IoT Technology and App for smartphones that provides Smart Access, Energy, and Automation Management and Control for Multifamily and Student Housing

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> **"If home is where the heart is, then multifamily is the heart of the city, and StratIS is the smart start."- Felicite Moorman**

CEOCFO: *Ms. Moorman, your site indicates Stratis is the smart start for smart cities. How?*
Ms. Moorman: We provide access, energy, and automation management and control for commercial residential properties. Think of apartments and dorms; anyplace where there are competing interests between a property owner or manager and residents.

CEOCFO: *How do you mitigate between the two?*
Ms. Moorman: We offer collaborative control. In other words, the property owner or manager, as the person investing in our technologies, has master control over their property. They have to have this in order to reduce liabilities and increase security on a site. We all know the hard key for instance, that says, "Do not duplicate." This eliminates that and the tracking of those credentials and replaces it all with easy to use property manager and resident apps, on a phone or tablet.

CEOCFO: *What are some examples of where Stratis comes into play?*
Ms. Moorman: Think of a lost key for instance. An individual loses their key and typically has to go to property management, if indeed property managers are even on site, otherwise they are calling the emergency line for that office, and have a hard key created. Or if they have given it to a bad boyfriend or someone who should not have access to their property, they have to have that door lock replaced. One of the things that Stratis does is create a Bluetooth credential. You can now unlock your door with your phone. I have a sixteen-year-old daughter who has never lost her phone. She has probably lost everything else I have ever given her. It is one of those things that people hang on to. They also have smart cards and fobs, so that they are not tied to their phone if they do not want to be. If you are going for a jog, maybe you do not want to take your phone. Maybe you do for the music, which is what we have experienced, but it creates and easy way to provide a replacement credential, give access to a guest, provide access to your maintenance person without them having to come to the actual management office. For instance, the resident requests a maintenance review of some issue and they can send a picture to the property owner, the owner then sends a time via text to that resident and sees if that time is ok to enter their apartment. If the answer is yes, that automatically sends a maintenance credential to your maintenance worker's phone, thereby alleviating the back and forth of scheduling and also the need for your maintenance person to come all the way back to the leasing office. This is great for after hours as well.

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CEOCFO: *Are many of your clients taking advantage of the full range of services or might they typically pick one or two that are most important for them?*
Ms. Moorman: We believe "bite size is the right size," especially for multifamily, which has been neglected from a technological standpoint and also is more cost conservative than some of our commercial partners. So in multifamily, we really believe in client-focused controls. Maybe you want to start with energy or thermostat control. Maybe you are retrofitting an old building that does not have any thermostat control and that is really where your focus is. Maybe you have the opportunity to receive an incentive or grant from your local utility or municipality. Whatever you need to do, that is where we want start. We can expand from there. You start with energy and you can move into access later. Maybe you have student housing where you really need to focus on who can access those dorms, so you start with access, but then you realize that you can move to energy to reduce the energy costs for yourself and your students. It is another great opportunity to start small, get comfortable with the system and then expand. It is one of our unique differentiators. Typically what you see from IoT companies is that they want to "install it all," if you will.

CEOCFO: *How do people find you and how do they know to look? Is it understood that there are ways to accomplish what you are doing with technology or is there still education?*
Ms. Moorman: There is still education involved, absolutely, but the good news is that most of us understand something about the Internet of Things. We all use smart phones today. In the United States, that does not necessarily translate outside of the US, but most people are using smart phones and most of them have apps that they use on a regular basis, so they are comfortable with the Internet of Things. Many of them have some piece of hardware affiliated via Bluetooth to that phone. People get what we are doing. The education comes in explaining that they can do this in multifamily now. It is new to the industry, but certainly the technology itself is well vetted. We installed in 150,000 apartments and dorms in the last eighteen months. We are certainly getting the word out.

CEOCFO: *How do you reach out?*
Ms. Moorman: We partner with really strong hardware manufacturers. We partnered with Schlage for door locks, for example. They have a tremendous footprint in the multifamily industry and a dedicated sales team, so that we did not have to develop that from scratch. We could develop it as we grew, as opposed to needing to develop that to sell it. Schlage has been a tremendous partner.

Nest is looking to impact multifamily and looking for multifamily partners. This is another great opportunity to partner with a major company that has hardware that we can support, without us having to build the entire infrastructure for the major sales teams as those Fortune 500 companies. This is working really well for us. We build the software to support the hardware, then the hardware manufacturers can actually sell in with us.

CEOCFO: *Why are these well known companies willing to partner with Stratis?*
Ms. Moorman: I think they would partner with anyone who is doing what we are doing. There are very few technology companies that address multifamily or student housing. It has been a neglected market. Every single building is different and unique. Every single use case needed is customized. There is no cookie cutter for this industry, and I think hardware companies have had a hard time finding software to support their products. Multifamily is one of the hottest markets in real estate. The new construction is tremendous. I think all applicable hardware companies would all like to address this market, it is just a matter of really understanding that the return on invest is required for the property owner and manager, not the resident. We are not a resident play. We happen to benefit residents tremendously, but that is not our goal. Our goal is to make sure there is a return for the company that is investing in the property.

CEOCFO: *How did you decide to create Stratis?*
Ms. Moorman: There were two things that really drove this. I had a situation where I expected to move into my own home in Philadelphia when I moved here. When we got here, we found some unexpected problems with the house. It is a two hundred year old house and we could not move in right away. It required me, my husband and my three kids and my two 80 pound dogs and our nanny, to live in an apartment. This was the first time I'd lived in an apartment in fifteen years. It really brought to life all of the challenges that I had forgotten about or taken for granted around access, energy, and even doing laundry. How did I know when the laundry is done? That is a real challenge when you are washing laundry for five people. Suddenly, I was dealing with all of these challenges that I had not been faced with in a decade and that there had to be an easier way. At the same time, our sister company BuLogics was requested to fix a hardware problem on a multifamily site. It turns out it was not the hardware at all, there was simply no software to support what the property owner wanted to do. All of the control of this energy system was in the hands of the residents, leaving the property owners without any options to save energy when those residents left. The hardware was great. There was simply no system to do what the property owners needed to do.

First, we thought it's not a hardware problem, it's not our area of expertise. I did not want to experiment with BuLogics, a company that was doing well and exists and is focused on hardware. So StratIS was created to give it a shot, and see how we do at software. Apparently, we do pretty well.

CEOCFO: *What is next on the agenda?*
Ms. Moorman: We are talking about multifamily and our focus is on that, but the bigger picture is Smart Cities. We take all of these management and control capabilities, and put it in the hands of property owners and managers who can then provide their cities with that data to make meaningful, prescriptive change for residents of their city as a whole. Are we still a nine to five society or have we shifted? Yet all of our busses and trains run as if we are a nine to five society. Is that really who we are? When are people coming and going? If we can amalgamate and anonymize this data and provide it to cities to make more meaningful decisions to serve their citizens, we hit a home run. Consider energy. If we can take all of the thermostats in a multifamily building, as the residents opt in, we can reduce or increase the temperature building-wide. If we can do that across the city, we can end blackouts. That is based on basic demand response capabilities, which we already do. These are tremendous opportunities to change how our cities function. If home is where the heart is, then multifamily is the heart of the city, and StratIS is the smart start.

CEOCFO: *Are cities looking or is it more that when you are able to drive data you can point it out to them?*
Ms. Moorman: There are 75 cities in the US alone working on smart cities projects. That is not a big number if you think about it, but ten of those are major metropolitan areas such as New York, Austin, Atlanta and San Francisco, where technology is rampant. They are looking at and trying different things, which is great. The Smart Cities Challenge grant just rolled out to Philadelphia, Indianapolis, Austin, Miami and Orlando, and they all have projects in the works. In the US, it is coming, but internationally, this is the only thing they care about as far as their cities go, how to make their cities more efficient. They have huge, burgeoning populations that they have to address, feed, house, clothe, to be sustainable. Efficiency is their number one goal and that is a tremendous opportunity. We are absolutely looking, perhaps even more so, at the capabilities of the international market to engage.

CEOCFO: *Why is Stratis IoT an important company?*
Ms. Moorman: There are not many companies whose goal is really to change the world. Our whole focus is to change the world through increasing efficiencies in cities. We want to impact and improve the lives of every single person that we touch. That is our goal and mission and it is a big one, but it is what guides us every day. It energizes us and inspires us internally to have that impact externally.