

PRESS RELEASE

November 28, 2023

Kyoto Group receives EUR 6.4 million order for Heatcube to deliver industrial process heat and act as balancing asset on grid.

Oslo, Norway 23 November 2023 – Kyoto Group, together with its financial partner, Kyotherm, and its energy trading partner in Hungary, Energiabörze, has entered into a set of agreements to deliver Heat-as-a-Service (HaaS) to the Hungarian food ingredient producer KALL Ingredients Kft while also acting commercially as a balancing asset on the grid.

The signed Heat-as-a-Service agreement with KALL Ingredients builds on the [letter of Intent](#) reported by Kyoto on a no-name basis on January 10th 2023 and the [term sheet](#) announced August 22nd 2023.

The 15-year HaaS agreement outlines the commercial conditions for delivering high quality steam to one of the newest corn processing plants in Europe, installed as a greenfield investment of EUR 145 million in 2017. The plant can process up to 530 000 tons of non-GMO corn per year, to produce alcohol for the pharmaceutical & food industries, syrups (sweeteners) for the food industry and ingredients for animal feed, under strict food safety and pharmacopoeial regulations.

“We are proud to meet KALL’s strict requirements while actively contributing to their ambitious objectives of reducing CO2 emissions. We are looking forward to demonstrating the second generation Heatcube capabilities to the world, including the recently announced round-trip-efficiency of 93%, the rapid ramp-up and decoupled charge & discharge, designed to also serve as a flexible asset for the grid, and not the least the digital DataOps platform supporting the operations & maintenance of Heatcube.” stated Camilla Nilsson, CEO of Kyoto Group.

The partners have established a Hungarian legal entity (SPV) that has entered into the Heat-as-a-Service agreement with KALL, with Kyotherm as the majority investor, Energiabörze, as the minority investor. Kyoto Group will also be granted some cash-flow from the SPV, as the project developer. The SPV has purchased the Heatcube from Kyoto Group.

Kyotherm, a global investment company specialized in co-developing, financing, and operating decarbonization projects in the field of low carbon heat and energy performance, continues its growth trajectory and was recently backed by a EUR 24.7 million investment from the infrastructure debt fund “BRIDGE”, managed by Edmond de Rothschild Asset Management (EDRAM).



Heatcube demonstrator in Aalborg – Credits : Kyoto Group

Arnaud SUSPLUGAS, Founder and Chief Executive Officer of Kyotherm, declared: « *We are honored to be part of such an excellent team, with Kyoto Group, Energiabörze and KALL. We are convinced that thermal energy storage solutions combined with flexibility services on the power grid will be key in the energy transition, and Kyoto’s Heatcube is an efficient solution to decarbonize industrial heat demand using excess solar and wind energy.* »

Tim DE HAAS, Chief Commercial Officer of Kyoto Group, declared: « *Thanks to the excellent collaboration with our distinguished partners we can enable KALL Ingredients to decarbonize while also reducing their energy cost. In addition to offering green steam for KALL’s industrial processes, Heatcube provides balancing services for the energy system in Hungary. This also marks a significant commercial milestone for our Heat-as-a-Service business, including a service agreement and related recurring revenues.* »

KALL Ingredient’s Heatcube will reduce 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, declared: « *We are proud of our state-of-the-art corn processing plant and pleased to add innovative cleantech solutions to our infrastructure that is capable of meeting the strict requirements in our industry. 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, high quality and cost-effective supply of green steam and we are excited to get started with this project.* »

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. Energiabörze, a Hungarian electricity trader operating in the wholesale and regulatory areas of the electricity market since 2013, will be responsible for this activity in the SPV.

András VINKOVITS, Chief Executive Officer of Energiabörze Kft, declared: « *In Hungary the share of renewable energy supply continues to increase significantly, which requires a rise in storage capacity. We have experience in coupling hot water supply and aFRR controlled renewables. Kyoto’s Heatcube*

provides a technical solution for continuous steam supply for industrial customers while sourced from weather-dependent renewables or from the reserve market as well as benefiting from intra-day trading to reduce the energy costs for the industry. »

The joint project execution team and plan has been established and the parties plan to install the Heatcube within the next 12 months, with commissioning and final hand-over to KALL Ingredients in December 2024.

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 GWh 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/en

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). More information on www.kyotogroup.no

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. More information on www.energiaborze.hu

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. More information on <https://kallingredients.hu>

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