

Cleantech Group Announces Merger

Cleantech Group Joins Forces with LRN's GreenOrder

Cleantech Group is a SAIL I & II portfolio company

Cleantech Group, a leading market intelligence and advisory firm focused on innovation, and LRN, a company that helps corporations foster ethical, winning cultures and inspire principled performance in their operations, today announced that they have entered into a definitive agreement to merge Cleantech Group and GreenOrder, formerly a sustainability strategy consulting subsidiary of LRN. LRN will become a major shareholder and long-term partner in the combined company—under a broad new partnership agreement that will extend the reach of both LRN and the newly formed firm. Additional financial details of the transaction were not disclosed.

“Leading enterprises are increasingly trying to understand how sustainability challenges will impact their growth and profitability, and they are looking for innovative technologies and business models to turn those challenges into opportunities,” said Sheeraz Haji, CEO of Cleantech



Group and the CEO of the newly formed company. “By joining forces, Cleantech Group and GreenOrder will be uniquely positioned to assist executives in both developing strategies that address sustainability issues, as well as sourcing the innovative technologies, partnerships, and investments that will transform these strategies into reality.”

“As a major shareholder and close business partner, LRN is inspired by the way this new company will reinforce our commitment to environmental sustainability,” said LRN’s founder and CEO, Dov Seidman. “Together, Cleantech Group and GreenOrder will also yield greater depth and breadth of new knowledge that will help LRN power clients’ sustainability and innovation strategies.”

GreenOrder brings respected management consulting capabilities, along with a deep understanding of how sustainability initiatives can create substantial enterprise value. The combined advisory team will leverage Cleantech Group’s expertise in helping clients identify and adopt

leading innovative technologies to address sustainability challenges.

“By uniting the worlds of sustainability and cleantech, we will provide a broad array of data, networking, and advisory services to a joint client roster that includes General Electric, Veolia, Électricité de France (EDF), HP, the U.S. Department of Energy (DOE), and many other leading enterprises, investors, and government agencies,” explained Michael Ellis, Principal of GreenOrder.

The new company will have a powerful data and knowledge management foundation anchored by i3, Cleantech Group’s market intelligence platform that provides insight into transactions, companies, and partnerships. Joint clients will also benefit from Cleantech Group Forums and Executive Summits, where key corporate leaders, policy makers, investors, entrepreneurs, and industry influencers regularly gather to examine trends, source new investments, and forge strategic relationships.

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FlexEnergy a Top 10 Winner of Global Cleantech Cluster Award

FlexEnergy is a SAIL II portfolio company

As renewable energy and clean technology grows in global importance, the winners of the Global Cleantech Cluster Association (GCCA) Later Stage Award reflect the increasing success of this \$163.1 billion global market. The GCCA's Global Top 10 Winners represent the best of the association's over 4000 member companies and will be recognized on November 12 in Savannah, at a dinner sponsored by Deloitte and McGuire Woods. This year, FlexEnergy was in the Top 10 Winners and was labeled "Best in Waste Management" for its capabilities to produce continuous energy with near-zero emissions from such

facilities as landfills.

The GCCA Global Top 10 Winners were judged by 28 cleantech venture capital and private equity investors and serial entrepreneurs, who collectively manage over \$3.5 billion in global clean technology investment. The winning companies will present their technologies in a forum at the Savannah International Clean Energy Conference in November.

"Cleantech and sustainability are no longer a niche. They are outperforming most market sectors in growth, even during the recession," said Ben Taube, Chairman of the GCCA. "These 2012 Top 10 winners are indicative of the increasing strength of their sectors."

In total, 200 companies were nominated by cleantech member clusters for the 2012 Later Stage Awards. That number was later narrowed to the Global Top 30 Semi-Finalists and then to the Top 10 Winners.

The Global Top 30 were selected using the Keystone Compact™, a business and venture development tool developed by GCCA Head Judge Dr. Peter Adriaens, Professor of Entrepreneurship and Strategy at the Ross School of Business, along with Dr. Tim Faley, Managing Director of the Zell-Lurie Institute for Entrepreneurial Studies both located at the University of Michigan.



WaterHealth International Labeled Top 100, Twice

WaterHealth is a SAIL I & II portfolio company

WaterHealth International (WHI) made not one, but two Top 100 lists this year: The Sustainia100 and Global Cleantech 100. Making the Top 100 is not a first to WHI having made the Global Cleantech 100 3 years in a row. The Sustainia100 on the other hand, is a first for WHI.

Sustainia is an alliance of international organizations and companies working to create sustainable growth. Our work is driven by a shared goal to identify and elevate existing sustainable solutions and mature markets for sustainable products and services. By promoting sustainable solutions already available across sectors and markets, Sustainia makes sustainability



more tangible and easier to grasp for decision makers, executives and citizens.

Sustainia100 is a selection of powerful solutions that will take us to Sustainia. Every year, they identify innovative and groundbreaking solutions around the world. The 100 most outstanding are selected and published in our annual Sustainia100 list.

In the first Sustainia100 edition from 2012, they include solutions from over 45 countries on six continents. From solar power in Sudan to sustainable fashion in



Switzerland; from water-cooling in Canada to solar-cooling in Singapore; from buses in Brazil to smart buildings in Sydney.

The Sustainia Award Committee is chaired by Arnold Schwarzenegger. Joining Mr. Schwarzenegger in the award committee is Chair of Nobel Sustainability Trust Gustaf Nobel, European Commissioner for Climate Action Connie Hedegaard, former Prime Minister Gro Harlem Brundtland and Chair of UN's panel for climate change (IPCC) Dr. Rajendra K. Pachauri.





SAIL Capital Partners (www.sailcapital.com) is a leading cleantech investment firm with a global vision of technologies, markets and opportunities. We invest in cleantech companies with proven technologies, visionary leadership, measurable impact and exciting growth potential. We have invested in a number of today's leading cleantech companies including Xtreme Power, Ice Energy, The Cleantech Group, Enerpulse, SNTech, FlexEnergy, Paragon Airheater Technologies, M2 Renewables, Clean Technology Solutions, CNS Response and WaterHealth International. SAIL has offices in California, Toronto, New Orleans and Washington D.C. as well as a global network of investors and advisors.



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Sources:

- Forbes
- Greentech Media
- Sacramento Bee
- Sustainia
- Global Cleantech Cluster Association
- Cleantech Group

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Cleantech Sub-Sector Investment

Worldwide clean technology venture investment in the quarter totaled \$1.56 billion. Measured by dollars invested, cleantech venture investment dropped only slightly compared to the previous quarter (\$1.60 billion), but was off 30 percent from 3Q11 (\$2.23 billion). The number of deals recorded in 3Q12 was 148, compared to 169 in 2Q12. The tally may rise again once all investors have submitted all deals. Of these deals, 63 percent (93) were Series B or later rounds, accounting for 92

percent (\$1.43 billion) of all money invested during the quarter.

In terms of cleantech subsectors the top sector for investment is no longer Solar which has declined down to only 4% of dollars invested in 3Q12, a steady decline since Solar's peak of 37% in 2008?

The top subsector for investment was Transportation with 320 deals and 21% of dollars invested in the sector. Other top subsectors were Biofuels & Biochemicals, Smart

Grid and Energy Efficiency. What can be extracted from the number of deals in subsectors is that more and more investors are favoring capital efficient technologies which is reflected by deals in Smart Grid and Energy Efficiency.

The full breakdown of subsector investment for 3Q12 in Cleantech can be seen below. SAIL has investments in Transportation, Smart Grid, Energy Efficiency and others but has always stayed away from Wind and Solar.

Global Cleantech Venture Investment by Sector, 3Q12
\$ Millions and percentage

