# Cleantech *for* Nordics

## Q3-4 2025: QUARTERLY BRIEFING

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# INTRODUCTION

As we begin 2026, we're sharing an extended update that brings together policy developments from both Q3 and Q4 of 2025, as we catch up after a busy second half of the year. As a result, this edition is heavier on policy news than usual.

Alongside these updates, we also look back at our roundtable on scale-up financing, hosted at Sweden Sustaintech Venture Day in December. Bringing together investors, policymakers, corporates and founders, the discussion focused on the Series B funding gap and the challenges of scaling capital-intensive climate technologies in the Nordics. One clear takeaway was that innovation is not the bottleneck — access to growth-stage capital is. This is a theme we expect will only become more important in the year ahead, and one we intend to keep working on.

Looking forward, preparations are already underway for Cleantech Capital Day in June. This year, the focus will be on how innovation, investment, industry and infrastructure technologies intersect — and on what it takes to move from strong ideas to large-scale deployment. As cleantech increasingly overlaps with industrial strategy and critical infrastructure, these conversations feel more relevant than ever.

This brief also reflects some of the broader discussions we've been part of recently, including our decision to sign an open letter on "Made in Europe" requirements. Across policy, capital and industry, attention is increasingly shifting from innovation alone to the practical challenge of scaling, deploying and delivering clean technologies at speed.

As always, we welcome questions or feedback — and hope you find the brief useful. Please don't hesitate to reach out to us at: eva@cleantechscandinavia.com.

# ROUNDTABLE ON FINANCING THE SERIES B FUNDING GAP

In December, we hosted a roundtable at Sweden Sustaintech Venture Day focused on one of the key challenges for scaling cleantech: access to growth-stage capital. TheThe discussion brought together investors, policymakers, corporates and founders, with contributions from World Fund and the Green Finance Institute. discussion brought together investors, policymakers, corporates and founders, with contributions from World Fund and the Green Finance Institute.

At the roundtable, World Fund shared insights from its new report on the Series B funding gap in European climate tech, while the Green Finance Institute presented its work on how to close the scale finance gap in the Nordics. Both reports have now been published — and they confirm many of the challenges raised in the room.

The findings from World Fund's report show that while Europe already trails the US in growth-stage funding, the Nordics perform even worse than much of the rest of Europe when it comes to companies moving from seed to Series B. This is a notable weakness for a region known for strong innovation.

**Key insights from the discussion and reports include:**

- The Nordics have strong innovation pipelines, but insufficient access to scalable capital.
- A "missing middle" persists, with too few domestic funds able to lead €25–100m rounds.
- Institutional investors, including pension funds and insurers, remain largely absent from venture capital.
- Blended finance and risk-sharing models are critical to crowding in long-term capital.

The conclusion is hard to ignore: the challenge is not innovation, but scale finance. If Nordic climate tech is to compete globally — and if Europe wants to retain ownership of its innovation — growth-stage capital must become a strategic priority.

# INNOVATION, INDUSTRY AND INFRA-TECH AT CLEANTECH CAPITAL DAY IN GOTHENBURG

Today, we are seeing more cleantech innovation than ever before, alongside a growing number of companies successfully competing on a global stage. Cleantech is no longer a niche—it is increasingly the backbone of modern industry. What we call “cleantech” today is, in many cases, simply the next generation of industry: more efficient, more competitive, and better aligned with long-term market realities.

This year, Cleantech Capital Day will take place in Gothenburg, and we need not look far for examples. Industrial leaders such as SKF have recently launched a new generation of ball bearing technology that is lighter and capable of higher speeds and temperatures—enabling aircraft engines that are significantly more efficient and can reduce emissions by up to 25 percent. Or take Volvo, which has just launched its latest electric vehicle, with production in Gothenburg. Together, these examples illustrate how cleantech has become central to industrial strategy.

Much has changed over the past 20 years—and so has the journey from innovation to scale. Industry today plays a central role not only as a source of innovation, but as a critical partner in bringing solutions to market. Across the Nordics and Baltics, industrial competitiveness and cleantech innovation is increasingly developing hand in hand.

At the same time, many cleantech companies are taking on infrastructure-like characteristics, operating in capital-intensive markets with long time horizons. This has broadened the investor and partner landscape, bringing new forms of capital, expertise, and collaboration—and requiring closer relationships between startups, industry, cities, and infrastructure investors.

Cleantech Capital Day 2026 reflects this reality. The conference brings together perspectives from **innovation**, **investment**, **industry**, and **infra-tech** to explore how clean technologies are reshaping industrial value creation. We look forward to welcoming you to Gothenburg!

**Get tickets here!**

# OPEN LETTER: 100+ CLEANTECH LEADERS CALL FOR CLEANTECH MADE IN EUROPE

100+ cleantech companies, investors, and ecosystem leaders have come together to call for stronger support for cleantech made in Europe. Today, Cleantech for Europe, with its regional initiatives, is publishing an open letter addressed to President Ursula von der Leyen and Executive Vice-President Stéphane Séjourné. The open letter urges the EU to use the Industrial Accellerator Act to create credible, predictable demand for European cleantech. Europe's challenge is no longer ambition or innovation, but scaling.

The 100+ signatories – spanning start-ups, scale-ups, investors and industrial players – are united behind a simple principle: **when public money is used, it must create demand for cleantech made in Europe.**

The letter underlines "Made in Europe" requirements as enabler to:

- Support scale-up and industrialization in a targeted and proportionate manner
- Mobilize private capital in a fiscally constrained environment
- Safeguard Europe's competitiveness, resilience, and security
- Strengthen the Single Market through consistent and coordinated application

With the Industrial Accelerator Act, the EU faces a choice: continue to rely on fragmented subsidies and reactive trade tools – or create predictable demand that allows European cleantech to scale, manufacture and lead globally.

The European cleantech community stands ready to deliver – by investing, building factories and creating high-quality jobs across the continent. What is needed now is the right market signal.

Cleantech for Nordics has joined Cleantech for Europe in signing this letter. Read the full open letter **here.**

# POLICY NEWS

- **Norway raised biofuel blending mandates for transport fuels**. On 2 July 2025, Norway announced that the biofuel mandate in road transport would increase to 20% in 2026 and 21% in 2027 (up from 19% in 2025). The biofuel mandates for shipping, aviation and other purposes (non-road applications) will also be raised for 2026 and 2027.

- **Norway awards project areas for floating offshore wind in Utsira Nord**. Norway's Ministry of Energy will award two project areas for floating offshore wind in Utsira Nord, with each of the two qualified applicants receiving one area. The projects will advance floating offshore wind technology and increase renewable power generation in South-West Norway. Project developers may now proceed with impact assessments and licence applications, with state aid of up to NOK 35 billion available.

- **Norway extends scheme to reduce grid rents in high-price areas**. Norway will extend the scheme allowing Statnett's congestion revenues to be used to reduce grid rents for customers in areas with high electricity prices through 2026. The measure aims to prevent sudden increases in network tariffs during periods of high power prices and improve predictability for households and businesses.

- **Norway allocates NOK 11.5 billion to electricity price support schemes**. Norway has proposed allocating around NOK 11.5 billion to electricity subsidy schemes and the Norwegian fixed-price scheme for electricity and district heating. From October 2025 through the end of 2026, households can opt for a fixed electricity price of 40 øre/kWh (excl. VAT), while those who do not opt in will remain covered by the electricity subsidy scheme. The measures aim to provide greater price predictability for households amid volatile power prices.

- **Norway allocates NOK 784 million to green transition innovation projects**. Norway has awarded up to NOK 784 million in funding to 12 large research and innovation projects through the Green Platform scheme. The projects span areas including batteries, maritime decarbonisation, hydrogen, circular materials, mobility and offshore wind, and aim to accelerate the green transition, develop new value chains and strengthen the competitiveness of Norwegian industry.

- **Nordic countries advance cooperation on emission-free shipping.** The Nordic countries are strengthening cooperation to develop emission-free shipping routes, with DNV leading the next phase of the collaboration. Supported by the Nordic Council of Ministers, the project will identify the most promising green shipping routes in the region and develop two to three of these for implementation.

# POLICY NEWS

- **Norway's greenhouse gas emissions continue to decline.** Norway's total greenhouse gas emissions fell by 4.1% in 2024 compared with the previous year, according to final figures from Statistics Norway. The decline was driven mainly by increased electrification in oil and gas production, higher uptake of electric vehicles and lower emissions from industry, aviation and shipping. Emissions are now nearly 13% lower than in 1990.

- **Norwegian industrial companies plan to invest around NOK 30 billion in climate and energy measures** under the $CO_2$ compensation scheme, which offsets higher electricity costs linked to the EU emissions trading system. The scheme provides predictability for industry up to 2030 and requires at least 40% of compensation payments to be used for measures that cut emissions or reduce energy use, including energy efficiency, electrification, fuel switching and carbon capture. Most companies are investing more than the required amount into climate and energy efficiency measures.

- **Since August, companies can apply for public support to build nuclear power plants in Sweden.** The government is also proposing increased funds and support for strengthening permitting processes, allowing for nuclear power plants in more coastal areas

- **In the 2026 budget, the Swedish government proposes to expand Kraftlyftet**, increasing support for electricity system investments by SEK 250 million in 2026, followed by larger increases in 2027–2028. The scheme aims to accelerate grid and flexibility investments needed for the green transition, strengthen security of supply, and support industrial competitiveness.

- **SSAB has begun construction of a new fossil-free steel plant in Luleå**, replacing the current coal-based blast furnace operations with electric arc furnaces. The plant will have a capacity of 2.5 million tonnes per year and is planned to start operations in late 2029. The investment is expected to reduce $CO_2$ emissions from SSAB Luleå by around 90%.

- **In 2026, Sweden is launching a new public–private partnership to accelerate the industrial transition and strengthen competitiveness**. Backed by government funding and co-financed by industry, the initiative will create a collaborative platform where large companies, SMEs, startups and research actors work together to develop, test and scale green and net-zero technologies. The partnership aims to reduce industrial emissions, support innovation from idea to industrialisation, and attract international companies, talent and investment to Sweden.

# POLICY NEWS

- **Denmark opened new offshore wind tenders.** The Danish Energy Agency has announced tenders for three offshore wind areas for at least 2.8 GW, using a two-sided CfD support scheme with a payment cap of DKK 55.2bn (including VAT). The tender also includes criteria on sustainability and social responsibility. These tenders are a follow-up and adjustment from 2024 tenders where no bids were received.

- **The Danish Ministry for Climate, Energy and Utilities, officially set the climate target for 2035 at 82% reduction in CO2 emissions**, making it one of the highest reduction goals in the world. This decision follows extensive negotiations and comes with a commitment to fund the transition with EUR 500 million annually starting in 2034.

- **Denmark launches analysis of new nuclear technologies.** The Danish government has initiated an analysis of the potential and risks of new nuclear technologies, including small modular reactors (SMRs), following a parliamentary decision in spring 2025. The analysis will examine SMRs' possible role in the Danish energy system, regulatory and institutional requirements if the nuclear ban were lifted, as well as safety, waste management, costs, and skills needs. The analysis is expected to be completed in Q2 2026.

- **Denmark supports electrification of domestic shipping.** Denmark has allocated funding under the Investment Support Scheme 2025 to support the electrification of domestic ferry routes. Molslinjen will receive DKK 180 million to invest in three electric ferries on the Kattegat route, expected to enter operation after 2027. The Investment Support Scheme allocates around DKK 1 billion over 2025–2029 to support the green transition of $CO_2$-intensive companies.

- **Nearly all companies have pulled out of Denmark's DKK 28.7 billion CCS support tender,** citing high risk and unfavorable tender conditions. Six of the companies report having spent more than DKK 500 million in total preparing projects that are now on hold. While projects are described as mature and potentially viable in the long term, industry actors are calling for revised frameworks to make CCS investments commercially feasible.

- **Denmark and Germany have signed a landmark agreement to jointly finance the Bornholm Energy Island,** confirming the financial framework for the world's first energy island. The project will connect up to 3 GW of offshore wind capacity to both countries, support cross-border power sharing, and strengthen Europe's energy security and integration of renewable energy.

# POLICY NEWS

- **A broad political agreement has been reached on 21 initiatives to accelerate the expansion of onshore wind and solar in Denmark**, while increasing consideration for local communities. The measures include higher compensation for neighbors, easier installation of solar panels on municipal and regional buildings, options to offer cheaper electricity to neighbors of renewable energy plants, faster permitting through capped complaint processing times, and expanded opportunities for installing renewables on municipal and regional buildings.

- **European countries sign offshore wind Investment Pact at North Sea Summit.** Nine North Sea countries—including Denmark and Norway, together with industry and transmission system operators, have signed a Joint Offshore Wind Investment Pact to coordinate the build-out of offshore wind capacity in the North Seas. The agreement targets the deployment of around 15 GW per year from 2031–2040, putting Europe on track to reach 300 GW of offshore wind by 2050, while reducing investment risk, accelerating permitting and strengthening cross-border energy security.

- **Finland opens competitive bidding for biogenic carbon capture projects.** Finland has launched a call for applications for EUR 90 million in investment aid to support industrial-scale biogenic carbon capture projects. The aid will be awarded through a competitive bidding process, with applications open until 31 March 2026. Support targets projects capturing at least 15,000 tonnes of biogenic $CO_2$ per year, with capture expected to begin by 2030 and continue until at least 2035.

- **Finland amends Electricity Market Act to strengthen grid development.** Finland has approved amendments to the Electricity Market Act to support the integration of increasing electricity generation and consumption into the main grid and high-voltage distribution networks. The changes clarify roles between the transmission system operator and distribution network operators, enable the development of 400 kV and 220 kV grids at local and regional level, support offshore wind integration, and allow more flexible grid connection arrangements.

# POLICY NEWS

- **Finland launches new Energy Efficiency Agreements for 2026–2035.** Finland has signed new voluntary Energy Efficiency Agreements covering the period 2026–2035, with 169 businesses, property owners and public-sector organisations joining at launch. The agreements aim to cover 60% of Finland's total energy use and are the main instrument for implementing EU energy efficiency requirements under the Fit for 55 package and the Energy Efficiency Directive.

- **Finland begins preparation of a new maritime industry strategy.** Finland has appointed a working group to prepare a new national strategy for the maritime industry, to be submitted in June 2026. The strategy will assess the sector's operating environment through 2035, define targets and measures, and examine the role of the state and domestic ownership amid changing geopolitical and market conditions.

- **Finland streamlines permitting for green transition investments.** Finland has approved legislative reforms to streamline permitting procedures and launch a one-stop service at the Finnish Supervisory Agency from 1 January 2026. The reforms introduce coordinated processing of environmental permits, binding time limits, and prioritisation of green transition projects, including renewables, net-zero technologies and critical raw materials. The changes aim to improve predictability, accelerate investments, and strengthen Finland's security of supply.

- **Geothermal energy highlighted as key to Europe's energy transition.** At the Our Climate Future event in Brussels, Iceland's Minister for the Environment, Energy and Climate and EU Energy Commissioner Dan Jørgensen highlighted geothermal energy as a stable, local resource with strong potential to support Europe's decarbonisation, competitiveness and energy security. The speakers called for clearer policies, stronger regulatory frameworks and increased cooperation on research, financing and market development.

- **Iceland opens ISK 400 million grant scheme for industrial emissions reduction.** Iceland has opened a new grant call under the Climate and Energy Fund to support technological solutions that reduce greenhouse gas emissions from heavy industry covered by the EU ETS. Up to ISK 400 million is available, with grants of up to ISK 200 million per project, prioritising scalable solutions with significant emissions reduction potential.

# POLICY NEWS

- **Iceland launches work on a national geothermal roadmap.** Iceland has begun preparing its first national geothermal roadmap, setting long-term goals for geothermal exploration, research, innovation and sustainability through 2050. The roadmap will cover the full geothermal spectrum, from low- to high-temperature resources, and aim to strengthen international cooperation. The initiative is accompanied by political support to accelerate next-generation geothermal projects, including deep drilling and superheated geothermal systems.

- **Iceland allocates ISK 600 million to geothermal innovation and technology development.** Iceland has allocated ISK 600 million in grants to support innovation and technological development in geothermal energy, as part of the Geothermal Levels the Game initiative. The funding targets new geothermal technologies, multi-use applications and more efficient heating solutions, complementing earlier support for geothermal exploration and aiming to strengthen value creation and competitiveness in the sector.

- **Iceland has awarded ISK 1.308 billion from the Climate and Energy Fund** to 109 projects supporting emissions reductions, energy efficiency, electrification, circular economy initiatives and clean technology deployment.

- **Iceland abolishes excise duty on new electric cars.** Iceland has proposed abolishing excise duties on new electric vehicles and other vehicles powered by clean domestic energy sources such as hydrogen and methane, as part of the 2026 budget. At the same time, excise duties will likely increase for vehicles running partly or fully on fossil fuels. The changes aim to create permanent incentives for clean energy vehicles, simplify the tax framework, and support Iceland's climate and energy transition goals.

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