Institute for Sustainable Finance

The State of Canadian Cleantech Venture Capital Markets

Gauging progress over 10 years of sparking the green economy

September 2026

isfcanada.org

Contents

ACKNOWLEDGMENTS

This report has been prepared by (listed alphabetically, contributions are equal):

- Prateek Sood, Research Associate, Institute for Sustainable Finance (prateek.sood@queensu.ca)
- Yingzhi Tang, Senior Research Associate, Institute for Sustainable Finance (yingzhi.tang@queensu.ca)

With guidance from the Director of Research, Professor Yrjö Koskinen.

The Institute for Sustainable Finance thanks the ISF program team and the communications team at Smith School of Business, Queen's University for their work in creating the finished publication. In addition, the authors appreciate the feedback provided by several ISF staff members and external reviewers, including Erin Madro, Principal, Head of Energy, Evok Innovations, and others who commented anonymously. This material has been prepared for informational purposes only and is neither intended to provide, nor should it be relied on, for legal, financial or accounting advice.

The Institute for Sustainable Finance is supported by several partners:

Founding Contributors

- BMO
- CIBC
- RBC
- Scotiabank
- TD Bank Group

Supporters

- Ivey Foundation (Inaugural Supporter)
- Chisholm Thomson Family Foundation
- Trottier Family Foundation

Founding Sponsors

EXECUTIVE SUMMARY

This report, for the first time, presents a complete picture of the last 10 years of venture capital (VC) investment in Canadian clean technology firms. It reveals trends in funding for the startups that are key to Canadian innovation and climate goals, from early-stage development of nascent technologies such as nuclear fusion, to capital-intensive deployment for infrastructure such as EV charging. And it outlines policy considerations to better support the scaling and retention of domestic innovation.

The report analyzes cleantech VC activity from 2016 to 2025 using Canadian Venture Capital Association Intelligence transaction-level data, covering 285 deals involving Canadian investors. Key findings include:

- Canadian cleantech VC had expanded rapidly, growing from CA$100 million in deal value in 2016 to a peak of CA$1.65 billion in 2022, before declining to approximately CA$600 million in 2025. Cumulative deal value reached approximately CA$5.8 billion by 2025.
- This is in contrast to the global market which grew by 8% to CA$57.5 billion in 2025, leaving Canada a smaller player in relative terms. Both the U.S. and China have used industrial policies to mobilize investment in strategic cleantech.
- The number of annual venture capital deals in Canada rose from 12 in 2016 to roughly 50 in both 2023 and 2024 before easing to 32 in 2025. Cumulative deal count over the 10 years reached 285.
- The six largest sectors — Electricity and Grid; Industry and Mining; Buildings and City Infrastructure; Fuels, Chemicals and Plastics; Transportation; and Carbon Capture, Removal and Storage — account for roughly 78% of Canadian cleantech deals.
- Public capital is central to the market. Canadian public investment institutions participated in 33% of domestic cleantech deals, representing 57% of disclosed deal value.
- Cleantech investment is geographically concentrated. Four provinces (British Columbia, Ontario, Quebec, and Alberta) account for most domestic deal activity by count, but just three of them (British Columbia, Quebec, and Alberta) account for almost 90% of deal value.
- The main financing gap is continuity from innovation to scale. Early-stage investment has become a major driver of capital deployment since 2021, but later-stage and growth financing remain inconsistent.

The report concludes that while Canada is well positioned to lead in this field with geographic and resource advantages and significant economic and policy interest in the sector, venture capital investments have fallen off in recent years. While Canada has started to build a meaningful cleantech ecosystem, the market still faces important gaps in scale-up financing, later-stage capital, and financing tools suited to capital-intensive technologies. These gaps matter because they determine whether Canadian cleantech companies scale domestically or move abroad for capital and growth.

The core challenge is ensuring that capital is available at the right stage and in forms that align with the needs of different clean technologies. Chapter 8. Market Gaps, Existing Efforts and Remaining Opportunities outlines key market gaps, reviews ongoing efforts to support the market, and discusses additional existing opportunities for policymakers and market participants.

1. BACKGROUND AND INTRODUCTION

As geopolitical pressure rises and countries race to secure the electricity needed to power artificial intelligence, Canada has a strategic opportunity to strengthen its energy security and sovereignty while advancing its commitment to net-zero emissions by 2050. In this context, clean technology or cleantech is essential to achieving these objectives and creating new economic opportunities across sectors. Canada is well positioned to lead with geographic and resource advantages that provide a competitive edge.

Cleantech encompasses energy and fuel technologies, efficiency and conservation, renewable energy, environmental technologies, and other energy and environmental products and services (CVCA, n.d.). Many of these technologies are being developed by new startups. Given the risks, venture capital (VC) is an important source of early-stage financing that helps bring new cleantech technologies from concept to market and supports Canada's broader climate, energy security, and economic competitiveness goals. Access to VC is increasingly a matter of economic sovereignty: as BDC Capital has warned, "when ownership, intellectual property, and decision-making shift outside the country, Canada risks losing not only economic upside but also influence over the industries and technologies that will shape its future" (Rabinovitch, 2026).

The importance of the cleantech sector is already clear in recent economic data. According to Innovation, Science and Economic Development Canada (ISED), Canada's environmental and clean technology products sector contributed almost CA$81 billion in real GDP in 2023, with about half that value (CA$40.6 billion) attributable to clean technology goods and services (ISED, 2025a). Cleantech supported over 224,000 jobs in 2023, with average annual pay of CA$105,768 in the sector, well over the nation's average (ISED, 2025b).

Despite clear significance in the domestic economy, Canada continues to be a net importer of clean technologies, importing CA$20.9 billion and exporting CA$9.4 billion worth of cleantech goods and services in 2023 (ISED, 2025a). Yet, cleantech remains a high-growth sector. Many of the relevant technologies are still in their nascency, and sufficient investment in the sector can ensure that Canada becomes a leader in the emerging space.

Recognizing the importance of cleantech in future trade and economic development, the Government of Canada has created incentives to accelerate the commercialization and deployment of clean technologies. The Clean Technology Data Strategy was established to measure the economic, environmental, and social contributions of the sector, while the federal Clean Economy Investment Tax Credits are intended to support investments in Canada that advance the transition to net zero (ISED, 2026; BDC, 2024). Within that framework, the Clean Technology Investment Tax Credit (ITC) provides a refundable credit that may cover up to 30% of the capital cost of eligible clean technology property acquired and available for use through December 31, 2033, declining to 15% in 2034 before expiring thereafter (CRA, 2026). Tax credits support demand for cleantech innovation by reducing the cost for prospective customers. Additionally, cleantech firms that operate their own equipment to provide services may directly benefit from the tax incentive.

Despite these incentives, significant financing challenges remain because of the nature of cleantech investment. The sector spans a wide range of business models, from early-stage development of nascent technologies (e.g., nuclear fusion) to capital-intensive deployment with uncertain demand[1] (e.g., EV charging infrastructure), each with distinct financing needs and constraints. Key barriers include limited access to patient growth capital, difficulty attracting financing at scale, and challenges securing grant funding that reflects the unique risks and costs associated with cleantech (ISED, 2025). For companies looking to build physical technological solutions known as 'hard-tech' or larger infrastructure-style projects, these barriers are compounded by higher capital requirements and longer sales cycles, which can slow revenue growth and make it more difficult to sell equity and take profits relative to software-based businesses (CVCA, 2025; CVCA, 2019; MaRS, 2025).

1 This differs from traditional infrastructure project finance, which relies on predictable, often contracted demand (e.g., toll concessions, power purchase agreements).

This creates a central financing tension in cleantech. Despite strong economic and policy interest in the sector, capital is not mobilized at the scale required to achieve climate and growth targets. Since VC has higher risk tolerance than most other investors and is designed to invest in nascent and unproven technologies, venture capital has emerged as the most suitable financial participant to scale cleantech innovation. However, researchers frequently find that VC is misaligned to cleantech. Cleantech frequently requires larger cheque sizes, higher risk tolerances, and longer investment horizons than VC models allow (Gaddy, Sivaram, and O'Sullivan, 2016; MaRS, 2025).

Against this backdrop, this report examines the current state of cleantech venture capital investment in Canada and outlines policy considerations to better support the scaling and retention of domestic innovation.

2. DATA AND METHODOLOGY

This report draws on transaction-level data on venture capital in cleantech from CVCA Intelligence, a database that tracks venture capital and private equity activity across Canada to provide insights into the state of cleantech VC financing. The CVCA Intelligence database is proprietary and collected from primary sources (e.g., asset managers and dealmakers active in Canada) and third-party sources. As a result, the dataset may not fully capture all relevant cleantech investment activity.

Data was downloaded on March 7, 2026, filtered to include deals classified under the cleantech sector, which encompasses energy and fuel technologies, efficiency and conservation, renewable energy, environmental technologies, and other energy and environmental products and services. This analysis covers data from 2016 to 2025 and captures a full decade of market activity in the years following the Paris Agreement. Six deals were excluded from the analysis as these deals had a limited affiliation with cleantech.

All non-CAD transactions were converted to Canadian dollars using the spot USD/CAD exchange rate on the reported transaction date[2]. Deals involving undisclosed transaction values were excluded from all aggregated deal value figures. The authors developed a taxonomy to classify cleantech deals (See Appendix A). Each deal was evaluated and classified individually, providing insights into the most financed and underfinanced cleantech sectors and solution types. Additionally, the authors classified participating investors based on whether they were publicly affiliated and whether they had a regional investment mandate. This allowed us to assess the extent to which publicly affiliated investors are subsidizing or de-risking cleantech innovation, as well as whether provincial mandates help explain variation in deal activity across provinces.

The following sections provide an overview of Canadian venture capital activity in cleantech, including market trends, the most financed sectors and solution types, investor profiles, and the geographic distribution of deals. The analysis also examines stage and investment-type breakdowns, compares Canadian activity with global patterns, and concludes with a discussion of market gaps, constraints, and recommendations.

2 Exchange rates were sourced from the Bank of Canada, and where a transaction date fell on a non-business day, the most recent available business day rate was applied.

3. MARKET OVERVIEW

Canadian cleantech VC investment activity, capturing deals by Canadian investors across domestic and global markets, grew significantly by deal value through 2022 before retreating in subsequent years (see Figure 1.). The cumulative deal value reached approximately CA$5.8 billion by 2025. The cumulative deal count rose from 12 to 285 over the same period (see Figure 2.).

These trends echo a broader global pattern, which Box 1 sets out before the domestic analysis continues.

Box 1. Global Cleantech VC[3]

The global cleantech VC market grew 8% in 2025 to an annual total of US$40.5 billion (CA$57.5 billion), even as the number of deals fell 18% (Sightline Climate, 2026).

At US$255 billion (CA$362 billion) cumulative by end-2025, cleantech VC investment has entered a maturing phase after the 2021-2023 boom around the Biden administration's Inflation Reduction Act (IRA)[4]: growth has slowed, and early-stage (seed and Series A) volumes have fallen while growth-stage investment jumped in 2025 (Sightline Climate, 2026).

Transportation, energy, and food and land-use were the three largest cleantech VC subsectors from 2020 to 2025 (Sightline Climate, 2026). More recently, the global AI race has redirected capital toward energy security. In 2025, energy and the built environment powered a funding rebound, led by low-carbon data centres, while adaptation and resilience gathered momentum worldwide as extreme heat grew more frequent (Sightline Climate, 2026). This shift is especially pronounced in the U.S.: critical minerals were the standout, with deal count doubling since 2020, and adaptation technology climbed in line with the global trend (J.P. Morgan, 2026).

By VC capital amount, the U.S. remained the leader at US$20.8 billion in 2025, roughly double Europe's US$10.1 billion, which has declined for a second consecutive year (Sightline Climate, 2026). However, on a broader measure that also captures public equity, China led, with US$24.5 billion (CA$34.8 billion) raised by Chinese companies in 2025 (BloombergNEF, 2026). China's VC activity may also be undercounted, given different disclosure norms and data gaps.

Indeed, China's capital stack also looks different from Western markets, pairing state direction with state support: grants and first-loss equity from central and local governments absorb the early risk, and private capital follows (Song, Zou, and Dong, 2026). That state-led model has fed a fast-growing startup base, with cleantech unicorns[5] multiplying between 2016 and 2022, led by clean energy, electric vehicles, and advanced materials (Li et al., 2024).

Both the U.S. and China have used industrial policies to mobilize investment in strategic cleantech. Under the IRA, the U.S. has relied on tax incentives to derisk cleantech investment, creating a favorable environment for cleantech VC. Federal clean energy support was significantly restructured under the Trump administration through the One Big Beautiful Bill Act (OBBBA), signed in July 2025. The legislation accelerated the phase-out of tax credits for new wind and solar projects while preserving support for technologies such as battery storage, geothermal, and nuclear. Although many U.S. states continued to support clean energy and cleantech through their own policies, the federal changes increased policy uncertainty.

3 Comparisons across different sources and jurisdictions should be interpreted with caution, as definitions of cleantech and/or climate tech differ across sources. For example, Sightline Climate's taxonomy includes certain data centre investments that may not be classified as cleantech and/or climate tech under other frameworks. In addition, private market data are subject to limitations in coverage, disclosure, and reporting practices, which may affect data availability and cross-market comparability.

4 Passed in 2022, the U.S. Inflation Reduction Act (IRA) committed roughly US$370 billion over a decade to cutting greenhouse gas emissions, using tax credits for companies and consumers, grants, and technical assistance to encourage both the production and adoption of clean energy; reducing reliance on China for critical minerals was a secondary aim (Aldaz-Carroll et al., 2024).

5 A unicorn refers to a privately held startup company with a valuation of US$1 billion or more.

By contrast, China has combined targeted subsidies with public investment and long-term industrial planning through its Five-Year Plans. These policy tools have created sustained demand and long-term policy certainty that enable private investment in cleantech to scale.

In the global cleantech race, Canada should draw lessons from leading international approaches while leveraging its unique resource base and entrepreneurial talent to build globally competitive cleantech companies.

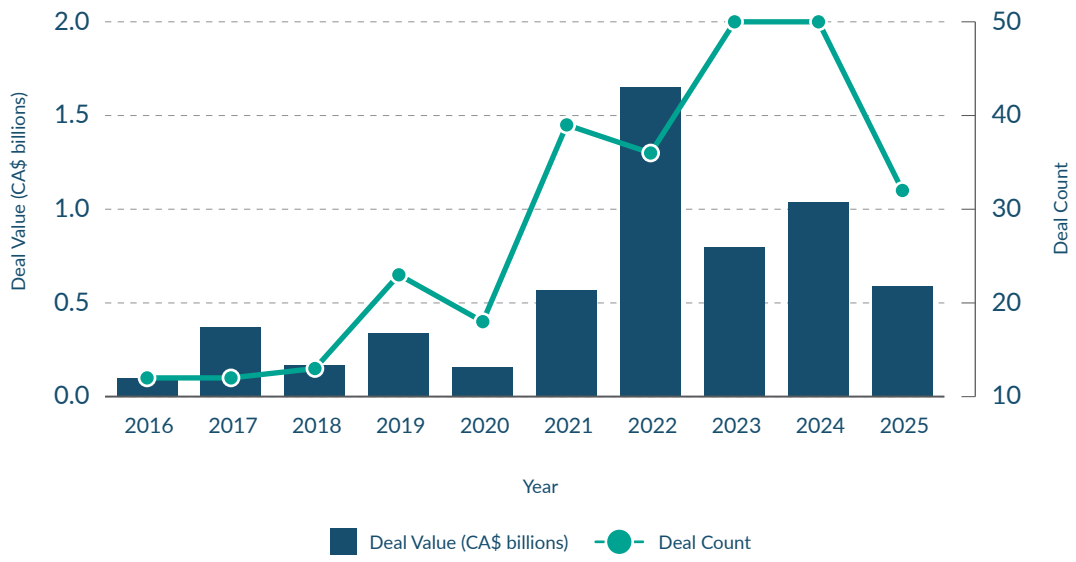
Annual cleantech VC deal value reached approximately CA$1.65 billion in 2022, the highest single year in the period, before falling by roughly 50% in 2023. However, this decline in value did not reflect a slowdown in deal volume: the deal count held at 50 in both 2023 and 2024.

These figures should be interpreted with caution, as a meaningful share of deals in some years carried undisclosed values, which limits direct year-over-year comparability.

By 2025, the market had declined further, to 32 deals and approximately CA$600 million in value.

FIGURE 1.

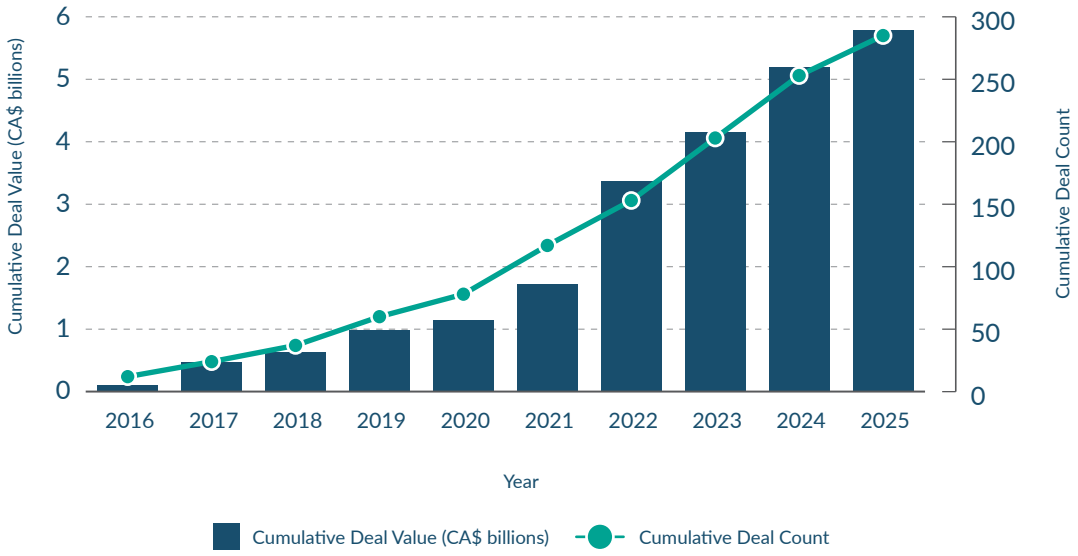
Canadian VC Cleantech Deal Activity by Value and Count



Notes: Deal value figures exclude 54 transactions with undisclosed values. There were between 1 and 9 undisclosed deals per year across the period, with no single year accounting for a disproportionate share.

FIGURE 2.

Canadian VC Cumulative Cleantech Deal Value



Note: 2016 reflects transaction activity occurring within the calendar year only and does not aggregate or carry forward deal activity from prior years. Deal value figures exclude 54 transactions with undisclosed values (1-9 per year across the time period, with no single year accounting for a disproportionate share).

Table 1. shows average deal size remained between CA$12 million and CA$37 million from 2016 to 2021, before jumping sharply to CA$55 million in 2022, in which the highest deal value of CA$1.65 billion in the dataset is recorded across 30 deals. Since then, average deal size has fallen back, settling at CA$22 million in 2025, closer to pre-2022 levels.

In contrast, the median deal size has stayed under CA$10 million for most of the decade, peaking at CA$13 million in 2022 and moderating to CA$5 million in 2025. With average deal sizes running three to four times higher than medians in most years, aggregate deal value is clearly being pulled up by a small number of large transactions while the typical deal size remains more modest.

TABLE 1.

Average and Median Deal Size by Year

Year	Deal Count (disclosed-value deals only)	Deal Value (CA$ millions)	Average Deal Size (CA$ millions)	Median Deal Size (CA$ millions)
2016	8	99	12	10
2017	10	373	37	5
2018	12	169	14	2
2019	18	344	19	6
2020	13	164	13	2
2021	30	569	19	5
2022	30	1650	55	13
2023	41	795	19	10
2024	42	1036	25	7
2025	27	590	22	5

Note: Deal counts in Table 1 exclude the 54 transactions with undisclosed values. As a result, counts here are lower than the totals shown in Figure 2, which include all deals regardless of disclosure status.

4. CLEANTECH SECTORS AND SOLUTION TYPES

This section provides an overview of the most financed cleantech sectors and solution types. We use an in-house taxonomy (see Appendix A for details) to classify 285 cleantech deals across 14 sectors and 52 solution types. Of these, 236 deals are in the Canadian sample (see Table 2.).

The Canadian landscape is concentrated in a few major areas: Electricity and Grid is the largest sector, followed by Industry and Mining, Buildings and City Infrastructure, Fuels, Chemicals and Plastics, Transportation and Mobility, and Carbon Capture, Removal and Storage. Together, these six sectors account for 185 Canadian deals, or roughly 78 percent of the Canadian sample.

TABLE 2.

Clean Tech Sectors and Number of Deals

Sector	Total Number of Deals	Deal Count in Canada	Share of total cleantech deals in Canada
Electricity and Grid	55	51	22%
Industry and Mining	38	33	14%
Buildings and City Infrastructure	42	32	14%
Fuels, Chemicals and Plastics	33	28	12%
Transportation and Mobility	29	21	9%
Carbon Capture, Removal and Storage	26	20	9%
Circular Economy	14	13	6%
Food and Agriculture	9	8	3%
Data and Software	8	7	3%
Finance	12	6	3%
Water Management	7	6	3%
Portable and Off-grid Power	7	6	3%
Hardware and Digital Infrastructure	3	3	1%
Nature	2	2	1%
Total	**285**	**236**	**100%**

As shown in Table 3., Electricity and Grid, Fuels, Chemicals, and Plastics, and Carbon Capture, Storage and Removal make up the three largest sectors both by total deal size and average deal size.

TABLE 3.

Cleantech Deals by Deal Size

Sector	Total Number of Deals in Canada[6]	Total Deal Size, excluding undisclosed (CA$ millions)	Average Deal Size, excluding undisclosed (CA$ millions)
Electricity and Grid	46	1139	25
Industry and Mining	22	292	13
Buildings and City Infrastructure	27	308	11
Fuels, Chemicals and Plastics	24	966	40
Transportation and Mobility	19	438	23
Carbon Capture, Removal and Storage	16	811	51
Circular Economy	13	107	8
Food and Agriculture	4	12	3
Data and Software	5	37	7
Finance	4	20	5
Water Management	4	19	5
Portable and Off-grid Power	4	2	1
Hardware and Digital Infrastructure	2	2	1
Nature	2	15	8
Total	**192**	**4169**	**22**

The most prevalent solution types among Canadian deals include Clean Power Generation (29 deals), Carbon Capture, Removal and Storage Technologies (20 deals), and Hydrogen and Low-carbon Fuels (20 deals), and Building Energy Monitoring and Controls (17 deals). Table 4. highlights the key solution types associated with each cleantech sector and their relative deal counts.

6 Excludes deals with undisclosed deal value.

TABLE 4.

Cleantech Sectors and Solution Types

Cleantech sector	Canada count	Total count	Solution types, Canada count
Electricity and Grid	51	55	Clean Power Generation: 29; Grid Infrastructure and Distributed Energy Resources: 12; Stationary Electricity Storage: 10
Industry and Mining	33	38	Industrial Efficiency and Automation: 10; Critical Minerals and Mining: 10; Low-carbon Cement and Concrete: 10; Industrial Heat and Steam Systems: 3
Buildings and City Infrastructure	32	42	Building Energy Monitoring and Controls: 17; Building Materials and Systems: 8; Building Retrofits and Equipment Upgrades: 6; Resilient Cities: 1
Fuels, Chemicals and Plastics	28	33	Hydrogen and Low-carbon Fuels: 20; Low-carbon Chemicals and Plastics: 8
Transportation and Mobility	21	29	Electric Vehicles and Clean Transport: 11; EV Charging Infrastructure and Software: 10
Carbon Capture, Removal and Storage	20	26	Carbon Capture, Removal and Storage Technologies: 20

5. INVESTOR TYPES

Public investors have an important role in Canadian cleantech venture capital markets, participating in a total of 77 deals. Notably, multiple public investors often participate in the same deal. Since cleantech venture investment is often shaped by the uncertainty associated with speculative technologies, longer timelines to commercialization, higher capital intensity, uncertain commercialization pathways, and exposure to regulatory and policy shifts, the composition of the investor base matters.

While some investors invest in these higher-risk assets seeking higher financial returns, their involvement generally requires public or philanthropic capital to derisk potential investments. These other actors often have mandates that include absorbing early-stage risk, validating technologies, and crowding in additional private capital to spur innovation. Furthermore, different types of investors may be better suited to each stage; for example, de-risking capital (public or non-profit investors) may be required in the early stages, whereas private capital may be better suited to scaling proven business models. In the majority of cases, public investors invest alongside private investors. This co-investment strategy accounts for 66% of deals that include a public investor.

Table 5. lists the ten investors that participated in the highest number of deals. Four of the most active investors fall into the category of public investors: the Business Development Bank of Canada and its investment arm, BDC Capital, which accounts for the most deals in the dataset, as well as Investissement Québec, Export Development Canada, and Fonds de solidarité FTQ. It is also worth noting that several top investors also carry a mandate to invest at least some of their capital in particular provinces. This will be explored further in the next section, 6. Geographic Distribution.

TABLE 5.

Top 10 Investors

Investor Name	Deal Count	Investor Type[7]	Description
BDC Capital Inc / BDC Bank	50	Public institution	Federal Crown corporation
Active Impact Investments	21	Private	Private climate-tech seed fund
Investissement Québec	15	Public institution	Québec Crown corporation
Evok Innovations	14	Private	Private climate-tech VC
Killick Capital Inc.	14	Private	Private equity investment
Export Development Canada (EDC)	13	Public institution	Federal Crown corporation
Chevron Technology Ventures LLC (CTV)	11	Private	Corporate venture capital arm of Chevron
Fonds de solidarité FTQ	10	Public institution	Labour-sponsored investment fund created by statute and supported by tax policy
Pelorus Venture Capital	10	Private	Private VC manager for the Venture Newfoundland and Labrador funds
UCeed	9	Private	University-based investment funds, backed by philanthropic capital.

Of all cleantech deals in Canada, 33% involved a Canadian public investment institution, which accounts for 57% of all deals by value. These figures suggest that public Canadian investors are actively derisking cleantech innovation. Table 6. looks at the distribution of deals by sector, focusing on sectors where there are at least 10 deals.

TABLE 6.

Public Capital in Cleantech

Sector	Number of deals	Share of deals with public affiliated investor(s)	Share of deals by size with public affiliated investor(s)
Electricity and Grid	51	38%	69%
Industry and Mining	33	48%	92%
Buildings and City Infrastructure	32	19%	49%
Fuels, Chemicals and Plastics	28	39%	60%
Transportation and Mobility	21	33%	68%
Carbon Capture, Removal and Storage	20	40%	32%
Circular Economy	14	21%	12%

7 Investors are classified as private, public institutions, or NGOs/non-profits based on their mandate and investment behaviour rather than their source of capital; only government-owned or controlled entities and those operating under a formal public-policy mandate are classified as public, while commercially oriented hybrid investors, including university-affiliated funds, are classified as private.

Of the cleantech sectors, Industry and Mining, Electricity and Grid, Transportation and Mobility, and Fuels, Chemicals and Plastics appear as the highest priority for public investors, as measured by the share of deals by size with public affiliated investor(s).

It is worth highlighting the top two sectors. In the Electricity and Grid sector (see Table 7.), investments are more concentrated in Clean Power Generation technologies and Grid Infrastructure and Distributed Energy Resources, as measured by both share of deals and deal size, and the lowest in stationary electricity storage or grid batteries.

TABLE 7.

Number of deals in Electricity and Grid with a public investor

	Number of Deals that Include a Public Investor	Share of deals with public investor (Count)	Share of deals by value with a public investor
Electricity and Grid Total	**20**	**39%**	**71%**
Clean Power Generation Technologies	12	41%	74%
Grid Infrastructure and Distributed Energy Resources	5	42%	69%
Stationary Electricity Storage	3	30%	60%

In the Industry and Mining Sector (see Table 8.), public institutions are prioritizing critical minerals and low-carbon cement. The deals involving these solution types tend to be much larger, as indicated by the deal size.

TABLE 8.

Number of deals in Industry and Mining with public investors

	Number of Deals that Include a Public Investor	Share of deals with public investor (Count)	Share of deals by value with public investor
Industry and Mining Total	**16**	**50%**	**82%**
Critical Minerals and Mining	6	60%	84%
Industrial Efficiency and Automation	3	30%	33%
Industrial Heat and Steam Systems	0	0%	0%
Low-carbon Cement and Concrete	7	70%	93%

Public investors are deeply embedded in Canadian cleantech VC markets. This involvement is even more pronounced in specific cleantech sectors, suggesting that public investors are already targeting key cleantech sectors and solution types.

Although capital from non-profit organizations can serve a similar function to public capital, there are fewer deals involving this type of capital, which limits the ability for a deeper analysis. Our dataset includes 18 investors that operate as non-profits. These investors are involved with a total of 38 Canadian VC deals.

6. GEOGRAPHIC DISTRIBUTION

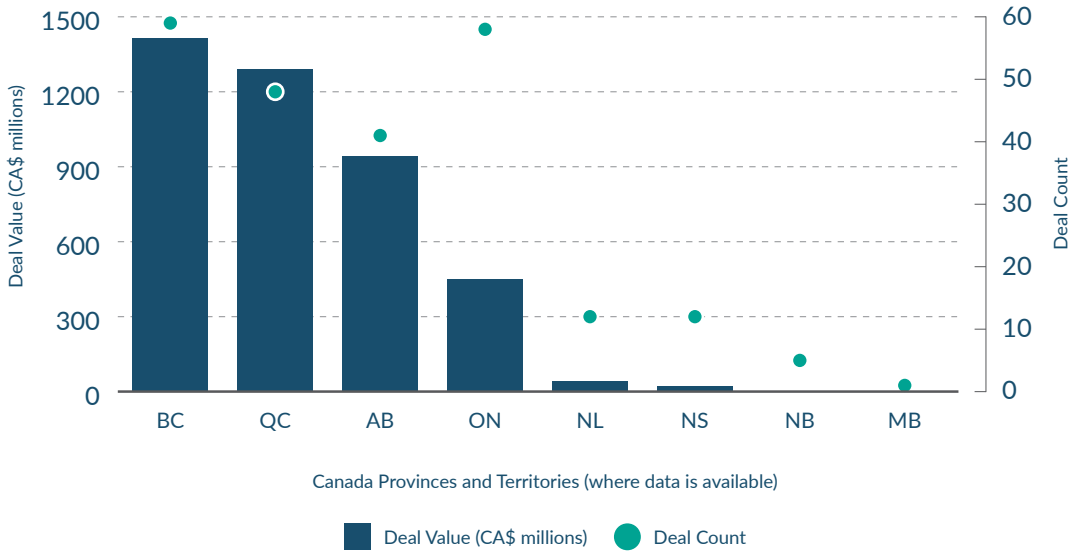
This section examines the geographic distribution of deals as well as the possible factors that explain the distribution.

The majority of Canadian cleantech VC investment to date is deployed domestically, with 83% (236 deals) of deals and 72% (CA$4.2 billion) of deal value directed toward Canadian companies. This may be at least partially influenced by the impact of public investors, which have an investment mandate to invest in Canada.

In terms of deal count, British Columbia leads with 59 deals, followed closely by Ontario at 58 and Quebec at 48, with Alberta fourth at 41. The distribution of cleantech deals across provinces is shown in Figure 3..

FIGURE 3.

VC Deals in Canadian Cleantech Companies, by Province/ Territory (Deal Value and Deal Count)



Note: Includes deals with undisclosed values.

This contrasts with the deal value picture, where Ontario ranked fourth. This suggests that while Ontario sees a comparable number of cleantech deals, they tend to be smaller in size on average. British Columbia, Quebec and Alberta together account for approximately 88% of Canadian cleantech VC deal value deployed at home. Individually, British Columbia leads at 34%, followed by Quebec at 31% and Alberta at 23%. Notably, Ontario accounts for just 11%, less than half of Alberta's share. The remaining provinces, including Newfoundland and Labrador, Nova Scotia, New Brunswick and Manitoba, collectively represent a smaller share of investment activity in terms of deal size.

The data shows that this is due to the type of cleantech activities that get financed. For example, British Columbia, Quebec, and Alberta attract more large-scale, capital-intensive projects like carbon capture, removal and storage technologies, hydrogen and low-carbon fuels, as well as higher capital intensity power generation activities like geothermal and fusion energy than Ontario.

An additional factor that may help explain the geographic distribution of cleantech venture capital deals is the presence of investors with provincial or regional investment mandates. Quebec stands out as having the largest number of such investors, spanning public, private and non-profit investment organizations. Examples include Investissement Québec, Fonds de solidarité FTQ, La Caisse (formerly CDPQ), and Desjardins.

Cleantech deals in the Maritimes also often involve firms with a regional investment focus, albeit with different types of investors. In Nova Scotia, almost half (42%) of the deals involved Invest Nova Scotia, a public entity. In New Brunswick, the majority of deals involved a non-profit organization, namely the New Brunswick Innovation Foundation (NBIF). By contrast, all deals in Newfoundland and Labrador include local venture firms Killick Capital and Pelorus Venture Capital.

British Columbia, Alberta, and Ontario are less reliant on firms with a provincial investment mandate. This may reflect a stronger VC environment or more opportunities in those provinces. The key finding is that among the provinces with the highest number of cleantech VC deals, only Quebec has a large concentration of investors with explicit provincial or regional investment mandates.

TABLE 9.

Deals involving investors with a provincial investment mandate, by province

Province	Total number of deals	Number of deals that an investor with a provincial mandate	Share of deals involving an investor with a provincial investment mandate
QC	48	25	52%
NL	12	12	100%
ON	59	11	19%
AB	41	5	12%
NS	12	5	42%
BC	59	4	7%
NB	5	4	80%
MB	1	0	0%
PE	0	0	0%
SK	0	0	0%

While this report is primarily focused on cleantech deals in Canada, it is worth quickly examining other destinations for Canadian venture capital.

The United States is the next largest destination, capturing 17% of deal value, reflecting a meaningful cross-border allocation by Canadian investors. The remaining share is spread across other markets, including the European markets (e.g., Germany[8], the Netherlands), Australia, and South Africa.

8 Germany is an outlier in the dataset. The only German deal captured is a €200 million early-stage investment in green hydrogen company Hy2gen AG in 2022. Converted to Canadian dollars (CA$289 million), it is the largest single deal outside North America in the dataset and accounts for approximately 5% of total cleantech VC deal value between 2016 and 2025.

7. INVESTMENT STAGE AND TYPE BREAKDOWN

This section examines how Canadian cleantech VC breaks down by investment stage and financing type, how that mix has shifted over the last decade, and the role public institutions and NGOs play across the venture lifecycle.

Over 2016-2025, Canadian cleantech VC evolved across investment stages[9] (see Figure 4.). The first half of the decade was lower-volume and lumpy, with capital concentrated in a handful of large, later-stage deals; seed and early-stage activities were steady but small in deal value.

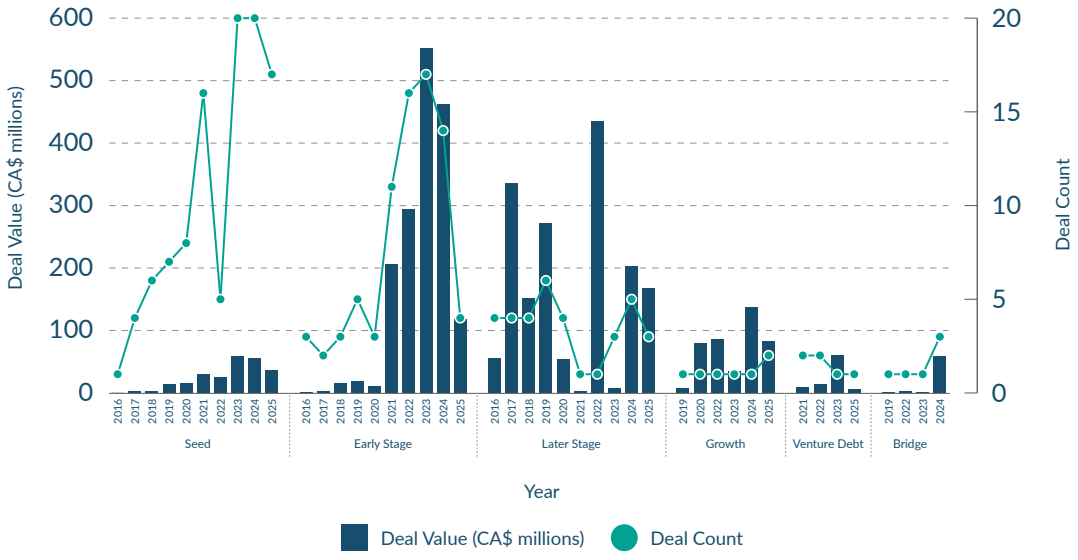
From 2021 onwards, early-stage investments became the market's main capital engine and drove the value spikes of 2022-2024. By contrast, later-stage and growth deals did not develop into a steady pipeline, with activity mainly driven by a small number of one-off large transactions.

The 2025 cooling hit hardest at the early stage (a 71% year-over-year decrease in deal counts), while seed deals remained relatively resilient. The number of later-stage and growth deals is too small to support meaningful conclusions.

Venture debt and bridge financing also remained relatively small shares of the funding landscape, though this reflects the nature of these instruments. Both are sized to extend runway between equity rounds and excessive use of such instruments may often be seen as a red flag for other VC investors. A Canadian cleantech VC consulted for this report notes that bridge rounds have become more common as the Series A to Series B gap widens, with inflation and political uncertainty delaying priced rounds.

FIGURE 4.

VC Deals in Canadian Cleantech Companies, Year-over-Year Stage and Type Breakdown



Public institutions are active across all stages, from seed through early-, later-stage, and growth rounds, and their role is most pronounced at the bridge stage, where they participate in over 95% of capital invested. NGOs, by contrast, are present almost exclusively at the earliest stages, concentrating their support in seed and early-stage rounds.

This underscores the catalytic role that public institutions and NGOs can play in scaling Canada's cleantech ventures: public capital helps maintain continuity throughout the venture lifecycle, while NGOs anchor the earliest, highest-risk rounds where private investors are often more hesitant to commit.

9 Rounds are grouped as seed (Pre-Seed and Seed), early-stage (Series A and B), later-stage (Series C, D and E), and growth (Series F onwards); debt financing and deals with no disclosed round are reported separately.

8. MARKET GAPS, EXISTING EFFORTS AND REMAINING OPPORTUNITIES

The analysis in this report highlights several structural characteristics of Canada's cleantech venture capital ecosystem. Although investment activity has increased over time, later-stage financing remains inconsistent, creating gaps in the pathway from early innovation to domestic scale-up. The findings suggest that Canada's cleantech venture capital market is still evolving toward a more complete and integrated financing system, one that can reliably support companies from early development through to large-scale commercialization.

The proposed solutions should be viewed as potential areas for further consideration rather than prescriptive policy recommendations. While the analysis identifies persistent financing gaps, additional work is needed to assess which interventions would be most effective and where market forces may be sufficient.

8.1 MATCH FINANCING STRUCTURES TO TECHNOLOGY CHARACTERISTICS

The financing needs of capital-intensive, hardware-based cleantech companies differ from those of software ventures. Long commercialization timelines and high capital requirements may not align well with traditional VC fund structures, which are generally better suited to asset-light business models with higher profit margins such as software -as-a-service (SaaS). The mismatch between conventional VC structures and the needs of some cleantech is well documented (Gaddy et al., 2016; McGeachie et al., 2025; MaRS, 2025).

Several key actors have taken steps to expand the supply of patient capital to match the capital needs of cleantech firms. Public investors are playing an important role in these efforts. Recognizing that some cleantech innovations have fundamentally different capital requirements than others, BDC has set up two discrete funds. Its Sustainability Venture Fund[10] focuses primarily on asset-light companies whose business models advance selected Sustainable Development Goals, including climate action and affordable and clean energy. BDC's Climate Tech Fund,[11] which last announced an additional CA$400 million envelope in 2022, invests in capital-intensive hard technologies that typically require larger amounts of capital and longer development periods. Additionally, other public institutions offer grants and other forms of non-dilutive capital. Although this type of capital is beyond the scope of this report, it nonetheless remains an important source of financing for cleantech development and commercialization.

Investors should further explore innovative financing models to support different types of cleantech solutions that might either have longer development timelines or require higher risk tolerance, such as first-of-a-kind (FOAK) solutions. Public and private capital have different roles to play. Public and philanthropic capital can take on risks that private VCs are unable to bear. Meanwhile, some private VCs are beginning to adopt longer fund lives. For example, one Canadian cleantech fund has a 12-year fund life with two optional one-year extensions, recognizing that many cleantech companies need more time to reach commercial scale.

Cleantech firms that require longer investment horizons could benefit from evergreen funds, which have no termination date and recycle profits into new investments. Several such funds already appear in the data, including InBC Investment Corporation, Fonds de solidarité FTQ, and Fondaction. There may be opportunities to grow the role of such funds, especially private evergreen funds sponsored by family offices, foundations and endowments, which face less pressure to return capital on a fixed schedule.

Meanwhile, some cleantech solutions, especially "first-of-a-kind" (FOAK) solutions, could benefit from derisking. In such cases, public and philanthropic investors can provide first-loss capital to reduce risk and attract private capital.[12]

10 See: https://www.bdc.ca/en/bdc-capital/venture-capital/funds/sustainability-venture-fund
11 See: https://www.bdc.ca/en/bdc-capital/venture-capital/funds/climate-tech-fund
12 For further reading on financing first-of-a-kind projects, see the MaRS FOAK Lab; Prime Coalition (2026), Charting the FOAK Gap; and Global Climate Finance Accelerator (2025), Financing First-of-a-Kind Climate Tech Projects.

8.2 STRENGTHEN CONTINUITY IN SCALE-UP FINANCING

Although Canada's cleantech VC ecosystem has become increasingly capable of supporting seed- and early-stage companies, later-stage financing remains inconsistent. Several large later-stage deals have occurred, but these appear to be isolated transactions rather than evidence of a sustained domestic scale-up market. This creates uncertainty for companies approaching commercialization and may encourage them to seek larger pools of capital or expand their operations outside Canada, particularly in the United States.

Strengthening domestic pathways to scale-up financing could help promising firms continue growing in Canada. BDC has taken steps to address this gap by expanding its Growth Venture Fund to make both direct investments and co-investments in late-stage technology companies. According to the BDC, there is a clear market need to ensure clear investment continuity, which is currently lacking in Canada. However, BDC's expansion into direct investment could also place it in competition with private growth-stage funds (McLauchlan, 2025).

The Venture Capital Catalyst Initiative also increases the supply of venture capital by investing public capital alongside private investors through funds-of-funds and VC funds. VCCI 2017 allocated CA$50 million to three cleantech-focused VC funds to increase the availability of late-stage capital and help Canadian cleantech companies bring technologies to market, scale and compete globally.[13] Most recently, Budget 2025 committed CA$1 billion, starting in 2026-27, to a new Venture and Growth Capital Catalyst Initiative that co-invests with the private sector across three streams, including a funds-of-funds stream to mobilize institutional capital and an emerging manager stream, both of which could expand the capital available to Canadian cleantech companies.[14]

Similarly, the Canada Growth Fund, established in 2022, also aims to help scale Canadian cleantech by investing in proven but not yet mature technologies. To better match the development timelines of cleantech firms, the fund has a longer projected investment horizon of 15-years. Canada Growth Fund may also provide some concessional finance but aims to minimize the amount of capital invested in this form (Canada Growth Fund, 2026).

Some Canadian pension funds already participate as limited partners in venture and growth-stage funds, and several have gone further by establishing in-house venture and growth investing arms (e.g., OMERS Ventures Management Inc.). Pension funds and related venture arms participated in only six VC deals. There may be an opportunity for deeper pension participation in Canadian cleantech that remains consistent with each fund's mandate, fiduciary obligations and portfolio construction. Unlocking greater pension participation could expand the pool of follow-on capital available to maturing Canadian cleantech firms. Canada's major banks are already active as both fund investors and direct investors, and deeper engagement at the scale-up stage would add to that pool.

8.3 CREATE EARLY DEMAND FOR EMERGING CLEANTECH

Commercialization challenges extend beyond financing alone. For many emerging technologies, technical validation, customer adoption and market uncertainty remain significant barriers to attracting follow-on investment.

Government demand-side support already exists: the Clean Technology ITC lowers the cost of adopting eligible cleantech solutions (Canada Revenue Agency, 2026); the Greening Government Strategy directs federal procurement, the largest source of public buying power in Canada, toward low-carbon goods and services (Treasury Board of Canada Secretariat, 2026); and the Canada Growth Fund uses carbon contracts for difference to underwrite carbon price uncertainty for Canadian projects (Canada Growth Fund, 2026).

13 See: https://ised-isde.canada.ca/site/ised/en/programs-and-initiatives/venture-capital-catalyst-initiative/about-venture-capital-catalyst-initiative/venture-capital-catalyst-initiative-2017

14 See: https://ised-isde.canada.ca/site/ised/en/programs-and-initiatives/venture-and-growth-capital-catalyst-initiative

On the private side, investors consulted for this report consistently described Canadian corporate buyers as risk-averse and slow to adopt unproven technologies, with existing incentives alone insufficient to prompt that risk-taking. Compounding this, Canada lacks a coordinated demand-pull for emerging cleantech. International initiatives such as the First Movers Coalition and Frontier bring together corporate buyers to create early demand for low-carbon technologies. Canada's closest equivalent, the Business Renewables Centre-Canada (Pembina Institute, 2026), mostly focuses on large-scale wind and solar procurement. Demand for other emerging cleantech solutions continues to rely on fragmented corporate net-zero and sustainable procurement commitments.

To help close the gap, industry associations, public institutions, large corporate buyers, and corporate venture capital (CVC) investors could work together to establish buyer coalitions for emerging cleantech solutions. By aggregating purchasing commitments, these buyer coalitions could provide clearer demand signals and improve the commercial case for private investment. In addition to capital, CVCs can contribute technical expertise, industry networks, commercial partnerships, and pilot opportunities that help validate and scale new technologies. Public institutions can also complement these efforts by funding pilot and demonstration projects and convening buyers and investors.

8.4 CONTINUE STRENGTHENING THE CLEANTECH INNOVATION ECOSYSTEM

The findings in this report suggest that financing outcomes depend not only on individual firm characteristics but on the strength of the surrounding cleantech ecosystem. Canada has several important building blocks in place, though gaps remain.

On the support side, Creative Destruction Lab (CDL), MaRS Discovery District, and university-led entrepreneurship programs help founders validate technologies, build commercial capabilities, connect with investors, and prepare for scale. The Canada Growth Fund has also begun investing to de-risk first-of-a-kind (FOAK) commercial projects.[15]

One notable gap has opened at the earliest stage. Sustainable Development Technology Canada (SDTC), founded to support pre-revenue early-stage cleantech firms, was wound down following a review of its governance, and its functions are being restructured under the National Research Council. SDTC had played a crucial role in scaling several Canadian cleantech companies (MaRS, 2025), and the transition has left a gap in early-stage support.

A second gap appears at the point where firms move from validation to commercial scale. Few Canadian VC investors are willing to take on the lead investor role, which involves pricing the round, absorbing greater risk, organizing the syndicate, and carrying the initial due diligence. As a result, some Canadian cleantech firms must look outside the country for a lead (MaRS, 2025), and companies navigating from early stage to commercial scale face a fragmented set of programs and funders.

Stronger coordination across the ecosystem would help companies move more efficiently from technology validation to commercialization and scale-up. One option is to build on an existing effort: the Canada Cleantech Alliance (CCTA)[16] already connects cleantech ventures with buyers and investors through its member associations and accelerators. Deepening that role could help participants share market intelligence and technical assessments, improve deal flow, and coordinate co-investment. For example, public institutions could make their technical assessments available to private investors. These assessments would not replace investors' own due diligence but would provide a common technical baseline that streamlines the fundraising process.

15 See https://www.svanteinc.com/press-releases/canada-growth-fund-invests-in-svante/ch

16 The Canada Cleantech Alliance is a national coalition of cleantech associations, accelerators and ecosystem partners.

9. CONCLUSION AND FUTURE RESEARCH

Although cumulative cleantech deal value reached CA$5.8 billion from 2016-2025, this report also points to persistent market gaps in how it reaches cleantech companies across different stages and sectors. Later-stage financing remains inconsistent, fund structures are often mismatched to the capital needs of hardware-intensive technologies, and early demand for unproven solutions is fragmented. While efforts are already underway to address each of these gaps, many challenges remain. In particular, Canada still lacks a comprehensive ecosystem that allows Canadian firms to move from early testing to commercial deployment while remaining in Canada.

This report also highlights several areas for future research. For example, it is still unclear whether the post-2022 decline in deal value is cyclical or structural and whether public capital in Canadian venture markets is crowding private investors in or out. Answering these questions will require additional data, and future editions of this report will look to identify additional data sources that can bring new insights into the Canadian cleantech VC market.

APPENDIX A

TABLE 10.

Cleantech Sector and Solution Type Taxonomy

Sectors and Solutions	Description	Deal Count (all regions)	Deal Value (CA$ millions)
Electricity and Grid		**55**	**1,140**
Clean Power Generation	Technologies that generate low-carbon electricity. Includes technologies designed to optimize or improve yield of renewables. Excludes fuels, hydrogen production, stationary storage, grid software, and electricity-consuming industrial equipment.	33	742
Grid Infrastructure and Distributed Energy Resources	Grid-facing infrastructure, hardware, and software that support transmission, distribution, interconnection, distribution-grid operations, Distributed Energy Resource (DER) orchestration, virtual power plants, demand-response aggregation, bidirectional charging, or residential DER orchestration	12	275
Stationary Electricity Storage	Electricity storage systems deployed as stationary power assets for the grid, buildings, campuses, or distributed energy systems. Excludes battery components and cell manufacturing and thermal storage used mainly for industrial heat.	10	123
Buildings and City Infrastructure		**42**	**588**
Building Energy Monitoring and Controls	Building-level software, sensors, meters, controls, and dashboards for monitoring, managing, or optimizing building energy use. Excludes utility-facing grid software and physical retrofit equipment.	24	394
Building Materials and Systems	Lower-carbon building products and construction materials used in buildings. Includes prefab and modular construction. Excludes cement, concrete, and steel production technologies.	9	143
Building Retrofits and Equipment Upgrades	Physical upgrades to buildings or building equipment that reduce energy use or electrify building systems. Includes heat pumps and efficient equipment. Excludes building monitoring software and district heating/cooling infrastructure.	8	47
Resilient Cities	Urban climate resilience and adaptation technologies for heat, extreme weather, public infrastructure monitoring, emergency response, and climate-proofing.	1	4
Industry and Mining		**38**	**452**
Industrial Efficiency and Automation	Factory and process optimization tools that reduce energy use, material use, downtime, waste, or emissions in industrial operations. Excludes building controls, grid software, and material-specific decarbonization such as steel, cement, or chemicals.	13	27

Sectors and Solutions	Description	Deal Count (all regions)	Deal Value (CA$ millions)
Critical Minerals and Mining	Critical mineral exploration, mining, refining, processing, traceability, and lower-impact extraction. Excludes battery component manufacturing and end-of-life battery recycling unless the company is primarily a mineral recovery/refining business.	11	227
Low-carbon Cement and Concrete	Technologies, materials, and process changes that reduce emissions from cement or concrete production and use.	11	186
Industrial Heat and Steam Systems	Cross-sector, non-material-specific systems that provide, recover, store, or manage industrial heat or steam.	3	13
Fuels, Chemicals and Plastics		**33**	**1,294**
Hydrogen and Low-carbon Fuels	Hydrogen and other low-carbon fuels used as energy carriers or substitutes for fossil fuels. Includes production, conversion, storage, transport, and fuel infrastructure. Excludes chemicals, plastics, fertilizers, and battery components.	21	1,219
Low-carbon Chemicals and Plastics	Production of lower-carbon chemicals, plastics, polymers, solvents, fertilizers, or industrial chemical feedstocks. Excludes fuels sold as energy carriers, battery-specific components, and general recycling unless the output is a low-carbon chemical or plastic product.	12	75
Transportation and Mobility		**29**	**809**
EV Charging Infrastructure and Software	Charging infrastructure, charging networks, depot charging systems, charging software, and EV-specific fleet electrification tools. Includes charge scheduling, charger utilization, depot energy management, fleet electrification planning, battery-aware routing, and EV fleet energy management.	14	384
Electric Vehicles and Clean Transport	Low- or zero-emission vehicles and vehicle-specific hardware or components across transport types. Includes electric cars, trucks, buses, boats, forklifts, utility vehicles, specialty vehicles, drivetrains.	12	159
Micromobility and Shared Mobility	Small-format, shared, or low-carbon mobility services and vehicles for short trips.	3	266
Carbon Capture, Removal and Storage		**26**	**875**
Carbon Capture, Removal and Storage Technologies	Technologies that capture, remove, transport, use, or durably store CO2. Includes engineered carbon removal and point-source capture. Excludes carbon credit marketplaces and general corporate reporting tools.	26	875
Circular Economy		**14**	**107**
Recycling and Materials Recovery	General recycling, sorting, landfill diversion, and materials recovery technologies. Excludes packaging-specific, textile-specific, e-waste-specific, battery-specific, and organic-waste categories when those are the core activity.	5	79

Sectors and Solutions	Description	Deal Count (all regions)	Deal Value (CA$ millions)
Sustainable Textiles	Lower-impact textiles and textile circularity, including textile recycling, reuse, low-carbon fibres, and circular apparel.	2	2
Sustainable Packaging	Packaging materials, formats, systems, or business models that reduce packaging emissions or waste. Excludes general plastics production and non-packaging materials.	2	13
Organics and Waste-to-Value	Organic waste and byproduct solutions that recover value through composting, anaerobic digestion, biogas, upcycling, ingredients, fertilizers, or other outputs.	2	1
Digital Infrastructure Circularity, E-waste and Battery Recycling	End-of-life electronics, data-centre hardware, and used-battery circularity, including recycling, reuse, recovery, and second-life applications.	2	9
Circular Commerce and Reuse	Reuse, repair, resale, refurbishment, recommerce, and sharing models that extend product life or reduce new production. Excludes recycling technologies and waste processing unless reuse is the core business.	1	5
Finance		**12**	**399**
Financing Solutions	Financial tools, and platforms that enable climate investment, lending, insurance, project finance, green finance, or climate-related financial decision-making.	6	293
Carbon Marketplaces and Procurement	Platforms and services for sourcing, procuring, trading, verifying, rating, or registering carbon credits and climate assets.	5	106
Venture Studios and Accelerators	Organizations that create, incubate, accelerate, or help commercialize early-stage cleantech companies by combining technical expertise, operational support, founder recruitment, pilot development, and access to capital.	1	0
Food and Agriculture		**9**	**20**
Food Supply Chain and Cold Chain Efficiency	Technologies that reduce emissions, energy use, spoilage, or waste in food storage, logistics, distribution, cold chain, or inventory systems after farm production.	6	9
Farm Technology and Automation	Farm software, sensing, monitoring, robotics, automation tools for crop operations, vertical farming, indoor farming. Excludes irrigation/water systems, livestock-specific tools, and downstream food logistics.	1	0
Regenerative Agriculture and Crop Inputs	Soil, land-management, and crop-input solutions used to reduce farm emissions, improve soil health, or replace high-emission crop inputs. Excludes livestock methane/manure solutions, farm irrigation, and farm robotics/software.	1	8
Livestock and Animal Agriculture	Technologies that reduce emissions, improve efficiency, or manage waste in animal agriculture. Includes enteric methane, feed, animal health, and manure-related solutions. Excludes crop inputs and regenerative crop practices.	1	3

Sectors and Solutions	Description	Deal Count (all regions)	Deal Value (CA$ millions)
Data and Software		**8**	**37**
Information Platforms	Digital platforms that provide general information on climate, energy, environmental, or infrastructure-related data to support decision-making.	6	35
Reporting and Compliance	Software and data tools for emissions accounting, ESG reporting, disclosure, climate-risk analytics, supplier engagement, procurement reporting, and compliance workflows.	2	1
Portable and Off-grid Power		**7**	**28**
Portable and Off-grid Energy Systems	Technologies that provide reliable, low-carbon power in remote, mobile, temporary, or grid-constrained settings.	7	28
Water Management		**7**	**21**
Desalination and Water Supply	Technologies that create, expand, or decentralize water supply, including desalination and atmospheric or distributed water generation.	3	19
Wastewater and Resource Recovery	Wastewater treatment and recovery of useful outputs such as nutrients, energy, biogas, water, or other resources from wastewater and sludge streams.	2	0
Water Monitoring and Efficiency	Technologies that measure, monitor, detect leaks, or reduce water use in water systems such as municipal networks, pipes, commercial facilities, industrial sites, and building water systems.	1	0
Water Adaptation and Resilience	Water-related climate adaptation infrastructure for flooding, stormwater, drainage, coastal protection, sea-level rise, and water-risk resilience.	1	2
Hardware and Digital Infrastructure		**3**	**2**
Digital Infrastructure Efficiency	Technologies that reduce the energy use, emissions, cost, or resource intensity of digital infrastructure, including data centres, cloud infrastructure, networking systems, servers, cooling systems, and compute operations.	1	2
Robotic Solutions	Robotic and autonomous systems that perform monitoring, inspection, sensing, maintenance, or operational tasks in environments that are difficult, hazardous, remote, or inefficient for humans to access.	1	0
Low-carbon Data Centres	Data centre energy, cooling, siting, clean power use, server efficiency, waste heat reuse, and compute optimization.	1	0
Nature		**2**	**15**
Nature Restoration and Biodiversity	Tools, projects, and finance models for ecosystem restoration, biodiversity protection, natural capital, conservation, and land or habitat restoration.	2	15
Grand Total		**285**	**5,789**

APPENDIX B

TABLE 11.

Top Cleantech VC Deals in Canada, by Deal Count

Canadian Company	Sector	Solution Type	Deal Count
Empowered Homes	Buildings and City Infrastructure	Building Energy Monitoring and Controls	8
Svante (formerly: Inventys Thermal Technologies Inc.)	Carbon Capture, Removal and Storage	Carbon Capture, Removal and Storage Technologies	8
Enerkem Inc.	Fuels, Chemicals and Plastics	Hydrogen and Low-carbon Fuels	7
Eavor Technologies Inc.	Electricity and Grid	Clean Power Generation	7
General Fusion Inc.	Electricity and Grid	Clean Power Generation	6
e-Zn (e-Zinc)	Electricity and Grid	Stationary Electricity Storage	6
SWTCH Energy Inc.	Transportation and Mobility	EV Charging Infrastructure and Software	5
dcbel Inc.	Electricity and Grid	Grid Infrastructure and Distributed Energy Resources	4
ecobee, Inc.	Buildings and City Infrastructure	Building Energy Monitoring and Controls	4
Summit NanoTech	Industry and Mining	Critical Minerals and Mining	4

TABLE 12.

Top Cleantech VC Deals in Canada, by Deal Value

Canadian Company	Sector	Key Solution Type	Deal Value (CA$ Millions)
Svante (formerly: Inventys Thermal Technologies Inc.)	Carbon Capture, Removal and Storage	Carbon Capture, Removal and Storage Technologies	627
Enerkem Inc.	Fuels, Chemicals and Plastics	Hydrogen and Low-carbon Fuels	533
Eavor Technologies Inc.	Electricity and Grid	Clean Power Generation	368
ClearSky Global	Fuels, Chemicals and Plastics	Hydrogen and Low-carbon Fuels	230
General Fusion Inc.	Electricity and Grid	Clean Power Generation	220
dcbel Inc.	Electricity and Grid	Grid Infrastructure and Distributed Energy Resources	206
FLO EV Charging	Transportation and Mobility	EV Charging Infrastructure and Software	196
ecobee, Inc.	Buildings and City Infrastructure	Building Energy Monitoring & Controls	172
Summit NanoTech	Industry and Mining	Critical Minerals & Mining	124
e-Zn (e-Zinc)	Electricity & Grid	Stationary Electricity Storage	92

REFERENCES

Beugin, D. (2023, March 23). *What are contracts for difference?* Canadian Climate Institute. https://climateinstitute.ca/what-are-contracts-for-difference/

BloombergNEF. (2026). *Energy Transition Investment Trends.* https://about.bnef.com/insights/finance/energy-transition-investment-trends/

Business Development Bank of Canada. (2024, November 14). *Understanding the clean economy investment tax credits.* https://www.bdc.ca/en/articles-tools/sustainability/climate-action-centre/articles/understanding-clean-economy-investment-tax-credits

Canada Growth Fund. (2026). *2025 annual report*. https://medias.cgf-fcc.ca/images/cgf-2025-annual-report.pdf

Canada Revenue Agency. (2026, May 1). *Clean Technology Investment Tax Credit (ITC)*. Government of Canada. https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/business-tax-credits/clean-economy-itc/clean-technology-itc.html

Canadian Venture Capital and Private Equity Association. (n.d.). *FAQs*. CVCA Intelligence. https://intelligence.cvca.ca/faqs

Gaddy, B., Sivaram, V., & O'Sullivan, F. (2016). *Venture capital and cleantech: The wrong model for clean energy innovation* (MITEI-WP-2016-06). MIT Energy Initiative.

Innovation, Science and Economic Development Canada. (2025a, May 20). *GDP and trade in Canada's environmental and clean technology sector*. Government of Canada. https://ised-isde.canada.ca/site/clean-growth-hub/en/gdp-and-trade-canadas-environmental-and-clean-technology-sector

Innovation, Science and Economic Development Canada. (2025b). *Employment in the environmental and clean technology products sector*. Government of Canada. https://ised-isde.canada.ca/site/clean-growth-hub/en/employment-environmental-and-clean-technology-products-sector

Innovation, Science and Economic Development Canada. (2025c, November 20). *Venture Capital Catalyst Initiative 2017 performance measurement framework*. Government of Canada. https://ised-isde.canada.ca/site/ised/en/programs-and-initiatives/venture-capital-catalyst-initiative/program-results-and-impacts/venture-capital-catalyst-initiative-2017-performance-measurement-framework

Innovation, Science and Economic Development Canada. (2026, April 1). *Clean Technology Data Strategy*. Government of Canada. https://ised-isde.canada.ca/site/clean-growth-hub/en/clean-technology-data-strategy

J.P.Morgan. (2026, March 3). *Sector Spotlight: Climate Technology*. https://www.jpmorgan.com/content/dam/jpmorgan/documents/cb/insights/esg/cb-insights-innovation-economy-climate-tech-report-2026.pdf

Li, T., Lu, S., Tan, G., Wang, Z., Zhang, B., & Zhang, C. (2024). *Insights and Outlook on China's Climate Technology Investment and Financing Market*. RMI. https://rmi.org/resources/insights-and-outlook-on-chinas-climate-technology-investment-and-financing-market/

MaRS. (2025, January). *Hard truth: Climate ventures developing hard-tech solutions in Canada face a formidable funding gap*. https://marsdd-public-files.s3.ca-central-1.amazonaws.com/wp-content/uploads/2019/03/17123219/Hard-tech-Funding-Gap.pdf

McGeachie, S., Foty, A., Potomski, W., Tian, H., & Costaris, K. (2025, September). *Financing first-of-a-kind (FOAK) climate tech projects*. Global Climate Finance Accelerator. https://www.globalclimatefinanceaccelerator.com/wp-content/uploads/2025/09/Financing-First-of-a-Kind-Climate-Tech-Project-Global-Climate-Finance-Accelerator-2025.pdf

McLauchlan, M. (2025, February 18). *BDC Capital targets late-stage tech companies with nearly $1 billion in new fund commitments*. BetaKit. https://betakit.com/bdc-capital-targets-late-stage-tech-companies-with-nearly-1-billion-in-new-fund-commitments/

Rabinovitch, A. (2026, May 27). *Canada's venture capital gap now an 'economic sovereignty issue,' BDC says*. Global News. https://globalnews.ca/news/11869706/canada-economic-sovereignty-venture-capital/

Sightline Climate. (2026, January 6). *2025 Climate Tech Investment Trends*. https://www.sightlineclimate.com/request-report?report-id=2025_investment_report&ref=ctvc.co

Song, R., Zou, K., & Dong, P. (2026, May 1). *An insider's look at China's Climate Capital Stack. Climate Tech VC Newsletter*. https://www.ctvc.co/an-insiders-look-at-chinas-climate-capital-stack/

Treasury Board of Canada Secretariat. (2026). *Greening Government Strategy: A Government of Canada directive*. Government of Canada. https://www.canada.ca/en/treasury-board-secretariat/services/innovation/greening-government/strategy.html