

Kyoto Group and Energy Partner jointly sign term sheet for Heat Purchase Agreement with global leading consumer goods company in Europe

Oslo, Norway 25 April 2024 - Kyoto Group, together with an energy partner, is proud to announce that they have signed a term sheet for delivering Heat-as-a-Service (HaaS) utilizing Heatcube for a global consumer goods company with an energy-intensive manufacturing footprint.

Heatcube, a thermal energy storage solution, will replace the current natural gas supply and is designed with 20 MW charge capacity, 48 MWh of storage capacity and 14 MW discharge capacity, offering an annual capacity of more than 47 GWh. The Heatcube at the site in Europe will be supplied with renewable electricity from an off-grid 25 MWp solar photovoltaics (PV) complemented with renewable electricity from the energy partner portfolio assets, leading to an annual CO2 reduction of more than 10,000 tons.

The term sheet outlines the commercial conditions for the heat purchase agreement that the energy partner and the company aim to sign within Q2 and to install and hand-over Heatcube within 2025. Kyoto will act as a solution and service supplier to the energy partner and will sign a separate product sale agreement in parallel. The AI-powered back end of Heatcube will also ensure state-of-the-art preventive and predictive maintenance for the company.

The customer company is dedicated to achieving social and environmental sustainability, which includes reducing greenhouse gas emissions and minimizing their carbon footprint across operations. They have set a target to reach net zero emissions of greenhouse gases by 2050 and as part of this commitment, they are investing in technologies aimed at enhancing energy and resource efficiency, such as Heatcube, that can be deployed in several of their factories.

The customer company's Technical Manager states: "By leveraging Heatcube's technological capabilities and its flexible services, coupled with a consistent electricity supply from the energy partner, will not only bolster our energy and resource efficiency but also diminish greenhouse gas emissions, thereby minimizing our carbon footprint across operations at our site in Europe."

The energy partner's Head of Industrial Decarbonization explains: "The implementation of Kyoto's Heatcube thermal storage solution, further demonstrates our commitment to decarbonizing the economy through electrification. Industrial heat represents about 20% of global CO2 emissions, and electrification of it maintaining industry competitiveness is now possible with solutions like Heatcube. As

industries face critical fuel-switch decisions in the renewable energy transition, this collaboration with an industrial company and Kyoto Group is indispensable for achieving our strategic objectives.”

Tim de Haas, Chief Commercial Officer of Kyoto Group adds, “Our partnership with the energy partner and the customer company is strong and fruitful, and we eagerly anticipate advancing towards the commercial agreement. As previously stated, we are wholeheartedly committed to assisting the pioneering leaders in the industry. With its ability to meet the sector's substantial need for reliable, high-quality process heat, Heatcube aligns perfectly with the company's requirements for steam and energy storage, actively contributing to their net-zero goal of reducing CO2 emissions throughout their operations.”

Heatcube

Kyoto 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 using intermittent renewable energy sources instead of fossil fuels for heat production.

Heatcube can be configured with storage capacities from 16 MWh to over 120 MWh, with a discharge effect for each Heatcube of up to 20 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 415 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 two thirds 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). www.kyotogroup.no

