

Perspectives of a Climate Tech Investment Banker

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Global Fundamental Backdrop

- ▶ Geopolitical concerns : China, Russia, North Korea, U.S.
- ▶ Potential for further supply chain disruptions and inflation spikes
- ▶ Weather extremes on land and oceans continue affecting larger populations
- ▶ Spiraling government budget deficits everywhere
- ▶ Have rates peaked globally ? In the U.S.?
- ▶ Insurance companies either not insuring or ramping premiums
- ▶ Deals have been repriced over the last two years
- ▶ How does all this affect Clean tech / climate tech investing ?

What do Global Fundamentals Suggest For Sustainability Investing

- ▶ Barbell strategy - proxy for bonds infra type play versus early stage tech growth play
- ▶ Find mispriced technologies and/or assets - there are plenty of “arbitrages”
- ▶ New business models to scale versus new tech
- ▶ Cost of capital has increased which should place more of a premium on Climate tech efficiency plays while reducing returns on highly levered plays
- ▶ Development capital for projects is the new valley of death financing gap
- ▶ There are lots of incentives from grants (big and small) to state job creation incentives
- ▶ Interesting opportunities
 - ▶ Critical mineral related plays
 - ▶ Biochemistry solutions and biomimicry
 - ▶ Ag tech
 - ▶ Circular economy / waste
 - ▶ Efficiency plays in energy, water, Food, transport etc
 - ▶ Energy Storage opportunities embedded in multiple business models



Extra Food For Thought



- ▶ Banking the “space” is really fun, interesting yet often frustrating
- ▶ How to think about how your solution really fits into the legacy supply chain
- ▶ Capital formation strategy matching business development and company
- ▶ Clear crisp economic articulation of your value proposition
- ▶ Who wins if you win and who loses if you win
- ▶ Commercial traction objective, strategy and tactics
- ▶ Build your cap raise deck like a painter preps a room for painting - preparation is everything.
- ▶ Creating a simple deck and clear message is a lot harder than filling every page with too much info.
- ▶ No one is rich enough to buy back lost time - be mindful not to waste yours or your audience