



managing **carbon**[™]
through energy reduction

Institutional Presentation

Presentations led by:

Bruce Gordon – Chairman Sabien Technology Group PLC

Alan O'Brien – CEO Sabien Technology Group PLC

Gus Orchard – FD Sabien Technology Group PLC

Date: 24/02/16



managing **carbon**[™]
through energy reduction

Disclaimer

The information in this presentation, which is for background purposes only, is preliminary in nature and is subject to change.

This presentation sets out certain features of Sabien Technology Group plc (“Sabien”) and does not purport to provide a complete description of Sabien or its shares.

This presentation is only directed to (i) persons who, having professional experience in matters relating to investments, are deemed sufficiently expert or sufficiently substantial to understand the risks involved and as such fall within the definition of investment professionals as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (ii) high net worth companies, partnerships and the trustees of high value trusts or incorporated association as defined in Article 49 of that Order or (iii) overseas recipients as defined in Article 12 of that Order and (iv) to others to whom it can lawfully be distributed, whether inside or outside the United Kingdom, without approval by an authorised person. Any investment or investment activity to which this presentation relates is only available to and will only be engaged in with such persons and persons within the United Kingdom who receive this presentation (other than persons falling within (i), (ii) or (iv) above) should not rely on or act upon this presentation.

This presentation should not be distributed by recipients and, in particular, should not be distributed to persons with an address in the United States, Canada, Australia, the Republic of South Africa or Japan or in any other country outside the United Kingdom where such distribution may lead to a breach of any law or regulatory requirement. The information described in this presentation is confidential. In accordance with the prohibition on market abuse contained in Part VIII of the Financial Services and Markets Act 2000 (the “Act”) (i) you must not pass this information to any person and (ii) you must not base any behaviour in relation to any securities or other qualifying investments (as that term is defined in the Act) which would amount to market abuse on such information until after it is made generally available.

This presentation does not constitute or form part of and should not be relied on in connection with any offer or invitation to sell, underwrite or solicit any other offer to purchase or subscribe shares or any other securities, nor may it or any part of it, nor the fact of its distribution, form the basis of, or be relied upon in connection with, any contract. No representation or warranty express or implied is made as to the fairness, accuracy or completeness of the information contained herein and no reliance should be placed upon it. In particular it should be noted that information about past performance is not a guide as to future performance.

This document contains certain forward-looking statements and comments. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual results of Sabien to be materially different from those expressed or implied in such statements. These factors include, but are not limited to the effect of legislative changes, national and regional political and economic conditions; property values; the availability of adequate working capital; changes in legislation; the ability to attract and retain qualified personnel; changes in business strategy or development plans and business disruptions. All statements other than statements of historical fact included in this document, including without limitations, Sabien’s business strategy, plans and objectives, are forward-looking statements.

These materials do not cover all matters that may be relevant for a prospective investor. Prospective investors should not treat these materials as advice in relation to legal, taxation or investment matters and should take steps to ensure that the risks are fully and completely understood. Investors are recommended to consult their own advisors in relation to any such issues.

Stockdale Securities Limited (“Stockdale Securities”), which is authorised and regulated by the Financial Conduct Authority, is acting for Sabien only and will not be responsible to any other person for providing the protection afforded to clients of Stockdale Securities or for advising such person on the matters referred to in this presentation. Stockdale Securities has not approved the contents of, or any part of, this presentation.



Table of Contents

Half year results to 31 December 2015	4
Highlights since 31 December 2015	5
UK Sales Pipeline Forecast to 30 June 2016	6
Pilot forecast/target summary	7
Income Statement, Balance Sheet & Cash Flow– 3 year record	8-10
Financial plan: Financial and non-financial KPIs – FY 2015/16	11
New Business Model – “Free Pilots”	12
Terms of Reference (TOR) – “Free Pilots”	13
Appendices	
Company overview and milestones	15
What are M2G and M1G?	16
Drivers – Market, Legislation and Economic Drivers	17
Market Opportunity UK & Overseas	18
Competition UK and Overseas	19
Key Elements of Business Strategy	20
Piloting M2G – customer journey explained	21
Dedicated Project Management	22
Pilot savings explained	23-24
Key Active Programmes	25
Business Development - Overseas	26
Sabien Technology Ltd - Senior Management Team	27
Sabien Technology Group PLC - Board	28

Highlights (comparisons with half year to 31 December 2014)

- ▣ Sales of M2G: £321k (2014: £542k)
- ▣ Loss before tax: £984k (2014: £521k loss)
- ▣ Net cash balance at 31 December 2015: £868k (2014: £1,106k)
- ▣ Sales pipeline: £6.4m (2014: £6.9m)
- ▣ Sales from indirect partners 49% of total sales revenue (2014: 24%)
- ▣ Overseas sales £69k (2014: £121k)
- ▣ 30 UK pilots agreed with customers. (2014: 4)
- ▣ Fund raise £770k gross (£694k net) in August 2015 to finance P35 “free” pilot programme and upgrading of M2G product
- ▣ Headcount increase from 14 to 21 to provide more operational support capability

- Sales pipeline at 31 December 2015 of £6.4m (£5.8m at October 2015)
- Orders received since 1 January
 - M1G - £92k
 - M2G - £325k
- Continuation of P35 pilot programme. 38 pilots in total agreed with clients to date.
 - Target 35
 - Signed up 38
 - In site survey (pre-measurement) 14
 - Awaiting installation 3
 - In measurement 3
 - Completed 7
 - Client pilot sites pending 11
- Routine development of M2G to incorporate international market specific feature set. Launch scheduled for calendar Q3 2016.
- Business Development – International.
 - P5 Pilot Programme USA.
 - Completed 1
 - In measurement 1
 - Pending 2



- The pipeline was £6.4m at 31 December 2015 with over 100 active prospects and clients. Historically, 30% of the pipeline has converted to sales in the following 12 months. The following are included in our current pipeline:

Public sector

Sector	Segment	Value	Date
Public	Council	£ 148,700	Feb
Public	Council	£ 501,650	Feb
Public	University	£ 41,000	Feb
Public	Council	£ 16,650	Mar
Public	NHS	£ 19,700	Apr
Public	NHS	£ 57,350	Apr
Public	Council	£ 1,507,750	Pending
Public	Council	£ 675,950	Pending
Public	Council	£ 641,950	Pending
Public	Council	£ 521,700	Pending
Public	Council	£ 503,900	Pending
Public	Council	£ 385,400	Pending
Public	MOD	£ 283,050	Pending
Public	Council	£ 135,050	Pending
Public	Council	£ 116,550	Pending
Public	University	£ 92,650	Pending

Private sector

Sector	Segment	Value	Date
Private	Industrial	£ 7,500	Feb
Private	Education	£ 42,550	Pending
Private	Industrial	£ 27,950	Pending
Private	Retail	£ 466,200	Pending
Private	Industrial	£ 394,750	Pending
Private	Retail	£ 298,350	Pending
Private	Industrial	£ 49,950	Pending
Private	Healthcare	£ 19,350	Pending
Private	Industrial	£ 9,250	Pending
Private	Leisure	£ 5,550	Pending
Private	Banking	£ 7,800	Pending
Private	Leisure	£ 5,550	Pending

Indirect

Sector	Revenue	Date
Indirect	£ 33,850	Feb
Indirect	£ 7,400	Feb
Indirect	£ 7,400	Mar
Indirect	£ 9,250	Mar
Indirect	£ 26,600	Mar
Indirect	£ 2,850	April
Indirect	£ 101,450	Pending
Indirect	£ 64,800	Pending
Indirect	£ 47,000	Pending



Pilot forecast/target summary

Financial Year	2015/16	2016/17	2017/18	2018/19	2019/20
Companies in Project Pilot*	35	40	50	60	70

- ▣ *up to
- ▣ M2G RRP @£1,850 per boiler fitted
- ▣ Companies in Project Pilot will be new each year
- ▣ Revenue going forward is derived from previous years' pilots
- ▣ Avg. order value per Pilot Customer £400,000

Income Statement – 3 year record

£k	Dec 15 Half Year	June 15 Full Year	Dec 14 Half Year	June 14 Full Year	Dec 13 Half Year	June 13 Full Year
Revenue	321	1,744	542	2,139	924	2,471
Gross Margin	196	1,231	370	1,506	685	1,772
Recurring operating costs	(1,180)	(1,812)	(896)	(1,815)	(939)	(1,391)
Operating profit/(loss)	(984)	(581)	(526)	(309)	(254)	381
Finance income/(expense) and exceptional income	1	13	6	16	9	20
Taxation (charge)/credit	-	(215)	-	21	-	(90)
Profit/(loss) for the period	(983)	(783)	(520)	(272)	(245)	312
(Loss)/earnings per share – basic	(2.3p)	(2.4p)	(1.6p)	(0.9p)	(0.8p)	1.0p

Balance Sheet – 3 year record

£k	December 15 Half Year	June 15 Full Year	December 14 Half Year	June 14 Full Year	December 13 Half Year	June 13 Full Year
Property, plant, equipment & intangible	639	576	620	661	693	678
Deferred tax asset	-	-	215	215	194	194
Cash	868	1,171	1,106	1,425	1,582	1,357
Trade receivables, inventory & other current assets	387	489	478	741	579	1,281
Trade & other payables	(227)	(281)	(202)	(313)	(292)	(431)
Net assets	1,667	1,955	2,217	2,729	2,756	3,079

Cash Flow – 3 year record

£k	December 15 Half year	June 15 Full Year	December 14 Half Year	June 14 Full Year	December 13 Half Year	June 13 Full Year
Cash flow (used in)/from operations	(884)	(267)	(327)	201	351	371
Share issue	694	98	98	-	-	-
Capex	(114)	(7)	(5)	(70)	(56)	(20)
Interest received	1	13	6	16	9	18
Dividends paid	-	(91)	(91)	(79)	(79)	-
Net cash in/(out) flow	(303)	(254)	(319)	68	225	369
Cash brought forward	1,171	1,425	1,425	1,357	1,357	1,033
Cash carried forward	868	1,171	1,106	1,425	1,582	1,402

- Large increase in overhead due to impact of new recruitment and M2G development. Monthly running cost currently estimated at c£190k
- Fund raise in August generated £770k (gross) (£694k net). Funds used for recruitment, development and up front costs for pilot programme
- No up-front charge for P35 pilots. This defers revenue recognition until acceptance of pilot results by client
- Lower gross margin due to impact of pilot programme and lower volume of sales. Target is still c 70%

Financial KPI's

Measure	HY2016	FY2015	HY2015	FY2014	HY2014	FY2013	HY2013
Unit sales (M2G)	218	1,077	384	1,277	554	1,437	601
Gross Margin % achieved	61%	71%	68%	70%	74%	72%	66%

Non Financial KPI's

KPI	Progress / comment
P35 pilot programme for 15/16 heating seasons	▫ 38 pilots signed up. More in pipeline
M2G routine development	▫ New features being added. To be launched in Q3 2016
Recruitment and retention of key personnel	▫ Recruited 3 tech engineers and 4 other support staff
Overseas distributor network	▫ Concentration on key geographical areas: USA, Europe
Continued improvement in assessing quality of sales prospects and pipeline	▫ Aim is to reduce sales cycle which can take up to 24 months
Maintenance of reputation for excellence	▫ Continuing investment in products, solutions and training



New Business Model - “Free Pilots”

- ▣ Clients will continue to pilot on three sites for a period of 4-6 weeks usually during the heating season which runs from October to May.
- ▣ The cost of the pilot M2Gs will be added to the estate wide business case post pilot.
- ▣ Objective/target to deliver up to 35 pilots in 2015/16 heating season with similar pilot numbers in each of the following four heating seasons.
- ▣ Piloting track record;
 - ▣ 64% of revenue generated since 2004 has come from piloting
 - ▣ 87% who pilot go on to request an estate wide quotation
 - ▣ The opportunity is added to the pipeline once a quotation is given
 - ▣ At 15th June 2015, the pipeline was £6.2m
 - ▣ Historically approximately 30% of the pipeline converts within 12 months
 - ▣ Average deal size from pilots is £400,000
- ▣ By increasing the number of pilots, we plan to build the pipeline significantly by June 2016.
- ▣ Management has a robust and proven methodology and processes for executing the pilot programme.
 - ▣ Reduce the sales cycle by c.6 months.
- ▣ 5 year growth plan objectives/targets:
 - ▣ Significantly increase number of pilots (currently over 200 candidates available)
 - ▣ Increase pipeline value (5 year target - £25m)
 - ▣ Increase sales revenue (5 year target - £8m+).
 - ▣ Achieve an EBITDA margin of 25%



Terms of Reference (TOR) - “Free Pilots”

- The piloting TOR will be no different for free pilots

- The main criteria include:
 - Entry level revenue potential min £250,000
 - How many buildings are in the estate and how many are owned by the client?
 - How many boilers are in the estate?
 - Annual fuel spend (Heating and hot water)
 - ROI

- Other Criteria include/ internal buying process, FY year end, asset log availability and time-scales

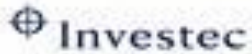
Appendices



managing **carbon**[™]
through energy reduction

Company overview and milestones

- Sabien Technology manufacture, sell and install innovative commercial retrofit energy efficiency technology, M2G and M1G that reduce energy consumption in boilers
- Founded by Alan O'Brien (CEO) in 2004
- Quoted on AIM since December 2006
- Based in Watford with 20 employees
- Owner and distributor of patented M2G and M1G energy efficiency technology
- M2G and M1G are manufactured in the UK by sub-contractors
- Launched M1G in September 2014
- Organisations using our technology include:



BANK OF ENGLAND



What are M2G and M1G?



- ▣ M2G is a retrofit control for commercial boilers providing space heating and hot water
- ▣ Installed within 2 hours the M2G immediately reduces fuel consumption
- ▣ Typical savings are between 10% and 25% with payback under 2 years



- ▣ M1G is a retrofit control for direct fired hot water heaters
- ▣ Specifically designed to operate with all standard gas direct-fired hot water heaters
- ▣ Reduces fuel consumption by c. 10% with payback under 2 years
- ▣ M1G is a variant of the tried and tested M2G boiler control



- ▣ Reduction in energy costs and CO2 emissions

- ▣ Automated Metering and Building Energy Management Systems (BEMS) enable accurate measurement of energy consumption therefore providing validation of M2G

- ▣ Legislation
 - CRC (Carbon Reduction Commitment)
 - ▣ Any organisation consuming more than 6,000 MWh a year (includes natural Gas, oil and LPG) required to comply with the CRC
 - ▣ For 2015/16, qualifying organisations must pay £16.10 (tax) per tonne of CO2 emitted
 - ▣ The cost per tonne is expected to continue to increase
 - ESOS
 - ▣ Organisations which have more the 250 employees or a turnover of over £38m
 - ▣ Qualifying organisations must conduct energy efficiency audits every 4 years
 - ▣ Sign off is required from Board Level
 - ▣ Fines will be issued if the deadlines are not met



managing **carbon**[™]
through energy reduction

Market Opportunity UK and Overseas

- Sabien operates in the commercial space heating sector
- Estimated 6 million commercial boilers in the UK
 - 2 million commercial buildings in the UK
 - Typically a commercial building will have 3 boilers per building
- Overseas
 - Main concentrations in USA, China, India, Europe, South East Asia
- The UK boiler replacement market represents just 0.4% of the total installed market
- The M2G technology is used with commercial and industrial boiler applications that use gas and/or oil to heat space and water
- Main sales focus is Public and Private sector multi-site organisations
- 9,500 M2Gs have been installed world wide since 2004
 - 90% in the UK
 - 10% rest of world including USA, Middle East, Europe, China, India, South Africa



managing **carbon**[™]
through energy reduction

Competition UK and Overseas

- Competition in the UK and Overseas is low
 - There are no close substitute products in the marketplace

However

- Perceived indirect competition includes BMS suppliers e.g. Trend, Siemens
 - This can be a sales barrier and can prolong the sales cycle
- Once a clients' Engineering Team understands the M2G and its control strategies, they realise BMS does not replicate M2G and they proceed to pilot

Key Elements of Business Strategy

Direct sales force

- Continued focus on prospecting private and public sector multi-site organisations.
- Direct sales team consists of three BDMs who target, acquire and account manage multi-site clients.
- Big emphasis on scaling pilots per heating season over next 5 years

Indirect partners

- Indirect partnerships established with Energy Consultancies, Energy Suppliers, Facility Management Organisations, Commercial Landlords.
- Key relationships include: Jones Lang LaSalle, Norland FM, SSE Contracting
- M2G forms part of their energy efficiency offering to their clients.

Increased brand awareness

- The Sabien brand has become a trusted name within the UK energy efficiency sector.
- Continue brand development and growth
- Continue to develop and grow the online inbound lead generation. Continue to utilise exhibitions for brand awareness and lead generation. Build key partnerships with leading trade journals to leverage PR.

New product development

- Develop and/or acquire new products to broaden current product portfolio.
- Cross sell additional products and services into existing clients and sales pipeline.
- Increase technical team to support new product development and additional client services.



managing **carbon**™
through energy reduction

Piloting M2G – customer journey explained

1 Pilot sites identified from asset log

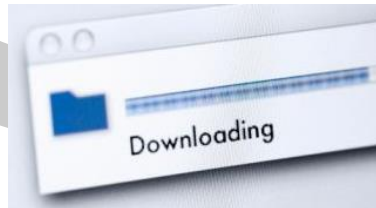
- Estate wide Asset log provided
- Sites are agreed between client and Sabien



6 Data analysis



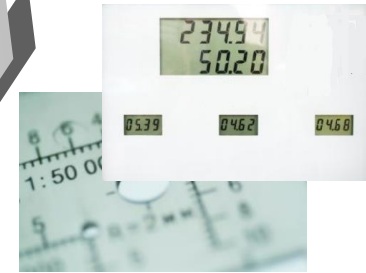
5 Data collection



2 M2G is installed



3 Measurement & Monitoring equipment installed



4 Pilot commences



Sabien manages the complete end to end process of the pilot.

The client is involved at all stages.

Sabien's pilot methodology has been independently verified.

Dedicated Project Management

1 Review asset log

- Kick-off meeting after contract signature



2 Agree scope of project

- Agreed method of working together
- Communication structure i.e. points of contact
- Agree reports and reporting frequency
- Issues log to capture outstanding project issues



Sabien provides complete end to end project management for every project

Installation begins within 2-3 weeks from receipt of order

Programme duration is determined by the property estate size

4 Installation - rollout



3 Project Management



5 Quality Assessment



- Site quality inspection form
- Statistical process control
- Performance metrics



Pilot savings explained

- Over 9,500 M2Gs have been installed across the private and public sectors.
- M2G has continued to deliver significant energy consumption and CO2 reductions with payback within short periods.
- Typical energy savings of between 10% and 25% with payback under 2 years.

Client	Average Saving	Payback	Contract Value
RBS	22%	1.4 years	£1.4m
Hampshire County Council	12%	2.8 years	£458k
Lloyds Banking Group	11%	0.6 years	£406k
Lincolnshire County Council	15%	1.3 years	£152k
AVIVA	12%	1.1 years	£103k
Greenwich Borough Council	15%	1.2 years	£266k



managing **carbon**[™]
through energy reduction

Pilot savings explained

- During piloting when the M2G is functioning in save and bypass modes (i.e. toggle mode, used during the pilot), only 50% of the potential gas consumption savings are being delivered.
- The pilot period is usually during the coldest period of the year i.e. Oct-Mar and for a term of 4-6 weeks. The % savings are a representation for a discreet period of time.
- At the completion of the pilot period, M2G is re-set to continuous save mode, delivering 100% of savings.
- M2G consistently delivers over a 12 month period savings of, typically, between 10% and 25% with paybacks of two years or less.



managing **carbon**[™]
through energy reduction

Key Active Programmes

- ▣ 5 year growth plan launched in May 2015 targeting large multi-site public and private sector organisations to pilot M2G enabling organisations to validate technology in their own buildings free of charge, thereby significantly reducing the sales cycle and removing the final barrier to technology trial and adoption.
- ▣ Recruited new team members to support 5 year growth plan.
- ▣ Product Development – Routine R&D to develop and broaden the current M2G product feature set.
- ▣ US distributor in place. Initial pilots delivering savings ranging from 10% to 25%, building sales pipeline.
- ▣ Strong relationships in the UK with the majority of the tier 1 FM, M&E and Utility Suppliers
 - ▣ Cofely, Jones Lang LaSalle, CBRE, Norland, Imtech, Bilfinger, Mitie, Integral
 - ▣ M2G forms part of their energy efficiency offering to their clients and is included in their Energy Performance Contracts
 - ▣ Awarded the Jones Lang LaSalle Environmental Supplier Award and Norlands Exceptional Idea Award



managing **carbon**[™]
through energy **reduction**

Business Development - Overseas

- Expanded Overseas network using established Tech Centres
- Currently has 35 Tech Centres across the USA, Europe, Middle East, South America, Asia and Oceania
- It is anticipated that a number of pilots will be mobilised in 2016/17 in the US, Europe, and Asia through our network of Tech Centres.
 - In 2013 Sabien entered into a non-exclusive distribution agreement with FIREYE USA operating in over 35 countries worldwide.





managing **carbon**[™]
through energy **reduction**

Sabien Technology Ltd – Senior Management Team



David Bakst - Operations Director

David has worked in the utilities market in the UK for the past eight years in energy and telecommunications. Before joining Sabien Technology, David worked at Vodafone as a manager rolling out a bundled broadband, mobile/fixed line telephone service for residential customers, as a programme manager in change management in Vodafone's call centre operation, and as a manager responsible for presenting commercial justifications for off shoring business operations. Previous roles held at TXU Energy and Powergen have included new product development, strategic marketing and new product implementation. Other roles have included telecommunication business consult for BDO Stoy Hayward/Communications Options.



Dr Vahid Jalili – Overseas Business Development Director

Vahid has over 15 years of Business Development experience and recently Director of Engineering for Sholepardaz Moshaver managing projects in the Middle East and for Autoflame Engineering Ltd developing their overseas sales network. Vahid has a PHD in Fluid Mechanics.



Geoff Newman- Business Development Director

Geoff has over 10 years marketing experience in Retail and Utilities spanning both B2C and B2B sectors. Previously working for Staples UK and TXU Energi, most recently Geoff was responsible for managing a customer base of £120m for E.ON UK. Geoff holds a BA Hons in Product Design and Marketing and a Diploma in Direct and Interactive Marketing and is responsible for Business Development, Marketing and indirect sales channels for Sabien.



Tony Willis – Technical Director

Tony Willis has worked in the HVAC industry for more than 30 years, with direct experience in the energy engineering sector from a practical hands on commissioning to product developments. With strong ties to combustion engineering and management systems for boiler and combustion efficiency, his career has led to developing new OEM customers, and overseas markets, including the Queens Award for Exports. Tony has also represented the UK on Technical Group committees for CEN and BSI for electronic controls for the boiler/combustion industries.



managing **carbon**[™]
through energy reduction

Sabien Technology Group PLC - Board



Bruce Gordon – Chairman

From 2001 to 2008 Bruce was a senior partner of Deloitte LLP responsible for the Southern Region. His clients included a number of FTSE100 and FTSE 350 companies. He was a member of the UK Board of Partners and served on various Board Committees. Prior to joining Deloitte in 2001, he was the UK Regional Managing Partner at Arthur Andersen. He is the founder of Thames Valley Capital Limited, which advises growth capital funds.



Alan O'Brien - Chief Executive Officer

Alan has held a number of senior marketing management and commercial roles within the UK Energy and Telecom sectors including positions with TXU, KDDI, Eircom and Irish Life Plc. As Chief Executive of Sabien, Alan is responsible for Group strategy, client liaison and the identification of new business opportunities.



Martin Blake – Non Exec Director

During his time at Royal Mail, Martin led the Social Responsibility and Sustainability Teams as well as designing and deploying an international award winning Carbon Management Programme to combat climate change. Prior to joining Royal Mail Martin spent over 20 years in the Middle East working first for an American Healthcare provider and later the largest oil company in the world 'Saudi Aramco'



Gus Orchard – Finance Director

Gus is a fellow of the Institute of Chartered Accountants and has held numerous appointments as company secretary and director at a variety of private and public companies. His private company experience includes roles such as financial controller of GSI USA (part of the Alcatel Group), and financial director of Financial Data Services Group (formerly a part of SG Warburg and Co.) from 1983 to 1996



Karl Monaghan – Non Exec Director

After graduating from University College Dublin with a Bachelor of Commerce degree, Karl trained as a Chartered Accountant with KPMG in Dublin. He set up Ashling Capital LLP in December 2002 to provide consultancy services to quoted and private companies. He is also a non-executive director of AIM companies CareTech Holdings PLC and FDM Holdings PLC.