

Kyoto Group – NOK 150 million private placement successfully completed

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN, OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL.

Oslo, 17 March 2021: Reference is made to the announcement by Kyoto Group AS, a leading provider of thermal batteries for industrial applications ("Kyoto Group" or the "Company"), on 16 March 2021 regarding a contemplated private placement of shares in the Company with up to NOK 150 million in gross proceeds (the "Private Placement"). The Company is pleased to announce that the Private Placement has been successfully placed.

The Private Placement consisted of 2,000,000 new shares (the "New Shares") at a subscription price of NOK 62.5 per share (the "Offer Price") raising gross proceeds for the Company of NOK 125 million and an over-allotment of 400,000 shares at the Offer Price (the "Additional Shares", and together with the New Shares, the "Offer Shares"), representing 20% of the New Shares allocated in the Private Placement, and bringing the gross proceeds raised in the Private Placement to NOK 150 million.

The Additional Shares will be settled by existing shares borrowed from Asiju Invest AS (controlled by board member Arne Erik Kristiansen) by the Managers (as defined below) (the "Over-allotment Option"), and which will be redelivered to Asiju Invest AS upon expiry of the stabilization period described below. The Company has granted Fearnley Securities AS (the "Stabilisation Manager"), acting as stabilization manager on behalf of the Managers, an option to subscribe, at a price of NOK 62.5 per share (which is equal to the Offer Price in the Private Placement), up to a number of new shares equal to the number of Additional Shares to cover any short positions resulting from the over-allotment of the Additional Shares (the "Greenshoe Option"). The Company will only receive the proceeds from the sale of the Additional Shares to the extent that the Greenshoe Option is exercised.

The net proceeds from the Private Placement will be used to fund execution of the Company's initial commercial project pipeline, build-up of the organization, R&D and technical development, business and market development, and general corporate purposes.

Notification of allotment of the Offer Shares, including settlement instructions, will be sent to the applicants allocated Offer Shares through a notification from the Managers on 18 March 2021. The Private Placement will be settled by the Managers on a delivery-versus-payment basis on or about 24 March 2021. The delivery-versus-payment settlement in the Private Placement is facilitated by a pre-funding agreement entered into between the Company and the Managers.

Valinor AS, which is represented on the Kyoto Group's Board of Directors by Pål Selboe Valseth, was allocated shares in the Private Placement for NOK 20 million, and Chairman Eivind Reiten, through his company Mocca Invest AS, and Board Member Thorleif Enger, through his company Thoeng AS, were allocated 8,000 and 24,000 shares, respectively, representing an aggregate amount of NOK 2 million.

The allocation of the Offer Shares and issuance of the New Shares have been resolved by the Company's Board of Directors. The completion of the Private Placement by delivery of the Offer Shares is subject to (i) the registration of the share capital increase in the Company pertaining to the New Shares in the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret) having taken place and (ii) the New Shares having been issued in VPS. The Company's shares are expected to commence trading on Euronext Growth Oslo, a multilateral trading facility, on or about 24 March 2021 (the "Listing")

The Stabilization Manager, on behalf of the Managers, may carry out stabilization activities during the period commencing on the first day of trading of the Company's shares (the "Shares") on Euronext Growth Oslo and ending at the close of trading on the 30th calendar day following such day. Any stabilization activities will be conducted based on the same principles as set out in article 5(4) of the EU Market Abuse Regulation and chapter III of the supplemental rules set out in the Commission Delegated (EU) 2016/1052 of 8 March 2016 with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilization measures, in order to support the

market price of the Shares. Net profits from stabilization activities, if any, will be to the benefit of the Company.

Advisers

Fearnley Securities AS and SpareBank 1 Markets AS are engaged as financial advisors to the Company and as joint Managers and Bookrunners in connection with the Private Placement and the Listing. Wikborg Rein Advokatfirma AS is acting as legal advisor to Kyoto Group and Advokatfirmaet CLP DA is acting as legal advisor to the Managers.

For additional information, please contact:

Petter Narvestad, Crux Advisers AS, pn@crux.no, +47 90 60 27 27

The information is such that Kyoto Group AS is required to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication by the Company's CFO, Camilla Nilsson at 23:20 CET, 17 March 2021.

About Kyoto Group

Kyoto Group aims 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, founded in 2016, plans to operate and sell HeatCube thermal batteries with capacity from 5MW and upwards, enabling industrial consumption of low-cost heat sourced from excess solar and wind energy.

Important Notice

These materials do not constitute or form a part of any offer of securities for sale or a solicitation of an offer to purchase securities of Kyoto Group in the United States or any other jurisdiction. The securities of the Company may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). The securities of the Company have not been, and will not be, registered under the U.S. Securities Act. Any sale in the United States of the securities mentioned in this communication will be made solely to "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act. No public offering of the securities will be made in the United States. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State. The expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (together with any applicable implementing measures in any Member State). In the United Kingdom, this communication is only addressed to and is only directed at Qualified Investors who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or (ii) are persons falling within Article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations, etc.) (all such persons together being referred to as "Relevant Persons"). These materials are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

This statement contains certain forward-looking statements (as such defined in Section 21E of the U.S. Securities Exchange Act of 1934, as amended) concerning future events, including possible issuance of equity securities of the Company. Forward-looking statements are statements that are not historical facts and may be identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intends", "may", "should", "will" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made,

these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors include, but are not limited to, the possibility that the Company will determine not to, or be unable to, issue any equity securities, and could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

This announcement is made by and, and is the responsibility of, the Company. The Managers are acting exclusively for the Company and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, or for advice in relation to the contents of this announcement or any of the matters referred to herein. None of the Managers or any of their respective affiliates makes any representation as to the accuracy or completeness of this announcement and none of them accepts any responsibility for the contents of this announcement or any matters referred to herein.

This announcement is for information purposes only. It is not intended as investment advice and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of an offer to buy any securities or a recommendation to buy or sell any securities of the Company. None of the Managers or any of their respective affiliates accepts any liability arising from the use of this announcement. Each of the Company, the Managers and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any statement contained in this announcement whether as a result of new information, future developments or otherwise.

The Private Placement may be influenced by a range of circumstances, such as market conditions, and there is no guarantee that the Private Placement will proceed and that the Listing will occur. Certain figures contained in this announcement, including financial information, may have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given. The distribution of this announcement and other information may be restricted by law in certain jurisdictions. Persons into whose possession this announcement or such other information should come are required to inform themselves about and to observe any such restrictions. Specifically, neither this announcement nor the information contained herein is for publication, distribution or release, in whole or in part, directly or indirectly, in or into or from the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, Canada, Hong Kong Japan or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. The publication, distribution or release of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.