

Kyoto raises funding to support acceleration of Heatcube installations

Oslo, Norway 15 March 2024 – Kyoto Group (Kyoto) is pleased to announce that the company has successfully executed a directed share issue of NOK 39 million with existing shareholders Spirax-Sarco, Iberdrola and Klaveness Marine.

The directed share issue is executed to fuel the acceleration of impending Heatcube installations. The net proceeds from the investment will be used to cover the company's liquidity needs, including pre-ordering of long lead-time items for production of Heatcubes, strengthening of project execution capabilities, continued market expansion and general corporate purposes.

“With this, we are taking another step on our funding plan, strengthening the balance sheet to execute upcoming contracts. We are grateful for the strong support shown by our highly professional shareholders, who know us well and realize the commercial potential of Kyoto’s technology,” says Camilla Nilsson, CEO of Kyoto Group.

Kyoto will continue its initiatives along the long-term funding plan, as previously communicated to the market, to secure an adequate portfolio of financing options to accelerate the growth trajectory and further market expansions.

A total of 2,297,187 new shares in the company will be issued at a subscription price of NOK 17 per share, raising gross proceeds of approximately NOK 39 million. The subscription price is based on the approximate volume weighted average price traded in the shares on Euronext Growth Oslo in the period from 1 January 2023 until 31 December 2023.

The following investors have been allocated shares in the directed share issue:

- Spirax-Sarco Engineering plc, a close associate of the board member Christopher Molnar, will invest approximately NOK 18.4 million, with a post-transaction shareholding increasing to 18.9%;
- Iberdrola, represented by Inversiones Financieras Perseo, S.L., a close associate of the board member Oscar Cantalejo, will invest approximately NOK 17.2 million, with a post-transaction shareholding increasing to 16.6%; and
- Klaveness Marine will retain its pro rata shareholding through an investment of approximately NOK 3.5 million

The share capital increase pertaining to the Directed Share Issue has been resolved by the board of directors of the Company pursuant to the authorization granted by the annual general meeting held on 30 June 2023. Completion of the directed share issue is conditional upon the share capital increase pertaining to the new shares being registered with the Norwegian Register of Business Enterprises (NRBE) and the new shares having been validly issued in the Norwegian Central Securities Depository (VPS).

In consultation with the company's management, the board has considered various transaction alternatives to secure new financing. Based on an overall assessment, considering inter alia the need for funding, execution risk and possible alternatives, the board has based on careful considerations decided that the investment is the alternative that best protects the company's and the shareholders' joint interests. By structuring the transaction as a directed share issue, the company was able to raise capital in an efficient manner with significantly lower completion risks compared to a rights issue. Thus, the waiver of the preferential rights inherent in a share capital increase through issuance of new shares is considered necessary. Further, the board has resolved not to conduct a repair offering, primarily due to the subscription price being at a premium compared to current trading prices.

This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act. This stock exchange notice was published by Håvard Haukdal, CFO of the Company, on the time set out herein.

Kyoto Group will release its annual report on Thursday 25 April 2024 and on the same day host a business update webcast.

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). Visit us at <http://www.kyotogroup.no> and follow us on LinkedIn

About Iberdrola

Iberdrola, Europe's largest electricity utility by market capitalization and one of the world's top three electricity companies, is a leader in renewables, spearheading the energy transition to a low carbon economy. The group supplies energy to almost 100 million people in dozens of countries. With a focus on renewable energy, smart networks and smart solutions for customers, Iberdrola's main markets include Europe (Spain, the United Kingdom, Portugal, France, Germany, Italy and Greece), the United States, Brazil, Mexico and Australia. The company is also present in growth markets such as Japan, Taiwan, Ireland, Sweden and Poland, among others.

The company has a workforce of over 40,600 and assets in excess of €154.6 billion. In 2022, Iberdrola posted revenues of nearly €54 billion, net profit of €4.34 billion, with €7.5 billion paid in tax contributions in the countries where it operates. The company helps to support more than 400,000 jobs in communities across its supply chain, and global supplier purchases topped €17.8 billion in 2022. A benchmark in the fight against climate change, Iberdrola has invested more than €130 billion over the past two decades to help build a sustainable energy model, based on sound environmental, social and governance (ESG) principles. www.iberdrola.com/home

About Spirax-Sarco Engineering

Spirax-Sarco Engineering plc is a leading global thermal energy management and fluid technology solutions Group that aims to deliver sustainable value to all its stakeholders through engineering a more efficient, safer and sustainable world. Headquartered in Cheltenham (UK), the Group comprises three world-leading Businesses: Steam Specialties, for the control and management of steam; Electric Thermal Solutions, for advanced electrical process heating and temperature management solutions; and Watson-Marlow, for peristaltic pumping and associated fluid path technologies. In 2022, the Group launched its TargetZero solutions for the decarbonisation of critical industrial processes.

The Company's shares have been listed on the London Stock Exchange since 1959 (symbol: SPX) and it is a constituent of the FTSE 100 and the FTSE4Good Indexes. www.spiraxsarcoengineering.com

About Klaveness Marine

Klaveness Marine is an investment company founded by Torvald Klaveness in 1946 and is today owned by the second and third generation of Klaveness. The company invests capital in four different areas: Maritime, Real estate, New energy and Financial investments. www.klavenessmarine.com