



KWH Group

Annual Review

2024





**Despite an uncertain
market, the KWH Group
managed to deliver its
best result ever.**



We will seize opportunities



Kjell Antus
CEO

IN 2024, we operated in a world still characterised by economic and geopolitical uncertainty. Trade relations between the major economies of the US, China and the EU remained strained, with protectionist measures and tariffs affecting global supply chains. These challenges created uncertainty for many companies, but the KWH Group, thanks to its flexible structure and long-term strategy, was able to navigate this complex environment and achieve stability and growth.

SUSTAINABILITY and climate issues have become increasingly central, and we are seeing an accelerating transition towards green technologies and the circular economy. Governments around the world are introducing stricter environmental rules and companies are expected to take more responsibility for sustainable development. The KWH Group is well positioned for this transition, and we have already started initiatives that strengthen our role as pioneers in our industries. For example, Mirka is leading the way with projects supporting the circular economy. In addition, all business divisions are working actively to ensure reliable sustainability reporting under the CSRD (Corporate Sustainability Reporting Directive) framework.

DIGITAL TRANSFORMATION is a key trend that continues to drive developments in industry. Investments in digital infrastructure, artificial intelligence and automation create new opportunities for efficiency and innovation. At KWH, we are working actively to implement digital solutions that optimise our processes and give us a continued competitive edge. At the same time, we face growing cybersecurity threats which require continuous investment to protect our operations and our customers' data.

2024 brought both challenges and successes. We started the year with strikes affecting our operations, but the situation stabilised in the second half of the year. The global market remained challenging, characterised by political uncertainty and structural problems in several European countries. At the same time, the situation in the United States was surprisingly positive, and the decline in inflation, combined with subsequent interest rate cuts, helped stimulate the market. Despite the challenges, the KWH Group managed to maintain strong profitability and delivered its best result ever.

OUR SALES rose to EUR 625.1 million, with an operating profit of EUR 76.9 million. Net profit for the financial year totalled EUR 63.1 million, the best in the Group's history.

Looking ahead to 2025, we are confident that global GNP growth will be stable, but with significant differences across regions and sectors. The US is expected to continue to benefit from tax cuts and deregulation, while Europe and China face continued structural challenges. Political uncertainty remains, and we need to prepare to deal with the consequences of both escalating existing crises and any new challenges that may arise.

THE KWH GROUP has a clear strategy for profitable growth. We continue to develop and market high-quality products and solutions in abrasives, abrasive equipment and plastic products as well as logistics solutions in port operations, industrial services and frozen storage. We focus on markets with development potential and continue to invest in innovation and efficiency to strengthen our competitiveness. With our long-term commitment, our ability to adapt to a changing environment and our strong corporate spirit, I am convinced that we have everything we need to continue our successful journey. With our dedicated employees and valuable partners, we look forward to creating long-term value for our customers and stakeholders. With a continued focus on innovation and sustainability, we are ready to meet the opportunities and challenges of the future.



From timber and plastic pipes to abrasives and logistics

THE KWH GROUP is a third-generation family business with its roots firmly anchored in Ostrobothnia. It all started in the 1920s with the export of timber, and since then the Group has changed direction many times. Over the decades, the KWH Group has, for example, operated in the clothing industry and been one of the world's leading manufacturers of water and drain pipes.

THE GUIDING principle of KWH Group has always been renewal. When the prospects for an industry have started to look bleak, KWH has bravely dared to do away with the old and go for something new. Today, the KWH Group's main sectors are abrasives and sanding tools, logistics, cold storage and water traps. All these businesses were once only small parts of the Group, but over the years they have grown large under the solid wings of the parent company.

A CULTURE of constant renewal has been the key to the KWH Group's development into the versatile industrial group it is today. With its roots in timber exports, it is not surprising that exports continue to play a central role for KWH companies today. Sustainability has become an increasingly important issue, and the KWH Group endeavours to be a pioneer in this area as well.



A family-owned growth company

Operating principles

An industrial growth company
We are a knowledge company that focuses on expertise, professionalism, and quality.

We are a committed long-term owner aiming for growth in our businesses through our financial strength and industrial know-how.

Renewal through innovation
Our subsidiaries conduct internationally competitive, knowledge-intensive, and service-oriented niche business. We achieve this through digitalization and both technical and commercial innovation.

Our business is built around unique products and processes or a unique industry position. That gives us long-term competitive advantages.

Sustainability Vision

We are a family-owned growth company that conducts our operations in a responsible, long-term, and sustainable manner.

Core values

Customer first
Our goal is to create value and contribute to solutions for our customers.

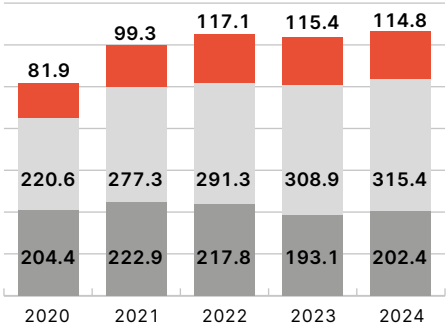
Innovative solutions
Our subsidiaries are know-how leaders in their lines of business. We have the ambition to become best-in-class in our main processes. We continuously seek and develop new business opportunities.

Committed employees
We focus on well-being, motivation, and creativity. We give all employees the opportunity to fulfil their potential.

Sustainable business
We run our businesses in a responsible, long-term, and sustainable manner.

Effective risk management
Our renewal is based on financial strength and well-balanced risks.

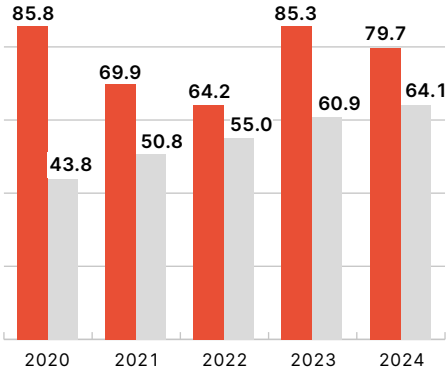
Turnover, MEUR



625 MEUR

■ FINLAND ■ EXPORTS ■ FOREIGN OPERATIONS

Investments and Depreciation, MEUR

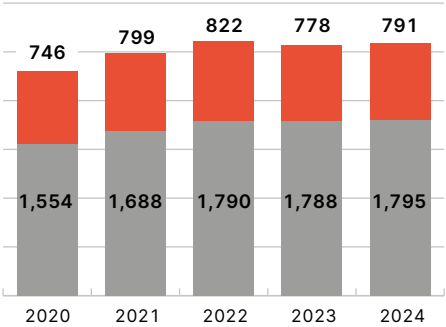


Investments 80 MEUR

Investments in Finland 76 MEUR

■ INVESTMENTS ■ DEPRECIATION

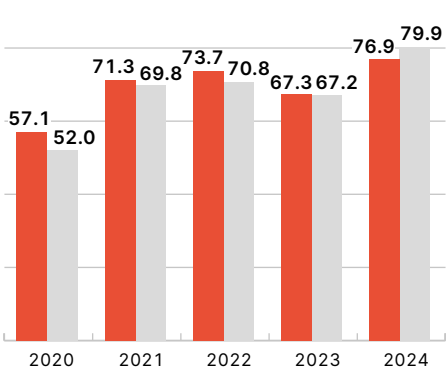
Personnel



2,586 persons

■ FINLAND ■ ABROAD

Profit, MEUR



Operating profit 77 MEUR

■ OPERATING PROFIT ■ PROFIT BEFORE TAXES

Consolidated income statement, MEUR

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|-------|-------|-------|-------|-------|
| Turnover | | | | | |
| Finland | 202.4 | 193.1 | 217.8 | 222.9 | 204.4 |
| Exports from Finland | 315.4 | 308.9 | 291.3 | 277.3 | 220.6 |
| Foreign Operations | 114.8 | 115.4 | 117.1 | 99.3 | 81.9 |
| Total | 625.1 | 610.8 | 619.0 | 592.8 | 501.3 |
| Personnel Expenses | 181.2 | 173.8 | 169.2 | 157.7 | 137.7 |
| Depreciation and Impairment | 64.1 | 60.9 | 55.0 | 50.8 | 43.8 |
| Operating Profit | 76.9 | 67.3 | 73.7 | 71.3 | 57.1 |
| Financing Items | -3.0 | 0.1 | 2.8 | 1.5 | 5.1 |
| Profit before Taxes | 79.9 | 67.2 | 70.8 | 69.8 | 52.0 |
| Taxes according to the Income Statement | 16.7 | 16.0 | 13.3 | 14.4 | 9.2 |
| Profit for the Financial Year | 63.1 | 51.2 | 57.6 | 55.4 | 42.7 |

Consolidated balance sheet, MEUR

| | | | | | |
|----------------------------------|--------|--------|-------|-------|-------|
| Non-current Assets | 513.9 | 463.0 | 526.9 | 508.7 | 485.6 |
| Inventories | 103.5 | 92.1 | 112.2 | 90.4 | 65.5 |
| Receivables | 101.4 | 101.7 | 101.2 | 91.8 | 79.9 |
| Financial Assets | 198.8 | 199.1 | 74.1 | 69.3 | 63.4 |
| Shareholders' Equity | 714.3 | 665.8 | 632.8 | 584.4 | 542.2 |
| Liabilities | 203.2 | 190.1 | 181.6 | 175.7 | 152.2 |
| Net interest-bearing Liabilities | -131.0 | -127.6 | -10.5 | -8.0 | -8.7 |
| Balance Sheet Total | 917.4 | 855.9 | 814.4 | 760.1 | 694.4 |

Ratios, %

| | | | | | |
|--------------------------------|-----|-----|----|----|----|
| Change in Turnover | 2 | -1 | 4 | 18 | -2 |
| Exports and Foreign Operations | 69 | 69 | 66 | 64 | 60 |
| Share of Group Turnover | | | | | |
| Mirka | 66 | 67 | 64 | 60 | 57 |
| KWH Logistics | 24 | 23 | 27 | 30 | 32 |
| KWH Freeze | 5 | 5 | 4 | 4 | 5 |
| KWH Invest (Prevex) | 5 | 5 | 5 | 6 | 6 |
| Return on Capital Employed | 11 | 10 | 11 | 12 | 9 |
| Return on Shareholders' Equity | 9 | 8 | 9 | 10 | 8 |
| Equity Ratio | 78 | 78 | 78 | 77 | 78 |
| Gearing | -18 | -19 | -2 | -1 | -2 |

Other information

| | | | | | |
|----------------------------------|-------|-------|-------|-------|-------|
| Gros Investments, MEUR | 79.7 | 85.3 | 64.2 | 69.9 | 85.8 |
| Net Investments, MEUR | 79.2 | -2.3 | 60.9 | 69.6 | 85.2 |
| Average Number of Personnel | 2,586 | 2,566 | 2,612 | 2,487 | 2,300 |
| of which abroad | 791 | 778 | 822 | 799 | 746 |
| Turnover per Employee, EUR 1,000 | 242 | 238 | 237 | 238 | 218 |

Calculation of financial ratios

RETURN ON CAPITAL EMPLOYED

profit before taxes + interest and other financial expenses x 100
balance sheet total - non-interest-bearing liabilities in average

RETURN ON SHAREHOLDERS' EQUITY

net profit x 100
shareholders' equity + minority interest in average

EQUITY RATIO

shareholders' equity x 100
balance sheet total - advances received

GEARING

interest-bearing liabilities - cash in hand and at bank x 100
shareholders' equity

Equity Ratio 78%



Mirka

2024 was a year in which Mirka could celebrate major progress in the area of sustainability.

2024

Circular achievements and record results



Stefan Sjöberg
Head of Division,
Mirka

MORE AND MORE global manufacturing will have to follow circular logic in the future as the linear model applied today is not sustainable in the long run. At Mirka, our target is for 70% of our products to be circular or compostable by 2035, and we are actively working to make this target a reality.

This work is mainly being done via two projects partly funded by Business Finland and led by Mirka. In the SHAPE project, we have managed to build a strong ecosystem of over 70 partners, most of whom joined last year. An incubator called M.INC was also launched last year. Its purpose is to take ideas from the ecosystem a step further towards funding.

The second project, CIGMA, is developing ceramic abrasive grains from partially recycled materials. At the same time, we are developing the processes for how collection and recycling will work in practice. This project has also made excellent progress, and we are now building an abrasive grain recycling plant which will be completed in 2026 as part of the abrasive grain production process.

WE ARE undergoing a technology shift in abrasives production. The environmentally friendly new production process we have developed already accounts for a significant share of our total production. This process consumes 90% less energy than traditional processes and it will also allow us to phase out many problematic chemicals over time. In view of the future tightening of chemicals legislation, we are proud to already be able to offer our customers future-proof products.

Another investment for the future made last year is the construction of a new high-bay warehouse that increases our intermediate storage capacity by almost 40%. While the new warehouse allows us to grow, this investment is crucial to our ability to realise the green transition. This is because the years to come will be something of a transition phase with a broader product portfolio as new products are introduced while old products remain in the range.

ALL IN ALL, 2024 was a year in which we were able to celebrate great progress in the field of sustainability. On the other hand, the general market situation did not give us much cause for celebration, but I am still pleased that, despite the recession, we managed to achieve record result. This is largely thanks to our long-term commitment to specialised products, and a series of successful launches of electric sanding machines and abrasive systems. In the spring, we launched the second generation of our bestsellers DEROS and DEOS, and in the autumn we also added DEROS RS, a rotary machine for coarse sanding. Last year's final major machine launch was a dust extractor, which has been very well received in the market.

For Mirka, the market has long been global, but last year we reached something of a milestone as we now have as many employees abroad as in Finland. And it will not be long before the foreign workers are in the majority.

At Mirka, our target is for 70% of
our products to be circular or
compostable by 2035

70%



Mirka – the technology leader in sanding solutions

Technology-leading innovator
Mirka offers a wide range of total solutions for surface finishing and precision sanding. Ever since Mirka launched a revolutionary method for dust-free sanding, the company has been a technology leader in its industry.

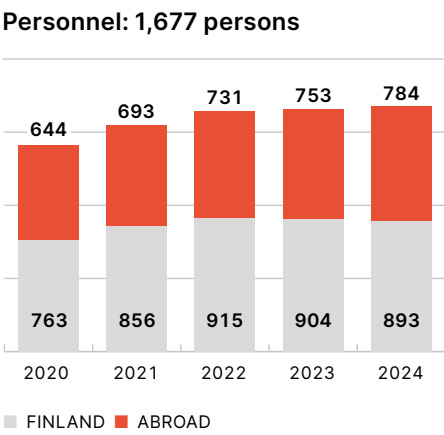
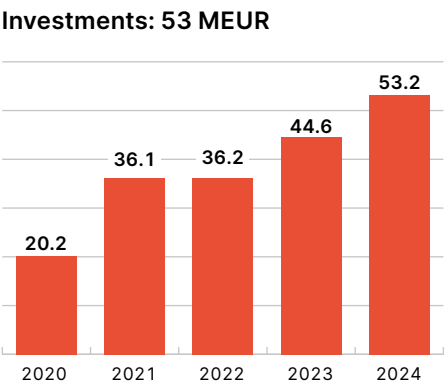
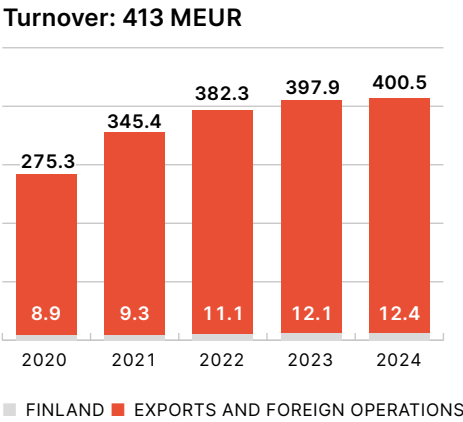
Award-winning machines
In addition to abrasives, Mirka also offers sanding machines, which have won awards for their ergonomics and innovative design.

Production in Europe
Mirka’s headquarters and largest factory are in Jeppo in Ostrobothnia, and all production takes place in Finland and Italy.

Global subsidiaries
Mirka has many sales companies in different countries, and half of its employees work outside Finland.

Countries in which Mirka has subsidiaries
Belgium, Brazil, Canada, China, Finland, France, Germany, India, Italy, Mexico, Poland, Singapore, Spain, Sweden, The Netherlands, Turkey, United Arab Emirates, United Kingdom, USA

- Share of KWH Group's
- turnover 66%
 - personnel 65%
 - gross investments 67%



Management team



Joachim Rännar
Operations Director



Mats Sundell
R&D Director,
Deputy Chief Executive



Jan Torrkulla
Production Director



Olav Hellman
CFO



Simon Bloxham
Vice President Sales



Nina Nyman
Marketing Director



KWH Logistics

We are still Finland's largest port operator, both in terms of volumes and geographical presence.



Improved result despite continued challenging market



Joakim Laxåback
Head of Division, KWH Logistics
CEO, Backman-Trummer Group & Galea Shipping

THE LAST FEW years have not been easy in our industry. The change in the world market situation and the war in Ukraine suddenly altered much of the flows of goods in and out of Finnish ports, and the total flows of goods continued to fall in 2024 as well.

This has also been felt in KWH Logistics’ operations, of course, but thankfully we have more than one leg to stand on. We have long been committed to offering entire logistics chains also outside the ports, and last year we saw growth in industrial logistics and the terminals we have built around the country. International transports also grew somewhat, as did ship customs clearance. All these bright spots compensate for the weaker performance of the ports. I am particularly proud that, in this challenging market situation, we managed to achieve a substantial improvement in result by means of strategic development and significant cost efficiency measures.

WE ALSO have other things to celebrate as we look back on last year. Persistent efforts to reduce the

number of accidents have borne fruit, and we saw the accident rate fall by 16%. This is the result of many small actions, and we have also worked on changing attitudes with themed days and training.

Corporate culture is crucial, not only to prevent accidents, but also to create a profitable business with a satisfied workforce in the long term. We want to create a culture in which people have trust in management, and part of this has involved improving internal communication. One indication that we are on the right track is that, according to surveys, our personnel is more satisfied than before. Our customers are also satisfied: our NPS index stands at 54, which can be considered an excellent level.

KWH Logistics is known among its customers for its ability to quickly implement challenging, large projects and investments. Last year, the pace of investment was slower, but it is gratifying that a large part of the investment went into renewing a part of our fleet of 600 machines and making it more environmentally friendly. When we invest in machinery, low emissions

and electric power are now key considerations in the purchasing decision.

KWH LOGISTICS is still Finland’s largest port operator, in terms of both goods volumes and geographical presence. Last year, we handled a total of 24 million tonnes of goods in ports, terminals and industrial areas. We operate in 15 different ports, of which two relatively new ones, Oulu and Kemi, developed very well last year. At the port of Kemi, we mainly handle wind turbine parts, and in the long term we see great opportunities in northern Finland.

In the uncertain world of today, those of us working in logistics must adapt to the new reality. This means we need to build more robust supply chains that are less vulnerable, and we need to be able to adapt quickly to new circumstances.

Thankfully, flexibility and speed have always been part of KWH Logistics’ corporate culture. Ultimately, 2024 turned out to be a really good year, even though it did not look like it at the beginning of the year. We have many interesting projects on the negotiating table and are confident about the future.

We handled a total of 24 million tonnes of cargo in ports, terminals, and industrial areas

24Mt



KWH Logistics – Finland’s leading port operator

Leading port operator

KWH Logistics is Finland’s leading port operator with operations in 15 Finnish ports. The Group also includes several subsidiaries working in other logistics areas.

Many subsidiaries

Thanks to its many local subsidiaries, KWH Logistics works very closely with its customers. At the same time, the company is able to offer total solutions for its customers’ logistics, with its units and subsidiaries working together.

Strong investment capacity

One of KWH Logistics’ major strengths is its good investment capacity, which allows the company to quickly start up new operations according to customer needs.

KWH Logistics’ business units

Port Logistics

Stevedoring, freight forwarding, ship customs clearance and port logistics for bulk cargo, general cargo, containers and heavy project loads.

Subsidiaries: Blomberg Stevedoring, Rauanheimo, Stevena, Galea Shipping

International Transports

Global logistics solutions with different modes of transport.

Subsidiaries: Backman-Trummer (Freight Forwarding department), Moonway

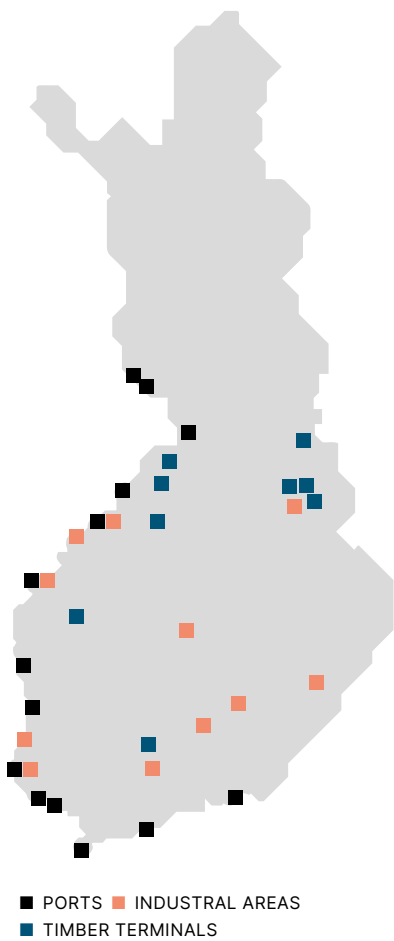
Industrial Services

Handling of goods in terminals and industrial areas. Hire of heavy machinery and special tools.

Subsidiaries: Adolf Lahti, Blomberg Rent

KWH Logistics’ operating locations

KWH Logistics operates in all major ports in Finland. In addition, the company operates in a wide range of industrial locations.



Persistent efforts to prevent accidents have paid off, and we saw the accident frequency decrease by 16%

16%



Management team



Bernt Björkholm
Managing Director,
Blomberg Stevedoring & Blomberg Rent

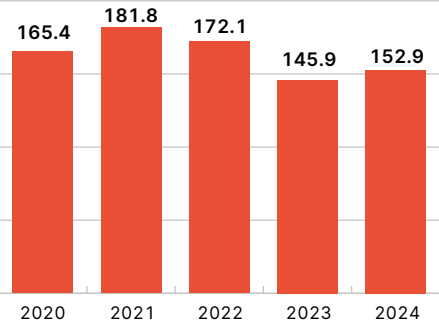


Anders Back
Financial Director,
KWH Logistics



Markku Mäkipere
Managing Director, Stevena & Moonway
Marketing Director, KWH Logistics

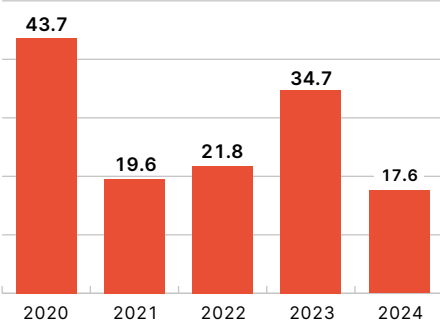
Turnover: 153 MEUR



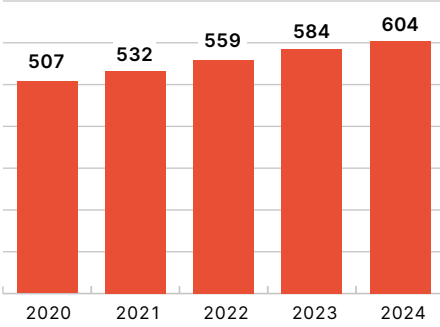
Share of KWH Group's

- turnover 24%
- personnel 23%
- gross investments 22%

Investments: 18 MEUR



Personnel: 604 persons



Management team



Vesa Peltola
ICT Director,
KWH Logistics



Mona Andersson-Kuorikoski
HR Director,
KWH Logistics



Petri Lehtipuu
ESQ Director,
KWH Logistics



Tero Kosonen
Managing Director,
Rauanheimo



Pekka Pöllänen
Managing Director,
Adolf Lahti



Johan Smedjebacka
Director,
Backman-Trummer Freight Forwarding



KWH Freeze

In 2024, KWH Freeze was finally able to return to somewhat normal operations after the pandemic years.

An orderly year with successful recruitment



Peter Lång
Head of Division,
KWH Freeze

AS IN MANY industries, the last few years have been turbulent for us, as the world has been ravaged by pandemic, war and inflation. It is therefore pleasing to note that 2024 was a year in which we were finally able to return to reasonably normal operations and the normal volumes we were used to before the pandemic. That said, it should be stressed that the restaurant sector is still struggling due to the decline in the purchasing power of Finns, and that this is also reflected us to some extent.

THE FACT that 2024 was a steady, orderly year with no major surprises means that we had time to devote ourselves to a great deal of internal development work. Above all, we focused heavily on our staff and also succeeded in recruiting new employees much better than before. Working in a cold storage is a physically demanding job, which is also done in two shifts and in cold conditions. But where we had some challenges in attracting people in the past, this year it was much easier than before.

One reason is that we have introduced other working languages alongside Finnish. This means that some jobs can be done without any knowledge of Finnish, which has enabled us to employ foreign staff. Another reason that I think made it easier to recruit people is that we have been more active and visible, for example on social media.

In addition to taking on new temporary staff, we have also invested in our existing staff with skills development in areas such as occupational health and safety. We want to be a company that takes care of its employees, for example by offering them good health-care, exercise and culture vouchers, and a well-equipped workplace gym. The staff surveys show that we are on the right track and that our efforts are clearly appreciated by our staff.

DURING 2017–2022, we had an intense phase of major investments at KWH Freeze, while the pace of investment in the last two years has been slower. However, this does not mean that investment was at a standstill last

year. For example, we expanded the office and social areas because they were previously too small, and we also built a new parking and charging area for our electric trucks. Furthermore, in December we started the construction of a new warehouse, which will be completed in 2025.

In addition to these investments, we are of course always looking to the future and future needs. We secured new land for future developments several years ago and these preparations are ongoing.

During the year, we focused on data security to comply with future requirements and legislation. We were also granted the ISO 45001 certificate in occupational health and safety, and renewed our existing certificates (ISO 9001, ISO 22001 and ISO 14001).

Last but not least, I am very happy that we have taken a big step forward in our sustainability work, now that Vantaan Energia will start to harness the waste heat generated in our processes. The decisions have now been made and waste heat will start to be reused as district heating in 2025.

We have a total warehouse capacity of 86,000 m². Last year, we built a new parking and charging area for our electric forklifts.

8.6ha



KWH Freeze – the biggest frozen storage company

Frozen storage giant

After a series of major investments in 2018–2022, KWH Freeze is Finland’s biggest frozen storage company. Almost half of all frozen food consumed in Finland passes through the company’s warehouse in Vantaa.

Digitisation

The business is highly digitised and customers’ IT systems are integrated in KWH Freeze’s IT system. This enables automated deliveries and real-time stock balances.

Flexibility

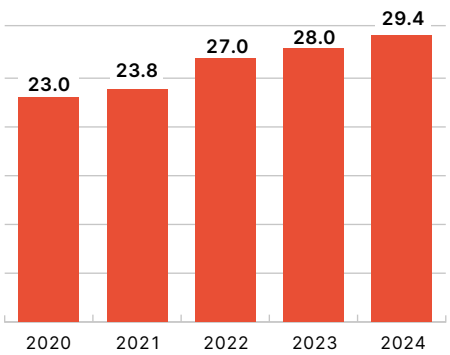
KWH Freeze offers customers great flexibility in terms of volumes and thus an opportunity to grow. The main customer groups are the wholesale trade, various food industry operators and importers of frozen food.

Share of KWH Group's

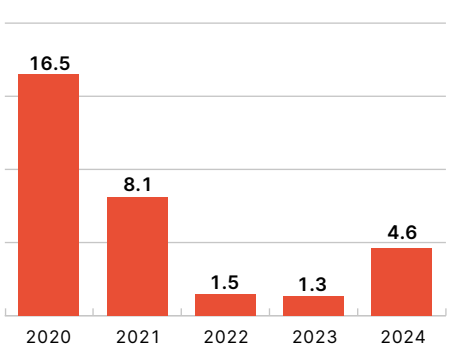
- turnover 5%
- personnel 4%
- gross investments 6%



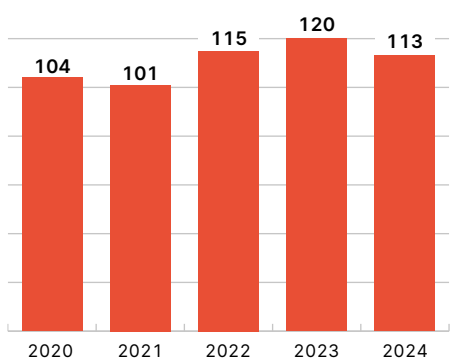
Turnover: 29 MEUR



Investments: 5 MEUR



Personnel: 113 persons





One thing that has made recruitment easier is that we have been more active and visible, especially on social media



Management team



Anu Saari
IT Manager



Jonne Siitari
IT and Process Coordinator



Kim Elonen
Risk Management and Safety Manager



Anne Turunen
Chief Accountant



Jari Paasonen
Warehouse Manager



Stefan Thilman
Warehouse and Transportation Superior



Eija Savela
CFO



Mika Halvorsen
Development Manager



Prevex

Today, Prevex water traps consist of 60 percent recycled plastic.

Sustainability journey continues with plastic-free packaging



Marko Nylund
CEO,
Prevex

WHEN PREVEX started its sustainability journey a few years ago, the big question was how we could start using recycled plastic in our products. Today, we have made good progress as our water traps already consist of 60% recycled plastic. Thanks to this, we managed to reduce our carbon emissions more than planned in 2024, by a full 45% compared to 2018. It is worth noting that we are not talking about the operational footprint alone but the total carbon footprint.

The idea is to further increase the proportion of recycled plastic in products in the future, but right now we believe that we can achieve more environmental benefit if we concentrate on other things. Last year, we focused on introducing plastic-free packaging and phasing out hazardous metals. As a result, in spring 2025 we were able to start offering plastic-free packaging, in practice, cardboard packaging and paper bags, to all customers who request it. As plastic packaging accounts for half of all plastic waste in Europe, we recognise that this is an area where we can make a difference.

LAST YEAR, we also announced that we would stop using lead in our products, as analyses clearly show that it is one of the single most important actions we can take to reduce our environmental footprint. Our water traps did not contain large amounts of lead, but for example the screw that holds the trap together was made of metal with a small quantity of lead. As we start replacing the metal parts with engineering plastics in 2025, our products no longer contain added lead and are therefore non-toxic. At the same time, delivery reliability increases because we can manufacture the parts ourselves.

Our sustainability work is of course founded on a desire to contribute to the environment, but sustainability work has proved to be a wise investment from a business perspective as well. Sustainability is a strong selling point and we gained almost all our new customers last year largely due to our environmental initiatives. I am very proud that we managed to increase our sales in 2024 by gaining new market share in Western Europe

Thanks to a high share of recycled plastic, we have managed to reduce our total carbon footprint by as much as 45%

45%

and elsewhere, even though the construction industry and thus our major customers are still in a recession. It is good to see that customers still value sustainability despite the tougher times and even though environmental issues have slipped further down the list of priorities among end consumers as purchasing power has declined. We still believe that we saw the bottom of the recession in 2024, even if it will take some time before the recovery starts in earnest.

ONE POSITIVE aspect of last year's sluggish economy was that we were able to focus on improving internal processes. Among other things, we invested in developing the skills of supervisors and carried out other HR work, which is reflected in improved results in staff surveys.

Prevex is a major employer in its local area, and we are grateful for our good reputation. Since we want to give back something in return to the local community, we decided last year to intensify our collaboration with the wellbeing services counties. The collaboration involves offering work to five people who cannot find jobs in the normal labour market because they are only partially able to work. This is a win-win situation for all of us and we hope it will serve as inspiration for other employers as well.



Prevex – unique, sustainable water traps

Production in Finland

Prevex is one of the few companies in the world specialising in water traps for kitchens and bathrooms. All products are manufactured in Finland.

Smart features

The water traps combine many smart features: they are flexible, space-saving and easy to clean. Unique customised water traps are also developed in close cooperation with customers.

Focus on sustainability

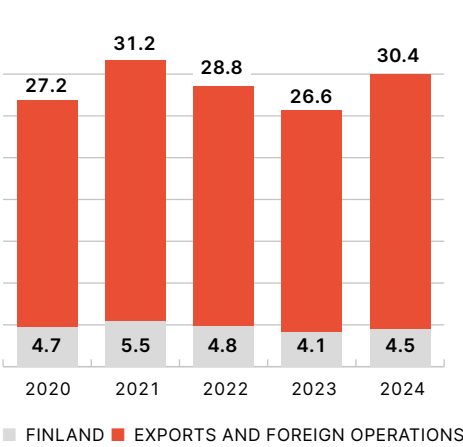
In recent years, Prevex has invested heavily in sustainability and is by far the industry leader in this area.

- The company’s products contain 60% recycled raw materials.
- All the energy the company uses has long been emission-free.
- Since 2018, Prevex has reduced its total carbon footprint by 45%.

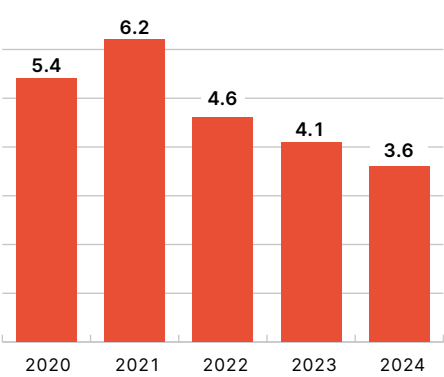
Share of KWH Group's

- turnover 6%
- personnel 7%
- gross investments 5%

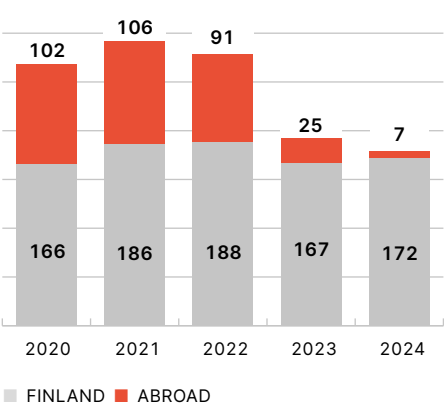
Turnover: 35 MEUR



Investments: 4 MEUR



Personnel: 177 persons



Management team



Camilla Wikman
Director, Marketing & People



Sasha Laitinen
CFO



Kenneth Forsman
Director, Product and Business Development



Mikael Gäddnäs
COO



Filip Jankowski
Sales Director



Sustainability

The KWH Group is actively present in the business groups to build future-proof companies with sustainable business models.



Sustainability Report 2024

In the context of stricter regulatory requirements and global sustainability initiatives, in 2024 the KWH Group continued to work on compliance with the EU Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). Although the KWH Group is not subject to the new reporting requirements for the reporting year, preparatory work is in full swing to align with the requirements and enhance competitiveness. For this year's report, the KWH Group has chosen to move from previously reporting according to GRI Standards to reporting more in line with the requirements of CSRD and ESRS. This involves both an updated double materiality assessment and a revised ESG strategy.

Sustainability work

The cornerstones of the Group's business model are deep commitment and an active presence in the business divisions to develop and build future-proof companies. This is with the aim of being a leading industrial group that drives innovation and sustainable business models. The KWH Group's corporate strategy is focused on long-term value creation and developing stable businesses in the industries in which the business divisions operate. In addition to conferring a potential competitive advantage, sustainability is also a prerequisite for reducing

Results of the double materiality assessment

| Environment | Social | Governance |
|---------------------------------------|--------------------------------|-----------------------------|
| E1. Climate change | S1. Own workforce | G1. Business conduct |
| E2. Pollution | S2. Workers in the value chain | ES*. Responsible investment |
| E5. Resource use and circular economy | S4. Consumers and end-users | |

*Company-specific topic that is not part of ESRS topic-specific standards

The KWH Group's vision, overall goals and strategic priorities

| Vision | | |
|---|---|---|
| A family-owned growth company that conducts operations in a responsible, long-term and sustainable manner | | |
| Overall goals | | |
| To contribute to sustainable, innovative solutions for a better environment | To create a safe, pleasant workplace for all our employee | To integrate ESG throughout our business for long-term, responsible ownership |
| Strategic priorities | | |
| Reducing our climate and environmental impact | Promoting gender equality, diversity and equal treatment | Working diligently on business ethics and ESG throughout our value chain |
| Promoting circular economy and green technologies | Ensuring a secure, safe workplace | Ensuring ESG implementation through long-term responsible ownership |

the impact of the KWH Group on the environment, managing risks related to the various sustainability areas, and for democratic, just societies.

The KWH Group's primary sustainability focus in 2024 was the implementation of an updated double materiality assessment in accordance with CSRD. The updated materiality assessment lays the foundation for the KWH Group's preparatory work to meet the upcoming regulatory requirements and ensures that the ESG strategy covers the KWH Group's material impacts, risks and opportunities related to sustainability. The ESG strategy underwent several minor revisions in line with the results of the materiality assessment and is thus based on the Group's core values and material sustainability areas.

The KWH Group's material sustainability areas

The updated double materiality assessment identified material areas that will guide the KWH Group's resource allocation related to sustainability. The double materiality assessment included both the KWH Group and the four business divisions, KWH Freeze, KWH Logistics, Mirka and KWH Invest (Prevex). In connection with this, stakeholder dialogues were conducted with the KWH Group's key stakeholders such as shareholders, representatives of all business divisions, internal func-

tions, financial advisors and sustainability experts. Employee surveys from 2022 and 2023, and customer surveys from 2023 were also included to ensure a broad perspective.

Another step in the KWH Group's sustainability work during the year was to expand its vision to include strategic priorities for each overall objective. The strategic priorities include both those relating to the overall sustainability work carried out by the KWH Group and more specific priorities for the environment, social responsibility and governance. The cornerstones of the business model are unchanged: deep commitment and an active presence in the business divisions to develop and build future-proof companies. In addition to the overall goals, the KWH Group has not currently developed or decided on any Group-wide goals related specifically to the material areas. Looking ahead, the Group will endeavour to carry out a review of previous initiatives and, on that basis, develop Group-wide goals for priority material areas.

Sustainability governance

The Group Board of Directors is ultimately responsible for managing the affairs of the KWH Group, including the Group's sustainability work. For the business divisions, each CEO is ultimately responsible for driving the sustainability work forward for their

business division. Sustainability is a regular agenda item at Group Board meetings and there are annual discussions on sustainability issues from several business perspectives. The Group Board will appoint an ESG Committee in 2025 to accelerate the work on sustainability issues.

The KWH Group has an internal policy framework that sets the guidelines for its actions as a responsible company. The policy framework is monitored and updated as required. In 2024, a review of the framework was initiated to clarify links to the identified material sustainability areas and their governance. Updated policies will be published in 2025. In addition to Group-wide policies, the business divisions also have business-specific policies based on their needs.





Financial statements

On the following pages, a brief presentation of the Group's income statement and balance sheet is provided.

Consolidated income statement

| EUR 1,000 | 1.1–31.12.2024 | 1.1–31.12.2023 |
|--|----------------|----------------|
| Turnover | 625,130 | 610,787 |
| Other operating income | 5,234 | 7,146 |
| Change in inventories of finished goods and work in progress | 6,654 | -11,265 |
| Production for own use | 4,316 | 6,413 |
| Materials and services | -220,595 | -209,906 |
| Personnel expenses | -181,172 | -173,777 |
| Depreciation and impairment | -64,119 | -60,873 |
| Other operating expenses | -98,580 | -101,215 |
| Operating profit | 76,868 | 67,308 |
| Financial income | 10,291 | 6,538 |
| Financial expenses | -7,306 | -6,668 |
| Profit before taxes | 79,853 | 67,179 |
| Income tax expense | -16,715 | -15,953 |
| Profit for the financial year | 63,138 | 51,226 |
| Split: | | |
| Equity holders of the parent company | 63,142 | 51,230 |
| Non-controlling interest | -4 | -4 |
| Profit for the financial year | 63,138 | 51,226 |
| Items that may be reclassified to income statement: | | |
| Profits on financial assets available for sale | | |
| - net profit | 1,264 | 0 |
| Cash flow hedging | | |
| - net loss | -3,110 | -5,733 |
| - in accounting year's result | -245 | 980 |
| Recalculation differences | | |
| - recalculation differences in current period | 347 | -599 |
| Other comprehensive income after tax in total | -1,744 | -5,352 |
| Total comprehensive income | 61,395 | 45,874 |
| Split: | | |
| Parent company's shareholders | 61,399 | 45,878 |
| Non-controlling interest of the Group consolidation result | -4 | -4 |
| Comprehensive income in total | 61,395 | 45,874 |



Consolidated balance sheet

| Assets EUR 1,000 | 31.12.2024 | 31.12.2023 |
|---------------------------------------|------------|------------|
| Non-current assets | | |
| Intangible assets | 36,596 | 38,118 |
| Goodwill | 8,076 | 8,076 |
| Tangible assets | 430,986 | 410,535 |
| Investment property | 1,116 | 1,163 |
| Financial assets available-for-sale | 33,190 | 1,113 |
| Other financial assets | 280 | 774 |
| Deferred tax assets | 3,611 | 3,197 |
| Non-current assets, total | 513,855 | 462,976 |
| Current assets | | |
| Inventories | 103,459 | 92,100 |
| Trade and other receivables | 100,667 | 101,227 |
| Income tax receivables | 686 | 450 |
| Financial assets intended for trading | 0 | 10,242 |
| Cash and cash equivalents | 198,799 | 188,896 |
| Current assest, total | 403,591 | 392,914 |
| Assets, total | 917,446 | 855,890 |
| Equity and liabilities EUR 1,000 | 31.12.2024 | 31.12.2023 |
| Equity | | |
| Share capital | 3,756 | 3,756 |
| Share premium reserve | 7,931 | 7,931 |
| Reserve fund | 244 | 144 |
| Translation differences | -1,687 | -2,034 |
| Fair value reserve | -1,487 | 1,860 |
| Retained earnings | 705,374 | 653,960 |
| Non-controlling interest | 163 | 167 |
| Equity, total | 714,294 | 665,787 |
| Non-current liabilities | | |
| Provisions | 2,937 | 2,075 |
| Deferred tax liabilities | 31,081 | 30,651 |
| Finance lease liabilities | 29,744 | 26,813 |
| Trade and other payables | 365 | 2 |
| Non-current liabilities, total | 64,127 | 59,540 |
| Current liabilities | | |
| Interest-bearing liabilities | 25,141 | 22,562 |
| Finance lease liabilities | 12,942 | 11,935 |
| Trade and other payables | 95,092 | 92,832 |
| Income tax liabilities | 5,851 | 3,233 |
| Current liabilities, total | 139,025 | 130,563 |
| Equity and liabilities, total | 917,446 | 855,890 |

Board of directors

The KWH Group's Board of Directors consists of eight members and a secretary. The majority of the members are shareholders, giving the owners a strong position, whether or not they are represented in the operational management. The Board's role is to manage the Group's affairs on behalf of the owners, ensuring effective management in accordance with good business practice, and approving and

monitoring business strategy, strategic objectives, risk management and governance.
Integrating the values of the family business into strategic plans preserves the long-term perspective while adapting to market changes. This approach promotes continuity and stability within the Group, which has been crucial to our long-term success.



Sofia Kohtala
Hotel and Restaurant Manager
Board Member since 2014



Janneke von Wendt
M.Sc. (Econ)
Board Member since 2016



Björn Höglund
B.Sc. (Econ), M.Sc.
Chairman since 2023
Board Member since 2022



Anders Höglund
M.Sc. (Econ)
Board Member since 2024



Fredric Tidström
M.Sc. (Econ)
Vice Chairman since 2023



Peter Höglund
B A
Board Member since 1973
Chairman 1988–1997



Caj-Anders Skog
M.Sc. (Econ)
Board Member since 2016



Stefan Wikman
LL.M. with court training
Board Member since 2019



Johan Heikfolk
LL.M.
Secretary of the Board since 2017

Group Management

The KWH Group's Group Management consists of the Heads of Business Divisions, the CEO and managers from the parent company. Each member is responsible for a specific business division or group function, with the CEO leading the development work and supporting the rest of the management team.

The Group Management implements the decisions of the Board of Directors, sets the framework and direction for the organisation and is responsible for achieving goals and strategies by structuring and managing the Group's operations. The Group Management is also responsible for ensuring that operations are conducted in accordance with the Group's values and policies, and that sustainability issues are integrated into business strategies.



Kjell Antus
M.Sc. (Econ)
Group President, Head of Division, KWH Invest
Employed since 1988



Joakim Laxåback
Forestry Engineer, MBA
Head of Division, KWH Logistics
Employed since 2002



Carl-Magnus Tidström
M.Sc. (Econ)
CFO
Employed since 1997



Peter Lång
Bachelor of Commerce
Head of Division, KWH Freeze
Employed since 1987



Johan Heikfolk
LL.M.
General Counsel
Employed since 2017



Marko Nylund
M.Sc. (Eng), MBA
CEO, Prevex
Employed since 2019



Stefan Sjöberg
M.Sc. (Econ)
Head of Division, Mirka
Employed since 2011

Statutory Auditors

Kristian Berg
M.Sc. (Econ), APA
Ernst & Young Ab

Anders Svénnas
M.Sc. (Econ), APA
Ernst & Young Ab

Deputy Auditors

Marja Huhtala
M.Sc. (Econ), APA
Ernst & Young Ab

Terhi Mäkinen
M.Sc. (Econ), APA
Ernst & Young Ab

Supervisory Auditor
Ernst & Young Ab



Contact Information

KWH GROUP LTD

Kauppapuistikko 15, 6th floor
65100 Vaasa, Finland
Tel. +358 20 778 7900
www.kwhgroup.com
info@kwhgroup.com

MIRKA OY

Pensalantie 210
66850 Jepua, Finland
Tel. +358 20 760 2111
www.mirka.com

KWH LOGISTICS

P O Box 49
(Vaskiluodon satamakatu 4)
65101 Vaasa, Finland
Tel. +358 20 777 1111
www.kwhlogistics.com

OY KWH FREEZE AB

P O Box 92 (Viinikankaari 6)
01531 Vantaa, Finland
Tel. +358 20 778 6211
www.kwhfreeze.fi

KWH INVEST

Kauppapuistikko 15, 6th floor
65100 Vaasa, Finland
Tel. +358 20 778 7900
www.kwhgroup.com

OY PREVEX AB

Pietarsaarentie 31
66900 Uusikaarlepyy, Finland
Tel. +358 6 781 8000
www.prevex.com

THE KWH ANNUAL REPORT CONSISTS OF AN ANNUAL REVIEW AND A FINANCIAL REPORT

The Annual Review gives a picture of the Group and its Business Operations and contains the Consolidated Income Statement and the Consolidated Balance Sheet. The Annual Review is also available for download under www.kwhgroup.com.

The Annual Review is available in English, Finnish and Swedish.

The Financial Report contains the financial statements including notes and can be ordered from KWH Group Ltd by e-mail info@kwhgroup.com. The Financial Report is available in Swedish.

24



A family-owned growth company