

STAY SAFE



شركة مسقط لتوزيع الكهرباء
Muscat Electricity Distribution Company

إحدى شركات مجموعة ناماء
Member of Nama Group

20 | ANNUAL 20 | REPORT

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1- GLOSSARY OF TERMS

APSR	Authority for Public Service Regulations (APSR)
AMR	Automated Meter Reading
CRT	Cost Reflective Tariff
DISCO's	Distribution Companies are the electricity distribution licensees in Oman under the Authority for Public Service Regulations Oman. (For example, MEDC, MJEC and MZEC)
DNS	Demand Not Secure
DSS	Distribution Substations
DSSS	Distribution System Security Standards
DSO	In accountancy, day's sales outstanding (also called DSO and days receivables) is a calculation used by a company to estimate their average collection period. It is a financial ratio that illustrates how well a company's accounts receivables are being managed.
EHC	The Electricity Holding Company SAOC also branded as Nama Holding Company.
GWH	Gigawatt Hour of Electricity Units (MWH*1000)
GIS	Geographic Information System
kV	Kilovolt a unit of electromotive force, equal to 1000 volts. (Transformer's capacities are represented in 33kV or 11kV in the Annual Report)
LT	Low Tension
LTI	Incident and /or accident that results in a fatality, permanent disability or time lost from work. It could be as little as one day or shift.
MoF	Ministry of Finance

MWH	Megawatt Hour of Electricity Units
MVA	Mega-volt ampere, a unit of measure of apparent power
OHL	Overhead Lines
OHS	Occupational Health and Safety
OHSA	Occupational Health and Safety Assessment Standard
Omanization	The policy for the employment of Omani nationals as issued from time to time by the Government of Oman
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
SABIQ	Prepaid electricity meter service to pay electricity in advance
SCADA	Supervisory Control and Data Acquisition system. SCADA computer systems will monitor substations, transformers and other electrical assets.
Sector Law	The law for the regulation and privatization of the electricity and related water sector promulgated by Royal Decree 78/2004 as amended by Royal Decree 59/2009
The Authority	The Authority for Public Service Regulations Oman,
The Company	Muscat Electricity Distribution Company SAOC (MEDC)
CSR	Corporate Social Responsibilities



2 - OVERVIEW OF MEDC

Muscat Electricity Distribution Company (MEDC) a Member of the Nama Group – is a closed joint stock company incorporated in 2005. It is the only entity responsible for distribution and supply of electricity in the Governorate of Muscat. The Company was formed on the 1st of May 2005 as a result of the Royal Decree 78/2004 promulgating the law for the regulation and privatization of the electricity and related water sector activities in the Sultanate of Oman.

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



The diagram below describes the key stakeholders in the context of MEDC:

Investment Authority	Electricity Holding Company	Ministry of Energy and Minerals	Authority for Public Utilities Regulation
Shareholder of EHC (100% owner)	Shareholder of EHC (99.99% owner)	A Governmental institution	Responsible for Regulating the electricity
Provides Subsidy to Electricity Sector	MEDC Board Nominations	Responsible for the energy Sector	sector and aspects of the water sector
Driving Privatization/IPO	Other duties & Responsibilities Described in Sector Law		Reporting to the Council of Ministers

2.1 - VISION, MISSION, VALUES & WHO WE SERVE

OVERVIEW OF MEDC



OUR VISION

To be amongst the top performers in Electricity Services in the MENA region by 2022

OUR MISSION

Empower Muscat with safe, reliable, economic and customer focused electricity services

OUR VALUES



CARE

We care about our customers, employees & stakeholders



DELIVER

We deliver efficiently & effectively with integrity



DO BETTER

We improve & adapt to deliver a better future

WHO WE SERVE

We serve customers in the Industrial, Commercial and Residential in the Governorate of Muscat.

✓ Residential & Others

MEDC residential customers represent the largest customer accounts segment. The other customers are agriculture & Fisheries and Tourism.

✓ Commercial & Industrial

Commercial & Industrial customers are our second-largest segment

✓ Government

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

✓ CRT

Cost Reflective Tariff category represents the lowest number of customers but largest source of electricity sales.

2.2 - BOARD OF DIRECTORS

PREVIOUS BOARD MEMBERS (UP TO NOV. 2020):



Mrs. Manal Bint Mohammed Al Abdawani
(Chairperson)

Master's degree in Business Administration, she has obtained several certificates from renowned institutions such as Harvard Business School, INSEAD, IoD and IMD in the area of Finance, Corporate Governance and Leadership Skills.



Mr. John R Wright
(Deputy Chairperson)

An Associate and Fellow of the Chartered Institute of Bankers in Scotland and a Fellow of the Chartered Institute of Bankers in Ireland. John Wright is a career Commercial Banker with a strong International background. His career spanned 43 years and included assignments in the UK, India, Sri Lanka, West Africa, Canada, Hong Kong, United States and Oman. Visiting Professor at the Heriot Watt Business School, extensive experience as a Non-Executive Director.



Late. Mr. Haitham Bin Abdullah Al-Kharusi
(Member)

MBA in Marketing, Edinburgh Business School, Herriot Watt University UK, M.Sc. Development, Administration and Planning, Bristol University UK BS Government and Politics. He was the Vice President – Consumer Business Unit managing portfolio of commercial consumer functions for the No.1 Telecom Operator in Sultanate of Oman since July 2011.



Mr. Mahmoud Jallad
(Member)

MBA Banking & Finance from Institute of Banking Studies, Jordan and BSc Electrical and Electronic Engineering from University of Jordan, Jordan. Mahmoud is currently working as Customer Service Program Manager for Nama Group, where he is playing a major role in translating Nama Group Customer Service vision into clear strategies.



Mr. Humaid Bin Abdullah Al Qatabi
(Member)

Master of Business Administration (MBA), Hull University UK, September 2010. BA in Economics & Public Administration, Al Yarmouk University – Jordan September 1999. Director, Councils & Committees Department, Minister's Office, Ministry of Finance.

CURRENT BOARD MEMBERS:



Mr. Saleem Ahmed Abdullatiff

MSC in Engineering Project Management from the University of Manchester and BEng in Electrical and Electronics Engineering from the Sultan Qaboos University. Saleem is currently the GM Enterprise Marketing at Omantel.



Mr. Rashid Sultan Al Hashmi

MSc Financial Management & International Accounting from the University of Reading UK, July 2007.

BSc International Securities Investment and Banking from the University of Reading UK, July 2006.

Rashid has global experience in corporate, private and sovereign investments in diversified sectors including energy, trading, logistics, chemical and general industries, technology and financial services.

Rashid is a Manager in Economic Diversification Investments since 2021 in OIA. Before that he was a Manager of International Infrastructure investments & Joint Ventures (JVs) since 2017 in OIA.



Mr. Atif Al Alawi

Qualifications include Master's in Business and administration (MBA) and a Bachelor (BSc) in Engineering.

Atif's experience within electricity sector spans over sixteen (16) years. He is currently serving as Operation and Performance Manager within Change Management & Sustainability at Electricity Holding company (EHC).

2.3 - LEADERSHIP TEAM



Ala Hassan Moosa
Chief Executive Officer - Acting



Yousuf Mohammed Al Mahrooqi
Chief Distribution Officer - Acting



Salman Bin Ali Al-Hattali
Chief Supply Officer



Hanan Jamil Al Hassani
Senior Manager Human Resources & Support Services- Acting



Joby Joseph
Senior Manager Finance



Juma Bin Said Al Obeidani
Senior Manager HSSE



Yaseen Bin Mohammed Al Lawati
(Senior Manager of Technology & Cybersecurity - Acting)

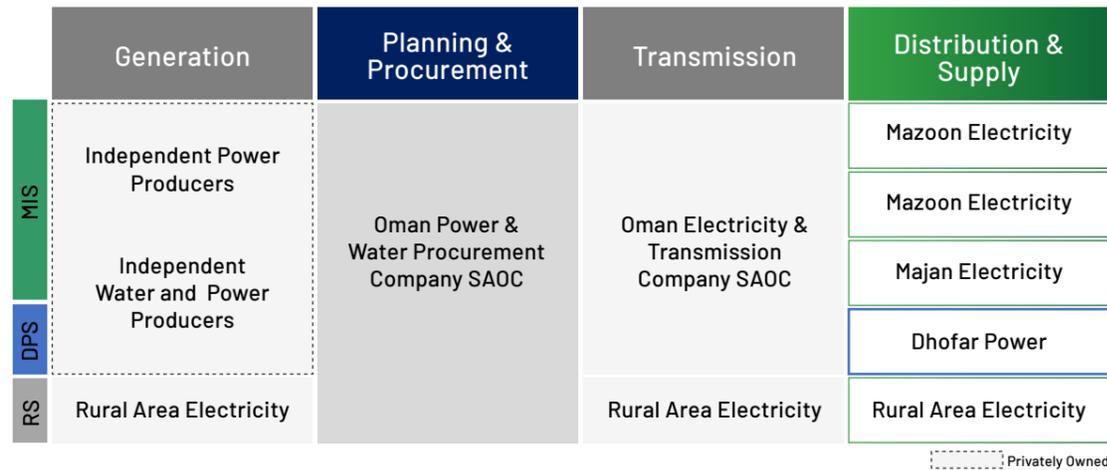


Moataz Nafea
Senior Manager of Corporate Governance, Communication & Records - Acting

2.4 - SECTOR LAW OVERVIEW

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

The following diagram represents the Electricity Sector's Structure:



2.5 - REGULATION AND LICENSES

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



The above-mentioned regulations are available on MEDC's official website www.medcoman.com

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

License awarded to MEDC by APSR, is described in detail by key business activities including distribution and supply of electricity to customer premises within authorized area.

MEDC BUSINESS UNITS



SUPPLY

The supply Business core objective is to be the point of contact with the customer in the provision of electricity services, connections to the network, sales, meter reading, billing and collection of receivables



DISTRIBUTION

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

SUPPORT BUSINESS UNITS

The support units objective is to fulfill its statutory obligation, effective governance and efficient management of resources, The following support units, in line with common practice have evolved and been established within MEDC

- ✓ Health Safety Security & Environment (HSSE)
- ✓ Human Resources and Support Services (HR & SS)
- ✓ Corporate Governance Strategy & Communication & Records
- ✓ Finance
- ✓ Information Technology



2.6 - COVERAGE AREA

MEDC electricity distribution system is divided into three geographic zones/areas and serves in excess of 417K customers while the total authorized area of Muscat Governorate consists of 3,900 sq. km. The division into various zones is due to the difference in load density and the geographical location.

2.6.1 - MEDC PHYSICAL TERRITORY

The three operational zones are depicted in the image below:

- Zone 1:** Includes the Wilayat of Mutrah, Amerat and Qurayyat & Muscat.
- Zone 2:** It covers the Wilayat of Boushar, including: Al Qurum, Al Khuwair, Athaiba, Al Ghubra, Al Ansab & Boushar. Largest the commercial and residential area.
- Zone 3:** It covers the Wilayat of Seeb including Al Hail, Al Mawalih, Al Khoudh, Mabilah & Seeb.



3 - DIRECTORS' REPORT



Saleem Ahmed Abdullatiff

The year 2020 has proved to be one of the most exceptional years in the short history of MEDC with the onset of the COVID-19 pandemic. Despite of the operational challenges the company has activated robust response plan and swiftly adopted a new way of working in the form of "Work from Home" and shift work arrangements. These circumstances also tested the robustness of the Business Continuity Management framework supported by the technological capabilities. MEDC managed to shorten the average time required to connect electricity to a new customer to less than 2 days with the aim to achieve a one-day connection time in the future. We have also managed to achieve an unprecedented network performance in the SAIDI and SAIFI numbers recorded.

HEALTH AND SAFETY IS OUR MAIN PILLAR

Health and Safety is our uncompromisable pillar with a zero tolerance for compromising the safety of our customers, employees, contractors, and the broader community which is achieved through multi-dimensional efforts.

MEDC RESPONSE TO COVID-19 PANDEMIC

The Business Continuity Management (BCM) framework in place has played an essential role during the Covid-19 Pandemic to ensure there are uninterrupted operations and a quick response to the Pandemic.

A Comprehensive Pandemic Response plan aligned with the overall business continuity management framework at MEDC was prepared along with additional necessary measures due to the emerged global pandemic. This set out key considerations, precautions and arrangements to respond to the prolonged and escalated crisis.

The plan assisted in the orderly recovery from the disastrous events without the potential of



disrupting the business operations and critical services. It helped to minimize the potential impact of unavoidable disruptions. It also outlined measures to contain the spread of the virus, so that the disruption does not exceed the pre-determined acceptable outage period for the business processes.

In 2020 with the disruptions caused by the pandemic, a total of 2,372,431 safe man-hours were recorded with no fatalities and no lost time injury (LTI). As part of our continuous efforts to align with the best practice and international standards, MEDC managed to pass the external ISO Integrated Management System (IMS) Certification Surveillance audit.

SUSTAINED GROWTH AND PROFITABILITY



Despite the challenging business environment, customer growth of 2.7% was recorded with a total of 10,805 customer accounts added. This increases the total customer base to 417,079. The total units sold outturn has been recorded at 10,911 GWh compared to 11,507 GWh in the previous year.

A total revenue of RO 347.101 million has been generated in the year recording & the gross profit is posted at RO 50.525 million with a net profit of RO 15.313 million compared to RO 11.959 million in 2019.

Conclusively, this has resulted in Actual Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) at RO 50.414 million for 2020 reflecting a 3.85% growth compared to 2019.

The Board of Directors has proposed a dividend of 9% from the total share capital of RO 92 million. The shareholders Electricity Holding Company (EHC), Nama Shared Services LLC (NSS) and Numo Institute of Competency Development LLC (NICD) will receive a cash dividend of RO 8.280 million.

CUSTOMER EXPERIENCE



We are committed to enhance and improve the quality of services to meet the increasing expectations of customers supported by our core purpose of existence to provide reliable electricity supply. As of 2020, with pandemic looming there was a serious need to augment the reach and move our services to the electronic platforms such as the website and other social media channels as soon as possible so that the customers are not affected, and the business continues in a smooth and secure manner.

The Reliability of our network recorded an improvement of 29.25% reduction in duration interruptions in 2020 compared to 2019 and 4% reduction in frequency interruption compared to the previous year.

Reliability of our network is also underpinned by the execution of our capital investment program aiming at expansion of our essential network infrastructure in response to customer growth and load demand in addition to compliance with APSR distribution system security standards. While the capital program has been revised based on general cashflow and financial restrictions, MEDC's value of work done has recorded a result of RO 17.013 million for 33kV and 11kv Load and non-load related investments excluding common assets and

sponsored projects.

Automated Meter Reading "AMR" aimed at frequent monitoring of consumption, quick flow of data and accurate billing has continued its growth with more than 9,000 meters installed in the year bringing the total to 25,520 meters. Prepaid energy meters empowering our customers to manage their consumption and expenditure have been recorded at 18% of the total customer base compared to 16% in the previous year.

Our contact center operations continued despite the COVID-19 infection and related precautions necessary to be adapted. We managed to become easily accessible to our customers in addressing their queries and complaints with an increase of 10.6% of calls answered during the year compared to 2019. The service level in accordance with established



best practice measures is recorded at 91%.

GROWING THE CAPABILITIES

Human Resources Development is our key strategic pillar as we regard our people the most vital enabler to realize our path of excellence and serve our customers. With constantly evolving technologies and information guided by career path, we view learning and development in different modes as precondition to performance. Accelerated utilization of online Learning Management System (LMS) resulted in a drastic increase of learning opportunities provided to the workforce with an increase of almost 200% compared to

the prior period. Our people capability strategy and plan have resulted in successfully and consistently maintaining the Omanization level at 95.82% with a total staff compliment of 479 employees.

We have exerted special efforts to provide support and assistance to our workforce relating to the potential health risks following the pandemic and associated implications by maintaining constant communication and advice to our people.

TECHNOLOGY DEPLOYMENT & CYBER SECURITY

With the aim to sustain continuity of our business, MEDC have been continuously progressing to deploy various software and infrastructure throughout the organization.

To adhere to the authorities' instructions limiting the residents and citizens movements to reduce the possibility of virus spread at workplaces, enormous efforts were made to facilitate secured work from home option for the workforce. Enhancement of security posture of IT and SCADA Infrastructure are put in place to mitigate Cyber-threats to critical infrastructure due to adaptation to work from home following the pandemic.

ACKNOWLEDGEMENTS

Board members, management and staff of the Company express their sincere gratitude to His Majesty Sultan Haitham Bin Tarik for his vision, guidance and leadership. We would like to thank the outgoing Chairperson and Board Members for their continuous support and guidance while concluding another year of providing critical electricity infrastructure to the capital of Oman. During the year we also mourned the loss of our dear BoD member Mr. Haitham Al Kharousi who was one of the long serving members and played a vital role in leading the path in MEDC, may Allah have mercy on his soul.

Sustained progress and substantial improvements in a variety of Business aspects are greatly attributed to endless commitment, collaboration and leadership of the executive management team supported by focused efforts and contributions extended by devoted Staff of MEDC.

MEDC has also suffered from the loss of two key management members, Eng. Ibrahim Al Mahrooqi and Eng. Nabil Al Barwani, may Allah have mercy on their souls. Both have made valuable contributions to the company and will be remembered.

We would like to further recognize and acknowledge the contribution of our collaboration partners, contractors, suppliers and service providers as their support and service are vital in achieving our corporate vision and objectives. They have exhibited special spirit to serve sacrificing their own safety to serve the MEDC customers in this historically special year.

We express my sincere appreciation to the Authority for Public Services Regulation (APSR) for their guidance and support through continuous engagements and guidance revolving around different aspects of the business.

Finally, we express our sincere gratitude to (EHC) Electricity Holding Company and other (DISCOs) Distribution Companies for their continued support and collaboration.

Saleem Ahmed Abdullatiff

Chairman

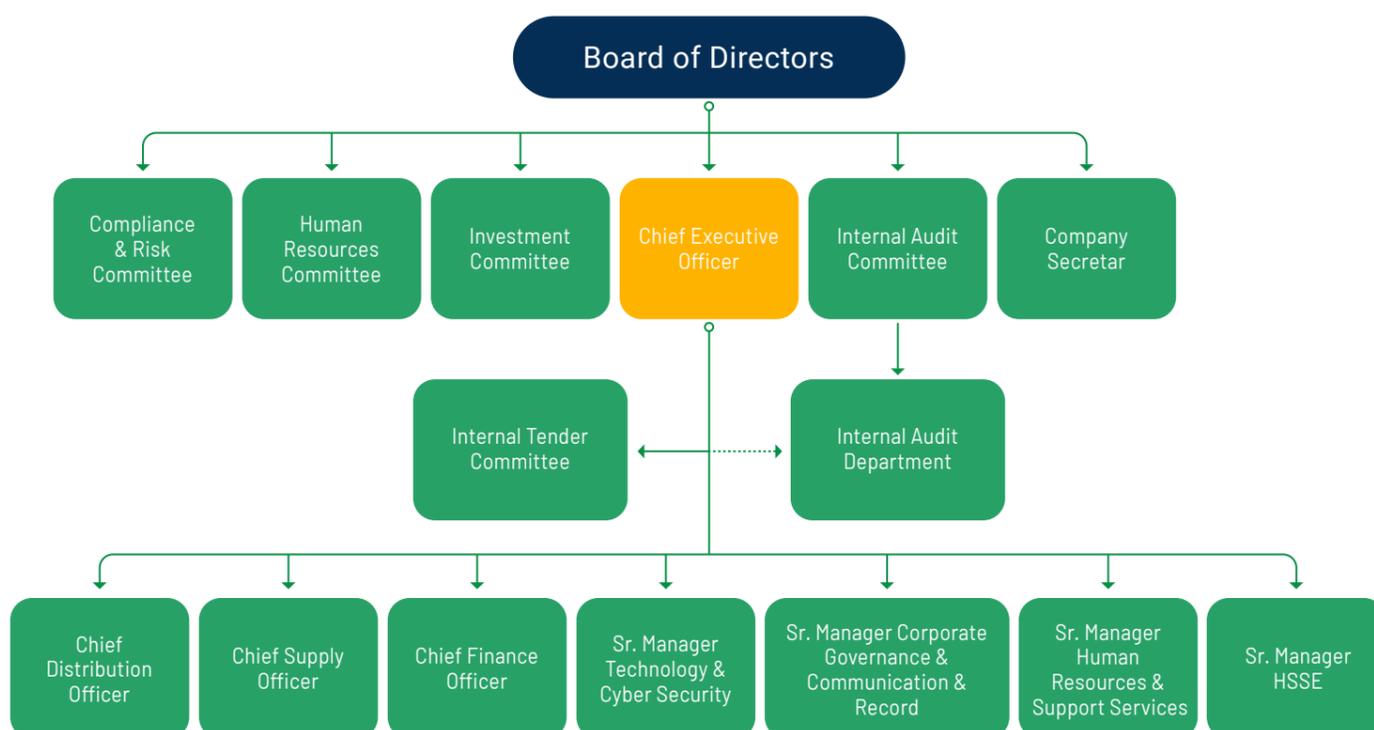


4 - CORPORATE GOVERNANCE

4.1 - CORPORATE GOVERNANCE POLICY

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

4.2 - ORGANIZATION STRUCTURE



4.3 - ROLE OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

i. Board of Directors

The Board represents the Shareholders. It is accountable to them for protecting their interest in accordance with the Sector Law along with other local laws and regulations. Annual evaluation of the Board is conducted based on 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 impeccable reputation, for the materiality of the financial and other risks inherent in the business and the relative costs and benefits of implementing specific controls.

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

Sr. No.	Name of the Member	Position in the Board	No. of meetings attended
1	Mrs. Manal Bint Mohammed Al Abdawani	Chairperson Jan-Dec 2020	10
2	Mr. John R Wright	Deputy Chairman Jan-Dec 2020	10
3	Mr. Haitham Bin Abdullah Al-Kharusi	Member Jan-Mar 2020	1
4	Mr. Mahmoud Jallad	Member Jan-Dec 2020	10
5	Mr. Humaid Abdullah Al Qatabi	Member Jan-Dec 2020	10
6	Mr. Atif Sulaiman Al Alawi	Member Sep-Nov-Dec 2020	3
7	Mr. Saleem Ali Abdullatif	Chairperson Dec 2020	1
8	Mr. Rashid Sultan Al Hashmi	Deputy Chairman Dec 2020	1

ii. Qualification and Election of the Board of Director

The terms and conditions issued by the Ministry of Commerce and Industries followed in electing the members of the Board. The Board comprises of five (5) members nominated by the Nama Holding Company (Electricity Holding SAOC) and approved in the Annual General Meeting of the company pursuant to the article no. 21 of the Articles of Association of the Company and Commercial Companies Law 4/1974 as amended from time to time. The members of the Board of Directors fulfill the following requirements:

1. The Board of Directors elected by the Ordinary General Meeting.
2. Not be less than 21 years old.
3. Not be a member of public joint stock or closed company whose principal place of business is in the Sultanate of Oman and practicing in similar activities.

4. Not have been declared bankrupt or dissolved unless such case is ceased to exist as per the provisions of the law.
5. Not have been convicted in a felony or criminal act unless rehabilitated.
6. Not be unable to settle his debts & obligations to various lenders.
7. It is not allowed to combine the position of CEO/General Manager and the Chairman of the Board.

Muscat Electricity Distribution Company is led by a strong and experienced Board. The members bring diversity in expertise and perspective to the leadership in our complex and highly regulated sector.

4.4 - INTERNAL AUDIT COMMITTEE (IAC) REPORT TO THE BOARD FOR THE YEAR 2020



Audit Committee Format

The Members of the Audit Committee comprise three Non-Executive Directors appointed from the Board, all of whom have Financial or Commercial experience at a Senior Management level.

Audit Committee Meetings

The Committee met 4 times during the year ended December 31, 2020. Other attendees from time to time, at the invitation of the Committee, included other Board Members,

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 Results discussion and is free to attend at any time. All the Meetings were quorate.

Audit Committee Responsibilities

The Audit 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 Audit Committee undertook the following activities in 2020:

- Approving the appointment of the External Auditors, ensuring their independence and recommending their appointment to the Board.

This includes:

- Reviewing and agreeing to their Audit Plan and confirming that they have full access to all required documents and individuals.
- Ensuring that, in the course of their Audit, they focus on any possible instances of financial fraud or fictitious Accounting practice.

- Overseeing the activities of the Internal Audit Function and ensuring that it is adequately staffed with appropriately qualified individuals (the current team includes 7 employees, including professionally qualified accountants, internal auditors and those actively pursuing relevant professional qualifications). This involves:
 - Approving the Annual Internal Audit Plan for the year.
 - Approving the Audit Charter.
 - Approving the Internal Audit Annual Independence Statement.
 - Approving proposed changes to the Internal Audit Plan.
 - Reviewing Internal Audit reports.
- The Audit Committee Chairman providing an update to each meeting of the Board of Directors.
- Forming a view of the adequacy of the control environment within MEDC.

Reviewing selected key Risks (extracted from the Corporate Risk Register).

Generally, the Committee will ensure that the Policies & Procedures in respect of related party transactions are followed specifically and that the Company's liquidity is managed carefully noting that up until now there is some stress in this regard given the strong emphasis on Debt financing as opposed to Equity. This is fully discussed with the Board. The continued impact of the decline in the Oil Price is being felt.

Sr. No.	Name of the Member	Position in the committee	No. of meetings attended
1	Mr. John R Wright	Chairperson	4
2	Mr. Haitham Bin Abdullah Al-Kharusi	Member	1
3	Mr. Humaid Abdullah Al Qatabi	Member	4
4	Mr. Atif Sulaiman Al Alawi	Member	1

4.5 - HUMAN RESOURCES COMMITTEE (HRC):



The HRC is a subcommittee of the Board to consider specific matters related to Human Resources of the Company. The HRC works under Board approved policy and puts in place all relevant policies related to remuneration, staff benefits, grievance procedures and other policies related to good people management in line with the framework and approved group HR Policy.

The main roles and responsibilities of members of HR Committee are as following:

- Ensuring consistent application of Group HR polices.

- Executing specific tasks mandated to it by the Board.
- Assisting the Board in conducting performance evaluation of Executive Management.
- Ensuring compliance to directives set by Ministry of Manpower.
- Ensuring the existence of job descriptions.
- Ensuring that Training plan and calendar exist.
- Considering employees' complaints and grievance.
- Making decisions necessary to resolve disputes and issues occurring from the implementation of HR Regulations or disputes arising due to the lack of provisions in specific matters.
- Reviewing the basis and criteria related to assessment of employees.
- Considering and resolving any issue referred to the Committee by the Board.

The HRC held four (4) meetings in the year 2020 and the table below shows its composition:

Sr. No.	Name of the Member	Position in the Committee	No. of meetings attended
1	Mr. Haitham Bin Abdullah Al-Kharusi	Chairperson	1
2	Mr. Mahmoud Jallad	Member	4
3	Mr. Humaid Abdullah Al Qatabi	Member	4
4	Mr. Atif Sulaiman Al Alawi	Member	1

4.6 - CAPITAL INVESTMENT COMMITTEE (CIC)

The CIC is a subcommittee of the Board of Directors with representation from board and management in order to establish clear governance and risk management practices for the Company investments. For the year 2020, CIC held three (3) meetings. The Chairperson of the Board of Directors chairs the Committee and remaining members are the executive management team of MEDC and Technical member from the Group.

The main roles and responsibilities of members of CIC Committee are:

- Review and approval of Capital Investment Program in the Company Capability Statement with the Distribution System development plan for each Zone,
- Review and approval for the assets' replacement program on annual basis of the major assets as well as common assets with value of equal or more than RO 500,000.
- Review and advise on the project lifecycle improvement plan every two meetings.
- Review and advise on the progress of the capital delivery improvement program.

The below table includes the details of CIC committee and number of meetings:

Sr. No.	Name of the Member	Position in the Committee	No. of meetings attended
1	Mrs. Manal Bint Mohammed Al Abdawani	Chairperson	3
2	Eng. Ala Hassan Moosa	Member	3
3	Eng. Abdul Aziz Al Sinani	Member	2
4	Mr. Joby Joseph	Member	3
5	Eng. Yousuf Al Mahrooqi	Member	3

4.7 - COMPLIANCE AND RISK COMMITTEE (CRC)

The CRC is a subcommittee of the Board of Directors with representation from board and management established in the quarter four 2018, in order to provide clear governance and risk management practices for the Company. For the year 2020, CRC held three (3) meeting during 2020.

The main roles and responsibilities of members of CRC Committee are:

- Review Risk Appetite Statement and recommend to the Board.
- Approve Risk Management Framework to ensure effectiveness and consistency.
- Review the progress of the Company's Corporate Risk Register.
- Monitor the Company's risk profile in order to confirm that MEDC is operating within the Board approved risk appetite.
- Review compliance policy and recommend to the Board.
- Ensure building up adequate set of policies governing operations within MEDC.
- Review the adequacy of arrangements for ensuring the accuracy and completeness of reporting.

The below table includes the details of CRC committee and number of meetings:

Sr. No.	Name of the Member	Position in the Committee	No. of meetings attended
1	Mrs. Manal Bint Mohammed Al Abdawani	Chairperson	4
2	Mr. Mahmoud Jallad	Member	4
3	Eng. Ala Hassan Moosa	Member	4

4.8 - INTERNAL TENDER COMMITTEE (ITC)

The ITC oversees matters related to purchasing of services or equipment as per the mandate allowed by the Government Tender law. The approval authorities of the Committee are as per the authority delegated by the Board of Directors. The responsibilities of ITC at all times are always in line with Government Tender Law issued by the Royal Decree No. 36/2008.

The ITC ensures on behalf of the Board that the Company has carried out the procurement process in a fair and transparent manner within the framework of the Tender Law and the financial delegation authority.

The Internal Tender Committee's composition from the Executive Management and chaired by the Company CEO.

The ITC held fourteen (14) meetings in the year 2020 and the table below shows its composition:

Sr. No	Name	Position in the Committee	Job Title	# of meetings attended
1	Eng. Ala Hassan Moosa	Chairman	Chief Executive Officer (CEO), Acting	13
	Eng. Salman Bin Ali Al Hattali	Deputy chairman	Chief Executive Officer (CEO), Acting	2
2	Eng. Salman Bin Ali Al Hattali	Deputy chairman	Chief Supply Officer (CSO)	10
	Mr. Ali Salim Al Sulaimi	Deputy chairman	Chief Supply Officer (CSO), acting	1
	Mr. Mohammed Musallam Al Dhahri	Deputy chairman	Chief Supply Officer (CSO), acting	1
3	Eng. Yousuf Mohammed Al Mahrooqi	Member	Chief Distribution Officer- (CDO acting)	12
	Eng. Abdul Aziz Mubarak Al Sinani	Member	Chief Distribution Officer- (CDO acting)	1
	Eng. Ibrahim Yahya Al Mahrooqi	Member	Chief Distribution Officer- (CDO acting)	3
4	Mr. Joby Joseph	Member	Senior Manager Finance (SMF)	11
	Mr. Fahad Humaid Al Mahdouri	Member	Senior Manager Finance (SMF)-acting	1
5	Eng. Salim Bin Musallam Al Rijabi	Member	Technical Advisor	6

4.9 - THE REMUNERATION OF THE BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The Company paid RO 698 k towards remuneration of key management personnel which includes director's remuneration. The table below shows the overall remuneration paid to Board members during the year:

The below table includes the details of CRC committee and number of meetings:

Details	Amount (RO)
Sitting fees paid for Board of Directors	6,875
Sitting fees paid for Internal Audit Committee (IAC)	2,200
Sitting fees paid for Human Resources Committee (HRC)	2,200
Sitting fees paid for Capital Investment Committee (CIC)	800
Sitting fees paid for Compliance and Risk Committee (CRC)	1650
Total sitting fees	13,725
Bonus for the year 2020	11,458
Contract fee	6250
Total Board Members Remuneration	31,433

Travel expenses as per the contract for one of the Board of Directors members amounted at RO 1,674 for the year 2020 included in the other expenses.

4.10 - COMMUNICATION WITH SHAREHOLDERS

Pursuant to a Royal Decree 78/2004 (Sector Law), the Company maintains close liaison with 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.

4.11- DISTRIBUTION OF SHAREHOLDING

Shareholders	RO	Percentage
Electricity Holding Company SAOC (Nama)	91,990,800	99.99%
Numo Institute for Competency Development LLC	4,600	0.005%
Nama Shared Service LLC	4,600	0.005%
Total Share Capital	92,000,000	100%

4.12- ANNUAL GENERAL MEETING OF SHAREHOLDERS

Article 172 of the Commercial Company's Law mandates, an Annual Ordinary General Meeting shall be convened each year within three months after the end of the Company's financial year. Additional Ordinary General Meetings shall be convened when required by law or the articles of association of the Company or whenever the need for such meeting arises.



5 - COMPANY STRATEGY

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

HSC	Service Reliability	Cost Efficiency	Customer Experience	Hr Development
"No harm to people or the environment"	"Ensure that electricity is always available"	"Best in Class cost per Unit"	"Delighted Customer"	"Competent Staff"

With the increased availability of advanced technologies, MEDC has an opportunity to evaluate how it plans, builds, operates and maintains its assets and how they serve their customers. For the upcoming business plan period the diagram below demonstrates management undertaking in line with the Nama Holdings direction and to achieve MEDC's corporate vision, mission, values and set shareholder direction.

MEDC UNDERTAKING				
Guaranteed Supply	30	Smart Billing	∞	Ultimate Outcome
Health & Safety	0	Cyber Security	0	Key Principals
DIGITILIZATION/AUTOMATION				Enabler
Enterprise Data Management	Systems Enhancements		Connected Devices	
PEOPLE				Enabler
Competent Technically		Fit Financially "Workforce rightsizing"		
THE ULTIMATE EXPERIENCE				
Quality	Time	Safe	Simple	Accessible

5.1- HEALTH, SAFETY & ENVIRONMENT (HSE)

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

5.2 - GUARANTEED SUPPLY

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

5.3 - SMART BILLING

Smart Billing as an objective aims to enable a more progressive billing and customer experience regime.

5.4 - DIGITALIZATION/AUTOMATION

Digitalization refers to the deployment of digital technologies to change a business model and introduce new efficiencies and value-adding opportunities. It will give MEDC a better visibility into our operations and more control over outcomes, saving time and efforts while reducing human error and improving the overall customer experience and service reliability. Automation is the deployment of technology to enable a process or procedure to be performed with minimal human intervention. Below are the key sub-focus areas within Digitalization:

1. Enterprise Data Management (EDM)

Enterprise Data Management will help define, integrate and effectively retrieve data for both internal and external applications.

2. System Enhancements

System Enhancements refers to the implementation of new systems and/or modification of software, hardware, and/or communications to improve performance, or to adapt to a changed environment and/or changed requirements. These enhancements are aimed at introducing new functionalities that will enable Smart Network capabilities that MEDC's is working towards as well as integrations with third party entities to enhance the customer experience.

3. Connected Devices

Connected devices are physical electronic objects that connect with each other and other systems via the internet or a private network. The gradual introduction of connected devices to monitor and share data between MEDC's electricity network and operations is a key milestone in the realization of the Smart Network.

5.5 - CYBER SECURITY

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

5.6 - PEOPLE

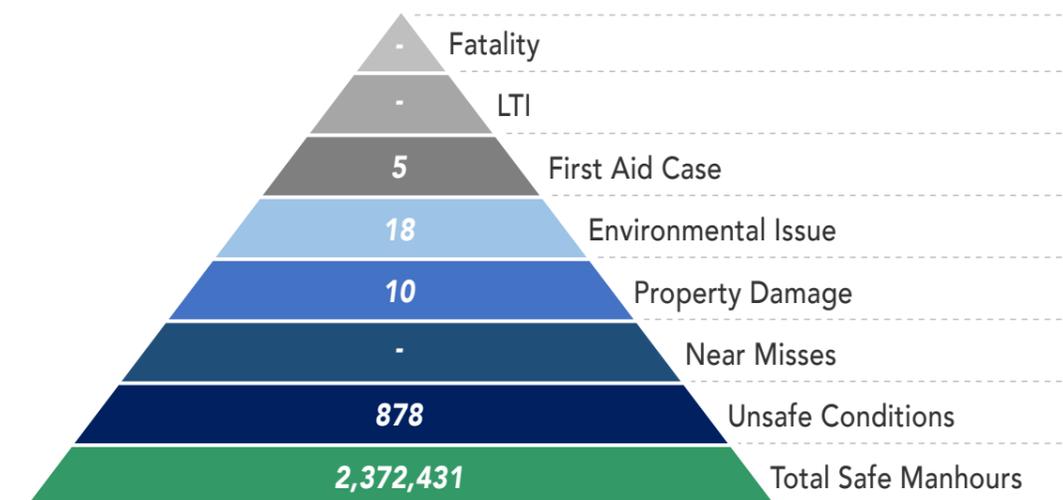
People are crucial in the drive for organizational change. Technically Competent and Financially fit workforce refers to the optimal number of employees with relevant competencies and capabilities to achieve and deliver MEDC objectives.

6 - HEALTH, SAFETY AND ENVIRONMENT (HSE)

MEDC has an obligation to provide a safe electricity service while causing no harm to the well-being of people and environment through focused Health and Safety initiatives. At the heart of all the activities are our corporate values "Care, Deliver, and Do Better" which reflect the commitment of zero compromise towards the safety of our people, customers, contractors and community.

The diagram below illustrates the Health, Safety and Environmental (HSE) statistics achieved in 2020:

PERFORMANCE STATISTICS - YTD



MEDC understands that the principal objectives of HSE can only be achieved through the execution of a comprehensive program. The company's focus continues to be centered around Public Safety through, Assets Rehabilitation and Operational Safety initiatives.

6.1 - PUBLIC SAFETY PROGRAM

Various public safety campaigns were rolled-out to raise the awareness of safety issues and these included: Illegal and Temporary Connections, Electrical Safety of Household Appliances and Installation of Residual Current Devices (RCD) for public stainless-steel refrigerators.

Assets Rehabilitation through HSE improvement plan

The four-year HSE improvement plan with a focus on asset rehabilitation including surveying the asset base, assessing risks, hazards and implementing the remedial actions.

During 2020, MEDC replaced a total of 5,438 unsafe direct Low-Tension (LT) service connections in customer premises without additional charge. Additionally, 66 dangerous

Overhead Lines (OHL) were placed underground, and 9,297 Mini-Feeder Pillars identified with issues to be and replaced accordingly through tendering process to minimize public risk exposure. Furthermore, 2,680 distribution substations (located in public areas) were rehabilitated during 2020 to ensure public safety and security. Also, 238 GRP distribution substations located in central areas have been replaced with compound wall substations during 2020 to enhance public safety. Furthermore, we have completed installation of Smart Locking System for 78.8% of Primary Substations (PSS) located in the Muscat governorate.

6.2 - OPERATIONAL SAFETY (CONTRACTORS & STAFF)

Our Staff and Contractors are important in ensuring operational safety. Regular audits followed by the implementation of corrective measures to foster compliance continue to be a key practice for MEDC.

The annual execution of the operational HSE Plan has continued with the following ongoing focus areas:

- i. Leadership involvement through regular monitoring and compliance assessments.
- ii. Management Commitment & Operational Safety.
- iii. Environmental Initiatives.
- iv. Enhancing safety awareness amongst both employees, contractors and general public through awareness programs.
- v. Improving the practices through uplifting the capabilities and competency development.
- vi. Utilizing new technologies and techniques to record, monitor and report, leading to enhanced HSE management.



6.3 - OCCUPATIONAL HEALTH (CONTRACTORS & STAFF)

MEDC has successfully dealt with the COVID-19 pandemic, as it introduced a standard protocol in line with WHO recommendations for dealing with COVID-19 infected positive and suspected cases along with the control measures associated with social distancing and hygiene. Furthermore, a dedicated management committee kept monitoring the trend of reported cases (among staff and main contractors) and assessed the situation on a weekly basis to recommend corrective actions. The company also adopted remote working (Working from Home) to almost 80% of staff to minimize the risk of exposure. All these efforts led to minimize the recorded cases among staff and contractors. As part of the CSR, the company launched awareness campaigns in the social media websites about the COVID-19 safety precautions and best practices to avoid and handle the infection.

6.4 - HSE COMPLIANCE AND BEST INTERNATIONAL PRACTICES.

We remain committed to adopt the best international practices and standards to ensure continuous improvement and sustain operational excellence in accordance with our QHSSE Policy. Despite the imposed challenges of COVID-19, the external ISO Integrated Management System IMS Certification Surveillance audit was passed for the three ISO standards, ISO9001 (Quality Management System), ISO14001 (Environment Management System) and ISO45001 (Occupational Health and Safety Management System).



7- CUSTOMER EXPERIENCE

MEDC continues enhancing the Customer Experience standards through efficient and cost-effective digital operations. We have continued to reduce the efforts of the customers by making it easier to merge the customers lifecycle from connection to metering, billing and payment through the digitalized services.

7.1 - NETWORK RELIABILITY

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

SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)



The year was concluded with a 29.25% reduction compared to the previous year in System Average Interruption Duration Index (SAIDI) recorded at Actual outturn of 73.3 minutes.

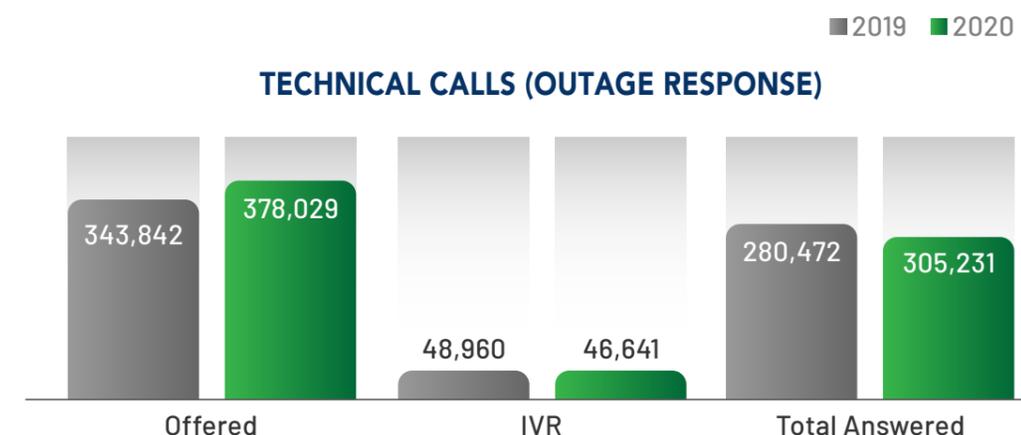
SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)



The second reliability measure is the System Average Interruption Frequency Index (SAIFI) was recorded at Actual Outturn of 0.96 interruptions per customer in 2020, reduction of 4% compared to 2019.

7.2 - CONTACT CENTRE RESPONSIVENESS TO OUTAGES

The service level in the contact center achieved 89% in 2020 compared to 93% in 2019 in response to our customers experiencing power interruption and/or power quality fluctuations.



7.2.1 - KEY CONTRIBUTORS

Having a satisfied customer is our core objective, hence we continued strengthening our people, systems and network capabilities. MEDC ensures that people have the required technical and financial management capabilities along with relevant qualifications to undertake regulated activities and take appropriate enforcement actions to rectify any shortcomings. MEDC's Asset Management is following the requirements and specifications of ISO 55001.

a. Capital Program and Network Expansion

We have continued expanding and growing our distribution network during the year with an additional three Primary Substations (PSS) across the Muscat Governorate. Our network is fed from a total of 35 grid stations and 177 PSS. This has resulted in an additional 224 MVA capacity taking the total installed capacity to 6,848 MVA at the end of 2020. In addition, the number of Distribution Substations have increased by 52 ground mounted and 12 poles mounted increasing the overall number to 7,669 ground mounted and 1,234 poles mounted respectively. The total value of work done is recorded at RO 17.013 million, consisting of total RO 7.91 million for 33kV projects (excluding sponsored projects), RO 4.656 million for 11kV load related and RO 4.443 million for 11 KV Non-Load Related projects (Asset Rehabilitation Program).

b. Asset Management ISO 55001 Recertification

The main objective of Asset Management is to guide the acquisition, use and disposal of network assets to ensure delivery of a high-level of service expected by our customers in a cost-effective manner. This covers the strategic planning, maintenance, utilization, reliability and operation of a network throughout the lifecycle.

As part of the Asset Management Strategy journey, MEDC has successfully upgraded ISO certificate to include the 11kV and LV network in addition to previously certified 33 KV network.

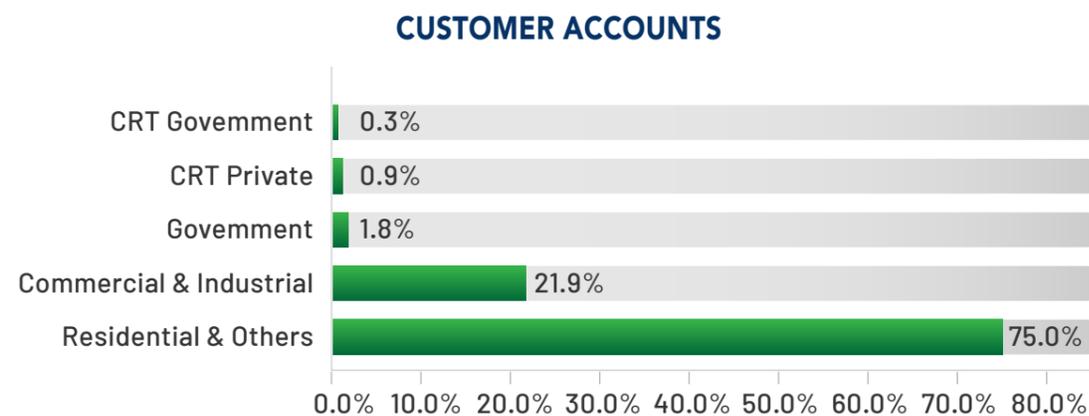
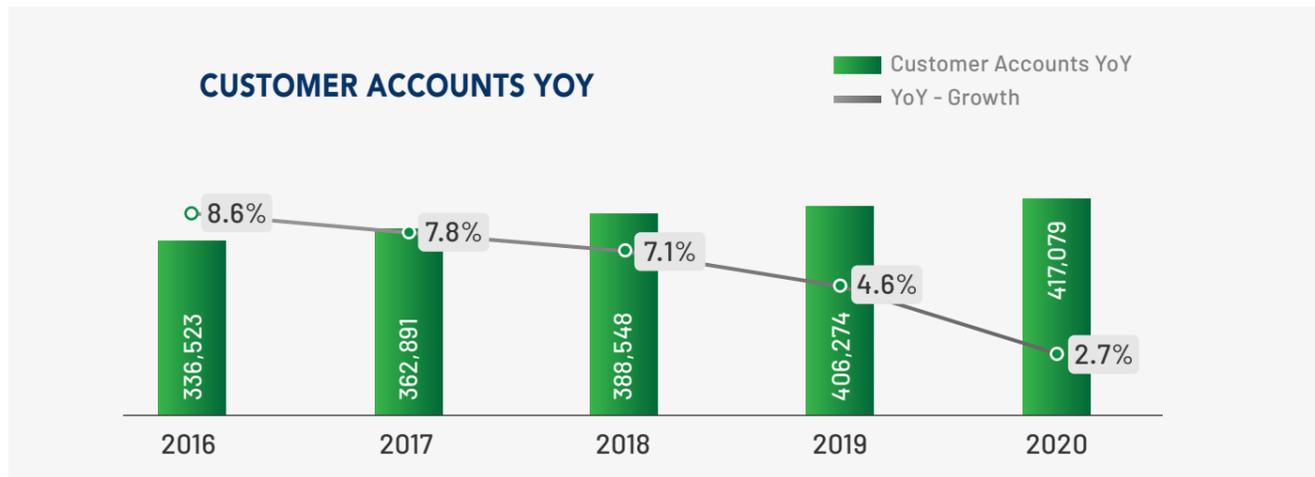
7.3 - CUSTOMER ENGAGEMENT - INCREASED ACCESSIBILITY AND E-SERVICES

In addition to dedicated customer facing outlets across Muscat, there have been constant efforts to engage and provide various accessibility channels to our customers. The following are the key highlights from the year 2020:

- ‘Noor’ a WhatsApp Chat Bot was implemented in 2019 and was initially rolled out in both Arabic and English. Furthermore, this application platform was integrated with Facebook Messenger, Direct Chat and Website as a Chat Bot. It serves as a virtual employee providing services to customers via WhatsApp.
- Additional services were built to digitalize applications so that the customer can submit, view and track their applications through the website followed by notifications.
- Application upgrades have continued in the year. The customers can continuously recharge their SABIQ (Prepaid Meters) or Pay Electricity Bills using their Debit Cards. The implementation for Credit Card payment is expected in 2021.

7.4 - CUSTOMER GROWTH

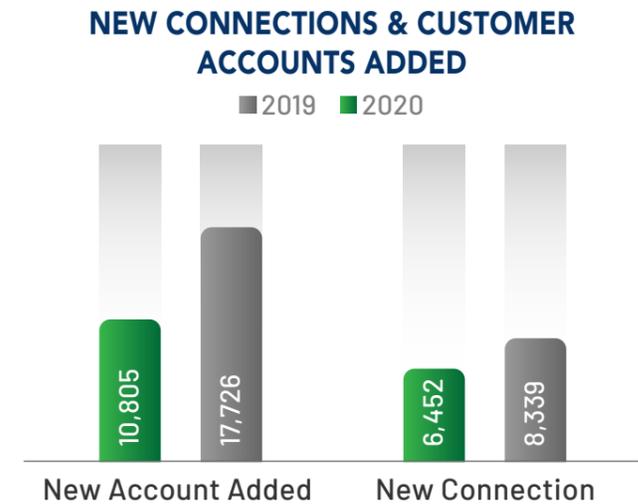
The customer base continues to grow at a comparatively slower pace than in the past years with an increase of 2.7% in 2020 closing the year with 417,079 customer accounts compared to 406,274 in previous year. This is the lowest growth rate recorded in the entire decade. The graph below illustrates the different customer categories.



Network readiness (New Connections)

Network readiness was achieved from extensive Capital Investment Program for the 33 kV and 11 kV asset categories. Improved readiness and faster connections are also attributed to 11 kV network optimization through continuous reinforcement and load shifting.

A drop has been recorded in the new connection applications and total number of accounts added in 2020 compared to 2019 presented in the graph. New connections and accounts added between 2019 to 2020 have recorded a reduction of 22.6% and 39% respectively. This is an obvious impact due to COVID-19.



7.5 - METER READING & BILL DELIVERY

Ongoing initiatives to reduce customers' effort throughout the customer lifecycle from connection to metering, billing and payment through the "Tas'heel program" has been achieved through the deployment of technology and process enhancements to deliver fast and high-quality services. In the year 2020 the performance dropped as an impact of COVID-19 in the months from April to July due to following:

- Lockdowns in Mutrah and some industrial areas.
- Received instructions to refrain reading meters inside the customer premises.
- Lack of personnel availability due to movement restrictions and lockdowns.

However, efforts have been made to recover the performance upon withdrawal of COVID-19 restrictions and resumption to normal.

a. Meter Reading

We have three service providers dedicated to serve respective zones to help in improving our service delivery year on year by diversifying and increasing focus on meter reading. Efforts have been made to deliver against a predefined schedule with the number of accounts to be read each month within each zone. A dedicated team scrutinizes any anomalies and/or lack of performance.

An overall performance of 93.3% against the target of 94% has been recorded in the exceptional year of 2020.

The prepaid meters (SABIQ) enable customers to have a bill-free service with full monitoring over their consumption. SABIQ customers continued to grow reaching 73.8K and representing 17.7% of the total customer base compared to 16% last year.

The Automated Meter Reading (AMR) is an automation technology implemented successfully since 2017, where MEDC have focused on Cost Reflective Tariff (CRT) and other high consumption customers. In 2019, AMR meters were recorded at

25,520 compared to 16,144 in the previous year. Sales Units for CRT customers were recorded at 37.5% from the total sales.

b. Bill Delivery

Bills are delivered to customers by utilizing various modes of delivery such as hand delivery, mail, email, personalized SMS with link to show the full bill and electronic bills. In 2019, MEDC reached the capability to deliver electronic bills to all new customer accounts. In 2020, MEDC stopped hand bill delivery from mid of February till July with an 82% of bills delivered to customers.

As of December 2020, 65% of our customers were able to receive e-bills compared to 57% in 2019.

c. Complaint Management (Contact Center - First Call resolution)

Customer complaint resolution has recorded slightly lower performance in an average number of days 2.7 compared to last year due to COVID-19 pandemic and inability to visit the customer premises on time. Responded complaining customers (satisfied) with the resolution were recorded at 91% in 2020 compared to 91.5% satisfaction recorded in 2019.



8 - TALENT MANAGEMENT

We aspire to deliver our objectives through unleashing the potential of our people by effective deployment and capability building of the talents. We recognize that attracting, retaining, developing, and promoting high-performing human capital are the fundamentals to serve our vision and mission resulting in safe, reliable and economic power supply to our customers.

8.1 - WORKFORCE AND OMANIZATION

We have concluded the year with a total staff compliment of 479 employees with an Omanization level of 95.82%. This is supported and achieved through continuous talent acquisition of qualified Omanis. The turnover rate was recorded at 6% for the year.

8.2 - TRAINING & DEVELOPMENT

In addition to systematic talent acquisition, there has been an implementation of Personal Development Plans (PDP's) prepared based on systematic competency assessments with an aim to provide appropriate capabilities to support the individual career growth along with organizational objectives.

8.3 - KEY HIGHLIGHTS

Below include key highlights from 2020:

- a. During the global COVID-19 pandemic, constant communication was maintained with suspected and/or infected employees through follow-ups on their health condition and emotional support. Frequent reports were generated and communicated transparently with all MEDC staff.
- b. An Engagement Plan was delivered aimed to fill the gaps identified through Employee Engagement Survey with the objectives to create a positive corporate culture and environment to support employees' growth and aspirations.
- c. The Career Path setting out competencies, experiences and qualifications needed for career progression was designed and launched through providing awareness and orientation, so the employees may continuously undergo focused development. Furthermore, pipeline of future leaders has been identified and Succession Plan is maintained along with providing appropriate development.
- d. While the COVID-19 pandemic posed limitations on training execution, we continued to develop our people through the online Learning Management System (LMS). A total of 4,172 learning opportunities, with 96% through Learning Management System were provided to staff at all levels. This also included Lean Management for Yellow, Green and Black Belt levels supporting the overall corporate objective of process efficiencies.

As part of our contribution towards Corporate Social Responsibility, we continued to participate in the provision of internship opportunities to 50 students which has aided in the development of young Omani graduates.

9 - TECHNOLOGICAL INFRASTRUCTURE AND CYBER SECURITY - OUR DIGITAL PATH

MEDC considers technology as a key enabler in achieving its strategic objectives of providing a secure and uninterrupted electricity supply supported by easy-to-use convenient customer service channels.

Below are the key technological implementations and improvements in the Software, Infrastructure and Cyber Security rolled out during 2020:

9.1 - CUSTOMER DATA AND E-SERVICES

The E-Census 2020 is the fourth census to be implemented by the Sultanate. The previous censuses were based on field surveys the most recent prior to the current was in 2010. The main objective is to set up a high quality national electronic integrated database and linked data registers.

A nationwide campaign launched in 2019 called 'Your Data, Your Identity', was introduced to encourage citizens, residents and business owners to update their data at related authorities in the Sultanate specifically in the electricity distribution companies. In this regards an implementation has been initiated in 2020 to complete seamless integration to provision the customer data and the consumption information for an account with MEDC and NCSI.

9.2 - OPERATION TECHNOLOGIES

a. Geographic Information System (GIS)

In line with the company's vision to transform and to have a smart field operation environment and quit the paper-based world, all maintenance and operation inspections are relying on ArcGIS platform. This transformation enhances the quality of inspection work to ensure the safety of the MEDC network which ultimately ensures the reliability and sustainability of the power and improves customer satisfaction. The engineers have MEDC's network at their fingertips through Web Maps in mobile applications and recorded views are more than 200,000 in the field in the year.

To harness the power of the data, MEDC GIS team works to transform the data to information where the power of the data visualization becomes core to the process. ArcGIS dashboards are the main tool to visualize the data intuitively and interactively where the managers can effortlessly analyze critical issues and make objective decisions for preventive maintenance which ensures sustainable power supply.

b. Supervisory Control and Data Acquisition (SCADA)

To date, 187 of MEDC's Primary Substations (PSS) that includes 24 Grid Stations have been integrated into the SCADA system enabling us to effectively monitor, manage and control the network. The SCADA system connectivity has been extended to cover most of the outdoor Primary Stations in 2020.

9.3 - INFRASTRUCTURE AND CYBER SECURITY

As per previous years, the Cyber Security posture has been continuously enhanced to provide robust and resilient environment for smooth business operations. Below are the key achievements of year 2020:

a. Infrastructure enhancement

As part of continuous infrastructure enhancement, the following projects were initiated:

- i. Enhancement of the perimeter security and the core zone (server form) security by replacing existing firewalls with next generation firewalls deployed at all branches and to be continued covering all premises.
- ii. Deployment of new back-up management solution and enhancement of existing storage capacity.
- iii. Upgrading of underlying hardware and software for GIS servers.

b. SCADA Cyber Security Management

To ensure compliance and risk management for the SCADA Network is monitored and maintained in accordance with APSR Cyber Security License Condition: 18 (BIS), Vulnerability Assessment and Penetration Testing activities were completed in addition to two anti-phishing campaigns conducted in the year as part of the security awareness program amongst the workforces.

c. Cyber Security Management for COVID-19

To support Oman Government ministry's initiatives to promote the residents and citizens to stay and work from home to reduce the possibility of virus spreading at workplaces, enormous efforts were made to facilitate secured work from home option for the workforce in accordance with business requirements. When providing work from home option to MEDC staff, multiple security controls were ensured:

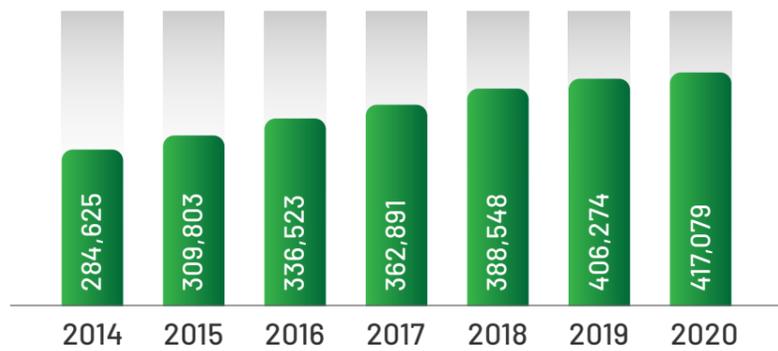
- I. Upgrade of internet bandwidth and acquisition of extensive computer hardware to provide employees with laptops.
- II. Remote access provided over secured/encrypted channel called VPN Tunnels.
- III. Multiple security controls at systems and network levels were ensured.
- IV. Users were provided with Cyber Security Guidelines for Work from Home so that they should not become victim of cyber-attacks such as social engineering, Phishing attack etc.

d. Security Monitoring Solution Deployment

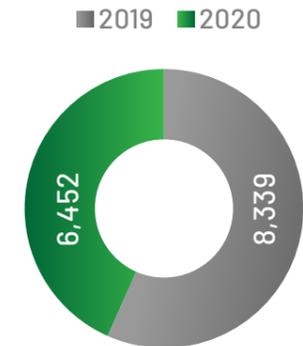
Timely deployment of the SIEM Solution (Security Information and Event Management) and establishment of a dedicated Security Operation Centre (SOC), has greatly supported security monitoring of the IT Infrastructure during the pandemic. The SIEM Solution was utilized for effective visibility of malicious traffic within MEDC Infrastructure. Constant security monitoring of the IT Infrastructure is taking place to act upon detecting any suspicious traffic or events.

10 - OPERATIONAL PERFORMANCE

CUSTOMER ACCOUNTS YoY

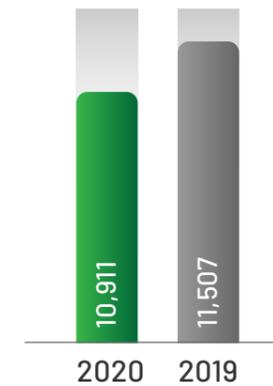


NEW CONNECTIONS

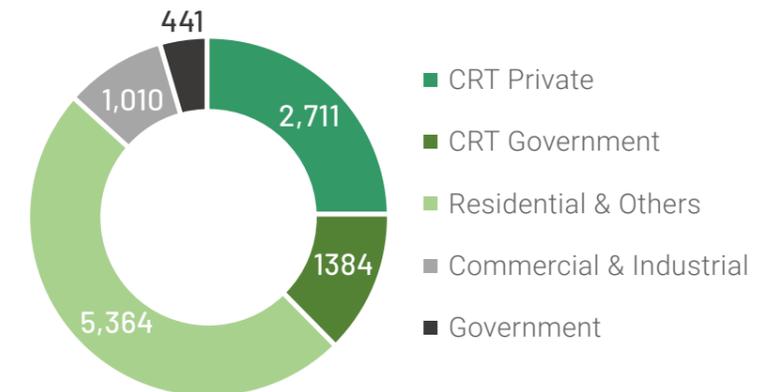


REGULATED UNITS DISTRIBUTED (RUD)- SALES

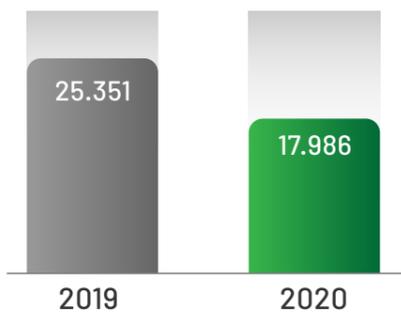
ELECTRICITY SOLD (GWH)



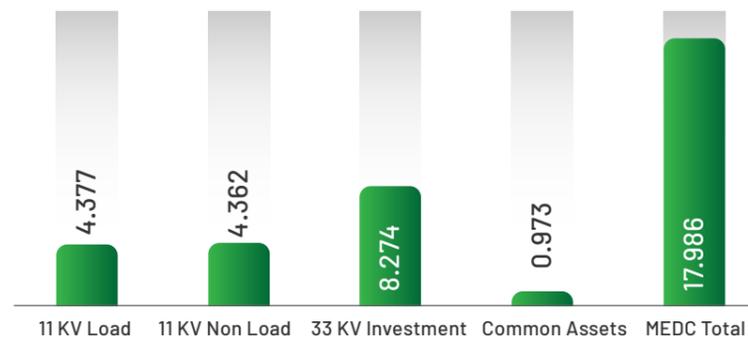
UNIT SOLD PER CUSTOMER CATEGORY



CAPITAL EXPENDITURE (VOWD) RO MILLION



CAPITAL EXPENDITURE VOWD RO MILLION (excluding sponsored)



***Note: Value of Work Done (VoWD) achievement including common assets and excluding sponsored projects

ELECTRICITY LOSSES

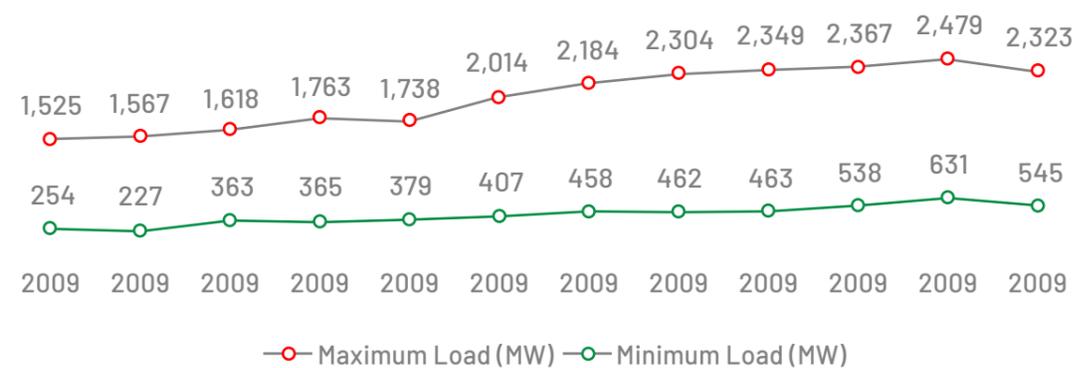
We have achieved a sustainable reduction in distribution losses since 2009 at 17.58% to 6.77% in 2019 and 7.76% in 2020. The current year results witnessed a shortfall compared to the previous years. The company is studying various options to improve the rate of technical and commercial losses using technology.

DISTRIBUTION LOSSES OUTTURN

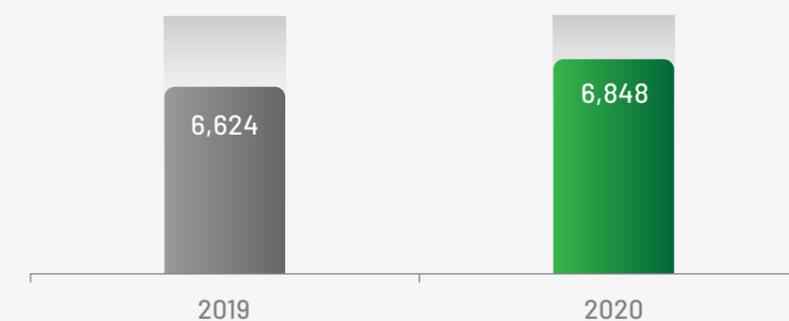


DEMAND PROFILE (MAX MIN LOAD)

MAX VS. MIN LOAD ON THE NETWORK



TOTAL INSTALLED CAPACITY



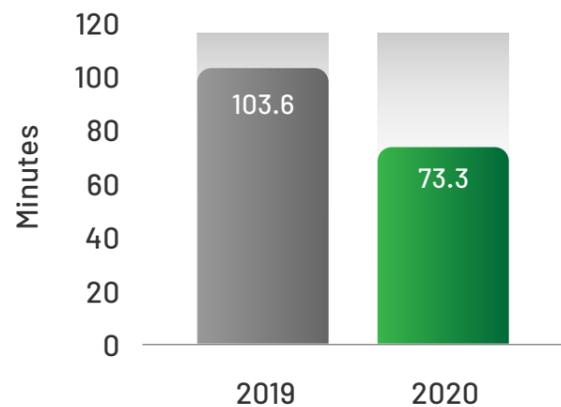
NETWORK GROWTH:

MEDC NETWORK			
Asset Type	Unit	2019	2020
Grid Stations	Nos.	34	35
Primary Substations	Nos.	179	177
Distribution Substations (GMT Type)	Nos.	7,617	7,669
Distribution Substations (PMT Type)	Nos.	1,222	1,234
Network Length	KM	16,057	16,926
a) Under Ground Cables (UGC)	KM	12,175	13,052
b) Overhead Lines (OHL)	KM	3,882	3,873
% of under Ground Cables	%	76%	77%
% of Overhead Lines	%	32%	23%

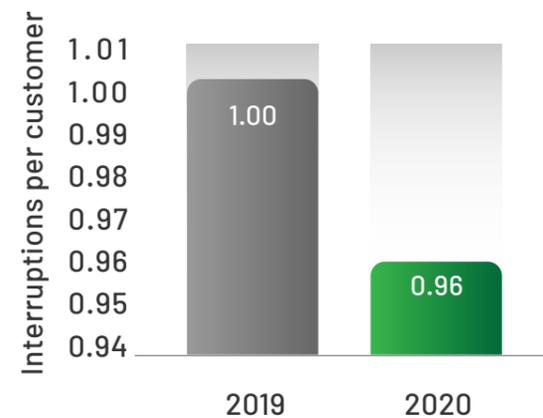
SAIDI and SAIFI

■ 2019 ■ 2020

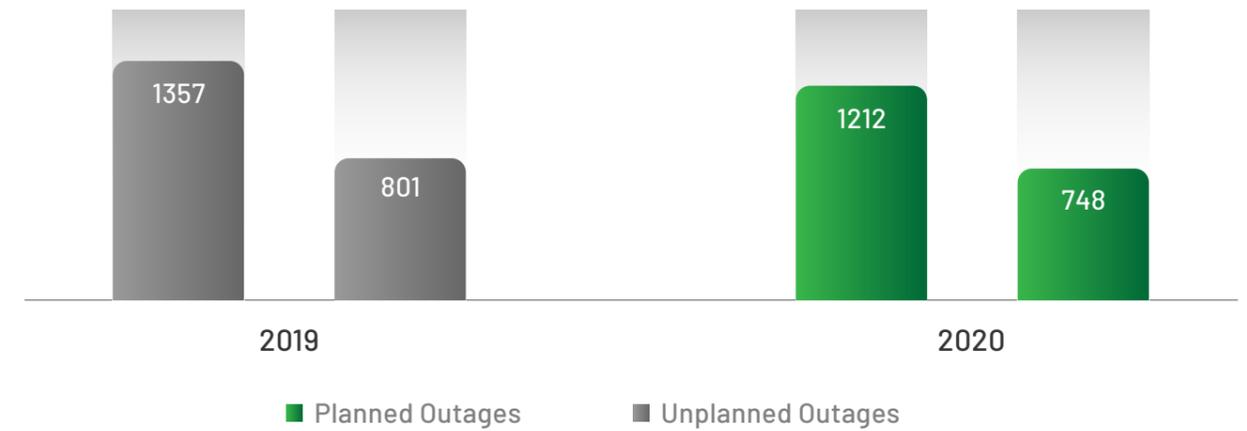
SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)



SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)



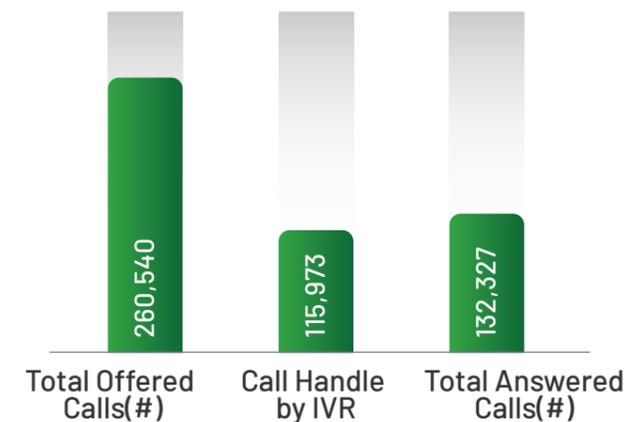
PLANNED VS. UNPLANNED OUTAGES



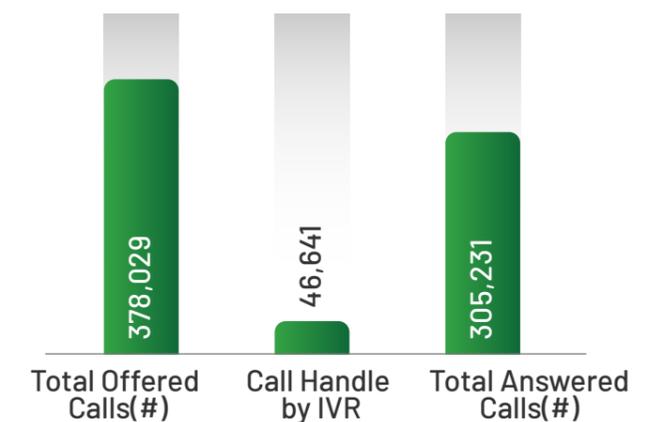
11- E-SERVICES PERFORMANCE

MEDC has recorded an increase in number of calls in the year 2020 with 14% more offered and answered calls compared to previous year and total service level is recorded at 91%.

COMMERCIAL CALLS Service Level of 94% - 2020



TECHNICAL CALLS Service Level of 89% - 2020



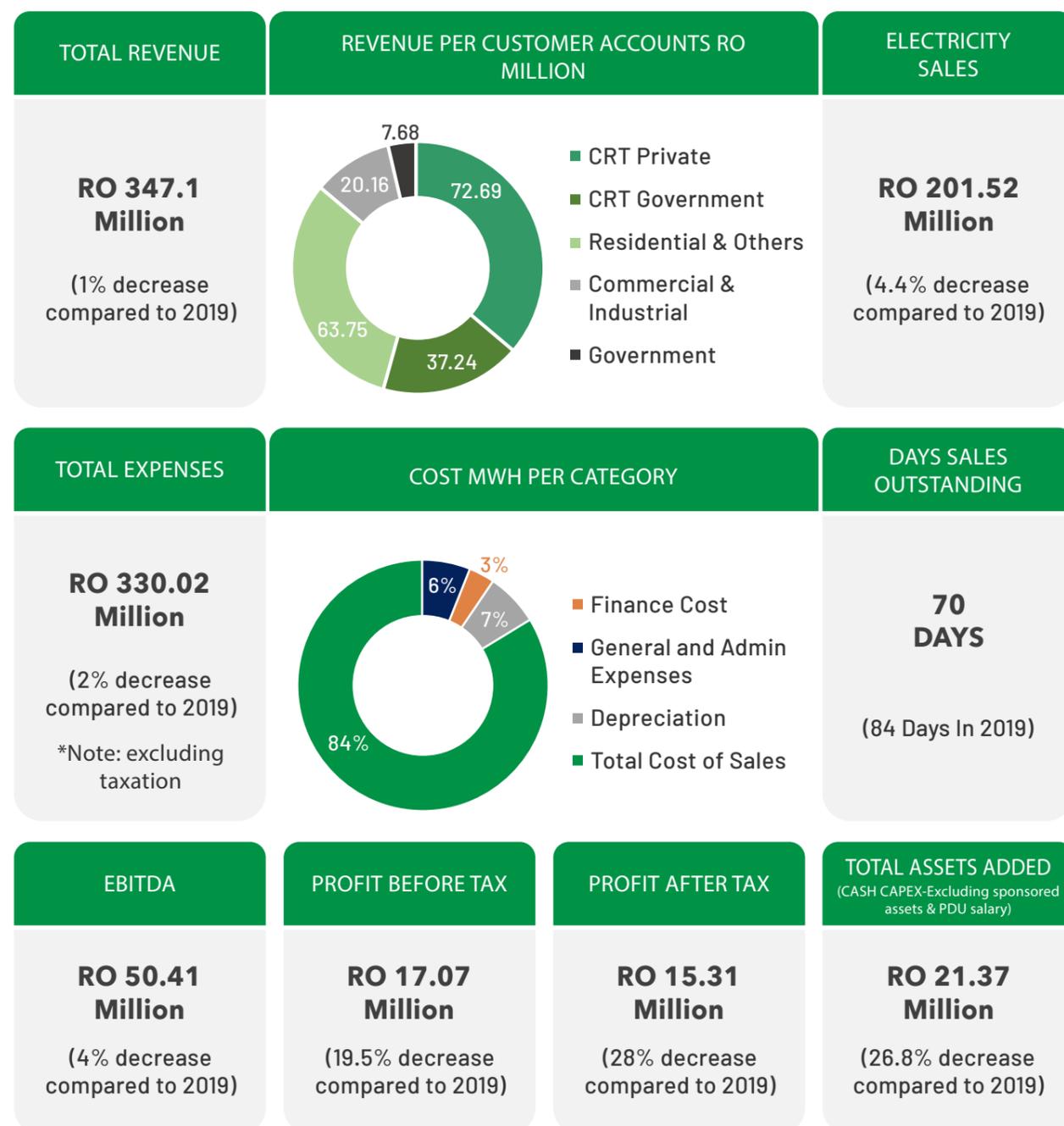
Complaint Management

	2020
Average time taken to respond to complaints	2.745
% of customers confirming they are satisfied with the resolution of their complaint	91%

12 - SHAREHOLDER VALUE PRESERVATION (FINANCIAL PERFORMANCE)

Preserving shareholder value is a responsibility that MEDC takes seriously and continues to achieve consistently. This is made possible through compliance of the relevant guidelines and attaining performance goals set by the APSR to safeguard the company against operational and financial burdens. Below present key highlights of the financial performance in the year 2020:

FINANCIAL PERFORMANCE



13 - COMMUNICATION, SUSTAINABILITY AND PARTNER ENGAGEMENTS

Communication and Brand Management plays a key role in building and maintaining a healthy relationship with customers, employees, investors, partners and the broader public. It serves as an enabler of external brand awareness and internal staff engagement. We deeply care about the wider community and environment aligning with the national sustainability objectives supported by MEDC's Corporate Social Responsibility (CSR) program.

13.1 - COMMUNICATION ACTIVITIES

We continue to effectively use our corporate website and social media platforms as means of communicating and informing the external audience. The number of the corporate website visitors has continued with a positive trajectory of 68% growth compared to the previous year recording more than 440K visits. MEDC also continued experiencing growth in the audience on the various social media channels. The engagement and views were tracked carefully to ensure appropriate and effective communication.

The main external communication themes for the year revolved around the adoption of electronic service channels. Additional campaigns included Data Update, Green Bill, WhatsApp-Noor, SABIQ (Prepaid), and Call Center Services. Notable internal communication campaigns focused on raising awareness in the areas of Career Path and the Learning Management System (LMS) was also done.

13.2 - SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY

We continue our efforts to strike the right balance between successful delivery of electricity and organizational growth objectives with a positive contribution to the environment, health and safety of the society. We have conducted electrical safety, rain safety, in country value (ICV) program (aimed to provide opportunities for Omanis to participate in the electricity sector) and electricity risks while working from home. We rolled out a major Energy Conversation campaign aiming to educate customers about energy conservation tips to control electricity consumption and know how to estimate their bills.

13.3 - RENEWABLE ENERGY INITIATIVE

In the national drive to introduce clean energy into the total energy mix, the Sultanate has set an ambitious goal of 30% renewable energy to be achieved by 2030. Oman Power and Water Procurement Co. (OPWP) expects 21% of the 30% goal to be achieved by Solar PV systems.

To this effect, the Authority for Public Service Regulations (APSR) along with the distribution companies including MEDC are encouraging the usage of clean energy through increasing the utilization of solar energy installations. For consistent and high-quality installations to be undertaken in the industry, APSR issued the required regulatory regime via Technical and Connection Guidelines in 2017 which include guidelines on the connection process, technical design and control requirements. In support of the Sultanate's vision and to encourage mass uptake by Industrial and Residential Customers, APSR launched the SAHIM I & II Schemes for the roll-out Solar Photo-Voltaic (PV) system installations. In July 2019, the SAHIM Mobile Application was launched to promote the deployment of Solar PV systems in Muscat. Recently in December 2020 as the first step towards on-ground implementation, APSR launched industry wide RFP of the first phase of SAHIM II residential initiative.

MEDC will facilitate and assist individuals as well as institutions who wish to connect their solar systems to produce electricity either individually or for commercial and industrial purposes via MEDC's Connection Application Process including Workshops and other stakeholder engagement measures.

Since the beginning of the Renewable Energy Implementation by MEDC in circa 2017, a total of 86 applications (Accumulated) for Solar PV connections have been received by the company with a project implementation progress of more than 56% in the year 2020. We have successfully connected 48 PV systems with a total production capacity of 4,148 kW and we are forecasting to reach circa 15,000kW PV generation capacity connected to MEDC network by end of 2021.

13.4 - OUR EVENTS DURING THE PANDEMIC

Due to the COVID-19 pandemic, MEDC created and successfully delivered the following events through virtual channels:

- a. The CEO Webinar about Smart Electricity Network with the objective to engage the interested parties and public in electricity related topics.
- b. Omani Women's Day celebration to highlight the women's participations and achievements in the company by hosting speakers who are specialized in women and children related issues.
- c. National Day Celebration.
- d. Technical Seminar knowledge sharing event that revealed the innovations and achievements of the company.



14 - STAKEHOLDER MANAGEMENT AND CONTINUITY IN CRISIS

The pandemic as well as the working from home procedure that was enforced by the Supreme Committee has led to some challenges which have been overcome in order to fulfill the regulatory obligations of MEDC.

14.1 - REGULATORY SUBMISSIONS AND IMPROVEMENTS

MEDC made efforts to ensure that quality assurance and controls are in place. The journey started by setting clear accountabilities and responsibilities, with the development of processes and policies. During 2020, with the COVID-19 pandemic, the "Working from Home" arrangement was introduced in MEDC to ensure a sustainable compliance to the obligations by the staff. This resulted in the enhanced awareness of all staff to the rules and regulations expected to be followed even during difficult times. The accuracy of timely submissions, the quality controls of data exchanged were examined and maintained despite the pandemic and the associated operational limitations.

14.2 - PANDEMIC RESPONSE PLAN

The Business Continuity Management (BCM) framework in place has played an essential role during the Covid-19 Pandemic to ensure there are uninterrupted operations and a quick response to the Pandemic.

A Comprehensive Pandemic Response plan aligned with the overall business continuity management framework at MEDC was prepared along with additional necessary measures due to the emerged global pandemic. This set out key considerations, precautions and arrangements to respond to the prolonged and escalated crisis.

The plan assisted in the orderly recovery from the disastrous events without the potential of disrupting the business operations and critical services. It helped to minimize the potential impact of unavoidable disruptions. It also outlined measures to contain the spread of the virus, so that the disruption does not exceed the pre-determined acceptable outage period for the business processes.

Moreover, the work from home arrangements including IT infrastructure, connectivity and general guidelines were prepared and made available for the office-based employees and shift arrangements made for the site-based employees upon receiving the instructions received from the supreme committee. Finally, to enable the gradual resumption of returning back to the office the Return to Office Guidelines were developed including changes of key housekeeping routines and standard changes to the office spaces and visitation protocols.



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