

ADB VENTURES

SCALING IMPACT-TECHNOLOGY IN
DEVELOPING ASIA

29 JULY 2020

ADB VENTURES: PART OF THE PRIVATE SECTOR OPERATIONS DEPARTMENT



ADB's Private Sector Operations Department (PSOD)

PSOD comprises of four divisions and four specialist investment teams

Industry / Sector Teams							
	Infrastructure Finance Division 1	Infrastructure Finance Division 2	Investment Funds & Special Initiatives	Financial Institutions Division	Agribusiness Investment Team	Social Sector Team	Business Development Team
Develop, structure, and execute:	Infrastructure transactions in: ▪ Central & West Asia ▪ South Asia	Infrastructure transactions in: ▪ East Asia ▪ Southeast Asia ▪ The Pacific	<ul style="list-style-type: none"> ▪ Private equity fund investments ▪ Co-investments ▪ Blended Finance ▪ Other special investment initiatives 	Intermediary financing for: <ul style="list-style-type: none"> ▪ Banks ▪ NBFIs ▪ Insurance ▪ Trade & supply chain finance ▪ MFIs 	Agribusiness related financing	Transactions in Health, education and other social sectors	Transactions in early stage companies and business models
Cross-Departmental Teams	Transactions Support Division						
	Provides transaction support to new and existing transactions, including cofinancing, development effectiveness, environmental / social safeguards, and integrity standards						
Cross-Departmental Teams	Portfolio Management Division						
	Manages deals & connected relationships once transactions are funded; reports on and manages PSOD's overall portfolio and capital position						

OUR VISION: BECOME A LEADING IMPACT-TECHNOLOGY INVESTMENT PLATFORM



PHASE 3: LEADING PLATFORM IN ASIA

- Crowd-in \$1bn+ risk capital
- Reach \$500 million+ investment platform
- Cover all SDG -themes

PHASE 2: SCALE ACROSS ASIA

- Enable multiple financial platforms
- Scale operations regionally
- Expand to new SDG -themes

PHASE 1: SET-UP AND LAUNCH

- Launch early-stage equity financing support (Fund 1)
- Target high impact regions in developing Asia
- Focus on Climate and Gender impact

2020

2021

2022

2023

2024

2025

ADB VENTURES: IS A PATIENT VENTURE CAPITAL FACILITY

CONNECT:

Reduce market entry risks



ADBV Labs

Partner with leading accelerators to connect global impact tech startups with large local adopters

SEED:

Enable rapid validation of solutions



ADBV SEED: \$5m

Provide up to \$200k reimbursable grants to reduce market entry risks for startups expanding into developing markets in Asia.

INVEST:

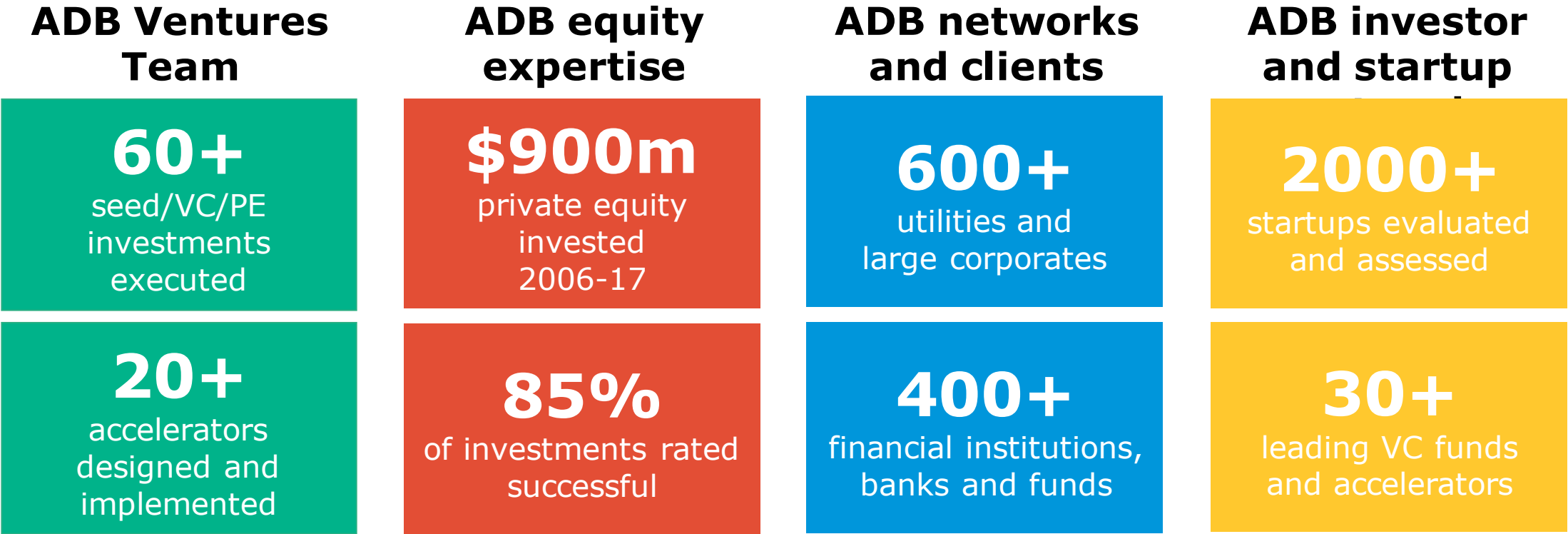
Provide Patient Capital



ADBV Fund I: \$60m

Invest up to \$4m venture capital in startups and early-stage growth companies with technology-enabled solutions. Fund 1 can hold up to 10 years if required.

LEVERAGING ADB'S NETWORKS PROVIDES SIGNIFICANT VALUE-ADD FOR INVESTEES



Access to significant expertise, networks and investors across 67 member countries in Asia-Pacific

ADB VENTURES LABS: REDUCE MARKET ENTRY RISKS

Map industry demand
in developing Asia
together with leading
corporates

Source best-in-class
impact tech solutions
from around the world

Support pilots to
validate solutions,
reduce market entry
risk

Scale-up



**TRAVEL LAB
ASIA**



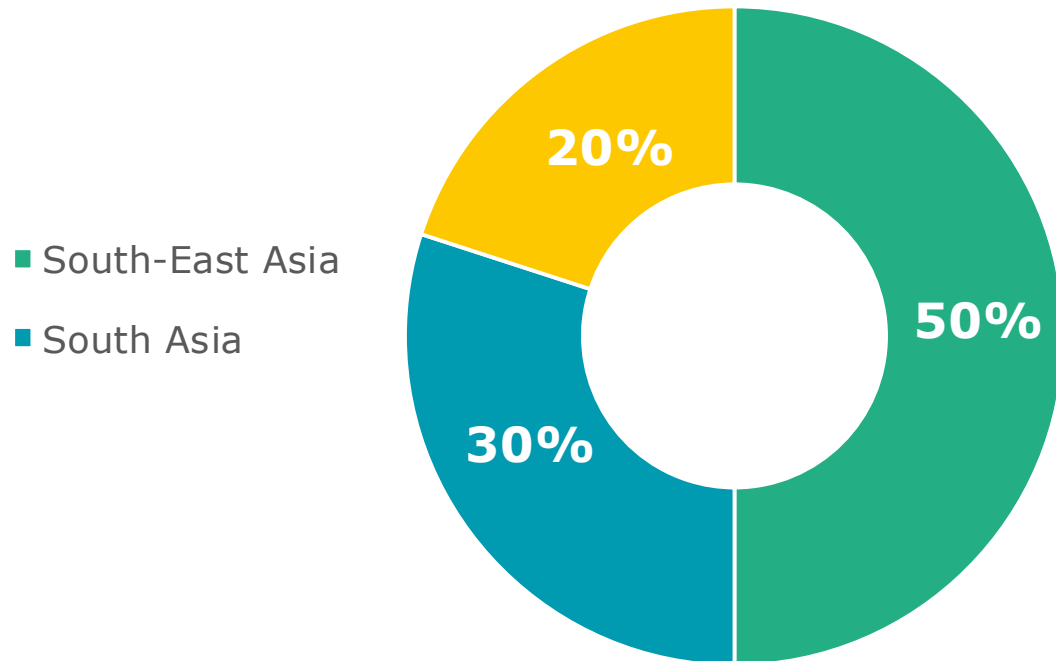
**ENERGY LAB
(BUILDINGS)**



**WATER LAB
ASIA**

FUND 1: TARGETS CLIMATE AND GENDER IMPACT

IMPACT BY MARKETS
(# of deals)



80%



CLIMATE IMPACT

>80% of the investments are expected to have a strong climate mitigation and/or adaptation impact

75%



GENDER IMPACT

>75% of the investments are expected to have a strong female market and/or management participation

FUND 1: KEY CRITERIA

Investment Targets	<ul style="list-style-type: none"> ▪ Startups (and growth stage companies) with tech-enabled solutions or business models that are scalable/ replicable ▪ Must have some existing revenue or at/near positive units costs; and have an existing product in the market ▪ With a clear path to sustainable and non-equity financed growth within 3 to 4 years ▪ Limited R&D risk
Stage	<ul style="list-style-type: none"> ▪ Pre-Series A / Series A / early-growth investment targets
Size	<ul style="list-style-type: none"> ▪ Startups seeking equity funding within 12 – 18 months ▪ Fund 1 can provide up to \$4m for initial investments ▪ Fund 1 seeks to co-invest with leading early-stage investors, backed by a strong investor (Angel, VC, etc.)
Sector	<ul style="list-style-type: none"> ▪ Sector focus is: Cleantech & Clean Energy / Sustainable Agritech / Inclusive Fintech / Inclusive Healthtech
Impact	<ul style="list-style-type: none"> ▪ SDG Impact with focus on climate and gender impact ▪ Can be domiciled globally, however the impact focus must be in ADB developing member countries within South Asia and South East Asia
ADB Value Add	<ul style="list-style-type: none"> ▪ Opportunity for ADB to add direct value must be present ▪ ADBV is an active and patient investor ▪ ADBV will leverage ADB public and corporate networks and expertise to help de-risk and scale business. ▪ Fund 1 will take active board and observer seats

FUND 1: SECTOR FOCUS



CLEANTECH & CLEAN ENERGY

Last-mile energy & mobility
Energy & resource efficiency
The circular economy



SUSTAINABLE AGRICULTURE

Climate-smart farming
Connected supply-chains
Sustainable inputs & foods



INCLUSIVE FINTECH

Access to finance
Climate related risk solutions
Innovative green financing



INCLUSIVE HEALTHCARE

Last-mile healthcare
Epidemics & infectious diseases
Resilient healthcare & supplies

CLEANTECH & CLEAN ENERGY: INVESTMENT FOCUS

	<u>SUB-THEME</u>	<u>EXAMPLE OF SOLUTIONS</u>
1 INCLUSIVE & RESILIENT CLEAN ENERGY	<ul style="list-style-type: none">▪ Access to clean energy▪ Last-mile e-mobility▪ Energy-as-service	<ul style="list-style-type: none">▪ IoT-based platforms to enable more efficient and reliable last-mile distribution and generation of energy▪ Streamlined local production of low-carbon energy▪ Bundled financing and fleet support to accelerate adoption of electric vehicles
2 ENERGY & RESOURCE EFFICIENCY	<ul style="list-style-type: none">▪ Low-carbon buildings▪ Smart manufacturing▪ Low-energy equipment	<ul style="list-style-type: none">▪ IoT and real-time analytics to optimise energy use▪ New materials to reduce energy use in cold-chains▪ Data-enabled new business and financing models for energy efficiency in buildings
3 THE CIRCULAR ECONOMY	<ul style="list-style-type: none">▪ Green materials▪ Recycling & reuse▪ Waste-to-value	<ul style="list-style-type: none">▪ Novel biotech processes enabling conversion of agri-waste to premium eco-materials▪ Modular and low-cost robust equipment for scaling distributed waste-to-energy▪ Data-driven collection and reuse of plastics

SUSTAINABLE AGRITECH: INVESTMENT FOCUS

	<u>SUB-THEME</u>	<u>EXAMPLE OF SOLUTIONS</u>
1	CLIMATE-RESILIENT FARMING <ul style="list-style-type: none"> ▪ Digital farming ▪ Mechanization ▪ Farming-as-a-service 	<ul style="list-style-type: none"> ▪ Data analytics and AI-enabled platform to improve agricultural management ▪ Machine learning to analyze satellite imagery and microclimate data for crop yield improvement ▪ Digital marketplace for farm equipment for improved agricultural productivity ▪ On-demand agricultural produce through sustainable sourcing from smallholder farmers
2	CONNECTED SUPPLY-CHAINS <ul style="list-style-type: none"> ▪ Agri marketplaces ▪ From farm-to-fork ▪ Traceability& safety 	<ul style="list-style-type: none"> ▪ E-platforms for agricultural products with demand-supply matching and efficient supply chain ▪ Data analytics for food quality, safety and traceability
3	SUSTAINABLE INPUTS & FOOD <ul style="list-style-type: none"> ▪ Climate-resilient crops ▪ Biotech & bio-inputs ▪ Alternative proteins 	<ul style="list-style-type: none"> ▪ Alternative protein for animal/human nutrition ▪ Low-cost production of next-gen biofertilizers ▪ Hybridization to increase yield of high-quality agricultural products

INCLUSIVE FINTECH: INVESTMENT FOCUS

	<u>SUB-THEME</u>	<u>EXAMPLE OF SOLUTIONS</u>
1 ACCESS TO FINANCE FOR THE CLIMATE VULNERABLE	<ul style="list-style-type: none"> ▪ Digital banking and e-KYC ▪ Alternative credit scoring ▪ Last-mile financial services 	<ul style="list-style-type: none"> ▪ Non-banking agent platforms providing digital financial services to the unbanked ▪ AI-enabled credit scoring allowing access to capital for agricultural MSMEs
2 CLIMATE-RELATED RISK SOLUTIONS	<ul style="list-style-type: none"> ▪ Digital micro insurance ▪ Infrastructure insurance ▪ Disaster risk solutions 	<ul style="list-style-type: none"> ▪ Big data and analytics solutions for parametric-based crop and disaster insurance ▪ Mobile-based platforms for lower-cost and smarter distribution of insurance products ▪ Digital “sachet” products allowing for affordable micro insurance for low-income populations
3 INNOVATIVE GREEN FINANCING	<ul style="list-style-type: none"> ▪ Next gen climate offsets ▪ Sustainable trade finance ▪ Smart financing for RE/EE 	<ul style="list-style-type: none"> ▪ Blockchain technologies allowing for transparency and accountability in carbon emissions and environmental waste offsetting ▪ Digitization of supply-chains to provide micro retailers and farmers with affordable financing

INCLUSIVE HEALTHTECH: INVESTMENT FOCUS

	<u>SUB-THEME</u>	<u>EXAMPLE OF SOLUTIONS</u>
1	REMOTE & LAST-MILE HEALTHCARE <ul style="list-style-type: none"> ▪ Remote diagnostics/care ▪ Mobile-based support ▪ Low-cost digital healthcare 	<ul style="list-style-type: none"> ▪ Remote healthcare, e.g. teleconsultation, on-line classes ▪ Last mile rural health services, e.g. assisted diagnostics, affordable telehealth, micro-health insurance ▪ Reliable self/home care treatment & monitoring ▪ Big data & analytics for early-warning, prevention and effective response management ▪ Low-cost, accessible and localised treatments ▪ Blockchain technologies allowing for transparency and accountability managing epidemics
2	EPIDEMICS & INFECTIOUS DISEASES <ul style="list-style-type: none"> ▪ Predictive analytics ▪ Pandemic management ▪ Low-cost treatments 	<ul style="list-style-type: none"> ▪ Digital end-to-end supply chain management ▪ Distributed and local production of essential medical equipment and services ▪ Data-driven healthcare management
3	RESILIENT HEALTHCARE & SUPPLIES <ul style="list-style-type: none"> ▪ Digital supply-chains ▪ Distributed manufacturing ▪ Data-driven health services 	

ADB VENTURES: EXAMPLES OF SEED



Kiu Global

Origin: Vietnam

Markets: South/SE Asia

Stage: Series A

Sector: Fintech

Affordable and easy-to-use cloud-based ERP solution that helps small businesses and farmers to better manage their businesses while improving access to finance through a unique AI-driven credit scoring platforms.



Ananas Anam

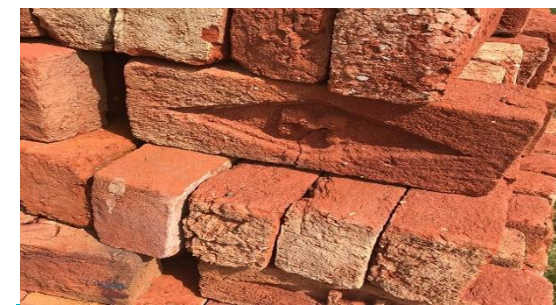
Origin: UK

Markets: SE Asia

Stage: Series A

Sector: Agri/cleantech

High-performing natural leather alternative made from fibres from pineapple leaves, sourced from and processed in SE Asia. About to enter mass-production. Several marquee clients, including Hugo Boss, H&M and Adidas.



InnoCSR

Origin: Korea

Markets: South Asia

Stage: Seed

Sector: Cleantech

Novel brick-making system based on a chemical and physical binding process, which replaces the need to bake bricks in kilns. Increases productivity by up to 10X while improving labor conditions and reducing emissions.

ADB VENTURES: LEARN MORE, BE IN TOUCH!

Investment-driven enquiries

Startups or early-stage growth companies that meet ADB Ventures investment and impact criteria should submit their company information and pitch decks to:

<https://ventures.adb.org/startup-inquiries/>

Collaboration-driven enquiries

ADB Ventures can provide smaller-scale support to select companies identified through ADB Ventures Labs. Support might be deployed to:

- (i) co-finance a proof of concept with one of ADB's client (large corporate or public sector) in developing Asia
- (ii) demonstrate the impact and commercial viability of a promising but unproven technology-enabled business model in partnership with ADB clients and operations. Labs opportunities are updated on our website at:

<https://ventures.adb.org/labs/>