



Kempower Financial Statements Release, 1 January-31 December 2022 (unaudited): “Our growth strategy execution and business proceeded as planned”

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October-December 2022 highlights, IFRS (comparison figures in parenthesis October-December 2021)

- Order backlog increased to EUR 118.9 million (EUR 13.7 million) at the end of Q4
- Order intake increased to EUR 61.7 million (EUR 11.5 million)
- Revenue increased by 352% to EUR 37.8 million (EUR 8.4 million)
- Revenue outside Nordics increased to 52% (28%) of revenue
- Gross margin was 47% (47%)
- Operative EBIT increased to EUR 3.5 million (EUR -1.3 million), 9% of revenue (-16%)
- Profit for the period was EUR 2.5 million (EUR 0.7 million loss)
- Cash flow from operating activities was EUR -8.4 million (EUR 2.0 million)
- Amount of personnel at the end of the period grew to 375 (136)

January-December 2022 highlights, IFRS (comparison figures in parenthesis January-December 2021)

- Order intake increased to EUR 208.9 million (EUR 37.4 million)
- Revenue increased by 279% to EUR 103.6 million (EUR 27.4 million)
- Gross margin was 46% (47%)
- Operative EBIT increased to EUR 6.7 million (EUR 1.0 million), 6% of revenue (4%)
- Profit for the period increased to EUR 3.6 million (EUR 0.3 million)
- Cash flow from operating activities was EUR -5.4 million (EUR -2.6 million)

IFRS KEY FIGURES

MEUR	Q4/2022	Q4/2021	H2/2022	H2/2021	2022	2021
Order backlog	118.9	13.7	118.9	13.7	118.9	13.7
Order intake	61.7	11.5	127.0	17.3	208.9	37.4
Revenue	37.8	8.4	70.5	18.4	103.6	27.4
Revenue growth, %	352%	328%	284%	633%	279%	741%
Gross margin	17.7	3.9	32.8	8.8	48.2	12.9
Gross margin, %	47%	47%	47%	48%	46%	47%
EBITDA	3.9	-2.4	7.1	-0.1	9.5	0.5
EBITDA margin, %	10%	-29%	10%	-0 %	9%	2%

Operating profit/loss (EBIT)	2.9	-2.7	5.3	-0.7	6.1	-0.7
EBIT margin, %	8%	-33%	7%	-4%	6%	-3%
Operative EBIT	3.5	-1.3	5.8	0.8	6.7	1.0
Operative EBIT margin, %	9%	-16%	8%	4%	6%	4%
Profit/loss for the period	2.5	-0.7	4.1	0.5	3.6	0.3
Equity ratio, %	68%	91%	68%	91%	68%	91%
Cash flow from operating activities	-8.4	2.0	-1.8	1.4	-5.4	-2.6
Investments	2.2	0.8	3.8	1.0	6.2	1.6
Net debt	-58.4	-89.3	-58.4	-89.3	-58.4	-89.3
Items affecting comparability	0.6	1.4	0.6	1.5	0.6	1.7
Earnings per share, basic, EUR	0.05	-0.02	0.07	0.01	0.06	0.01
Earnings per share, diluted, EUR	0.05	-0.02	0.07	0.01	0.06	0.01
Headcount end of period	375	136	375	136	375	136

CEO TOMI RISTIMÄKI COMMENTS ON THE Q4 RESULTS:

Our growth strategy execution and business proceeded as planned

Our fourth quarter of 2022 was a reflection of our success throughout the year, we continued the execution of our growth strategy and reported strong financial results. In 2022, we reached EUR 209 million of order intake and EUR 104 million of revenue representing 279% year-on-year growth. As a result of our quicker growth than DC charging market overall, we are already the top player in the Nordic markets and gaining quickly market share in the rest of Europe driven by the 898 % year-on-year revenue growth in the region. In addition, revenue growth in other parts of the world started to accelerate by the end of the year.

The popularity of Kempower charging solutions among the European EV drivers has increased: the energy charged through Kempower chargers grew from 2,500 MWh in January 2022 to 12,000 MWh in December 2022. According to a recent brand survey, Kempower brand has strengthened among the European customers and EV drivers. The EV drivers across Europe appreciate Kempower charging solutions' reliability, quality, user friendliness and safety, proving the strength of our charging technology in the industry.

Kempower's RDI team is dedicated to combining customer understanding, our technology, and our competence to provide the next generation EV charging solutions to our customers. In Q4 2022 we started the deliveries of the adaptive voltage charging solution, and as a result Kempower provides optimal charging for electric vehicles in all battery voltages. During the fourth quarter we also launched the bus pantograph solution strengthening our offering in fleet operators customer group.

According to our estimate, the number of Direct Current (DC) fast charging points increased in Europe by more than 50 percent in 2022 compared to 2021. A recent study by the European Automobile Manufacturers Association showed that up to 6.8 million public charging points would be required in Europe by 2030 to reach the proposed 55% CO2 reduction in road traffic. This is a significant increase on the existing 0.5 million public charging points in Europe. Given this long-term trend, we see those short-term changes, such as a slight slowdown in the growth rate of battery electric vehicle (BEV) registrations, or an increase in electricity prices, not having a significant impact on the fast-charging market.

During 2022, our position strengthened in all four customer groups - charge point operators (CPO) and retail chains, fleet operators, original equipment manufacturers (OEMs) and distributor and installer networks. The electrification of trucks is expected to develop rapidly in the coming years as the major truck manufacturers are quickly electrifying their supply. Kempower is heavily involved in this development, and we signed in Q4 a new international agreement with a Scandinavian heavy truck manufacturer. We also started collaboration with Einride to develop charging for digital, electric and autonomous freight mobility.

The availability of electronic components has been challenging during the year but thanks to the excellent work by our procurement and RDI teams, we have been able to source required components and ensured the deliveries to our

customers. During the year 2022, we have strengthened our position among global suppliers which is ensuring better availability of components. In addition, we have been able to reduce the risk of component shortage with our dual sourcing strategy, by adding resources to our sourcing team, and by signing longer commitments with our suppliers. In 2023, we do not expect material or component prices to have a significant adverse impact in our profitability.

Our ability to scale up quickly the production capacity was the big success for year 2022. During the year we started production in new facilities and expanded the production in the factory established in 2021. We now have 14,000 square meters of space available in two factories in Lahti, Finland. During the second half of 2022, we started to work in two shifts in some of our production lines to increase our production capacity even further. Currently we are reviewing different alternatives to increase our production capacity in Europe. If the demand of Kempower charging solutions continues to grow, the new capacity is expected to be in use by the end of 2025.

In 2022, we decided to enter to the North American market already by the end of 2023. Our plan is progressing well, and we have now established a subsidiary and decided the location for production facility which will be in North Carolina like we communicated after the review period. Our target is to start up the production in the US during the second half of 2023.

The year 2022 was our first full year as a stock exchange listed company and our fifth full operational year as Kempower. I am extremely impressed with my Kempower colleagues' outstanding performance and contributions. Their efforts were instrumental in taking care of our customers, driving our growth, expanding our capacity, and successfully expanding our operations in Europe.

Earning the 'Finnish Growth Company of the Year' award and receiving the 'Internationalization Award' from the President of Finland were also the result of a fantastic teamwork.

Our vision is to develop the world's most desired EV chargers to everyone, everywhere. In 2023, we will continue to expand our business in both Europe and North America as well as to supporting our sales partners in other regions. We are well-prepared to take on new challenges and opportunities as we progress on our journey. I want to thank our customers, suppliers, EV drivers and shareholders of the successful year 2022.

Outlook for 2023

Kempower continues to seek strong growth in a profitable manner. The advanced entry to North American markets in 2023 impacts Kempower's operative EBIT due to additional costs relating to recruitments and the new factory ramp up. The new manufacturing capacity in the USA is targeted to be available by the end of the 2023.

Kempower expects:

- 2023 revenue; EUR 180 - 210 million (2022: EUR 104 million), assuming no major impact of foreign currency exchange rates
- 2023 operative EBIT; a positive single digit operative EBIT margin, %

The company's mid- and long- term financial targets are no longer current, and they will be updated in conjunction with the Capital Markets Day in April 2023.

Invitation to Kempower's webcast on Financial Statements 2022

Webcast for shareholders, analysts and media will take place on Wednesday, February 15, 2023, starting at 1.00 pm. In the webcast, Kempower's President and CEO Tomi Ristimäki, CFO Jukka Kainulainen, CMO Jussi Vanhanen and COO Sanna Otava will present the results and current topics.

The event, including the Q&A session, will be held in English. However, participants can ask questions in English and Finnish via the event chat room. Participants will be able to access the event as unregistered users on the webcast platform at <https://kempower.worksup.com/>

Presentation material and webcast recording will be available later on the company's website at <https://investors.kempower.com/>

This release is a summary of Kempower Financial Statements Release, 1 January–31 December 2022. The complete report is attached to this release and available at <https://investors.kempower.com/>

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About Kempower:

We design and manufacture reliable and user-friendly DC fast charging solutions for electric vehicles. Our vision is to create the world's most desired EV charging solutions for everyone, everywhere. Our product development and production are based in Finland, with a majority of our materials and components sourced locally. We focus on all areas of e-mobility, from electric cars, trucks, and buses to machines and marine. Our modular and scalable charging system and world-class software are designed by EV drivers for EV drivers, enabling the best user experience for our customers around the world. Kempower is listed in the Nasdaq First North Growth Market Finland. www.kempower.com

Attachments

- [Download announcement as PDF.pdf](#)
- [Kempower Q4-2022 EN.pdf](#)