

## Q&A session questions

**Q1: The AIM market is news flow driven - what measures is the company taking to improve the very poor levels of communication and engagement with shareholders ? We're using a combination of more investor presentations and events (such as this one), direct investor meetings, social media, and where appropriate and required RNS releases. Also getting more involvement from our VP of PR in India to ensure messaging released in India also gets shared in UK**

**Q2: Congratulations of materially exceeds market expectation results? When will the actual revenue for ye 2023 be released? FY24 (March 24) revenue will be released with the full year results expected at the end of July**

**Q3: What is the reason for the FY2024 first half gross profits dropping to 31% from FY2023's 35.9%? Is it product mix or competitive pressure? A combination of product mix (hardware and middle east third party) and some competitive pressure. It will vary over the term of the contract with higher (90% + for software) revenues during the services and support and maintenance phase**

**Q4: Of the total revenues for FY2024 what percentage was generated by:- India Thailand MENA The servicing and maintenance contracts. We cannot provide this split yet as full year not yet released. It is inside information at this stage. It will be in our annual report**

**Q5: With the big increase in staff for India, + 60 approximately, what are the monthly operating costs currently? As above this is not information currently in the market**

**Q6: What is the current cash position? As above this is not information currently in the market**

**Q7: Will there need to be a further share placing to manage the anticipated business expansion? This is not in our current plans. We're always looking at alternative funding and do invoice discounting where possible. Also looking at working capital facilities in India**

**Q8: Consensus forecasts for FY 2025 indicate a pre-tax profit of £3.9m, is that still a realistic forecast? We're required to announce immediately if we believe we won't meet market expectation, and haven't done so, therefore it can be assumed that we expect to meet market expectation**

**Q9: Genus appear to have stopped placing orders with Cyan, the last order I recall was in January 2020 worth £3.3m. Are you expecting further orders from them? The last order received from Genus was August 2022. We continue to work with them**

**Q10: Is the Cyan win ratio in volume terms still 25%? In terms of Number of bids this ratio is currently 29%; in terms of volumes it is 16%**

**Q11: Re 22 May announcement, can we have more detail about how this changes the Cyan business model and its advantages. Also we appear to be competing with some of our own customers, what reaction do you anticipate from existing customers? Covered in slides. However, even in today business model we compete with our customers. The additional new business model allows us to offer a full end-to-end solution including meters.**

**Q12: Congratulations on the AMISP accreditation! Given these are very capital intensive, how will this be funded and what benefits will accrue to CYAN from this ? Covered in slides. Funding will come in the form of Infrastructure/PE funds through DigiSmart Networks**

**Q13: Given the senior team in India has been expanded dramatically, are there any plans to float the Indian subsidiary on the Indian stock market? This is definitely a consideration. Looking at this along with other strategic options for growth**

**Q14: Moving forward in India, what is our current working relationship with the genus power company ? As above – we continue to work with them**

**Q15: How many empanelled AMISPS in India are we presently supplying our rf solution too , how many AMISPS are we supplying our rf/ cellular solution too and do we still have a working relationship regarding the smart meter rollout with Genus. Covered In the Video**

**Q16: Dear Heather and John, Are you considering a dual-listing for CyanConnode? If not, why not? Under what circumstances would it be considered? As above, this is definitely something we are considering for the appropriate time, along with other options. To always ensure the best outcome for shareholders**

**Q17: What terms are you paid on from your customers? and what terms do you pay your suppliers on? and how will the new Indian legislation on payments impact the need for working capital financing. Covered in slide on working capital**

**Q18: What is the working capital funding gap that will need to be funded as the business grows and how do you plan to finance this. As in Q7 above, we're always looking at alternative funding and do invoice discounting where possible. Also looking at working capital facilities in India**

**Q19: Given the high level of hardware investment ahead of revenue, can you let the investors know how you are managing cash flow See above**

**Q20: It's to the credit of all staff at CyanConnode that the company has developed and positioned itself to take advantage of many business opportunities in both India and the rest of the world. During the lengthy development process the companies share price has been predominantly very low. Would management be disappointed if the share price had not significantly improved in a years time ? Definitely. We believe it is significantly undervalued right now, largely down to the stock market as a whole, so we hope this improves in the coming months**

**Q21: Given the huge turnover of staff, is it not time to scout for a new executive chairman to deliver this company's full potential? There has not been a huge turnover of staff. There will always be attrition, in many cases due to personal circumstances of employees, or their career ambitions. The Nominations and Remuneration Committee continually evaluate the executive directors and we do a full board evaluation each year. In addition shareholders are given the opportunity to vote for all directors by rotation**

**Q22: Although recent RNS's relating to contract wins have been very positive, the news seems to have very little effect on the share price. Why do you think this is and do you feel some indication of the value of the contracts in the RNS's would have a much more positive effect on the SP? We understand this is largely down to the stock market as a whole**

**Q23: Is the ongoing Indian political elections delaying the announcement of the smart meter tender awards ? No, we don't believe this will delay**

announcements. There have already been contracts awarded for around 110 million meters to prime bidders, who are working on contracts and deciding who to award these to

**Q24: What was the reasoning behind the recent appointment of Panmure Gordon (UK) Limited as the companies Joint Broker? [Mainly for exposure to additional investors and greater reach](#)**

**Q25: Please can you add some light to the big strategic moves that are afoot in terms of Middle East Office opening, AMISP accreditation and senior executive portfolio changes and restructuring ? [Covered in slides](#)**

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**Q26: The announcement of the new CyanConnode India Subsidiary, DigiSmart, as an AMISP, was a real advancement for the Company and seems to have opened up a whole new different direction of opportunities for CyanConnode to progress and develop. It also brought about some changes to the Board, especially the Team India, which now seems to be amalgamated into a Leadership group, leaving us with 2 Groups instead of 3, namely, Board and Leadership. [Correct also covered in the slides](#)**

**Can you please give an insight into the DigiSmart progression and also the creation of the new Leadership grouping within CyanConnode? [Covered in slides](#)**

**Q27: Solar Parks have become more common in India over recent years, with the possibility, I would think, of providing electricity via Solar Energy to more remote parts of India.**

**Is there any information that you can share on the adaptability of the Omnimesh Solution in regard to Solar Power, if it has to be adapted, and is there any difference to the Omnimesh Solution used for smart meters for power generated by a water turbine?**

**[There is absolutely no difference in metering for solar power.. these are bidirectional meters which we are already integrated with \( most polyphase meters are bi directional meters \).](#)**

**[No directional as in records energy both ways - input as well as output. solar power plants use bitectonal meters .. both pre and post rectification and these are also covered under the ambit of IS16444 and IS15959 so we can use RF to connect to them.](#)**

**Q28: The UK Smart Metering Programme has been going through various stages for many years now, with CyanConnode's involvement within that rollout, expected to be towards the end of the programme.**

**There was a report out recently that stated that the UK's smart meter roll-out was " ..... lagging ..... " behind our European counterparts.**

**From a CyanConnode perspective, can you give any details on progress with the UK Smart Metering Roll-Out so far and when are CyanConnode likely to be directly involved in the roll-out?**

**<http://smart-energy.com/industry-sectors/smart-meters/britains-smart-meter-rollout-lagging/>**

**We have been involved in the UK Smart Metering rollout since the beginning of SMETS2 rollout. We provide just the software and have very little to do with the actual installations etc. This is all handled by VMO2 (previously Telefonica). Our customer is Toshiba, who we supply the software to. They in turn provide it to VMO2. We've always believed the we will see the majority of installations of mesh at the back end of the installations as they installers are focusing on easier to reach areas. Also, for a mesh to form, more than one mesh enabled hub would need to be within an area, so as more are deployed, we expect more to connect**

**Q29: In the Trading Update, dated 16th April, 2024, there was a section about " ..... establishing an entity in the UAE (United Arab Emirates ) to promote business in the MENA ( Middle East and North Africa ) region."**

**Can you please expand on this development in any way? [Covered in slides](#)**