

SUSTAINABLE BUSINESS MODEL INNOVATION

INVESTOR BRIEFING

Andrew Wordsworth

Managing Director

Sustainable Venture Development Partners



COMPANY

- Sustainable Venture Development Partners works with investors, entrepreneurial managers, and corporate partners to originate, build and grow sustainable companies

MANAGING DIRECTOR

- Andrew Wordsworth
- Formerly Managing Director of Carbon Trust Enterprises Limited
- 10years in new venture/product development within the climate change sector
- Experienced non-executive director – held 10 private company board seats, including 3 as company chairman

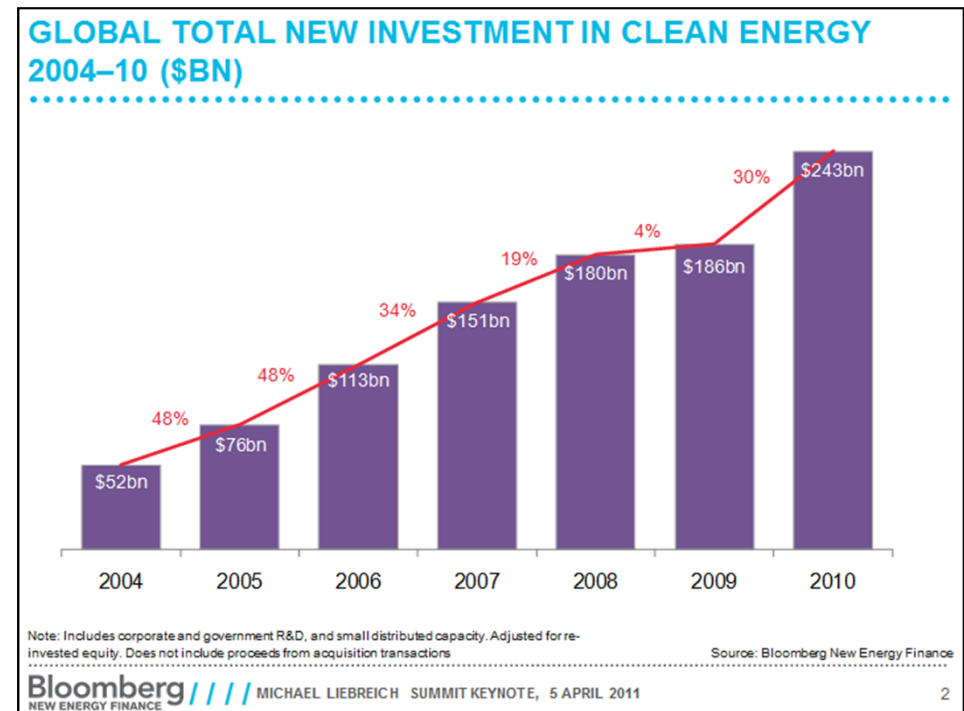
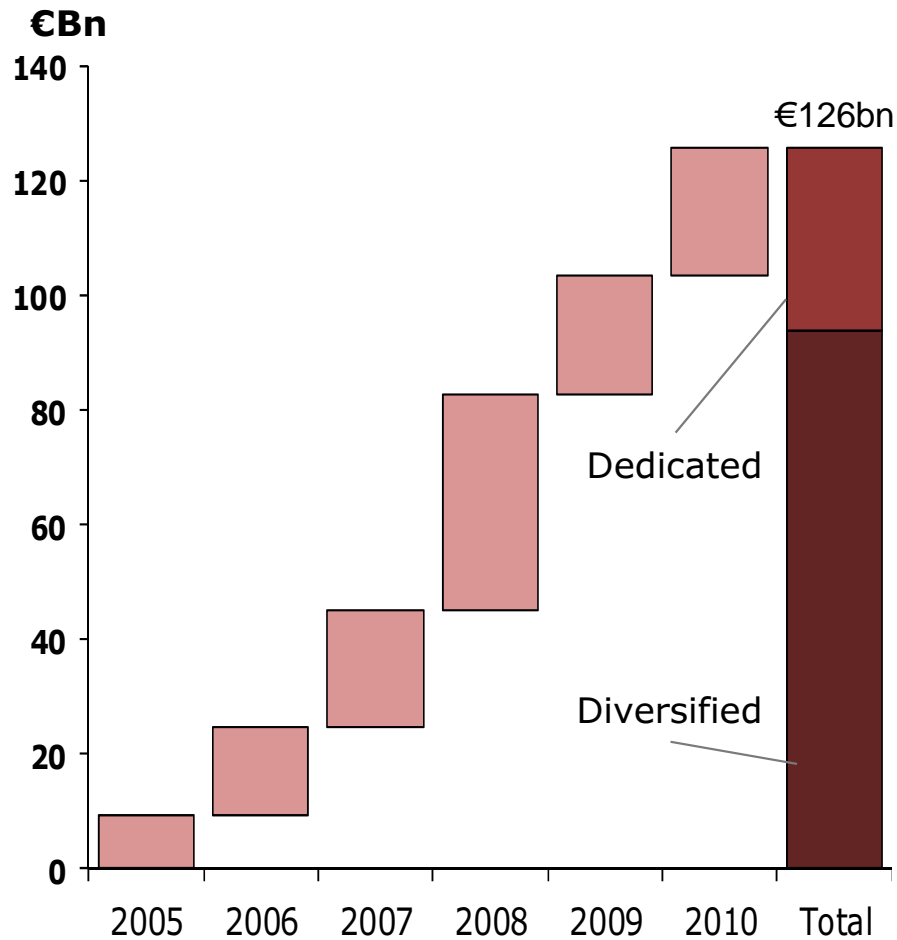
MANAGEMENT TRACK RECORD

- Created and launched 11 low carbon ventures which have attracted equity commitments of over £200m from blue-chip investors including HSBC EIF, Threadneedle, SSE and Rhodia
- Companies include Partnerships for Renewables (www.pfr.co.uk) and Low Carbon Workplace (www.lowcarbonworkplace.co.uk)

MARKET OPPORTUNITY

**Cleantech funds have increased rapidly...
...although renewables have dominated popular coverage**

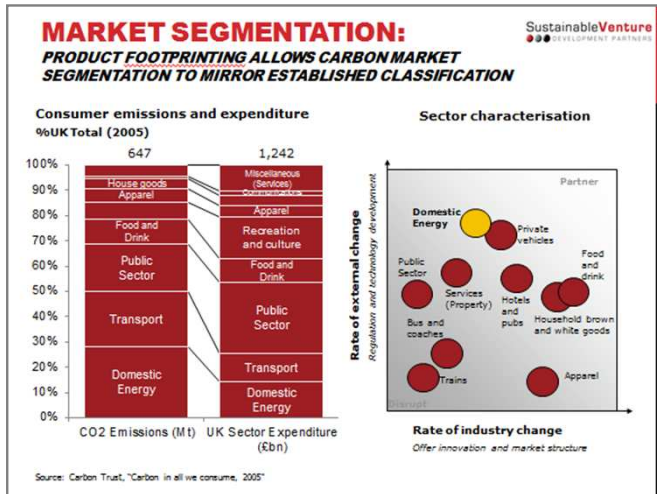
Private Equity Cleantech Funds Raised*



Source Preqin: Private Equity Cleantech review, April 2011, AW analysis

Note: *Annual fundraising by funds that include Cleantech Investments as part or all of their focus

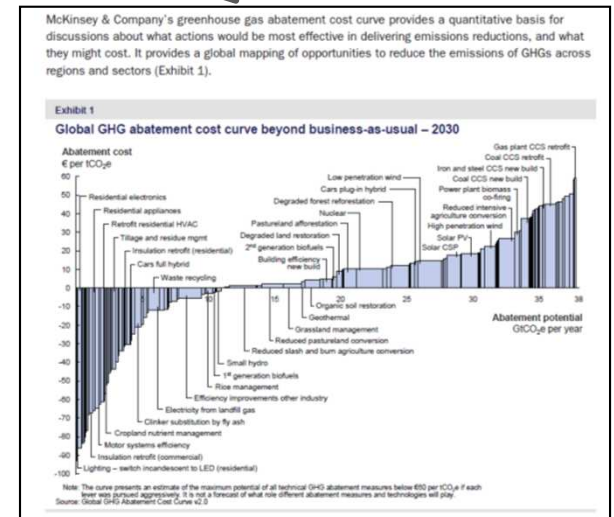
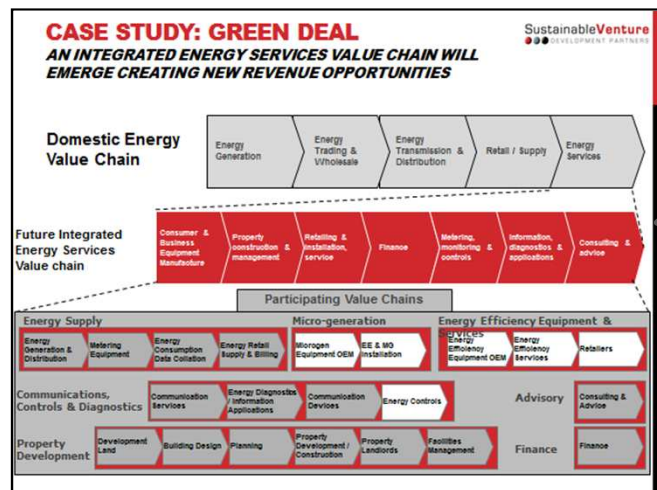
THREE DRIVERS FOR BUSINESS MODEL INNOVATION



Sustainable opportunities in every market sector

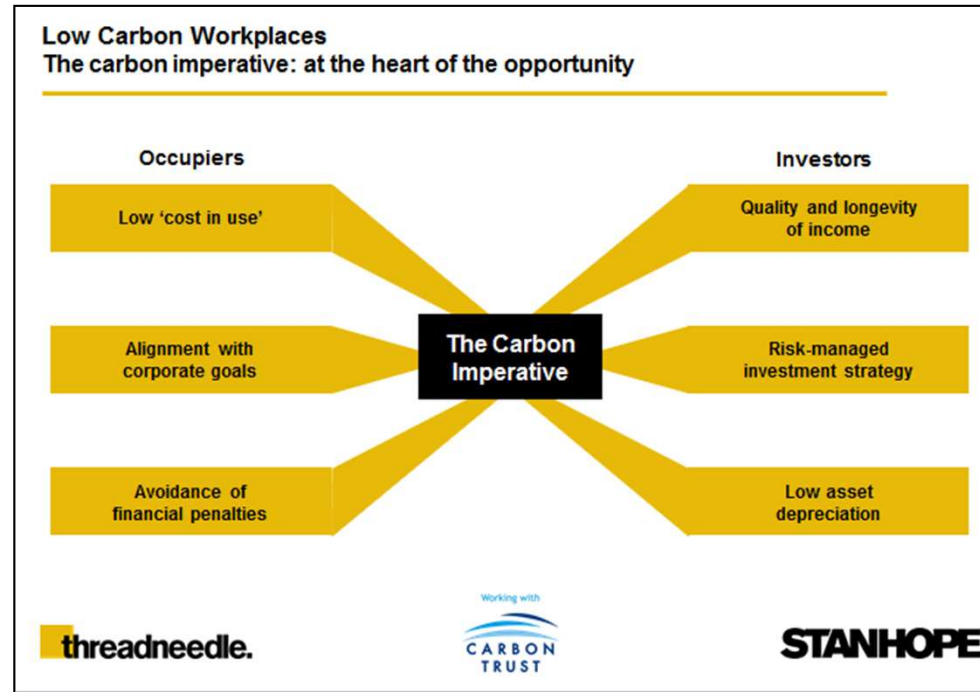
Plenty of proven low carbon technologies requiring deployment at scale

Converging value chains



CASE STUDY A: EVOLVED MODELS

LOW CARBON WORKPLACE

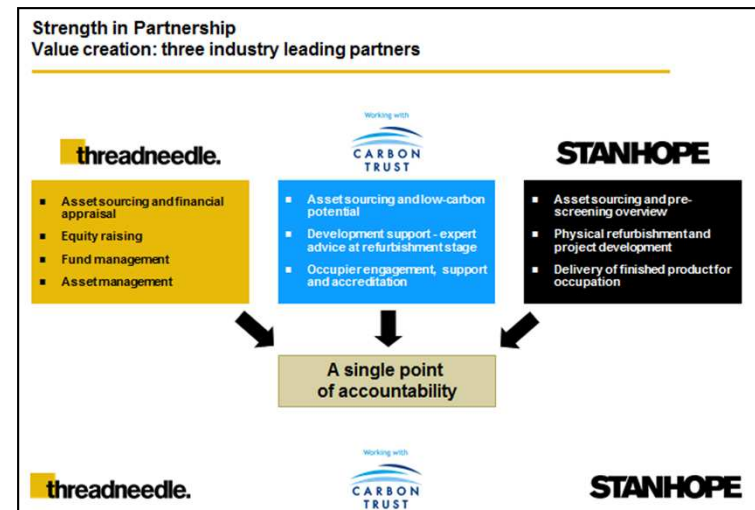


Portfolio Assets
Grove House, Hammersmith

- Acquisition price band £5-10m / £12m refurbishment programme
- 63,000 sq.ft office located close to Hammersmith Broadway, acquired off market at £ capital value per sq.ft.
- Low carbon refurbishment allowing mixed mode operation, natural ventilation supplemented by innovative mechanical cooling system affording maximum occupational capacity
- Forecast IRR – Realistic 3 years 11% / Pessimistic 5 years 9%

Working with
CARBON TRUST

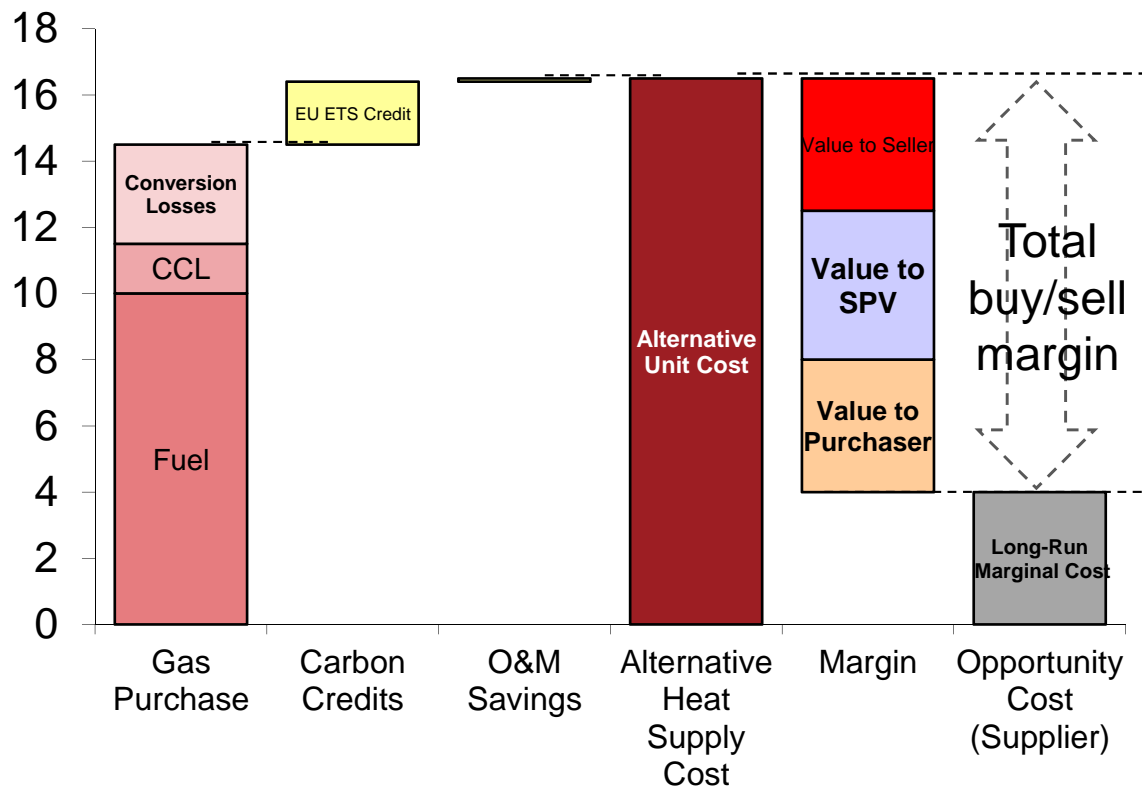
threadneedle. **STANHOPE**



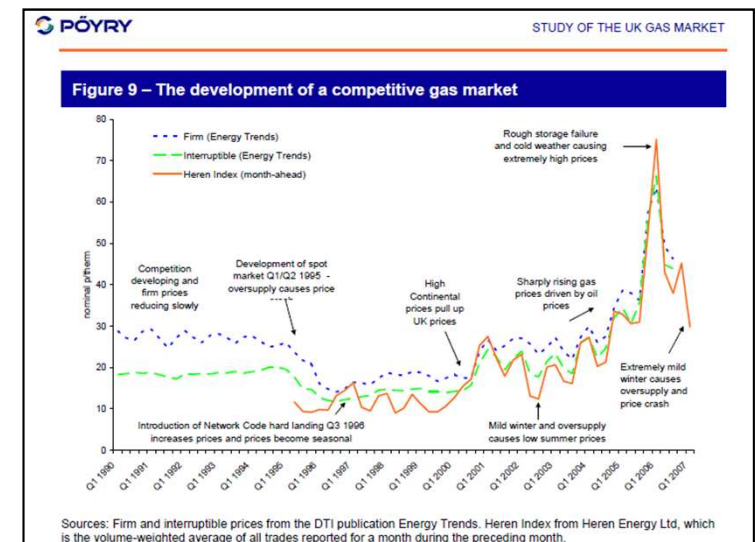
CASE STUDY B: SHARED SAVINGS

CONNECTIVE ENERGY LIMITED

Waste Heat Distribution Margin
£/MWh



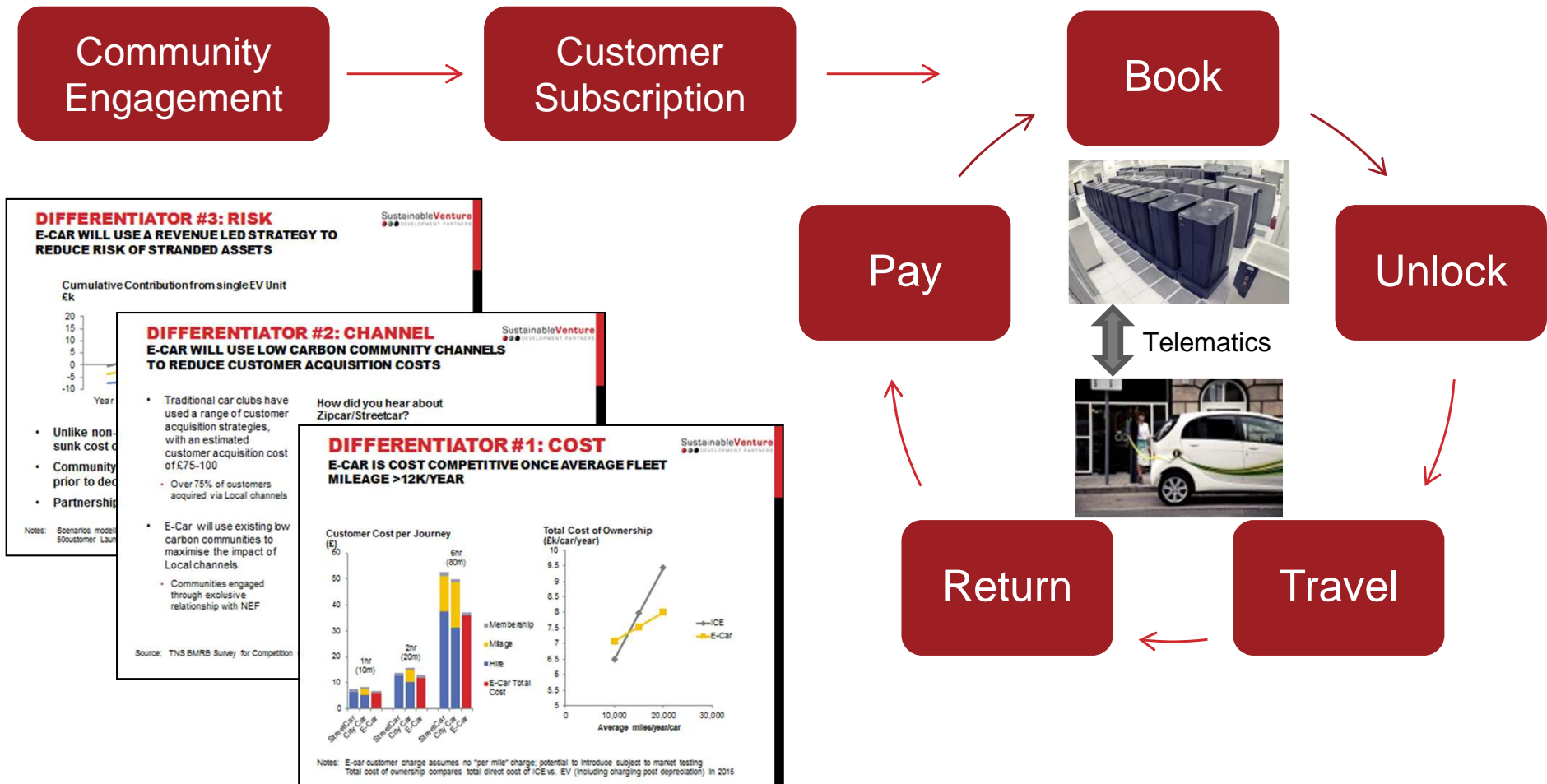
40Twh/year
(~£2bn)
market



CASE STUDY C: ASSET SHARING

E-CAR CLUB LTD - THE ELECTRIC VEHICLE CAR CLUB

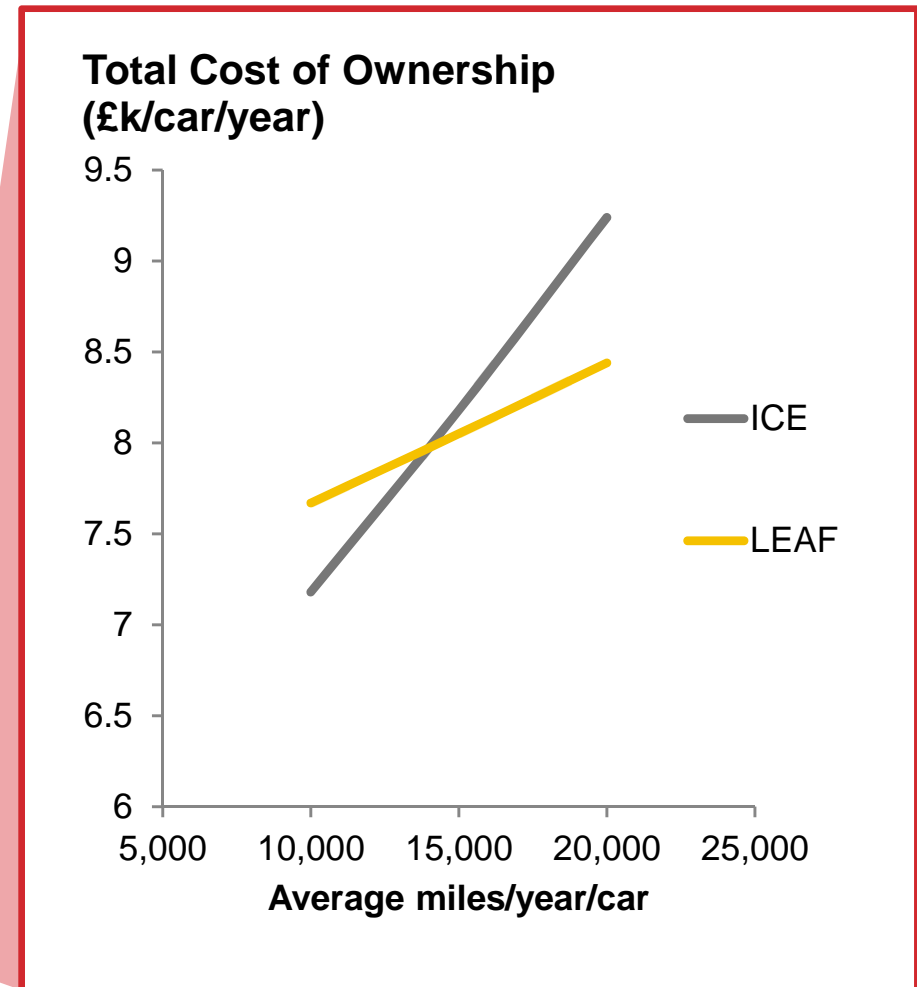
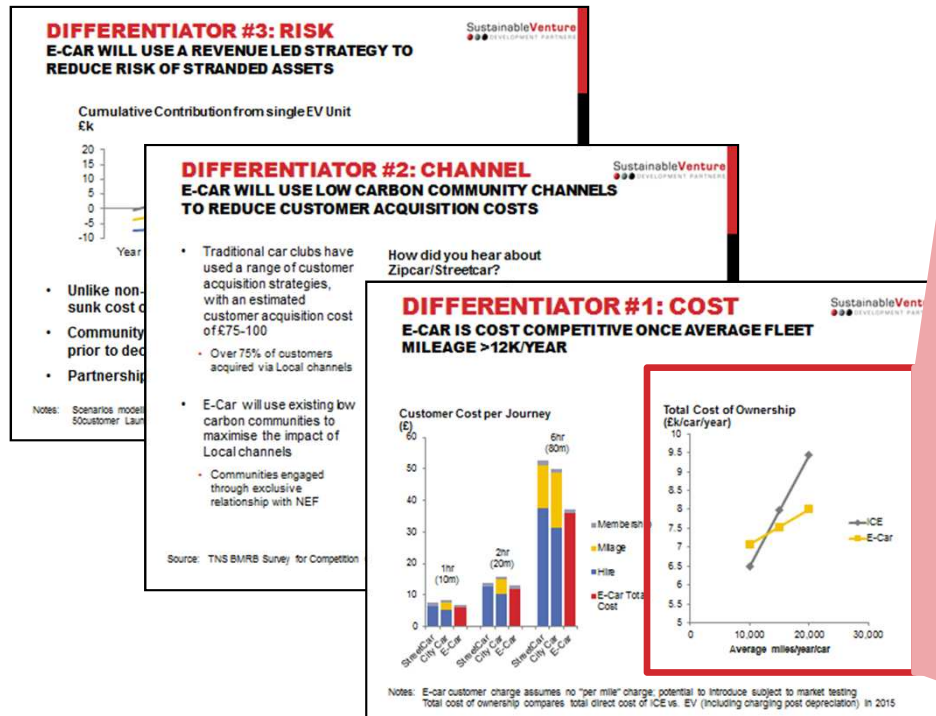
A cost-competitive, wholly electric, pay-per-use car club addressing the present and future needs of the personal urban and sub-urban transport market through existing community networks.



CASE STUDY C: ASSET SHARING

E-CAR CLUB LTD - THE ELECTRIC VEHICLE CAR CLUB

A cost-competitive, wholly electric, pay-per-use car club addressing the present and future needs of the personal urban and sub-urban transport market through existing community networks.

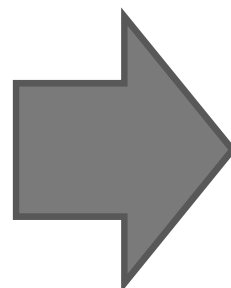


INVESTMENT PLAN SUMMARY

E-CAR CLUB LTD - THE ELECTRIC VEHICLE CAR CLUB



Application of Funds	
Pilot Development	£200,000
Central Costs	£150,000
Other	£50,000
Contingency	£100,000

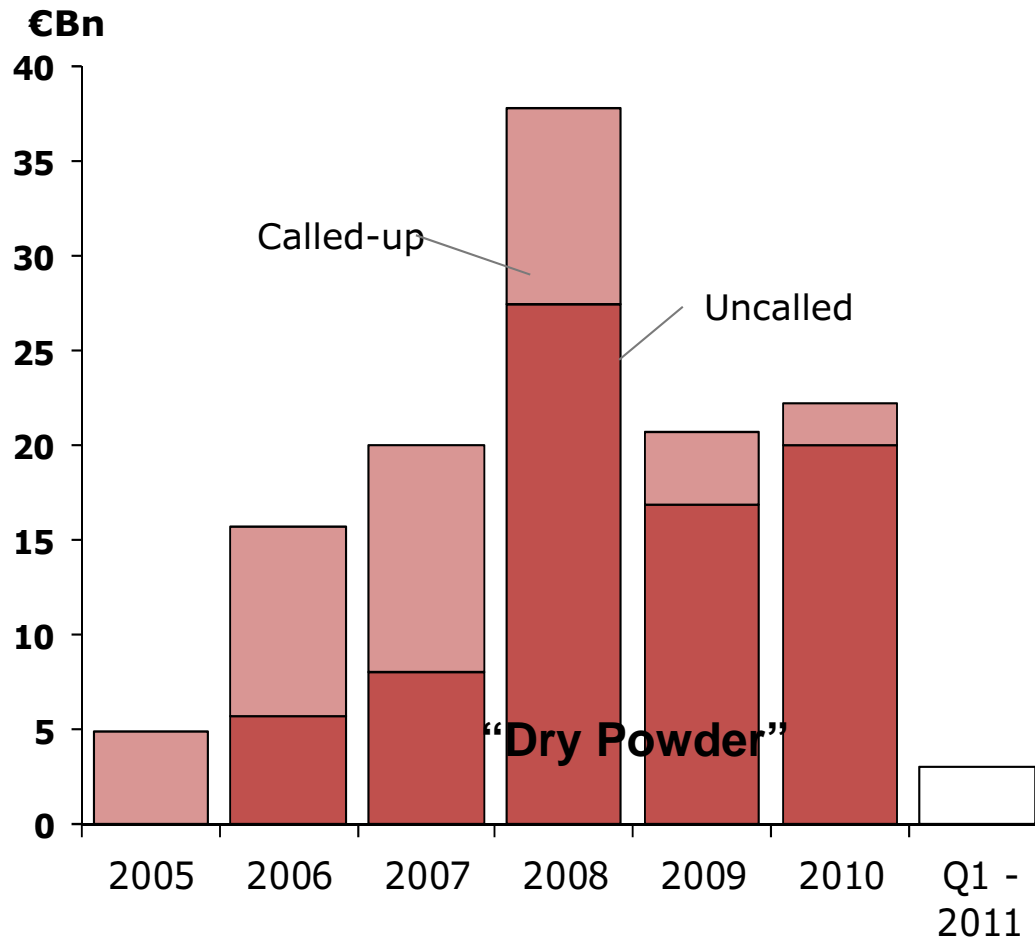


Drawdown against Milestones	
Q1 2012	Deal closure, CEO in position
Q2 2012	Procurement complete; pilot sites recruited
Q3 2012	Phase 1 pilots installed
Q4 2012	Phase 2 pipeline identified; Fundraising commenced

MARKET OPPORTUNITY

SHORTAGE OF INVESTMENT OPPORTUNITIES CONTRIBUTING TO RECORD LEVELS OF UNCALLED FUNDS – *DESPITE* FALL-OFF IN NEW FUNDS RAISED

Private Equity Cleantech Funds Raised*



- €125bn of funds raised globally into the Cleantech sector since 2005
- Fundraising held up well during the recession; although pure cleantech funds raised have recently dropped sharply
- **However, over €80bn remains uncalled...**
- **....funds remain available for well-structured, later-stage investment opportunities**

Source Prequin: Private Equity Cleantech review, April 2011, AW analysis
Note: *Annual fundraising by funds that include Cleantech Investments as part or all of their focus
2005 funds shown assumed fully called as have reached end of investment period

THANK YOU



www.sustainableventures.co.uk



www.e-caruk.com

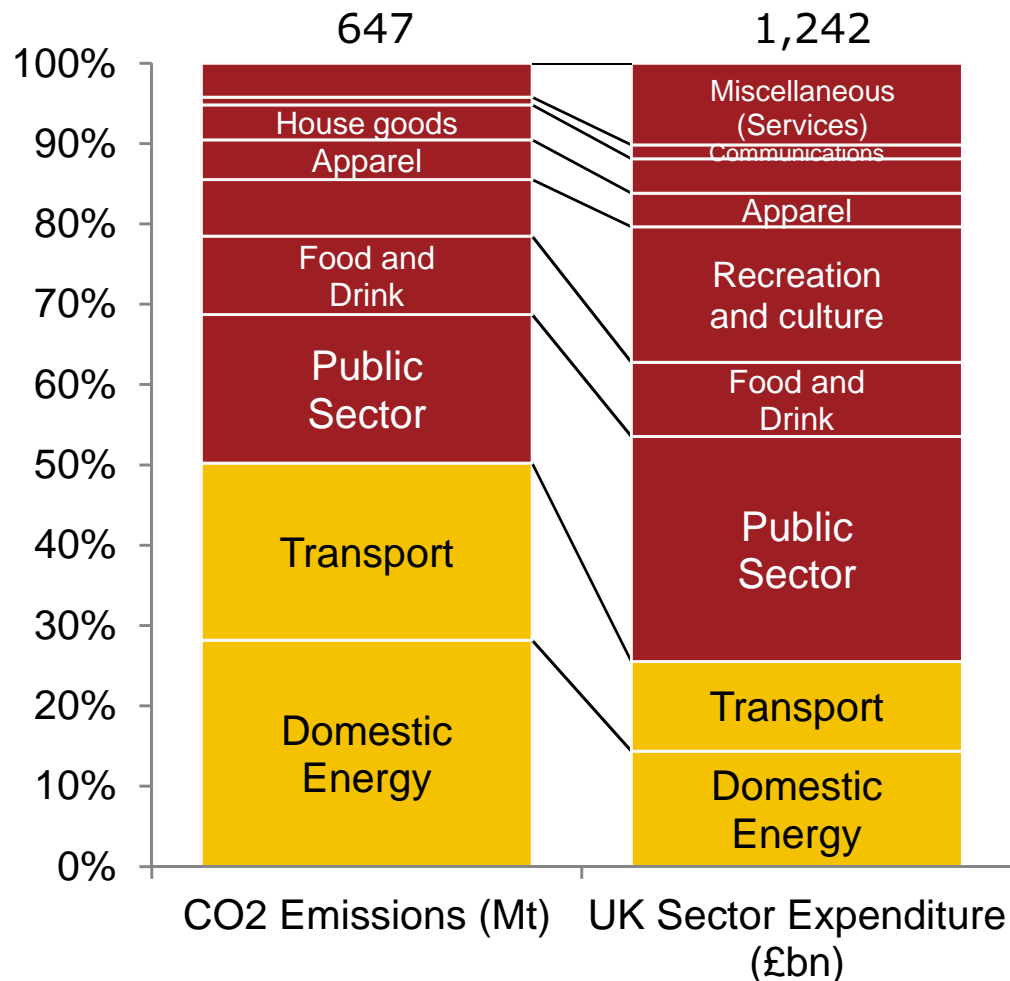
E-Mail: andrew.wordsworth@sustainableventures.co.uk

Tel: 020 7193 5121

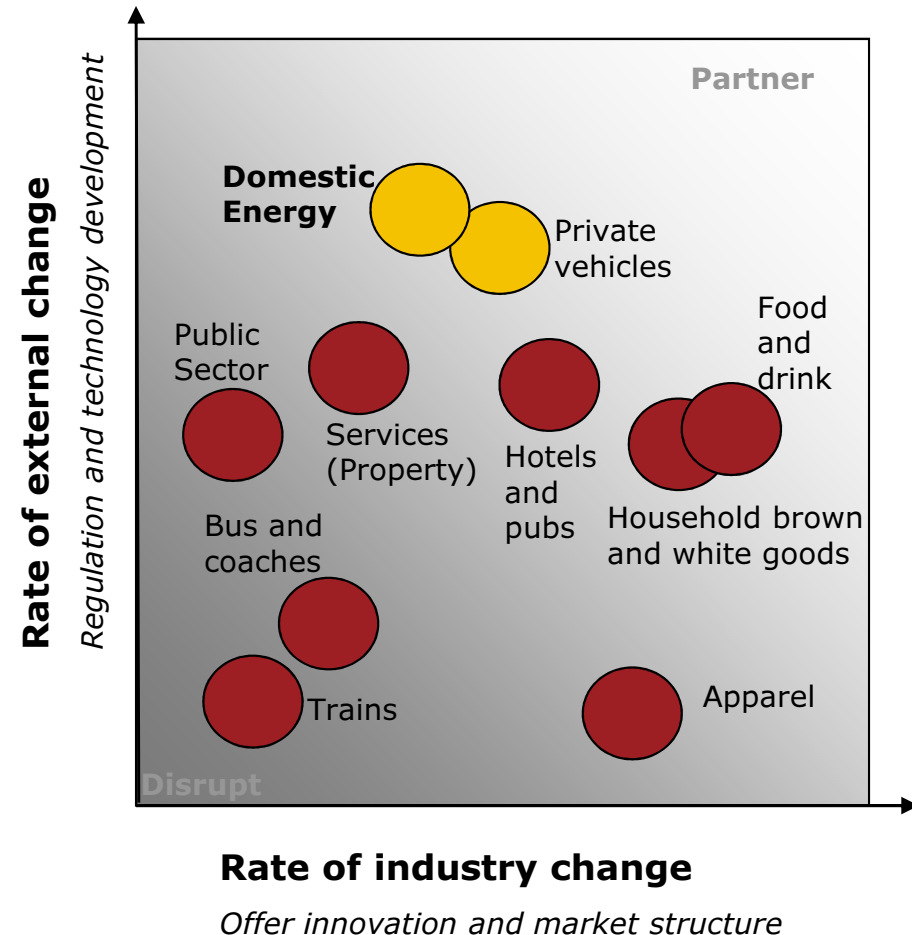
MARKET SEGMENTATION:

PRODUCT FOOTPRINTING ALLOWS CARBON MARKET SEGMENTATION TO MIRROR ESTABLISHED CLASSIFICATION

Consumer emissions and expenditure
%UK Total (2005)



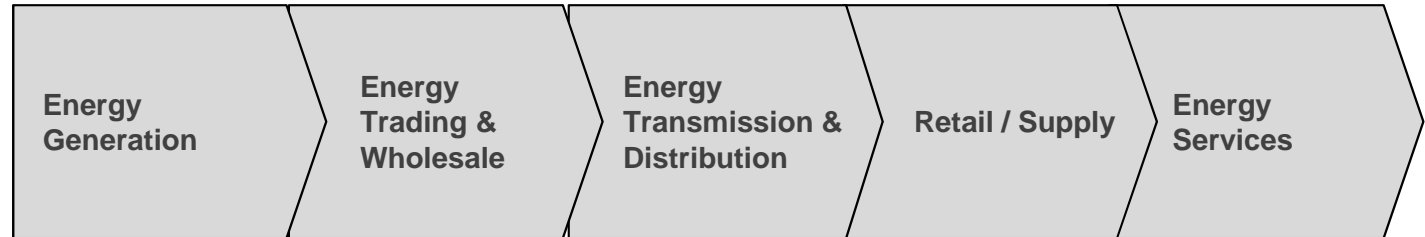
Sector characterisation



CASE STUDY: GREEN DEAL

AN INTEGRATED ENERGY SERVICES VALUE CHAIN WILL EMERGE CREATING NEW REVENUE OPPORTUNITIES

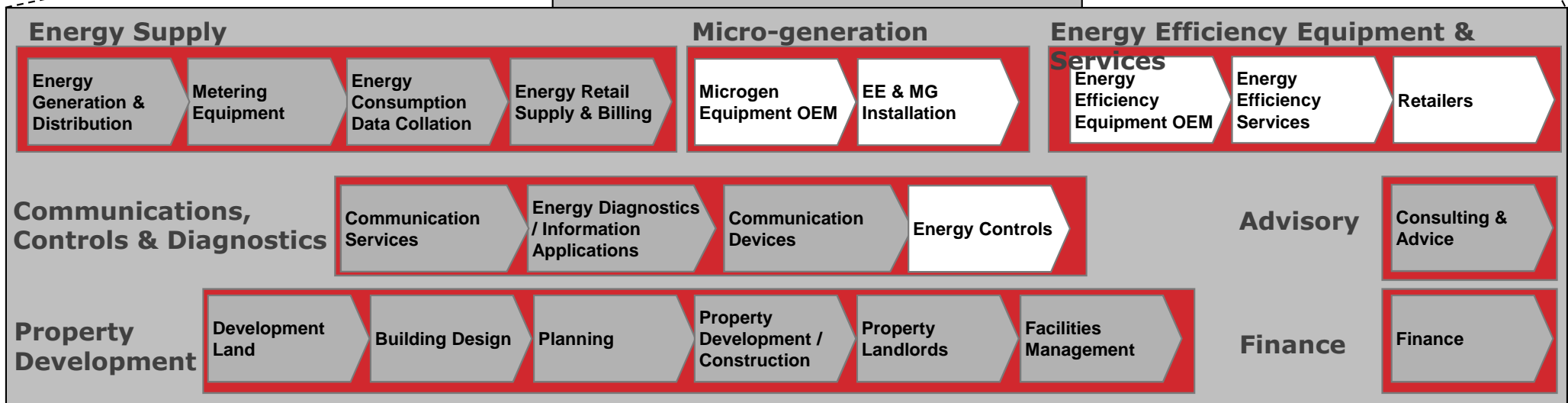
Domestic Energy Value Chain



Future Integrated Energy Services Value chain

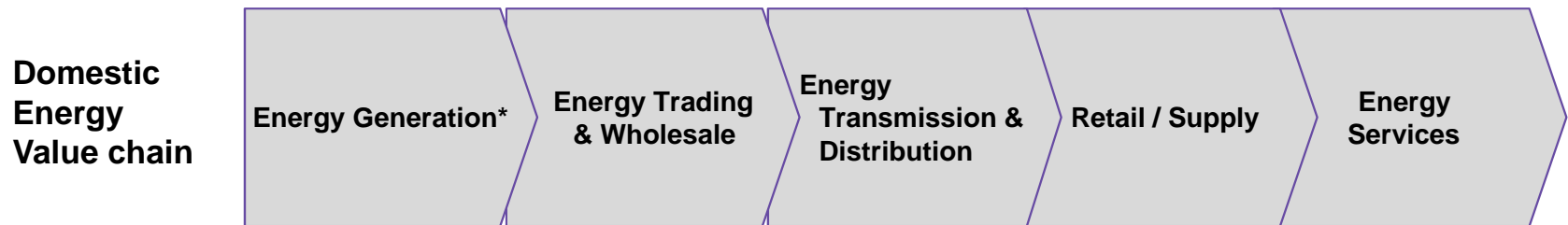


Participating Value Chains

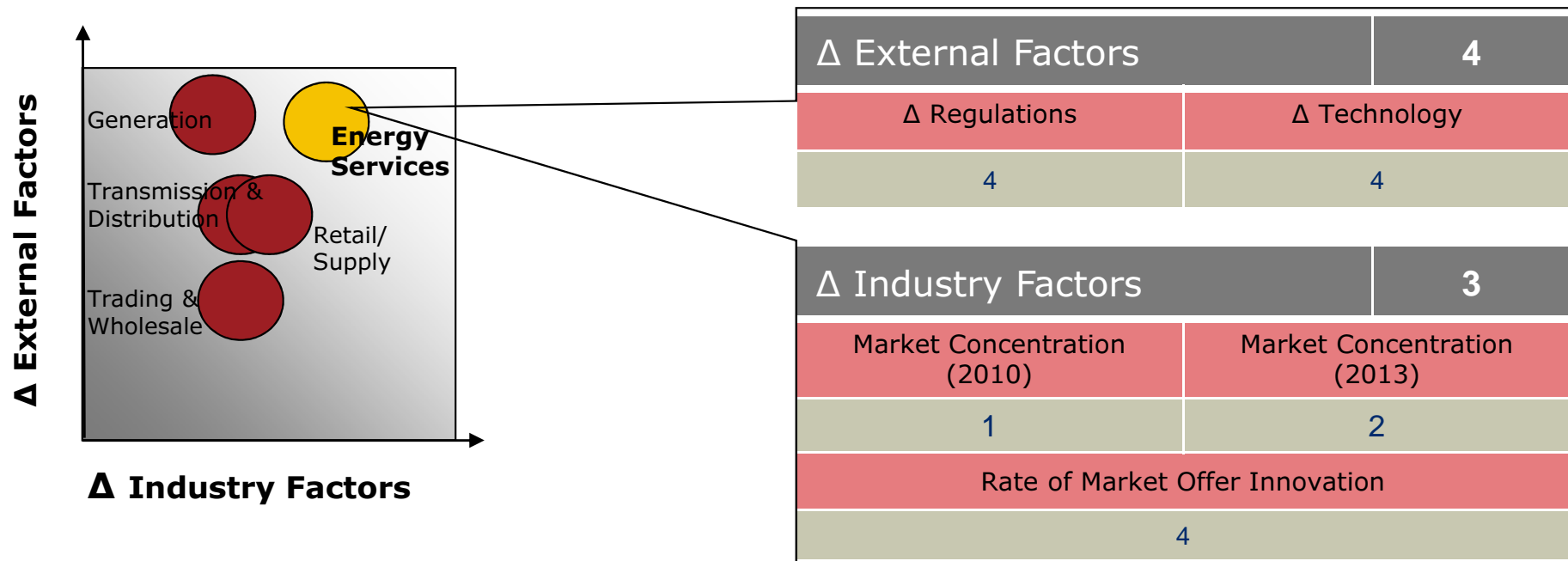


MARKET ASSESSMENT:

POTENTIAL FOR HIGH GROSS MARGINS CONTRIBUTING TO UTILITIES LAUNCHING ENERGY SERVICE OFFERINGS



Commercial Attractiveness	Market Demand	↓	→	↓	↓	↑
	Gross Margins	Varies by technology	1% - 2%	2% - 5%**	5% - 7%	0% - 35%



*Generation Equipment Manufacturing Excluded from analysis

**Net Margin