

BRIDGING THE CLIMATE CAPITAL GAP

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Financing Net Zero Startups and
the Innovation Ecosystem

Greenco Summit 2025 | Climate Finance Track



Founder and CEO, Ostara Advisors
India's first Climate-tech investment bank



Confederation of Indian Industry

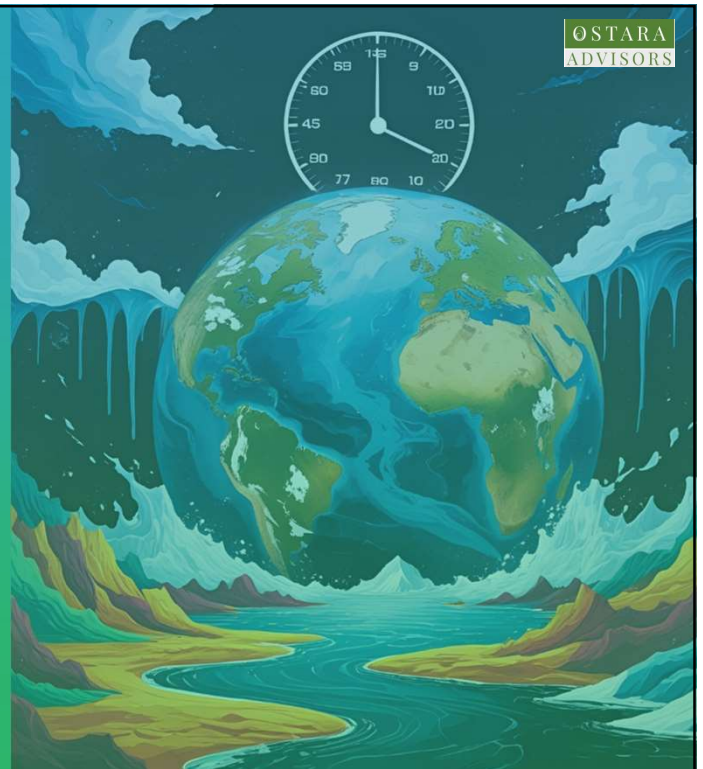
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INDIA NEEDS USD 50B ANNUALLY
FOR NET ZERO. IN 2023, WE
INVESTED JUST USD 21B.

THIS USD 29B GAP EACH YEAR
COULD DECIDE **OUR CLIMATE
FUTURE.**

Source: Business Standard Article and EY Financing the Future Report

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REAL FOUNDERS. REAL GAPS.



AI-IoT platform delivering proven energy efficiency gains and carbon reductions across operations, struggling to raise capital.



Advanced battery-tech innovator powering next-gen EVs with faster charging and longer life—still battling to unlock growth capital.



Marketplace connecting verified carbon removal projects with buyers—delivering impact, yet shut down after 7 years.

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THE CLIMATE CAPITAL GAP

India's Funding Gap Threatens Net Zero Goals.

Funding Decline (USD in billion)



62%

Total funding drop from 2023 peak

50%

Average deal size shrinkage

<3%

Indian climate-tech startups reaching Series B or later stages

USD 12 MN

Current average deal size (down from \$24M)

Source: Business Standard Article and IIMA Ventures-MUFG Study

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WHY TRADITIONAL VC FAILS AT CLIMATE



Long payback periods and Capital Intensity

High upfront costs, slow returns—VCs prefer quicker wins.



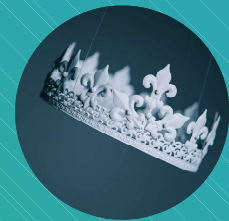
Regulatory risks

Shifting policies add uncertainty, stalling investments.



Market Size and Customer Adoption

Emerging green markets are often unproven or fragmented.



Incumbent dominance & risk aversion

Disruptive ideas struggle in legacy-dominated sectors where investors prefer the familiar.

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WHAT HAPPENS WHEN CAPITAL DOES NOT SHOW UP



The Startup That Cleaned Up a City Block — But Couldn't Scale

90%

Sorting Accuracy

26

Years Old Founder

3

Co-Founders

A young founder and her three friends set up a **smart waste sorting unit** in a Bengaluru neighbourhood. It could separate wet and dry waste with 90% accuracy. The local municipality loved it.

🔥 Needed \$2.4 million to scale to more wards

Investors said it was "too operational" and didn't scale fast enough. The pilot ended. The unit now sits in storage. The city's back to manual sorting.



Virtual Power Plant Startup — Ahead of Its Time



Pilots Worked



Grid Stress



Energy Savings

They built software to turn home batteries into virtual power plants—lowering grid stress and unlocking energy savings. Utilities showed interest. Early pilots worked. The tech was ahead of its time.

📈 Rising customer acquisition costs + tough funding climate

Without the capital to scale, the vision faded. The company shut down, leaving behind promising tech—and a gap in the future of distributed energy.

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WHAT WE ARE MISSING



Breakthrough technologies stuck in research labs

Most high-potential climate technologies are at advanced maturity levels, **but only 10 percent are commercially competitive.**



Entrepreneurs lack funding

Brilliant founders have **game-changing ideas** but lack access to the capital needed to scale their innovations globally.



Regional Disparities

Regional disparity in climate tech funding is stark—**North America and Europe secured over 80% of global climate capital in 2024.**

Source: McKinsey Climate Technologies Report and Carbon Credits Website

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THE INNOVATION ECOSYSTEM



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THE RIPPLE EFFECT OF ONE FUNDED RENEWABLE STARTUP

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Direct Climate Impact

- ✓ Up to 100,000 tonnes CO₂ avoided annually at \$100M revenue
- ✓ Up to 10 kg CO₂ avoided per \$1 revenue

Job Creation

- 👤 Hiring across engineering, ops, sales, support as company scales

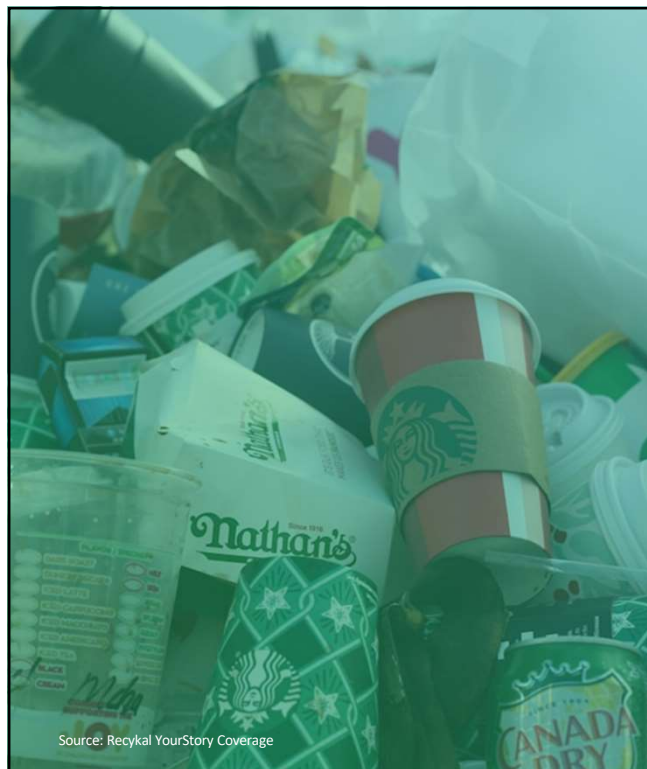
Capital Attraction

- 💡 Signals viability → attracts more investors → fuels climate sector growth

Ecosystem Growth

- 🏠 Spurs rooftop solar, clean tech demand, stabilizes energy prices
- 🌿 Frees up land/water → enables regenerative and nature-based solutions

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Source: Recykal YourStory Coverage

RECYKAL

Powering India's Circular Economy Through Technology

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Funding success

USD 41 MN

Total funding till now
Series A led by **360 ONE Asset**
Fueling expansion and innovation

Business Model

Tech-driven marketplace connecting brands, recyclers, and local bodies to manage waste efficiently through digital innovation and data analytics.

Environmental Impact

700K+Metric Tons Waste Processed

1500+Total Network Partners

400+Brands


500+Recyclers

Market Opportunity

USD 2 TRN

India's Circular Economy Potential by 2050

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ROUTEMATIC

Scaling Smart and Sustainable Corporate Mobility

2030 Market Opportunity

USD 13 BN

Addressing India's massive corporate transport needs with tech-led efficiency

Business Model

AI-driven corporate transport-as-a-service providing safe, efficient commutes for enterprise clients across India.

Routematic Impact


- 300+ Companies
- 300K+ Employees
- 5M Trips/Month

THE EV OPPORTUNITY

60% EVS

Based on growing client demand due to ESG goals, Routematic plans to electrify 60% of its fleet by FY29

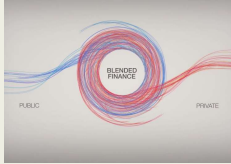
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SOLUTIONS AND PATH FORWARD

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NEW FUNDING MODELS EMERGING



Blended finance:

Combines public, private, and philanthropic capital to lower investment risk.



Climate-focused funds: Dedicated VC/PE funds targeting sustainable and net-zero innovations.



Government-private partnerships:

Joint infrastructure and innovation initiatives to scale climate solutions.



Corporate venture arms:

Strategic investments in climate-tech by large companies.

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POLICY SOLUTIONS



Tax Incentives

Encourage investment in clean tech through fiscal benefits.



De-risking mechanisms:

Offer guarantees and insurance to reduce risk for private investors.



Green bonds for early stage:

Expand bond instruments to fund emerging climate startups.

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WHAT EACH STAKEHOLDER CAN DO

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Institutional Investor:

Provide patient capital and extend investment horizons for climate impact.



Governments:

Enable growth through policies, incentives, and public co-investments.



Corporates:

Collaborate with startups via strategic partnerships and pilots.

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THE OPPORTUNITY

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The Green Economy Revolution is Here



Market Explosion

Unprecedented Growth Ahead

USD 11 Trn Market Size by 2040

- ✓ Green economy sectors growing over 5x by 2040
- 🌱 Clean energy, green tech, materials & services
- 🎯 Driven by net-zero commitments & policy incentives



First-Mover Advantage

Lead Early, Win Big

Example: China in EVs

- 🏆 Early investments unlock long-term dominance
- ⚡ Tech leadership & cost advantages



Employment Engine


Millions of Green Jobs Ahead

4x economic and social returns through climate investments

- 🚗 **EV & Battery Tech** – Manufacturing, R&D, maintenance
- ☀️ **Renewable Energy** – Solar/wind installation, grid ops
- 🏠 **Green Construction** – Sustainable design, retrofitting





Source: BCG Economic Growth Opportunities Report

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LEAVE HERE TODAY AND...

Transform Intention into Climate Action

-  **Champion climate innovation**
by backing or mentoring early-stage climate-tech startups.
-  **Commit capital or time**
to support sustainable solutions in your network or sector.
-  **Advocate for policy change**
by engaging with local/national stakeholders on climate incentives.
-  **Track your climate impact**
and integrate sustainability goals into your organization's strategy.

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VISION 2030

A Thriving Green Future

Industrial Renewable Energy Adoption at

100%

Adoption of

CIRCULAR ECONOMY

Yearly Green Investments

USD 50B +

Mobility dominated by

EV + HYDROGEN

Out of all Degraded Ecosystems

30% RESTORED

Source: CII 2030 Climate Report

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