

Full-year and Q42021 results



KEMPOWER

Defining charging

Today's presenters

Tomi Ristimäki

Chief Executive Officer



Jukka Kainulainen

Chief Financial Officer



Agenda

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**Key highlights
and
growth strategy
execution**

02

Q42021
and
FY2021 financial
performance

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2021 key
takeaways,
short term
outlook and risks

04

Q&A

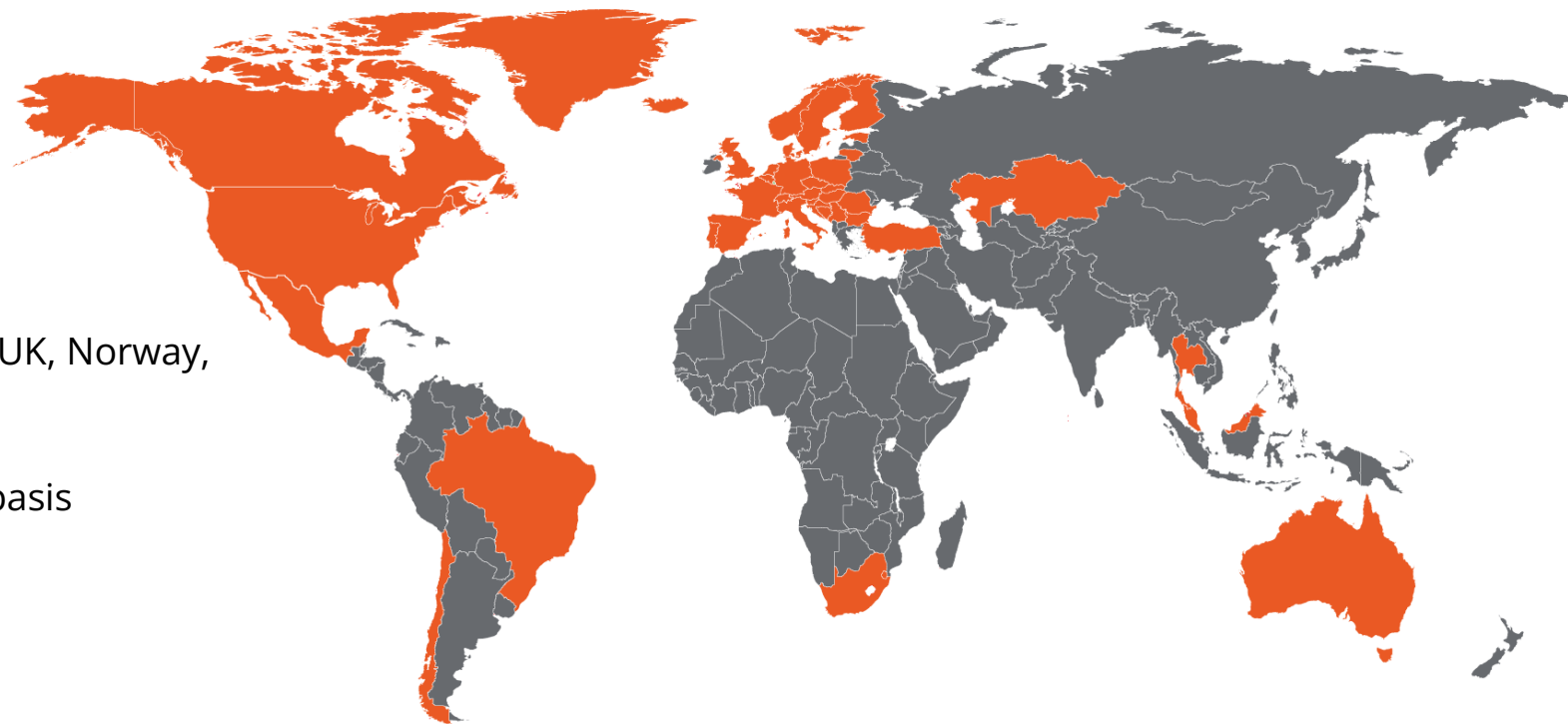
KEMPOWER IN BRIEF

Aim: *"To be the best partner for our customers in developing **emission free business**"*

*Founded: **2017***

Kempower: **Rapidly growing** European electric vehicle ("EV") fast charging solutions provider

- Kempower solutions delivering almost **80 MWh charging power** to end customers on daily basis
- **2 production sites** in Lahti, Finland
- **136 employees** working in 4 countries
- **Subsidiaries:** Germany, the Netherlands, the UK, Norway, France and Spain. In 2022 Sweden and Italy
- **Kemppi Group** heritage facilitating a unique basis for innovation and development



2021 key highlights



Historical Nasdaq Helsinki **First North** listing

Growing existing and new **customer base** in Nordics and in Europe

Capacity expansion project to additional **10 300m²** floorspace progressing well

Component shortage managed well
–no lost customer deliveries

Reaching 99% lifetime **recyclability rate** in Kempower chargers and **eNPS 83**.

27.4 EURm

In revenue 2021

741%

YoY growth in revenue 2021

37.4 EURm

Order intake in 2021

46%

Gross margin 2021

90.4 EURm

Cash in 31.12.2021

136

Headcount in 31.12.2021

Growth enabled by our Go-to-Market Strategy


1. **Continue expanding** in the European market in the short to medium term


2. Target of **establishing operations in the US** by the end of 2025

3. **Focus** on each Kempower **customer segment** in each of its geographic markets separately

4. **Continue to recruit** additional personnel, especially within R&D, production, marketing, sales and after sales

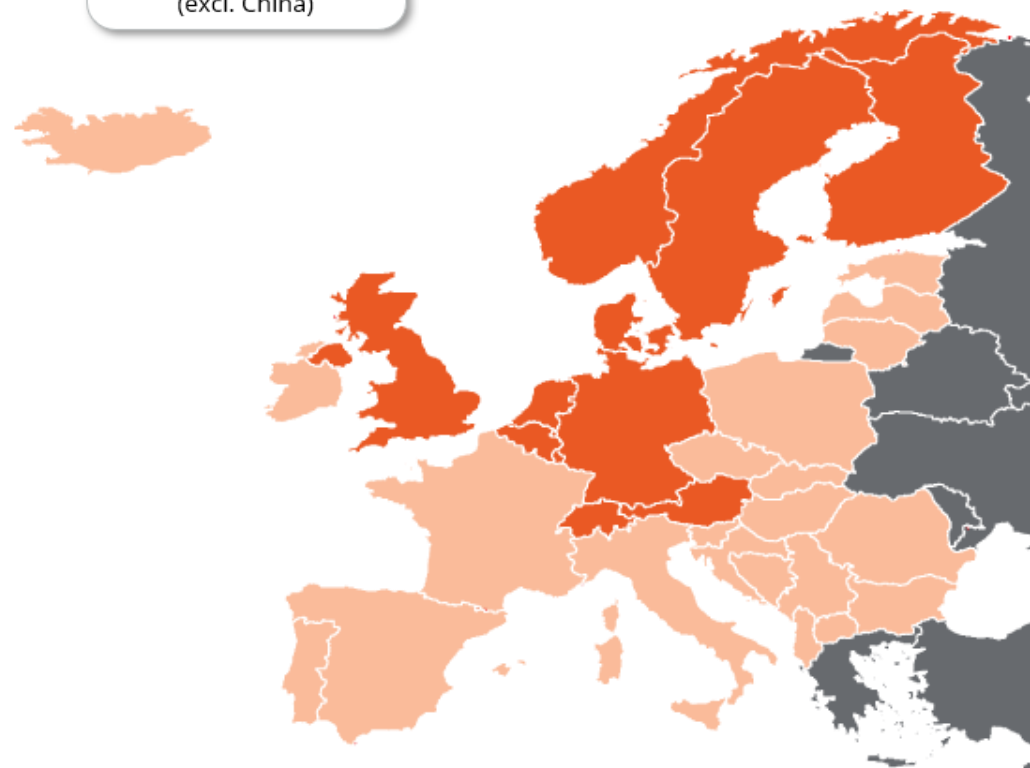


 Kempower current presence¹⁾

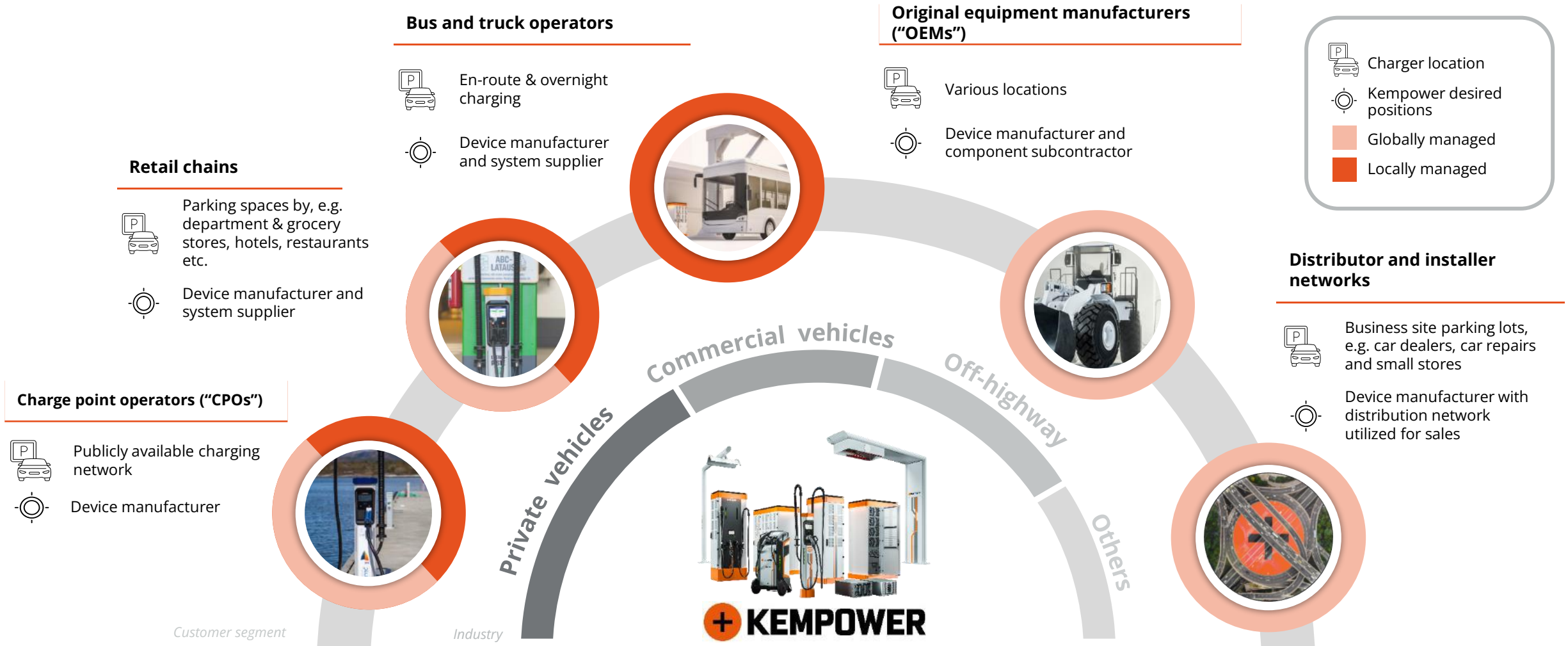
 Aspiration to explore in short-to-medium term



Examining expansion opportunities with selected players in the USA and Asia-Pacific (excl. China)



Kempower customer groups



Several bluechip credentials in all customer groups



CPOs and retail chains

- S Group
- Recharge Infra
- Osprey Charging
- Vattenfall
- Power Dot



Bus and truck operators

- Nobina
- VY buss
- Koiviston Auto
- Keolis



OEMs

- Normet
- Epiroc
- Gilbarco
Veeder-Root
- Volvo
- Scania

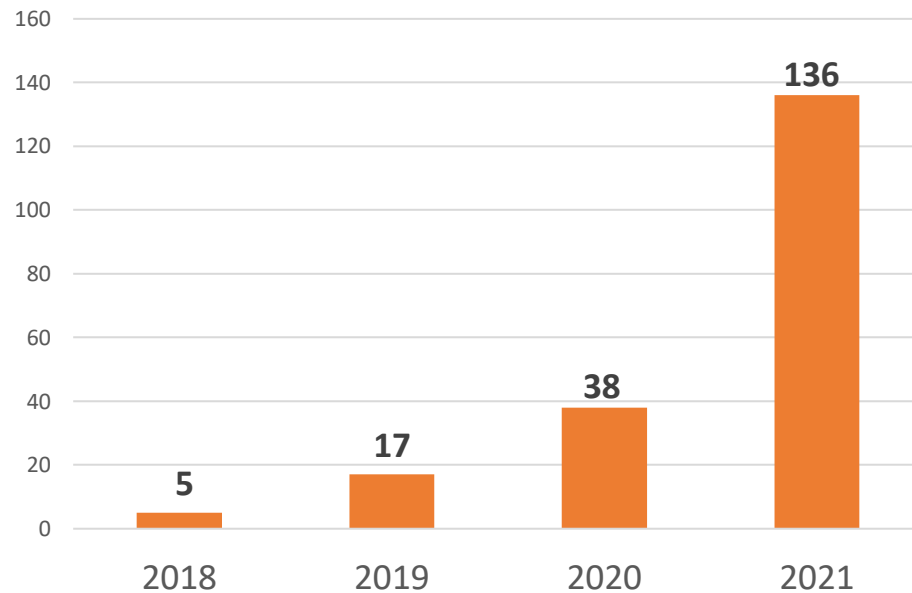


Distributor and installer network

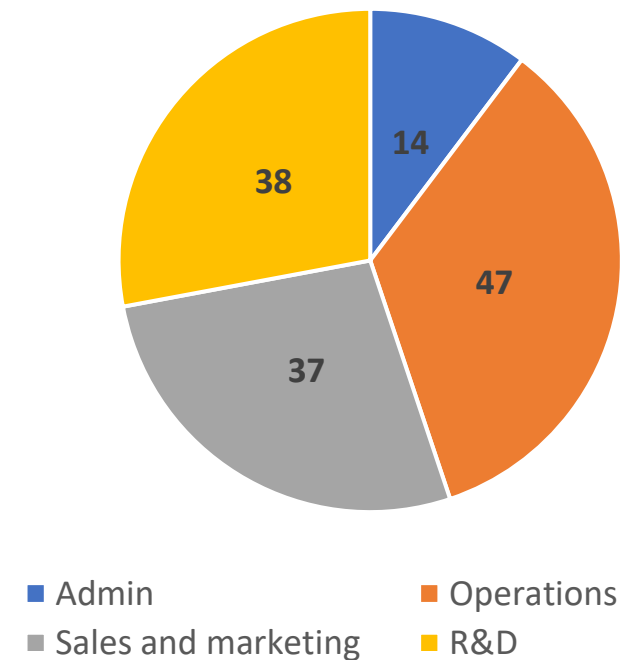
- Omexom
- Vital EV Solutions
- Wennstrom
- European Electrical Bus
Company GmbH

Growing organization driving the growth

Headcount, at the end of year



Headcount by functions, at the end of 2021



Scalable and flexible business model with limited capital expenditure needs

1. The **capacity expansion** from 500m2 to 2800m2 in the beginning of 2021 took four (4) months.

2. The **capacity expansion** to additional 10 300m2 floorspace is progressing according to plan

3. **Asset light business model** enables quick scaling up or down in capacity according the changes in the customer demand



Precise product management



Modular product design



Secured material flow from dual-sourcing



Standardization / Mass customization



No local warehousing of finalized products



Outsourced Installation and maintenance



Asset light Business model

State of the art backend system

ChargEye™ - a key differentiator



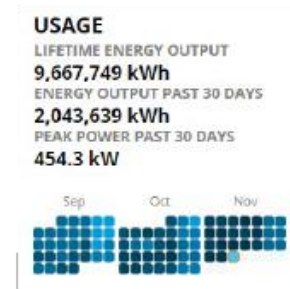
*ChargEye is an embedded control and monitoring software that provides features such as **remote management** and analysis, authentication and **connectivity***

2021

Cloud-based backend software ChargEye made its break through and became critical to customers in chargers **lifecycle management**, as a **integration platform** and as a **depot master** to bus operators customer group

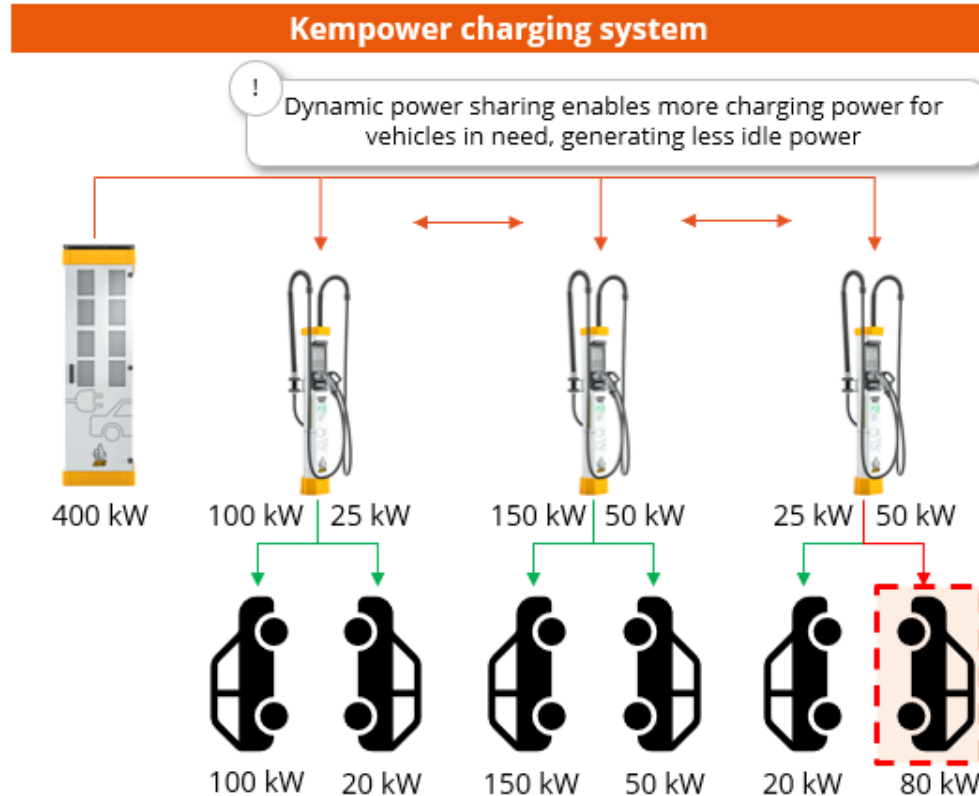
2022

Our focus in ChargEye will shift to commercialisation in larger scale in SaaS model.



Kempower's dynamic charging

- unique solution in DC charging



Approximately 70 percent of Kempower's current commercial vehicle / fleet operator customers mention dynamic charging as a **major purchasing reason**

Kempower's dynamic charging **optimizes the power usage** and **shortens queues** which is important in all rapidly growing DC charging markets

Commitment to sustainability

-reaching total carbon neutrality by 2035



Q42021

Commitment	Long-term target
100% Carbon neutrality by 2035 	Decreasing relative carbon footprint annually
	Transferring to 100% fossil free electricity by 2025
	Carbon compensation of business travel
	0% landfill waste by 2025
Responsible products, enabling a society powered by 100% electric transportation	Reducing plastic packaging by 50% by 2025 and transferring to bio- and bio-degradable plastics when economically viable
	99% end of lifetime recyclability rate for all Kempower EV chargers
The Best Workplace for Future Professionals	Reducing the accident rate to zero
	Secure high work satisfaction
	100% of employees trained with first aid skills to reduce the serious harm in the case of accidents and other medical emergencies

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Q&A

Strong growth, strong order intake and successful IPO enabling the growth



EUR 27.4 million
revenue in 2021

- **In 2021** revenue grew **741%**
- In Q4 2021 revenue grew 328% to EUR 8.4 million (EUR 2.0 million)
- Mainly Nordics and also rest of Europe driving the revenue growth

EUR 37.4 million
order intake in 2021

- In Q4 2021 order intake EUR 11.5 million

EUR 1.1 million EBIT
4% EBIT margin
in 2021

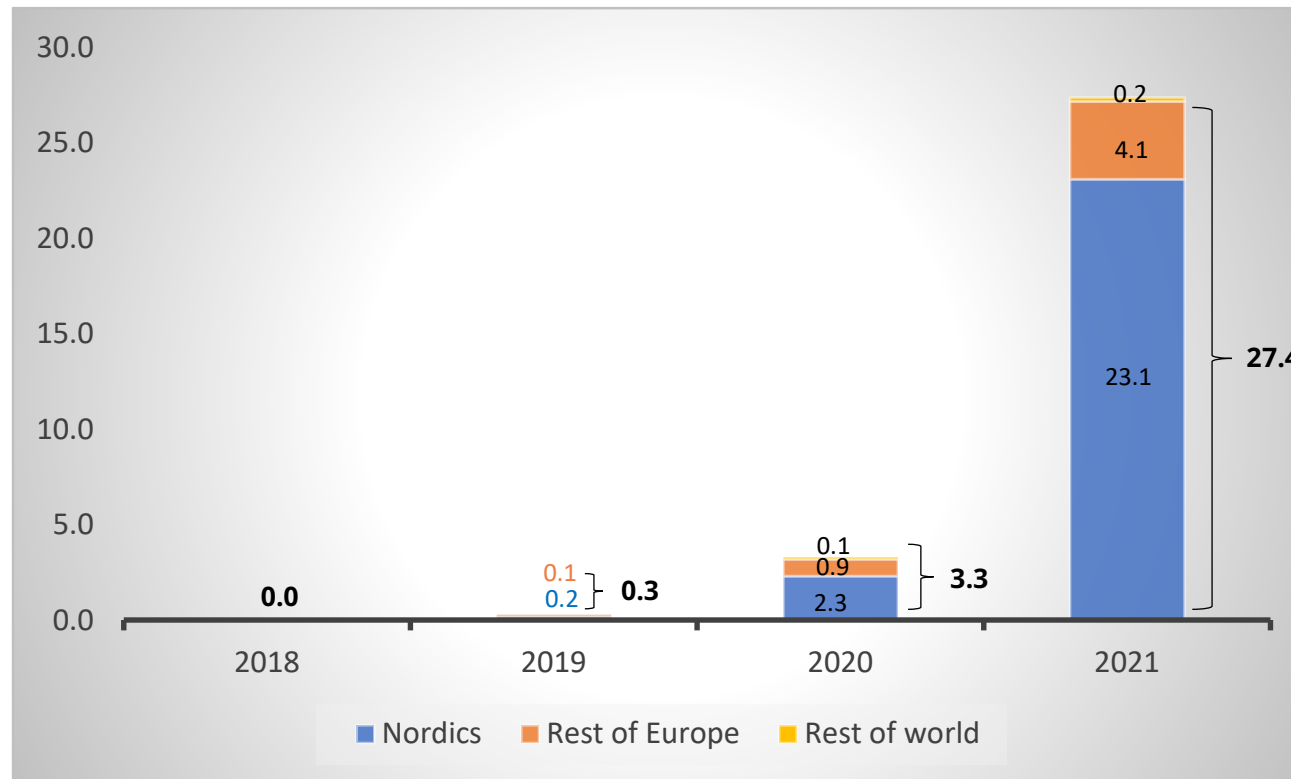
- In Q4 2021 EBIT EUR -1.0 million
- In 2021 loss for the period EUR -4.5 million
- In 2021 IPO fees EUR -6.6 million

EUR 90.4 million
cash and cash
equivalents

- **IPO** Gross Proceeds EUR **100.1 million**

Nordics and rest of Europe driving revenue growth

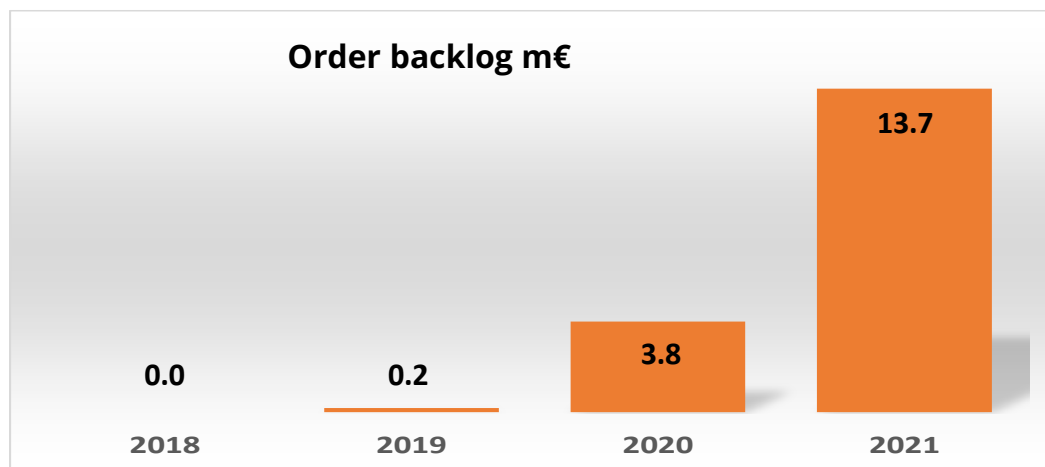
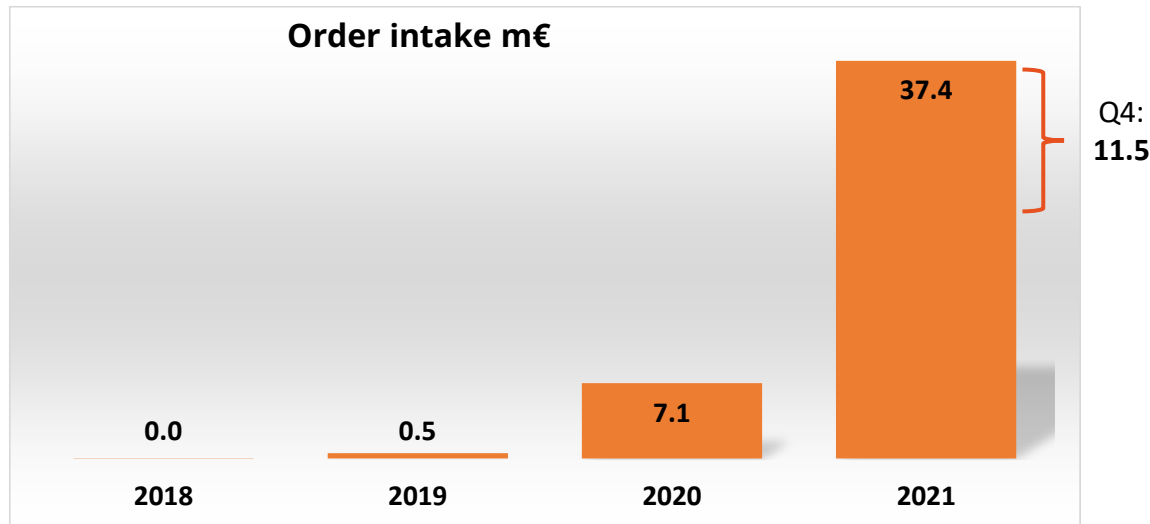
Revenue breakdown by geography m€



Comments

- Nordics represents currently the largest end-market for Kempower but rest of Europe share is increasing
- **In Q4 2021** revenue grew 328% to EUR 8.4 million (EUR 2.0 million)
- **In 2021** revenue grew 741% to EUR 27.4 million (EUR 3.3 million)

Strong order intake in Q4 and full year



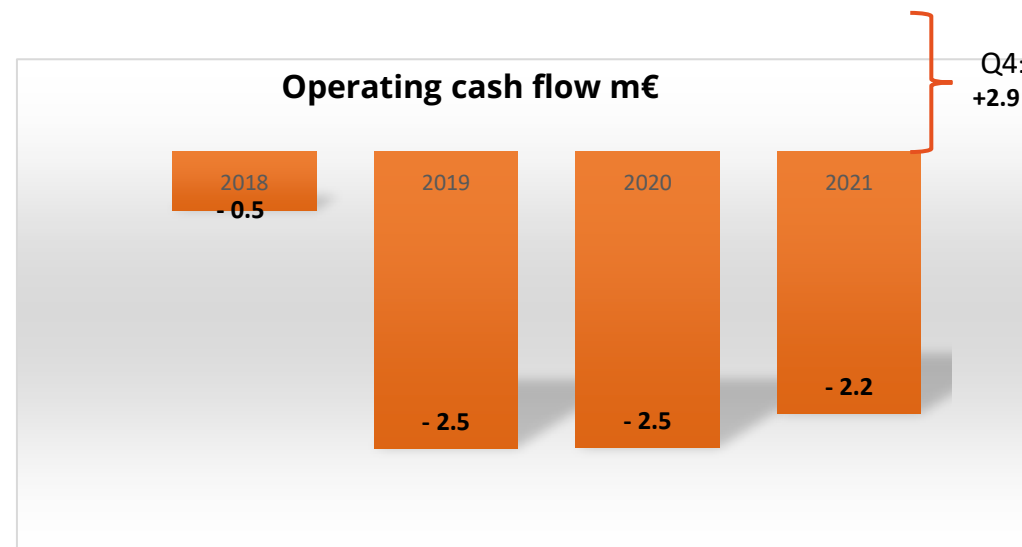
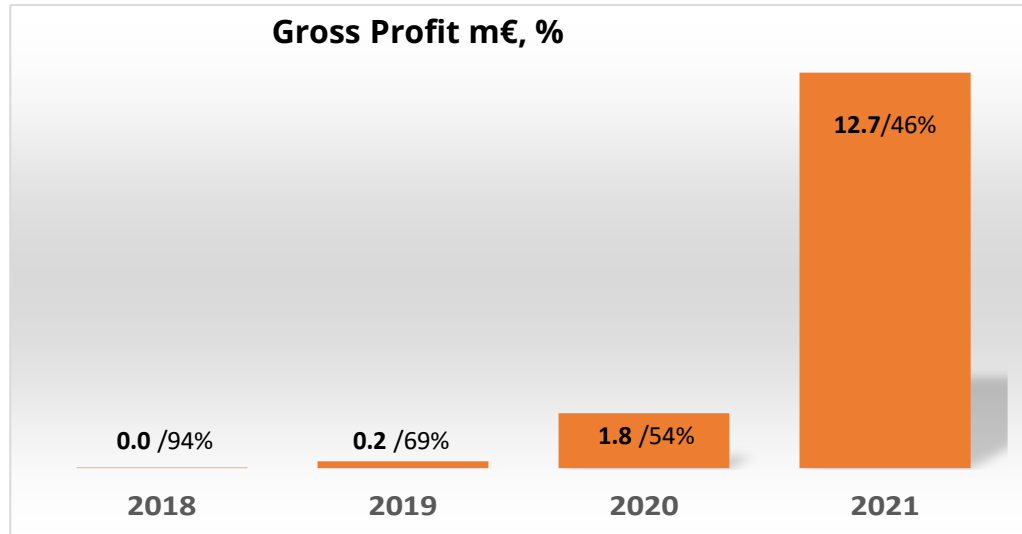
Comments

- Order intake growth driven mainly by Nordics and also rest of Europe
- **In 2021** order intake grew 427% to EUR 37.4 million.
- **At the end of the 2021** order backlog grew to EUR 13.7 million.

Healthy gross profit and positive operating cash flow in Q4



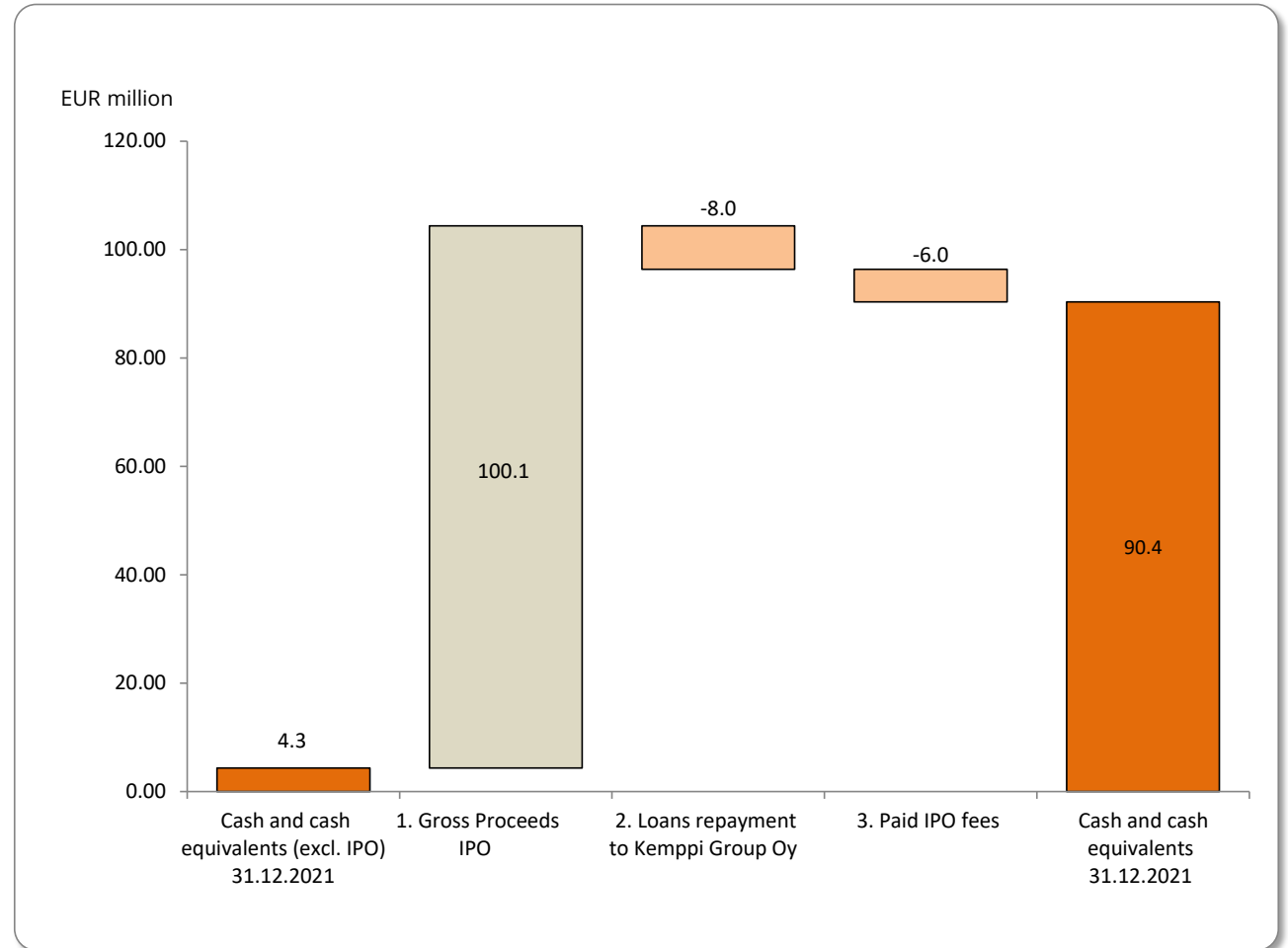
Comments



- **In 2021** Gross Profit on healthy 46% level
- **In 2021** growth strategy execution is reflected in operating cash flow
- **In Q4 2021** operating cash flow EUR +2.9 million

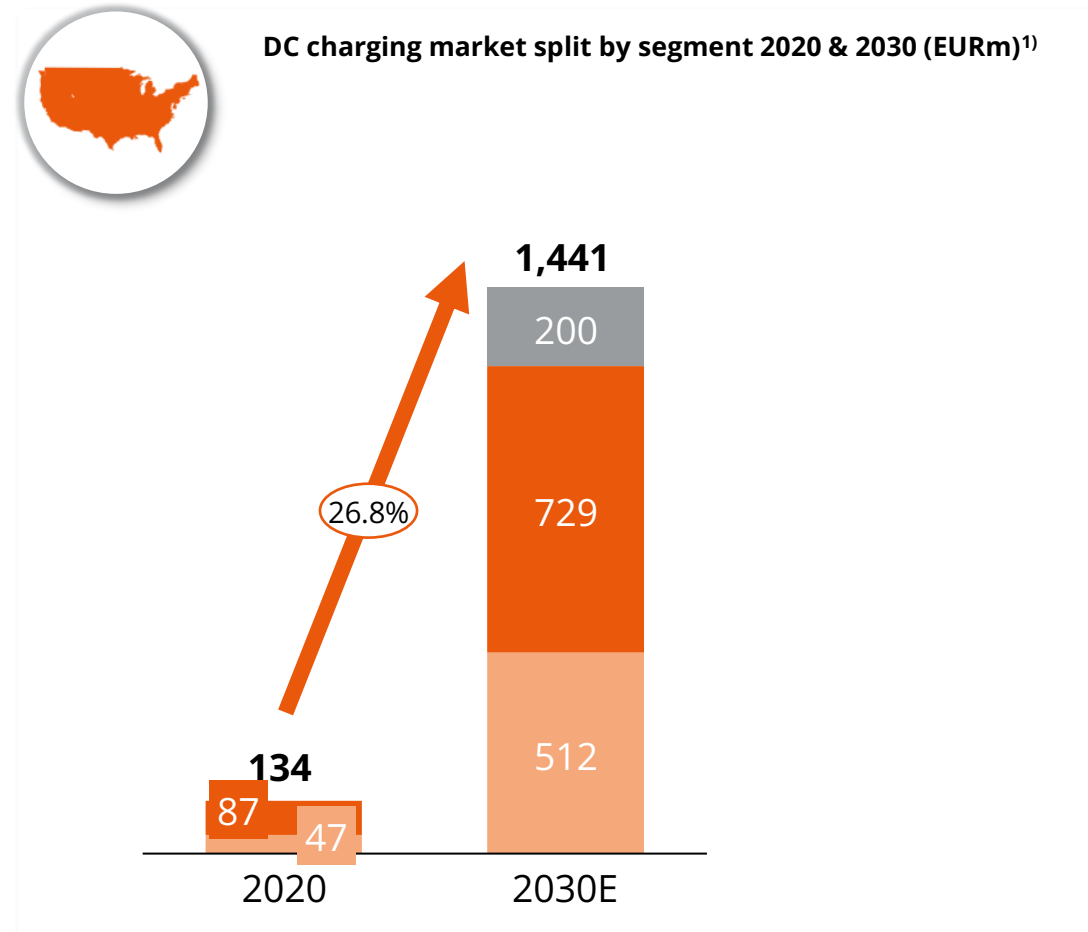
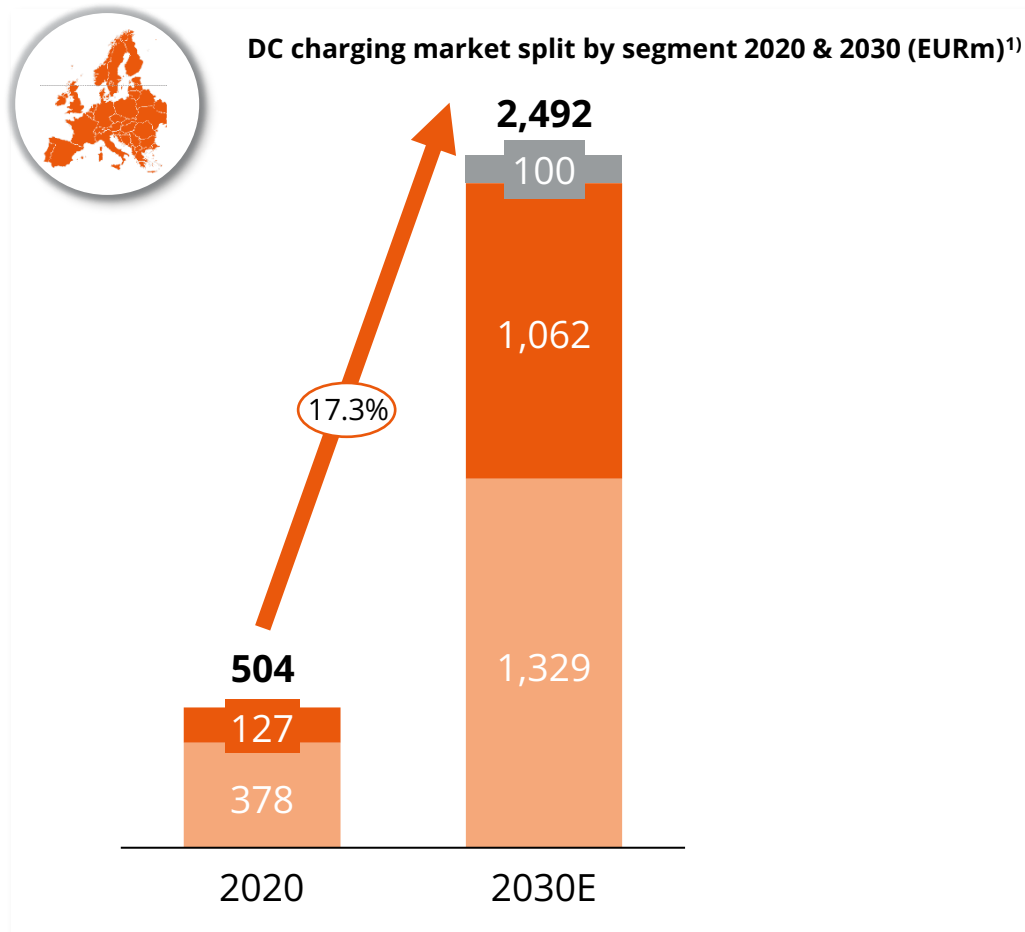
From IPO Gross Proceeds to Net Proceeds

- **EUR 100.1 million** Gross Proceeds from IPO
- Loan and capital loan repayment to Kemppe Group Oy worth of **EUR 8.0 million**
- IPO fees paid to advisors **EUR 6.0 million**
- Cash and cash equivalents **EUR 90.4 million** at 31st of December 2021
- Net Debt **EUR -90.4 million** at 31st of December 2021



Kempower targeting EUR 4.0 billion market

○ DC charging CAGR Private Vehicle Commercial Vehicle Off-highway



Note: 1) Figures do not include off-highway for year 2020
Source: IHS; Transport Environment; International Council on Clean Transportation; PV stock model based on BCG "Why Electric Cars Can't Come Fast Enough" (April 2021)

Financial targets

Financial targets

Growth

- EUR 200m revenue in the medium term in (4-6 years)

Profitability

- 10% operative EBIT margin reached in the medium term (4-6 years) and at least 15% operative EBIT margin¹⁾ in the long term

Dividend policy

Dividend

- Short to medium term: No dividends



1) Operative EBIT = EBIT – items affecting comparability of operating profit/loss (items can arise from, e.g. external advisory costs related to capital reorganization, listing expenses & strategic projects)

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Short-term outlook and 2022 risks



Short-term Outlook

- Kempower expects favourable market development and demand for its products
- Kempower expects seasonality to affect revenue on the first and on the fourth quarter
- Expansion in Europe continues
- Kempower explore alternatives for expansion into the North American markets



2022 risks

- Success in personnel recruitments
- Success in capacity expansion
- Success in sales expansion in Europe
- Component shortage

2021 key takeaways



***First North
Growth Market
listing
and
EUR 100.1 M
Gross Proceeds***

*EUR **27.4** million
annual revenue*

***Component shortage** managed
without lost deliveries*

***+700%**
Year-on-year revenue
growth*

***Capacity expansion**
project to 2,800m²*

Financial Calendar 2022

+ KEMPOWER

February

16

FY 2021 Financial
Statements

Week

12

FY 2021 Annual
Report

May

18

Business Review
January–March
(Q1)

August

11

Half-year financial
report
January–June (H1)

November

9

Business Review
January–September
(Q3)

April

13

Annual General Meeting is planned
for Wednesday 13th of April 2022.

The Board of Directors will call the
General Meeting at a later date.

Q&A

APPENDIX

PROFITABILITY

Group P&L

EURm, FAS	07-12/2021	07-12/2020	Growth %	FY 2021	FY 2020	Growth %
Revenue	18.4	2.5	633 %	27.4	3.3	741 %
Other operating income	0.3	0.0		0.3	0.1	
Change in inventories of finished goods and in work in progress	-0.2	0.1		0.7	0.2	
Raw materials and consumables used	-8.3	-1.2		-12.9	-1.5	
External services	-0.4	0.0		-1.5	0.0	
Personnel expenses	-4.9	-1.3		-7.4	-2.2	
Depreciation and amortisation	-0.1	0.0		-0.2	-0.1	
Other operating expenses	-3.6	-1.0		-5.4	-1.9	
Total expenses	-17.3	-3.5		-27.3	-5.8	
Operating profit	1.1	-0.9		1.1	-2.2	
Financial income	0.0	0.0		0.0	0.0	
Financial expenses	-6.5	0.0		-6.7	0.0	
Financial income and expenses total	-6.5	0.0		-6.7	0.0	
Profit/loss before appropriations and taxes	-5.4	-0.9		-5.6	-2.2	
Appropriations	0.0	2.5		0.0	2.5	
Income taxes	1.1	-0.1		1.1	-0.1	
PROFIT FOR THE FINANCIAL PERIOD	-4.3	1.6		-4.5	0.2	



Balance sheet

Group Balance Sheet

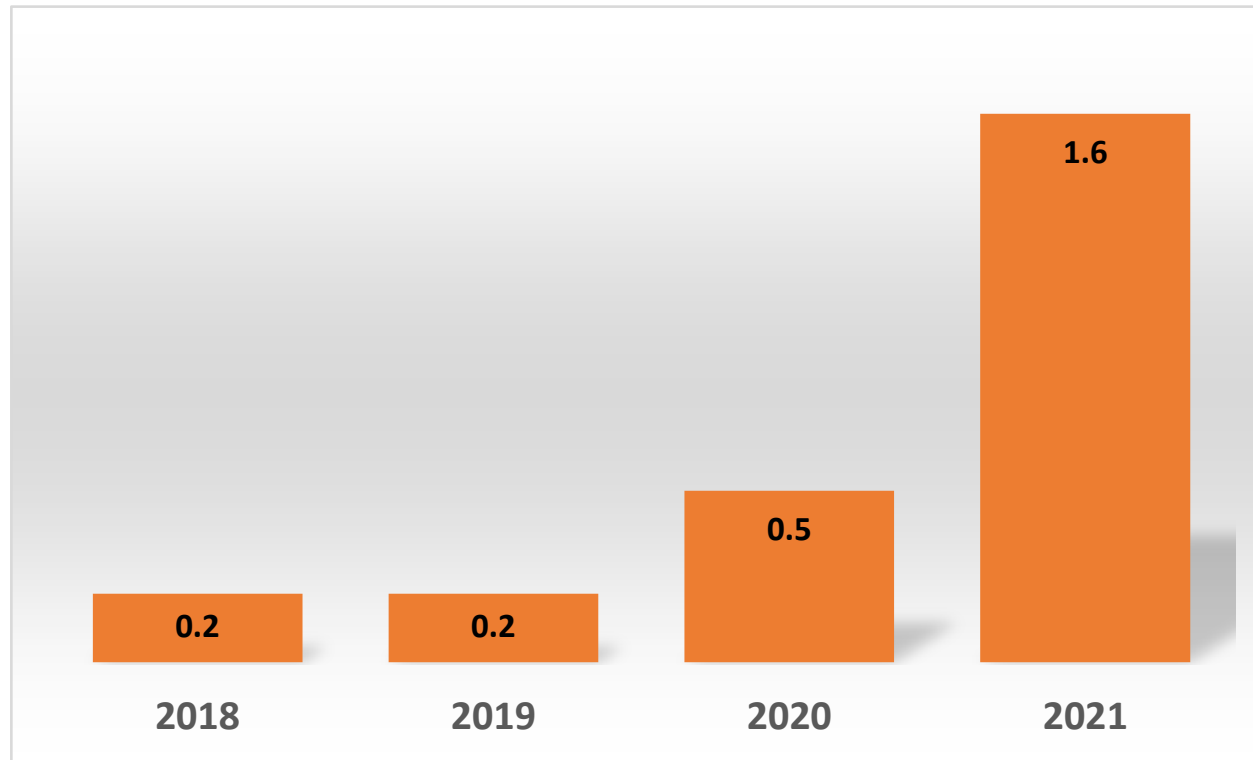
EURm, FAS	12-2021	12-2020
ASSETS		
Non-current assets		
Intangible assets	0.4	0.2
Tangible assets	1.7	0.5
Non-current assets total	2.1	0.7
Current assets		
Long-term receivables		
Deferred tax assets	1.3	0.0
Long-term receivables total	1.3	0.0
Short-term receivables		
Inventories	6.1	1.3
Trade and other receivables	6.5	3.8
Cash and cash equivalents	90.4	0.5
Short-term receivables total	103.0	5.6
Current assets total	104.3	5.6
ASSETS TOTAL	106.4	6.2

EURm, FAS	12-2021	12-2020
EQUITY AND LIABILITIES		
Equity		
Share capital	0.1	0.0
Translation differences	0.0	0.0
Invested Unrestricted equity fund	100.6	0.0
Retained earnings	0.6	0.4
Profit/loss for the period	-4.5	0.2
Equity total	96.7	0.6
Provisions		
Other provisions	0.2	0.1
Liabilities		
Non-current liabilities	0.1	3.4
Current liabilities	9.4	2.1
Liabilities total	9.5	5.5
EQUITY AND LIABILITIES TOTAL	106.4	6.2

Investments in tangible and intangible assets increasing



Comments



- Increase in investments mainly driven by investments into assembly lines, office, testing area and laboratory and production equipment
- During the 2021, cash flow from investing activities represented 6% of revenue