

Kyoto to outline commercial progress on Capital Markets Day

Oslo, Norway 28 November 2023 - Kyoto Group today hosts its Capital Markets Day 2023 to provide an update on the commercialization of the company's Heatcube thermal energy storage solution.

At today's event, CEO Camilla Nilsson and other members of the Kyoto leadership team will update on commercial, technical, and financial progress.

"Looking back on the year since our last Capital Markets Day, we have made great strides in maturing the commercial pipeline. While decision processes take time, there is no doubt the big fuel switch has started, and European governments and industry are pushing ahead on the decarbonization of industry. In achieving this transition, industry-scale energy storage is a necessity, and for substantial portions of industrial heat and steam, the answer is Heatcube," says Camilla Nilsson, CEO of Kyoto Group.

Among the highlights achieved since the Capital Markets Day in the fall of 2022:

- EUR 6.4 million order for Heatcube to deliver Heat-as-a-Service to KALL Ingredients Kft in addition to balancing the grid.
- Heatcube at Norbis Park installed and passed Power Market Test to provide flexibility services to the Danish electricity market. Lease fee invoicing started.
- International leaders Iberdrola and Spirax-Sarco Engineering joined as strategic investors as well as commercial partners.
- Guaranteed Round-trip efficiency (RTE) of Heatcube increased from 90% to 93%.
- Quadrupling of discharge capacity from 5 MW to 20 MW.
- Approved EUR 4 million debt financing from Nordic financial institution Nefco.
- Substantially larger commercial pipeline.
- Strategic partnership with Cognite on industrial data and AI was announced yesterday.
- Successfully raised EUR 12.5 million through private placement and directed share issue.

"Summing up these highlights, we have real, commercial contracts and an exciting pipeline, we have verified that Heatcube works in a real-world setting, and we have lined up a number of fantastic partners, including Iberdrola, Europe's renewable energy leader with bold plans to more than double renewable capacity by 2030, says Camilla Nilsson.

A vast number of everyday products are made using industrial process heat and steam, accounting for two-thirds of total industrial energy consumption. Today, this market is almost exclusively served by

fossil energy. In order to make industrial process heat with wind and solar, the need for intra-day energy buffering rises. This is the main market that Kyoto addresses. In addition, Heatcube can act as a balancing asset in the grid, absorbing or releasing energy in order to ensure grid balance.

At today's event, further details will be given on Kyoto Group's commercial pipeline, which has increased from 1,800 MW (unweighted) to 2,900 MW and includes major, global industry names.

Kyoto targets 40–60 Heatcube sales during the 2024–2026 period, including direct sales to customers and partner sales. The company has a funding roadmap in place to support the growth ambitions, with strong support from strategic investors and various debt instruments available for consideration.

After scaling up in 2024, the company aims to move towards EBITDA break-even in 2025.

Today's event at MUNCH museum will be hosted by TV2 tech commentator Magnus Brøyn. The physical event is for pre-registered participants and will last from 12:00 to 14:30 CEST. It will also be streamed live on the Kyoto Group website. You can join the webcast from 12:00, and the presentation will start at 12:15. A recording will be made available after the event.

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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