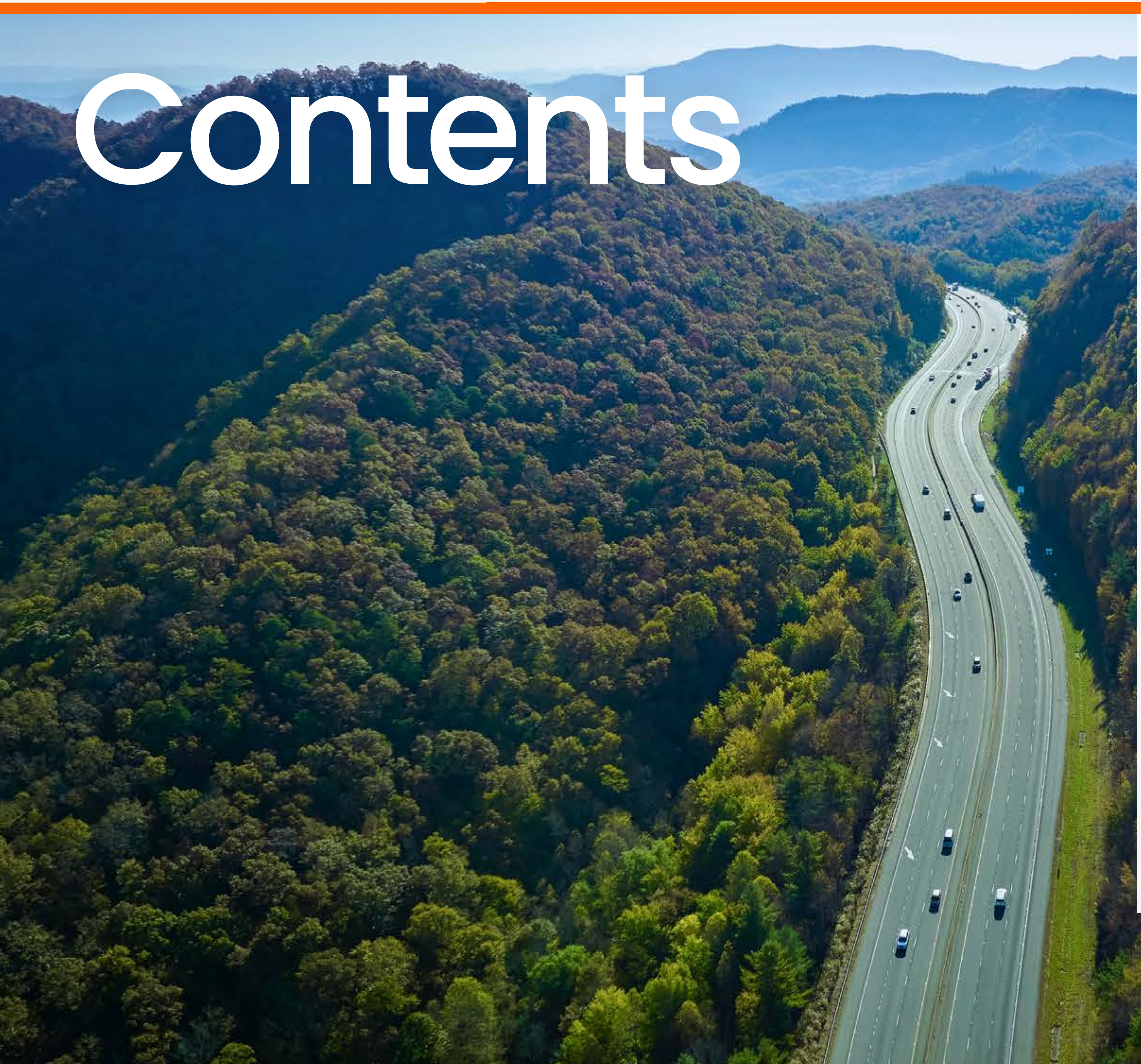
Annual Report 2024

KEMPOWER



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Powering planet cool

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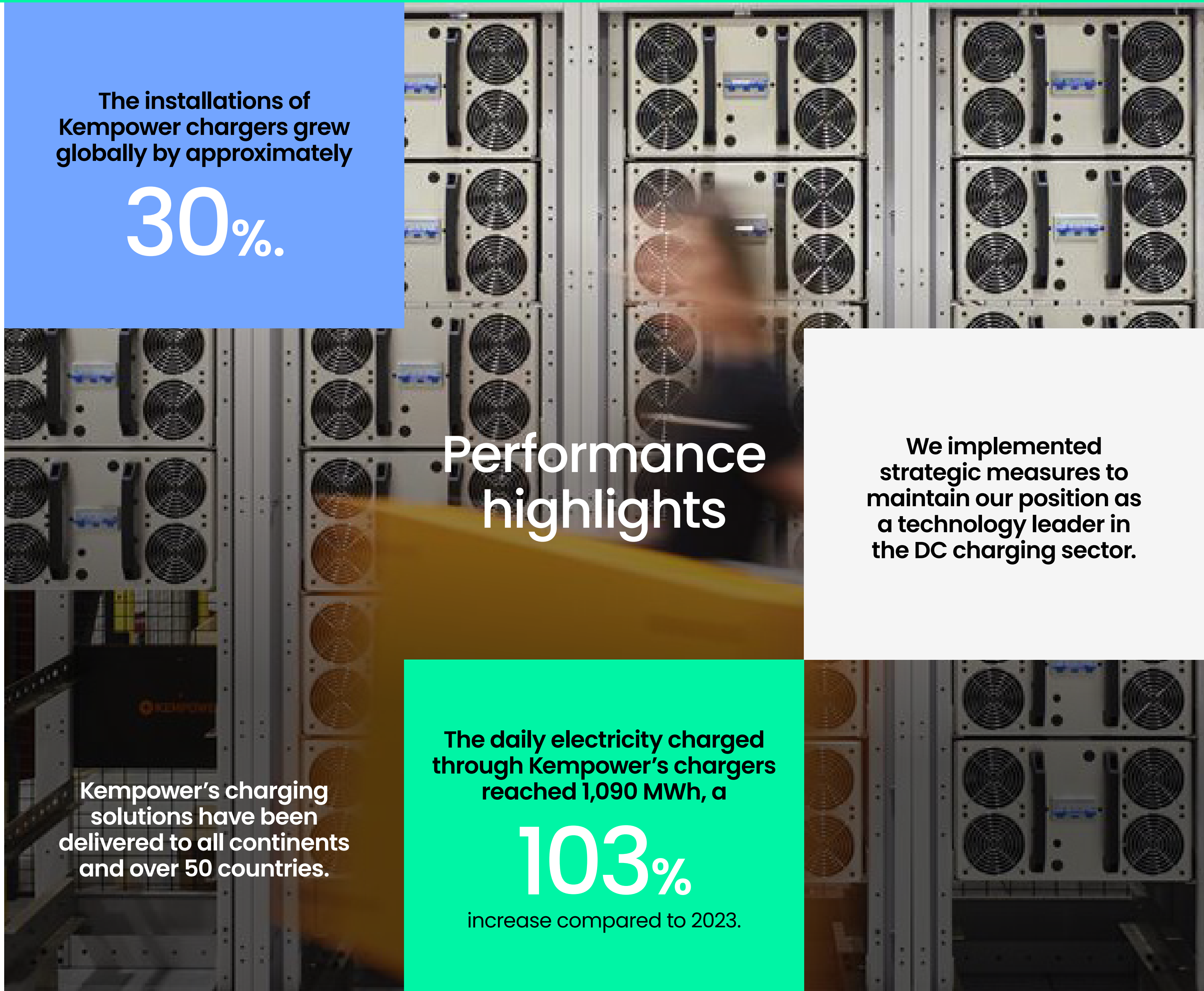
Powering planet cool

Overview

In 2024, we have maintained our market share and remain among the top three manufacturers in the DC charging market in Europe while increasing our market share in North America. We continued to implement our growth strategy on our target markets and segments while also making significant progress with our technology roadmap as promised.



The installations of Kempower chargers grew globally by approximately

30%.

Performance highlights

We implemented strategic measures to maintain our position as a technology leader in the DC charging sector.

Kempower's charging solutions have been delivered to all continents and over 50 countries.

The daily electricity charged through Kempower's chargers reached 1,090 MWh, a

103%

increase compared to 2023.

Kempower in brief

In 2024, Kempower continued to solidify its market position in the Nordic countries and Europe, while also executing a robust growth strategy in North America. Our production facilities in Durham, North Carolina, was officially opened and the local supply chain strengthened to better serve the North American DC charging markets. Additionally, we inaugurated a new production facility and R&D center in Lahti, Finland, expanding our European operations with three factories in Lahti.

The year 2024 was also a period of significant change for Kempower. The DC charging markets, particularly in Europe, faced challenges due to high inventory levels accumulated by customers in previous years, which took longer to clear than anticipated. In response, Kempower proactively adapted its operations to the evolving market conditions. We implemented strategic measures to maintain our position as a technology leader in the DC charging sector and to safeguard our profitability. These efforts were successful, turning our operations profitable at the end of the year while consistently delivering on our promised service levels to customers.

Kempower's vision is to create the world's most desired EV fast-charging solutions for everyone, everywhere.

Looking ahead, we remain optimistic about the long-term growth of the DC charging market. Based on our market outlook, we forecast the DC charging market in Europe and North America to grow to approximately EUR 14 billion by 2030. Kempower aims to be one of the top five companies in these markets by 2030, while also exploring new geographic markets. According to the 3rd party market study Kempower was already 3rd biggest DC charging manufacturer in 2024 in Europe.

Kempower's vision is to create the world's most desired EV fast-charging solutions for everyone, everywhere. Our design philosophy centers on providing an easy, reliable, and user-friendly fast-charging experience. Our modular and scalable charging systems, combined with our world-class software, ChargEye™, ensure the best all-around user experience. Our Kempower Satellite and newly introduced Kempower MegaWatt Charging Systems are future-proof, scalable solutions that grow with demand. With ChargEye, our chargers are always connected to the cloud, enabling remote real-time monitoring, maintenance, and updates, maximizing uptime and minimizing service trips, thus extending the lifecycle of our products.

Kempower's charging solutions have been delivered to all continents and over 50 countries. Our products and software are designed and manufactured in Finland and the United States, with local supply chains on both continents. Our headquarters, RDI laboratories, and facilities are located in Finland.

We are committed to achieving 100% carbon neutrality by 2035.

CEO's review

Strong year-end in a challenging market

The year 2024 presented significant challenges for the DC charging market. Despite this, we recorded a revenue of EUR 223.7 million and an order intake of EUR 218.3 million. The daily electricity charged through Kempower chargers reached 1,090 MWh, marking a 103% growth from 2023. Additionally, the installations of Kempower chargers grew globally by approximately 30%.

Despite the challenges, 2024 ended on a strong note. We achieved the highest order intake of the year, and the second highest in company history, at EUR 67.8 million, with a revenue of EUR 71.7 million. This success allowed us to reach a positive operative EBIT and generate positive cash flow, with an operative EBIT of EUR 0.8 million for the quarter. This achievement was due to the hard work of all Kempowerians and demonstrated our ability to react and adapt to rapidly changing market conditions. Our positive results were supported by organizational improvements and a reduced cost base. We also implemented key management changes to strengthen our leadership and drive the company forward. Our renewed leadership is strongly focused on growth, enhancing operational efficiency, fostering innovation, and maintaining a customer-centric approach. These organizational changes position us well for future growth.

In 2025, we anticipate a stark contrast in the DC charging market between the first and second halves of the year. In the first half, we expect to face challenges with weak market conditions and industry-wide excess inventories affecting demand. We anticipate inventories will decline at a similar rate to the fourth quarter of 2024. The 30% global growth in Kempower charger installations in 2024 indicates continued expansion of our installed base. After an extremely challenging year for all DC charging manufacturers, we expect the market to start recovering in the second half of 2025. A third-party market study conducted at the beginning of 2025 aligns with our projections, showing that market growth will be driven by increasing demand in the latter half of the year.

In 2024, we increased our focus on the commercial vehicle segment, which is now generating a significant share of our revenue. Despite the challenging year in DC charging, the commercial vehicle segment grew significantly in both revenue and orders. This is a very positive development, as we foresee commercial fleets becoming the largest DC charging segment by 2030. In the private vehicle segment, we have increased our focus on retail customers, where excess inventory is less of an issue. Customer acquisition showed strong growth in the fourth quarter, with 22 new customers added, bringing the total for the year to 66. Success in new customer acquisition lays the foundation for future growth. New customers include global logistics leader DP World and leading global car manufacturer Renault's new brand Mobilize, which will bring fast EV charging to locations across France.

The year 2024 was marked by notable achievements in our key sustainability focus areas.

In the fourth quarter of 2024, our North American operations generated EUR 7.4 million in revenue and recorded the highest order intake to date, accounting for 15% of our total order intake. We increased our market share in North America by achieving an 84% year-over-year revenue growth, driven by the increasing demand for our charging solutions. Currently, there is uncertainty regarding federal-level EV subsidies in the US. We expect the industry to build on the success of EV adoption in 2024, and we believe the market potential for EVs will remain strong across the US and Canada. We are actively monitoring the situation and remain confident in our strategic approach.

The truck charging program, including the development of the Megawatt Charging System, progressed as planned in 2024, with the successful start of pilot deliveries of the Kempower Mega Satellite from our Lahti production facilities in December. This milestone marks a significant step forward in our mission to provide reliable and cutting-edge high-power charging solutions.

The year 2024 was marked by notable achievements in our key sustainability focus areas. In our operations, we utilized nearly 100% renewable electricity in all our offices and increased the proportion of green electricity and green heat used in our factories and offices compared to 2023. Through concrete actions, we moved closer to reaching our 100% fossil-free electricity target in Finland by the end of 2025. Additionally, we made further quantifiable progress towards our goal of being carbon neutral by 2035 by reducing our annual relative footprint compared to our baseline benchmark.

Throughout the year, we expanded the charging power infrastructure delivered to our end customers, enabling increased transportation with low-emission electric vehicles and reducing the carbon burden in the private, commercial, and off-highway vehicle sectors. Our goal is for our responsible products to enable 100% electric transportation, sustainably. Our products are also highly recyclable, with a recyclability rate of 99.7% for our Power Unit and Satellite. In 2024, we revised and updated our supplier and service provider classifications with sustainability ratings based on a survey and planned our future actions accordingly. More than 50% of our first-tier suppliers are local and support Kempower's global ESG and carbon footprint reduction targets.

2024 was a challenging year for the entire industry. Despite the market challenges, we achieved success in many regions, including the United Kingdom, Ireland, North America, France, Germany, and the Netherlands, while also making significant progress with our technology roadmap as promised. As we enter 2025, we are well-positioned to navigate the challenges and capitalize on emerging opportunities with existing and new customers in this globally growing market.

Tomi Ristimäki
President and CEO

Highlights 2024

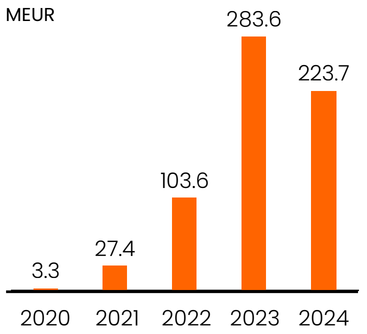
Revenue
223.7 MEUR

Gross profit margin
48.7%

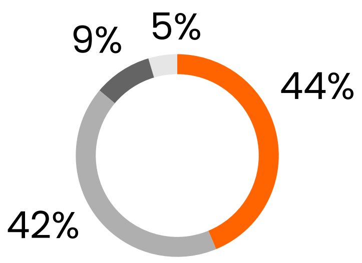
Employees
786

Recyclability rate
>99%

Revenue



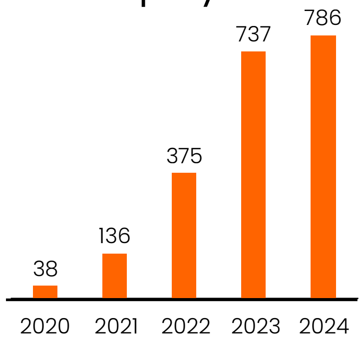
Revenue by geographic region 2024



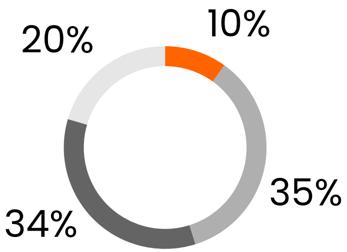
- Nordics* 97.9 MEUR
- Rest of Europe 94.8 MEUR
- North America 20.8 MEUR
- Rest of the World 10.3 MEUR

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

Number of employees



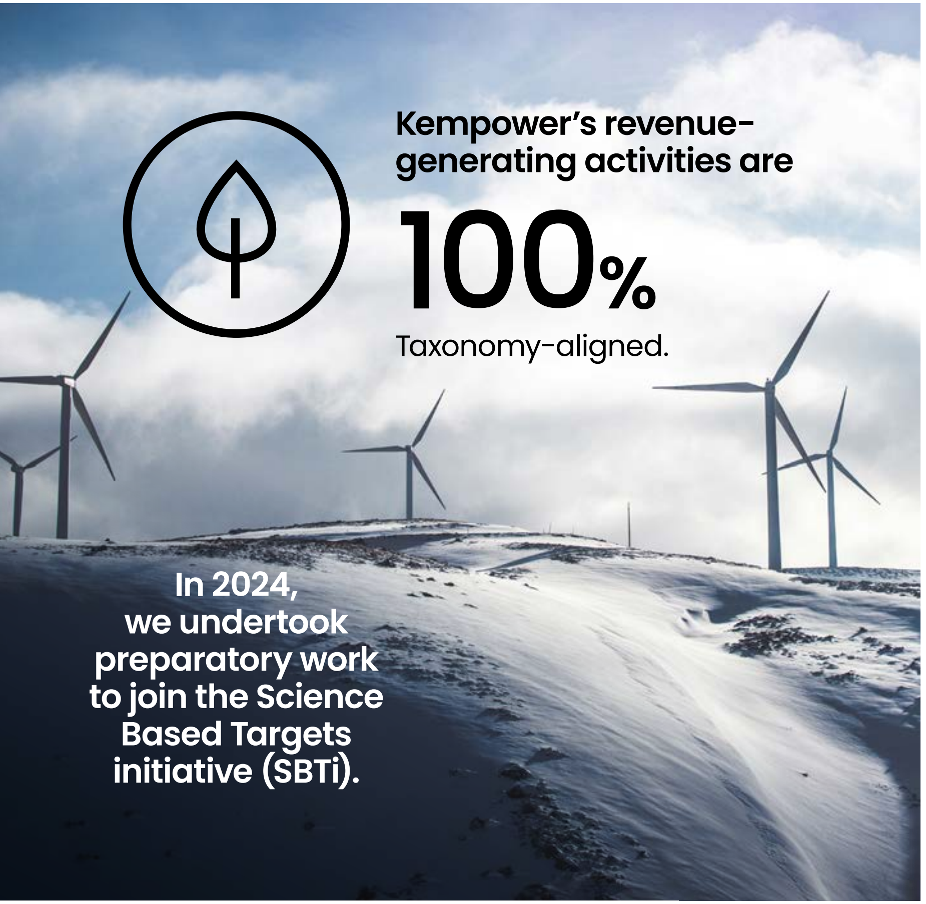
Employees by function 2024



- Admin 78 people
- Operations 277 people
- Sales and marketing 270 people
- R&D 161 people

Sustainability performance highlights

Climate impact



Kempower's revenue-generating activities are

100%

Taxonomy-aligned.

In 2024, we undertook preparatory work to join the Science Based Targets initiative (SBTi).

Responsible products

Improved transparency of the GHG emissions of our products utilizing the cradle-to-grave methodology.

Carbon footprint (cradle-to-grave) for

single Power Unit

27.0 tCO_2eq

and Satellite

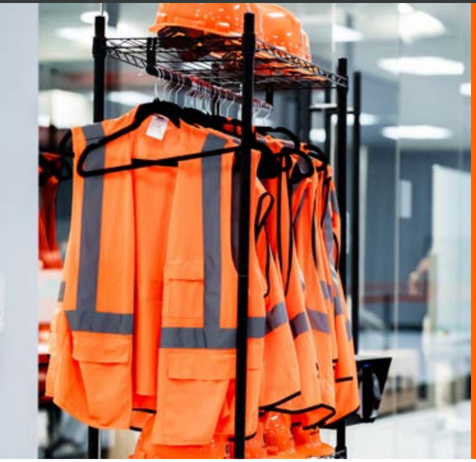
0.9 tCO_2eq.

The best workplace for the future professionals

Safety LTIF:

3.8

in 2024.



We are aiming to reduce incident frequency to zero.

Segments and Offering

Kempower is a leading provider of electric vehicle (EV) fast-charging solutions, offering a wide range of products and software designed to meet the needs of various public charging scenarios. Our solutions are suitable for all types of electric vehicles, including cars, buses, trucks, and even boats, aviation and machinery.

01 Private cars

Charge Point Operators (CPOs) and Retail chains are Kempower's key customer groups. For CPO's, charging is the core business and they manage and operate their own charging networks. Our solutions are designed to grow with charging sites and operations, optimizing capital expenditure (CapEx). Dynamic power sharing ensures higher total revenue and faster return on investment (ROI) compared to traditional charging systems. Flexible backend connections to CPO management systems ensure smooth operations, and our solutions are tailored for destination use cases, ensuring efficient power distribution.

Retailers also benefit significantly from Kempower's public charging solutions. Charging services add substantial revenue opportunities for retailers, attracting and retaining customers by enhancing their shopping experience. Kempower's backend supports integrated loyalty programs, enhancing customer engagement and making charging customers part of the retail ecosystem, driving additional revenue through extended visits and additional services.

Kempower's public charging solutions are deployed in over 50 countries, supported by a robust network of regional sales organizations, global key account managers, and partners. Our production facilities in Finland and the United States ensure we can meet global demand effectively. As the adoption of electric vehicles continues to accelerate, Kempower is committed to leading the market with innovative and sustainable charging solutions. We aim to create the world's most desired EV charging solutions, ensuring everyone, everywhere has access to reliable and efficient public charging infrastructure.

The Kempower Satellite Charging System is a modular and scalable system that allows for dynamic power sharing, optimizing the use of available power and ensuring efficient charging for multiple vehicles simultaneously. Additionally, Kempower ChargEye is our advanced cloud-based charging management system that provides real-time monitoring, diagnostics, and management of charging stations, enhancing operational efficiency and user experience.

02 Commercial vehicles

Truck charging

Kempower provides a range of charging solutions tailored for electric trucks. Our vision is to support the electrification of all truck operations, from depots to logistic centers and on-the-move charging, ensuring a cleaner and more sustainable future.

Kempower's MegaWatt Charging System (MCS) is a significant advancement in our product offerings, designed to meet the high-power demands of heavy-duty vehicles. The MCS can deliver up to 1.2 MW of power and the system enables maximum flexibility by allowing any combination of Kempower Mega Satellites and conventional Satellites to be connected to the same system. The MCS is designed to charge heavy-duty vehicles within the regulatory driver breaks, making it ideal for long-haul trips. The Kempower ChargEye software provides detailed charging reports, third-party billing integration, and remote control capabilities, ensuring seamless management of charging processes.

As the electrification of trucks continues to advance, Kempower is committed to providing innovative and sustainable charging solutions. Our vision is to support the transition to electric transportation, ensuring that truck fleets can operate efficiently and sustainably, contributing to a greener future for all.

Bus charging

Kempower is committed to making bus electrification easy and efficient, addressing the unique challenges faced by fleet operators. Our solutions cater to both overnight and opportunity charging needs, ensuring that electric buses are always ready to meet their schedules.

Kempower's solutions help fleet operators minimize charging costs and maximize available grid connections. Our systems support bus schedule planning coordinated with optimal charging times and routes. The ChargEye software further enhances efficiency by providing just-in-time vehicle preconditioning, adaptive peak power shaving, and the ability to shift charging to lower energy tariff hours.

Kempower has successfully implemented its fast-charging technology in various locations, including bus depots in Australia, Germany, Italy, Belgium, Finland, Sweden, Denmark, and Norway. These projects demonstrate our ability to deliver reliable and efficient charging solutions that meet the needs of electric bus fleets.

03 Off-highway vehicles

Ports and marine vessels

Port machinery charging

For small port machines such as forklifts, reach stackers, and terminal tractors, Kempower offers depot charging solutions with power requirements of less than 300 kW. Larger port machines, including straddle carriers and automated guided vehicles (AGVs), benefit from high-power charging solutions exceeding 300 kW, with future readiness for megawatt charging stations (MCS).

Ports also serve as critical hubs for truck charging, providing both high-power and low-power charging solutions. High-power charging meets the needs of larger port machines, while low-power fleet charging is optimized for smaller vehicles. Kempower's solutions ensure efficient space utilization, lower operational expenses through intelligent load distribution, and smart charging based on vehicle departure schedules.

Kempower's advanced charging solutions are designed for both leisure and commercial vessels. Our systems, including the Kempower Satellite Charging System, offer robust and scalable options that cater to the unique needs of marine environments. Our technology is built to withstand harsh marine conditions, featuring galvanic isolation to prevent hull corrosion and ensure safety.

Mining machinery

The use of electric machines is on the rise in the mining industry because of net-zero targets and the performance and safety benefits they deliver. Electric mining machines reduce CO_2 emissions and offer a healthier work environment by improving health and safety for miners. Additionally, they increase production levels by providing higher efficiencies and save costs in areas such as ventilation, fleet maintenance and thermal management. Kempower Satellite systems, Kempower Movable chargers and ChargEye software provide flexible charging products for mining equipment.

Growth strategy

Our growth strategy target is to rapidly advance the fast-charging of private vehicles and electric trucks, identify new growth opportunities worldwide, and become one of the top five companies in the European and North American DC charging markets by 2030.

In 2024, we launched the next-generation charger platform with silicon carbide (SiC) technology.

Performance highlights

Silicon carbide (SiC) technology and modular charging architecture enable chargers to achieve efficiency levels exceeding

95%.

Our core focus is on DC charging, high-power charging (HPC) and megawatt charging systems (MCS).

By 2030, we estimate the European and North American DC charging market will expand to approximately

EUR 14 billion.

Megatrends

in e-mobility and the global DC charging market

Tightening emissions regulations

Electric truck CPOs emerging

In recent years, the move towards fleet electrification has gained significant momentum due to the emergence of charge point operators (CPOs) focusing specifically on charging electric trucks (eTrucks).

These charge point operators are developing innovative business models that cater to the requirements of fleet operators by providing adaptable and cost-efficient charging solutions.

With the increasing rate of new eTrucks registrations, CPOs are tackling important issues such as optimizing routes and managing energy effectively by blending software solutions with hardware setups to ensure compatability with charging infrastructure needs.

Electric truck depots

We have seen significant advancements in the development of eTrucks depots globally. These depots not only offer charging solutions to the eTrucks fleet, but also include fleet management, maintenance services and overnight charging facilities for the fleet operators and fleet owners to help them reduce downtime and operating costs.

With increasing investments on the eTruck charging infrastructure from governments and private players, the number of eTruck depots are growing steadily, according to the increase in the number of new eTrucks registrations compared to the previous years.

Additionally, collaborations between logistics companies and energy providers have emerged as a major trend, enabling optimized energy usage and reduced carbon emissions.

eTruck total cost of ownership analysis

The total cost of ownership (TCO) analysis for eTrucks indicates a paradigm shift in the industry. While initial purchase costs remain higher than internal combustion engine (ICE) trucks; lower operational costs, government incentives and the reduction in maintenance expenses make eTrucks increasingly competitive.

Many TCO studies reveal that fleets with high utilization rates achieve break-even points within 4-6 years of operation.

Furthermore, advancements in battery technology, including higher energy densities and extended life cycles, have enhanced residual values for eTrucks. A growing emphasis on lifecycle emissions analysis further solidifies eTrucks as the economically and environmentally sustainable choice for fleet operators.

Port Electrification

Port electrification is a transformative megatrend in global electrification, driven by the maritime sector's transition to greener and more efficient operations. The drive for decarbonization, supported by international frameworks like the Paris Agreement and the International Maritime Organization's (IMO's) 2050 strategy, has made port electrification a necessity.

Technological advancements have played a pivotal role in making port electrification feasible and scalable. Innovations in high-power charging systems, energy storage, and smart grid integration enable ports to transition away from fossil fuels. Beyond sustainability, electrification offers significant economic and operational benefits.

Electric solutions reduce maintenance costs, fuel expenses, and emissions, while improving energy management. Ports adopting electrification can enhance their competitiveness and compliance with environmental regulations. Cleaner and quieter operations also foster better community relations, reinforcing the value of this transition.

It's all about energy

Increasing demand for distributed systems

In the past few years, the demand for direct current (DC) charging distributed systems has reached unprecedented levels, driven by the growing adoption of electric vehicles (EVs) across private and commercial segments.

Advanced DC fast-charging systems now deliver high efficiency, combining lower power consumption with faster energy delivery. Innovations such as silicon carbide (SiC) inverters and modular charging architecture have enabled chargers to achieve efficiency levels exceeding 95%, reducing energy losses and operational costs.

Distributed systems offer flexibility, allowing for the integration of renewable energy sources like solar and wind, further enhancing sustainability. The scalability of these systems also supports the growing demand for EV charging at retail, workplace and public locations.

Limitations on grid capacity and alternatives address challenges

As electrification progresses, grid capacity limitations have become a significant bottleneck, necessitating innovative solutions to meet increasing power and energy demands. Station owners are turning to Battery Energy Storage Systems (BESS) and distributed energy resources forming microgrids in charging hubs to address these challenges.

- **BESS:** Battery storage systems are playing a critical role in renewable energy integration, energy arbitrage and grid stability. These systems are now being paired with fast chargers to manage grid congestions.
- **Distributed energy resources:** Electric depots are taking advantage of real estate to add distributed energy resources to hubs, and by deploying BESS to these sites, the excess energy is stored, ultimately optimizing the local energy flow.
- **Microgrids:** By synchronizing charging patterns with site energy resources in a microgrid, charging hubs are turning into power hubs, which when aggregated are providing power plant level capacity to grid support, enabling new revenue streams and facilitating charging infrastructure deployment.

Kempower target market

We are dedicated to advancing the global electric vehicle charging market, with a core focus on DC charging, high-power charging (HPC) and megawatt charging systems (MCS), delivering cutting-edge solutions for the future of electrified transportation.

01 Fast-charging market:

The DC charging market remains predominantly driven by charging point operators (CPOs).

Retailers are increasingly entering the DC public charging market as competitive CPOs.

High-power charging (HPC) and megawatt charging system (MCS) are primarily propelled by the electrification of trucks.

The rise of truck electrification is fostering the emergence of dedicated eTruck CPOs while encouraging traditional CPOs to diversify into the eTruck charging business.

HPC and MCS technologies are poised to unlock opportunities in emerging sectors, including ports, aviation, marine operations, mining and other off-highway applications.

02 Competitive landscape:

Kempower's charging solutions leverage advanced distributed architecture, ensuring scalability, flexibility and superior performance compared to standalone systems.

Kempower distributed charging systems outperform competitors by delivering higher energy output and driving superior revenue for customers.

Kempower's distributed charging systems are acclaimed for being the most capital and cost-efficient solutions available.

Kempower continues to prioritize software advancements through its robust and hardware agnostic ChargeEye cloud software platform.

ChargeEye is evolving into a powerful software platform, enriched with AI capabilities and tailored features for diverse EV management systems.

Strategy in brief

In 2023, Kempower unveiled its growth strategy, highlighting the fast-charging of electric trucks as a key application in the DC charging market. Our goal is to become one of the top five companies in the European and North American DC charging markets by 2030.

Growth strategy

We project that by 2030, the European and North American DC charging market will expand to approximately EUR 14 billion. Kempower has established a strong market presence in the Nordic countries and Europe. In 2024, we inaugurated our third factory in Lahti, Finland, to serve the European market with our robust software and services portfolio.

Our North American growth strategy is progressing as planned. Production at our North Carolina facility began in December 2023, and throughout 2024 we have continued to enhance our supply chain, production, and service capabilities to meet the increasing demand in North America. Additionally, Kempower is actively exploring new business opportunities globally.

Kempower is a dedicated and reliable charging solutions provider. Our full solution offering and the active development of our software and service business ensure our approach meets the diverse needs of our customers worldwide.

Kempower remains committed to developing DC charging solutions and services for electric private cars, commercial vehicles such as trucks and buses, and off-highway vehicles. We anticipate that among these applications, the demand for truck charging will grow rapidly, becoming the most significant DC charging application by 2030.

As a dedicated and reliable provider of charging solutions, Kempower ensures that our comprehensive offerings and continuous development of software and services meet the diverse needs of our global customers.

Focus on development

Kempower continues to develop DC charging solutions and services for electric private cars, commercial vehicles (trucks and buses), and off-highway vehicles.

Integrated solutions:
We aim to integrate our full solutions into customers' business processes, encompassing hardware, software, services, and energy management.

Global presence:
Kempower has a presence on every continent, with Europe and North America as our core markets, while also identifying growth opportunities worldwide.

Service offering:
Our service offerings are becoming a crucial part of our overall solution, enabling recurring revenue generation.

Talent development:
We are committed to finding and developing the right talent to support our rapid growth and business success.

Value creation

Inputs

Products and production:
- DC fast-charging solutions (Power Units, Power modules and the Satellites, Movables)
- Three production sites in Lahti, Finland, one in Durham, U.S.

Personnel:
- Around 786 professionals
- 41 nationalities

Suppliers:
- Over 200 suppliers across more than 20 countries

Finance:
- 223.7 MEUR total revenue

Governance:
- International Bill of Human Rights
- ILO´s Declarations on Fundamental Principles and Rights at Work
- UN Guiding principles
- OECD guidelines for Multinational Enterprises
- Paris agreement
- UN Sustainable Development Goals (SDGs)
- Code of Conduct
- Supplier Code of Conduct

KEMPOWER

Powering Planet Cool

We enable quick and scalable EV charging solutions for everyone, everywhere.

We are committed to achieving 100% carbon neutrality by 2035.

United Nations Global Compact

Outputs in 2024

Environmental

- 1,084 MWh/day charging power to customers
- A new site in Lahti, Finland
- New site opened and production started in Durham, North Carolina, U.S.
- Charging solutions delivered to all continents and over 50 countries
- Kempower's ChargEye™ cloud system to ensure the best all-around user experience
- Scope 3 inventory initiated, SBTi target setting scheduled for 2025

Social

- Workplace safety: LTIF 3.8
- 87.5% employees completed Code of Conduct training
- 6,240 training hours for employees
- 52 summer jobs provided
- 34 audits performed to suppliers
- The Supplier Code of Conduct included in supplier contracts
- ESG survey sent to all upstream suppliers to collect sustainability data

Economic value and good governance

- 100% ISO certified operations: ISO 14001 Environmental / ISO 9001 Quality / ISO 45001 Occupational Health & Safety Management System certificates renewed and ISO 27001 certificate received
- ESG strategy update project started, set to finish by H1/2025
- Labor and Human Rights Policy published
- Double materiality assessment (DMA) updated
- Reporting in accordance with the EU Corporate Sustainability Reporting Directive (CSRD), European Sustainability Reporting Standards (ESRS), and EU Taxonomy
- EcoVadis Silver medal for sustainability work

Value created

Environmental

- Carbon footprint (cradle-to-grave) for single Power Unit 27.0 tCO_2eq and Satellite 0.9 tCO_2eq
- Recyclability rate of Kempower's Movable Chargers, Satellites and Power Units: >99%
- Zero landfill waste in Finland; 14.4 tons of landfill waste produced in the U.S. in 2024, aiming for zero
- Green electricity in Finland
- No hazardous chemicals or conflict minerals used in Kempower's products
- Joint research center established with LUT University; Kempower Electric Mobility Research Center (EMRC)

Social

- Kempower's DEIB strategy guarantees equal opportunities for all team members to excel and feel appreciated
- Ongoing human rights due diligence efforts directed at understanding and preventing current and potential adverse human rights impacts across the value chain
- A whistleblowing channel provided to allow stakeholders to raise concerns anonymously and confidentially, without risk of retaliation
- Accessible, safe and remotely controllable charging units for end-users
- Close collaboration with supply chain, ESG trainings for suppliers

Economic value and good governance

- Kempower activities are 100% Taxonomy aligned and eligible with EU Taxonomy Regulation criteria
- Transparent reporting aligned with CSRD to enable investors to base their decisions on verified sustainability data
- Ethical business practices and respect for labor and human rights in all operations
- Strong corporate culture and whistleblowing channels against anti-corruption and bribery

Key stakeholders

Value chain workers, suppliers, investors	Own workforce: Kempowerians	Customers (distributors, retail chains), suppliers and original equipment manufacturers (OEM), operators and partners, end-users, suppliers, investors, universities, research institutes

Outlook for 2025

In 2025, the company aims to return to a growth trajectory as the DC charging market is expected to start recovering in the second half of the year.

Kempower expects:

- 2025 revenue to grow between 10%–30% (revenue 2024: EUR 223.7 million).
- 2025 operative EBIT to improve significantly from year 2024. Q1 of 2025 operative EBIT will be negative (operative EBIT 2024: EUR -26.4 million).

The outlook is based on an estimate that the DC charging point installations continue to grow significantly in our key markets Europe and North America. This is based on a third-party market study conducted at the beginning of 2025.

Kempower expects that the excess inventories across the DC charging industry will impact the demand during the first half of 2025. The market environment and demand are expected to remain weak during the first half, but to recover during the second half of the year.

Based on the latest market survey, Kempower estimates DC charging installation CAGR to be approximately 30% by 2030. Kempower continues to invest selectively in its growth initiatives including growth in North America, growth in key countries in Europe and developing cutting-edge technology. These initiatives enable Kempower strategy execution but weigh on profitability in the short term.

Financial targets:

Growth: revenue of

750 MEUR

in the medium term (years 2026–2028)

Profitability: operative EBIT margin of 10% to 15% reached in the medium term (years 2026–2028) and operative EBIT margin of at least

15% in the long term

Dividends: No dividends in the short term

Kempower as an investment

Attractive market with huge growth potential

Kempower is at the forefront of the electric vehicle (EV) charging industry, a market experiencing exponential growth. Our strategic positioning and innovative solutions have enabled us to capitalize on this momentum, driving significant growth. Compound annual growth rate for revenue during 2019–2024 has been 269%.

Diversified customer base and blue chip customer credentials

Our diverse customer base covers multiple sectors, including automotive, public transportation, and industrial applications. We are proud to serve blue chip clients who trust our reliable and high-quality charging solutions, further strengthening our market reputation.

Well-positioned product offering with competitive features, compatibility with nearly all EVs

Kempower's product portfolio is designed to meet the evolving needs of the EV market. Our chargers are known for their competitive features, such as modularity, dynamic charging and user-friendly interfaces, and compatibility with nearly all EV models, ensuring broad market appeal.

Scalable and flexible business model with limited capital expenditure needs, and efficient production

Our business model is both scalable and flexible, allowing us to adapt to market demands with minimal capital expenditure. Our efficient production processes ensure we can meet increasing demand without compromising on quality or delivery times.

Technological knowhow and innovation heritage

With a strong foundation in technological expertise and a heritage of innovation, Kempower continues to lead the industry in developing cutting-edge charging solutions. Our commitment to R&D ensures we stay ahead of technological advancements and market trends.

Sustainability at the core of all operations

Sustainability is integral to Kempower's operations. We are dedicated to reducing our environmental impact through environmentally beneficial operating practices and by providing solutions that support the transition to a low-carbon economy.

Management with strong track record and committed, skilled, and engaged personnel

Our management team boasts a strong track record of leading global businesses in different phases including both growth and large companies, and guiding Kempower through various growth phases. Our dedicated and skilled personnel are committed to our mission, driving innovation and ensuring customer satisfaction.

Case: DP World, London, UK

Creating Europe's first ultra-high-power charging system for ports

In 2024, Kempower, DP World, and Kalmar partnered to deploy Europe's first 500A ultra-high-power charging system for electric straddle carriers at DP World London Gateway. This milestone project highlights a shared commitment to sustainable port operations.

Kempower's innovative charging system enables ultra-rapid charging, fully powering eight Kalmar electric straddle carriers in just 45 minutes. The system's modular design ensures redundancy and uptime, allowing three to four hours of continuous operation — perfectly aligned with driver break schedules. With minimal noise, vibration, and emissions, the solution significantly reduces environmental impacts and enhances the port's working environment.

The installation includes eight liquid-cooled Satellites, eight 500 kW Power Units, and the ChargEye charging management system. The first charging solution was commissioned in May 2024. Compact and efficient, Kempower's system integrates seamlessly into existing port infrastructure, supporting DP World's ambitious sustainability targets.

Andrew Bowen, UK Chief Operating Officer at DP World, said: "We are delighted to work with Kempower on this project, alongside our longstanding partner Kalmar, which builds on five years of work at London Gateway to successfully convert our hybrid straddle carrier fleet into a fully electric operation. This latest partnership to deliver green investment is a part of DP World's goal to use innovative technology to become a net-zero logistics organization by 2050 while providing our customers with the best possible end-to-end logistics solutions."

Electrifying the fleet also aligns with DP World's intermediate target of reducing its carbon footprint by 28% by 2030. The success of this pilot project opens the door for further collaboration and expansion of electric solutions in ports, paving the way for greener logistics worldwide.

The installation includes eight liquid-cooled Satellites, eight 500kW Power Units, and the ChargEye charging management system.

Sustainability

Going forward, our vision, based on our comprehensive sustainability work at Kempower, is to continue to enhance and expand electric mobility through our charging technology – the world's most desired EV charging solutions – while simultaneously powering us all towards a better, and greener future. Sustainability at Kempower is structured around three core focus areas: Climate impact, Responsible products, and The best workplace for the future professionals. We have defined and set clear goals for each area, with similar commitments to six critically important United Nations Sustainable Development Goals (SDGs), and we act accordingly to achieve ambitious year-on-year progress in each of these areas.

Transportation emissions are around

20%

of global emissions.*

The daily electricity charged through Kempower chargers reached 1,084 MWh in 2024, marking a

103% growth

from 2023 and showing Kempower's positive contribution on ongoing climate crisis.

European Sustainability Reporting Standards (ESRS) aligned Kempower 2024 Sustainability statement.

Performance highlights

Double materiality assessment (DMA) revised and updated in 2024.

EcoVadis Silver medal

(top 15% of companies reviewed)

*Source: International Energy Association. IEA and IPCC

Sustainability creating value to our customers

Strategic sustainability review from the CEO

At Kempower, sustainability creates incremental value to our customers, and delivering actions with a positive real-world impact is an integral and non-negotiable part of our global operations. Our sustainability work is structured around three focus areas: Climate impact, Responsible products, and The best workplace for the future professionals. We have defined and set clear goals for each area, and we act accordingly to achieve quantifiable year-on-year progress in each of them. To that end, of note in 2024, we started an ESG strategy review, and we remained strongly focused on reducing our own environmental footprint, enhancing our positive societal impact and creating value for our customers.

We aspire to be the sustainability leader in the DC charging sector and our company success is based on best practice, industry-leading standards, third-party verification and collaboration, and our alignment with ambitious global initiatives. To further increase transparency and highlight our sustainability progress, this 2024 Annual Report conforms to the stringent requirements of the new European Sustainability Reporting Standards (ESRS) and EU Taxonomy. Our future goal is clear: to achieve 100% carbon neutrality by 2035, among other important benchmarks. Furthermore, in line with our strategy, we will continue to push our sustainability initiatives to drive positive environmental and social impact in 2025 and beyond, including our commitment to achieving demanding, long-term, science-based climate targets.

Our future goal is clear: to achieve 100% carbon neutrality by 2035.

In 2024, the daily electricity charged through Kempower's chargers reached 1,090 MWh, a 103% increase compared to 2023. This represents our biggest climate impact, as every kilowatt-hour charged is a critical point of transition away from emissions caused by internal combustion engines and fossil-derived fuel that account for around 20 percent of global emissions. Additionally, as part of our sustainability work throughout the year, we increased the transparency of our products' GHG emissions through the implementation of a 'cradle-to-grave' methodology. The cradle-to-grave carbon footprint of a single Power Unit is 27.0 tCO_2eq and a Satellite is 0.9 tCO_2eq. From a climate impact perspective, in 2024, we began preparatory work to join the Science Based Targets initiative (SBTi) with the aim of receiving validation for our emission reduction targets in 2026. Our revenue-generating activities were also 100% EU Taxonomy-aligned. Finally, from a workplace perspective, our safety lost time injury frequency (LTIF) was 3.8 in 2024, with the firm ambition to ultimately reduce injury frequency to zero.

Sustainability at Kempower

At Kempower, sustainability is a fundamental cornerstone of our business. Our present and future mission is to design and manufacture fast-charging technology that delivers reliable and intuitive emissions-free mobility on the road towards a cleaner, safer and carbon neutral society. To that end, our positive handprint exceeds the footprint of our products.

As part of our ongoing sustainability work, our firm ambition is to improve our ESG performance and develop our reporting in alignment with the latest European Sustainability Reporting Standards (ESRS) to increase the transparency and accounting of our Group-wide impacts, risks and opportunities. Taking ESG seriously supports both our own, and our customers' sustainable growth.

Sustainability at Kempower is structured around three core focus areas: Climate impact, Responsible products, and The best workplace for the future professionals. We have defined and set clear goals for each area, with similar commitments to six critically important United Nations Sustainable Development Goals (SDGs), and we act accordingly to achieve ambitious year-on-year progress in each of these areas. For Climate impact, our targets are most strongly aligned with SDG 7: affordable and clean energy, and SDG 13; climate action. For our Responsible products, we closely align our operations with SDG 11; sustainable cities and communities, and SDG 12; responsible consumption and production. For our third focus area, The best workplace for the future professionals, we align our sustainability work with SDG 3; good health and well-being and SDG 4; quality education. In addition, Kempower is a member of the United Nations Global Compact (UNGC), the world's largest voluntary corporate sustainability initiative

Globally, emissions regulations are becoming ever more stringent, megatrends and consumer preferences are driving market growth, and electric vehicle stock is currently continuing its upward trajectory in Europe and North America, with more rapid growth in the APAC region. As a result, we have electrified our ambition by aligning our sustainability actions with national and international climate mitigation commitments, with the firm ambition of delivering a materially positive impact to the pressing challenges the world faces, including rising carbon emissions, scarce natural resources and accelerating climate change.

We have electrified our ambition by aligning our sustainability actions with national and international climate mitigation commitments.

The year 2024 was marked by notable achievements in our key sustainability focus areas. In our own operations, we utilized close to 100% renewable electricity in all our offices and used a greater proportion of green electricity and green heat throughout our factories and offices compared to 2023. To that end, in 2024, through concrete actions, we also moved closer to reaching our 100% fossil free electricity target in Finland by the end of 2025. In addition, further quantifiable progress was made towards our goal of being carbon neutral by 2035 by reducing our annual relative footprint compared to our baseline benchmark.

During the year, we expanded the charging power infrastructure delivered to our end customers, thus enabling increased transportation with low-emission electric vehicles and a lowering of the carbon burden in the private, commercial and off-highway vehicle sectors. Our target is that our responsible products will enable 100% electric transportation, sustainably. Our responsible products are also highly recyclable with our recyclability rate for our Power Unit and Satellite currently at 99.7%. In addition, with our sustainable growth and planned expansion to new market areas, in 2024, we revised and updated our supplier and service provider classifications with sustainability ratings based on a survey and planned our future actions accordingly. More than 50% of our first-tier suppliers are local and support Kempower's global ESG and carbon footprint reduction targets.

Our vision is to enable quick and scalable EV solutions for everyone, everywhere.

Throughout the year, there was solid progress made towards reaching our ambitious goal of becoming the best workplace for professionals in comparison to our industry peers. During 2024, we provided extensive mandatory and voluntary training for our managers and our diverse workforce of colleagues, arranged traineeships with students, focused on workplace safety, and secured a high level of work satisfaction. As part of our data gathering in this area, our annual Kempower Pulse Survey highlighted positive company-wide engagement and well-being scores of 75 and 81 respectively, indicating results that are above the industry average.

Furthermore, in 2024, we revised and updated our 2023 Kempower double materiality assessment (DMA), a process to help us more accurately identify and assess essential sustainability impacts, risks, and opportunities as required by the ESRS. We approached the DMA with the aim of ensuring transparency and clarity regarding stakeholder engagement, value chain considerations, impact assessments, and the scoring process. Of note, ESRS S1, which takes into account the risks and opportunities related to Kempower's own employees, and ESRS S2, which takes into account the risks and opportunities related to our supply chain, were particularly highlighted in the DMA as areas requiring more intense focus. More detailed information on our DMA results can be found in our new Sustainability statement as part of this ESRS-compliant Kempower 2024 Annual Report.

Going forward, our vision, based on our comprehensive sustainability work at Kempower, is to continue to enhance and expand electric mobility through our charging technology and at the same time, lead everyone towards a better and greener future. We enable quick and scalable EV charging solutions for everyone, everywhere.

For further detailed information on our sustainability work during 2024, please refer to the **Sustainability statement**, as part of the Kempower 2024 Annual Report.

Sustainability targets

Focus areas		Long-term targets	Short-term targets	2024
Climate impact	**Relative CO_2 emissions**	Carbon neutrality in own operations by 2035	Reduce relative carbon footprint annually (scope 1 and 2)	The target is on track. 3.4 tCO_2eq/MEUR (Kempower Group) 0.6 tCO_2eq/MEUR (Finland)
	Fossil free energy	Increase green electricity annually (FIN) Collaborate with local utility companies to increase green electricity (US)	100% fossil free electricity by 2025 (FIN) Continue to explore projects to increase energy efficiency (US)	70% share of fossil free electricity in total energy consumption Heating 0.5 tCO_2eq/MEUR Electricity 0.0 tCO_2eq/MEUR Data collection improved
	Non-avoidable emissions	Compensate unavoidable GHG emissions from business travel (flights)	Report and compensate flights GHG emissions annually through reliable partners	685.6 tCO_2eq
	Waste	Reduce landfill waste annually (FIN) Establish internal recycling process to separate and collect waste streams internally and identify appropriate vendors to collect recycled waste for proper disposal (US)	Reduce landfill waste to zero (FIN) Work with existing vendors to establish process for data collection for various waste streams and begin reporting (US)	0 t landfill waste in Finland Data collection improved and data collection started
Responsible products	**Enabling electric transportation**	Maximize the positive climate impact by increasing the charging power delivered to customers on a daily basis	Impact: 86% less emissions/100kmin a passenger car (fully electric compared to ICE)	1,084 MWh charging power to end customers on a daily basis
	Packaging	Reduce plastic packaging annually. Transfer to bioplastics and biodegradable wheneconomically viable	Various actions implemented to reduce the use of plastics annually	Due to new requirements affecting Kempower, a reassessment of the target has been initiated, and a new target will be established in the near future
	Circularity	99% recyclability rate for Kempower chargers	More studies planned for 2025	99.6% for Kempower Movable Charger 99.7% for Kempower Satellite 99.7% for Kempower Power Unit
	Local supply chain	Majority of the factories' Tier 1 Suppliers local and supporting Kempower's global ESG and carbon footprint reduction targets	Tier 1 Suppliers support Kempower factories' growth and comply with local sustainability legislation	Almost 100% of production in Finland, >50 % of first-tier suppliers local
	Remote access	No long-term target	Maintenance travel reductions by remote support	100% remote support and updates via Kempower ChargEye™
The best workplace	**Diversity**	Diversity and inclusion as part of the culture	Diversity in processes and decisions. DEIB KPI in personal pulse surve	41 nationalities 84
	Safety	Zero workplace accidents: Incident frequency reduction to zero	Decrease LTIF, increase proactive safety	LTIF 3.8 Proactive safety 391
	Engagement	Secure high work satisfaction	Maintaining high employee Net Promoter Score, above 50	21 eNPS
	Training	Employees have the knowledge and skills necessary to contribute effectively to enhancing sustainability work and related targets First aid skills training	Mandatory training for every employee on basic company sustainability topics in 2025, Code of Conduct training, first aid training valid with every employee, measured as % of participants	87.5% of Kempower's employees have conducted Code of Conduct training 57.5% of Kempower's employees have a First Aid certificate
	Collaboration for education	Cooperation with universities	Kempower offers trainee positions and first jobs for the graduates	52 summer jobs provided

Accounting principles: The numerical values are presented with an accuracy of one decimal. In 2024 Kempower improved data collection in Finland and more data was obtained from different premises.

Climate impact

At Kempower, our mission is to help deliver emission-free transportation, and a cleaner and quieter environment, globally. Our industry-leading range of fast-charging solutions for electric vehicles (EVs) contribute to the decarbonization of private and commercial vehicles, machines and ports, with the enhanced co-benefits of cleaner local air-quality, reduced noise pollution, and a safer and more productive society. Kempower's revenue, investments and operational expenditures are 100% aligned with the EU Taxonomy Regulation 2020/852.

From a climate impact perspective, on our own path towards zero emissions, and as a core facet of our sustainability work encompassing our entire operations and value chain, we have set a firm target to be 100% carbon neutral by 2035. To support this ambition, there are continuous concrete actions and projects ongoing across all our operations. Notable steps in 2024 included the further utilization of 100% renewable electricity in our offices in Europe, and we are targeting a full transition to the use of 100% fossil free electricity in Europe by 2025, and in the US >58% of our electricity supplier's electricity is produced with carbon free energy.

In the US our facilities are heated with natural gas. In Finland, our offices and production sites are heated primarily with local district heating. From 1 May 2024, we replaced natural gas with biogas in one of our production site. We also utilized green district heating and geothermal heating in our operations in Finland. We estimate that these measures will further decrease our Scope 2 emissions. In addition, more of our facilities in 2024 were added into our Scope 2 heating calculations. In 2024, the share of energy sources in heating was natural gas 56.8%, district heating 12.1% and green district heating 21.1%.

During the year, we further revised and updated our data gathering efforts across every facet of our operations. As part of this work, we have established a carbon footprint calculation methodology to follow-up emissions and to set targets, utilizing the Greenhouse Gas Protocol as a guide. We also continued to develop our reporting accuracy across the indirect Scope 3 emissions inventory and take enhanced steps to reduce identified environmental impacts throughout the entire value chain, from inbound logistics to the careful sorting and reduction of packaging waste.

In Finland, we reached our zero waste to landfill sites target in 2024, one year earlier than projected.

As part of our sustainability journey to 2035, we have now additionally committed to set science-based targets. In 2024, we undertook preparatory work to join the Science Based Targets initiative (SBTi), enabling us to set more ambitious and validated carbon emissions reductions targets for Kempower's near, medium and long-term timeframes. Our target is to apply to the SBTi in H1/2025 and receive validation in 2026.

Relative emissions were further reduced in 2024 compared to the previous reporting period but the trend in the absolute amount of waste and emissions increased by a marginal amount, partially due to our third factory continuing to undergo construction in Finland during the early part of the year, as well as our recently opened U.S. facility. Our three facilities in Finland are powered by electricity from the grid. The grid in Finland in 2024 (2023) was based on renewables 56% (48%), nuclear 39% (43%), and fossil fuels 4% (9%). The grid in the US in 2024 was based on renewables 5% (3%), nuclear 54% (55%), and fossil fuels 41% (42%).

In 2024, Kempower Group's emissions of heating was 479.6 tCO_2eq, our electricity was 287.9 tCO_2eq and our relative CO_2 emissions was 3.4 tCO_2eq / MEUR.

New circular economy actions and the improving of waste management processes with quantifiable, real-world impacts, were further developed throughout the year. As part of our efforts in this area, a working group together with our Sustainability Team, and Product Development Team, was set up to create and develop sustainability criteria for the design of our components. Furthermore, our waste management practices were further developed in Finland and the US. In Finland, this work included the reaching of our zero waste to landfill sites target in Finland in 2024, one year earlier than projected, and the providing of regular trainings for production employees in waste management methods and processes. In our US operations, in 2024, we established a recycling process to separate and collect the waste streams internally and began identifying the appropriate vendors to collect the recycled waste for proper disposal. In addition, we continued to increase the number of selected products undergoing refurbishment to prepare them for reuse, one example of our circular economy actions.

We took steps to reduce identified environmental impacts throughout the entire value chain.

In late 2024, Kempower renewed its Green Equity Designation from Nasdaq. The Green Equity Designation is a voluntary designation granted to companies listed on Nasdaq Nordic markets that have over 50% of their revenue derived from activities considered green. The renewal is a clear endorsement of our continued progress toward our sustainability goals and our efforts to reduce our carbon footprint and help mitigate the effects of accelerating climate change.

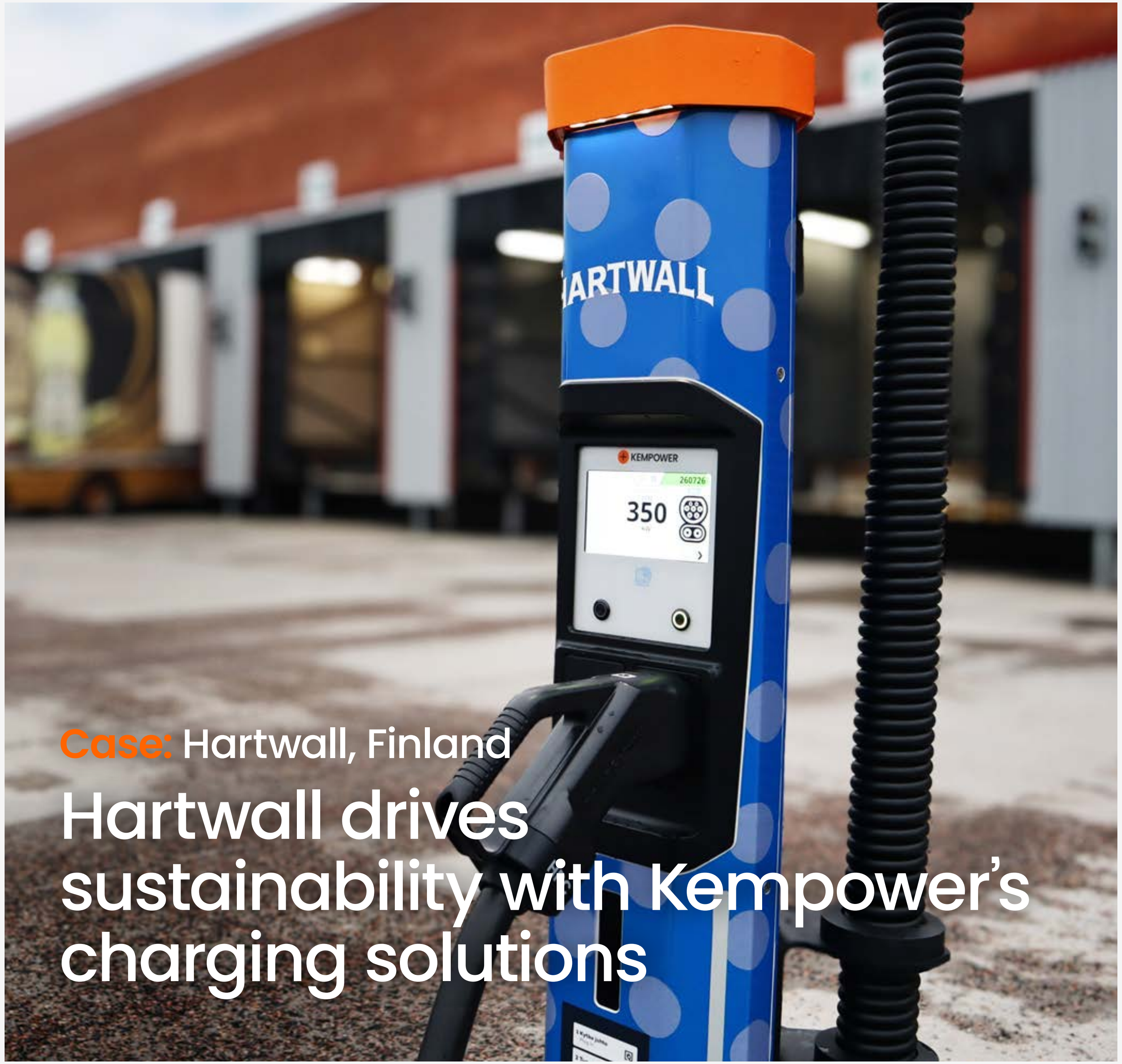
Kempower is a member of the United Nations Global Compact (UNGC), the world's largest voluntary corporate sustainability initiative. Joining the UNGC enables us to further align our present and future sustainability work with recognized universal principles on environmental actions for example, on the road to carbon neutrality in 2035. As part of our commitment, we have already demonstrated our alignment

with the principles through our sustainability targets. In addition, the company has announced plans to reduce its relative carbon footprint per EUR 1 million of sales annually.

In 2024, we improved our EcoVadis sustainability evaluation compared to 2023 and received a score of 69 and a Silver medal, placing us in the top 15% of companies assessed by EcoVadis. To be eligible for a medal, a company must score a minimum of 30 points in each of the four themes: environment, labor and human rights, ethics, and sustainable procurement.

Kempower has published an environmental policy statement. In 2024, our ISO 14001 Environmental certificate was renewed following an audit.

For further detailed information on our environmental work and climate action, please refer to the **ESRS E1–E5** Sustainability statement, as part of the Kempower 2024 Annual Report.



Case: Hartwall, Finland

Hartwall drives sustainability with Kempower's charging solutions

Hartwall, a leading Finnish beverage manufacturer, is making significant strides in sustainability by adopting electric trucks in its logistics operations. After a detailed evaluation, Hartwall chose Kempower's Satellite charging system for its brewery in Lahti, Finland.

"We considered many different DC fast-charging equipment manufacturers and ultimately chose Kempower's EV charging solutions. Kempower's technology allows us to precisely control the charging processes and ensure our electric truck fleet is always ready for use. The ability to use Virta's software for plug-and-pay functionality, where the truck is recognized and starts charging immediately upon connection, was a significant advantage. This seamless integration is vital for our operations, ensuring efficiency and reliability," said **Tomi Heinäaho**, Logistics Manager at Hartwall.

"The Kempower Satellite chargers' compact size is a significant benefit."

Hartwall's journey began in 2022 with electric trucks used for last-mile deliveries in the cities of Helsinki and Tampere. By 2024, Hartwall expanded operations, using electric trucks to transport goods between Lahti and Helsinki. Charging is conducted on-site in Lahti, with Kempower's Satellite chargers enabling full recharges within an hour, conveniently during loading times.

"So far, we have had only positive experiences, and everything has worked well," said **Atte Pääkkö**, Sourcing Manager at Hartwall. "The Kempower Satellite chargers' compact size is a significant benefit, allowing us to install them at our loading docks without any space issues."

Hartwall's e-mobility efforts are part of its broader strategy to reduce emissions and promote environmental responsibility. As part of the Royal Unibrew Group, Hartwall leads the way in adopting electric truck technology within the global organization.

Kempower's scalable and modular charging solutions are tailored for high-demand environments like Hartwall's logistics operations. Dynamic power sharing optimizes grid use, while the intuitive interface ensures ease of use for drivers. This collaboration exemplifies how shared goals and innovation can drive progress toward sustainability.

Responsible products

Kempower's high-quality, modular and scalable fast-charging solutions, along with our class-leading software, is designed by EV drivers for EV drivers, enabling excellent user experience for our customers around the world.

On the path towards our goal of reaching 100% carbon neutrality by 2035, and our work to accelerate e-mobility globally, we are focused on advancing the ongoing development of our supply chain. In 2023 and 2024, we engaged an increasing number of suppliers in climate action initiatives and sustainability-centric collaborations. One example of our progress was the ongoing initiative to reduce waste together with our suppliers.

As part of this ongoing work, we will continue to deepen our collaboration with our valued suppliers to further explore and enhance the use of recycled materials throughout the entire value chain. In addition, we are working hard to consistently develop and improve the open and transparent reporting of the GHG emissions of our products utilizing the cradle-to-grave methodology (please see the case study on the following page). We have also begun taking the first steps in 2024 to advance compliance and human rights due diligence throughout our supply network.

At Kempower, the social impacts of our global operations have been identified across the value chain, from supplier selection to service, modernization capabilities and circular economy thinking. Kempower's products (Movable, Satellite and Power Unit with power modules) consist of the following materials and components: metals, plastics, circuit boards and electronic components, and include an extremely high end-

End-of-life recyclability rates in Finland

99.6%
for the Kempower Movable Charger

99.7%
for the Kempower Satellite

99.7%
for the Kempower Power Unit

of-life recyclability rate, which currently stands at 99.6% for the Kempower Moveable Charger, 99.7% for the Kempower Satellite and 99.7% for the Kempower Power Unit in Finland. These results are due to excellent waste management and high recycling percentage rates. We have set up an ambitious target of 99% end of lifetime recyclability rate for all Kempower product groups.

The Kempower team has also recognized the importance of extending the work related to responsibly manufactured products from the company's own operations to contractors and suppliers. To further advance our progress in this area, in 2024, our supply chain management, circular economy actions, product safety, product quality and scalability was in particular focus. With the help of the products we manufacture, we are able to reduce CO_2 emissions and simultaneously enhance the positive impact on the climate of cities, through the reduction of fossil fuel-derived particles.

From a software and satellite perspective, our service operations fully benefit from remote service technologies, enabling rapid utilization for the end-user, while reducing maintenance visit emissions as well as the increased risks to the operators. As a result, our service team can diagnose a problem almost immediately and, using our stores of data, quickly offer a remote solution. Kempower ChargEye™, a comprehensive and easy-to-use cloud-based charging management system optimizes energy costs and manages the vehicles' battery health, among other benefits.

As part of our efforts to further develop our responsible products, we have made a firm commitment to reduce our plastic packaging by 50% by 2025 compared to our 2021 baseline and transferring to bio and bio-degradable plastics when economically viable.

In 2023, Kempower and LUT/LAB founded the EMRC (Electric Mobility Research Center) based in Lahti, Finland. The aim of the research center is to offer a broad view of LUT/LAB research and enable new openings and innovations around e-mobility. In 2024, the center further ramped up its operations. EMRC's mission is to act as a social influencer and an enabler of electric transport. In order to achieve this goal, the recruitment of the first strategic research enablers began during spring 2024. The first graduate students funded by EMRC also began their work in early 2024 under the professorship of Electric Transport in Lahti.

In 2024, our ISO 9001 Quality certificate was renewed following an audit.

For further detailed information on our 2024 work related to our responsible products, please refer to the **ESRS E5** Sustainability statement, as part of the Kempower 2024 Annual Report.

Case: Reducing the environmental impact of Kempower's products

A life cycle assessment (LCA) is a standardized (ISO 14040 and 14044) method to ascertain the environmental impacts of a company's actions, such as its products and processes. At Kempower, LCAs coupled with transparent reporting, are essential tools to meet the expectations of environmentally aware stakeholders, to enhance Kempower's resource and operational efficiency, to identify opportunities to improve the environmental performance of products' life cycles, and to further prioritize actions towards a more sustainable future and the creation of industry-leading low-carbon products. Specifically targeting climate change impact, Kempower has to date detailed the carbon footprints of its main products, the Kempower Satellite (922 kg CO_2eq), and the Kempower Power Unit (27,047 kg CO_2eq).

Case: TPER Bus depot, Bologna, Italy

Italy's first electric bus depot with Kempower charging solutions opened in Bologna

In 2024, the Italian municipality of Bologna celebrated a sustainability milestone with the opening of Italy's first electric bus depot equipped with Kempower charging solutions. Operated by TPER (Transporto Passeggeri Emilia-Romagna), the facility is located in Via Ferrarese and serves 20 electric buses with five single-output Kempower Satellites and 20 Kempower Pantographs.

This depot marked a pivotal step in Bologna's journey toward net-zero public transport by 2030, aligning with its inclusion in Horizon Europe's mission to achieve climate neutrality two decades ahead of the EU's target. As one of Europe's largest bus depots, housing 500 vehicles, it demonstrates the city's leadership in sustainable mobility.

"At TPER, our motto is that 'a bus serves as a bus,' meaning all vehicles, including e-buses, must operate efficiently on their routes," said **Mr. Monzali**, Technical Director for Infrastructure at TPER. "I was looking for an utterly reliable charging solution to prevent any e-bus from stopping due to lack of power. The modular Kempower power unit and dynamic power management allow charging to continue even if a fault occurs. Failing modules can be remotely isolated for servicing, ensuring uninterrupted operation."

Kempower's scalable system ensures that the depot can grow with TPER's expanding electric fleet. The Pantographs deliver up to 300 kW, while the Satellites offer auxiliary charging at up to 130 kW, enabling simultaneous charging of 20 buses.

The transition to sustainable public transport not only reduces CO_2 emissions but also contributes to cleaner air, safer transport, and less congestion for Bologna's citizens. As the city leads Italy in net-zero mobility, this depot exemplifies how urban centers can drive meaningful climate action.

Sustainable public transport reduces CO_2 emissions, contributes to cleaner air, safer transport and less congestion for Bologna's citizens.

Case: Sainsbury's Smart Charge, UK

Sainsbury's launched Smart Charge to build confidence in public EV charging

In 2024, Sainsbury's transformed public EV charging in the UK with the launch of Smart Charge, the first ultra-rapid EV charging business fully owned and operated by a UK supermarket. Backed by Kempower's cutting-edge charging technology, Smart Charge delivers over 750 ultra-rapid charging bays across 100+ locations, making Sainsbury's one of the UK's top five EV charging providers.

Smart Charge addresses key challenges faced by EV drivers, such as range anxiety and unreliable public chargers. Research commissioned by Sainsbury's found that 80% of EV users avoid long journeys, with broken chargers (40%), lack of availability (36%), and slow service (33%) cited as the biggest deterrents. Designed to eliminate these frustrations, the 150kW Kempower chargers enable EVs to recharge quickly. The chargers are also scalable to 300kW, ensuring compatibility with EV drivers' future needs.

Smart Charge stations are designed with convenience in mind. Drivers can shop for groceries or grab a coffee while their vehicles charge, addressing the concern that charging often leaves drivers with "nothing to do."

By launching Smart Charge, Sainsbury's is helping accelerate the UK's transition to a low-carbon economy.

Patrick Dunne, Sainsbury's Director of Property, Procurement & EV Ventures, emphasized the impact: "With our network of easy-to-use and reliable charging points conveniently located in our supermarkets, Smart Charge will make a real difference to EV drivers in the UK. As one of the few providers to be focusing exclusively on cutting-edge ultra-rapid 150kW+ chargers customers can be in and out in as little as half an hour and avoid waiting longer with less powerful alternatives. What's more, they can even grab a coffee or pick up some groceries while they're there."

The positive reception to Smart Charge was later in 2024 recognized in a Zapmap survey, where Sainsbury's was named the 'Up-and-Coming Network' winner. By launching Smart Charge, Sainsbury's is helping accelerate the UK's transition to a low-carbon economy. The initiative aligns with the retailer's net-zero goals for operations by 2035, demonstrating its leadership in sustainability and innovation.

Case: ChargeZone, India

ChargeZone expands EV fast-charging network across India with Kempower technology

ChargeZone, India's fastest growing EV charging network, has partnered with Kempower and WBG Charging Sol Pvt. Ltd. to strengthen the country's e-mobility infrastructure. The collaboration recently launched its first charging hub in Gujarat at Shreenath Food Hub, located on the highway between Ahmedabad and Mumbai. The site features the Kempower Satellite charging system, offering a total capacity of 400kW. With the dynamic power distribution, the hub serves both passenger cars and electric trucks, making it one of the first such hubs in India.

ChargeZone aims to expand this network with 15 more fast-charging sites, creating a reliable charging infrastructure for intercity and interstate travel. Kempower's advanced technology, including CCS2 connectors and ChargEye, a cloud-based charging management system, ensures high efficiency and minimal waiting times for EV drivers in India.

Kartikey Hariyani, Founder & CEO of ChargeZone, stated: "Integrating Kempower's cutting-edge chargers into our supercharging network is a significant leap forward for India's EV ecosystem. With Kempower's advanced technology and WBG's engineering expertise, we're elevating the charging experience for EV drivers and supporting the shift to high-capacity chargers. This collaboration underscores our commitment to building a seamless, reliable charging infrastructure for intercity and interstate travel."

Alfredo Couturier, Managing Director of WBG, added: "ChargeZone's commitment to reliable, customer-centric charging services perfectly aligns with our values, making them an ideal customer and partner. Together, we aim to address the challenges of India's vast market by delivering robust charging infrastructure that removes availability anxiety. Kempower's state-of-the-art technology, combined with our system integration capabilities, ensures the reliability and efficiency needed to support commercial fleets and heavy-duty transportation, contributing to the decarbonization of the transport sector."

"Integrating Kempower's cutting-edge chargers into our supercharging network is a significant leap forward for India's EV ecosystem".

The best workplace for the future professionals

Kempower's mission is to become the best workplace for the future professionals. We are a leading company in the electric vehicle charging infrastructure sector, and to successfully fulfill our future strategic ambitions, we need to attract and retain talented individuals.

At Kempower, we aim to promote a diverse and safe working environment and foster a family-friendly working culture. In Finland, we offer healthcare that comprehensively supports both physical and mental health. We also provide a broad range of sports and cultural leisure activities.

In 2024, our sustainability team was enlarged, with two ESG specialists added to the team: with one specialist responsible for circular economy actions, and one specialist to improve our Group-wide data collection practices.

Our continued focus during 2024 was on research, development and innovation (RDI), education, employee engagement, safety, diversity, inclusion and competence development. Our employee engagement is measured through regular work satisfaction scores and the eNPS metric (employee Net Promoter Score). In 2024, we recorded an eNPS score of 21, a decline compared to our score of 69 in 2023. In addition, a dedicated team comprising around 786 professionals across more than 41 nationalities highlights our firm commitment to diversity, equality, inclusion and belonging (DEIB).

At Kempower, we believe that people should be treated fairly and equitably in their work environment and be able to achieve sustained progress in their careers regardless of their personal background. As part of this work, a new position at Kempower, the Head of Talent and Culture Development commenced their role in October. In addition, during the year, we initiated the development of a career framework model plan, a new skills lab, and a Culture 2.0 project. We will continue to further advance these topics in 2025. In 2024, continued focus was given to enhancing the 3-day onboarding process, known as 'Kempower Starter Bootcamp', for our new employees, whilst also continuing our practice of providing traineeships to students in local universities. In 2024 (2023), 52 (99) students were provided traineeship position.

786 professionals across more than 41 nationalities highlights our commitment to DEIB.

In 2024, as a result of global macroeconomic headwinds that impacted the EV sector, we were required to go through a restructuring process. A part of this restructuring involved initiating change negotiations impacting a number of personnel. The change negotiations were conducted in compliance with legislation and with the highest levels of consideration for individuals. This included offering broader-than-usual transition security packages as well as career and job search coaching programs.

Notable new actions undertaken in 2024 included the beginning of our work on our Human Rights Due Diligence, a risk management process designed in order to identify, prevent, mitigate and account for how Kempower addresses its adverse human rights impacts. It includes four key steps: assessing actual and potential human rights impacts; integrating and acting on the findings; tracking responses; and communicating about how impacts are addressed. As part of this work, we furthered our commitment to maintaining ethical business practices and protecting human rights by publishing the Kempower Modern Slavery and Human Trafficking Statement, a document that outlines the evaluations and measures undertaken to prevent modern slavery within Kempower worldwide for each financial year. In addition, we also published a Labor and Human Rights Policy for the first time in 2024.

The entire company took part in Kempower's Health and Safety Week.

As part of our ongoing efforts related to advancing our supply chain, in 2024, ESG criteria were included in audit procedures and ESG training for suppliers was initiated to provide suppliers with an enhanced awareness and knowledge of new Corporate Sustainability Reporting Directive (CSRD) practices. In 2024, our ISO 45001 Occupational Health & Safety Management System certificate was renewed following an audit.

Year-on year, we are determined to take an evermore proactive approach to safety, and with new hires joining the company in 2024, there was a continued focus on engagement and improvement actions to help us achieve our long-term target of zero accidents in the workplace. Regarding emergency first aid training, a 4-hour course, all employees are offered the opportunity to participate in the training. Some job descriptions require mandatory first aid training in the electrical sector. In March, the entire company also took part in Kempower's Health and Safety Week, an opportunity for the company to showcase its health and well-being benefits.

We are committed to reducing workplace injuries and maintaining the Total Recordable Injuries (TRI) rate at zero. In 2024, we recorded a TRI rate of 8 (5), a small increase compared to 2023. Our Lost Time Incidence Frequency was 3.84 (4.61). We calculate the safety-related metrics based on 1,000,000 hours worked.

During the year, we made continued progress in advancing R&D and education more generally. The inauguration of our Electric Mobility Research Center (EMRC) in November 2023, and the further ramping up of Kempower Academy, an online portal of insightful webinars from our experts for our global customers and partners, were well utilized throughout 2024. In addition, we enhanced the digital learning offering in our e-learning platform Kempower College, providing our employees with a wide range of possibilities to build their expertise further.

Knowledge, education, training and innovation drive the success of Kempower.

Code of Conduct (CoC) training was introduced for all employees at the end of 2021. In 2022, the CoC was integrated into the onboarding process and the content was updated. In 2024, 87.5% (81) of our employees undertook the e-learning course in CoC training. A comprehensive Supplier Code of Conduct (SCoC), developed and implemented in late 2023, was also the subject of an e-learning course for required parties in 2024. In addition, further training included courses on Insiders guidelines, Cybersecurity Awareness, Competition Law training, Information Security Management System (ISMS) training, Whistleblowing training and Occupational Safety training. A new course, Sustainability training, began in January 2025. In 2024, employees completed a total of 6,240 (7,826) training hours.

Knowledge, education, training and innovation are the critical elements that help drive both the present and the future success of Kempower. Kempowerians are our most valuable resource and remain firmly front and center in our operations, globally. To that end, our workplace actions are designed to comprehensively futureproof our company, retain and nurture the finest caliber of professionals in the charging infrastructure sector, and set new benchmarks in product development for the benefit of all our global partners, customers and end-users.

For further detailed information on our 2024 work related to our topic, The best workplace for the future professionals, please refer to the **ESRS S1, S2 & S4** Sustainability statement, as part of the Kempower 2024 Annual Report.

Kempower's commitment to the UN Sustainable Development Goals (SDGs)

Sustainability is placed at the core of Kempower's mission. The United Nations' Sustainable Development Goals (SDGs) have been integrated into the company's operations through three key pillars: achieving 100% carbon neutrality, creating responsible products, and fostering an exceptional workplace for future professionals. Through this, Kempower shows its commitment to 10 universally accepted human rights, labor, environment and anti-corruption principles, about which we report to the UN annually.

The first pillar focuses on carbon neutrality. Efforts are being made to minimize Kempower's carbon footprint by using 100% fossil-free electricity in all locations by 2025. A carbon footprint calculator based on the GHG Protocol has been established to measure progress. This aligns with SDG 7 (affordable and clean energy) and SDG 13 (climate action).

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

The second pillar emphasizes responsible products that enable a society powered by 100% electric transportation. DC fast-charging solutions for EVs are being developed to significantly reduce carbon emissions in urban areas, contributing to SDG 11 (sustainable cities and communities). The transformative power of Kempower's products is believed to create a cleaner, more sustainable world.

11 SUSTAINABLE CITIES AND COMMUNITIES

Lastly, efforts are being made to create the best workplace for future professionals. A culture of innovation, responsibility, and continuous learning is being fostered to attract and retain top talent. This commitment supports SDG 8 (decent work and economic growth) and SDG 9 (industry, innovation, and infrastructure).

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

In 2023, Kempower joined the UN Global Compact initiative, reinforcing the company's dedication to responsible business practices. The commitment to driving positive change through sustainability efforts remains strong.

02 Governance

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Governance

Corporate governance statement

1. Introduction

Kempower Corporation (the "Company" or "Kempower") is a Finnish public limited liability company. Kempower's corporate governance is based on, and complies with, the laws of Finland and the Company's Articles of Association. Kempower complies with the rules, regulations and guidelines of Nasdaq Helsinki Ltd and Finnish Supervisory Authority as well as Finnish Corporate Governance Code 2025. This Corporate Governance Statement has been prepared on the basis of the Finnish Corporate Governance Code 2025 and applicable legislation and regulations.

Kempower complies with all recommendations of the Finnish Corporate Governance Code 2025 (the "Corporate Governance Code"). The Corporate Governance Code is available on the Securities Market Association's website at www.cgfinland.fi.

This report describes the key principles of Kempower'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 2024. 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, the auditing firm Ernst & Young Oy, has verified that the report has been issued and that the main features of the internal control and risk management system related to the company's financial reporting process as described herein are consistent with the description included in the Company's financial statements.

2. Kempower's administrative and governing bodies

Kempower's supervisory and 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 in 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 three committees, the Audit Committee, the Nomination and Remuneration Committee and the Technology Committee. The Global Leadership Team assists the CEO in the operative management of the Company and in coordinating its operations. Further information on the administration is available on Kempower's website at www.kempower.com.

3. General Meeting of the Shareholders

The Annual General Meeting is Kempower's highest decision-making body, in which the shareholders can participate and exercise the right to speak, ask questions and vote. The Annual General Meeting is held annually by the end of June on a date determined by the Board. It decides on matters stipulated in the Finnish Limited Liability Companies Act and the Articles of Association. If the Board of Directors deems it necessary or if it is requested in writing by a Company auditor or shareholders holding a minimum of 10 percent of the Company's shares, an Extraordinary General Meeting is convened for the purpose of discussing a specific issue.

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 and the Chair of the Board;
- election of the auditor
- discharging the members of the Board of Directors and the CEO from liability;
- share issues or authorizing the Board of Directors to decide on share issues; and
- the increase or decrease of share capital.

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 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.

The agenda of the Annual General Meeting, proposed resolutions and meeting documents are available at 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 no later than on the date specified in the notice, which may not be earlier than ten days before the date.

Annual General Meeting 2024

The Annual General Meeting 2024 was held on March 27, 2024.

Extraordinary General Meeting 2024

The Extraordinary General Meeting 2024 was held on July 8, 2024.

4. Board of Directors

The Board of Directors is responsible for the administration and the proper organization of Kempower's 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 relevant legislation or the Articles of Association, do not belong to the Annual General Meeting or the CEO.

According to the Articles of Association, the Company's Board of Directors may consist of a minimum of four and a maximum of eight members. The Annual General Meeting elects all Board members. The Nomination and Remuneration Committee prepares the appointments of the members of the Board of Directors for the Annual General Meeting.

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 Chair and the Vice Chair 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 organization of operations, and for ensuring that the Company's accounting and financial management are properly supervised.

The Board of Directors supervises matters that are far-reaching and fundamentally important for the operations of the Company. The Board of Directors 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 all of its shareholders.

Kempower's Board of Directors has approved a written charter which covers the Board's duties, meeting procedures and decision-making procedures.

According to the Board of Directors' Charter, the Board duties include, inter alia:

- ensuring that the Company's accounting and financial management are properly supervised
- appointing and dismissing the CEO and deciding on the terms of his/her service contract and the amount of his/her annual remuneration
- approving and confirming the Company's strategic objectives and risk management principles;
- ensuring the functioning and control of the management system;
- ensuring that the Company has the values to be complied with in the Company's operations;
- promoting the interests of the Company and all of its shareholders;
- taking care of the development of shareholder value;
- adopting an annual plan / rules of procedure;
- preparing proposals for the Annual General Meeting and convening the Annual General Meetings;
- preparing and approving management reports, financial statements and interim reports;
- making a proposal to the Annual General Meeting on dividend distribution, amount of dividend and the time of payment;
- confirming the Company's objectives and strategy and approving the business plan presented by the CEO;
- adopting annual budgets and action plans;
- monitoring and guiding the implementation of the Company's business strategy;
- approving a business and performance plan based on the business plan;
- monitoring the Company's earnings development and the achievement objectives set;
- directing and supervising the CEO;
- confirming the composition of the management team on the proposal of the CEO;
- monitoring, directing and controlling the operational management of the business;
- authorizing 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;
- monitoring funding options and the implementation of funding decisions;
- separately approving drawdowns of loans within the agreed financing terms;
- adopting key policies, such as remuneration and financial policies;
- making major business decisions, such as acquisitions, significant contracts, investments and financing arrangements;
- deciding on the company structure;
- approving the organizational structure and deciding on its application;
- approving the annual internal audit program and reviewing the internal audit reports;
- cooperating with the external auditor as necessary and monitoring the implementation of the audit program
- considering the reports submitted by the auditor to the Board;
- dealing with other matters raised by the Chair of the Board, a member of the Board and the CEO; and
- deciding on other matters pertaining to the Board in accordance with the law.

Once a year, the Board evaluates its own operations and working methods with an internal self-evaluation.

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 Chair has the casting vote. The CEO and CFO regularly attend the Board's meetings. The Company's General Counsel acts as the Secretary of the Board of Directors.

Board of Directors year 2024

Prior to the Annual General Meeting held on March 27, 2024, the Board had the following eight members: Chair of the Board Antti Kemppi, Vice Chair of the Board Teresa Kemppi-Vasama, Olli Laurén, Tero Era, Kimmo Kemppi, Vesa Laisi, Eriikka Söderström and Tuula Rytilä.

At the 2024 Annual General Meeting Antti Kemppi, Teresa Kemppi-Vasama, Vesa Laisi, Olli Laurén, Eriikka Söderström and Tuula Rytilä were re-elected as Board members. Based on the proposal of the Nomination and Remuneration Committee the composition of the Board of Directors was decided as a whole. Vesa Laisi was elected as the Chair of the Board of Directors, and Antti Kemppi as the Vice Chair of the Board of Directors.

At the Extraordinary General Meeting held on July 8, 2024 the number of members of the Board of Directors was resolved to be seven, and Barbara Thierart-Perrin was elected as a new Board member.

Board of Directors as per 31 December 2024

In addition to the Chair of the Board the company's Board of Directors comprised of six members as of December 31, 2024:

Chair of the Board

Vesa Laisi

Master of Science in Technology and Master of Science (Economics and Business Administration)
b. 1957
Finnish citizen, man
Member of the Board since 2021.
Independent of the Company and the Company's major shareholder.
Main position: Board professional
Ownership: 31,097 shares.

Board Member and Vice Chair of the Board

Antti Kemppi

Master of Science (Economics and Business Administration)
b. 1978
Finnish citizen, man
Member of the Board since 2018, Chair of the Board 2018-2024.
Independent of the Company, not independent of the Company's major shareholder.
Main position: Board professional
Ownership: 17,501 shares.
Indirect ownership on December 31, 2024: Minority 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.

Board Member

Teresa Kemppi-Vasama

Master of Social Sciences and MBA
b. 1970
Finnish citizen, woman
Member of the Board since 2018.
Independent of the Company, not independent of the Company's major shareholder.
Main position: Executive Chair of the Board, Kemppi Oy
Ownership: 17,501 shares.
Indirect ownership on December 31, 2024: Majority owner of Bellator Oy and Montia Oy. Bellator Oy owns 24,390 shares and Montia Oy 24,390 shares.

Board Member

Eriikka Söderström

Master of Science (Economics and Business Administration)
b. 1968
Finnish citizen, woman
Member of the Board since 2021.
Independent of the Company and the Company's major shareholder.
Main position: Board professional
Ownership: 29,181 shares.

Board Member
Olli Laurén

MBA - INSEAD
b. 1959
Finnish and American citizen, man
Member of the Board since 2023.
Independent of the Company and the Company's major shareholder.
Main position: Senior Advisor, Egon Zehnder
Ownership: 2,050 shares.

Board Member
Tuula Rytilä

Master of Science (Economics)
b. 1967
Finnish citizen, woman
Member of the Board since 2023.
Independent of the Company and the Company's major shareholder.
Main position: Board professional
Ownership: 1,150 shares.

Board Member
Barbara Thierart-Perrin

Master of Engineering
b. 1977
French citizen, woman
Member of the Board since 2024.
Independent of the Company and the Company's major shareholder.
Main position: Innovation & Development Director, Veolia
Ownership: 0 shares.

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

In 2024, the Board held a total of 20 meetings, six of which were e-mail meetings and six online meetings.

The Board assessed its own activities and work practices in December 2024.

The average attendance rate at Board meetings was 100 percent.

Board Member	Presence	Attendance rate
Antti Kemppi	20/20	100 %
Tero Era	6/6	100 %
Kimmo Kemppi	6/6	100 %
Teresa Kemppi-Vasama	20/20	100 %
Vesa Laisi	20/20	100 %
Eriikka Söderström	20/20	100 %
Olli Laurén	20/20	100%
Tuula Rytilä	20/20	100%
Barbara Thierart-Perrin	9/9	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 2024, the members of the Board of Directors Antti Kemppi, Teresa Kemppi-Vasama, Eriikka Söderström, Vesa Laisi, Olli Laurén and Tuula Rytilä were considered independent of the Company. Barbara Thierart-Perrin, the new Board member elected at Kempower's Extraordinary General Meeting, has been considered to be 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 and Teresa Kemppi-Vasama due to their holdings in the significant shareholder.

Diversity of the Board of Directors

The proposal for the composition of the board is prepared by the company's nomination and remuneration committee, which is established and whose members are selected by the board.

The composition of the Board of Directors takes into account the requirements set by the Company's operations, development phase and diversity principles. The person elected to the Board of Directors must have the qualifications required for the position and be able to devote sufficient time to 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's nomination and remuneration committee has taken into account the diversity principles in the selection of Board members to ensure broad representation of expertise from different industries, educational backgrounds, international experience, and age distribution, and that both genders are equally represented on the board. In 2024, the percentage of the underrepresented gender in Kempower's board was 42.9%

5. 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 Chair of the committees in such a way that the diversity of the committee's composition as well as the knowledge and experience of the members enables versatile handling of issues.. Committees must have at least three members with the expertise required for the duties. The committees 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 the Audit Committee. 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:

- monitoring and evaluating the financial reporting system;
- monitoring and evaluating the effectiveness of internal control and audit and risk management systems;
- monitoring and evaluating 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;
- monitoring and evaluating the independence of auditors, and in particular the provision of non-audit services;
- monitoring the Company's audit;
- preparing the election of the Company's auditor;
- approving the annual internal audit plan; and
- reviewing internal audit reports and monitoring 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 identify and monitor specific issues identified by the Board and appropriate to the activities of the Audit Committee.

Audit committee in 2024

In 2024 until the Annual General Meeting held on March 27 2024, the Audit Committee consisted of Chair Eriikka Söderström, Antti Kemppi, Teresa Kemppi-

Vasama and Tero Era. In the Constitutive Board Meeting Eriikka Söderström and Antti Kemppi, were re-elected and Vesa Laisi and Olli Laurén were elected as new members of the Audit Committee. All members are independent of the Company. All members are independent of the significant shareholders except for Antti Kemppi.

In 2024, the Audit Committee convened 5 times. The attendance percentage was 100%.

Nomination and Remuneration Committee

The tasks of the Nomination and Remuneration Committee are 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 Leadership Team. The committee promotes and develops 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;
- preparing 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 the Board of Directors;
- preparation of matters related to the hiring, remuneration and other financial benefits of the CEO and the members of the Leadership 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.

Nomination and Remuneration Committee in 2024

In 2024 until the Annual General Meeting held on March 27 2024, the Nomination and Remuneration Committee consisted of Vesa Laisi, Antti Kemppi, Kimmo Kemppi, Teresa Kemppi-Vasama, Tuula Rytilä and Olli Laurén. In the Constitutive Board Meeting Vesa Laisi, Olli Laurén, Teresa Kemppi-Vasama and Tuula Rytilä were re-elected as members of the Renumeration and Nomination Committee. All members are independent of significant shareholders except for Antti Kemppi and Teresa Kemppi-Vasama.

In 2024 the Nomination and Remuneration Committee convened 4 times. The attendance percentage was 100%.

Technology Committee

In March 2024 the Board resolved to establish a Technology Committee.

The Committee follows, and keeps up to date the Board, on technology trends influencing Kempower and the industry and oversees the execution of the Company's innovation and technology strategies.

The tasks and responsibilities of the Technology Committee are defined in its charter and include e.g. the oversight of Company's material investments in technology.

Technology Committee in 2024

The members of the Technology Committee were Chair Vesa Laisi, Antti Kemppi and Tuula Rytilä.

All members are independent of significant shareholders except for Antti Kemppi.

In 2024 the Technology Committee convened 4 times. The attendance percentage was 100%.

6. CEO and the Leadership Team

The CEO is responsible for the day-to-day management of the Company in accordance with the instructions and regulations issued by the Company's Board of Directors. CEO informs the Board of the development of Kempower's business and financial situation. The Board monitors CEO's activities.

A written CEO agreement is approved by the Board. 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 remuneration policy.

The CEO attends the Board meetings, but is not a member of the Board of Directors. The CEO also participates in the work of the Board's Committees. The parent Company's CEO, furthermore, acts as the Group's Chief Executive Officer and President.

Tomi Ristimäki has been the Company's CEO since February 2019. The CEO proposes the appointment of the Leadership Team members, and the Board of Directors approves the appointment, as well as approves the remuneration for the members of the Leadership Team.

The Company's Leadership Teams is chaired by the CEO. The Leadership Team meets at least once a month to assist the CEO in developing and implementing the strategy, managing operational business, as well as preparing matters handled by the Board.

Kempower's Leadership Team operated in the following composition at the end of 2024:

Tomi Ristimäki
CEO
Member of the Leadership Team since 2019
b. 1975, Master of Science in Electrical Engineering
Finnish citizen, man
Holding on December 31, 2024: 26,145 shares

Jukka Kainulainen
Chief Financial Officer
Member of the Leadership Team since 2021
b. 1982, Master of Science (Economics and Business Administration)
Finnish citizen, man
Holding on December 31, 2024: 19,669 shares

Mathias Wiklund
Chief Sales Officer
Member of the Leadership Team since 2024
b. 1971, Master of Science in Mechanical Engineering, eMBA
Swedish citizen, man
Holding on December 31, 2024: 0 shares

Sanna Otava
Chief Operating Officer
Member of the Leadership Team since 2019
b.1975, Master of Science in Energy Engineering
Finnish citizen, woman
Holding on December 31, 2024: 9,673 shares

Jussi Vanhanen
Chief Markets Officer
Member of the Leadership Team since 2021
b. 1972, Master of Science in Electrical Engineering
Finnish citizen, man
Holding on December 31, 2024: 2,596 shares

Hanne Peltola
Vice President, People and Culture
Member of the Leadership Team since 2023
b. 1971, Executive Master of Business Administration (eMBA), Master of Social Sciences
Finnish citizen, woman
Holding on December 31, 2024: 686 shares

Changes in Leadership Team during 2024

Tim Joyce was the President of North America operations and member of the Leadership Team until March 5, 2024.

Tommi Liuska was the Chief Sales Officer and Leadership Team member until September 1, 2024.

Mathias Wiklund joined the Company's Leadership Team in the role of Chief Sales Officer November 1, 2024.

Juha-Pekka Suomela was the Chief Service Business Officer and Leadership Team member until December 31, 2024.

Changes in Leadership Team during 2025

Monil Malhotra joined the Company's Leadership Team in the role of President, North America February 3, 2025.

7. Risk management, audit, internal control and internal audit

Overview of risk management

Through risk management, Kempower 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. Risk management is part of the Company's strategic and operational planning.

The Company proactively and systematically identifies, analyzes, evaluates and manages the risks and assesses their significance. Risk is an event or circumstance that, may be either a threat or an opportunity, which may hinder, prevent or facilitate the achievement of Kempower's strategy or business objectives or due to which such opportunities may not be utilized. Risks are divided into the following main categories: strategic, operational, compliance and financial risks. Non-financial effects are also taken into account when assessing risks.

Kempower takes effective measures to mitigate the recognized risks. Risk reporting is part of the Company's other reporting.

Kempower has a risk management policy approved by the Board of Directors which states that the Company´s willingness to take risks must be proportionate to the risk-bearing capacity and the risk-taking must be in balance with the intended benefits.

The purpose of the Company's risk management is to ensure comprehensive and appropriate risk awareness, 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.

Audit

According to Kempower's Articles of Association, the Company has one ordinary auditor that shall be an auditing firm approved by the Finnish Patent and Registration Office.

The Board's Audit Committee prepares the selection process for auditors. The auditor is elected by the Annual General Meeting for one year's term of service. The auditor reports to the Board of Directors at least once a year and participates in the Audit Committee's meetings.

Kempower has a written pre-approval policy for non-audit services, in which the Audit Committee has been specified to govern this topic.

Internal control and Internal audit

The objective of internal control and internal auditing 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 measures and procedures to ensure that objectives are met. The subjects of internal control are the organization's internal operating environment, goal setting, risk management, control measures, information flow, communication, and monitoring.

Kempower's Internal Audit evaluates the appropriateness and effectiveness of Company's internal control system and risk management to improve the operating methods, processes and controls, supervision and administration systems and thus promotes the achievement of the Company's objectives.

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

The Internal Audit is responsible for independent assessment and verification activities, the main task of which is to support the management and the Board in their supervisory role. The Company has an independent external internal auditor who is responsible for internal audit tasks with the help of, if necessary, external service providers. The internal Auditor reports regularly to the Board's Audit Committee.

The Audit Committee approves the annual internal audit plan.

The purpose of internal control is to protect the value of assets, ensure the appropriateness and efficiency of operations - including the reliability of financial and operational reporting - compliance with regulations and operating principles, and compliance with the objectives of operations.

Kempower's values, group-level operational guidelines and policies help the management and ultimately the Board of Directors to ensure that the goals set by the company are met, Kempower's business is managed ethically and in accordance with all applicable laws and regulations as well as internal operating guidelines, and that financial reporting is carried out appropriately.

Every employee of the Company has the right and obligation to make a report, if necessary, anonymously, through a whistleblower channel for unethical actions or activities contrary to laws or internal guidelines.

8. 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 organization monitors compliance with the company's related party principles. Kempower's Board decides on significant transactions with the Company's management and related parties. The Board shall decide on and approve unusual 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 into account of the above principles and conflicts of interest. The Audit Committee monitors and evaluates the Company's related party activities.

In the year 2024, the Company did not enter into any transactions with its related parties that were material to the Company or deviated from the Company's normal business operations. All transactions were carried out in course of ordinary business and at arm's length conditions. Kempower's related party transactions included certain lease agreements, management and support service and material purchases from Kemppi Group companies.

9. 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 a register of all persons in management positions and their related parties and companies.

In addition to the members of the Kempower Board of Directors and Management Team, 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 deputy member of the Board Aaro Vasama.

10. Auditor

The Company's auditor is Ernst & Young Oy. Authorized Public Accountant Toni Halonen acted as the principal auditor as of 31st of December 2024. 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 2024:

Auditor's fees	Kempower Group (EUR)	Kempower Corporation (EUR)
Audit fee	-398,626	-398,626
Sustainability Statement assurance fee	-138,478	-138,478
Tax advisory	-7,031	-7,031
Other fees	-57,489	-57,489
Total	**-601,623**	**-601,623**

Remuneration report

Letter from the Chair of the Nomination and Remuneration Committee

Dear Shareholders,

I am pleased to present Kempower's Remuneration Report for the financial year 2024. The report has been reviewed by the Nomination and Remuneration Committee and approved by the Board of Directors. Shareholders will make an advisory decision on the adoption of the remuneration report at the company's Annual General Meeting in May 2025.

Remuneration at Kempower is based on the remuneration policy, which was last presented for an advisory decision on the Annual General Meeting in 2022. The company's remuneration policy is guided by fairness, competitiveness and the implementation of company's growth strategy. We aim to give all Kewpowerians an inspiring workplace and equal opportunity to develop their competencies and do meaningful work in promoting green transition. Our remuneration practices aim at aligning the interests of employees with shareholders and share savings plan established in December 2023 encourages all Kempowerians to acquire and own shares at the company.

In 2024, the Nomination and Remuneration Committee undertook several key tasks to enhance the company's overall remuneration strategy. These tasks included benchmarking the company's remuneration practices, setting targets and remuneration levels for the Global Leadership Team, and establishing both short- and long-term incentive schemes for 2025. Additionally, the Committee focused on succession planning for critical Leadership Team and Board appointments and implemented an employee share savings plan.

At the end of 2023, we introduced an environmental, social, and governance (ESG) metric to our long-term incentive program starting in 2024. This addition, alongside our total shareholder value and revenue targets, underscores our commitment to ESG goals that support long-term shareholder value creation for Kempower.

To further support Kempower's international growth and attractiveness as an employer, the Board approved a new restricted share unit plan. The Committee also played a crucial role in supporting management with talent planning to achieve the company's growth targets. Furthermore, we continued to collaborate with management on initiatives related to diversity, equity, inclusion, and belonging (DEIB) and company culture.

For Kempower, 2024 was a challenging year. In order to get back to profitability and growth track, Kempower was forced to conduct negotiations leading to employee reductions during the summer of 2024. Despite the headwinds of 2024, our long-term strategy is intact. I want to thank every Kempower employee for the hard work and implementation of our strategy in 2024. We are at the forefront of the green transition in e-mobility.

Tuula Rytilä,
Chair of the Nomination and Remuneration Committee

1. Introduction

This remuneration report for 2024 is 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 2024 and due on the basis of the financial year 2024. 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 Nomination and Remuneration 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 was 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 Nomination and Remuneration 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 Leadership Team and the grounds for it. The remuneration of the CEO and the members of the Leadership Team consists of a monthly salary, benefits, an annual bonus and long-term share-based incentive program. In addition, all Kempower employees are included in an annual bonus program (short-term incentive) that includes company-level targets as well as individual targets. In addition, both the management and all employees can participate in Kempower's long-term share savings program.

Remuneration principles 2024

In accordance with its remuneration policy, Kempower targets to reward its executives in a way that encourages and commits them to execution of the Company's strategy and the creation of shareholder value. Rewarding and remuneration development are assessed on the basis of 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 variable compensation elements. Kempower's total remuneration consists of the following:

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

During the financial year 2024, the remuneration policy was followed in the remuneration of the Board of Directors and the CEO. With regard to the performance bonus paid to the CEO during 2024, which was however based on the 2023 financial period, the terms of the previous bonus system based on the achievement of 2023 goals was followed. The matter is also discussed in more detail below in section 3. 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.

Remuneration and business development 2020–2024

The table below 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 Company's financial development is expressed by presenting the development of the Kempower Group's revenue and order intake between the financial years 2020-2024. Kempower was listed on the First North Growth Market Finland in December 2021 and transferred to Main List of Nasdaq Helsinki in June 2024.

	2024	2023	2022	2021	2020
Board fees EUR	515,175	327,674	245,375	217,792	12,000
CEO fees EUR	477,608	493,456	361,085	192,792	135,384
Remuneration of employees (average)* EUR	75,190	70,845	68,196	74,431	64,758
Revenue TEUR	223,697	283,614	103,644	27,400	3,252
Order intake TEUR	218,339	275,305	208,891	37,388	7,092

*wages, salaries and bonuses paid according to the financial statements divided by the number of full-time employees

In the beginning of the review period the number of Board members was eight (8). In the 2024 Annual General Meeting the number of Board Members was resolved to be six (6). The Board was supplemented by one Board member in July making the number seven (7) at the end of the year. The Board has three committees, the Audit Committee, Nomination and Remuneration Committee and Technology Committee. The number of members of the committees in 2024 were four (4) in Audit Committee, four (4) in Nomination and Remuneration Committee and three (3) in Technology Committee.

2. Board remuneration during the financial year 2024

Kempower Corporation's Annual General Meeting decided on March 27, 2024 that the Chair of the Board will be paid EUR 100,000 per year, the Deputy Chair EUR 80,000 per year and the other members of the Board EUR 60,000 per year. Entitlement to the Board's annual fee accrues over time and is paid in equal monthly instalments (annual fee / 12). In addition, 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 (EUR 1,400) 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 (EUR 2,100) 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.

Travel expenses are reimbursed in accordance with Kempower's travel policy.

Remuneration paid to members of the Board of Directors during the financial year 1.1.–31.12.2024:

Board Member	Annual fees (EUR)	Meeting fees	Total annual fees (EUR)
Vesa Laisi, Chair of the Board	88,125	10,000	98,125
Tero Era, Board Member*	8,750	3,000	11,750
Kimmo Kemppi, Board Member*	8,750	3,000	11,750
Teresa Kemppi-Vasama, Board Member	53,750	10,000	63,750
Antti Kemppi, Vice Chair of the Board	71,250	10,000	81,250
Olli Lauren, Board Member	53,750	21,600	75,350
Eriikka Söderström, Board Member	62,500	9,500	72,000
Tuula Rytilä, Board Member	57,500	8,800	66,300
Barbara Thierart-Perrin, Board Member**	30,000	4,900	34,900
Total	**434,375**	**80,800**	**515,175**

*member of the Board until March 2024

**member of the Board since July 2024

In addition, the Chair of the Audit Committee is paid EUR 10,000 per year in addition to the Board fee and the Chair of the Nomination and Remuneration Committee is paid EUR 5,000 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.

3. Remuneration of the CEO during the financial year 2024

Fees paid during the financial year 2024

The remuneration of Kempower Corporation's CEO Tomi Ristimäki in the financial year January 1, 2024–December 31, 2024 consisted of a base salary, fringe benefits and an annual bonus related to the achievement of business objectives.

The CEO is part of Kempower's general annual bonus program. In the financial year 2024, the CEO was paid a performance bonus based on the achievement of the targets under the 2023 bonus program, in accordance with the Board's assessment and decision. Based on the 2023 bonus plan the CEO's STI percentage was 25 percent in a target level and 50 percent in a maximum level.

The targets of the yearly bonus from 2023 were based on Kempower Group's revenue and order backlog, total weight 70% of targets, and Product Gross Profit Margin, total weight 30% of targets. Due to a highly successful financial year 2023, both targets were achieved on a maximum 200% level, followed by a maximum performance bonus of EUR 130,608 paid to the CEO in April 2024, corresponding to 4.8 months' basic salary.

The total compensation of the CEO and other leadership team members of Kempower was widely benchmarked at the end of 2023 against both Finnish mid-cap and large-cap companies market data, and consequently both the base salary and STI percentage were increased for the CEO in the beginning of 2024. Based on the company's and individual performance, and the benchmark data CEO's base salary was increased by 21% and the STI maximum percentage from 50% to 100% for the year 2024.

Remuneration and benefits paid to the CEO during the financial year 1.1.2024–31.12.2024

	Fringe benefits, EUR / year		Changing components of remuneration, EUR / year	CEO renumeration EUR / year
Fixed basic salary EUR /year	Car benefit	Phone benefit	Performance bonus based on the year 2023	Total
330,380	16,380	240	130,608	477,608

CEO STI Targets

Performance period	Payable	Performance metrics	Weight	Result
2023	2024	Revenue + Order backlog on 31.12.2023	70 %	200 %
		Gross Margin, poducts	30 %	200 %
2024	2025	Revenue + Order backlog on 31.12.2024	70 %	0
		North America Revenue + Order backlog on 31.12.2024	15 %	0
		Gross Margin, products	15 %	200 %

The fixed annual salary and fringe benefits paid to the CEO in 2024 accounted for 72.6% of the total remuneration, the short-term incentive bonuses paid accounted for 27.3%. No long term incentives were paid during 2024.

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

CEO's annual fixed base salary with fringe benefits for 2025 will remain the same as in 2024, EUR 342,000 and the STI percentage for 2025 bonus plan is increased to 60 percent in a target level and 120 percentage in a maximum level. Salary is based on a market comparison with the remuneration of CEOs in similar positions in stock listed companies.

Fees payable in the financial year 2025 based on the financial year 2024

The CEO was part of Kempower's short - term incentive (STI) plan, under which the performance bonus will be paid in April 2025. Based on the 2024 bonus plan the STI percentage was 50 percent in a target level and 100 percentage in a maximum level. A total amount of approximately EUR 48,843 will be paid to the CEO as a bonus, which corresponds to a fixed base salary of 1.8 months.

The targets of the annual bonus to be paid to the CEO on the basis of the financial year 2024 were based on the Kempower Group's revenue and order backlog, total weight 70% of targets, North American revenue and order backlog with 15% weight and product gross profit margin with 15% weight of total targets. Both Group's and North American Revenue and Order backlog targets ended up below minimum threshold, end result being 0%. Product Gross Profit Margin was achieved with maximum 200% result leading to a bonus payout of 15% out of maximum.

The performance bonus to be paid to the CEO for the financial year 2024 is based on the Board's assessment and decision on the achievement of targets.

Other benefits

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. 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 could not 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.

Share-based incentive plan 2022-2024 (PSP)
In 2022 the Board of Directors of Kempower decided to establish a new share-based incentive plan for the group's key employees including CEO. The aim of the plan which is part of LTI remuneration was 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.

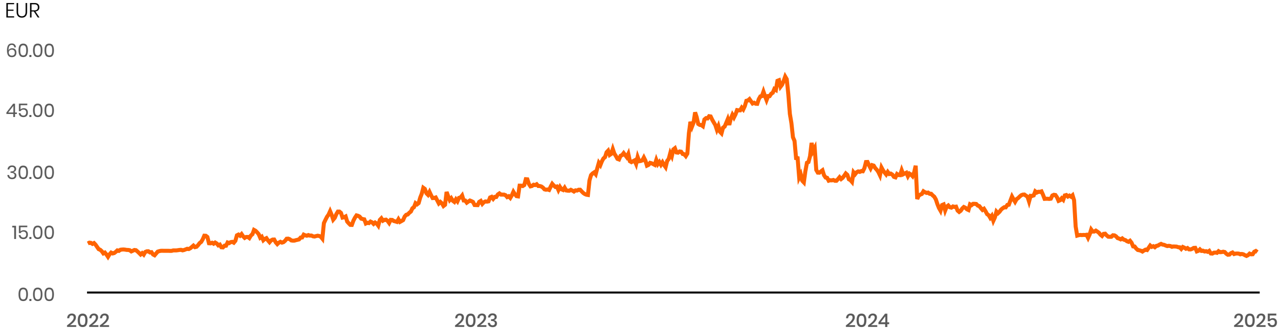
The Performance Share Plan 2022–2024 consists of a three year performance period, covering the financial years of 2022–2024.

During the performance period 2022-2024, 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 CEO will correspond to a total of approximately 14,000 Kempower's shares including also the cash proportion. The final achievement of the plan after the performance period is 64% of the maximum allocation.

Share-based incentive plan 2023-2025 (PSP)
In 2023 the Board of Directors of Kempower decided to continue share-based incentive plan with new three-year period 2023-2025. The aim aim of the plan which is part of LTI remuneration 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 program is for company's management and key employees.

The Performance Share Plan 2023–2025 consists of a three year performance period, covering the financial years of 2023–2025. 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 CEO will correspond to a total of approximately 12,400 Kempower's shares including also the cash proportion.

Share price development



Share-based incentive plan 2024–2026 (PSP)

In December 2023 the Board of Directors of Kempower decided to continue share-based incentive plan with new three-year period 2024-2026. The aim of the plan which is part of LTI remuneration 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 program is for company's management and key employees.

The Performance Share Plan 2024–2026 consists of a three year performance period, covering the financial years of 2024–2026. 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 on the CEO will correspond to a total of approximately 14,000 Kempower's shares including also the cash proportion.

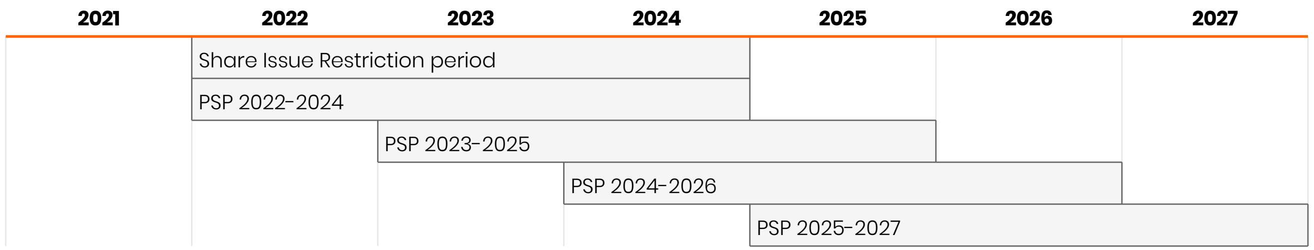
Share-based incentive plan 2025–2027 (PSP)

In February 2025 the Board of Directors of Kempower decided to continue share-based incentive plan with new three-year period 2025-2027. The aim of the plan which is part of LTI remuneration 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 program is for company's management and key employees.

The Performance Share Plan 2025–2027 consists of a three year performance period, covering the financial years of 2025–2027. During the performance period, the rewards are based on the Absolute Total Shareholder Return (TSR) of the Kempower share in 2025-2027, Group Revenue in 2025-2027 and CO2 emission reduction / Revenue. The value of the maximum rewards to be paid will correspond to a total of approximately 675,000 Kempower's shares including also the cash proportion.

Plan	Payout year	Performance metrics	Weight	Result
PSP 2022-2024	2025	Total Shareholder Return	50 %	3 %
		Revenue at the end of 2024	50 %	125%*
PSP 2023-2025	2026	Total Shareholder Return	40 %	
		Cumulative Revenue 2023-25	60 %	
PSP 2024-2026	2027	Total Shareholder Return	30 %	
		Cumulative Revenue 2024-26	60 %	
		ESG: -CO2 emission/ EUR Revenue	10 %	
PSP 2025-2027	2028	Total Shareholder Return	30 %	
		Cumulative Revenue 2025-27	60 %	
		ESG: -CO2 emission/ EUR Revenue	10 %	

* target 50%, max 100%, extraordinary supermaximum in 2022-24 plan 125%, not implemented in other plans



Employee Share Savings Plan

In 2023 the Board of Directors of Kempower decided to establish an Employee Share Savings Plan for all Kempower and its subsidiaries employees. The objective of the Employee Share Savings Plan is to offer the employees of Kempower Group an opportunity to invest a part of their regular salary in Kempower shares. By encouraging the employees to purchase and own the company's shares the company is pursuing to strengthen the connection of interests between the employees and the shareholders, and to increase the employees' motivation and commitment to the company.

The Employee Share Savings Plan 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 and management 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 consistently and invest those savings in Kempower shares. After three-year saving period the Company rewards for the commitment by granting the participating employees a gross award of one matching share for every two (2) savings shares acquired with their savings.

In 2024 the Board of Directors of Kempower decided on a possibility for the participants to invest their short-term incentive (STI) to the second plan period in addition to the savings made from their salaries.

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. In February 2025 the Board of Directors decided to increase the maximum allocation up to 100,000 shares.

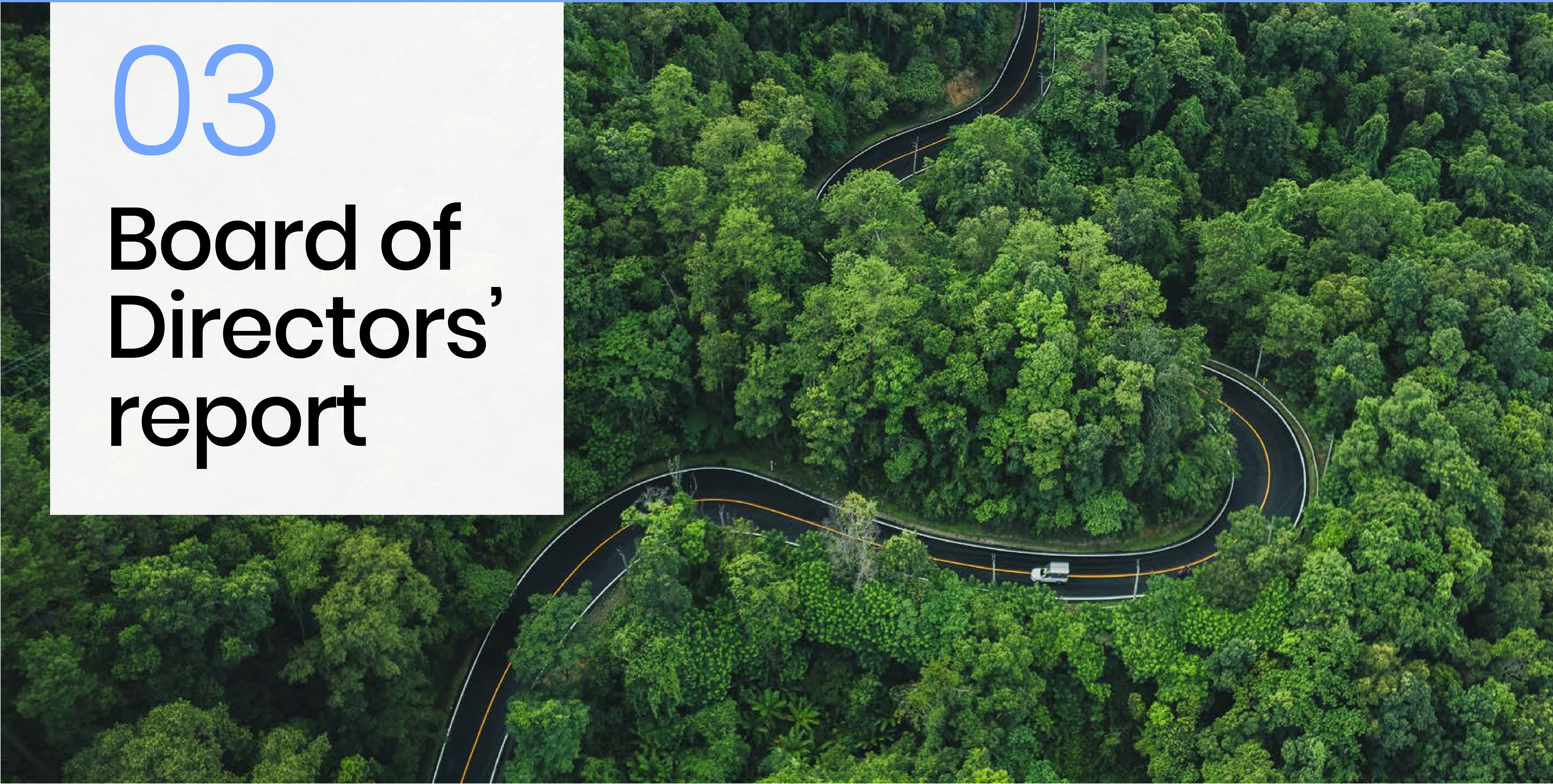
The rewards will be paid by the end of May 2027, 2028, 2029, 2030 or 2031, but always so that there is at least three (3) years between the determination and the payment of the reward. The reward is based on a valid employment or director contract and on the continuity of the employment or service.

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



03

Board of Directors' report

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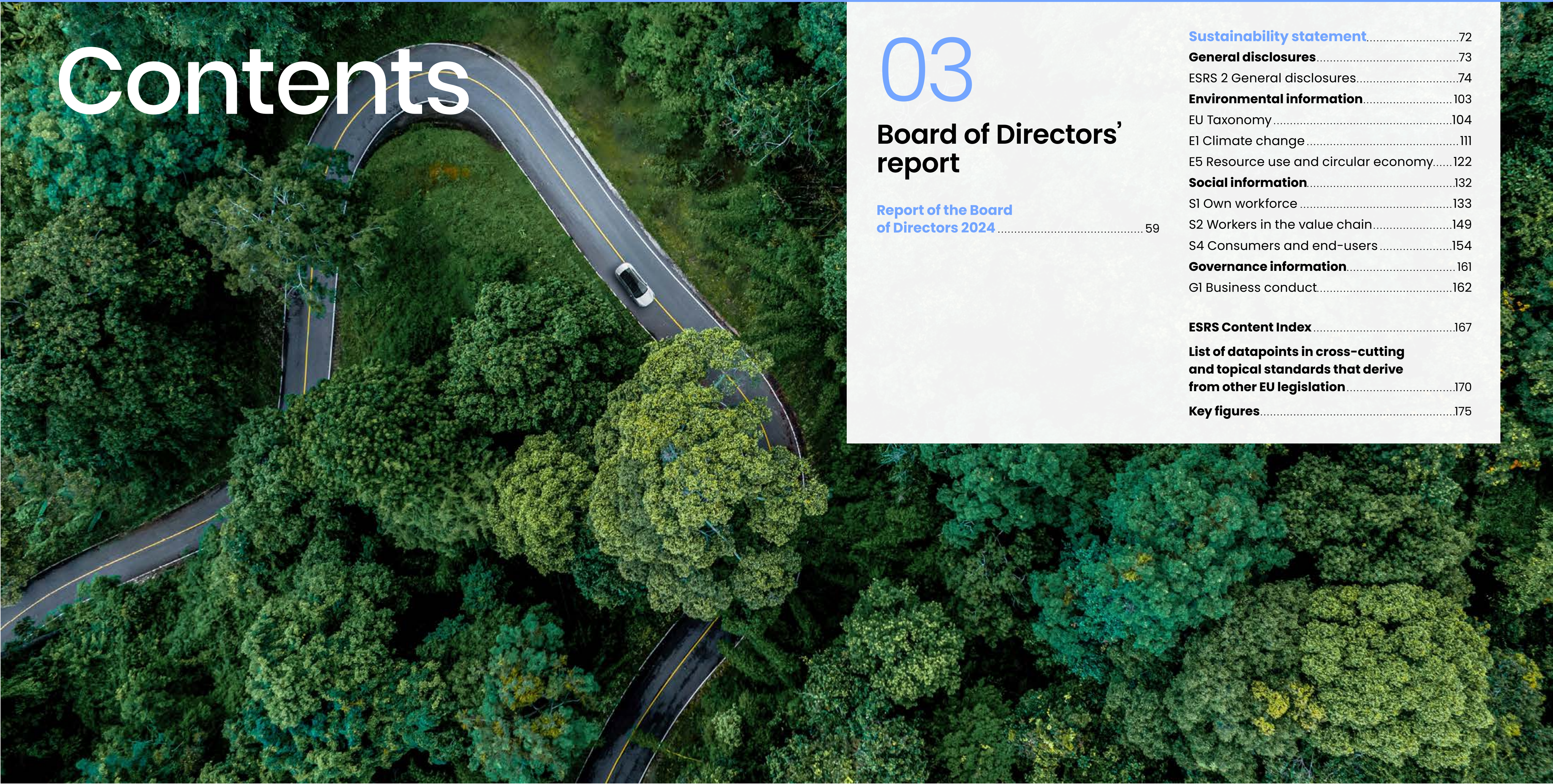

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Board of Directors' report

Report of the Board of Directors 2024

Highlights

Year 2024 highlights, IFRS (comparison figures in parenthesis year 2023):

- Order intake decreased to EUR 218.3 million (EUR 275.3 million)
- Revenue decreased by 21% to EUR 223.7 million (EUR 283.6 million)
- Gross profit margin was 48.7% (52.1%)
- Operative EBIT decreased to EUR -26.4 million (EUR 40.7 million), -11.8% of revenue (14.3%)
- Loss for the period was EUR 23.2 million (EUR 33.7 million profit)
- Cash flow from operating activities was EUR -23.4 million (EUR 39.7 million)

Key figures

MEUR	2024	2023	2022
Order backlog	95.0	110.6	118.9
Order intake	218.3	275.3	208.9
Revenue	223.7	283.6	103.6
Revenue growth, %	-21%	174%	279%
Gross profit	109.0	147.7	48.2
Gross profit margin, %	48.7%	52.1%	46.5%
Operating profit/loss (EBIT)	-28.8	40.6	6.1
EBIT margin, %	-12.9%	14.3%	5.9%
Operative EBIT	-26.4	40.7	6.7
Operative EBIT margin, %	-11.8%	14.3%	6.4%
Profit/loss for the period	-23.2	33.7	3.6
Equity ratio, %	49.3%	58.3%	67.5%
Cash flow from operating activities	-23.4	39.7	-5.4
Investments	18.8	9.6	6.2
Net debt	-23.8	-74.6	-58.4
Net cash	53.1	99.8	74.0
Items affecting comparability	2.4	0.1	0.6
Earnings per share, basic, EUR	-0.42	0.61	0.06
Earnings per share, diluted, EUR	-0.42	0.61	0.06
Headcount end of period	786	737	375

Outlook for 2025

In 2025, the company aims to return to a growth trajectory as the DC charging market is expected to start recovering in the second half of the year.

Kempower expects:

- 2025 revenue is expected to grow between 10% - 30% (revenue 2024: EUR 223.7 million).
- 2025 operative EBIT is expected to improve significantly from year 2024. Q1 of 2025 operative EBIT will be negative (operative EBIT 2024: EUR -26.4 million).

The outlook is based on an estimate that the DC charging point installations continue to grow significantly in our key markets Europe and North America. This is based on a third party market study conducted in the beginning of 2025.

Kempower expects that the excess inventories across the DC charging industry will impact the demand during the first half of 2025. The market environment and demand are expected to remain weak during the first half, but to recover during the second half of the year.

Based on the latest market survey, Kempower estimates DC charging installation CAGR to be approximately 30 percent by 2030. Kempower continues to invest selectively in its growth initiatives including growth in North America, growth in key countries in Europe and developing cutting edge technology. These initiatives enable Kempower strategy execution but weigh on profitability in the short-term.

Financial targets

- 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

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 218.3 (275.3) in the year 2024. In 2024 order intake decreased in the Nordics and Rest of Europe and grew in Rest of the World and North America. Order intake throughout the year has been negatively affected by customers' high excess inventory levels and overall weak market environment.

Revenue

Kempower reports revenue according to geographical regions below:

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

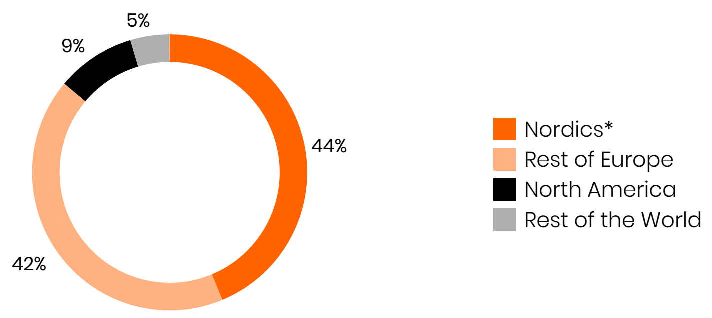
Revenue by geographical regions

MEUR	2024	2023	Change	Change %
Nordics*	97.9	114.1	-16.2	-14%
Rest of Europe	94.8	144.2	-49.5	-34%
North America	20.8	11.3	9.5	84%
Rest of the World	10.3	14.0	-3.7	-26%
Total	**223.7**	**283.6**	**76.3**	**-21%**

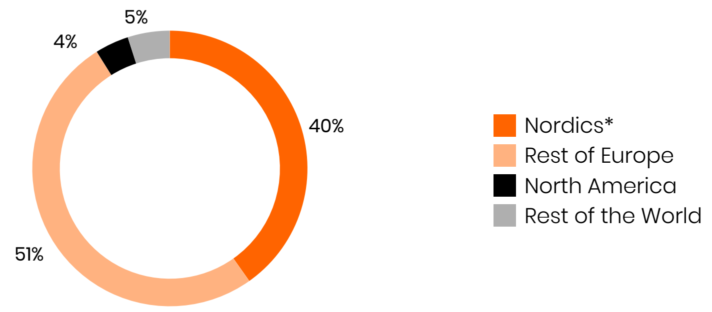
* Nordics include Finland, Sweden, Norway, Denmark and Iceland

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 ChargEye 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.

Revenue 2024



Revenue 2023



Kempower's revenue for 2024 amounted to EUR 223.7 million (EUR 283.6 million). Revenue decreased by 21 percent compared to the previous year. Full year revenue grew by 84% in North America, but decreased in all other markets. The decrease in revenue results primarily from high inventory levels in the market and reduced investment across DC charging market.

Kempower's charging solutions have been delivered to more than 50 countries globally. For the year 2024 the revenue generated from the Nordics accounted for 44 (40) and Rest of Europe 42 (51) percent of Kempower's revenue. The revenue generated from North America accounted for 9 (4) and Rest of the World 5 (5) percent of Kempower's revenue for 2024.

Profitability

Kempower's operating profit/loss (EBIT) for the year 2024 decreased by EUR 69.4 million to EUR -28.8 million (EUR 40.6 million). Kempower's operative EBIT for 2024 amounted to EUR -26.4 million (EUR 40.7 million). The decreased operative EBIT in 2024 was primarily attributable to lower revenue, lower gross profit margin, costs associated with the ramp up of next generation charger portfolio, ramp up of the US operations and increased fixed cost base.

Items affecting comparability in 2024 amounted to EUR 2.4 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 0.2 million to other strategic initiatives.

Kempower's other operating income for 2024 amounted to EUR 3.1 million (EUR 1.3 million) and mainly comprised governmental grants.

Kempower's net financial items for 2024 amounted to EUR 0.6 million (EUR 2.5 million).

Kempower's income tax for 2024 amounted to EUR 5.0 million (EUR -9.3 million).

Items affecting comparability

MEUR	2024	2023
Expenses related to listing on the official list of Nasdaq Helsinki presented in other operating expenses	0.7	
Expenses related to establishing operations in the United States presented in other operating expenses	0.3	0.1
Expenses related to other strategic initiatives presented in other operating expenses	0.2	
Expenses related to restructuring presented mainly in employee benefits	1.2	
Total	**2.4**	**0.1**

Research and development

Kempower's research and development expenses including employee benefits for 2024 amounted to EUR 21.1 million (EUR 14.1 million) equivalent of 9% (5%) of revenue.

In 2024 Kempower included as the first European DC charging company NACS charging standard for the company's offering in North America. NACS is a charging connector used in North America DC charging market in addition to CCS1 standard. First deliveries equipped with NACS were delivered during the second quarter of 2024.

In 2024 Kempower launched Megawatt Charging System for electric trucks following the Megawatt Charging Standard (MCS) protocol. First version of the MCS based product comes with a peak power of 1.2 megawatt (MW). The pilot deliveries of the Megawatt Charging System to our customers started in the fourth quarter of 2024.

In 2024 Kempower 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.

In 2024 Kempower was awarded ISO/IEC 27001:2022 for information security, cybersecurity and privacy protection, which applies to the cloud-based charging management software Kempower ChargEye and charging hardware in Kempower's R&D and Operations organizations in Finland and the USA.

In 2024 ramp up of the next generation charging portfolio was completed which enabled the production without supply restrictions. 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.

Cash flow, financing and balance sheet

Kempower's cash flow from operating activities for 2024 amounted to EUR -23.4 million (EUR 39.7 million). 2024 cash flow from operating activities were primarily driven by losses in the period, increase in net working capital and paid income taxes.

Kempower's cash flow from investing activities for 2024 amounted to EUR 5.8 million (EUR -14.6 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 -18.8 million (EUR -9.6 million).

Kempower's cash and cash equivalents at the end of the financial year amounted to EUR 16.2 million (EUR 27.4 million). Other financial assets included money market investments amounting to EUR 49.2 million (EUR 72.4 million) at the end of the financial year.

Kempower has short-term credit facilities totaling EUR 25 million, of which EUR 6.1 million was in use at the end of the financial year. In addition, Kempower has a unused 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 financial year was 49.3% (58.3%). Net debt at the end of the financial year amounted to EUR -23.8 million (EUR -74.6 million). The change in net debt was due to the decrease in cash and cash equivalents of EUR 11.2 million, the decrease of the money market investments of EUR 23.2 million and the increase of lease liabilities and loans totaling EUR 16.3 million.

Kempower has been able to maintain a strong overall liquidity. At the end of the financial year overall liquidity amounted to EUR 114.4 (EUR 114.8) and including cash and cash equivalents, money market investments, unused short term credit facilities and green revolving credit facility (RCF).

Investments

Kempower's gross investments during 2024 totaled EUR 18.8 million (EUR 9.6 million). Kempower's investments for 2024 related mainly to the production and RDI.

Personnel

Kempower's headcount at the end of the period was 786 (737), of whom 545 (574) were employed by the parent company and 241 (163) by the subsidiaries. Kempower's average number of personnel converted into full-time employees amounted to 764 (542) at the end of the financial year.

Headcount end of period	**31 Dec 2024**	**31 Dec 2023**
Operations, Production employees	169	176
Administration	78	79
Operations, Office employees	108	113
Research, development and innovations	161	148
Sales and marketing	270	221
Total	**786**	**737**

Headcount end of period by type of employment	**31 Dec 2024**	**31 Dec 2023**
Permanent employees	776	731
Temporary employees	10	6
Total	**786**	**737**

Board of Directors' and the Global Leadership teams shareholding	**Amount of Shares***		**% of shares and votes**	
	2024	**2023**	**2024**	**2023**
Board of Directors	34,949,683	35,064,385	62.9%	63.1%
President and CEO	26,145	24,520	0.0%	0.0%
Global Leadership Team (excl. CEO)	36,630	88,863**	0.0%	0.1%
Total	**35,012,458**	**35,177,768**	**63.0%**	**63.3%**

*One share entitles its holder to one vote.

**In 2023 Leadership team included 4 additional members who in 2024 were only part of the Extended management team and thus not shown in 2024 number.

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 financial year was 55,273,696 (55,277,746). The average number of shares outstanding during 2024 was 55,275,035 (55,404,944).

The company held 269,224 pcs of the company's own shares at the end of the financial year (265,174 pcs 31 December 2023).

Share indicators	2024	2023
Highest price (EUR)	32.48	54.40
Lowest price (EUR)	8.61	21.20
Volume weighted average price (EUR)	17.71	33.72
Closing (EUR)	9.68	31.82
Turnover (EUR)	418,465,594	884,656,078
Turnover volume	23,631,012	26,234,850
Market capitalization at the end of the period MEUR	535	1,759
Number of registered Shares	55,542,920	55,542,920
Number of own shares	269,224	265,174
Number of outstanding Shares	55,273,696	55,277,746

Shareholding by sector	2024	2023
Corporations	68.1%	67.8%
Financial and insurance corporations	2.5%	4.1%
General Government	6.6%	6.8%
Households	18.3%	14.1%
Non-profit institutions	0.2%	0.5%
Non-Finnish shareholders incl. nominee registered.	4.4%	6.7%

Kempower Corporation redeemed a total of 4,050 shares subscribed in the personnel share issue from employees whose employment with Kempower Corporation has ended, in accordance with the terms and conditions of the shareholder agreement.

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 holding by number of shares held December 31, 2024

Number of shares	Number of shareholders	%of shareholders	Shares total	% of shares and votes
1-100	40,972	69.1%	1,441,194	2.6%
101-500	14,321	24.1%	3,340,389	6.0%
501-1,000	2,336	3.9%	1,737,629	3.1%
1,001-5,000	1,450	2.4%	2,953,408	5.3%
5,001-10,000	124	0.2%	859,996	1.5%
10,001-50,000	77	0.1%	1,549,223	2.8%
50,001-100,000	7	0.0%	507,199	0.9%
100,001-500,000	14	0.0%	3,473,231	6.3%
500,001-	5	0.0%	39,680,651	71.4%
Total	**59,306**	**100.0%**	**55,542,920**	**100%**

Major shareholders

On 31 December 2024 the company had 61,518 shareholders.

15 largest shareholders on 31 December 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	694,924	1.25%
Elo Mutual Pension Insurance Company	530,885	0.96%
Ilmarinen Mutual Pension Insurance Company	508,000	0.91%
KLP Kapitalforvaltning AS	413,039	0.74%
Nordea Life Assurance Finland Ltd	396,946	0.71%
Handelsbanken Fonder	360,919	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	270,931	0.49%
Kempower Corporation	269,224	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 Kemppi, Teresa Kemppi-Vasama, Vesa Laisi, Olli Laurén, Tuula Rytilä 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 Kemppi 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 Directors' 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 Rytilä, 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 Rytilä.

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 Sales Officer, Mathias Wiklund
- Chief Markets Officer, Jussi Vanhanen
- Chief People Officer, Hanne Peltola
- President, North America, Monil Malhotra (member of the Leadership team since February 2025)

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 Rytilä
- 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 could not 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 percent 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 percent 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 percent 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 percent 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. The new savings period commenced on 1 April 2024 and ended 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 CO_2 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 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.

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.

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 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'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 production uses IT systems and tools whose connectivity and continued accessibility are a prerequisite for efficient production and deliveries. Disturbances in the network, cybercrimes and leakage of information could harm or 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 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 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.

The board's proposal for the distribution of profit

The parent company's distributable funds (unrestricted equity) on 31 December 2024 are EUR 86,269,373.83 of which the period net loss is EUR 34,058,408.87. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the fiscal year.

Significant events during the year

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.

October 2024

- Kempower signed a sales and service partnership agreement with KONČAR to supercharge EV infrastructure across Central and South Eastern Europe.
- Kempower partnered with leading French fleet operator GT Solutions to launch GT Solutions first logistics hub charging site in France.
- Kempower announced it has partnered with Ecoline Group to provide EV infrastructure across Turkey.

November 2024

- Kempower appointed Mathias Wiklund as Chief Sales Officer (CSO) and member of Kempower Global Leadership Team.

December 2024

- Kempower was recognized with excellent performance in ISO certifications for quality, environmental impact, safety of operations and information security.
- Juha-Pekka Suomela, Chief Service Business Officer (CSBO) and a member of Kempower's Global Leadership Team left the company.

Events after the balance sheet date

- Monil Malhotra was appointed as President, North America and member of Kempower Global Leadership Team.

2025 Financial calendar

- Week 14, 2025: Annual Report 2024
- April 25, 2025: Interim Report for January 1–March 31, 2025 (Q1)
- July 24, 2025: Half-Year Financial Report, January 1–June 30, 2025 (H1)
- October 29, 2025: Interim Report for January 1 – September 30, 2025 (Q3)

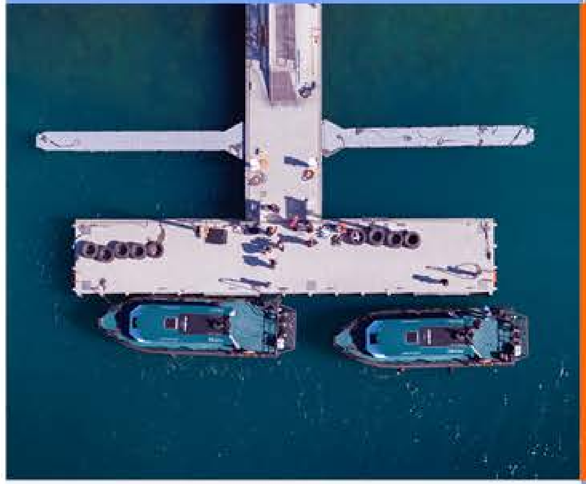
Sustainability statement

Kempower's Sustainability statement is prepared in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD).

General disclosures

In 2024, we advanced compliance and human rights due diligence throughout our supply network.

Kempower opened its new EV charger factory in Durham, North Carolina, U.S.



Performance highlights

Kempower is committed to the United Nations Sustainable Development Goals

Kempower is a member of the United Nations Global Compact

EcoVadis Silver medal

(Top 15% of companies reviewed)

Double materiality assessment (DMA) revised and updated in 2024

European Sustainability Reporting Standards (ESRS) aligned Kempower 2024 Sustainability statement

ESRS 2 General disclosures

BP-1 General basis for preparation of the Sustainability statement

Kempower's Sustainability statement is based on the requirements of the Corporate Sustainability Reporting Directive (CSRD) and its content follows the structure and disclosure requirements of the European Sustainability Reporting Standards (ESRS). The statement has been prepared in accordance with Chapter 7 of the Finnish Accounting Act.

The statement has been prepared on a consolidated basis, consistent with Kempower's financial statements unless specified otherwise in the disclosed information. The report includes all subsidiaries under Kempower's control, in accordance with Article 48i of Directive 2013/34/EU.

The Sustainability statement encompass the entire Kempower value chain as assessed in the double materiality assessment (DMA), addressing both upstream and downstream impacts to provide a complete overview of Kempower's sustainability practices.

Kempower has disclosed all relevant information and data in this statement, without omitting any details related to intellectual property, proprietary knowledge, or innovations.

BP-2 Disclosures in relation to specific circumstances

Time horizons in the Sustainability statements are defined as follows: short term (fiscal year), medium term (1–5 years), and long term (more than 5 years).

For sustainability metrics that encompass upstream or value chain data, the information is restricted to what is available in-house or publicly. Additionally, use of proxies, estimations, sector-average data, or other indirect sources of information, along with planned actions to improve data accuracy, are disclosed alongside the respective data points where applicable.

Some of the targets disclosed in this report are not yet fully aligned with the ESRS requirements. However, Kempower is committed to continuously improving these targets to meet the established ESRS standards. Kempower will update the metrics as more accurate data becomes available to enhance the transparency and credibility of the sustainability metrics while working towards more accurate reporting.

The Scope 3 inventory was initiated in 2024 and currently includes estimations as presented in the table. In 2025, Kempower will continue investigating the GHG emissions of the entire value chain in cooperation with its suppliers and customers, among others. Kempower aims to commit to applying to the Science Based Targets initiative (SBTi) in 2025.

The availability and quality of data from the upstream and downstream value chain are not always attainable due to factors such as the resources companies have with regard to their collecting and calculating of data. Kempower has a number of SME companies that are not currently required to report, therefore these companies may not have data to share.

Kempower's baseline year is 2024 unless specified otherwise in the disclosed information. The data preceding the reporting year 2024 has not been verified in accordance with CSRD requirements. Kempower will enhance the clarity and transparency of its sustainability reporting, allowing stakeholders to make informed comparisons and assessments over time.

Sources of estimation and outcome uncertainty

	Quantitative metrics	Source of measurement uncertainty	Assumptions and approximations
Scope 2 emissions	Electricity, tCO_2eq	Availability of data	Electricity consumption from bills, emission factors from energy company, estimates (GHG emissions/capita) used with GHG calculations related to subsidiaries
	Heat, tCO_2eq	Availability of data	Energy consumption from bills, emission factors from energy company, estimates (GHG emissions/capita) used with GHG calculations related to subsidiaries
Scope 3 emissions	Purchased good and services, tCO_2eq	Data from the entity's upstream and/or downstream value chain	GHG emissions based on LCA study of Veikka Vauhkonen
	Upstream transportation and distribution, tCO_2eq	Availability of data	GHG emission data provided by logistics partners
	Waste generated in operations, tCO_2eq	Availability of data in the US and other subsidiaries	GHG emissions estimated with emission factors from Y-HIILARI
	Business travel (flights), tCO_2eq	Kempower does not yet have reliable software or partner to provide the data in the US	Data calculated from travel expenses in the US and then GHG emission calculator is used
	Employee commuting, tCO_2eq	The data covers only the data of those working in Lahti	Data based on academic study of LUT University
	Upstream leased assets, tCO_2eq	Availability of data of leased cars in the subsidiaries	Data received from Secto automotive and GHG emissions are based on primary data received from leased EV cars
	Downstream transportation and distribution, tCO_2eq	Availability of data	GHG emission data provided by logistics partners
	Processing of sold products, tCO_2eq	Availability of data	Data collected from Service and Spare parts and GHG emissions based on LCA study of Veikka Vauhkonen
	Use of sold products, tCO_2eq	Data collection needs to be improved (emission factors and energy mix of different countries)	GHG emissions based on LCA study of Veikka Vauhkonen
	End-of-life treatment, tCO_2eq	Availability of data in different countries	GHG emissions based on LCA study of Veikka Vauhkonen

GOV-1 The role of the administrative, management and supervisory bodies

Kempower's Board has the following seven non-executive members: Chair of the Board, Vesa Laisi, Vice Chair of the Board, Antti Kemppi, members Teresa Kemppi-Vasama, Olli Laurén, Eriikka Söderström, Tuula Rytilä and Barbara Thierart-Perrin.

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 three committees, the Audit Committee and the Remuneration and Nomination Committee and the Technology Committee. 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 Leadership Team assists the CEO in managing the Company and the Group.

The Global Leadership Team was comprised of the following six members on December 31, 2024: Chief Executive Officer, Tomi Ristimäki, Chief Market Officer, Jussi Vanhanen, Chief Financial Officer, Jukka Kainulainen, Chief Operating Officer, Sanna Otava, Chief Sales Officer, Mathias Wiklund and Chief People Officer, Hanne Peltola.

Elected representatives represent employees in matters between the employer and employees. In addition to helping individual employees with employment-related issues, they also communicate the views of the entire workforce to the employer. Elected representatives are members of Kempower Oyj's Personnel Committee and act as a representative of their employee group in various change negotiations.

Occupational Health and Safety (OHS) representatives represent the employees in health and safety activities at the workplace. OHS representatives represent employees to management, OHS Manager and the health and safety authorities and take part in health and safety inspections. The duties of OHS representatives include observing matters that might affect the health and safety of workers and the reporting of any faults. They also encourage, through their own actions, a safe and healthy workplace. Occupational Health and Safety representatives are members of Kempower Oyj's Personnel and OHS Committee.

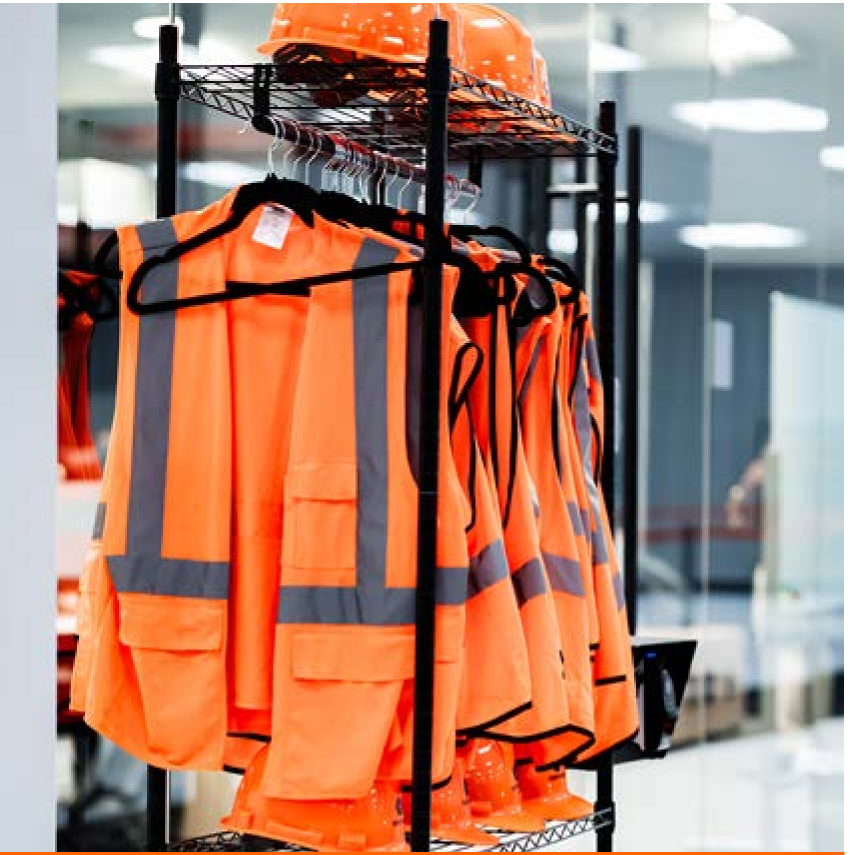
Both elected representatives and OHS representatives are elected by the employee group; office employees and production employees have their own representatives. The term of the representatives is two years.

Among Kempower's board members, there is a wide variety of experience from the power electronics industry, software industry, leadership experience from global business and organizations, North America specific experience, financial, and human resources development experience. Among the Global Leadership Team there is experience from the power electronics industry, high growth companies and global large corporation experience, and financial and human resources experience from a wide variety of industries.

In 2024, the composition of the Board consisted of 57% women and 43% men. Additionally, six of the Board members were Finnish citizens and one was a French citizen. The Global Leadership Team was composed of 67% male and 33% female members. Five of the Leadership Team members were Finnish citizens and one was a Swedish citizen.

The percentage of independent Board members during 2024 was 100%. Based on the independence assessment, the members of the Board of Directors have also been considered independent of significant shareholders, except for Antti Kemppi and Teresa Kemppi-Vasama due to their holdings as significant shareholders.

The Board of Directors and the CEO, supported by the Audit Committee and the Technology Committee and the Remuneration and Nomination Committee, are responsible for overseeing the company's management,



Every Kempowerian must complete the Code of Conduct training, which includes the Company's ethical operating procedures and policies.

including sustainability aspects and the approval of the relevant plans and policies.

Kempower's Sustainability Strategy is approved by the Board. The Board also confirms risk management principles and makes significant business decisions, including investments in sustainability.

The CEO, along with the Leadership Team, is responsible for overseeing and administering the strategy and approving sustainability actions and targets within the strategy. Kempower has an internal sustainability function that is part of the Corporate Development function. The Sustainability Manager reports to the Director of Corporate Development who reports to the Chief Operating Officer. The Chief Financial Officer is responsible for sustainability reporting. All leadership members carry out sustainability actions within their respective organizations.

Kempower's administrative and supervisory bodies are responsible for ensuring alignment with corporate governance policies, sustainability strategies, and ethical business conduct. The Board oversees the development of policies that guide sustainable practices and due diligence. The Company emphasizes good governance practices, maintaining transparency and accountability in its operations. The Chief Operating Officer (COO) is responsible for Sustainability and the Chief Financial Officer (CFO) is responsible for Sustainability reporting (numeric values).

The Global Leadership Team (GLT) is led by the CEO and is responsible for leading the Integrated Management System (IMS) topics, key initiatives, strategy, Corporate Governance, Strategic objectives and key results (OKR) and alignment with the Board of Directors. GLT also oversees financials and makes final decisions on company matters, including the Integrated Management System (IMS). The Extended Leadership Team has a role in Process management, overseeing tactical OKRs and for managing the Company's key initiatives. Function leads are responsible for Functional efficiency, Cost control, Organization structure and resourcing, and Daily management.

Kempower's Audit Committee Chair has extensive knowledge of CSRD and sustainability from serving on various European company Boards, and experience as a CFO in Finland's largest listed companies. Other Board members possess significant leadership experience with sustainability responsibilities but no deep expertise on the content. The Chief Operating Officer has a strong background in manufacturing and supply chain development, holding a master's degree in Energy Technology, which aids in understanding environmental aspects of technology development. This expertise is particularly relevant to environmental impacts, risks, and opportunities.

The Board of Directors at Kempower receives an annual or as-requested top-level update on the status and progress of the Sustainability Strategy from the Chief Operating Officer, who oversees Sustainability. Additionally, the Audit Committee receives quarterly updates on Sustainability reporting from the Chief Financial Officer.

A cross-functional Sustainability Group led by the Sustainability Manager ensures that sustainability measures and information reach all Kempower's functions. Members are chosen to represent different functions, with some applied based on their interests.

Internal control is considered an essential element of the management model in Kempower. Kempower has defined its objectives for internal control based on the globally applied principles. The objective of internal control and internal auditing 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.

Kempower implements Integrated Management System (IMS) of ISO 9001:2015 (Quality), ISO 14001:2015 (Environment), ISO 27001: 2022 (Information security), and ISO 45001:2018 (Occupational health and safety) across its facilities in Lahti 1, 2, and 3, Finland and Durham, US. The implementation of the IMS is intended to improve and sustain the overall performance of Kempower's business, products, and services.

Kempower established sustainability targets in 2022 along with both long-term and short-term environmental, social, and governance (ESG) goals. In 2024, in connection with the strategy update, the Leadership Team revised the focus areas of the ESG strategy during their ESG workshop. The Board of Directors will approve the updated ESG strategy during 2025.

To monitor progress in sustainability, Kempower has a Sustainability Team led by a Sustainability Manager. The Sustainability Manager provides expertise and supports the Audit Committee, the Leadership Team, and the Board of Directors with their team. A cross-functional Sustainability Group is a team formed within an organization to address sustainability goals and initiatives by bringing together members from various functions such as Financial Controlling and Development, Brand & Communication, Solutions & Services, Production & Delivery (Logistics), Quality, Product Development, People & Culture, Legal, Investor Relations, Facilities, and Corporate Development. The objective is to utilize expertise across different areas of the business to develop and implement Kempower's Sustainability Strategy which is effective, comprehensive, and integrated across all facets of the organization. Members of the cross-functional Sustainability Group act as representatives of their own functions in this group and work towards developing Kempower's sustainability efforts as a whole.

Every Kempowerian must complete the Code of Conduct training, which includes the company's ethical operating procedures and policies, and it allows Kempower to ensure that all its employees follow the company's norms, rules and policies. In addition, Sustainability training at Kempower is an integral part of embedding sustainability into an organization's culture, operations, and strategy. By informing employees about environmental, social, and governance (ESG) issues, Kempower aims to promote sustainable practices, reduce its environmental impact, ensure compliance with regulations, and encourage corporate responsibility.

Sustainability impacts, risks, and opportunities are incorporated into Kempower's strategy through development, design, practices, and reporting.

Effective sustainability training programs align employees with the Company's sustainability objectives and enable them to take measurable steps in their roles.

The sustainability training includes general information about sustainability and corporate responsibility, Kempower's sustainable development strategy, examples of Kempower's sustainable actions, and a brief quiz after each section. Waste management and circular economy trainings are designed for Kempower's employees to manage waste, responsibly and sustainably. Kempower's waste management training covers various topics depending on the type of waste streams (e.g., plastics, metals, hazardous, general). The training goals include regulatory compliance, environmental protection, waste reduction, and material reutilization. Training sessions are organized by an ESG specialist focused on Circular Economy actions and take place regularly, once a month, across different functions.

In 2024, two training sessions were held for the Board of Directors related to CSRD and future sustainability legislation by external experts. The following themes were covered in the trainings: Regulatory, green marketing claims, CSRD roles and responsibilities of the Audit Committee, the Board of Directors and risk management.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Directors at Kempower regularly receives updates on sustainability matters concerning material impacts, risks, and opportunities. The Board of Directors meets annually to discuss ESG topics. Additionally, the CFO provides monthly updates on sustainability to the Board of Directors. Sustainability topics are discussed in the Global Leadership Team meetings when needed.

Sustainability factors play a significant role in shaping Kempower's strategy and financial decisions. Sustainability impacts, risks, and opportunities are incorporated into Kempower's strategy through product development and design, circular economy practices, refurbishing services, and reporting practices. Kempower's aim is to develop products that assist customers in meeting their emission reduction targets by offering low-carbon products with a reduced carbon footprint, in compliance with increasing regulatory requirements in the EU. This also supports growth and helps Kempower to maintain competitive advantages in the global market.

In 2024, Kempower's Board focused on CSRD compliance, a sustainability strategy update, risk management, financial performance, monitoring practices, and reputation. The list of sustainability topics addressed during the year included ESG strategy and targets, the Sustainability statement and DMA assessment and its results. In the short term, the Board's efforts will be directed towards aligning sustainability actions with these priorities.

GOV-3 Integration of sustainability-related performance in incentive schemes

In accordance with its Remuneration policy, Kempower strives to reward its management in a way that provides an incentive and engages them in executing the Group's strategy and creating value for the shareholders. Remuneration and remuneration development are assessed on the basis of Kempower'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.

The remuneration of the CEO and the members of the Leadership Team consists of a monthly salary, benefits, a yearly bonus and long-term share-based incentive program. In addition, all Kempower employees are included in a yearly bonus program (short-term incentive) that includes Company-level targets as well as personal targets. In addition, both the leadership and all employees can participate in Kempower's long-term share savings program. For the employees of Kempower Oyj, the Kempower Employee Fund has been established.

Kempower has a Performance Share Plan covering financial years 2024–2026 for the Groups' key employees. During the performance period, the rewards are based on the Absolute Total Shareholder Return of the Kempower share, Group Revenue and CO_2 emission reduction in relation to the Group Revenue. The maximum reward is tied to an annual 10% CO_2 reduction relative to revenue. The CO_2 emission reduction target is in line with Kempower's own operation's carbon neutrality target.

In Kempower's Long-Term Incentive Plans, the performance metrics used are Cumulative Revenue, Total Shareholder Return and CO_2 emission reduction per revenue. Growing revenue together with a growing order intake indicates that there are more EV charging infrastructure units installed to help the growth of more sustainable transportation and the moving away from fossil fuels. Also, Kempower Oyj can lower its CO_2 emissions by using an electric truck for transport between factories and the logistics terminal. CO_2 emission reduction per revenue was introduced for the first time in the Performance Share Plan 2024–2026. The weight of Cumulative Revenue target is 60% and CO_2 emission reduction is 10% out of the total 100%.

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 at the Annual General Meeting. 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 Leadership Team and the grounds for it.

Related to short-term incentives, Revenue and Order Intake forms a major part of the target setting. In the Short-Term Incentive Plans (annual bonus), the main variable of remuneration targets used are Revenue, Revenue and Order Backlog and Gross Margin. The percentage of revenue and order intake targets for the CEO is 70% and for the Global Leadership Team members, 50%. Overall, the specific percentages of remuneration linked to climate considerations will be developed. The Leadership Team has also initiated discussions regarding the inclusion of ESG goals as a criterion for bonus allocation in the near future. Related to both long term and short-term incentives, as Kempower has yet to set specific GHG emission reduction targets, the performance of key employees has not been assessed against such targets.

GOV-4 Statement on due diligence

Core elements of due diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	IROs interaction with the strategy and business model: SBM-3, Policies and commitments: S1-1, S2-1 and S4-1
b) Engaging with affected stakeholders in all key steps of the due diligence	Interest and views of the stakeholders: SBM-2, DMA process: IRO-1, Engaging with own workforce, value chain workers and consumers and end-users S1-2, S2-2, S4-2
c) Identifying and assessing adverse impacts	DMA process: IRO-1
d) Taking actions to address those adverse impacts	Actions and whistleblowing process : S1-4, S2-4, S4-4 and G1-1
e) Tracking the effectiveness of these efforts and communicating	Targets: S1-5, S2-5, S4-5

GOV-5 Risk management and internal controls over sustainability reporting

Kempower has established risk management practices in sustainability reporting that covers all data collection, ensuring the audit trail and completeness of the data. The risks are prioritized based on their likelihood and impact with each risk assessed individually. Risk criticality is calculated by multiplying the likelihood by the consequence of the risk.

For sustainability reporting, the main risks identified relate to data collection, data accuracy, and the audit trail. To mitigate these risks, Kempower has made improvements for the 2024 report to enhance data collection and the audit trail. Kempower's data has been reviewed using the Four Eyes Principle, meaning that at least two people have checked the data to improve decision-making processes and reduce errors or fraud. This procedure aims to increase the accuracy and integrity of decisions. In the future, numerical data will be collected on the Workiva platform, a cloud-based platform designed to streamline complex reporting, compliance, and data management processes for businesses.

The Sustainability Manager, along with the Sustainability Team, oversees compliance with environmental laws and industry standards and incorporates the results of risk assessments and internal controls into the relevant internal functions related to sustainability reporting. Internal assurance is conducted by the Group Financial Controller to evaluate and confirm the accuracy of numerical data.

Kempower proactively and systematically aims to identify, analyze, evaluate and manage the most significant risks, which are divided into the following main groups: 1) strategic, operational and hazard risks, and 2) compliance and financial risks. Non-financial effects are also taken into account when assessing risks.

In addition to ESG-related risks, other main risks identified include meeting customer and market expectations, ensuring quality and compliance, and challenges associated with market entry. Environmental, social, and governance (ESG) risks are assessed and prioritized in enterprise risk assessments.

Risk reporting is provided to management quarterly as part of the Functional Review. Risk assessments are conducted regularly throughout the year at both the Business and Function levels, and against business plan objectives and action plans at the Company level.

SBM-1 Strategy, business model and value chain

Kempower is an electric vehicle (EV) fast-charging solutions provider designing and manufacturing direct current (DC) fast-charging solutions for all types of electric vehicles. The range of electric vehicle (EV) charging solutions consists of:

- Distributed charging systems that include power units and satellite dispensers designed for scalable, flexible setups, suited for various electric vehicles.
- Movable standalone chargers and station chargers offering versatile, all-in-one fast-charging options for both indoor and outdoor use.
- Megawatt Charging Systems for heavy-duty electric vehicles, such as trucks and buses.
- Cloud-based management such as Kempower's ChargEye™ software that enables monitoring and managing charging operations, ideal for fleet departments and public stations.

In addition, Kempower provides services and training, maintenance and consultation.

Kempower's primary markets are Europe and North America. The main customer groups include charge point operators (CPOs), retail chains, fleet operators, original equipment manufacturers (OEMs), and distributor and installer networks.

At the end of 2024, Kempower had 786 employees. The employees were located in Finland, with a total of 545, the US, with a total of 104, other European countries, with a total of 118 and other countries, with a total of 19 employees.

Kempower's total revenue for the period was EUR 223.7 million. No revenues were generated from activities related to fossil fuels sectors, chemicals production, controversial weapons or cultivation or production of tobacco.

Kempower's Sustainability Strategy is based on three key focus areas: Climate Impact, Responsible Products, and The Best Workplace for the Future Professionals. Kempower has defined and set clear goals for each focus area in all its operations and products across all operating countries. Kempower's goals are also set to support six critically important United Nations Sustainable Development Goals. Kempower's main products, sustainable EV charging solutions, and services are closely aligned with these sustainability goals, with ongoing efforts to enhance their environmental performance. Kempower's target markets and customer groups also show a growing demand for sustainable solutions, providing Kempower with opportunities to expand its offerings while meeting global sustainability targets.

Kempower's commitment	Long-term sustainability target	UN Sustainable Development Goals
100% carbon neutrality by 2035	Decreasing relative carbon footprint annually	Goal 3: Good health and well-being
	Transferring to 100% fossil free electricity by 2025 in Europe. In the US, Kempower is looking for ways to collaborate with local utility companies to increase green electricity.	Goal 4: Quality education
	Carbon compensation of business travel (flights)	Goal 7: Affordable and green energy
	0% landfill waste by 2025 in Europe. In the US, Kempower is establishing an internal recycling process to separate and collect waste streams internally and identify appropriate vendors to collect recycled waste for proper disposal	Goal 11: Sustainable cities and communities Goal 12: Responsible consumption and production
Responsible products, enabling a society powered by 100% electric transportation	Reducing plastic packaging by 50% by 2025 and transferring to bio and bio-degradable plastics when economically viable	Goal 13: Climate action
	99% end of lifetime recyclability rate for all Kempower EV chargers	
The best workplace for future professionals	Reducing the accident rate to zero	
	Secure high work satisfaction	
	100% of employees trained with first aid skills to reduce serious harm in the event of an accident and other medical emergencies	

Kempower is currently renewing its ESG strategy and sustainability goals. The project began in 2024, and the updated ESG strategy will be completed by March 2025. The reviewed strategy will focus not only on addressing challenges but also on illustrating how Kempower provides clear, actionable solutions that promote significant progress towards sustainability with the specific objective to maximize customer value.

Kempower currently targets the DC fast-charging and high-power charging (HPC) markets for electric vehicles in Europe and North America. In 2024, the Company updated its market estimation model and considered the historic plug/BEV ratio and other metrics by vehicle segments and charging scenarios. Using the updated market model, Kempower estimates there will be a significant increase in the power (kW) per charging point across the vehicle segments and charging scenarios. For example, in the truck segment, the on-the-go charging scenario will require up to 1 MW in 2030. The rise in charging points' power (kW) has led to a notable increase in the price per charging point, directly affecting the overall Total Market Value. In 2023, Kempower's market estimation methodology for the DC charging points was based on a plug/ BEV ratio of 1:20, which was a static ratio used through the years up to 2030.

The refined methodology with optimized segmentation, leads to lower plug numbers compared to the 2023 estimates. However, due to the increased power (kW) of DC charging points, the market estimation clearly yields an equivalent market value of EUR 14 billion in 2030.

The competitive landscape in the EV charging market 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 – which includes companies with a predominantly hardware focus – end-to-end CPOs, and charge point software operators. Kempower considers itself to be mostly a hardware manufacturing focused company with a growing emphasis on software with its Kempower ChargEye™ cloud service. The Kempower ChargEye™, combined with artificial intelligence (AI) and new features developed for different EV management systems including energy management, will play a key role in Kempower's value proposition. With the ever-growing charger base installed in different markets, Kempower's service business will grow in importance.

In 2024, Kempower conducted a climate risk assessment using the TCFD framework. The focus in climate change mitigation will be on developing products to help customers meet their emission reduction targets and providing low-carbon products with a low carbon footprint. In product development, Kempower will take account of eco-design principles. Kempower will emphasize circular economy practices and refurbishing services. Kempower will develop charging solutions to optimize the energy consumption and maximize the utility rate of the system. These strategic goals aim to comply with the increasing regulatory requirements in the EU related to carbon emissions. Kempower's short-term target in mitigating climate change will be related to setting the emissions reduction targets aligned with the Science Based Targets initiative (SBTi) and continuing to improve its EcoVadis sustainability rating. Additionally, cybersecurity measures will be maintained.

Kempower is committed to mitigating impacts on its workforce by cultivating a skilled, healthy, and inquisitive team, which is fundamental for both individual and organizational development. By promoting these values, Kempower not only drives innovation but also enhances customer value. The Group's Sustainability Strategy integrates learning opportunities, well-being initiatives, leadership support, and a curious mindset, resulting in a more engaged and motivated workforce. This approach not only delivers increased value to customers but also positions Kempower for long-term success in the sustainability-driven EV market.

Kempower's business model centers on delivering high-performance, sustainable charging solutions for electric vehicles (EVs). Business model's inputs include components for the assembly of the products, packaging materials, skillful workers and energy. To gather, develop and secure these, Kempower prioritizes resource-efficient and ethically sourced inputs, collaborating closely with suppliers to secure high-quality, sustainable components. Kempower's R&D focuses on innovative, scalable technologies to meet evolving market demands. Kempower is committed to achieving 100% carbon neutrality by 2035 and 100% recyclability in its own production by 2025 in Europe. Kempower has its own recruitment program, according to which Kempower is featured in various recruitment events. The purpose of these programs and events is to secure and retain skilled and talented workers. To achieve carbon neutrality in Kempower's operations by 2035, Kempower utilizes renewable energy whenever possible and pays attention to energy efficiency. Kempower identifies and sorts separate waste fractions and recycles them efficiently.

Kempower's business model's outputs include user-friendly EV chargers and digital solutions that reduce charging times and supports the green transition. For customers and end-users, Kempower offers reliable, eco-efficient charging; for investors, the company delivers value growth and environmental impact; and for society, Kempower accelerates the global shift to sustainable mobility.

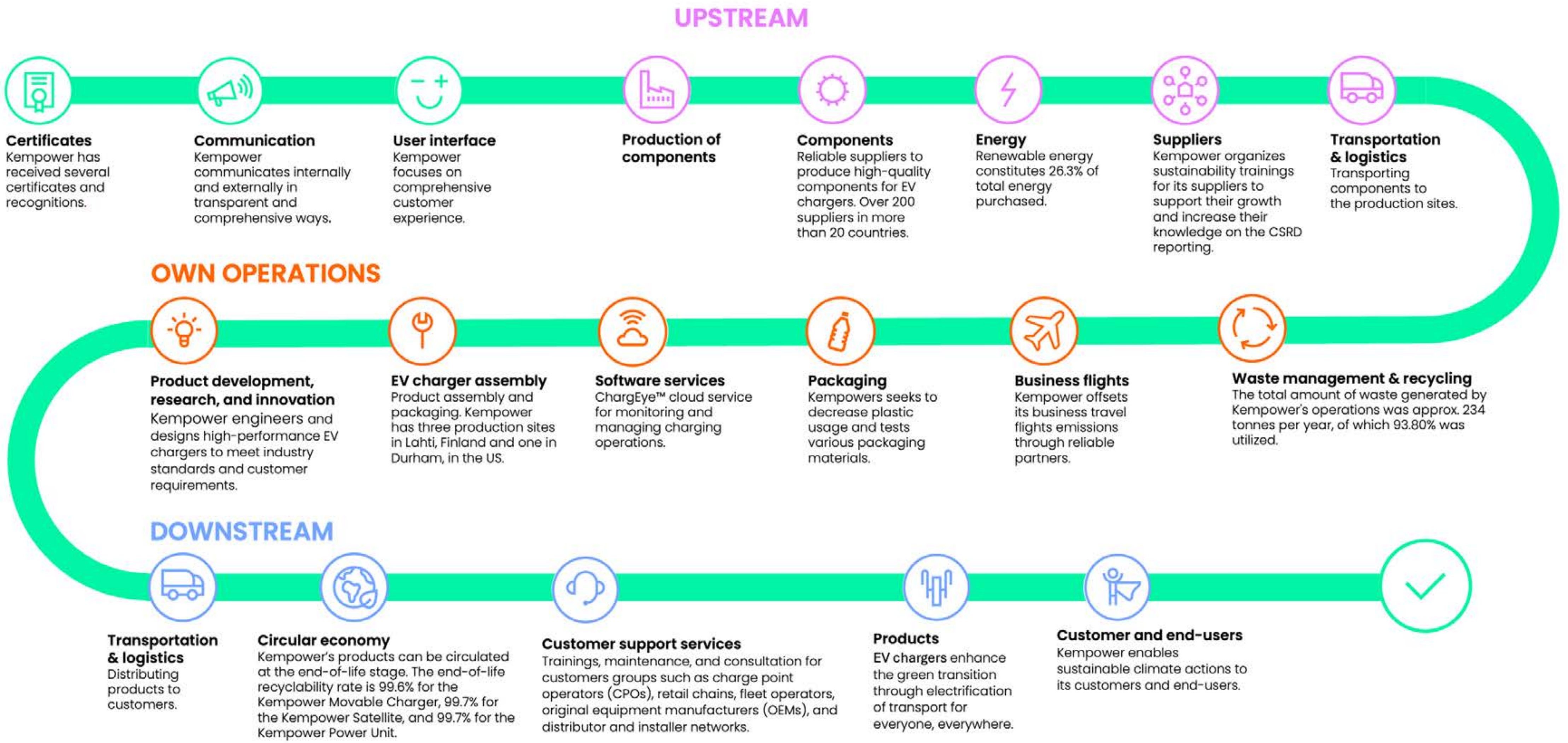
The main stages of Kempower's upstream value chain involve the production of components for assembly lines and transportation.

Kempower's own operations include product design and assembly, software-related activities, RDI, and administration. Kempower's production facilities are located in Finland and the United States, each with their own local supply chains.

The downstream value chain includes deliveries, customers, end-users, product maintenance, and recycling.

Kempower's role in the value chain includes working closely with upstream suppliers, downstream distributors, and end-users. The company aims to maintain strong, sustainable relationships with all business partners and ensure that the value chain supports its business objectives and environmental goals.

Value chain for delivering high-performance and sustainable DC charging solutions for electric vehicles (EVs)



SBM-2 Interests and views of stakeholders

Key stakeholders	How engagement is organized	Purpose of engagement	Outcome	How the outcome is taken into account
Employees: office employees, production employees, Leadership Team	• Performance management cycle • Pulse-survey • Trainings • Onboarding • Recruitment • Safety actions • Occupational health cooperation • Whistleblowing channel • Materiality assessment • Info sessions and other meeting • Reporting • Internal communication channels: Slack, Teams, intranet	To create a safe and open work environment where employees feel connected to the company's mission, vision and values and motivate employees to do their best at work and be empowered to take ownership of their roles.	High levels of engagement lead to increased productivity, improved job satisfaction, and greater loyalty to the organization.	Kempower ensures that employees are informed about organizational goals, key performance indicators (KPIs), and how their individual contributions are measured through regular meetings. One-to-one with employees own People Manager and townhall meetings organized by the Leadership Team. Kempower provides training to help employees grow within the organization. Kempower has feedback channels where employees can express their views and contribute ideas for improvement continuously.
Customers: distributors, retail chains	• Business cooperation • Kempower Academy • Customer survey • Meetings, events • Reporting • Materiality assessment	To build strong, long-lasting relationships with customers, ensuring that they are not just passive buyers but active participants in Kempower's journey. Customer engagement is crucial for delivering value, improving loyalty, and increasing revenue.	Engaged customers are more likely to become advocates, which can drive word-of-mouth referrals and enhance the company's reputation.	Kempower's responsive customer service and Key Customer Managers help Kempower's customers by providing a seamless and helpful user experience. Kempower provides training for its customers. Kempower's product development utilizes the Company's customers' feedback.
Investors, owners, Board of Directors	• Annual General Meeting • Investor communications • Reporting and presentations • Meetings, site visits, events, roadshows • Materiality assessment	To build and maintain trust. Transparent and consistent communication about the Company's strategy, performance, risks, and opportunities helps reassure investors about the Company's prospects and long-term viability.	This trust is critical for fostering confidence in the Company's management and financial health, which can help reduce volatility in stock prices and increase investor retention.	Kempower has investor meetings, and releases detailed, transparent reports to keep investors informed of financial health and strategic direction. Kempower has ensured that there are independent members on the Board and that executives are held accountable for performance. Kempower has implemented internal controls and independent audits to ensure the accuracy and integrity of financial reports. Kempower will improve its sustainability reporting to enable investors to base their decisions on verified sustainability data. Kempower has a business continuity plan and risk assessment management system in place. Kempower works closely with universities to develop its products ensuring optimal quality and high user experience.
Suppliers and original equipment manufacturers (OEM)	• Business cooperation • Supplier survey • Sustainability collaboration and training • Supplier code of conduct • Reporting • Materiality assessment	Engagement with suppliers ensures that they understand Kempower's quality standards and requirements. It fosters a relationship that encourages the reliable delivery of goods and services, maintaining the consistency and performance of Kempower's products.	Engagement of suppliers and OEM meet high-performance and durability standards, which is crucial for a high-quality, safe, sustainable and reliable EV charging network.	Kempower requires Reach and RoHS alignment from its suppliers. Kempower has organized CSRD webinars and training for its suppliers. Kempower focuses on long-term partnerships which help maintain consistency and reduce the risk of component failure or performance issues. Kempower engages in continuous dialogue with its suppliers.

Key stakeholders	How engagement is organized	Purpose of engagement	Outcome	How the outcome is taken into account
Operators and partners: charge point operators, fleet operators, sales and service partners	• Business cooperation • Kempower Academy • Reporting • Materiality assessment • Partner survey • Customer Satisfaction Survey	To foster strong, mutually beneficial relationships that help Kempower to achieve its strategic goals, operational efficiency, innovation, scalability, drive growth and alignment with Kempower's sustainability and business goals.	To ensure that charging stations are properly maintained and serviced on time. Regular updates with customers about potential operational challenges can help Kempower address any bottlenecks or issues promptly, improving overall customer satisfaction.	Kempower focuses on long-term partnerships. Feedback from Kempower's customers is utilized, e.g., in product development. Trainings are organized for customers, and they are guided in the installation and maintenance of the products. Customer feedback is collected regularly. Guidelines are updated regularly.
Universities, research institutes	• Research center and cooperation • Traineeships and summer jobs • Training program • Visits and presentations • Reporting • Materiality assessment	Engaging with universities and research institutes allows Kempower to be aligned with the latest advancements in engineering, energy management, and sustainable technologies.	Collaboration with universities and research institutions can provide valuable insights, promote cutting-edge research, and support the development of next-generation technologies.	Kempower has a very close collaboration with universities. Kempower offers trainee positions and thesis works for students, for example. Kempower and LUT university established the Electric Mobility Research Center (EMRC) for the development, research and support of electrification.
General authorities, politicians	• Reporting • Materiality assessment	Engagement with authorities and politicians helps Kempower with regulatory frameworks that directly impact the electric vehicle industry and sustainable energy solutions. By participating in policy discussions and working with political stakeholders, Kempower can advocate for regulations that promote EV infrastructure growth and clean transportation initiatives.	Public awareness raising of EV charging and its impact on the environment on a global level.	Kempower participates in the discussion related to the electrification of transport and promotes the development of electronic transport with the help of its own products. Kempower complies with laws and regulations.

In addition to the stakeholder engagement described in the table above, Kempower further developed its understanding of key stakeholders' interests and views and analyzed them during the double materiality assessment process in 2024. The methods included both survey and interviews. The survey's response rate was very positive, with 396 stakeholders answering the survey. The survey was followed by voluntary in-depth interviews with over 70 stakeholder representatives who had expressed an interest in being interviewed during the survey process. In this way, a group of positive and negative impacts on people, climate, and environment, in which Kempower potentially or actually participates through its operations or business relationships, was identified. More information on the DMA process can be found under IRO-1.

The most emphasized themes in the stakeholder engagement were related to the climate change (ESRS E1) impact on the development of electric transport, the importance of the circular economy (ESRS E5) in product development, the well-being of Kempower's own employees (ESRS S1) and workers in the value chain (ESRS S2), as well as the safety of end-users (ESRS S4). These interests and views of key stakeholders directly relate to Kempower's strategy and business model.

Kempower's core business is to contribute to the decarbonization of private and commercial vehicles, machines and ports, with the enhanced co-benefits of cleaner local air-quality, reduced noise pollution, and a safer and more productive society. Moreover, Kempower recognizes the importance of environmental sustainability and is committed to reducing the environmental impact of its products. Kempower is actively exploring recyclable materials, energy-efficient manufacturing processes, and end-of-life solutions for its charging systems.

Kempower's business success and the implementation of its strategy depend on the Company's ability to recruit and engage motivated and skilled individuals. The availability and loss of key personnel could have a materially adverse effect on Kempower's business. As a result, the Company views all Kempowerians as its most valuable company resource and takes action to improve the well-being of its employees.

Additionally, Kempower has identified the rights and interests of value chain workers as a key consideration within its business model. Through its double materiality assessment, the company ensures that both the social and environmental risks related to its supply chain are recognized and addressed.

Lastly, the safety of Kempower's end-users is essential for the continuity of its business. The Kempower team has recognized the importance of extending the work related to responsibly manufactured products from the Company's own operations to contractors and suppliers. For example, through ISO certifications, Kempower shows its commitment to providing high quality and safe products and services that meet both customer and regulatory requirements. Kempower's focus is on providing high quality and safe products and services.

Regarding the Company's Sustainability Strategy, Kempower's aim is to be the best partner for its customers in developing emission-free business. Concerning growth strategy, when potential new markets for expansion are evaluated, Kempower pre-assesses the potential customer types, their needs and the most suitable sales model for the customers in concern. Kempower engages with the end-users of its products through its customers, which include public charging networks, retailers, fleet operators, original equipment manufacturers (OEMs) and dealerships.

Sustainability is a key component of the Company's overall strategy. The objectives include promoting the electrification of traffic, providing solutions for it, manufacturing durable, repairable, and recyclable products, and being an exemplary employer and partner within the value network. Kempower aims to achieve its mission by establishing and maintaining long-lasting, cooperative relationships with key stakeholders, including employees, customers, investors, and suppliers.

Kempower's Sustainability Strategy is currently being amended in order to consider the 2024 double materiality assessment and address the interests and views of stakeholders. Their views will be taken into account in the preparation of the strategy. Stakeholders expect Kempower to act as a pioneer in the aforementioned themes of climate change, circular economy, workers' rights, and consumers and end-users (E1, E5, S1, S2 and S4), and these areas will be under review in the update to integrate the feedback Kempower has received from its stakeholders to its strategy. The strategy will be finalized in March 2025.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Based on the DMA results, the most important topics to Kempower in the short, medium and long terms were climate change (ESRS E1), the circular economy from the point of view of resources (ESRS E5) and Kempower's own employees (ESRS S1).

Kempower's business strategy's core goal is to be a forerunner in electric transportation; therefore, the entire business model is created to support the positive impacts on climate change mitigation.

Additionally, an essential part of Kempower's growth strategy is to ensure the availability of appropriate human resources and capabilities for implementing the strategy and achieving targets. As Kempower aims to expand in DC charging solutions across different customer segments and new geographic areas, acquiring various new competencies and establishing an attractive employer brand in these regions is crucial for the Company's success.

Kempower must also ensure that employees have clear job roles, the necessary tools, and opportunities to balance their work and private life, possibilities for professional learning and development, and avenues to influence and propose ideas for continuous improvement in their work and working environment. Failure in any of these areas could influence the implementation of the strategy and successful business operations.

Additionally, the inability to attract suitable candidates or to efficiently onboard new employees has been identified as potential risks. To mitigate these risks, Kempower has established well-defined recruitment and onboarding processes, and collects feedback from candidates and new employees.

When sub-topics related to the environment were examined during the DMA process, climate change mitigation and energy consumption came to the fore. The positive impacts of electric transport to air pollution levels was identified as an opportunity because Kempower has the opportunity to positively influence air pollution levels through its manufacturing of electric transport charging solutions. Sub-subtopic risks were also associated with climate change mitigation and energy consumption.

Kempower's role in the value chain is to provide hardware, software, and services solutions for electrification of road transport. Kempower is committed to carbon neutrality by managing its product lifecycle, reducing the carbon footprint in its operations, and actively developing sustainability in the value chain. The Group's social responsibility is demonstrated through its product safety, user experience, and employee commitment to customer success. Governance commitments include ethical business practices, cyber security, regulatory compliance, and transparent reporting to stakeholders.

Corporate sustainability is continuously developing, so the effects of climate change mitigation, own workforce, workers in the value chain, reduction of pollution in the air and consumers and end-users are significant to Kempower in the short and medium term. The influence of other factors, including pollution in the air decreases in the long term.

Kempower has connections and interacts with various stakeholders such as suppliers, customers, authorities, employees, investors and communities when sourcing components and during assembly, quality testing, distribution and after-sales services. Long-term partnerships with suppliers contribute to Kempower's carbon footprint, while relationships with customers can influence the social impacts related to product usage and disposal.

The ESRS standards S1, S2, S4, E1, E5, G1, and ESRS 2 highlight specific actions and operations by Kempower that result in material impacts. These impacts arise from diverse relationships. By effectively managing these material impacts, Kempower aims to align its strategy and business model to generate long-term value, mitigate negative effects, and capitalize on emerging market opportunities.

The risks identified in the DMA assessment were estimated to have a small or small-to-medium sized financial impact. The realization of these risks could have impacts on Kempower's revenue, cost levels and availability of workforce. Climate-related risks and uncertainties are not estimated to have impacts on the financial statements for the year 2024, or for financial year 2025. Kempower assesses that the positive opportunities due to the electrification of transportation have a greater financial impact on the financial statements than with the negative impacts of risks. The estimates for the risks and opportunities identified in the DMA process were based on the scales and scope used in Kempower's risk management.

Material topics for Kempower reported in this Sustainability statement are based on the DMA assessment conducted in 2023 and reviewed in 2024. The results are aligned with Kempower's strategic goals. Reviewing the material impacts, risks and opportunities will be an integral part of Kempower's annual strategy process.

The action plan for climate change mitigation and adaptation plan disclosed under E-1 is aligned with Kempower's broader business strategy and financial planning by addressing various direct costs, risks, and opportunities associated with sustainability.

During 2024, Kempower has developed sustainability reporting by deepening the DMA analysis, starting the preparation of a Sustainability Strategy and due diligence process, and integrating sustainability more closely to every function of the Company. The DMA results will be included in Kempower's Sustainability Strategy update that began in 2024.

Climate change

Kempower engages in a continuous process to identify and update its environmental risks and their impacts on the environment and people. The Group updated its 2022 climate scenario risk assessment and TCFD framework-aligned resilience analysis in 2024. In the resilience analysis, Kempower assessed the resilience of its strategy and business model to different climate-related outcomes under 1.5 and 4.0°C scenarios. The scenarios used were IPCC SSP1-2.6 (global temperature increase well below 2°C), and IPCC SSP4-8.5 (global temperature increase up to 4°C). The scope of the scenario and resilience analyses consist of all geographies with Kempower's charging solutions, with focus on North America and Europe. Additionally, regional risks in production sites Durham, US, and Lahti, Finland were analyzed. The whole value chain and own operations, as well as all material physical and transition risks were considered in the analyses, and no such factors were specifically excluded.

Both physical and transition risks were considered. Time horizons applied in the analyses were: short term, 1 year (FY), medium term, 1–5 years, and long term, >5 years. The anticipated financial effects were evaluated using a scale based on revenue: Small, 0–1%, Medium, 3–5%, High, 10–20%.

Based on the assessment, Kempower's strategy is climate-resistant over short, medium and long-term scenarios, considering the small to medium financial effects and the planned control and adaptation practices. At the overall Group level, Kempower continues to adapt its strategy related to climate considerations in the following ways:

- Implementing Kempower's correction action plan for high and very high environmental risks
- Continuously following its processes in the event of radical changes in overall risk profile
- Reviewing all risk-related processes annually.

Kempower's business strategy's core goal is to be a forerunner in electric transportation; therefore, the entire business model is created to support the positive impacts on climate change mitigation.

Climate related risks and opportunities

Type	Scenario and risk (-) or opportunity (+)	Financial effect	Controls and adaptation	Time horizon	Probability
Policy & legal	1.5°C + Regulation creates a strong global market for charging solution	High	Growth strategy	Short term: EU, Medium: USA	Probably
	1.5C–4°C + Availability of financing for low-carbon solution providers	Medium	Building local presence in main markets	Short-term EU, Medium: USA	Probably
	1.5°C - Emerging regulation: Carbon pricing increases raw material cost	Small	Preparation of contingency plans, where risks reviewed and mitigated	Short term	Likely
	1.5°C - Emerging regulation: Critical raw materials, EU depending (PCB)	Small	Preparation of contingency plans, where risks reviewed and mitigated	Short term	Likely
	1.5–4°C -/+ CBAM (carbon border adjustment mechanism) in Europe	Small	Kempower does not import products to which CBAM must be applied	Long term	Unlikely
	1.5–4°C - Compliance costs, e.g. enhanced emissions-reporting obligations	Medium	Ongoing competence building	Short term	Unlikely
Technology	1.5C–4°C + Use of lower-emission sources of energy (own and customers)	Small	Market presence where applicable	Short term	Certain
	1.5C–4°C + Substitution of existing products and ability to develop new features and services with lower emissions options	Medium	Ability to develop future businesses to replace demand in future mature markets	Long term	Certain
	1.5C–4°C + Efficiency in data usage (transformation for customers to utilize the data)	Small	Product and service development	Short term/medium	Likely
	1.5–4°C – Costs of renewable energy (US)	Small	Improve energy efficiency	Short term/medium	Certain
	1.5–4°C – Substituent technologies (Hydrogen)	Small	Increased market intelligence	Long term	Likely
Market	1.5°C + Shift in demand globally, or (1.5–4°C) in developed countries	Medium	Increase market intelligence	Long term	Likely
	4°C + Regulation drives customers' financing only locally or (1.5°C) globally	Medium	Continuous product development	Short term	Certain
Reputation	1.5–4°C + Being part the green transformation is a major factor in retaining capable workforce	Medium	Employee engagement measured, followed	Short term	Likely
	1.5–4°C Selecting wrong customer or supplier to partner without proper background check	Small	Third-party Management	Short term/medium/long term	Likely

Physical climate related risks and financial effects

Type	Scenario and risk (-) or opportunity (+)	Financial effect	Controls and adaptation	Time horizon	Probability
Acute	4°C - Disruptions in logistics and supply chain	Small	Risk evaluation practices in operations	Long term	Likely
	4°C - Extreme weather (hurricane, floods) conditions lead to local damages and production losses	Medium	Risk evaluation practices in operations	Medium	Likely
	1,5°C - Increased costs due to severe impacts (hurricane, floods) in limited regions	Small	Risk evaluation practices in operations (Environmental Aspects analysis)	Medium	Unlikely
Chronic	4°C - Reduced revenue and higher costs from negative impacts on workforce (e.g., health, safety, absenteeism)	Medium	Risk evaluation practices in operations (EHS Management)	Long term	Likely

Own workforce

Kempower's workforce comprises of permanent employees, temporary employees and rental workers.

Kempower's double materiality assessment identified positive impacts, risks and opportunities related to all Kempower's own employees. Material negative impacts related to individual incidents on Kempower's workforce concerning employee well-being, such as working overtime or occupational safety. These factors may also affect Kempower's ability to recruit employees necessary for achieving its strategic goals. Employees may also experience material impacts stemming from reducing negative impacts on the environment as Kempower continues to adapt its operations to align with its environmental sustainability targets. In this case, Kempower is committed to ensuring these individuals are supported through any changes. The double materiality assessment highlighted positive effects on working conditions, including secure employment, social dialogue, freedom of association, collective bargaining, work-life balance, and health and safety.

Risks and opportunities were identified in relation to both working conditions and equal treatment and opportunities. In addition to the above-mentioned themes, these themes included working hours, adequate wages, gender equality and equal pay, training and skills development, employment and the inclusion of persons with disabilities, measures against workplace violence and harassment, child and forced labour and diversity.

During the DMA, Kempower conducted interviews with key internal stakeholders, including members of the Management Team and Board of Directors, as well as office and production employees. The objective was to assess the potential impacts that Kempower might have on its workforce. This work identified young workers as a specific group of employees who could potentially be negatively affected, as nearly one-fifth of Kempower's employees are between the ages of 18 and 29. For many, this is their first job. This age group also includes several individuals who have moved to Finland from other countries. As a result, workplace practices and labour laws may be unfamiliar to them. Therefore, communication and guidelines have been designed to provide broader context, and during change negotiations, weekly information sessions have been held for staff to address any unclear issues to avoid negative impacts.

Kempower has not recognized any specific groups within its workforce at significant risk of incidents of forced labour, compulsory labour or child labour.

At the end of 2024, Kempower employed a total number of 786 professionals. Additionally, Kempower had individual contractors and employees contracted through staffing agencies.

Workers in the value chain

Suppliers and their workers are a critical part of Kempower's value chain and Kempower is committed to ensuring the rights of its supply chain workers. Kempower's risk assessment has identified that operations involving the extraction of raw materials such as aluminum and copper pose the highest risks of social and environmental impacts.

Workers who may be materially affected within Kempower's value chain include those employed by entities in both the upstream and downstream of the value chain. The workers most likely to be materially impacted in the upstream value chain include workers who are involved in the extraction of the minerals used in the components, the production of components and transportation. Additionally, potential risks of child labour and forced labour have been identified among upstream suppliers located in countries with weaker governance frameworks. As part of the due diligence work in 2025, Kempower will continue to identify the most vulnerable groups by geography and commodity in its value chain.

In Kempower's double materiality assessment, both positive and negative material impacts, as well as risks, related to value chain workers were identified. The analysis highlighted the effects on employment, working time, health, and safety. Additionally, it recognized possible negative impacts on gender equality, training, diversity, child and forced labour, adequate housing, water and sanitation, as well as privacy. These impacts on the working rights of value chain workers can be either systemic or related to individual incidents. For example, systemic negative impacts can arise from increased mining of minerals needed for the green transition in transportation, while health and safety issues can be linked to individual incidents.

The main material risks identified in the assessment arising from impacts and dependencies were related to suppliers' potential non-compliance with labour regulations, which can affect workers and directly impact Kempower's reputation.

Consumers and end-users

The end-users and consumers of Kempower's charging devices in the downstream value chain include electric vehicle (EV) owners who utilize charging hubs at locations such as petrol stations, fast-food restaurants, or retail stores, as well as commercial fleet operators who primarily manage buses and trucks. End-users rely on accurate and accessible service-related information, such as manuals and product labels, and require protection of their personal data. Kempower does not interact directly with these groups, as they are serviced through Kempower's distributor or partner network.

Kempower has identified potential negative impacts regarding the possible loss of end-users data. The impact is associated with specific incidents. For a positive impact, Kempower focuses on the user-friendliness of its products, for example through the optimization of the user interface.

Kempower does not currently have an official process to determine how consumers and end-users with particular characteristics, working in particular contexts, or undertaking particular activities, may be at greater risk of harm. However, Kempower will conduct a more in-depth assessment of its dependencies and impacts related to consumers and end-users as part of its due diligence work and also identify specific groups of consumers or end-users who may be subject to these material risks and impacts.

Kempower's material topics

Environment: Impacts, risks and opportunities

Material topic	Sub-topic	Impact (positive/negative), risk or opportunity	Description	Position in the value chain: Upstream	Own operations	Downstream
E1 Climate change	E1-1 Climate change adaptation	**Positive impact**	Kempower's business is based on the global transition to a low-carbon economy. Kempower's products have a positive impact on GHG reductions by enhancing GHG emission reductions of transportation, providing EV chargers and customers can utilize low-carbon EV chargers to reduce their carbon footprint.	x	x	x
		Opportunity	Kempower has expanded the charging power infrastructure delivered to its end customers, thus enabling increased transportation with low-emission electric vehicles and a lowering of the carbon burden in the private, commercial and off-highway vehicle sectors. Kempower's stakeholders expects Kempower to be a forerunner in electrification. This demand creates the requirement to implement financial investments in sustainability, which Kempower considers to be a particularly important theme for the Group.	x	x	x
	E1-1 Climate change mitigation	**Positive impact**	Kempower's products create a positive impact on climate change by reducing GHG emissions in road transport.		x	x
		Opportunity	Kempower is working in a sector helping to deliver a green transition and producing products with a high carbon handprint which reduces the carbon footprint of its customers. These efforts will increase Kempower's brand image but also reduce it if Kempower fails in its efforts.		x	x
		Negative impact	If Kempower's climate change mitigation plan is not sufficient, it may result in the GHG reductions in its own operations to fail to produce positive results. This may result in a loss of internationally recognized rating levels and may create a negative impact on Kempower's brand image and reputation as well as reduce demand of Kempower's products.		x	
	E1-1 Energy	**Positive impact**	Kempower's stakeholders have expressed a preference for the Group to use fossil-free derived energy. When using fossil-free energy, Kempower is able to reduce its own products' carbon footprint. This leads to a direct positive impact on Kempower's brand image and reputation.		x	x
		Positive impact	Fulfilling the expectations and demands of its stakeholders will positively impact Kempower's brand image.	x	x	x
		Opportunity	Kempower requires energy in its production, but production itself does not require a significant amount of energy. Kempower utilizes green energy sources when possible. This will facilitate in Kempower being able to reach set targets.		x	x
		Opportunity	Energy is required to produce components. Kempower also prefers that its suppliers utilize renewable or green energy sources and produces components in an energy efficient way. This provides an opportunity to reduce energy usage in the whole value chain. Utilizing green energy creates a positive impact.	x	x	x
		Opportunity	To be a forerunner and the most desired EV chargers' producer, Kempower is required to fulfill the expectations and demands of its stakeholder's.	x	x	x
		Risk	It can be a risk if members of Kempower's value chain do not utilize energy in an energy-efficient way, which may increase the carbon footprint of Kempower's components and its opportunity to reduce energy usage in the whole value chain. Kempower encourages its value chain to utilize renewable energy sources and use energy in an energy-efficient way.	x	x	x

Material topic	Sub-topic	Impact (positive/negative), risk or opportunity	Description	Position in the value chain		
				Upstream	Own operations	Downstream
E5 Circular economy	**E5-1 Resource outflows related to products and service**	**Positive impact**	No hazardous chemicals of conflict minerals are used in Kempower's products, and these products contain a high recyclability rate.	x	x	
		Positive impact	The utilization of recycled materials in Kempower's components impacts Kempower's reputation and helps Kempower to fulfill stakeholder expectations.	x	x	x
		Opportunity	Demand from Kempower's stakeholders to be forerunner in electrification may cause an increase in financial cost, but it may also provide Kempower with opportunities to manufacture more carbon neutral products that are also easier to recycle.	x	x	
		Opportunity	Studies and research have been undertaken to help increase the utilization of more recycled materials in Kempower's components. The utilization of more recycled components will reduce the amount of virgin materials required to create the components.	x	x	x
		Risk	Unsafe products may negatively impact the brand and reputation, which may lead to a decrease in customer demand. To mitigate the risk, Kempower's suppliers are required to accept Kempower's General Terms and Conditions, where the suppliers are responsible for ensuring that the components are Reach and RoHS compliant. Further clarifications about which chemicals may have been used in Kempower's components are tentatively planned to arrive in 2025.	x	x	x
		Negative impact	If Kempower's products are unsafe for its users, this may impact Kempower's customers' safety.		x	x
	E5-1 Resource inflows related to products and service	**Positive impact**	The utilization of recycled materials impacts Kempower's reputation and helps to fulfil expectations. Recycled materials also reduce the extraction and utilization of virgin materials.	x	x	x
		Opportunity	The utilization of recycled materials will help increase the carbon footprint of Kempower's products.	x	x	
	E5-1 Waste	**Positive impact**	When Kempower's products' carbon footprint is reduced it will also improve its customers' carbon footprint. Customers demand a lower carbon footprint in Kempower's products.		x	x
		Positive impact	Kempower constantly develops measures related to waste management, such as training its own employees to reduce the amount of waste.	x	x	x
		Opportunity	For Kempower, reducing GHG emissions while not burning waste streams helps to reduce the burden on landfill sites.		x	x
		Opportunity	By complying with the required laws and regulations, like WEEE (electric, packaging, battery), Kempower can produce products that fulfill the requirements for recycling and increase recyclability in the value chain.	x	x	x
		Risk	If Kempower does not implement good planning, designing and assembly practices, there may be a risk that Kempower does not fulfill the expectations of its customers and waste management costs may increase.		x	x
		Negative impact	If Kempower's waste management does not comply with the required laws and regulations, it may result in negative impacts.		x	x

Social impacts, risks and opportunities

Material topic	Sub-topic	Sub-Sub-topic	Impact (positive/negative), risk or opportunity	Description	Position in the value chain: Upstream	Own operations	Downstream
S1 Own workforce	S1-1 Working conditions	S1-1-1 Secure employment	**Positive impact**	Kempower provides local employment opportunities and requires skilled employees to support its growth objectives.		x	
			Opportunity	A number of jobs are aligned with national legislation and collective agreements.		x	
			Risk	Availability of skilled labour. It may be a risk as Kempower requires many professional employees as it grows. The availability of labour impacts Kempower's brand and employer reputation. Without qualified employees Kempower is unable to grow.		x	x
		S1-1-1 Working time	**Positive impact**	Flexible working hours and overtime practices positively impact the Kempower's image.		x	
			Opportunity	Flexible working hours improve the Kempower's image and make recruitment easier. With qualified employees Kempower is able to increase its production.		x	
			Risk	Excessive overtime may lead to employee burnout and decreased motivation, causing skilled workers to leave, which may negatively impact Kempower's growth targets and the Group's value.		x	
			Negative impact	There is also a risk when Kempower is rapidly expanding. This may require employees to work overtime, and employees may become overburdened as a result.		x	
		S1-1 -1 Adequate wages	**Positive impact**	An adequate salary is a competitive factor in order to attract qualified employees.		x	
			Opportunity	Salary and other benefits affect Kempower's brand reputation. Competitive salaries are essential to attract qualified employees. Salary and other benefits affect Kempower's brand reputation.		x	x
			Risk	It is perceived to be a risk if Kempower offers lower salaries.		x	
			Negative impact	Lower salaries may negatively impact the availability of qualified employees.		x	
		S1-1-1 Social dialogue	**Positive impact**	Kempower complies with collective agreements and, in addition, utilizes local bargaining.		x	
			Opportunity	An opportunity for genuine labour market discussion between the different parties.		x	
		S1-1-1 Freedom of association	**Positive impact**	Genuine discussions and engagement positively impact Kempower's image as an employer, influencing job seekers' decisions on where to apply.		x	
			Opportunity	As a responsible employer, Kempower aims to improve its operations based on employee feedback (employee engagement surveys, employee representatives and personnel and occupational health and safety committee).		x	

Material topic	Sub-topic	Sub-Sub-topic	Impact (positive/negative), risk or opportunity	Description	Position in the value chain		
					Upstream	Own operations	Downstream
S1 Own workforce	S1-1 Working conditions	S1-1-1 Collective bargaining, including rate of workers covered by collective agreements	**Positive impact**	Open and transparent discussion with different parties positively impacts employees' rights and benefits.		x	
			Opportunity	An opportunity for genuine labour market discussion between the different parties.		x	
		S1-1-1 Work-life balance	**Positive impact**	Work-life balance is crucial for employee motivation. It increases employee engagement and supports organizational success. It also helps identify high-performing individuals for future roles and ensures employees are aligned with the Group's strategic direction.		x	
			Opportunity	Kempower has many ways to work so that work and free time can be reconciled. A flexible worktime system leads to better work-life balance. There is always the possibility to change working time if there is a greater requirement to be at home. This will improve Kempower's employer image and brand.		x	
			Risk	If Kempower does not offer different ways of combining work and free time, then it may not necessarily gain and retain qualified employees. This may have a significant impact on Kempower's reputation as an employer.		x	
			Negative impact	Employees become exhausted and their motivation decreases.		x	
		S1-1-1 Health and safety	**Positive impact**	Occupational healthcare aims to promote and advance a healthy working environment and safe working conditions. The goal is to support the employees' ability to work throughout their entire working career. Kempower has several safety KPI's to measure (LTIF, TRIF, sickness and accident absences and number of safety observations).		x	
			Opportunity	Kempower's view is that optimal well-being at work results from having highly motivated employees. Enhancing employees' ability to work throughout their careers can increase well-being, contribute to a positive working environment, and improve brand reputation. Optimal well-being at work additionally reduces sickness absences, bringing cost savings.		x	
			Risk	In the absence of proper health and safety protocols, employees are at a higher risk of accidents, injuries, and illnesses, which can range from minor incidents to serious, life-threatening situations. To reduce risks, Kempower has ISO 45001 in place. ISO 45001 provides an internationally recognized framework for managing occupational health and safety risks. It enables Kempower to systematically assess hazards and implement risk control measures, leading to reduced workplace injuries, illnesses and incidents.		x	
			Negative impact	Poor occupational safety affects the motivation of employees, increases absenteeism and affects the working atmosphere.		x	

Material topic	Sub-topic	Sub-Sub-topic	Impact (positive/negative), risk or opportunity	Description	Position in the value chain: Upstream	Position in the value chain: Own operations	Position in the value chain: Downstream
S1 Own workforce	**S1-1-2 Equal treatment and opportunities for all**	**S1-1-2 Gender equality and equal pay for work of equal value**	**Positive impact**	Kempower is committed to the principle of equal employment opportunities for all employees with a good working environment that enhances its brand reputation.		x	
			Opportunity	Kempower's employment decisions are based on business needs, job requirements, and individual qualifications, without regard to race, color, religion or belief, gender, or any other status protected by laws and regulations. Kempower does not tolerate discrimination or harassment based on any of these characteristics, and the Group encourages applicants of all ages.		x	
			Risk	Possible unequal treatment has a negative impact on Kempower's image as an employer.		x	x
			Negative impact	Unequal treatment leads to poor work motivation and underperformance.		x	x
		S1-1-2 Training and skills development	**Positive impact**	Skills development and training provide positive ways to bring value to an employee. Kempower offers several different trainings for its employees. Kempower has a set of eight digital training courses that are obligatory for all its employees: Code of Conduct, Insiders guidelines, Cybersecurity Awareness, Competition Law training, Information Security Management System (ISMS) training, Whistleblowing training, Occupational Safety training and Sustainability training beginning in 2025 and a voluntary Emergency First Aid course (4h). Kempower's Code of Conduct training includes harassment-related issues. In addition, in the US, there are several occupational health and safety trainings.		x	
			Opportunity	Training sessions contribute to Kempower's brand reputation and aid in recruiting new employees by offering extensive training opportunities.		x	
		S1-1-2 Employment and inclusion of persons with disabilities	**Positive impact**	Kempower follows its recruitment and DEIB policies. The selection criteria for recruitment process are the person's competence and suitability for an open position.		x	
			Opportunity	For Kempower there is the possibility to implement its DEIB Policy and increase diversity. Kempower acts in accordance with laws and regulations and in accordance with its own operating methods, such as employment decisions that are based on business needs, job requirements, and individual qualifications, without regard to race, color, religion or belief, gender, or any other status protected by laws and regulations.		x	
			Risk	It may be a risk if Kempower does not follow the policy, and additionally, the process would also not work equally.		x	
			Negative impact	Acting with inequality, may directly impact Kempower's employer image negatively. As a result, job seekers may choose to apply to other companies.		x	

Material topic	Sub-topic	Sub-Sub-topic	Impact (positive/negative), risk or opportunity	Description	Position in the value chain: Upstream	Own operations	Downstream
S1 Own workforce	**S1-1-2 Equal treatment and opportunities for all**	**S1-1-2 Measures against violence and harassment in the workplace**	**Positive impact**	Kempower prohibits any inappropriate treatment or harassment of another person. Kempower's Harassment Policy follows the Occupational Safety and Health Act 738/2002 regarding worker's duty and harassment. Kempower provides a Whistleblowing function to its employees.		x	
			Opportunity	Kempower prohibits any inappropriate treatment or harassment of another person. Kempower has a clear policy on how to act in different situations. The Group has implemented a compliant Whistleblowing system. The Whistleblowing function improves Kempower's brand image which is required if Kempower is to be both a forerunner and compliant with laws and regulations.		x	
			Risk	Risk of harassment incidents may also constitute a risk if an inadequate Whistleblowing function is in place. As a result, Kempower may be less aware of any shortcomings or incorrect ways of working. The lack of systems and measures may lead to misunderstandings and unequal treatment and negatively impact Kempower's reputation.		x	
		S1-1-2 Diversity	**Positive impact**	Kempower complies with laws and regulations and the Group's policies, the company acts responsibly, so that the rights of employees are fulfilled. To support diversity, Kempower adheres to Labour and Human Rights policies, DEIB policies, and the CoC.		x	
			Opportunity	The implementation of a DEIB policy and Kempower's ability to increase diversity is viewed as an opportunity. Kempower acts in accordance with laws and regulations and in accordance with its own operating methods, such as employment decisions that are based on business needs, job requirements, and individual qualifications, without regard to race, color, religion or belief, gender, or any other status protected by laws and regulations.		x	
			Risk	If Kempower fails to comply with laws and regulations and the Group's policies, then it does not act responsibly, and employees' rights are not fulfilled. To avoid risks, Kempower is aligned with a Labour and Human Rights Policy, DEIB Policy, and CoC.		x	
			Negative impact	If Kempower fails to comply with the required laws and requirements, it impacts Kempower's image as an employer, which may affect the Group's ability to both hire and retain qualified employees. This may have an impact on the realization of growth in accordance with the goals.		x	
	S1-1 Other work-related rights	**S1-1-3 Child labour**	**Positive impact**	Kempower complies with laws and regulations and the Group's policies, and acts responsibly, so that the rights of Kempower's employees are fulfilled. Kempower does not accept child labour under any circumstances.		x	
			Opportunity	Kempower operates in accordance with laws and regulations, which positively impacts its image as an employer. As a result, Kempower is perceived to a desired employer, allowing the Group to act in accordance with its set goals.		x	
			Risk	If Kempower fails to comply with laws and regulations and the Group's policies, then it does not act responsibly, and employees' rights are not realized. Kempower is aligned with its Labour and Human Rights Policy, DEIB Policy, and CoC.		x	
			Negative impact	If Kempower fails to comply with the required laws and requirements, it impacts Kempower's image as an employer, which may affect the Group's ability to both hire and retain qualified employees. This may have an impact on the realization of growth in accordance with the goals.		x	

Material topic	Sub-topic	Sub-Sub-topic	Impact (positive/negative), risk or opportunity	Description	Position in the value chain: Upstream	Own operations	Downstream
S1 Own workforce	S1-1 Other work-related rights	S1-1-3 Forced labour	**Positive impact**	It is viewed as an opportunity when Kempower complies with laws and regulations and the Group policies, and acts responsibly, so that the rights of employees are fulfilled. Kempower does not accept forced labour under any circumstances. To support workers' rights, Kempower adheres to a Labour and Human Rights Policy, DEIB policies, and the CoC.		x	
			Opportunity	Kempower operates in accordance with laws and regulations, which positively affects its image as an employer. As a result, Kempower becomes a desired employer, allowing it to act in accordance with its set goals.		x	
			Risk	If Kempower fails to comply with the set laws and requirements, it impacts Kempower's image as an employer, which may affect the Group's ability to both hire and retain qualified employees. This may have an impact on the realization of growth in accordance with the goals.		x	
			Negative impact	If Kempower fails to comply with laws and regulations and Group policies, it fails to act responsibly, and employees' rights are not realized. To avoid negative impacts, Kempower is aligned with its Labour and Human Rights Policy, DEIB Policy, and CoC.		x	
S2 Workers in the value chain	S2-1 Working conditions	S2-1-1 Secure employment	**Positive impact**	Kempower's subcontracting activities generate employment, resulting in the creation of both permanent and temporary high-skill jobs that require financial resources from the Group's suppliers.	x	x	x
			Opportunity	Regular audits maintain constant interaction with suppliers, helping to avoid risks related to supply chain workers.	x	x	x
			Risk	If growth does not occur as planned, there may be financial disadvantages realized in the value chain. Risk of violation of labour regulations in the value chain may lead to a financial disadvantage.	x	x	x
			Negative impact	Non-compliance with laws and regulations may result in suppliers neglecting the rights of their employees.	x	x	x
	S2-1-1 Health and safety	S2-1-1 Health and safety	**Positive impact**	Sub-contractors in Kempower's supply chain perform more optimally when they prioritize occupational safety, which also prevents interruptions and ensures seamless operations and mutual growth.	x	x	
			Opportunity	Occupational safety incidents in the supply chain are more optimally managed, avoiding interruptions and ensuring continuous growth.	x	x	
			Risk	To avoid negative impacts impacting the supply chain, implementing and complying with occupational safety is considered crucial. Kempower complies with the required laws and regulations. Kempower acts in accordance with its own values and follows ethical principles. Kempower also provides a Whistleblowing system for its suppliers. Kempower's suppliers are required to accept the Group's Supplier Code of Conduct and General Terms and Conditions.	x	x	
			Negative impact	Unfair practices in Kempower's supply chain directly impact Kempower's reputation due to the fact that Kempower has accepted a third party as its supplier.	x	x	

Material topic	Sub-topic	Sub-Sub-topic	Impact (positive/negative), risk or opportunity	Description	Position in the value chain: Upstream	Position in the value chain: Own operations	Position in the value chain: Downstream
	S2-1-2 Equal treatment and opportunities for all	S2-1-2 Training and skills development	**Positive impact**	Kempower trains suppliers in various areas, including responsibility, to help them, for example, to implement data collection requirements, which is viewed as creating a positive impact.	x	x	x
			Opportunity	Kempower organizes trainings and meetings for its suppliers. Kempower details the requirements it has in relation to data and its collection, and where the data can be found. Kempower aims to help its suppliers and highlight the fact that it is willing and able to help them. In this way, Kempower ensures that it fulfills, for example, CSRD requirements related to Scope 3 emissions.	x	x	x
			Risk	Poor quality components lead to poor quality products. This affects the desire of Kempower's customers to buy its products, which may negatively impact its revenue goals.		x	x
			Negative impact	Variation in quality and data collection may negatively impact product quality and customer satisfaction.	x	x	x
S4 Consumers and end-users	S4-1 Information related impacts for consumers and/or end-users	S4-1-1 Access to (quality) information	**Positive impact**	Kempower utilizes various channels through which it receives feedback from its customers and end-users. The information is of high quality and Kempower's stakeholders can utilize it safely.		x	x
			Opportunity	The customer-specific information collected by ChargEye™ is only available to Kempower's customers. Based on feedback, Kempower can improve its ChargEye™ cloud services. Kempower has a Cybersecurity Policy and complies with the GDPR.		x	x
			Risk	Customer-specific information may be lost or misplaced. Cyber-attacks may occur against its cloud service. In order to avoid this risk, Kempower adheres to an Information Security Policy and a recently renewed ISO 27001 certificate.		x	x
			Negative impact	If customer-specific information is lost or misplaced, this may lead to a negative impact on the Group.		x	x

Governance impacts, risks and opportunities

				Position in the value chain		
Material topic	**Sub-topic**	**Impact (positive/negative), risk or opportunity**	**Impact (positive/negative), risk or opportunity**	**Upstream**	**Own operations**	**Downstream**
G1 Business conduct	**G1-1 Corporate culture**	**Positive impact**	The commitment of employees to the Group and to high business ethics means that Kempowerians handle operations transparently and openly, even in perceived challenging matters between stakeholders in accordance with Kempower's operating culture, which is defined in its Code of Conduct.	x	X	x
		Positive impact	Fair, open behavior towards Kempower's stakeholders in accordance with its operating culture provides Kempower with the opportunity to act as a pioneer in sustainable development.	x	x	x
		Opportunity	The commitment of employees to the Group and to high business ethics is viewed as an opportunity for Kempower. The stakeholders' requirement is for Kempower to act ethically correctly and transparently. By acting in an ethically correct manner, Kempower increases the trust of its stakeholders in its operations and directly impacts the demand for its products. The end result is viewed as an opportunity for Kempower.	x	x	x
		Opportunity	Fair, open behavior towards Kempower's stakeholders in accordance with its operating culture provides Kempower with the opportunity to act as a pioneer in sustainable development.	x	x	x
		Risk	Action against the Code of Conduct.		x	
		Negative impact	Shortcomings in compliance with the Code of Conduct may impact Kempower's reputation, which in turn affects the trust of its stakeholders in terms of Kempower's ability to act as a pioneer in sustainability. Kempower ensures that its employees act ethically and transparently by adhering to the Code of Conduct.	x	x	x
	G1-1 Protection of whistleblowers	**Positive impact**	Kempower's Whistleblowing function is aligned with legislation. Kempower has established a Whistleblowing system that is compliant with regulations, and accessible to both employees and other stakeholders. Additionally, Kempower has implemented a comprehensive Whistleblowing Policy.	x	x	x
		Opportunity	Kempower's Whistleblowing Policy and system increases the confidence of its stakeholders that the Group's operations comply with ethical principles. This has a direct impact on Kempower's brand and reputation.	x		x
		Risk	Aligned with legislation: If Kempower's Whistleblowing system is unsafe or unprotected, then it may not be used by stakeholders.	x	x	x
		Negative impact	To avoid a negative impact, Kempower has implemented a comprehensive Whistleblowing Policy.	x	x	x

Material topic	Sub-topic	Impact (positive/negative), risk or opportunity	Impact (positive/negative), risk or opportunity	Position in the value chain: Upstream	Own operations	Downstream
G1 Business conduct	**G1-1 Political engagement**	**Positive impact**	Political support for the green transition in the transport sector. Kempower has a compliant Whistleblowing system in place for its own employees and its other stakeholders. Kempower has a Whistleblowing Policy. This policy increases Kempower's dialogue with other stakeholders and increases its reputation as a fair partner.	x	x	x
		Opportunity	Political influence must be transparent, and it must not be perceived as an activity contrary to its own values or the Code of Conduct. Political influence provides Kempower with the opportunity to present its own experiences, which other stakeholders may also take advantage of.		x	
		Risk	Unclear lobbying practices may impact stakeholders' trust in Kempower if the influence is not transparent. As a result, Kempower adheres to its Code of Conduct, and its stakeholders are also required to follow and accept the Supplier Code of Conduct.		x	
		Negative impact	Excessive lobbying may lead to stagnation in decision-making. Kempower's value chain partners are required to also follow and accept the Group's Supplier Code of Conduct.		x	
	G1-1 Management of relationships with suppliers including payment practices	**Positive impact**	Kempower develops partnerships with suppliers and creates long-term value with them. Kempower aims to act in accordance with the Code of Conduct and highlight the fact that its company culture is based on ethical principles. Kempower maintains fair payment practices for its stakeholders, including suppliers.	x	x	x
		Positive impact	Increasing transparency impacts Kempower's stakeholders' trust in its operations if the influence is not transparent. As a result, Kempower adheres to its Code of Conduct, and its stakeholders are also required to follow and accept the Supplier Code of Conduct.	x	x	x
		Positive impact	Working together with suppliers to create lower environmental impacts. Kempower complies with the required laws and regulations. Kempower acts in accordance with its own values and follows ethical principles. Kempower also provides a Whistleblowing system for its suppliers. Kempower's suppliers are required to accept its Supplier Code of Conduct and General Terms and Conditions. Unfair practices in its supply chain directly affect Kempower's reputation due to the fact that Kempower has accepted the third party as its supplier. Kempower carries out audits accordingly via its audit plan. Kempower also organizes trainings related to Sustainability and its data collection from its suppliers.	x	x	x
		Opportunity	Opportunity to develop partnerships with suppliers and create long-term value with them. Kempower ensures that its payment practices are reasonable for its stakeholders, for example, its Suppliers. These actions are viewed as an opportunity for Kempower.	x	x	x
		Opportunity	Kempower acts in accordance with the Code of Conduct and highlights the fact that its company culture is based on ethical principles.	x	x	x
		Opportunity	Kempower aims to work actively and transparently with the entire supply chain. This way Kempower can influence and prevent negative impacts collaboratively.	x	x	x
		Risk	Brand reputation risks are linked to the supply chain. Kempower complies with laws and regulations. Kempower acts in accordance with its own values and follows ethical principles. Kempower also provides a Whistleblowing system for its suppliers. Kempower's suppliers are required to accept its Supplier Code of Conduct and General Terms and Conditions. Unfair practices in Kempower's supply chain directly affect Kempower's reputation due to the fact that Kempower has accepted the third party as its supplier. Kempower carries out audits according to its audit plan.	x	x	x
		Negative impact	As Kempower expands, it employs subcontracting companies that grow with it, employing permanent and temporary workers. Regular audits at Kempower's suppliers helps maintain constant interaction with them. In this way, Kempower is able to avoid risks related to supply chain workers. Kempower collected data from its suppliers through an ESG survey which was published in December 2024.	x	x	x

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

Kempower's material impacts, risks, and opportunities have been identified through a double materiality assessment (DMA) performed according to the European Sustainability Reporting Standards (ESRS) and EFRAG guidance. The assessment was first conducted in 2023 and subsequently reviewed in autumn 2024. For the evaluated impacts, risks, and opportunities, the starting assumption was based on sustainability topics related to Kempower's business model and strategy, previously identified and reported, and the materiality assessment conducted in 2022.

Kempower carried out the assessment using a method that combined studies based on public and specific internal sources, a survey sent to stakeholders and stakeholder interviews, and working group meetings. Kempower's Leadership Team validated the process in joint workshops. During the process, the principles of internal control and risk management established by Kempower's board were followed.

The double materiality assessment identified an increased risk of adverse impacts related to the working conditions and working terms both in Kempower's own operations and in its supply chain.

During the DMA, the entire value chain was analyzed for environmental, social and governance impacts, risks and opportunities. Kempower's Code of Conduct, supplier relationship management, and payment practices were considered when assessing impacts, risks, and opportunities in business relations. All key internal and external stakeholders were considered. A comprehensive description of stakeholder engagement during the assessment is provided in section SBM-2.

In addition to the desk-top study, an ESG survey was conducted for stakeholders based on 17 of the most relevant ESG topics related to Kempower's business model and strategy, and the materiality assessment conducted in 2023. The survey was followed by voluntary in-depth interviews with over 70 stakeholder representatives who had expressed an interest in being interviewed during the survey process.

Sustainability risks were assessed using the DMA process, including interviews with stakeholders, Kempower's business risk assessment, and its own risk scenarios.

The materiality of the identified impacts, risks, and opportunities was assessed following the ESRS standards' principles in 2023. The severity of positive and negative impacts – scale, scope, and in the case of negative impacts, and also the irremediable character of the impact, the magnitude of the economic impacts of risks and opportunities (on a scale of 1–5), and their likelihood (on a scale of 1–3), were each evaluated.

The results were additionally qualitatively assessed with the Leadership Team, leading to minor clarifications based on stakeholder views, as well as in cases where the assessed topics were deemed quantitatively weighted unrealistically towards each other from the perspective of Kempower's overall sustainability profile.

In the fall 2024, previously identified impacts, risks and opportunities were re-evaluated. All the assessment criteria for impact materiality (likelihood, scale, scope and irremediability of the impact) were given a score on a scale of 0–5. Accordingly, all the criteria for financial materiality (likelihood, magnitude consisting of scale and scope) were given a score between 0–5. An Excel-based tool was used to calculate a normalized value between 0–15 for both impact materiality (IM) and financial materiality (FM), independently.

All the topics, sub-topics and sub-sub-topics, for which either IM or FM equals or exceeds the threshold value 12 (in scale 0-15) were assessed as material for Kempower's reporting. Non-ESG risks, identified in the enterprise risk assessment, include customer and market expectations, quality and compliance assurance, and market entry challenges. These risks are evaluated based on their estimated likelihood and impact. Environmental, social, and governance (ESG) risks were also assessed and prioritized as part of the enterprise risk assessments.

During the DMA, the connections of identified impacts and dependencies with the risks and opportunities were considered, particularly those arising from Kempower's own workforce or the availability of main components or key suppliers.

At Kempower, administrative and 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 and CEO, with the support of the Audit Committee and the Remuneration and Nomination Committee, are charged with the Group's overall management. The Leadership Team assists the CEO in steering the Company and the Group. Kempower's Sustainability Strategy, articulated by the Board, CEO, and Leadership Team, is owned by every employee.

The business risk assessment related to Kempower's business is implemented annually. In the future, ESG-related risks will also be more closely linked to this business risk assessment. Assessments related to environmental aspects were made for more than 70 processes in 2024, as required by the ISO 14001:2015 standard. Risks related to the environment, and health and safety, are collected through a common platform. Kempower follows the ISO 45001:2018 standard in risk assessments related to occupational safety.

Kempower implements Integrated Management System (IMS) of ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 across all areas of the Group. The implementation of the IMS is intended to improve and sustain the overall performance of Kempower's business, products, and services. This will improve Group's management practices through:

- the ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements,

- the ability to plan Kempower's processes and their interactions by employing the Plan-Do-Check-Act (PDCA) cycle and risk-based thinking in daily operations,
- the facilitating of opportunities to enhance customer satisfaction,
- addressing risks and opportunities associated with its context and objectives.
- improving the environmental impact across the organization using the principle of sustainability,
- improving overall health and safety within the organization.

Data from different functions is collected transparently through different platforms. These are monitored using a set of key performance indicators (KPI). Kempower's own KPIs have been set for each ESG area. Kempower publishes the results for the entire year in its annual report, which includes a Sustainability Statement as part of the Board of Directors report. The accuracy of the data is checked internally. An external certifier certifies the financial data and assures the 2024 Sustainability statement. A Whistleblowing system is utilized for the reporting of any perceived inappropriate activity.

Process to identify climate-related impacts, risks and opportunities

Kempower assessed its climate-related impacts, risks, and opportunities, including those related to GHG, as part of its double materiality assessment. Kempower combined two methods: a survey for its stakeholders, and the interviewing of over 70 stakeholders concerning the material topics at Kempower. Kempower's Leadership Team validated the process in joint workshops. During the process, the principles of internal control and risk management established by Kempower's Board were followed.

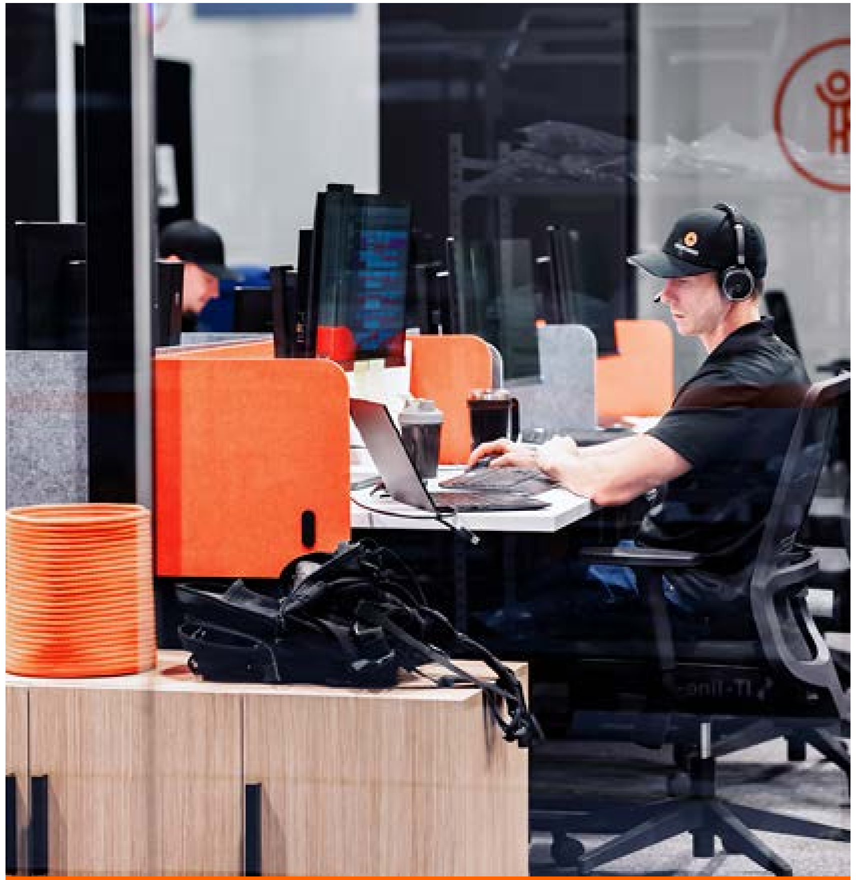
For the evaluated impacts, risks, and opportunities, the starting assumption was based on sustainability topics related to Kempower's business model and strategy, previously identified and reported, and the materiality assessment conducted in 2023 and reviewed in 2024. The most significant climate-specific sustainability topics in the industry, according to the background analysis, were related to mitigating and adapting to climate change.

Kempower has an action plan for climate change mitigation and adaptation that includes timebound actions to reduce its GHG emission to achieve carbon neutrality in its own operations by 2035. To achieve this, Kempower is transitioning to renewable energy sources when it is possible, improving energy efficiency in operations, and working with suppliers to reduce their emissions. Additionally, Kempower is investing in carbon offset projects to mitigate residual emissions. As stated in the plan, Kempower will set GHG emissions reduction targets aligned with the Paris Agreement's 1.5°C scenario in 2025. Progress toward these targets will be reviewed and reported to the stakeholders annually.

Use of climate-related scenario analysis in risk and opportunity assessment and summary of results

Kempower has conducted a climate scenario analysis and will continue to review it as part of its risk assessment process. Kempower also has ISO 14001:2015 certification that reviews climate-related risks towards the environment. Kempower manages climate-related risks in its supply chain by working closely with suppliers through an ESG survey and offering training to improve their knowledge and skills on climate-related topics. Kempower's long-term climate risk assessment of its business model was originally carried out in 2022 and updated in 2024, including scenario analysis as per TCFD guidance, for which two climate scenarios were used: 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 in Kempower's own operations were physical, especially in the 4°C scenario. These risks included local damage due to extreme weather, disruptions in the global supply chain and negative regional impacts on the workforce. Extreme weather events were also assessed to present chronic physical risks related to health and safety at work. These events can have an impact on Kempower's upstream and downstream value chain, potentially disrupting logistics and supply chains.



Kempower has conducted a climate scenario analysis and will continue to review it as part of its risk assessment process.

Climate-related risks were estimated to have a small or small-to-medium sized financial impact. At 1.5°C warming, medium financial impacts were identified to arise from government policies, technological changes, and the low-carbon economy transition. In a 4°C warming scenario, medium financial impacts were associated with extreme weather events, while minor financial effects were linked to disrupted supply chains and increased operational costs.

Scales used for assessing financial impact were: Small, 0–1%, Medium, 3–5%, High, 10–20%. The scale used is based on revenue. For impact horizon: Short term, 1 year (FY), medium term, 1–5 years, and long term, >5 years.

Further details on the results of the climate risk assessment are disclosed under SBM-3.

The results of the initial scenario analysis conducted in 2022 were used as the baseline for the identification and assessment of physical and transformation risks and opportunities.

Circular economy and resource use

Kempower is committed to the production of responsibly made and durable electric vehicle (EV) charging solutions, recognizing its crucial role in fostering a sustainable economy. A central focus of Kempower's Sustainability Strategy is the development of Responsible Products, with specific targets related to environmental, social, and governance (ESG) criteria. Kempower is committed to advancing circular economy practices, ensuring that considerations for the circular economy are integrated into the design phase of the components and products, including material choices.

Kempower's material positive impacts related to resource inflow and outflow, as identified in the double materiality assessment (DMA), includes the use of raw materials in products and the assurance of product safety. Additionally, waste-related positive impacts involve reducing Kempower's products' carbon footprint by utilizing recycled materials and enhancing recyclability.

The material risks and opportunities associated with resource inflows, outflows, and waste pertain to Kempower's brand, compliance requirements, and stakeholder expectations, all of which can affect the Group's financial performance.

Non-material sustainability topics

Pollution, water and marine resources, and biodiversity and ecosystems were identified as not material for Kempower in the double material assessment. As Kempower does not use water in its operations or product assembly, water-related impacts, risks and opportunities were considered not material. Pollution was deemed not material since Kempower's products comply with Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations, and no metals sourced from conflict areas are used in the products. Kempower's impacts on biodiversity were also considered not material as the company's operations, including its factories, are located in pre-developed areas. However, Kempower acknowledges that impacts on biodiversity and nature may occur in its value chain and will continue to enhance its understanding of these impacts in the future.

IRO-2 Disclosure Requirements in ESRS covered by the undertaking's Sustainability statement

The material information presented in this report concerning impacts, risks, and opportunities has been classified as material based on alignment with material topics, sub-topics or sub-sub-topics identified in Kempower's DMA. A comprehensive description of this process is available under IRO-1.

Environmental information

Our solutions help deliver cleaner local air quality, reduced noise pollution, and a safer and more productive society.

Kempower's business is based on the global transition to a low-carbon economy

Performance highlights

Kempower follows circular economy principles to extend product life and ensure 99% recyclability of its products

No hazardous chemicals or conflict minerals are used in Kempower's products

Kempower's Taxonomy-eligible activities are:

6.15 Infrastructure enabling low-carbon road transport and public

Kempower's activities qualify as being

100%

eligible to, and aligned with EU Taxonomy Regulation criteria

EU Taxonomy

The EU Taxonomy is the EU's sustainable finance classification system. The Taxonomy translates the EU's climate and environmental objectives into criteria to help companies and investors assess the environmental sustainability of economic activities for investment purposes. Companies that fall under the scope of the Corporate Sustainability Reporting Directive (CSRD) are required to report to what extent their activities are covered by the EU Taxonomy (Taxonomy-eligibility) and comply with the criteria set in the Taxonomy delegated acts (Taxonomy-alignment). Kempower's reporting on EU Taxonomy disclosures are prepared in accordance with the EU Taxonomy Regulation and implementing delegated acts for the financial year ending December 31, 2024.

The EU Taxonomy Regulation sets out technical screening criteria for evaluating a company's business operations with respect to six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

Economic activities must make a substantial contribution to at least one of the Taxonomy's environmental objectives to be considered environmentally sustainable (eligible), while avoiding significant harm to any of the other five environmental objectives and their compliance with minimum safeguards, such as adherence to human rights principles and good business conduct rules (aligned).

Kempower designs, manufactures and sells direct current (DC) fast-charging devices, solutions and services for EVs (electric vehicles), such as personal and commercial vehicles, mobile off-highway machinery and electric marine vessels and boats. Kempower offers a selection of solutions for fast-charging needs, ranging from public parking lots to bus depots and terminal stops, heavy-duty commercial vehicles and other electric vehicles, ports, and charging electric vessels and boats. Kempower's goal is to charge the planet for the better by powering the electric movement, together with its customers.

Key economic activities assessment

In assessing Taxonomy eligibility and Taxonomy alignment, Kempower has evaluated its operations in relation to the six environmental objectives defined in the EU Taxonomy Regulation to determine the extent of their environmental sustainability. The assessment identified activities with potential contributions to environmental goals as outlined in the Taxonomy framework.

The assessment was carried out using the Statistical Classification of Economic Activities in the European Community (NACE) as a reference framework for activity identification and classification. Kempower also reviewed relevant performance thresholds and requirements set by the EU Taxonomy Regulation.

Kempower's products fall under the Taxonomy activity 6.15 Infrastructure enabling low-carbon road transport and public transport, classified as an enabling economic activity under the climate change mitigation objective.

To assess eligibility and alignment, Kempower conducted a detailed review of the Technical Screening Criteria (TSC), including:

- Substantial Contribution – Evaluating how company activities support climate change mitigation.
- Do No Significant Harm (DNSH) – Ensuring operations do not adversely impact the other five environmental objectives.
- Minimum Safeguards – Verifying compliance with social and governance principles.

Kempower's Taxonomy eligible-activities are:

6.15 Infrastructure enabling low-carbon road transport and public transport relates to construction, modernization, maintenance and operation of infrastructure that is required for zero tailpipe CO_2 operation of zero-emissions road transport, as well as infrastructure dedicated to transshipment, and infrastructure required for operating urban transport.

EU Taxonomy performance indicators

Kempower's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved in the EU. Financial information presented in Group consolidated financial statements 2024, was used to calculate the key performance indicators (KPIs).

KPIs are presented for Taxonomy-eligible activities and Taxonomy-aligned activities. These indicators are the proportion of the company's revenue (turnover), capital expenditure (CapEx), and operating expenditure (OpEx) as defined in the Taxonomy.

Based on the eligibility and alignment assessments, the baseline values for revenue, capital expenditures (CapEx), and operating expenditures (OpEx) were analyzed and, if applicable, mapped to the respective EU Taxonomy activities. To avoid double counting, external revenue has been included in the Taxonomy operations only once. In order to link capital expenditures and operating expenditures to the respective activities, allocations were applied based on eligible and/or aligned turnover.

The Revenue KPI represents the proportion of revenue from Taxonomy-eligible and/or aligned economic activities to the total revenue in the Consolidated Statements of Income for the reporting year. Kempower's revenue consists of deliveries of electric vehicle chargers and charging stations it manufactures, as well as charger maintenance services. Kempower also provides its customers with the ChargEye™ SaaS service, a cloud-based charging equipment management system. All the Kempower Taxonomy-eligible and/or aligned revenue is derived through external sales. For revenue, Kempower has determined the total revenue of EUR 223.7. The Revenue related to EU Taxonomy have been included in the line item Revenue in the consolidated income statement. (For more information, please see the note 2.1 Revenue in the Consolidated financial statements).

The Capital expenditure (CapEx) KPI represents the proportion of the capital expenditure from Taxonomy-aligned economic activities to the total CapEx related to additions (including additions from business combinations) to tangible and intangible assets, before depreciations, amortizations and any remeasurements. Kempower's intangible assets comprise capitalized product development costs, intangible rights consisting of patents and trademarks and other intangible assets such as software licenses. Kempower's property, plant and equipment consists of machinery and equipment, together with improvement costs pertaining to leased premises. Kempower's right-of-use assets include premises and vehicles leased by the Group. All of these are related to assets or processes associated with Taxonomy-aligned economic activities. For CapEx, Kempower has determined the total capital expenditures of EUR 28.9 million. The Capital expenditures related to EU Taxonomy have been included in the line item Intangible assets, Property, plant and equipment and Right-of use assets in the Consolidated statement of financial position. (For more information, please see the notes 3.1 Intangible assets, 3.2 Property, plant and equipment and 3.3 Right-of-use assets in the Consolidated financial statements).

The Operational expenditure (OpEx) KPI represents the ratio of OpEx from Taxonomy-aligned economic activities to total OpEx. The total OpEx covers direct non-capitalized costs that are related to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct costs related to the day-to-day servicing of assets of property, plant and equipment by the Company or third party that are necessary to ensure the continued and effective functioning of such assets. At Kempower, the eligible and/or aligned expenditures are related to the processes and research phase of an intangible asset associated with the economic activity: 6.15 Infrastructure enabling low-carbon road transport and public transport, as well as maintaining and servicing assets that are necessary to ensure continued and effective use of assets. All of these are related to assets or processes associated with Taxonomy-aligned economic activities. For OpEx, Kempower has determined the total operational expenditures of EUR 8 million in accordance with the methodology outlined in the Taxonomy Regulation. The Operational expenditures related to EU Taxonomy have been included in the line item Other operating expenses in the Consolidated income statement. (For more information, please see the note 2.5 Other operating expenses in the Consolidated financial statements).

All of Kempower's reported KPIs falls under one economic activity 6.15. Infrastructure enabling low-carbon road transport and public transport. As a result, the numerator and the denominator in KPIs are identical, leading to a 100% alignment.

Do no significant harm

Kempower has conducted a 'Do No Significant Harm' (DNSH) assessment across its entities, with a particular focus on its production sites and offerings. As part of this process, a physical climate risk and opportunity assessment was carried out, and necessary adaptation measures have been implemented to mitigate potential climate-related risks. Kempower has no manufacturing sites in "Extremely High" water stress areas and its activities are organized in the manner that there is no significant negative impact on water bodies or marine ecosystems. Additionally, Kempower has incorporated internal and external guidelines to ensure that resources are utilized efficiently throughout its operations. These guidelines emphasize minimizing waste generation at every stage of the value chain. This involves considering product life cycles, durability, and recycling.

Kempower has also ensured that its activities do not cause significant harm to natural habitats, species, and ecosystems. Kempower is certified under the ISO 14001 Environmental Management System standard, ensuring compliance with recognized environmental management criteria.

Furthermore, all applicable sites hold the necessary permits in accordance with national legislation.

The measures outlined above confirm that Kempower meets the DNSH requirements as defined by the EU Taxonomy Regulation. Kempower remains committed to continuous monitoring and enhancement of its practices to safeguard environmental sustainability.

Minimum social safeguards

Kempower has assessed its alignment with the EU Taxonomy's Minimum Social Safeguards, confirming that it has implemented adequate safeguards across all relevant areas. As part of Kempower's commitment to responsible business conduct, the company adheres to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

To ensure compliance with these standards, Kempower has established comprehensive policies, due diligence procedures, and monitoring systems aimed at upholding human rights, labour rights, and ethical governance throughout its operations. Kempower's key policies, such as the Code of Conduct, Supplier Code of Conduct, Labour and Human Rights Policy, and Anti-Corruption Policy, set clear expectations for the company's employees, customers, suppliers, and other business partners, reinforcing Kempower's commitment to high ethical standards and sustainable practices.

Through continuous monitoring and periodic assessments, Kempower ensures that its practices align with global standards for human rights, labour conditions, and anti-corruption measures, fostering transparency and accountability across the company's value chain.

Results of an assessment

Based on the assessment, Kempower's activities qualify as being 100% eligible to, and aligned with EU Taxonomy Regulation criteria. The results of this assessment are shown in the tables on the following pages.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Do no significant harm')(h)									
Economic Activities	**Code**	**Turnover**	**Proportion of Turnover, year 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Turnover, year 2023**	**Category enabling activity**	**Category transitional activity**
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	223.7	100%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	100%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		223.7	100%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100%		
Of which Enabling		223.7	100%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100%	E	
Of which Transitional		0.0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.0	0%	0%	0%	0%	0%	0%	0%								0%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		223.7	100%	100%	0%	0%	0%	0%	0%								100%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		0.0	0%																
TOTAL		223.7	100%																

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO.

Abbreviations:
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Do no significant harm')(h)									
Economic Activities	**Code**	**CapEx**	**Proportion of CapEx, year 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2023**	**Category enabling activity**	**Category transition-al activity**
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	28.9	100%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	100%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		28.9	100%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100%		
Of which Enabling		28.9	100%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100%	E	
Of which Transitional		0.0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.0	0%	0%	0%	0%	0%	0%	0%								0%		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		28.9	100%	100%	0%	0%	0%	0%	0%								100%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		0.0	0%																
TOTAL		28.9	100%																

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO.

Abbreviations:
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Do no significant harm')(h)									
Economic Activities	Code	OpEx	Proportion of OpEx, year 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transition-al activity
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	8.9	100%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	100%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		8.9	100%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100%		
Of which Enabling		8.9	100%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100%	E	
Of which Transitional		0.0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.0	0%	0%	0%	0%	0%	0%	0%								0%		
A. OpEx of Taxonomy eligible activities (A.1 + A.2)		8.9	100%	100%	0%	0%	0%	0%	0%								100%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0.0	0%																
TOTAL		8.9	100%																

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO.

Abbreviations:
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective

Nuclear energy and fossil gas-related activities

Row	Nuclear energy-related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas-related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

ESRS E1 Climate change

57%

share of renewable sources in total energy consumption in 2024

Life cycle assessment (LCA)

completed for Satellite and Power Unit

Carbon footprint (cradle-to-grave) for single Power Unit 27.0 tCO_2eq and Satellite 0.9 tCO_2eq

Impacts, risks and opportunities related to climate change

Material topic	Sub-topic	Impact (positive/negative), risk or opportunity	Description	Upstream/downstream value chain or own operations		
				Upstream	Own operations	Downstream
E1 Climate change	E1-1 Climate change adaptation	Positive impact	Kempower's business is based on the global transition to a low-carbon economy. Kempower's products have a positive impact on GHG reductions by enhancing GHG emission reductions of transportation, providing EV chargers and customers can utilize low-carbon EV chargers to reduce their carbon footprint.	x	x	x
		Opportunity	Kempower has expanded the charging power infrastructure delivered to its end customers, thus enabling increased transportation with low-emission electric vehicles and a lowering of the carbon burden in the private, commercial and off-highway vehicle sectors. Kempower's stakeholders expects Kempower to be a forerunner in electrification. This demand creates the requirement to implement financial investments responsibly, which Kempower considers to be a particularly important theme for the Group.	x	x	x
	E1-1 Climate change mitigation	Positive impact	Kempower's products create a positive impact on climate change by reducing GHG emissions in road transport.		x	x
		Opportunity	Kempower is working in a sector helping to deliver a green transition and producing products with a high carbon handprint which reduces the carbon footprint of its customers. These efforts will increase Kempower's brand image but also reduce it if Kempower fails in its efforts.		x	x
		Negative impact	If Kempower's climate change mitigation plan is not sufficient, it may result in the GHG reductions in its own operations to fail to produce positive results. This may result in a loss of internationally recognized rating levels and may create a negative impact on Kempower's brand image and reputation as well as reduce demand of Kempower's products.		x	
	E1-1 Energy	Positive impact	Kempower's stakeholders have expressed a preference for the Group to use fossil-free derived energy. When using fossil-free energy, Kempower is able to reduce its own products' carbon footprint. This leads to a direct positive impact to Kempower's brand image and reputation.		x	x
		Positive impact	Fulfilling the expectations and demands of its stakeholders will positively impact Kempower's brand image.	x	x	x
		Opportunity	Kempower requires energy in its production, but production itself does not require a significant amount of energy. Kempower utilizes green energy sources when possible. This will facilitate in Kempower being able to reach set targets.		x	x
		Opportunity	Energy is required to produce components. Kempower also prefers that its suppliers utilize renewable or green energy sources and produces components in an energy efficient way. This provides an opportunity to reduce energy usage in the whole value chain. Utilizing green energy creates a positive impact.	x	x	x
		Opportunity	To be a forerunner and the most desired EV chargers' producer, Kempower is required to fulfill the expectations and demands of its stakeholder's.	x	x	x
		Risk	It can be a risk if members of Kempower's value chain do not utilize energy in an energy-efficient way, which may increase the carbon footprint of Kempower's components and its opportunity to reduce energy usage in the whole value chain. Kempower encourages its value chain to utilize renewable energy sources and use energy in an energy-efficient way.	x	x	x

E1-1 Transition plan for climate change mitigation

Kempower has not yet implemented an ESRS-aligned climate change mitigation transition plan. However, Kempower has an action plan for climate change mitigation and adaptation, which addresses the Group's efforts related to climate change mitigation. The plan outlines actions and commitments aimed at reducing Kempower's carbon footprint and supporting the global transition to a low-carbon economy in alignment with the climate goal of limiting global warming to 1.5°C, as set by the Paris Agreement. The plan details initiatives for minimizing greenhouse gas emissions across Kempower's operations, supply chain, and product lifecycle, while promoting sustainable energy solutions. The action plan for climate change mitigation and adaptation serves as a roadmap to ensure that Kempower's growth aligns with international climate targets, contributes to environmental sustainability and advances the electrification of transportation.

The scope of the action plan for climate change mitigation and adaptation is global, encompassing all aspects of the Group's operations, regardless of geographic location. This includes all employees, contractors, and stakeholders, irrespective of their role or position, ensuring consistent implementation of climate initiatives throughout the organization. The plan covers supply chain management, production processes, product design, and internal practices, aiming to create a comprehensive, unified approach to reducing carbon emissions and fostering sustainability across every facet of Kempower's activities.

Alignment of targets with the Paris Agreement

Kempower's business activities do not fall under the exclusion criteria listed under Articles 12(1) (d) to (g) (53) and 12(2) of Commission Delegated Regulation (EU) 2020/1818, and therefore, is not excluded from the EU Paris-aligned benchmarks. Kempower's actions are aimed at reducing greenhouse gas emissions and energy consumption. The approach aligns with global climate targets, focusing on achieving carbon neutrality and promoting sustainable practices across Kempower's operations.

Kempower has set short, mid, and long-term targets to achieve carbon neutrality in its operations by 2035. As part of its short-term targets, Kempower will establish emission reduction targets and a roadmap for emission reductions aligned with the Paris Agreement's 1.5° Celsius target in 2025 and will apply to the Science-Based Targets initiative (SBTi), with the aim of receiving validation for its emissions reduction targets across Scope 1, 2 and 3 in 2026.

Kempower's levers and key actions

Kempower's climate targets for 2024 included developing a comprehensive roadmap for emissions reduction, increasing the use of renewable energy in its own operations, offsetting emissions from unavoidable business travel, enhancing packaging recycling rates, and reducing overall waste quantities. The results and progress of the roadmap's short-term targets are disclosed in the following sections: increasing the use of renewable energy E1-5, offsetting unavoidable business travel emissions E1-7 and reducing waste E5-5.

Mid-term targets comprise setting specific goals for Scope 1, 2 and 3 emissions, using 100% renewable electricity in operations, and working with suppliers to implement sustainable practices and track carbon locally. For the long-term scenario, Kempower aims to achieve carbon neutrality in its own operations by 2035 and incorporate circular economy principles to extend product life cycles and ensure 99% recyclability of products. Furthermore, Kempower seeks to support its customers in efficiently and safely charging their electric vehicles, facilitated by Kempower's remote access ChargEye™ technology.

Product Development and Product Management units are central decarbonization levers for Kempower, which will drive the creation of products that meet the evolving climate demands. Regular communication with charge point operators, retail chain owners, fleet operators, original equipment manufacturers (OEMs), distributors, investors, suppliers, and educational and research institutions, ensures that Kempower's products and strategies align with market needs and sustainability standards. Additionally, by engaging with sales and service partners, regulators, politicians, and general authorities, Kempower stays ahead of regulatory requirements and contributes to policy discussions that promote clean energy adoption.

Kempower has identified key decarbonization levers focused on reducing the carbon footprint of its products, transitioning to renewable energy (green electricity and heat in its operation), adopting circular economy principles and enhancing energy efficiency. To drive emission reductions, Kempower is committed to reducing its reliance on fossil fuels by using green electricity and heat in its own operations and by using sustainable materials in product manufacturing. Key actions include expanding, and integrating recyclable components into product design, adopting energy-efficient technologies across the supply chain, and supporting the supply chain users with capacity building to adopt the same principles as Kempower. In addition, Kempower is actively working to provide energy management services through its ChargEye™ cloud service that helps customers optimize their utilization of its charging infrastructure and minimize their carbon footprint.

Furthermore, Kempower is preparing sustainability criteria for the design phase of its products so that more attention is paid to the materials of the components and their carbon footprint in the future. In this way, Kempower is able to influence the reduction in the carbon footprint of its products. Kempower utilizes fossil-free sourced electricity and heat in Finland. In the US, fossil-free sourced electricity is not available to Kempower due to the differences in the electricity market. However, Kempower will actively try to find a solution to increase the use of fossil-free electricity also in the US. More detailed information regarding the Group's energy consumption is available under section E1-5. Additionally, Kempower is constantly developing the collection of greenhouse gas emission data so that it can also set targets for Scope 3 emissions. Measures related to reducing GHG emissions in the supply chain are taken together with suppliers. Training material has been made available for Kempower's suppliers and a workshop has been organized regarding the collection of sustainability information.

An explanation of the Kempower's investments and funding supporting the implementation of its plan and the dedicated actions are disclosed under E1-3 Actions and resources in relation to climate change policies.

The action plan for climate change mitigation and adaptation is aligned with Kempower's broader business strategy and financial planning through the addressing of various direct costs, risks, and opportunities associated with sustainability. The Board of Directors and the CEO, supported by the Audit Committee and the Remuneration and Nomination Committee, are responsible for overseeing the Kempower's management, including sustainability aspects and the approval of the relevant plans and policies.

The progress of implementing Kempower's action plan for climate change mitigation and adaptation includes a set of goals for three different time horizons. Moreover, there are planned actions to reach the intended target levels.

Kempower has not implemented a CapEx plan as defined by the regulation and does not have any objectives or plans for aligning economic activities with criteria established in Commission Delegated Regulation 2021/2139.

Locked-in GHG emissions

Kempower does not have potential locked-in GHG emissions from key assets and products.

Product Development and Product Management units are central decarbonization levers for Kempower, which will drive the creation of products that meet the evolving climate demands.

E1-2 Policies related to climate change mitigation and adaptation

To manage its climate-related material impacts, risks and opportunities, Kempower will implement the action plan for climate change mitigation and adaptation as part of its Environmental Policy. The objectives of the policy are to minimize Kempower's environmental impact, implement alignment of its actions with global climate goals like the Paris Agreement, and to promote clean energy solutions throughout the EV sector. In the policy, Kempower has set measurable targets aimed at reducing greenhouse gas emissions and energy consumption. As such, the action plan for climate change mitigation and adaptation applies to all Kempower's material impacts, risks and opportunities. The policy progress is monitored through consistent tracking of each relevant target. The policy addresses climate change mitigation, energy efficiency and renewable energy deployment, and climate change adaptation. No other areas are covered by the policy, beyond the topics listed above.

The policy applies to the management of all climate-related impacts, risks and opportunities across Kempower's operations, locations and affected stakeholder groups, throughout its own operations and its value chain. The most senior level accountable for the implementation of the policies is the CEO who reports to the Board of Directors. The Leadership Team assists the CEO in managing the Company and the Group.

In the implementation of the policy, Kempower is committed to following the ISO 14001:2015 Environmental Management Systems standard. In addition, Kempower also has the ISO 9001 certification, which is a globally recognized standard for quality management. Moreover, the Environmental Policy is based on Kempower's commitment to the United Nations Sustainable Development Goals (SDGs), the United Nations Global Compact (UNGC), and the frameworks set by the international Sustainability Standards Board (ISSB). When setting policies, Kempower has actively engaged with internal stakeholders – such as management, employees, and the Board – through training, safety initiatives, and a culture that supports climate goals. Externally, Kempower collaborates with partners like charge point operators, OEMs, and regulators, aligning its products with market and regulatory needs while contributing to clean energy policy discussions.

In order to increase the stakeholder's awareness of Kempower's impacts, risks and opportunities, as well as the relevant policies, Kempower Academy has been made available for Kempower's partners, employees and other stakeholder groups. Furthermore, Kempower trains its suppliers on the Environmental Policy and the action plan for climate change mitigation and adaptation through its Salesforce Platform.

E1-3 Actions and resources in relation to climate change policies

To manage its climate-related material impacts, risks and opportunities, Kempower will continuously engage in activities to achieve the objectives set in the action plan for climate change mitigation and adaptation.

In the reporting year 2024, Kempower undertook several key actions to reduce its environmental footprint and contribute to global climate targets. These actions, as detailed below, fall under the lever of reducing greenhouse gas emissions and energy consumption and support Kempower's SBTi commitment which will be in place in 2025.

Product development and product management:

- Kempower has recognized material opportunities for improving brand image and reputation by reducing energy consumption in its own operations and in the supply chain. To reduce Scope 2 emissions and to achieve 100% renewable electricity by 2025 in Europe, Kempower has R&D initiatives to move towards green energy in Finland. Additionally, to reduce Scope 3 emissions, Kempower Group is looking for ways to collaborate with local utility companies to increase green electricity and improve waste management to minimize landfill in particular in the US. An energy audit will be conducted at Kempower in 2025. Specifically for managing supply chain energy consumption related IROs, Kempower Group uses an ESG survey for its suppliers and engages in dialogue with suppliers and the Kempower Quality and Purchase teams. To manage all emissions-related material IROs, Kempower continuously improves its efforts in gathering comprehensive data, for example, by focusing data collection on a monthly-basis and by initiating data collection in areas not currently active.
- Time horizon: continuous time horizon and taken during the reporting year.

Drafting science-based targets (per SBTi guidance) in 2025 & scoping Kempower's emissions across Scope 1, 2, and 3:

- Setting science-based targets, scoping emissions across Kempower's value chain and setting up a roadmap for emission reductions will further enhance Kempower's ability to achieve its action plan for climate change mitigation and adaptation objectives and manage all related emission and energy-related IROs.
- Time horizon: not taken during the reporting year, drafting planned to be completed in 2025, aim of receiving validation in 2026.

Cooperation with supply chain partners to promote sustainable practices, improve resource efficiency, build capacity, and drive emission reductions across the entire value chain:

- Kempower expects its suppliers to align their operations with Kempower's carbon neutrality target, as outlined in the Supplier Code of Conduct. To achieve this goal, Kempower provides sustainability-themed training for its suppliers, which is used as a means to manage Kempower's material IROs related to energy consumption and Scope 1, 2 and 3 emissions. To enhance the climate impact for its customers and reduce transportation emissions, in 2024, chargers provided 1,084 MWh/day charging power to customers (2023: 560 MWh/day).
- Time horizon: continuous time horizon and taken during the reporting year

The planned actions apply to all of Kempower's operations and geographical areas unless stated otherwise, e.g., the country-specific actions listed above. The ability to implement actions relies on market adoption, which may be slower than expected, potentially affecting revenue, while investor demands for short-term returns could conflict with long-term sustainability goals.

Non-capitalized significant monetary amounts related to actions listed above are recognized under note 2.5. Other operating expenses in the financial statements. Corresponding capitalized amounts are in turn recognized under notes 3.1 Intangible assets, 3.2 Property, plant and equipment and 3.3 Leases. Kempower acquired a Green Revolving Credit Facility during 2024 (see note 4.3 Financial assets and liabilities in the financial statements). Kempower does not currently have in place a formal CapEx plan as defined by Commission Delegated Regulation (EU) 2021/2178. Significant CapEx and OpEx required to implement the actions listed above correspond to a large extent with amounts recognized in key performance indicators relating to the Taxonomy-eligible activity 6.15. Infrastructure enabling low-carbon road transport and public transport.

GHG reductions

Kempower aims to reach carbon neutrality in its own operations by 2035. Short, and medium-term targets will be determined in Kempower's SBTi application drafting in 2025.

Connection of Kempower's actions to the GHG reduction outcome in 2024:

- The achieved GHG reductions are the result of Kempower's fleet electrification in 2023, purchasing of Renewable Energy Credits (RECs), carbon offsets and energy reductions through waste management practices. These fall under R&D actions (1.) and supply chain cooperation (2.).
- The energy audit planned for 2025, as part of R&D activities, will be a key step in recognizing further opportunities to increase energy efficiency. This specifically supports Kempower's target to reach carbon neutrality in its own operations.
- Advancements in data collection and supply chain engagement will allow Kempower to recognize further opportunities to optimize value

chain energy consumption and drive GHG emission reductions. Emissions-related training provided by Kempower for its suppliers will enable emission reductions in the value chain.

Decarbonization actions and levers

Central to Kempower's decarbonization efforts is its R&D work, which drives the creation of products that meets evolving climate and circularity demands, and the increasing sustainability needs of Kempower's customers. In addition, Kempower will set ambitious emission reduction targets using the year 2024 as the baseline for these calculations and by scoping its emissions across Scope 1, 2, and 3.

Kempower also works with a diverse set of external stakeholders, including charge point operators, retail chain owners, fleet operators, original equipment manufacturers (OEMs), distributors, investors, suppliers, and educational and research institutions. Regular communication with these groups ensures that Kempower's products and strategies align with market needs and sustainability standards.

E1-4 Targets related to climate change mitigation and adaptation

To manage its climate-related material impacts, risks and opportunities, Kempower has set targets to meet the policy objectives set in the action plan for climate change mitigation and adaptation. The targets align with the policy's objectives, which are to reduce Kempower's carbon footprint and to support the global transition to a low-carbon economy. More specifically, the plan describes initiatives for minimizing greenhouse gas emissions across Kempower's operations, supply chain and product lifecycle while promoting sustainable energy solutions.

The targets are applicable to all Kempower's material impacts, risks and opportunities related to climate change: Scope 1, 2 & 3 emissions management, energy usage, and road transport electrification. These targets are listed below. No changes have occurred regarding Kempower's climate targets, their corresponding metrics, measurement methodologies, related significant assumptions, limitations, sources and processes to collect data adopted.

For the fiscal year 2024, the following targets were set:

- Emissions reduction: update a roadmap for emission reduction
- Policy alignment: minimize GHG emissions across own operations and supply chain
- Carbon neutrality: Offset the emissions caused by unavoidable business travels (flights)
- Supply chain: engage and build capacity with suppliers to implement sustainable practices and carbon tracking for the local supply chain
- Packaging and waste: improve packaging recycling rates and reduce waste amounts.
- Policy alignment: minimize GHG emissions across product lifecycle.

Mid-term targets (1–5 years):

- Carbon neutrality: setting targets for Scope 1, 2, and 3 emissions to achieve carbon neutrality.
- Policy alignment: minimize GHG emissions across own operations, supply chain and product lifecycle
- Energy efficiency: achieve 100% renewable electricity (green electricity) in own operations in Finland
- Supply chain: engagement and building capacity with suppliers to implement sustainable practices and carbon tracking for the local supply chain.

Long-term targets (more than 5 years):

- Carbon neutrality: emissions are clarified and goals are set for Scope 1, Scope 2 and Scope 3 emissions in order to achieve carbon neutrality
- Achieve carbon neutrality in own operations by 2035
- Policy alignment: minimize GHG emissions across own operations, supply chain and product lifecycle
- Product design: implement circular economy principles into product designs to extend lifecycle and recyclability (99% of the product will be recyclable).
- Electrification of transportation: Support Kempower's customers with charging their electric vehicles in an efficient and safe manner, also with the support of Kempower's remote access tool ChargEye™.
- Policy alignment: Promoting sustainable energy solutions.

Unless stated otherwise in the target description, these targets apply to all of Kempower's operations (supply chain management, production processes, product design, and internal practices), its value chain and the geographical areas where the relevant activities occur. Applicable stakeholders include all employees and contractors, irrespective of their role or position, ensuring consistent implementation of climate initiatives throughout the organization. The baseline year for each listed target is 2024, and Kempower's climate change mitigation plan outlines the timeline (and the applicable period) for these targets, as listed above.

Baseline values for Kempower's Scope 1–3 emissions are available in the table under S1-6. Kempower will establish short-term, medium-term, and long-term targets for emission reductions in 2025 following the submission of the application to join the SBTi.

The guiding principles for the set targets include a strong commitment to international sustainability frameworks. Kempower ensures compliance with all relevant national and international laws and actively supports the United Nations Sustainable Development Goals (SDGs) and the United Nations Global Compact (UNGC). These initiatives guide Kempower's efforts in achieving climate change mitigation and adaptation targets. Kempower reports the results according to the Corporate Sustainability Reporting Directive (CSRD) and International Sustainability Standards Board (ISSB) standards. With emissions-related targets, Kempower utilizes the GHG protocol standards and guidance. By drafting an application to join the Science Based Targets initiative (SBTi) in 2025, Kempower will further ensure that its targets are aligned with conclusive scientific evidence. All Kempower's non-emission climate targets are grounded in the same conclusive scientific evidence that underpins ISSB, UNGC, CSRD, and the SDGs frameworks.

When setting targets, Kempower collaborates with and ensures alignment with internal and external partners. Key internal stakeholders include the Leadership Team, the Board of Directors, office and production employees. External stakeholders include charge point operators, retail chain owners, fleet operators, original equipment manufacturers (OEMs), distributors, investors, suppliers, and educational and research institutions. Additionally, Kempower engages with sales and service partners, regulators, politicians, Sand general authorities to stay ahead of regulatory requirements. Kempower also engages with suppliers, and builds capacity and trust in its relations, to meet the targets related to value chain IROs.

Kempower aims to focus on its climate change process in the forthcoming years. Kempower currently monitors its own operations, its waste to landfill, the electricity use in its own operations as well as unavoidable business flight emissions which are subject to offsetting measures. Kempower reports its Scope 1, 2 and 3 emissions from which Scope 3 emissions are based on estimates excluding waste and unavoidable business flights. Kempower will continue its work to calculate its carbon footprint for Scope 1, Scope 2 and Scope 3 emissions so that it can set emission reduction targets.

For Scope 3 emissions, Kempower started gathering information from its suppliers in 2024 through an ESG survey to attain a greater understanding of not only their emissions but also their overall sustainability measures and actions. With this survey, Kempower also receives numerical data to help support its own target setting.

Currently, Kempower's US targets related to emission reductions through renewable energy and waste management differ from those set for Finland due to the challenges in securing renewable energy sources and the differences in waste management. These aspects will be taken into consideration when setting the Group level emission reduction targets in 2025.

Climate scenarios considered

Two climate scenarios were considered when Kempower assessed its climate-related risks. These scenarios have been utilized in determining decarbonization levers. The considered scenarios are IPCC SSP1-2.6 (global temperature increase well below 2°C), and IPCC SSP4-8.5 (global temperature increase up to 4°C).

E1-5 Energy consumption and mix

Energy consumption and mix	Comparative 2023	Year 2024
(1) Fuel consumption from coal and coal products (MWh)	N/A	–
(2) Fuel consumption from crude oil and petroleum products (MWh)	N/A	–
(3) Fuel consumption from natural gas (MWh)	N/A	–
(4) Fuel consumption from other fossil sources (MWh)	N/A	–
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	N/A	2,694.4
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	N/A	2,694.4
Share of fossil sources in total energy consumption (%)	N/A	34.3%
(7) Consumption from nuclear sources (MWh)	N/A	683.8
Share of consumption from nuclear sources in total energy consumption (%)	N/A	8.7%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	N/A	–
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	N/A	4,471.1
(10) The consumption of self-generated non-fuel renewable energy (MWh)	N/A	5.4
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to10)	N/A	4,476.6
Share of renewable sources in total energy consumption (%)	N/A	57.0%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	N/A	7,851.9

Energy intensity per net revenue*	2024
Total energy consumption from activities in high climate impact sectors per net revenue (MWh/MEUR)	35.1

Net revenue used to calculate energy intensity	2024
Total net revenue (in financial statements, MEUR)	223.7

*All Kempower's activities fall within high climate impact sector.

Accounting principles

Total energy consumption (MWh) includes the purchased heat and electricity in Kempower Group. Energy consumption of subsidiaries outside Finland and the US is estimated.

The energy consumption data of the production sites is obtained from the energy bills or directly from the property owner. The electricity origin information has been obtained from the electricity seller. All data is sourced from direct measurements.

At the end of 2024, electricity in Finnish sites and offices and storage space in Finland were 100% carbon-free by purchasing REC and certified with guarantees of origin. The electricity of other subsidiaries is estimated to be produced using fossil fuels. In Finland, 56.6% of the heat is purchased green or produced with renewable fuels and the corresponding value in subsidiaries is 4.9%.

US electricity's Grid Generation Mix is 59.3% carbon-free. US heat is produced with natural gas.

Consumption of the heat and electricity of the Kempower's subsidiaries are estimated. The office-specific heat and electricity consumption per square meter or per workstation has been calculated based on the 2024 data of Kempower's Helsinki Pitäjänmäki office's energy consumption. The share of the surface area of the subsidiaries in the entire rental area is approximately. 8.0%.

Reported data is collected through the sustainability Excel and stored in the sustainability reporting platform.

Methodology and calculations for the table E1-5.

- Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh): Includes all fossil sources used in energy production.
- Purchased heat from fossil sources = share of fossil fuels in the energy mix of energy seller [%] x total purchased heat of the site or/office [MWh]. The total purchased heat obtained in this way have been added together, and the total amount of purchased heat from fossil sources in Finland and the US has been ascertained. Heat of subsidiaries is estimated to be fossil based.

- Share of fossil sources in total energy consumption (%) = total energy consumption from fossil sources/total energy consumption.
- Consumption from nuclear sources (MWh): share of nuclear sources is obtain from the energy mix of energy seller [%] x total energy consumption of the site or/office [MWh].
- Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh): share of renewable energy is obtain from the energy mix of energy seller [%] X total energy consumption of the site or/office [MWh].
- Share of renewable sources in total energy consumption (%): total energy consumption from renewable energy sources/total energy consumption.

E1-6 Gross Scope 1, 2, 3 and Total GHG emissions

Total GHG Emissions disclosed by Scope 1, 2 & 3	Retrospective				Milestones and target years			
	Base year	Comparative	2024	% 2024 / 2023	2025	2030	2050	Annual % target / Base year
Gross Scope 1 GHG emissions (tCO_2eq)	2024	N/A	0.0	N/A	The reduction target for Scope 1 emissions will be set in 2025.	N/A	N/A	N/A
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	2024	N/A	2,578.7	N/A	The reduction target for Scope 2 emissions will be set in 2025.	N/A	N/A	N/A
Gross market-based Scope 2 GHG emissions (tCO_2eq)	2024	N/A	767.5	N/A	N/A	N/A	N/A	N/A
Significant scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	2024	N/A	182,308.1	N/A	The reduction target for Scope 3 emissions will be set in 2025.	N/A	N/A	N/A
1 Purchased goods and services	2024	N/A	126,615.5	N/A				
2 Capital goods	2024	N/A	–	N/A				
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	2024	N/A	–	N/A				
4 Upstream transportation and distribution	2024	N/A	53.7	N/A				
5 Waste generated in operations	2024	N/A	25.5	N/A				
6 Business traveling	2024	N/A	685.6	N/A				
7 Employee commuting	2024	N/A	1.9	N/A				
8 Upstream leased assets	2024	N/A	64.6	N/A				
9 Downstream transportation	2024	N/A	2,554.2	N/A				
10 Processing of sold products	2024	N/A	11,600.3	N/A				
11 Use of sold products	2024	N/A	39,461.0	N/A				
12 End-of-life treatment of sold products	2024	N/A	1,245.8	N/A				
13 Downstream leased assets	2024	N/A	–	N/A				
14 Franchises	2024	N/A	–	N/A				
15 Investments	2024	N/A	–	N/A				
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2eq)	2024	N/A	184,886.8	N/A	The reduction targets will be set in 2025.	N/A	N/A	N/A
Total GHG emissions (market-based) (tCO_2eq)	2024	N/A	183,075.6	N/A	The reduction targets will be set in 2025.	N/A	N/A	N/A

Accounting principles

Kempower has a combined target for Scope 1 and 2 to be carbon neutral by 2035 in its own operations. Reduction targets for Scope 1, 2 and 3 will be set in 2025. All calculations have been made in accordance with the GHG protocol.

Net Scope 2 emissions 767.5 tCO_2eq includes natural gas and green electricity RECs certificates. Gross emissions without certificates 2,578.7 tCO_2eq. Total Gross GHG emissions (location-based) 2,578.7 tCO_2eq and total Gross GHG emissions (market-based) were 767.5 tCO_2eq.

Primarily, GHG emissions are calculated by the service provider. In the calculation of the GHG emissions for which no emission data has been received from the service provider, existing emission coefficients taken from various open sources have been used. No calculation program has been used in the calculation of the GHG emissions.

Scope 1 emissions: Kempower have any Scope 1 emissions.

Scope 2 emissions: Scope 2 indirect emissions are from the consumption of purchased electricity and heat in Finland and US and estimated energy consumption of subsidiaries in other countries. Scope 2 emissions are calculated by using the emission factors and numeric data from the energy companies. Detailed accounting principles of energy consumption can be found from E1-5 table and its accounting principles.

Significant Scope 3 emissions:
In the calculation of emission categories 1, 10, 12, the life cycle assessment of Kempower's products has been used, which is based on the ISO 14067 standard, and additional guidelines were adopted from EN 50693 and GHG Protocol's Product Standard. The weights of the products have been calculated by adding the weights of the most significant components together.

In the calculation of emission categories 4 and 9, GHG emission calculations (WtW) received from logistics partners have been used.

In the calculation of emission category 5, the masses received from waste management partners for Finnish and US sites have been used. In Finland, waste management emission calculations have been received for Q2–Q4 from waste management partners. The Q1 waste management emissions have been calculated using the coefficients obtained from the Y-HIILARI. For the US, the weights have been obtained from waste management partners, and the emission factors of the Y-HIILARIi have been used in the emission calculation. The waste management emissions of the subsidiaries have been estimated using emission factors from Y-HIILARI. Detailed accounting principles can be found from E5 tables of accounting principles.

Emission category 6: GHG emission data has been obtained through a travel agency and it is based on DEFRA. Only the US emissions have been calculated using an emissions calculator. Air travel emissions in 2024 will be compensated in Q2/2025.

Emission category 12: Kempower's leased assets are electric cars. In the case of Kempower Oyj, the service provider has delivered GHG emission calculations, which have been used in the calculation of the leased asset GHG emissions of the subsidiaries. For the US, emissions have been calculated using the energy loaded into electric cars and the emission factor of the electric grid.

Excluded categories:

2 Capital goods	Not significant category for Kempower
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	Not significant category for Kempower
8 Upstream leased assets	Not significant category for Kempower
14 Franchises	Not significant category for Kempower
15 Investments	Not significant category for Kempower

GHG emissions per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO_2eq/MEUR)	826.5
Total GHG emissions (market-based) per net revenue (tCO_2eq/MEUR)	818.4

Net revenue used to calculate GHG intensity	2024
Total net revenue (in financial statements, MEUR)	223.7

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

Kempower offsets GHG emissions from business travel flights through Verra's Rimba Raya Biodiversity Reserve Project (439 tonnes of CO_2 emissions), a biogenic sink focused on protecting Rimba Raya from deforestation. Business flight emissions are also offsetted through Gold Standard's 400 MW Solar Power Project at Bhadla, Rajasthan (439 tonnes of CO_2 emissions), a technological sink, producing more than 730,000 MWh of renewable electricity annually, reducing dependence on fossil fuels.

Kempower offsets its emissions only through reliable and internationally recognized parties. Regarding Rimba Raya, Kempower chose the project as it supports renewable energy production and the affected people in the area. Furthermore, criteria included the fact that the project has a job-creation impact and, within its framework, various types of training have also been offered to local residents. The infrastructure of the area will also develop with the project.

Cancelled carbon credits	2024*
Total (tCO_2eq)	878.0
Share from removal projects (%)	50.0
Share from reduction projects (%)	50.0
Gold standard (%)	50.0
Verra Verified Carbon Standard (%)	50.0

*Offsets for business travel flights in 2024 pertain to flights taken in 2023.

Accounting principles

Methodology of GHG removals via carbon credits
The Verra Verified Carbon Standard Program issues distinct carbon credits known as Verified Carbon Units (VCUs) to projects. Each VCU corresponds to a reduction or removal of one tonne of carbon dioxide equivalent (CO_2eq) achieved by the project. These units are governed by a set of quality assurance principles that are validated through a verification process, followed by review and approval from Verra. End-users buy and retire VCUs to compensate for their emissions. All records related to the issuance and retirement of VCUs are made publicly available on the Verra Registry.

VCUs are issued to registry account holders on the Verra Registry, typically comprising project developers, carbon credit brokers, and other entities in the carbon market. These holders must pass rigorous "Know-Your-Customer" checks, and individuals cannot open registry accounts or hold VCUs on behalf of others.

The Gold Standard for the Global Goals certification process employs conservative methodologies for accurate impact quantification and emphasizes stakeholder inclusivity for long-term project success. The assurance process, overseen by Gold Standard, utilizes approved third-party validation and verification bodies (VVBs) to audit projects, ensuring credible and high-quality claims.

Table: Cancelled carbon credits
Offsets for business travel flights in 2024 pertain to flights taken in 2023. Offsets for 2024 flights, amounting to a total of 685.6 tCO_2eq.,will be implemented in Q2 2025 and reported in the 2025 Sustainability Statement. Offsets utilized prior to the year 2024 have not been verified.

GHG emission data has been obtained through a travel agency and is based on DEFRA. Only the US emissions have been calculated using an emissions calculator.

ESRS E5 Resource use and circular economy

Recycling and Waste Management Handbook published in 2024

0 t

landfill waste

in Finland in 2024

Recyclability rate for Power Unit

99.7%

and Satellite

99.7%

Impacts, risks and opportunities related to resource use and circular economy

Material topic	Sub-subtopic	Type (negative or positive impact, risk or opportunity)	Description	Upstream/downstream value chain or own operations		
				Upstream	Own operations	Downstream
E5 Circular economy	**E5-1 Resource inflows related to products and service**	**Positive impact**	No hazardous chemicals or conflict minerals are used in Kempower's products, and these products contain a high recyclability rate.	x	x	
		Positive impact	The utilization of recycled materials in Kempower's components impacts Kempower's reputation and helps Kempower to fulfill stakeholder expectations.	x	x	x
		Opportunity	Demand from Kempower's stakeholders to be forerunner in electrification may cause an increase in financial cost, but it may also provide Kempower with opportunities to manufacture more carbon neutral products that are also easier to recycle.	x	x	
		Opportunity	Studies and research have been undertaken to help increase the utilization of more recycled materials in Kempower's components. The utilization of more recycled components will reduce the amount of virgin materials required to create the components.	x	x	x
		Risk	Unsafe products may negatively impact the brand and reputation, which may lead to a decrease in customer demand. To mitigate the risk, Kempower's suppliers are required to accept Kempower's General Terms and Conditions, where the suppliers are responsible for ensuring that the components are Reach and RoHS compliant. Further clarifications about which chemicals may have been used in Kempower's components are tentatively planned to arrive in 2025.	x	x	x
		Negative impact	If Kempower's products are unsafe for its users, this may impact Kempower's customers' safety.		x	x
	E5-1 Resource outflows related to products and service	**Positive impact**	The utilization of recycled materials impacts Kempower's reputation and helps to fulfil expectations. Recycled materials also reduce the extraction and utilization of virgin materials.	x	x	x
		Opportunity	The utilization of recycled materials will help increase the carbon footprint of Kempower's products.	x	x	
	E5-1 Waste	**Positive impact**	When Kempower's products' carbon footprint is reduced it will also improve its customers' carbon footprint. Customers demand a lower carbon footprint in Kempower's products.		x	x
		Positive impact	Kempower constantly develops measures related to waste management, such as training its own employees to reduce the amount of waste.	x	x	x
		Opportunity	For Kempower, reducing GHG emissions while not burning waste streams helps to reduce the burden on landfill sites.		x	x
		Opportunity	By complying with the required laws and regulations, like WEEE (electric, packaging, battery), Kempower can produce products that fulfill the requirements for recycling and increase recyclability in the value chain.	x	x	x
		Risk	If Kempower does not implement good planning, designing and assembly practices, there may be a risk that Kempower does not fulfill the expectations of its customers and waste management costs may increase.		x	x
		Negative impact	If Kempower's waste management does not comply with the required laws and regulations, it may result in negative impacts.		x	x

E5-1 Policies related to resource use and circular economy

Kempower implements an Integrated Management System (IMS) of ISO 9001:2015, 27001:2021, ISO 14001:2015, and ISO 45001:2018 across all its operations to manage material impacts, risks and opportunities identified through the DMA. The implementation of the IMS aims to enhance and maintain the overall performance of Kempower's business, products, and services. It also seeks to ensure compliance with statutory and regulatory requirements related to the circular economy and resource use concerning Kempower's products and services. The IMS Manual is used externally to introduce the elements of Kempower's IMS to its customers and other stakeholders to the extent necessary. The IMS relevant referenced documents are made available in up-to-date documentation locations and systems referenced in the IMS intranet pages.

The Integrated Management System includes the following policies, guidelines and manuals covering Kempower's own operations and its upstream and downstream value chain:

- Environmental Policy
- Environmental Management System Manual (EMS)
- Circular Economy in Product Development and Sourcing Policy
- Declaration of Conformity
- Recycling and Waste Management Handbook
- Waste from Electrical and Electronic Equipment WEEE Directive Policy

Kempower's Environmental Policy refers to the regulations and actions taken to manage operational impact on the environment, aiming to ensure sustainable resource use, a reduction in pollution, and the protection of ecosystems and biodiversity.

Kempower's Environmental Policy's key objectives are to ensure compliance with environmental legislation and provisions, and any instructions and orders from public authorities on environmental issues, as well as monitor relevant environmental legislation. Kempower encourages its partners and staff to also pay attention to their own environmental impact.

The Senior Leadership at Kempower is accountable for implementing the Environmental Policy. This policy applies to Kempower's management and is part of the Group's comprehensive Business Quality Policy. The Environmental Policy is available to potentially affected stakeholders, and stakeholders who need to help implement it and it can be found on Kempower's internal intranet.

The Environmental Management System (EMS) Manual provides a comprehensive framework for systematically managing Kempower's environmental responsibility. The EMS manual outlines the policies, procedures, and practices that make up the EMS and serves as a reference for Environmental Management efforts at Kempower.

Kempower's Environmental Management System has been developed to comply with the requirements of the ISO 14001:2015 certification system and to make sustainable business possible. Kempower always complies with local legislation in all its business areas and is aware of the requirements set by it, and an expert in this field updates the legislation review at least twice a year. The Environmental Management System is applied to all Kempower's activities and production sites at a principal level according to possibilities. The sites in Finland are: Lahti 1, Lahti 3 and Lahti 2, and in the US, Durham, NC. Sustainability Manager at Kempower is accountable for implementing the EMS manual.

The Circular Economy in Product Development and Sourcing Policy outlines Kempower's approach to incorporating circular economy practices into its product development and sourcing activities. The policy aims to enhance the positive impact of Kempower's products through increased product durability, waste management and the use of recycled materials, with the ultimate goal of achieving over 99% recyclable devices. This policy applies to the entirety of Kempower's own operations worldwide. The Sustainability and Development Excellence teams are responsible for monitoring the new requirements and regulations as well as implementing the policy.

As stated in its Recycling and Waste Management Handbook, Kempower follows the waste hierarchy mentioned in the EU Waste Directive (Directive 2008/98/EC on waste and repealing certain directives) in its own operations. The handbook provides guidance on the handling, sorting and disposal of waste generated in Kempower's operations to enhance reusing, recycling and utilizations of different waste streams and materials included. The handbook applies globally to all Kempower's operations. The Sustainability Manager and Facility Managers are responsible for waste management at Kempower.

Kempower is also committed to complying with all applicable laws and regulations related to Waste from Electrical and Electronic Equipment WEEE Directive (2012/19/EU). The policy aims to mitigate the waste-related risks by preventing the generation of waste streams in Kempower's production processes and guiding Kempower's efforts to join producer organizations..

Kempower's WEEE Policy applies globally to all Kempower's operations and Kempower's downstream value chain. The Sustainability Manager is responsible for implementing the WEEE directive. The entire action falls under Kempower's Corporate Development and ESG.

Kempower does not purchase virgin raw materials as its operations involve only assembly lines where products are assembled from various components, which are then tested, and packaged. As described in the above-mentioned policies and guidelines, Kempower prioritizes recycled materials over virgin resources. Kempower has a Material Selection Instruction that aids engineers in choosing sustainable materials from a pre-approved CAD material library, ensuring compliance with sustainability requirements. The update planned for 2025 will expand guidance on recycled vs. virgin materials as well as product recyclability. The RDI Team continuously monitors recycled material use, with recent analysis exploring possibilities in recycled aluminum and potential suppliers for satellite profiles made of recycled aluminum. Plans are also in place to examine other recycled metal options. In 2025, Kempower will also implement sustainability criteria to its procurement criteria's to support its targets in circular economy and resource use.

All Kempower's suppliers are required to adhere to Kempower's General Terms and Conditions as well as Kempower's Supplier Code of Conduct. The products utilized comply with Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations, and no metals sourced from conflict areas are used in the products. Suppliers are required to provide documentation such as RoHS, REACH, Conflict Minerals certificates, and Critical Raw Material statements. All Kempower products are accompanied by the appropriate declarations of conformity which verifies that the products reach the necessary standards for circular economy utilization.

E5-2 Actions and resources related to resource use and circular economy

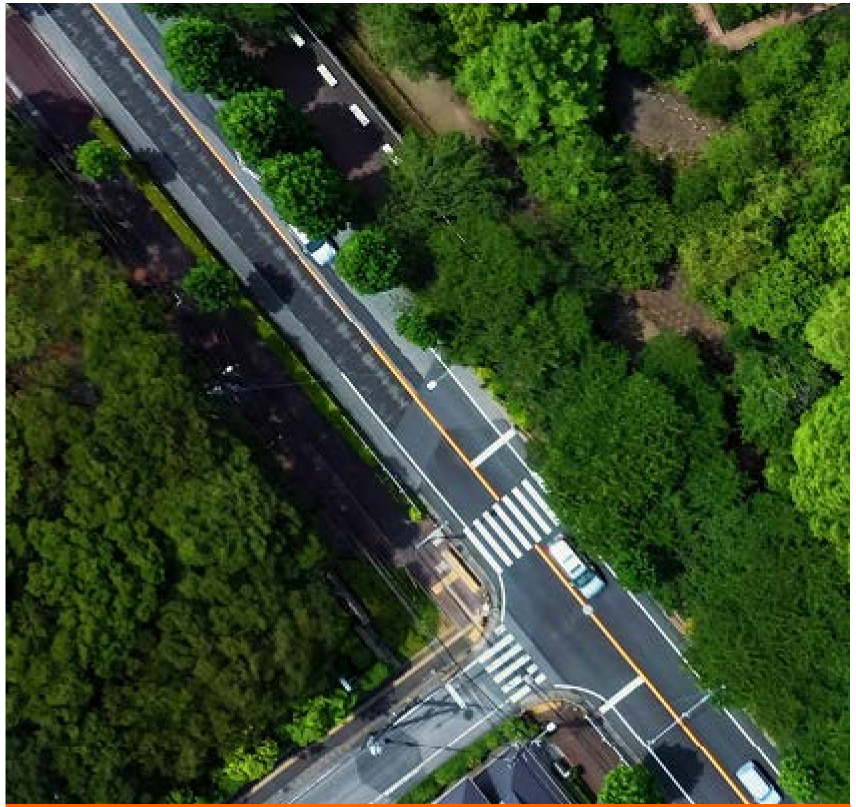
Kempower has implemented numerous initiatives, work groups and concrete actions to reach its policy objectives and targets concerning resource use and circular economy.

In 2024, actions related to circular economy and resource use included:

- An ESG Specialist focused on Circular Economy joined Kempower's Sustainability Team, supporting circular economy initiatives and long-term waste management. The ESG Specialist collaborates with the Sustainability Manager to apply Finland's waste management practices to Kempower's US operations.
- To achieve the goals regarding packaging materials, Kempower conducted a packaging material survey during Q2/2024. Based on the survey results, Kempower can plan and implement actions to achieve the goal to reduce plastics materials.
- Publishing a Material Selection Instruction to define the preferred materials in the products. The document is a baseline for the engineers to guide their correct material selection in the product development and maintenance projects.
- In the concept design of new products, the materials and their carbon footprints and durability were taken into account.
- Training plans for different teams. Kempower trains and guides employees (production and service, warehouse, logistics, office) in waste management. The internal training process is continuous, considering changes related to the internal issues as well as changes related to the operating environment, such as legislation (national and/or EU or US). The training provided via face-to-face teaching and in addition, the Recycling and Waste Management Handbook is available to all employees. Waste management and circular economy training were held every month or quarterly. If necessary, training is organized more often. In addition to its own employees, Kempower also trained other significant operators, such as subcontractors and other important stakeholders.
- Source separation improved; in the US, source separation for 5 streams
- New waste management partners in Finland.
- Legal requirements were updated.

Plans are also underway to integrate sustainability criteria into RDI functions to support the sustainable design of the product components, enhance product longevity and reduce environmental impact. The first version of the sustainability criteria will be completed during H1/2025. The sustainability criteria will include criterion concerning recycled materials and virgin resources, as well as chemical requirements. The realization of sustainability criterion will be monitored on a monthly level in Product Development meetings.

To improve recycling rates and reduce landfill impact without incinerating waste, each Kempower production site employs a responsible person for recycling, and for sorting queries, and the Recycling and Waste Management Handbook provides practical waste reduction guidance. Product recyclability also lowers Kempower's products' carbon footprint and helps reduce Kempower's customers' carbon footprint.



Kempower has a Material Selection Instruction that aids engineers in choosing sustainable materials from a pre-approved CAD material library, ensuring compliance with sustainability requirements.

Kempower has created a Material Reuse Team, comprising sourcing, product development, finance, and sustainability teams, which meets monthly to assess whether e.g., surplus materials could be repurposed in internal reuse, resale, or recycling. Moreover, in addition to internal resources, Kempower partners with two waste management companies in Finland and five in the US, monitoring waste management monthly with quarterly reviews. Kempower's Facility Manager oversees infrastructure upkeep at all Finnish production sites.

Kempower's common goal is to provide safe products to customers and end-users. To ensure the safety of end products and to mitigate the risks and possible negative impacts, no hazardous chemicals are used in Kempower's assembly processes. Kempower's actions include implementing the Health & Safety Policy as well as completing Chemical Risk assessments for assembly chemicals and safety procedures for chemical use. All chemicals in use have an updated Safety Data Sheets (SDS) available in the close proximity of a chemical cabinet. Suppliers' chemical safety is monitored through adherence with Kempower's standards, as they must comply with Kempower's Supplier Code of Conduct and General Terms and Conditions (GTC), which align with REACH, RoHS, and conflict mineral standards. Since Kempower only assemblies the product, collaboration with suppliers is essential to ensure their compliance with laws and regulations as well as with RoHS and REACH. In addition, Kempower's customers, as well as third parties, also conduct audits. Mid-term actions include updating the life cycle assessment (LCA) as well as the risk assessment in accordance with legislation.

To better understand customer needs and to provide customers with the latest updates, Kempower also closely collaborates with customers' sustainability teams. Kempower emphasizes customer experience and conducts surveys as well as feedback to better understand the customer's needs. For example, customers utilize Kempower's LCA in their own LCA calculations. LCA calculations are made by following the ISO 14067 and additional guidelines such as EN 50693 and GHG Protocol's Product Standard. One future action is developing the LCA calculations based on the newest product versions or fully new product launches.

Kempower aims to be a leader in the field of electrification. The Research, Development, and Innovation (RDI) Team focuses on designing innovative, sustainable, and durable products. In addition, Kempower collaborates continuously with research institutions and universities to foster innovation. For instance, the ChargEye™ cloud system allows for remote monitoring and diagnostics, reducing the need for on-site maintenance.

Concerning environmental impact, Kempower already offers a range of carbon-neutral products that adhere to REACH and RoHS standards, ensuring compliance with regulations across various countries and states. The Sustainability and Development Excellence Team develops and monitors the carbon footprint calculator and the Material Selection Instruction. In addition, regulatory updates are proactively monitored via Kempower Oyj's purchased Linnunmaa Lex platform, ensuring compliance and advanced developments regarding changing legislation and the latest regulatory updates.

In addition, Kempower's waste management hierarchy emphasizes material reuse before energy recovery, and no waste was sent to landfill in Finland in 2024. In the US, Kempower has improved source separation, with five waste fractions now repurposed as materials. Kempower also works closely with waste management partners to find new material users and participates in the Extended Producer Responsibility organization, tracking product distribution to ensure proper end-of-life recycling. While Finland and the US follow similar operational practices, regulatory differences affect resource use and circular economy targets in the US.

E5-3 Targets related to resource use and circular economy

Main target	Target: Short term (fiscal year)	Target: Long term (over 5 years)	Relationship with policy objectives	Target level to be achieved	Scope of the target	Baseline year	Target year	Status in 2024
Reduce landfill waste **Waste hierarchy**: reusing, recycling and other recovery	Reduce landfill waste as % of total waste annually	Reducing landfill waste to zero in 2025	Environmental Policy	Zero ton of waste into landfill	Own operations in Finland	2022	2025	Target achieved in 2023. No waste into landfill sites in Finland.
	Work with existing vendors to establish processes for data collection for various waste streams and begin reporting	Establish internal recycling processes to separate and collect waste streams internally and identify appropriate vendors to collect recycled waste for proper disposal	Environmental Policy	Identify vendors to collect side streams Proper waste procedures	Own operations in the US and downstream value chain	2024	Continuous	The target is on track and progressing according to plan. In the US, Kempower is searching for partners to recycle waste streams in the most optimal way.
Reduce plastic packaging **Waste hierarchy:** prevention and recycling	To increase recycled materials in Kempower's business	Reduce plastic packaging by -50% by 2025. Transfer to bioplastics and biodegradable when economically viable	Environmental Policy	Reduce the use of plastics	Own operations on a Group level	2021	2025	Kempower has investigated various approaches to influence the use of plastics since 2021. In 2024, due to new requirements affecting Kempower, a reassessment of the target was initiated, and a new target will be established in the near future.
Increase the recyclability rate of the Kempower products **Waste hierarchy:** prevention, reusing, recycling	To achieve 99% recyclability in Kempower's products	99.6% recyclability rate for Kempower Movable Charger, 99.7% for the Kempower Satellite and 99.7% for the Kempower Power Unit	Environmental Policy	To increase awareness of recyclability of Kempower's products on a global level	Own operations on a Group level and downstream value chain	2022	Continuous	The target regarding recyclability rate has been met. Kempower has attained over 99% recyclability in its products. In the US, Kempower is searching for partners who can use Kempower's side streams as a material together with Kempower's waste management partner.
Enhance waste management with trainings **Waste hierarchy:** prevention, reusing, recycling, other recovery	The continuous training of Kempower's employees, relating to waste management		Environmental Management System	Number of regular trainings	Own operations on a Group level	2022	Continuous	Different teams are trained, and training plans are designed to meet teams needs. Trainings in 2024: 45 trainings since 08/2024

Accounting principles

The recyclability rate is based on a life cycle assessment (LCA) conducted for Kempower's products in 2024. The number of trainings cover Kempower's operations in Finland and it has been obtained by adding up the trainings carried out on three sites in Lahti, Finland, by function, which are carried out either monthly or quarterly. Regular trainings started in August 2024. Training covers both waste management issues related to Kempower's own operations, such as how to improve the identification and sorting of waste streams and thus increase reuse, recycling and utilization of them as well as issues that have come up in discussions with Kempower's waste management partners, such as future changes in waste legislation and how to prepare for them.

More information about the accounting principles can be found under E5-5 for landfill waste, and under E5-4 and E5-5 for packaging materials.

Kempower's targets related to resource use and circular economy are established for key operations in Finland and the US. The US targets are slightly different to those in Finland due to separate US-focused legislation. The targets above do not cover other Kempower's subsidiaries due to their size and significance.

During 2024, Kempower has developed its waste management, searched for vendors/partners, started collecting data and implemented employee training as part of its operations in the US. In 2025, Kempower's goal is to implement circular economy and related actions to its operations in the US and to seek more suitable vendors who have the possibility to utilize Kempower's waste as new material.

In the future, Kempower's sustainability targets will increasingly relate to the sustainability of packaging and packaging materials, as well as purchasing and procurement.

Stakeholders have not been involved in setting the current targets. However, Kempower intends to develop future targets in collaboration with its stakeholders, such as working with suppliers to achieve these goals. Kempower is also consistently seeking partners who can meet Kempower's RDI specification criteria. In this way, Kempower will be able to further enhance its waste management.

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E5-4 Resource inflows

In Kempower's own production, which includes assembly, testing and packaging of the Power Units, Power modules and the Satellites, no water is used. There are negligible emissions into the atmosphere or the soil. Assembly takes place in a staged assembly line where the components from suppliers are assembled into the finished product, after which the product is tested for any faults and then packed. All stages are carried out without water consumption, very minimal energy usage, and negligible chemical use. All of these mentioned stages are undertaken by human labour and carried out using cordless tools and computers.

Kempower's products (Movable, Satellites and Power cabins with Power modules) consist of the following materials and components: metals, plastics, circuit boards and electronic components. The component, i.e. material manufacturing remains one of the most contributing unit processes in a product's carbon footprint. The material compositions of both products follow the same path; roughly an equal relative level of metals, with the remainder of the composition constructed from plastics and other materials. Packaging material data and metrics are disclosed under E5-5.

There are no manufacturing or other processes that produce waste, so the amount of incoming and outgoing material remains the same. Product delivery numbers are recorded in Kempower's ERP system, with each product having a Bill of Material in the Product Data Management system. This information allows for the calculation of resource inflows and outflows.

Materials/Components	Power unit (%)	Satellite (%)
Metals (steel, Al, Cu)	82.2	84.4
Plastics	5.8	13.4
Printed circuit boards	11.5	0.7
Other (electronic components)	0.6	1.5

Resource inflows

Material category	Total weight (Tonnes)
Products (including packaging)	3,714.5
Technical materials (manufactured goods and parts)	–
Biological materials (materials not purchased)	–
Total	**3,714.5**

Accounting principles

Resource inflows

The products category includes all resource inflows used in the assembly of Kempower's products such as components, individual parts (e.g. screws and plugs), and packaging. Kempower does not categorize its resource inflows into technical materials and does not source biological materials.

The total weight of products is based on actual measured data from Kempower's own systems (e.g., bill of materials, LCA calculations, and technical sheets). Data regarding components is sourced from the supplier's website.

Secondary materials used

Secondary material type	Weight (tonnes)	Percentage (%)
Reused components	25.0	3.6
Total	**25.0**	**3.6**

Accounting principles

Reused components

Data of refurbished Power Modules was collected from Service and Spare parts teams. Weight of reused components was calculated by multiplying total amount of refurbished Power Modules with weight of one Power Module. Share of refurbished Power Modules from total weight of all Power Modules delivered in 2024 was calculated by dividing total weight of refurbished Power Modules with total weight of delivered Power Modules in 2024.

E5-5 Resource outflows

Kempower's key products are its Power Unit and Satellite, which together form the system for the electric vehicle high-power charging.

The Power Unit contains:

- a Power Cabinet: a steel structure construction including the internal cabling and the connection for the cables between the Power Unit and the Satellites.
- Power Modules: including all the electrical components required for the high-power charging.

The Satellite is a dispenser and its main functions include:

- an electrical connection between the charging system and the electric vehicle.
- a data and safety connection between the charging system and electric vehicle.

The charging system typically includes 2–6 Satellites.

In Finland and in the US, the Satellite's packaging consists of a custom-size pallet (2,150 x 600 x 119 mm), a plywood box with metal supports at each corner and on the lid, and zip ties and screws. The Power Unit is packed on a EUR-pallet (800 x 1,200 mm), fixed with metal brackets, and covered with a plywood sheet, cardboard, and plastic film. All packaging materials are 100% recyclable.

Kempower's charging cables meet the requirements of the IEC62196 – Plugs, sockets, outlets, vehicle connectors and vehicle inlets standard for 10,000 charging cycles. At Kempower, the expected durability of our products (Satellites, Power Modules and Cabinets) is designed for a 10-year service life under "heavy duty" conditions. Products are also designed to be retrofittable, and the new components are backwards compatible. This provides the possibility to upgrade just the new components and keep the rest of the components the same. Both Power Units and Satellites are equipped with a front door, which provides easy access to all the components which may need to be maintained or replaced.

The Power Unit has a modular structure including a control module, a dynamic module, and from one to four Power Modules. Those Modules primarily contain different kinds of circuit boards and other electrical components. The Satellite has electrical components, which are required to have electrical and communication connections between the charging system and electric vehicles. All the components are easily accessible and maintained or replaced.

All the charging systems delivered by Kempower are connected to Kempower's ChargEye™ cloud system. This connection enables the remote monitoring and system recovery possibilities. Using the ChargEye™ connection allows for the possibility to access the charging system, analyze possible malfunctions and e.g., reboot the system without an unnecessary maintenance trip to the physical site.

Kempower's products contain an extremely high end-of-life recyclability rate, which currently stands at 99.6% for the Kempower Movable Charger, 99.7% for the Kempower Satellite and 99.7% for the Kempower Power Unit in Finland, due to waste management and high recycling percentage rates.

Kempower operates three production sites in Lahti, Finland, where waste is sorted by type to maximize recycling and reuse. Significant waste streams in Finland include packaging materials, with cardboard comprising 30% by weight, metals comprising 28% by weight and wood comprising approximately 19%. Waste categories such as mixed waste, energy waste, biowaste, cardboard, metal, different plastics, electronic waste, and hazardous waste are carefully separated at each site to promote recycling. On a Group level the most significant waste streams measured in weight are wood waste (26.8%), cardboard (24.8%) and metals (21.5%).

In Finland, the following waste fractions and materials are identified, sorted and collected separately at the place of origin: mixed waste, energy waste, biowaste (from the employees' kitchen facilities, no biowaste is generated in production), cardboard (cardboard boxes, brown cardboard, craft paper and corrugated cardboard and brown paper bags), paper, plastic, metal (separately aluminum and other metal waste), glass, batteries, wood, wooden pallets, WEEE: cables, circuit boards and all electrical and electronic waste related to Kempower's own product, hazardous waste fractions: solid oily waste, solid chemical waste, non-halogenated solvent waste, and aerosols. In the US, Kempower source separates the following waste streams: bio-waste, paper, cardboard, metal, electrical and electronic waste, universal waste and other non-hazardous waste. In its US operations, Kempower is not currently able to separately source every waste stream as there are no vendors or partners available, and the waste management system is different to that implemented in Europe. The waste generated in Kempower's other subsidiaries has not been estimated, as these primarily consist of office hotels and small offices where the waste quantity is minimal. However, Kempower has assessed the emissions from waste management, which are disclosed under section E1-6.

Total amount of waste

Total weight of waste	tonnes
Total amount of waste generated	**233.8**
Total amount of waste diverted from disposal	**219.3**
Hazardous waste	0.1
Non-hazardous waste	219.2
Total amount of waste directed to disposal	**14.5**
Hazardous waste	0.1
Non-hazardous waste	14.4

Accounting principles

Waste

The measured values have been obtained from waste management partners in Finland and the US. All metrics are reported at Group level. The categorization of hazardous and non-hazardous waste, along with their respective recovery and disposal methods, follows local legislation. Estimates have been used when calculating the amount of non-hazardous waste generated in Kempower's subsidiaries. All hazardous waste data is from operations in Finland. Due to differences in waste management definitions, hazardous waste data from US operations is not available. No hazardous waste is produced in Kempower's other subsidiaries since the waste consists of office waste.

Table: Total amount of waste

The amount of waste generated/non-hazardous waste

Data regarding operations in Finland and the US is based on actual measured amount of waste. The waste generated in Kempower's other subsidiaries is estimated by using country-specific data available from Eurostat website by multiplying annual municipal waste generated per capita with the number of employees in the office (Kempower's locations) and with working hours coefficient.

Hazardous waste

Hazardous waste data is reported at the Kempower Oyj level covering operations in Finland. Data has been calculated based on actual measured amount. Hazardous waste reported includes aerosols, solid chemical waste, halogen-free waste solvent and heavy metal battery waste.

Waste recovery

Recovery operation type	Hazardous waste (tonnes)	Non-hazardous waste (tonnes)
Preparation for reuse	0.0	0.0
Recycling	0.0	137.8
Other recovery operations	0.0	81.4
Total waste diverted from disposal	**0.1**	**219.2**

Accounting principles

Table: Waste recovery

The numerical values are presented with an accuracy of one decimal. Zero means measured value.

Recycling

Recycling includes waste diverted from disposal to recycling with a breakdown between hazardous waste and non-hazardous waste. Hazardous recycling waste includes heavy metal battery waste. Non-hazardous recycling waste includes biowaste, plastic packaging, paper and magazines, cardboard, metals and electronic waste in Finland and biowaste, cardboard, paper and metals in the US and a part of office waste produced in other Kempower subsidiaries.

Other recovery operations

Other recovery operations include waste diverted from disposal to other recovery operations, such as production of waste-derived fuel, with a breakdown between hazardous waste and non-hazardous waste. Hazardous waste related to other recovery operations includes solid chemical waste. Non-hazardous waste related to other recovery operations includes wood waste, energy waste, mixed waste in Finland and wood waste in the US. Waste directed to disposal includes aerosols, halogen-free solvent waste in Finland, landfill waste in the US, and a part of waste generated in Kempower's offices abroad excluding Finland and US.

Disposal types

Disposal type	Hazardous waste (tonnes)	Non-hazardous waste (tonnes)
Incineration	0.0	0.0
Landfill	0.0	14.4
Other disposal operations	0.1	0.0
Total waste directed to disposal	**0.1**	**14.4**

Accounting principles

Table: Disposal types

Zero means measured value.

Landfill

Zero landfill waste in Finland. Landfill waste (non-hazardous waste) includes US landfill waste and a part, which is estimated, of the waste generated in Kempower's subsidiaries (excluding Finland and US). Kempower's other subsidiaries municipal waste is estimated by using country-specific data available from the Eurostat website by multiplying annual municipal waste generated per capita with the number of employees in the office (Kempower's locations) and with working hours coefficient.

Other disposal operations

Other disposal operations waste is waste directed to disposal with a breakdown between hazardous waste (tonnes) and non-hazardous waste (tonnes). Hazardous waste is only generated in Finland. Hazardous waste related to other disposal operations waste includes aerosols and halogen-free waste solvent.

Waste categories

Waste categories	tonnes	Percentage of total waste
Total amount of waste in metric tonnes	233.8	100.0
Total amount of hazardous waste in metric tonnes	0.1	0.1
Total amount of non-recycled waste in metric tonnes	96.0	41.0

Accounting principles

Table: Waste categories

The numerical values are presented with an accuracy of one decimal.

Total amount of waste in metric tonnes:
Total amount of waste in metric tonnes includes Finland and US values (measured) and an estimate for the waste amount related to the Kempower offices abroad. Waste generated in the offices was estimated by using country-specific data available from the Eurostat website by multiplying annual municipal waste generated per capita with the number of employees in the office (Kempower's locations) and with working hours coefficient. Waste generated in offices is typically office waste, which is not hazardous waste.

Total amount of hazardous waste in metric tonnes:
Total amount of hazardous waste in metric tonnes includes all hazardous waste generated in Finland. Because US waste management differs from Finnish waste management in terms of definitions, hazardous waste is only generated in Finland even though the same waste fractions are generated in both countries

Total amount of non-recycled waste in metric tonnes:
Total amount of non-recycled waste in metric tonnes includes waste diverted from disposal to other recovery operations (FIN: wood waste, energy waste, mixed waste solid chemical waste, US: wood waste) and waste directed to disposal (FIN: aerosols, halogen-free solvent waste, US: landfill waste, and waste generated in Kempower's offices abroad excluding Finland and US).

Waste streams

Waste stream	Material type	Measured amount of weight (tonnes)	Estimated amount of weight (tonnes)
Energy waste	Dirty paper, cardboard, plastics	19.7	
Cardboard	Cardboard	58.0	
Wood waste	Wood	62.6	
Plastics	Plastic materials used in packaging	5.1	
Metals	Aluminum, copper, other metals	50.2	
Electronical waste	E-waste	8.2	
Biowaste	Biowaste from the kitchen	5.5	
Paper	Printing paper, magazines	1.8	8.1
Hazardous waste	Chemicals	0.1	
Landfill waste	Mixed materials	5.9*	8.5

*Only in Durham

Accounting principles

Table: Waste streams

Measured amount of weight:
The measured values have been obtained from waste management partners in Finland and the US.

Estimated amount of weight:
Amount of waste generated in subsidiaries is estimated (excluding Finland and US). Waste generated in the offices was estimated by using country-specific data available from the Eurostat website by multiplying annual municipal waste generated per capita with the number of employees in the office (Kempower's locations) and with working hours coefficient. Waste generated in subsidiaries is typically office waste, which is not hazardous waste.

Social information

Kempower is committed to ensure a safe, diverse and inclusive workplace, as well as a transparent and fair value chain where we source sustainably and protect human rights.

In 2024

87.5%

of Kempower's employees undertook the e-learning course in Code of Conduct training

A dedicated team comprising

786

professionals across more than

41

nationalities

Performance highlights

6,240

training hours for employees in 2024

ESRS S1 Own workforce

Safety LTIF at

3.8

(4.6) in 2023

Kempower Pulse Survey 'Engagement' and 'Well-being' scores of

75 and 81

compared to 79 and 80 benchmarks

Joint research center established with LUT University (2023); Kempower Electric Mobility Research Center (EMRC)

Impacts, risks and opportunities related to Kempower's own workforce

Material topic	Sub-topic	Sub-sub-topic	Type (negative or positive impact, risk or opportunity)	Description	Upstream/downstream value chain or own operations		
					Upstream	Own operations	Downstream
S1 Own workforce	S1-1 Working conditions	S1-1-1 Secure employment	**Positive impact**	Kempower provides local employment opportunities and requires skilled employees to support its growth objectives.		x	
			Opportunity	Kempower offers jobs that comply with national and collective agreements.		x	
			Risk	Availability of skilled labour. It may be a risk as Kempower requires many professional employees as it grows. The availability of labour impacts Kempower's brand and employer reputation. Without qualified employees Kempower is unable to grow.		x	x
		S1-1-1 Working time	**Positive impact**	Flexible working hours and overtime practices positively impact the Kempower's image.		x	
			Opportunity	Flexible working hours improve the Kempower's image and makes recruitment easier. With qualified employees Kempower is able to increase its production.		x	
			Risk	Excessive overtime may lead to employee burnout and decreased motivation, causing skilled workers to leave, which may negatively impact Kempower's growth targets and value.		x	
			Negative impact	There is also a risk when Kempower is rapidly expanding. This may require employees to work overtime, and employees may become overburdened as a result.		x	
		S1-1 -1 Adequate wages	**Positive impact**	An adequate salary is a competitive factor in order to attract qualified employees.		x	
			Opportunity	Salary and other benefits affect Kempower's brand reputation. Competitive salaries are essential to attract qualified employees. Salary and other benefits affect Kempower's brand reputation.		x	x
			Risk	It is perceived to be a risk if Kempower offers lower salaries.		x	
			Negative impact	Lower salaries may negatively impact the availability of qualified employees.		x	
		S1-1-1 Social dialogue	**Positive impact**	Kempower complies with collective agreements and, in addition, utilizes local bargaining.		x	
			Opportunity	An opportunity for genuine labour market discussion between the different parties.		x	
		S1-1-1 Freedom of association	**Positive impact**	Genuine discussions and engagement positively impact Kempower's image as an employer, influencing job seekers' decisions on where to apply.		x	
			Opportunity	As a responsible employer, Kempower aims to improve its operations based on employee feedback (employee engagement surveys, employee representatives and personnel and occupational health and safety committee).		x	
		S1-1-1 Collective bargaining, including rate of workers covered by collective agreements	**Positive impact**	Open and transparent discussion with different parties positively impacts employees' rights and benefits.		x	
			Opportunity	An opportunity for genuine labour market discussion between the different parties.		x	

Material topic	Sub-topic	Sub-sub-topic	Type (negative or positive impact, risk or opportunity)	Description	Upstream/downstream value chain or own operations: Upstream	Own operations	Downstream
S1 Own workforce	S1-1 Working conditions	S1-1 Work-life balance	Positive impact	Work-life balance is crucial for employee motivation. It increases employee engagement and supports organizational success. It also helps identify high-performing individuals for future roles and ensures employees are aligned with Kempower's strategic direction.		x	
			Opportunity	Kempower has many ways to work so that work and free time can be reconciled. A flexible worktime system leads to better work-life balance. There is always the possibility to change working time if there is a greater requirement to be at home. This will improve Kempower's employer image and brand.		x	
			Risk	If Kempower does not offer different ways of combining work and free time, then it may not necessarily gain and retain qualified employees. This may have a significant impact on Kempower's reputation as an employer.		x	
			Negative impact	Employees become exhausted and their motivation decreases.		x	
		S1-1-1 Health and safety	Positive impact	Occupational healthcare aims to promote and advance a healthy working environment and safe working conditions. The goal is to support the employee's ability to work throughout their entire working career. Kempower has several safety KPI's to measure (LTIF, TRIF, sickness and accident absences and number of safety observations).		x	
			Opportunity	Kempower's view is that optimal well-being at work results from having highly motivated employees. Enhancing employees' ability to work throughout their careers can increase well-being, contribute to a positive working environment, and improve brand reputation. Optimal well-being at work additionally reduces sickness absences, bringing cost savings.		x	
			Risk	In the absence of proper health and safety protocols, employees are at a higher risk of accidents, injuries, and illnesses, which can range from minor incidents to serious, life-threatening situations. To reduce risks, Kempower has ISO 45001 in place. ISO 45001 provides an internationally recognized framework for managing occupational health and safety risks. It enables Kempower to systematically assess hazards and implement risk control measures, leading to reduced workplace injuries, illnesses and incidents.		x	
			Negative impact	Poor occupational safety affects the motivation of employees, increases absenteeism and affects the working atmosphere.		x	
	S1-1-2 Equal treatment and opportunities for all	S1-1-2 Gender equality and equal pay for work of equal value	Positive impact	Kempower is committed to the principle of equal employment opportunities for all employees with a good working environment that enhances its brand reputation.		x	
			Opportunity	Kempower's employment decisions are based on business needs, job requirements, and individual qualifications, without regard to race, color, religion or belief, gender, or any other status protected by laws and regulations. Kempower does not tolerate discrimination or harassment based on any of these characteristics, and encourages applicants of all ages.		x	
			Risk	Possible unequal treatment has a negative impact on Kempower's image as an employer.		x	x
			Negative impact	Unequal treatment leads to poor work motivation and underperformance.		x	x

Material topic	Sub-topic	Sub-sub-topic	Type (negative or positive impact, risk or opportunity)	Description	Upstream/downstream value chain or own operations: Upstream	Own operations	Downstream
S1 Own workforce	S1-1-2 Equal treatment and opportunities for all	S1-1-2 Training and skills development	Positive impact	Skills development and training provide positive ways to bring value to an employee. Kempower offers several different trainings for its employees. Kempower has a set of eight digital training courses that are obligatory for all its employees: Code of Conduct, Insiders guidelines, Cybersecurity Awareness, Competition Law training, Information Security Management System (ISMS) training, Whistleblowing training, Occupational Safety training and Sustainability training beginning in 2025 as well as a voluntary Emergency First Aid course (4h). Kempower's Code of Conduct training includes harassment-related issues. In addition, in the US, there are several occupational health and safety trainings.		x	
			Opportunity	Training sessions contribute to Kempower's brand reputation and aid in recruiting new employees by offering extensive training opportunities.		x	
		S1-1-2 Employment and inclusion of persons with disabilities	Positive impact	Kempower follows its recruitment and DEIB Policy. The selection criteria for recruitment process are the person's competence and suitability for an open position.		x	
			Opportunity	For Kempower there is the possibility to implement its DEIB Policy and increase diversity. Kempower acts in accordance with laws and regulations and in accordance with its own operating methods, such as employment decisions that are based on business needs, job requirements, and individual qualifications, without regard to race, color, religion or belief, gender, or any other status protected by laws and regulations.		x	
			Risk	It may be a risk if Kempower does not follow the policy, and additionally, the process would also not work equally.		x	
			Negative impact	Acting with inequality, may directly impact Kempower's employer image negatively. As a result, job seekers may choose to apply to other companies.		x	
		S1-1-2 Measures against violence and harassment in the workplace	Positive impact	Kempower prohibits any inappropriate treatment or harassment of another person. Kempower's Harassment Policy follows the Occupational Safety and Health Act 738/2002 regarding worker's duty and harassment. Kempower provides a Whistleblowing function to its employees.		x	
			Opportunity	Kempower prohibits any inappropriate treatment or harassment of another person. Kempower has a clear policy on how to act in different situations. Kempower has implemented a compliant Whistleblowing system. The Whistleblowing function improves Kempower's brand image which is required if Kempower is to be both a forerunner and compliant with laws and regulations.		x	
			Risk	Risk of harassment incidents may also constitute a risk if an inadequate Whistleblowing function is in place. As a result, Kempower may be less aware of any shortcomings or incorrect ways of working. The lack of systems and measures may lead to misunderstandings and unequal treatment and negatively impact Kempower's reputation.		x	

Material topic	Sub-topic	Sub-sub-topic	Type (negative or positive impact, risk or opportunity)	Description	Upstream	Own operations	Downstream
					Upstream/downstream value chain or own operations		
S1 Own workforce	**S1-1-2 Equal treatment and opportunities for all**	**S1-1-2 Diversity**	**Positive impact**	Kempower complies with laws and regulations and its own policies and acts responsibly, so that the rights of employees are fulfilled. To support diversity, Kempower adheres to Labour and Human Rights policies, DEIB Policy, and the CoC.		x	
			Opportunity	The implementation of a DEIB policy and Kempower's ability to increase diversity is viewed as an opportunity. Kempower acts in accordance with laws and regulations and in accordance with its own operating methods, such as employment decisions that are based on business needs, job requirements, and individual qualifications, without regard to race, color, religion or belief, gender, or any other status protected by laws and regulations.		x	
			Risk	If Kempower fails to comply with laws and regulations and its own policy, then it does not act responsibly, and employees' rights are not fulfilled. To avoid risks, Kempower is aligned with a Labour and Human Rights Policy, DEIB Policy, and the CoC.		x	
			Negative impact	If Kempower fails to comply with the required laws and requirements, it impacts Kempower's image as an employer, which may affect its ability to both hire and retain qualified employees. This may have an impact on the realization of growth in accordance with the goals.		x	
	S1-1-3 Other work-related rights	**S1-1-3Child labour**	**Positive impact**	Kempower complies with laws and regulations and its policies, and acts responsibly, so that the rights of Kempower's employees are fulfilled. Kempower does not accept child labour under any circumstances.		x	
			Opportunity	Kempower operates in accordance with laws and regulations, which positively impacts its image as an employer. As a result, Kempower is perceived to be a desired employer, allowing Kempower to act in accordance with its set goals.		x	
			Risk	If Kempower fails to comply with laws and regulations and its own policies, then it does not act responsibly, and employees' rights are not realized. Kempower is aligned with its Labour and Human Rights Policy, DEIB Policy, and the CoC.		x	
			Negative impact	If Kempower fails to comply with the required laws and requirements, it impacts Kempower's image as an employer, which may affect the ability to both hire and retain qualified employees. This may have an impact on the realization of growth in accordance with the goals.		x	
		S1-1-3 Forced labour	**Positive impact**	It is viewed as an opportunity when Kempower complies with laws and regulations and its own policy, and it acts responsibly, so that the rights of employees are fulfilled. Kempower does not accept forced labour under any circumstances. To support workers' rights, Kempower adheres to a Labour and Human Rights Policy, DEIB Policy, and the CoC.		x	
			Opportunity	Kempower operates in accordance with laws and regulations, which positively affects its image as an employer. As a result, Kempower becomes a desired employer, allowing it to act in accordance with its set goals.		x	
			Risk	If Kempower fails to comply with the set laws and requirements, it impacts Kempower's image as an employer, which may have affect the ability to both hire and retain qualified employees. This may have an impact on the realization of growth in accordance with the goals.		x	
			Negative impact	If Kempower fails to comply with laws and regulations and its own policy, then it fails to act responsibly, and employees' rights are not realized. To avoid negative impacts Kempower is aligned with its Labour and Human Rights Policy, DEIB Policy, and the CoC.		x	

S1–1 Policies related to own workforce

Kempower's Human Resources (HR) activities are guided by Kempower's Labour and Human Rights Policy that addresses the identification, assessment, management and remediation of material impacts on Kempower's own workforce. The purpose of the Labour and Human Rights Policy is to define the labour and human rights standards in Kempower's operations.

Kempower's DEIB Policy outlines the importance of diversity, equity, inclusion and belonging within the Kempower Group. Kempower's DEIB strategy for 2024-2027 focuses on continuous improvement, adaptability, and collaboration, aiming to enhance the return on investment on its employees. The DEIB Policy is crafted with a global perspective in mind but is applied locally to respect the diverse cultures within the organization. A data-driven approach will be used to monitor and evaluate progress both globally and locally, ensuring measurable impacts. Kempower's DEIB strategy represents a dynamic commitment to ongoing learning, growth, and adaptability, rather than a fixed goal.

Kempower is committed to supporting human rights and promoting the protection of human rights throughout its operations and interactions with its stakeholders as stated in the Labour and Human Rights Policy.

The Labour and Human Rights Policy applies globally to all Kempower's employees, subcontractors, service providers, and agency workers in Kempower's upstream and downstream value chain and it is aligned with the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and OECD Guidelines for Multinational Enterprises. The Labour and Human Rights Policy is approved by the Leadership Team and reviewed annually.

The Global labour rights policies addressing Kempower's employees include:

- Code of Conduct,
- Diversity, Equity, Inclusion and Belonging (DEIB) Policy,
- Learning Policy,
- Recruitment Principles,
- Travel Policy,
- Car Policy,
- Annual Bonus Policy,
- Health and Safety Policy,
- Harassment Policy.

These policies are founded on local legislation, collective agreements, and Kempower's practices. The policies are discussed with elected representatives or occupational health and safety representatives before being disclosed. Once disclosed, the policies are communicated clearly to both managers and employees. Local HR teams ensure the implementation of these policies, gather feedback, and suggest possible improvements. Policies are updated regularly.

Kempower is committed to the right to freedom of work and the prohibiting of all forms of forced, bonded or child labour as addressed in its Labour and Human Rights Policy. Additionally, Kempower's Modern Slavery and Human Trafficking Statement outlines the evaluations and measures undertaken to prevent modern slavery and human trafficking within Kempower worldwide. The Statement is issued pursuant to the UK Modern Slavery Act 2015. Kempower does not tolerate, conduct or accept any form of coercion including the use of violence, threats to harm workers or their families, or other forms of intimidation. All workers are free to move in and out of their workplaces and keep the original copies of their passports or other identification documents. Kempower prohibits all forms of forced and bonded labour in its operations and value chain and expects its suppliers, contractors, and business partners to do the same.

Kempower's occupational safety is governed by Kempower's Health and Safety Policy and Kempower's Occupational Health and Safety Action Plan. To manage material risks and opportunities related to Kempower's own workforce, including specific groups within the workforce, Kempower has the ISO 45001 Health and Safety Management Standard in place. ISO 45001 provides an internationally recognized framework for managing occupational health and safety risks. In 2024, Kempower was also granted the ISO 27000 standard which addresses clauses in Human Security matters that ensure that employees and contractors understand their responsibilities and are suitable for the roles for which they are considered.

Kempower is committed to advancing diversity and eliminating discrimination. Through its Diversity, Equity, Inclusion and Belonging (DEIB) Policy, Kempower ensures that every employee is entitled to a working environment that promotes dignity, respect and success for all. The policy covers diversity, equity, discrimination, direct discrimination, discrimination by perception, discrimination by association, bullying and harassment, victimization, and providing accommodations. Kempower's Harassment Policy follows the Occupational Safety and Health Act 738/2002 concerning the employees duty and harassment. At Kempower, discrimination based on race or color, ethnicity, national origin, gender, sex, sexual orientation, age, religion, disability, or any other characteristic protected by law, or which opposes equal opportunities, is not tolerated in the workplace, or in interactions with customers, suppliers, and other stakeholders.

Policies are integrated into the recruitment, onboarding and training processes, ensuring that present and future employees are offered development opportunities and comprehensive training programs.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Kempower regularly engages with its own workforce, particularly through personnel representative communications and employee surveys. These approaches are used to mitigate any negative impacts that may affect working conditions, health or safety. They also serve as a means to identify and mitigate risks related to Kempowerians that may also impact Kempower financially. Kempower's personnel has chosen three elected representatives to serve as the voices of production employees, and two persons to represent office employees in Finland. Representatives communicate the views of the workforce to the employer, assist individual employees with employment-related questions, and serve as a member of Kempower's Personnel and Occupational Health and Safety Committee, representing their employee group in cooperation. Representatives are elected every second year by their peers. The committee meets five times a year. Additionally, regular Town Hall meetings are held for all Kempowerians to discuss current topics and engage in open debates on ongoing issues. Kempower's CEO has the operational responsibility for ensuring employee engagement.

The Kempower Group Pulse Survey is a key tool used by Kempower to assess the effectiveness of its engagement with its workforce. This Group-wide survey is conducted quarterly and is designed to monitor various aspects of employee well-being and engagement, including perspectives on diversity, equity, inclusion, and belonging (DEIB). The survey is anonymous, allowing employees to provide honest feedback without fear of reprisal. The survey covers a range of themes and enables employees to send open comments directly to higher management or the Leadership Team. This feedback mechanism ensures that the voices of the workforce are heard and considered in decision-making processes, helping to create a more inclusive and supportive work environment. By regularly conducting the Kempower Pulse Survey, Kempower can track changes in employee sentiment, identify areas for improvement, and implement strategies to enhance overall employee satisfaction and engagement.

Kempower maintains an open-door policy, encouraging employees to communicate questions, concerns, suggestions, or complaints through appropriate channels.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Kempower has established processes to address and provide remediation for its material impacts on its workforce, particularly those related to working conditions, health, and safety, as outlined in this section. Kempower's general approach to providing or contributing to remedies when it has caused or contributed to a material negative impact on its workforce includes adhering to its harassment policy as a baseline. The procedure to investigate any inappropriate behavior is the same for all employees. If the actions provided to remediate the issue are insufficient, additional measures are taken as required by the local Occupational Safety and Health Act. Additionally, Kempower has insurance in place to cover possible accidents, ensuring comprehensive support and remediation for affected employees. Third-party mechanisms, and Occupational Health and Safety Services, are accessible to the entire workforce.

Kempower has also established whistleblowing processes and a Whistleblowing channel to address complaints, handle appeals, and provide recourse for employees when a negative impact is identified. This is designed to be sensitive to formal structures and informal cultural issues that may prevent employees from raising concerns and grievances. Employees are encouraged to use these procedures to report any actual, perceived, or potential breaches of law, regulation, or public policy involving Kempower Group, including instances of discrimination, retaliation, bullying, harassment, misuse of Kempower Group's property, or any other wrongdoing, as well as breaches of the Code of Conduct or any other policies. The Whistleblowing channel is easily accessible for all employees via the front page of Kempower's intranet.

Kempower has in place a procedure for investigating harassment and inappropriate behavior. Possible conflicting interests are resolved in cooperation with HR, an Employee representative, an OHS representative and a People Manager, as needed. If Kempower identifies a negative human rights impact within its operations, it will initiate an immediate investigation with a designated team to prevent further harm and address any existing issues. Kempower will engage in dialogue with the affected parties to resolve the situation. Remedy involves restoring individuals to the position they would have been in had the harm not occurred or compensating for the harm caused. Those affected may receive compensation or other forms of redress to make amends.

Kempower maintains an open-door policy, encouraging employees to communicate questions, concerns, suggestions, or complaints through appropriate channels. Employees are encouraged to voice their concerns with the assurance that there are no negative repercussions for doing so.

All complaints or submissions made through the Whistleblowing channel are handled confidentially, in accordance with the necessity to conduct a thorough investigation and appropriately resolve the issue. All reports are promptly assessed, investigated as appropriate, addressed and resolved, and appropriate corrective action is taken if and as warranted.

The effectiveness of the channels used for raising issues is ensured through continuous monitoring and evaluation. Kempower maintains records of reports and complaints for durations mandated by law and in accordance with best practice for business record retention. Kempower does not currently assess awareness of the channel, but it informs new and existing employees about it and provides training on how to use the channel. This helps build trust in the Whistleblowing function and encourages employees to use the channel when necessary.

Kempower has appropriate policies in place to protect individuals from retaliation when they use channels to raise concerns or needs. The available channels, WhistleB and the Pulse Survey, support anonymous feedback and comments, ensuring that informants are protected from retaliation. This dual-channel approach helps to create a safe environment for employees to voice their concerns. More specific information about the policies regarding protection against retaliation for individuals that use channels to raise concerns is disclosed in G1-1.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Kempower's main material risks and potential negative impacts on its workforce, identified in the DMA, include working conditions, equal treatment, opportunities for all, and other work-related rights. The positive material themes relate to labour availability and employer reputation, being a responsible employer, occupational health and safety, and work-life balance. Kempower has taken various steps to mitigate the identified material risks and potential negative impacts, and to achieve and maintain positive impacts, as detailed in the following text and tables on p. 86-87. Kempower monitors and evaluates the effectiveness of these actions as part of the annual review scheduled for 2025.

The working conditions during the employment at Kempower are defined in the work-related agreements such as the collective bargaining agreements which include several provisions that must be followed, taking precedence over laws.

Each Kempower employee undergoes a performance and achievement review at the beginning of each year, followed by a target-setting and development action planning review in August-September. These reviews contribute significantly to employee engagement, motivation, and the overall success of the organization, and help identify high-performing individuals who may be considered for advanced roles while ensuring that employees remain aligned with Kempower's strategic direction. To mitigate possible negative impacts related to working hours and workload, Kempower supports its employees in balancing work and personal time by offering flexible working arrangements. The Human Resources department at Kempower provides additional training and resources for monitoring working hours. Employees are granted the flexibility to care for a sick child under the age of ten, attend significant events such as a first grader's initial school day, or work remotely. In 2025, Kempower will introduce a Power BI view for People Managers in Finland, enabling them to monitor working hours comprehensively.

Occupational healthcare aims to foster a healthy working environment and ensure safe working conditions. The objective is to sustain employees' ability to work throughout their careers. Kempower offers its personnel occupational health services that are more comprehensive than those required by the law. Kempower provides regular training for staff to enhance their knowledge and skills in occupational safety. The Personnel and Occupational Health and Safety Committee is responsible for discussing and advancing Kempower's occupational safety culture.

Also, factors such as the availability of labour, company brand, and employer reputation play crucial roles for Kempower. Kempower's Recruitment Team actively engages in planned recruitment and student events to promote the Kempower brand.

In July 2024, in an effort to enhance profitability, Kempower initiated change negotiations in Finland. These negotiations aimed to address the need for cost-saving measures across Kempower's operations. As a result, approximately 70 person-years of employment in Finland were reduced, and an additional 10 person-years internationally. The layoffs were scheduled for September 2024. Furthermore, layoffs and temporary layoffs affecting both production and the entire staff in Finland were planned for autumn 2024, with anticipated savings of at least EUR 1 million by the end of the year. These measures are projected to result in annual savings of approximately EUR 10 million during 2025.

To support the whole staff and to mitigate negative impacts, Kempower conducted information sessions following each negotiation meeting to explain progress and address questions. For those laid off, comprehensive career and job search coaching exceeding legal requirements were provided. Additionally, opportunities for professional discussions were actively offered to the entire staff during and after the negotiations.

The negotiations were conducted in a cooperative and constructive spirit, adhering to local legislation and often exceeding required standards. Following the layoffs, a Town Hall meeting was held to review focus areas for the remainder of the year and support employee working conditions amid changing organizational structures, responsibilities, and team compositions. Due to the implementation of the change negotiation process, the administrative measures required by it during and after the negotiations, and the reduced resources across the entire Group due to lay-offs and temporary layoffs, many development projects including human rights due diligence (HRDD) development, have been delayed several months.

The risk and opportunities identified in the double materiality assessment relate to both working conditions and equal treatment, and equal opportunities. The need for a large number of qualified employees as Kempower grows poses a risk. To mitigate this, Kempower's recruitment team participates in recruitment and student events as planned to market Kempower. The target is to align recruitment needs with the scaling and growth plans. Growth may also require employees to work overtime, leading to the potential for employees to be overburdened. Kempower monitors overtime and has clear practices regarding the permitted amount of balance hours, which can also be put in the working time bank and used as agreed. Furthermore, flexible working hours improve the employer image and make recruitment easier.

Kempower has taken significant steps to manage workplace safety risks by appointing an Occupational Health and Safety (OHS) manager and deploying the Toyme HS system. Both supervisors and employees have received training on this application, which enhances transparency and fosters a robust safety culture within the organization.

Unequal treatment can lower motivation and performance, while policy violations can harm Kempower's reputation. To promote transparency and competitiveness, Kempower follows recruitment and DEIB policies and provides whistleblowing practices. Kempower also aligns its operations with its Labour and Human Rights Policy and Code of Conduct to mitigate risks. Non-compliance with laws affecting Kempower's employees can undermine Kempower's reputation and growth. By acting in a compliant manner, Kempower supports its goal of being a preferred employer that ensures equal treatment and a good working environment.

Kempower sees opportunities regarding its own workforce in areas like secure employment, working time, social dialogue, freedom of association, collective bargaining, work-life balance, health and safety, gender equality, equal pay, skills development, inclusion, anti-harassment, diversity, and eliminating child and forced labour.

Kempower's target is to maintain a fair salary and job grades system and it offers its employees a competitive salary to make Kempower an attractive workplace for top professionals.

Kempower participates in events organized by different parties to further its ability to be a better employer and increase knowledge, as well as involve different parties in a more open working culture. The target is to maintain a culture of discussion with different parties.

Various new competences as well as gaining an attractive employer brand are crucial for Kempower's success. Therefore, Kempower also needs to ensure that its employees have clear job roles, tools, possibilities to balance their working life with their private life, possibilities to learn and develop professionally, and also possibilities to influence and communicate their ideas on how to continuously develop their work and working environment. Conversely, failure in any of these aforementioned factors would risk the implementation of the strategy and successful business conduct.

Kempower tracks the effectiveness of policies and actions through targets disclosed in S1-5.

Kempower's People & Culture (P&C) function manages workforce material impacts through three global operations: Talent and Culture Development, HR Operations Development, and Occupational Health and Safety. Local HR operations include P&C Team Finland, P&C Team EMEA & New Market, and P&C Team North America.

Kempower's actions on material impacts, risks and opportunities on own workforce

Sub-sub-topic	Actions	Time horizon	Expected outcome	Policy objectives and targets
Secure employment	Kempower openly announces job openings through various channels and participates in recruitment events, aligning recruitment needs with the company's scaling and growth plans.	Continuous	Kempower has the right people in the right places at the right time.	Recruitment principles and Labour and Human rights Policy
	Recruitment Team participates in events to market Kempower.	Continuous	Risk is mitigated through active employer branding communication.	Recruitment principles and Labour and Human Rights Policy
	Kempower pays more wages than required by collective agreements / ensures sufficient wages for employees and agrees on increases locally.	Always when new collective bargaining agreement enters into force	To be an attractive employer for all highly skilled employees.	Recruitment principles and Labour and Human Rights Policy
Working time	Kempower monitors overtime and has clear practices regarding balance hours to ensure employees recover and perform better.	Continuous. During 2025, Kempower aims to implement a process of following accumulated hours every fourth month	Kempower is increasing the active monitoring of accumulated hours.	Labour and Human Rights Policy
	Kempower maintains clear working hours and supports work-life balance e.g. with the support of flexible working time practices.	Continuous	To have satisfied employees.	Labour and Human Rights Policy
Adequate wages	Kempower offers competitive salaries and maintains a fair salary system.	Every two to three years, starting 2026	Salary comparison with an external entity.	Rewarding Policy ready in 2026
Social dialogue	Kempower maintains an open dialogue connection to highlight important issues and continues open discussions with various operators.	Continuous	Open interaction increases.	Personnel and OHS Committee's roadmap, IMS
	Kempower participates in events to enhance its ability to be a better employer and involve different parties and maintains a culture of discussion with different parties.	Year 2025	Culture 2.0 project completed.	Culture 2.0 project plan
Freedom of association	Kempower employees have the freedom to participate and assemble and create a positive working atmosphere with opportunities to participate and make an impact.	Continuous	Involving employees increases job satisfaction and engagement to the company.	Labour and Human Rights Policy
	Kempower involves employees in developing operating methods and expressing opinions.	Continuous	Involving employees increases job satisfaction and engagement to the company.	Labour and Human Rights Policy
Collective bargaining	Personnel and Occupational Health and Safety Committee represents employees in local salary increase discussions.	Yearly	Guiding principles of salary review.	Labour and Human Rights Policy
Work-Life balance	Kempower supports employees in balancing work and personal time.	Continuous	To have satisfied employees.	Labour and Human Rights Policy
	Kempower develops working models together with employees.	As needed	Flexible working models made together with employees increases employee engagement and motivation.	Labour and Human Rights Policy
Health and safety	Kempower uses safety KPIs and records observations through Toyme Health and Safety System and provides regular training.	Quarterly	Zero accidents.	Health and Safety Policy
	Kempower implements ISO 45001 Health and Safety Management standard. Protects employees from accidents and damage, conducts risk assessments, and follows safety KPIs.	Continuous	Motivated and healthy employees.	Health and Safety Policy

Sub-sub-topic	Actions	Time horizon	Expected outcome	Policy objectives and targets
Gender equality and equal pay for work of equal value	Kempower implements DEIB Policy and training materials.	Continuous	Arise awareness on DEIB topics.	DEIB Policy
	Kempower maintains a fair and equal employment environment.	Continuous	Kempower closely monitors the results of the pulse survey and responds to changes as needed.	DEIB Policy
Training and skills development	Kempower provides training opportunities, develops individual employee plans, enhances brand reputation and recruits new employees.	Continuous	Employees have the latest information on current trends to help them develop themselves and the company.	Learning Policy
Employment and inclusion of persons with disabilities	Kempower ensures equal treatment and a good working environment.	Continuous	All have equal opportunities to work for Kempower.	DEIB Policy, Recruitment Policy
	Kempower maintains equal employment opportunities.	Continuous	Providing training and support for People Managers.	DEIB Policy, Recruitment Policy
Measures against violence and harassment in the workplace	Kempower provides Whistleblowing practices.	Continuous	Safe working environment.	Harassment Policy
	Kempower has a Whistleblowing Policy and process in place.	Continuous	Providing training and support for People Managers and employees.	Harassment Policy
Diversity	Kempower operates in accordance with laws and regulations.	Continuous	Kempower aims to ensure an inclusive working environment where unique qualities are valued as strengths.	Non-discrimination Act, DEIB Policy
	Kempower has Labour and Human Rights Policy, DEIB Policy, and Code of Conduct in place.	Continuous	Providing training and support for People Managers.	Non-discrimination Act, DEIB Policy
Child labour	Kempower does not accept child labour under any circumstances.	Continuous	Acting responsibly and demanding our main stakeholders follow our policies and due diligence processes.	Labour and Human Rights Policy, DEIB Policy, Code of Conduct and Supplier Code of Conduct
	Kempower has a labour and Human Rights Policy, DEIB Policy, and Code of Conduct in place.	Continuous	Providing training and support for People Managers and employees.	Supplier Code of Conduct
Forced labour	Kempower does not accept forced labour under any circumstances.	Continuous	Acting responsibly and demanding our main stakeholders follow our policies and due diligence processes.	Labour and Human Rights Policy, DEIB Policy, Code of Conduct and Supplier Code of Conduct
	Kempower has a Labour and Human Rights Policy, DEIB Policy, and Code of Conduct in place.	Continuous	Providing training and support for People Managers and employees.	Labour and Human Rights Policy, DEIB Policy, Code of Conduct and Supplier Code of Conduct

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Kempower has set targets to manage the identified positive and negative impacts, risks and opportunities related to working conditions, health or safety of its own workforce. The target scope includes all Kempower employees working in its operations across 26 countries.

Kempower has, until now, been monitoring key performance indicators (KPIs) quarterly. Certain metrics may not have a specific target if it is not necessary for the action. The target for the LTIF metric is set to zero.

Kempower's ESG strategy is currently being updated. In 2025, when the strategy is finalized, the KPIs and goals will be reviewed again. There has been no dialogue with stakeholders or employee representatives regarding the installation of KPIs and goals to date.

Main targets and results

Focus area	Long-term target (over 5 years)	Short-term target (fiscal year)	Baseline year	2024	2023
Diversity	Diversity and inclusion as part of the culture.	Diversity in processes and decisions.	2023	41 nationalities	40 nationalities
		DEIB KPIs in personal pulse survey.	2023	Score: 84	Score: 82
Safety	Zero workplace accidents: Incident frequency reduction to zero.	Decrease LTIF, increase proactive safety.	2023	LTIF 3.8	LTIF 4.6
			2023	Proactive safety: 391	Proactive safety 96
Engagement	Secure high work satisfaction.	Maintaining high employee Net Promoter Score (eNPS), above 50.	2023	21 eNPS	69 eNPS
Training	Employees have the knowledge and skills necessary to contribute effectively to enhancing sustainability work and related targets.	Mandatory training for every employee on basic company sustainability topics.	2023	87.5% of Kempower's employees have conducted Code of Conduct training	81.0% of Kempower's employees have conducted Code of Conduct training
	First aid skills training.	First aid training valid with every employee.	2023	57.5% of Kempower's employees have a First Aid certificate	60.0% of Kempower's employees have a First Aid certificate
Collaboration for education	Cooperation with universities.	Kempower offers trainee positions and first jobs for graduates.	2023	52 summer jobs provided	99 traineeships and summer jobs provided.

Accounting principles

Safety:
Changes to the calculation methods 2024 compared to 2023:

- LTIF is now a Group-level figure, 2023 data includes only Kempower Oyj
- In Proactive Safety, previously only near misses and hazards were taken into account, but in 2024, in addition to these criteria, positive safety observations and safety walks will also be included. In comparison, in 2024, 249 near misses and hazards were reported.

Training:
Code of Conduct figure [%] applies to the Kempower Group
First Aid figure (%) applies to Kempower Oyj (Finland) and subsidiaries excluding Kempower Inc. (US)

S1-6 Characteristics of Kempower's employees

Number of employees by gender

Gender	Number of employees (head count)
Male	583
Female	181
Other	1
Not reported	21
Total employees	**786**

Number of employees in the countries

Country	Number of employees (head count)
Finland	545
USA	104
Other European countries	119
Other countries	18

The rate of employee turnover and number of employees who have left Kempower Group during the reporting period	2024	2023
Employee turnover, %	25.3%	N/A
Number of employees who have left the Group	213	N/A

Head count at year end	Finland	USA	Europe	Other countries	Total
Number of employees (head count)	545	104	119	18	786
Number of permanent employees (head count)	536	104	118	18	776
Number of temporary employees (head count)	6	0	0	0	6
Number of non-guaranteed hours employees (head count)	3	0	0	1	4
Number of full-time employees (head count)	538	104	117	18	777
Number of part-time employees (head count)	7	0	1	1	9

Information on employees by contract type and gender	Female	Male	Other	Not disclosed	Total
Number of permanent employees (head count)	179	576	1	20	776
Number of temporary employees (head count)	1	4	0	1	6
Number of non-guaranteed hours employees (head count)	1	3	0	0	4
Number of full-time employees (head count)	179	576	1	21	777
Number of part-time employees (head count)	2	7	0	0	9

Accounting principles

The employee data reported is compiled using internal HR systems, payroll records, and employee self-reporting example for their gender. The number of the employees is reported as a head count at the end of reporting period. Head count figures include full-time, part-time, and temporary employees as of the reporting date. Turnover rates are calculated based on the number of departures divided by the average number of employees during the reporting period. Number of employees who have left the Group includes all employees who have left due to reasons such as retirement, ending of the employment, and resignation. Gender data is derived from employees' self-reported information. Kempower stores all employee data in central HR system, with information sourced from HR systems like payroll records, and employee self-reporting. The reported metrics have not been validated by other external body than the assurance provider.

All data points concerning Kempower's non-employee workers characteristics (S1-7) have been omitted for the first year.

S1-8 Collective bargaining coverage and social dialogue

Kempower's collective bargaining agreements contain several provisions which are followed, and they have primacy with respect to laws. Collective bargaining agreements covers all personnel in Finland, the Netherlands, Spain and Italy. A company-specific collective agreement enables the terms of employment to be customized so that they meet the needs of Kempower and its personnel. In subsidiaries, Kempower does not apply any collective bargaining agreement (CBA) conditions to employees who are not covered by their local CBAs. Instead, Kempower follows local mandatory labour law provisions in each country, where CBAs are not applied.

There are no agreements with employees for representation by the European Works Council, Societas Europaea Works Council, or Societas Cooperative Europaea Works Council.

	Collective Bargaining Coverage		**Social dialogue**
Coverage Rate	**Employees – EEA** (for countries with >50 empl. representing >10% total empl.)	**Employees – Non-EEA** (estimate for regions with >50 empl. representing >10% total empl.)	**Workplace representation (EEA only)** (for countries with >50 empl. representing >10% total empl.)
0–19%		USA	
20–39%			
40–59%			
60–79%			
80–100%	Finland		Finland

S1-9 Diversity metrics

Gender distribution at top management level

Gender	2024	2023
Men in top management	4	8
Men in top management, %	67	67
Women in top management	2	4
Women in top management, %	33	33
Other/ not reported in top management	0	0
Other/ not reported in top management, %	0	0

Age distribution

Number of employees	2024	2023
Under 30 years old	17.0%	N/A
30-50 years old	66.0%	N/A
Over 50 years old	14.0%	N/A
Not reported	2.0%	N/A

Accounting principles

Top management level refers to the Global Leadership Team.

Kempower tracks diversity metrics, including age and gender, to foster an inclusive workplace on an annual reporting cycle. Gender data is based on employees' self-identification, while age demographics are compiled from internal HR systems. All data is stored securely in the central HR system, ensuring accuracy, transparency, ethical and secure handling.

S1-10 Adequate wages

Kempower's wages are above the national minimum wage and above the wages defined in collective bargaining agreements in all countries of operation. In Finland, pay increases based on the collective agreement (general increases) are implemented in a manner subject to local agreement with the elected representatives in accordance with the collective bargaining agreement and Kempower-specific agreement. In subsidiaries, general increases are implemented according to Collective Bargaining Agreement (CBA) wherever it is applicable. In all Kempower countries Kempower follows its annual salary review process which includes also salary increases based on CBAs.

S1-11 Social protection

All of Kempower's own employees are covered by social protection against loss of income due to major life events. The social protection is provided in compliance with the laws and regulations of each country where Kempower operates and it includes healthcare, pensions, unemployment insurance, and accident insurance. Kempower also provides additional benefits such as free time accident insurance for employees in Finland. Certain employee benefits in Finland are also established through local agreements negotiated with elected representatives. Some of these benefits are applicable in other countries, such as leave granted for the child's first school day.

S1-13 Training and skills development metrics

Competence is an asset, which consists of the potential and existing abilities of current and future employees, both individual and employee groups, and their capability to help Kempower's current basic mission and future goals. Ensuring and strengthening the right kind of competence is important in the constantly changing operating environment, but also from the perspective of the Group's future goals and needs.

Kempower's focus is on continuous learning, which is also included in its values. In addition to the continuous development of sector-specific professional competence, special attention in the development of competence is paid at the level of the entire organization to the following themes and perspectives:

- Internationalization, global work communities
- Strengthening DEIB

- Strengthening English language skills
- Strengthening cooperation between educational institutions, acquiring expertise through internships (trainees), diploma and thesis works.

Kempower strengthens and supports the continuous learning of personnel, with which the ability to proactively respond to changes in the operating environment is ensured. Supervisors hold regular goal and development discussions with all employees, in which Kempower's strategy, business development prospects, as well as other factors related to the content of the job is mirrored to the employee's current skills.

Employees in different life situations and at different stages of their working career may have different and special competence and support needs. Kempower offers skills development opportunities, taking into account all employee groups.

Kempower has a plan for educating its employees which will be updated annually.

Employees that participated in regular performance and career development reviews	2024	2023
Employees, %	99.4	N/A
Men, %	99.5	N/A
Women, %	98.9	N/A
Other, %	100.0	N/A
Not reported, %	100.0	N/A

Average number of training hours	2024	2023
Employees	7.9	7.8
Men	7.5	N/A
Women	9.7	N/A
Other	24.3	N/A
Not reported	5.4	N/A

S1-14 Health and safety metrics

Health and safety metrics	2024	2023
People in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognized standards or guidelines, %	100.0%	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	N/A
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	N/A
Number of recordable work-related accidents for own workforce	8	N/A
Rate of recordable work-related accidents for own workforce	6.2%	N/A
Number of cases of recordable work-related ill health of employees	0	N/A
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	3.8	N/A

Accounting principles

Performance reviews: The reported number includes Kempower employees who had at least one performance review with their direct superior during the reporting period. For 2024, 786 reviews were planned by management, and 781 were conducted.
Training hours: Number of training hours is calculated from our Learning Management systems, Kempower College. Gender information is reported by employees themselves.
Health and safety metrics: Work-related accidents include all recordable accidents. The rate is calculated based on recordable accidents divided by one million working hours. The metrics for work-related accidents, injuries and ill health do not include contractors or externals.

Kempower tracks and manages all health and safety data through its centralized Health and Safety system, ensuring consistency and accuracy across the operations. The system allows Kempower to monitor key metrics in real time and standardize reporting. Kempower's Health and Safety Manager oversees data collection and validation, ensuring it aligns with regulatory requirements and internal policies.

S1-15 Work-life balance metrics

Family-related leaves	2024	2023
Employees entitled to take family-related leave, %	100%	100

Employees that took family-related leave	2024	2023
Men, %	7.0%	N/A
Women, %	1.0%	N/A
Other, %	0%	N/A
Not reported	0%	N/A
All, %	8.0%	N/A

Accounting principles

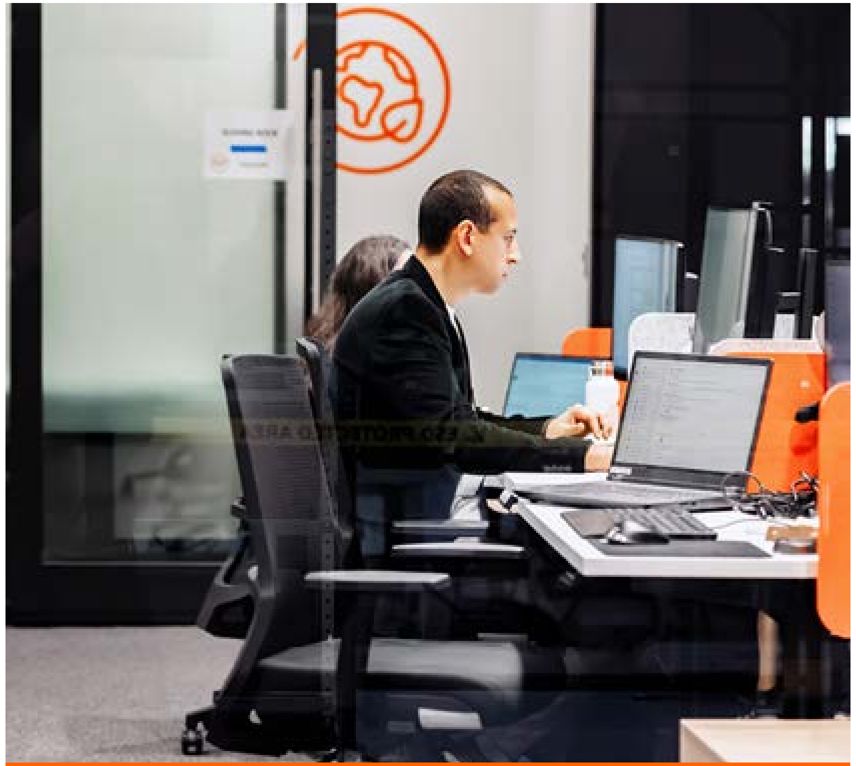
Work-life balance data, including employees entitled to family leave, is based on local legislation that Kempower follows. Gender information is reported by employees themselves. Family-related leave includes maternity and paternity leave and parental leave.

The data is collected from Kempower's HR system, where it is stored, tracked, and monitored throughout the reporting period. The calculations are based on information gathered at the end of the reporting year and have been calculated as a percentage of the total number of employees, with a breakdown by gender.

All data related to family leave is stored and tracked in the central HR system, monitored throughout the reporting period. These metrics are used to support a flexible work environment and are reported transparently in line with established standards.

The terminology used here is defined as follows:

- Maternity leave: employment-protected leave of absence for employed women directly around the time of childbirth or adoption
- Paternity leave: leave from work for fathers or second parents, on the occasion of the birth or adoption of a child for the purposes of providing care
- Parental leave: leave from work for parents on the grounds of the birth or adoption of a child to take care of that child



Supervisors hold regular goal and development discussions with all employees, in which Kempower's strategy, business development prospects, as well as other factors related to the content of the job is mirrored to the employee's current skills.

S1-16 Remuneration metrics

Pay gap and annual remuneration ratio	2024	2023
The gender pay gap, %	5.4%	N/A
The annual total remuneration ratio	8.7	N/A

Accounting principles

Kempower calculates and reports the gender pay gap based on total remuneration, which includes base salary, bonuses, and other benefits, as applicable. Gender data is self-reported by employees, and the calculations follow Finnish accounting standards, international standards, and the CSRD. Data is collected from payroll systems, with salaries reported in each country's local currency and then converted to euros for consistency. In cases where salaries are reported as full-year amounts, the data is adjusted based on each employee's completed working months. For hourly wages, the standard hourly wage divider of 158 is used, which is Kempower Oyj's consistent calculation method to ensure comparability across data.

S1-17 Incidents, complaints and severe human rights impacts

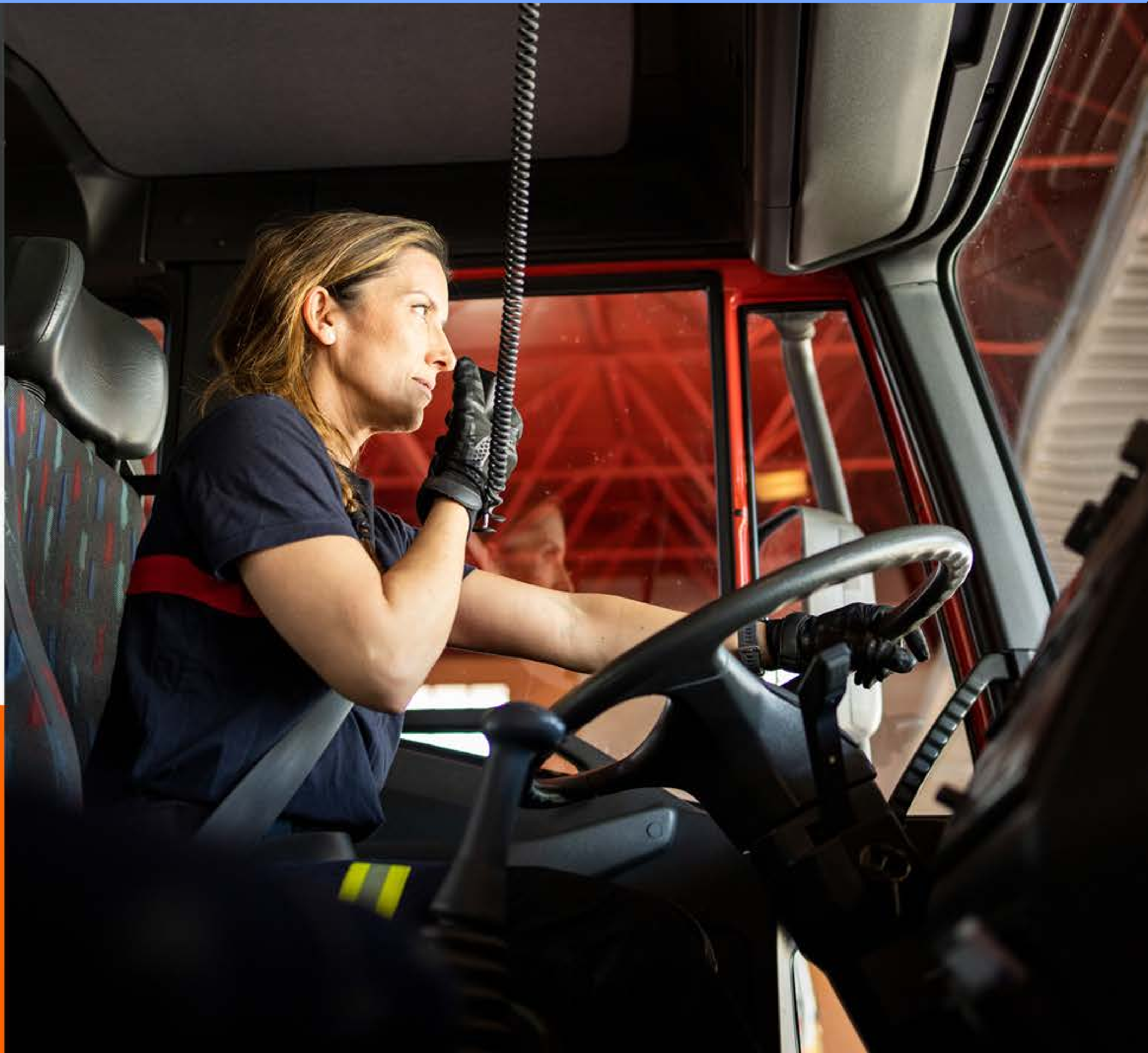
Incidents, complaints, and human rights impacts are discussed during the introductory training for new employees on their first day. DEIB is included in Kempower's training plans. In 2024, zero incidents were reported.

ESRS S2 Workers in the value chain

ESG training for suppliers initiated for new Corporate Sustainability Reporting Directive (CSRD) practices

Published
'Labour and Human Rights Policy'
in 2024

Published 'Kempower Modern Slavery and Human Trafficking Statement' in 2024



Impacts, risks and opportunities related to the workers in the value chain

Material topic	Sub-topic	Sub-sub-topic	Type (negative or positive impact, risk or opportunity)	Description	Upstream/downstream value chain or own operations		
					Upstream	Own operations	Downstream
S2 Workers in the value chain	**S2-1 Working conditions**	**S2-1-1 Secure employment**	**Positive impact**	Kempower's subcontracting activities generate employment, resulting in the creation of both permanent and temporary high-skill jobs that require financial resources from Kempower's suppliers.	x	x	x
			Opportunity	Regular audits maintain constant interaction with suppliers, helping to avoid risks related to supply chain workers.	x	x	x
			Risk	If growth does not occur as planned, there may be financial disadvantages realized in the value chain. Risk of violation of labour regulations in the value chain may lead to a financial disadvantage.	x	x	x
			Negative impact	Non-compliance with laws and regulations may result in suppliers neglecting the rights of their employees.	x	x	x
		S2-1-1 Health and safety	**Positive impact**	Sub-contractors in Kempower's supply chain perform more optimally when they prioritize occupational safety, which also prevents interruptions and ensures seamless operations and mutual growth.	x	x	
			Opportunity	Occupational safety incidents in the supply chain are more optimally managed, avoiding interruptions and ensuring continuous growth.	x	x	
			Risk	To avoid negative impacts impacting the supply chain, implementing and complying with occupational safety is considered crucial. Kempower complies with the required laws and regulations. Kempower acts in accordance with its own values and follows ethical principles. Kempower also provides a Whistleblowing system for its suppliers. Kempower's suppliers are required to accept the Supplier Code of Conduct and General Terms and Conditions.	x	x	
			Negative impact	Unfair practices in Kempower's supply chain directly impact Kempower's reputation due to the fact that it has accepted a third party as its supplier.	x	x	
	S2-1-2 Equal treatment and opportunities for all	**S2-1-2 Training and skills development**	**Positive impact**	Kempower trains suppliers in various areas, including responsibility, to help them, for example, to implement data collection requirements, which is viewed as creating a positive impact.	x	x	x
			Opportunity	Kempower organizes trainings and meetings for its suppliers. Kempower details the requirements it has in relation to data and its collection, and where the data can be found. Kempower aims to help its suppliers and highlight the fact that it is willing and able to help them. In this way, Kempower ensures that it fulfills, for example, CSRD requirements related to Scope 3 emissions.	x	x	x
			Risk	Poor-quality components lead to poor-quality products. This affects the desire of Kempower's customers to buy its products, which may negatively impact its revenue goals.		x	x
			Negative impact	Variation in quality and data collection may negatively impact product quality and customer satisfaction.	x	x	x

S2-1 Policies related to value chain workers

Kempower's Code of Conduct, Labour and Human Rights policy and Supplier Code of Conduct form the basis of its policies for managing risks related to value chain workers. The objectives of these policies are to ensure the ethical treatment of workers and responsible sourcing practices in accordance with labour and human rights standards in Kempower's operations. Policies include clauses prohibiting forced labour, child labour, and ensuring safe working conditions and equal pay. Additionally, Kempower's Modern Slavery and Human Trafficking Statement outlines the commitment, evaluations and measures undertaken to prevent modern slavery and human trafficking within Kempower worldwide. The Statement is issued pursuant to the UK Modern Slavery Act 2015. Policies apply to all suppliers and subcontractors across the value chain. The Code of Conduct and Labour and Human Rights policies are available online on Kempower's website.

Kempower conducts on-site audits to monitor compliance and to engage with its value chain workers in person. In the event that Kempower identifies a negative human rights impact within its operations, it will initiate an immediate investigation to prevent further harm and address any existing issues. The Chief Executive Officer of Kempower holds the highest executive position and is responsible for overseeing the implementation of the policies. Members of the Leadership Team are responsible for implementing policies within their respective operations. The policies are approved by the Board of Directors, and they are assessed and updated regularly.

At Kempower, respecting human rights is a core principle. Kempower is committed to complying with the UN Guiding Principles, International Bill of Human Rights, ILO´s Declarations on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises as stated in Kempower's Labour and Human Rights Policy, and expects its suppliers, contractors, and business partners to do the same. In 2024, zero cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve value chain workers were reported in Kempower's upstream and downstream value chain.

S2-2 Processes for engaging with value chain workers about impacts

Kempower regularly engages with its value chain workers, particularly through supplier audits, to mitigate any negative impacts that may affect workers working conditions, health or safety. These audits also serve to identify and mitigate risks related to the production and quality of Kempower's products. Kempower engages with the workers in the value chain through their employers. Kempower conducts both on-site and hybrid audits according to an established audit plan.

Kempower's audit plan is made by the Supplier Quality Team in cooperation with the Purchasing Team. Kempower's Chief Operating Officer has the operational responsibility for ensuring that engagement with the workers in the value chain happens. Kempower classifies its suppliers into four categories ranging from A to D, based on their materiality to the business, internal risk assessment, including human rights risks to value chain workers, and suppliers' capability to support Kempower's sustainability reporting. Audits are conducted based on supplier classification. Engagement with the value chain workers happen at the audit stage of the supplier relationships process. Group A suppliers undergo annual on-site audits, while Group B suppliers are audited on-site biannually. Hybrid audits, where suppliers provide data to Kempower that is validated during Teams meetings, are carried out for Category C suppliers who do not possess their production facilities (e.g. distributors). For Group D suppliers, who primarily consist of one-time suppliers, communication and actions are evaluated on a case-by-case basis. In addition to audits, quality management communication is conducted regularly with the suppliers.

Both on-site and hybrid audits are conducted by Kempower's ISO 9001 certified Lead Auditors together with a Quality Engineer and respective Purchasing Manager. If any issues are identified during the audits, suppliers are required to provide corrective actions within the timeline specified by Kempower. In addition, follow-up meetings are arranged with suppliers depending on the nature and number of corrective actions and their implementation.

On-site audits may include visits to workers' dormitories and other facilities provided by suppliers based on the Kempower internal risk assessment of the supplier's country of operation. Audits conducted in manufacturing plants may result in the implementation of enhanced safety protocols. To ensure that no forced labour is used in its value chain, Kempower also evaluates its suppliers against various sanction lists associated with forced labour. To assist with this evaluation, new suppliers are required to provide relevant information concerning their operations, ownership, and policies related to modern slavery risks.

In 2025, Kempower will implement a deeper engagement process with its value chain workers as part of its ongoing human rights due diligence work to, for example, identify and gain more insight into the most vulnerable workers in the value chain and to assess to what extent the workers are aware of the processes, and trust the processes to a high enough level that will allow them to feel confident to raise concerns.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Kempower does not currently have a formal process in place to provide for the remediation of negative impacts on value chain workers. However, where appropriate, and with the welfare and safety of workers as a priority, Kempower offers support and guidance to suppliers to help them address and provide a remedy if coercive, abusive, and exploitative work practices within their own business and supply chains have been reported. Suppliers can also contact Kempower's Purchasing Team. In 2025, as part of human rights due diligence work, Kempower will develop its approach to, and processes for, providing or contributing to a remedy if it has caused or contributed to a significant material negative impact on value chain workers.

Kempower has established a Whistleblowing channel which allows individuals to raise concerns anonymously and confidentially, without fear of retaliation. The channel is accessible on the Kempower website. Additional information about the Whistleblowing process and protection of the whistleblowers is available under S1-3 and G1-1.

Kempower has established a Whistleblowing channel which allows individuals to raise concerns anonymously and confidentially, without fear of retaliation.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

To mitigate the identified material risks and potential negative impacts related to adequate wages, social dialogue, freedom of association, collective bargaining and work-life balance, and to increase positive impacts such as employment and working conditions and training, Kempower has a procurement strategy that is based on having a domestic supplier network as Tier 1 to ensure controllability, rapid response times, and accountability of its supply chain. This also ensures robust labour laws both in Europe and the United States.

In 2024, Kempower started a Human Rights Due Diligence process and actions aimed at understanding and preventing current and potential human rights abuses within its value chain by arranging a training for its Purchasing Managers. In 2025, Kempower plans to make a Human Rights Due Diligence action plan that includes various measures to address risks and prevent adverse human rights impacts on value chain workers. The action plan will also involve establishing a process to provide remediation for workers who may be adversely affected. Implementation of this action plan would not require significant operational or capital expenditures. Kempower also employs several tools and methods to identify and mitigate negative effects in relation to how directly the negative impact is linked to Kempower's operations.

Key actions completed during 2024 concerning upstream value chain workers included:

- Conducting country-specific supply chain analysis based on OECD guidelines to assess human rights risks associated with Kempower's upstream suppliers.
- Conducting 25 on-site audits and 2 hybrid audits to 27 Tier 1 suppliers. The audits covered ESG themes.
- Identifying and addressing potential risks associated with work safety during Tier 1 supplier audits and producing 27 audit reports.
- Conducting a workshop and internal weekly meetings on human rights due diligence for 16 Procurement Managers.
- Providing one training to seven HR specialists on subjects including the human rights due diligence process and identifying human rights risks related to Kempower's own employees.
- Strengthening the Quality Team's capabilities by establishing a new role, Global Supplier Quality Manager. The manager offers human rights expertise for procurement and ensures compliance within the supply chain.
- Communicating the efforts and results to personnel on a monthly basis through internal channels. Providing information and guidance to personnel through the intranet's quality pages and monthly newsletter.
- Sending an ESG-survey to all upstream suppliers.

The mentioned actions aim to improve value chain workers' working conditions, enhance Kempower personnel's human rights knowledge, and identify needed steps to understand and mitigate potential negative impacts related to supplier compliance and employee rights.

The targets established to track and evaluate the effectiveness of an action are disclosed under section S2-5.

Planned actions to be completed in 2025 by the Purchasing and Global Supplier Quality teams include:

- Mapping the audit trail of the highest risk suppliers to identify human rights risks as thoroughly as possible.
- Initiating regular quarterly follow-up meetings with AB suppliers.
- Continuing internal monthly meetings and, as needed, holding more frequent meetings with suppliers based on specific situations and actions.
- Monitoring the progress of agreed actions for A and B suppliers being audited on a supplier-specific basis.

Kempower's strategy to mitigate material risks such as exploitation, forced labour, and unsafe working conditions in high-risk regions involves enhancing transparency throughout its value chain. In 2025, Kempower will continue its human rights due diligence work by categorizing its Tier 1 suppliers based on the risk assessment undertaken in 2024, requesting information from the designated suppliers regarding their supply chains, requesting compliance with Kempower's Supplier Code of Conduct and conducting a high-risk supplier on-site audit. Kempower's aim is that suppliers that are identified as high risk on their human rights practices will be audited specifically on human rights issues. If human rights issues are discovered during the audit, suppliers are required to submit a corrective action plan. If corrective actions are insufficient or the issues remain unresolved, Kempower may ultimately terminate the partnership with the supplier.

To ensure the rights and safety of its value chain workers, Kempower is also committed to complying with all applicable sanctions and export control regulations, including those adopted by the United Nations, the European Union, the United Kingdom, and the United States, as well as all countries in which Kempower operates. Moreover, Kempower's ethical values preclude it from participating in any transactions that would serve to undermine the objectives of Export Regulations, for instance by contributing to military aggression, human rights abuses, or terrorism.

Zero severe human rights issues or incidents connected to Kempower's upstream, or downstream value chain was reported in 2024.

Material impacts related to value chain workers are managed in cooperation with the Supplier Quality Team, Quality Control Team and Purchasing Team. Kempower manages its material impacts by implementing its procurement and supplier quality processes, actions, and metrics uniformly across all operations at the Kempower Group level.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Kempower monitors the effectiveness of its policies and actions by tracking the percentage of suppliers that have signed Kempower's Supplier Code of Conduct, the response rate to the ESG survey sent to suppliers in the upstream value chain and the number of audits conducted each year.

In 2025, as part of the due diligence process, Kempower will extend its audit scope to systematically cover human rights topics as part of the annual supplier audits.

Target	Relationship with policy objectives	Target level to be achieved	Scope of the target	Baseline year and value	Target year	Status in 2024
95% of suppliers have signed Kempower's Supplier Code of Conduct (SCoC).	To comply with the SCoC and its requirements related to human rights.	195 suppliers have signed the SCoC	Upstream and downstream suppliers	2024, 95%	Continuous target, no set year	17.9% of suppliers signed in 2024
Number of audits performed	To comply with the SCoC and its requirements related to human rights.	34 audits	Main suppliers in the upstream value chain	2024	Continuous target, no set year	27 audits performed
ESG survey for suppliers	Increase transparency and data from the suppliers to achieve Labour and Human Rights policy's targets.	Maximum response rate	Upstream suppliers	New survey, baseline year 2024	2024	Response rate 89.2%

Accounting principles

The percentage of suppliers that signed up to the Supplier Code of Conduct is calculated by dividing the number of suppliers that signed up by the number of suppliers in 2024.

The number of audits is equal to the number of audits conducted.

ESG survey response rate: Response rate includes A and B suppliers who have answered to the survey. Spend for A and B suppliers is added together if they answered yes to the ESG survey. This figure is divided by the total spend for A and B class suppliers.

ESRS S4 Consumers and end-users

Information Security Management System audited by a third party in 2024. ISO 27001 certification received

Kempower's products comply with REACH and RoHS regulations

Kempower Academy is a commitment to boost educational and instructional benefits for global consumers

Impacts, risks and opportunities related to consumers and end-users

Material topic	Sub-topic	Sub-sub-topic	Type (negative or positive impact, risk or opportunity)	Description	Upstream/downstream value chain or own operations		
					Upstream	Own operations	Downstream
S4 Consumers and end-users	S4-1 Information related impacts for consumers and/or end-users	S4-1-1 Access to (quality) information	Positive impact	Kempower utilizes various channels through which it receives feedback from its customers and end-users. The information is of high quality and Kempower's stakeholders can utilize it safely.		x	x
			Opportunity	The customer-specific information collected by ChargEye™ is only available to Kempower's customers. Based on feedback, Kempower can improve its ChargEye™ cloud services. Kempower has a Cybersecurity Policy and complies with the GDPR.		x	x
			Risk	Customer-specific information may be lost or misplaced. Cyber-attacks may occur against its cloud service. In order to avoid this risk, Kempower adheres to an Information Security Policy and was recently granted ISO 27001 certificate.		x	x
			Negative impact	If customer-specific information is lost or misplaced, this may produce a negative impact for Kempower.		x	x

S4-1 Policies related to consumers and end-users

Kempower's material impacts, risks, and opportunities for consumers and end-users relate to customer data and data security. Kempower's Information Security Policy, which includes cybersecurity measures, is essential for managing data-related material impacts affecting consumers and end-users.

Kempower's Information Security Policy, including cyber security, is relevant to managing data related material impacts also concerning consumers and end-users. The policy outlines Kempower's commitment to protecting its information assets and explains the organization and responsibilities as well as objectives and principles concerning information security and cybersecurity. Kempower's employees adhere to the policy to achieve objectives, including ensuring information security for customers' and end-users' data.

The policy applies to the whole of Kempower and its operations, regardless of the function and geographical area.

The policy is approved by the Leadership Team and communicated to all employees. The Information Management (IM) Cybersecurity Team manages daily tactical and operational tasks in information security, while the Chief Information Officer (CIO) holds overall responsibility for policy implementation.

The Information Security Policy refers to third-party standards and initiatives such as industry standard ISO27001, NIS2 (compliance). PCI-DSS (certified) and GDPR (compliance). During the creation of the policy and the information security management system (ISMS), the views of all stakeholders and members of the applicable processes were heard, and processes were adjusted accordingly. The policy is not directly available for consumers and end-users but is available for employees through instructions, guidelines and training, as well as available on the intranet and the Kempower Academy.

Kempower's Privacy Policy outlines the principles for collecting and processing customer contact data to manage customer relationships and meet contractual obligations. This is done based on legitimate business interests and regulatory requirements. The main objectives are to ensure product and service delivery and to maintain business continuity through marketing efforts. The policy applies to B2B customer organizations' members or marketing message recipients, as it includes information on the personal data processing of the aforementioned stakeholders. The policy explains why and how the data is collected, who is the controller, what the processed personal data entails, the purposes and legal basis of data processing, the disclosures and transfers of data, the duration of data processing, as well as the subjects' rights regarding the data. The policy is aligned with GDPR and applicable laws. A Data Protection Officer is accountable for the implementation of the policy. Out of the key stakeholders, Head of Operations Development and HR Finland participated in setting the policy. The privacy policy is available online on Kempower's website for potentially affected stakeholders internationally.

Kempower has made a public commitment in its Labour and Human Rights Policy to respect and support human rights and ensure that its products do not contribute to human rights abuses, whether involving value chain workers or end-users. Kempower avoids causing or contributing to negative human rights impacts in accordance with the UN Guiding Principles on Business and Human Rights.

Kempower's Human Rights Due Diligence applies to its products and services and interactions with all stakeholders. Kempower initiated a Human Rights Due Diligence Policy project in 2024. The policy was scheduled to be finalized by the end of 2024, but the completion has been postponed to 2025 due to layoffs and temporary layoffs.

Kempower has taken into account the human rights of consumers and end-users in the design of its products. These products adhere to various directives and standards related to electrical equipment, ensuring they are safe for use. Additionally, the products are free from hazardous chemicals and do not contain metals sourced from conflict areas. Kempower's products comply with RoHS and REACH regulations.

In the creation of the instructions, by default, the best practices of technical communication are followed, and are based specifically on user studies, like IEC/IEEE 82079-1:2019, and in the US, EV-standard ANSI/UL 2202-2012 (R2018). These standards also detail the documentation requirements. Kempower's instructions are not provided to consumers or end-users, but to partners. Kempower does not make user manuals for device users. Instructions for the device users are provided on the screens of the chargers.

Kempower interacts with the end-users of its products through its distributor or partner network. Additionally, Kempower monitors various social media channels to correct technical (or other) misunderstandings and respond to consumers' direct feedback. Kempower encourages customers to provide feedback from the end-users on its products' usability and consistently gathers insights from primary customers who understand both consumers and end-users.

If a negative human rights impact occurs in Kempower's value chain when using the products, Kempower will request additional details from the suppliers and monitor the situation through audits. Those affected may receive compensation or other forms of remedy that aim to mitigate the harm caused. Examples of remedies include apologies, restitution, financial or non-financial compensation, guarantees of non-repetition, and sanctions such as fines, depending on the specific situation.

Kempower complies with various internationally recognized human rights standards, including ILO's Declarations on Fundamental Principles and Rights at Work, and OECD Guidelines for Multinational Enterprises. Kempower is also a member of the UN Global Compact.

Zero cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve consumers and/or end-users were reported in 2024.

S4-2 Processes for engaging with consumers and end-users about impacts

As Kempower's products end-users are serviced through Kempower's distributors or partners, Kempower does not have a formal process in place for engaging with the end-users directly. However, Kempower gathers insights from its distributors and partners with an annual customer satisfaction survey. This survey provides ongoing feedback indirectly from end-users, as these responses are influenced by the needs and preferences of EV drivers.

In addition, in 2023, an extensive survey was conducted targeting end-users who use Kempower's charging services. The survey was carried out by Brandworks using various drive panels in five selected countries. The survey included questions about usability, customer satisfaction with chargers and services, brand recognition, and charging habits.

Further to customer and partner satisfaction surveys, Kempower regularly receives consumers and end-users feedback through Kempower's direct customers. Other channels utilized for direct feedback from end-users include social media platforms, where Kempower's experts respond to end-users' comments and questions concerning the products. Consumers and end-users may also directly contact Kempower through the website.

The function and most senior role within Kempower that has operational responsibility for ensuring that engagement with the consumers and end-users occurs, and that results inform Kempower's approach, is the Chief Executive Officer, as well as other Leadership Team members. The overall responsibility for running the customer satisfaction survey for end-users and other direct communications on social media, for example, is the Chief Marketing Officer and Marketing Team.

In its ongoing human rights efforts, Kempower has identified and evaluated both actual and potential adverse impacts that its operations may have on human rights. This process has given particular attention to any impacts on individuals that may be at an increased risk of vulnerability or exclusion. As the work progresses, Kempower will also seek to gain insights from consumers and end-users. Kempower considers vulnerable groups when designing products, for example, by prioritizing ease of use and ensuring that individuals with disabilities can also utilize the products effectively. Different customer groups are also considered in the design of the chargers, taking into account factors such as the height of the charger and its interface.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

In the event that Kempower identifies a negative human rights impact related to end-user data within its operations, it will initiate an immediate investigation with a designated team to prevent further harm and address any existing issues. Kempower will engage in dialogue with the affected parties to resolve the situation. Those affected may receive compensation or other forms of redress to make amends. Currently, Kempower does not have a process in place to assess the effectiveness of provided remedy.

If a consumer or end-user suspects a data protection issue, they can contact Kempower directly via email. The number of incoming Data Subject Requests is monitored internally, and response times are tracked to ensure compliance with legal requirements.

The Privacy Policy, available on Kempower's website, includes instructions on how to contact Kempower. Additionally, when a consumer registers for any of Kempower's services, they are informed of the Privacy Policy, including relevant contact details.

Additionally, Kempower offers a Support portal on its website to help reduce and prevent potential health and safety risks for end-users and consumers. For example, technical issues, pre and post-sales support, warranty claims, and spare parts requests can be handled via the Support portal. Kempower's website provides detailed instructions of whether to contact Solution Support or Life-cycle Services.

Kempower provides a Whistleblowing channel for external stakeholders on its website. The Whistleblowing Policy complies with Directive (EU) 2019/1937. All messages are processed in confidence and concerns are independently investigated. At present, Kempower does not have processes in place to assess the end-users' awareness of the channel or to monitor the effectiveness of the channel. However, Kempower is working on developing processes to improve availability and transparency of the channel for its the end-users in 2025. Also, a more formal and detailed Whistleblowing Protection Policy is under development, with an expected implementation date in 2025 aligned with upcoming legal requirements in the EU.

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Key actions for data security aligned with the objectives defined in the Information Security Policy:

Year 2024

- All Kempower employees must complete a mandatory Cybersecurity Awareness course. In addition, Kempower complies with data protection requirements and acts in accordance with the GDPR.
- Kempower has been developing its Information Security Management System, in which improving the level of data protection has also been a key objective. The system was audited by a third party in autumn 2024. As a result of the audit, Kempower has received the ISO 27001 certification.

Product Development and Research & Innovation (R&D) units have been at the heart of Kempower since the it was established in 2017, and the new Electric Mobility Research Center (EMRC) which opened at the end of 2023 marks a significant milestone in Kempower's determination to accelerate technological advancement for the benefit of its customers and end-users. With unique data from the field and LUT University's resources, Kempower will be able to further envision EV drivers' future needs and continue to offer reliable and user-friendly EV charging solutions for everyone, everywhere. Kempower's Product Development is responsible for the development projects and implementation of the improvements.

Key actions for R&D:

Year 2024

- A new and comprehensive product quality plan was created for the new product development process, including Design Failure Mode and Effect Analysis.

Key actions for customer information and satisfaction aligned with the objectives defined in the Information Security Policy:

Year 2024

- A customer satisfaction survey and partner satisfaction survey is conducted once a year. In 2024, the focus was further shifted to the key account to enable the data to reveal more granular information and further enhance the different segment nuances to provide a more detailed understanding of Kempower's operations.
- Plans to connect actively with possible country EV associations to receive data from the surveys they conduct with their EV Drivers.
- During 2024, the ChargEye Team created many new dashboards with valuable information for Kempower's customers. These dashboards will be both sold and also freely available to Kempower's customers to help further analyze their charging operations. Kempower continues to develop the data dashboards so it is able to provide value to its customers free of charge while also monetizing the valuable data.

The aforementioned actions listed apply globally to all Kempower's operations, including but not limited to Lahti manufacturing units (sites 1, 2 and 3) in Finland and the Durham manufacturing unit in North Carolina, US.

Kempower aims to prevent possible product malfunction and damage throughout the entire journey from product design to consumers end-use. As part of this target, there are several international standards to follow. Health and safety requirements for the customers of electric vehicle charging are defined in standards such as: IEC61851-1, IEC61851-23, UL2202, UL2231-1 and UL2231-2. In addition, the Low Voltage Directive defines the safety requirements for the low voltage components and systems, and it is applied globally. It is also essential that Kempower's customers and end-users are able to use products and services correctly. Poorly installed and improperly working devices may cause frustration, as well potentially also safety issues, so Kempower's goal is to tackle this issue proactively and to utilize preventive measures.

In addition, a cross-functional task force has been formed to handle known undocumented error codes (ChargEye™) and lack of troubleshooting information. The first step is to update the most important error codes and their proposed solutions into the documentation. This update was scheduled to happen by the end of 2024.

Kempower does not accept 'greenwashing' and focuses on responsible marketing practices in its own operations internationally. All communication and marketing is based on transparent calculations and up-to-date data.

Kempower's aim is to provide high-quality information on a continuous basis and prevent any disruptions concerning the availability of any relevant customer information. For example, the ChargEye™ system contains high-quality data, but Kempower has noted a number of challenges in refining the data format to benefit its customers in the most optimal way.

In 2024, to increase the positive impact to end-users, Kempower initiated a 5-year project called 'Hete' to electrify heavy traffic sustainably and target a business volume of over EUR 1 billion for the ecosystem companies. The project's objective is to establish a leading global ecosystem by 2030 to research and develop new technologies and business models related to energy flow and logistics in the electrification of the heavy traffic industry. The project includes four research themes: EV charging technologies, customer applications, digital solutions and platforms, and future DC fast charging.

Zero privacy incidents, data breaches, leaks or information access issues were recorded during 2024. As a result, no corrective actions were required.

Kempower emphasizes product safety and customer satisfaction. Kempower's products may only be installed by professional installation experts trained by Kempower Academy.

In addition to installation and user guidance, Kempower provides end-users and consumers with detailed information on its products and services through datasheets, blogs, events, webinars, white papers, and news. Kempower aims to engage regularly with end-users and consumers on sustainability initiatives, innovations, and achievements that underscore its leadership in sustainability. This includes demonstrating how Kempower's sustainability efforts positively impact areas like its environmental footprint, energy efficiency, and product performance. Through multiple channels, including its website, press releases, and social media, Kempower seeks to offer end-users and consumers clear, evidence-based insights into how its products contribute to sustainability. This strategy not only affirms Kempower's commitment to environmental responsibility but also empowers consumers to make informed choices that resonate with their values.

Furthermore, Kempower also aims to engage with consumers and end-users, for example to enhance the customer experience and to develop the products according to customer needs. Various channels are used to receive feedback from customers and end-users. More detailed information about stakeholder engagement can be found in section SBM-2.

Tracking the effectiveness of actions in relation to material sustainability-related impacts is described in the following chapter, S4-5.

The process and measures related to mitigating and remedying adverse impacts on customers and end-users are described in section S4-1.

To identify the action needed to ensure data safety, Kempower collects customer feedback through the Product Management function, which communicates the requirements for new products and improvements. The Product Development Team agrees on the roadmap for product enhancements in collaboration with Product Management.

In the coming years, Kempower will continue to develop its operations in accordance with ISO 27001 standards to mitigate and minimize risks associated with cybersecurity.

Kempower's Product Development has integrated several quality assurance tools and practices into the new product development process. Each project begins with a Quality Planning Kick-off Meeting to determine the mandatory tests and strategies for ensuring usability and reliability. In 2024, the Design Failure Mode and Effect Analysis was implemented across all ongoing development projects.

In 2024, zero severe human rights issues or incidents involving consumers or end-users were reported by Kempower.

The management of material impacts within the organization is handled by several internal functions, each taking specific actions to address negative, and advance positive impacts.

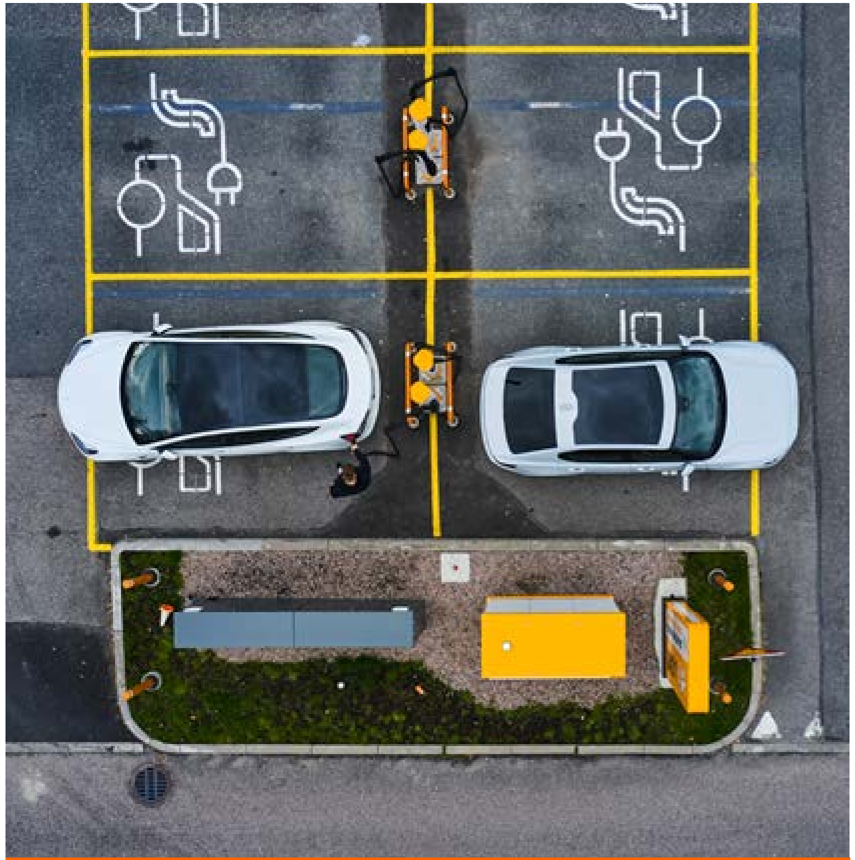
Product Development, alongside the Platform Owners, oversees the product quality and performance, while the Project Excellence Team manages new offerings. The Product Change Manager ensures continuous product development, and the Laboratory guarantees product safety and reliability. Quality management is divided between Global Supplier Quality, which ensures supplier adherence to ESG criteria, and Global Product Quality, which communicates product findings to related functions and supports development projects. Additionally, the Operations Team, specifically Production and Delivery, conducts production testing to ensure seamless delivery.

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Kempower has not currently set measurable outcome-oriented targets concerning the topic of consumers and end-users, but it tracks the effectiveness of policies and actions in relation to material sustainability-related impacts, risks and opportunities. The current actions are described in the previous chapter, S4-4.

Depending on the action, the tracking of effectiveness can be based, for example, on achieving a certain level in test results, measuring participation activity in meetings and working groups, measuring the course availability, completion rate and training hours, or assessing the development of customer satisfaction.

Measurable indicators and ambition level, as well as the baseline year for assessing progress, are established when setting targets.



In 2024, to increase the positive impact to end-users, Kempower initiated a 5-year project called 'Hete' to electrify heavy traffic sustainably and target a business volume of over EUR 1 billion for the ecosystem companies.

Governance information

All employees complete mandatory Code of Conduct training, including training on anti-corruption and anti-bribery policies, data protection and Whistleblowing processes.

Kempower's anti-bribery and anti-corruption policies are aligned with international standards

Performance highlights

Kempower has integrated sustainability-related performance in incentive schemes

In 2024, the composition of the Board of Directors consisted of

57% women

and

43% men

ESRS G1 Business conduct

100%

ISO certified operations

Kempower implemented a Whistleblowing function and policy in 2021

ISO 14001 Environmental / ISO 9001 Quality / ISO 45001 Occupational Health & Safety Management System certificates renewed in 2024 and ISO 27001 certificate received

Impacts, risks and opportunities related to business conduct

Material topic	Sub-topic	Type (negative or positive impact, risk or opportunity)	Impact (positive/negative), risk or opportunity	Upstream/downstream value chain or own operations		
				Upstream	Own operations	Downstream
G1 Business conduct	G1-1 Corporate culture	Positive impact	The commitment of employees to Kempower and to high business ethics means that Kempowerians handle operations transparently and openly, even in perceived challenging matters between stakeholders in accordance with Kempower's operating culture, which is defined in its Code of Conduct.	x	x	x
		Positive impact	High-level corporate culture. Fair, open behavior towards Kempower's stakeholders in accordance with its operating culture provides Kempower with the opportunity to act as a pioneer in sustainable development.	x	x	x
		Opportunity	The commitment of employees to Kempower and to high business ethics is viewed as an opportunity for Kempower. The stakeholders' requirement is for Kempower to act ethically correctly and transparently. By acting in an ethically correct manner, Kempower increases the trust of its stakeholders in its operations and directly impacts the demand for its products. The end result is viewed as an opportunity for Kempower.	x	x	x
		Opportunity	Fair, open behavior towards Kempower's stakeholders in accordance with its operating culture provides Kempower with the opportunity to act as a pioneer in sustainable development.	x	x	x
		Risk	Action against the Code of Conduct.		x	
		Negative impact	Shortcomings in compliance with the Code of Conduct may impact Kempower's reputation, which in turn affects the trust of its stakeholders in terms of Kempower's ability to act as a pioneer in sustainability. Kempower ensures that its employees act ethically and transparently by adhering to the Code of Conduct.	x	x	x
	G1-1 Protection of whistleblowers	Positive impact	Kempower's Whistleblowing function is aligned with legislation. Kempower has established a Whistleblowing system that is compliant with regulations, and accessible to both employees and other stakeholders. Additionally, Kempower has implemented a comprehensive Whistleblowing Policy.	x	x	x
		Opportunity	Kempower's Whistleblowing Policy and system increases the confidence of its stakeholders that Kempower's operations comply with ethical principles. This has a direct impact on Kempower's brand and reputation.	x		x
		Risk	Aligned with legislation: If Kempower's Whistleblowing system is unsafe or unprotected, then it may not be used by stakeholders.	x	x	x
		Negative impact	To avoid a negative impact, Kempower has implemented a comprehensive Whistleblowing Policy.	x	x	x
	G1-1 Political engagement	Positive impact	Political support for the green transition in the transport sector. Kempower has a compliant Whistleblowing system in place for its own employees and its other stakeholders. Kempower has a Whistleblowing Policy. This policy increases Kempower's dialogue with other stakeholders and increases its reputation as a fair partner.	x	x	x
		Opportunity	Political influence must be transparent, and it must not be perceived as an activity contrary to its own values or the Code of Conduct. Political influence provides Kempower with the opportunity to present its own experiences, which other stakeholders may also take advantage of.		x	
		Risk	Unclear lobbying practices may impact stakeholders' trust in Kempower if the influence is not transparent. As a result, Kempower adheres to its Code of Conduct, and its stakeholders are also required to follow and accept the Supplier Code of Conduct.		x	
		Negative impact	Excessive lobbying may lead to stagnation in decision-making. Kempower's value chain partners are required to also follow and accept Supplier Code of Conduct.		x	

Material topic	Sub-topic	Type (negative or positive impact, risk or opportunity)	Impact (positive/negative), risk or opportunity	Upstream/downstream value chain or own operations		
				Upstream	Own operations	Downstream
G1 Business conduct	G1-1 Management of relationships with suppliers including payment practices	Positive impact	Kempower develops partnerships with suppliers and creates long-term value with them. Kempower aims to act in accordance with the Code of Conduct and highlight the fact that its company culture is based on ethical principles. Kempower maintains fair payment practices for its stakeholders, including suppliers.	x	x	X
		Positive impact	Increasing transparency impacts Kempower's stakeholders' trust in Kempower if the influence is not transparent. As a result, Kempower adheres to its Code of Conduct, and its stakeholders are also required to follow and accept the Supplier Code of Conduct.	x	x	x
		Positive impact	Working together with suppliers to create lower environmental impacts. Kempower complies with the required laws and regulations. Kempower acts in accordance with its own values and follows ethical principles. Kempower also provides a Whistleblowing system for its suppliers. Kempower's suppliers are required to accept its Supplier Code of Conduct and General Terms and Conditions. Unfair practices in its supply chain directly affect Kempower's reputation due to the fact that Kempower has accepted the third party as its supplier. Kempower carries out audits accordingly via its audit plan. Kempower also organizes trainings related to Sustainability and its data collection from its suppliers.	x	x	x
		Opportunity	Opportunity to develop partnerships with suppliers and create long-term value with them. Kempower ensures that its payment practices are reasonable for its stakeholders, for example, its Suppliers. These actions are viewed as an opportunity for Kempower.	x	x	x
		Opportunity	Kempower acts in accordance with the Code of Conduct and highlights the fact that its company culture is based on ethical principles.	x	x	x
		Opportunity	Kempower aims to work actively and transparently with the entire supply chain. This way Kempower can influence and prevent negative impacts collaboratively.	x	x	X
		Risk	Brand reputation risks are linked to the supply chain. Kempower complies with laws and regulations. Kempower acts in accordance with its own values and follows ethical principles. Kempower also provides a Whistleblowing system for its suppliers. Kempower's suppliers are required to accept its Supplier Code of Conduct and General Terms and Conditions. Unfair practices in Kempower's supply chain directly affect Kempower's reputation due to the fact that Kempower has accepted the third party as its supplier. Kempower carries out audits according to its audit plan.	x	x	x
		Negative impact	As Kempower expands, it employs subcontracting companies that grow with it, employing permanent and temporary workers. Regular audits at Kempower's suppliers helps maintain constant interaction with them. In this way, Kempower is able to avoid risks related to supply chain workers. Kempower collects data from its suppliers through an ESG survey which will be published annually in October-November.	x	x	x

G1-1 Business conduct policies and corporate culture

Responsibility, sustainability and honesty are Kempower's building blocks for integrity

Kempower's Code of Conduct includes the operating principles every employee of Kempower must comply with throughout the organization. As part of the Code, every employee must ensure that they understand how the Code of Conduct applies to their jobs and act accordingly. The Code of Conduct covers ethical behavior, compliance, anti-corruption, and other business conduct matters. These additional business conduct topics include a Diversity, Equality, Inclusion and Belonging Strategy and Policy, as well as a Labour and Human Rights Policy, Harassment Policy, collaborative activities, and Kempower's Supplier Code of Conduct. Kempower's anti-bribery and anti-corruption policies are aligned with international standards, including the United Nations Convention against Corruption. Kempower's policies are reviewed regularly and when needed by the Leadership team. The Code of Conduct is approved by the Board of Directors, and it applies to every employee throughout the value chain.

Kempower is a newly listed company that has built its foundation on its Parent Company's long industrial history. The center of the company culture is represented by Kempower's core values: together, impact, integrity and courage.

Kempower develops this culture through structured onboarding (every employee starts their employment at Kempower with an onboarding 'bootcamp'), employee engagement programs, and policies that embed these values into daily operations. Regular employee surveys and stakeholder feedback are used to evaluate and refine the culture, fostering continuous improvement and ensuring alignment with both employee expectations and corporate goals. Additionally, at the end of 2024, Kempower initiated a culture 2.0 program to both highlight the fact that every employee has a part to play in creating Kempower's culture, and to highlight Kempower's ambition to be viewed as a company where employees are happy to be employed for many years.

Kempower employs a Whistleblowing Policy that enables employees and external stakeholders to report unethical behavior anonymously and confidentially, without fear of retaliation or retribution. The Whistleblowing Policy complies with Directive (EU) 2019/1937. All messages are processed in confidence and concerns are independently investigated. Corrective measures are promptly applied to address any breaches. A more formal and detailed Whistleblowing Protection Policy is under development, with an expected implementation date in 2025 aligned with upcoming legal requirements in the EU.

All employees are required to complete a mandatory Code of Conduct training, which includes guidance on anti-corruption and anti-bribery policies, data protection and Whistleblowing processes. The CoC training must be renewed every two years. Training is executed via an e-learning platform. The mandatory courses are included in the onboarding content for new hires. Existing employees undergo refresher training every two years. Progress is tracked on an annual basis. During 2024, Kempower Group organized 6,240 hours of training for its own employees.

Kempower is committed to the prompt and independent investigation of any incidents related to business conduct violations, ensuring objectivity and impartiality throughout the process. There were no incidents reported, nor convictions or fines, relating to corruption or bribery in 2024.

G1-2 Management of relationships with suppliers

Procurement at Kempower is guided by the Sustainable Procurement Policy. The policy is rooted in Kempower's Code of Conduct, related-party guidelines, and anti-bribery principles. Responsible practices form an integral part of Kempower's supplier performance management and sourcing culture. Kempower has implemented an efficient invoice handling process to ensure efficiency, accuracy, and compliance with regard to incoming invoices to prevent late payments. These policies apply to every Kempower supplier, regardless of size. To prevent late payments, Kempower recognizes the need to review its policy. Efforts will therefore be directed towards developing a comprehensive framework to ensure consistent, fair, and transparent payment practices also in the future. The process is disclosed in Kempower's internal Purchase-to-Pay process description. The process is supported by the accounts payable automation system which is in use in a significant number of Kempower' subsidiaries.

Kempower cooperates closely with its suppliers, implements regular audits, conducts a supplier sustainability survey and aims to build suppliers' capacity. In 2024, Kempower cooperated with a regional development agency to co-host training related to the sustainability requirements and greenhouse gas emission calculations. With its main suppliers, Kempower regularly arranges quality meetings to ensure compliance, and that Kempower's requirements are understood. Kempower's target is to increase purchasing from qualified suppliers in order to facilitate systematic risk assessment and continuous auditing based on identified supplier Impact, Risks, Opportunities (IRO) risks. Kempower's procurement process integrates social and environmental factors, favoring suppliers who can provide sustainability records and certifications. Due diligence is conducted to evaluate their practices in emissions reduction, waste management, and ethical labour practices. Potential Suppliers are expected to commit to adhere to Kempower's Supplier Code of Conduct as part of the application process to become a Kempower Supplier. Supplier pre-assessment includes topics related to ISO 14001, ISO 45001 and Kempower's ESG-related KPIs. Kempower conducts supplier audits and drafts corrective action plans in cooperation with suppliers, if amendments are required. Kempower works closely with its suppliers and its aim is to build long-term trust and good cooperation with its suppliers.

> In 2024, Kempower cooperated with a regional development agency to co-host training related to the sustainability requirements and greenhouse gas emission calculations.

G1-5 Political influence and lobbying activities

Kempower does not directly engage in lobbying but ensures that its senior leadership monitors any political or regulatory developments that may affect the industry. Kempower has not made any financial or in-kind political contributions, and does not engage in lobbying activities. Kempower is not a member of the EU Transparency Register. In 2025, Kempower will assess the necessity of reporting its activities through the Finnish Transparency Register. During the reporting period, no members of Kempower's administrative, management, or supervisory bodies have held comparable positions in public administration within the two years preceding their current appointment.

G1-6 Payment practices

Kempower standard payment terms vary from 30-90 days among the biggest suppliers, with the average payment term being 56 days. Of Kempower's payments, 44% are made within 56 days. 92% of invoices were paid within 10 days of their due date. Most of the external purchases are made through the Parent Company and therefore only Kempower Oyj's supplier data is used to report standard payment terms in terms of the number of days. Kempower has not currently identified SME suppliers separately and the data for their payment terms is therefore not available. Kempower will proceed with the process of identifying SME suppliers to disclose the payment terms for SME in the future. The average time to pay invoices is calculated based on the Parent Company's data available in accounts payable automation system in use.

ESRS Content Index

General disclosures

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Environmental information

ESRS E1 Climate change

ESRS E2 Pollution

ESRS E3 Water and marine resources

ESRS E4 Biodiversity and ecosystems

ESRS E5 Resource use and circular economy

Social information

ESRS S1 Own workforce

ESRS S2 Workers in the value chain

ESRS 4 Consumers and end-users

Governance information

ESRS G1 Business conduct

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement	Related datapoint	Sustainability disclosure	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS 2 GOV-1	Paragraph 21 (d)	Board's gender diversity	Indicator number 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		76
ESRS 2 GOV-1	Paragraph 21 (e)	Percentage of Board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		76
ESRS 2 GOV-4	Paragraph 30	Statement on due diligence	Indicator number 10 Table #3 of Annex I				79
ESRS 2 SBM-1	Paragraph 40 (d) i	Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1	Paragraph 40 (d) ii	Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1	Paragraph 40 (d) iii	Involvement in activities related to controversial weapons	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1	Paragraph 40 (d) iv	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1	Paragraph 14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	113
ESRS E1-1	Paragraph 16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		113
ESRS E1-4	Paragraph 34	GHG emission reduction targets	Indicator number 4 Table #2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		116
ESRS E1-5	Paragraph 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I				117

Disclosure Requirement	Related datapoint	Sustainability disclosure	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS E1-5	Paragraph 37	Energy consumption and mix	Indicator number 5 Table #1 of Annex I				117
ESRS E1-5	Paragraphs 40–43	Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex I				117
ESRS E1-6	Paragraph 44	Gross Scope 1, 2, 3 and Total GHG emissions	Indicators number 1 and 2 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		119
ESRS E1-6	Paragraphs 53–55	Gross GHG emissions intensity	Indicators number 3 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		119
ESRS E1-7	Paragraph 56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	120
ESRS E1-9	Paragraph 66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Omitted 2024
ESRS E1-9	Paragraph 66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Omitted 2024
ESRS E1-9	Paragraph 66 (c)	Location of significant assets at material physical risk					Omitted 2024
ESRS E1-9	Paragraph 67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Omitted 2024
ESRS E1-9	Paragraph 69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Omitted 2024
ESRS E2-4	Paragraph 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I Indicator number 3 Table #2 of Annex I				Not material
ESRS E3-1	Paragraph 9	Water and marine resources	Indicator number 7 Table #2 of Annex I				Not material
ESRS E3-1	Paragraph 13	Dedicated policy	Indicator number 8 Table 2 of Annex I				Not material

Disclosure Requirement	Related datapoint	Sustainability disclosure	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS E3-1	Paragraph 14	Sustainable oceans and seas	Indicator number 12 Table #2 of Annex I				Not material
ESRS E3-4	Paragraph 28 (c)	Total water recycled and reused	Indicator number 6.2 Table #2 of Annex I				Not material
ESRS E3-4	Paragraph 29	Total water consumption in m3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex I				Not material
ESRS 2 – IRO-1 – E4	Paragraph 16 (a) i		Indicator number 7 Table #1 of Annex I				102
ESRS 2 – IRO-1 – E4	Paragraph 16 (b)		Indicator number 10 Table #2 of Annex I				Not material
ESRS 2 – IRO-1 – E4	Paragraph 16 (c)		Indicator number 14 Table #2 of Annex I				Not material
ESRS E4-2	Paragraph 24 (b)	Sustainable land / agriculture practices or policies	Indicator number 11 Table #2 of Annex I				Not material
ESRS E4-2	Paragraph 24 (c)	Sustainable oceans / seas practices or policies	Indicator number 12 Table #2 of Annex I				Not material
ESRS E4-2	Paragraph 24 (d)	Policies to address deforestation	Indicator number 15 Table #2 of Annex I				Not material
ESRS E5-5	Paragraph 37 (d)	Non-recycled waste	Indicator number 13 Table #2 of Annex I				129
ESRS E5-5	Paragraph 39	Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex I				129
ESRS 2 – SBM-3 – S1	Paragraph 14 (f)	Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex I				88
ESRS 2 – SBM-3 – S1	Paragraph 14 (g)	Risk of incidents of child labour	Indicator number 12 Table #3 of Annex I				88
ESRS S1-1	Paragraph 20	Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				138
ESRS S1-1	Paragraph 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		138
ESRS S1-1	Paragraph 22	Processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I				138
ESRS S1-1	Paragraph 23	Workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				138
ESRS S1-3	Paragraph 32 (c)	Grievance/complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				146
ESRS S1-14	Paragraph 88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		147

Disclosure Requirement	Related datapoint	Sustainability disclosure	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS S1-14	Paragraph 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				147
ESRS S1-16	Paragraph 97 (a)	Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		148
ESRS S1-16	Paragraph 97 (b)	Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				148
ESRS S1-17	Paragraph 103 (a)	Incidents of discrimination	Indicator number 7 Table #3 of Annex I				148
ESRS S1-17	Paragraph 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		148
ESRS 2 – SBM-3 – S2	Paragraph 11 (b)	Significant risk of child labour or forced labour in the value chain	Indicators number 12 and n. 13 Table #3 of Annex I				88
ESRS S2-1	Paragraph 17	Human rights policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				151
ESRS S2-1	Paragraph 18	Policies related to value chain workers	Indicator number 11 and n. 4 Table #3 of Annex I				151
ESRS S2-1	Paragraph 19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		151
ESRS S2-1	Paragraph 19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		151
ESRS S2-4	Paragraph 36	Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex I				153
ESRS S3-1	Paragraph 16	Human rights policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex I				Not material
ESRS S3-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Indicator number 10 Table #1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4	Paragraph 36	Human rights issues and incidents	Indicator number 14 Table #3 of Annex I				Not material
ESRS S4-1	Paragraph 16	Policies related to consumers and end-users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				155

Disclosure Requirement	Related datapoint	Sustainability disclosure	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS S4-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II DelegatedRegulation (EU)2020/1818, Art 12 (1)		156
ESRS S4-4	Paragraph 35	Human rights issues and incidents	Indicator number 14 Table #3 of Annex I				159
ESRS G1-1	Paragraph 10 (b)	United Nations Convention against corruption	Indicator number 15 Table #3 of Annex I				165
ESRS G1-1	Paragraph 10 (d)	Protection of whistleblowers	Indicator number 6 Table #3 of Annex I				165
ESRS G1-4	Paragraph 24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		165
ESRS G1-4	Paragraph 24 (b)	Standards of anti-corruption and anti-bribery	Indicator number 16 Table #3 of Annex I				165

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.

Key figures

MEUR	2024	2023	2022
Order backlog	95.0	110.6	118.9
Order intake	218.3	275.3	208.9
Revenue	223.7	283.6	103.6
Revenue growth, %	-21%	174%	279%
Gross profit	109.0	147.7	48.2
Gross profit margin, %	48.7%	52.1%	46.5%
Operating profit/loss (EBIT)	-28.8	40.6	6.1
EBIT margin, %	-12.9%	14.3%	5.9%
Operative EBIT	-26.4	40.7	6.7
Operative EBIT margin, %	-11.8%	14.3%	6.4%
Profit/loss for the period	-23.2	33.7	3.6
Equity ratio, %	49.3%	58.3%	67.5%
Cash flow from operating activities	-23.4	39.7	-5.4
Investments	18.8	9.6	6.2
Net debt	-23.8	-74.6	-58.4
Net cash	53.1	99.8	74.0
Items affecting comparability	2.4	0.1	0.6
Earnings per share, basic, EUR	-0.42	0.61	0.06
Earnings per share, diluted, EUR	-0.42	0.61	0.06
Headcount end of period	786	737	375

RECONCILIATION OF THE KEY FIGURES

MEUR	2024	2023	2022
Revenue growth, %			
Revenue	223.7	283.6	103.6
Revenue of the comparative period	283.6	103.6	27.4
Change of revenue	-59.9	180.0	76.3
Revenue growth, %	**-21%**	**174%**	**279%**
Gross profit			
Revenue	223.7	283.6	103.6
Materials and services	-107.1	-129.4	-52.4
Variable employee benefits	-7.7	-6.5	-3.1
Gross profit	**109.0**	**147.7**	**48.2**
Items affecting comparability			
Expenses related to listing on the official list of Nasdaq Helsinki presented in other operating expenses	0.7		
Expenses related to establishing operations in the United States presented in other operating expenses	0.3	0.1	0.6
Expenses related to other strategic initiatives presented in other operating expenses	0.2		
Expenses related to restructuring presented mainly in employee benefits	1.2		
Items affecting comparability	**2.4**	**0.1**	**0.6**
Operative EBIT			
Operating profit/loss (EBIT)	-28.8	40.6	6.1
Items affecting comparability	2.4	0.1	0.6
Operative EBIT	**-26.4**	**40.7**	**6.7**
Investments			
Investments in intangible assets	3.3	0.2	1.9
Investments in tangible assets excluding Right-of-use assets	15.5	9.4	4.3
Investments	**18.8**	**9.6**	**6.2**
Earnings per share, basic, EUR			
Profit/loss for the period attributable to the equity holders of the company	-23.2	33.7	3.6
Average number of shares, 1,000 pcs	55,275	55,405	55,484
Earnings per share, basic, EUR	**-0.42**	**0.61**	**0.06**
Earnings per share, diluted, EUR			
Profit/loss for the period attributable to the equity holders of the company	-23.2	33.7	3.6
Average number of shares adjusted for the dilutive effect, 1,000 pcs	55,424	55,504	55,585
Earnings per share, diluted, EUR	**-0.42**	**0.61**	**0.06**

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

04

Financial statements

Contents

04

Financial statements

In addition to this document, Kempower has published Financial Statements in accordance to European Single Electronic Format (ESEF) requirements as a xHTML document which is the official version of the report.

Consolidated financial statements (IFRS)

Consolidated income statement

EUR 1,000	Notes	2024	2023
Revenue	2.1	**223,697.2**	**283,614.3**
Other operating income	2.2	3,083.9	1,283.7
Materials and services	2.3	-107,078.6	-129,362.8
Employee benefits	2.4	-71,797.0	-48,861.1
Depreciation, amortization and impairment losses	2.6	-10,782.2	-6,514.5
Other operating expenses	2.5	-65,923.0	-59,601.0
Total expenses		**-255,580.7**	**-244,339.3**
Operating profit/loss		**-28,799.6**	**40,558.7**
Finance income	2.7	4,720.5	4,577.9
Finance expenses	2.7	-4,163.6	-2,089.4
Total finance income and expenses		**556.8**	**2,488.5**
Profit/loss before taxes		**-28,242.8**	**43,047.2**
Income tax	2.8	-1,231.5	-11,918.4
Changes in deferred taxes	2.8	6,256.3	2,594.0
Income taxes		**5,024.8**	**-9,324.4**
Profit/loss for the year		**-23,218.0**	**33,722.8**
Profit/loss for the period attributable to the owners of the parent company		**-23,218.0**	**33,722.8**
Earnings per share for profit/loss attributable to the owners of the parent company			
Basic earnings per share, EUR	2.9	-0.42	0.61
Diluted earnings per share, EUR	2.9	-0.42	0.61

EUR 1,000	2024	2023
Consolidated statement of comprehensive income		
Profit/loss for the year	**-23,218.0**	**33,722.8**
Other comprehensive income for the period		
Items that may be subsequently reclassified to profit or loss:		
Translation difference	-149.5	56.9
Other comprehensive income that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plan		16.7
Total other comprehensive income for the period	**-149.5**	**73.6**
Comprehensive profit/loss for the period	**-23,367.5**	**33,796.4**
Comprehensive profit/loss for the period attributable to the owners of the parent company	**-23,367.5**	**33,796.4**

Consolidated statement of financial position

EUR 1,000	Notes	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	3.1	4,248.6	1,807.2
Property, plant and equipment	3.2	26,005.7	13,686.6
Right-of-use assets	3.3	27,971.3	24,494.8
Non-current receivables	4.3	57.7	1,438.2
Deferred tax receivables	2.8	9,121.6	2,828.4
Total non-current assets		**67,404.9**	**44,255.1**
Current assets			
Inventories	3.4	57,496.0	51,584.7
Trade receivables	3.5	30,443.7	35,380.3
Other receivables	3.5	1,653.4	2,521.8
Prepaid expenses and accrued income	3.5	8,416.6	4,202.2
Other financial assets	4.3	49,223.2	72,430.3
Cash and cash equivalents	4.3	16,186.1	27,354.9
Total current assets		**163,419.1**	**193,474.3**
TOTAL ASSETS		**230,824.0**	**237,729.4**

EUR 1,000	Notes	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Equity			
Share capital		80.0	80.0
Reserve for invested unrestricted equity		95,656.2	95,656.2
Other reserves		5.0	5.0
Treasury shares		-5,267.4	-5,259.9
Translation differences		-143.9	5.6
Retained earnings		44,735.9	8,717.6
Profit/loss for the period		-23,218.0	33,722.8
Total equity		**111,847.8**	**132,927.3**
Non-current liabilities			
Lease liabilities	4.3	22,403.9	20,511.0
Loans from financial institutions	4.3	2,658.5	
Provisions	3.7	6,017.4	3,772.6
Deferred tax liabilities	2.8	39.5	27.4
Other liabilities		68.7	74.4
Total non-current liabilities		**31,188.0**	**24,385.4**
Current liabilities			
Lease liabilities	4.3	6,822.3	4,704.8
Loans from financial institutions	4.3	9,679.4	
Provisions	3.7	8,337.4	10,404.2
Advance payments		3,908.1	9,841.6
Trade payables	3.6	29,665.0	31,678.4
Other liabilities	3.6	3,486.1	2,112.2
Accruals and deferred income	3.6	25,889.9	21,675.5
Total current liabilities		**87,788.3**	**80,416.7**
Total liabilities		**118,976.3**	**104,802.1**
TOTAL EQUITY AND LIABILITIES		**230,824.0**	**237,729.4**

Consolidated statement of cash flow

EUR 1,000	Notes	2024	2023
Cash flow from operating activities			
Profit/loss for the period		-23,218.0	33,722.8
Adjustments			
Depreciation, amortization and impairment	2.6	10,782.2	6,514.5
Change in provisions	3.7	156.1	11,735.4
Finance income and expenses	2.7	-556.8	-2,488.5
Income taxes	2.8	-5,024.8	9,324.4
Share-based payments	5.1	2,295.5	2,370.3
Unrealized operative foreign exchange gains and losses		-923.9	354.4
Gains and losses of disposals of fixed assets		8.7	-31.4
Changes in working capital			
Change in trade and other receivables		2,182.7	-14,323.3
Change in inventories		-5,570.2	-24,503.5
Change in trade payables and short-term liabilities		-465.2	28,458.5
Interest and other financial expenses paid		-1,802.4	-1,064.7
Interest and other financial income received		854.3	399.4
Taxes paid		-2,119.9	-10,794.8
Cash flow from operating activities		**-23,401.8**	**39,673.4**

EUR 1,000	Notes	2024	2023
Cash flow from investing activities			
Increase (-)/decrease (+) of other financial assets		24,462.3	-5,016.8
Investments in tangible and intangible assets		-18,758.8	-9,634.5
Proceeds from sale of tangible and intangible assets		126.0	38.1
Cash flow from investing activities		**5,829.5**	**-14,613.3**
Cash flow from financing activities			
Purchase of treasury shares		-7.5	-3,838.2
Payment of lease liabilities	4.3	-6,128.8	-3,677.8
Proceeds from non-current loans	4.3	2,658.5	
Proceeds from current loans	4.3	9,679.4	
Cash flow from financing activities		**6,201.6**	**-7,516.0**
Net change in cash and cash equivalents		**-11,370.7**	**17,544.2**
Cash and cash equivalents at the beginning of the period	4.3	27,354.9	9,821.2
Effects of exchange rate fluctuations on cash held		201.9	-10.5
Cash and cash equivalents end of the period	4.3	16,186.1	27,354.9

Consolidated statement of changes in equity

EUR 1,000	Share capital	Reserved for invested unrestricted equity	Other reserves	Translation difference	Treasury shares	Retained earnings	Total equity
Shareholders' equity 1 Jan 2024	**80.0**	**95,656.2**	**5.0**	**5.6**	**-5,259.9**	**42,440.4**	**132,927.3**
Profit/loss for the period						-23,218.0	-23,218.0
Currency translation differences				-149.5			-149.5
Total comprehensive income for the period, net of tax				**-149.5**		**-23,218.0**	**-23,367.5**
Acquisition of treasury shares					-7.5		-7.5
Share-based payments						2,295.5	2,295.5
Transactions with owners, total					**-7.5**	**2,295.5**	**2,288.0**
Shareholders' equity 31 Dec 2024	**80.0**	**95,656.2**	**5.0**	**-143.9**	**-5,267.4**	**21,517.8**	**111,847.8**
Shareholders' equity 1 Jan 2023	**80.0**	**95,656.2**		**-51.3**	**-1,421.7**	**6,335.5**	**100,598.7**
Profit/loss for the period						33,722.8	33,722.8
Remeasurement of defined benefit plans						16.7	16.7
Reclassifications			5.0			-5.0	
Currency translation differences				56.9			56.9
Total comprehensive income for the period, net of tax			**5.0**	**56.9**		**33,734.5**	**33,796.4**
Acquisition of treasury shares					-3,838.2		-3,838.2
Share-based payments						2,370.3	2,370.3
Transactions with owners, total					**-3,838.2**	**2,370.3**	**-1,467.9**
Shareholders' equity 31 Dec 2023	**80.0**	**95,656.2**	**5.0**	**5.6**	**-5,259.9**	**42,440.4**	**132,927.3**

Notes to the consolidated financial statements

1 Accounting policies for the consolidated financial statements

1.1 CORPORATE INFORMATION

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 is domiciled in Lahti and its registered address is Ala-Okeroistentie 29, 15700 Lahti. The Company's shares are listed on the Official list of Nasdaq Helsinki.

Kempower Corporation is part of Kemppi Group, whose parent company is Kemppi Group Oy. Kemppi Group Oy is domiciled in Lahti and its registered address is Kempinkatu 1, 15800 Lahti.

Kempower designs, manufactures and sells direct current (DC) fast charging devices, solutions and services for EVs, such as personal and commercial vehicles, mobile off-highway machinery and electric marine vessels and boats. Kempower offers a selection of solutions for all the fast-charging needs ranging from public parking lots to bus depots and terminal stops, heavy-duty commercial vehicles and other electric vehicles, ports, and charging electric vessels and boats. Kempower's main geographical markets are the Nordics and the rest of Europe.

1.2 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards approved in the EU.

Kempower's Board of Directors confirmed these Consolidated Financial Statements on 26 March 2025.

The consolidated financial statements present all monetary information in euros, as the euro is the Kempower Group's operating currency and reporting currency. The figures shown in the consolidated financial statements are rounded, which means that the sum of given individual figures may deviate from the sums shown in the tables. The items included at the time of the Group companies' reporting are measured in the currency of the company's main financial operating environment (operating currency). The consolidated financial statements are presented in thousands of euros, unless otherwise stated. The Kempower Group's consolidated financial statements have been prepared based on original cost except for certain financial assets and liabilities, which are measured at fair value.

Translation of items denominated in foreign currency

Business transactions denominated in foreign currency are translated into amounts representing the operating currency at the exchange rates of the transaction completion date. Exchange rate gains and losses arising from payments associated with such business transactions and from translation of foreign currency denominated monetary assets and liabilities into the exchange rate of the closing date are recognized through profit or loss.

The income statements and balance sheets of foreign units that apply a different operating currency than the reporting currency are converted so that the amounts shown represent the reporting currency as follows:

- The assets and liabilities of each balance sheet presented are converted into the exchange rate of the reporting date in question
- The income and expenses in each income statement are converted into the average exchange rates of the period, and
- All the exchange differences thereby arisen are recognized in other comprehensive income.

The exchange differences arising from translating the eliminations related to and the equity accumulated after acquisition of the Group's foreign subsidiaries are recognized in other comprehensive income.

Consolidation principles

The Group's financial statements comprise the parent company Kempower Corporation and its subsidiaries Kempower AB, Kempower AS, Kempower Australia Pty Limited, Kempower B.V., Kempower Canada Inc., Kempower Charging Ltd, Kempower Charging Spain S.L.U., Kempower GmbH, Kempower Inc., Kempower International Oy, Kempower Italy S.R.L., Kempower SAS ja Kempower Sp z.o.o. Subsidiaries are entities where the Group has a controlling interest. The Group has a controlling interest when it, through its participation in the entity, becomes exposed or is entitled to the entity's variable returns and is able to affect the amount of return it receives by exercising authority over the entity.

Intra-group shareholding has been eliminated using the acquisition cost method. The acquisition cost is considered to include the transferred funds at fair value, the liabilities that arose or were assumed and the equity instruments issued. Acquired subsidiaries are consolidated from when the Group has gained a controlling interest, and divested subsidiaries are consolidated until the Group ceases to have a controlling interest. All intra-group business transactions, receivables, liabilities, and unrealized gains as well as internal profit distribution are eliminated in the preparation of the consolidated financial statements. Distribution of the financial period's profit to parent company shareholders and non-controlling shareholders is presented in conjunction with the income statement, and the share of equity belonging to non-controlling shareholders is presented as a separate item in equity. The subsidiaries' reporting principles have been amended to correspond to the Group's reporting principles. Kempower has no goodwill on the balance sheet on 31 December 2024.

1.3 ACCOUNTING POLICIES REQUIRING MANAGEMENT JUDGEMENT AND KEY UNCERTAINTIES RELATING TO THE ESTIMATES

Preparation of the consolidated financial statements requires the management's judgement as well as estimates and assumptions concerning the future that have an effect on the reported assets and liabilities and other information, such as contingent assets and liabilities and recognition of expenses in the income statement. Although these estimates and assumptions are based on the management's best knowledge of current events and actions, the actual results may ultimately differ from the estimates.

Deferred tax assets

Recognizing deferred tax assets in the balance sheet requires particular prudence. A deferred tax asset is recognized when it is likely that the Company will have enough taxable profit in the future to allow for utilization of deferred tax assets exceeding deferred tax liabilities. The Group's management exercises consideration in deciding whether to recognize deferred tax assets based on tax losses carried forward. Projection of future taxable cash flows is based on the Kempower Group's strategy, forecasts and assessment of uncertainties. Group management monitors the Group's financial position and evaluates future development at the end of each reporting period. Deferred tax assets are recognized up to the extent of probable future taxable profit, against which the tax losses carried forward can be utilized.

Capitalization of development expenses

Development expenses that meet the capitalization criteria are recognized in the balance sheet. Capitalization of development expenses is based on the management's consideration, according to which the technological and financial feasibility of the project has been ascertained.

Inventory valuation

The Group regularly reviews inventories for obsolescence and turnover, and for possible reduction of net realizable value below cost and records a write-down as necessary. Such reviews require assessments and changes in the assessments may cause changes in inventory measurement in future periods.

Provisions

The Group recognizes provisions for warranty work to be performed, and the projected amount of these provisions is based on the actual volume of similar work done in the past. The provisions are regularly reviewed and revised as necessary to represent the best estimate available at the time of observation. The actual cost may deviate from the estimate.

Expected credit loss allowance

The expected credit losses are based on assumptions of likely payment defaults and on expected credit loss rates. Judgment is exercised when making these assumptions and choosing the input information used in estimating expected credit losses. The judgment is based on historical information, prevailing market conditions and forward-looking assumptions made at the end of each financial period.

Share-based payments

The Group recognizes the expense arising from share-based payments in the consolidated income statement. With regard to stock options, the Group's management makes estimates on certain factors required for the option pricing model, such as volatility, the number of stock options that will probably be issued for subscription and the probable stock option exercise date. In regard to stock compensation, the management estimates the number of shares that will probably be granted.

Estimates and accounting policies requiring management judgement

Deferred tax assets	2.8 Taxes
Capitalization of development expenses	3.1 Intangible assets
Inventory valuation	3.4 Inventories
Provisions	3.7 Provisions
Expected credit loss allowance	4.2 Financial risk management
Share-based payments	5.1 Share-based payments

Climate related matters

Kempower's business is based on the transition to low carbon economy. Kempower's products enable the reducing of GHG emissions in road transport.

Kempower engages in a continuous process to identify and update its environmental risks and their impacts on the environment and people. The Group updated its 2022 climate scenario risk assessment and Task Force on Climate-related Financial Disclosures (TCFD) framework-aligned resilience analysis in 2024. In the resilience analysis, Kempower assessed the resilience of its strategy and business model to different climate-related outcomes under 1.5 and 4.0°C scenarios. The scenarios used were IPCC SSP1-2.6 (global temperature increase well below 2°C), and IPCC SSP4-8.5 (global temperature increase up to 4°C). The scope of the scenario and resilience analyses consist of all geographies with Kempower's charging solutions, with focus on North America and Europe. Additionally, regional risks in production sites Durham, US, and Lahti, FIN were analyzed. The whole value chain and own operations, as well as all material physical and transition risks were considered in the analyses, and no such factors were specifically excluded.

Both physical and business risks were considered. Time horizons applied in the analyses were: short term, 1 year (FY), medium term, 1-5 years, and long term, >5 years. The anticipated financial effects were evaluated using a scale based on revenue: Small, 0-1%, Medium, 3-5%, High, 10-20%.

Based on the assessment, Kempower's strategy is climate-resistant over short, medium and long-term scenarios, considering the small to medium financial effects and the planned control and adaptation practices. At the overall Group level, Kempower continues to adapt its strategy related to climate considerations in the following ways:

- Implementing Kempower's correction action plan for high and very high environmental risks
- Continuously following its processes in the event of radical changes in overall risk profile
- Reviewing all risk-related processes annually.

Climate related risks and uncertainties are not estimated to have had impacts on the financial statements for the year 2024 or for the following financial year. The positive opportunities due to electrification of transportation have a greater financial impact on financial statements than the potential negative impacts of risks.

Direct impacts of climate related matters to Kempower's financial statements relate to the CO_2 emission reduction target included in the share-based incentive plan 2024-2026 described in note 5.1 Share-based payments. Kempower also has an EUR 30 million undrawn green revolving credit facility (RCF). The facility includes a Green Condition, stipulating that at least 90% of the Group's revenue must be aligned with the EU Taxonomy. This is a prerequisite for the facility to be considered 'green'. For the year 2024, Kempower's turnover was 100 % aligned with the EU Taxonomy.

1.4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Amendments to IAS 21 The effects of changes in Foreign Exchange Rates: Lack of exchangeability
The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide (effective for financial years beginning on or after 1 January 2025, early application is permitted). It is estimated that the amendments will have no material effect on the preparation of Kempower's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements will not impact the recognition or measurement of items in the financial statements, but it will have effects on the presentation and disclosure of financial statements, in particular to those related to providing management-defined performance measures (effective for annual periods beginning on or after 1 January 2027 and retrospective application is required).

2 Financial performance

2.1 REVENUE

Accounting principles

Kempower's revenue mainly consists of deliveries of electric vehicle chargers and charging stations it manufactures, charger maintenance services and project sales involving turnkey deliveries of installed charging equipment to customers. Kempower also provides its customers with the ChargEye 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.

The payment terms and payment periods applied in the agreements are typically 14–90 days. The payment periods are clearly less than a year, which means that no significant financial component is recognized for the agreements.

Determining the transaction price and allocating it to performance obligations
The transaction prices are based on customer-specific agreements. Sales proceeds are recognized at the amount to which the Group considers itself to be entitled in exchange to the products and services it offers. If different performance obligations are identified in the agreements, Kempower allocates the agreement's fixed transaction price to different performance obligations based on the prices applied when these are sold separately.

The amount presented as revenue is deducted by discounts. Volume-based discounts are applied in product sales, based on actual sales over 12 months. Sales are recognized based on the price stated in the agreement less estimated volume-based discounts. For volume-based discounts expected to be given to customers before the end of the reporting period, a liability based on the agreement is recognized.

Evaluation and recognition of discounts are based on previous experience, and revenue is only recognized up to an amount which is highly probable to be realized.

Revenue recognition
Kempower records sales revenue from the charging equipment it sells when control of the products is transferred to the buyer. The timing of transfer of control depends on the delivery term used in the customer agreement (Incoterms).

The revenue from maintenance services is recognized for the reporting period during which the service is produced. The revenue from ChargEye SaaS services is recognized over time as the services are provided. The revenue from extended warranty sales is recognized for the reporting periods for which the warranty applies. The revenue from charging equipment is recognized at point in time and the revenue from services over time. When the agreement is a fixed-price agreement relating to project sales, what is recognized is the share of the entire service that has been realized by the end of the reporting period (fulfillment rate). This share is determined based on the share of actual costs out of the expected total costs.

Contract assets and liabilities in contracts with customers
When the invoiced amount of a project sales agreement is smaller than the revenue recognized based on the fulfillment rate at the time of review, the difference is recognized as a contract asset in the balance sheet line item "Prepaid expenses and accrued income". When the invoiced amount of a project sales agreement is greater than the revenue recognized based on the fulfillment rate at the time of review, the difference is recognized as a contract liability in short term liabilities in the balance sheet line item "Advance payments". Other assets and liabilities related to accrued revenue are recognized as accrued receivables or accrued liabilities.

More information on trade receivables is presented in notes 3.5 and 4.2.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Kempower's Board of Directors has been designated as the chief operational decision maker in the Group as defined in IFRS 8 Segment reporting standard. The Board of Directors leads the Kempower Group as a single integrated business entity, and thereby Kempower has one operating segment and reporting segment.

Revenue by recognition type

EUR 1,000	2024	2023
Point in time	215,213.9	279,078.7
Over time	8,483.3	4,535.6
Total	**223,697.2**	**283,614.3**

Contract assets and liabilities

EUR 1,000	2024	2023
Assets	3,148.5	395.4
Liabilities	10,673.9	13,956.9

Contract assets include sales accruals of EUR 3,148.5 (395.4) thousand, for which the performance obligations have been fulfilled.

Contract liabilities include customer advance payments of EUR 3,908.1 (9,841.6) thousand, extended warranty sales of EUR 5,939.9 (2,372.4) thousand and other sales accruals EUR 825.9 (1,742.9) thousand. The Group expects to recognize the revenue of these performance obligations during 2025 except for the extended warranty sales, for which the revenue is recognized during 2025–2035.

EUR 798.6 thousand of the contract liabilities on 31 December 2023 have been recognized as revenue during the financial year 2024.

Revenue by geographical area

EUR 1,000	2024	2023
Finland	38,287.3	44,431.7
Other Nordic countries	59,598.8	69,639.9
Rest of Europe	94,755.7	144,234.7
North America	20,767.0	11,312.3
Rest of the World	10,288.3	13,995.7
Total	**223,697.2**	**283,614.3**

Revenue by geographical area is classified based on the customer's location.

In the financial year 2024 none of Kempower's individual customers contributed more than 10 percent of the Group's total revenue. In the financial year 2023 one customer contributed more than 10 percent of the Group's total revenue. The revenue from this customer was EUR 37,182.7 thousand.

2.2 OTHER OPERATING INCOME

Accounting principles

Government grants are recognized in profit or loss at fair value, when it is reasonably certain that they will be obtained, and the Company meets the criteria for the grant. Government grants are accrued and recognized in the statement of comprehensive income for the reporting period during which the criteria for the grant are met corresponding to the actual costs.

EUR 1,000	2024	2023
Government grants	1,688.2	832.2
Insurance compensations	64.4	196.4
Gain from change in fair value of operative derivatives, unrealized	301.0	28.1
Gain from change in fair value of operative derivatives, realized	204.7	
Other operating income	825.5	227.0
Total	**3,083.9**	**1,283.7**

Government grants mainly consist of Business Finland's support for the research phase of research and development activities.

2.3 MATERIALS AND SERVICES

Accounting principles

Materials and services include the direct business expenses related to purchases of raw materials needed in production, external services, and the change in inventory.

EUR 1,000	2024	2023
Purchases during the financial year	-110,428.9	-152,350.6
External services	-2,219.9	-1,515.8
Change in inventories	5,570.2	24,503.5
Total	**-107,078.6**	**-129,362.8**

2.4 EMPLOYEE BENEFITS

Accounting principles

Employee benefits consist of payments based either on the performance of work or termination of employment. Pension plans are classified as defined-benefit plans or defined-contribution plans. In defined-contribution plans, the Kempower Group pays fixed contributions to a separate unit, and the Group has no legal or factual obligation to make supplementary contributions, should the recipient of the contributions fail to pay out the pension benefits in question. All such arrangements that do not meet the above terms are defined-benefit plans. Contributions paid to defined-contribution plans are recognized through profit or loss for the financial period during which they are charged. Kempower's pension plans are defined-contribution plans, including the employer's pension insurance (TyEL insurance) applied in Finland that is based on fixed contributions.

Kempower has applied a defined benefit plan in the Group's Norwegian subsidiary. The plan has been terminated during the financial year 2023.

EUR 1,000	2024	2023
Wages and salaries	-57,445.3	-38,398.2
Pension expenses - defined contribution plans	-7,702.7	-5,495.5
Pension expenses - defined benefit plans		0.9
Share-based employee benefits	-2,295.5	-2,370.3
Other social security expenses	-4,353.5	-2,598.1
Total	**-71,797.0**	**-48,861.1**

	2024	2023
Number of personnel at the end of the period	786	737
Average number of personnel	840	569

2.5 OTHER OPERATING EXPENSES

EUR 1,000	2024	2023
Sales and marketing expenses	-8,008.6	-6,869.3
Credit loss allowances	-2,296.5	-3,111.1
Administration expenses	-10,606.3	-8,261.6
IT expenses	-11,363.8	-9,294.0
Premises and vehicle expenses	-4,640.3	-2,753.7
Machinery and tool expenses	-2,080.8	-2,675.0
Research and development expenses	-6,498.2	-4,494.8
Warranty expenses	-17,511.8	-18,338.7
Other personnel expenses	-2,916.7	-3,802.7
Total	**-65,923.0**	**-59,601.0**

Auditor's fee

EUR 1,000	2024	2023
Ernst & Young Oy		
Audit fee	-398.6	-187.1
Sustainability Statement assurance fee	-138.5	
Tax advisory	-7.0	-58.6
Other fees	-57.5	-87.1
Total	**-601.6**	**-332.8**

2.6 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

Accounting principles

Depreciation on fixed assets is defined according to the useful economic life of the assets. Straight line depreciation is used on all fixed assets. The depreciations commence when the asset item is available for use. The useful economic lives and residual values of asset items are presented in note 3.1 Intangible assets, 3.2 Property, plant and equipment and 3.3 Leases.

EUR 1,000	2024	2023
Intangible assets		
Amortizations	-831.0	-992.6
Property, plant and equipment		
Depreciations	-3,328.7	-1,284.2
Right-of-use assets		
Depreciations	-6,622.6	-4,237.7
Total	**-10,782.2**	**-6,514.5**

2.7 FINANCE INCOME AND EXPENSE

EUR 1,000	2024	2023
Finance income		
Change in fair value of money market investments	1,131.4	3,215.4
Unrealized foreign exchange gain	1,153.8	869.0
Realized foreign exchange gain	425.7	77.2
Interest income	397.2	399.4
Other finance income	1,612.3	16.8
Total	**4,720.5**	**4,577.9**
Finance expenses		
Unrealized foreign exchange loss	-792.6	-915.1
Realized foreign exchange loss	-1,306.2	-161.3
Interest expenses	-1,976.8	-1,008.3
Other finance expenses	-88.1	-4.7
Total	**-4,163.6**	**-2,089.4**
Total finance income and expenses	**556.8**	**2,488.5**

2.8 INCOME TAXES

Accounting principles

The Group recognizes as tax expenses the taxes calculated on the Group companies' financial results for the period, tax adjustments for previous years and changes in deferred tax liabilities and deferred tax assets. The tax incidence that is related to items recognized directly in equity is correspondingly recognized in equity.

Deferred taxes are recognized based on the temporary differences between carrying amount and taxable value, applying either the tax rate as valid on the closing date or an established tax rate to be effective later. Deferred tax assets are recognized up to the extent of probable future taxable profit, against which the temporary difference can be utilized. The most substantial temporary differences arise from losses carried forward, warranty provisions and the expected credit loss allowance and accelerated depreciation. Whether the conditions for recognizing deferred tax assets are met is reassessed at the end of each financial period.

Tax-deductible losses are recognized as tax assets to the extent that the Company can probably utilize them in the future.

Deferred tax assets and liabilities are offset for presentation purposes when there is a legally enforceable right to offset income tax receivables against income tax payables, and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Critical accounting judgements:
A deferred tax asset is recognized when it is probable that future taxable profit will be available, against which the deferred tax asset exceeding the deferred tax liability can be utilized. The Group's management exercises judgement in deciding whether to recognize deferred tax assets on unutilized confirmed losses. The assessment of future taxable cash flows is based on the Kempower Group's strategy, forecasts, and evaluation of related uncertainties. The Group's management monitors the Group's financial status and evaluates its future development at each reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available, against which the deferred tax assets can be utilized.

Taxes in the income statement

EUR 1,000	2024	2023
Income tax		
Income tax on taxable profit for the year	-1,303.3	-11,859.8
Change in deferred taxes	6,256.3	2,594.0
Tax for previous accounting periods	71.7	-58.6
Total	**5,024.8**	**-9,324.4**

Reconciliation of profit/loss before taxes with total income taxes in the income statement

EUR 1,000	2024	2023
Profit/loss before tax	-28,242.8	43,047.2
Income tax calculated at Finnish tax rate 20%	5,648.6	-8,609.4
Non-deductible expenses and tax-exempt income	-506.9	-328.3
Effect of different tax rates	-191.8	-340.6
Other differences	74.9	-46.1
Taxes in the statement of comprehensive income	**5,024.8**	**-9,324.4**

Confirmed tax losses

EUR 1,000	2024	2023
Expire later than in five years	33,836.8	
Total	**33,836.8**	

Deferred tax receivables and liabilities 2024

EUR 1,000	1 Jan 2024	Recognized in the statement of income	Exchange differences	Other changes	31 Dec 2024
Deferred tax receivables					
Tax losses		6,767.4			6,767.4
Provisions	2,835.4	105.0			2,940.4
Leases	5,124.5	858.1	71.9		6,054.5
Trade receivables	565.7	14.8			580.5
Internal margins	226.5	28.6	15.3		270.4
Other timing differences	82.9	348.0	3.1		434.0
Netting deferred tax receivables and liabilities	-6,006.6			-1,919.0	-7,925.6
Total	**2,828.3**	**8,121.9**	**90.4**	**-1,919.0**	**9,121.6**
Deferred tax liabilities					
Accelerated depreciation	696.7				696.7
Capitalized development expenses	58.4	563.7			622.1
Leases	4,975.0	754.0	63.4		5,792.5
Inventories	276.5	25.5			302.0
Other timing differences	27.4	522.3	2.2		551.9
Netting deferred tax receivables and liabilities	-6,006.6			-1,919.0	-7,925.6
Total	**27.4**	**1,865.5**	**65.6**	**-1,919.0**	**39.5**
Net amount	**2,800.9**	**6,256.3**	**24.8**		**9,082.1**

Deferred tax receivables and liabilities 2023

EUR 1,000	1 Jan 2023	Recognized in the statement of income	Recognized in the statement of comprehensive Income	Exchange differences	Other changes	31 Dec 2023
Deferred tax receivables						
Tax losses	44.2	-44.2				
Provisions	488.7	2,346.7				2,835.4
Leases	3,130.5	1,941.7		52.4		5,124.5
Trade receivables	29.3	535.6		0.9		565.7
Defined benefit plans	5.4		-5.0	-0.4		
Internal margins	8.3	223.7		-5.4		226.5
Other timing differences		81.6		1.3		82.9
Netting deferred tax receivables and liabilities	-3,096.3				-2,910.3	-6,006.6
Total	**610.0**	**5,084.9**	**-5.0**	**48.7**	**-2,910.3**	**2,828.4**
Deferred tax liabilities						
Accelerated depreciation	95.8	600.9				696.7
Capitalized development expenses	103.2	-44.8				58.4
Leases	3,096.2	1,824.2		54.6		4,975.0
Inventories	193.9	82.6				276.5
Other timing differences		28.0		-0.6		27.4
Netting deferred tax receivables and liabilities	-3,096.3				-2,910.3	-6,006.6
Total	**392.7**	**2,490.9**		**54.0**	**-2,910.3**	**27.4**
Net amount	**217.3**	**2,594.0**	**-5.0**	**-5.4**		**2,801.0**

2.9 EARNINGS PER SHARE, EPS

Accounting principles

Basic earnings per share are calculated by dividing the profit/loss for the financial year attributable to equity holders of the parent company by the weighted average number of externally owned shares during the financial year. The weighted average number of shares is adjusted with the amount of treasury shares. The diluting effect of the share-based incentive plans is taken into account in the diluted earnings per share.

EUR 1,000	2024	2023
Profit/loss for the year	-23,218.0	33,722.8
Average number of shares (1,000 pcs)		
Undiluted	55,275	55,405
Dilutive effect of option program	149	99
Diluted	55,424	55,504
Earnings per share (EUR)		
Undiluted	-0.42	0.61
Diluted	-0.42	0.61

3 Capital employed

3.1 INTANGIBLE ASSETS

Accounting principles

The Kempower Group's intangible assets comprise capitalized product development costs, intangible rights consisting of patents and trademarks and other intangible assets such as software licenses. An intangible asset is measured at cost, when it is probable that the intangible asset will produce financial benefit in the future and its acquisition cost can be reliably determined. Intangible assets have a limited useful economic life. Straight-line amortizations are recognized as cost in the income statement during the estimated useful economic life.

The intangible assets have the following estimated useful economic lives and amortization periods:

- Patents and trademarks 10 years
- Product development costs 5 years
- Other intangible assets 5 years

The determination of useful economic lives of intangible assets is reassessed at the end of each reporting period, and if the expected useful economic lives differ from those previously determined, the difference is recognized as a change in accounting estimates. Intangible assets are reviewed for amortization whenever there are indications that their value may have reduced. An impairment loss is recognized for an amount by which the asset's book value exceeds the recoverable amount. The recoverable amount is the asset's fair value less sales cost or value in use, whichever is higher. The value in use represents the discounted net cash flows that the asset is expected to produce.

Product development costs are capitalized in the balance sheet in intangible assets, when product development costs will probably generate future financial benefit, product completion is technologically feasible, product is usable or saleable, the costs to be capitalized can be reliably determined and the Group has adequate technological and financial resources to successfully complete the development work.

The profit or loss created from de-recognition of an intangible asset is determined as the difference between the disposal price and the carrying value of the asset and is recognized in the profit and loss statement either as other operating income or other operating expense.

Critical accounting judgements:

Development expenses that meet the capitalization criteria will be recognized in the balance sheet. The management uses judgement in determining whether the Group has adequate technological and financial resources to successfully complete the development work and whether the development project will generate future cash flows in excess of the book value of the capitalized development project. The Kempower Group's management assesses at the end of each reporting period whether the book values of the capitalized development expenses exceed the discounted net cash flows that the assets are expected to produce. The expected future cash flows are based on uncertain financial estimates.

EUR 1,000	Intangible rights	Capitalized development costs	Others intangible assets	Prepayments and work in progress	Total
31 Dec 2024					
Carrying amount at 1 Jan 2024	512.3	292.0	1,002.9		1,807.2
Additions	20.0			3,250.4	3,270.4
Reclassifications		1,171.3		-1,171.3	
Amortizations and impairment	-102.6	-257.0	-469.3		-828.9
Carrying amount at 31 Dec 2024	**429.7**	**1,206.2**	**533.6**	**2,079.1**	**4,248.6**
31 Dec 2024					
Cost	726.5	2,290.5	1,814.5	2,079.1	6,910.5
Accumulated amortizations and impairment	-296.8	-1,084.2	-1,280.9		-2,662.0
Carrying amount at 31 Dec 2024	**429.7**	**1,206.2**	**533.6**	**2,079.1**	**4,248.6**

EUR 1,000	Intangible rights	Capitalized development costs	Others intangible assets	Total
31 Dec 2023				
Carrying amount at 1 Jan 2023	398.0	515.8	1,661.5	2,575.3
Additions	198.6		25.9	224.4
Amortizations and impairment	-84.3	-223.8	-684.5	-992.6
Carrying amount at 31 Dec 2023	**512.3**	**292.0**	**1,002.9**	**1,807.2**
31 Dec 2023				
Cost	706.5	1,119.2	1,814.5	3,640.2
Accumulated amortizations and impairment	-194.2	-827.2	-811.6	-1,833.0
Carrying amount at 31 Dec 2023	**512.3**	**292.0**	**1,002.9**	**1,807.2**

The carrying amount of intangible assets located in Finland at 31 Dec 2024 amounted to EUR 4,248.6 (1,807.2) thousand.

3.2 PROPERTY, PLANT AND EQUIPMENT

Accounting principles

The Kempower Group's property, plant and equipment consists of machinery and equipment together with improvement costs pertaining to leased premises. Property, plant and equipment are measured at cost less depreciation and any impairment losses. The acquisition cost includes any direct costs arising from the acquisition that are necessary considering the asset item's location and production for it to operate as planned by the management. Ordinary maintenance and repair costs are recognized as expenses on an accrual basis.

Property, plant and equipment have the following estimated useful economic lives and depreciation periods:

- Machinery and equipment 3–8 years
- Improvement costs pertaining to leased premises 5 years or the remaining term of the lease, whichever is shorter

The depreciation will begin when the asset item is ready for use, i.e., when its location and condition are such that it operates as intended by the Group's management.

Property, plant and equipment are reviewed for amortization whenever there are indications that their value may have reduced. An impairment loss is recognized for an amount by which the asset's book value exceeds the recoverable amount. The recoverable amount is the asset's fair value less sales cost or value in use, whichever is higher. The value in use represents the discounted net cash flows that the asset is expected to produce.

EUR 1,000	Machinery and equipment	Other tangible assets	Prepayments and work in progress	Total
31 Dec 2024				
Carrying amount at 1 Jan 2024	7,991.9	3,769.1	1,925.5	13,686.6
Additions	354.8	2,570.3	12,563.4	15,488.5
Disposals	-8.7	-35.6	-90.4	-134.7
Reclassifications	8,656.5	4,243.4	-12,900.0	
Depreciations and impairment	-1,917.5	-1,413.3		-3,330.8
Translation differences	25.4	270.8		296.2
Carrying amount at 31 Dec 2024	**15,102.6**	**9,404.7**	**1,498.5**	**26,005.7**
31 Dec 2024				
Cost	18,739.7	10,750.6	1,498.5	30,988.8
Accumulated depreciations and impairment	-3,662.6	-1,616.7		-5,279.3
Translation differences	25.4	270.8		296.2
Carrying amount at 31 Dec 2024	**15,102.6**	**9,404.7**	**1,498.5**	**26,005.7**
31 Dec 2023				
Carrying amount at 1 Jan 2023	4,322.6	36.6	1,290.5	5,649.7
Additions	4,758.9	4,016.2	635.0	9,410.1
Disposals		-6.7		-6.7
Depreciations and impairment	-1,080.8	-203.4		-1,284.2
Translation differences	-8.8	-73.5		-82.4
Carrying amount at 31 Dec 2023	**7,991.9**	**3,769.1**	**1,925.5**	**13,686.6**
31 Dec 2023				
Cost	9,750.3	4,069.8	1,925.5	15,745.6
Accumulated depreciations and impairment	-1,749.5	-227.1		-1,976.6
Translation differences	-8.8	-73.5		-82.4
Carrying amount at 31 Dec 2023	**7,991.9**	**3,769.1**	**1,925.5**	**13,686.6**

The carrying amount of property, plant and equipment located in Finland at 31 Dec 2024 amounted to EUR 20,206.3 (9,876.8) thousand.

3.3 LEASES

Accounting principles

Kempower's right-of-use assets include premises and vehicles leased by the Group. The lease agreements are mainly fixed term agreements for 1–10 years.

The leases are recognized in the balance sheet as right-of-use asset items and corresponding lease liabilities beginning from the day when the leased asset item is at the Group's disposal. Lease payments are recognized as amortization of the lease liability and the related interest expense. Right-of-use asset items are depreciated over the useful economic life of the asset item or according to the lease term.

The right-of-use asset items capitalized based on leases and the corresponding lease liability are measured upon the commencement of the lease at the current value of those minimum lease payments that remain outstanding on that day. Considered in the calculation are the minimum lease payments at their discounted value as well as the lease payments for optional additional lease terms, if it is fairly certain that an option for such an additional lease term will be exercised.

The Group applies the incremental borrowing rate as the discount rate for lease payments. The lease payments for the premises are tied to the inflation index. The index-based variable lease payments are part of the liability that is related to the lease, and their value is calculated based on the index at the beginning of the lease term. Index changes are considered for the accounting period during which the index changes. The cash flows related to leases are reported as amortization of lease liabilities in the cash flow statement under cash flow from financing activities, and the interests paid on lease liabilities are reported under cash flow from operating activities. The Group holds short-term leases, the lease term of which is 12 months or less, as well as leases where the asset item in question is low in value. These leases are recognized during the lease term as an expense in the income statement.

Sale and leaseback

In sale and leaseback transactions, the Group assesses whether the transfer of the asset satisfies the requirements of IFRS 15 for a sale. If the transfer is accounted for as a sale, the right-of-use asset recognized in the balance sheet will be measured by the portion of the carrying amount of the original asset that corresponds to the value of the right to use that remains with the seller. The portion of the sales proceeds of the asset corresponding to the rights transferred to the buyer is presented as sales gain or loss. If the consideration for the sale of the asset or payments for the lease do not equal the fair value, the difference is recognized as an adjustment to the asset's sales proceeds. Any below-market terms are accounted for as a prepayment of lease payments, and any above-market terms are accounted for as financial liability. If the requirements for a sale are not satisfied, the Group will present the transfer proceeds as financial liability and continue to recognize the transferred asset in its balance sheet, if the transferred items were recognized in the balance sheet before the transaction.

During the financial year, the Group entered transactions where it sold laptops, phones, other IT equipment and production raw materials to another party and leased the same items back. The transactions did not qualify as a sale under IFRS 15 due to the presence of a repurchase option. The proceeds of EUR 6,072.9 thousand received were recognized as financial liability and the Group continues to recognize the transferred assets in its balance sheet. The future lease payments are allocated between interest expense and principal repayment of this liability. A gain of EUR 88.5 thousand was recognized in Other operating income at the time of the transactions.

Amounts recognized in the statement of financial position

EUR 1,000	Buildings	Machinery and equipment	Total
Carrying amount at 1 Jan 2024	21,384.7	3,110.1	24,494.8
Additions	6,499.4	3,686.0	10,185.4
Disposals	-237.0	-153.2	-390.2
Depreciations and impairment	-4,400.3	-2,222.2	-6,622.6
Translation differences	293.9	10.0	303.9
Carrying amount at 31 Dec 2024	**23,540.7**	**4,430.6**	**27,971.3**

EUR 1,000	Buildings	Machinery and equipment	Total
Carrying amount at 1 Jan 2023	14,128.9	1,352.3	15,481.1
Additions	10,568.8	2,842.7	13,411.5
Disposals		-41.8	-41.8
Depreciations and impairment	-3,188.9	-1,048.8	-4,237.7
Translation differences	-124.1	5.7	-118.4
Carrying amount at 31 Dec 2023	**21,384.7**	**3,110.1**	**24,494.8**

The carrying amount of leases recognized as right-of-use assets located in Finland at 31 Dec 2024 amounted to EUR 20,260.9 (17,540.0) thousand.

Lease liabilities arising from lease agreements and the maturity of related financial expenses are specified in note 4.2

Amounts recognized in the statement of comprehensive income

EUR 1,000	2024	2023
Depreciation of right-of-use assets		
Buildings	-4,400.3	-3,188.9
Machinery and equipment	-2,222.2	-1,048.8
Total	**-6,622.6**	**-4,237.7**
Interest expense (included in finance cost)	-1,330.7	-938.6
Expense relating to leases of short-term (included in other operating expenses)	-2,279.2	-1,155.4
Cash flow from leases	-8,408.0	-4,833.1

3.4 INVENTORIES

Accounting principles

Inventories consist of finished charging devices, charging components needed in the manufacture of products, charger spare parts as well as unfinished products.

Inventories are measured at weighted average cost.

If the value of inventories falls below the above, inventories are measured at net realizable value. The acquisition cost of inventories consists of all purchase costs, production and logistics costs, handling costs and other costs directly attributable to inventories. The acquisition cost of purchased inventories is deducted by quantity discounts and cash discounts. The net realization value is the estimated sales price obtained in ordinary business less direct sales costs.

Critical accounting judgements:
The Group regularly reviews inventories for obsolescence and turnover, and for possible reduction of net realizable value below cost and records a write-down as necessary. Such reviews require assessments and changes in the assessments may cause changes in inventory measurement in future periods.

EUR 1,000	31 Dec 2024	31 Dec 2023
Raw materials and consumables	37,258.6	38,605.4
Work in progress	1,422.4	806.1
Finished products	18,815.0	12,173.2
Total	**57,496.0**	**51,584.7**

Inventory write-downs recognised as an expense amounted to EUR 2,302.0 (3,500.7) thousand.

3.5 TRADE AND OTHER CURRENT RECEIVABLES

Trade receivables

EUR 1,000	31 Dec 2024	31 Dec 2023
Trade receivables	35,640.9	38,261.2
Loss allowance provision	-5,197.1	-2,880.9
Total	**30,443.7**	**35,380.3**

Prepaid expenses and accrued income

EUR 1,000	31 Dec 2024	31 Dec 2023
Accrued goverment grants	1,776.6	356.7
Contract assets (sales accruals)	3,148.5	395.4
IT costs paid in advance	922.5	934.7
Other costs paid in advance	2,237.1	1,699.0
Income tax receivables	247.6	377.4
Derivatives	84.2	439.1
Total	**8,416.6**	**4,202.2**

Other receivables

EUR 1,000	31 Dec 2024	31 Dec 2023
VAT receivables	1,065.3	2,071.7
Other receivables	588.1	450.1
Total	**1,653.4**	**2,521.8**

3.6 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Trade payables

EUR 1,000	31 Dec 2024	31 Dec 2023
Trade payables	29,665.0	31,678.4
Total	**29,665.0**	**31,678.4**

Accruals and deferred income

EUR 1,000	31 Dec 2024	31 Dec 2023
Employee benefit accruals	11,685.0	10,446.3
Income tax liability	921.0	1,964.1
Contract liabilities (sales accruals)	6,765.7	4,115.3
IT cost accruals	625.1	776.5
Administration cost accruals	311.0	951.4
Other operating expense accruals	5,246.6	3,125.9
Derivatives	330.3	290.8
Other accruals	5.2	5.3
Total	**25,889.9**	**21,675.5**

Other current liabilities

EUR 1,000	31 Dec 2024	31 Dec 2023
VAT payables	2,095.5	94.0
Withholding tax and social security charge payables	1,390.1	927.6
Other payables	0.5	1,090.6
Total	**3,486.1**	**2,112.2**

3.7 PROVISIONS

Accounting principles

Provisions are recognized, when the Group has a legal or constructive obligation resulting from a past event, a payment obligation is likely to arise, and the amount of obligation can be reliably estimated. Provision amounts are reviewed on each balance sheet date and adjusted to reflect the current best estimate. The Group's provisions are mainly warranty provisions based on the volume of actual warranty work in the past. The Group generally applies a 24-month warranty period from the date of commissioning or at maximum 30 months from the date of shipment.

The projected amount of warranty provision is based on past experience from actual warranty work and the costs arising from it. Should the actual costs of warranty work exceed the said provision, such excess will be recognized as an expense. If the actual costs of warranty work fall below the provision, the difference will be recognized as profit.

Critical accounting judgements:
The Group recognizes provision for warranty work based on past experience from actual warranty work. The amount of provision is reviewed regularly and adjusted where necessary to reflect the best estimate at the time of review. The actual costs may differ from the estimates.

EUR 1,000	Warranty provisions	Provision for onerous purchase agreements	Total
Provisions at 1 Jan 2024	**13,351.7**	**825.1**	**14,176.8**
Additions	17,545.1	217.0	17,762.1
Provisions used	-16,759.0	-825.1	-17,584.0
Provisions at 31 Dec 2024	**14,137.8**	**217.0**	**14,354.9**
Carrying amounts of provisions			
Non-current	6,017.4		6,017.4
Current	8,120.4	217.0	8,337.4
	14,137.8	**217.0**	**14,354.9**

EUR 1,000	Warranty provisions	Provision for onerous purchase agreements	Total
Provisions at 1 Jan 2023	**2,443.5**		**2,443.5**
Additions	18,327.4	825.1	19,152.4
Provisions used	-7,419.1		-7,419.1
Provisions at 31 Dec 2023	**13,351.7**	**825.1**	**14,176.8**
Carrying amounts of provisions			
Non-current	3,772.6		3,772.6
Current	9,579.2	825.1	10,404.2
	13,351.7	**825.1**	**14,176.8**

Provisions have not been discounted to present value due to immateriality of discounting effect.

4 Capital structure and financial risks

4.1 SHAREHOLDERS' EQUITY

Accounting principles

The Group's equity consists of share capital, invested unrestricted equity fund, other reserves, treasury shares, translation differences, and retained earnings.

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 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. 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.

Treasury shares

Consideration paid for the purchase of treasury shares is recognized directly in equity. The cost of treasury shares is presented as a separate reserve reducing the unrestricted equity of the Company.

Invested unrestricted equity fund

The subscription price of new shares is recorded in the reserve for invested unrestricted equity unless it is decided in the share issue resolution to be recorded partly or fully into share capital. Contributions to the reserve for invested unrestricted equity can also be made without a share issue. Transaction costs directly related to the issue of new shares and the funds raised are recognized as net in the reserve for invested unrestricted equity.

Translation difference

Translation difference contains the translation differences arising from the conversion of the acquired equity and the financial statements consolidated of foreign subsidiaries. The change in translation difference is presented in other comprehensive income.

EUR 1,000	Outstanding shares (pcs)	Own shares (pcs)	Total registered shares (pcs)
1 Jan 2023	**55,418,286**	**124,634**	**55,542,920**
Acquisition of own shares	-140,540	140,540	
31 Dec 2023	**55,277,746**	**265,174**	**55,542,920**
Acquisition of own shares	-4,050	4,050	
31 Dec 2024	**55,273,696**	**269,224**	**55,542,920**

The Board's proposal for the distribution of profit

The parent company's distributable funds (unrestricted equity) on 31 December 2024 are EUR 86,269,373.83 of which the period net loss is EUR 34,058,408.87. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the fiscal year.

4.2 FINANCIAL RISK MANAGEMENT

Accounting principles

Kempower is exposed to several types of financial risks: foreign currency, interest, financing, liquidity, credit, and counterparty risks. The most significant risks relate to foreign currency, credit, and liquidity risks. The Group observes a uniform treasury policy that has been approved by the Company's Board of Directors. The Group's Chief Financial Officer is responsible for the management of financial risks. The objective of risk management is to mitigate all possible financial risks where financially reasonable.

Capital management and liquidity risk

Kempower's capital management aims to maintain the ongoing availability of sufficient financial resources for the Group's operating activities. To maintain or to change its capital structure the Group can issue new shares, get financing through borrowings, or make changes to the execution of the planned growth investments.

The Group's management monitors capital based on net debt. In the calculation of net debt, the Group includes interest bearing liabilities deducted with cash and cash equivalents and current financial assets. Interest bearing liabilities include loans from financial institutions and lease liabilities.

Foreign currency risk

Kempower conducts its business in several countries in addition to which the Company makes purchases from several countries. This exposes the Group to different foreign currency risks. Foreign currency risks arise from net investments in subsidiaries outside the euro zone (translation risk), and foreign currency denominated assets, liabilities and expected business transactions (transaction risk). The Group is mainly exposed to foreign currency risks related to USD, GBP, NOK, SEK and CAD currencies. The financing of each Group company is organized in the Group company's operating currency. The parent company bears the foreign currency risk related to the financing of the Group companies. The risk is primarily hedged with derivative instruments.

Interest risk

The changes in interest rates to Kempower's financial items affect the deposits, money market investments, utlized bank overdrafts and other financial liabilities. The investment portfolio is subject to interest rate risk, which is managed with the duration of the portfolio.

Credit and counterparty risk

To manage its credit risk Kempower has drafted a credit policy stating the requirements regarding the customers' credit rating and defining the principles of sales on credit. The Group has insured a part of its trade receivables and sold some of its trade receivables.

Trade receivables are recognized initially at fair value and subsequently at their anticipated realizable value with an estimate made for loss allowance on expected credit losses. To measure expected credit losses the Group applies the IFRS 9 simplified approach which uses a lifetime expected loss allowance for all trade receivables and contract assets.

No credit losses are expected from the part of trade receivables covered by credit insurance, and this part is therefore excluded from the calculation of the expected credit loss allowance. At the end of the financial year 2024 credit insurance covered 26 percent (-) of trade receivables, and it resulted in a decrease of the expected credit loss allowance of EUR 122 thousand (-).

The different credit risk embedded in different customer groups is considered when setting the expected loss rates used for determining expected credit loss allowance by dividing the customers into higher credit risk and lower credit risk customers. A higher expected loss rate is used for determining the credit loss allowance for the trade receivables related to higher credit risk customers than for those related to lower credit risk customers.

In addition, an impairment loss is recognized when there is evidence of insolvency, bankruptcy, or liquidation of a creditor.

The impairment of trade receivables is recognized as an expense in other operating expenses. Reversals of earlier impairment losses are recognized as a reduction of other operating expenses.

The expected credit losses are based on assumptions of likely payment defaults and on expected credit loss rates. Judgment is exercised when making these assumptions and choosing the input information used in estimating expected credit losses. The judgment is based on historical information, prevailing market conditions and forward-looking assumptions made at the end of each financial period.

Kempower uses factoring arrangements as one of the working capital management tools. Sold trade receivables are derecognized once significant related risks and rewards of ownership have been transferred to the buyer.

Capital management

EUR 1000	31 Dec 2024	31 Dec 2023
Net debt	-23,845.2	-74,569.4
Total equity	111,847.8	132,927.3
Net debt/equity ratio	**-21.3%**	**-56.1%**

Net debt includes lease liabilities and loans from financial institutions deducted by cash and cash equivalents and current financial assets. The Group's net debt is negative.

Credit risk

Credit risk and counterparty risk

Aging of receivables and expected credit loss allowance 31 Dec 2024

EUR 1,000	Not past due	1–30 days past due	31–60 days past due	61–90 days past due	91–120 days past due	121–180 days past due	181–360 days past due	Over 360 days past due	Total
Expected credit loss allowance for trade receivables									
Gross carrying amount - trade receivables for higher credit risk customer groups	14,359.6	2,773.5	769.6	386.9	246.2	876.1	3,170.3	191.4	22,773.5
Gross carrying amount - trade receivables for lower risk customer groups	7,103.5	2,968.0	1,262.6	119.8	8.1	703.5	0.8	701.1	12,867.4
Trade receivables gross carrying amount total	**21,463.0**	**5,741.5**	**2,032.1**	**506.7**	**254.3**	**1,579.6**	**3,171.1**	**892.5**	**35,640.9**
Expected credit loss allowance - trade receivables for higher credit risk customer groups	63.2	67.1	32.9	32.0	79.2	517.1	3,170.3	191.4	4,153.3
Expected credit loss allowance - trade receivables for lower credit risk customer groups	2.0	8.3	2.6	9.6	1.2	318.3	0.8	701.1	1,043.8
Expected credit loss allowance for trade receivables	**65.2**	**75.4**	**35.6**	**41.6**	**80.4**	**835.4**	**3,171.1**	**892.5**	**5,197.1**
Expected credit loss allowance for contract assets									
Gross carrying amount - contract assets for higher credit risk customer groups	3,245.9								3,245.9
Gross carrying amount - contract assets for lower risk customer groups	174.6								174.6
Contract assets gross carrying amount total	**3,420.4**								**3,420.4**
Expected credit loss allowance - contract assets for higher credit risk customer groups	97.4								97.4
Expected credit loss allowance - contract assets for lower credit risk customer groups	174.6								174.6
Expected credit loss allowance for contract assets total	**272.0**								**272.0**
Expected credit loss allowance total	**337.1**	**75.4**	**35.6**	**41.6**	**80.4**	**835.4**	**3,171.1**	**892.5**	**5,469.1**
Trade receivables net amount	21,397.9	5,666.1	1,996.6	465.0	173.9	744.3			**30,443.7**
Contract assets net amount	3,148.5								**3,148.5**

Aging of receivables and expected credit loss allowance 31 Dec 2023*

EUR 1,000	Not past due	1–30 days past due	31–60 days past due	61–90 days past due	91–120 days past due	121–180 days past due	181–360 days past due	Over 360 days past due	Total
Expected credit loss allowance for trade receivables									
Gross carrying amount - trade receivables for higher credit risk customer groups	21,994.5	6,288.2	1,960.2	480.7	2,133.7	0.2			32,857.4
Gross carrying amount - trade receivables for lower risk customer groups	3,371.9	1,092.0	326.6	1.6	13.4	577.1	21.1		5,403.8
Trade receivables gross carrying amount total	**25,366.4**	**7,380.2**	**2,286.8**	**482.2**	**2,147.1**	**577.3**	**21.1**		**38,261.2**
Expected credit loss allowance - trade receivables for higher credit risk customer groups	668.5	440.2	254.8	120.2	1,066.9	0.2	21.1		2,571.8
Expected credit loss allowance - trade receivables for lower credit risk customer groups	1.7	5.5	9.8	0.2	3.4	288.6			309.1
Expected credit loss allowance for trade receivables	**670.1**	**445.6**	**264.6**	**120.4**	**1,070.2**	**288.7**	**21.1**		**2,880.9**
Expected credit loss allowance for contract assets									
Gross carrying amount - contract assets for higher credit risk customer groups	687.5								687.5
Gross carrying amount - contract assets for lower risk customer groups	89.8								89.8
Contract assets gross carrying amount total	**777.3**								**777.3**
Expected credit loss allowance - contract assets for higher credit risk customer groups	372.4								372.4
Expected credit loss allowance - contract assets for lower credit risk customer groups	9.5								9.5
Expected credit loss allowance for contract assets total	**381.9**								**381.9**
Expected credit loss allowance for trade receivables and contract assets total	**1,052.0**	**445.6**	**264.6**	**120.4**	**1,070.2**	**288.7**	**21.1**		**3,262.8**
Trade receivables net amount	24,696.3	6,934.6	2,022.1	361.9	1,076.9	288.6			**35,380.3**
Contract assets net amount	395.4								**395.4**

*The presentation of credit loss allowance as of 31 Dec 2023 has been adjusted.

Movements of the expected credit loss allowance:

EUR 1,000	2024	2023
Expected loss allowance at 1 Jan	**3,262.8**	**146.3**
Increase/decrease in expected credit loss allowance recognized in profit or loss during the year	2,296.5	3,111.1
Credit losses realized	-75.8	
Translation differences	-14.3	5.3
Credit loss allowance at 31 Dec	**5,469.1**	**3,262.8**

Liquidity risk

Group's contractual maturity repayments on financial liabilities at the end of 2024

EUR 1,000	2025	2026	2027	2028–thereafter	Total
Trade payables	29,665.0				29,665.0
Accruals for trade payables	6,182.7				6,182.7
Other non-interest-bearing liabilities	0.5				0.5
Derivatives - Capital inflow	-36,827.8				-36,827.8
Derivatives - Capital outflow	37,073.8				37,073.8
Loans from financial institutions including interest costs	10,067.9	2,607.0	147.0	39.7	12,861.6
Lease liabilities including interest costs	9,289.3	8,057.3	6,549.2	11,673.0	35,568.7
Total	**55,451.4**	**10,664.3**	**6,696.2**	**11,712.7**	**84,524.5**

Kempower has purchase commitments amounting to EUR 23,410.0 thousand that are classified as conventional purchase agreements not within the scope of IFRS 9 and therefore not presented in the table above. The amount of purchase commitments maturing in 2025 is EUR 20,754.2 thousand and the amount of purchase commitments maturing in 2026 is EUR 2,655.8 thousand.

Kempower finances the contractual maturity repayments primarily with cash flow from operating activities. The Group can also utilize its cash and cash equivalents amounting to EUR 16,186.1 thousand at the end of the financial year 2024, its money market investments (other financial assets classified as fair value through profit and loss) amounting to EUR 49,223.2 thousand at the end of the financial year 2024 as well as the unused bank account and revolving credit facilities amounting to EUR 48,947.2 thousand at the end of the financial year 2024.

Group's contractual maturity repayments on financial liabilities at the end of 2023

EUR 1,000	2024	2025	2026	2027–thereafter	Total
Trade payables	31,678.4				31,678.4
Accruals for trade payables	4,853.8				4,853.8
Other non-interest-bearing liabilities	1,090.6				1,090.6
Derivatives - Capital inflow	-48,091.4				-48,091.4
Derivatives - Capital outflow	47,943.1				47,943.1
Lease liabilities including interest costs	6,729.7	6,092.8	5,078.3	13,474.7	31,375.5
Total	**44,204.2**	**6,092.8**	**5,078.3**	**13,474.7**	**68,850.0**

Foreign exchange risk

Translation risks

The Group's translation exposure to net investments in subsidiaries outside the euro zone at the end of 2024

EUR 1,000	USD	NOK	GBP	SEK	AUD	PLN
Net investment	-818.1	2,551.8	1,839.9	1,442.5	377.6	593.7

The Group's translation exposure to net investments in subsidiaries outside the euro zone at the end of 2023

EUR 1,000	USD	NOK	GBP	SEK	AUD	PLN
Net investment	-157.9	1,831.6	1,224.7	982.1	137.1	408.5

The following table shows how a 10% weakening or strengthening of the functional currencies of the Group companies against the euro would affect the Group's equity.

Sensitivity analysis, impact on equity as at 31 Dec 2024

EUR 1,000	USD	NOK	GBP	SEK	AUD	PLN
Weakening 10%	74.4	-232.0	-167.3	-131.1	-34.3	-54.0
Strengthening 10%	-90.9	283.5	204.4	160.3	42.0	66.0

Sensitivity analysis, impact on equity as at 31 Dec 2023

EUR 1,000	USD	NOK	GBP	SEK	AUD	PLN
Weakening 10%	14.4	-166.5	-111.3	-89.3	-12.5	-37.1
Strengthening 10%	-17.5	203.5	136.1	109.1	15.2	45.4

Transaction risks

International sales and purchasing activities and foreign currency denominated financing to subsidiaries expose the Group to transaction risks. The currency specific transaction risk exposure comprises foreign currency denominated receivables and liabilities in the balance sheet and foreign subsidiaries' receivables and liabilities with respect to the parent company.

The Group's transaction risk as at 31 Dec 2024

EUR 1,000	USD	NOK	GBP	SEK	CAD
Transaction risk	12,630.1	18.3	-885.2	-1,750.3	707.3
Hedging derivatives	-14,727.1	200.0	620.6	1,077.8	-1,248.5
Open exposure	-2,097.0	218.3	-264.6	-672.6	-541.2

The Group's transaction risk as at 31 Dec 2023

EUR 1,000	USD	NOK	GBP	SEK	CAD
Transaction risk	9,901.7	-159.3	8,277.7	-784.6	691.8
Hedging derivatives	-12,145.6	-242.1	-7,594.5		-2,071.8
Open exposure	-2,243.9	-401.4	683.2	-784.6	-1,380.0

The following table shows how a 10% weakening or strengthening of the foreign currencies against the euro would affect the Group's pre-tax profit/loss through the foreign currency transaction position.

Sensitivity analysis, impact on pre-tax profit/loss as at 31 Dec 2024

EUR 1,000	USD	NOK	GBP	SEK	CAD
Weakening 10%	190.6	-19.8	24.1	61.1	49.2
Strengthening 10%	-233.0	24.3	-29.4	-74.7	-60.1

Sensitivity analysis, impact on pre-tax profit/loss as at 31 Dec 2023

EUR 1,000	USD	NOK	GBP	SEK	CAD
Weakening 10%	204.0	36.5	-62.1	71.3	125.5
Strengthening 10%	-249.3	-44.6	75.9	-87.2	-153.3

4.3 FINANCIAL ASSETS AND LIABILITIES

Accounting principles

The Company has classified the hierarchies of financial assets according to the availability of data on market terms and other price data. The Group uses generally accepted valuation models to determine the fair values of these instruments, and the input data for these models is based in significant part on observable market data.

The level in the fair value hierarchy at which a certain item measured at fair value is classified overall is determined on the basis of the significant input data on the lowest level with regard to the entire item measured at fair value. The significance of input data is evaluated in its entirety in relation to the item valued at fair value.

The instruments at level 1 of the hierarchy are traded in active markets and their fair values are directly based on quoted market prices. The Group mainly uses valuations provided by its asset management partners as a source of price data. The fair values of level 2 instruments, in significant part, are based on other input data than the quoted prices included in level 1, although the data can be obtained either directly (as a price) or indirectly (as a derivative of the price). To determine the fair value of these instruments, the Group utilizes generally accepted valuation models, which use input data that is, in significant part, based on observable market data. The fair value of instruments at level 3 is not based on observable market data (inputs not observable).

Financial assets

The Group's financial assets are classified either as measured at amortized cost, measured at fair value through profit or loss or measured at fair value through other comprehensive income. The financial assets are classified in the context of their initial acquisition. At initial recognition, the Group measures a financial asset at its fair value. Financial assets are subsequently measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss. The purchases and sales of financial assets are recognized in the balance sheet on the transaction date when the Group commits to buy or sell a financial instrument. Financial assets are derecognized when the Group has lost its contractual right to cash flows or when it has materially transferred the risks and returns outside the Group.

Financial assets and liabilities measured at fair value through profit or loss comprise forward exchange contracts hedging against currency risks associated with foreign currency denominated procurement agreements and short-term money market investments. Derivative instruments and money market investments are measured at fair value, and all valuation changes are recognized in the income statement for the period during which they occur. Changes in the value of forward contracts are calculated by measuring the contracts against the forward exchange rates on the balance sheet date and comparing them with the counter values calculated through the forward exchange rates on the date of entry into the forward contracts. A derivative with a positive fair value is recognized in "prepaid expenses and accrued income" whereas a derivative with a negative fair value is recognized in "accruals and deferred income". Hedge accounting has not been applied to derivative contracts.

Financial assets measured at amortized cost comprise ordinary trade receivables, other receivables and cash and cash equivalents. Trade receivables are measured at amortized cost less any impairment losses. In measuring trade receivables, Kempower has applied the simplified approach involving expected credit losses as laid down in IFRS 9, according to which a deduction is recognized on all trade receivables based on lifetime expected credit losses. Impairment of trade receivables is recognized as an expense in other operating expenses. Impairment of trade receivables is presented in note 4.2.

Other financial assets include money market investments measured at fair value through profit or loss. Cash and cash equivalents consist of bank account funds, some of which are foreign currency denominated. Changes in the valuation of foreign-currency-denominated bank account funds occur when the funds are translated into the exchange rate of the closing date. Exchange rate gains and losses are recognized as profit or loss in financial income and expenses.

Financial liabilities

The Group's financial liabilities are classified as liabilities measured at amortized cost. At initial recognition, the Group measures a financial liability at fair value less transaction costs. Financial liabilities are subsequently classified as measured at amortized cost using the effective interest method or measured at fair value through profit or loss. The drawdowns of financial liabilities as well as purchases and sales thereof are recognized in the balance sheet on the contract date of the contract that pertains to them. A financial liability is derecognized when the obligation specified in the contract has been fulfilled or revoked, or its validity has discontinued. Financial liabilities are classified as non-current, if they are payable beyond 12 months, and they are classified as current, if they are payable within 12 months.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date. The Group has a covenant in its current loans stating that the gearing ratio of the Group has to remain under 100 percent. The Group has complied with the covenant throughout the reporting period and does not expect to have difficulty in complying with it in the following financial period.

The Group's lease liabilities and trade payables are classified as liabilities measured at amortized cost. Trade payables and other payables are classified as current liabilities, unless the Group has an unconditional right to push back their repayment to a point in time that is at least 12 months beyond the end of the financial period, in which case they would be classified as non-current liabilities.

Derivatives are included in financial liabilities measured at fair value through profit or loss. Kempower's derivative instruments are discussed in more detail in the Financial assets section.

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

31 Dec 2024 EUR 1,000	Fair value through profit or loss	Amortized cost	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets							
Non-current deposits		48.1	48.1	48.1			
Current financial assets							
Trade receivables		30,443.7	30,443.7	30,443.7			
Other receivables		588.1	588.1	588.1			
Derivatives	84.2		84.2	84.2		84.2	
Other financial assets	49,223.2		49,223.2	49,223.2	49,223.2		
Cash and cash equivalents		16,186.1	16,186.1	16,186.1			
Total financial assets	**49,307.4**	**47,266.1**	**96,573.5**	**96,573.5**	**49,223.2**	**84.2**	
Non-current financial liabilities							
Lease liabilities		22,403.9	22,403.9	22,403.9			
Loans from financial institutions		2,658.5	2,658.5	2,658.5			
Current financial liabilities							
Lease liabilities		6,822.3	6,822.3	6,822.3			
Loans from financial institutions		9,679.4	9,679.4	9,679.4			
Trade payables		29,665.0	29,665.0	29,665.0			
Derivatives	330.3		330.3	330.3		330.3	
Other non-interest-bearing liabilities		0.5	0.5	0.5			
Total financial liabilities	**330.3**	**71,229.5**	**71,559.8**	**71,559.8**		**330.3**	

31 Dec 2023 EUR 1,000	Fair value through profit or loss	Amortized cost	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets							
Non-current deposits		1,401.9	1,401.9	1,401.9			
Current financial assets							
Trade receivables		35,380.3	35,380.3	35,380.3			
Other receivables*		450.1	450.1	450.1			
Derivatives	439.1		439.1	439.1		439.1	
Other financial assets	72,430.3		72,430.3	72,430.3	72,430.3		
Cash and cash equivalents		27,354.9	27,354.9	27,354.9			
Total financial assets	**72,869.4**	**64,587.3**	**137,456.6**	**137,456.6**	**72,430.3**	**439.1**	
Non-current financial liabilities							
Lease liabilities		20,511.0	20,511.0	20,511.0			
Current financial liabilities							
Lease liabilities		4,704.8	4,704.8	4,704.8			
Trade payables		31,678.4	31,678.4	31,678.4			
Derivatives	290.8		290.8	290.8		290.8	
Other non-interest-bearing liabilities*		1,090.6	1,090.6	1,090.6			
Total financial liabilities	**290.8**	**57,984.8**	**58,275.6**	**58,275.6**		**290.8**	

*Comparison data Dec 31 2023 has been adjusted.

Fair values of derivative contracts, EUR 1,000	31 Dec 2024 Derivative assets	31 Dec 2024 Derivative liabilities	31 Dec 2024 Fair value, net	31 Dec 2023 Derivative assets	31 Dec 2023 Derivative liabilities	31 Dec 2023 Fair value, net
Foreign currency derivatives	84.2	330.3	-246.1	439.1	290.8	148.3

Notional principal amounts of derivative contracts, EUR 1,000	31 Dec 2024	31 Dec 2023
Foreign currency derivatives	37,090.8	47,846.4

Unused credit facilities, EUR 1,000	31 Dec 2024	31 Dec 2023
Bank overdraft facility, payable at call		
Amount used	6,052.8	
Amount unused	18,947.2	15,000.0
Green Revolving Credit Facility, payable at call		
Amount used		
Amount unused	30,000.0	
Unused credit facilities total	**48,947.2**	**15,000.0**

Changes in liabilities arising from financing activities

	Liabilities from financing activities				
EUR 1,000	Non-current loans from financial institutions	Current loans from financial institutions	Non-current lease liabilities	Current lease liabilities	Total
Interest-bearing liabilities as at 1 January 2023			**13,269.5**	**2,383.0**	**15,652.5**
Cash flows 2023				-3,677.8	-3,677.8
New and changed leases 2023			11,149.4	2,262.1	13,411.5
Other non-cash movements 2023			-3,907.9	3,737.4	-170.4
Interest-bearing liabilities as at 31 Dec 2023			**20,511.0**	**4,704.8**	**25,215.8**
Cash flows 2024	2,658.5	9,679.4		-6,128.8	6,209.1
New and changed leases 2024			7,652.8	2,532.6	10,185.4
Other non-cash movements 2024			-5,760.0	5,713.8	-46.2
Interest-bearing liabilities as at 31 Dec 2024	**2,658.5**	**9,679.4**	**22,403.9**	**6,822.3**	**41,564.1**

5 Other notes

5.1 SHARE-BASED PAYMENTS

Accounting principles

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 could not 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.

Stock option program 2021

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 were given.

Share-based incentive programs

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 percent 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 percent 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 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. 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 percent 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 percent 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. The new savings period commenced on 1 April 2024 and ended on 31 March 2025.

In addition, Kempower has established a Synthetic Share Unit Plan which is a synthetic cash-based version of the Employee Share Savings Plan for Kempower employees in certain countries where the regular plan is not feasible.

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. The reward will be paid partly in Kempower's shares and partly in cash, which is used to cover income taxes and social charges.

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 CO_2 emission reduction per Revenue in 2024-2026. Growing revenue together with a growing order intake indicates that there are more EV charging infrastructure units installed to help the growth of more sustainable transportation and the resultant moving away from fossil fuels, and the therefore lowering of the CO_2 emissions in transportation in general. 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. 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 of the reward 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.

Recognition of share and option arrangements
The benefits granted in share and stock option arrangements are measured at fair value at the time of their granting and are recognized as an expense in the income statement for the period during which the entitlement arises. The terms and conditions based on performance of service are not considered at the fair value of the benefit on the date of its granting; instead, their actual outcomes are assessed, and they are considered by adjusting both the number of those equity instruments to which an entitlement is expected to arise and the amount thereby to be recognized as expense. An expense will be recognized cumulatively only with respect to those instruments granted to which an entitlement arises. The profit and loss effect of share and stock option arrangements is presented in personnel expenses, and the corresponding increase is presented in equity. When an arrangement has a net-settlement feature the arrangement is classified in its entirety as an equity-settled share-based payment.

The expense determined at the time when the shares and stock options were granted is based on the Group's estimate of the number of those shares and stock options to which an entitlement is expected to arise during the earning period. The Group annually updates the assumption on the ultimate number of shares and stock options. The changes in valuations are treated as profit or loss. The fair value of the stock option arrangements is determined based on the Black-Scholes option pricing model. When stock options are exercised, the funds gained from share subscriptions are recognized in the invested unrestricted equity fund. Shares are measured at fair value at the share price of the date of their granting. The Monte Carlo simulation is used to determine the fair value of such share arrangements, which include the Total Shareholder Return as an earning criterion.

In the share purchase arrangement, the personnel were granted an entitlement to subscribe shares at a reduced price. The shares subscribed have been measured at fair value applying the share price of the date of their granting, and the difference between the subscription price and the fair value is recognized as an expense for the earning period of the benefit.

Critical accounting judgements:
The Group recognizes the costs related to share-based payments in the income statement. In connection with share options, the Group's management makes estimates related to aspects of the option pricing model, such as expected volatility, the estimated number of options, and the expected option exercise date. In connection with share-based incentive plans the Group's management makes estimates on the number of shares likely to be granted.

Plan	Directed share issue to personnel*	Stock Options 2021*	Performance Share Plan 2022–2024	Performance Share Plan 2023–2025	Employee Share Savings Plan 2023–2026**	Synthetic Share Unit Plan 2023–2026***	Performance Share Plan 2024–2026	Employee Share Savings Plan 2024–2027**	Synthetic Share Unit Plan 2024–2027***	Restricted Share Unit Plan 2024–2027	Total
Type	Share	Option	Share	Share	Share	Cash	Share	Share	Cash	Share	
Initial amount, pcs*	540,000	108,000	165,000	206,200			219,400	34,130		20,000	1,292,730
Initial amount, EUR					1,300,000						1,300,000
The subscription ratio for underlying shares, pcs		1									
Initial excercise price, EUR*	1.8519	1.85									
Dividend adjustment	No	Yes	No	No	No	No	No	No	No	No	
Current exercise price, EUR		1.85									
Grant date	26 Nov 2021	19 Nov 2021	1 Apr 2022	1 Apr 2023	1 Apr 2023	1 Dec 2023	30 Apr 2024	1 Apr 2024	1 Apr 2024	16 Dec 2024	
Performance period start date			1 Jan 2022	1 Jan 2023			1 Jan 2024				
Performance period end date			31 Dec 2024	31 Dec 2025			31 Dec 2026				
Vesting date	31 Dec 2024	31 Dec 2024	31 May 2025	31 May 2026	31 Mar 2026	31 Mar 2026	31 May 2027	31 Mar 2027	31 Mar 2027	31 May 2028	
Maturity date		15 Dec 2025									
Vesting conditions	Employment	Employment	Total Shareholder Return during performance period, Group Revenue 2024, Employment	Total Shareholder Return during performance period, Group Revenue 2023-2025, Employment	Share Ownership, Employment	Synthetic Share Unit Ownership, Employment	Total Shareholder Return during performance period, Group Revenue in 2024–2026, CO_2 emission reduction, Employment	Share Ownership, Employment	Synthetic Share Unit Ownership, Employment	Employment	
Number of persons at 31 Dec 2024	76	25	20	40	468	4	49	367	4	1	

* Initial amount for Directed share issue to personnel and Stock Options 2021 has been adjusted by the share split carried out in November 2021.

** Initial amount is the estimated maximum amount or expense of the plan. The final amount or expense depends on the employees' participation and savings rate in the plan, and the fulfilment of the prerequisites for receiving matching shares, as well as the number of shares acquired from the market with savings.

*** Synthetic Share Unit Plan is a synthetic cash based version of the Empoyee Share Savings Plan for Kempower employees in certain countries where the regular plan is not feasible. The final amount or expense depends on the employees' participation and savings rate in the plan, and the fulfilment of the prerequisites for receiving matching share units, as well as the development of the share price.

Changes during the period	Directed share issue to personnel*	Stock Options 2021*	Performance Share Plan 2022–2024**	Performance Share Plan 2023–2025	Employee Share Savings Plan 2023–2026	Synthetic Share Unit Plan 2023–2026	Performance Share Plan 2024–2026	Employee Share Savings Plan 2024–2027	Synthetic Share Unit Plan 2024–2027	Restricted Share Unit Plan 2024–2027	Total
Outstanding at 1 Jan 2023	297,972	101,466	109,000								508,438
Granted			18,500	180,600	12,038						211,138
Forfeited	540				166						706
Outstanding at 31 Dec 2023	297,432	101,466	127,500	180,600	11,872						718,870
Outstanding at 1 Jan 2024	297,432	101,466	127,500	180,600	11,872						718,870
Granted				3,200	11,962	269	192,800	22,262	907	7,000	238,399
Forfeited	4,050	1,944	11,000	7,800	726			106			25,626
Exercised	293,382										293,382
Outstanding at 31 Dec 2024		99,522	116,500	176,000	23,107	269	192,800	22,157	907	7,000	638,261
Vested and Outstanding at 31 Dec 2024		99,522									99,522

* Directed share issue to personnel and Stock Options 2021 adjusted by the share split carried out in November 2021.
** Performance Share Plan 2022-2024 presented at target level 100% out of 125% at ultimate maximum level.

Fair value determination for instruments granted during the period	Performance Share Plan 2023–2025	Employee Share Savings Plan 2023–2026	Synthetic Share Unit Plan 2023–2026	Performance Share Plan 2024–2026	Employee Share Savings Plan 2024–2027	Synthetic Share Unit Plan 2024–2027	Restricted Share Unit Plan 2024–2027
Share price at grant date, EUR	21.32	20.54	21.00	18.85	12.35	12.68	8.74
Share price at 31 Dec 2024, EUR	9.68	9.68	9.68	9.68	9.68	9.68	9.68
Expected dividends, EUR							
Additional Monte Carlo simulation parameters							
Exercise price, EUR							
Expected volatility*	59.77%			59.95%			
Maturity, years	1.72			2.73			
Risk-free rate	3.13%			3.18%			
Valuation model	Monte Carlo simulation with Geometric Brownian Motion			Monte Carlo simulation with Geometric Brownian Motion			
Fair value for the market based portion, EUR	12.45			8.68			

* Expected volatility was determined by using annualized daily return volatilities of Company shares .

The impact of share-based payment plans on Group's profit/loss for 2024 was EUR -2,295.5 thousand (EUR -2,370.3 thousand).

5.2 RELATED PARTY TRANSACTIONS

Accounting principles

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 the Global 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 administration 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.

Compensation of the members of the Board of Directors

EUR 1,000	2024	2023
Vesa Laisi, Chair	98.1	44.0
Antti Kemppi, Vice Chair	81.3	51.5
Teresa Kemppi-Vasama, Member	63.8	41.5
Olli Laurén, Member (30 Mar 2023 onwards)	75.4	35.8
Tuula Rytilä, Member (28 Aug 2023 onwards)	66.3	14.2
Eriikka Söderström, Member	72.0	46.5
Barbara Thierart-Perrin, Member (8 Jul 2024 onwards)	34.9	
Tero Era, Member (until 27 Mar 2024)	11.8	41.5
Juha-Pekka Helminen, Member (until 30 Mar 2023)		11.8
Kimmo Kemppi, Member (until 27 Mar 2024)	11.8	41.0
Total	**515.2**	**327.7**

Compensation paid to the CEO and to the members of the Leadership Team

EUR 1,000	CEO	Leadership team	Total
2024			
Salaries and other short-term employee benefits	477.6	2,133.2	2,610.8
Post-employment benefits	89.3	226.9	316.2
Share-based payments	123.2	325.1	448.3
Total	**690.1**	**2,685.2**	**3,375.3**
2023			
Salaries and other short-term employee benefits	493.5	1,401.9	1,895.4
Post-employment benefits	92.3	262.2	354.4
Share-based payments	139.9	613.3	753.2
Total	**725.6**	**2,277.4**	**3,003.0**

Related party transactions

EUR 1,000	2024	2023
Sales and purchases of goods and services to and from Kemppi Group companies		
Products sold	4,150.4	400.2
Purchased materials	-26,625.2	-44,051.6
Purchased administration and support services	-79.1	-73.7
Office and facility lease	-1,863.2	-2,336.4
Sales and purchases of goods and services to and from other related parties		
Products sold	4.8	
Purchased services	-41.9	

EUR 1,000	31 Dec 2024	31 Dec 2023
Outstanding balances with Kemppi Group companies		
Trade and other receivables	403.4	165.8
Total current receivables	**403.4**	**165.8**
Lease liabilities	10,278.1	11,572.3
Total non-current liabilities	**10,278.1**	**11,572.3**
Lease liabilities	1,569.5	1,495.6
Trade payables	7,283.8	6,724.2
Prepaid expenses and accrued income and other liabilities	67.4	
Total current liabilities	**8,920.8**	**8,219.8**
Commitments to Kemppi Group companies		
Purchase commitments to Kemppi Group companies	3,289.0	4,442.0
Total commitments	**3,289.0**	**4,442.0**

5.3 COMMITMENTS

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

EUR 1,000	2024	2023
Purchase commitments to Kemppi Group companies	3,289.0	4,442.0
Purchase commitments to other companies	23,823.0	15,780.0
Commitments to leases commencing after the balance sheet date		2,175.5
Guarantees given on own behalf	2,118.7	1,421.6
Commitments total	**29,230.7**	**23,819.2**

Purchase commitments to other companies have been adjusted for the comparison year 2023.

5.4 GROUP STRUCTURE

Company name	Domicile	Ownership, %
Kempower AB	Sollentuna, Sweden	100%
Kempower AS	Nannestad, Norway	100%
Kempower Australia Pty Limited	Sydney, Australia	100%
Kempower B.V.	Amsterdam, Netherlands	100%
Kempower Canada Inc.	Toronto, Ontario, Canada	100%
Kempower Charging Limited	Hemel Hempstead, the United Kingdom	100%
Kempower Charging Spain S.L.U.	Barcelona, Spain	100%
Kempower GmbH	Bergisch Gladbach, Germany	100%
Kempower Inc.	Durham, North Carolina, the United States	100%
Kempower International Oy*	Lahti, Finland	100%
Kempower Italy S.R.L	Milan, Italy	100%
Kempower SAS	Paris, France	100%
Kempower SP Z.o.o.	Warsaw, Poland	100%

*Kempower International Oy includes the following branches: Podružnica Zagreb (Zagreb, Croatia), Kempower - Belgium brance (Schaerbeek, Belgium), Zweigniederlassung Österreich (Vienna, Austria)

5.5 EVENTS AFTER REPORTING DATE

No material events have occurred in the Group after the balance sheet date that would affect the financial statements.

Parent company's financial statements (FAS)

Income statement of the parent company

EUR	Note	2024	2023
Revenue	2	**200,147,640.92**	**267,628,851.72**
Other operating income	3	3,776,694.19	1,056,677.38
Change in inventories of finished goods and work in progress		793,267.75	6,021,281.53
Raw materials and services			
Purchases during the financial period		-105,813,886.91	-150,467,468.28
Change in inventories		-5,027,557.89	15,981,404.52
External services		-3,826,384.40	-3,168,101.39
Raw materials and services total		-114,667,829.20	-137,654,165.15
Staff expenses	4		
Salaries and wages		-38,752,246.55	-29,318,472.60
Pension expenses		-6,666,423.29	-5,203,906.32
Other social security expenses		-1,117,774.13	-1,065,802.93
Staff expenses total		-46,536,443.97	-35,588,181.85
Depreciation and amortization	6	-2,661,424.60	-1,851,167.22
Other operating expenses	7	-75,678,845.88	-63,435,225.43
Operating profit/loss		**-34,826,940.79**	**36,178,070.98**

EUR	Note	2024	2023
Financial income and expenses			
Financial income	8	4,439,747.28	4,774,080.49
Financial expenses	8	-3,668,215.26	-1,112,136.93
Financial income and expenses total		771,532.02	3,661,943.56
Profit/loss before tax and appropriations		**-34,055,408.77**	**39,840,014.54**
Appropriations	9		-3,004,494.45
Income tax	10	-3,000.10	-9,585,929.01
PROFIT/LOSS FOR THE FINANCIAL PERIOD		**-34,058,408.87**	**27,249,591.08**

Balance sheet of the parent company

EUR	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	11		
Intangible rights		429,666.98	512,302.57
Other intangible assets		4,835,595.35	1,353,545.94
Advance payments and purchases in progress		174,844.81	
Total intangible assets		5,440,107.14	1,865,848.51
Tangible assets	11		
Machinery and equipment		14,448,933.23	7,600,616.61
Advance payments and purchases in progress		1,341,849.33	1,925,503.63
Total tangible assets		15,790,782.56	9,526,120.24
Investments	11		
Shares in Group companies		325,919.09	325,919.09
Other investments		36,432,956.42	36,432,956.42
Total investments		36,758,875.51	36,758,875.51
Non-current receivables	12		
Non-current loan receivables from Group companies		8,374,241.98	13,122,171.95
Non-current prepayments and accrued income (from others)			26,477.10
Total non-current receivables		8,374,241.98	13,148,649.05
Total non-current assets		**66,364,007.19**	**61,299,493.31**

EUR	Note	31 Dec 2024	31 Dec 2023
Current assets			
Inventory			
Raw materials and consumables		30,990,868.45	36,018,426.34
Work in progress		386,629.51	741,870.03
Finished products		12,488,855.11	11,340,346.84
Total inventory		43,866,353.07	48,100,643.21
Current receivables	12		
Trade receivables		23,321,407.91	33,069,889.97
Receivables from Group companies		27,912,757.06	15,738,664.43
Other financial assets		10,743,960.66	35,997,360.03
Other receivables		1,005,338.87	2,594,908.02
Prepaid expenses and accrued income		7,928,896.05	3,761,760.68
Total current receivables		70,912,360.55	91,162,583.13
Cash and cash equivalents		7,817,654.74	10,776,282.36
Total current assets		**122,596,368.36**	**150,039,508.70**
TOTAL ASSETS		**188,960,375.55**	**211,339,002.01**

EUR	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Equity	13		
Share capital		80,000.00	80,000.00
Reserve for invested unrestricted equity		95,284,010.19	95,291,510.39
Retained earnings		25,043,772.51	-2,205,818.57
Profit/loss for the period		-34,058,408.87	27,249,591.08
Total equity		**86,349,373.83**	**120,415,282.90**
Accumulated appropriations			
Cumulative accelerated depreciation	14	3,483,314.44	3,483,314.44
Provisions			
Other provisions	15	14,319,771.02	14,176,784.11
Liabilities			
Current liabilities	16		
Advance payments		2,929,112.99	9,242,183.17
Trade payables		21,519,534.30	24,106,335.24
Payables to Group companies		33,428,765.38	23,037,586.40
Loans to financial institutions		6,353,450.07	
Other liabilities		787,123.07	759,903.95
Accruals and deferred income		19,789,930.45	16,117,611.80
Total current liabilities		**84,807,916.26**	**73,263,620.56**
Total liabilities		**84,807,916.26**	**73,263,620.56**
TOTAL EQUITY AND LIABILITIES		**188,960,375.55**	**211,339,002.01**

Cash flow statement of the parent company

EUR	2024	2023
Cash flow from operating activities		
Profit/loss before appropriations and taxes	-34,055,408.77	39,840,014.54
Adjustments		
Depreciation and amortization	2,661,424.60	1,851,167.22
Unrealized foreign exchange gains and losses	-623,404.40	382,979.81
Unrealized gain from the change in fair value of derivatives	-300,994.66	-28,080.25
Change in provisions	142,986.91	11,733,309.32
Financial income and expenses	-771,532.02	-3,661,943.56
Cash flow before changes in working capital	**-32,931,428.88**	**50,117,447.08**
Changes in working capital		
Change in inventories	4,234,290.14	-22,002,686.05
Change in trade and other receivables	1,330,020.59	-20,686,171.02
Change in trade payables and short-term debts	2,515,783.93	40,281,970.83
Cash flow from operating activities before financial items and taxes	**-24,851,334.22**	**47,710,560.84**
Interest paid	-540,206.08	-12,269.75
Other financial expenses paid		-89,553.19
Interest received	1,307,114.34	596,721.79
Other financial income received	411,178.06	
Taxes paid	374,388.07	-9,962,819.31
Cash flow from operating activities (A)	**-23,298,859.83**	**38,242,640.38**

EUR	2024	2023
Cash flow from investing activities		
Investments in tangible and intangible assets	-12,613,597.87	-5,592,249.06
Acquisition of subsidiary shares		-64,233.55
Long-term loans granted to subsidiaries		-13,464,801.60
Short-term loans granted to subsidiaries	-2,520,536.04	-3,318,784.41
Repayments of short-term loans granted to subsidiaries	902,666.20	200,000.00
Increase (-)/decrease (+) of other investments and financial assets	24,461,980.04	-5,016,787.36
Proceeds from sale of tangible and intangible assets	97,752.86	
Cash flow from investing activities (B)	**10,328,265.19**	**-27,256,855.98**
Cash flow from financing activities		
Purchase of treasury shares	-7,500.20	-3,838,161.25
Proceeds from current loans from financial institutions	6,353,450.07	
Proceeds from current loans from subsidiaries	3,666,017.15	
Cash flow from financing activities (C)	**10,011,967.02**	**-3,838,161.25**
Changes in cash flows (A+B+C)	**-2,958,627.62**	**7,147,623.15**
Cash and cash equivalents at the beginning of the period	10,776,282.36	3,628,659.21
Cash and cash equivalents at the end of the period	7,817,654.74	10,776,282.36

Notes to the parent company financial statements

1 ACCOUNTING PRINCIPLES

Parent company information

Kempower Oyj is a parent company of Kempower Group and part of Kemppi Group, whose parent company is Kemppi Group Oy. Kempower Oyj and Kemppi Group Oy are domiciled in Lahti, Finland. Kempower Oyj's registered address is Ala-Okeroistentie 29, 15700 Lahti. Kemppi Group Oy's registered address is Kempinkatu 1, 15800 Lahti. Copies of the consolidated financial statements for Kempower Group and Kemppi Group can be obtained from the head office of each parent company.

Accounting policy applied in the financial statements

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

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	5-10 years
Long-term expenditure	5 years
Machinery and equipment	3–8 years

Valuation of inventories

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

Valuation of other financial assets

Other financial assets include money market investments, which are presented at fair value. Capitalization agreements are classified as investments and valued at acquisition cost.

Foreign currency items and valuation of currency derivatives

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. Derivative instruments are measured at fair value, and all valuation changes are recognized in the income statement for the period during which they occur. Changes in the value of forward contracts are calculated by measuring the contracts against the forward exchange rates on the balance sheet date and comparing them with the counter values calculated through the forward exchange rates on the date of entry into the forward contracts. A derivative with a positive fair value is recognized in "prepaid expenses and accrued income" whereas a derivative with a negative fair value is recognized in "accruals and deferred income".

Revenue recognition

Revenue is represented 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 recognized 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 projects.

2 REVENUE BY MARKET AREA

EUR	2024	2023
Finland	28,703,135.67	42,929,950.93
Nordics	52,404,389.31	64,450,333.64
Rest of Europe	83,722,260.54	130,726,711.50
North America	25,976,920.57	15,862,854.68
Rest of the World	9,340,934.83	13,659,000.96
Total	**200,147,640.92**	**267,628,851.72**

3 OTHER OPERATING INCOME

EUR	2024	2023
Government grants	1,688,249.01	832,211.20
Gains on disposal of IT-equipment	967,298.01	
Gain from derivatives	505,728.37	
Insurance compensations	64,413.47	196,385.93
Other operating income	551,005.33	28,080.25
Total	**3,776,694.19**	**1,056,677.38**

4 PERSONNEL

Average number of personnel during financial period	2024	2023
Production employees	166	131
Office employees	446	320
Total	**612**	**451**

Management and Board compensation

Wages, salaries and other benefits and pension benefits paid to the CEO and to the Leadership team members of the parent company and the Board of Directors are presented in the table below. For the compensation paid to the CEO and all the Leadership team members of Kempower Group see note 5.2 Related party transactions of the Consolidated Financial Statements.

EUR	2024	2023
Managing director		
Wages and salaries	477,608.00	493,455.89
Pension expenses	89,312.70	92,276.25
Total	**566,920.70**	**585,732.14**
Leadership team		
Wages and salaries	1,175,519.30	1,256,513.80
Pension expenses	219,822.11	234,968.08
Total	**1,395,341.41**	**1,491,481.88**
Board of directors		
Vesa Laisi, Chair	98,124.91	44,000.00
Antti Kemppi, Vice Chair	81,250.03	51,500.00
Teresa Kemppi-Vasama, Member	63,750.01	41,500.04
Olli Laurén, Member (30 Mar 2023 onwards)	75,350.01	35,750.03
Tuula Rytilä, Member (28 Aug 2023 onwards)	66,300.36	14,173.93
Eriikka Söderström, Member	71,999.63	46,499.96
Barbara Thierart-Perrin, Member (8 Jul 2024 onwards)	34,900.00	
Tero Era, Member (until 27 Mar 2024)	11,750.01	41,500.04
Juha-Pekka Helminen, Member (until 30 Mar 2023)		11,750.01
Kimmo Kemppi, Member (until 27 Mar 2024)	11,750.01	41,000.04
Total	**515,174.97**	**327,674.05**

Other management benefits

Personnel offering

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 free share issue registered on November 26, 2021, in which 53 new shares were issued for each existing share. The number of shares subscribed by the Extended Leadership Team after the free share issue was 69,714 shares. Kempower's employees, including the CEO and Leadership 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 also committed to transfer restrictions that prevented them from selling, transferring, donating or pledging their subscribed shares without the permission of company's Board of Directors until 31 December 2024.

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 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 percent 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 percent of their annual base salary of the preceding year. Such a 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.

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 percent 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 percent 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 begins 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 fulfilment 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 period 2024–2027 of the Employee Share Savings Plan (ESSP) established in 2023. The new savings period commenced on 1 April 2024 and ended on 31 March 2025.

Performance Share 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. The reward will be paid partly in Kempower's shares and partly in cash, which is used to cover income taxes and social charges.

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 CO_2 emission reduction per 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.

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 reward 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.

Apart from the above 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	2024	2023
Audit fees	-398,625.76	-187,137.00
Sustainability Statement assurance fee	-138,477.70	
Tax consultation	-7,030.80	-58,635.00
Other fees	-57,488.80	-87,068.78
Total	**-601,623.06**	**-332,840.78**

6 DEPRECIATION AND AMORTIZATION

EUR	2024	2023
Intangible rights	-102,620.59	-84,291.44
Other long-term expenditures	-761,375.90	-715,642.00
Machinery and equipment	-1,797,428.11	-1,051,233.78
Total	**-2,661,424.60**	**-1,851,167.22**

7 OTHER OPERATING EXPENSES

EUR	2024	2023
Sales and marketing expenses	-6,858,038.01	-5,530,346.86
Administration expenses	-8,912,662.34	-6,211,145.51
IT expenses	-10,634,424.10	-7,901,149.02
Premises and vehicle expenses	-7,266,341.30	-5,138,406.11
Machinery and tool expenses	-1,275,575.81	-1,976,294.11
Research and development expenses	-7,866,590.33	-4,292,220.60
Warranty expenses	-16,457,865.60	-18,327,227.95
Other personnel expenses	-2,045,462.74	-2,180,002.38
Intercompany service fees	-14,361,885.65	-11,878,432.89
Total	**-75,678,845.88**	**-63,435,225.43**

8 FINANCIAL INCOME AND EXPENSES

EUR	2024	2023
Other interest and financial income		
From Group companies		
Interest income	1,098,537.35	401,075.97
Foreign exchange gain (realized)	29,897.79	11,346.07
Foreign exchange gain (unrealized)	1,141,817.66	458,035.46
From Others		
Interest income	213,939.12	195,645.82
Foreign exchange gain (realized)	373,118.51	64,792.97
Foreign exchange gain (unrealized)	1,197.16	410,985.37
Change in fair value of money market investments		3,215,437.51
Other financial income	1,581,239.69	16,761.32
Total	**4,439,747.28**	**4,774,080.49**

EUR	2024	2023
Interest expenses and other financial expenses		
To Group companies		
Interest expenses	-93,394.99	
Foreign exchange loss (realized)	-49,531.93	-7,880.10
Foreign exchange loss (unrealized)	-56,540.63	-898,776.04
To Others		
Change in fair value of money market investments	-914,888.67	
Interest expenses	-454,869.45	-12,397.57
Foreign exchange loss (realized)	-1,144,950.20	-145,646.79
Foreign exchange loss (unrealized)	-699,225.23	-2,646.06
Other financial expenses	-254,814.16	-44,790.37
Total	**-3,668,215.26**	**-1,112,136.93**

9 APPROPRIATIONS

EUR	2024	2023
Change in cumulative accelerated depreciation		-3,004,494.45
Total		**-3,004,494.45**

10 INCOME TAXES

EUR	2024	2023
Income tax on main business operations	-3,000.10	-9,585,929.01
Total	**-3,000.10**	**-9,585,929.01**

11 ASSETS

Intangible assets

EUR	31 Dec 2024	31 Dec 2023
Intangible rights		
Acquisition cost, Jan 1	706,476.30	507,900.30
Increases	19,985.00	198,576.00
Acquisition cost, Dec 31	726,461.30	706,476.30
Accumulated amortization, Jan 1	-194,173.73	-109,882.29
Amortization for the financial year	-102,620.59	-84,291.44
Accumulated amortization, Dec 31	-296,794.32	-194,173.73
Carrying amount, Dec 31	**429,666.98**	**512,302.57**

EUR	31 Dec 2024	31 Dec 2023
Other long-term expenses		
Acquisition cost, Jan 1	2,220,387.37	1,849,343.31
Increases		371,044.06
Reclassifications	4,243,425.31	
Acquisition cost, Dec 31	6,463,812.68	2,220,387.37
Accumulated amortization, Jan 1	-866,841.43	-151,199.43
Amortization for the financial year	-761,375.90	-715,642.00
Accumulated amortization, Dec 31	-1,628,217.33	-866,841.43
Carrying amount, Dec 31	**4,835,595.35**	**1,353,545.94**

EUR	31 Dec 2024	31 Dec 2023
Advance payments and purchases in progress		
Acquisition cost, Jan 1		
Increases	174,844.81	
Acquisition cost, Dec 31	174,844.81	
Carrying amount, Dec 31	**174,844.81**	

EUR	31 Dec 2024	31 Dec 2023
Total intangible assets		
Acquisition cost, Jan 1	2,926,863.67	2,357,243.61
Increases	194,829.81	569,620.06
Reclassifications	4,243,425.31	
Acquisition cost, Dec 31	7,365,118.79	2,926,863.67
Accumulated amortization, Jan 1	-1,061,015.16	-261,081.72
Amortization for the financial year	-863,996.49	-799,933.44
Accumulated amortization, Dec 31	-1,925,011.65	-1,061,015.16
Carrying amount, Dec 31	**5,440,107.14**	**1,865,848.51**

Tangible assets

EUR	31 Dec 2024	31 Dec 2023
Machinery and equipment		
Acquisition cost, Jan 1	9,312,060.83	4,924,451.74
Increases	12,040.60	4,387,609.09
Reclassifications	8,656,542.60	
Disposals	-28,632.00	
Acquisition cost, Dec 31	17,952,012.03	9,312,060.83
Accumulated depreciation, Jan 1	-1,711,444.22	-660,210.44
Accumulated depreciation on disposals	5,793.53	
Depreciation for the financial year	-1,797,428.11	-1,051,233.78
Accumulated depreciation, Dec 31	-3,503,078.80	-1,711,444.22
Carrying amount, Dec 31	**14,448,933.23**	**7,600,616.61**

EUR	31 Dec 2024	31 Dec 2023
Advance payments and purchases in progress		
Acquisition cost, Jan 1	1,925,503.63	1,290,483.72
Increases	12,406,727.46	635,019.91
Reclassifications	-12,899,967.91	
Disposals	-90,413.85	
Acquisition cost, Dec 31	1,341,849.33	1,925,503.63
Carrying amount, Dec 31	**1,341,849.33**	**1,925,503.63**

EUR	31 Dec 2024	31 Dec 2023
Total tangible assets		
Acquisition cost, Jan 1	11,237,564.46	6,214,935.46
Increases	12,418,768.06	5,022,629.00
Reclassifications	-4,243,425.31	
Disposals	-119,045.85	
Acquisition cost, Dec 31	19,293,861.36	11,237,564.46
Accumulated depreciation, Jan 1	-1,711,444.22	-660,210.44
Accumulated depreciation on disposals	5,793.53	
Depreciation for the financial year	-1,797,428.11	-1,051,233.78
Accumulated depreciation, Dec 31	-3,503,078.80	-1,711,444.22
Carrying amount, Dec 31	**15,790,782.56**	**9,526,120.24**

Investments

EUR	31 Dec 2024	31 Dec 2023
Shares in Group companies		
Acquisition cost, Jan 1	325,919.09	261,685.54
Increases		64,233.55
Acquisition cost, Dec 31	325,919.09	325,919.09
Carrying amount, Dec 31	**325,919.09**	**325,919.09**

EUR	31 Dec 2024	31 Dec 2023
Other investments		
Acquisition cost, Jan 1	36,432,956.42	
Reclassifications		36,432,956.42
Acquisition cost, Dec 31	36,432,956.42	36,432,956.42
Carrying amount, Dec 31	**36,432,956.42**	**36,432,956.42**

Presentation of other investments has been changed for the comparison year 2023.

EUR	31 Dec 2024	31 Dec 2023
Investments total		
Acquisition cost, Jan 1	36,758,875.51	261,685.54
Increases		64,233.55
Reclassifications		36,432,956.42
Acquisition cost, Dec 31	36,758,875.51	36,758,875.51
Carrying amount, Dec 31	**36,758,875.51**	**36,758,875.51**

12 RECEIVABLES

EUR	31 Dec 2024	31 Dec 2023
Non-current receivables from Group companies		
Non-current loan receivables	8,374,241.98	13,122,171.94
Non-current prepayments and accrued income (from others)		
Other non-current prepayments (from others)		26,477.10
Non-current receivables total	**8,374,241.98**	**13,148,649.04**

Current receivables

EUR	31 Dec 2024	31 Dec 2023
Receivables from others		
Trade receivables	23,321,407.91	33,069,889.97
VAT receivables	747,031.91	2,252,587.90
Other receivables	258,306.96	342,320.12
Other financial assets	10,743,960.66	35,997,360.03
Prepayments and accrued income	7,928,896.05	3,761,760.68
Total	**42,999,603.49**	**75,423,918.70**

EUR	31 Dec 2024	31 Dec 2023
Receivables from Group companies		
Trade receivables	15,328,213.45	4,074,321.62
Loan receivables	11,176,323.79	3,713,753.14
Prepayments and accrued income	1,408,219.82	7,950,589.67
Total	**27,912,757.06**	**15,738,664.43**
Total current receivables	**70,912,360.55**	**91,162,583.13**

EUR	31 Dec 2024	31 Dec 2023
Specification of prepayments and accrued income		
Accrued government grants	1,776,647.12	356,721.02
IT costs paid in advance	916,529.62	934,734.19
Other costs paid in advance	1,905,643.39	1,340,567.13
Contract assets (sales accruals)	3,245,855.02	313,284.55
Income tax receivables		377,388.17
Derivatives	84,220.90	439,065.62
Accruals, total	**7,928,896.05**	**3,761,760.68**

13 EQUITY

Changes in equity

EUR	31 Dec 2024	31 Dec 2023
Changes in equity		
Share capital, Jan 1	80,000.00	80,000.00
Share capital, 31 Dec	**80,000.00**	**80,000.00**
Invested unrestricted equity fund, Jan 1	95,291,510.39	99,129,671.64
Acquisition of own shares	-7,500.20	-3,838,161.25
Invested unrestricted equity fund, 31 Dec	**95,284,010.19**	**95,291,510.39**
Retained earnings, 1 Jan	25,043,772.51	-2,205,818.57
Profit/loss for the financial year	-34,058,408.87	27,249,591.08
Retained earnings, 31 Dec	**-9,014,636.36**	**25,043,772.51**
Total equity	**86,349,373.83**	**120,415,282.90**

EUR	31 Dec 2024	31 Dec 2023
Calculation of parent company's distributable equity		
Retained earnings from previous periods, 31 Dec	25,043,772.51	-2,205,818.57
Profit/loss for the financial year	-34,058,408.87	27,249,591.08
Invested unrestricted equity fund, 31 Dec	95,284,010.19	95,291,510.39
Parent company's distributable equity, total	**86,269,373.83**	**120,335,282.90**

The distributable assets total 86,269,373.83€. The Board of Directors proposes to the Annual General Meeting that no dividend shall be distributed and the profit for the financial year will be transferred to the retained earnings account.

14 APPROPRIATIONS

EUR	31 Dec 2024	31 Dec 2023
Cumulative accelerated depreciation, 1 Jan	3,483,314.44	478,819.99
Change in accelerated depreciation		3,004,494.45
Cumulative accelerated depreciation, 31 Dec	**3,483,314.44**	**3,483,314.44**

15 PROVISIONS

EUR	31 Dec 2024	31 Dec 2023
Non-current provision for warranty expenses	5,754,000.19	3,772,562.11
Current provision for warranty expenses	7,832,929.44	9,579,159.63
Short-term other provisions	732,841.39	825,062.37
Total	**14,319,771.02**	**14,176,784.11**

16 CURRENT LIABILITIES

EUR	31 Dec 2024	31 Dec 2023
Debts to Others		
Trade payables	21,519,534.30	24,106,335.24
Advances received	2,929,112.99	9,242,183.17
Loans to financial institutions	6,353,450.07	
Other payables	787,123.07	759,903.95
Accrued liabilities	19,789,930.45	16,117,611.80
Total	**51,379,150.88**	**50,226,034.16**
Debts to Group companies		
Trade payables	9,498,151.02	6,717,140.86
Internal bank liabilities	3,666,017.15	
Other payables	424,394.48	7,000.00
Accrued liabilities	19,840,202.73	16,313,445.54
Total	**33,428,765.38**	**23,037,586.40**
Total current liabilities	**84,807,916.26**	**73,263,620.56**

EUR	31 Dec 2024	31 Dec 2023
Specification of accrued liabilities		
Employee benefit accruals	8,696,821.61	8,322,374.56
IT cost accruals	619,418.75	776,474.86
Administration cost accruals	310,981.76	951,403.50
Other operating expense accruals	4,005,559.75	1,935,988.38
Contract liabilities (sales accruals)	5,826,872.89	3,824,590.47
Derivatives	330,275.69	290,788.51
Other accruals		15,991.52
Total	**19,789,930.45**	**16,117,611.80**

EUR	31 Dec 2024	31 Dec 2023
Specification of accrued liabilities to Group		
Transfer pricing adjustments	18,871,253.65	15,823,317.89
Other costs allocated to the period	356,172.87	356,186.33
Other accruals	612,776.21	133,941.32
Total	**19,840,202.73**	**16,313,445.54**

17 COMMITMENTS

EUR	31 Dec 2024	31 Dec 2023
Amount payable under leases		
Due for payment in next financial year	8,043,818.48	3,355,479.14
Due for payment at a later date	22,088,868.12	15,760,178.57
Total	**30,132,686.60**	**19,115,657.71**

EUR	31 Dec 2024	31 Dec 2023
Other commitments		
Purchase commitments to Kemppi Group companies	3,289,000.00	4,442,040.00
Purchase commitments to other companies	23,823,000.96	15,780,024.00
Commitments to leases commencing after the balance sheet date		2,175,514.30
Guarantees given on own behalf	1,513,487.71	68,849.04
Guarantees given on behalf of subsidiaries	4,484,286.89	
Total	**33,109,775.56**	**22,466,427.34**

Purchase commitments to other companies have been adjusted for the comparison year 2023.

Lease liabilities of 31 December 2024 consists mainly from the lease agreement of Kempower's 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 12,889,965.

Unused credit facilities

EUR	31 Dec 2024	31 Dec 2023
Bank overdraft facility, payable at call		
Amount used	6,052,849.82	
Amount unused	18,947,150.18	15,000,000.00
Green revolving credit facility, payable at call		
Amount used		
Amount unused	30,000,000.00	
Unused credit facilities total	**48,947,150.18**	**15,000,000.00**

18 EVENTS AFTER THE REPORTING DATE

No material events have occurred in the Company after the balance sheet date that would affect the financial statements.

Signatures of the financial statements

Financial statements prepared in accordance with IFRS Accounting Standards provide a true and fair view of the assets, liabilities, financial position, and profit or loss of both the Company and the entities included in its consolidated financial statements. The report of the Board of Directors includes a description that gives a true and fair view of the development and results of the business activities of the Company and the entities included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other aspects of the Company. The sustainability report included in the report of the Board of Directors is prepared in accordance with the reporting standards referred to in Chapter 7 and Article 8 of the Taxonomy Regulation.

Lahti, 26 March 2025

Vesa Laisi
Chair of the Board

Antti Kemppi
Vice Chair of the Board, Member of the Board

Teresa Kemppi-Vasama
Member of the Board

Olli Laurén
Member of the Board

Tuula Rytilä
Member of the Board

Eriikka Söderström
Member of the Board

Barbara Thierart-Perrin
Member of the Board

Tomi Ristimäki
Managing Director

Auditor’s note

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

Lahti, 26 March 2025

Ernst & Young Oy

Toni Halonen
KHT

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 Oyj (business identity code 2856868-5) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent 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.

Our opinion is consistent with the additional report submitted to the Audit Committee.

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.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.5 to the consolidated financial statements and in note 5 to the parent company's financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue Recognition We refer to the Group’s accounting policies and the note 2.1 The revenue of the Kempower Group for the financial year was 223.7 million euros, primarily consisting of deliveries of electric vehicle chargers and charging stations, as well as maintenance and installation services for chargers. Revenues from the sale of charging products are recognized in accordance with the delivery terms used at the moment when control of the products transfers to the buyer. For services sold to customers, sales revenues are recorded at the time the service is performed. Revenue is a key performance measure used in the Kempower Group, which may create an incentive for the premature recognition of sales revenues. Revenue recognition was determined to be a key audit matter and a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10 (2) due to the risk related proper timing of revenue recognition.	To address the risk of material misstatement related to revenue recognition, our audit procedures included, among others: • We assessed the appropriateness of the Kempower Group's accounting principles regarding revenue recognition in relation to the applicable recognition standards. • We formed an understanding of the processes and controls related to the timing of revenue recognition in the Group, as well as reviewed the contract terms. • We tested sales through data analytics and by testing individual sales transactions, including testing the cut-off of sales on the financial statement date and during quarterly reporting to ensure the timely revenue recognition. • We obtained external confirmations of accounts receivable and analyzed credit notes recorded in the subsequent period after the financial statement date. • We evaluated the disclosures related to the Group revenue recognition.
Valuation of inventories We refer to the Group’s accounting policies and the note 3.4 As of the balance sheet date, December 31, 2024, the amount of inventory was 57.5 million euros, representing 25% of total assets. The inventory write-downs recognized as expenses amounted to 2.3 million euros. Inventory is valued at acquisition cost or at the net realizable value. The value of inventory includes write-downs due to obsolescence. Determining the obsolescence provision is based on management's assessment of the inventory turnover rate and the level of obsolete stock as of the balance sheet date. Inventory valuation was determined to be a key audit matter due to the total amount of inventory is significant to the financial statements, and due to that the valuation of inventory requires management's estimates of future sales and the level of the obsolescence provision.	Our audit procedures included, among others: • We assessed the accounting principles related to the recognition of inventory in the Group in relation to the applicable accounting standards. • We evaluated the processes and methods related to the valuation of inventory. • We performed substantive testing procedures to verify the determination of the cost of inventory items. • We reviewed management's analyses and calculations related to slow-moving or obsolete inventory, as well as the assumptions used in determining the obsolescence provision. • We assessed the appropriateness of the disclosures related to the Group's inventory valuation principles and balance sheet values.

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 consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and 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 skepticism 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 parent company or the group 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 11.9.2017, and our appointment represents a total period of uninterrupted engagement of 8 years. Kempower Oyj has become public interest entity 12.6.2024.

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 report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

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 compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

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 26 March 2025

Ernst & Young Oy
Authorized Public Accountant Firm

Toni Halonen
Authorized Public Accountant

Assurance report on the Sustainability statement (Translation of the Finnish original)

To the Annual General Meeting of Kempower Oyj

We have performed a limited assurance engagement on the group sustainability statement of Kempower Oyj (2856868-5) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);

2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Kempower Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1 (2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability statement of Kempower Oyj that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

Group sustainability auditor's Independence and Quality Management

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 engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Kempower Oyj are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2019/2088 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2020/852;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Group Sustainability reporting is also characterized by estimates and assumptions, as well as measurement and estimation uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

In addition, when reporting forward-looking information, the company must make assumptions about possible future events and disclose the company's possible future actions in relation to these events. The actual outcome may be different because predicted events do not always occur as expected.

Responsibilities of the Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance 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.
- Design and perform assurance procedures responsive to those risks to obtain 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.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We have interviewed the key persons responsible for collecting and reporting the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group's control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process against the requirements of ESRS standards and the compliance of the information provided for the double materiality assessment with ESRS standards.
- We assessed whether the group sustainability statement in material respect meets the requirements of ESRS standards for material sustainability topics:
    - We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis with supporting company documentation.
    - We have on a sample basis performed analytical assurance procedures and related inquiries, recalculation and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.
- We gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities and evaluate the regulatory compliance of the information provided.

Lahtii 26 March 2025

Ernst & Young Oy
Authorized Sustainability Audit Firm

Toni Halonen
Authorized Sustainability Auditor

Independent auditor's report on the ESEF consolidated financial statements of Kempower Oyj (Translation of the Finnish original)

To the Board of Directors of Kempower Oyj

We have performed a reasonable assurance engagement on the financial statements 743700EIG9TDB5QNZS09-2024-12-31-fi.zip of Kempower Oyj (y-identifier: 2856868-5) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2024.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements

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 ESEF financial statements in accordance the requirements of the Commission's regulatory technical standard.

Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

Auditor's Responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's technical regulatory standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgement. This includes an assessment of the risk of material deviations due to fraud or error from the requirements of the Commission's technical regulatory standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Kempower Oyj 743700EIG9TDB5QNZS09-2024-12-31-

fi.zip for the financial year ended 31.12.2024 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of Kempower Oyj for the financial year ended 31.12.2024 has been expressed in our auditor's report 26.3.2025. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Lahti 31 March 2025

Ernst & Young Oy
Authorized Public Accountant Firm

Toni Halonen
Authorized Public Accountant

KEMPOWER

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