



**CYANCONNODE**

**A WORLD LEADER IN NARROWBAND RADIO FREQUENCY (RF) SMART  
MESH NETWORKS**

**John Cronin, Executive Chairman**

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- Introduction
- Technology and Market Opportunity
- Current Contracts and Pipeline
- Summary

# About CyanConnode



- A world leader in narrowband RF mesh networks for IoT communications
  - CyanConnode's platform provides secure M2M communication
  - Standards-based (IPv6, 6LoWPAN, IEEE 802.15.4g)
- Omnimesh Platform incorporates all the elements required to deliver multi-application network
- Customers in India, Europe, China, the Middle East, and Brazil:
  - Large order book
- Established eco-system of local partners in focus markets
  - Supports the transfer of skills and experience
  - Local wealth generation – feeds sales pipeline
  - Enables full end-to-end solution delivery
  - Partners not resellers – CyanConnode solutions enable larger partner sale

## Key customer deployments



25 + Finnish Utilities

## Eco-system partners



## Recognition



# Narrowband RF Mesh – technology of choice for AMI communication



Provides last mile point-to-multipoint wireless mesh communications

Electricity, gas and water metering

Street lighting

License-free bands sub GHz

Operates in unoccupied, license-free spectrum – low cost, low power and future proof

Always on, secure, interoperability between different meters

Ideal for M2M communication – unlimited scale, coverage, density, penetrates walls

High reliability and availability, adaptive network

Point-to-point Wi-Fi, Broadband and Cellular communications have limitations

Coverage / 'not-spots'

Penetration (through walls etc)

Cost and availability of spectrum

Mesh networks provide end-to-end coverage – cover 'not-spot' areas

## SELF-CONFIGURING

The nodes determine the best route to the gateway. Either directly or routed through another node

## MULTIPLE HOPS

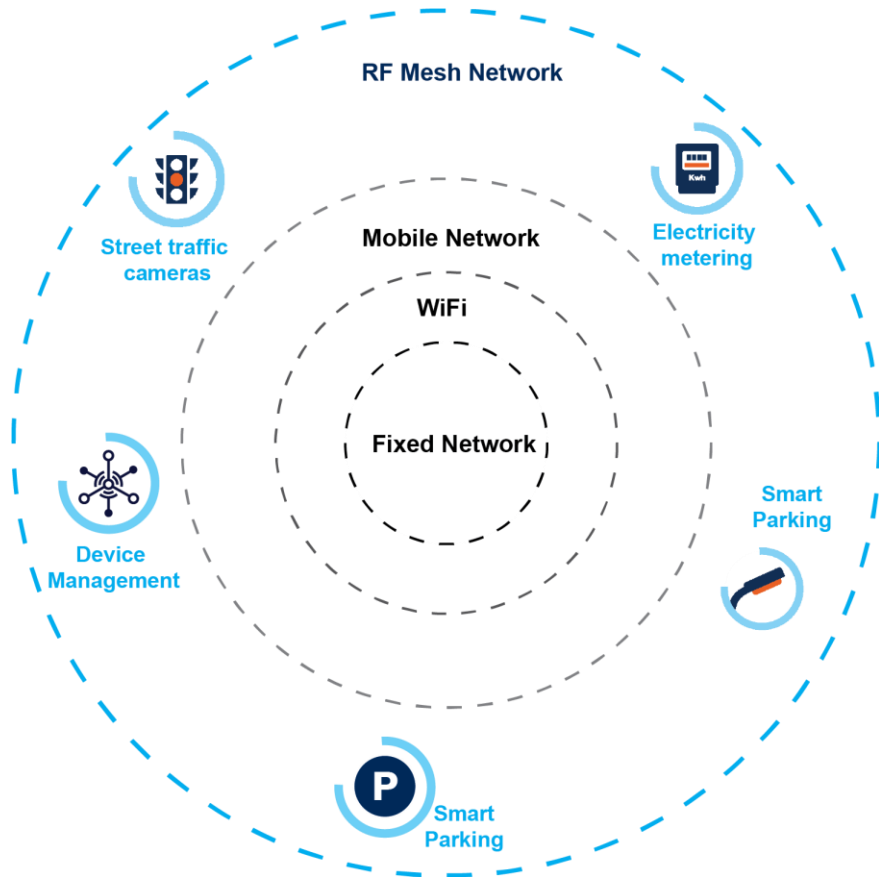
Traffic can be routed through another mesh node before reaching the gateway

## SELF-HEALING

If a node becomes unavailable or a gateway loses its backhaul connection, the network will rearrange itself automatically

## CONSTANTLY OPTIMIZING

The nodes will constantly try to optimize the network topology by evaluating the radio conditions to neighbouring nodes

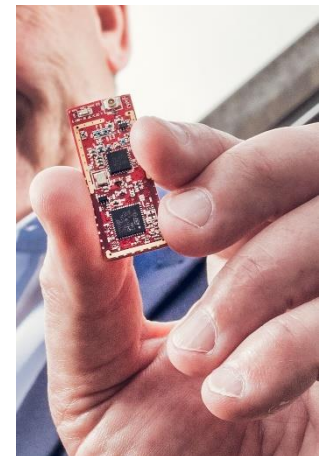
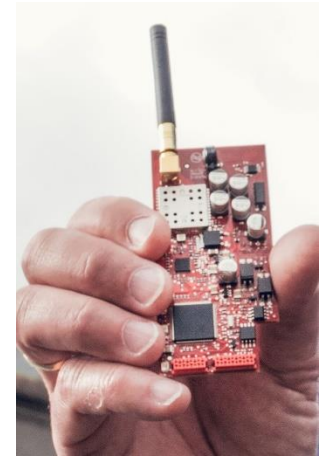


## Narrowband RF Mesh networks:

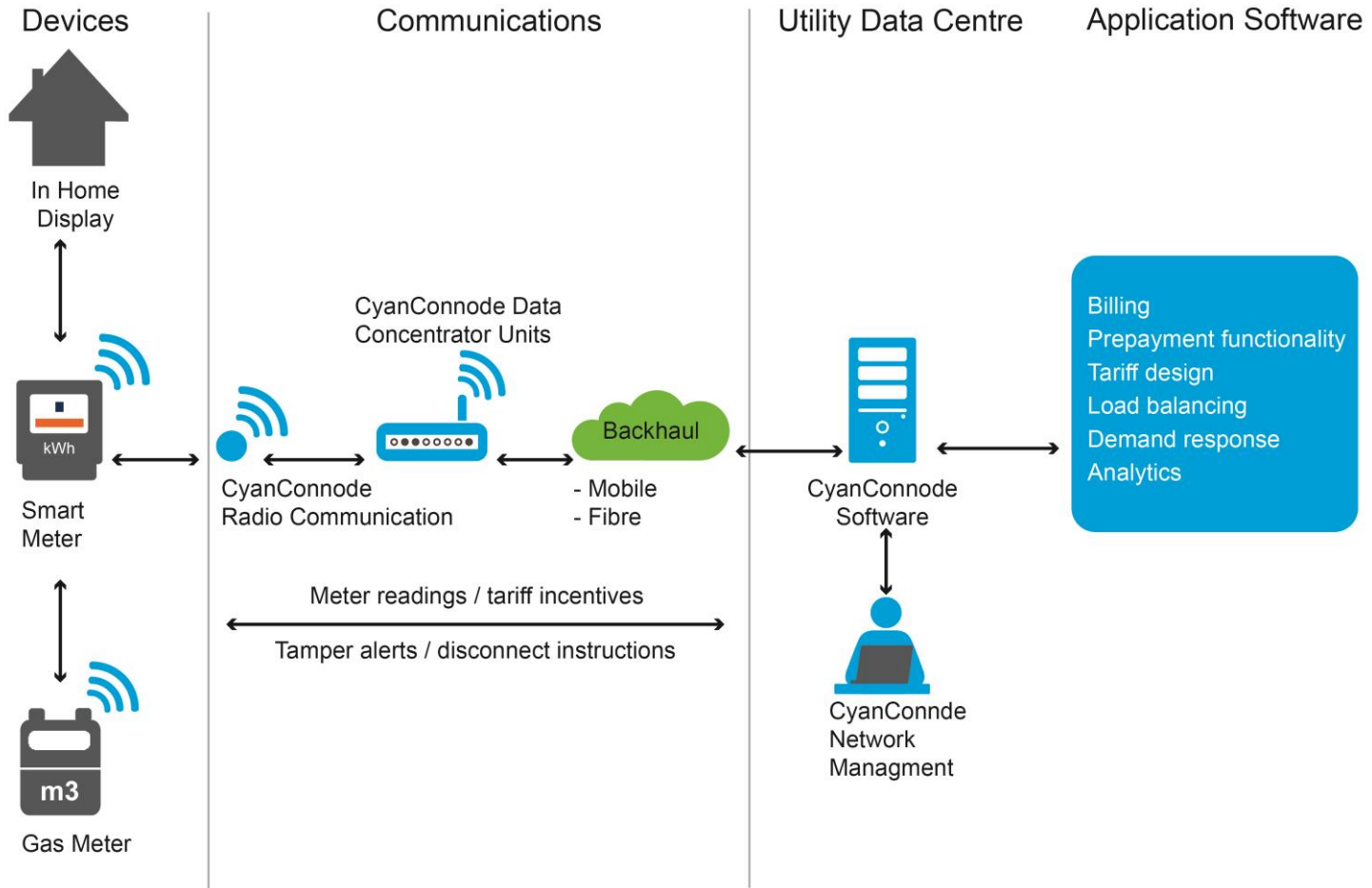
- Offer the range and penetration to connect any device, anywhere
  - Ideal for M2M communication
- Based on regulated license-free ISM band
  - Supports interoperability between devices
- Deliver 100% coverage unlike large cell WAN technologies (For example, mobile or LoRa)
- Provide cost-effective solution - low capex and opex
- Built on inexpensive standards-based commodity RF transceivers and do not require expensive hardware or data contracts

Mesh networks provide end-to-end coverage – cover ‘not-spot’ areas

- CyanConnode is headquartered in Cambridge, UK, one of the leading technology hotspots in the world
  - European business functions have been consolidated in the UK, providing several operational and financial advantages for the Company (including a reduction in operating costs)
- The Cambridge-based engineering team is the technical authority responsible for the development and validation work required to fulfil customer contracts
  - The centralised team utilize streamlined processes, improving efficiency, predictability, and performance
  - The Indian-based team assist with local technical and integration support
- CyanConnode provides both world-class technology and expert support to customers – from integration to ongoing maintenance
  - Expertise to support the seamless integration of customers' devices and software with CyanConnode's communication platform

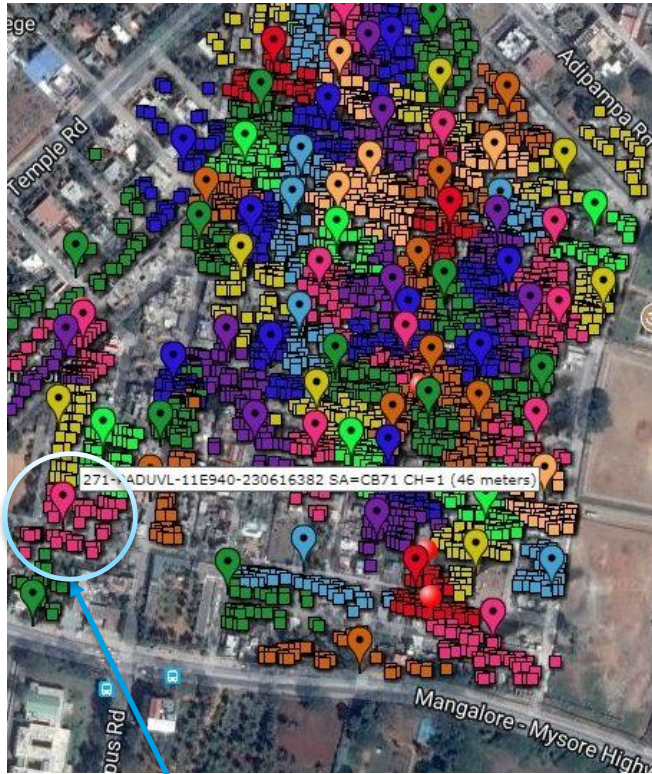


# Typical Metering Installation





# Live Meters in Mysore, India



DCU and meters in mesh network  
 = DCU Location

46 meters on DCU 19bfd6b3-d442-4069-97ee-5936aff4eb52 (271-PADUVL-11E940-230616382)

SEARCH BY METER SERIAL NUMBER

	S15A015849	< 30 minutes ago	1030.0100 kWh		
	S15A015859	< 30 minutes ago	1405.0200 kWh		
	S15A015874	< 30 minutes ago	756.8900 kWh		
	S15A015879	< 30 minutes ago	392.8700 kWh		
	S15A015913	< 30 minutes ago	1836.5300 kWh		
	S15A015937	< 30 minutes ago	792.6600 kWh		
	S15A015947	< 30 minutes ago	393.6400 kWh		
	S15A016231	< 30 minutes ago	1330.1300 kWh		
	S15A016236	< 30 minutes ago	244.8400 kWh		
	S15A016964	< 30 minutes ago	1703.6600 kWh		
	S15A017252	< 30 minutes ago	1076.5100 kWh		
	S15A018609	< 30 minutes ago	514.4500 kWh		

July 2017

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Monday, July 3, 2017

Instantaneous Readings

00:22 792.250 kWh	02:03 792.330 kWh	03:42 792.390 kWh	05:11 792.470 kWh
00:55 792.270 kWh	02:35 792.350 kWh	04:13 792.420 kWh	05:41 792.490 kWh
01:30 792.300 kWh	03:07 792.370 kWh	04:43 792.440 kWh	06:11 792.500 kWh

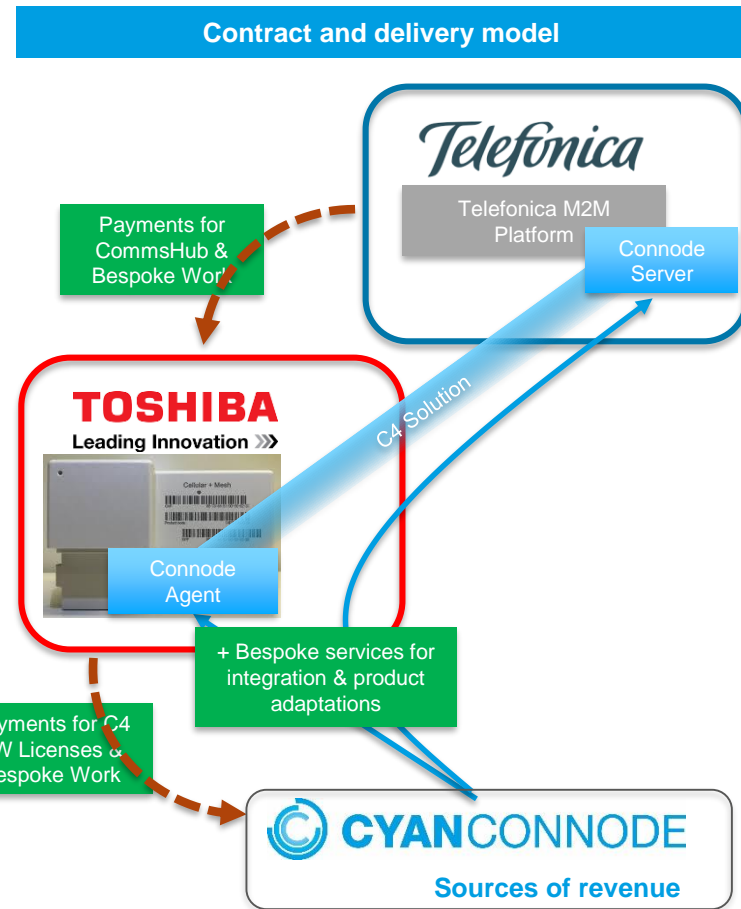
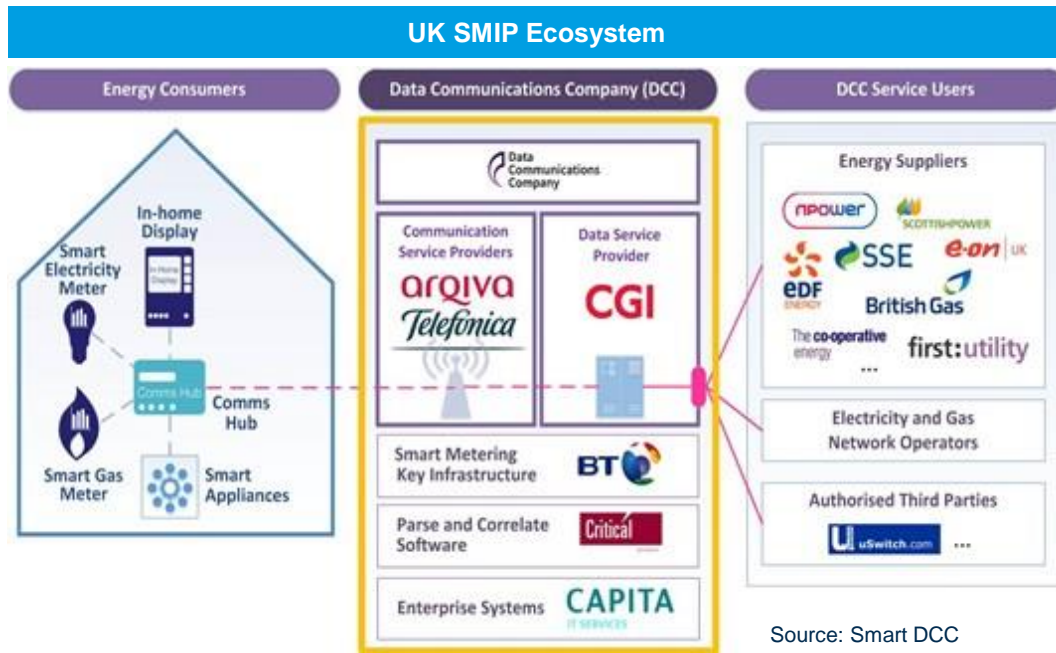
Meter list for DCU in Network Manager Software

Last reading data for each meter

Reading history for each individual meter

# UK Smart Meter Implementation Programme

CyanConnode's solution connects meters in 'not-spots'



Revenue	Expected 10% mesh
Contracted licence fees until 2020	£6m
Support fees (over 15 years)	£18m
<b>Total</b>	<b>£24m</b>

## Current revenue model

- Perpetual licenses – Module, Gateway, Software. One off payment plus 22% annual SMC
- Term licenses - Module, Gateway, Software over X years, recurring revenue per year
- Support & maintenance contract – per device once installed, recurring revenue
- NRE (non-recurring engineering) - rate card, per engineering day

## New revenue model, in addition to the above will include

- Royalty licensing - manufacture of hardware via reference design

- Chinese Meter Manufacturer
  - \$4M Royalty licensing agreement to manufacture CyanConnode modules and gateways
- Indian Utility
  - \$2.9M purchase order for 5 year support and maintenance contract for Omnimesh smart meters
  - Order received from Tier 1 meter manufacturer
- Indian Utility
  - \$11.6M order for smart metering deployment, announced 18 September 2018
  - Order received from Tier 1 metering partner
- MPWZ, India
  - \$3.2M order for smart metering deployment
  - Order received from new Tier 1 meter manufacturer partner L&T in May 2018
- UGVCL, India
  - \$1.1M order for smart metering deployment
  - Order received from new Tier 1 meter manufacturer partner Genus
- HM Power
  - \$780K order for software licenses and annual maintenance

# Sales Pipeline\* Extract – India

Customer	Solution	Units'000
Public entity	Electricity Meters	20
Public utility	Electricity Meters	375
Public utility	Electricity Meters	250
Private utility (2 opportunities)	Electricity Meters	362 +650
Public utility	Electricity Meters	385
Public utility	Electricity Meters	120
Public utility	Electricity Meters	326
<b>TOTAL</b>		<b>2,488</b>

- All meters to be smart prepaid in 3 years,” says R K Singh, Minister of State (IC) for Power and New & Renewable Energy. Advises meter manufacturers to scale up production
- Uday Scheme – 75% debt put into Government bodies conditional on them signing up to Smart Metering
- Ministry of Power Grants towards Smart Metering programmes
- 250 Million dumb meters as installed base

# Sales Pipeline\* Extract

## – Rest of World outside India



Region	Solution	Units'000
Asia Pacific	Electricity Meters, Lighting, Smart City	>2,000
Middle East	Electricity Meters	850
Asia Pacific	Electricity Meters	625
Europe	Electricity Meters	500
Asia Pacific	Metering, Lighting	400
Africa	Electricity Meters	200
Europe	Electricity Meters	200
Asia Pacific	Electricity Meters, Lighting, Smart City	150
Europe	Electricity Meters	110
Middle East	Electricity Meters	40
Middle East	Electricity Meters	40
<b>TOTAL</b>		<b>&gt;5,115</b>

- Complete delivery of India contracts won in previous years, and secure larger follow-on orders
- Rollout new Omnimesh platform through the delivery of larger contracts won in India during 2018 and 2019 through Tier 1 partners
- Close further large contracts in India and ROW through Tier 1 partners
- Ensure rollout of licensing royalty agreement
- Sign hardware and software license agreements
- Support Toshiba and Telefonica to roll-out the UK SMIP contract and extension opportunities
- Manage cash balance and cost base to meet customer deployment schedule as well as conserving resources
- Monitoring of KPI's to track progress throughout the year



- £4.7M revenues for FY 2018 (400% higher than FY 2017)
- Costs significantly reduced during 2018, with a monthly cash cost base of c£560k January 2019
- Large orders won during 2018 for new Omnimesh platform (US\$17.9M) and delivery commenced on these orders
- Licensing royalty agreement signed with Chinese meter manufacturer
- Scale up of manufacturing capabilities
- Full rollout of existing customer contracts would create a large recurring revenue stream
- Significant pipeline of opportunities being pursued with several near term
- New Omnimesh platform extends the market opportunity