



EVOLUTION | ONE

fund

CLEANTECH INVESTMENTS IN NEW ENERGY AND
THE ENVIRONMENT

Profile

inspired
evolution
investment management

Fund Facts

Fund Size

ZAR540 million raised as at July 2008
(final close target at ZAR1 billion)

Investment Stage

Predominantly expansion stage; select start-up and early stage environmental infrastructure projects; and some later stage

Investment Territory

SADC Region: South Africa, Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Kingdom of Swaziland, Tanzania, Zambia and Zimbabwe.

Minimum Investment Size

ZAR10 million

Fund Life

10 years

Investment Sectors

The Fund is committed to a clean technology focus on New Energy and the Environment across the following areas:

1. Cleaner energy generation and energy efficiency
2. Cleaner production (cleaner, more efficient manufacturing processes and technologies)
3. Air quality and emissions control
4. Water quality and management
5. Waste management
6. Agribusiness and forestry (certified, value-added biomass-based technologies or product switches)
7. Natural products (essential oils and fibres), organics and natural health
8. Sustainable buildings and environmental real estate



Introduction to Inspired Evolution

Inspired Evolution Investment Management (Proprietary) Limited or Inspired Evolution is a boutique fund management company set up to lead clean technology ("cleantech") investments in new energy and the environment in southern Africa. Inspired Evolution advises Africa's first cleantech private equity fund – Evolution One Fund. Inspired Evolution offers a dedicated team of nine deal principals and sector analysts with a global track record in clean technology and environment.

Our Value proposition

As the first dedicated, specialised cleantech fund manager in Africa, Inspired Evolution offers investee companies and projects a compelling value proposition including:

- active management and post-investment value addition
- highly skilled team with relevant local and global track record
- deep commercial, financial and sustainability credentials
- strong black empowerment credentials and BBBEE deal structuring experience
- leading global investor with specialised knowledge in cleantech
- global portal for cutting-edge clean technologies and R&D expertise for deployment into projects and companies located in the SADC region
- global footprint to enhance export of local and regional technologies, goods and services to worldwide markets
- flexible, rapid decision-making
- tailor-made, packaged financial solutions based on:
 - *proprietary relationships with select local and international co-investors, equity and debt providers for turnkey financing and for larger investment amounts*
 - *ability to structure CDM and other appropriate finance mechanisms*
 - *ability to fund at an earlier stage in the process (pre-bankable stage) where warranted through access to complimentary seed capital facilities*
- enhanced sustainability performance

Inspired Evolution seeks to lead transactions, participates on the board of directors of investee companies and supports best practice governance. We bring a global network of leading venture capital and private equity firms, universities and businesses that provide us with valuable market insights, relationships and channels to market.

Investment strategy

Inspired Evolution's investment strategy centres on long-term equity and equity-related investing based on active management and post investment value addition.

Inspired Evolution aims to support investee companies and provide long-term capital growth. Inspired Evolution typically secures significant minority or controlling equity and equity-related stakes in investee companies and projects.

Inspired Evolution seeks every-day entrepreneurs and businesses that offer products using resources or energy more efficiently, or which apply smarter business models.

Investment Guidelines

Stage: expansion stage capital investments are prioritised; the fund will consider environmental infrastructure projects with clear evidence of early revenue streams and profitability. **Technology and market adoption risk:** the fund will consider investing in proven technology or projects able to clearly demonstrate market adoption.

Investment size: the fund's minimum investment size meaning the equity we bring excluding the debt that might be raised with banks, into any one enterprise is R10 million and its maximum investment is limited to no more than 15% of the fund's total capital commitments into any one enterprise at the time of investment, with a ceiling of R150m. The fund can structure syndicated investments for larger amounts.

Active involvement: the fund's post investment value-add strategy includes a non-executive board seat, and active and strategic participation in the business or project.

Returns and exit: the fund is looking for a target of 3x money (original capital invested). The fund needs to be sure of an exit within a 4-7 year period.

Investment Process

1. Contact the fund adviser offices in Johannesburg, Cape Town or London and arrange for an initial review and discussion with one of the fund's Deal Team Principals;
2. On the basis that the enterprise meets with the fund's general investment guidelines, will then obtain from the fund adviser the check-list of information required;
3. Compile and submit to the fund adviser the completed information as per the check-list;
4. On receipt of the documentation, the fund will then prepare documentation for presentation to the Investment Committee for a decision;
5. Subject to the outcome of the investment committee meeting, the fund adviser will prepare and present to the promoter a Term Sheet setting out the proposed terms of offer and conditions precedent in respect of the fund's investment into the enterprise or project;
6. On the basis of agreement being reached on the investment Terms and the conditions precedent being met (and at this point some additional due diligence is likely to be undertaken), legal documentation will be prepared for signature by the parties;
7. Once legal documents have been duly signed, the fund will advance capital in terms of the agreed conditions.

The timing of this process will depend largely on the quality and delivery of the information required by the fund adviser from the promoter.

Investment criteria

Inspired Evolution will prioritise companies that require growth capital, or early stage/start up capital, provided that market adoption can be validated.

Key criteria for technology investments includes companies:

- with proven technology/minimised risk
- where product (market) adoption can be demonstrated
- with platform application
- that are immediately scalable
- with appropriately skilled management teams with proven track records

Key criteria for project-based investments includes projects:

- where there is an option to take equity in the developer and/or project(s)
- where cost control influence (overheads) can be effected
- where the developer can demonstrate track record
- where the pipeline and probability of success can be validated
- project inputs (feedstock) and offtake agreements are in place
- where technology is proven and there is limited execution risk
- where the technology provider guarantees are available
- where technology supply contracts are in place
- where senior long-term debt is available at the appropriate terms and cost
- where operator and maintenance agreements are in place



Our Team



Mr Wade de Jager
Independent non-executive
Chairman of the investment committee



Mr Campbell Barnes
Chief Investment Officer
and Principal



Mr Christopher Clarke
Executive Director
and Principal



Dr Zuko Kubukeli
Executive Director
and Principal



Mr Guy Baxter
Executive Director
and Principal



Mr Wayne Keast
Executive Director
and Principal



Mr Paul Vorster
Principal



Mr Michael Brooks
Executive Director
and Principal



Ms Bulelwa Nombamba
Investment Associate
and transaction analyst



Mr Steven Faure
Transaction analyst

Founding Partners



Cornerstone & Anchor Investors



Cape Town

Contact: Mr Christopher Clarke
Title: Executive Director
Tel: +27 21 702 1290
Mobile: +27 82 496 0522
Fax: +27 21 702 1483
Email: chris@inspiredevolution.co.za

Johannesburg

Contact: Mr Campbell Barnes
Title: Chief Investment Officer
Tel: +27 11 883 8036
Mobile: +27 83 276 9616
Email: campbell@inspiredevolution.co.za

London

Contact: Mr Wayne Keast
Title: Executive Director
Tel: +44 (0) 207 355 7804
Mobile: +44 7900 686 757
Email: wayne@inspiredevolution.co.za

www.inspiredevolution.co.za
info@inspiredevolution.co.za