

Battelle Ventures, Affiliate Invest \$8 Million in Three Energy Start-ups
Deals spin out tech from U.S. Department of Energy National Labs

PRINCETON, N.J., Oct. 22, 2007 – Battelle Ventures, LP, and its affiliate fund, Innovation Valley Partners (IVP), have committed a combined \$8 million in start-up financing to three energy-related companies, two of which are direct spinouts of the U.S. Department of Energy’s National Laboratories managed by Battelle Ventures’ sole limited partner, Battelle Memorial Institute (Battelle).

The companies are: Aldis, a traffic-management-technology company focused on energy efficiency that has a joint development agreement with Oak Ridge National Laboratory (ORNL); Ampulse, a “virtual” company that has been spun out of ORNL to commercialize the Lab’s flexible thin-film photovoltaic (PV) technologies; and Planar Energy Devices (Planar), a power-storage company developing thin-film batteries that is a spinout of the National Renewable Energy Laboratory (NREL), as well as a licensee of both NREL and ORNL technology.

Details of the investments are:

- Aldis, based in Knoxville, Tenn.[*], received some \$1.9 million in Series A funding, with another almost \$1.9 million committed based on milestones to be achieved. Tennessee-based fund Meritus Ventures, L.P., also participated;
- Ampulse, which currently operates from the IVP office in Knoxville, received more than \$1 million in pre-seed funding; and
- Planar, which is based in Orlando, Fla., received \$1.3 million in Series A financing, with another \$2.7 million committed based on milestones to be achieved.

“We take a broad view of the energy & environment sector, a key investment focus for us, along with security and health & life sciences,” said Battelle Ventures General Partner Kef Kasdin, explaining that, in general, “we look for capital-efficient investment opportunities where there is significantly differentiated, breakthrough technology addressing key problems in the sector. We are not targeting any particular subsector.”

“Specifically,” she added, “we now have five investments across the country in a wide spectrum of energy technologies, including solar, fuel cells, energy storage and energy efficiency, as these three companies join SmartSynch, a wireless smart-metering technology company based in Jackson, Mississippi, and Superprotonic, a fuel-cell-materials company in Pasadena, California, in our portfolio.

*[*Aldis has moved to Oak Ridge from Knoxville, where it was located at the time of this announcement.]*

Kasdin, who is on the Boards of Directors of Aldis and Planar, said that the deals “are excellent examples of how we have acted as ‘founder capitalists,’ building technology companies from the ground up. With Battelle as our limited partner,” she said, “we cannot only deploy a unique set of company-building capabilities, but we can also leverage our position as a bridge between early-stage businesses or technology entrepreneurs and the Battelle network to add value to our portfolio companies.”

Alex Fischer, Battelle vice president, Commercialization, explained the different ways in which each of these investments had unfolded: “In the case of Aldis,” he said, “the team came before the technology, with an idea for advanced traffic management from the cofounders of the company, whom IVP General Partner Glenn Kline took to ORNL, where some related projects were in development.”

With Ampulse, Fischer said, through ORNL’s office of Technology Transfer and Economic Development, Kline learned of thin-film PV processes that offered strong commercialization potential. Based on market opportunity and solid intellectual property, a virtual company with Kline as acting CEO was created to continue joint research and development with the Lab.

Fischer continued that it was Kasdin who became aware of a differentiated power-storage technology created at NREL, in Golden, Colorado, which became the basis for Planar. Battelle Ventures and IVP funded early prototype development, he said, and eventually Kasdin recruited the CEO for the spinout. Planar, he added, was then introduced to complementary work going on at ORNL in the thin-film battery area and, as a result, became a licensee of ORNL technology, as well.

“While Battelle Ventures and IVP previously have invested in several companies with connections to the Labs, today’s announcement has taken us to a whole new level, with not just one but two spinouts. With 16 active investments that span the areas of research and development under the Battelle umbrella, the funds have very successfully positioned us to accelerate the commercialization of technology from the Labs,” Fischer said.

About Battelle Ventures

Battelle Ventures is a \$220-million national fund that invests in technology companies at many early stages of development, from companies looking for seed or start-up capital through pre-revenue and post-revenue companies raising later rounds of financing. The fund focuses on three areas of investment: energy & environment, security and health care & life sciences. In June 2006 the fund introduced its virtual-company model, with the cardiovascular-device spinout from the University of Pennsylvania, Endo valve, which is developing a percutaneous mitral valve replacement system. Battelle Ventures’ affiliate fund, Knoxville, Tenn.-based Innovation Valley Partners, is a \$35-million fund that has a proportionate interest in each Battelle Ventures’ portfolio company and invests alongside that fund in each deal. For more information about Battelle Ventures and its portfolio companies, go to www.battelleventures.com. For more information about Aldis, go to www.aldiscorp.com; for more information about Planar Energy Devices, go to www.planarenergy.com.

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