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# Active Energy Systems Set to Raise \$1 Million in Seed Funding to Advance Innovative Cooling Solution

The investment, led by Clean Energy Venture Group, will allow the company to expand business development and commercialization efforts

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**OAK RIDGE, Tenn.** – Active Energy Systems (AES), a cleantech company advancing an innovative cooling solution, today announced it met the initial conditions for a first close on a \$1 million seed funding round, led by the Clean Energy Venture Group. Other investors include Queen City Angels and Three Roots Capital.

Climate change, aging infrastructure and rising costs all present significant challenges for today's building owners' ability to maintain safety, comfort and affordability with current cooling systems. AES is commercializing an advanced cooling solution with built-in energy storage to provide building owners with lower cooling costs, reduced carbon emissions and strengthened cooling resiliency.

"We are excited to announce the initial close of Active Energy's seed round, and we are so pleased to bring Clean Energy Venture Group, Queen City Angels, and Three Roots Capital into our team," said Levon Atoyan, co-founder and CEO, and Mitchell Ishmael, co-founder and CTO. "Over the next four months, we will secure final investment to complete this \$1 million round, which will be used to file additional patent applications, further develop industrial collaborations, and strengthen Active Energy's marketing."

This funding will allow AES to advance its business development efforts, including investing in marketing opportunities and intellectual property protection. The company will also engage with potential HVAC manufacturing partners to further commercialize the technology. Looking ahead, AES intends to seek an opportunity to be acquired by an original equipment manufacturer (OEM) in the HVAC sector.

"Active Energy's thermal storage technology has made significant progress, and it is exciting to be a part of their continued success," said Coleman Adams, partner at Clean Energy Venture Group. "The impact that cooling load has on the electricity grid is substantial and AES' technology is a critical piece in solving that growing problem."

"This is truly remarkable progress that Active Energy Systems has made in the development of their technology, strategic partnerships, a backlog of Federal agency development funding and customer relationships," said John Bruck, member and investor of Queen City Angels and director of the Spark Innovation Center at the University of Tennessee Research Park (UTRP). "We're proud of the AES team and their advancements with this innovative energy storage technology and look forward to continuing to work with them as they grow and commercialize."

"Three Roots Capital has been associated with AES for more than three years, dating back to the first institutional capital raised by the company from the TennesSeed Fund, which is an affiliate of Three Roots, in April 2019," said Grady Vanderhoofven, president and CEO of Three Roots. "Because Three Roots and AES are in the same town, and through that early investment, we've had a ringside seat and bird's eye view of the maturation and evolution of AES, and we've had occasions to add value to the company in addition to invested capital. Three Roots is extremely enthusiastic about the progress the company has made and the opportunity to continue to support the growth of AES, especially alongside other capable investors."

Before this current investment, AES raised over \$2.4 million in non-dilutive funding through Small Business Innovation Research (SBIR) grants from the Department of Energy and National Science Foundation, along with matching funds from Launch Tennessee (LaunchTN). AES is a graduate of the Innovation Crossroads program operated at Oak Ridge National Laboratory and the Energy Mentor Network run by the Tennessee Advanced Energy Business Council in partnership with LaunchTN and a current participant in the Spark Incubator Program at UTRP.

In August 2021, the company moved to a new facility in Oak Ridge, choosing to remain in the region due to easy access to high-quality talent from UT and ORNL, low operating costs and support from the local entrepreneurial and energy ecosystem.

### **About Active Energy Systems**

Active Energy Systems is leveraging its scientific expertise to create and commercialize an enhanced form of ice thermal energy storage. Such an enhancement will not only further open the current ice energy storage markets, such as comfort cooling and process cooling,

but also help enable an upcoming form of electricity storage: pumped thermal energy storage.

### **About Clean Energy Venture Group**

Clean Energy Venture Group is an angel investment group which provides seed capital and management expertise to early-stage cleantech and climate-tech companies. The group is comprised of seasoned operating executives with strong capabilities in the energy and environmental sectors. With each investment, we bring not only capital but also the value of our experience and network to help companies achieve their goals. We focus on companies located in North America.

### **About Queen City Angels**

Queen City Angels (QCA) is a group of more than 165 experienced and maturing accredited investors in the Cincinnati region. QCA members reside in 16 states and include company founders, former corporate executives and entrepreneurs. QCA investor members evaluate early-stage angel investment opportunities and provide ongoing mentoring to young businesses with exceptional growth potential. QCA members typically donate the equivalent of \$5,000,000 per year in pro-bono mentoring, coaching, and guidance for entrepreneurs to improve their success and the success of angel investors. Since 2000, QCA members have directly invested \$75 million in more than 95 portfolio companies. The total capital invested in these companies, including QCA members' capital, syndication partners' capital, follow-on venture capital funds and venture debt is over \$620 million. CB Insight ranked QCA second out of 370 national angel organizations. For more information, visit [www.qca.com](http://www.qca.com).

### **About Three Roots Capital**

Three Roots Capital (3Roots) is an innovative finance company that provides loans and equity investments to small businesses and real estate projects in Tennessee and Appalachia. 3Roots was established to address the chronic need for investment capital in central and southern Appalachia. 3Roots supports small businesses, entrepreneurs, real estate projects, and communities in economically challenged areas throughout the region. 3Roots is certified by the U.S. Department of the Treasury as a Community Development Financial Institution (CDFI) and as a Community Development Entity (CDE). For more information, visit [www.3rootscapital.org](http://www.3rootscapital.org).

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