

KEMPOWER Corporation

# Interim Report 2024

1 January – 30 September 2024



# Kempower Corporation Interim Report, 1 January–30 September 2024 (unaudited)

## July–September 2024 in brief, IFRS (comparison figures in parenthesis July–September 2023)

- Order backlog decreased to EUR 100.2 million (EUR 126.7 million)
- Order intake decreased to EUR 51.5 million (EUR 60.9 million)
- Revenue decreased by 28% to EUR 52.3 million (EUR 72.6 million)
- Revenue outside the Nordics was 51% (56%) of revenue
- Gross profit margin was 51.3% (52.9%)
- Operative EBIT decreased to EUR -7.9 million (EUR 14.4 million), -15.0% of revenue (19.8%)
- Loss for the period was EUR 7.2 million (EUR 11.7 million profit)
- Cash flow from operating activities was EUR -9.3 million (EUR 15.9 million)
- Amount of personnel at the end of the period was 842 (619)
- Amount of energy charged through Kempower chargers was 103,000 MWh (50,000)

## January–September 2024 in brief, IFRS (comparison figures in parenthesis January–September 2023)

- Order intake decreased to EUR 150.5 million (EUR 208.6 million)
- Revenue decreased by 24% to EUR 152.0 million (EUR 200.8 million)
- Gross profit margin was 48.3% (51.7%)
- Operative EBIT decreased to EUR -27.1 million (EUR 35.1 million), -17.9% of revenue (17.5%)
- Loss for the period was EUR 23.8 million (EUR 28.4 million profit)
- Cash flow from operating activities was EUR -35.8 million (EUR 39.0 million)

## KEY FIGURES

MEUR	Q3/2024	Q3/2023	1-9/2024	1-9/2023	2023
Order backlog	100.2	126.7	100.2	126.7	110.6
Order intake	51.5	60.9	150.5	208.6	275.3
Revenue	52.3	72.6	152.0	200.8	283.6
Revenue growth, %	-28%	122%	-24%	205%	174%
Gross profit	26.8	38.4	73.4	103.8	147.7
Gross profit margin, %	51.3%	52.9%	48.3%	51.7%	52.1%
Operating profit/loss (EBIT)	-9.2	14.3	-29.5	35.0	40.6
EBIT margin, %	-17.5%	19.7%	-19.4%	17.4%	14.3%
Operative EBIT	-7.9	14.4	-27.1	35.1	40.7
Operative EBIT margin, %	-15.0%	19.8%	-17.9%	17.5%	14.3%
Profit/loss for the period	-7.2	11.7	-23.8	28.4	33.7
Equity ratio, %	51.4%	58.3%	51.4%	58.3%	58.3%
Cash flow from operating activities	-9.3	15.9	-35.8	39.0	39.7
Investments	4.4	2.8	15.9	6.7	9.6
Net debt	-15.1	-81.0	-15.1	-81.0	-74.6
Net cash	44.5	105.4	44.5	105.4	99.8
Items affecting comparability	1.3		2.3	0.1	0.1
Earnings per share, basic, EUR	-0.13	0.21	-0.43	0.51	0.61
Earnings per share, diluted, EUR	-0.13	0.21	-0.43	0.51	0.61
Headcount end of period	842	619	842	619	737

## Outlook for 2024 (specified on October 29 2024)

DC charging market demand has been lower than Kempower has earlier anticipated. After COVID-19, there was a component shortage which created higher than normal demand for charging solutions. Also charger rollouts have been slower than earlier anticipated. Both of these factors have created excess inventory on customers' side.

Kempower estimates the value of the excess stock of Kempower charging equipment that company's customers have in stock to be approximately EUR 80 million and to decline slowly during the second half of the year and first half of 2025. This has a major negative impact on purchases by the customers.

Outlook has been specified regarding 2024 revenue.

Specified outlook:

- 2024 revenue; between EUR 220 million and EUR 230 million, assuming no major impact from foreign currency exchange rates (revenue 2023: EUR 283.6 million),
- 2024 operative EBIT margin % will be negative. However, the profitability is expected to improve towards the end of the year and be at break-even in Q4 2024.

Previous outlook:

- 2024 revenue; between EUR 220 million and EUR 260 million, assuming no major impact from foreign currency exchange rates (revenue 2023: EUR 283.6 million),
- 2024 operative EBIT margin % will be negative. However, the profitability is expected to improve towards the end of the year and be at break-even in Q4 2024.

## Financial targets

The Board of Directors resolved on Kempower's financial targets on 19 April 2023.

- **Growth:** revenue of EUR 750 million in the medium term (years 2026–2028)
- **Profitability:** operative EBIT margin of 10 percent to 15 percent reached in the medium term (years 2026–2028) and operative EBIT margin of at least 15 percent in the long term
- **Dividends:** No dividends in the short term

CEO TOMI RISTIMÄKI COMMENTS ON THE Q3/2024 RESULTS:

# Challenging market conditions continued during the quarter

Kempower's order intake development in the third quarter continued to be impacted by high customer inventory levels and challenging market conditions, slowing down customers' decision making. Order intake for the period was EUR 51.5 million. Revenue for the third quarter of 2024 was EUR 52.3 million and the operative EBIT was negative, EUR 7.9 million. We have one of the strongest liquidity positions in global DC charging business which makes us a reliable partner to any customer.

We continue to monitor our customers' inventory levels by tracking data on commissioned chargers. As we anticipated in June 2024 the decline in inventories was not significant during the third quarter. We estimate the excess customer inventory to be EUR 80 million and to likely remain high until the first half of the year 2025. At the same time we see high installation numbers from both Europe and North America indicating continued growth of the whole DC charging market. Compared to corresponding time periods in 2023, in Europe the installations for January–September grew 18 percent and for North America January–July installations grew 74 percent.

Kempower onboarded 12 new customers during the third quarter, making the total number of new customers for this year 44. This is a positive indicator for future growth, highlights the ongoing demand for Kempower's solutions and paints a positive picture for the future. New customers from the quarter include a global truck OEM in North America, a Fortune 500 energy company and a truck charging customer in Norway. While sales recovery is taking time, the steady expansion of Kempower's customer base positions us well to regain momentum and return to our growth track. Despite positive new customer acquisition, orders from these customers have not yet offset the effect of the excess inventories. In addition, we have

completed the ramp-up for the next generation product portfolio, which will provide top-of-the-class performance to our customers now and in the future.

North America revenue more than doubled during January–September 2024 compared to same period 2023, demonstrating strong performance and operational excellence in this key market. Our sales pipeline in North America continues to develop well in several segments, positioning us for sustained growth in the future. A particularly exciting milestone during the quarter was the acquisition of our first customer under the USD 5 billion NEVI (National Electric Vehicle Infrastructure) funding program, marking a significant milestone in our expansion strategy.

To adjust to current market reality, we initiated and concluded change negotiations resulting in a reduction of around 90 person-years globally. These decisions were essential to improve our profitability and enable future success. We are progressing well towards the targeted EUR 10 million annual savings during the year 2025 compared to Q2 2024.

This year is challenging not just for us but for the whole EV charging industry. Still with the hard work of all Kempowerians we have already achieved great things, and I am confident we will continue to do so in the future. Having completed production ramp up of our next generation product portfolio and acquiring 44 new customers in a difficult year are undisputed indicators of our operational excellence. We have worked hard to enhance and develop our operations and processes in order to increase productivity and serve our customers in the best way possible. I firmly believe that the groundwork we are doing now will contribute to sustained success in the future.



**Tomi Ristimäki,**  
CEO

## Market development

This chapter aims to describe the latest market development in the DC-charging and electric vehicle ecosystem. There are limitations to the data as it comes available on different time intervals in different markets.

### Europe

The amount of new DC charging point installations for YTD 1-9 2024 was 18 percent higher compared to YTD 1-9 2023 installations.

From January to September 2024, new BEV registrations saw a slight decline of 3 percent compared to the same period in 2023. The BEV share of total car registrations for this period was 15 percent and on the same level as in 2023, indicating a steady adoption of electric vehicles into the market.

### North America

The amount of new DC charging point installations for YTD 1-9 2024 was 74 percent higher compared to YTD 1-9 2023 installations.

For January-July 2024 the share of BEV registrations were 7.6%, compared to 7.2% at the same time in 2023. From January to July 2024, BEV registrations increased by 8.6%, while the overall registrations saw a 2.5% improvement during the same period.

### Kempower

The electricity charged through Kempower chargers more than doubled from 50,000 MWh from Q3 of 2023 to 103,000 MWh in Q3 of 2024. This is due, among other things, to the increase in electric vehicles adoption, as well as the increased commissioning's of our chargers.

During the quarter Kempower has been active in advancing electric truck charging infrastructure in Europe. In France, Kempower partnered with GT Solutions and Virta to develop a logistics hub in Aulnay-sous-Bois, north of

Paris. This site, equipped with a 600 kW Kempower Power Unit and six Satellites, enables fast charging for GT Solutions' new electric truck fleet. In Sweden, Kempower partnered with DFDS to expand its Gothenburg e-truck charging depot, making it one of Sweden's largest, with 38 charging points.

In India, we started collaboration with GLIDA to open GLIDA's first hub in India with Kempower's chargers, a large EV charging hub near Hyderabad airport. Additionally, our new partnership with Zeon aims to deploy over 20 charging hubs across India's strategic highways. These projects support India's growing EV infrastructure and encourage broader EV adoption advancing sustainable mobility on a large scale.

In the U.S., we started collaboration with Revel and opened Revel's first charging station with Kempower's chargers in New York City, the Pier 36 charging hub in Manhattan providing high-speed chargers for New York's rideshare drivers.

## Sustainability

Sustainability is at the core of Kempower's strategy. During the third quarter of 2024 we are progressing well with the upcoming sustainability report that will be in line with the CSRD and EU taxonomy regulation.

### Climate Impact

During the third quarter, we made significant progress in our sustainability journey. We achieved the Silver-label in the EcoVadis evaluation, recognizing our efforts in environmental, social, and governance (ESG) performance. Additionally, we renewed our Nasdaq Green Equity Designation, which highlights our commitment to sustainable business practices and attracting environmentally-conscious investors.

We also completed our Scope 3 emission inventory, an important step toward understanding and managing our full carbon footprint. Scope 3 emission inventory, now supplemented with numerical values, allows for more accurate tracking of indirect emissions throughout our supply chain. These achievements strengthen our sustainability credentials and ongoing commitment to reducing our environmental impact while maintaining transparent, responsible growth.

### Responsible Product

During the quarter, we initiated key measures to reduce the carbon footprint of our product. Our ongoing efforts include the comprehensive development of circular economy practices. Additionally, we have begun assessing the impact of the Ecodesign Directive on our products, aiming to align with sustainable design principles and further minimize environmental impacts.

## Best Workplace

During the quarter, we updated our Health and Safety (HS) Policy which was approved by the Personnel and Health and Safety Committee in August.

In September, Kempower held Wellbeing Week, focusing on recovery and commuting. Kempower also participated in the Kilometer Race, where teams cycle to collect kilometers. For every 25 km cycled, Kempower donated €1 to the Red Cross' Chain Reaction Collection. The funds raised will help people prepare for and adapt to the effects of climate change as part of the Red Cross' international work.



## Financial reporting and geographical regions

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

### Order intake

Kempower's order intake was EUR 51.5 (60.9) million in the third quarter of 2024 and EUR 150.5 (208.6) in January-September 2024. Order intake throughout the year has been negatively affected by customers' high excess inventory levels and the scaling up of the next generation charging portfolio. Kempower's new customer acquisition has continued to develop positively but has not yet been able to offset the declined orders from existing customers.

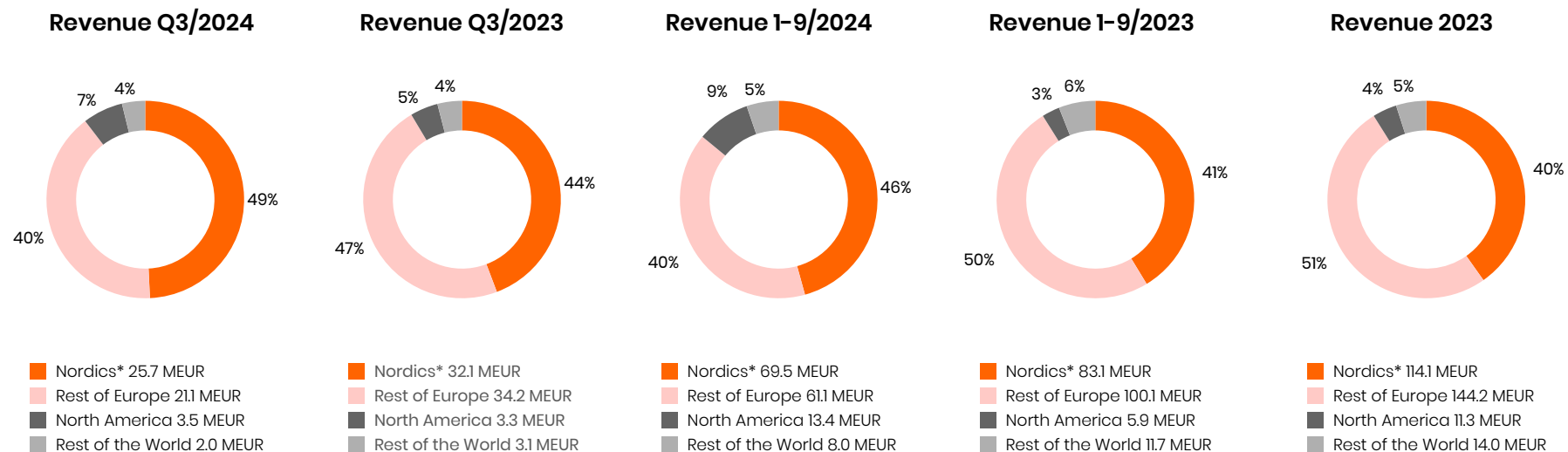
### Revenue

Kempower reports revenue according to geographical regions below:

- Nordics
- Rest of Europe
- North America
- Rest of the World

### REVENUE BY GEOGRAPHICAL REGIONS

MEUR	Q3/2024	Q3/2023	Change %	1-9/2024	1-9/2023	Change %	2023
Nordics*	25.7	32.1	-20%	69.5	83.1	-16%	114.1
Rest of Europe	21.1	34.2	-38%	61.1	100.1	-39%	144.2
North America	3.5	3.3	4%	13.4	5.9	127%	11.3
Rest of the World	2.0	3.1	-35%	8.0	11.7	-32%	14.0
<b>Total</b>	<b>52.3</b>	<b>72.6</b>	<b>-28%</b>	<b>152.0</b>	<b>200.8</b>	<b>-24%</b>	<b>283.6</b>



\*Nordics include Finland, Sweden, Norway, Denmark and Iceland



Kempower's revenue mainly consists of deliveries of electric vehicle chargers and charging stations the company manufactures and charger maintenance services. Kempower also provides its customers with the ChargeEye SaaS service, a cloud-based charging equipment management system. Kempower's customers are mainly public charging operators, commercial vehicle fleet operators, vehicle and equipment manufacturers and distributor and installer partners.

Kempower's revenue for the third quarter of 2024 amounted to EUR 52.3 million (EUR 72.6 million). Revenue decreased by 28 percent compared to the third quarter of 2023. Kempower's revenue for January-September 2024 amounted to EUR 152.0 million (EUR 200.8 million). Revenue decreased by 24 percent compared to the previous year. The decrease in revenue both for the January-September 2024 and July-September 2024 are mainly explained by high inventory levels of our customers and slower charger roll-outs than we anticipated in the beginning of the year. Third quarter revenue was negatively impacted by ramp up of next generation charging portfolio. Ramp up was completed after the review period which enables the production without supply restrictions.

Kempower's charging solutions have been delivered to more than 50 countries globally. Kempower's main geographical markets include the Nordics, which accounted for 49 (44) percent of Kempower's revenue for the third quarter of 2024, and Rest of Europe, which accounted for 40 (47) percent of Kempower's revenue for the third quarter of 2024. North America accounted for 7 (5) and Rest of the World 4 (4) percent of Kempower's revenue for the third quarter of 2024. For January-September 2024 the revenue generated from the Nordics accounted for 46 (41) and Rest of Europe 40 (50) percent of Kempower's revenue. The revenue generated from North America accounted for 9 (3) and Rest of the World 5 (6) percent of Kempower's revenue for January-September 2024.

Kempower's revenue decrease during the third quarter and January-September 2024 has been the most significant, in absolute terms, in the Nordics and in Rest of Europe. Kempower's revenue growth in relative terms

has been most rapid in North America growing by 127 percent during January-September 2024 compared to corresponding period in 2023. Positive highlight for the January-September 2024 has been Germany where revenue more than doubled compared to 2023.

## Profitability

Kempower's operating profit/loss (EBIT) for the third quarter of 2024 decreased by EUR 23.5 million to EUR -9.2 million (EUR 14.3 million). Kempower's operative EBIT for the third quarter of 2024 decreased by EUR 22.2 million to EUR -7.9 million (EUR 14.4 million). The decreased operating profit/loss for the third quarter and January-September 2024 resulted from lower revenue, costs associated with the ramp up of next generation charger portfolio and the US operations, higher fixed cost base and additional increase in warranty provision of EUR 5.0 million during the third quarter. The increase was driven by higher actual warranty cost for the old generation product. Items affecting comparability for the third quarter of 2024 amounted to EUR 1.3 million (-). EUR 1.2 million of the items affecting comparability related to restructuring and EUR 0.1 million to Kempower's listing on the official list of Nasdaq Helsinki.

During the third quarter we initiated and concluded change negotiations resulting in a reduction of around 90 person-years globally and temporary lay-offs in Finland. We are progressing well towards the targeted EUR 10 million annual savings during the year 2025 compared to Q2 2024. The annual savings target include also limiting external spending.

## ITEMS AFFECTING COMPARABILITY

MEUR	Q3/2024	Q3/2023	1-9/2024	1-9/2023	2023
Expenses related to listing on the official list of Nasdaq Helsinki presented in other operating expenses	0.1		0.7		
Expenses related to establishing operations in the United States presented in other operating expenses	0.0		0.3	0.1	0.1
Expenses related to other strategic initiatives presented in other operating expenses			0.1		
Expenses related to restructuring presented mainly in employee benefits	1.2		1.2		
<b>Total</b>	<b>1.3</b>		<b>2.3</b>	<b>0.1</b>	<b>0.1</b>

Kempower's operating profit/loss (EBIT) for January-September 2024 decreased by EUR 64.5 million to EUR -29.5 million (EUR 35.0 million). Kempower's operative EBIT for January-September 2024 amounted to EUR -27.1 million (EUR 35.1 million).

The loss resulted from lower revenue, costs associated with the ramp up of next generation charger portfolio and the US operations, higher fixed cost base and increase in warranty provision.

Items affecting comparability in January-September 2024 amounted to EUR 2.3 million (EUR 0.1 million). EUR 1.2 million of the items affecting comparability related to restructuring, EUR 0.7 million to Kempower's listing on the official list of Nasdaq Helsinki, EUR 0.3 million to expenses of establishing operations in the USA and EUR 0.1 million to other strategic initiatives.

Kempower's other operating income for the third quarter of 2024 amounted to EUR 1.0 million (EUR 0.2 million). Kempower's other operating income for January-September 2024 amounted to EUR 2.3 million (EUR 0.8 million) and comprised governmental grants mainly from Business Finland EUR 1.1 million, gain on operative derivatives EUR 0.5 million, of which EUR 0.3 million unrealized, and other operating income totaling EUR 0.7 million.

Kempower's net financial items for the third quarter of 2024 amounted to EUR 0.3 million (EUR 0.7 million) and to EUR 0.5 million (EUR 1.2 million) for January–September 2024.

Kempower's income tax for the third quarter of 2024 amounted to EUR 1.6 million (EUR –3.3 million) and to EUR 5.2 million (EUR –7.9 million) for January–September 2024.

## Research and development

Kempower's research and development expenses including employee benefits amounted to EUR 5.0 million (EUR 3.5 million) for the third quarter of 2024, equivalent of 10% (5%) of revenue and to EUR 16.6 million (EUR 9.0 million) for January–September 2024, equivalent of 11% (4%) of revenue.

After the review period we finished ramping-up the production of our next generation product portfolio and production is now in steady state. During the quarter we published Next Generation Charger Platform performance data. Based on tests carried out by Kempower's own laboratory and independent third-party certified laboratories, the Kempower next-generation Charger Platform with Power Module V2 has demonstrated superior performance with the reduced current harmonics and THD, an exceptional power factor and improved efficiency, resulting in better thermal management and reliability.

Kempower also achieved CTEP certification in California. CTEP certifies that Kempower's equipment meets and exceeds regulatory standards that protect consumers from faulty or fraudulent devices—ensuring consumers are charged accurately for the energy they use.

Kempower is the forerunner in high-power charging according to our strategy. We were the first to bring Megawatt Charging Standard (MCS) to

market in Europe and we deliver the first MCS solution to our customers in Q4 2024.

## Cash flow, financing and balance sheet

Kempower's cash flow from operating activities for the third quarter of 2024 amounted to EUR –9.3 million (EUR 15.9 million) and to EUR –35.8 million (EUR 39.0 million) for January–September 2024. Cash flow from operating activities during the quarter resulted primarily from operating losses and increase in net working capital. These were partially offset by increase in provisions. January–September 2024 cash flow from operating activities were primarily driven by losses in the period, increase in net working capital and paid income taxes.

At the end of the third quarter of 2024 we continued to have exceptionally high inventory levels and we are targeting to reduce inventory levels during the fourth quarter in order to release capital employed and to improve cash flow for the fourth quarter of 2024.

Kempower's cash flow from investing activities for the third quarter of 2024 amounted to EUR 0.9 million (EUR –7.8 million) and included the change in money market investments EUR 5.4 million (EUR –5.0 million) and investments in intangible assets and property, plant and equipment EUR –4.4 million (EUR –2.8 million). Kempower's cash flow from investing activities for January–September 2024 amounted to EUR 8.6 million (EUR –11.7 million) and included the change in money market investments EUR 24.5 million (EUR –5.0 million) and investments in intangible assets and property, plant and equipment EUR –15.9 million (EUR –6.7 million).

Kempower's cash flow from financing activities for the third quarter of 2024 amounted to EUR 0.3 million (EUR –1.2 million) and included proceeds from current and non-current loans totaling EUR 1.9 million (–) and payments of

lease liabilities EUR –1.6 million (EUR –1.2 million). Cash flow from financing activities in January–September 2024 amounted to EUR 3.7 million (EUR –2.5 million) and included mainly proceeds from current and non-current loans totaling EUR 8.2 million (–) and payments of lease liabilities EUR –4.4 million (EUR –2.5 million).

Kempower's total assets on the balance sheet at the end of the reporting period were EUR 220.8 million (EUR 234.6 million).

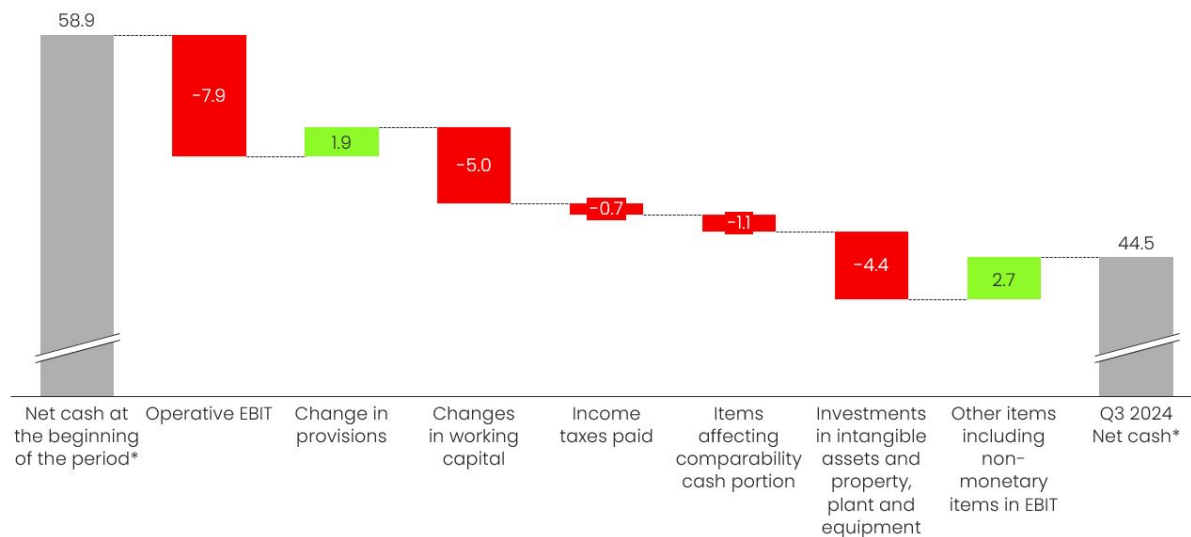
Kempower's cash and cash equivalents at the end of the reporting period amounted to EUR 3.9 million (EUR 34.6 million). Other financial assets included money market investments amounting to EUR 48.7 million (EUR 70.8 million) at the end of the reporting period.

Kempower has short term credit facilities totaling EUR 25 million, of which EUR 7.1 million was in use at the end of the reporting period. In addition, Kempower has a green revolving credit facility (RCF) of EUR 30 million to support Kempower's growth and sustainability strategies and strengthen Kempower's financing position even further.

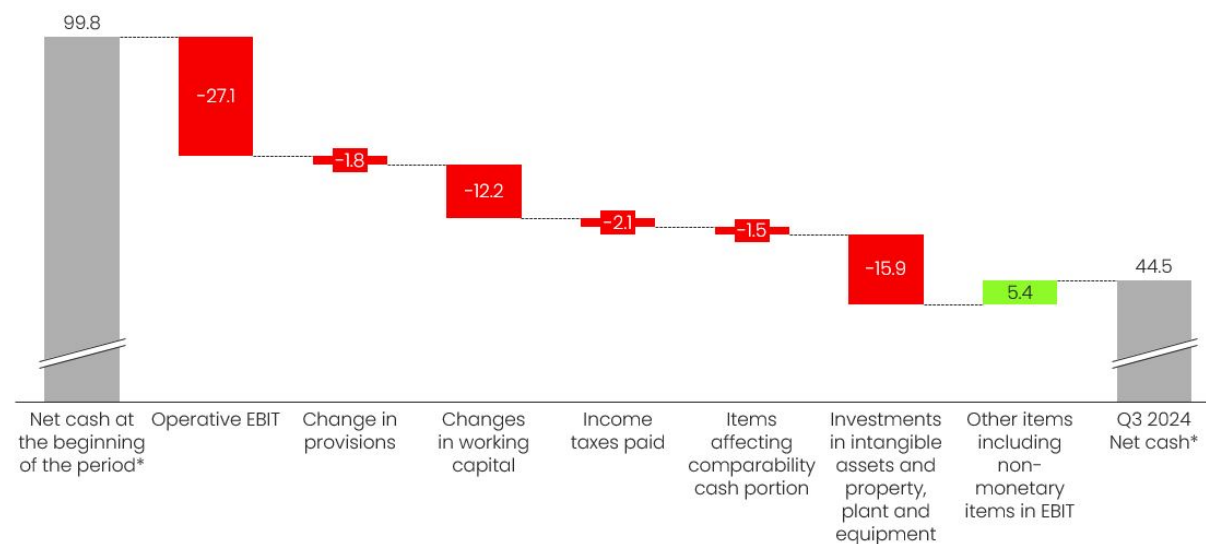
Kempower's equity ratio at the end of the reporting period was 51.4% (58.3%) and 58.3% at the end of the previous financial year. Net debt at the end of the reporting period amounted to EUR –15.1 million (EUR –81.0 million) and to EUR –74.6 million at the end of the previous financial year. The change in net debt as compared to the end of the previous financial year was due to the decrease in cash and cash equivalents of EUR 23.4 million, the decrease of the money market investments of EUR 24.5 million and the increase of lease liabilities and loans totaling EUR 12.3 million.

Kempower has strong overall liquidity at the end of Q3 2024 EUR 100.5 (EUR 105.4) including cash and cash equivalents, money market investments, unused short term credit facilities and green revolving credit facility (RCF).

Change in net cash position during Q3 2024 (EUR million)



Change in net cash position during 1-9 2024 (EUR million)



\* Cash and cash equivalents + Current other financial assets - Non-current loans from financial institutions - Current loans from financial institutions

## Investments

Kempower's gross investments during the third quarter of 2024 totaled EUR 4.4 million (EUR 2.8 million) and during January-September 2024 EUR 15.9 million (EUR 6.7 million) compared to EUR 9.6 million for the full year 2023. Kempower's investments for January-September 2024 related mainly to the production and RDI.

## Personnel

Kempower's headcount at the end of the period was 842 (619), of whom 598 (501) were employed by the parent company and 244 (118) by the subsidiaries. Kempower's average number of personnel converted into full-time employees amounted to 825 (503) at the end of the reporting period.

Headcount end of period	30 Sep 2024	30 Sep 2023	31 Dec 2023
Operations, Production employees	175	158	176
Administration	86	70	79
Operations, Office employees	132	86	113
Research, development and innovations	164	116	148
Sales and marketing	285	189	221
<b>Total</b>	<b>842</b>	<b>619</b>	<b>737</b>

Headcount end of period by type of employment	30 Sep 2024	30 Sep 2023	31 Dec 2023
Permanent employees	826	584	731
Temporary employees	16	35	6
<b>Total</b>	<b>842</b>	<b>619</b>	<b>737</b>

## Shares

Kempower's share is listed on the Official List of Nasdaq Helsinki. Kempower's registered share capital is EUR 80,000 and the total number of shares outstanding at the end of the reporting period was 55,273,696 (55,417,746). The average number of shares outstanding during January-September 2024 was 55,275,485 (55,418,084).

The company held 269,224 pcs of the company's own shares at the end of the reporting period (125,174 pcs 30 September 2023).

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. Kempower's shares are included in the book-entry system maintained by Euroclear Finland Oy. The trading code of the shares is KEMPOWER and the ISIN code is FI4000513593.

Share indicators	1-9/2024	1-9/2023	2023
Highest price (EUR)	32.48	49.48	54.40
Lowest price (EUR)	9.78	21.20	21.20
Volume weighted average price (EUR)	20.05	34.66	33.72
Closing (EUR)	11.52	48.58	31.82
Turnover (EUR)	392,490,493	389,360,031	884,656,078
Turnover volume	19,574,321	11,233,172	26,234,850
Market capitalization at the end of the period MEUR	637	2,692	1,759
Number of registered Shares	55,542,920	55,542,920	55,542,920
Number of own shares	269,224	125,174	265,174
Number of outstanding Shares	55,273,696	55,417,746	55,277,746

## Major shareholders

At the end of the reporting period on 30 September 2024 the company had 61,518 shareholders.

15 largest shareholders on 30 September 2024:

Shareholder	Number of shares	% of shares
Kemppi Group Oy	34,400,000	61.93%
Varma Mutual Pension Insurance Company	2,572,678	4.63%
Nordea Funds	686,070	1.24%
Elo Mutual Pension Insurance Company	530,885	0.96%
Ilmarinen Mutual Pension Insurance Company	508,000	0.91%
Nordea Life Assurance Finland Ltd	398,296	0.72%
KLP Kapitalforvaltning AS	361,784	0.65%
Oy Julius Tallberg Ab	356,309	0.64%
Kempinvest Oy	348,432	0.63%
Norges Bank Investment Management	330,429	0.59%
Wipunen varainhallinta Oy	325,000	0.59%
BlackRock	271,017	0.49%
Kempower Corporation	269,224	0.48%
Danske Invest	266,191	0.48%
Heikintorppa Oy	250,000	0.45%

Source: Modular Finance AB - Monitor

Further information on the shares, major shareholders and management shareholdings is available on the company's website

<https://investors.kempower.com/>.

# Resolution of the Annual general meeting and the Board of Directors of Kempower Corporation

The Annual General Meeting was held in Lahti on 27 March 2024. The General Meeting adopted the annual accounts for the financial year 2023, considered the remuneration report for governing bodies 2023 and discharged the members of the Board of Directors and the Managing Director from liability for the financial year 2023.

## Resolution on the use of the profit shown on the balance sheet and the payment of dividend

The General Meeting resolved in accordance with the proposal of the Board of Directors that no dividend is paid for the financial year of 1 January 2023 to 31 December 2023 and that the profit of the financial year EUR 27,249,591,08 is transferred to the retained earnings / loss account.

## Election and remuneration of the members of the Board of Directors

The number of members of the Board of Directors was resolved to be six (6). Antti Kemppe, Teresa Kemppe-Vasama, Vesa Laisi, Olli Laurén, Tuula Ryttilä and Eriikka Söderström were re-elected as members of the Board of Directors. In accordance with Section 6 of the company's Articles of Association, Vesa Laisi was elected as the Chair of the Board of Directors and Antti Kemppe was elected as the Vice Chair of the Board of Directors. The term of the members of the Board of Directors will end at the conclusion of the Annual General Meeting of 2025.

The General Meeting resolved that the annual remunerations payable to the members of the Board of Directors are as follows:

- Chair of the Board of Directors EUR 100,000,
- Vice Chair of the Board of Directors EUR 80,000 and
- Members of the Board of Directors EUR 60,000.

In addition, a separate meeting fee is paid to the members of the Board of Directors for attending a meeting as follows:

- the meeting fee is EUR 700 per meeting if the meeting is held in the home country of the member of the Board of Directors or if the meeting is a virtual meeting,
- the meeting fee is double per meeting if the meeting is held on the same continent as where the home country of the member of the Board of Directors is located but not in his or her home country, and
- the meeting fee is triple per meeting if the meeting is held on a different continent from where the home country of the member of the Board of Directors is located.

In addition, it was resolved, based on the proposal of the Nomination and Remuneration Committee, that an annual fee of EUR 10,000 is paid to the Chair of the Audit Committee in addition to the annual remuneration of the member of the Board of Directors and that an annual fee of EUR 5,000 is paid to the Chairs of other Committees.

## Election and remuneration of the auditor

Ernst & Young Oy was re-elected as the auditor of the company. Ernst & Young Oy has informed that Authorized Public Accountant Toni Halonen would act as the auditor in charge. It was resolved to pay remuneration for the auditor in accordance with an invoice approved by the company.

## Election and remuneration of the sustainability reporting assurance provider

Ernst & Young Oy was elected as the sustainability reporting assurance provider of the company. Ernst & Young Oy has informed the company that Authorized Sustainability Auditor Toni Halonen would act as the key sustainability partner. It was resolved to pay remuneration for the auditor in accordance with an invoice approved by the company.

## Amending the Articles of Association

The General Meeting resolved to amend the Articles of Association of the company by changing its Section 12 in such a way that the section 12§ would cease to apply, if the Finnish Securities Market Act is amended in such a way that the obligation to notify major holdings and share of votes

is applicable not only in the regulated market but also in the multilateral trading facility defined in Chapter 2, Section 9 of the Finnish Securities Market Act.

The General Meeting resolved to amend the Articles of Association of the company by changing its Section 13 in such a way that the section 13§ would cease to apply, if the Finnish Securities Market Act is amended in such a way that the procedure for a public offer and an obligation to make an offer is applicable not only in the regulated market but also in the multilateral trading facility defined in Chapter 2, Section 9 of the Finnish Securities Market Act. The Board of Director's proposal to amend the Articles of Association with regard to sections 12§ and 13§ in its entirety is presented in "Notice to Annual General Meeting – Appendix 1" on Kempower's website <https://investors.kempower.com/governance/general-meeting/>.

## Authorizing the Board of Directors to decide on the repurchase of the company's own shares

The General Meeting resolved to authorize the Board of Directors to decide on the repurchase of the company's own shares in one or several instalments using funds belonging to the unrestricted equity of the company in such a way that the maximum number of shares to be repurchased is 2,777,146 shares. The proposed number of shares corresponds to five (5) percent of all the shares in the company.

Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market.

The authorization also entitles the Board of Directors to resolve on a repurchase of shares otherwise than in proportion to the shares owned by the shareholders (directed purchase). In that case, there must exist a weighty financial reason for the company for the repurchase of its own shares.

The shares may be repurchased in order to develop the capital structure of the company, to finance possible acquisitions, investments, or other arrangements included in the company's business, as well as to implement the company's share-based incentive scheme or otherwise to be further transferred, held by the company, or invalidated. The Board of Directors resolves on all other conditions and matters pertaining to the repurchase of the company's own shares. The repurchase of the company's own shares reduces the unrestricted equity of the company.

The authorization remains in force until the conclusion of the following Annual General Meeting, however, until 30 June 2025 at the latest. The authorization revokes the authorization for repurchasing the company's own shares granted to the Board of Directors by the Annual General Meeting on 30 March 2023.

## Authorizing the Board of Directors to decide on the issuance of shares

The General Meeting resolved to authorize the Board of Directors to decide on the issuance of shares in one or several instalments. The number of shares to be issued based on the authorization may not exceed 5,554,292 shares. The proposed number of shares corresponds to approximately 10 percent of all the shares in the company. The authorization includes the right to resolve to issue either new shares or to transfer treasury shares against payment.

The new shares may be issued or the treasury shares transferred in deviation from the shareholder's preemptive rights (directed issue) if there exists a weighty financial reason for the company for this. The Board of Directors resolves on all other conditions and matters pertaining to the issuance of shares and transfer of treasury shares.

The authorization may be used inter alia for developing the capital structure of the company, financing possible acquisitions, investments, or

other arrangements included in the company's business, as well as for expanding the ownership base and implementing the company's sharebased incentive schemes.

The authorization remains in force until the conclusion of the following Annual General Meeting, however, until 30 June 2025 at the latest. The authorization revokes the authorization for issuance of shares granted to the Board of Directors by the Annual General Meeting on 30 March 2023.

## Resolutions of the Board of Directors

Convening after the General Meeting, the Board of Directors appointed from among its members the following members to committees:

- Audit Committee: Chair Eriikka Söderström, Antti Kemppi, Vesa Laisi and Olli Laurén, and
- Remuneration and Nomination Committee: Chair Tuula Ryttilä, Teresa Kemppi-Vasama, Vesa Laisi and Olli Laurén

The board decided to establish a technology committee to monitor the implementation of the company's innovation and technology strategy. The following members were elected as members of the Technology Committee: Chair Vesa Laisi, Antti Kemppi and Tuula Ryttilä.

## Resolutions of the Extraordinary General Meeting 2024 of Kempower Corporation

The Extraordinary General Meeting was held in virtual format on 8 July 2024.

The number of members of the Board of Directors was resolved to be seven. As proposed by the Remuneration and Nomination Committee of

the Board of Directors Barbara Thierart-Perrin was elected as a new member of the Board of Directors for a term ending at the conclusion of the next Annual General Meeting. The member of the Board of Directors will be paid the annual remuneration payable to a member of the Board of Directors in accordance with the resolution of the Annual General Meeting held on 27 March 2024 in proportion to the duration of her term.

The current members and the Chair and Vice Chair of the Board of Directors will continue in their positions until the conclusion of the next Annual General Meeting.

Furthermore, Extraordinary General meeting decided, in accordance with the Board's proposal, to amend the company's Articles of Association in such a way that sections § 12 Notification on the Change of Holdings, and 13 § Obligation to Make a Tender Offer, are deleted in their entirety.

## Kempower Corporation's Leadership team and Board of Directors

The members of Kempower's Global Leadership Team are:

- Chief Executive Officer Tomi Ristimäki
- Chief Financial Officer Jukka Kainulainen
- Chief Operating Officer Sanna Otava
- Chief Markets Officer Jussi Vanhanen
- Chief Service Business Officer Juha-Pekka Suomela
- Chief People Officer, Hanne Peltola

The members of Kempower's Extended Leadership Team are:

- Vice President, Research and Innovation, Mikko Veikkolainen
- Vice President, Brand and Communications Paula Savonen
- General Counsel Sanna Lehti
- Vice President, Product Management Tuomo Tarula
- Vice President, Product Development Antti Kärkkäinen
- Director, Operations Excellence Aki Tuononen
- Director, Lifecycle Services Jouko Liljeström
- Director, Sales Development Timo Okkonen

In addition Kempower's Global Leadership Team members belong also to Extended Leadership Team.

The members of Kempower's Board of Directors are:

- Chair of the Board Vesa Laisi
- Vice Chair of the Board Antti Kemppi
- Member of the Board Olli Laurén
- Member of the Board Teresa Kemppi-Vasama
- Member of the Board Eriikka Söderström
- Member of the Board Tuula Ryttilä
- Member of the Board Barbara Thierart-Perrin (member of the Board since July 2024)

## Personnel offering, stock options and long-term incentive 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 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.

### Existing stock option program

In November 2021, Kempower launched a stock option program, 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 program 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 were given.

### **Share-based incentive plan (2022–2024)**

Kempower launched in March 2022 a share-based incentive programme for Kempower's leadership team and key employees. The aim is to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term, to commit the key employees to work for the company and to offer them a competitive incentive scheme that is based on earning and accumulating shares.

The Performance Share Plan 2022–2024 consists of a three (3) year performance period, covering the financial years of 2022–2024. The Board of Directors can decide on new performance periods on a yearly basis.

In the plan, the target group is given an opportunity to earn Kempower's shares based on performance. The potential rewards based on the plan will be paid after the end of the performance period. The reward will be paid partly in Kempower's shares and partly in cash, which is used to cover taxes and tax related costs. During the performance period, the rewards are based on the Total Shareholder Return of the Kempower share in 2022–2024 and Group Revenue in 2024. The value of the maximum rewards to be paid on the targeted level will correspond to a total of approximately 130,000 Kempower's shares including also the cash proportion. However, if the targeted performance criteria will be significantly exceeded the ultimate maximum of the rewards to be paid will correspond to a total of approximately 165,000 Kempower's shares.

Approximately 20 persons, including the CEO and other Kempower Extended Leadership Team members, belong to the target group of the performance period. The Extended Leadership Team member is obliged to hold at least 50 per cent of the shares received as a net reward from the performance share plan, until the total value of the member's shareholding in Kempower equals to 50 per cent of their annual base salary of the preceding year. Such number of Kempower's shares must be held as long as the membership in the Extended Leadership Team continues.

### **Share-based incentive plan (2023–2025)**

Kempower launched in February 2023 a share-based incentive programme for Kempower's group's key employees. The aim is to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term, to commit the key employees to work for the company and to offer them a competitive incentive scheme that is based on earning and accumulating shares.

The Performance Share Plan 2023–2025 consists of a three (3) year performance period, covering the financial years of 2023–2025.

In the plan, the target group is given an opportunity to earn Kempower's shares based on performance. The potential rewards based on the plan will be paid after the end of the performance period. The reward will be paid partly in Kempower's shares and partly in cash. The cash proportion of the reward is intended for covering taxes and statutory social security contributions arising from the rewards to the participants. In general, no reward is paid if the participant's employment or director contract terminates before the reward payment.

During the performance period, the rewards are based on the Total Shareholder Return of the Kempower share in 2023–2025 and Group Revenue in 2023–2025. The value of the maximum rewards to be paid on the targeted level will correspond to a total of approximately 206,200 Kempower's shares including also the cash proportion.

It is the intention of the Board of Directors that no new shares will be issued in connection with the PSP 2023–2025 Program and therefore, the PSP 2023–2025 program would have no dilutive effect on the number of the Kempower Corporation's registered shares.

Approximately 40 persons, including the CEO and other Kempower Leadership Team members, belong to the target group of the performance period.

The Leadership Team member is obliged to hold at least 50 per cent of the shares received as a net reward from the performance share plan, until the total value of the member's shareholding in Kempower equals to 50 per cent of their annual base salary of the preceding year. Such number of Kempower's shares must be held as long as the membership in the Leadership Team continues.

### **Employee share savings plan**

In February 2023 The Board of Directors of Kempower decided to establish an Employee Share Savings Plan (ESSP) for the employees of Kempower and its subsidiaries.

The aim of the ESSP is to encourage employees to acquire and own Kempower shares, and it is intended to align the interests of the shareholders and the employees as well as to increase employees' motivation and long-term commitment to the company.

The ESSP consists of annually commencing plan periods, each one comprising of a 12-month savings period and a holding period following the savings period. The ESSP is offered to all Kempower employees in countries where there are no legal or administrative constraints for participation. The employees will have an opportunity to save a proportion of their salaries and an extra bonus and invest those savings in Kempower shares. The savings will be used for acquiring Kempower shares quarterly after the publication dates of the respective interim reports. As a reward for the commitment, Kempower grants the participating employees a gross award of one matching share for every two (2) savings shares acquired with their savings. Continuity of employment and holding of acquired savings shares for the duration of the holding period are the prerequisites for receiving the award.

The potential award will be settled in shares, or partly in shares and partly in cash, after the end of the holding period. The cash proportion is intended to cover taxes and tax-related costs arising from the award in those countries where the employer has the obligation to withhold taxes.



Matching shares will be freely transferable after their registration on the participant's book-entry account. Any dividends to be paid on the acquired savings shares, the matching shares given within the ESSP, and any other shares received within the ESSP will be reinvested in additional shares on the next potential acquisition date. These shares will have an equal right to matching shares.

Participation in the ESSP is voluntary and the employees will be invited to participate in one plan period at a time. The first savings period commenced on 1 April 2023 and ended on 31 March 2024. The holding period of the first plan period began at the first acquisition of savings shares and ends on 31 March 2026. The estimated maximum expense for the first plan period is approximately EUR 1,3 million. The final expense depends on the employees' participation and savings rate in the plan, and the fulfillment of the prerequisites for receiving matching shares, as well as the number of shares acquired from the market with savings.

In December 2023 the Board of Directors of Kempower resolved to launch a new plan for period 2024–2027 of the Employee Share Savings Plan (ESSP) established in 2023. New savings period commenced on 1 April 2024 and ends on 31 March 2025.

### **Share-based incentive plan (2024–2026)**

In December 2023 the Board of Directors of Kempower resolved to establish a Performance Share Plan for the group's key employees. The aim is to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term, to commit the key employees to work for the company and to offer them a competitive incentive scheme that is based on earning and accumulating shares.

The Performance Share Plan 2024–2026 consists of a three (3) year performance period, covering the financial years of 2024–2026.

In the plan, the target group is given an opportunity to earn Kempower's shares based on performance. The potential rewards based on the plan will be paid after the end of the performance period.

During the performance period, the rewards are based on the Absolute Total Shareholder Return of the Kempower share in 2024–2026, Group Revenue in 2024–2026 and Co2 emission reduction / Revenue in 2024–2026. The value of the maximum rewards to be paid will correspond to a total of approximately 219,400 Kempower's shares including also the cash proportion.

It is the intention of the Board of Directors that no new shares will be issued in connection with the PSP 2024–2026 and therefore, the PSP 2024–2026 would have no dilutive effect on the number of the Kempower's registered shares.

Approximately 50 persons, including the CEO and other Kempower Leadership Team members, belong to the target group of the performance period.

### **Restricted Share Unit Plan 2024–2027**

In December 2023 the Board of Directors of Kempower resolved to establish a Restricted Share Unit Plan for selected key employees of the group. The purpose of the plan is to align the interests of the company's shareholders and key employees to increase the company's value in the long-term, to commit key employees at the company and to offer them a competitive incentive plan based on receiving the company's shares.

The plan is intended to be used as a tool in situations seen necessary by the Board of Directors, for example ensuring retention of key talents to the company, attracting a new talent or other specific situations determined by the Board of Directors.

The Board of Directors may allocate rewards from the Restricted Share Unit Plan 2024–2027 during financial years 2024–2027. The value of the rewards to be allocated during 2024 on the basis of the plan corresponds to a

maximum total of 20,000 shares of Kempower, including also the proportion to be paid in cash.

The rewards will be paid by the end of May 2027, 2028, 2029, 2030 or 2031, but always so that there is at least three (3) years between the determination and the payment of the reward. The reward is based on a valid employment or director contract and on the continuity of the employment or service.

## **Short-term risks and uncertainty factors**

Kempower's systematic approach towards risks facing its business is an integral element of the management of the company. It includes risk identification, assessment, mitigation, follow-up, and reporting. Risks and development of risks are followed-up frequently by the Leadership team. In addition, Kempower has implemented a risk management process which is aligned with the governance annual cycle. To support the growth and success of the company, it is necessary to increase risk awareness within the organization to ensure that risk management is integrated into strategic planning, annual business planning and budgeting, daily decision making and practices.

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 supply chain, which may thus affect the Company's operations for example in the form of risks related to the temporary disruptions in supply chain, availability or cost levels of raw materials and components or sustainability related risks within the supply chain.

Kempower has a growth strategy and implementing it involves risks, such as scaling of operations. Failure of Kempower to effectively increase its

production capacity, supply chain and service capabilities could have a negative impact on the Company's ability to meet its short-term growth targets. Kempower has significantly expanded its production capacity, and the capacity expansion will continue also from now on. In addition, the Company has invested in scaling up the service network. The market entry/penetration to North American market includes multiple risks. Kempower executes a detailed business plan for the market penetration activities and failure, or slowdown of the activities could also have a material impact on the Company's ability to meet its growth targets.

The component shortage during the COVID-19 pandemic resulted abnormally high demand for DC charging equipment. The high demand created significant excess inventory to some of Kempower's large customers. As a result the ordering from these clients has decreased significantly. If the destocking of inventory levels is happening significantly slower than anticipated, this could impact Kempower's financial performance in the short term.

Kempower is constantly developing its product portfolio to respond to its customers' needs. Remarkable quality issues due to design errors and delays in product development and product launches could have significant negative impact to Kempower's business operations. To mitigate the risk Kempower is continuously developing its quality processes such as quality testing in R&D and production phases.

Achieving Kempower's strong growth targets depends on the Company's ability to respond to market changes. The Company's business may also be greatly 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. To manage the risks, Kempower is constantly increasing its ability to identify and adapt to the global and market specific regulatory requirements.

Kempower's future growth is dependent on the Company's ability to keep up the pace with the rapidly changing technologies in the Electric Vehicle

market. To manage the risk Kempower is investing in R&D activities to gain and maintain the competitive advantages and to respond to customer demand and competition.

Kempower's production uses IT systems and tools whose connectivity and continued accessibility are a prerequisite for efficient production and deliveries. Disturbances in the network or cybercrimes could disrupt Kempower's business and have a material adverse effect on its revenue and results of operations. Kempower has prepared business continuity and recovery plans to mitigate the risks in production.

Kempower's business success and implementation of its strategy depend on the Company's ability to recruit and engage qualified, motivated and skilled individuals. If Kempower is unable to attract and retain qualified key employees, it could have material adverse effect on Kempower's business. The shortage of skilled people in the labor market may also have a detrimental effect on the availability and retention of labor in Kempower. To manage the risk the Company has invested in competitive incentive models, career planning and reinforcing the Kempower corporate culture.

Kempower's ability to protect its intellectual property rights and operate without infringement of competitors intellectual properties is a significant factor in securing the Company's ability to achieve its business objectives. To ensure these abilities Kempower is investing to its intellectual property rights related capabilities.

The target in investing liquid assets is to gain a return on investment with a minimum risk of equity loss. The investment portfolio consists of deposits and money market investments. The important principle is the sufficient diversification across different investment instruments and counterparties. The investment portfolio is subject to interest rate risk, which is managed by minimizing the duration of the portfolio.

Kempower has carried out a long-term climate risk and opportunity assessment of our business model, including scenario analysis as per TCFD

guidance, for which we used two climate scenarios: IPCC SSP1-2.6 (global temperature increase well below 2°C), and IPCC SSP4-8.5 (global temperature increase up to 4°C). The top risks identified were physical, especially in the 4°C scenario, including local damages due to extreme weather, disruptions in the global supply chain and negative regional impacts on the workforce. These risks were estimated to have a small or small-to-medium sized financial impact.

# Significant events during the period

## January 2024

- Kempower and ZEF Energy commemorate over a year of successful collaboration.
- Kempower announced it will provide charging technology to Sainsbury's new Smart Charge EV charging business.
- Kempower becomes the official charging partner of eCarExpo in Stockholm and Oslo.

## February 2024

- National Car Charging selects Kempower for State of California for EV Infrastructure Enhancement Project.
- Kempower introduces next generation charger platform with silicon carbide (SiC) technology.
- Kempower announced that its Heavy Electric Traffic Ecosystem program will receive 10 million euros' funding from Business Finland.
- Kempower and Polarium announce a partnership to boost DC fast charging solutions with energy storage support.
- Kempower becomes Extreme E racing series' official charging partner.

## March 2024

- Kempower publishes comprehensive Life Cycle Assessment of the Kempower Satellite and Kempower Power Unit.
- Kempower announces collaboration with a global payment service provider Worldline to enhance EV charging experience in Europe.
- Kempower announced that first public charging systems with Kempower DC fast-charging technology have been installed in Germany.
- Kempower announced that it will strengthen its position in DACH region by opening new facilities in Düsseldorf.
- First public transport electric bus depot equipped with Kempower charging solutions starts to operate in Bologna, Italy.
- Kempower announced changes in the leadership team. Vice President of North America Tim Joyce left the company.
- Kempower issued a negative profit warning and lowered its guidance for Q1/2024.

## April 2024

- Kempower launched Megawatt Charging System for Electric Trucks in Europe.
- Kempower announced that it has added NACS Connector as an option to its product offering in North America.
- Kempower announced plans to transfer its shares to Official List of Nasdaq Helsinki.
- Kempower announced that it will deliver charging equipment for K-Lataus' charging network in Finland.

## May 2024

- Kempower announced that it will deliver in co-operation with Virta, a megawatt charging system for electric cars and trucks for Hedin Supercharge's in Sweden.

## June 2024

- Kempower announced that it has applied for its shares to be listed on the Official list of Nasdaq Helsinki.
- Kempower celebrated the grand opening of its new EV charger factory in Durham, North Carolina.
- Trading with Kempower shares on the Official List of Nasdaq Helsinki commenced on June 12, 2024.

## July 2024

- Kempower held an Extraordinary General Meeting, Barbara Thierart-Perrin was elected as a member to the Board of Directors.
- Kempower gave a negative profit warning and lowered its outlook for 2024.
- Kempower announced it will accelerate actions to improve company's profitability and initiates change negotiations.
- Kempower announced it will deliver charging solutions to the first fast-charging stations of Storm and Q8 in Belgium.

## August 2024

- Kempower announced that it has partnered with Wennstrom to deliver DC fast-charging solutions for electric trucks to Fastcharge, one of Norway's leading charge point operators for heavy vehicles.
- Kempower achieved California Type Evaluation Program (CTEP) certification in California.
- Kempower announced it will deliver electric truck charging solutions to the European shipping and logistics company DFDS.
- Kempower announced it has delivered fast charging solutions to a public EV charging hub in Hyberabad in India.

## September 2024

- Kempower announced that it has finalized the change negotiations.
- Change in Kempower's Global Leadership Team as Chief Sales Officer (CSO) Tommi Liuska left the company.
- Kempower announced it has partnered with Nets to simplify EV charging payments in the Nordics.
- Kempower announced it will deliver EV fast-charging solutions to Zeon, one of India's largest Charge Point Operators.
- Kempower announced it has provided EV fast-charging solutions for Revel at Pier 36 in Manhattan, New York.

Lahti 29 October 2024

Kempower Corporation  
Board of Directors

# Key figures, calculation of key figures and reconciliations

Kempower presents certain key figures, which mainly relate to business performance and profitability. All of these performance measures are not defined in IFRS standards, and they are classified as alternative performance measures. Kempower follows ESMA's (European Securities and Market Authority) recommendations for its reporting on alternative performance measures.

Kempower uses alternative performance measures to reflect business performance and profitability. In Kempower's view, the alternative performance measures provide the investors, securities analysts and other parties with significant additional information related to Kempower's results of operations, financial position and cash flows and are widely used by analysts, investors, and other parties. The alternative performance measures should not be considered in isolation or as a substitute for the measures under IFRS. 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.

Order backlog, order intake and revenue growth are used as key figures to reflect the development of the Group's business volume. Order backlog reflects the amount of legally binding orders received from the external customers, which are not yet delivered to customers nor recognized in the revenue. Order intake reflects the legally binding orders received from the external customers during the period. Revenue growth (%) describes the relative change of revenue compared to the revenue of the comparative period.

Operative EBIT is used to reflect the comparable profitability and improve the comparability of operational performance between periods. Material items outside the ordinary course of business including gains and losses on disposal, impairment charges and items relating to structural arrangements and capital reorganizations are identified as items affecting comparability.

## RECONCILIATION OF THE KEY FIGURES

MEUR	Q3/2024	Q3/2023	1-9/2024	1-9/2023	2023
<b>Revenue growth, %</b>					
Revenue	52.3	72.6	152.0	200.8	283.6
Revenue of the comparative period	72.6	32.7	200.8	65.8	103.6
Change of revenue	-20.4	40.0	-48.9	135.0	180.0
<b>Revenue growth, %</b>	<b>-28%</b>	<b>122%</b>	<b>-24%</b>	<b>205%</b>	<b>174%</b>
<b>Gross profit</b>					
Revenue	52.3	72.6	152.0	200.8	283.6
Materials and services	-23.6	-32.6	-72.9	-92.3	-129.4
Variable employee benefits	-1.8	-1.7	-5.7	-4.7	-6.5
<b>Gross profit</b>	<b>26.8</b>	<b>38.4</b>	<b>73.4</b>	<b>103.8</b>	<b>147.7</b>
<b>Items affecting comparability</b>					
Expenses related to listing on the official list of Nasdaq Helsinki presented in other operating expenses	0.1		0.7		
Expenses related to establishing operations in the United States presented in other operating expenses	0.0		0.3	0.1	0.1
Expenses related to other strategic initiatives presented in other operating expenses			0.1		
Expenses related to restructuring presented mainly in employee benefits	1.2		1.2		
<b>Items affecting comparability</b>	<b>1.3</b>		<b>2.3</b>	<b>0.1</b>	<b>0.1</b>
<b>Operative EBIT</b>					
Operating profit/loss (EBIT)	-9.2	14.3	-29.5	35.0	40.6
Items affecting comparability	1.3		2.3	0.1	0.1
<b>Operative EBIT</b>	<b>-7.9</b>	<b>14.4</b>	<b>-27.1</b>	<b>35.1</b>	<b>40.7</b>
<b>Investments</b>					
Investments in intangible assets	0.7		2.3	0.2	0.2
Investments in tangible assets excluding Right-of-use assets	3.7	2.8	13.6	6.6	9.4
<b>Investments</b>	<b>4.4</b>	<b>2.8</b>	<b>15.9</b>	<b>6.7</b>	<b>9.6</b>
<b>Earnings per share, basic, EUR</b>					
Profit/loss for the period attributable to the equity holders of the company	-7.2	11.7	-23.8	28.4	33.7
Average number of shares, 1,000 pcs	55,274	55,418	55,275	55,418	55,405
<b>Earnings per share, basic, EUR</b>	<b>-0.13</b>	<b>0.21</b>	<b>-0.43</b>	<b>0.51</b>	<b>0.61</b>
<b>Earnings per share, diluted, EUR</b>					
Profit/loss for the period attributable to the equity holders of the company	-7.2	11.7	-23.8	28.4	33.7
Average number of shares adjusted for the dilutive effect, 1,000 pcs	55,447	55,517	55,411	55,517	55,504
<b>Earnings per share, diluted, EUR</b>	<b>-0.13</b>	<b>0.21</b>	<b>-0.43</b>	<b>0.51</b>	<b>0.61</b>

## 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 of revenue compared to the revenue of the comparative period presented as a percentage
Gross profit	Revenue - Materials and services - Variable employee benefits
Gross profit margin, %	Gross profit as a percentage of revenue
EBIT margin, %	Operating profit/loss (EBIT) as a percentage of revenue
Operative EBIT	Operating profit/loss (EBIT) - Items affecting comparability
Operative EBIT margin, %	Operative EBIT as a percentage of revenue
Equity ratio, %	Total equity / (Total assets - Advance payments)
Investments	Investments in intangible assets and property, plant and equipment excluding Right-of-Use assets
Net debt	Non-current loans from financial institutions + Non-current lease liabilities + Current loans from financial institutions + Current lease liabilities - Cash and cash equivalents - Current other financial assets
Net cash	Cash and cash equivalents + Current other financial assets - Non-current loans from financial institutions - Current loans from financial institutions
Items affecting comparability	Material items outside the ordinary course of business including gains/losses on disposal, impairment charges and items relating to structural arrangements and capital reorganizations
Earnings per share, basic	Profit/loss for the period attributable to the equity holders of the Company divided by the weighted average number of shares outstanding during the period
Earnings per share, diluted	Profit/loss for the period attributable to the equity holders of the Company divided by the weighted average number of shares outstanding adjusted for the dilutive effect

# Condensed financial statement information

## 1 January 2024–30 September 2024

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q3/2024	Q3/2023	Change	1-9/2024	1-9/2023	Change	2023
<b>Revenue</b>	<b>52.3</b>	<b>72.6</b>	<b>-20.4</b>	<b>152.0</b>	<b>200.8</b>	<b>-48.9</b>	<b>283.6</b>
Other operating income	1.0	0.2	0.8	2.3	0.8	1.5	1.3
Materials and services	-23.6	-32.6	8.9	-72.9	-92.3	19.5	-129.4
Employee benefits	-18.2	-12.6	-5.6	-55.0	-33.2	-21.8	-48.9
Depreciation, amortization and impairment losses	-2.8	-1.7	-1.1	-7.7	-4.2	-3.4	-6.5
Other operating expenses	-17.8	-11.7	-6.1	-48.2	-36.7	-11.5	-59.6
<b>Total operating expenses</b>	<b>-62.4</b>	<b>-58.5</b>	<b>-3.9</b>	<b>-183.7</b>	<b>-166.6</b>	<b>-17.2</b>	<b>-244.3</b>
<b>Operating profit/loss</b>	<b>-9.2</b>	<b>14.3</b>	<b>-23.5</b>	<b>-29.5</b>	<b>35.0</b>	<b>-64.5</b>	<b>40.6</b>
Finance income	0.3	1.2	-0.9	2.8	2.3	0.5	4.6
Finance expenses	-0.0	-0.5	0.5	-2.3	-1.2	-1.1	-2.1
<b>Total finance income and expenses</b>	<b>0.3</b>	<b>0.7</b>	<b>-0.4</b>	<b>0.5</b>	<b>1.2</b>	<b>-0.6</b>	<b>2.5</b>
<b>Profit/loss before taxes</b>	<b>-8.9</b>	<b>15.0</b>	<b>-23.9</b>	<b>-28.9</b>	<b>36.2</b>	<b>-65.2</b>	<b>43.0</b>
Income tax	1.6	-3.3	4.9	5.2	-7.9	13.0	-9.3
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-7.2</b>	<b>11.7</b>	<b>-18.9</b>	<b>-23.8</b>	<b>28.4</b>	<b>-52.1</b>	<b>33.7</b>
<b>Profit/loss for the period attributable to the equity holders of the parent company</b>	<b>-7.2</b>	<b>11.7</b>	<b>-18.9</b>	<b>-23.8</b>	<b>28.4</b>	<b>-52.1</b>	<b>33.7</b>
<b>Other comprehensive income for the period</b>							
Items that may be subsequently reclassified to profit or loss							
Translation difference	0.0	-0.1	0.2	-0.0	-0.1	0.1	0.1
Other comprehensive income that will not be reclassified to profit or loss							
Remeasurement of defined benefit plan							0.0
Taxes							-0.0
<b>Total other comprehensive profit/loss for the period</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.2</b>	<b>-0.0</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Comprehensive profit/loss for the period</b>	<b>-7.2</b>	<b>11.6</b>	<b>-18.8</b>	<b>-23.8</b>	<b>28.2</b>	<b>-52.0</b>	<b>33.8</b>
<b>Comprehensive profit/loss for the period attributable to the equity holders of the parent company</b>	<b>-7.2</b>	<b>11.6</b>	<b>-18.8</b>	<b>-23.8</b>	<b>28.2</b>	<b>-52.0</b>	<b>33.8</b>
<b>Earnings per share for profit attributable to the equity holders of the parent company</b>							
Basic and diluted earnings per share, EUR	-0.13	0.21	-0.34	-0.43	0.51	-0.94	0.61



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	3.5	2.2	1.8
Property, plant and equipment	53.2	35.3	38.2
Non-current receivables	0.1	1.5	1.4
Deferred tax receivables	8.5	1.8	2.8
<b>Total non-current assets</b>	<b>65.2</b>	<b>40.7</b>	<b>44.3</b>
<b>Current assets</b>			
Inventories	63.1	49.9	51.6
Trade receivables	29.9	33.3	35.4
Other receivables	1.7	2.4	2.5
Prepaid expenses and accrued income	8.3	2.9	4.2
Other financial assets	48.7	70.8	72.4
Cash and cash equivalents	3.9	34.6	27.4
<b>Total Current assets</b>	<b>155.6</b>	<b>193.9</b>	<b>193.5</b>
<b>TOTAL ASSETS</b>	<b>220.8</b>	<b>234.6</b>	<b>237.7</b>

MEUR	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	0.1	0.1	0.1
Reserve for invested unrestricted equity	95.7	95.7	95.7
Other reserves	0.0	0.0	0.0
Treasury shares	-5.3	-1.4	-5.3
Translation differences	0.0	-0.2	0.0
Retained earnings	44.8	7.9	8.7
Profit/loss for the period	-23.8	28.4	33.7
<b>Total equity</b>	<b>111.5</b>	<b>130.4</b>	<b>132.9</b>
<b>Non-current liabilities</b>			
Lease liabilities	22.8	20.1	20.5
Loans from financial institutions	0.6		
Provisions	5.8	2.9	3.8
Deferred tax liabilities	0.0		0.0
Other liabilities	0.1	0.1	0.1
<b>Total non-current liabilities</b>	<b>29.3</b>	<b>23.1</b>	<b>24.4</b>
<b>Current liabilities</b>			
Lease liabilities	6.5	4.2	4.7
Loans from financial institutions	7.6		
Provisions	6.6	7.5	10.4
Advance payments	4.2	10.9	9.8
Trade payables	30.2	32.3	31.7
Other liabilities	3.6	5.0	2.1
Accruals and deferred income	21.5	21.2	21.7
<b>Total current liabilities</b>	<b>80.0</b>	<b>81.2</b>	<b>80.4</b>
<b>Total liabilities</b>	<b>109.3</b>	<b>104.3</b>	<b>104.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>220.8</b>	<b>234.6</b>	<b>237.7</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

MEUR	Q3/2024	Q3/2023	Change	1-9/2024	1-9/2023	Change	2023
<b>Cash flow from operating activities</b>							
Profit/loss for the period	-7.2	11.7	-18.9	-23.8	28.4	-52.1	33.7
Adjustments:							
Depreciation, amortization and impairment	2.8	1.7	1.1	7.7	4.2	3.4	6.5
Change in provisions	1.9	1.2	0.7	-1.8	8.0	-9.8	11.7
Financial income and expenses	-0.3	-0.7	0.4	-0.5	-1.2	0.6	-2.5
Income taxes	-1.6	3.3	-4.9	-5.2	7.9	-13.0	9.3
Other non-cash items	1.3	0.6	0.7	2.1	1.3	0.8	2.7
<b>Cash flow before changes in working capital</b>	<b>-3.2</b>	<b>17.7</b>	<b>-20.9</b>	<b>-21.6</b>	<b>48.5</b>	<b>-70.1</b>	<b>61.5</b>
<b>Changes in working capital</b>							
Change in trade and other receivables	4.5	1.8	2.7	4.0	-11.2	15.3	-14.3
Change in inventories	0.1	-9.5	9.5	-11.7	-22.8	11.1	-24.5
Change in trade payables and short-term liabilities	-9.5	9.5	-19.0	-4.5	29.2	-33.7	28.5
<b>Cash flow from operating activities before financial items and taxes</b>	<b>-8.1</b>	<b>19.5</b>	<b>-27.6</b>	<b>-33.8</b>	<b>43.7</b>	<b>-77.5</b>	<b>51.1</b>
Interest and other financial expenses paid	-0.6	-0.3	-0.3	-1.3	-0.7	-0.6	-1.1
Interest and other financial income received	0.1	0.1	-0.0	1.4	0.1	1.3	0.4
Taxes paid	-0.7	-3.5	2.8	-2.1	-4.2	2.0	-10.8
<b>Cash flow from operating activities</b>	<b>-9.3</b>	<b>15.9</b>	<b>-25.2</b>	<b>-35.8</b>	<b>39.0</b>	<b>-74.7</b>	<b>39.7</b>

MEUR	Q3/2024	Q3/2023	Change	1-9/2024	1-9/2023	Change	2023
<b>Cash flow from investing activities</b>							
Increase (-)/decrease (+) of other financial assets	5.4	-5.0	10.4	24.5	-5.0	29.5	-5.0
Investments in intangible assets and property, plant and equipment	-4.4	-2.8	-1.7	-15.9	-6.7	-9.2	-9.6
Proceeds from sale of tangible and intangible assets							0.0
<b>Cash flow from investing activities</b>	<b>0.9</b>	<b>-7.8</b>	<b>8.7</b>	<b>8.6</b>	<b>-11.7</b>	<b>20.3</b>	<b>-14.6</b>
<b>Cash flow from financing activities</b>							
Purchase of treasury shares				-0.0	-0.0	-0.0	-3.8
Payment of lease liabilities	-1.6	-1.2	-0.4	-4.4	-2.5	-1.9	-3.7
Proceeds from non-current loans	0.6		0.6	0.6		0.6	
Proceeds from current loans	1.3		1.3	7.6		7.6	
<b>Cash flow from financing activities</b>	<b>0.3</b>	<b>-1.2</b>	<b>1.6</b>	<b>3.7</b>	<b>-2.5</b>	<b>6.3</b>	<b>-7.5</b>
<b>Net change in cash and cash equivalents</b>	<b>-8.0</b>	<b>6.9</b>	<b>-14.9</b>	<b>-23.4</b>	<b>24.7</b>	<b>-48.1</b>	<b>17.5</b>
Cash and cash equivalents at the beginning of the period	12.0	27.6	-15.6	27.4	9.8	17.5	9.8
Effects of exchange rate fluctuations on cash held	-0.1	0.1	-0.1	-0.0	0.0	-0.1	-0.0
<b>Cash and cash equivalents at the end of the period</b>	<b>3.9</b>	<b>34.6</b>	<b>-30.7</b>	<b>3.9</b>	<b>34.6</b>	<b>-30.7</b>	<b>27.4</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MEUR	Share capital	Invested unrestricted equity fund	Other reserves	Translation differences	Treasury shares	Retained earnings	Total
<b>Shareholders' equity 1 Jan 2024</b>	<b>0.1</b>	<b>95.7</b>	<b>0.0</b>	<b>0.0</b>	<b>-5.3</b>	<b>42.4</b>	<b>132.9</b>
Profit/loss for the period						-23.8	-23.8
Currency translation differences				-0.0			-0.0
<b>Total comprehensive income for the period, net of tax</b>				<b>-0.0</b>		<b>-23.8</b>	<b>-23.8</b>
<b>Transactions with owners</b>							
Acquisition of treasury shares					-0.0		-0.0
Share-based payments						2.3	2.3
<b>Transactions with owners, total</b>					<b>-0.0</b>	<b>2.3</b>	<b>2.3</b>
<b>Shareholders' equity 30 September 2024</b>	<b>0.1</b>	<b>95.7</b>	<b>0.0</b>	<b>0.0</b>	<b>-5.3</b>	<b>21.0</b>	<b>111.5</b>
<b>Shareholders' equity 1 Jan 2023</b>	<b>0.1</b>	<b>95.7</b>		<b>-0.1</b>	<b>-1.4</b>	<b>6.3</b>	<b>100.6</b>
Profit/loss for the period						28.4	28.4
Reclassifications			0.0			-0.0	
Currency translation differences				-0.1			-0.1
<b>Total comprehensive income for the period, net of tax</b>			<b>0.0</b>	<b>-0.1</b>		<b>28.4</b>	<b>28.2</b>
<b>Transactions with owners</b>							
Acquisition of treasury shares					-0.0		-0.0
Share-based payments						1.5	1.5
<b>Transactions with owners, total</b>					<b>-0.0</b>	<b>1.5</b>	<b>1.5</b>
<b>Shareholders' equity 30 September 2023</b>	<b>0.1</b>	<b>95.7</b>	<b>0.0</b>	<b>-0.2</b>	<b>-1.4</b>	<b>36.2</b>	<b>130.4</b>
<b>Shareholders' equity 1 Jan 2023</b>	<b>0.1</b>	<b>95.7</b>		<b>-0.1</b>	<b>-1.4</b>	<b>6.3</b>	<b>100.6</b>
Profit/loss for the period						33.7	33.7
Remeasurement of defined benefit plans						0.0	0.0
Reclassifications			0.0			-0.0	
Currency translation differences				0.1			0.1
<b>Total comprehensive income for the period, net of tax</b>			<b>0.0</b>	<b>0.1</b>		<b>33.7</b>	<b>33.8</b>
<b>Transactions with owners</b>							
Acquisition of treasury shares					-3.8		-3.8
Share-based payments						2.4	2.4
<b>Transactions with owners, total</b>					<b>-3.8</b>	<b>2.4</b>	<b>-1.5</b>
<b>Shareholders' equity 31 Dec 2023</b>	<b>0.1</b>	<b>95.7</b>	<b>0.0</b>	<b>0.0</b>	<b>-5.3</b>	<b>42.4</b>	<b>132.9</b>

# Notes to the condensed financial statements

## Basic information about the Group

Kempower Corporation (“the Parent Company”) is a Finnish public liability limited company and the parent company of the Kempower Group (“Kempower”, “the Kempower Group” or “the Group”). Kempower Corporation’s registered address is Ala-Okerointentie 29, 15700 Lahti. Kempower Corporation is part of Kemppi Group, whose parent company is Kemppi Group Oy. Kemppi Group Oy’s registered address is Kempinkatu 1, 15800 Lahti.

## Basis of preparation

The unaudited interim condensed consolidated financial statements of Kempower Corporation for nine months ending on 30 September 2024 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). As such, they do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Kempower’s annual consolidated financial statements as of 31 December 2023.

Kempower’s Board of Directors approved these unaudited interim condensed consolidated financial statements to be published on 29 October 2024.

The interim condensed consolidated financial statements including notes thereto are presented in millions of euros unless otherwise stated. The figures shown in this report are rounded, which means that the sum total of given individual figures may deviate from the sums shown in the tables. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Kempower’s annual consolidated financial statements for the year ended 31 December 2023.

## Revenue

### REVENUE BY GEOGRAPHICAL REGIONS

MEUR	Q3/2024	Q3/2023	Change %	1-9/2024	1-9/2023	Change %	2023
Nordics*	25.7	32.1	-20%	69.5	83.1	-16%	114.1
Rest of Europe	21.1	34.2	-38%	61.1	100.1	-39%	144.2
North America	3.5	3.3	4%	13.4	5.9	127%	11.3
Rest of the World	2.0	3.1	-35%	8.0	11.7	-32%	14.0
<b>Total</b>	<b>52.3</b>	<b>72.6</b>	<b>-28%</b>	<b>152.0</b>	<b>200.8</b>	<b>-24%</b>	<b>283.6</b>

\*Nordics include Finland, Sweden, Norway, Denmark and Iceland

### REVENUE BY RECOGNITION TYPES

MEUR		Q3/2024	Q3/2023	1-9/2024	1-9/2023	2023
Products	Point in time	50.6	71.6	146.1	197.8	279.1
Services	Over time	1.7	1.0	5.9	3.0	4.5
<b>Total</b>		<b>52.3</b>	<b>72.6</b>	<b>152.0</b>	<b>200.8</b>	<b>283.6</b>

## Fixed assets

### INTANGIBLE ASSETS

MEUR, 30 Sep 2024	Intangible rights	Capitalized development costs	Other intangible assets	Prepayments and work in progress	Total
Carrying amount at the beginning of the period	0.5	0.3	1.0		1.8
Additions				2.3	2.3
Amortizations and impairment	-0.1	-0.2	-0.4		-0.6
<b>Carrying amount at the end of the period</b>	<b>0.4</b>	<b>0.1</b>	<b>0.6</b>	<b>2.3</b>	<b>3.5</b>
Cost at the end of the period	0.7	1.1	1.8	2.3	5.9
Accumulated amortizations and impairment	-0.3	-1.0	-1.2		-2.4
<b>Carrying amount at the end of the period</b>	<b>0.4</b>	<b>0.1</b>	<b>0.6</b>	<b>2.3</b>	<b>3.5</b>

Prepayments and work in progress 30 Sep 2024 include EUR 2.2 million capitalized development costs.

MEUR, 30 Sep 2023	Intangible rights	Capitalized development costs	Other intangible assets	Prepayments and work in progress	Total
Carrying amount at the beginning of the period	0.4	0.5	1.7		2.6
Additions	0.1		0.0		0.2
Amortizations and impairment	-0.1	-0.2	-0.3		-0.5
<b>Carrying amount at the end of the period</b>	<b>0.5</b>	<b>0.3</b>	<b>1.4</b>		<b>2.2</b>
Cost at the end of the period	0.6	1.1	1.8		3.6
Accumulated amortizations and impairment	-0.2	-0.8	-0.4		-1.3
<b>Carrying amount at the end of the period</b>	<b>0.5</b>	<b>0.3</b>	<b>1.4</b>		<b>2.2</b>

MEUR, 31 Dec 2023	Intangible rights	Capitalized development costs	Other intangible assets	Prepayments and work in progress	Total
Carrying amount at the beginning of the period	0.4	0.5	1.7		2.6
Additions	0.2		0.0		0.2
Amortizations and impairment	-0.1	-0.2	-0.7		-1.0
<b>Carrying amount at the end of the period</b>	<b>0.5</b>	<b>0.3</b>	<b>1.0</b>		<b>1.8</b>
Cost at the end of the period	0.7	1.1	1.8		3.6
Accumulated amortizations and impairment	-0.2	-0.8	-0.8		-1.8
<b>Carrying amount at the end of the period</b>	<b>0.5</b>	<b>0.3</b>	<b>1.0</b>		<b>1.8</b>

## PROPERTY, PLANT AND EQUIPMENT

MEUR, 30 Sep 2024	Machinery and equipment	Other tangible assets	Prepayments and work in progress	Right-of-use assets	Total
Carrying amount at the beginning of the period	8.0	3.8	1.9	24.5	38.2
Additions	0.3	2.1	11.2	9.0	22.6
Disposals				-0.3	-0.3
Reclassifications	2.6	2.2	-4.8		
Depreciations and impairment	-1.3	-1.0		-4.8	-7.1
Translation differences	-0.0	-0.1	-0.0	-0.1	-0.2
<b>Carrying amount at the end of the period</b>	<b>9.6</b>	<b>7.1</b>	<b>8.3</b>	<b>28.2</b>	<b>53.2</b>
Cost at the end of the period	12.6	8.3	8.3	40.8	70.0
Accumulated depreciations and impairment	-3.0	-1.2		-12.5	-16.7
Translation differences	-0.0	-0.1	-0.0	-0.1	-0.2
<b>Carrying amount at the end of the period</b>	<b>9.6</b>	<b>7.1</b>	<b>8.3</b>	<b>28.2</b>	<b>53.2</b>

MEUR, 30 Sep 2023	Machinery and equipment	Other tangible assets	Prepayments and work in progress	Right-of-use assets	Total
Carrying amount at the beginning of the period	4.3	0.0	1.3	15.5	21.1
Additions	3.3	2.3	1.0	11.1	17.7
Disposals				-0.0	-0.0
Depreciations and impairment	-0.7	-0.1		-2.9	-3.7
Translation differences	0.0	0.0	0.0	0.1	0.2
<b>Carrying amount at the end of the period</b>	<b>6.9</b>	<b>2.3</b>	<b>2.3</b>	<b>23.8</b>	<b>35.3</b>
Cost at the end of the period	8.3	2.4	2.3	30.1	43.0
Accumulated depreciations and impairment	-1.4	-0.1		-6.4	-7.9
Translation differences	0.0	0.0	0.0	0.1	0.2
<b>Carrying amount at the end of the period</b>	<b>6.9</b>	<b>2.3</b>	<b>2.3</b>	<b>23.8</b>	<b>35.3</b>

MEUR, 31 Dec 2023	Machinery and equipment	Other tangible assets	Prepayments and work in progress	Right-of-use assets	Total
Carrying amount at the beginning of the period	4.3	0.0	1.3	15.5	21.1
Additions	4.8	4.0	0.6	13.4	22.8
Disposals		-0.0		-0.0	-0.0
Depreciations and impairment	-1.1	-0.2		-4.2	-5.5
Translation differences	-0.0	-0.1		-0.1	-0.2
<b>Carrying amount at the end of the period</b>	<b>8.0</b>	<b>3.8</b>	<b>1.9</b>	<b>24.5</b>	<b>38.2</b>
Cost at the end of the period	9.8	4.1	1.9	32.3	48.1
Accumulated depreciations and impairment	-1.7	-0.2		-7.7	-9.7
Translation differences	-0.0	-0.1		-0.1	-0.2
<b>Carrying amount at the end of the period</b>	<b>8.0</b>	<b>3.8</b>	<b>1.9</b>	<b>24.5</b>	<b>38.2</b>

## RIGHT-OF-USE ASSETS

Amounts recognized in the statement of financial position

<b>MEUR, 30 Sep 2024</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Total</b>
Carrying amount at the beginning of the period	21.4	3.1	24.5
Additions	5.8	3.1	9.0
Disposals	-0.2	-0.1	-0.3
Depreciations and impairment	-3.2	-1.6	-4.8
Translation differences	-0.0	-0.0	-0.1
<b>Carrying amount at the end of the period</b>	<b>23.7</b>	<b>4.5</b>	<b>28.2</b>

<b>MEUR, 30 Sep 2023</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Total</b>
Carrying amount at the beginning of the period	14.1	1.4	15.5
Additions	9.2	1.9	11.1
Disposals		-0.0	-0.0
Depreciations and impairment	-2.3	-0.7	-2.9
Translation differences	0.1	-0.0	0.1
<b>Carrying amount at the end of the period</b>	<b>21.2</b>	<b>2.6</b>	<b>23.8</b>

<b>MEUR, 31 Dec 2023</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Total</b>
Carrying amount at the beginning of the period	14.1	1.4	15.5
Additions	10.6	2.8	13.4
Disposals		-0.0	-0.0
Depreciations and impairment	-3.2	-1.0	-4.2
Translation differences	-0.1	0.0	-0.1
<b>Carrying amount at the end of the period</b>	<b>21.4</b>	<b>3.1</b>	<b>24.5</b>

## Financial assets and liabilities by category

The Group categorizes its financial assets and liabilities into the following categories:

MEUR, 30 Sep 2024	Fair value through profit or loss	Amortized cost	Carrying amount	Fair value	Level1	Level2	Level3
<b>Non-current financial assets</b>							
Non-current deposits		0.0	0.0	0.0			
<b>Current financial assets</b>							
Trade receivables		29.9	29.9	29.9			
Other receivables		1.1	1.1	1.1			
Derivatives	0.5		0.5	0.5		0.5	
Other financial assets	48.7		48.7	48.7	48.7		
Cash and cash equivalents		3.9	3.9	3.9			
<b>Total financial assets</b>	<b>49.2</b>	<b>34.9</b>	<b>84.1</b>	<b>84.1</b>	<b>48.7</b>	<b>0.5</b>	
<b>Non-current financial liabilities</b>							
Lease liabilities		22.8	22.8	22.8			
Loans from financial institutions		0.6	0.6	0.6			
<b>Current financial liabilities</b>							
Lease liabilities		6.5	6.5	6.5			
Loans from financial institutions		7.6	7.6	7.6			
Trade payables		30.2	30.2	30.2			
Derivatives	0.0		0.0	0.0		0.0	
Other non-interest-bearing liabilities		0.5	0.5	0.5			
<b>Total financial liabilities</b>	<b>0.0</b>	<b>68.2</b>	<b>68.2</b>	<b>68.2</b>			<b>0.0</b>

MEUR, 30 Sep 2023	Fair value through profit or loss	Amortized cost	Carrying amount	Fair value	Level1	Level2	Level3
<b>Non-current financial assets</b>							
Non-current deposits		1.5	1.5	1.5			
<b>Current financial assets</b>							
Trade receivables		33.3	33.3	33.3			
Other receivables		0.1	0.1	0.1			
Derivatives	0.0		0.0	0.0		0.0	
Other financial assets	70.8		70.8	70.8	70.8		
Cash and cash equivalents		34.6	34.6	34.6			
<b>Total financial assets</b>	<b>70.9</b>	<b>69.4</b>	<b>140.3</b>	<b>140.3</b>	<b>70.8</b>	<b>0.0</b>	
<b>Non-current financial liabilities</b>							
Lease liabilities		20.1	20.1	20.1			
<b>Current financial liabilities</b>							
Lease liabilities		4.2	4.2	4.2			
Trade payables		32.3	32.3	32.3			
Derivatives	0.1		0.1	0.1		0.1	
<b>Total financial liabilities</b>	<b>0.1</b>	<b>56.7</b>	<b>56.8</b>	<b>56.8</b>			<b>0.1</b>



MEUR, 31 Dec 2023	Fair value through profit or loss	Amortized cost	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Non-current financial assets</b>							
Non-current deposits		1.4	1.4	1.4			
<b>Current financial assets</b>							
Trade receivables		35.4	35.4	35.4			
Other receivables		0.5	0.5	0.5			
Derivatives	0.4		0.4	0.4		0.4	
Other financial assets	72.4		72.4	72.4	72.4		
Cash and cash equivalents		27.4	27.4	27.4			
<b>Total financial assets</b>	<b>72.9</b>	<b>64.6</b>	<b>137.5</b>	<b>137.5</b>	<b>72.4</b>	<b>0.4</b>	
<b>Non-current financial liabilities</b>							
Lease liabilities		20.5	20.5	20.5			
<b>Current financial liabilities</b>							
Lease liabilities		4.7	4.7	4.7			
Trade payables		31.7	31.7	31.7			
Derivatives	0.3		0.3	0.3		0.3	
Other non-interest-bearing liabilities		1.1	1.1	1.1			
<b>Total financial liabilities</b>	<b>0.3</b>	<b>58.0</b>	<b>58.3</b>	<b>58.3</b>		<b>0.3</b>	

Other financial assets include money market investments measured at fair value through profit or loss. Cash and cash equivalents include deposits with banks, which are measured at amortized cost.

The book value of trade and other receivables and trade payables, which are measured at amortized cost corresponds to their fair value due to their short maturities.

## 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 parent company Kemppi Group Oy and its subsidiaries other than Kempower Group companies. Related parties also include members of Kempower's Board of Directors, CEO and members of Leadership Team as well as their close family members and companies under their significant influence or 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 significant influence or control.

Business transactions between Kempower and Kemppi Group are presented as related party transactions. Such related party transactions include purchases of materials from Kemptron Oy and Kemppi Oy, purchases of administrative services from Kemppi Group companies and premises leased from Kemppi Group companies. Commitments related to future purchases from Kemptron Oy and Kemppi Oy have also been included in related party transactions.

Kempower's headquarters and production facilities are located in rental properties. The headquarters and the connected production facilities in Lahti have been leased from Kemppi Group Oy until 2031.

Kempower's related party transactions are presented in the table on the right.

MEUR	Q3/2024	Q3/2023	1-9/2024	1-9/2023	2023
<b>Sales and purchases of goods and services to and from Kemppi Group companies</b>					
Products sold	1.3	0.0	2.4	0.1	0.4
Purchased materials	-6.3	-13.1	-18.1	-35.7	-44.1
Purchased administration services	-0.0	-0.0	-0.0	-0.1	-0.1
Office and facility lease	-0.5	-0.8	-1.4	-1.9	-2.3
<b>Sales and purchases of goods and services to and from other related parties</b>					
Purchased services	-0.0	-0.0	-0.0	-0.1	-0.1

MEUR	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>Outstanding balances with Kemppi Group companies</b>			
Trade and other receivables	1.3	0.0	0.2
<b>Total current receivables</b>	<b>1.3</b>	<b>0.0</b>	<b>0.2</b>
Lease liabilities	10.7	11.9	11.6
<b>Total non-current liabilities</b>	<b>10.7</b>	<b>11.9</b>	<b>11.6</b>
Lease liabilities	1.6	1.5	1.5
Trade and other payables	6.8	10.8	6.7
Other current liabilities	1.0	0.8	
<b>Total current liabilities</b>	<b>9.4</b>	<b>13.1</b>	<b>8.2</b>
<b>Commitments to Kemppi Group companies</b>			
Purchase commitments	12.0	12.0	4.4
<b>Total commitments</b>	<b>12.0</b>	<b>12.0</b>	<b>4.4</b>

## Commitments

Kempower has entered into certain binding purchase agreements to ensure the availability of components.

<b>MEUR</b>	<b>30 Sep 2024</b>	<b>30 Sep 2023</b>	<b>31 Dec 2023</b>
Purchase commitments to Kemppi Group companies	12.0	12.0	4.4
Purchase commitments to other companies	18.5	12.3	10.1
Commitments to leases commencing after the reporting period	0.9		2.2
Guarantees given	1.6	1.5	1.4
<b>Total</b>	<b>32.9</b>	<b>25.8</b>	<b>18.1</b>

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