



K I N N E V I K

# CLIMATE TECH PRESENTATION

7 FEBRUARY 2023

# KINNEVIK'S TEAM OF CLIMATE TECH EXPERTS

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# CLIMATE TECH IS EXPANDING RAPIDLY DRIVEN BY A CONFLUENCE OF TECHNOLOGICAL, SOCIETAL AND REGULATORY ADVANCEMENTS

## Why Now for Climate Tech?



*New and cheaper technologies have shifted the cost curve for a positive climate impact downwards*



*Consumer demand for sustainability has rocketed, with more and more 'climate tech unicorns' emerging*



*Regulators are increasingly taking action on net zero, with the IRA expanding and accelerating climate tech TAM*



*A robust corporate demand signal now exists, with more and more corporates committing to net zero*



*Investor demand for ESG and impact investment continues to increase*



*The war in Ukraine has increased the urgency of energy transition*

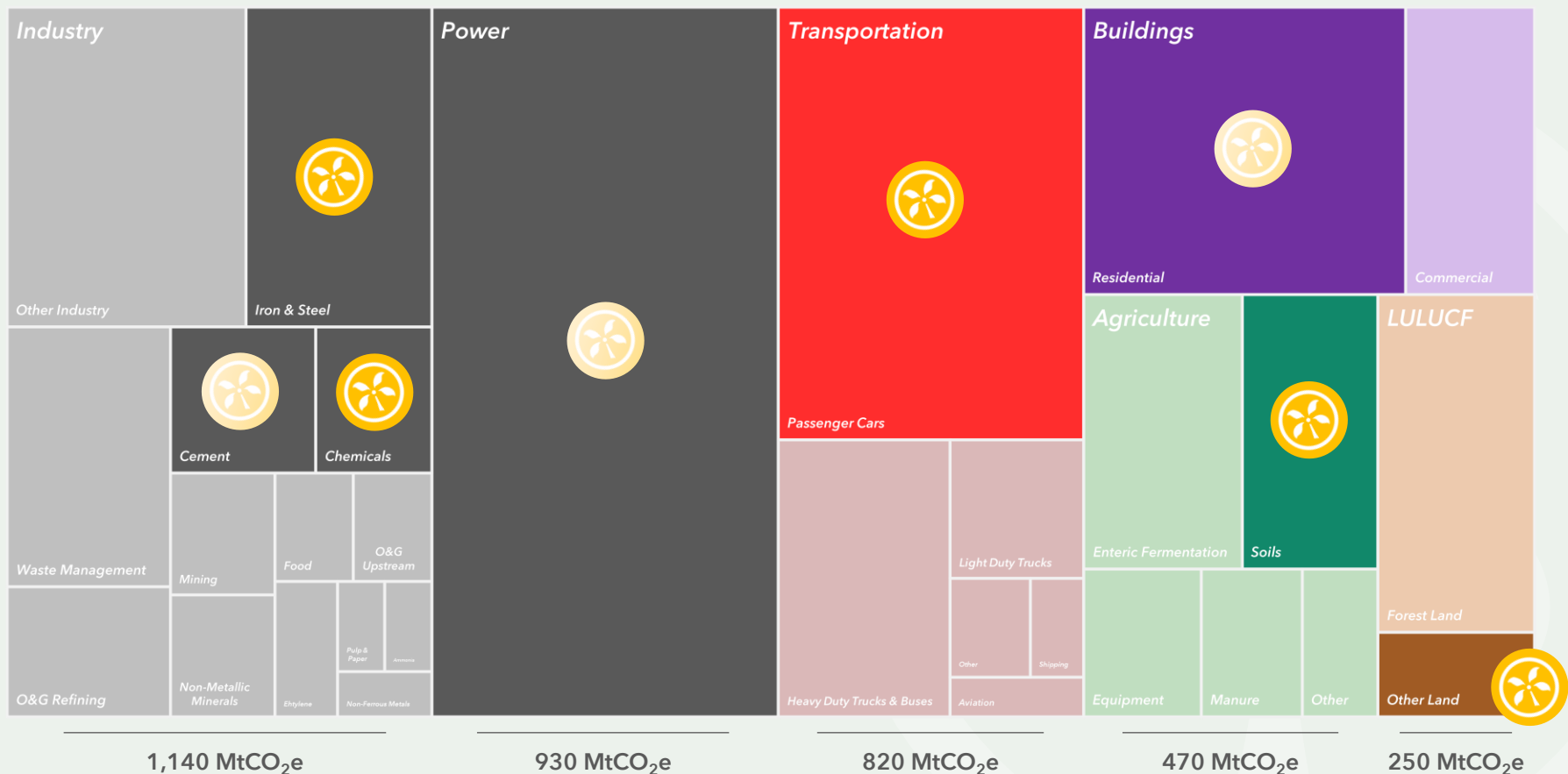
*The tailwinds behind the climate tech sector are clearer than ever, driven by a confluence of advancements within technology, society and the regulatory environment and accelerated further by the war in Ukraine*

# OUR PRIORITIZED AREAS WILL DIRECTLY ADDRESS A MASSIVE PROPORTION OF EMISSIONS AND OUR FOCUS ON CARBON WILL ADDRESS THE REMAINDER

## Emissions Baseline by Sector

MtCO<sub>2</sub>e, Direct EU Emissions, 2017

490 MtCO<sub>2</sub>e



**Note:** All areas will be indirectly targeted through carbon capture, utilization and storage  
**Source:** McKinsey, IEA, UNFCCC

# AFTER FOCUSING ON SUSTAINABILITY OVER THE LAST YEARS, NOW IS THE TIME FOR US TO ASSESS CLIMATE TECH AS AN INVESTMENT THEME IN ITS OWN RIGHT

## Why Now for Kinnevik?

### EXISTING EXPERTISE

*Able to leverage expertise gained from focusing on sustainability within our portfolio for years*

### SECTOR TAILWINDS

*Tectonic shift in consumer behavior and a need to invest for the long term*

### PERMANENT CAPITAL

*Competitive advantage considering longer R&D cycles, operational scaling and commercial lead times*

### NORDIC HERITAGE & KINNEVIK DNA

*the Nordics is an epicenter for climate initiatives, and we can leverage our network and business-building DNA*

# WE WILL FOCUS ON EXCITING COMPANIES ALIGNING WITH FIVE PILLARS

## Five Pillars

### Opportunity Selection



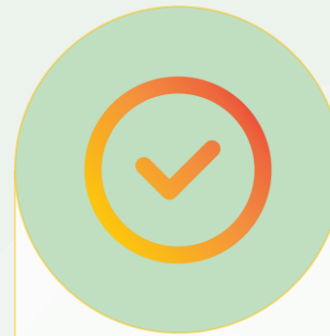
Address USDtn markets with high emissions



Interventions with high potential impact on most urgent needs for 2025-30 targets



Strong moats through tech IP, network effects, scale or first-mover advantage



Proven technology with a clear path to commercialisation



Founders and teams able to build innovative businesses in conservative industries

*We believe that focusing on companies that have these characteristics will **enable us to generate venture / growth-type returns** within climate tech*

# WE HAVE THE FOLLOWING AMBITIONS WITHIN CLIMATE TECH

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## *Our Ambitions*

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*Climate Tech*

I

**Invest selectively but meaningfully**

II

**Build an outstanding portfolio over the next five years**

III

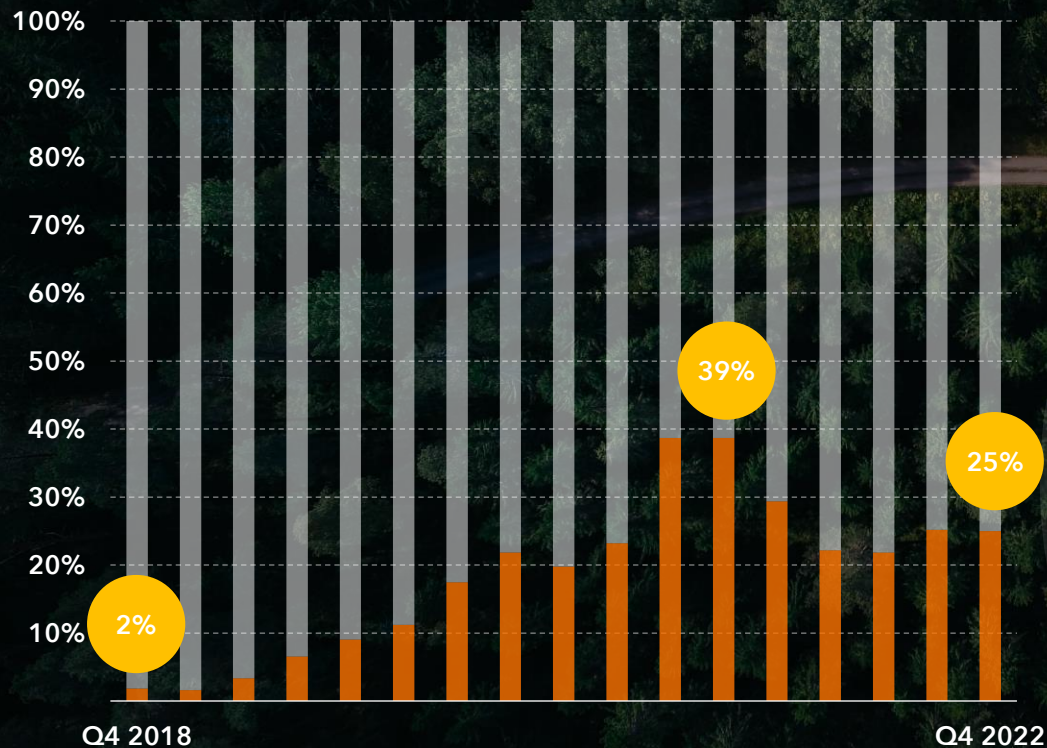
**Build a reputation similar to what we have in healthcare**

# EVOLVING OUR PORTFOLIO USING A PROVEN METHOD

## Applying Our Learnings in Healthcare Onto Climate Tech

### A Growing Healthcare Portfolio

% Healthcare Investments of Portfolio Value



- Kinnevik has positioned itself as **one of the leading investors in the US healthcare space** through a combination of positive sector tailwinds, our deep and evolving expertise and network, and our willingness to take long-term risk and invest early
- Through the years, we have built a prowess, a portfolio, and a track record in healthcare and have **added companies in a balanced way** across various stages of growth and maturity
- In building our climate tech portfolio, we have **adopted a similar method to what we have leveraged in healthcare** - identifying a secular growth trend, beginning to develop deep sector knowledge, and building a network of industry experts and specialist funds

+57%

**5-Year IRR**

Healthcare Portfolio

Per year-end 2022



# WE HAVE INVESTED SEK 1.1BN INTO FOUR INVESTMENTS OVER THE PAST YEAR IN INDUSTRIES THAT COLLECTIVELY ACCOUNT FOR 34% OF GLOBAL CO<sub>2</sub> EMISSIONS

## Our Investments

Climate Tech



**Low-Carbon Mobility**  
SEK 206m in Q4 2021



**Regenerative Agriculture  
& Nature-Based Carbon Credits**  
SEK 127m in Q1 2022



**Carbon Neutral Chemicals**  
SEK 508m in Q3 2022



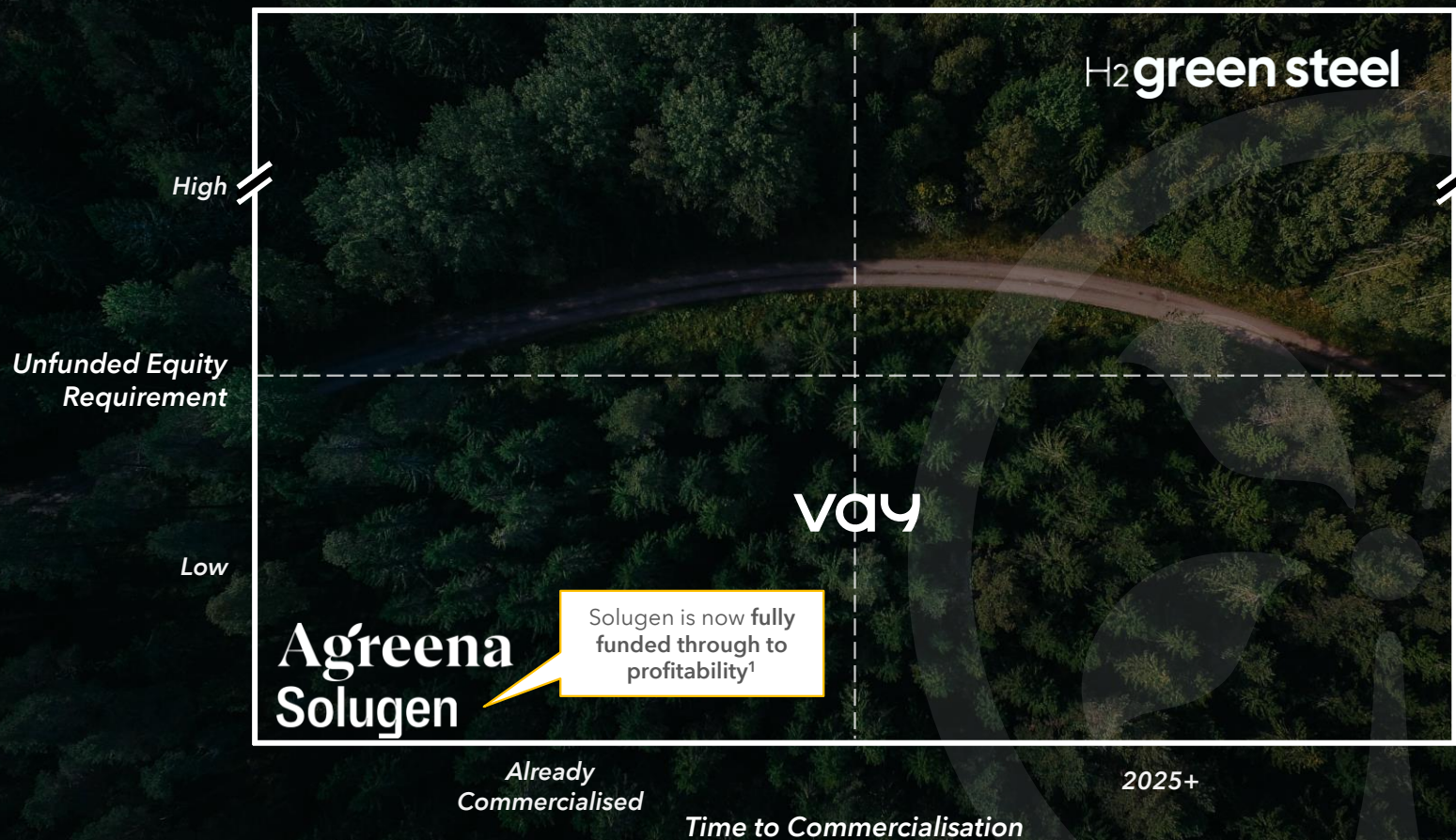
**Green Steel**  
SEK 275m in Q4 2022



# OUR CURRENT CLIMATE TECH PORTFOLIO IS DIVERSIFIED IN TERMS OF UNFUNDED EQUITY REQUIREMENT AND TIME TO COMMERCIALISATION

## Portfolio Positioning

*Indicative*



Note: <sup>1</sup>Based on current operating plan as with all companies shown above

# WE RECENTLY INVESTED USD 50M INTO SOLUGEN - A TEXAS-BASED COMPANY THAT ARE AIMING TO DECARBONIZE THE CHEMICALS INDUSTRY



## Solugen

Overview

Since we invested last year, Solugen have **continued to strengthen our conviction** by achieving **almost nine figures of revenue** in 2022, demonstrating consistently high product margins and by **accelerating the timeline of their bioforge roll-out**

### Product

- Production of organic acids and platform chemicals from sugar instead of polluting feedstocks (petroleum) by leveraging engineered enzymes and metal catalysts
- Innovative approach operates at lower temperatures and generates higher yields, thereby lowering waste, emissions, and cost
- Highly modular production facilities (or BioForges) reduce capex, carbon footprint, and supply chain risk



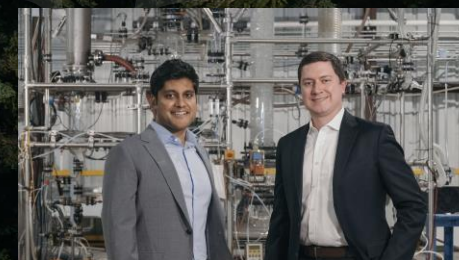
Solugen's manufacturing facility design the 'Bioforge'

### Market

- Disrupting the USD 6tn chemicals industry, responsible for 6% of global CO<sub>2</sub> emissions
- Products address a wide range of applications in sectors ranging from cement to food & beverage

### Focus Areas

- Build out BioForge footprint
- Invest heavily into R&D to broaden and mature the product portfolio



Solugen's Co-Founders Gaurab Chakrabarti and Sean Hunt

### Funding Requirements

- Very strong funding position with almost three years runway
- A cap table consisting of many of the foremost investors in the climate tech space

# WE HAVE ALSO INVESTED EUR 25M INTO H2 GREEN STEEL TO ACCELERATE THE DECARBONIZATION OF STEEL - ONE OF THE LARGEST CO<sub>2</sub> EMITTING INDUSTRIES

## H<sub>2</sub>green steel

### Overview

#### Product

- Producer of green steel, reducing CO<sub>2</sub> emissions with up to 95% compared to traditional steelmaking
- 5 million tonnes of green steel produced in Boden by 2030
- A fully integrated, digitalized, and sustainable plant

#### Market

- Targeting the steel, one of the most used products in the world, representing ~7% of global CO<sub>2</sub> emissions
- Off-take supply agreements with partners across industries from automotive to construction to white goods

#### Focus Areas

- Developing Boden plant
- Exploring opportunities in green hydrogen and green iron

#### Funding Requirements

- Announced debt commitments for EUR 3.5bn in Oct 2022
- Anticipated to raise further capital for Project Boden
- Very strong cap table consisting of several players with significant and long-term capital



Boden plant design



Partners and co-investors

# OUR CLIMATE TECH PORTFOLIO ALSO INCLUDES VAY AND AGREENA

Has scaled the number of hectares by 10x during 2022

Recently became the **1st company to teledrive on European public roads without a safety driver**

## vay

### Overview

## Agreena

### Overview

#### Product

- **Vay is creating a proprietary teledriving platform** that allows drivers in central teledriving hub to remotely drive connected fully electric cars on public roads
- The company enables a more efficient use of cars which **leads to the total emissions reduction**

#### Market

- **The global urban mobility sector is a €4.2tn market**, which has already seen, and will continue to experience tectonic shifts in response to changes in consumer preferences and technology advances

#### Focus Areas

- Getting the green light from authorities to launch a small commercial service in Germany and/or the US
- Further building out the organisation, processes and team

#### Funding Requirements

- **Strong funding position** with ~2 years of runway

- Direct-to-farmer, vertically integrated, platform to help **farmers transition to regenerative ag** by providing a secondary carbon finance revenue stream via the voluntary carbon market (VCM)
- **Regenerative ag restore the soil and capture carbon** (via reduced tillage, crop rotation, organic fertilizers etc.)
- World-leading MRV<sup>1</sup> software uses **ground-truth data, satellites and AI to ensure scalable detection and trustworthy transition**

- Reaching the 1.5-degree target **require negative emissions**
- **Regenerative farming can remove 100-500 MT CO<sub>2</sub> every year**
- The VCM is currently worth +2bn USD and **expected to be worth upward of USD 50bn by 2030**

- **Scale platform to farmers across Europe and globally**
- **Product development** to strengthen farmer experience and MRV
- **Asset light model with strong funding position and >1 year of runway**



An aerial photograph of a dense forest with a winding road. The text "Q & A" is overlaid in the center of the image, positioned over the road. The forest is composed of various types of trees, including evergreens and deciduous trees, creating a rich green canopy. The road is a light-colored, unpaved path that curves through the forest. The overall scene is serene and natural.

**Q & A**