

POWERING THE PATH FORWARD

A Steady Path to a Smarter, Sustainable Future

ANNUAL REPORT

2025



— THE YEAR IN FOCUS

Delivering a smarter, more sustainable electricity network for Oman.

Serving more than 1.39 million customers across the Sultanate, NEDC advanced reliability, digital transformation and sustainability throughout 2025 – building the backbone of Oman's energy future.

1.39 M

Customers served

+3.17% YoY

2.3 B OMR

Total asset base

Network value

177 min

SAIDI reliability

Outage minutes

2.01

SAIFI

Interruptions / customer

98.6 %

Omanization

National workforce

78.7 %

Smart-meter coverage

Digital metering



— THE SULTANATE OF OMAN

His Majesty Sultan Haitham Bin Tarik Al Said

May Allah Protect Him

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Prepared in accordance with Oman Investment Authority reporting guidelines and independently audited by Ernst & Young.

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Glossary of Terms

ADMS

Advanced distribution management system

AMR

Automated Meter Reading

APSR

Authority for Public Services Regulations

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 Services Regulations Oman.

DMS

Document Management System

DNS

Demand Not Secure

DSS

Distribution Substations

DSS TX

Distribution Substations Transformer

DSSS

Distribution System Security Standards

EHC

The Electricity Holding Company SAOC also branded as Nama Holding Company.

GIS

Geographic Information System

GRP

Glass Reinforced Plastic. A GRP substation enclosure can ensure that your electrical supply is safe and that there is no danger to Public.

GWH

Gigawatt Hour of Electricity Units (MWH1000)

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.

LT

Low Tension

LTI

Incident and /or accident that results in 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

MVA

Mega-volt ampere, a unit of measuring apparent power

MWH

Megawatt Hour of Electricity Units

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

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.

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

SIEM

Security Information and Event Management. It is a security monitoring solution that provides organizations with next-generation detection, analytics, and response of Security Incident

SINCL

Siemens Network Calculation

The Authority

The Authority for Public Service Regulations Oman,

The Company

Nama Electricity Distribution Company SAOC

AMI

Advanced Metering Infrastructure



01

SECTION

About Annual Report



Nama Electricity Distribution Company (NEDC) presents its 2025 Annual Report, covering the period from 1 January 2025 to 31 December 2025. The report covers all operations and processes under NEDC's management control across its licensed electricity distribution areas in the Sultanate of Oman, excluding the Governorate of Dhofar, which operates under a separate licensed arrangement governed by the Authority for Public Services Regulation (APSR).

This report has been prepared in accordance with the Oman Investment Authority (OIA) reporting guidelines and reviewed and approved by the NEDC Board of Directors. The financial statements have been independently audited by Ernst & Young.

For feedback or queries, please contact Info@distribution.nama.om. The electronic version of this report – Key Highlights and Insights – is available at www.distribution.nama.om/annual-report



02

SECTION

Overview of NEDC



Nama Electricity Distribution Company (NEDC), a member of the Nama Group, is a closed joint-stock company formed in 2022 as a result of the restructuring of the electricity distribution and supply business. Based on the direction of the Authority for Public Services Regulation (APSR), multiple distribution companies established by Royal Decree 78/2004 in 2005 were merged into two separate entities – distribution and supply – across all governorates excluding Dhofar. NEDC is licensed to carry out electricity distribution network management and related activities, such as extension and new connection work, in the Sultanate of Oman, excluding the Governorate of Dhofar.

Vision, Mission, Values & Who We Serve

01

VISION

Leading reference for excellent electricity distribution services in the region.

02

MISSION

Provide safe, reliable, sustainable, and economic electricity.

03

VALUES

Integrity

Transparency

Accountability

04

WHO WE SERVE

Residential & Other

Households and other eligible customer groups receiving electricity services under regulated tariff structures.

Commercial & Industrial

Commercial establishments, businesses and industrial facilities with varying consumption profiles and operational requirements.

Government

Ministries, public authorities and government-owned entities supplied under applicable regulatory frameworks.

Cost-Reflective Tariff (CRT)

Customers under the CRT framework, where charges align with the actual cost of service provision per regulatory requirements.

Board of Directors



Fathi Al Bulushi

CHAIRMAN

Investment, corporate finance and governance executive with 20+ years across Oman and Southeast Asia. CEO of Oman Brunei Investment Company SAOC, with board roles at OQ Gas Networks and the Investment Bank of Oman.



Ghada Mohammed Al Yousef

DEPUTY CHAIRPERSON

Over two decades of senior leadership across utilities, banking, oil & gas and manufacturing. Chief Corporate Officer at Nama Electricity Supply Company and recognised by Forbes among the Most Powerful Arab Women in Executive Management.



Azzan Mohammed Al-Abdullatif

MEMBER

Commercial leader with 25+ years in Oman's energy sector. As OQ's Chief Portfolio Officer and "Deal Architect," he led four landmark OQ IPOs – Abraj, OQGN, OQEP and OQBI – and over \$10B in transactions.



Shathan Badar Al Amri

MEMBER

General Manager at Al-Futtaim Group overseeing legal affairs across multiple GCC jurisdictions. 14+ years in corporate governance, regulatory compliance and cross-border legal operations; LL.B from Sultan Qaboos University.



Ali Issa Shamas

MEMBER

Utilities, energy and ports executive with 20+ years, including 13 as CEO. Currently CEO of Dhofar Integrated Services Company, with expertise in transformation, operational excellence and HSE leadership.

Executive Leadership Team



Eng. Ala Moosa
CHIEF EXECUTIVE OFFICER (CEO)



Eng. Salim Al Kabi
CHIEF OPERATION OFFICER (COO)



Eng. Yousuf Al Mahrooqi
CHIEF TECHNICAL OFFICER (CTO)



Adam Al Balushi
CHIEF FINANCIAL OFFICER (CFO)



Eng. Khalfan Al Burtmani
CHIEF COMMERCIAL AFFAIRS



Nasser Al Bahantah
CHIEF PEOPLE OFFICER



Yaseen Al Lawati
CHIEF TECHNOLOGY AND INNOVATION OFFICER



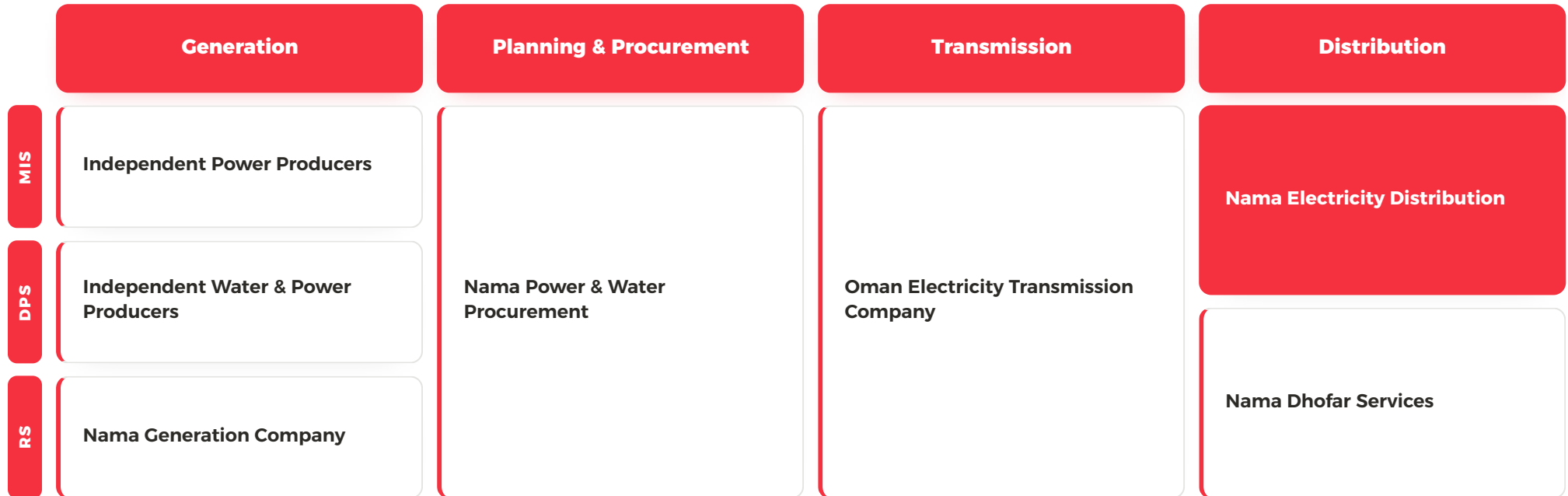
Eng. Majid Al Busaidi
CHIEF TRANSFORMATION OFFICER



Eng. Awadh Al Yaqoubi
HSSE GENERAL MANAGER

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:



REGULATION AND LICENSES

Distribution License

Authorises NEDC to operate and manage the electricity distribution network.

Grid & Distribution Codes

Technical and operational codes governing connection to and operation of the network.

Sector Law

The legal framework for Oman's electricity and related water sector.

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

NEDC Business

Distribution

The Distribution Business' objective is to prepare, maintain and develop the distribution network and assets to ensure safe and reliable distribution of electricity, and to be the point of contact with the customer in the provision of electricity services, connections to the network, sales, and meter reading.

Support Business Unit

The Support Units' objective is to fulfil statutory obligations, effective governance and efficient management of resources. The following support units have evolved and been established within NEDC:

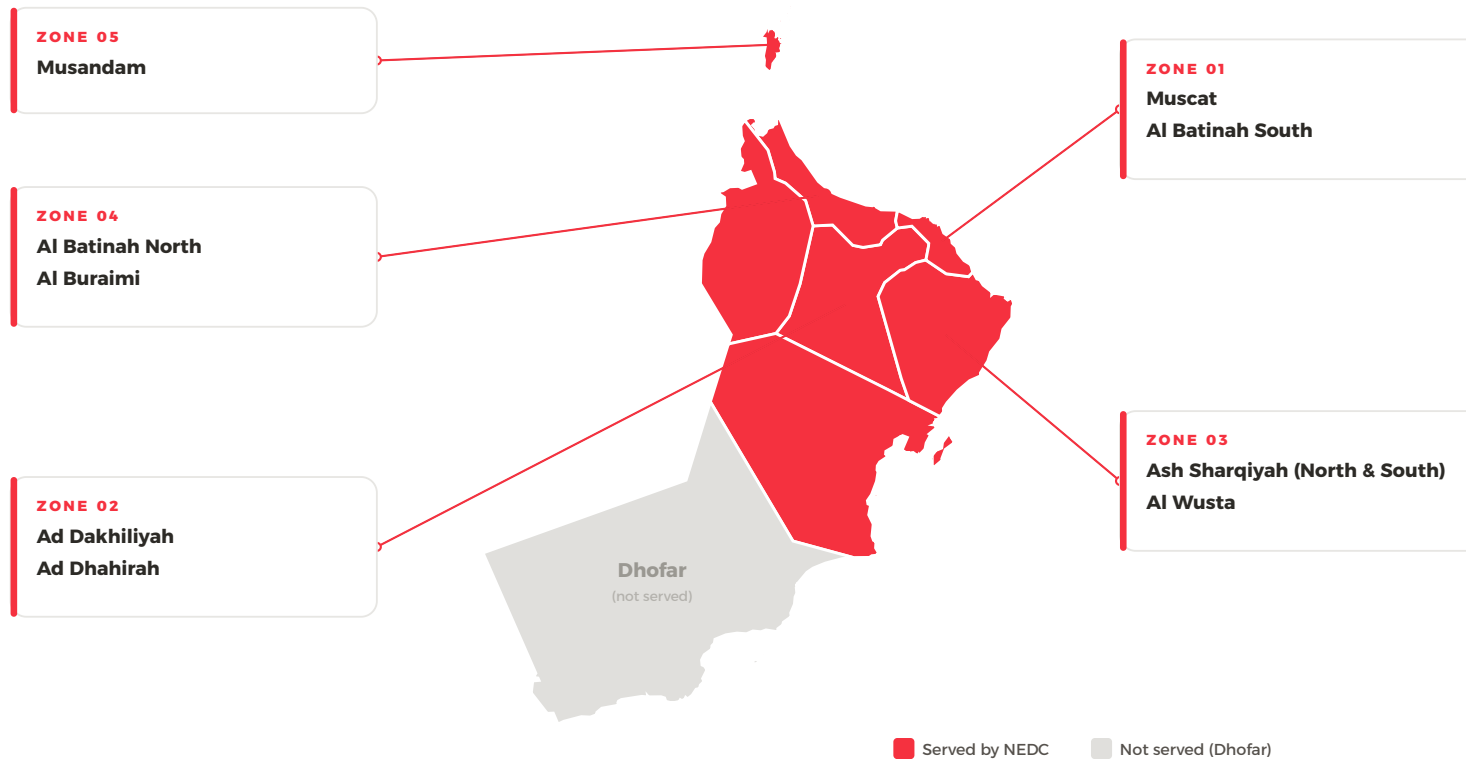
- Health, Safety, Security & Environment (HSSE)
- Human Resources and Support Services
- Compliance, Communication, Strategy & Records
- Information Technology (IT)

COVERAGE AREA

NEDC's electricity distribution system is divided into **five** geographic zones/areas and serves more than **1,393,552** customers, while the total served areas incorporate all Governorates except Dhofar Governorate. The division into various zones is due to the difference in load density and geographical location.

NEDC Physical Territory

Five operational zones spanning every governorate of Oman, excluding Dhofar.





DANGER
Hazardous acid & caustic chemicals.
Avoid direct contact.
Eye protection and caution gloves must be worn when handling chemicals.

03

SECTION

Board of Directors' Report

On behalf of the Board of Directors, I am pleased to present the Annual Report of Nama Electricity Distribution Company (NEDC) for the fiscal year ended 2025. This report reflects the Company's unwavering commitment to operational excellence, strong corporate governance, and sustainable value creation in support of Oman's national priorities. During the year, NEDC strengthened its market position through disciplined execution, innovation, and continued investment in national talent. In strict alignment with the Oman Investment Authority's strategic direction, the Board maintained effective oversight of performance, risk management, and sustainability initiatives. The Company's activities remain fully synchronized with Oman Vision 2040, particularly concerning infrastructure modernization, energy sustainability, digital transformation, and workforce empowerment.

Health, Safety, Security, and Environment (HSSE)

The safety and well-being of our employees, contractors, customers, and the public remain our utmost priority. In 2025, NEDC recorded one Lost Time Injury (LTI), corresponding to an LTI rate of 0.05%. We deeply regret this incident and extend our sincere sympathies and full support to the affected individual and their family. Following the incident, the Board mandated a thorough review, resulting in the implementation of comprehensive corrective and preventive actions. Lessons learned have been embedded across the organization, and additional operational controls were reinforced. We continue to strengthen leadership accountability, safety governance, and workforce engagement to further mature our safety culture.

Financial and Operational Performance

Despite a dynamic regulatory and operating environment, NEDC delivered robust and stable financial and operational performance in 2025. The Company remained fully compliant with all regulatory requirements and shareholder directives, reinforcing our commitment to transparency and long-term value creation.

Key highlights for the year include:

- **Customer Base Expansion:** Grew by 3.17% to reach 1,393,552 accounts, reflecting sustained energy demand across the Sultanate.
- **Net Profit:** Reached OMR 16.214 million, demonstrating prudent financial management and operational efficiency.
- **Capital Expenditure:** Totaled OMR 144.088 million, directed primarily toward grid modernization, asset renewal, and service reliability to support long-term network resilience.

Customer Excellence and Human Capital

Customer-centricity remains a core pillar of NEDC's strategy. Throughout 2025, we maintained seamless service continuity, enhanced our digital platforms, and evolved our customer engagement models to improve accessibility, responsiveness, and convenience. Concurrently, NEDC achieved an Omanization rate of 98.6%. This milestone reflects our profound commitment to national workforce development and ensures that our sustained service excellence is driven by highly skilled local talent.

In-Country Value (ICV) and Sustainability

NEDC continues to prioritize In-Country Value and environmental sustainability, acting as a key enabler of Oman Vision 2040.

- **Economic Contribution:** Total ICV spending amounted to OMR 90.181 million. Of this, spending on Small and Medium Enterprises (SMEs) reached OMR 47.296 million, representing 25% of total procurement.
- **Renewable Energy Integration:** The Board oversaw the strategic expansion of our renewable portfolio. In 2025, we processed 461 solar PV applications, bringing our renewable customer base to 1,325 and total installed capacity to approximately 90 MW, all while maintaining strict network stability.
- **Environmental Stewardship:** Environmental performance was fortified through targeted initiatives, including solar deployment at substations, transformer oil recycling, EV charging infrastructure enablement, and smart grid integration.

Technological Advancement

Digital transformation and infrastructure modernization are central to NEDC's long-term operational strategy. By the end of 2025, smart meter deployment will have successfully reached 78.7% of our network. The smart metering program acts as a catalyst for network visibility, data-driven decision-making, improved revenue assurance, and heightened operational efficiency. Our continuous investment in digital platforms and advanced analytics is vital to safeguarding long-term financial sustainability.

Risk Management and Corporate Governance

The Board systematically strengthened the Company's Enterprise Risk Management (ERM) framework to proactively address operational, regulatory, cyber, financial, and supply chain risks. NEDC operates in strict accordance with the governance, compliance, and performance frameworks mandated by the Oman Investment Authority and relevant regulatory bodies. Strong internal controls, transparent reporting, and ethical conduct remain the bedrock of our institutional integrity and stakeholder confidence.

Appreciation and Acknowledgment

On behalf of the Board of Directors, I extend our most profound gratitude to His Majesty Sultan Haitham bin Tariq for his visionary leadership and continued guidance. We also express our sincere appreciation to the Oman Investment Authority, Nama Group, the Authority for Public Services Regulation, and our strategic partners. To our employees, contractors, and valued customers: thank you for your continued trust, collaboration, and support. Looking ahead, NEDC remains firmly committed to elevating safety performance, advancing digital transformation, accelerating renewable energy integration, and delivering sustainable financial returns. Guided by Oman Vision 2040, the Company will continually enhance operational efficiency, infrastructure resilience, and institutional governance. Through disciplined management and innovation, NEDC will continue to power Oman's economic and social development with safe, reliable, and efficient electricity distribution services.

On behalf of the Board of Directors, I extend our deepest gratitude to His Majesty Sultan Haitham bin Tarik for his visionary leadership and steadfast guidance, which continue to inspire the nation's progress and development.

Fathi Abdullah Al Bulushi

On Behalf of the Board of Directors

We also express our sincere appreciation to the Oman Investment Authority, Nama Group, the Authority for Public Services Regulation, and our valued strategic partners for their continued support and collaboration. We are equally grateful to our employees for their dedication and professionalism, and to our customers for the trust and confidence they place in us.

As we look to the future, NEDC remains committed to delivering operational excellence, enhancing the safety and reliability of our network, and advancing digital transformation initiatives that strengthen service delivery and customer experience. We will continue to support Oman's energy transition by facilitating renewable energy integration, while maintaining a strong focus on sustainable value creation and long-term financial resilience.

Guided by the aspirations of Oman Vision 2040, we remain dedicated to strengthening our infrastructure, fostering innovation, and upholding the highest standards of governance and operational performance. Through prudent management and a forward-looking strategy, NEDC will continue to play a pivotal role in supporting Oman's economic growth and social development by providing safe, reliable, and efficient electricity distribution services.

الدولة

Marafiq OQ

Lead Sponsor

لعمان FOR OMAN

شركة تنمية نفط عُمان Petroleum Development Oman

Gold Sponsor

فولتاجيب VOLTAMP VOLTAMP ENERGY SAOG

ICWA POWER كوا باور

Gold Sponsors

Phoenix شركة الطاقة للطاقة ا.س.م.ع. Phoenix Power Company (SAOG)

Zawawi P/E Powertech Engineer

Silver Sponsor

Lanyard

SOGEX oman سو جكس عمان

SIEMENS energy

Organized by

nicorn RAYA SERVICES

PowerTalks

مؤتمر عُمان للكهرباء والطاقة



04
SECTION
CEO Report

I am pleased to present the 2025 Annual Report of Nama Electricity Distribution Company (NEDC), reflecting a year of disciplined execution, operational improvement, and strengthened financial performance.

Aligned with Oman Vision 2040 and the strategic direction of Oman Investment Authority (OIA) and Nama Group, NEDC continues to reinforce its role as the backbone of Oman's electricity distribution infrastructure. As a unified national entity, 2025 marked continued progress toward our operational and financial transformation objectives.

Our total asset base reached OMR 2.3 billion, demonstrating sustained and responsible investment in long-term network resilience and national development.

● Infrastructure Development and Network Expansion

During the year, we invested OMR 144.088 million under our Capital Investment Program to expand and reinforce the distribution network in response to population growth and rising electricity demand.

Total installation capacity increased to 21,312 MVA, supported by:

- 105 grid stations
- 687 primary substations
- 103,578.57 kilometers of high, medium, and low voltage network infrastructure

Managing infrastructure of this scale across diverse terrains requires disciplined asset management and proactive maintenance strategies. Our investments are directed toward strengthening reliability, improving network stability, and ensuring readiness for future demand growth.

● Reliability and Operational Efficiency

Operational performance improved significantly during 2025:

- SAIDI improved by 21.33% to 177 minutes
- SAIFI improved by 9.05% to 2.01 interruptions per customer
- System losses declined from 8.26% to 7.94%

These improvements reflect targeted capital investments, enhanced monitoring systems, and disciplined operational controls aligned with regulatory standards.

● Digital Transformation and Customer Service

Digital enablement remains a key performance driver. Smart meter deployment under the Advanced Metering Infrastructure (AMI) program reached 78.7%, enhancing network visibility, billing accuracy, and consumption monitoring. These capabilities directly support sustainable system loss reduction and operational transparency.

Customer service remained a central priority. Through strengthened digital platforms and service channels, we improved responsiveness and accessibility. Under the Customer Satisfaction Incentive Scheme (CSI), NEDC exceeded regulatory benchmarks across metering, complaint management, and connection services.

Our customer base increased by 3.17%, reaching 1,393,552 accounts, reflecting continued growth in demand and our capacity to deliver reliable service on a scale.

● Financial Performance

Within the regulated framework, NEDC delivered net profit of OMR 16.214 million in 2025. Financial performance was supported by disciplined cost management, and optimized capital allocation. Our integrated approach linking infrastructure investment, operational discipline, and digital transformation ensures sustainable financial resilience and long-term value creation.

● Looking Ahead

As we move forward, our focus remains clear:

- Further improve reliability performance
- Accelerate smart grid deployment
- Continuing reducing system losses
- Strengthening asset resilience and operational efficiency
- Maintain financial discipline within the regulatory framework

NEDC remains committed to delivering safe, reliable, and sustainable electricity distribution services that power Oman's growth and serve its communities.

I extend my sincere appreciation to our Board of Directors, our shareholder Oman Investment Authority, regulatory authorities, partners, and our dedicated employees for their continued support and commitment.

Ala Hassan Moosa
Chief Executive Officer



05

— SECTION

Corporate Governance

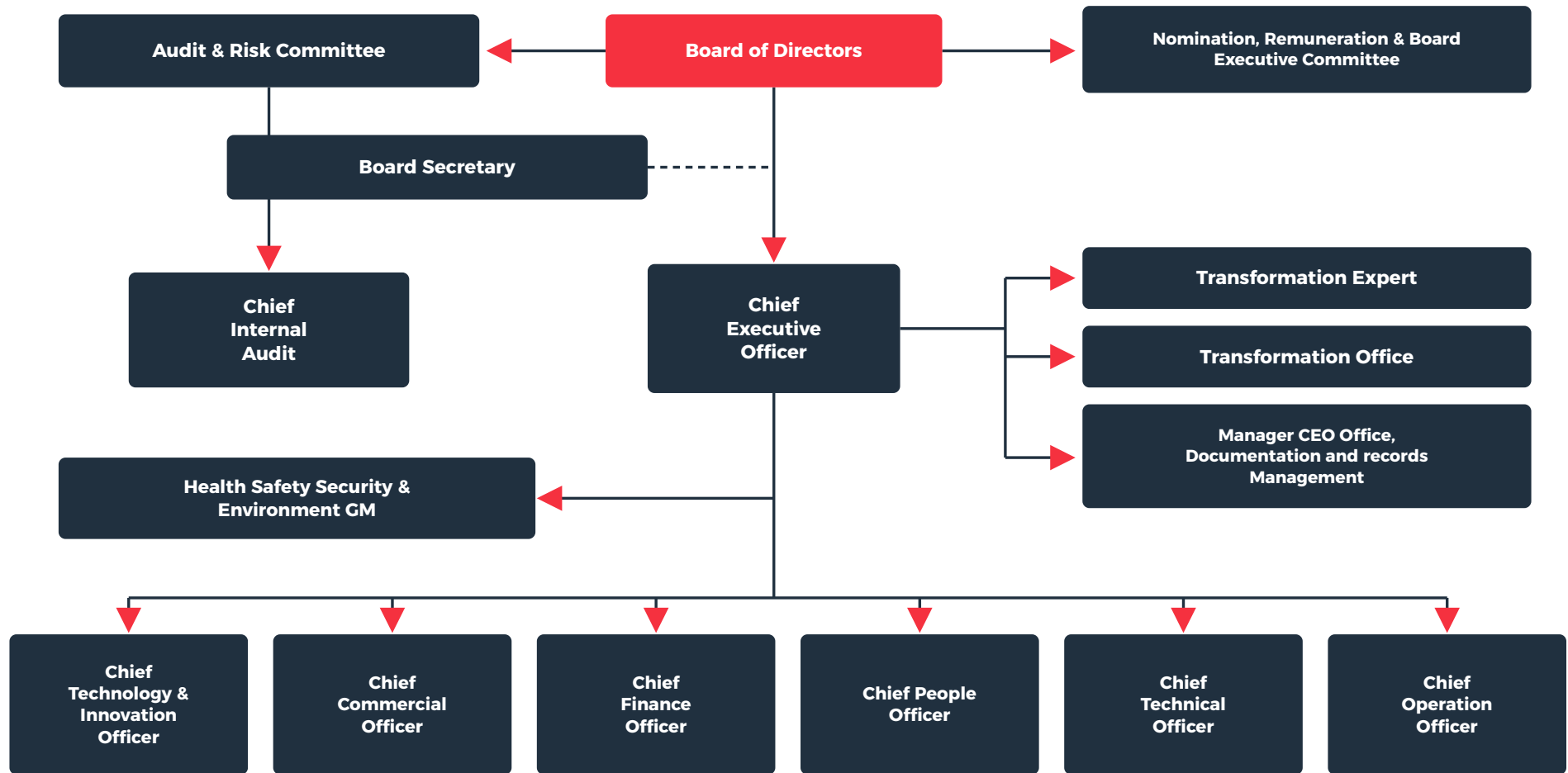




CORPORATE GOVERNANCE PHILOSOPHY

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.

Organization Structure



ROLE OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

BOARD OF DIRECTORS

Being a close joint stock company, NEDC is subject to the provisions of the Commercial Companies Law No 04-1974(18/2019).

In this context, NEDC Board is comprised as follows:

- NEDC Board consists of Five (5) directors
- NEDC Board includes 2 Non-Independent Executive Directors
- NEDC Board includes 3 Independent Executive Directors

The Board represents the Shareholders. It is accountable for protecting shareholders' 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 business and the relative costs and benefits of implementing specific controls.
- Our corporate governance philosophy is guided by our values, culture, and policies, NEDC Board consists of two non-independent and three independent executive directors. Two committees support governance, which are the Audit and Risk Committee (ARC) and the Board Executive Committee (BEC).

The table below includes the details of current Board members:

NAME OF BOARD MEMBERS	POSITION ON THE BOARD	TYPE OF REPRESENTATION	MEMBERSHIP OF OTHER COMMITTEES	MEMBERSHIP OF BOARD MEMBERS IN OTHER COMPANIES	LAST ATTENDED AGM
Fathi Abdullah Al Bulushi	Chairman	Independent	1	3	24th March 2025
Ghada Mohammed Al Yousef	Deputy Chairperson	Non-Independent	1	2	30th March 2024
Ali Issa Ali Shamas	Member	Non-Independent	2	1	-
Azzan Mohammed Redha Al Abdul Latif	Member	Independent	1	-	30th March 2024
Shathan Bader Al Amri	Member	Independent	1	-	30th March 2024

MEMBER NAMES	FATHI ABDULLAH AL BULUSHI	GHADA MOHAMMED AL YOUSEF	AZZAN MOHAMMED REDHA AL ABDUL LATIF	SHATHAN BADER AL AMRI	ALI ISSA SHAMAS	
BOD Meetings	Date	Chairman	Deputy Chairperson	Member	Member	Member
1st BOD Meeting	February 25, 2025	√	√	√	√	√
2nd BOD Meeting	May 8, 2025	√	√	√	√	√
3rd BOD Meeting	September 3, 2025	√	√	√	√	√
4th BOD Meeting	December 17, 2025	√	√	√	√	√
5th BOD Meeting	December 28, 2025	√	√	√	√	√
Total Number of BOD Attended	5	5	5	5	5	
Sitting Fee (A)	3,500	3,000	3,000	3,000	2,700	

QUALIFICATION AND ELECTION OF THE BOARD OF DIRECTORS

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 Article No. 21 of the Articles of Association of the Company and Commercial Companies Law 4/1974 (18/2019) as amended from time to time.

The members of the Board of Directors fulfill the following requirements

- The Board of Directors is elected by the Ordinary General Meeting.
- Not less than 21 years old.
- 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.
- It will not have been declared bankrupt or dissolved unless such a case is ceased to exist as per the provisions of the law.
- Not have been convicted in a felony or criminal act unless rehabilitated.
- Not be unable to settle his debts & obligations to various lenders.
- It is not allowed to combine the position of CEO/General Manager and the Chairman of the Board.

AUDIT AND RISK COMMITTEE (ARC)

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.

1 - Audit and Risk Committee Meetings

The Committee met more than 5 times during the year ended December 31, 2025. 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.

2 - 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 2025, which includes but is not limited to:

- Approving the appointment of the External Auditors, ensuring their independence, and recommending their appointment to the Board.
 - Reviewing and agreeing with their Audit Plan and confirming that they have full access to all required documents and individuals.
 - Ensuring that, during their Audit, they focus on any possible instances of financial fraud or fictitious accounting practices.
 - Overseeing the activities of the Internal Audit Function and ensuring that it is adequately staffed with appropriately qualified individuals (the team are 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 careful.

The Audit Committee held six (6) meetings in 2025, and the table below shows its composition:

MEMBER NAMES	GHADA MOHAMMED AL YOUSEF	ALI ISSA SHAMAS	SHATHAN BADER AL AMRI	
ARC Meetings	Date	Chairman	Member	Member
1st ARC meeting	February 24, 2025	√	√	√
2nd ARC meeting	May 5, 2025	√	√	√
3rd ARC meeting	September 3, 2025	√	√	√
4th ARC meeting	September 17, 2025	√	√	√
5th ARC meeting	October 21, 2025	√	√	√
6th ARC meeting	December 15, 2025	√	√	√
Total Number of ARC Attended	6	6	6	
Sitting Fees (A)	1,800	1,800	1,800	

Corporate Governance Report 2025.8

NOMINATION, REMUNERATION & BOARD EXECUTIVE COMMITTEE (NRBEC)

Members of the NRBEC are nominated by the Board of Directors of Nama Electricity Distribution S.A.O.C. (NEDC, or the Company). The NRBEC supports the Board in overseeing the strategic direction of the Company in areas such as investments and capital programs, projects of national priority, and strategic planning. It also oversees the Company's operational performance and ensures that the Company operates within the regulatory framework established by the Authority for Public Services.

The NRBEC also oversees the Company's Human Capital practices, endorses the appointments of senior executive Management, organizational structure, manpower plan and strategy, and any other Human Capital matters as delegated by the Board of Directors. This includes monitoring the performance of the CEO and the Company's Senior Executive Management and providing feedback and guidance to ensure that the strategy and goals of the Company and its Shareholders are being effectively executed.

EMPOWERMENT

The "NRBEC" acts on behalf of the Board of Directors "BOD" for the delegated authorities and/or tasks mandated by the BOD from time to time.

The NRBEC shall exercise the authority granted to it with prudence and in the best interests of NEDC, in accordance with applicable laws, regulations, and OIA Policies and guidelines.

The NRBEC is authorized to:

- Request information, reports, and assistance from NEDC employees or external advisors as required.
- Have unrestricted access to all personnel records.

FUNCTIONS AND RESPONSIBILITIES

The NRBEC is responsible for reviewing, endorsing, approving, or ratifying:

- Organizational Structure and Manpower Planning.
- Appointment of Senior Management.
- Performance of the company.

- Business plan and strategy of the company, including developing a funding plan for the company, without prejudice to the provisions of Article 65 of the Sector Law.
- Corporate restructuring, Commercial transactions.
- New business ventures subject relevant approval.
- Any tasks delegated to it by the Board of Directors.

COMPOSITION AND TERM

When constituting the NRBEC, the following shall be observed:

- The Board appoints the Committee in the constitution resolution. Membership shall consist of the Chairman of the Board and 2 independent board members, all to be elected by the Board.
- The Chairman of the Board acts as Chair of the NRBEC.
- The Board Secretary will act as the secretary of NRBEC.
- The Chairman of the BOD will review the composition of NRBEC every 3 years or upon every tenure of Board of Directors.
- Any member of the NRBEC may be removed with or without a cause by the Chairman of the NRBEC or the Board of Directors.
- The CEO will attend as a permanent invite.

Subject to the approval of the Board of Directors, the Committee may appoint additional members to the NRBEC to supplement its expertise with non-voting rights.

REPORTING

The Chairman of the NRBEC shall update the members of the Board as appropriate on the resolution of issues raised in previous NRBEC meetings.

NRBEC held five (5) meetings in 2025, and the table below shows its composition:

MEMBER NAMES	FATHI ABDULLAH AL BULUSHI	AZZAN MOHAMMED REDHA AL ABDUL LATIF	ALI ISSA SHAMAS	
NRBEC Meetings	Date	Chairman	Member	Member
1st NRBEC meeting	March 25, 2025	√	√	√
2nd NRBEC meeting	June 12, 2025	√	√	√
3rd NRBEC meeting	August 25, 2025	√	√	√
4th NRBEC meeting	November 12, 2025	√	√	√
5th NRBEC meeting	December 24, 2025	√	√	√
Total Number of NRBEC Attended	5	5	5	
Sitting Fees (A)	1,500	1,500	1,500	

MAJOR TENDER COMMITTEE (MJTC)

The MJTC oversees matters related to the procurement of services and equipment, in accordance with the authority delegated by the Procurement and Tendering Policy for OIA entities. The MJTC is composed of two members from the Board and three members from Executive Management and is chaired by a Board member. In 2025, the MJTC held nine (9) meetings. The table below shows its composition:

SR. NO	NAME	FUNCTION	POSITION	NUMBER OF MEETINGS ATTENDED
1	Azzan bin Muhammad Redha Al Abdul Latif	Chairman	Member of the Board of Directors	5
	Ala Hassan Moosa	Deputy Chairman	CEO	7
2				
	Salim Masoud Al Kabi	As Chairman	COO	1
3	Shathan Al Amri	Member	Member of the Board of Directors	8
4	Yousuf Mohammed Al Mahrooqi	Member	CTO	6
	Adam Yousuf Shahin Al Balushi	Member	CFO	8
5				
	Premchand M	Member	CFO - Acting	1
6	Khalfan Naser Said Al Burtamani	Member	CCO	8

THE DETAILS OF MAJOR TENDER MEETING HELD DURING THE YEAR

MEETING NUMBER	MEETING DATE	MEETING NUMBER	MEETING DATE
Meeting 1	1/16/2025	Meeting 6	7/23/2025
Meeting 2	3/26/2025	Meeting 7	8/6/2025
Meeting 3	4/13/2025	Meeting 8	9/2/2025
Meeting 4	5/25/2025	Meeting 9	12/10/2025
Meeting 5	6/22/2025	-	

MINOR TENDER COMMITTEE (MITC)

MITC oversees matters related to purchasing services or equipment and as per authority delegated by Procurement and Tendering Policy for OIA Entities. MITC is comprised of Executive Management and chaired by the Chief Technical Officer. The MITC held Forty-Eight (48) meetings in 2025, and the table below lists the attendees:

NO.	NAME	POSITION IN THE MITC	JOB TITLE	NUMBER OF MEETINGS ATTENDED
1	Yousuf Mohammed Al Mahrooqi	Chairman	Chief Technical Officer	38
	Omar Abdulaziz Al Shezawi	Member	Chief Technical Officer - Acting	1
	Mohammed Salim Hamed Al-Chenaimi	Member	Chief Technical Officer - Acting	1
	Jamal Khamis AlSaeedi	Member	Chief Technical Officer - Acting	1
2	Adam Yousuf Shahin Al Balushi	Vice Chairman	Chief Finance Officer	37
	Premchand M	Vice Chairman	Chief Finance Officer(Acting)	5
3	Salim Masoud Al Kabi	Member	Chief Operation Officer	30
	Mazin Ali Al Salmani	Member	Chief Operation Officer(Acting)	6
	Mohammed Abdullah Al Hadhri	Member	Chief Operation Officer(Acting)	1
4	Khalfan Naser Said Al Burtamani	Member	Chief Commercial Officer(Acting)	35
	Ahmed Zayed Al Shaqsi	Member	Chief Commercial Officer(Acting)	4
	Ibrahim Ali Al Farsi	Member	Chief Commercial Officer (Acting)	1
5	Yaseen Mohd Redha Al Lawati	Member	Chief Technology & Innovation Officer	45
NO.	NAME	POSITION IN THE MITC	JOB TITLE	NUMBER OF MEETINGS ATTENDED
6	Ahmed Hamed Al Shueili	Member	GM - Supply Chain	34
	Hamed Salim Hamed AL Thuhli	Member	GM - Supply Chain (Acting)	3
	Adil Rashid Kalbani	Member	GM - Supply Chain (Acting)	6

THE REMUNERATION OF THE BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The Company paid A 1,021,000 (One Million Twenty-One 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 (A)
Sitting fees paid for Board of Directors	15,200
Sitting fees paid for Audit and Risk Committee (ARC)	5,400
Sitting fees paid for Board Executive Committee (BEC)	4,500
A-Total sitting fees	25,100
B-Bonus Provision for the year 2025	100,000
C-Bonus Provision for the year 2025 reversed	16,686
Total Board Members Remuneration(A+B-C)	108,413

DISTRIBUTION OF SHAREHOLDERS

SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE
Electricity Holding Company SAOC (Nama Holding)	209,979,000	99.990%
Numo Institute for Competency Development LLC	10,500	0.005%
Nama Shared Service LLC	10,500	0.005%
Total Share Capital	210,000,000	100%

WORKSHOPS

Board of Directors and NEDC management conducted “Business Plan 2026-2030” workshop & Leadership program dated 17-18 December 2025.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual Shareholders Meeting takes place every year 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.

AGM closing financial 2024 was held on 24th March 2025 and the attended as per below details:

NO.	NAME	POSITION IN THE AGM
1	Fathi Abdullah Al Bulushi	Chairman
2	Saad Mohamed Ashraf Niyaz	Representative of Electricity Holding Company SAOC
3	Ali Zuhair Al-Khaburi	Representative of Nama Shared Services LLC
4	Bader Khamis Al Farsi	Representative of Numo Institute for Company Development LLC
5	Ali Akbar	External Auditor
6	Ala Hassan Moosa	NEDC CEO
7	Adam Yousuf Al Balushi	NEDC CFO
8	Waqas Al Farsi	Legal Counsel (Acting)

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

Pursuant to 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.

NEDC news, information, and financial results are available on its website. The Annual General Meeting serves as an opportunity for directors to interact with shareholders, and the Annual Report features the Management Discussions and Analysis Report.

NON- COMPLIANCE WITH THE PROVISIONS OF CORPORATE GOVERNANCE AND PENALTIES

The Company complies with the provisions of the Code of Corporate Governance outline in Oman Investment Authority (OIA) Public Disclosure Policy. NEDC strives to ensure full compliance with all applicable regulations and relevant authorities. Yet there are Three penalties imposed by the regulator (APSR) to Nama Electricity Distribution Company and related to assets security.

AUTHORITY	DATE	DESCRIPTION	AMOUNT (A)
AUTHORITY FOR PUBLIC SERVICES REGULATION (APSR)	3-March-25	APSR Regulation (Article 116)	1,500
AUTHORITY FOR PUBLIC SERVICES REGULATION (APSR)	07-July-25	APSR Regulation (Article 116)	7,000
AUTHORITY FOR PUBLIC SERVICES REGULATION (APSR)	17-December-25	APSR Regulation (Article 116)	250,000

PROFILE OF THE STATUTORY AUDITORS AND THEIR FEES

EY is a global leader in assurance, tax, strategy & transactions, and consulting services. EY is committed to doing its part in building a better working world. The insights and quality services that EY delivers help build trust and confidence in the capital markets and in economies the world over.

The MENA practice of EY has been operating in the region since 1923. For over 100 years, we have grown to over 8,500 people united across 26 offices and 15 countries, sharing the same values and an unwavering commitment to quality. EY MENA forms part of EY's EMEIA practice. Globally, EY operates in more than 150 countries and employs 400,000 professionals in 700 offices. Please visit ey.com for more information about EY.

The fees to the Statutory Auditor for their services provide in the year 2025 amounted to A 42,528. audit.

MEETINGS

The NRBECC shall meet once at least once every quarter, or at such frequency as deemed necessary. The NRBECC may conduct business by electronic means as circumstances require.

Recommendations of the Chief Executive Officer or Management will be in an advisory capacity to NRBECC, which can request clarification, amend, reject, endorse, or approve any recommendations.

The Committee Secretary will set the date, time, and venue of the following meeting at the conclusion of each scheduled meeting.

Minutes: The Secretary shall minute the proceedings and resolutions of all meetings of the NRBECC, including the names and roles of those present. Minutes of the NRBECC meetings shall be circulated promptly to all members of the NRBECC and signed by the Committee members present at the meeting and the Committee Secretary.

The Committee secretary shall distribute the approved minutes of the meeting to all Committee members.

Agenda: Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the NRBECC, and where necessary any other person required to attend, not later than five working days before the date of the meeting.

Decisions by Circulation: For urgent matters, the NRBECC members are allowed to take decisions by circulation for unlimited times. In these decisions all members of NRBECC shall endorse and sign.



06

SECTION

Company Strategy

Nama Electricity Distribution Company (NEDC) is guided by a clear strategic ambition to be the leading reference for excellence in electricity distribution services in the region, while fulfilling its mission of enriching life through safe, reliable, efficient, and sustainable electricity.

Following the sector restructuring and consolidation of distribution activities across the Sultanate (excluding Dhofar), NEDC has evolved into a unified, performance-driven national utility. This transformation was undertaken in line with government directives to enhance sector efficiency, optimize costs, and elevate service quality and customer satisfaction.

NEDC's strategic direction is firmly anchored in Oman Vision 2040, contributing to the national agenda through the delivery of resilient infrastructure, sustainable energy systems, and enhanced service reliability. The Company plays a critical role in supporting economic diversification, enabling industrial growth, and improving quality of life across all customer segments.

As a subsidiary within the Nama Group, wholly owned by the Nama Holding under the Oman Investment Authority (OIA) portfolio of companies, NEDC is committed to delivering sustainable financial returns while safeguarding long-term asset value and operational resilience. This is achieved through disciplined cost management, network optimization, and continuous investment in modernization and digitalization initiatives.

At the same time, NEDC operates under the regulatory oversight of the Authority for Public Services Regulation (APSR), ensuring full compliance with licensing obligations, governance standards, and service performance requirements. This regulatory alignment reinforces transparency, accountability, and adherence to best practices across all aspects of the Company's operations.

NEDC's strategy is therefore built on a fully integrated framework that balances operational and service excellence, financial sustainability, and digital transformation, enabling the Company to deliver consistent value to customers, stakeholders, and the broader national economy.

Vision

Leading reference for excellent electricity distribution services in the region.

Mission

Provide safe, reliable, sustainable, and economic electricity.

Our strategic positioning is centered on powering Oman safely and sustainably while strengthening resilience, governance, and long-term value creation.

At its core, the NEDC Strategy House translates ambition into measurable outcomes, structured around Focus Areas and Enablers.

Focused Areas Pillars:

● Network Performance Excellence

We ensure the availability and reliability of a safe, secure, smart, efficient, and sustainable electricity network. Key strategic priorities include:

- Zero Lost Time Injuries (0 LTI)
- Zero cybersecurity breaches
- Net Zero emissions
- Target SAIDI of 60 minutes
- Target SAIFI of 1 interruption per customer
- Network losses reduction toward 6%

This pillar reflects our commitment to operational discipline, asset management excellence, grid modernization, and decarbonization. Safety, security, and Environmental stewardship remains a non-negotiable foundation of performance.

● Service Excellence

We deliver reliable, compliant, and customer-centric services through timely response, accurate information, and accessible convenient access. Key service ambitions include:

- 1-day connection service
- 1-day response to customer requests

Digitalization, advanced metering infrastructure, and data-driven service monitoring enhance transparency, responsiveness, and customer satisfaction. Service excellence strengthens trust while supporting regulatory compliance under the Customer Satisfaction Incentive Framework.

● Financial Sustainability

We ensure long-term financial resilience by optimizing expenditure, capital structure, and returns while maintaining liquidity discipline. Strategic priorities include:

- Cost efficiency
- OPEX optimization
- CAPEX optimization
- Capital discipline and effective gearing management

Operating within a regulated price control framework, NEDC balances affordability, operational investment, and shareholder value creation. Financial sustainability enables continuous network modernization, renewable integration, and digital advancement.

Strategic Enablers

Our strategic focus areas are supported by three core enablers:

A. People & Culture We foster engagement, accountability, and performance by strengthening technical, digital, and leadership capabilities, while sustaining high Omanization to build national expertise.

B. Technology We leverage digital solutions and smart infrastructure to enhance operational visibility, efficiency, reliability, and data-driven decision-making.

C. Governance We uphold strong governance and enterprise risk management to ensure transparency, regulatory compliance, and alignment with shareholder expectations.

Strategy Execution Framework

The NEDC Strategy House ensures clarity of alignment between vision, operational priorities, and measurable outcomes:

- Clear performance targets
- Regulatory alignment
- Integrated financial discipline
- Digital enablement
- Structured transformation roadmap

The approach links strategic ambition with annual business planning, capital allocation, risk oversight, and performance management. This ensures that strategic objectives are not aspirational statements, but operational commitments embedded into execution.

Sustainability and Decarbonization

NEDC's strategy integrates environmental responsibility into core operations. Renewable energy integration across the network continues to expand, supporting national decarbonization objectives. Smart grid investments and advanced metering improve loss control and energy efficiency.

As part of our Net Zero pathway, fleet electrification and operational efficiency initiatives contribute to emissions reduction and long-term environmental stewardship.

Conclusion

NEDC's strategy positions the Company as a resilient and future-ready electricity distribution provider, driven by operational excellence, service quality, financial discipline, and strong governance.

Our Strategy House aligns long-term ambition with measurable execution, ensuring sustainable value for shareholders, customers, employees, and the communities we serve.

NEDC Strategy House

Vision

Leading reference for excellent electricity distribution services in the region

0601+

Mission

Provide safe, reliable, sustainable and economic electricity.

Powering Oman Safely and Sustainably.

Focus Areas

Network Performance Excellence

Availability and reliability of safe, secure, smart, efficient and sustainable electricity network.

0 LTI
0 Cyber
0 Emissions
60 SAIDI
1 SAIFI
6% Losses

Service Excellence

Ensure reliable and compliant customer experience through timely services, accurate information and convenient access.

Meter Reading
1 Day
Connection
1 Day Customer
Request

Financial sustainability

Ensure financial sustainability by optimizing expenditure and capital structure, maximizing returns on capital, investment and effective liquidity management.

Cost efficiency
Opex
Optimization
Capex
Optimization
Gearing Ratio

Enablers

People & Culture

Develop a culture of engagement, alignment and accountability by building our people's technical, digital and governance capabilities.

Technology

Leverage technology to strengthen operations, drive performance, and accelerate efficiencies.

Governance

To ensure trust, transparency and accountability while advancing ESG and ICY principles.

Values

Integrity

Transparency

Accountability

Health, Safety, Security, and Environment (HSSE)

Nama Electricity Distribution Company (NEDC) is committed to fostering a safe work environment by embedding a safety-first culture, proactive risk management, specialized training, and continuous performance improvement initiatives. This commitment is reinforced through the implementation of the HSSE Corporate Plan under the theme “Safety Rules Save Lives.”

● HSSE Performance

In 2025, the HSSE Corporate Plan remained a strategic priority, achieving an implementation success rate of 87%. This structured and systematic approach enabled the organization to reach 18,303,234.3 man-hours with one recorded Lost Time Incident (fatality) across NEDC’s operations, encompassing both employees and contractors.

These results underscore the company’s continued commitment to strengthening workplace safety, enhancing risk controls, and implementing corrective and preventive measures following the recorded fatality, to prevent recurrence and improve overall operational resilience.

Furthermore, the HSSE Pyramid model was formally adopted to monitor both leading and lagging performance indicators, enhancing proactive risk identification, strengthening preventive controls, and driving continuous improvement in incident prevention and HSSE performance.

● HSSE Performance Statistics

INDICATOR (ENGLISH)	VALUE
Fatalities	1
Lost Time Injuries (LTI)	1
Restricted Work Cases (RWC)	0
Medical Treatment Cases (MTC)	0
First Aid Cases	0
Near Misses	12
Unsafe Acts & Conditions	4,011
Environmental Observations	103

Regulatory & Legal Compliance

NEDC upholds the highest HSSE regulatory and legal compliance standards through:

- ✓ Regular audits and inspections to meet national and international safety regulations.
- ✓ Enhancing physical security frameworks to safeguard employees and assets.
- ✓ Contractor HSSE screening and compliance verification before contract awards.

HSSE Initiatives

1

HSSE Assurance Program

- Established a structured contractor compliance framework ensuring safe operations.
- Strengthened risk management through comprehensive safety audits & inspections.

2

Road Safety Enhancements

- In-Vehicle Monitoring System (IVMS) deployed across the fleet, reducing unsafe driving behaviors and enhancing compliance.
- Optimized fleet operations, improving fuel efficiency and sustainability.

3

Environmental Management Initiatives

- 66 environmental observations addressed in compliance with regulatory frameworks.
- Solar panels installed at primary substations to promote renewable energy use.
- EV charging stations introduced, supporting clean energy adoption.
- Transformer oil filtration plants expanded, reducing environmental impact.



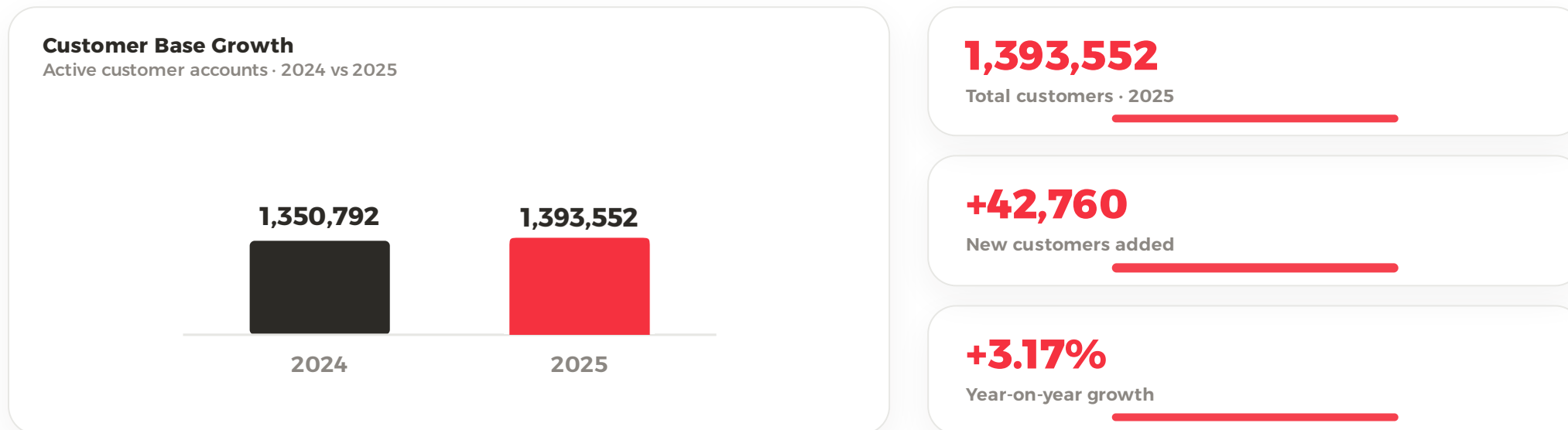
08

SECTION

Customer Experience

Customer Growth

In 2025, the Company continued its upward growth, increasing its customer base to **1,393,552**, up from 1,350,792 in 2024 – an addition of 42,760 new customers and a 3.17% year-on-year growth rate.



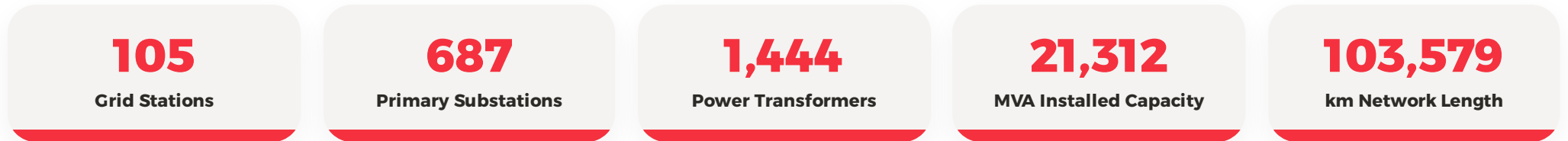
Network Readiness (New Connection)

NEDC has fulfilled its commitment to enhancing network readiness. Throughout 2025, 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.

Capital Program & Network Expansion

In 2025, NEDC continued its capital program to expand and modernize the distribution network – strengthening capacity, improving operational reliability, and supporting growing electricity demand across its licensed areas.



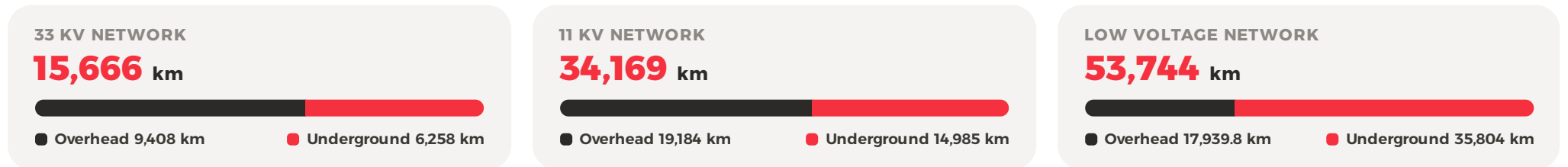
Capital Program Performance

OMR 154.3M
Value of Work Done (VoWD) achieved in 2025, excluding sponsored projects and Project Delivery Unit salaries.

OMR 12.05M
Allocated to the Advanced Metering Infrastructure (AMI) program, supporting the ongoing digital transformation of the network.

Network Growth

The distribution network continued to grow during 2025, reflecting sustained investment in both overhead and underground infrastructure. Based on GIS statistics, the total length of the distribution network reached **103,579 km**, distributed across the various voltage levels as follows:



The continued expansion of underground networks, particularly in urban and densely populated areas, reflects NEDC's strategy to enhance network resilience, improve system reliability, and reduce exposure to environmental and operational risks.

Capital Program Performance

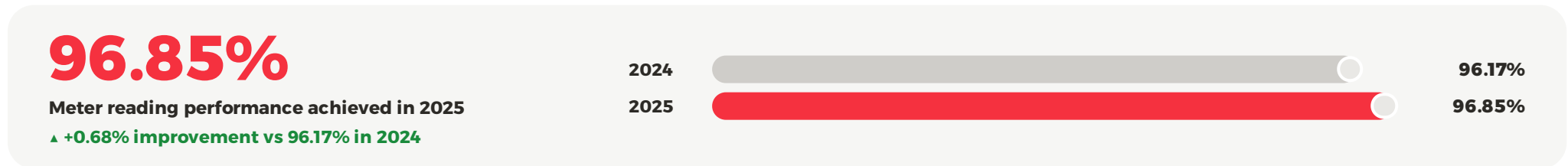
The Value of Work Done (VoWD) for 2025 reached **RO 154.3 million**, excluding sponsored projects and Project Delivery Unit (PDU) salaries. These investments supported the expansion, reinforcement, and modernization of the distribution network across NEDC's service areas. Capital expenditures during the year were allocated across several key categories:



Through these investments, NEDC continues to strengthen the reliability and flexibility of the electricity distribution system while preparing the network for future demand growth and the integration of advanced grid technologies.

Meter Reading

In 2025, the Company further improved its meter reading performance to **96.85%**, compared to 96.17% in 2024. This represents an improvement of 0.68%, indicating consistent operational enhancement.



The improvement was driven by several targeted initiatives:

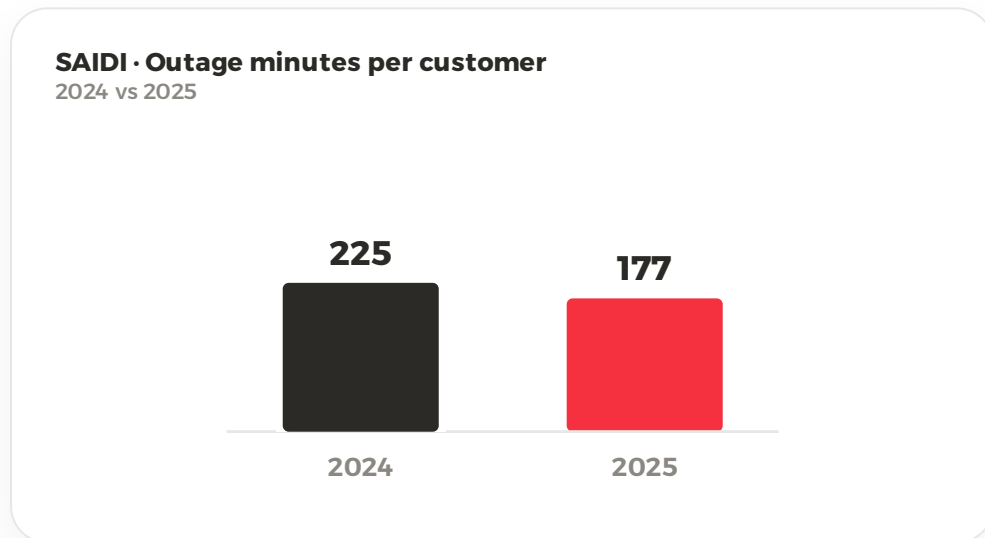
- 01**
Addressing Manual Reading Challenges
- 02**
Implementation of Advanced Meter Reading
- 03**
Process Optimization and Automation
- 04**
Improved Monitoring and Supervision

Network Reliability

We remain committed to ensuring a 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. 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.

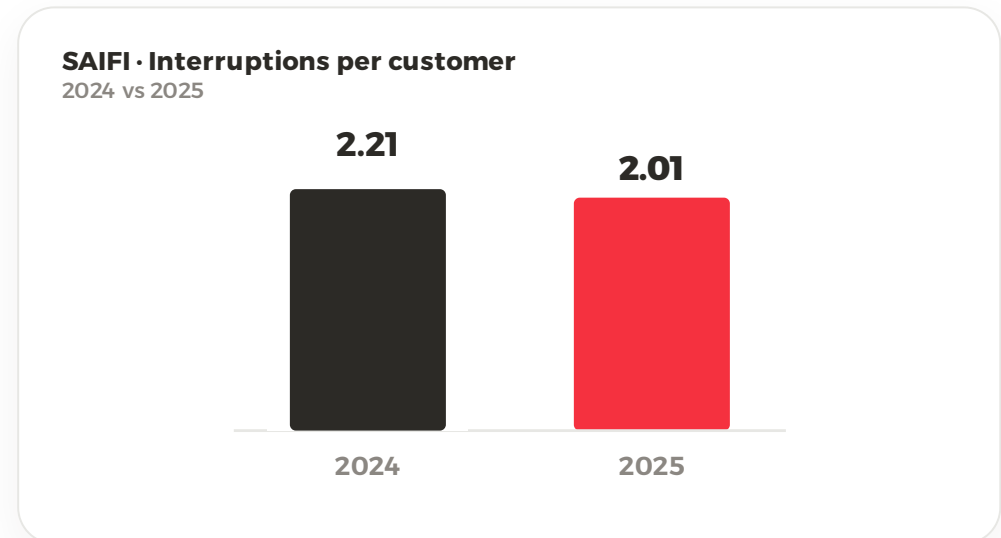
System Average Interruption Duration Index (SAIDI)

SAIDI is the average outage duration for each customer. The year was concluded with a 21.33% improvement compared to the previous year in the System Average Interruption Duration Index (SAIDI) recorded at actual outturn of 177 minutes.



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 2.01 interruptions per customer in 2025, an improvement of 9% compared to 2024.



System Losses

During 2025, NEDC continued its focused efforts toward improving efficiency across the distribution network and minimizing losses. We are pleased to report a reduction in distribution network losses from **8.26%** (as per the final approved from APSR) in 2024 to **7.94%** in 2025, reflecting a decline of 0.32% year-on-year. This achievement demonstrates the effectiveness of our strategic initiatives, strengthened monitoring systems, and enhanced operational controls.

7.94%

Distribution network losses achieved in 2025

▼ **0.32% reduction vs 8.26% in 2024**

Aligned with the NEDC vision **+0601** – target of **6%** distribution losses by 2030.

3,557

Illegal connections detected

228 GWh

Energy recovered

RO 2M+

Revenue recovered

The key contributing factors include:

01

Comprehensive Inspections & Fraud Detection

The company conducted intensive inspections of connections and meters to identify and rectify instances of tampering, unauthorized connections, and defective meters. These efforts led to the detection of over 3,557 cases of illegal connections and the recovery of more than 228 GWh and over 2 million Rial Omani of revenue.

02

Strengthened Supervision of Meter Reading Operations

The company implemented enhanced oversight measures for manual meter reading, including the establishment of a dedicated validation team to verify readings and ensure data accuracy.

03

Advanced Metering Infrastructure (AMI)

The transition to Automated Meter Reading (AMR) technology enhanced the accuracy of meter readings and enabled real-time monitoring of meter performance, reducing errors and inefficiencies. This consistent downward trend highlights the Company's commitment to operational excellence, cost optimization, and sustainable performance improvement, contributing to improved energy efficiency, better financial performance, and enhanced service reliability for our customers.

Aligned with the NEDC vision +0601 to achieve 6% distribution losses by 2030, we remain committed to further reducing distribution losses in the coming year through advanced technology integration, data-driven monitoring, and process optimization initiatives. These efforts will enhance network efficiency, strengthen revenue assurance, and support the Company's strategic objectives of reliability, customer satisfaction, and long-term performance sustainability.

Customer Engagement – Increased Accessibility & E-Services

Expanding Accessibility and Providing Convenient Service Channels

In 2025, we continue our commitment to expanding accessibility and enhancing convenient service channels for our valued customers, complementing our dedicated outlets across all licensed areas.

Below are some key highlights of our ongoing improvements:

01

Continued enhancement of digital services to ensure greater accessibility through user-friendly platforms, enabling customers to access information, review details, and submit applications without the need to visit our offices.

02

Sustained operation of the unified physical one-stop-shop in collaboration with Nama Supply Company, allowing customers to conveniently access integrated services and assistance at shared offices.

03

Ongoing streamlining and enhancement of workflows, enabling customers to view and track the status of their applications anytime, anywhere, and request clarifications directly from company staff through the portal.

04

Further improvements in efficiency through integration with other entities to streamline access to customer data, reduce duplication, and optimize processes.

We are currently advancing two major projects:

MAJOR PROJECT

Integration with Municipalities' Systems

To further enhance and streamline the information received regarding customers.

MAJOR PROJECT

Integration with the Ministry of Housing

To improve and expedite the approvals process related to large plot areas.

We remain dedicated to continuous improvement to ensure enhanced customer experience and greater satisfaction.

The National Advanced Metering Infrastructure (AMI) Project

Launched in 2021, the AMI project is a key milestone in the digital transformation of Oman's electricity distribution sector – deploying advanced smart meters to improve operational visibility, customer service, and smart-grid capability.

2021

Project launch year

1,248,623

Smart meters installed (NEDC + NDS)

78.7%

Smart meter coverage

Deployment Growth (2021 → 2025)

Nama Electricity Distribution (NEDC)

244,088 → 1,091,365

smart meters deployed across licensed service areas

Nama Dhofar Services (NDS)

10,815 → 157,258

smart meters – full coverage achieved within its licensed area

● **Contact Centre Responsiveness to Outages**

In 2025, the Contact Center continued to play a vital role in supporting customers across all licensed areas by ensuring effective communication, timely response, and seamless service delivery. Building on the improvements achieved in previous years, the center successfully managed a substantial volume of customer interactions while maintaining service continuity and enhancing operational efficiency.

Throughout the year, the Contact Center received a total of 793,307 offered calls, reflecting sustained customer engagement and reliance on our service channels. Out of these, 702,852 calls were answered, demonstrating strong responsiveness and the effectiveness of ongoing workforce and technology enhancements. This performance underscores our commitment to maintaining high service levels and ensuring customers receive timely assistance, particularly during peak periods and emergency situations.

As part of our continued drive toward digital transformation and streamlined communication processes, 91,580 calls were handled entirely through the Interactive Voice Response (IVR) system. The improved IVR performance highlights increased customer adoption of automated services, reduced pressure on call center agents, and enhanced efficiency in addressing routine inquiries.

The Contact Center's achievements in 2025 reflect our ongoing efforts to unify service processes, improve system integration, and strengthen outage communication capabilities. These improvements directly contribute to faster response times, reduced customer effort, and greater service reliability—reinforcing our commitment to delivering value and supporting customers across all regions.

A major milestone achieved in 2025 is the complete implementation of the Outage Management System (OMS) across all licensed areas, enhancing both customer call responsiveness and the efficiency of emergency teams. The OMS system provides seamless, real-time outage detection and coordination, strengthening operational readiness and ensuring faster, more accurate service restoration for customers throughout the network.

● **Complaint Management**

Although some distribution-related cases require site visits that can extend resolution timeframes, NEDC delivered strong complaint-management performance in 2025 – a continued improvement over the previous year.

99%

Customer satisfaction with the complaint resolution process

1 Day

Average resolution time (one working day)

100%

Of complaints successfully resolved in 2025

While the department has achieved its key performance indicators (KPIs), it remains committed to continuous improvement. New initiatives under the Customer Affairs & Contact Center Department are expected to drive further gains – supporting exceptional customer service and strengthening overall customer satisfaction.



09

SECTION

Growing the Human Capabilities

Training & Development

2025 closed with exceptional progress in workforce development – delivered through e-learning, face-to-face training, technical workshops, safety courses and professional certification, reinforcing NEDC's culture of continuous learning and national capability building.

1,424

Employees reached
across core training programs

711

Internship opportunities
for Omani youth nationwide

500

Trained in QHSSE
across 20 safety programmes

237

Conference participants
9 events · USA · Finland · Oman

NAWARNI PROGRAMME · INTERNAL TRAINER INITIATIVE

Knowledge shared from within

Internal subject-matter experts delivered specialised workshops on NEDC policies, regulations and technical competencies – turning in-house expertise into measurable savings.

494
Employees trained

25
Training programmes

79%
Efficiency gain

RO 112,234 saved

External cost of RO 141,538 reduced to RO 29,294 through internal delivery.

21

Professional Qualifications

Employees pursuing international certifications – HSSE, Finance, IT & Data Analytics, HR

14

Technical Programmes

172 employees – Smart Grid & AI, Advanced Power Systems, Power BI, Procurement

8

Eidaad Programme

Recent graduates hosted for hands-on utility-sector experience

1

Mutamad Programme

Graduate sponsored under the OIA national talent initiative

At NEDC, as part of the Nama Group, our commitment to human capital is at the heart of our success. We strive to establish a strong employer brand, positioning ourselves as a leading employer of choice in Oman. By investing in our people, we maximize workforce potential through strategic employment, competencies-building initiatives, and a culture of continuous development. We recognize that attracting, retaining, and developing top talent is fundamental to achieving our vision and mission.

Workforce and Omanization

By the end of 2025, NEDC achieved a workforce strength of 1,311 employees, with an exceptional Omanization rate of 98.6%. This milestone reflects our dedication to national workforce development, achieved through the effective execution of our Omanization plan. By empowering and equipping Omani talent with the right skills and opportunities, we continue to align with the government's vision while ensuring a sustainable and capable workforce for the future.

Training & Development

The year 2025 concluded with exceptional achievements in workforce development, demonstrating NEDC's unwavering commitment to building organizational capabilities and fostering a culture of continuous learning. The Learning & Competency Development Department delivered comprehensive training programs across multiple channels including E-Learning, physical face-to-face training, conferences, technical workshops, health and safety courses, and specialized development initiatives. The total reach extended to approximately 1,424 employees across core training programs, complemented by 711 internship opportunities for Omani youth. Below are some of the highlights:

- **Health, Safety, and Environment Excellence:** To reinforce NEDC's commitment to operational excellence and ensure a safe, healthy work environment, around 500 employees received comprehensive training across 20 QHSSE programs. The flagship courses included First Aid training (186 participants), Fire Warden, and Electrical Safety Rules (ESR) (148), equipping the workforce with critical safety competencies to mitigate workplace hazards and respond effectively to emergency situations and fire warden 166 employees.

- **Nawarni Program (Internal Trainer Initiative):** The Nawarni Program continued to demonstrate remarkable success in 2025, embodying NEDC's knowledge-sharing philosophy and cost-optimization strategy. Designed to identify and cultivate internal subject matter experts to deliver specialized workshops and courses related to NEDC policies, regulations, and technical competencies, the program delivered 25 training courses to 494 employees across diverse disciplines. Key courses included HSE Risk Assessment (155 attendees), Working at Heights & Lifting Operations (133 participants), ESR Training Course (49 employees), and other courses (157 participants). The program's return on investment was extraordinary, achieving a 79% efficiency gain with total cost savings of RO 112,234—reducing external training costs from an estimated RO 141,538 to an internal delivery cost of just RO 29,294. This initiative not only ensures knowledge retention and organizational capability building but also significantly enhances cost-effectiveness while maintaining the highest quality standards.
- **Professional Qualifications Project 2025:** Building on the success of previous years, NEDC continued its investment in long-term professional development through the Professional Qualifications Project. A total of 21 employees were granted opportunities to pursue internationally recognized professional certifications across critical domains including Health, Safety & Environment (HSSE), Finance, Information Technology & Data Analytics, and Human Resources. This strategic initiative aims to enrich and enhance employee expertise in specialized fields, refine technical competencies, and position NEDC as an employer of choice for high-caliber professionals seeking continuous career advancement.
- **Mutamad Program:** In a significant milestone demonstrating NEDC's commitment to developing world-class professional expertise, one student (job seeker) was sponsored by NEDC in the prestigious Mutamad Program. The Mutamad Program is a nationally strategic initiative launched by the Oman Investment Authority (OIA) in collaboration with the Ministry of Labor, and Omantel Academy, and other distinguished partners to enhance the employability of Omani graduates and develop national talent pools in high-demand sectors. This comprehensive employment and development program focuses on recruiting and professionally developing Omani graduates specializing in finance, accounting, cybersecurity, and other strategic disciplines, and advanced cybersecurity credentials.
- **Eidaad Program:** In fulfillment of NEDC's Corporate Social Responsibility commitments and contribution to national workforce development, 8 recent graduates from higher education institutions were hosted through the Eidaad Program. This structured initiative provides fresh graduates with practical work experience, exposure to utility sector operations, and professional development opportunities that bridge the gap between academic learning and workplace requirements. The program serves as a talent pipeline while contributing to reducing youth unemployment and enhancing the employability of Omani graduates.

- **Job-Specific & Technical Training:** To maintain competitive advantage and operational excellence in the rapidly evolving energy sector, NEDC delivered 14 specialized technical programs to 172 employees. These programs focused on emerging technologies and critical operational competencies including Smart Grid & Artificial Intelligence applications, Advanced Power Systems, Corporate Governance frameworks, Advanced Excel & Power BI for data analytics, and Procurement Management excellence. These targeted interventions ensure that NEDC's workforce remains at the forefront of industry innovations and best practices.
International Conferences & Knowledge Exchange: NEDC facilitated the participation of 237 employees in 9 high-profile international and regional conferences across the USA, Finland, and Oman.
- **International & Regional Conferences & Knowledge Exchange:** NEDC facilitated the participation of 237 employees in 9 high-profile international and regional conferences across the USA, Finland, and Oman. The most significant engagement was the IEEE Conference in Oman, which attracted 189 participants, providing valuable exposure to cutting-edge research, global best practices, and networking opportunities with international industry leaders. These conferences serve as platforms for knowledge acquisition, technology transfer, and positioning NEDC as a thought leader in the regional energy sector.
- **Internship & Work Experience Programs:** Demonstrating exemplary corporate citizenship and commitment to national youth empowerment, NEDC continued the provision of internship opportunities to 711 students and recent graduates from various educational institutions across the Sultanate. The regional distribution reflected NEDC's nationwide presence: Muscat (34%), Al Batinah South (21%), Al Sharqiyah (14 %), Al Batinah North (12%), and other governorates. These placements fulfill mandatory graduation requirements while providing invaluable employability skills, workplace exposure, and professional networking opportunities to young Omani talent.
- Additionally, 5 school students were hosted through the Work Experience Program in Musandam for a period of six weeks (خيرات), introducing them to career pathways in the energy sector and inspiring the next generation of Omani professionals.



10

SECTION

Technology & Cyber Security

Technology & Cyber Security

NEDC centralized and hardened its digital backbone in 2025 – consolidating infrastructure, layering enterprise cyber defences, and advancing smart-grid platforms to safeguard the reliability, integrity and availability of the distribution network.

 <p>ISO 27001:2022 Information Security - Certified</p>	<p>10</p> <p>Substations integrated added to SCADA – Al Wusta & Musandam</p>	<p>1.3M+</p> <p>Customers on OMS real-time outage detection & response</p>	<p>70+</p> <p>Contact-centre agents operating the Outage Management System</p>
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CYBER RESILIENCE · DEFENCE IN DEPTH

Hardened from edge to core

A layered security model protects operational and corporate systems against ransomware and advanced threats.


- ✓ Next-generation firewalls across all operational zones
- ✓ Zero Trust Network Access (ZTNA) for secure connectivity
- ✓ Web Application Firewall + Load Balancer at the edge
- ✓ Air-gapped Cyber Recovery Solution & dedicated DR site

Compliance: ISO 27001:2022 certified · policies aligned to Oman PDPL – Royal Decree 6/2022.




Geographic Information System

Authoritative spatial database of the full network – substations, transformers, feeders, cables and customer connections – powering outage management and expansion planning.




SCADA & OT Security

Real-time grid control with firmware hardening and vulnerability management; SCADA-ADMS consolidation and RMU + Fault Passage Indicator automation for faster fault isolation.



Outage Management System

Network-wide real-time outage detection with automated SMS updates and self-service channels, cutting customer effort and field dispatch.



Centralized Infrastructure

Consolidated data centres, telephony with call recording, Oracle-integrated Time & Attendance, and a unified network-monitoring platform across all zones.

NEDC has successfully implemented the centralization of its scattered IT infrastructure including Data Centers, Disaster Recovery, Backup, and Air-Gap systems to enhance system hosting capability, improve service quality, and reduce maintenance costs. This centralization has improved up time, reduced internal process time, and increased operational efficiency across all zones. As part of this initiative, NEDC established a dedicated Disaster Recovery site to ensure business continuity and implemented a Cyber Recovery Solution (CRS) with air-gap protection to safeguard critical data against ransomware and advanced cyber threats, thereby optimizing long-term costs related to maintenance, hardware failures, and cybersecurity risks.

NEDC has further strengthened its IT security model by upgrading next-generation firewalls across operational zones to protect the network from threats and unauthorized access. In addition, Zero Trust Network Access (ZTNA) was implemented to enable users to securely access business applications from internal or external networks through a secure VPN channel. To further harden external exposure, Web Application Firewall (WAF) and Load Balancer (LB) solutions were deployed to securely publish internal applications to the internet while ensuring high availability and enhanced application-layer protection.

In parallel, NEDC centralized its telephony system with enhanced call recording capabilities to improve monitoring and compliance. The organization also implemented a Time & Attendance system integrated with Oracle to streamline HR processes and improve operational accuracy. Furthermore, a centralized Network Monitoring System was deployed to proactively monitor NEDC systems and services, enabling faster incident response and improved service reliability. All the above projects were successfully delivered by the IT Infrastructure and Operations Department in 2025, significantly supporting the smooth, secure, and efficient operation of NEDC's business activities.

Cyber Security Governance and Compliance

NEDC consistently performs regular infrastructure and cybersecurity compliance assessments, aligning with both regulatory requirements and group standards. This year, NEDC achieved ISO 27001:2022 certification,

reinforcing our commitment to internationally recognized information security practices. Additionally, NEDC has drafted the necessary policies to comply with Oman's Personal Data Protection Law (PDPL) – Royal Decree No. 6/2022 and its Executive Regulation (Ministerial Decision No. 34/2024) issued by MTCIT, as part of our ongoing efforts to ensure personal data is handled in full compliance with national legislation.

Geographic Information System (GIS)

At NEDC, the Geographic Information System (GIS) serves as the central platform for managing and visualizing the electricity distribution network across all zones, wilayahs, and governorates. GIS maintains the authoritative spatial database of network assets such as substations, transformers, feeders, cables, and customer connections. By integrating operational systems and mobile applications, GIS enables engineers and decision-makers to monitor network assets, support outage management, and plan network expansion through interactive dashboards and spatial analysis. This capability enhances operational efficiency, supports data-driven decision making, and improves service reliability across NEDC's electricity distribution network.

Supervisory Control and Data Acquisition (SCADA)

The Electricity Distribution Company (NEDC) consistently advances its smart grid infrastructure via the development and deployment of Supervisory Control and Data Acquisition (SCADA) systems. These systems serve as the foundation for real-time monitoring and management of the electricity distribution network.

In 2025, NEDC persistently enhanced the cybersecurity posture of its Operational Technology (OT) environment, supporting SCADA operations across substations and control centers. Measures were implemented to improve the protection of SCADA infrastructure and substation control systems (SCS), including firmware upgrades, strengthened password policies, improved security configurations, and vulnerability management activities. These initiatives aim to safeguard operational systems against evolving cyber threats while ensuring the reliability, integrity, and availability of the electricity distribution network.

The company remains committed to aligning its OT cybersecurity practices with recognized international industrial cybersecurity standards and regulatory requirements, further reinforcing the resilience of its digital grid infrastructure.

Furthermore, NEDC continued to maintain and enhance the SCADA system across its control centers and substations, ensuring reliable supervision of all grid stations and primary substations throughout the distribution network. The SCADA team implemented various system improvements to support evolving operational requirements, including the introduction of new functionalities and the integration of monitoring and control signals from substations. These enhancements improved real-time visibility of network conditions and strengthened the monitoring of critical operational and protection functions. As part of ongoing network expansion and digital integration efforts, NEDC successfully connected 10 substations in Al Wusta and Musandam to the SCADA system, in addition to integrating all newly energized substations across the network. These integrations enhanced operational visibility, improved monitoring of remote areas, and strengthened overall network control capabilities.

Meanwhile, NEDC persisted in progressing its strategic initiative to consolidate the current SCADA and Advanced Distribution Management Systems (ADMS) into a singular integrated platform. This transition aims to centralize monitoring, control, and sophisticated network management functionalities within a cohesive platform, thereby augmenting operational efficiency, improving situational awareness, and facilitating more rapid and well-informed decision-making throughout the distribution network.

Furthermore, the company continued progressing with the automation of Ring Main Units (RMUs) and the integration of Fault Passage Indicators (FPIs) as part of its feeder automation initiatives across the distribution network. Integrating automated RMUs and FPIs with SCADA systems enables real-time monitoring, remote switching operations, and faster detection and localization of network faults. These initiatives support NEDC's 0601+ safety and reliability targets by enhancing operational safety, enabling faster fault isolation, improving service restoration, and strengthening overall network performance.

Through continuous innovation and infrastructure modernization, SCADA remains a fundamental pillar in NEDC's commitment to developing a more resilient, efficient, and intelligent electricity distribution network within the Sultanate of Oman.

Outage Management System (OMS)

The Outage Management System (OMS) is one of the most critical platforms within Nama Distribution Company (NEDC), serving as the primary channel for registering and tracking customer-reported outages. The system is heavily utilized by the Contact Centre, which acts as the frontline interface for more than 1.3 million customers across all NEDC regions, supported by over 70 agents to ensure efficient workflow management. Before implementing OMS, the Contact Centre handled an average of more than 3,000 calls daily, placing substantial pressure on teams and operational resources.

OMS has delivered significant benefits by enabling the Contact Centre to provide high-quality, cost-effective service through multiple communication channels, while improving key performance indicators such as reduced abandoned calls and enhanced service levels. The system ensures data accuracy and reliability through continuous emergency team updates and supports seamless integration across various NEDC systems. By centralizing operations in a unified OMS, the number of outbound calls to emergency teams has been minimized, saving both time and operational cost.

Additionally, near-real-time outage transactions allow emergency teams to focus more on resolving issues rather than administrative tasks. OMS also enhances customer experience by notifying impacted customers before they report an outage and enabling them to track progress through automated SMS updates at each stage. Automation further reduces customer waiting times to reach agents and shifts many Contact Centre services toward self-service channels. With improved data accuracy, availability, and consistency, the system also provides better outage analytics to support network enhancement and allows for dynamic and practical allocation of emergency teams, contributing to operational savings by reducing the number of required field teams based on performance insights generated by OMS.



11

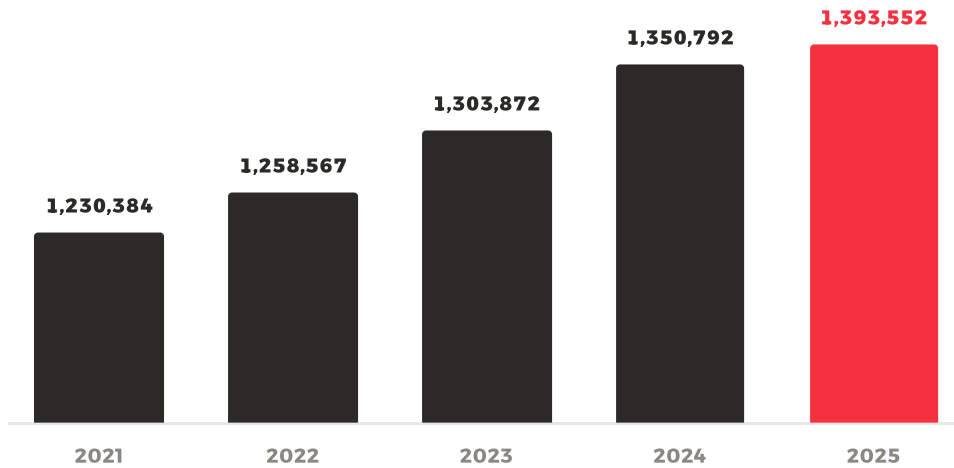
SECTION

Operational Performance

Customer Accounts

Active customer accounts · 2021-2025

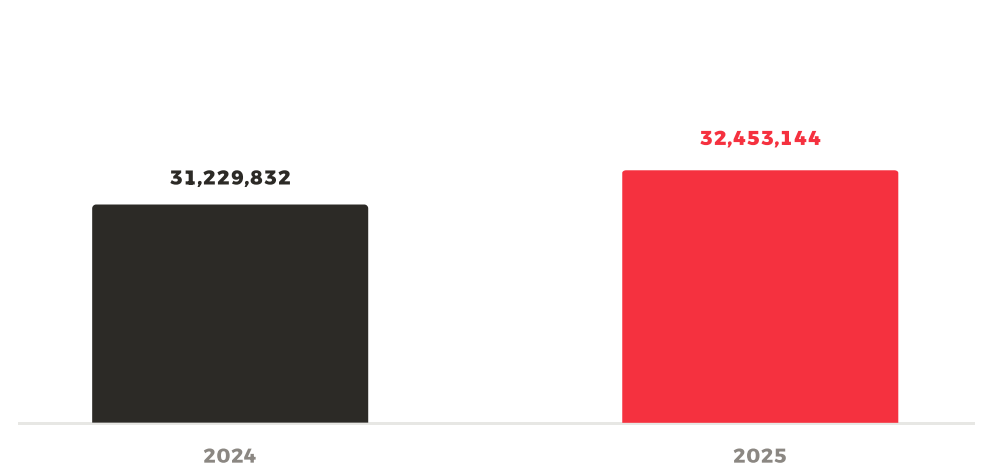
2021	2022	2023	2024	2025
1,230,384	1,258,567	1,303,872	1,350,792	1,393,552



Regulated Units Distributed (RUD) - Sales

Units distributed · 2024 vs 2025

2024	2025
31,229,832	32,453,144



Network Growth

A consolidated view of the distribution network at year-end 2025 – grid and primary infrastructure, installed capacity and circuit length across all voltage levels – reflecting sustained capital investment in **network capacity, resilience and reliability** across NEDC's licensed service areas.

CATEGORY	DESCRIPTION	2025
GRID DATA	Number of Grid Stations	105
	Number of Transformers	165
	Grid Installed Capacity (MVA)	25,146
PRIMARY DATA	Number of Primary Substations	687
	Number of Transformers	1,444
	PSS Installed Capacity (MVA)	21,312
DISTRIBUTION DATA	Distribution Substations (GMT + PMT)	48,985
	Number of Transformers	53,549
	Distribution Installed Capacity (MVA)	31,956.76
CIRCUITS DATA (KM)	33 kV Circuit Length (UGC + OHL)	15,665.79
	11 kV Circuit Length (UGC + OHL)	34,168.69
	LV Circuit Length (UGC + OHL)	53,744.09
	Total Circuit Length (UGC + OHL)	103,578.60

Figures based on GIS network statistics as at 31 December 2025. Circuit length in kilometres; installed capacity in MVA.

LOOKING AHEAD

While we have successfully met our key performance indicators (KPIs), we are optimistic about further advancements. As new initiatives under the Customer Affairs & Contact Center Department are fully implemented, we expect to see continued enhancements in performance, enabling the business to deliver exceptional customer service and further improve overall customer satisfaction.



12

— SECTION

Shareholder Value – Financial Performance

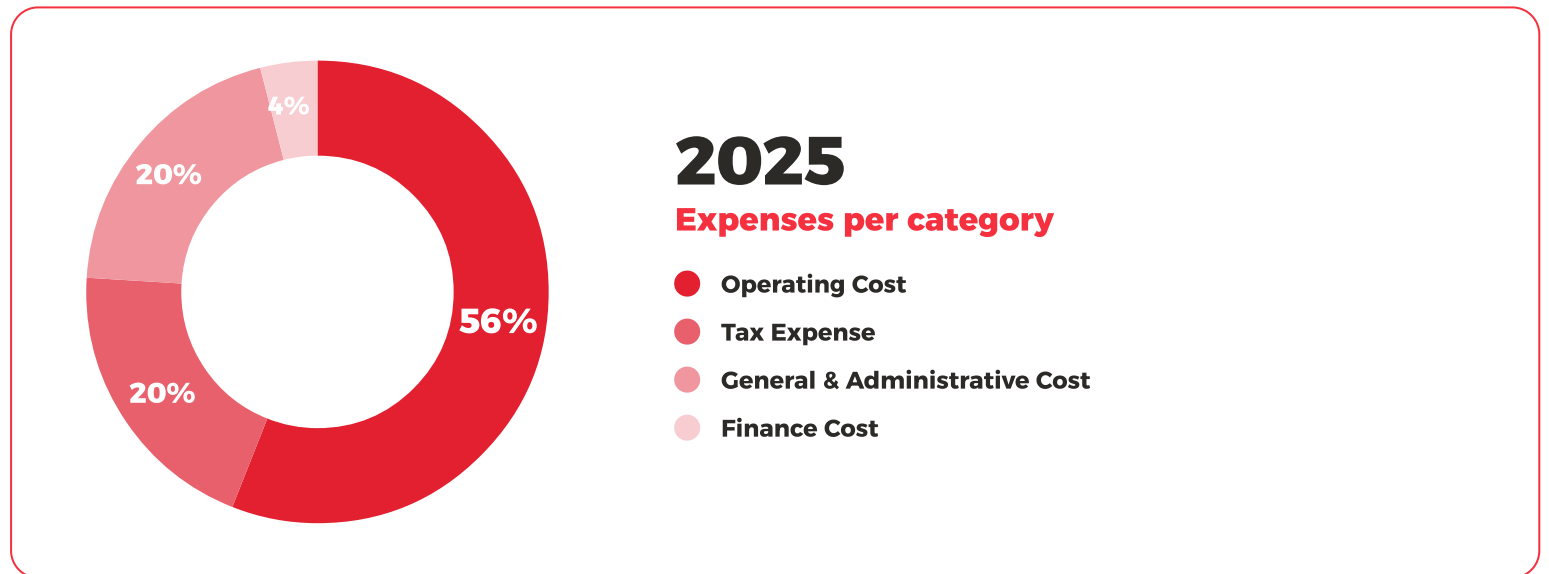
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Maintaining stakeholder value is the fundamental priority, and NEDC remains committed to delivering consistent value through enhanced efficiency. Below are the **key highlights of the financial performance** in the year 2025.



EBITDA

RO 189.8 Million





13

SECTION

Communication

Strategic Contribution of Corporate Communication

Corporate communication serves as a key strategic enabler supporting the objectives of Nama Electricity Distribution Company. It contributes to enhancing institutional transparency and strengthening trust with the community and stakeholders, while supporting the Company's priorities in digital transformation, community safety, and sustainable energy practices. The corporate communication framework also plays an important role in increasing customer awareness of digital services and promoting the adoption of technological solutions such as smart meters and digital platforms. This contributes to improving the customer experience and facilitating access to services.

At the same time, awareness campaigns support the promotion of safe electricity practices and help reduce risks associated with the use of electricity, reinforcing the Company's role in protecting the community. Through an integrated communication approach combining awareness campaigns, media engagement, and digital platforms, the Company continues to strengthen its institutional presence and reinforce its reputation as a trusted electricity distribution provider in the Sultanate of Oman.

Awareness Campaigns

In support of the Company's objectives in energy efficiency, community safety, and sustainable energy transition, several awareness campaigns were implemented during 2025, targeting different segments of society. These included the Smart Meter Awareness Campaign "حول للدكي", which focused on promoting awareness of smart meters and their role in improving electricity consumption management and enhancing the customer experience through digital services.

The Company also implemented the Electrical Safety Campaign "قابل روحك", aimed at raising awareness of electrical hazards and encouraging safe practices when dealing with electricity. In addition, the Electric Vehicle Campaign "اشحن بنقعة" was launched to support the transition toward clean energy and to raise awareness of electric vehicle infrastructure and sustainable mobility solutions.

These campaigns were delivered through digital platforms, media engagement, and community outreach activities, contributing to increased public awareness and stronger engagement with the Company's services and initiatives.

Events and Stakeholder Engagement

During 2025, Nama Electricity Distribution Company continued to strengthen its institutional presence and stakeholder engagement through active participation in key sectoral, technology, urban development, and community events. These engagements supported the Company's efforts to build strategic relationships with government entities, industry partners, technology providers, and local communities, while reinforcing its role in advancing the electricity distribution sector in Oman.

As part of its digital transformation agenda, the Company participated in COMEX 2025 through the "منور" campaign, showcasing a range of digital solutions and smart technologies designed to enhance customer experience and operational efficiency. The Company's participation highlighted key initiatives including smart metering, smart grid projects, integrated digital platforms, and AI-enabled energy management solutions, reflecting its commitment to innovation, sustainability, and service excellence.

The Company also hosted IEEE PowerTalks 2025 in collaboration with IEEE and with the support of the Authority for Public Services Regulation (APSR). The conference provided a strategic platform for dialogue on the future of power and energy, bringing together policymakers, industry leaders, experts, innovators, and technology providers to discuss energy transition, smart grid development, renewable energy integration, energy efficiency, asset management, energy storage, and distribution system optimization.

In support of Oman's urban development and sustainability priorities, the Company participated in the October Urbanism 2025 Exhibition and Conference, organized by the Ministry of Housing and Urban Planning under the theme "Sustainable Cities for People". Through its pavilion, the Company showcased its smart infrastructure projects, smart meters, sustainable energy initiatives, cybersecurity efforts, and solar energy solutions, demonstrating its contribution to the development of smart and sustainable cities in line with Oman Vision 2040.

The Company further strengthened its relationships with strategic partners through the Partners 10 event and participated in GIS Day to highlight the role of geospatial technologies in improving electricity distribution planning, asset visibility, and network operations.

At the community level, the Company continued to engage with local communities across different governorates through awareness sessions, meetings, and electrical safety lectures. These initiatives reflected the Company's commitment to public awareness, safety, and responsible engagement with the communities it serves.

Media Impact and Digital Presence

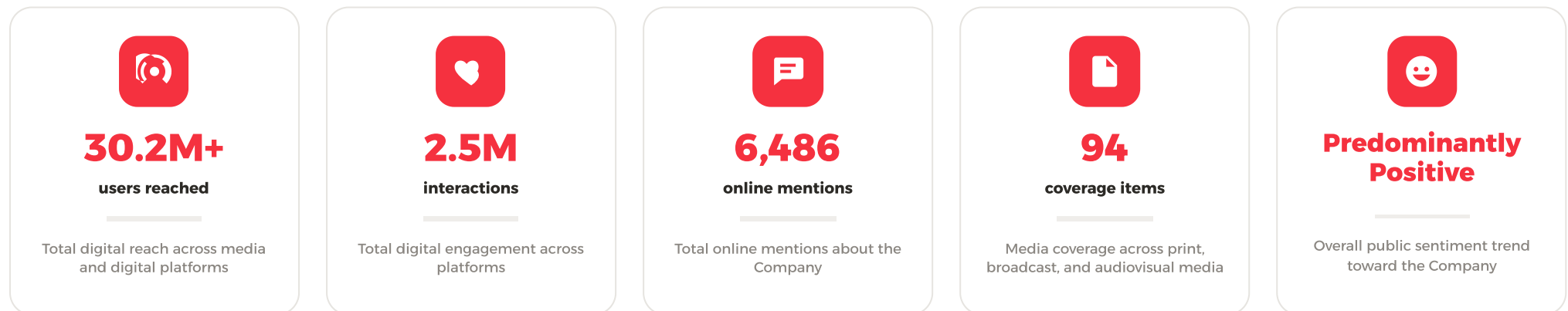
During 2025, the Company continued to strengthen its media and digital presence in support of its objectives of enhancing transparency, building trust with stakeholders, and reinforcing its institutional reputation.

The Company adopted an integrated approach combining media monitoring and digital analysis to better understand public sentiment and enhance the effectiveness of its corporate messaging. This process was supported by an AI-enabled digital analytics platform.

The analysis indicated strong media visibility and digital engagement, supported by positive public sentiment. This reflects growing public interest in the Company's initiatives related to digital transformation, smart technologies, and electrical safety awareness.

Digital platforms played a key role in expanding communication with the community and disseminating awareness messages related to the Company's services and development initiatives. At the same time, the Company maintained an active presence across national media channels by highlighting investments in electricity infrastructure development, innovative initiatives, and digital services.

Key Communication Impact Indicators - 2025





NEDC AT COMEX 2025 · STAKEHOLDER ENGAGEMENT & DIGITAL SHOWCASE

Internal Communication

Internal communication initiatives during 2025 focused on strengthening employee alignment with the Company's strategic direction and fostering a collaborative corporate culture that supports operational excellence.

Key initiatives included communicating strategic programs and transformation initiatives, encouraging employee participation in corporate and national events, promoting workplace safety culture, and enhancing communication channels across departments.

These efforts contributed to strengthening institutional alignment and encouraging employee engagement in initiatives that support the Company's objectives.

Strategic Value of Corporate Communication

The results achieved during 2025 reflect the growing role of corporate communication as a strategic enabler supporting the Company's journey, particularly in strengthening trust with stakeholders and supporting digital transformation in services.

Corporate communication initiatives also contributed to increasing customer awareness of digital services and improving customer experience through various service channels, while enhancing community awareness of safe electricity practices and reducing associated risks.

Furthermore, the corporate communication framework played an important role in strengthening the Company's institutional reputation and reinforcing its position as a leading national electricity distribution provider in the Sultanate of Oman.



14

SECTION

Sustainability Report

As Oman's largest electricity distribution company, NEDC plays a critical role in the country's transition to a smart, sustainable energy future. Our sustainability framework is rooted in national priorities, including Oman Vision 2040, Oman Investment Authority (OIA) guidelines, and regulatory directives. With a strong focus on innovation, governance, and digitalization, we are actively driving Smart Cities initiatives through smart metering, renewable integration, and digital transformation. This report highlights our key sustainability achievements in 2025.

GRI 1 - FOUNDATION About: Reporting principles, scope, and compliance statement

This Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. The report covers Nama Electricity Distribution Company (NEDC) operations. This report represents NEDC's sustainability report. The report includes disclosures on key material topics identified through internal assessment aligned with:

- Relevant GRI Topic Standards

The preparation of this report follows the core GRI reporting principles:

- **Accuracy** - ensuring data reliability and consistency
- **Balance** - presenting both positive and negative aspects of performance
- **Clarity** - ensuring information is understandable and accessible
- **Comparability** - enabling future benchmarking and performance tracking
- **Completeness** - covering all material topics and relevant boundaries
- **Sustainability Context** - linking performance to national and global sustainability priorities
- **Timeliness** - reporting on an annual basis
- Where applicable, data has been collected from relevant internal departments, including **HSSE, Facilities Management, ESG, Risk & Compliance, and Human Resources**, and reflects the best available information at the time of reporting.

Sustainability Strategy

NEDC is committed to supporting Oman's Smart Cities vision under Oman Vision 2040 by building a resilient, digitally enabled, and environmentally sustainable electricity distribution network. Through the deployment of smart meters, automated grid infrastructure, advanced monitoring systems, and renewable energy integration, NEDC is enhancing operational efficiency, improving energy management, and reducing environmental impact across its network.

Sustainability is embedded within NEDC's strategic framework and aligned with national regulatory expectations and ESG disclosure requirements. ESG principles are integrated into governance structures, risk management processes, service reliability frameworks, and operational performance monitoring to ensure long-term national value creation and infrastructure resilience.

Our sustainability framework is structured around three core pillars—Digitalization, Governance, and Strategic Synergies—designed to drive measurable and sustainable impact:

- **Economic Sustainability** Strengthening infrastructure reliability, enhancing energy efficiency, optimizing network performance, and promoting local business participation (ICV) to ensure financial resilience and long-term value creation.
- **Social Responsibility:** Developing national capabilities, enhancing workforce competencies, improving customer experience, and fostering responsible community engagement to support inclusive growth.
- **Environmental Sustainability:** Advancing renewable energy integration, developing a structured decarbonization roadmap, establishing environmental baselines (including Scope 1 and Scope 2 emissions), reducing technical losses, promoting energy efficiency, and supporting low-carbon infrastructure development to align with Oman's climate and sustainability ambitions.

Economic Pillar

In country Value Contribution

As part of our commitment to economic sustainability and In-Country Value (ICV), NEDC increased its local procurement and SME engagement in 2025. Key achievements include:

- **Increase in ICV Index:** By enhancing local procurement, workforce nationalization, and partnerships with local suppliers, the total NEDC ICV Index baseline increased by 14%, reaching 48% of NEDC's total supply chain spend in 2025.
- **National Goods Spend:** NEDC spent around OMR 49 million on goods produced within the country, reinforcing its commitment to supporting local industries.
- **National Services Spend:** The company's expenditure on services provided by local entities reached OMR around 136 million, contributing significantly to the growth of the national service sector.
- **SME Registration:** The number of SME companies registered with NEDC increased, reaching 224 by the end of 2025.

● GRI 3 - MATERIAL TOPICS (About: identifying stakeholders' interests)

NEDC conducted a materiality assessment as part of its ESG foundation development in collaboration with an external ESG consultant to identify and prioritize the most significant Environmental, Social, and Governance (ESG) topics. The assessment considered stakeholder expectations, Oman Investment Authority (OIA) and Muscat Stock Exchange (MSX) ESG requirements, and the company's operational impacts, risks, and strategic priorities. Based on this assessment, key material topics identified include emissions, energy efficiency, electricity losses, health and safety, customer experience, and governance. These topics form the foundation of NEDC's ESG strategy, performance monitoring, and sustainability disclosures. The detailed methodology and results of the materiality assessment will be further elaborated in NEDC's standalone ESG Report.

GRI 2-29 - STAKEHOLDER ENGAGEMENT

NEDC recognizes stakeholder engagement as a key component of its sustainability and ESG framework, enabling the company to understand stakeholder expectations, manage risks, and create long-term value.

The company engages with a wide range of stakeholders, including:

- **Regulators** (e.g., sector authorities and government entities)
- **Customers** (residential, commercial, and industrial users)
- **Employees**
- **Suppliers and contractors**
- **Shareholders and investors**
- **Local communities**

Engagement is conducted through structured and ongoing communication channels, including:

- Customer satisfaction surveys and feedback platforms
- Workshops, awareness campaigns, and stakeholder consultations
- Regular meetings with regulators and compliance reporting
- Internal communication platforms and employee engagement initiatives
- Supplier interactions and procurement processes

The outcomes of stakeholder engagement are used to support:

- Identification of material ESG topics
- Enhancement of service delivery and customer experience

- Strengthening of governance and compliance practices
- Development of sustainability initiatives and action plans

NEDC continues to enhance its stakeholder engagement approach to ensure alignment with national priorities, regulatory expectations, and international ESG standards

(ENVIRONMENT)

GRI 302 - ENERGY

NEDC monitors and manages its energy consumption as part of its commitment to improving operational efficiency and reducing environmental impact across its facilities.

In 2025, the **total electricity consumption across NEDC buildings was 59,965,429 kWh**, based on data collected from Facilities Management covering all operational and administrative premises under the company's control.

Energy efficiency initiatives implemented during the reporting period include:

- Optimization of energy usage through smart grid and digital monitoring systems
- Implementation of energy efficiency measures across facilities
- Integration of renewable energy solutions, including rooftop solar where applicable

NEDC continues to explore opportunities to reduce energy consumption intensity and enhance efficiency as part of its broader decarbonization and sustainability strategy.

● GRI 305 - EMISSIONS About: greenhouse gas emissions

NEDC monitors its greenhouse gas (GHG) emissions as part of its commitment to reducing environmental impact and supporting Oman's transition toward a low-carbon economy.

In 2025, NEDC reported the following emissions:

- **Scope 1 emissions (direct emissions from fuel consumption): 47,000 tCO_{2e}**
- **Scope 2 emissions (indirect emissions from electricity consumption): 385,000 tCO_{2e}**

These emissions are primarily driven by fleet operations, diesel-based systems, and electricity losses within the distribution network.

During the reporting period, NEDC implemented several initiatives to reduce its carbon footprint, including:

● **Scope 1 Emission Reduction Initiatives :**

■ **Fleet Management Optimization:** Reduced emissions from approximately **6,700 tCO₂e to 3,000 tCO₂e**

■ **Rabat Project (Diesel to Gas Conversion):** Reduced emissions from approximately

● **59,000 tCO₂e to 44,000 tCO₂e**

● **Scope 2 Emission Reduction Initiatives:**

■ **Electricity Loss Reduction Programs:** Reduced emissions from approximately

● **385,000 tCO₂e to 254,000 tCO₂e**

■ **Energy Efficiency & Solar Integration:** Reduced emissions from approximately

● **4,600 tCO₂e to 4,000 tCO₂e**

These initiatives reflect NEDC’s ongoing efforts to enhance operational efficiency, reduce technical losses, and integrate cleaner energy solutions across its network.

NEDC will continue to develop its emissions inventory and establish formal reduction targets in alignment with national climate commitments and international ESG frameworks.

● **GRI 306 -About: waste generation and recycling**

NEDC is committed to responsible waste management practices to minimize environmental impact and promote resource efficiency across its operations.

In 2025, the total waste generated from NEDC operations was categorized as follows:

- **Total hazardous waste:** 21.13 tons
- Silica Gel: 3.7 tones
- Nickel-Cadmium (Ni-Cd) Batteries: 17.43 t
- **Total non-hazardous waste:** 1,626.5 t

Hazardous waste generated primarily originates from maintenance activities and equipment handling, while non-hazardous waste includes general operational and administrative waste.

All hazardous waste is handled, stored, and disposed of in accordance with applicable environmental regulations and approved waste management practices to ensure safe handling and minimize environmental risks.

NEDC continues to explore opportunities to enhance waste management performance through:

- Improved waste segregation practices
- Recycling and recovery initiatives where applicable
- Collaboration with licensed waste management service providers

The reported figures represent the baseline for waste generation and will support the development of waste reduction and recycling targets in future reporting periods

Social Responsibility Pillar

Omanization in Contracted Companies

NEDC is committed to fostering social development as well as economic growth by prioritizing Omanization within its contractor network. In alignment with APSR requirements, NEDC mandated a 64% Omanization rate for contracted companies, successfully achieving this target through obligating contractors to employ Omani nationals, contributing to Omanization and skill development. This milestone strengthens the local economy by creating sustainable employment opportunities, enhancing workforce skills, and fostering long-term economic resilience.

● **[GRI 403 - HEALTH & SAFETY (About: workplace safety performance)]**

NEDC is committed to maintaining a safe and healthy working environment across all its operations, guided by robust Health, Safety, Security, and Environment (HSSE) management systems aligned with regulatory requirements and best international practices.

In 2025, NEDC recorded a Lost Time Injury Frequency Rate (LTIFR) of 0.1, reflecting the overall safety performance across its operations. During the reporting period, one fatality was recorded, which significantly impacted the LTIFR performance for the year.

The LTIFR outturn falls within the 110%-120% performance threshold range, and in accordance with the approved Terms of Reference (ToR), linear proration has been applied, resulting in an achievement score of 111.67%.

NEDC continues to strengthen its safety culture through:

- Ongoing safety awareness programs and campaigns
- Regular audits, inspections, and management walkthroughs
- Incident investigation and corrective action implementation
- Continuous monitoring of key safety indicators

The company remains committed to a **zero-harm objective**, with a focus on preventing fatalities, reducing incidents, and continuously improving workplace safety performance across all operational areas.

ENVIRONMENT PILLAR

Renewable Energy Initiative

In line with Oman's Smart Cities and clean energy transition, driven by government and private sector initiatives, and with a goal of achieving more than 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 Regulation (APSR) across three stages: Initial Enquiry, Design Approval, and Commissioning & Energizing.

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.

>20%

Renewable energy consumption by 2040

Target under Oman Vision 2040

SOLAR PV PROJECT LIFECYCLE · APSR

1

Initial Enquiry

2

Design Approval

3

Commissioning & Energizing

NUMBER OF SOLAR APPLICATIONS PER CUSTOMER TYPE											
Customer Type	2015	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
RECEIVED											
Residential	0	0	7	7	22	35	153	121	130	357	832
Agriculture	0	0	2	1	1	10	6	57	7	2	86
Commercial	0	4	15	13	22	7	25	59	42	52	239
Governmental	1	5	9	9	7	12	13	41	21	50	168
Total	1	9	33	30	52	64	197	278	200	461	1325
ENERGIZED											
Residential	0	0	5	7	14	22	49	176	108	91	472
Agriculture	0	0	2	0	2	1	14	4	55	6	84
Commercial	0	1	4	19	8	16	14	33	40	28	163
Governmental	1	2	5	10	7	14	5	20	33	22	119
Total	1	3	16	36	31	53	82	233	236	147	838

NUMBER OF SOLAR APPLICATIONS PER CUSTOMER TYPE

DC capacity (kW) per customer type

Customer Type	2015	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
RECEIVED											
Residential	0	0	89.2	124.01	229.75	416.78	1815.07	1658	1780.46	1719.955	7833.225
Agriculture	0	0	602	25	268.8	711	426.2	4176.7	349.17	41.8	6600.67
Commercial	0	257.3	3548.8	2216.2	21687.15	1129.14	5328.1	12207.59	12766.245	113443.1	172583.7
Governmental	702	1693.3	1354.28	1256.48	724.8	6900.38	1195.69	5989.89	1548.97	12448.17	33813.96
Total	702	1950.6	5594.28	3621.69	22910.5	9157.3	8765.06	24032.18	16444.845	127653.1	220831.5
ENERGIZED											
Residential	0	0	77.2	75.31	147.25	263.3	585.235	2454.43	1595.46	1071.615	6269.8
Agriculture	0	0	602	0	293.8	175	862.2	140.3	833.45	3652.12	6558.87
Commercial	0	125	177.8	2504.6	1713	6172.64	2297.4	20951.26	15999.105	6485.75	56426.56
Governmental	702	241	623.5	1725.68	651.88	4271.28	419.41	5087.68	3450.43	3488.975	20661.84
Total	702	366	1480.5	4305.59	2805.93	10882.22	4164.245	28633.67	21878.445	14698.46	89917.06

NUMBER OF SOLAR APPLICATIONS PER CUSTOMER TYPE

AC capacity (kW) per customer type

Customer Type	2015	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
RECEIVED											
Residential	0	0	81.7333	119.6667	220.2333	383.4833	1668.15	1549.404	1692.4875	1553	7268.158
Agriculture	0	0	501.667	20.83333	224	592.5	355.1667	3468.542	342	37	5541.708
Commercial	0	222.7167	3073.6	1997.667	18410.5	1007	4540.583	10441.58	11012	92289	142994.7
Governmental	700	1510.25	1129.54	1060	683.5	5533.333	1067.75	5131.117	1534	11487.25	29836.74
Total	700	1732.967	4786.54	3198.167	19538.23	7516.317	7631.65	20590.65	14580.4875	105366.3	185641.3
ENERGIZED											
Residential	0	0	71.7333	71.33333	140.6667	244.8333	535.8667	2258.221	1522.504167	1002	5847.158
Agriculture	0	0	501.667	0	244.8333	145.8333	718.5	116.9167	719.7916667	3057.167	5504.708
Commercial	0	104.1667	158.55	2186.267	1600	5464.5	2011.333	17425.39	13755.44167	5487	48192.65
Governmental	700	200	532.683	1423.777	558.3333	3665.833	382.6667	4117.083	3034.5	3320.617	17935.49
Total	700	304.1667	1264.63	3681.377	2543.833	9521	3648.367	23917.61	19032.2375	12866.78	77480.01

In 2025, a total of 461 applications for solar PV connections were received, with project implementation progress exceeding 131%. Our renewable customer base has grown to 838 customers with PV systems with a total production capacity of 89.9 MWp/77.5 MWac. We anticipate reaching approximately 192 MWp/160 MWac of PV generation capacity connected to the NEDC network by the end of 2026. The table on the preceding pages summarises the capacity received and connected by each type of customer.

- Installation of solar panels at primary electrical substations, providing renewable energy to the main electrical systems.
- Expanded its oil filtration plants to recycle transformer oil, significantly reducing the environmental impact of oil spills from distribution transformers.
- 66 environmental observations were recorded and addressed in accordance with established company procedures.

NEDC has announced the following projects:

- Expansion of EV charging infrastructure by installing three electric vehicle (EV) charging stations at strategic locations in Muscat and Sohar, including one at NEDC Headquarters, supporting Oman's transition to sustainable transportation and clean energy.
- Installation of a 136-kW solar energy system on rooftops (Hay Al-Khuwairat), a healthy village in Barka, to support eligible beneficiaries.

Governance Excellence

Strong governance is the foundation of our sustainability strategy. NEDC operates under a comprehensive corporate governance framework that aligns with OIA policies/guidelines and Nama Group regulations, ensuring transparency, compliance, and ethical decision-making. In 2025, we reinforced our compliance framework, achieving zero major governance violations and strengthening our internal controls.

Additionally, we enhanced our governance practices in business continuity and risk management by establishing robust risk and business continuity frameworks that align with national regulations and international standards. These frameworks incorporate clear accountability structures, Board of Directors (BOD) strategic oversight, and regular Executive reviews, ensuring a proactive and resilient risk management approach.

To further strengthen our operational resilience and risk-based decision-making, we launched disaster recovery testing programs, simulating crisis scenarios to evaluate and refine our crisis response capabilities. These measures mitigate risks to NEDC's business, protect lives, and ensure minimal disruptions to electricity distribution across Oman. By continuously refining our governance and crisis management strategies, we remain committed to maintaining a stable, secure, and future-ready electricity distribution network.

Conclusion

NEDC's Sustainability Report represents a significant milestone in the company's journey toward embedding sustainability into NEDC operations. This report establishes a clear baseline for performance, highlights key achievements, and reflects NEDC's commitment to transparency, accountability, and continuous improvement. As the company progresses, NEDC will continue to strengthen its sustainability framework, enhance data quality and reporting practices, and implement targeted initiatives to reduce environmental impact, improve social outcomes, and reinforce governance excellence. Guided by national priorities and international standards, NEDC remains committed to delivering sustainable value to its stakeholders while supporting Oman's transition toward a resilient and low-carbon future.

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SECTION

Financial Statements & Auditor's Report

ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

31 DECEMBER 2025



**Powering Oman's path forward – sustainable, smart,
steady.**

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