



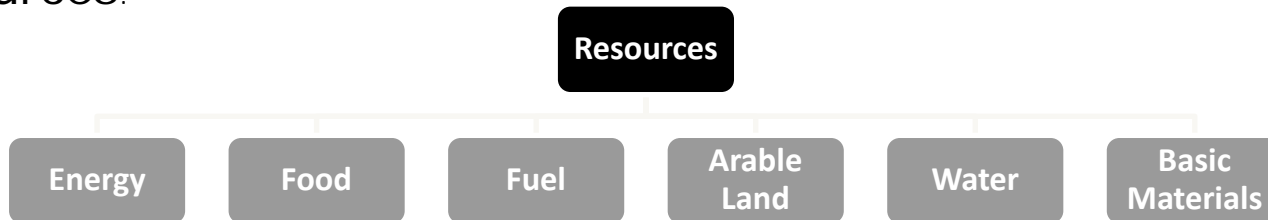
**Investing in cleantech, how to create success stories**  
*Lassi Noponen, Chairman, Cleantech Invest*

# Contents

- About the cleantech opportunity
- Cleantech Invest: Introduction
- What do we do?
  - Acceleration
  - Current portfolio
- What do we think an interesting cleantech company is made of?

# Cleantech Opportunity

- Globally, we have entered a period where we realize there are finite resources:



- The world is becoming strained by rising demand due to:
  - Population growing at an exponential rate
  - Expectations of higher living standards and development of “emerging” areas
  - Accumulating environmental degradation
- Public awareness of these trends is significantly affecting society
  - Shifts in consumption patterns
  - Calls for government action and support
- These factors have created an environment which will likely be the most transitional period in history to date, creating significantly valuable investment opportunities.

# Cleantech Opportunity (cont.)

- These demographic shifts are creating a multi-trillion opportunity – motivating a wave of entrepreneurs and businesses to develop and deploy innovative technologies.
- The innovative technologies will include those that involve:
  - New economic and clean resources
  - More efficient use of conventional resources
  - Mitigation of our environmental impact
- Clean technologies represent one of the fastest growing segments for investment, but hundreds of billions of more investments in new technology are needed
- Only by combining talented entrepreneurs with experienced and knowledgeable investors can the best of those opportunities be identified, completed, managed, and monetized.

# Cleantech Invest Overview

- CTI is an asset management company focused on the cleantech industry
  - Served large institutional clients in the Nordics since 2005
  - Advised pension funds, PE funds, banks and other institutional investors in direct & PE fund investments
  - International reputation as a front runner in the Nordic cleantech space
- CTI has been mandated an cleantech accelerator (“Vigo”) status
  - Access to most attractive cleantech start-ups in Finland
- CTI manages Clean Future Fund (CFF)
  - Early stage cleantech VC fund and accelerator
  - CFF has a portfolio of 9 companies and attractive deal flow pipeline

# CTI Team

- CTI team has a long track record in clean technologies as entrepreneurs, investors and advisors
  - Investing in cleantech ventures since the beginning of the cleantech era, exits at double digit multiples
  - Raised 180MEUR, advised / managed >100 MEUR capital
  - Leadership experience from start-up phase to exits
  - Extensive global network of partners

# Clean Future Fund Portfolio

- Clean Future Fund has reviewed over 250 companies during the last 24 months and made 9 investments
- International cleantech investors have expressed investment interest for all CTI portfolio companies
- Carefully selected CTI portfolio has unique combination of cleantech diversity, but also potential for industrial synergy

# Clean Future Fund


- Early stage VC fund
- Sector focus: cleantech
- Area focus: Finland
- CFF investments leveraged with 1 MEUR government grant
- CFF has a portfolio of 9 companies and attractive deal flow pipeline
- Investors include private individuals and institutions



**Savo-Solar**  
expands use of solar heat to previously untapped markets.  
The firm has developed a proprietary coating that significantly improves the efficiency of solar thermal collectors.




**Netycycler**  
provides consumers a new way to save money and the environment through swapping of second-hand goods.  
The firm has developed a swap ring engine that automatically generates swap rings of up to 5 people online.



**Energize**  
cuts industrial electricity use.  
With its software and hardware based solution the company is able to reduce electricity use by a third in compressed air systems, which consume 4% of all electricity in the world.



**MetGen**  
enables significant efficiency improvements in biorefining. The firm develops enzymes for economically pre-processing wood-based feedstock.



**BT Wood**  
provides non-toxic wood treatment chemicals. The company's products are economical and effective and respond to tightening environmental regulation in the wood industry, globally.



**Ultranat**  
turns ash generated by power plants into valuable agricultural and construction products. The company offers ash handling services for utilities and creates significant value by separating valuable nutrients and purified silicate fraction from the waste product.



**Enercomp**  
enables smarter use of energy in electric motors in industry.  
Enercomp's software generates savings through better system settings and optimizing investments.



**MatOx**  
develops novel materials for global industrial clients, utilizing close partnerships with some of the world's largest IP owners.



**one1**  
provides energy islands for centrally producing heat from local renewable sources.  
Investment closed  
2/2012



# Observations: What does an interesting cleantech venture look like?

## **1. Path to successful cleantech venture is long and backgrounds vary a lot**

- Path from an idea to actual business is often long, core team often has solid and diversified background.
- Many interesting ventures are spin-off's from industrial companies sometimes based on old patents/innovations with new cleantech application area.
- Entrepreneur often have long experience from some industry and burning vision that the time has come for their product/service.

# Observations: What does an interesting cleantech venture look like?

## **2. Those who have customers lined up get investors interested?**

- In cleantech most products/services are B-to-B: real customer attraction is very important to know that the product/service addresses real customer need.
- Many (cleantech) VC's have moved on to more mature companies. Finnish and Nordic market has a shortage of private capital interested in early stage investments.
- Public funding is available but private investment is hard to get. Companies who have customers involved at early stage typically are most successful in raising capital (and in developing business)

# Observations: What does an interesting cleantech venture look like?

## 3. Most promising ventures and go boldly to global markets

- Most interesting ventures solve problems that have large scale business potential outside home market.
- Asia is main potential market for many cleantech-ventures:
  - Market demand for cleantech-solutions is very concrete.
  - Electricity outages, air and water pollution, problems in waste management are acute and there is a willingness to pay for solutions.
- Focus needs to be on both: developing home market references and customers outside home markets.

# Observations: What does an interesting cleantech venture look?

## 4. The most travelled roads are not the most interesting...

- A lot of supply for e.g. solar-, wind-, or LED-technology ventures, but from investor perspective more special cases are more interesting.
- The market for product/service can be large, even if its not one of the cleantech-buzzwords.
- Often less competition as well as special hard to copy know how and expertize.

Thank you!

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