

Kempower Q2 2022 results

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Q2/2022: Strong demand for Kempower charging solutions continued



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Kempower charging in numbers

30 988 286*

delivered kWh



=

10 000

Electricity of UK homes per
year

+75%



Growth from H221 to H122

154 941 430*

kilometers driven by
our charging



=

3 866 x

around the world

1 581 001*

Kempower charging
sessions



+81%



Growth from H221 to H122



Q2 2022 key highlights

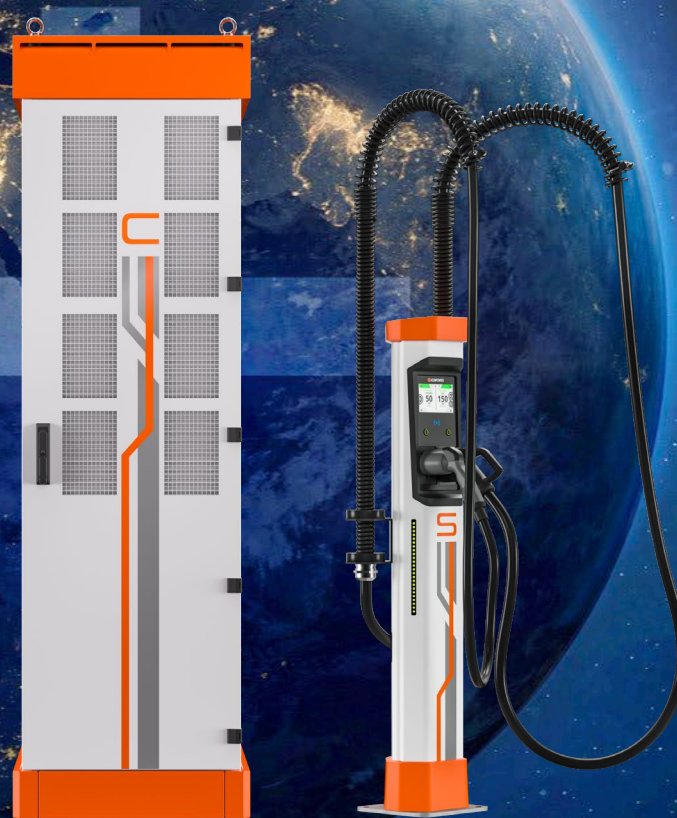
Quarterly performance
strong

Updated growth
strategy **regarding USA**

Both existing and new
customer base has grown
in all regions

Capacity expansion, **all
production lines are open**

Component shortage
availability risk has
increased



62.4
million EUR

Order backlog in 30 June 2022

225%

YoY growth in revenue Q2 2022

21.6
million EUR

Revenue in Q2 2022

45%

Gross margin Q2 2022

260

Headcount 30 June 2022



Growth strategy execution during Q2



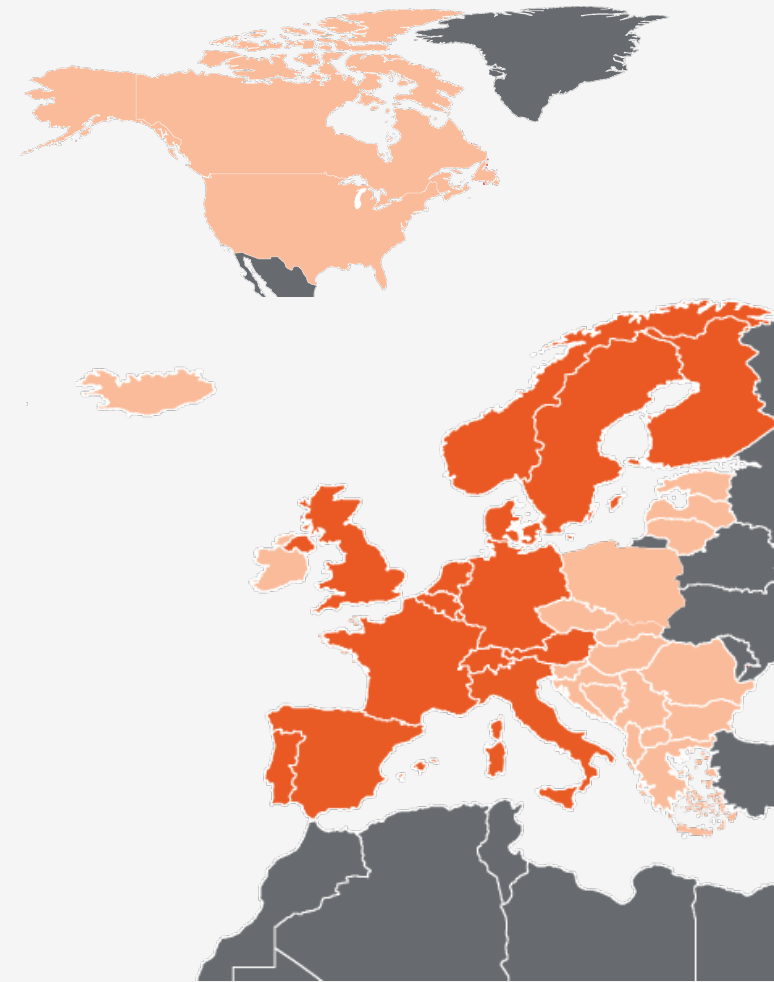
Regional expansion

- 8 subsidiaries in Norway, Sweden, UK, Germany, Netherlands, France, Italy and Spain
- USA entry by the end of 2023



Customer contracts

- ZEF Energy and GreenCore in the US
- Mer Norway
- Swerock and Volvo trucks





Growth strategy execution during Q2



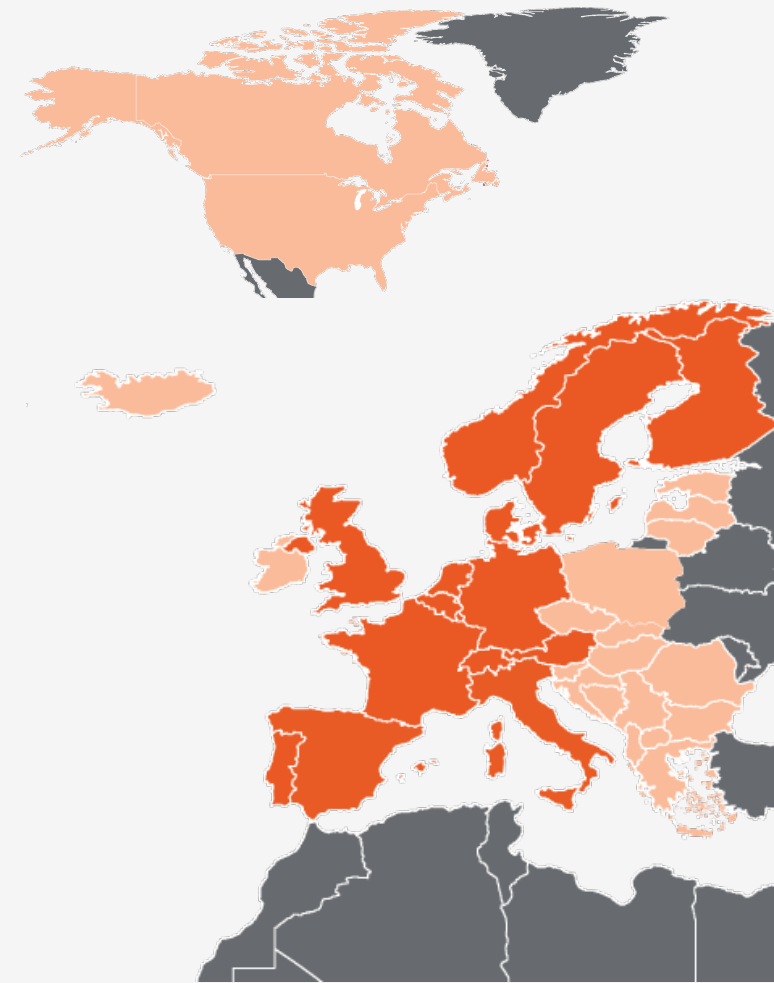
Capacity expansion

- All assembly lines in the new factory up and running
- 124 people recruited in first the half of the year



Product launch highlights

- Liquid cooled charging satellite for truck charging
- Adaptive voltage charging solution for faster charging





Sustainability at the core of our business

SUSTAINABILITY COMMITMENTS AND LONG-TERM TARGETS

Commitment 1

Targets:

100% carbon neutrality by 2035

- Reducing the relative carbon footprint annually
- Using 100 per cent fossil free electricity by 2025 in operations and production
- Compensating the carbon footprint of personnel's business flight travel
- Reducing the amount of landfill waste to zero by 2025

Commitment 3

Targets:

Sustainable products that enable a society functioning with 100% electric transportation

- Reducing plastic packaging by 50 per cent by 2025 from the level of 2021 and transferring to bio plastics and biodegradable plastics when economically viable
- 99 per cent end of lifetime recyclability rate for EV chargers

Commitment 3

Targets:

Number one workplace for future professionals

- Reducing the workplace accident rate to zero and maintaining it
- Securing high work satisfaction
- Training personnel with first aid skills to reduce serious harm in case of accidents and other medical emergencies

Applying
to **Green
Equity**
from
Nasdaq

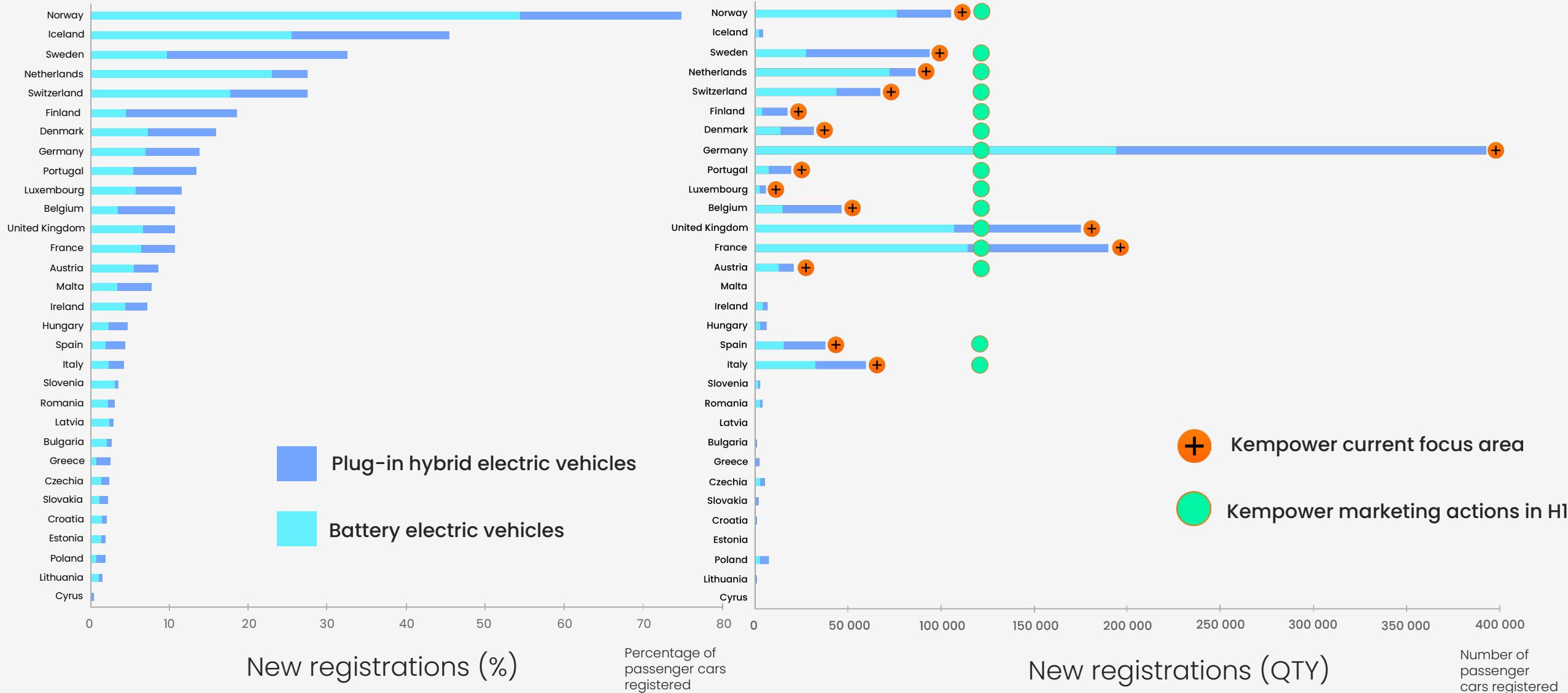
Mobility
emissions
86 %*
cut in
traffic

eNPS
80
in H1 2022

* based on the data provided by The Finnish Transport and Communications Agency Traficom



Europe private car registrations in 2021



Source: European Environment Agency



Kempower customer groups

Bus and truck operators



En-route & overnight charging



Device manufacturer and system supplier

Original equipment manufacturers (OEM)



Various locations



Device manufacturer and component subcontractor

Retail chains



Parking spaces by, e.g. department & grocery stores, hotels, restaurants etc.



Device manufacturer and system supplier

Charge point operators (CPO)



Publicly available charging network



Device manufacturer



Charger location



Kempower desired positions



Globally managed



Locally managed

Distributor and installer networks



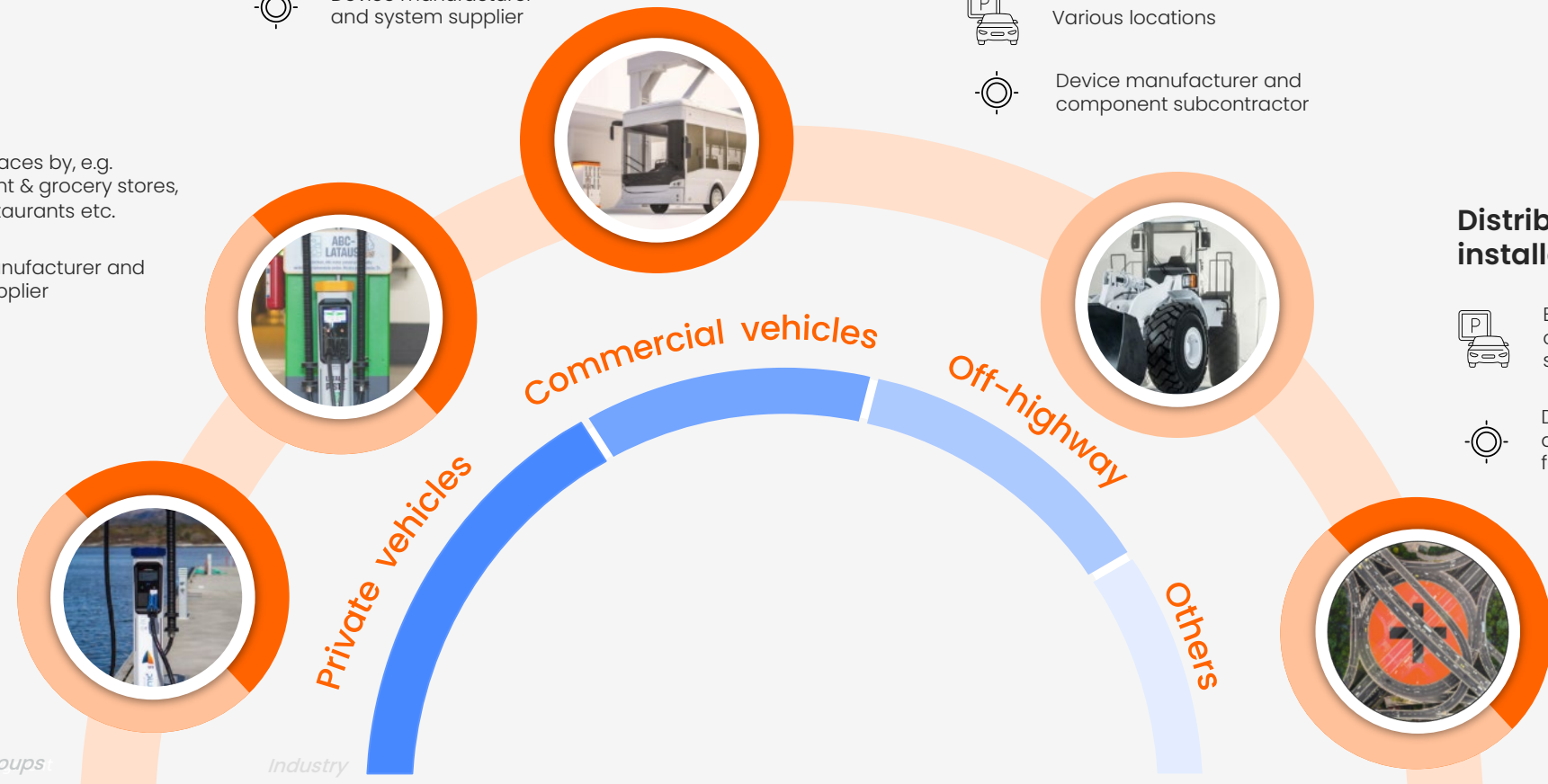
Business site parking lots, e.g. car dealers, car repairs and small stores



Device manufacturer with distribution network utilized for sales

Customer groups

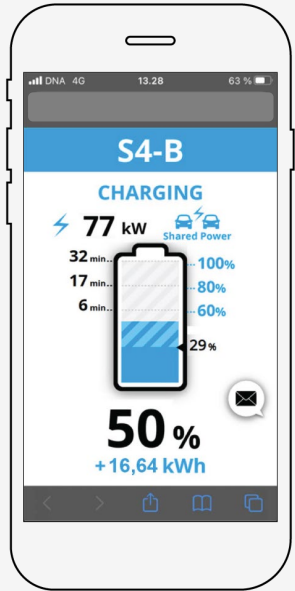
Industry





Product releases:

CPOs and retail chains



Kempower ChargeEye
for CPOs

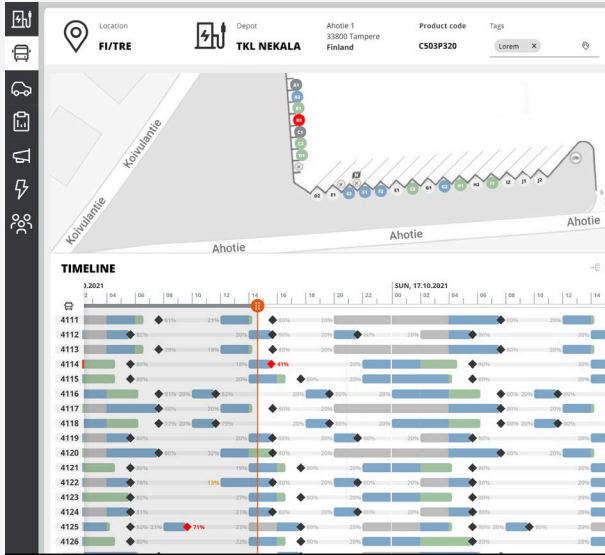


Adaptive voltage up to
1000V

- 95% cars with 500V
- For example Hyundai and Kia with 800V for faster charging
- Bus and trucks with 800V
- By 2025 majority of new cars are made with 800V



Product releases: Bus and truck operators



Kempower
ChargeEye for Depots



Liquid cooled
satellite system
400 kW for trucks



Depot offering
pantograph system

Blue-chips in all customer groups



CPOs and retail chain

- 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

- Minusines S.A.
- Vital EV Solutions
- Wennström
- European Electrical Bus Company GmbH



Case charging point operators (CPOs) and retail chains

EV fast-charging systems to **Power Dot**

- Kempower delivers EV fast-charging systems to Power Dot, a Portuguese EV charging operator
- The EV charging systems will be deployed in France, Spain, Poland and Portugal.
- The delivery of the fast-charging systems for electric passenger cars took place in Q2 2022. The value of the order is over EUR 3 million.





Case charging point operators (CPOs)
and retail chains

EV fast-charging systems to **GreenCore in the US**

- The delivery, including Kempower's S- and C-Series systems, will take place in 2022-2023.
- GreenCore is planning to build an extensive EV charging network across the US in the next 10 years. At the heart of those will be DC fast charging systems and solar energy storage systems.



Collaboration with **ZEF Energy in the US**

- Kempower started collaboration with ZEF Energy in the United States.
- ZEF Energy has developed, owned and operated hundreds of DC fast charging projects across multiple states since 2014 and is working to aggressively expand their DCFC business in coming years.





Case bus and truck operators

Fast charging technology to **MINUSINES S.A.** for electric bus depots in Luxembourg

- Kempower will deliver DC fast charging technology to MINUSINES S.A. for several electric bus depots in Luxembourg. The value of the order is over EUR 2.5 million.
- The delivery includes Kempower C- and S-Series DC fast charging solutions and Kempower ChargeEye backend and cloud solutions.
- Kempower's official partner in Luxembourg, MINUSINES S.A., is a leading distributor of electrical equipment and professional lighting in Luxembourg. The bus depots are installed by MINUSINES installation partner SOCOM S.A.





Sales teams in different regions



1. At the end of Q2 Kempower had 76 people working in sales and marketing covering five (5) different regions and global
2. Kempower's services organization operates globally including personnel for after sales, technical support and field services and repair



Financial Review



IFRS transition

- Kempower's Half Year Financial Report 2022 was the first report in accordance with the IFRS standards
 - We expect the adoption of IFRS to increase comparability of the financials and increase the interest for the company among international investors.
- The most significant impacts from the transition to IFRS reporting:
 - The right to use **leased assets and a lease liability** corresponding to the rents to be paid are recognized in the statement of financial position, which increases long-term assets and lease liabilities.
 - **Development expenses** are accrued over their useful lives when requirements of capitalization under IFRS are met. Depreciation expense is recognized in the consolidated statement of comprehensive income instead of other operating expense, which improves EBITDA key figure.
 - **The IPO related transaction costs** directly attributable to the issuance of new shares are deducted from the reserve for invested unrestricted equity in equity. The IPO related transaction costs attributable to existing shares are recognized in other operating expenses.



Key figures during the review period, IFRS

MEUR	Q2/2022	Q2/2021	H1/2022	H1/2021	2021
Orderbacklog	62.4	14.9	62.4	14.9	13.7
Order intake	55.0	11.6	81.9	20.1	37.4
Revenue	21.6	6.7	33.2	9.0	27.4
Revenue growth %	225 %	1175 %	268 %	1107 %	741 %
Gross Margin	9.8	2.8	15.3	4.1	12.9
Gross Margin %	45 %	42 %	46 %	45 %	47 %
Operative EBIT	1.8	0.7	0.8	0.2	1.0
Operative EBIT margin %	8 %	10 %	3 %	2 %	4 %
Profit/loss for the period	0.6	0.2	-0.5	-0.3	0.3
Cash flow from operating activities	-1.6	-2.6	-3.7	-4.0	-2.6
Investments	1.8	0.2	2.4	0.6	1.6
Net Debt	-66.5	6.1	-66.5	6.1	-89.3
Total Equity and Liabilities	133.3	13.3	133.3	13.3	108.5
Headcount end of period	260	87	260	87	136

Comments

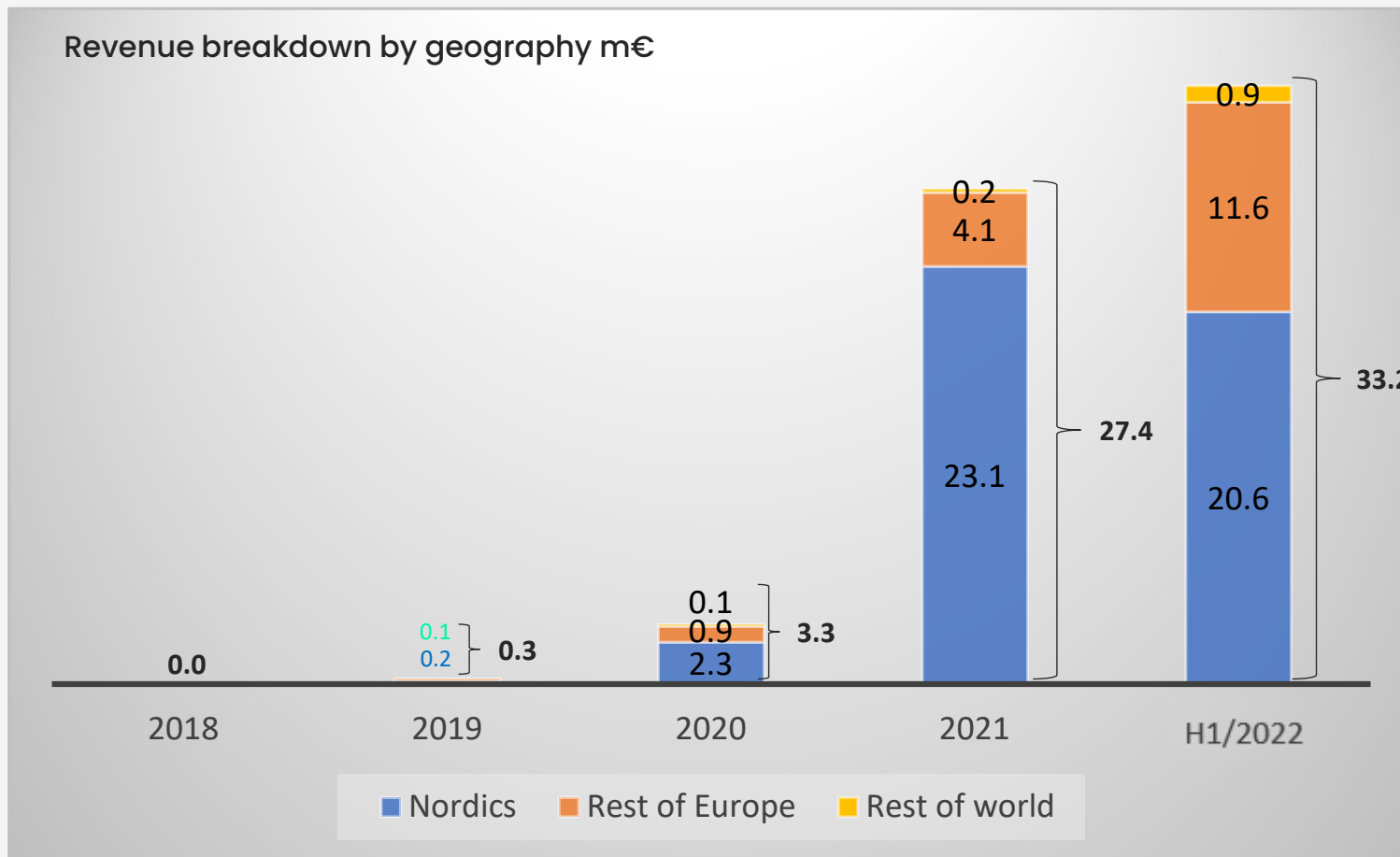
- Record high order backlog and order intake
- Gross Margin 45 % in Q2.
- Operative EBIT positive 8% in Q2 and positive 3% in H1 due to strong revenue performance during the periods.
- Total equity and liabilities EUR 133.3 million at the end of H1, includes EUR 15.4 million of lease liabilities (IFRS16) due to transition to IFRS
- Net Debt is increased according to lease liabilities of EUR 15.4 million due to transition to IFRS

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)

2) IFRS 16 lease liability includes new production site, office lease contracts and leasing cars.



Half-year 2022 revenue higher than the full year 2021



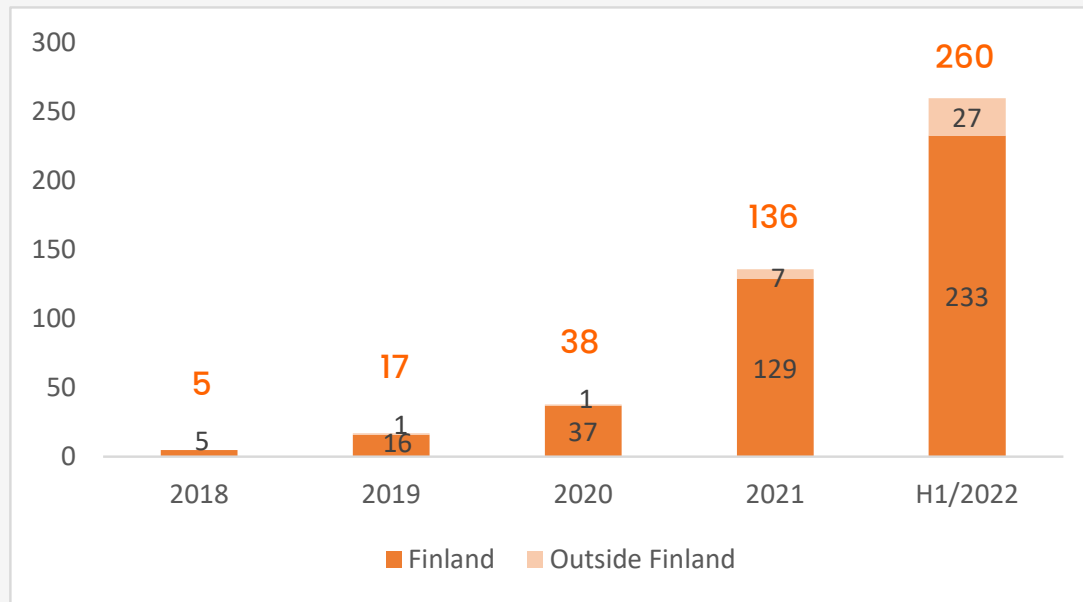
Comments

- Q2 2022 / H1 2022 revenue EUR 21.6 million / EUR 33.2 million
- H1 2022 revenue **exceeds** whole year 2021 revenue
- Q2 2022 **revenue grew** 225% year-on-year and in Rest of Europe 1264%.
- In Q2 2022 share of revenue in **Rest of Europe** increased to 39% (15% in year 2021) of total revenue.

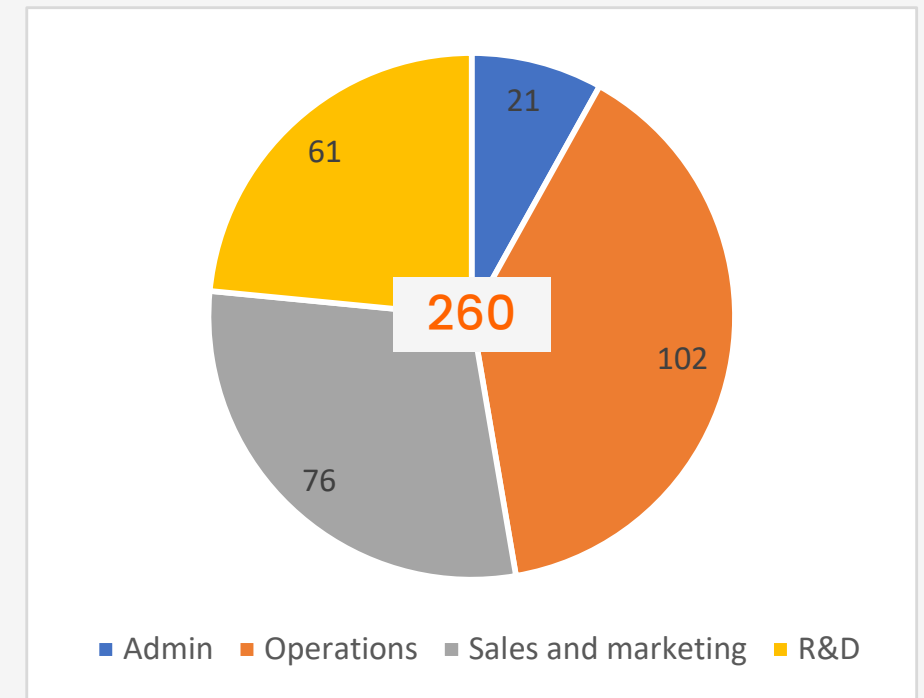


Scaling up organization to enable growth

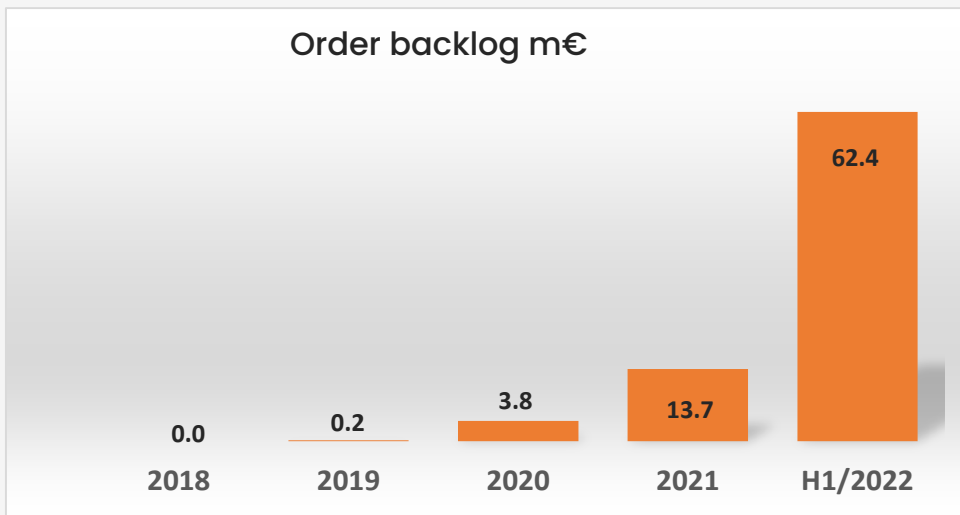
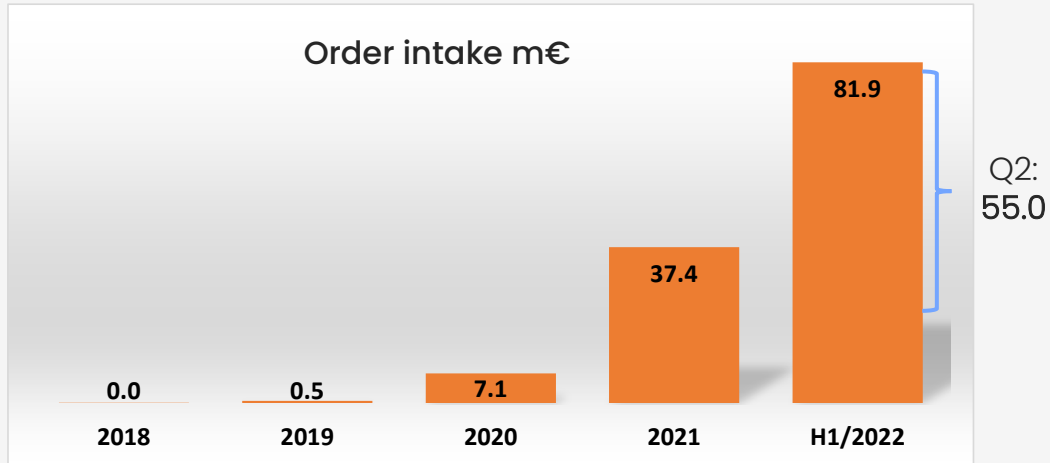
Headcount, at the end of the period



Headcount by functions, at the end of the period



Record high order intake and order backlog

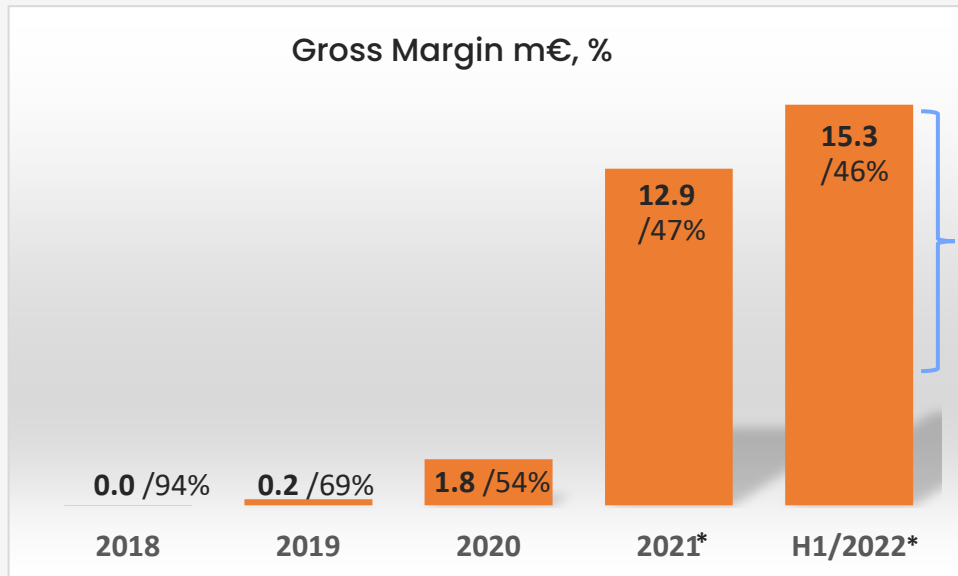


Comments

- Order intake growth driven by **all regions**
- H1 2022 **order intake** more than doubled when comparing full year 2021
- At the end of the Q2 of 2022 **order backlog** grew to EUR 62.4 million (14.9 million in Q2 of 2021)

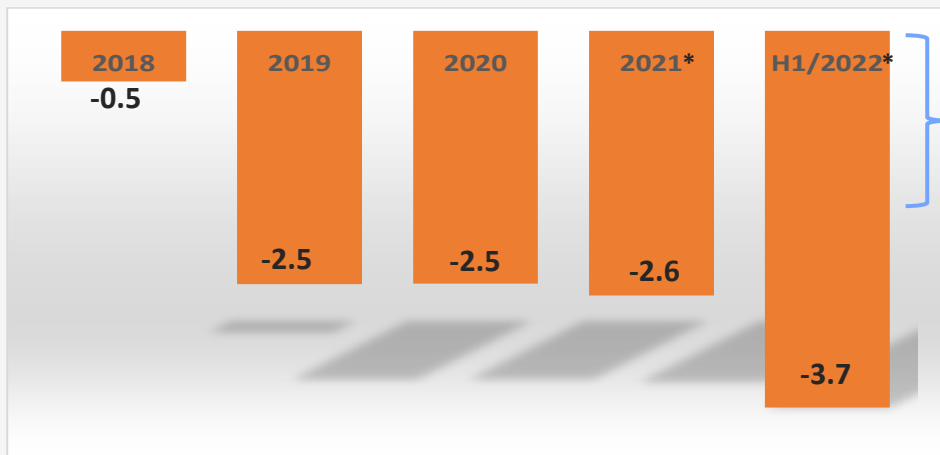


Gross Margin and operating cash flow trend



Comments

- Q2 2022 Gross Margin 45%
- Possible increases in material and component prices to be mitigated
- In H1 2022 operating cash flow impacted by NWC-critical for growth





Kempower's financial targets and short-term outlook

Financial targets

Growth

- EUR 200m revenue in the medium term in (between 2025-2027)

Profitability

- 10% operative EBIT margin reached in the medium term (between 2025-2027) and at least 15% operative EBIT margin¹⁾ in the long term

Dividend policy

Dividend

- Short to medium term: No dividends

Short-term outlook refined

- Kempower anticipates continued good demand and favorable market development for the products it offers.
- Kempower do not expect material seasonality in the quarterly revenue due to expanded footprint outside the Nordics
- Kempower will continue to expand its business in Europe according to its strategic growth targets.
- In 2022, Kempower is also exploring different options for expansion into the North American market, in order to meet its goal of having established operations in the United States by the end of the year 2023

* 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)



Q&A





Appendix



IFRS transition and most significant impacts on 2021 financials

MEUR	Leases /IFRS 16	Financial instruments /IFRS 9
Revenue		
Other operating income		
Materials and services		
Employee benefits		
Depreciation, amortization and impairment losses	-0.8	
Other operating expenses	0.8	-1.7
Total operating expenses	0.0	-1.7
Operating result	0.0	-1.7
Finance income		
Finance expenses		6.6
Total finance income and expenses		
Profit/loss for the period	0	4.9
TOTAL EQUITY AND LIABILITIES	1.1	0.0

- As a result of the IFRS 16 standard, all essential **lease agreements** are recognized in the statement of financial position
- Under IFRS reporting **IPO transaction costs** relating to existing shares are expensed through the statement of comprehensive income and costs of new shares are recognized in equity.



Thank You.