INTERIM REPORT Q3

2 November 2022

CTEK MAXIMIZING BATTERY PERFORMANCE

Today's presenters

JON LIND

CEO

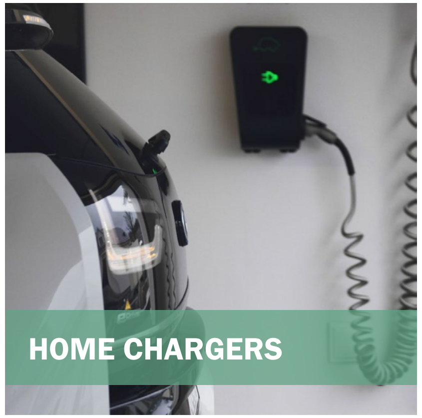
THOM MATHISEN

CFO

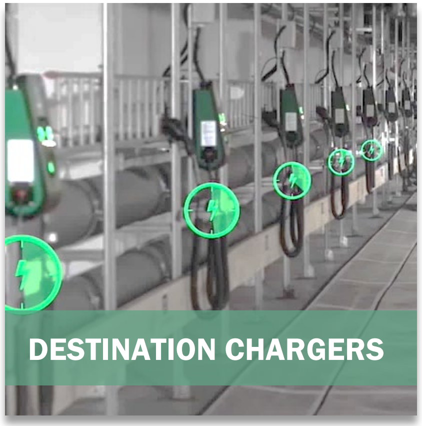
CTEK MAXIMIZING BATTERY PERFORMANCE

What we do at CTEK

EVSE



Installed in a garage, driveway or residential property



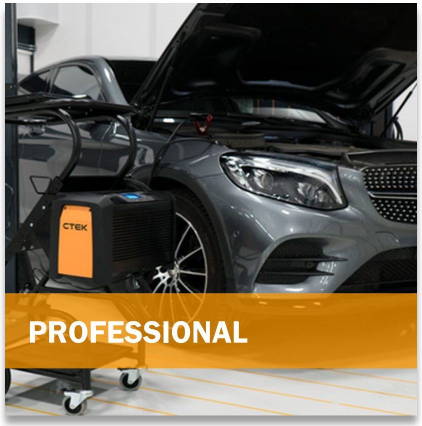
Installed at public destinations, offices etc.

Portable chargers, chargers you can bring with you to use in a summer house etc.

Low voltage

Primarily developed for private vehicle owners

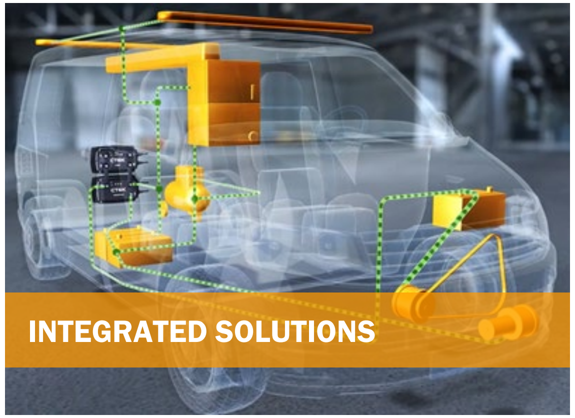
Condition, maintain and monitor battery safety and efficiency



Professional chargers with safe and reliable power supply

Ensure accurate and efficient service and diagnostics

Multi-functional portable charging with revolutionary Adaptive Boost technology



Application areas include ambulances, boats & caravans etc.

Meet steadily increasing power requirements

CTEK has a global presence, efficient sourcing model and established relationships

Organisation

Full control from design to production

~ 80 active patents

~30% of workforce in R&D

R&D and Design →

CTEK

Central functions →

- Global service
- IT
- HR
- Product realisation
- Marketing
- Finance

Technologies

24% EVSE

Share of sales YTD per 2022 Q3

EV chargers
Software
Accessories

Consumer
Professional
Client brand
Integrated solutions

Share of sales YTD per 2022 Q3

76% Low voltage

Divisions

E&F — 475 E&F customers		
E&F	Charging point operators	VATTENFALL
	Electrical wholesalers	YESSS ELECTRICAL
	Installers/electricians	AV-line
	Property owners	LUNDBERGS FASTIGHETER
	Parking owners	Stockholm Parkering
EVSE	Occupiers	NTM

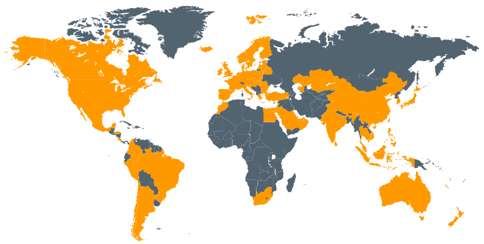
AM — 200+ AM retailers, online & distributors		
AM	Retailers	JULA, Mekonomen
	Pure play online	amazon
EVSE	Distributors	KGK
Low voltage	Workshops/ dealerships	FTZ

OE — 50+ OEM partnerships		
OE	Automotive	Ferrari, gm
	Powersports	YAMAHA
EVSE	Other battery powered use	truma
Low voltage	Integrated solutions	VOLVO

Product examples

Geographical presence

CTEK presence in more than **70** *countries*



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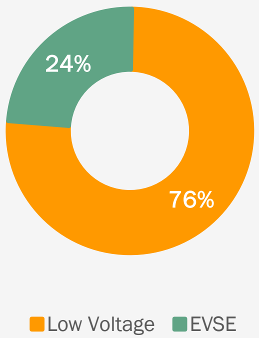
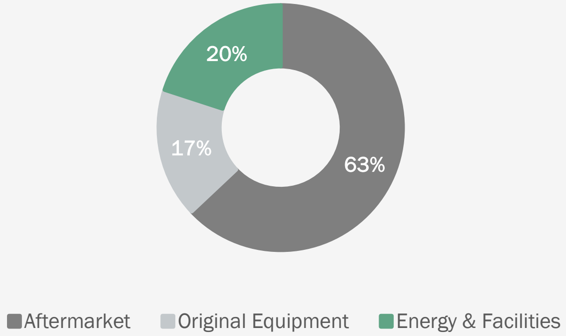
2022 YTD sales by technology, division and region

Sales by technology, YTD



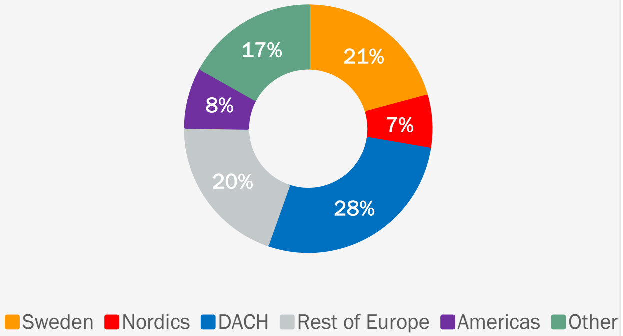
Leading offerings in both EVSE and low voltage

Sales by division, YTD

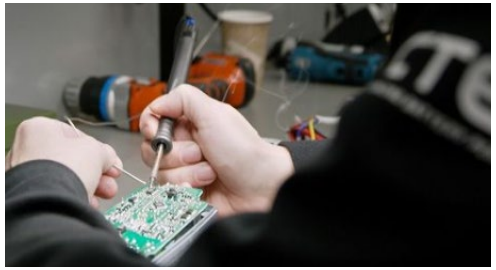


Three sales divisions

Sales by region, YTD



Presence in 70+ countries



Interim Report – Q3

Financial highlights Q3

SEKm	2022 Q3	2021 Q3	Full year 2021
AM	128.0	139.9	643.9
OE	48.2	25.1	103.2
E&F	44.9	38.4	148.3
Central	0.2	5.2	26.5
Total net sales	**221.4**	**208.6**	**921.8**
Gross margin	50.3%	50.6%	52.9%
AM	49.6	49.3	247.4
OE	5.2	4.9	19.9
E&F	-7.8	-4.2	-23.9
Adj. EBITDA pre OH costs	**47.0**	**50.0**	**243.4**
Overhead costs	-15.1	-15.3	-52.7
Adj. EBITDA, group	**31.9**	**34.7**	**190.7**
Depreciations, non-acquisition related fixed assets	-10.8	-9.7	-40.0
Adjusted EBITA, group	***21.1***	***25.0***	***150.7***
Items affecting comparability	*-4.9*	*-20.5*	*-40.4*
EBITA, group	***16.2***	***4.5***	***110.3***
Financial net	-0.2	-41.1	-76.0
Tax	*-2.1*	*11.8*	*-1,4*
Profit/loss for the period	***6.8***	***-31.9***	***4,4***
EPS after dilution, SEK	*0.14*	*-0.74*	*0.10*

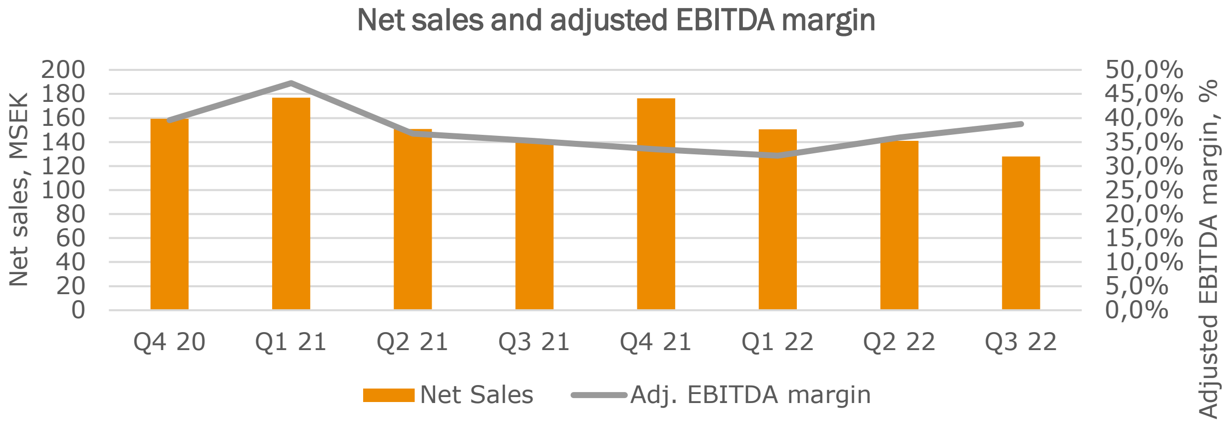
Comments Q3

- Net sales grew with 6%, adjusted for currency net sales fell 2%.
- Deliveries of Electric Vehicle Supply Equipment (EVSE) products accounted for 27 percent (20) of sales in the third quarter and amounted to 59 million (42).
- Gross margin decreased with 0.3 p.p. to 50.3% (50.6).
- Adjusted EBITA margin amounted to 9.5% (12.0). The development was mainly due to a changed product mix and a generally higher cost level.
- The third quarter of the year included items affecting comparability of SEK -5 million (-21), which can be attributed to restructuring of the supply chain.
- Financial items (net) amounted to SEK -0.2 million (-41.1).
- EPS was 0.14 SEK (-0.74).

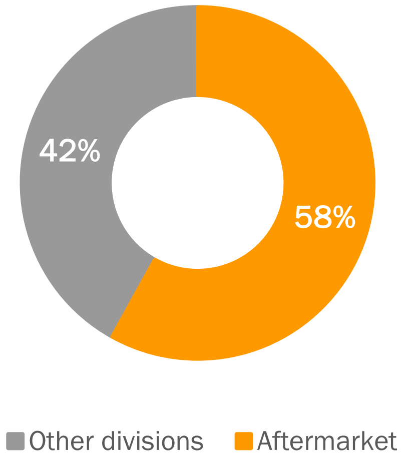
Aftermarket

Costs for components and freights remain at high level

- Net sales fell 8 percent to SEK 128m (140) for the third quarter. Adjusted for currency -15 percent. The Aftermarket division noted more volatile demand for end consumers due to the current geopolitical situation and its impact on the economy, and a lower share of online sales.
- Adjusted EBITDA was similar to the previous year at SEK 50m (49), corresponding to a margin of 38.8 percent (35.3). The positive margin development is primarily due to the price increases conducted during the second quarter and lower share of air freights.



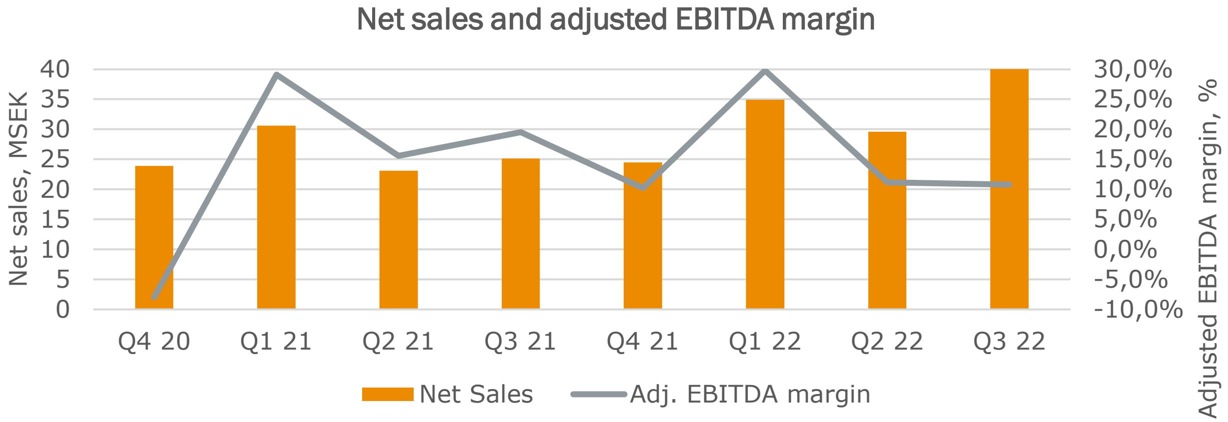
Share of divisional sales Q3 – Aftermarket



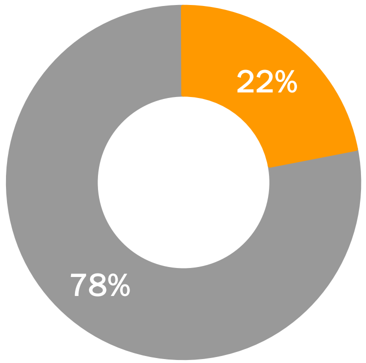
Original Equipment

Increased deliveries to car manufacturers

- Net sales increased 92 percent to SEK 48m (25) for the third quarter. Organic growth was 72 percent. The performance was due to generally higher demand, primarily in the EVSE segment, from a number of leading automotive manufacturers in different geographies after a weaker period. First units of the base variant, the EVSE platform “Ultium Chargers” co-developed with GM, was delivered in the third quarter.
- Adjusted EBITDA amounted to SEK 5m (5), corresponding to a margin of 10.7 percent (19.5). The reduced margin was due to a changed product mix and investments in development resources.



Share of divisional Q3 – Original Equipment



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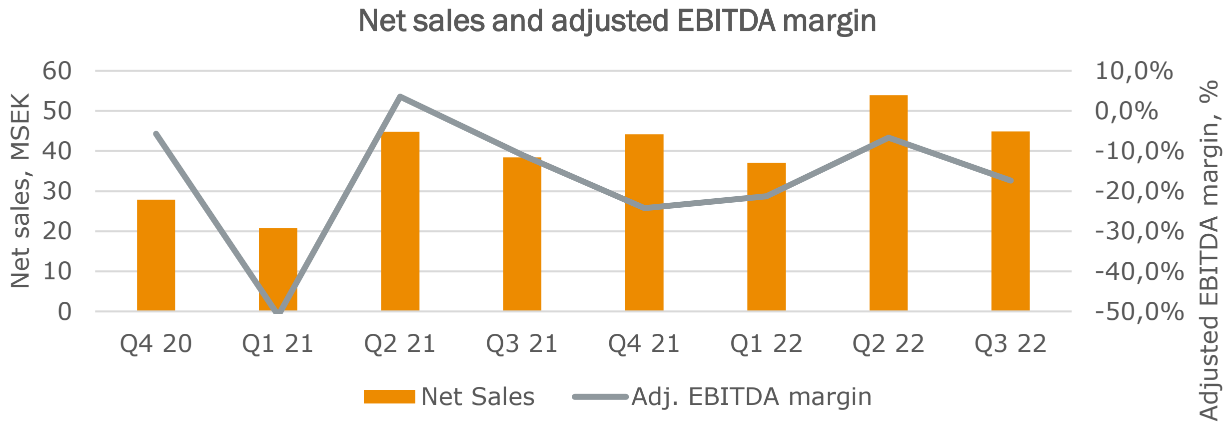
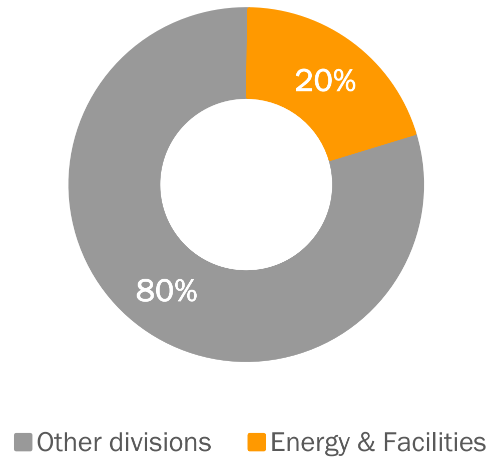
Energy & Facilities

High demand from core market customers

- Net sales increased 17 percent to SEK 45m (38) for the third quarter. Organic growth was 15 percent. The demand for EV chargers remained high in CTEK's core geographic markets.
- Adjusted EBITDA amounted to SEK -8m (-4), corresponding to a segment margin of -17.3 percent (-11.0), which is explained by increased costs for entering new markets and product launches. Furthermore, the operations continue to have a relatively large share of fixed costs compared with current volumes.



Share of divisional sales Q3 – Energy & Facilities

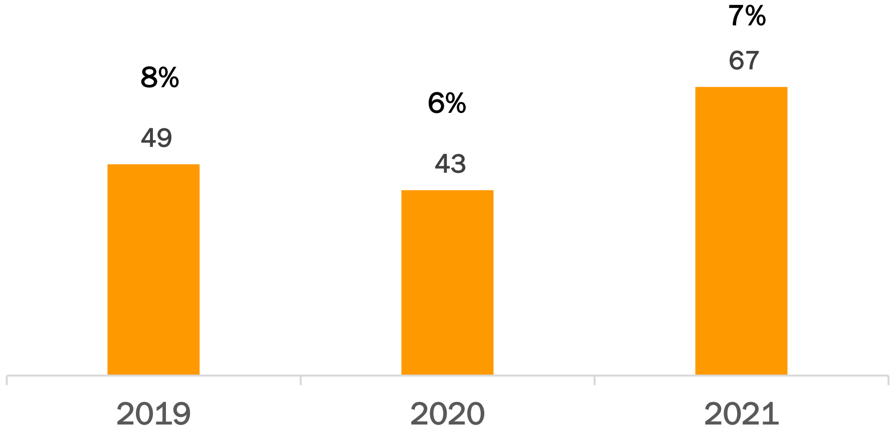


Cash flow and Capex

Higher OPEX needs reduces cash flow from operations

- Cash flow from operating activities amounted to SEK -9m (-2) for the first nine months.
- Capex for the period amounted to SEK -85m (-42).
- Cash flow for the period was -39m (-63).
- Cash and cash equivalents at the end of the period amounted to 19m (34). Available credit facilities at the end of period amounted to SEK 200 million (100), and SEK 118 million (0) had been utilized.
- Net debt ratio for the period (LTM) increased to 4.5x as an effect of lower results and an increased demand for working capital. Robust actions initiated to reduce the cost base.

Capital expenditure development (2019-2021)



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Strategy and Current trading

Current trading

- **The partnership with General Motors**
  - First deliveries of Ultium Chargers to General Motors. Gradually increasing volumes of deliveries of the base version in coming quarters
  - Launch of an additional product model beginning of 2023
  - A major development project, which involves many consultants and has been ongoing in for the past few years, is now in the final phase and will be significantly scaled down moving forward.
- **Focus on core markets within Energy & Facilities**
  - The primary focus for the quarters ahead will be on geographies where we already have an established network and relationships instead of new geographic markets.
  - Even greater importance will be attached to our core markets of Sweden and the UK in the short term.
- **Challenges within Aftermarket**
  - CTEK expect the challenging macro environment to continue, at least until the end of the year
  - The portable EV charger, NJORD GO, is in full production and we continue to launch the product in more markets
- **Robust action initiated to reduce net debt ratio**
  - More focus on external partnerships moving forward, which will lead to a natural reduction in development costs.
  - Necessary to adapt our personnel levels to the market situation. All in all, this means that we are further concentrating our operations and future product portfolio to reinforce our position in selected areas.
- **Fourth quarter in line with the third quarter**
  - Net sales for the fourth quarter estimates to be in line with the third quarter of the year but with slightly lower margins, driven by such factors as a changed product mix.
  - The long-term growth potential in our industry is strong and it is driven by the growing global car parc with more advanced electronics and the electrification of the vehicle fleet

Mid term strategy

AM strategy

EVSE
- Grow using established relations

Low voltage
- Develop next generation consumer offering
- Grow in professional offering
- Grow in prioritized geographies

OE strategy

- Retain strong position in client branded offering
- Develop current and win additional contracts

E&F strategy

- Expand geographical footprint
- Extend hardware offering
- Develop back-end platform and service offering
- Achieve profitability from operational scale effects

M&A Strategy

M&A opportunities
- Fragmented EVSE market
- Value chain expansion
- Geographic expansion
- Product expansion

CTEK is an attractive buyer
- Powerful brand equity
- Global distribution power

Today

Future

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Financial targets mid term

Growth	• *Achieve SEK 2bn in sales in the medium term with the majority stemming from EVSE products*
Margin	• *Achieve an adjusted EBITA margin of more than 25% in the medium term. Growth in the E&F division may impact in the short term*
Capital structure	• *Net debt shall amount to less than 3.0x LTM adjusted EBITDA, strategic decisions such as acquisitions can have a temporary impact*
Dividend policy	• *We invest our resources into growth and developing our business. In addition, we aim to pay out a dividend corresponding to 30% of net earnings*


25
25 YEARS POWERED BY CTEK
CTEK
MXS 5.0
12V/5A
MODE
RESET
automobili Lamborghini
POWERED BY CTEK
CTEK
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