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PRESS RELEASE

Effenco secures major investor for a \$12M Series A Financing BDC to invest \$6 million in Effenco

Montreal, December 14, 2018 – Effenco, a leading company in electric and connected mobility has secured a major investor to fuel its rapid growth and market expansion. This \$6 million investment by BDC is part of the bank’s support for high-potential Canadian cleantech innovators. Investissement Quebec also participated in this round.

This major investment comes in the aftermath of an exceptional year for Effenco which expanded its market to France, Norway and California and supported its sales effort by hiring 13 high skilled workers. This notable development is bolstered by long lasting relationship with Derichebourg, the City of New York and other returning customers. Effenco was recently awarded the ‘*Prix Rayonnement à l’extérieur du Québec*’ at the EnviroLys Gala, recognizing its noteworthy performance in foreign markets.

“We are extremely pleased to be working with BDC to sustain the continued growth of our Active Stop-Start™ System and commercialize a new connected and intelligent platform,” says David Arsenault, CEO of Effenco Development Inc. “We are confident that the credibility that comes with BDC’s endorsement will contribute to showcase Effenco as a world leader along with its exceptional year.”

The investment is part of BDC’s \$700-million, five-year commitment announced last January to help high-potential Canadian cleantech firms with market-ready technology or products meet the capital-intensive needs of scaling and achieving timely growth. The partnership between Effenco and BDC’s Cleantech Practice will give further momentum to Effenco’s vision of developing the world’s most flexible and efficient heavy vehicle solutions to reduce fleet fuel costs and greenhouse gas emissions.

“Effenco’s exciting technology has a proven and compelling value proposition, payback and performance, and the company is well positioned to scale up its manufacturing business model,” says Susan Rohac, Vice-President Cleantech Practice at BDC. “Global opportunities abound for Canadian Cleantech firms and BDC’s Cleantech practice is there to help them meet the capital-intensive needs of scaling and achieving timely growth.”

"When we help clean technologies scale up, we support our whole economy. Innovations in clean technology are creating good jobs and helping to meet our climate

change goals to benefit all Canadians," says The Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development."

Effenco's pioneering Active Stop-Start™ System is compatible with the 500 thousand vocational heavy trucks sold every year in North America and Europe. The financing will partly be used to claim a share of this market. With BDC's investment, Effenco will also capitalize on the local artificial intelligence expertise of this nascent industry to commercialize a software-as-a-service that can detect problems and interpret behavioural, mechanical and logistics problems in seconds.

About Effenco

Effenco connects and electrifies heavy vocational trucks to reduce operational costs and emissions with a hybrid plug-and-play technology and a fleet management software. The hybrid Active Stop-Start™ electric technology has been validated by a growing list of blue-chip customers in Canada, New York, California, France and Norway on waste trucks, dump trucks and yard tractors. The nearly 40 employees Montreal based company develops its solutions around the meticulous analysis of empirical data collected continuously since 2006. The technology, resulting from over 10 years of R&D and substantial investment, automatically stops a truck's engine when it is stationary while continuing to provide electric power for auxiliary equipment, saving up to 30 tons of GHG emissions per truck annually. Effenco offers the most-cost effective electric vehicle technology on the market. Effenco's sizable data set combined to its resident in-depth mechanical-electrical engineering expertise and knowledge of heavy vehicles are the foundations on which its technology's value proposition has been developed and adopted by a growing base of customers globally.

About BDC

BDC is the only bank devoted exclusively to entrepreneurs. It promotes Canadian entrepreneurship with a focus on small and medium-sized businesses. With its 123 business centres from coast to coast, BDC provides businesses in all industries with financing and advisory services. Its investment arm, BDC Capital, offers equity, venture capital and flexible growth and transition capital solutions. BDC is also the first financial institution in Canada to receive B Corp certification. To find out more, visit bdc.ca.

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Contact:

Claudia Pérez-Levesque
Public Affairs, Effenco
clevesque@effenco.com
514-397-4020 #239