Press-Release

19.7.24

AIRBORNE WIND ENERGY DEVELOPER KITEMILL RECEIVES €2.5M CASH BOOST FROM EIC (EUROPEAN INNOVATION COUNCIL) TO ACCELERATE COMMERCIALISATION

Voss and Farsund, Norway, July 19, 2024 – Airborne Wind Energy (AWE) developer Kitemill has secured €2.5million from the EIC (European Innovation Council) to accelerate the commercial launch of its novel technology.

The multi-million-euro cash injection marks a significant milestone for Kitemill and its pioneering KM2 system (*see notes to editors) which received commendation from the EIC Jury for its 'Technological Advantages' and 'Readiness for Market'.

The Norwegian firm's disruptive 100kW wind energy device operates at high altitudes where winds are stronger and more stable, resulting in lower material use and higher energy availability compared to traditional wind turbines and solar power.

With around 1000 applicants pitching for the latest EIC Accelerator grant, only 68 companies were successful. Among the Norwegian companies, Kitemill was the sole representative to receive support. The EU has previously backed Kitemill in two separate funding rounds allocating €3.35million and €2.4million, in 2019 and 2022 respectively.

The latest announcement comes after Kitemill secured €2million earlier in 2024 from Dutch investment group Expanding Dreams, together with fellow investors plus a tax relief grant.

A massive future windfall is also on the horizon with Kitemill now eligible for the EU's 'Blended Finance' programme match-funding up to €8million of private investment.

Kitemill's CEO Thomas Hårklau said the latest announcement demonstrates the EU's firm commitment to Kitemill as a solution well aligned with the European Green Deal and Net Zero Industry Act (NZIA). "Our novel technology has now been accepted and approved by the EU through three separate funding rounds,' he said. "This latest tranche will help de-risk a critical phase for the KM2, including

demonstration of the system's performance in an operational environment. It also serves an important function to boost customer and public trust. But it doesn't stop there. The 'Blended Finance' programme now provides a golden opportunity to unlock further financial resource to scale operations even more quickly."

Established in 2008, Kitemill has spent more than a decade building world-class knowledge, IP and assets, with acquisitions including Scotland's Kite Power Systems (KPS) and Dutch firm eKite, plus significant investments from En-Vision Europe Limited and Ignatia, alongside the EIC. The firm's KM2 system offers a cost-effective solution with a minimal environmental footprint, meaning it can be installed almost anywhere.

EIC experts including the Jury highlighted several key advantages of Kitemill's technology.

This included 'Technological Advantages' where the Jury stated: "Among the different technologies proposed for airborne wind engines, the Kitemill concept stands out in terms of efficiency, modest use of rare resources/materials, range of applicability, scalability, and technological maturity."

The EIC Jury also commented on Kitemill's 'Readiness for Market' stating: "Having been developed and investigated for about 20 years, the Kitemill concept has now reached a level of technological maturity where scaling up and distribution to different users are within short/medium term reach. Since wind energy is expected to be one of the two main sources of renewable energy in the near future, this fits very well into the current trend of massive worldwide upscaling of this energy source and adds another technological scenario to this development."

The EU is aiming to achieve an annual production capacity of 36 GW of wind power and 30 GW of solar power as part of its Green Deal. Mr Hårklau added that these value chains are currently dominated by imports, mainly from China, which represents a significant dilemma.

"The wind and solar industries use 5 to 10 times more materials than airborne wind energy power, and this is before considering the material needs for necessary storage to handle the variability in production from these sources, especially solar power," he said. "It will be extremely challenging for the EU and its member states to reach these ambitions with conventional wind and solar power. Airborne wind energy will be far more scalable due to lower material consumption and opens up new and better wind resources, leading to higher availability and reduced storage needs. This represents an opportunity for Europe to secure industrial leadership in renewable energy."

For more information Phone: +47 468 37 117 or e-mail: info@kitemill.com

Notes to Editors

The KM2 System

The KM2 system consists of a kite connected with a tether to a ground station. The system offers the following advantages, compared to conventional wind:

1. significantly lower CAPEX and OPEX;
2. 90% less raw materials and 90% less Critical Raw Materials used;
3. 50% lower LCOE,
4. more stable output;
5. simplified installation and maintenance process;
6. most cost-efficient energy production technology over a large part of the global land area;
7. reduced CO2 footprint;
8. enable a wider range of areas suitable for wind energy;
9. greater social acceptance, hence easier to secure permits.

Kitemill also secured a grant from the CINEA's European Innovation Fund to demonstrate 12 systems of the KM2 model under the Norse Airborne Wind Energy Project. This latest EIC grant is a crucial element in enabling us to realize this project, further solidifying our position as a leader in the airborne wind energy sector.

About Kitemill

Kitemill is a global leader in the development of airborne wind energy energy technology, founded in 2008 and based in Farsund, Norway. The company develops airborne wind energy systems that operate at higher altitudes than traditional wind turbines, thereby capturing stronger and more stable wind resources. Kitemill's goal is to accelerate the transition to a zero-emission energy sector and contribute significantly to global climate goals.

Airborne Wind Energy

- Research indicates that harvestable airborne wind energy power is stronger than ground level resources. AWE also allows for continuous adjustment of harvesting altitude seeking the best available wind resource. This high-capacity factor ensures a more consistent and stable energy supply alleviating intermittency issues experienced by more established renewables, and supporting future hybrid energy models.

- In addition, AWE substantially reduces material consumption by up to 90%, for example replacing wind turbine towers with lightweight tethers. This has a hugely positive impact on overall costs, manufacturing, transport and logistics operations, as well as carbon footprints and environmental impact.

- Another strong benefit is the versatility of AWE technology. Being scalable from a few kilowatt to several megawatt, the systems are suitable for a broad range of markets including offshore repowering, floating offshore, mountainous and remote locations.
- The first commercial AWE systems are already competitive in markets with diesel-based power generation, with experts estimating AWE will reach parity with established onshore wind by the mid 2030s.

MOB +47 46 83 71 17 MAIL th@kitemill.no ADD Kitemill AS, Evangerveien 3, 5704 Voss, Norway