



## Kempower Corporation's transition to IFRS reporting and unaudited comparative IFRS information

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Kempower Corporation, company release, June 23, 2022, at 9.00 EEST

Kempower Corporation (together with its subsidiaries "Kempower" or "the Group") transfers from the Finnish Accounting Standards (FAS) to the International Financial Reporting Standards (IFRS). The company expects the adoption of IFRS transition to increase comparability of the financial figures with the other companies in the industry, support the growth strategy of the company and increase the interest for the company among international investors.

Kempower Corporation will publish its first interim financial report in accordance with the IFRS standards for the financial period ending June 30, 2022. The comparative information is presented for the financial year ended December 31, 2021, and comparative period ended June 30, 2021. The transition date for the IFRS reporting is January 1, 2021. Kempower has previously prepared its financial statements in accordance with the Finnish Accounting Standards (FAS).

Kempower has prepared the following unaudited IFRS financial information to provide investors with comparative information for the consolidated statement of comprehensive income, consolidated statement of financial position and Group's key figures as of December 31, 2021, and as of June 30, 2021. In addition, the opening balance sheet for the IFRS transition date January 1, 2021, is presented. The key differences arising from the transition to IFRS reporting compared with FAS reporting are described in the notes of this release.

The most significant impacts from the transition to IFRS reporting:

- The right to use leased assets and a lease liability corresponding to the rents to be paid are recognized in the statement of financial position, which increases long-term assets and lease liabilities. The increase of lease liabilities has an impact on net debt and equity ratio key figures. The adjustment of rent expense from other operating expenses to instalment of lease liability and interest expense improves cash flow from operating activities and EBITDA key figures.
- Development expenses are accrued over their useful lives when requirements of capitalization under IFRS are met. Depreciation expense is recognized in the consolidated statement of comprehensive income instead of other operating expense, which improves EBITDA key figure. The change in accounting policy has also an impact on investments.
- The IPO related transaction costs directly attributable to the issuance of new shares are deducted from the reserve for invested unrestricted equity in equity. The IPO related transaction costs attributable to existing shares are recognized in other operating expenses. Under FAS reporting all IPO related transaction costs are expensed through the income statement in finance expenses. The change decreases cash flow from operating activities and increases cash flow from financing activities respectively.

The financial information presented in this release is unaudited except for the consolidated income statement for the financial year January 1 - December 31, 2021, and the consolidated balance sheets as of December 31, 2021, and as of December 31, 2020 prepared in accordance with FAS.

### IFRS KEY FIGURES

MEUR	1 Jan-30 June 2021	1 July-31 Dec 2021	1 Jan-31 Dec 2021
Order backlog	14.9	13.7	13.7
Order intake	20.1	17.3	37.4
Revenue	9.0	18.4	27.4
Revenue growth, %	1,107%	633%	741%
Gross Margin	4.1	8.8	12.9

Gross Margin, %	45%	48%	47%
EBITDA	0.5	-0.1	0.5
EBITDA margin, %	6%	-0%	2%
Operating profit/loss (EBIT)	0.0	-0.7	-0.7
EBIT margin, %	0%	-4%	-3%
Operative EBIT	0.2	0.8	1.0
Operative EBIT margin, %	2%	4%	4%
Profit/loss for the period	-0.3	0.5	0.3
Equity ratio, %	9%	91%	91%
Cash Flow from operating activities	-4.0	7.4	3.4
Investments	0.6	1.0	1.6
Net Debt	6.1	-89.3	-89.3
Items affecting comparability	0.2	1.5	1.7
Earnings per share, basic, EUR	-0.01	0.01	0.01
Earnings per share, diluted, EUR	-0.01	0.01	0.01
Headcount end of period	87	136	136

**The definition of the key figures and reconciliations are presented in the notes of this release.**

This release is a summary of Kempower's transition to IFRS reporting and unaudited comparative IFRS information. The complete report is attached to this release and available at <https://investors.kempower.com>.

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#### **About Kempower:**

Kempower designs and manufactures DC fast charging solutions for electric vehicles and machines. We're a team of electric vehicle enthusiasts with a deep understanding of the charging market and a hands-on mentality. Our product development and production are rooted in Finland, with a majority of our materials and components sourced locally. We focus on all areas of transportation, from personal cars and commercial vehicles to mining equipment, boats and motorsports. With Kemppi Group's 70 years' experience in perfecting DC power supplies, we set the bar high in engineering and user-experience design. Kempower is listed in the Nasdaq First North Growth Market Finland. [www.kempower.com](http://www.kempower.com)

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## Attachments

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