ECOSUMMIT AMSTERDAM

Juli 2016
SET VENTURES

Fund background
- Founded in 2007
- Focused energy sector investor
- Access to nearly 600 deals per year
- Investment team with good track record
- Strong LP base:

Experienced investment team
- René Savelsberg
  Managing partner
- Wouter Jonk
  Managing partner
- Rafael Koene
  Senior Investment Manager
- Craig Douglas
  Associate
- Julia Padberg
  Associate
- Caroline Zijlstra
  Office Manager

Funds managed by SET Ventures
- SET Fund I (€40M)
- SET Fund II (€56-80M)
- SET Fund III (€80-150M)
SET FUND I - HIGHLIGHTS

Focused energy sector investor

- Investments in European accelerated growth companies active in energy use, distribution and storage and renewable energy generation
- Large relevant deal flow – around 500 investment opportunities a year during the investment period (2007 – 2012)
- End of fund has been extended one year and may be extended with another year (to 2018)

Strong portfolio companies

- alertme
- generalfusion
- epyon
- NGenTec
- enocean
- MicroShade

Reputable limited partners

- EUR 40M committed capital in SET Fund I

Performance

- Performs in the top quartile of funds of similar vintage year and investment scope (energy related, European focused)
- Already achieved several successful exits with average multiples of 2.1x
- Exit estimate for the total fund of ~20% gross IRR and ~2.5x gross multiple (First Chicago)
SET FUND II - HIGHLIGHTS

Focused energy sector investor

- Investments in European accelerated growth companies offering **smart energy solutions**: “innovative business cases involving software and/or services that enable the energy market transition”
- Large relevant deal flow – reviewing nearly **600 investment opportunities** a year

Reputable limited partners

- **EUR 55.7M** committed capital in SET Fund II

Strong portfolio companies

- Energy efficient building design software. *Exited to Trimble in 2016*
- Disruptive technology for sustainable 3D printing of optics
- Innovative cooling hardware and software for grid operators & teleco’s
- European market leader in domestic energy storage, incl. control software

Reporting and ESG

- SET Ventures is geared to delivering true added value for our LPs:
  - Quarterly fund meetings
  - Bimonthly deal flow review calls with the LPs
  - Transparent financial and ESG reporting
The energy mix will change profoundly over the coming decades. The generation of renewable energy worldwide could almost quadruple by 2040.

The use, distribution and storage of energy will become much more efficient, controllable and flexible.

The Internet of Things is bringing more data, new control points, cloud computing and local intelligence to the energy sector.
RATE OF CHANGE

INDUSTRY STILL UNDERESTIMATING THE RATE OF CHANGE IN THE ENERGY SECTOR

The International Energy Agency, over the past 15 years, has increased its solar forecasts 14-fold, but is still short of the BNEF target by a factor of more than three.
RATE OF CHANGE

INDUSTRY STILL UNDERESTIMATING THE RATE OF CHANGE IN THE ENERGY SECTOR

BNEF predicts that more than two-thirds of all new energy generation capacity around the world in the next 25 years will come from renewables.

SOLAR IS 1/3 OF ALL NEW CAPACITY

POWER GENERATION CAPACITY INVESTMENT, 2015-2040

- **Solar**: Utility 1.76TW, Distributed 1.67TW, Total 3.43TW
- **Wind**: 1.64TW
- **Fossil fuels**: Developing world 2.51TW

Rate of Change

Costs continue to fall, recent solar actions have the cost of generated electricity as low as $29.9/MWh unsubsidised

Source: cleantechnica
RATE OF CHANGE
ON MAY 8\textsuperscript{TH} 2016, GERMANY HIT A NEW HIGH IN RENEWABLE ENERGY GENERATION: 55 GW (87\% OF ENERGY CONSUMPTION)

Power prices, generation and consumption in Germany (8\textsuperscript{th} May 2016)

- Power prices went negative for several hours
- Germany plans to hit 100\% renewable energy by 2050

Source: AEC
## MAKING ‘ENERGIEWENDE’ HAPPEN NEEDS INVESTMENTS IN GRID AND TECHNOLOGIES:

Two reasons for technology investments: SPEED and NEED

<table>
<thead>
<tr>
<th>SPEED (to ramp down conventional energy)</th>
<th>▪ High growth in renewable energy generation might give the impression that the ‘Energiewende’ has been accomplished. However, climate change and depletion of natural resources still continue at a fast pace</th>
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<td>▪ A global acceleration towards renewable energy is imperative</td>
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<td>NEED (for additional measures)</td>
<td>▪ To facilitate solar and wind energy, investments in increasing the grid capacity are required, including smart solutions - smart grids, demand response, micro grid solutions, smart storage etc.</td>
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<td>▪ This is the investment priority of SET Ventures</td>
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FOCUS AND PRIORITY

- Our industry focus (investment scope of SET Fund I) is on sustainable energy technologies in the areas of:
  - Energy Generation
  - Distribution & Storage
  - Energy Use

- Our investment priority (investment scope for SET Fund II and III) is **Smart Energy Solutions**: “innovative business cases involving software and/or services that enable the energy market transition”