2018 SEE ADRIATIC UTILITY LIVE

OPATIJA, CROATIA MAY 15TH, 2018





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INDUSTRY CHALLENGES & PILLARS

REVENUE PROTECTION

Recovers lost revenues for utilities



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ANALYTIC **SOLUTIONS**

Maximize revenues with the same operational budget



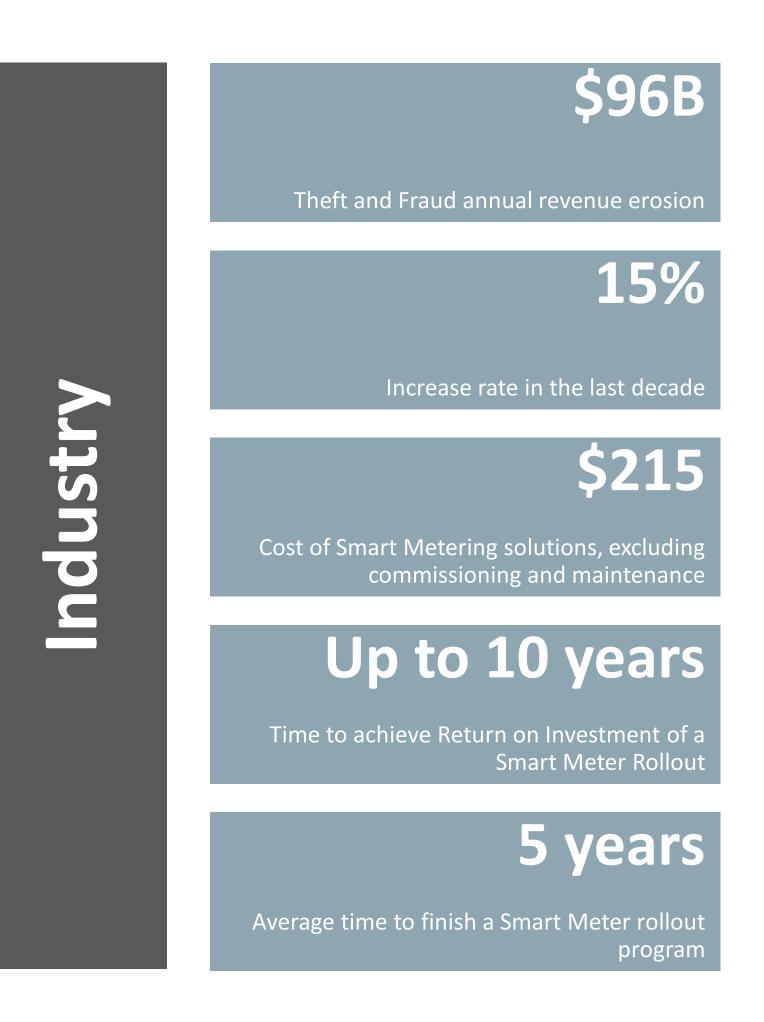
SOCIETY & ENVIRONMENT

Lower tariffs Lower CO2 emissions **Increase safety**





OPPORTUNITY CHASM



Sources: World Bank and Electricity Theft and Non-Technical Losses report | Northeast Group ©2017

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\$**+1**B

Total savings that Choice provided to their customers

\$+40M

Total added revenue in one year per customer

\$2,25

Average cost of an analytic solutions per meter per year

<12 months

Time to achieve Return on Investment of Choice RI

<4 months

Time to deploy Choice RI regardless of the customer base



COMPLEXITY

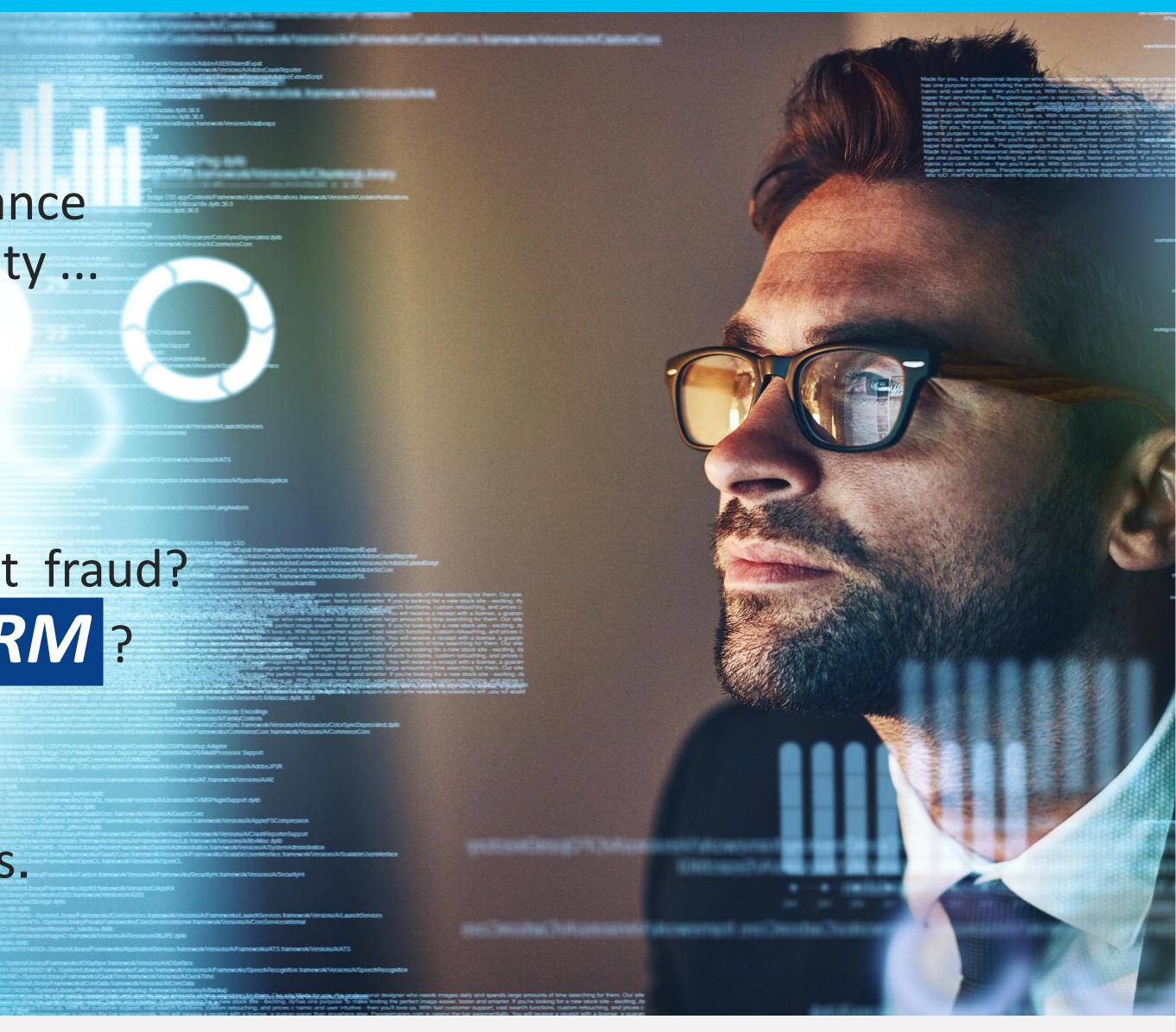
Being the responsible for revenue assurance is one of the most complex jobs in a Utility ...

... because human behavior can be unpredictable.

How to find sophisticated, hard-to-detect fraud? How to help analysts to **OUTPERFORM**?

The answer is **TECHNOLOGY** – AI, Machine Learning, Big-data and Analytics.





LONG-LASTING SUCCESS STORY

4.5 million consumers (2009) **100%** increase in Recovered Energy **24 months** past kickoff **150 GWh** of additional revenue







EPM (Empresas Públicas de Medellín E.S.P.)

THE BACKGROUND

- A "multi-Latino" business group headquartered in Medellin, Colombia
- Sister companies in Panama, Guatemala, El • Salvador, Chile and Mexico
- Provides electricity, natural gas, drinking • water and other services
- Over 20 million customers •
- Excellent non-technical losses reduction during the previous years using internal resources. An Analytical Platform was a must to sustain the previous efforts and "run the extra mile".



THE RATIONALE

Reduce the current non-technical loss index from **9.25% to 8.00%** Recover 183 GWh in lost energy within 5 years Use new information to Develop educational and consumer loyalty programs Support cultural change • Garner new intelligence to future investments in Smart Grid





EPM Achievements in 2016

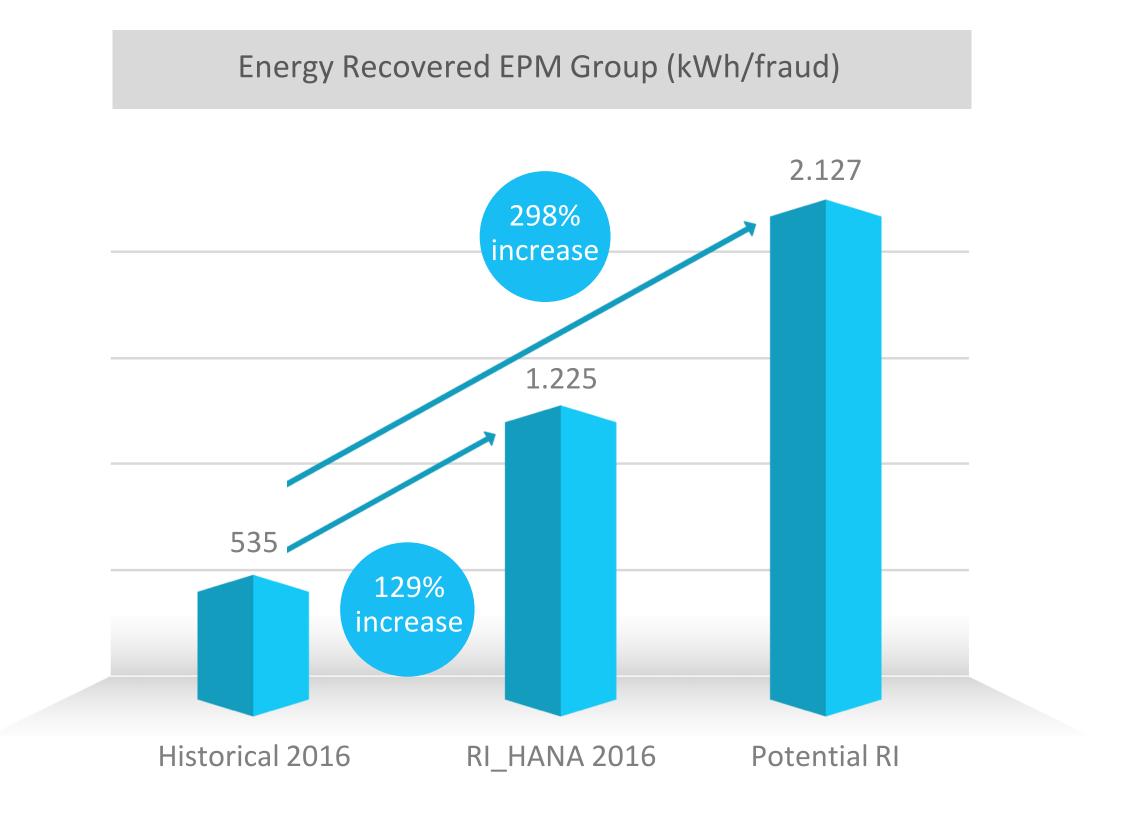


• Energy Recovered in 2016 increased 129%

• Expected annualized value of USD 8M

Source: Reports obtained via Business Objects HANA







EPM Achievements in 2017



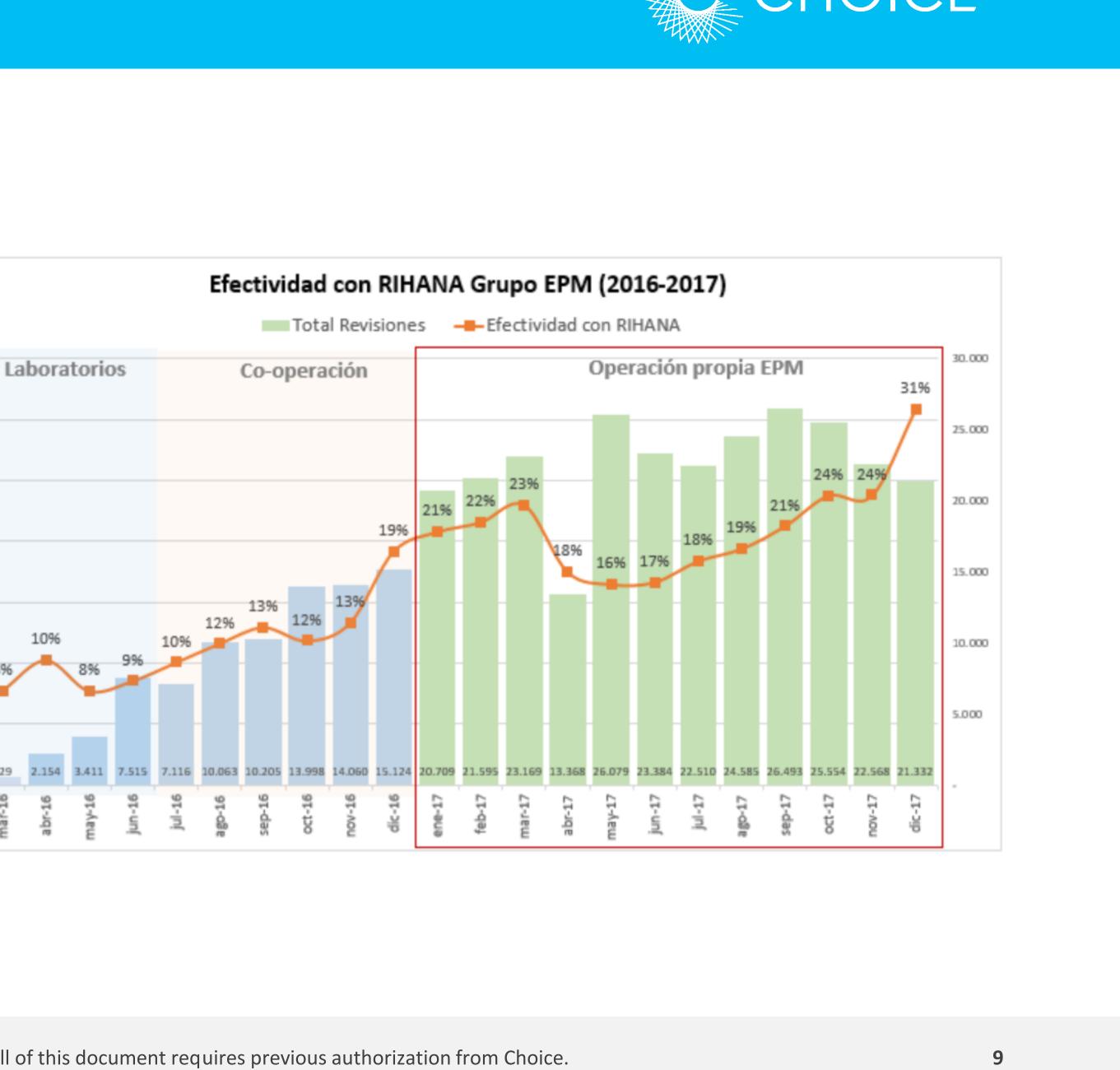
• Increase of 211% in the effectiveness indicator, compared with EPM historical results

• Increase of 98% in Energy recovered per fraud

• Source: Reports obtained via Business Objects HANA







EPM Achievements in 2017



• Increase of 34% in energy recovery

• Reduced # inspections - 30%

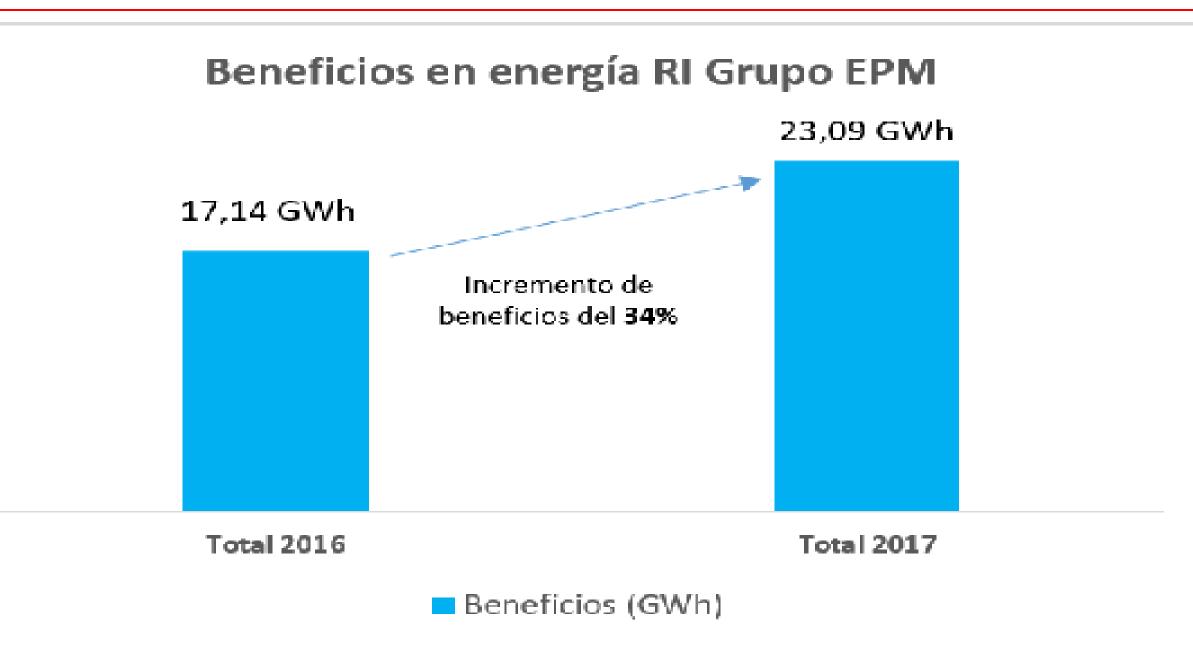
• Total benefits of project for the EPM Group in 2017:

USD 6.1 million

• Source: Reports obtained via Business Objects HANA

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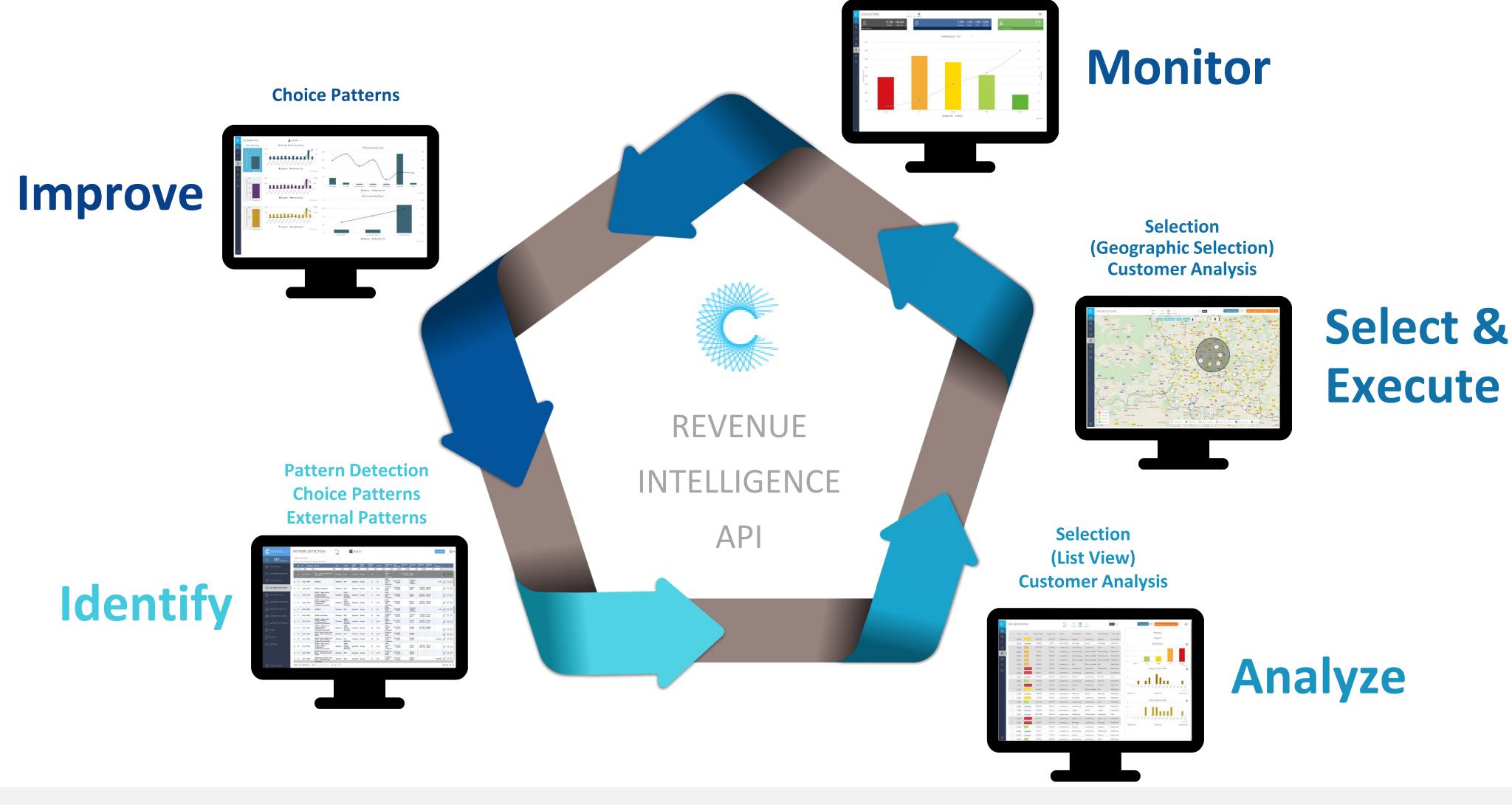






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BUSINESS PROCESS DRIVEN



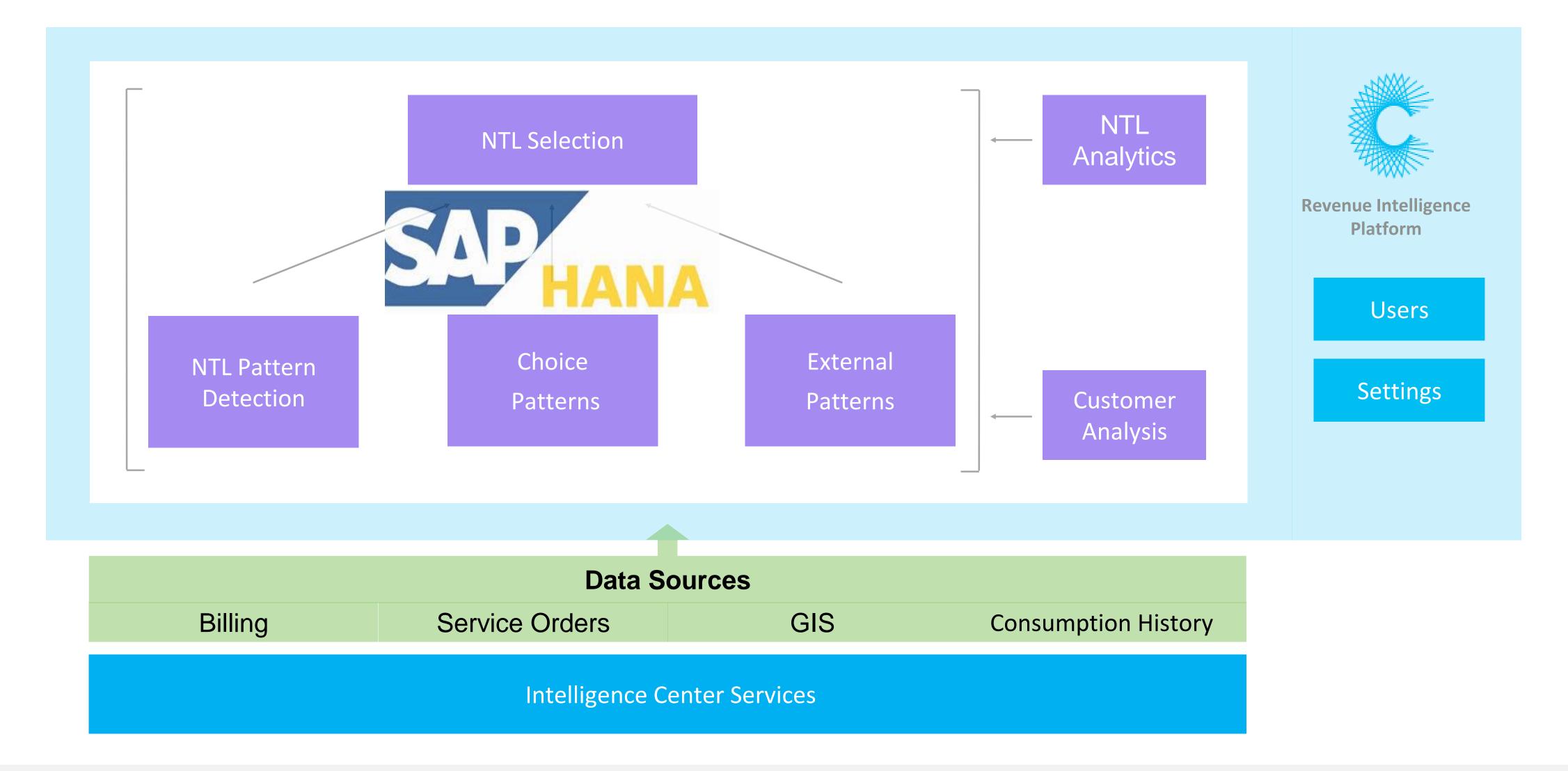
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Analytics

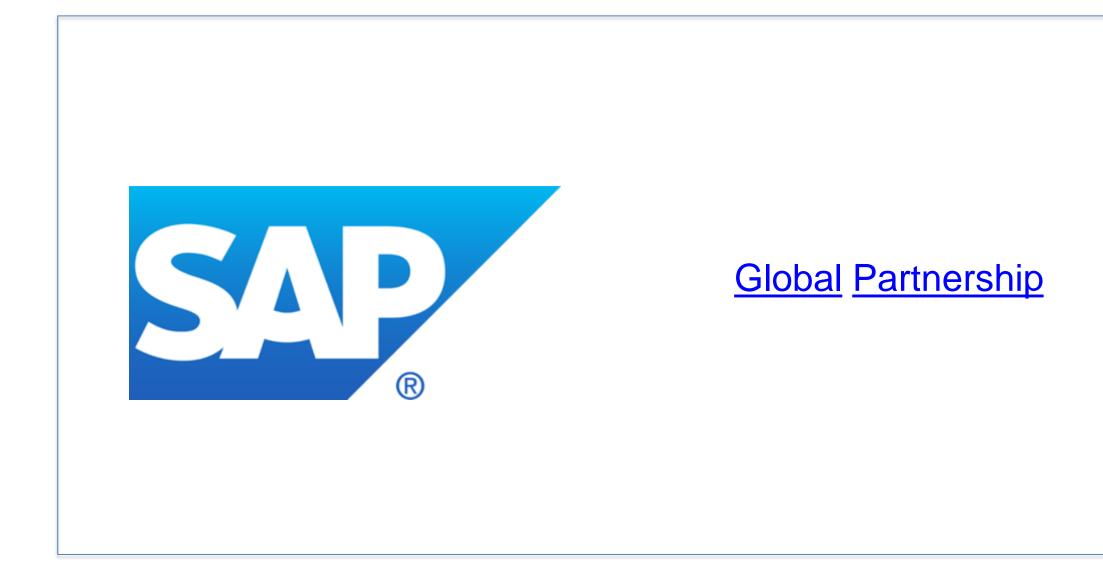


REVENUE INTELLIGENCE V5.0











- Co-innovation agreement
- First HANA Certified Solution for Utilities
- Pinnacle Awards 2013 Finalist
- Member Start-up Focus Program
- Moving to SCP and the Apps Center



TECHNOLOGICAL FIELD OF EXPERTISE







REVENUE INTELLIGENCE V5.0 UNIQUENESS

Knowledge Base Device Agnostic FINANCIAL IMPACT Worldwide Presence (4 continents) Machine Learning Engine +30 Mi meters handled **15 Years in NTL Center of Excellence SMART METERS MULTI COUNTRY Artificial Intelligence** Risk **GEOGRAPHIC SELECTION 30 projects Corporate Platform Agnostic** delivered Intelligence Center DEDICATED R&D TEAM Multi-Utility (E, W & G) **CONVENTIONAL METERS**

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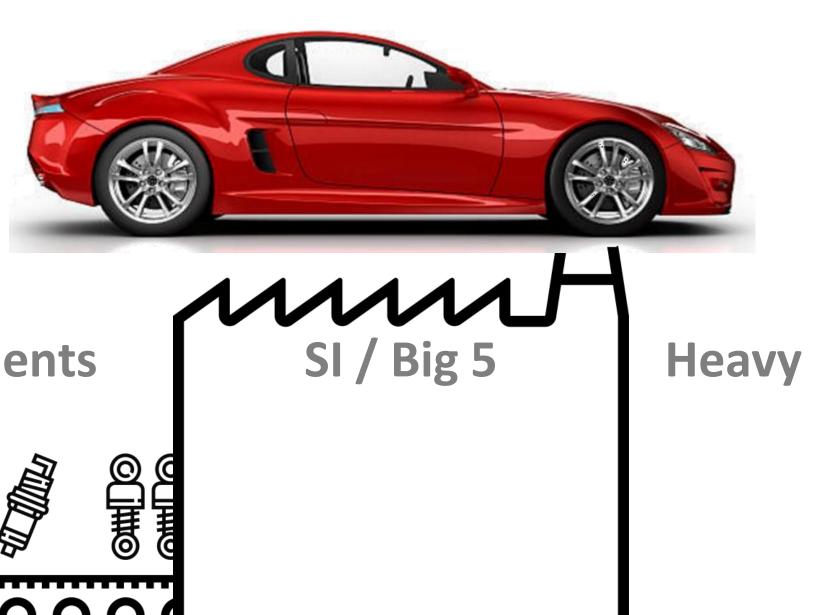
UNIQUENESS



COTS/Bespoke Solution

Modular & Flexible

Fast Deploy



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SaaS Business Model

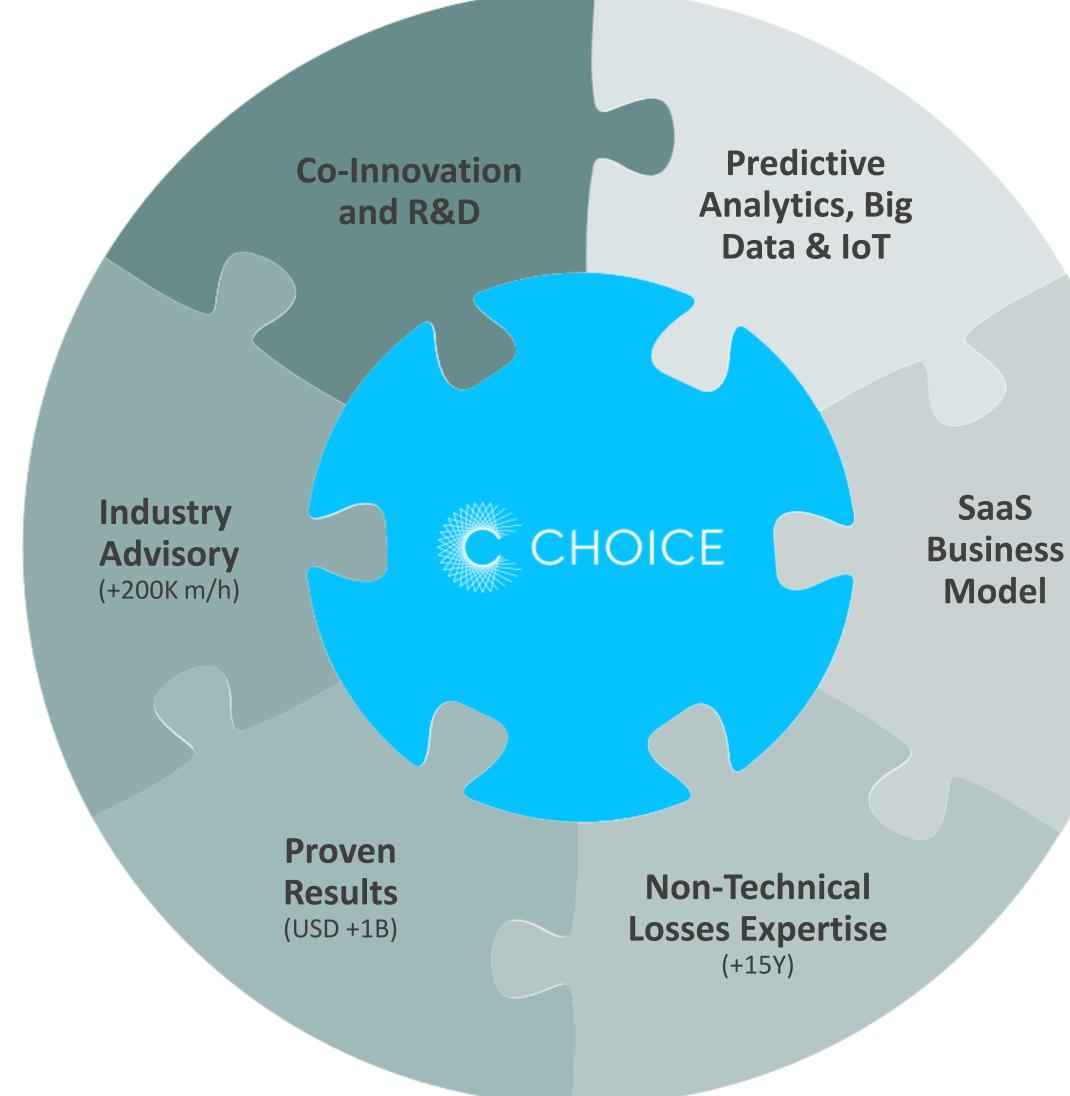
Fast Payback & Reduced TCO

Permanent Roadmap

Heavy Custom Solution



WHY CHOICE?



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CUSTOMER TESTIMONIAL

"The project has meant a lot to ENSA. <u>We have</u> implemented things that we thought impossible to achieve. Currently ENSA has a percentage of effectiveness of 34% (finding anomalies in clients or frauds) and we no longer focus on effectiveness but on recovering more energy. We recovered about 100 MVH of energy and there are clients that *it would have been* impossible to detect without the tool."

> Arnoldo Pineda Portugal **Energy Recovery Engineer in ENSA, Panama (EPM Group)**

THOUGHT LEADERSHIP

"In Pure Analytics... the leading vendor focusing specifically on revenue protection is the Brazilian vendor Choice"

> Source: Electricity Theft and Non-Technical Losses: Global Market, Solutions and Vendors The Northeast Group, May 2017



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HOW MUCH ARE YOU LOSING, EVERY MONTH?

WHAT IS THE COST OF DOING NOTHING?

WITH CHOICE RI YOU START REALIZING THE VALUE IN A FEW MONTHS

RECOVER M\$ WITH CHOICE RI







TATA POWER-DDL

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