



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

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About CyanConnode



Year 2002

Founded in 2002 and listed on AIM in 2005. Headquartered in Cambridge, UK
Centre of excellence in Cambridge, UK with international operational centres

Year 2009-2013

Expanded India operations in 2009

Introduced Blue-chip client base and partner eco-system validates technology offering
Established CyanConnode Private Limited
UK Smart Metering Program (SMETS 2)

A Leader in Narrowband RF Mesh network for IoT Application

- Vendor agnostic model allows multiple routes to market
- In-country partner eco-system encompassing multiple meter vendors, system integrators and DISCOMs
- Highly Secure, Complied to IEC, IEEE Standards, Unified HES handles Multiple Meter vendors

2014-2016

Bagged pilot projects in India
CESC, Mysore awarded for Best Smart Grid pilot project, India

Sweden, Europe

Year 2017-2021 AMI Roll Outs

Deployed > 1 Million Devices, > 200K Smart Meters are in circuit (India)
Acquisition of Connode, Sweden
Set up manufacturing facilities in India – reinforcing the 'Make in India' programme

Country Head Office

Gurgaon, India

Customers and Partners



Blue-chip client base and partner eco-system validates technology offering

Customers

- Have delivered > 2.1 million endpoints (electricity meters and streets lights) to date across > 20 customers
- End customer is typically an electricity utility with the direct customer often a major prime contractor partner or meter OEM

End customers



Partners

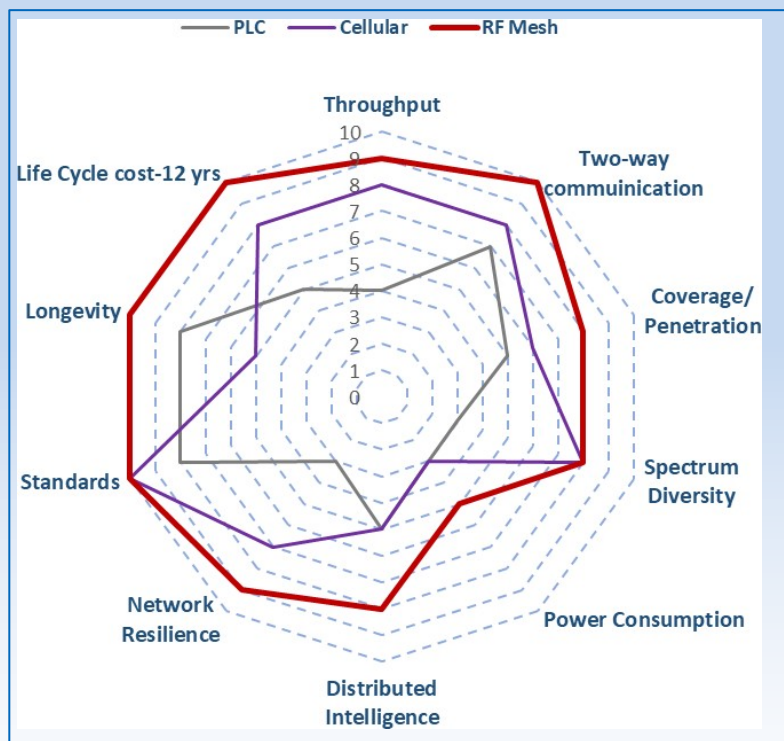
- Have formed deep relationships with major local partners in its target geographies which hugely enhances ability to win and deliver landmark projects
- Have integrated its technology into a number of major global meter manufacturers' devices meaning it can now rapidly deploy its technology with these OEMs on new projects

Partners



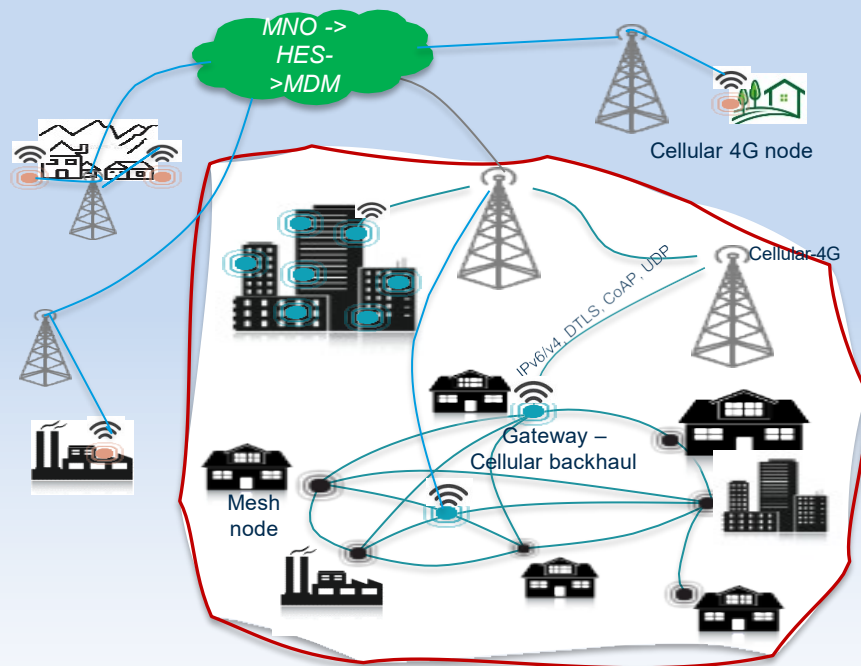
Deployed with major end customers, partners and hardware providers

Fit-for-purpose metrics : Useful to select best mix of communication technologies



Best fit : HYBRID RF Mesh Canopy + Cellular

- ✓ Performance
- ✓ Economic value
- ✓ Scale



Urban & Suburban areas:
RF Mesh canopy + Cellular as backhaul

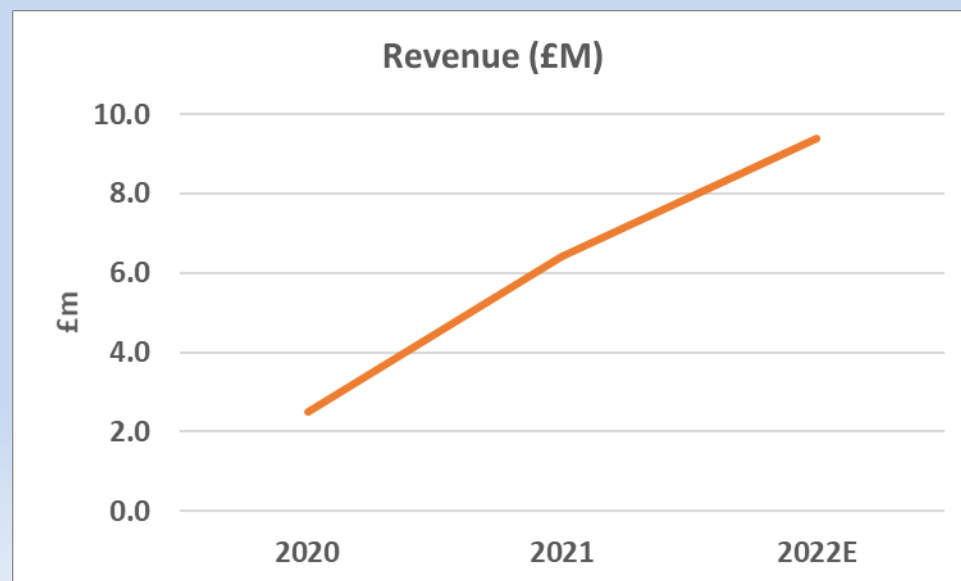
Isolated Small Clusters

- Village hamlets, farm houses, pumps, etc.

Cellular point-to-point

FY22 – continued growth

- 172% Revenue growth to £4.1M (H1 FY21: £1.5M)
- 240% increase in modules shipped (315,000 in H1 FY22 vs 92,000 in H1 FY21)
- 26% reduction in operating loss to £1.2M (H1 FY21: 1.6M) as the company moves toward profitability
- 70% increase in cash and cash equivalents to £1.7M (H1 FY21: £1.0M)
- 138% increase in cash received from customers to £3.8M (H1 FY21: 1.6M)



Market expectation
for further revenue
growth to £9.4M in
FY22

H1 FY22 Highlights



New orders

- 152,000 unit order new customer Northern India
- 100,000 unit order new customer in Africa
- 31,000 unit follow-on order Thailand

MOUs, Partnerships

- Key MOU signed with Intellismart
- Selected as EESL technology partner for Africa and Middle East
- Global Strategic Alliance signed with SEW

Awards

- Awarded London Stock Exchange Green Economy Mark
- Winner of Frost and Sullivan Global Smart Metering Technology Innovation Leadership Award

Continued acceleration in deployment

- Continued rollout of projects in India, Thailand and Sweden
- 315,000 modules shipped during the financial year (worldwide)

New team in India

- Further strengthened - Appointment of new CEO / MD

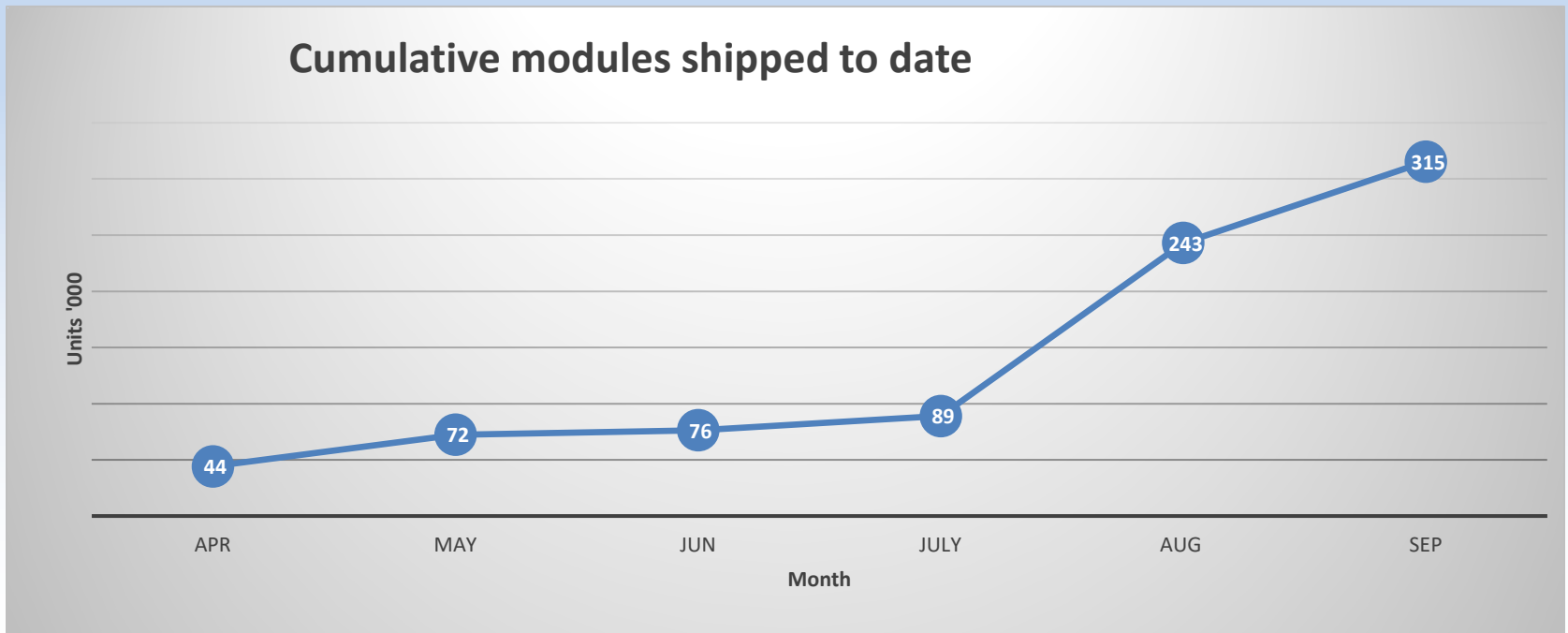
Improved cash position

- Cash received from customers via Letters of Credit and advance payments
- £3.8M cash received from customers during the period and a further £0.6m received since period end
- Placing completed at a premium during the period

Modules shipped during the period



- Increased deliveries to customers – the graph below shows modules delivered to the end of September 2021
- Solid foundations to deploy & further prove the technology thereby growing revenues



Share price



SN	Financial Model Description	Benefits to DISCOM
1	Capex Model: <ul style="list-style-type: none"> Capital expenditure to be paid on milestones of Supply, Installation & Commissioning O&M (FMS) to be paid monthly or quarterly 	<ul style="list-style-type: none"> Most competitive price per point 100% Asset and Project Ownership with DISCOM Much less dependency on Vendor after initial rollout
2	Hybrid Model: <ul style="list-style-type: none"> 30% CapEx (Against Supply of Hardware) 70% OpEx (Per Meter Per Month) 	<ul style="list-style-type: none"> Less initial capital outflow Required capital can be met through regular DISCOM funds Assured deliveries as the Vendor's payments are locked Quick implementation as an early realization would be Vendor's target
3	Opex Model via Infrastructure Fund <ul style="list-style-type: none"> 100% project costs are paid by Equal Monthly Instalments (EMIs) for the project duration by Discom CyanConnode paid as Capex 	<ul style="list-style-type: none"> No upfront capital expenditure but interest rates on Return on Equity & Debt Repayment Vendor EMI's could be paid through benefits achieved through AMI, as such no investment Quick and faster rollout as early deployment leads to start of EMI Right technology delivers guaranteed SLA

- A recent gazette notification released by Government of India stipulates that all Industrial, Commercial, Residential and Government consumers in India, except Agriculture consumers, in areas with communication Networks, shall be supplied electricity along with Smart meters with prepayment features. The target is to replace **250 million meters by 2025**.
- The Government also recently announced funding of a circa £30 billion “Revamped Power Distribution Scheme” aimed at creation and strengthening of the Transmission and Distribution infrastructure. This will be provided by an outlay of 15% against the total Project cost c. £15 billion of installing approximately 250 million smart meters

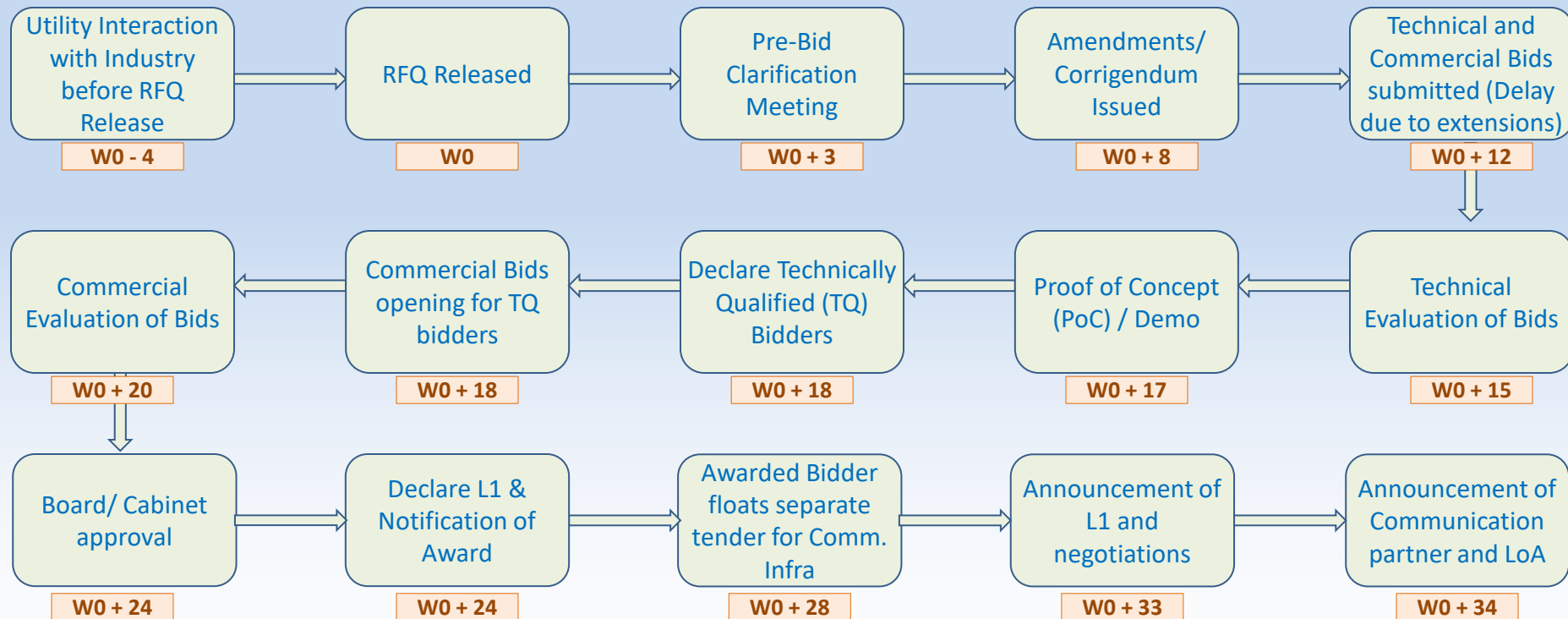
The timeline for replacing the existing 250 million meters with smart meters has been split into two phases:

The total meters to be covered in this first phase is 100 million. In the first phase, the following areas shall be metered with smart meters with prepayment mode by December 2023:

- All Union Territories,
- Electrical divisions having more than 50% consumers in urban areas with AT&C losses more than 15% in financial year 2019-20
- Other electrical divisions with AT&C losses more than 25% in financial year 2019-20.
- (\$32 Billion a year is lost revenue not collected by Discoms)
- All Government offices
- All industrial and commercial consumers

All other areas shall be metered with smart meters with prepayment mode by March 2025 in the second phase.

Broad Timeline : Indian RfP process CYANCONNODE

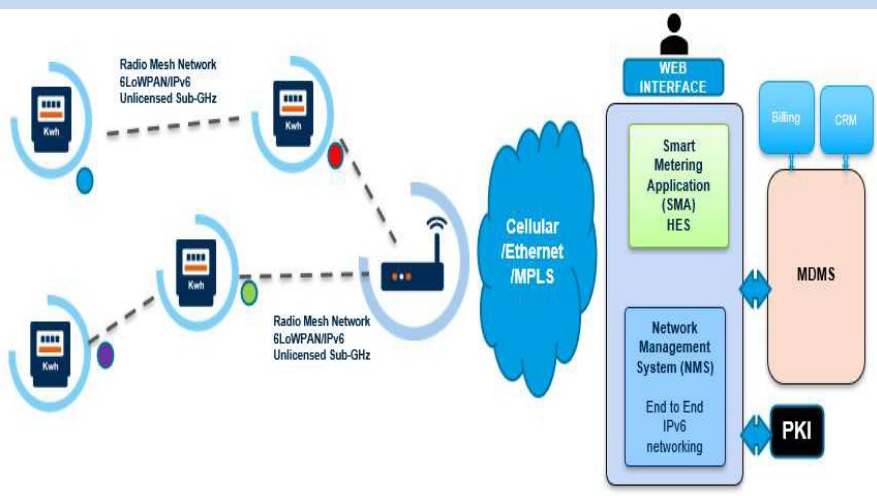


Case Study - Indore Smart Metering Program



Delivering one of the largest & most successful RF-Based Smart Metering Project in India

MPWZ and CYANCONNODE cooperatively implemented one of the largest and most advanced smart metering projects in India. The comprehensive smart metering solution enable the utility to rationalize its processes and lead the way in developing new services and the smart grid.



Flexible technology meets customer needs

CyanConnode's technology uses a self-forming and self-healing RF Mesh with the ability to create robust, ad-hoc networks. This network topology facilitates a cost-effective, build-as-you-go smart system that has enabled MPWZ to scale-up smart metering across its customer base.

The ease of deployment and configuration of Omnimesh enables MPWZ to read >99.5% of smart meters remotely. MPWZ has been collecting over **193 data points** per meter per day to have comprehensive data for analysis in commercial & technical losses improvements.

MPWZ, an Indian state-owned utility with more than 5 million electricity meters in Indore, Ujjain, and other cities, required an Advanced Metering Infrastructure (AMI) system to automate meter reading, improve their billing efficiency and reduce non-technical losses.

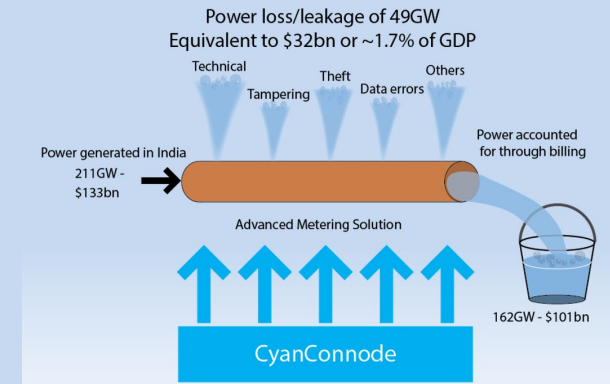
CyanConnode deployed CyanConnode's secure Omnimesh IoT network canopy covering high loss **43 feeders across 15 zones of the Indore circle**. CyanConnode's standards-based technology, Omnimesh, supports build-as-you-go networks, allowing MPWZ to scale its smart metering implementation rapidly. To date, **120,000 smart meters** have been installed, demonstrating the **ease of deployment** and configuration. Project implementation completed 9 months ahead of schedule and now under support.

Case Study - Indore Smart Metering Program (cont.)



MPWZ - Drivers for Implementation of Smart Metering

- Poor billing and collection efficiency
- Dependency on Manual Meter Reading and Provisional Billings
- Challenges in Disconnection
- Hefty Arrears
- No options of Pre-Paid / Net Metering facility to customers
- Low reading availability on existing AMR system on GPRS
- Absence of centralised MDM system, which can use data for proactive analytics for theft detection, Energy Audit and other revenue related issues
- Consumer complaints (Billing disputes etc)



Measurable Benefits Achieved

- **Average Billing Efficiency increment > 15% but not only that..... availability of billing data > 99.5%**
- Net increase in sold units of **54 MU's** to April 2020 and revenue gain of 37.8 Cr
- Total **898 theft cases detected** resulting in Rs 5.41 Cr additional billing
- **28.1 MW** increase in sanctioned load, based on recorded MD (MD>CD)
- PF incentive (PF>0.85) given to more than **91000 Bills of SSI**
- 35000 bills of SSI Consumers penalized for low power factor (PF<0.8)
- Real time availability of AT&C losses at DTR level
- Near Real time consumption check by consumer
- More than **62K Remote Operations completed** towards 45 Cr. Arrears
- Around **14 Lacs Bills** Generated through AMI system so far
- ₹ 21 per consumer saving on Govt Subsidy on Smart Metering consumers due to accurate data
- Approx. 77 Cr Savings on an investment of 96 Cr (CAPEX + 5 Year AMC including GST) in 24 months from the date of award
- Average improvement in revenue INR 550 per Meter per Bill

- Further opportunities in Thailand and Sweden
- New and other territories
 - Africa
 - UAE
 - Cambodia
 - Bangladesh
 - Malaysia
 - Indonesia
 - UK
- Water metering
- Advance payments



- All the steps mentioned earlier in these slides that the govt in India are doing to progress smart metering have acted as a catalyst in spurring the smart metering movement in the country as the size of tenders has gone up from thousands to millions of units
- Ministry of Power, Government of India has issued a **standard bidding document** and a contract agreement that can be directly adopted by utilities for rolling out the smart metering programme
- Tenders for 11 million meters are currently being floated or will be floated shortly. Given the Government's ambition these numbers are only going to increase exponentially in near future
- Thailand – both MEA and PEA utilities are coming up with new and larger opportunities including opex
- Africa – in addition to the order recently won, other opportunities in other African countries are under discussion

- USP
 - Standards based IPV6 6LoWpan
 - Secure private network vs GPRS which is not private or secure
 - Meter agnostic
 - Platform handle RF, Cellular, NBIoT, PLC
 - Innovation
 - Cost effective
 - End 2 end solution
 - Wide applications, Elec, Gas, Water, EV, Smart Cities
- Market opportunity 250 million meters in India alone
- Significant orders and backlog being deployed
- > \$270 million opportunities in the pipeline
- Strategy to deliver shareholder value (cost control, convert pipeline)

Questions

Thank you

