

Information Document



KYOTO GROUP AS

(a private limited liability company incorporated under the laws of Norway)

Admission to trading of ordinary shares on Euronext Growth Oslo

This information document (the "**Information Document**") has been prepared by Kyoto Group AS ("**Kyoto**" or the "**Company**", and together with its subsidiaries, the "**Group**") solely for use in connection with the admission to trading of the Company's 8,420,560 ordinary shares, each with a par value of NOK 0.03 (the "**Shares**"), on Euronext Growth Oslo (the "**Admission to Trading**").

The Company's Shares have been admitted to trading on Euronext Growth Oslo, and it is expected that the Shares will start trading on or around 24 March 2021 under the ticker code "KYOTO". Except where the context requires otherwise, references in this Information Document to "Shares" will be deemed to include the Company's existing Shares. The Shares are registered in the VPS in book-entry form with ISIN NO 0010936750. All of the Shares rank *pari passu* with one another and each Share carries one vote.

Euronext Growth Oslo is a market operated by Euronext. Companies on Euronext Growth, a multilateral trading facility (MTF), are not subject to the same rules as companies on a Regulated Market (a main market). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Growth Oslo may therefore be higher than investing in a company on a Regulated Market. Investors should take this into account when making investment decisions.

The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71 (the "**EU Prospectus Regulation**"). The present Information Document has been drawn up under the responsibility of the Company. It has been reviewed by the Euronext Growth Advisors and has been subject to an appropriate review of its completeness, consistency and comprehensibility by Euronext.

THIS INFORMATION DOCUMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

Investing in the shares involves a high degree of risk. Prospective investors should read the entire document and, in particular, Section 2 "Risk factors" and Section 3.2.6 "Cautionary note regarding forward-looking statements" when considering an investment in the Company and its shares.

Euronext Growth Advisors

Fearnley Securities AS



SpareBank 1 Markets AS



23 March 2021

IMPORTANT NOTICE

This Information Document has been prepared solely by the Company only to comply with the Euronext Rule Book I and the Euronext Rule Book II for Euronext Growth Oslo (the "**Euronext Growth Rule Book**"), to provide information about the Group and its business and in relation to the Admission to trading. This Information Document has been prepared solely in the English language.

For definitions of terms used throughout this Information Document, see Section 10 "*Definitions and Glossary of Terms*".

The Company has engaged Fearnley Securities AS ("**Fearnley**") and SpareBank 1 Markets AS ("**SBM1**") to act as joint global coordinators and joint bookrunners in the Private Placement (as defined below) and as the Company's advisors in connection with the Admission (the "**Managers**" or the "**Euronext Growth Advisors**").

All inquiries relating to this Information Document should be directed to the Company or the Euronext Growth Advisors. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Euronext Growth Advisors in connection with the Admission to Trading, if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Euronext Growth Advisors.

The information contained herein is as of the date hereof and is subject to change, completion or amendment without notice. There may have been changes affecting the Company or its subsidiaries subsequent to the date of this Information Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Information Document and before the Admission to Trading will be published and announced promptly in accordance with the Euronext Growth Rule Book. Neither the delivery of this Information Document nor the completion of the Admission to Trading at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Information Document is correct as of any time since its date.

The contents of this Information Document shall not be construed as legal, business or tax advice. Each reader of this Information Document should consult its own legal, business or tax advisors as to legal, business or tax advice. If you are in any doubt about the contents of this Information Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

The distribution of this Information Document may in certain jurisdictions be restricted by law. Persons in possession of this Information Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Information Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Information Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Nw.: *Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Information Document.

Investing in the Company's Shares involves risks. See Section 2 "*Risk Factors*" of this Information Document.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a private limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

All of the members of the Company's board of directors (the "**Board of Directors**") and all of the members of the Group's executive management (the "**Management**") are not residents of the United States of America (the "**United States**"), and the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company, the members of the Board of Directors and the Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or the members of the Board or the Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or the members of the Board or the Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

TABLE OF CONTENTS

| | | |
|-----|---|----|
| 1 | STATEMENT OF RESPONSIBILITY..... | 3 |
| 2 | RISK FACTORS..... | 4 |
| 2.1 | Introduction..... | 4 |
| 2.2 | Risks associated with the Company's financial position..... | 8 |
| 2.3 | Risks related to the Shares..... | 9 |
| 3 | GENERAL INFORMATION..... | 12 |
| 3.1 | Important information..... | 12 |
| 3.2 | Presentation of financial and other information..... | 12 |
| 4 | PRESENTATION OF THE COMPANY..... | 14 |
| 4.1 | Information about the Company..... | 14 |
| 4.2 | Group structure..... | 14 |
| 4.3 | Principal activities..... | 14 |
| 4.4 | History and important events..... | 16 |
| 4.5 | Vision and strategy..... | 16 |
| 4.6 | Principal markets..... | 16 |
| 4.7 | Material contracts, significant patents etc..... | 16 |
| 4.8 | Related Party Transactions..... | 16 |
| 4.9 | Legal and arbitrational proceedings..... | 17 |
| 5 | ORGANIZATION, THE BOARD OF DIRECTORS AND MANAGEMENT..... | 18 |
| 5.1 | Introduction..... | 18 |
| 5.2 | The Board of Directors..... | 18 |
| 5.3 | The Management..... | 19 |
| 5.4 | Benefits upon termination..... | 20 |
| 5.5 | Employees..... | 21 |
| 5.6 | Share-based incentive programs..... | 21 |
| 5.7 | Corporate governance requirements..... | 21 |
| 5.8 | Conflicts of interests etc..... | 21 |
| 6 | SELECTED FINANCIAL INFORMATION..... | 23 |
| 6.1 | Summary of accounting policies and principles..... | 23 |
| 6.2 | Selected income statement..... | 23 |
| 6.3 | Selected statement of financial position..... | 24 |
| 6.4 | Changes in the Company's financial or trading position..... | 25 |
| 6.5 | Trend information..... | 25 |

| | | |
|-----|--|----|
| 6.6 | Material borrowings and financial commitments | 25 |
| 6.7 | Working capital statement..... | 25 |
| 6.8 | Near-term financial reporting and general meeting calendar | 26 |
| 7 | SHARES AND SHARE CAPITAL | 27 |
| 7.1 | The Shares..... | 27 |
| 7.2 | Share capital | 27 |
| 7.3 | The Private Placement..... | 28 |
| 7.4 | Dividend and dividend policy | 30 |
| 7.5 | The Articles of Association | 31 |
| 7.6 | Certain aspects of Norwegian corporate law | 31 |
| 7.7 | Takeover bids and forced transfer of shares | 34 |
| 7.8 | Insider trading | 34 |
| 8 | NORWEGIAN TAXATION | 35 |
| 8.1 | Norwegian shareholders | 35 |
| 8.2 | Foreign Shareholders | 36 |
| 9 | ADDITIONAL INFORMATION | 38 |
| 9.1 | Admission to trading on Euronext Growth Oslo | 38 |
| 9.2 | Auditor..... | 38 |
| 9.3 | Advisors | 38 |
| 10 | DEFINITIONS AND GLOSSARY OF TERMS..... | 39 |

| | |
|-------------------|---|
| APPENDIX A | Articles of Association |
| APPENDIX B | Annual financial statements of the Company for 2020 |
| APPENDIX C | Annual financial statements of the Company for 2019 |

1 STATEMENT OF RESPONSIBILITY

This Information Document has been prepared by Kyoto Group AS, a private limited liability company with business registration number 917 001 790 and registered address Torggata 15, 0181, Oslo, Norway, solely in connection with the Admission to Trading on Euronext Growth Oslo.

The Board of Directors accepts responsibility for the information contained in this Information Document. We declare that, to the best of our knowledge, the information provided in the Information Document is fair and accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document.

Oslo, 23 March 2021

The Board of Directors of Kyoto Group AS

Eivind Reiten
Chairman of the Board

Thorleif Enger
Board Member

Arne Erik Kristiansen
Board Member

Ivar Valstad
Board Member

Pål Selboe Valseth
Board Member

Hans Olav Kvalvaag
Board Member

2 RISK FACTORS

2.1 Introduction

Investing in the Company involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in this Section before making an investment decision in respect of the Shares.

The below risk factors are only a summary of all risks applicable to the Company and the Group. A prospective investor should carefully consider all the risks related to the Company and the Group, and should consult his or her own expert advisors as to the suitability of an investment in securities of the Company. An investment in securities of the Company entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. Against this background, an investor should thus make a careful assessment of the Company and its prospects before deciding to invest.

Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

The risk factors described in this Section 2 are sorted into a limited number of categories, where the Company has sought to place each individual risk factor in the most appropriate category based on the nature of the risk it represents. The risks that are assumed to be of the greatest significance are described first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, and the fact that a risk factor is not mentioned first in its category does not in any way suggest that the risk factor is less important when taking an informed investment decision. The risks mentioned herein could materialise individually or cumulatively.

The information in this Section 2 is as of the date of this Information Document.

2.1.1 The Company has no operating history and the commercialization of its business model is uncertain

The Company is currently in a development stage and although it has established dialogue with several potential customers, it has not yet entered into any firm or written commercial contracts with customers. The Company has to date financed its operations by raising capital from new and existing stakeholders as well as receiving grants. There can be no assurance that the Company is successful in attracting customers that are willing to make the necessary adjustments to their existing facilities to be able to utilize the HeatCube Thermal Battery and associated services. To proceed in its development, the Company must succeed in attracting customers for pilot projects and such pilots must prove successful and motivate the customers to enter more comprehensive agreements as well as proving the viability of the HeatCube Thermal Battery to other prospective customers. No assurances can be given that the Company will be successful in recruiting and retaining the customers it needs to become a profitable enterprise.

The Company is a growth company, is not fully financed (nor following the Private Placement) and has made certain assumptions about the costs and funding requirements to grow and optimize its operations. If the Company's estimates are incorrect, it could lead to the need for additional financing sooner than expected and or the Company may not be able to achieve profitability. Furthermore, the contracts, rights and obligations of the Company are likely to carry a higher degree of uncertainty and risk than more mature businesses.

2.1.2 The Company's business is dependent on its ability to scale its technical infrastructure and organization

The Company is a start-up and has only carried out a limited number of demonstration projects and thus has no operational history. The Company is targeting rapid growth over the next few years, which may require additional managerial, operational, sales, marketing, financial and other resources. There can be no assurance that the Company will be successful in achieving and realizing its development and commercialization plans, and its contemplated upscaling of operations. The Company's business, results of operations and financial position and the development and commercialization of its services will depend, in part, on its ability to manage future growth effectively for which no assurances can be given.

2.1.3 The Company is in a development stage and has only carried-out pilot projects

To date, the Company has only carried out a limited number of demonstration projects. The Company has not yet carried out a commercial project for a paying customer. The Company's business model, technology and partner network have therefore not operated on an ordinary course basis. There is consequently a risk that such ordinary course projects never will take place or that the Company's products or business model is considered inefficient or inadequate for the customers the Company targets.

2.1.4 The Company depends on protecting its proprietary technology and intellectual property rights

The Company's business is based on its proprietary technology, particularly its HeatCube Thermal Battery technology, the method of assembling and installing the HeatCube Thermal Batteries, as well as the Kyotopia control system. The Company's IPR consists primarily of a combination of trade secrets, know-how and confidential procedures. The Company has also filed a patent application in Norway related to the HeatCube Thermal Battery (in addition to a second pending patent application pertains to Butterfly z-axis, which is not currently utilized in the Company's business), but with no certainty of issuance. Further, the Company has or is in the process of applying for four trademarks in Norway. The Company is exposed to risk that others may use the Company's technology or business model. The Company's main product HeatCube consists of known components and may be replicated by competitors. The Company currently only has exclusive rights to trade secrets and know-how and are exposed to information leakage. The Company cannot assure that its know-how and trade secrets will provide the Company with competitive advantage, as the know-how and trade secrets may become known to or be independently developed by others including the Company's competitors, regardless of measures the Company may take to try to preserve the confidentiality. The Company cannot give assurance that its measures for preserving the secrecy of its trade secrets and confidential information are sufficient to prevent others from obtaining such information.

The lack of proper and clearly defined confidentiality and IPR regulations in employment and consultancy agreements, or lack of agreements/regulations at all, may also expose the Company of risks related to breach of confidentiality, IPR and/or weak IPR protection for the Company. Loss of key personnel may also create a risk that such personnel may exploit knowledge, information and know-how to the detriment of the Company, and/or that the Company may face difficulties to operate its technology or business methods as a result of the loss of such personnel. There is also a risk that competitors or other third parties may claim that the Company does not have rights or exclusive rights to the intellectual property it uses, or that such competitors utilize or even obtain rights to, know-how and trade secrets that the Company utilizes.

2.1.5 The Company is dependent on external suppliers and is exposed to risks relating to subcontractors

The Company's business model is to use external suppliers for, among other things, components in its HeatCube Thermal Battery through a supplier/partner network. The Company's current business model largely relies on components for the HeatCube Thermal Battery being readily available from a host of different suppliers in various markets. Partly for that reason, the Company does not have any material supply or partner agreements. This lack of committing supplier contracts may, on the other hand, expose the Company to risks related to delays, cost-overruns, a lack of willingness to trade with the Company, errors with products, etc., all of which may have adverse consequences for the product and services to be delivered by the Company, for which the Company may not be in a position to claim compensation for.

2.1.6 The profitability of the Company depends on the price fluctuations of solar and wind energy

The Company's business model entails that the Company's sales of energy constitute a material share of its future, possible gross profit. For long-term customer contracts, the Company aims to fix the sales price, however, to obtain new customers for such sales of energy and to become profitable, the HeatCube Thermal Battery must represent a solution implying lower costs for its customers. Whether the HeatCube Thermal Battery represents a low cost option for its customers will in turn depend on the extent of price fluctuations of solar and wind energy within a 24-hour period, whereby high fluctuations will enable the customer to use the energy at a point in time where the energy

prices are higher than at the time when the energy was produced. Limited fluctuations in the price of energy could materially and adversely affect the Company's business, results of operations, cash flows, financial condition and/or prospects.

2.1.7 The Company may not be able to develop new technology that may be required to expand and/or keep up with competitors

The Company is with its thermal energy storage solution, targeting a market which is new and or underdeveloped. It is expected that an increased target market and customer base will result in increased competition, which in turn will require the Company to make various efforts to remain successful and profitable. Research and development are expensive, time-consuming, and entails considerable uncertainty with respect to both achieving positive results and, if successful, the ability to commercially sell products and services using such technology. Due to long development processes, changing regulatory requirements, changing market conditions and customer preferences and other factors, new variants of existing technologies or new technologies may take longer and cost more to develop and may be less successful than the Company anticipates. No assurance can be given that any existing or new technologies under research and development will be commercially successful. If the Company is unable to keep up with competitors, develop new technology or have commercial success with its existing or technology under research and development, this could adversely affect the future development of the Company's business, financial condition, results of operations and/or prospects.

Thermal energy storage is a fairly new industry and, as such, experience with thermal energy storage has been developing rapidly due to practical implementation of research taking place in several different companies simultaneously. The Company's ability to stay on top of and contribute to this development will impact the success of the Company as well as the development of the whole industry. In addition to the inherent risks involved due to the Company being in a development phase in a new industry, such as risks related to faults in maintenance and the Company's technology etc., there is also a risk that the Company's commercialisation strategy is found inefficient or unattractive, and that other competitors in the industry are able to commercialise at a more rapid pace than the Company, which may in turn have material adverse effects on the Company's results, financial condition, cash flows and prospects.

2.1.8 Risks related to the novelty of the Company's business model and product

The thermal energy storage systems developed by the Company represents new technology in the market, which means that customers and potential customers have little to no experience with the Company's products. In this phase, there is a risk that any defaults or unsuccessful projects, which could be due to factors within and outside of the Company's control, could have a proportionate material impact on the reception of the technology in the market and be decisive in respect of whether customers are willing to invest in the technology and buy the Company's products and services, and which in turn can have a significant severe impact on the Company's ability to successfully establish itself in the market and implement the Company's business plan.

2.1.9 The Company's success will depend on its ability to employ and retain skilled personnel

The Company currently has a limited number of employees. All such employees are considered important for the Company's success and ability to implement its business model. Consequently, any loss of current key employees may be detrimental to the Company and its business. The Company must have access to skilled and motivated employees to continue to run its operations successfully and to reach its strategic and operational objectives. The Company's future development is therefore to a large extent dependent on the Company's success in attracting, developing and retaining employees with appropriate skills in the future. If any key person resigns, a suitable replacement with requisite skills, contacts and experience may not be immediately found and the Company may experience negative market or industry perception, which could have a material adverse effect on its business, financial condition, prospects and results of operations. The Company's ability to continue to identify and develop opportunities depends on the management's knowledge of, and expertise in, the industry in and such local

jurisdictions and on their external business relationships. Further, any failure to effectively integrate new personnel could prevent the Company from successfully growing.

The lack of restrictive clauses on non-competition and non-solicitation in employment and consultancy agreements may also expose the Company of risks related to such personnel exploiting knowledge and information to take up employment in competitors of the Company or take part in establishing competitors of the Company. Should the Company fail to achieve its objectives of commercializing and developing a profitable business, the incentive scheme that the Company has in place to motivate and retain key personnel, may not serve to counter the risks associated with competition from former employees.

2.1.10 The Company's ability to implement its strategy and achieve its business and financial objectives is subject to a variety of factors, many of which are beyond the Company's control.

The success of executing its strategy will depend on several factors, including the Company's ability to:

- ensure presence on the market;
- provide a competitive product in the local market;
- attract customers; and
- deliver on its obligations.

The Company's failure to execute its business strategy or to manage its growth effectively could adversely affect the Company's business, prospects, financial condition and results of operations. In addition, there can be no guarantee that even if the Company successfully implements its business strategy, it would result in the Company achieving its business and financial objectives. The Company's Executive Management targets to review and evaluate the business strategy with the Board of Directors on a regular basis and the Company may decide to alter or discontinue elements of the Company's business strategy and may adopt alternative or additional business strategies in response to the Company's operating environment or competitive situation or other factors or events beyond the Company's control.

The Company competes in markets that are competitive and rapidly changing. The Company expects to continue to experience competition from current and potential competitors, many of which are or may be better established and have significantly greater financial, technical and marketing resources.

The Company anticipates that the number of companies seeking to develop energy storage or other products that aim to increase the consumption of renewable energy will increase in the future. The Company's competitors range in size from small, single product companies to large, diversified corporations, which may have greater financial, technical, marketing and other resources. For instance, there is a risk that the Company will be unable to compete with competitors with stronger balance sheet and/or funding capabilities that may enable them to use more resources on inter alia product offering, R&D, marketing, ramp-up, continue with limited profits and on other basis. Given the Company being in a development and growth phase in a new industry, the Company sees this risk more apparent compared to more established markets.

2.1.11 The ongoing outbreak of the COVID-19 pandemic could have a material adverse effect on the Company

The ongoing outbreak of the coronavirus (causing the disease COVID-19) has led to governmental shutdowns of cities, borders and companies to close business operations. These restrictions and potential further restrictions have, and may have, increased, adverse effect on the market conditions and may lead to negative macro-economic development. Economic disruption and changes in general market conditions may delay the Company's projects and production. Furthermore, each of these factors may result in shutdown of the Company's facilities, either by way of governmental order or due to illness of key employees, which would have an adverse effect on its business, income and results of operations.

2.1.12 Risk relating to the regulatory environment

The Company's business model involves energy storage and sale of heat and power, which are subject to extensive regulations. Given that the Company has no operational history apart from demonstration projects in Norway, and with the Company primarily targeting markets other than Norway, the Company will have to navigate in complex regulatory landscapes which it currently has little to no experience in. Navigating in, and adapting to, laws and regulations in foreign markets, inter alia on production and sale of heat and power, may be time and cost consuming. Future changes in the domestic and international laws and regulations applicable to the Company, can be unpredictable and are beyond the control of the Company, and such changes could imply the need to materially alter the Company's operations and set-up and may prompt the need to apply for permits, concessions, local subsidiaries and organizations to be established in order for the Company's operations to commence, all of which could in turn have a material adverse effect on the business, financial condition, results of operations or cash flow of the Company.

Further, as the Company aims to trade the HeatCube thermal batteries and other ancillary services in energy markets on a merchant basis, the Company is also subject to the regulatory environment surrounding such services. The markets for such services in Northern Europe have to a certain degree been deregulated, however, there can be no assurance that such deregulation will continue and that the markets in other parts of the world will follow. Thus, the Company may experience difficulties in trading ancillary services in foreign energy markets due to the regulatory environment, which in turn will affect the Company's ability to expand its business.

2.1.13 Litigation risk

The Company may from time to time be subject to legal claims, including those arising out of normal course of business. Any litigation may have a material adverse effect on the Company because of potential negative outcomes, the costs associated with defending the lawsuits, the diversion of the Company's management's resources and other factors.

2.1.14 Changes in tax laws of any jurisdiction in which the Company operates, or any failure to comply with applicable tax legislation may have a material adverse effect for the Company

The Company is subject to prevailing tax laws, treaties and regulations in the jurisdictions in which it operates, and the interpretation and enforcement thereof. The Company's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If applicable laws, treaties or regulations change, or if the Company's interpretation of the tax laws is at variance with the interpretation of the same tax laws by tax authorities, this could have a material adverse effect on the Company's business, results of operations or financial condition. If any tax authority successfully challenges the Company's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries, or if taxing authorities do not agree with the Company's and/or any subsidiaries' assessment of the effects of applicable laws, treaties and regulations, or the Company loses a material tax dispute in any country, or any tax challenge of the Company's tax payments is successful, the Company's effective tax rate on its earnings could increase substantially and the Company's business, earnings and cash flows from operations and financial condition could be materially and adversely affected.

2.2 Risks associated with the Company's financial position

2.2.1 In order to execute the Company's growth strategy, the Company may require additional capital in the future, which may not be available

The market for the Company's products and services is subject to continued evolution in technology and the Company may need to raise additional funds through debt or additional equity financings or other sources of financing, to execute the Company's growth strategy and to fund capital expenditures. Adequate sources of capital funding may not be available when needed or may not be available on favourable terms or at all. The Company's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional

financing on satisfactory terms. If the Company raises additional funds by issuing additional shares or other equity or equity-linked securities, it may result in a dilution of the holdings of existing shareholders. If funding is insufficient at any time in the future, the Company may be unable to take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Company's results of operations, cash flow and financial condition.

2.2.2 Exchange rate fluctuations could affect the Company's cash flow and financial condition

The Company is exposed to exchange rate risk. The Company's strategy is to pursue customers in foreign markets (not Norway). The Company's costs will not necessarily be in the same currency. The Company is based on Norway and will thus have costs in Norwegian Kroners, but also in other currencies as the Company's suppliers are likely to be based outside Norway. As the Company will trade in different currencies, this creates a risk that fluctuations in exchange rates could adversely affect the Company's cash flow and financial condition.

2.3 Risks related to the Shares

2.3.1 The Company may or may not pay dividends for the foreseeable future. Shareholders may never obtain a return on their investment

As of the date of this Information Document, the Company is in a growth phase and is not in a position to pay any dividends. There can be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy. Any payment of future dividends will depend on legal restrictions, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its borrowing arrangements or other contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility.

2.3.2 The Company is subject to the Euronext Growth Rule Book which may deviate from the regulations for securities trading on Oslo Børs and Euronext Expand, and which may imply a risk of a lower degree of transparency and minority protection

The Company is subject to the rules of the Securities Trading Act applicable to securities admitted to trading on a multilateral trading facility and the Euronext Growth Rule Book. Such obligations may differ from the obligations imposed on companies whose securities are listed on Oslo Børs or Euronext Expand. The Company is not subject to any takeover regulations meaning that an acquirer may purchase a stake in the Shares exceeding the applicable thresholds for a mandatory offer for a company listed on Oslo Børs or Euronext Expand without triggering a mandatory offer for the remaining Shares. In accordance with Euronext Growth Rule Book Part I, section 4.3, and without prejudice to national regulations, the Company shall make public within five (5) trading days of becoming aware, any situation where a person, acting alone or in concert, reaches, exceeds or falls below a major holding threshold of fifty percent (50%) or ninety percent (90%) of the capital or voting rights. Furthermore, there is no other requirement to disclose large shareholdings in the Company (Nw.: *flaggeplikt*). These deviations from the regulations applicable to securities trading on Oslo Børs or Euronext Expand may, alone or together, impose a risk to transparency and the protection of minority shareholders. An investment in the Shares is suitable only for investors who understand the risk factors associated with an investment in a company admitted to trading on Euronext Growth Oslo.

2.3.3 There may not be an active and liquid market for the Shares and the Share price could fluctuate significantly

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favourably. Prior to the Admission to Trading, there has been no public market for the Shares, as the Shares have not been listed or admitted to trading on any, stock exchange, Regulated Market or multilateral trading facility. Following the Admission to Trading, an active or liquid trading market for the Shares may not develop or be sustained. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be in a position to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

The share prices of companies admitted to trading on Euronext Growth Oslo can be highly volatile and the trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Company's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Company operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Company, and such fluctuations may materially affect the price of the Shares.

2.3.4 The Company will incur increased costs as a result of being a traded company

As a company with shares admitted to trading on Euronext Growth Oslo, the Company will be required to comply with applicable reporting and disclosure requirements. The Company will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a traded company will include, among other things, costs associated with annual and interim reports to shareholders, disclosure obligations, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. Any such increased costs, individually or in the aggregate, could have a material adverse effect on the Company's business, operating income and overall financial condition.

2.3.5 Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may in the future decide to offer and issue new Shares or other securities in order to finance new capital intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

2.3.6 Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway

The Company is a private limited company organized under the laws of Norway. All of the members of the Board of Directors and the Management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

2.3.7 Norwegian law could limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

2.3.8 Investors could be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares unless their ownership is re-registered in their names with the Norwegian Central Securities Depository (VPS) prior to any general meeting of shareholders. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting of shareholders in time to instruct

their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

2.3.9 *Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders*

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

3 GENERAL INFORMATION

3.1 Important information

The Company has furnished the information in this Information Document. No representation or warranty, express or implied, is made by the Euronext Growth Advisors as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Information Document is, or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The Euronext Growth Advisors assume no responsibility for the accuracy or completeness or the verification of this Information Document and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Information Document or any such statement.

Neither the Company nor the Euronext Growth Advisors, or any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "*Risk factors*" beginning on page 4.

3.2 Presentation of financial and other information

3.2.1 *Financial information*

The Company has prepared its annual financial statements for the financial years ended 31 December 2020 and 31 December 2019 (the "**Annual Financial Statements**") in accordance with the Norwegian Accounting Act and accounting principles generally accepted in Norway ("**NGAAP**"). The Annual Financial Statements are enclosed as Appendices B-C to this Information Document.

The Annual Financial Statements have been audited by Ernst & Young AS. Ernst & Young AS has not reviewed or produced any report on any other information provided in this Information Document.

For further details, please refer to Section 6 "*Selected financial information*".

3.2.2 *Functional currency and foreign currency*

In this Information Document, all references to "NOK" are to the lawful currency of Norway, all references to "DKK" are to the lawful currency of Denmark, all references to "SEK" are to the lawful currency of Sweden, all references to "GBP" are to the lawful currency of the United Kingdom, and all references to "EUR" are to euro, the single currency of member states of the EU participating in the European Monetary Union having adopted the euro as its lawful currency.

The Company has NOK as functional currency and the Annual Financial Statements are presented in NOK.

3.2.3 *Rounding*

Certain figures included in this Information Document have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

3.2.4 *Third-party information*

Throughout this Information Document, the Company has used industry and market data obtained from independent industry publications, market research, internal surveys and other publicly available information. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. The Company has not independently verified such data. Similarly, whilst the Company believes that its internal surveys are reliable, they have not been

verified by independent sources and the Company cannot assure of their accuracy. Thus, the Company does not guarantee or assume any responsibility for the accuracy of the data, estimates, forecasts or other information taken from sources in the public domain. The information in this Information Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Company confirms that no statement or report attributed to a person as an expert is included in this Information Document.

Unless otherwise indicated in the Information Document, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which the Company operates.

3.2.5 *Cautionary note regarding forward-looking statements*

This Information Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Information Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

4 PRESENTATION OF THE COMPANY

This Section provides an overview of the Company's business as of the date of this Information Document. The following discussion contains forward-looking statements that reflect the Company's plans, see Section 3.2.5 "Cautionary note regarding forward-looking statements" above, and should be read in conjunction with other parts of this Information Document, in particular Section 2 "Risk factors".

4.1 Information about the Company

The legal and commercial name of the Company is Kyoto Group AS. The Company is a private limited liability company (Nw.: aksjeselskap) incorporated on 28 March 2016, organized and existing under the laws of Norway pursuant to the Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (as amended) (the "**Norwegian Private Companies Act**"). The Company is registered with the Norwegian Register of Business Enterprises with business registration number 917 001 790. The Company's registered business address is Torggata 15, 0181 Oslo, Norway.

The Company's website is www.kyoto.group. The content of the website is not incorporated by reference into, nor otherwise forms part of, this Information Document.

4.2 Group structure

The Company functions as both the ultimate parent company of the Group and the operative entity, as the Group's operations are carried out solely through the Company. The following table sets out information about the Company's 100% owned subsidiaries:

| Company name | Organization number | Place of incorporation | Date of incorporation |
|----------------------------|---------------------|------------------------|-----------------------|
| Butterfly Manufacturing AS | 914 400 759 | Norway | 15 September 2014 |
| Suntrap AS | 918 972 412 | Norway | 5 April 2017 |

There are no current activities conducted in the subsidiaries, and the Company intends to either dissolve or merge the two entities into the Company post Admission to Trading.

4.3 Principal activities

4.3.1 Introduction

Kyoto is a Norwegian company founded in 2016 with the aim to capture and manage the abundant energy from variable renewable sources such as solar and wind power, and apply it to reduce the CO₂ footprint for industrial thermal loads. The Company plans to operate and sell HeatCube thermal batteries (the "**HeatCube**"), enabling industrial consumption of low-cost heat sourced from excess solar and wind energy (excess meaning low priced electricity). Kyoto will also operate the Kyotopia SCADA and energy management system, which manages the consumption of renewable energy ensuring low cost and CO₂ neutrality.

Kyoto aims to offer a low-cost carbon neutral heat product to end users, while offering balancing services and flexibility to power producers and grid operators. The Company aims to be an early mover thermal company focused on heat sales, integrating both thermal sales and flexibility into a product and by this making Kyoto highly competitive.

4.3.2 HeatCube thermal battery

The Company's business idea is based on its Kyoto HeatCube thermal battery. The HeatCube is a thermal battery based on molten salt which may be customized to meet the industry's energy needs. The HeatCube may be configured to capacities from 4 MWh to multiple 100s MWh. The HeatCube can offer multiple services such as delivery of heat and electric power as well as being used for balancing of the electricity grid (ancillary services).

The Kyoto Heatcube thermal battery system is delivered in 20 feet containers directly to the relevant site, ready to be integrated.

The round trip efficiency (RTE) for a thermal energy only discharge is around 90%, while 65-75% thermal and 15-25% electric power can be extracted from the battery in a combined heat and power configuration (CHP) depending on the specific project's demands.

4.3.3 *Kyotopia control system*

Kyotopia is the Company's energy management and SCADA-system (software), that aggregates power from variable renewable plants allowing for increased participation in regulating services markets. A single HeatCube may offer firmness to multiple renewable assets through the Kyotopia system.

Short term prediction enabled by Kyoto Lookout, a data acquisition and data processing gateway, further increases potential market participation. The Kyoto Lookout captures weather and visual data from multiple sites and runs inference through Artificial Intelligence on site (deep neural networks). The Kyotopia control system is powered by NVIDIA Jetson and AWS EC2, securing scalable artificial intelligence decision making and aggregation of data across multiple projects.

Kyotopia is designed to support a renewable project from start to finish. The system includes a module for feasibility study, including financial simulations of a specific project's profitability. This enables Kyoto to quickly assess a project using the HeatCube proprietary operational parameters to optimise energy cost and profitability.

4.3.4 *Other material technology and products*

As of today, the Company does not have any plans to license the Kyotopia control system, the main hardware of the Kyoto Lookout system or components of the HeatCube. If and when Heatcube becomes a more established product, the Company may investigate the possibility for such licensing to establish additional revenue streams.

4.3.5 *Business model for commercialisation*

Kyoto's business model may be divided into two offerings: Battery as a Service (BaaS), also referred to as Build-Own-Operate (BOO) and Battery as a Product (BaaP). In its initial commercial phase, the Company plans to focus on BaaS, with the ambition of signing long term PPA-type agreements with end users whereby the HeatCube thermal battery is placed at a user's location and the customer is charged for the heat or heat and electricity used. Further, the Kyoto control system enables the HeatCube thermal batteries to trade in energy markets on a merchant basis, including regulating services, such as Nord Pool.

The second part of the Company's business plan, BaaP, whereby the Company aims to sell HeatCube thermal batteries through product sales, is targeted commercialized at a later stage.

4.3.6 *Customers and projects*

Kyoto's prospective customers have a demand for heat and may also require electricity. However, heat is the core off take and will be sold as a long-term fixed product. The Kyoto HeatCube also monetise third-party IPP by offering flexibility to enable participation in ancillary service markets of firm energy sales, depending on specific market regulations.

Kyoto aims to target three different stakeholders, with individual revenue streams from each: the end user purchases the output from the HeatCube during discharge (heat or heat and power). The grid operator purchases regulating services through energy markets and third-party power plants (IPPs) purchases flexibility to firm in-house production. The share of revenue between each stakeholder will vary from project to project, depending on the specific market as well as local conditions such as local (within node) renewable penetration and the related need for regulation in the specific market.

4.3.7 *Competitive positioning*

Kyoto is a renewable solutions integrator and operator targeting industrial heat. The market is dominated by fossil fuels today (with approx. 90%) with traditional oil, gas or coal supply chains with large industrial groups supplying hardware such as boilers, heat exchangers and similar equipment. The transition to renewable energy forces a demand for storage with multiple early phase companies such as SaltX, EnergyNest, Azelio and Malta. Common for all are that they are early phase companies with limited track record to date.

4.4 History and important events

The table below shows the Company's key milestones from its incorporation and to the date of this Information Document:

| Year | Main Events |
|------|---|
| 2016 | Incorporation of the Company |
| 2018 | First major capital issue of MNOK 8.7 with Hydro, Kongsberg I, Asiju Invest as new shareholders |
| 2019 | Received grants from Innovation Norway of MNOK 6 and MNOK 4 pertaining to two development projects |
| 2020 | Received grants from Innovation Norway of MNOK 3.5 pertaining to the Kyotopia development project |
| 2020 | HeatCube pilot installed at Follum in Norway, successfully operating since June 2020 |
| 2020 | Completed three capital issues of approx. MNOK 17 with Valinor and KB Management among new shareholders |
| 2021 | The Company announces the successful completion of the Private Placement, see Section 7.3 below |

4.5 Vision and strategy

Kyoto targets to decarbonise the industry. The Company aims to do so by disconnecting the time energy is made from when it is used. In other words, the Company aims to balance the supply and demand between industrial off take and variable renewable sources such as wind and solar.

4.6 Principal markets

The Company's targeted market the next two years is Northern Europe, with district heating and industrial process heat being the two key "end users". The Company's primary focus in the near future will be Denmark, Germany, Belgium and the Netherlands. Further, the Company plans to expand to Great Britain and other markets with a deregulated ancillary services market and district heating, or a significant industrial sector, using steam as a heat carrier (within chemical industries, refineries, polymers, food production etc.).

4.7 Material contracts, significant patents etc.

4.7.1 Material contracts

During the past two years preceding the date of this Information Document, neither the Company nor any other Group company has entered into any material agreements or other agreements containing rights or obligations of material importance to the Company, apart from agreements entered into as part of the Company's ordinary course of business.

It is the Company's opinion that the Company's existing business and profitability are not dependent upon any single contract.

4.7.2 Patents, licenses and trademarks

Currently, neither the Company nor any other Group company has any registered patents or trademarks. The Company however has two pending patent applications, including the HeatCube external circulation system with a cascading tank, which is the core part of the HeatCube thermal battery. The second pending patent application pertains to Butterfly z-axis, which is not currently utilized in the Company's business. Furthermore, the Company has four pending trademark applications.

4.8 Related Party Transactions

Below is a summary of the Company's related party transactions for the periods covered by the historical financial information included in this Information Document as Appendices B-C and up to the date of this Information Document.

- i) On 12 February 2021, the Company entered into a consultancy agreement with Terraform AS. The owner of Terraform AS, Jon Bøhmer, is also party to the agreement. Bøhmer is the founder of the Company, and Terraform AS currently holds 8.12% of the shares in the Company. Under the agreement, Terraform shall deliver services related to R&D for which the remuneration shall be a fixed fee of NOK 100,000 excl. VAT per month. The agreement also involves Terraform and Bøhmer assuming certain restrictive covenants, and, if Bøhmer were to contribute to patentable inventions related to the Company's business, Bøhmer shall be entitled to an inventor bonus. The agreement may be terminated with a three months' notice period.
- ii) On 19 October 2020, the Company entered into an agreement with KB Management AS, a company wholly-owned by Kjetil Bøhn. KB Management AS became a shareholder in connection with the entry of the agreement. Pursuant to the agreement, KB Management AS has rendered advisory services to the Company related to business development and assistance with capital raising. KB Management AS received MNOK 2 for its services, all of which was used to subscribe for shares in a share capital increase in January 2021.
- iii) On 16 September 2020, the Company entered into a consultancy agreement with Asiju Invest AS. Asiju Invest AS is a shareholder in the Company and is wholly-owned by Arne Erik Kristiansen who currently serves as a director. The hourly compensation for Asiju Invest AS' services is NOK 1,300 ex VAT. The agreement may be terminated with a notice period of one month. The consulting services have consisted of investor and partner searches, business development, introduction to potential customers and business partners, development of business plan as well as financials, cash flow and administrative work. Certain of the work has also been performed by Synergos, an M&A advisory company where Arne Erik Kristiansen is a partner. Payments for work conducted in 2020 amounted to approx. NOK 838,000. No compensation has been paid for work performed as a board member. Under the agreement, Asiju Invest AS may convert its compensation to shares in the Company (by off-setting the subscription amount) in subsequent share capital increases.

4.9 Legal and arbitral proceedings

Neither the Company, nor any other company in the Group is, nor has been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

5 ORGANIZATION, THE BOARD OF DIRECTORS AND MANAGEMENT

5.1 Introduction

The general meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at general meetings and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested with its Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's Chief Executive Officer (the "CEO"), is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must, according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at a minimum every fourth month.

5.2 The Board of Directors

5.2.1 Overview

The Company's Articles of Association set out that the Board of Directors shall comprise between four and six Board Members. The table below sets out the names and other details of the current members of the Board of Directors:

| Name | Position | Served since | Term expires | Shares | Options |
|------------------------------------|--------------|--------------|--------------|---------|---------|
| Eivind Reiten | Chairman | 2021 | 2023 | None | 64,000 |
| Thorleif Enger | Board Member | 2021 | 2023 | None | 32,000 |
| Arne Erik Kristiansen ¹ | Board Member | 2018 | 2023 | 431,751 | None |
| Ivar Valstad | Board Member | 2020 | 2023 | None | None |
| Pål Selboe Valseth | Board Member | 2021 | 2023 | None | None |
| Hans Olav Kvalvaag | Board Member | 2021 | 2023 | None | 32,000 |

1) Mr. Kristiansen holds 431,751 shares in the Company through his wholly-owned company Asiju Invest AS.

Other than as set out above, no Board Member owns any options or other securities exchangeable for Shares.

The Company's registered business address, Torggata 15, 0181 Oslo, Norway serves as business address for the members of the Board of Directors as regards their directorship in the Company.

The Company has currently not established an audit committee, nomination committee or a remuneration committee.

5.2.2 Brief biographies of the Board of Directors

Set out below are brief biographies of the Board Members, including their managerial expertise and experience, in addition to an indication of any significant principal activities performed by them outside of the Company.

Eivind Reiten, Chairman of the Board

Eivind Reiten (born 1953) has more than 30 years of experience from business and politics, including the positions as State Secretary, Minister of Fisheries and Minister of Petroleum and Energy. He held positions in Hydro for 23 years, the last 9 as CEO. Further, Mr. Reiten holds board positions in various companies and has broad experience in such work, strategy and analysis. He holds a master in economics (Cand.oecon) from the University of Oslo, Norway. Reiten is a Norwegian citizen residing in Norway.

Thorleif Enger, Board Member

Thorleif Enger (born 1943) has over 40 years of experience from business, including 30 years' experience from Hydro and the positions as CEO of Yara and President of the International Fertilizer Industry Association. Mr. Enger has broad experience in board related work, strategy and analysis. Mr. Enger holds board positions in various companies. He holds a PhD in structural engineering from the University of Colorado, U.S. Enger is a Norwegian citizen residing in Norway.

Arne Erik Kristiansen, Board Member

Arne-Erik Kristiansen (born 1958) has 40 years of experience from the industry and investment banking with focus on international business development and M&A, including positions within corporate finance in ABG Sundal Collier, SVP M&A Hafslund ASA, SVP Corp. Dvlp Hafslund Nycomed AS. Mr. Kristiansen is co-founder and former chairman. Further, he has for the last years served as strategic adviser within the renewable sector, partly through his wholly-owned company Asiju Invest AS and as partner in Synergos, an M&A advisory company.

Ivar Valstad, Board Member

Ivar Valstad (born 1975) has 20 years of experience from business and currently holds the position as Head of CoE Greener at Hydro. Mr. Valstad holds a master of science in engineering from the Norwegian University of science and technology (NTNU), Norway. He is a Norwegian citizen residing in Norway.

Pål Selboe Valseth, Board Member

Pål Selboe Valseth (born 1970) has 20 years of experience as CFO and CEO, including the current position as CEO of Valinor and several board positions. Mr. Valseth holds an MBA from the Norwegian School of economics and business administration (NHH) and a graduate degree from BI Norwegian business school (BI). Mr Valstad is a Norwegian citizen residing in Norway.

Hans Olav Kvalvaag, Board Member

Hans Olav Kvalvaag (born 1972) has 20 years of experience from business, including his current role as SVP New Ventures in Scatec Solar and several board positions. Mr. Kvalvaag holds a law degree (cand. jur) from the University of Oslo, Norway. He is a Norwegian citizen residing in Norway.

5.2.3 Board of Directors' independence

Except for the consultancy agreement with Arne Erik Kristiansen's wholly-owned company Asiju Invest AS as described in section 4.8 above, all Board Members are independent of the Company's Management and material business contacts and of the Company's main shareholders.

5.3 The Management**5.3.1 Overview**

As of the date of this Information Document, the Company's Management consists of the following persons:

| Name | Position | Employed since | Shares | Options |
|------------------------------|---------------------------------------|----------------|---------|---------|
| Christian Blom ¹ | Acting CEO and Operations & Execution | 2019 | 139,889 | None |
| Camilla Nilsson ² | CFO | 2021 | 50,000 | None |
| Gustavo Z Holo ³ | Products & Sales | 2020 | 34,000 | None |
| Thommy Bommen ⁴ | People & Projects | 2020 | 58,200 | None |

1) Christian Blom owns 139,889 shares in the Company through his wholly-owned company Oslo Ideation AS.

2) Camilla Nilsson owns 50,000 shares in the Company through her wholly-owned company Curae Invest AS.

3) Gustavo Z Holo owns 30,000 shares in the Company through his wholly-owned company Release & Holding AS.

4) Thommy Bommen owns 58,200 shares in the Company through his wholly-owned company Fuego Invest AS.

As of the date of this Information Document and upon Admission to Trading, Christian Blom functions as acting CEO as well as head of operations and execution. On 9 March 2021, the Company however entered into an employment agreement with Christopher Kjølnner for the position as CEO of the Company, whereby Mr. Kjølnner will

assume this position as of 15 April 2021. As of the date of this Information Document, Christopher Kjølnér holds 60,000 shares in the Company and no options.

Other than as set out above, no members of Management own any options or other securities exchangeable for Shares.

The Company's registered business address, Torggata 15, 0181 Oslo, Norway, serves as business address for the members of the Management as regards their positions with the Company.

5.3.2 *Brief biographies of the members of the Management*

Set out below are brief biographies of the members of the Management:

Christian Blom, Acting CEO and Operations and Execution

Christian Blom (born 1979) has more than 15 years' of experience from ESG companies such as Scatec Solar, Gransolar, Think and Terramar, where he held various leadership roles such as business development director, EVP solutions and SVP operations and supply chain. He holds a master of science in marine engineering (MSc) from the Norwegian University of science and technology (NTNU), Norway, and an executive MBA from the Norwegian school of management (BI). He is a Norwegian citizen residing in Norway.

Camilla Nilsson, CFO

Camilla Nilsson (born 1973) has more than 20 years' of experience in various leadership roles such as CFO and general manager from several large international corporations (Norsk Hydro, Yara International) as well as start-ups (Umoe BioEnergy, Agrinos). She holds a bachelor of industrial economics from the University of Skövde, Sweden, as well as a postgrad executive master program within business administration from the University of Pittsburgh, the U.S. Mrs. Nilsson is a Swedish citizen residing in Norway.

Gustavo Z Holo, Products & Sales

Gustavo Z Holo (born 1976) has more than 15 years' experience from large enterprises such as GE, Telefonica, Flytoget, FAST search and transfer as well as from governmental organizations such as UDI, Mattilsynet and NAV and tech startups such as FreeCode and Syncano, where he has held roles such as CTO, CQO, project manager and software developer. Mr. Holo holds a master's degree in computer science from the Norwegian University of science and technology (NTNU), Norway. He is a Norwegian citizen residing in Norway.

Thommy Bommen, People & Projects

Thommy Bommen (born 1975) has more than 10 years' experience from companies such as Assa Abloy and Yara, leading agile teams working with development of both electronic and software products, as well as responsibilities for a department of software consultants. He holds a master in informatics from the University of Oslo, Norway. Mr. Bommen is a Norwegian citizen residing in Norway.

Christopher Kjølnér, appointed CEO from 15 April 2021

Christopher Kjølnér (born 1972) has more than 20 years' experience from business, including within finance, strategy and business development. He has held various positions within 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. He also holds various board positions. Mr. Kjølnér holds a MSc in Business and Economics from the Norwegian school of management (BI). He is a Norwegian citizen residing in Norway.

5.4 **Benefits upon termination**

As of the date of this Information Document, no members of Management or the Board of Directors are entitled to any additional remuneration following the termination of their employments/service, except that Christian Blom has a right to receive compensation in case his employment is terminated and the Company's exercise of the non-compete restrictive clause included in his employment agreement.

5.5 Employees

The Group had 6 employees in 2019, and 9 employees in 2020. At the date of this Information Document, the Group has 9 employees, in addition to certain permanent consulting agreements.

5.6 Share-based incentive programs

5.6.1 *Kruse smith model*

The Company has established a share incentive program for key employees pursuant to the "Kruse Smith"-model, whereby the Company issues shares to employees and consultants against a subscription price equal to 15% of the market value of the issued shares (based on the most recent subscription price in a private placement in the Company, directed at external investors). The remaining 85% of the market value of the shares issued pursuant to the share incentive program is payable upon realization (i.e. sale) of the shares. As of the date of this Information Document, the Company has issued 335,000 shares pursuant to the program.

5.6.2 *Share option scheme for board members, key employees and key persons*

On 3 March 2021, the Company's extraordinary general meeting approved the issuance of up to 300,000 share options, whereby up to 150,000 share options may be issued to board members and up to 150,000 share options may be issued to employees and other key persons. One option grants the holder the right to acquire one share in the Company. The subscription price per share shall equal the subscription price per share in the Private Placement, plus 10%. The options may be exercised between 1 March 2022 and 1 March 2023. The options will vest in portions of one third six months, twelve months and eighteen months, respectively, following the date of the extraordinary general meeting. As of the date of this Information Document, the Board has allocated 54,000 options to the chairman of the Board Eivind Reiten and 27,000 options to each of the members of the Board Thorleif Enger and Hans Olav Kvalvaag, respectively.

5.7 Corporate governance requirements

The Board has a responsibility to ensure that the Company has good corporate governance.

As the Company is not listed on any Regulated Market, no mandatory corporate governance code applies. The trading of the Shares on Euronext Growth Oslo does not provide specific requirements in terms of corporate governance code, such as the Norwegian Code of Practice for Corporate Governance. However, the Company intends to maintain a high level of corporate governance standards and will consider the implications of the Norwegian Code of Practice going forward, including establishing a nomination committee.

5.8 Conflicts of interests etc.

During the last five years preceding the date of this Information Document, none of the members of the Board of Directors or the members of the Management has, or had, as applicable:

- a) any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- a) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- b) been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or manager of a company.

There are no family ties between any of the members of the Board of Directors and/or the members of the Management.

Except as disclosed in Section 4.8 "*Related Party Transactions*", none of the members of the Board of Directors have service contracts with the Company or any of its subsidiaries.

6 SELECTED FINANCIAL INFORMATION

6.1 Summary of accounting policies and principles

The Annual Financial Statements have been prepared in accordance with NGAAP. For further information on accounting policies and principles, please refer to Note 1 in the Annual Financial Statements attached hereto as [Appendices B-C](#). The selected financial information included in this Section should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements.

6.2 Selected income statement

The table below sets out selected data from the Company's income statement and is extracted from the Annual Financial Statements.

| <i>(in NOK)</i> | Year ended 31 December | |
|--|---------------------------|------------------------|
| | 2020 <i>Audited</i> | 2019 <i>audited</i> |
| OPERATING REVENUE AND EXPENSES | | |
| Public grants | 3 266 093 | 6 121 790 |
| Total Operating Revenue | 3 266 093 | 6 121 790 |
| Personnel costs | 6 798 929 | 5 387 263 |
| Depreciation | 0 | 87 261 |
| Impairment | 871 019 | 0 |
| Other operating costs | 7 860 583 | 7 813 357 |
| Total Operating Expenses | 15 530 530 | 13 287 882 |
| Operating Income | -12 264 437 | - 7166 091 |
| REVENUE AND EXPENSES FROM FINANCIAL ITEMS | | |
| Other interest revenue | 0 | 10 007 |
| Other financial revenue | 18 426 | - 448 |
| Write-down other financial assets | 30 000 | 0 |
| Other interest expenses | 29 254 | 346 |
| Other financial expenses | 122 142 | 23 115 |
| Result Financial Items | -162 970 | -13 902 |
| Income before Tax | -12 427 407 | - 7 179 993 |
| Tax | -2 692 140 | - 1 478 917 |
| Income after Tax | -9 735 267 | - 5 701 076 |
| Net Income | - 9 735 267 | - 5 701 076 |

6.3 Selected statement of financial position

The table below sets out selected data from the Company's statement of financial position and is extracted from the Annual Financial Statements.

| <i>(in NOK)</i> | As of 31 December | |
|--|------------------------|------------------------|
| | 2020 <i>audited</i> | 2019 <i>Audited</i> |
| ASSETS | | |
| FIXED ASSETS | | |
| INTANGIBLE ASSETS | | |
| Research & Development | 5 124 036 | 3 909 231 |
| Tax Loss Carry Forward | 5 162 830 | 2 470 690 |
| Total Intangible Assets | 10 286 867 | 6 379 922 |
| FIXED ASSETS | | |
| Inventory | 85 216 | 305 981 |
| Total Fixed Assets | 85 216 | 305 981 |
| FINANCIAL FIXED ASSETS | | |
| Investments in shares | 0 | 30 000 |
| Other long-term receivables | 0 | 464 493 |
| Total Financial Fixed Assets | 0 | 494 493 |
| Total Fixed Assets | 10 372 083 | 7 180 396 |
| CURRENT ASSETS | | |
| RECEIVABLES | | |
| Other short-term receivables | 2 834 602 | 264 980 |
| Total Receivables | 2 834 602 | 264 980 |
| Cash and cash equivalents | 42 846 288 | 704 591 |
| Total Current Assets | 45 680 890 | 969 570 |
| Total Assets | 56 052 973 | 8 149 966 |
| LIABILITIES AND OWNERS EQUITY | | |
| EQUITY | | |
| PAID-IN EQUITY | | |
| Share capital | 113 617 | 78 770 |
| Share premium | 5 972 861 | 3 463 909 |
| Other paid-in equity | 5 509 175 | 0 |
| Total paid-in Equity | 11 595 653 | 3 542 679 |
| Total Equity | 11 595 653 | 3 542 679 |
| LIABILITIES | | |
| Other long-term liabilities | 2 400 000 | 0 |
| Total Other Long-term Liabilities | 2 400 000 | 0 |
| CURRENT DEBT | | |
| Convertible loan | 250 000 | 250 000 |

| | | |
|--|-------------------|------------------|
| Accounts payable | 734 972 | 3 308 443 |
| Public taxes & fees | 565 448 | 360 915 |
| Other current debt | 40 506 900 | 687 929 |
| Total Current Debt | 42 057 320 | 4 607 288 |
| Total Liabilities | 44 457 320 | 4 607 288 |
| Total Liabilities and Owners Equity | 56 052 973 | 8 149 966 |

6.4 Changes in the Company's financial or trading position

The Company has not carried out any transactions after 31 December 2020 that represent a change of more than 25% in its total assets, revenue or profit or loss.

6.5 Trend information

6.5.1 Recent developments

The ongoing COVID-19 situation has had limited impact on the Company's business as the Company is still in a R&D phase with limited travelling activity. The majority of its activities is happening at the pilot site at Follum, Hønefoss or from the office, now remote.

The liquidity situation has been challenging throughout 2020 with public grants as the only income, however improving significantly during the second half of the year when new investors caught an interest for the business case and invested into the Company, after a successful implementation and subsequent operation of the pilot plant (HeatCube) at Follum, Hønefoss, throughout the second half of the year.

6.5.2 Significant changes to the financial position of the Company

The Company has raised new capital and significantly strengthened its equity base and cash position during the second half of 2020. The cash balance at the end of the year was around NOK 42 million.

6.5.3 Significant changes in the financial performance of the Group

There has not been any significant change in the financial performance of the Group throughout 2020. The company is still developing its technology with no commercial contracts yet in place and hence no revenue, other than public grants from Innovation Norway.

6.6 Material borrowings and financial commitments

Other than an instalment free loan granted by Innovation Norway (*Nw.*: Innovasjon Norge) amounting to NOK 2,400,000 with maturity in 2023, the Company has no material interest bearing debt as of the date of this Information Document.

The Company possesses sufficient financial resources in order to be able to conduct the planned business for at least twelve months after the first day of Admission to Trading. The Company intends to finance its operations by a combination of equity and project financing until it becomes profitable.

6.7 Working capital statement

As of the date of this Information Document, the Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements. Planned growth initiatives will be funded with proceeds from the Private Placement, and is fully funded for the upcoming 12 months.

6.8 Near-term financial reporting and general meeting calendar

Following the publication of this Information Document, the Company expects to hold its first annual general meeting on 29 April 2021 and to publish its 2021 half-year report on 20 August 2021.

7 SHARES AND SHARE CAPITAL

This section includes a summary of certain information relating to the Company's Shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Information Document. The mentioned summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association.

7.1 The Shares

As of the date of this Information Document, the Company has a total of 8,420,560 Shares outstanding, each with a par value of NOK 0.03. The Shares have been created under the laws of Norway and are registered in book-entry form in the Norwegian Central Securities Depository (the "VPS") with International Securities Identification Number ("ISIN") NO NO0010936750 and legal entity identifier (LEI) code 5493001NVOBG2GEJGV87. All the outstanding Shares are validly issued and fully paid.

The Company has only one class of shares. All of the Company's Shares carry equal rights in all respects, including voting rights and rights to dividends. All Shares are freely transferable, meaning that a transfer of shares is not subject to the consent of the Board of Directors or rights of first refusal.

On 22 March 2021, Oslo Børs resolved to admit the Shares to trading on Euronext Growth Oslo. The first day of trading of the Shares is expected to be on 24 March 2021 under the ticker code "KYOTO". The Company does not have securities listed on any stock exchange or other Regulated Market.

The Company's VPS-registrar is Sparebank 1 Markets AS, registrars department, with registered address Olav Vs gate 5, 0161 Oslo, Norway (the "VPS Registrar").

7.2 Share capital

7.2.1 Share capital history

As of the date of this Information Document, the registered share capital of the Company is NOK 252,616.80, divided into 8,420,560 Shares, each with a par value of NOK 0.03.

The table below shows the development in the Company's share capital for the period covered by the Annual Financial Statements to the date of the Information Document. There have not been any other capital increases in the Company other than as set out in the table below, neither by way of contribution in cash or in kind for the period from 1 January 2019 until the date of this Information Document.

| Date registered | Event | Capital increase (NOK) | Par value (NOK) | Share price (NOK) | Share capital (NOK) | New shares issued | Total no. of Shares |
|------------------|------------------------|------------------------|-----------------|-------------------|---------------------|-------------------|---------------------|
| 11 April 2016 | Incorporation | 30,000 | 30 | 1,000 | 30,000 | 1,000 | 1,000 |
| 23 January 2019 | Share capital increase | 35,306.64 | 0.03 | 7.40 | 65,306.64 | 1,176,888 | 2,176,888 |
| 31 July 2019 | Share capital increase | 13,463.34 | 0.03 | 9.00 | 78,769.98 | 448,778 | 2,625,666 |
| 19 November 2020 | Share capital increase | 20,795.97 | 0.03 | 10.562222 | 99,565.95 | 693,199 | 3,318,865 |
| 4 December 2020 | Share capital increase | 14,050.86 | 0.03 | 10.584428 | 113,616.81 | 468,362 | 3,787,227 |
| 21 January 2021 | Share capital increase | 8,499.99 | 0.03 | 17.64708 | 122,116.80 | 283,333 | 4,070,560 |
| 19 February 2021 | Share capital increase | 60,000 | 0.03 | 25.00 | 182,116.80 | 2,000,000 | 6,070,560 |
| 16 March 2021 | Share capital increase | 5,400 | 0.03 | 3.75 | 187,516.80 | 180,000 | 6,250,560 |
| 16 March 2021 | Share capital increase | 4,500 | 0.03 | 20.00 | 192,016.80 | 150,000 | 6,400,560 |
| 16 March 2021 | Share capital increase | 600 | 0.03 | 12.00 | 192,616.80 | 20,000 | 6,420,560 |
| 22 March 2021 | The Private Placement | 60,000 | 0.03 | 62.50 | 252,616.80 | 2,000,000 | 8,420,560 |

7.2.2 Authorisations to issue additional Shares

The Board of Directors has been granted the following authorisations to increase the Company's share capital:

- 1) An authorisation to increase the share capital by up to NOK 6,000 in connection with a share incentive program for employees of up to 200,000 shares granted by the Company's general meeting on 26 January 2021. The remaining amount by which the share capital may be increased by use of this authorisation is NOK 600. The authorisation expires on 31 July 2021.
- 2) An authorisation to increase the share capital by up to NOK 85,000 granted by the Company's general meeting on 3 March 2021. The remaining amount by which the share capital may be increased by use of this authorisation is NOK 25,000. The authorisation expires on the date of the Company's annual general meeting in 2022, but no later than 30 June 2022.

The shareholders' preferential rights pursuant to section 10-4 of the Norwegian Private Companies Act may be set aside under the aforementioned authorisations.

7.2.3 Other financial instruments issued by the Company

Neither the Company nor any of its subsidiaries have issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries, except for as set out in section 5.6.2 above.

7.2.4 Ownership Structure

Following completion of the Private Placement, see Section 7.3 below, the Company has a total of 143 registered shareholders with the VPS.

As of the date of this Information Document, the following shareholders hold more than 5% of the Company's share capital:

| Shareholder | Assuming full exercise of the Greenshoe Option, cf. section 7.3.1 below | | Assuming no exercise of the Greenshoe Option, cf. section 7.3.1 below | |
|------------------------------|---|----------------------------------|---|----------------------------------|
| | Number of Shares | % of the Company's share capital | Number of Shares | % of the Company's share capital |
| Hydro Energi Invest AS | 758,332 | 8.6% | 758,332 | 9.0% |
| Valinor AS | 720,000 | 8.2% | 720,000 | 8.6% |
| Terraform AS | 684,063 | 7.8% | 684,063 | 8.1% |
| Møsbu AS | 508,000 | 5.8% | 508,000 | 6.0% |
| Kongsberg Innovasjon AS | 485,161 | 5.5% | 485,161 | 5.8% |
| KB Management AS | 448,333 | 5.1% | 448,333 | 5.3% |
| Asiju Invest AS ¹ | 431,751 | 4.9% | 431,751 | 5.1% |

1) Asiju Invest AS is a company controlled by board member Arne Erik Kristiansen. Currently, 400,000 of Asiju Invest AS' shares have been borrowed pursuant to the Borrowing Option, cf. section 7.3.1 below.

2) Terraform AS is a company controlled by the founder of the Company, Jon Bøhmer.

As of the date of this Information Document, the Company does not hold any treasury shares, nor does any of the Company's subsidiaries hold shares in the Company.

There are no arrangements known to the Company that may lead to a change of control in the Company.

To the Company's knowledge, there are no persons that can be identified as Beneficial Owners as defined in the EU Legislation on anti-money laundering. Beneficial Owners are understood as any natural person(s) who ultimately owns or controls the customer.

7.3 The Private Placement

7.3.1 Details of the Private Placement

On 17 March 2021, the Company completed a private placement consisting of (i) an issuance of 2,000,000 new Shares, each with a par value of NOK 0.03, at a subscription price of NOK 62.50 per Share, raising gross proceeds of NOK 125 million and (ii) the over-allotment of 400,000 additional existing Shares (the "**Additional Shares**") by

the Euronext Growth Advisors (together the "**Private Placement**"). The issuance of the new Shares in the Private Placement was resolved by the Board of Directors by use of the authorisation to increase the share capital as granted by the Company's extraordinary general meeting held on 3 March 2021, please refer to Section 7.2.2 above.

In connection with the allocation of the Additional Shares, Asiju Invest AS (a company controlled by board member Arne Erik Kristiansen) has granted Fearnley Securities AS (the "**Stabilisation Manager**") on behalf of the Euronext Growth Advisors, an option to borrow a number of Shares equal to the number of Additional Shares in order to facilitate the over-allotment (the "**Borrowing Option**") and delivery of the Additional Shares. The Stabilisation Manager, on behalf of the Euronext Growth Advisors, has further been granted an option by the Company to issue a number of new Shares equal to the number of Additional Shares at a price per Share equal to the Subscription Price (the "**Greenshoe Option**", exercisable, in whole or in part, within a 30-day period commencing on the first day of Admission to Trading).

The application period for the Private Placement took place from 16 March 2021 to and including 17 March 2021. Notifications of allocation were issued on 18 March 2021, and delivery vs. payment settlement is expected to take place on 24 March 2021.

7.3.2 *Reasons for Private Placement and Admission to Trading*

The Company believes the Admission to Trading will:

- a) diversify the shareholder base and enable other investors to take part in the Company's potential value creation;
- b) further enhance the Company's profile with investors, business partners and customers;
- c) further enhance the ability of the Company to attract and retain key management and employees;
- d) provide access to the capital markets; and
- e) allow for a liquid market for the Shares going forward.

The Private Placement was completed immediately prior to the Admission to Trading. No other equity capital or proceeds will be raised by the Company in connection with the Admission to Trading.

7.3.3 *Use of proceeds*

The net proceeds from the Private Placement will be used to:

- a) Fund initial pipeline of projects (expected to fund first 3-5 pilot projects);
- b) Build organization;
- c) Continued research and development;
- d) Market development; and
- e) General corporate purposes.

In addition, the proceeds will be used to cover relevant transaction costs incurred in connection with the Private Placement.

7.3.4 *Lock-up*

Shares issued to employees pursuant to the Kruse Smith incentive program as described in section 5.6.1 above are subject to 36 months lock-up. Further, as part of the Private Placement, the Company, the members of the Board of Directors and the Management have entered into customary lock-up arrangements with the Managers for a duration of 6 months, following the admission to trading on Euronext Growth Oslo.

7.4 Dividend and dividend policy

7.4.1 Dividends policy

The Company has not established any clear dividend policy to date. Future dividends will be dependent on among other things a substantial increase in revenues and positive cash flow from operation. There can be no assurance that in any given year a dividend will be proposed or declared in the future.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions as set out in Section 7.4.2 below, as well as capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility.

The Company has not paid any dividends on its Shares to date.

7.4.2 Legal and contractual constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Private Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Private Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. The Norwegian Private Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- c) Section 8-1 of the Norwegian Private Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).
- d) The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the general meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.
- e) Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Private Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian private limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Private Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 8 "*Norwegian taxation*".

7.4.3 *Manner of dividend payments*¹

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through the VPS Registrar. Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

7.5 **The Articles of Association**

The Articles of Association are enclosed in [Appendix A](#) to the Information Document, a summary of certain key provisions which is given below:

7.5.1 *Objective*

The Company's business is to conduct international development, production, operation, licensing and sale of all or parts of facilities within renewable energy, primarily within solar heat and thermal energy storage, as well as what is naturally related thereto, including investments and participation in other companies.

7.5.2 *Share capital and par value of each Share*

The Company's share capital is NOK 252,616.80, divided into 8,420,560 Shares, each with a par value of NOK 0.03.

7.5.3 *Restrictions on transfer of Shares*

Other than the lock-ups as described in Section 7.3.4 above, there are no restrictions on transfer of the Shares.

7.6 **Certain aspects of Norwegian corporate law**

7.6.1 *General meetings*

Through the general meeting, shareholders exercise supreme authority in a Norwegian private limited liability company. The date for the first annual general shareholder meeting following the Admission to Trading is not set. However, in accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that a written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting is sent to all shareholders with a known address no later than seven days before the annual general meeting of a Norwegian private limited liability company shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy (the proxy holder is appointed at their own discretion). Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the shareholders' register kept and maintained with VPS as of the date of the general meeting, or who otherwise have reported and documented ownership of shares in the Company, are entitled to participate at general meetings, without any requirement of pre-registration.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the board of directors considers it necessary. An extraordinary general meeting of shareholders shall also be convened if, in

¹ Wording to be confirmed with VPS Registrar.

order to discuss a specified matter, the auditor or shareholders representing at least 10% of the share capital demands such in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings.

7.6.2 *Voting rights – amendments to the articles of association*

Each Share carries one vote. In general, decisions shareholders are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments (e.g. to the board of directors), the person(s) who receive(s) the greatest number of votes cast is elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe or shares in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the articles of association, to authorize an increase or reduction of the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the general meeting in question. Moreover, Norwegian law requires that certain decisions, i.e. decisions that have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favor of the resolution, as well as the majority required for amending the articles of association.

In general, only a shareholder registered in VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees.

There are no quorum requirements that apply to the general meetings.

7.6.3 *Additional issuances and preferential rights*

If the Company issues any new Shares, including bonus share issues, the Company's articles of association must be amended, which requires the same vote as other amendments to the articles of association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. The preferential rights may be deviated from by a resolution in the general meeting passed with the same vote required to amend the articles of association. A deviation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the articles of association, authorize the board of directors to issue new Shares, and to deviate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States and other jurisdictions upon the exercise of preferential rights may require the Company to file a registration statement or prospectus in the United States under United States securities laws or in such other jurisdictions under the laws of such jurisdictions. Should the Company in such a situation decide not to file a registration statement or prospectus, the Company's U.S. shareholders and shareholders in such other jurisdictions may not be able to exercise their preferential rights. To the extent that shareholders are not able to exercise their rights to subscribe for new shares,

the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company will be reduced.

7.6.4 *Minority rights*

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the board of directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the Board of Directors convenes an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

7.6.5 *Rights of redemption and repurchase of shares*

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital of NOK 30,000, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the general meeting of the Company's shareholders cannot be granted for a period exceeding two years.

7.6.6 *Shareholder vote on certain reorganisations*

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the board of directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the articles of association stipulate that, made available to the shareholders on the Company's website, at least two weeks prior to the general meeting to pass upon the matter.

7.6.7 *Liability of board members*

Board members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Board members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the articles of association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name.

The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the articles of association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

7.6.8 *Indemnification of board members*

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board members against certain liabilities that they may incur in their capacity as such.

7.6.9 *Distribution of assets on liquidation*

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

7.7 Takeover bids and forced transfer of shares

The Company is not subject to the takeover regulations, applicable only to companies with shares listed on a Norwegian Regulated Market, set out in the Norwegian Securities Trading Act, or otherwise.

The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Norwegian Private Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Norwegian Private Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

7.8 Insider trading

According to the Market Abuse Regulation ("MAR"), as implemented through the Norwegian Securities Trading Act, subscription for, purchase, sale or exchange of financial instruments that are admitted to trading, or subject to an application for admission to trading on a Norwegian Regulated Market or a Norwegian Multilateral Trading Facility, or incitement to such dispositions, must not be undertaken by anyone who has inside information. Inside information is defined in Article 7(1)(a) of the MAR and refers to precise information about financial instruments issued by the Company admitted to trading, about the Company admitted trading itself or about other circumstances which are likely to have a noticeable effect on the price of financial instruments issued by the Company admitted to trading or related to financial instruments issued by the Company admitted to trading, and which is not publicly available or commonly known in the market. Information that is likely to have a noticeable effect on the price shall be understood to mean information that a rational investor would probably make use of as part of the basis for his investment decision. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions. Breach of insider trading obligations may be sanctioned and lead to criminal charges.

8 NORWEGIAN TAXATION

This Section describes certain tax rules in Norway applicable to shareholders who are resident in Norway for tax purposes ("**Norwegian Shareholders**") and to shareholders who are not resident in Norway for tax purposes ("**Foreign Shareholders**"). The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Information Document and are subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. The statements only apply to shareholders who are beneficial owners of Shares. Please note that for the purpose of the summary below, references to Norwegian Shareholders or Foreign Shareholders refers to the tax residency rather than the nationality of the shareholder.

8.1 Norwegian shareholders

8.1.1 Taxation of dividends

Norwegian corporate shareholders (i.e. limited liability companies and similar entities) ("**Norwegian Corporate Shareholders**") are comprised by the Norwegian participation exemption. Under the exemption, only 3% of dividend income on shares in Norwegian limited liability companies is subject to tax as ordinary income (22% flat rate as of 2021), implying that such dividends are effectively taxed at a rate of 0.66%.

Dividends distributed to Norwegian individual shareholders (i.e. other shareholders than Norwegian Corporate Shareholders) ("**Norwegian Individual Shareholders**") are grossed up with a factor of 1.44 before taxed as ordinary income (22% flat rate, resulting in an effective tax rate of 31.68%) to the extent the dividend exceeds a tax-free allowance.

The tax-free allowance is calculated on a share-by-share basis for each individual shareholder on the basis of the cost price of each of the Shares multiplied by a risk-free interest rate. The risk-free interest rate is based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The tax-free allowance is calculated for each calendar year and is allocated solely to Norwegian Individual Shareholders holding Shares at the expiration of the relevant calendar year. Norwegian Individual Shareholders who transfer Shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the Share ("unused allowance") may be carried forward and set off against future dividends received on (or gains upon realisation of, see below) the same Share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same Share the following year.

The Shares will not qualify for Norwegian share saving accounts (Nw.: *aksjesparekonto*) for Norwegian Individual Shareholders as the Shares are listed on the Euronext Growth Oslo (and not Oslo Børs/Euronext Expand).

8.1.2 Taxation of capital gains

Sale, redemption or other disposal of Shares is considered as a realisation for Norwegian tax purposes.

Capital gains generated by Norwegian Corporate Shareholders through a realisation of shares in Norwegian limited liability companies, such as the Company, are comprised by the Norwegian participation exemption and therefore tax exempt. Net losses from realisation of Shares and costs incurred in connection with the purchase and realisation of such Shares are not tax deductible for Norwegian Corporate Shareholders.

Norwegian Individual Shareholders are taxable in Norway for capital gains derived from realisation of Shares, and have a corresponding right to deduct losses. This applies irrespective of how long the Shares have been owned by the individual shareholder and irrespective of how many Shares that are realized. Gains are taxable as ordinary income in the year of realisation and losses can be deducted from ordinary income in the year of realisation. Any gain or loss is grossed up with a factor of 1.44 before taxed at a rate of 22% (resulting in an effective tax rate of 31.68%). Gain or loss is calculated per Share, as the difference between the consideration received for the Share and the Norwegian Individual Shareholder's cost price for the Share, including costs incurred in connection with the acquisition or realisation of the Share. Any unused tax-free allowance connected to a Share may be deducted from

a capital gain on the same Share, but may not lead to or increase a deductible loss. Further, unused tax-free allowance related to a Share cannot be set off against gains from realisation of other Shares.

If a Norwegian shareholder realizes Shares acquired at different points in time, the Shares that were first acquired will be deemed as first sold (the "first in first out"-principle) upon calculating taxable gain or loss. Costs incurred in connection with the purchase and sale of Shares may be deducted in the year of sale.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances.

8.1.3 *Net wealth tax*

The value of Shares is taken into account for net wealth tax purposes in Norway. The marginal net wealth tax rate is currently 0.85% of the value assessed. The value for assessment purposes for the Shares is equal to 55% of the total tax value of the Company as of 1 January of the year before the tax assessment year. However, if the share capital in the Company has been increased or reduced by payment from or to shareholders in the year before the tax assessment year, the value for assessment purposes for the Shares is equal to 55% of the total tax value of the Company as of 1 January of the tax assessment year. The value of debt allocated to the Shares (a proportional part of the shareholder's total debt) for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 55%).

Norwegian limited liability companies and similar entities are exempted from net wealth tax.

8.2 **Foreign Shareholders**

8.2.1 *Taxation of dividends*

Dividends paid from a Norwegian limited liability company to Foreign Shareholders are subject to Norwegian withholding tax at a rate of 25% unless the recipient qualifies for a reduced rate according to an applicable tax treaty or other specific regulations. The shareholder's country of residence may give credit for the Norwegian withholding tax imposed on the dividend.

If a Foreign Shareholder is carrying on business activities in Norway and the Shares are effectively connected with such activities, the Foreign Shareholder will be subject to the same taxation of dividend as a Norwegian Shareholder, as described above.

Foreign Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities) ("**Foreign Corporate Shareholders**") resident within the EEA are exempt from Norwegian withholding tax pursuant to the Norwegian participation exemption provided that the Foreign Corporate Shareholder is genuinely established and carries out genuine economic activities within the EEA.

Dividends paid to Foreign Shareholders that are individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders) ("**Foreign Individual Shareholders**") are as the main rule subject to Norwegian withholding tax at a rate of 25%, unless a lower rate has been agreed in an applicable tax treaty. If the individual shareholder is resident within the EEA, the shareholder may apply to the tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share, see Section 8.1.1 "*Taxation of dividends*". However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

In accordance with the present administrative system in Norway, a distributing company will generally deduct withholding tax at the applicable rate when dividends are paid directly to an eligible Foreign Shareholder, based on information registered with the VPS. Foreign Corporate and Individual Shareholders must document their entitlement to a reduced withholding tax rate by (i) obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state and (ii) providing a confirmation from the shareholder that the shareholder is the beneficial owner of the dividend. In addition, Foreign Corporate Shareholders must also present either (i) an approved withholding tax refund application or (ii) an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate or a withholding tax exemption. Such documentation must be provided to either the nominee or the account operator (VPS). Dividends paid to Foreign Shareholders in respect of nominee registered shares are not eligible for

reduced treaty withholding tax rate at the time of payment unless the nominee, by agreeing to provide certain information regarding beneficial owner, has obtained approval for reduced treaty withholding tax rate from the Norwegian tax authorities. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Foreign Individual Shareholders and Foreign Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Foreign Corporate Shareholders that have suffered withholding tax although qualifying for the Norwegian participation exemption.

Foreign Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments.

8.2.2 Taxation of capital gains

Gains from realisation of Shares by Foreign Shareholders will not be subject to tax in Norway unless the Foreign Shareholders are holding the Shares in connection with business activities carried out in or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

8.2.3 Net wealth tax

Foreign Shareholders are not subject to Norwegian net wealth tax with respect to the Shares, unless the shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

8.2.4 Transfer taxes etc. VAT

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, issuance, disposal or redemption of shares. Further, there is no VAT on transfer of shares.

9 ADDITIONAL INFORMATION

9.1 Admission to trading on Euronext Growth Oslo

The Company applied for the Admission to Trading on Euronext Growth Oslo on 16 March 2021. The first day of the Admission to Trading is expected to be 24 March 2021.

9.2 Auditor

The Company's independent auditor is Ernst & Young AS, with business registration number 976 389 387 and registered address Dronning Eufemias gate 6, 0191 Oslo, Norway. The partners of Ernst & Young AS are members of the Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforeningen*).

Ernst & Young AS has been the Company's auditor since January 2017. Prior to this, the Company had not appointed an independent auditor.

9.3 Advisors

Fearnley Securities AS, with business registration number 945 757 647 and registered address Grev Wedels plass 9, 0151 Oslo, Norway and SpareBank 1 Markets AS, with business registration number 992 999 101 and registered address Olav Vs gate 5, 0161 Oslo, Norway, are acting as Managers and Euronext Growth Advisors.

Wikborg Rein Advokatfirma AS, with business registration number 916 782 195 and registered address Dronning Mauds gate 11, 0250 Oslo, Norway is acting as Norwegian legal counsel to the Company.

Advokatfirmaet CLP DA, with business registration number 991 341 129 and registered address Sommerogata 13, 0255 Oslo, Norway, is acting as Norwegian legal counsel to the Euronext Growth Advisors.

10 DEFINITIONS AND GLOSSARY OF TERMS

| | |
|---|--|
| Admission or Admission to Trading | The admission to trading of the Company's Shares on Euronext Growth Oslo, expected to take place on 24 March 2021 |
| Annual Financial Statements | The audited financial statements for Kyoto Group AS as of and for the years ended 31 December 2020 and 31 December 2019, prepared in accordance with NGAAP, enclosed hereto as Appendix B and C |
| Articles of Association | The articles of association of the Company as of 17 March 2021 |
| Board of Directors or Board Members | The board of directors of the Company |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| Company or Kyoto Group | Kyoto Group AS, a private limited liability company with business registration number 917 001 790 and registered address Torggata 15, 0181 Oslo, Norway |
| EEA | European Economic Area |
| EU Prospectus Regulation | Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a Regulated Market, as amended, and as implemented in Norway |
| Euronext Growth Advisor(s) or Manager(s) | Fearnley Securities AS and SpareBank 1 Markets AS |
| Euronext Growth Oslo | A multilateral trading facility operated by Oslo Børs ASA as one of several Euronext Growth Markets under Euronext |
| Euronext Growth Rule Book | The Euronext Rule Book I and the Euronext Rule Book II for Euronext Growth Oslo, collectively |
| Foreign Corporate Shareholders | Foreign Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities) |
| Foreign Individual Shareholders | Foreign Shareholders that are individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders) |
| Foreign Shareholders | Shareholders who are not resident in Norway for tax purposes |
| Group | The Company and its subsidiaries as set out in Section 4.2 |
| HeatCube | The Kyoto HeatCube thermal battery developed by Koto Group AS |
| Information Document | This Information Document dated 23 March 2021 |
| IP | Intellectual property |
| Management | The members of the Company's executive management |
| NGAAP | Accounting principles generally accepted in Norway |
| NOK | Norwegian Kroner, the lawful currency of Norway |
| Norwegian Code of Practice | The Norwegian Code of Practice for Corporate Governance last updated on 17 October 2018 |
| Norwegian Corporate Shareholders | Shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes |
| Norwegian Individual Shareholders | Norwegian Shareholders other than Norwegian Corporate Shareholders |
| Norwegian Private Companies Act | The Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44, as amended (Nw.: <i>aksjeloven</i>) |
| Norwegian Securities Trading Act | The Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (Nw.: <i>verdipapirhandelloven</i>) |
| Norwegian Securities Trading Regulation | The Norwegian Securities Trading Regulations of 29 June 2007 no. 876, as amended (Nw.: <i>verdipapirforskriften</i>) |
| Norwegian Shareholders | Shareholders who are resident in Norway for tax purposes |
| Private Placement | The private placement of 2,000,000 new Shares, each with a par value of NOK 0.03, at a subscription price of NOK 62.5 per Share raising gross proceeds of NOK 125 million and an over-allotment of 400,000 shares, completed on 17 March 2021 |
| Regulated Market | A market for financial instruments within the scope of Article 4(1)(21) of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments |
| Relevant Member State | Each Member State of the European Economic Area which has implemented the EU Prospectus Regulation |
| Share(s) | The shares of the Company, consisting as of the date of this Information Document of 8,420,560 ordinary shares, each with a par value of NOK 0.03 |
| United States or US | The United States of America |
| VPS Registrar | Sparebank 1 Markets AS, Registrars Department |
| VPS | The Norwegian Central Securities Depository (Nw.: <i>Verdipapirsentralen</i> ASA) |



Kyoto Group AS

Torggata 15
0181 Oslo
Norway
www.kyoto.group

Fearnley Securities AS

Grev Wedels plass 9
0151 Oslo
Norway
www.fearnleysecurities.com

SpareBank1 Markets AS

Olav Vs gate 5
0161 Oslo
Norway
www.sb1markets.no

Wikborg Rein Advokatfirma AS

Dronning Mauds gate 11
0250 Oslo
Norway
www.wr.no

Appendix A – Articles of Association

VEDTEKTER

KYOTO GROUP AS

(org.nr. 917 001 790)

Vedtatt 17. mars 2021

§ 1 Foretaksnavn

Selskapets foretaksnavn er Kyoto Group AS.

§ 2 Formål

Selskapets virksomhet er å drive internasjonal utvikling, produksjon, drift, utlisensiering og salg av hele eller deler av anlegg innen fornybar energi, primært innen solvarme og termisk energi lagring, samt det som naturlig står forbindelse med dette, herunder investeringer og deltagelse i andre selskaper.

§ 3 Aksjekapital

Selskapets aksjekapital er NOK 252 616,80 fordelt på 8 420 560 aksjer, hver pålydende NOK 0,03. Aksjene skal være registrert i Verdipapirsentralen (VPS).

§ 4 Styre

Selskapets styre skal ha 4 til 6 medlemmer. Styret velger selv sin styreleder.

§ 5 Signatur

Selskapet tegnes av styrets leder og et styremedlem i felleskap eller styrets leder og daglig leder i felleskap eller to av styremedlemmer i felleskap.

Styret kan meddele prokura.

§ 6 Fritt omsettelige aksjer

Ingen aksjeeiere har rett til å overta en aksje som har skiftet eier.

Erverv av aksjer er ikke betinget av samtykke fra selskapet.

§ 7 Generalforsamling

På den ordinære generalforsamlingen skal følgende saker behandles og avgjøres:

1. Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte.

ARTICLES OF ASSOCIATION

KYOTO GROUP AS

(org.nr. 917 001 790)

As of 17 March 2021

§ 1 Company name

The company's name is Kyoto Group AS.

§ 2 Objective

The company's business is to conduct international development, production, operation, licensing and sale of all or parts of facilities within renewable energy, primarily within solar heat and thermal energy storage, as well as what is naturally related thereto, including investments and participation in other companies.

§ 3 Share capital

The company's share capital is NOK 252,616.80, divided into 8,420,560 shares, each with a par value of NOK 0.03. The shares shall be registered with the Norwegian Central Securities Depository (VPS).

§ 4 Board of directors

The board of directors shall consist of between 4 and 6 members. The chairman is elected by the board.

§ 5 Signatory rights

The chairman of the board and one board member, the chairman and the CEO, or two board members, may jointly sign on behalf of the company.

The board may grant power of procuration.

§ 6 Free transferability of shares

No shareholder shall be entitled to acquire shares upon change of ownership.

Acquisition of shares is not subject to the consent of the company.

§ 7 General meetings

The annual general meeting shall address and decide upon the following matters:

1. Approval of the annual accounts and the annual report, including distribution of dividend.

2. Valg av styremedlemmer hvis disse er på valg.
3. Fastsettelse av styrets godtgjørelse.
4. Valg av ny revisor hvis revisorskifte er aktuelt, samt godkjenne revisors honorar.
5. Andre saker som etter lov eller vedtektene hører under generalforsamlingen.

Styret kan vedta at aksjeeiere kan avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere retningslinjer for slik forhåndsstemming. Det skal fremgå av generalforsamlingsinnkallingen hvilke retningslinjer som er fastsatt.

§ 8 Innkalling til generalforsamling

Innkalling til generalforsamling skal skje med minst én ukes varsel ved e-post eller brev til alle aksjeeiere med kjent adresse.

Dokumenter som gjelder saker som skal behandles på selskapets generalforsamling, herunder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen, trenger ikke sendes til aksjeeierne dersom dokumentene er tilgjengelige på selskapets internettsider. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

2. Election of board members, if applicable.
3. Remuneration to the board of directors.
4. Election of new auditor if relevant, as well as approval of the auditor's remuneration.
5. Any other matters which are referred to the general meeting by law or the articles of association.

The board of directors may resolve that the shareholders may cast their votes in writing, including by electronic communication, in a period prior to the general meeting. The board of directors may establish specific guidelines for such advance voting. It must be stated in the notice of the general meeting which guidelines have been set.

§ 8 Notice of general meeting

Notice of general meetings shall be sent at least one week in advance by e-mail or mail to all shareholders with known address.

Documents relating to matters to be dealt with by the company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the company's website. A shareholder may nevertheless request that documents relating to matters to be dealt with at the general meeting, are sent to him or her.

Appendix B – Annual financial statements of the Company for 2020

Signers:

| Name | Method | Date |
|--------------------------|---------------|------------------------|
| Reiten, Eivind Kristofer | BANKID_MOBILE | 2021-03-11 07:43 GMT+1 |
| Kristiansen, Arne-Erik | BANKID | 2021-03-11 07:59 GMT+1 |
| Valseth, Pål Selboe | BANKID_MOBILE | 2021-03-11 08:42 GMT+1 |
| Kvalvaag, Hans Olav | BANKID | 2021-03-11 08:54 GMT+1 |
| Enger, Thorleif | BANKID | 2021-03-11 11:54 GMT+1 |
| Valstad, Ivar Andreas | BANKID | 2021-03-11 22:02 GMT+1 |
| Blom, Christian | BANKID_MOBILE | 2021-03-12 07:48 GMT+1 |



This document package contains:

- Front page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944



Årsregnskap 2020

Kyoto Group AS

Årsberetning
Resultatregnskap
Balanse
Kontantstrømoppstilling
Noter til regnskapet
Revisjonsberetning



Org.nr.: 917 001 790



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

Årsberetning 2020 for Kyoto Group AS

VIRKSOMHETENS ART

Kyoto Group AS er et selskap der virksomheten omfatter utvikling av teknologi innen termisk lagring av energi fra fornybare energikilder, for industriell bruk. Selskapet er stiftet i 2016 og nå lokalisert i Oslo kommune.

FORTSATT DRIFT

I samsvar med regnskapslovens § 3-3a bekreftes det at forutsetningen om fortsatt drift er til stede og at denne forutsetningen er lagt til grunn ved utarbeidelsen av regnskapet.

RETTVISENDE OVERSIKT OVER UTVIKLING OG RESULTAT

Selskapets inntekter har hatt en nedgang fra 6 121 790 i fjor til 3 266 093 i år. Årsresultatet er et underskudd på 9 735 267 i 2020, sammenlignet med et underskudd på 5 701 076 i 2019. Økningen i underskuddet er delvis forklart med mindre offentlig tilskudd i 2020, og mer aktivitet mot utvikling av selskapets visjon av fornybar energi.

Bankbeholdningen per 31.12.2020 er kr 42 846 288, sammenlignet med kr 704 591 per 31.12.2019. Egenkapitalen per 31.12.2020 er 11 595 653 med en egenkapitalprosent på 21%. Per 31.12.2019 var egenkapitalen 3 542 679 og egenkapitalprosenten var 19%. Totalkapitalen per 31.12.2020 er 56 052 973, sammenlignet med 8 149 966 per 31.12.2019.

Styret mener at årsregnskapet gir et rettviseende bilde av selskapets eiendeler og gjeld, finansielle stilling og resultat.

REDEGJØRELSE FOR ÅRSREGNSKAPET

Styret kjenner ikke til noen forhold av viktighet for å bedømme selskapets stilling og resultat som ikke fremgår av regnskapet og balansen med noter. Det er foretatt tre emisjoner i 2020 på totalt MNOK 12,3. Det er også foretatt to emisjoner på totalt MNOK 50 i 2021. Emisjonene etter balansedatoen er registrert i Foretaksregisteret den 21.01.2021 og 19.02.2021. Utover det har det ikke etter regnskapsårets utgang inntrådt forhold som etter styrets syn har betydning ved bedømmelse av regnskapet.

FINANSIELL RISIKO

Kyoto Group AS er for tiden i en utviklingsfase og har en begrenset drifts historie. Per i dag har selskapet kun generert inntekter fra begrensede pilot- / demoprojekter. Selskapets nåværende forretningsmodell er å generere inntekter ved å bygge, eie og drifte termiske batterier for salg av energi til sluttbrukere, salg av lagringskapasitet til kraftprodusenter eller til operatører av det sentrale strømmettet, eller gjennom salg av termiske batterier. Selskapet har hittil ikke oppnådd positive driftsresultater. Kyoto Group AS har hittil finansiert sin virksomhet ved å skaffe kapital fra både nye og eksisterende investorer, og med støtte fra Innovasjon Norge.

Kyoto Group AS har for tiden få faste kontrakter som kan generere fremtidige inntekter, og det er ingen sikkerhet om at selskapet vil lykkes med å tiltrekke seg nye kunder som er villige til å gjøre de nødvendige tilpasningene til sine eksisterende anlegg for å kunne utnytte seg av selskapets løsninger. Selskapets eksisterende kontrakter som potensielt kan gi fremtidige inntekter er underlagt forskjellige vilkår, betingelser, avslutningshendelser, endringer etc. som antyder at fremtidige inntekter på slike kontrakter kan være usikre og / eller kan endre seg vesentlig fra det som har vært forventet eller estimert. For å bli og forbli lønnsom, må selskapet lykkes i sine pågående prosjekter og med potensielle kunder, og også lykkes med å kommersialisere teknologien slik at den genererer inntekter. Dette vil kreve at selskapet lykkes i en rekke komplekse og gjensidig avhengige aktiviteter. Det kan hende at selskapet aldri lykkes med disse aktivitetene, og selv om det gjør det, kan det hende at det ikke genererer inntekter betydelig nok til å oppnå lønnsomhet. Selskapet er et vekstselskap, og er ikke fullfinansiert, og har visse forutsetninger om kostnadene og finansieringskravene for å vokse og optimalisere driften. Hvis selskapets estimer er feil, kan det føre til behov for ytterligere finansiering tidligere enn forventet, og det kan hende at selskapet ikke kan oppnå lønnsomheten. Videre vil selskapets kontrakter, rettigheter og forpliktelser sannsynligvis medføre en større grad av usikkerhet og risiko enn for mer modne bedrifter.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

MARKEDSRISIKO

Det pågående utbruddet av Covid-19 har ført til nedstengelser av byer, grenser og virksomheter. Disse begrensningene, samt mulige ytterligere begrensninger har, og kan ha økt negativ innvirkning på markedsforholdene, og kan føre til negativ makroøkonomisk utvikling. Økonomiske forstyrrelser og endringer i generelle markedsforhold kan påvirke etterspørsel for selskapets prosjekter og tjenester. Disse faktorene kan resultere i nedstengelse av selskapets kontorfasiliteter, enten ved myndighetsordre eller ved sykdom hos nøkkelmedarbeidere. Dette vil kunne ha en negativ innvirkning på inntekter, prosjektresultater og virksomheten ellers i selskapet.

ARBEIDSMILJØ, LIKESTILLING OG DISKRIMINERING

Styret anser arbeidsmiljøet i selskapet som godt. Det er ikke iverksatt spesielle tiltak i denne forbindelse. Ansatte i virksomheten har ikke vært utsatt for ulykker eller skader i forbindelse med utførelsen av sitt arbeid, og det har ikke vært sykefravær gjennom året.

Kyoto Group AS har som mål å være en arbeidsplass der det råder full likestilling mellom kvinner og menn, og har innarbeidet en personalpolitikk som anses for å være kjønnsnøytral på alle områder. Selskapet hadde ved årets utløp 9 ansatte, 0 kvinner og 9 menn. Selskapets styre består av 6 menn.

MILJØRAPPORTERING

Selskapet driver ikke virksomhet som forurensar det ytre miljøet.

FORSKNINGS- OG UTVIKLINGSAKTIVITETER

Kyoto Group AS har en vekststrategi og satser på en utvidelse av eksisterende og nye kundebaser og produkter. Forskning og utvikling er kostbart, tidkrevende og medfører betydelig usikkerhet knyttet til både å oppnå positive resultater og, hvis det lykkes, evnen til å selge produkter og tjenester kommersielt ved hjelp av slik teknologi. På grunn av lange utviklingsprosesser, endrende regulatoriske krav, endrende markedsforhold, kundepreferanser og andre faktorer, nye varianter av eksisterende teknologi eller nye teknologier kan det ta lengre tid og koste mer å utvikle, og kan være mindre vellykkede enn det selskapet forventer. Det forventes at et økt målmarked og kundebase vil føre til økt konkurranse. Videre kan det hende at selskapet ikke vil være i stand til å redusere kostnadene etter behov for å opprettholde en konkurranseposisjon. Ingen sikkerhet kan gis om at eksisterende eller ny teknologi under forskning og utvikling vil være kommersielt vellykket. Hvis selskapet ikke klarer å følge med konkurrentene, utvikle ny teknologi eller ha kommersiell suksess med eksisterende eller teknologi under forskning og utvikling, kan dette påvirke negativt på den fremtidige utviklingen av selskapets virksomhet, økonomiske forhold, driftsresultater og / eller prospekter. Erfaring med termisk lagring av termisk energi har utviklet seg raskt på grunn av praktisk implementering av forskning som foregår i flere forskjellige selskaper samtidig. I tillegg til de iboende risikoene på grunn av at selskapet er i en utviklingsfase i en ny bransje, for eksempel risiko knyttet til vedlikeholdsfeil og selskapets teknologi osv., er det også en risiko for at selskapets kommersialiseringsstrategi blir funnet ineffektivt eller lite attraktivt, og at andre konkurrenter i bransjen er i stand til å kommersialisere seg raskere enn Kyoto Group AS, som igjen kan ha vesentlige negative effekter på selskapets resultater, økonomiske forhold, kontantstrømmer og potensielle kunder.

Lagringsystemene for termisk energi utviklet av selskapet representerer en delvis ny teknologi i markedet, som betyr at eksisterende kunder og potensielle nye kunder har liten eller ingen erfaring med selskapets produkter.

I denne fasen er det en risiko for at mislykkede prosjekter kan skyldes faktorer både innenfor og utenfor selskapets kontroll, og kan ha en vesentlig innvirkning på mottaket av teknologien i markedet, og være avgjørende for om kundene er villige til å investere i teknologien og kjøpe selskapets produkter og tjenester, og som igjen kan ha en betydelig innvirkning på selskapets evne til å etablere seg i markedet og implementere selskapets forretningsplan.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

KONTANTSTRØMOPPSTILLING

Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

ÅRSRESULTAT

I 2020 hadde selskapet et underskudd etter skattekostnad på kr 9 735 267 som foreslås dekket slik:

| Overføringer | Beløp |
|--------------------------|--------------|
| Overført til udekket tap | 9 735 267 |

Sted/dato: _____
Styret i Kyoto Group AS

Eivind Reiten
Styreleder

Arne Erik Kristiansen
Styremedlem

Thorleif Enger
Styremedlem

Hans Olav Kvalvaag
Styremedlem

Ivar Andreas Valstad
Styremedlem

Pål Selboe Valseth
Styremedlem

Christian Blom
Daglig leder



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

RESULTATREGNSKAP

KYOTO GROUP AS

| DRIFTSINTEKTER OG DRIFTSKOSTNADER | Note | 2020 | 2019 |
|--|-------|--------------------|-------------------|
| Offentlige tilskudd | 4, 12 | 3 266 093 | 6 121 790 |
| Sum driftsinntekter | | 3 266 093 | 6 121 790 |
| Lønnskostnad | 1 | 6 798 929 | 5 387 263 |
| Avskrivning av driftsmidler og immaterielle eiendeler | 4 | 0 | 87 261 |
| Nedskrivning av driftsmidler og immaterielle eiendeler | 4 | 871 019 | 0 |
| Annen driftskostnad | 1, 13 | 7 860 583 | 7 813 357 |
| Sum driftskostnader | | 15 530 530 | 13 287 882 |
| Driftsresultat | | -12 264 437 | -7 166 091 |
| FINANSINTEKTER OG FINANSKOSTNADER | | | |
| Annen renteinntekt | | 0 | 10 007 |
| Annen finansinntekt | | 18 426 | -448 |
| Nedskrivning av andre finansielle anleggsmidler | 2 | 30 000 | 0 |
| Annen rentekostnad | | 29 254 | 346 |
| Annen finanskostnad | | 122 142 | 23 115 |
| Resultat av finansposter | | -162 970 | -13 902 |
| Ordinært resultat før skattekostnad | | -12 427 407 | -7 179 993 |
| Skattekostnad på ordinært resultat | 6, 13 | -2 692 140 | -1 478 917 |
| Ordinært resultat | | -9 735 267 | -5 701 076 |
| Årsresultat | | -9 735 267 | -5 701 076 |
| OVERFØRINGER | | | |
| Overført til udekket tap | 5, 13 | 9 735 267 | 5 701 076 |
| Sum overføringer | | -9 735 267 | -5 701 076 |



BALANSE

KYOTO GROUP AS

| EIENDELER | Note | 2020 | 2019 |
|--------------------------------------|-------|-------------------|------------------|
| ANLEGGSMIDLER | | | |
| IMMATERIELLE EIENDELER | | | |
| Forskning og utvikling | 4, 13 | 5 124 036 | 3 909 231 |
| Utsatt skattefordel | 6, 13 | 5 162 830 | 2 470 690 |
| Sum immaterielle eiendeler | | 10 286 867 | 6 379 922 |
| VARIGE DRIFTSMIDLER | | | |
| Driftsløsøre, inventar o.a. utstyr | 4 | 85 216 | 305 981 |
| Sum varige driftsmidler | | 85 216 | 305 981 |
| FINANSIELLE ANLEGGSMIDLER | | | |
| Investeringer i aksjer og andeler | 2 | 0 | 30 000 |
| Andre langsiktige fordringer | 9 | 0 | 464 493 |
| Sum finansielle anleggsmidler | | 0 | 494 493 |
| Sum anleggsmidler | | 10 372 083 | 7 180 396 |
| OMLØPSMIDLER | | | |
| FORDRINGER | | | |
| Andre kortsiktige fordringer | 2, 8 | 2 834 602 | 264 980 |
| Sum fordringer | | 2 834 602 | 264 980 |
| Bankinnskudd, kontanter o.l. | 3 | 42 846 288 | 704 591 |
| Sum omløpsmidler | | 45 680 890 | 969 570 |
| Sum eiendeler | | 56 052 973 | 8 149 966 |



BALANSE

KYOTO GROUP AS

| EGENKAPITAL OG GJELD | Note | 2020 | 2019 |
|-----------------------------------|-------|-------------------|------------------|
| EGENKAPITAL | | | |
| INNSKUTT EGENKAPITAL | | | |
| Aksjekapital | 5, 7 | 113 617 | 78 770 |
| Overkurs | 5, 13 | 5 972 861 | 3 463 909 |
| Annen innskutt egenkapital | 5 | 5 509 175 | 0 |
| Sum innskutt egenkapital | | 11 595 653 | 3 542 679 |
| Sum egenkapital | | 11 595 653 | 3 542 679 |
| GJELD | | | |
| ANNEN LANGSIKTIG GJELD | | | |
| Øvrig langsiktig gjeld | 10 | 2 400 000 | 0 |
| Sum annen langsiktig gjeld | | 2 400 000 | 0 |
| KORTSIKTIG GJELD | | | |
| Konvertible lån | 9 | 250 000 | 250 000 |
| Leverandørgjeld | | 734 972 | 3 308 443 |
| Skyldig offentlige avgifter | | 565 448 | 360 915 |
| Annen kortsiktig gjeld | 9 | 40 506 900 | 687 929 |
| Sum kortsiktig gjeld | | 42 057 320 | 4 607 288 |
| Sum gjeld | | 44 457 320 | 4 607 288 |
| Sum egenkapital og gjeld | | 56 052 973 | 8 149 966 |

Sted/dato: _____
Styret i Kyoto Group AS

Eivind Reiten
Styreleder

Arne Erik Kristiansen
Styremedlem

Thorleif Enger
Styremedlem

Hans Olav Kvalvaag
Styremedlem

Ivar Andreas Valstad
Styremedlem

Pål Selboe Valseth
Styremedlem

Christian Blom
Daglig leder



INDIREKTE KONTANTSTRØM

KYOTO GROUP AS

| | Note | 2020 | 2019 |
|--|------|--------------------|-------------------|
| KONTANTSTRØMMER FRA OPERASJONELLE AKTIVITETER | | | |
| Resultat før skattekostnad | | -12 427 407 | -7 179 993 |
| Ordinære avskrivninger | | 0 | 87 261 |
| Nedskrivning anleggsmidler | | 901 019 | 0 |
| Endring i leverandørgjeld | | -2 573 471 | 1 808 808 |
| Endring i andre tidsavgrensningsposter | | -1 502 449 | 2 676 200 |
| Netto kontantstrøm fra operasjonelle aktiviteter | | -15 602 308 | -2 607 724 |
| KONTANTSTRØMMER FRA INVESTERINGSAKTIVITETER | | | |
| Utbetalinger ved kjøp av varige driftsmidler | | -1 865 060 | -4 302 474 |
| Netto kontantstrøm fra investeringsaktiviteter | | -1 865 060 | -4 302 474 |
| KONTANTSTRØMMER FRA FINANSIERINGSAKTIVITETER | | | |
| Innbetalinger ved opptak av ny langsiktig gjeld | | 2 400 000 | 0 |
| Innbetalinger ved opptak av ny kortsiktig gjeld | | 39 420 825 | 0 |
| Innbetalinger ved opptak av ny konvertibel lån | | 0 | 50 000 |
| Innbetalinger av egenkapital | | 17 788 240 | 4 039 000 |
| Netto kontantstrøm fra finansieringsaktiviteter | | 59 609 065 | 4 089 000 |
| Netto endring i kontanter og kontantekvivalenter | | 42 141 697 | -2 821 198 |
| Beh. av kont. og kontantekvivalenter ved per. begynnel | | 704 591 | 3 525 789 |
| Beh. av kont. og kontantekvivalenter ved per. slutt | | 42 846 288 | 704 591 |



REGNSKAPSPRINSIPPER

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

DRIFTSINTEKTER OG DRIFTSKOSTNADER

Inntektsføring skjer etter opptjeningsprinsippet som normalt vil være leveringstidspunktet for tjenester. Kostnader føres i samme periode som tilhørende inntekt.

Inntekten i 2020 består i sin helhet av tilskudd fra Innovasjon Norge.

OFFENTLIGE TILSKUDD

Offentlige tilskudd medtas under driftsinntekter (bruttoføring) da dette gir et best bilde av selskapets aktivitet. Tilskuddene innregnes når betingelsene fra tilskuddsgiver er oppfylt og periodiseres i takt med gjennomføringen av de tilskuddsberettigede aktivitetene. Utviklingskostnadene er aktivert til anskaffelseskost, og tilhørende offentlig tilskudd er ført til fradrag i anskaffelseskost.

KLASSIFISERING

Eiendeler bestemt til varig eie eller bruk, samt fordringer med forfall mer enn ett år etter balansedagen er medtatt som anleggsmidler. Øvrige eiendeler er klassifisert som omløpsmidler. Gjeld som forfaller senere enn ett år etter regnskapsperiodens utløp er oppført som langsiktig gjeld.

VARIGE DRIFTSMIDLER

Varige driftsmidler er vurdert til historisk kost etter fradrag for bedriftsøkonomiske avskrivninger som er beregnet på grunnlag av kostpris og antatt økonomisk levetid. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med dette.

IMMATERIELLE EIENDELER

Utgifter til utvikling balanseføres i den grad det kan identifiseres en fremtidig økonomisk fordel knyttet til utvikling av en identifiserbar immateriell eiendel og utgiftene kan måles pålitelig. I motsatt fall kostnadsføres slike utgifter løpende. Balanseført utvikling avskrives lineært over økonomisk levetid.

KLASSIFISERING OG VURDERING AV OMLØPSMIDLER

Omløpsmidler og kortsiktig gjeld omfatter normalt poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Omløpsmidler vurderes til laveste verdi av anskaffelseskost og virkelig verdi.

AKSJER I DATTERSELSKAP

Datterselskap vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan forventes å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte, konsernbidrag og andre utdelinger fra datterselskap er inntektsført samme år som det er avsatt i givers regnskap. Overstiger utbytte / konsernbidraget andelen av opptjent resultat etter anskaffelsestidspunktet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen til morselskapet.

FORDRINGER

Kundefordringer og andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

SKATT

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli utnyttet.

PENSJONSFORPLIKTELSER

Pensjonsordninger finansiert via sikrede ordninger er ikke balanseført. Pensjonspremien anses i disse tilfeller som pensjonskostnad og klassifiseres sammen med lønnskostnader.

KONTANTSTRØMOPPSTILLING

Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

Note 1 Lønnskostnader og ytelser, godtgjørelser til daglig leder, styret og revisor

| Lønnskostnader | 2020 | 2019 |
|-----------------------|------------------|------------------|
| Lønninger | 4 973 605 | 4 257 752 |
| Arbeidsgiveravgift | 880 003 | 660 000 |
| Pensjonskostnader | 394 197 | 189 119 |
| Andre ytelser | 551 125 | 280 393 |
| Sum | 6 798 929 | 5 387 263 |

Årsverk 7 4

PENSJONSFORPLIKTELSER

Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon. Selskapets pensjonsordninger tilfredsstiller kravene i denne lov.

| Ytelser til ledende personer | Daglig leder | Styret |
|-------------------------------------|---------------------|---------------|
| Lønn | 743 429 | 0 |
| Annen godtgjørelse | 6 912 | 0 |
| Sum | 750 341 | 0 |

REVISOR

Kostnadsført revisjonshonorar for 2020 utgjør kr 192 050 eks. MVA.

| | | |
|--------------------|----------------|----------------|
| Herav; | | |
| Lovpålagt revisjon | 60 800 | 45 600 |
| Andre tjenester | 131 250 | 138 100 |
| Sum | 192 050 | 183 700 |

Note 2 Aksjer i datterselskap

Kyoto Group AS eier 100% av aksjene og stemmene i datterselskapene Butterfly Manufacturing AS og Suntrap AS. Datterselskapene var stiftet i henholdsvis 2014 og 2017 og har forretningskontorer i Oslo. Begge selskapene har per årsregnskapet for 2019 tapt egenkapital på henholdsvis -35 542 og -361 977, og vært uten vesentlig aktivitet i 2020. Det er videre planlagt å avvikle begge selskapene i 2021. På bakgrunn av dette nedskrives aksjebeholdningen i Kyoto Group AS til null.

Det utarbeides ikke et konsernregnskap da Kyoto Group AS med de to datterselskapene, både individuelt og samlet sett, er av uvesentlig betydning for å bedømme konsernets stilling og resultat.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

Note 3 Bankinnskudd

Innestående midler på skattetrekkskonto (bundne midler) er på kr. 380 954 per 31.12.2020. Det er tilstrekkelig avsatt for å dekke skyldig forskuddstrekk per denne dato.

Note 4 Varige driftsmidler / Forskning og utvikling

| | Aktiverte utviklingskostnader | Driftsløse, inventar o.a utstyr | Totalt |
|------------------------------------|-------------------------------|---------------------------------|------------------|
| Anskaffelseskost 01.01.2020 | 3 948 359 | 354 115 | 4 302 474 |
| Tilgang | 1 834 957 | 30 101 | 1 865 058 |
| Avgang | 0 | 0 | 0 |
| Anskaffelseskost 31.12.2020 | 5 783 316 | 384 216 | 6 167 532 |
| Akk. av-/nedskrivninger 31.12 | -659 280 | -299 000 | -958 280 |
| Balansført verdi 31.12.2020 | 5 124 036 | 85 216 | 5 209 252 |
| Årets avskrivninger | 0 | 0 | 0 |
| Årets nedskrivninger | 620 153 | 250 866 | 871 019 |
| Avskrivningsplan | | Lineær | |
| Økonomisk levetid | | 5 år | |

Det har i årsregnskapet for 2020 vært en omklassifisering av aktiverte utviklingskostnader. Utviklingskostnader knyttet til pilotanlegg som i årsregnskapet for 2019 var klassifisert som "Varebeholdning", har i år blitt omklassifisert til "Forskning og utvikling" for å gi et mer rettviseende bilde. Som følge av denne omklassifiseringen er også varekostnader reklassifisert til andre driftskostnader for 2019.

Utviklingskostnadene knytter seg til et lagringssystem for termisk energi fra fornybare kilder. Påløpte utviklingskostnader i 2020 er aktivert fra den perioden det er vurdert at selskapet oppfyller kriteriene for balanseføring av immaterielle eiendeler ihht. NRS 19 pkt 2.3.1. Netto utviklingskostnader før denne perioden i 2020, og som ikke er balansført utgjør kr 5 131 440.

Utviklingskostnadene er aktivert til anskaffelseskost, og tilhørende offentlig tilskudd er ført til fradrag i anskaffelseskost. Ved vesentlig verdiforringelse er det foretatt nedskrivning av aktiverte utviklingskostnader når verdifall skyldes årsaker som ikke kan forventes å være forbigående og det må anses nødvendig etter god regnskapsskikk.

De aktiverte utviklingskostnadene avskrives når prosjektene kan sammenstilles med inntekter.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

Note 5 Egenkapital

| | Aksjekapital | Overkurs | Annen Innskutt egenkapital | Udekket tap | Sum egenkapital |
|-----------------------------------|----------------|------------------|----------------------------|-------------|-------------------|
| Pr. 31.12.2019 | 78 770 | 993 218 | 0 | 0 | 1 071 988 |
| Prinsippendring | | 2 470 690 | | | 2 470 690 |
| Pr. 01.01.2020 | 78 770 | 3 463 908 | 0 | 0 | 3 542 679 |
| Kapitalforhøyelse 28.10.2020 (I) | 20 097 | 7 021 929 | | 0 | 7 042 026 |
| Kapitalforhøyelse 28.10.2020 (II) | 699 | 278 997 | | | 279 696 |
| Kapitalforhøyelse 10.11.2020 | 14 051 | 4 943 293 | | | 4 957 344 |
| Ikke registrert kapitalforhøyelse | | | 5 000 000 | | 5 000 000 |
| Gevinst ved salg av egne aksjer | | | 509 175 | | 509 175 |
| Årets resultat | | | | -9 735 267 | -9 735 267 |
| Dekning av udekket tap | | -9 735 267 | | 9 735 267 | 0 |
| Pr 31.12.2020 | 113 617 | 5 972 861 | 5 509 175 | 0 | 11 595 653 |

*Årsregnskapet for 2020 er satt opp i samsvar med regnskapslovens bestemmelser og GRS for øvrige foretak, sammenlignet med årsregnskapet for 2019 som var satt opp i henhold til regnskapsloven og NRS8 for små foretak. Som resultat av endring i regnskapsspråk har selskapet balanseført utsatt skattefordel først i 2020, og som følge av det omarbeides sammenligningstallene og utsatt skattefordel på 2 470 690 for 2019 balanseføres. Prinsippendringen er ført direkte mot egenkapital.

*Kyoto Group AS har foretatt tre emisjoner i 2020 med totalt kr 12 279 066, ved utstedelser av 1 161 561 aksjer, med pålydende 0,03 per aksje.

*Ikke registrert kapitalforhøyelse er i sin helhet registrert i foretaksregisteret per februar 2021.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

Note 6 Skatt

| Årets skattekostnad | 2020 | 2019 |
|--|--------------------|-------------------|
| Resultatført skatt på ordinært resultat: | | |
| Betalbar skatt | 0 | 0 |
| Endring i utsatt skattefordel | -2 692 140 | -1 478 917 |
| Skattekostnad ordinært resultat | -2 692 140 | -1 478 917 |
| Skattepliktig inntekt: | | |
| Ordinært resultat før skatt | -12 427 407 | -7 179 993 |
| Permanente forskjeller | 190 410 | 457 641 |
| Endring i midlertidige forskjeller | 808 339 | -51 766 |
| Skattepliktig inntekt | -11 428 658 | -6 774 119 |
| Betalbar skatt i balansen: | | |
| Betalbar skatt på årets resultat | 0 | 0 |
| Sum betalbar skatt i balansen | 0 | 0 |

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller

| | 2020 | 2019 | Endring |
|---|--------------------|--------------------|-------------------|
| Varige driftsmidler | -756 573 | 51 766 | 808 339 |
| Sum | -756 573 | 51 766 | 808 339 |
| Akkumulert fremførbart underskudd | -22 710 835 | -11 282 177 | 11 428 658 |
| Grunnlag for utsatt skattefordel | -23 467 409 | -11 230 411 | 12 236 997 |
| Utsatt skattefordel (22 %) | -5 162 830 | -2 470 691 | 2 692 140 |



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

Note 7 Aksjonærer

AKSJEKAPITALEN I KYOTO GROUP AS PR. 31.12.2020 BESTÅR AV:

| | Antall | Pålydende | Bokført |
|-----------------|------------------|-----------|----------------|
| Ordinære aksjer | 3 787 227 | 0,03 | 113 617 |
| Sum | 3 787 227 | | 113 617 |

EIERSTRUKTUR

De største aksjonærene i % pr. 31.12 var:

| | Ordinære | Eierandel | Stemmeandel |
|-----------------------------|------------------|---------------|---------------|
| Terraform AS | 684 263 | 18,07 | 18,07 |
| Hydro Energi Invest AS | 624 999 | 16,50 | 16,50 |
| Kongsberg Innovasjon AS | 465 161 | 12,28 | 12,28 |
| Asiju Invest AS | 431 751 | 11,40 | 11,40 |
| KB Management AS | 333 333 | 8,80 | 8,80 |
| Valinor AS | 250 000 | 6,60 | 6,60 |
| Eks Serv AS | 191 239 | 5,05 | 5,05 |
| Helvig Holding AS | 124 305 | 3,28 | 3,28 |
| Sum >3% eierandel | 3 105 051 | 81,99 | 81,99 |
| Sum øvrige | 682 176 | 18,01 | 18,01 |
| Totalt antall aksjer | 3 787 227 | 100,00 | 100,00 |

AKSJER EIET AV LEDENDE PERSONER I SELSKAPET:

| Navn | Verv | Ordinære |
|---|------------------------------------|------------------|
| Terraform AS ved Jon Bøhmer | Tidligere daglig leder/styremedlem | 684 263 |
| Kongsberg Innovasjon AS ved Svein Olav Torø | Tidligere styremedlem | 465 161 |
| Asiju Invest AS ved Arne Erik Kristiansen | Styremedlem | 431 751 |
| Oslo Ideation AS ved Christian Blom | Daglig leder | 89 889 |
| Totalt antall aksjer | | 1 671 064 |

Alle aksjer gir samme rettigheter i selskapet.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

Kyoto Group AS har ytterlige utført to emisjoner i 2021 med totalt kr 55 000 000 ved utstedelse av 2 283 333 aksjer, med pålydende 0,03 per aksje. Emisjonene er registrert i Foretaksregisteret den 21.01.2021 og 19.02.2021.

AKSJEKAPITAL ETTER DEN SISTE EMISJONEN I 2021 ER;

| | Antall | Pålydende | Bokført |
|-----------------|------------------|------------------|----------------|
| Ordinære aksjer | 6 070 560 | 0,03 | 182 117 |
| Sum | 6 070 560 | | 182 117 |

EIERSTRUKTUR ETTER DEN SISTE EMISJONEN I 2021 ER;

| | Ordinære | Eierandel | Stemmeandel |
|-----------------------------|------------------|------------------|--------------------|
| Hydro Energi Invest AS | 758 332 | 12,49 | 12,49 |
| Terraform AS | 684 263 | 11,27 | 11,27 |
| Kongsberg Innovasjon AS | 465 161 | 7,66 | 7,66 |
| Asiju Invest AS | 431 751 | 7,11 | 7,11 |
| KB Management AS | 413 333 | 6,81 | 6,81 |
| Møsbu AS | 400 000 | 6,59 | 6,59 |
| Valinor AS | 400 000 | 6,59 | 6,59 |
| Midas Capital AS | 300 000 | 4,94 | 4,94 |
| Eks Serv AS | 191 239 | 3,15 | 3,15 |
| Sum >3% eierandel | 4 044 079 | 66,62 | 66,62 |
| Sum øvrige | 2 026 481 | 33,38 | 33,38 |
| Totalt antall aksjer | 6 070 560 | 100,00 | 100,00 |



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

Note 8 Mellomværende med selskap i samme konsern

| Fordringer | 2020 | 2019 |
|-------------------------------------|-------------|---------------|
| Fordring Butterfly Manufacturing AS | 0 | 33 762 |
| Fordring Suntrap AS | 0 | 0 |
| Sum fordringer | 0 | 33 762 |

Da datterselskapene er uten likviditet og planlagt avvirket i 2021 (ref note 2), er fordringene mot selskapene nedskrevet til null i årsregnskapet for 2020.

Note 9 Mellomværende/transaksjoner med nærstående parter

| Fordringer | 2020 | 2019 |
|------------------------------|-------------|----------------|
| Fordring på Oslo Ideation AS | 0 | 464 493 |
| Sum fordringer | 0 | 464 493 |

| Gjeld | 2020 | 2019 |
|-------------------------------------|-------------------|----------------|
| Konvertible Lån - Helvig Holding AS | 250 000 | 250 000 |
| Øvrig kortsiktig gjeld | 39 420 825 | 0 |
| Sum gjeld | 39 670 825 | 250 000 |

Det konvertible lånet fra Helvig Holding AS ble tilbakebetalt i februar 2021.

Øvrig kortsiktig gjeld består i sin helhet av aksjeinnskudd før generalforsamlingsvedtak om kapitalforhøyelse. Aksjeinnskuddet ble vedtatt og konvertert til aksjer i februar 2021. Emisjonen er registrert i foretaksregisteret den 19.02.2021.

Transaksjoner med nærstående parter i 2020

| Nærstående part | Relasjon | Transaksjon | Total transaksjonsbeløp |
|-------------------------|-----------------|---------------------------|--------------------------------|
| Kongsberg Innovasjon AS | Investor | Kjøp av konsulenttenester | 310 887 |
| Asiju Invest AS | Investor | Kjøp av konsulenttenester | 837 933 |

Note 10 Langsiktig gjeld

Det er i 2020 ytet et lån på kr 2 400 000 fra Innovasjon Norge. Lånet behandles som et serielån med løpetid på 4 år, og renteberegnes med 4,2% nominell rente og 1,7% effektiv rente per år. Lånet er avdragsfritt i første 15 terminer og rentefritt i første 10 terminer.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

Note 11 Hendelser etter balansedagen og fortsatt drift

Koronapandemien som inntraff i januar 2020 har ikke betydning for årsregnskapet for 2020.

Hendelsen anses ikke å ha skapt vesentlig usikkerhet om foretakets evne til fortsatt drift. Årsregnskapet er derfor avlagt under forutsetning om fortsatt drift.

Selskapet som arbeider med teknologiutvikling innenfor fornybar energi har under 2020 gjennomført noe oppkapitalisering hvor det også er kommet inn nye aksjonærer, og det er foretatt ytterligere emisjoner i januar og februar 2021. Ytterligere informasjon om emisjonene foretatt i 2021 er gitt i note 5, 7 og 9.

Note 12 Offentlige tilskudd

Kyoto Group AS mottar tilskudd fra Innovasjon Norge til pågående forskning og utviklingsprosjekter. Mottatt tilskudd er inntektsført i sin helhet i 2019, og i 2020 er tilskuddet ført til fradrag for aktiverte utviklingskostnader fra den perioden i 2020 det er vurdert at selskapet oppfyller kriteriene for balanseføring av immaterielle eiendeler.

| | 2020 | 2019 |
|--|------------------|------------------|
| Tilskudd inntektsført | 3 266 093 | 6 121 790 |
| Tilskudd til fradrag for aktiverte prosjektkostnader | 765 948 | 0 |
| Sum | 4 032 041 | 6 121 790 |

Note 13 Endring i sammenligningstall

I årsregnskapet for 2020 har sammenligningstallene blitt omarbeidet på enkelte regnskapslinjer. Begrunnelsen for omarbeidelsene er nærmere beskrevet i note 4 og 5.

| | Omarbeidet sammenligningstall | Opprinnelig sammenligningstall | Endring |
|------------------------------------|-------------------------------|--------------------------------|------------|
| Forskning og utvikling | 3 909 231 | 301 895 | 3 607 336 |
| Lager av varer og annen beholdning | 0 | 3 607 337 | -3 607 336 |
| Varekostnad | 0 | 650 391 | -650 391 |
| Annen driftskostnad | 7 813 357 | 7 162 966 | 650 391 |
| Skattekostnad på ordinært resultat | -1 478 917 | 0 | -1 478 917 |
| Overført til udekket tap | 5 701 076 | 7 179 993 | -1 478 917 |
| Overkurs | 3 463 909 | 993 218 | 2 470 690 |
| Utsatt skattefordel | 2 470 690 | 0 | 2 470 690 |



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
CC6976EBECD248FC90C43143F1302944

UAVHENGIG REVISORS BERETNING

Til generalforsamlingen i Kyoto Group AS

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert årsregnskapet for Kyoto Group AS som består av balanse per 31. desember 2020, resultatregnskap, og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen, og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

Etter vår mening er årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2020, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i avsnittet *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med de relevante etiske kravene i Norge knyttet til revisjon slik det kreves i lov og forskrift. Vi har også overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Øvrig informasjon omfatter informasjon i selskapets årsrapport bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Styret og daglig leder (ledelsen) er ansvarlig for den øvrige informasjonen. Vår uttalelse om revisjonen av årsregnskapet dekker ikke den øvrige informasjonen, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen og årsregnskapet eller kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon, er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvikle selskapet eller legge ned virksomheten, eller ikke har noe annet realistisk alternativ.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig

dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg

- ▶ identifiserer og anslår vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll;
- ▶ opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll;
- ▶ vurderer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimaterne og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige;
- ▶ konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det foreligger vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet. Hvis slike tilleggsopplysninger ikke er tilstrekkelige, må vi modifisere vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapets evne til fortsatt drift ikke lenger er til stede;
- ▶ vurderer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen, tidspunktet for vårt revisjonsarbeid og eventuelle vesentlige funn i vår revisjon, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom vårt arbeid.

Uttalelse om øvrige lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til disponering av resultatet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendige i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Drammen, 12. mars 2021
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Thomas Karlsen
statsautorisert revisor

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Karlsen\,Thomas Anfinrud

Partner

På vegne av: EY

Serienummer: 9578-5997-4-399064

IP: 81.167.xxx.xxx

2021-03-12 08:16:33Z



Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service** <penneo@penneo.com>. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>

Appendix C – Annual financial statements of the Company for 2019



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

| | |
|----------------------|--------------------------|
| Organisasjonsnummer: | 917 001 790 |
| Organisasjonsform: | Aksjeselskap |
| Foretaksnavn: | KYOTO GROUP AS |
| Forretningsadresse: | Torggata 15 0181 OSLO |

Regnskapsår

| | |
|-------------------------|-------------------------|
| Årsregnskapets periode: | 01.01.2019 - 31.12.2019 |
|-------------------------|-------------------------|

Konsern

| | |
|---------------------------|-----|
| Morselskap i konsern: | Ja |
| Konsernregnskap lagt ved: | Nei |

Regnskapsregler

| | |
|--|------------------------------------|
| Regler for små foretak benyttet: | Ja |
| Benyttet ved utarbeidelsen av årsregnskapet til selskapet: | Regnskapslovens alminnelige regler |

Årsregnskapet fastsatt av kompetent organ

| | |
|--|------------|
| Bekreftet av representant for selskapet: | Jon Bøhmer |
| Dato for fastsettelse av årsregnskapet: | 31.08.2020 |

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 11.03.2021



Resultatregnskap

| Beløp i: NOK | Note | 2019 | 2018 |
|---|------|-------------------|-------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Salgsinntekt | | 6 121 790 | 1 418 102 |
| Sum inntekter | | 6 121 790 | 1 418 102 |
| Kostnader | | | |
| Varekostnad | | 650 391 | |
| Lønnskostnad | 2 | 5 387 263 | 1 143 580 |
| Avskrivning av driftsmidler og immaterielle eiendeler | 5 | 87 261 | |
| Annen driftskostnad | 2 | 7 162 966 | 2 432 687 |
| Sum kostnader | | 13 287 882 | 3 576 267 |
| Driftsresultat | | -7 166 091 | -2 158 165 |
| Finansinntekter og finanskostnader | | | |
| Annen renteinntekt | | 10 007 | |
| Annen finansinntekt | | -448 | 4 661 |
| Sum finansinntekter | | 9 559 | 4 661 |
| Annen rentekostnad | | 346 | |
| Annen finanskostnad | | 23 115 | 52 539 |
| Sum finanskostnader | | 23 461 | 52 539 |
| Netto finans | | -13 902 | -47 877 |
| Ordinært resultat før skattekostnad | | -7 179 993 | -2 206 043 |
| Skattekostnad på ordinært resultat | 8 | | |
| Ordinært resultat etter skattekostnad | | -7 179 993 | -2 206 043 |
| Årsresultat | 7 | -7 179 993 | -2 206 043 |
| Årsresultat etter minoritetsinteresser | | -7 179 993 | -2 206 043 |
| Totalresultat | | -7 179 993 | -2 206 043 |
| Overføringer og disponeringer | | | |



Resultatregnskap

| Beløp i: NOK | Note | 2019 | 2018 |
|--|-------------|-------------------|-------------------|
| Udekket tap | | -7 179 993 | -2 206 042 |
| Sum overføringer og disponeringer | | -7 179 993 | -2 206 042 |



Balanse

| Beløp i: NOK | Note | 2019 | 2018 |
|--|-------|------------------|------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Forskning og utvikling | 5 | 301 895 | |
| Utsatt skattefordel | 8 | | |
| Sum immaterielle eiendeler | | 301 895 | |
| Varige driftsmidler | | | |
| Driftsløsøre, inventar o.a. utstyr | 5 | 305 981 | |
| Sum varige driftsmidler | | 305 981 | |
| Finansielle anleggsmidler | | | |
| Investering i datterselskap | 3 | | |
| Investeringer i aksjer og andeler | 3 | 30 000 | 30 000 |
| Andre langsiktige fordringer | 11 | 464 493 | 1 520 |
| Sum finansielle anleggsmidler | | 494 493 | 31 520 |
| Sum anleggsmidler | | 1 102 369 | 31 520 |
| Omløpsmidler | | | |
| Varer | | | |
| Sum varer | 6 | 3 607 337 | |
| Fordringer | | | |
| Andre kortsiktige fordringer | 3, 10 | 264 980 | 2 676 318 |
| Sum fordringer | | 264 980 | 2 676 318 |
| Bankinnskudd, kontanter og lignende | | | |
| Bankinnskudd, kontanter o.l. | 4 | 704 591 | 3 525 789 |
| Sum bankinnskudd, kontanter og lignende | | 704 591 | 3 525 789 |
| Sum omløpsmidler | | 4 576 907 | 6 202 107 |
| SUM EIENDELER | | 5 679 276 | 6 233 627 |



Balanse

| Beløp i: NOK | Note | 2019 | 2018 |
|---------------------------------------|------|------------------|-------------------|
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Aksjekapital | 9 | 78 770 | 30 000 |
| Overkurs | | 993 218 | |
| Annen innskutt egenkapital | | | 8 712 775 |
| Sum innskutt egenkapital | | 1 071 988 | 8 742 775 |
| Opptjent egenkapital | | | |
| Udekket tap | | | 4 529 793 |
| Sum opptjent egenkapital | | | -4 529 793 |
| Sum egenkapital | 7 | 1 071 988 | 4 212 982 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Utsatt skatt | 8 | | |
| Annen langsiktig gjeld | | | |
| Sum langsiktig gjeld | | 0 | 0 |
| Kortsiktig gjeld | | | |
| Konvertible lån | 11 | 250 000 | 200 000 |
| Leverandørgjeld | | 3 308 443 | 1 499 635 |
| Betalbar skatt | 8 | | |
| Skyldig offentlige avgifter | | 360 915 | 257 629 |
| Annen kortsiktig gjeld | 3 | 687 929 | 63 381 |
| Sum kortsiktig gjeld | | 4 607 288 | 2 020 645 |
| Sum gjeld | | 4 607 288 | 2 020 645 |
| SUM EGENKAPITAL OG GJELD | | 5 679 276 | 6 233 627 |



Building a better
working world

Statsautoriserte revisorer
Ernst & Young AS

Dyrmyrgata 35, NO-3611 Kongsberg

Foretaksregisteret: NO 976 389 387 MVA

Tlf: +47 24 00 24 00

Fax: +47 32 73 06 05

www.ey.no

Medlemmer av Den norske revisorforening

UAVHENGIG REVISORS BERETNING

Til generalforsamlingen i Kyoto Group AS

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert årsregnskapet for Kyoto Group AS som består av balanse per 31. desember 2019, resultatregnskap for regnskapsåret avsluttet per denne datoen og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

Etter vår mening er årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2019 og av dets resultater for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i avsnittet *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med de relevante etiske kravene i Norge knyttet til revisjon slik det kreves i lov og forskrift. Vi har også overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Ledelsens ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvike selskapet eller legge ned virksomheten, eller ikke har noe annet realistisk alternativ.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betyggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg

- ▶ identifiserer og anslår vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll;
- ▶ opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll;



Building a better
working world

2

- ▶ vurderer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige;
- ▶ konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det foreligger vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet. Hvis slike tilleggsopplysninger ikke er tilstrekkelige, må vi modifisere vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapets evne til fortsatt drift ikke lenger er til stede;
- ▶ vurderer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen, tidspunktet for vårt revisjonsarbeid og eventuelle vesentlige funn i vår revisjon, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom vårt arbeid.

Uttalelse om øvrige lovmessige krav

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendige i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringskikk i Norge.

Andre forhold

Selskapet har gitt lån på kr 459.000 til et selskap som er eiet av en aksjonær. Lånet er i strid med aksjeloven § 8-7, da selskapet ikke hadde tilstrekkelig egenkapital i henhold til aksjeloven § 8-1, jf. 3-4 da lånet ble gitt, og det ikke er stilt betryggende sikkerhet for lånet.

Kongsberg, 31. august 2020
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Terje Langedok
statsautorisert revisor

Penneo Dokumentnøkkel: W67XF-Z1WLJ-SMMVE-KED71-DXPSA-FSG8E



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Terje Langedok

Statsautorisert revisor

På vegne av: EY

Serienummer: 9578-5999-4-1288975

IP: 92.221.xxx.xxx

2020-08-31 18:48:36Z



Penneo Dokumentnøkkel: W67XF-Z1WLJ-SMMVE-KED71-DXPSA-FSG8E

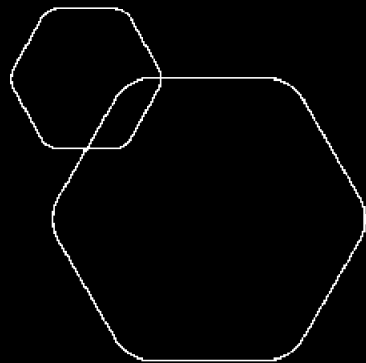
Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

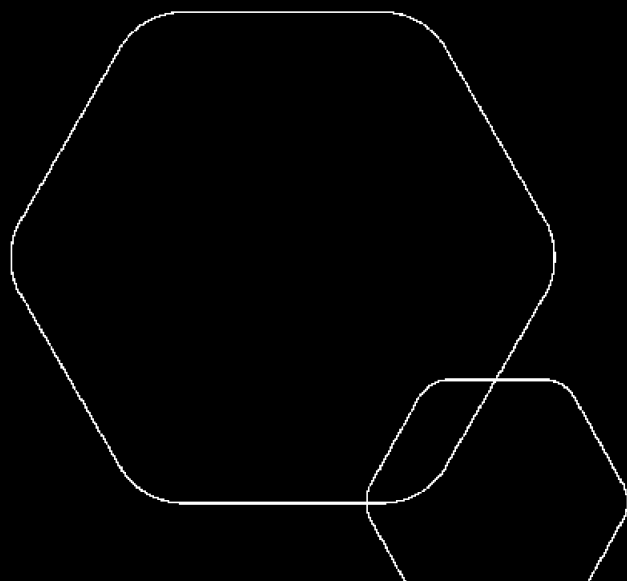
Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>



Årsregnskap 2019

Kyoto Group AS

Resultatregnskap
Balanse
Noter til regnskapet
Revisjonsberetning



Org.nr.: 917 001 790



RESULTATREGNSKAP

KYOTO GROUP AS

| DRIFTSINNEKTER OG DRIFTSKOSTNADER | Note | 2019 | 2018 |
|---|------|-------------------|-------------------|
| Salgsinntekt | | 6 121 790 | 1 418 102 |
| Sum driftsinntekter | | 6 121 790 | 1 418 102 |
| Varekostnad | | 650 391 | 0 |
| Lønnskostnad | 2 | 5 387 263 | 1 143 580 |
| Avskrivning av driftsmidler og immaterielle eiendeler | 5 | 87 261 | 0 |
| Annen driftskostnad | 2 | 7 162 966 | 2 432 687 |
| Sum driftskostnader | | 13 287 882 | 3 576 267 |
| Driftsresultat | | -7 166 091 | -2 158 165 |
| FINANSINNEKTER OG FINANSKOSTNADER | | | |
| Annen renteinntekt | | 10 007 | 0 |
| Annen finansinntekt | | -448 | 4 661 |
| Annen rentekostnad | | 346 | 0 |
| Annen finanskostnad | | 23 115 | 52 539 |
| Resultat av finansposter | | -13 902 | -47 877 |
| Ordinært resultat før skattekostnad | | -7 179 993 | -2 206 043 |
| Ordinært resultat | | -7 179 993 | -2 206 043 |
| EKSTRAORDINÆRE INNEKTER OG KOSTNADER | | | |
| Årsresultat | 7 | -7 179 993 | -2 206 043 |
| OVERFØRINGER | | | |
| Overført til udekket tap | | 7 179 993 | 2 206 042 |
| Sum overføringer | | -7 179 993 | -2 206 042 |



BALANSE

KYOTO GROUP AS

| EIENDELER | Note | 2019 | 2018 |
|--------------------------------------|-------|------------------|------------------|
| ANLEGGSMIDLER | | | |
| IMMATERIELLE EIENDELER | | | |
| Forskning og utvikling | 5 | 301 895 | 0 |
| Sum immaterielle eiendeler | | 301 895 | 0 |
| VARIGE DRIFTSMIDLER | | | |
| Driftsløsøre, inventar o.a. utstyr | 5 | 305 981 | 0 |
| Sum varige driftsmidler | | 305 981 | 0 |
| FINANSIELLE ANLEGGSMIDLER | | | |
| Investeringer i aksjer og andeler | 3 | 30 000 | 30 000 |
| Andre langsiktige fordringer | 11 | 464 493 | 1 520 |
| Sum finansielle anleggsmidler | | 494 493 | 31 520 |
| Sum anleggsmidler | | 1 102 369 | 31 520 |
| OMLØPSMIDLER | | | |
| Lager av varer og annen beholdning | 6 | 3 607 337 | 0 |
| FORDRINGER | | | |
| Andre kortsiktige fordringer | 3, 10 | 264 980 | 2 676 318 |
| Sum fordringer | | 264 980 | 2 676 318 |
| INVESTERINGER | | | |
| Bankinnskudd, kontanter o.l. | 4 | 704 591 | 3 525 789 |
| Sum omløpsmidler | | 4 576 907 | 6 202 107 |
| Sum eiendeler | | 5 679 276 | 6 233 627 |



BALANSE

KYOTO GROUP AS

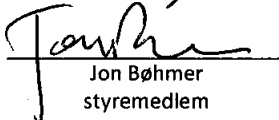
| EGENKAPITAL OG GJELD | Note | 2019 | 2018 |
|-----------------------------------|-------------|------------------|-------------------|
| EGENKAPITAL | | | |
| INNSKUTT EGENKAPITAL | | | |
| Aksjekapital | 9 | 78 770 | 30 000 |
| Overkurs | | 993 218 | 0 |
| Annen innskutt egenkapital | | 0 | 8 712 775 |
| Sum innskutt egenkapital | | 1 071 988 | 8 742 775 |
| ANNEN EGENKAPITAL | | | |
| Udekket tap | | 0 | -4 529 793 |
| Udekket tap | | 0 | -4 529 793 |
| Sum egenkapital | 7 | 1 071 988 | 4 212 982 |
| GJELD | | | |
| AVSETNING FOR FORPLIKTELSE | | | |
| ANNEN LANGSIKTIG GJELD | | | |
| KORTSIKTIG GJELD | | | |
| Konvertible lån | 11 | 250 000 | 200 000 |
| Leverandørgjeld | | 3 308 443 | 1 499 635 |
| Skyldig offentlige avgifter | | 360 915 | 257 629 |
| Annen kortsiktig gjeld | 3 | 687 929 | 63 381 |
| Sum kortsiktig gjeld | | 4 607 288 | 2 020 645 |
| Sum gjeld | | 4 607 288 | 2 020 645 |
| Sum egenkapital og gjeld | | 5 679 276 | 6 233 627 |

Sted/dato: 28. august 2020
Styret i Kyoto Group AS


Arne Erik Kristiansen
styreleder


Sven Olav Torø
styremedlem


Rune Bruøygaard
styremedlem


Jon Bøhmer
styremedlem



NOTE 1 REGNSKAPSPRINSIPPER

Årsregnskapet er satt opp i samsvar med regnskapsloven og NRS 8 - God regnskapsskikk for små foretak.

DRIFTSINNTEKTER

Inntektsføring skjer etter opptjeningsprinsippet som normalt vil være leveringstidspunktet for tjenester.

OFFENTLIGE TILSKUDD

Offentlige tilskudd medtas under driftsinntekter (bruttoføring) da dette gir et best bilde av selskapets aktivitet. Tilskuddene innregnes når betingelsene fra tilskuddsgiver er oppfylt og periodiseres i takt med gjennomføringen av de tilskuddsberettigede aktivitetene.

KLASSIFISERING

Eiendeler bestemt til varig eie eller bruk, samt fordringer med forfall mer enn ett år etter balansedagen er medtatt som anleggsmidler. Øvrige eiendeler er klassifisert som omløpsmidler. Gjeld som forfaller senere enn ett år etter regnskapsperiodens utløp er oppført som langsiktig gjeld.

VARIGE DRIFTSMIDLER

Varige driftsmidler er vurdert til historisk kost etter fradrag for bedriftsøkonomiske avskrivninger som er beregnet på grunnlag av kostpris og antatt økonomisk levetid. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med dette.

IMMATERIELLE EIENDELER

Utgifter til utvikling balanseføres i den grad det kan identifiseres en fremtidig økonomisk fordel knyttet til utvikling av en identifiserbar immateriell eiendel og utgiftene kan måles pålitelig. I motsatt fall kostnadsføres slike utgifter løpende. Balanseført utvikling avskrives lineært over økonomisk levetid.

VARER

Varer er vurdert til det laveste av anskaffelseskost og netto salgsverdi. Egentilvirkede ferdigvarer og varer under tilvirkning vurderes til variabel tilvirkningskost.

FORDRINGER

Kundefordringer og andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene.

SKATT

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført. Netto utsatt skattefordel oppføres ikke i balansen.

PENSJONSFORPLIKTELSE

Pensjonsforpliktelser finansiert over driften er beregnet og balanseført under avsetning for forpliktelser. Pensjonsordninger finansiert via sikrede ordninger er ikke balanseført. Pensjonspremien anses i disse tilfeller som pensjonskostnad og klassifiseres sammen med lønnskostnader.



Note 2 Lønnskostnader og ytelser, godtgjørelser til daglig leder, styret og revisor

| Lønnskostnader | 2019 | 2018 |
|--------------------|------------------|------------------|
| Lønninger | 4 257 752 | 999 300 |
| Arbeidsgiveravgift | 660 000 | 141 155 |
| Pensjonskostnader | 189 119 | 0 |
| Andre ytelser | 280 393 | 3 125 |
| Sum | 5 387 263 | 1 143 580 |

Selskapet har i 2019 sysselsatt 4 årsverk.

PENSJONSFORPLIKTELSER

Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon.

Selskapets pensjonsordninger tilfredsstiller kravene i denne lov.

| Ytelser til ledende personer | Daglig leder | Styret |
|------------------------------|----------------|----------|
| Lønn | 913 508 | 0 |
| Pensjonskostnader | 0 | 0 |
| Annen godtgjørelse | 7 602 | 0 |
| Sum | 921 110 | 0 |

REVISOR

Kostnadsført revisjonshonorar for 2019 utgjør kr 45 600.

I tillegg kommer honorar for andre tjenester med kr 138 100.

Note 3 Aksjer i datterselskap

Kyoto Group AS eier 100% av aksjene i Suntrap AS, som gir Kyoto Group AS 100% av stemmene i selskapet.

Suntrap AS var stiftet i 2017 og har forretningskontor i Oslo.

Anskaffelseskost var NOK 30 000. Bokført verdi per 31.12.2019 er lik anskaffelseskost.

Underskudd for perioden 01.01-31.12.2019 var på kr. 82 651. Balanseført egenkapital var pr 31.12.2019 kr. -361 977.

Kyoto Group AS eier 100% av aksjene i Butterfly Manufacturing AS, som gir Kyoto Group AS 100% av stemmene i selskapet. Butterfly Manufacturing AS var stiftet i 2014 og har forretningskontor i Oslo.

Aksjekapital i selskapet er NOK 30 000 og anskaffelseskost var NOK 0,-. Bokført verdi per 31.12.2019 er lik anskaffelseskost.

Undersudd for perioden 01.01-31.12.2019 var på kr. 12 601. Balanseført egenkapital var pr 31.12.2019 kr.

-34 542.



Note 4 Bankinnskudd

Innestående midler på skattetrekkkonto (bundne midler) er på kr. 203 420.

Note 5 Varige driftsmidler

| | Immaterielle eiendeler | Driftsløsøre, inventar o.a utstyr | Totalt |
|------------------------------------|------------------------|-----------------------------------|----------------|
| Anskaffelseskost 01.01.2019 | 0 | 0 | 0 |
| Tilgang | 341 022 | 354 115 | 695 137 |
| Avgang | 0 | 0 | 0 |
| Anskaffelseskost 31.12.2019 | 341 022 | 354 115 | 695 137 |
| Akk. av-/nedskrivninger 31.12 | -39 127 | -48 134 | -87 261 |
| Balansført verdi 31.12.2019 | 301 895 | 305 981 | 607 876 |
| Årets avskrivninger | -39 127 | -48 134 | -87 261 |
| Avskrivningsplan | Lineær | Lineær | |
| Økonomisk levetid | 5 år | 5 år | |

Note 6 Varer

| | 2019 | 2018 |
|-------------------------------------|------------------|----------|
| Lager av egentilvirkede ferdigvarer | 3 607 337 | 0 |
| Sum | 3 607 337 | 0 |

Egentilvirkede ferdigvarer gjelder to pilotanlegg som selskapet har i Akershus og Follum.

Note 7 Egenkapital

| | Aksjekapital | Overkurs | Annen innskutt egenkapital | Annen egenkapital | Sum egenkapital |
|-------------------------------------|---------------|----------------|----------------------------|-------------------|------------------|
| Pr. 31.12.2018 | 30 000 | 0 | 8 712 775 | -4 529 793 | 4 212 982 |
| Pr 01.01.2019 | 30 000 | 0 | 8 712 775 | -4 529 793 | 4 212 982 |
| Årets resultat | | -7 179 993 | | | -7 179 993 |
| Utbytte | | | | 0 | 0 |
| Kapitalforhøyelse 2018, reg. i 2019 | 35 307 | 8 677 468 | -8 712 775 | | 0 |
| Kapitalforhøyelse 2019 | 13 463 | 4 025 537 | | | 4 039 000 |
| Overført til Overkurs | | -4 529 793 | | 4 529 793 | 0 |
| Pr 31.12.2019 | 78 770 | 993 218 | 0 | 0 | 1 071 988 |



Note 8 Skatt

| Årets skattekostnad | 2019 | 2018 |
|--|-------------------|-------------------|
| Resultatført skatt på ordinært resultat: | | |
| Betalbar skatt | 0 | 0 |
| Endring i utsatt skattefordel | 0 | 0 |
| Skattekostnad ordinært resultat | 0 | 0 |
| Skattepliktig inntekt: | | |
| Ordinært resultat før skatt | -7 179 993 | -2 206 043 |
| Permanente forskjeller | 457 641 | -35 600 |
| Endring i midlertidige forskjeller | -51 766 | 0 |
| Skattepliktig inntekt | -6 774 119 | -2 241 643 |
| Betalbar skatt i balansen: | | |
| Betalbar skatt på årets resultat | 0 | 0 |
| Sum betalbar skatt i balansen | 0 | 0 |

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller:

| | 2019 | 2018 | Endring |
|---|---------------|-------------|----------------|
| Varige driftsmidler | 51 766 | 0 | -51 766 |
| Sum | 51 766 | 0 | -51 766 |
| Akkumulert fremførbart underskudd | -11 282 177 | -4 508 059 | 6 774 119 |
| Inngår ikke i beregningen av utsatt skatt | 11 230 411 | 4 508 059 | -6 722 352 |
| Grunnlag for utsatt skattefordel | 0 | 0 | 0 |
| Utsatt skattefordel (22 %) | 0 | 0 | 0 |

I henhold til God regnskapsskikk for små foretak balanseføres ikke utsatt skattefordel.



Note 9 Aksjonærer

AKSJEKAPITALEN I KYOTO GROUP AS PR. 31.12 BESTÅR AV:

| | Antall | Pålydende | Bokført |
|-----------------|------------------|------------------|----------------|
| Ordinære aksjer | 2 625 666 | 0,03 | 78 770 |
| Sum | 2 625 666 | | 78 770 |

EIERSTRUKTUR

De største aksjonærene i % pr. 31.12 var:

| | Ordinære | Eierandel | Stemmeandel |
|-----------------------------|------------------|------------------|--------------------|
| Jon Bøhmer | 728 667 | 27,8 | 27,8 |
| Hydro Energi Invest AS | 499 999 | 19,0 | 19,0 |
| Asiju Invest AS | 375 084 | 14,3 | 14,3 |
| Kongsberg Innovasjon AS | 375 000 | 14,3 | 14,3 |
| Terraform AS/Jon Bøhmer | 133 334 | 5,1 | 5,1 |
| Helvig Holding AS | 124 305 | 4,7 | 4,7 |
| Oslo Ideation AS | 89 889 | 3,4 | 3,4 |
| Sum >3% eierandel | 2 326 278 | 88,6 | 88,6 |
| Sum øvrige | 299 388 | 11,4 | 11,4 |
| Totalt antall aksjer | 2 625 666 | 100,0 | 100,0 |

Alle aksjer gir samme rettigheter i selskapet.

Note 10 Mellomværende med selskap i samme konsern

| Fordringer | 2019 | 2018 |
|-------------------------------------|---------------|----------------|
| Fordring Butterfly Manufacturing AS | 33 762 | 24 949 |
| Fordring Suntrap AS | 0 | 286 271 |
| Sum fordringer | 33 762 | 311 220 |



Note 11 Fordringer/Gjeld med aksjonærer eller nærstående

| Fordringer | 2019 | 2018 |
|------------------------------|----------------|--------------|
| Fordring på Oslo Ideation AS | 464 493 | 1 520 |
| Sum fordringer | 464 493 | 1 520 |

| Gjeld | 2019 | 2018 |
|-------------------------------------|----------------|----------------|
| Konvertible Lån - Helvig Holding AS | 250 000 | 200 000 |
| Sum gjeld | 250 000 | 200 000 |

I forbindelse med en emisjon våren 2019 oppsto det som en følge av en misforståelse et mellomværende mellom selskapet og en av aksjonærene. Selskapet ble først høsten 2020 klar over at låneforholdet er i strid med Aksjeloven § 8-7 om kreditt til aksjeeiere. Styret vil omgående sette i verk tiltak for å rydde opp i dette forholdet.

Note 12 Hendelser etter balansedagen og fortsatt drift

Koronapandemien som inntraff i januar 2020 har ikke betydning for årsregnskapet for 2019. Hendelsen har imidlertid hatt vesentlig negativ betydning for foretakets stilling og resultat i perioden mellom balansedagen og tidspunktet for avleggelse av årsregnskapet.

Hendelsen anses ikke å ha skapt vesentlig usikkerhet om foretakets evne til fortsatt drift. Årsregnskapet er derfor avlagt under forutsetning om fortsatt drift.

Selskapet som arbeider med teknologiutvikling innenfor fornybar energi har under 2020 gjennomført noe oppkapitalisering hvor det også er kommet inn nye aksjonærer.