

Wolf Theiss advises Kyoto Group on delivery of one of a kind Heat-as-a-Service (HaaS) to a major Hungarian food ingredient producer

Budapest, 04 December 2023 – Wolf Theiss Budapest has acted as lead legal counsel to Kyoto Group during the contractual phase of the project to deliver its Heatcube, a thermal energy storage system using molten salt and excess electricity, to Hungarian food ingredient producer KALL Ingredients Kft.

Kyoto Group, together with its financial partner Kyotherm and its energy trading partner in Hungary Energiabörze, have entered into a set of agreements to deliver Heat-as-a-Service (HaaS) to KALL Ingredients Kft., while also acting commercially as a balancing asset on the Hungarian grid. The total investment cost will amount to EUR 6.4 million.

Wolf Theiss provided support during the negotiation, drafting and conclusion of the agreements essential for project development and implementation purposes, including the long-term heat purchase agreement (HPA), the engineering, procurement, and construction (EPC) contract for the building phase, and the operation and maintenance (O&M) agreement for the operating period.

The Wolf Theiss Team was led by László Kenyeres (Partner, Projects & Energy) and Ádám Lukonits (Associate, Projects & Energy), further supported by Dóri Budai (Associate, Projects & Energy).

"It was a privilege to have had the opportunity to work on this groundbreaking and first of a kind project in Hungary and we hope to work on many further similar projects as the government recently laid down the principles for the battery energy storage systems (BESS) support scheme", László Kenyeres, Partner, WT Budapest

The 15-year heat purchase agreement outlines the commercial conditions for delivering high quality steam to one of the newest corn processing plants in Europe, which was installed as a greenfield investment in 2017. KALL Ingredient's Heatcube will reduce the current natural gas demand and is designed with 56 MWh of storage capacity, offering an annual capacity of more than 30 GWh. This will result in a CO2 reduction of up to 8,000 tons annually. The Heatcube also contributes to the balancing of the Hungarian grid by taking

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excess energy from the public network when available, which is a much needed solution given prevailing market conditions in Hungary.

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

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

About Kyoto Group

Heat accounts for two thirds of industrial energy consumption. Traditionally, nearly all of it is based on fossil fuels. Kyoto Group’s Heatcube, a thermal energy storage (TES) solution, provides a sustainable and cost-effective alternative by capturing and storing abundant but variable energy from sources such as solar and wind. Founded in 2016, Kyoto Group is headquartered in Oslo, Norway, and has subsidiaries in Spain and Denmark. The Kyoto share is listed on Euronext Growth (ticker: KYOTO). www.kyotogroup.no

About Wolf Theiss

Founded in 1957, Wolf Theiss is one of the leading law firms in Central, Eastern and South-Eastern Europe (CEE/SEE). We have built our reputation on unrivalled local knowledge which is supported by strong international capabilities. With more than 390 lawyers in 13 countries, over 80% of the firm's work involves cross-border representation of international clients.

Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine, Wolf Theiss represents local and international industrial, trade and service companies, as well as banks and insurance companies. Combining law and business, Wolf Theiss develops comprehensive and constructive solutions on the basis of legal, fiscal and business know-how.

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