CYANCONNODE

— **Omni IoT** —
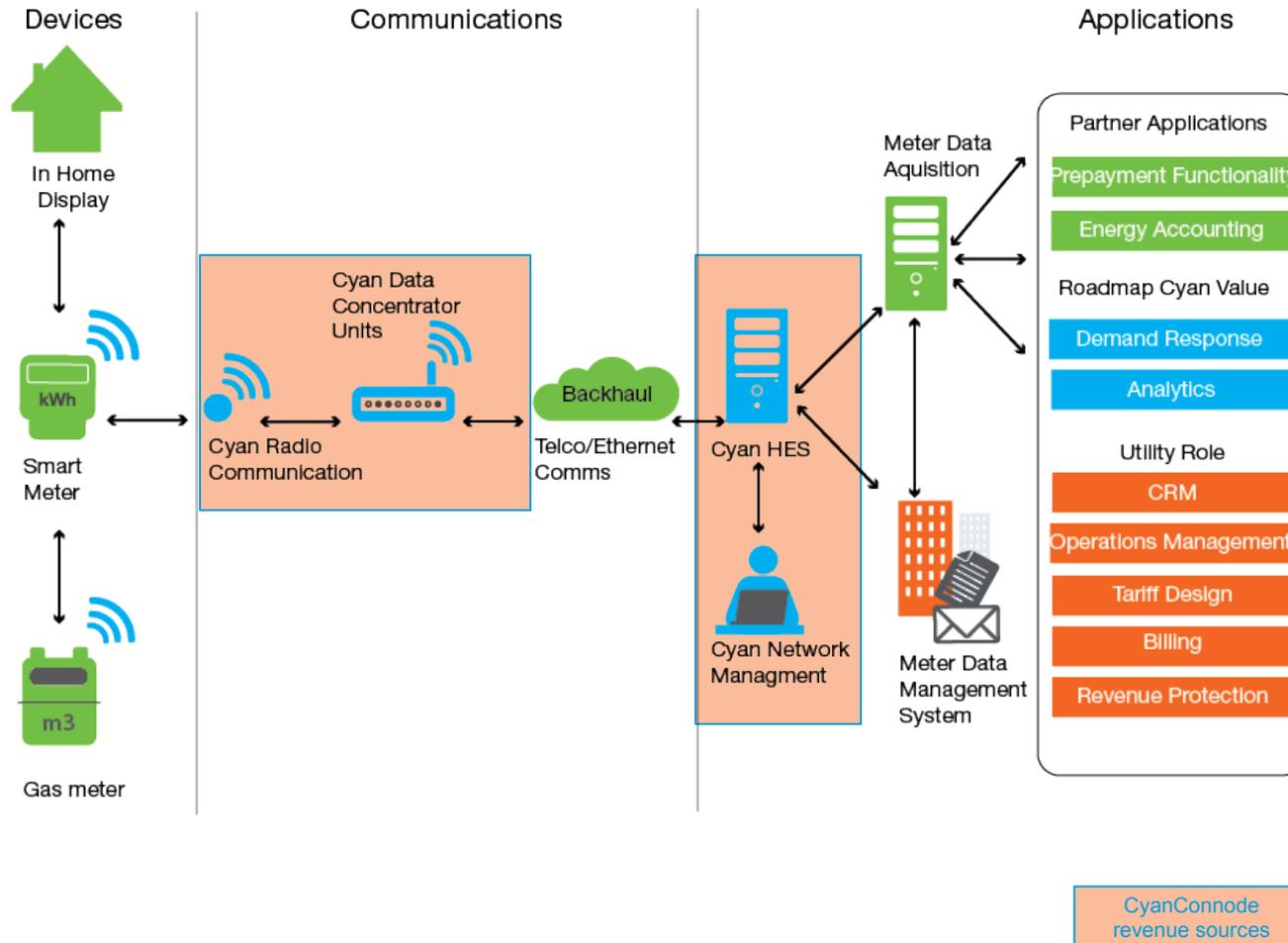
Shares Live Presentation ❙ 10 September 2016
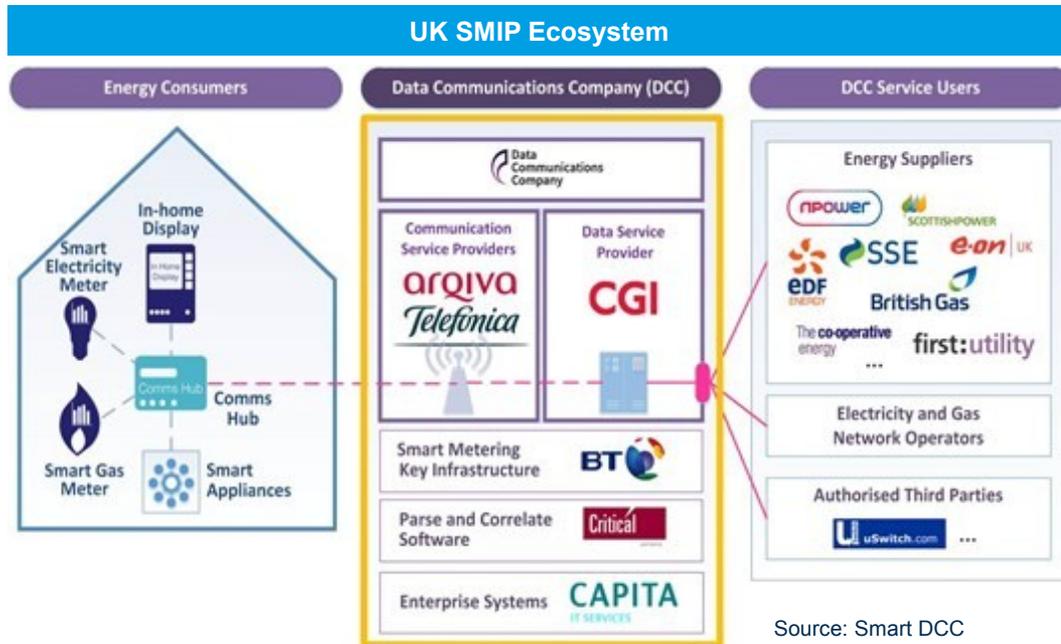
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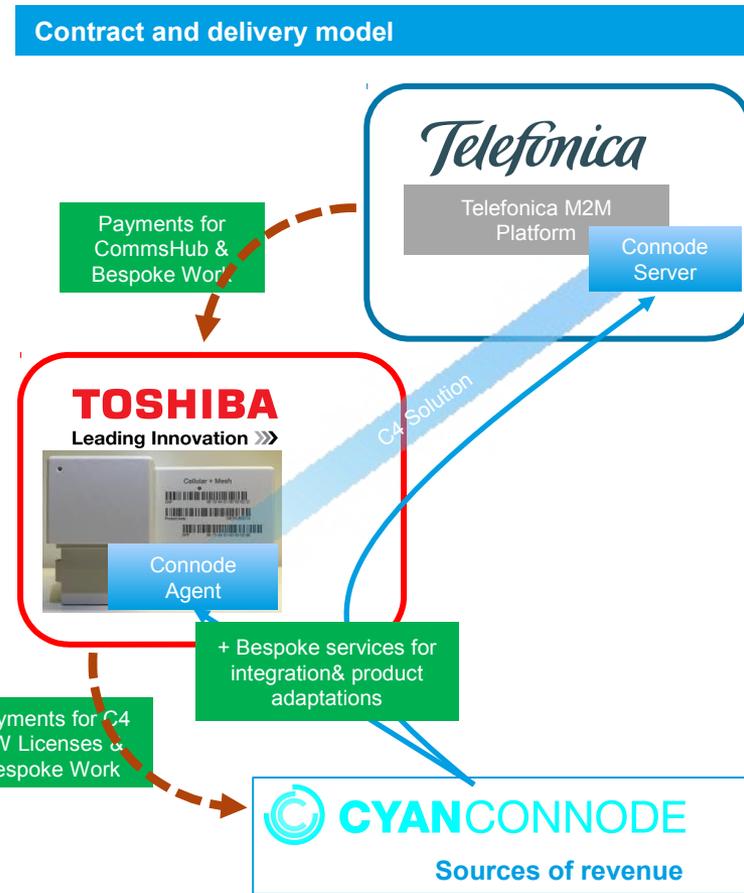
Overview

CYANCONNODE

- CyanConnode are a leader in Internet of Things (IoT) communications

- Customer contract wins in UK, India, Scandinavia, Middle East, Africa, Brazil, China

- Key eco-system partners include Telefonica, Toshiba, Vodafone, Larsen & Toubro, Landis + Gyr, Intel, Itron, Enzen, Newcapec

- Significant customer contracts in place
    - Contract for UK Smart Metering Implementation Programme with expected license/support revenue stream of £25M
    - £10m smart metering order from Iran

- 1H2016 revenues of £1.03M vs. 1H2015 of £0.16M (550% increase)

- Scalable business model underpinned by software license fees sold on recurring revenue basis on long term contracts

- 300+ man years of R&D and c.£27M invested to date across Cyan and Connode

- £12.6M transaction in July 2016, including placing, subscription and £6.8M acquisition of Connode

Smart Metering Value Chain

Devices
- In Home Display
- Smart Meter (kWh)
- Gas meter (m3)

Communications
- Cyan Data Concentrator Units
- Cyan Radio Communication
- Backhaul
- Telco/Ethernet Comms
- Cyan HES
- Cyan Network Managment

Applications
- Meter Data Aquisition
- Meter Data Management System

Partner Applications
- Prepayment Functionality
- Energy Accounting

Roadmap Cyan Value
- Demand Response
- Analytics

Utility Role
- CRM
- Operations Management
- Tariff Design
- Billing
- Revenue Protection

CyanConnode revenue sources

UK SMIP

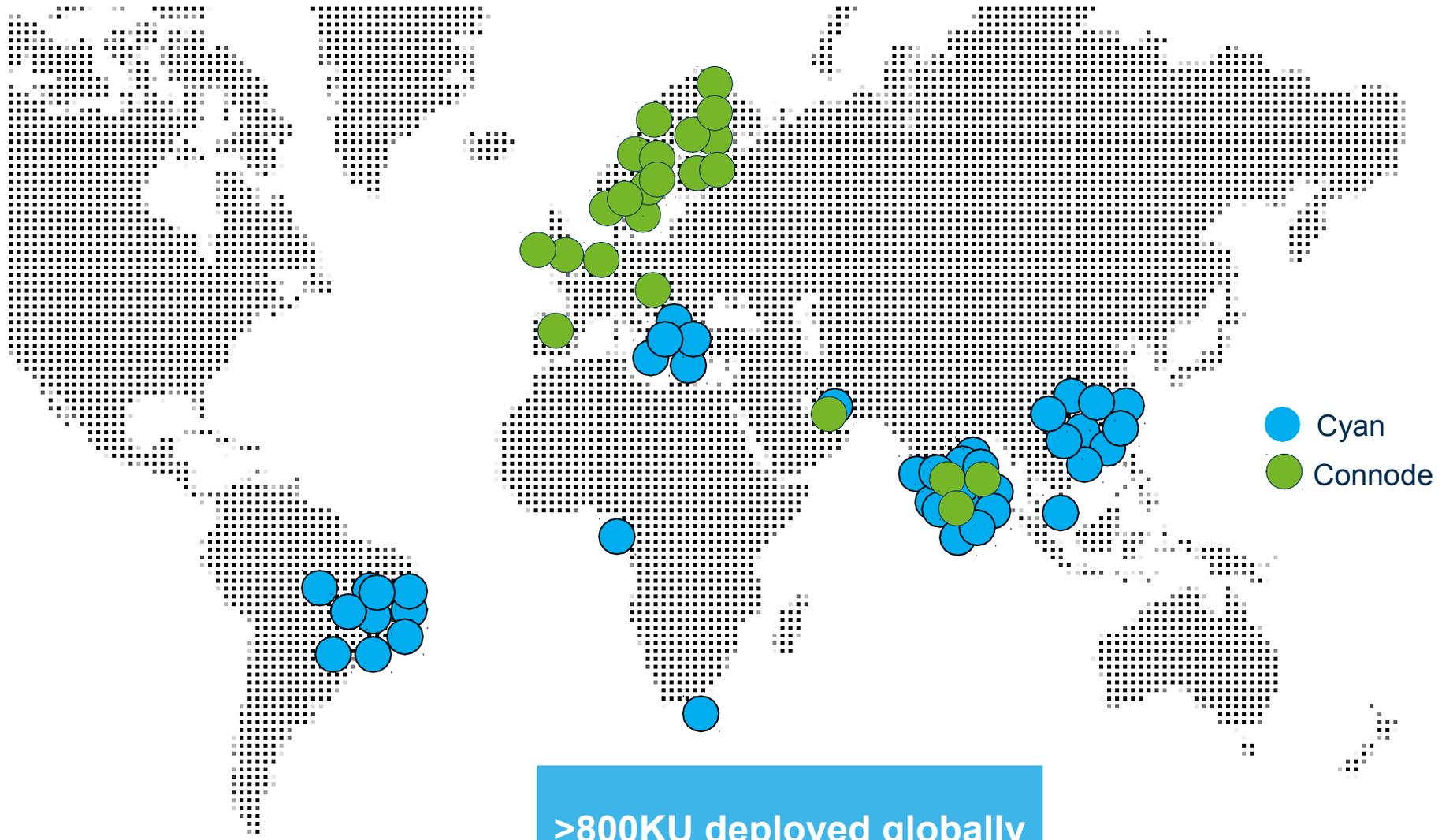**UK SMIP Ecosystem**

Contract and delivery model

Source: Smart DCC

Both Toshiba and Telefonica were positive to see Cyan acquire Connode and gave their formal consent

Customer Orders and Pilot Deployments

CYANCONNODE

- Cyan
- Connode

>800KU deployed globally

Global Partner Eco-system

India – Customer Orders/Pipeline

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CESC-Mysore (2M customers)

- £1M for over 21,000 smart meters – full end-to-end AMI
- 18,000 smart meters installed, with completion in 2H2016

PVVNL (3.5M customers)

- £0.5M order for over 13,000 smart meters – full end-to-end AMI.
- 12,000 smart meters delivered, with completion in 2H2016

Tata Power Mumbai (0.7M customers)

- Second order (1H 2016) received and delivered for 5,000 meters
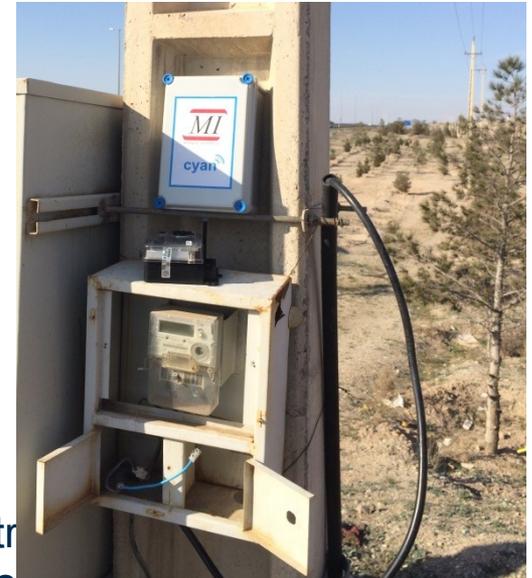- Follows successful deployment (1H 2015) of 5,000 smart meters – full end-to-end A

Next orders now in discussion with these existing customers

Pipeline

- 32 opportunities being pursued, representing utilities with 62M customers
- Some tender responses have been submitted via local partners and decisions expected before end of 2016

TATA POWER
Lighting up Lives !

Rest of World – Pipeline Development

CYANCONNODE

- Geoff Sarney (smart metering & IoT specialist) engaged to act as SVP Sales & Marketing

- Opportunity pipeline developed strongly over last 6 months

- Currently working on 35 potential opportunities with an overall opportunity size of 20M electricity/gas/water/lighting devices. Most customers requesting Ultimesh optimised solution

- Territories being developed include South East Asia, North Africa, Australasia, Middle East, Western Europe, China

- Agreement signed with JST Group to distribute smart metering technology in Thailand, with JST investing £2M into CyanConnode equity in July

- Some tender responses have been submitted via local partners and decisions expected before end of 2016

- UK's Smart Meter Implementation Programme - major national infrastructure project involving the roll out of 53M gas and electricity meters by 2020

Iran

- Relevant international sanctions lifted (Jan '16)

- Successful pilot deployment of smart metering for street traffic cameras (Feb '16)

- £10M purchase order for 360,000 unit smart metering implementation in Iran (Apr '16)

- Transformational event for Cyan – 10x larger than largest order received to date

- Over 50% of the order is recurring software revenues

- Favourable payment terms

- Proposal submitted for next phase of one million smart electr leading to the overall replacement programme of 33 million smart electricity meters over seven years)

- Large smart gas metering opportunity identified and being developed

Award Winning Solutions

CYANCONNODE

UK ENERGY INNOVATION AWARDS 2016 — WINNER —

Judges felt that Cyan's approach to providing a real solution to a world-wide energy issue was well worth the recognition of being the winner.

European Utility Week — Product Innovation Awards

Judges praised the originality, practicality and sustainability of Cyan's CyLec Connect retrofit module.

Judges felt that Cyan is contributing greatly to the future of smart metering, smart cities and more efficient power in emerging economies, by enabling wireless data communication with its CyLec product suite.

businessGreen TECHNOLOGY AWARDS 2015 WINNER

FROST & SULLIVAN — 2014 BEST PRACTICES AWARD — EUROPEAN SMART METERING TECHNOLOGY INNOVATION LEADERSHIP AWARD

29th & 30th January   www.smuksummit.com
6ᵗʰ EUROPEAN SMART METERING & SMART GRID awards ceremony 2015
Winner
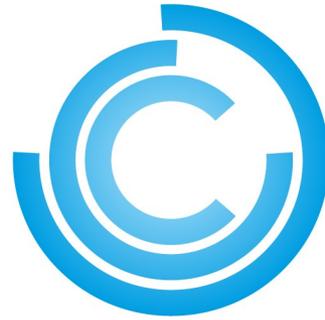**Innovation of the Year 2015**

Judges felt that Cyan had contributed greatly to the formation of Advanced Metering Infrastructure by enabling wireless data transmission to utilities.

"CyLec has already demonstrated its practicality in India and Brazil, and has proven to be compatible with existing meters in these countries." Avimanyu Basu, Senior Research Analyst

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