



Smart Energy Solutions

Shareholder Update – 10 February 2016



Trading Update – 26 Jan 2016 (Part 1)

- Cyan enters 2016 with significant contracted revenue backlog when compared with previous periods
- The majority of both the £1 million CESC and the £0.5 million PVVNL contracts will be booked as revenue in 2016, with a significant element in H1 2016
- The Tata Power repeat order will be shipped in Q1 2016
- Conversion of these existing contracts into revenue provides management with confidence that revenue in 2016 will be significantly higher than that reported in previous years
- This increase excludes the incremental revenue the Company expects to receive from any additional contract wins in 2016
- “We are very much focused on converting orders into revenues, which in turn can lead to multiple orders and repeat orders from key partners. Additionally, as our model evolves, the Company is benefiting from growing recurring revenues, enhancing forward visibility.”
- "Having further strengthened our foundations for growth during 2015 there is huge opportunity for further scalability throughout India, China, Brazil and sub-Saharan Africa. As such, we expect trading during 2016 to reflect our growing ability to win and service new orders."

Trading Update – 26 Jan 2016 (Part 2)

- The first 450 CyLec enabled meters for CESC (£1M order won in Jan 2015) have now been installed at consumer homes and successfully integrated onto the Cyan AMI mesh network. Roll-out of the remaining smart meters is now expected to continue through the first half of 2016
- In May 2015, Cyan announced that it had received a Letter of Intent from El Sewedy to supply Cyan's CyLec AMI solution for a smart meter contract, which El Sewedy has been awarded in Ghana, Western Africa. The LOI states that, subject to contract, El Sewedy intends to appoint Cyan to provide a full AMI solution for up to 200,000 consumers in batches over three years. The utility has now notified El Sewedy that it will commence a pilot project using Cyan's technology once its existing GPRS sim card based smart metering solution trial has been completed
- Cyan has recently received an order for a 120 smart meter pilot project from El Sewedy for another project with the same Ghana utility where the potential opportunity size is 40,000 meters and this order is now in the process of being delivered

Iran Order – 9 Feb 2016

- Purchase order from telecommunications contractor Micromodje for a 2,000 unit smart metering implementation, which will be fitted into street traffic cameras in Iran
- This initial purchase order is worth £67,000 with an upfront payment of £50,000
- The order was placed only a couple of weeks after international sanctions were lifted on Iran on 16 January and is believed to be one of the first orders secured by a UK business, with support from the specialist UK Trade and Investment team
- The first units were delivered at the start of last week and were successfully deployed in a two day period for a proof of concept in Iran. The Cyan HES has been installed on a Micromodje server and the Cyan end to end solution is providing meter readings every 30 minutes as well as the ability to connect/disconnect supply. The solution has been demonstrated to Micromodje's Iranian customer
- Micromodje and Cyan have now commenced discussions on a larger purchase order for smart electricity metering solutions to be deployed within Iran. Government estimate is 33 million smart electricity meters will be required in Iran
- As part of the initial project setup, Cyan has sought specialist legal advice on doing business with Iran in order to ensure full compliance with all appropriate international regulations. Cyan has ensured that no parties involved in the transaction are on the EU sanctioned list or the US OFAC SDN list as well as no party being owned or controlled by the Iran Revolutionary Guards Corp. Cyan has also obtained export approval from the UK Government Export Controls Organisation to deliver this initial order from Cyan's wholly owned Indian subsidiary and is now in the advanced stages of acquiring export approval to deliver direct from Cyan UK for future orders

Second Order from Tata Power – 21 Jan 2016

- 5,000 meters from Larsen & Toubro to expand the deployment of Cyan's smart metering solution at Tata Power Mumbai
- Follows the successful implementation of 5,000 consumer smart meters in Mumbai, announced by Tata Power in July 2015: <http://www.tata.com/media/releasesinside/-Tata-Power-commissions-one-of-the-largest-radio-frequency-metering-projects-in-India>
- Complete AMI solution for the deployment of 4,000 single phase consumer meters and 1,000 three phase meters for high use consumers and light industrial customers.
- Due to the investment Cyan has already made in training Tata Power staff to install smart meters and operate the Cyan AMI solution, delivery of this follow on order can be achieved without on-site assistance from Cyan staff, demonstrating the scalability of its business model
- Discussions have now commenced with Tata Power regarding a Framework Order to meet their future needs over a multi-year period
- Tata Power Mumbai's consumer base increased by 50%, from 400,000 in 2014 to over 600,000 consumers

Strategic Partnership with Newcapec – 2 Dec 2015

- Strategic partnership agreement with Newcapec Electronics Company Limited, a leading solutions provider in China (SHE:300248, market cap £800M)
- Newcapec are experts in the delivery of innovative technology and managed services across a range of business sectors including energy, the public sector and telecoms. They have 35 branches throughout China, with more than 900 employees
- Cyan and Newcapec will jointly explore new opportunities in next generation smart metering applications for the power, gas and water industries as well as emerging city applications, such as lighting and sensors, both in China and internationally
- In August 2015, John Cronin met Mr Yang Weiguo, President and Mr Fu Qiusheng, Executive Vice President at Newcapec in Henan, China. Following this meeting, Cyan and Newcapec agreed to collaborate to create added value from their combined solutions, as well as identifying and developing new applications across emerging smart energy, 'Smart Cities' and Internet of Things markets
- China's Ministry of Industry and Information Technology released its 12th Five-Year Development Plan in 2012, with the goal of scaling the IoT market to \$163 billion by 2020

- Order from Enzen Global Solutions Pvt Ltd for a commercial smart metering implementation for Paschimanchal Vidyut Vitran Nigam Limited in Uttar Pradesh, India
- Cyan will act as Enzen's solution provider for smart metering
 - Cyan will provide over 13,000 smart meters and associated hardware and software
 - Cyan's head end software will be provided as a managed service hosted by Cyan and charged on a per meter per year basis, delivering a recurring revenue stream
- First meters expected to be installed and commissioned in H1 2016
- Current order has an initial value to Cyan of c£0.5 million, including recurring revenue derived from Cyan software offered as a managed service
- PVVNL distributes power to more than 3.5 million consumers, providing significant scope for follow-on orders

India Market Opportunity – Smart Metering Projects

- In Nov 2015, Prime Minister Narendra Modi approved Ujwal Discom Assurance Yojana (UDAY) scheme:
 - *Targeted to deliver financial turnaround for power distribution companies*
 - *Smart meters for consumers in phased rollout by 2017 and then 2019*
 - **Target is to install 35 million smart meters by 2019**
 - *Program to eliminate State Discom debt through assignment to States and then bond issues*
- Modi government has also announced plan for 100 Smart Cities
- Previous India Government funded 14 smart grid pilot projects
 - Several pilots now at an advanced stage, though politics, process and budget remain issues
 - Cyan partnering with bidders for those that best fit its technology (dense, urban consumers vs rural or industrial metering)
 - Cyan won at CESC-Mysore and well positioned to win others

India – Cyan's Customer Orders/Pipeline

CESC-Mysore

- £1 million order for over 21,000 smart meters – full end to end AMI
- First 450 meters now installed with remainder by 1H2016
- First AMI project at public utility
- CESC has 2M domestic customers

Tata Power

- Second order received for 5,000 meters
- Follows successful deployment of 5,000 smart meters – full end to end AMI
- Led by Larsen & Toubro, who supplied meters
- Tata Power Mumbai has over 600,000 domestic customers

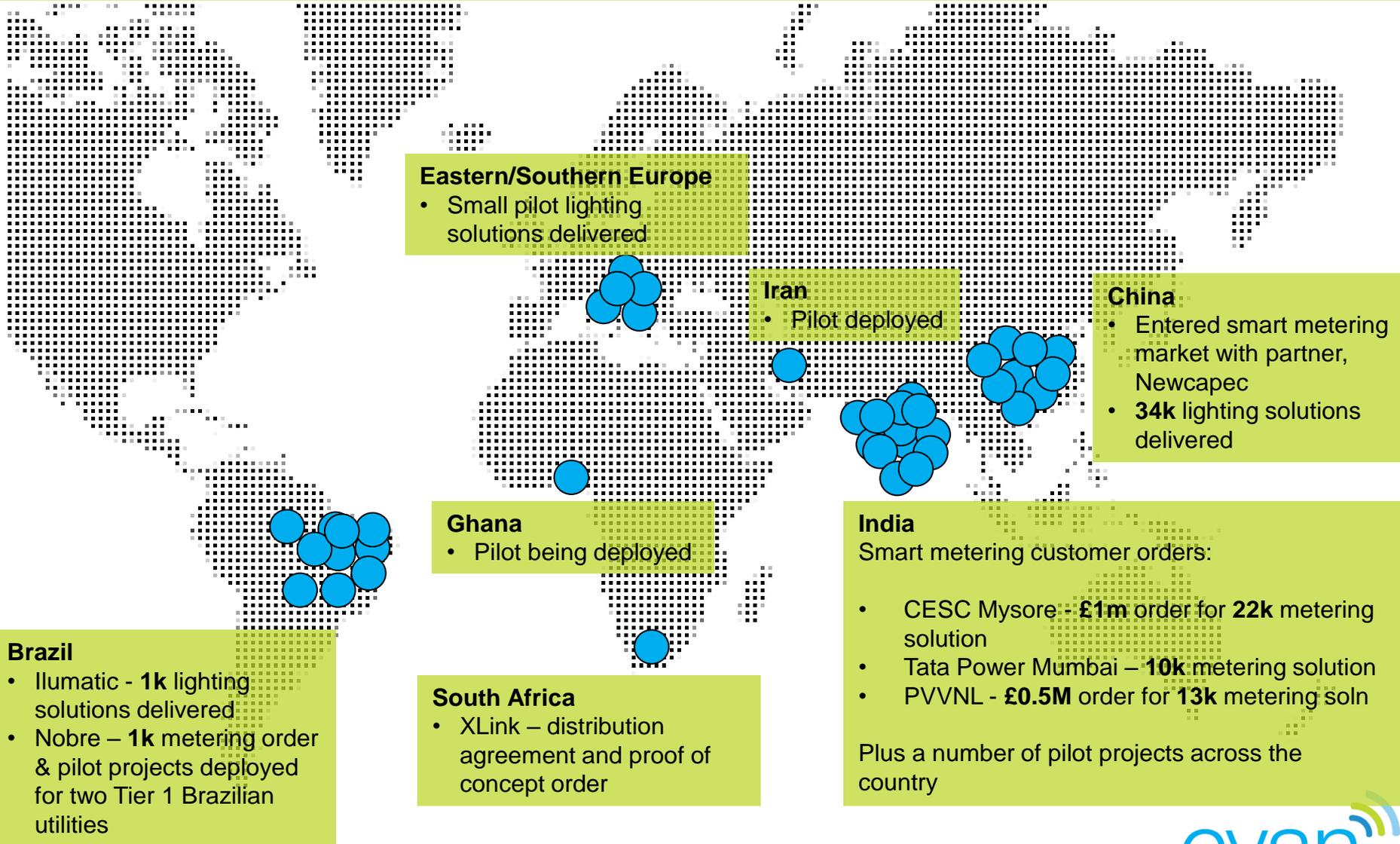
PVVNL

- £0.5 million order for over 13,000 smart meters – full end to end AMI
- Cyan software delivered as a managed service
- Recurring revenue streams
- PVVNL has 3.5 million domestic customers

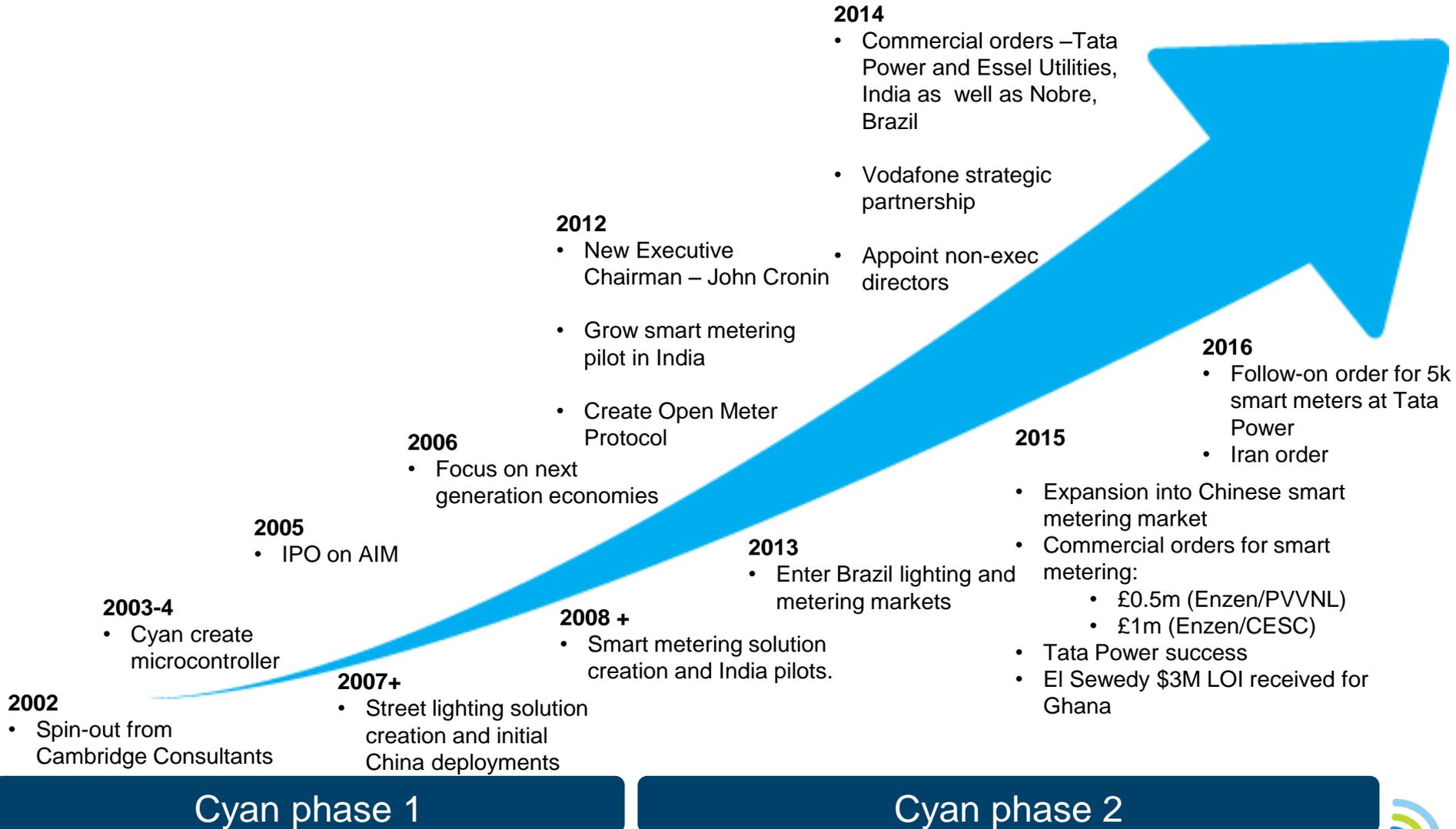
Pipeline

- Thirty one smart metering opportunities currently being pursued
- Overall metering opportunity pipeline of 497KU
- Pipeline represents utilities with 53M customers
- Smart lighting pipeline starting

Cyan Customer Orders and Pilot Deployments



Cyan Evolution



Award Winning Solutions



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.



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



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