



September 2013

# Terra Venture Partners



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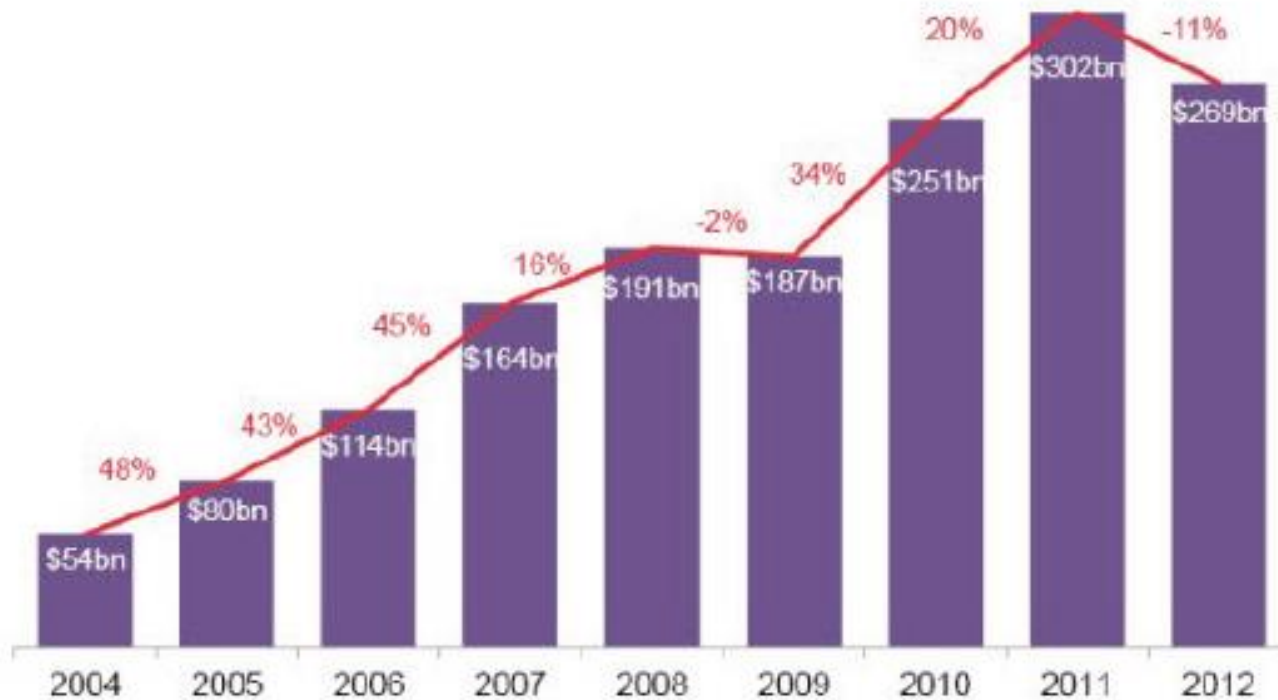
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# Total global investment in clean energy



Source: Bloomberg New Energy Finance

# Clean Technologies



Source: Kachan & Co.



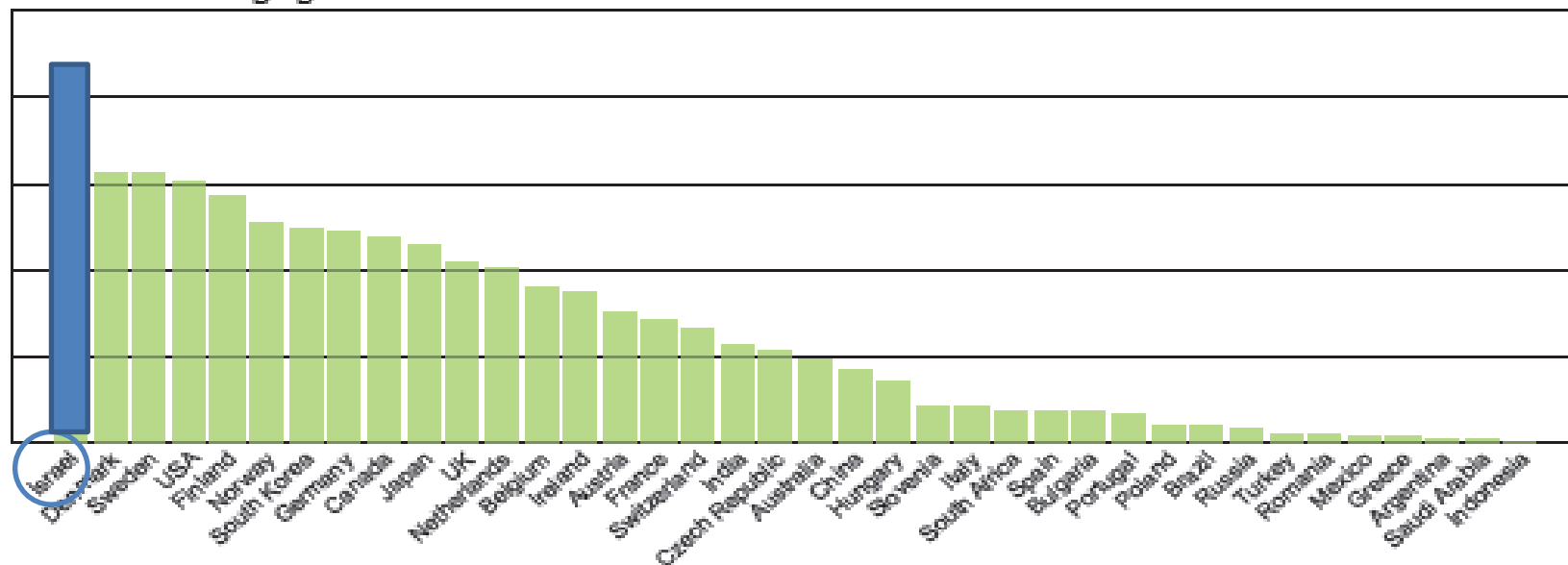
# Cleantech in Israel: Market Potential



Cleantech Global Innovation Index 2012: **Israel is the world leader in emerging cleantech innovation companies**

- **Shortage of cleantech-dedicated money:** 6% of venture money in Israel vs. **25%** worldwide creates considerable opportunities
- **Government support:** Israel has **earmarked \$1B** to help cleantech become a leading sector and reduce oil dependency.
- **Israel expertise:** Water, Solar thermal, Efficiency, Green IT

Evidence of Emerging Cleantech Innovation



## › Terra Venture Partners II

Terra is the **leading Israeli multi-stage fund** investing in novel clean technology companies. We focus on efficiency, sustainability and wellness from pre-seed to early & growth stage.

Terra II **won a governmental tender** to operate a new Israeli technology incubator (Terralab Ventures), resulting in an **exceptional 85% matching funds (5.5X)** from the State of Israel (i.e. 550K\$ for each of Terra's seed investment of 100K\$).

Terra II leverages the success of the first fund, which has initiated some of the best companies in water and energy in Israel.

Terra Venture Partners II is targeting a **Final Closing of US\$60M** (with a First Closing of **US\$20M already secured** by many of Terra VP's original investors).

# The Management Team



## **Dr. Astorre Modena, Founder & Managing Partner**

- More than 12 years in venture capital
- Principal at Israel Seed Partners, a seed-stage Israeli VC with more than \$260 million under management
- Consultant at McKinsey Paris and Milan
- PhD in physics from Imperial College and post-doc from Ecole Polytechnique in Paris with more than 25 scientific papers including Nature
- Fluent Italian, Hebrew, English and French



## **Dr. Harold Wiener, Founder & Managing Partner**

- More than 20 years' industrial and operational experience
- A veteran in the world of biotechnology, chemistry and nutraceuticals (food supplements)
- Product development and marketing processes for early- and growth-stage companies
- Co-founder and Business Development Manager for Algatechnologies, VP R&D/Business Development at Aromor Flavors and Fragrances and the
- CTO of the Misgav Incubator, the leading medical devices incubator in Israel.
- PhD in applied chemistry from the Hebrew University of Jerusalem with more than 20 scientific papers and patents

# The Terra Venture Team



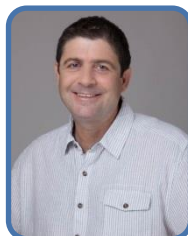
**Barak Goldstein, CEO Terralab & Venture Partner**

- Serial entrepreneur, created successful cleantech companies and a portfolio of renewable projects (\$1B)
- 8+ years in Private Equity
- MA in economics, Executive program, INSEAD



**Tovi Riegler, VP New Ventures**

- 15 + years playing relevant roles as entrepreneur, manager, mentor, corporate buyer and investor in the areas of Internet and Enterprise Software.
- Head of Technology Ventures at SAP Labs in Israel (investments and M&A)
- LLB & MBA



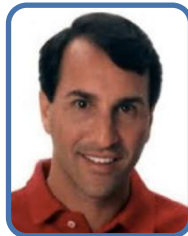
**Itzik Ronen, CTO Terralab**

- 22 years of managing multi-disciplinary R&D groups (4+ in cleantech).
- Served in various senior R&D positions at: DIP-Tech, Orbotech, Sagitta and Nur.
- BSc, engineering, University of Bridgeport, Connecticut



**Raphael Nejman, COO Terralab**

- 7 + years in VC and fund raising.
- Corporate lawyer specialized in establishment of VC funds
- Cross-border corporate finance, including Private Placement, M&A and IPOs
- LLB and MBA



**Larry Gross, Venture Partner**

- 20 years' C-level executive, 7+ in Cleantech
- Vice chairman, Idealab (managed \$1B high-tech start-up portfolio)
- BSc, Engineering, Cal Tech Executive Prog. Stanford University

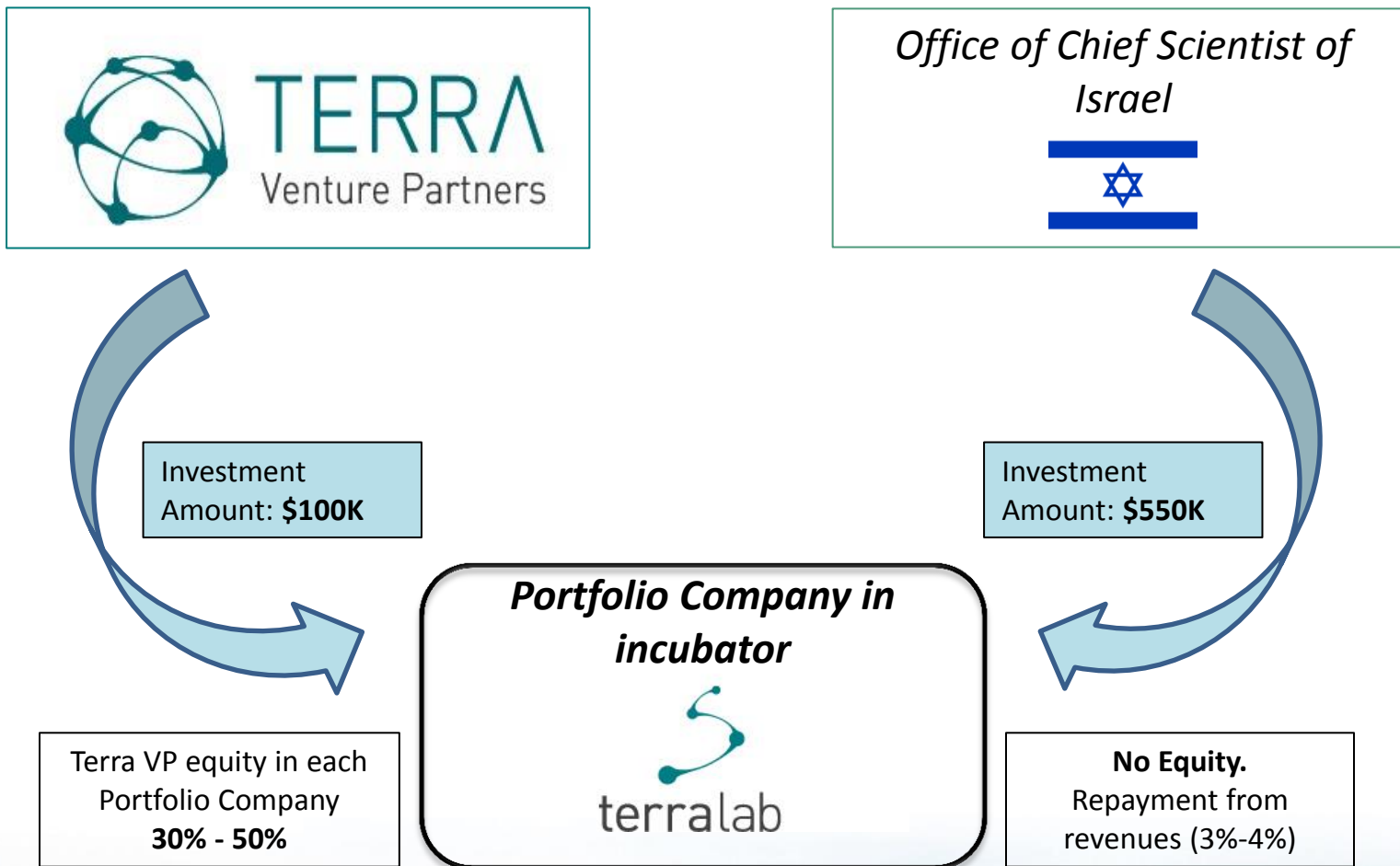


**Benji Pushett, Director of Finance**

- 12 years experience in venture financing
- 7 years at KPMG, focusing on high-tech
- Australian CPA



# Unique Investment Model

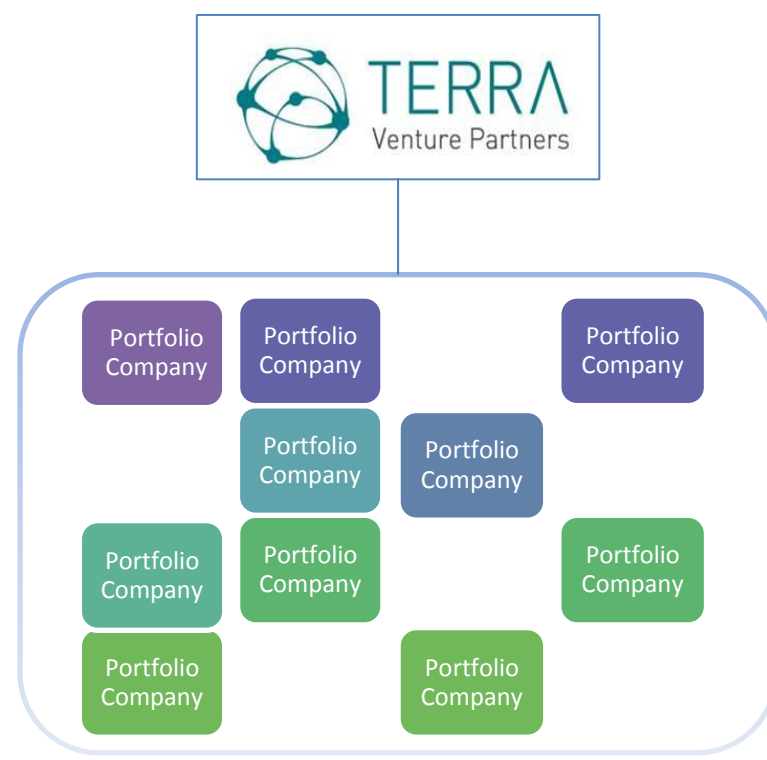
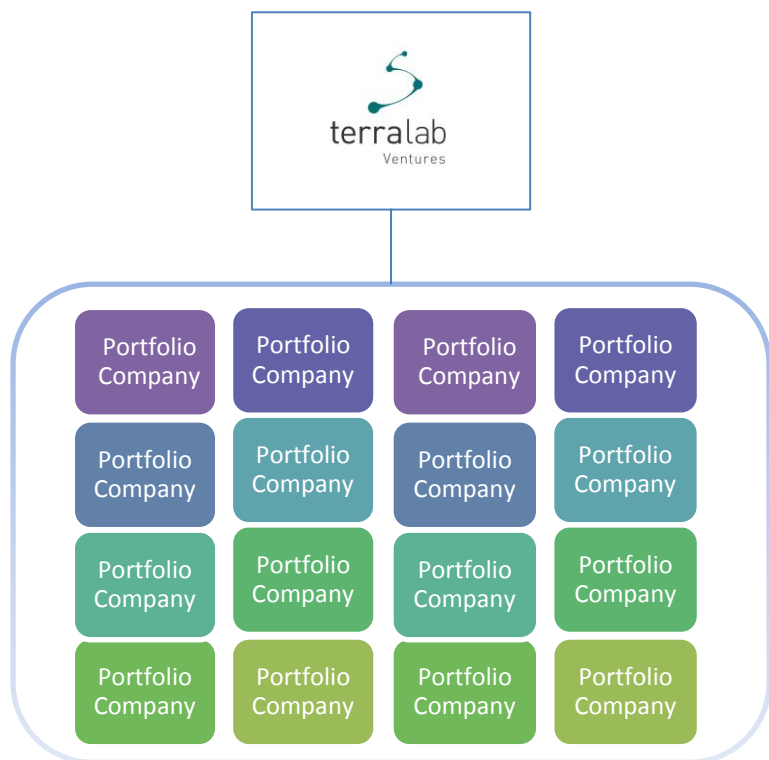


# Risk Mitigation



2 Year Incubation Period in Terralab  
16-20 investments (4-5 per year)

“Cherry Picking” by Terra VP after incubation



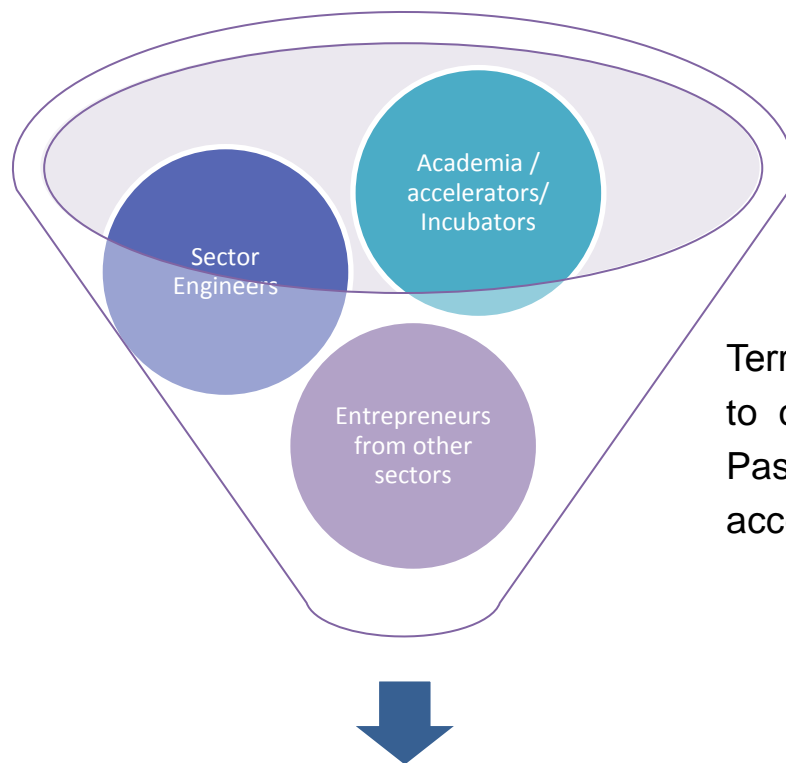
\$700K per portfolio company  
(including OCS matching fund)

\$1 – 3 Million follow-on funding by Terra VP

# Terra's Rich Deal Flow



**1,200+ deals (1-2 new deals per day) from:**



Terra's strict filtering process allows it to cherry pick the best companies. Past deal flow indicates a positive acceptance rate of less than 1%.

**1,200 potential investment deals currently in Terra's database → 12 Viable Investments**

# Value Creation Through Partnerships

**Terra has strong and long-term relationship with industry leaders and signed strategic alliances with leading global corporations:**

- Provides insight on markets and technologies, strategic benefits to Terra's portfolio companies, beta testing facilities and technical due diligence
- Additional corporate partnerships are being formed to strengthen Terra's unique network

EDP ranks among Europe's major electricity operators, as well as being one of Portugal's largest business group.

GE is a multinational conglomerate and a global key player in most fields of cleantech.

Enel is one of the largest utilities in Europe, active in 40 countries worldwide, with a strong focus on RE projects.

Veolia is a leading environmental services corporate in the fields of water, waste and mobility.



Cleanweb is a worldwide movement committed to solving the world's resource constraints problems through the application of IT



# Cleanweb Movement



The Cleanweb Initiative is a **member-driven organization** consisting of individuals and organizations who are building and **supporting the growth** of the cleanweb marketplace. Terra has been **selected as exclusive representative** of the Cleanweb movement in **Israel**.

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## Leadership and Support















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## Communities

The economic and impact potential of the cleanweb has inspired **thousands of innovators** to form local communities of cleanweb enthusiasts in **18 cities around the world**.



# Selected Top Stories

<i>Company</i>	<i>Sector</i>	<i>Buyer/IPO</i>	<i>Price / IPO Valuation</i>
	Transportation		\$1.7 Billion
	Cleanweb		>\$1 Billion
	Power Equipment		\$1 Billion
	Smart Grid		\$750 Million
	Solar		\$584 Million
	Transportation		\$500 Million

## \$25M Cleantech VC fund; among the top venture funds worldwide (vintage 2007)

- Israeli seed and early-stage companies; a diversified portfolio of 9 companies
- Four companies achieved significant up-rounds — two write-offs
- Average stake in companies: ~40% ownership
- Investors: funds of funds, corporate and family offices mainly from Europe, USA and Australia.
- Rich interaction with numerous investors providing access to deals and expertise

### The Terra VP I Portfolio

The logo for Phoebus Energy, featuring the word "PHOEBUS" in a large, bold, serif font with "ENERGY" in a smaller font below it.The logo for Linum Systems, featuring a stylized sun icon followed by the text "Linum Systems" in a serif font.The logo for Silentium, featuring a stylized chip icon followed by the text "Silentium" in a bold, sans-serif font, with the tagline "Silence in a Chip" below it.The logo for IQWIND, featuring a stylized wind turbine icon followed by the text "IQWIND" in a bold, sans-serif font.The logo for pvnanocell, featuring a stylized sun icon followed by the text "pvnanocell" in a lowercase, sans-serif font.The logo for SmarTap, featuring the text "SmarTap" in a stylized, lowercase font.The logo for Evida, featuring a stylized wave icon followed by the text "Evida" in a bold, sans-serif font, with the tagline "The Power of Electric Vehicles" below it.The logo for BAS, featuring the text "BAS" in a bold, sans-serif font, with the tagline "Biological Alarm Systems" below it.

# Terra VP I Portfolio: Phoebus Energy

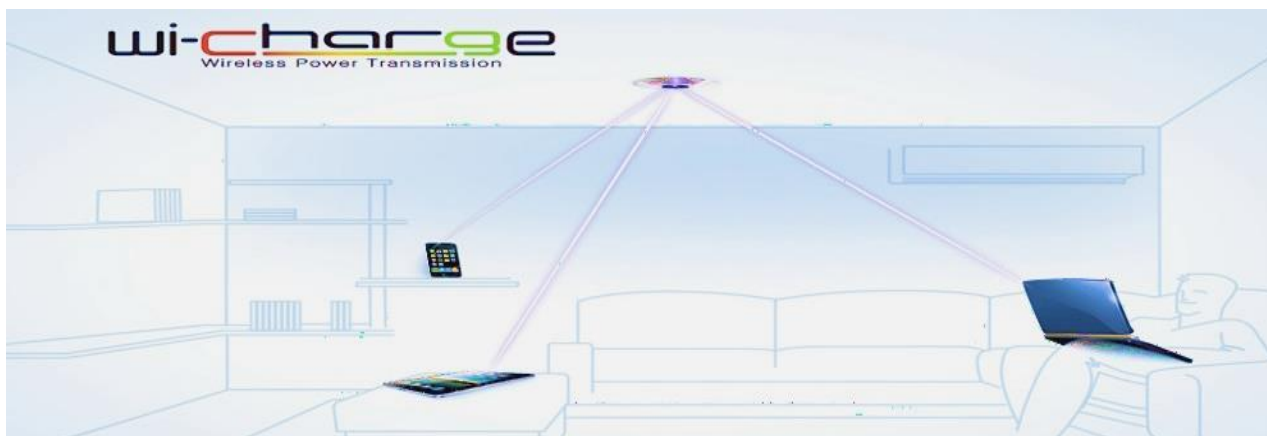


**Installs new hybrid water heating systems for hotels, hospitals and other customers in combination with an AC efficiency unit**

- The system combines a very efficient electric unit with smart algorithms and a controller.
- 70+ projects operating in the field, with an average 65% savings, 80% pollution reduction and a 1-3 year ROI
- Selected projects: Ramada, Crowne Plaza, Fatael chain, Holiday Inn, Marriott, Ichilov Hospital and many more







## Breakthrough system for wireless charging

- 🌱 Sends safely charging power up to a distance of 10 meters
- 🌱 Target applications: mobile phones, laptops, LCDs, speakers and other home/office appliances
- 🌱 Recruited top CEO in Israel (> \$300M exit)
- 🌱 Working prototype (up to 5 meters)
- 🌱 Recently attracted investment from two top US funds, received large investment from key industry player for first product launch

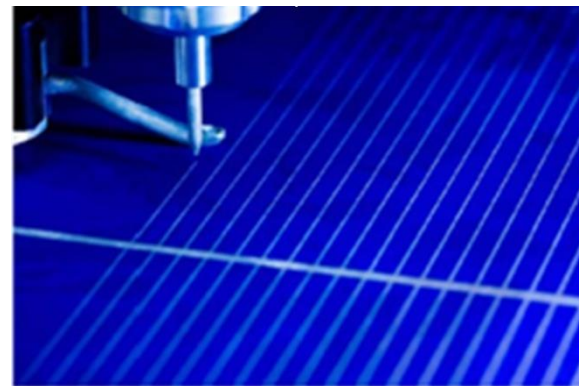
# Terra VP I Portfolio: SmarTap



## Intelligent systems for reducing water consumption

- 🌱 Digital shower system that replaces the old mechanical-thermostatic shower system and diverter.
- 🌱 Great shower experience together with high water saving with simple installation and low cost
- 🌱 Product is production-ready after certification, received initial orders from top industry players and hotel chains after very successful pilot
- 🌱 Eco-innovation Award at the Cleantech 2013 summit





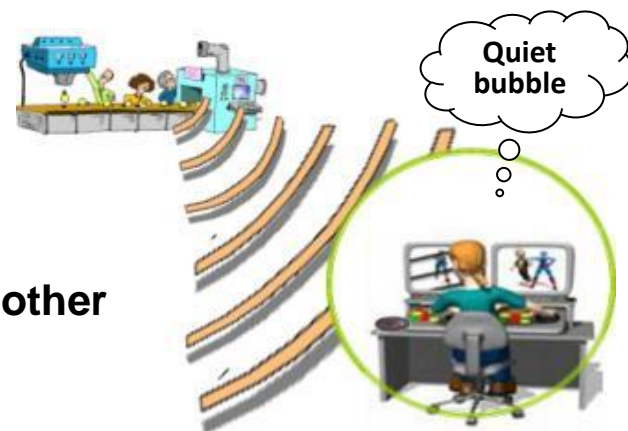
## Developing inks for solar cells metallization inkjet printing

- 🌱 Inkjet printing can bring down by tens of % the cost of PV and allow it to reach grid parity
- 🌱 Finalized development of its first ink and is in final qualification at a key customer
- 🌱 After qualification the company will start shipping in quantities in 2013
- 🌱 Company roadmap: Move to copper to significantly reduce the cost and enter other mass production applications in printed electronics



## Breakthrough solution to reduce noise in appliances and other applications

- 🌱 Noise-reduction ranges from 5-30dB (more than an order of magnitude)
- 🌱 Target applications in HVAC, range hoods, aviation, home applications, IT/servers
- 🌱 Quiet seat/bubble close to becoming a key product with applications in airplanes, cubicles, snoring, and more
- 🌱 Selling to key customers Intel, Philips, Siemens, JCI, LG, Faber





## *Linum Systems*

### Very Innovative Solar Air Conditioning System



- Hybrid and seamless system based on a very innovative approach
- ROI < 3 years (compared to 10-15 of current technologies)
- Key to naturally reduce peak electricity consumption for utilities
- Target areas: US sunbelt states, Southern Europe, Australia, South-East Asia, Central and South America
- Prototype working with good results



# Terra VP II - Fund Terms



<b>Target Size</b>	US\$60M
<b>Number of Investments</b>	16-20 Seed Investments (TerraLab companies), at ~\$700K in total per company (Terra VP + government matching) 10-15 Early & Growth Stage Investments (mostly “cherry picked” from incubator)
<b>Average Investment Per Company</b>	Total of \$2-\$4M per company during the lifetime of the company
<b>Focus</b>	Primarily: Israeli and Israeli related Cleantech
<b>Fund Period</b>	5 years for new investments,+ 5 years follow-up and divestment
<b>Management Fee</b>	2% of Committed Capital
<b>Preferred Interest</b>	20% Carried Interest to General Partner
<b>Target yearly IRR</b>	~ 30%
<b>GP Commitment</b>	4% up to \$2M
<b>First Closing</b>	November 2012
<b>Final Closing by</b>	Q1-2014
<b>Capital Calls</b>	Capital Calls over 6-8 years

# Well Positioned for Success



## Leadership

International **team of managers with unique experience** in cleantech.

Skill set and experience to position itself as leading venture capital in Israeli cleantech industry, enabling it to cherry pick best companies.

## Innovation

Israel is one of the major technological innovation hubs outside of the U.S.

**Israel ranked #1** in the world of emerging innovation cleantech companies.

Terra can serve as a **unique gateway to Israeli innovation.**

## Partnership

Terra has **long-lasting partnerships** with some of the biggest industry names, allowing it to better understand the market needs and ensure clear exit strategy for its portfolio companies.

- ✓ **Ensure industry potential**
- ✓ **Clear exit strategy**



## Investment

Innovative **investment model as co-investor** with the Israeli government (state matching 85% (5.5X) for each of Terra's seed investment

- ✓ Risk minimizing
- ✓ Return potential maximizing



Astorre Modena

[astorre@terravp.com](mailto:astorre@terravp.com)

41 Harlap St., Jerusalem 92341, Israel

T + 972 2 567 0126 F + 972 2 666 7037

[www.terravp.com](http://www.terravp.com)

