

FROST & SULLIVAN

INNOWATTS

2022
COMPANY
OF THE
YEAR

NORTH AMERICAN
ENERGY ANALYTICS INDUSTRY

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each Award category before determining the final Award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Innowatts excels in many of the criteria in the energy analytics space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Market Snapshot

The ongoing global (and regional) efforts to decentralize, decarbonize, and digitalize the energy industry result in an increasingly interconnected, intelligent, and responsive energy infrastructure that continuously generates substantial amounts of data. However, as an inherently non-customer-centric sector, the energy industry (and especially the utilities space) traditionally lacks innovative technologies that leverage these growing volumes of data to generate real-time insights into energy consumption patterns and customer behavior to drive real value for all industry stakeholders. Frost & Sullivan analysts monitor how this lack of customer-centricity results in the reduced reliability, decreased efficiency, and increased costs of energy supply. Within this context, there is a growing market demand for energy analytics solutions that empower energy utilities and retailers to decipher the ever-increasing amounts of data generated across their energy networks into powerful, actionable insights to enhance their sustainability, reliability, and affordability.

Founded in 2014 and headquartered in Houston, Texas, Innowatts is a globally leading provider of artificial intelligence (AI)-enabled data analytics solutions. To make the energy value chain both smarter and leaner, the company supplies high-quality and real-time data-driven insights to enable its customers to manage risks, enhance grid reliability, improve overall profitability, and anticipate sustainability trends.

Innowatts offers its software-as-a-service (SaaS) platform to help power utilities and energy retailers (in both regulated and deregulated markets) become truly predictive, proactive, and customer-centric.

Innowatts: Powering Energy Forward

Innowatts' scalable, configurable, and secure SaaS platform leverages best-in-class AI and machine learning capabilities to help energy providers unlock grid edge opportunities, enhance customer value, and accelerate their energy transition. The company's extensive smart meter network (which currently manages an unrivaled 45+ million devices¹) drives this platform, enabling it to capture granular data at the meter level, thereby bridging the gap between energy providers and their clients. Moreover, Innowatts captures 100X more data points at 96X times higher update frequency than other competing solution providers, collecting usage information every 15 minutes (ingesting sub-second data in some instances)². These market-leading capabilities ensure unparalleled accuracy to deliver more precise customer insights at up to 45% faster speeds.³ In addition, Innowatts integrates the ingested and harmonized smart meter input with data from diverse sources (weather, macroeconomic, third-party demographic, and customer billing data) to generate holistic intelligence into energy networks and consumer behavior. Grid operators then leverage the real-time actionable insights to make data-based decisions and drive superior grid maintenance, reliability (with a 40% increase in load forecasting accuracy⁴), product innovation, and sustainability. Similarly, energy retailers utilize a deeper understanding of consumer behavior to facilitate greater customer engagement (with up to 30% reduction in customer churn⁵), process risk management, and improve gross margins.

"Innowatts' scalable, configurable, and secure SaaS platform leverages best-in-class AI and machine learning capabilities to help energy providers unlock grid edge opportunities, enhance customer value, and accelerate their energy transition. The company's extensive smart meter network (which currently manages an unrivaled 45+ million devices) drives this platform, enabling it to capture granular data at the meter level, thereby bridging the gap between energy providers and their clients."

***- Rajalingam Chinnasamy,
Industry Principal, Energy and
Environment***

Innowatts builds its industry-leading SaaS platform on its Core Analytics module that utilizes robust AI to analyze historical smart meter data and performs cluster analysis, load disaggregation, and other customized functions to generate unique energy usage footprints for each meter within its network. The company then utilizes this footprint as input for its other modules, individually or as a seamlessly integrated end-to-end solution, to automate and optimize business processes. As a result, it empowers grid operators and energy retailers to forecast load accurately, design customized rate plans, and achieve sustainability goals - resulting in a more reliable energy supply, enhanced operational efficiency, and better business profitability.

¹ <https://www.innowatts.com/?cn-reloaded=1>, accessed May 2022.

² Ibid.

³ Ibid.

⁴ <https://www.innowatts.com/who-we-serve/utilities/>, accessed May 2022.

⁵ <https://www.innowatts.com/?cn-reloaded=1>, accessed May 2022.

Building on the foundation of this Core Analytics offering, Innowatts provides additional modules, offering solutions for demand, supply, and customer-specific applications.⁶

- **Demand:**
 - **Load Forecasting:** Enables customers to create and manage the demand for every meter to understand usage variances for better planning and grid reliability.
 - **Grid Edge Management:** Supports customer infrastructure strategies and investments with accurate, bottoms-up usage data to improve grid reliability.
- **Supply:**
 - **Load Scheduling:** Allows customers to schedule loads with independent system operators from a single platform seamlessly and efficiently.
 - **Risk Management:** Empowers customers to realize the absolute value of meter-level data to predict and manage periods of highest exposure and reduce the renewable return on investment.
- **Customer:**
 - **Product Management and Smart Engagement:** Enables grid operators to identify and rank the best-suited customers for programs and engage them through customized, configurable, and proactive value-added communications.
 - **Pricing Management:** Leverages individual meter-level insights to help energy retailers determine optimal pricing and match their end consumers to the appropriate rates and products.

Use case example: In 2021, the City of Fargo, North Dakota, deployed Innowatts' Load Forecasting and Grid Edge Management modules at a new smart parking complex to reduce their carbon footprint cost-effectively while facilitating economic development by promoting green energy projects. Additionally, Fargo intends to utilize the company's platform to develop and implement optimal time-of-use pricing strategies at the complex to drive electric vehicle adoption.⁷

"The analytics from Innowatts and their ability to bring meaning to otherwise disparate data streams generated by this project have shown the city what is possible from Smart Clean Energy investments,"

- Mike Redlinger, Assistant City Administrator of the City of Fargo.

⁶ <https://www.innowatts.com/our-product/>, accessed May 2022.

⁷ https://www.innowatts.com/news_events/innowatts-accelerates-global-deployment-and-integration-of-grid-edge-solutions/, accessed May 2022.

“Innowatts builds its industry-leading SaaS platform on its Core Analytics module that utilizes robust AI to analyze historical smart meter data and performs cluster analysis, load disaggregation, and other customized functions to generate unique energy usage footprints for each meter within its network. The company then utilizes this footprint as input for its other modules, individually or as a seamlessly integrated end-to-end solution, to automate and optimize business processes.”

**- Sama Suwal,
Best Practices Research Analyst**

Innowatts builds on its proven technology’s competitive differentiation by continually augmenting its platform’s analytics capabilities and market reach through ongoing collaborations with leading market participants. For instance, in August 2021, the company announced a game-changing cloud-enabled solution that leverages Amazon Web Services’ (AWS) power, agility, and market presence to accelerate the utility sector’s digital transformation. For this offering, Innowatts combines its AI-powered data analytics technology with AWS’s flexibility, scalability, and pay-as-you-go model to provide electric utilities with complete visibility into their operations, changing customer needs, and evolving market conditions. As a result, this combined solution empowers energy providers to deliver resilient, affordable, and sustainable energy to their customers.⁸

Similarly, in August 2021, Innowatts announced its strategic partnership with the leading energy technology platform, Kaluza, to deliver an integrated offering. This combined solution will empower North American and European energy utilities and retailers with a suite of capabilities to enhance operations efficiencies, improve customer experience, lower overall costs, and reduce carbon emissions. The collaboration allows the company to offer its energy analytics and forecasting modules to OVO Energy, Kaluza’s strategic partner. Likewise, Kaluza will offer its best-in-class demand response services to Innowatts’ North American utility customers.⁹

With this robust technology leadership and solution expansion focus, Frost & Sullivan expects Innowatts to sustain its proven leadership in the North American energy analytics space.

Roadmap to Success: Customer-centric, Continuous, Proactive

Innowatts serves the energy analytics needs of a growing customer base, including regulated utilities, energy retailers, energy trading firms, and new players in the emerging energy ecosystem. The company’s solutions currently process 4.3 billion data points per hour and are deployed across nine countries and 17 energy markets.¹⁰ Moreover, Innowatts provides exceptional customer service through its dedicated team of analytical experts (encompassing data engineers, PhD-level scientists, and energy-industry innovators) and client success specialists that support customers with solution development, implementation, and technical support. Additionally, the platform onboarding is completed in weeks (compared to months for competing solutions), ensuring fast and effortless deployment. Furthermore, Innowatts offers customers

⁸ https://www.innowatts.com/news_events/innowatts-uses-aws-to-accelerate-utilities-digital-transformation/, accessed May 2022.

⁹ https://www.innowatts.com/news_events/kaluza-signs-unrivalled-transatlantic-partnership-with-innowatts-to-accelerate-digitalisation/, accessed May 2022.

¹⁰ https://www.innowatts.com/news_events/innowatts-uses-aws-to-accelerate-utilities-digital-transformation/, accessed May 2022.

essential resources, including blogs, newsletters, insights, and whitepapers. These resources empower customers to maximize value from their investments in its solutions and deliver improved services to their customers.

In addition, the company uses customer feedback and industry trend monitoring to guide its product roadmap and continuously evolve its energy analytics solutions to maintain an innovative edge. Moreover, in addition to allowing utilities to expand their energy analytics capabilities at their own pace, the flexibility of Innowatts' modular platform enables the company to respond quickly and effectively to unique customer requirements. As a result, the company consistently delivers targeted solutions tailored to customers' specific needs and workflow - even running in conjunction with their existing energy management platforms.

In May 2019, Innowatts announced it raised \$18.2 million in a Series B funding round led by Energy Impact Partners. The company's investors include Shell Ventures, Iberdrola, Energy and Environment Investment (Japan), and Evergy Ventures. Innowatts utilizes this investment to extend the application scope of its SaaS platform and accelerate its vision of building the software-driven, digital utility of the future. As a result, the company maintains its position at the forefront of enabling regulated utilities, retail energy providers, and smart grid operators to fully leverage the power of energy data to enhance customer value and facilitate their energy transition.¹¹

Conclusion

The demand for energy analytics solutions that empower energy utilities and retailers to decipher the ever-increasing amounts of data generated across their energy networks into powerful, actionable insights to improve the power supply's overall sustainability, reliability, and affordability continues to grow.

Overall, Innowatts addresses this unmet need with a strong leadership focus that incorporates customer-centric strategies and exemplifies best practice implementation. The company's Artificial Intelligence-enabled software-as-a-service platform supplies high-quality and real-time data-driven insights to help power utilities and energy retailers become truly predictive, proactive, and connected with their end consumers. By ingesting and analyzing data from an unrivaled smart meter network, Frost & Sullivan appreciates how Innowatts uniquely enables its customers to manage risks, enhance grid reliability, improve overall profitability, and anticipate sustainability trends. The company remains a trusted and preferred partner, earning a reputation for offering the overall best value in the energy analytics industry.

With its strong overall performance, Innowatts earns the 2022 Frost & Sullivan Company of the Year Award in the energy analytics industry.

¹¹ https://www.innowatts.com/news_events/innowatts-closes-second-major-funding-round/, accessed May 2022.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

