

Nama Electricity Distribution Company SAOC

A Nama Group Company

**Investor Presentation
Dec 2025**

Empowering progress.....
Toward a **sustainable future**.....

Strictly private and confidential



Disclaimer

THIS PRESENTATION IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL ANY SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. BY ATTENDING THE PRESENTATION OR BY READING THE PRESENTATION SLIDES YOU ACKNOWLEDGE AND AGREE TO THE FOLLOWING:

This presentation and its contents are confidential and proprietary to Nama Electricity Distribution Company S.A.O.C. and no part of it or its subject matter may be reproduced, redistributed, passed on, or the contents otherwise divulged, directly or indirectly, to any other person (other than the relevant person's professional advisers) or published in whole or in part for any purpose without the prior consent of Nama Electricity Distribution Company S.A.O.C., or its agents or representatives. If this presentation has been received in error then it must be returned immediately. This presentation has been prepared by Nama Electricity Distribution Company S.A.O.C., is only for discussion purposes, may be amended and supplemented and may not be relied upon for the purposes of entering into any transaction. The views reflected herein are solely those of Nama Electricity Distribution Company S.A.O.C. and are subject to change without notice. This presentation does not constitute an offer or an agreement, or a solicitation of an offer or an agreement, to enter into any transaction (including for the provision of any services). No assurance is given that any such transaction can or will be arranged or agreed.

The information contained in this presentation has not been independently verified and no representation or warranty, express or implied, is made or given by any agent or representative of Nama Electricity Distribution Company S.A.O.C or any of their respective directors, officers, employees, agents, affiliates, advisors or any person acting on their behalf, as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of Nama Electricity Distribution Company S.A.O.C., any of its agents or representatives is under any obligation to update or keep current the information contained in this document or in the presentation to which it relates and any opinions expressed in them is subject to change without notice. None of Nama Electricity Distribution Company S.A.O.C. or any of its respective affiliates, advisors or representatives or any of their respective directors, officers, employees, agents, affiliates, advisors or any person acting on their behalf shall have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this document or its contents, or otherwise arising in connection with this presentation.

Certain analysis is presented herein and is intended solely for purposes of indicating a range of outcomes that may result from changes in market parameters. It is not intended to suggest that any outcome is more likely than another, and it does not include all possible outcomes or the range of possible outcomes, one of which may be that the investment value declines to zero. This presentation includes forward-looking statements. These forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "may," "should" and similar expressions identify forward-looking statements. Forward-looking statements include statements regarding strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures; growth in demand for products; economic outlook and industry trends; developments of markets; the impact of regulatory initiatives; and the strength of competitors.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including, without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, and the Company may not achieve or accomplish these expectations, beliefs or projections. The Company disclaims any obligation to update their view of such risks and uncertainties or to publicly announce the results of any revision to the forward-looking statements made herein, except where to do so would be required under applicable law.

This Presentation includes certain alternative performance measures ("**APMs**") that are not defined in accordance with IFRS accounting standards and are used by the Company within its financial publications to supplement disclosures prepared in accordance with IFRS. The Company considers that these measures provide useful information to enhance the understanding of financial performance. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined in accordance with IFRS, and may differ from similarly titled metrics used by other companies.

This presentation contains data sourced from and the views of independent third parties. In placing such data in this document, the Company makes no representation, whether expressed or implied, as to the accuracy of such data. The replication of third-party views in this presentation should not necessarily be treated as an indication that the Company agrees or concurs with such views.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The information and opinions contained herein are provided as at the date of this presentation and are subject to change without notice. This presentation is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. The presentation may not be reproduced, redistributed, published or passed on to any other person, directly or indirectly, in whole or in part, for any purpose. This presentation remains the property of the Company and, on request, must be returned and any copies destroyed.

Table of Contents

01. Nama Group & Electricity Sector Overview

02. Company Overview

03. Operational Highlights

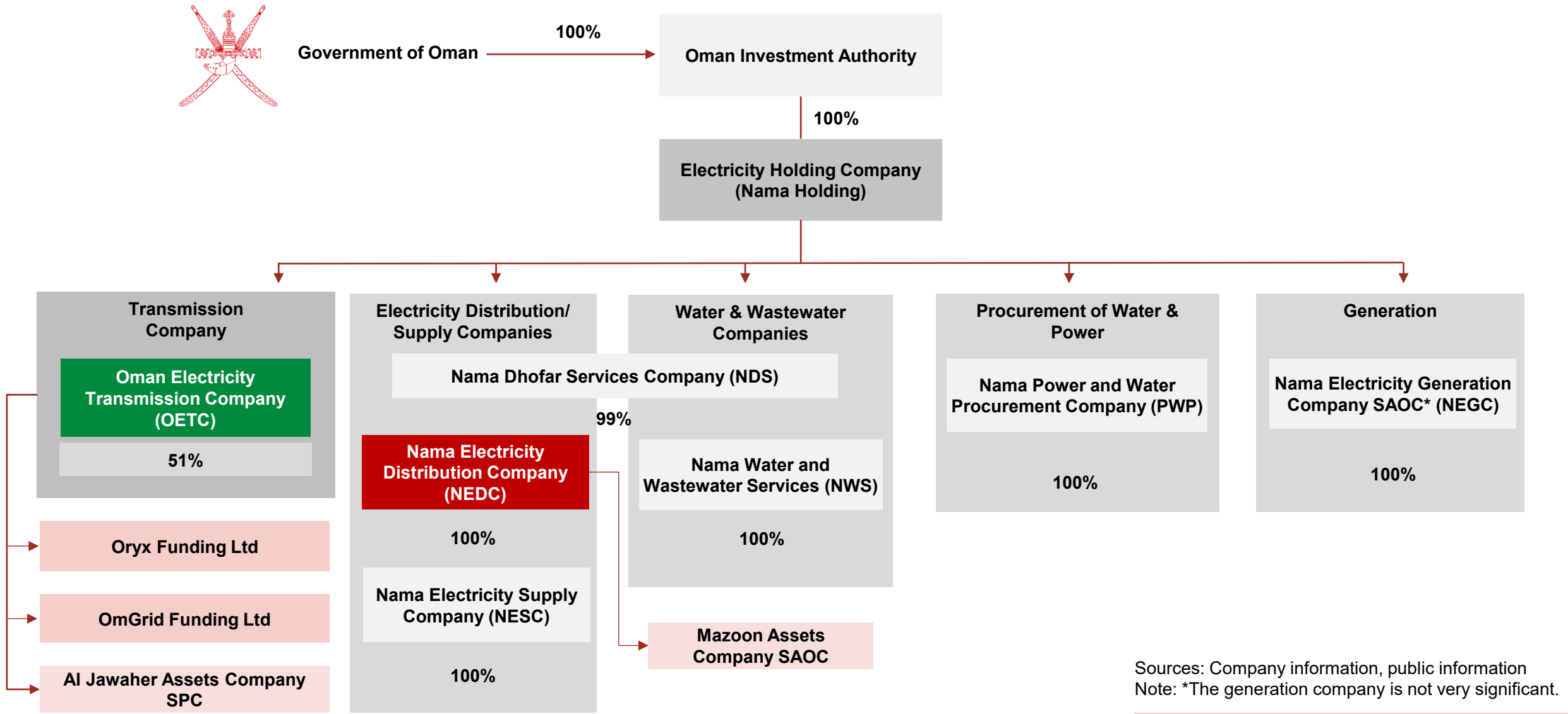
04. Financial Highlights

05. Appendix



Nama Group & Electricity Sector Overview

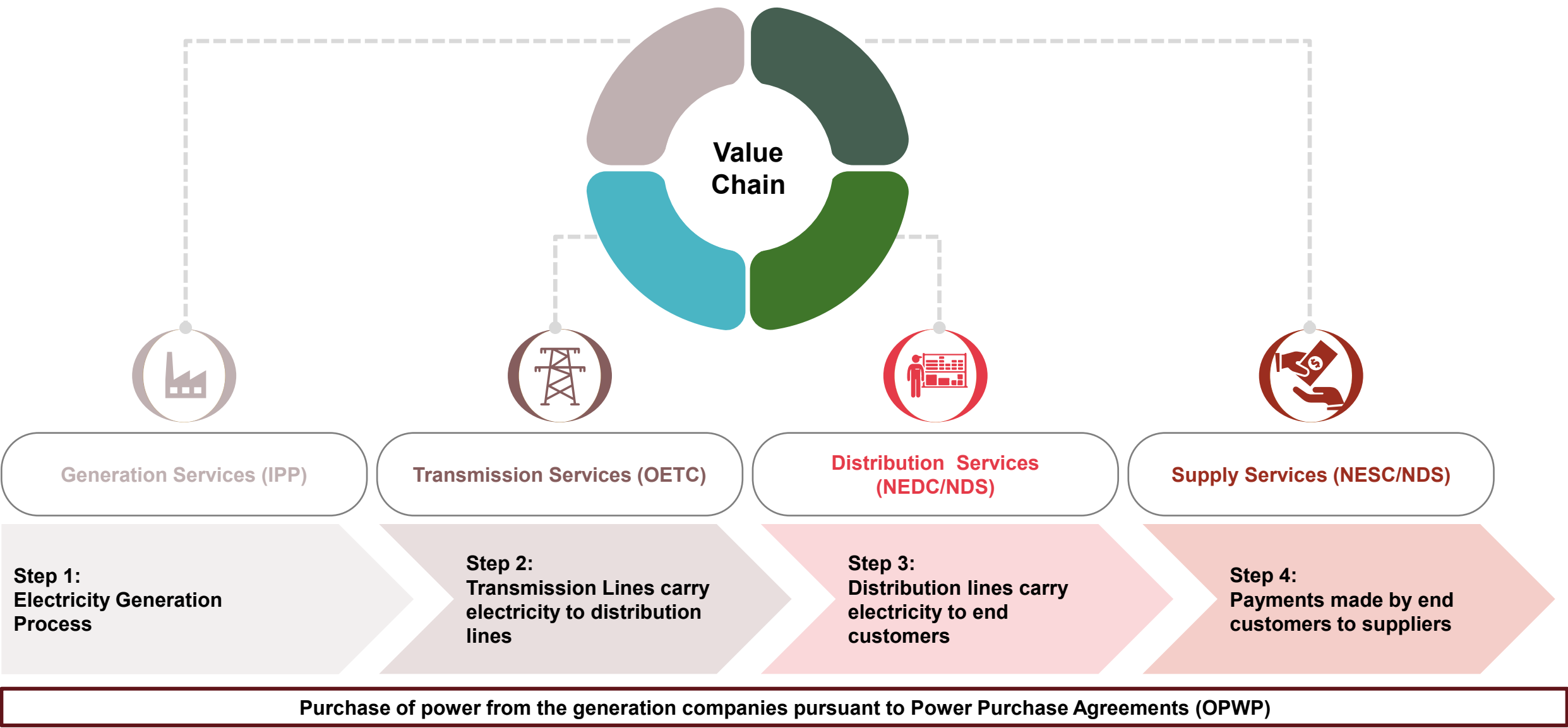
NAMA Group



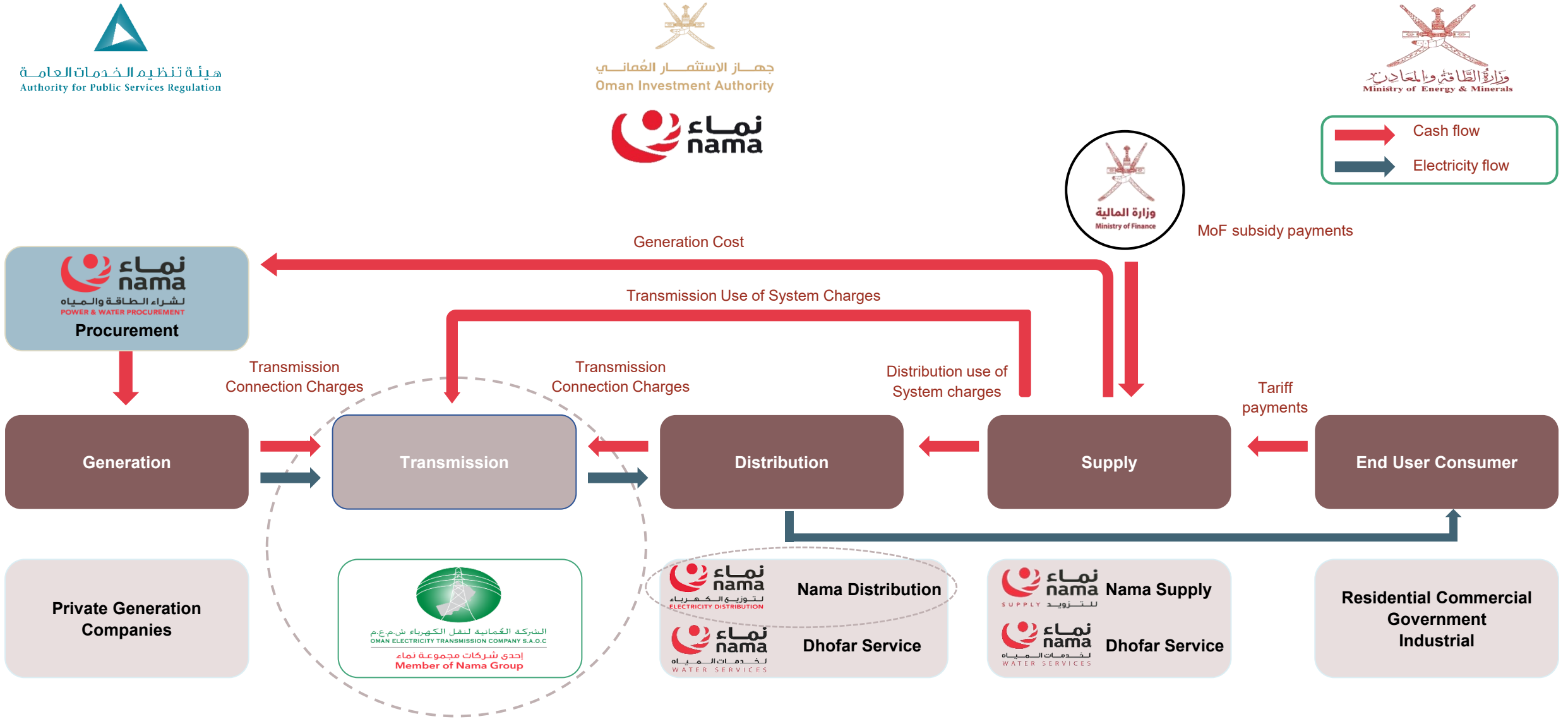
Sources: Company information, public information
Note: *The generation company is not very significant.

These are special purpose vehicles (SPVs) established for sukuk or bond issuances.

Oman's Electricity – Value Chain



Understanding of Oman's Electricity Sector



Note: A few high-consumption customers are connected directly to the grid through OETC
Sources: Company financials,



Company Overview

Overview of Nama Electricity Distribution Company SAOC

Oman's Sole Distribution Company¹

Company Overview

- NEDC is the single electricity distribution company covering the entire country of Oman with the exception of Dhofar
- It is a 100% owned subsidiary under Nama Holding which is the national electricity and waste-water holding company
- NEDC provides electricity distribution services for all residential, commercial, industrial, agricultural, and government sector

Financial Sustainability Actions

- **Equity injection:** The shareholders (Nama Holding, OIA) had converted shareholder loans of OMR 93.1Mn (USD 241.82Mn) including accrued interest into equity in 2023, followed by OMR 10 million (USD 38.5Mn) in 2025, to facilitate fundraising for future growth opportunities in a sustainable manner. This has strengthened the Company's equity base and improved its capitalization ratios.
- **Debt restructuring:** OMR 481 million (USD 1.25 billion) sukuk issued in 2024 & OMR 175 million (USD 0.46 billion) term facility raised in 2025 with proceeds primarily used to reduce short-term debt. Additionally, term facilities with balloon maturities were extended, improving the debt maturity profile.
- These actions are targeted to improve company's financial position supporting additional financing requirements

Key responsibilities

- To distribute electricity and to finance, develop, own and/or operate and maintain its Distribution system
- To the extent permitted by the Sector Law and this License, to design, own operate and maintain international interconnections
- To carry out any other functions assigned to it by the Sector Law
- In each case, within the Operating Area

NEDC's Credit Rating

MOODY'S

Rating: **Ba1 / Stable**
Baseline Credit Assessment: **ba2**

FitchRatings

Rating: **BBB-/ Stable**
Standalone Credit Profile: **bb+**

Upgrade from BB+ to BBB- on Dec 25

Company Innovation and Growth Strategy

Moving Forward

- NEDC continues to integrate proven smart technologies into its distribution network, operational activities, and customer interactions as part of its ongoing transformation journey.
- The company envisions the adoption of relevant technologies and smart solutions to support the realization of a Smart Network, aimed at enhancing customer service, improving network reliability, strengthening operational efficiency, and enabling a more resilient, intelligent, and future-ready electricity distribution network.
- The company's capital expenditure forecast for the period 2026 to 2030 is estimated to range between OMR 0.8 billion (USD 2.1 billion) to OMR 1.1 billion (USD 2.9 billion) (low & high case). The investment plan for 2026 to 2029 approved by APSR as part of the PCR reset amounts to OMR 0.66 billion (USD 1.71 billion).

NEDC Vision & Mission

Vision: 0 60 1 +

0

- LTI
- Cyber Security Threat
- Time needed to know your consumption
- #Day of connection
- Net Emission

60

- SAIDI
- Losses 6%
- Deleveraging

1

-SAIFI

+

Continuous Improvement “ will always Do Better

Mission

Provide safe, reliable, sustainable and economic electricity.

Focus areas in the next 5 years



Modernizing infrastructure to improve reliability and efficiency



Deployment of smart meters to provide customers with real-time usage data and insights



Implementation of smart grid technologies to enhance monitoring, control, and integration of renewable energy sources



Increasing capacity to handle renewable energy sources like solar and wind



Staying abreast of regulations and standards set by government and energy authorities



Working with regulatory bodies to shape policies that encourage innovation and sustainability



Utilizing automation and AI to optimize operations and enhance service delivery.



Investment in workforce development



Continuously reviewing and optimizing economic costs without compromising service quality



Investment in cybersecurity measures to protect infrastructure from cyber threats



Embracing digital technologies for operational excellence and enhanced customer service

Key Sector Law provisions

Article	4	Strong barriers to entry	<i>"It shall not be permissible for any Person to undertake any of the regulated activities stipulated in the preceding Article without obtaining a Licence or Exemption from the Authority, and the undertaking of the licensed activity shall be by the licensee in accordance with the terms, periods and rules contained in this law and pursuant to the contents of the Licence or Exemption."</i>
	18	Availability of financial subsidy to licensed suppliers from Ministry of Finance	<i>"The Ministry of Finance shall pay the value of the annual financial subsidy to Licensed Suppliers after the calculation of such subsidy in accordance with the following:</i> <i>(a) The Authority shall assess the level of allowed revenue in the relevant year the earning of which was available to each Licensed Supplier where he has effectively discharged his obligations specified in this Law and his Licence;</i> <i>(b) The Authority shall determine the value of revenue represented by the amounts, which have to be collected by the Licensed Supplier in the relevant year where he has effectively discharged his obligations specified in this Law and his Licence;</i> <i>(c) The Authority shall calculate the difference between the assessments specified pursuant to paragraph (a) and (b) and approve such difference in its Annual Report, and if the assessed value pursuant to paragraph (b) (representing the revenue collected from customers and others) is less than the assessed value pursuant to paragraph (a) (representing the allowed revenue) the Ministry of Finance shall be obliged to pay such difference to the Licensed Supplier and this Ministry shall specify the time and the manner of such payment which shall be, at least, every three months during the relevant year;</i> <i>(d) The Authority shall calculate any differences between the assessments being prepared for the preceding year and what has been actually available for collection by the licensee in such year in the light of relevant circumstances, and the Authority shall notify the Ministry Of Finance about the methodology of calculating the differences pursuant to the provisions of this Article and shall include such methodology in the Annual Report mentioned in Article (29) of this Law."</i>
	22	Authority	<i>"The Authority shall:</i> <i>(10) Ensure the financial and technical capability of Licensees</i>
	67	Financial support from Ministry of Finance	<i>"The companies stipulated in the preceding Article shall take the form of Omani closed joint stock companies. The Public Authority for Electricity and Water may, after approval of the Ministry of Finance, modify the legal form of any such companies subject to the provisions of the Commercial Companies Law. The Ministry of Finance shall undertake to secure the availability of the necessary finance for the said companies to undertake their activities and achieve their objectives, all being for as long as their capital is wholly-owned by the State whether that was from the Ministry of Finance or from another source."</i>
	68	Management oversight	<i>"Each of the companies stipulated in Article (66) of this Law whose capital is wholly-owned by the State shall have a board of directors constituted by a decision of the Electricity Holding Company after coordination with the Ministry of Finance."</i>

Key Investment Highlight



100% owned by the Government of Oman through Oman Investment Authority (OIA)

- ✓ Strategically important sector for the Government of Oman
- ✓ Continued financial support from the Ministry of Finance as stipulated in Article 67 of the Sector Law



Strong management team supported by corporate governance framework

- ✓ The senior management team of the reorganized companies were transferred from existing companies with demonstrated successful track record



Monopoly position in electricity distribution sector in Oman

- ✓ Enjoys monopoly position in the distribution sector of Oman's electricity value chain in the Operating Area (Oman ex. Dhofar Governorate)



Developed regulatory framework through the Sector Law and long history of price control regime

- ✓ Strong regulatory framework through the Sector Law¹. Transparent price control mechanism helmed by an independent regulator



Improved capital structure on account of additional capitalization and sustainable debt position

- ✓ Capitalization for NEDC by way of shareholder loan conversion to equity



Enhanced business and financial performance driven by improving macro-economic situation

- ✓ The electricity sector in Oman (excluding the Dhofar Governorate) has witnessed strong growth with customer account and units distributed having increased notably between 2017 to 2025

Note (1): Except in Dhofar Governorate, only NESO receives subsidies under Article 18 of the sector and, in turn, pays distribution use of system charges to NEDC in accordance with their contractual arrangements

Operational Highlights



Key Operational Highlights

- NEDC is responsible for managing and operating the electricity distribution network below 132 kV, extending to the customer's supply point.
- Sole distribution operator and owner in Oman, except Dhofar region.
- Covers 210,201 sq.km., serving over 1.35 million customers.

HSSE: One Lost Time Injury (LTI) was regrettably recorded during the year. Following the incident, a comprehensive review was conducted, with key lessons learned incorporated into operational practices and additional controls implemented to strengthen risk mitigation measures. The Company continues to enhance leadership accountability, safety governance, and workforce engagement as part of its ongoing commitment to strengthening and maturing its safety culture.

Capital expenditure: OMR 144.1Mn in 2025 (2024 OMR 151.4Mn), primarily directed toward new customer connections, network security enhancements, safety improvements, and the integration of smart technologies.

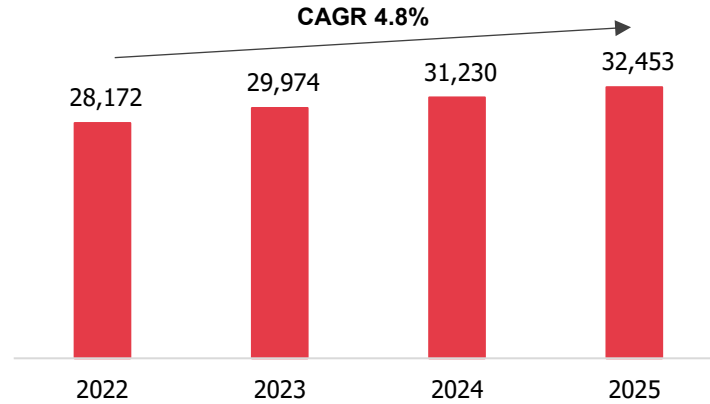
Advanced Metering Infrastructure (AMI): AMI deployment rate saw a significant boost, rising from 26% in 2022 to 46.17% in 2023, to 75.48% in 2024, and reaching **78.7% in 2025**.

System losses increased to 8.74% in 2025 from 7.95% in 2024, primarily due to a one-off adjustment relating to the reversal of cumulative estimated RUD. Excluding the exception, the adjusted system loss for 2025 would have been 8.02%, indicating relatively stable underlying operational performance.

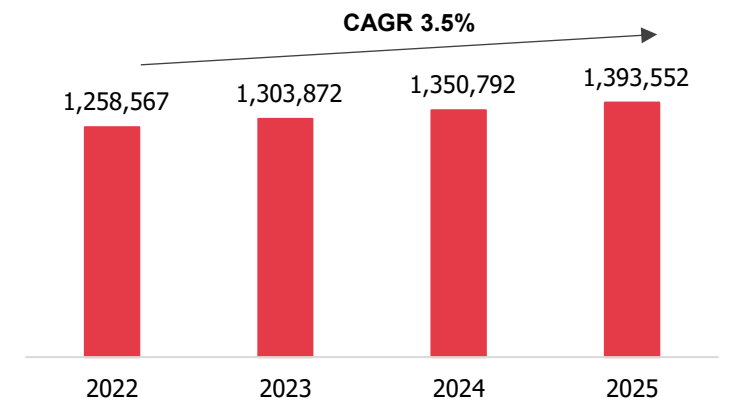
Meter reading performance improved by 0.70% in 2025 to 96.90% as a result of the implementation of smart initiatives.

Network operational reliability improved materially in 2025, with SAIDI decreasing from 225.2 minutes to 169.6 minutes and SAIFI improving from 2.24 to 1.99 interruptions per customer, demonstrating continued enhancement.

Regulated Units Distributed (GWh)



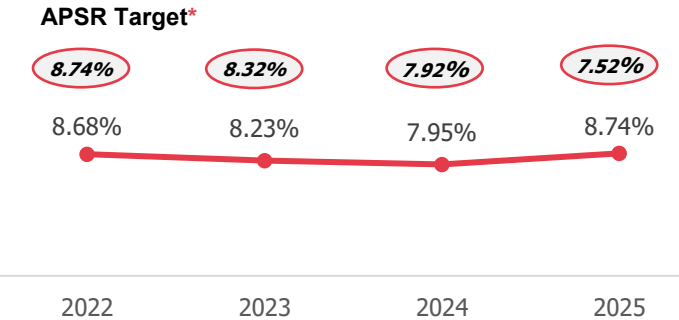
Customers served



Distribution Network

Category	Description	2025
Primary	Substations	687
	Transformers	1,444
	PSS Installed Capacity (MVA)	21,312
Distribution	Substations	48,985
	Transformers	53,549
	33kV Circuit Length	15,666
Circuits Data (km)	11kV Circuit Length	34,169
	LV Circuit Length	53,744
	Total	103,579

System Performance – System Loss %



*APSR target upper deadband.

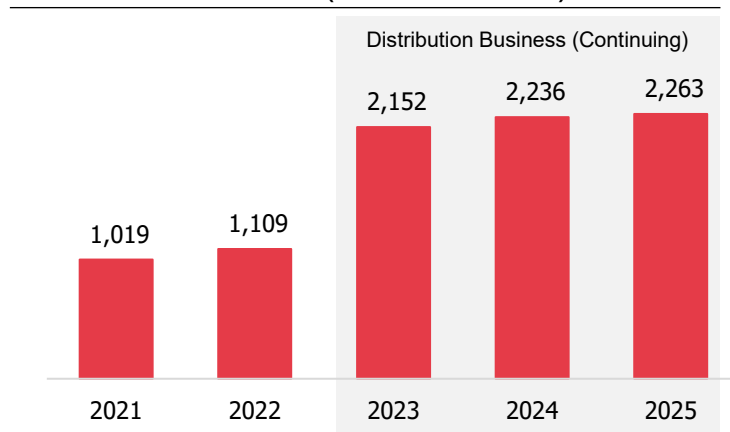


Financial Highlights

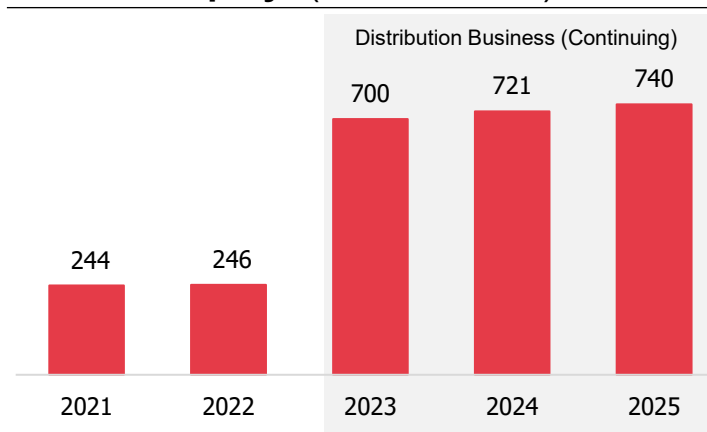
Key Financial Highlights

NEDC maintains a balanced and conservative capital structure

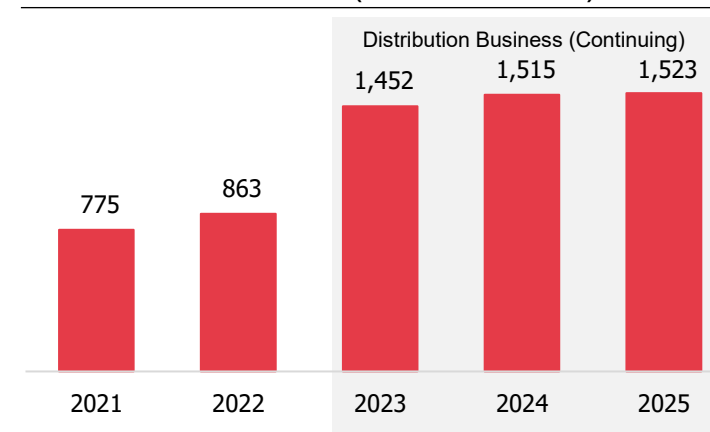
Assets¹ (OMR millions)



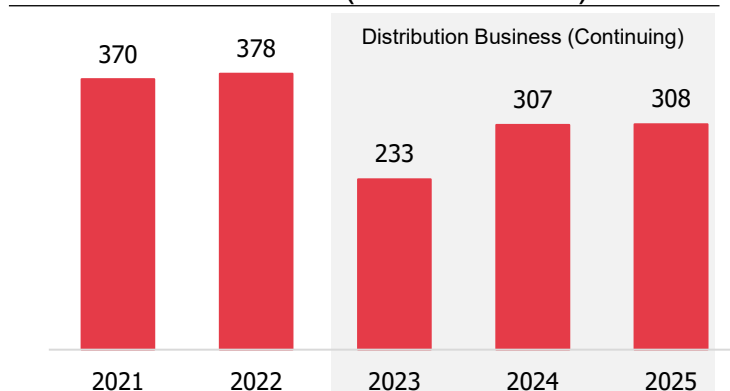
Equity¹ (OMR millions)



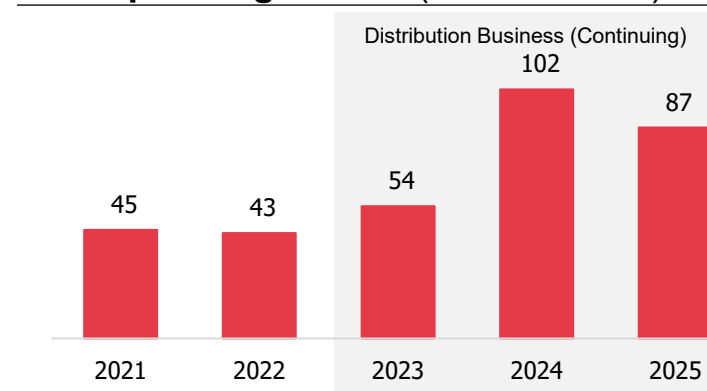
Liabilities¹ (OMR millions)



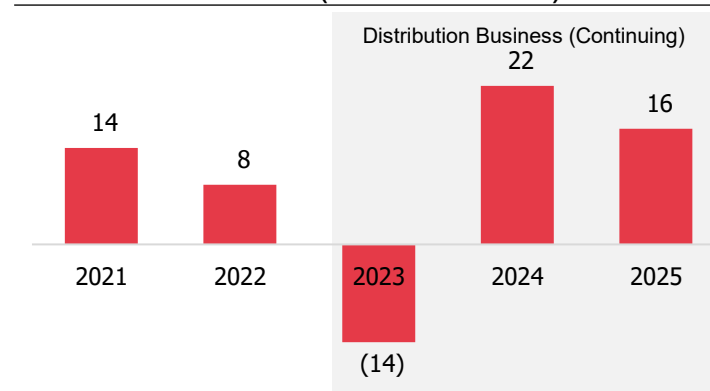
Revenue² (OMR millions)



Operating Profit² (OMR millions)



Profit² (OMR millions)



Note (1): NEDC asset, liability, and equity figures for 2021 and 2022 include both the supply and distribution businesses of the standalone NEDC prior to the restructuring, whereas the figures for subsequent years reflect only the distribution business following the restructuring. Accordingly, the financial information for the years prior to 2023 is not directly comparable.

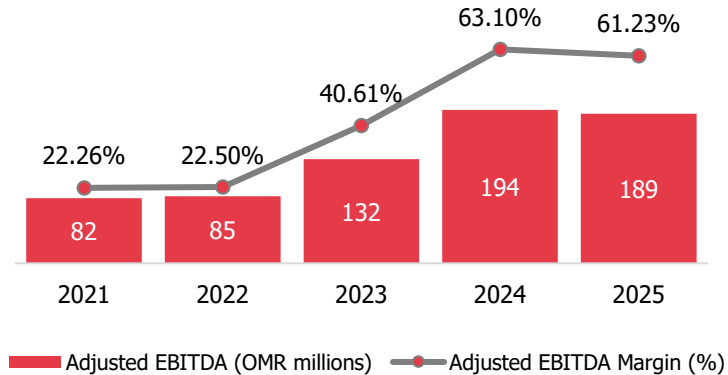
Note (2): NEDC revenue and profit figures for 2021 and 2022 include both the supply and distribution businesses of the standalone NEDC prior to the restructuring. In 2023, the reported revenue, operating profit, and net profit reflect five months of standalone distribution business and seven months of consolidated distribution business results. For 2024 and 2025, the revenue, operating profit, and profit figures pertain solely to the distribution business. As a result, the financial for the periods prior to 2024 is not directly comparable.

Note (3): The losses in 2023 are attributed to deferred tax liability due to accelerated tax depreciation, provision for a legal claim amounting to OMR 6.7 million, voluntary retirement scheme provision OMR 2.3 million, a loss of OMR 2.3 million resulting from derecognition of receivables from government sponsored projects, and impairment loss provision on an intangible asset OMR 4.2 million. Profit decreased by OMR 6 million (27.1%) in 2025 compared to 2024, primarily due to the impact of one-off adjustments relating to the system loss penalty provision, together with higher depreciation charges associated with ongoing asset additions and increased finance costs arising from new debt facilities partly off set by lower tax charges during the year.

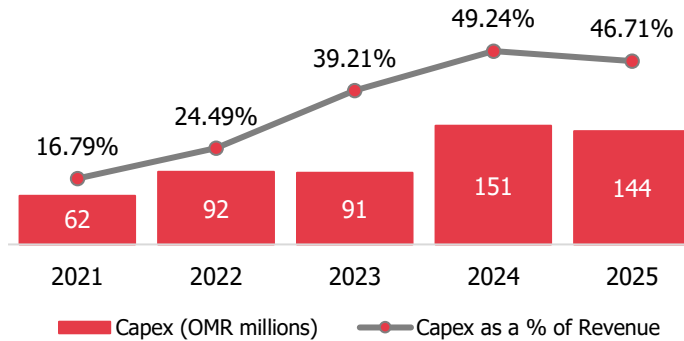
Key Financial Highlights (Cont'd)

Strong EBITDA generation, sustained infrastructure investment, and an improving leverage profile, with interest coverage remaining broadly stable.

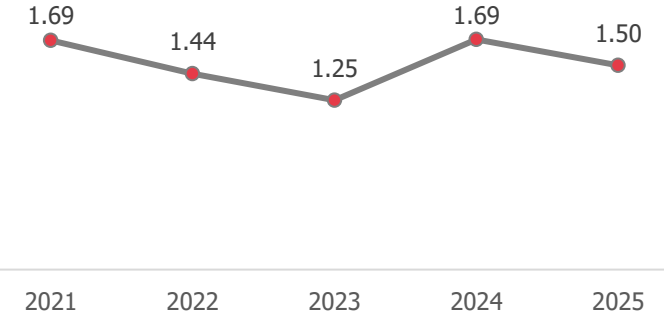
Adjusted EBITDA



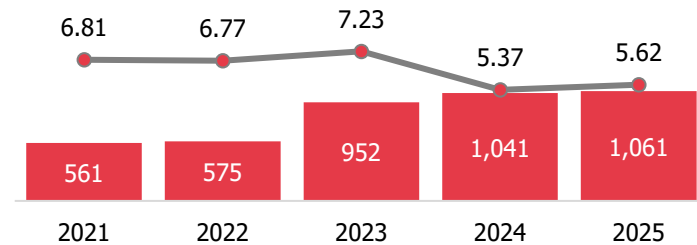
Capex



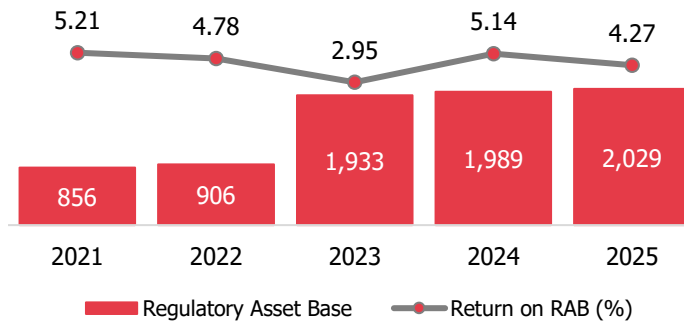
Interest Coverage Ratio (%)



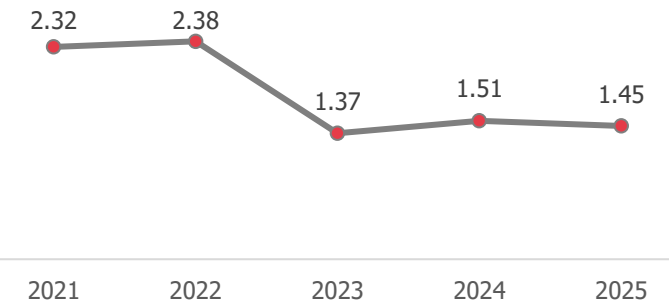
Net Debt



Regulated Asset Base



Debt / Adj. Equity Ratio (x)



Note (1): NEDC's Adjusted EBITDA, EBITDA margin, CapEx, CapEx as a percentage of revenue, RAB, Return on RAB, Net Debt, Interest Coverage, and Debt-to-Equity Ratio for the years 2021 and 2022 include both the supply and distribution businesses. In 2023, the figures for Adjusted EBITDA, EBITDA margin, CapEx, CapEx as a percentage of revenue, RAB, Return on RAB, and Interest Coverage reflect five months of standalone distribution business performance and seven months of consolidated distribution business results. For 2024 and 2025, all metrics—including Adjusted EBITDA, EBITDA margin, CapEx, CapEx as a percentage of revenue, RAB, Return on RAB, Net Debt, Interest Coverage, and the Debt-to-Equity Ratio—pertain solely to the distribution business. As a result, the financial for the periods prior to 2024 is not directly comparable.



Appendix

Statement of Financial Position 31 December

<i>(Amounts in OMR'000)</i>	2021	2022	2023	2024	2025
Assets					
Non-current assets					
Property, plant and equipment	889,452	940,619	2,065,844	2,124,543	2,163,939
Right-of-use assets	4,925	4,583	15,108	15,193	16,928
Intangible assets	433	233	2,700	1,090	1,689
Long term deposit	-	-	515	500	500
Derivative financial instruments	-	2,877	4,796	2,739	675
Total non-current assets	894,810	948,312	2,088,963	2,144,065	2,183,731
Current assets					
Store and spares	1,144	1,174	11,421	3,903	4,065
Trade and other receivables and prepayment	109,790	125,003	47,492	43,544	61,592
Government subsidy receivable	4,940	30,754	-	-	-
Short term deposit	515	515	-	-	-
Cash and cash equivalents	7,882	3,327	3,735	44,184	13,826
Total current assets	124,271	160,773	62,648	91,631	79,483
Total assets	1,019,081	1,109,085	2,151,611	2,235,696	2,263,214
Liabilities					
Non-current liabilities					
Derivative financial instruments	2,273	-	-	-	-
Term loans	113,735	94,998	228,630	169,454	250,597
Long term borrowings – sukuks	191,838	191,952	192,064	669,322	670,263
Deferred revenue	62,007	63,425	222,835	215,489	215,579
Lease liabilities	4,905	4,453	15,416	15,868	17,099
Employees' end of service benefits	847	757	2,537	1,935	1,834
Shareholder loans	84,625	84,625	-	-	-
Deferred tax liability	51,172	56,965	80,016	99,670	113,026
Total non-current liabilities	511,402	497,175	741,498	1,171,738	1,268,398
Current liabilities					
Trade and other payables	88,908	161,212	170,852	107,991	112,724
Short term borrowings	151,675	179,750	451,069	164,463	71,485
Bank overdrafts	452	1,878	8,612	-	-
Term loans	18,718	18,737	56,602	55,381	57,309
Deferred revenue	3,203	3,377	21,663	14,434	11,294
Lease liabilities	774	774	1,243	1,129	1,552
Total current liabilities	263,730	365,728	710,041	343,398	254,364
TOTAL LIABILITIES	775,132	862,903	1,451,539	1,515,136	1,522,762
Equity					
Total Equity	243,949	246,182	700,072	720,560	740,452
TOTAL EQUITY & LIABILITIES	1,019,081	1,109,085	2,151,611	2,235,696	2,263,214

Statement of Profit or Loss and Other Comprehensive Income

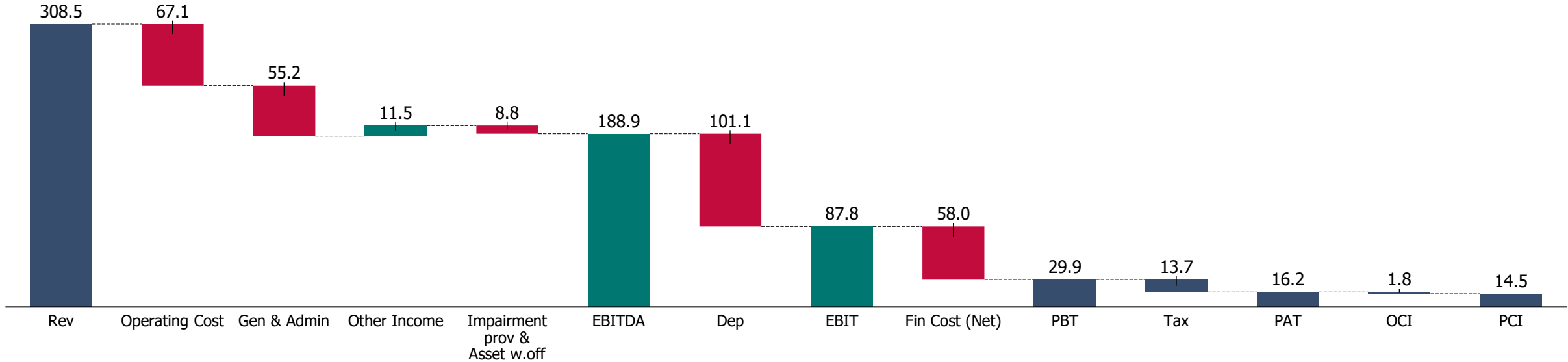
<i>(Amounts in OMR'000)</i>	2021	2022	2023	2024	2025
Continuing Operations					
Revenue	369,934	377,505	233,131	307,359	308,484
Operating costs	(299,213)	(305,985)	(120,090)	(156,639)	(165,100)
Gross profit	70,721	71,520	113,041	150,720	143,384
General and administrative expenses	(28,341)	(30,216)	(52,483)	(58,610)	(58,230)
Loss on derecognition of receivables from Government sponsored projects	-	-	(2,279)	-	-
Impairment of intangible asset	-	-	(4,158)	(448)	(6,957)
Write-off of CWIP	-	-	-	-	(2,951)
Allowance for expected credit losses	(169)	(459)	(1,551)	(1,096)	1,067
Other income	2,454	2,479	1,731	8,811	11,534
Operating profit	44,665	43,324	54,301	99,377	87,847
Finance income	70	90	58	297	874
Finance costs	(26,469)	(30,036)	(45,304)	(57,472)	(58,840)
Profit before tax from continuing operations	18,266	13,378	9,055	42,202	29,881
Tax expense	(4,716)	(5,023)	(22,765)	(19,966)	(13,667)
Profit for the year from continuing operations	13,550	8,355	(13,710)	22,236	16,214
Profit / (loss) after tax for the period from discontinued operations	-	-	2,317	-	-
PROFIT FOR THE YEAR	13,550	8,355	(11,393)	22,236	16,214
<i>Items that may be classified to profit or loss in subsequent period:</i>					
Net movement in fair value of cash flow hedge	3,194	5,150	(2,401)	(2,057)	(2,064)
Tax effect	(479)	(772)	360	309	310
Other comprehensive income / (expense) for the year	2,715	4,378	(2,041)	(1,748)	(1,754)
Total profit and comprehensive income for the year	16,265	12,733	(13,434)	20,488	14,460

Summary Cashflow 31 December

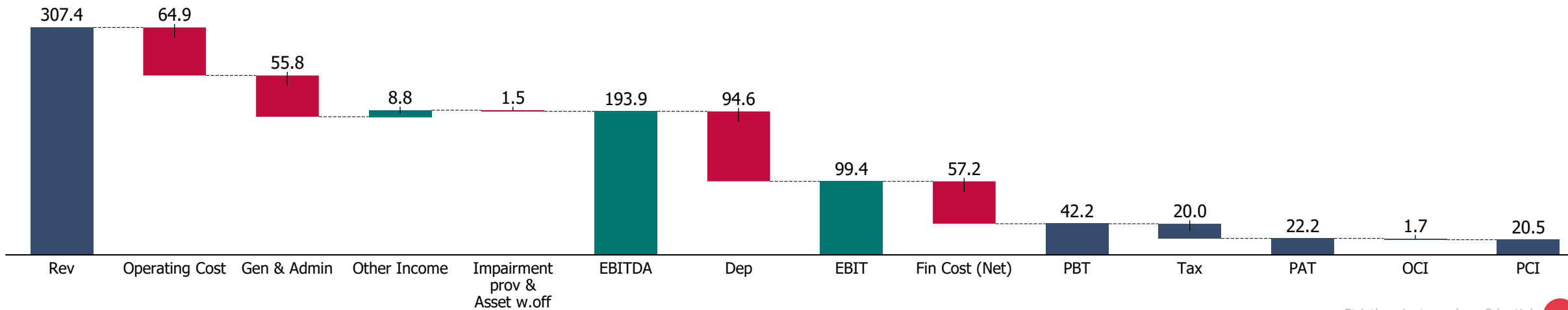
<i>(Amounts in OMR'000)</i>	2021	2022	2023	2024	2025
Net cash from operating activities	36,429	117,656	114,708	136,738	181,788
Net cash used in investing activities	(62,250)	(92,099)	(91,316)	(150,940)	(143,096)
Net cash from financing activities	35,667	(31,538)	(29,718)	63,263	(69,050)
Net change in cash and cash equivalents	9,846	(5,981)	(6,326)	49,061	(30,358)
Cash and cash equivalents at the beginning of the year	(2,416)	7,430	1,449	(4,877)	44,184
Cash and cash equivalents at the end of the year	7,430	1,449	(4,877)	44,184	13,826

Profit & Other Comprehensive Income Movement

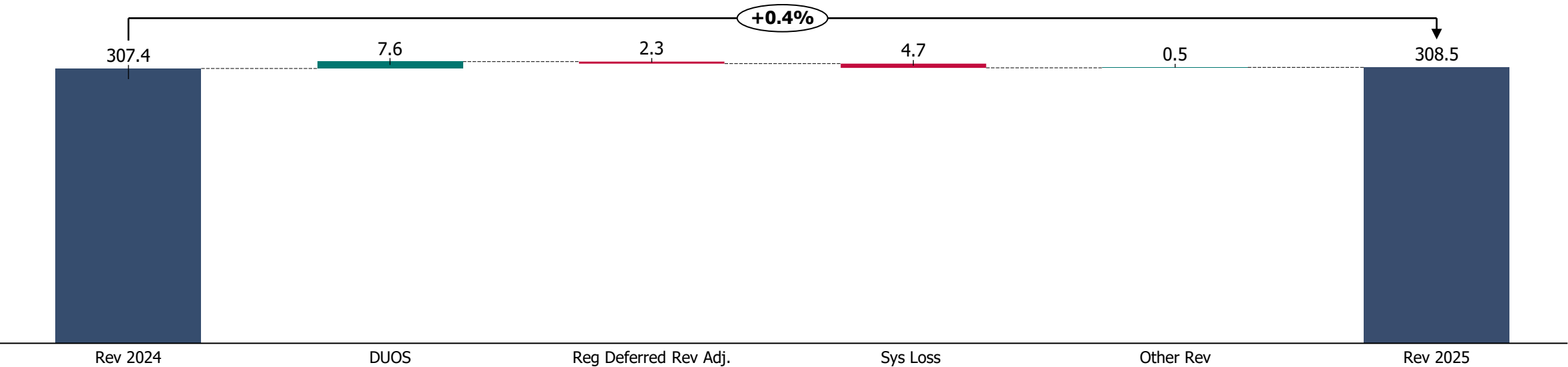
2025 SOCI OMR millions



2024 SOCI OMR millions



Revenue OMR millions

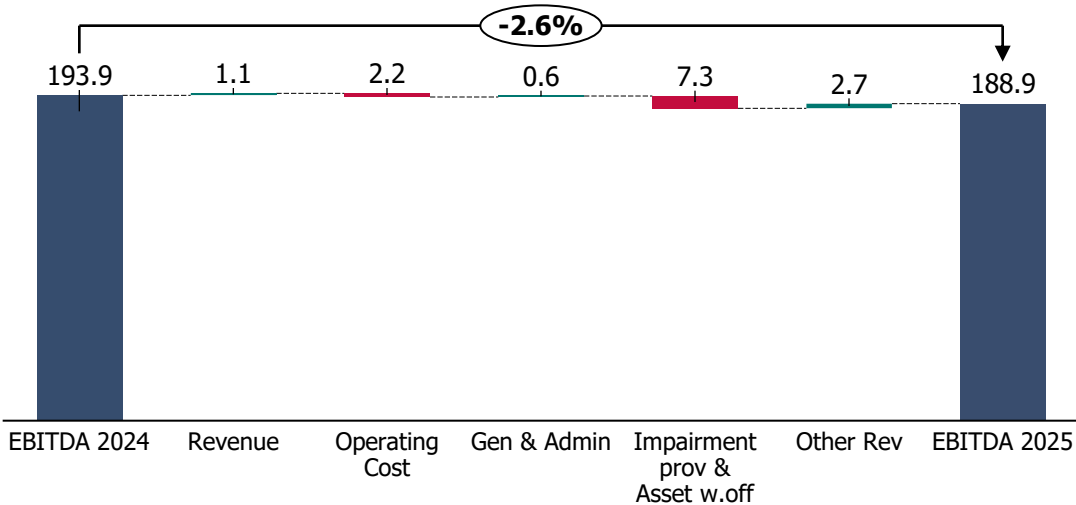


Revenue increased by OMR 1.1 million (0.4%):

DUOS revenue increased by OMR 7.6 million (2.7%) from OMR 277.9 million in 2024 to OMR 285.5 million in 2025 , primarily driven by 3.9% growth in demand	Regulatory deferral revenue decreased by OMR 2.3 million (11.1%) from OMR 20.4 million in 2024 to OMR 18.1 million in 2025, primarily reflecting the lower growth Regulatory Asset Base (RAB, together with a lower revenue differential between MADR and ARDR.	System loss penalty provision increase by OMR 4.7 million (3.1x) from OMR 2.2 million in 2024 to OMR 6.9 million in 2025 mainly on account of one-off adjustment relating to reversal accumulated estimated RUD for prior years. The RUD reversal has been challenged by the company with the regulator; however, penalty provision has been recognized pending Authority’s decision on the matter.	Other Revenue increase by OMR 0.5 million (4.1%) from OMR 11.2 million in 2024 to OMR 11.7 million corresponds to amortization of connection revenue and customer/sponsored projects.
--	---	---	---

Management Discussion & Analysis

EBITDA¹ OMR millions

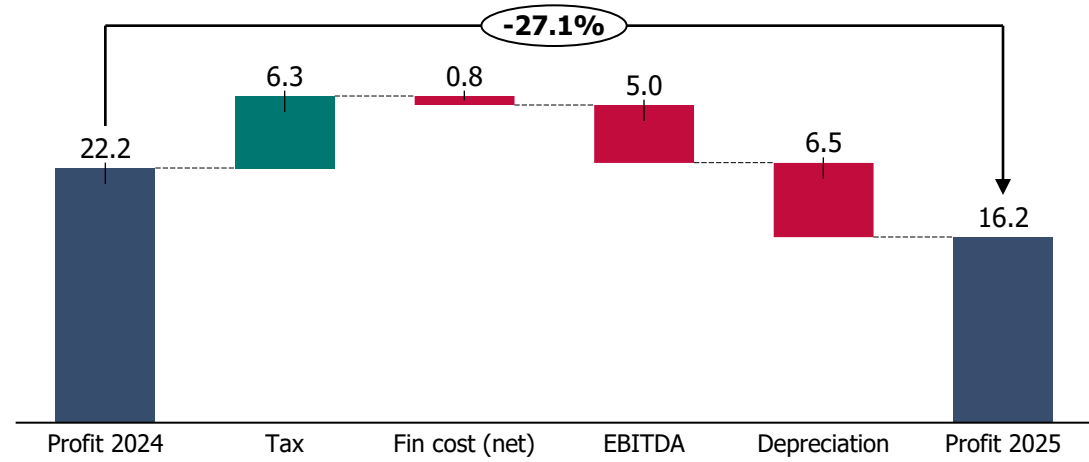


¹EBITDA as per FS exclude debt modification adjustment.

EBITDA decreased by OMR 5 million (2.6%) compared to the previous year, primarily due to the impact of one-off adjustments relating to the system loss penalty provision, as discussed in the revenue section, together with impairment provisions and asset write-offs associated with long-outstanding CWIP balances..

Financial performance remain resilient, with the adverse variance primarily attributable to prudential provisioning and exceptional accounting adjustments rather than any deterioration in core business operations.

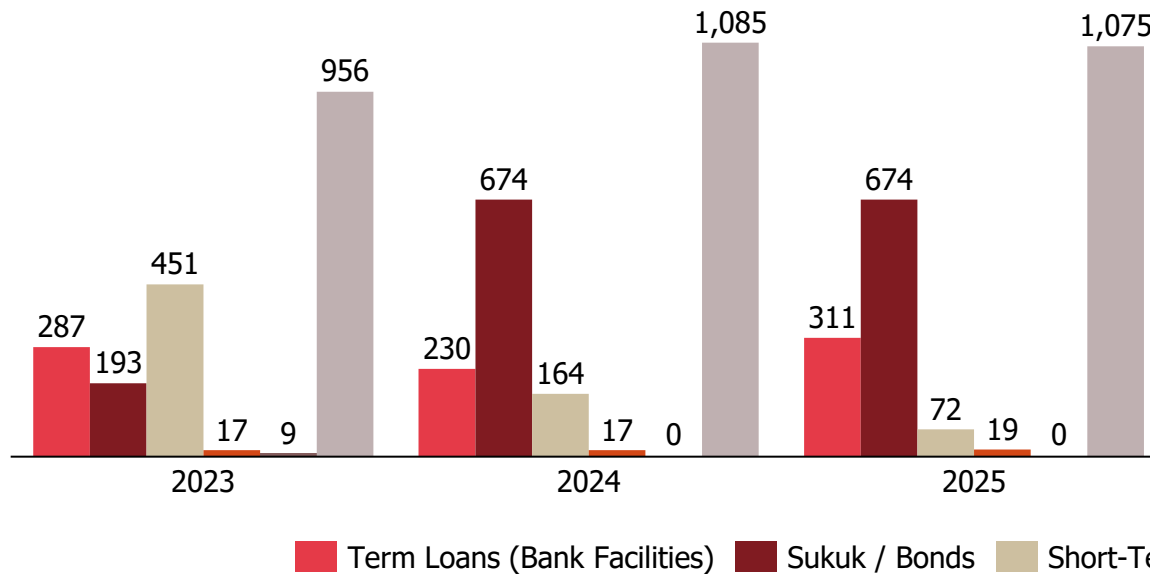
Profit OMR millions



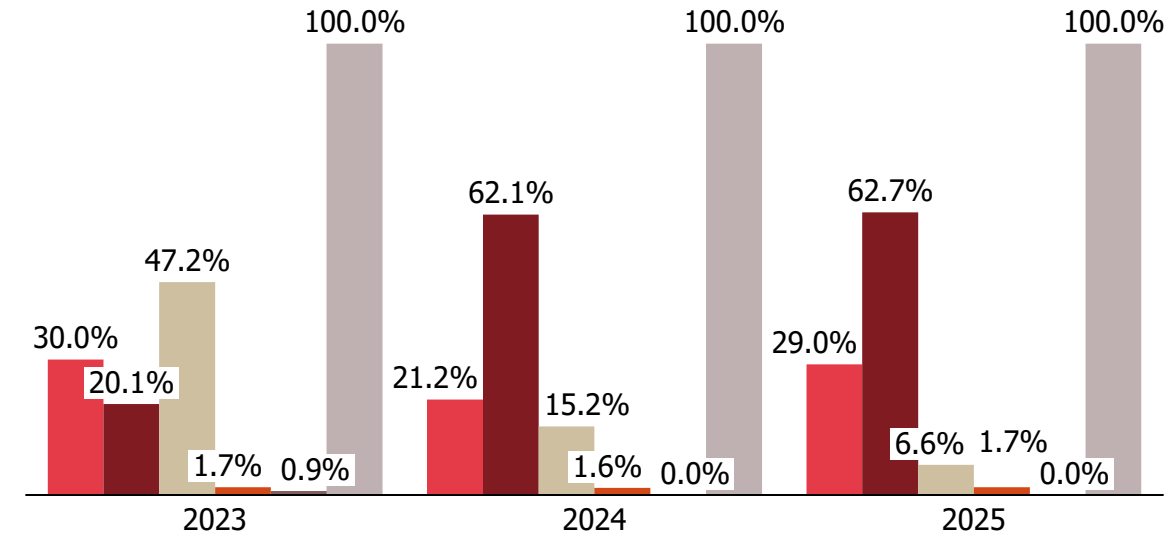
Profit decreased by OMR 6 million (27.1%) compared to the previous year, primarily due to the impact of one-off adjustments relating to the system loss penalty provision, as discussed in the EBITDA section, together with higher depreciation charges associated with ongoing asset additions and increased finance costs arising from new debt facilities. The adverse movement was partially offset by lower tax charges during the year.

Debt position & Funding Mix

Debt Composition OMR million



Diversified Funding mix



Financing Activities Highlights:

- Strategic transition from short-term borrowings toward long-term funding instruments, improving debt maturity profile and reducing refinancing risk.
- Short-term borrowings reduced significantly from OMR 451.2 million in 2023 to OMR 71.5 million in 2025 following successful refinancing initiatives.
- Balanced and diversified debt mix comprising bank facilities, Sukuk/Bonds, and limited working capital facilities, enhancing financial flexibility.
- Financing strategy focus on longer tenors, diversified lender participation, and improved liquidity management to strengthen debt sustainability and reduce refinancing concentration risk.

Overview of Maximum Allowed Distribution Revenue

Components of MADR		Build-up of Maximum Allowed Distribution Revenue (MADR)		MADR realization	Notes
$\frac{RAB}{WACC} \times$	Return on RAB	Distribution Business Revenue	+	Payment from Nama Electricity Supply Company & Related Power Revenue (Installation & Connection Charges from Customers)	Maximum Allowed Distribution Revenue $MADR_t = Ct + DBt + CPLt + FMt + Omt + AMRt + UCt + LFt + CSt + NPIt + NSFt + CCt + LOSSt + WPRAt - KDt$ - Ct means amounts due in respect of charges for the Connection to a Distribution System or Transmission System in Relevant Year t. (Passthrough cost) - DBt means the Distribution Business Revenue in Relevant Year t; - CPLt means cost of purchasing network losses in Relevant Year t. (Passthrough cost) - FMt means the amount determined by the Authority for the recovery in Relevant Year t of expenditure arising from force majeure events. - OMt means the amount of expenditure allowed for the Omanisation initiative in the Relevant Year t. (Passthrough cost) - AMRt means the amount approved for recovery by the Authority in Relevant Year t for the allowed expenditure related to Automated Meter Reading. - UCt means Usufruct Charges approved in relevant Year t. (Passthrough cost) - LFt means the Distribution Business share of the License fee payable in Relevant Year t. (Passthrough cost) - CSt means the Customer Satisfaction Incentive mechanism in Relevant Year t. - NPIt means the Network Performance Incentive mechanism in relevant Year t. - NSFt means the penalty calculated under the Network Security Factor incentive (only reporting from 2026). - CCt means incentive mechanism for Call Centre Incentive in Relevant Year t. - LOSSt means the reward or penalty calculated under the losses incentive mechanism; - WPRAt , means within-period revenue adjustment to address capital expenditure outturns that cannot be fully verified due to insufficient supporting evidence; and - KDt is an adjustment to MADR for under- or over-recovery in the previous year
	Opex				
	Depreciation				
	Pass through costs	Transmission Connection Charge + License fee + Omanization cost + Usufruct charges + Energy cost (Network loss equivalent)	+		
	Incentives/ Penalties/ Adjustments	Reward/Penalty under losses incentive mechanism/Customer satisfaction/Call Centre /Network performance + Adjustment for under/over recovery	+		
		Maximum Allowed Distribution Revenue (MADR)			

Abbreviations

Abbreviations	Description
AER/APSR	Authority Electricity Regulatory / Authority for Public Service Regulation
AMR	Automated Meter Reading
ARDR	Actual Regulated Distribution Revenue
DPC	Dhofar Power Company
EHK/ Nama/Nama holding	Electricity Holding Company
DISC	Dhofar Integrated Services Company
MADR	Maximum Allowed Distribution Revenue
MZEC	Mazoon Electricity Company
MIS	Main Interconnected System
NEDC	Nama Electricity Distribution Company
NESC	Nama Electricity Supply Company
OIA	Oman Investment Authority
PCR	Price Control Regime
RAB	Regulated Asset Base
RUD	Regulated Units Distributed
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SHL	Shareholder Loan
SOCI	Statement of Comprehensive Income