

Kyoto Group, Kyotherm and Energiabörze partner up and sign term sheet with KALL Ingredients

Oslo, Norway 22 August 2023 – Kyoto Group, together with its financial partner, Kyotherm, and its energy trading partner in Hungary, Energiabörze Kft, has signed a term sheet for delivering Heat-as-a-Service (HaaS) to the Hungarian food ingredient producer KALL Ingredients Kft.

The signed term sheet with KALL Ingredients builds on the [letter of Intent](#) reported by Kyoto on a no-name basis on 10 January 2023. The term sheet outlines the commercial conditions for the heat purchase agreement that the parties aim to sign by the end of October.

“This marks a significant commercial milestone for our Heat-as-a-Service business. In collaboration with our partners, Kyoto offers a very attractive thermal storage solution for KALL Ingredients, as well as numerous other companies within the food and ingredients industry. Recognizing the sector's substantial need for reliable, high-quality process heat, Heatcube meets KALL's requirements while actively contributing to their ambitious objectives of reducing CO2 emissions,” stated Tim de Haas, Chief Commercial Officer of Kyoto Group.

KALL Ingredient's Heatcube will replace the current natural gas supply and is designed with 56 MWh of storage capacity, offering an annual capacity of more than 30 GWh. This will result in a CO2 reduction of up to 8,000 tons annually.

Ádám Sass, Strategic Director of KALL Ingredients Kft, says: “Our aim is to rely entirely on sustainable energy in the future while ensuring lower energy costs. Kyoto's Heatcube will provide us with a stable and cost-effective supply of sustainable process heat, and we are excited to get started with this project.”

After the signing of this term sheet the partners will establish a Hungarian legal entity (SPV) that will enter into the Heat-as-a-Service agreement with KALL, with Kyotherm as the majority investor, Energiabörze, as the minority investor, and Kyoto Group as the solution provider. The SPV will simultaneously purchase the Heatcube from Kyoto Group.

“Thermal energy storage solutions are key in the energy transition, and Kyoto's Heatcube is an exciting solution to decarbonize industrial heat demand,” added Arnaud Susplugas, CEO of Kyotherm.

Heatcube at KALL Ingredients will operate as an asset in the flexibility markets and utilize intermittent renewable energy whenever available while supplying a constant flow of steam for industrial production.

“In Hungary, the share of renewable energy supply continues to increase significantly, which requires a rise in storage capacity. Kyoto’s Heatcube provides a technical solution for steam storage that will allow us to act on the reserve market as well as benefiting from intra-day trading to reduce the energy costs for the industry,” says András Vinkovits, CEO of Energiabörze Kft

The parties aim to sign the commercial contract by the end of October and to install Heatcube within 2024.

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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

About KALL Ingredients kft

KALL Ingredients Kft. is a Hungarian-owned company and one of the newest corn processing plants in Europe based on a 145 million € greenfield investment. KALL processes around 530 000 tons of NON-GMO corn per year, providing high quality to more than 200 customers. Their liquid sugars, pharmaceutical and food grade alcohols and animal feeds are continuously sold into more than 25 countries. Due to the modern technology of the plant, KALL processes the corn without producing waste. <https://kallingredients.hu/>

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 August 2023, it has financed, owns, manages, or has committed to fund a total of 45 projects, representing an aggregate capacity of 230 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

About Energiabörze Kft.

Energiabörze is a Hungarian aggregator and energy trading company who has developed and owns its innovative production control and trading solution. Energiabörze supports the boom of renewables with their integration into the Hungarian electricity system by their aFRR regulation. The portfolio covers own and partner conventional cogen-, PV-, and biogas power plants, waste incinerators, batteries, as well as heat storages. www.energiaborze.hu

