

Cleantech *for* Nordics

Q4 2024: QUARTERLY BRIEFING

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INTRODUCTION

Another year has come to an end, and the final numbers confirm an expected decline in Nordic cleantech equity investments. With equity funding down for the third consecutive year, 2024 continues the broader downward trend since the 2021 peak. However, the picture shifts when debt is taken into account. In this quarterly briefing, we share the key investment figures, highlight the top Q4 deals, and provide policy updates shaping the Nordic cleantech landscape. Stay tuned—our full 2024 dealflow report will be released soon, offering a deeper dive into the trends and numbers defining this year.

Beyond investments, 2024 has been a year of geopolitical and economic turbulence, and uncertainty remains high. Europe now enters a new political phase with a newly elected Parliament and Commission. One of the year's key legacies is the Draghi report, underlining the urgent need to strengthen Europe's industrial competitiveness—particularly in cleantech. With growing competition from the U.S. and China, the coming years will be critical in shaping policies that enable green technologies to scale. As we move into 2025, the big question remains: Is Europe ready to take the necessary steps to lead in green industrialization? Investment figures tell part of the story, but policy choices in the coming months will be just as important in shaping the sector's future.

On our end, we're excited to share news about our expanded coalition. With new members on board, we are strengthening our reach across all Nordic countries and have welcomed entrepreneurs to the coalition as well! As we expand, our focus remains on shaping the policy agenda for the years ahead to support the growth of the Nordic cleantech sector. 2025 will be an important year—and we look forward to driving this work forward together.

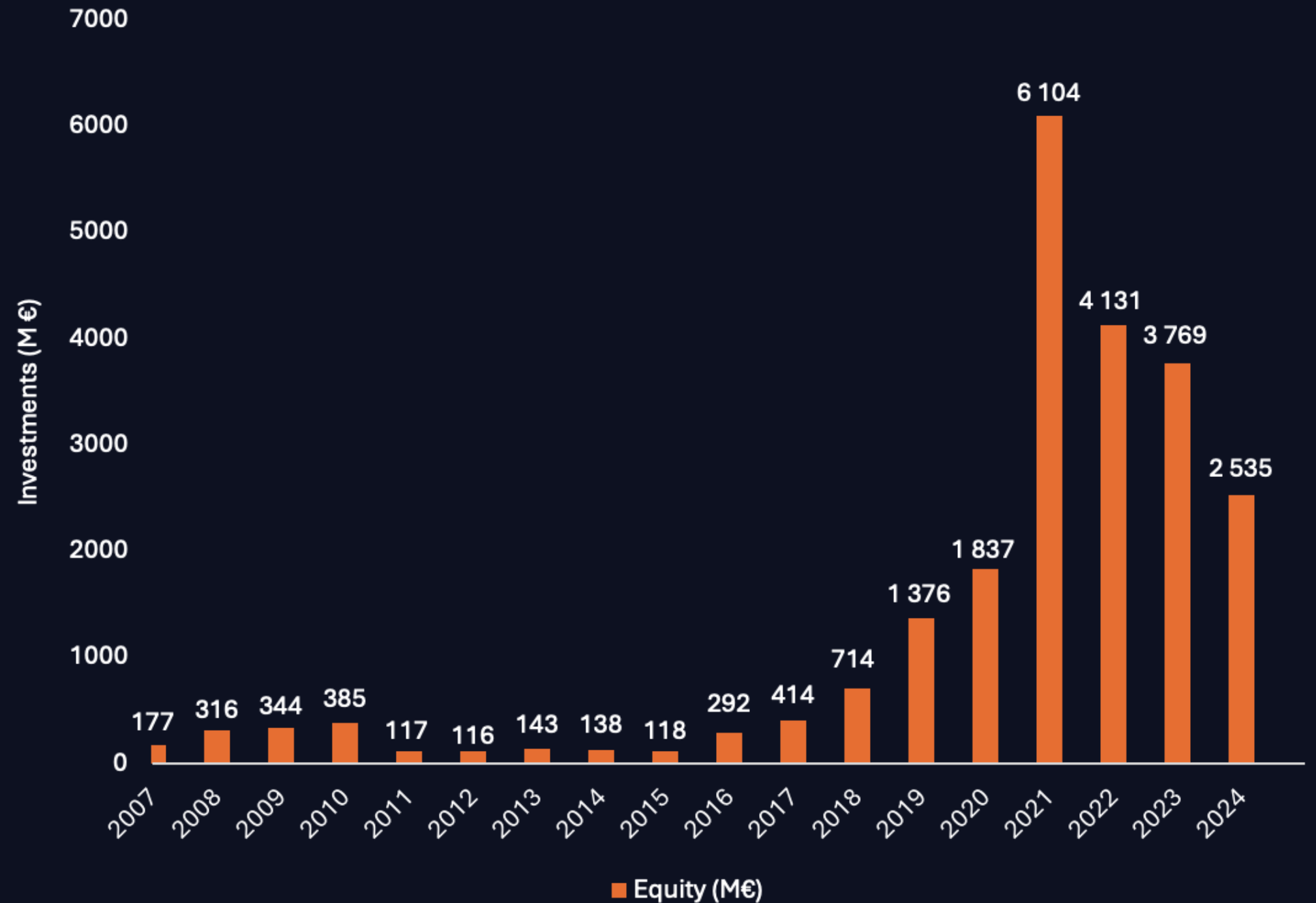
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NORDIC CLEANTECH EQUITY INVESTMENTS DECLINE IN 2024

Nordic cleantech equity investments have declined in 2024 compared to 2023, marking a downturn from the peak levels of 2021. Equity investments have fallen to €2.5B in 2024, down from €3.8B in 2023 and significantly below the peak of €6.1B in 2021. This marks a continued downturn, reflecting broader macroeconomic pressures.

High interest rates and economic uncertainty have contributed to a slowdown in equity investments across the EU. The Nordics are no exception, with equity investments declining for a third consecutive year.

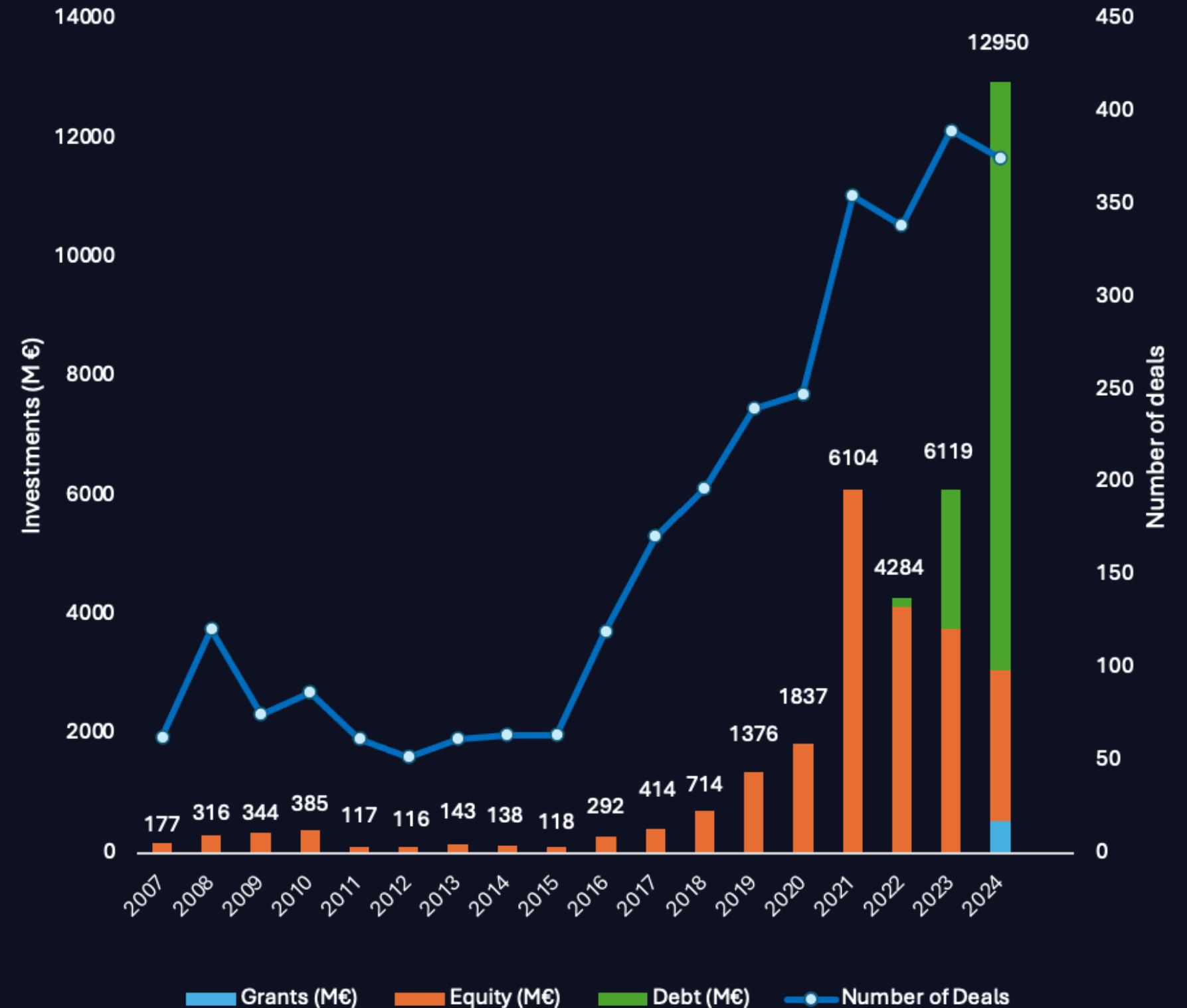
Private Investment Evolution (2007-2024)



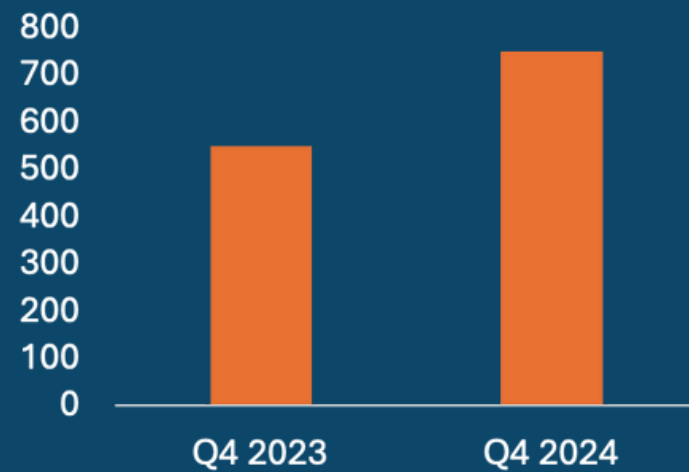
When looking at the entire year, the inclusion of debt significantly changes the picture. With debt (and grants) considered alongside equity, 2024 has reached an all-time high in investments, largely driven by megadeals from Northvolt and Stegra. We can also see that the number of cleantech deals remains strong. A question we ask here at Cleantech for Nordics is how much we should look at debt when considering the Nordic cleantech investment landscape? Additionally, what weight should we give to the megadeals, such as those secured by Northvolt and Stegra?

While the sector has faced challenges, highlighted by the difficulties Northvolt has encountered over the past year, the Q4 comparison between 2023 and 2024 presents a more positive outlook. Equity investments in Q4 2024 are higher than those in the same period of 2023. Looking beyond equity though, this again changes the picture.

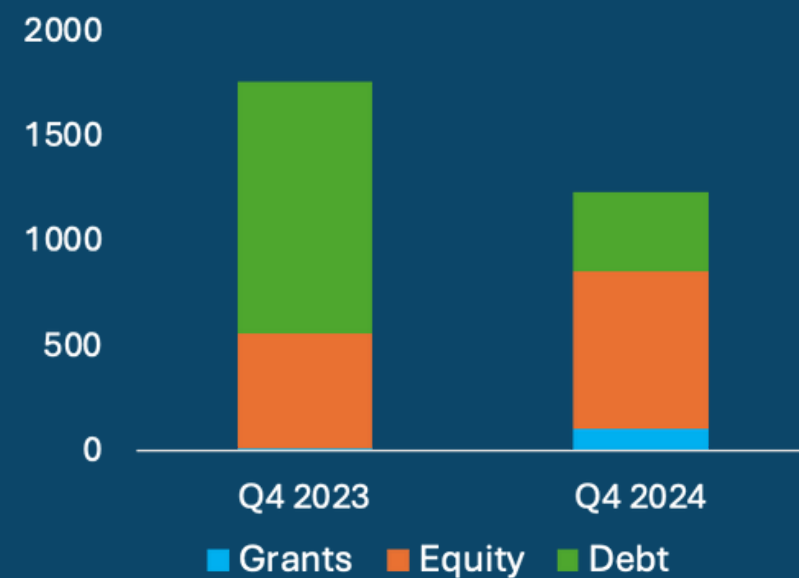
Private Investment Evolution (2007-2024)



Q4 Equity Investments (M€)

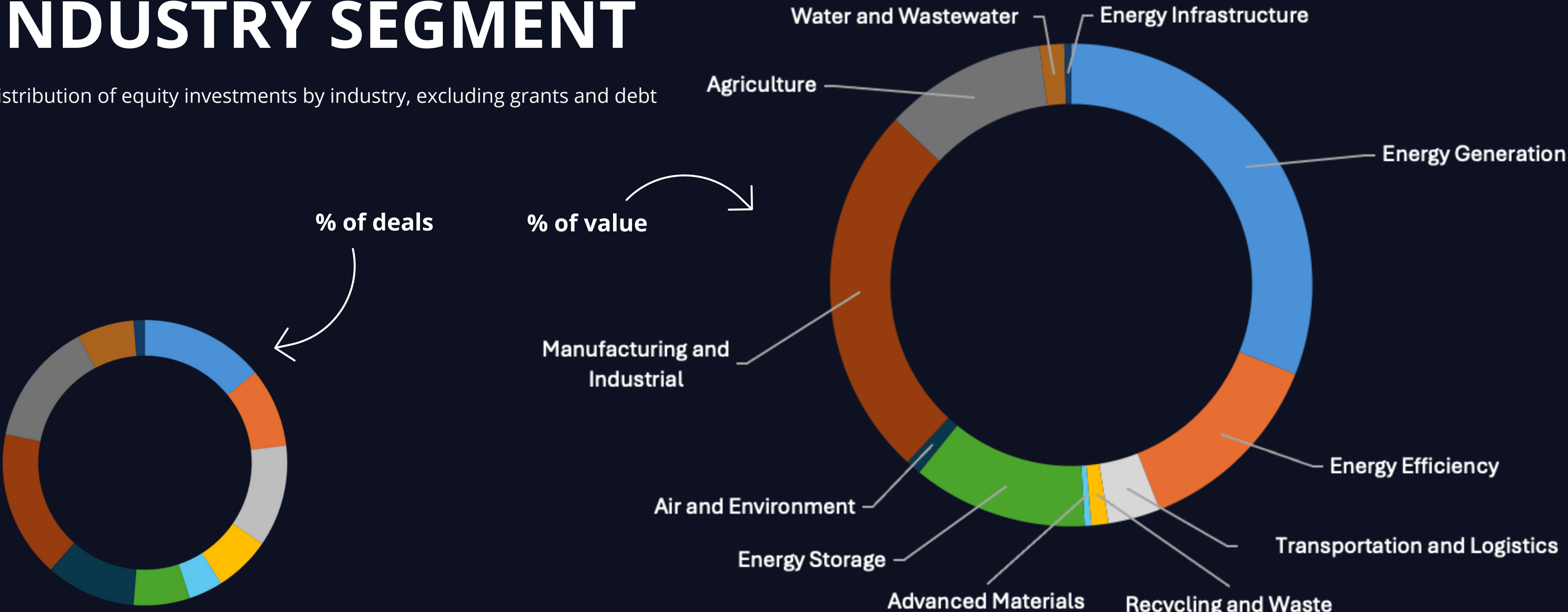


Q4 Investments (M€)

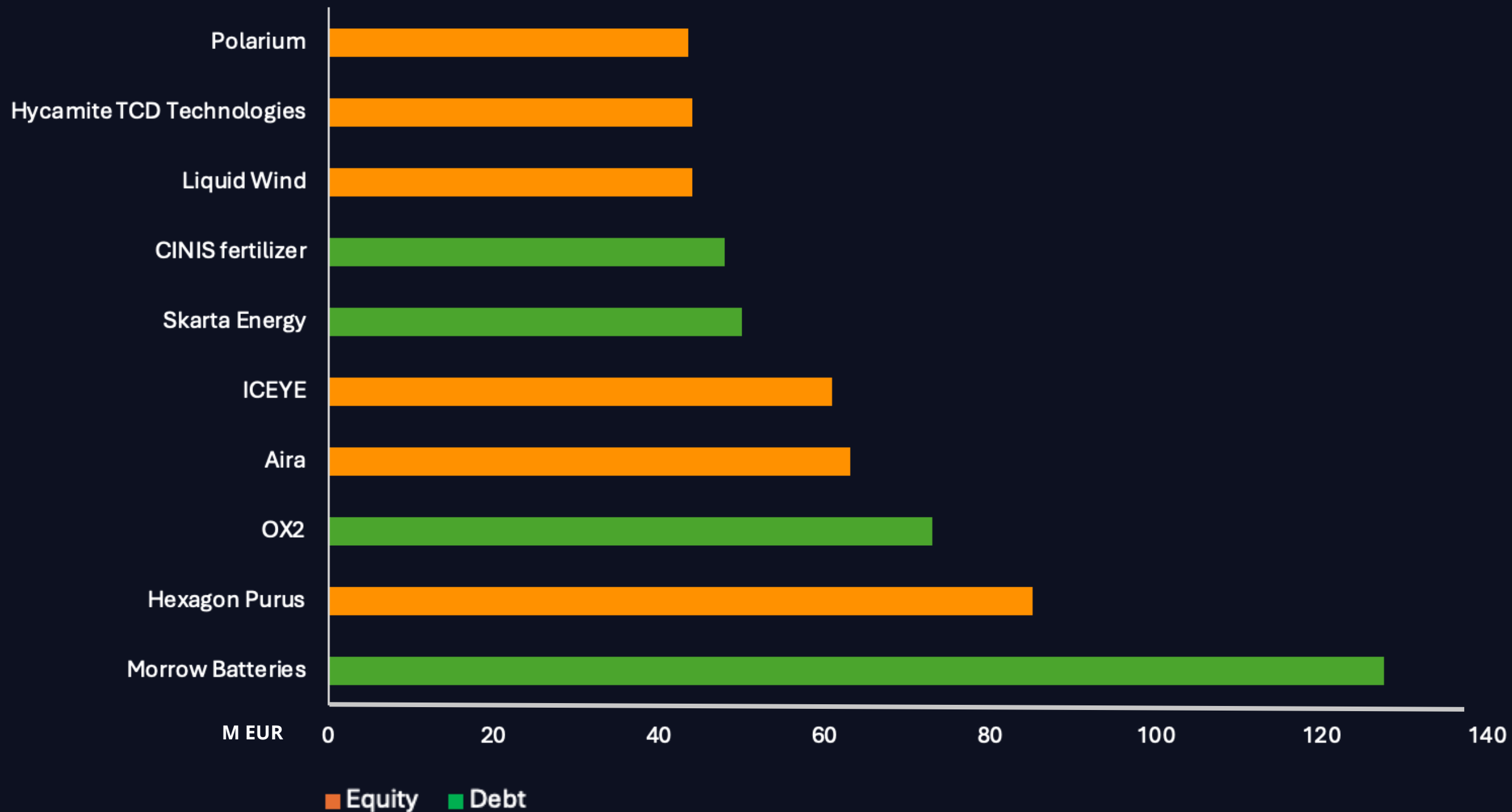


Q4 INVESTMENTS BY INDUSTRY SEGMENT

Distribution of equity investments by industry, excluding grants and debt



TOP NORDIC INVESTMENTS Q4 2024



TOP NORDIC INVESTMENTS Q4 2024

MORROW BATTERIES

Morrow Batteries is a battery technology company producing sustainable batteries for solutions within energy storage and mobility.

HEXAGON PURUS

Hexagon Purus is a global leader in key technologies for zero-emission mobility, providing hydrogen Type 4 high-pressure cylinders and systems, battery systems, and vehicle integration solutions for fuel cell electric and battery electric vehicles.

OX2

OX2 delivers large-scale renewable energy solutions, focusing on wind and solar power, and also develop energy storage projects.

AIRA

Aira provides intelligent heat pumps, offering innovative and affordable technology to advance electrification of residential heating.

ICEYE

ICEYE delivers near real-time, all-weather data through the world's largest SAR satellite constellation, supporting decision-making in insurance, disaster response, security, and finance.

SKARTA ENERGY

Skarta Energy is a developer of renewable energy, specialized on industrial solar projects.

CINIS FERTILIZERS

Cinis Fertilizer produces sustainable potassium sulfate (SOP) by recycling industrial waste from battery and pulp industries. The technology reduces energy consumption by half, delivering a low-carbon fertilizer for sustainable agriculture.

LIQUID WIND

Liquid Wind is a leading eFuel facility developer focused on decarbonizing hard-to-abate sectors. By converting green hydrogen and biogenic CO2 into eFuel, they enable industries like shipping and aviation to accelerate their transition to sustainable fuels.

HYCAMITE TCD TECHNOLOGIES

Hycamite offers low-carbon hydrogen and carbon products to reduce global carbon footprints. Its methane-splitting technology supports decarbonization across industries like steel, chemicals, and cement, while its carbon nanoproducts are used in batteries and electronics.

POLARIUM

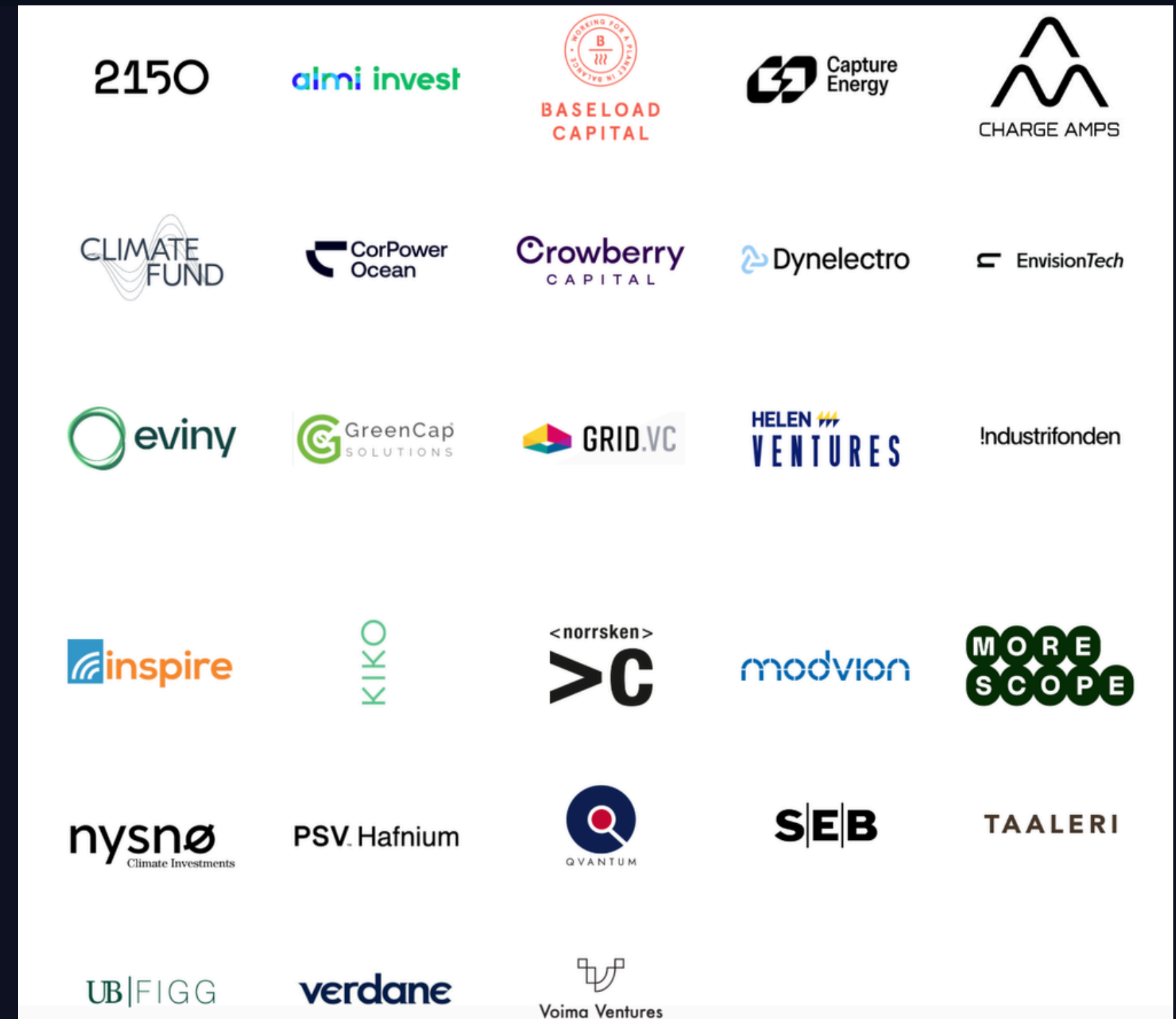
Polarium provides energy storage and optimization solutions based on lithium-ion battery technology.

CLEANTECH FOR NORDICS EXPANDS

Cleantech for Nordics has expanded its network, growing from an initial 15 investors to 28 members. The coalition now includes a broader range of investors, increasing our presence across the Nordic region. This expansion also includes the addition of cleantech startups and scaleups, bringing in innovators who are driving impact and navigating the challenges of scaling a cleantech company.

This growth strengthens our focus on engaging with policymakers to ensure the removal of barriers and the unlocking of growth opportunities for cleantech in the Nordics. With this expansion, we're further committed to accelerating the deployment of cleantech solutions by communicating the needs of innovators and investors to drive positive change in the policy landscape.

From our Director Magnus Agerström on the expanded coalition: *It's great to see our Nordic movement growing! By inviting entrepreneurs to the group we get a unique perspective on what policy changes could make a big difference and by becoming more coalition partners we can reach out further in all the Nordic countries. We aim to be part of shaping the policy agenda for the coming so important years to support the growth of the Nordic cleantech sector.*



POLICY NEWS

- **New Finnish Climate and Environment Minister.** Sari Multala has been appointed Finland's new Climate and Environment Minister, replacing Kai Mykkänen, who is leaving to become Espoo's city director. The change comes as Finland risks missing its climate and emissions targets without stronger action.
- **Finland's forests are now emitting more carbon than they absorb,** putting the country's climate goals—and EU land-use targets—at risk. Logging has increased due to rising demand for domestic wood, driven by the end of Russian imports and the shift from peat to biofuels. At the same time, slower forest growth is weakening carbon sinks. The forest industry opposes cutting back on logging, citing global demand for wood-based products, while climate experts say reducing it is the simplest way to meet Finland's climate targets. The government will present a proposal for its new energy and climate strategy this spring.
- **Denmark replaces wind tender and supports hydrogen pipeline.** The Danish government has canceled its largest offshore wind tender and is replacing it with a new one that will include state support. This decision follows the lack of bids in the previous wind energy tender. The government is also providing financial support for building a hydrogen pipeline from Esbjerg to the German border, aiming to finish by 2030.
- **Danish CCS collaboration.** Fifteen companies, including Ørsted, Novonesis, and Argo have joined together to launch CCS Zeeland, a new collaboration focused on large-scale CO₂ capture, transport, storage and utilization in Eastern Denmark. The initiative replaces Carbon Capture Cluster Copenhagen (C4). Spanning district heating, waste-to-energy, and technology providers, CCS Zeeland brings actors throughout the CCS value chain.
- **Denmark's Climate Council urges Denmark to shift to a CO₂ budget system,** capping total emissions rather than just setting targets for specific years. This would require steeper yearly reductions and prevent last-minute cuts. While some argue gradual reductions allow new technologies to mature, the Climate Council warns that waiting too long will drive up costs.
- **Denmark may take over climate target negotiations.** The EU will not meet the February deadline to submit its 2035 climate target to the UN. If Poland, which holds the EU presidency, does not finalize the target by summer, Denmark will likely take over negotiations when it assumes the EU presidency. Denmark's presidency of the EU council takes place during the second half of 2025.

POLICY NEWS

Norway and the UK launch a Green Industrial Partnership to boost clean energy collaboration, carbon capture, job creation, and accelerate the green transition. It includes plans to develop the North Sea as a hub for CO₂ storage and advance offshore wind projects.

- **Norway debates cutting electricity ties with Denmark.** The Norwegian government and the leading opposition party in upcoming elections are debating severing electricity cables to Denmark and renegotiating energy agreements with the EU and the UK. This is a response to soaring electricity prices in Norway. Despite not being in the EU, Norway participates in its energy market, and while the country has abundant hydropower, it is impacted by EU price spikes due to electricity exports. The idea has faced criticism, including from Denmark's climate minister, who notes that Norway makes money from exporting energy.
- **The Norwegian Centre Party left the Norwegian government,** citing the need to regain national control over the country's energy policy. The party criticizes the EU's increasing influence, particularly on energy, which they argue has led to higher and more unstable electricity prices in Norway. The Labour Party will continue to govern alone—but in minority—until the election in September.
- **Swedish CCS funding.** Stockholm Exergi has been awarded 20 billion SEK in government support over 15 years for a carbon capture project (bio-CCS) aimed at reducing 800,000 tons of CO₂ emissions annually. The project involves capturing CO₂ and storing it under the North Sea. This is the first reverse auction for carbon capture funding in Sweden, and Stockholm Exergi plans to begin CO₂ storage within three years.
- **The Swedish government wants to review Sweden's climate targets to align with EU policies,** focusing on adjusting the 2030 transport emissions goal. The review aims to streamline multiple overlapping targets while ensuring compliance with the EU's stricter framework, which includes penalties for non-compliance. However, concerns remain that this could weaken Sweden's ambitions, as its current targets are more demanding, particularly for domestic transport. There is also a risk that tying national goals to EU policies could lead to setbacks if the EU slows its climate efforts. The issue is expected to be a key topic in the 2026 election.
- **Jóhann Páll Jóhannsson took office as the new Minister of the Environment, Energy, and Climate,** succeeding Guðlaugur Þór Þórðarson. The new government coalition's policy focuses on achieving carbon neutrality by 2040, increasing energy production, accelerating the energy transition, and supporting biodiversity protection.

POLICY NEWS

- **Iceland streamlines operations for climate, energy, and conservation.** At the start of the year, two new institutions within the Ministry of Environment, Energy, and Climate began operations: the Environment and Energy Agency and the Nature Conservation Agency. The Environment and Energy Agency took over the functions of the Energy Agency and part of the Environment Agency, now managing climate, environmental, and energy affairs. The Nature Conservation Agency assumed responsibility for nature conservation and sustainable development, focusing on monitoring and protecting protected areas. This restructuring is part of the government's effort to reduce the number of state agencies, increase efficiency, and support faster energy procurement processes.
- **Iceland will establish a new Climate and Energy Fund,** created by merging the Energy Fund and the Climate Fund. The fund will support innovation and infrastructure projects in climate action, energy efficiency, energy transition, and the circular economy. A total of 10 billion ISK will be allocated in 2025, with a focus on clean energy vehicle purchases for public transportation.

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