WELCOME

Kyoto Group Capital Markets Day
2022 27th October

Market breakthrough with proven technology

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Klimahuset

Klimahuset is a part of the Natural History museum, University of Oslo. Opened up in June 2020 - 30,000 visitors in the pandemic year 2021

- Up-to-date research in the field of climate and climate change
- Interactive exhibitions with a mix of digital and analogue installations
- Is a model building in climate and environment
- Offers tuition for school classes and kindergarten children
- Events and activities with varied forms of expression

Agenda

02:00 – 02:05	Welcome	CFO Håvard Haukdal
02:05 – 02:15	Kyoto's why	CEO Camilla Nilsson
02:15 – 02:35	Heatcube 2.0 Generation Launch	CTO Bjarke Buchbjerg
02:35 – 02:50	Why molten salt as the energy storage medium?	Magnus Rambraut, Commercial Director, YARA
02:50 – 03:05	BREAK	

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Agenda

03:05 – 03:20	On the ‘doorstep’ to market breakthrough	CEO Camilla Nilsson
03:20 – 03:40	Clear commercial priorities	CCO Tim de Haas
03:40 – 03:50	The Kyoto platform for execution	CEO Camilla Nilsson
03:50 – 04:05	BREAK	

Agenda

04:05 – 04:25	Decarbonizing the power markets	Sigbjørn Seland, Chief Analyst at StormGeo Nena
04:25 – 04:40	Summary & financial update	CFO Håvard Haukdal
04:40 – 05:00	Q&A and panel discussion	CFO Håvard Haukdal
05:00 – 06:00	Networking session with food & drinks	

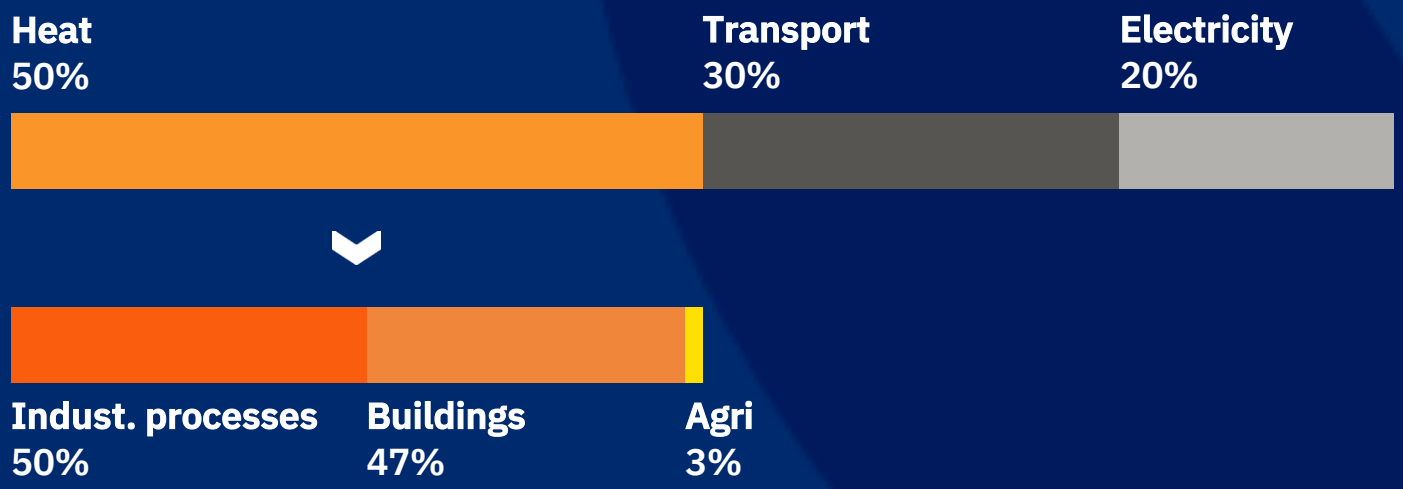
Introduction

KYOTO’s why

CEO Camilla Nilsson

Heat accounts for half of global energy consumption

Global energy demand



89%

of heat produced by fossil and non-renewable fuel sources make up

40%

of global CO_2 emissions

https://iea.org/reports/renewables-2020/renewable-heat

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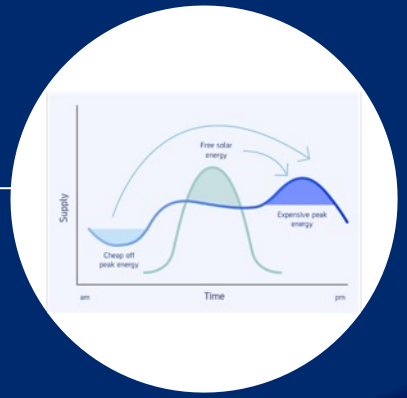
Decarbonization impossible without energy storage

The world is not on track to limit the rise in global temperature to 1.5° celcius...

Urgent need for energy transition and electrification through renewables



The challenge: Unmatched supply and demand

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Geopolitical situation in Europe

Fuelling the need for reduced industrial gas consumption and demand for Kyoto's solutions

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The origin of the proven Kyoto Heatcube™ technology

Gemasolar Thermosolar Plant

One of the oldest solar power plants in the world

- Nominal Capacity: 19MW CT
- Storage capacity: 15h of molten salt storage
- The efficiency of the cycle: 40%
- Location: Spain, Sevilla
- Start of operation: 2011

Achievements

- Total operation is 6,450 hours at full capacity per year
- Prevention of about 30,000 tons of CO2 emissions per year.

The origin of the proven Kyoto Heatcube™ technology

Solar thermal power stations in the world

- Operational: 57
- With a storage capacity: 28
- Announced & under construction for future use: 21

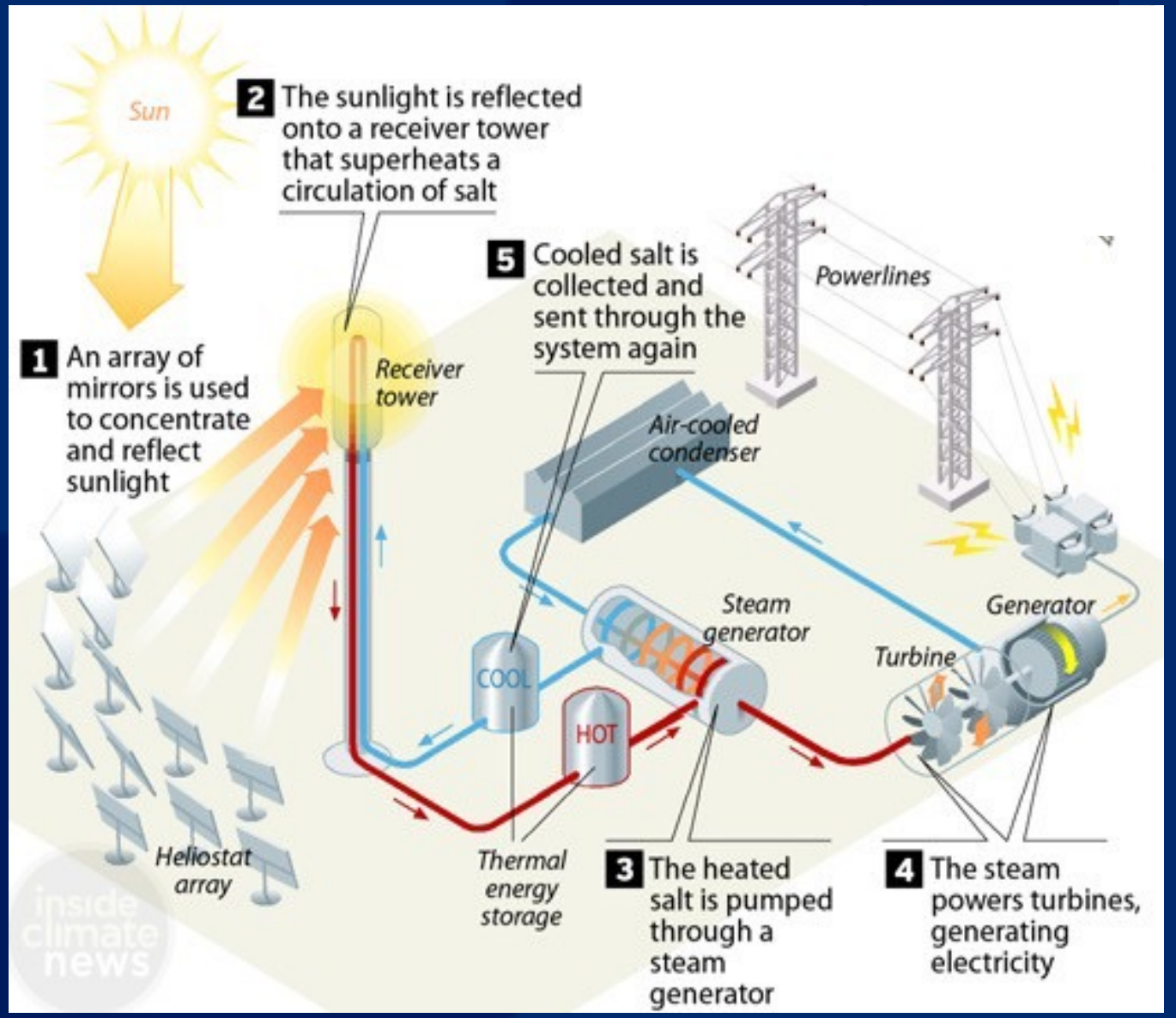

Illustration source: Inside Climate News

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Heatcube 1.0

Illustration: Friis & Moltke Architects

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HEATCUBE 2.0

Generation Launch

THE KYOTO ENERGY REVOLUTION

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Click here to watch the video

360 view of Heatcube 2.0 click here

Click here to watch the animation video

Heatcube 2.0

Key Metrics

- Charging capacity: 10, 20 or 30MW
- Storage capacity: 16 – 96 MWh
- Storage time: long duration (> 8 hours)
- Discharge capacity: up to 5 MW
- Discharge in form of steam
- Temperature range of steam: 170-400°C
- Lifetime 25 years
- RTE of more than 90%*
- Less than 1 minute from standby to charge, discharge or simultaneous charge and discharge

Footprint: ~ 170 sq.m - 310 sq.m

Height: ~ 15m

Weight: ~ 400 MT – 1,500 MT

** Based on size, total heat produced and the ambient conditions of the specific area.*

Next on our agenda

Magnus Rambraut

From YARA

Knowledge grows

Why Molten Salt as an Energy Storage Medium?

Kyoto Capital Markets Day 2022

Global mission, global presence

1) More than 10,800 Yara-branded retail outlets around the world
2) Yara operated terminals and logistical production sites

17,000
Employees worldwide

11.6
Billion USD revenue

28
Production plants

160
Countries with sales

10,800
Yara-branded retail outlets globally

Our Mission

Responsibly feed the world and protect the planet.

Our Vision

A collaborative society;
a world without hunger;
a planet respected.

A global challenge

1.5° Celsius.

Power Sector (1/3 of global emissions)

Heat sector (50% of the global energy consumption)

Are vital to be decarbonized if we should stay below the target

A move to renewable energy is inevitable

1. *Reduced costs / CapEx*
2. *Government support for renewable power buildout*
3. *Carbon pricing*

….will ensure that renewables will eventually dominate power generation.

Over the coming 30 years, USD 12 trillion will be invested in both building a larger grid and adapting it to the variability of solar and wind through technical solutions such as connectivity, storage, and demand response.

Storage is key to adoption of Renewable Energy

As the proportion of renewables grows, we are presented with 3 challenges;

1) *Balancing energy supply and demand (including heat)*
2) *A change in transmission flow patterns*
3) *A decrease in system stability*

Energy Storage, including Thermal Energy Storage, systems can help address these issues by increasing the flexibility of the power systems

Molten Salts is a widely accepted and proven technology

*The most widespread Thermal Energy Storage technology are **molten salts** coupled with Concentrated Solar Power (CSP) plants,*

Molten Salts can effectively be used in novel Thermal Energy Storage Solutions to store electricity and/or heat independently of CSP

Yara has successfully completed a large scale pilot of the molten salt for thermal energy storage and heat transfer medium – more than 5.000 hours of operation

Sustainability at core of Yara Molten Salt

- *Natural raw materials (Calcium, potassium and sodium nitrate)*
- *Nontoxic and nonhazardous*
- *Widely accessible raw materials*
- *Low priced and sustainably produced compared to amongst others raw materials for alternative Energy Storage Solutions*
- *Low Carbon Footprint*

BREAK

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On the ‘doorstep’ to market breakthrough

CEO Camilla Nilsson

Nordyllandsværket project progress

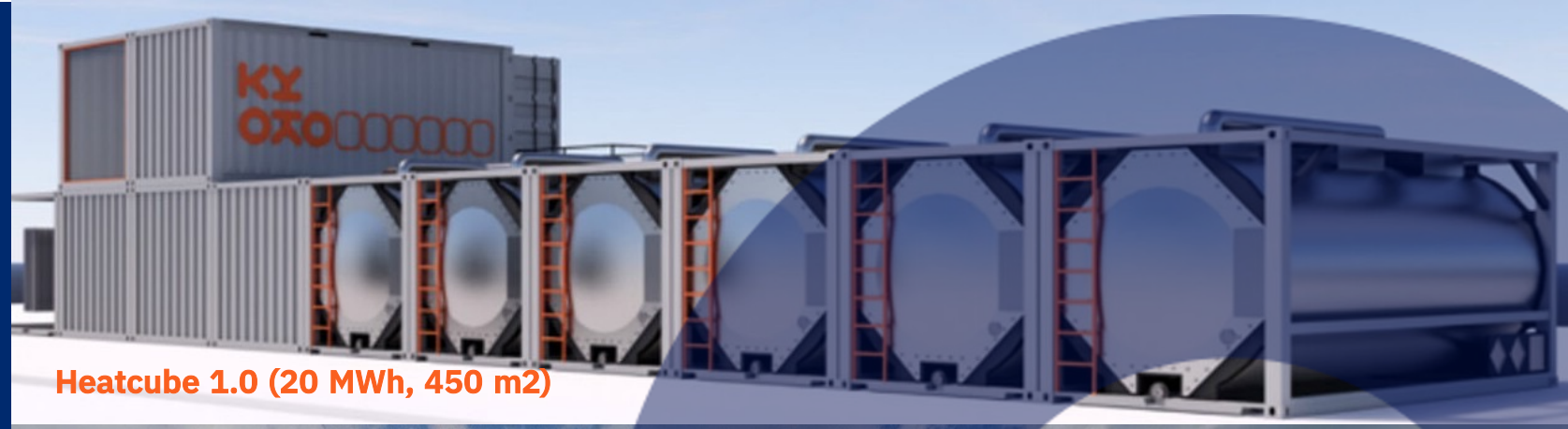
Towards commissioning Jan 2023

- Permits received, foundation cast, tanks installed
- Melting of salt ongoing
- Additional equipment expected to arrive Nov 2022
- “Best of breed” Gen 1.0 solution under installation. Key learning essentials to develop Gen 2.0
- Expected commissioning scheduled to start in January 2023

Heatcube 2.0 for serial production

Improving energy density from 47 kWh/m2 to 233 kWh/m2

- Major energy density improvement
- Significant material cost reduction
- Same amount of valves for 3,7X more energy stored
- Control system optimization
- Hydraulic design improvements
- Construction optimization, cost and time



Heatcube 1.0 (20 MWh, 450 m2)

Heatcube 2.0 (56 MWh, 240 m2)

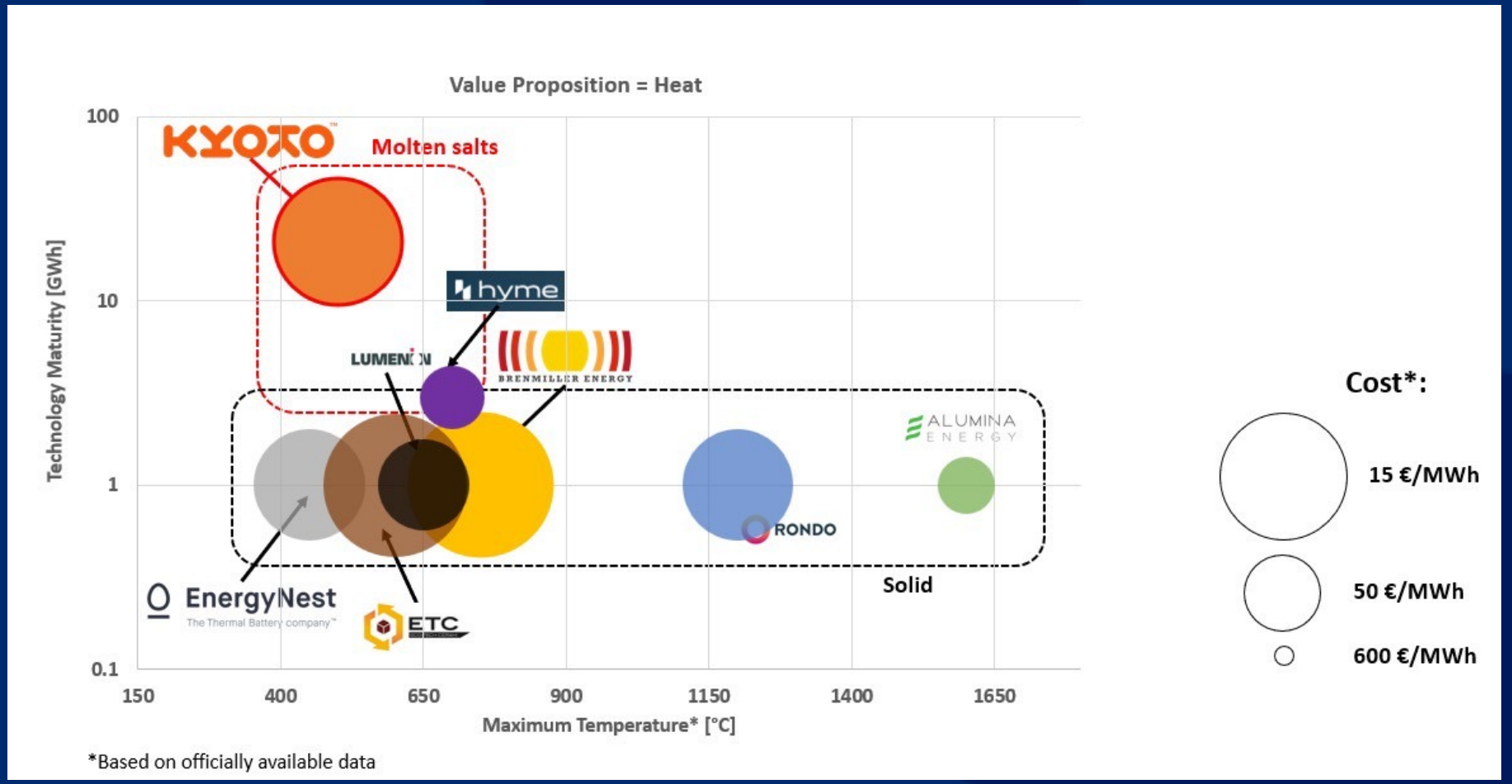
Heatcube 2.0

Key competitive advantages

- Energy density
- Charge/discharge simultaneously
- Dispatchable, < 1min response
- Stable delivery of steam (temp)
- Cost

Competitive landscape

First mover advantage with proven technology,
only molten salt company with heat as value proposition



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Source: KTH Royal Institute of Technology in Stockholm, Sweden, 2022

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Clear commercial priorities concluded

CCO Tim de Haas

Key markets identified and prioritized

Based on demand and market conditions (energy & regulatory)

98 TWh estimated yearly industrial heat demand

- Significant and increasing price volatility
- Speedy expansion of renewables
- Attractive electricity prices
- Supportive regulatory framework

100 TWh estimated yearly industrial heat demand

- Strong strategic partnerships established
- Access to relevant world-class expertise
- Significant & increasing price volatility
- Speedy expansion of renewables
- Attractive electricity prices
- Supportive regulatory framework

8.9 TWh estimated yearly waste heat available

- Strong strategic partnerships established

11 TWh estimated yearly industrial heat demand

- First installation under construction
- Strong strategic partnerships established
- Access to attractive electricity prices

227 TWh estimated yearly industrial heat demand

- Supportive regulatory framework

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Six industries with significant heat demand prioritized

- Paper, pulp and print
- Chemical and petrochemical
- Non-metallic minerals
- Non-ferrous metals
- Food
- Iron and steel

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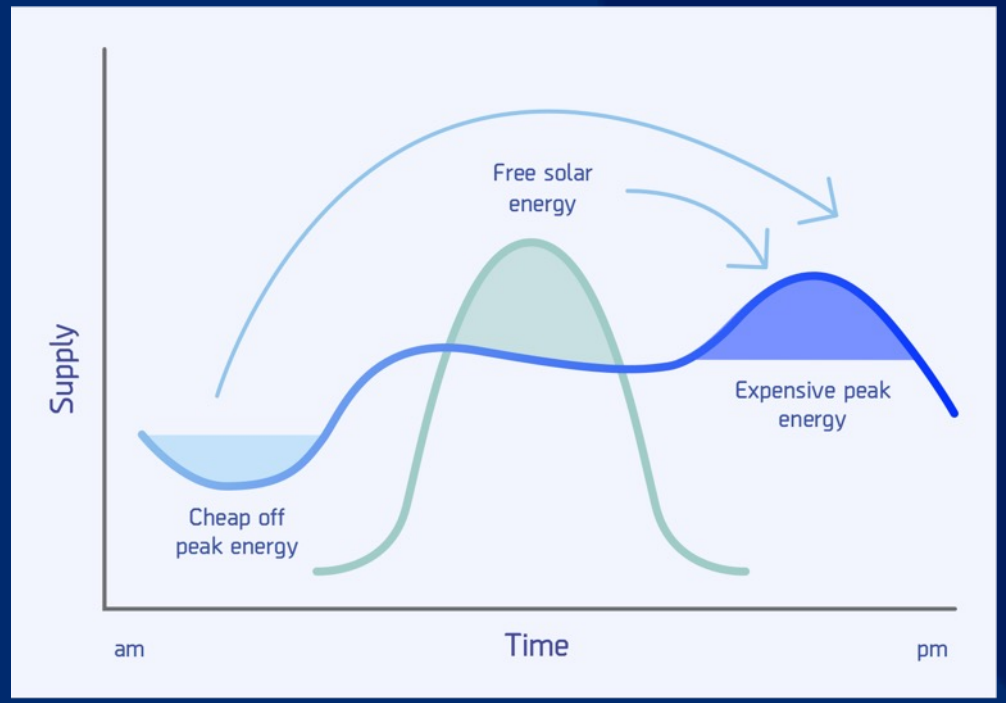
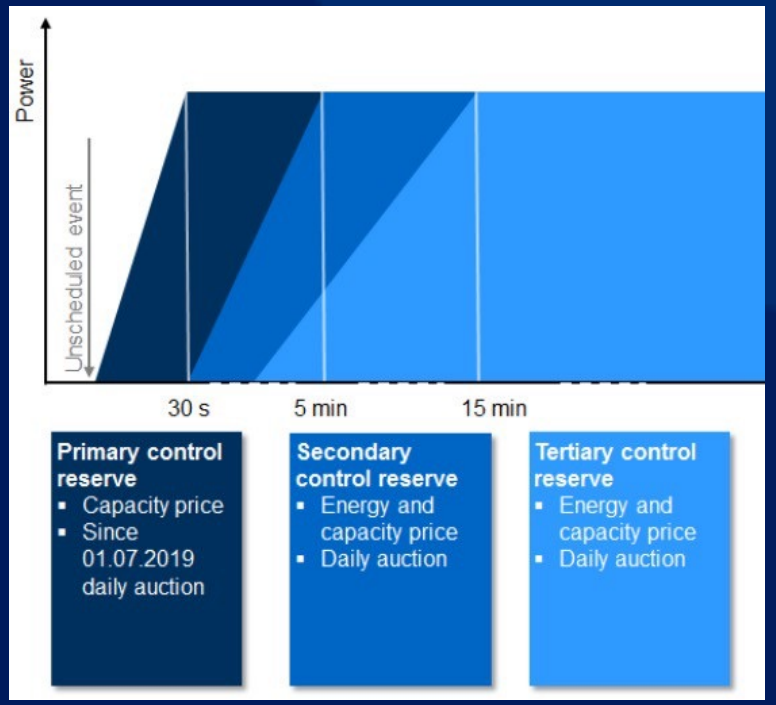
Kyoto's Heatcube™

enables industrial partners to benefit from off-peak electricity prices and from participating in the reserve market

Load Shifting



Reserve Market



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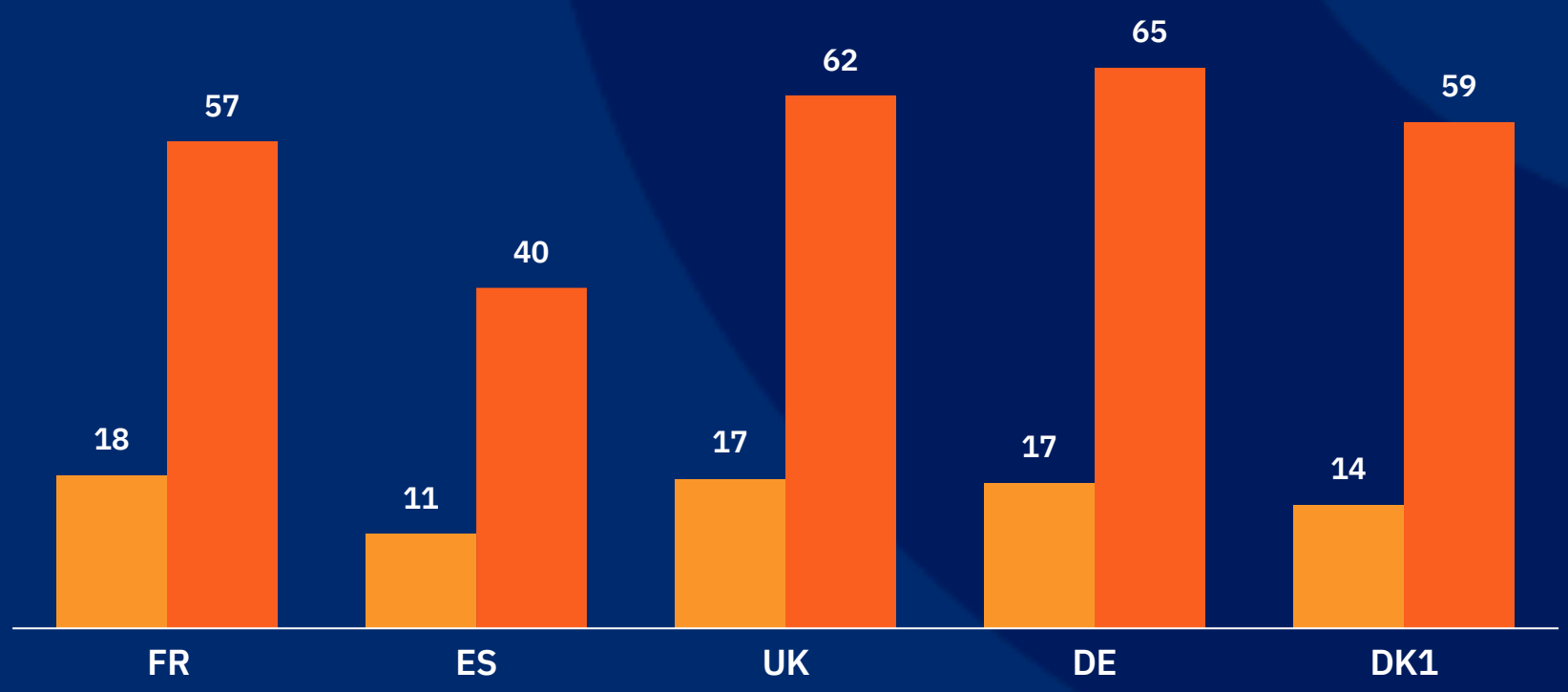
Intra-day price volatility is 3-4x higher compared to 2018

Price volatility expressed as 5 cheapest hours vs 6am-10pm

Change in price volatility (€/MWh)



Source: ENTSO-E

- Share of renewable energy in the energy mix continuously increases
- The flexibility on supply side results in higher intra-day price volatilities
- Increased number of hours with negative prices are expected

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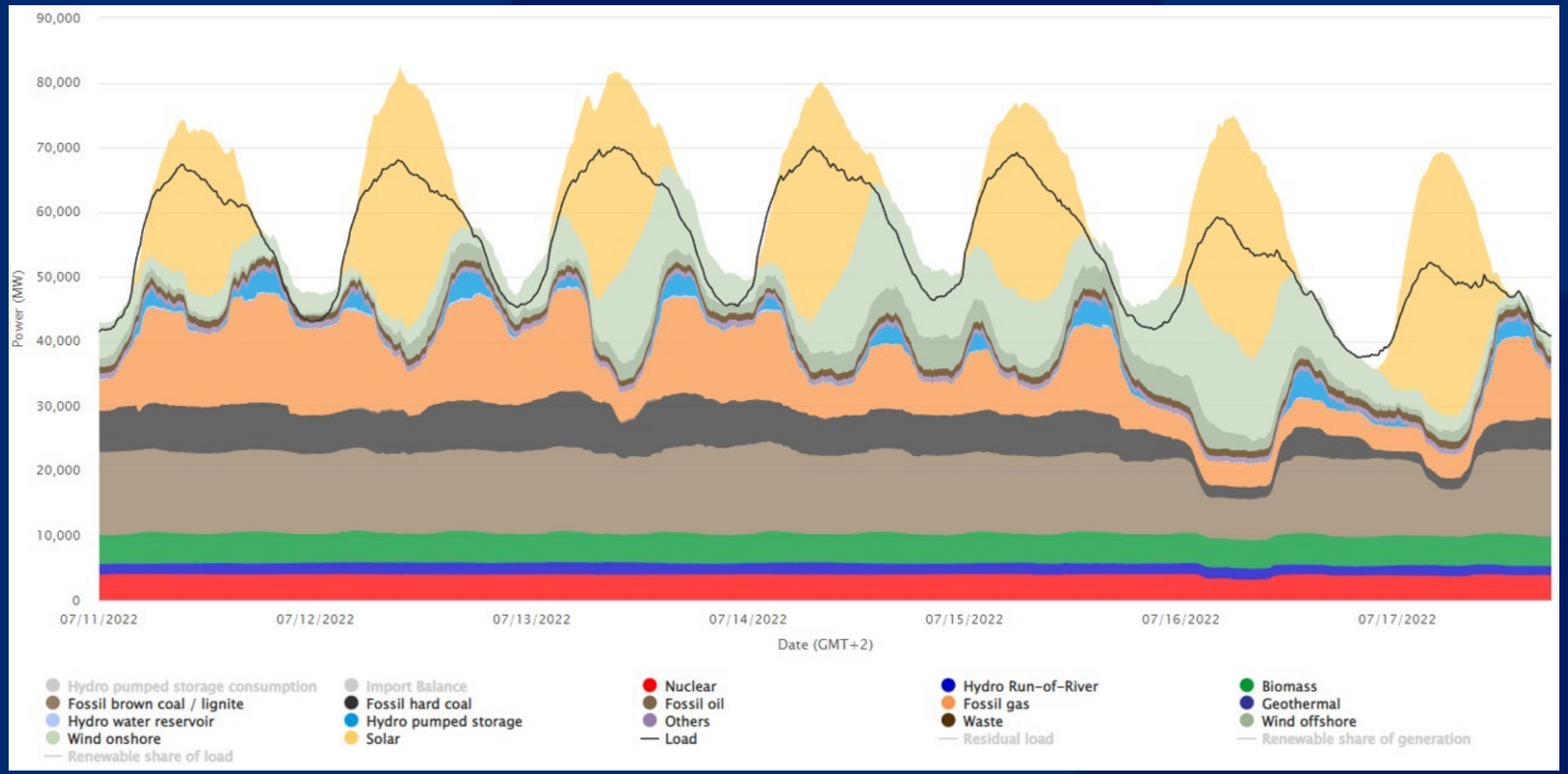
Power balance in Germany week 28 2022

Net Production



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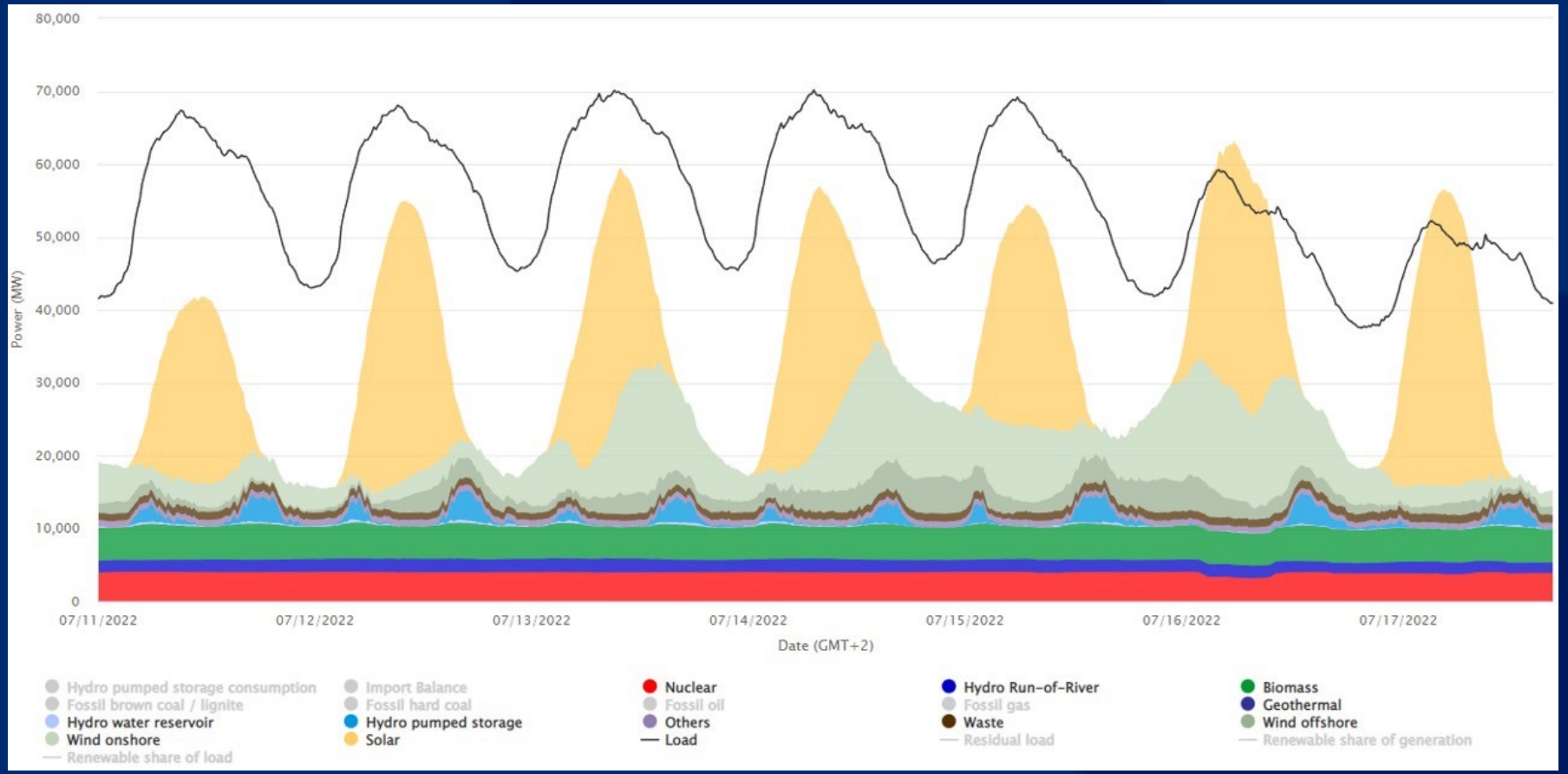
Power balance in Germany week 28 2022

Removing the flexible fossil-based production



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Kyoto offers the Heatcube™ with two commercial models

The market break-through is expected roughly with a 50/50 volume split on the two commercial models

Heat as a Product (HaaP)

Traditional Product Sale

- EPC or direct sales
- Support and service agreements with customers
- One-time payments

Heat as a Service (HaaS)

Heat Sales to Customers

- Heat purchase agreements (HPA)
- Operated by Kyoto and/or partner
- Recurring stable, long-term revenues

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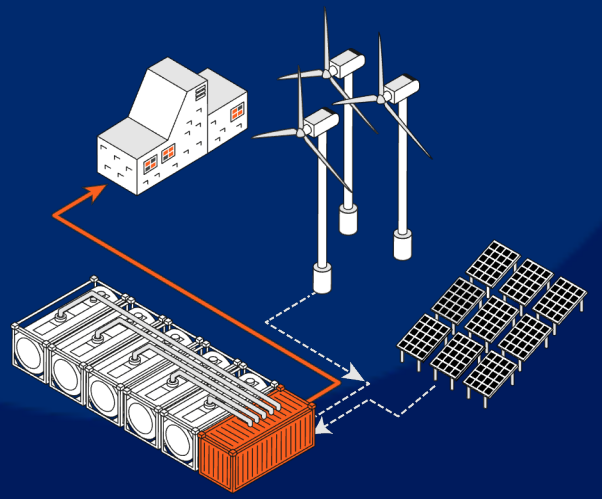
MoU with Hydro REIN to develop combined renewable energy & thermal energy storage solutions for industrial players

REIN Hydro + KYOTO™



Agreed on a joint go-to-market approach to industrial clients:

- Hydro REIN offers guaranteed renewable energy
- Kyoto Group's Heatcube offers renewable heat
- Kyoto Group will co-design the solution and participate in serving the clients

Target of 3 to 5 pilot and commercial projects over the next two years with identified clients

- Guaranteed renewable energy and heat on demand
- For industrial clients to decarbonize and optimize both their energy consumption and heat demand

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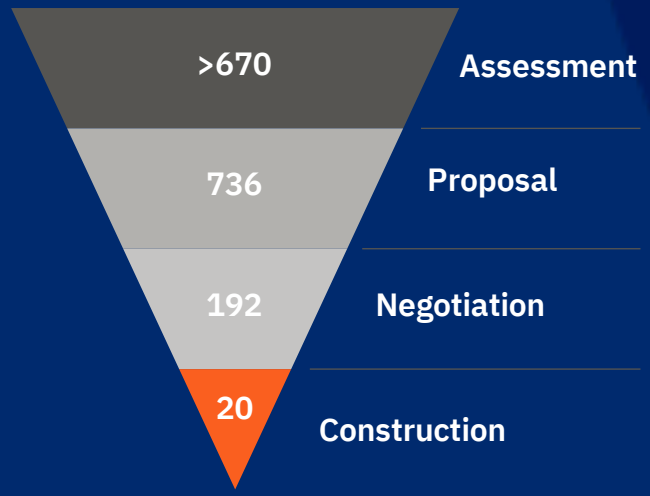
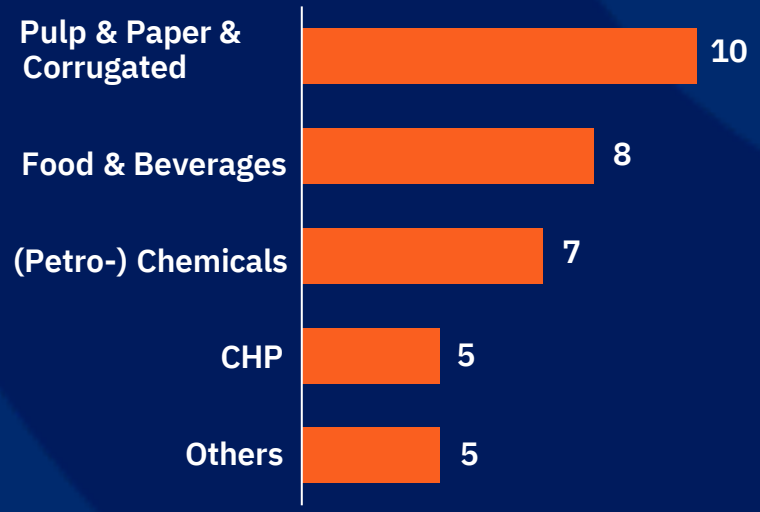
Potential pipeline covering multiple industries in the targeted markets

Storage pipeline (MWh)

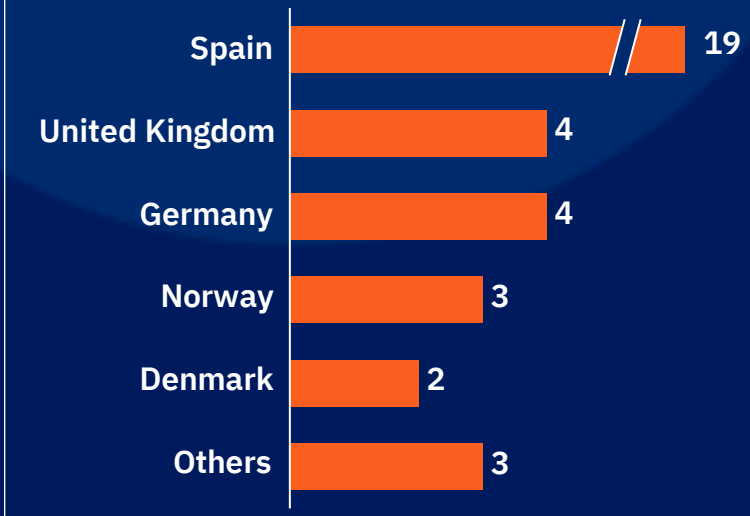
Total volume: >1 800 MWh



Industry Split (no of projects)



Geographical Split



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Assessment: Identified opportunities, dialogue initiated, not all potential storage sizes quantified | Proposal: NDA signed, commercial offer sent to and under evaluation by customer | Negotiation: LoI signed, commercial contract in negotiation | Construction: Currently in installation

Letter of Intent (LoI) in Corrugated Cardboard Industry

Implementing a reference project for >600 plants

Background on Glomma Papp

- Designing, developing, and manufacturing packaging and display solutions for business markets since 1931
- Glomma Papp AS's vision is to inspire and improve

Status

- Thermal storage of 40 MWh
- Annual capacity of up to 12 GWh thermal energy
- Reduction of up to 2.700 tons of CO2 annually

Goal

- Commissioning planned for during the summer of 2023

Glomma Papp

"This is further proof of our commitments to sustainability and to reducing CO2 emissions from our processes and actively being a part of the green transition for the corrugated industry. Kyoto's Heatcube™ offers an interesting potential for us [...]"

John Stevenson, Technical Manager Glomma Papp AS

Over 600 corrugated cardboard plants in Europe largely using fossil fuel today

- Standardized processes and equipment in most plants
- Industry is required to decarbonize their processes and meet new environmental standards

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Letter of Intent (LoI) in Food & Beverage Industry

Spearheading into food industry with Spanish producer

Background

- Among market leaders within its segment in food sector in Spain
- Renewable solution for heat generation for food production process and wastewater treatment
- Replacing natural gas boiler giving a competitive advantage for the client's operation

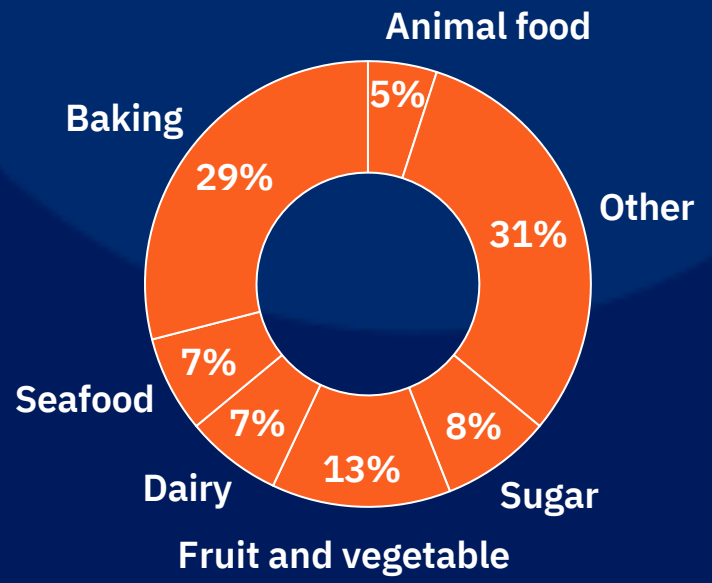
Status

- Thermal storage of 64 MWh
- Annual capacity of up to 20 GWh thermal energy
- Reduction of more than 3.000 tons of CO2 annually
- Utilizing solar energy, the Heatcube will ensure emission-free heat production both day and night

Goal

- Commissioning during the second half of 2023

Over 50 olive oil and tomato plants just in Spain



Letter of Intent (LoI) in Cogeneration Plants

Spearheading into cogeneration industry in Spain

Background

- Client with several cogeneration facilities in Spain
- Provides a competitive advantage for the client's operation and reduction of CO2 emissions

Status

- Thermal storage of 88 MWh
- Annual capacity of more than 40 GWh thermal energy
- Reduction of more than 9.000 tons of CO2 annually

Goal

- Commissioning during the second half of 2023

Several plants in the same group in Spain

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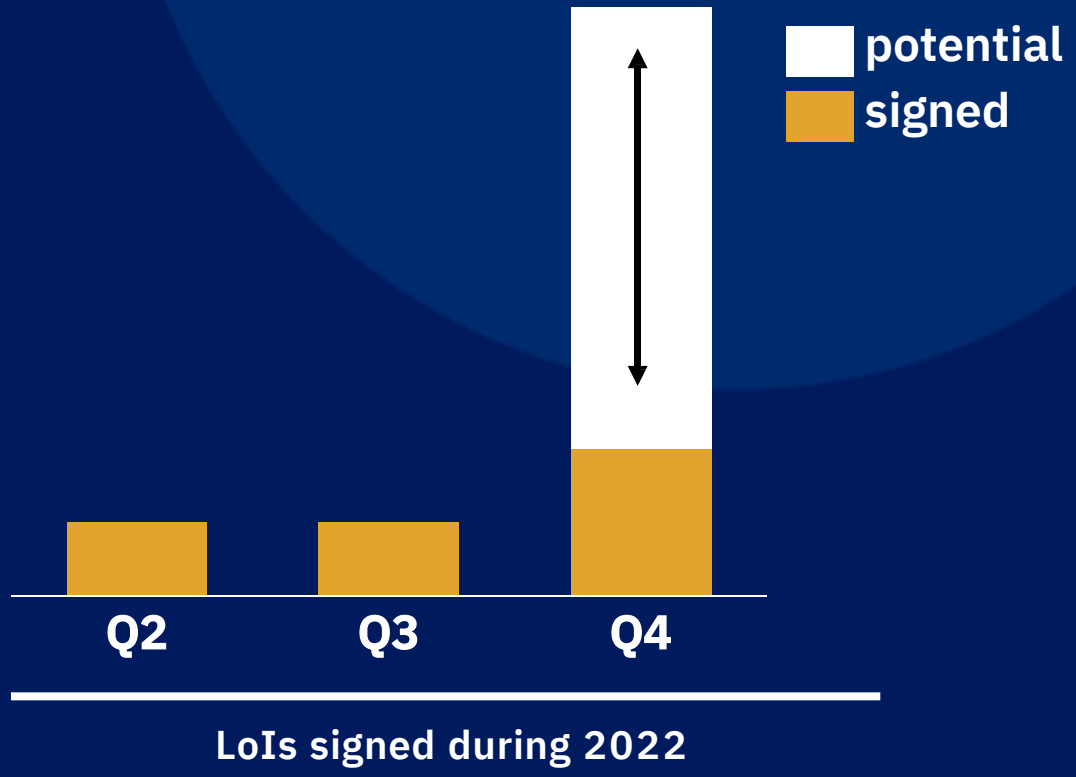
We are on track on signing between 5 to 10 LoIs within 2022

Aiming for converting first loIs into signed contracts within a few months

Outlook for 2022.

- Negotiating and signing 5-10 LoIs
- Entering into final negotiations of supply agreements
- Aiming for converting first LoIs into signed contracts within a few months



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The Kyoto platform for execution

CEO Camilla Nilsson

From start-up to scale-up

At market break-through with proven technology

Focus on thermal energy only

2016
- Kyoto is incorporated

2019-20
- Product validation
- Hydro and Valinor

2021
- The first order
- Euronext Growth listing
- New Board
- New Management Team

2022
- First Heatcube™ installation
- Mercury Energy
- Kyoto Technology Spain
- Kyoto Technology Denmark
- Go-2-Market Partnership
- R&D Collaboration with KTH
- Heatcube 2.0™

2023-2025
- Potential pipeline of projects; organic and structural growth

Targets EBITDA break-even by 2025

MT & BoD with extensive industry and scale-up experience

Camilla Nilsson
Chief Executive Officer

Håvard Haukdal
Chief Financial Officer

Bjarke Buchbjerg
Chief Technology Officer

Tim de Haas
Chief Commercial Officer

Peter Iversen
Chief Manufacturing Officer

Susanne Vinje
Chief Supply Chain Officer

Agnieszka Sleds
Chief Project Officer

Henrik Holck-Clausen
Chief People & Culture Officer

Eivind Reiten
Chairman

Thorleif Enger
Board member

Arne Erik Kristiansen
Board member

Pål Selboe Valseth
Board member

Ivar Andreas Valstad
Board member

Hans Olav Kvalvaag
Board member

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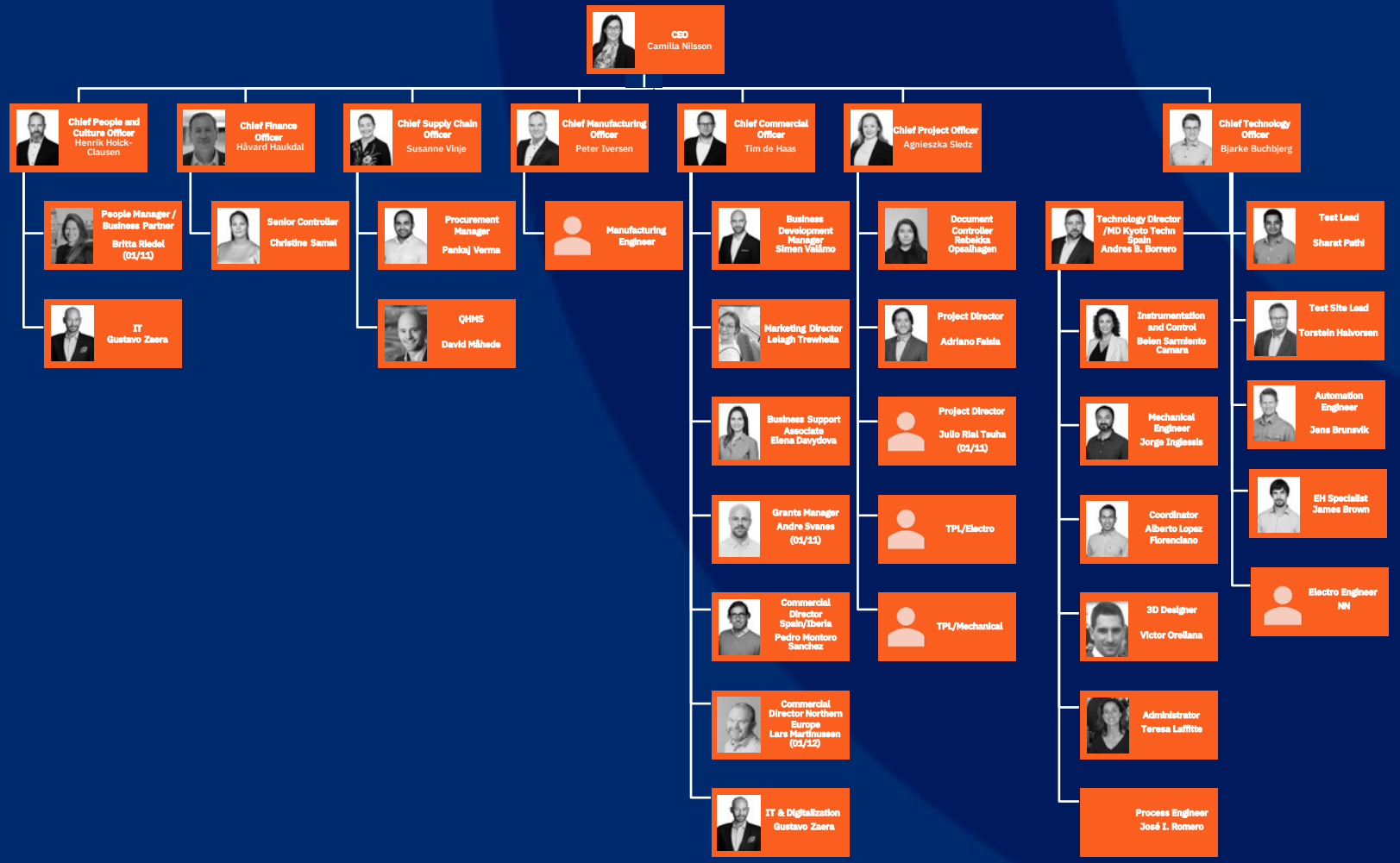
Strong Kyoto organization for scaling established



33 employees spread over **3 countries** divided on **12 nationalities** with an average of **13 years of experience** and **30% females** and **world leading** molten salt engineering expertise

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World class energy storage and molten salt expertise

- Acquisition of Mercury Energy
- Expansion of Kyoto's geographic footprint
- Mercury Energy brings significant IPR for molten salt
- Owner of Mercury Energy, Andres Barros Borrero, joined Kyoto as part of the acquisition

- Collaboration agreement with KTH
- Financed by Kyoto, led by Silvia Trevisan, supervised by Bjarke Buchbjerg and Rafael Guédez
- Focusing on research and material development

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Extensive molten salt engineering experience in-house

Significant experience in molten salt, thermal energy & large-scale projects

Sevilla, Spain

Engineering Coordinator
Alberto López Florenciano
M.Sc. Mechanical Engineer

>10 yrs in EPC projects in CSP power plants with thermal energy storage and in chemical factories, including site engineering management

Simulation Engineer
Jorge Inglessis
M.Sc. Mechanical Engineer

10 yrs in FEA and CFD modelling of CSP plant components and processes, including molten salt tanks

3D Designer
Victor Orellana Cocinero
M.Sc.

11 yrs of 3D Modelling Design in EPC projects with thermal energy storage in molten salts

Instrumentation & Control
Belén Camara
M.Sc. I&C Engineer

10 yrs in EPC projects, CSP plants with thermal energy storage in molten salt and steam

Senior Process Engineer
José Ignacio Romero
M.Sc.

10 yrs in EPC projects and R+D with thermal energy storage

Administration & Control
Teresa Laffitte Solis
MBA

Oslo, Norway

Test Leader
Sharat Pathi
PhD Chemical Engineer

14 years of experience in Process design, optimization, process simulation, heat & material balance etc.

EH Specialist
James Brown
Post Doc

15 yrs of experience in R&D, engineering management & large electromechanical product development (electrical heaters)

Test Site Lead
Torstein Halvorson
B.Sc.

30+ years of experience in production & production engineering in the opti metrics industy

Automation Engineer
Jens Brunsvik
M.Sc.

10 yrs of experience in software engineering and design

Contracted Partners

Royal Institute of Technology
Rafael Guedez, **PhD**
Silvia Trevisan, **PhD**

RPOW Consulting *
Trusted engineering partner

AACSP Consulting *
Trusted engineering partner

* Detailed competency description to be viewed in appendix

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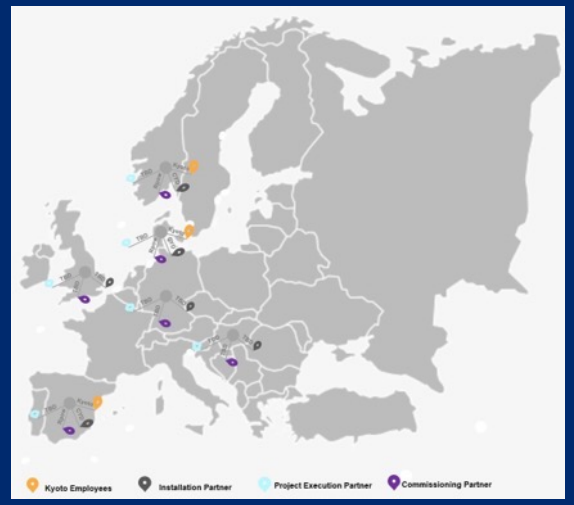
Scalable project organization

How to secure multi project execution without building fixed cost

- A scalable organization that can grow/shrink fast based on number of projects/contracts
- Strategic & Tactical Resources are kept internal
- Operational resources – Majority Kept external to;
  - Avoid building fixed cost
  - Avoid resources not being used
  - Meet various markets and geographies
- Engineering, Procurement and Manufacturing are remaining as separate departments from the project organization

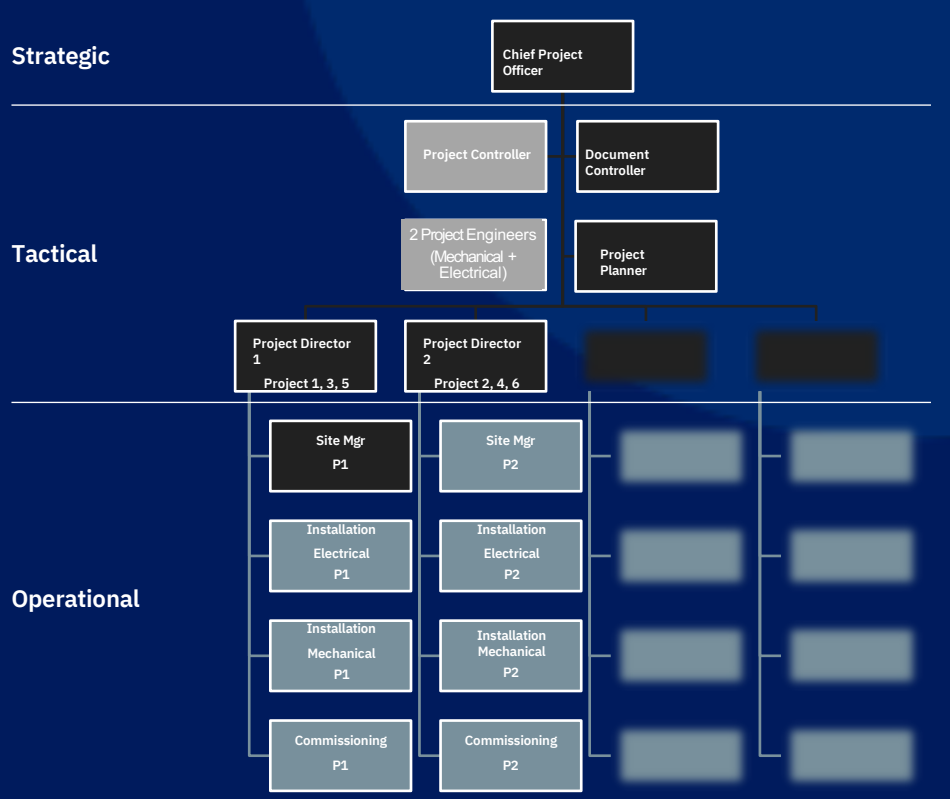


Engineering

Procurement

Manufacturing

Kyoto Group Employees



Kyoto Group Employees

Mix of Kyoto Employees & Consultants

Established partnerships in our main markets

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Solid collaboration platform in the Heatcube value chain

Strategic partners with extensive thermal energy & molten salt experience

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BREAK

KYOTO

Next on our agenda

Sigbjørn Seland

From StormGeo Nena

CAPITAL MARKETS DAY

Decarbonizing the power markets

Sigbjørn Seland from StormGeo Nena

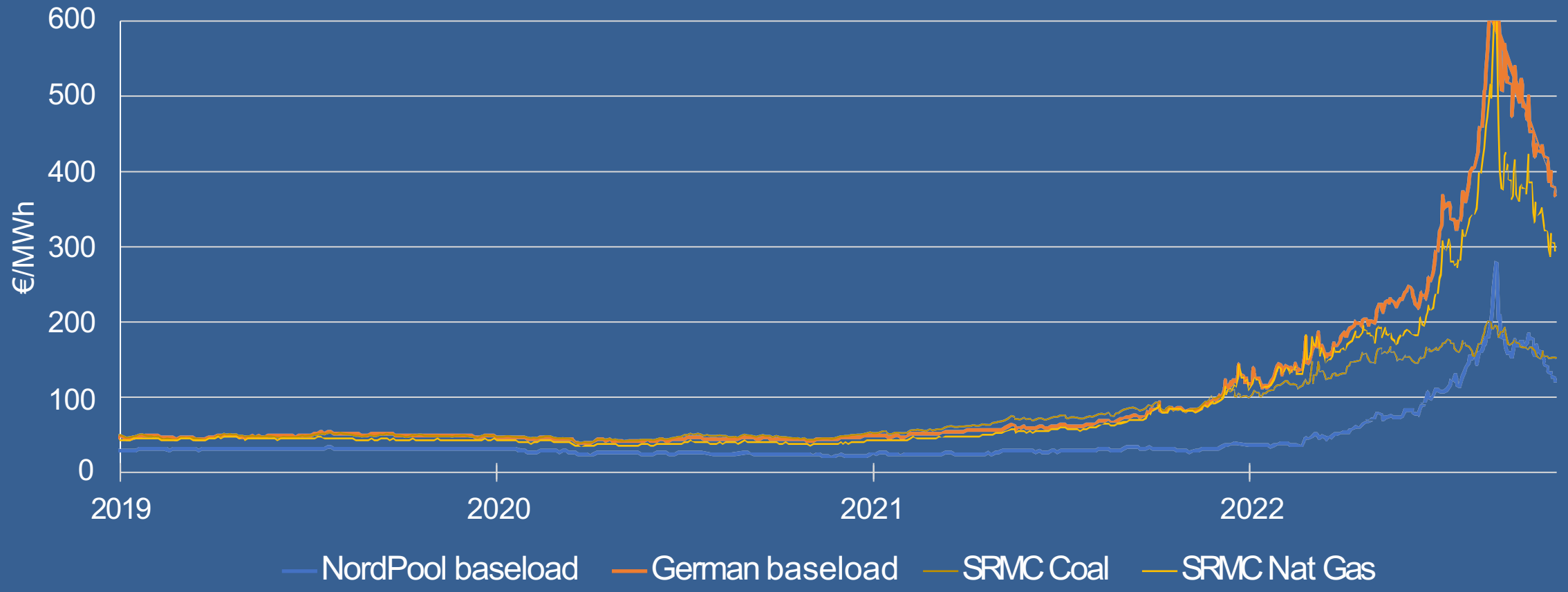
StormGeo Nena

Current state of the power markets

- **European power markets still dominated by coal and nat gas fuelled power plants. Base load power prices typically set by the short run marginal production cost (SRMC) of a hard coal power plant or by a CCGT (Combined Cycle Gas Turbine)**
- **Nordic power largely decoupled from SRMC coal and SRMC nat gas as hydro and wind power, with SRMC at zero, dominates**
- **Short-term volatility impacted by the spiking fuel prices – hourly prices determined by either renewables or thermal power plants**

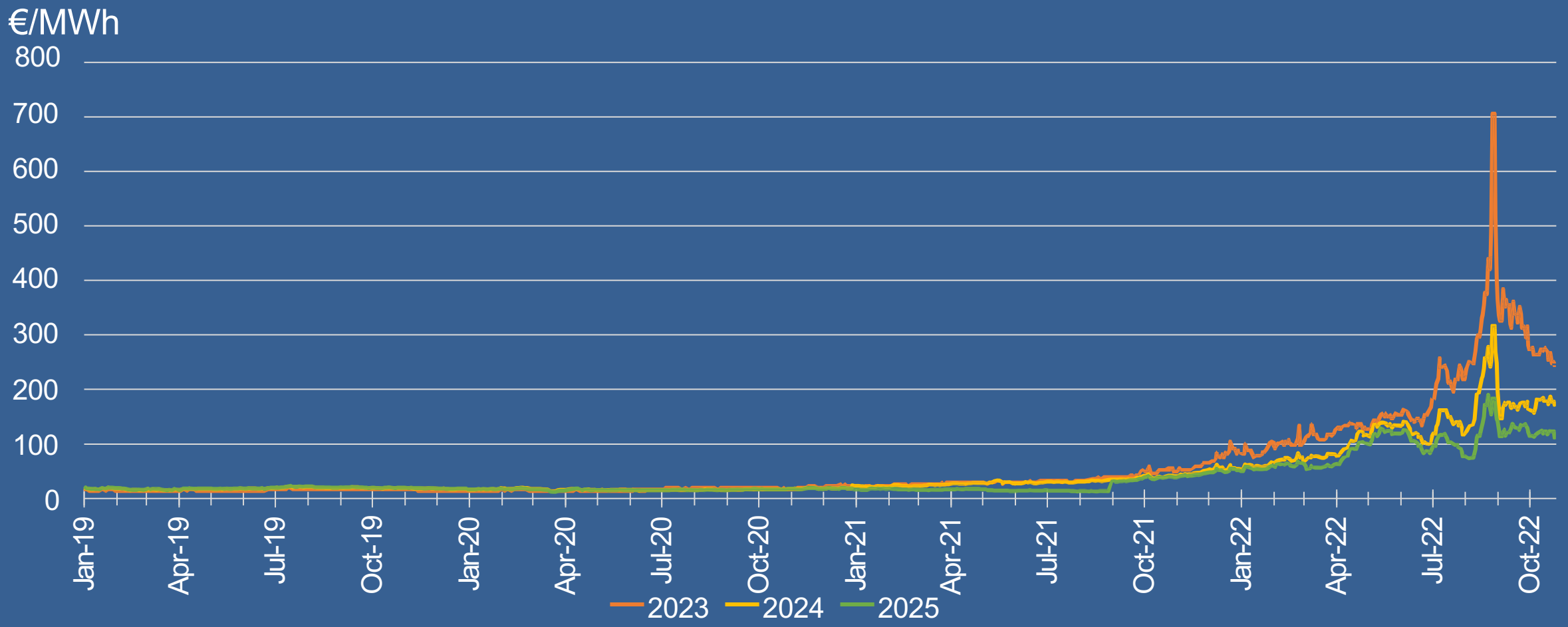
German and Nordic baseload 2023 futures price vs SRMC coal and SRMC nat gas

- German baseload strongly linked to SRMC nat gas.
- Nordic baseload largely disconnected to SRMC coal/nat gas, hence to German/Conti power. Connection stronger when Nordic hydrological balance is weak.



Nordic baseload futures discount to German baseload futures

Nordic discount slowly decreasing further out on the futures curve, but general picture is Nordic power is “record cheap” compared to most of Europe



Future development in the markets

Power markets in Europe are changing rapidly

- **The backdrop is the EU's objective, expressed in the Energy Road Map 2050, that Europe should be a low-carbon economy in 2050**
- **Decarbonisation is largely achieved through electrification. It is widely accepted that electricity consumption will increase a lot.**

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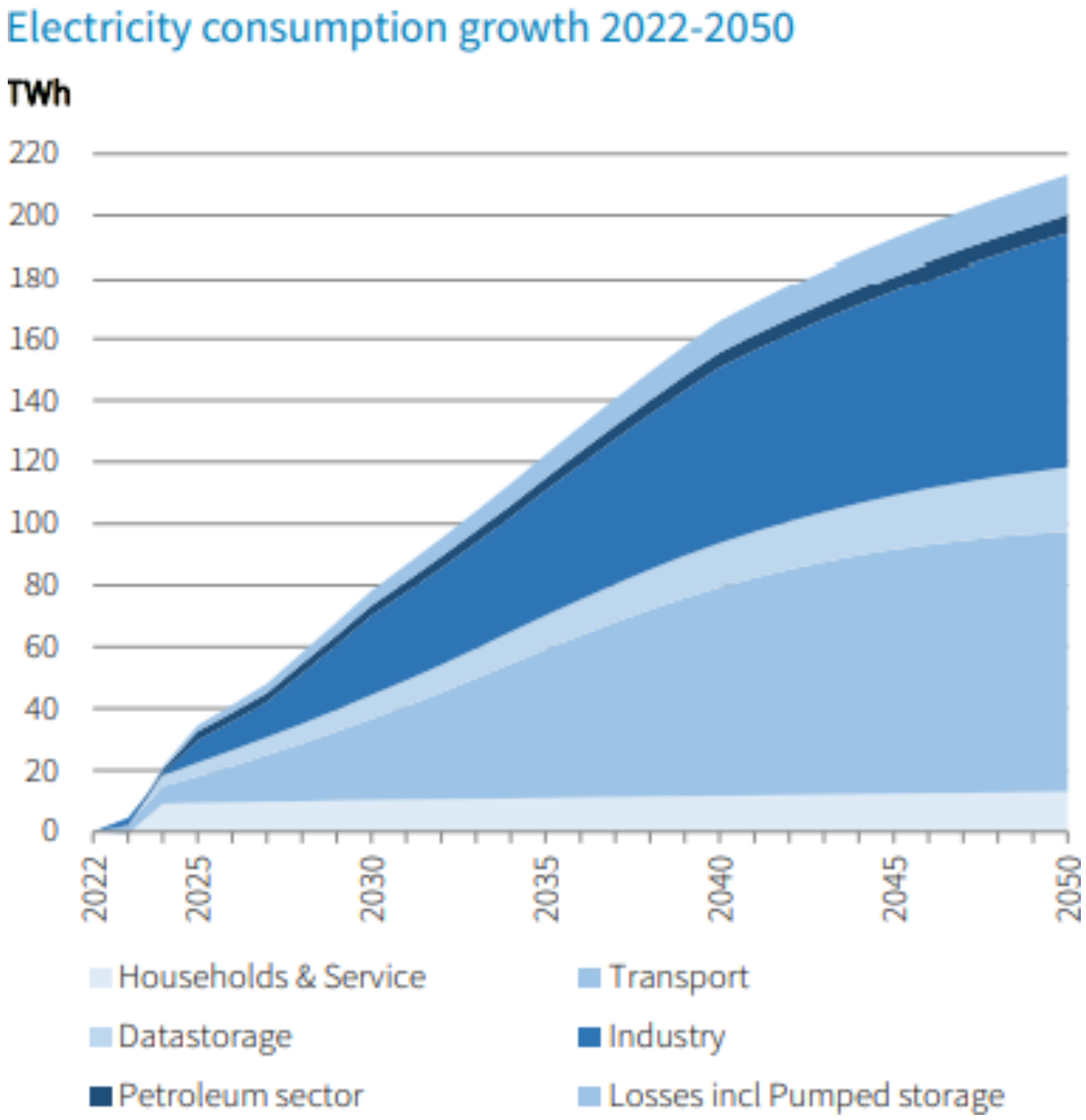
Electricity consumption growth in the Nordic region.

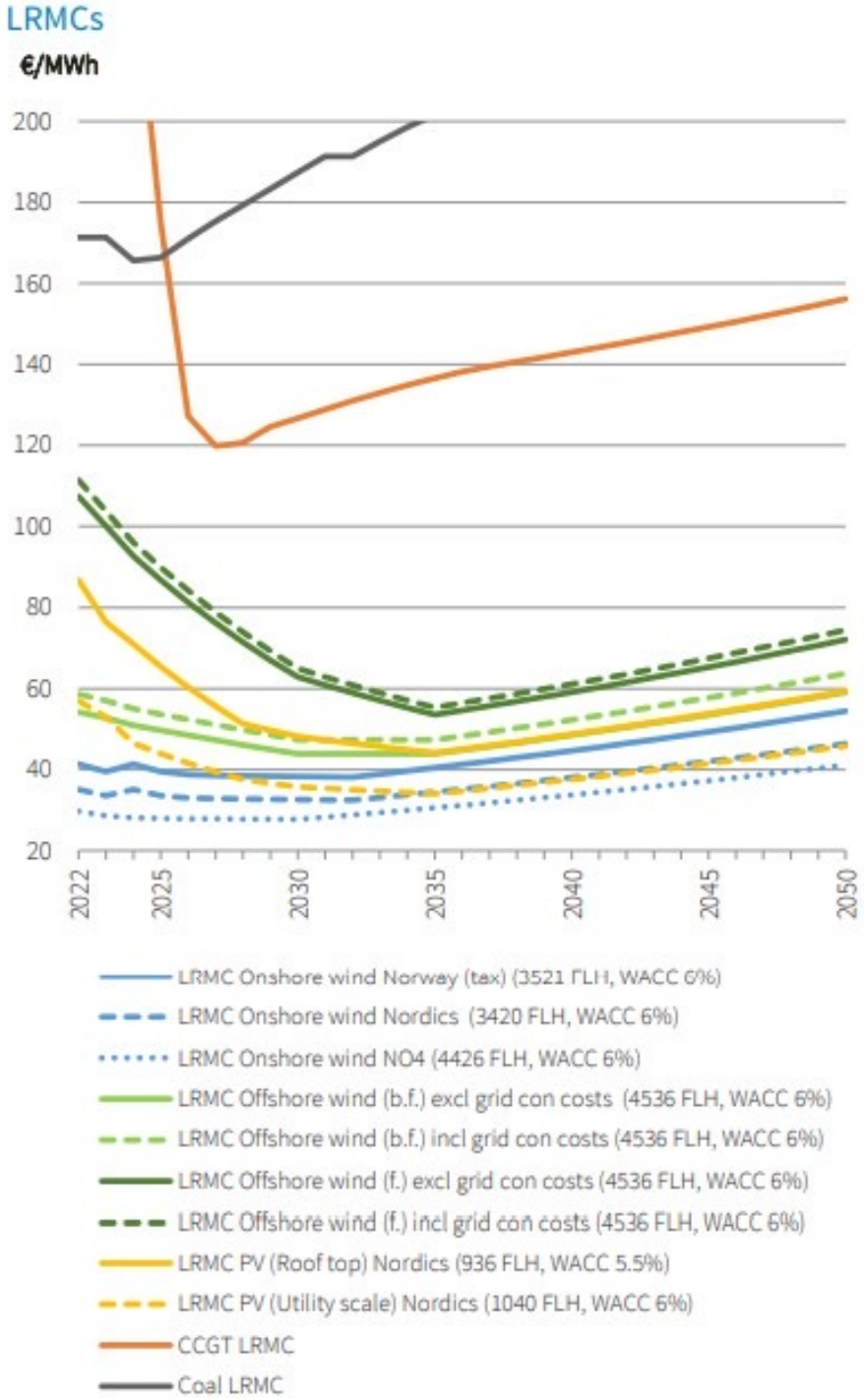
- The development in industrial consumption includes electricity consumed to the production of green hydrogen.
- Electricity consumption growth in other parts of Europe will likely be even stronger



Future development in the markets

Power markets in Europe are changing rapidly

- **EUAs (CO_2 allowances) is EUs main tool to achieve the goal of the Energy Road Map 2050. The price of EUAs must be high enough for sufficient investment to be made in emission-reducing measures. However, there is little evidence that decarbonization targets will ever be achieved as a direct result of the price of CO_2 allowances, the price of allowances would simply be unacceptably high.**
- **Current situation: High prices for coal, natural gas and EUAs leads to SRMC for European base load production capacity (hard coal and CCGT power plants) being higher than long run marginal cost (LRMC) for new renewable power generation (wind and solar power)**
- **This results in a strong investment signal for wind power and solar power all over Europe. "All" approved wind and solar power projects should be developed as soon as possible.**



New renewable power production is extremely cheap compared to fossil fueled power production

- Investments are not limited by profitability or lack of capital, but by availability of projects
- the NIMBY (Not In My Back Yard) effect is strong, ref. the full stop to onshore wind power in Norway in 2019
- how much the NIMBY effect will limit future investments in new renewable power is one of the biggest uncertainties
- Electricity price will gradually become less influenced by SRMC coal and SRMC nat gas and more influenced by the LRMC of new renewable production

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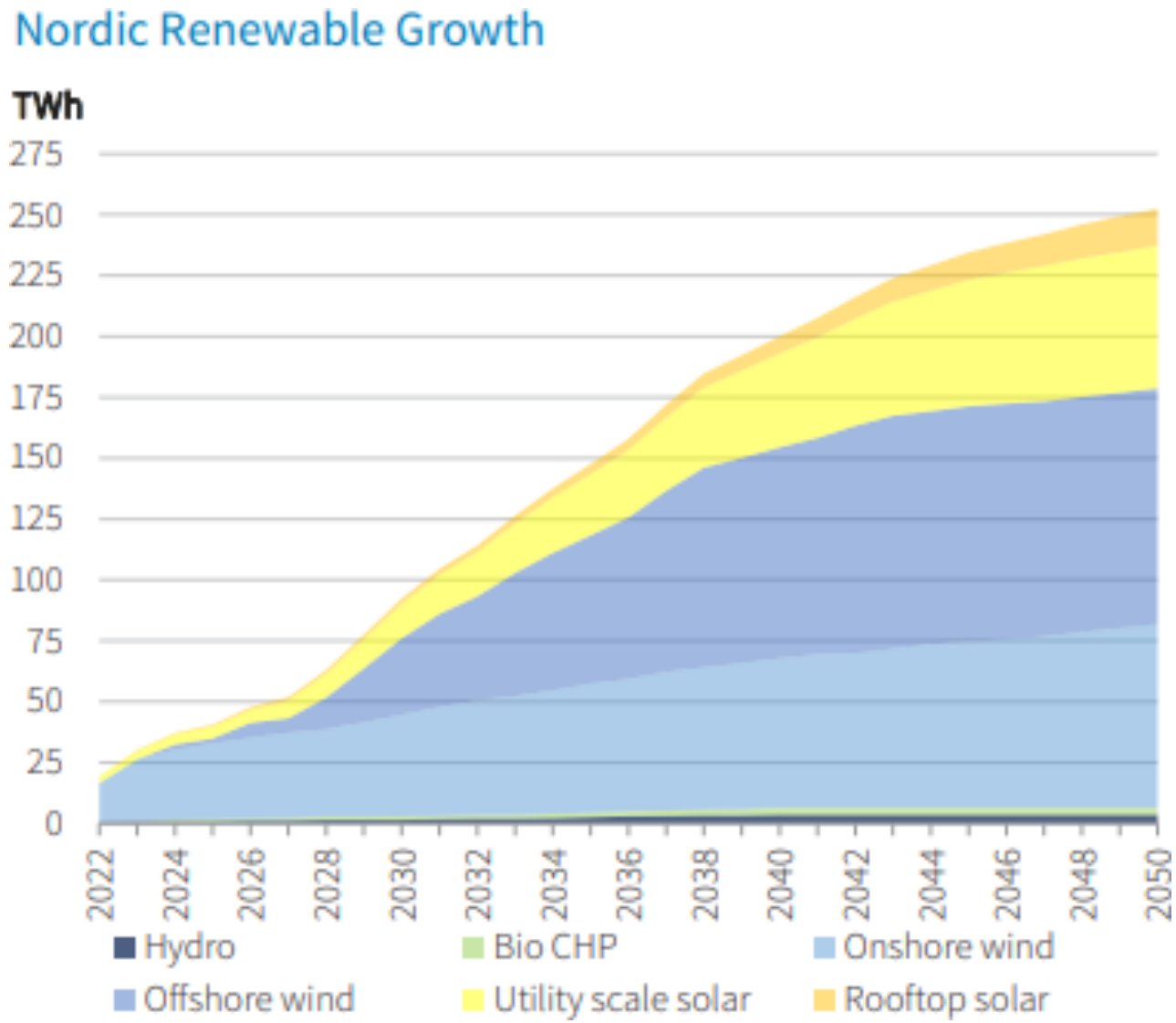
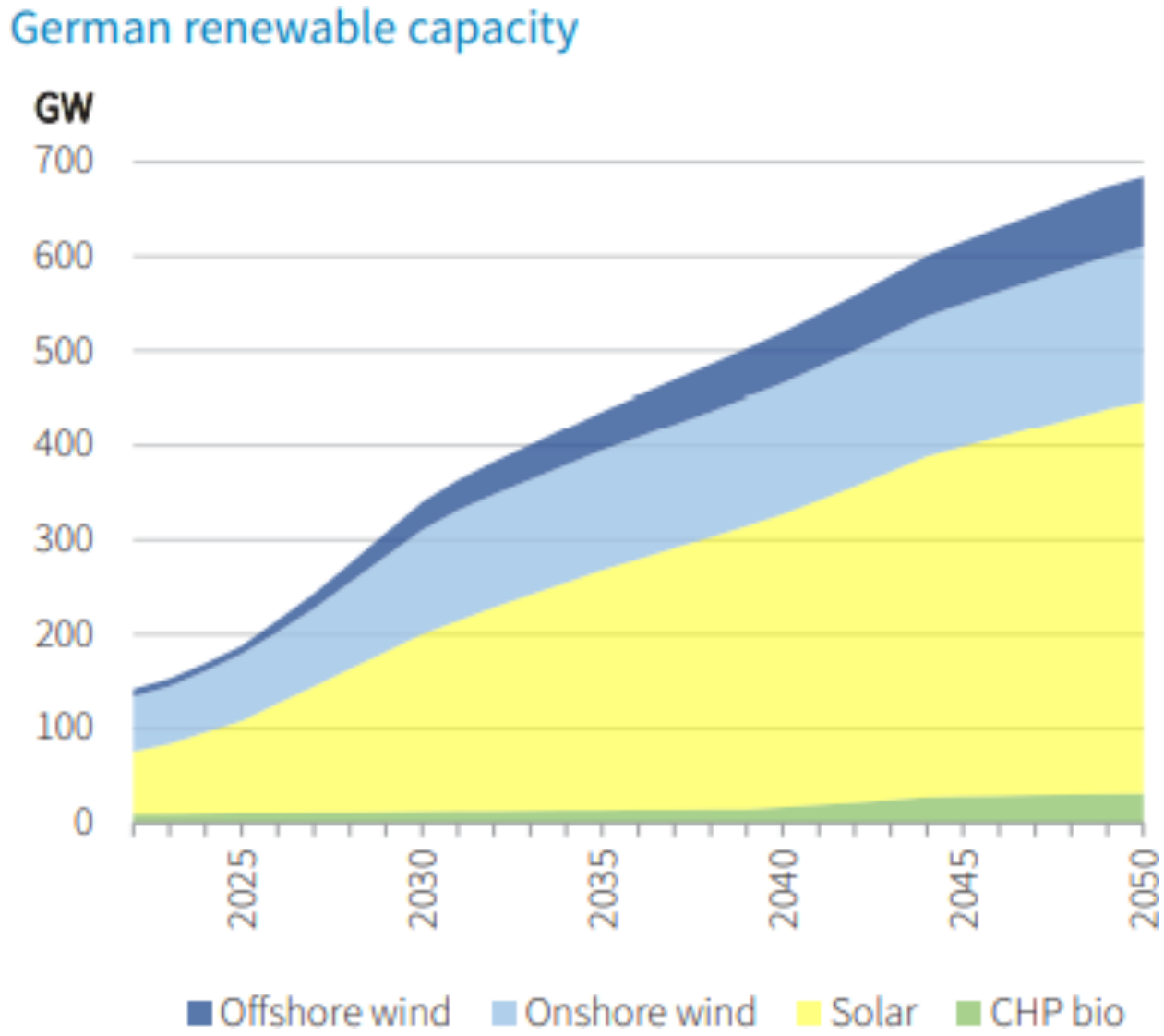
Renewables development in the Nordics

There has been relatively few investment decisions lately, which will dampen renewable growth in 2023 to 2025.

Anyhow, speed of renewable investments will pick up going forward and we forecast increased renewable growth within few years



Same form of development in Germany (and elsewhere in Europe) A sustained renewable growth going forward



Investments in Energy storage technologies

- **Sustained investments in wind and solar power are slowly but surely pushing baseload production capacity out of the market, i.e., intermittent production capacity replace baseload capacity**
- **The effect will necessarily be that power prices become more volatile. A larger proportion of the time, power prices will either be very high or very low.**
- **This opens the power markets for investments in energy storage technologies. The investment signal for energy storage occurs when power prices have become volatile enough**

THE NORDIC POWER MARKET – P2P

We find a gradually increasing investment signal for Battery Power Plants

By early 2030, the spot price difference between charging hours and discharging hours have become large enough to spur battery investments in large scale

An investment signal for PtP peak power plant (hydrogen based) occurs shortly before 2050 in Denmark.

CONTI EUROPE AND UK – P2P

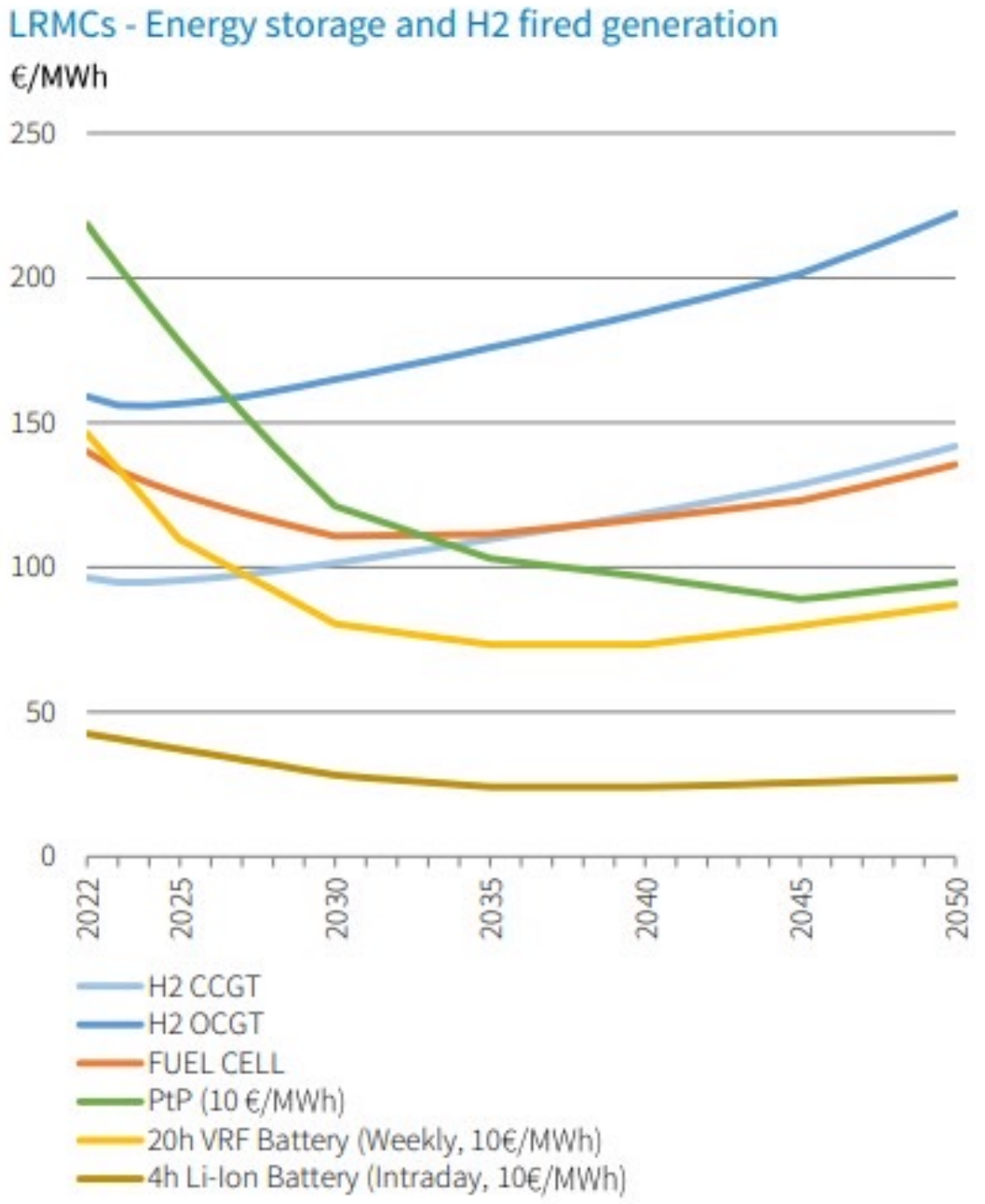
Our findings will apply to most other countries in Europe as well.

The investment signals appear earlier in these markets, but will vary from country to country

INVESTMENTS IN OTHER ENERGY STORAGE TECHNOLOGIES

The increasing price volatility incentivize investments in all energy storage technologies that utilize low-priced hours in the power market to store energy at a low cost and produce

The more flexible (in terms of number of hours needed) the more competitive.



Key takeaways

- **Strong electricity consumption growth on the road to decarbonization**
- **Sustained investment signal for new renewable production**
- **Increasing price volatility in electricity markets slowly but surely increase profitability for investments in energy storage**
- **Electricity prices gradually less determined by SRMC of coal and nat gas production, gradually more determined by the LRMC of new renewable production (offshore wind power for the Nordic region and North-western Europe)**

StormGeo Nena

CAPITAL MARKETS DAY

Summary & financial update

CFO Håvard Haukdal

Kyoto Summary

At market break-through with proven technology

EUR 1 000 billion market* to electrify process heat

At market break-through with 1 800 MWh in pipeline**

2/3 of industrial energy demand is for heat

90% of industrial heat generation comes from fossil fuels

Serviceable Addressable Market for Kyoto around 11 200 TWh or EUR 1 000 billion*

Based on proven CSP Technology

Potential to become market leading

Storage of energy in molten salt, coupled with electric heater and steam generator

Relevant patents and world class engineering competence acquired

Delivers process heat of 170-525°C

Competitive cost position

Attractive business case

2025 CAPEX target of <40 EUR per kWh installed storage capacity

2025 LCOS target of <15 EUR/MWh heat output

Solid recurring revenues based on 50% sales from Heat as a Service (HaaS) and targeted EBITDA break-even at latest 2025

Work on long-term funding strategies to support growth ambitions and plans

** Based on Aurora report 2021; **Includes customers where a dialogue is initiated, as well as customers in negotiations and under contract*

Heatcube CAPEX roadmap

On track to deliver on target CAPEX roadmap, establishing a solid foundation for the Heatcube platform

Capex composition

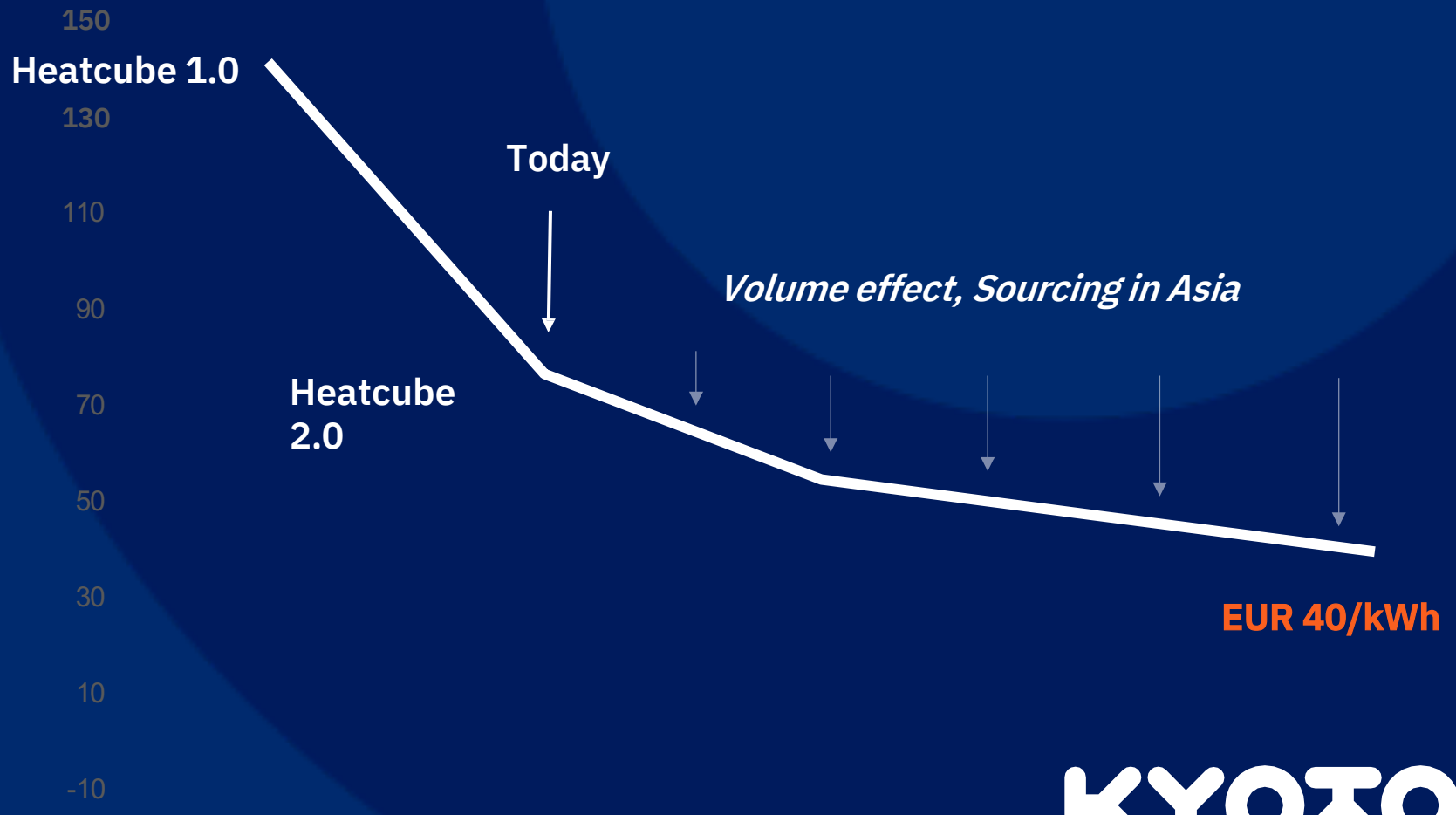
Heatcube components

\+ “Good for All” developments *
Battery & Energy management systems
Gen2.0 engineering

\+ Site assembly

\+ Contingency

= CAPEX, off grid **



* Developments that will be beneficial for a group of installations, hence proportion of cost is allocated to each installation
** Site preparation costs and grid connection costs vary significantly for different client sites and need to be carried by each client

Heatcube Levelized Cost of Storage (LCOS) roadmap

Strenghtening ambition – Kyoto targets 2025 LCOS <15 EUR/MWh

LCOS (EUR / MWh) =

$$\frac{\text{Sum storage costs over lifetime (EUR)}}{\text{Sum produced heat over lifetime (MWh)}}$$

- The Levelized Cost of Storage (LCOS) reflects the total cost of the storage technologies on a per output unit basis
- Heat storage comparisons for LCOS indicates a very competitive edge for the Heatcube technology
- Original target for 2025 was LCOS < 20 EUR / MWh
- Updated analyses indicate that we currently are slightly north of 20 EUR/MWh
- We continue to chase for improvements and strengthen our target to 2025 LCOS <15 EUR/MWh

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Heatcube unit economics

Heatcubes come in multiple configurations, and EBITDA contributions vary across countries and client user patterns

	Medium – HC 10.64.5 Demand of 22,000 MWh/year Industry: Food & Beverages	Large – HC 20.88.5 Demand of 35,000 MWh/year Industry: Food & Beverages
Heat price	80 EUR/MWh	80 EUR/MWh
Power, Grid tariffs* ** and flexibility reserve* **	- 60 EUR/MWh	- 59 EUR/MWh
O&M*	- 2 EUR/MWh	- 1 EUR/MWh
Anticipated EBITDA contribution* **	= 18 EUR/MWh 396 000 EUR/year	= 20 EUR/MWh 700 000 EUR/year

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* RTE (Round-trip Efficiency) of 90% | ** Comparable to a PPA price 40-50 EUR/MWh | *** 5-15% reduction in charging cost when participating in Frequency Reserve Markets

Decarbonization of industrial heat demand

Annual CO2 emission reduction by 2025 equal to >71,000 cars

2025

>2,000 MWh of storage capacity installed

Reduction of >130,000 ton CO2 emissions pr year

Equivalent to emissions from >71,000 diesel cars**

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Assuming Heatcube utilization of 84% annually | * Combustion of NG: 0.2 ton CO2/MWh, 85% efficiency | ** Avg CO2 emissions from Diesel vehicles of 1.83 ton/year

Key developments towards 2025 targets

Original targets before review

2021

- Pilot test finalized and converted to R&D center
- First commercial order signed
- IPO
- Doubling of organization
- 2022 pipeline maturing

2022

- First commercial installation
- Signing of several commercial orders, with large industrial companies
- Doubling of organization
- Explore M&A opportunities and financing

2023–2024

- Strong foothold in all strategic markets established
- Accelerating industrialization of the Heatcube
- Developed next generation Heatcube designed for Manufacturing and Assembly
- Continued growth and expansion of the organization
- Increasing focus on profitability, approaching break even

2025

- Several hundred batteries installed
- > GW and several GWh available
- Solid profitability
- LCoS <20 EUR/MWh
- CapEx <40 EUR/kWh
- A billion NOK revenue company

LCoSC = Levelized cost of Storage Capacity

Key developments towards 2025 targets

Revised Kyoto targets

2022

- First commercial installation
- Signing of several commercial orders, with large industrial companies
- Doubling of organization
- Explore M&A opportunities and financing

2023

- **New installations in H2 2023**
- Signing of **5-10 commercial orders** anticipated
- HaaS / HaaP volume split of around 50/50 anticipated
- Solid market presence in Spain established
- Organizational scale-up capabilities well established

2024

- Strong foothold in key markets established
- Accelerating industrialization of the Heatcube
- Signing of **additional 10-20 commercial orders** anticipated
- Increasing focus on profitability, approaching break even

2025

- **> 2000 MWh storage capacity** installed
- EBITDA break-even
  - LCoS **<15* EUR/MWh**
- CapEx <40 EUR/kWh
- A billion NOK revenue company

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* LCoS = Levelized cost of Storage Capacity

Q&A

THAT CONCLUDES THE KYOTO GROUP CAPITAL MARKETS DAY

For further questions

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Commercial: Tim

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THANK YOU!

All registered attendees will receive a link to the on-demand version and presentation. If you have not registered sign up today

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Appendix

Company highlights

Extensive global heat potential for electrification

- 50% of the global energy is used for heat production , and decarbonization through electrification requires energy storage
- The global addressable market for Kyoto's Heatcube comprises of 11,200 TWh equal to more than 1 trillion euro*

Proven, modular Heatcube technology

- Kyoto's Heatcube is a modular and scalable thermal storage solution that is built on the molten salt technology used since 20+ years within the Concentrated Solar Power (CSP)
- Driven by the continuous technology development, scaling up and optimizing the supply chain, the targeted CAPEX is set to 40 €/kWh of storage for 2025 and the Levelized Cost of Storage to 15 €/MWh

Strategy with clear commercial priorities concluded

- Based on market analysis, 5 focus markets and 6 key industries have been identified
- The value for the industry is primarily created by load shifting and participating in the reserve market and is offered either as Heat-as-a-Product (HaaP) or as Heat-as-a-Service (HaaS)

On the door-step to market break-through

- In 2022 Kyoto gained significant traction in the market and is expected to sign 5-10 LoIs with partners in different targeted industries and geographies
- A current potential pipeline with more than 1800 MWh storage demand to ensure a continuous growth

Strong eco-system for execution

- Kyoto Group has established a strong eco-system of partners and suppliers optimizing the pre-assembling of the modules as well as ensuring a scalable project execution organization
- Backed by a very senior industrial board of directors, the multi-national management team carries over 120 years of relevant scaling-up and industrial experience leading a highly diversified organization

Key financials and targets

- Unit economics shows attractive cases with target EBITDA margin levels around 25%
- Within 2025 >2000 MWh of thermal storage is expected to be installed generating profitability

* Aurora report 2021

Modular applications of the Heatcube

Same product, multiple configurations drive flexibility and reduce cost

Heat

Air/liquid to molten salt heat exchanger

Electricity

Resistive heaters

Storage and Circulation System

Steam Generator

Turbine

Electricity

Heat

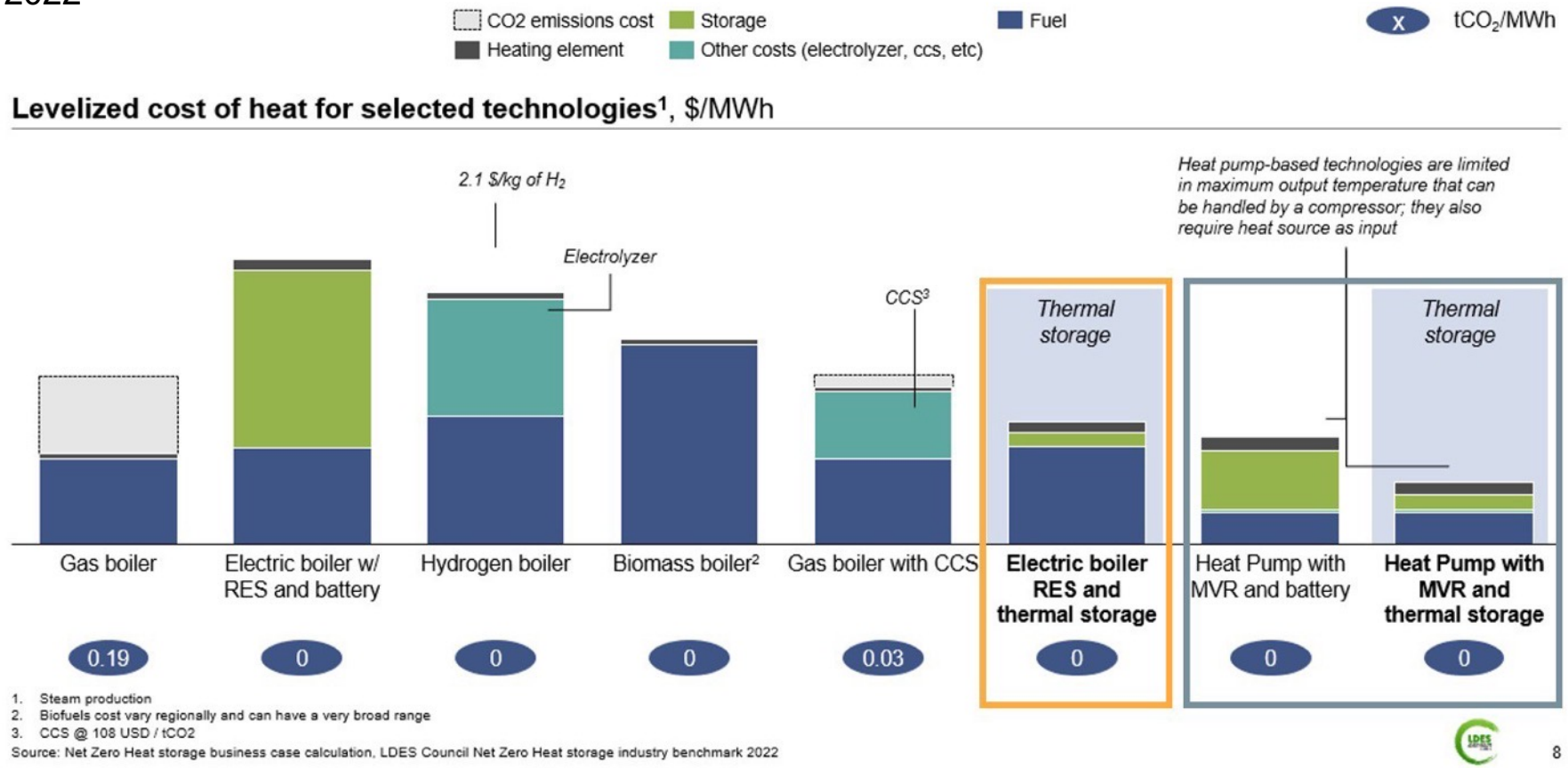
Molten salt to liquid heat exchanger

Thermal storage is cost competitive with fossil heat when including carbon tax or at low electricity costs

Reference slide from McK/LDES

McKinsey/LDES: Comparing the LCOH for fossil-based and renewable solutions

2022



Heatcube

- Able to serve medium to high temperature industrial heat demand
- Gives access to lowest possible power prices

Heat pump technologies

- Limited in maximum output temperature (low temperature heat)
- Heat source as input

Heatcube™ is the most mature and among the lowest cost solutions based on thermal storage

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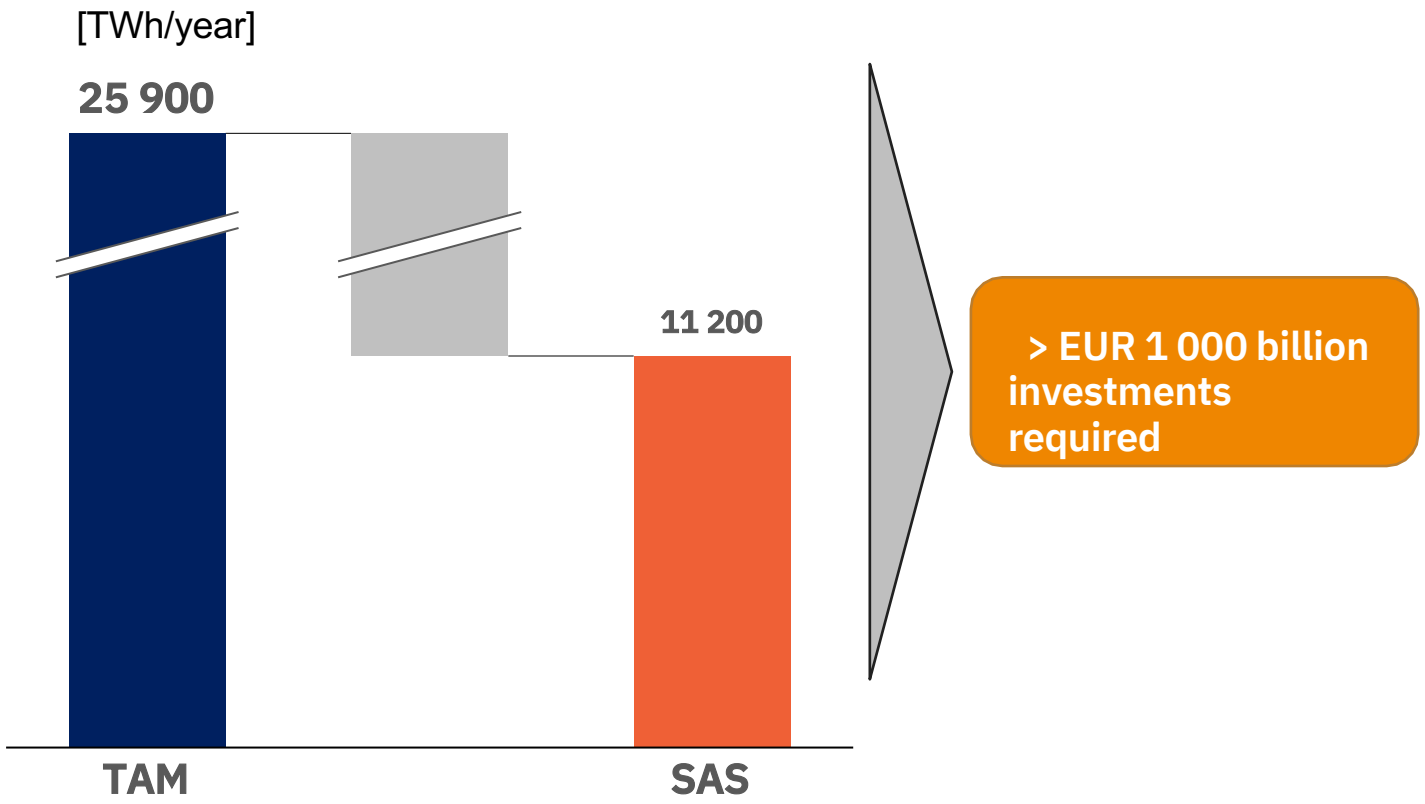
11 200 TWh or more than EUR 1 000 billion* market potential

Temperature ranges and example for industrial processes

Very-high-temperature heat (>1,000°C)	Melting in glass furnace, reheating of slab in hot strip mill, and calcination of limestone for cement production
High-temperature heat (400–1,000°C)	Steam reforming and cracking in the petrochemical industry
Medium-temperature heat (100–400°C)	Drying, evaporation, distillation, and activation
Low-temperature heat (≤100°C)	Washing, rinsing, and food preparation

Global Heat demand and investment requirements*



*Aurora 2021=> https://f.hubspotusercontent40.net/hubfs/8855495/documents/2021-11-25%20Aurora%20-%20Kyoto%20presentation%20CMD%20Q4%202021.pdf TAM (Targeted Addressable Heat Market) = Global heat demand – heat demand outside the industry
SAS (Serviceable Addressable Segments) = TAM – heat demand outside relevant temperature range – existing low-carbon heat + pre-heating demand

Key financial highlights 1H 2022

Key financial highlights

EUR 1.4m
Investment in Heatcube™ technology

EUR 6.9m
Cash position 30.06.22

EUR -3.0m
Net loss 30.06.22

EUR -3.3m
Cash from operational activities

Changed functional currency from NOK to EUR

The funds has been allocated to:

- Building and installation of Heatcube™ at Nordjyllandsværket
- Organization has tripled during the first half of 2022
- Expansion of footprint, established Kyoto Technology Denmark and in the process of establishing Kyoto Technology Spain
- Acquiring of Mercury Energy in Spain
- Investment in development of next generation Heatcube™

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