

— IMPACTHUB ASIA PACIFIC



Gaps in Financing Green Start- ups and Lessons from China

— OUR PURPOSE

A just and sustainable world where business and profit are used to serve people and the planet.



— OUR NETWORK

A catalyst for **entrepreneurial action since 2005**, we are a locally rooted, globally connected network of **56 000+ members & program participants** driving societal change in **120 locations** across **70 countries**.

OUR MISSION

We build locally rooted and globally connected entrepreneurial communities for impact at scale.

- Growing impact enterprises that pioneer and scale solutions
- Establishing large-scale cross-sector collaborations to mainstream these solutions and the systems change they promote.

OUR AMBITION

Towards 2030, we are models for the business of the future.

Harnessing diverse forces for good, we collectively lead the impact economy to be the present of our future.

OUR DESIRED IMPACT

A regenerative impact economy that is accelerating positive social and environmental change.



— APAC Cluster 2023

14 Impact Hubs

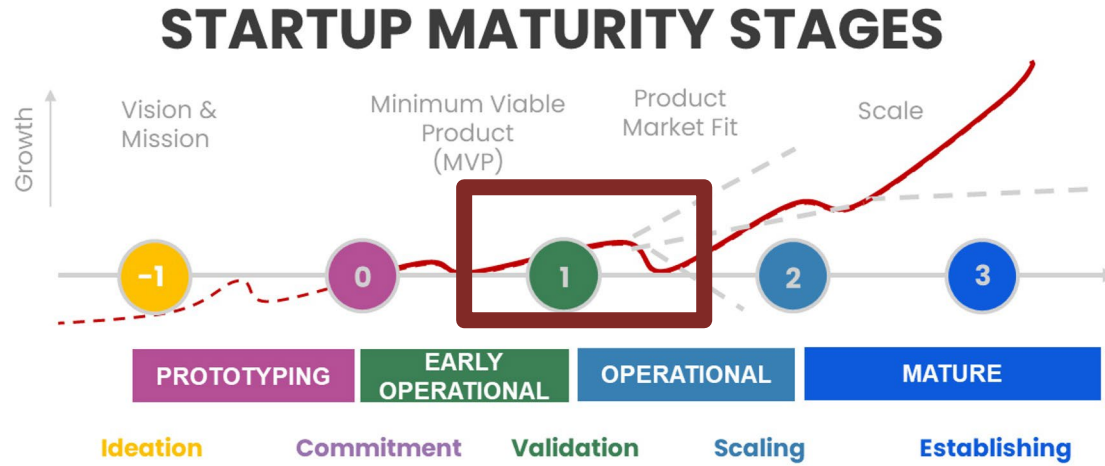
1 community partner –
Spark Project

13 countries/regions
(including CPs &
Candidates)

1 candidate
(Melbourne)



Startup Maturity Framework



Stages:

Prototyping - This stage includes startups that have built an initial prototype of their product/service and are currently testing it with potential clients. However, they have not yet generated any sales.

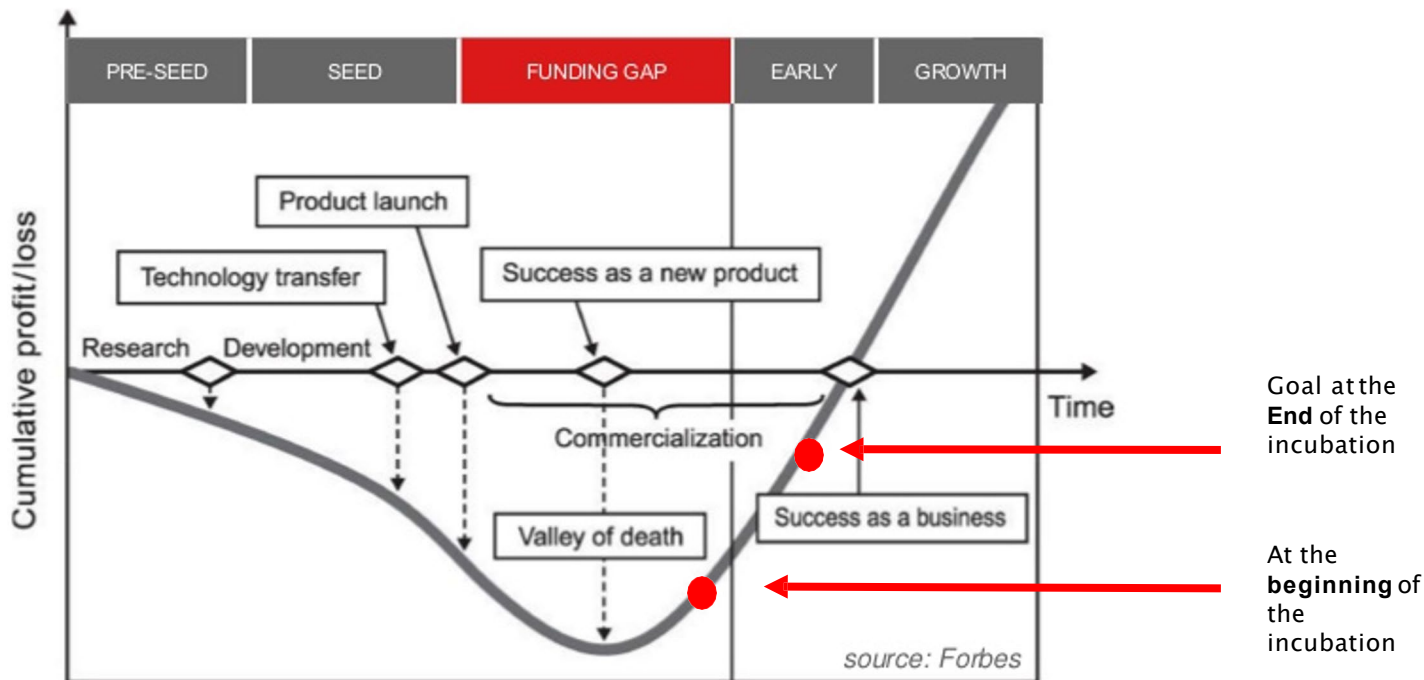
Early Operational - This stage includes startups that have generated some sales and gained market traction with their product/service but are not yet profitable.

Operational – This stage includes startups that have generated stable or increasing profits over a longer period of time.

Mature - This stage includes startups that are looking to expand their current operational base/market reach or want to establish one or more new branches locally or internationally.

Funding Gap and the “Valley of Death”

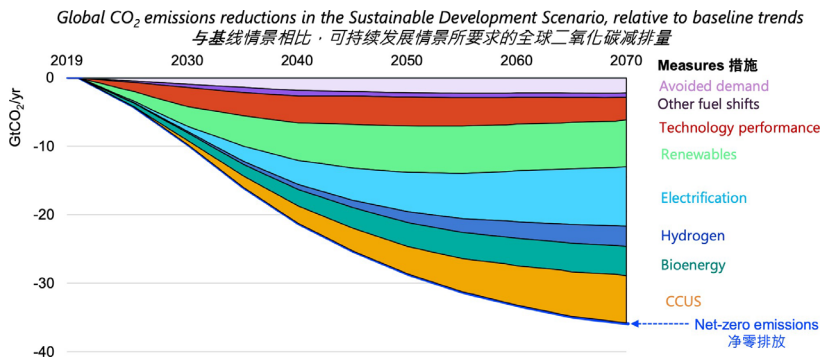
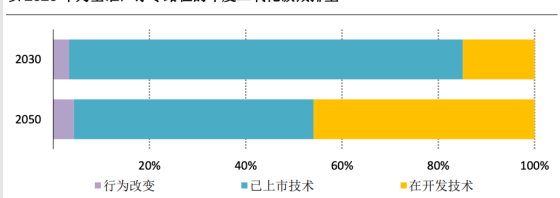
the Valley of Death



3060 Goals and Opportunities for Climate Innovation

With the 30 60 decarbonization goals, there is new momentum for innovation in the technologies needed for a zero carbon transition. According to IEA, if the world is to achieve net zero emissions by 2050, further rapid deployment of currently available technologies and widespread use of technologies that are not currently on the market will be required. Under this pathway, the majority of global CO2 reductions in 2030 would be achieved through technologies available today. However, by 2050, almost half of the carbon reductions will be achieved through technologies that are currently in demonstration or prototype phases.

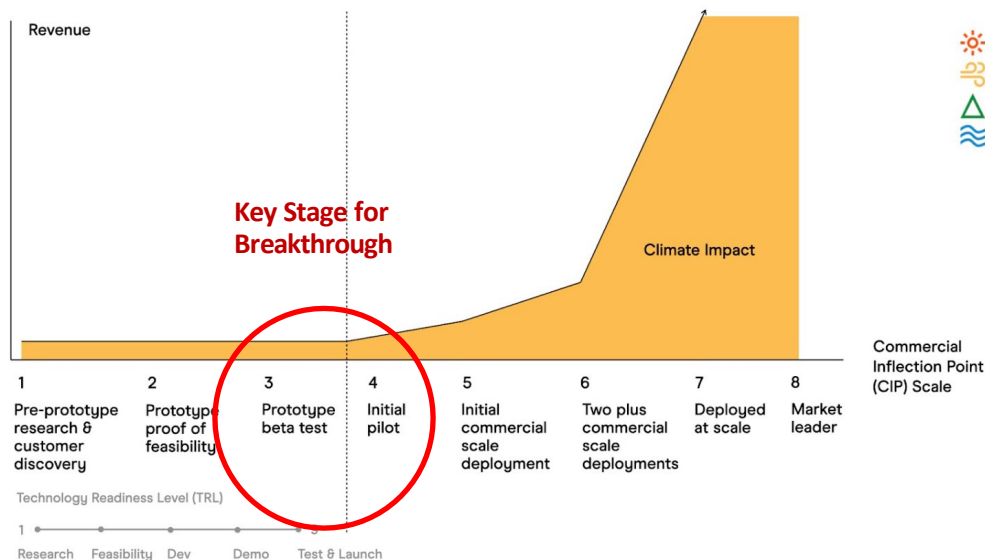
以 2020 年为基准，净零路径的年度二氧化碳减排量



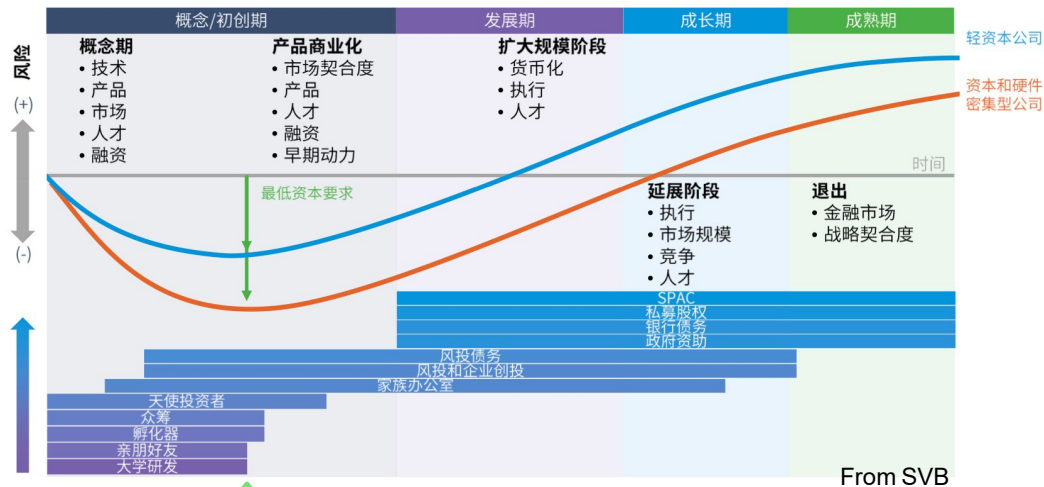
At the same time, achieving carbon neutrality will require technological innovation in many other industries, in addition to power and energy. In these areas, entrepreneurs will be provided with once-in-a-lifetime opportunities.

Deployment of Climate Innovation Requires Longer Time Period and More Customers

- With a decade of funding nearly \$50m across 130+ climate tech companies, Elemental has discovered a major funding and expertise gap begins at TRL 9, or what we call Commercial Inflection Point 4.
- This is when the really difficult work begins: deploying technology with customers in the real world. With climate technologies in particular, the path to scale often requires significant capital, involves numerous strategic and community partners, and calls for thoughtful, complex, and iterative deployments.



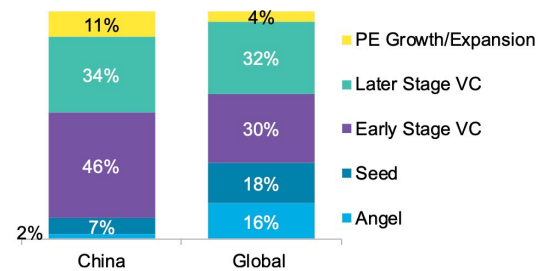
Funding Gap at Key Stages



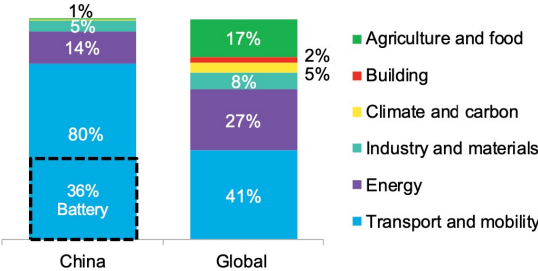
3 Prototype beta test
4 Initial pilot

Start-ups require different types of funding at different stages of development

Percentage of climate-tech startup deals by stage, China and global, 2021

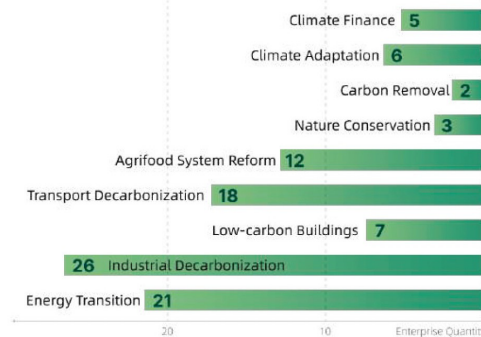
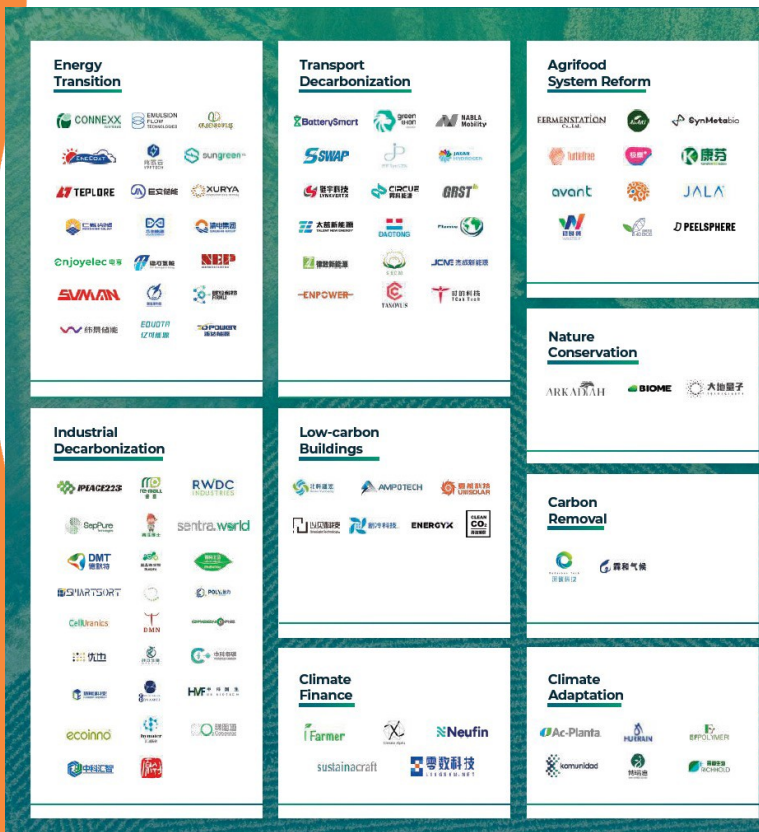


Percentage of fundraising by climate-tech startups by sector, China and global, 2021



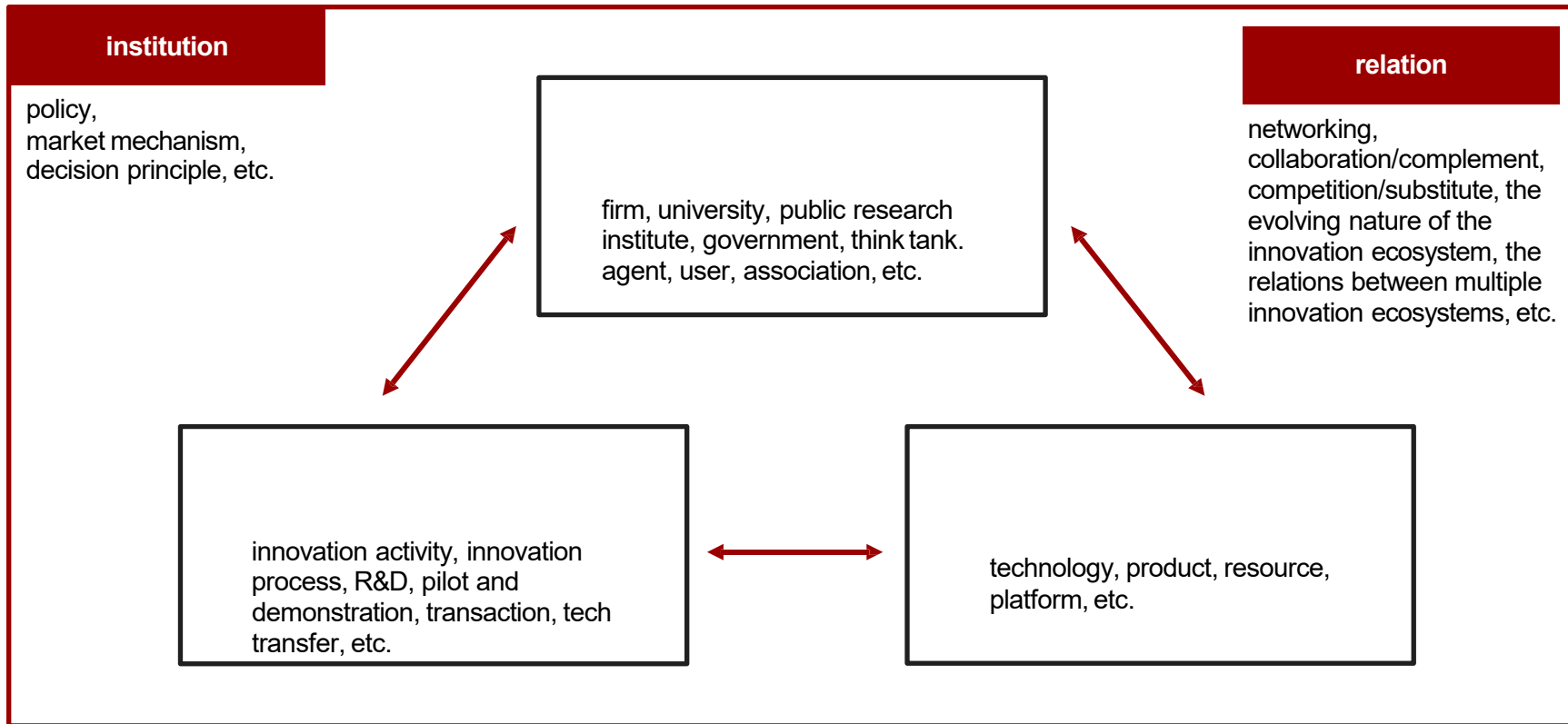
From BNEF

— Climate Innovation Innovation in Asia

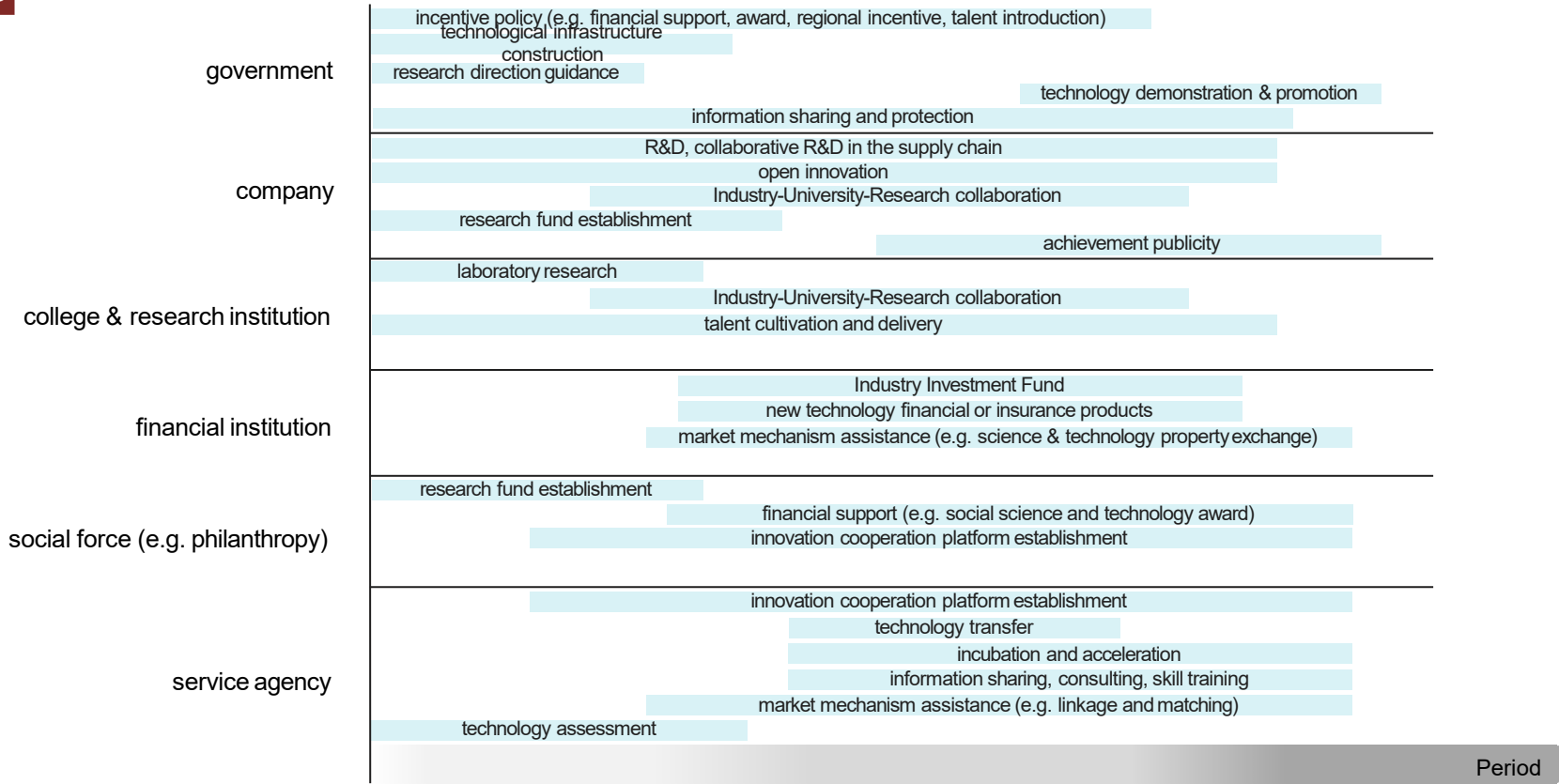


Distribution of Enterprise Quantity in Nine Areas

Innovation Supporting Ecosystem



Stakeholders



scientific research



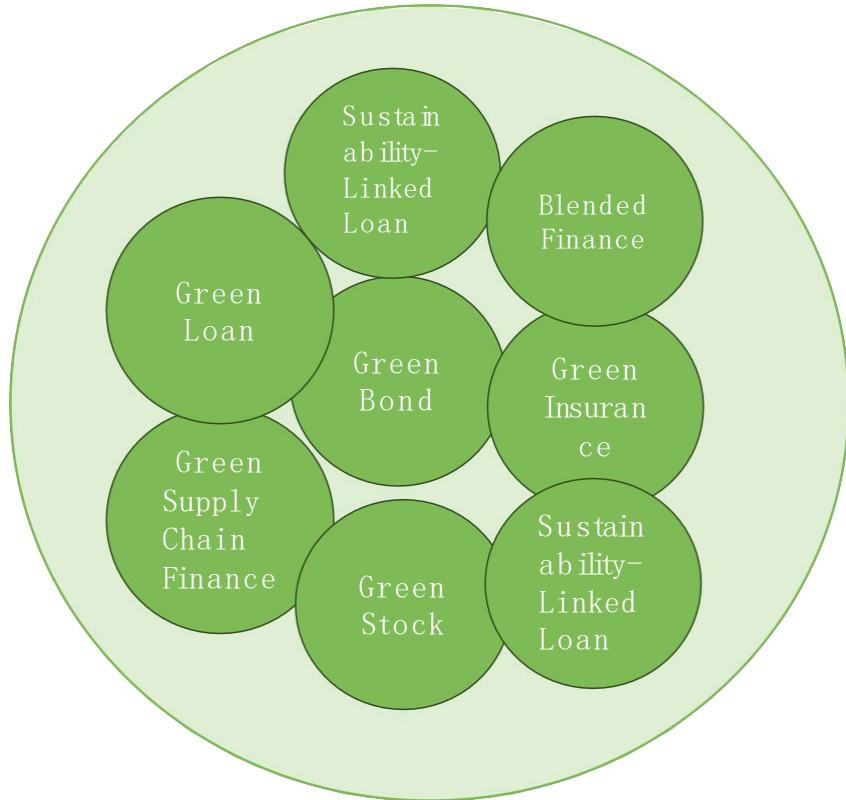
pilot



large-scale application

Period

Many financial tools but hardly support green start-ups



Miss-matching in standard

Lack of financial information

Missing of ESG products in inclusive finance/supply chain finance

Less risk-taking money

No incentives

Lack of exit pathway

Main funding sources for green start-ups

- Self-funded or funding from close circle
- Government subsidies
- Supply-chain finance
- VC/Angel Investor

Possible Policy Tools to Increase Accessibility

Direct Investment from Public Sector

- Sustainable Loan/Bond
- Grants/Gguarantee

Leverage Private Capital

- Guidance Fund by Government
- Public Financing Guarantee
- Monetary Policy Incentives

Provide Fiscal and Tax Incentives

- Subsidies
- Tax Reductions
- Lower Rates

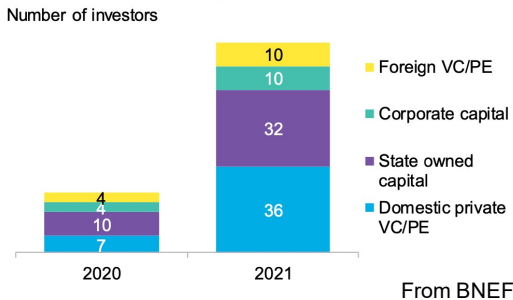
Capacity Building

- Financial/non-financial information disclosure

Venture Philanthropy as a Leverage in Climate Innovation Investment

- "Climate technology companies had to deploy their first pilot projects through expensive equity capital, and most investors who invest in growth stages need multiple commercial proof points from startups before they will get down to injecting capital."

Number of investors in Chinese climate-tech startups with two or more deals, 2020-2021



- In China, LPs with government backgrounds are even more risk sensitive and cannot invest in early stage start-ups

Evergreen pioneered its novel nonprofit venture capital approach, the 501vc® Investment Fund

This fund is structured as a revolving evergreen fund in v... investments. Over time, the 501vc® Fund creates a self-s... resource stream for early-stage startups, while offering... the climate solution - we call that 'compounding impact...

LACI is unlocking innovation through startups, transforming markets with partnerships and enhancing community inside our campus and out in our neighborhoods.

LACI Values

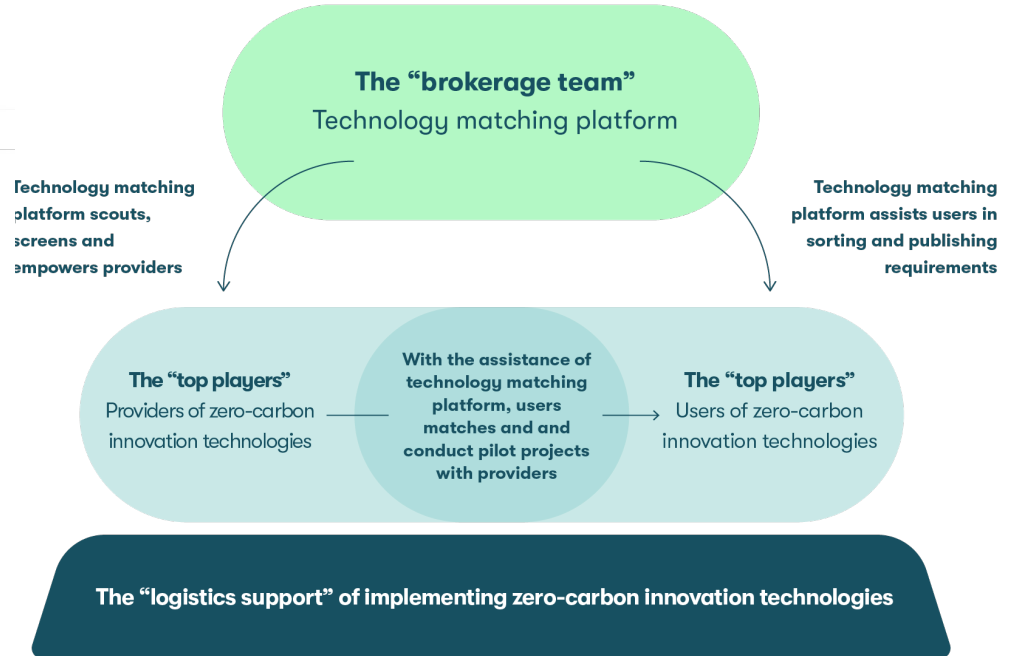
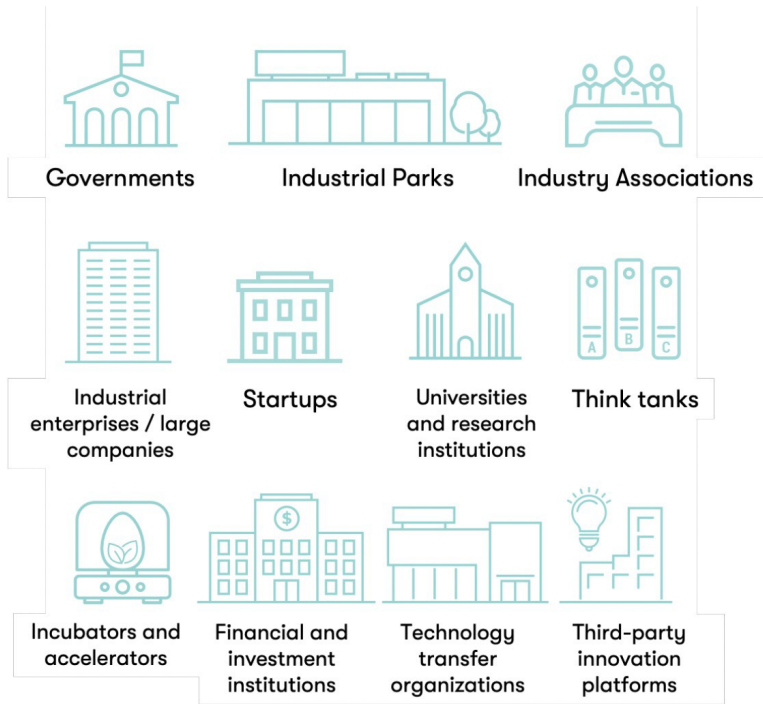
- Catalytic**
We are passionate...
Portfolio Policy Navigator Discover About Us **Donate**
- Systemic**
We use a holistic, systems-based approach that leverages...
erates red vision, ur team sed and maximize
- Inclusive**
We work to ensure diversity, equity, and inclusion of historically underrepresented populations and overburdened communities in the green economy. We support the team's well-being and staff personal and professional growth.
- Impact-Oriented**
We drive economic, social and environmental results by piloting and rewarding high-impact solutions, aligning market signals, and influencing decision-makers through thought leadership and best practices.

We are on a mission to redesign the systems at the root of climate change.

In 2009, we launched a new non-profit model for funding climate tech deployment. Breaking down barriers to innovation alongside entrepreneurs provides us unique insight into the policy, market, and technology innovation needed to build systems to uplift people and communities around the world. Elemental has invested in over 130 growth-stage companies and celebrated more than 20 exits, funded more than 100 technology projects, and built a platform for scaling equitable, market-driven solutions to climate change.

Philanthropic funding can support early-stage climate innovation from a systemic and long-term perspective to reduce the cost and difficulty of financing, thereby accelerating the advancement of key stages of breakthrough

Mission-driven Innovation Ecosystem as a solution



Hero EE Solution: Affordable, Reliable, Sustainable and Modern Energy

Our Solution



Hero EE System:

Lithium Battery Storage System

First-ever single-cell ESS platform, capacity of 1 kWh/220VAC output at 200W

- **Off-grid:** Solar panel charging supported
- **Low cost:** Aiming at less than \$100
- **Economical:** Competitive utility grade LFP cell
- **Handy:** fit in various household scenarios

Smart IoT Platform

- Manage power devices anytime, anywhere;
- Continuously expand and upgrade the functions for the business operation

Among all the alternative solutions, Hero EE System is the most cost-effective Battery Storage System.

贵雪王雪王, 1111 若豆冒

Hero EE System	<\$100	○	1kWh	Low		Easy
Other Lithium storage system	>\$200	○	▶3kWh	Low		Difficult
Solar lamp/Mini-Grid	N/A		○ •0.5 kWh	Low		Easy
Diesel or gas generators	▶\$0	>\$0.3	3kWh	High		Medium

Sales Strategy

Low-end Subversion Strategy. Provide cost-effective standardized products to low-end users of micro and small merchants, and then expand entrepreneurs' business needs vertically and BOP groups' electricity needs horizontally.

Retail

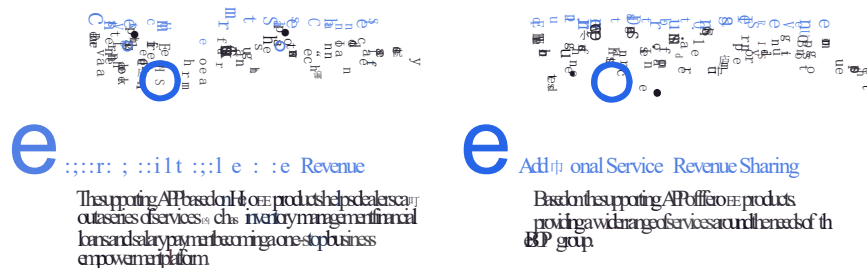
The Hero EE series can be sold as appliances directly or through a 'pay-as-you-go' option.

Contracting

The Hero EE series can be operated by a distributed electricity provider, requiring customers to sign long-term contracts.

Trigger Point: Equipment Direct Sales

With energy storage products + production equipment to support small shop owners in rural areas in Africa, South Asia and SEA to extend their business hours and develop diversified business forms to increase their income levels.



Prometheus Methodology: Energy Inclusive Finance to Create a Positive Economic and Social Cycle

The basic consensus of Prometheus methodology

1. Energy supply is a fundamental enabler of revenue generation:

Forexample: in the agricultural production unit, power+ agricultural equipment can enhance agricultural production efficiency, improve crop yield and quality; power + industry can enable the local provision of basic manufacturing capacity; in the micro-industrial and commercial unit, power + commercial equipment can enable micro-industry to realize more efficient production, so that micro-industry to provide a variety of paid services, lighting and cooling equipment can increase the efficiency of industrial and commercial work in a timely manner;

2. Economic growth can lead to additional positive externalities:

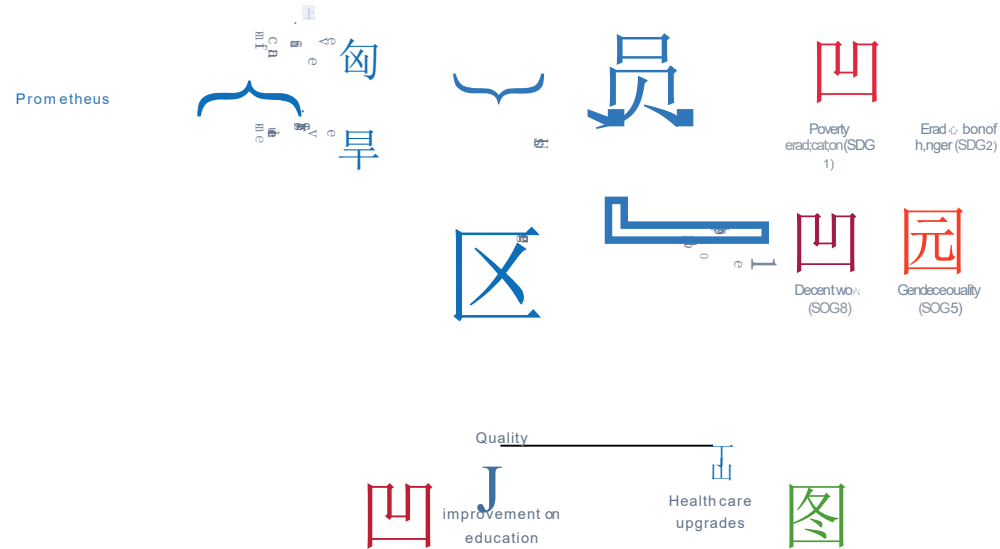
Economic growth can lead to improved labor literacy and greater gender equality, and as incomes and productivity grow, levels of education and health care will also rise significantly;

3. Access to clean energy by micro and small production units in the target markets lacks only the first initial investment:

Once the first initial capital is available, micro and small production units can begin to apply clean energy, thereby raising income levels and driving economic growth

Prometheus will therefore focus on providing small and micro production units (agricultural, commercial and industrial) in underdeveloped regions with initial funding for the procurement of their adapted clean energy products, which will serve as a pivot point for a series of changes that will lead to sustainable economic and social growth.

Ensuring access to affordable, reliable and sustainable modern energy for all (SDG 7)

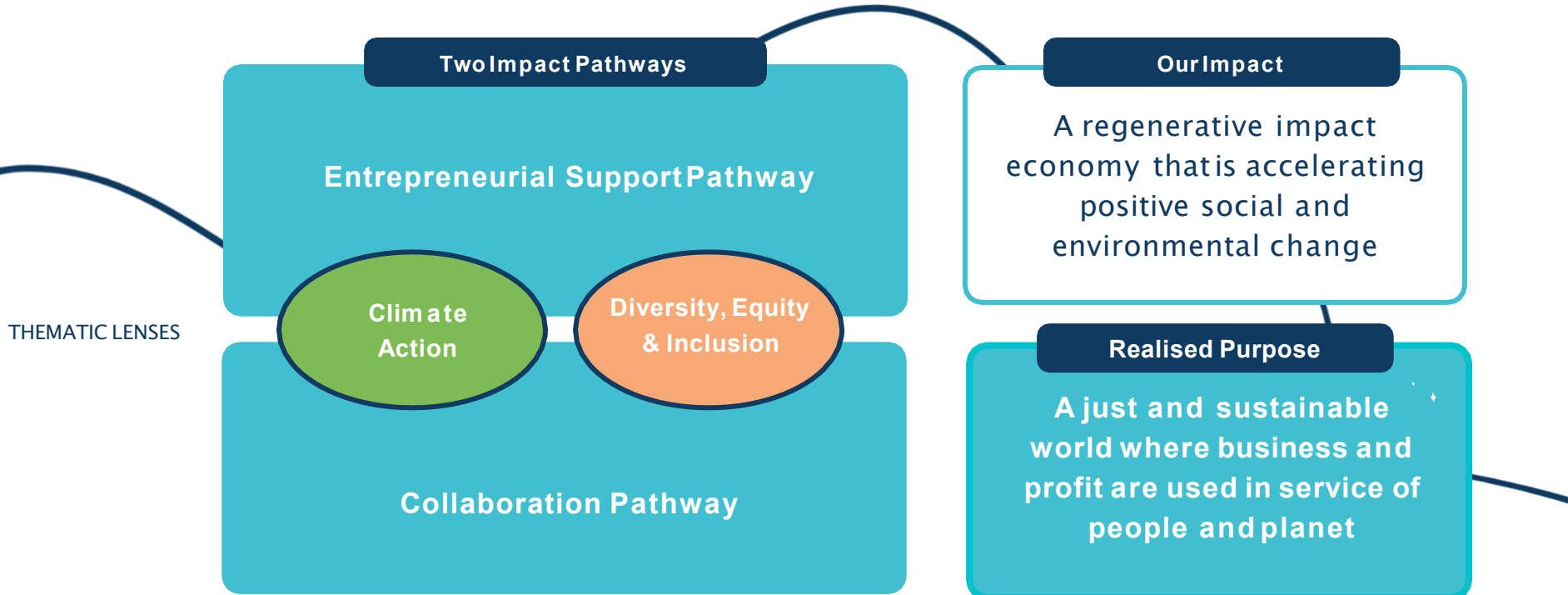




— IMPACT HUB NETWORK

Our Model

Theory Of Change



Foundation

Locally rooted and globally connected network of 100+ Impact Hubs and 25k+ Community Members

THEORY OF CHANGE

Delivering the Transition

To realize our purpose, we pursue our impact-making through two pathways of activity: **entrepreneurial support** and **collaboration**, through two thematic lenses: **climate action** and **DEI**

The **impact pathways** meet where impact enterprises are **scaling tangible impact** and where collaborative efforts are **shifting systems** – together contributing to the **transition to a regenerative impact economy**.



How do we do it?

01

Removing barriers to entry to impact-driven entrepreneurship

02

Building a pipeline of social & environmental innovations

03

Serving as a platform to replicate & scale successful innovations translocally across 65 countries

04

Accelerating cross-sector collaboration with an entrepreneurial approach



— INCLUSIVE SUPPORT

Whom do we serve

Impact enterprises are **key drivers of social innovation** and a thriving impact economy depends on their growth and impact. At Impact Hub **we help underserved entrepreneurs start, grow, and scale organisations** that pioneer solutions toward a just and sustainable society and create inclusive jobs.

The majority of organisations that Impact Hub serves are impact-driven startups and microenterprises. Organisations can both be for-profit enterprises as well as non-profits. Increasingly Impact Hubs also work **with small and medium sized enterprises, helping them transition** to more sustainable operations and business models.

— OUR RESULTS



Asia Pacific

315

new ventures
founded per year

49%

of **professional
success** attributed
to Impact Hub

52.6%

of supported
ventures are
woman-led

75%

of founders
supported are
under 35

OUR PARTNERS

STRATEGIC PARTNERS



PUBLIC SECTOR PARTNERS



CORPORATE PARTNERS



IMPACT
HUB

Thank you for
joining us on
this journey!



[IMPACTHUB.NET](https://www.impacthub.net)



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