

M&G electrifies UK tech grid measurement company Reactive Technologies by leading a new £25 million round to power international growth

- *Existing investor Business Growth Fund also participated in the funding round*

London, 21 May 2024 – M&G Investments announces it has led a £25 million investment round into Reactive Technologies (“Reactive”), the UK and Finnish based deeptech company that is a leader in grid stability measurement. The company’s patented GridMetrix® technology accurately measures critical grid stability characteristics such as inertia, system strength, and oscillations, reducing unnecessary carbon emissions.

Reactive’s technology reduces reliance on fossil fuels because it accurately measures the stability of the grid, providing greater confidence in the use of renewable energy. Up until this point, grid operators have used models and estimates to evaluate the stability of the grid, meaning that energy companies activate fossil fuel generated supply to ensure stability of the system, even when renewable energy sources are providing electricity, thus generating unnecessary carbon emissions.

Reactive has deployed its technology with grid operators globally, namely in the UK with National Grid ESO, North America, Australia and Taiwan with a number of contracts in progress in the Middle East. Reactive launched its flagship grid stability measurement service with the UK’s National Grid ESO in 2021, and was recently recognised as a Clean Power Energy Transition Changemaker at COP28 for their partnership on the deployment of the world’s first inertia measurement technology. The award recognised the impact that accurately measuring grid inertia levels in real-time has. Through its work with the National Grid ESO, it has enabled an estimated saving of 18 million tonnes of CO2 annually for the UK power system, equating to a saving of around £14.4 million over a 12-month period which brings down costs for the industry and, in turn, customers.

The capital will be used to grow the company’s operations internationally, further developing its technologies, adding to its highly-skilled commercial and technical workforce and servicing more markets by working with grid operators across the world to implement its measurement technology to accelerate the transition to a renewable energy future.

Last month, National Grid ESO reported for the first time that Great Britain’s national grid ran virtually entirely free of fossil fuels for an hour – a target that was deemed unachievable five years ago. With technology such as this, there is the potential for even larger savings as greater measurement data allows for the safe operation at lower stability levels which will play an important role as the grid transitions to Net Zero.

M&G’s investment is from Catalyst, a £5 billion purpose-led private assets strategy that invests on behalf of the £129 billion¹ Prudential With-Profits Fund, which includes PruFund. The Catalyst mandate invests in innovative companies tackling some of the world’s biggest environmental and social challenges. On the theme of supporting economies as they transition to Net Zero, the team recently invested into Greencore Homes, the UK housebuilder aiming to construct 10,000 low carbon homes within the next decade, alongside other technologies such as carbon capture and storage companies, including Storegga Geotechnologies Ltd, a UK company leading the development of a major facility in North East Scotland.

Zachary Webb, Head of EMEA Investments in Catalyst, M&G Investments. “Energy transition is a central theme to our strategy in Catalyst as we seek to invest in innovative solutions that drive environmental progress while delivering sustainable returns for investors. We are proud to back Reactive Technologies which is fast becoming a British success story and our investment will support the company expand internationally to potentially transform how grid systems operate worldwide to reduce unnecessary carbon emissions.”

Reactive Technologies' CEO, Marc Borrett, said: "Receiving support from M&G at this pivotal stage in the company's growth marks another significant milestone for Reactive Technologies. As we deliver more projects to support the global transition to net zero, this backing will empower us to deliver at scale, expand our commercial presence internationally, innovate further and help us make a real contribution to a clean energy future."

Julian Leslie, Director of Strategic Energy Planning and Chief Engineer, said: "The positive experience of our collaboration with Reactive Technologies has been transformative, showcasing the power of direct measurement innovation in advancing the energy transition. Collaboration with other power grids is paramount if we are to achieve Net Zero globally. We take pride in pioneering this Net Zero enabling technology with Reactive, which now offers a replicable model that can materially contribute to clean energy systems worldwide."

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1: M&G as of 31 December 2023

About M&G Investments

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has £343.5 billion of assets under management (as at 31 December 2023). M&G plc has customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030.

For more information, please visit: <https://global.mandg.com/>

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