

Iberdrola invests in Norwegian Kyoto group to accelerate industry decarbonisation

- *The European utility will control 12.8% of the capital of the thermal battery company after making an investment of €3 million*
- *The investment will increase Kyoto's presence in Spain, where it currently employs one third of its workforce.*

Iberdrola joins the Kyoto Group as a strategic investor and business partner in an alliance to accelerate the decarbonisation of heat in industrial processes with Heatcube, Kyoto's thermal energy storage solution. The energy company will invest €3 million through its start-up programme, PERSEO, which will allow it to control 12.8% of the capital and have a presence on Kyoto's board of directors.

With this step, Iberdrola advances in its strategy of providing industrial customers with solutions to decarbonise their heat demand, which represents more than 50% of industry's final energy needs. Thermal storage solutions are a key technology for supplying green heat at a competitive cost. Green industrial heat generated with this technology, together with green hydrogen, ammonia and other derivatives in which Iberdrola is a world leader, complements the portfolio of sustainable energy solutions that Iberdrola offers its industrial customers.

"The partnership with Kyoto and its Heatcube thermal storage solution is a further step for Iberdrola in its mission to decarbonise the economy through electrification. Storage is one of the major challenges in the energy transition, hence this collaboration with the Norwegian group will be key to our strategy," said Fernando Mateo, Global Head of Industrial Decarbonisation at Iberdrola.

"This is a turning point for the Kyoto Group. Beyond the capital increase, the fact that both Iberdrola and Spirax-Sarco are vesting their plans, market access and credibility behind the commercialisation of Heatcube, opens up huge market opportunities and provides us with world-class technological support. We are already working on a number of customer-specific commercial projects with Iberdrola and expect to see positive results shortly," says Camilla Nilsson, CEO of the Kyoto Group.

Alongside Iberdrola, the world leader in thermal energy management Spirax-Sarco will also invest in Kyoto.

In addition to the commercial and technical cooperation for the commercialisation and market adoption of Heatcube, the investment will increase Kyoto's presence in Spain, where a third of its workforce and a large part of its suppliers are currently located, thus contributing to strengthening industry while generating a local value chain.

Headquartered in Bilbao (Spain), for over 20 years Iberdrola has been committed to clean energy with the goal of exceeding 52,000 MW of renewable capacity by 2025. Iberdrola recently presented its Climate Transition Plan to the United Nations, in response to the UN Secretary General's call, with the goal of achieving net zero emissions by 2040 following a realistic, ambitious and responsible path.

The role of PERSEO

Iberdrola has materialised the investment in Kyoto through its start-up programme, PERSEO, which has helped the utility to implement innovative solutions to boost renewable energies, decarbonisation and electrification of the economy, digitalisation of grids, promotion of efficient storage and care for the environment.

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

Heatcube

Kyoto Heatcube offers thermal energy storage and heat generation in a single product. It provides industrial customers with the technology to reduce both their process heat production costs and CO₂ emissions by using intermittent renewable energy sources instead of fossil fuels for heat production.

Heatcube can store from 16 MWh to 96 MWh, with a discharge effect for each Heatcube of up to 15 MW. It is an innovative, low-cost, modular thermal energy storage solution that can use multiple renewable energy sources to heat molten salt to over 415 degrees. The high-temperature salt is then used to produce steam for industrial production processes.

About Kyoto Group

Heat accounts for two-thirds of industrial energy consumption and, traditionally, almost all of it is based on fossil fuels. Kyoto Group's Heatcube, a thermal energy storage solution, provides a sustainable and cost-effective alternative by capturing and storing abundant but variable energy from sources such as solar and wind. Founded in 2016, Kyoto Group is headquartered in Oslo, Norway, with subsidiaries in Spain and Denmark. Kyoto is listed on Euronext Growth.

About Spirax-Sarco

Spirax-Sarco Engineering is a world-leading thermal energy management and fluid technology solutions group that aims to deliver sustainable value to all stakeholders through engineering for a more efficient, safe and sustainable world. Headquartered in Cheltenham, UK, the group comprises three world-leading businesses: Steam Specialties, for steam control and management; Electric Thermal Solutions, for advanced electrical process heating and temperature management solutions; and Watson-Marlow, for peristaltic pumping and associated fluid handling technologies. In 2022, the group launched its TargetZero solutions for the decarbonisation of critical industrial processes.