

AQUAGROFUND

In partnership with Oron Agro Industries Ltd.

Venture Capital Investments in

Water | Renewable Energy | “Smart” Agriculture

July 2011



AquAgro Fund

The logo for Aquagro Fund features three overlapping circles: a light blue circle on the left, a light green circle in the center, and another light blue circle on the right. The text "AQUAGROFUND" is written in a bold, sans-serif font across the top of these circles.

In partnership with Gaon Agro Industries Ltd.

A \$50M VC fund investing in mid-to-late stage technology companies in water, renewable energy, electricity demand control, environmental, “Smart” Agriculture & Ag-Bio.

Aquagro Fund was co-founded by Gaon Agro, a leading holding company in Israel’s water and clean tech sectors, and the managing partners, Hillel Milo & Nir Belzer, an experienced team with strong VC and sector track record.

History

- First closing completed in January 2008
- Nine portfolio companies
- Strategic partners in target markets;
- First exit done , distribution in Q3 2010 at final closing.

Investment Focus Sectors

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Water

- Wastewater treatment and Recycling
- Security of water sources
- Leakage management
- Water quality treatment
- Desalination and filtration
- Waste water energy generation and materials recovery

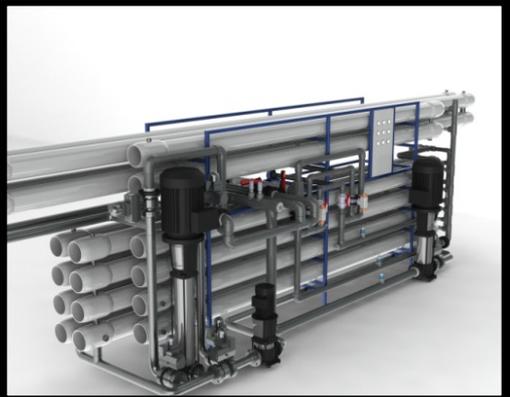
Energy

- Energy efficiency and demand side
- Grid management
- Novel batteries and storage technologies
- Waste to energy
- Solar energy
- Photovoltaic cells

Agro and Bio-Agro

- New hybrid and organic seeds;
- "Smart" agriculture;
- Greenhouses and automated growth facilities;
- Environmental friendly food Production
- Aquaculture

Portfolio Companies - Desalitech



Portfolio companies – Desalitech

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- Closed circuit desalination based on hydrostatic principles
- Utilizes only standard off the shelf components in full compliance to their manufacturers' recommendations
- 30% reduction in the price of cubic meter desalinized

Company's latest performance:

- 2 container size units operate in Kibbutz Reim 24/7 selling water for irrigation, with excellent economics.
- The sea water unit operates in Palmachim 24/7 with excellent economics.
- The company has a BIRD project with GE water which has strategic importance.
- The installation works 24/7 at Kibbutz Ma'agan Michael.
- The company hired an experienced BD person in the US.

Portfolio Companies – CES

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C.E.S. Smart Distribution Panel - Integration & Functional Block Diagram

Replaces Traditional Electricity Panels

- No need for:
 - * Dedicated wiring.
 - * RF devices.
 - * Communication lines.

Various Power Sources:

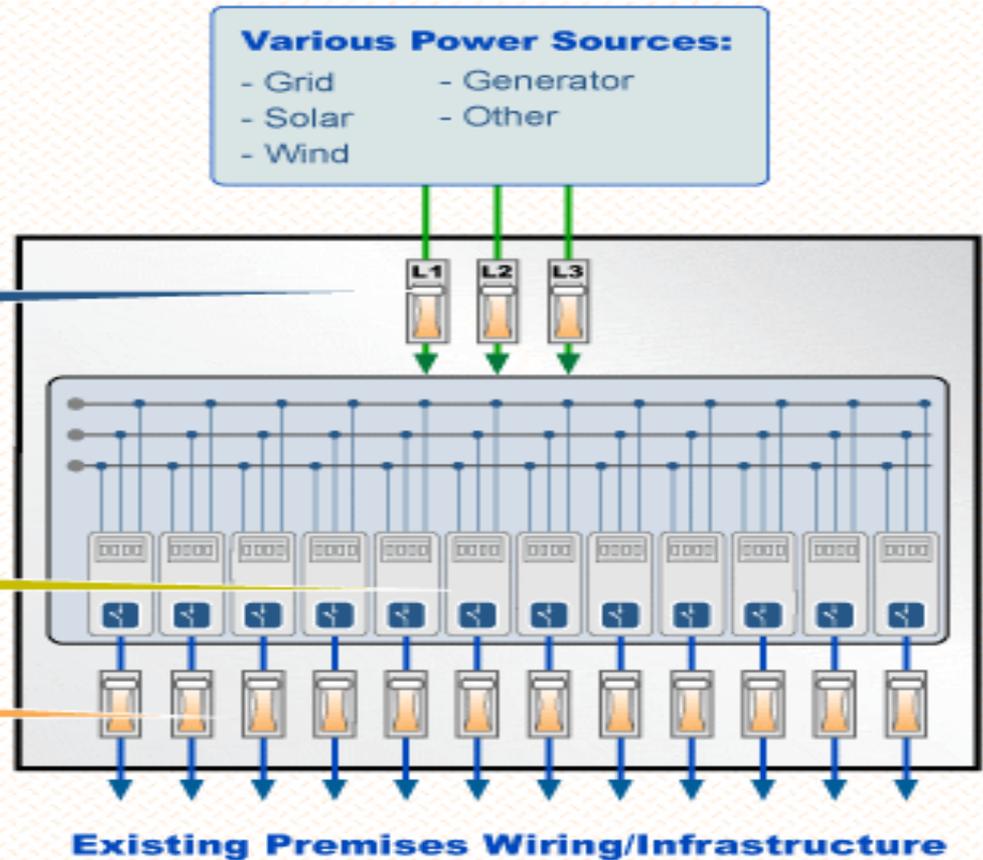
- Grid
- Generator
- Solar
- Other
- Wind

Power Input Circuit Breakers

12-24 Smart Switches:

- Individual circuit monitoring and control
- Transferring and balancing loads between power sources

12-24 Traditional Circuit Breakers



Existing Premises Wiring/Infrastructure

CES - Applications

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EV Charging



Commercial Applications



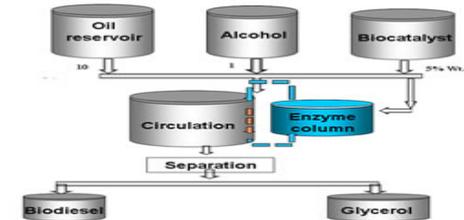
Residential



The company developed a system whose main purpose is to advance electricity grid management, by installing a comprehensive and computerized solution in every home/commercial building.

The system enables power utility to reduce power evenly across the grid in times of peak demand.

Portfolio Companies – TransBiodiesel



Overview:

- Immobilized enzymes as a game-changing technology for the conventional chemical-based catalysts for Biodiesel.
- Production of biodiesel from different oils, including plant oils, animal fats and recycled greases.
- Cost-Effective process VS the chemical process.
- The Company is in a process of forming strategic alliances with worldwide-leading biodiesel producers.

Company's latest performance:

- During Q1 2011 a number of companies have purchased the biocatalysts in order to run evaluation studies for TransBiodiesel's biocatalysts.
- Two bi-national projects jointly with Purolite-USA and Lianyungang-China, TransBiodiesel has recently sponsored two more bi-national projects which are still under evaluation including: Singapore Israel R&D Fund and EUREKA.
- The IP of the company is comprised of 4 patents; one issued patent at the US, second has been approved by the EU and two patents are at different international phases.

Portfolio companies – ZoOpt



Overview:

The company has developed plankton sized unique food for fish larvae. We believe the technology is a breakthrough in bringing new ocean species into industrial harvesting.

Company's latest performance:

- Project with the Israeli National Institute of Oceanographic Research, Eilat.
- Promising results for growing White Grouper in aquaculture.
- Zo-opt and the research institute will submit a joint proposal to a European research fund for growing Tuna fish in captivity.
- Novus International, a large American company in Aquaculture, continues exploring the market opportunities of our products.

Portfolio Companies – Impel Microchip

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Overview:

Impel is a solar panel technology company with a revolutionary product that makes solar electricity affordable without government subsidies.

Impel's technology reduces solar panel cost to an estimated 0.67 \$/wp – as low as future thin-film solar technology – and consumes real-estate that is comparable with conventional wafer-based solar flat-panels.

Impel's innovation involves semiconductor technologies, modified for and in conjunction with plastic technologies. Its edge resides within its ability to form modular “mini-panels” by an efficient process, thus providing savings in materials, weight, and costs.

Company's latest Performance:

ImpEl is focused on matching its product performance to reference PV cells. So far, encouraging results.

The company is working closely with Tenesol (TOTAL & EDF Groups)– the largest PV module manufacturer in France – according to the MOU between the companies, for the commercialization and marketing of products based on its technology.

ImpEl's product – a solar innovation

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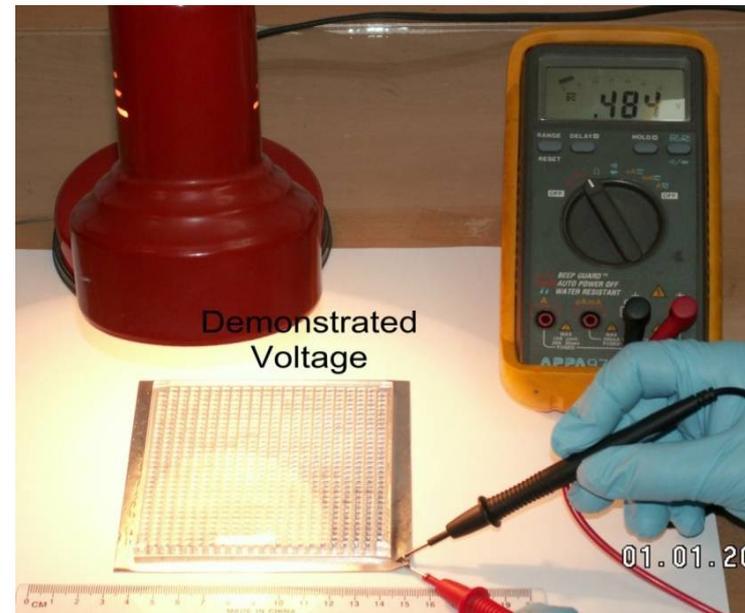
A thin panel for non-tracking low-concentration CPV at a cost of \$0.67/Watt-peak (Wp).

Featuring:

- Millimeter-scale solar cells, reducing silicon consumption by 83%.
- Low-bulk concentrators.
- Intrinsic modularity.
- Leveraging existing production equip.

Characteristics:

- ✓ COST-efficient.
- ✓ Light WEIGHT (50% less).
- ✓ Better DURABILITY.
- ✓ Low CAP-EX.



Portfolio Companies - Kinrot Ventures



- The only water technologies seed investor worldwide;
- Focused on screening the most promising projects from Israel's top academy, water institutions and private entrepreneurs pool;
- Recently acquired by AquAgro Fund. Kinrot has significant strategic value for the Fund due to its unique and proprietary portfolio and as deal flow feeder for the Fund;
- Mekorot-Israel's national water utility company is Kinrot's strategic partner;
- A world leader in the water sector is Kinrot's global strategic partner.
- Advisory Board of Israel's best water experts;
- A solid platform for development and commercialization of water innovations;
- Twelve active portfolio companies.

Kinrot Portfolio – Wide Range Solutions



Evina Biotech
Advanced Biological Solutions



Wadis
Water Disinfection

TACount
REAL TIME MICROBIOLOGY

EcoChemTech
Sophisticated Brine Management



- The cleantech sector in Israel is relatively well financed in the seed stage.
- Very well developed incubator program.
- Only 3 pure play cleantech VC funds in Israel for post seed investments.
- Sporadic cleantech investments by other VC funds.
- The gap impairs the growth of the sector in Israel.
- Financial institutions such as pension funds, providence funds, fund of funds etc, are not investing in cleantech funds.

Closing the Financial Gap

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- The Israeli government had very good experience in supporting the launch of the VC industry in the early 90's (Yozma).
- A \$100 M launched an industry that changed the Israeli economy.
- Financial institutions will invest in cleantech funds if their downside is protected.
- We suggest a government downside protection program with eventual size of 1.5 B NIS with zero initial cash input.
- This will enable Israel to become the cleantech powerhouse as it is in conventional high-tech.