

APRIL 2020

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NEWS

**Iskraemeco receives
the prestigious 2020
Growth excellence
leadership award**

pg. 02

IN THE SPOTLIGHT

**We are expanding our
business with Smart Energy
and Water Solutions**

pg. 11

SUSTAINABILITY

**The future is always
overpredicted, but
underestimated**

pg. 14

Contents

Editorial // 01

News // 02

Human capital // 08

In the spotlight // 11

Sustainability // 14

Digital transformation // 16

Success stories // 20

Around the globe // 21

Health at work // 23

Editorial



From a business perspective we are facing a lot of challenges and an unpredictable market environment. The commercial teams have worked intensively to close as many deals as possible. Supply Chain and Strategic Procurement have been observing and keeping our supply chain under control on a daily basis to secure deliveries. The major challenges are those that we can't anticipate, i.e. those that require a lot of inspiration and sometimes improvisation.

I would also like to thank our valuable customers, with whom, in these testing times, we have been working even more closely.

Despite all these challenges we are also focusing on our future and further accelerating the development of our global portfolio. We all are delighted to see the introduction of the new generation of pre-payment solutions in Egypt and Africa covering electricity and water.

The completion of our Indian solution is planned for end of April as well as a solution for LATAM. The progress on our Energy IoT metering platform is very encouraging as well as our new software suite for utilities to support our global strategy to offer operation services for electricity and water utilities.

I would like to conclude with a message of encouragement that every critical moment can be mastered if there is a hope and optimistic thinking. I hope that we will slowly get back to regular operation mode and I am optimistic that we will continue to execute on strategy in the second half of the year.

**Let's stay healthy,
optimistic and together!**

Luis Goncalves
Chief Executive Officer

Dear colleagues,

I don't need to underline the exceptional times that we are all going through. Since the last Magazine has been published, our way of life has changed with a major change in our working habits. We have rapidly moved to a flexible rotation approach utilising digital tools and being able to work from home remotely. On manufacturing we have changed our behaviour, set specific security measures on safety and security.

I would like to highlight the great work of our IT team during the last few weeks. They rapidly introduced Microsoft teams in February to ensure we have the capabilities to work remotely together. I am also very proud that we managed this transition within a structured approach. I would like to thank you all, including the Global Task Force team, which has been coordinating activities globally.

I am particularly proud of our manufacturing teams in Kranj and Cairo, who have continued to work on a daily basis. A lot has been done to protect our employees, however, it is important to stress that behaviour, contribution and commitment are key.

Iskraemeco receives the prestigious 2020 Growth excellence leadership award!

We are exceptionally proud to announce that Iskraemeco has earned Frost & Sullivan's 2020 Growth excellence leadership award in the global smart metering industry. Our company has been recognised as a game changer for its focus on building high-level customer satisfaction, establishing relationships based on transparency and trust among stakeholders in the value chain, as well

as its commitment to sustainable technology, bold strategic initiatives and strong overall performance.

Constant growth in various areas in the industry is challenging and in order to excel in driving growth, we strive to be best in class by meeting customer demand, fostering brand loyalty, and carving out a unique and sustainable market

niche. The most important goals in our business processes are inspired by flexibility, agility and creativity, which are all key factors in sustaining the company's growth and profitability.

Growth excellence leadership is all about growth through customer focus, fostering a continual cycle of improvement and inspiring customers, which is the cornerstone of Iskraemeco's successful, long-term growth strategy. Our metering solutions have helped utility companies all over the globe improve their efficiency, lower their operating costs and provide better customer service. With a focus on quality, reliability, and innovation, we are committed to supporting our customers in mastering the digital transformation journey.

Frost & Sullivan's global teams of analysts and consultants research a wide range of markets across multiple industries and regions and identify companies that maintain consistently high standards in delivering customer value, which translates into growth above the industry average. They recognised our accomplishment as the result of many employees, customers, and investors making daily choices to support our organisation and contribute significantly to Iskraemeco's future.

Iskraemeco's focus on short-term and long-term growth strategies has been rewarded by strong revenue growth in the smart metering market. The transformation from a product to a solution-based smart metering provider has enabled us to attain strong organic growth in various regions.

Hard work and dedication are the bedrock of every great achievement and the efforts of Iskraemeco's team have been recognised through the 2020 Growth excellence leadership award. Together we strive towards building the best solutions for our valued customers, which helps our company grow, thus cementing its position as an industry leader.



The event was attended by: Maks Prokop, Luis Goncalves, Smilja Dolgan Paternoster, John Arnold and Franc Kuhar.

Iskraemeco web page with a fresh look

At the beginning of February we launched our new and improved web page available at www.iskraemeco.com.

A web page is a dynamic, flexible and interactive medium that provides an important first point of contact between our customers, potential partners, future employees and the company.

The web page provides visitors with the basic company information and informs them about the company's current activities and sustainable and smart

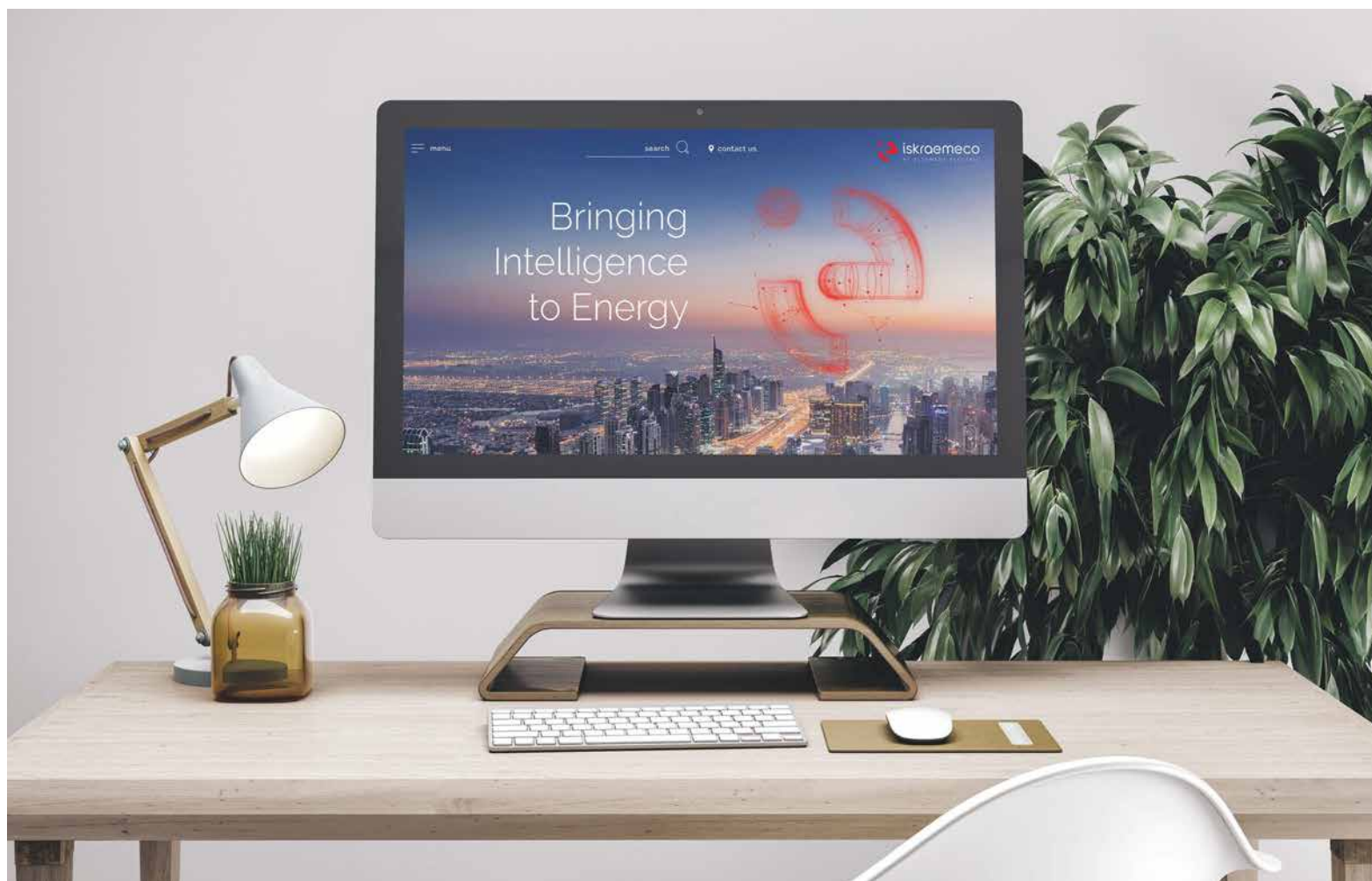
solutions. Through continuous improvements and upgrades we will make sure that its format and content are regularly amended to suit the needs of its users.

The web page also offers fundamental information about our company and solutions, products and services. We offer job seekers various employment opportunities.

Visitors can read current company news and posts published on our social networks. The first novelty is a blog written

by our colleagues that aims to present a variety of new topics to our customers, partners and different employees. Another novelty is the interactive application "Iskraemeco Universe" (available on the homepage), which presents our solutions.

Visit and explore it as soon as you get the chance.



Proud of the solidarity and loyalty of employees



On this occasion, we would like to extend our sincere thanks to all employees who embrace change with a positive attitude and a smile. Thank you!

Iskraemeco honours its commitment to provide its employees with a safe environment and strives for the satisfaction of our employees and their families. At the same time, we remain committed to our customers and partners in meeting their orders and needs.

Iskraemeco's employees have demonstrated their loyalty, agility and flexibility in the face of hardship, helping each other in production work in order to ensure that production can continue to run without delays.

The team spirit and solidarity that pervade Iskraemeco are a source of pride and inspiration to all of us. Once again we have demonstrated that 'Together we can overcome all challenges.'



Iskraemeco has been recognized as Innovator of the Year 2019

Iskraemeco was awarded the title of Innovator of the Year 2019 by one of our partners, the electricity distribution company Elenia. At its Partnership Days, Elenia awarded best partners in several categories (e.g. quality work, efficiency work, best rookie). We are very proud and pleased to be recognized by such a great company.

MiniLAB test chamber

MiniLAB test chamber 6GHz OTA is the only test system of such specifications in South-Eastern part of Europe. System enables OTA measurements execution with rapid pace and high measurement accuracy, including critical low power sensitivity measurements. The main advantages are on-time and on-site testing capabilities, which Iskraemeco can now perform independently, without having to send products to remote laboratories across the Europe (France, Germany, Spain, etc.). This gives us competitive advantage over other manufacturers.

In 2019 we began setting up a dedicated area for the MiniLAB test system, which was installed, calibrated and tested at the start of 2020. The designated area is fully renovated and includes EMP shielding (Faraday cage).

The MiniLAB test system is certified to support RF communication performance in range 650 MHz to 6 Ghz. However, our past tests show that system can also be used for CDMA 450 MHz testing.

MiniLAB system employs multi-probe technology for a full spherical radiation characterization of the tested device. This allows us to analyse the antennae radiation of the communication module in our energy meters from early development stages on.



Keynote speech at the SYeNERGY event

Our Sustainability Manager, Mojca Markizeti, gave a keynote speech starting with a quote "The future is always over-predicted, but still underestimated. Today's leadership will create tomorrow's reality!"

A great round-table discussion at SYeNERGY event organised by TECES, Energy Cluster offered a deep discussion on technological and social trends and related new business models.

Digital transformation, sustainability and human resource challenges of the future can be addressed more effectively by fostering networking and creating synergies between companies, partners, educational institutions, the state, start-ups and others.

Project Drive: The vision of a global development organization



Every company is founded with an aim and commitment to bring its vision to life. To achieve this, it adopts a strategy, sets the objectives and defines an action plan. In fact, strategic planning is key to the development of all company departments.

In R&D and Product Portfolio, we started a new project this year and called it "Drive". The aim of the activity is to ensure that all projects are delivered on time, on scope and on budget.

An external consultant conducted interviews with the employees and leaders in the R&D and Product Portfolio departments, and with the representatives of Strategic Procurement, Operations, Finance, Solutions and Project Delivery, and Sales, in order to assess the benefits of project and development work and to find out what changes the interviewees wish to implement. Active project team members are ambassadors of the new approach which is expected to spread across the company.

During workshops, groups analysed and prepared proposals for improvements relating to:

- corporate culture,
- the PLM process,
- understanding, capture and implementation of customer requirements by Iskraemeco's R&D,
- efficiency of meetings,
- small organisational improvements: fresh fruit available in relaxation, flexitime, working from home (teleworking), and 'quiet time' without any external interruptions.

Blocking our external interruptions gives us more time to focus on our projects. We also wish to ensure that development requirements are well-specified in order to minimise change requests made during the development process and any related unnecessary costs. Another goal is to improve communication and collaboration inside teams and between departments, and to raise the accountability of the employees for their output, job performance and decisions taken. Clearly mapped work processes, and flexible, agile and innovative approach are our ticket for future success.

In parallel, the company is also redesigning the project management system of its Project Office. Newly introduced project cards give a clear insight into the project's current status, time frame, budget...

Working closely for the achievement of common goals, the Product Portfolio and R&D departments are certain that new organisational measures, as well as the implementation and integration of IT solutions, will set the company on a path towards a more efficient global development organization.

Achieving great results with excellent teamwork



The 1000th smart meter in the Höfe district was installed successfully.

Smart meters are important components of the smart grid and the basis for the efficient energy network in the future. It is a pleasure to work with EW Höfe AG team.



How to make Europe's energy transition a reality with the help of smart technologies?



Iskraemeco was part of the event organized by ESMIG, the European voice of smart energy solution providers. Dieter Brunner, ESMIG President and Iskraemeco's President of the Board of Directors, closed the discussion by recalling the importance of cooperation between the industry and regulators for the benefit of EU and stated that ESMIG and its members will continue to foster the dialogue between industry, policy-makers and citizens at the EU, national and local levels.

Iskraemeco's Talent Academy



Identification of talents is an HR practice generally implemented in most modern organisations. Iskraemeco is aware that identification and development of high-potential employees is a key component of the company's success, in the broad sense of the word, since it will be these individuals who will in the future assume more demanding and responsible roles or become future leaders.

Last year we identified talented and high-potential employees, along with key functions, as those employees whose knowledge, outstanding job performance and commitment contribute to the efficiency of their group or department and, consequently, to the overall success of the entire company.

The first generation of the Talent Academy, which started in October 2019, consists of the employees who have been recognised as talents by their superiors and the HR. By joining the two-year study programme, they will acquire a wide range of knowledge that they can apply to their daily tasks and that is particularly beneficial to the

understanding of other work areas and business processes.

The programme was designed in collaboration with the Faculty of Economics in Ljubljana, which adapted the contents of the programme to our needs and wishes. Lectures within certain modules were given by external and Iskraemeco experts.

The first year of the programme consists of eight modules:

- Strategic mindset
- Strategic role of digitalisation and new business models with the impact on Industry 4.0
- Finance for non-financier & macroeconomics
- Using Design Thinking methodology in decision making
- Presentation skills and techniques
- Time management and motivation
- Sales and business marketing management



The Talent Academy participants are currently undergoing PXT assessments. PXT Select is a tool that assesses the thinking style, behavioural traits and occupational interests. The results will be used for career development and training plans, with a focus on leadership or expert knowledge.

Apart from being involved in the regular programme, the talents were divided into heterogeneous groups and asked to provide answers to certain internal challenges, which were set in cooperation with internal mentors. Project work strengthens their teamwork and social skills, while their expertise is beneficial in finding the optimal solution.

The solutions will be presented to the management and we are certain that many of them will be adopted.

The second year of the programme will focus on building leadership skills and expertise, as well as providing in-depth knowledge of the first-year topics.

The entire program enables the professional advancement of young employees in various business areas. Upgrading knowledge, gaining leadership skills, and being able to lead a variety of projects – this is value added for an individual who enters the Talent Academy.



STATEMENTS FROM ACADEMY PARTICIPANTS



"For me, the Talent Academy is a great opportunity for career advancement, so it was self-evident that I'd join such a programme. It will definitely give the ambitious and talented participants the push they need to enhance their skills and grow on a professional and personal level. Polishing the skills within the company is a great initiative that will definitely pay off in the future."

Hossam Zaimi
Tehncial Trainer,
Services Management



"I joined the Academy because the modules cover a range of business fields and will allow me to expand the breadth of my knowledge. I enjoy working with people from other departments and learning more about different functions in the company."

Jure Bregant
Independent Specialist,
Financial Reporting



"The Talent Academy is a treasure chest of knowledge from different fields. It opens up a world that is hardly accessible from the comfort of our professional armchairs. The trainings are based on interesting and varied lectures. Apart from being involved in the learning programme and internal projects, the participants developed close ties and friendships that would probably not have existed outside the department walls. Knowledge connects and is an investment in the future."

Primož Cuznar
Independent Development Engineer,
Firmware

Talent Academy

01

8 modules in
2019/2020
& 8 modules
2020/2021

02

Project work

03

Developing
leadership and
expert skills

STATEMENTS FROM MENTORS

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“Several projects that were launched in the framework of the Talent Academy would have normally never started at all. We believe that work in project groups delivers added value for team members learning about the activities of other departments through project tasks, as well as for mentors to whom the exchange of views may give a fresh insight into the topic discussed. Our project group is working on measuring customer satisfaction, which we consider to be a topic that is interesting for many company departments (Sales, Customer Support, Order Execution) and we hope that the measures carried out in the scope of the project will eventually be adopted and transferred to daily practice.”

Mateja Resman NOVAK
Head of Professional Services Sector

Smilja Dolgan Paternoster
Head of Strategic Marketing

“

“The Academy has sparked the creativity and engagement of our talents in specific projects which will create value added for the company’s operations. The talents do not only demonstrate their potential in their respective areas, but through understanding of other fields, team work and presentation skills. The Academy has a great programme, and excellent external lecturers who help us use out talents to introduce fresh approaches, skills and knowledge. The programme contents are intricately connected with the project tasks, which we perform with the help of mentors and will soon yield results. I’m really looking forward to the continuation of the programme and hope that it will be expanded to include other age groups in the future.”

Tamara Četkovič
Head of Continuous Improvement Program





We are expanding our business with Smart Energy and Water Solutions

For more than seven decades, Iskraemeco has been delivering quality products, solutions, and services in the demanding field of energy management, but we are constantly exploring new opportunities for growth and development.

We interviewed Peter Kopal, Iskraemeco's Director of Smart Energy and Water Solutions, about exciting new possibilities in the smart solutions market.

GROWTH AND DEVELOPMENT ARE KEY TO ANY BUSINESS. WHAT IS NEXT AND WHAT IS THE FOCUS NOW FOR ISKRAEMECO?

This year we established the team for Smart Energy and Smart Water Solutions. When creating the solutions, we kept in mind that they should meet countless market demands now and in the upcoming future by giving companies tools to shape the future of energy and water management in the fast-paced digitalised world.

As a leading smart metering products and solutions provider (smart meters and smart metering software), Iskraemeco will complement its existing portfolio with new business models and new markets – water, gas utilities, district heating and cooling and sub-metering.

HOW WAS THE IDEA OF SMART ENERGY AND WATER SOLUTIONS FORMED?

Focusing on meeting market needs and answering modern challenges, we are constantly expanding our expertise in new markets. In the past, we addressed water and gas utilities and district heating and cooling systems only indirectly through our dual-fuel and multi-utility concepts of electricity smart metering. Energy market deregulation, energy efficiency initiatives and new energy services, emphasise the importance of sub-metering in multitenant buildings, commercial zones and industrial parks.

The new team will come up with a robust portfolio of smart solutions designed to meet the requirements of new customers

from the energy and water utilities and sub-metering markets. Digitalised solutions based on the Internet of Things (IoT) provide the necessary tools to manage energy and water use, anticipate demand, collect revenue and optimise costs. It also helps consumers act more proactively and sustainably, while significantly lowering their utility bills.

ISKRAEMECO HAS EXTENSIVE EXPERIENCE IN ELECTRICITY, BUT WHAT WERE THE REASONS AND TRIGGERS BEHIND IT STARTING AND LAUNCHING SMART WATER SOLUTIONS?

Every drop of water is precious for the planet and for the future of life as we know it. Water demand is increasing as the population grows. Clean and affordable water is of the greatest importance for people. We need water to sustain our lives, for sanitation, hygiene and for food production. Water conservation and reduction of non-revenue water (NRW) are the key concerns of water utilities across Europe and worldwide. The growth of residential static metering (ultrasonic) remains one of the most interesting technology stories to follow. Today, more than 80% of residential water meters are still mechanical. IoT communication has become the key focus of smart water meters. Low Power Wide Area Network (LPWAN) technologies are being widely explored. Water utilities are increasingly adopting digital analytics platforms enabled by smart water meters and metering solutions. The data gathered are used to detect leaks, assess and predict consumption patterns in real time, and optimise water resources. By knowing and understanding technologies and market demands, we are forming our

Smart Water Solutions.

These give water utilities better control over their network through:

- Accurate metering in all water sources, district metered zones (DMA) and end customer consumption points by deploying different types of water measuring technologies – mechanical (single-jet, multi-jet, positive displacement and Woltmann meters) and static (ultrasonic, electromagnetic).
- Reduction in real water losses: leakage detection and reduction. Proactive monitoring and pinpointing of small leaks before significant damage is caused, as well as reductions of apparent losses: detection of meter under-registrations, data-handling errors, theft of water.
- Operational excellence by introducing efficient workforce and asset management. This means better maintenance and faster repairs, efficient asset management, as well as achievement of higher levels of operational efficiency and productivity for utility assets, and optimisation of daily maintenance
- Customer satisfaction. A better customer experience with greater billing accuracy. No supply interruptions. Decreased interruption of customer water supply.

WHAT IS INCLUDED IN THE SMART WATER SOLUTIONS PORTFOLIO? WHAT ARE THE ESSENTIAL COMPONENTS OF THE SOLUTIONS?

The current portfolio consists of three core solutions, all of which include meters and sensors, connectivity, software and services.



- **Smart metering and billing:** Accurate metering for water sources, district metering areas (DMA), I&C consumers and residential consumers and a robust platform for billing, customer portal & app.
- **Smart prepayment:** RF card and STS prepaid water meters are integrated in the vending software and smart metering platform.
- **Active leakage detection:** The expandable monitoring platform enables water leakage control and a reduction of NRW using the District Metered Areas (DMA) approach.

All the core solutions can be extended with add-on software modules for:

- **Analytics:** focusing on performance based on data and statistical methods from billing and NRW management.
- **Mobile Workforce Management:** back-office software and a mobile app for field staff to cover the entire process from work order creation to completion.

- **Asset Management:** achieving the least cost and least risk of operational assets while meeting customers' needs.

As water utilities increasingly evolve into subscription-based business models, the Smart Water Solution can be delivered as a managed service. Managed services can be Software-as-a-Service (SaaS), in more comprehensive service agreements also Smart Metering-as-a-Service (SMaaS) and Infrastructure-as-a-Service (IaaS). The software is hosted in a private or public Cloud.

WHO ARE ISKRAEMECO'S TYPICAL CUSTOMERS FOR SMART WATER SOLUTIONS?

Iskraemeco has launched Smart Water Solutions to contribute to the sustainable financial and technical operation of water utilities. These solutions address the most important challenges of water utilities: revenue collection, efficient water metering and consumption billing,

reduction of NRW, customer service and awareness, efficient utilisation of assets and a mobile workforce.

Today the solution portfolio is tailored to the needs of the European, Egyptian, African and Middle Eastern markets, whilst at the same time we are exploring market demands in India and Latin America as our future markets.

WHAT CAN WE EXPECT FROM SMART ENERGY AND WATER SOLUTIONS IN THE FUTURE?

We are a long-distance runner. With a solution selling approach and new managed services business models, we will acquire new customers with recurring revenues. We are now building a network of our partners, hiring new team members and making sales in Europe, Egypt and Africa. The main showcase of the solutions is aligned with European and African Utility Week in October and November 2020. In the future, we expect to contribute a significant share in Iskraemeco's total revenues.

The future is always overpredicted, but underestimated

WHAT IS SUSTAINABILITY NOWADAYS?

We live in times of fast change, technologies and resources are changing, our customers' challenges are changing, as are those of global risks. Therefore, our competences must change and our knowledge must grow in a deeper and wider sense. In addition, the word 'sustainability' is taking on a different meaning – to sustain, survive and prosper in the new reality. Many of the above-mentioned challenges have a similar source. We are living and creating a world that

cannot sustain. We – the multi stakeholder economy – are using resources we do not have and creating a footprint the Planet cannot nullify. We are paying consultants, experts and analysts to provide us with guidelines and predictions for the future. And we repeatedly look away, because we don't like what we see in the mirror. We choose to ignore the obvious and continue searching for shortcuts. There will be a high price to pay globally if we continue on this track. The one thing we must learn from this terrible corona crisis is that a crisis is a crisis, which demands reactions, change and adjustment, and climate issue is also a crisis.

WHY ALL THE ABOVE WORDS?

Our industry plays an important, often overlooked role in this game. Over the next 10 years our biggest goal is to cut the global CO₂ footprint by 60%. **CO₂ footprint has the biggest correlation with energy demand. Energy consumption is growing annually, therefore the CO₂ footprint is also growing.** Buildings create the biggest percentage of the overall CO₂ footprint. To achieve a better perspective, let's look at the EU; in the past its goals were to increase renewable energy by 20%, decrease CO₂ footprint by 20% and to improve energy efficiency by 20%. The first two goals have more or less been achieved, however, the goal to improve energy efficiency has not been met. The goals for 2030 are much higher, the time period shorter, and the EU has called for a public consultancy, which is open until June 2020, on suggestions for how to raise the bar of the climate goals even higher and, moreover, how to achieve the goals. What strategies and technologies do we need to develop or start to use? We will participate with our strategy, will you?

AND WHAT IS OUR STRATEGY?

For the last 10 years on a global level the main solution everybody has focused on has been switching to renewable energy and limiting the use of fossil fuels. Yes, this is needed and we must continue, however, we know how the world is going to develop and **energy consumption will increase - some say by up to 50%**. With this in mind, it is obvious that energy efficiency must be a key strategy.

From Iskraemeco's perspective, the company can contribute to energy efficiency on three different levels:

1. **By optimising our company's energy efficiency and solutions.** We have

achieved great results and lowered the CO₂ footprint per product by more than 50% in the last five years. We will continue this trend by introducing new innovations, solutions and adjustments.

2. **Through our customers using Iskraemeco solutions.** It has been proven that the installation and use of smart metering technologies can increase energy efficiency by up to 10%. It should be noted however, that although the EU is close to the targets it has set (80% of smart electricity meters installed by 2020), the majority of EU countries do not use smart metering technology to its full potential, therefore the energy efficiency potential is not being achieved. So, the advice for the rest of the world is: Do not repeat Europe's mistake, data is a valuable tool for you.

3. **At the level of end-users.** If modern, end user applications were to be available, where consumers could optimise their household energy consumption based on data from the meter joined and analysed with more data from the grid and from the source of the energy. There are already numerous great small business models in place, however, it needs to be pushed to higher volumes. It is also important to note that countries outside of Europe, such as those in the Middle East and Africa, are often looking more seriously into these solutions. Let's all learn from each other.

To summarise, the energy sector has pledged to play a leading role in investments that are essential in becoming carbon-neutral well before 2050.

That being said, the underlying question remains: **how will it happen?** Digital transition is a key enabler in fighting climate crisis and achieving the green transition. Energy efficiency, renewables and

e-mobility, smart cities, smart homes, and smart grids with all the possible data analytics - these are all tools we have available and we need to use them wisely and fast.

To achieve this, synergy and cooperation is needed among all the stakeholders of the energy industry as well as understanding and agreement among policy makers. Nowadays we are often in between Dataphobia - being afraid of data - and Datatopia - the vision of a better world achieved through the use of smart technologies.

The fact is "We are living now, but we are creating the future". We need to use measuring and data for a better world.

Measuring and data is what Iskraemeco knows best and has been mastering - with an added spin of innovation, agility and flexibility - for over 70 years.

The title of this magazine is Engage. And here we wish to engage you, to join our efforts and strategy.

Join us in our journey, with You we wish to be on the right side of history. And remember, "we are our choices".

Digital twins contribute to more efficient R&D, manufacturing and logistics processes



The development of the IoT gave rise to the concept of 'digital twins' – virtual replicas of physical devices and processes that mimic all the functionalities and the mode of operation of their physical equivalents. Software programs have paved the way for further optimisation of product development and the planning of production and logistics processes, including the operation and improvements of physical devices and machines.

DID YOU KNOW THAT EVERY ISKRAEMECO ELECTRICITY METER HAS A DIGITAL TWIN?

A digital twin is a digital representation of a physical object – in our case, an electricity meter. A new electricity meter is first created in digital form as a 3D

model, electronic circuit schematics, or a PCB model. Such digital twins can be leveraged to perform any electrical or mechanical simulation. In product development, digital twins are used to help developers anticipate the outcome of a development cycle.

R&D has been using 2D and 3D models in product design and development for years. In this respect, digital twins are the most appropriate upgrade of our current way of work. We are strengthening our competencies in the field of simulations enabled by state-of-the-art technologies. If used correctly, such simulations can predict the results of extensive testing in a very short period of time. This ensures more predictable development outcomes and reduces the time and cost of product development, while also improving product quality and manufacturability.

EXCELLENT VISUALISATION OF THE MANUFACTURING AND LOGISTICS PROCESSES IN PLACE

Digital twins can also be widely applied in the production sector as they enable visualisation of the existing manufacturing and logistics processes, including the representation of process times, build-up of WIP, use of energy sources and, most importantly, process bottlenecks. We use this information to design technical solutions, which are then tested on a digital twin to determine whether such a solution will effectively eliminate the bottleneck.

In addition to simulations, the tool also improves:

- visualisation of future processes – a 3D representation of a production line into which we can manually insert new workstations or robots to be integrated into the actual image of the manufacturing facility by laser scanning,
- efficiency of future processes – use of all energy sources, WIP stock data, and through-put of the planned production line, and
- logistic flows of the entire factory where the future production line is installed.

In short, digital twins promote efficient planning of improved manufacturing and logistics processes, which is the foundation of a 'lean factory', i.e. a factory with short transport routes, low WIP stock and high productivity. Since digital twins contain detailed data on products and processes, they are a major asset to the company and its employees. Digital twins allow process management and control, performance of work tasks and anticipation of improvements in the product development cycle to be done more easily, quickly and with fewer mistakes.



Information security is an important link in the digital transformation era

It is commonly known that unauthorised access to, or distortion of, data might result in loss of information and related business trouble, as well as loss of revenue or reputation.

Hence, any loss of information comes at a high price. Digital transformation brings new and ever-changing technologies and processes, which requires companies to continuously adapt their business and work practices. Information security is a key mechanism that every company needs to put in place.

Iskraemeco amends its information security mechanisms in accordance with international standards, best practices and recommendations made by auditors and customers. Committed to maximising information security, the company demonstrates its compliance with ISO 27001 Information Security Management System standard every year through consistent improvement and progress.

EVERY DAY WE DEAL WITH INFORMATION THAT NEEDS TO BE KEPT SECURE

In information security, people come first and are therefore highly exposed to risk. The threats to information security are great. Since we are aware that a reliable information security system is based on three pillars, we strive every day to minimise the risks, upgrade our processes and raise the awareness of our employees about the importance of data protection.

Common knowledge in past was just ensuring physical security, but nowadays companies need to take a wider approach. Information in electronic format requires more advanced security mechanisms, such as passwords and computer locking systems, whilst it is also necessary to raise users' awareness. It is common knowledge that loss of information may cause considerable damage to the company, its customers or employees, so it is vital that we invest into each of these pillars on a daily basis, making sure that none of them is neglected.

It would be wrong to assume that information security is strictly related to IT resources (computers, smart phones, networks). In fact, people are a main components of the entire information security system. With technology characterised by constant change, Iskraemeco needs to keep its employees well informed to ensure the optimal level of information security as well as uninterrupted business operations.

QUICK REACTION TO CHANGE IS KEY TO SUCCESS

Every day we are faced with new challenges and new technologies that make our work easier but also create information security risks. In order to cope with them, a control system has to be put in place.

It is impossible to avoid unforeseeable circumstances but a company can always adapt and make sure it has maintained the security of its employees and the data about the company and its business partners. When something unexpected happens, we need to make certain modifications of our operations in order to ensure business continuity.

Efficient and quick reaction is vital in today's world, as is the method applies to resolve the situation. Every modification of an established system is a challenge in itself, which is another reason that underlines the importance of a resilient and dependable information security system.



Buzzword – Have you heard of Teams?

CHANGE IS PART OF EVERYDAY LIFE. AND TEAMS IS ON THE WAY.

Digital transformation is changing our daily lives and reshaping the processes we know. It is making improvements and speeding up processes and activities by connecting employees, simplifying and fostering communication. As part of the digital transformation process, Iskraemeco is committed to simplifying and speeding up its internal processes in order to be more responsive to the customers' needs and requirements. Since communication plays a crucial role in meeting the set objectives, the company started to use a chat-based collaboration tool Microsoft Teams.

WHAT IS MICROSOFT TEAMS?

Microsoft Teams, or simply Teams, is a tool that improves team collaboration and teamwork and as such replaces the use of Skype for business. Teams does not just enable its users to start and conduct chats, audio and video conferences but

offers a much wider range of functionalities that will facilitate work and enhance collaboration for common goals. Put simply, Teams is a work environment.

DYNAMIC FEATURES OFFER ENDLESS OPPORTUNITIES TO CONNECT

Primary feature of this application and its namesake are so called "Teams". Teams are a collection of people, content, and tools surrounding different projects and outcomes within an organization. They can be either private or public and support up to 5000 members.

A team is designed to bring together a group of people who work closely to get things done. Teams can be dynamic for project-based work (for example, launching a product...), as well as ongoing, to reflect the internal structure of your organization (for example, departments and office locations). Conversations, files and notes across team channels are only visible to team members.

Inside a specific Team are also Channels. Channels are dedicated sections within a team to keep conversations organized by specific topics, projects, disciplines—whatever works for your team.

Inside each Channel is also a File library which only Team or Channel members can access. This makes for a very convenient file storage. Best of all, the file library allows for simultaneous collaborative work. This means that you and your colleagues can work on the same document in real time without fear of losing your progress or overwriting each other's changes.

You can also attach various apps to your Teams and Channels. Apps like Planner for task management, Wiki for building a FAQ page or One Note for managing minutes of meetings.

WHAT ARE THE ADVANTAGES OF TEAMS?

Compared to its predecessor, Skype For Business, Teams is a much more feature rich application. In addition to classic audio and video calls it is also closely integrated via Office 365 with other Microsoft products such as Office, Power BI, SharePoint, One Drive and many more.

Features enable us to actively connect and collaborate in real time to get things done. Have a conversation right where the work is happening, whether co-authoring a document, having a meeting, or working together in other apps and services.

Teams is the place to have informal chats, iterate quickly on a project, work with team files, and collaborate on shared deliverables.

We welcome you to join us in exploring everything that Teams has to offer.





Poland

With 2.4 million customers, ENEA, one of Poland's largest energy groups, is striving to implement smart metering solutions as a realization of its new development strategy. Due to a successful collaboration on the Polish market in the past, Iskraemeco will equip 70,000 metering points, which will strengthen the foundations for our continued cooperation in the future smart metering projects.

Iskraemeco has been awarded with the contract to deliver 70,000 single-phase and three-phase smart meters AM550 with 2G/4G communication. For ENEA, this deployment is a continuing stepping stone for introducing smart metering into its infrastructure. Combined with other advanced features, these meters are in line with the future trends in the smart energy market. To fit ENEAs' specific requirements, Iskraemeco offered the utility to choose its applications from a wide range of different options to ensure that it meets its customers' needs.



Macedonia

Iskraemeco is continuing its supplies within the framework agreement with the utility EVN Macedonia, which manages a total of 800,000 metering points. Macedonia is striving to transform its grid to enable optimisation of the existing system. The agreement concluded in 2019 covers the supply of more than 200,000 MT174 residential meters. We hope that through successful continuation of the project Iskraemeco can soon start supplying its smart metering products. On the basis of the multiannual collaboration with EVN Macedonia and the local distribution company, Iskra ATG, Iskraemeco plans to secure more than 75% market share.

Latin America

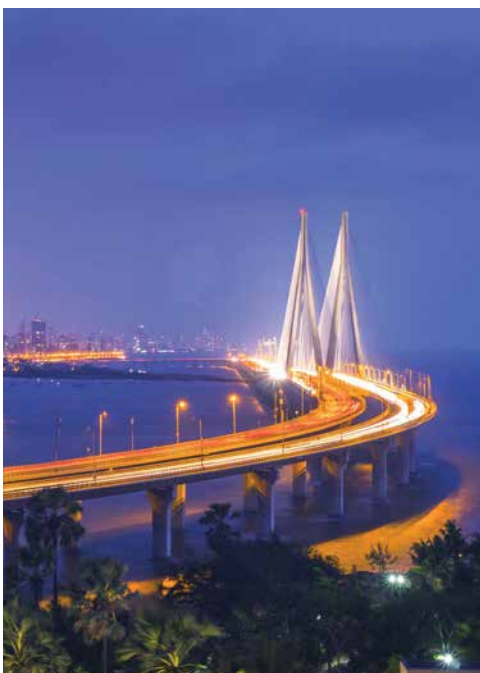


The team has completed an intensive Visit Plan, covering Paraguay, Uruguay, Colombia, Peru and utilities from Argentina, which introduces and reinforces our brand. Our products are very well accepted, and we will meet the requirements of these markets in the future.

The LATAM market, particularly Argentina, requires a product portfolio different from other parts of the world. In situ automatic reading using an IrDA port is a common practice in many utilities in Argentina. With the priceless help of R&D from Kranj, we have been able to add an IrDA port to the MT174 and make the first deliveries of this meter to utilities. New regulations in Colombia, Peru and Chile will finally allow the market to move to smart meters, and we are working on anticipating market needs.

Both the manufacturing sites in Kranj and Egypt have been inspected and fully approved to acquire local Electrical Security Certificates, which are mandatory for the commercialisation of electrical products in Argentina (ME152-1, MT174, AM550, MT880). We are also working to find the correct partners in each country - we have already confirmed Onix for Paraguay and Secoin for Uruguay.

India



Iskraemeco established its legal Indian entity in October 2019 to explore what is arguably the largest smart metering country in the world. India is expected to have a cumulative requirement of USD 45+ billion in the coming decade. In order to address these requirements, Iskraemeco is creating a 7,500 sq ft Global Centre of Excellence (GCE) in Kolkata to utilise the core strength of the native engineers – faster delivery of complex projects with high quality. This team will work on the global IoT platform and solution-oriented projects with a scope extending from home to meter to cash. In the near future, home devices and cars will be integrated with meters, and advanced analytics will help utilities as well as consumers to optimise the energy value chain and capital assets to make the world greener. As a sustainability practice leader, Iskraemeco is committed to creating bespoke solutions for each utility and helping to maintain and upgrade them. This GCE will have divisions such as embedded system design, bespoke solution development for the electricity, water and gas industries, a comprehensive validation laboratory for hardware and communication modules, software and end-to-end solutions. Iskraemeco has collaborated with global leaders in each of these fields to source equipment, and the best management and operational practices are being deployed from the very outset. Iskraemeco believes that there is no competition in the world of IoT, and that all stakeholders are collaborators. We must unite to make the world better using our unique core strengths.

Egypt



AUDIT OF METERS AND COMMUNICATION MODULES

We are proud that the SMM Quality Assurance team (Liander - Stedin - Enduris B.V. - N.V. Juva), which is responsible for quality assurance within the SMR5 project in the Netherlands, approved Iskraemeco Egypt in just three months. Following the preparations and an extensive audit, Iskraemeco Egypt has become an approved manufacturer of the AM550 P1 and CDMA communication modules for the Netherlands.

The entire audit practice included supply chain, planning, production, processes, preparation, PCBA assembly, testing, documentation (PPAP, Track & Trace, Certificates) and overall operation system with regards to a request for change, was initiated by Iskraemeco in September 2019.

CONTRACT WITH TATWEER MISR.

Iskraemeco Egypt has signed a contract for the supply, installation and maintenance of smart electricity and water meters to Tatweer Misr. The contract includes meter-to-cash solutions and maintenance for 4,000 AM550 smart meters and water meters in Fouka Bay in the North Coast, Egypt.

Awarded 2018 Top Mediterranean Resort in Development by The Mediterranean Resort & Hotel Real Estate Forum, Fouka Bay was crowned as an outstanding mixed-use resort showcasing dedication, innovation and expertise in tourism and hospitality across the Mediterranean region, with a complete modern smart city solution using an IoT platform.

Tatweer Misr is targeting to provide highly automated services in the Fouka Bay resort to improve customer satisfaction, provide high quality of service, guarantee accurate invoices and facilitate online payment in order to ensure

a streaming collection channel for both energy and water meters by implementing an automated and remote meter-to-cash solution.

CANAL DISTRIBUTION COMPANY WILL IMPROVE ENERGY EFFICIENCY

Iskraemeco and Canal Distribution Company are transforming the electricity distribution network into a smart metering environment. Iskraemeco's smart solution consists of 50,000 smart meters for residential and industrial applications and a Head-End System for meter data collection and management. With Iskraemeco's smart metering solution, Canal Distribution Company will improve energy efficiency and enable higher quality services for end users. This turn-key smart metering project includes Iskraemeco's smart meters with PLC and GPRS communication technologies and HES, Iskraemeco's proprietary software solution with progressive functionalities. Besides the hardware and software solution, Iskraemeco has also provided servers and the necessary infrastructure, networking points, operating systems and a Data Base Management System along with necessary licensing and support.

Furthermore, Iskraemeco is responsible for integrating the HES with the MDM (Meter Data Management System) provided by Egyptian Electricity Holding Company. The project is currently in the "Go Live" stage. Both systems, the HES provided by Iskraemeco and MDM Oracle, are fully integrated and meet EEHC's specifications according to Multispeak protocol. With Iskraemeco's smart solution, the Canal Distribution Company will be able to overcome challenges in the existing infrastructure and reap the benefits of a smart electricity distribution network.

WORKPLACE DESIGN AND MODIFICATIONS

Iskraemeco has established a workplace ergonomics team whose members attended training with a renowned ergonomics expert, Dr. Balantič. The team consists of workers from Technology, Production, Quality and Occupation Health & Safety. Team members carried out a workplace ergonomics analysis of existing production workplaces. Several workshops were conducted to assess individual workstations and prepare for the implementation of proposed improvements. Our main focus was on improving the ergonomics of the workplaces in Production. In Final Assembly, five electric height-adjustable standing worktables were fitted which enable workers to set the desired height by simply pressing a button. Workers rotate between workstations during the working day, which allows them to move and change their body posture more frequently (different moves). All newly workstations and lines are designed to enable sitting or standing work to help workers avoid constant sitting and the negative effects it has on their body. For this reason, we have also increased the height of self-standing laser devices and other accessories. In certain workplaces the work area was expanded to facilitate movement and work. With careful workplace design Iskraemeco aims to improve the quality of the work performed, prevent work-related health disorders and enhance the company's performance. Continuous improvement in workplace ergonomics will continue to be funded from a special investment fund in the future.

Care for employees is of utmost importance for our company. We are aware that healthy and satisfied employees are key to the company's success.

Improving workplace ergonomics



Applying ergonomics principles to workplace design has a positive effect on the health and satisfaction of employees. Employee health, motivation and performance are definitely among the most vital parts of any company's success. Fully aware of the importance of preventive measures, Iskraemeco is striving to identify the needs of individual employees in the work process.

Ergonomics is a relatively new, interdisciplinary branch of science that deals with our attitude to work, work tools and the workplace. The field is a combination of numerous disciplines such as psychology, organisation of work and workplace physiology. When work tools and work environment are designed to better fit human physical functions, this reduces the overall load on the worker and prevents persistent tiredness and long-term adverse health effects whilst increasing

worker capability and efficiency.

Careful workplace planning and ergonomic equipment can effectively prevent health disorders.

These do not appear overnight; they develop over time and can lead to long-term disabilities.

In recent years, musculoskeletal disorders have been recognised as the greatest challenge. According to the European Agency for Safety and Health at Work, 25% of workers in the EU report work-related back pain and 23% complain about muscular pain. These disorders are the top reason for sick leave also in Slovenia. By applying ergonomics principles in workplace design, we can reduce the risk of workers straining themselves in the workplace and, in so doing, raise their productivity and the quality of the work they do.

What we eat affects our productivity

Eating the right food throughout the workday changes how we work. Food has a direct impact on our cognitive performance, so the right food is one of most important elements of successful work.

Research indicates that eating fruits and vegetables throughout the day isn't simply good for the body - it's also beneficial for the mind. The more fruits and vegetables we consume (up to 7 portions), the happier, more engaged, and more creative we tend to be. Fruits and vegetables contain vital nutrients that foster the production of dopamine, a neurotransmitter that plays a key role in the experience of curiosity, motivation, and engagement. They also provide antioxidants that minimize bodily inflammation, improve memory, and enhance mood.

The company is committed to promoting the wellbeing of all employees at the workplace. We have decided to provide our staff with a weekly supply of fresh fruit, which will be available in the common areas. We believe in working closely with local producers, as we want to ensure the best for our employees.

In short, eating regular, small portions of healthy foods makes us happier, more engaged, and more creative.



// BRINGING INTELLIGENCE TO ENERGY

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