



# ANNUAL REPORT 2023

TOGETHER.. WE ARE NAMA

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His Majesty  
**Sultan Haitham Bin Tarik Al Said**  
(May Allah Protect Him)



His Majesty  
**Sultan Qaboos Bin Said Al Said**  
(May Allah rest his soul in peace)



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## GLOSSARY OF TERMS

ADMS	Advanced distribution management system
APSR	Authority for Public Service Regulations (APSR)
AMR	Automated Meter Reading
CRM	Customer Relationship Management System
CRT	Cost Reflective Tariff
DISCO's	Distribution Companies are the electricity distribution licensees in Oman under the Authority for Public Service Regulations Oman. (For example, MEDC, MJEC and MZEC)
DNS	Demand Not Secure
DSS	Distribution Substations
DSS TX	Distribution Substations Transformer
DSSS	Distribution System Security Standards
DSO	In accountancy, a day's sales outstanding (also called DSO and days receivables) is a calculation used by a company to estimate their average collection period. It is a financial ratio that illustrates how well a company's accounts receivables are being managed.
EHC	The Electricity Holding Company SAOC also branded as Nama Holding Company.
GRP	Glass Reinforced Plastic. A GRP substation enclosure can ensure that your electrical supply is safe and that there is no danger to Public.
GIS	Geographic Information System
GWH	Gigawatt Hour of Electricity Units (MWH*1000)
HCI	Hyper Converged Infrastructure. It is a software-defined, unified system that combines all the elements of a traditional data center such as storage, compute, networking, and management
kV	Kilovolt is a unit of electromotive force, equal to 1000 volts. (Transformer's capacities are represented in 33kV or 11kV in the Annual Report)
LT	Low Tension
LTI	Incident and /or accident that results in a fatality, permanent disability or time lost from work. It could be as little as one day or shift.

MDM	Meter Data Management System
MoF	Ministry of Finance
MWH	Megawatt Hour of Electricity Units
MVA	Mega-volt ampere, a unit of measure of apparent power
OHL	Overhead Lines
OHS	Occupational Health and Safety
OHSA	Occupational Health and Safety Assessment Standard
Omanization	The policy for the employment of Omani nationals as issued from time to time by the Government of Oman
OMS	Outage Management System
DMS	Document Management System
Permitted Tariff	Tariffs Customers are obliged to pay in consideration for Supply of electricity or for Connection to a Distribution System or a Transmission System, which tariff shall be determined in the manner stipulated in Article (9) of the Sector Law
PoC	Proof of Concept
PSS	Primary Substation
PV	Solar Photovoltaic
RO	Rial Omani
SCADA	Supervisory Control and Data Acquisition system. SCADA computer systems will monitor substations, transformers and other electrical assets.
Sector Law	The law for the regulation and privatization of the electricity and related water sector promulgated by Royal Decree 78/2004 as amended by Royal Decree 59/2009
SINCL	Siemens Network Calculation
SIEM	Security Information and Event Management. It is security monitoring solution provides organizations with next-generation detection, analytics, and response of Security Incident
The Authority	The Authority for Public Service Regulations Oman,
The Company	Nama Electricity Distribution Company SAOC (NEDC)



## 1. ABOUT THIS REPORT

Welcome to the First edition of NEDC as consolidated entity and nineteenth (19th) edition of Mazoon Electricity Company (legal entity acquiring the Distribution License in the Sultanate of Oman Excluding the region of Dhofar) Annual Report, covering our organization's performance and accomplishments from January 1, 2023, to December 31, 2023. Contained within this report are data and statements pertaining to all core operations and processes under the management control of NEDC, unless specified otherwise.

We would be pleased to receive your views on our Annual Report. For any queries, feedback or suggestions please get in touch with us at **Feedback @distribution.nama.om**.

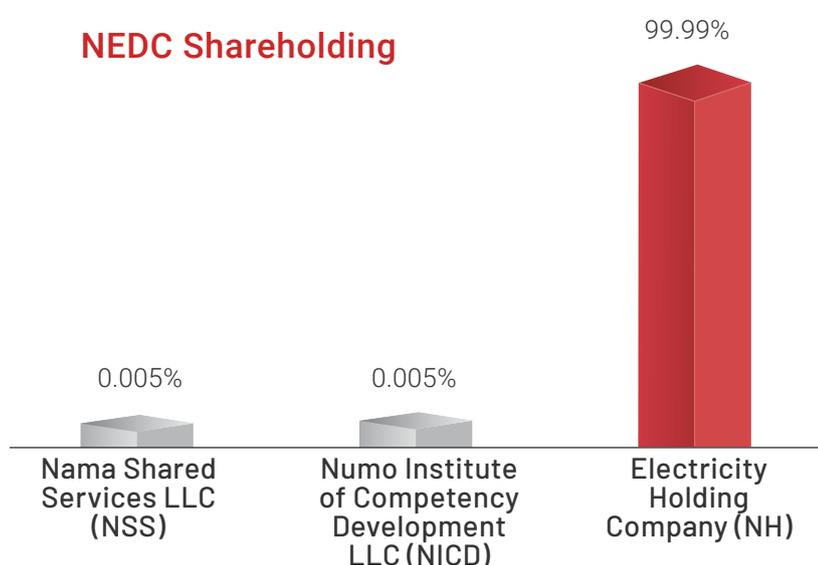
For easy access, an electronic version of this report is available on our website: **www.distribution.nama.om**.

We appreciate your interest in NEDC's journey and achievements.

## 2. OVERVIEW OF NEDC

Nama Electricity Distribution Company (NEDC), a member of the Nama Group, is a closed joint-stock company formed through a merger following directives from APSR to OIA in early 2022 for the implementation of the electricity restructure, which involved reorganizing the Distribution and Supply businesses into two separate entities across all governorates except Dhofar. It's important to note that Multiple Distribution Companies were established in 2005 in Oman as a result of Royal Decree 78/2004, which regulated and privatized activities in the electricity and related water sector.

The ownership structure of the company is described in the below diagram.



The below describes the key stakeholders in the context of NEDC:

01 Oman Investment Authority

02 Authority for Public Services Regulation

03 Ministry of Energy and Minerals

04 Nama Holding Company

## 2.1. Vision, Mission, Values & Who We Serve



### VISION

Nama Electricity Distribution Company is a leading reference for electricity distribution service excellence in the Region.



### MISSION

Enriching Life through Safe, Reliable, Efficient and Sustainable Electricity.



### VALUES



#### WE CARE

We care about our customers, employees & stakeholders.



#### WE DELIVER

We deliver efficiently & effectively with integrity.



#### WE DO BETTER

We improve & adapt to deliver a better future.

### WHO WE SERVE

Customers are segmented as follows:

#### ● Residential & Others

NEDC residential customers represent the largest customer account segments. The Other Customers are Agriculture & Fisheries and Tourism.

#### ● Government

Government Customers with Ministry of Defense represent the third segment of our accounts.

#### ● Commercial & Industrial

Commercial & Industrial customers are our second-largest segment.

#### ● CRT

Cost Reflective Tariff Accounts represents large number non-residential customers.

**Note:** The Directives were conveyed by APSR to OIA in early 2022, requesting the implementation of the electricity restructure including "Distribution and Supply businesses to be reorganized into two Companies "in all governorates except Dhofar".

## 2.2. Board Of Directors



### **RASHID SULTAN AL HASHMI**

Rashid is a Manager in Economic Diversification Investments since 2021 in OIA. Before that he was a Manager of International Infrastructure investments & Joint Ventures (JVs) since 2017 in OIA. Rashid has global experience in corporate, private, and sovereign investments in diversified sectors including energy, trading, logistics, chemical and general industries, technology, and financial services. He holds a Bachelors in International Securities Investment and Banking from the University of Reading UK and Masters in Financial Management & International Accounting from the University of Reading UK.



### **GHADA MOHAMMED AL YOUSEF**

Ghada holds dual roles as Revenue Diversification Project Manager as well as Executive Manager of Change Management and Sustainability at Nama Holding. With 21 years of experience, she is responsible for the development of a business plan 2023-27. She led the launch of a new Group function in the utilities sector, directed a team of 22 for communication campaigns and sustainability projects. Achieved digital transformation across 11 companies, including virtual conferences and 8 brand developments. She also, established Nama Shared Services for IT, managed In-country Value projects supporting SMEs and Omanization, and led the Oman Vision 2040 Communication Plan at the Supreme Council for Planning in 2021. She holds a bachelors in Management, Royal Holloway from the University of London. Attended the National CEO Program at Diwan of Royal Court Affairs, Oman. She also holds a Master's in Business Administration from London Business School.



### **AZZAN MOHAMMED REDHA AL-ABDULLATIF**

He serves as Vice President of IPO Execution at OQ. He is responsible for Business Development and Commercial activities for OQ Upstream. Covering a wide range of aspects from deal sourcing, assessing opportunities and leads, formulating investment proposals, negotiating upstream agreements, strategy formulation and ensuring commercial compliance of existing agreements. With 22 years of experience in various organizations, he holds a bachelors in Geophysical Sciences from the University of Southampton. He has also obtained a Higher National Certificate (Hnc) and Higher National Diploma (Hnd) in Business Administration from Muscat College of management science and technology that is awarded on behalf of the Scottish Qualifications Authority (SQA). He is part Qualified (CMA), certified management accounting certification. He attended a Leadership Program from London Business School. And he has attended an Executive Leadership Program at HEC Paris.



### **SHATHAN BADAR AL AMRI**

Shathan is a Sr Legal Counsel at Al Futtaim Group where he manages the Legal Affairs within Oman jurisdiction and is acting Head of Legal for the group in KSA as well as Head of Corporate registration in Both Oman & Qatar and CR signatory in Oman, KSA & Qatar. He has 12 years of experience. He holds a Bachelor of Law from Sultan Qaboos University (SQU) and certifications in law, arbitration, and training.



### **FATHI ABDULLAH AL BULUSHI**

Fathi is the Chief Executive Officer at Oman Brunei Investment Company SAOC specializing in investment and corporate finance with over 19 years of experience in the GCC, especially in Oman. His expertise areas include infrastructure, real estate, logistics, energy, and transportation. He manages the Investment team into achieving consistent superior risk-adjusted returns and is responsible for overseeing the day-to-day management of investment assets, driving the origination team for high-quality deal sourcing, and establishing the Annual Business Plan, performance targets, and operational goals. He holds a Bachelor's Degree in Finance from the Sultan Qaboos University and a Master of Science in Finance from the UK.



### **IBRAHIM SAID AL SULEIMANY**

He was a chairman of Mazoon Electricity Company since December 7, 2020, Ibrahim Said Masoud Al Suleimany is also on the boards of other Nama Group companies. He has diverse knowledge covering civil service, oil and gas, wastewater, and electricity sectors with almost 31 years of experience working in the fields of human resources development, talent management and corporate communication. Mr. Ibrahim simultaneously handles the position of executive manager for Group HR at Nama Holding and is responsible for developing and implementing a wide range of human resource strategies for the entire group. He guides and pilots the implementation of an effective human resources strategy for Nama Holding Companies to ensure continuous updating of HR policy, processes, and practice. He acts as an internal consultant to other roles and directs the identification/resourcing of human capital needs.



## **MUNIRA SALOOM AL HARTHI (LATE)**

Munira Saloom Salim Al Harthi was the board secretary and the Group Document Management and Group Governance at Nama Holding Company. She had experience of over 16 years in a range of companies and roles that contributed to her unique leadership style and knowledge base. With an associated degree in Finance and Accounting from the City and Guilds London Institute, UK, she held leading positions at companies like Majlis Industrial Services (Sohar Port Area), Oman Cables and Jotun Paints. She had several certifications to her credit, including CPD Certified in Business Process Analysis and Mapping; MSP Foundation and Practitioner - Managing Successful Programs; PECB Certified ISO 900: 2015 Lead Implementer; IRCA Certified ISO 9001:2015 Lead Auditor; ISO 9001: 2008 Quality Management Systems and PECB Certified ISO 31000 Lead Risk Management.

*It is with deep sorrow that we share the sudden passing of our beloved colleague Munira. Her noble work and unwavering dedication will forever be remembered and cherished. Her absence will leave a great void that won't be filled, and her extraordinary legacy will live on and continue to inspire us all.*



## **FAISAL KHAMIS AL DAUDI**

Faisal Khamis Mohammed Al Daoudi holds the position of group risk and compliance manager at Nama Holding. He is responsible for developing, maintaining, implementing, and monitoring Nama Group enterprise risk management (ERM) and compliance strategies. He has 20 years' experience, having served in prestigious organizations, performing diversified roles in the risk management audit and compliance sectors. Holding a BA degree in accounting from Staffordshire University, Faisal has international certification in risk management from the Institute of Risk Management (The IRM, UK). He also has international certificates in business continuity (CBCI) and compliance. CPD-certified in business process analysis and mapping; MSP Foundation and practitioner: Managing Successful Programs; PECB certified ISO 900 2015 lead implementer; IRCA certified ISO 9001 2015 lead auditor; ISO 9001 2008 quality management systems and PECB certified; ISO 31000 lead risk management.

## 2.3. Leadership Team



**ALA HASSAN MOOSA**  
(Chief Executive Officer)



**MAJID NASSER AL BUSAIDI**  
(Chief Planning, Project, and  
Asset Management)



**SALIM MASOUD AL KABI**  
(Chief Operation Officer)



**AWADH SALEM AL YAQOUBI**  
(Quality, Health, Safety and  
Environment General Manager)



**AHMED HAMED AL SHUEILI**  
(Chief Financial Officer - Acting)



**YOUSUF MOHAMMED  
AL MAHROOQI**  
(Corporate Affairs General Manager)



**IBRAHIM ALI AL FARSI**  
(Customers Experience and  
Communication General Manager)



**KHALIFA NASSER  
AL ISMAILI**  
(Shared Services General  
Manager)



**HAMOOD BASHEER  
AL MANGI**  
(Human Resources General  
Manager - Retired)

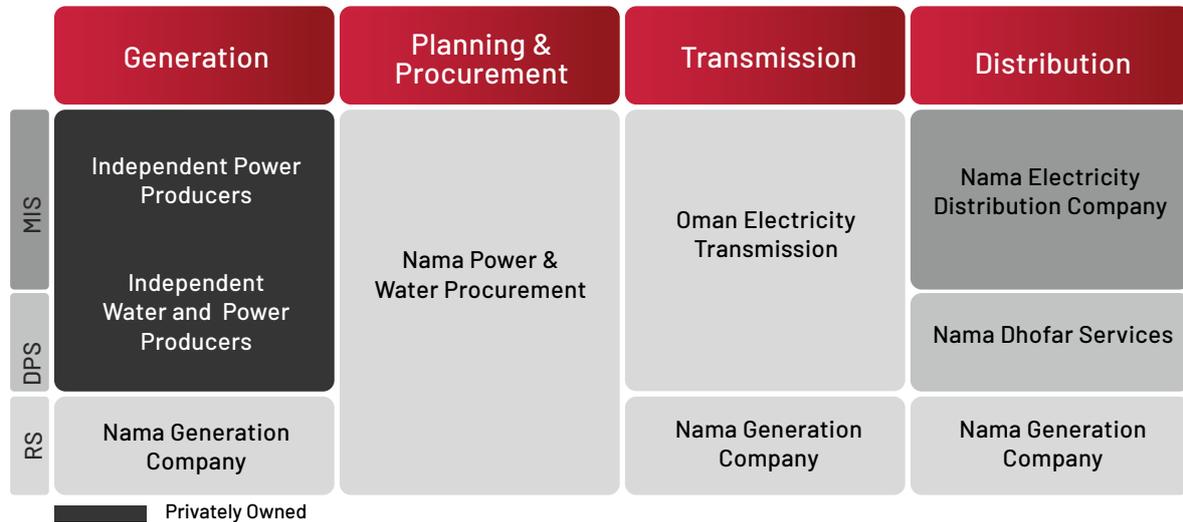


**HANAN JAMIL AL HASSANI**  
(Human Resources General  
Manager - Acting)

## 2.4. Sector Law Overview

The Sector Law provides the framework for the structure of electricity and related water industry in Oman, and it is the legal basis for price regulation and the independent regulator the Authority of Public Services Regulation (APSR), which governs the regulations of electricity in Oman.

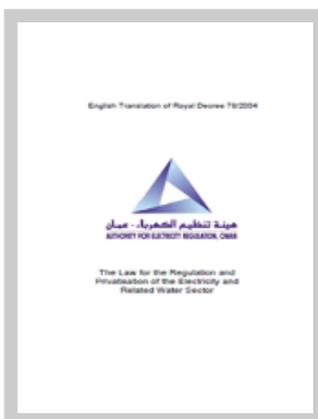
The following diagram represents the Electricity Sector's Structure:



## 2.5. Regulation and Licenses

NEDC operates as an independent company regulated by the APSR. The following governing regulations form the basis of the relevant regulatory regime:

### SECTOR LAW



### DISTRIBUTION LICENSE



### GRID & DISTRIBUTION LICENSE



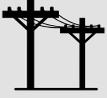
The above-mentioned regulations are available on NEDC's official website: [www.distribution.nama.om](http://www.distribution.nama.om)

All other relevant information about NEDC and the electricity sector, permitted tariff, regulated and non-regulated of business are available on the website of APSR <https://www.apsr.om/en/home>.

License granted to NEDC by APSR, is described in detail by key business activities including distribution of electricity to customer within authorized area.

## NEDC Business Units

### Distribution



The Distribution Business' objective is to prepare, maintain and develop the distribution network and assets to ensure safe and reliable distribution of electricity.

To be the point of contact with the customer in the provision of electricity services, connections to the network, sales, meter reading.

### Support Business Unit



The Support Units' objective is to fulfill its statutory obligations, effective governance and efficient management of resources. The following support units, in line with common practice have evolved and established within MEDC:

- Health Safety Security & Environment (HSSE)
- Human Resources and Support Services
- Compliance, Communication, Strategy & Records
- Information Technology(IT)
- Finance

## 2.6. Coverage Area

NEDC electricity distribution system is divided into three geographic zones/areas and serves almost 1,303,872 customers while the total served areas incorporating all Governorates except Dhofar Governorate consists of 210, 201 sq. km. The division into various zones is due to the difference in load density and geographical location.

### 2.6.1. NEDC Physical Territory

The three operational zones are depicted in the table and image below including Governorate and areas covered:

ZONE	ZONE 1	ZONE 2	ZONE 3
WILAYAT'S & AREAS	Muscat Governorate	Ash Sharqiyah, Ad Dakhliyah & Al Wusta Governorates	Musandam, Al Buraimi, Adh Dhahirah & Al Batinah Governorates

### 3. BOARD OF DIRECTORS REPORT



Board of Directors Report On behalf of the Board of Directors, I am delighted to present our annual report for 2023, highlighting key achievements that position NEDC as a vital player in the energy sector. The merger of the four leading entities which commenced mid-year was a strategic move, aligning NEDC with the national priorities set forth by OIA and Nama Holding, while maximizing value for our shareholders. As we move forward, NEDC remains dedicated to delivering value through Innovation, Governance and Leveraging People Capabilities positioning us for sustained success in the dynamic energy landscape. The safety of our people, partners, and the public is fundamental and is embedded in our strategy and plans. The Board of Directors is committed to closely monitoring the HSE plans and actions to ensure the highest HSE standards. With a customer base exceeding 1.3 million customers across the Sultanate excluding Dhofar with a growth rate of 3.6%, our \*revenue was recorded at RO 233.1 million. The Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) was recorded at RO 129.1 million. Moreover, our commitment to comply with the APSR guidelines underscores our dedication to transparency and accountability. We are proud to align with the Oman Investment Authority's strategic vision, further solidifying our position as a trusted partner in the nation's economic development. Despite major organizational changes, our dedication to reliability remains steadfast. Key reliability factors such as System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) have been diligently managed to maintain the same level as last year, showcasing our resilience and continued operational excellence in the face of challenges.

Our customer service remained uninterrupted during the merger transition, thanks to an adapted interim structure that ensured continuity of services across various jurisdictions with minimal disruption. While our employee succession plans focused on an explicit career path resulting in an impressive Omanization rate of 98% in 2023. In alignment with OIA priorities, In-Country Value is also categorized as a top priority for NEDC. We are dedicated to supporting and promoting local Small and Medium Enterprises (SMEs) and procuring relevant products and services from Omani-owned companies. Furthermore, in line with the national sustainability and renewables targets, NEDC made genuine strides and had reached the DC

capacity to 64,441 kW within the connected PV systems. We have made substantial progress towards reducing Distribution Losses and reaching closer to the target set by the regulator. This is supported by our commitment evident through continued investments in infrastructure and technology resulting in a more robust network. Our focus on the implementation of the national Automated Meter Reading (AMR) project has yielded positive results, with the deployment of Smart Meters reaching approximately 47% of the total customer base. We welcome Ala Hassan Moosa, as our new CEO, who began his role in 2023, coinciding with the merger. Under his guidance, the senior management team played a key role in driving company success and improvement. The commendable execution of change management initiatives and smooth transition during the integration reflects the dedication of NEDC's exceptional employees. The board members, 'management, and the employees of Nama Electricity Distribution Company express their genuine gratitude to His Majesty, the Sultan Haitham bin Tarik for his vision, guidance, and leadership. We would like to acknowledge and appreciate our cooperation partners, contractors, suppliers, and service providers for their assistance and support in achieving our company vision and objectives. Our sincere gratitude is extended to NAMA Holding for their leadership during the merger transition and their invaluable support in achieving major milestones throughout the process. We greatly appreciate the engagements and collaborations extended by NAMA Supply Company towards reaching an agreement regarding interfaces and accountabilities, ensuring ongoing partnership. Finally, we thank Oman Investment Authority (OIA) and the Authority for Public Services Regulation (APSR) as we are grateful for their ongoing directions, guidance, and support.

**Rashid Sultan Al Hashmi**

On Behalf of Board of Directors



## 4. CEO MESSAGE

I'm delighted to share with you Nama Electricity Distribution Company's (NEDC) annual report for the significant year of 2023. This year marked a transformative phase for us, as we successfully merged four leading entities in Oman, solidifying our position as the nation's largest electricity distribution company, with assets totaling RO 2.16 billion. Our primary goal remains unwavering—to serve Oman's energy landscape with efficiency and resilience. Aligned with Oman Vision 2040 and Oman Investment Authority guidelines, we continue to prioritize reliability, financial strength, and the delivery of exceptional customer experiences. These priorities are bolstered by our focus on talent management, governance, innovation, and synergies. I'm pleased to report that our customer base exceeded 1.3 million, contributing to a \*revenue of RO 233.1 million, with a gross profit of RO 118.96 million and a profit before tax of RO 9.06 million. Our expansion of assets is the result of ongoing investments in infrastructure and technology, ensuring a reliable network. Through our Capital Investment Program, we focus on maintaining standards and compliance with APSR regulations. In the reporting period, investments totaled RO 126 million (Cash Capex), boosting our network capacity to 20,549.5 MVA with a total of 101 Grid Stations and 686 Primary Substations. This strengthens our commitment to a dependable electricity distribution network. The investments in technology have been instrumental in expanding our network capabilities. Notably, our deployment of new 189K smart meters (Total of 612K smart meters) has not only enhanced operational efficiency but has also empowered our customers with greater control over their energy consumption. Furthermore, our concerted efforts have resulted in a notable decrease in system losses (from 8.67% to 8.23%) and improved meter reading accuracy (reached more than 97%).

In alignment with our commitment to sustainable energy practices, we have actively contributed to the expansion of renewable energy portfolios. Our Renewable customer base has reached to 641 customers with PV systems with a total production capacity of 61.85 MW, furthering the objectives outlined in the National Energy Strategy. To ensure a seamless experience for our customers, we have streamlined interactions through digital platforms and centralized communication channels. This has facilitated proactive complaint handling and has contributed to increased customer satisfaction.

I extend my sincere gratitude to our dedicated employees, supportive shareholders, esteemed Board of Directors, regulatory authorities, and collaborative partners for their invaluable contributions and unwavering support.

Thank you for your continued commitment and trust in NEDC.

**Ala Hassan Moosa**

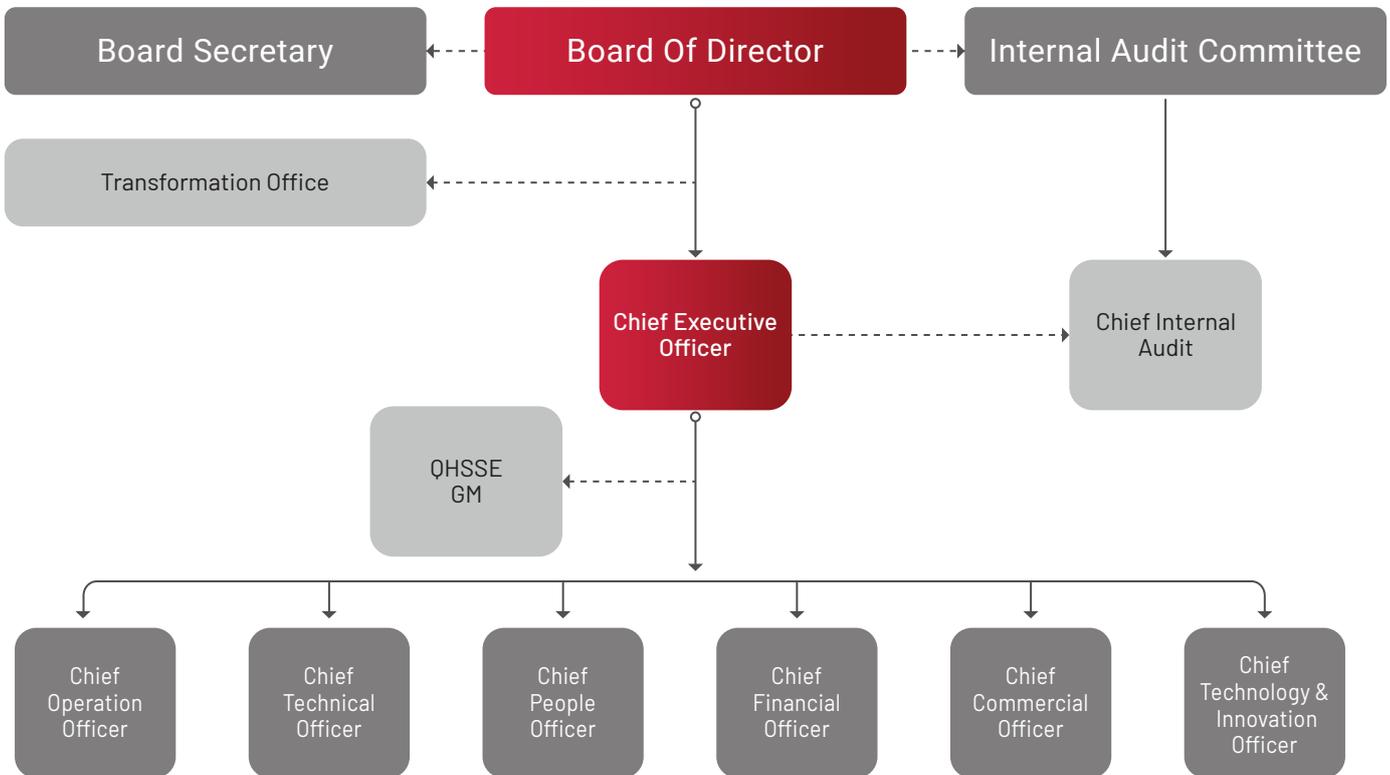
Chief Executive Officer

# 5. CORPORATE GOVERNANCE

## 5.1. Corporate Governance Policy

The approved Corporate Governance Regulation contributed to setting a boundary between the main roles and functions of the Chairperson, Directors, Chief Executive Officer, and Employees of The Company. The Board of Directors are responsible for overseeing how the Management serves the interests of the Company and its Shareholders in the long run, as well as key stakeholders.

## 5.2. Organization Structure



## 5.3. Role of the Board of Directors and the Board Committees

### 5.3.1. Board of Directors

The Board represents the Shareholders. It is accountable to them for protecting their interest in accordance with the Sector Law along with other local laws and regulations. The annual evaluation of the Board is conducted based on an approved Board Performance Evaluation Framework. The duties of the Board in general are as follows:

- Creating and delivering respective strategies of the business. The objectives and policies of the Company should therefore be aligned to deliver such value, providing strategic direction within a framework of rewards, incentives, and controls.
- Responsible for ensuring that the management maintains a system of internal control which ensures effective and efficient operations, accurate financial reporting and compliance with local laws and regulations; and
- Maintaining an impeccable reputation, for the materiality of the financial and other risks inherent in the business and the relative costs and benefits of implementing specific controls.

The below table includes the details of Board members and number of meetings:

#	Name of the Member	Position in the Board	No. of meetings attended
01	Mr. Ibrahim Al Suleimani	Chairman	13
02	Ms. Munira Al Harthi (Late)	Deputy Chairman	11
03	Mr. Faisal Al Daoudi	Member	13

(From 1<sup>st</sup> Jan. up to 28<sup>th</sup> Oct 2023)

#	Name of the Member	Position in the Board	No. of meetings attended
01	Mr. Rashid Al Hashmi	Chairman	5
02	Ms. Ghada Al Yousef	Deputy Chairman	5
03	Mr. Fathi Al Bulushi	Member	5
04	Mr. Azzan Al Abdul Latif	Member	3
05	Mr. Shathan Al Amri	Member	5

(From 29<sup>th</sup> Oct. up to 31<sup>st</sup> Dec. 2023)

### 5.3.2. Qualification and Election of the Board of Director

The terms and conditions issued by the Ministry of Commerce and Industries followed in electing the members of the Board. The Board members are nominated by the Nama Holding (Electricity Holding Company SAOC) and approved in the Annual General Meeting of the company pursuant to the article no. 21 of the Articles of Association of the Company and Commercial Companies Law 4/1974 as amended from time to time. The members of the Board of Directors fulfill the following requirements:

- 1 The Board of Directors is elected by the Ordinary General Meeting.
- 2 Not be less than 21 years old.
- 3 Not be a member of public joint stock or closed company whose principal place of business is in the Sultanate of Oman and practicing in similar activities.
- 4 Not have been declared bankrupt or dissolved unless such a case is ceased to exist as per the provisions of the law.
- 5 Not have been convicted in a felony or criminal act unless rehabilitated.
- 6 Not be unable to settle his debts & obligations to various lenders.
- 7 It is not allowed to combine the position of CEO/General Manager and the Chairman of the Board.

### 5.3.3. Audit and Risk Committee (ARC)

Audit and Risk Committee Report to the Board for the year 2023. The Members of the Audit and Risk Committee comprise three Non-Executive Directors appointed by the Board, all of whom have Financial or Commercial experience at a Senior Management level.

#### a. Audit and Risk Committee Meetings

The Committee met more than 4 times during the year ended December 31, 2023. Other attendees, from time to time, at the invitation of the Committee, included the Chief Executive, the Group Heads, Internal Audit, and other Members of the Management. Internal Audit is always in attendance. The External Auditor is present for the Annual and Mid-Results discussion and is free to attend at any time.

#### b. Audit and Risk Committee Responsibilities

The Audit and Risk Committee is responsible inter alia for ensuring the integrity of the Company's Accounts and Financial Reporting Systems and the development and oversight of Risk Management processes. To conform with the Corporate Governance Manual requirements, the Committee undertook the following activities during 2023, which includes but not limited to:

- Approving the appointment of the External Auditors, ensuring their independence, and recommending their appointment to the Board.
- Reviewing and agreeing to their Audit Plan and confirming that they have full access to all required documents and individuals.
- Ensuring that, in the course of their Audit, they focus on any possible instances of financial fraud or fictitious accounting practice.
- Overseeing the activities of the Internal Audit Function and ensuring that it is adequately staffed with appropriately qualified individuals (the current team includes 7 employees, including professionally qualified accountants, internal auditors and those actively pursuing relevant professional qualifications). This involves:
  - Approving the Annual Internal Audit Plan for the year.
  - Approving the Audit Charter.
  - Approving proposed changes to the Internal Audit Plan.
  - Reviewing Internal Audit reports.
  - The Audit & Risk Committee Chairman providing an update to each meeting of the Board of Directors.
  - Forming a view of the adequacy of the control environment within NEDC.
  - Reviewing selected key Risks (extracted from the Corporate Risk Register).
  - Monitor action taken by management in response to risk.
  - Ensure that RM is compliant with all aspects of the law, relevant regulations, and good practice to move it to compliance.
  - Review and approve the statements to be included in the annual report and accounts and other key documents (Business Plans, other documents for external review) relating to risk management.
  - Review the Company's material risk exposures.
  - Review and approve NEDC high level policies on compliance with legal and regulatory requirements.
  - Exercise general oversight of compliance with Group and internal policies.
  - Review the closure of third-party recommendations (including, but not limited to, SAI, External Audit, ISO audit, APSR audit, EHC-appointed auditors).

Generally, the Committee will ensure that the Policies & Procedures in respect of related party transactions are followed specifically, and that the Company's liquidity is managed carefully.

Audit Committee held four (11) meetings in 2023 and the table below shows its composition:

#	Name of the Member	Position in the Board	No. of meetings attended
01	Mr. Ibrahim Al Suleimani	Chairman (up to end of March)	2
02	Ms. Munira Al Harthi (Late)	Deputy Chairman	7
03	Mr. Faisal Al Daoudi	Member (chairman from March 2023)	9

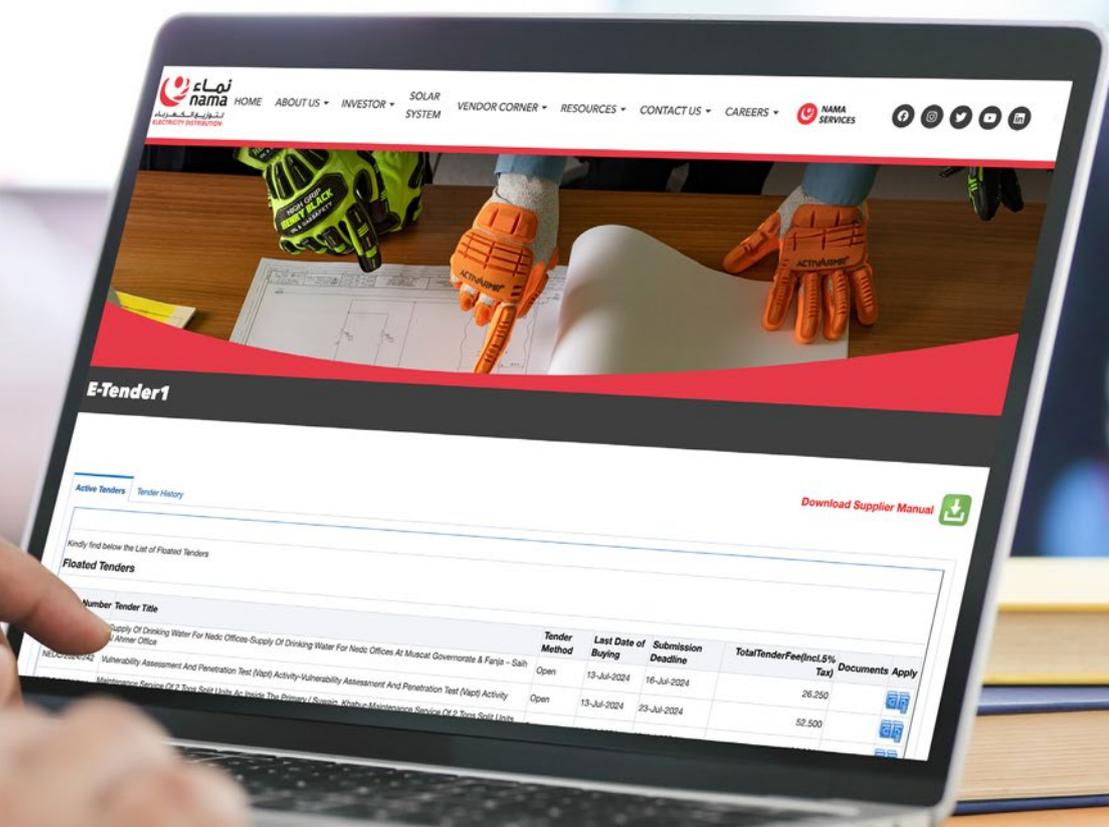
(From 1<sup>st</sup> Jan. up to 28<sup>th</sup> Oct. 2023)

#	Name of the Member	Position in the Board	No. of meetings attended
01	Ms. Ghada Al Yousef	Deputy Chairman	2
02	Mr. Fathi Al Bulushi	Member	2
03	Mr. Shathan Al Amri	Member	2

(From 29<sup>th</sup> Oct. up to 31<sup>st</sup> Dec. 2023)

### 5.3.4. Executive Committee (EC)

The Terms of Reference for the EC have not been approved and are under preparation in order to align with OIA and shareholders' views.



### 5.3.5. Major Tender Committee (MJTC)

The MJTC oversees matters in line with the Procurement and Tendering Policy for OIA Entities, Procurement Guidelines for NG Entities and NH Board Resolution. The MJTC held One meeting in 2023 and the table below lists the attendees:

#	Name of the Member	Position in the Board	No. of meetings attended
01	Mr. Azzan Al Abdul Latif	Chairman	1
02	Mr. Shathan Al Amri	Member	1

### 5.3.6. Minor Tender Committee (MITC) (Jun - Dec 2023)

The MITC oversees matters related to purchasing of services or equipment and as per authority delegated by Procurement and Tendering Policy for OIA Entities. The MITC is comprised of the Executive Management and chaired by the Company CEO. The MITC held Twenty-Three (23) meetings in 2023 and the table below lists the attendees:

#	Name of the Member	Position in the Committee	No. of meetings attended	No. of meetings attended
01	Eng. Ala Bin Hassan Moosa	Chairman	CEO	16
02	Eng. Salim Al Kabi	Deputy Chairman	COO	6
		As Chairman	Acting - CEO	8
03	Eng. Ahmed Al Yafai	Deputy Chairman	Energy Procurement & Renewable Operation Senior Manager - Acting COO	2
	Mr. Ahmed Al Shueili	Member	CFO - Acting	21
04	Eng. Yousuf Al Mahrooqi	Member	GM Corporate Affairs	21
	Eng. Mohammed Al Balushi	Member	Regulatory and Compliance Manager - GM Corporate Affairs - Acting	1
05	Eng. Majid Al Busaidi	Member	CPO	18
	Eng. Mohammed Al Qurri	Member	Senior Manager Projects CPO - Acting	4

## 5.4. The Remuneration of the Board of Directors and Key Management Personnel

The Company paid RO 1.170 million (One Million One Hundred Seventy Thousand Riyal Omani) towards salaries and remuneration of key management personnel and director's remuneration sitting fees during the year.

The table below shows the overall remuneration paid to Board members during the year:

Details	Amount (RO )
Sitting fees paid for Board of Directors	28,700
Sitting fees paid for Audit and Risk Committee (ARC)	4,800
Sitting fees paid for Executive Committee (EC)	600
<b>A-Total sitting fees</b>	<b>34,100</b>
<b>B-Bonus paid for the year 2022 performance</b>	<b>57,414</b>
<b>Total Board Members Remuneration (A+B)</b>	<b>91,514</b>

## 5.5. Communication with Shareholders

Pursuant to a Royal Decree 78/2004 (Sector Law), the Company maintains close liaison with the Electricity Holding Company SAOC, Numo Institute for Competency Development LLC and Nama Shared Service LLC, the shareholders on various policy issues. The Company's Annual Report will be sent to the shareholders.

## 5.6. Distribution of Shareholders

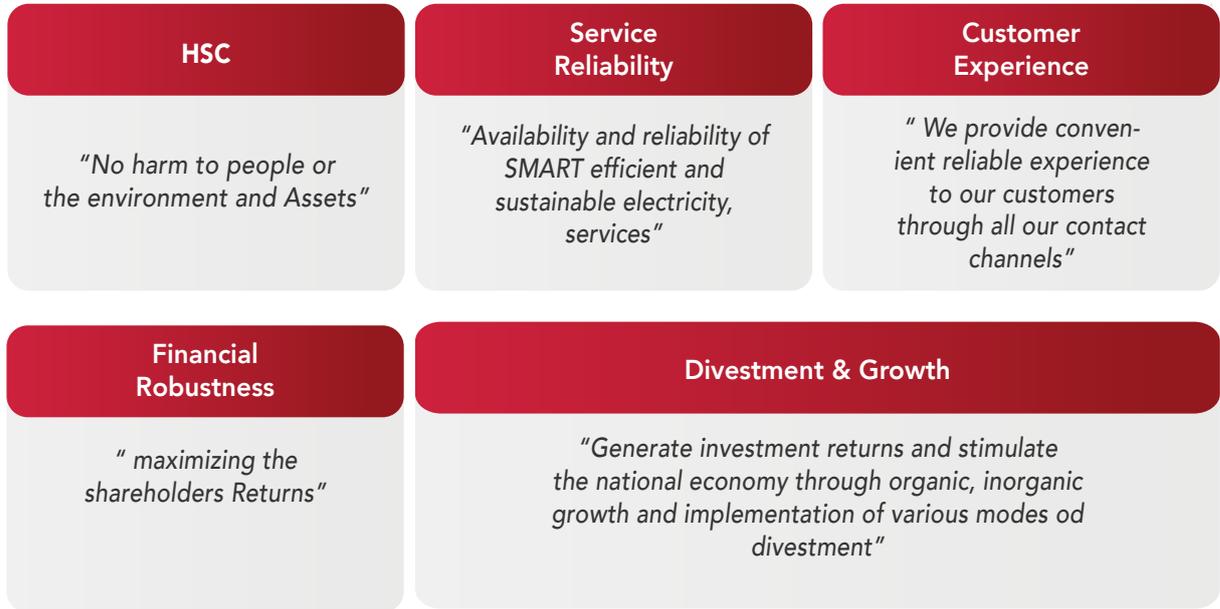
Shareholders	RO	Holding Percentage (%)
Electricity Holding Company SAOC (Nama Holding)	199,980,000	99.990%
Numo Institute for Competency Development LLC	10,000	0.005%
Nama Shared Service LLC	10,000	0.005%
<b>Total Share Capital</b>	<b>200,000,000</b>	<b>100%</b>

## 5.7. Annual General Meeting of Shareholders

The Annual Shareholders Meeting takes place yearly approximately three months after the end of the Company's financial year. If required, additional General Meetings shall be organized either by law or the articles of association of the Company if necessary.

## 6. COMPANY STRATEGY

Following the five strategic pillars set for NEDC based on Oman Vision 2040, shareholder direction and environmental analysis to drive the desired transformation and continuously improve with an objective to serve our customers and meet the stakeholders' objectives:



With the increased availability of advanced technologies, NEDC has an opportunity to evaluate how it plans, builds, operates, and maintains its assets and how they serve their customers.

### 6.1. Health, Safety & Environment (HSE)

HSE is integral to all our operations as we always aim to run a safe operation that causes no harm to our employees, contractors, and the public with minimal to no impact on the environment.

### 6.2. Guaranteed Supply

NEDC has the ambition of minimizing outages per customer. The gradual implementation of smart technologies and automated processes will enable Smart Network, which will enhance and revolutionize our network.

### 6.3. Digitalization/Automation (Innovation)

Digitalization refers to the deployment of digital technologies to change a business model and introduce new efficiencies and value-adding opportunities. It will give NEDC a better visibility into our operations and more control over outcomes, saving time and effort while reducing human error and improving the overall customer experience and service reliability.

### 6.4. Cyber Security

Cyber security plays a crucial role in defending NEDC's technology infrastructure from malicious cyberattacks. It is a key contributor to ensuring that a guaranteed supply is achieved by safeguarding the network and critical technology (IT & OT) infrastructure from cyberattacks that result in prolonged outages.

### 6.5. People

People are crucial in the drive for organizational change. Technically Competent and Financially fit workforce refers to the optimal number of employees with relevant competencies and capabilities to achieve and deliver NEDC objectives.

## 7. HEALTH, SAFETY AND ENVIRONMENT (HSE)

Nama Electricity Distribution Company (NEDC) is committed to achieving the highest standards of health, safety, and environmental responsibilities. With dedicated efforts contributed towards policy implementation, training programs, and technological investments, we have made significant developments in ensuring the well-being of the employees, minimizing environmental impacts, and maintaining our commitment to HSE excellence.

The commitment towards health and safety is demonstrated by the introduction of the robust Standard Operating Procedures (SOPs) and a Health, Safety, Security, and Environment (HSSE) policy. These frameworks have contributed towards safeguarding our workforce, comprising over 7,000 staff and contractors. Key highlights include:



### **Safety Culture:**

NEDC conducts a safety culture assessment for the CEO and top management. The assessment highlighted the importance of effective safety management systems and the need to prioritize its improvements to the organization.

### **Comprehensive Training Programs:**

Training programs were conducted to all employees regarding the safety procedures and the importance of adhering to them. Several external training sessions were conducted based on the NEDC HSE training matrix.

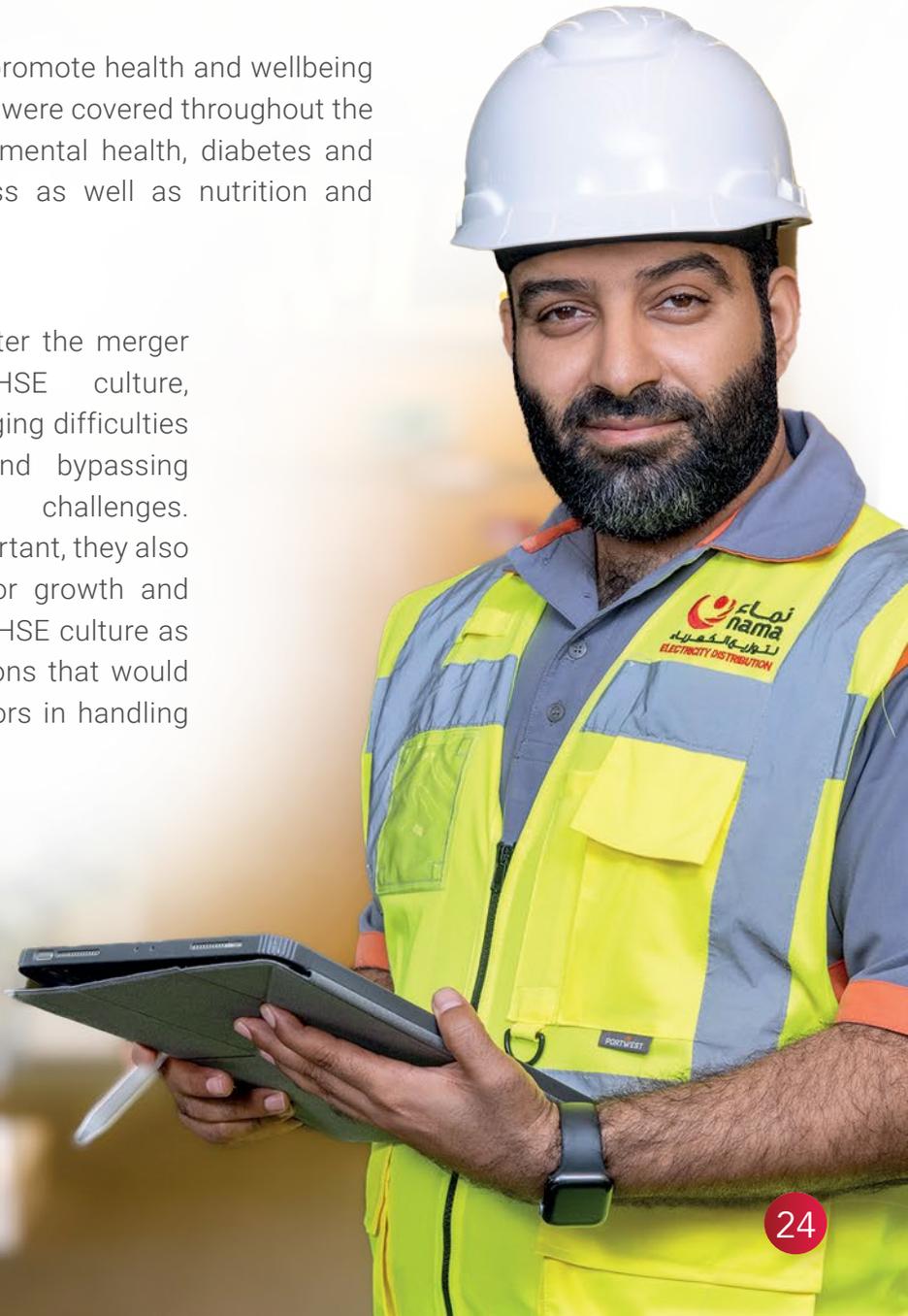
### **Community Engagement:**

The active involvement in the "Baiti Amin" campaign in the Governorates of Al Dakhiliyah and North Al Batinah which included an exhibition along with several awareness workshops and sessions conducted in collaboration with the Public Authority for Civil Defense and Ambulance, underscores our dedication to ensuring the safety of the community.

### **Health campaign:**

The campaign was initiated to promote health and wellbeing in the workplace. The areas that were covered throughout the awareness campaigns include mental health, diabetes and blood pressure, physical fitness as well as nutrition and healthy lifestyle.

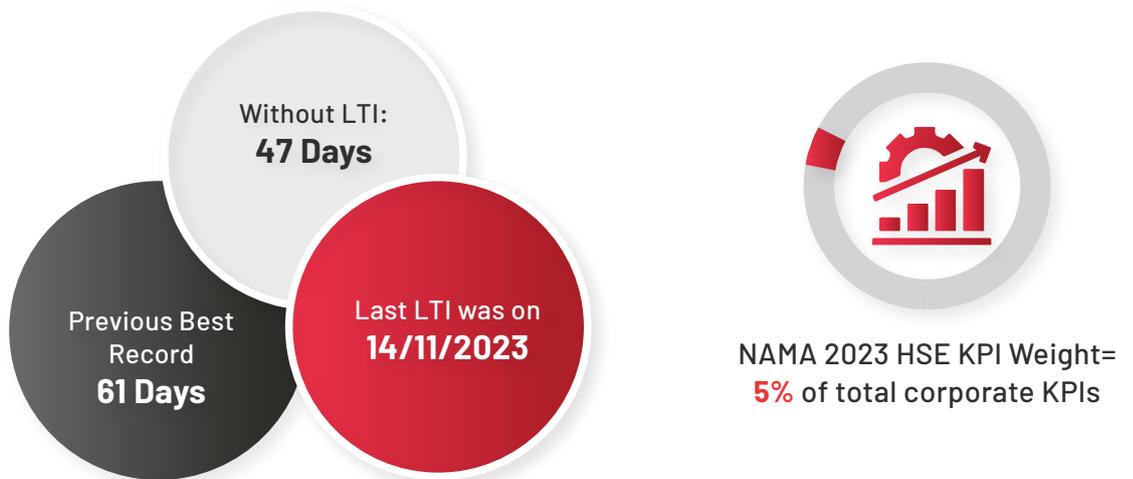
The challenges NEDC faced after the merger include integrating the HSE culture, implementing new SOPs, managing difficulties related to HED resources and bypassing contract management-related challenges. While these challenges are important, they also offer a valuable opportunity for growth and improvement in the company's HSE culture as it compels us to explore solutions that would assist employees and contractors in handling HSE situations more effectively.



The below table includes the details of Board members and number of meetings:

- Developing and implementing mandatory Health, Safety, and Environment (HSE) Standard Operating Procedures (SOPs) from the outset of the merger.
- Developing an HSE corporate plan in alignment with NEDC strategic objectives and achieving a 96% success rate.
- Formulating 22 HSE departmental plans aligned with the NEDC strategic objectives of the HSE corporate plan, attaining an 84% success rate.
- Conducting an in-house awareness session for more than 1,800 staff and contractors.
- Conducting in-house practical training for more than 1,200 staff and contractors.
- Executing the management walkthrough, conducted 38 HSE audits, and performing 296 HSE inspections.
- Conducting more than 50 HSE meetings in 2023, focusing on discussions and enhancements in the HSE practices and performance reviews.

**Total Working Days worked without incidents**



**HSE Performance December-2023**



## Unfortunate HSE incidents in 2023

With continuous efforts to enhance HSE standards, we regrettably faced three tragic incidents in 2023. It is crucial for us to reflect on these events, not only to mourn the loss but also to extract valuable lessons. In response to these incidents, NEDC has taken immediate and long-term actions to address the underlying causes and strongly state our commitment to the safety and well-being of our employees and contractors. A thorough investigation was conducted to understand the precise causes of these incidents. The findings are now being utilized to review and enhance our safety protocols and emergency response procedures.

We have intensified our emphasis on HSE training programs as a proactive measure to prevent incidents, with a specific focus on the practical implementation of safety measures, especially in high-risk operations. These programs are carefully crafted to ensure that all employees and contractors have a thorough understanding of potential hazards and the necessary precautions. NEDC is investing significantly in advanced safety equipment and technology to offer our teams the highest level of protection.

Simultaneously, we are reassessing and updating our SOPs to incorporate additional safeguards against direct contact with live components. These unfortunate incidents have underscored the imperative for a robust HSE culture that permeates every level of our organization. We are unwavering in our commitment to cultivating an environment where safety takes precedence, fostering open communication about risks, and encouraging safety suggestions.

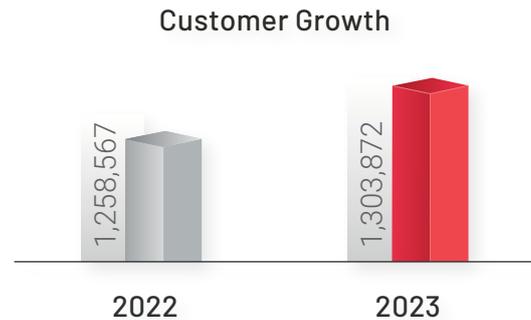


## 8. CUSTOMER EXPERIENCE

Customer satisfaction remains our primary goal, driving our ongoing efforts to strengthen through human capacity building, systems, and network capabilities. NEDC prioritizes equipping our people with the necessary technical expertise and financial management skills, along with relevant qualifications, to effectively carry out regulated activities and promptly address any deficiencies through enforcement actions.

### 8.1. Customer Growth

The customer base continues to grow with an increase of 3.4% in 2023 closing the year with 1,303,872 customer accounts compared to 1,258,567 in the previous year 2022. The graph below illustrates the different customer categories.



### 8.2. Network Readiness (New Connections)

NEDC has fulfilled its commitment to enhancing network readiness. Throughout 2023, substantial investments were made in our Capital Expenditure Program (CAPEX) to strengthen our system and expand network capacity. These endeavors have been crucial in establishing a resilient electricity distribution system capable of meeting escalating customer demands. Post-merger, we observed a boost in service levels, thanks to significant efforts in streamlining internal processes and consolidating governance structures. The harmonization of Standard Operating Procedures (SOPs) has notably optimized operations, particularly in new connection procedures. This enhancement has strengthened our capacity to deliver prompt and efficient new connection services, thereby enriching the overall customer experience.

### 8.3. Capital Program and Network Expansion

- a We have continued expanding and improving our distribution network during 2023. Our network is fed from a total of 101 grid stations and 686 PSS. This has resulted in an additional 112.5 MVA capacity taking the total installed capacity to 20,549.5 MVA at the end of 2023.
- b In addition, the number of Distribution Substations has increased by 2,355 increasing the overall numbers to 46,878 substations.
- c The total Value of Work Done is recorded at RO 125,053 million for the year 2023 (excluding sponsored projects, PDU salary & AMR), consisting of total VoWD pre-merge of RO 73,699 million and RO 51,354 million post merge. Post-Merge VoWD breakdown consists of RO 20,581 million for 33kV projects, RO 26,149 million for 11 KV load related & Non-Load Related projects (Asset Rehabilitation Program) and RO 4,624 million for common assets.

## 8.4. Meter Reading

Meter Reading performance in the year was recorded at 97.06%. This accomplishment resulted from careful preparation, smart efforts, and ongoing dedication.

Key contributing aspects to this accomplishment are:

### 8.4.1. Meter Replacement Activities

NEDC executed comprehensive meter replacement activities throughout the year, strategically deploying advanced metering technologies. By replacing outdated meters with modern, more accurate counterparts, NEDC significantly improved the reliability and precision of its readings. This initiative not only enhanced operational efficiency but also identified and addressed potential sources of energy losses more effectively.

### 8.4.2. Overcoming Manual Reading Challenges

NEDC executed comprehensive meter replacement activities throughout the year, strategically deploying advanced metering technologies. By replacing outdated meters with modern, more accurate counterparts, NEDC significantly improved the reliability and precision of its readings. This initiative not only enhanced operational efficiency but also identified and addressed potential sources of energy losses more effectively.

### 8.4.3. Stable Performance of Meter Readers

The remarkable stability of service provider meter readers' performance significantly contributed to NEDC's success in 2023. Through rigorous training, continuous skill development, and effective management practices, the meter reading teams demonstrated unwavering dedication and professionalism. Their commitment to delivering accurate readings consistently bolstered operational efficiency and reduced energy losses.

### 8.4.4. AMR Implementation

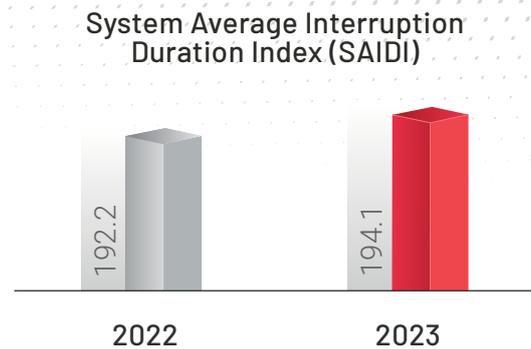
Aligned with the vision of Oman 2040, NEDC's implementation of AMR systems aimed to optimize costs, reduce operational losses, and facilitate a modernized infrastructure as NEDC intends to improve metering operations by collecting automated, real-time data, which will increase efficiency. Our goals include maintaining accurate readings, providing customers with real-time information, and lowering operating expenses.

## 8.5. Network Reliability

We remain committed to ensure reliable and consistent electricity supply to all customers as per our license obligations. NEDC strives to reduce the duration and frequency of outages that are experienced by our customers on a continuous basis. This is achieved through various initiatives like expansion of the network and robust maintenance management carried out by effective utilization of human resources and automated systems.

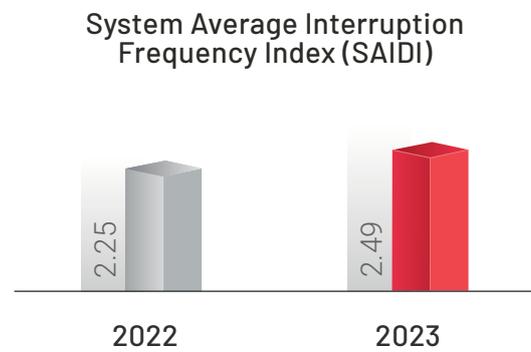
### 8.5.1. System Average Interruption Duration Index (SAIDI)

SAIDI is the average outage duration for each customer served in Oman. The year was concluded with a 0.99% increase compared to the previous year in the System Average Interruption Duration Index (SAIDI) recorded at actual outturn of 194.1 minutes



### 8.5.2. System Average Interruption Frequency Index (SAIFI)

SAIFI is the average number of interruptions that a customer would experience. It was recorded at an outturn of 2.49 interruptions per customer in 2023, an increase of 10.7% compared to 2022.



\* Above mentioned SAIDI & SAIFI outturn data for year 2022 and 2023 are excluding key events beyond the control of the company such as Cyclones, 2022 Blackout and other third parties.

### 8.5.3. System losses.

In 2023, the system loss decreased by 0.45% from 8.67% in 2022 to 8.22%. This improvement can be attributed to various procedures and operations implemented by the company to improve the distribution losses, including:

- 1 Intensive inspections were conducted on connections and meters to detect tampering, wrong connections, or faulty and defective meters. These efforts led the detection of over 2,400 tampering and illegal cases along with more than 7,700 defective meters directly contributing to the reduction in losses.
- 2 Switching to AMR meters contributed to enhancing the quality of meter reading and enabling remote monitoring of meter performance.
- 3 Improved supervision and follow-up on manual meter reading operations, including a dedicated team to validate readings and ensure their accuracy.

## 8.6. Customer Engagement - Increased Accessibility and E-Services

In 2023, we remained committed to expanding accessibility and providing convenient service channels for our valued customers, complementing our dedicated outlets across all licensed areas. Below are some key highlights listed:

- Improved digital services were implemented to ensure accessibility through user-friendly digital channels, enabling customers to access information, details and submit applications without the necessity of visiting any office.
- Established a unified physical one-stop-shop with Nama Supply Company allowing customers to conveniently access services and assistance at our shared offices.
- Streamlined and enhanced workflows offer customers the ability to view and track the status of their applications anytime, anywhere and can request clarifications from company staff via the portal.
- Improved efficiency through integration with other entities for streamlined access to obtain customer data reducing duplication and optimizing processes. Currently advancing on two following major projects:
  - Integration with municipalities systems to enhance and streamline the information received from their end regarding customers.
  - Integration with Ministry of Housing to enhance and streamline the approvals process related to large plot areas.
- The National Automated Meter Reading project that kickstarted in 2021 has covered a total of 671k meters (including DISC) since the commencement of the project till the end of 2023. The growth in the meters installed during 2023 across all zones has reached 219k meters (including DISC) compared to the meters installed in 2022 that were approximately 196k meters (including DISC).

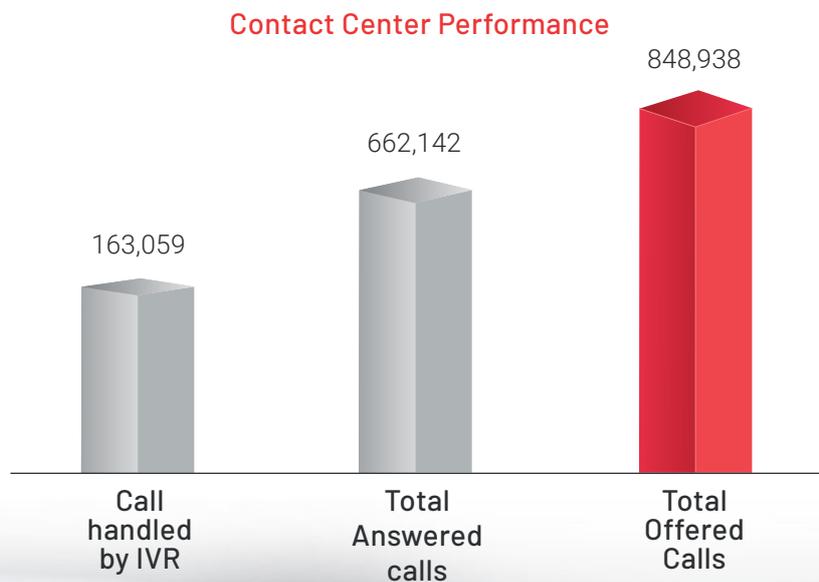


### 8.6.1. Contact Centre Responsiveness to Outages

The contact center operations of the previous four distribution companies (MEDC, MZEC, MJEC & Tanweer) were segregated between supply & distribution. The contact center now operates under a single number for both companies (NEDC&NESC) with calls segregated based on the customer's inquiry. Performance is reported separately for each company, featuring:

Segregation of calls between supply and distribution starting from June 2023.

Performance aggregation for the previous 4 DISCOs from January to May using average performance as a benchmark.



## 8.6.2. Complaint Management

According to the approved complaints handling procedure, addressing the distribution-related complaints necessitates extensive site visits, which can prolong the resolution time compared to the office related complaints. However, in 2023, we achieved a 100% resolution rate in 2023 making an improvement to the prior year.

The graphs below illustrate the performance of complaints for the period from January to May, as well as NEDC's performance from June to December in the reporting period.



While we've successfully met the KPI, we anticipate further improvement in performance as the business gradually stabilizes.

## 8.7 Sector Restructure

While undergoing the restructuring, measures were taken to ensure minimal impact on customer services. A thorough plan was devised and executed, encompassing the following areas:

Processes	Employees	Systems	Physical Offices
<ul style="list-style-type: none"> <li>Activities &amp; channels defined</li> <li>SOPs defined, reviewed &amp; Finalized</li> <li>SLA both Internal &amp; Supply Company</li> <li>Estanlish KPI and Reporting mechanism</li> <li>Communication Plan</li> </ul>	<ul style="list-style-type: none"> <li>Organization structure approved</li> <li>Employees selected and trained</li> <li>Forecasted analysis</li> <li>Performance &amp; Quality assurance established</li> </ul>	<ul style="list-style-type: none"> <li>Business related systems with appropriate access and authorizations</li> <li>Contact Center system testing and implementation</li> <li>Systems Disaster Recovery in place</li> <li>Appropriate systems integration</li> <li>Maintenance contract</li> </ul>	<ul style="list-style-type: none"> <li>Readiness of Customer Care offices including Main Contact Center Main, DR offices and counters at Head Quarters.</li> </ul>

Following the establishment of NEDC, related KPIs were defined and implemented for the distribution activities for not only the continuity of services but also several enhancements to improve customer satisfaction without incurring additional expenses. We have

prioritized enhancing the customer experience by focusing on value-added aspects such as acceptability, reliability, customer effort, ease of use, and privacy. This approach spans the entire customer journey within the company, from initial connection to managing network-related communication and Customer Relationship Management. NEDC plays a significant role in the digitization project across the companies, spearheading integrations with other government entities and developing the digitization strategy for customers.

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## 9. GROWING THE HUMAN CAPABILITIES

At NEDC, a core human resources goal as part of the Nama group is to establish a robust Employer brand, positioning ourselves as a premier employer for talent in Oman. We aim to achieve this by maximizing the potential of our workforce through effective deployment and capacity-building initiatives. Recognizing that attracting, retaining, developing, and promoting top talent are essential to fulfilling our vision and mission.

### 9.1. Workforce and Omanization

We have concluded the year with a total staff of 1427 employees by the end of 2023 after the merger with an Omanization level of %98. This mainly resulted from the efficient implementation of the Omanization plan by empowering and enabling the right Omani successors also in line with the government direction.

### 9.2. Training & Development

The year 2023 concluded with total 2,751 training opportunities with associated cost of approximately over RO 550K offered through different channels like E-Learning, Physical face to face training, conferences, awareness, workshops, and others. Below are some of the highlights:

To ensure a safe and healthy work environment, around 1572 employees received training in different internal and in-house HSE courses and awareness programs.

- Coaching accreditation to select employees provides them with enhanced credibility, and effectiveness in guiding other individuals in the organization toward achieving their goals in line with the ambition to build a coaching culture.
- NEDC's Corporate target included closing competencies gaps for supervisory layer of its workforce which was successfully achieved focusing on the Leadership and Coaching capabilities of the Omanis.

- Change Management Program with an objective of Positivity in Workplace targeted over 800 employees, aimed at fostering acceptance of change, motivation, enhanced communication skills, and coping strategies amidst the merger.
- Lead with Happiness' program targeting leadership levels, enabling managers and supervisors to implement happiness as a management model.
- Over 75 employees/engineers underwent technical training tailored to current business needs.
- Additionally, in coordination with NICD and external parties, 12 Eidad program graduates and 7 Tanmiah Program high performers were hosted, supporting Corporate Social Responsibility.

## 10. TECHNOLOGICAL INFRASTRUCTURE & CYBER SECURITY- OUR DIGITAL PATH

NEDC places a primary emphasis on technology, leveraging its capabilities not only to enhance customer convenience but also to optimize internal processes, manage core activities, and facilitate timely decision-making through effective data management. Our commitment to technological advancement extends to customer-facing interfaces, encompassing critical operational functions and data-driven insights to ensure operational excellence and smooth service delivery.

### 10.1. Operation Technologies

#### a. Geographic Information System (GIS)

Comprehensive and informative dashboards have been developed. These offer quantitative and spatial summaries of NEDC's assets, network load, projects, and outages, filterable by zone, wilayah, and governorate. Additionally, a GIS-based mobile app was created to visualize and navigate the NEDC network and assist engineers in fieldwork.

#### b. Supervisory Control and Data Acquisition (SCADA)

Nama Distribution Company (NEDC) leads with innovation through its state-of-the-art Supervisory Control and Data Acquisition (SCADA) system, serving as the nerve center of our power grid. Integrating Primary Substations and Grid Stations enhances monitoring and control accuracy, while efforts to connect Al Wusta and Musandam networks demonstrate our commitment to an efficient distribution network. Looking forward, NEDC plans to merge control center systems by 2026, aiming for greater operational synergy and financial sustainability. Managing three distinct SCADA systems tailored to specific needs, our focus remains on pioneering solutions that exceed expectations in power management.

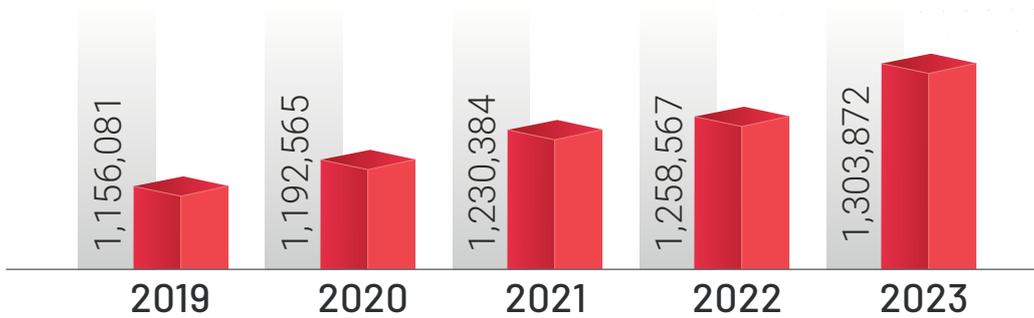
## 10.2. Infrastructure and Cyber Security

NEDC diligently conducts regular infrastructure and cybersecurity compliance assessments in accordance with both regulatory requirements and group standards. These assessments are systematically monitored to ensure adherence to best practices and to safeguard the integrity and security of our operations.



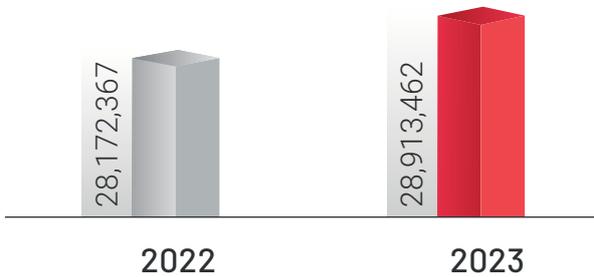
# 11. OPERATIONAL PERFORMANCE

Customer Accounts

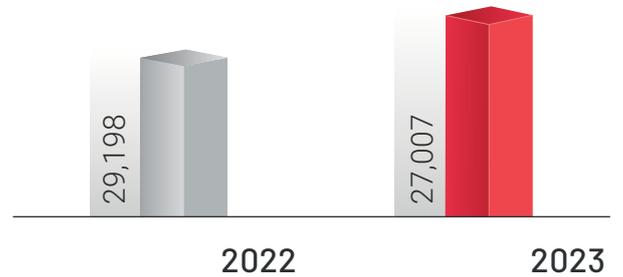


Regulated Units Distributed (RUD)- Sales

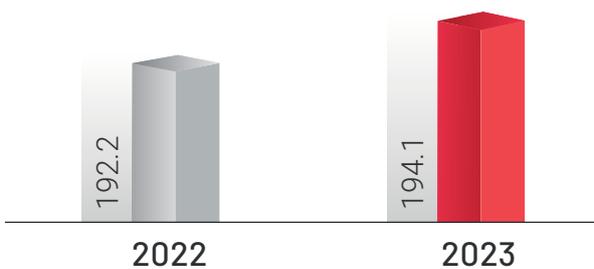
Accumulative RUD



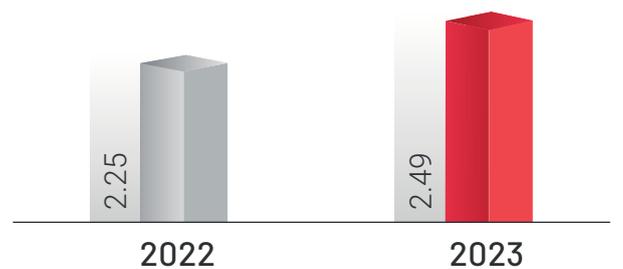
New Connections  
(Installed Meters)



System Average Interruption Duration Index (SAIDI)



System Average Interruption Frequency Index (SAIFI)



Interruptions per Customer



## Distribution Losses %

8.67%

8.23%

2022

2023

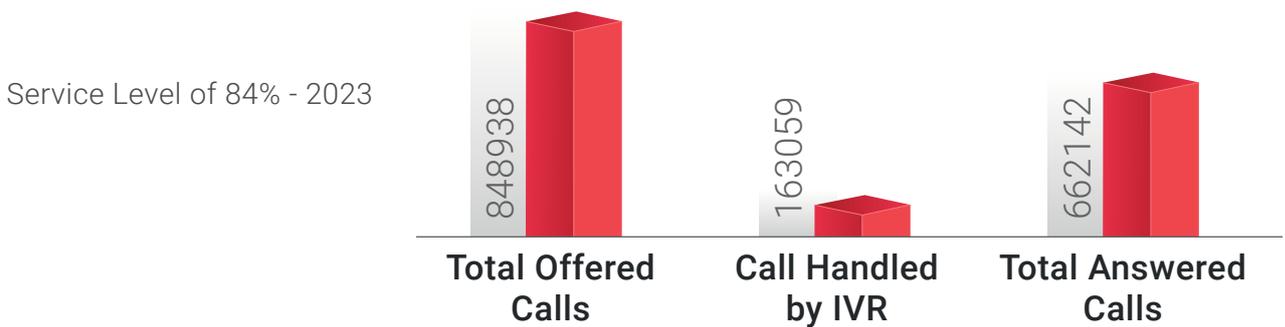
## Network Growth

Network statistics			
Category	Description	2022	2023
Grid Data	<b>Number of Grid Stations</b>	101	101
	Number of Transformers	204	204
	Grid installed capacity (MVA)	24,145	24,145
Primary Data	<b>Number of Primary Substations</b>	<b>684</b>	<b>686</b>
	Number of Transformers	1,405	1,413
	PSS installed capacity (MVA)	20,437	20,549.5
Distribution Data	<b>Distribution Substations (GMT+PMT)</b>	<b>44,523</b>	<b>46,878</b>
	Number of Transformers	48,379	51,341
	Distribution installed capacity (MVA)	34,125.5	36,546.5
Circuits Data (km)	33kV Circuit Length (UGC + OHL)	13,503.7	14,912.9
	11kV Circuit Length (UGC + OHL)	29,820.1	32,454.5
	LV Circuit Length (UGC + OHL)	46,820.3	49,877.0
	<b>Total Circuit Length (UGC + OHL)</b>	<b>90,144.2</b>	<b>97,244.4</b>

## 12. E- SERVICES PERFORMANCE

Nama services portal (<https://www.namaservices.om/>) was created post the merger in June 2023 and includes various services under one roof such as bill payments, customer detail updates, reporting of electricity outage and other services that are all made easily accessible for the customers convenience. In 2023, NEDC achieved an overall average Service Level of 84% for its Contact Center, marking an improvement from 76.81% in 2022. The improved service level results from staff acquiring knowledge to handle all types of calls, implementing process automation, enhancing staff rostering, and implementing a dynamic IVR system.

The graph below presents the Call Centre performance:



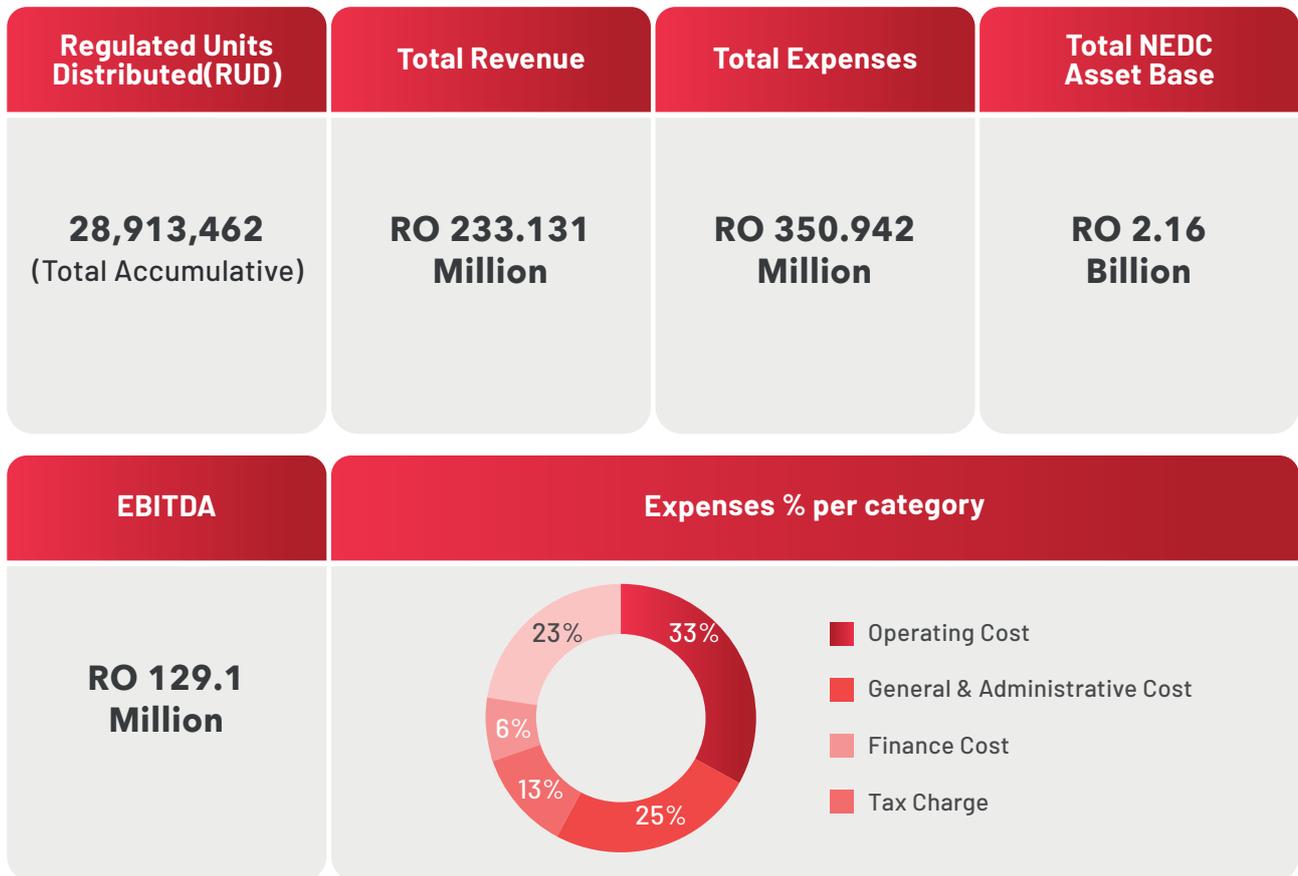
Complaint Management	2023
Average time taken to respond to complaints	3.4 days
Percentage of customers confirming they are satisfied with the resolution of their complaint	99.68%

NEDC has moved the majority of its services to digitalized platforms considering convenience, comfort, and safety of its customers. Below presents the various e-services offered:

NEDC E-Services		
Individual	Consultant	Contractors
<ul style="list-style-type: none"> <li>● Initial Service connections</li> <li>● New connections</li> <li>● Meter Inspection</li> <li>● Tariff Change</li> <li>● Additional Load</li> <li>● Service Disconnection / Service Reconnection</li> <li>● Meter Transfer</li> <li>● Prepaid / postpaid request.</li> </ul>	<ul style="list-style-type: none"> <li>● Customer complaints</li> <li>● Network request (Asset relocation / plot extension)</li> <li>● Excavation permits.</li> <li>● Customer with special need.</li> <li>● Solar Request</li> <li>● Bulk Load</li> <li>● Electrical License</li> </ul>	<ul style="list-style-type: none"> <li>● Electrical drawing approvals</li> <li>● Bulk Load</li> </ul>
		<ul style="list-style-type: none"> <li>● New connection application</li> <li>● Prepaid / postpaid request.</li> <li>● Solar Request</li> <li>● Bulk Load</li> <li>● Electrical License</li> </ul>

## 13. SHAREHOLDER VALUE PRESERVATION (FINANCIAL PERFORMANCE)

Preserving shareholder value is a responsibility that NEDC takes seriously and continues to achieve consistently. Below present key highlights of the financial performance in the year 2023:



## 14. COMMUNICATION & SUSTAINABILITY

The Merger of the electricity distribution companies marked a significant turning point that required extensive efforts in various aspects related to communication. Establishing a strong brand in alliance with the Nama Group, implementing effective change management principles, and engaging employees and customers were essential steps to leverage Nama's unified service platforms while strengthening partnerships with stakeholders.

At NEDC we focused on a set of strategic objectives during 2023 that served our brand and enhanced communication with various relevant stakeholders, as follows:

- Enhancing brand Image and developing communication strategy
- Boosting positive engagement in communication channels
- Raising employee engagement

- Supporting ICV through sustainability initiatives
- Monitoring public feedback and comments across various communication channels
- Developing proactive communication and crisis communication plans
- Increasing the reach to a larger segment of audience and raising the awareness about the company's services
- Promoting health and safety culture
- Promoting energy conservation and efficiency culture
- Developing communication team capabilities and capacities

Several internal and external initiatives and events were organized throughout the year. Some of the highlights are as follows:

### Internal Initiatives

No.	Subject	Details of campaigns & events
1	The "Saniar"	The CEO, management, and communication team conducted visits to various NEDC offices across different Wilayats, engaging with employees to address concerns and gather feedback. A total of 60 meetings were held post-merger.
2	The "Nama & Intima"	Aimed to raise employees' awareness about the company's services and engage them in ongoing projects. A total of 55 sessions were held with participation from over 1250 employees.

### External Initiatives

No.	Subject	Details of campaigns & events
1	Electrical Safety Campaign	The company prioritized promoting health & safety culture through a series of activities and events such as electrical safety exhibition, workshops, meetings, and awareness posters. This campaign was held during the months of November and December in five governorates and 11 Wilayat's. The campaign covered 24 schools and more than 1800 students. Additionally, the exhibition was held in several Omani women's associations and civil society organizations.
2	Nama Ta'azeez Wa Aman" Campaign for Asset Security and Safety	The company launched this campaign targeting public safety and asset security across various governorates within our concession area (all governorates of the Sultanate except Dhofar Governorate). The goal was to raise awareness to reduce electrical network incidents and asset theft & vandalism acts with risk of fatalities and serious injuries.
3	Partners Event	The company organized a "Partners" meeting gathering company officials, contractors, consultants, and suppliers engaged in ongoing projects and activities. The objective was to foster collaboration, discuss project needs, and align efforts to ensure a conducive working environment. Additionally, key topics were reviewed to ensure alignment with shared interests.

Here are some key efforts and activities in the realm of communication and sustainability:

- The company emphasizes digital communication channels, investing in their enhancement to boost engagement and content quality.
- Efforts in crisis management proved effective, notably during blackout outages, reducing inquiries and fostering positive customer impressions.
- NEDC fosters a corporate culture of sustainability and innovation, evident in initiatives like 'Nama & Intima' and brand embedding programs. Collaboration between the Company and Nama Group includes community education endeavors during Nama Sustainability Week and sponsorship of the Civil Defense and First Aid Exhibition

### 14.1. In-country Value (ICV) Contributions

The company has contributed to the development of the participation of small and medium enterprises in the company's work by developing an annual development plan to support and develop small and medium enterprises and increasing the spread, encouragement, and support of these enterprises as the number of SME companies registered in the sector increased by more than 50% over last year. NEDC won the Best Supporting Entity Award from the Private Sector in the North Al Batinah Entrepreneurship Award.

Since the commencement of the merger in June 2023 NEDC issued more than 1000 around 1010 Local Purchase Orders (LPOs) for small and medium enterprises with almost RO 11 million mostly as part of the extension unit rate contract within NEDC core business activities. Long term contracts have been signed with local companies with a value of RO 2 million as part of "Ring Fencing" program in addition a contract for Vendor Development Program (VDP).

### 14.2. Renewable Energy Initiative

Renewable energy is gaining momentum in Oman, driven by government and private sector initiatives. With a goal of achieving 20% renewable energy consumption by 2040 as part of Oman Vision 2040 goals, efforts are underway to develop, plan, and promote eco-friendly energy systems. NEDC plays a crucial role in this transition, overseeing small and medium-sized grid-connected solar PV projects through a dedicated unit. These projects adhere to technical guidelines and regulations set by the Authority of Public Services Regulatory (APSR) across three stages: Initial Enquiry, Design Approval, and Commissioning. The adoption of solar energy aims to reduce carbon emissions, improve air quality, and preserve natural resources. Additionally, it will contribute to national development by creating employment opportunities, boosting local content, and enhancing relevant technical capabilities.

NEDC has begun implementing solar energy projects across Oman, showcasing its commitment to the country's energy transition and renewable energy potential. . The goal is to attain technical, social, and economic benefits while serving as a public advocate for renewable energy technologies.

A total of 278 applications for Solar PV connections have been received with a project implementation progress of more than 40% in the year 2022. Our Renewable customer base has reached to 428 customers with PV systems with a total production capacity of 29.65 MW. We are forecasting to reach circa 50 MW PV generation capacity connected to NEDC network by end of 2024.

No.	Category	Number of Applications		Solar PV Capacity (kW)	
		Cumulative	2023	Cumulative	2023
1	Commercial	87	29	12664.208	2889.392
2	Government	60	18	12087.043	1717.083
3	Residential	258	161	3170.654	2106.221
4	Agricultural	23	4	1727.750	116.917
<b>Total</b>		<b>428</b>	<b>212</b>	<b>29649.656</b>	<b>6829.613</b>





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