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EMERGING TECH RESEARCH

Climate Tech VC Trends

VC activity across the climate tech ecosystem

Q1
2026

REPORT PREVIEW
The full report is available through the PitchBook Platform.

Contents

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Climate tech landscape

1. Built environment
2. Carbon tech
3. Clean fuels
4. Dispatchable energy sources
5. Grid infrastructure
6. Industry
7. Intermittent renewable energy
8. Land use
9. Low-carbon mobility
10. Sustainable food

For the complete climate tech taxonomy and company list, click here to see the market map on the PitchBook Platform.

Quarterly analysis

Key takeaways

- Q1 2026 was a strong quarter for climate tech VC, with deal value reaching $14.3 billion—the highest since Q3 2023—driven by large transactions. Deals of $100 million or more accounted for 64.2% of quarterly deal value, the highest share in five quarters.
- Europe led regional deal value for the first time on record, posting $6.6 billion against North America's $5.5 billion, though the shift is heavily influenced by three $1 billion-plus deals raised by European companies.
- Median deal size and post-money valuation in Q1 2026 both exceeded historical annual figures, at $8.1 million and $34.3 million, respectively, continuing multiyear upward trends. Both figures are based on a single quarter of 2026 data and may shift as the year progresses.
- AI use cases and adoption have expanded within climate tech and are no longer constrained to specific applications and technology segments, a pattern that reflects both the maturation of AI and the data-intensive nature of many climate tech applications.
- The conflict in Iran introduces both headwinds and tailwinds for climate tech: near-term supply chain disruption for hardware-dependent verticals, alongside reinforcement of the investment case for technologies that displace fossil fuel consumption or reduce energy dependence. Energy security now serves as a core justification for deployment.

VC activity

Overall VC deal activity

Climate tech VC deal value reached $14.3 billion in Q1 2026, the highest quarterly total since Q3 2023 and a continuation of the recovery that has built steadily since Q2 2025's $9.4 billion. Larger transactions are driving most of the growth. Q1 2026 saw three climate tech deals of $1 billion or more, accounting for 26.3% of the quarter's total deal value and up from two such deals in Q4 2025, which represented 18.5% of that quarter's total. The three quarters prior to Q4 2025 recorded no $1 billion-plus deals. The pattern holds more broadly across large deals: Q1 2026's 31 transactions of $100 million or more accounted for 64.2% of quarterly deal value, the highest share across both deal count and proportion of total value in the past five quarters. By contrast, the two smallest quarters of that period, Q1 and Q2 2025, each saw less than half of their deal value derived from transactions of $100 million or more.

This growth relative to 2025 is likely heavily influenced by changing geopolitical conditions and a more stable policy and regulatory environment in the US. European appetite to reduce energy consumption—and thus energy dependence—continues, though it is too early to tell how the Iran war will affect climate tech adoption and supply chains. In the US, climate tech investment is facing a more challenging yet clearer environment compared with Q1 and Q2 2025's significant uncertainty around both tariffs and the potential rollback of Biden-era policy supporting climate tech adoption.

Deal count in Q1 2026 reached 538, a 10% increase QoQ and a break from the steady decline that ran from 869 deals in Q4 2023 to 489 in Q4 2025. Whether this represents an inflection point or a single-quarter deviation from the longer trend is not yet clear. Of the climate tech segments, the three with the largest QoQ growth in deal count were industry (64 to 89), grid infrastructure (67 to 81), and carbon tech (39 to 50).

Medians continued to rise, though with only one quarter of 2026 data, each median is based on fewer deals than prior years and could shift as the year progresses. Median deal size reached $8.1 million in Q1 2026, the highest on record and up from $4.4 million in 2024, with annual increases averaging 34.3% across 2024, 2025, and Q1 2026. The median post-money valuation reached $34.3 million—a new high-water mark for the space—following increases of 37.2% from 2024 to 2025 and a further 51.1% from 2025 to Q1 2026.

Region and stage trends

Europe accounted for the largest share of Q1 2026 climate tech VC deal value at $6.6 billion, a shift from the historical pattern in which North America has led every full year on record. North America followed with $5.5 billion and Asia with $2.1 billion. Europe's position at the top of the regional ranking is heavily influenced by the quarter's three $1 billion-plus deals—two headquartered in the UK and one in Germany—which together represented 56.4% of European Q1 deal value.

Late-stage VC continued to account for the largest share of deal value at 45.3% in Q1 2026, consistent with previous years. Late-stage VC has led every year by total deal value except 2018, when early-stage VC was larger. The most significant deviation from 2025's stage trends is in early-stage VC and venture growth: Venture growth's share declined from 23.6% in full-year 2025 to 17.2% in Q1 2026, while early-stage VC rose from 25.6% to 32.9% over the same period. Pre-seed/seed activity remained broadly stable as a proportion of overall deal value.

Top deals and segments

The three largest deals of Q1 2026 were the only deals that exceeded $1 billion:

- Low Carbon Materials raised $1.5 billion in a later-stage VC round. The UK-headquartered company develops low-carbon additives for concrete, offering two core products: one based on biochar and one derived from waste materials otherwise destined for incineration. Investors include Blue Earth Summit, CVC DIF, and Northstar Ventures.

- Cloover raised a $1.2 billion Series A. The Germany-headquartered company offers a range of residential energy technologies, including insulation, energy-efficient HVAC systems, heat pumps, solar panels, battery storage, and electric vehicle (EV) charging infrastructure.

- Kraken Technologies raised $1 billion in a later-stage VC round. The UK-based company develops an operating system for utilities, enabling optimization of energy systems and management of distributed energy assets, including energy generation, storage, and EV charging.

The built environment segment recorded the largest QoQ growth in deal value, rising 63.1% from $2.3 billion in Q4 2025 to $3.7 billion in Q1 2026. The two $1 billion-plus deals in this segment—Low Carbon Materials and Cloover—accounted for 73% of its Q1 total, meaning the segment's strong

growth was largely driven by megadeals. Low-carbon mobility, which has historically posted high deal value, and dispatchable energy sources followed as the next-largest segments. Dispatchable energy sources, which includes nuclear and geothermal, has seen strong deal value in recent quarters; the past five quarters (Q1 2025 to Q1 2026) are the largest on record, outside of Q4 2021, which included Commonwealth Fusion Systems' $1.8 billion Series B. This recent run has been driven by several factors: general growth in energy demand; datacenter growth and datacenters' need for consistent energy; approaching commercialization; regions' desire to reduce dependence on fossil fuels and limit exposure to their price volatility; and the relatively favorable US government position on geothermal and nuclear energy. Some segments have struggled so far in 2026, including land use, carbon tech, and intermittent renewable energy.

Exit activity and investors

Interpreting VC exit trends in the climate tech space is hindered by 2021's outsized exit value, which (at $102.9 billion) was more than 4x that of the next-largest year (2020's $23.4 billion) and was driven by a small number of massive mobility sector exits from EV developers. Compared with 2021, all other years have comparatively low VC exit value, though 2025 marked a recovery in exit activity from 2024's six-year low of $5.9 billion. Exit count in 2025 also grew, reaching 117—the second-highest annual count on record after 2021's 128. Q1 2026 exit activity has been more limited, with just $1.5 billion in exit value recorded so far.

Seven VC and corporate VC investors participated in more than five climate tech deals in Q1 2026. Energy Impact Partners led by deal count with 11 transactions, while Future Planet Capital, Lowercarbon Capital, and SOSV each participated in six deals over the quarter.

AI themes

AI is dispersed throughout climate tech dealmaking in Q1 2026, spanning both technologies that apply AI capabilities to decarbonization problems and those addressing the carbon footprint of AI infrastructure itself. The built environment segment saw some of the quarter's largest rounds, with companies increasingly embedding AI into building energy management systems to optimize the connection of in-building energy technologies with broader grid infrastructure. Also, within the built environment, datacenter growth has produced a distinct subsegment of companies targeting datacenter-specific decarbonization. Accelsius and AmberSemi both raised funding in the quarter, focused, respectively, on advanced cooling and semiconductor efficiency for AI and datacenter applications. Grid management & analytics is another category with strong AI-driven activity, with large funding rounds raised by companies developing utility-facing platforms capable of demand forecasting, distributed hardware integration, and real-time grid analysis—processes where AI's capacity for rapid, high-volume data processing offers operational advantages over legacy systems.

Beyond the built environment and grid segments, AI-native approaches appeared in climate tech categories less typically associated with AI. KoBold Metals, in the green mining category, raised $280 million in January 2026, deploying AI across geological and topographic maps, hyperspectral imagery, drilling records, and geological sampling data to identify subsurface mineral deposits with higher accuracy than traditional exploration methods. The company's target commodities include copper, lithium, cobalt, and nickel, all core elements in the critical minerals supply chain for climate tech hardware.

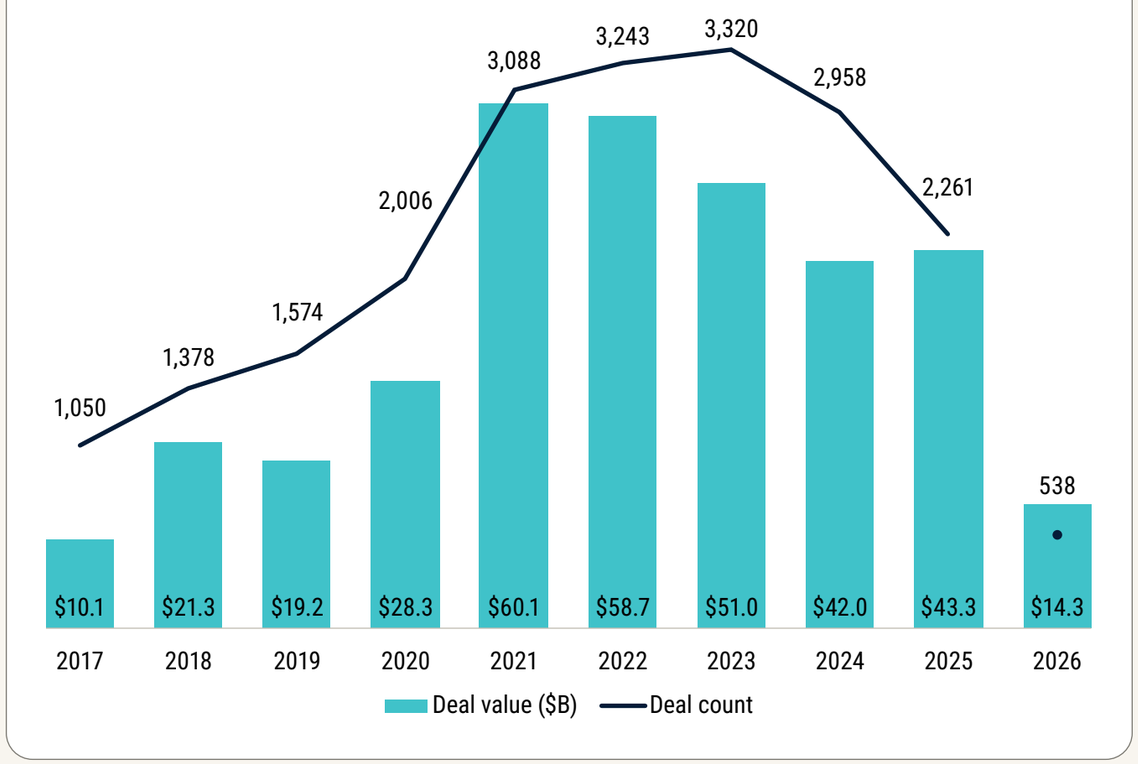
In services for the climate tech space, Zeitview raised $190 million in February 2026, offering drone- and aerial vehicle-based inspection services combined with AI-driven data analysis for energy asset owners. The company provides monitoring and inspection services for solar, wind, utilities, real estate, and construction clients, offering AI-enabled analysis and interpretation based on drone and aerial sensing. Together, Q1 2026 climate tech deals suggest that AI is functioning less as a discrete vertical within climate tech and more as a layer spanning the sector.

Conclusions

The investment environment for climate tech in Q1 2026 was stronger than in the same period a year earlier. Policy uncertainty in the US, which weighed heavily on investors' willingness to commit capital in H1 2025, has now largely resolved into a more stable environment. Tariff exposure, while still subject to unpredictable changes, has likewise stabilized. Dealmaking in the quarter reflected this relative stability, with steady growth in quarterly climate tech VC deal value since Q1 2025 and QoQ growth in deal count in Q1 2026.

The most immediate risk to these trends is geopolitical. The Iran war and Iran's subsequent closure of the Strait of Hormuz have brought immediate disruption to global shipping and energy supply chains—both of which carry direct consequences for hardware-heavy verticals like climate tech, which has complex global supply chains due to the geographic concentration of minerals critical for the energy transition. Despite the risks to supply chains, the conflict also reinforces the investment case for several climate technologies. Sustained oil & gas price volatility and supply chain disruption strengthen the economic rationale for technologies that can either replace conventional energy generation or reduce energy consumption across spaces such as mobility, industry, and the built environment. Energy security is also increasingly acknowledged as a key topic due to the wars in Iran and Ukraine, acting as a tailwind for domestic climate tech deployment, particularly in markets without abundant natural energy resources.

Climate tech VC deal activity



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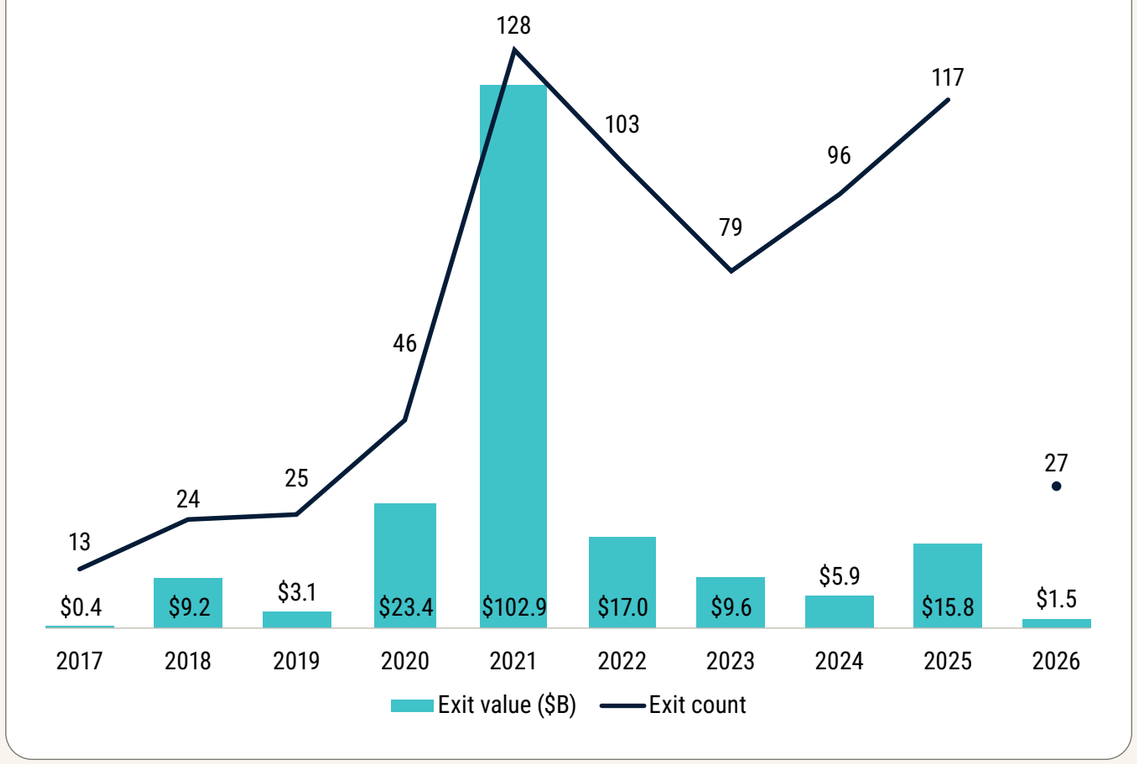
Climate tech VC exit activity



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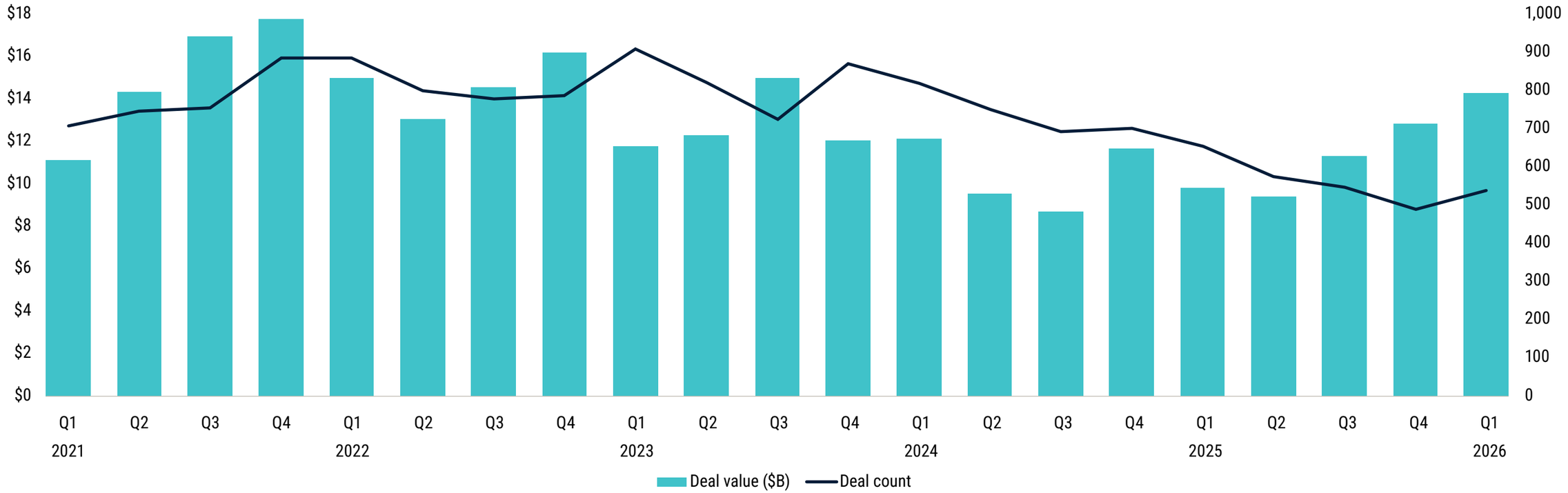
Climate tech VC deal activity by quarter



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Key climate tech pre-seed/seed VC deals in Q1 2026

Company	Close date	Deal value ($M)	Post-money valuation ($M)	Segment	Subsegment	Lead investor(s)
Nova Fusion	March 23	$101.6	N/A	Dispatchable energy sources	Nuclear - fusion	N/A
Proxima	January 12	$80.0	N/A	Sustainable food	Cultivated proteins	DCVC
Emerald AI	February 6	$52.7	N/A	Grid infrastructure	Analytics & grid management	Energy Impact Partners, Lowercarbon Capital, Radical Ventures
Hades	February 11	$15.0	$67.5	Dispatchable energy sources, industry	Geothermal, green mining	HV Capital Manager, Headline
Sora Fuel	March 27	$14.6	$40.0	Clean fuels	Clean conventional fuels	Inspired Capital (New York), Spero Ventures
Elementium	March 6	$14.0	$41.0	Grid infrastructure	Lithium batteries	N/A
Exergy3	March 27	$13.4	$40.1	Grid infrastructure	Alternative energy storage	Axeleo Capital
Biaco	March 2	$12.9	$44.3	Grid infrastructure	Lithium batteries	N/A
pHathom Technologies	February 5	$12.0	N/A	Carbon tech	Point-source carbon capture	Propeller (Boston)
Helix Earth	March 20	$12.0	$44.0	Built environment	Heating and cooling	Veriten

Source: PitchBook • Geography: Global • As of March 31, 2026

Key climate tech early-stage VC deals in Q1 2026

Company	Close date	Deal value ($M)	Post-money valuation ($M)	Segment	Subsegment	Lead investor(s)
Cloover	January 21	$1,222.0	N/A	Built environment	Building energy efficiency	MMC Ventures, QED Investors
Valar Atomics	March 12	$450.0	$2,000.0	Dispatchable energy sources	Nuclear - fission	Day One Ventures, Dream Ventures, Snowpoint Ventures
Inertia	February 10	$450.0	N/A	Dispatchable energy sources	Nuclear - fusion	Bessemer Venture Partners
Zero One Automotive	March 12	$174.0	N/A	Low-carbon mobility	Terrestrial/marine BEVs	Beijing Momenta Technology Company, CATL Capital, NIO Capital
GREW Solar	February 13	$148.3	N/A	Intermittent renewable energy	Solar - photovoltaic	Bay Capital
HjMicro	February 14	$143.9	N/A	Built environment	Building energy efficiency	N/A
Haier New Energy	January 16	$142.6	N/A	Built environment	Building energy efficiency	N/A
Startorus Fusion	January 12	$142.5	N/A	Dispatchable energy sources	Nuclear - fusion	CICC Capital, Shanghai STVC Group
Standard Nuclear	January 30	$140.0	$838.0	Dispatchable energy sources	Nuclear - fission	Decisive Point
Heron Power	February 6	$140.0	$675.0	Grid infrastructure	Analytics & grid management	Andreessen Horowitz, Breakthrough Energy

Source: PitchBook • Geography: Global • As of March 31, 2026

Climate tech VC deal summary

	Quarterly activity					TTM activity	
	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2024-Q1 2025	Q2 2025-Q1 2026
Deal count	**652**	**574**	**546**	**489**	**538**	**2,793**	**2,147**
QoQ change	-6.7%	-12.0%	-4.9%	-10.4%	10.0%	N/A	-23.1%
Share of total VC	5.6%	5.8%	5.5%	4.8%	5.7%	6.5%	5.4%
Deal value ($B)	**$9.8**	**$9.4**	**$11.3**	**$12.8**	**$14.3**	**$39.7**	**$47.8**
QoQ change	-15.8%	-4.2%	20.3%	13.4%	11.3%	N/A	20.4%
Share of total VC	10.6%	5.7%	9.4%	9.6%	4.3%	9.9%	6.4%
Exit count	**30**	**28**	**22**	**37**	**27**	**103**	**114**
Public listings	22	20	15	22	17	66	74
Acquisitions	4	2	3	7	8	17	20
Buyouts	4	6	4	8	2	20	20

Source: PitchBook • Geography: Global • As of March 31, 2026

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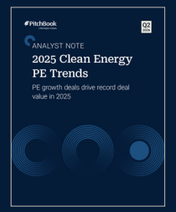

2025 Clean Energy PE Trends

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