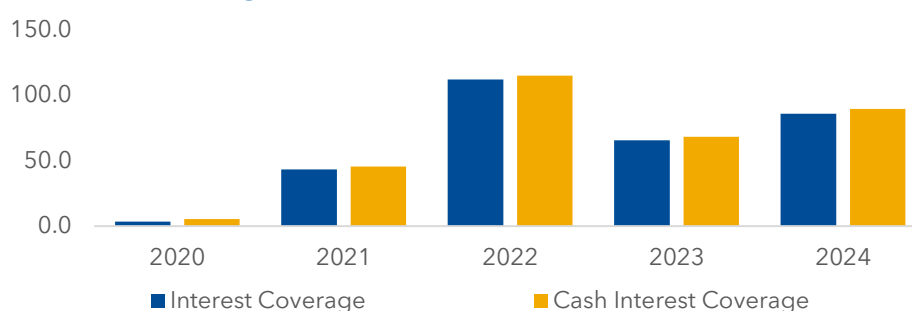


Liabilities to EBITDA



In addition, JPMC's interest coverage and cash interest coverage ratios rose substantially, reaching 85× and 89× in 2024, respectively. These exceptionally high coverage levels underscore the Company's ample earnings and cash flow buffers, minimal financial risk, and strong ability to meet both current and future debt obligations, positioning JPMC with a highly resilient solvency profile.

Interest Coverage



F. Samra Electricity Generation Company

F.1. Introduction

Samra Electric Power Company (SEPC), established in 2004, is a prominent government-owned utility company in Jordan dedicated to generating and supplying electricity to meet the nation's expanding energy demands. SEPC operates the Al-Samra power plant located in Al Hashemiya near the Zarqa River, utilizing combined cycle technology with a total generation capacity of 1,241 megawatts (MW) through natural gas and heavy fuel oil.

In addition to conventional power generation, SEPC manages several renewable energy projects contributing approximately 241 MW to the national grid, including wind and solar energy facilities. This integration of renewable sources underscores SEPC's commitment to sustainability and aligns with Jordan's broader energy strategy. SEPC plays a crucial role in enhancing the reliability and stability of Jordan's electricity supply, investing in modernization initiatives, and exploring innovative energy solutions to support the country's economic development and energy security goals.

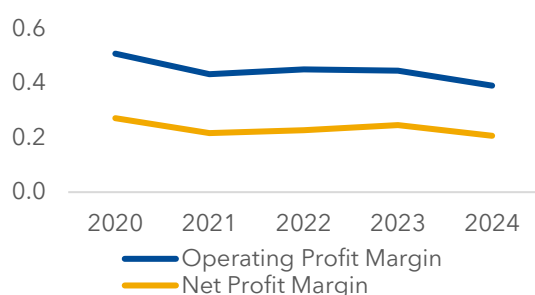
In pursuit of its leadership in electricity generation in Jordan and to meet the growing demand, the company purchased the Rehab and Risha power stations to support the electrical system and ensure a sustainable supply of electricity. This contributed to increasing Samra Company's share in meeting the peak load by approximately 30%.

F.2. SEPC Performance Indicators

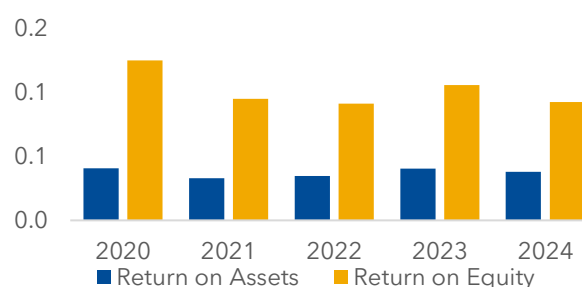
In terms of profitability, the Samra Electric Power Company (SEPC) demonstrated overall stability, despite a slight downward trend in key profitability indicators. The operating profit margin remained stable within the range of 0.45–0.51 between 2020 and 2023, before declining

to 0.39 in 2024, primarily due to an increase in expected credit loss expense. The net profit margin also remained consistently positive, ranging from 0.22 to 0.27, with a modest decrease to 0.21 in 2024, reflecting maintained bottom-line strength. Both ROA and ROE remain positive and stable, though relatively low, indicating moderate returns on assets and equity. The cost recovery ratio continues to exceed 1.0, confirming the Company's ability to effectively cover its operating costs.

Profitability

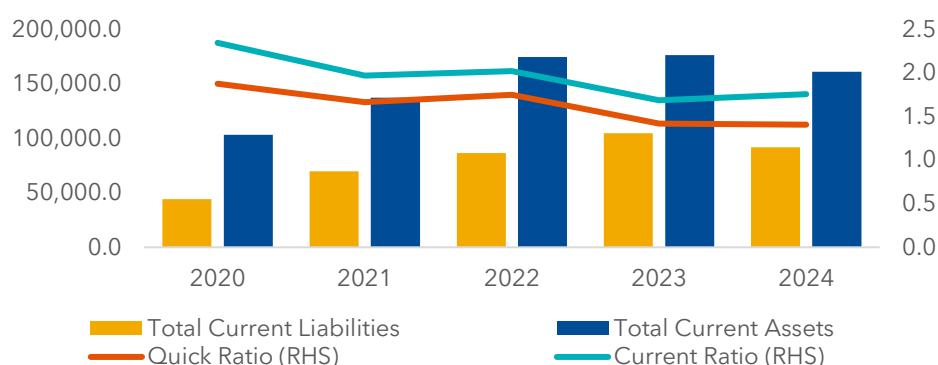


Rates of Return



In terms of liquidity, SEPC demonstrated the ability to meet its short-term obligations, despite some softening in key indicators. Both the current ratio and quick ratio remained comfortably above 1.0 throughout the period. The current ratio ranged from 2.34 in 2020 to 1.68 in 2023, before increasing slightly to 1.76 in 2024. The quick ratio fluctuated between 1.42 and 1.87, remaining stable in 2024, indicating adequate liquidity even after excluding inventories. However, creditor turnover days increased significantly to 127.9, suggesting slower payments to suppliers and a lengthening of the Company's payment cycle.

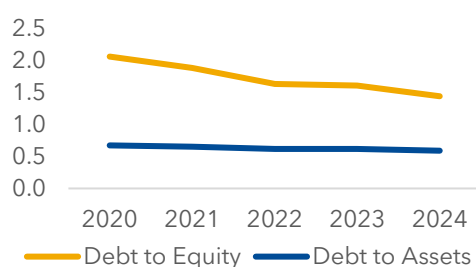
Short-term Liquidity



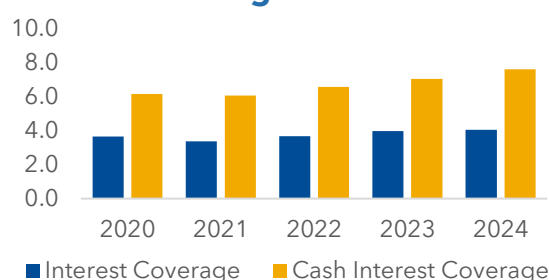
SEPC maintains a solid solvency position, supported by moderate leverage and strong debt-servicing capacity. The debt-to-assets ratio improved from 0.67 to 0.59, indicating reduced reliance on debt financing. This improvement was driven primarily by a 12% decline in long-term debt from 2023 to 2024, despite an 8% decrease in total assets over the same period. The debt reduction, combined with stable capital structure fundamentals, underscores SEPC's strengthened solvency profile.

In addition, the debt-to-equity ratio has shown meaningful improvement, declining from 2.06 in 2020 to 1.61 in 2023 and further to 1.44 in 2024, reflecting strengthened equity levels and a healthier capital structure. Furthermore, both interest coverage and cash interest coverage remained comfortable at 4.06 and 7.6, respectively, in 2024, demonstrating the Company's sustained ability to meet interest obligations from operating earnings and resilient cash-based debt-servicing capacity.

Solvency



Interest Coverage



G. National Petroleum Company

G.1. Introduction

The National Petroleum Company (NPC), a public shareholding company, was established in June 1995. The Jordanian government's shareholding (through the Government Investment Management Company) represents 99.9% of the company's capital.

The company is the sole licensed entity operating in the field of oil exploration and drilling in Jordan, with no local competitors in this sector. As of December 31, 2024, the cumulative production of the Risha Gas Field reached approximately 253 billion cubic feet, and the company's capital investment amounted to approximately 62.7 million JOD.

In its general assembly meeting held on April 17, 2024, the shareholders approved the capitalization of JOD 15 million, representing 75% of the company's retained earnings, which totaled approximately JOD 20 million. The Assembly also approved the capitalization of 50% of the receivable due from the Ministry of Finance, resulting in the capitalization of JOD 2.49 million out of a total balance of approximately JOD 5 million.

The Ministry of Finance utilized 50% of its share of gas revenues to increase its equity stake in the company.

The company's strategic plan for the years 2020-2030 aims to achieve a production capacity of 200 million cubic feet per day. This goal is set to enhance the contribution of local production, ensure energy security, and reduce dependence on imports in line with the strategic energy sector plan for Jordan.

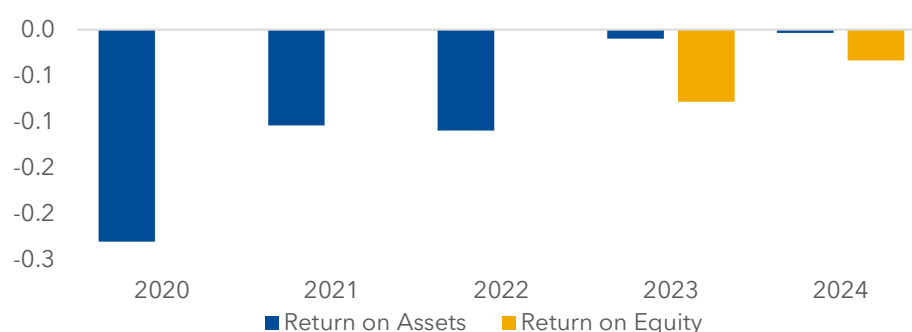
G.2. NPC Performance Indicators

NPC's overall picture remains positive despite margin pressure in 2024. NPC has shown robust financials between 2020 and 2024, marked by profitable operations, stable liquidity, and lower leverage.

In terms of profitability, NPC has maintained a stable profitability structure despite fluctuations in revenue and costs in 2024. The Operating Profit Margin ranged between 0.23 and 0.43 during 2020-2023, showing that the company consistently generates positive operating income. However, it declined in 2024, but remained positive at 7%. Additionally, the net Profit Margin remained positive throughout (0.07–0.38), reflecting the company's ability to maintain profits even during slower revenue periods.

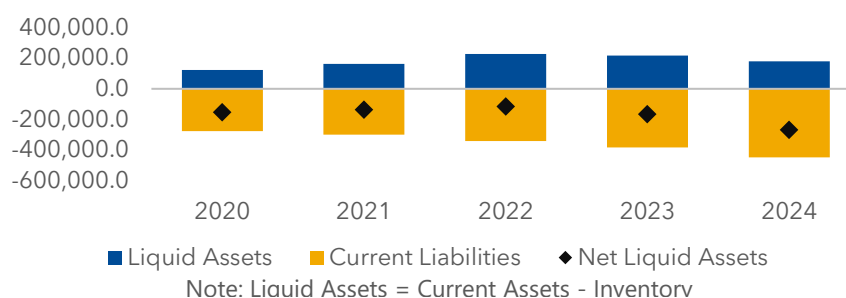
Return on Assets (ROA) and Return on Equity (ROE) averaged between 6% and 14% during 2020–2023, reflecting efficient utilization of resources and shareholders' funds. However, both ratios declined to around 2% in 2024, as illustrated in the figure below. In 2024, total assets increased by approximately 15% to reach JD 62.7 million, mainly due to NPC's ongoing expansion and investment in new projects, estimated to cost approximately 11 million JOD. Most of these projects are expected to be completed by the second quarter of 2025, with some deferred for implementation under the 2026 plan. The Cost Recovery Ratio remained above 1.0, indicating the company's ability to cover its costs. Overall, NPC should continue to focus on revenue growth and expense optimization to sustain profitability and improve returns.

Rates of Return



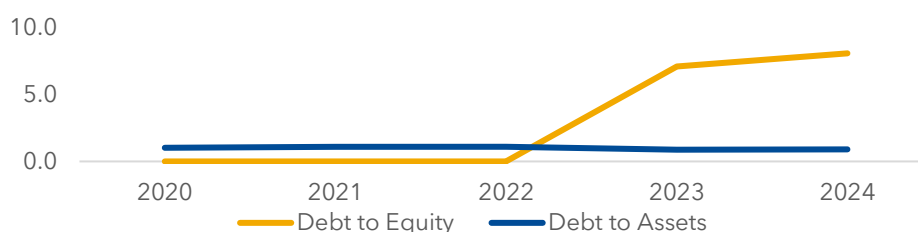
In terms of liquidity performance, which measures the company's ability to meet short-term obligations, both the Current Ratio and Quick Ratio declined from 2020 to 2024, but remained well above 1.0, confirming strong short-term liquidity. Additionally, NPC has enhanced its receivables management, as Debtors' Turnover Days improved significantly from 218 days in 2020 to 96 days in 2024, reflecting greater collection efficiency and faster cash conversion. The figure below illustrates NPC's liquid assets during 2020–2024.

Net Liquid Assets



The solvency position remains solid, characterized by a low debt burden. Debt-to-Assets and Debt-to-Equity ratios are modest (0.17–0.25 and 0.21–0.34, respectively), indicating a low reliance on external borrowing.

Solvency



H. Central Electricity Generating Company (CEGCO)

H.1. Introduction

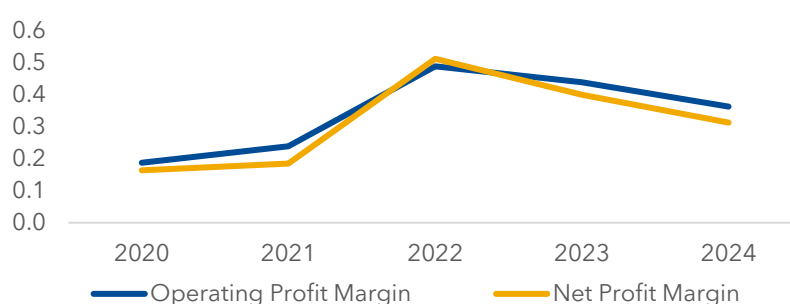
In 1996, Jordan formed the National Electric Power Company to replace the Electricity Authority and restructured the sector into three entities: NEPCO for transmission, the Electricity Distribution Company, and the Central Electricity Generating Company (CEGCO). In 2007, Energy Arabia (Enara) acquired 51% of CEGCO, with the government keeping 40% and the Social Security Corporation 9%. By 2011, Saudi-based ACWA Power became the majority owner through Enara, marking the shift from full government control to private and foreign investment in Jordan's power sector.

In 2024, despite the major challenges facing the company which is the expiration of the power purchase agreement, with the last one concluding in October 2025 - CEGCO has remained steadfast in pursuing and achieving its set objectives, the company recorded a net profit of JOD 11.2 million in 2024, surpassing budgeted estimates by 7 percent, but reflecting a 16 percent decrease compared to the JOD 13.3 million in net profit achieved in 2023.

H.2. CEGCO Performance Indicators

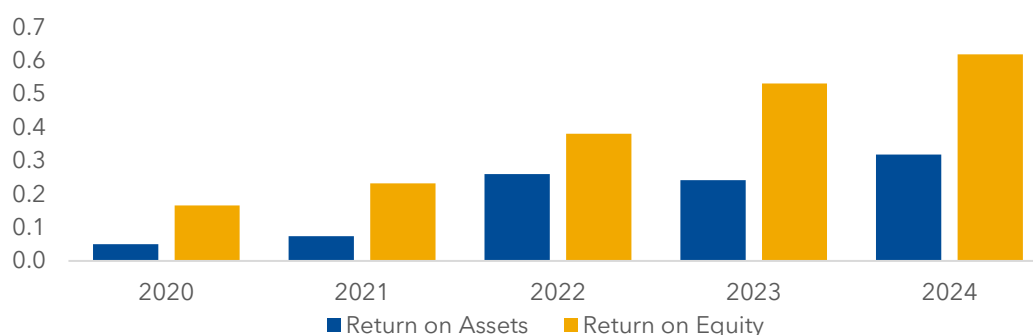
In terms of profitability, despite a decline in revenue, CEGCO has demonstrated resilient profitability and strong operational efficiency amid fluctuating market conditions. The company's gross profit margin remained stable, increasing from 34% in 2020 to 57% in 2024, with an average of 40% over the period. The operating profit margin rose from 19% in 2020 to a peak of 49% in 2022 before easing to 36% in 2024. Similarly, the net profit margin followed the same trend, improving from 16% in 2020 to 51% in 2022 and stabilizing at 31% in 2024, confirming sustained profitability under challenging conditions.

Profitability



Furthermore, both Return on Assets (ROA) and Return on Equity (ROE) improved significantly during the period, with ROA reaching 0.32 and ROE reaching 0.62 in 2024. These figures reflect strong asset management and capital efficiency. Additionally, the cost recovery ratio remained comfortably above 1.0, confirming that revenues consistently covered costs effectively.

Rates of Return



In terms of liquidity, CEGCO experienced some fluctuations over the years, with 2022 marking the peak. The current ratio increased from 0.97 in 2020 to 1.18 in 2024, indicating adequate coverage of current liabilities by current assets. The quick ratio also improved slightly to 1.17, reflecting well-managed short-term liquidity.

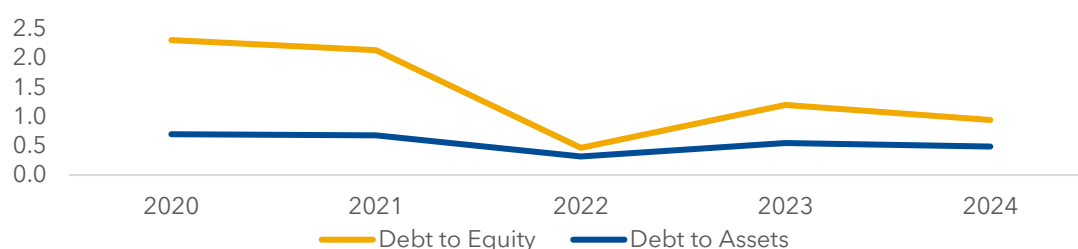
In 2022, the current ratio reached 3.46 and the quick ratio 3.10, primarily due to a significant reduction in accounts receivable from the National Electric Power

Company—from JOD 75 million in 2021 to JOD 15 million in 2022—while accounts payable to the Jordan Petroleum Refinery Company fell to zero in 2022, compared to JOD 57.5 million in 2021.

Furthermore, the company's accounts payable decreased notably in 2024, totaling JOD 3.4 million compared to JOD 11.9 million in 2023. This decline was largely attributed to the payment of the second and final installment of the capital reduction to shareholders. Moreover, debtor turnover days declined significantly from 511 in 2020 to 123 in 2024, indicating a substantial improvement in collection efficiency, although the figure remains relatively high.

In terms of solvency, continue to reflect a stable balance sheet characterized by lower leverage and strong interest coverage. The debt-to-assets ratio declined from 0.70 in 2020 to 0.49 in 2024, indicating reduced reliance on debt financing. The debt-to-equity ratio improved sharply from 2.31 to 0.94, underscoring a healthier capital structure. Similarly, the debt-to-EBITDA ratio dropped from 4.25 to 1.06, demonstrating a much stronger ability to service debt through earnings. Meanwhile, interest coverage surged from 3.88 to 38.05, highlighting a very comfortable capacity to meet debt obligations.

Solvency



I. Arab Potash Company (APC)

I 1. Introduction

The Arab Potash Company (APC) was established on July 7th, 1956, and in 1958, the Government of the Hashemite Kingdom of Jordan granted APC an exclusive concession for the exploitation of Dead Sea salts and minerals. The Government of the Hashemite Kingdom of Jordan currently owns 26% of APC's share capital, reflecting its strategic partnership and oversight role in the Company's operations. Upon termination of the concession, 100 years from the date it was granted, ownership of all plants and installations will be transferred to the Government of the Hashemite Kingdom of Jordan at no cost to the latter.

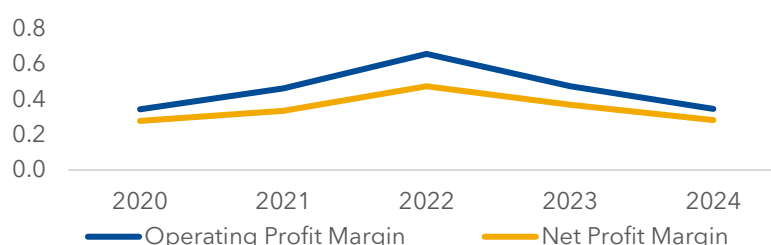
The operational objectives of the Company include the extraction of salts and minerals from the Dead Sea and establishing industries that use these salts and minerals. APC and its subsidiaries own a diverse range of products, including potash, potassium nitrate and bromine, various types of sodium chloride, chlorine, carnallite, and clay. These products are marketed and sold both domestically and internationally.

In 2024, APC achieved record potash production a 17% increase over 2018 levels—driven by its strategic plan and supported by ongoing expansion projects in the eastern and southern concession areas aimed at reaching a medium-term production target of 3.5 million tons. During the same year, APC achieved record sales of 2.78 million tons, strengthening its global footprint by expanding in Brazil, Thailand, and Oceania, and reinforcing its presence in Europe through its largest-ever potash shipment and the establishment of a wholly owned subsidiary to manage regional sales operations. Between 2019 and 2024, the Company generated cumulative net profits of USD 2.2 billion, positioning it to capitalize on growing global demand for potash.

I. 2. APC Performance Indicators

In terms of profitability, the Arab Potash Company (APC) maintained strong and sustainable performance despite a slight decline in 2024. The gross profit margin increased from 39% in 2020 to 72% in 2022, before moderating to 42% in 2024, with an average exceeding 50% over the five years. The operating profit margin followed a similar pattern, peaking at 66% in 2022 and settling at 35% in 2024, reflecting solid operational efficiency and cost management despite revenue fluctuations. Likewise, the net profit margin reached a high of 47% in 2022 and stabilized at 28% in 2024, underscoring the Company's continued profitability and resilience in a dynamic market environment.

Profitability



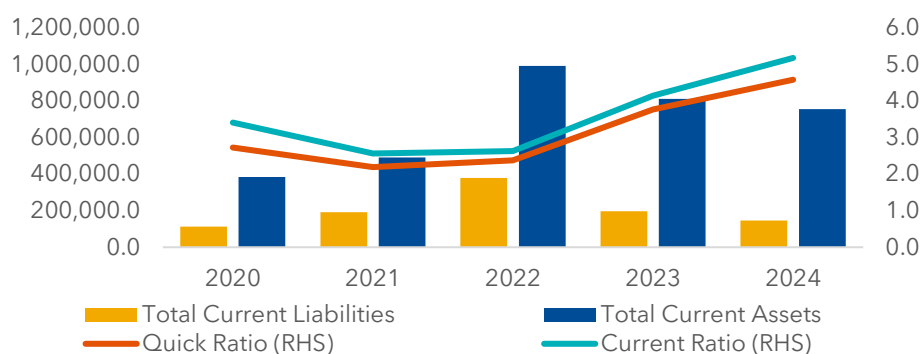
Additionally, Return on Assets (ROA) and Return on Equity (ROE) remained consistently positive over the period, peaking in 2022 at 0.30 and 0.38, respectively, before moderating to 0.09 and 0.10 in 2024. Despite this decline, both indicators confirm APC's continued efficiency in utilizing assets and shareholder funds. Over the five years, the Company's total assets recorded a compound annual growth rate (CAGR) exceeding 15%, while shareholders' equity increased from JD 932.8 million to JD 1.79 billion, representing a remarkable CAGR of 17.7%—demonstrating strong earnings retention and reinforcement of the balance sheet. Furthermore, APC successfully reduced its reliance on debt, achieving a significant decline in leverage over the years. The cost recovery ratio also improved steadily from 1.44 to 1.50, reflecting sustained profitability and operational efficiency.

Rates of Return



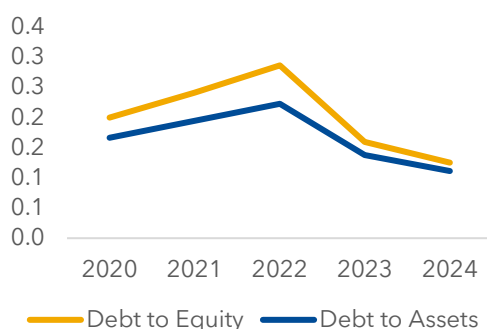
In terms of liquidity, the Arab Potash Company (APC) maintained strong short-term solvency and effective working capital management. The current ratio increased from 3.4 in 2020 to 5.17 in 2024, demonstrating excellent coverage of current liabilities, while the quick ratio rose from 2.72 to 4.58 over the same period, confirming the Company's ability to comfortably meet short-term obligations without reliance on inventory. Moreover, debtor turnover days decreased from 81.4 in 2022 to 56.2 in 2024, indicating faster receivable collections and enhanced credit management. Meanwhile, creditor turnover days increased slightly from 15.5 in 2022 to 23.8 in 2024.

Short-term Liquidity

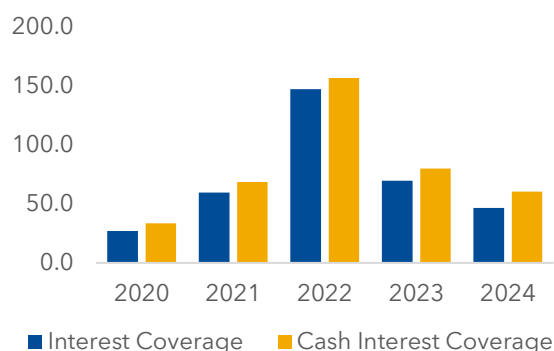


In terms of solvency, the Arab Potash Company (APC) demonstrated strong financial stability, characterized by low leverage and robust debt-servicing capacity. The debt-to-assets ratio improved from 0.17 in 2020 to 0.11 in 2024, confirming minimal reliance on debt financing, while the debt-to-equity ratio decreased to 0.12 in 2024, reflecting a highly conservative capital structure. Furthermore, both interest coverage and cash interest coverage strengthened significantly—from 26.9× to 46.5× and 33.4× to 60.2×, respectively—indicating sufficient earnings capacity to meet financial obligations. The debt coverage ratio also improved, reaffirming APC's comfortable long-term solvency and prudent financial management.

Solvency



Interest Coverage



J. Jordan Oil Terminals Logistics Company (JOTC)

J.1.Introduction

JOTC was established as part of the Government of Jordan's strategy to restructure and liberalize the downstream petroleum sector following the expiry of the Jordan Petroleum Refinery Company's (JPRC) concession agreement in 2008, which had previously granted JPRC exclusive rights to refine crude oil and trade petroleum products in the local market. Founded in 2015, JOTC was created to achieve two strategic objectives: ensuring the security of Jordan's oil supply and promoting competition in the downstream petroleum market by providing open-access, non-discriminatory services.

JOTC is a private shareholding company wholly owned by the Government of the Hashemite Kingdom of Jordan, offering an integrated portfolio of oil storage and logistics services across the country. To guarantee fair, reasonable, and non-discriminatory access, the Company does not purchase, sell, or trade petroleum products, thereby maintaining its status as an independent storage and logistics provider.

Despite its relatively recent establishment, JOTC has rapidly become a recognized leader in the regional oil and gas industry and the preferred storage partner for major Oil Marketing Companies (OMCs) and Liquefied Petroleum Gas (LPG) distribution companies in Jordan, who consider JOTC's facilities an essential part of their operational infrastructure.

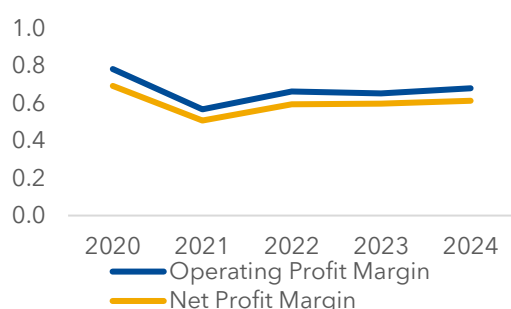
Over the past few years, the Company has navigated significant global and regional challenges that have impacted economic stability. Despite these conditions, JOTC has demonstrated strong resilience, achieving substantial growth in both revenue and profit.

J.2. JOTC Performance Indicators

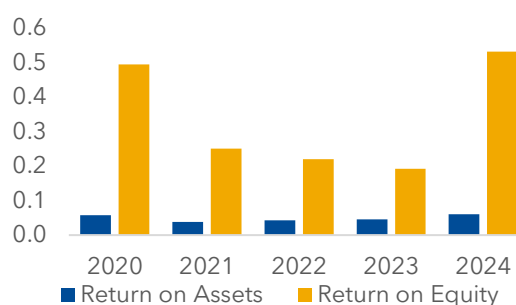
Profitability remains one of the Company's strongest areas, reflecting stable operations and effective cost management. Revenue increased by approximately 6% from 2023 to 2024, while net profit grew by 8%, driven by higher other operating income. The operating profit margin improved from 0.57 in 2021 to 0.68 in 2024, maintaining consistently high levels. The gross profit margin remained strong, ranging between 26% and 30% during 2022–2024, and the net profit margin remained stable at around 0.60 over the same period.

Additionally, both ROA and ROE reflect low but positive returns, with ROA at 0.06 and ROE rising to 0.53 in 2024, indicating efficient use of assets and strengthened equity performance. The cost recovery ratio remained well above 1.0, confirming that revenues comfortably exceed total costs.

Profitability



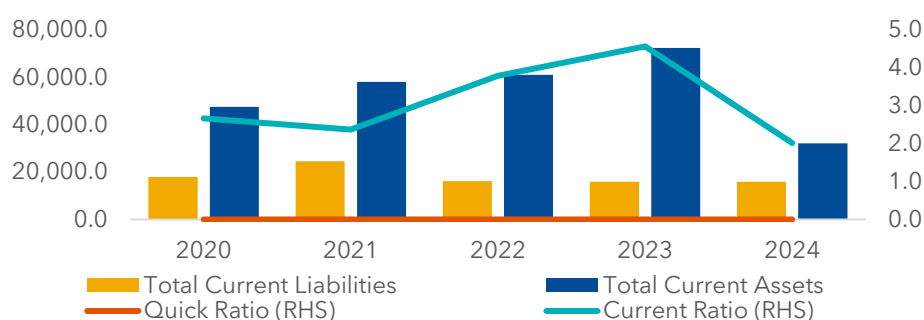
Rates of Return



In terms of liquidity, the current ratio stayed above 1.5 in all years, reaching 2.01 in 2024, down from 4.56 in 2023, primarily due to a significant decline in receivables. This decrease followed the General Assembly's approval of distributing JD 51,923,792 from retained earnings. As part of this distribution, the Company settled the Ministry of Finance's outstanding balance as of through an offset against retained earnings.

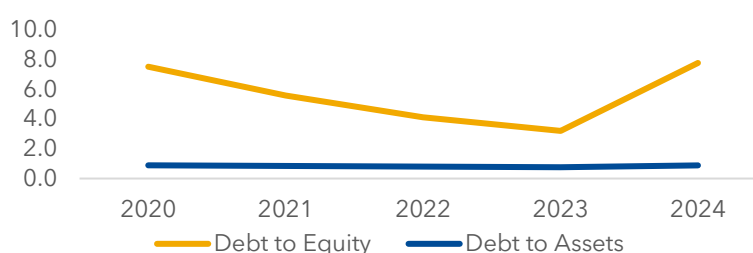
Additionally, debtor turnover days improved substantially—from 858 days in 2022 to 217 days in 2024—indicating significantly faster collection rates and enhanced cash flow efficiency.

Short-term Liquidity



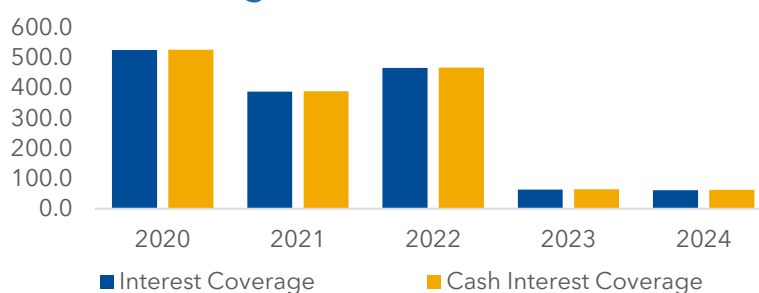
JOTC demonstrated improving financial leverage, although interest coverage showed signs of moderation. The debt-to-assets ratio remained relatively stable, ranging between 0.76 and 0.89 over the 2022–2024 period, while both total assets and total debt declined slightly, indicating controlled leverage and a manageable reliance on debt financing. The debt-to-equity ratio, however, increased significantly to 7.77 in 2024, up from 3.21 in 2023, primarily due to the approved distribution of retained earnings. As part of this distribution, the Company settled the Ministry of Finance’s outstanding balance through an offset against retained earnings, resulting in a reduction of equity and consequently a higher leverage ratio.

Solvency



Despite these shifts, interest-related solvency indicators remained strong. Cash interest coverage declined slightly from 64× in 2023 to 62.5× in 2024, and interest coverage eased from 63× to 61.6×. While both metrics show a downward trend, they continue to reflect robust capacity to meet interest obligations.

Interest Coverage



K. Jordan Silos and Supply General Company (JSSGC)

K.1. Introduction

Jordan’s General Company for Silos and Supply was established in 2000 and commenced operations in 2002 with an initial capital of forty million Jordanian dinars, which was later increased to approximately sixty-three million dinars, fully owned by the Government of the Hashemite Kingdom of Jordan. The company engages in the storage of wheat and barley, the production and sale of flour, the rental of dry and refrigerated warehouses, and the operation, management, and maintenance of silos, mills, and storage facilities. It is also authorized to conduct industrial and commercial activities related to its operations and to participate in supply-related projects inside and outside

Jordan, including import, transport, storage, and distribution. In addition, the company may provide services, consulting, investments, and studies related to its activities both domestically and internationally.

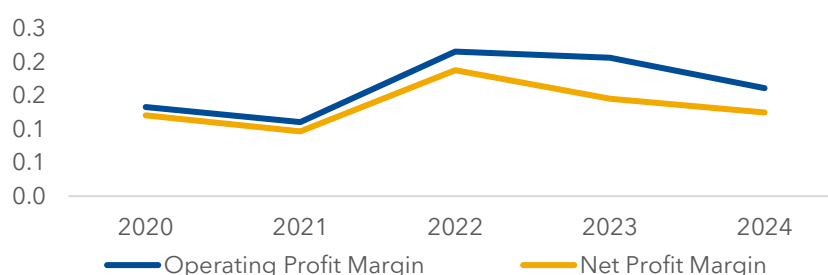
The company maintains and manages the strategic national stock of grains and food products across the Kingdom in line with the Ministry of Industry and Trade's supply policies and import plans for wheat and barley. With complexes distributed across all regions of Jordan and diversified operations—including silos, a mill, and dry and refrigerated warehouses, as well as grain-ship unloading at Aqaba Port—the company plays a vital role in supporting national food security. It continues to improve storage standards in warehouses and refrigeration facilities to meet local market needs. The company offers rental services for refrigerated and dry warehouses to both the public and private sectors, ensuring optimal storage conditions and safeguarding inventory quality and the local environment. Additional support services include sample inspection, truck unloading, vehicle loading, central workshops, technical stores, and access to weighing scales.

K.2. JSSGC Performance Indicators

JSSGC's profitability has remained generally stable over the years, despite a modest downward trend in key performance indicators. 2022 marked the Company's peak performance, with revenue increasing by 4% compared to 2021. However, both revenue and profit declined thereafter—by 9% and 29% in 2023, and by 5% and 18% in 2024, respectively—reflecting mounting pressures on financial performance.

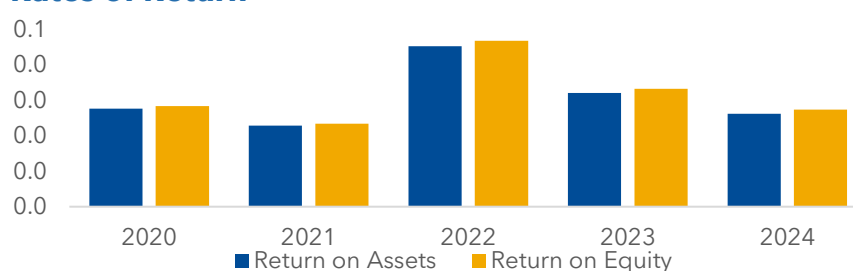
Profitability margins followed a similar pattern. The net operating margin improved to 0.22 in 2022, before declining to 0.21 in 2023 and 0.16 in 2024. The net profit margin showed the same downward path, decreasing from 0.19 in 2022 to 0.15 in 2023, and further to 0.13 in 2024. While margins remain positive.

Profitability



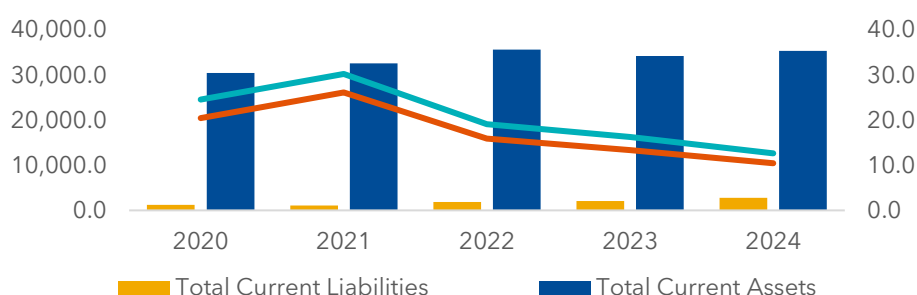
Both assets and equity remained stable throughout the period, while ROA and ROE stayed low but positive, indicating continued but low returns on assets and shareholders' equity. Additionally, cost recovery remained stable, ranging between 1.12 and 1.27, confirming that revenues continued to exceed operating costs.

Rates of Return

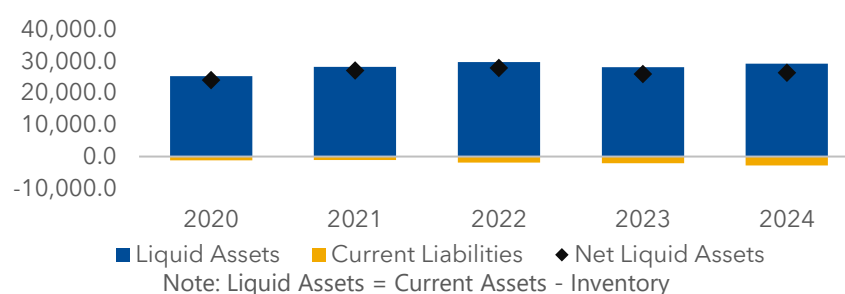


Liquidity is one of the Company's strongest areas, reflecting an exceptional and stable short-term financial position, despite a slight decline in 2024. Both the current ratio and quick ratio remained very high, ranging between 12.65 and 19.12 for the current ratio during 2022–2024 (with 12.65 in 2024) and between 10.46 and 15.95 for the quick ratio over the same period (with 10.46 in 2024). These levels indicate exceptionally strong coverage of short-term liabilities by current and liquid assets. Debtor turnover days improved from 44.7 in 2020 to 37.9 in 2022, and further to 34.7 in 2024, demonstrating enhanced collection efficiency. Meanwhile, creditor turnover days remained low, ranging between 2.8 and 10.6 (6.3 in 2024), indicating timely payments to suppliers and disciplined working capital management.

Short-term Liquidity

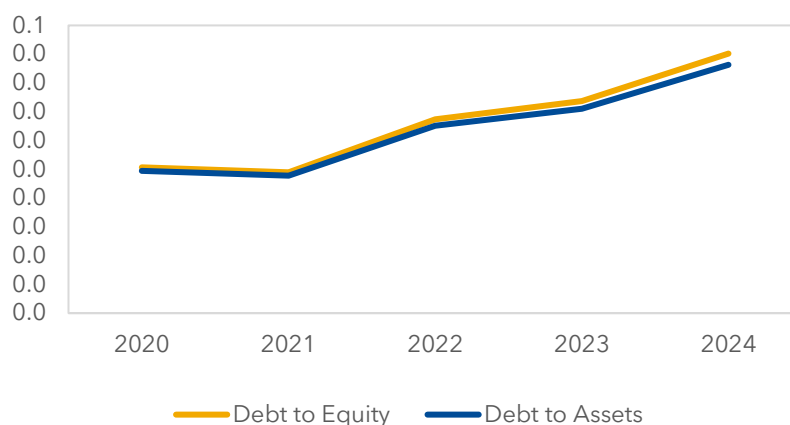


Net Liquid Assets



JSSGC's solvency position is strong, supported by a stable asset base and very low reliance on debt, resulting in a robust long-term financial profile. Both the Debt-to-Assets and Debt-to-Equity ratios remain exceptionally low—between 0.02–0.04 and 0.02–0.05, respectively—indicating a minimal debt burden and a strong equity-funded capital structure. This conservative leverage approach significantly reduces financial risk and enhances the company's ability to absorb future shocks.

Solvency



2.2 PPP Fiscal Risk Assessment

PPP projects have several benefits, including resource optimization, attracting different investment forms, and meeting economic and social requirements. Furthermore, these projects stimulate economic diversification and growth, streamline public budget allocation, and eventually boost the efficiency and sustainability of government infrastructure and services.

Despite having a restricted budget, Jordan's government recently committed to expanding the kingdom's infrastructure, culminating in a public-private partnership (PPP) with the private sector, through an institutional frame for investment projects in Jordan consists of PIM, PPP, and FCU units, where these regulatory authorities work together to manage public investments, including PPP projects.

Jordan is considered a pioneer in implementing PPPs projects; improving its main airport (Queen Alia International Airport), developing wind farms around the country, implementing solar and thermal energy projects, and modernizing ports. PPPs have been used to undertake 49 projects in multiple sectors, with a total investment of 7.06 JD billion for 39 projects. The majority of these investments are concentrated in the energy sector, which accounts for 80% of total investments, followed by 16% in the transportation sector, while PPP projects in the water and waste sectors account for just 4% of total investments. Furthermore, the average PPP investment from 2003 to 2018 was 441 JD million. The Al Attarat Power Company (Oil Shale) made the largest investment in 2014, totaling 1,910 JD million.

The Fiscal Commitments Unit (FCU) established in 2020 in the ministry of finance to analyses, follow up on, and monitor the fiscal commitments for each PPP project, any governmental help granted, and the impact of any contingent obligations on public finance and public debt.

List of operating PPPs

Since the start of PPPs in Jordan, there have been 49 projects on the ground with a total investment of around 7.06 billion JD.

Projects under preparation and in the tendering process: In accordance with PPP Law No. 19 of 2023, eight projects fall under the current PPP framework, are undergoing FCCL evaluation, and are registered on the NRIP. Some of these projects include:

A.1. Bus Rapid Transit (BRT) Project:

The BRT project between the cities of Amman and Zarqa and within the city of Amman, includes the operation of fast-frequency buses that operate on exclusive and separate tracks that have been completely constructed. The project includes two partnership contracts (the first one is the bus purchase, operation, management and maintenance, and the second one is the management and operation of the ITS system and fare collection).

A.2 NRW Reduction Project:

The project aims to reduce the annual water losses from 35 million cubic meters to approximately 15 million cubic meters in the areas that are under the authority of Miyahuna (Marka, Sahab, Abu Alanda, Qweismeh, Yadoudeh, Al-Taj, Al-Joufeh, Al-Hizam, Al-Nasr, Ashrafieh, Al-Qala'a, Marj Al-Hamam, Na'our). This project is expected to serve about 212,000 consumers (30% of Amman's population). Thus, by implementing this project, approximately 20 million cubic meters of water will be saved annually in the above-mentioned areas.

A.3. Development of Medical City New Bridge Project:

A 15.82 km long bridge, located on King Abdullah II Road, starting at Safout and ending at Naour Bridge, with a design speed of 80 km/h, includes two separate lanes in each direction for toll services and Bus Rapid Transit (BRT), with BRT stops along the axis and pedestrian bridges, and includes expansions in the median strip and the sides of the existing road, in addition to entrances and exits connecting the road to the main axes along the axis.

A.4 Amman – Ajloun toll Road Project:

The primary objective of the road project is to establish a vital 15 km direct connection between the governorates of Amman and Ajloun, addressing the growing need for a more efficient route for traffic traveling between Amman–Irbid and Ajloun while bypassing Jarash City. The project aims to enhance connectivity, reduce travel time, and improve transportation efficiency in northern Jordan, particularly for Ajloun. The preliminary design begins at the Qafqafa intersection on the Amman–Irbid Road (Route 30) and concludes at the Ibbin intersection, supporting improved accessibility and fostering regional development.

A.5 Schools Project:

The project involves the design, build, finance, operation, maintenance, and transfer (DBFOMT) of 41 public educational facilities—including academic schools and vocational centers—across Amman, Zarqa, Irbid, Madaba, Mafraq, and Balqa, aimed at addressing overcrowding in Jordan's public education system. Implemented through a Public-Private Partnership (PPP) model, the project is intended to serve as a scalable framework that can be replicated in future phases nationwide.

A.6 Al Mujib Hydropower Dam Project:

The project is a 450 MW pumped hydroelectric energy storage system that uses two reservoirs and reversible turbines to store and generate electricity. Solar power pumps water to the upper reservoir during low-demand periods, and electricity is produced when the water is released back to the lower reservoir during peak demand. With a seven-hour storage capacity and a closed-loop design that minimizes water loss, the project enhances the stability and reliability of Jordan's national electricity grid.

A.7. Development of Jaber Crossing Border Project

Establish, rehabilitate, develop and operate Jaber Crossing Border to keep pace with the best international practices.

A.8. Pharmaceutical Track and Trace System project:

Implement an end-to-end digital lifecycle tracking and supply chain visibility platform for all medicines & drugs locally manufactured and imported into Jordan.

