



**TURQUOISE**

Finance | Energy, Environment, Efficiency

# Rushlight: Investing in Industrial Cleantech

23 May 2017

[www.Turquoise.eu](http://www.Turquoise.eu)

# Turquoise

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## Established in 2002

Core team of 11 staff plus 8 consultants  
Authorised and regulated by the FCA



## Focus on Energy, Environment & Efficiency

Technologies - e.g. energy storage, LED lighting, water  
Infrastructure - e.g. solar, geothermal, waste-to-energy



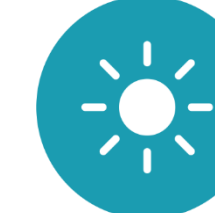
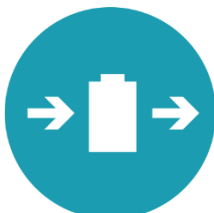
## Leading adviser in the sector

60+ advisory mandates  
Focus on capital raising £5-20m  
M&A – particularly for companies with significant IP value component



## Active early stage investor

Manager of Low Carbon Innovation Fund (£18.5m invested in 23 early stage investments)  
10 seed stage principal investments, including 5 start-ups

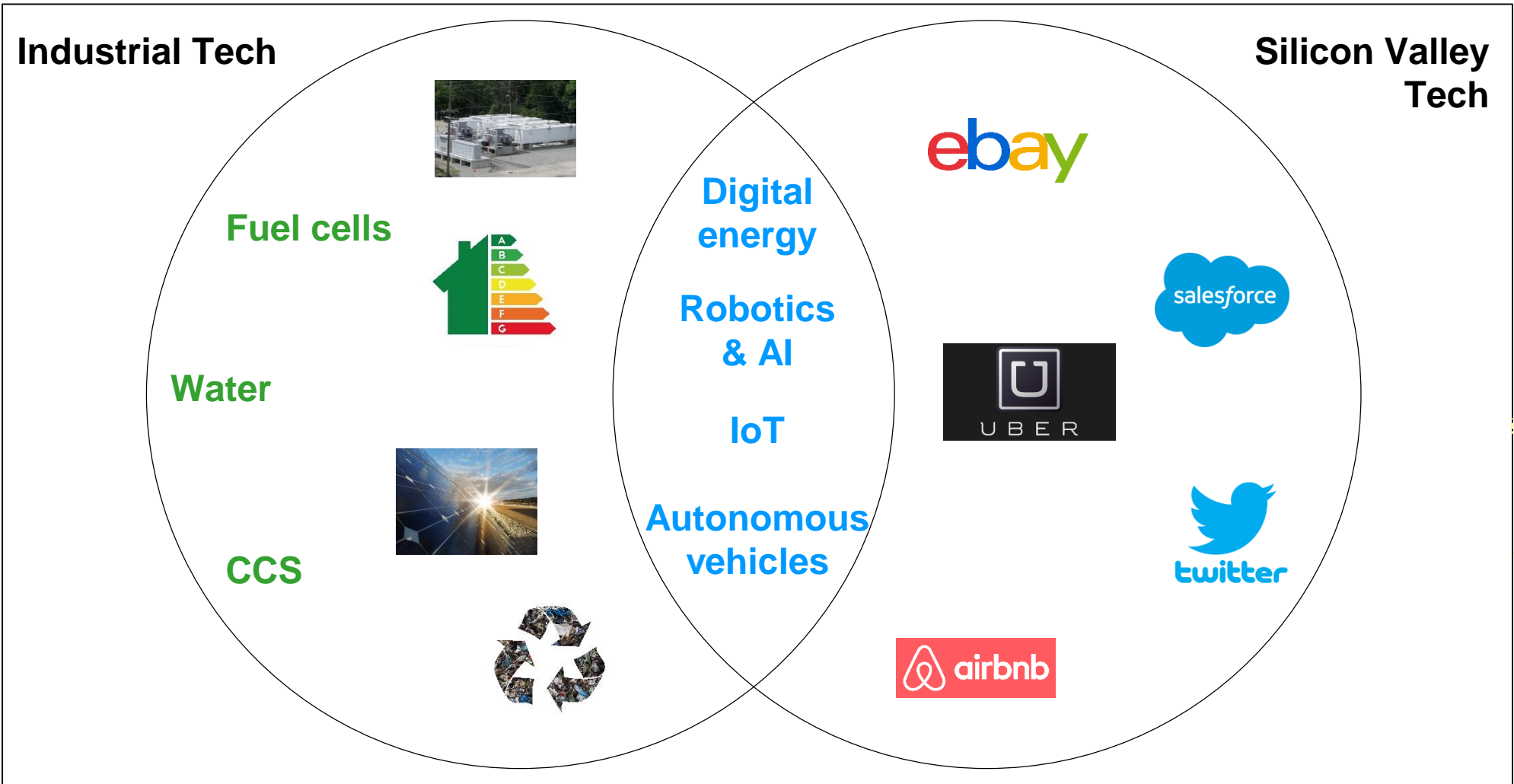


# What is Industrial Cleantech ?








































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- **Time to stop talking about 'Cleantech' !**
- **Cleantech has negative connotations for many investors**
- **All new industrial technology is clean(er)**
  - More efficient – operationally, energy consumption
  - Less polluting – fewer emissions
- **Different technologies are converging**
  - Hardware and software
  - Internet-enabled
  - Data & 'intelligence'
- **So Cleantech = Industrial Tech ... but maybe just Tech ?**

# What is Industrial Tech ?



# Turquoise experience

Renewables	Bioenergy	Waste	Automotive	Smart energy
      	  	    	  	   
Water	Energy Storage	Fuel Cells	Heat & Cooling	Other
  	 	   	  	    

# Challenges in Industrial Tech

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- **Product development requires significant resource**
  - Time
  - Money
  - Need for accreditation
- **The customer is (mostly) not a 16 year old kid, a Millennial or a Prosumer**
  - Most segments are B2B
  - Regulatory compliance
  - Customers want to test & see case studies
  - Disconnect between Innovation and Purchasing
- **Sales cycles are (too) long**
- **Acquirers want scale not just technology**

# Support for Industrial Tech

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- **There is public funding for industrial innovation**
  - Innovate, BEIS, etc.
  - Replacements for H2020 & EIB post-Brexit ?
- **Also early stage private funding**
  - (S)EIS
  - Corporate collaborations
  - VCs (increasingly CVCs)
- **Most Industrial Tech can be patented**
  - Establishes long term value
  - Can be licensed
  - Tax benefits (Patent Box)

# Risk mitigation

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- **Funding risk**
  - Raise money 12 months ahead
  - Broaden the investor base
  - Get the valuation right
- **Explore all commercialisation options**
  - Niche applications
  - Different customer types
  - Licensing into non-core sectors
- **Exit timescale**
  - Attract patient capital
  - Identify 'early' exit point(s)



## A few examples

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- Supplier of home displays for smart meters transitioning to smart home hubs
- Combining IoT, domestic energy storage & energy efficiency



- Developer of SaaS product for automotive aftermarket
- Brings Big Data and machine learning to an industry segment lacking innovation



- Sensor technology for drinking water networks
- Builds on the move towards 'smart networks' in a highly conservative industry



- Natural ventilation systems to improve energy efficiency of HVAC
- Sold to Volution Group in late 2016

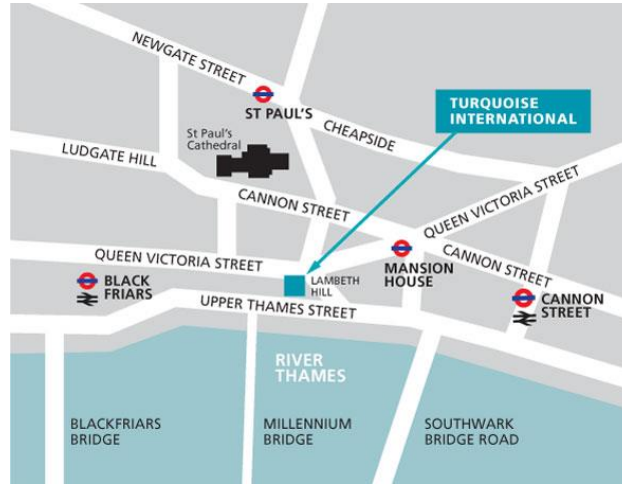


- Manufacturing process for bottles and containers from paper pulp
- Cost neutral, sustainable product for major FMCG brands

# Contact info

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Our office is located in the City of London, close to St Paul's and the Millennium Bridge.



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