

Byhmgard AB signs Memorandum of Understanding with CMEC, a subsidiary of Fortune Global 500 group Sinomach

Byhmgard AB (publ) ("Byhmgard" or the "Company"), listed on NGM, has entered into a Memorandum of Understanding (MOU) with China Machinery Engineering Corporation ("CMEC"), a subsidiary of the Fortune Global 500 group Sinomach, regarding a financing collaboration aimed at jointly developing a European battery energy storage portfolio of 1 GW. The partnership provides Byhmgard with access to financing and industrial project capacity, accelerating the Company's path toward a significantly larger asset portfolio and a recurring software revenue base. Eurosin Capital AB has acted as financial advisor to Byhmgard.

What the partnership means for Byhmgard

CMEC will provide Byhmgard with favourable payment terms for the delivery of battery hardware, enabling the hardware to be recognised on the balance sheet and used as collateral for external project financing. The effect is that project deployment is no longer constrained by the Company's own equity in the early build-out phase, allowing Byhmgard to scale its portfolio at a pace not previously possible. As part of CMEC's role as financing partner, structuring of complementary financing solutions is being pursued in parallel. The partnership is a critical step in Byhmgard's strategy to build, own and operate large-scale energy storage in Europe, with the VPP platform serving as a recurring software revenue base and the asset portfolio as the engine for scale advantages and market exposure.

"There is currently strong demand and significant interest in finding the agile partnership that Byhmgard offers. Large international stakeholders can bring extensive experience, financing solutions, and hardware capabilities, while Byhmgard contributes secure software, local know-how, a strong team, and a robust project pipeline. It is a perfect combination and the foundation for a strong partnership that can help address Europe's ever-growing demand for cleaner energy", says Harry Li, CEO at Eurosin Capital AB.

About CMEC and Sinomach

CMEC was founded in 1978 and is one of Sinomach's most internationally active subsidiaries, with operations in power generation, transmission networks, renewable energy and energy storage across more than 150 countries. The company is an internationally leading EPC contractor and provides high-performance BESS solutions adapted to European regulatory requirements. CMEC has been wholly owned by Sinomach since 2021, with Sinomach reporting revenues of approximately USD 43 billion and ranking among the largest industrial engineering groups globally.

Byhmgard's business model and VPP platform

Byhmgard has three complementary revenue streams: a developer premium when completed projects are divested, ongoing operational revenue, and licensing revenue from the proprietary VPP platform that controls the operation of each connected battery storage facility. The platform generates revenue across several markets simultaneously: ancillary services to the grid

(frequency regulation), capacity markets and energy trading. At a fully realised portfolio of 1 GW, the recurring software revenue is estimated at approximately SEK 300 million per year, attributable exclusively to the VPP platform. It constitutes a recurring revenue component that complements the more project-dependent revenue streams.

The above revenue estimate is based on the Company's internal assumptions and does not constitute a guarantee of future outcomes.

Next steps

Byhmgard initially focuses on the Baltic states (Estonia, Latvia, Lithuania), Finland, Poland and Italy. Within the framework of the MOU, negotiations have commenced to establish binding agreements for individual projects. The intention is to commence with three projects and subsequently scale up. The Company will communicate material updates in accordance with applicable regulations.

"The agreement with CMEC is a strategic breakthrough for Byhmgard. By combining CMEC's industrial weight and EPC capacity with our local market knowledge and our VPP platform, we are creating the conditions to scale the European BESS portfolio to an entirely new order of magnitude. At the same time, it is a strong validation of the people at Byhmgard and everything we have built together," says Christian Byhmer, CEO of Byhmgard.

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About Byhmgard

Byhmgard AB develops, construct and invest in utility scale energy storage projects (BESS) in Europe. The business involves project development, EPC, software optimization and long term operations. The company vision is to deliver critical energy infrastructure to enable Europe's energy transition smarter and more cost efficient.

This information is information that Byhmgard is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2026-05-21 15:20 CEST.