

**Building the next
generation of cleantech
champions.**



UK cleantech outperformed global VC investment trends in 2022, successfully attracting international as well as domestic capital



The early stage investment landscape is well-developed, but larger growth funds are scarce



Innovation activity is heavily concentrated around the 'golden triangle' of London, Oxford and Cambridge

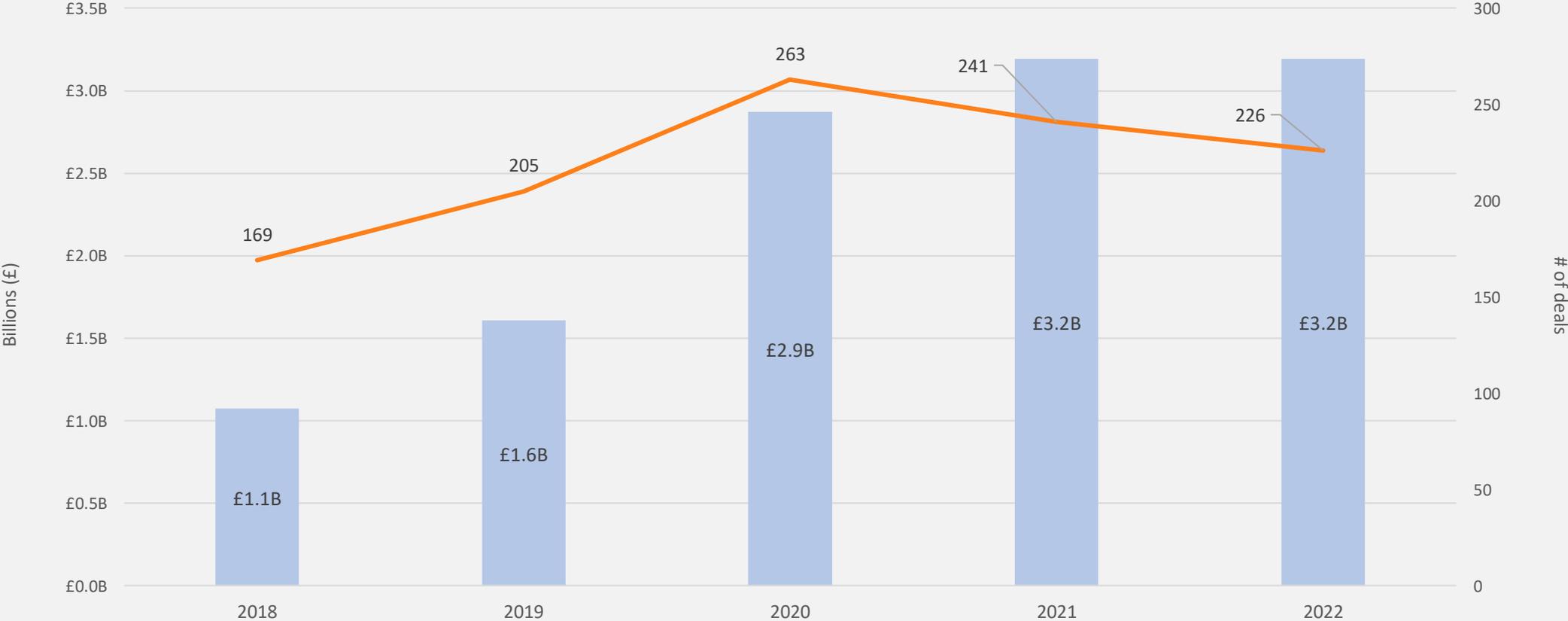


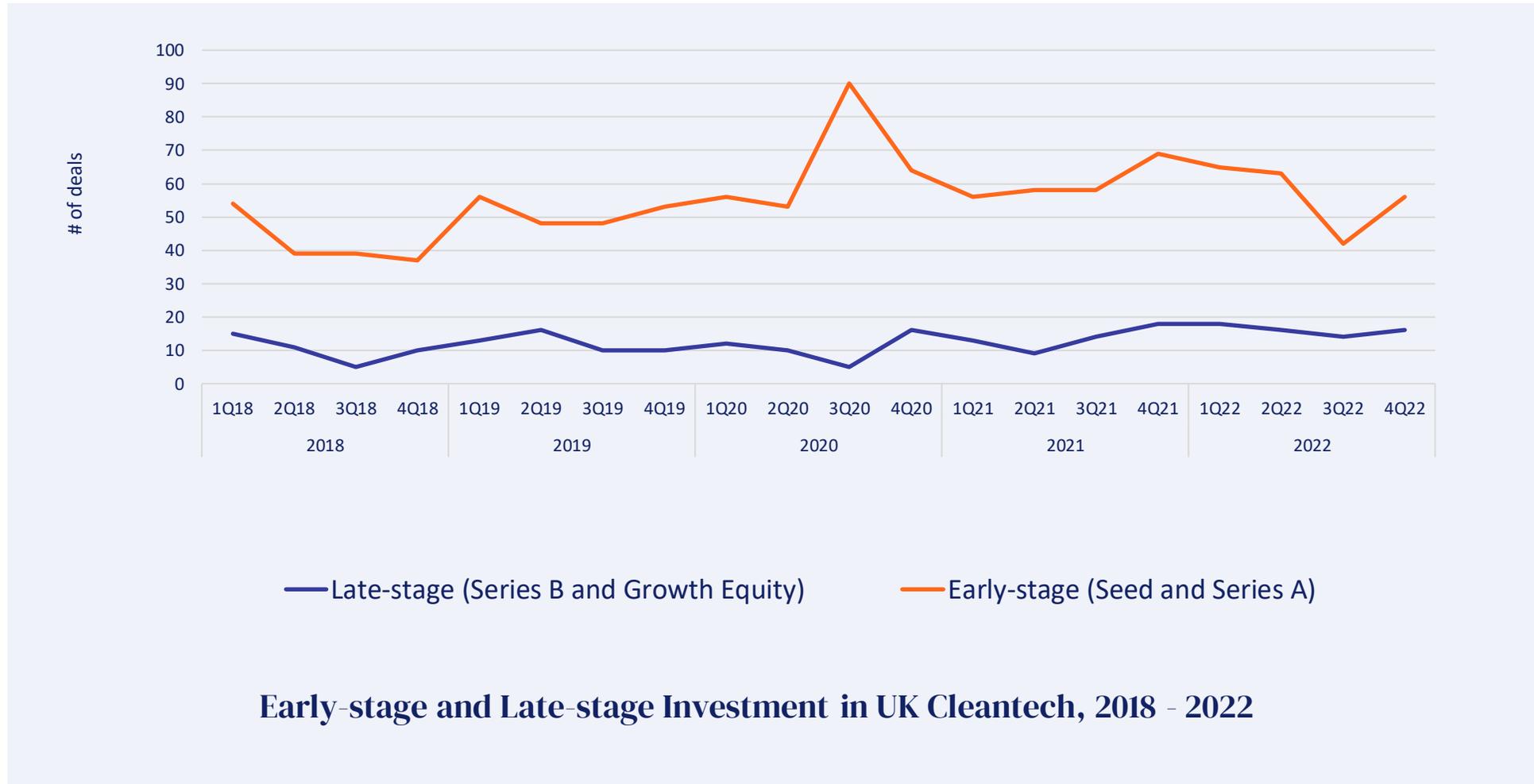
2022 brought larger average deal sizes and increased sector diversification although energy and power remains the most invested in sector



Innovative mechanisms are needed to support first commercialisation and increase private funding at Series B +

Investment in UK Cleantech 2018 - 2022

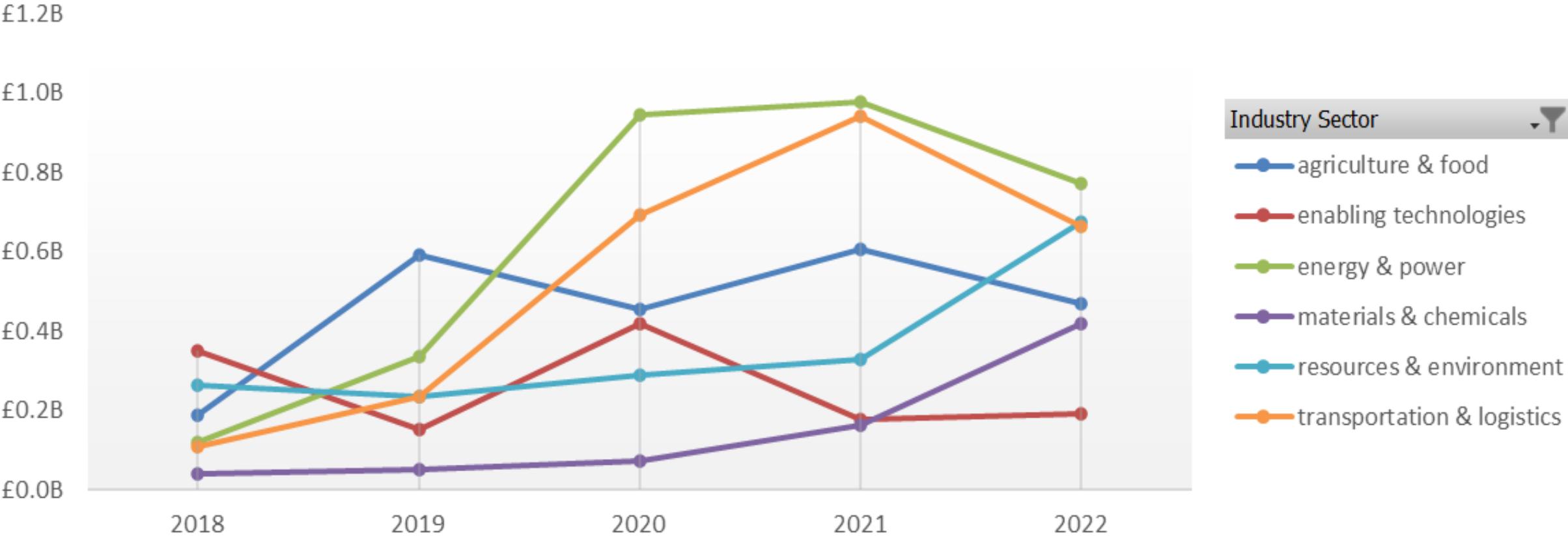




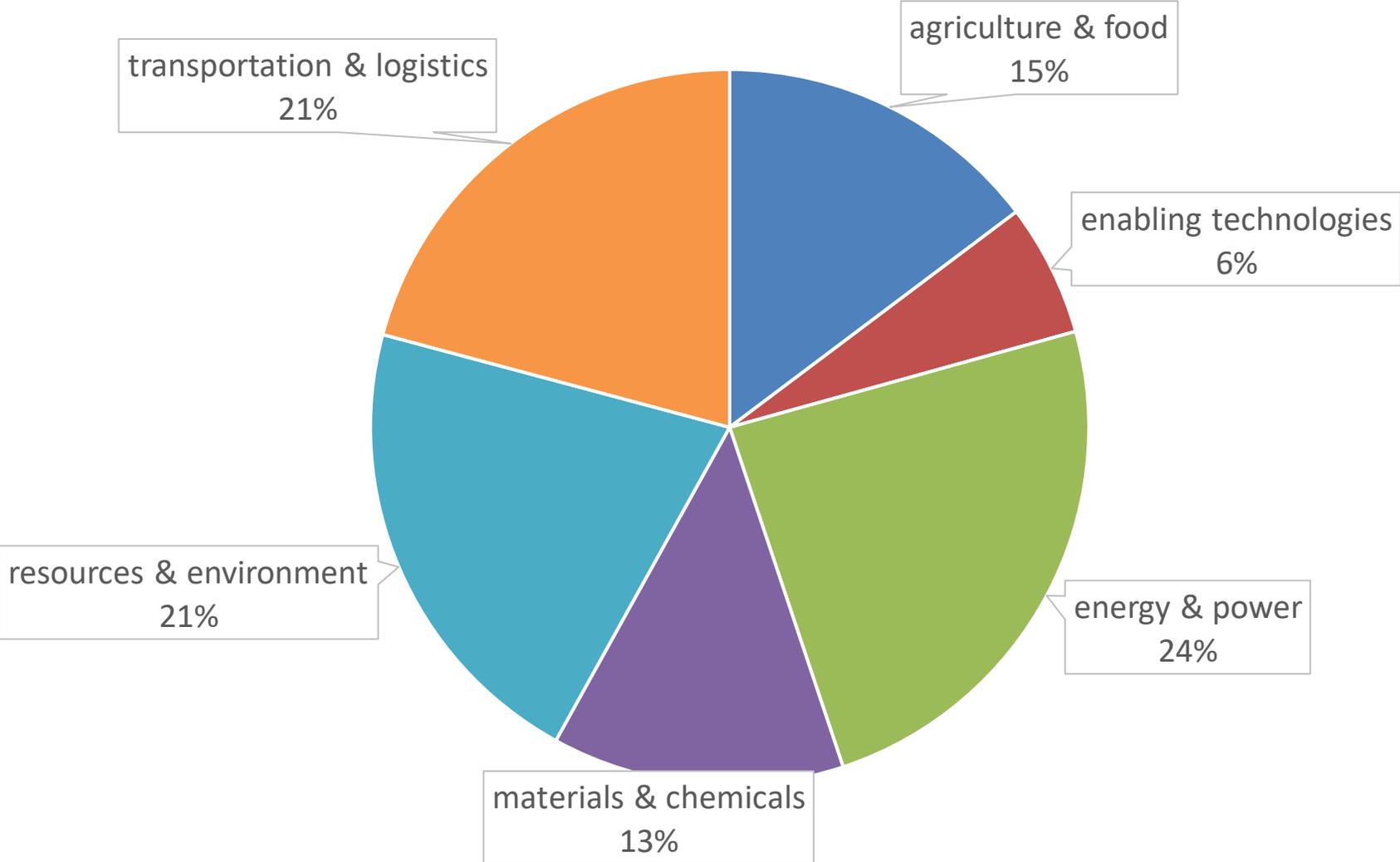
Early-stage and Late-stage Investment in UK Cleantech, 2018 - 2022

2022 investments more diversified sector-wise than previous years

Investment in UK Cleantech by Sector 2018 - 2022



Investment in UK Cleantech by Sector (2022)

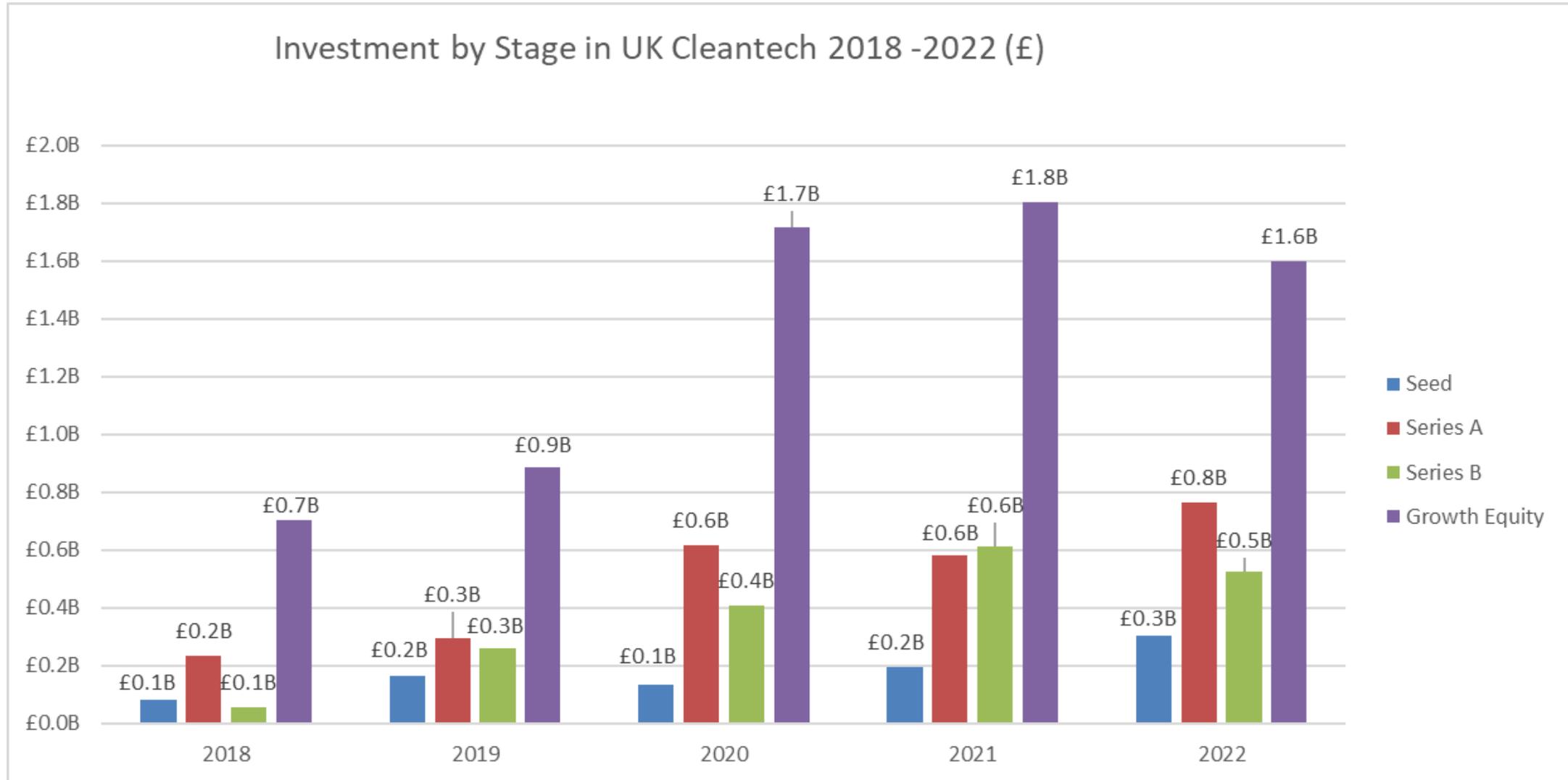


Source:  Cleantech Group

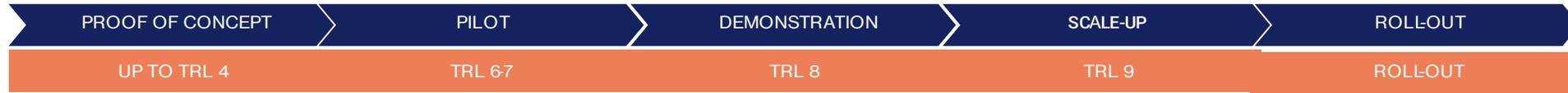
Top 5 cleantech deals, 2022

	Company	Sector	Company HQ	Investors	Investment Amount
1	newcleo Futurable Energy	Energy & Power	West End	<small>DEVISING IDEAS THE HIGHEST VALUE</small>	£257M
2	GRIDSERVE sustainable energy	Transportation & Logistics	Buckinghamshire	MITSUBISHI HC CAPITAL 	£200M
3	octopus energy	Energy & Power	London		£187M
4	carbon clean	Resources & Environment	London	Marubeni saudi aramco energy ventures Investment Managers	£122M
5	splend	Transportation & Logistics	London		£115M

Source: Cleantech Group



Available UK Public Support for Key Emerging Clean Technologies



BEIS Net Zero Innovation Portfolio
£1b fund to accelerate commercialisation of low carbon technologies, systems and business models from 2022 onwards

Ofgem's Strategic Innovation Fund
 Expected to invest **£450m** by 2026 in innovation projects which accelerate the UK's net zero plans for the energy network (gas and electricity) at lowest cost to customers

Emerging energy technology fund
£180m from Scottish Government to develop low carbon infrastructure

Net Zero Hydrogen Fund
£240m fund to support the commercial deployment of new low carbon hydrogen production projects during the 2020s

Industrial Decarbonisation Challenge
£210m until 2024 to support development of low-carbon technologies and infrastructure

Transforming Food Production Challenge
£90m of funding to help businesses, researchers and industry to transform food production and move towards net zero emissions by 2040

Clean Maritime Demonstration Competition
£60m to develop and deploy real world operational demonstrations of clean maritime solutions.

Advanced Fuels Fund
£165m for first -of-a-kind commercial and demonstration -scale projects to support commitment of 5 SAF plants under construction in the UK by 2025

Development Bank of Wales

UK Infrastructure Bank

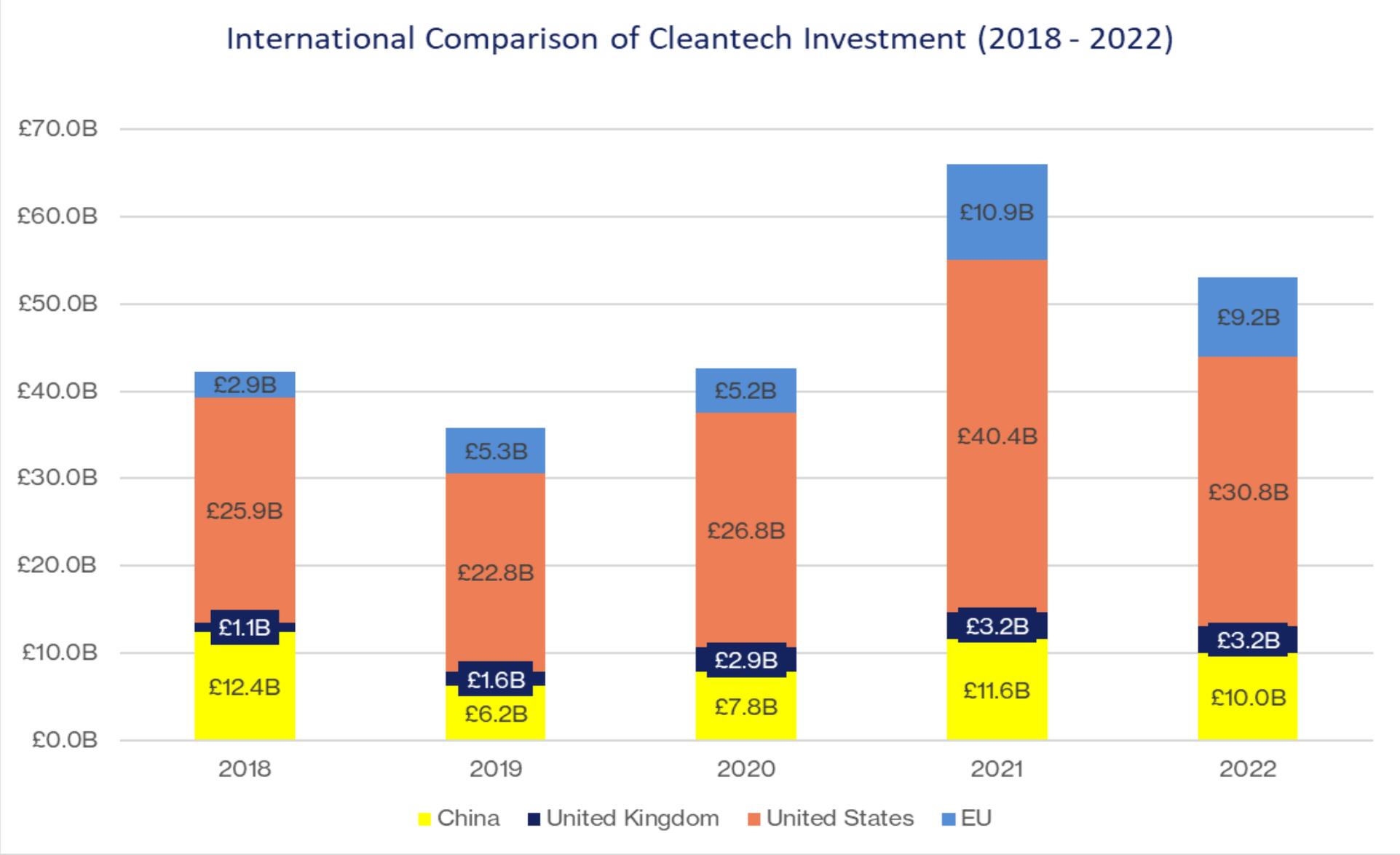
Future Fund: Breakthrough

ARIA

UKRI

Type of Funding	
Grant	
Equity	
Equity, Loans and Credit Enhancements	

Will the UK maintain competitiveness in the face of rising global cleantech ambition ?



- © The UK is home to a mature cleantech ecosystem, a thriving innovation scene and strong overall investment. It is one of the most important markets for cleantech globally, with 2022 VC investments **breaking records** for a second consecutive year
- © However, this world-leading capability is not consistently converted into world-leading **cleantech scale-ups**
- © Smart, targeted interventions aimed at boosting early stage innovation, de-risking first commercial projects and making cleantech work for the whole country can supercharge UK cleantech.
- © As countries around the world move to enact ambitious measures aimed at boosting cleantech growth, we must **act now** to secure continued climate leadership and a better, prosperous future for all

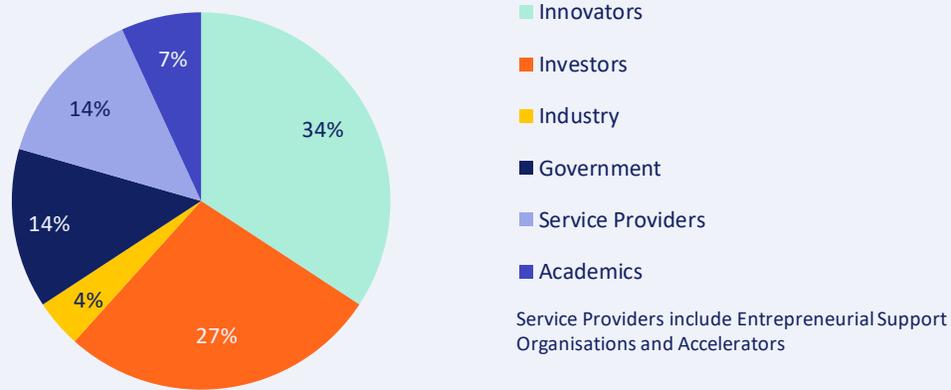
“Investors will put money if they see the returns. We need to accelerate company scale-up to get exits more quickly”.

Adam Workman

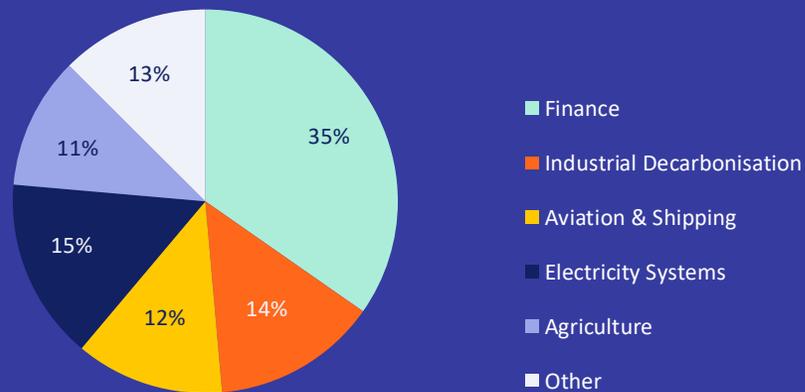
Oxford University Innovation

£3.2 billion

Invested in UK Cleantech 2022



Contributors by Role



Contributors by Sector

- ⊙ We interviewed more than 70 leading actors in the UK’s Cleantech Ecosystem, including innovators (start-ups and scale-ups), investors, accelerators, academics, government officials, industry professionals
- ⊙ We consulted academic papers, industry reports, and UK strategy documents
- ⊙ Ecosystem and investment data are from Cleantech Group's proprietary database "i3", which tracks cleantech startups, investors, ESOs and investment flows globally
- ⊙ Investment into UK from global investors has been converted to £ using the average USD-GBP exchange rate for the year of investment
- ⊙ Key focus sectors included agriculture, aviation & shipping, electricity system, industrial decarbonisation, finance



Cleantech for UK.

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