1   EXECUTIVE SUMMARY

Background

The business opportunity presented by SenseLogix ("the Company") capitalises on the world-class expertise and market knowledge of the technology and business development team behind Deepstream Technologies Limited, which was recognised as a World Technology Pioneer in 2007 and UK winner of the Guardian Cleantech Top 100 in 2008.

SenseLogix was established In May 2009 to develop a range of energy measurement and control products, real-time energy communication tools and web services to deliver automated, real time management of energy and support the reduction of carbon emissions in the built environment.

The Company completed a £750k series A investment and £200k SIF investment in October 2010, and secured a strategic partnership with Marshall Tufflex, the UK's leading provider of cable management products, to deliver a range of integrated energy management products.

SenseLogix won the award for 'Best Innovation in Green Products or Services' at the 2010 Innovation & Sustainability Awards.

Technology and Products

SenseLogix has developed an industry leading, cost effective, automated energy management system that addresses rising energy consumption in the existing built environment.

The system, EnergyLogix, eliminates electrical waste of Information Communication Technologies ("ICT") equipment and other electrical loads such as water chillers and heaters, air-con and vending, whilst providing a real-time communication platform that supports the collection and analysis of meter data and the communication of energy information to building users to improve energy efficiency in the user environment.

System Functionality

The SenseLogix system is fully modular and includes the following functionality to deliver an end-to-end, closed loop energy management system:

- Scalable enterprise wide to user level metering platform
- Automated asset management down to socket level
- PC & ICT power management
- Real-time Energy Dashboard
- Web based reporting tools
- Centralised management platform to support system management by the end user

The system sits alongside the electrical network and data management infrastructure, utilizing existing cabling infrastructures, allowing it to be adopted cost effectively regardless of the age of the building. It intelligently manages ICT equipment and the entire small power environment according to clear user-defined rules.

By running user-defined energy saving policies to ensure equipment is not left on when not required, e.g. overnight and at weekends the system overcomes traditional 'human behaviour' barriers to create highly operationally efficient buildings and address a significant worldwide energy problem that is not solved using traditional Building Management Systems.

The system also manages the collection of multi utility meter data (main and sub meter) to provide a single system for the management (monitoring and control) of energy. This system enables energy to be communicated and controlled using a centralised platform that can be managed by the end user or service provider.

The SenseLogix solution consists of 6 core elements, all of which are designed and developed by SenseLogix, to deliver management of ICT and small power in buildings and enable the integration of metering and other building management systems (HVAC and Lighting):
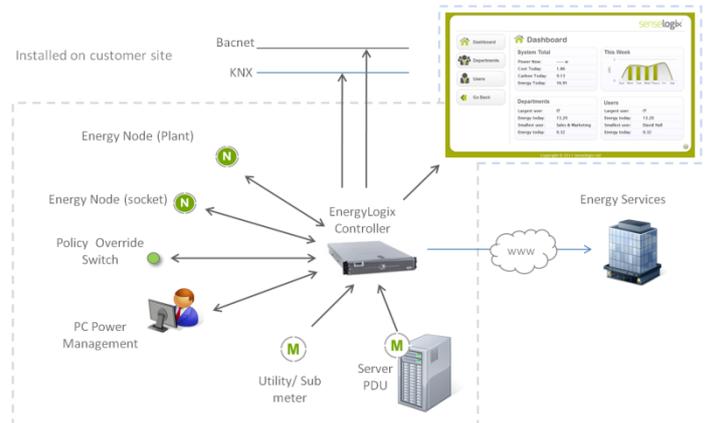
1. **Energy Node** – A small energy metering and control device that can be fitted into floor-boxes and cable trunking systems to manage energy at the point of use

2. **EnergyLogix Controller** – A software application running on a standard PC-based server, monitoring energy use and managing the deployment of automated energy saving policies

3. **Policy Override Switch** – A switch that allows active policies to be easily overridden locally to provide flexibility to building users, e.g. when entering an office at the

weekend when it would normally be powered down by a policy

4. **PC Shutdown Software –** A software application that runs on all PCs to inform the Energy Appliance that a PC has been shut down

5. **Energy Dashboards –** A web based energy dashboard that communicates energy and carbon data in real-time from enterprise to user level to raise energy awareness amongst building users

Figure 1 - Meter to User Level Energy Dashboard

6. **Energy Automation Services –** A web based service that provides end users with access to enterprise wide energy data including real time web reports and automated scheduled reports to support ongoing management

Market

The SenseLogix system was purposely designed for retrofit to 'green-up' the existing built environment but is now also available pre-integrated into a wide range of electrical distribution products from the UK's leading cable management manufacturer, Marshall Tufflex, enabling SenseLogix technology to be specified into the refurbishment and new build sector.

The total UK market for commercial offices in the private commercial and public sector, including education, is in excess of 420,000 buildings. These classify as building with at least 35 employees, or PC and energy points.

The adoption of SenseLogix technology is aided by a number of economic, legislative and social market drivers including Part L2 building regulations, CRC Energy Efficiency Scheme, Government carbon reduction targets, green recognition amongst users and decision makers and businesses needing to become more operationally efficient.

The UK Energy Management market is worth £2.5Bn (55% retrofit) and the Building Technologies market worth another £12Bn, of which BMS shares a significant portion. Management see significant potential for overseas expansion and has a number of ongoing export and partnership discussions.

Key Benefits

The SenseLogix system will reduce energy consumed in the office environment by implementing energy saving policies and overcoming poor user behaviours, stopping equipment being unnecessarily left on and increasing awareness of energy consumption.

The system also enables buildings to be managed based on how they are used e.g. heating and cooling and lighting systems

This has numerous benefits including:

- Reduce energy consumption

- Save money with attractive return on investment –in less than 2.5 years

- A single platform, enterprise wide to user level energy management system

- Lower carbon emissions to support successful compliance to Carbon Reduction Commitment energy efficiency scheme

- Provide automated management of appliances and assets previously not serviced by BMS

- Reduce impact of PCs and ICT on the environment

- Eliminate electrical waste, thus lengthening life expectancy of equipment

- A cost efficient, easy to use system manageable by the end user

- Improve operational energy efficiency of buildings through enhanced integration to Building Management Systems (BMS) and lighting controls

- Reduce the amount of heat being generated in offices, thus reducing cooling costs

- Provide a micro-aM&T component for ICT and office installations improving billing management and efficiency

- Assist building services and facilities management providers in offering enhanced energy services

SenseLogix will also add additional customer value through enhanced energy services including training schemes, audits, building optimisation etc

Barriers to Entry

SenseLogix has several key advantages compared to any likely competitors in the commercial and public sector energy management market, including:

- **First Mover Advantage –** Based on market research and customer feedback there are no direct competitors addressing the office energy market for new build and retrofit, giving SenseLogix first mover advantage. The first mover advantage is particularly strong as the company's route to market it through partnerships with large energy services and facility management businesses – dislodging a

successful co-branded service relationship with these companies will prove difficult for future competitors.

- **Market Knowledge –** The founders of SenseLogix have detailed experience of the environmental technology sector as well as network of business contacts which has been built up over the last 10 years

- **Team Capabilities – T**he management and key staff have already worked together at DeepStream and together form a team with all of the skills required to deliver the product to market

- **IP and Patents –** During the development of their solution, the company has overcome several technical barriers which it is currently seeking to protect through patents and design registration.

In addition to the patents, during the development of the SenseLogix system, significant, multi-domain knowledge has had to be developed. Although much of this learning and resultant IP cannot be protected by patent, it will still act as a barrier to entry in this market.

Business Model

The SenseLogix business model identifies a number of channels including direct, strategic (product and services), solution partners and resellers. The Company will develop an influence model to drive adoption via installers, partners and end-users.
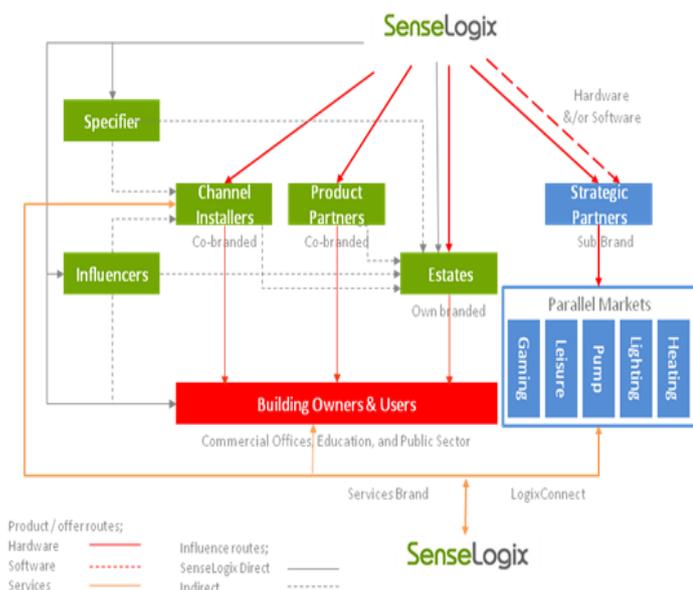
Sales Strategy

In addition to the partnerships it is currently forging with key players in the energy sector. SenseLogix is starting to establish a dedicated sales force to penetrate end user accounts across the office, government and education sectors with longer term focus on the residential sector.

The company will continue to focus sales activity through segment specific regional teams, each housing a regional business development manager and application specialist. Strategic account management will be a national activity.
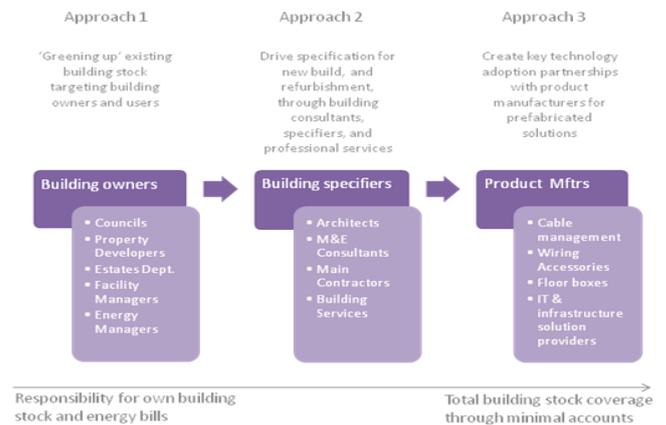
Management

The SenseLogix management team has proven experience in the start-up environment, previously playing key roles in companies such as ClearSpeed and DeepStream Technologies, combined with corporate pedigree gained with companies such as Philips, IBM, Royal Doulton and Schneider Electric.

It also incorporates extensive expertise of the energy management sector and its technologies. The team is lead by CEO Jonathan Luke who has a wide range of experience in other start-up development teams at engineer through to senior executive level.

Jonathan is supported by CFO Andrew Katsouris and Sales & Marketing Director David Hall, two seasoned industry professionals with vast experience from market leading high-technology manufacturing industry

Investment Sought

SenseLogix currently has a fully funded business plan which it continues to deliver against. Since the launch of its products however, a number of significant opportunities to accelerate the company's growth and market position have been identified. To this end, the company is now seeking additional "acceleration" funding of £2m in order to exploitation of these opportunities.

Financials

(£m)	03/2012	03/2013	03/2014	03/2015	03/2016
Turnover	1.5	5.7	16.7	37.1	56.2
Operating Profit	(0.3)	0.6	6.7	15.6	25.9

Exit

Management consider that they will achieve an exit from the business within 3 to 5 years. Having established a growing business in the high-growth sector of energy management systems, they recognise that SenseLogix would be an attractive acquisition target for a larger corporate player. Organisations that might be interested in SenseLogix include Honeywell, Schneider Electric, GE, Johnson Controls, Delta Controls, Trend, Siemens and Hager, and Building Management/Energy Service Providers such as IMServ (Invensys), Balfour Beatty, Carillion and Dalkia.