



**TURQUOISE**  
International



**iWATER Conference 2012**  
**13 November 2012 Cambridge**  
**[www.cir-strategy.com/events](http://www.cir-strategy.com/events)**

## **Investment Trends & Requirements**

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

## Turquoise International

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- Established in 2002 with an exclusive focus on Energy and the Environment
- FSA authorised and regulated
- Team of 9 staff and 8 senior consultants
- Two main activities:
  - Corporate finance advice on M&A and capital raising (equity and limited recourse debt)
  - Investment management (managing/advising several investment funds including Turquoise Capital, Low Carbon Innovation Fund and PGM Development Fund)

## Focus on Energy and Environment

- Automotive



- Biomass to Energy



- Bio-Ethanol



- Carbon Capture



- Fuel Cells



- Fuel Cell Components



- Geothermal Heat



- Geothermal Power



- Hydro Power



- Oil & Gas Exploration



- Recycling



- Smart Grid



- Tidal Energy



- Ventilation



- Water Purification



- Waste to Energy



- Wave Energy



- Wind Energy



## Low Carbon Innovation Fund (LCIF)

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- £12.5m early stage VC fund
- Funding from the European Regional Development Fund (ERDF)
- Focused on “low carbon” SMEs operating in the East of England
- Invests £50k-£500k per round with 150% match funding from private (non-Government) investors
- Can invest equity or mezzanine, always on the same terms as the other investors (pari passu)
- 10 investments to date including 2 follow-on
- First exit: December 2011
- Sectors: automotive efficiency, imaging, water, lighting, ventilation and agricultural machinery

## Case study - Syrinix

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- Syrinix, founded in 2004, UEA spin out based in Hethel, Norfolk
- Specialising in water leak detection (TrunkMinder), pressure transient detection software (TransientMinder) and data aggregation
- Identify small leaks in trunk mains before they become catastrophic and optimise pumping operations saving significant energy
- Invested £65k in December 2010 as part of £650k round with return expectations of over 5 times
- Currently in due diligence on a further investment of £400k as part of a £1.5m round

## Case study - Bactest

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- Bactest has developed a range of in-situ bacterial respirometers that measure biological activity and contamination in liquids, removing the need for samples to be sent for laboratory testing
- This has multiple applications across the general laboratory, bottling, water, brewing and other sectors
- A key area of monitoring is biological activity in waste water, to reduce the requirement for aeration of activated sludge which reduces energy costs and carbon footprint
- £900,000 investment round was led by LCIF (with an investment of £300,000) and included a syndicate of private investors including existing shareholders, London Business Angels and Minerva

## Investment Trends

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- Fewer independent VC's in the market and many now focusing on later stage companies (post profit)
- Increasing numbers of corporate VC's
- Investment by business angels driven by EIS eligibility
- Deals are taking longer to close – important to secure a 'lead' investor
- Seed money is available, but Series A and B particularly difficult for unproven capital intensive businesses
- Move away from business models that rely on subsidies (renewable energy generation) to those that have a purely commercial proposition (e.g. energy efficiency)
- Shortening of investment horizons (5-7 years to 3-5 years)

## What investors look for

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- Experienced Management Team
- Scalable business model
- Low capital intensity
- Market leading product
- Fast route to market
- IP protection or other barriers to entry
- For projects:
  - No technology risk
  - Long term price and volume certainty on feedstock
  - Creditworthy counterparties for feedstock and offtake



## Further Information

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

[www.lowcarbonfund.co.uk](http://www.lowcarbonfund.co.uk)

**Thank you**  
**Any questions?**