



ImpactCity

TECH NATION

Danske Bank

Impact startups and venture capital - Q1 2022

April 2022





Check out previous reports.

2021: a record year for impact innovation

Global climate tech investment trends since the Paris Agreement

Urban Tech

Nordic impact startups 2021

What you need to know.



\$12.9B raised by impact startups globally in Q1 2022.

After a record year for impact startups in 2021, a further \$12.9B has been raised in the first three months of 2022. Q1 2022 was the fifth highest quarter for impact funding of all time (after all four quarters of 2021).

While the Q1 2022 total is down 15% year on year, it still reached double the total from Q1 2020.



Europe and North America lead for impact startup investment

While North America leads in absolute terms for impact startup funding, Europe punches well above its weight. Europe attracts half the level of impact funding of North America, but this compares to a third of North American funding in overall VC.

Europe is also the most impact-focussed ecosystem, with 15% of all funding going to impact startups.



Clean energy startups dominate impact funding

War in Ukraine, Russian sanctions, and supply shortages are putting a strain on energy demand, and a renewed focus on affordable and clean energy solutions.

Startups tackling Climate Change, and Affordable and Clean Energy raised a total of \$47B in funding in 2021 and the first quarter of 2022.

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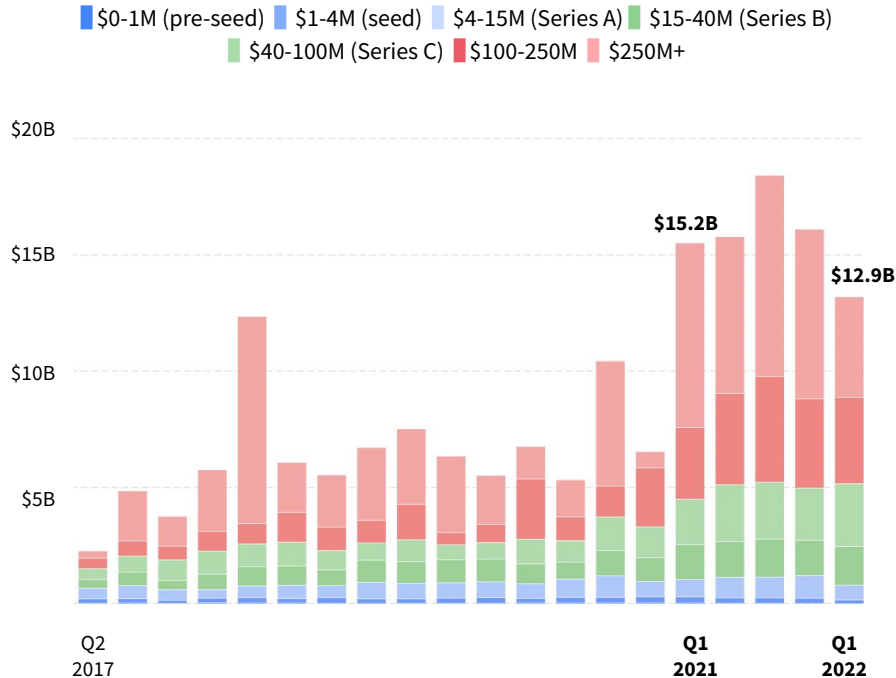
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1 | Impact startup investment overview



Impact startups raised \$12.9B globally in Q1 2022, in the fifth highest quarter on record, though down 15% year on year.

Venture capital investment into global impact startups [» view online](#)



The biggest rounds of Q1 2022 [» view online](#)

CRUISE

EV Manufacturer
\$1.4B



Renewable energy
\$575M

Back Market

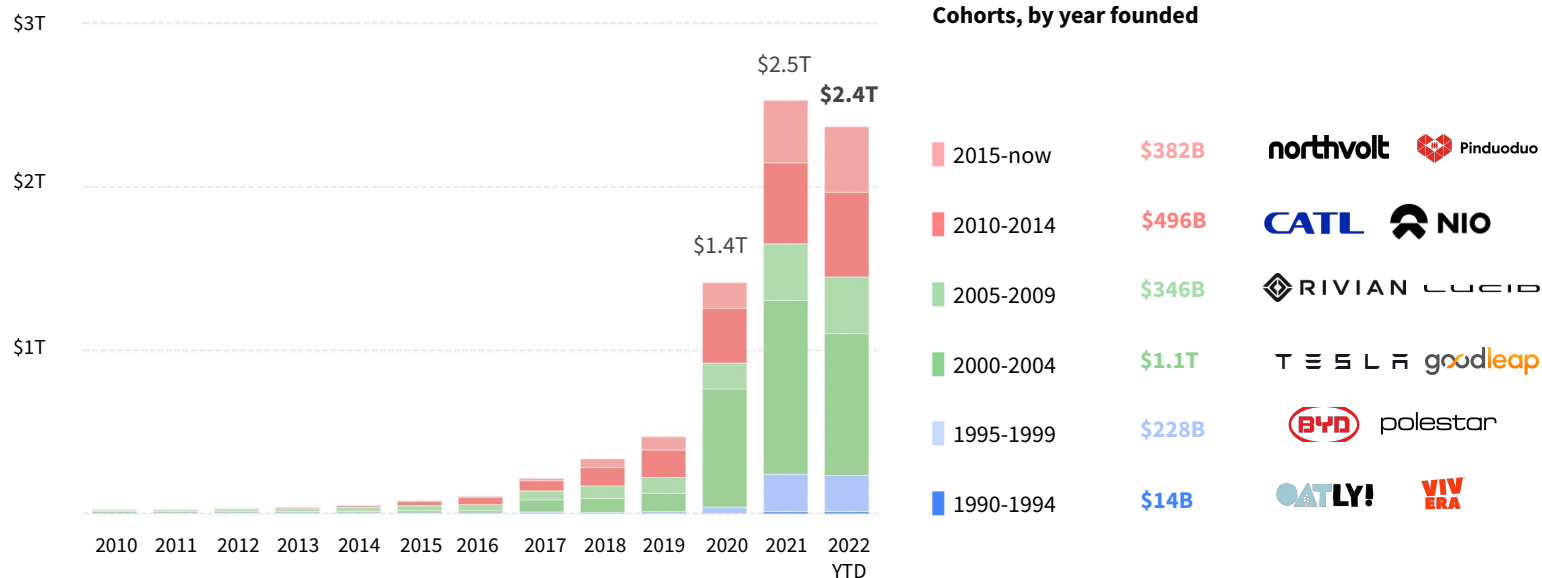
Circular marketplace
\$510M

Plenty®

Vertical farming
\$400M

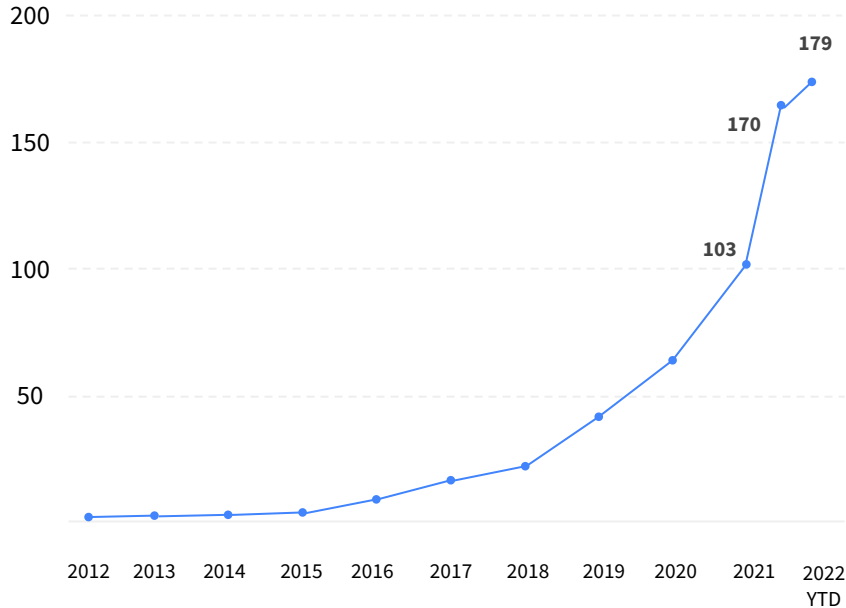
Public market volatility has affected the combined value of the impact companies in early 2022, but the ecosystem is still up +70% on 2020 figures.

Combined enterprise value of impact companies by launch year [» view online](#)



There are now 179 impact unicorns globally, 40% of which were added in the last 15 months.

Cumulative number of impact unicorns



New impact unicorns: [» view online](#)

Impact & Innovation Database by dealroom.co

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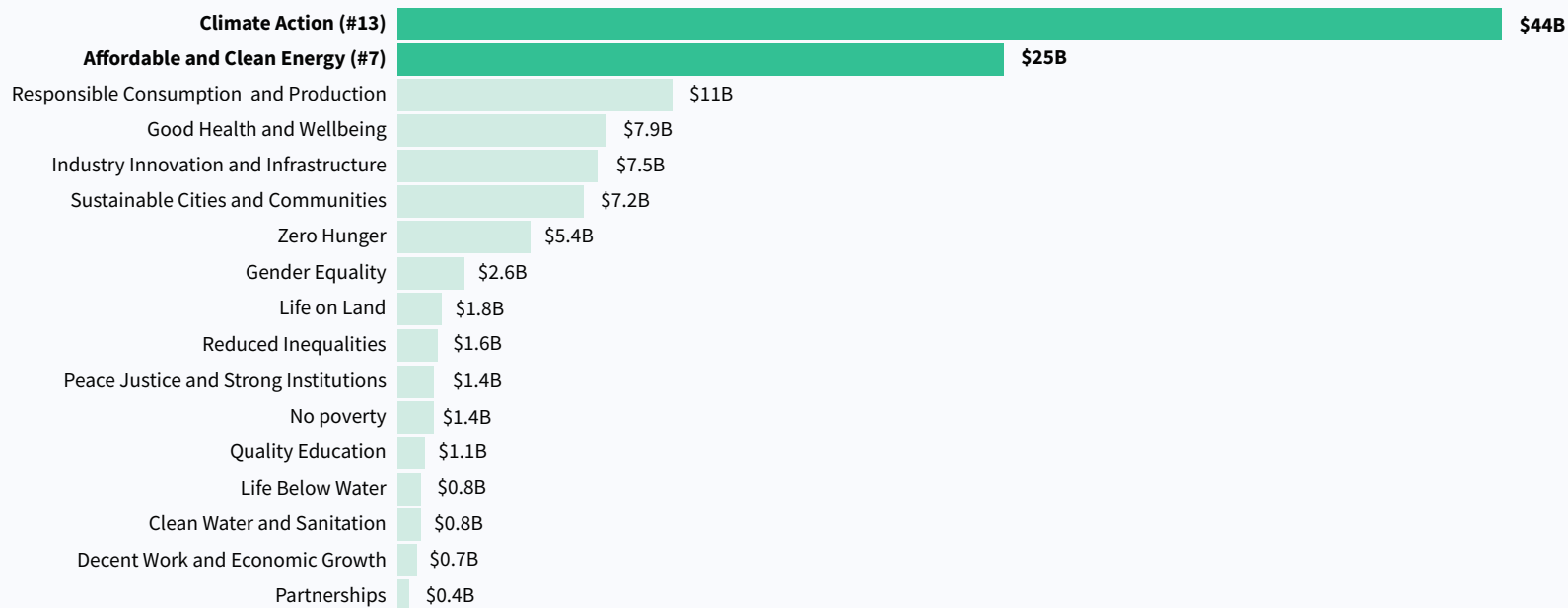
NAME	MARKET	TYPE	GROWTH SIGNAL 12 months growth	LAUNCH DATE	VALUATION
Britishvolt ★ ▼ UK's foremost investor in battery L...	B2B energy transportation energy storage	hardware manufacturing	108	2019	€909m
Cerebral ★ ▼ Cerebral is a mission-driven telem...	B2C health health platform	mobile app subscription saas	923	Jan 2020	€1.1b
FREYR ★ ▼ Developing a lithium ion battery fa...	B2B energy transportation	hardware manufacturing	110	2018	€1.3b
Heliogen ★ ▼ A renewable energy technology co...	B2B energy efficiency energy providers clean energy	deep tech commission manufacturing	124	2013	€1.8b
Xos Trucks ★ ▼ We are a Los Angeles-based transp...	B2B transportation vehicle production	selling own inventory manufacturing	171	2016	€1.8b
AppHarvest ★ ▼ Building some of America's largest...	B2B food agritech	selling own inventory manufacturing	186	Jan 2017	€909m
Redwood Materials ★ ▼ Providing advanced technology an...	B2B energy energy storage waste solution	commission manufacturing	104	Jan 2017	€3.4b
ATAI Life Sciences AG ★ ▼ A biotechnology company pioneer...	B2B health wellness beauty pharmaceutical biotechnology	deep tech machine learning deep learning computer vision big data	90	Jun 2018	€2.2b
Li-Cycle ★ ▼ Li-Cycle Technology is a low cost, s...	B2B energy waste solution energy storage	manufacturing	102	2016	€1.5b

2 | UN Sustainable Development Goals



Climate Action (#13) and Affordable and Clean Energy (#7) have been attracting the lion's share of impact funding among the UN SDGs.

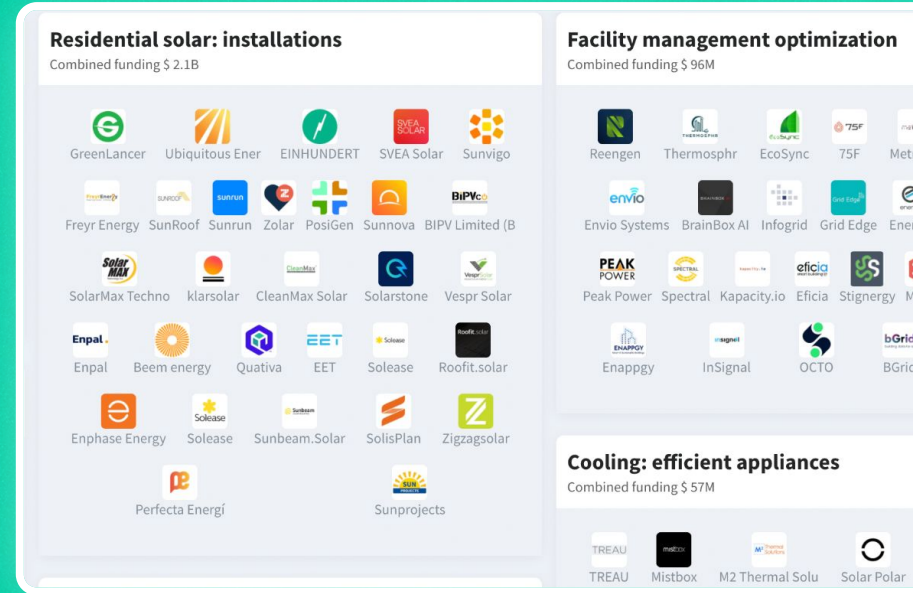
2021 & Q1 2022 investment per Sustainable Development Goal



Global energy security and pricing challenges could drive renewed focus on clean energy startups.

War in Ukraine, Russian sanctions, and supply shortages are putting a strain on energy demand already facing growing populations and global industrial development. Oil and gas prices are soaring, and reliance on fossil fuels has become a key geopolitical security issue. The need to accelerate the development, rollout and adoption of affordable and clean energy solutions has never been more acute, and a generation of startups working on renewable energy could well provide some of the solutions.

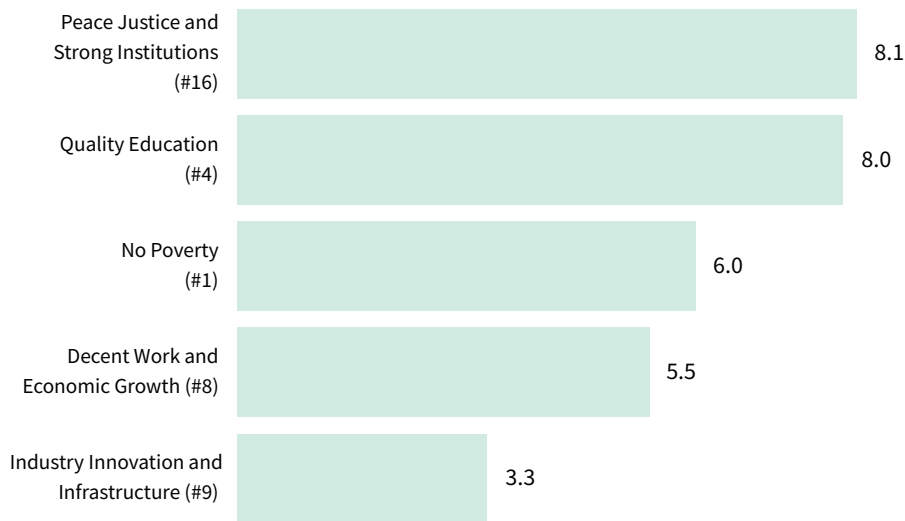
According to IEA, renewables are set to account for almost 95% of the increase in global power capacity through 2026, with solar power alone providing more than half.







[» View full landscape](#)

Some of the most underfunded SDGs are the fastest growing. Climate action and affordable and clean energy have some of the lowest growth rates.

2017 to 2021 growth ratio of investment per SDGs



Biggest rounds for peace justice and strong institutions startups of 2021

Company	HQ	Transaction
 Socure	New York United States	\$450M Series E
 Trulioo	Vancouver Canada	\$394M Series D
 persona	San Francisco United States	\$150M Series C
 PRIMER	San Francisco United States	\$110M Series C

Impact entrepreneurship means having sustainability as a core objective.

In this report, an impact startup is a company that addresses one or more of the UN's Sustainable Development Goal (SDGs) at the core of its business and the potential to scale.

Our litmus test: if you remove the impact, you also remove the business.

or this report, the SDGs have been grouped into the following three categories:

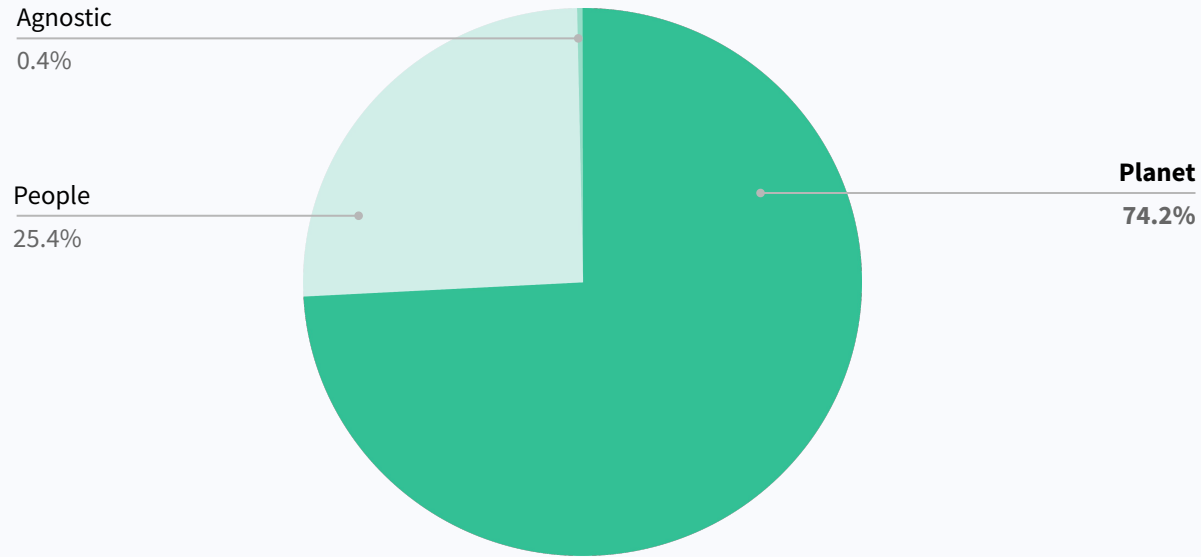
- People
- Planet
- Agnostic

Our full taxonomy is available [here](#).



In 2021, 74% of all investments in the impact space went towards companies working on planet-focused SDGs.

2021 investment per Sustainable Development Goal type





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Nuclear fusion startups fuelling up

Having previously covered whether [nuclear fusion was within sight](#), for a couple of the world's fusion startups the future just got a little clearer, as they raised fresh funding.

🇩🇪 [Marvel Fusion](#) - founded in 2019 - raised a €35M funding from Earlybird Venture Capital.

🇯🇵 [Kyoto Fusionengineering](#) - also founded in 2019 - raised \$12M Series B from DBJ Capital, JAFCO Japan, Daiwa Corporate Investment, Coral Capital, JIC Venture Growth Investments, JGC Mirai Innovation fund.

There are currently 16 nuclear fusion startups in the world, and all in countries with a heritage in international fusion research. The US and UK lead, home to five and four fusion startups respectively, with a further two in Germany, and one each in Japan, Canada, France and Australia. But fusion reactors come in a number of different flavours, from "traditional" magnetic confinement, or impact fusion and inertial confinement. The question of which, if any, will be the first to attain grid-ready fusion power remains an open one.

Discover 16 nuclear fusion startups

Get the latest weekly insights, with the **impact** newsletter.

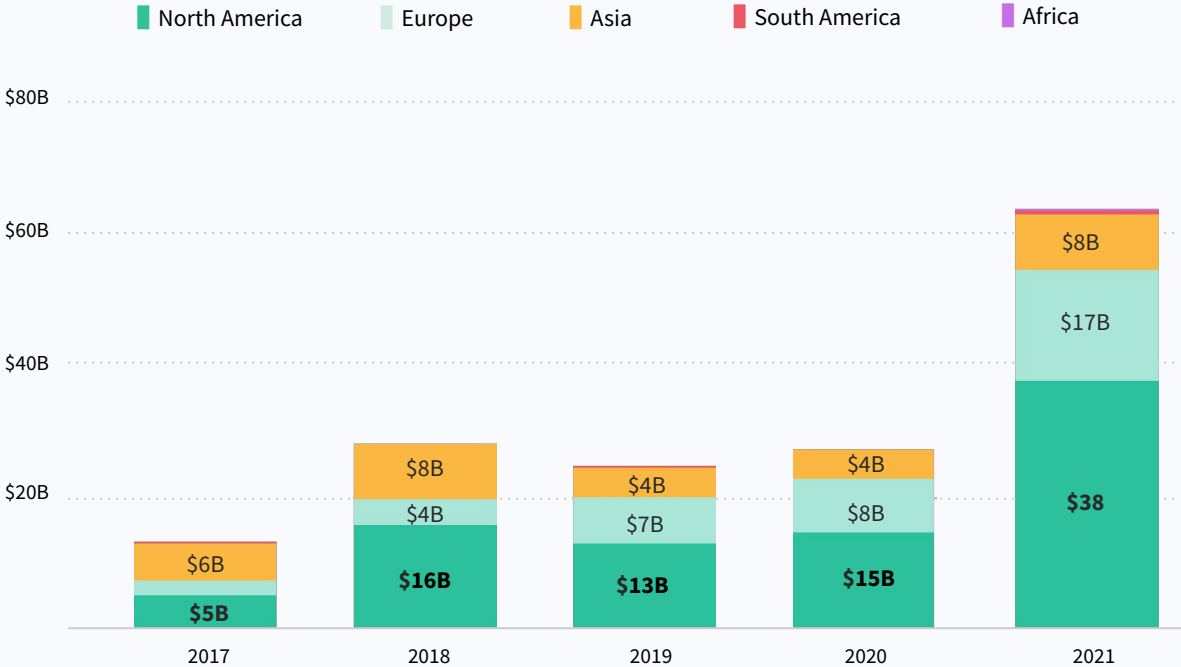
» Sign up

3 | Regional trends



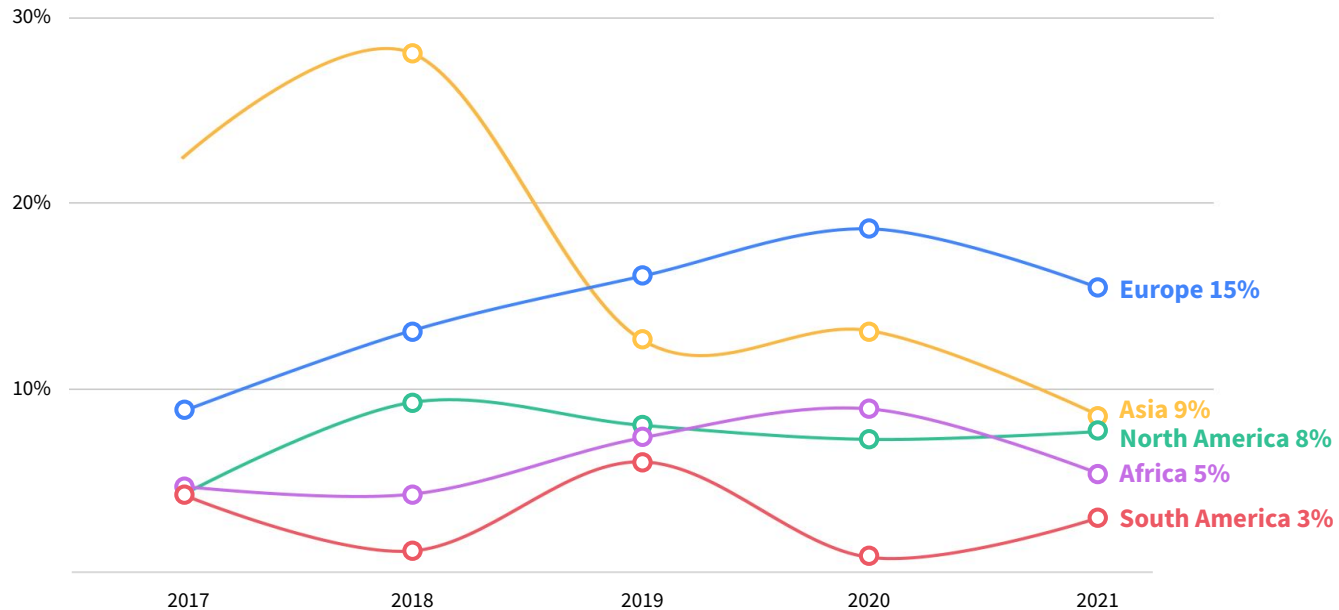
Europe punches above its weight on impact funding. European impact funding is half that of North American, compared to a third in overall VC.

VC investment into global impact startups per HQ region



Europe is the most impact-focussed ecosystem, with 15% of all venture capital raised on the continent going to impact startups.

Impact investments as a percentage of the total VC investment



Explore the ecosystem **impact.dealroom.co**

Access over 8,000 impact startups, 14,000 funding rounds, and our latest insights on the world of impact tech.

» [Visit the platform](#)

The screenshot shows the homepage of the Impact & Innovation Database. At the top, there is a navigation bar with the logo 'iD Impact & Innovation Database by dealroom.co' and a search bar containing the text 'Search for companies, investors, people, lists & innovations'. Below the navigation bar is a large hero section with a background image of a glass of water. The hero section features two large statistics: '8,480 STARTUPS' and '14,855 ROUNDS'. Below the hero section is a horizontal menu with five categories: 'OVERVIEW', 'CURATED CONTENT', 'EVENTS', 'NEW STARTUPS', and 'METHODODOLOGY & DEFINITIONS'. The 'OVERVIEW' category is currently selected. Below the menu are three main content blocks, each with an icon and a title: 'Add your organization' (with a building icon), 'Becoming a partner' (with a heart icon), and 'Where the data comes from' (with a globe icon). Each block contains a short paragraph of text.

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Explore the Impact & Innovation e

Accelerating purpose-driven entrepreneurship and innovation through better da

8,480
STARTUPS

14,855
ROUNDS

OVERVIEW | CURATED CONTENT | EVENTS | NEW STARTUPS | METHODODOLOGY & DEFINITIONS

Add your organization

Are you a founder, a VC, or otherwise active in the ecosystem? Gain visibility and help the database become more complete by adding your organizati-

Becoming a partner

Our partners help make this platform what it is through data sharing, collaboration, sponsorship and research. Sounds interesting? We'd love to

Where the data comes from

This platform is powered by Dealroom's machine learning and data engineering. We submit submitted data with robust verifica-

Venture capital methodology and definitions.

Startups, scaleups, grownups and tech

Companies designed to grow fast. Generally, such companies are VC-investable businesses. Sometimes they can become very big (e.g. \$1B+ valuation).

When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies, like Arrival or Northvolt.

Only companies founded since 1990 are included in this report.

Venture capital investment

Investment numbers refer to rounds such as Seed, Series A, B, C, ... late stage, and growth equity rounds.

Venture capital investment figures exclude debt or other non-equity funding, lending capital, grants and ICOs.

Buyouts, M&A, secondary rounds, and IPOs are treated as exits: excluded from funding data.

Investment rounds are sourced from public disclosures including press releases, news, filings and verified user-submitted information.

Accelerators and workplaces

Fixed-term, cohort-based programs that include seed investment, connections, sales, mentorship, educational components and culminate in a public pitch event or demo day to accelerate growth.

We consider an accelerator as an 'investor' since it takes equity from its startups whereas a 'workplace' does not take equity from its tenants.

In this report, co-working spaces, shared office space that also offer community support, are considered as part of workplaces.

Valuation

The combined valuation of the tech ecosystem is based on their market cap or latest transaction value.

Transaction value is realized from exit or implied unrealised valuation from the latest VC round, which is either announced or estimated by Dealroom based on benchmarks.



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