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PINOVA CAPITAL

Size of fund: €150m
Stage: Fundraising

Munich-based Pinova Capital is a private equity firm that aims to invest in engineering and service companies in the 'innovative Mittelstand' in German-speaking parts of Europe. It is a region where the founding team sees good potential, particularly in the area of environmental technologies and services.

"Germany is quite unique in that it has a large number of small to mid-sized companies that early on develop worldwide markets, or establish niches, that afford good margins and high barriers to entry, due to specialised know-how and complexity of product development," comments Katrin Brökelmann, one of Pinova's four founding partners.

Currently, about one third of dealflow is cleantech, an area where Pinova's partners have built up industry knowledge and experience, according to Brökelmann. In addition to environmental industries, the fund's investment scope includes businesses active in the automotive, chemical, machinery and industrial goods sectors, as well as business services.

Pinova Capital is a first time fund but not a first time team. Its founders hail from 3i, where they worked together for ten years in the small cap practice of the British firm's offices in Germany, Switzerland and the US.

To date, Pinova has received "substantial commitments" to its fund from "high profile" institutional investors, according to Brökelmann. The fund will back growth strategies, as well as finance management buyouts and corporate spinouts. It is also open to acquiring minority equity stakes, which is not very common in venture capital or buyout investing, but well-suited for the small cap segment, in the opinion of Brökelmann. Small cap companies, as defined by Pinova, are those with a turnover of between €5 million and €100 million.

LOW CARBON SEED FUND

Size of fund: £2m
Stage: Launch

Technology group Imperial Innovations has launched a £2 million fund to invest in companies active in developing technology for the clean or alternative energy sector.

The Low Carbon Seed Fund was set up through £1 million from The Carbon Trust, as well as £1 million from Imperial Innovations, which was in turn funded by a grant from Shell Foundation.

INVESTMENT FOCUS

The fund will focus on UK-based businesses within the cleantech and alternative energy fields, in areas including wind power, solar energy, tidal power, fuel cells, biofuels and new materials. Deal sizes will range between £50,000 and £250,000, and will usually be made at the seed or early-stage financing rounds.

According to Chris West, deputy director at Shell Foundation; "Despite the abundance of investment in the low carbon sector, there is a gap in the availability of skills and capital to support innovative companies at seed funding stage. Shell Foundation is pleased to partner with Imperial Innovations and The Carbon Trust in an effort to fill this gap."

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SUSTAINABLE TECHNOLOGIES FUND

Closing at: €58m
Stage: Final close

Sustainable Technologies Fund held its final close at €58 million, with the support of an investor pool including two Swedish national pension funds, as well as Swedish and international institutions and individuals.

The fund was launched in January 2007, with a target of €50 million to €60 million. It has already closed two deals in the solar energy industry – Swebo Bioenergy and Suncore – and plans to back another 12 to 15 companies over a five year investment period.

INVESTMENT FOCUS

Sustainable Technologies' investment strategy focuses on Nordic small and medium sized growth companies. The fund provides expansion capital ranging between €2-7 million to businesses operating in renewable energy and efficiency, renewable materials and green chemicals, recycling and purification technologies.

"The transition from today's energy supply, most of which is non-renewable, and which, among other things, contributes to increased climate change, is very large and will require new technologies and large amounts of capital for a long time," said co-founder Anders Frisk. "This, in turn, creates favourable conditions for new businesses in many different markets. And, of course, it will also create large commercial value at the same time."

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CAPE HELIO

Size of fund: €70m
Stage: Launch

Italian private equity managers have launched Cape Helio, a €70 million fund dedicated to solar energy plants.

This is a partnership project between mid-market private equity house Cape Natixis and energy firm Helio Partners. Acanthus Advisers is acting as a placement agent for Cape Helio.

Cape Helio is Cape Natixis' eighth fund and adds to the firm's company portfolio under management, which is currently worth around €435 million. Helio Partners are experts in the energy sector, having previously worked on over 10,000MW of energy projects for major utility companies. The two firms have been working together since mid-2007 to develop a pipeline of investments in solar power plants.

IN BRIEF:

Sitra, the Finnish innovation fund, has invested €10 million in Belgian Capricorn Cleantech Fund, which closed at €100 million last May.