

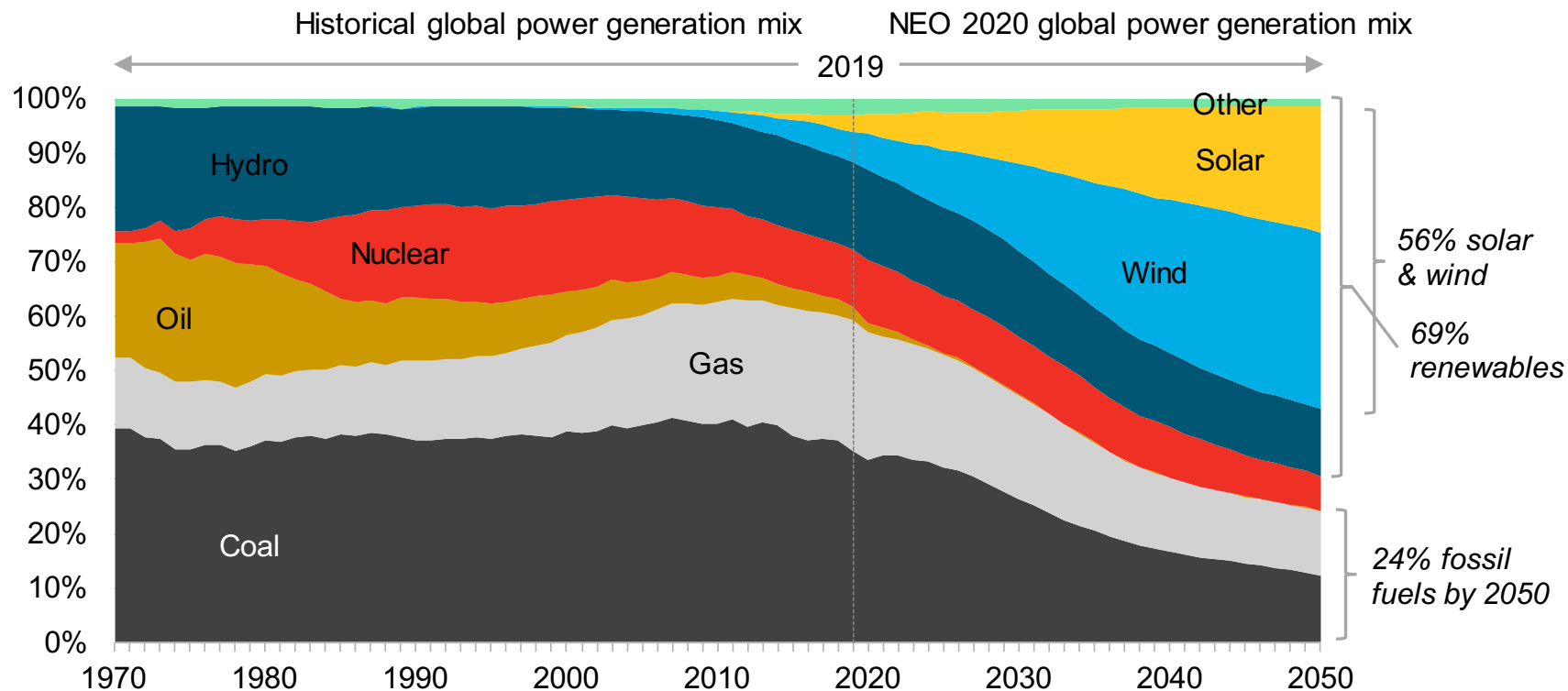
The Climate-Tech Investment Boom

Dynamo

Sarrah Raza

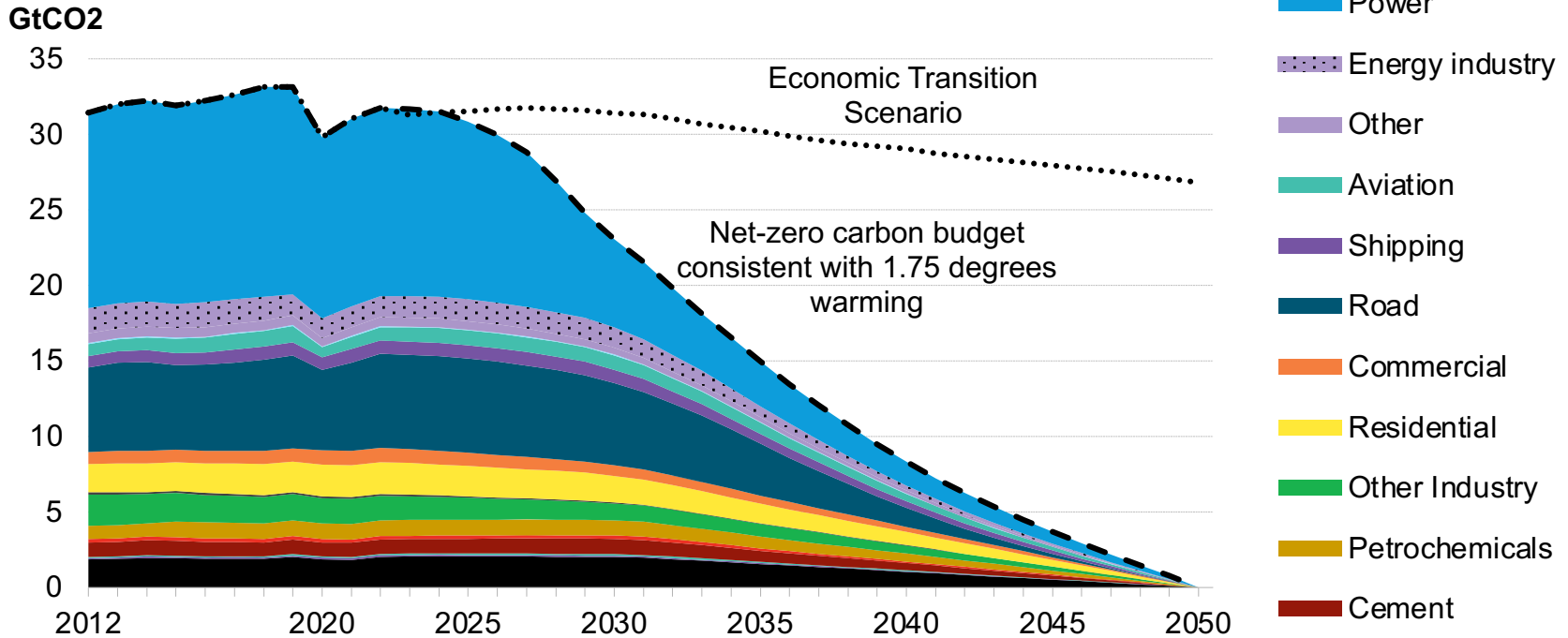
May 12, 2022

Power generation mix, globally, ETS



Source: BloombergNEF

Energy emissions and net zero carbon budget, by sector



Source: BloombergNEF

Climate-tech investment has seen a recent boom in the last year

What is climate tech?

Technologies and business models that act to decarbonize the sectors below.

Transport
& mobility

Energy

Agriculture
& food

Industry
& materials

Climate
& carbon

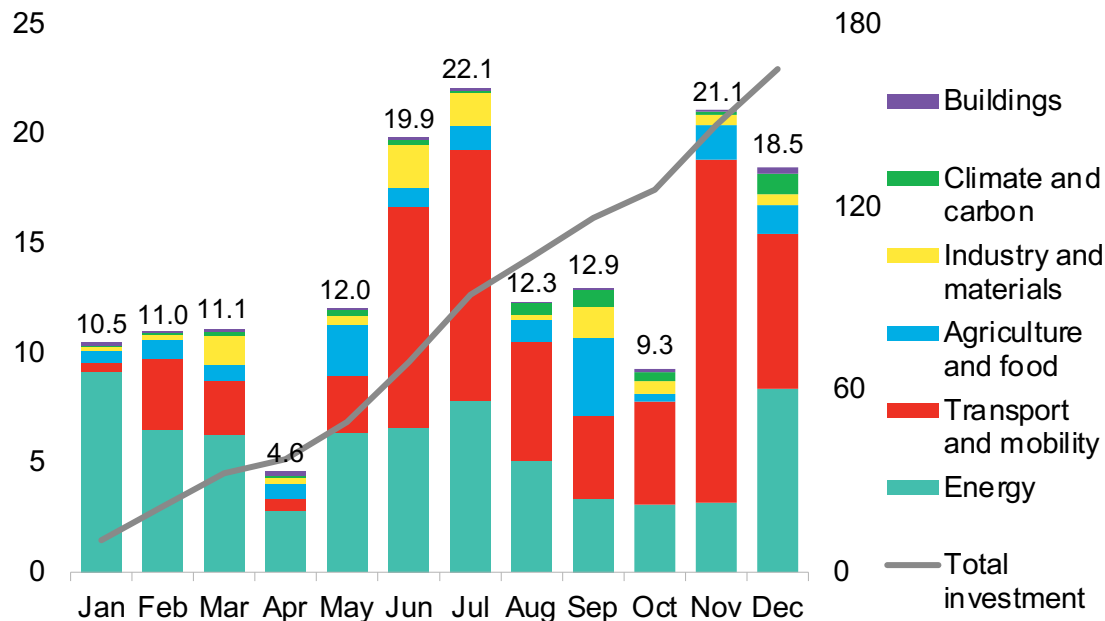
Buildings

Climate-tech funding totalled a huge \$165 billion in 2021

Global climate-tech corporate finance investment by sector, 2021

\$ billion (monthly)

\$ billion (cumulative in 2021)

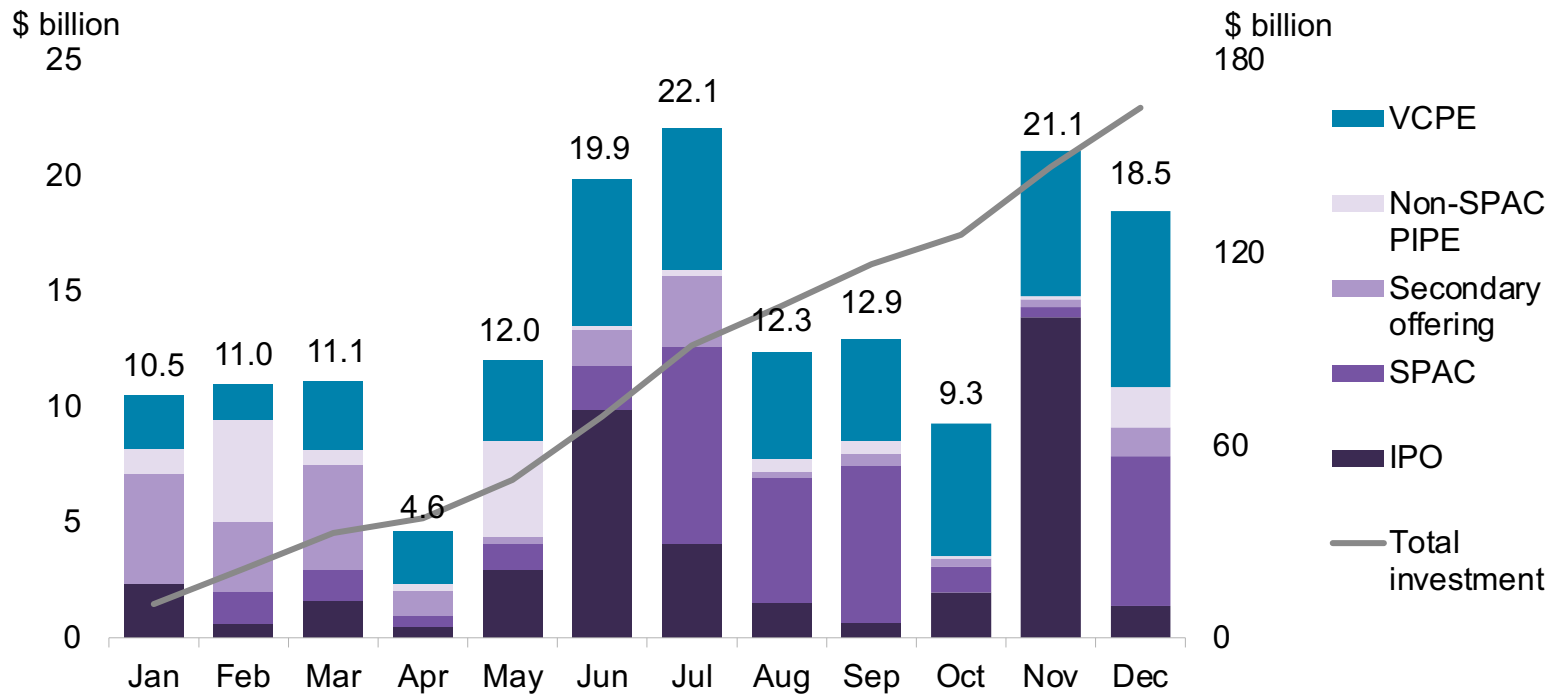


- Energy sector raised \$68.5 billion
- Strong year for agriculture and food
- Slower progress in decarbonizing industry and materials
- Climate and carbon: mainly software

Source: BloombergNEF, Bloomberg Terminal, Pitchbook, news sources. Note: Batteries are split between energy and transport sectors.

Two-thirds of this funding came from the public markets – fewer but larger deals

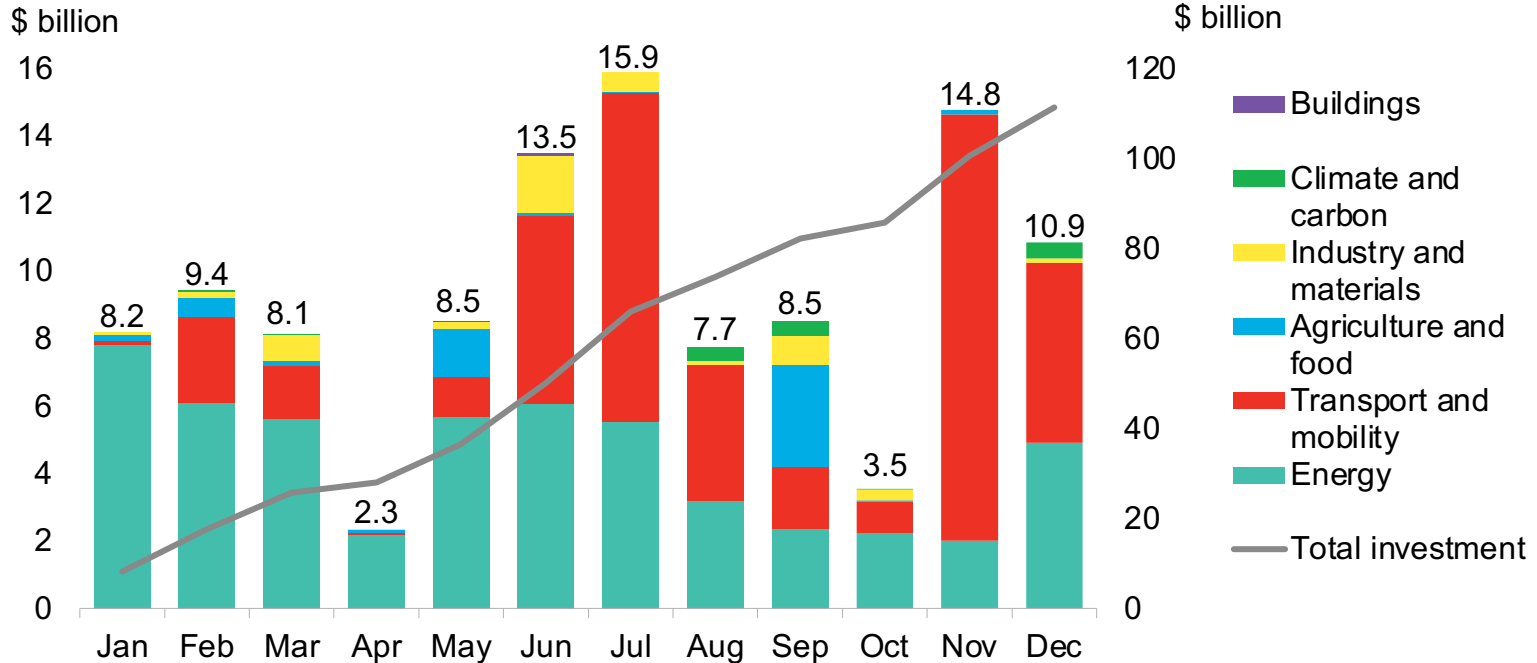
Global climate-tech corporate finance investment by funding type, 2021



Source: BloombergNEF, Bloomberg Terminal, Pitchbook, news sources.

Public markets financing was driven by the energy sector in 2021

Global climate-tech public markets investment by sector, 2021



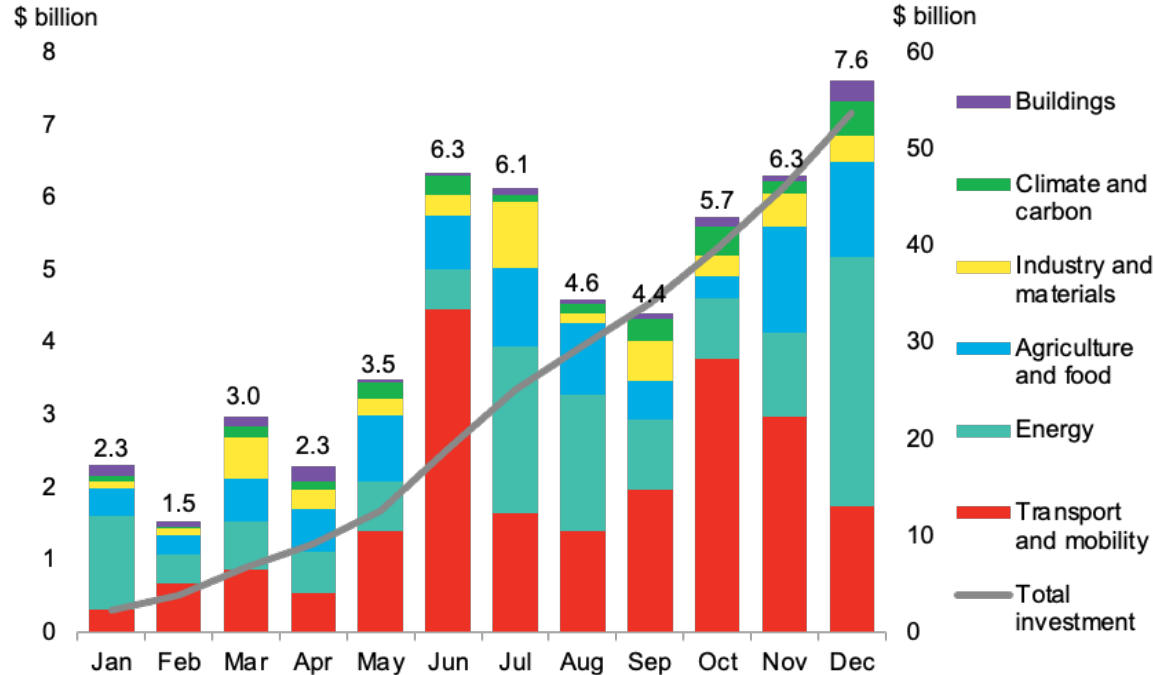
Source: BloombergNEF, Bloomberg Terminal, Pitchbook, news sources.

Why is VC/PE funding so huge and where is it going?

Private markets raised \$54 billion of this total, and continue to drive progress toward net-zero for startups

\$54 billion was invested in climate-tech from VC/PE sources in 2021

Global climate-tech private corporate financing by sector

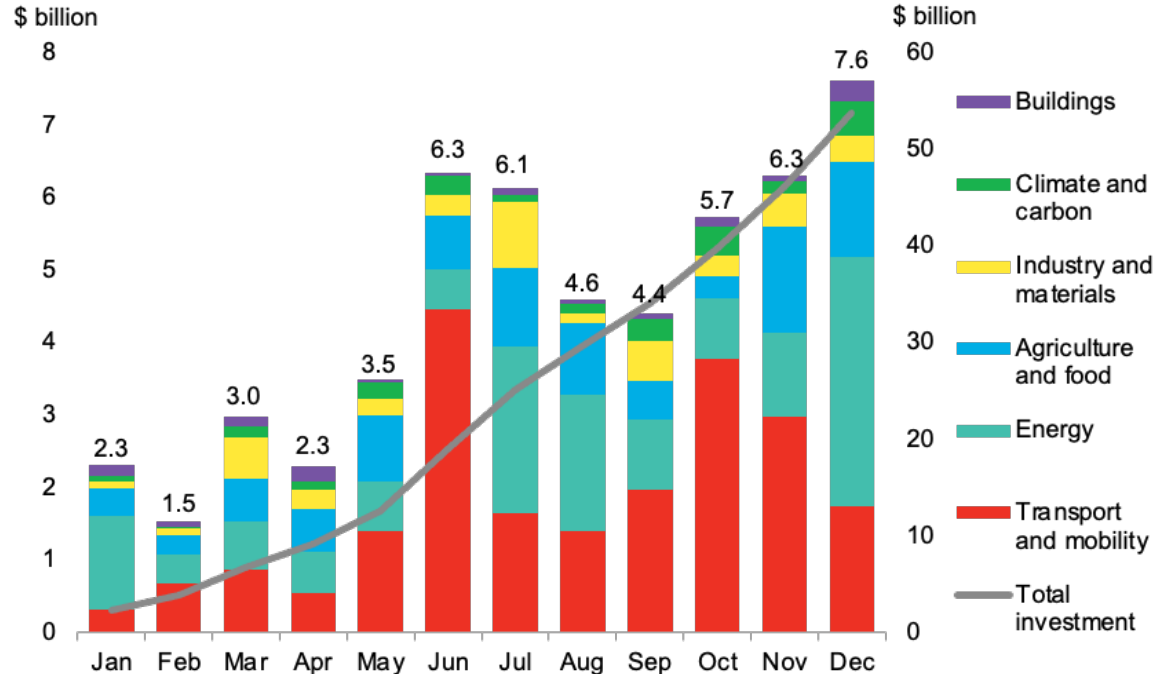


Source: BloombergNEF, Bloomberg Terminal, Pitchbook, news sources. Note: excludes PIPE and M&A.

- The **transport** sector raised the most overall in 2021, at \$21.8 billion.

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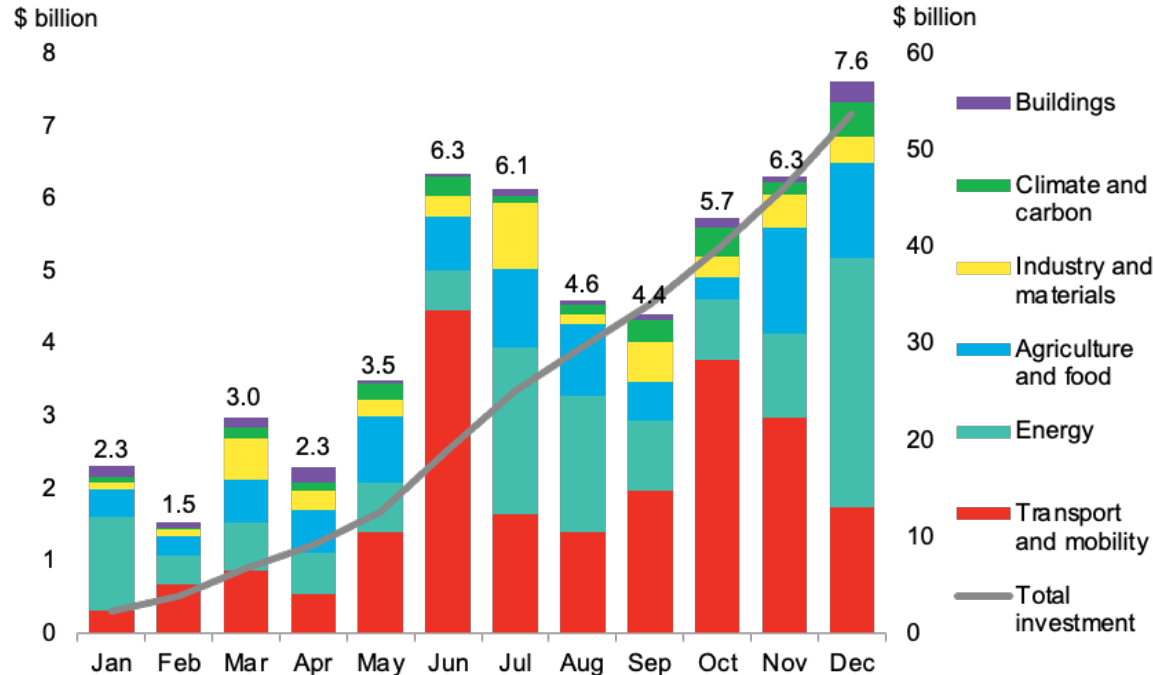


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- The **transport** sector raised the most overall in 2021, at \$21.8 billion.
- In second place was **energy**, which attracted 27% of funding in VC/PE markets. Popular technologies include hydrogen, batteries and nuclear fusion.

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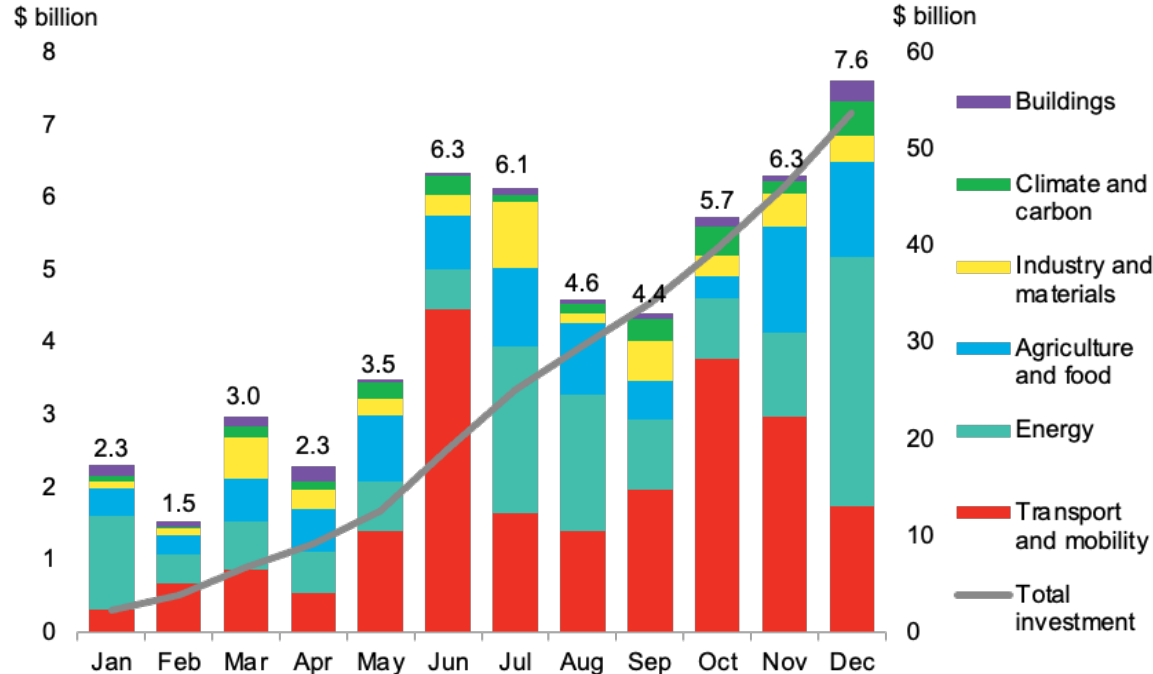


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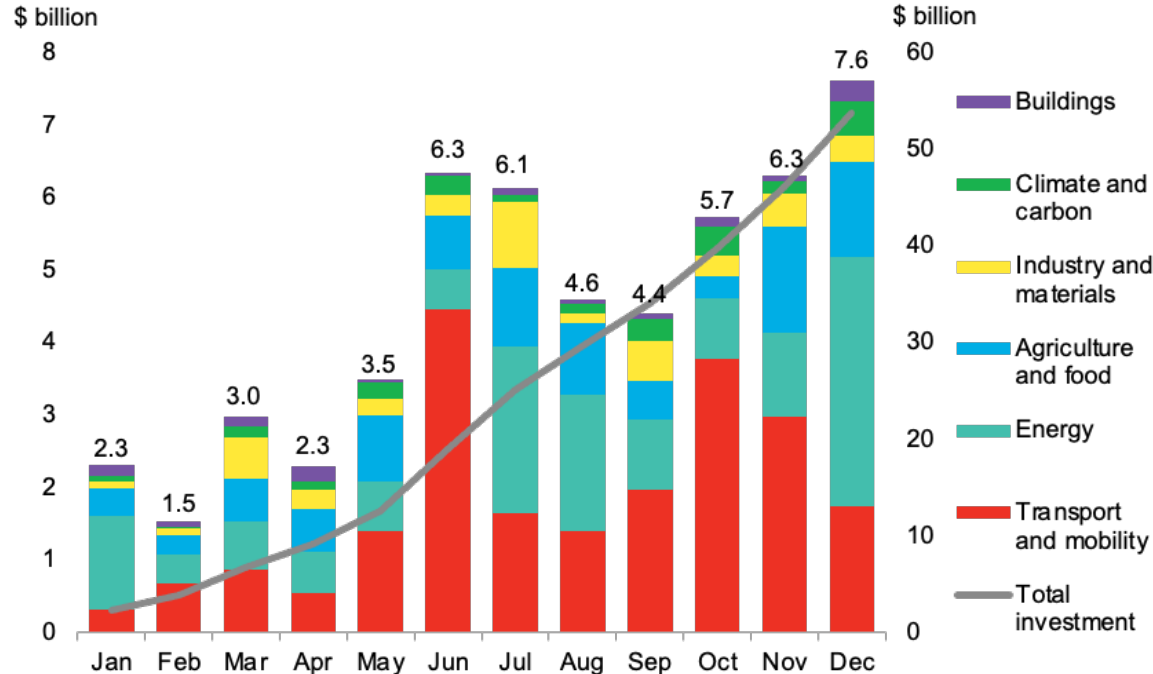


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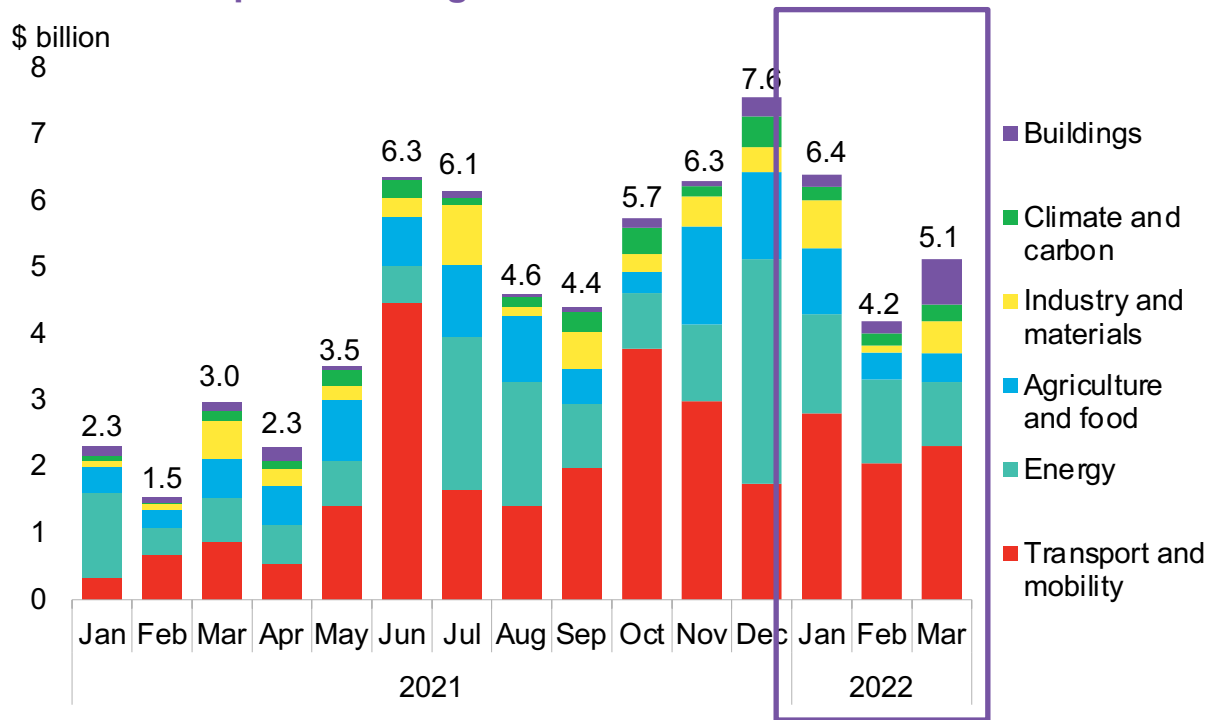


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- **Climate and carbon**, and **buildings** startups raised only \$2.4 billion and \$1.3 billion, respectively.

What have we seen in 1Q 2022?

VCPE startup fundraising in climate-tech

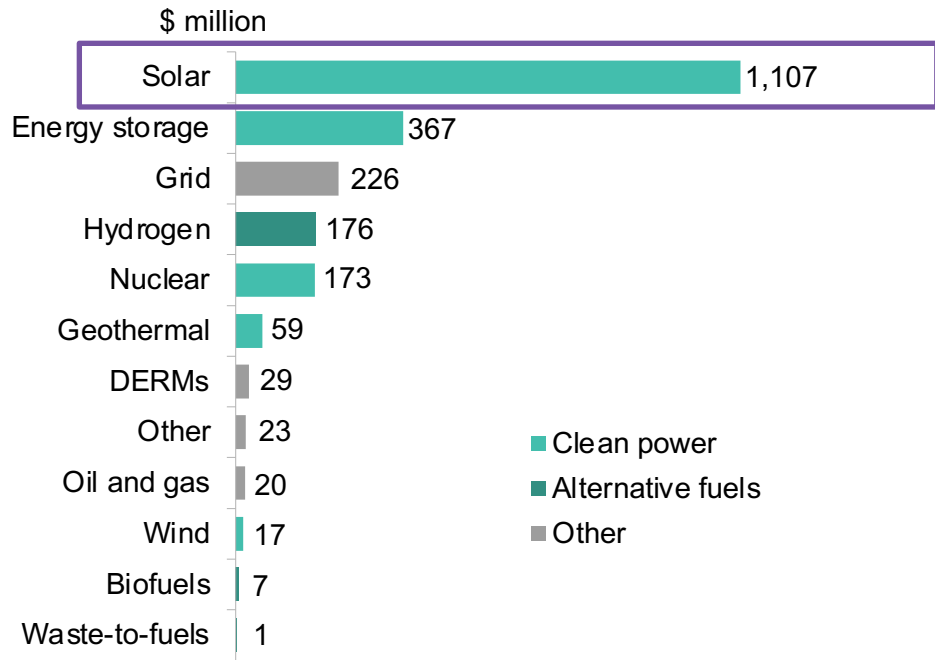
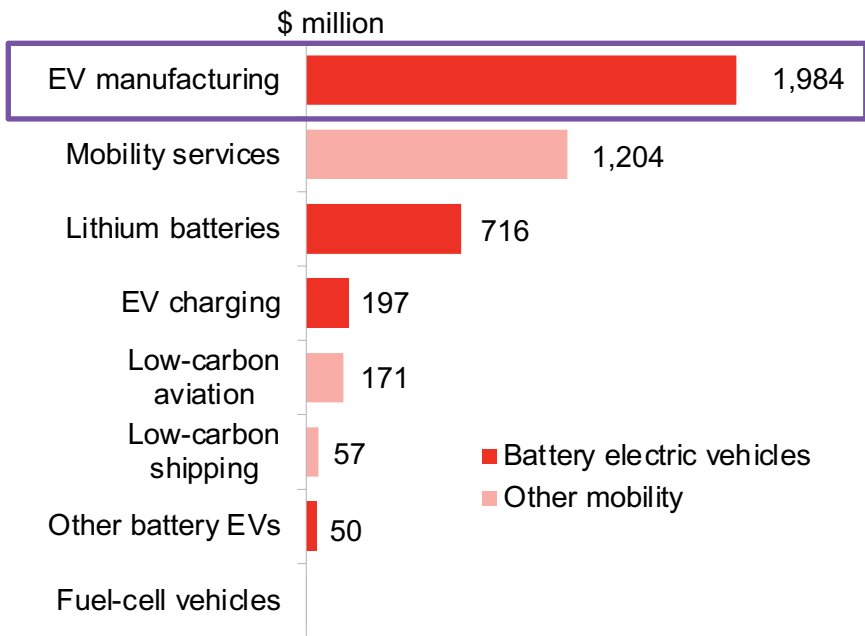


**\$15.7 billion raised in 1Q 2022,
131% more than 1Q 2021**

Source: BloombergNEF, Bloomberg Terminal, Pitchbook, news sources. Note: excludes PIPE and M&A

\$4.4 billion went to transport in the last two months and \$2.2 billion to energy

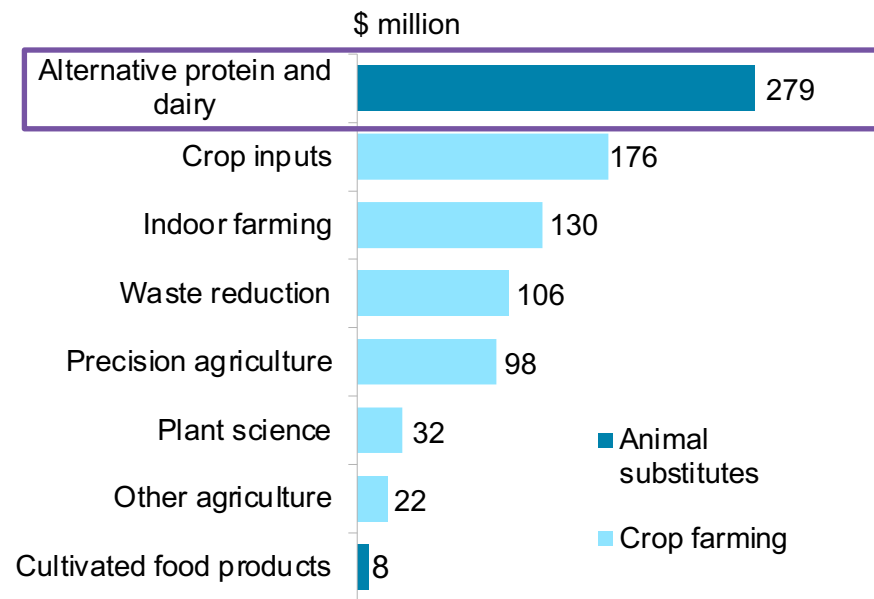
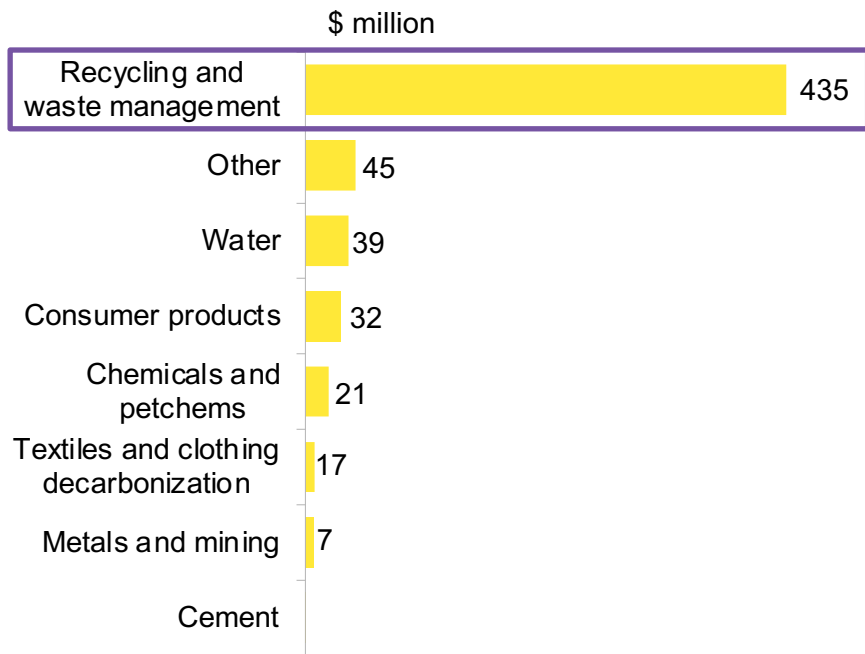
Transport and energy sectors' fundraising, Feb and March 2022



Source: BloombergNEF, Pitchbook, news sources.

Alternative proteins and waste management were most popular sectors

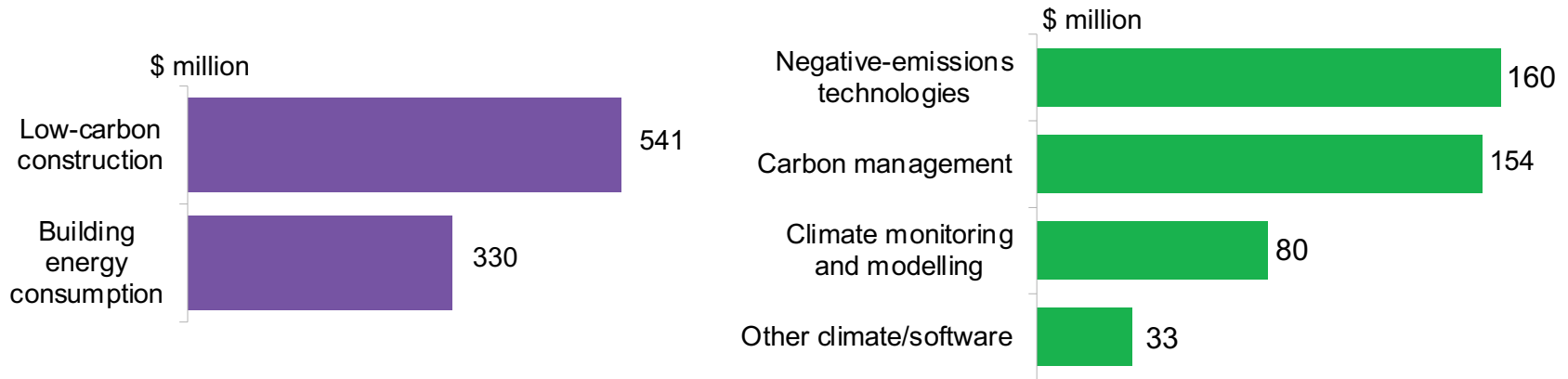
Industry and agriculture sectors' fundraising, Feb and March 2022



Source: BloombergNEF, Pitchbook, news sources.

The nascent buildings sector saw its largest month yet at \$871m

Buildings and climate sectors' fundraising, Feb and March 2022

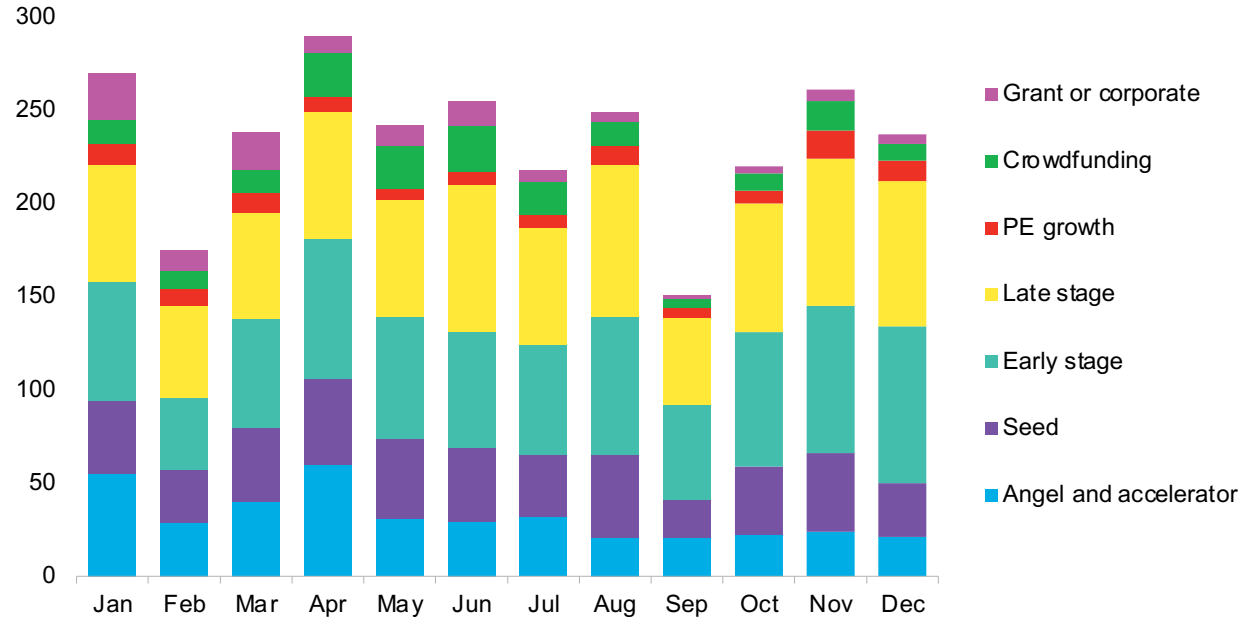


Source: BloombergNEF, Pitchbook, news sources.

There were 2,806 deals in 2021, mainly early- and late-stage VC

Global climate-tech private corporate financing by deal count

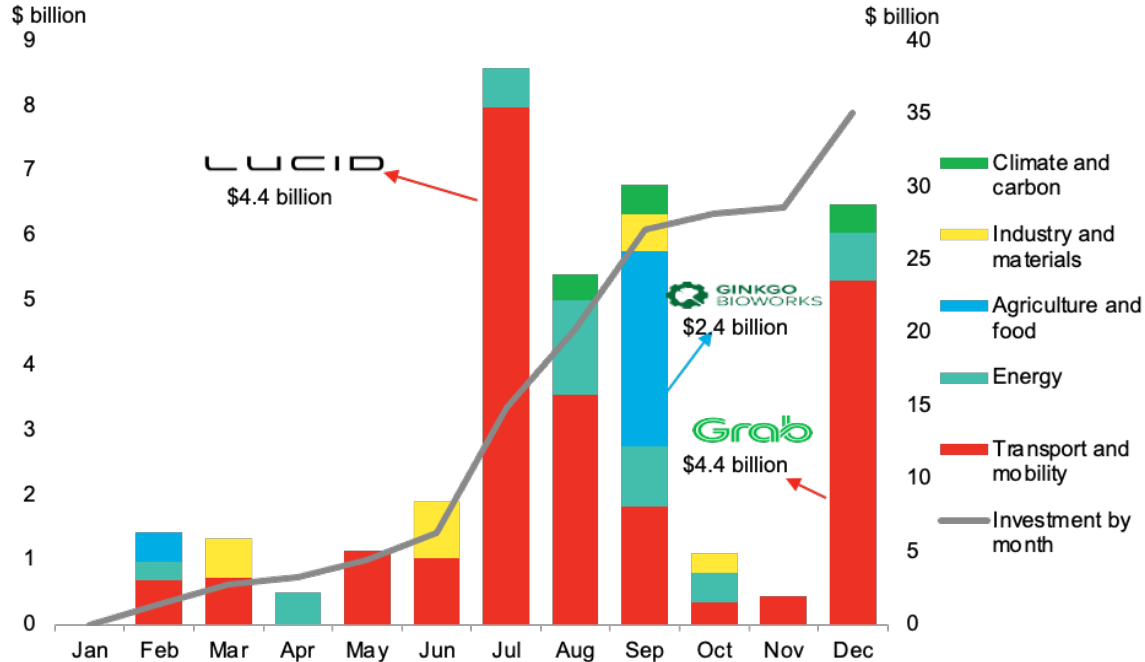
Count of deals



Source: BloombergNEF, Bloomberg Terminal, Pitchbook, news sources. Note: excludes PIPE and M&A.

Exit strategies vary, but SPACs are gaining in popularity

Global climate-tech SPAC reverse mergers by sector



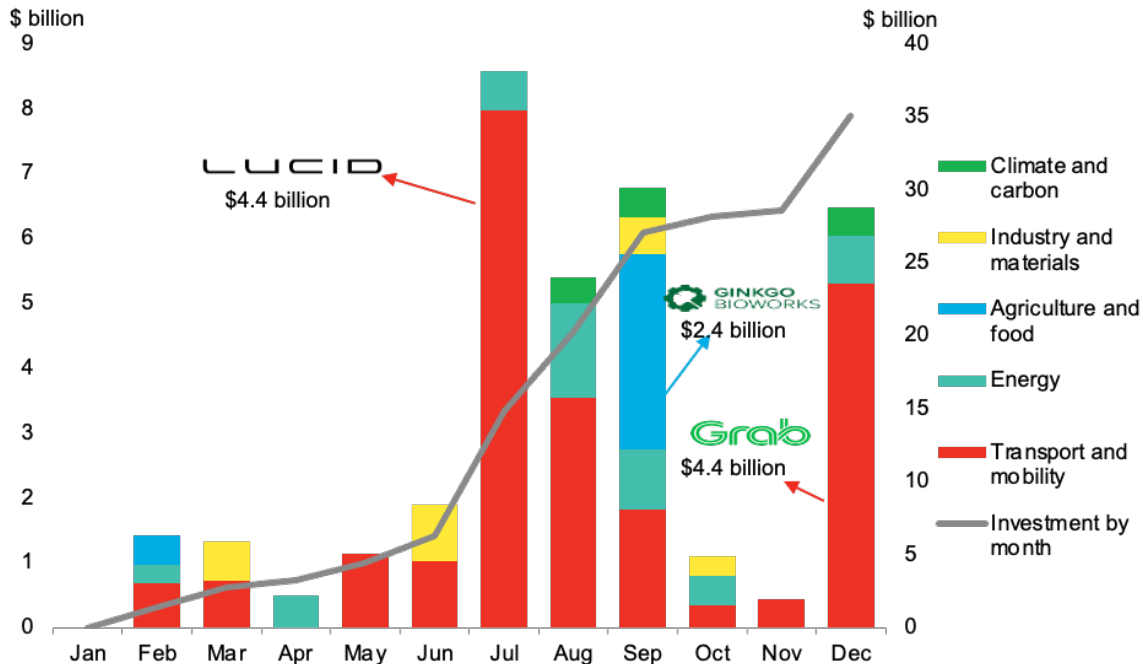
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Why SPACs?

- Faster and cheaper way to take a company public
- Access to large amounts of capital
- High valuation possible

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Which sectors commonly use SPACs?

- 50 startups raised \$35 billion from SPACs and PIPE investments to go public in 2021
- The **transport** sector raised \$23 billion from SPACs through 29 deals, accounting for 66% of SPAC deals