



Kempower's Business Review for 1 January - 31 March, 2022: Strong growth and successful strategy execution continued

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January-March 2022 highlights (comparison figures in parenthesis January-March 2021)

- Order backlog increased to EUR 29.1 million (EUR 10.0 million)
- Order intake increased to EUR 26.9 million (EUR 8.5 million)
- Revenue increased by 393% to EUR 11.5 million (EUR 2.3 million)
- Gross margin was 47% (51%)
- EBIT was EUR -0.9 million (EUR -0.5 million)
- Loss for the period was EUR -0.9 million (EUR -0.5 million)
- Cash flow from operating activities was EUR -2.6 million (EUR -1.6 million)
- Headcount grew to 176 employees (57) at the end of the period
- Net debt totaled EUR -87.0 million (EUR 3.8 million)

KEMPOWER GROUP KEY FIGURES, MEUR

	Q1/2022	Q1/2021	2021
Order backlog	29.1	10.0	13.7
Order intake	26.9	8.5	37.4
Revenue	11.5	2.3	27.4
Revenue growth %	393 %	948 %	741 %
Gross margin	5.4	1.2	12.7
Gross margin %	47 %	51 %	46 %
EBITDA	-0.8	-0.4	1.2
EBITDA margin %	-7 %	-19 %	5 %
Operating profit/loss (EBIT)	-0.9	-0.5	1.1
EBIT margin %	-8 %	-20 %	4 %
Operative EBIT	-0.9	-0.5	1.1
Operative EBIT margin %	-8 %	-20 %	4 %
Profit/loss for the period	-0.9	-0.5	-4.5
Equity ratio %	89 %	2 %	92 %
Cash Flow from operating activities	-2.6	-1.6	-2.2
Investments	0.6	0.4	1.6
Net Debt	-87.0	3.8	-90.4
Items affecting comparability*	0.0	0.0	6.6
Undiluted earnings per share in EUR	-0.02	-0.01	-0.12

Diluted earnings per share in EUR**	-0.02	-0.01	-0.12
Headcount end of period	176	57	136

**Items affecting comparability include expenses related to the initial public offer and the First North listing, which have been included in financial expenses in accordance with FAS.*

***Options granted to personnel in November 2021 have no dilution effect during Q1 2022 or financial year 2021 due to the company's loss for the period.*

CEO TOMI RISTIMÄKI COMMENTS ON THE Q1 RESULTS:

Strong growth and successful strategy execution continued

Our go-to-market strategy execution progressed according to our plan in Q1 of 2022 and I am happy with our performance. Our revenue grew by 393% reaching EUR 11.5 million driven by strong growth in the Nordics and Rest of Europe. The revenue in Rest of Europe grew by 831% year-on-year. Our order backlog reached record high EUR 29.1 million at the end of the quarter. In Q1 of 2022, our loss for the period EUR -0.9 million was driven by the planned spend to people, R&D and capacity expansion according to the existing growth strategy.

We signed several important customer contracts during the quarter. In the charging point operators (CPO) and retail chains customer group, we received orders worth of EUR 3 million from Power Dot to deliver EV fast charging systems in Spain, Portugal, and France, in addition to EUR 2 million order received in December 2021. Power Dot is a Southern European charging point operator.

In the bus and truck operators customer group, we signed a contract with Finland's largest bus operator, Koiviston Auto, to deliver DC fast charging technology to electric bus depots in Vantaa and Helsinki, including 61 electric buses and 3MW of total power. We also received an order worth of EUR 2.5 million from Minusines S.A. including several bus depots in Luxembourg. In addition, we signed a contract with GodEnergi A/S for the delivery of DC fast charging technology to a new electric bus depot in Aalborg, Denmark. The depot is the biggest electric bus depot in the Nordic countries.

In the original equipment manufacturers (OEM) customer group, we signed a frame agreement with a world-leading provider of transport solutions, Scania, for the delivery of Kempower's DC fast charging technology and solutions to Scania's electric buses and electric trucks globally.

Cloud-based software, Kempower ChargeEye™, has strengthened its position as a key Depot Master for bus and truck operators. The ChargeEye Depot Master is a charging management and optimization system that completes the Kempower charging system offering by making it a full-scale depot charging solution. ChargeEye's intelligent, peak-balancing feature reduces peak power at the depot which reduces operator's costs. In addition, it monitors and ensures that all buses and trucks are preheated, fully charged and ready for use when required.

We opened new subsidiaries in Sweden and Italy in addition to our already existing subsidiaries in Germany, the UK, the Netherlands, France, Spain, and Norway. We took a strategically important step by launching the Kempower C- and S-Series products to the North American markets. At the moment we are operating in North America through our partners, but we also continue exploring different options for expansion in the region.

Our capacity expansion project with additional 10 300 square meters is proceeding according to the plan in Finland. The first production lines are open, and the factory is already producing EV chargers and solutions to Kempower's customers. Some of the personnel in Finland has already moved to the new facility and the rest will follow by the end of the Q3 of 2022. The global shortage of electronic components is an ongoing challenge in the whole industry. In Q1 of 2022, we managed the shortage well, but the component shortage continues to be a significant risk for our deliveries also in next quarters. Increases in material and component prices did not have an impact on our production costs in Q1. In H2 of 2022 cost inflation is creating pressure on the unit costs which we target to mitigate with cost savings and price increases.

The EV charging industry is growing rapidly and several trends are supporting the increased demand for EV charging infrastructure. We are in a strong position in the existing markets with our modular and scalable product portfolio combined with a totally unique dynamic charging solution and highly skilled personnel. Looking back at the first quarter of 2022, I am especially proud of the strong growth, successful recruitments, new significant partnerships and opening the new factory on schedule. Kempower's brand has become stronger, and we are known on the market, which in turn drives sales in the growth markets. I would like to thank our customers, partners and the Kempower employees for the successful start to the year.

War in Ukraine and its impact on Kempower

Kempower does not have customers or employees neither in Russia nor in Ukraine. Kempower has no direct suppliers or production in Ukraine, Russia, or Belarus. Kempower has stopped business development regarding Russian market.

Delays in international logistics may cause a risk to certain components. We have identified a few critical components and have already taken the necessary steps to re-route the logistics.

Short term outlook unchanged

Kempower anticipates continued good demand and favorable market development for the products it offers. Kempower expects seasonality to affect its revenue on the first quarter and fourth quarter of the year. Seasonality relates mainly to the slowdown of the installation of chargers in the Nordics caused by the winter season.

Kempower will continue to expand its business in Europe according to set strategic growth targets. In 2022, Kempower is also exploring different alternatives for expansion into the North American markets.

This release is a summary of Kempower's Business Review for 1 January – 31 March 2022. The complete report is attached to this release and available at <https://investors.kempower.com>.

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About Kempower:

Kempower designs and manufactures DC fast charging solutions for electric vehicles and machines. We're a team of electric vehicle enthusiasts with a deep understanding of the charging market and a hands-on mentality. Our product development and production are rooted in Finland, with a majority of our materials and components sourced locally. We focus on all areas of transportation, from personal cars and commercial vehicles to mining equipment, boats, and motorsports. With Kemppi Group's 70 years' experience in perfecting DC power supplies, we set the bar high in engineering and user-experience design. Kempower is listed in the Nasdaq First North Growth Market Finland. www.kempower.com

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Attachments

- [Download announcement as PDF.pdf](#)
- [Kempower Business Review Q1 2022.pdf](#)