

Growing commercial pipeline and strategic partnerships with Alfa Laval and Kyotherm

Oslo, Norway, 10 January 2023 – Kyoto Group provides the following commercial update relating to the announcement of a contemplated private placement today (see separate release).

Over the past months, Kyoto Group has progressed a growing number of commercial opportunities. These processes are at varying stages of maturity. The following have resulted in letters of intent that have not previously been announced and are considered relevant to the contemplated private placement:

Heatcube installations:

- Letter of Intent for a Heatcube thermal storage battery at the production facility of a leading company within the [agrifood industry in Spain](#). The facility produces olive pomace oil, which is made by processing residual material from the initial production of olive oil. This processing requires substantial energy, which is today provided by natural gas. The Heatcube planned for installation at the facility will have 64 MWh of thermal storage capacity, with a charge capacity of 10 MW and a discharge capacity of 5 MW. Total heat consumption at the facility is 34 GWh per year. The installation is planned for the fourth quarter of 2023.
- Letter of intent with a [food ingredient company based in Hungary](#) for a Heatcube thermal storage battery. The food ingredient company, which is part of a major listed group, has already made a greenfield investment and aims to rely entirely on sustainable energy in the future. The project intends to include 64 MWh of thermal storage supplied by the Heatcube, offering an annual capacity of more than 20 GWh. The parties aim to enter into a commercial agreement by the summer of 2023.

Technology development:

- [Letter of intent with Alfa Laval AB](#) to explore joint research and development related to heat exchangers for molten salt technology. The intent is to sign a technology development agreement shortly for areas such as recovery, transfer and storage of waste heat and heat transfer from electrical heater to various sources of heat using molten salt. As a world leader in heat transfer, centrifugal separation and fluid handling, Alfa Laval is active in the areas of Energy, Marine, and Food & Water.

Jo Vanhoren, President of Business Unit Welded Heat Exchangers at Alfa Laval, comments: “At Alfa Laval, we see great potential in thermal energy storage based on molten salt, such as Kyoto’s Heatcube. We also see obvious synergies with our strong technology suit, so we look forward to working with Kyoto to explore the potential of a partnership.”

Project financing:

- [Letter of intent with Kyotherm SAS](#) covering financing for projects involving Kyoto Group’s Heatcube thermal energy storage solution. The intent is to identify suitable projects in Kyoto’s existing pipeline that



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Kyoto will build and operate with financing provided by Kyotherm. The projects will then provide renewable heat to customers under Heat-as-a-service contracts (HaaS). Kyoto and Kyotherm have so far chosen two potential projects in Spain for initial exploration. Founded in 2011, Kyotherm is a leading European investment company specialized in the financing of renewable heat production and energy efficiency projects.

Arnaud Supugas, CEO of Kyotherm, comments: "Solar thermal and thermal storage are key investment assets for Kyotherm, and we are keen on exploring our capability to support Kyoto and the commercialization of the Heatcube."

"The high and volatile energy prices in Europe over the past year have substantially increased the interest in the Heatcube as a cost-effective way to transition industrial process heat production from natural gas to abundant but variable energy sources such as wind and solar. This pipeline is illustrated by, but by no means limited to, the exciting examples mentioned here," says Camilla Nilsson, CEO of Kyoto Group.

Kyoto's Heatcube provides thermal energy storage and heat generation in one product. It supplies industrial customers with the technology needed to lower both their costs for producing process heat and their CO2 emissions through the use of intermittent renewable energy sources instead of fossil fuels for heat production.

The Kyoto Heatcube can be configured with storage capacities from 16 MWh to over 96 MWh, with a discharge effect for each Heatcube of up to 5 MW. It is an innovative, low-cost, and modular storage solution for thermal energy that can use multiple renewable energy sources to heat molten salt to over 450 degrees Celsius. The high-temperature salt is then used to produce steam for industrial production processes.

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About Kyoto Group

Heat accounts for half of industrial energy consumption. Traditionally, nearly all of it is based on fossil fuels. Kyoto Group's Heatcube, a thermal energy storage (TES) 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, and has subsidiaries in Spain and Denmark. The Kyoto share is listed on Euronext Growth (ticker: KYOTO).

More information on www.kyotogroup.no

About Alfa Laval AB

Alfa Laval is a world leader in heat transfer, centrifugal separation and fluid handling, and is active in the areas of Energy, Marine, and Food & Water, offering its expertise, products, and service to a wide range of industries in some 100 countries. The company is committed to optimizing processes, creating responsible growth, and driving progress to support customers in achieving their business goals and sustainability targets. Alfa Laval has 17,900 employees. Annual sales in 2021 were SEK 40.9 billion (approx. EUR 4 billion). The company is listed on Nasdaq Stockholm.



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About Kyotherm

Kyotherm is a European Energy-as-a-Service investment company and energy producer dedicated to renewable heating and energy efficiency projects, with varied technologies including solar thermal, biomass, geothermal, storage and waste heat energy as well as district heating networks and installations allowing reduced energy consumption. As of November 2022, it has financed, owns, manages or has committed to fund a total of 40 projects, representing an aggregate capacity of 207 MW and a production of more than 860 000 MWh per year in savings or renewable energy. The company is headquartered in Paris, France, and is present in 11 countries.

More information on www.kyotherm.com

