

F R O S T & S U L L I V A N

FROST & SULLIVAN BEST PRACTICES AWARD

CONNECTED CAR DATA EXCHANGE PLATFORMS
GLOBAL

Customer Value Leadership 2019

wejo

F R O S T & S U L L I V A N

2019

BEST
PRACTICES
AWARD

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Background and Company Performance

Industry Challenges

As population growth and rapid urbanization continue to increase congestion and pollution around the world, urban planners are seeking solutions from a range of outlets. While several different factors play a role in creating these problems, many people view inefficient mobility as the chief culprit. As a result, there is a shift from traditional transportation methods - such as private car ownership and internal combustion engines - towards more efficient alternatives - including shared mobility, public transportation, electrification, and micro-mobility. The result is explosive growth in the mobility industry, which, according to Frost & Sullivan, has grown to an \$80 billion industry within two years.¹

These new methods also fall under the umbrella of smart cities, which reconfigures the built environment, incentivizes efficient and smart urban mobility, and organizes transportation. Of crucial importance to achieve this end is data, which can be used to optimize the flow of traffic, map routes, provide access to parking, and determine insurance policies. The overall effect is to reduce congestion, reduce carbon emissions, and promote efficient mobility. Previously surveyors gathered this data through camera surveillance; however, new technology allows them to collect information through car sensors.

The connected car industry is proliferating. As car data increases in both volume and applicability, Frost & Sullivan points out that the demand will only continue to increase. Frost & Sullivan's independent research reveals that market participants face distinct challenges related to industry skepticism, security and privacy concerns, and the need for quick and efficient data streams. Many original equipment manufacturers (OEMs) do not realize they can monetize the data they receive from their vehicles, or they are unaware of the scale of opportunity. Often they simply do not understand the value of connected car data or how they can leverage it. Therefore, the sales process is often long and strenuous, as providers must help these OEMs understand the value of connected car data.

As such, market players must include training and education in their services and demonstrate the viability of data through various use cases. Security concerns, government standards and regulations also slow adoption. This challenge is particularly difficult in the United States (US), where rules and regulations can vary from state to state. Additionally, the data provided must be reliable and consistently available. It is only with such best practices that these companies will achieve competitive differentiation and ascend to market sovereignty.

Customer Impact and Business Impact

Founded in 2014 in Cheshire, United Kingdom (UK), wejo originated when the company's founder identified an untapped market for data from connected cars. Despite the

¹ <https://www.fleeteurope.com/en/maas/smart-mobility/europe/interviews/sarwant-singh-frost-sullivan-fleets-please-start-doing-intelligent-mobility-pilots?a=SSC01&t%5B0%5D=Frost%20%26%20Sullivan&curl=1>

proliferation of this data, companies were not fully benefiting from it. Founder Richard Barlow saw an opportunity in this data, understanding that OEMs could use it to drive value back into their businesses by improving customer service and driver experiences together with generating new revenue streams.

Today, wejo connects the world's leading automotive manufacturers with other businesses to find smarter ways of using mobility data, and to better champion the consumer. Its data and insights are licensed to ethical, like-minded businesses - from traffic analysts to parking app developers, smart city planners to governments - who share Richard's vision of making traffic congestion, pollution and road incidents a thing of the past.

Creating the Mobility Data Ecosystem

wejo's robust, one-of-a-kind cloud-based data exchange platform, fittingly titled ADEPT, organizes high-quality data and makes it available to OEMs, telematics service providers, connectivity providers, and smart mobility providers in various marketplaces—i.e., traffic and mapping, insurance, finance and leasing, dealerships, smart cities, and parking. Customers in these areas can use this data to inform their business decisions. They can also customize it to enable individualized use cases. wejo makes it easy for businesses to license the data that matters to them, at a price tailored to their requirements.

Although many companies have aspired to enter the connected car data space, none have achieved the same level of speed, accuracy, agility, and quality as wejo. The ADEPT platform streams high volumes of raw data in various formats directly from source in real-time, before cleansing, normalizing, and processing it. After the data arrives in its raw, initial form, wejo's team filters out errors and outliers, transforming it into actionable insights and information that customers can leverage. The company also standardizes its data across data sources to ensure consistency. Another side of the platform allows third-party vendors to request specific data on demand from the OEM via wejo.

wejo has pioneered a unique and highly granular view of the road network by mapping behaviors, road conditions, speed and risk profiling to road segments. wejo achieves this by blending near real-time and historical data to build a picture of dynamic and expected conditions. wejo can predict and pinpoint road conditions and risky driver behavior hotspots.

To guarantee reliability and flexibility, wejo makes its ADEPT platform consistently available and functional 24/7/365, supporting multiple different transfer methods such as cloud platforms like Amazon Web Services, application programming interfaces, or other platforms customers utilize. wejo can also send batches or complete file transfer protocols. By offering multiple ways to connect, Frost & Sullivan recognizes that wejo makes the onboarding process quick and seamless for its customers.

OEMs typically do not view car data as their core business and rely on wejo as a partner to provide returns on their investments. wejo enables these returns by creating a single, trusted point of access for them in ADEPT, the car data buying marketplace.

Ensuring Partners with Aligned Values through a Strict Validation Process

wejo prides itself on having a brand that is synonymous with privacy, security, and the ethical use of data. The company employs a rigorous process of data collection and validation to ensure the integrity of its practice. Before implementation takes place, wejo's customers must undergo a strict validation process to ensure that their values and commitment to security align with the company's. During this process, wejo advises customers of its services, guides them through the steps of validation, and helps to build use cases before they commit to licensing the data. If use cases are not viable or do not meet wejo's criteria for safe and secure data usage and handling, wejo does not continue with the licensing process. wejo also conducts interest evaluations in the market to understand compatibility and viability before it enters into agreements with OEMs, and if the company determines there is no interest or low uptake, it does not proceed.

ADEPT is a secure, reliable, and flexible platform. Once validation is complete, customers have access to a robust solution that provides high-quality data. wejo adheres to strict security and privacy principles, possessing or working towards security licenses for GDPR in Europe and CCPA in the US as well as Cisco ASA and ISO 27001 certifications. The company also follows a third-party information protocol of data processing and data ownership rules, which partners and suppliers must incorporate into their processes. wejo even holds workshops with its partners to ensure their compliance and understanding.

wejo guarantees the availability of its system to its partners with a 24/7/365 service team that monitors the data and measures it against quality metrics to ensure it is complete and coherent. Users enlisting wejo's services benefit from data being available, timely, and of high quality. wejo also completes monthly data service reviews to support its partners in deriving the best value. The company strives to be proactive with businesses to see what exactly drives their decision making and determine if it can develop new efficiencies with data coming from existing partners.

Forming Lasting Partnerships to Ensure Data Quality and Security and Promote the Connected Car Industry

wejo is a well-capitalized company, with an order book currently standing at the lifetime value of \$85 million from Egress data partners and its intellectual property valued at \$70 million. Its financial position gained recognition recently, earning wejo a place on the list of UK technology firms to have received significant investment from the US.

These funds, in conjunction with the company's growing list of data partners and OEMs—notably its existing partnership with General Motors—enables wejo to nicely expand its business and scale globally. In 2018 and 2019, wejo opened offices around the world to grow its commercial and technology teams and capabilities, including Manchester (UK), San Jose, California (US), and Austin, Texas (US). wejo also plans to move to other parts of Europe and the Asia-Pacific region as they begin working with more OEMs.

Frost & Sullivan agrees that wejo will enjoy tremendous success in these new territories, as much of the market is still untapped. Meanwhile, wejo streamlined its implementation process in a way that allows it to scale quickly and positioned itself as a market leader for its widening breadth of customers. wejo expects to launch new products to the external market in 2019, solutions that will allow it to assist customers that do not have internal data science teams and cannot ingest and manipulate raw data. The company also has a vast breadth of data from OEM customers—7% coverage of vehicles in New York—and its multi-territory business model removes geographical boundaries.

Looking Forward

In the broader context, Frost & Sullivan believes that wejo has properly and strategically set a vision to create a new mobility data ecosystem. OEMs and data providers are beginning to understand the value of connected car data—they are restructuring their businesses with new data departments and heads of data monetization—and companies like wejo will clearly play a key role in the transition as it continues to impact individuals' lives through smart, green, safe, and efficient journeys. wejo is unlocking value from the exchange of connected car data to transform the way we live, work and travel. Through its experience of working with OEMs and data suppliers, the company has pioneered the connected car data space, demonstrating thought leadership and engaging marketplace buyers and OEMs through its platform.

Conclusion

As wejo increases the number of vehicles on its platform, enlists new clients, and explores new markets for connected car data, the company will grow exponentially. The connected car market is on the cusp of a new horizon, and it offers abundant opportunity for innovators wishing to enter the space.

As a company that essentially built an entire ecosystem around mobility data, developed an incomparable product, and systematically established a global enterprise, Frost & Sullivan concludes that wejo has cemented its position at the top of the hill. Not only does wejo pave the way for other companies in a budding industry, but the company also makes it available to others. As a result, there will be a continuous influx of discoveries in the connected car space.

With its pioneering spirit, innovative business approach, and high-quality product, wejo earns the 2019 Frost & Sullivan Global Customer Value Leadership Award.

Significance of Customer Value Leadership

Ultimately, growth in any organization depends on customers purchasing from a company and then making the decision to return time and again. Satisfying customers is the cornerstone of any successful growth strategy. To achieve this, an organization must be best in class in 3 key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding Customer Value Leadership

Customer Value Leadership is defined and measured by 2 macro-level categories: Customer Impact and Business Impact. These two sides work together to make customers feel both valued and confident in their products' quality and performance. This dual satisfaction translates into repeat purchases and a lifetime of customer value.

Key Benchmarking Criteria

For the Global Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated Customer Impact and Business Impact according to the criteria identified below.

Customer Impact

- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Business Impact

- Criterion 1: Financial Performance
- Criterion 2: Customer Acquisition
- Criterion 3: Operational Efficiency
- Criterion 4: Growth Potential
- Criterion 5: Human Capital

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

| STEP | OBJECTIVE | KEY ACTIVITIES | OUTPUT |
|--|---|--|--|
| 1 Monitor, target, and screen | Identify Award recipient candidates from around the globe | <ul style="list-style-type: none"> Conduct in-depth industry research Identify emerging sectors Scan multiple geographies | Pipeline of candidates who potentially meet all best-practice criteria |
| 2 Perform 360-degree research | Perform comprehensive, 360-degree research on all candidates in the pipeline | <ul style="list-style-type: none"> Interview thought leaders and industry practitioners Assess candidates' fit with best-practice criteria Rank all candidates | Matrix positioning of all candidates' performance relative to one another |
| 3 Invite thought leadership in best practices | Perform in-depth examination of all candidates | <ul style="list-style-type: none"> Confirm best-practice criteria Examine eligibility of all candidates Identify any information gaps | Detailed profiles of all ranked candidates |
| 4 Initiate research director review | Conduct an unbiased evaluation of all candidate profiles | <ul style="list-style-type: none"> Brainstorm ranking options Invite multiple perspectives on candidates' performance Update candidate profiles | Final prioritization of all eligible candidates and companion best-practice positioning paper |
| 5 Assemble panel of industry experts | Present findings to an expert panel of industry thought leaders | <ul style="list-style-type: none"> Share findings Strengthen cases for candidate eligibility Prioritize candidates | Refined list of prioritized Award candidates |
| 6 Conduct global industry review | Build consensus on Award candidates' eligibility | <ul style="list-style-type: none"> Hold global team meeting to review all candidates Pressure-test fit with criteria Confirm inclusion of all eligible candidates | Final list of eligible Award candidates, representing success stories worldwide |
| 7 Perform quality check | Develop official Award consideration materials | <ul style="list-style-type: none"> Perform final performance benchmarking activities Write nominations Perform quality review | High-quality, accurate, and creative presentation of nominees' successes |
| 8 Reconnect with panel of industry experts | Finalize the selection of the best-practice Award recipient | <ul style="list-style-type: none"> Review analysis with panel Build consensus Select recipient | Decision on which company performs best against all best-practice criteria |
| 9 Communicate recognition | Inform Award recipient of Award recognition | <ul style="list-style-type: none"> Present Award to the CEO Inspire the organization for continued success Celebrate the recipient's performance | Announcement of Award and plan for how recipient can use the Award to enhance the brand |
| 10 Take strategic action | Upon licensing, company is able to share Award news with stakeholders and customers | <ul style="list-style-type: none"> Coordinate media outreach Design a marketing plan Assess Award's role in future strategic planning | Widespread awareness of recipient's Award status among investors, media personnel, and employees |

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages more than 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.