TECH NATION
CLIMATE

UK CLIMATE TECH 2026

The Next Chapter for UK Climate Innovation

IN PARTNERSHIP WITH

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FOREWORD

As we enter 2026, we're looking at the next critical phase of global climate action, and the UK is playing a pivotal role in its evolution. Our climate tech sector is valued at $75.3 billion and home to over 2,200 pioneering startups.

The UK is the world's fourth-largest climate tech ecosystem, a testament to the ingenuity and determination of our founders. From regenerative agriculture to energy storage, from circular fashion to engineered carbon removal, British entrepreneurs are developing the technologies the world desperately needs. We're seeing breakthrough innovations across hardware and software, backed by world-class research institutions and a deep pool of technical talent.

But we face a funding paradox. After reaching a record $5.5 billion in 2023, climate tech investment has fallen to $1.8 billion in 2025. Late-stage capital is vanishing precisely when our most promising companies need it most. Hardware innovators, who represent 70% of our sector's market value, struggle with the high capital intensity and longer development cycles that make investors cautious.

UK Climate Tech 2026: The Next Chapter for UK Climate Innovation, published in partnership with EDF Energy, examines these challenges head-on.

We explore the UK climate tech market, investment trends, the hardware-software divide, policy recommendations, and the exciting potential of AI-enabled climate solutions. Plus, we profile 25 of the most exciting climate tech startups to watch right now.

At Tech Nation, powered by Founders Forum Group, we're committed to supporting the entrepreneurs building tomorrow's climate solutions. Through our **Climate Programme** and our broader mission of connecting and empowering tech founders nationwide. Climate techs part of our programme have grown 2.5x as fast as industry average, alumni have raised over $1.5 billion, and had 8 successful exits in the 4 years it's been running.

Transformational change requires collective action. Government must create the regulatory clarity, financial mechanisms, and public-private partnerships that enable innovation to flourish. Investors need to recognise that climate tech's longer timelines and capital requirements demand patient, committed capital. And we must all champion a positive vision of Britain's green future.

Read on to discover what's next for UK climate tech.

Carolyn Dawson, OBE
CEO, Founders Forum Group

INTRODUCTION

As we head toward ever more powerful and efficient technologies, most visibly the explosive rise of AI, it's worth pausing to ask a more fundamental question: What safeguards the natural systems that make all human progress possible?

Our natural ecosystems underpin every form of innovation, yet the UK's climate and nature tech ecosystem is approaching a critical inflection point.

Despite clear evidence that many climate and nature technologies are working at scale, investment in the UK has fallen sharply. This stands in stark contrast to the rapid acceleration of capital into AI (outside climate), which now eclipses climate and nature tech by several multiples. The discrepancy is real and widening. We are pouring resources into technologies that advance humanity, while underinvesting in those that sustain the foundations humanity depends on.

The steepest drop is concentrated in hardware-led innovation, the backbone of industrial decarbonisation and long-term resilience. These solutions are harder, slower and more capital-intensive to scale, yet they are also the technologies capable of shifting entire sectors, from energy to agriculture to materials.

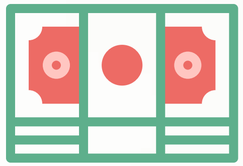
Yet, there is real cause for optimism. In UK Climate Tech 2026: The Next Chapter for UK Climate Innovation, we explore what this crossroads means, not just the challenges but the opportunities in front of us. Along with examining funding trajectories and dynamics, we examine the accelerating role of AI in enabling climate solutions and the policy actions needed to unlock the next wave of growth. We also spotlight a number of leading climate and nature tech startups redefining material science, decarbonising AI infrastructure, transforming logistics, restoring biodiversity and building the next generation of climate and nature infrastructure.

The need for renewed momentum is clear, but so is the potential. Climate and nature technologies are already embedded in some of the world's most influential value chains, proving what's possible when sustainable innovation achieves scale. The challenge ahead is to align economic incentives with these opportunities and to demonstrate, plainly and powerfully, how sustainability is already improving lives today.

Sammy Fry
Head of Climate, Tech Nation

THE STATE OF UK CLIMATE TECH

1.



The UK’s climate tech sector is valued at **$75.3 billion.**

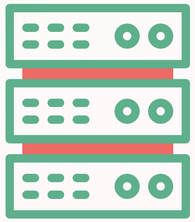
The UK is ranked 4th globally, made up of a strong ecosystem of entrepreneurs, investors, and policymakers.

2.

UK climate techs have raised **$1.7 billion** in 2025, less than half of what they raised two years previously.

Investment momentum is cooling, with a clear slowdown in both deal value and volume in the last couple years.

3.



70% of the UK’s climate sector market value is driven by hardware companies.

The UK is home to promising hardware businesses, but we need funding mechanisms to support the ecosystem.

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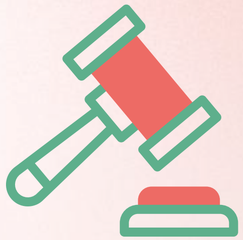


To incentivise climate tech innovation, **UK Policy Frameworks** must change.

To maintain leadership, we must work on deploying private capital, simplifying regulatory pathways, and fostering public–private partnerships.

5.

AI is driving innovation, AI-enabled climate techs already account for **10%+** of the market.

The next wave will fuse AI, automation, and hardware, creating efficiency gains across manufacturing, logistics, and the grid. The UK’s future edge lies in AI-powered sustainability and cross-sector collaboration.

Data from Dealroom

UK Climate Tech:

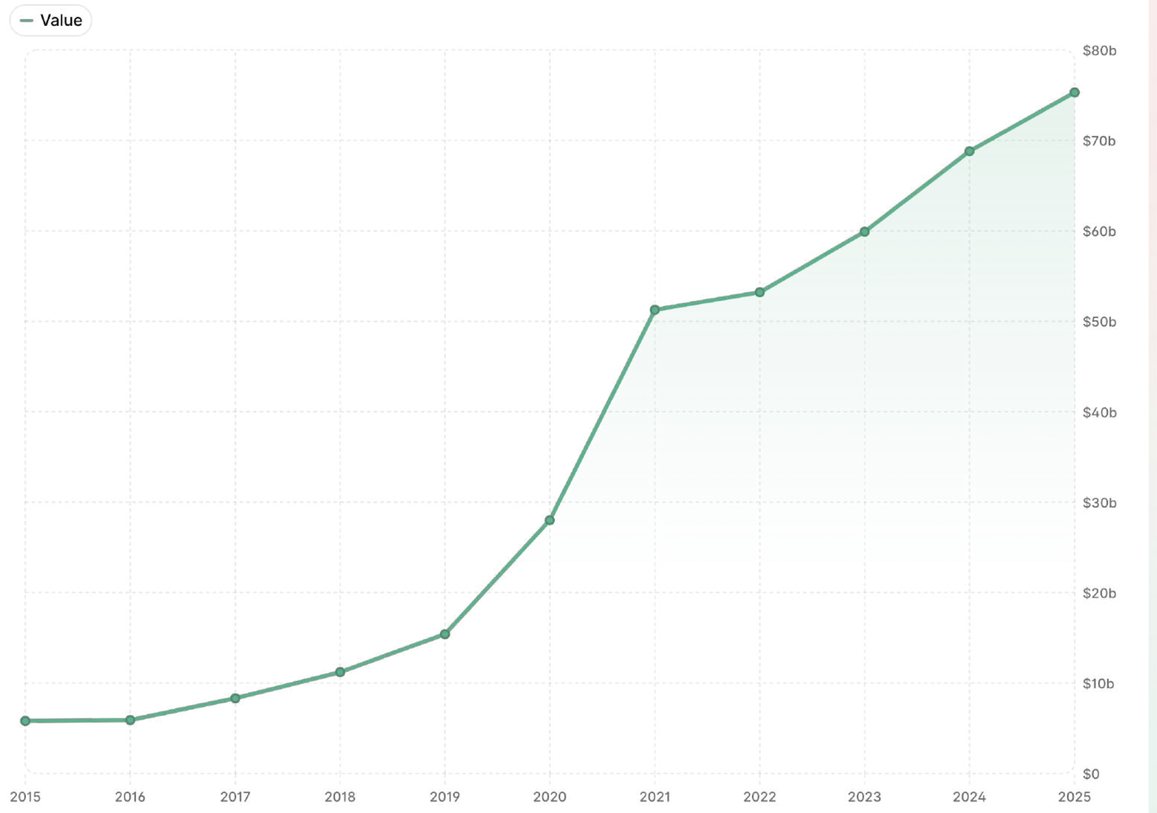
The State of Play & What's Next

1. Market Strength & Regional Growth

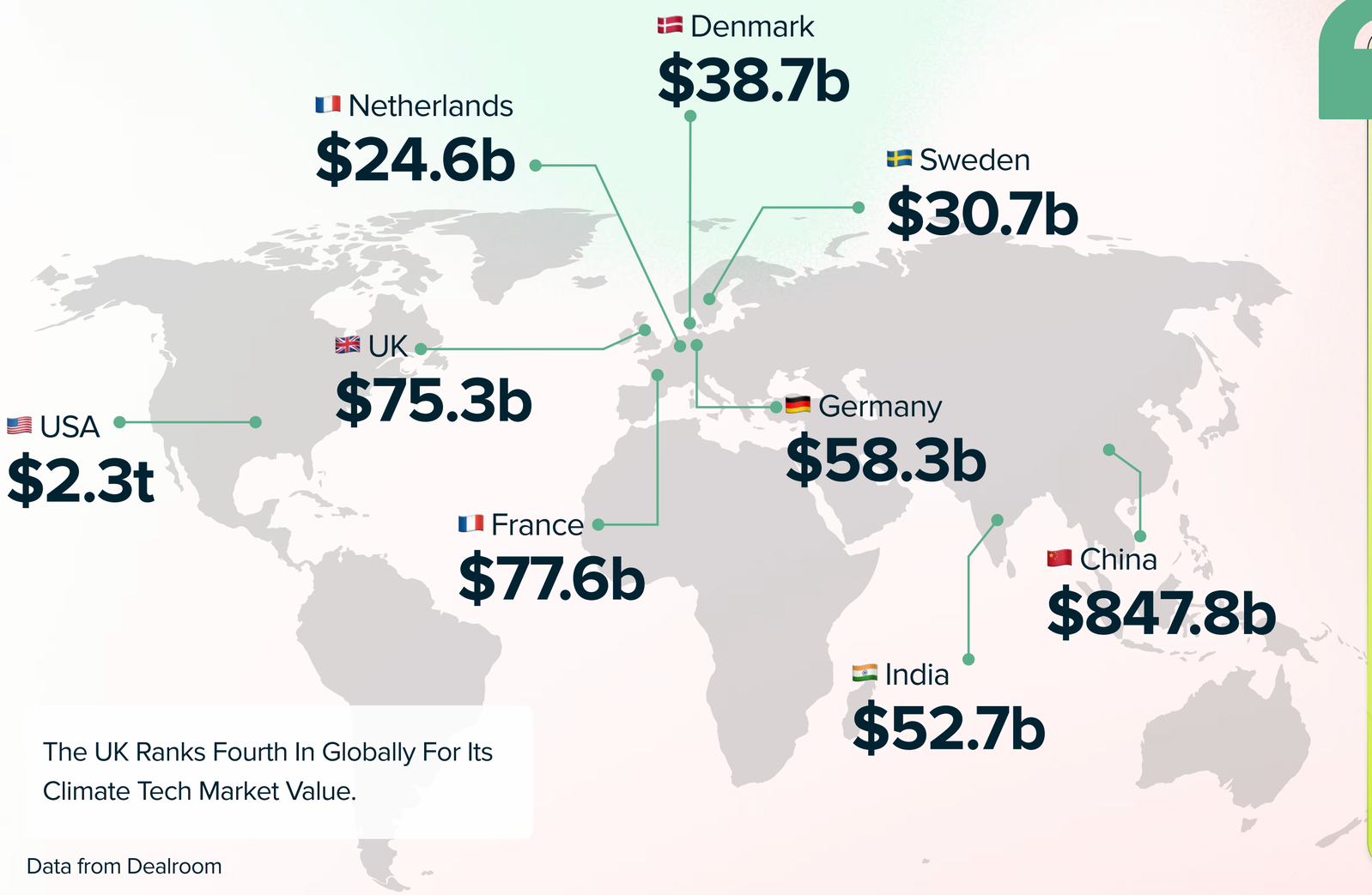
The total market valuation for climate tech in the UK is **$75.3b**. Over the last decade the market has increased by $69.5b, an increase of over 1200%, at a CAGR of 29.2%.

With over 2,200 trailblazing climate technology startups and scale-ups, the UK is home to one of the most promising innovation ecosystems in the world. The sector has clusters of climate leaders covering industries from nuclear fusion to carbon capture to circular fashion.

Climate Tech Market Valuation Over The Last 10 Years

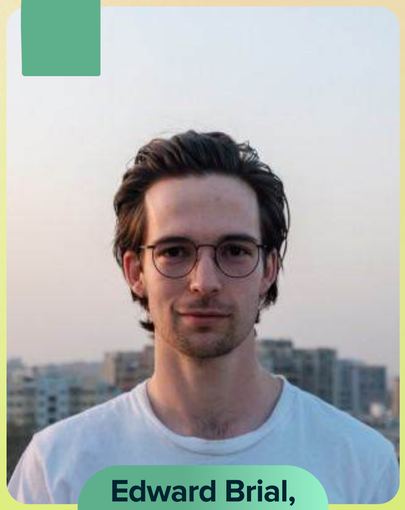


Data from Dealroom



The UK Ranks Fourth In Globally For Its Climate Tech Market Value.

Data from Dealroom



Edward Brial, Mattera

MATERRA™

The one-stop nature-based solution for the fashion industry.

FUNDING STAGE
Seed

TOTAL FUNDING
$5.2m

EMPLOYEES
65

HQ
London, UK

"In the UK we've got incredible financial institutions, legal institutions, and we're great and getting things off the ground."

Helen Lin,
At One Ventures

At One Ventures

Helping humanity become a net positive to nature.

FUNDING STAGE
Seed - Series B

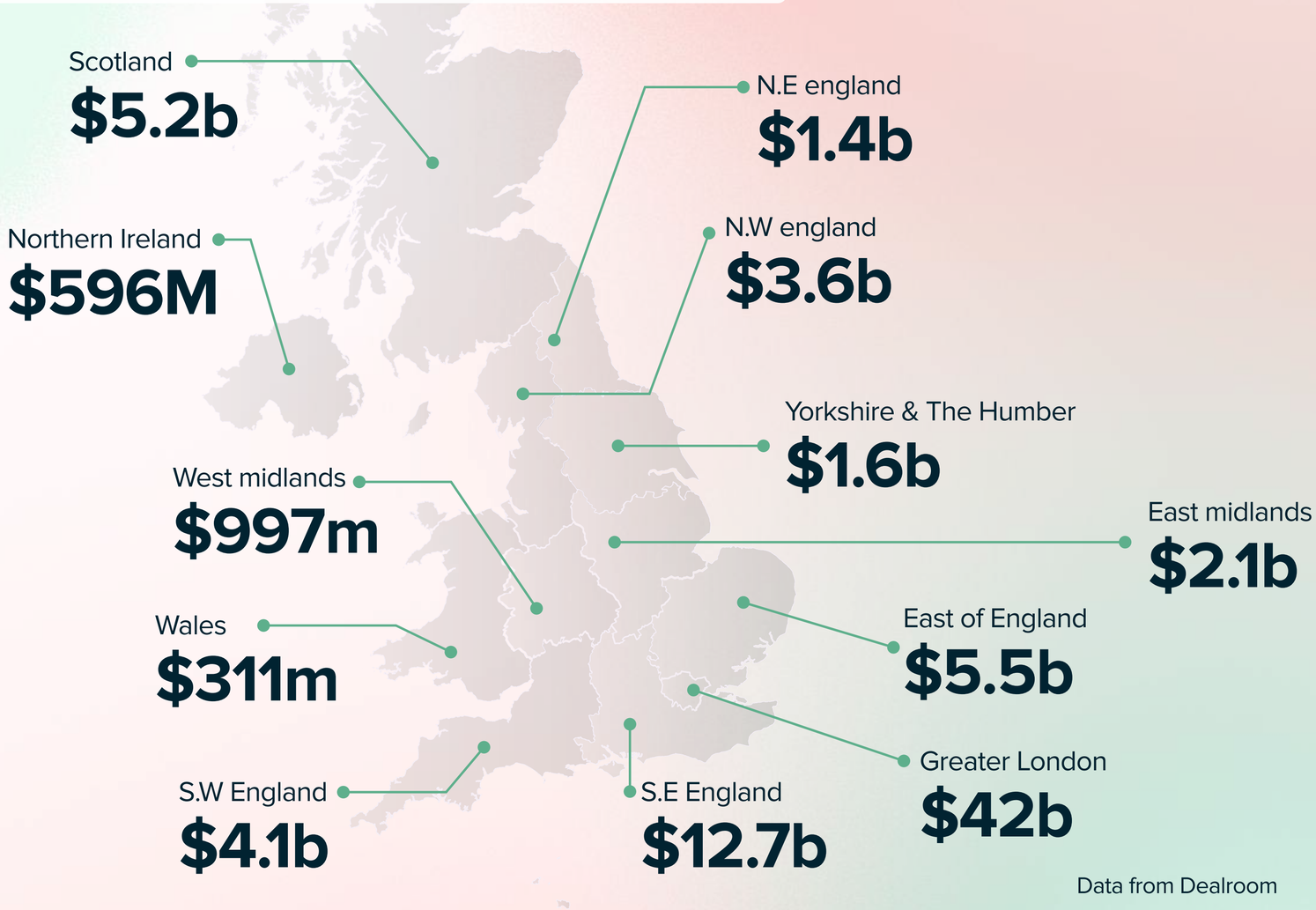
AUM
Over $500 million

PORTFOLIO
Colossal, Ascend Elements, Monarch Tractor, Iron OxBlue Energy

HQ
San Francisco, California

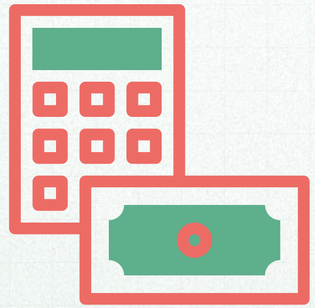
"It's wonderful to see just how much the London climate scene has grown just in the five years since we launched. The quality of startups is improving and the number of investors – while still not enough – is increasing fast."

There Are Exciting Regional Developments With Climate Tech Hubs Growing In Bristol, Glasgow, And Around The Midlands.



Data from Dealroom

2. Investment Challenges

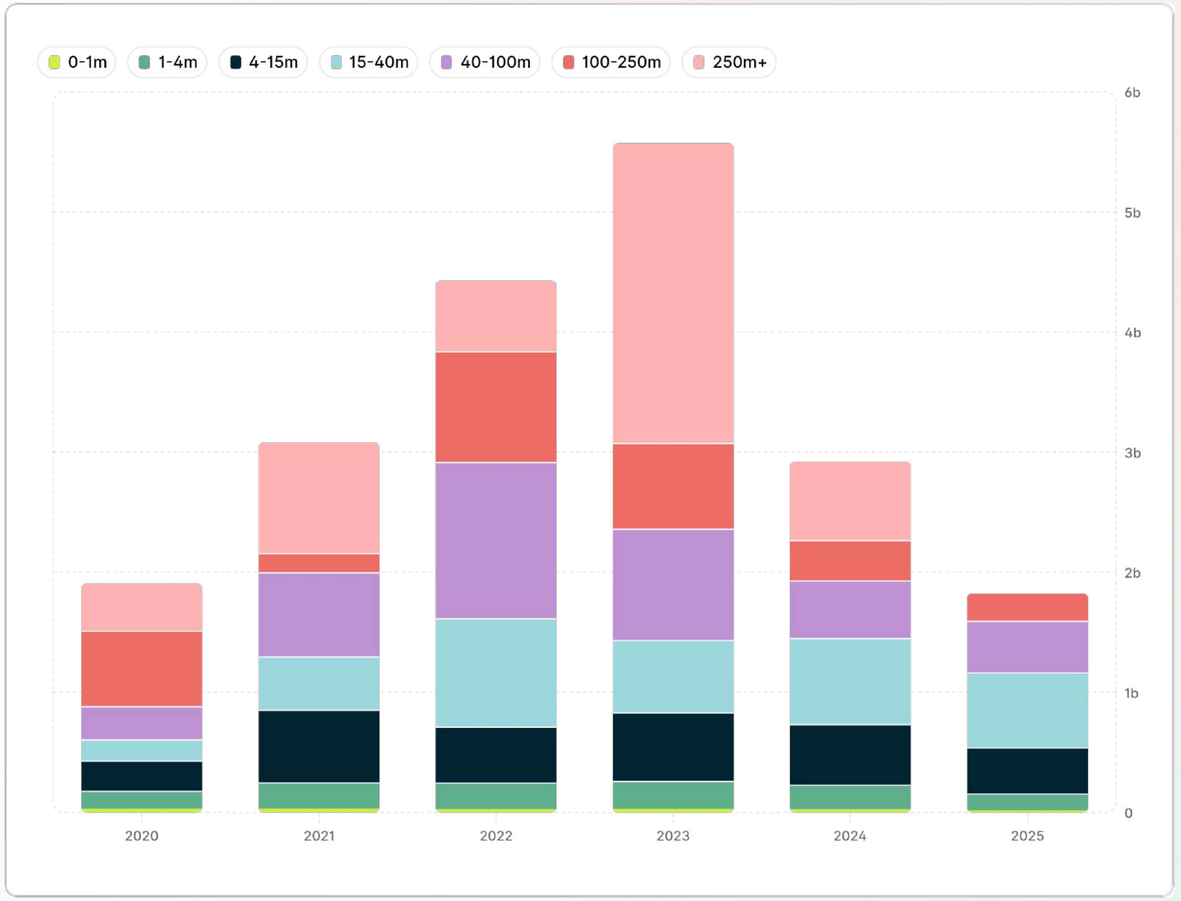


UK climate techs raised $1.8 billion in 2025, although funding has fallen by 67% since its 2023 peak, dropping from $5.5b to $1.8b in 2025.

UK climate tech funding rose sharply from $1.9b in 2020 to $5.5b in 2023, driven largely by a surge in late-stage and mega-round investments over $250m. This threefold increase reflected growing investor confidence and momentum across the sector.

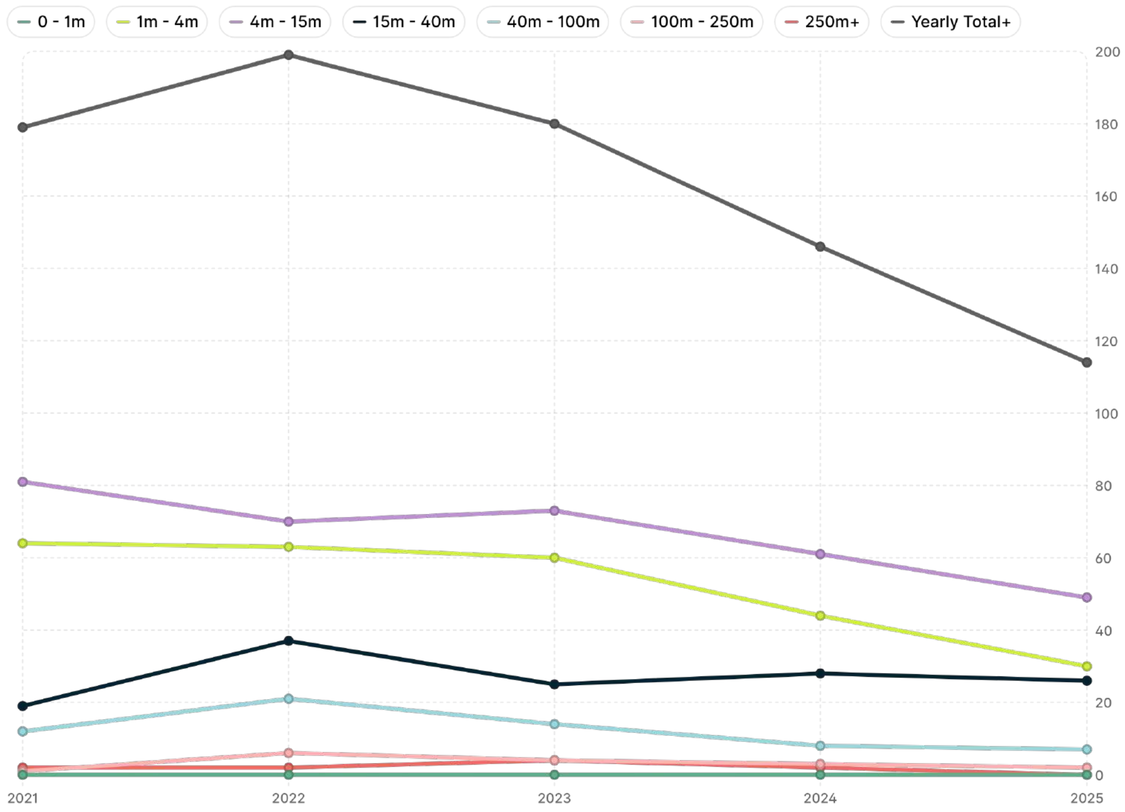
In 2025, these large scale rounds have disappeared and investor caution set in. Despite this downturn, early-stage activity has remained comparatively stable, suggesting that while scale-up capital has contracted, innovation at the seed and Series A level continues.

Climate Tech Funding In The UK Over The Last 5 Years



Data from Dealroom

Number Of UK Tech Funding Rounds By Deal Size (2020-2025)



Data from Dealroom

In the 2023 peak there were 180 funding rounds, compared to 114 so far this year. Rounds worth over $250m have also disappeared from 4 in 2023 to 0 in 2025.

Siddarth Shrikanth,
Just Climate

JUST CLIMATE
by generation

Investing in climate solutions that can reduce emissions for the benefit of people everywhere.

FUNDING STAGE
Series B+ / Growth Equity

LATEST FUND SIZE
$1.5b (Jun 2023)

PORTFOLIO
Stegra, Ascend Elements, Infinitum, Terra CO2

HQ
London, United Kingdom

"The biggest challenge the sector faces is that we are in a period of climate denial. People feel like there are short term risks and pressures that are more important than our climate."

Funding figures have reset to 2020 levels, but we still have a scaling issue in the UK.

The later stage rounds are diminishing as we have limited late-stage capital for breakout growth. Innovative climate technologies have certainly proliferated, but many have struggled to scale and become industry leaders.

According to McKinsey, a climate technology startup is three times more likely to become a unicorn in the United States than in the United Kingdom. The US has already dished out $14.9b to climate techs so far this year, proving their riskier appetite for investment.

> “Investors that used to take the baton from us after Series A are now not doing Series B anymore. They only want to do Series C and fund companies that have $10m in revenue.”

Helen Lin
(One Ventures)

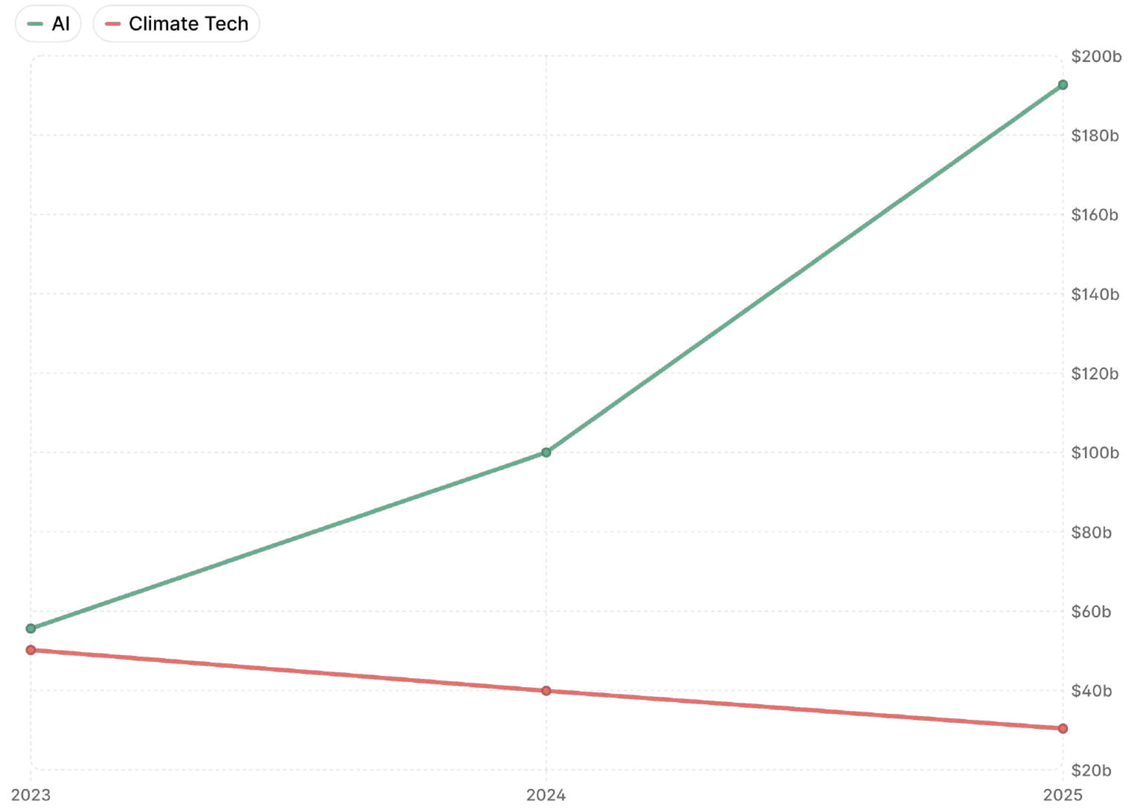
There Have Been **15 Exits** So Far This Year, Compared To **23** In **2024**, And 29 The Year Before That.

UK Investment by Industry: AI vs Climate Tech

Global investment flows show a stark and widening imbalance between AI and climate tech. In 2024, VC funding into AI (outside sustainability) exceeded $100b, nearly doubling from 2023, fuelled by surging demand for generative models, enterprise AI and massive investments in compute and infrastructure. By the first half of 2025 alone, generative AI attracted $49.2b and AI startups accounted for 50–53% of all global VC funding.

Climate and nature tech tells a different story. Despite evidence that climate solutions are already scaling and delivering real-world impact, global equity funding fell to $23.5b in H1 2025, one of the weakest half-year totals since 2020. There's been a particularly steep decline in hardware-led innovation. UK climate tech follows the same pattern.

Global AI Investment Vs Climate Tech Over Time



Data from Dealroom

Pippa Gawley,
Founder and Managing Partner at Zero Carbon Capital

Zero Carbon Capital

Investing in innovative, scientific solutions to the biggest, hardest challenges of decarbonisation.

LATEST FUND SIZE
$26m (May 2024)

FUNDING STAGE
Seed-Series A

PORTFOLIO
Nutropy, NetZeroNitrogen, Porpoise Power, Lilac Solutions

HQ
Havant, United Kingdom

“The platform shift to AI has the potential to drive productivity gains across all sectors, but its sky-high valuations and round sizes are sucking the oxygen out of the investment ecosystem. While excitement around AI is warranted, we should not forget other long-term drivers of value creation. Investment flows must continue to be channeled toward making all our industries cheaper, better, and cleaner - while also improving the quality of every life on the planet.

The transformative power of AI is undeniable, but it relies on an equally vast physical infrastructure - a backbone of silicon, copper, and electrons. The huge demand for data centres and power is creating new markets for companies that can supply the necessary minerals, metals, and clean energy solutions. This is a great opportunity to drive innovation in a wide range of areas from chip design, materials extraction and heat management to clean energy generation, storage and grid optimisation. By investing in the physical foundations of AI, we can make sure its growth doesn't come at the expense of our broader sustainability goals."

Scale Up Challenges in the UK

1. Access to Capital

Many firms face difficulties securing finance, which is a major barrier to scaling. This is propagated by their cash flow and associated risk profile.

2. High Capex Requirements

Climate techs often have high capex requirements with longer paths to profitability which result in a high risk profile, creating a barrier to scaling.

3. International Demand

There are compelling policy landscapes in other jurisdictions, such as the the European Green Deal, creating intensified competition for many of these firms.

4. Fragmented Support Ecosystem

There's great support for pre-Seed and Seed stage startups, but public and private funding support drastically drops off at Series A and Series B, with the valley of death still very much alive.

Gabriele Barteskaite,
Future Greens

FUTURE GREENS

Generating green energy from the food industry byproducts

FUNDING RAISED
$198k

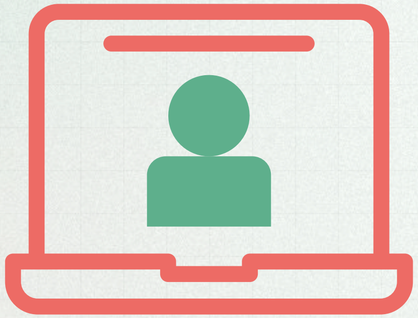
STAGE
Seed

EMPLOYEES
6

HQ
Sheffield, UK

"We need to increase visibility for early stage ventures and streamline support and education for early-stage founders to demystify the fundraising process."

3. Hardware vs. Software



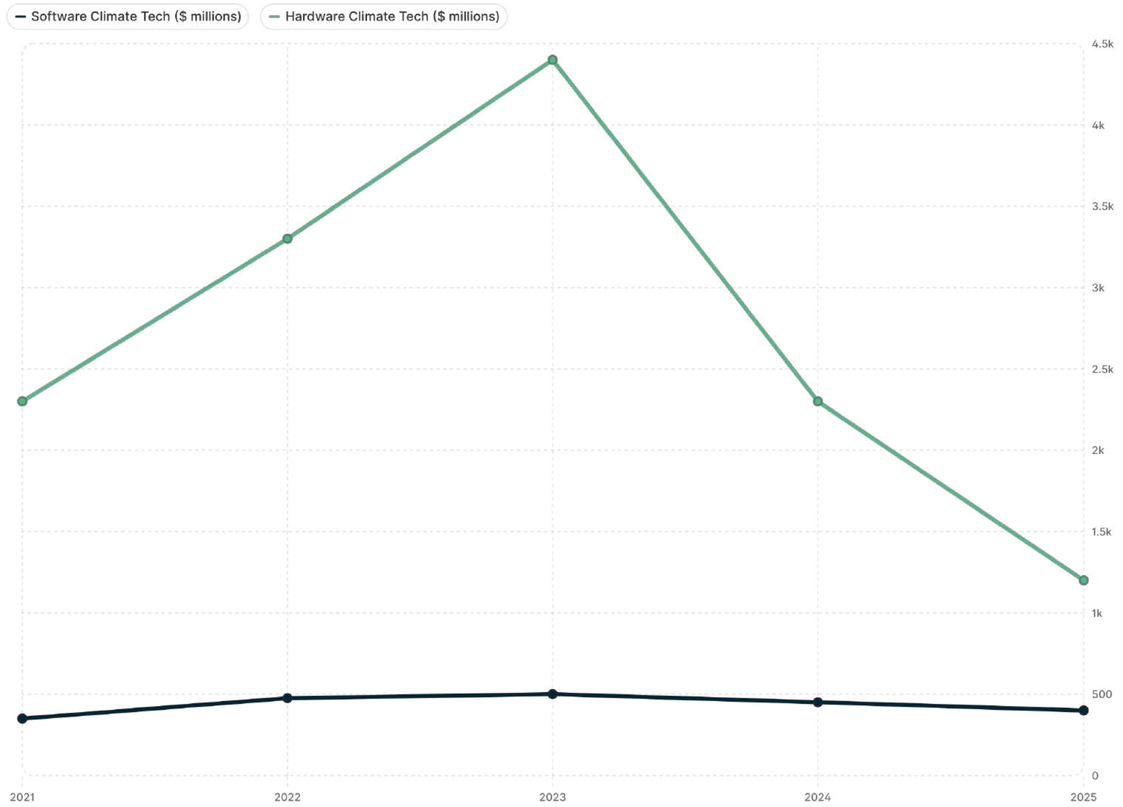
The market valuation of hardware climate tech companies in the UK amounts to $52.7b, nearly 70% of the sector's total combined market value.

Just $13.6b is represented by software climate tech companies, marking a pronounced gap.

However, investment in hardware-based climate techs in the UK has fallen 73% since 2023, whereas funding for software-based climate tech firms has remained stable.

Hardware is increasingly being seen as more capital-intensive and riskier due to high upfront manufacturing costs and longer development cycles, compared to software's faster time-to-market.

VC Investment In UK Climate Tech (2021-2025)



Data from Dealroom

There's a growing challenge of securing the capital needed to scale high-risk, capital-intensive hardware solutions. Yet, tackling climate change is a challenge rooted in the physical world, requiring hardware innovations to decarbonise industries like steel, cement and agriculture, and technologies to remove carbon from the atmosphere. The need for tangible, hardware-driven solutions is undeniable. Software plays a critical role, but it alone cannot solve the full scope of the climate crisis.

To bridge this funding gap, Europe and the UK must accelerate support for hardware innovations. The US is currently leading the way with over $4 billion raised for fusion energy startups since 2021, while European counterparts struggle to attract similar investment. However, the tide is beginning to shift, with VCs increasingly recognising the value of hardware climate startups, particularly in areas like energy storage and grid stability.

To foster the growth of these critical innovations, Europe must emulate successful models such as the US's DARPA and ARPA-E, which, before Trump's second term, successfully funded high-risk, transformative research. The UK is making progress with the £800 million Advanced Research and Invention Agency (ARIA), but Europe as a whole needs to ramp up its efforts in funding high-risk climate tech solutions to stay competitive on the global stage.

Top 5 Climate Hardware Companies in the UK (by valuation)

Octopus Energy	Smart Metering Systems	OVO Energy	Zenobe Energy	Infinis Energy
$9b	$2.3b	$1.3b	$1.1b	$1b

Noamaan Siddiqi,
Bristol Superlight

Bristol

Building the new generation of commercial transport.

FUNDING STAGE
Series A

TOTAL FUNDING
undisclosed

EMPLOYEES
34

HQ
Bristol, UK

"There's a reticence amongst UK investors about investing in hardware. People don't like capital intensity. The American VC landscape is much more tolerant of risk."

Joyeeta Das,
Samudra Oceans

SAMUDRA
Mega scale seaweed carbon capture

AI powered marine robotics, satellite data and IoT to make a transparent blue economy.

FUNDING STAGE
Seed

TOTAL FUNDING
$1.1m

EMPLOYEES
11

HQ
London, UK

"Unit economics is really important for us as a hardware business. The more we scale, the cheaper our product is to make, and so our margins increase, unlike with software."

Russ Tucker,
Twig.bio

tw:g

Transforming chemical and ingredient manufacturing using biology.

FUNDING STAGE
Seed

TOTAL FUNDING
$4m

EMPLOYEES
18

HQ
London, UK

"Twig is a company that must physically manufacture – and with that comes significant inherent challenges. The catch-22 is often that fundraising requires proof of manufacturability and proof of manufacturability requires fundraising. This is where targeted government intervention can go a long way – helping to catalyse future investment by providing access to the facilities and expertise to demonstrate scale-up. The next industrial revolution, and opportunity for significant economic growth, will come from those doing the actual building, and this needs to be recognised by government."

4. Policy & Regulation: Unlocking the Next Stage

The conversation around climate is being rewritten. What once centred on emissions targets and long-term aspirations is now shaped by geopolitics, investment flows, and public fatigue. Climate action is no longer just about achieving net zero – it's about safeguarding national interests, strengthening economies, and redefining industrial competitiveness.

The UK's progress is not solely down to government ambition, but policymakers can help – through regulation, incentives, and capital pathways – so that the UK's most capable innovators can experiment, commercialise, and scale with confidence.

Tech Nation sees climate policy as an ecosystem challenge. Transformative solutions emerge when founders, funders, technologists, and industry leaders work together. These are the people who understand the constraints, spot the opportunities, and can turn vision into impact.

"If government wants green growth, it must build with, not for, those scaling the future."

— Sammy Fry, Tech Nation

To lead the next wave of climate innovation in the UK, we must:

1. Rebuild Trust and Engage the Public

The UK needs to restore public and investor confidence through credible, transparent policy delivery and consistent communication of progress. Highlighting the opportunity for innovation will champion a more positive vision of a green future.

2. Strengthen Public–Private Collaboration

Partnering with businesses and coalitions will help deliver on climate innovation strategies. We should be leveraging existing public initiatives – under the UK's Labour government, £7.3bn has been allocated in the Treasury's National Wealth Fund to drive job creation in clean energy and fund vital infrastructure and technologies. This approach will likely encourage increased private financing to further boost climate tech.

Harriet Lamb,
CEO, The Green Party

"What will win people is when we deliver more. People love it when they see we're doubling down on renewables, or saving food from going to waste – because they can feel the results. People need to feel proud of their community leading on renewable energy. We should make people feel good about the progress we've made".

Sanzhar Taizhan,
TaiSan

Powering a sustainable future with longer lasting and faster charging solutions.

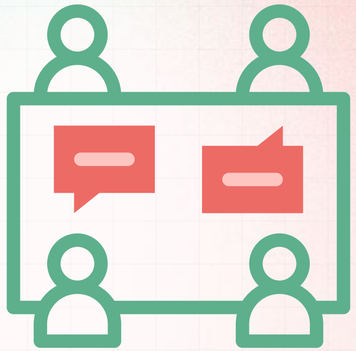
TOTAL FUNDING
$1.9m

STAGE
Seed

EMPLOYEES
10

HQ
London, UK

"Investors won't fund high capex projects, so we need to leverage good partnerships to scale up our product and compete against other markets."



3. Expand and Reform Climate Financing Mechanisms

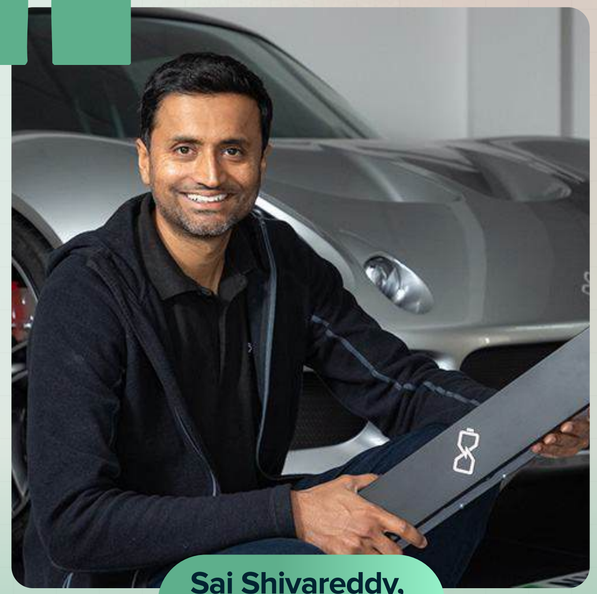
British Business Bank (BBB)'s largest ticket size is around £10m, whilst the UK Infrastructure Bank (UKIB) have an indicative minimum ticket size of around £25m, so there's a £15m funding gap for scale ups in between.

We need to address this gap in public financing by establishing a dedicated Climate Tech Fund or programme to support growth-stage climate companies. Creating a targeted guarantee scheme will also de-risk private sector lending in climate innovation, mitigating perceived ROI challenges tied to long development cycles and high capital intensity.

Government should also maximise existing public finance mandates – ensuring UKIB, BBB, and other financial institutions fully utilise their powers to back green innovation, with an emphasis on blended finance and catalytic investment.

4. Improve Institutional Coordination and Governance

Enhance collaboration between public finance institutions to simplify access for companies and avoid duplicative structures. We need to review and streamline institutional frameworks, ensuring UK public finance bodies operate cohesively under a unified strategic vision – enabling larger combined balance sheets, better resource alignment, and clearer routes for founders seeking support.



Sai Shivareddy,
Nyobolt

nyobolt

Energy storage and power management solutions for high-power industries.

TOTAL FUNDING
$122m

STAGE
Series C

EMPLOYEES
108

HQ
Cambridge, UK

"Government should actively include startups in procurement of new products and first of a kind solutions in critical growth areas."

5. Align Fiscal Policy with Net-Zero Goals

Introduce targeted fiscal incentives and penalties that reward companies advancing net-zero outcomes and penalise inaction. Through this, we can ensure the UK's tax and regulatory environment actively supports sustainable innovation – from R&D tax relief for green technologies to accelerated depreciation for low-carbon infrastructure.

Harriet Lamb,
CEO, The Green Party

"We should have higher windfall taxes on the fossil-fuel industry ... but also look at ways to incentivise people to push forward to the green economy."

Pippa Gawley,
Founder and Managing Partner at Zero Carbon Capital

"To become a climate leader again, the UK must champion radical regulatory efficiency. Speeding up permitting and planning for vital renewable energy and grid infrastructure is non-negotiable, and we could also pioneer economic reforms like location-based grid pricing and removing fossil fuel subsidies to level the playing field. Combined with our strengths, including scientific research and nascent industries like offshore wind, CCUS, and advanced nuclear - this could unlock investment, create green jobs across the nation, and make the UK the launchpad for globally scalable climate tech solutions."

We've also identified the regulatory barriers holding back UK climate progress across 11 sectors and propose tangible, targeted reforms. Here are our top insights and policy asks from each:

Read Our Full Policy Recommendations Here

Regenerative Agriculture:
Create outcome-based definitions, scalable MRV systems, and impact-linked subsidies to make regenerative farming commercially viable and scalable.

Nature Restoration and Finance:
Mobilise blended finance, stronger standards, and early-stage project support to unlock large-scale private investment in nature recovery.

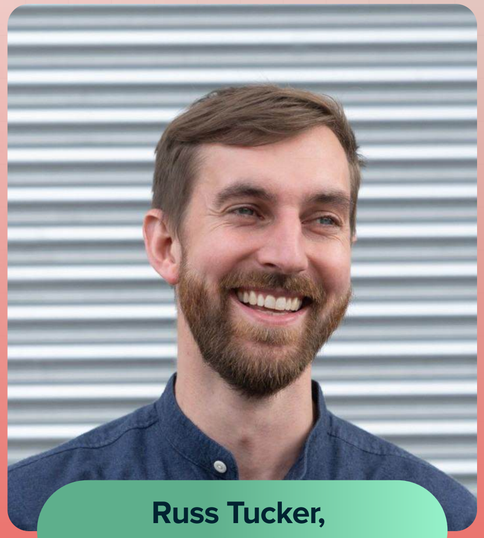
Energy Systems & the Grid:
Accelerate clean energy deployment through planning reform, CfD extensions, smarter price signals, and incentives for grid flexibility

Grid Flexibility & Consumer Energy Tech:
Enable households and SMEs to participate in flexible energy markets through fair access, supportive tax policy, and clearer standards.

Home Decarbonisation:
Make retrofit attractive and affordable via green finance, trusted delivery, simplified consumer journeys, and VAT reform.

Biotech & Future of Food:
Fast-track sustainable food innovation with adaptive regulation, shared biomanufacturing infrastructure, and consumer education.

> "A lot more could be done to help biomanufacturing innovators navigate funding rounds. The UK Government recently announced a package of support as part of their Industrial Strategy, but we will need to wait and see how this materialises."



Russ Tucker,
twig.bio

Circular Economy:

Shift from recycling to reuse through EPR reform, digital product passports, and taxation aligned with real environmental impact.

Built Environment:

Mandate whole-life carbon assessment and incentivise low-carbon materials through planning, fiscal, and financing reform.

Engineered Carbon Removals:

Bridge the credibility gap with market commitments, compliance integration, clear permanence rules, and storage infrastructure.

Regenerative Fashion & Textiles:

Level the playing field through textile EPR, digital traceability, and incentives for circular, onshore repair and reuse systems.

Mobility & Transport:

Support clean mobility scale-up with a public-private growth body, clear phase-out policies, and domestic EV supply chain investment.

Pierre Paslier,
Notpla

Notpla

Generating green energy from the food industry byproducts

TOTAL FUNDING
$51.9m

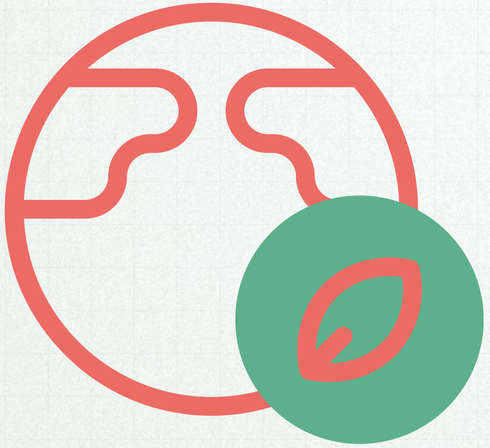
STAGE
Series A

EMPLOYEES
96

HQ
London, UK

"We need to bridge the gap between lab success and commercial deployment. Government could create programmes that de-risk early industrial partnerships and reward manufacturers who integrate UK-developed climate solutions into their supply chains"

5. AI & The Future of Climate Tech



We've seen that the global investment ecosystem is rewarding fast-scaling software driven technologies while underfunding the physical, infrastructure-heavy solutions that underpin climate resilience. Unless this imbalance is corrected, we risk accelerating technologies that advance society while neglecting those that sustain it.

Yet, AI also plays a huge role in accelerating the development and deployment of new innovative solutions by improving innovation, data analysis, faster prototyping, and assessing risks.

Nearly 10% of UK climate tech startups are AI-related, which is double the UK high-growth startup average (4.6%) and higher than financial services (6.9%).

The combined market valuation of AI-related UK climate techs is $8.2b, over 10% of the value of the whole climate tech sector ($75.3b), and this value has been growing steadily over the past 5 years.

AI Climate Tech Companies - Combined Market Valuation (2021 - 2025)

Data from Dealroom

Investors are taking notice of AI's potential to power breakthrough applications in both emissions reduction and climate adaptation – from optimising demand for EV charging stations to predicting the frequency and intensity of wildfires.

10% of greenhouse gas emissions can be reduced using AI, so it's crucial to keep scaling AI-backed climate innovation. However, it must be done not at the detriment to scaling critical climate and nature infrastructure.

Divya Seshamani,
Greensphere Capital

greensphere

Backing companies and projects that help to mitigate the risks facing our generation

LATEST FUND SIZE
£66m (Apr 2024)

PORTFOLIO
Source Certain, Western Bio-Energy

STAGE
Growth Equity

HQ
London, United Kingdom

"The best examples of AI in climate are those combining science-led evidence with education and training – technology enabling people, not replacing them."

Christian Hernandez,
Partner and Co-Founder, 2150

2150

Provides constructive capital to technology entrepreneurs making our urban environment more efficient and sustainable.

LATEST FUND SIZE
€197m (Mar 2025)

STAGE
Series A

PORTFOLIO
OpenSolar, METYCLE, NatureMetrics, 1KOMMA5°, Bob W, CarbonCure Technologies

HQ
London, United Kingdom

"The tech world is abuzz with AI but the little mentioned fact is that the boom in AI and the infrastructure needed to run it will be a benefit to climate tech. Data centres require a lot of energy and using it more efficiently is key. Servers and chips need to be cooled, ideally efficiently. Hundreds of thousands of square meters of construction is already happening, deploying lower embodied-carbon solutions. It might well be that the side benefit of the billions poured into AI may well be the adoption and scaling of technologies that help make our world better."

Building in 2026: Advice from Climate Leaders

"When investing in climate startups, we look for companies that have a really clear impact thesis, a clear pathway where they can directly influence emissions reductions or removals or nature outcomes, biodiversity, water, all that stuff."

Siddarth Shrikanth,
Just Climate

"My advice to everyone building any kind of product, but particularly in the hardware space, iterate quickly, take your learnings in and deliver products that at the end of the day will meet their reliability targets and their cost targets. It's not possible these days to sell anything with a green premium."

Noamaan Siddiqi,
Bristol Superlight

“Surround yourself with the best people you can find – both team members and advisors. Find the right investors, if you’re building something physical, then it will always take longer than you think – and you can’t throw more software developers at it to move faster or fix a problem. So make sure you find an investor that understands this and is comfortable with the technical risk and iteration timeline. Also, think beyond climate; what value are you adding to your customer beyond a better carbon footprint?”

Russ Tucker, Twig.bio

“Don’t build something that relies on regulatory forcing. Politics shifts – we’ve seen it with gas-boiler bans and sustainable aviation fuels being delayed. It can kill an investment thesis overnight.”

Helen Lin, One Ventures

The 25 Climate Tech Startups To Watch

Climate tech has entered a new phase. The era of depending on a green-premium consumer has ended and with it, the assumption that sustainability must come at a financial cost. Today's most promising climate companies are not appealing to virtue, they are competing and winning on performance, reliability and cost.

This year's have been selected because they sit at the heart of that shift.

What unites these startups is not only technology, but traction. The strongest signal in climate innovation today is coming from corporate partnerships, where some of the world's largest companies are turning to early-stage innovators to solve their hardest decarbonisation problems.

We're seeing:

- Aerospace and defence companies using biomaterials and recycling technologies to overhaul supply chains.
- Global FMCG brands trialling bio-acoustic monitoring, compostable packaging and clean-heat systems.
- Multinational food groups deploying precision fermentation and insect protein.
- Automotive and energy giants piloting ultra-efficient batteries and grid flexibility systems.
- Institutional investors integrating nature-risk analytics, not as CSR, but as core financial infrastructure.
- Data centres and AI companies partnering with energy-efficient networking hardware to overcome the sector's surging power demands.

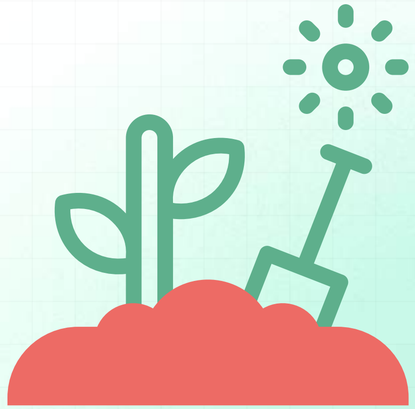
> "The appetite for companies requiring a green premium from customers has fallen off a cliff. For climate companies who are cheaper or higher quality than high-carbon competitors, demand has never been higher. Climate can no longer be a cost centre. The good news is it doesn't need to be."

Tommy Stadlen,
Giant Ventures

> Startups that do well get their first customers, show that they've done the research, and then tell us why your solution stands out. Bringing that credibility is really important.

Rebecca Rosling,
Head of Future Energy Systems, EDF Energy

The UK's climate tech landscape stands at a defining moment. Despite funding headwinds, the foundations are strong, and AI will be a major catalyst. But to turn potential into global leadership, we need policy that unlocks capital, accelerates deployment, and rewards innovation. With the right blend of technology, investment, and collaboration, the UK can lead the world in building a resilient, low-carbon economy – and the next generation of climate tech pioneers are already showing us how.



CIRCULAR INNOVATION & BIOMATERIALS

Shellwork's 'world's first' fully compostable pipette dropper.

Carbon Cell

Eco-friendly biochar-based foam alternatives.

WHY WATCH?

Carbon Cell's novel biochar material can replace plastic foams like expanded polystyrene, expanded polypropylene and PUR/PIR - a collective market worth over $109b.

FOUNDERS
- Elizabeth Lee
- Ori Blich
- Eden Harrison
- Juan Ignacio Rion

TOTAL FUNDING
$1.89m

STAGE
Startup

LAUNCH YEAR
2022

HQ CITY
London

EMPLOYEES
13

INVESTORS
Counteract, One Planet Capital, HERmesa, Green Angel Ventures, RCA Design & Innovation S/EIS Fund

carbon cell

Materials Nexus

AI software accelerating material discovery.

WHY WATCH?

It has recently partnered with Viridien to rapidly scale its computational capacity for the discovery and production of groundbreaking materials.

FOUNDERS
- Jonathan Bean
- Robert Forrest
- Jon Pillow
- Nic Stirk

TOTAL FUNDING
$3.79m

STAGE
Startup

LAUNCH YEAR
2020

HQ CITY
Cambridge

EMPLOYEES
33

INVESTORS
High-Tech Gründerfonds, Andrew Mackay, Katapult Group, Ada Ventures

materials nexus

Matoha

Modular AI-powered material identification to sort textiles and plastics rapidly.

WHY WATCH?

The problem of identification and separation of the component fibres is one of the biggest challenges within textile recycling - and Matoha has raised £1.5m to scale their material scanners.

FOUNDERS
Martin Holicky
Hans Chan

HQ CITY
London

EMPLOYEES
17

TOTAL FUNDING
$2.03m

STAGE
Startup

LAUNCH YEAR
2018

INVESTORS
Cloudberry Ventures, Archipelago ventures, british design fund, conduit connect

Matoha
What will you scan next?

PACT

Scaling beautiful biomaterials from collagen for fashion and textiles.

WHY WATCH?

New investment will fuel a 20-metre pilot production line at PACT's HQ, enabling scale-up of commercial roll-to-roll manufacturing and expansion into new sectors.

FOUNDERS
Yudí Ding
Niels Ramay

HQ CITY
Cambridge

EMPLOYEES
30

TOTAL FUNDING
>$30m

STAGE
Series A

LAUNCH YEAR
2020

INVESTORS
Forbion, HV Capital, ReGen Ventures, Hoxton Ventures, Polytechnique Ventures.

PACT

Shellworks

Makes microplastic free materials, grown by microbes.

WHY WATCH?

It has built the world's first fully compostable cosmetics pipette dropper.

FOUNDERS
Insiya Jafferjee
Amir Afshar

TOTAL FUNDING
$22.82m

STAGE
Series A

HQ CITY
London

LAUNCH YEAR
2019

EMPLOYEES
29

INVESTORS
LocalGLobe, Founder Collective, Alter Equity, NFDG

Uplift360

Regenerating the world’s most advanced materials.

WHY WATCH?

Uplift360 partnered with defence and space firm, Leonardo, and have successfully converted an end-of-life helicopter rotor blade into a prototype drone arm.

FOUNDERS
Sam Staincliffe
Jamie Meighan

TOTAL FUNDING
$1.74m

STAGE
Pre-Seed

HQ CITY
Bristol & Luxembourg

LAUNCH YEAR
2021

EMPLOYEES
18

INVESTORS
Sustainable Ventures, Promus Ventures, Twin Track Ventures

NATURE RESTORATION & FUTURE OF FOOD

Flybox are pioneering insect waste management to maximise the value of reject organics.

AgriSound

AI-powered remote monitoring to track pollinator activity.

WHY WATCH?

Agrisound has partnered with The Compleat Food Group and British Sugar to deploy its bioacoustic sensor to provide real-time biodiversity monitoring data to enhance pollination.

FOUNDERS
Casey Woodward

TOTAL FUNDING
$1.72m

HQ CITY
York

STAGE
Grant

EMPLOYEES
14

LAUNCH YEAR
2020

INVESTORS
Innovate UK, Crowdcube, EIT Food

Flybox

Converting organic waste from insects into protein and fertiliser.

WHY WATCH?

Flybox have received investment this year to scale up their novel modular insect waste management systems that transform organic by-products into sustainable proteins and fertilisers.

FOUNDERS
Andrea Jagodic
Larry Kotch
Thomas Stringer
Mike Walker

TOTAL FUNDING
$8.82m

STAGE
Early VC

LAUNCH YEAR
2021

HQ CITY
London

EMPLOYEES
27

INVESTORS
Innovate UK, European Innovation Council, Cultivator

NatureAlpha

Cloud-based analytics platform quantifying nature-related investment risk.

WHY WATCH?

With an estimated $44t of economic value threatened by biodiversity declines and ecosystem collapse, it's more important than ever that investing suppors nature-positive outcomes.

FOUNDERS
Dr. Vian Sharif

TOTAL FUNDING
$2.54m

HQ CITY
London

STAGE
Seed

EMPLOYEES
19

LAUNCH YEAR
2021

INVESTORS
undisclosed

NATURE ALPHA

Net Zero Nitrogen

Provides natural nitrogen-fixing bacteria to replace synthetic fertilisers.

WHY WATCH?

Just secured £5m to replace harmful fertilisers with biofertiliser built around endophytic bacteria.

FOUNDERS
Justin Hughes
Gary Devine
Alan Burbidge

TOTAL FUNDING
$8.25m

STAGE
Seed

HQ CITY
London

LAUNCH YEAR
2021

EMPLOYEES
15

INVESTORS
Zero Carbon Capital, World Fund, Revent Capital, Azolla Ventures

NETZERONITROGEN

Vuala

Bio-mechanical food waste recycling system that automatically separates food waste from other wastes.

WHY WATCH?

Announced its new partnership with Heathrow Airport to drastically reduce their food waste.

FOUNDERS
- Abiel Ma
- Dr. Anthony Ma

HQ CITY
- London

EMPLOYEES
- 6

TOTAL FUNDING
- $0.08m

STAGE
- Accelerator

LAUNCH YEAR
- 2021

INVESTORS
- University of Cambridge

VUALA
Food waste recycling made easy

Wild Bioscience

Develops high-yield, climate-resilient crops using AI precision breeding.

WHY WATCH?

Has recently raised £44.7m to revolutionise crop genetics to increase the productivity, resilience and sustainability of agricultural produce.

FOUNDERS
- Dr. Ross Hendron
- Professor Steve Kelly

HQ CITY
- Oxford

EMPLOYEES
- 32

TOTAL FUNDING
- $76.7m

STAGE
- Series A

LAUNCH YEAR
- 2021

INVESTORS
- Oxford Science Enterprises, Braavos Investment Advisers, Ellison Institute of Technology Oxford

wildbio

Win-Win

World's first sustainable, cocoa-free chocolate.

WHY WATCH?

Using a patented fermentation process, Win-Win has successfully created a cocoa free chocolate alternative, using over 80% fewer emissions and raised £3m to scale its products.

FOUNDERS
Ahrum Pak

TOTAL FUNDING
$10.5

HQ CITY
London

STAGE
Series A

EMPLOYEES
30

LAUNCH YEAR
2021

INVESTORS
Oetker Collection, FoodLabs, Mustard Seed Maze, Gota Ventures, Paulig, Kapital

NEXT-GEN ENERGY

Naked Energy's solar heat panels.

Allye

Smart battery storage to solve grid constraints.

WHY WATCH?

Secured $2.5m in recent funding to transform how energy is stored, deployed and reused.

FOUNDERS
Jonathan Carrier

TOTAL FUNDING
$3.6m

HQ CITY
London

STAGE
Seed

EMPLOYEES
13

LAUNCH YEAR
2023

INVESTORS
Elbow Beach Capital, Alpha Future Funds

Axle Energy

Connecting EVs and home energy devices to grid markets for flexibility and decarbonisation.

WHY WATCH?

It is the first to participate in the UK's wholesale market using energy measurements directly from an EV charger.

FOUNDERS
Karl Bach
Archy de Berker

TOTAL FUNDING
$10.6m

HQ CITY
London

STAGE
Seed

EMPLOYEES
25

LAUNCH YEAR
2023

INVESTORS
Picus Capital, Eka Ventures, Accel, Hanno Renner, Nico Rosberg

Bristol Superlight

Lightweight composite-based electric & hybrid commercial trucks.

WHY WATCH?

Have achieved numerous breakthroughs in commercialising their fleet of lightweight lorries.

FOUNDERS
Noamaan Siddiqi
Sheban Siddiqi

HQ CITY
Hampshire

EMPLOYEES
34

TOTAL FUNDING
undisclosed

STAGE
Series A

LAUNCH YEAR
2015

INVESTORS
undisclosed

Gryd

Subscription-based home solar and battery systems to reduce grid dependence.

WHY WATCH?

It has raised over £1m to be the UK's first business' solar subscription model to make energy savings more accessible.

FOUNDERS
Mohamed Gaafar
Scott Whiteside
Tom Jordan

HQ CITY
London

TOTAL FUNDING
$1.58m

STAGE
Seed

LAUNCH YEAR
2023

EMPLOYEES
4

INVESTORS
Antler, SFC Capital, Black Seed Ventures

HotGreen Solutions

Electrifying process heat with isothermal compressor-based heat pumps.

WHY WATCH?

It just secured £1.2m to scale its ultra-efficient high temperature heat pumps with Coca Cola Europacific Partners set to trial it at one of their sites.

FOUNDERS
Georgia Ware
Andrew Anderson

HQ CITY
Datchet

EMPLOYEES
3

TOTAL FUNDING
$1.6m

STAGE
Pre-Seed

LAUNCH YEAR
2024

INVESTORS
Coca-Cola European Partners

HotGreen

Metris Energy

Helping property owners harness solar energy for profit.

WHY WATCH?

It's the UK's first end-to-end solar platform for commercial real estate, recently securing partnerships with SolarEdge, Huawei and Stripe.

FOUNDERS
Natasha Jones

HQ CITY
London

EMPLOYEES
13

TOTAL FUNDING
$2.64m

STAGE
Seed

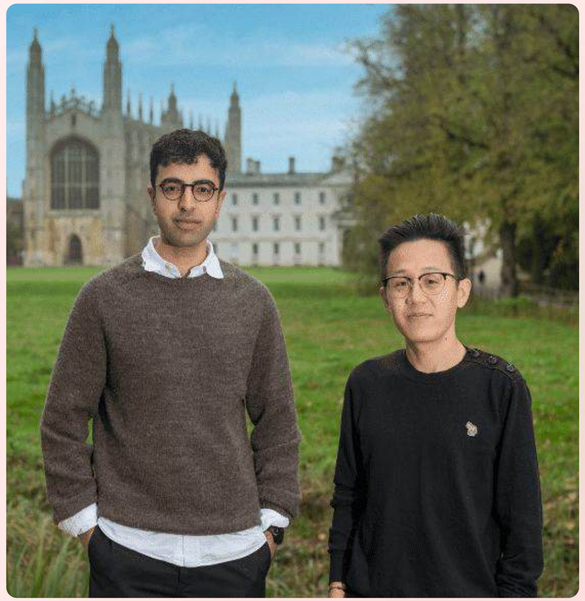
LAUNCH YEAR
2023

INVESTORS
Octopus Ventures, AENU

METRIS

Molyon

Develops next-gen lithium-sulfur batteries for improved energy storage.



WHY WATCH?

After raising £3.8m, Molyon have achieved a groundbreaking milestone in battery technology innovation and are on track to bring this new battery chemistry to the market.

FOUNDERS

- Dr Ismail Sami
- Dr Zhuangnan Li
- Professor Manish Chhowalla
- Dr Sai Shivareddy

HQ CITY

Cambridge

TOTAL FUNDING

$4.6m

STAGE

Seed

LAUNCH YEAR

2024

EMPLOYEES

13

INVESTORS

IQ Capital, Cambridge Enterprise, Parkwalk Advisors, Plural

Molyon
Next generation batteries

Naked Energy

Hybrid solar thermal and PV collectors for clean heat and power.

WHY WATCH?

It has created the highest energy density solar collectors in the world and revolutionised solar heat. In recent years their solar heat collectors have been installed at the British Library and Mandarin Oriental Hyde Park, London

FOUNDERS

Christophe Williams

TOTAL FUNDING

$38.3m

HQ CITY

Crawley

STAGE

Series B

EMPLOYEES

27

LAUNCH YEAR

2009

INVESTORS

Earthworm, Big Sky Partners, E.ON, Barclays Climate Ventures

Naked Energy.

Oriole Networks

Develops energy-efficient high-speed networking hardware to sustainably boost AI and data centre performance.

WHY WATCH?

It raised $13m to scale its light based technology, supporting large language models to be trained up to 100x faster and with a 40x improvement in power efficiency.

FOUNDERS
- James Regan
- George Zervas
- Alessandro Ottino
- Joshua Benjamin

TOTAL FUNDING
$35.2m

STAGE
Series A

LAUNCH YEAR
2023

HQ CITY
London

EMPLOYEES
53

INVESTORS
UCL Technology Fund, Clean Growth Fund, XTX Ventures, Dorilton Capital, Plural, AlbionVC

Porpoise Power

Low-impact, modular tidal systems generating reliable renewable power.

WHY WATCH?

It raised £1.2m to develop its tidal stream technology, using biomimicry by replicating the movement of a whale's tail and generating energy at the same cost of offshore wind.

FOUNDERS
- John Kennedy
- Adrian Thomas

TOTAL FUNDING
$1.58m

STAGE
Seed

HQ CITY
Oxford

LAUNCH YEAR
2024

EMPLOYEES
5

INVESTORS
Zero Carbon Capital, Creator Fund, Oxford Science Enterprises

sees.ai

Autonomous drone inspections for predictive maintenance for infrastructure.

WHY WATCH?

It just raised £3.65m to accelerate world-first centralised autonomous drone operations for critical national infrastructure

FOUNDERS
- John McKenna
- Richard Hopkirk
- Eduardo Aldaz-Carroll
- Damien Charveriat

HQ CITY
Chichester

TOTAL FUNDING
$8.9m

STAGE
Early VC

LAUNCH YEAR
2018

EMPLOYEES
30

INVESTORS
Techstars, The Boeing Company, Tawazun Economic Council, Sustainable Future Ventures, Hearst Ventures, Elbow Beach Capital, WakeUp Capital

sees.ai

Sunswap

Develops solar and battery-powered refrigeration units for emission-free road transport.

WHY WATCH?

It is revolutionising zero emission refrigeration transport, with partnerships with Tesco, Happy Eggs, Birdseye and others.

FOUNDERS
- Michael Lowe
- Nikolai Tauber
- Andrew Sucis

HQ CITY
Surrey

EMPLOYEES
90

TOTAL FUNDING
$42m

STAGE
Series B

LAUNCH YEAR
2020

INVESTORS
BGF, Shell Ventures, Move Energy, Clean Growth Fund, Barclays Climate Ventures

SUNSWAP

METHODOLOGY

To tell the growth story of the UK's climate tech sector, we used startup and investment data provided by Dealroom, covering investment trends, valuations, exits, and growth sectors. Currency data is in USD.

Climate Tech Definition

In this report, we use Dealroom's climate tech definition which refers to an array of technology solutions designed to address climate change and its environmental effects. This includes reducing GHG emissions or adapting systems to environmental changes. Within the broad spectrum of climate tech, there are different types of technology, such as hardware, software, API, IoT, and biotech.

Investment

VC investment figures (money raised by climate tech startups) include all venture-type investments, from VCs as well as corporate venture investments and venture investments by family offices, angel networks, crowdfunding, sovereign wealth funds, crossover funds etc. 2025 figures were recorded YTD (Nov. 2025) unless stated otherwise.

Climate Techs to Watch

We selected the most exciting UK climate tech companies to showcase the next generation of trailblazing climate innovators.

We used Dealroom to list the climate tech businesses which corresponded to the following criteria:

- Is a climate tech company (as per Dealroom definition given above)
- Is Seed-Series A
- HQ in the UK

Have one or more of the following:

- Secured a significant corporate partnership this year
- Raised within the last year
- Founded in or after 2023

Our in-house climate programme team then reviewed and verified the list, assessing growth metrics and publicly available successes, resulting in 25 qualifying companies.

TECH NATION CLIMATE

Bridging the Gap between
Climate Innovation and Industry

ALONGSIDE

Climate Leaders Forum

FROM

TECH NATION

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NATURE METRICS | EDF

SUPPORTING UK STARTUPS

EDF supports UK climate tech startups like NatureMetrics through collaboration, partnership and investment.

Find out more

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TECH NATION

Tech Nation is the leading growth platform and industry body for startups and their teams across the UK.

Supercharged by Founders Forum Group, Tech Nation amplifies the UK founder voice and empowers them to scale via practical knowledge, powerful connections and peer to peer communities.

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TECH NATION RISING STARS

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