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KEMPOWER CORPORATION ANNOUNCES SUBSCRIPTION PRICE FOR ITS CONTEMPLATED INITIAL PUBLIC OFFERING

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Kempower Corporation announces subscription price for its contemplated initial public offering

Kempower Corporation (“**Kempower**” or the “**Company**”), a Finnish electric vehicle (“**EV**”) fast charging equipment and solutions manufacturer and provider striving for rapid growth, announces the subscription price (the “**Subscription Price**”) for its contemplated initial public offering. On 22 November 2021, the Company announced its intention to float and list its shares (the “**Shares**”) on the Nasdaq First North Growth Market (the “**First North Growth Market**”) maintained by Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”).

The Offering in Brief

- The Subscription Price in the Offering (as defined below) is EUR 5.74 per Offer Share (as defined below).
- The Company aims to raise gross proceeds of approximately EUR 87 million by offering new shares in the Company (the “**New Shares**”) for subscription (the “**Offering**”). The Company will issue preliminarily a maximum of 15,156,795 New Shares.
- Based on the Subscription Price, the market capitalisation of the Company would be approximately EUR 306 million, which is based on the number of Shares outstanding after the completion of the Offering.
- The Offering consists of (i) a public offering to private individuals and entities in Finland (the “**Public Offering**”) and (ii) an institutional offering to institutional investors in Finland and, in accordance with applicable laws, internationally (the “**Institutional Offering**”).
- The Company is expected to grant to Carnegie Investment Bank AB, Finland Branch (“**Carnegie**”), acting as stabilising manager (the “**Stabilising Manager**”), an over-allotment option, exercisable within 30 days from commencement of trading in the Shares on the First North Growth Market, which would entitle the Stabilising Manager to subscribe for a maximum of 2,273,519 additional new Shares (the “**Optional Shares**”) at the Subscription Price solely to cover over-allotments in connection with the Offering (the “**Over-allotment Option**”). The Stabilising Manager and the Company are expected to agree on a share issue and share return arrangement related to stabilisation in connection with the Offering. Pursuant to such arrangement, the Stabilising Manager may subscribe for a number of new Shares (the “**Additional Shares**”) equal to the maximum number of Optional Shares to cover any possible over-allotments in connection with the Offering. Unless the context indicates otherwise, the New Shares and the Additional Shares (as defined below) are together referred to herein as the “**Offer Shares**”.
- Certain funds managed by WIP Asset Management Ltd, Varma Mutual Pension Insurance Company, Evli Fund Management Company Ltd, for and on behalf of funds under its management and/or asset management clients, Ilmarinen Mutual Pension Insurance Company, Nordea Life Assurance Finland Ltd, Julius Tallberg Corp., Danske Invest Finnish Equity Fund, certain funds managed by Sp-Fund Management Company Ltd and Kempinvest Oy (each a “**Cornerstone Investor**” and together, the “**Cornerstone Investors**”) have each separately given subscription undertakings in relation to the Offering, under which they commit, subject to certain customary provisions, to subscribe for Offer Shares in the amount of approximately EUR 53 million in total in the Offering, provided that the value of the Company’s outstanding Shares prior to the Offering does not exceed EUR 219 million.
- The Offer Shares represent a maximum of approximately 28.5 percent of the Shares after the Offering assuming that the Over-allotment Option will not be exercised and assuming that the Company will issue 15,156,795 New

Shares (approximately 31.4 percent assuming that the Over-allotment Option will be exercised in full, in which case the Company will issue a maximum of 17,430,314 Offer Shares).

- Based on the Subscription Price, the value of the Offering is approximately EUR 87 million assuming that the Offering is fully subscribed for and that the Over-allotment Option is not exercised. Based on the Subscription Price and assuming that 2,273,519 Additional Shares are sold, the value of the Offering is approximately EUR 100 million.
- The subscription period for the Public Offering will commence on 2 December 2021, at 10:00 a.m. (Finnish time) and end on or about 10 December 2021, at 4:00 p.m. (Finnish time). The subscription period for the Public Offering may be, in the event of an oversubscription, discontinued earliest on 9 December 2021, at 4:00 p.m. (Finnish time). The subscription period for the Institutional Offering will commence on 2 December 2021, at 10:00 a.m. (Finnish time) and end on or about 13 December 2021, at 10:00 a.m. (Finnish time). The substitutional period for the Institutional Offering may be, in the event of an oversubscription, discontinued earliest on 10 December 2021, at 4:00 p.m. (Finnish time).
- The Company's Board of Directors has the right to extend the subscription periods of the Public and Institutional Offerings.
- Trading of the Shares on the First North Growth Market is expected to commence on or about 14 December 2021 (the "**First North Listing**").
- The Company, Kemppi Group Oy (the "**Principal Shareholder**"), the Company's Board of Directors members of the extended management team of Kempower are expected to commit to customary lock-up arrangements. Further, according to the terms and conditions of the Offering, the members of the Boards of Directors and the management teams of Kemppi Group Oy and Kemppi Oy as well as related parties of the members of the Boards of Directors who participate in the Public Offering with allocation preference or participate in the Institutional Offering must agree to comply with the lock-up with similar terms to that of the Company and the Principal Shareholder.

Antti Kemppi, Chair of the Boards of Directors of Kempower and Kemppi Group Oy, comments:

"With its electric vehicle fast charging solutions, Kempower adds a chapter to the story of Kemppi, the globally operating welding solutions provider, established more than 70 years ago. Also at Kempower, the legacy of Kemppi's strong innovation culture and technological know-how have been harnessed to serve the needs of today and tomorrow. Operating in a strongly growing market, Kempower's growth has been immense. However, I believe we have only seen a glimpse of what Kempower can achieve in the future. Therefore, we hope that a large number of retail investors are keen to take part in our growth journey as shareholders."

Tomi Ristimäki, CEO of Kempower, comments:

"The objective of the Offering is to enable Kempower to execute its growth strategy, that is, go-to-market and innovation strategy. We aim to continue to make investments in Kempower's production and production capacity, working capital, R&D, and organisation. We are very pleased that many institutional investors have already agreed to become cornerstone investors in Kempower. I warmly welcome you to join us on our targeted growth journey too."

Background and Reasons for the Offering

The objective of the Offering is to enable Kempower to execute its growth strategy (*i.e.*, go-to-market and innovation strategy), and to continue to make investments in its production and production capacity, working capital, R&D, and organisation (including, among others, sales and marketing organisations). The Offering and First North Listing will enable the Company to obtain access to capital markets, expand its ownership base and improve the liquidity of the Shares. Additional visibility is also expected to improve Kempower's recognition among the public and as an employer, and thus enhance Kempower's competitiveness. The First North Listing would also allow Kempower to use its Shares more effectively in incentive programmes for Kempower's personnel and as a means of consideration in potential acquisitions.

Use of Proceeds

The Company aims to raise gross proceeds of approximately EUR 87 million in the Offering by offering New Shares for subscription. The Company expects to use the net proceeds from the Offering to support Kempower's growth strategy, to strengthen Kempower's operations, to repay non-current and current loans, including capital loans, from Kemppi Group Oy and incurred interests.

Information on the Offering

The Company will issue preliminarily up to 15,156,795 New Shares in the Offering. The number of New Shares to be issued in the Offering would represent approximately a maximum 28.5 percent of the Shares and votes vested by the Shares after the Offering if all of the New Shares preliminarily offered in the Offering are subscribed for in full, and assuming that the Over-allotment Option will not be exercised (approximately 31.4 percent assuming that the Over-allotment Option is exercised). The maximum number of the New Shares represents approximately 39.8 percent of the Shares prior to the Offering. The Company will decide on the execution of the Offering, the final number of Offer Shares and the allocation of Offer Shares on or about 13 December 2021.

The Cornerstone Investors have, subject to certain customary provisions, each separately given subscription undertakings in relation to the Offering, under which they commit to subscribe for Offer Shares in the amount of approximately EUR 53 million in total in the Offering, provided that the value of the Company's outstanding Shares prior to the Offering does not exceed EUR 219 million.

The Cornerstone Investors have given the following subscription undertakings:

- certain funds managed by WIP Asset Management Ltd EUR 15.0 million;
- Varma Mutual Pension Insurance Company EUR 10.0 million;
- Evli Fund Management Company Ltd, for and on behalf of funds under its management and/or asset management clients EUR 8.0 million;
- Ilmarinen Mutual Pension Insurance Company EUR 7.0 million;
- Nordea Life Assurance Finland Ltd EUR 3.0 million;
- Julius Tallberg Corp. EUR 3.0 million;
- Danske Invest Finnish Equity Fund EUR 2.5 million;
- certain funds managed by Sp-Fund Management Company Ltd EUR 2.5 million; and
- Kempinvest Oy (a holding company partly owned by the Chair of the Board of Directors of the Company, Antti Kemppi) EUR 2.0 million.

The Company is expected to grant to the Stabilising Manager an over-allotment option, which would entitle the Stabilising Manager to subscribe for a maximum of 2,273,519 Optional Shares at the Subscription Price solely to cover over-allotments in connection with the Offering. The Over-allotment Option is exercisable within 30 days from the commencement of trading in the Shares on the First North Growth Market (*i.e.*, on or about the period between 14 December 2021 and 12 January 2022). The Optional Shares represent approximately 6.0 percent of the Shares and votes vested by the Shares prior to the Offering and approximately 4.1 percent after the Offering assuming that the Company will issue 17,430,314 Offer Shares. However, the number of Optional Shares will not in any case represent more than 15 percent of the aggregate number of New Shares.

Preliminary Schedule

- The Finnish language prospectus will be approved on or about 1 December 2021 and published on or about 2 December 2021 at the latest before the commencement of the subscription period
- Subscription period of the Offering commences on 2 December 2021

- In the event of oversubscription, the Public Offering may be discontinued at the earliest on 9 December 2021
- In the event of oversubscription, the Institutional Offering may be discontinued at the earliest on 10 December 2021
- Subscription period of the Public Offering ends on or about 10 December 2021
- Subscription period of the Institutional Offering ends on or about 13 December 2021
- Announcement of the final results of the Offering on or about 13 December 2021
- New Shares are registered in the book-entry accounts in the Public Offering on or about 14 December 2021
- Trading in the Shares commences on the First North Growth Market on or about 14 December 2021
- The Offer Shares offered in the Institutional Offering are ready to be delivered against payment through Euroclear Finland Ltd on or about 16 December 2021

Prospectus

The Company has today submitted a Finnish language prospectus for approval by the Finnish Financial Supervisory Authority. The Finnish language prospectus is expected to be approved on 1 December 2021. The Finnish language prospectus and the Finnish language marketing brochure will be available no later than on 2 December 2021 before the commencement of the subscription period on Kempower's website at <https://investors.kempower.com/fi/listautuminen>.

The English language translation of the Finnish prospectus will be available no later than on 2 December 2021 before the commencement of the subscription period on Kempower's website at <https://investors.kempower.com/ipo>. Access to the Finnish language prospectus and English language translation is subject to restrictions for investors outside of Finland.

Advisors in the Offering

Carnegie Investment Bank AB, Finland Branch, is acting as sole global coordinator and bookrunner for the Offering (the "**Global Coordinator**"). White & Case LLP is acting as legal adviser to Kempower in connection with the Offering. Roschier, Attorneys Ltd. is acting as legal adviser to the Global Coordinator in connection with the Offering. Milton is acting as communication adviser to Kempower. Alexander Corporate Finance Oy is acting as Kempower's certified adviser referred to in the Nasdaq First North Growth Market Rulebook.

Further Enquiries

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Kempower in Brief

Kempower is a Finnish EV fast charging equipment and solutions manufacturer and provider striving for rapid growth. Kempower is a subsidiary of Kemppi Group Oy and, therefore, part of the Kemppi Group Oy group, a Finnish family business founded in 1949. Kemppi Oy, another subsidiary of Kemppi Group Oy operating in more than 70 countries, is one of the technology leaders in the arc welding industry, and its consolidated revenue was approximately EUR 140

million in 2020. Kempower designs, manufactures and sells direct current fast charging devices, solutions and services for EVs, such as personal and commercial vehicles, mobile off highway machinery, and electric marine vessels and boats. Kempower offers a wide range of solutions to suit all EV fast charging needs – from public parking spaces to bus depots and end stops, for heavy duty commercial and other EVs as well as ports and charging of electric marine vessels and boats. The modular, scalable and flexible design of Kempower’s products, combined with the systems’ ability to handle several vehicles’ dynamic fast charging simultaneously, serves in particular customer groups that require or benefit from charging systems with multiple, high power charging devices. Kempower strives to enable a cleaner and smarter future by providing high quality charging solutions and its mission is to enable clean mobility by utilising the Kemppi Oy’s 70 years of experience in demanding conditions of electric power supply.

Important Information

This announcement is not being made in and copies of it may not be distributed or sent into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa.

This document is not a prospectus for the purposes of the Prospectus Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and underlying legislation. A prospectus prepared pursuant to the Prospectus Regulation and approved by the Finnish Financial Supervisory Authority will be published, and when published can be obtained from the Company and other places indicated in the prospectus. Investors should not subscribe for or purchase any securities referred to in this announcement except on the basis of information contained in the prospectus.

This announcement does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The Company does not intend to register any of the securities in the United States or to conduct a public offering of the securities in the United States.

In any member state of the European Economic Area other than Finland (each a “**Relevant State**”), this information and this offering are only addressed to and directed at persons who are “Qualified Investors” within the meaning of Article 2(e) of the Prospectus Regulation. The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, Qualified Investors. This information should not be acted upon or relied upon in any Relevant State by persons who are not Qualified Investors.

This communication does not constitute an offer of the securities to the public in the United Kingdom. No prospectus has been or will be approved in the United Kingdom in respect of the securities. This communication is being distributed to and is directed only at (i) persons who are outside the United Kingdom, (ii) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) and (iii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**Relevant Persons**”). Any investment activity to which this communication relates will only be available to and will only be engaged with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intends”, “estimate”, “will”, “may”, “continue”, “should” and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors, which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”), (b) Articles 9 and 10 of Commission Delegated Directive

(EU) 2017/593 supplementing MiFID II, and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in the Company have been subject to a product approval process, which has determined that they each are (i) compatible with an end target market of retail investor and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the “**Target Market Assessment**”), and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II. Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements in any contractual, legal or regulatory selling restrictions in relation to the Offering.

The Target Market Assessment does not constitute (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, obtain, or take any other action concerning the shares in the Company. Each distributor is responsible for its own Target Market Assessment in respect of the shares in the Company and determining the appropriate distribution channels.