

KEMPOWER Corporation

Interim Report

1 January–
31 March 2024



Kempower Corporation Interim Report, 1 January–31 March 2024 (unaudited)

January–March 2024 highlights, IFRS

(comparison figures in parenthesis January–March 2023)

- Order backlog was EUR 111.9 million (EUR 124.4 million) at end of Q1
- Order intake decreased to EUR 44.9 million (EUR 61.4 million)
- Revenue decreased by 24% to EUR 42.6 million (EUR 55.8 million)
- Revenue outside the Nordics increased to 64% (62%) of revenue
- Gross profit margin was 49.8% (50.8%)
- Operative EBIT decreased to EUR -10.8 million (EUR 6.9 million), -25.4% of revenue (12.4%)
- Loss for the period was EUR 8.8 million (EUR 5.6 million profit)
- Cash flow from operating activities was EUR -10.2 million (EUR 2.5 million)
- Amount of personnel at the end of the period grew to 834 (465)
- Outlook for 2024 unchanged

KEY FIGURES

MEUR	Q1/2024	Q1/2023	2023
Order backlog	111.9	124.4	110.6
Order intake	44.9	61.4	275.3
Revenue	42.6	55.8	283.6
Revenue growth, %	-24%	385%	174%
Gross profit	21.2	28.4	147.7
Gross profit margin, %	49.8%	50.8%	52.1%
Operating profit/loss (EBIT)	-10.9	6.8	40.6
EBIT margin, %	-25.5%	12.3%	14.3%
Operative EBIT	-10.8	6.9	40.7
Operative EBIT margin, %	-25.4%	12.4%	14.3%
Profit/loss for the period	-8.8	5.6	33.7
Equity ratio, %	55.0%	62.2%	58.3%
Cash flow from operating activities	-10.2	2.5	39.7
Investments	4.6	1.6	9.6
Net debt	-58.7	-58.6	-74.6
Items affecting comparability	0.1	0.1	0.1
Earnings per share, basic, EUR	-0.16	0.10	0.61
Earnings per share, diluted, EUR	-0.16	0.10	0.61
Headcount end of period	834	465	737

Outlook for 2024

Kempower remains committed to strive for rapid and profitable growth. In the year 2024, the company will intensify its efforts to expand within key markets. These efforts include strengthening our market activities and capacity increase in Europe. In addition, we continue growth strategy execution in North America and launch of a new, next generation fast-charging product portfolio.

In the short term, the fixed costs associated with these growth initiatives are expected to outpace revenue growth, thereby impacting profitability for the year 2024. Outlook for 2024 expects success with new customer opportunities in commercial vehicles and public charging segments, successful market launch of next generation product portfolio and reduction in customers' inventory levels.

Kempower expects:

- 2024 revenue; between EUR 360 million and EUR 410 million, assuming no major impact from foreign currency exchange rates (revenue 2023: EUR 283.6 million),
- 2024 operative EBIT margin, %; between 5 % - 10%

Financial targets

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

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

CEO TOMI RISTIMÄKI COMMENTS ON THE Q1/24 RESULTS:

Growth strategy execution continues despite temporary market hiccups

In the beginning of the year, the market development has been slow as several customers still have high inventory levels and have delayed their decision making hindering the market growth. We expect the situation to improve during the rest of the year.

As we communicated earlier, the revenue and profitability for the first quarter of 2024 was at a weak level. This was due to customers' high inventory levels, delayed grid connection availability on customers' installation sites and the launch of Kempower's second generation charging platform, which has led some customers to delay their purchasing decisions. On top of this, as we communicated in March of 2024, the political strikes in Finland have had a significant effect on the exports of Kempower's production in Finland, leading to postponement of some customer deliveries, affecting the financials of Q1 2024. Altogether revenue worth EUR 10 million was shifted to second quarter of 2024. Eventually, our revenue for the first quarter of 2024 was EUR 42.6 million and operative EBIT negative EUR 10.8 million. Order intake EUR 45 million was weak as expected and impacted by the same factors as other Q1 financials.

Despite the market conditions, our sales pipeline and the number of new customers in our key markets have developed very positively among commercial vehicles and public charging segments where we have won several major partnerships. We have received the first orders from a large fuel retailer in Belgium, a global

European car manufacturer, global fleet operator and several bus operators in countries like Italy and the Netherlands. We onboarded 15 new customer accounts during the quarter and we expect these new customers to generate orders during the second quarter. In addition, we have increased our capacity to the level which supports bigger opportunities going forward as we expect to be back on growth track during the second half of this year. Our operations in Central Europe took important steps as we delivered our first public charging hub in the European biggest EV charging market Germany. To further strengthen and expand our activities in Central Europe, we will open a competence center in Düsseldorf, Germany, in the beginning of 2025.

Our growth strategy execution in North America has been impacted by the change in leadership. At the moment, North America operations are in good hands with our Interim Managing Director Erin Johnston leading the team, while the search for the new North America leader is ongoing. We have ramped up the production quickly in North Carolina. Our NEVI compliance process is also progressing as planned – a very important aspect for our customers to have access to governmental NEVI funding. We continue increasing our sales efforts in North America, especially to the partner sales channel which plays an important role in growing the business in North America. As a good example of our progress in partnership sales is the National Car Charging (NCC) which we announced

during the quarter. NCC selected Kempower satellite charging system as its solution for State of California for EV Infrastructure Enhancement Project. Revenue from North America during the first quarter represented 9 percent of our total revenue. After the review period, we announced an important milestone regarding the North America strategy execution. As the first European DC charging company we were proud to include NACS charging standard for the company's offering in North America. Almost all major car manufacturers in North America have committed to switch to NACS standard in their vehicles addressing its importance.

We continuously strengthen our technological competitiveness to answer to the ever-evolving customer needs. The ramp up of the second generation product portfolio and first deliveries to customers have progressed better than planned. Even though the ramp up is in the early stage, customers have been satisfied with the high performance of the new technology. This will strengthen our position as the technological frontrunner in the DC charging market globally. We estimate that already by the end of Q2 of 2024, we can produce the second generation product portfolio in mass volumes. Huge thanks go to our technology team who are working relentlessly to deliver cutting-edge technology to our customers based on silicon carbide technology and world-class charging management software ChargeEye.

After the review period, we took critical steps in our strategy execution as we were the first DC charging company to launch the Megawatt Charging System for electric trucks following the Megawatt Charging Standard (MCS) protocol and with a peak power of 1.2 megawatt (MW). We have also made significant progress with our cloud-based Charging Management System (CMS) ChargeEye. The third party evaluation ranked Kempower ChargeEye as one of the leading charging management systems in the global EV charging market.

Kempower has now been listed in the Nasdaq First North Growth Market Finland for over two years. During this time, we have grown extremely rapidly, taken huge steps in establishing our geographical presence in our target markets and developing our operations. We are still a young company on a new industry, but we feel that now is the right time to take the next step and to move to the Official List of Nasdaq Helsinki. The transfer is expected to bring more visibility to Kempower, access to a larger investor pool and improve the liquidity of Kempower's shares. We aim that the transfer to the main list would happen at the earliest during the second quarter of 2024.

Although the year started on a low note, we are confident of our performance when looking at the near and long-term future. The amount of EVs grows rather steadily and the megatrends and demand behind electrification and reliable and intelligent charging solutions have not changed. At the same time as we prepare for the listing to the Official List of Nasdaq Helsinki, we continue to focus on our growth strategy execution with our new Global Leadership Team and whole personnel. I am confident that together with our stakeholders and customers, we will accomplish great things in this new chapter.

Sustainability

Sustainability is at the core of Kempower's strategy. During the first quarter of 2024 we published our Sustainability Report for year 2023 based on the gap assessment and double materiality assessment that were carried out during fall of 2023. We have also started the pre-assurance process of our sustainability report to prepare for the upcoming CSRD regulation. In the Annual General Meeting held in March 2024 Ernst & Young Oy was elected as the sustainability reporting assurance provider of the company.

Climate Impact

During the first quarter of 2024 we have raised our ESG ambitions participating Sustainable Development Goals (SDG) training organized by UN Global Compact Finland. The purpose of the training was to further align our own operations with United Nations Sustainable Development Goals. We started the mapping of our Scope 3 emissions to have more accurate picture of our carbon footprint. We also sent pre-ESG survey for our suppliers to prepare them for the survey carried out for the whole year 2024 that is needed for our sustainability reporting in 2025.

Responsible Products

In the first quarter of 2024 we made efforts to strengthen our actions in waste management. Kempower aims to improve waste management to increase the utilization rate of material flows throughout the company's operations. We have also further increased our focus on

delivering high quality products by creating an internal Quality organization that will drive synergies and ensure high performance delivery capabilities across the company and its functions.

Best Workplace

To further align our actions with United Nations Global Compact initiative we have created a clear Labour and Human Rights -policy and started human rights due diligence process. The policy will be available on Kempower's [website](#).

We finished our Diversity, Equity, Inclusion and Belonging strategy work (DEIB) and as was mentioned in our Sustainability report 2023, the systematic DEIB work will start during the first half of 2024.

We also organized Health and Safety week with purpose to raise the visibility of safety and well-being in everyday life and to draw attention to our activities.

Focus areas	Short term targets	Q1/2024	2023	2022	
Climate impact	Relative CO₂ emissions	Reduce relative carbon footprint annually	1.7 g CO ₂ eq/EUR	0.3 g CO ₂ eq/EUR	2.5 g CO ₂ eq/EUR
	Fossil free energy	Increase green electricity annually	Electricity 0.0 t gCO ₂ eq/MEUR	Electricity 0.0 t gCO ₂ eq/MEUR	Electricity 1.8 t gCO ₂ eq/MEUR
	Non-avoidable emissions (business travel, flights)	Flights' emissions reported and compensated annually	6.3 t CO ₂ eq/MEUR	3.1 t CO ₂ eq/MEUR	1.2 t CO ₂ eq/MEUR
	Waste	Reduce landfill waste as % of total waste annually	0.00 ton/MEUR	0.00 ton/MEUR	0.05 ton/MEUR
Responsible products	Enabling electric transportation	Impact: 86% less emissions/100km in a passenger car (fully electric compared to ICE)	900 MWh charging power to end customers on a daily basis	560 MWh charging power to end customers on a daily basis	390 MWh charging power to end customers on a daily basis
The best workplace	Diversity	Diversity in processes and decisions DEIB KPI in personal pulse survey	Nationalities 42, DEIB 82	Nationalities 40, DEIB 82	Nationalities 22, DEIB 81
	Safety	Decrease LTIF, increase proactive safety	LTIF 4.26, Proactive safety 44 pcs	LTIF 4.61, Proactive safety 96 pcs	LTIF 4.34, Proactive safety 67 pcs
	Training	Mandatory training for every employee on basic company sustainability topics in 2024, Code of Conduct training, first aid training valid with every employee, measured as % of participants	Code of Conduct 82%, First Aid 56%	Code of Conduct 81%, First Aid 60%	72% Code of Conduct

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 44.9 million (EUR 61.4 million) in the first quarter of 2024. During the period order intake was especially weak in Rest of Europe, while in the Nordics and North America it grew from the previous year.

Kempower reports revenue according to geographical regions below:

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

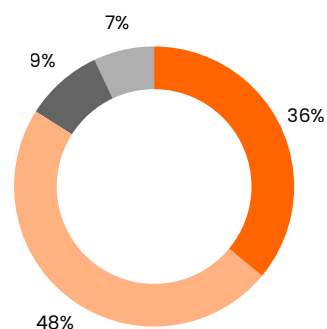
Revenue

REVENUE BY GEOGRAPHICAL REGIONS

MEUR	Q1/2024	Q1/2023	Change %	2023
Nordics*	15.3	21.4	-28%	114.1
Rest of Europe	20.3	27.8	-27%	144.2
North America	4.1	1.7	139%	11.3
Rest of the world	2.8	4.9	-42%	14.0
Total	42.6	55.8	-24%	283.6

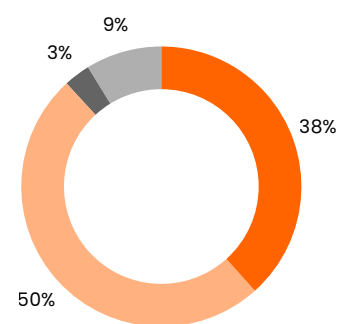
* Nordics include Finland, Sweden, Norway, Denmark and Iceland

REVENUE Q1/2024



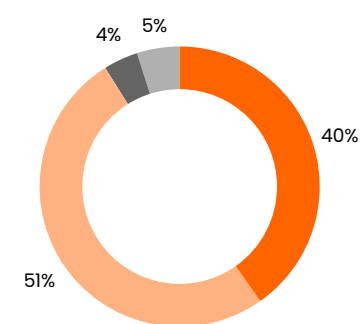
■ Nordics* 15.3 MEUR
■ Rest of Europe 20.3 MEUR
■ North America 4.1 MEUR
■ Rest of the World 2.8 MEUR

REVENUE Q1/2023



■ Nordics* 21.4 MEUR
■ Rest of Europe 27.8 MEUR
■ North America 1.7 MEUR
■ Rest of the World 4.9 MEUR

REVENUE 2023



■ Nordics* 114.1 MEUR
■ Rest of Europe 144.2 MEUR
■ North America 11.3 MEUR
■ Rest of the World 14.0 MEUR

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

Kempower's revenue for the first quarter amounted to EUR 42.6 million (EUR 55.8 million). Revenue decreased 24 percent compared to Q1 2023 driven by customers' high inventory levels, delayed grid connection availability and the launch of Kempower's second generation charging platform, which has led some customers to postpone their purchasing decisions. On top of this, as we communicated in March of 2024, the political strikes in Finland have had a significant effect on the exports of Kempower's production in Finland, leading to postponement of some customer deliveries. Altogether revenue worth EUR 10 million was shifted to second quarter of 2024.

Kempower's charging solutions have been delivered to almost 50 countries globally. Kempower's geographical markets include the Nordics, which accounted for 36 (38) percent of Kempower's revenue for the first quarter of 2024, and Rest of Europe, which accounted for 48 (50) percent of Kempower's revenue for the first quarter of 2024. North America accounted for 9 (3) and Rest of the World 7 (9) percent of Kempower's revenue for the first quarter of 2024.

Kempower's revenue decreased during the first quarter of 2024 in the Nordics, Rest of Europe and Rest of the World regions. Revenue in North America grew compared to previous year.

Profitability

Operating loss for the first quarter of 2024 was EUR 10.9 million (EUR 6.8 million profit). Kempower's operative EBIT for the first quarter of 2024 amounted to EUR -10.8 million (EUR 6.9 million). The decreased operating profit was impacted by lower revenue. Operating profit was also impacted by EUR 10.6 million higher fixed costs compared to Q1 of 2023, of which most significant are related to in R&D, sales and marketing both in Europe and in North America. We also accounted additional EUR 0.5 million accrual regarding the change in North America leadership. Kempower has taken actions in order to improve short term-profitability by limiting new recruitments and external spending but continues recruitments in sales and service organization in order to secure growth for the short- and long term. Items affecting comparability in Q1 2024 amounted to EUR

0.1 million (EUR 0.1 million) and related to Kempower's strategic initiatives. Items affecting comparability in Q1 2024 amounted to EUR 0.1 million (EUR 0.1 million) and related to Kempower's strategic initiatives.

Kempower's other operating income for the first quarter of 2024 amounted to EUR 0.6 million (EUR 0.2 million) and comprised of unrealized change in fair value of derivatives EUR 0.3 million, governmental grants mainly from Business Finland EUR 0.2 million and other income totaling EUR 0.1 million.

Kempower's net financial items for the first quarter of 2024 amounted to EUR 0.2 million (EUR 0.4 million).

Kempower's income tax for the first quarter of 2024 amounted to EUR 1.9 million (EUR -1.7 million).

ITEMS AFFECTING COMPARABILITY

MEUR	Q1/2024	Q1/2023	2023
Expenses related to other strategic initiatives presented in other operating expenses	0.1		
Expenses related to establishing operations in the United States presented in other operating expenses		0.1	0.1
Total	0.1	0.1	0.1

Research and development

Research and development expenses including employee benefits amounted to EUR 6.0 million (EUR 2.5 million) for the first quarter of 2024, the equivalent of 14% (4%) of revenue.

After the review period we included as the first European DC charging company NACS charging standard for the company's offering in North America. NACS is charging connector used in North America DC charging market in addition to CCSI standard. Several major car manufacturers in North America have announced plans to equip future vehicles with NACS-compatible charging connectors.

We continuously strengthen our technological competitiveness to answer to the ever-evolving customer needs. The ramp up of the second generation product portfolio and first deliveries to customers have progressed better than planned. Even though the ramp up is in the early stage, customers have been satisfied with the high performance and high power factor 0.98 PF of the new technology. This will strengthen our position as the technological frontrunner in the DC charging market globally.

At the Capital Markets Day 2023, we estimated that the commercial vehicle segment will take off rapidly and become the most important DC charging application by 2030. Commercial and heavy vehicles segment is a central part of our growth strategy. After the review period, we took critical steps in our strategy execution as we were the first DC charging company to launch the Megawatt Charging System for electric trucks following the Megawatt Charging Standard (MCS) protocol. Our first version of the MCS based product comes with a peak

power of 1.2 megawatt (MW) and provides customers the same benefits as our existing offering, including, among other features, the dynamic charging which optimizes charging curves, charging time, charging costs and overall charging experience.

We have also made significant progress with our cloud-based Charging Management System (CMS) ChargeEye. The team working with ChargeEye has grown from 10 employees in the beginning of year 2023 to over 40 employees, increasing our focus on the value adding charging management system (CMS). The results of the hard-working team have been noticed by a third party evaluation that ranked Kempower ChargeEye as one of the leading charging management systems in global EV charging market.

Cash flow, financing and balance sheet

Kempower's cash flow from operating activities in the first quarter of 2024 amounted to EUR -10.2 million (EUR 2.5 million). For the full year 2023 cash flow from operating activities amounted to EUR 39.7 million. Negative operating cash flow resulted from negative result and temporary changes in inventory levels driven by increased finished products and securing the components for the second generation charging portfolio.

Kempower's cash flow from investing activities in the first quarter of 2024 amounted to EUR 5.5 million (EUR -1.6 million). For the full year 2023 cash flows from investing activities were EUR -14.6 million. Cash flows from investing activities for the first quarter of 2024 included the decrease of money market investments EUR 10.0 million and

investments in intangible assets and property, plant and equipment EUR -4.6 million. For the comparative period cash flows from investing activities consisted of investments in intangible assets and property, plant and equipment EUR -1.6 million. For the full year 2023 cash flows from investing activities included the increase of money market investments EUR -5.0 million and investments in intangible assets and property, plant and equipment EUR -9.6 million.

Kempower's cash flow from financing activities in the first quarter of 2024 amounted to EUR -1.2 million (EUR -0.7 million). During the reporting period and the comparative period, cash flow from financing activities consisted of payments of lease liabilities. For the full year 2023 cash flow from financing activities amounted to EUR -7.5 million and consisted of acquisition of treasury shares in Q4 of 2023 EUR -3.8 million and payments of lease liabilities of EUR -3.7 million.

Kempower's total assets on the balance sheet at the end of March 2024 were EUR 234.5 million (EUR 177.9 million) and EUR 237.7 million on 31 December 2023.

Kempower's cash and cash equivalents at the end of the first quarter of 2024 amounted to EUR 21.4 million (EUR 10.0 million) and EUR 27.4 million on 31 December 2023. Other financial assets included money market investments at the end of reporting period amounting to EUR 62.7 million (EUR 64.7 million) and EUR 72.4 million on 31 December 2023. Kempower had EUR 15.0 million (-) of unused short term credit facilities at the end of the first quarter of 2024.

For the reporting period the equity ratio was 55.0% (62.2%) compared to 58.3% on 31 December 2023. Net debt for the reporting period amounted to EUR -58.7 million (EUR -58.6 million) compared to EUR -74.6 million on 31 December 2023. The change in net debt as compared to the end

of 2023 was due to the decrease in cash and cash equivalents of EUR 6.0 million and the decrease of money market investments of EUR 9.8 million and the increase of lease liabilities of EUR 0.1 million.

Kempower has taken a credit insurance to mitigate the credit risk arising from Kempower's growth and global footprint.

Headcount end of period	31 Mar 2024	31 Mar 2023	31 Dec 2023
Operations, Production employees	182	123	176
Administration	92	43	79
Operations, Office employees	134	68	113
Research, development and innovations	171	88	148
Sales and marketing	255	143	221
Total	834	465	737

Investments

Kempower's gross investments during the first quarter of 2024 totaled EUR 4.6 million (EUR 1.6 million). Kempower's investments for the first quarter of 2024 related mainly to the production expansions.

Personnel

Kempower's headcount at the end of the first quarter of 2024 was 834 (465), of whom 621 (392) were employed by the parent company and 213 (73) by the subsidiaries. Kempower's average number of personnel converted into full-time employees was 756 (416) during the first quarter of 2024.

Kempower's headcount growth in the first quarter of 2024 was in line with the growth strategy of the company.

Shares

Kempower's share is listed on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki. Kempower's registered share capital is EUR 80,000 and the total number of shares outstanding at the end of Q1 2024 was 55,277,746 (55,418,286). The average number of shares outstanding during Q1 2024 was 55,277,746 (55,418,286).

The company held 265,174 pcs of the company's own shares at the end of Q1 2024 (124,634 pcs Q1 2023).

The company has one series of shares. Each share entitles its holder to one vote at the Annual General Meeting. The shares have no nominal value. Kempower's shares are included in the book-entry system maintained by Euroclear Finland Oy. The trading code of the shares is KEMPOWR and the ISIN code is FI4000513593.

Share indicators	Q1/2024	Q1/2023	2023
Highest Price (EUR)	32.48	29.80	54.40
Lowest Price (EUR)	18.60	21.20	21.20
Volume weighted average price (EUR)	25.09	25.28	33.72
Closing (EUR)	20.58	24.80	31.82
Turnover (EUR)	199,761,490	71,562,656	884,656,078
Turnover volume	7,960,695	2,830,523	26,234,850
Market Capitalization at the end of period MEUR	1,138	1,374	1,759
Number of registered Shares	55,542,920	55,542,920	55,542,920
Number of own Shares	265,174	124,634	265,174
Number of outstanding Shares	55,277,746	55,418,286	55,277,746

Major shareholders

At the end of the reporting period on 31 March 2024 the company had 59,845 shareholders.

15 largest shareholders on 31 March 2024:

Shareholder	Number of shares	% of shares
Kempfi Group Oy	34,400,000	61.93%
Varma Mutual Pension Insurance Company	2,572,678	4.63%
Ilmarinen Mutual Pension Insurance Company	678,000	1.22%
Nordea Funds	620,936	1.12%
Evli Fund Management	518,149	0.93%
Nordea Life Assurance Finland Ltd	395,498	0.71%
Oy Julius Tallberg Ab	356,309	0.64%
Wipunen varainhallinta Oy	350,000	0.63%
Kempinvest Oy	348,432	0.63%
Heikintorppa Oy	300,000	0.54%
KLP Kapitalforvaltning AS	290,805	0.52%
Kempower Corporation	265,174	0.48%
BlackRock	260,098	0.47%
Danske Invest	252,801	0.46%

Source: Modural Finance Ab - Monitor

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

Resolutions of the Annual general meeting and the Board of Directors of Kempower Corporation

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

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

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

Election and remuneration of the members of the Board of Directors

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

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

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

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

- the meeting fee is EUR 700 per meeting if the meeting is held in the home country of the member of the Board of Directors or if the meeting is a virtual meeting,

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

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

Election and remuneration of the auditor

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

Election and remuneration of the sustainability reporting assurance provider

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

Amending the Articles of Association

The General Meeting resolved to amend the Articles of Association of the company by changing its Section 12 in such a way that the section 12§ would cease to apply, if the Finnish Securities Market Act is amended in such a way that the obligation to notify major holdings and share of votes is applicable not only in the regulated market but also in the multilateral trading facility defined in Chapter 2, Section 9 of the Finnish Securities Market Act.

The General Meeting resolved to amend the Articles of Association of the company by changing its Section 13 in such a way that the section 13§ would cease to apply, if the Finnish Securities Market Act is amended in such a way that the procedure for a public offer and an obligation to make an offer is applicable not only in the regulated market but also in the multilateral trading facility defined in Chapter 2, Section 9 of the Finnish Securities Market Act.

The Board of Director's proposal to amend the Articles of Association with regard to sections 12§ and 13§ in its entirety is presented in "Notice to Annual General Meeting – Appendix 1" on Kempower's website <https://investors.kempower.com/governance/general-meeting/>.

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

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

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

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

The shares may be repurchased in order to develop the capital structure of the company, to finance possible acquisitions, investments, or other arrangements included

in the company's business, as well as to implement the company's share-based incentive scheme or otherwise to be further transferred, held by the company, or invalidated. The Board of Directors resolves on all other conditions and matters pertaining to the repurchase of the company's own shares. The repurchase of the company's own shares reduces the unrestricted equity of the company.

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

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

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

The new shares may be issued or the treasury shares transferred in deviation from the shareholder's pre-emptive 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 share-based incentive schemes.

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

Resolutions of the Board of Directors

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

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

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

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 Tommi Liuska
- Chief Markets Officer Jussi Vanhanen
- Chief Service Business Officer Juha-Pekka Suomela
- Chief People Officer, Hanne Peltola

The members of Kempower's Extended Leadership Team are:

- Vice President, Research and Innovation, Mikko Veikkolainen
- Vice President, Brand and Communications Paula Savonen
- General Counsel Sanna Lehti
- Vice President, Product Management Tuomo Tarula (as of 1st of April 2024)
- Vice President, Product Development Antti Kärkkäinen (as of 25th of March 2024)
- Director, Operations Excellence Aki Tuononen (as of 25th of March 2024)
- Director, Lifecycle Services Jouko Liljeström (as of 25th of March 2024)
- Director, Sales Development Timo Okkonen (as of 25th of March 2024)

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

The members of Kempower's Board of Directors are:

- Chair of the Board Vesa Laisi
- Vice Chair of the Board Antti Kemppi
- Member of the Board Olli Laurén
- Member of the Board Teresa Kemppi-Vasama
- Member of the Board Eriikka Söderström
- Member of the Board Tuula Ryttilä
- Member of the Board Tero Era (until March 2024)
- Member of the Board Kimmo Kemppi (until March 2024)

Personnel offering, stock options and long-term incentive programs

Personnel offering

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

Existing stock option program

In November 2021, Kempower launched a stock option 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 share-based incentive programme for Kempower's management 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 income taxes and social charges. 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 Management Team members, belong to the target group of the performance period. The Extended Management Team member is obliged to hold at least 50 per cent of the shares received as a net reward from the performance share plan, until the total value of the member's shareholding in Kempower equals to 50 per cent of their annual base salary of the preceding year. Such number of Kempower's shares must be held as long as the membership in the Extended Management Team continues.

Share-based incentive plan (2023–2025)

Kempower launched in February 2023 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.

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 Management Team members, belong to the target group of the performance period.

The Management Team member is obliged to hold at least 50 per cent of the shares received as a net reward from the performance share plan, until the total value of the member's shareholding in Kempower equals to 50 per cent of their annual base salary of the preceding year. Such number of Kempower's shares must be held as long as the membership in the Management 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 for period 2024-2027 of the Employee Share Savings Plan (ESSP) established in 2023. New savings period commenced on 1 April 2024 and end on 31 March 2025.

Share-based incentive plan 2024–2026

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

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

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

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

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

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

Restricted Share Unit Plan 2024–2027

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

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

The Board of Directors may allocate rewards from the Restricted Share Unit Plan 2024–2027 during financial years 2024–2027. The value of the rewards to be allocated during 2024 on the basis of the plan corresponds to a maximum total of 20,000 shares of Kempower, including also the proportion to be paid in cash.

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

Short-term risks and uncertainty factors

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

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

Kempower has a growth strategy and implementing it involves risks, such as scaling of operations. Failure of Kempower to effectively increase its production capacity, supply chain and service capabilities could have a negative impact on the Company's ability to meet its short-term growth targets. Kempower has significantly expanded its production capacity, and the capacity expansion will continue also from now on. In addition, the Company has invested in scaling up the

service network. Increased production capacity in the North America is currently being ramped up. The market entry 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.

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

Achieving Kempower's strong growth targets depends on the Company's ability to respond to market changes. The Company's business may also be greatly affected if new or changed laws and regulations are introduced in the market, of which the Company would not have been aware and thus prepared for the changes. To manage the risks, Kempower is constantly increasing its ability to identify and adapt to the global and market specific regulatory requirements.

Kempower's future growth is dependent on the Company's ability to keep up the pace with the rapidly changing technologies in the Electric Vehicle market. To manage the risk Kempower is investing in R&D activities to gain and maintain the competitive advantages and to respond to customer demand and competition.

Kempower's production uses IT systems and tools whose connectivity and continued accessibility are prerequisite for efficient production and deliveries. Disturbances in the network or cybercrimes could disrupt Kempower's

business and have a material adverse effect on its revenue and results of operations. Kempower has prepared business continuity and recovery plans to mitigate the risks in production.

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

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

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

In 2022, Kempower carried out a long-term climate risk and opportunity assessment of our business model, including scenario analysis as per TCFD guidance, for which we used two climate scenarios: IPCC SSP1-2.6 (global temperature increase well below 2°C), and

IPCC SSP4-8.5 (global temperature increase up to 4°C). The top risks identified were physical, especially in the 4°C scenario, including local damages due to extreme weather, disruptions in the global supply chain and negative regional impacts on the workforce. These risks were estimated to have a small or small-to-medium sized financial impact.

Significant events during the period

January 2024

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

February 2024

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

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 issued a negative profit warning and lowered its guidance for Q1/2024.

Events after balance sheet period

- Kempower launched Megawatt Charging System for electric trucks in Europe.
- Kempower announced it has added North American Charging Standard (NACS) as part of their offering in North America.

2024 Financial calendar

- Half-Year Report, January-June (H1) is published 24 July 2024
- Interim Report, January-September (Q3) is published 30 October 2024.

Lahti 24th of April, 2024

Kempower Corporation
Board of Directors

Key figures, calculation of key figures and reconciliations

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

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

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

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

RECONCILIATION OF THE KEY FIGURES

MEUR	Q1/2024	Q1/2023	2023
Revenue growth, %			
Revenue	42.6	55.8	283.6
Revenue of the comparative period	55.8	11.5	103.6
Change of revenue	-13.2	44.2	180.0
Revenue growth, %	-24%	385%	174%
Gross profit			
Revenue	42.6	55.8	283.6
Materials and services	-19.6	-26.1	-129.4
Variable employee benefits	-1.7	-1.3	-6.5
Gross profit	21.2	28.4	147.7
Items affecting comparability			
Expenses related to other strategic initiatives presented in other operating expenses	0.1		
Expenses related to establishing operations in the United States presented in other operating expenses		0.1	0.1
Items affecting comparability	0.1	0.1	0.1
Operative EBIT			
Operating profit/loss (EBIT)	-10.9	6.8	40.6
Items affecting comparability	0.1	0.1	0.1
Operative EBIT	-10.8	6.9	40.7

MEUR	Q1/2024	Q1/2023	2023
Investments			
Investments in intangible assets	0.4	0.0	0.2
Investments in tangible assets excluding Right-of-use assets	4.2	1.6	9.4
Investments	4.6	1.6	9.6
Earnings per share, basic, EUR			
Profit/loss for the period attributable to the equity holders of the company	-8.8	5.6	33.7
Average number of shares, 1,000 pcs	55,278	55,418	55,405
Earnings per share, basic, EUR	-0.16	0.10	0.61
Earnings per share, diluted, EUR			
Profit/loss for the period attributable to the equity holders of the company	-8.8	5.6	33.7
Average number of shares adjusted for the dilutive effect, 1,000 pcs	55,390	55,517	55,504
Earnings per share, diluted, EUR	-0.16	0.10	0.61

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 borrowings and leasing liabilities + Current borrowings and leasing liabilities - Cash and cash equivalents - Current financial assets
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

Financial statement information 1 January–31 March 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q1/2024	Q1/2023	Change	2023
Revenue	42.6	55.8	-13.2	283.6
Other operating income	0.6	0.2	0.4	1.3
Materials and services	-19.6	-26.1	6.4	-129.4
Employee benefits	-18.2	-9.0	-9.1	-48.9
Depreciation, amortization and impairment losses	-2.3	-1.1	-1.3	-6.5
Other operating expenses	-13.9	-12.9	-1.0	-59.6
Total operating expenses	-54.1	-49.1	-4.9	-244.3
Operating result	-10.9	6.8	-17.7	40.6
Finance income	1.3	0.6	0.6	4.6
Finance expenses	-1.0	-0.2	-0.8	-2.1
Total finance income and expenses	0.2	0.4	-0.2	2.5
Profit/loss before taxes	-10.6	7.3	-17.9	43.0
Income tax	1.9	-1.7	3.5	-9.3
PROFIT/LOSS FOR THE PERIOD	-8.8	5.6	-14.3	33.7
Profit/loss for the period attributable to the equity holders of the parent company	-8.8	5.6	-14.3	33.7
Other comprehensive income for the period				
Items that may be subsequently reclassified to profit or loss				
Translation difference	-0.1	0.0	-0.1	0.1
Other comprehensive income that will not be reclassified to profit or loss				
Remeasurement of defined benefit plan				0.0
Taxes				-0.0
Total other comprehensive profit/loss for the period	-0.1	0.0	-0.1	0.1
Comprehensive profit/loss for the period	-8.9	5.5	-14.4	33.8
Comprehensive profit/loss for the period attributable to the equity holders of the parent company	-8.9	5.5	-14.4	33.8
Earnings per share for profit/loss attributable to the equity holders of the parent company				
Basic and diluted earnings per share, EUR	-0.16	0.10	-0.26	0.61

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	1.9	2.5	1.8
Property, plant and equipment	41.8	23.0	38.2
Non-current receivables	0.1	1.0	1.4
Deferred tax receivables	5.0	1.2	2.8
Total non-current assets	48.7	27.6	44.3
Current assets			
Inventories	65.6	35.2	51.6
Trade receivables	27.1	34.9	35.4
Other receivables	2.9	2.8	2.5
Prepaid expenses and accrued income	6.1	2.6	4.2
Other financial assets	62.7	64.7	72.4
Cash and cash equivalents	21.4	10.0	27.4
Total current assets	185.7	150.3	193.5
TOTAL ASSETS	234.5	177.9	237.7

MEUR	31 Mar 2024	31 Mar 2023	31 Dec 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	0.1	0.1	0.1
Reserve for invested unrestricted equity	95.7	95.7	95.7
Other reserves	0.0		0.0
Treasury shares	-5.3	-1.4	-5.3
Translation differences	-0.1	-0.1	0.0
Retained earnings	43.1	6.6	8.7
Profit/loss for the period	-8.8	5.6	33.7
Total equity	124.7	106.4	132.9
Non-current liabilities			
Lease liabilities	20.3	13.6	20.5
Provisions	3.7	1.2	3.8
Deferred tax liabilities	0.0		0.0
Other liabilities	0.1	0.0	0.1
Total non-current liabilities	24.1	14.9	24.4
Current liabilities			
Lease liabilities	5.0	2.6	4.7
Provisions	8.8	6.9	10.4
Advance payments	7.9	6.7	9.8
Trade payables	34.5	23.7	31.7
Other liabilities	1.7	2.1	2.1
Accruals and deferred income	27.8	14.6	21.7
Total current liabilities	85.7	56.6	80.4
Total liabilities	109.8	71.5	104.8
TOTAL EQUITY AND LIABILITIES	234.5	177.9	237.7

CONSOLIDATED STATEMENT OF CASH FLOWS

MEUR	Q1/2024	Q1/2023	Change	2023
Cash flow from operating activities				
Profit/loss for the period	-8.8	5.6	-14.3	33.7
Adjustments:				
Depreciation, amortization and impairment	2.3	1.1	1.3	6.5
Financial income and expenses	-0.2	-0.4	0.1	-2.5
Unrealized foreign exchange gains and losses	-0.1	0.0	-0.2	0.4
Income taxes	-1.9	1.7	-3.5	9.3
Other non-cash items	0.3	0.3	0.1	2.3
Change in provisions	-1.7	5.7	-7.3	11.7
Gains and losses of disposals of fixed assets				-0.0
Cash flow before changes in working capital	-10.0	13.9	-23.9	61.5
Changes in working capital				
Change in trade and other receivables	7.1	-12.9	20.1	-14.3
Change in inventories	-14.0	-8.1	-5.9	-24.5
Change in trade payables and short-term liabilities	7.2	9.9	-2.7	28.5
Cash flow from operating activities before financial items and taxes	-9.7	2.8	-12.5	51.1
Interest and other financial expenses paid	-0.3	-0.2	-0.1	-1.1
Interest and other financial income received	0.6	0.0	0.6	0.4
Taxes paid	-0.8	-0.1	-0.7	-10.8
Cash flow from operating activities	-10.2	2.5	-12.7	39.7

MEUR	Q1/2024	Q1/2023	Change	2023
Cash flow from investing activities				
Increase (-)/decrease (+) of other financial assets	10.0		10.0	-5.0
Investments in intangible assets and property, plant and equipment	-4.6	-1.6	-3.0	-9.6
Proceeds from sale of tangible and intangible assets				0.0
Cash flow from investing activities	5.5	-1.6	7.1	-14.6
Cash flow from financing activities				
Purchase of treasury shares				-3.8
Payment of lease liabilities	-1.2	-0.7	-0.6	-3.7
Cash flow from financing activities	-1.2	-0.7	-0.6	-7.5
Net change in cash and cash equivalents	-6.0	0.3	-6.3	17.5
Cash and cash equivalents at the beginning of the period	27.4	9.8	17.5	9.8
Effects of exchange rate fluctuations on cash held	-0.0	-0.1	0.1	-0.0
Cash and cash equivalents at the end of the period	21.4	10.0	11.3	27.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MEUR	Share capital	Invested unrestricted equity fund	Other reserves	Translation differences	Treasury shares	Retained earnings	Total
Shareholders' equity 1 Jan 2024	0.1	95.7	0.0	0.0	-5.3	42.4	132.9
Profit/loss for the period						-8.8	-8.8
Currency translation differences				-0.1			-0.1
Total comprehensive income for the period, net of tax				-0.1		-8.8	-8.9
Transactions with owners							
Share-based payments						0.6	0.6
Transactions with owners, total						0.6	0.6
Shareholders' equity 31 Mar 2024	0.1	95.7	0.0	-0.1	-5.3	34.3	124.7
Shareholders' equity 1 Jan 2023	0.1	95.7		-0.1	-1.4	6.3	100.6
Profit/loss for the period						5.6	5.6
Currency translation differences				-0.0			-0.0
Total comprehensive income for the period, net of tax				-0.0		5.6	5.5
Transactions with owners							
Share-based payments						0.3	0.3
Transactions with owners, total						0.3	0.3
Shareholders' equity 31 Mar 2023	0.1	95.7		-0.1	-1.4	12.2	106.4
Shareholders' equity 1 Jan 2023	0.1	95.7		-0.1	-1.4	6.3	100.6
Profit/loss for the period						33.7	33.7
Remeasurement of defined benefit plans						0.0	0.0
Reclassifications			0.0			-0.0	
Currency translation differences				0.1			0.1
Total comprehensive income for the period, net of tax			0.0	0.1		33.7	33.8
Transactions with owners							
Acquisition of treasury shares						-3.8	-3.8
Share-based payments						2.4	2.4
Transactions with owners, total						-3.8	-1.5
Shareholders' equity 31 Dec 2023	0.1	95.7	0.0	0.0	-5.3	42.4	132.9

Notes to the condensed financial statements

Basic information about the Group

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

Basis of preparation

The unaudited interim condensed consolidated financial statements of Kempower Corporation for 3 months ending on 31 March 2024 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). As such, they do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with Kempower's annual consolidated financial statements as of 31 December 2023.

Kempower's Board of Directors approved these unaudited interim condensed consolidated financial statements to be published on 24 April 2024.

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

REVENUE BY GEOGRAPHICAL REGIONS

MEUR	Q1/2024	Q1/2023	Change %	2023
Nordics*	15.3	21.4	-28%	114.1
Rest of Europe	20.3	27.8	-27%	144.2
North America	4.1	1.7	139%	11.3
Rest of the World	2.8	4.9	-42%	14.0
Total	42.6	55.8	-24%	283.6

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

REVENUE BY RECOGNITION TYPES

MEUR		Q1/2024	Q1/2023	2023
Products	Point in time	40.9	54.7	279.1
Services	Over time	1.6	1.0	4.5
Total		42.6	55.8	283.6

Fixed assets

INTANGIBLE ASSETS

MEUR, 31 Mar 2024	Intangible rights	Capitalized development costs	Other intangible assets	Prepayments and work in progress	Total
Carrying amount at the beginning of the period	0.5	0.3	1.0		1.8
Additions				0.4	0.4
Amortizations and impairment	-0.0	-0.1	-0.3		-0.3
Carrying amount at the end of the period	0.5	0.2	0.8	0.4	1.9
Cost at the end of the period	0.7	1.1	1.8	0.4	4.0
Accumulated amortizations and impairment	-0.2	-0.9	-1.1		-2.2
Carrying amount at the end of the period	0.5	0.2	0.8	0.4	1.9

MEUR, 31 Mar 2023	Intangible rights	Capitalized development costs	Other intangible assets	Prepayments and work in progress	Total
Carrying amount at the beginning of the period	0.4	0.5	1.7		2.6
Additions			0.0		0.0
Amortizations and impairment	-0.0	-0.1	-0.1		-0.1
Carrying amount at the end of the period	0.4	0.5	1.6		2.5
Cost at the end of the period	0.5	1.1	1.8		3.4
Accumulated amortizations and impairment	-0.1	-0.7	-0.2		-1.0
Carrying amount at the end of the period	0.4	0.5	1.6		2.5

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

PROPERTY, PLANT AND EQUIPMENT

MEUR, 31 Mar 2024	Machinery and equipment	Other tangible assets	Prepayments and work in progress	Right-of-use assets	Total
Carrying amount at the beginning of the period	8.0	3.8	1.9	24.5	38.2
Additions	0.4	0.9	2.9	1.2	5.4
Depreciations and impairment	-0.4	-0.2		-1.4	-2.0
Translation differences	0.0	0.1	-0.0	0.1	0.2
Carrying amount at the end of the period	8.0	4.5	4.8	24.5	41.8
Cost at the end of the period	10.1	4.9	4.8	33.4	53.2
Accumulated depreciations and impairment	-2.1	-0.5		-9.0	-11.6
Translation differences	0.0	0.1	-0.0	0.1	0.2
Carrying amount at the end of the period	8.0	4.5	4.8	24.5	41.8
MEUR, 31 Mar 2023	Machinery and equipment	Other tangible assets	Prepayments and work in progress	Right-of-use assets	Total
Carrying amount at the beginning of the period	4.3	0.0	1.3	15.5	21.1
Additions	0.3	0.0	1.3	1.2	2.8
Depreciations and impairment	-0.2	-0.0		-0.7	-0.9
Translation differences	-0.0		-0.0	-0.0	-0.0
Carrying amount at the end of the period	4.4	0.1	2.6	16.0	23.0
Cost at the end of the period	5.2	0.1	2.6	20.1	28.0
Accumulated depreciations and impairment	-0.9	-0.0		-4.2	-5.1
Translation differences	-0.0		-0.0	-0.0	-0.0
Carrying amount at the end of the period	4.4	0.1	2.6	16.0	23.0

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

RIGHT-OF-USE ASSETS

Amounts recognized in the statement of financial position

MEUR, 31 Mar 2024	Buildings	Machinery and equipment	Total
Carrying amount at the beginning of the period	21.4	3.1	24.5
Additions	1.1	0.2	1.2
Depreciations and impairment	-1.0	-0.4	-1.4
Translation differences	0.1	-0.0	0.1
Carrying amount at the end of the period	21.6	2.9	24.5

MEUR, 31 Mar 2023	Buildings	Machinery and equipment	Total
Carrying amount at the beginning of the period	14.1	1.4	15.5
Additions	0.8	0.3	1.2
Depreciations and impairment	-0.5	-0.2	-0.7
Translation differences	-0.0	-0.0	-0.0
Carrying amount at the end of the period	14.4	1.5	16.0

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

Financial assets and liabilities by category

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

MEUR, 31 Mar 2024	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		0.1	0.1	0.1			
Current financial assets							
Trade receivables		27.1	27.1	27.1			
Other receivables		2.9	2.9	2.9			
Derivatives	0.1		0.1	0.1		0.1	
Other financial assets	62.7		62.7	62.7	62.7		
Cash and cash equivalents		21.4	21.4	21.4			
Total financial assets	62.7	51.4	114.1	114.1	62.7	0.1	
Non-current financial liabilities							
Non-current lease liabilities		20.3	20.3	20.3			
Current financial liabilities							
Current lease liabilities		5.0	5.0	5.0			
Trade payables		34.5	34.5	34.5			
Derivatives	0.2		0.2	0.2		0.2	
Other non-interest-bearing liabilities		1.7	1.7	1.7			
Total financial liabilities	0.2	61.5	61.7	61.7		0.2	

MEUR, 31 Mar 2023	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		1.0	1.0	1.0			
Current financial assets							
Trade receivables		34.9	34.9	34.9			
Other receivables		2.8	2.8	2.8			
Other financial assets	64.7		64.7	64.7	64.7		
Cash and cash equivalents		10.0	10.0	10.0			
Total financial assets	64.7	48.7	113.5	113.5	64.7		
Non-current financial liabilities							
Non-current lease liabilities		13.6	13.6	13.6			
Current financial liabilities							
Current lease liabilities		2.6	2.6	2.6			
Trade payables		23.7	23.7	23.7			
Other non-interest-bearing liabilities		2.1	2.1	2.1			
Total financial liabilities		42.0	42.0	42.0			

MEUR, 31 Dec 2023	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		1.4	1.4	1.4			
Current financial assets							
Trade receivables		35.4	35.4	35.4			
Other receivables		2.5	2.5	2.5			
Derivatives	0.4		0.4	0.4		0.4	
Other financial assets	72.4		72.4	72.4	72.4		
Cash and cash equivalents		27.4	27.4	27.4			
Total financial assets	72.9	66.7	139.5	139.5	72.4	0.4	
Non-current financial liabilities							
Non-current lease liabilities		20.5	20.5	20.5			
Current financial liabilities							
Current lease liabilities		4.7	4.7	4.7			
Trade payables		31.7	31.7	31.7			
Derivatives	0.3		0.3	0.3		0.3	
Other non-interest-bearing liabilities		2.1	2.1	2.1			
Total financial liabilities	0.3	59.0	59.3	59.3		0.3	

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

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

Related party transactions

The parties are considered to be related parties if the other party is able to exercise control or significant influence or joint control over the other party in decision making concerning its finances or business. Kempower's related parties include its subsidiaries and parent company Kemppi Group Oy and its subsidiaries other than Kempower Group companies. Related parties also include members of Kempower's Board of Directors, CEO and members of the 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 and administration services from Kemppi Group companies and premises leased from Kemppi Group companies. Commitments related to future purchases from Kemppi Oy are also included in related party transactions.

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

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

MEUR	Q1/2024	Q1/2023	2023
Sales and purchases of goods and services to and from Kemppi Group companies			
Products sold	0.4	0.1	0.4
Purchased materials	-5.3	-11.6	-44.1
Purchased administration services	-0.0	-0.0	-0.0
Office and facility lease	-0.5	-0.6	-2.3
Sales and purchases of goods and services to and from other related parties			
Purchased services	-0.0	-0.1	-0.1
MEUR			
31 Mar 2024 31 Mar 2023 31 Dec 2023			
Outstanding balances with Kemppi Group companies			
Trade and other receivables	0.1	0.0	0.2
Total current receivables	0.1	0.0	0.2
Lease liabilities	11.5	11.8	11.6
Total non-current liabilities	11.5	11.8	11.6
Lease liabilities	1.5	1.4	1.5
Trade payables	4.3	9.2	6.7
Other current liabilities	0.1	2.0	
Total current liabilities	6.0	12.5	8.2
Commitments to Kemppi Group companies			
Purchase commitments	11.7	6.5	4.4
Total commitments	11.7	6.5	4.4

Commitments

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

MEUR	31 Mar 2024	31 Mar 2023	31 Dec 2023
Purchase commitments to Kemppi Group companies	11.7	6.5	4.4
Purchase commitments to other companies	10.7	10.7	10.1
Commitments to leases commencing after the reporting period	3.1		2.2
Guarantees given	1.5	0.1	1.4
Total	26.9	17.3	18.1



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