

ANNUAL REPORT 2021



+ KEMPOWER

ELECTRICITY MOVES US
ENABLING CLEAN MOBILITY
CHARGING A BETTER FUTURE
GOVERNANCE
FINANCIAL REVIEW

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Contents

ELECTRICITY MOVES US

The best charging experience on the market.....	4
CEO's review	5
Kempower in brief	7
Kempower highlights 2021	9
Customer highlights	10

ENABLING CLEAN MOBILITY

Megatrends impacting market growth	17
Kempower's target market	19
Kempower's growth strategy	20
Overview of Kempower's business	22
Products	23
Kempower as an investment case	25

CHARGING A BETTER FUTURE

Kempower's purpose and values.....	28
Introduction to Kempower's sustainability strategy....	29
Key risks	33

GOVERNANCE

Corporate Governance Statement.....	35
Remuneration report	45

FINANCIAL REVIEW

Report of the Board of Directors 2021.....	50
Financial statements.....	61



5



8

Kempower's charging solutions have been delivered to more than 30 countries globally.

In 2021, we made a breakthrough in the Nordic DC charging market with our scalable product portfolio.

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW



ELECTRICITY MOVES US

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CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

The best charging experience on the market

The year 2021 was a memorable one for Kempower. Our team grew with a number of top professionals, we had the pleasure of forming great partnerships, and last but not least, we had the honour to be listed on Nasdaq First North Growth Market Finland. Thank you to our customers and partners who walked by our side during this incredible year.



The Kempower team has rapidly grown from a few dozen people to a company employing over one hundred employees. Recently, we have recruited many professionals both in Finland and in Europe, and there is no end in sight. The global EV charging market is evolving at a pace that has rarely been seen. Such a rapid growth requires speed, flexibility, and focus from our team: change is constant.

In the electric future, there will be more electric vehicles, and a demand for higher charging capacity. With Kempower's solution it is easy to scale up the number of charging posts

and power. Kempower's underlying technology has been tested in Siberia and CERN's particle accelerator. With our solid technological expertise, user-driven design and professional staff, we are more ready for the growth.

Our team has a clear goal: to do our part in utilising our technological know-how to save the world. We are making people happy with superior charging experience while cutting costs in logistics and transportation. We are committed to build on our values – together, impact, integrity, and courage – to deliver the best EV charging experience to our customers.

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW



CEO's review

In 2021, battery electric vehicle (BEV) registrations in Europe grew to 1.2 million passenger cars, equalling 65% growth compared to 2020. At the same time, we made a breakthrough in the Nordic DC (Direct Current) charging market with our scalable product portfolio.

In 2021, our revenue growth was 741% reaching EUR 27.4 million driven by strong demand mainly in the Nordics and also in the rest of Europe. We also maintained our gross margin on a healthy 46% level for the full year.

As part of our growth strategy, we have invested in people and recruited nearly 100 new professionals during the year. In addition, we invested in the expansion of our production capacity which increased from 500 m² to 2,800 m² in only four months. This is a concrete example of our scalable operating model and professional people for managing the growth. In 2022, our new factory space with additional 10,300m² capacity will scale up our production

capacity even further. In December 2021, we completed the process of certifying both production facilities with ISO 14001 and ISO 45001 certificates in addition to ISO 9001 certification which was received in 2020.

We have intentionally increased our inventory levels due to the global shortage of semiconductor components and we have experienced unit cost increases in some of the components. The overall business impact of the component shortage has been quite limited and hasn't caused any missed customer deliveries. This is a good example of our dual sourcing strategy's success and good work done by our purchasing department.

In 2021, cloud based back-end software ChargEye™ became a critical part of our offering in the areas of chargers' lifecycle management, integration platform to customers' systems and as a depot master to bus operators. We also started to deliver



In 2021, our revenue growth was 741% reaching EUR 27.4 million.

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totally unique dynamic power sharing solution to our customers which has proven its value by enabling the operator's idle capacity reduction and by shortening the queues at the charging stations. This is especially important for Electric Vehicle (EV) drivers in all fast-growing markets.

Stronger market position

In 2021, we were able to strengthen our market position in all main customer groups. In the Charge Point Operators (CPO) and retail chains customer group, our charging systems were widely installed in the Nordics by Recharge Infra. We signed several important frame agreements, for example with Osprey Charging in the United Kingdom, with one of Europe's leading energy companies Vattenfall, and with the biggest retailing cooperative in Finland, S Group.

In the bus and truck operators customer group, we delivered 89 charging points to Malmö in Sweden, which has the largest electric bus depot in the Nordics, and 52 charging points to the bus depot in Jönköping Sweden. In December, Kempower was chosen to deliver electric bus fleet fast-charging solutions to Keolis in Gothenburg, Sweden covering approximately 70 fast chargers. Keolis is one of the world's largest operators in public transport.

In the Original Equipment Manufacturers (OEM) customer group, Kempower launched a partnership with Gilbarco Veeder-Root, which is the global leader for technology solutions for retail fuelling and convenience market.

Kempower has also started a co-operation with Epiroc, a leading productivity and sustainability partner for the mining and infrastructure industries.

At the end of the year, our chargers have been delivered to more than 30 countries and to all inhabited continents of the globe.

Committed to 100% carbon neutrality by 2035

Developing emission free business is in our DNA. Our charging solutions may reduce mobility emissions in traffic by 86% and we are committed to 100% carbon neutrality by 2035 and 100% recyclability in our own production by 2025. We are already now reaching a 99% lifetime recyclability rate for our T-series



We have invested in people and recruited nearly 100 new professionals in 2021.

chargers. The preventive maintenance of our charging solutions is executed through the Kempower ChargEye™ cloud service.

In Q4 2021, our eNPS result reached 83 in the personnel satisfaction survey, highlighting the importance of our commitment of being number one workplace for future professionals.

The year 2021 was historical for Kempower, as we became a public company and our share was listed on Nasdaq First North Growth market Finland. The successful listing was an important milestone in Kempower's growth journey, and in the end of 2021 we had almost 27,000 shareholders. Proceeds from the initial public offering will be invested in the execution of Kempower's growth strategy in the rapidly growing DC charging market.

I would like to thank the fantastic Kempower personnel for the outstanding work and dedication in developing and growing Kempower's business. I would also like to warmly welcome all new employees who have joined or will join Kempower in 2022. When looking at 2022, we are in an excellent position to continue expanding our business, developing the company further and making a difference in global EV charging markets by delivering the best electric vehicle (EV) charging experience in the industry.

Tomi Ristimäki
CEO

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ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

Kempower in brief

Kempower is a Finnish electric vehicle (EV) fast-charging technology provider striving for rapid growth. We design and manufacture direct current (DC) fast-charging solutions for EVs, such as electric cars, buses, trucks, commercial vehicles, machines and electric marine.

Kempower's DC fast-charging solutions are built and ready to be scaled up with an increasing number of electric vehicles. Our modular approach means the standardised building blocks can be used across the entire product range, enabling EV charging providers to create various types of chargers and charging systems.

Our technology is scalable, so our customers can make smaller initial investments and add additional power modules later as the business grows. Kempower chargers are always cloud connected and can be updated remotely and in real-time, minimising the need for maintenance travel and extending the lifecycle of our products.

Kempower's charging solutions have been delivered to more than 30 countries globally. Our products are designed and manufactured in Lahti, Finland, where our headquarters and production facilities are located.

Our mission is to enable clean mobility by utilising Kemppi Group's 70 years of experience of electric power supply in demanding conditions.

HIGHLIGHTS OF 2021 IN NUMBERS

741 %
REVENUE GROWTH

27 MEUR
REVENUE

46 %
GROSS MARGIN

100 MEUR
IPO GROSS PROCEEDS

100+
NEW EMPLOYEES

83
eNPS

**FAST CHARGERS WITH A SMALL FOOTPRINT**

The modularity of our products ensures they have a small footprint, allowing our customers to make use of limited space in densely populated areas and choose solutions that drive meaningful electrification.

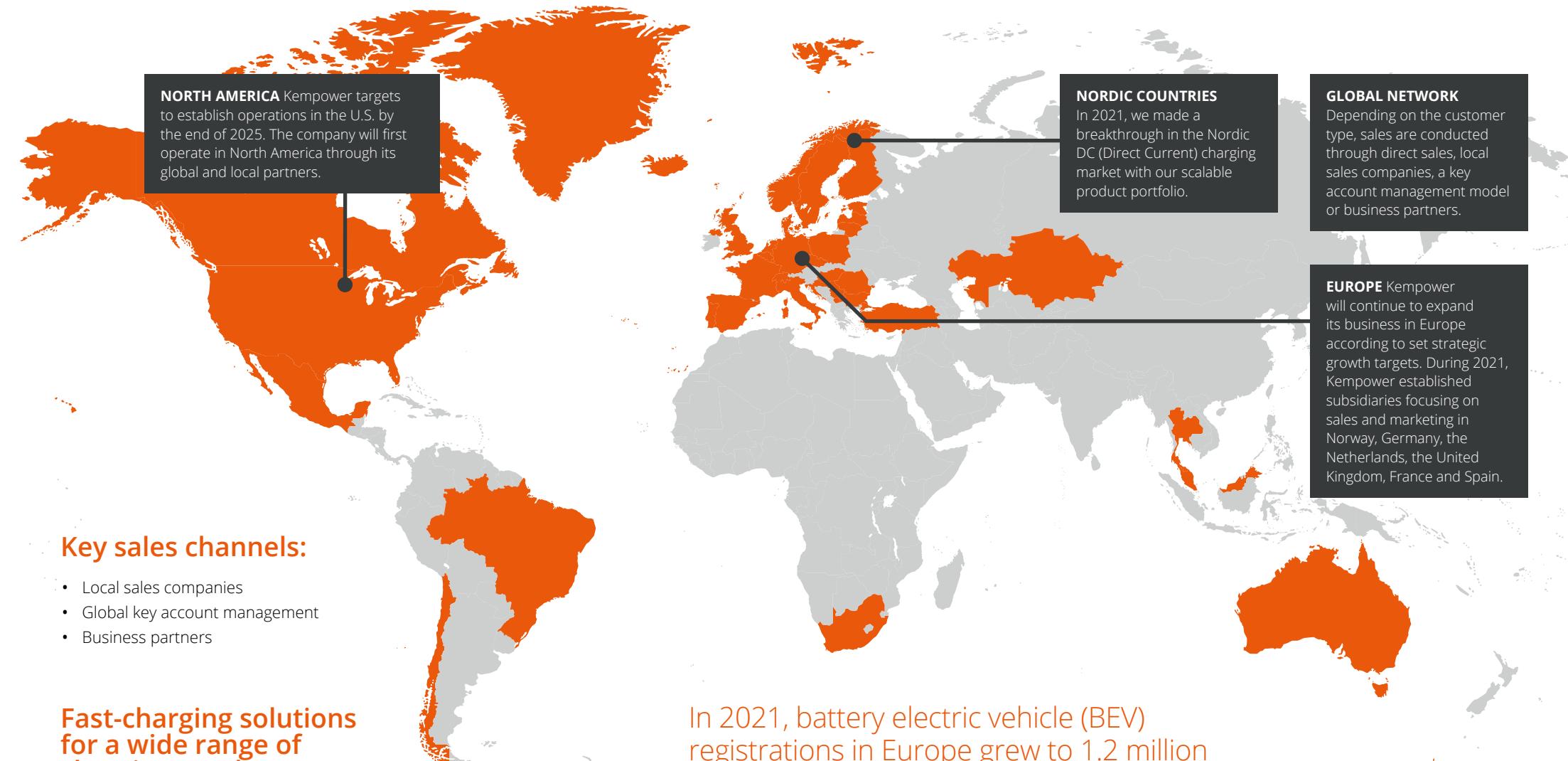
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ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

KEMPOWER'S CHARGING SOLUTIONS HAVE BEEN DELIVERED TO MORE THAN 30 COUNTRIES GLOBALLY

In 2021, battery electric vehicle (BEV) registrations in Europe grew to 1.2 million passenger cars, equalling 65% growth compared to 2020.

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

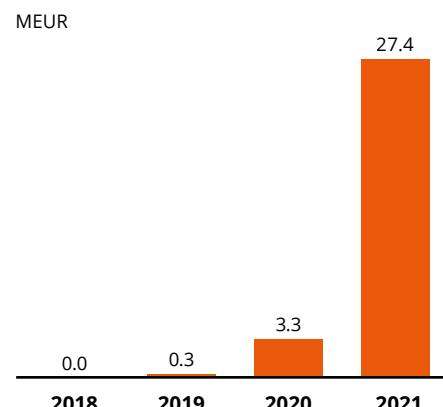
Kempower highlights 2021

In 2021, battery electric vehicle (BEV) registrations in Europe grew to 1.2 million passenger cars, equalling 65% growth compared to 2020. At the same time, we made a breakthrough in the Nordic DC (Direct Current) charging market with our scalable product portfolio.

741%

REVENUE GROWTH

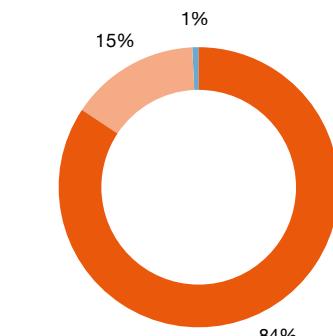
KEMPOWER REVENUE



46 %

GROSS MARGIN

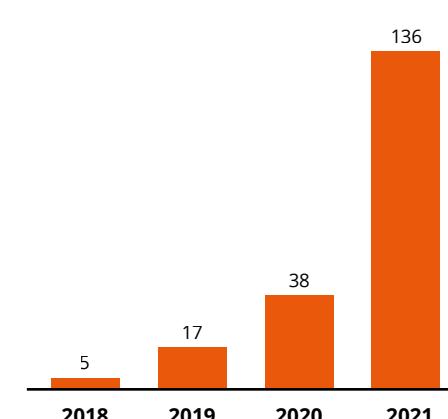
REVENUE BY GEOGRAPHY 2021



100+

EMPLOYEES

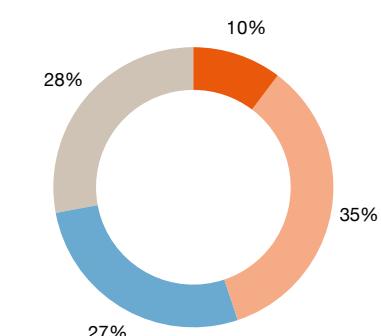
KEMPOWER NUMBER OF EMPLOYEES



>99%

RECYCLABILITY RATE FOR T-SERIES CHARGERS

EMPLOYEES BY FUNCTION 2021



- Admin 14 people
- Operations 47 people
- Sales and marketing 37 people
- R&D 38 people

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ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

Customer highlights



+ ELECTRIFYING THE LARGEST ELECTRIC BUS DEPOT IN THE NORDICS

We delivered fast-charging technology to Nobina's e-bus depot in Malmö, Sweden. With 95 electric buses, it is the largest e-bus depot in the Nordics. All the chargers are controlled each minute according to the buses' charge level.



+ SUPPORTING EXTREME E'S SUSTAINABILITY MISSION

Kempower T-Series movable fast chargers provided power to electric race cars in Extreme E, the electric off-road racing championship. The event showcases EVs and new technologies in the world's extreme environments to raise awareness for climate change.



+ KEMPOWER'S FAST-CHARGING TECHNOLOGY TO BE ROLLED OUT BY OSPREY CHARGING IN THE UK

UK-wide EV fast-charging network Osprey Charging will open over 150 EV charging hubs across the UK by 2025. Selected hubs will host up to 12 Kempower 150 kW fast chargers, providing power to the EV drivers in the UK.



+ CHARGING INFRASTRUCTURE TO A NEW BUS DEPOT IN JÖNKÖPING

Kempower's DC charging infrastructure was delivered to a new electric bus depot in Jönköping. Ladd-Alliansen Nordic AB's project included 52 charging stations for new Volvo 7900 E electric buses. The Kempower system includes modular charging power units and charging satellites that make it easy for drivers to charge the buses. The charging system is connected to Kempower ChargEye™ cloud service that allows dynamic control and balancing of charging power.

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW



FAST-CHARGING SUPPLIER FOR FINLAND'S BIGGEST RETAIL CHAIN S GROUP

Kempower became a fast-charging supplier for S Group, which will build a nationwide EV charging network by 2024. In the first phase, two Kempower S-Series satellite charging points with four DC fast-charging posts were opened in Itäkeskus, Helsinki.



BECOMING AN ELECTRIC VEHICLE FAST-CHARGING PARTNER TO VATTENFALL INCHARGE

Kempower was chosen as the new EV fast-charging partner for Vattenfall InCharge charging services. Investing in Kempower's EV fast-charging solutions aims to secure Vattenfall's growth in electric mobility.



CHARGING EVS AT COP26, THE WORLD'S LARGEST CLIMATE CHANGE EVENT

Kempower T-Series movable DC EV chargers were used to charge the vehicles used to transport world leaders and dignitaries to and from COP26, the world's largest climate change event, held in Glasgow at the turn of October-November 2021.



PROVIDING POWER TO ELECTRIC STREET CLEANING VEHICLES IN BERLIN

Kempower delivered 18 Kempower T-Series movable chargers to provide power to the 230 electric cleaning vehicles of Berliner Stadtreinigung (BSR), Germany's biggest municipal street cleaning and waste management company.



CHARGER SUPPLIER FOR LARGEST BUS DEPOT ABOVE ARCTIC CIRCLE

Kempower provided 50 charging points to a new electric bus depot in Bodø, Norway, where 32 electric buses can be charged simultaneously and the world's largest electric bus depot located above the arctic circle.

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CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

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EPIROC: FACILITATING EPIROC'S ELECTRIC TRANSITION

Epiroc is a leading productivity and sustainability partner for the mining and infrastructure industries. The company aims to offer its complete product range to customers as a zero-emission option, for underground division by 2025 followed by all other divisions by 2030.

To support this goal, Epiroc decided to enhance its offering by including chargers to provide its customers with a complete package and the best possible experience. It knew that it needed to team up with a charger manufacturer, subsequently choosing Kempower as its partner for charging equipment and software.

One of the reasons Epiroc chose Kempower was the possibility of positively affecting our products' development. For instance, the first Kempower C-Series charging cabinet it purchased has seen improvements to the door and roof by increasing their robustness. Epiroc appreciates that Kempower listens to its demands and take the time to implement the changes it requests.

"The best thing about working with Kempower is the feeling that they are not just our supplier, but that they are our partner. The team's experts are transparent and listen to our ideas and needs to improve the company's products. As a result, we are working together to create a continuously improved product benefitting both companies", says Jesper Petersson, Epiroc's Global Marketing Specialist – Charging Products.

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

**RECHARGE: EXCELLENT CHARGING EXPERIENCE FOR NORDIC EV DRIVERS**

For over two years, the leading charge point operator Recharge has cooperated with Kempower to provide a user-friendly fast-charging network in the Nordics. Recharge currently has a charging network of almost 2,500 chargers in the Nordic countries.

The partnership between Kempower and Recharge started in 2020 when Recharge was looking for a charging partner who could support the expansion of its fast-charging network in the Nordics. Today, it has 29 Kempower fast-charging hubs in Norway and Finland. In 2022, it will set up its first Kempower fast-charging hub in Sweden.

"Kempower is a good fit for our needs. We appreciate the company's efforts to improve the user experience through data and knowledge continuously," says Elise Thorvaldsen, Head of Communication and Customer Experience from Recharge.

"We have received good feedback from our B2B customers on the footprint of Kempower chargers and the possibilities of intelligent load balancing. Customers have also said that the chargers are easy to use and provide good information throughout the charging session," she adds.

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ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW



KOIVISTON AUTO: ELECTRIFYING PUBLIC TRANSPORTATION IN FINLAND

Kempower teamed up with Koiviston Auto Group to build the charging infrastructure to power the company's electric buses – 13 in Kuopio and 18 in Lahti. "Charging infrastructure plays an important role and Kempower's engineering, solutions and experience has been a great help in this", says Michael Andersson, Technical Director at Koiviston Auto Group.

The installations to Koiviston Auto's e-bus depots in Lahti and Kuopio included both high-power CCS2-type cable charging and pantograph charging. With Kempower's intelligent power distribution, charging power is dynamically distributed to meet both overnight and daytime charging demands. In addition to ensuring a failproof and super reliable charging solution, the modular engineering and dynamic power distribution calls for fewer investments. The modular design of Kempower solutions makes it easy to expand the charging system as electric bus operations grow in these two cities.

"Electrification of public transport is advancing at faster pace than probably anyone would have guessed. We are already seeing that the operating costs of electric bus fleets become competitive compared to diesel buses. Smartly designed charging infrastructure has a part to play in this equation", Andersson adds.

In 2022, Kempower also signed an agreement to deliver fast-charging technology to the electric bus depots of Helsingin Bussiliikenne Oy, owned by Koiviston Auto Group, in Vantaa and Helsinki, Finland.

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ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

+ KEMPOWER



S GROUP: BUILDING A MARKET-LEADING EV CHARGING NETWORK ACROSS FINLAND

S Group is a customer-owned Finnish network of companies in the retail and service sectors. The first Kempower chargers were delivered to S Group's grocery stores in Helsinki's metropolitan area in April 2021. By the end of the year, the company had set up 50 charging hubs featuring Kempower C-Series and Kempower S-Series chargers across Finland.

The most essential qualities S Group was looking for from its new charging partner was customer centricity and reliability. Kempower's technology matched S Group's requirements more than any other potential suppliers. For instance, the ease-of-use of our chargers and the fact they are designed with EV drivers in mind meant we shared a similar mindset with S Group, which was evident from the very early stages of the project.

"Our collaboration with Kempower has been excellent so far. We share many similar values, including a spirit of development where we plan and test the solutions together and coach one another. Together, we are continually developing our service for the benefit of our customers, such as by introducing kilowatt-hour pricing for charging services. The introduction of this service required much work from both companies, but it has been well-received by customers and added to the very positive feedback the ABC Charging network has received so far," says Tiina Viksten, S Group's Development Director for the ABC Chain.



ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW



ENABLING CLEAN MOBILITY

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CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

Megatrends impacting market growth

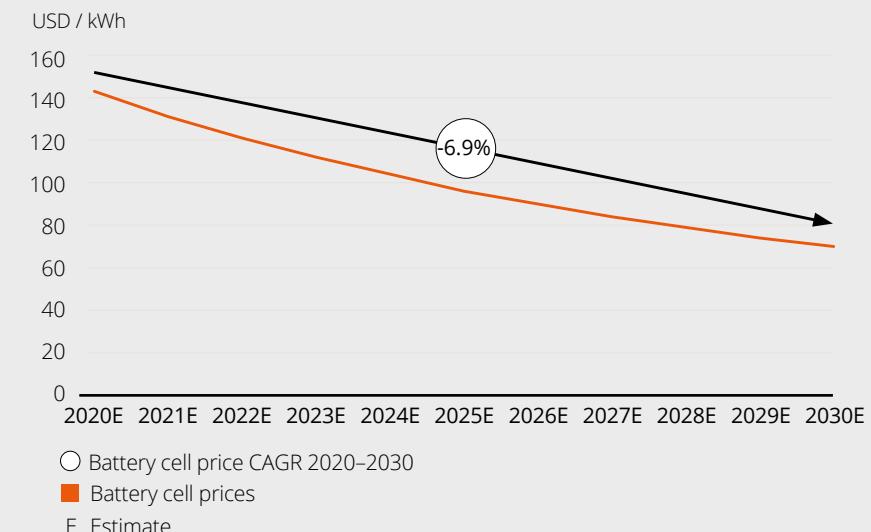
The charging infrastructure is one of the key issues when considering purchasing an electric vehicle. Numerous countries and cities have already committed to taking action towards low-emission transport.

1. Tightening emissions regulations

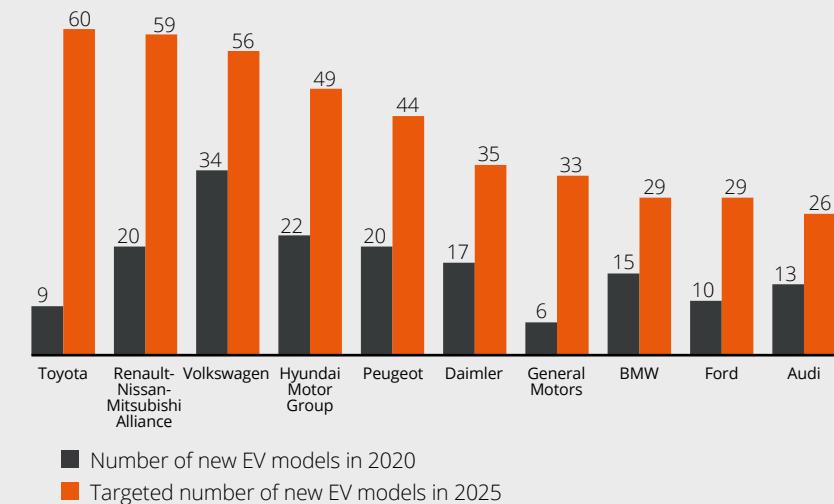
Vehicle emissions regulations are becoming stricter globally, forcing personal vehicle (PV) manufacturers to manufacture vehicles with less emissions than traditional internal combustion engine (ICE) vehicles. In practice, this is leading PV manufacturers to manufacture more EVs to avoid potentially substantial fines or other negative consequences. There are a number of regulations that are expected to continue driving increased EV demand, which can be divided into three categories: emission standards, credit programmes and limits on the use of ICE vehicles.

2. Declining battery prices

In the coming years, the total cost of ownership for EVs is expected to decrease driven by decreasing battery prices¹. Battery prices are expected to decrease from USD 143 in 2020 to less than USD 100 by 2030². More than 50 per cent of this decrease is expected to take place in the next five years, increasing the economic benefits of EV ownership and usage, which, in turn, is expected to accelerate EV penetration in car fleets.

BATTERY CELL PRICES**NUMBER OF EV MODELS MANUFACTURED IN 2020 AND TARGETS BY 2025⁵**

Number of new EV models



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CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

3. Vehicle manufacturers and decision makers have pledged to electrify

Vehicle manufacturers are taking action to respond to the tightening regulation and increasing EV demand. They have announced plans to bring nearly 400 EV models to the personal vehicle market by 2025. This increase in the EV offering is expected to accelerate the penetration of EVs, which, in turn, is expected to increase demand for EV charging infrastructure, and, therefore, demand for DC

fast-charging equipment.³ By September 2021, altogether 26 cities had signed on to the C40 Cities Clean Bus Declaration of Intent where they have collectively committed to reducing the emissions of the transportation sector, and to procure only zero emission buses from 2025 onwards.

The number of personal and commercial electric vehicles is expected to grow

The megatrends mentioned above are expected to drive the increase of personal and commercial EV stocks in both Europe and the United States, and the total EV stock, including both personal and commercial EVs, in the two markets, which are expected to amount to approximately 65 million EVs by 2030.⁶

Sources:

¹ Who Will Drive Electric Cars to the Tipping Point?, June 2021.

² Bloomberg: Better batteries, 2019.

³ IHS Markit EV Charging Infrastructure Report and Forecast, July 2021 and public announcements made by OEM decision-makers.

⁴ C40 Cities Clean Bus Declaration of Intent.

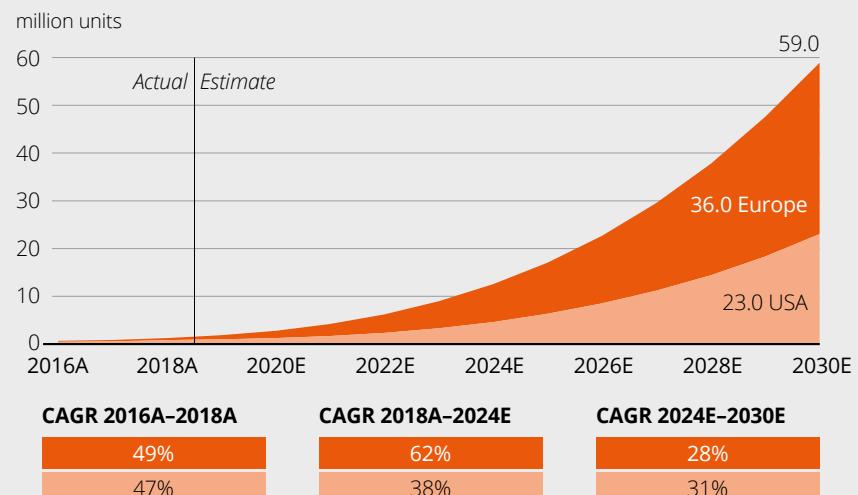
⁵ IHS Markit EV Charging Infrastructure Report and Forecast, July 2021 and public announcements made by OEM decision-makers.

⁶ BCG Stock Model: Why Electric Cars Can't Come Fast Enough, April 2021; IHS Markit EV Charging Infrastructure Report and Forecast, July 2021; International Council on Clean Transportation: Zero emission bus and truck market in the United States and Canada: a 2020 update, May 2021; Transport Environment: EVs will be cheaper than petrol cars in all segments by 2027, BNEF analysis finds, May 2021; Global Commercial Vehicles: Mapping Alternative Powertrain Adoption 3/2021, Morgan Stanley.

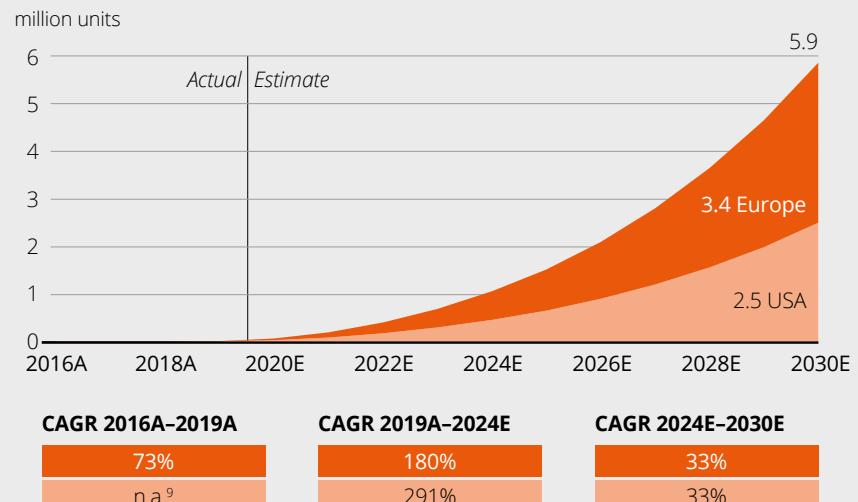
⁷ Only battery EVs included.

⁸ Total of e-buses and commercial vehicles.

PRIVATE EV⁷ STOCK IN EUROPE AND USA



COMMERCIAL EV STOCK IN EUROPE AND USA⁸



Kempower's target market

We currently target the DC fast-charging and high-power charger (HPC) equipment markets for EVs in Europe and also see significant potential to expand into the United States. By 2030, the DC fast-charging equipment markets in Europe and the United States are expected to increase by EUR 1,988 million (at a CAGR of 17 per cent between 2020 and 2030) and EUR 1,307 million (at a CAGR of 27 per cent between 2020 and 2030), respectively, to an aggregate of approximately EUR 4,000 million, from the current EUR 638 million.¹

In Europe, most of the relative growth in the DC fast-charging equipment market between 2020 and 2030 is expected to come from commercial vehicle charging, while the largest relative growth contributor in the United States is expected to be personal vehicle charging.

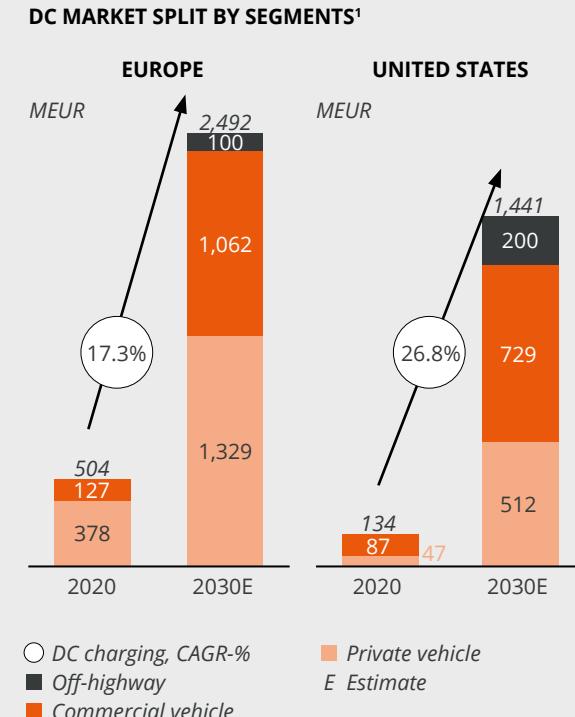
Competitive landscape

The competitive landscape in EV charging can roughly be divided into two segments: hardware providers and software providers. There are many different companies active in these two segments, including electronic conglomerates, companies with mostly hardware focus, end to end CPOs and charge point software operators. We consider ourselves to be mostly a hardware manufacturing focused company, despite our ChargEye™ cloud service combined with artificial intelligence (AI) playing a key role in our value proposition. According to our view, the DC fast-charging equipment market remains fragmented and immature with more than 20 identified companies. The differentiating elements include, for example:

- the maximum number of vehicles per charging system
- availability of satellite charging posts
- mobility of chargers
- kilowatt power provided by a charging system.

According to our assessment, we are currently the only company offering a sustainable charging system with power required by a customer, for example with 4,000 kilowatts. Furthermore, we see ourselves as the only company that offers modular design, satellite charging posts and dynamic charging power as well as movable chargers in one system.

¹ Sources: BCG Stock Model: Why Electric Cars Can't Come Fast Enough, April 2021; IHS Markit EV Charging Infrastructure Report and Forecast, July 2021; International Council on Clean Transportation: Zero emission bus and truck market in the United States and Canada: a 2020 update, May 2021; Transport Environment: EVs will be cheaper than petrol cars in all segments by 2027, BNEF analysis finds, May 2021.



¹ The 2020 market turnover figures exclude minor possible contribution from the off-highway segment. CAGR=Compound annual growth rate.

Kempower's growth strategy

Kempower has a growth strategy built on two distinct pillars. First, a go-to-market strategy outlining which geographic markets and customer segments Kempower will focus on during its five-year strategy period until the end of 2025. Second, an innovation strategy consisting of Kempower's plan to continue developing its products and solutions portfolio.

Go-to-market strategy

Kempower's target is to continue expanding in the European market in the short to medium term. Kempower already has an established presence in its main geographical market, the Nordics, and it has already started expanding into the rest of Europe. Kempower also sees significant potential to expand into the United States, with a target of establishing operations there by the end of 2025.

Kempower's go-to-market strategy is to focus on each of its customer segments in selected geographical markets. OEM customers are assessed based on their financial standing, competitiveness in EV sales and brand. Commercial vehicle fleet operators are assessed based on, for example, customer value potential, level of competition and local political decisions regarding electric traffic. Furthermore,

depending on the customer type, sales are conducted through direct sales, local sales companies, a key account management model or business partners.

We continue recruitments, especially in R&D, production, marketing, sales and after sales.



ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW



Innovation strategy

Kempower's innovation strategy can be divided into three strategic focus areas:

1. **Current product offering as a basis for targeted future growth**
Kempower aims to continue developing its current product offering by maintaining scrutinised product design and management in order to allow mass customisation, which Kempower believes will form the basis for its targeted future growth.
2. **Cost and capital expenditure efficiency of production and operations**
Kempower will continue to focus on cost and capital expenditure efficiency driven by standardisation, outsourcing and the mass customisation principles described above, and enabled by both optimised product design and scrutinised product management.
3. **R&D and innovation of new products and features.**
Kempower considers R&D and innovation to be an essential part of Kempower and its organisational culture, which is built on the technological know-how and heritage of the Kemppi Group.

Financial targets

Growth

REVENUE OF

200 MEUR

IN THE MEDIUM TERM (4–6 YEARS).

Profitability

OPERATIVE EBIT MARGIN OF

10%

REACHED IN THE MEDIUM TERM (4–6 YEARS) AND OPERATIVE EBIT MARGIN OF AT LEAST

15%

IN THE LONG TERM

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

Overview of Kempower's business

Kempower is a Finnish electric vehicle (EV) fast-charging technology provider striving for rapid growth. We design and manufacture direct current (DC) fast-charging solutions for EVs, such as electric cars, buses, trucks, commercial vehicles, machines and electric marine.

The modular and scalable design of Kempower's products, combined with the systems' ability to handle several vehicles' fast charging dynamically, serves in particular customer groups that benefit from charging multiple vehicles simultaneously. Our most important customers consist of charging point operators that mainly operate "on the go" charging hubs at, for example, petrol stations and the car parks of fast-food restaurants and retail stores as well as commercial vehicle and bus fleet operators that mainly operate buses and trucks. Our other customers consist of original equipment manufacturers (OEM) and other customer groups that are served through our distributor or partner network.

Installation of our products is performed by Kempower's partners who may also sell our products. We do not carry out the maintenance work of our products, however, we may offer service and maintenance contracts where the on-site service and maintenance is performed by our business partners.

+ KEMPOWER

KEMPOWER CUSTOMER GROUPS

Charge point operators ("CPOs")

- Publicly available charging network
- Device manufacturer

Retail chains

- Parking spaces by, e.g. department & grocery stores, hotels, restaurants etc.
- Device manufacturer and system supplier

Bus and truck operators

- En-route & overnight charging
- Device manufacturer and system supplier

Original equipment manufacturers ("OEMs")

- Various locations
- Device manufacturer and component subcontractor

Distributor and installer networks

- Business site parking lots, e.g. car dealers, car repairs and small stores
- Device manufacturer with distribution network utilised for sales



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GOVERNANCE

FINANCIAL REVIEW

Products

Three product groups, one charging station type and the Kempower ChargEye™ software serve our customers' needs.

We provide easily scalable, modular, dynamic, user-friendly, standardised, durable and reliable chargers for EVs for demanding conditions and for different needs. All our charging devices are based on the same 50-kilowatt power modules. Our chargers are modular and, therefore, our customers' charging hubs can be scaled up any time and additional charging power can be easily added.

Kempower ChargEye™ system recognises the type of the vehicle connected to each charger. This enables an efficient distribution of charging capacity across the charging system. Our fast chargers are able to direct electricity dynamically where it is needed the most, providing each vehicle with its preferred charging power. Dynamic charging allows chargers to operate at any time and at any preferred power output at 25-kilowatt power intervals to optimise EV fleet charging. In theory, Kempower's chargers offer unlimited charging power.



Kempower S-Series charging system is a modular EV fast-charging system for large and widespread vehicle fleets. With the satellite charging posts, it enables simultaneous and frequent fast charging for several EVs. Due to the modular structure, the standard Kempower S-Series charging system offers a total power output from 50 kilowatts to 600 kilowatts. The S-Series charging system includes a C-Series charging power unit.



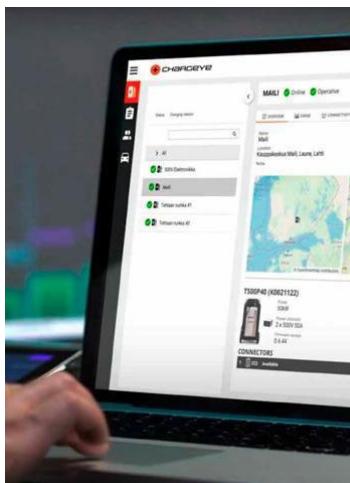
Kempower C-Series charging power unit is a modular and scalable power unit providing fast-charging capacity for electric cars, electric commercial vehicles, and electric off-highway machines. The C-Series charging power unit is also suitable for electric marine. It has been designed to serve a large number of EVs.



Kempower T-Series movable chargers are DC chargers that are suitable for electric cars, commercial electric vehicles, electric trucks, lorries, vans, buses, electric vessels and boats and off-highway machines. They are weatherproof and suitable for both outdoor and indoor use. The T-Series chargers have an operation temperature range from -40°C to +50°C and have been designed to withstand dirt, water, dust and snow.



Kempower C-Station is a compact and modular fast-charging station for electric cars, electric commercial vehicles, and electric off-highway machines. Kempower C-Station is a combined charging power unit and satellite charging post as a single unit. Typically, C-Stations have either one or two charging cabinets, offering between 50 kilowatts and 400 kilowatts of power, with up to four DC charging outlets.



All of Kempower's products are connected to the **Kempower ChargEye™** cloud service, utilising artificial intelligence. Kempower ChargEye™ is a comprehensive, easy-to-use cloud-based charging management system for CPOs and retailers, bus and truck operators and mobile off-highway machinery fleets. Kempower ChargEye™ helps a charging network operator to monitor, manage and diagnose the day-to-day operations of the chargers and vehicles. The ChargEye™ cloud service ensures that the commercial vehicle fleet is ready for duty on time when needed, while optimising energy costs and managing the vehicle fleet's battery health.

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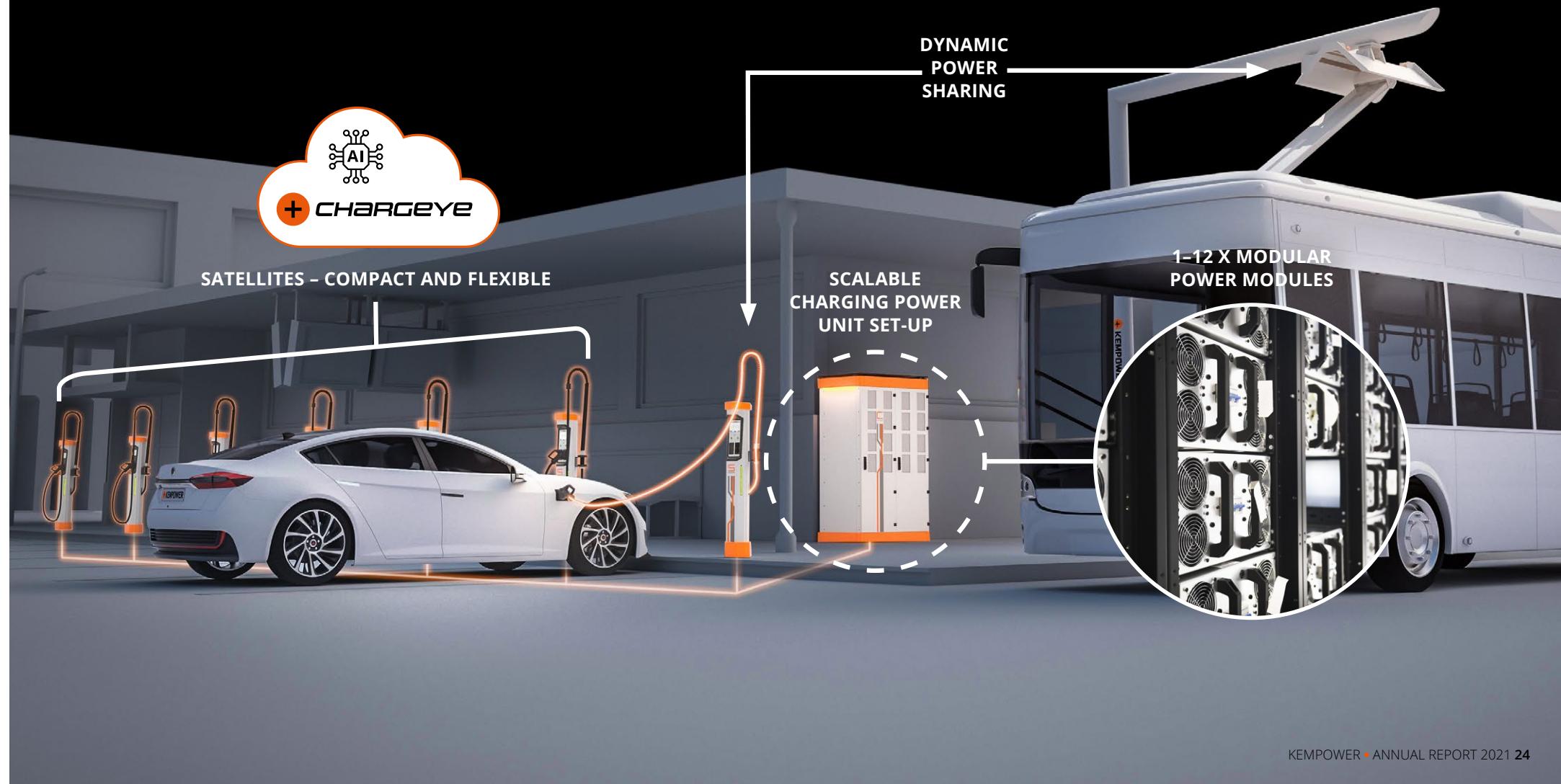
CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

DYNAMIC POWER DISTRIBUTION WITH SATELLITE CHARGING POSTS

Kempower S-Series charging system is an electric vehicle fast-charging system for large and widespread fleets. The system is especially ideal for electric buses, electric trucks and electric cars.



Kempower as an investment case

1

RAPIDLY GROWN COMPANY OPERATING IN AN ATTRACTIVE MARKET

Our revenue has grown at a CAGR of 1,010 percent between 2018 and 2021. The revenue growth has been driven by our technologically sophisticated product offering and increasing demand for EV DC fast-charging solutions. By 2030, the DC fast-charging equipment market in Europe is expected to increase at a CAGR of 17 per cent and in the United States at a CAGR of 27 per cent, to an aggregate of approximately EUR 4,000 million¹.

[Read more about our markets ▶](#)

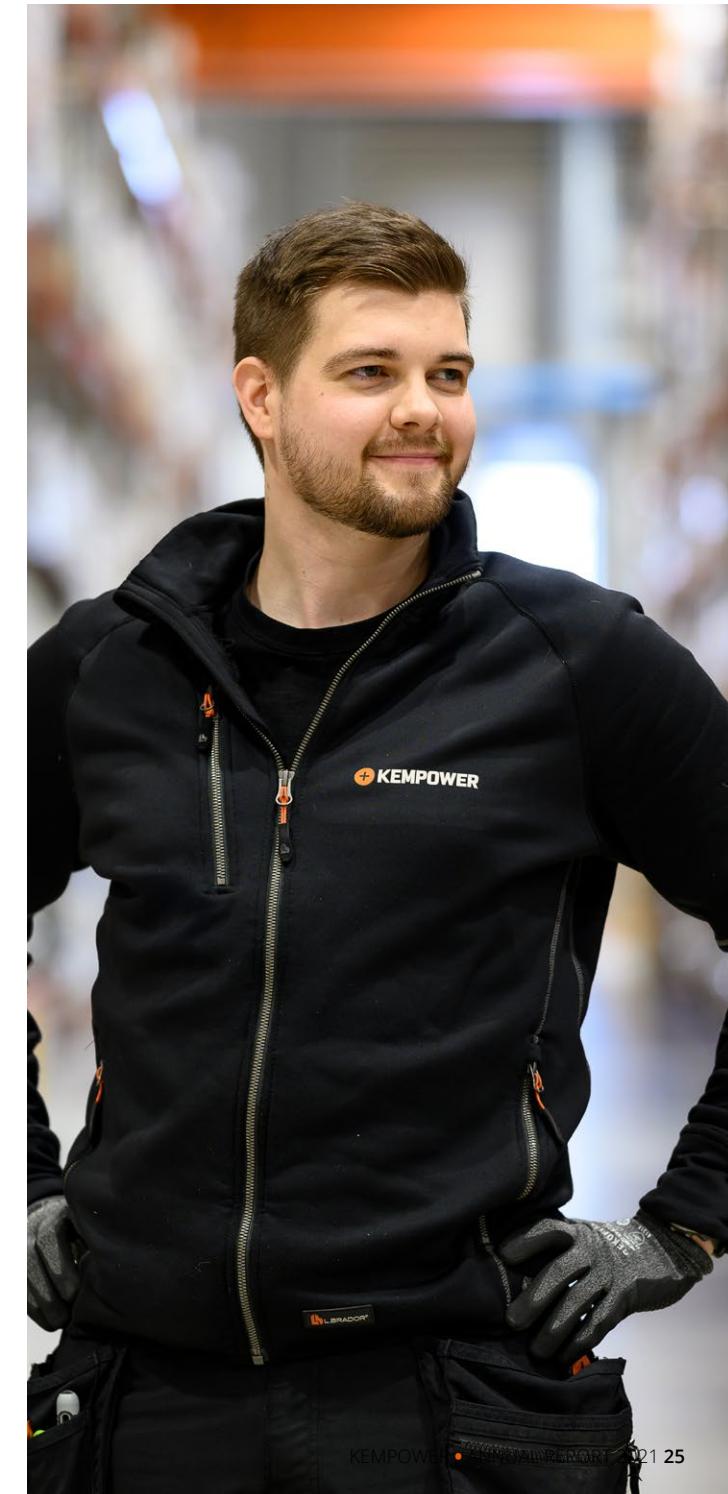
2

SCALABLE AND FLEXIBLE BUSINESS MODEL WITH LIMITED CAPITAL EXPENDITURE NEEDS

We have outsourced significant parts of the DC fast charger materials manufacturing to third party suppliers, enabling us to focus on the final assembly process, which is where the key know-how and competitive advantage of the production lies. We expect that the unit cost of materials will decrease as our sales increase due to volume discounts. In addition, we believe that the modularity of our products and our cloud based Kempower ChargEye™ software that utilises artificial intelligence, will support the scalability of our operations.

[Read more about our business ▶](#)

¹ United States commercial vehicle stock not available for 2016. Estimate. CAGR Compound annual growth rate



3

WELL-POSITIONED PRODUCT OFFERING WITH COMPETITIVE FEATURES

Our products have been developed for mass customisation, but they are also flexible as the charging power units may be positioned at up to 50 metres from the charging post. Our movable chargers offer a solution in places where electricity is difficult to obtain. Furthermore, our charging solutions are compatible with the most common charging standards. They can dynamically share power between satellite charging posts, which enables an efficient distribution of charger capacity across the charging system. Directing electricity dynamically where it is needed the most, provides each vehicle with its preferred charging power.

[Read more about our products ►](#)

4

TECHNOLOGICAL KNOW-HOW AND INNOVATION HERITAGE FROM THE KEMPPPI GROUP

Kempower was formed out of the Kemppi Oy group, a leading welding solutions provider founded in the 1950s. As a testimony of the successful R&D work, Kempower supplied power sources to CERN in 2006 and received a supplier of the year award. Supported by this technological heritage, we have been able to build a culture of innovation and a roadmap for future R&D development with a target of fulfilling future needs for EV fast charging.

[Read more about our products ►](#)

5

DIVERSIFIED CUSTOMER BASE AND BLUE-CHIP CUSTOMER CREDENTIALS

We have signed customer framework agreements and/or purchase orders with reputable international companies that we believe to be forerunners in their own field of business. Our customer base includes, among others, various charge point operators (CPOs), commercial fleet operators and original equipment manufacturers (OEMs), and our products are also sold through our distribution network, making Kempower less dependent on any single customer or customer group.

[Read more about our business ►](#)

6

SUSTAINABILITY AT THE CORE OF BUSINESS OPERATIONS AND KEMPOWER'S OPERATIONS

We aim to operate at the forefront of electrifying traffic and transport as our solutions are designed to enable emission-free mobility. We are committed to the United Nations (UN) 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs). Kempower is committed to 100 per cent carbon neutrality by 2035 and 100 per cent recyclability in our own operations by 2025.

[Read more about our sustainability strategy ►](#)

7

STRONG MANAGEMENT WITH COMMITTED PERSONNEL

Our management team consists of professionals with extensive experience in managing a fast-growing international business and in the demanding electrical engineering industry. We invest in our personnel by recruiting more experts to support our growth and by developing their skills. Employee satisfaction is on a very high level: our net promoter score (NPS) is 83 per cent positive according to a employee satisfaction survey conducted end of year 2021. Employee turnover has been very low.

[Read more about our Board and Management team ►](#)

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ENABLING CLEAN MOBILITY
CHARGING A BETTER FUTURE
GOVERNANCE
FINANCIAL REVIEW



CHARGING A BETTER FUTURE

ELECTRICITY MOVES US
ENABLING CLEAN MOBILITY
CHARGING A BETTER FUTURE
GOVERNANCE
FINANCIAL REVIEW



Kempower's purpose and values

We envisage a society powered by fully electric transportation, making the world cleaner and more sustainable. We want to create an electric vehicle charging infrastructure that is both extensive and reliable, meaning that EVs become the norm.

OUR VALUES

TOGETHER

– Teamwork across the borders creates success, with joy in everything we do.



IMPACT

– Our passion is to help customers move towards an emission-free future. We are driven by customer success.



INTEGRITY

– Responsibility, sustainability, and honesty are our building blocks of integrity.



COURAGE

– As a pioneer, we have the courage to think and act differently. We constantly learn.



Introduction to Kempower's sustainability strategy

Kempower's aim is to be the best partner for our customers in developing emission-free business. Our solutions are designed to enable emission free mobility. We aim to promote fully electric transportation in society, decreasing the relative carbon footprint of our operations and products annually and increasing the recyclability rate for all of our fast-charging solutions at the end of their lifetime.

We believe that responsibly produced, durable EV charging solutions have an important role in a sustainable economy. When selecting

suppliers, we value short transportation distances and responsible operations. For example, since Kempower's production is located in Finland, a major part of the materials and components are sourced from Finland. Sustainability is a key criterion for us in selecting suppliers. We require all our suppliers to fill in a self-assessment survey and we may reject suppliers based on sustainability related information provided in the survey.

SUSTAINABILITY COMMITMENTS AND LONG-TERM TARGETS

Commitment 1

100% carbon neutrality by 2035

Targets:

- Reducing the relative carbon footprint annually
- Using 100 per cent fossil free electricity by 2025 in operations and production
- Compensating the carbon footprint of personnel's business flight travel
- Reducing the amount of landfill waste to zero by 2025

Commitment 2

Sustainable products that enable a society functioning with 100% electric transportation

Targets:

- Reducing plastic packaging by 50 per cent by 2025 from the level of 2021 and transferring to bio plastics and biodegradable plastics when economically viable
- 99 per cent end of lifetime recyclability rate for EV chargers

Commitment 3

Number one workplace for future professionals

Targets:

- Reducing the workplace accident rate to zero and maintaining it
- Securing high work satisfaction
- Training personnel with first aid skills to reduce serious harm in case of accidents and other medical emergencies



Kempower is committed to the UN 2030 Agenda for Sustainable Development and its SDGs. We have identified six SDGs that best connect with our operations.

READ MORE: www.kempower.com/company/sustainability/ ▶

FIRST COMMITMENT:

Committed to 100% carbon neutrality

Goal 7: Affordable and green energy

Kempower's long-term target is to be 100% carbon neutral. We are committed to annually reduce our relative carbon footprint. We are looking to transfer to the use of 100% fossil-free electricity in all locations by 2025. We have established a carbon footprint calculation to follow-up emissions and to set targets according to the Greenhouse Gas protocol.

Kempower promotes EVs as more energy efficient means of transportation compared to ICE (internal combustion engine) vehicles. Our fleet of company cars is 100% electric. Employees have the possibility to use company EVs for miscellaneous short travels during working hours. Employees can also obtain a company bike. We promote low-emission ways to commute: e.g. walking, biking, public transportation or electric cars.

We minimise business travels and carbon compensate business flights. The Kempower ChargEye™ backend enables preventative maintenance of our charging solutions via cloud, reducing the need to travel for maintenance work.

Goal 13: Climate action

Kempower aims for 100% recyclability in our own operations. We aim to achieve this goal by reducing the amount of landfill waste to 0% by 2025 from the level of the year 2021. We aim to reduce plastic packaging by 50% by 2025 compared to use in 2021. In our production and logistics, we transfer to bio-based and biodegradable plastics, when economically viable.

100% of Kempower's production is located in Finland, with a majority of our materials and components sourced in the country. When selecting suppliers, we value short transport distances and responsible operations.



Kempower had awarded two new ISO certifications including ISO 14001:2015 (environment) and ISO 45001:2018 (personnel). By fulfilling the criteria of the certifications, Kempower shows its commitment to providing products and services that meet both customer and regulatory requirements. The company also aims to further improve its environmental efficiency and occupational safety.

Kempower received the quality management system certification ISO 9001:2015 already in December of 2020. The certifications now issued complement the company's set of international standards. Kempower has chosen DNV Finland Oy as its certification body.

Kempower's long-term target is to be 100% carbon neutral.

SECOND COMMITMENT:

Responsible products, enabling a society powered by 100% electric transportation

Goal 11: Sustainable cities and communities

Kempower reduces carbon emissions in urban areas by enabling the DC fast charging of electric vehicles and machines. Based on the data provided by The Finnish Transport and Communications Agency Traficom, the amount of CO₂ emissions from fully electric passenger cars is 86% smaller per 100 km compared to ICE passenger cars.

Goal 12: Responsible consumption and production

Kempower is committed to being the frontrunner in cleantech, investing in continuous technology development and innovations. Our products are designed to last. Our native IoT chargers can be updated remotely and in real-time via Kempower ChargeEye™ cloud service, reassuring our customers that their chosen solutions are future-proofed and always cloud connected.

With 100% remote control via ChargeEye™ minimises the need for maintenance travel and extends the lifecycle of Kempower charging solutions.

Kempower has the following certifications: ISO 9001 Quality, ISO 14001 Environmental and ISO 45001 Health & Safety.

We have set an ambitious target of 99% end of lifetime recyclability rate for all Kempower EV chargers. According to a recycling rate analysis carried out by Kuusakoski Oy, the recycling rate of Kempower T-Series is 99.61%. Kempower will carry out similar recycling assessments for all products.

Kempower T-Series – total recycling rate 99.61%



THIRD COMMITMENT:

The best workplace for future professionals

Goal 3: Good health and well-being

Kempower promotes a diverse and safe working environment with a family-friendly working culture. We offer healthcare supporting both physical and mental health. We also support sports and cultural leisure activities.

We are committed to reducing and maintaining the Total Recordable Injuries (TRI) rate at 0. We provide first aid training for our staff, with the aim of having 100% trained personnel. We believe that this is one way to reduce serious harm in the case of accidents and other medical emergencies.

We feel that well-being and caring for well-being belongs to everyone. We offer each employee the opportunity to do 8 hours of optional volunteer work each year. Kempower continuously improves occupational welfare in co-operation with employees.

In Q4 2021, our Employee Net Promoter Score (eNPS) result reached 83 in the personnel satisfaction survey.

Goal 4: Quality education

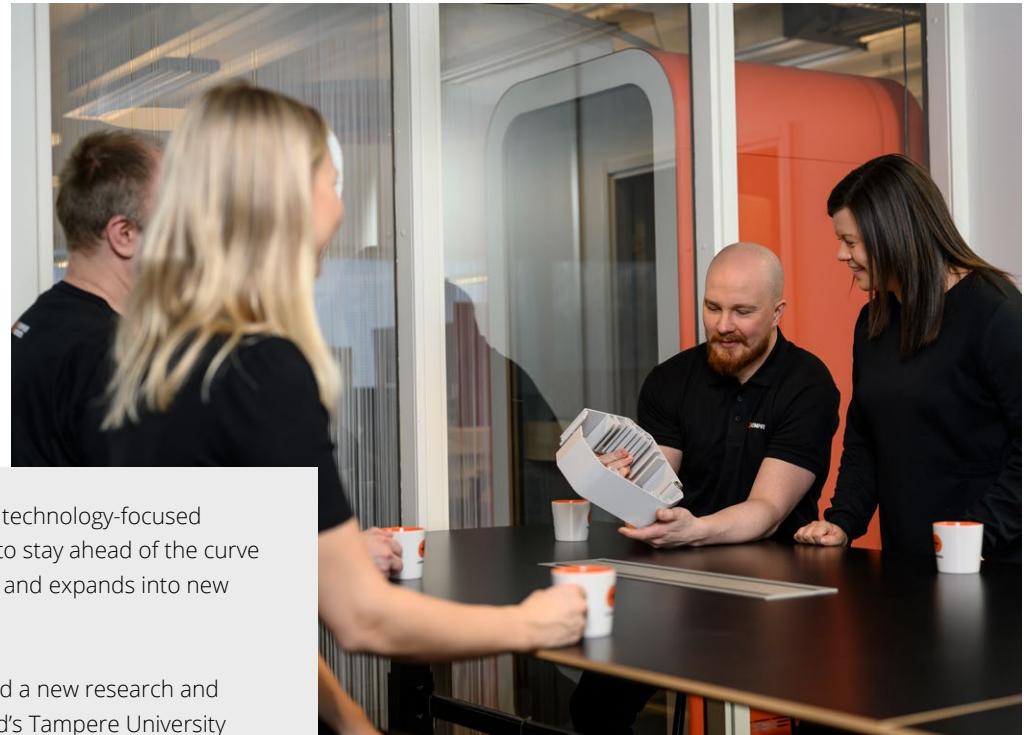
We are eager to attract the best talent available in the job market now and in the future.

We are 100% committed to adapt our work environment to fit with the needs of future generations. Kempower offers trainee positions and first jobs for the graduates in their path to becoming professionals. We cooperate closely with schools, universities, and universities of applied sciences.

Kempower works closely with technology-focused universities and polytechnics to stay ahead of the curve as the business quickly scales and expands into new countries.

In 2021 Kempower established a new research and development centre at Finland's Tampere University Campus.

Kempower provides funding for Finland's first professorship in E-Mobility at Lappeenranta-Lahti University of Technology LUT (LUT University). The academic program provides Finnish technology companies with the latest research data, plus support innovations and businesses in e-mobility solutions.



In Q4 2021, our Employee Net Promoter Score (eNPS) result reached 83 in the personnel satisfaction survey.

Key risks

Kempower's annual risk management process consists of risk identification, risk assessment, risk management, risk monitoring and risk reporting. The risk management framework fosters awareness of risk and control throughout the organisation and supports informed decision making. Continuous communication and dialog are necessary to promote risk awareness throughout Kempower and to ensure successful integration of risk management into strategic planning, budgeting, daily decision-making and operations.

As a result of the risk management process, Kempower's main risks have been identified for which mitigation plans and activities have been defined, implemented and further monitored throughout the year. According to the annual cycle, the Group management risk workshop has concluded on the main risks for Kempower, and those have been reported to the Board of Directors.

1. Kempower's business is global and the Company is therefore exposed to macroeconomic risks and other macro-level trends, such as cyclical fluctuations or a slowdown in global economic growth. The global operating model also exposes Kempower to risks related to the supply chain, which may thus affect the company's operations for example in the form of risks related to the availability of raw materials and components.
2. Kempower has a growth strategy, of which implementation involves risks, especially with regard to the scaling of operations. Failure of Kempower to effectively increase its production capacity and supply chain could have a negative impact on the company's ability to meet its short-term growth targets. To manage the risk, Kempower has significantly expanded its production capacity, and the capacity expansion will continue also in 2022.
3. Due to the change in the current pandemic situation, the risk of illness for personnel has increased and possible increasing restrictions on movement may make it more difficult to sell, assemble and deliver Kempower's products.
4. Kempower's business success and implementation of its strategy depend on the company's ability to recruit and engage qualified, motivated and skilled individuals. The availability and loss of key personnel could have a material adverse effect on Kempower's business. The shortage of skilled people in the labour market may also have a detrimental effect on the availability and retention of labour in Kempower.
5. Achieving Kempower's strong growth targets depends on the company's ability to respond to market changes and the actions of competitors.
6. The company's business may also be affected if new or changed laws and regulations are introduced in the market of which the company would not have been aware and thus prepared for the changes.
7. A failure of IT systems to perform as designed could disrupt Kempower's business and have a material adverse effect on its revenue and results of operations.

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ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW



GOVERNANCE

ELECTRICITY MOVES US
ENABLING CLEAN MOBILITY
CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW



Corporate Governance Statement

Introduction

Kempower Corporation (the “**Company**” or “**Kempower**”) is a Finnish public limited liability Company. The duties and responsibilities of Kempower’s governing bodies are determined in accordance with Finnish law. The Company is domiciled in Lahti. This Corporate Governance Statement has been prepared based on the Finnish Corporate Governance Code 2020 and the applicable legislation and regulations.

In accordance with the decision of the Board of Directors, the Company has complied with all the recommendations of the Finnish Corporate Governance Code 2020 (the “Corporate Governance Code”). The Corporate Governance Code is available on the Securities Market Association’s website at www.cgfinland.fi/en/.

Kempower Corporation’s certified advisor is Alexander Corporate Finance Oy. The Company’s certified advisor ensures that the Company meets the requirements and obligations in force at the time in question, of the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Oy.

This report describes the key principles of Kempower Corporation’s Corporate Governance. The Corporate Governance Statement is issued separately from the Board of Directors’ report for the financial period 1 January to 31 December 2021. The Corporate Governance Statement and the report of the Board of Directors are available on Kempower’s website at www.kempower.com.

This report has been reviewed by the Board’s Audit Committee and approved by the Board. Kempower’s auditor, Ernst & Young Oy, has confirmed that this report has been issued and that the description of the main features of the company’s internal control and risk management system related to the financial reporting process is consistent with the description included in the company’s financial statements.

Kempower’s governing bodies

Kempower’s governing bodies are the Annual General Meeting, the Board of Directors and the CEO. Kempower’s highest decision-making power is exercised by the shareholders at the Annual General Meeting. The Board of Directors and the CEO are responsible for managing the company. The Board’s work is supported by its two committees, the Audit Committee and the Remuneration and Nomination Committee. The Management Team assists the CEO in managing the company and the Group. Further information on the administration is available on Kempower Corporation’s website www.kempower.com.

Annual General Meeting

The Annual General Meeting is Kempower Corporation’s highest decision-making body. The Annual General Meeting is to be held annually by the end of June and it deals with matters falling within its competence under the Articles of Association, as well as proposals made to it. The Company’s Annual General Meeting is usually held in March–April. If necessary, an Extraordinary General Meeting is convened.

The Board of Directors is also obliged to convene a General Meeting if the auditor or shareholders holding a total of at least 10% of the Company’s shares so request in writing, to deal with a particular matter.

The decision-making power of Kempower’s Annual General Meeting includes inter alia:

- approving the financial statements and deciding on the distribution of profits;
- the number, election and remuneration of Board members;
- discharging the members of the Board of Directors and the CEO from liability;
- amending the Articles of Association;
- share issues or authorising the Board of Directors to decide on share issues; and
- increase or decrease of share capital.

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The notice to the Annual General Meeting shall be delivered to shareholders by publishing the notice on the Company's website or in one or more widely circulated daily newspapers designated by the Board no earlier than three months and no later than three weeks before the reconciliation date, however always at least nine (9) days before the record date.

The notice to the meeting and the Board's proposals to the Annual General Meeting are also published in a stock exchange release. In a similar manner by a stock exchange release is announced the proposal of the shareholders holding at least 10 per cent of the voting rights of the Company's shares regarding the composition and remuneration of the Board of Directors and the election of the auditor.

The agenda of the Annual General Meeting, proposed resolutions and meeting documents in accordance with the Companies Act, including the remuneration report and the remuneration policy, if scheduled to be discussed at the meeting, will be posted on the Company's website at least three weeks before the Annual General Meeting.

If a shareholder wishes to participate in the Annual General Meeting, he or she must register in advance in the manner specified in the notice convening the meeting and no later than on the date specified in the notice, which may not be earlier than ten (10) days before the date.

Annual General Meeting 2021

The Annual General Meeting 2021 was held on 30 March 2021.

Extraordinary General Meeting

Kempower Corporation's held Extraordinary General Meeting on 1 September 2021.

Board of Directors

The Board of Directors is responsible for the administration of Kempower Corporation and the proper organisation of its operations. The Board of Directors has the general authority to decide on all matters related to the Company's administration and other matters which, according to law or the Articles of Association, do not belong to the Annual General Meeting or the CEO.

The Board is elected by the Annual General Meeting. The Remuneration and Nomination Committee prepares the appointments of the members of the Board of Directors for the Annual General Meeting. According to the Articles of Association, the Company's Board of Directors may consist of a minimum of four (4) and a maximum of eight (8) ordinary members.

The term of office of a member of the Board of Directors begins at the end of the Annual General Meeting at which he or she is elected, and ends at the end of the Annual General Meeting following his or her election. The Annual General Meeting elects the Chairman of the Board, whose term of office is the same as that of a member of the Board.

Key responsibilities of the Board of Directors

The Board of Directors is responsible for the Company's administration and the proper organisation of operations, and for ensuring that the Company's accounting and financial management are properly supervised.

The Board of Directors deals with matters that are far-reaching and fundamentally important for the operations of the Company and its subsidiaries. The Board of Directors and the CEO must manage the Company in a professional manner and in accordance with sound and prudent business principles. The Board's task is to promote the interests of the Company and its all shareholders.

Kempower Corporation's Board of Directors has approved written rules of procedure for the Board's duties, matters to be discussed, meeting procedures and decision-making procedures.

In order to carry out its duties, the Board shall, inter alia:

- ensure that the Company's accounting and financial management are properly supervised
- appoint and dismiss the CEO and decide on the terms of his/her service contract and the amount of his/her annual remuneration
- approve and confirm the Company's strategic objectives and risk management principles;
- ensure the functioning and control of the management system;
- ensure that the Company has the values to be observed in the Company's operations;
- promote the interests of the Company and all its shareholders;
- take care of the development of shareholder value;
- adopt an annual plan / rules of procedure;
- prepare proposals for the Annual General Meeting and convene the Annual General Meetings;
- prepare and approve management reports, financial statements and interim reports;
- make a proposal to the Annual General Meeting on dividend distribution, amount of dividend and the time of payment;
- confirm the Company's objectives and strategy and approve the business plan presented by the CEO;
- adopt annual budgets and action plans;
- monitor and guide the implementation of the Company's business strategy;
- approve a business and performance plan based on the business plan;
- monitor the Company's earnings development and the achievement of set objectives;

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ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

- direct and supervise the CEO;
- confirm the composition of the management team on the proposal of the CEO;
- monitor, direct and control the operational management of the business;
- authorise the persons designated by it, if necessary, to write the name of the Company, either alone or together, or per procuram, as the case may be;
- monitor funding options and monitor the implementation of funding decisions;
- separately approve drawdowns of loans within the agreed financing terms;
- adopt key policies, such as remuneration and financial policies;
- make major business decisions, such as acquisitions, significant contracts, investments and financing arrangements;
- decide on the company structure;
- approve the organisational structure and decide on its application;
- approve the annual internal audit program and review the internal audit reports;
- cooperate with the external auditor as necessary and monitor the implementation of the audit program
- consider the reports submitted by the auditor to the Board;
- deal with other matters raised by the Chairman of the Board, a member of the Board and the CEO; and
- decide on other matters pertaining to the Board in accordance with the law.

The Board complies with Nasdaq Helsinki Oy's insider guidelines and is committed to complying with them and the Company's own insider guidelines. In addition, each member of the Board has a duty of confidentiality with respect to all information he or she receives about the Company or any other matter in his or her capacity as a member of the Board.

Once a year, the Board evaluates its own operations and working methods as a self-assessment. A self-assessment was also carried out in 2021.

The Board shall meet as often as necessary to carry out its duties. A quorum is reached when more than half of the Board's members are present. The decision of the Board of Directors shall be the opinion supported by more than half of those present, or in case of an equal number of votes, the Chairman has the casting vote. The CEO and CFO regularly attend the Board's meetings. The CEO presents a CEO's review at all Board meetings. Secretary of the Board of Directors and, on a case-by-case basis, other persons whose presence is necessary due to the matter under discussion, shall also attend the Board meeting.

Board of Directors in 2021

Until the Annual General Meeting held on 30 March 2021, the Board had the following six members: Chairman of the Board Antti Kemppi, Vice Chairman of the Board Teresa Kemppi-Vasama, Juha-Pekka Helminen, Tero Era, Ville Vuori and Katri Sahlman. At the Annual General Meeting on 30 March 2021, Chairman of the Board Antti Kemppi, Vice Chairman of the Board Teresa Kemppi-Vasama, Tero Era and Juha-Pekka Helminen were re-elected to the Board and Kimmo Kemppi was elected as a new member. In addition, at the Extraordinary General Meeting on 1 September 2021 Vesa Laisi and Eriikka Söderström were elected as new members of the Board.

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ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

Board of Directors as per 31 December 2021

In addition to the chairman, the company's Board of Directors consisted of six members on 31 December 2021:



Antti Kemppi

Chairman of the Board
Master of Science (Economics and Business Administration)
b. 1978
Finnish citizen
Chairman of the Board since 2018
Independent of the Company, not independent of the Company's major shareholder
Holding on 31 December 2021: 17,501 shares
Indirect ownership on 31 December 2021: Majority owner of Kempinvest Oy. Kempinvest Oy owns 348,432 shares. Voting majority in Facultas Oy. Facultas Oy owns 17,501 shares. Voting majority in Potestas Oy. Potestas Oy owns 17,501 shares.



Teresa Kemppi-Vasama

Vice Chairman of the Board
Master of Social Sciences and MBA
b. 1970
Finnish citizen
Member of the Board since 2018
Independent of the Company, not independent of the Company's major shareholder
Holding on 31 December 2021: 17,501 shares
Indirect ownership on December 31 2021: Majority owner of Auro Invest Oy. Auro Invest Oy owns 48,780 shares.



Tero Era

Member of the Board
Master of Science (Economics and Business Administration), MBA
b. 1977
Finnish citizen
Member of the Board since 2020
Independent of the Company and the Company's major shareholder
Holding on 31 December 2021: 8,710 shares



Juha-Pekka Helminen

Member of the Board
Master of Science in Technology, EMBA
b. 1971
Finnish citizen
Member of the Board since 2020
Independent of the Company and the Company's major shareholder
Holding on 31 December 2021: 17,501 shares

More detailed information on the members of the Board of Directors is available on the company's website: <https://investors.kempower.com/governance/board-of-directors>

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CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW



Kimmo Kemppi

Member of the Board

Bachelor of Business Administration, BBA

b. 1972

Finnish citizen

Member of the Board since 2021

Independent of the Company, not independent of the Company's major shareholder

Holding on 31 December 2021: 56,620 shares

Indirect ownership on 31 December 2021: Owns Kimmoke Oy. Kimmoke Oy owns 25,261 shares. Owns Kempitalli Oy through Kimmoke Oy. Kempitalli Oy owns 25,261 shares.



Vesa Laisi

Member of the Board

Master of Science in Technology and Master of Science (Economics and Business Administration)

b. 1957

Finnish citizen

Member of the Board since 2021

Independent of the Company and the Company's major shareholder

Holding on 31 December 2021: 31,097 shares



Eriikka Söderström

Member of the Board

Master of Science (Economics and Business Administration)

b. 1968

Finnish citizen

Member of the Board since 2021

Independent of the Company and the Company's major shareholder

Holding on 31 December 2021: 29,181 shares

More detailed information on the members of the Board of Directors is available on the company's website: <https://investors.kempower.com/governance/board-of-directors>

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In 2021, the Board focused on accelerating the Company's growth and listing the Company on the First North marketplace. In 2021, the Board held a total of 31 meetings.

The average attendance rate at Board meetings was 99.5 per cent.

In 2021, the members of the Board were present at the meetings as follows:

Board Member	Presence	Attendance rate
Antti Kemppi	31/31	100%
Tero Era	31/31	100%
Juha-Pekka Helminen	31/31	100%
Kimmo Kemppi	29/29	100%
Teresa Kemppi-Vasama	31/31	100%
Vesa Laisi	20/21	95%
Eriikka Söderström	21/21	100%
Katri Sahlman	2/2	100%
Ville Vuori	2/2	100%

Independence of the members of the Board

According to the Corporate Governance Code, the majority of the members of the Board of Directors must be independent of the Company. At least two members of the Board of Directors who are independent of the Company must also be independent of the Company's significant shareholders.

The Board annually assesses the independence of its members in relation to the Company and its significant shareholders.

Based on the independence assessment in accordance with the Corporate Governance Code in 2021, the members of the Board of Directors, Antti Kemppi, Teresa Kemppi-Vasama, Juha-Pekka Helminen and Tero Era elected at the 2020 Annual General Meeting have been considered independent of the Company,

while Katri Sahlman and Ville Vuori have been considered non-independent of the Company due to being employed by Kempower's sister company Kemppi Oy.

Based on the independence assessment in accordance with the Corporate Governance Code in 2021, the members of the Board of Directors, Antti Kemppi, Teresa Kemppi-Vasama, Kimmo Kemppi, Juha-Pekka Helminen and Tero Era, elected at the 2021 Annual General Meeting and the members of the Board of Directors, Vesa Laisi and Eriikka Söderström, elected at the Extraordinary General Meeting 1 September 2021 have been considered independent of the Company.

Based on the independence assessment, the members of the Board of Directors have also been considered independent of significant shareholders, except for Antti Kemppi, Teresa Kemppi-Vasama and Kimmo Kemppi.

Diversity of the Board of Directors

The composition of the Board of Directors takes into account the requirements set by the Company's operations and the Company's development phase. The person elected to the Board of Directors must have the qualifications required for the position and be able to devote sufficient time for the position. The number of members of the Board of Directors and the composition of the Board of Directors must enable the Board to perform its duties effectively.

Kempower takes into account diversity in the selection of Board members in relation to the members' gender, age, educational background and nationality, so that the Board has a broad and diverse representation of the skills and education that support Kempower's operations. There must be persons of both genders in the Board.

The curriculum vitae of the members of the Board of Directors are available on the website:
<https://investors.kempower.com/governance/board-of-directors>.

Committees

The Board confirms the key tasks and operating principles of the committees in the rules of procedure. The Board elects the members and the chairman of the committee. The committee must have at least three members with the expertise required for the duties. The task of the committee is to assist the Board in preparing matters pertaining to the Board. The committees do not have independent decision-making power and report on their work to the Board.

Audit Committee

The scope of the Company's business also requires the preparation of matters concerning financial reporting and control in a smaller Audit Committee than the entire Board. The members of the Audit Committee shall have sufficient expertise and experience, taking into account the Committee's remit and the statutory audit responsibilities.

The Audit Committee assists the Board in preparing matters concerning financial reporting and control. The duties of the Audit Committee include the following:

- monitor and evaluate the financial reporting system;
- monitor and evaluate the effectiveness of internal control and audit and risk management systems;
- monitor and evaluate the extent to which agreements and other legal transactions entered into between the Company and its related parties meet the requirements for normal operations and market conditions;

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ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

- monitor and evaluate the independence of auditors, and in particular the provision of non-audit services;
- monitor the Company's audit;
- prepare the election of the Company's auditor;
- approve the annual internal audit plan;
- review internal audit reports and monitor the handling of key audit findings.

The Audit Committee may also oversee the financial reporting and risk management process, assess compliance with laws and regulations, monitor and evaluate the definition of related party policies, monitor financial and tax risks, monitor IT security-related processes and risks and to identify and monitor specific issues identified by the Board and appropriate to the job description of the Audit Committee.

Audit Committee 2021

In 2021, the Audit Committee consisted of Chairman Eriikka Söderström, Antti Kemppi, Teresa Kemppi-Vasama and Juha-Pekka Helminen. All members are independent of the Company. All members are independent of significant shareholders except for Antti Kemppi and Teresa Kemppi-Vasama.

The Audit Committee was established in November 2021 prior to the Company's listing on First North and did not meet during 2021.

Remuneration and Nomination Committee

The task of the Remuneration and Nomination Committee is to prepare the appointments and remuneration of the members of the Board of Directors and to prepare the appointments and remuneration of both the CEO and the members of the Management Team. The task of the committee is to promote and develop the transparency and systematic nature of the

selection processes and the remuneration system, and to comply with the principles of good corporate governance. The committee prepares the remuneration policy and the remuneration report and presents it at the Annual General Meeting and promotes the development of know-how and ability as well as succession planning.

The duties of the Committee include the following:

- preparation for the Annual General Meeting related to the composition of the Board of Directors, the number of members and persons;
- prepare proposals for the remuneration of the members of the Board of Directors for the Annual General Meeting;
- preparation of government diversity principles;
- succession planning for Board members
- prepare the preparation of matters related to the hiring, remuneration and other financial benefits of the CEO and the members of the Management Team;
- evaluating the remuneration of the company's CEO and other management;
- matters related to the management succession plan and its development; and
- answering questions related to the remuneration report at the Annual General Meeting.

Remuneration and Nomination Committee 2021

In 2021, the Remuneration and Nomination Committee consisted of Chairman Vesa Laisi, Tero Era, Antti Kemppi, Kimmo Kemppi and Teresa Kemppi-Vasama.

The Remuneration and Nomination Committee was established in November 2021 prior to the Company's listing on First North and did not meet during 2021.

CEO and the Management Team

Tomi Ristimäki, Master of Science in Electrical Engineering, started as the company's CEO in February 2019. The CEO is assisted in managing the operations by the Management Team.

The CEO is responsible for managing Kempower's operations in accordance with the instructions and regulations issued by the Company's Board of Directors and for keeping the Board informed of the development of Kempower's business and financial situation. The CEO is responsible for the day-to-day administration and day-to-day management of the Company in accordance with the Limited Liability Companies Act and the instructions and regulations issued by the Board of Directors. Taking into account the scope and quality of the Company's operations, the CEO may, in principle, take unusual or far-reaching actions only as authorised by the Board of Directors. The Board of Directors appoints and dismisses the CEO, decides on the financial benefits and other terms of the contractual relationship within the framework of the valid remuneration policy presented to the Annual General Meeting, and supervises the CEO's operations. The CEO is also the President of the Kempower Group.

The terms and conditions of the CEO's contract are based on a written agreement approved by the Board. The CEO cannot serve as the Chairman of the Board of Directors of the Company. The CEO will be elected until further notice.

CEO and the Management Team as per 31 December 2021

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GOVERNANCE

FINANCIAL REVIEW



Tomi Ristimäki

Chief Executive Officer

Member of the Management Team since 2019

b. 1975, Master of Science in Electrical Engineering

Finnish citizen

Holding on 31 December 2021: 24,479 shares



Sanna Otava

Chief Operating Officer

Member of the Management Team since 2019

b. 1975, Master of Science in Energy Engineering

Finnish citizen

Holding on 31 December 2021: 9,234 shares



Jukka Kainulainen

Chief Financial Officer

Member of the Management Team since 2021

b. 1982, Master of Science (Economics and Business Administration)

Finnish citizen

Holding on 31 December 2021: 18,916 shares



Jussi Vanhanen

Chief Markets Officer

Member of the Management Team since 2021

b. 1972, Master of Science in Electrical Engineering

Finnish citizen

Holding on 31 December 2021: 2,000 shares



Mikko Veikkolainen

Chief Technology Officer

Member of the Management Team since 2019

b. 1970, Master of Science in Mechanical Engineering; Welding engineer

Finnish citizen

Holding on 31 December 2021: 18,594 shares



Tommi Liuska

Chief Sales Officer

Member of the Management Team since 2019

b. 1977, Master of Science in Industrial Engineering

Finnish citizen

Holding on 31 December 2021: 18,840 shares



Paula Savonen

Director, Communications

Member of the Extended Management Team since 2021

b. 1976, Master of Agricultural and Forestry Sciences

Finnish citizen

Holding on 31 December 2021: 7,566 shares



Petri Korhonen

Chief Engineer

Member of the Extended Management Team since 2021

b. 1967, Master of Science in Electrical Engineering

Finnish citizen

Holding on 31 December 2021: 9,230 shares

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

Risk management, audit, internal control and internal audit

Overview of risk management

Risk means an event or circumstance that may hinder or prevent the achievement of Kempower Corporation's objectives or due to which business opportunities may not be utilised. Risks are classified into strategic, operational and financial risks. Non-financial effects are also taken into account when assessing risks.

Through risk management, Kempower Corporation supports the achievement of its strategic and business objectives and ensures the continuity of its operations in changing circumstances. The ability to bear risks and manage them effectively is central to business success and the creation of shareholder value.

The objectives of risk management are achieved by providing the Group with information on the uncertainties, risks and opportunities facing the objectives and operations, as well as uniform and effective methods for identifying, assessing and managing risks and their consequences. The willingness to take risks must be proportionate to the risk-bearing capacity and the risk-taking must be in balance with the intended benefits. Risk reporting must be available to management as part of other reporting.

Kempower Corporation has a risk management policy approved by the Board of Directors. The purpose of the company's risk management is to ensure the comprehensive and appropriate identification, assessment, management and control of risks

throughout the Kempower Group. It is an integral part of the company's planning and management process, decision-making, day-to-day management and operations, and control and reporting procedures.

Internal control and audit

The objective of internal control and risk management is to ensure that the Company's operations are efficient and effective, that information is reliable and that regulations and operating principles are complied with. Internal control covers all the measures and procedures to ensure that objectives are met. The subjects of internal control are the organisation's internal operating environment, goal setting, risk management, control measures, information flow, communication, and monitoring.

Kempower Corporation's internal audit evaluates the appropriateness and effectiveness of the internal control system and risk management in order to promote the achievement of the organisation's objectives. The role of internal audit from the perspective of Corporate Governance is to effectively assist the Board in fulfilling its oversight responsibilities.

The Company's internal audit assesses, among other things, the Company's internal control and risk management.

Internal Audit assists the Board, the Audit Committee and the CEO in supervising and managing the Company. Kempower's Board of Directors approves the annual internal audit plan on the proposal of the Audit Committee. The internal audit will present its audit report at a Board meeting at least once a year. At least semi-annually, the internal audit submits its audit report to the Audit Committee, reports on the audits

performed, the feedback received on them and the follow-up of corrective actions. Internal audit provides corrective action guidance to units and takes good practices and processes into the subsidiaries.

The subjects of internal audit are always selected for the year ahead, taking into account the scope of the internal audit performed in these units, the multidimensional nature of the operations and the experience base accumulated in the Company. The most significant subsidiaries aim to conduct an internal audit annually and in others, in principle, every three years. An internal audit of a selected site may also be performed outside of normal annual plans if it is necessary for the Company's internal control and risk management.

In order to perform his or her duties, the person responsible for internal audit shall be functionally independent and in direct contact with the Chairman of the Audit Committee and the CEO. The internal audit can be arranged in Kempower internally, or it can alternatively be purchased from an external service provider.

Internal control is a process carried out by the Board of Directors and management as well as other personnel, the purpose of which is to provide reasonable assurance that the objectives set for the company's operations have been achieved. Internal control is an integral part of all of Kempower Corporation's operations, and internal control covers all of the Company's policies, processes and practices that help management, and ultimately the Board, to ensure that the Company's objectives are met and Kempower Corporation's business is conducted ethically and in accordance with all applicable laws and regulations, as well as internal guidelines, and that financial reporting is carried out appropriately.

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CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW



Related party administration

Kempower's Board of Directors has defined the principles for monitoring and evaluating related party activities and maintains a list of its related parties. Related parties are defined in accordance with the IAS 24 standard. Transactions between the Company and its related parties are acceptable when they are in accordance with the purpose of the Company's operations and the Company's interests and have a business basis and are made in accordance with the regulations in force. The company's related party transactions are always market-based and the company's financial organisation monitors compliance with the company's related party principles. The Board shall make decisions regarding substantial transactions between the Company and its related parties.

The Company will ensure that it has identification, decision-making, approval, reporting and oversight policies that take due account of the above principles and conflicts of interest. The Board of Directors must monitor and evaluate the Company's related party activities. The Board of Directors decides on related party transactions annually at a Board meeting. The Board of Directors must monitor and evaluate the Company's related party activities.

The Company did not enter into any transactions with its related parties that are material to the Company and deviate from the Company's normal business operations or carried outside of normal arm's length conditions in 2021. The usual related party transactions relate to certain lease agreements, management and support services and material purchases from Kemppi Group companies.

Insider administration

Kempower has an insider policy approved by the Board of Directors which is based on the market abuse regulation, NASDAQ Helsinki Oy's insider guidelines and other relevant regulations and guidelines.

The Company's CFO is responsible for supervising insider matters. He is responsible for e.g. that persons who are required to process inside information are aware of the insider regulations and that they comply with trading restrictions.

The company maintains project-specific insider lists in accordance with applicable insider regulations.

Kempower Corporation's directors and their related parties must notify the Company and the Financial Supervisory Authority of their transactions with Kempower Corporation's financial instruments. The Company has compiled a list of all persons in management positions and their related parties.

In addition to the members of Kempower Corporation's Management Team and Board of Directors, Kempower Corporation's directors include members of the Board of Directors of Kempower Corporation's parent company Kemppi Group Oy; Hannu Kemppi, Jouko Kemppi, Eija Vartiainen, Petri Vartiainen, Anna Maria Kemppi, Olli Ryynänen and Aaro Vasama, vice member of the Board.

Auditor

The Company's auditor is Ernst & Young Oy. Authorised Public Accountant Toni Halonen acted as the principal auditor on the 31st of December 2021. The auditor's term of office ends at the end of the Annual General Meeting following the election.

The following fees have been paid to the auditor in the financial year 2021:

Auditor's fees	Kempower Group (EUR)	Kempower Corporation (EUR)
Audit	29,320	24,400
Tax consulting	5,820	5,820
Other services	1,300	1,300
Total	36,440	31,520

Remuneration report

Introduction

This remuneration report for 2021 is Kempower Corporation's ("Kempower" or the "Company") first remuneration report prepared in accordance with the Finnish Corporate Governance Code 2020 (the "Corporate Governance Code"). In this report, Kempower presents the salaries, fees and other financial benefits paid to the members of the Company's Board of Directors and the CEO during the financial year 2021 and due based on the financial year 2021. In addition, the report describes the decision-making on remuneration and the key principles governing it at Kempower.

Description of the decision-making process

The Annual General Meeting makes the final decision on the remuneration of the Board of Directors annually. Kempower's Remuneration and Nomination Committee prepares the remuneration policy and any material changes to it, and the Board of Directors approves it for presentation to the Annual General Meeting.

The remuneration policy will be presented for the first time at the 2022 Annual General Meeting. Kempower's remuneration policy is presented at the company's Annual General Meeting at least every four years and whenever significant changes are proposed.

Kempower's Remuneration and Nomination Committee prepares proposals for the remuneration of all members of the Board of Directors, and the Annual General Meeting makes the final decision on the remuneration of the Board of Directors annually.

The Board of Directors decides on the remuneration of the CEO and other members of the Management Team and the grounds for it. The salary of the CEO and the members of the Management Team consists of a monthly salary and a bonus. In addition, all Kempower employees are included in a performance bonus program (short-term incentive) that includes company-level targets combined with personal goals

Remuneration principles 2021

Kempower's remuneration report for 2021 complies with the remuneration policy of the Company's governing bodies, approved by the Board of Directors on October 25 2021, which will be handled at the spring 2022 Annual General Meeting.

In accordance with its remuneration policy, Kempower strives to reward its management in a way that provides an incentive and engages them in advancing the Company's strategy and creating value for the shareholders. Remuneration and remuneration development are assessed based on the Company's success, general economic development and the industry's remuneration practices. In addition to a fixed salary, the key remuneration principle is performance-based remuneration. In addition, the overall remuneration of the management is central to the remuneration. Kempower's remuneration consists of the following:

- Annual basic salary
- Short-term incentive (STI)
- Long-term incentive scheme (LTI)
- Other financial benefits

During the financial year 2021, the remuneration policy was followed in the remuneration of the Board of Directors and the CEO, and there were no deviations. It was not resolved to defer, deny, or recover all or part of the remuneration of the members of the Board of Directors or the CEO.

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CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

Remuneration and business development 2018–2021

According to the Corporate Governance Code, the remuneration report of the governing bodies must describe in a comparable way how the remuneration paid to the members of the Board of Directors and the CEO has developed over at least the previous five financial years. Kempower's first financial year ended on 31 December 2018. Thus, the corresponding information is given in this report from then on.

The adjacent table describes how the remuneration paid to the members of Kempower's Board of Directors and CEO has developed proportionally during its previous financial years compared to the development of the average remuneration of the Kempower Group's employees and the financial development of the Kempower Group during the same period. The development is described by comparing the development index figures of the key figures.

The Company's financial development is expressed by presenting the development of the Kempower Group's revenue and order intake between the financial years 2018–2021. Kempower was listed on the First North Growth Market Finland in December 2021.

The number of Board members has increased from four (4) to seven (7) during the three-year review period. The Board has two committees, the Audit Committee and the Remuneration and Nomination Committee. The number of members of the committees, 4 in Audit Committee and 5 in Remuneration and Nomination Committee, has remained the same throughout the period under review.

Tomi Ristimäki started as the company's CEO in February 2019.

	2021	2020	2019	2018
Board fees EUR	217,792	12,000	0	0
CEO fees EUR	192,792	135,384	86,105	0
Remuneration of employees (average)* 1,000 EUR	57,235	54,189	60,464	53,751
Revenue 1,000 EUR	27,400	3,252	327	20
Order intake 1,000 EUR	37,388	7,092	483	6

*Wages and salaries paid according to the financial statements divided by the number of full-time employees.

Board remuneration during the financial year 2021

Kempower Corporation's Annual General Meeting decided on 1 September 2021 that the Chairman of the Board will be paid EUR 45,000 per year, the Deputy Chairman EUR 35,000 per year and the other members of the Board EUR 35,000 per year. Entitlement to the Board's annual fee accrues over time and is paid in equal monthly instalments (annual fee / 12). In addition, participants will be paid a separate meeting fee of EUR 500 per meeting, excluding short meetings and email meetings. Travel expenses are reimbursed in accordance with Kempower's travel policy.

In addition, the Chairman of the Audit Committee is paid EUR 5,000 per year in addition to the Board fee and the Chairman of the Remuneration and Nomination Committee is paid EUR 2,500 per year.

No options, shares or other share-based remunerations have been granted to the members of the Board of Directors for their work as Board members.

No other financial benefits have been paid to the members of the Board of Directors in addition to the annual fee and meeting fees decided by the Annual General Meeting. There are no pension contributions related to the remuneration of the company's Board of Directors.

REMUNERATION PAID TO MEMBERS OF THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR 1 JANUARY–31 DECEMBER 2021

Board Member	Annual fees (EUR)	Other financial benefits	Total annual fees (EUR)
Antti Kemppi, Chairman of the Board	38,000	0	38,000
Tero Era, Board Member	31,333	0	31,333
Juha-Pekka Helminen, Board Member	31,333	0	31,333
Kimmo Kemppi, Board Member	29,833	0	29,833
Teresa Kemppi-Vasama, Board Member	31,333	0	31,333
Vesa Laisi, Board Member	25,958	0	25,958
Eriikka Söderström, Board Member	27,000	0	27,000
Ville Vuori, Board Member until the Annual General Meeting on 30 March 2021	1,500	0	1,500
Katri Sahlman, Board Member until the Annual General Meeting on 30 March 2021	1,500	0	1,500
Total	217,792	0	217,792

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

By unanimous decision of Kempower's shareholders on 22 October 2021, it was decided that the fixed Board fees for the period from 1 December 2021 to 31 March 2022 and the meeting fees scheduled for December 2021 will be paid in full in cash. Based on this, each member of the Board of Directors

undertook to invest at least 50 per cent of the meeting fees planned for 1 December 2021–31 March 2022 and in December 2021 in Kempower Corporation's shares in the company's IPO.

Board Member	Board Fees Advance Payment 1 Jan–31 Dec 2022 (EUR)	Share subscriptions in the IPO (number)	Value of share subscriptions in the IPO (EUR)*
Antti Kemppi, Chairman of the Board	17,500	17,501	100,456
Tero Era, Board Member	14,167	8,710	49,995
Juha-Pekka Helminen, Board Member	14,167	17,501	100,456
Kimmo Kemppi, Board Member	14,167	56,620	324,999
Teresa Kemppi-Vasama, Board Member	14,167	17,501	100,456
Vesa Laisi, Board Member	15,000	31,097	178,497
Eriikka Söderström, Board Member	15,833	29,181	167,499
Total	105,000	178,111	1,022,357

* The subscription price of the offered shares in the IPO was EUR 5.74 per share.

Remuneration of the CEO during the financial year 2021

Fees paid during the financial year 2021

The remuneration of Kempower Corporation's CEO Tomi Ristimäki in the financial year 1 January 2021–31 December 2021 consisted of a base salary, fringe benefits and a bonus related to the fulfilment of business objectives.

The CEO is part of Kempower's general annual bonus program. In the financial year 2021, the CEO was paid a performance bonus based on the achievement of the targets under the 2020 bonus program, in accordance with the Board's assessment and decision.

The targets of the performance bonus paid to the CEO on the basis of the financial year 2020 were partly based on the Kempower Group's revenue and order backlog and partly on personal targets decided by the Board of Directors relating to the management system and profitability.

According to the terms of the bonus program, the performance bonus determined on the basis of the performance of the financial year 2020 could have been a maximum 3.6 months' salary EUR 33,192. The performance bonus paid to the CEO of EUR 33,192 corresponded to 3.6 months' basic salary.

The fixed annual salary and fringe benefits paid to the CEO in 2021 accounted for 83% of the total remuneration and the short-term and long-term incentive bonuses paid accounted for 17%.

Reimbursements are made to the CEO in accordance with the company's travel policy and other policies.

REMUNERATION AND BENEFITS PAID TO THE CEO DURING THE FINANCIAL YEAR 1 JANUARY–31 DECEMBER 2021

Fixed basic salary, EUR/year	Fringe benefits, EUR/year		Performance bonus based on the year 2020	CEO remuneration, EUR / year
	Car benefit	Phone benefit		
147,720	11,640	240	33,192	192,792

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CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW



Fees payable in the financial year 2022 based on the financial year 2021

The CEO was part of Kempower's short-term incentive plan (STI), under which the performance bonus will be paid in April 2022. Based on the 2021 bonus program, a total of approximately EUR 176,000 will be paid to the CEO as a bonus, which corresponds to a fixed base salary of 12 months.

The targets of the performance bonus to be paid to the CEO based on the financial year 2021 were partly based on the Kempower Group's revenue and order backlog (total 70% of total targets) and partly on personal targets decided by the company's Board, which were related to the implementation of operational plans and certain strategic flagship projects.

The performance bonus to be paid to the CEO for the financial year 2021 is based on the Board's assessment and decision on the achievement of targets.

Other benefits

Share-based benefits

In October 2021, the company carried out a directed share issue made in deviation from the shareholders' pre-emptive subscription rights to engage personnel of Kempower by issuing 5,789 new shares in a Personnel Offering. The subscription price in the personnel offering was EUR 100.00 per share before the share issue without consideration registered on 26 November 2021, in which for each existing share, 53 new shares were given. Amount of shares which CEO subscribed, after the share issue without consideration, was 15,768. The members of Kempower's personnel including CEO who participated in the personnel offering have signed a shareholder agreement in which they have, among others, committed to sell their shares to the company if their employment with Kempower ends in certain situations and committed to a lock-up period based on which they cannot sell, transfer, donate or pledge the shares subscribed by them without a permission granted by the Board of Directors of the company until 31 December 2024.

The CEO does not have any other personal compensation plan based on shares or stock options or other special rights entitling to shares.

Termination, severance pay and pension

The CEO has been elected until further notice. The period of mutual notice of the Kempower's CEO contract is three months and the CEO has an obligation to work during the notice period, unless otherwise agreed in writing.

If the CEO is terminated at the initiative of Kempower, the CEO is entitled to a lump sum equal to six months' monthly salary under certain conditions.

The notice period for the management employment contracts of the other members of the Management Team is three to six months if Kempower terminates the contract, and two to three months if the member of the Management Team terminates the contract.

Kempower has the right to release a member of the management team from work obligation during the period of notice. If Kempower terminates the management employment of a member of the management team, certain members of the management team are entitled, under certain conditions, to a lump sum equivalent to their monthly salary between four and six months.

The CEO's retirement age is determined by the Pensions Act. No special supplementary pension benefits have been agreed with the CEO.

ELECTRICITY MOVES US
ENABLING CLEAN MOBILITY
CHARGING A BETTER FUTURE
GOVERNANCE
FINANCIAL REVIEW

**REPORT OF THE BOARD
OF DIRECTORS 2021.....49**

**CONSOLIDATED
FINANCIAL STATEMENT61**

**CONSOLIDATED INCOME
STATEMENT61**

CONSOLIDATED BALANCE SHEET62

**CONSOLIDATED CASH FLOW
STATEMENT63**

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS.....64**

- 1 Accounting principles for the consolidated financial statements 63
- 2 Revenue by market area 64
- 3 Other operating income..... 64
- 4 Personnel 64
- 5 Auditor's fees 65
- 6 Depreciation and amortisation 65

- 7 Other operating expenses 65
- 8 Financial income and expenses ... 65
- 9 Appropriations 65
- 10 Income taxes 65
- 11 Assets..... 66
- 12 Receivables 67
- 13 Equity..... 67
- 14 Provisions..... 68
- 15 Non-current liabilities 68
- 16 Deferred tax liabilities 68
- 17 Current liabilities 68
- 18 Commitments and contingencies . 68
- 19 Subsidiaries..... 69
- 20 Notes from related party transactions 69

**PARENT COMPANY'S
FINANCIAL STATEMENT61**

Parent company's Income statement.. 70

Parent company's Balance sheet 71

Parent company's
Cash flow statement..... 72

Notes to the parent company
financial statements 73

**SIGNATURES OF BOARD OF
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS79**

FINANCIAL REVIEW



ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

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Report of the Board of Directors 2021

HIGHLIGHTS

January-December 2021

- Order backlog increased to EUR 13.7 million (EUR 3.8 million)
- Order intake increased to EUR 37.4 million (EUR 7.1 million)
- Revenue increased by 741% to EUR 27.4 million (EUR 3.3 million)
- Gross Margin was 46% (54%)
- EBIT was EUR 1.1 million (EUR -2.2 million)
- EBIT margin was 4% (-68%)
- Loss for the period EUR -4.5 million including IPO fees of EUR -6.6 million
- Cash flow from operating activities was EUR -2.2 million (EUR -2.5 million)
- Headcount grew to 136 employees (38) at the end of the period
- Net Debt totalled EUR -90.4 million (EUR 2.9 million) after a successful Nasdaq First North Growth Market IPO and EUR 100.1 million Gross Proceeds.
- Trading with the Kempower shares on the Nasdaq First North Growth Market Finland started 14 December 2021.

Short-term outlook

Kempower anticipates continued good demand and favourable market development for the products it offers. Kempower expects seasonality to affect its revenue on the first quarter and fourth quarter of the year. Seasonality relates mainly to the slowdown of the installation of chargers in the Nordics caused by the winter season.

Kempower will continue to expand its business in Europe according to set strategic growth targets. During 2021, Kempower established subsidiaries focusing on sales and marketing in Norway, Germany, the Netherlands, the United Kingdom, France and Spain. In 2022, Kempower is in the process of establishing subsidiaries in Sweden and in Italy as well as exploring different alternatives for expansion into the North American markets.

KEMPOWER GROUP KEY FIGURES

MEUR	2021	2020	2019
Order backlog	13.7	3.8	0.2
Order intake	37.4	7.1	0.5
Revenue	27.4	3.3	0.3
Revenue growth %	741%	894%	1 578%
Gross profit	12.7	1.8	0.2
Gross margin %	46%	54 %	69%
EBITDA	1.2	-2.1	-2.2
EBITDA margin %	5 %	-66%	-667%
Operating profit/loss (EBIT)	1.1	-2.2	-2.2
EBIT margin %	4%	-68 %	-679%
Operative EBIT	1.1	-2.2	-2.2
Operative EBIT margin %	4%	-68%	-679%
Profit/loss for the period	-4.5	0.2	0.2
Equity ratio %	92%	10%	32%
Return on equity %	-9%	22%	68%
Cash flow from operating activities	-2.2	-2.5	-2.5
Investments	1.6	0.5	0.2
Net debt	-90.4	2.9	-0.1
Items affecting comparability ¹	6.6	-	-
Undiluted earnings per share in EUR	-0.12	0.01	0.01
Diluted earnings per share in EUR ²	-0.12	0.01	0.01
Personnel headcount, end of period	136	38	17
Personnel headcount, average	86	29	13

¹Items affecting comparability include expenses related to the initial public offer and the First North listing, which have been included in financial expenses in accordance with FAS.

²Options granted to personnel in November 2021 have no dilution effect during 2021 due to the company's loss for the period.

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Reporting and segments

Kempower's product portfolio covers DC charging solutions and services. The entire product and service portfolio is reported under a single segment.

Kempower reports revenue according to geographical segments below:

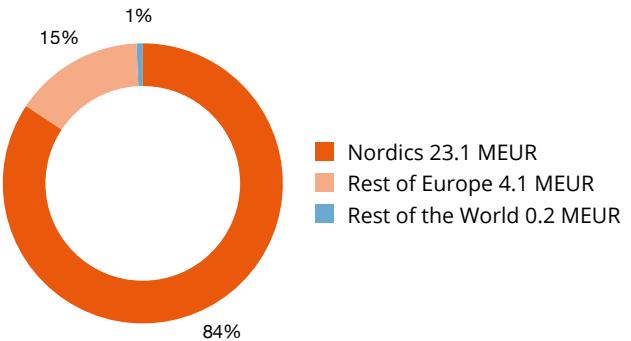
- Nordics
- Rest of Europe
- Rest of the World

Kempower's revenue in the periods presented was generated through sale of goods and sale of services. Services mainly included installation services.

Kempower's revenue for the year 2021 amounted to EUR 27.4 million, an increase of EUR 24.1 million, as compared to EUR 3.3 million for the year 2020. The increase was primarily attributable to the increased customer demand which was enabled by the production capacity expansion in February 2021 in Lahti, Finland.

Kempower's main geographical markets include Finland, Sweden, Norway and Denmark (together, the "Nordics"), which accounted for 84 per cent of Kempower's revenue for the year 2021 and 70 per cent of revenue for the year 2020, and the rest of Europe, which accounted for 15 per cent of Kempower's revenue for the year 2021 and 27 per cent of revenue for the year 2020. Kempower's charging solutions have been delivered to more than 30 countries globally, and revenue outside Europe accounted for 1 per cent of Kempower's revenue for the year 2021 and 4 per cent of revenue for the year 2020. Kempower's growth during the year 2021 has been most significant in the Nordics.

REVENUE BY GEOGRAPHY 2021



Profitability

Kempower's operating profit (EBIT) for the year ended 31 December 2021 amounted to EUR 1.1 million, an increase of EUR 3.3 million, as compared to EUR -2.2 million for the year ended 31 December 2020. The increase was mainly due to increased revenue.

Kempower's other operating income for the year 2021 amounted to EUR 0.3 million, an increase of EUR 0.2 million, as compared to 0.1 for the year 2020. Kempower's other operating income comprised governmental grants received from Business Finland.

Kempower's change in inventories of finished goods and in work in progress for the year 2021 amounted to EUR 0.8 million, an increase of EUR 0.6 million, as compared to EUR 0.2 million for the year 2020. During the review period, the increases in Kempower's change in inventories of finished goods and in work in progress were primarily impacted by the increase in sales.

Kempower's total expenses for the year 2021 amounted to EUR 27.4 million, an increase of EUR 21.6 million, as compared to EUR 5.8 million for the year 2020. During the year 2021 the

REVENUE BY GEOGRAPHY

MEUR	2021	2020	Change, %
Nordics	23.1	2.3	919%
Rest of Europe	4.1	0.9	372%
Rest of the World	0.2	0.1	58%
Total	27.4	3.3	741%

increases in Kempower's total expenses were mainly caused by the increases in materials, personnel expenses and other operating expenses. Material expenses increased due to increase in revenue. Personnel expenses increased due the higher headcount and other operating expenses increased due to production capacity expansion. The production capacity expansion led to increases in, for example, costs related to rental premises, information and communications technology and administration. Depreciation and amortisation and external services also contributed to the increases in Kempower's total expenses during the review period. Depreciations and amortisations increased mainly due to investments in tangible assets and external services increased due to increased subcontracting costs.

Kempower's financial income and expenses for the year 2021 amounted to financial expenses of EUR 6.7 million, an increase of EUR 6.7 million, as compared to EUR 0.0 million for the year 2020. The increase was due to EUR 0.1 million interest expenses for the capital loans and other interest-bearing loans and the EUR 6.6 million costs related to Offering and First North Listing.

Research and development

Research and development expenses for the year 2021 amounted EUR 3.6 million (EUR 1.7 million), the equivalent of 13% (52%) of revenue. The company has not capitalised R&D costs for new products.

Cash flow, financing and balance sheet

For the full year 2021 cash flow from operating activities amounted to EUR -2.2 million (EUR -2.5 million).

For the full year 2021 cash flows from investing activities were EUR -1.6 million (EUR -0.5 million). Cash flows related to investments is mainly related to office and production expansions.

Net cash flows from financing activities were EUR 93.7 million (EUR 3.4 million) for the full year 2021. During the review period, the net cash flow from financing activities was affected by personnel offering EUR 0.6 million and the gross proceeds from the initial public offering EUR 100.1 million which was received during December.

In addition, EUR 6.0 million Nasdaq First North Growth Market listing fees were paid to advisors out of EUR 6.6 million accounted fees in 2021.

Kempower's total assets on the balance sheet at the end of 2021 were EUR 106.4 million (EUR 6.2 million 31 December 2020).

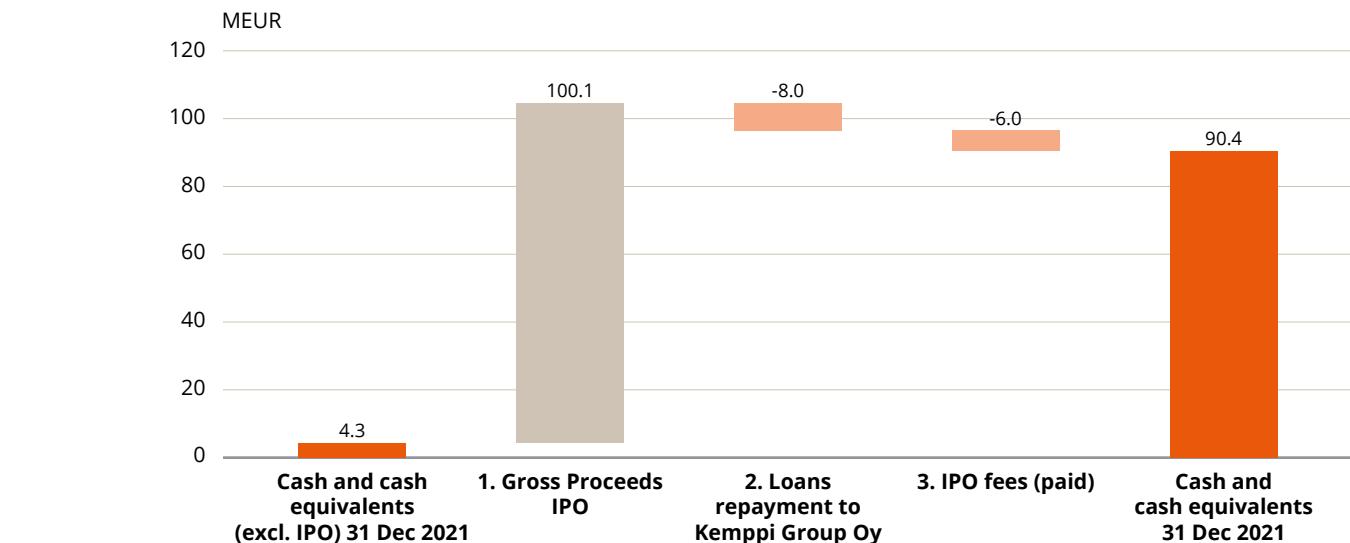
Kempower's cash and cash equivalents at the end of the reporting period amounted to EUR 90.4 million (EUR 0.5 million 31 December 2020).

For the reporting period the equity ratio was 92 per cent (10 per cent 31 December 2020) and Net Debt EUR -90.4 million (EUR 2.9 million 31 December 2020).

Listing on the Nasdaq Helsinki First North marketplace

In 2021, Kempower's shares were listed to the Nasdaq First North Growth Market Finland and the trading with the Kempower shares started on 14 December 2021.

Kempower received EUR 100.1 million of gross proceed in connection to First North listing resulting to EUR 90.4 million cash and cash equivalents at 31 December 2021. At the end of 2021 Kempower repaid EUR 8.0 million loans and other loans and paid EUR 6.0 million IPO fees to the advisors.



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Total IPO fees were EUR 6.6 million of which EUR 5.8 million was accounted in Q4 2021 and EUR 6.0 million was paid in Q4 2021. IPO fees were recognised in the income statement under financial expenses in accordance with the Finnish Accounting Standards Act (FAS).

Personnel

Kempower Group had an average personnel headcount of 86 (29) for the year ended 31 December 2021, of whom 82 (29) were employed by the parent company and 4 (0) by the subsidiaries.

Kempower Group headcount at the end of the period was 136 (38), of whom 129 (38) were employed by the parent company and 7 (0) by the subsidiaries.

Kempower's headcount growth in 2021 is in line with its strategy. Kempower's employee Net Promoter Score (eNPS) was 83 in the personnel satisfaction survey conducted in Q4 2021.

PERSONNEL HEADCOUNT, END OF PERIOD

Function	31 Dec 2021	31 Dec 2020
Blue collars	28	6
Administration	14	1
Operations	19	5
Research, development and innovations	38	17
Sales and marketing	37	9
Total	136	38

Shares

Kempower's share is listed on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki. Kempower's registered share capital is EUR 80,000 and the total number of shares outstanding is 55,542,920.

The company has one series of shares. Each share entitles its holder to one vote at the Annual General Meeting. The shares have no nominal value. The company does not hold any of the company's own shares. Kempower's shares are included in the book-entry system maintained by Euroclear Finland Oy. The trading code of the shares is KEMPOWR and the ISIN code is FI4000513593.

In October 2021, the Company carried out a directed share issue by issuing 312,606 new shares (5,789 before the split) in a Personnel Offering. In December 2021, the Company issued 17,430,314 new shares in Initial Public Offering.

SHARE INDICATORS

Function	2021
Highest price (EUR)	12.25
Lowest price (EUR)	7.95
Average price (EUR)	9.08
Closing (EUR)	11.55
Turnover (EUR)	50,742,283
Turnover volume	5,590,893
Market capitalisation at end of period (MEUR)	642
Number of shares at end of the period	55,542,920

Major shareholders

At the end of the reporting period on 31 December 2021 the company had 26,694 shareholders.

Further information on the shares, major shareholders and management shareholdings is available on the company's website <https://investors.kempower.com/share-information/shareholders>.

15 LARGEST SHAREHOLDERS ON 31 DECEMBER 2021:

Shareholder	Number of shares	% of shares
1. Kemppi Group Oy	37,800,000	68.06%
2. Varma Mutual Pension Insurance Company	1,742,160	3.14%
3. Ilmarinen Mutual Pension Insurance Company	1,161,621	2.09%
4. Evli Finnish Small Cap Fund	981,680	1.77%
5. Nordea Life Assurance Finland Ltd	585,920	1.06%
6. Julius Tallberg Corp.	532,648	0.96%
7. Danske Invest Finnish Equity Fund	398,227	0.72%
8. Säästöpankki Pienyhtiöt	383,340	0.69%
9. Wipunen Varainhallinta Oy	350,000	0.63%
10. Heikintorppa Oy	350,000	0.63%
11. Kempinvest Oy	348,432	0.63%
12. Veritas Pension Insurance Company Ltd.	300,000	0.54%
13. Fondita European Top Picks Sijoitusrahasto	225,294	0.41%
14. Kirkon Eläkerahasto	189,051	0.34%
15. Elo Mutual Pension Insurance Company	180,000	0.32%

Annual General Meeting

Kempower Corporation's Annual General Meeting 2021 was held on 30 March 2021. The Annual General Meeting adopted the annual accounts for the financial period ending on 31 December 2020. The members of the Board of Directors as well as the CEO were discharged from liability for the financial period ending on 31 December 2020. The Annual General Meeting resolved in accordance with the proposal of the Board of Directors that no dividend will be paid for the year 2020. Mr. Antti Kemppi, Mrs. Teresa Kemppi-Vasama, Mr Tero Era and Mr. Juha-Pekka Helminen were re-elected as members of the Board and Mr. Kimmo Kemppi was elected as a new member. Ernst & Young Oy, Authorised Public Accounting Firm, was elected as the company's auditor.

Extraordinary General Meeting

Kempower Corporation's held Extraordinary General Meeting on 1 September 2021. The Extraordinary General Meeting elected Ms. Eriikka Söderström and Mr. Vesa Laisi as new members of Board of Directors.

The unanimous shareholder resolution

On 22 November 2021, the unanimous shareholder resolution resolved to authorise the Board of Directors to decide on a share issue for the completion of the First North Listing. Pursuant to the authorisation, up to 18,000,000 New Shares can be issued in one or several instalments in deviation from the shareholders' pre-emptive subscription right.

Authorisation to decide on the issuance of shares and the issuance of special rights entitling to shares

On 22 November 2021, the Board of Directors of the Company was also authorised with the unanimous resolution of the shareholders of the Company to resolve upon the issuance of new Shares and the issuance of special rights entitling to Shares referred to in Chapter 10, Section 1 of the Finnish Companies Act. The number of new Shares to be issued on the basis of the authorisation shall not exceed an aggregate maximum of 1,029,040 Shares, which corresponds to approximately 2.7 per cent of all the current Shares in the Company. The Board of Directors of the Company is entitled to decide on all the terms and conditions of the issuance of Shares and special rights entitling to Shares and is entitled to deviate from the shareholders' pre-emptive subscription rights (directed issue). The authorisation of the Board of Directors of the Company will remain in force until 22 November 2026. The Board of Directors of the Company is authorised to resolve upon an option class the dilution effect of which can be no more than 2 per cent.

Authorisation to decide on a directed share issue

On 22 November 2021, the Board of Directors of the Company was authorised with the unanimous resolution of the shareholders of the Company to resolve upon a directed share issue. The number of Shares to be issued in one or several instalments on the basis of the authorisation shall not exceed an aggregate maximum of 2,700,000 New Shares. The authorisation of the Board of Directors of the Company will remain in force until 30 November 2022.

The above-mentioned authorisation was related to the Over-allotment Option and share issue and share return arrangement in connection with the Offering. On December 17th of 2021 Kempower announced that Carnegie Investment Bank AB has decided to exercise the Over-allotment Option granted by the Company in full. After having exercised the Over-allotment Option, the total number of shares in Kempower was 55,542,920.

Share issue without the payment

On 30 November 2021, the Board of Directors of the Company resolved on a share issue without payment to the Company's shareholders in proportion of the holding of existing shares. In the share issue without payment 37,406,817 new shares were issued so that each current share entitled the holder of existing shares to 53 new shares.

The Board of Directors decision on the completion of the initial public offering

The Board of Directors of Kempower Corporation decided on 13 December 2021, on the completion of the Offering. The subscription price for the Offer Shares was EUR 5.74 per share in the Offering. The Company issued 15,156,795 new shares. In addition, the Company granted Carnegie Investment Bank AB, Finland Branch acting as stabilising manager, the right to subscribe for a maximum of 2,273,519 Shares at the subscription price solely to cover over-allotments in connection with the Offering (the "Over-Allotment Option").

The Over-Allotment Option was exercised in full and the Offering comprised a total of 17,430,314 Shares, which represented approximately 31.4 per cent of all the Shares and votes in the Company after completion of the Offering.

Personnel Offering and stock option programs

Personnel offering

In October 2021, the Company carried out a directed share issue made in deviation from the shareholders' pre-emptive subscription rights to engage personnel of Kempower by issuing 5,789 new Shares in a Personnel Offering. The subscription price in the Personnel Offering was EUR 100.00 per Share before the share issue without consideration registered on 26 November 2021, in which for each existing Share, 53 new Shares were given. The Subscription Price per Offer Share in the Offering being EUR 5.74. The members of Kempower's personnel who participated in the Personnel Offering have signed a shareholder agreement in which they have, among others, committed to sell their Shares to the Company if their employment with Kempower ends in certain situations and committed to a lock-up period based on which they cannot sell, transfer, donate or pledge the Shares subscribed by them without a permission granted by the Board of Directors of the Company until 31 December 2024. Of Kempower's personnel, 88.3 per cent subscribed for Shares in the share issue.

Existing stock option program

In November 2021, Kempower launched a stock option programme, the target group of which is key employees working in Kempower's subsidiaries outside of Finland as well as selected employees who have been employed after the Personnel Offering. The programme aims to foster employee commitment, broaden the Company's ownership base and give the opportunity to Kempower's personnel to benefit from the potential increase in the Company's value. The number of options per employee is set so that the subscription price of the options does not exceed the respective employee's two months' combined gross salary. The subscription period for stock options is between 1 January 2025 and 15 December 2025 and the subscription price is EUR 1.85 per option. In total 107,946 options (post IPO amount) were given.

New long term incentive program in planning

Kempower is also considering a long-term incentive programme for Kempower's management team and key employees. The objective of the programme would be to incentivise the participants to implement Kempower's growth strategy, improve shareholder's value, stay engaged and motivate them to improve their performance. New programmes would be issued on a yearly basis and the binding time and size of the programme would follow the market practice of Finnish long-term incentive programmes.

Kempower Oyj's Management Team and Board of Directors

The members of Kempower's Management Team are:

- Chief Executive Officer Tomi Ristimäki
- Chief Financial Officer Jukka Kainulainen
- Chief Operating Officer Sanna Otava
- Chief Sales Officer Tommi Liuska
- Chief Technology Officer Mikko Veikkolainen
- Chief Marketing Officer Jussi Vanhanen
- Director, Communications Paula Savonen – member of extended management team
- Chief Engineer Petri Korhonen – member of extended management team

The members of Kempower's Board of Directors are:

- Chairman of the Board Antti Kemppi
- Vice Chairman of the Board Teresa Kemppi-Vasama
- Member of the Board Tero Era
- Member of the Board Juha-Pekka Helminen
- Member of the Board Kimmo Kemppi
- Member of the Board Vesa Laisi
- Member of the Board Eriikka Söderström

Short-term risks and uncertainty factors

Kempower's annual risk management process consists of risk identification, risk assessment, risk management, risk monitoring and risk reporting. The risk management framework fosters awareness of risk and control throughout the organisation and supports informed decision making. Continuous communication and dialog are necessary to promote risk awareness throughout Kempower and to ensure successful integration of risk management into strategic planning, budgeting, daily decision-making and operations.

As a result of the risk management process, Kempower's main risks have been identified for which mitigation plans and activities have been defined, implemented and further monitored throughout the year. According to the annual cycle, the Group management risk workshop has concluded on the main risks for Kempower, and those have been reported to the Board of Directors.

Kempower's business is global and the Company is therefore exposed to macroeconomic risks and other macro-level trends, such as cyclical fluctuations or a slowdown in global economic growth. The global operating model also exposes Kempower to risks related to the supply chain, which may thus affect the company's operations for example in the form of risks related to the availability of raw materials and components.

Kempower has a growth strategy, of which implementation involves risks, especially with regard to the scaling of operations. Failure of Kempower to effectively increase its production

capacity and supply chain could have a negative impact on the company's ability to meet its short-term growth targets. To manage the risk, Kempower has significantly expanded its production capacity, and the capacity expansion will continue also in 2022. Due to the change in the current pandemic situation, the risk of illness for personnel has increased and possible increasing restrictions on movement may make it more difficult to sell, assemble and deliver Kempower's products.

Kempower's business success and implementation of its strategy depend on the company's ability to recruit and engage qualified, motivated and skilled individuals. The availability and loss of key personnel could have a material adverse effect on Kempower's business. The shortage of skilled people in the labour market may also have a detrimental effect on the availability and retention of labour in Kempower.

Achieving Kempower's strong growth targets depends on the company's ability to respond to market changes and the actions of competitors. The company's business may also be affected if new or changed laws and regulations are introduced in the market of which the company would not have been aware and thus prepared for the changes.

A failure of IT systems to perform as designed could disrupt Kempower's business and have a material adverse effect on its revenue and results of operations.

Risks related to Kempower's business are described in more detail in the company's prospectus published on 1 December 2021 and on Kempower's investor pages in the governance section.

The Board's proposal for the distributions of profit

The parent company's distributable funds (unrestricted equity) on 31 December are EUR 94,856,978.70 of which the period net loss is EUR 6,217,680.50. The Board of Directors proposes to the Annual General Meeting that no dividend will be paid for the fiscal year.

Significant events during the period

- Opening of new production facility in Lahti in February 2021, adding approximately 2,300 m² production space increasing the total production space to approximately 2,800 m².
- In the beginning of the 2021 Finland's biggest retailing cooperative S Group decided to build a nationwide charging network with Kempower's chargers.
- Kempower opened new subsidiaries in Norway, Germany and Netherlands in H1 2021. New subsidiary in the UK was opened in Q3 2021 and in France and in Spain in Q4 2021.
- In May 2021 Kempower was chosen as charger supplier for Norway's largest electric bus depot above the polar circle with 50 charging points for 32 electric buses, built by Omexom.
- In June 2021 Kempower's fast-charging systems were opened at several McDonald's restaurants in Finland. The charging stations are owned and operated by Recharge, the largest charge point operator in the Nordics.
- In June 2021 the world's first electric speedboat fast HPC charger was launched in Florø, Norway, featuring Kempower S-Series system.
- In June 2021, Chief Financial Officer Jukka Kainulainen was appointed to Kempower Management Team.
- In July 2021 Kempower announced to establish a new facility for EV chargers to meet global e-mobility demand, including 10,300 m² of factory space.

- In September 2021, new members Eriikka Söderström and Vesa Laisi were elected to Kempower's Board of Directors, bringing their strong expertise to the company's growth and expansion of the electric fast-charging network.
- In September 2021, Kempower announced that it had signed a framework agreement with Osprey Charging in the United Kingdom.
- In September 2021 Kempower's S-Series charging technology was launched at the Greenstation pilot in Straume Norway, featuring a new EV charging station concept with convenient user authentication and smooth operating by tapping a standard bank/credit card prior to fast DC charging session.
- In September 2021 Kempower opened a R&D centre at Tampere University Campus.
- In October 2021 Kempower launched Partnership with Gilbarco Veeder-Root to Offer EV Charging Solutions. Gilbarco Veeder-Root (GVR) is the global leader for technology solutions for retail fuelling and convenience market with 150 years of history.
- In October 2021 the new Chief Marketing Officer Jussi Vanhanen was appointed to Kempower Management Team.
- In October 2021 a share issue for all Kempower employees was published. This was the first employee share issue organised by Kempower. By organising the share issue, Kempower aims to foster employee commitment.
- In October 2021 Kempower agreed to provide funding for Finland's first professorship in e-mobility at Lappeenranta-Lahti University of Technology LUT (LUT University).
- In October 2021 Kempower released its first-ever sustainability statement featuring three headline commitments. The pledges include reaching total carbon neutrality by 2035. Kempower has set a target of reaching a 99% end of lifetime recyclability rate for all its products, with Kempower T-Series charger already achieving a recyclability rate of 99.61%.
- Kempower initiated cooperation with Epiroc, a leading productivity and sustainability partner for the mining and infrastructure industries. Epiroc will offer Kempower's EV chargers as part of its mining and construction machinery offering globally.
- In November 2021 Kempower launched a stock option program to its key employees working mainly in the Company's subsidiaries outside of Finland.
- In November 2021 the Design from Finland mark's Design Deed of the Year 2021 title was awarded to Kempower.
- In November 2021 Kempower won 2021 AluINNO competition for innovative use of aluminium in its S-Series EV charging system.
- In November 2021 Kempower supplied S-Series dynamic charging system to Finland's largest high power charging hub for electric cars, opened at Juustoportti Kuopio
- In November 2021 Kempower and Junttan, the leading manufacturer of hydraulic pile driving rigs, announced the world's first electric pile driving rig charged by Kempower's movable EV fast charger.
- In November 2021 Kempower's T-Series movable DC chargers were used to charge the electric vehicles used to transport world leaders and dignitaries to and from COP26 - the world's largest climate change event at Glasgow. The UK distributor of Kempower's products, Vital EV, supplied Sunbelt Rentals with the chargers.
- In December Kempower completed its Initial Public Offering and trading of the shares on the Nasdaq First North Growth Market Finland maintained by Nasdaq Helsinki Ltd started on 14 December 2021.
- In December 2021 Vattenfall, one of Europe's leading energy companies chose Kempower as one of its new electric vehicles (EV) fast-charging partners for Vattenfall's InCharge charging services. The order value of the first stage deployment is over EUR 5 million.

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FINANCIAL REVIEW

 **KEMPOWER**

- In December Kempower was chosen to deliver electric bus fleet fast-charging solutions to Keolis in Gothenburg, Sweden. The delivery will cover approximately 70 fast chargers, including Kempower S-Series and C-Series fast-charging systems.
- In December Kempower announced it has received a pilot order to deliver EV fast-charging systems to a Southern European customer. The value of the order is over EUR 2 million.
- In December 2021 Kempower was awarded two new ISO certifications including ISO 14001:2015 (environment) and ISO 45001:2018 (personnel).

Events after the balance sheet date

- In January 2022 Kempower announced co-operation with Jet Charge accelerating the rollout of electric mobility in Australia. JET Charge is Australia's largest EV charging infrastructure specialist.
- In January 2022 Kempower was chosen to deliver electric bus fleet fast-charging solutions to bus operator Bergvarabuss AB's electric bus depot in Strängnäs, Sweden. The charging infrastructure is included in a total delivery that Scania carries out to Bergvarabuss.
- In January 2022 Kempower announced it has become an official supplier of DC fast-charging equipment to Scania worldwide
- In January 2022 Kempower was chosen to deliver fast-charging technology to Scania for Swedish Falkenlev Logistik's new electric truck depot in Malmö. The Malmö truck depot will be Sweden's largest electric truck charging station.
- In February 2022, Kempower confirmed an order to deliver EV fast-charging systems to Power Dot, an EV charging operator based in Portugal. The delivery of the fast-charging systems for electric passenger cars will take place in Q2 2022. The value of the order is over EUR 3 million.
- In February 2022 Kempower confirmed a delivery of DC fast-charging technology to the electric bus depots of Helsingin Bussiliiken Oy, owned by Koiviston Auto Group, in Vantaa and in Helsinki, Finland. The delivery includes Kempower C- and S-Series DC fast-charging solutions and Kempower ChargEye™ backend and cloud solutions for 61 electric buses.

2022 Financial calendar

- FY 2021 Annual Report: released during Week 12
- Business Review January–March (Q1): 18 May 2022
- Half-year financial report, January–June (H1): 11 August 2022
- Business Review, January–September (Q3): 9 November 2022
- Annual General Meeting is planned for Wednesday 13th of April 2022 at 5:00 pm. The Board of Directors will call the General Meeting at a later date.

Corporate governance statement

Kempower publishes a separate corporate Governance statement on its website at the following address:

<https://investors.kempower.com>

Lahti 15th of February 2022

Kempower Oyj

Board of Directors

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GOVERNANCE

FINANCIAL REVIEW

Calculation of key figures

Key figure	Definition
Order backlog	= Received legally binding orders from external customers not yet delivered to customer
Order intake	= Received legally binding orders from external customers during the period
Revenue growth	= Change in Kempower's revenue for the period divided by revenue for the previous period presented in per cent
Gross profit	= Revenue - Cost of goods sold
Gross margin	= Gross profit as percentage of revenue
EBITDA	= Earnings before interest, taxes and depreciation and amortisation
EBITDA margin	= EBITDA as percentage of revenue
EBIT margin	= Operating profit/loss (EBIT) as percentage of revenue
Operative EBIT	= Operating profit/loss (EBIT) - Items affecting comparability affecting operating profit/loss
Operative EBIT margin	= Operative EBIT as percentage of revenue
Equity ratio	= Total equity / (Total assets - advance payments received)
Investments	= Investments in intangible and tangible assets
Net debt	= Short-term interest-bearing debt + Long-term interest-bearing debt - Cash and cash equivalents
Items affecting comparability	= Unusual material items outside the ordinary course of the business, which relate to external advisory costs related to capital reorganisation, strategic projects and expenses related to the First North Listing
Earnings per share, basic	= Profit/loss for the period divided by the weighted average number of shares outstanding during the period
Earnings per share, diluted	= Profit/loss for the period / weighted average number of shares outstanding during the period+ potential dilutive shares
Return on equity, (%)	= Profit/loss for the period / average shareholders' equity for the year

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Alternative Performance Measures

Kempower presents certain performance measures of historical financial performance, financial position and cash flows, which in accordance with the "Alternative Performance Measures" guidance by the European Securities and Markets Authority are not accounting measures defined or specified in Finnish Accounting Standards (FAS). Kempower presents Alternative Performance Measures as additional information to financial measures presented in the consolidated income statement, consolidated balance sheet and consolidated statement of cash flows prepared in accordance with FAS.

In Kempower's view, the Alternative Performance Measures provide the management and investors, securities analysts and other parties with significant additional information related to Kempower's results of operations, financial condition or cash flows and are widely used by analysts, investors and other parties. The Alternative Performance Measures should not be considered in isolation or as substitute to the measures under FAS. All companies do not calculate Alternative Performance Measures in a uniform way, and, therefore, the Alternative Performance Measures presented may not be comparable with similarly named measures presented by other companies.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES**MEUR**

	31 Dec 2021	31 Dec 2020	31 Dec 2019
Gross profit			
Revenue	27.4	3.3	0.3
Material and services	-14.4	-1.5	-0.1
Change in inventories of finished goods and in work in progress	0.8	0.2	0.0
Variable personnel expenses	-0.9	-0.1	0.0
Sales freight costs	-0.1	0.0	0.0
Gross profit	12.7	1.8	0.2
Gross margin, per cent	46	54	69
Items affecting comparability*			
Costs related to the Offering and the First North Listing (included in financial expenses)	6.6	-	-
Items affecting comparability	6.6	0.0	0.0
Operative EBIT			
Operating profit/loss (EBIT)	1.1	-2.2	-2.2
Items affecting comparability, EBIT	-	-	-
Operative EBIT	1.1	-2.2	-2.2
Operative EBIT margin, per cent	4	-68	-679
Investments			
Investments in intangible assets	0.2	0.0	0.2
Investments in tangible assets	1.4	0.4	0.0
Investments	1.6	0.5	0.2
Earnings per share			
Profit attributable to owners of the parent company	-4.5	0.1	0.2
Weighted average number of ordinary shares in issue during the period	38,834,911	38,012,686	38,012,686
Earnings per share, basic and diluted, EUR	-0.12	0.01	0.01

* Items affecting comparability include expenses related to the Offering and the First North Listing, which have been included in financial expenses in accordance with FAS.

Consolidated income statement

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

	Note	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
EUR 1,000			
Revenue	2	27,363	3,252
Other operating income	3	314	100
Change in inventories of finished goods and work in progress		779	181
Raw materials and services			
Purchases during the financial period		-16,989	-2,398
Change in inventories		4,072	898
External services		-1,514	-4
Total raw materials and services		-14,432	-1,503
Personnel expenses	4		
Salaries and wages		-6,178	-1,878
Pension expenses		-1,022	-290
Other social security expenses		-191	-55
Total personnel expenses		-7,391	-2,223
Depreciation and amortisation	6	-167	-85
Other operating expenses	7	-5,396	-1,941
Operating profit/loss		1,071	-2,220
Financial income and expenses			
Financial income	8	0	-
Financial expenses	8	-6,708	-25
Total financial income and expenses		-6,708	-25
Profit/loss before tax and appropriations		-5,637	-2,245
Appropriations	9	-	2,500
Income taxes	10	1,128	-65
PROFIT/LOSS FOR THE FINANCIAL PERIOD		-4,509	190

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ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW
 **KEMPOWER**

Consolidated balance sheet

EUR 1,000	Note	31 Dec 2021	31 Dec 2020	EUR 1,000	Note	31 Dec 2021	31 Dec 2020
ASSETS							
Non-current assets							
Intangible assets	11			Share capital	13	80	3
Intangible rights		198	174	Invested unrestricted equity fund		100,551	-
Other intangible assets		199	21	Translation differences		4	-
		398	195	Retained earnings		621	431
Tangible assets	11			Profit/loss for the period		-4,509	190
Machinery and equipment		1,034	373	Equity total		96,747	623
Advance payments and construction in progress		705	112				
		1,739	486	Provisions			
Non-current assets total		2,136	680	Other provisions	14	216	61
Current assets							
Inventory				Liabilities			
Raw materials and consumables		5,117	1,045	Non-current liabilities	15		
Work in progress		504	25	Interest-bearing capital loans from group companies		-	3,400
Finished products		505	204	Deferred tax liabilities	16	96	24
		6,126	1,275			96	3,424
Long-term receivables	12			Current liabilities	17		
Deferred tax assets		1,253	-	Advances received		777	227
		1,253	-	Trade payables		3,030	1,216
Short-term receivables	12			Payables to group companies		2,527	-
Trade receivables		4,511	821	Other payables		559	63
Receivables from group companies		148	2,500	Accruals and other payables		2,481	618
Other receivables		1,195	188			9,374	2,124
Prepayments and accrued income		665	246	Liabilities total		9,470	5,524
		6,520	3,756				
Cash and cash equivalents		90,399	521	EQUITY AND LIABILITIES TOTAL		106,433	6,232
Current assets total		104,296	5,552				
ASSETS TOTAL		106,433	6,232				

Consolidated cash flow statement

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

EUR 1,000	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Cash flow from operating activities		
Profit/loss before appropriations and taxes	-5,637	-2,245
Adjustments:		
Depreciation and amortisation	167	85
Unrealised exchange gains and losses	-2	1
Change in provisions	155	61
Financial income and expenses	6,708	25
Cash flow before changes in working capital	1,391	-2,073
Changes in working capital		
Change in inventories	-4,851	-1,079
Change in trade and other receivables	-5,239	-503
Change in trade payables and short-term debts	6,503	1,199
Cash flow from operating activities before financial items and taxes	-2,195	-2,456
Interest paid	-4	-25
Other financing items	10	-
Taxes	-57	-2
Cash flow from operating activities (A)	-2,247	-2,482
Cash flow from investing activities:		
Investments in tangible and intangible assets	-1,623	-467
Cash flow from investing activities (B)	-1,623	-467
Cash flow from financing activities:		
Proceeds from issue of share capital	100,629	-
Proceeds from non-current loans	-	3,400
Repayment of non-current borrowings	-3,400	-
Paid finance costs	-5,993	-
Group contributions received	2,500	-
Cash flow from financing activities (C)	93,736	3,400
Changes in cash flows (A + B + C)	89,866	451
Cash and cash equivalents at the beginning of the period	521	71
Cash and cash equivalents at the end of the period	90,396	521
Effects of exchange rate fluctuations on cash held	9	-
Change in cash and cash equivalents	89,866	451

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

+ KEMPOWER

Notes to the consolidated financial statements

1 ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Company profile

Kempower Oyj Group is a Finnish electric vehicle (EV) fast-charging equipment and solution manufacturer and provider. The Group was formed during the financial period 2021. Kempower Oyj has subsidiaries in six different countries and Kempower Group had a headcount of 136 at the end of the financial period.

Kempower Oyj is the parent company of the Group. Kempower Oyj's parent company is Kemppi Group Oy and Kempower also belongs to Kemppi Group. Kempower Oyj and Kemppi Group Oy are domiciled in Lahti, Finland. Kemppi Group Oy's registered address is Kempinkatu 1, FI-15800 Lahti, Finland and Kempower Oyj's Hennalankatu 71, FI-15810 Lahti, Finland. Copies of the financial statements for Kempower Group and for Kemppi Group can be obtained from the head office of the parent company.

Kempower's Board of Directors approved these financial statements for publication at its meeting on 15 February 2022. According to the Finnish Companies Act, shareholders have the right to accept or reject the financial statements at the AGM held after the publication. The AGM may also amend the financial statements.

Accounting policy applied in the consolidated financial statements

The consolidated financial statements have been prepared in accordance with the Finnish Accounting Standards (FAS).

The consolidated financial statement information is presented in thousands of euros and have been rounded to the nearest figure. Thus, in certain cases, the sum of figures in a column or row does not always exactly match the figure presented as the total of the column or row.

Principles of consolidation

The consolidated financial statements include all the subsidiaries.

Consolidated financial statements 31 December 2021 include the Groups subsidiaries Kempower GmbH, Kempower AS, Kempower B.V., Kempower Charging Ltd, Kempower Charging Spain S.L.U. and Kempower SAS, which were incorporated during 2021. The comparative financial information as at and for the twelve-months period ended 31 December 2020, has not been consolidated as the Company had no subsidiaries during these periods. To ensure comparability between 2021 and 2020 accelerated depreciations have been eliminated and deferred tax liabilities recognised for Kempower Oyj's financial statements 31 December 2020.

Internal transactions and margins

All intra-group transactions, receivables, liabilities and internal profit distribution are eliminated in preparing the consolidated financial statements.

Internal shareholding

The consolidated financial statements have been prepared by using the acquisition cost method.

Translation of items denominated in foreign currency

The foreign-currency-denominated income statements of subsidiaries are converted into euros using the average exchange rate for the financial year and the balance sheets at the exchange rate on the closing date. Differences arising from translation and translation differences in shareholders' equity are recorded as a separate item in shareholders' equity.

Principles for valuation

Valuation of fixed assets

Intangible and tangible assets are stated on the balance sheet at acquisition cost, net of accumulated planned depreciation. Planned depreciation is calculated on a straight-line basis over the useful economic life of the asset.

The useful economic lives of assets are as follows:

Intangible assets	10 years
Long-term expenditure	3–10 years
Machinery and equipment	3–10 years

Valuation of inventories

Inventories are presented at the acquisition cost or at the lower probable net realisation value. Acquisition cost value is determined according to the weighted average procedure. The acquisition cost of manufactured inventories includes purchase expenditure on materials, direct labour and other direct costs.

Foreign currency items

Foreign currency receivables and liabilities are translated into euros at the average exchange rate on the closing date. The exchange rate differences arising from this and actual exchange rate differences during the financial period for trade receivables and trade payables are recorded as adjustment items for sales and purchases. Exchange rate differences for other commitments, receivables and liabilities are included in financial income and expenses.

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW**Research and development expenses**

Research and development expenses have been recorded as an expense and there has been no research and development costs capitalised during financial period 2021 nor 2020.

Taxes

Taxes on the Group companies' financial results for the period are recorded as the Group's taxes. Deferred taxes are calculated on all temporary differences using the tax rates set by the closing date.

Revenue recognition

Revenue is presented from the sales of the products and services at fair value adjusted by indirect taxes, discounts and exchange rate differences from foreign currency items. Revenue is recorded when the ownership of the product has been transferred to the buyer. Revenue is recognised during the same financial period when the service is provided. Fixed priced projects' sales and expenses are recorded as sales and expenses based on the maturity of the project.

2 REVENUE BY MARKET AREA

EUR 1,000	2021	2020
Nordics	23,092	2,265
Rest of Europe	4,081	865
Rest of the World	191	121
Total	27,363	3,252

3 OTHER OPERATING INCOME

EUR 1,000	2021	2020
Government grants	314	100
Total	314	100

4 PERSONNEL

Average number of personnel during financial period	2021	2020
Blue collar	17	4
White collar	69	25
Total	86	29

Management compensation

Wages, salaries and other benefits and pension benefits paid to CEO and to Management team:

	2021	2020
EUR 1,000		
Management salaries		
Chief Executive Officer		
Wages and salaries	193	135
Pension expenses	34	22
Total	226	157
 Management Team		
Wages and salaries	629	502
Pension expenses	110	80
Total	739	582
 Board of directors		
Antti Kemppi	38	3
Teresa Kemppi-Vasama	31	3
Tero Era	31	3
Juha-Pekka Helminen	31	3
Kimmo Kemppi	30	-
Vesa Laisi ¹	26	-
Eriikka Söderström ¹	27	-
Ville Vuori ²	2	3
Katri Sahlman ²	2	3
Total	218	18

¹Member of the Board from 1st of September 2021.

²Member of the Board until AGM 30th of March 2021.

Other management benefits

In October 2021, the company carried out a directed share issue, which deviated from shareholders' pre-emptive right, to engage Kempower's employees by issuing 5,789 new shares in the personnel issue. The subscription price in the personnel issue was EUR 100 per share before the share issue without payment was registered on 26 November 2021, in which 53 new shares were issued for each existing share. The number of shares subscribed by the Extended Management Team after the share issue without payment was 69,714 shares. Kempower's employees, including the CEO and management team, who participated in the personnel issue have signed a shareholder agreement under which, among other things, they have committed to sell their shares to the company if their employment ends in certain circumstances. They have

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

also committed to transfer restrictions that prevent them from selling, transferring, donating or pledging their subscribed shares without the permission of company's Board of Directors until 31st December 2024.

The CEO does not have any other personal compensation plan based on shares or stock options or any other special rights entitling to shares.

5 AUDITOR'S FEES

EUR 1,000

2021

2020

Audit fees	-29	-5
Tax consultation	-6	-
Other fees	-1	-9
Total	-36	-13

6 DEPRECIATION AND AMORTISATION

EUR 1,000

2021

2020

Intangible rights	-22	-20
Other long-term expenditures	-9	-2
Machinery and equipment	-136	-63
Total	-167	-85

7 OTHER OPERATING EXPENSES

EUR 1,000

2021

2020

Sales and marketing expenses	-876	-266
Administration expenses	-630	-159
IT expenses	-637	-182
Real estate and vehicle expenses	-1,034	-507
Product development expenses	-971	-599
Warranty expenses	-607	-98
Other	-640	-130
Total	-5,396	-1,941

8 FINANCIAL INCOME AND EXPENSES

Other interest and financial income

EUR 1,000

2021

2020

From others

0

-

Total

0

0

Interest and other financial expenses

EUR 1,000

2021

2020

To Group companies

-138

-24

Interest expenses

To others

-6,557

-

Nasdaq First North IPO fees

-2

-1

Interest expenses

-10

-

Other financial expenses

-6,708

-25

Total

9 APPROPRIATIONS

EUR 1,000

2021

2020

Group contribution received

-

2,500

Total

0

2,500

10 INCOME TAXES

EUR 1,000

2021

2020

Income tax on main business operations

-53

-41

Change in deferred tax liabilities

1,181

-24

Total

1,128

-65

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW**11 ASSETS****Intangible assets**

EUR 1,000

	31 Dec 2021	31 Dec 2020
Intangible rights		
Acquisition cost, 1 Jan	214	186
Increases	46	27
Acquisition cost, 31 Dec	260	214
Accumulated amortisation, 1 Jan	-40	-20
Amortisation for financial year	-22	-20
Accumulated amortisation, 31 Dec	-61	-40
Carrying amount, 31 Dec	198	174
Other long-term expenses		
Acquisition cost, 1 Jan	25	24
Increases	188	1
Acquisition cost, 31 Dec	213	25
Accumulated amortisation, 1 Jan	-4	-2
Amortisation for financial year	-9	-2
Accumulated amortisation, 31 Dec	-14	-4
Carrying amount, 31 Dec	199	21
Total intangible assets		
Acquisition cost, 1 Jan	239	210
Increases	234	29
Acquisition cost, 31 Dec	473	239
Accumulated amortisation, 1 Jan	-44	-22
Amortisation for financial year	-31	-22
Accumulated amortisation, 31 Dec	-75	-44
Carrying amount, 31 Dec	398	195

Tangible assets

EUR 1,000

	31 Dec 2021	31 Dec 2020
Machinery and equipment		
Acquisition cost, 1 Jan	459	133
Increases	796	326
Acquisition cost, 31 Dec	1,255	459
Accumulated depreciation, 1 Jan	-85	-23
Translation differences and adjustments	0	-
Depreciation for the financial year	-136	-63
Accumulated depreciation, 31 Dec	-221	-85
Carrying amount, 31 Dec	1,034	373
Advance payments and purchases in progress		
Acquisition cost, 1 Jan	112	-
Increases	592	112
Acquisition cost, 31 Dec	705	112
Carrying amount, 31 Dec	705	112
Total tangible assets		
Acquisition cost, 1 Jan	571	133
Increases	1,388	438
Acquisition cost, 31 Dec	1,960	571
Accumulated depreciation, 1 Jan	-85	-23
Translation differences and adjustments	0	-
Depreciation for the financial year	-136	-63
Accumulated depreciation, 31 Dec	-221	-85
Carrying amount, 31 Dec	1,739	486

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW**12 RECEIVABLES**

EUR 1,000	2021	2020
Non-current receivables		
Deferred tax assets from losses	1,209	-
Deferred tax assets from other temporary differences	43	-
Total long-term receivables	1,253	-
EUR 1,000	2021	2020
Current receivables		
Receivables from group companies		
Trade receivables	148	101
Other receivables	-	2,500
Total	148	2,601
EUR 1,000	31 Dec 2021	31 Dec 2020
Receivables from others		
Trade receivables	4,511	720
Other receivables	1,195	188
Prepayments and accrued income	665	246
Total	6,372	1,155
Total current receivables	6,520	3,756
EUR 1,000	31 Dec 2021	31 Dec 2020
Accruals		
Accrued government grants	162	30
Costs paid in advance	233	204
Other accruals	270	13
Accruals total	665	246

13 EQUITY

EUR 1,000	31 Dec 2021	31 Dec 2020
Changes in equity		
Share capital, 1 Jan	3	3
Share capital increase	78	-
Share capital, 31 Dec	80	3
Invested unrestricted equity fund		
Invested unrestricted equity fund, 1 Jan	-	-
Personnel Offering	579	-
Initial Public Offering for Nasdaq First North Growth Market	100,050	-
Share capital increase	-78	-
Invested unrestricted equity fund, 31 Dec	100,551	-
Retained earnings, 1 Jan	621	431
Translation differences	4	-
Retained earnings, 31 Dec	625	431
Profit/-loss for the financial year	-4,509	190
Total equity	96,747	621

In September 2021, the shareholders unanimously decided on a share issue without payment to the company's shareholders in accordance with the shareholders' pre-emptive subscription right. 6,999 new shares were issued for each existing share. The number of shares before the share issue without payment was 100.

In October 2021, the company carried out a directed share issue, which deviated from the shareholders' pre-emptive subscription right, to engage Kempower's employees by issuing 5,789 new shares in the personnel issue. The subscription price in the personnel issue was EUR 100 per share (before the share issue without payment registered on 26 November 2021). Kempower's employees, who participated in the personnel issue have signed a shareholder agreement under which, among other things, they have committed to sell their shares to the company if their employment ends in certain circumstances. They have also committed to transfer restrictions that prevent them from selling, transferring, donating or pledging their subscribed shares without the permission of company's Board of Directors until 31st December 2024.

ELECTRICITY MOVES US**ENABLING CLEAN MOBILITY****CHARGING A BETTER FUTURE****GOVERNANCE****FINANCIAL REVIEW**

In November 2021, the shareholders unanimously decided on a share issue without payment to the company's shareholders. The share issue without payment was carried out for the company's shareholders in accordance with the shareholders' pre-emptive subscription right. 53 new shares were issued for each existing share. The number of shares before the free share issue was 705,789.

Based on the authorisation of the Board of Directors, decided unanimously by the shareholders in November 2021, the Board of Directors decided on 13th of December 2021 to implement the IPO and to issue 15,156,795 new shares. The subscription price in the IPO was EUR 5.74 per share.

On the closing date, 31st of December 2021, the company's registered share capital was EUR 80,000 and the total number of shares issued was 55,542,920. The company has one series of shares. Each share entitles its holder to one vote at the Annual General Meeting. The shares have no nominal value. The company does not hold any of the company's own shares. Kempower's shares are included in the book-entry system maintained by Euroclear Finland Oy. The trading code of the shares is KEMPOWR and the ISIN code is FI4000513593.

14 PROVISIONS**EUR 1,000****31 Dec 2021 31 Dec 2020**

Provision for warranty expenses	216	61
Total	216	61

15 NON-CURRENT LIABILITIES**EUR 1,000****31 Dec 2021 31 Dec 2020**

Loans from Group companies		
Capital loan	-	3,400
Total	-	3,400

Capital loan from the parent company has been paid during 2021.

16 DEFERRED TAX LIABILITIES**EUR 1,000****31 Dec 2021 31 Dec 2020**

Deferred tax liabilities		
From appropriations	96	24
Total	96	24

17 CURRENT LIABILITIES**Current liabilities****EUR 1,000****31 Dec 2021 31 Dec 2020****Debts to others**

Trade payables	3,030	488
Advances received	777	227
Other payables	559	63
Accrued liabilities	2,481	618
Total	6,847	1,395

Debts to Group companies

Trade payables	2,447	728
Other payables	76	-
Accrued liabilities	5	-
Total	2,527	728

Total current liabilities**9,374 2,124****Accrued liabilities**

Accrued personnel expenses	2,222	460
Other operating expenses accrued	101	18
Tax liabilities	54	41
Other accruals	103	99
Total	2,481	618

18 COMMITMENTS AND CONTINGENCIES**EUR 1,000****31 Dec 2021 31 Dec 2020**

Amount payable under leases		
Due for payment in the next financial year	2,898	571
Due for payment at a later date	18,663	524
Total	21,561	1,095

Lease liabilities of 31 December 2021 consists mainly of the lease agreement of Kempower's new production site in Lahti. Kempower Oy signed the lease contract with Kemppi Group Oy in 2021. The lease agreement is valid until the end of 2031. The lease liability for this lease is EUR 19,477 thousand.

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

+ KEMPOWER

19 SUBSIDIARIES

Company name	Domicile	Group's holding, %
Kempower AS	Tønsberg, Norway	100%
Kempower GmbH	Langgöns, Germany	100%
Kempower B.V.	Breda, Netherlands	100%
Kempower Charging Limited	Bedford, UK	100%
Kempower Spain	Barcelona, Spain	100%
Kempower SAS	Paris, France	100%

All subsidiaries have been incorporated during 2021.

20 NOTES FROM RELATED PARTY TRANSACTIONS

The parties are considered to be related parties if the other party is able to exercise control or significant influence or joint control over the other party in decision making concerning its finances or business. Kempower's related parties include its subsidiaries and Kemppi Group Oy and its subsidiaries other than Kempower Group companies ("Kemppi Group companies"). Related parties also include members of Kempower's Board of Directors, CEO and members of Management Team as well as their close family members and companies under their control. Kempower's related parties also include the members of Kemppi Group Oy's Board of Directors and their close family members and companies under their control.

Business transactions between Kempower and Kemppi Group are presented as related party transactions. Such related party transactions include purchases of materials from Kemppi Oy, purchases of administrative and support service (such as information technology, financial administration and other expert services) from Kemppi Group companies, premises leased from Kemppi Group companies and financing received from Kemppi Group Oy. Related party transactions have been carried out on an arm's length basis.

Kempower's headquarters and production facilities are located in rental properties. One of the production facilities has been leased from Kemppi Oy until 2023. Kempower's headquarter has been leased from Kemppi Oy until 2022, and part of the outdoor area has been leased until 2023. Kempower has signed a lease agreement with Kemppi Group Oy for a new production plant in Lahti. This new production facility has been leased until 2031.

Kemppi Group Oy has financed Kempower's business by paying group contributions and granting capital loans and other loans. During the financial year, capital loans were repaid at an interest rate of 4% and other loans at interest rate calculated by adding 1.5% interest margin to the Euribor rate.

The following transactions with related parties took place during the financial year:

Sales and purchases of products and services to Kemppi Group companies

EUR 1,000	2021	2020
Products sold	28	5
Purchased materials	-6,670	-871
Purchased administrative and support services	-618	-584
Leases of office and production facilities	-466	-231
Finance expenses		
Interest expenses for Kemppi Group companies	-138	-24
Other transactions		
Group contributions from Kemppi Group companies	-	2,500
Sales and purchases of services from other related parties		
Purchased services	-43	-19
Products sold	4	0

Open balances with Kemppi Group companies

EUR 1,000	2021	2020
Trade and other receivables	148	101
Group contribution receivables	-	2,500
Total current receivables	148	2,601
Capital loan	-	3,400
Total non-current liabilities	-	3,400
Trade payables	2,447	728
Prepayments and other payables	81	-
Total current liabilities	2,527	728

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

Income statement of the parent company

EUR 1,000	Note	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Revenue	2	26,604	3,252
Other operating income	3	314	100
Change in inventories of finished goods and work in progress		779	181
Raw materials and services			
Purchases during the financial period		-16,977	-2,398
Change in inventories		4,072	898
External services		-1,514	-4
Total raw materials and services		-14,419	-1,503
Personnel expenses	4		
Salaries and wages		-5,809	-1,878
Pension expenses		-1,009	-290
Other social security expenses		-132	-55
Total personnel expenses		-6,950	-2,223
Depreciation and amortisation	5	-166	-85
Other operating expenses	6	-5,318	-1,941
Operating profit/loss		846	-2,220
Financial income and expenses			
Financial income	8	1	-
Financial expenses	8	-6,707	-25
Total financial income and expenses		-6,707	-25
Profit/loss before tax and appropriations		-5,861	-2,245
Appropriations	9	-357	2,388
Income taxes	10	-	-41
PROFIT/LOSS FOR THE FINANCIAL PERIOD		-6,218	103

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CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

Balance sheet of the parent company

EUR 1,000	Note	31 Dec 2021	31 Dec 2020	EUR 1,000	Note	31 Dec 2021	31 Dec 2020				
ASSETS											
Non-current assets											
Intangible assets	11			Share capital	13						
Intangible rights		198	174	Invested unrestricted equity fund		80	3				
Other intangible assets		199	21	Retained earnings		100,551	-				
		398	195	Profit/loss for the period		523	421				
Tangible assets	11			Equity total		-6,218	103				
Machinery and equipment		1,030	373			94,937	526				
Advance payments and construction in progress		705	112	Accumulated appropriations							
		1,735	486	Cumulative accelerated depreciation	14	479	122				
Investments	11			Provisions							
Shares in group companies		184	-	Other provisions	15	216	61				
		184	-	Liabilities							
Non-current assets total		2,316	680	Non-current liabilities	16						
Current assets				Interest-bearing capital loans from group companies		-					
Inventory							3,400				
Raw materials and consumables		5,117	1,045			-	3,400				
Work in progress		504	25	Current liabilities							
Finished products		504	204	Advances received		777	227				
Other inventory		1	-	Trade payables		3,003	488				
		6,126	1,275	Payables to group companies		2,667	728				
Short-term receivables	12			Other payables		178	63				
Trade receivables		4,309	821	Accruals and other payables		2,245	618				
Receivables from group companies		726	2,500			8,870	2,124				
Other receivables		911	188	Liabilities total							
Prepayments and accrued income		634	246			8,870	5,524				
		6,581	3,756	EQUITY AND LIABILITIES TOTAL							
Cash and cash equivalents		89,479	521			104,502	6,232				
Current assets total		102,186	5,552								
ASSETS TOTAL		104,502	6,232								

Cash flow statement of the parent company

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CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

EUR 1,000	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Cash flow from operating activities		
Profit/-loss before appropriations and taxes	-5,861	-2,245
Adjustments:		
Depreciation and amortisation	166	85
Unrealised exchange gains and losses	-2	1
Change in provisions	155	61
Financial income and expenses	6,707	25
Cash flow before changes in working capital	1,165	-2,073
Changes in working capital		
Change in inventories	-4,851	-1,079
Change in trade and other receivables	-5,324	-503
Change in trade payables and short-term debts	6,068	1,199
Cash flow from operating activities before financial items and taxes	-2,942	-2,456
Interest paid	-4	-25
Other financial items	11	-
Taxes	-41	-2
Cash flow from operating activities (A)	-2,977	-2,482
Cash flow from investing activities:		
Investments in tangible and intangible assets	-1,618	-467
Purchased subsidiary shares	-184	-
Cash flow from investing activities (B)	-1,802	-467
Cash flow from financing activities:		
Proceeds from issue of share capital	100,629	-
Proceeds from non-current loans	-	3,400
Repayment of non-current borrowings	-3,400	-
Paid finance costs	-5,993	-
Group contributions received	2,500	-
Cash flow from financing activities (C)	93,736	3,400
Changes in cash flows (A + B + C)	88,958	451
Cash and cash equivalents at the beginning of the period	521	71
Cash and cash equivalents at the end of the period	89,479	521
Change in cash and cash equivalents	88,958	451

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ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

Notes to the Parent company financial statements

1 ACCOUNTING PRINCIPLES

Parent company information

Kempower Oyj is part of Kemppi Group Oy Group, whose parent company is Kemppi Group Oy. Kempower Oyj and Kemppi Group Oy are domiciled in Lahti, Finland. Kemppi Group Oy's registered address is Kempinkatu 1, FI-15800 Lahti, Finland and Kempower Oyj's Hennalaankatu 71, FI-15810 Lahti, Finland. Copies of the consolidated financial statements for Kempower Oyj Group and Kemppi Group Oy Group can be obtained from the head office of the parent company.

Accounting policy applied in the financial statements

The consolidated financial statements have been prepared in accordance with the Finnish Accounting Standards (FAS).

The financial statement information is presented in thousands of euros and have been rounded to the nearest figure. Thus, in certain cases, the sum of figures in a column or row does not always exactly match the figure presented as the total of the column or row.

Principles for valuation

Valuation of fixed assets

Intangible and tangible assets are stated on the balance sheet at acquisition cost, net of accumulated planned depreciation. Planned depreciation is calculated on a straight-line basis over the useful economic life of the asset.

The useful economic lives of assets are as follows:

Intangible assets	10 years
Long-term expenditure	3–10 years
Machinery and equipment	3–10 years

Valuation of inventories

Inventories are presented at the acquisition cost or at the lower probable net realisation value. Acquisition cost value is determined according to the weighted average procedure. The acquisition cost of manufactured inventories includes purchase expenditure on materials, direct labour and other direct costs.

Foreign currency items

Foreign currency receivables and liabilities are translated into euros at the average exchange rate on the closing date. The exchange rate differences arising from this and actual exchange rate differences during the financial period for trade receivables and trade payables are recorded as adjustment items for sales and purchases. Exchange rate differences for other commitments, receivables and liabilities are included in financial income and expenses.

Revenue recognition

Revenue is presented from the sales of the products and services at fair value adjusted by indirect taxes, discounts and exchange rate differences from foreign currency items. Revenue is recorded when the ownership of the product has been transferred to the buyer. Revenue is recognised during the same financial period when the service is provided. Revenue and expenses of fixed price projects are recorded based on percentage-of-completion (POC) method.

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW
 **KEMPOWER**
2 REVENUE BY MARKET AREA

EUR 1,000	2021	2020
Nordics	22,693	2,265
Rest of Europe	3,721	865
Rest of the World	190	121
Total	26,604	3,252

3 OTHER OPERATING INCOME

EUR 1,000	2021	2020
Government grants	314	100
Total	314	100

4 PERSONNEL

EUR 1,000	2021	2020
Average number of personnel during financial period		
Blue collar	17	4
White collar	66	25
Total	83	29

Management compensation

Wages, salaries and other benefits and pension benefits paid to CEO and to Management team:

EUR 1,000	2021	2020
Management salaries		
Managing director		
Wages and salaries	193	135
Pension expenses	34	22
Total	226	157
Management team		
Wages and salaries	629	502
Pension expenses	110	80
Total	739	582
Board of directors		
Antti Kemppi	38	3
Teresa Kemppi-Vasama	31	3
Tero Era	31	3
Juha-Pekka Helminen	31	3
Kimmo Kemppi	30	-
Vesa Laisi ¹	26	-
Eriikka Söderström ¹	27	-
Ville Vuori ²	2	3
Katri Sahlman ²	2	3
Total	218	18

¹Member of the Board from 1st of September 2021.²Member of the Board until AGM 30th of March 2021.**Other management benefits**

In October 2021, the company carried out a directed share issue, which deviated from shareholders' pre-emptive right, to engage Kempower's employees by issuing 5,789 new shares in the personnel share. The subscription price in the personnel share issue was EUR 100 per share before the share issue without payment was registered on 26 November 2021, in which 53 new shares were issued for each existing share. The number of shares subscribed by the Extended Management Team after the share issue without payment was 69,714 shares. Kempower's employees, including the CEO and management team, who participated in the personnel issue have signed a shareholder agreement under which, among other things, they have committed to sell their shares to the company if their employment ends in certain circumstances. They have

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

also committed to transfer restrictions that prevent them from selling, transferring, donating or pledging their subscribed shares without the permission of company's Board of Directors until 31st December 2024.

The CEO does not have any other personal compensation plan based on shares or stock options or any other special rights entitling to shares.

5 AUDITORS FEES

EUR 1,000	2021	2020
Audit fees	-24	-5
Tax consultation	-6	-9
Other fees	-1	0
Total	-32	-13

6 DEPRECIATION AND AMORTISATION

EUR 1,000	2021	2020
Intangible rights	-22	-20
Other long-term expenditures	-9	-2
Machinery and equipment	-135	-63
Total	-166	-85

7 OTHER OPERATING EXPENSES

EUR 1,000	2021	2020
Sales and marketing expenses	-1,019	-266
Administration expenses	-511	-159
IT expenses	-632	-182
Real estate and vehicle expenses	-982	-507
Product development expenses	-971	-599
Warranty expenses	-616	-98
Other	-586	-130
Total	-5,318	-1,941

8 FINANCIAL INCOME AND EXPENSES

Other interest and financial income

EUR 1,000	2021	2020
From Group companies	0	-
From others	0	-
Total	1	-

Interest and other financial expenses

EUR 1,000	2021	2020
To Group companies		
Interest expenses	-138	-24
To others		
Nasdaq First North IPO fees	-6,557	-
Interest expenses	-2	-1
Other financial expenses	-10	-
Total	-6,707	-25

9 APPROPRIATIONS

EUR 1,000	2021	2020
Change in cumulative accelerated depreciation	-357	-112
Group contribution received	-	2,500
Total	-357	2,388

10 INCOME TAXES

EUR 1,000	2021	2020
Income tax on main business operations	-	-41
Total	-	-41

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

11 ASSETS

Intangible assets

EUR 1,000

	31 Dec 2021	31 Dec 2020
Intangible rights		
Acquisition cost, 1 Jan	214	186
Increases	46	27
Acquisition cost, 31 Dec	260	214
Accumulated amortisation, 1 Jan	-40	-20
Amortisation for financial year	-22	-20
Accumulated amortisation, 31 Dec	-61	-40
Carrying amount, 31 Dec	198	174
Other long-term expenses		
Acquisition cost, 1 Jan	25	24
Increases	188	1
Acquisition cost, 31 Dec	213	25
Accumulated amortisation, 1 Jan	-4	-2
Amortisation for financial year	-9	-2
Accumulated amortisation, 31 Dec	-14	-4
Carrying amount, 31 Dec	199	21
Total intangible assets		
Acquisition cost, 1 Jan	239	210
Increases	234	29
Acquisition cost, 31 Dec	473	239
Accumulated amortisation, 1 Jan	-44	-22
Amortisation for financial year	-31	-22
Accumulated amortisation, 31 Dec	-75	-44
Carrying amount, 31 Dec	398	195

Tangible assets

EUR 1,000

	31 Dec 2021	31 Dec 2020
Machinery and equipment		
Acquisition cost, 1 Jan	459	133
Increases	791	326
Acquisition cost, 31 Dec	1,250	459
Accumulated depreciation, 1 Jan	-85	-23
Depreciation for the financial year	-135	-63
Accumulated depreciation, 31 Dec	-220	-85
Carrying amount, 31 Dec	1,030	373
Advance payments and purchases in progress		
Acquisition cost, 1 Jan	112	0
Increases	592	112
Acquisition cost, 31 Dec	705	112
Carrying amount, 31 Dec	705	112
Total tangible assets		
Acquisition cost, 1 Jan	571	133
Increases	1,383	438
Acquisition cost, 31 Dec	1,955	571
Accumulated depreciation, 1 Jan	-85	-23
Depreciation for financial year	-135	-63
Accumulated depreciation, 31 Dec	-220	-85
Carrying amount, 31 Dec	1,735	486
Shares in group companies		
Acquisition cost, 1 Jan	-	-
Increases	184	-
Acquisition cost, 31 Dec	184	-
Carrying amount, 31 Dec	184	-

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

RESULTS

INVESTOR RELATIONS

SUSTAINABILITY

ENVIRONMENT

SOCIAL

GOALS & OUTLOOK

NOTES TO THE FINANCIAL STATEMENTS

12 RECEIVABLES

EUR 1,000

31 Dec 2021 31 Dec 2020

Current receivables

Receivables from others

Trade receivables

4,309 720

Other receivables

911 188

Prepayments and accrued income

634 246

Total

5,854 1,155

Receivables from Group companies

Trade receivables

726 101

Other receivables

- 2,500

Total

726 2,601

Total current receivables**6,581 3,756****Accruals**

Accrued government grants

162 30

Costs paid in advance

219 204

Other accruals

253 13

Accruals, total**634 246****13 EQUITY**

EUR 1,000

31 Dec 2021 31 Dec 2020

Changes in equity

Share capital, 1 Jan

3 3

Share capital increase

78 -

Share capital, 31 Dec**80 3****Invested unrestricted equity fund**

Invested unrestricted equity fund, 1 Jan

- -

Personnel Offering

579 -

Initial Public Offering for Nasdaq First North Growth Market

100,050 -

Share capital increase

-78 -

Invested unrestricted equity fund, 31 Dec**100,551 -**

Retained earnings, 1 Jan

523 421

Retained earnings, 31 Dec**523 421****Profit/-loss for the financial year****-6,218 103****Total equity****94,937 526****Calculation of parent company's distributable equity**

Retained earnings, 31 Dec

523 421

Profit/-loss for the financial year

-6,218 103

Invested unrestricted equity fund, 31 Dec

100,551 -

Parent companies' distributable equity, total**94,857 523**

The distributable assets total EUR 94,856,978.70. The Board of Directors proposes to the Annual General Meeting that no dividend shall be distributed and the loss for the financial year will be transferred to the retained earnings account.

14 APPROPRIATIONS

EUR 1,000

31 Dec 2021 31 Dec 2020

Cumulative accelerated depreciation, Jan 1

122 10

Change in accelerated depreciation

357 112

Cumulative accelerated depreciation, 31 Dec**479 122**

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW**15 PROVISIONS**

EUR 1,000	31 Dec 2021	31 Dec 2020
Provision for warranty expenses	216	61
Total	216	61

16 NON-CURRENT LIABILITIES

EUR 1,000	31 Dec 2021	31 Dec 2020
Loans from Group companies		
Capital loan	-	3,400
Total	-	3,400

The capital loan from the parent company has been paid during 2021.

17 CURRENT LIABILITIES**Current liabilities**

EUR 1,000	31 Dec 2021	31 Dec 2020
Debts to others		
Trade payables	3,003	488
Advances received	777	227
Other payables	178	63
Accrued liabilities	2,245	618
Total	6,203	1,395
Debts to Group companies		
Trade payables	2,577	728
Other payables	85	-
Accrued liabilities	5	-
Total	2,667	728
Total current liabilities	8,870	2,124

Accrued liabilities

EUR 1,000	31 Dec 2021	31 Dec 2020
Accrued personnel expenses	2,095	460
Other operating expenses accrued	34	18
Tax liabilities	0	41
Other accruals	121	99
Total	2,250	618

18 COMMITMENTS AND CONTINGENCIES

EUR 1,000	2021	2020
Amount payable under leases		
Due for payment in next financial year	2,816	571
Due for payment at a later date	18,531	524
Total	21,347	1,095

Lease liabilities of 31 December 2021 consists mainly of the lease agreement of Kempower's new production site in Lahti. Kempower Oyj signed the lease contract with Kemppi Group Oy in 2021. The lease agreement is valid until the end of 2031. The lease liability for this lease is EUR 19,477 thousand.

ELECTRICITY MOVES US

ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

Signatures of Board of Directors' report and financial statements

Lahti, 15th of February 2022

Antti Kemppi

Chairman of the Board

Teresa Kemppi-Vasama

Member of the Board

Tero Era

Member of the Board

Juha-Pekka Helminen

Member of the Board

Kimmo Kemppi

Member of the Board

Vesa Laisi

Member of the Board

Eriikka Söderström

Member of the Board

Tomi Ristimäki

CEO

Auditor's note

A report on the audit carried out has been submitted today.

Lahti, 15th of February 2022

Ernst & Young Oy

Toni Halonen

KHT

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ENABLING CLEAN MOBILITY

CHARGING A BETTER FUTURE

GOVERNANCE

FINANCIAL REVIEW

 **KEMPOWER**

Auditor's report (Translation of the Finnish original)

To the Annual General Meeting of Kempower Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kempower Corporation (business identity code 2856868-5) for the year ended 31 December 2021. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if

such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Lahti 15.2.2022

Ernst & Young Oy
 Authorised Public Accountant Firm

Toni Halonen
 Authorised Public Accountant



Hennalankatu 71
15810 Lahti, Finland
+358 29 0021900

investors@kempower.com
media@kempower.com
www.kempower.com