

Iberdrola's start-up programme celebrates 15 years with an investment of €175 million

- The utility's programme has nine portfolio companies.
- It is the compass that allows Iberdrola to know where the sector is heading.

23/08/2022

Iberdrola celebrates 15 years of innovation in the energy sector through its PERSEO start-up programme. This has helped the electricity company to implement innovative solutions to promote renewable energies, decarbonisation and electrification of the economy, digitisation of grids, promotion of efficient storage and care for the environment. The initiative, with nine companies currently in its portfolio, has created a global ecosystem of start-ups over the years with an investment of €175 million.

PERSEO was founded with the aim of identifying key trends for Iberdrola's future, providing access to disruptive technologies and business models, fostering an innovative culture and supporting industrial sectors with high growth potential. Its promoter was José Sainz Armada, Director of Finance, Control and Corporate Development (CFO) of the Iberdrola group. Its objective was to provide a common umbrella for innovative contributions to the electricity company.

Of the 175 million, the platform allocates €135 million to invest in start-ups and another €40 million to create and develop businesses with a high industrial component that support the electrification, decarbonisation and sustainability of the energy sector.

One of the main objectives of the programme, led by Diego Díaz Pilas, is to meet the demands of customers so that they can count on products that are different from the usual ones. PERSEO analyses more than 900 companies every year that propose new ways of doing things in the energy sector. Thanks to its open and collaborative model, and the promotion of challenges aimed at developing companies to innovate in the energy sector - more than 10 per year - PERSEO has executed more than 25 pilot projects each year.

The programme's ecosystem includes more than 7,500 start-ups, including unicorns - companies valued at more than \$1 billion - such as electric vehicle charging solutions manufacturer Wallbox and Stem, which offers smart battery storage solutions.

Pilot projects give start-ups access to large volumes of data and real energy assets by testing their technologies in a real environment, while at the same time offering investment to start-ups with the highest growth potential. These two formulas provide insight into the market and access to key technologies at first hand.

PERSEO's first investment was closed in 2009, in 2013 it began to develop a Silicon Valley company, in 2016 it created the Challenge and Pilot Programme, and in 2020 it launched Perseo *Venture Builder* to build businesses from scratch to support the electrification and sustainability of the energy sector. It focuses on areas such as recycling and the circular economy and sectors that are difficult to decarbonise, such as industrial heat production and heavy transport.

PERSEO is one of Iberdrola's driving forces in innovation, and is complemented by other initiatives that led the company to invest €337.5 million last year alone. In total, the group has

allocated more than €2 billion to innovation, research and development in the last 10 years and has become the private utility that invests the most in innovation in the world.

Agustín Delgado Martín, Innovation Director at Iberdrola, explains that PERSEO "is conceived as another tool to help us understand the future of the energy sector". "At Iberdrola we have always had R&D&I [research, development and innovation] projects, usually successful, but which were very focused on what we already knew how to do. With PERSEO, what we are trying to do is to understand the dynamics of these new companies that help to understand new business models, how new technologies are integrated into our sector," he adds.

The Andromeda milestone

The latest major milestone in PERSEO's history dates back to last May, when it joined Andromeda, the first large technology venture capital fund with concrete sustainability objectives in line with Article 9 of the EU Regulation, with clear and measurable environmental, sustainability and governance (ESG) criteria.

The fund, which aims to have a size of €300 million, was born, in addition to Iberdrola, with public participation through the ICO Next Tech Fund, with that of Nortia Capital and Seaya Ventures, which is in charge of its management.

Andromeda's project is part of the Government's Recovery, Transformation and Resilience Plan, which promotes public-private collaboration in innovative digital projects in high-impact technologies and the development of start-ups that generate quality employment.