

# **BVP Investments Ltd**

**Cleantech Fund for Ireland**

**Investor Conference**

**8<sup>th</sup> September 2010**

# Agenda & Conference Objectives

- **Investment Strategy**
- **Investment Performance**

# Who is BVP Investments Ltd?

- **Venture fund / expertise in renewable energy**
- **Have raised € 3.5 million in 3 funds from 2007 to 2009**
- **Revenue approved BES Funds**
- **Regulated by the Financial Regulator**

# Present team:

## **Richard Hayes FCA (Director)**

IFG Group plc, Chief Exec. €100 million Public company on LSE and ISE

## **David Gavagan FCA (Director)**

Previously DCC plc. Exec director, Hibernia Capital Partners, Managing Partner, €80 m

## **Elliott Griffin FCA (Director)**

Hibernia Capital Partners, CFO, €80 m Dev.Cap Fund. Founder BVP Investments Ltd,

## **Conor Toolan, BEng, MBA**

Mechanical Engineer, Formerly Shell, Founder Clearfuels Ltd, Intl bio-oils company

## **Michael Garrahan, MSc. ASIAI**

Senior investment analyst, Experienced fundraising executive.

## **AN Other, MEng, MBA**

US-International Patents, Silicon Valley based Intel Technology and Business Executive

# Investment Strategy

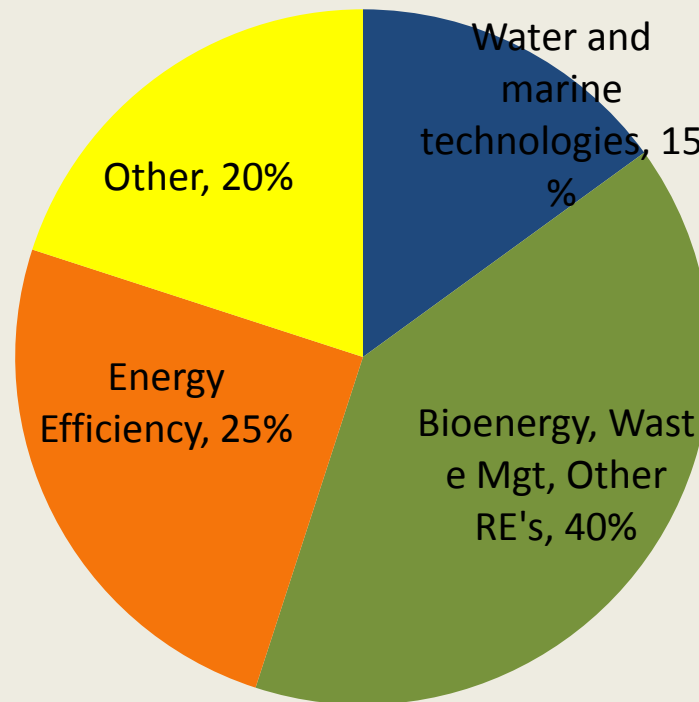
# Why Renewable Energy for Ireland?

- **Vulnerable to Security of Supply & Price Volatility**
- **Significant Resources Available:**
- **Commercial Prospects:**
  - **Economic Benefits**
  - **Employment Benefits**
  - **Energy Independence**
  - **Positive Investment Payback**
  - **Global Market Exposure**

# Driving Ireland to Renewable Energy

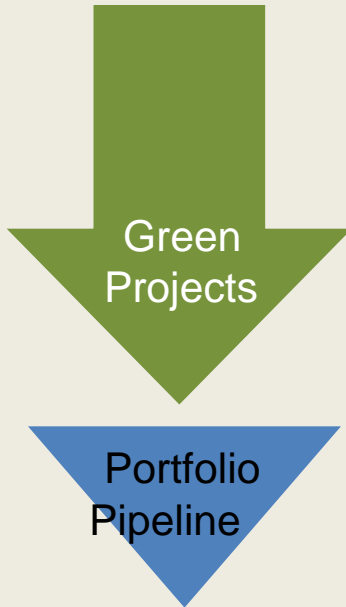
- *Carrot*: Government **Incentives** Driving Change
  - **Feed In Tariffs**
  - **Planning Process**
  - **Interest Rate Loans**
  - **Capital Grants**
  - **Upgrading National Grid**
- *Stick*: Industry Wide **Regulations**
  - **Increased Taxes**
  - **Carbon Caps**
  - **Policy & Obligations**
  - **Energy Efficiency & Renewable Energy Targets**

# Initial Target Fund Portfolio mix



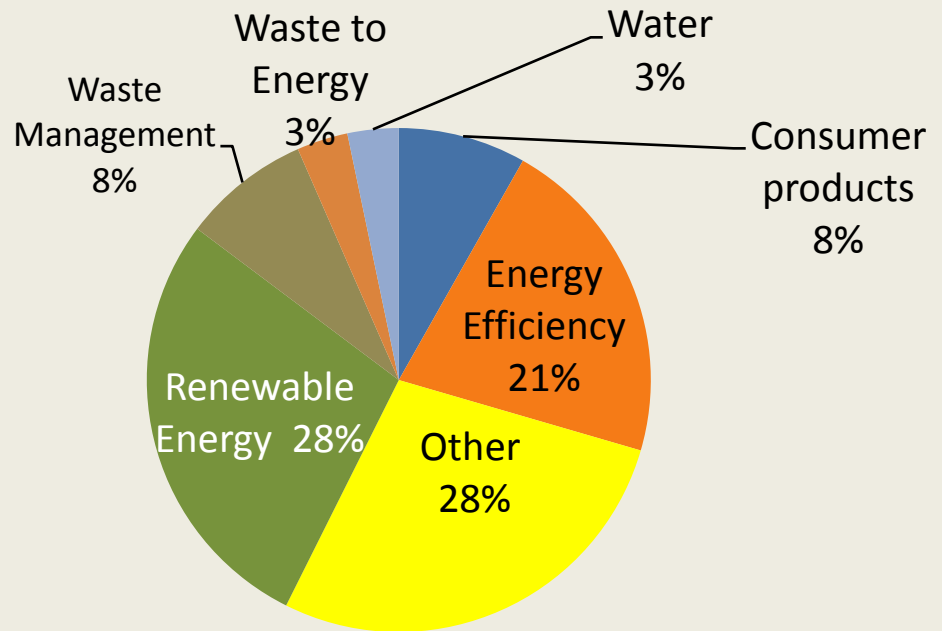
# Deal flow Statistics\*

61 Projects



2 New Investments  
+ 3 Existing portfolio

**Total 5 Investments**



**Sector Mix**

\* Statistics taken for the 12 months to 2009 only

# Bioenergy (40%)

- Ireland has some of the best agricultural land in the world yet Biomass contributions are lowest in Europe
- Ireland a laggard in this area (1/3<sup>rd</sup> EU average)
- Exploitable Resources: Biofuels (Bioethanol & Biodiesel) agricultural land and Solid Biomass from Forestry/Waste
- **Solid Biomass:** Total energy/ year 8,000Gwh/yr
- (Anaerobic Digestion, Waste Management) 710,000 tonnes MSW, 140,000 tonnes MBM 2,200GWh/year (37m tonnes animal: pig, cattle, birds)
- **Government initiatives:** capital grants for business & biomass, FIT/grants for domestic renewable heat
- Biomass Knowledge & Technologies: Irish Bioenergy companies providing technologies for major international companies

# Ocean Energy (15%)

- Best wave resources in the world: 5631km coast, strong prevailing winds, Atlantic fetch
- Available Energy: 32,000GWh - equivalent to National annual consumption
- **Government Initiatives**
  - Funding
  - R&D
  - National Test Site, Centre of Excellence in Ocean R&D
- National Target: 500MW installed capacity by 2020
  - Reduce 50million Euros imports
  - 1000 jobs in market valued at 800m Euros

# Energy Efficiency (20%)

- Simplest, fastest way to make significant savings
- 'Use Less' and 'Do more with what we use'
- e.g. Incandescent light bulb only converts 5% of energy into useful light, 95% of energy used lost
- Ireland: 33,600 GWh of energy could be saved
- Commercial and Domestic investments in EE (electrical appliances, Insulation, retro-fitting heating systems)
- Multi-sector approach: Business, Household, Service Providers

# Other ventures (25%)

- Reducing or assisting carbon emission reductions
- Promoting sustainability
- Open to Service based businesses
- Or Ancillary technologies for RE technologies
- With export capability
- Exploiting a distinct niche

# Investment portfolio Report

Private and Confidential

# Our current portfolio

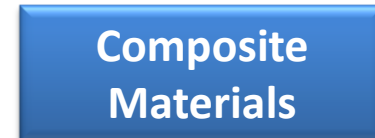
2007/08 FUND



2008/09 FUND



2009/10 FUND



# Highlights

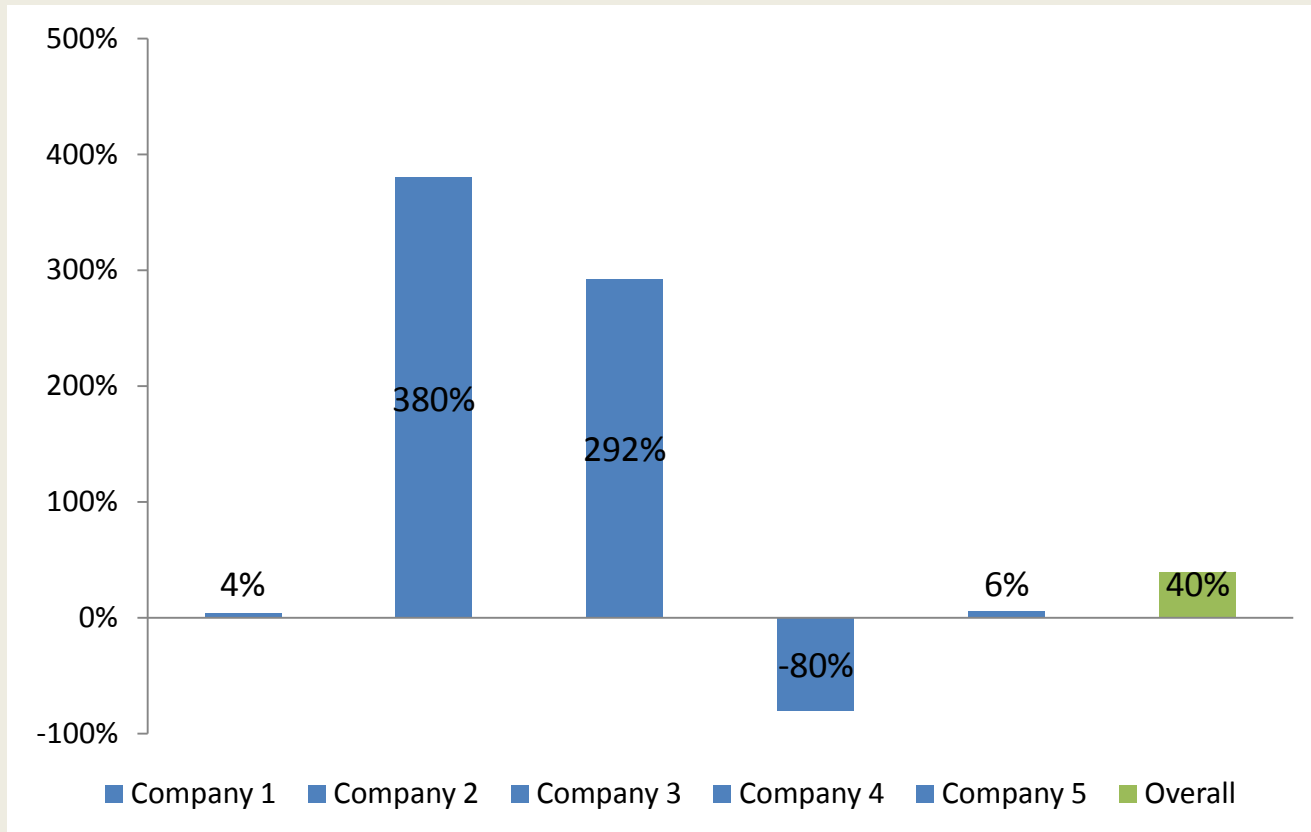
## Typical characteristics of Portfolio companies:

- Focus on management & structure
- Customer and supplier validation

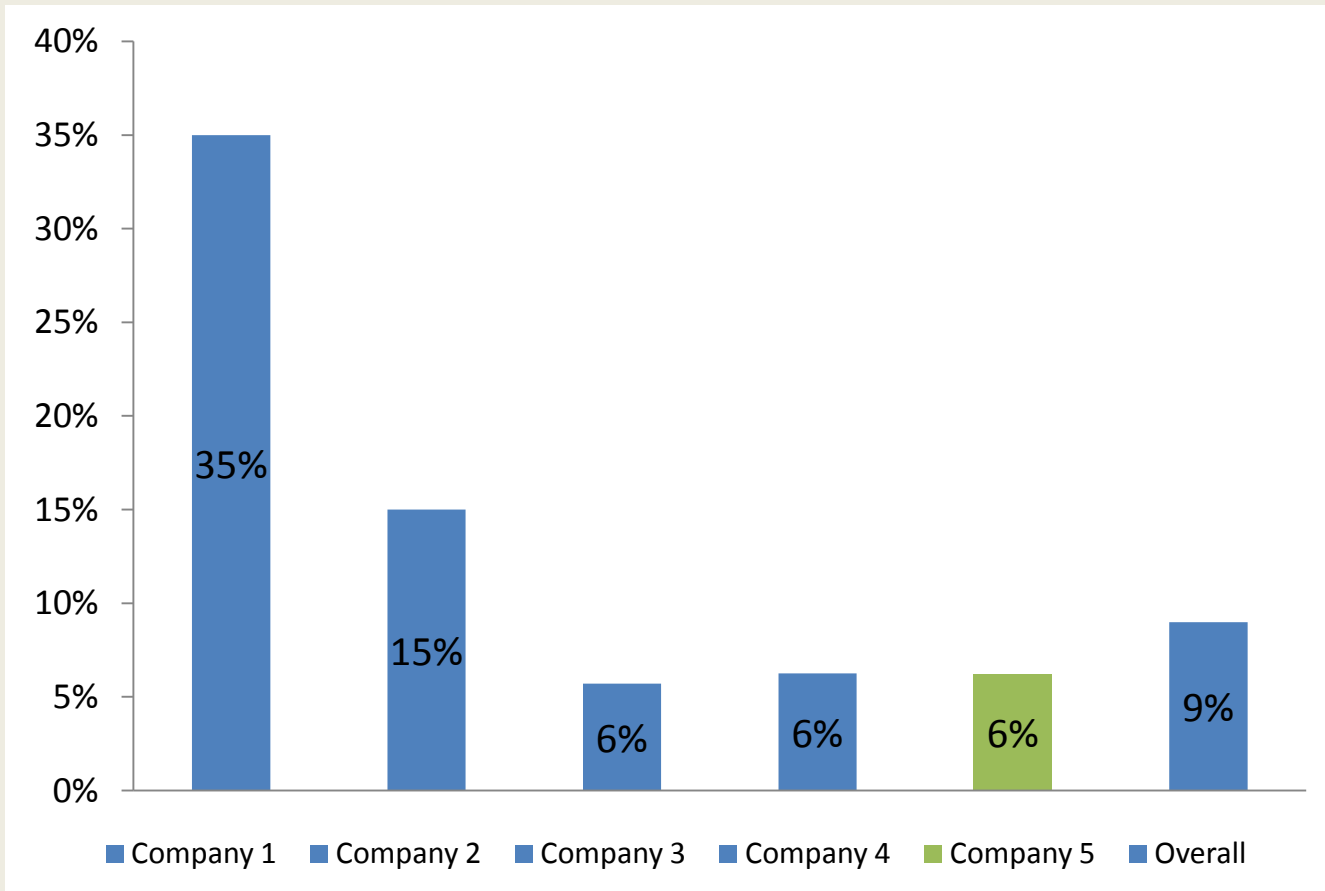
## Typical characteristic of each Fund investment:

- Ordinary shares
- Board positions
- Ongoing involvement (varying)

# Valuation - Fund 1



# Valuation - Fund 2



# The Companies

# Wavebob

**Wave energy conversion technology developer**

**Based in Maynooth, Co. Kildare.**

**Active board membership.**

**Use of our Investment for Product Development**

**Has raised €4m already from Private & Instit. Investors**

**We have invested 2 times due to solid progress in:**

- **Securing JV with Swedish energy company**
- **European funded Consortium for large scale device**

# Wavebob

**Current value higher versus Original value of our investments**

**Investor value will be achieved by:**

- **Rollout of commercial licensing 2012 in Ireland and US**
- **JV partner with Irish wave farm developments 2011+**
- **Technology the key for large international manufacturers**

# EFT

## Energy Efficiency Software & / System

Based in Bray, Co. Wicklow.

Active board membership.

Has raised €2m already from Private & Instit. Investors

We have invested 3 times due to progress in:

- Entering the UK and US markets
- Securing further a US based Strategic investor
- Building out the Development team and Sales team

# EFT

**Current value higher versus Original value of our investment**

**Investor value will be achieved by:**

- **SaaS model for US and UK rollout of VAR and ESCO partnerships**
- **Value add component for large corporate technology and Energy co's**

# Celtic

## Biodigestion Adviser

Based in Midleton, Co. Cork.

Active board membership.



Has raised €1m already from Private & Instit. Investors

We invested due to solid position:

- 9 yrs experience of Biological treatment of waste
- 16 plants in Ireland (13) and in the UK (3)
- Proven experience in a soon to develop high growth sector

# Skypaq

## Eliminating paperbased Maintenance records for Aircraft

Based in Mullingar, Co. Westmeath

Active board membership

10 year contract with Finnair (68 aircraft)

Installing test sites in two major airlines in

UK and US

We have invested 2 times due to :

- Strong validation from Key partner
- Verification of new trial customers

Key challenge: long sales lead times



# Biomass

**Heat and CHP generation from on site (farm) waste**

**Based in Kantoher, Co. Limerick**

**Full scale live units in locations in Ireland & UK**

**Operations now part funded by customers**

**International interest from Italy, Korea and US**

**We have invested 2 times due to :**

- Strong validation from Key UK partner**
- Full scale technology now working**
- Structures and systems being put in place to reduce operating and financial risk**

# Hybrid Energy Solutions

Hybrid power generation for Telecoms (& others)

Based in Co. Kilkenny.

Full scale live units in 26 locations arounds Ireland

Operations now part funded by customers

Achieved on only €0.3m already from Private & Instit.  
Investors

# Cool Power Products

## Microgenerator Load management controller

Based in Booterstown, Co. Dublin.

Over 50 domestic live sites installed in locations in Ireland & UK

Now also a commercial product for Grid Stabilisation on trial in UK

Working with some large energy co's for Demand Side Management technology

Operations now part funded by customers

Has raised €0.5m already from Private & Instit. Investors

# Ikon Semiconductor

## LED Driver for LED lights

**Based in IFSC, Dublin 1.**

**Founders strong background in semiconductor industry**

**Main focus in 2010 has been building team 2-3 key people**

**Use of subcontractors as and when needed**

**Tape out planned early 2011 (key milestone)**

**Has raised €0.4m already from Private & Instit. Investors**

**Plans to raise funds early 2011 and late 2011**

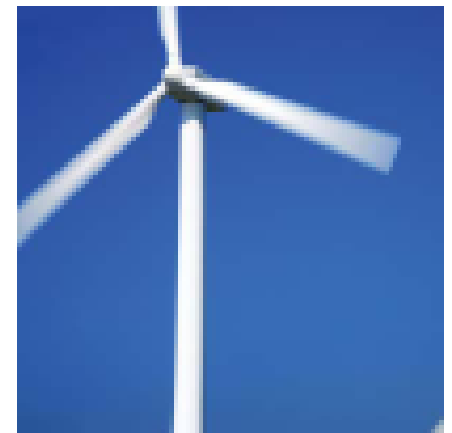
# Wind energy O&M Company\*

Services based company supplying mainstream wind industry

Based in Co. Cavan.

Strong expertise of the founders in the wind industry

Opportunity to corner a poorly served but only emerging niche



\* Subject to completion of investment (legals)

# Composite Materials\*

## Manufacturer of Composite materials

**Based in Co. Meath.**

**Coming from established base with some large customers**

**In wide variety of sectors but mainly transport**

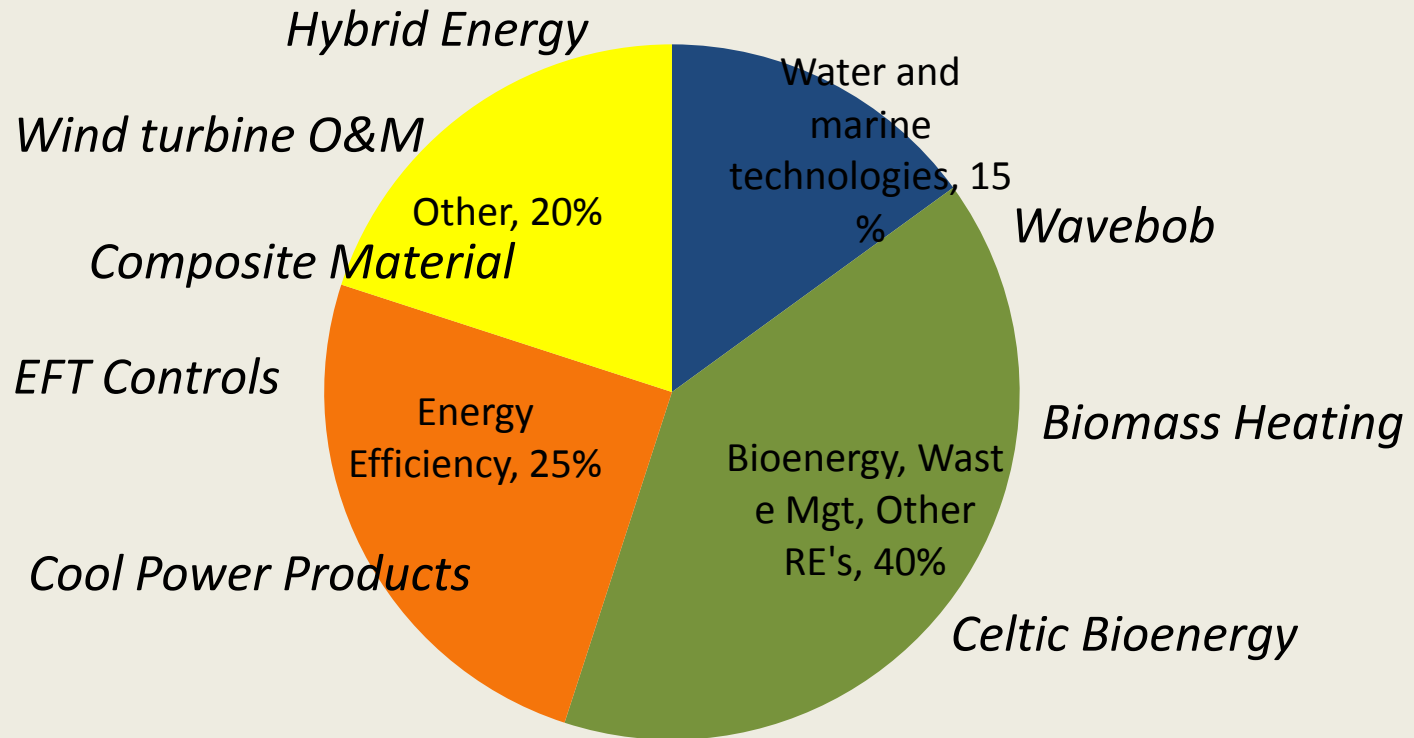
**Diversifying into Renewable energy**

\* Subject to completion of investment (legals)

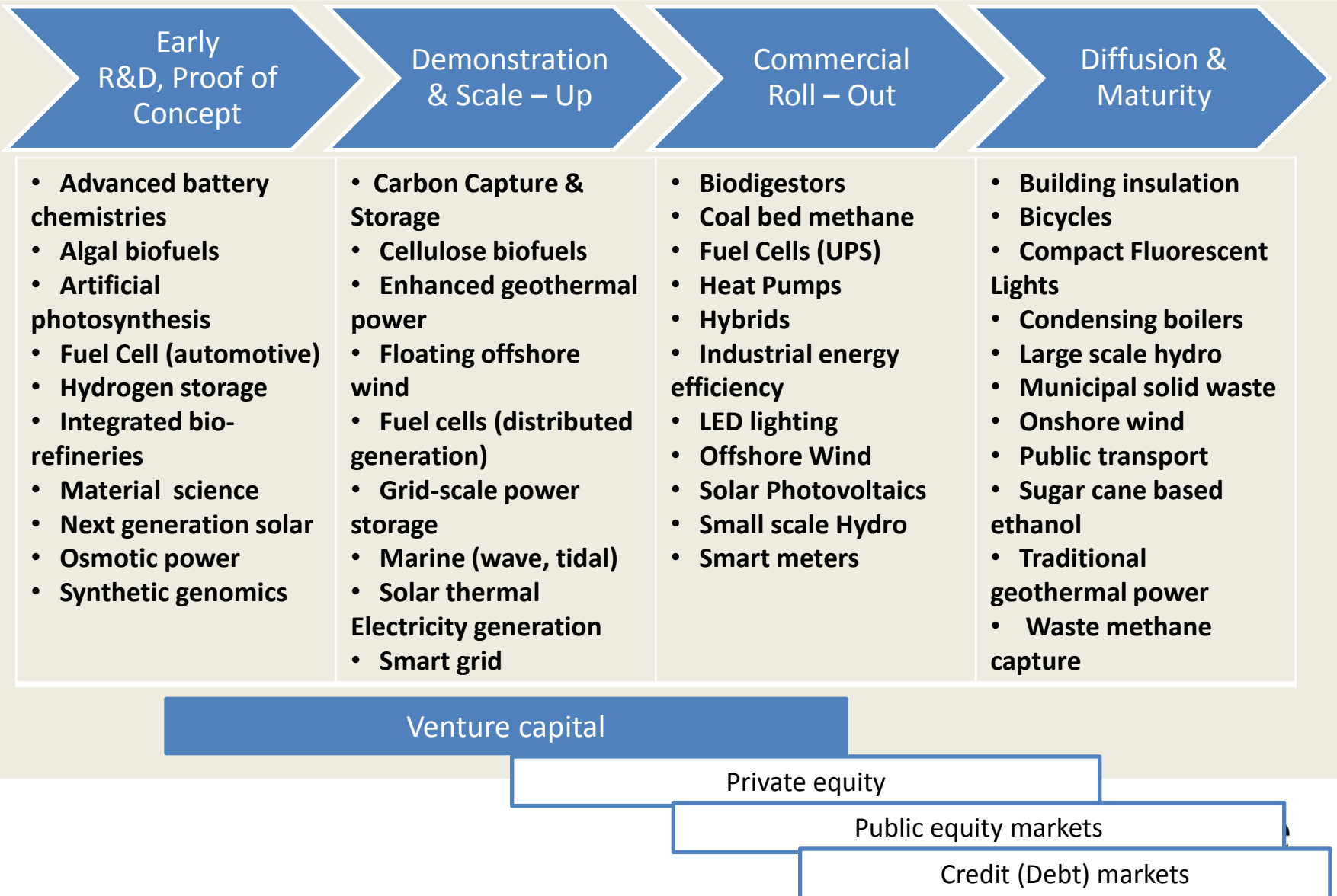
Investment Portfolio

# OUTLOOK

# Initial Target Fund Portfolio mix



# Our Investment Strategy



# Investment Portfolio

## Target Portfolio

- Diversified sectors
- Clear value chain
- Potential for Co-investors...

**To Achieve target returns on a case by case basis**

**Realistic chance of exit for each**

# Outlook for Ireland

- **Strong government policies for a Green Economy**
- **Universities' Centres of Excellence in Wind technologies, Biomass and Composites**
- **Educated workforce, high % of graduates**
- **R&D spent 20% higher than the EU average**
- **History of success in Export focused Software MNC's**

# Conclusions

- Ireland focused Cleantech fund
- Plenty of Investment opportunities available
- Strong Irish base of intellectual property and research
- Shortage of capital means valuations are lower at present ensuring investor returns