



# Ascentage

## Built Environment – Segment Spotlight Sustainability Management Solutions

May 2024

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# Sustainability Management Solutions

## Technologies that Impact Existing Commercial, Institutional and Multi-Family Residential Assets Can Play an Outsized Role in Transforming the Built Environment

Buildings represent 39% of greenhouse gases and a major driver of climate change

Much has been written about improved construction practices and new materials, e.g., green concrete, to address 11% of this figure.

Proportionally less attention has been paid to efforts to better manage the existing building stock that counts for the remaining 28%.

The latter improvement journey starts with measurement – assessing the key performance indicators as a baseline. Then, under the rubric ‘what gets measured gets done’ improving performance over time.

This report focuses on sustainability measurement and management solutions on three, interrelated levels from macro to micro

- **Governments/Corporations/institutions** – on March 6, 2024, the SEC adopted new climate disclosure rules. These rules require companies to publish information that describes the climate-related risks that are reasonably likely to have a material impact on a company's business or consolidated financial statements. The regulation follows earlier requirements in Europe and California
- **Real Estate Owners/Operators** – major real estate developers, Big Tech, hospitals, universities and other ‘serial builders’ have led the charge in progressively establishing sustainability standards for their full portfolio of assets. This allows them to:
  - Meet the above regulatory requirements with confidence
  - Prioritize their efforts to renovate, replace or exit buildings
  - Support their efforts to offer improved occupant experiences as part of improving employee satisfaction/retention and tenant satisfaction/lease rates
- **Individual Property Managers** – today’s smart buildings have extended the original concept beyond the historic focus on energy conservation to integrating safety/security, air quality and workplace management solutions, all supported by an extensive network of IoT sensors and AI capabilities

*“The move toward smarter utilization of existing assets through technology holds great promise for incumbents, newcomers and the investors who back them.”*



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# Select Sustainability Management Solutions















Financial, Tech, Real Estate and Industrial Sector Incumbents Make for a Crowded Field; That Has Not Deterred PE or VC Investors or Entrepreneurs



	ESG/Compliance Reporting/Analytics	Property Management Portfolio Solutions	Asset Monitoring/Operations
Strategic Incumbents			
PE-Backed Insurgents			
Emergent/Growth Entrants			






















# Strategic Incumbent Activity

In a Generally Slow M&A Market in 2022-23, Sustainability Deals Bucked the Trend

Principal	Target	Date	Type	Target Description	Comments and Observations
		Apr 23	Later Stage	<ul style="list-style-type: none"> <li>Smart building management solution</li> </ul>	<ul style="list-style-type: none"> <li>Venture investment in SaaS building management software by multi-industry conglomerate</li> </ul>
		May 23	Series E	<ul style="list-style-type: none"> <li>Carbon asset assessment/analytics, coupled with energy retrofit refinancing solution</li> </ul>	<ul style="list-style-type: none"> <li>\$250M corporate investment round including Honeywell, CBRE to potential unicorn</li> </ul>
		Jan 22	M&A	<ul style="list-style-type: none"> <li>Data and analytics software solution focused on ESG reporting</li> </ul>	<ul style="list-style-type: none"> <li>Integrated with Maximo asset management, supply chain and environment solutions</li> </ul>
		July 22	M&A	<ul style="list-style-type: none"> <li>Building management solution</li> </ul>	<ul style="list-style-type: none"> <li>Real estate services/solutions player 'string of pearls' strategy</li> </ul>
		Dec 21	M&A	<ul style="list-style-type: none"> <li>"</li> </ul>	<ul style="list-style-type: none"> <li>"</li> </ul>
		Oct 21	M&A	<ul style="list-style-type: none"> <li>"</li> </ul>	<ul style="list-style-type: none"> <li>"</li> </ul>
		July 23	M&A	<ul style="list-style-type: none"> <li>Connected workplace management and IoT solution provider</li> </ul>	<ul style="list-style-type: none"> <li>Expansion into SaaS building management software by long-time HVAC hardware leader</li> </ul>
		Sept 22	Early Stage	<ul style="list-style-type: none"> <li>Carbon asset assessment and analytics solution</li> </ul>	<ul style="list-style-type: none"> <li>JCI participated in \$9.5M round led by Buoyant Ventures</li> </ul>
		Feb 23	Growth Capital	<ul style="list-style-type: none"> <li>Sustainability/ESG management solution</li> </ul>	<ul style="list-style-type: none"> <li>Microsoft Climate Fund participated in \$30M investment round</li> </ul>
		Oct 22	M&A	<ul style="list-style-type: none"> <li>Carbon accounting software for SMBs</li> </ul>	<ul style="list-style-type: none"> <li>ESG solution tied to ERP/financials</li> </ul>
		June 22	M&A	<ul style="list-style-type: none"> <li>IoT-based energy and asset management solutions</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition of small India-based firm complements ongoing sustainability efforts</li> </ul>
		Feb 23	M&A	<ul style="list-style-type: none"> <li>Asset, energy and maintenance management solution</li> </ul>	<ul style="list-style-type: none"> <li>Further expansion into SaaS building management software by multi-industry conglomerate</li> </ul>
		Oct 23	M&A	<ul style="list-style-type: none"> <li>Connected workplace and enterprise asset management (EAM) solution</li> </ul>	<ul style="list-style-type: none"> <li>Expansion into SaaS building management software by long-time HVAC hardware leader</li> </ul>

# Select Private Equity and Venture Capital Investor Activity

## Later Stage and Larger Deals in the Last 12 Months Bode Well for 2024 and Beyond

Lead Investor	Target	Date	Target Description	Deal Type	Amount Raised <sup>(i)</sup>	Pre-Money Valuation <sup>(i)</sup>	Amount Raised To-Date <sup>(i)</sup>
 a/c proptech	 INFOGRID	Apr 24	▪ Smart building platform solution	Later Stage	\$13.0	n/a	\$150.4
n/a	 attune	Mar 24	▪ Smart building platform solution (fka Senseware)	Series A	\$5.4	\$24.0	\$8.6
 GREENOAKS	 Watershed	Jan 24	▪ Enterprise carbon and sustainability measurement solution	Growth Capital	\$100.4	\$1,600.0	\$210.1
n/a	 AkitaBox	Dec 23	▪ Facility management solution	Later Stage	n/a	n/a	\$4.2
 positive ventures	 SINAI	Nov 23	▪ Enterprise carbon and sustainability measurement solution	Later Stage	n/a	\$75.0	\$35.4
 Lightspeed	 planA	Sept 23	▪ Enterprise carbon and sustainability measurement solution	Series A	\$27.0	n/a	\$40.0
 TPG	 PERSEFONI	Aug 23	▪ Enterprise carbon and sustainability measurement solution	Series C	\$50.0	\$340.0	\$164.5
 Solea Energy™	 VERDIGRIS	Aug 23	▪ Smart building platform solution	Series A	\$11.1	\$62.3	\$42.3
 Balderton capital	 Sylvera	July 23	▪ Enterprise carbon and sustainability measurement solution	Series B	\$57.3	\$130.5	\$97.7
 CAMBER CREEK	 measurabl	May 23	▪ Portfolio carbon asset assessment and analytics solution	Series D	\$93.0	\$340.0	\$228.6
NORTHZONE	 INFOGRID	April 23	▪ Smart building management solution	Series B	\$120.0	n/a	\$137.8
 FIFTH WALL	 nZero	Mar 23	▪ Enterprise carbon and sustainability measurement solution	Series A	\$30.5	\$100.5	\$37.4



## About Us

# Ascentage is Well Positioned

Dedicated Team Combines Growth Consulting by Seasoned Industry Executives with Tenured Investment Bankers and Stalwart Transaction Execution

## Corporate Development Consulting

and

## Transaction Advisory

- **Strategy** – assess the Company’s overall strategic direction, market trends and momentum
- **Customer/Market** – assess current sales and marketing strategy, including customer targeting, messaging, pricing, channels and overall market penetration strategy
- **Product/Technology** – assure product feature set requirements and product/market fit; evaluate technology roadmap in context of market/competitive positioning and strategic objectives
- **Organization** – assess the strengths/weaknesses of team
- **Partnering** – review current partnering agreements/terms; identify and rank future partnering opportunities, including potential strategic partners, investors or acquirers – best fits, synergies, etc.
- **Financial** – review historic financial performance and financial projections; determine current valuation range, plus major milestones and drivers that will increase Company value.

for

## Technology-Based Companies

- **Software** – SaaS through to mobility applications
- **Location-based** – GIS and LiDAR
- **Hardware** – robotics, drones and IoT sensors
- **Data** – Analytics, Artificial Intelligence
- **Solution/consulting**

focused on
























































## Built Environment Buildings / Civil / Industrial / Energy / Engineering

- **Design** – CAD, BIM, PLM and simulation/analysis tools
- **Build** – construction collaboration, estimating, scheduling and project management software; prefabrication/modular
- **Operate/Maintain** – facility, energy and asset management

# Trusted Advisor to the Built Environment

25+ Year History of Successful M&A Transactions

Supported by Depth of AEC Industry Knowledge

 Strategic Investment by	 Sale to	 Acquisition of	 Strategic Investment by	 Sale to	 Acquisition of	 Sale to
 Sage CRE Solutions Partner	 PLM and MES Solutions	 Learning Management Solution	 Field Service/Construction Operations Management	 Transportation Infra Asset Management	 Learning Management Solution	 Automated Support for Banks and Credit Unions
 Acquisition of	 Strategic Investment by	 Sale to	 Sale to	 Sale to	 Sale to	 Spin-off to
 Construction Schedule Management	 Engineering Visualization Toolkits	 Cloud BIM Construction Project Management	 3D Modeling Automated Laser Scanning	 Collaborative Robotic Control and Simulation	 Industrial Scale-Management Software	 Autodesk VAR Business
 Sale to	 Sale to	 Sale to	 Sale to	 Sale to	 Acquisition of	 Sale to
 Geospatial Asset Management	 Right-of-Way Management Software	 Network Spatial Engineering Software	 5D Virtual Construction BIM Software	 Cloud PL:M Search Technology	 Construction Administration Software	 Point-cloud Processing Software
 Sale to	 Sale to	 Sale to	 Sale to	 Sale to	 Sale to	 Sale to
 GIS-Based Asset Management	 Mobile Robot Software and Technology	 Engineering Consulting	 Facilities Management Software	 Water Resource CAD Solution	 Road and Rail Design Software	 PDM Software Application

# Sources and Disclosures

## Ascentage Advisors, LLC



### Sources and Notes

#### Data Sources

1. Pitchbook
2. LinkedIn
3. Public company releases, filings, and earnings transcripts

#### Company References

1. Miscellaneous company and press releases

### Disclosures

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*Helping technology companies evolve*

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