

# Fact Sheet GreenPocket GmbH

*Creating the Most Efficient, Easy-to-Use Software for Managing Your Energy Consumption*

## Investment Premise – Our Story

*Energy management solutions in a broad and high potential market*

GreenPocket provides a software-as-a-service and with this exploits the opportunities of energy management solutions aiming to shape the development of the smart grid.

GreenPocket concentrates on interpreting the data provided by intelligent electricity, gas and water meters and on using the information to generate added value for utilities and their private and business customers. The GreenPocket energy management software for smart metering and smart home applications has a B2B business model; the company's customers are mainly utilities, which integrate and use the white label software platform in their operations.

Climate change, respectively the ecological situation in general, as well as the economical state of affairs worldwide compels to change the way energy is used. In particular utilities search for peak load reduction, reducing the balancing energy, equation of load changes, management of volatile energy generation and management of decentralized feed-ins. Up to 2020, large utilities will be investing billions in the smart grid. Furthermore, the current impairment of the ecological situation, public and political discussions enhance the people's energy awareness, leveraging the need for more transparency, reduction of costs and carbon footprint.

Regarding this, the GreenPocket software provides necessary information to utilities and their private and business customers as well as control and management options to change behavior, consequently optimize energy consumption and reduce costs.

The company is the only provider to consistently orientate itself on consumer behavior in its intuitive usability and "Best Choice Design" and systematically banks on state-of-the-art internet. This is frequently corroborated by customers and cooperation partners.

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### Company key facts

- 21 clients
- 2.9 Mio.€ fund
- 0,4 Mio. € revenue 2010
- 1,0 Mio. € revenue forecast 2011
- Partners: Görlitz, Kisters

*Software for the interpretation and exploitation of data for utilities*

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## The GreenPocket Way – Our Solution

At the core of the GreenPocket software lies the Energy Expert Engine. It combines the metering data and other customer information while also adding additional external information, such as weather related data and reference values. Heuristics and algorithms transform and interpret the energy consumption data.

Utilities benefit from greater customer retention, increased customer value, intelligent load control and an enhanced public image. Consumers gain from greater transparency, cost savings and last but not least a better environmental record.

The launch of the company in September 2009 was preceded by a comprehensive national and international market analysis. Smart metering is driven by two factors:

- 1) Legal framework: Across the EU, utilities are legally bound to introduce advanced metering infrastructure (AMI) to achieve consumer protection goals and a reduction of CO<sub>2</sub> emissions. All households are to be equipped with smart meters by 2020.

*Energy Expert Engine as software hub*

*Major benefits for utilities and end users*

*Drivers: Legal framework and operating advantages*

German law requires utilities to offer their customers intelligent metering systems since the start of this year - in particular in newly built houses and comprehensively renovated buildings.

- 2) Business advantages: Self-interest drives the utilities to develop the smart grid with intelligent meters as the essential component. In the USA in particular, one can observe a voluntary expansion of the advanced metering infrastructure, to exploit the advantages of the smart grid.

The essential elements of an advanced smart grid include hardware (meters), communication infrastructure and, critically, energy management software, for which the European market volume alone is estimated at around EUR 1 billion in 2015. This is split into meter data management software, which is used to monitor the meters and to consolidate the information. The other market segment comprises the interpretation and exploitation of the data. The added value from investments in smart grid, smart home and smart metering – which only then becomes truly smart – is created in this sector, occupied by GreenPocket.

*Market volume:  
EUR 1 billion (Europe,  
2015)*

## Competition And Competitive Edge

Apart from GreenPocket, no other product in Germany can offer a comparable comprehensive range of services with regard to functional scope, compatibility and output clients. Competitors like utility themselves and software companies like Bittner+Krull, ITC and Cuculus primarily offer simple solutions for a rather technical presentation of the load cycle, but steadily develop into more sophisticated and useful products. Being aware of the unique selling proposition of GreenPocket, but the increasing competition, GreenPocket aims to dynamically refine itself ever since. This is why GreenPocket was the first one in comparison to its relevant competition to transform the complex business customers' needs into a highly efficient and easy-to-handle software. The company's vision is to become the leading enterprise to produce the most efficient easy to use software to manage your energy consumption in Europe by 2015.

*Market response:  
GreenPocket has by  
far the best solution*

*Dynamic development*

The company sees the strengths that set it apart from the competition especially in the following three areas:

### 1) Software Technology

- Scalability and performance: State-of-the-art software architecture, which is scaleable and powerful for processing the expected mass meter data.
- Flexibility and independence: open API to all standard MDMs and standard ERP systems; useable on a wide range of standard database and application server – therefore easy and low cost integration szenarios.
- Client capability: Integration of several public utilities via a single platform (relevant for service providers targeting public utility companies).

### 2) Scope of Interpretation

By focusing on the benefit of energy management software for energy providers and consumers, the company has developed a very powerful solution. The algorithms and heuristics used for interpretation and control are already now more comprehensive than those of any other competitor in Germany.

### 3) Consumer Orientation

GreenPocket consistently orientates itself on the user benefit and builds its applications around actual use cases. It is strongly differentiating itself through its "Best Choice Design". For consumers and energy providers, essential benefits arise when end users switch their consumption to "less expensive" times and reduce energy waste through fully automated homes. In this respect, GreenPocket relies on high usability and intuitively receptive "persuasiveness".

*Genuine unique characteristics: technology, functionality, consumer orientation*

## The Target Market and Business Model

The market potential is huge. Germany has about 900 utilities and energy distributors,

which generally do not have sufficient resources to develop their own solution and are consequently reliant on external offerings. Added to this are around 3,000 homebuilders as well as chain operators and other commercial establishments on the demand side, for whom the interpretation of demand data is also of great interest. What is more the international market approach, which GreenPocket started at the beginning of 2011, with its dynamic mover markets like UK, Scandinavia, France and Italy, already offers a huge potential.

*More than 900 utilities and energy distributors in Germany alone*

*International potential*

*High value of customer relationship*

*Lock-in*

Once established, the value of a customer relationship is very high: This results from the software-as-a-service pricing model from GreenPocket, whereby after setup monthly rental payments arise for the duration of use. These costs increase with the number of smart meters and the functional scope, which means significant growth in revenues can be expected per customer over time. Furthermore, customer relationships are long-lasting. Installation of the software on-site in the computer center of the utility and familiarization of employees and consumers with the functionalities generate a lock-in, which makes switching more difficult. Added to this are network effects, since GreenPocket aggregates an ever more extensive basis of user data and models, which can be called on for household comparisons, forecasts and customer segmentation.

*Direct sales and partner distribution*

*Renowned partners*

Two channels are used for distribution – direct sales and partner distribution. The company's own sales activities concentrate on the 80 most promising customers, while partner distribution focuses on broader market access. As initial partners, the company has signed up Görlitz AG, the market leader for middleware in the area of commercial customers and Kisters AG. Other highly reputed potential partners approach GreenPocket directly, to complete their range of services and increase their market success.

*Already 21 renowned customers in Germany*

*Momentum in the market*

Since its short time in existence, the company has been able to sign up 21 customers, amongst them seven of the 20 most profitable utility companies in Germany (e.g. Vattenfall Europe, RheinEnergie, Mainova and Municipal Utility Munich), which equals a market share of 35% in this sector. Additionally the company gained customers like Emscher Lippe Energie GmbH, Süwag Energie AG, Stadtwerke Bremen, Bonn, Gießen, Konstanz, Schwäbisch Hall and Krefeld.

GreenPocket finished its first year with a sales totaling of EUR 418k as an excellent basis for the acquisition of new customers. For 2011 revenues of EUR 1.0 Mio. are forecasted, of which more than EUR 0,5 Mio. are under contract so far. The time for market entry is ideal, because of the increasing demand of utilities to reduce the costs of energy regulation and develop the grid into a more sophisticated one. Qualified contacts have already been established with around 400 utilities; What is more GreenPocket is in current proposal processes to four international utility companies from Switzerland and Austria. The typical sales cycle in this sector ranges between 6-12 months.

*Excellent management team*

## Our Team

The Managing Partners have an excellent track record and complement each other perfectly: Dr. Thomas Goette (CEO, 46) was Associate for Roland Berger in the internet and telecommunications area, before developing new mobile communication companies as a Partner of DiamondCluster/Oliver Wyman. Prior to GreenPocket he spent more than two years at a start-up for a social media platform, as founder and



General Manager.



Alexander Hintermeier (CTO, 41), as graduate in Geoinformatics, he spent nine years as Head of Technology at New Voice, an Internet/ IT subsidiary of the energy and telecommunications group EWE. Among others, he also developed java-based communication platforms as well as energy information portals for

*Already 25 highly qualified staff*

commercial customers while at the company. Prior to GreenPocket, he was a Principal Consultant at Capgemini Germany.

In all, the team currently consists of 25 full-time staff, working in dynamic processes like Scrum and Kanban. The development team is made up of experienced software architects and developers. Some joined the company from OnVista and software consultancies like Adesso where they have already realized the development of highly scalable, stable and secure architectures. Other employees are engaged in the product development and sales area.

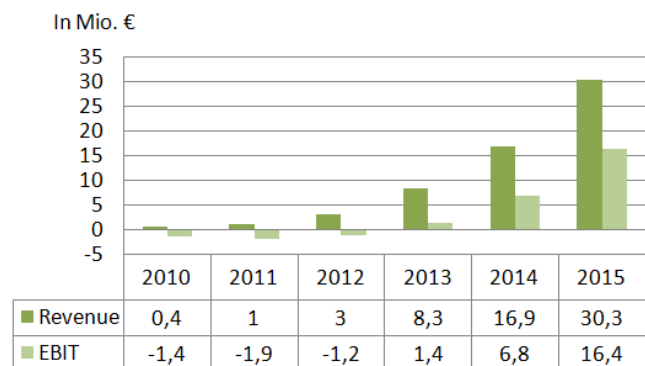
*Finance: Funding rounds*

## The Numbers

GreenPocket closed its seed and series A funding with a total of EUR 2.917 k, whereas the seed capital of EUR 862,5k was funded by Schwetje Digital (now betafabrik) and CEO Dr. Thomas Goette and the series A capital of EUR 2.055k was proposed by Rheinland Capital Venture, KfW Bankengruppe and betafabrik in August 2010.

*Upgraded business model*

The business plan includes revenue from national and international businesses. Due to the expansion of customers in Germany and neighboring countries, the new segment of customers through the business- and smart home-solution, GreenPocket will report strong growth in revenues of up to EUR 30.5 Mio. in 2015. Breakeven will be achieved in 2013; the EBIT margin will reach 58% by the end of the planning period.



Currently the company is seeking EUR 5.0 Mio. additional funding. GreenPocket was initiated by Schwetje Digital, an incubator for digital business concepts, set up by experienced internet entrepreneurs. The original concept and the prototype product were developed by the incubator, which also set up the team. The relevant Partner, Dr. Lars-Rüdiger Fink, is available long term to the management team as a sparring partner.

## Investment Highlights

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- Energy efficiency and energy management is one of the most promising future markets – driven by legislation and business advantages for energy providers
- With its energy management software solution for the interpretation and exploitation of smart metering data, GreenPocket occupies a segment with high value for B2B customers and consumers
- The solution is well ahead of competitive offerings in terms of software architecture, functionality and consumer orientation
- High and lasting value of customer relationships through software rental model, increasing revenues depending on the rate of penetration of smart meters with simultaneous lock-in of customers
- Huge market potential: More than 900 utilities and energy distributors in Germany alone; additionally homebuilders and chain operators as customers and opportunities on the international market and new customer segments
- Already twenty-one large and highly renowned customers (e.g. Vattenfall, RheinEnergie, Mainova)
- Experienced and complementary management team with excellent staff
- Capital requirements: € 5.0 million