



## Message from the CEO

To our certificate holders,

In 2020 we continued to make steady progress towards our goals. In challenging circumstances we built 17 new stations including our first stations in two new countries: Belgium and Switzerland. We grew our revenues by 37% even though people drove far less than they used to. Also, we have been lucky. Other entrepreneurs have been hit much harder by the Corona pandemic and the ensuing restrictions. I feel for them and my heart goes out to them.

On the 26th of February 2021, something special happened. We placed 150 million euro in new equity with institutional investors. This capital raise is a true game changer for Fastned, as it allows us to step up our game from playing a pivotal role in the chicken-and-egg situation of electric cars versus charging infrastructure in the Netherlands into a leading charging company in Europe.

Which brings us to expectations.

### **Planning for millions of BEVs, and then some more**

Although we have seen tremendous growth in electric vehicles sales in the past years, we are still at Day One (yes, I borrowed that from Jeff Bezos) of an exponentially growing charging market. Today around

1% of cars in our markets are electric and most governments in these countries plan to phase out sales of cars with combustion engines by around 2030. Bloomberg New Energy Finance expects that before 2025 electric vehicles will outperform cars with internal combustion engines in every way. The consequence is that it is likely that by 2030 nearly all new car sales will be fully electric. From that moment onwards it will take roughly two decades before the entire car stock on our roads is electric, as cars on average are used for around 15-25 years in Western Europe. This is why the charging market will be a growth market for several decades to come.

However, this outlook assumes that the right charging infrastructure is in place at the right time. We can't just sit back and see what happens. Fast charging infrastructure is key in allowing people to drive wherever they want to go. I founded Fastned in 2012 with the aim to give electric drivers this freedom, thereby enabling the transition towards electric mobility.

In our view, it's a bit like the computer chip business. Moore's law predicts the doubling of transistors on an integrated circuit roughly every two years. But Moore's law isn't a law of nature. It's merely a prediction of the future that people in the computer chip industry started to believe in. If everyone believes chips will have twice the amount of transistors, everyone in the chip industry will start preparing for that moment today.



The same is now true for electric vehicles and charging infrastructure.

This is why, over the last eight years, we have put in place what we believe are the fundamentals for a thriving charging company.

## Eight years of preparations, ready to start paying off

We developed a large pipeline of locations with ample space to scale our business along with an exponentially growing market. Each station is built for expansion with more and faster chargers. We want to make significant long term investments in charging capacity and the user experience on these locations. Therefore, we decided to not follow the easy route of partnering up with location hosts and becoming the middle man that operates chargers for someone else. Instead, we consciously decided to go down the difficult route of procuring and developing our own locations. We believe that this strategy results in more value for BEV drivers as well as to investors.

Instead of hiring third parties, we in-sourced practically everything we considered vital to our core business, in order to lower our cost to serve, and to learn and improve our customer experience faster.

I can tell from experience that building a charging network is not a walk in the park. To get it up and running you need to have many components in place, and getting these components in place takes a long time. Permits regularly take longer than six months to be issued. Procuring a grid connection can take up to two years. Developing our own software system took us more than two years, and we work on improving it every day. We now have more than eight years of experience and all components of a charging business solidly in place. This makes Fastned a unique player in this emerging charging market.

Over the years many people told us that all of this is great; but at the same time funding to fully implement this strategy continued to be a challenge. Fortunately, with the recent 150 million euro fundraise this bottleneck has now been resolved, paving the way to accelerate on our mission.

Which brings me to one of the hardest - and least understood - challenges. Getting the right locations and many more of them.

## Location, location, location

We believe that fast charging will be essential to the success of electric vehicles. No other solution scales as well as fast charging stations that can be upgraded quickly with more and faster chargers. Such scaling capacity is needed to keep up with the rapidly growing demand for charging from the exponentially growing number of BEVs on the road.

We observe on a daily basis that large, spacious drive-through fast charging stations with a big canopy for visibility are the best solution to handle a lot of traffic.

The key thing you need for such stations are large plots of land situated directly adjacent to high traffic roads.

The hard thing is that these plots of land, such as motorway service areas, are most often regulated or owned by governments and parts of them are leased out to petrol stations to serve the needs of fossil cars. This leads many people - including policymakers - to believe that petrol stations should be the ones adding fast chargers to their stations.

But here's the thing: building charging stations isn't and shouldn't be the privilege of petrol stations: every company should be able to compete for these new permissions to sell charging services. Competition is important to make sure that the best and most ambitious companies make it happen. Only allowing petrol stations to add fast chargers would cancel out competition.

This can be illustrated by comparing the charging market to another part of the energy transition: wind turbines. How much progress would we have made with wind energy if there would be a requirement that only operators of coal power plants were allowed to realise wind turbines? A lot less! Because there would be less competition and therefore less need to improve their offering.

That's why we're advocating for public tender procedures, fair competition, and equal market access for all players to these plots of land. Transparent tenders create competition on elements such as the customer experience, uptime, the installed power, and other quality aspects. The result is that the best party wins, tender by tender, to the benefit of the electric driver and the energy transition as a whole.

Luckily governments and politicians are starting to realise this. In Switzerland and France, we won tenders that were open to everyone. Fair competition and an open market are the way forward for governments to make electric driving a success.

## What makes Fastned special

There are a couple of reasons why I think Fastned is well-positioned to build out fast charging infrastructure and continue to be a leader in the charging market for decades to come.

- *Zero distractions.* Our sole focus is to build a thousand fast charging stations to serve millions of electric vehicles. We don't have to deal with a fossil fuel business in decline, nor with providing a palette of charging solutions, both fast and slow. We put all of our focus on building out a fast charging network which we believe is the most scalable option.



- *Operational experience.* Fastned has over seven years of operational experience. We have shown a consistent station uptime of over 99.9% since 2015. We constantly bring to market innovations that improve the experience of the electric driver and/or allow us to optimise our operations. This is the result of starting early and investing boldly in software, processes, and learning fast in a front-runner market.
- *CAPEX efficiency.* From the start, we have invested in taking full control over the construction process. We design the stations and sites ourselves. We work directly with local contractors to get the stations built. As a result, we are able to do so at competitive costs. This is important because the business case of charging is driven by the utilisation of infrastructure and the cost for which it is realised. High capex efficiency therefore gives a competitive advantage. 20% lower CAPEX allows us to have 25% higher returns (not being percentage points) or outprice competitors by 15% at the same return.
- *The best customer experience.* Because our business model is driven by the utilisation of the assets we put a lot of effort into making our stations visible and easy to use. This will generate more traffic and result in more return visits. Moreover, a great customer experience results in fewer customer service calls, which is important to keep costs down, as well as keeping call volume under control in an exponentially growing market.

## Making history and our goals for 2021

Our mission is to accelerate the transition to sustainable mobility. Averting climate change is the challenge of our generation. As a result, we see that more and more talented people choose to contribute to a solution. The number of smart and talented people applying to our job positions is increasing. These people want to join Fastned because they want to work for a company that is solving a real problem. They want to be on the right side of history.

In 2021 we will be hiring more of these talented people and with our team we will be accelerating the roll-out of stations, further improving our operational excellence, and developing new lines of business such as charging stations more suitable for electric busses and trucks. We will build our first convenience store(s) together with partners and start adding batteries to stations to manage peak loads and make better use of our grid connections.

These things and many more make me incredibly excited about the coming years.

Michiel Langezaal

30 March 2021