

Climate Tech

An aerial photograph of the ocean with a large, white-capped wave breaking in the center. The water is a deep, dark blue, and the sky is not visible. The overall mood is dynamic and powerful.

Disrupting legacy sectors
to save the world



New-age corporate finance and technology advisory firm focused exclusively on digital economy.

Flow Partners is a technology advisory firm, providing transaction advice to the companies and investors that shape up the global digital ecosystem.

Our core mission is to support winning entrepreneurs and alternative investors in M&A, capital raising and independent transaction opinions.

Our team has over 20 years of technology advisory experience and we have been behind Europe's most high-profile digital deals.

We are proud to work with world's most prominent private equity and strategic investors and leverage the technology industry know-how to provide high-quality corporate finance, technology and product due diligence advice.

Our team operates globally with significant presence in London, Berlin, Warsaw, Tel Aviv and Los Angeles.

Selected transaction experience

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Executive Summary

Climate change is one of the most threatening crises of our time, powering an urgent need for tech innovation

'Climate change is the defining issue of our time' – UN Secretary-General

The brief slowdown in greenhouse gases emissions due to the COVID-19 did not change the dangerous trajectory of rapidly progressing climate change. Disquieting climate crisis requires immediate and collective government response, and in the past months we have witnessed the world's most influential nations doing so. China pledged to be carbon neutral by 2060, the US set a target of net-zero emissions by 2050 and Europe approved the *European Green Deal* to become the world's first climate-neutral continent by 2050.

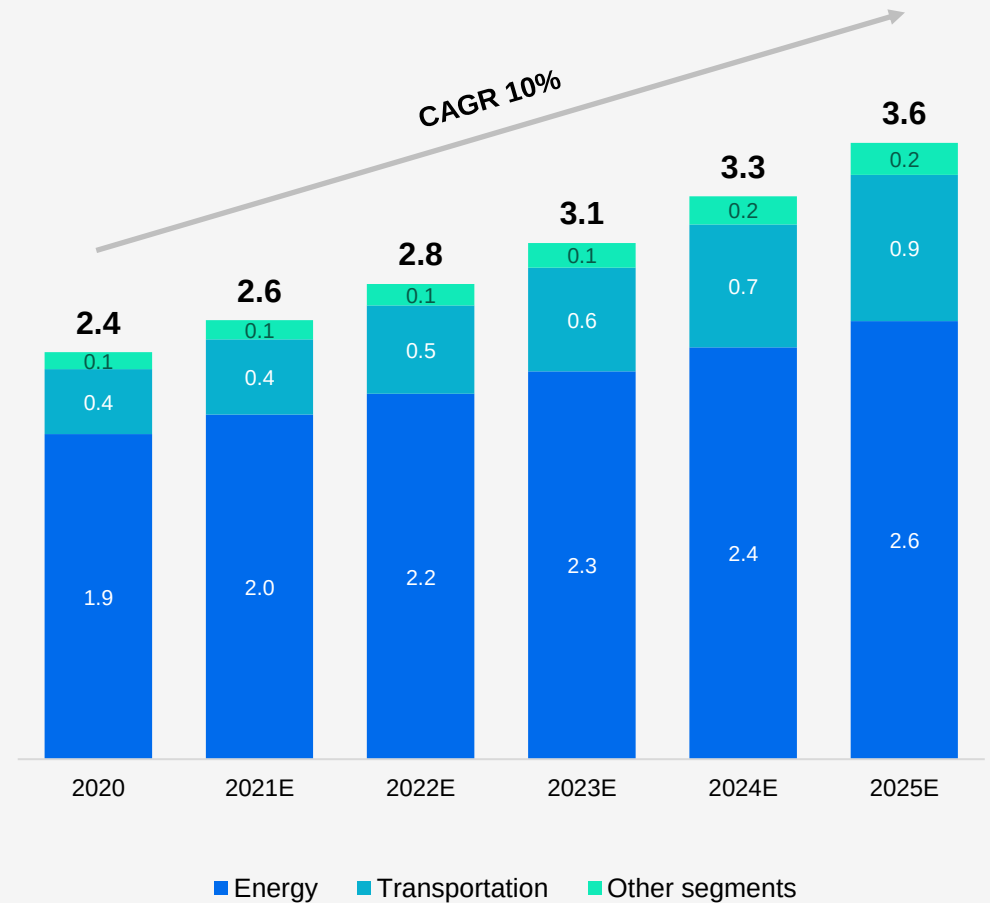
Definition of climate tech

Climate change has driven a global urgency and demand for technological breakthroughs, indirectly creating a new sector of for-profit companies that fight with global warming at their core. Climate tech is a rapidly emerging industry encompassing broad set of segments with core focus on Earth decarbonization, including technology solutions across energy, agriculture, food processing, transportation, real estate and heavy industry.

Over \$18 billion has been invested into climate tech startups in 2020 alone

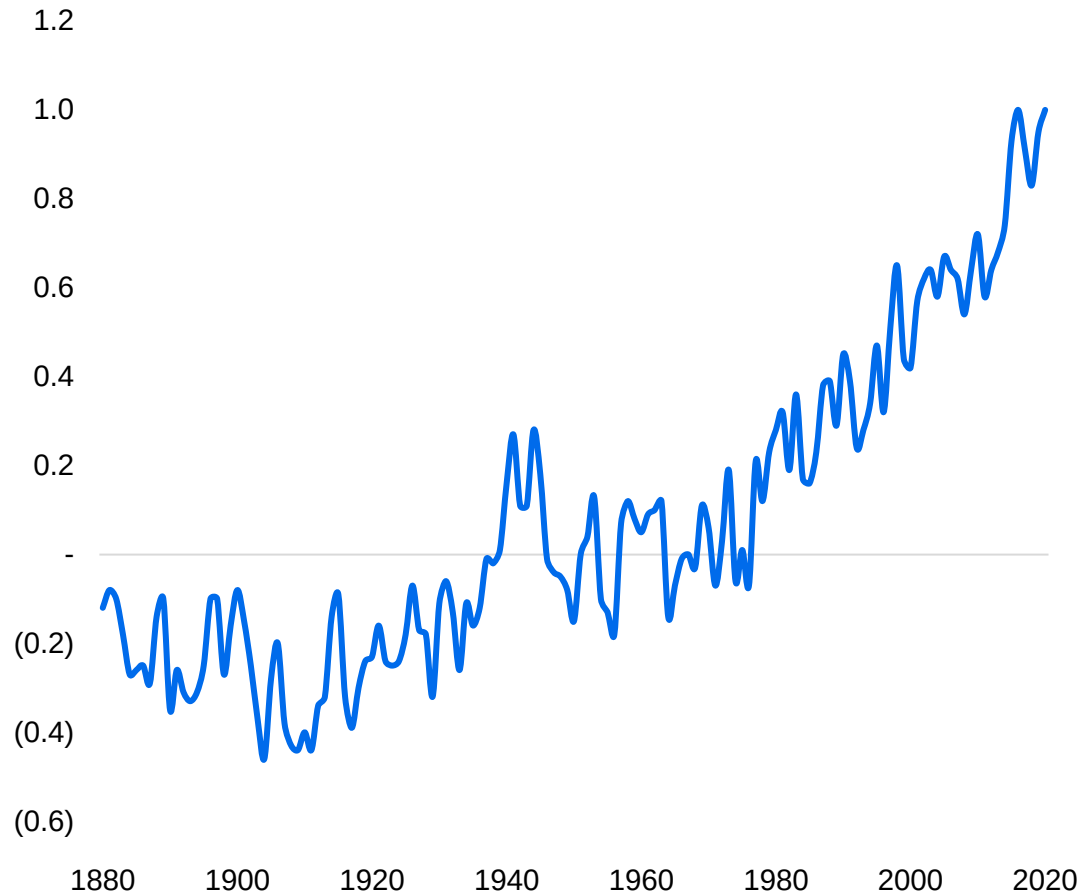
Venture capital investment into climate tech companies is rapidly increasing and will grow in 2021 and beyond. While US and China clearly outpaced rest of the world (over 80% of venture capital invested in climate tech between 2015 and 2020 went there), Europe is catching up with a lightning fast speed and already has its major success stories, like Northvolt, Climeworks and Infarm.

Market size of climate tech (\$T)

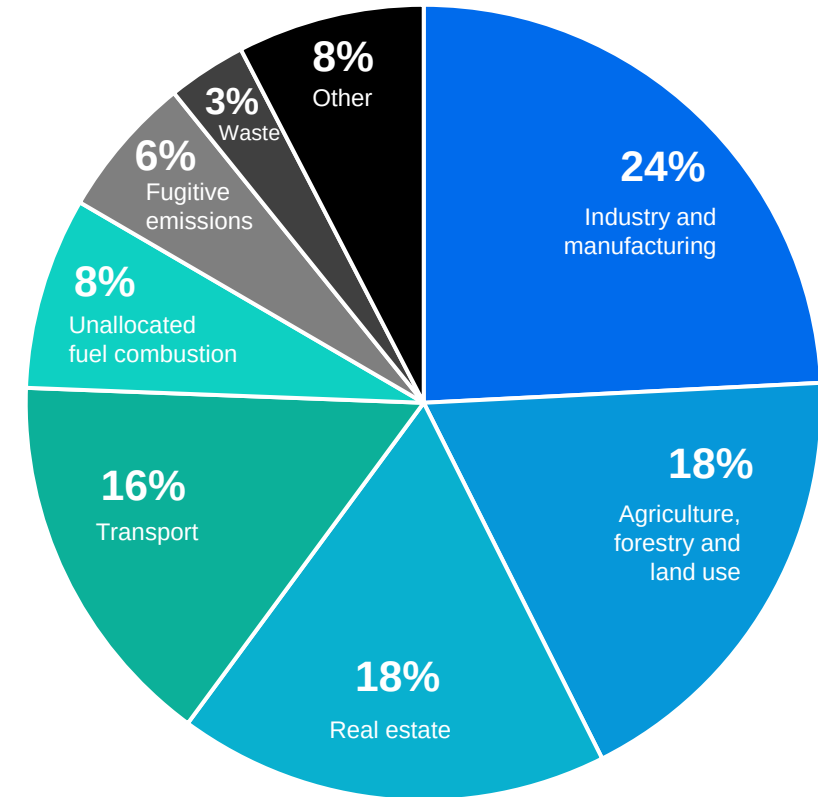


The World is Getting Warmer at a Dangerous Pace

Global mean land temperatures above or below average (°C)



Global greenhouse gas emissions by sector



Climate Tech Ecosystem Spans Across Many Industries

There are over 4,000 actively operating companies worldwide that directly or indirectly tackle climate change crisis

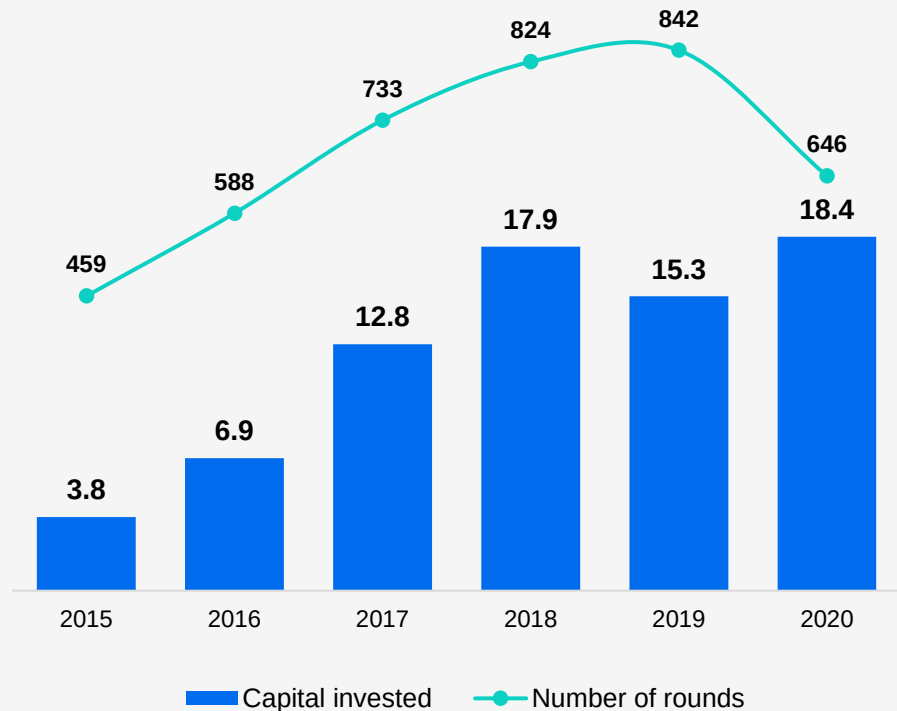
| | Energy and buildings | Mobility and transportation | Ethical consumerism | Food and agriculture | Industry, waste and manufacturing | Environmental tech |
|-------------------|---|---|--|---|--|---|
| B2B / B2B2C / B2G | <p>northvolt PLASTIC ENERGY</p> <p>Tanresal Energy Heliogen</p> <p>FERVO ENERGY sunfolding</p> <p>emrgy MAKANI</p> <p>Ascend Analytics RESURETY</p> <p>JUPITER OPOWER</p> | <p>* AFFIVAL chargemaster</p> <p>PROTERRA VOLOCOPTER</p> <p>-chargepoint+ facedrive</p> <p>CONNECTED ENERGY E/NRIDE</p> <p>FASTNED AMPLY</p> <p>AddENERGIE driivz</p> | <p>PAPTIC RENEWCELL</p> <p>Spinnova SULAPAC</p> <p>MANGOMATERIALS MINDSPACE</p> <p>AlgiKnit Algalife</p> <p>frumat PROVENANCE</p> <p>REFLAUNT EME</p> | <p>inform zelp</p> <p>MOOTRAL INARI</p> <p>indigo WaterBit</p> <p>whywaste GROWX</p> <p>AgroSustain cropx</p> <p>growcer tsenso</p> | <p>carbon clean Advanced Disposal</p> <p>Svante REDWOOD MATERIALS</p> <p>CARBON CURE. CHARM</p> <p>climacell CLIMATEAI</p> <p>neustark CRIATERA</p> <p>SUPPLYSHIFT ALINA</p> | <p>ecovadis cozero</p> <p>.planetly CHOPOSE</p> <p>NOSSA DATA [Icon]</p> <p>Pachama Emitwise</p> <p>CarbonCloud ecotrek</p> <p>measurabl DODO</p> |
| B2C | <p>zolar Enpal.</p> <p>tado° nest</p> <p>ecobee holaluz</p> <p>griddy bulb</p> <p>ColumbusEnergy wattbuy</p> <p>Inspire energy WYZE</p> | <p>TIER LILIUM</p> <p>RIVIAN SONO MOTORS</p> <p>dott mobike</p> <p>lime BIRD</p> <p>Dance COWBOY*</p> <p>voi. ofo</p> | <p>PER CEN TIL Vinted</p> <p>THREDUP patagonia</p> <p>refurbed POSHMARK</p> <p>reBuy depop</p> <p>Vestiaire Collective UNREAL FUR</p> <p>UNICORN GOODS LÉ BUNS</p> | <p>IMPOSSIBLE planted.</p> <p>BEYOND MEAT Mosa Meat</p> <p>THE ORIGINAL OATLY! NUGGS</p> <p>Perfect Day Peace of Meat</p> <p>WILDTYPE Atlast</p> <p>FUTURE MEAT mitte</p> | <p>Not applicable</p> | <p>inoqo evocco</p> <p>climeworks wren</p> <p>CLIMATE NEUTRAL rvolt.</p> <p>freedom deedster.</p> <p>YAYZY EGO SIA</p> <p>earthbank Ducky</p> |



Over \$75 Billion Has Been Invested into Climate Tech Between 2015–2020

VC interest in climate tech is rising with over \$18 billion invested in 2020 alone

Global VC investment into climate tech (\$B)¹



Notable investments in 2020²



raised \$2.5B
from T. Rowe Price, Amazon and others



raised \$700M
from Coatue, Temasek and others



raised \$600M
from Goldman Sachs, Baillie Gifford and others



raised \$290M
from SoftBank, Northzone and others



raised \$275M
from Tencent, Atomico and others



raised \$170M
from LGT Lightstone, Atomico and others



raised \$110M
from undisclosed investors



raised \$80M
from Blue Horizon Ventures, M Ventures and others



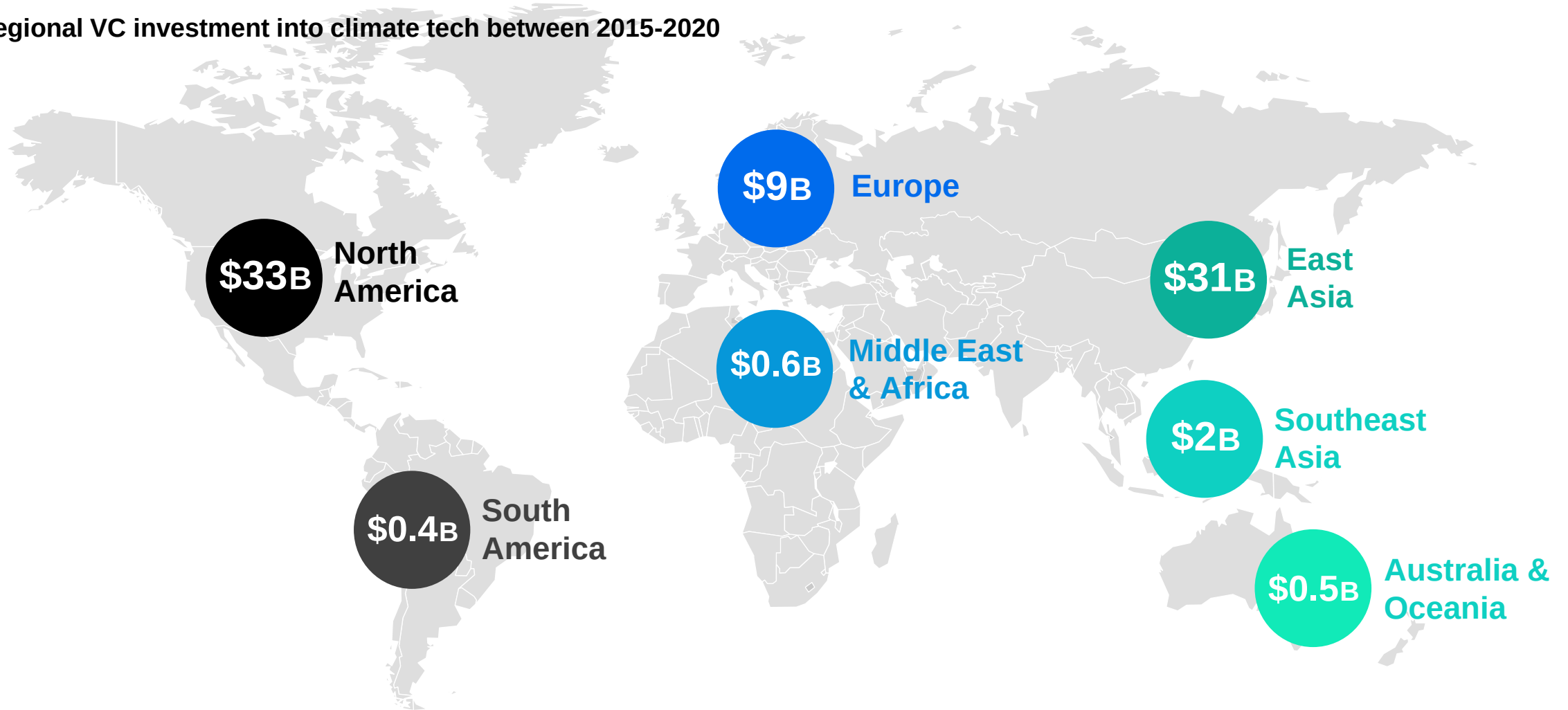
raised \$40M
from Amazon, Capricorn, and others

Note: 1. Includes growth equity and expansion deals. 2. Combines all rounds that company has completed in 2020.

US and China are the Leading Hubs, But Europe is Catching Up Quickly

Over 20% of climate tech VC investment in 2020 went to European startups, a steep increase from just 6% in 2015

Regional VC investment into climate tech between 2015-2020



Specialised Investors Emerged with Generalist VCs Keeping Pace

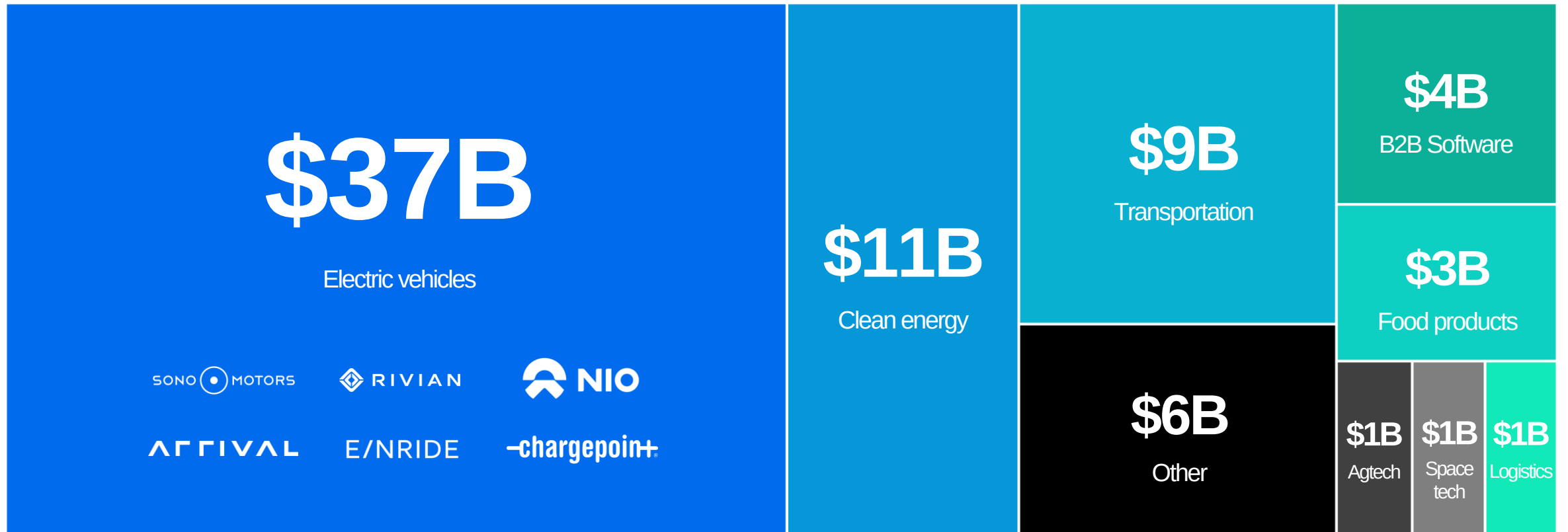
Many sector-agnostic venture capitalists shifted their focus to climate tech



Over Half of Climate Tech Venture Capital Goes to EV Companies















Automotive sector driven by electric vehicles received over 50% of global VC investment between 2015-2020

Sector breakdown of climate tech VC investment between 2015-2020



Climate Tech Boasted Several High-Profile Exits (Even Before SPAC Boom)

Successful climate tech startups were often targeted by corporates or sought liquidity through public listing

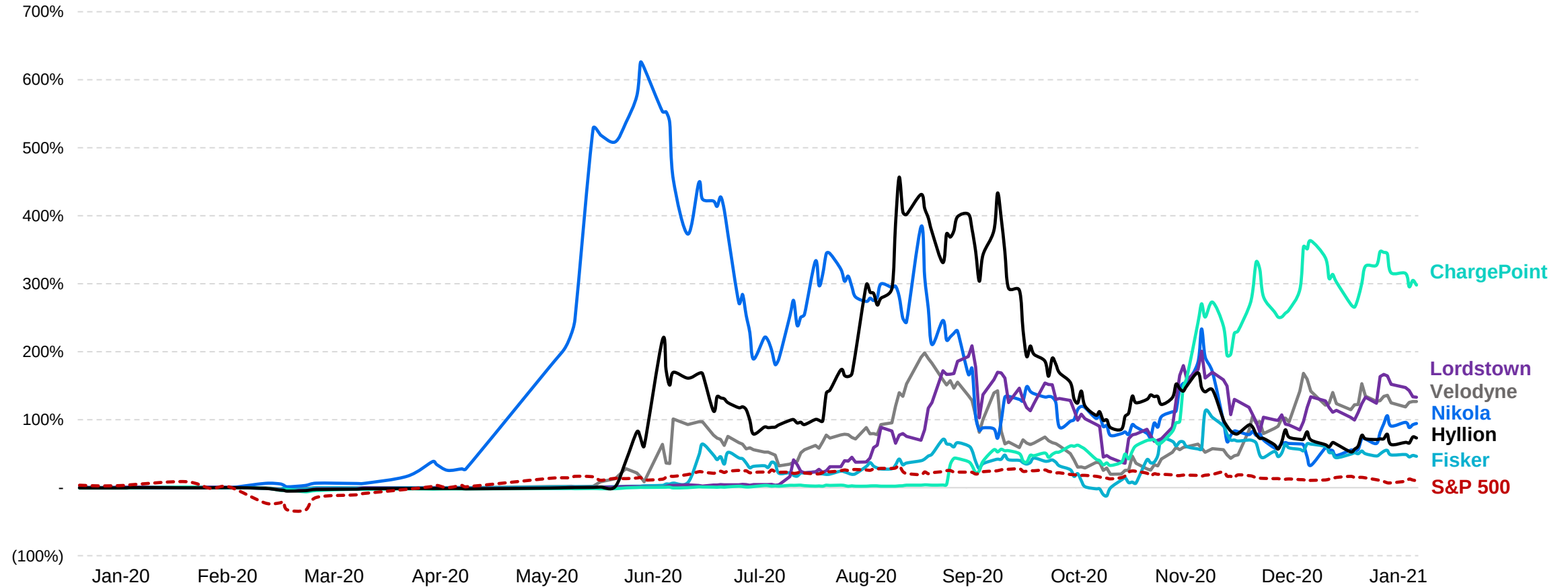
| Date | Vertical | Buyer | | Target | Target Overview | Est. valuation | Deal type |
|--------|-----------|--|---|--|--|----------------|-----------|
| Oct-20 | Waste |  WASTE MANAGEMENT | X |  Advanced Disposal | Eco-friendly waste collection services | \$2.9B | M&A |
| Sep-20 | Energy |  Energy | X | Torresol Energy | Operator of thermoelectric solar plants in Spain | \$473M | M&A |
| Jan-20 | Transport | BIRD | X |  CIRC | Micromobility provider of e-scooter network | - | M&A |
| Jun-19 | Agtech |  ocado | X |  JFCO | Vertical farming specialist | \$19M | M&A |
| May-19 | Food | IPO | X |  BEYOND MEAT | Producer of plant-based meat substitutes | \$1.5B | IPO |
| Jun-18 | Transport |  bp | X |   UK's largest charging network for electric vehicles | \$173M | M&A | |
| Apr-18 | Transport |  Meituan | X |  mobike | Fully station-less bicycle-sharing system | \$2.7B | M&A |
| Nov-16 | Energy |  TESLA | X |  SolarCity | Develops and sells solar panels and solar roof tiles | \$2.9B | M&A |



Exits in 2020 Were Dominated by SPACs, Especially for Electric Vehicles

Major climate tech SPACs significantly outperformed S&P index in 2020 and the boom continues in 2021

Share price performance of selected climate tech SPACs



Frontier Technologies Emerge to Fight Climate Change

We are likely to see many technological innovations in fields of renewable energy and agriculture

Clean hydrogen energy

Hydrogen-based energy has zero-emission output and very high density. Core focus of hydrogen startups is on manufacturing of hydrogen fuel cells, new (cheaper) methods of hydrogen production, energy storage, fuel infrastructure, and hydrogen-powered transport.

Companies to watch:



Renewable ocean energy

We have yet to see the creation of a large-scale, ocean-fueled commercial power station. Companies operating in the space mainly focus on lowering very high costs of wave-sourced power in order to be able to compete with solar and wind energy solutions.

Companies to watch:



EV charging infrastructure

Due to significantly increased awareness and adoption of electric vehicles, the number of charging outlets is expected to grow rapidly to meet rising demand. Both independent startups and large automakers continue to invest heavily in the charging infrastructure space.

Companies to watch:



Mining technology

Mining tech companies build software and hardware products to support automation and expediting of the mining process. Key tech solutions in this space include industrial robotics, use of digital twins software and new tools built on predictive analytics, machine learning and artificial intelligence.

Companies to watch:



Indoor vertical farming

Indoor farming due to use of a controlled space allows for growing products all-year-round, insensitive from weather conditions. Vertical stacking maximizes output in a limited, confined space. Startups in the space focus on hardware (equipment and facilities) and various software solutions.

Companies to watch:



Lab-grown food

Rapidly growing demand for cellular-based food products is going to increase even more, with companies entering new market niches and reaching significant scale. We are likely to see a retail shift in alternative protein space with startups starting to receive permission to sale of lab-grown meat.

Companies to watch:





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