

Kyoto Group | H1 2021 Presentation

August 20, 2021



IMPORTANT NOTICE

Disclaimer

This presentation (the “Presentation”) has been prepared and delivered by Kyoto Group AS (the “Company”). Copyright of all published material including photographs, drawings and images in this document remains vested in the Company and third party contributors as appropriate. Accordingly, neither the whole nor any part of this document shall be reproduced in any form nor used in any manner without express prior permission and applicable acknowledgements. No trademark, copyright or other notice shall be altered or removed from any reproduction.

The Presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or industry and markets in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. Any forward-looking statements and other information contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts based on the current expectations, estimates and projections of the Company or assumptions based on information currently available to the Company, which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development.

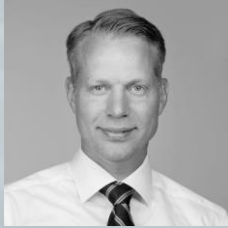
Although the Company believes that its expectations and the Presentation are based upon reasonable assumptions, neither the Company, nor any of its subsidiary undertakings or any such person's officers or employees provides any assurance that the assumptions underlying such forward-looking information and statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

Any investment involves risks, and several factors could cause the actual results, performance or achievements of the Company as described herein to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this Presentation, including, among others, risks or uncertainties associated with the Company's business, segments, development, growth management, financing, market acceptance and relations with customers. More generally an investment will involve risks related to general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, fluctuations in currency exchange rates and interest rates and other factors. Should one or more of such risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Presentation.

The Company is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither the Company nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

The Presentation speaks and reflects prevailing conditions and views as of the date of this release. It may be subject to corrections and change at any time without notice except as required by law. The delivery of this Presentation - or any further discussions of the Company with any recipient - shall not, under any circumstances, create any implication that the Company assumes any obligation to update or correct the information herein, nor any implication that there has been no change in the affairs of the Company since such date.

TODAY'S SPEAKERS



Christopher Kjølnér
CEO

20 years' experience from finance, strategy and business development, with positions in large and international corporations (General Electric, Lorentzen & Stemoco, Nordea, Skagerak Energi) and in start-ups such as Scandwind, as well as various leadership roles such as EVP, CEO, CFO and COO



Camilla Nilsson
CFO

20 years of experience from large international corporations (Norsk Hydro, Yara International) as well as start-ups (Umoe BioEnergy, Agrinos) in various leadership roles such as CFO, Investment Manager and General Manager



KEY EVENTS

Operational

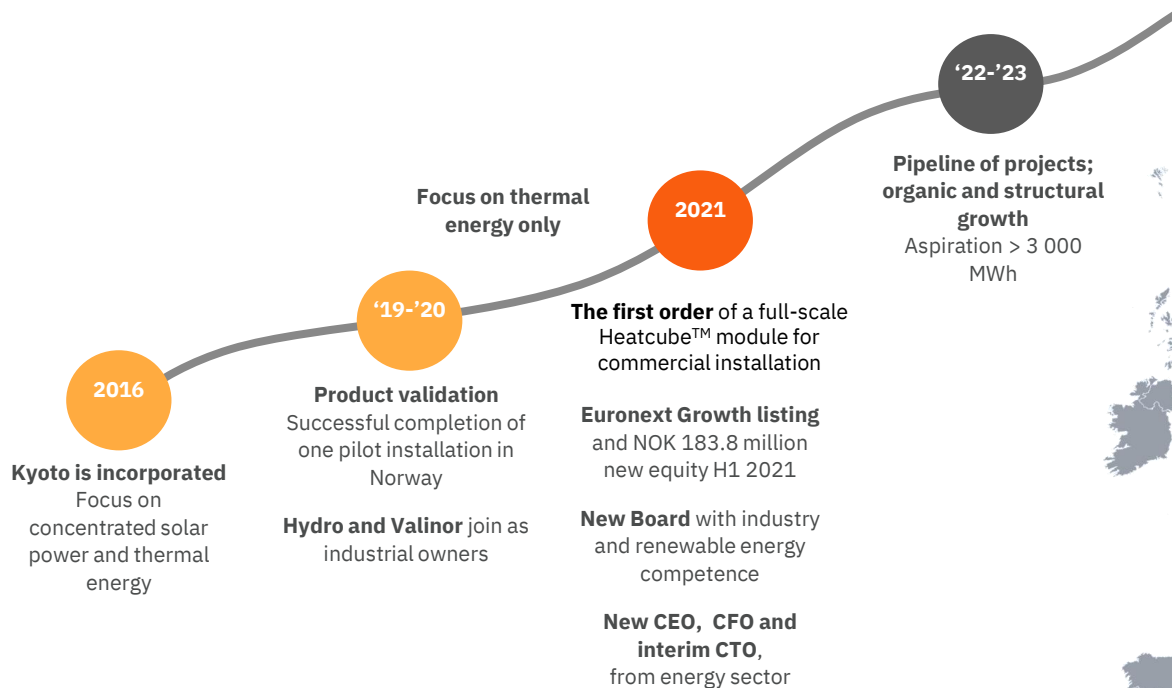
- First full-scale Heatcube™ thermal battery ordered for commercial installation as a demonstration unit
- Ongoing activities to broaden project pipeline with leads in the Nordic region
- New board established with extensive industry and renewable energy competence
- Appointed new CEO, CFO and interim CTO
- Scaling organization with 14 additional FTEs to execute on long-term growth strategy

Financial

- Raised NOK 183.3 million of new equity in from four private placements in the first half of 2021
- Shares admitted to trading on Euronext Growth from 24 March
- End of period cash position of NOK 158.9 million

FROM START-UP TO SCALE-UP

Kyoto today



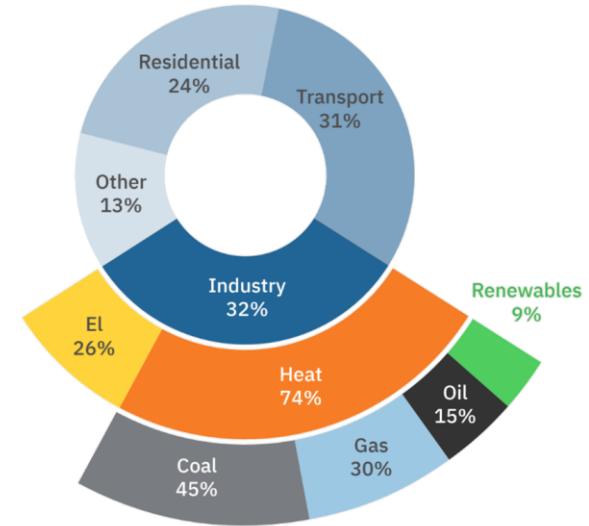
Adoption of solar and wind requires flexibility to buy energy when it is cheap and store it for when it is needed

- ~50% of energy mix in Europe in 2030 is expected to be variable renewables¹
- Increased supply and price volatility is expected as more variable renewable energy sources are connected to the grid
- All paths to achieving the EU climate targets require a more flexible energy system²

1) Ecologic Climact: Analysing the impact assessment on raising the EU 2030 climate target (September 2020)

2) European Commission: Study on energy storage – Contribution to the security of the electricity supply in Europe (March 2020)

Industries largely consume fossil fuel generated heat³



3) Total energy consumption 2014: 360 EJ, IEA & IRENA



7 AFFORDABLE AND
CLEAN ENERGY



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Introducing HeatCube.

GWh Class Industrial Energy Storage

7 Ensure access to affordable, reliable, sustainable and modern energy for all
9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

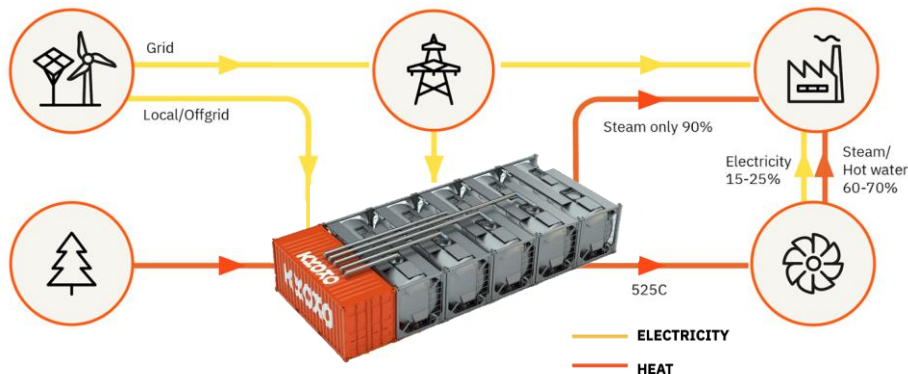
HEATCUBE OPTIMISES INDUSTRIAL CONSUMPTION OF ENERGY

Delivered in modular 20-foot containers ready for on-site installations

Input

- Utilising off-peak capacity and off-grid production

- Industrial heat
- Waste and bio
- Solar



Output

- Thermal energy for industrial applications

- Combined heat and electricity through heat engine/turbine



First thermal battery for commercial pilot to decarbonize industrial heat ordered

- Fossil fuel replacement and electrification
- Developed in collaboration with some of the world's leading experts in molten salt systems
- Heatcube module expected to be integrated and operational early 2022
- Will operate under a commercial contract for sale of heat (Heat-as-a-Service)



INITIALLY A BATTERY AS A SERVICE PROVIDER

Ambition to commercially demonstrate technology and build a portfolio of assets

#1



**First commercial pilot
in Denmark on Haas
revenue model**

Heat as a Service¹ (Haas)

- Kyoto Group builds, owns, and operates the thermal battery
- On-site installations, charging the customer for heat usage through energy purchase agreements
- Kyoto Groups control system enables the thermal battery to optimise energy input, including regulating services
- A portfolio of thermal battery assets with stable and long-term revenue streams can potentially be financed





Battery as a Product (BaaP)

- EPC contracts or direct sales, with a profit margin
- Ancillary services such as support, maintenance, and service agreement with customers

1) Previously referred to as BaaS

ROLL OUT PLAN IN NORTHERN EUROPE

Existing and planned projects in pipeline, and visible potential

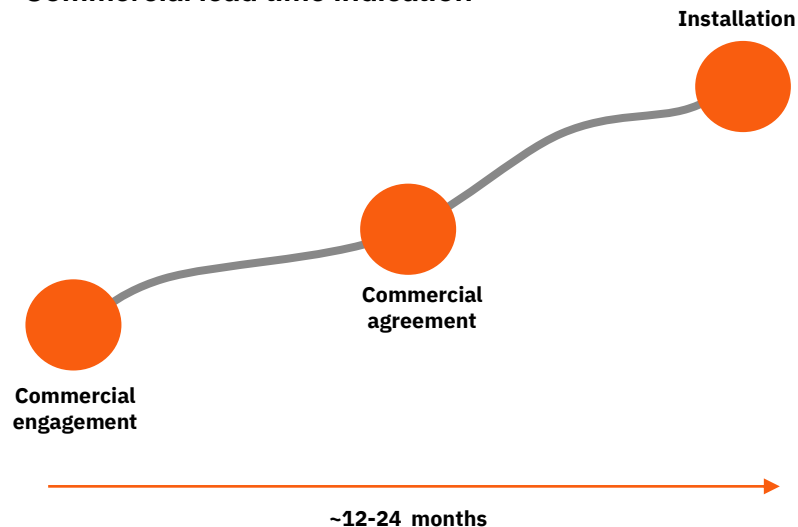
2020		1-2 MWh 1 completed pilot project below 1 MWh	<ul style="list-style-type: none">One pilot Heatcube thermal battery in operation since June 2020, providing key insights for future installations
2021		10 + 20 MWh Ancillary market participation Fossil fuel replacement and electrification	<ul style="list-style-type: none">First thermal battery ordered which will be installed as a commercial demonstration unit. The first order of a full-scale Heatcube module for commercial installation
2022		20+ MWh Ancillary market participation Fossil fuel replacement and electrification	<ul style="list-style-type: none">Electrifying existing fossil fuel fired heat, avoiding peak hours and offering local site balancingPotential increased self consumption from on-site renewable installations
'22-'23		Multiple 20 MWh Ancillary market participation Excess heat	<ul style="list-style-type: none">Explore baseload thermal solutions with generationExample: greenhouses in Almeria (Spain) needing heat at night.

FOCUS ON COMMERCIALISATION AND PROJECT EXECUTION

Project timeline

- Focus on expanding pipeline in target industries for which thermal energy storage will add substantial value
- Delivering best-in-class project execution to customers
- Strengthening the organisation is a priority to accelerate commercialisation of the Heatcube and meet the expected growth in demand for TES-solutions

Commercial lead time indication



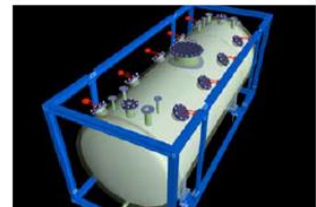
SCALING THE ORGANISATION FOR GROWTH

On track for doubling of team by end 2021

- Expect to add 14 FTEs by year end 2021
- Expanding all key functions with special emphasis on management, commercial and technology capabilities
- Will provide substantial boost to long-term commercialization capacity
- Replacing and complementing current short-term use of consultants



Kyoto Group - Ramping Up.



Be a part of a Norwegian industrial adventure. We are looking for experienced colleagues in important key positions.

- | | |
|--------------------------------------|-------------------------------------|
| • Chief Technology Officer (CTO) | • Senior Process Engineer |
| • EVP Sourcing and Supply Chain | • Senior Automation Engineer |
| • EVP Business Development and Sales | • Test Lead |
| • Director HR / Head of HR | • Senior Project Manager |
| • Senior Mechanical Engineer | • Analyst, Business Development/M&A |

You will find more information about Kyoto Group and the vacant positions at www.kyoto.group/career. Further information about the positions can also be obtained from CEO Christopher Kjølnér, tel. +47 90 53 19 62, or our advisers Trond Sandvik / Per Inge Hjertaker at Headvisor, tel. +47 950 55 233 / +47 917 29 682. All inquiries will be treated confidentially.

KEY FINANCIALS

NOK 184m

New equity
raised in H1 2021

NOK 15m

Net cash used by
operating activities

NOK 159m

Cash position
30.06.21

MID 2022

Cash runway
estimate

- Raised NOK 184 million through four private placements in H1 2021
- Net cash used by operating activities was NOK 15 million in the first half of 2021 and additional NOK 5 million invested in technology development
- End of period cash position was NOK 159 million
- Scaling up organization and business activities will increase cash consumption in second half of 2021
- Expect current business to be funded through mid 2022

Summary:

On track for Heatcube thermal battery commercialisation

- Full focus on delivering the first Heatcube installation in Denmark with expected operations early next year
- Progressing leads for installations in the Nordic region and expanding pipeline
- Scaling organisation to execute on growth strategy



Q&A



Appendix

KYOTO™

MANAGEMENT TEAM



**Christopher
Kjølnér**

CEO

Skagerak Energi
GE Renewable



**Camilla
Nilsson**

CFO

Yara
Hydro



**Bjarke
Buchberg**

Interim
CTO

Siemens
Gamesa



**Peter
Iversen**

Interim
Procurement
Manager

Rambøll
Maersk



**Thommy
Blommen**

People &
Projects

Assa Abloy
Yara



**Gustavo Z.
Holo**

Products
& Sales

Fast
Computas

BOARD AND PARTNERS



Eivind Reiten
Chairman

Several board positions,
Ex CEO Hydro,
former Minister & State Secretary



Arne Erik Kristiansen

Former Chairman, co-founder Kyoto, Partner Synergos & Advisor Asiju Invest



Ivar Valstad

Senior Advisor
Corporate Development
Norsk Hydro ASA



Thorleif Enger

Several board positions,
Ex CEO Yara



Hans Olav Kvalvaag

SVP
New Ventures Scatec Solar



Pål Selboe Valseth

Several board positions,
CEO Valinor

P&L

OPERATING INCOME AND OPERATING EXPENSES

	H1 2021	H1 2020
Government grants	0	2,920,119
Total operating income	0	2,920,119
Personnel expenses	7,071,078	3,018,305
Other operating expenses	9,165,715	6,344,816
Total operating expenses	16,236,793	9,363,122
Operating profit	-16,236,793	-6,443,002
FINANCIAL INCOME AND EXPENSES		
Other interest income	40,586	0
Other financial income	30,113	20,358
Other interest expenses	4,866	35,433
Other financial expenses	9,944	7,476
Net financial items	55,889	-22,550
Operating result before tax	-16,180,905	-6,465,552
Tax on ordinary result	0	0
Ordinary result after tax	-16,180,905	-6,465,552
Half-year result	-16,180,905	-6,465,552

Balance sheet

ASSETS	30.06.2021	30.06.2020
FIXED ASSETS		
INTANGIBLE ASSETS		
Research and development	10,522,880	4,249,409
Deferred tax assets	5,162,830	5,162,830
Total intangible assets	15,685,711	9,412,239
TANGIBLE ASSETS		
Equipment and other movables	85,216	305,981
Total tangible assets	85,216	305,981
FINANCIAL FIXED ASSETS		
Investments in shares	0	30,000
Other long-term receivables	3,792,177	464,493
Total financial fixed assets	3,792,177	494,493
Total fixed assets	19,563,104	10,212,714
CURRENT ASSETS		
DEBTORS		
Other short-term receivables	3,630,152	1,952,088
Total receivables	3,630,152	1,952,088
Cash and bank deposits	158,899,943	333,085
Total current assets	162,530,096	2,285,173
Total assets	182,093,199	12,497,887

EQUITY AND LIABILITIES	30.06.2021	30.06.2020
EQUITY		
PAID-UP EQUITY		
Share capital	252,617	89,126
Share premium reserve	163,817,956	3,890,853
Other paid-up equity	10,587,753	0
Total paid-up equity	174,658,326	3,979,979
Total equity	174,658,326	3,979,979
LIABILITIES		
OTHER LONG-TERM LIABILITIES		
Other long-term liabilities	2,400,000	2,400,000
Total of other long-term liabilities	2,400,000	2,400,000
CURRENT DEBT		
Convertible debt	0	2,250,000
Trade creditors	3,596,837	2,950,790
Public duties payable	883,247	493,733
Other current debt	554,789	423,385
Total current debt	5,034,873	6,117,908
Total liabilities	7,434,873	8,517,908
Total equity and liabilities	182,093,199	12,497,887

Cash flow

INDIRECT CASH FLOW

	H1 2021	H1 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/loss before tax	-16,180,905	-6,465,552
Impairment of fixed assets	30,000	0
Change in accounts payable	646,047	2,256,857
Change in other accrual items	944,983	139,096
Net cash flows from operating activities	-14,559,875	-4,069,599
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Payments to buy intangible assets	-5,398,845	-4,555,390
Net cash flows from investment activities	-5,398,845	-4,555,390
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in loan, innovasjon Norge	0	2,400,000
Change in convertible debt	-2,250,000	2,000,000
Proceeds from equity	174,165,000	1,340,448
Sale of own shares	6,610,578	0
Net cash flows from financing activities	178,570,678	5,740,448
Net change in cash and cash equivalents	158,566,858	-2,884,541
Cash and cash equivalents at the start of the period	333,085	3,217,626
Cash and cash equivalents at the end of the period	158,899,943	333,085

KYOTOTM

We disconnect the time power is made, from when it is used