

Cleantech Invest strategic outlook and next steps

Cleantech Invest is committed to providing up to date information on its strategies, activities and plans to make it easier for investors to evaluate the company. After the completion of the directed share issue, Cleantech Invest updates its outlook and presents the next steps in its plan to become the leading European cleantech accelerator.

Cleantech market dynamics

The cleantech revolution has taken most big corporations by surprise. The speed at which market fundamentals are changing, has created entrepreneurial success stories and only recently waken up corporations from a false feeling of security to the fragility of their market positions. Big industry is now trying to find ways to enter the cleantech space. As history shows, when new industries are formed it is often the new entrants, agile and not tied by their history, that capture the new markets. The combined impact of the Internet and the low cost of technology has set new rules to the game. What has happened in retail, entertainment and many other businesses, is now happening in energy and resource efficiency. Real time data and big data analytics are fundamentally changing how energy and natural resources are produced and used. Regulators are also influencing clean tech markets, as individual cities announce bans on diesel cars, and countries proclaim a 'no coal' strategy. We believe that entire new cleantech industries will emerge and many very valuable cleantech companies will rise and become the bluechips of the future.

Status update

In January 2015 we set up a plan that would result in us becoming a leading cleantech accelerator at the end of 2017. Several phases have already been completed:

Focus on acceleration

We decided to prioritise assisting our companies' growth rather than evaluating new investments. We get proposals for investment every day and had so far spent a considerable amount of time meeting and evaluating companies. This shift in strategy meant that the facetime with new entrepreneurs was brought down to only meeting those that after a quick glance stood out from everyone else. Our focus instead became making sure our existing portfolio companies had the right tools to grow. We have since brought in several key talents into our companies, created new business models with our entrepreneurs, helped in productifying and packaging. In particular we have supported them with the capital needed to accelerate their growth, handling a number of funding rounds for them in the past 12 months with more to follow in 2017. That the combined revenues of our portfolio companies have grown by 87% during 2014, 202% during 2015 and in the last half year 200% confirms the choice of strategy.

Establish a Nordic identity

We decided to capitalise on our regional location and become a truly Nordic company. We have built a Nordic management team, investing across the Nordics and attracting a shareholder base from several Nordic countries. Our Swedish listing was subscribed 3 ½ times, we are now listed on First North Helsinki and Stockholm and have added more than 1000 Swedish shareholders. We have also had a remarkable inflow of Swedish investors into our portfolio companies through our Nordic connections. We look forward to strengthening our Nordic identity in the future. There is a simple reason why we embrace Nordic cooperation. By any metrics, the Nordic area combined is a technology growth engine of the world rivalled only by California.

Global reach

To help our companies go global early we realised that we had to do the same to ourselves. We would not be able to stay in offices in Finland or Sweden and give the required support to our portfolio firms entering markets in USA, China or Germany. We started by adding international reach to the board through members from Sweden, UK and USA, and in summer 2016 we took the next steps by establishing 'pop-up offices' in Los Angeles, Berlin and Stockholm. These offices have already generated multiple investments into us and our portfolio companies. We look forward to solidifying our global footprint in the future. This means greater geographical reach to support growth and more international investors and communications.

Future outlook

New investments

As our current portfolio has matured with a number of companies approaching suitable IPO and/or exit points, we will carefully launch a second wave of investments. This was one reason for doing the directed share issue at this point in time. We want to be able to widen our portfolio and fund the new companies through their commercialisation and early growth phases. We have an unprecedented inflow of high quality companies to invest in, and we are often welcomed as the first choice investor for these companies. We believe the best returns can be found in companies that are concretely improving the quality of life for all people, not just the privileged. Companies that shift industries and societies towards a truly sustainable path. We are looking for capital light, high impact businesses that often are digital, ultra scalable services that helps us in our daily lives, save money, and significantly decrease the amount of energy or natural resources wasted in the supply chains. We are also considering to place some of our portfolio companies into faster acceleration mode, meaning that we invest additional capital and put more of our efforts into it.

Value creation

Growth companies have become one of the key driving forces of economic growth and corporate renewal and accelerators have a major role

to play to facilitate growth. Cleantech Invest will further increase its international presence. We will leverage our global networks and communication platforms to grow our companies and become a recognised global leader in cleantech acceleration.

Cleantech Invest is a Nordic leader in impact investing. Our strategy is derived from our purpose which is to improve the Earth's ecosystems and the quality of life through investing in and accelerating companies which solve global environmental challenges. We believe when we do this shareholder value will follow. We will, starting this spring, more clearly communicate the positive environmental impact we are having, as our portfolio is now entering revenue levels where for instance the decrease in CO2 emissions from our portfolio operations is becoming a significant positive contribution to the Earth's ecosystems.

The main form of shareholder value creation for our shareholders is the continued value appreciation of our share. As we complete major exits, we will consider dividend payments to our shareholders as well as reinvesting the proceeds or combinations of these. We will also continuously evaluate possibilities for value creation through internal corporate restructuring such as share swaps, demergers, return of shares as well as through balance sheet re-structurings such as use of debt. Global consolidation of industries may also present opportunities for value creation for our shareholders as well as stock exchange re-positioning. This will be evaluated on the basis of maximising shareholder value and reaching our goals.

With best regards from Helsinki, Berlin, Stockholm and Los Angeles!

Cleantech Invest

Contact information:

Alexander Lidgren, Managing Director of Cleantech Invest Plc. Tel. 46 73 660 1007, alexander.lidgren@cleantechinvest.com

Access Partners Oy, Certified Advisor. Tel. 358 9 682 9500

Cleantech Invest in brief

Cleantech Invest is a Nordic accelerator with investments in growth companies that solve global challenges. The portfolio companies are active in energy- and resource efficiency as well as decentralized renewable energy and are based in Finland, Sweden and Germany. The company management consists of company builders and investors who have been active within the cleantech space for over a decade. The company is listed on First North Finland under the ticker CLEAN and on First North Stockholm under the ticker CLEANT A.

www.cleantechinvest.com

LinkedIn: <https://www.linkedin.com/company/cleantech-invest-oy>

Twitter: @CleantechInves1

IG: @cleantechinvest

FB: www.facebook.com/cleantechinvest/