

2020 Half-Year Results

Emerging from COVID-19 stronger than at its start

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Strong performance and improved commercial position

Emerging from COVID-19 in a stronger position than at its start



1 Strong trading performance in 1H 2020 given COVID-19 with 31% increase in cash flow (FFO⁽¹⁾)

2 Increased portfolio of 11.9 million meters; more meters protected if consumers switch supplier

3 Accelerated Lowri Beck restructuring: 2021 EBITDA breakeven and medium term positive contribution

4 New strategic capability in EV⁽²⁾: Lowri Beck approved installer for first charging point manufacturer

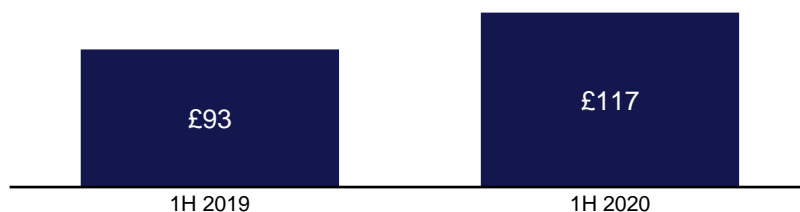
5 £1.1 billion refinancing: longer tenor⁽³⁾, greater flexibility and recurring benefit from lower cost of debt

Note:
(1) Funds From Operations. FFO is defined as underlying EBITDA less movements in trade and other receivable / payable working capital items, interest (excl. shareholder loan interest, letters of credit and swap break costs), cost of derivatives and tax. Excludes Compensation Income
(2) Electric Vehicle(s)
(3) Of drawn amortising facilities

Performance demonstrates resilience of the business model



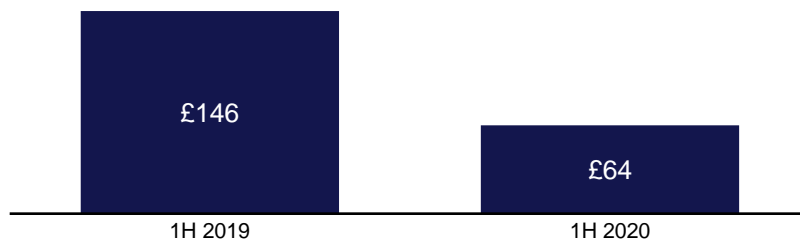
Revenue⁽¹⁾
(£ in millions)



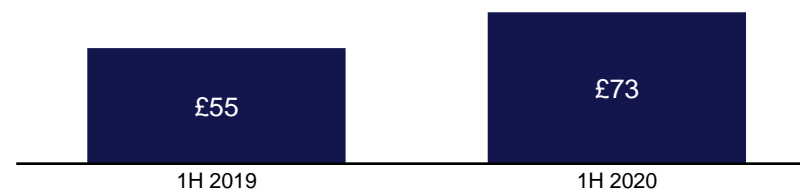
Underlying EBITDA
(£ in millions)



Capex⁽²⁾
(£ in millions)



FFO⁽³⁾
(£ in millions)



Source: Calisen's 2019 accounts. 2019 includes £4m one off income arising on contract change.

(1) Revenue excludes Compensation Income.

(2) Capex defined as purchase of property, plant and equipment.

(3) FFO is defined as underlying EBITDA less movements in trade and other receivable / payable working capital items, interest (excl. shareholder loan interest, letters of credit and swap break costs), cost of derivatives and tax. Excludes Compensation Income.

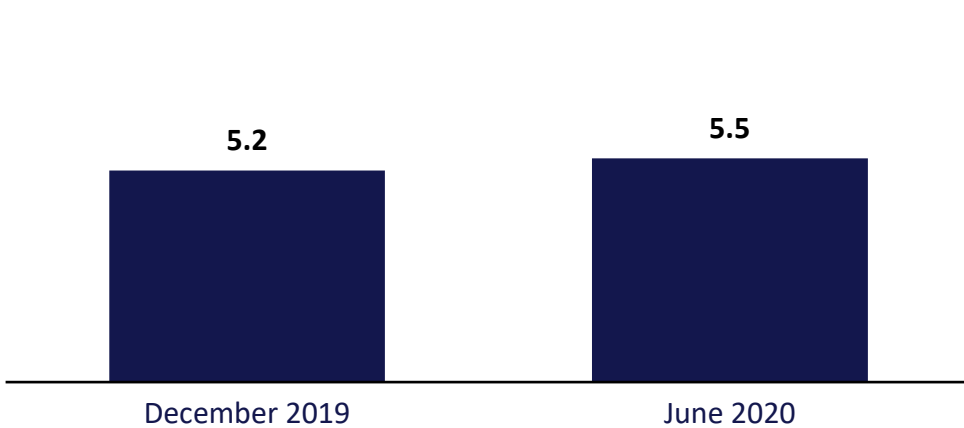
Improvement in all key meter portfolio metrics



Confirmation from BEIS of a further 4 year SMIP to June 2025⁽¹⁾

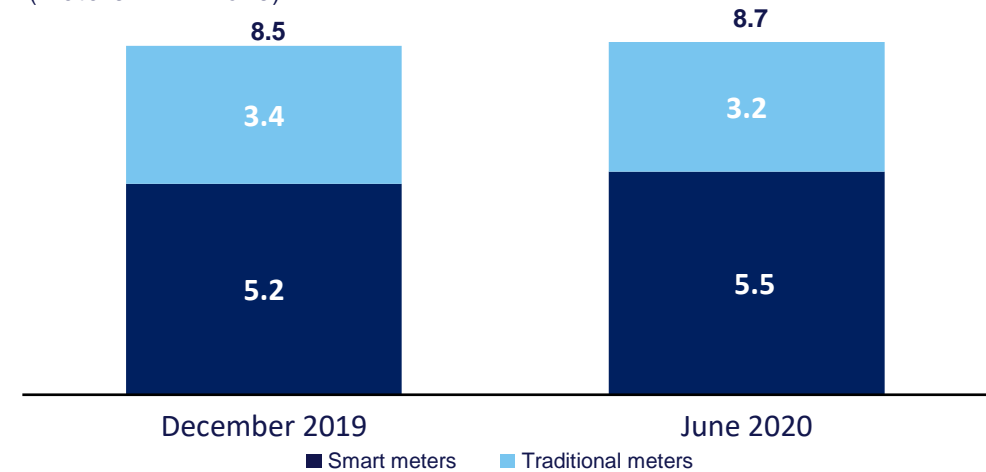
Increase in revenue-generating smart meters

(Meters in millions)

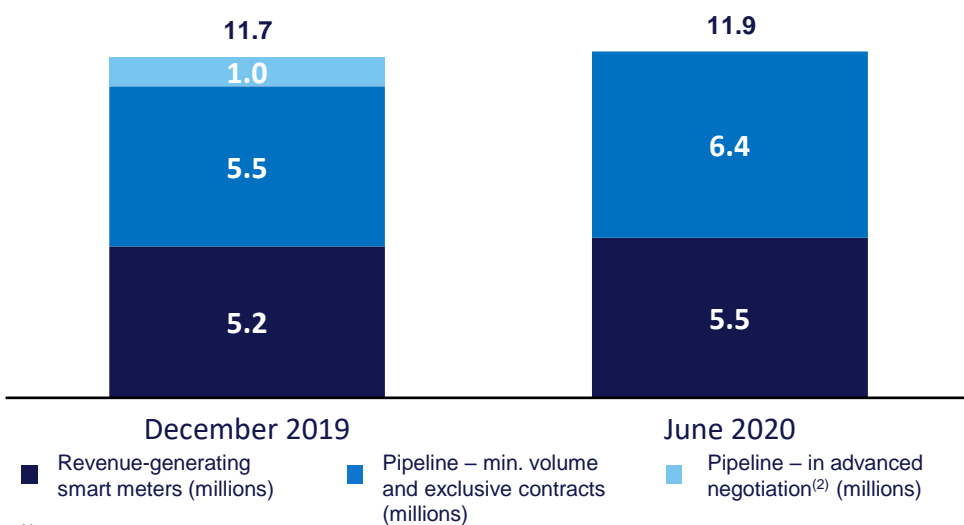


Growth in total meter portfolio

(Meters in millions)

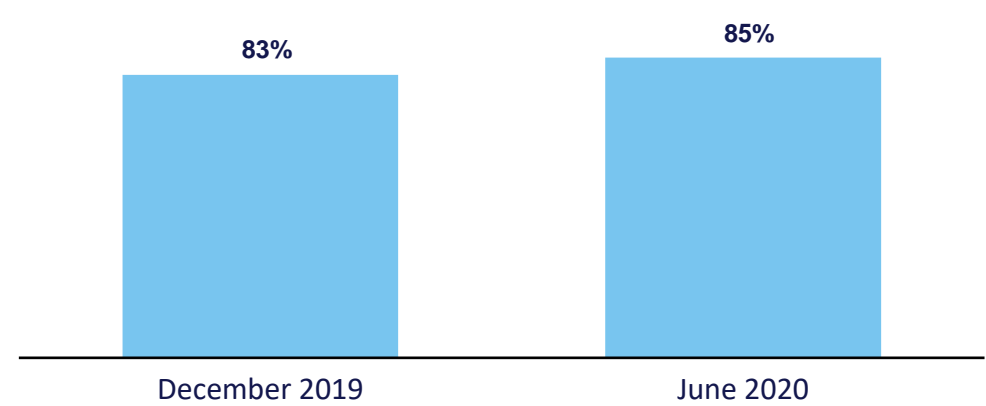


Increase in expected total smart meters at end of roll-out



Higher % of smart meters protected against early removal⁽³⁾

(% of revenue-generating smart meters)



Note:
 (1) Subject to consultation
 (2) Dec-19 pipeline numbers include figures for meters in advanced negotiation where agreements were signed in the following month.
 (3) Percentage of smart meters protected against early removal under installing contracts or churn contracts

Good progress strategically at Lowri Beck



- £5.8 million received under the Coronavirus Jobs Protection Scheme in 1H 2020
- Remobilisation underway to return staff to work safely

Accelerated restructuring: £3.5 million reserve in 1H 2020

Improved density for installations

More efficient back office



- EBITDA breakeven in 2021
- Positive contribution in medium term

Adding EV⁽¹⁾ charge point installations

Recent certification for EV charging point training

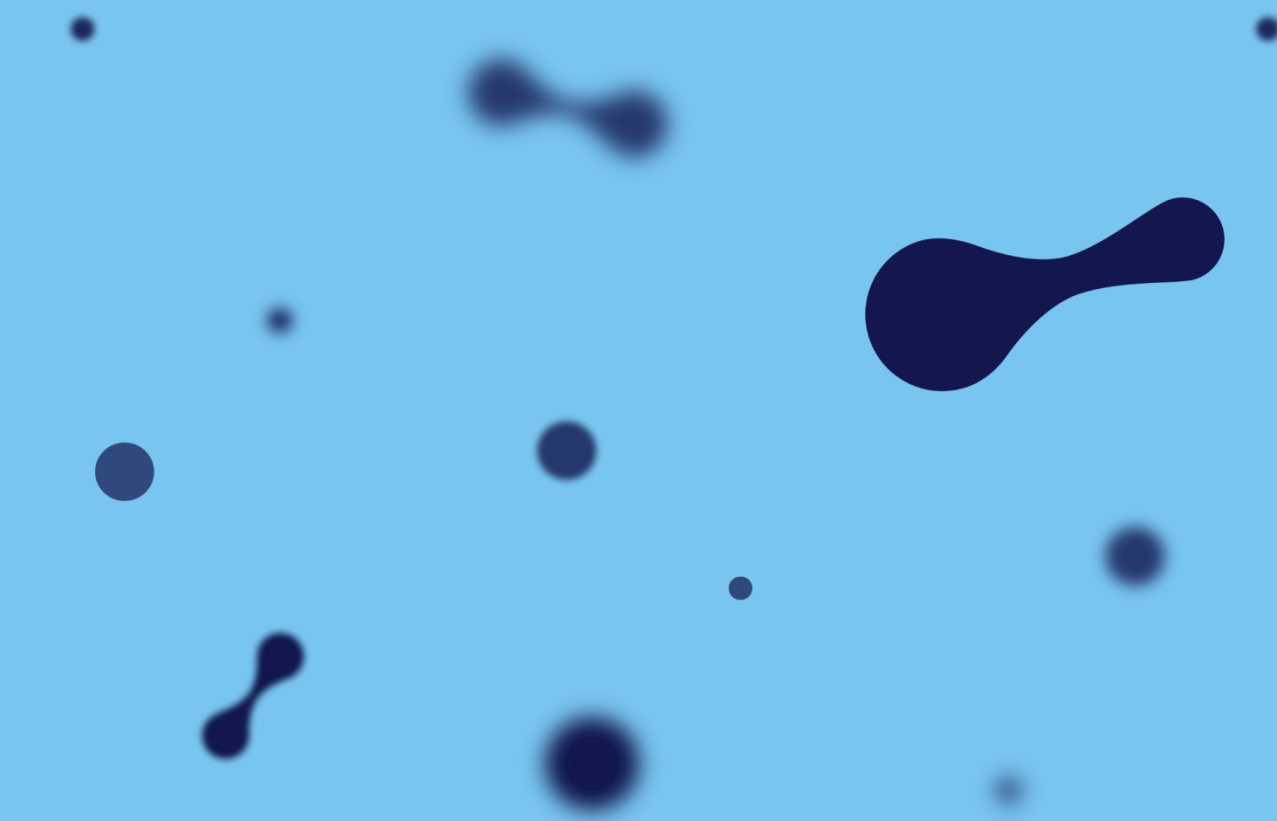
Approved installer for first charging point manufacturer



- Small but strategic step into new asset class

Note:
(1) Electric Vehicle(s)

£1.1 billion refinancing



£1.1 billion refinancing and new financing platform put in place

Recurring benefit of reduced cost of debt and extended tenor while increasing flexibility for future funding



Secured longer dated meter funding

- Previous facility maturity: 2022/2029
- New institutional tranche maturity: 2034
- Previous weighted average life⁽¹⁾: 3.8 years
- New weighted average life⁽¹⁾: 8.5 years

Increased flexibility

- Previous facilities: mainly bank market
- New facilities: both bank and institutional markets
- Future flexibility: bank, institutional or public bond markets

Reduced cost of debt⁽²⁾

- Previous Group cost of debt: 3% to 4%
- New Group cost of debt: 2.5% to 3%

Hedges reset in lower interest rate environment

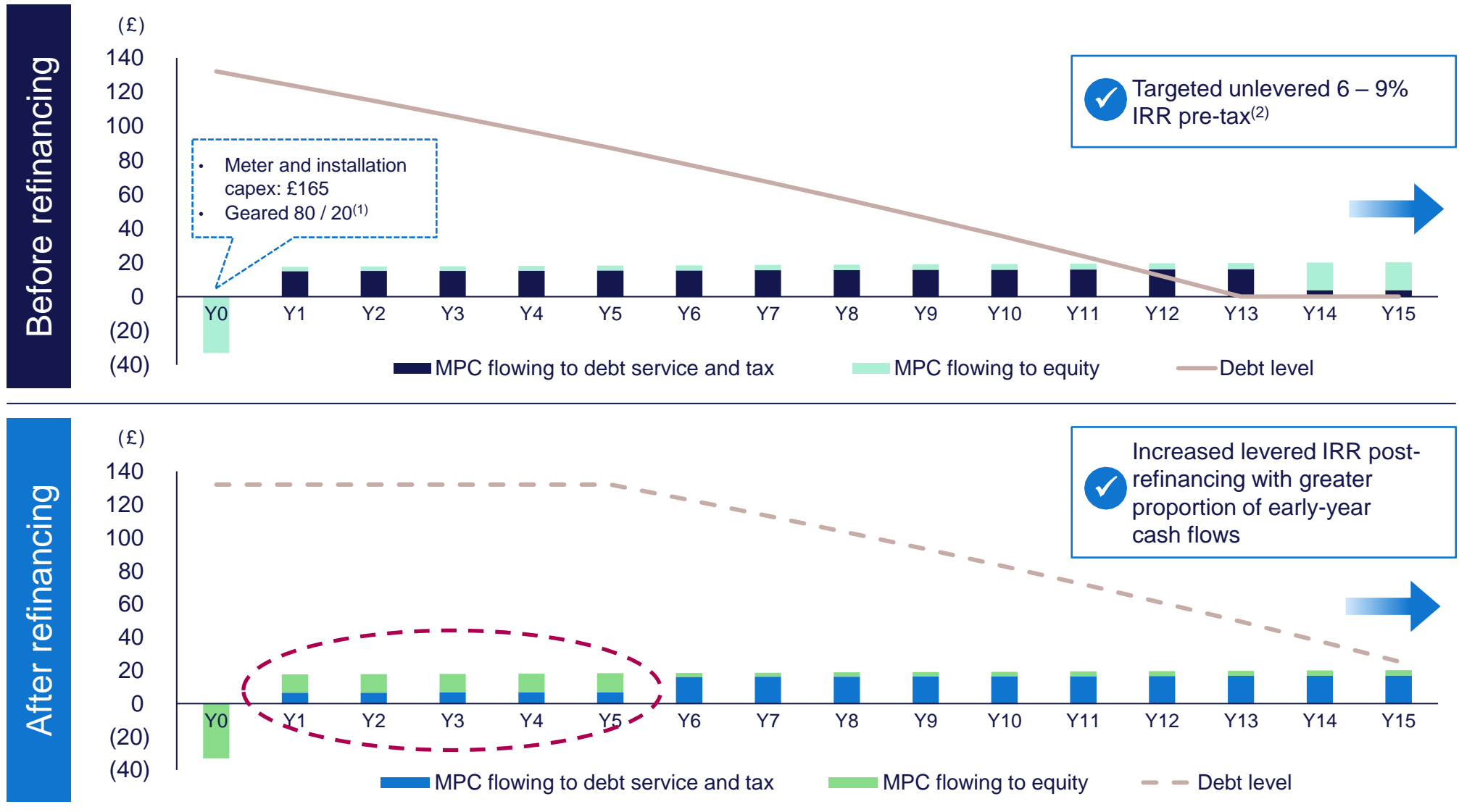
- New hedges set in low interest rate environment: should reduce P&L volatility

Notes:

(1) Weighted average life of drawn amortising facilities

(2) All-in cost including hedging.

Longer weighted average debt maturity boosts cash returns



Source: Company Market Study.

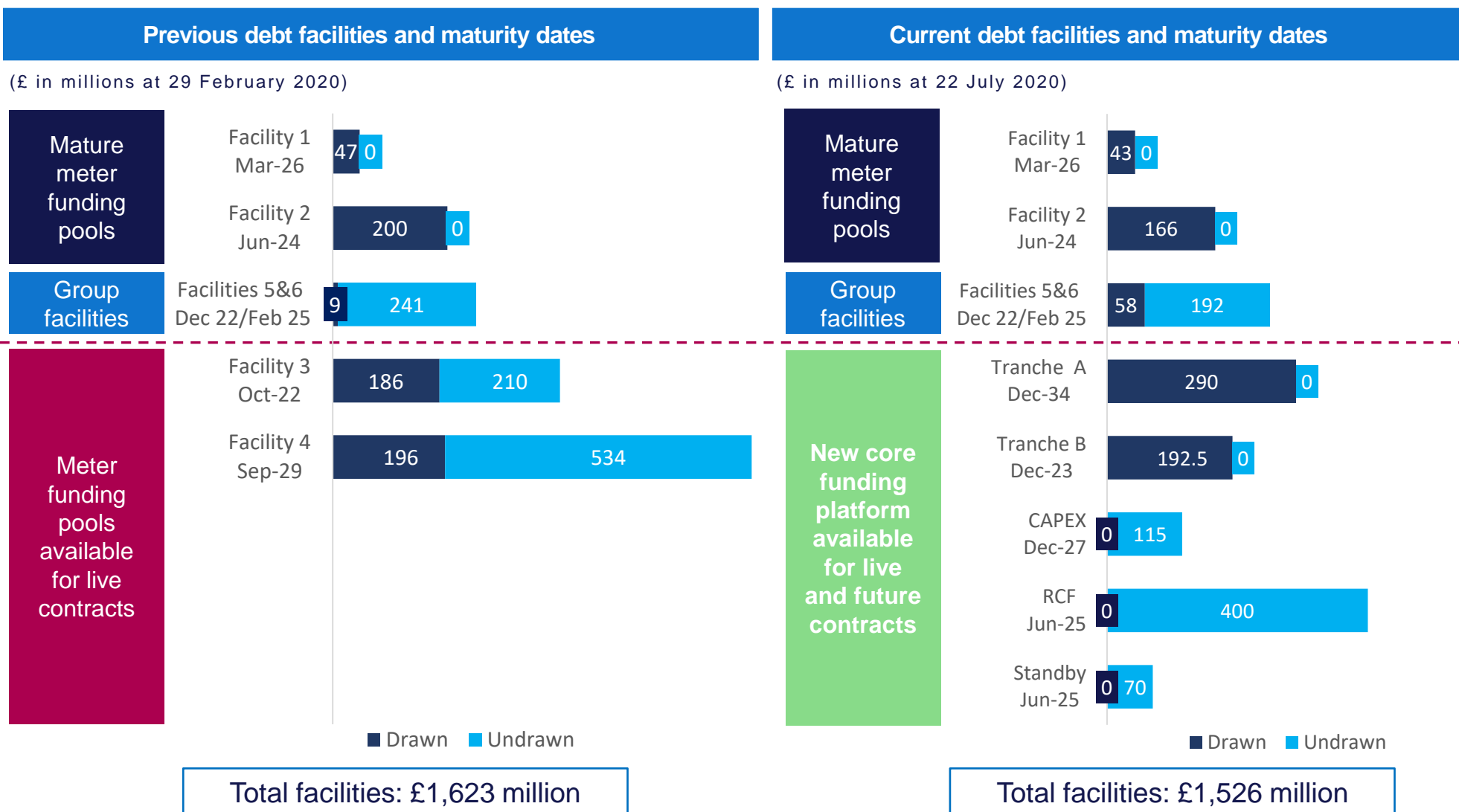
(1) Gearing of 80 / 20 in majority of contracts.

(2) As per Management's expectation.

£1.1 billion refinancing increases flexibility and reduces cost of capital

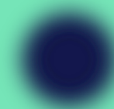


New platform diversifies funding sources and facilitates future access to debt capital



Note: RCF means Revolving Credit Facility

Financial Results



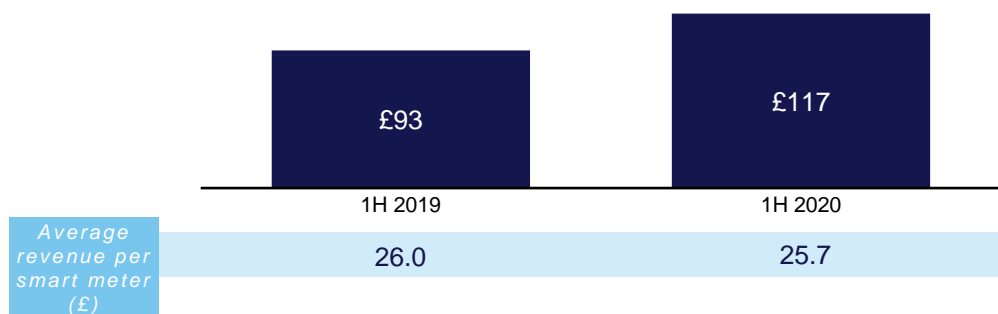
Financial overview



Stable performance and good cash conversion; lower capex reflects suspension of installations in March 2020

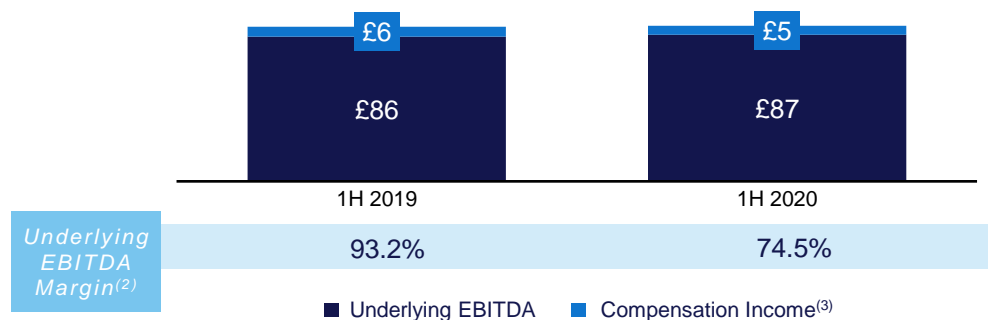
Revenue⁽¹⁾

(£ in millions)



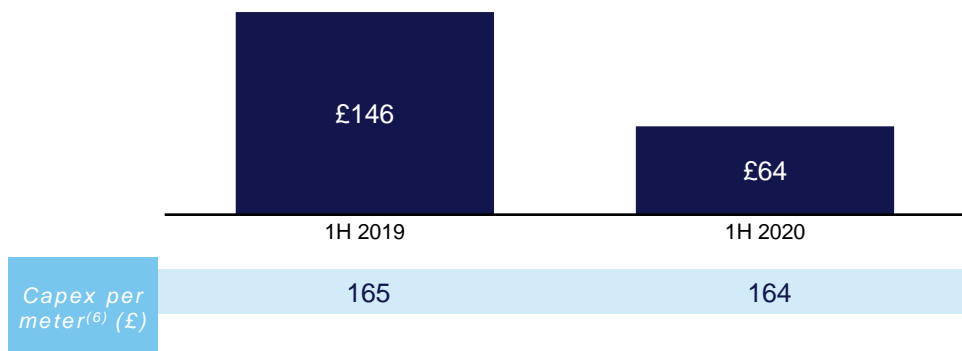
Underlying EBITDA

(£ in millions)



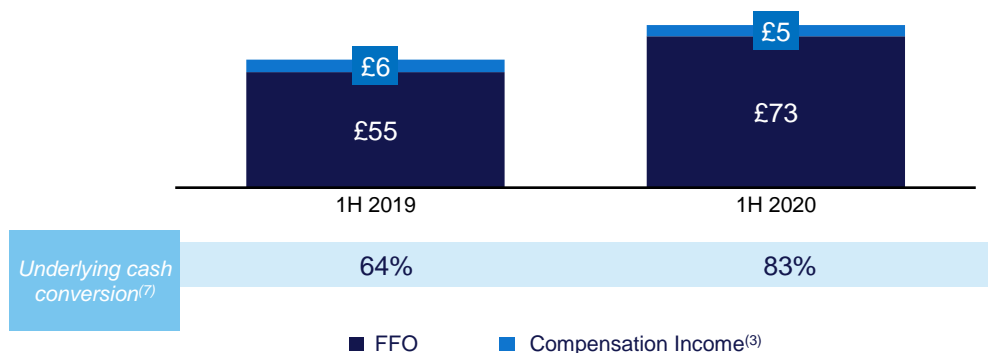
Capex⁽⁴⁾

(£ in millions)



FFO⁽⁵⁾

(£ in millions)



Source: Calisen's 2019 accounts. 2019 Revenue includes £4m one off income arising on contract change.

(1) Revenue excludes Compensation Income.

(2) Underlying EBITDA margin (2019 does not include impact of consolidating Lowri Beck).

(3) Compensation Income defined as contractually agreed-upon cash payments for premature meter removals; Compensation Income contributes to Adj. EBITDA.

(4) Capex defined as purchase of property, plant and equipment.

(5) FFO is defined as underlying EBITDA less movements in trade and other receivable / payable working capital items, interest (excl. shareholder loan interest, letters of credit and swap break costs), cost of derivatives and tax. Excludes Compensation Income.

(6) Defined as total capex adjusted for trade creditors and one off capital flows divided by total installations during period.

(7) Underlying cash conversion defined as FFO divided by Underlying EBITDA.

Income statement overview



<i>(£ million unless otherwise stated)</i>	1H 2019	1H 2020
Revenue	92.6	117.4
Cost of sales	(45.5)	(56.7)
Gross profit / (loss)	47.0	60.6
Administrative expenses	(6.3)	(13.0)
Other expenses	-	(8.6)
Amortisation of intangible assets	(20.4)	(22.4)
Operating profit / (loss)	20.3	16.6
Interest income/(expense)	(60.7)	(40.0)
Profit / (loss) before tax	(40.3)	(23.4)
Taxation	3.3	(11.1)
Profit / (loss) for the period	(37.0)	(34.5)
Adjusted earnings per share⁽¹⁾	53.7p	0.5p

Source: Calisen's IFRS accounts.

Note: Not all figures sum due to rounding.

(1) Profit/(loss) for the period before the cost of shareholder loans and equity bridge loans, the amortisation of brand and customer contracts and exceptional items, divided by the number of shares outstanding at 30 June 2020 (547,980,973).

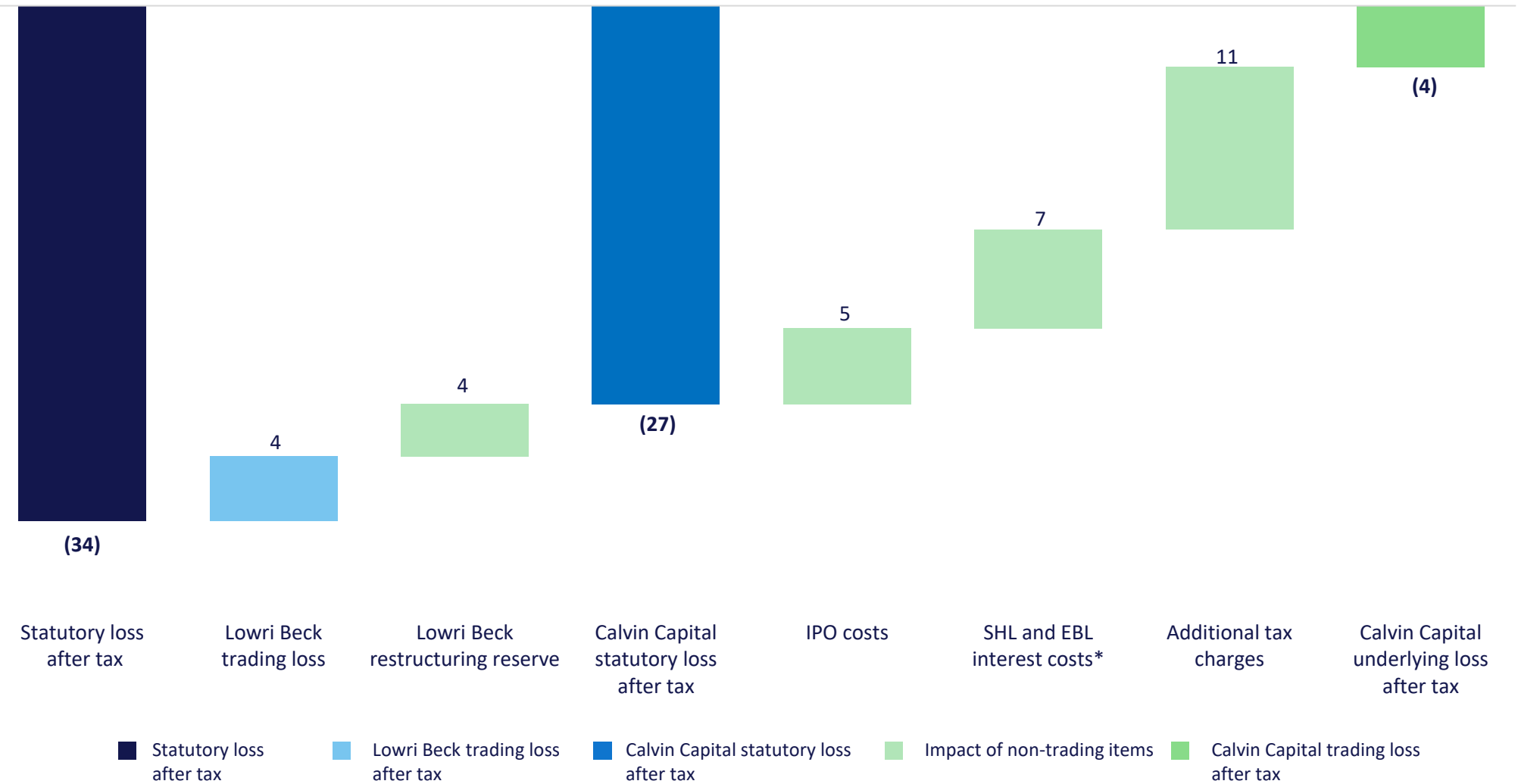
Impact of non-trading items on statutory result

Statutory result included a number of non-recurring items in the half-year



P&L impact of one-off charges in 1H 2020

(£ in millions)



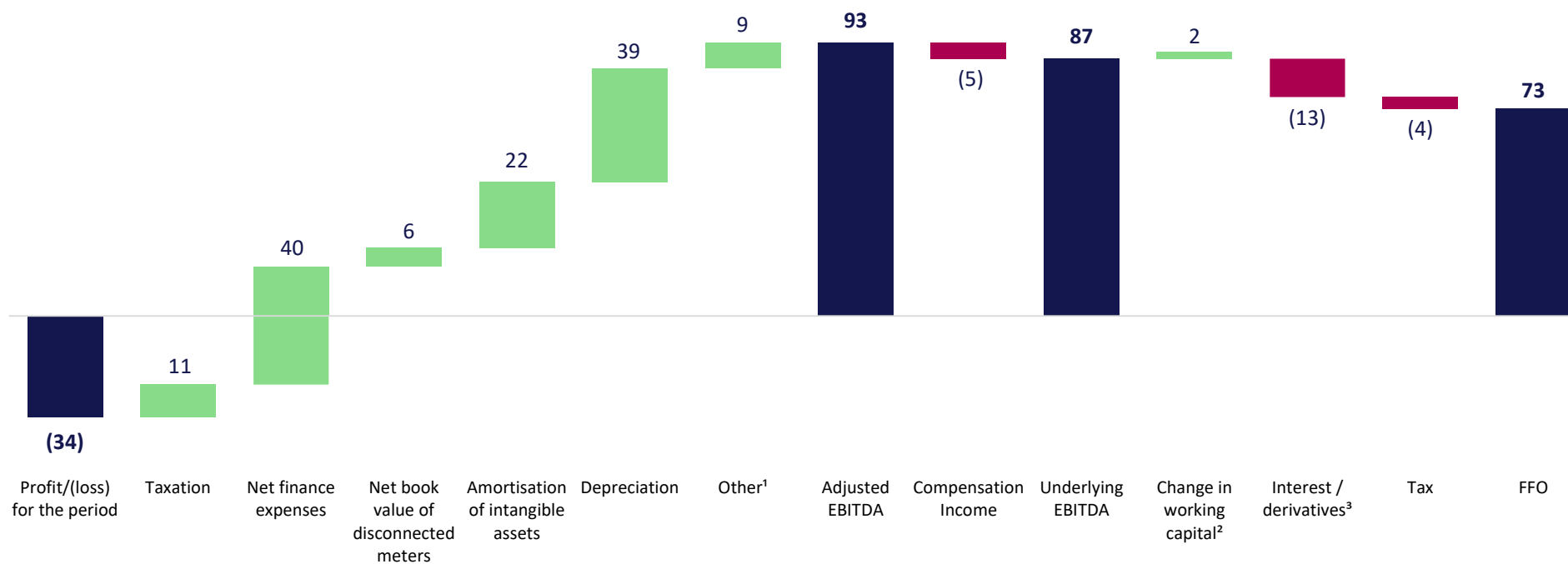
* Shareholder Loan and Equity Bridge Loans charged until 12 February 2020

Continued strong cash generation



FFO for the six months ended 30 June 2020

(£ in millions)



	Profit/(loss) for the period	Taxation	Net finance expenses	Net book value of disconnected meters	Amortisation of intangible assets	Depreciation	Other ¹	Adjusted EBITDA	Compensation Income	Underlying EBITDA	Change in working capital ²	Interest / derivatives ³	Tax	FFO
1H 2020	(34.5)	11.1	40.0	6.5	22.4	38.7	8.6	92.8	(5.4)	87.4	2.4	(13.1)	(4.0)	72.7
1H 2019	(37.0)	(3.3)	60.7	11.2	20.4	40.5	(0.1)	92.3	(6.1)	86.2	(16.7)	(12.1)	(2.0)	55.5

Source: Calisen's IFRS accounts.

Note: Not all figures sum due to rounding.

(1) Other includes £5.1 million of IPO costs and £3.5 million for the Lowri Beck restructuring reserve

(2) Includes change in trade and other receivables and change in other payables.

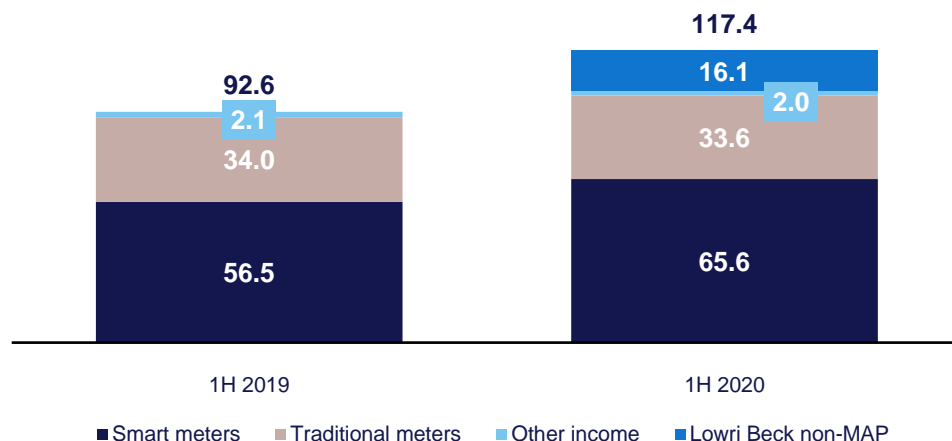
(3) Interest (excl. shareholder loan and letters of credit) and cost of derivatives.

Resilient revenue generation from the MAP business



Revenue⁽¹⁾

(£ in millions)



Net increase in revenue-generating smart meters

(Additional meters in millions)



Revenue generating meters

(In millions)

	1H 2019	2H 2019	1H 2020
Traditional	3.2	3.4	3.2
Smart	4.4	5.2	5.5
Total	7.6	8.5	8.7

Average revenue per meter⁽²⁾

(£ per annum)

	1H 2019	2H 2019	1H 2020
Traditional	20.7	20.5	20.5
Smart	26.0	26.3	25.7
Average	23.6	23.8	23.6

Source: Calisen's IFRS accounts.

Note: Not all figures sum due to rounding.

(1) Revenue excludes Compensation Income.

(2) Average revenue per meter has been recalculated for prior periods using a rolling average of the previous 12 months' average revenue per meter. Previously, it was calculated using total meter revenue divided by a simple average of the opening and closing meter balances for the period.

Balance sheet shows deleveraging impact of IPO



Debt⁽¹⁾

(£ in millions)

	2H 2019	1H 2020
Senior debt and HP	1,211.4	680.4
Equity bridge loan (excluding debt issue costs)	226.5	-
Total debt⁽²⁾	1,437.9	680.4
Cash	(50.3)	(148.7)
Net debt	1,387.6	531.6
Shareholder loan	583.2	-

Interest payable and expenses

(£ in millions)

	1H 2019	1H 2020
Senior debt and hedging	(7.7)	(10.0)
Equity bridge loan and hedging ⁽³⁾	(2.3)	(0.7)
Lease interest	(0.1)	(0.2)
Senior debt commitment fees	(1.9)	(2.2)
Interest / derivatives⁽⁴⁾	(12.1)	(13.1)
Shareholder loan interest	(26.2)	(5.9)
Mark-to-market movements	(15.8)	(14.6)
Letter of credit fees	(5.0)	(2.6)
Debt issuance costs	(1.6)	(3.8)
Interest payable and expenses	(60.8)	(40.0)

■ Items not part of post-IPO capital structure

Source: Calisen's IFRS accounts.

Note: Not all figures sum due to rounding.

(1) Outstanding debt balances excludes interest accrued and any associated debt issue costs.

(2) Excluding shareholder loans

(3) Company has repaid Equity Bridge Loans following IPO.

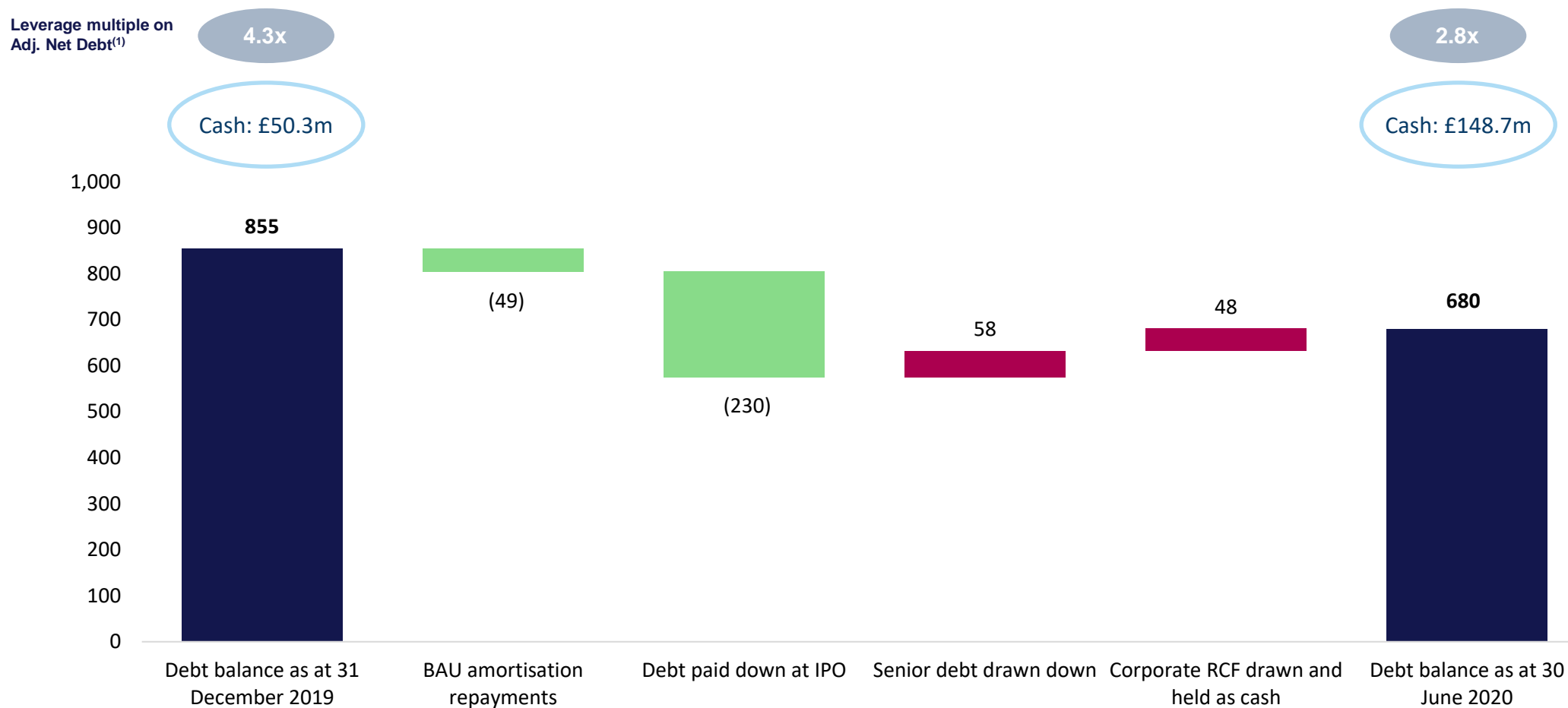
(4) Includes change in trade and other receivables / payables.

Senior debt draw down reflects lower capex in 1H 2020



Movement in debt balance (excluding shareholder loans)

(£ in millions)

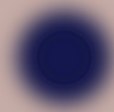
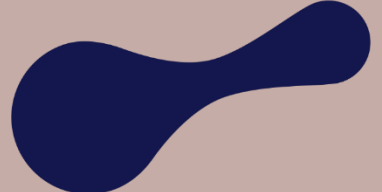


Source: Calisen's IFRS accounts.

(1) Adjusted Net Debt / Adj. EBITDA at 31 December 2019 and 30 June 2020. Defined as Adjusted Net Debt (incl. bank borrowing, EBLs and cash but excl. shareholder loan, trade payables and debt issue costs).

(2) EBL balance shown excluding debt issue costs.

Outlook



2020 guidance and medium-term outlook



Medium term outlook unchanged; smart meters remain critical to decarbonisation of UK energy segment

2020 outlook

Dividend	<ul style="list-style-type: none">No interim dividendAs stated at IPO, final dividend for FY 2020 is expected to be approximately £7 million pro-rated for the number of days for which the Company is listed in the year
Smart meters	<ul style="list-style-type: none">Expect Q3 installations to continue to ramp upExpect Q4 installations to average 80,000 to 100,000 per month⁽²⁾
Capex per meter	<ul style="list-style-type: none">Expected average capital expenditure per new SMETS2 meter of £165Potential upside if installation costs increase

Outlook beyond 2020

ARPM	<ul style="list-style-type: none">Average revenue per smart meter expected to decrease by a low single digit percentage per annum
Meter growth	<ul style="list-style-type: none">Impact from COVID-19 not material to medium term plans for growthExpect 11.9 million meters at end of roll-out in mid-2025On track to gain our share of uncontracted market of 5 million smart meters⁽³⁾
Lowri Beck	<ul style="list-style-type: none">Expected to reach EBITDA breakeven for the full year 2021Expected to make a positive contribution in medium term
Strategy	<ul style="list-style-type: none">Exploring opportunities beyond the smart meter roll-out

1. Subject to any unforeseen negative circumstances arising in the second half of the year

2. Assuming there is no material second wave of COVID-19 or significant further local lockdowns

3. Source: Company Market Study used in IPO prospectus

Conclusion

Resilient business model and robust balance sheet: confident in performance through remainder of 2020



1 Emerging from COVID-19 in a stronger position – pipeline increased, more meters protected

2 Resilient revenue and cash generation from existing meter portfolio as expected

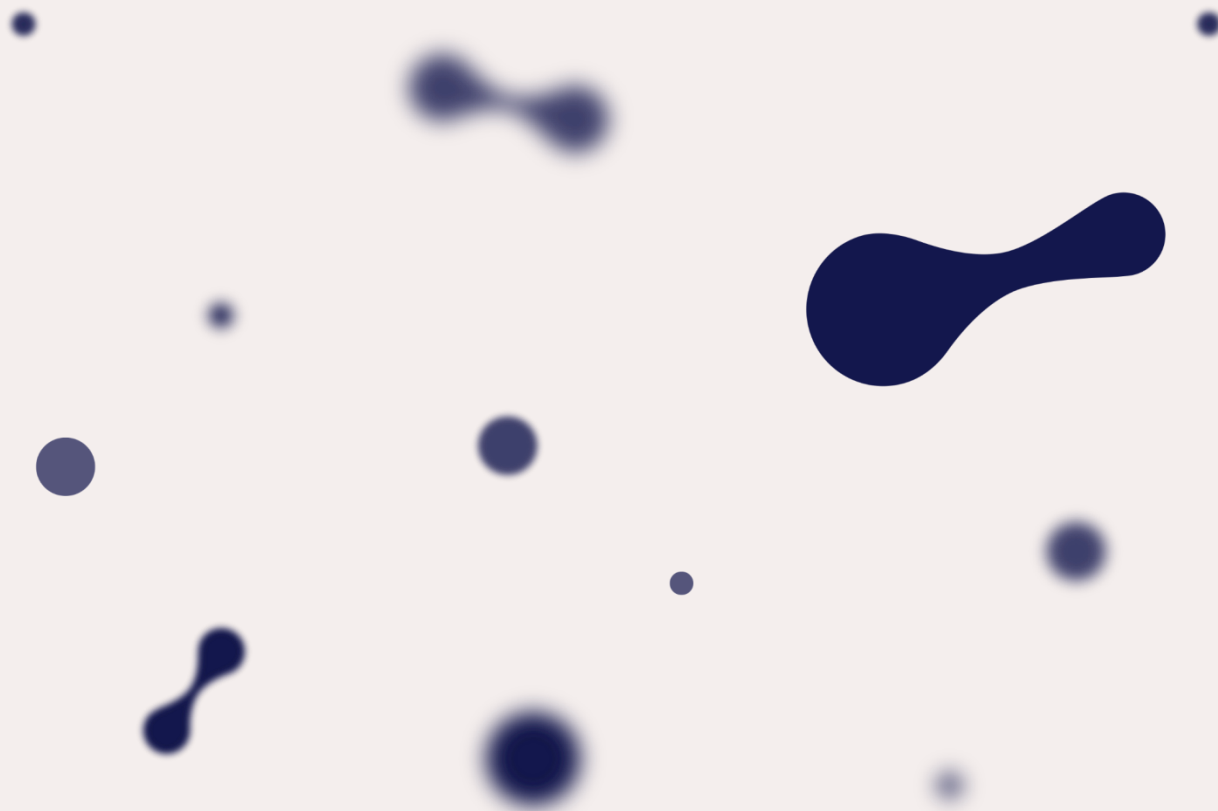
3 Taking steps towards EV installations, further strengthening our ESG credentials



Q&A

Webcast and dial in details for the 11am Q&A call / replay are available on our website at:
www.calisen.com

Appendix



Segment reporting overview



Calvin Capital is the primary driver of Group results; no 2019 contribution from Lowri Beck as prior to acquisition

(£m)	Calvin Capital and Group			Lowri Beck		
	1H 2019	1H 2020	Change	1H 2019	1H 2020	Change
Revenue	92.6	97.9	5.7%	-	19.5	-
Cost of sales, depreciation and fixed asset disposal	(45.5)	(38.5)	15.4%	-	(18.2)	-
Gross profit / (loss)	47.0	59.3	26.1%	-	1.3	-
Administrative expenses ⁽¹⁾	(26.7)	(35.7)	(33.7%)	-	(8.3)	-
Operating profit / (loss)	20.3	23.7	16.3%	-	(7.0)	-

Adjusted EBITDA	92.3	94.5	2.4%	-	(1.7)	-
Compensation income	(6.1)	(5.4)	(11.5%)	-	-	-
Underlying EBITDA	86.2	89.1	3.3%	-	(1.7)	-

Calvin Capital

- Group functions accounted for in Calvin Capital segment
- Plc expenses within administrative expenses

Lowri Beck

- First half-year period with full inclusion of Lowri Beck
- Prior half-year period pre-dates acquisition

Source: Calisen's IFRS accounts.

Note: Not all figures sum due to rounding.

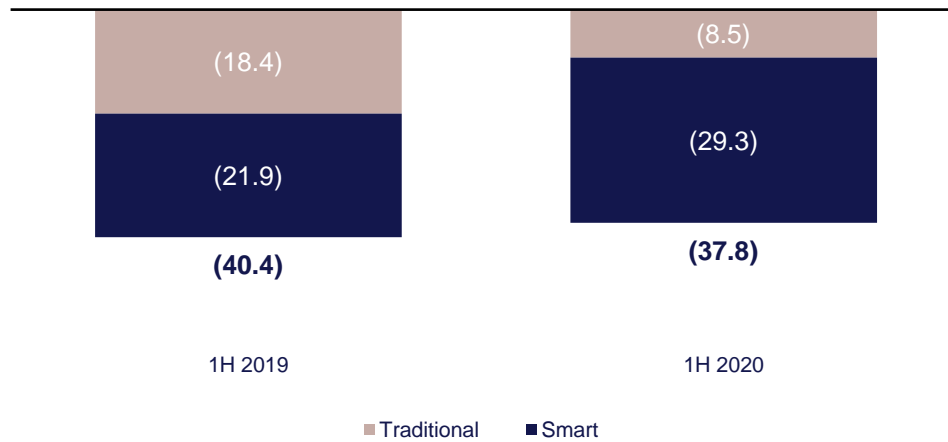
(1) Includes administrative expenses, other expenses, amortisation of intangible assets and, for Lowri Beck only, the depreciation of plant, property & equipment.

Elements of cost of sales



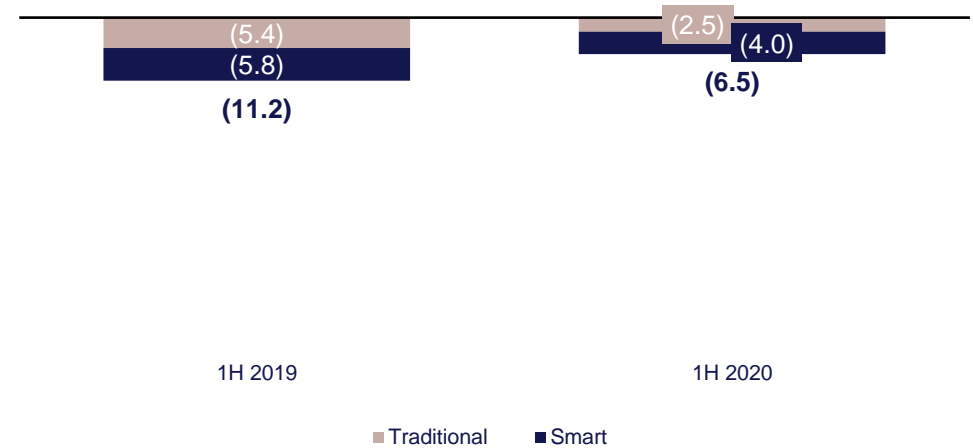
Depreciation⁽¹⁾

(£ in millions)



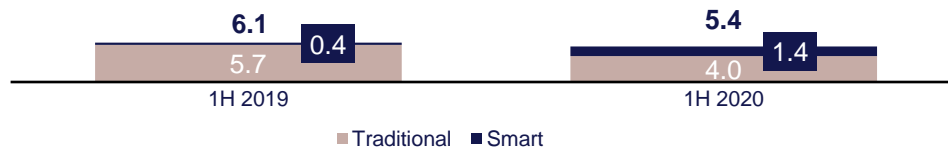
Net book value of disconnected meters

(£ in millions)



Compensation income⁽²⁾

(£ in millions)



Lowri Beck cost of sales⁽³⁾

(£ in millions)



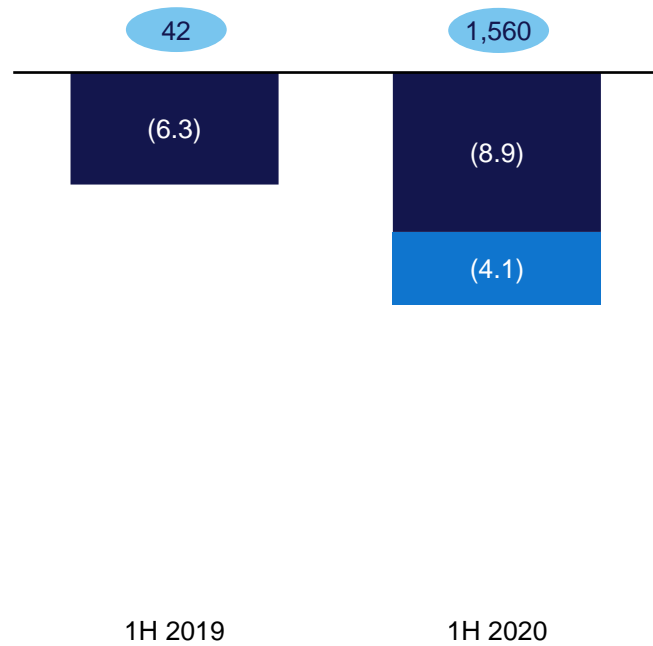
Source: Calisen's IFRS accounts.
 Note: Not all figures sum due to rounding.
 (1) Depreciation charge for meters only
 (2) Compensation income consists of contractually agreed-upon cash payments for premature meter removals
 (3) Lowri Beck consolidated from 16 August 2019

Other expense items



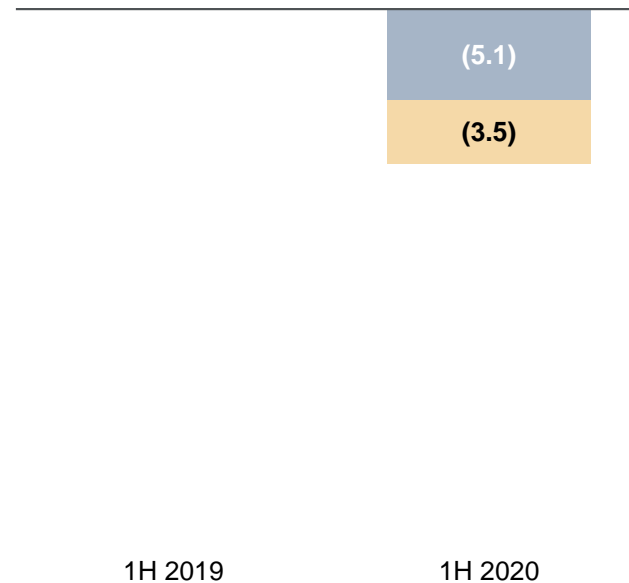
Administrative expenses⁽¹⁾

(£ in millions)



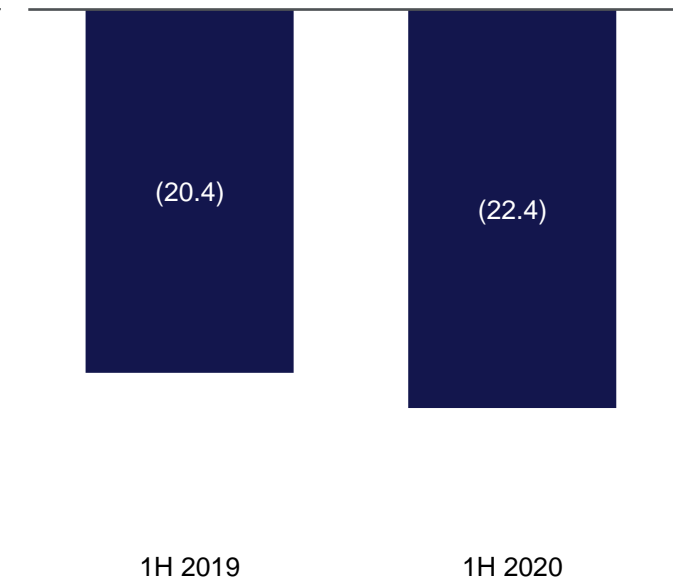
Other expenses

(£ in millions)



Amortisation expenses

(£ in millions)



■ Calisen and Calvin Capital

■ Lowri Beck

■ IPO expenses

■ Lowri Beck restructuring

■ Amortisation

Period end employees

Source: Calisen's IFRS accounts.
 (1) In 1H 2020 Lowri Beck's administrative expenses benefited from a £5.8 million reduction in salary costs under the Coronavirus Jobs Retention Scheme

Financial impacts of refinancing



Refinancing closed on 22 July 2020; financial impact in second half of the year

Income statement item	Amount	Description
Capitalised debt issue costs of previous facilities	(£14.5m)	Expensed through the income statement
Termination of hedge on previous facilities	(£2.0m)	Movement in value since 30 June 2020 charged to income statement
Total	(£16.5m)	

Cash flow item	Amount	Description
Termination of hedge on previous facilities	(£46.3m)	Cash cost recorded in cash flow

Balance sheet item	Amount	Description
Capitalised debt issue costs of previous facilities	(£14.5m)	Written down and expensed
Capitalised debt issue costs of new platform	£14.0m	Costs of new platform capitalised and amortised over time
Termination of hedge on previous facilities	(£46.3m)	Written down and recorded in cash flow

Balance sheet overview

Capital structure to support future growth



£ millions	At 31 December 2019	At 30 June 2020	Change
Intangible assets	580.0	557.7	(3.8%)
Property, plant and equipment	821.0	839.4	2.2%
Deferred tax asset	0.04	0.04	-
Derivative financial instruments	1.1	0.2	(79.7%)
Non-current assets	1,402.1	1,397.3	(0.3%)
Trade and other receivables	42.7	27.4	(35.9%)
Contract assets	13.4	26.6	98.4%
Inventory	1.3	1.2	(10.0%)
Cash and cash equivalents	50.3	148.7	195.6%
Current assets	107.7	203.8	89.3%
Total assets	1,509.8	1,601.1	6.1%

£ millions	At 31 December 2019	At 30 June 2020	Change
Trade creditors	17.8	8.4	(52.9%)
Other creditors	31.3	21.2	(32.5%)
Interest bearing loans and borrowings	99.8	104.2	4.3%
Current liabilities	149.0	133.7	(10.3%)
Interest bearing loans and borrowings	1,444.3	556.9	(61.%)
Provisions	0.4	0.9	114.2%
Derivative financial instruments	32.4	45.5	40.6%
Deferred tax liability	86.5	95.6	10.5%
Non-current liabilities	1,563.6	699.0	(55.3%)
Total liabilities	1,712.6	832.7	(51.4%)
Total equity	(202.8)	768.4	NM
Total equity and liabilities	1,509.8	1,601.1	6.1%

Source: Callisen's IFRS accounts.
 Note: Not all figures sum due to rounding.