

● Governance & Financial Review 2024

Instruments and intelligence for climate action

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INFORMATION ABOUT VAISALA'S ANNUAL REPORT 2024

Vaisala's Annual Report 2024 consists of two separate reports:
Business Review as well as *Governance and Financial Review*.

Both reports are available in English and in Finnish. They are
downloadable on our Annual Report website at vaisala.com/annualreport.
In this Annual Report, we apply integrated reporting elements.

● Governance and Financial Review 2024

Governance

LINKING REWARDS WITH PERFORMANCE

Through our approach to remuneration, the aim is to achieve better alignment with relevant industry norms and market realities, helping to attract the best talent and ensuring growth in the long run.

Remuneration Report 2024

Remuneration Report 2024 for Governing Bodies of Vaisala Corporation has been prepared pursuant to the Finnish Corporate Governance Code 2020. The remuneration of governing bodies in 2023 has been in alignment with the Remuneration Policy.

CHAIR'S FOREWORD

Dear shareholders,

In 2024, the world continued to face complex challenges and uncertainty in the business environment. Regardless of the market challenges, Vaisala showed resilience with good growth in the Weather and Environment business and a strong position in Industrial Measurements.

Vaisala is committed to fair, competitive, and open compensation practices. To keep its remuneration practices aligned with the evolving market practices and industry trends, Vaisala continually reviews and enhances its remuneration practices. As part of this ongoing process, we have renewed the Remuneration Policy with adjustments to our compensation structure.

The Remuneration Policy was approved in the Annual General Meeting in March 2024, with market competitiveness, performance-driven incentives, and equitable pay as the key remuneration principles. Acknowledging the pivotal impact of climate change on our planet, the renewed policy also notices the role of sustainability in Vaisala's success, with environmental and social sustainability targets integrated into both short- and long-term incentive plans.

In 2024, significant emphasis has been on strengthening the 'pay for performance' philosophy, from target setting to decision on compensation. The company has enhanced pay transparency by working on foundational elements, such as redefining the job grade structure, to provide clearer visibility on how pay is determined and awarded. Lastly, maintaining pay competitiveness by benchmarking against Nordic technology companies continued as a key priority.

Through our approach to remuneration, the aim is to achieve better alignment with relevant industry norms and market realities, helping to attract the best talent and ensuring growth in the long run.

We welcome shareholder feedback on the Remuneration Report.

Antti Jääskeläinen,

Chair of the People and Sustainability Committee

Remuneration linked to long-term business performance

Vaisala's business performance in terms of net sales and profitability development has been steady during the past five years. Vaisala's net sales and operating result have developed according to Vaisala's long-term financial targets.

The Annual General Meeting approved an increase for the Board remuneration in 2021. In addition, year-on-year variation of total remuneration is influenced by meeting fees. In 2024, the Annual General Meeting approved an additional meeting fee for Board members residing outside Finland who attend meetings in person. Otherwise, the remuneration of the Board remained unchanged.

In adherence to Vaisala's remuneration principles of linking rewards with performance, our approach to remuneration includes a balanced mix of base pay and variable pay, directly linked to performance at the individual, team, business/function, and company levels. The Short-Term Incentive (STI) scheme have been connected to key metrics such as EBIT and net sales for the relevant year, and it incorporates targets across multiple levels to ensure that employees are both contributing to and rewarded for the performance. This not only recognizes successes but also motivates employees to go beyond expectations and deliver impactful results. The Long-Term Incentive (LTI) schemes are based on our commitment to long-term financial success and share value creation. Our LTI schemes, approved annually by the Board of Directors, consist of Performance Share Plans (PSP), each with a three-year performance period. The schemes are based on the development of total shareholder return (TSR) and the group's profitability over the performance period. This combination creates alignment that the participants are not only rewarded

Remuneration Report

Risk management

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for the company’s financial performance but also for the overall value creation for our shareholders.

In 2024, we strengthened our commitment to sustainability by integrating specific sustainability target into both our STI and LTI schemes. This integration highlights our dedication to sustainable growth and emphasizes the importance of sustainability as a core component of our strategic priorities.

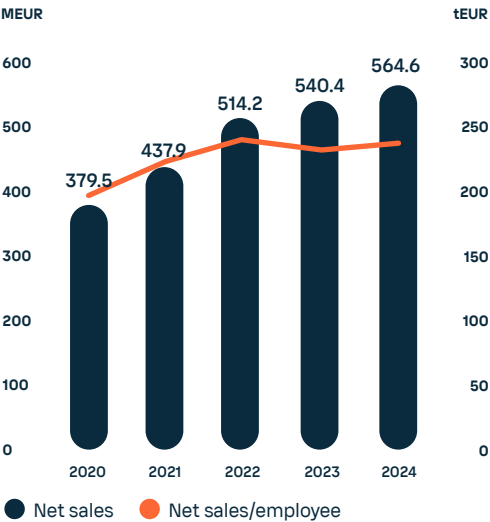
We conducted a remuneration analysis to benchmark the President and CEO’s compensation against a peer group of Nordic technology companies of comparable size, scope, and industry. A compensation adjustment for the President and CEO was made in line with our Remuneration Policy. Adjustments to the Short-Term Incentive were also implemented to strengthen the link between remuneration and performance. A substantial proportion of the remuneration is derived from variable

pay, i.e. short- and long-term incentives. This structure aims to build a robust connection between performance and rewards.

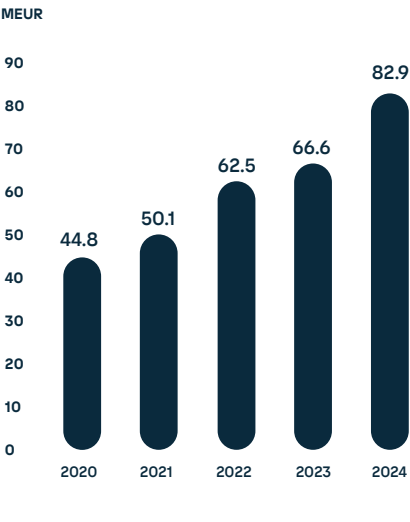
As a global company, Vaisala’s remuneration policy applies to all its employees worldwide. Thus, comparing the development of the President and CEO and Board of Directors’ remuneration with the global employee base helps build transparent and sustainable long-term development. The following table presents the development of the average employee remuneration, alongside that of the President and CEO and Board of Directors, in conjunction with the company’s financial performance over the past five financial years.

All rewards have been paid by Vaisala Corporation. During 2024, the company has not exercised any rights to modify, cancel, or reclaim any paid rewards.

NET SALES



OPERATING RESULT (EBIT)



Company performance and remuneration 2020–2024

EUR 1,000	2024	2023	2022	2021	2020
Chair of the Board	65	66	62	61	55
Vice Chair of the Board	51	51	48	45	46
President & CEO*	1,268	1,663	1,004	784	2,092
Vaisala employee on average**	79	74	72	72	67
Net sales, MEUR	564.6	540.4	514.2	437.9	379.5
Operating result (EBIT), MEUR	82.9	66.6	62.5	50.1	44.8

* Values are excluding pension fees. Year 2020 includes remuneration of two CEO’s pro-rated to their time in service.
** Vaisala employee on average: total personnel expenses without social and pension costs divided by the average number of personnel during the year.

VAISALA’S SERIES A SHARE PRICE 2020–2024



Remuneration of the Board of Directors for 2024

The Annual General Meeting of Vaisala Corporation held on March 28, 2024, resolved that the annual remuneration payable to the Chair of the Board of Directors is EUR 55,000 and each Board member EUR 40,000 per year.

At its organizing meeting held after the Annual General Meeting, the Board elected Ville Voipio as the Chair of the Board of Directors and Raimo Voipio as the Vice Chair.

In accordance with the Annual General Meeting’s resolution, approximately 40% of the annual remuneration has been paid in Vaisala Corporation’s series A shares acquired from the market and the rest in cash. The company compensates for the asset transfer tax. No special terms or conditions are associated with the share ownership.

In addition, the Annual General Meeting resolved that the meeting fee for the Chair of the Audit Committee is EUR 1,500 per attended meeting and EUR 1,000 per attended meeting for each member of the Audit Committee and the Chair and each member of the People and Sustainability Committee, the Nomination Committee, and any other committee established by the Board of Directors. In addition, members of the Board residing outside of Finland will be paid a meeting fee of EUR 1,000 per meeting attended in person. The meeting fees are paid in cash. Travel expenses for all Board members were reimbursed according to Vaisala’s travel policy.

Remuneration of the Board of Directors 2024 (payment basis)

EUR 1,000		Annual remuneration	Compensation, Audit Committee	Compensation, People and Sustainability Committee	Compensation, Nomination Committee	Board meeting fee for members residing outside of Finland	Total
Ville Voipio	Chair of the Board	55		5	5		65
Raimo Voipio	Vice Chair of the Board	40	6		5		51
Annica Bresky	Member of the Board	40		4	4	5	53
Petri Castrén	Member of the Board	40	6				46
Antti Jääskeläinen	Member of the Board	40	1	4			45
Petra Lundström (until March 2024)	Member of the Board			1	1		2
Jukka Rinnevaara	Member of the Board	40		5			45
Lotte Rosenberg	Member of the Board	40	3			5	48
Kaarina Ståhlberg	Member of the Board	40	9		1		50
Tuomas Syrjänen	Member of the Board	40		5	4		49
Total		375	25	24	20	10	454

Remuneration of the President and CEO for 2024

In 2024, the total remuneration paid to Vaisala's President and CEO Kai Öistämö amounted to EUR 1,268,318. The relative proportion of fixed pay was 49% and variable pay 51%. The fixed pay includes a base salary, fringe benefits, and a defined contribution scheme in addition to the Finnish statutory pension, while variable pay includes short- and long-term incentives, and a one-time payment.

Remuneration of the President and CEO in 2024

EUR 1,000	Kai Öistämö
Base salary and benefits	532
Supplementary pension	85
Short-Term Incentives (STI)	120
Long-Term Incentives (LTI)	506
One-time payment	25
Total	1,268

The total target remuneration for the President and CEO for 2024 was 43% fixed pay, 18% short-term incentives (43% of the fixed pay), and 39% long-term incentives (at target 17,000 shares, share price EUR 33.4 at the time of the grant).

Remuneration Report

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Short-Term Incentives (STI)

For the performance period 2023, the maximum Short-Term Incentive (STI) for the President and CEO was 72% (45% at target) of the annual base salary. The payout is 23.4% of the annual base salary. The payment of EUR 119,803 was paid in March 2024.

STI 2023 paid in 2024		
KPI	Weighting	Achievement
Vaisala's EBITA	50%	Between minimum and target
Vaisala's net sales	45%	Between minimum and target
Environmental, Social and Governance (emission reduction)	5%	Between minimum and target

Long-Term Incentives (LTI)

The reward for the 2021-2023 performance share plan was based on the development of total shareholder return (TSR) and the group's profitability over the three-year plan period. The maximum gross reward shares were 23,100. A reward of 13,682 shares was paid to the President and CEO in March 2024, with 50% paid in shares and 50% in cash to cover the income tax withholdings. The total value of the reward was EUR 506,246.

The reward for the 2022-2024 performance share plan was based on the development of total shareholder return (TSR) and the group's profitability over the three-year plan period. The maximum gross reward shares were 20,000. A reward of 5,656 shares will be paid to the President and CEO in March 2025, with 50% paid in shares and 50% in cash to cover the income tax withholdings.

For the performance period 2024, the maximum Short-Term Incentive (STI) for the President and CEO was 100% (50% at target) of the annual base salary. The payout is 69% of the annual base salary. The payment of EUR 369,495 will be paid in March 2025.

STI 2024 paid in 2025		
KPI	Weighting	Achievement
Vaisala's EBIT	50%	Between target and maximum
Vaisala's net sales	40%	Between target and maximum
Environmental, Social and Governance (% of entry-level positions of total new permanent hires)	10%	Between target and maximum

The reward shares are under holding restriction by which the President and CEO is required to build up and maintain his holding of the shares at least up to a level, where the value of the company's shares corresponds to his annual gross salary.

The President and CEO is currently a participant in the ongoing Performance Share Plans of 2023-2025, 2024-2026, and 2025-2027.

The performance criteria for the Performance Share Plan 2023-2025 are based on the development of the total shareholder return (TRS) and the group's profitability over the three-year plan period. The maximum gross reward shares are 26,000. Potential rewards will be paid partly in the company's shares and partly in cash in 2026.

The performance criteria for the Performance Share Plan 2024-2026 are based on the development of the total shareholder return (TRS), the group's profitability over the three-year plan period, and ESG metrics. The maximum gross reward shares are 34,000. Potential rewards will be paid partly in the company's shares and partly in cash in 2027.

The performance criteria for the Performance Share Plan 2025-2027 are based on the development of the total shareholder return (TRS), the group's profitability over the three-year plan period, and ESG metrics. The maximum gross reward shares are 28,700. Potential rewards will be paid partly in the company's shares and partly in cash in 2028.

The President and CEO is also entitled to a supplementary defined contribution pension plan, with an annual fee adjusted from three month's base salary to two months. The President and CEO's contractual retirement age is in accordance with Finnish pension regulations.

In 2024, a one-time payment of EUR 25,000 was made to the President and CEO.

Additionally, the car benefit for the President and CEO has been discontinued and will no longer be provided.

No other financial benefits were paid to the President and CEO in 2024.

Risk management

The objective of Vaisala's risk management is to identify and manage material risks related to strategy implementation and business operations. Approved by the Board of Directors, the Vaisala Risk Management Policy encompasses strategic, operational, hazard, and financial risks. The policy aims to ensure the safety of the company's employees, operations, and products, as well as the continuity and compliance of business activities.

The Board of Directors defines and approves risk management principles and assesses the effectiveness of risk management. The Audit Committee reviews compliance with Risk Management Policy and processes.

Risk management is integrated into key business processes and operations by incorporating risk identification, assessment, management, and risk reporting actions into the core processes. The most material risks are considered by the Vaisala Leadership Team per processes regularly during the year and also reviewed by the Audit Committee on a regular basis.

Various risks may have an adverse effect on Vaisala's business operations. This chapter outlines some of these risks, their potential impacts, and how Vaisala manages them. Risk likelihoods and impacts are estimates, provided by a small group of subject matter experts, without use of quantitative methods.



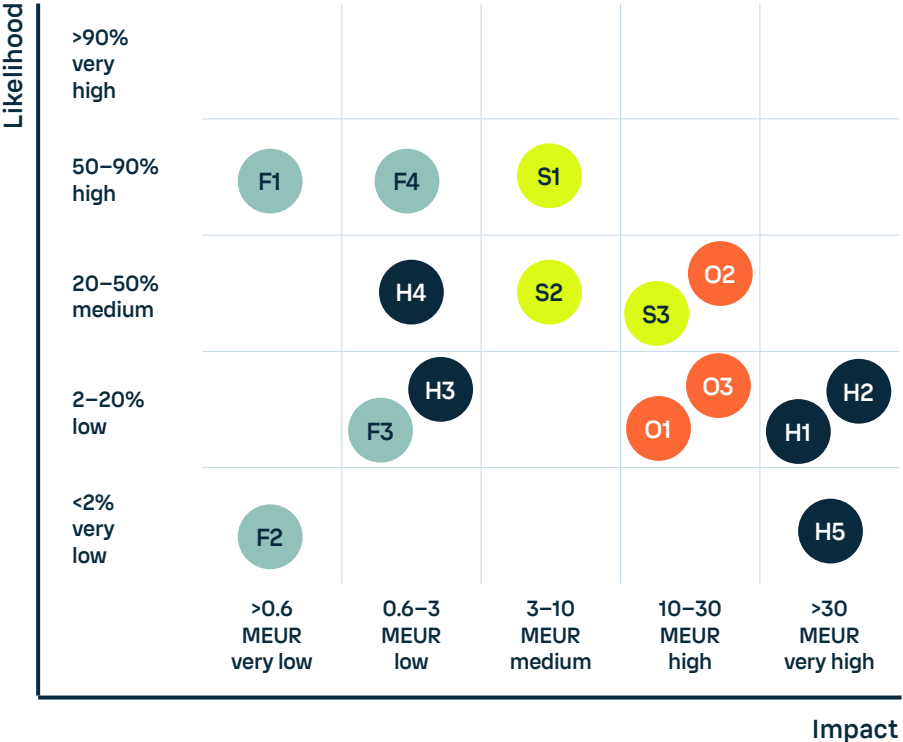
Remuneration Report

Risk management

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Key risks 2025

Impact/Likelihood

Strategic risks

S1	Slow economic growth	medium/high
S2	Change in market dynamics and trends	medium/medium
S3	Geopolitical escalation	high/medium

Hazard risks

H1	Long disruption in sensor manufacturing	very high/low
H2	Employee accident caused by working conditions	very high/low
H3	Critical failure of infrastructure supporting digital solutions	low/low
H4	Natural disaster, epidemic, civil unrest, terrorism	low/medium
H5	Disaster event at factory	very high/very low

Operational risks

O1	Supplier risk	high/low
O2	Cyber risk	high/medium
O3	Long unavailability of IT systems	high/low

Financial risks

F1	Credit risk	very low/high
F2	Liquidity and refinancing risk	very low/very low
F3	Interest rate risk	low/low
F4	Currency risk	low/high

Strategic risks

S1 Slow economic growth

A prolonged slow economic growth can lead to decrease in investments.

Managing risk

- Management of expense level in accordance with the development of the business
- Focus and develop business towards growing opportunities

S2 Change in market dynamics and trends

Energy transition investments slowdown, commoditization of data and other trend changes.

Managing risk

- R&D efforts to maintain product portfolio's competitive advantage
- Focus and develop business towards growing opportunities

S3 Geopolitical escalation

The geopolitical situation and trade war risk create significant uncertainty to the business environment.

Managing risk

- Monitoring geopolitical environment and trade policy
- Improving action plans for different scenarios
- Management of expense level in accordance with the development of the business

Hazard risks

H1 Long disruption in sensor manufacturing

A long disruption of sensor manufacturing would have a major impact on the delivery capability of both business areas. Potential causes could include fire, contamination, or breakdown of key equipment.

Managing risk

- Emergency stock of sensor components, management of production equipment and spare parts, safety of facilities
- Business continuity planning and carefully ensuring continuity also during expansion work
- Manufacturing partnerships
- Business Interruption Insurance

H2 Employee accident caused by working conditions

Travel related serious employee incident related to sudden change of location stability regarding e.g. weather, epidemic, politics.

Managing risk

- Continuous development of occupational safety, emergency procedures, job hazard analysis
- Improvements in accident tracking, safety policies, and training

H3 Critical failure of infrastructure supporting digital solutions

Significant customer harm from service unavailability due to e.g. communication or software failures, power outages.

Managing risk

- Geographic system redundancy across multiple server sites
- Transition to cloud computing

H4 Natural disaster, epidemic, civil unrest, terrorism

Impaired business environment caused by external events.

Managing risk

- Geographic diversity of business
- Business Interruption Insurance
- Monitoring the business environment
- Risk assessment of business opportunities

H5 Disaster event at factory

A long disruption in production can result in the loss of long-term customers.

Managing risk

- Emergency buffers and industrialization strategy
- Proactive risk prevention actions (firewalls, leakage sensors, crisis readiness call system)

Operational risks

- 01

Supplier risk

Supplier capacity constraints, insolvency or other long-lasting failure to deliver.

Managing risk

 - Active supplier relationship management and risk assessment
 - Dual sourcing and component buffers
 - Vertical integration of wind lidars
- 02

Cyber risk

Interruptions to operations or digital services, financial loss, loss of trade secrets or personal data.

Managing risk

 - Information Security Management System improvements
 - Training
- 03

Long unavailability of IT systems

Long downtime of IT solutions leads to interruptions in operations, especially in order-to-delivery process.

Managing risk

 - 24/7 support
 - Maintaining disaster recovery plans for all critical platforms

Financial risks

- F1

Credit risk

The risk of customers failing to pay for products or services.

Managing risk

 - Secured terms of payment
 - Business credit checks
 - Diverse customer pool
- F2

Liquidity and refinancing risk

Risk of being unable to meet short-term financial obligations.

Managing risk

 - Sustainable capital structure
 - Debt maturity profile
 - Committed credit facility
- F3

Interest rate risk

Financial loss from fluctuating interest rates.

Managing risk

 - High credit rating of financial counter parties
 - Low risk and limited investment maturities
- F4

Currency risk

Financial loss due to changes in exchange rates.

Managing risk

 - Currency hedging

Board of Directors

Ville Voipio (Chair)



Raimo Voipio (Vice Chair)



Annica Bresky



Petri Castrén



Antti Jääskeläinen



Jukka Rinnevaara



Lotte Rosenberg



Kaarina Ståhlberg



Tuomas Syrjänen

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Ville Voipio

Chair of the Board of Directors, Member of the People and Sustainability Committee, Chair of the Nomination Committee

b. 1974, Finnish citizen, D.Sc. (Meas. Tech.)
· Independent member of the Vaisala Board of Directors since 2015 and Chair since 2021

Main occupation:

Professor of Practice, Sustainable Global Business, Turku School of Economics, University of Turku

Vaisala shares

Dec 31, 2024: 398,772 A shares and 119,712 K shares
Dec 31, 2023: 398,187 A shares and 119,712 K shares

Raimo Voipio

Vice Chair of the Board of Directors, Member of the Audit Committee, Member of the Nomination Committee

b. 1955, Finnish citizen, M.Sc. (Eng.)
· Independent member of the Vaisala Board of Directors since 1989 and Chair 1994–2021

Main occupation:

Board professional

Vaisala shares

Dec 31, 2024: 866,386 A shares and 110,092 K shares
Dec 31, 2023: 571,757 A shares and 404,296 K shares

Annica Bresky

Member of the People and Sustainability Committee, Member of the Nomination Committee
b. 1975, Swedish citizen, M.Sc. (Aquatic and Environmental Engineering), MBA

· Independent member of the Vaisala Board of Directors since 2024

Main occupation:

Board professional

Vaisala shares

Dec 31, 2024: 425 A shares
Dec 31, 2023: - A shares

Petri Castrén

Member of the Audit Committee
b. 1962, Finnish citizen, LL.M, MBA

· Independent member of the Vaisala Board of Directors since 2017

Main occupation:

CFO, Kemira Oyj

Vaisala shares

Dec 31, 2024: 4,465 A shares
Dec 31, 2023: 4,040 A shares

Antti Jääskeläinen

Chair of the People and Sustainability Committee
b. 1972, Finnish citizen, M.Sc. (Eng.), M.Sc. (Econ.), MBA

· Independent member of the Vaisala Board of Directors since 2020

Main occupation:

President and CEO, Posti Group Oyj

Vaisala shares

Dec 31, 2024: 2,064 A shares
Dec 31, 2023: 1,639 A shares

Jukka Rinnevaara

Member of the People and Sustainability Committee

b. 1961, Finnish citizen, M.Sc. (Econ.)
· Independent member of the Vaisala Board of Directors since 2019

Main occupation:

Board professional

Vaisala shares

Dec 31, 2024: 2,784 A shares
Dec 31, 2023: 2,359 A shares

Lotte Rosenberg

Member of the Audit Committee
b. 1972, Danish, MM.L., MBA

· Independent member of the Vaisala Board of Directors since 2024

Main occupation:

CEO, Carbon Recycling International (CRI)

Vaisala shares

Dec 31, 2024: 25 A shares
Dec 31, 2023: - A shares

Kaarina Ståhlberg

Chair of the Audit Committee
b. 1966, Finnish citizen, LL.M.

· Independent member of the Vaisala Board of Directors since 2016

Main occupation:

General Counsel and M&A, Member of the Executive Board, Posti Group Oyj

Vaisala shares

Dec 31, 2024: 7,265 A shares
Dec 31, 2023: 6,840 A shares

Tuomas Syrjänen

Member of the People and Sustainability Committee, Member of the Nomination Committee
b. 1976, Finnish citizen, M.Sc. (El. Eng.)

· Independent member of the Vaisala Board of Directors since 2019

Main occupation:

Program Director - AI Renewal, Futurice Oy

Vaisala shares

Dec 31, 2024: 4,134 A shares
Dec 31, 2023: 3,709 A shares



Shareholdings include direct holdings and shares held by interest parties and controlled organizations.
Read full CV information on the company's website at vaisala.com.

Leadership Team

Kai Öistämö



Girish Agarwal



Anne Jalkala



Sampsa Lahtinen



Timo Leskinen



Heli Lindfors



Vesa Pylvänäinen



Jarkko Sairanen



Katriina Vainio

Remuneration Report

Kai Öistämö

President and CEO,
Chair of the Leadership Team since 2020
b. 1964, Finnish citizen, D.Sc. (Tech.)

Vaisala shares
Dec 31, 2024: 21,701 A shares
Dec 31, 2023: 14,860 A shares

Girish Agarwal

Chief Digital & Information Officer since June 2024
· Member of the Leadership Team since June 2024
b. 1981, Swedish citizen, PhD, Artificial Intelligence &
Business Model Innovation

Vaisala shares
Dec 31, 2024: -
Dec 31, 2023: -

Anne Jalkala

Executive Vice President, Sustainability and
Strategy 2023–2024,
Executive Vice President, Weather, Energy and
Environment since January 2025
· Member of the Leadership Team since 2023
b. 1982, Finnish citizen, D.Sc. (Tech.)

Vaisala shares
Dec 31, 2024: 1,000 A shares
Dec 31, 2023: 500 A shares

Risk management

Sampsa Lahtinen

Executive Vice President, Industrial Measurements
2013–2024
· Member of the Leadership Team 2013–2024
(retired after 2024)
b. 1963, Finnish citizen, M.Sc. (El. Eng.)

Vaisala shares
Dec 31, 2024: 52,407 A shares
Dec 31, 2023: 47,846 A shares

Timo Leskinen

Executive Vice President, Human Resources since
2021
· Member of the Leadership Team since 2021
b. 1970, Finnish citizen, M.Sc. (Psy.), M.Sc. (BMR)

Vaisala shares
Dec 31, 2024: 4,323 A shares
Dec 31, 2023: 2,250 A shares

Heli Lindfors

CFO since 2023
· Member of the Leadership Team since 2023
b. 1984, Finnish citizen, M.Sc. (Econ.)

Vaisala shares
Dec 31, 2024: 1,000 A shares
Dec 31, 2023: -

Board of Directors

Leadership Team

Vesa Pylvänäinen

Executive Vice President, Operations since 2011
· Member of the Leadership Team since 2011
b. 1970, Finnish citizen, M.Sc. (Econ.)

Vaisala shares
Dec 31, 2024: 27,409 A shares
Dec 31, 2023: 24,418 A shares

Jarkko Sairanen

Executive Vice President, Weather and Environment
2016–2024,
Executive Vice President, Industrial Measurements since
January 2025
· Member of the Leadership Team since 2016
b. 1963, Finnish citizen, M.Sc. (Ind. Eng.), MBA

Vaisala shares
Dec 31, 2024: 49,477 A shares
Dec 31, 2023: 44,916 A shares

Katriina Vainio

Executive Vice President, Group General Counsel since
2017
· Member of the Leadership Team since 2017
b. 1967, Finnish citizen, LL.M.

Vaisala shares
Dec 31, 2024: 14,860 A shares
Dec 31, 2023: 13,231 A shares

Information for shareholders

JOINED THE LEADERSHIP TEAM IN 2025:

Lorenzo Gulli

Executive Vice President, Strategy and M&A since
January 2025
· Member of the Leadership Team since January
2025
b. 1978, Italian citizen, Master of Computer Science,
MBA

Vaisala shares
Dec 31, 2024: -
Dec 31, 2023: -

Samuli Hänninen

Vice President, Xweather since 2022,
Executive Vice President, Xweather, since January
2025
· Member of the Leadership Team since January
2025
b. 1979, Finnish citizen, M.Sc. (Econ.)

Vaisala shares
Dec 31, 2024: 8,435 A shares
Dec 31, 2023: 6,658 A shares



Shareholdings include also shares held by the Leadership Team’s controlled organizations.
Read full CV information on the company’s website at **vaisala.com**.

Information for shareholders

Vaisala Corporation's Annual General Meeting will be held on Tuesday, March 25, 2025, at 2.00 p.m. Finnish time at Vaisala Corporation's head office, Vanha Nurmijärventie 21, 01670 Vantaa, Finland.

Payment of dividends

The Board of Directors proposes to the Annual General Meeting a dividend of EUR 0.85 per share for the fiscal year 2024 to be paid. The dividend would be paid to shareholders registered in the Register of Shareholders held by Euroclear Finland Ltd on the record date of the dividend distribution, March 27, 2025. The Board of Directors proposes that the dividend will be paid on April 3, 2025.

Change of address

Vaisala's shareholders are kindly requested to report written changes of address to the bank where they have their book entry account.

Listing of Vaisala shares

Vaisala Corporation has two classes of shares: the listed series A shares and the non-listed series K shares. The Vaisala series A shares are listed on the Nasdaq Helsinki and are registered at Euroclear Finland Ltd.

Publication of financial information

Vaisala Corporation publishes financial information in Finnish and English. All materials are available on Vaisala's website at vaisala.com.

The company's mailing list for financial reports can be joined on Vaisala's website at vaisala.com.

Interim Reports and Half Year Financial Report

- April 24, 2025: Interim Report January–March 2025
- July 25, 2025: Half Year Financial Report 2025
- October 23, 2025: Interim Report January–September 2025

Silent period

Vaisala observes a silent period 30 calendar days prior to the publishing of its Interim Reports, Half Year Financial Report, and Financial Statement Release, lasting until the respective publishing dates. Exceptions to this rule are the Annual General Meeting (if held during the silent period) and the publication of a stock exchange release regarding a significant business event and the related communication. During silent periods, Vaisala's spokespersons refrain from discussing and commenting on issues related to the company's financial performance or meeting with capital market representatives.

Comprehensive investor relations pages and investor relations contact information can be found at vaisala.com/investors.



This Board of Directors' report and financial statements are not an xHTML document compliant with the European Single Electronic Format (ESEF) regulation. Board of Directors' report and financial statements 2024 in accordance with ESEF regulations are available at www.vaisala.com.

● Governance and Financial Review 2024

Financial Review

In 2024, the world continued to face complex challenges, with increasing geopolitical tensions and uncertainty in the business environment. Regardless of the market challenges, Weather and Environment business area's net sales grew and Industrial Measurements business area showed resilience in the changing market environment.

Key figure graphs

Board of Directors' Report

Key figures

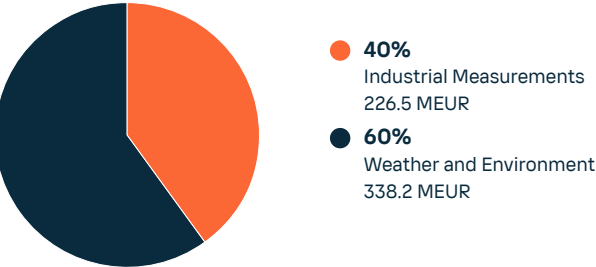
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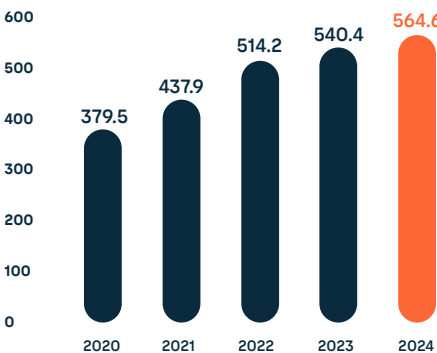
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Key figure graphs

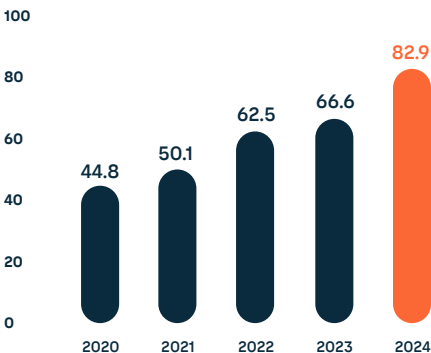
NET SALES BY BUSINESS AREA 2024



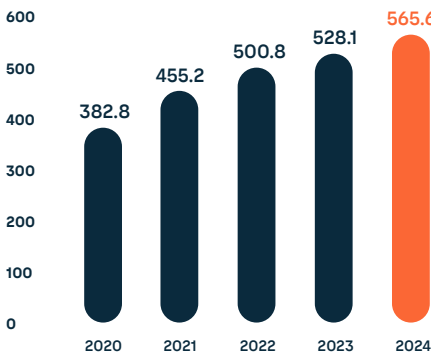
NET SALES, MEUR



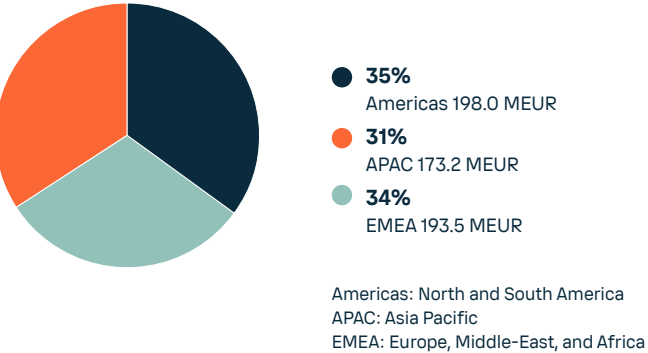
OPERATING RESULT (EBIT), MEUR



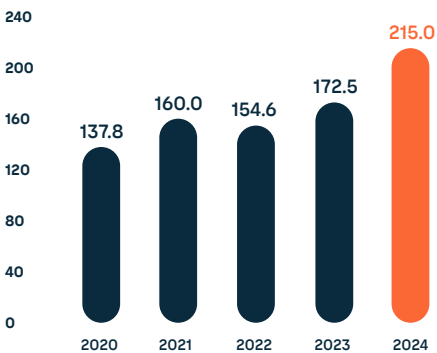
ORDERS RECEIVED, MEUR



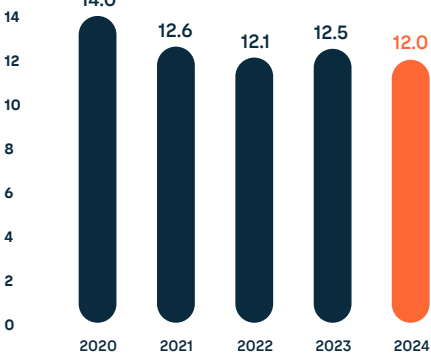
NET SALES BY REGION 2024



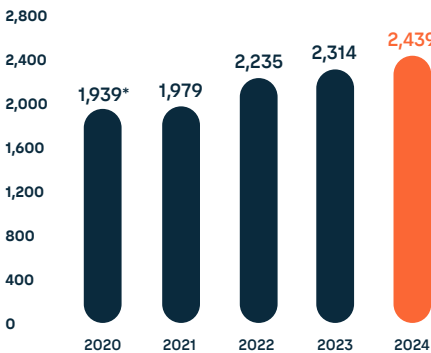
ORDER BOOK, MEUR



R&D COSTS % OF NET SALES



EMPLOYEES AT YEAR-END



* Number of employees includes persons in long-time absence as of January 1, 2021. Comparison period 2020 has been adjusted accordingly.

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In 2024, the world continued to face complex challenges, with increasing geopolitical tensions and uncertainty in the business environment. Regardless of the market challenges, Weather and Environment business area's net sales grew and Industrial Measurements business area showed resilience in the challenging market environment. In 2024, Vaisala's net sales grew by 4% and were EUR 564.6 (540.4) million. In constant currencies, net sales increased by 5%. Operating result increased to EUR 82.9 (66.6) million and was 14.7 (12.3) % of net sales. Thus, the company reached the financial targets of average 7% net sales growth and 15% operating result margin set for a three-year strategy period. The company continued long-term investments in R&D as well as in sales and marketing. In addition, the new group-wide ERP system with related systems went live at the beginning of the year and it was further developed during the year. Earnings per share was EUR 1.76 (1.35). Financial position remained strong. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.85 (0.75) per share be paid out of distributable earnings totaling EUR 30.8 (27.2) million.

Main key figures

EUR million	2024	2023	2022
Net sales	564.6	540.4	514.2
Gross margin, %	56.3	55.8	54.8
EBITA	90.3	74.7	70.7
% of net sales	16.0	13.8	13.8
Operating result (EBIT)	82.9	66.6	62.5
% of net sales	14.7	12.3	12.2
Result for the financial year	63.7	48.9	45.1
Earnings per share, EUR	1.76	1.35	1.24
Order book at the end of the financial year	215.0	172.5	154.6
Return on equity, %	22.1	18.9	18.7
Solvency ratio, %	52.4	61.3	58.1
Net debt	40.6	-28.2	7.9
Gearing, %	13.2	-10.5	3.2
Net working capital	75.1	72.9	82.4
Capital expenditure*	19.1	13.9	13.7
Cash flow from operating activities	78.9	83.8	29.8
Cash conversion	1.0	1.3	0.5
Research and development costs	68.6	67.7	62.4
% of net sales	12.1	12.5	12.1
Average personnel	2,368	2,327	2,141

* Excluding the impact of acquired businesses

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Orders received and order book

EUR million	2024	2023	Change	FX*
Orders received	565.6	528.1	7%	8%
Order book, end of period	215.0	172.5	25%	

* Change with comparable exchange rates

In 2024, orders received increased by 7% compared to previous year and totaled EUR 565.6 (528.1) million. Orders received grew in both business areas. Orders received grew very strongly in meteorology, as well as in power and energy market segment, but on the other hand decreased very strongly in aviation and liquid measurements market segments. Liquid measurements market segment is less than 10% of Industrial Measurements business area. Orders received excluded EUR 25 million award for a project of airport weather systems and equipment to modernize 14 Indonesian airports announced in August 2024. It will be included in orders received once customer's financing arrangements have been confirmed.

At the end of 2024, order book totaled EUR 215.0 (172.5) million and increased by 25% compared to previous year. Order book increased in both

Calculation of key figures is presented after the Board of Directors' Report.

As of the beginning of 2023, Weather and Environment business area's subscription business has been excluded from orders received and order book. Year 2022 has been reported accordingly.

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business areas. Order book scheduled to be delivered during the current year was EUR 164.6 (127.7) million.

Financial performance

EUR million	2024	2023	Change	FX**
Net sales	564.6	540.4	4%	5%
Product sales	397.3	397.7	0%	
Project sales	77.7	69.5	12%	
Service sales	48.5	38.9	25%	
Subscription sales	39.0	32.5	20%	
Lease income	2.2	1.8	22%	
Gross margin, %	56.3	55.8		
EBITA	90.3	74.7		
of net sales, %	16.0	13.8		
Operating result	82.9	66.6		
of net sales, %	14.7	12.3		
R&D costs	68.6	67.7	1%	
Amortization*	7.5	8.1		

* Amortization and impairment of intangible assets and income and expenses related to (non-operative) earn-outs related to acquired businesses.
** Change with comparable exchange rates

In 2024, net sales increased by 4% compared to previous year and totaled EUR 564.6 (540.4) million. In constant currencies, net sales increased by 5%. Operations outside Finland accounted for 98 (98) % of net sales. Excluding recent acquisitions, net sales increased by 13 % and subscription sales by 17% compared to previous year. Net sales grew in Weather and Environment business area. In Industrial Measurements business area, net sales were flat compared to previous year yet improved during the year.

Service sales increased especially in Industrial Measurements business area. In the first quarter, net sales were affected negatively by combined impact of the industrial actions in Finland and ramp-up of the new ERP (Enterprise Resource Planning) system. After that, similar disturbances have not been present anymore.

Gross margin improved compared to previous year and was 56.3 (55.8) % mainly due to growth in net sales.

In 2024, operating result (EBIT) increased from previous year following growth in net sales and improvement in gross margin and totaled EUR 82.9 (66.6) million, 14.7 (12.3) % of net sales. Operating expenses were at previous year's level.

In 2024, financial income and expenses were EUR -2.4 (-3.7) million. This was mainly a result of valuation of foreign currency denominated items, currency hedging and interest expenses. Income taxes were EUR 17.0 (14.2) million and effective tax rate was 21.1 (22.5) %. Result before taxes was EUR 80.8 (63.1) million and result for the period EUR 63.7 (48.9) million. Earnings per share was EUR 1.76 (1.35).

Statement of financial position and cash flow

Vaisala's financial position remained strong in 2024. At the end of December, statement of financial position totaled EUR 589.4 (442.8) million. Net debt amounted to EUR 40.6 (-28.2) million. Cash and cash equivalents totaled EUR 88.8 (90.3) million. Dividend payment, decided by the Annual General Meeting on March 26, 2024, totaled EUR 27.2 million. On December 31, 2024, Vaisala had interest-bearing borrowings totaling EUR 105.0 (50.0) million. In April 2024, Vaisala made a voluntary prepayment of EUR 15.0 million regarding EUR 50.0 million unsecured term loan initially signed on March 31, 2023. The loan is due in 2026. The loan has a financial covenant (gearing) tested semi-annually. In December 2024, Vaisala signed a EUR 70 million unsecured term loan agreement with one of its core banks for general corporate and working capital purposes as well as to finance the acquisition transaction in the United States. The loan was fully utilized. The loan is due in 2027. The loan has a financial covenant (gearing) tested semi-annually as of 2025. Vaisala had not issued any domestic commercial papers on December 31, 2024, as at the end of 2023. Vaisala has also a EUR 50 million committed revolving credit facility, which was undrawn on

December 31, 2024, as at the end of 2023. Vaisala exercised first of the two one-year extension options of the facility in third quarter and hence the revolving credit facility expires on October 5, 2027. In addition, interest-bearing lease liabilities totaled EUR 24.5 (12.1) million. Interest-bearing lease liabilities include lease liability related to new office facility in Boston totaling to EUR 12.7 million.

In 2024, cash flow from operating activities decreased to EUR 78.9 (83.8) million despite increased net result. This was mainly a result of increase in net working capital.

Capital expenditure and acquisitions

In 2024, capital expenditure in intangible assets and property, plant, and equipment (excluding the impact from business combinations) totaled EUR 19.1 (13.9) million. Capital expenditure was mainly related to investments in machinery and equipment to develop and maintain Vaisala's production, R&D, and service operations as well as facilities. In addition, capital expenditure in intangible assets and property, plant and equipment related to acquisition of WeatherDesk business totaled to EUR 65.7 million and acquisition of subsidiaries (net of cash) totaled to EUR 20.9 million.

In 2024, Vaisala started building an automated logistics center in Vantaa, Finland. The total estimated value of the investment is around EUR 10 million and it will be recognized in the statement of financial position during 2024 and 2025.

Depreciation, amortization, and impairment were EUR 24.3 (24.3) million. This included EUR 7.5 (8.1) million of amortization of identified intangible assets related to the acquired businesses.

In December 2024, Vaisala acquired the assets of the US-based Maxar Intelligence's WeatherDesk business to expand its position in AI-led weather forecasting and enhance its offering to the insurance, finance, and energy segment. The purchase price was USD 70 million, and the acquisition was financed mainly with interest-bearing debt. In 2023, the net sales of Maxar's WeatherDesk business amounted to USD 13 million, and the business has strong profitability.

In October 2024, Vaisala acquired Speedwell Climate Ltd specializing in climate and environmental risk transfer. With this acquisition, Vaisala expands its subscription-based business and enters the insurance segment

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with tools for organizations to protect themselves from financial losses caused by weather-related uncertainties. Speedwell Climate provides data and software to structure, price, and settle index-based climate risk transfer contracts. The company serves various industries, such as insurance, investment funds, and renewable energy to protect their businesses from weather-related risks. The company has been growing profitably, reaching net sales of close to GBP 4 million in 2023.

In October 2024, Vaisala expanded its offering for renewable energy customers by acquiring the UK-based software, weather monitoring systems and services company Nevis Technology Limited. Nevis Technology specializes in providing and maintaining helideck and environmental monitoring systems and data portals for the offshore energy industry, with offshore wind parks as a growing customer segment. The main applications for its systems are offshore platforms and vessels.

Research and development

Product and technology leadership from sensors to digital solutions is the very core of Vaisala. Vaisala's measurement solutions are based on a thorough understanding of its customers' needs in diverse applications from meteorology and renewable energy to industrial processes and life science. Vaisala continuously collaborates with its customers and partners to meet their measurement requirements and enable climate action. In addition to its own research and development work, scientific collaboration strengthens the company's position as an industry pioneer and an innovative technology leader. To develop its technology leadership position, Vaisala invests strongly in its growth markets and makes significant investments into research and development. In 2024, Vaisala's research and development costs were EUR 68.6 (67.7) million, 12.1 (12.5) % of net sales. Research and development costs include both development of new products as well as maintenance and further development of services and existing products. During the past years, focus has shifted towards development of new technologies and products.

Research and development costs are recognized as costs in the financial year in which they incur, except for machinery and equipment acquired for research and development purposes, which are capitalized and depreciated on a straight-line basis. More information on accounting

principles is available in Consolidated Financial Statements note 8. Research and development expenditure.

Further information about major product launches in 2024 is presented in the chapter Strategy and its implementation in 2024 in this Board of Directors' Report.

Personnel

The average number of personnel employed during January–December 2024 was 2,368 (2,327). At the end of December 2024, the number of employees was 2,439 (2,314). 76 (77) % of employees were located in EMEA, 16 (16) % in Americas and 8 (7) % in APAC. 63 (66) % of employees were based in Finland.

Number of employees by region

	Dec 31, 2024	Dec 31, 2023	Change
Americas	402	360	42
APAC	185	167	18
EMEA (excluding Finland)	314	254	60
Finland	1,538	1,533	5
Total	2,439	2,314	125

Number of employees by function

	Dec 31, 2024	Dec 31, 2023	Change
Sales and marketing	525	442	83
R&D	671	647	24
Operations	582	566	16
Services	386	390	-4
Administration	275	269	6
Total	2,439	2,314	125

Increase in number of employees reflects business growth. Recent acquisitions increased the number of employees by 72 in Weather and Environment business area.

In January–December 2024, personnel expenses totaled EUR 225.3 (210.9) million.

Vaisala has share-based incentive plans that are targeted to its key employees. In 2024, expenses related to share-based incentive plans totaled EUR 2.5 (3.4) million.

Further information about share-based incentive plans is available in Consolidated Financial Statements note 7. Share-based payments.

2024 review by business area

Industrial Measurements business area

EUR million	2024	2023	Change	FX**
Orders received	228.1	222.4	3%	3%
Order book, end of period	37.0	35.2	5%	
Net sales	226.5	227.3	-0%	1%
Product sales	199.4	207.4	-4%	
Service sales	27.1	19.9	36%	
Gross margin, %	61.9	61.8		
EBITA	48.9	46.8		
of net sales, %	21.6	20.6		
Operating result	47.9	45.2		
of net sales, %	21.2	19.9		
R&D costs	26.6	25.9	3%	
Amortization*	1.0	1.7		

* Amortization and impairment of intangible assets and income and expenses related to (non-operative) earn-outs related to acquired businesses.

** Change with comparable exchange rates

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Industrial Measurements business area's 2024 orders received increased by 3% compared to previous year and totaled EUR 228.1 (222.4) million. Orders received increased very strongly in power and energy market segment and somewhat in industrial instrument market segment. Orders received were at previous year's level in life science market segment and decreased very strongly in liquid measurements market segment.

At the end of 2024, Industrial Measurements business area's order book amounted to EUR 37.0 (35.2) million and increased by 5% compared to previous year. Order book scheduled to be delivered during the current year was EUR 32.9 (31.6) million. Order book increased in power and energy as well as in life science market segment and decreased in liquid measurements market segment. Order book in industrial instrument market segment was at previous year's level.

In 2024, net sales were at previous year's level and totaled EUR 226.5 (227.3) million. In constant currencies, net sales increased by 1% compared to previous year. Net sales increased very strongly in power and energy market segment and decreased somewhat in life science and liquid measurements market segments. Net sales in industrial instruments market segment were at previous year's level. Very strong growth of service sales was a result of previous years' sales levels and followed growth of installed base as well as improved transparency.

Gross margin was at previous year's level 61.9 (61.8) %.

Industrial Measurements business area's 2024 operating result (EBIT) increased compared to previous year following sales mix and totaled EUR 47.9 (45.2) million, 21.2 (19.9) % of net sales. Operating expenses decreased somewhat compared to previous year.

Weather and Environment business area

EUR million	2024	2023	Change	FX**
Orders received	337.6	305.8	10%	11%
Order book, end of period	178.0	137.3	30%	
Net sales	338.2	313.1	8%	8%
Product sales	197.9	190.3	4%	
Project sales	77.7	69.5	12%	
Service sales	21.4	19.0	13%	
Subscription sales	39.0	32.5	20%	
Lease income	2.2	1.8	22%	
Gross margin, %	52.6	51.5		
EBITA	41.3	27.5		
of net sales, %	12.2	8.8		
Operating result	34.8	21.1		
of net sales, %	10.3	6.7		
R&D costs	42.0	41.8	1%	
Amortization*	6.5	6.4		

* Amortization and impairment of intangible assets and income and expenses related to (non-operative) earn-outs related to acquired businesses

** Change with comparable exchange rates

Weather and Environment business area's 2024 orders received increased by 10% compared to previous year and totaled EUR 337.6 (305.8) million. Orders received grew very strongly in meteorology market segment and slightly in renewable energy market segment. Orders received decreased very strongly in aviation market segment and were at previous year's level in roads market segment. Orders received excluded EUR 25 million award for a project of airport weather systems and equipment to modernize 14 Indonesian airports announced in August 2024 and it will be included in orders received once customer's financing arrangements have been confirmed.

At the end of 2024, Weather and Environment business area's order book amounted to EUR 178.0 (137.3) million and increased by 30% compared to previous year. Order book scheduled to be delivered during the current year was EUR 131.7 (96.1) million. Order book increased in meteorology and roads market segments and decreased in renewable energy and aviation market segments. Very strong growth of order book was mainly driven by large project orders received during the year.

In 2024 net sales increased by 8% compared to previous year and were EUR 338.2 (313.1) million. In constant currencies, net sales increased by 8%. Excluding recent acquisitions, net sales increased by 8 % and subscription sales by 17% compared to previous year. Net sales grew very strongly in aviation market segment and slightly in renewable energy market segment and were at previous year's level in roads market segment. Net sales in meteorology market segment decreased slightly compared to previous year.

Gross margin increased to 52.6 (51.5) % mainly following growth in net sales and sales mix.

Weather and Environment business area's 2024 operating result (EBIT) increased compared to previous year following growth in net sales and improvement in gross margin and totaled EUR 34.8 (21.1) million, 10.3 (6.7) % of net sales. Operating expenses increased somewhat compared to previous year due to M&A and other one-off expenses.

Strategy and its implementation in 2024

Vaisala's strategy focuses on driving sustainable growth and global leadership in measurement instruments and intelligence for climate action. Through its products and technologies, the company enables its customers to optimize processes, drive the energy transition, and care for the safety and well-being of people and societies worldwide. The company's launched its new brand and updated purpose *Taking every measure for the planet* in February. The new purpose emphasizes the company's active role in enabling data-driven climate action. This communicates how our measurement technologies provide customers with relevant data to improve their operations and create a positive climate impact, and to show our full commitment to sustainability.

At the center of the strategy are four success drivers: deep customer understanding and application know-how; product and technology leadership from sensors to digital solutions; excellence in supply chain; and purpose-driven culture and talent. To complement the success drivers of its current strategy, the company identified four strategic priorities for execution. Vaisala continues its growth in industrial measurements with breakthrough technologies, grows by expanding in energy transition as well as building recurring revenue in data business, drives profitability as a global leader in weather systems, and simplifies and scales its operations for greater impact and efficiency. The strategy is implemented by managing different types of businesses in a different way by focusing on profitability and/or growth.

In 2021, Vaisala set long-term targets of an average annual net sales growth of 7% and an operating result margin (EBIT) of 15% by the end of the period. As the strategy period ended, the company reached the targets. Vaisala's average net sales growth during the three-year period was 9% and the year 2024 EBIT was 15%.

Vaisala's work in enabling climate action and decreasing emissions continued when the Science Based Targets initiative (SBTi) approved Vaisala's near-term science-based emission reduction targets in April 2024. In accordance with the targets, Vaisala commits to reduce absolute scope 1 and 2 GHG emissions 52% by 2030 from a 2021 base year. Vaisala

also commits to reduce scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution, business travel, employee commuting, and use of sold products 52% per million EUR value added within the same period.

As part of Vaisala's sustainability work and new purpose, the company's term loan and committed revolving credit facility were tied to sustainable development in March 2024.

Vaisala took 38th place in the first edition of World's Best Companies – Sustainable Growth study by TIME Magazine. There were nine Finnish companies on the list. The study was implemented together with Statista, and the evaluation was based on revenue growth, financial stability, and taking care of the environment.

Industrial Measurements business area

Industrial Measurements business area focuses on product leadership and aims to grow profitably with breakthrough technologies and by expanding in energy transition. In 2024, the business area showed resilience in a challenging market environment, and its net sales were on the same level as the previous year. Net sales growth in power and energy market segment was very strong, while net sales in life science market segment decreased somewhat compared to the previous year.

In 2024, Industrial Measurements business area announced a new cloud-based monitoring software viewLinc Cloud to help life science companies save resources.

The business area also launched a new solution for industrial indoor and process measurements. Vaisala Echo is an intelligent measurement infrastructure, which connects Vaisala's measurement devices and monitoring software. Newest data logger VDL200 provides secure environmental monitoring for GxP compliance.

In addition, Industrial Measurements business area launched a new measurement product, MGP241, that measures carbon dioxide and humidity and is specifically designed to bring transparency to carbon capture, storage, and utilization projects.

Weather and Environment business area

Weather and Environment business area's strategy is to seek growth by expanding in energy transition as well as in subscription-based data and software business. In the more mature market of weather systems, such as meteorology and aviation, the business area seeks to maintain its position as a global market leader focusing also on driving profitability. In 2024, the growth of the business area continued, and profitability improved significantly. The growth of subscription sales continued very strong.

During the year, the business area announced two new large weather system projects. Vaisala was selected to deliver 18 weather radars to the State Meteorological Agency of Spain. The weather systems modernization project for 14 airports in Indonesia was not included in the order book at the end of 2024. In addition to solid organic growth, the business area expanded future prospects through three acquisitions: Speedwell Climate, Nevis Technology, and Maxar Intelligence's WeatherDesk. With these acquisitions, the business area accelerated play in energy transition and subscription-based data business further.

Weather and Environment business area launched Vaisala WM80, a new robust ultrasonic wind sensor for optimized wind turbine and maritime performance.

The business area also launched a high-precision air quality sensor AQT560 to combat urban air pollution.

Weather and Environment business area introduced Vaisala Compass, a weather-based decision-making platform for the renewable energy industry to mitigate challenges related to weather fluctuation and uncertainty.

In addition, Weather and Environment business area announced multi-GNSS support and industry-first message authentication. These features help meteorological agencies defend against hybrid threats, such as GPS interference and cyberattacks.

Vaisala Xweather announced that it delivers worldwide real-time air quality data to drivers of BMW Group cars. Vaisala Xweather also introduced a new data offering aimed at electric vehicle makers to help eliminate weather surprises from range predictions.

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Production

Vaisala's Operations organization sources, manufactures, and ships all Vaisala's products for both business areas and develops Vaisala Production System. In 2024, Operations prepared for future growth by scaling up the production capabilities. The company started building a new automated logistics center on our Vantaa campus, Finland. The company expects the new facility to be fully operational by the end of 2025. It will combine all various logistics functions currently dispersed across Vantaa campus into one centralized location, streamlining operations. The investment will double the logistics capacity and enable the conversion of current logistics space into production use. Operations continued the cleanroom renewal enabling the adoption of new production technologies and upgrading the quality of the existing facilities.

Operations continued advancing the Smart Factory concept focusing on scalability, increasing automation, and building new data capabilities. Operations are also actively working to enhance the sustainability of our supply chain. The Operations team also implemented emission reduction measures by transitioning from air to road transport in Europe and sourcing process gases with lower carbon footprint.

Process development

During a couple of past years, Vaisala has invested in the development and implementation of new ERP system. The new ERP system with related systems went live at the beginning of 2024 and its development was continued during the year. The development work will continue in 2025. During 2024, the company also started preparations for corporate sustainability reporting (CSRD, Corporate Sustainability Reporting Directive), which is part of this Board of Directors' Report.

Long-term financial targets

Vaisala published new long-term targets in November 2024. In line with the strategic objectives, Vaisala's new long-term financial targets are average sales growth 7% (earlier 7%), systematically improving EBITA % (earlier EBIT 15%), and to maintain strong cash conversion over time (new target).

Vaisala does not consider the long-term financial targets as market guidance for any given year.

Risk management

The objective of Vaisala's risk management is to identify and manage material risks related to strategy implementation and business operations. Vaisala's Risk Management Policy, approved by the Board of Directors, aims to ensure the safety of the company's employees, operations, and products as well as the continuity and compliance of business activities.

The Board of Directors defines and approves risk management principles and assesses the effectiveness of risk management. The Audit Committee reviews compliance with Risk Management Policy and processes.

Risk management is integrated into key business processes and operations by incorporating risk identification, assessment, management, and risk reporting actions into the core processes. The most material risks are considered by the Vaisala Leadership Team per processes regularly during the year and also reviewed by the Audit Committee on a regular basis.

Vaisala is exposed in its operations to strategic, hazard, operational, and financial risks, which may originate from the company's own operations or changes in the business environment. If risks materialize, they may have negative impact on Vaisala's business or financial position and thus, on company's value.

The most significant strategic risks for Vaisala are unstable geopolitical escalation, prolonged slow economic growth, as well as change in market dynamics and trends. Vaisala's wide product portfolio and geographical coverage decentralizes the impact of risks on one customer segment. To maintain its competitiveness, Vaisala invests in R&D efforts to maintain the

product portfolio's competitive advantage and focuses and develops the business towards growing opportunities, monitors pricing on the markets and manages costs in line with the development of the business. Through scenario work, Vaisala prepares for different alternatives and actively monitors changes in geopolitics and trade policies.

The most significant hazard risks for the company are long disruption in sensor manufacturing and serious employee accident caused by working conditions. A long disruption of sensor manufacturing would have a major impact on the delivery capability of both business areas. The company manages this risk with emergency stock of sensor components, management of production equipment and spare parts, as well as safety of facilities. Accidents caused by hazardous working conditions are prevented with continuous development of occupational safety, job hazard analysis, emergency procedures, improvements in accident tracking, safety policies, and training. A disaster event at factory can cause a long disruption in production, which can result in the loss of long-term customers. Vaisala prepares for these kinds of situations by maintaining emergency buffers and by proactive risk prevention actions, such as firewalls and leakage sensors. Vaisala prepares for risks related to external events by geographic diversity of business and by monitoring the business environment as well as by risk assessment of business opportunities.

Vaisala is exposed to operational risks such as cyber risk and long unavailability of IT systems. Cyberattack may interrupt operations or digital services, cause financial loss or loss of trade secrets or personal data. Vaisala maintains Information Security Management System. Long downtime of IT solutions leads to interruptions in operations, especially in order-to-delivery process. Vaisala has 24/7 support in case of any issues with IT systems and maintains disaster recovery plans for all critical platforms.

The most essential financial risks for Vaisala are currency risk, interest rate risk, liquidity and refinancing risk as well as credit risk. Vaisala's objective is to limit the impact of these risks on statement of income, statement of financial position and cash flow statement. Vaisala manages these financial risks among other with currency hedging, by maintaining sustainable capital structure and debt maturity profile, by securing

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committed credit facility, by requiring high credit rating of financial counter parties and making low risk and limited investment maturities, and by granting secured terms of payment as well as implementing credit check for its diverse customer pool.

Further information about risk management and risks is available in the section Governance/Risk Management of Governance and Financial Review 2024, in Consolidated Financial Statements note 19. Financial risk management, and on the company's website at vaisala.com.

Group structure

Vaisala's headquarters are located in Vantaa, Finland. On December 31, 2024, Vaisala had subsidiaries in Australia, Brazil, Canada, China, Finland, France, Germany, India, Japan, Kenya, Korea, Malaysia, Mexico, Sweden, United Kingdom, and United States. The parent company has branches in Argentina and Colombia.

Board of Directors

The Annual General Meeting held on March 26, 2024, confirmed that the number of the Board members is nine.

Members of the Board of Directors on December 31, 2024

- Ville Voipio, Chair
- Raimo Voipio, Vice Chair
- Annica Bresky
- Petri Castrén
- Antti Jääskeläinen
- Jukka Rinnevaara
- Lotte Rosenberg
- Kaarina Ståhlberg
- Tuomas Syrjänen

Leadership Team

In December 2024, Vaisala appointed Lorenzo Gulli as Executive Vice President, Strategy and M&A. He joined Vaisala and the Vaisala Leadership Team in January 2025 and reports to the President and CEO Kai Öistämö.

In October 2024, Vaisala announced changes in its leadership team which were valid as of January 2025. Jarkko Sairanen, previously EVP Weather and Environment, was appointed to lead the Industrial Measurements business area. Sampsa Lahtinen, EVP Industrial Measurements, had decided to retire at the end of 2024. The business leadership for Vaisala's Weather and Environment business area was divided between Anne Jalkala and Samuli Hänninen. Anne Jalkala, previously Chief Strategy and Sustainability Officer, was appointed to lead the Weather, Energy and Environment business, which is the global leader in meteorology, aviation and roads winter maintenance and driving growth in renewable energy. Samuli Hänninen joined the Vaisala Leadership Team and continues to lead the Xweather business. Vaisala's financial reporting structure remains unchanged and is based on its two reportable segments Industrial Measurements and Weather and Environment. The Weather and Environment reportable segment consists of the Weather, Energy and Environment business and the Xweather business.

In February 2024, Vaisala appointed Girish Agarwal as Chief Digital and Information Officer (CDIO) and member of the Vaisala Leadership Team. He joined Vaisala in June 2024 and reports to the President and CEO Kai Öistämö. Agarwal succeeded Olli Nastamo, EVP, Operational Excellence, who retired in August 2024.

On December 31, 2024, Vaisala's Leadership Team members were

- Kai Öistämö, President and CEO, Chair of the Leadership Team
- Girish Agarwal, Chief Digital and Information Officer
- Anne Jalkala, Chief Sustainability and Strategy Officer
- Sampsa Lahtinen, EVP, Industrial Measurements business area
- Timo Leskinen, EVP, Human Resources
- Heli Lindfors, Chief Financial Officer
- Vesa Pylvänäinen, EVP, Operations
- Jarkko Sairanen, EVP, Weather and Environment business area
- Katriina Vainio, EVP, Group General Counsel

Annual General Meeting 2024

Vaisala Corporation's Annual General Meeting was held on March 26, 2024. The meeting approved the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial period January 1–December 31, 2023.

Dividend

The Annual General Meeting decided a dividend of EUR 0.75 per share. The record date for the dividend payment was March 28, 2024, and the payment date was April 12, 2024.

Board of Directors

The Annual General Meeting confirmed that the number of Board members is nine. Petri Castrén, Antti Jääskeläinen, Jukka Rinnevaara, Kaarina Ståhlberg, Tuomas Syrjänen, Raimo Voipio, and Ville Voipio will continue as members of the Board of Directors. Annica Bresky and Lotte Rosenberg were elected as new members.

The Annual General Meeting confirmed that the annual remuneration payable to the Chair of the Board of Directors is EUR 55,000 and each Board member EUR 40,000 per year. Approximately 40% of the annual remuneration will be paid in Vaisala Corporation's series A shares acquired from the market and the rest in cash. In addition, the Annual General Meeting confirmed that the meeting fee for the Chair of the Audit Committee will be EUR 1,500 per attended meeting and EUR 1,000 for each member of the Audit Committee and Chair and each member of the People and Sustainability Committee, the Nomination Committee and any other committee established by the Board of Directors for a term until the close of the Annual General Meeting in 2025. In addition, members of the Board residing outside Finland will be paid a meeting fee of EUR 1,000 per meeting attended in person. The meeting fees are paid in cash. Possible travel expenses are reimbursed according to the travel policy of the company.

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Auditor

The Annual General Meeting elected PricewaterhouseCoopers Oy as the auditor of the company and APA Ylva Eriksson will act as the auditor with the principal responsibility. The Auditors are reimbursed according to invoice presented to the company.

Sustainability reporting assurer

The Annual General Meeting elected PricewaterhouseCoopers Oy as the sustainability reporting assurer of the company and Ylva Eriksson, Authorized Sustainability Auditor (KRT), as the assurer with principal authority. The assurer is reimbursed according to invoice presented to the company.

Authorization for the directed repurchase of own series A shares

The Annual General Meeting authorized the Board of Directors to resolve on the directed repurchase of a maximum of 800,000 of the company's own series A shares in one or more instalments by using company's unrestricted equity. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than September 26, 2025.

Authorization on the issuance of the company's own series A shares

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of a maximum of 936,697 company's own series A shares. The issuance of own shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization entitles the issuance of treasury series A shares as a directed issue without payment as part of the company's share-based incentive plan. The subscription price of the shares can instead of cash also be paid in full or in part as contribution in kind. The authorization is valid until September 26, 2025. The authorization for the company's incentive program shall however be valid until March 26, 2028.

The organizing meeting of the Board of Directors

At its organizing meeting held after the Annual General Meeting the Board elected Ville Voipio as the Chair of the Board of Directors and Raimo Voipio as the Vice Chair.

Kaarina Ståhlberg was elected as the Chair and Petri Castrén, Lotte Rosenberg, and Raimo Voipio as members of the Audit Committee. Antti Jääskeläinen was elected as the Chair and Annica Bresky, Jukka Rinnevaara, Tuomas Syrjänen, and Ville Voipio as members of the People and Sustainability Committee. Ville Voipio was elected as the Chair and Annica Bresky, Tuomas Syrjänen, and Raimo Voipio as members of the Nomination Committee. The Chair and all members of the Audit Committee, People and Sustainability Committee as well as Nomination Committee are independent of the company. With the exception of Raimo Voipio and Ville Voipio, all other members of the Committees are independent of significant shareholders.

Shares and shareholders

Share capital and shares

Vaisala's share capital totaled EUR 7,660,808 on December 31, 2024. Vaisala has 36,436,728 shares, of which 3,626,853 are series K shares and 32,809,875 series A shares. During the year, number of series K shares decreased by 3,104,239 and number of series A shares increased by 3,104,239 as the Board of Directors decided that 3,104,239 series K shares were converted to series A shares. Series A shares are listed on the Nasdaq Helsinki Ltd. The series K shares and series A shares are differentiated by the fact that each series K share entitles its owner to 20 votes at a General Meeting of Shareholders while each series A share entitles its owner to 1 vote. The series A shares represented 90.0% of the total number of shares and 31.1% of the total votes. The series K shares represented 10.0% of the total number of shares and 68.9% of the total votes.

Trading and share price development

In 2024, a total of 2,808,545 series A shares with a value totaling EUR 117.8 million were traded on the Nasdaq Helsinki Ltd. During the year, the share price increased by 22% while OMXHCAPPI index decreased by 4%. The closing price of the series A share on the Nasdaq Helsinki stock exchange was EUR 48.40. Shares registered a high of EUR 50.00 and a low of EUR 32.60. Volume-weighted average share price was EUR 41.95.

The market value of series A shares on December 31, 2024, was EUR 1,580.6 million, excluding company's treasury shares. Valuing the series K shares – which are not traded on the stock market – at the rate of the series A share's closing price on the last trading day of December, the total market value of all the series A and series K shares together was EUR 1,756.2 million, excluding company's treasury shares.

Treasury shares

In May 2024, the Board of Directors decided to exercise the authorization of the 2024 Annual General Meeting to repurchase of company's own shares and to start repurchases of series A shares. The repurchases started on May 23, 2024, and ended on September 30, 2024. During this period, Vaisala repurchased a total of 18,855 own series A shares for an average price of EUR 39.9093 per share. The shares were repurchased in public trading on Nasdaq Helsinki Ltd. at the market price prevailing at the time of purchase. The shares will be used as a reward payment for Vaisala's share-based incentive plans.

In August 2024, a total of 500 of Vaisala Corporation's treasury shares were conveyed without consideration to a person participating in the Restricted Share Unit Plan 2022–2026 under the terms and conditions of the plan. The directed share issue was based on an authorization given by the Annual General Meeting held on March 26, 2024.

In June 2024, a total of 1,750 of Vaisala Corporation's treasury shares were conveyed without consideration to persons participating in the Restricted Share Unit Plan 2022–2026 under the terms and conditions of the plan. The directed share issue was based on an authorization given by the Annual General Meeting held on March 26, 2024.

In March 2024, a total of 49,932 of Vaisala Corporation's treasury shares were conveyed without consideration to the 43 key employees participating in the Performance Share Plans 2021–2023 and 2022–2024 under the terms and conditions of the plans. The directed share issue was based on an authorization given by the Annual General Meeting held on March 28, 2023.

The total number of series A treasury shares on December 31, 2024, was 152,149, which represents 0.46% of series A shares and 0.42% of total shares.

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Major shareholders December 31, 2024

	A shares	K shares	Total	% of shares	% of votes
Novameter Oy	2,778,000	998,358	3,776,358	10.36	21.59
Nordea Nordic Small Cap Fund	1,652,370	0	1,652,370	4.53	1.57
Weisell Foundation	1,440,000	0	1,440,000	3.95	1.37
Finnish Academy of Science and Letters	1,289,924	0	1,289,924	3.54	1.22
Voipio Mikko	1,100,798	167,514	1,268,312	3.48	4.23
Ilmarinen Mutual Pension Insurance Company	1,124,000	0	1,124,000	3.08	1.07
Voipio Raimo*	866,386	110,092	976,478	2.67	2.91
Caspers Anja	805,548	163,948	969,496	2.66	3.88
Voipio Tauno	772,186	65,638	837,824	2.30	1.98
Voipio Lauri	561,692	108,376	670,068	1.84	2.59
Voipio Riitta	561,692	108,376	670,068	1.84	2.59
Voipio Ville	398,772	119,712	518,484	1.42	2.65
Voipio Mari	414,486	96,712	511,198	1.40	2.23
Voipio Timo	391,484	119,712	511,196	1.40	2.64
Elo Mutual Pension Insurance Company	487,000	0	487,000	1.34	0.46
Total	14,644,338	2,058,438	16,702,776	45.84	52.98
Nominee registered shares**	8,659,342	0	8,659,342	23.77	8.22

Ownership structure (series A and K shares)
December 31, 2024

	Shares	% of shares
Households	14,671,794	40.27
Nominee registered and outside Finland	8,709,942	23.90
Private companies	4,952,351	13.59
Financial and insurance institutions	3,250,482	8.92
Non-profit organizations	3,064,223	8.41
Public sector organizations	1,787,936	4.91
Total	36,436,728	100.00

* In addition to direct share ownership, Raimo Voipio's controlled organization Imar Oy owned 56,000 series A shares.
** Includes 980,921 series A shares owned by Lannebo Fonder, which represented 2.69% of all shares and 0.93% of all votes (according to Lannebo's notification).

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Ownership distribution (series A and K shares) December 31, 2024

	Share- holders	% of share- holders	Shares	% of shares
1–100	9,603	61.30	339,952	0.93
101–500	4,057	25.90	1,045,306	2.87
501–1,000	987	6.30	739,441	2.03
1,001–5,000	785	5.01	1,652,260	4.54
5,001–10,000	94	0.60	655,131	1.80
10,001–50,000	83	0.53	1,796,113	4.93
50,001–100,000	24	0.15	1,659,000	4.55
100,001–500,000	17	0.11	3,814,470	10.47
500,001–	16	0.10	24,735,055	67.89
Total	15,666	100.00	36,436,728	100.00
Nominee registered	8			

Shareholders' agreements

The Board of Directors is not aware of any agreements concerning the ownership of the company's shares and the use of their voting rights.

Shareholding by the Board of Directors and the Leadership Team

On December 31, 2024, the Board of Directors held and controlled 1,286,320 (995,971) series A shares. These shares accounted for 3.9 (3.4) % of series A shares and 3.5 (2.7) % of total shares. The number of series K shares held and controlled by the Board was 229,804 (524,008). The total number of series A shares held and controlled by the Board increased and the total number of series K shares decreased accordingly, because series K shares were converted to series A shares. Total votes attached to

the series A and K shares held and controlled by the Board were 5,882,400 (11,476,131), which accounted for 5.6 (7.0) % of the total votes of all shares. The total votes attached to the shares held and controlled by the Board decreased, because the total votes of all shares decreased during the year following conversion of series K shares to series A shares.

On December 31, 2024, Kai Öistämö, the President and CEO, held and controlled 21,701 (14,860) series A shares but no series K shares. Other Leadership Team members held and controlled 150,476 (133,161) series A shares but no series K shares.

Corporate Governance Statement includes more details on the shareholdings of the Board of Directors and the Leadership Team.

Share key figures are presented in Key figures section after Board of Directors' Report.

Further information about Vaisala's shares and shareholders are presented on the company's website at vaisala.com/investors.

Donations

Vaisala continues its collaboration with the Colorado State University (CSU) in the US in the field of weather radars, among others. In 2023, Vaisala's Board of Directors renewed the annual donation of USD 25,000 to the university for 2023–2025.

EU sustainable finance taxonomy

The indicators required by the EU Taxonomy Regulation are reported in the sustainability statement included in this Board of Directors' Report.

Corporate Governance Statement

Corporate Governance Statement will be published as a part of this Board of Directors' Report as well as a separate report on the company's website at vaisala.com/investors.

Remuneration Report

Remuneration Report will be published as a part of the Governance and Financial Report 2024 as well as a separate report on the company's website at vaisala.com/investors.

Near-term risks and uncertainties

Changes in geopolitical situation, interest rates and inflationary environment may affect industrial investments and economic situation and increase risk of achieving Vaisala's financial targets. Possible tariffs or trade war between the US and Europe may have an impact on Vaisala's financial performance.

Industrial actions in Finland may cause disruptions in Vaisala's operations and deteriorate Vaisala's delivery capability. Vaisala's delivery capability may deteriorate due to disruptions in suppliers' operations, Vaisala's production or project delivery operation, or disruptions in incoming and/or outgoing logistics. Temporary component shortage may cause delays or interruptions in deliveries or generate additional material costs. Cyber risk and long disruptions in IT systems may impact operations and delivery capability.

Vaisala's capability to successfully complete investments, acquisitions, divestments and restructurings on a timely basis and to achieve related financial and operational targets includes uncertainties and risks, which may negatively impact net sales and profitability.

New and changing regulations impacting product acceptance, operation's capability to meet changing compliance requirements, and changes in international trade policies may cause delays or interruptions in supply chain. Customers' preference for local manufacturing may reduce demand for Vaisala's products and services. Customers' budgetary constraints, complex decision-making processes, and missing financing solutions may postpone closing of infrastructure contracts in Weather and Environment business area.

Further information about risk management and risks are available in Corporate Governance/Risk management section of Governance and Financial Review 2024 and on the company's website at vaisala.com.

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Business outlook for 2025

Vaisala estimates, excluding potential significant changes in market conditions, that its full-year 2025 net sales will be in the range of EUR 590–620 (2024: 565 million) million and its EBITA will be in the range of EUR 90–105 (2024: EUR 90 million) million.

As of 2025, in its outlook, Vaisala has changed EBIT to EBITA to align with its long-term targets.

Market outlook for 2025

Markets for industrial and life science market segments started to gradually improve in H2/2024. Similar improvement is expected in 2025. Power market segment is expected to grow.

Markets for the more mature markets, meteorology, aviation, and roads, are expected to be stable. Market for renewable energy is expected to be stable.

Board of Directors' proposal for dividend

The parent company's distributable earnings amount to EUR 221,935,585.08 of which the result for the period is EUR 58,240,409.02.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.85 per share be paid out of distributable earnings totaling EUR 30.8 million and the rest to be carried forward in the shareholders' equity. No dividend will be paid for treasury shares held by the company.

There have been no significant changes in the company's financial position since the close of the financial period. According to the Board of Directors, the proposed dividend distribution does not endanger the company's financial standing.

Annual General Meeting 2025

Vaisala Corporation's Annual General Meeting will be held on Tuesday March 25, 2025, at 2:00 p.m. Finnish time at Vaisala Corporation's head office, Vanha Nurmijärventie 21, 01670 Vantaa, Finland. The reception of persons who have registered for the meeting will commence at 1:00 p.m. Shareholders can follow the meeting via live webcast at Vaisala website vaisala.com/agm. Shareholders following the webcast are not deemed to attend the Annual General Meeting so they cannot ask questions or vote online during the webcast. A shareholder, who wants to participate in the General Meeting, shall register for the meeting no later than on March 20, 2025, at 4.00 p.m. by giving prior notice of participation. Such notice can be given on the company's website at vaisala.com/agm or by email to agm@vaisala.com.

Vantaa, February 17, 2025

Vaisala Corporation
Board of Directors

The forward-looking statements in this Board of Directors' Report are based on the current expectations, known factors, decisions, and plans of Vaisala's management. Although the management believes that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that these expectations would prove to be correct. Therefore, the results could differ materially from those implied in the forward-looking statements, due to for example changes in the economic, market and competitive environments, regulatory or other government-related changes, or shifts in exchange rates.

Corporate Governance Statement 2024

Vaisala's general governance principles

Vaisala's corporate governance is based on and complies with the laws of Finland and Vaisala's Articles of Association. Consolidated financial statements and other financial reports are prepared according to the International Financial Reporting Standards (IFRS), approved by the EU. The company complies with the rules, regulations, and guidelines for listed companies issued by Nasdaq Helsinki Ltd, Corporate Sustainability Reporting Directive (CSRD) (Directive (EU) 2022/2464), and the Finnish Supervisory Authority as well as the Finnish Corporate Governance Code 2025 published by the Securities Market Association (available at www.cgfinland.fi/en/).

Vaisala Board of Directors has approved this Corporate Governance Statement in its meeting on February 17, 2025. PricewaterhouseCoopers Oy, audit firm, the company's auditor, has verified that the statement has been issued and that the general description of internal audit and risk management systems associated with the financial reporting process conforms to the same in financial statements.

Governing bodies

The General Meeting, the Board of Directors, and the President and CEO, assisted by the Leadership Team, are responsible for the governance of the Vaisala Corporation.



General meeting

The General Meeting is the supreme decision-making body of Vaisala, in which all the shareholders of the company can participate in the supervision and control of the company and exercise their right to vote, speak, and ask questions. The Annual General Meeting is held once a year before the end of June on a date determined by the Board of Directors. It decides on the matters stipulated in the Finnish Limited Liability Companies Act and the Articles of Association. The resolutions are mainly made with simple majority of votes.

The Chair of the Board of Directors, members of the Board of Directors, and the President and CEO are present at the Annual General Meeting.

The auditor is present at the Annual General Meeting. Board member candidates are present at the Annual General Meeting where they are elected. If the above-mentioned person or persons fail to attend the Annual General Meeting, Vaisala notifies the General Meeting of such non-attendance. The members of the Leadership Team participate in the Annual General Meeting, if possible.

Participation in the General Meeting requires that the shareholder is registered in Vaisala's shareholder register, maintained by Euroclear Finland Ltd, on the record date of the meeting and that they register for the meeting by the date mentioned in the meeting notice.

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Shareholders are entitled to have an issue placed on the agenda of the Annual General Meeting, provided that the issue can be decided upon by the Annual General Meeting according to the Limited Liability Companies Act. The request must be submitted in writing to the Board of Directors early enough that the issue can be included in the meeting notice. On its website, the company announces the date by which the shareholder must notify the Board of Directors of an issue to be added to the agenda of the Annual General Meeting. The date is available by the end of the previous financial year.

Vaisala publishes a notice of the Annual General Meeting no more than two months before the record date and no less than three weeks before the meeting on the company's website or in any other way that may be decided by the Board of Directors, or Vaisala may deliver it directly to shareholders when required by law. In addition, Vaisala publishes a meeting notice as a stock exchange release after the Board of Directors has decided on the convening of the Annual General Meeting. The agenda of the Annual General Meeting, proposals on decisions, and meeting documents are available on the company's website at least three weeks prior to the meeting. Documents of the Annual General Meeting will be held on the company's website for at least five years from the time of the meeting. Minutes of the meeting will be published on the company's website within two weeks of the meeting.

Board of Directors

Competence, composition, and election

The Board of Directors is responsible for the administration and the proper organization of the operations of the company. The Board acts in accordance with the Articles of Association and the applicable legislation as well as the instructions and recommendations of the Financial Supervisory Authority and Nasdaq Helsinki Ltd. In accordance with the Articles of Association, Vaisala Corporation's Board of Directors

comprises at least six and maximum nine members. The Annual General Meeting elects all Board members.

The Board of Directors elects a Chair and a Vice Chair from among its members. Under the Articles of Association, the term of the Board members is one year. The term begins at the close of the General Meeting in which the member is elected and ends at the close of the subsequent Annual General Meeting following the member's election.

Selection criteria, diversity, and the independence of the members

The primary goal in Board member election is to gather a team where the joint capabilities of the members enable the Board to support the development of the company's current and future business, impact, and sustainability. The Board should be considered as a whole that is capable of managing its tasks and duties in the best possible way. In addition, the Board should consist of members of different genders, educational and professional backgrounds, and nationalities. Vaisala's Board of Directors in 2024 represented adequate expertise and experience as well as diversity on all the established goals as a team. Board members have experience in sustainability, different technologies, data and AI, as well as various businesses such as renewable energy, digital transformation, and different fields of industry. Their education and current positions are described in detail in the attached chart. Board members represented Finnish, Swedish, and Danish nationalities.

The Board of Directors and the Nomination Committee are taking measures to make sure the company meets the requirement that at least 40% of the underrepresented gender hold non-executive director positions by June 2026 as defined in the Finnish Corporate Governance Code 2025. Women represented 33% of non-executive director positions in 2024.

Vaisala complies with the Finnish Corporate Governance Code 2025 in evaluating the independence of the members of the Board. The majority of the members of the Board must be independent of the company, and at least two members in this majority must be independent of the

company's major shareholders. The Board evaluates the independence of the members annually based on an overall evaluation. This evaluation of a member takes into account information and analysis provided by the member themselves. All members of the Board in 2024 were independent of the company. With the exception of Raimo Voipio and Ville Voipio, all other members of the Board in 2024 were independent of significant shareholders.

Meetings, duties, and decision-making

The Board of Directors convenes at least eight times a year and if otherwise needed. The President and CEO and the Chief Financial Officer also attend Board meetings. The other members of the Leadership Team attend Board meetings as required at the invitation of the Board of Directors. The Board of Directors may, on the basis of the Chair's decision, establish working groups from among its members in individual cases to prepare the matters allocated for it in order to ensure the effective organization of the Board of Directors' work.

The Board of Directors operates in accordance with an approved written charter, published on the company's website. Meetings may, if necessary, be held as conference calls, video meetings, or e-mail meetings. Minutes of the meetings are compiled in English, with annually running numbering. The General Counsel acts as the Secretary of the Board of Directors.

A member of the Board of Directors is not allowed to participate if they are biased in that issue between themselves and the company or between the company and a third party when there is a possibility to achieve essential advantage to themselves, which may conflict with the company's interest.

The members of the Board of Directors are bound by obligations related to commercial and trade secrets as well as by the restrictions and requirements of the Market Abuse Regulation (EU) N:o 596/2014 (MAR) and the restrictions and obligations of Vaisala's Insider Policy. In their decision-making and other activities, the Board and its members must act in accordance with the interest of the company and all its shareholders as well as in accordance with the principles of due care.

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The Board will have a quorum when more than half of the members are present. Decisions are made on a simple majority basis, and when the votes are even, the Chair has the casting vote. When the votes for the election of the Chair are even, the Chair is elected by drawing lots.

The President and CEO is responsible for the execution of the Board of Directors' decisions, oversees their implementation, and reports to the Board on deficiencies or problems observed during the execution.

Main responsibilities of the Board of Directors are

- to decide on the election and dismissal of the President and CEO
- to decide on the employment terms of the President and CEO
- to decide on the election and dismissal of the members of the Leadership Team and their job descriptions, including employment terms, as well as the same of other direct reports of the President and CEO, based on the President and CEO's proposition
- to ensure that the company has organized internal control of accounting and financial management as well as to monitor the effectiveness of supervision
- to ensure monitoring, managing and overseeing material impacts, risks and opportunities related to sustainability matters,
- to approve the results of the double materiality assessment for sustainability reporting
- to determine the company's strategy and oversee its implementation and to approve the strategic plans of the business areas
- to determine the company's long-term targets and to monitor their implementation and to accept business areas' long-term targets
- to assess the company's and its business areas' annual action plans
- to approve the company and its business areas' financial targets
- to make business decisions, the value of which exceeds the approval limit of the President and CEO according to the Approval Policy, such as business reorganizations, acquisitions and divestitures, major contracts and liabilities, investments, and financing arrangements

- to review and approve the company's most important policies and instructions, such as Approval Policy, Treasury Policy, Disclosure Policy, Dividend Policy, Risk Management Policy, Insider Policy, Code of Conduct, and Anti-Corruption Policy
- to review and approve a Financial Statement Release, financial statements, sustainability statement, and the Board of Directors' Report as well as Corporate Governance Statement

- to make a dividend proposal to the General Meeting
- to review and approve Interim Reports and Half Year Financial Report
- to monitor the evaluation and management of risks related to the company's strategy and business operations, and
- to decide on Remuneration Policy and management remuneration and incentive systems.

Composition of the Board of Directors Dec. 31, 2024

Member	Member since	Born	Education	Nationality	Gender	Main occupation	Shareholding Dec. 31, 2024
Ville Voipio Chair	2015 Chair since 2021	1974	D.Sc. (Tech.)	Finnish	Male	Professor of Practice, Sustainable Global Business, Turku School of Economics, University of Turku	398,772 (A share) 119,712 (K share)
Raimo Voipio Vice Chair	1989 Chair in 1994–2021	1955	M.Sc. (Eng.)	Finnish	Male	Board professional	866,386 (A share) 110,092 (K share)
Annica Bresky	2024	1975	M.Sc. (Aquatic and Environmental Engineering), MBA	Swedish	Female	Board professional	425 (A share)
Petri Castrén	2017	1962	LL.M., MBA	Finnish	Male	CFO, Kemira Oyj	4,465 (A share)
Antti Jääskeläinen	2020	1972	M.Sc. (Eng.), M.Sc. (Econ.), MBA	Finnish	Male	President and CEO, Posti Group Oyj	2,064 (A share)
Jukka Rinnevaara	2019	1961	M.Sc. (Econ.)	Finnish	Male	Board professional	2,784 (A share)
Lotte Rosenberg	2024	1972	MM.L., MBA	Danish	Female	CEO, Carbon Recycling International (CRI)	25 (A share)
Kaarina Ståhlberg	2016	1966	LL.M	Finnish	Female	General Counsel and M&A, Posti Group Oyj	7,265 (A share)
Tuomas Syrjänen	2019	1976	M.Sc. (El. Eng.)	Finnish	Male	Program Director – AI Renewal, Futurice Oy	4,134 (A share)
Total							1,286,720 (A share) 229,804 (K share) 1,516,524 (total)

Shareholdings include also shares held by the Board of Directors' controlled organizations.

In accordance with the recommendation 10, all members of the Board in 2024 were independent of the company. With the exception of Raimo Voipio and Ville Voipio, all other members of the Board in 2024 were independent of significant shareholders.

Members of the Board of Directors in 2024

During January 1–March 26, 2024, the Board of Directors comprised eight members. The Chair of the Board of Directors was Ville Voipio, the Vice Chair was Raimo Voipio, and the members were Petri Castrén, Antti Jääskeläinen, Petra Lundström, Jukka Rinnevaara, Kaarina Ståhlberg, and Tuomas Syrjänen. The Board of Directors’ secretary was General Counsel Katriina Vainio.

The Annual General Meeting held on March 26, 2024, confirmed that the number of Board members is nine. With the exception of Petra Lundström, all other members continue as members of the Board of Directors. Annica Bresky and Lotte Rosenberg were elected as new members. Ville Voipio was elected as Chair of the Board and Raimo Voipio as Vice Chair of the Board. The Board of Directors’ secretary is General Counsel Katriina Vainio.

Attendance in Board meetings 2024

Member	Attendance/ Number of meetings	Attendance %
Ville Voipio	14/14	100%
Raimo Voipio	14/14	100%
Annica Bresky*	10/11	91%
Petri Castrén	14/14	100%
Antti Jääskeläinen	14/14	100%
Petra Lundström**	3/3	100%
Jukka Rinnevaara	14/14	100%
Lotte Rosenberg*	10/11	91%
Kaarina Ståhlberg	14/14	100%
Tuomas Syrjänen	14/14	100%

* Member of the Board of Directors as of March 26, 2024
** Member of the Board of Directors until March 26, 2024

Board committees

The Board of Directors has three permanent committees: Audit Committee, People and Sustainability Committee, and Nomination Committee, as well as Strategic Planning Committee that was established in 2023 for dealing with significant matters as needed. The members and Chairs of the committees are appointed annually from among the members of the Board of Directors in accordance with the charter of the respective committee with the exception of the Strategic Planning Committee, members of which are nominated among the members of the Board of Directors as needed. The diversity of the know-how, experience, and opinions of the committee members contributes to open discussion and the committee's ability to address the issues under its responsibility in a comprehensive manner.

Audit Committee

The Audit Committee assists the Board of Directors in supervising the company's accounting and asset management, risk management, as well as in organizing internal controls and external and internal audits. The Audit Committee reviews Interim Reports, Half Year Financial Report, Financial Statement Release and financial statements, sustainability statement, as well as Board of Directors’ Report. The Audit Committee manages its tasks in accordance with the charter approved by the Board of Directors, the Securities Market Association's Finnish Corporate Governance Code, as well as the applicable laws and regulations. The Audit Committee's charter is published as part of the charter of the Board of Directors on the company's website. The Audit Committee reports regularly about its meetings to the Board of Directors.

The Audit Committee comprises at least three members, appointed annually by the Board of Directors from among its members. The members of the committee must be independent of the company, and at least one member must also be independent of significant shareholders of the company. A member of the Audit Committee may not participate in the

company's or its group company's daily management. Members of the Audit Committee have sufficient expertise and experience in matters forming part of the Audit Committee's duties and of the mandatory tasks related to audit.

People and Sustainability Committee

The People and Sustainability Committee is responsible for preparing people, sustainability, and ESG topics for the Board of Directors. The committee reviews Vaisala's plans for employee development, talent attraction and management, succession planning, and their progress. The People and Sustainability Committee proposes the compensation of the President and CEO as well as top management, evaluation of the performance of the President and CEO and the Leadership Team, and the company remuneration and incentive plans to the Board of Directors. The People and Sustainability Committee's charter is available as part of the charter of the Board of Directors on the company's website. The People and Sustainability Committee reports regularly about its meetings to the Board of Directors.

The People and Sustainability Committee comprises at least three members, appointed annually by the Board of Directors from among its members. The majority of the committee members must be independent of the company.

Nomination Committee

The Nomination Committee is responsible for preparing proposals to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, for the election and remuneration of the members of the Board of Directors and for identifying potential Board member candidates. The committee's charter is published as part of the Board of Directors' charter on the company's website. The committee reports regularly about its meetings to the Board of Directors.

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The Nomination Committee comprises at least three members, appointed annually by the Board of Directors among its members. The members of the committee must be independent of the company. The President and CEO or a member of the Leadership Team cannot be appointed to the Nomination Committee.

Strategic Planning Committee

The Strategic Planning Committee is responsible for formulating, reviewing and evaluating strategic initiatives and special projects, and provides recommendations on such initiatives for Board. The Committee is merely temporary in its nature to address topical matters arising. The committee's charter is published as part of the charter of the Board of Directors on the company's website. When operative, the committee reports about its actions to the Board of Directors.

The Strategic Planning Committee comprises at least three members and is appointed by the Board of Directors among its members as needed. The majority of members of the committee must be independent of the company.

Committee members and their attendance in committee meetings in 2024

Committee	Member	Attendance/ Number of meetings	Attendance %
Audit Committee	Kaarina Ståhlberg (Chair)	6/6	100%
	Petri Castrén	6/6	100%
	Antti Jääskeläinen**	1/1	100%
	Lotte Rosenberg*	3/5	60%
People and Sustainability Committee	Raimo Voipio	6/6	100%
	Antti Jääskeläinen (Chair)*	4/4	100%
	Annica Bresky*	4/4	100%
	Petra Lundström**	1/1	100%
	Jukka Rinnevaara	5/5	100%
	Tuomas Syrjänen	5/5	100%
Nomination Committee	Ville Voipio	5/5	100%
	Ville Voipio (Chair)	5/5	100%
	Annica Bresky*	4/4	100%
	Tuomas Syrjänen	4/4	100%
	Petra Lundström**	1/1	100%
	Kaarina Ståhlberg**	1/1	100%
	Raimo Voipio	5/5	100%

* Member of the Committee as of March 26, 2024
** Member of the Committee until March 26, 2024

All members of the Audit Committee, the People and Sustainability Committee, as well as the Nomination Committee are independent of the company. With the exception of Raimo Voipio and Ville Voipio, all other members of the Committees are independent of significant shareholders.

President and CEO

The Board of Directors appoints the President and CEO. The President and CEO is responsible for the day-to-day management of the company in accordance with the guidelines and instructions given by the Board of Directors and informs the Board of Directors of the development of the company's business and financial situation. The President and CEO is responsible for ensuring that the company's accounting is legally compliant and that its financial affairs have been arranged in a reliable manner.

Kai Öistämö has been the President and CEO of Vaisala as well as the Chair of Vaisala Leadership Team since October 1, 2020. He was born in 1964 and holds a Ph.D. degree in computer science.

Leadership Team

The President and CEO is the Chair of the Leadership Team. The Leadership Team comprised nine members in 2024 and ten members as of 2025. The Leadership Team meets at least once a month to assist the President and CEO in developing and implementing the strategy, managing operational business, as well as preparing matters handled by the Board. The Leadership Team draws up annual operational and financial plans as well as targets related to these plans, monitors the implementation of the plans, and prepares major investments and acquisitions. The President and CEO is responsible for the decisions made by the Leadership Team.

Members of the Leadership Team are responsible for implementing the decisions in their own areas of responsibility. Members of the Leadership Team are the President and CEO, the Executive Vice Presidents of three business areas, the Chief Financial Officer, the Executive Vice President of Operations, the Chief Digital and Information Officer, the Executive Vice President of Human Resources, the Executive Vice President of Strategy and M&A, as well as the Group General Counsel. The General Counsel acts as secretary to the Leadership Team.

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Girish Agarwal was appointed Chief Digital & Information Officer and member of the Vaisala Leadership Team as of June 5, 2024. Olli Nastamo, Executive Vice President, Operational Excellence, retired in August 2024.

Jarkko Sairanen was appointed Executive Vice President, Industrial Measurements business area, and Anne Jalkala Executive Vice President, Weather, Energy and Environment business, as of January 2025. Samuli

Hänninen joined the Vaisala Leadership Team as Executive Vice President, Xweather, as of January 2025. Sampsa Lahtinen, previous Executive Vice President, Industrial Measurements business area, retired after 2024.

Lorenzo Gulli was appointed Executive Vice President, Strategy and M&A. He joined the Vaisala Leadership and began in his role in January 2025.

Members of the Leadership Team Dec. 31, 2024

Director	Member since	Born	Education	Nationality	Gender	Position at Vaisala	Shareholding Dec. 31, 2024
Kai Öistämö	2020	1964	D.Sc. (Tech.)	Finnish	Male	President and CEO	21,701 (A share)
Girish Agarwal	2024	1981	PhD, Artificial Intelligence & Business Model Innovation	Swedish	Male	Chief Digital & Information Officer	- (A share)
Anne Jalkala	2023	1982	D.Sc. (Tech.)	Finnish	Female	EVP, Sustainability and Strategy	1,000 (A share)
Sampsa Lahtinen	2013	1963	M.Sc. (El. Eng.)	Finnish	Male	EVP, Industrial Measurements business area	52,407 (A share)
Timo Leskinen	2021	1970	M.Sc. (Psy.), M.Sc. (BMR)	Finnish	Male	EVP, Human Resources	4,323 (A share)
Heli Lindfors	2023	1984	M.Sc. (Econ.)	Finnish	Female	CFO	1,000 (A share)
Vesa Pylvänäinen	2011	1970	M.Sc. (Econ.)	Finnish	Male	EVP, Operations	27,409 (A share)
Jarkko Sairanen	2016	1963	M.Sc. (Ind. Eng.), MBA	Finnish	Male	EVP, Weather and Environment business area	49,477 (A share)
Katriina Vainio	2017	1967	LL.M.	Finnish	Female	EVP, Group General Counsel	14,860 (A share)
Total							172,177 (A share)

Shareholdings include also shares held by the Leadership Team's controlled organizations.

Controls

Main features of the internal control and risk management systems pertaining to the financial reporting process

Internal control seeks to ensure the company's compliance with applicable laws, regulations, Code of Conduct, and other recommendations as well as the reliability of financial and operational reporting. Furthermore, internal control seeks to safeguard the assets of the company and to ensure overall effectiveness and efficiency of operations to meet strategic, operational, and financial targets. Internal control practices are aligned with the risk management process. The goal of risk management is to support strategy and achievement of targets by anticipating and reacting to potential business threats and opportunities.

Vaisala's operating model of internal control and risk management related to financial reporting provides assurance regarding the reliability of financial reporting and that the financial statements have been prepared in accordance with the applicable laws and regulations, accepted accounting principles (IFRS), and other requirements for listed companies. The principal components of internal control are control environment, risk assessment, control activities, communications, and monitoring. Further information on risk management can be found in the Board of Directors' Report on pages 24–25

Control environment

The Board of Directors has the overall responsibility for the internal control of financial reporting. The Board of Directors has established a written charter that clarifies its responsibilities and regulates the internal distribution of work of the Board of Directors and its committees. The Board of Directors has appointed the Audit Committee whose task is to ensure that established principles for financial reporting, risk management, and internal control are followed and to enable appropriate external audit. The President and CEO is responsible for organizing an

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effective control environment and ongoing work on internal control as regards financial reporting. The internal audit reports all relevant issues to the Audit Committee and the President and CEO.

Internal audit focuses on developing and enhancing controls related to financial reporting by proactively and consistently assessing the internal control environment and by monitoring the effectiveness of the control design. The most important internal steering instruments for financial reporting comprise the Code of Conduct, Approval Policy, Treasury Policy, Credit Policy, Disclosure Policy, accounting policies, and other reporting instructions.

Risk assessment

Risk assessment as regards financial reporting aims to identify and systematically evaluate the most significant threats at the levels of Vaisala, reporting segments, functions, and processes. As a result of risk assessment, the company defines control targets through which it seeks to ensure that the fundamental requirements placed on financial reporting are fulfilled. Information on the development of essential risk areas as well as reactions to the risks are communicated regularly to the Audit Committee.

Control activities

The President and CEO is operationally responsible for internal controls. Internal control related to financial activities as well as control of the business and management has been integrated into Vaisala's business processes. The company has defined and documented significant internal control activities related to its financial statements reporting process as part of business processes. Approval mechanisms, access rights, segregation of duties, authorizations, verifications, reconciliations, and follow-up of financial reporting are essential internal controls.

All business units have their own defined controller function whose representatives participate in planning and evaluating the unit's

performance. They ensure that monthly and quarterly financial reporting follows the company's policies and instructions and that all financial reporting is delivered on time. The management follows up on the achievement of targets through monthly management reporting routines. The Chief Financial Officer regularly reports the results of the internal control work and the efficiency of the control activities to the Audit Committee.

Communications

Vaisala seeks to ensure that the internal and external communication of the company is open, transparent, accurate, and timely. The Disclosure Policy defines how and when information should be given and by whom it is given. It also defines the accuracy and comprehensiveness of the information in order to fulfill the communication obligations. Code of Conduct, Approval Policy, Treasury Policy, Credit Policy, accounting policies, and reporting instructions as well as Disclosure Policy and Insider Policy are available on the company's intranet.

Monitoring

The Board of Directors, the Audit Committee, the President and CEO, and the internal audit monitor the effectiveness of internal control related to financial reporting. The monitoring includes follow-up of monthly financial reports, review of the rolling forecasts and plans, as well as reports from internal audit and auditors. Internal audit assesses the effectiveness of operations and adequacy of risk management and reports the risks and development areas related to the internal control processes. Internal audit compiles an annual audit plan and reports the status of the plan and findings regularly to the Audit Committee and the Leadership Team. Furthermore, the Chief Financial Officer, the General Counsel, the internal audit, and the auditor coordinate audit planning and monitoring regularly.

General development measures in internal control and risk management in 2024

In 2024, the internal audit carried out site, function, and process audits. Audits provided input to the continual improvement of processes and internal controls.

Related party transactions

Vaisala's Board of Directors has defined principles for monitoring and assessing related party transactions as well as keeps a record of related parties. The Board of Directors resolves on all related party transactions that are not made in the ordinary course of business or implemented under arms-length terms.

On top of its affiliates, related parties of Vaisala are members of Vaisala's Board of Directors and Leadership Team including the President and CEO, as well as their spouses, partners, and children and legal entities where a member of the Board or a member of the Leadership Team has control. The Board of Directors has approved guidelines that stipulate the approval process and reporting concerning related party transactions. In accordance with the guidelines, Finance and Control as well as Legal follow related party transactions as part of regular reporting and control procedures. The Board of Directors will resolve all related party transactions that are not made in the ordinary course of business or implemented under arms-length terms.

Vaisala reports related party transactions in a note to financial statements. Currently, Vaisala has no related party transactions that would be material and in conflict with the ordinary course of business or not implemented under arms-length terms.

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Auditing and auditor’s fees

According to the Articles of Association, the company has one auditor, who must be a public accountant or an audit firm, authorized by the Finland Chamber of Commerce. If an audit firm is not chosen to perform the auditing, a deputy auditor must be elected as well. The auditor’s term of office covers the current fiscal year and expires at the close of the following Annual General Meeting. The Annual General Meeting elects the auditor and decides on the compensation paid to them.

The Annual General Meeting held on March 26, 2024, elected PricewaterhouseCoopers Oy, audit firm, as the Auditor for a term of one year. APA Ylva Erikssonacts as the auditor with the principal responsibility.

Sustainability reporting assurer

The Annual General Meeting elected PricewaterhouseCoopers Oy as the sustainability reporting assurer of the company and Ylva Eriksson, Authorized Sustainability Auditor (KRT), as the assurer with principal authority.

Auditor’s fees

EUR million	2024	2023
Audit	0.6	0.6
Tax advice	0.0	0.0
Statements	0.0	0.0
Other fees	0.2	0.1
Total	0.9	0.7

Insiders

Vaisala maintains project or event-specific insider lists when needed. 30-day closed window applies to the managers defined by the company before publishing Interim Reports, Half Year Financial Report, Financial Statement Release, and financial statements. The closed window ends on the day following the publication day. The closed window also applies to the persons engaged in the preparation of those reports. The managers subject to transaction notification obligations comprise the Board of Directors, the President and CEO, as well as members of the Leadership Team. The company’s legal department is responsible for insider management, training, as well as the creation and maintenance of project and event-specific insider lists and monitoring of the same.

The President and CEO, Chief Financial Officer, and/or the General Counsel, two together, can decide, based on an evaluation of the conditions set out in the Market Abuse Regulation being met, to delay the publication of insider information. When the company makes the decision to delay disclosure, a project or event-based insider list regarding the inside information will be established. Persons, to whom project or event-specific inside information is disclosed, are entered into the project or event-specific insider list.

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ESRS 2 General disclosures

Sustainability is embedded in Vaisala's long-term strategy and company purpose: *Taking every measure for the planet*. As a global leader in measurement instruments and intelligence for climate action, Vaisala provides customers with devices and data to improve resource efficiency, drive the energy transition, and care for the safety and well-being of people and societies worldwide. With almost 90 years of innovation and expertise, our team of over 2,300 experts is committed to taking every measure for the planet.

General basis for preparation of the sustainability statement (BP-1)

This sustainability statement has been prepared on a consolidated basis, with the same scope of consolidation as the consolidated financial statements. This sustainability statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and Chapter 7 of the Finnish Accounting Act.

This sustainability statement describes the material impacts, risks, and opportunities associated with Vaisala's direct and indirect business relationships throughout its upstream and downstream value chains. The information reported includes only the relevant sections of the value chains for which the matter is material. The reported matters in this sustainability statement are based on a comprehensive double materiality assessment. The scope of Vaisala's policies is explained in each relevant section of this sustainability statement, including policies that are relevant to stakeholders in the upstream and downstream value chains. Specific metrics, such as Vaisala's scope 3 greenhouse gas emissions, also include value chain data, with the extent of the inclusion explained alongside each reported metric.

Vaisala has not used the option of omitting specific information corresponding to intellectual property, know-how, or innovation results.

In addition, Vaisala has not used the exemption allowing non-disclosure of impending developments or matters under negotiation, as permitted by articles 19a(3) and 29a(3) of Directive 2013/34/EU.

Disclosures in relation to specific circumstances (BP-2)

Greenhouse gas emission metrics include upstream and downstream value chain data estimated using indirect sources. These metrics, including their basis of preparation, level of accuracy, and any planned actions to improve their future accuracy, are presented in the *Environmental information* part.

Changes in the preparation and presentation of information on Vaisala's emissions reduction targets are also reported alongside greenhouse gas emissions in the *Environmental information* part.

Vaisala has assessed that the current financial effects of its material opportunities could be subject to a high level of measurement uncertainty. Both climate change mitigation and the entity specific sustainability matter safety, health, and well-being in society are broad topics. It is currently not possible to definitively assess their impact on the company's financial position, financial performance, or cash flows during the reporting period. The disclosed monetary amounts for current financial effects are estimates made by Vaisala's internal experts, including members of the Leadership Team.

Sustainability governance and strategy

Strategy, business model and value chain (SBM-1)

Vaisala offers a comprehensive and leading product portfolio built on proprietary technologies and application expertise. The company's main products and services include measurement sensors, instruments, systems, software, digital solutions, and services for measuring weather,

environmental, and industrial conditions and processes. The company serves a broad customer base, covering customers in both public and private sectors across more than 150 countries. Details on Vaisala's employees, including the number of employees by geographical areas, are disclosed in the *Social information* part.

Currently, Vaisala has no sustainability goals specific to significant product or service groups, customer categories, geographical areas, or stakeholder relationships. However, Vaisala has set other sustainability targets, as disclosed in the sections *Targets related to climate change mitigation and adaptation (E1-4)*, *Targets related to material impacts, risks, and opportunities on own workforce (S1-5)*, *Targets related to material impacts, risks, and opportunities on value chain workers (S2-5)*, and *Targets related to conflict minerals*.

Elements of strategy that relate to or impact sustainability matters

Vaisala is at the intersection of several global megatrends. This gives us an excellent position in the market, drives our strategy work, and offers opportunities for sustainable growth and innovation. We aim to reinforce our positive impact on both our customers and the planet while driving sustainable growth. Our purpose, *Taking every measure for the planet*, showcases our total commitment to sustainability and communicates how our measurement technologies provide customers with relevant data to improve their operations and make a positive climate impact. We continuously collaborate with our customers and partners to meet their measurement requirements and enable climate action. Vaisala's motivated and talented employees drive our success. We aim to continuously enhance well-being and personal growth while building a diverse and inclusive community that supports our business and positively impacts the planet.

Business model

Vaisala operates multiple business models across several markets, developing and selling measurement instruments and systems, weather infrastructure projects, software, and services. We create value for our

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customers, employees, investors, society, and the environment in constant interaction with our stakeholders. Our business leaves a positive handprint on society through our customers, as our measurement solutions empower them to make informed decisions and optimize their productivity and processes in weather, environment, and industrial measurements. By doing so, we can positively contribute to multiple megatrends and the UN Sustainable Development Goals by increasing awareness, resource efficiency, and safety in societies.

Vaisala's main success drivers are customer understanding and application know-how, product and technology leadership, excellence in supply chain, and purpose-driven culture and talent.

Vaisala uses materials such as electronics and metal components, process materials such as chemicals, and different packaging materials to manufacture and ship its products. One of the key success drivers in Vaisala's strategy is excellence in supply chain. Given Vaisala's broad business and product portfolio, managing complexity and securing key inputs require effective coordination with hundreds of suppliers and selected strategic partners. To deliver on our customer promise and meet stakeholder expectations, we must have a reliable and responsible supply chain. We set strict requirements for our suppliers and work closely with them over the long term, enabling both parties to develop their operations further.

Our instruments and intelligent solutions help to safeguard life and property, while enabling decision making that facilitates productive, efficient, and high-quality operations. Accurate measurements enable our customers to make more reliable decisions and ensure safer and more sustainable operations. We are a stable, sustainable, and globally operating company. As a technological leader in our field, we aim for long-term growth as well as a globally leading position in weather, environmental, and industrial measurements by responding to different megatrends and investing in research and development. We aim to distribute a stable dividend which will increase in line with net profit development. Vaisala offers versatile opportunities for talented and motivated professionals who value purpose-driven work and continuous learning. We support the well-being of our people and provide them with various learning

opportunities to grow and develop. Learning is part of everything we do. At Vaisala, we aim to make a positive impact on society and the environment by enabling data-driven climate action. We bring value to society through accurate and reliable measurements and data as well as decision-making support for authorities and businesses. This way we help societies become better-informed, more resource efficient, and safer. In addition, we create value through significant investments in R&D and collaboration with the scientific community.

Value chains

Vaisala's products contain electronics. The electronics upstream value chain begins with extracting raw materials, like minerals. The upstream value chain also includes smelters and refineries, component manufacturers, sub-suppliers, direct material suppliers, and contract manufacturers. Vaisala's direct suppliers are typically located close to its manufacturing and R&D sites. We mainly purchase subassemblies, components, and mechanical parts from Finland, other European countries, and the United States. In addition to the sensor factory in Helsinki, Finland, which produces sensors for all product families, Vaisala's manufacturing involves assembly, configuration, and calibration of electronic and mechanical equipment. In project-based work, subcontractors are used for civil works related to the installation of products. The downstream value chain includes distributors and recycling at the end of a product's lifecycle. End-users of Vaisala's products are companies and public sector entities.

Vaisala Xweather's Data as a Service (DaaS) and Software as a Service (SaaS) businesses operate in a value chain that begins with data acquisition from public, private, and proprietary sources, including XCast sensors, weather stations, satellite feeds, and lightning detection networks. This diverse data is processed to generate actionable insights, such as lightning activity, renewable energy potential, road weather conditions, and air quality. Vaisala Xweather primarily uses Amazon Web Services (AWS) to host its data and services, operating carbon neutral under AWS's sustainability framework. In the downstream value chain, data is distributed mainly via application programming interfaces (API)

that provide external clients and internal Xweather SaaS offerings with real-time data and forecasts. These APIs integrate seamlessly into customer systems for efficient data consumption. While DaaS serves a broad range of industries, SaaS focuses on select sectors and delivers precise, actionable insights through web and mobile interfaces. Key customers include renewable energy companies, utility providers, insurance companies, government agencies, transportation and logistics firms, and emergency management organizations.

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

Vaisala's administrative, management, and supervisory bodies include the Board of Directors and the President and CEO. The Annual General Meeting, Board of Directors, and President and CEO, assisted by the Leadership Team, are responsible for the governance of Vaisala Corporation. Vaisala has nine non-executive Board members and ten executive Leadership Team members, including the President and CEO. In 2024, the Leadership Team comprised nine members.

78% of Vaisala's Board members are independent.

Vaisala has no representation of employees or other workers on the Board of Directors or the Leadership Team. However, Vaisala engages with its workforce in multiple ways, as described in the section *Processes for engaging with own workers and workers' representatives about impacts (S1-2)*.

Vaisala's corporate governance complies with Finnish law and the company's Articles of Association. The Board of Directors operates according to an approved written charter published on the company's website that outlines among other things the management controls and procedures of impacts, risks, and opportunities related to sustainability matters.

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Board members do not receive a specific mandate from the Annual General Meeting that elects them. The Board approves the company's strategy, annual plan, and targets, as well as the most important policies such as the Code of Conduct, Anti-Corruption Policy, Insider Policy, Approval Policy, and Whistleblowing Policy. The Board's Audit Committee and People and Sustainability Committee regularly review and monitor sustainability matters as part of their work responsibilities.

The primary goal in electing Board members is to gather a team with combined capabilities to support the development of the company's current and future business, impact, and sustainability. The Board of Directors should be considered a unified team capable of managing its tasks and duties in the most effective and optimal way. In addition, the Board of Directors should include members of different genders, educational and professional backgrounds, and nationalities.

The Board's Nomination Committee is responsible for ensuring that Board members maintain a high level of expertise, knowledge, competence, and diversity among its members. The Board and its People and Sustainability Committee oversee succession planning and competence development of Vaisala's management and employees.

The Board of Directors, President and CEO, and Leadership Team strive to gain and maintain adequate sustainability-related expertise through access to experts and up-to-date information. The Board of Directors is responsible for the administration, oversight, and proper organization of company operations, including monitoring, managing, and overseeing material impacts, risks, and opportunities related to sustainability matters. The President and CEO is responsible for arranging the administration, oversight, and organization of the company's operations under the supervision of the Board of Directors. The Leadership Team's role is to support the President and CEO in the management and execution of the company's strategy and operations.

The Leadership Team meets at least once a month to assist the President and CEO in developing and implementing the strategy, managing operational businesses, and preparing matters handled by the Board of Directors. The Leadership Team prepares Vaisala's annual operational and financial plans, sets related targets, monitors implementation, and oversees major investments and acquisitions. In addition, it governs and manages identified impacts, risks, and opportunities related to sustainability matters. The President and CEO is responsible for the decisions made by the Leadership Team. At the same time, each Leadership Team member is responsible for implementing these decisions within their respective areas of responsibility.

Vaisala's target setting is based on the company's strategy, as approved by the Board of Directors. Yearly execution planning occurs within business areas and functions, including setting new targets. The plans are then approved by the administrative, management, and supervisory bodies, along with Vaisala's senior executive management. Performance against key targets is reported monthly to the administrative, management, and supervisory bodies.

In 2024, the average ratio of female to male board members, calculated by dividing the number of female board members by the number of male board members, was 42%.

Board of Directors age distribution as of December 31, 2024

Age group	Percentage of Board members
Under 30 years old	0%
30–50 years old	33.3%
Over 50 years old	66.6%

Information provided to and sustainability matters addressed by the administrative, management, and supervisory bodies (GOV-2)

The President and CEO reports to the Board of Directors monthly and as needed. All business areas and functions report regularly and as necessary to the President and CEO or Leadership Team members. Reporting to the administrative, management, and supervisory bodies includes matters related to the implementation of sustainability due diligence. The President and CEO and the Leadership Team review and resolve material impacts, risks, and opportunities related to sustainability matters. The Audit Committee reviews the double materiality assessment process prepared by management and approves its result before the Board's resolution. In addition, internal audits and compliance reporting may provide information to the Audit Committee on sustainability matters. Matters related to climate, operational health and safety, employee development, diversity, equity and inclusion, anti-corruption, and supply chain management are regularly reported to the People and Sustainability Committee. All Board members have access to the reports and materials provided to the committees.

When overseeing Vaisala's strategy, major transaction decisions, and risk management process, the Board of Directors and its committees review and monitor developments in these areas, including potential trade-offs associated with impacts, risks, and opportunities. The Board of Directors also regularly reviews and approves the company's strategy when adjustments to priorities are required.

During the reporting period, Vaisala's administrative, management and supervisory bodies addressed all identified material impacts, risks, and opportunities as part of the double materiality assessment. In addition, the administrative, management, and supervisory bodies addressed impacts, risks, and opportunities throughout the year as needed.

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

Vaisala is committed to offering fair and competitive remuneration while maintaining transparency in its pay policies. The company continuously reviews and enhances its compensation practices to align with market trends. Vaisala has integrated social and environmental sustainability targets into its incentive plans, reflecting its dedication to long-term sustainability targets. These initiatives aim to foster financial growth, support employee well-being, and cultivate shareholder value.

Sustainability targets are included for the President and CEO in the Short-Term Incentive (STI) and Long-Term Incentive (LTI) schemes. For both STI 2024 and LTI 2024-2026, the sustainability target carries a weight of 10%. The LTI target includes a climate-related sustainability goal to reduce scope 3 emissions in relation to gross profit by 2026, compared to the 2021 level. For STI 2024, the sustainability target is the ratio of entry-level positions in new hires relative to the total number of new hires.

The terms of the incentive schemes are approved and updated by the Board of Directors.

Risk management and internal controls over sustainability reporting (GOV-5)

Risk assessments for sustainability reporting aim to systematically identify and evaluate the most significant threats in Vaisala's reporting segments, functions, and processes. Based on this process, Vaisala defines control targets to fulfill fundamental sustainability reporting requirements. The main risks identified are related to the accuracy of the data used in GHG emissions calculations. To ensure accurate data, these risks are mitigated through a data control, with several other controls in development.

At Vaisala, internal controls are set up to ensure compliance with applicable laws, regulations, the Code of Conduct, and other recommendations, as well as the reliability of financial and operational reporting. Internal controls also safeguard company assets and aim to promote effectiveness and efficiency to meet strategic, operational, and financial targets.

All annual sustainability reporting is within the scope of internal control processes. The internal controls already in place have been documented in a control catalog, describing each control, which part of the reporting process they apply to, and their owner. The controls have been integrated into the respective internal functions and processes, and the process owners are responsible for ensuring that the necessary controls are implemented and followed.

The work on implementing and documenting additional controls for sustainability reporting is ongoing. Internal controls for sustainability reporting are implemented to ensure accurate, complete, and reliable sustainability reporting, including timely data from the value chains.

For financial reporting, the Chief Financial Officer regularly reports the results of internal control activities and their effectiveness to the Audit Committee. The Board of Directors, Audit Committee, President and CEO, and internal audit monitor the effectiveness of internal controls for financial reporting. Sustainability reporting will be adopted to these processes later.

Interests and views of stakeholders (SBM-2)

Our stakeholders shape the future of our business, and we work with them in an open and continuous interaction. We identify and evaluate our stakeholders by defining how they impact Vaisala and analyzing how our operations impact them. We maintain constant dialogue with our key stakeholders and actively look for potential partnerships and collaborations with customers, suppliers, academia, research companies, organizations, and other parties.

Our key stakeholders are customers, employees, owners and investors, universities and research collaborators, meteorological institutes and agencies, manufacturing partners and suppliers, supply chain workers, governments and regulators, local communities, non-governmental organizations, media outlets, and the public. We engage with all key stakeholders in many different ways. We continuously develop and manage our customer relationships through online channels, meetings, events, and exhibitions. We also conduct regular online surveys for customer training, field services operations, and technical support and services.

With our employees, we strive for active two-way communication. Our main engagement efforts include frequent collaboration with employee representatives, initiatives to improve employee satisfaction, well-being and inclusivity, as well as diverse remuneration models.

In addition to the Annual General Meeting, we engage with our owners and investors by holding quarterly result presentations and Q&A sessions for investors, analysts, and journalists. We also publish stock exchange releases and organize roadshows, conference calls, and investor and analyst meetings.

Engagement with other stakeholders includes partnerships, collaboration with academic and scientific institutions, scholarships, and donations. We work closely with our global supply chain and share expertise with external organizations and decision-makers. In addition, we raise awareness of environmental issues among experts and the public while continuously improving our relations with media outlets through press releases and social media activity.

As part of our sustainability management, stakeholder engagement helps us identify, assess, manage, and develop action plans for actual and potential impacts. We carefully assess stakeholder suggestions; for example, they have influenced our decision to set science-based targets for greenhouse gas emissions. We also identify and implement different actions based on the improvement areas highlighted in our employee interviews and surveys.

Our purpose, *Taking every measure for the planet*, communicates how our measurement technologies provide customers with relevant data to improve their operations and create a positive climate impact. Deep customer understanding and application know-how are a part of Vaisala's four success drivers and are central to our strategy. Our measurement solutions are based on thoroughly understanding our customers' needs. We continuously collaborate with our customers and partners to meet their measurement requirements and enable climate action.

Vaisala's administrative, management, and supervisory bodies are informed of the views and interests of stakeholders affected by Vaisala's sustainability-related impacts. Examples of information provided include health and safety reports, employee survey results, and whistleblowing reports.

Material sustainability matters

This section covers Vaisala's material sustainability matters, including the double materiality assessment process. Vaisala's material sustainability matters are presented in the accompanying table. Detailed descriptions of the impacts, risks, and opportunities associated with each material sustainability matter are presented in the *Vaisala's material impacts, risks, and opportunities* section. Topics closest to, but below, Vaisala's materiality thresholds were resource use and circular economy, health and safety of end-users, training and skills development, and corporate culture.

Vaisala's material sustainability matters

ESRS Standard	Sustainability matter
ENVIRONMENTAL INFORMATION	
E1 Climate change	<ul style="list-style-type: none">Climate change adaptationClimate change mitigationEnergy
SOCIAL INFORMATION	
S1 Own workforce	<ul style="list-style-type: none">Health and safetyGender equality and equal pay for work of equal valueDiversityMeasures against violence and harassment in the workplaceEmployment and inclusion of persons with disabilities
S2 Workers in the value chain	<ul style="list-style-type: none">Health and safetyChild laborForced labor
GOVERNANCE INFORMATION	
G1 Business conduct	<ul style="list-style-type: none">Protection of whistleblowersManagement of relationships with suppliersPrevention and detection of corruption and bribery including trainingIncidents of corruption and bribery
ENTITY-SPECIFIC TOPICS	
	<ul style="list-style-type: none">Conflict mineralsSafety, health, and well-being in society

The identification and assessment of material impacts, risks, and opportunities (IRO-1)

Overview of the double materiality assessment process

Vaisala conducted a double materiality assessment in 2023-2024. Workshops were held on different sustainability matters to evaluate the company's impacts on people and the environment, as well as risks and opportunities. Key Vaisala employees, including the Leadership Team and Audit Committee, as well as external experts, participated in the workshops. In each workshop, the participants identified and discussed the actual and potential impacts, risks, and opportunities related to the sustainability matters addressed. Each impact, risk, and opportunity identified was scored according to the ESRS requirements. The results of the double materiality assessment were presented to and approved by both the Leadership Team and the Audit Committee.

The double materiality assessment also included an interview with the Chair of the Board, two interviews with institutional investors, and guiding the analysis and validating the results through external sources such as scientific articles on the impacts of the electronics supply chain on people and the environment. The interviews were conducted to get insight from the users of sustainability reports. Guiding the analysis and validating the results with input from external sources was done to enhance understanding on the affected stakeholders, especially in the value chains. The views of our employees on multiple sustainability matters are gathered annually with employee surveys. In addition, an external expert carried out a separate double materiality assessment using a mathematical impact model. The results of this assessment were compared to those of the double materiality assessment conducted by Vaisala and were used to validate the identified material impacts, risks, and opportunities. In 2024, Vaisala carried out a human rights risk assessment, which was also used to further improve the descriptions of human rights-related impacts identified in the double materiality assessment.

Vaisala has not yet conducted a climate scenario analysis; therefore, the double materiality assessment did not consider different climate

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scenarios. Vaisala has screened its activities and plans according to the Greenhouse Gas Protocol to identify actual and potential future GHG emission sources. Vaisala has not identified assets and business activities that are incompatible with a transition to a climate-neutral economy.

In the double materiality assessment, Vaisala used time horizons defined by ESRS 1 section 6.4 Definition of short-, medium- and long-term for reporting purposes. The definitions of time horizons are not linked to the expected lifetime of Vaisala's assets, strategic planning horizons, or capital allocation plans.

When conducting the double materiality assessment, specific activities, business relationships, geographies or other factors that could increase the risk of adverse impacts were considered. This was a key part of the process to identify material impacts, risks, and opportunities. For each impact, risk, and opportunity, it was assessed whether Vaisala is involved through its own operations or its business relationships.

In the double materiality assessment, the severity of negative human rights or corruption-related impacts was prioritized over their likelihood when determining material impacts and sustainability matters for Vaisala. The same threshold to determine which impacts and sustainability matters are material for Vaisala was used for human rights and corruption-related impacts, as well as all other impacts.

When assessing risks and opportunities, consideration was given to any that could arise from impacts and dependencies. The impacts were assessed first so that any potential risks or opportunities arising from the impacts could be identified and evaluated.

Climate related physical risks in own operations and along the upstream and downstream value chains were assessed as part of the double materiality assessment. This included the identification of potential climate-related hazards and screening whether and the extent to which Vaisala's assets and business activities may be exposed to or are sensitive

to these hazards. In the double materiality assessment, Vaisala identified a climate-related hazard (extreme weather phenomena) in the long-term. In the double materiality assessment, Vaisala also identified a climate-related transition event related to changing customer behavior in the short, medium, and long term and screened whether and the extent to which the company's assets and business activities may be exposed to or are sensitive to this event.

As part of the double materiality assessment, Vaisala screened its assets, site locations and business activities to identify actual and potential impacts, risks, and opportunities in its own operations and its upstream and downstream value chains related to pollution, water and marine resources, as well as resource use and circular economy. No material impacts, risks, or opportunities related to these were identified.

Vaisala has not identified any dependencies on biodiversity and ecosystems and their services at its site locations or within its upstream and downstream value chains, nor any transition or physical risks and opportunities related to biodiversity and ecosystems. Systemic biodiversity-related risks were considered as part of the assessment. Vaisala does not have sites located in or near biodiversity-sensitive areas and has not concluded it is necessary to implement biodiversity mitigation measures.

Vaisala has not identified any communities that would be materially affected by the company's operations, and therefore, affected communities were not consulted as part of the double materiality assessment.

Methodologies and assumptions applied in the double materiality assessment

The scoring methodology for impacts, risks, and opportunities was developed in accordance with ESRS requirements. Impacts were assessed and scored according to scale, scope, irremediable character, and

likelihood of occurrence. Risks and opportunities were assessed and scored based on their likelihood of occurrence and the potential magnitude of the financial effect.

As part of the double materiality assessment, Vaisala determined a quantitative threshold to determine the materiality of impacts, and a quantitative threshold to determine the materiality of risks and opportunities. The thresholds for impact materiality and financial materiality were defined by a group of experts, including Vaisala Leadership Team. Both thresholds were approved by the Leadership Team and Audit Committee.

Risk management and internal controls related to the double materiality assessment and its integration into other processes

Vaisala uses the same prioritization framework for all risks, including sustainability-related risks. Different risk management tools are used, depending on the type of risk. The double materiality assessment was carried out for the first time in 2023–2024 and has not yet been integrated into Vaisala's overall risk management process or used to evaluate the company's overall risk profile and risk management process. The double materiality assessment will be revised annually.

Key internal controls related to the double materiality assessment are being developed and we aim to implement them by the next double materiality assessment. For additional information on internal controls over sustainability reporting, refer to the *Risk management and internal controls over sustainability reporting (GOV-5)* section.

ESRS standards were adopted for the first time in the financial year 2024. There have not yet been any changes to the double materiality assessment process, as the assessment was conducted for the first time. However, the process is continuously being refined based on insights gained from the first assessment. Although it has not yet been integrated into Vaisala's overall management process, this integration may occur in the future.

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

This section contains information on the material impacts, risks, and opportunities identified in Vaisala's double materiality assessment and how they interact with Vaisala's strategy and business model.

Vaisala's material impacts, risks, and opportunities

Everyone in Vaisala's own workforce and all value chain workers who are likely to be materially impacted by the company are included in the scope of disclosures under *ESRS 2 General disclosures*. In Vaisala's own workforce, both employees and non-employees, including self-employed people and people provided by third-party undertakings primarily engaged in employment activities can be subject to all material positive or negative impacts.

Vaisala can materially impact multiple different types of value chain workers. Examples include non-employees working on Vaisala's sites, upstream value chain workers involved in extracting metals or minerals, and downstream value chain workers working for distributors.

The material positive impact on Vaisala's own workforce is connected to, and partly originates from, Vaisala's strategy and can also inform or contribute to adapting it. This impact is neither connected to nor originates from Vaisala's business model and does not inform or contribute to adapting it. The potential material negative health and safety impact on Vaisala's own workforce neither originates from nor is connected to Vaisala's strategy or business model and does not contribute to adapting them.

The material negative impacts on value chain workers, the material negative impacts related to climate change mitigation and energy, and the material negative impact related to conflict minerals neither originate

from nor are connected to Vaisala's strategy or business model but are connected to the electronics value chains in general. These impacts do not materially inform or contribute to adapting Vaisala's strategy and business model.

The material positive impacts related to climate change adaptation, climate change mitigation, and safety, health, and well-being in society originate from Vaisala's strategy and are strongly connected to it. These impacts do not originate from Vaisala's business model but are connected to it.

The potential material negative impacts related to corruption and bribery, management of relationships with suppliers, and protection of whistleblowers neither originate from nor are connected to Vaisala's strategy or business model.

NEGATIVE IMPACTS

Vaisala's actual or potential material negative impacts are related to climate change mitigation, energy, health and safety, child labor, forced labor, protection of whistleblowers, prevention and detection of corruption and bribery, management of relationships with suppliers, and conflict minerals.

Vaisala has a negative impact on climate change mitigation through its scope 3 emissions, which are created in both upstream and downstream value chains. Vaisala also has a negative impact on the environment through energy consumption in both the upstream and downstream value chains. These impacts are related to all value chain actors in the upstream and downstream value chains.

Vaisala could potentially have a negative impact on its own workforce through work-related accidents causing injury or fatality. Through its human rights risk assessment, Vaisala has gained an understanding of how people in its own workforce who undertake certain activities or who have particular characteristics and work contexts may be at greater risk of harm. The assessment identified that workers in higher-risk positions such as manufacturing might be at a greater risk of harm.

In multiple parts of the electronics upstream value chain, inadequate health and safety risk management could lead to accidents or health impacts. Child labor or forced labor could potentially be used in the electronics upstream value chain. While this is very unlikely in tier 1 suppliers, it remains a possibility further down the value chain, such as in the mining industry. Conflict minerals extracted in the electronics upstream value chain used in Vaisala's products could potentially contribute to funding conflicts in Africa.

Through its human rights risk assessment, Vaisala has gained an understanding of how value chain workers who undertake certain activities or who have particular characteristics and work contexts may be at greater risk of harm. Vaisala has not identified any specific geographies or commodities for which there is a particularly significant risk of child labor or forced labor among workers in the electronics value chain.

By failing to protect whistleblowers, Vaisala could have a negative impact on them. It would also reduce trust in the whistleblowing channel, hindering its usefulness in detecting serious risks, such as those related to human rights or corruption. Vaisala could also have a negative impact on society if Vaisala's employees use bribery as a means of advancing business. Similarly, Vaisala could have a negative impact on society if Vaisala's distributors use bribery as a means of advancing business in the downstream value chains.

Vaisala would increase its risk of becoming directly linked to various negative environmental or social impacts if social and environmental criteria were not considered when selecting suppliers. This can include severe human rights abuses through Vaisala's own operations or the electronics upstream value chain.

Vaisala assessed that all material negative impacts are applicable in the short, medium, and long term.

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POSITIVE IMPACTS

Vaisala's material positive impacts are related to climate change adaptation, climate change mitigation, diversity, equity, and inclusion*, and safety, health, and well-being in society.

* Diversity, equity, and inclusion include the following ESRS topics: gender equality and equal pay for work of equal value, employment and inclusion of persons with disabilities, measures against violence and harassment in the workplace, and diversity.

Vaisala's products and services positively impact the downstream value chains by supporting climate change adaptation, enabling customers and societies to better prepare for changing weather conditions. They also contribute to climate change mitigation for example by enabling energy savings in customers' processes, increasing renewable energy production, and improving transportation sustainability. Vaisala's products and services also positively impact safety, health, and well-being in society by monitoring conditions in life sciences, providing data on indoor and outdoor air quality, and improving public safety.

By fostering diversity, equity, and inclusion in the workplace, such as providing equal possibilities for career development, Vaisala positively impacts employee well-being.

Vaisala assessed that all material positive impacts are applicable in the short, medium, and long term.

RISKS AND OPPORTUNITIES

Vaisala has identified a material risk related to climate change adaptation. Extreme weather phenomena could stop or disrupt a supplier's production, resulting in a financial effect to Vaisala through a cost increase or production continuity risk. This risk is material in the long term and is considered a climate-related physical risk.

Vaisala's material opportunities are related to climate change adaptation, climate change mitigation, and safety, health, and well-being in society. The need for climate change adaptation increases demand for Vaisala's weather-related products and services. This opportunity is material in the medium and long term. The need for climate change mitigation increases demand for Vaisala's products and services in use cases related to energy transition and decarbonization. This opportunity is material in the short, medium, and long term. Growing regulations and needs related to safety, health, and well-being in society increase the demand for Vaisala's products and services in areas such as life sciences, HVAC, ambient air quality, and transportation. This opportunity is material in the short, medium, and long term.

Effects of the material impacts, risks, and opportunities on Vaisala's strategy, business model, value chains and decision making

Vaisala's material opportunities and positive impacts related to climate change adaptation, climate change mitigation, and safety, health, and well-being in society are strongly linked to and have affected our current strategy and are expected to continue having an effect moving forward. For example, we are continuously monitoring technologies that help understand, mitigate, and adapt to climate change, and we are developing measurement solutions that can enable the deployment of impactful climate technologies.

In addition to our strategy, the material opportunities affect, and are anticipated to continue affecting, our business model. Vaisala's business model is based on a wide and leading product portfolio of world-leading measurement instruments and intelligence for decision-making, safety, and efficiency. This model enables us to pursue our material opportunities effectively.

The material opportunities and risks also affect, and are anticipated to continue affecting, our value chains. Considering Vaisala's comprehensive product portfolio and customer base, pursuing our material opportunities requires the effective coordination of hundreds of suppliers and selected strategic partners. To deliver on our customer promise and meet stakeholder expectations, we must have a reliable and responsible supply chain.

Vaisala's material opportunities, risks, and both positive and negative impacts can also influence our decision-making now and in the future.

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Current financial effects of the material risks and opportunities

The current financial effects of Vaisala's material opportunities on its financial position, financial performance, and cash flows are related to climate change mitigation and safety, health, and well-being in society. Vaisala has not identified any material risks that would have current financial effects. Current financial effects refer to effects for the current reporting period that are recognized in the primary financial statements.

Description	Related sustainability matter	Risk / Opportunity	Financial effect
Increasing regulations and needs related to safety, health, and well-being increase the demand for Vaisala's products and services related to areas such as life sciences, HVAC, ambient air quality, and transportation.	Safety, health, and well-being in society	Opportunity	High positive financial effect, at EUR 10–30 million (EBIT) for the current reporting period
The need for climate change mitigation increases demand for Vaisala's products and services in use cases related to energy transition and decarbonization.	Climate change mitigation	Opportunity	High positive financial effect, at EUR 10–30 million (EBIT) for the current reporting period

Anticipated financial effects of the material risks and opportunities

Anticipated financial effects refer to effects that do not meet the recognition criteria for inclusion in the financial statement line items for the reporting period and are not captured by the current financial effects disclosed above. The anticipated financial effects of Vaisala's material opportunities on its financial position, financial performance, and cash flows are related to climate change mitigation, climate change adaptation, and safety, health, and well-being in society. The anticipated financial effects of a material risk identified by Vaisala are related to climate change adaptation.

Description	Related sustainability matter	Risk / Opportunity	Financial effect
The need for climate change adaptation increases demand for Vaisala's weather-related products and services. This opportunity is assessed as material in the medium and long term.	Climate change adaptation	Opportunity	Medium positive financial effect
The need for climate change mitigation increases demand for Vaisala's products and services in use cases related to energy transition and decarbonization. This opportunity is assessed as material in the short, medium, and long term.	Climate change mitigation	Opportunity	High positive financial effect
Increasing regulations and needs related to safety, health, and well-being increase the demand for Vaisala's products and services related to areas such as life sciences, HVAC, ambient air quality, and transportation. This opportunity is assessed as material in the short, medium, and long term.	Safety, health, and well-being in society	Opportunity	High positive financial effect
Extreme weather phenomena could stop or disrupt a supplier's production, resulting in a financial effect to Vaisala through a cost increase or production continuity risk. This risk is assessed as material in the long term as the magnitude and likelihood of climate-related extreme weather phenomena increases.	Climate change adaptation	Risk	Medium negative financial effect

Resilience of Vaisala’s strategy and business model regarding the material impacts, risks, and opportunities

Vaisala’s long-term strategy is to enable climate action with measurement instruments and intelligence and to maximize positive impact. To execute this long-term strategy, Vaisala has an annual strategy and execution planning process with a three-year planning horizon. As part of this process, key strategic risks and opportunities are analyzed at multiple levels in the organization. Vaisala also conducts an analysis of relevant megatrends and scenarios that can impact strategy and its resilience. In general, Vaisala’s business and strategy can be considered relatively resilient, given that the company serves multiple industries and regions with an extensive range of products, technologies, and business models. Significant investments in R&D and the continuous development of innovation processes and practices also strengthen the resilience of Vaisala’s strategy.

Vaisala has not yet conducted a comprehensive analysis of its strategy and business model resilience relating to climate change. However, in the double materiality assessment described in the *Overview of the double materiality assessment process* section, both climate-related physical and transition risks were considered to assess potential financial effects on Vaisala’s business.

Material impacts, risks, and opportunities covered by ESRS disclosure requirements and entity-specific disclosures

The material negative impact related to conflict minerals is covered by entity-specific disclosures in the *Social information* part and by ESRS disclosure requirements in the *General information, Environmental information*, and *Social information* parts of this sustainability statement. The material positive impact and opportunity related to safety, health, and well-being in society are covered by ESRS disclosure requirements in the *General information, Environmental information*, and *Social information* parts of this sustainability statement , with no further entity-specific disclosures. All other impacts, risks, and opportunities are covered by ESRS disclosure requirements.

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Disclosure requirements in ESRS covered by the sustainability statement (IRO-2)

Vaisala has followed the criteria in ESRS 1 section 3.2 Material matters and materiality of information to determine the material information to disclose regarding the impacts, risks, and opportunities identified in the double materiality assessment. The applicable information prescribed within a Disclosure Requirement, including its datapoints, or an entity-specific disclosure, is disclosed if Vaisala assessed that the information is either significant in relation to the matter it purports to depict or explain, or relevant to meet the decision-making needs of users of the sustainability statement. The accompanying table includes all disclosure requirements complied with in preparing this sustainability statement, along with the sections where each disclosure is located.

General information

ESRS 2 GENERAL DISCLOSURES

Disclosure requirement	Section in the sustainability statement
BP-1 – General basis for preparation of sustainability statements	General basis for preparation of the sustainability statement (BP-1)
BP-2 – Disclosures in relation to specific circumstances	Disclosures in relation to specific circumstances (BP-2)
GOV-1 – The role of the administrative, management and supervisory bodies	The role of the administrative, management and supervisory bodies (GOV-1)
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies (GOV-2)
GOV-3 – Integration of sustainability-related performance in incentive schemes	Integration of sustainability-related performance in incentive schemes (GOV-3)
GOV-4 – Statement on due diligence	Statement on due diligence (GOV-4)
GOV-5 – Risk management and internal controls over sustainability reporting	Risk management and internal controls over sustainability reporting (GOV-5)
SBM-1 – Strategy, business model and value chain	Strategy, business model and value chain (SBM-1)
SBM-2 – Interests and views of stakeholders	Interests and views of stakeholders (SBM-2)
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks, and opportunities and their interaction with strategy and business model (SBM-3)
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	The identification and assessment of material impacts, risks, and opportunities (IRO-1)
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Disclosure requirements in ESRS covered by the sustainability statement (IRO-2)

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Environmental information

ESRS E1 CLIMATE CHANGE

Disclosure requirement	Section in the sustainability statement
ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	Integration of sustainability-related performance in incentive schemes (GOV-3)
E1-1 – Transition plan for climate change mitigation	Transition plan for climate change mitigation (E1-1)
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks, and opportunities and their interaction with strategy and business model (SBM-3)
ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	The identification and assessment of material impacts, risks, and opportunities (IRO-1)
E1-2 – Policies related to climate change mitigation and adaptation	Policies related to climate change mitigation and adaptation (E1-2)
E1-3 – Actions and resources in relation to climate change policies	Actions and resources in relation to climate change policies (E1-3)
E1-4 – Targets related to climate change mitigation and adaptation	Targets related to climate change mitigation and adaptation (E1-4)
E1-6 – Gross scopes 1, 2, 3 and Total GHG emissions	Greenhouse gas emissions (E1-6)

Social information

ESRS S1 OWN WORKFORCE

Disclosure requirement	Section in the sustainability statement
ESRS 2 SBM-2 – Interests and views of stakeholders	Interests and views of stakeholders (SBM-2)
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks, and opportunities and their interaction with strategy and business model (SBM-3)
S1-1 – Policies related to own workforce	Policies related to own workforce (S1-1)
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	Processes for engaging with own workers and workers' representatives about impacts (S1-2)
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Actions related to material impacts, risks, and opportunities on own workforce (S1-4)
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to material impacts, risks, and opportunities on own workforce (S1-5)
S1-6 – Characteristics of the undertaking's employees	Characteristics of Vaisala's employees (S1-6)
S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	Characteristics of non-employee workers in Vaisala's own workforce (S1-7)
S1-9 – Diversity metrics	Diversity metrics (S1-9)
S1-14 – Health and safety metrics	Health and safety metrics (S1-14)
S1-16 – Remuneration metrics (pay gap and total remuneration)	Remuneration metrics (S1-16)
S1-17 – Incidents, complaints and severe human rights impacts	Incidents, complaints and severe human rights impacts (S1-17)

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ESRS S2 WORKERS IN THE VALUE CHAIN

Disclosure requirement	Section in the sustainability statement
ESRS 2 SBM-2 – Interests and views of stakeholders	Interests and views of stakeholders (SBM-2)
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks, and opportunities and their interaction with strategy and business model (SBM-3)
S2-1 – Policies related to value chain workers	Policies related to value chain workers (S2-1)
S2-2 – Processes for engaging with value chain workers about impacts	Processes for engaging with value chain workers about impacts (S2-2)
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Actions related to material impacts, risks, and opportunities on value chain workers (S2-4)
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to material impacts, risks, and opportunities on value chain workers (S2-5)

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ESRS G1 BUSINESS CONDUCT

Disclosure requirement	Section in the sustainability statement
ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	The role of the administrative, management, and supervisory bodies (GOV-1)
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	The identification and assessment of material impacts, risks, and opportunities (IRO-1)
G1-1 – Business conduct policies and corporate culture	Business conduct policies (G1-1)
G1-2 – Management of relationships with suppliers	Management of relationships with suppliers (G1-2)
G1-3 – Prevention and detection of corruption and bribery	Prevention and detection of corruption and bribery (G1-3)
G1-4 – Confirmed incidents of corruption or bribery	Incidents of corruption and bribery (G1-4)

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Data points that derive from other EU legislation (IRO-2)

Disclosure requirement	Paragraph in ESRS	Data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Part of the sustainability statement / Not material / Not applicable
ESRS 2 GOV-1	21 (d)	Board's gender diversity	X		X		General information
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			X		General information
ESRS 2 GOV-4	30	Statement on due diligence	X				General information
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	X	X	X		Not applicable
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	X		X		Not applicable
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	X		X		Not applicable
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			X		Not applicable
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				X	Environmental information
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		X	X		Environmental information
ESRS E1-4	34	GHG emission reduction targets	X	X	X		Environmental information
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	X				Not material
ESRS E1-5	37	Energy consumption and mix	X				Not material
ESRS E1-5	40 to 43	Energy intensity associated with activities in high climate impact sectors	X				Not material
ESRS E1-6	44	Gross scope 1, 2, 3 and Total GHG emissions	X	X	X		Environmental information
ESRS E1-6	53 to 55	Gross GHG emissions intensity	X	X	X		Environmental information
ESRS E1-7	56	GHG removals and carbon credits				X	Not material
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			X		Not material
ESRS E1-9	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk paragraph		X			Not material
ESRS E1-9	66 (c)	Location of significant assets at material physical risk		X			Not material
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		X			Not material
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			X		Not material

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Disclosure requirement	Paragraph in ESRS	Data point			SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Part of the sustainability statement / Not material / Not applicable	
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil			X				Not material	
ESRS E3-1	9	Water and marine resources			X				Not material	
ESRS E3-1	13	Dedicated policy			X				Not material	
ESRS E3-1	14	Sustainable oceans and seas			X				Not material	
ESRS E3-4	28 (c)	Total water recycled and reused paragraph			X				Not material	
ESRS E3-4	29	Total water consumption in m³ per net revenue on own operations			X				Not material	
ESRS 2 SBM-3 - E4	16 (a) i				X				Not material	
ESRS 2 SBM-3 - E4	16 (b)				X				Not material	
ESRS 2 SBM-3 - E4	16 (c)				X				Not material	
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies			X				Not material	
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies			X				Not material	
ESRS E4-2	24 (d)	Policies to address deforestation			X				Not material	
ESRS E5-5	37 (d)	Non-recycled waste			X				Not material	
ESRS E5-5	39	Hazardous waste and radioactive waste			X				Not material	
ESRS 2 SBM-3 - S1	14 (f)	Risk of incidents of forced labour			X				Not material	
ESRS 2 SBM-3 - S1	14 (g)	Risk of incidents of child labour			X				Not material	
ESRS S1-1	20	Human rights policy commitments			X				Social information	
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8					X		Social information	
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings			X				Not material	
ESRS S1-1	23	Workplace accident prevention policy or management system			X				Social information	
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms			X				Social information	
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents			X		X		Social information	

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Disclosure requirement	Paragraph in ESRS	Data point			SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Part of the sustainability statement / Not material / Not applicable	
ESRS S1-16	97 (a)	Unadjusted gender pay gap			X		X		Social information	
ESRS S1-16	97 (b)	Excessive CEO pay ratio			X				Social information	
ESRS S1-17	103 (a)	Incidents of discrimination			X				Social information	
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines			X		X		Not material	
ESRS 2 SBM-3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain			X				General information	
ESRS S2-1	17	Human rights policy commitments			X				Social information	
ESRS S2-1	18	Policies related to value chain workers			X				Social information	
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines			X		X		Social information	
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8					X		Social information	
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain			X				Social information	
ESRS S3-1	16	Human rights policy commitments			X				Not material	
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines			X		X		Not material	
ESRS S3-4	36	Human rights issues and incidents			X				Not material	
ESRS S4-1	16	Policies related to consumers and end-users			X				Not material	
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights or OECD guidelines			X		X		Not material	
ESRS S4-4	35	Human rights issues and incidents			X				Not material	
ESRS G1-1	10 (b)	United Nations Convention against corruption			X				Not material	
ESRS G1-1	10 (d)	Protection of whistleblowers			X				Not material	
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws			X		X		Governance information	
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery			X				Governance information	

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Statement on due diligence (GOV-4)

Core elements of due diligence	Sections in the sustainability statement
Embedding due diligence in governance, strategy and business model	<ul style="list-style-type: none">• The role of the administrative, management, and supervisory bodies (GOV-1)• Information provided to and sustainability matters addressed by the administrative, management, and supervisory bodies (GOV-2)• Material impacts, risks, and opportunities and their interaction with strategy and business model (SBM-3)
Engaging with affected stakeholders in all key steps of the due diligence	<ul style="list-style-type: none">• Information provided to and sustainability matters addressed by the administrative, management, and supervisory bodies (GOV-2)• Interests and views of stakeholders (SBM-2)• The identification and assessment of material impacts, risks, and opportunities (IRO-1)• Policies related to climate change mitigation and adaptation (E1-2)• Policies related to own workforce (S1-1)• Processes for engaging with own workers and workers' representatives about impacts (S1-2)• Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)• Actions related to material impacts, risks, and opportunities on own workforce (S1-4)• Targets related to material impacts, risks, and opportunities on own workforce (S1-5)• Policies related to value chain workers (S2-1)• Processes for engaging with value chain workers about impacts (S2-2)• Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)• Actions related to material impacts, risks, and opportunities on value chain workers (S2-4)• Targets related to material impacts, risks, and opportunities on value chain workers (S2-5)• Conflict minerals• Business conduct policies (G1-1)• Management of relationships with suppliers (G1-2)• Prevention and detection of corruption and bribery (G1-3)

Core elements of due diligence	Sections in the sustainability statement
Identifying and assessing adverse impacts	<ul style="list-style-type: none">• The identification and assessment of material impacts, risks, and opportunities (IRO-1)
Taking actions to address those adverse impacts	<ul style="list-style-type: none">• Transition plan for climate change mitigation (E1-1)• Actions and resources in relation to climate change policies (E1-3)• Actions related to material impacts, risks, and opportunities on own workforce (S1-4)• Actions related to material impacts, risks, and opportunities on value chain workers (S2-4)• Prevention and detection of corruption and bribery (G1-3)
Tracking the effectiveness of these efforts and communicating	<ul style="list-style-type: none">• Targets related to climate change mitigation and adaptation (E1-4)• Greenhouse gas emissions (E1-6)• Targets related to material impacts, risks, and opportunities on own workforce (S1-5)• Characteristics of Vaisala's employees (S1-6)• Diversity metrics (S1-9)• Incidents, complaints and severe human rights impacts (S1-17)• Targets related to material impacts, risks, and opportunities on value chain workers (S2-5)• Targets related to conflict minerals• Incidents of corruption and bribery (G1-4)

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ESRS E1 Climate change

Policies related to climate change mitigation and adaptation (E1-2)

Vaisala's Code of Conduct serves as the foundation for how the company operates, and it relates to all material impacts and opportunities. Compliance with the Code of Conduct is continuously monitored by regional and business unit heads, as well as immediate supervisors, while also being subject to internal audits.

The Code of Conduct relates to Vaisala's positive impacts on climate change mitigation and adaptation by stating that we design our products to support our customers' environmental initiatives. Furthermore, it also states our purpose, *Taking every measure for the planet*, emphasizing our critical role in enabling data-driven climate action. The Code of Conduct also relates to Vaisala's negative impacts on climate change mitigation, including our commitment to reduce our greenhouse gas emissions. The Code of Conduct also addresses energy efficiency and renewable energy deployment, stating that we use our best efforts to reduce our greenhouse gas emissions and use natural resources more efficiently. This includes assessing and measuring our environmental impact, setting improvement targets, and meeting or surpassing those targets.

The Code of Conduct covers all Vaisala's activities in all geographies. Every Vaisala employee must follow the Code of Conduct's principles without exception.

In addition to our employees, we hold our suppliers, subcontractors, and business partners across the value chains to the same high standards and require them to comply with our Partner Code of Conduct. Partners are responsible for monitoring their compliance, providing Vaisala with information on potential violations, supplying documentation upon

request, and permitting compliance monitoring by Vaisala or authorized persons. All Vaisala suppliers, distributors, and representatives, as well as their suppliers and sub-suppliers in the upstream and downstream value chains, are included in the scope of the Partner Code of Conduct. The Partner Code of Conduct may not cover independent third-party vendors who do not have a direct contractual relationship with Vaisala. In certain regions, local laws and regulations may overrule Vaisala's policies. Vaisala aims to sign the Partner Code of Conduct with all business partners.

The Partner Code of Conduct addresses, among other topics, climate change mitigation, stating that partners must reduce their emissions. Furthermore, it states that our partners must continuously work to lower their environmental impact by improving energy efficiency, adopting renewable energy sources, and implementing waste reduction strategies.

Vaisala's material risks, including those related to climate change, are managed according to Vaisala's risk management policy, which covers all of Vaisala's activities in all geographies. The risk management policy describes Vaisala's general risk management principles, including objectives, risk categories, appetite levels for different risk types, and the risk management process.

The President and CEO is the most senior level in Vaisala's organization accountable for implementing policies.

Vaisala makes all its policies available to potentially affected stakeholders, and stakeholders who need to help implement them through training and information sharing.

Targets related to climate change mitigation and adaptation (E1-4)

In line with our commitment to reduce greenhouse gas (GHG) emissions, we have set science-based GHG emission reduction targets. They are based on conclusive scientific evidence and are compatible with limiting global warming to 1.5°C, as the Paris Agreement outlines. The targets have been validated by the Science Based Targets initiative (SBTi) and conform with the SBTi Criteria and Recommendations (Criteria version 5.1). Stakeholders have not been involved in setting the targets.

Vaisala's near-term science-based targets

Vaisala commits to reduce absolute scope 1 and 2 GHG emissions 52% by 2030 from a 2021 base year*. Vaisala also commits to reduce scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution, business travel, employee commuting and use of sold products 52% per million EUR value added within the same timeframe.

*The target boundary includes land-related emissions and removals from bioenergy feedstocks.

Methodologies and assumptions used to define the targets

Vaisala has considered future developments, such as net sales growth and changes in business portfolio in the target setting. Net sales growth will increase Vaisala's GHG emissions, while business portfolio development is expected to lower the emissions.

Vaisala ensures the consistency of the targets with its GHG inventory boundaries by using the same boundaries for scope 1 and 2 emissions, as well as the scope 3 emission categories included in the target.

The comparability between the base year and the comparative year emissions is ensured by using the same boundaries and a consistent methodology for the calculation. Vaisala adheres to the SBTi's 5% significance threshold as a guideline for recalculating base year emissions. This means that any individual or cumulative change of 5% or more in Vaisala's total base year emissions will trigger a recalculation. This applies to both increases and decreases in emissions due to reasons such as structural changes or methodological updates.

Performance against targets

In 2024, Vaisala's progress toward its emission reduction targets compared to the base-year was as follows:

- Scope 1 and 2 emissions increased by 13.7%, which was mainly caused by fugitive emissions related to refrigerants.
- Scope 3 emissions in relation to gross profit decreased by 12.7%, which indicates that we are close to our estimated emissions reduction path towards our goal.

The results are monitored annually.

Greenhouse gas emissions (E1-6)

None of the metrics presented in this section have been validated by an external body other than the assurance provider.

Data collection and calculation methodologies

To calculate scope 1 emissions, we collect data from Vaisala-owned and leased cars, and from the consumption of heating fuels and refrigerants. For scope 2 emissions, we collect data from the energy consumption of our sites. For scope 3 emissions, we collect data from various sources. For use of sold products, purchased goods and services, capital goods, and inbound logistics, we use data from our internal systems. For outgoing logistics, we receive data from our logistics partners, and for business travel from our travel agency. For commuting, we utilize data from our commuting survey, which was renewed in 2024 to estimate the proportions of different transportation modes and the share of remote work.

The 2024 emission data are primarily based on the most recent 12 months of data available when the report was prepared, including data for the first 9 to 11 months of the year as well as the previous year. In some cases, the data for the missing months has been estimated based on actual data for earlier months. There is no reason to assume that there could be significant differences between the estimates and the actual figures.

New acquisitions in September-December 2024 have been included in the emissions inventory for the entire year, in accordance with the GHG Protocol Corporate Standard. Emissions have been estimated based on revenue share of the acquired companies and Vaisala. For target calculations we have adjusted revenue and gross profit accordingly.

In line with the GHG Protocol, the net revenue used as the denominator in the calculation of the GHG emissions intensity includes the net revenue of the acquired companies for the entire year. The net revenue (net sales) disclosed in Vaisala Corporation Financial Statement Release January–December 2024 includes the net revenue of the acquired companies since the acquisition dates. Therefore, the net revenue used as the denominator in the calculation of the GHG emissions intensity is slightly different than the net revenue (net sales) disclosed in the financial statements.

In 2024, Vaisala implemented an external software to calculate emissions. The new software improved the effectiveness of emissions calculation and made it more systematic. This was due to enhanced data handling, which enabled Vaisala to avoid previous data groupings, particularly with the purchased goods and services as well as the use of sold products categories. To maintain the comparability of data, we used the software to recalculate also the emissions for the base year 2021.

The accompanying table describes our calculation methodology for each of the scope 3 emission categories as defined in the GHG Protocol.

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SCOPE 3 EMISSIONS CATEGORIES

Scope 3 category	Explanation
1. Purchased goods and services	For direct purchases, we used our purchase order data from our internal system and combined it with the part weights from our product data management system, when available. We calculated the emissions of purchased items based on their weight, material approximations, and matching emission factors. When the weight was not available, we used spend-based calculations. For indirect purchasing, we used spend-based calculations covering the vendor subtypes assessed as relevant considering emissions and that are not included in other emission categories.
2. Capital goods	We used a spend-based approach based on financial data for fixed assets. Emissions in this category vary significantly from year to year based on purchasing needs.
3. Fuel and energy-related activities	For this category, we considered the heating and vehicle fuels reported under scope 1 and the total energy consumption reported under scope 2. We used the emission factors available to us to calculate the upstream emissions as well as transmission and distribution losses for our fuel and energy use.
4. Upstream transportation and distribution	For inbound logistics, we used data from our internal systems concerning the geographic locations of our suppliers and the approximate weight of the incoming goods. The distance traveled was estimated based on the country of origin and the destination country. For outbound logistics, we used emissions data received from our most important logistics service providers. When the primary data was not available, we used spend data. We also used transportation method-specific WtW (Well-to-Wheel) emission factors.
5. Waste generated in operations	The calculation was based on the waste streams at our manufacturing sites. According to our estimates, these cover more than 90% of the total waste generated at Vaisala sites. We have extrapolated these emissions to cover our total waste generation globally.
6. Business travel	We included air and rail travel, rental car kilometers, and kilometer reimbursements for employees using their own cars for business trips. For air and rail travel as well as rental cars, we received data from our service providers.
7. Employee commuting	In 2024, we conducted a commuting survey among all our global employees. The results provided a good representation of our different locations. We extrapolated the results to cover all our employees. We have not included emissions from remote work.
8. Upstream leased assets	This category does not apply to Vaisala. We have covered the emissions of our leased vehicles and facilities in our scope 1 and 2 emissions.
9. Downstream transportation and distribution	We used data from our internal system on the transportation methods and the weight of customer-paid shipments. The distance traveled was estimated based on the country of origin and the destination country. We used transportation method-specific WtW emission factors.
10. Processing of sold products	This category does not apply to Vaisala.
11. Use of sold products	We considered our products that are powered or charged with grid power. The calculation formula is $\sum(\text{number of products sold in the reporting period} \times \text{total lifetime expected use hours of product} \times \text{average power consumption} \times \text{country-specific emission factor for electricity})$. Due to the long life cycles of our products, which can even reach 20 years, this category is our largest emission category.
12. End-of-life treatment of sold products	We used data from our internal systems on the total amount of products sold to different regions, as well as research data on the regional waste treatment methods for waste from electrical and electronic equipment and packaging.
13. Downstream leased assets	This category does not apply to Vaisala.
14. Franchises	This category does not apply to Vaisala.
15. Investments	This category does not apply to Vaisala.

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Vaisala's scope 1, 2, and 3 GHG emissions

Vaisala's GHG emissions are disclosed in the table below. Vaisala's GHG calculation timeframe follows the financial year.

	Retrospective				Milestones and target years			
	Base year	Comparative	N	% N / N-1	2025	2030	(2050)	Annual % target / Base year
Scope 1 GHG emissions								
Gross scope 1 GHG emissions (tCO ₂ eq)	402	N/A	545	N/A	N/A	N/A	N/A	N/A
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scope 2 GHG emissions								
Gross location-based scope 2 GHG emissions (tCO ₂ eq)	2146	N/A	1,767	N/A	N/A	N/A	N/A	N/A
Gross market-based scope 2 GHG emissions (tCO ₂ eq)	93	N/A	18	N/A	N/A	N/A	N/A	N/A
Significant scope 3 GHG emissions								
Total Gross indirect (scope 3) GHG emissions (tCO ₂ eq)	95,189	N/A	110,361	N/A	N/A	N/A	N/A	N/A
1 Purchased goods and services	28,284	N/A	27,306	N/A	N/A	N/A	N/A	N/A
2 Capital goods	4,407	N/A	3,922	N/A	N/A	N/A	N/A	N/A
3 Fuel and energy-related Activities (not included in scope 1 or scope 2)	1,030	N/A	936	N/A	N/A	N/A	N/A	N/A
4 Upstream transportation and distribution	16,234	N/A	21,906	N/A	N/A	N/A	N/A	N/A
5 Waste generated in operations	14	N/A	18	N/A	N/A	N/A	N/A	N/A
6 Business traveling	1,223	N/A	4,386	N/A	N/A	N/A	N/A	N/A
7 Employee commuting	872	N/A	2,166	N/A	N/A	N/A	N/A	N/A
9 Downstream transportation	211	N/A	356	N/A	N/A	N/A	N/A	N/A
11 Use of sold products	42,895	N/A	49,362	N/A	N/A	N/A	N/A	N/A
12 End-of-life treatment of sold products	19	N/A	4	N/A	N/A	N/A	N/A	N/A
Total GHG emissions								
Total GHG emissions (location-based) (tCO ₂ eq)	97,737	N/A	112,673	N/A	N/A	N/A	N/A	N/A
Total GHG emissions (market-based) (tCO ₂ eq)	95,684	N/A	110,924	N/A	N/A	N/A	N/A	N/A

GHG emissions intensity based on net revenue

In 2024, Vaisala's GHG emissions intensity (total GHG emissions in tCO₂eq per million euros of net revenue) was 189 using the market-based method, and 192 using the location-based method.

Emission factors

Greenhouse gas emissions are calculated using the best available emission factors. The primary databases used as sources of emission factors are Exiobase, DESNZ (UK Department for Energy Security and Net Zero), Ecoinvent, Idemat and IEA Emissions Factors.

The service provider for our new calculation software has chosen the emission factors used. Certain emission factors were received from other sources, such as our logistics partners, local energy companies, and vehicle manufacturers. To calculate our scope 2 emissions, we primarily used the market-based calculation method, which accounts for the specific emissions of our purchased energy. In addition, we reported our location-based scope 2 emissions, calculated using average country-specific emissions from energy production.

Transition plan for climate change mitigation (E1-1)

Vaisala has a transition plan for climate change mitigation approved by Vaisala's Board of Directors. The transition plan describes Vaisala's GHG emission reduction targets, the decarbonization levers, and key actions Vaisala is taking to reach its climate targets. Vaisala has already implemented many of the actions described in the transition plan during the reporting year, as listed in the section *Actions and resources in relation to climate change policies (E1-3)*.

The transition plan is closely aligned with Vaisala's overall business strategy, as the company aims to grow its share of products with a lower carbon footprint as well as services in its business portfolio. The actions described in the transition plan are also considered in Vaisala's financial planning.

Alignment with EU Sustainable finance regulations

Vaisala has not set objectives or made plans to align its economic activities with the criteria established in Commission Delegated Regulation 2021/2139 (Taxonomy regulation).

To evaluate the alignment of investment portfolios with the objectives of the Paris Agreement on climate change, the European Commission has laid down the minimum criteria that indices must meet to be labeled as Paris-aligned Benchmark indices. These also include criteria to exclude companies from Paris-aligned Benchmarks. Vaisala does not meet these exclusion criteria; therefore, it is not excluded from Paris-aligned Benchmarks.

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

Vaisala's key emission reduction actions listed in the tables cover the entire value chains and all geographies. To determine decarbonization levers, Vaisala only considered the climate scenario compatible with limiting global warming to 1.5°C.

Vaisala's ability to implement the actions does not depend on resource availability and allocation, as implementing the transition plan does not require additional significant investments or funding.

Due to the high uncertainty related to the magnitude of different decarbonization levers, Vaisala is unable to report their quantitative contributions toward achieving the GHG emission reduction targets.

Vaisala's Leadership Team has set the following vision:

- Vaisala will take GHG emissions into account in all its decision-making, where relevant.
- The carbon footprint for all new products will be calculated and minimized.
- New products shall have a smaller carbon footprint than the previous comparable model.
- Vaisala will minimize GHG emissions related to business travel.

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Scope 1 and 2 decarbonization levers and actions

Lever	Key actions in the reporting year and in the future
<p>VEHICLE EMISSIONS REDUCTION</p> <p>Most of Vaisala's combined scope 1 and 2 emissions originate from using vehicles, primarily for field service operations. As electrification is the most effective way to reduce vehicle emissions, it will be prioritized when feasible. However, electrification of the field service vehicles is often not possible due to the long distances they cover and the challenging environments they operate in, which usually lack charging infrastructure. As the range of electric vehicles and the availability of charging infrastructure improve, Vaisala will continue to evaluate and test electrification opportunities. In addition, Vaisala will experiment with emerging technologies once they become commercially available.</p>	<ul style="list-style-type: none">· Purchasing or leasing electric vehicles (2025–2030)· Experimenting with new technologies (2025–2030)
<p>RENEWABLE ENERGY USE</p> <p>Vaisala already uses over 95% renewable energy. Most of the remaining energy-use-related emissions originate from the natural gas used for heating some sites during the winter. To address these emissions, Vaisala will explore opportunities to switch to alternative heating sources at these sites. Additionally, some small sales offices are situated in areas where purchasing renewable electricity through green contracts or certificates is not currently possible. Vaisala plans to purchase renewable electricity certificates for these sites as soon as they become available.</p>	<ul style="list-style-type: none">· Switching gas heating to alternative sources where feasible (2025–2030)· Purchasing renewable energy certificates as they become available in new areas (2025–2030)

Scope 3 decarbonization levers and actions

Lever	Key actions in the reporting year and in the future
<p>PRODUCT AND SERVICE PORTFOLIO CHANGES</p> <p>The share of services, as well as less material-intensive and energy-consuming products, is expected to grow in Vaisala's business portfolio, thereby reducing scope 3 emissions in relation to value added. The primary drivers of this growth are the rapid expansion of Vaisala Xweather, which focuses on providing weather-related data, and the growth of the Industrial Measurements business area, which has products that typically consume less energy than those in the Weather and Environment business area.</p>	<ul style="list-style-type: none">· Growing the share of services and data as well as less material-intensive and energy-consuming products in Vaisala's portfolio (2024–2030)
<p>PRODUCT CARBON FOOTPRINT REDUCTION</p> <p>Vaisala will evaluate and aim to minimize the carbon footprint of all its new products. The scope 3 emissions in relation to value added will be reduced by designing products with lower material carbon footprints and lower energy consumption.</p>	<ul style="list-style-type: none">· Making internal carbon footprint evaluation a part of every new product design (2024)· Piloting an internal carbon footprint estimation tool in product design (2024)· Rewarding employees' ideas to reduce the carbon footprints of our products (2024)· Implementing ideas to reduce the carbon footprints of our products (2025–2030)
<p>SUPPLY CHAIN DECARBONIZATION</p> <p>Supply chain emissions will be reduced by identifying and implementing emission reduction opportunities together with our suppliers. Most of Vaisala's supply chain emissions originate from electronics, with emission reduction actions anticipated towards the end of the target period in 2030. In addition, Vaisala will take actions such as purchasing gases and metals with a lower carbon footprint.</p>	<ul style="list-style-type: none">· Purchasing gases with a lower carbon footprint (2024–2030)· Investigating sources, availability, and prices of metals with a lower carbon footprint (2024)· Purchasing metals with a lower carbon footprint (2025–2030)· Identifying and implementing other emission reduction opportunities with suppliers (2024–2030)

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Lever	Key actions in the reporting year and in the future
<p>LOGISTICS EMISSIONS REDUCTION</p> <p>Logistics emissions in relation to value added will be reduced by changing transportation methods, reducing the weight of deliveries, and collaborating with logistics partners.</p>	<ul style="list-style-type: none">• Shifting from air to road transport in European distribution (2024)• Piloting the use of lighter freight pallets (2024)• Starting a project to renew package designs (2024)• Replacing paper manuals with digital documents (2024–2030)• Identifying and implementing emission reduction opportunities with logistics partners (2025–2030)
<p>BUSINESS TRAVEL AND COMMUTING EMISSIONS REDUCTION</p> <p>Business travel emissions in relation to value added will be reduced by taking actions such as encouraging employees to avoid non-essential business travel and choose greener ways of traveling when possible. Commuting emissions in relation to value added will be reduced by promoting greener commuting methods among employees.</p>	<ul style="list-style-type: none">• Reducing business travel emissions, e.g., by encouraging employees to avoid non-essential business travel and consider greener ways of traveling (2024–2030)• Encouraging greener commuting, e.g., by offering a bicycle benefit and a city bike station in Vantaa (2024–2030)

EU Taxonomy on Sustainable Finance

The EU Taxonomy Regulation outlines the criteria for an economic activity to be deemed environmentally sustainable. There are six key objectives set out within the regulation: climate change mitigation and climate change adaptation covered by the Climate Delegated Act, as well as sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems covered by the Environmental Delegated Act.

The taxonomy regulation requires companies to disclose the proportion of their activities that are taxonomy-eligible and taxonomy-aligned. This disclosure is made in terms of three KPIs: Turnover (Net sales in Vaisala's financial reporting), Capital expenditure (CapEx), and Operating expenditure (OpEx).

Turnover

TAXONOMY-ELIGIBLE TURNOVER

We have evaluated the taxonomy-eligibility of our activities based on the descriptions of economic activities in Annexes 1 and 2 of the Climate Delegated Act, including the amendments to the annexes, as well as Annexes 1–4 of the Environmental Delegated Act.

In the taxonomy-eligible turnover, we have included all our product and project sales, as well as lease income, as they fall under the activity 1.2 Manufacture of electrical and electronic equipment within Annex 2 (transition to a circular economy) of the Environmental Delegated Act.

TAXONOMY-ALIGNED TURNOVER

We have assessed that our taxonomy-eligible activities under the circular economy objective do not meet the technical screening criteria laid out in Annex 2 of the Environmental Delegated Act. Therefore, we do not report any taxonomy-aligned turnover.

Capital expenditure (CapEx)

TAXONOMY-ELIGIBLE CAPEX

In the context of taxonomy reporting, our total CapEx includes additions to right-of-use assets, in addition to the tangible and intangible assets detailed in note 16 to the consolidated financial statements.

In the taxonomy-eligible CapEx, we have included investments in tangible and intangible assets related to Manufacture of electrical and electronic equipment, which is Vaisala's own taxonomy-eligible activity under the circular economy objective. The CapEx related to the Manufacture of electrical and electronic equipment activity is estimated using a multiplier. This multiplier is calculated as the proportion of the turnover from the Manufacture of electrical and electronic equipment activity to the total turnover of the Vaisala Group. The Group's total investments on tangible and intangible assets are multiplied by this ratio to determine the CapEx related to the Manufacture of electrical and electronic equipment activity.

In addition, we have identified taxonomy-eligible CapEx related to the purchase of output from taxonomy-eligible activities. These include additions to right-of-use assets related to leased buildings and leased cars, as Acquisition and ownership of buildings and Transport by motorbikes, passenger cars, and light commercial vehicles are taxonomy-eligible activities under the climate change objectives.

TAXONOMY-ALIGNED CAPEX

We do not have any CapEx related to our own taxonomy-aligned activities. Furthermore, we are unable to assess the taxonomy-alignment of the CapEx related to the purchase of output from taxonomy-eligible activities. Therefore, we do not report any taxonomy-aligned CapEx.

Operating expenditure (OpEx)

TAXONOMY-ELIGIBLE OPEX

In the context of taxonomy reporting, our total OpEx only includes research and development expenses, excluding the cost of managing research and development projects.

In the taxonomy-eligible OpEx, we have included research and development expenses related to our taxonomy-eligible activity *Manufacture of electrical and electronic equipment*.

TAXONOMY-ALIGNED OPEX

As Vaisala does not have any research and development expenses related to taxonomy-aligned activities, we do not report any taxonomy-aligned OpEx.

Avoidance of double counting

We have identified taxonomy-eligible activities also within Annexes 1 (climate change mitigation) and 2 (climate change adaptation) of the Climate Delegated Act. However, to avoid double counting, these activities are not included in the reporting, as these activities are covered by the broader activity of *Manufacture of electrical and electronic equipment*.

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Financial year 2024				2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')												
Proportion of net sales from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024				Code (2)	Net sales (3)	Proportion of Net sales, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) net sales, year 2023 (18)	Category enabling activity (19)	Category/transitional activity (20)			
Economic activities (1)					MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T			
A. TAXONOMY-ELIGIBLE ACTIVITIES																									
A.1 Environmentally sustainable activities (Taxonomy-aligned)																									
Net sales of environmentally sustainable activities (Taxonomy-aligned) (A.1)					0	0%													0%						
Of which Enabling					0	0%													0%						
Of which Transitional					0	0%													0%						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																									
							EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL													
Manufacture of electrical and electronic equipment				CE 1.2	476.0	84%	N/EL	N/EL	N/EL	N/EL	EL	N/EL											86.5%		
Net sales of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)					476.0	84%	0%	0%	0%	0%	84%	0%											86.5%		
A. Net sales of Taxonomy-eligible activities (A.1 + A.2)					476.0	84%	0%	0%	0%	0%	84%	0%											86.5%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																									
Net sales of Taxonomy-non-eligible activities					88.6	16%																			
TOTAL					564.6	100%																			

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Financial year 2024				2024		Substantial Contribution Criteria					DNSH criteria ('Does Not Significantly Harm')													
Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024				Code (2)	CapEx (3)	Proportion of CapEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)		
Economic activities (1)					MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																								
A.1 Environmentally sustainable activities (Taxonomy-aligned)																								
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)					0	0%													0%					
Of which Enabling					0	0%													0%					
Of which Transitional					0	0%													0%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																								
							EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
Manufacture of electrical and electronic equipment				CE 1.2	19.6	56%	N/EL	N/EL	N/EL	N/EL	EL	N/EL											0%	
Acquisition and ownership of buildings				CCM/ CCA 7.7	10.9	31%	EL	EL	N/EL	N/EL	N/EL	N/EL											22.7%	
Transport by motorbikes, passenger cars and light commercial vehicles				CCM/ CCA 6.5	0.6	2%	EL	EL	N/EL	N/EL	N/EL	N/EL											1.8%	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)					31.0	90%	33%	33%	0%	0%	56%	0%											24.4%	
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)					31.0	90%	33%	33%	0%	0%	56%	0%											24.4%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																								
CapEx of Taxonomy-non-eligible activities					3.8	10%																		
TOTAL					34.8	100%																		

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Financial year 2024			2024		Substantial Contribution Criteria					DNSH criteria ('Does Not Significantly Harm')													
Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024																							
Economic activities (1)			Code (2)	OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year 2023 (18)	Category enabling activity (19)	Category/transitional activity (20)		
				MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																							
A.1 Environmentally sustainable activities (Taxonomy-aligned)																							
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0	0%														0%					
Of which Enabling			0	0%														0%					
Of which Transitional			0	0%													0%						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																							
					EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL													
Manufacture of electrical and electronic equipment			CE 1.2	47.4	73%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										75.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)				47.4	73%	0%	0%	0%	0%	73%	0%										75.0%		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)				47.4	73%	0%	0%	0%	0%	73%	0%										75.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
OpEx of Taxonomy-non-eligible activities				17.6	27%																		
TOTAL				65.0	100%																		

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Nuclear and fossil gas related activities

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

Social information

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ESRS S1 Own workforce

Vaisala's motivated and talented employees are a key factor behind our success. Our people are driven by the opportunity to solve some of the most pressing challenges of our time. We uphold sustainable and ethical behavior as a core value for both Vaisala and our employees. Occupational health and safety are also an important part of all our activities. We invest in the health and safety training of our employees and ensure that they have the necessary qualifications to perform their work.

Policies related to own workforce (S1-1)

Vaisala has a Code of Conduct and a Global Quality, Environment, and Health and Safety (QEHS) Policy to manage material impacts on its own workforce. Both policies cover Vaisala's entire own workforce. The President and CEO is the most senior level in Vaisala's organization accountable for implementing policies. Vaisala makes all its policies available to potentially affected stakeholders, and stakeholders who need to help implement them through training and information sharing.

Vaisala's Code of Conduct serves as the foundation for the company's operations and relates to all material impacts and opportunities. For more information on these impacts and opportunities, see the **Vaisala's material impacts, risks, and opportunities** section. Compliance with the Code of Conduct is continuously monitored by regional and business unit heads and immediate supervisors while also being subject to internal audits.

The general objective of the QEHS Policy is to maintain high standards of quality, environmental stewardship, and workplace health and safety. This is monitored by identifying and reporting incidents, hazards, and near misses. The policy relates to Vaisala's potential material negative health and safety-related impact on its own workforce. For more information on this impact, see the **Vaisala's material impacts, risks, and opportunities** section.

Human rights policy commitments

Vaisala's Code of Conduct states that Vaisala respects human rights and upholds internationally recognized human and labor rights. These rights are outlined in the International Bill of Human Rights and the eight core conventions of the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, in accordance with the United Nations Guiding Principles on Business and Human Rights. These include preventing the trafficking in human beings, forced or compulsory labor, child labor, respecting the freedom of association and the right to collective bargaining, as well as safeguarding workers from discrimination in employment and occupation. Vaisala is committed to valuing the health and safety of its workers and adheres to the International Labor Organization's conventions on labor standards for working hours.

In line with its sustainable practices, Vaisala endorses the United Nations Global Compact initiative. This means that Vaisala upholds the Ten Principles of the initiative, which cover areas such as human rights, labor standards, environmental protection, and anti-corruption measures.

As a company, we always comply with the laws and regulations of the countries where we operate. Where differences exist between regulatory requirements and Vaisala's Code of Conduct, we strive to apply whichever sets the highest standard.

Vaisala's commitment to ethical behavior extends beyond legal compliance. Vaisala strives to be a good corporate citizen who actively invests in sustainable business practices.

All Vaisala employees undergo a mandatory Code of Conduct training biannually. This training covers equality and respect in the workplace, as well as occupational health and safety, among other topics. Additionally, all employees receive shorter mandatory reminder training between the comprehensive sessions. In addition to general training, we provide our employees with targeted training. These trainings are often offered in smaller groups and conducted in person.

Policies to advance diversity, equity, and inclusion

Vaisala is committed to fostering an inclusive work environment through clear policies that ensure equal opportunity and non-discrimination. Our commitments include making employment decisions based on qualifications and merit, without bias towards any protected characteristic. Additionally, we offer maternity and parental leave policies aligned with country-specific requirements to support pregnant employees and new parents in balancing work and family responsibilities.

To ensure these efforts are effectively carried out, Vaisala has established training, reporting mechanisms, inclusive practices, and continuous improvements as part of our procedures. All employees receive regular training on diversity, equity, inclusion, and anti-discrimination. Vaisala has clear guidelines and processes for reporting discrimination, which is promptly investigated by HR, with appropriate actions taken if required. Vaisala promotes diversity, equity, and inclusion through initiatives like Employee Resource Groups and mentoring programs, creating a supportive environment for all employees.

We regularly review and refine our policies to ensure they meet the needs of our workforce and maintain a high standard of inclusivity.

Vaisala's Code of Conduct states that the company values a culture where everyone feels respected, heard, and supported, enabling them to collaborate and perform at their best. Discrimination, harassment, or bullying in any form contradicts our values and often violates the law. This includes discrimination based on ethnic origin, color, religion, gender identity, age, sex, sexual orientation, political opinion, national extraction or social origin, disability or marital status, and other forms of discrimination covered by applicable regulations. Vaisala's Code of Conduct requires employees to always treat others with respect and dignity. This entails listening, valuing diverse perspectives, and eliminating discriminatory behaviors.

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Processes for engaging with own workers and workers' representatives about impacts (S1-2)

Vaisala is committed to enhancing diversity, equity, inclusion, and employee well-being by actively involving our workforce in decision-making processes. We believe engaging our employees directly is essential to understanding and addressing their needs. We regularly gather employee feedback through surveys, focus group discussions, and one-on-one meetings. This input is crucial in shaping our policies and initiatives. Feedback from these engagements influences our strategies, ensuring that our efforts to enhance diversity, equity, inclusion, and well-being align with our workforce's actual needs and concerns. Regarding performance and career development reviews, managers conduct these discussions directly with their employees. Engagement and discussions about actions or next career moves are made and agreed together with the employee. Vaisala also engages directly with its own workforce related to the identification, assessment, and management of occupational health and safety risks. To increase the collaboration between Vaisala and its employees and to increase health and safety awareness and knowledge, we have established Health and Safety Committees in several locations. Some of the key tasks of the committees are making development suggestions about occupational health and safety, monitoring the implementation of health and safety action plans, and taking part in accident investigations. Vaisala also encourages its own workforce to proactively report any health and safety risks in the workplace and make suggestions for improvement.

Engagement at Vaisala occurs at various stages, including planning, implementing, and reviewing policies and initiatives. This engagement is carried out through methods such as surveys, focus group discussions, and regular all-hands meetings. The frequency of these engagements varies, with most occurring on a quarterly or annual basis, while ad hoc engagements are conducted as needed when specific issues arise. The Health and Safety Committees usually convene four times a year. For performance discussions, engagement occurs once a year at the minimum. Typically, managers and employees agree to have these reviews four times a year and can have them more frequently if needed. According to our

annual plan, our employees have their career development discussion with their managers at the beginning of the calendar year. In this discussion, they plan and discuss the next possible development actions and any career aspirations the employee may have.

The HR function, under the leadership of the EVP, Human Resources, is responsible for ensuring workforce engagement and the integration of feedback into our strategic approach to diversity, equity, inclusion, employee well-being, health, and safety.

Vaisala does not currently have a global framework agreement related specifically to the respect of human rights of its workforce. However, we maintain open communication with workers' representatives to ensure that employee perspectives, particularly regarding human rights and well-being, are integrated into our practices.

We assess the effectiveness of our engagement efforts through employee feedback and regularly reviewing survey results to measure employee satisfaction and identify areas for improvement. We also evaluate the success of implemented initiatives based on employee well-being metrics and the participation rates in career development programs. Based on these assessments, adjustments are made to ensure that engagement remains meaningful and impactful. Regarding health and safety, our ISO 45001-based occupational health and safety management system provides a foundation for continuous improvement and ensures active engagement with our own workforce.

Vaisala has taken steps to ensure safe working conditions for individuals who may be particularly vulnerable to negative impacts and strives for continuous improvement in this area. These kinds of factors are considered when developing processes and work instructions. Regarding impacts related to diversity, equity, and inclusion, Vaisala does not currently have specific processes to gain insight from particularly vulnerable or marginalized groups. However, we are committed to enhancing our engagement approach for these groups and aim to incorporate focused feedback mechanisms within the next 12 months.

Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)

Vaisala's HR function is the primary point of contact when concerns are related to employment unless those concerns reflect breaches of law and regulations that the employee feels cannot be reported through regular channels. In these situations, the employee can make a report through the whistleblowing channel.

The process and principles outlined in Vaisala's Whistleblowing Policy serve as a mechanism to raise concerns and provide and enable remedies for human rights impacts. Currently, Vaisala does not systematically assess if the human rights impact remedies provided are effective.

Whistleblowing reports can include matters such as breaches of Vaisala's Code of Conduct or human rights violations. The whistleblowing channel is an external secure portal provided by a third party. Additionally, Vaisala has a proactive health and safety reporting system. We encourage our own workforce and contractors to proactively report any health and safety risks in the workplace and make safety improvement suggestions concerning working conditions and methods.

All Vaisala employees undergo a mandatory Code of Conduct training biannually. The training includes guidance and instructions for reporting. Additionally, the information is available on Vaisala's intranet.

The Audit Committee is responsible for tracking and monitoring issues raised and addressed, with the Compliance Officer providing quarterly reports. Currently, the effectiveness of the whistleblowing channel and the corrective actions have not been assessed.

Vaisala does not currently assess whether people in its workforce are aware of or trust the whistleblowing channel and the related processes for raising and addressing their concerns or needs. However, Vaisala's Whistleblowing Policy ensures steps are taken to protect those who act in good faith from any type of retaliation.

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Actions related to material impacts, risks, and opportunities on own workforce (S1-4)

Actions to prevent or mitigate material negative impacts on own workforce

Vaisala could potentially have a material negative impact on its own workforce through work-related accidents, including fatalities. Through the systematic identification, assessment, and management of occupational health and safety risks, Vaisala identifies the necessary actions to address these negative impacts and ensures that its practices do not cause or contribute to material negative impacts on its own workforce. This process is carried out in cooperation with our employees and other stakeholders. Occupational health care participates as an expert in identifying and managing risks according to the practices of each country. During the risk assessment process, we evaluate and determine the severity and probability of risks to which employees may be exposed. Risk assessments cover both routine and non-routine work. The most significant accident risks occur in electrical work, working at heights, and when working with chemicals. We apply a hierarchy of controls to minimize risks. If it is assessed that an employee may be exposed to a non-negligible risk, we plan measures to reduce the risk. Our primary goal is to eliminate hazards or substitute them with less dangerous alternatives. If this is not possible, we aim to further reduce residual risks by controlling them at the source through engineering controls. If personal protective equipment is needed, it is given to employees for free. The quality of the risk assessment and management process is ensured as part of our system's internal and external audits. We also encourage everyone to proactively report any health and safety risks in the workplace and suggest improvements concerning the safety of working conditions and methods.

Vaisala's health and safety team manages material impacts related to health and safety. All the actions listed below contribute to achieving our policy objective of decreasing the number of injuries.

Vaisala has not acted to provide or enable remedy in relation to an actual material impact on its own workforce, as no such impacts occurred in 2024.

HEALTH AND SAFETY TRAINING

We invest in health and safety training for our own workforce to increase safety awareness and knowledge and ensure that all employees have the necessary qualifications to perform their work. Our occupational health and safety practices are covered in a mandatory e-learning course. In addition to a general orientation, we offer training for supervisors and specialized training for employees exposed to specific workplace risks. Occupational safety training is free for our employees and can be conducted during working hours. Contractors working at our sites also receive a health and safety orientation. The effectiveness of health and safety training is tracked through internal health and safety management system audits. Health and safety training is an ongoing action and there is no defined time horizon for completing it.

HEALTH AND SAFETY COMMITTEES

To increase the collaboration between Vaisala and its employees and to increase health and safety awareness and knowledge, we have established Health and Safety Committees in several locations. Currently, active Health and Safety Committees are operating in Finland, Canada, Germany, the United States, the United Kingdom, Japan, France, and China. These local committees cover all employee groups. The committees have an important role in monitoring and developing occupational health and safety. Some of the key tasks of the committees are making development suggestions about occupational health and safety to the employer and monitoring the implementation of health and safety action plans. Their tasks also include making proposals for arranging occupational health and safety training, on-the-job training and orientation, and participating in actions that support the working capacity of employees. The committees also monitor occupational safety issue reports and take part in accident investigations.

The effectiveness of the committees is tracked by monitoring the number of committees and the number of committee meetings. The work of the Health and Safety Committees is an ongoing action and there is no defined time horizon for completing it.

NEW REPORTING TOOL

In 2024, we implemented a new reporting tool for health and safety incidents and improvements, developed in collaboration with employee representatives. This tool simplifies the reporting process for our own workforce and enables more effective monitoring, driving actions more efficiently. The effectiveness of the new reporting tool is tracked by monitoring the number of reports.

Actions aimed at delivering positive impacts on own workforce

Various resources are allocated to manage and implement diversity, equity and inclusion (DEI) initiatives. This includes financial, human, and technological resources for training, Employee Resource Group (ERG) activities, wage surveys, and tracking systems for monitoring progress. Vaisala's actions to foster an inclusive and supportive work environment are presented in the accompanying table.

All the actions are ongoing, and there are no defined time horizons for completing them. However, Vaisala does have time-bound targets, such as closing the gender pay gap (see the section *Targets related to diversity, equity, and inclusion*), and these actions contribute to achieving the targets.

The scope of all the actions includes employees at all locations and job levels within Vaisala.

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Action	Description	Tracking and assessing effectiveness
DEI Training and Awareness	Vaisala has introduced a DEI e-learning module to increase employee awareness and understanding of DEI principles.	The effectiveness is tracked through participation rates and feedback from training sessions.
Establishment of Employee Resource Groups (ERGs)	The creation of the first ERG, Women@Vaisala & Allies, aims to enhance support networks and foster a more inclusive workplace culture.	The effectiveness is monitored by tracking the ERG's activities and its impact on employee engagement and satisfaction.
Wage Equality Initiatives	Regular wage surveys are conducted to identify and address pay gaps, aiming for wage parity across all job levels and locations.	The effectiveness is tracked through annual surveys and progress reports.
Inclusive Work Environment	Policies and practices are implemented to ensure equal treatment and opportunities for all employees, creating a safe, caring, and accessible working environment.	The effectiveness is tracked through employee feedback, incident reports, and policy reviews.

Targets related to material impacts, risks, and opportunities on own workforce (S1-5)

Targets related to health and safety

Vaisala's target for total recordable injury frequency (TRIF) in 2024 was ≤ 2.50. The target covers Vaisala's own workforce. TRIF is a measure of the number of fatalities, lost time injuries, substitute work, and other injuries requiring treatment by a medical professional per million hours worked. The target for 2024 was achieved as Vaisala's TRIF was 1.82. Performance against the target is monitored and reviewed monthly. The level achieved in 2024 will be used as the baseline value from which progress is measured.

The target was defined based on our commitment to the International Labour Organization's goal of decreasing work-related accidents and diseases. Occupational health and safety is an important part of all Vaisala activities. Vaisala is committed to achieving zero work-related fatalities and eliminating work-related injuries or illnesses. The TRIF target supports the achievement of our policy objectives.

We have increased collaboration between Vaisala and its employees by establishing Health and Safety Committees in several locations. These committees have an important role in setting targets.

The target is monitored monthly by the Vaisala Leadership Team. Vaisala does not engage directly with its own workforce or worker representatives to track performance against the target.

Work-related injuries are investigated, and corrective and preventative actions are defined case by case. Trends are also followed up on, and annual improvement needs are considered in the annual execution planning process.

Targets related to diversity, equity, and inclusion

Vaisala has set ambitious diversity, equity, and inclusion (DEI) targets for 2026 and 2030, focusing on various areas such as gender equality, equal pay, gender balance in tech roles, management positions, and multicultural representation within the workforce. Our DEI targets align with Vaisala's mission and policy objectives to cultivate an inclusive, supportive, and equitable work environment. These targets aim to address disparities and enhance representation across multiple dimensions relating to diversity.

These targets apply to all employees across all locations and job levels within Vaisala.

Our methods to define the targets include reviewing regular wage surveys, DEI index measurements, and feedback from Employee Resource Groups (ERGs). Significant assumptions to define targets involve alignment with national, EU, and international policy goals, considering sustainable development and local contexts. Data sources include internal surveys, employee feedback, and automated reporting systems.

Various employee groups and representatives have been actively involved in setting these targets. DEI initiatives are led by a Global Head of DEI with input from ERGs and other employee groups.

Performance against the targets is monitored through participation rates in DEI training, feedback from ERGs, and regular DEI index measurements. We periodically review progress to ensure alignment with our initial plans and analyze trends or significant changes to identify areas for improvement.

The target-setting process includes directly engaging with employees and representatives to set realistic and achievable targets. Regular monitoring and performance reviews are done to track our progress against the targets. We continuously collect feedback and conduct analysis to identify lessons learned and areas for improvement.

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Vaisala's DEI targets

Target	Description	Target level and year	ACHIEVED LEVEL		
			Base year (2021) ¹	2023	2024
Gender Pay Equality ²	We have maintained good wage equality between genders but want to close the gap entirely.	Close any unexplained gender pay gaps entirely by 2025.	On average, women's wages were 97% of men's wages for managers and professionals and 101% for production employees.	On average, women's wages were 96% of men's wages for managers and professionals and 101% for production employees.	On average, women's wages were 94% of men's wages for managers and professionals and 99% for production employees.
DEI Index	The DEI Index measures overall inclusion by assessing employees' feelings about diversity and inclusion at Vaisala.	Increase the DEI Index to 4.3 by 2026 and to 5 by 2030.	4.12 out of 5	4.0 out of 5	4.0 out of 5
DEI Index Gap	DEI Index Gap measures the difference in feelings of inclusion between those identifying as minorities and those not.	Reduce the gap to 0.15 by 2026 and eliminate it by 2030.	0.42	0.35	0.33
Gender Balance in Tech Roles	This target focuses on achieving a more balanced gender distribution in tech roles, including expert and manager positions in IT, product management, and R&D.	Increase representation to 22% by 2026 and to 30% by 2030.	17%	17%	18%
Gender Balance in Management	The gender composition of the entire workforce should be reflected in management.	Increase representation to 30% by 2026 and to 40% by 2030.	26%	27%	28%
Gender Balance in Top Management	The gender composition of the entire workforce should be reflected in top management.	Increase representation to 34% by 2026 and to 40% by 2030.	23%	28%	25%
Multicultural Talent in Finland	With significant R&D in Finland and a global export focus, diverse cultural expertise is essential. We aim to surpass the industry average for multicultural representation in Finland.	Maintain at 10% by 2026 and increase to 15% by 2030.	7%	10%	10%
Multicultural Talent in Top Management	As a global company, our top management should reflect our diverse workforce and align with our growth ambitions.	Increase to 35% by 2026 and to 40% by 2030.	29%	28%	33%
DEI Training Completion	We aim for a high completion rate for our DEI training.	Increase completion rate to 70% by 2026 and to 90% by 2030.	N/A	38%	64.8%

1) The base year values represent the situation in April 2021 when the targets were set. The target for DEI training completion was set in 2023, so the base-year for this target is 2023.
2) Due to different calculation methodologies, these figures are not comparable to the gender pay gap reported in the section Remuneration metrics (S1-16).

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Key employee figures

None of the metrics presented in this section have been validated by an external body other than the assurance provider.

Characteristics of Vaisala's employees (S1-6)

Employee data is maintained in Vaisala's employee information system, and various reports can be automatically generated to meet all reporting needs. All employee figures in this sustainability statement are reported in headcount as of the end of the reporting period.

In 2024, the number of Vaisala's own employee turnover was 165 and the rate of own employee turnover was 7.3%.

Employee headcount by gender

Gender	Number of employees
Male	1,688
Female	749
Other	0
Not reported	2
Total Employees ¹	2,439

1) The most representative number in the financial statements, the total number of employees at the end of December 2024, is disclosed in the section Personnel of Vaisala Corporation Financial Statement Release January–December 2024.

Employee headcount in countries where Vaisala has at least 50 employees representing at least 10% of its total number of employees

Country	Number of employees
Finland	1,538
United States	352

Employees by contract type and by gender

January 1, 2024 – December 31, 2024

	Female	Male	Other*	Not disclosed	Total
Number of employees	749	1,688	0	2	2,439
Number of permanent employees	685	1,576	0	2	2,263
Number of temporary employees	64	112	0	0	176
Number of non-guaranteed hours employees	28	50	0	0	78
Number of full-time employees	692	1,598	0	2	2,292
Number of part-time employees	29	40	0	0	69

* Gender as specified by the employees themselves.

Employees by contract type and by region ²

January 1, 2024 – December 31, 2024

	Finland	Americas	EMEA	APAC	Total
Number of employees	1,538	402	314	185	2,439
Number of permanent employees	1,420	401	304	138	2,263
Number of temporary employees	118	1	10	47	176
Number of non-guaranteed hours employees	76	0	2	0	78
Number of full-time employees	1,417	398	295	182	2,292
Number of part-time employees	45	4	17	3	69

2) Americas: North and South America; APAC: Asia Pacific; EMEA: Europe, Middle East and Africa

Characteristics of non-employee workers in Vaisala's own workforce (S1-7)

At the end of the reporting period, there were 40 non-employees in Vaisala's own workforce, reported in headcount.

The number of non-employee workers is available at any time from Vaisala's internal system, but the process includes manual counting of the non-employees based on information available in the system. A more automated reporting process is being developed and will be in place in 2025.

Non-employee workers are mostly people provided by undertakings primarily engaged in employment activities, and some self-employed people. The non-employee workers operate in multiple roles, such as in IT, sales, and logistics.

Diversity metrics (S1-9)

Gender distribution at the top management level *

Gender	Number of employees	Percentage
Female	20	25%
Male	60	75%
Other	0	0%

* Vaisala has defined top management as employees in senior management positions with specific internal job grades.

Distribution of employees by age group

Age group	Number of employees	Percentage
Under 30 years old	294	12%
30–50 years old	1,400	57%
Over 50 years old	745	31%

Health and safety metrics (S1-14)

Vaisala's ISO 45001-based occupational health and safety management system covers 100% of our own workforce. 86% of Vaisala's own workforce work on sites where the management system has been audited by an external party.

In 2024, the number of fatalities as a result of work-related injuries and work-related ill health in Vaisala's own workforce was 0. The number of fatalities as a result of work-related injuries and work-related ill health for other workers working on Vaisala's sites was also 0. There were 8 recordable work-related accidents, and the rate of recordable work-related accidents (TRIF) was 1.82.

The number of hours worked used in calculating the rate of recordable work-related accidents is partly estimated based on standard hours of work.

Remuneration metrics (S1-16)

In 2024, the gender pay gap at Vaisala, defined as the difference in average pay levels between female and male employees and expressed as a percentage of the average pay level of male employees, was 14%.

The annual total remuneration ratio of the highest-paid individual to the median annual total remuneration of all other employees was 19.3.

When calculating the gender pay gap, the pay level is defined as the gross hourly pay level. The calculation includes only employees who are active (including on paid leave, or on unpaid leave), and who self-identify as female or male. For all employees except those paid hourly, the gross hourly rate is calculated based on the full-time equivalent annual base salary divided by yearly working hours. The full-time equivalent annual base salary is calculated based on the actual base salary and full-time equivalent working hours recorded in Vaisala's employee information system, and the yearly working hours are provided by each country. For hourly employees, the hourly rate recorded in Vaisala's employee information system is used.

When calculating the annual total remuneration ratio, annual total remuneration is defined as total taxable compensation paid to employees in 2024. This information is collected from country-specific payroll.

Incidents, complaints and severe human rights impacts (S1-17)

The number of incidents of discrimination, including harassment, reported in 2024 was 11.

The number of complaints filed in 2024, excluding incidents of discrimination and harassment reported above, was 28. These include complaints filed through channels for people in Vaisala's own workforce to raise concerns and complaints filed to the National Contact Points for OECD Multinational Enterprises related to working conditions, equal treatment and opportunities for all, and other work-related rights, as defined in paragraph 2 of ESRS S1 Own workforce. The number of incidents of discrimination, including harassment, and the number of complaints filed include cases reported to either the HR function or the Compliance function.

The total amount of fines, penalties, and compensation for damages resulting from the incidents and complaints disclosed above was EUR 0.

ESRS S2 Workers in the value chain

Policies related to value chain workers (S2-1)

Vaisala has a Partner Code of Conduct to manage material impacts on value chain workers. The policy is aligned with internationally recognized instruments relevant to value chain workers, including the United Nations (UN) Guiding Principles on Business and Human Rights.

The Partner Code of Conduct relates to all three of Vaisala's material impacts on value chain workers associated with health and safety, child labor, and forced labor. For more information on these material impacts, see the section *Vaisala's material impacts, risks, and opportunities*.

The scope and general objectives of the Partner Code of Conduct are disclosed in the section *Policies related to climate change mitigation and adaptation (E1-2)*.

The President and CEO is the most senior level in Vaisala's organization accountable for implementing policies.

Human rights policy commitments related to value chain workers

The Partner Code of Conduct requires that our partners share Vaisala's commitment to human rights. This includes treating people with respect and dignity, encouraging diversity, remaining receptive to diverse opinions, promoting equal opportunity for all, and fostering an inclusive and ethical culture. All these commitments are in accordance with the Universal Declaration of Human Rights, the International Bill of Human Rights, and the core International Labor Organization (ILO) Conventions. Partners are expected to conduct human rights due diligence to avoid and address

potential adverse impacts, in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

In relation to value chain workers, Vaisala's supplier code of conduct (Vaisala Partner Code of Conduct), addresses trafficking in human beings, forced or compulsory labor, and child labor. We also expect our partners to comply with all relevant labor laws, ensuring fair working conditions, accurate employment records, and clear communication of employment terms. Equal opportunity and non-discrimination in employment must be upheld, along with a zero-tolerance policy on harassment. Additionally, employees should have regular rest periods, and their rights to organize and engage in collective bargaining must be respected. Systems should be in place to monitor and fulfill these requirements.

Vaisala's partners are required to have their own supplier code of conduct or a similar policy for their own business partners that covers principles and requirements equivalent to Vaisala's Partner Code of Conduct. They are also required to ensure that their business partners comply with the principles and requirements and actively monitor their partners' compliance.

Partners shall provide their employees with the means to raise concerns about any of the compliance requirements outlined in the Partner Code of Conduct, and any employee who makes such a report in good faith shall be protected from retaliation. According to Vaisala's Whistleblowing Policy, all suspected human rights violations can be reported in Vaisala's whistleblowing channel, through which stakeholders can also seek remedies.

In 2024, no cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involve value chain workers were reported in Vaisala's upstream and downstream value chains.

Processes for engaging with value chain workers about impacts (S2-2)

At Vaisala, no engagement occurs with value chain workers or their legitimate representatives directly, or with credible proxies with insight into their situation. We have assessed direct engagement with affected stakeholders or their representatives to be challenging. However, we aim to use non-governmental organizations as credible proxies representing the views of affected value chain workers. In 2024, we tried contacting non-governmental organizations for this purpose but received no response. We will continue these efforts in 2025.

Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

The process and principles outlined in Vaisala's Whistleblowing Policy serve as a mechanism for value chain workers to raise their concerns and as a mechanism to provide and enable remedies for human rights impacts. The Whistleblowing Policy applies to anyone in Vaisala's value chains who wants to share a concern by submitting a whistleblowing report. Reported matters can include, for example, violations of human rights. The following principles apply to all investigations: reports are handled confidentially, investigated by impartial individuals, follow-up questions are submitted securely, and the identity of anonymous reporters is not sought or revealed at any stage. The channel is an external secure portal provided by a third party.

The Compliance Officer maintains records of reported matters and corrective actions to facilitate the tracking and monitoring of issues raised and addressed. Vaisala has a Whistleblowing Team that reviews these reports, consisting of members from the Legal department, Finance & Control, Human Resources, and relevant business areas as required. Concerns raised through the whistleblowing channel are reported to the Audit Committee by the Compliance Officer. Vaisala currently has no process in place to ensure the effectiveness of the channel.

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Vaisala does not currently track or assess if value chain workers are aware of and trust these processes as a way to raise their concerns or needs and have them addressed. Both Vaisala's Partner Code of Conduct and the Whistleblowing Policy address the protection against retaliation for individuals who raise concerns.

Actions related to material impacts, risks, and opportunities on value chain workers (S2-4)

Actions on material impacts on value chain workers

Impacts on value chain workers are managed by considering human rights aspects in supplier and subcontractor selection and management processes as well as requiring suppliers and subcontractors to adhere to Vaisala's Partner Code of Conduct. This is supported by supplier assessments and audits. These are ongoing actions that will also continue in future reporting years.

The key actions completed in the reporting year include updating Vaisala's Partner Code of Conduct, starting to use EcoVadis assessments to evaluate supplier performance in human rights-related areas, and improving the overall subcontracting process regarding human rights due diligence. Vaisala has no additional actions or initiatives in place with the primary purpose of delivering positive impacts for value chain workers.

During 2025 Vaisala aims to further improve the effective integration of human rights due diligence in supplier and subcontractor selection and management processes. This includes increasing employees' and partners' understanding of human rights due diligence in the value chains.

Suppliers and subcontractors in the scope of each of the actions are selected based on risk assessments and spend.

All the actions are expected to enhance our ability to monitor and improve human rights practices within our value chains, contributing to achieving our policy objectives and targets. Vaisala does not currently track or assess the effectiveness of the actions in delivering the intended outcomes for affected stakeholders. However, Vaisala will monitor the improvements in our suppliers' EcoVadis scores for the Labor & Human Rights and Sustainable Procurement areas, which is expected to indirectly indicate the actions' effectiveness.

No severe human rights issues or incidents connected to Vaisala's upstream and downstream value chains were reported in 2024.

Vaisala has not taken action to provide or enable remedy in relation to an actual material impact during the reporting period.

To manage the impacts, Vaisala has allocated part-time human resources from several functions. In addition, financial resources are allocated to supplier assessments and audits.

Processes for identifying appropriate actions in response to actual or potential negative impacts on value chain workers

Vaisala carries out a human rights due diligence process that involves identifying and addressing actual or potential negative impacts on value chain workers. The current steps include:

- Risk assessment: analyzing the value chains to identify areas where workers might be at risk.
- Impact analysis: evaluating the severity and likelihood of identified risks.
- Action planning: developing appropriate measures to prevent, mitigate, or remediate negative impacts.
- Implementation: executing the action plan with clear responsibilities and timelines.
- Monitoring and reporting: tracking the results of actions and making necessary adjustments, while reporting progress to stakeholders.

Vaisala has not defined an approach to ensure that processes to provide or enable remedies in the event of material negative impacts are available and effective in their implementation and outcomes.

Targets related to material impacts, risks, and opportunities on value chain workers (S2-5)

To monitor the progress against our policy objectives related to reducing negative impacts on value chain workers, we have set targets for the EcoVadis assessment coverage of our direct spend and the improvement of EcoVadis scores for our direct suppliers.

The targets were set for direct suppliers, as the most severe human rights risks are related to the direct supply chain, especially electronics.

The rating methodology of EcoVadis measures the quality of a company's sustainability management system through its policies, actions, and reporting of KPIs across four categories: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. Out of these categories, we set score improvement targets for the categories that are most relevant regarding the impacts on value chain workers: Labor & Human Rights and Sustainable Procurement.

The EcoVadis assessment results are shown on a scorecard that is valid for one year at a time. EcoVadis scorecards that expired during the last six months of the assessment period are included in the calculation.

Target description	Performance 2024 (baseline)	Target 2025
EcoVadis assessed direct spend	74%	75%
Average EcoVadis score improvement in Labor and human rights for our direct suppliers	59.7/100	+ 1.0 points from 2024
Average EcoVadis score improvement in Sustainable procurement for our direct suppliers	54.2/100	+ 1.0 points from 2024

Stakeholders have not been involved in setting the targets. Vaisala did not engage directly with workers in the value chain, their representatives, or proxies during the target-setting process, performance tracking, or when identifying improvements.

Conflict minerals

Conflict minerals is an entity-specific sustainability matter for Vaisala, not covered by the ESRS.

Policies related to conflict minerals

The management of our impacts related to conflict minerals is guided by our Code of Conduct, which states our commitment to responsible sourcing of minerals, and our Partner Code of Conduct, which requires our suppliers to source minerals responsibly.

Actions related to conflict minerals

Our operating model to ensure the responsibility of the minerals supply chain is guided by the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We use the Responsible Minerals Initiative's Conflict Minerals Reporting Template (CMRT) to collect and transfer information about the source and origin of tin, tantalum, tungsten, and gold (3TG) through the supply chain. We also expect our suppliers to establish systems and processes for the responsible sourcing of these minerals and to collaborate with Vaisala on conflict minerals due diligence. Furthermore, we expect our suppliers to require the same from their suppliers.

These are all ongoing actions, and they cover the entire supply chain of the minerals.

Targets related to conflict minerals

We assess the progress related to our policy objective of responsibly sourcing minerals by monitoring the level of supply chain transparency achieved each year. Vaisala's target for 2024 was for at least 90% of suppliers in the conflict minerals data collection scope to deliver a CMRT to Vaisala. The target scope includes active suppliers from whom Vaisala purchases parts or products that contain or may contain 3TG metals. The target was set based on Vaisala's estimation of a realistic level to achieve. Stakeholders have not been involved in setting the target.

Metrics related to conflict minerals

The progress against the target is monitored monthly through progress reports provided by a third-party data collector. In 2024, the target was exceeded, as 100% of suppliers in the conflict minerals data collection scope delivered a CMRT to Vaisala. This metric has not been validated by an external body other than the assurance provider.

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G1 Business conduct

Business conduct policies (G1-1)

Vaisala has an International Anti-Corruption Policy and a Whistleblowing Policy to manage material impacts related to business conduct matters. The President and CEO is the most senior level in Vaisala's organization accountable for implementing policies. Vaisala makes all its policies available to potentially affected stakeholders, and stakeholders who need to help implement them through training and information sharing.

The general objective of the International Anti-Corruption Policy is to prevent corruption and ensure that all business is conducted in a legitimate, ethical, and transparent manner. This is monitored with regular audits and compliance checks to ensure adherence to anti-corruption laws and regulations. The policy relates to the potential material negative impacts associated with corruption and bribery. The policy applies to Vaisala's employees and all business partners across all activities and geographies in both the upstream and downstream value chains.

The general objective of the Whistleblowing Policy is to provide a safe and confidential way for employees to report unethical or illegal activities. The Compliance Officer regularly reports on the cases and the process to the Vaisala Audit Committee. The policy relates to the potential material negative impact associated with the protection of whistleblowers. The policy is global in scope, applying to all regions where Vaisala operates, and considers local laws and regulations. Certain geographical exclusions may apply where local laws and regulations overrule Vaisala's policies.

For more information on the impacts related to business conduct matters, see the section *Vaisala's material impacts, risks, and opportunities*.

Vaisala's whistleblowing channel serves as a mechanism for raising concerns. All internal and external stakeholders can share concerns by submitting a whistleblowing report. Reported matters can include, for example, breaches of Vaisala's Code of Conduct or human rights violations. The investigation is conducted by the Compliance Officer with the support of the General Counsel. The whistleblowing channel is provided by a third party. Vaisala's Code of Conduct and the Whistleblowing Policy guarantee that any employee who makes a report in good faith shall be protected from retaliation.

Employees are trained at least biannually to recognize and report any behavior that may violate Vaisala's Code of Conduct. The Compliance Officer, who is the primary recipient of the reports, actively participates in training related to whistleblowing reports.

The processes and principles outlined in the Whistleblowing Policy also serve as mechanisms to investigate business conduct incidents, including corruption and bribery. These principles also aim to ensure that incidents are processed promptly, independently, and objectively.

Based on our internal assessments, the Sales and Marketing and Procurement and Supply Chain Management functions are identified as having the highest risk of exposure to corruption and bribery. Sales and Marketing employees deal with third-party agents, customers, and incentive-based compensation structures, while Procurement and Supply Chain Management employees interact with external vendors, suppliers, and large financial transactions.

Management of relationships with suppliers (G1-2)

Responsible supply chains

In its supply chain, Vaisala seeks to promote competitive advantages and innovations responsibly through cooperation. Our business operations are based on high mix and low volumes. Managing this complexity requires

effective coordination of hundreds of suppliers and selected strategic partners. To deliver on our customer promise and meet stakeholder expectations, we must have a reliable and responsible supply chain. We set strict requirements for our suppliers and closely cooperate with them over the long term, enabling both parties to develop their operations further.

Our direct suppliers are generally located close to our product development operations and manufacturing sites. We purchase subassemblies, components, and mechanical parts mainly from Finland, other European countries, and the United States. Our upstream supply chains resemble typical supply chains in the global electronics manufacturing industry.

Supplier management

Vaisala's supplier management model has five supplier categories: temporary, potential, approved, preferred, and strategic. In addition to these categories, suppliers may be, for example, in phase-out when their contracts are being discontinued gradually or on a watch list when they are monitored closely due to serious issues experienced over the long term. The classification defines the relationship between Vaisala and the supplier and outlines the management model for each category.

All suppliers are expected to meet certain requirements before they can be approved and categorized. The requirements for suppliers are based on classification, risk assessments, and spend. Suppliers must also commit to the Partner Code of Conduct.

We partner with EcoVadis to assess the sustainability of our suppliers and encourage them to use the assessment results to continuously improve their sustainability practices. For information on our targets related to EcoVadis assessments, see the section *Targets related to material impacts, risks, and opportunities on value chain workers (S2-5)*. We also use a Supplier Sustainability Self-Assessment Questionnaire (SAQ) for supplier assessment and development. Should a supplier's assessment not meet Vaisala's requirements, the supplier is expected to implement corrective measures to improve their sustainability as part of their comprehensive

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development plan. The EcoVadis assessment and SAQ are also used to assess the sustainability of new suppliers.

As part of our supplier management process, we conduct quality, supply chain, and process audits. In these audits, we also check aspects related to sustainability, such as a supplier's adherence to Vaisala's Partner Code of Conduct, labor and human rights, occupational safety, environmental management, product safety, and conflict mineral management.

Prevention and detection of corruption and bribery (G1-3)

Vaisala maintains a zero-tolerance policy toward all forms of corruption. The company's International Anti-Corruption Policy strictly prohibits offering, giving, soliciting, arranging, demanding, or accepting bribes, whether directly or through third parties. The policy includes clear guidelines on acceptable hospitality and entertainment. Periodic training on the Code of Conduct for employees also addresses the prevention of corruption and bribery. Additionally, specific Anti-Corruption Policy training has been tailored for employees who, according to a risk analysis, might encounter challenging situations in their work.

The prevention of corruption and bribery is also a priority within Vaisala's network of partners, through which the company serves customers worldwide. This network includes distributors, agents, and resellers in over 100 countries. Given that Vaisala's business operations span a vast geographical area, including regions with challenging business environments, special attention is paid to selecting business partners. Vaisala's agreements with partners typically include strict clauses for immediate termination if a partner violates the Code of Conduct or the Anti-Corruption Policy. Vaisala also offers e-training on the Code of Conduct, specifically targeted at distribution partners. The completion of this training is monitored via a training system. The training emphasizes anti-corruption and bribery, ensuring that partners understand Vaisala's principles and can act accordingly in all situations.

Vaisala's investigation process is designed to ensure impartiality and thoroughness, and the company has a structured process to report the outcomes of investigations to its administrative, management, and supervisory bodies. The Whistleblowing Team, responsible for handling reports of suspected non-compliance with laws, regulations, and Vaisala's internal rules, includes senior leaders not involved in day-to-day management related to the reported matter. The team comprises the Group General Counsel, the Chief Financial Officer, the Executive Vice President of Human Resources, and, when necessary, the Executive Vice Presidents of the business area involved. The Compliance Officer, responsible for presenting the reported cases, also plays a crucial role in maintaining objectivity. By structuring the investigation process this way, Vaisala aims to prevent conflicts of interest and ensure that investigations are conducted independently of those involved. Additionally, the Compliance Officer reports concerns raised through the whistleblowing channel to the Audit Committee.

Vaisala ensures that its policies, including the Anti-Corruption Policy and the Code of Conduct, are communicated effectively to relevant stakeholders. This communication is achieved through regular training sessions tailored to different employee groups, depending on their roles and the risks they might encounter.

All employees undergo mandatory Code of Conduct training biannually, including topics related to business conduct matters and the prevention and detection of corruption and bribery. The training covers 100% of functions identified as having the highest risk of exposure to corruption and bribery. For the Board of Directors, the training is voluntary. Additionally, between the more comprehensive training sessions, all employees receive a mandatory shorter reminder training. In addition to general training, we provide our employees with targeted training. These sessions are often offered in smaller groups and conducted in person. The nature, scope, and depth of this training are tailored to meet the specific needs and risk profiles of different employee groups.

Actions related to the prevention and detection of corruption and bribery

Key actions related to the prevention and detection of corruption and bribery taken in 2024 and their expected outcomes are disclosed below. All the actions listed below contribute to achieving our policy objectives disclosed in the section **Business conduct policies (G1-1)**. Vaisala has no actions planned for the future. Vaisala has not set sustainability targets related to business conduct, as no relevant targets have been identified.

INTERNATIONAL ANTI-CORRUPTION POLICY UPDATE

The update was conducted to align with global best practices and ensure the policy's relevance in the current business environment. The expected outcome is enhanced awareness and stricter adherence to anti-corruption guidelines across all levels of the organization.

WHISTLEBLOWING POLICY UPDATE

This update aimed to provide a more robust framework for reporting unethical behavior and protecting whistleblowers. The expected outcome is an increase in the number of reports and earlier detection of potential issues, contributing to a more transparent and accountable organization.

ANTI-CORRUPTION AND BRIBERY RISK ASSESSMENT

The risk assessment focused on high-risk areas within the sales organization and other relevant groups across all geographies. It covered activities that could be exposed to corruption or bribery risks, including interactions with customers, suppliers, and other third parties in both upstream and downstream operations. The expected outcome is the identification of potential risks and implementation of targeted mitigation strategies, reducing the likelihood of corruption and bribery incidents.

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ANTI-CORRUPTION AND COMPLIANCE TRAINING

Training sessions were provided to parts of the sales organization and other relevant groups, facilitated by the Compliance Officer. The expected outcome is an increased awareness and understanding of anti-corruption practices, leading to more effective prevention of unethical behavior and enhanced compliance with the organization's policies.

Incidents of corruption and bribery (G1-4)

None of the metrics presented in this section have been validated by an external body other than the assurance provider.

In 2024, there were no convictions for violation of anti-corruption and anti-bribery laws, no identified breaches in the procedures and standards of anti-corruption and anti-bribery, and no confirmed incidents of corruption or bribery. Therefore, actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery have not been necessary. If they did occur, disciplinary actions would be taken according to Vaisala's policies.



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EUR million	2024	2023	2022	2021	2020
Net sales	564.6	540.4	514.2	437.9	379.5
exports and international operations, %	98.0	98.0	98.0	98.0	97.0
Gross margin, %	56.3	55.8	54.8	55.2	56.1
EBITA	90.3	74.7	70.7	61.0	52.1
% of net sales	16.0	13.8	13.8	13.9	13.7
Operating result	82.9	66.6	62.5	50.1	44.8
% of net sales	14.7	12.3	12.2	11.5	11.8
Result before taxes	80.8	63.1	59.6	48.3	41.3
% of net sales	14.3	11.7	11.6	11.0	10.9
Result for the financial year	63.7	48.9	45.1	39.5	32.8
% of net sales	11.3	9.1	8.8	9.0	8.7
R&D expenditure	68.6	67.7	62.4	55.3	53.2
% of net sales	12.1	12.5	12.1	12.6	14.0
Depreciation, amortization and impairment	24.3	24.3	23.6	21.6	21.1

EUR million	2024	2023	2022	2021	2020
Cash and cash equivalents	88.8	90.3	55.5	77.9	45.4
Equity	308.6	267.9	250.5	230.3	205.5
Statement of financial position total	589.4	442.8	439.2	408.0	351.8
Return on equity, %	22.1	18.9	18.7	18.1	16.3
Solvency ratio, %	52.4	61.3	58.1	57.2	59.0
Interest-bearing liabilities	129.5	62.1	63.4	50.2	57.0
Net debt	40.6	-28.2	7.9	-27.7	11.6
Gearing, %	13.2	-10.5	3.2	-12.0	5.7
Net working capital	75.1	72.9	82.4	44.5	61.5
Capital expenditure*	19.1	13.9	13.7	19.2	31.0
% of net sales	3.4	2.6	2.7	4.4	8.2
Cash flow from operating activities	78.9	83.8	29.8	80.0	41.0
Cash conversion	1.0	1.3	0.5	1.6	0.9
Orders received	565.6	528.1 **	500.8	455.2	382.8
Order book at the end of financial year	215.0	172.5 **	154.6	160.0	137.8
Personnel expenses	225.3	210.9	190.4	174.3 ***	154.1
Average employees	2,368	2,327	2,141	1,967 ***	1,929
Employees at the end of financial year	2,439	2,314	2,235	1,979	1,939

Key figures are a part of the Board of Directors' Report

* Excluding the impact of acquired businesses
** As of the beginning of 2023, Weather and Environment business area's subscription business has been excluded from orders received and order book. Year 2022 has been reported accordingly.
*** Number of employees includes persons in long-time absence as of January 1, 2021. Year 2020 has been adjusted accordingly.

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Share key figures

EUR	2024	2023	2022	2021	2020
Earnings per share	1.76	1.35	1.24	1.08	0.91
Diluted earnings per share	1.75	1.35	1.24	1.07	0.91
Cash flow from operating activities per share	2.17	2.31	0.82	2.21	1.14
Equity per share	8.50	7.39	6.91	6.36	5.70
Dividend per share*	0.85	0.75	0.72	0.68	0.61
Dividend per earnings**, %	48.4	55.6	57.9	62.9	66.9
Effective dividend yield**, %	1.76	1.89	1.83	1.28	1.51
Price per earnings	27.57	29.51	31.71	49.31	44.34
Series A share price development					
highest price	50.00	44.55	54.40	55.80	42.50
lowest price	32.60	30.30	36.15	30.00	21.65
volume-weighted average price	41.95	38.28	43.03	39.45	32.58
closing price	48.40	39.70	39.45	53.30	40.35

EUR	2024	2023	2022	2021	2020
Market capitalization of shares outstanding at the end of financial year***, MEUR	1,756.2	1,439.2	1,429.2	1,924.2	1,452.6
Series A shares traded					
pieces	2,808,545	3,089,946	2,384,806	2,939,088	3,852,297
% of entire series	8.6	10.4	8.0	9.9	13.0
Number of shares	36,436,728	36,436,728	36,436,728	36,436,728	36,436,728
A shares	32,809,875	29,705,636	29,705,636	29,705,636	29,705,636
K shares	3,626,853	6,731,092	6,731,092	6,731,092	6,731,092
Number of shares outstanding at the end of financial year***, pieces	36,284,579	36,251,252	36,228,241	36,101,073	35,999,689

* Proposal by the Board of Directors

** Calculated according to the proposal by the Board of Directors

*** Including series A and K shares, excluding treasury shares. Series K shares are valued using the closing price for the series A share on the last trading day of December.

Trading information is based on Nasdaq Helsinki Ltd. statistics.

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Calculation of key figures

Earnings/share, EUR	= $\frac{\text{Result for the period +/- non-controlling interest}}{\text{Average number of shares outstanding}}$
Cash flow from business operations/share, EUR	= $\frac{\text{Cash flow from business operations}}{\text{Number of shares outstanding at the end of the period}}$
Equity/share, EUR	= $\frac{\text{Total equity attributable to owners of parent company}}{\text{Number of shares outstanding at the end of the period}}$
Dividend/share, EUR	= $\frac{\text{Dividend}}{\text{Number of shares outstanding at the end of the period}}$
Dividend/earnings, %	= $\frac{\text{Dividend}}{\text{Result for the period +/- non-controlling interest}} \times 100$
Effective dividend yield, %	= $\frac{\text{Dividend / share}}{\text{Closing price for the series A share at the end of the period}} \times 100$
Price/earnings (P/E)	= $\frac{\text{Closing price for the series A share at the end of the period}}{\text{Earnings / share}}$
Market capitalization, MEUR	= Closing price for the series A share x number of shares outstanding

Alternative performance measures

Vaisala presents in its financial reporting alternative performance measures, which describe businesses' financial performance and its development as well as investments and return on equity. In addition to accounting measures which are defined or specified in IFRS, alternative performance measures complement and explain presented information. Vaisala presents in its financial reporting the following alternative performance measures:

Net sales with comparable exchange rates	= Net sales converted to euros with exchange rates used during the comparison period
Gross margin, %	= $\frac{\text{Net sales} - \text{Cost of sales}}{\text{Net sales}} \times 100$
Operating expenses	= Sales, marketing and administrative costs + research and development costs
EBITA	= Result before income taxes, financial income, and expenses, share of result in associated company, amortization and impairment of identified intangible assets related to the business combinations, and income and expenses related to (non-operative) earn-outs of business combinations as presented in Consolidated Statement of Income. Operating result describes profitability and development of business areas' performance.
Operating result	= Result before income taxes, financial income and expenses, and share of result in associated company as presented in Consolidated Statement of Income. Operating result describes profitability and development of business areas' performance.
Result before taxes	= Result before taxes as presented in Consolidated Statement of Income.
Return on equity (ROE), %	= $\frac{\text{Result for the period}}{\text{Total equity (average)}} \times 100$
Solvency ratio, %	= $\frac{\text{Total equity}}{\text{Statement of financial position total} - \text{advances received}} \times 100$
Cash conversion	= Cashflow from operating activities / Operating result
Investments	= Gross investments in non-current intangible assets as well as property, plant and equipment
Order book	= Performance obligations that were unsatisfied or partially unsatisfied and undelivered part the lease agreements at the end of the period
Net debt	= Interest-bearing liabilities - cash and cash equivalents
Gearing, %	= $\frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents}}{\text{Total equity}} \times 100$
Net working capital	= Inventories + non-interest-bearing receivables (trade receivables + contract assets and other non-interest-bearing receivables) - non-interest-bearing liabilities (trade payables + contract liabilities and other accrued revenue + other non-interest-bearing liabilities)

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The audited financial statements comprise the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated cash flow statement, consolidated statement of changes in equity and notes to the consolidated financial statements, as well as the parent company income statement, parent company balance sheet, parent company cash flow statement and notes to the parent company financial statements.

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Consolidated statement of income

EUR million	Note	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Net sales	1, 2, 3	564.6	540.4
Cost of goods sold	5, 13, 16	-246.5	-238.8
Gross profit		318.1	301.7
Sales, marketing and administrative costs	5, 7, 16	-167.2	-168.2
Research and development costs	5, 7, 8, 16	-68.6	-67.7
Other operating income and expenses	4	0.6	0.9
Operating result		82.9	66.6
Share of result in associated company	27	0.2	0.2
Financial income	9	9.4	8.2
Financial expenses	9	-11.8	-11.9
Result before taxes		80.8	63.1
Income taxes	10	-17.0	-14.2
Result for the financial year		63.7	48.9

EUR million	Note	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Attributable to			
Owners of the parent company		63.7	48.9
Earnings per share for result attributable to the equity holders of the parent company	11		
Earnings per share, EUR		1.76	1.35
Diluted earnings per share, EUR		1.75	1.35

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Consolidated statement of comprehensive income

EUR million	Note	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Items that will not be reclassified to profit or loss (net of taxes)			
Actuarial profit (loss) on post-employment benefits	6	0.0	-0.0
Total		0.0	-0.0
Items that may be reclassified subsequently to profit or loss			
Translation differences		4.3	-3.3
Total		4.3	-3.3
Total other comprehensive income		4.4	-3.3
Comprehensive income for the financial year		68.1	45.6
Attributable to			
Owners of the parent company		68.1	45.6

The notes are an essential part of the financial statements.

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Consolidated statement of financial position

EUR million	Note	Dec 31, 2024	Dec 31, 2023
Assets			
Non-current assets			
Intangible assets	16	151.9	62.5
Property, plant and equipment	16	105.6	95.0
Right-of-use assets	17	21.4	13.1
Investments in shares		0.1	0.1
Investment in associated company	27	1.6	1.4
Non-current receivables	20	1.2	1.3
Deferred tax assets	10	12.7	7.8
Total non-current assets		294.5	181.1
Current assets			
Inventories	13	57.8	58.8
Trade and other receivables	12	111.0	85.5
Contract assets and other accrued revenue	3	32.2	24.2
Income tax receivables		5.2	2.8
Cash and cash equivalents	23	88.8	90.3
Total current assets		295.0	261.7
Total assets		589.4	442.8

EUR million	Note	Dec 31, 2024	Dec 31, 2023
Equity and liabilities			
Equity	18		
Share capital		7.7	7.7
Other reserves		0.7	0.6
Translation differences		5.1	0.8
Treasury shares		-4.1	-4.2
Retained earnings		299.2	263.0
Total equity attributable to owners of parent company		308.6	267.9
Total equity		308.6	267.9
Non-current liabilities			
Interest-bearing borrowings	21	105.0	50.0
Interest-bearing lease liabilities	17	21.4	9.3
Post-employment benefits	6	2.1	2.3
Deferred tax liabilities	10	5.3	2.9
Provisions	15	0.6	0.4
Other non-current liabilities	21	6.7	4.2
Total non-current liabilities		141.2	69.0

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EUR million	Note	Dec 31, 2024	Dec 31, 2023
Current liabilities			
Interest-bearing borrowings	21	-	0.0
Interest-bearing lease liabilities	17	3.1	2.8
Trade and other payables	14	95.7	66.5
Contract liabilities and other deferred revenue	3	28.4	30.7
Income tax liabilities		9.9	3.3
Provisions	15	2.7	2.5
Total current liabilities		139.7	105.9
Total liabilities		280.9	175.0
Total equity and liabilities		589.4	442.8

The notes are an essential part of the financial statements.

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Consolidated cash flow statement

EUR million	Note	Jan 1-Dec 31, 2024	Jan 1-Dec 31, 2023
Cash flow from operating activities			
Result for the financial period		63.7	48.9
Depreciation, amortization and impairment	16	24.3	24.3
Financial income and expenses	9	2.4	3.7
Gains and losses on sale of intangible assets and property, plant and equipment	4	-0.0	-0.2
Share of result in associated company	27	-0.2	-0.2
Income taxes	10	17.0	14.2
Other adjustments	22	-0.4	-0.7
Inventories, increase (-) / decrease (+)	13	0.2	3.0
Non-interest-bearing receivables, increase (-) / decrease (+)	12	-31.8	16.2
Non-interest-bearing liabilities, increase (+) / decrease (-)	14	20.9	-9.7
Changes in working capital		-10.7	9.5
Interests and other financial items received	9	2.2	1.7
Interests and other financial items paid	9	-3.7	-4.4
Income taxes paid	10	-15.8	-12.9
Cash flow from operating activities		78.9	83.8
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired	25	-20.9	-
Capital expenditure on intangible assets and property, plant and equipment*	16, 25	-84.8	-13.9
Proceeds from sale of intangible assets and property, plant and equipment	4	0.1	0.3
Cash flow from investing activities		-105.6	-13.7

EUR million	Note	Jan 1-Dec 31, 2024	Jan 1-Dec 31, 2023
Cash flow from financing activities			
Dividends paid	18	-27.2	-26.1
Purchase of treasury shares	18	-0.8	-2.1
Change in loan receivables		0.1	-0.3
Proceeds from borrowings	21	70.0	77.4
Repayment of borrowings	21	-15.0	-79.9
Principal payments of lease liabilities	17	-2.8	-3.1
Cash flow from financing activities		24.2	-34.1
Change in cash and cash equivalents, increase (+) / decrease (-)		-2.4	36.0
Cash and cash equivalents at the beginning of the financial year		90.3	55.5
Change in cash and cash equivalents		-2.4	36.0
Effect from changes in exchange rates		1.0	-1.2
Cash and cash equivalents at the end of the financial year	23	88.8	90.3

The notes are an essential part of the financial statements.

* Capital expenditure in intangible assets and property, plant and equipment related to business combinations (WeatherDesk business) in the financial year 2024 totaled to EUR 65.7 million.

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Consolidated statement of changes in equity

EUR million	Note	Share capital	Other reserves	Translation differences	Treasury shares	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total
Equity at Dec 31, 2022		7.7	3.5	4.1	-3.3	238.5	250.5	0.0	250.5
Change in share-based payments			-2.9			2.9			
Equity at Jan 1, 2023		7.7	0.6	4.1	-3.3	241.4	250.5	0.0	250.5
Result for the financial year	18					48.9	48.9		48.9
Other comprehensive income	18		-0.0	-3.3		0.0	-3.3		-3.3
Dividend distribution	18					-26.1	-26.1		-26.1
Purchase of treasury shares	18				-2.1		-2.1		-2.1
Share-based payments	7, 18				1.2	-1.2	-0.1		-0.1
Changes in non-controlling interests that did not result in changes in control						0.0	0.0	-0.0	
Equity at Dec 31, 2023		7.7	0.6	0.8	-4.2	263.0	267.9		267.9
Result for the financial year	18					63.7	63.7		63.7
Other comprehensive income	18			4.3		0.0	4.4		4.4
Dividend distribution	18					-27.2	-27.2		-27.2
Purchase of treasury shares	18				-0.8		-0.8		-0.8
Share-based payments	7, 18				0.8	-0.1	0.7		0.7
Transfers between items			0.1			-0.2	-0.1		-0.1
Equity at Dec 31, 2024		7.7	0.7	5.1	-4.1	299.2	308.6		308.6

Notes to the consolidated financial statements

Basic information

Vaisala is a global leader in weather, environmental, and industrial measurement. With over 85 years of experience, Vaisala provides measurement solutions and services for chosen weather-related and industrial markets.

The parent company, Vaisala Corporation, is a Finnish public limited company, domiciled in Vantaa, Finland. The registered address is Vanha Nurmijärventie 21, FI-01670 Vantaa, Finland (P.O. Box 26, FI-00421 Helsinki). The company's Business ID is 0124416-2.

These financial statements have been approved for publication by the Board of Directors of Vaisala Corporation on February 17, 2025. Under the Finnish Companies Act, shareholders have the right to approve, reject or make changes to the financial statements in the Annual General Meeting to be held after the publication. A copy of the consolidated financial statements is available on the company's website at vaisala.com/investors or at the parent company head office at the address Vanha Nurmijärventie 21, FI-01670 Vantaa, Finland (P.O. Box 26, FI-00421 Helsinki).

Accounting principles for the consolidated financial statements

The consolidated financial statements of Vaisala have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union, including International Accounting Standards (IAS) and the IFRIC and SIC Interpretations valid on December 31, 2024. In the Finnish Accounting Act and ordinances based on the provisions of the Act, IFRS Accounting Standards refer to the standards and their interpretations adopted in accordance with the procedures laid down in regulation (EC) No. 1606/2002 of the European Parliament and of the Council. The notes to the consolidated financial statements are also in accordance with the Finnish accounting and corporate law.

The consolidated financial statements are presented in millions of euros, if not otherwise stated. All presented figures have been rounded and consequently the sum of individual figures may deviate from the presented sum. Financial statements are based on original acquisition costs, if not otherwise stated in the accounting principles. In the text sections figures from previous years are presented in parenthesis. Calculation of key figures and alternative performance measures are presented in the Board of Directors' Report.

Consolidation principles

Subsidiaries

The consolidated financial statements include the parent company Vaisala Corporation and those subsidiaries in which the group has control. The group has control of an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries, acquired or founded during the financial period, are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method. The consideration transferred is the fair value of transferred assets, issued equity interests and liabilities incurred to former owners. Any contingent consideration is recognized at fair value at the acquisition date and classified as a liability or equity. Contingent considerations classified as a liability are measured at fair value on each reporting date with changes recognized in consolidated statement of income. Identifiable assets acquired as well as assumed liabilities and contingent liabilities are measured initially at their fair values on the date of acquisition without deducting non-controlling interest. The amount by which the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest exceeds the fair value of identifiable net assets is recognized as goodwill. If the consideration transferred is lower than the acquired net assets, the gain is recognized in the consolidated statement of income on the acquisition date. All acquisition-related costs, except for the costs to issue debt or equity securities, are expensed in the periods in which the costs are incurred and the services are received.

The group's intercompany transactions, unrealized margins on internal deliveries, receivables and liabilities as well as dividends are eliminated. Unrealized losses on internal transactions are also eliminated unless costs are not recoverable or the loss results from an impairment. The consolidated financial statements are prepared applying consistent accounting principles to similar transactions and other events under equal conditions.

Associated companies

The share of results of associated companies, i.e. companies of which Vaisala owns 20–50% or over which it otherwise has significant influence, are included in the consolidated financial statements applying the equity method. If Vaisala's share of an associated company's losses exceeds the carrying amount of the investment, the investment is recognized in the consolidated statement of financial position at zero value and further losses are not recognized unless the group has incurred obligations on behalf of the associated company. Unrealized gains on transactions between the group and its associated companies have been eliminated to the extent of the

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group's interest in the associated companies. The group's share of associated companies' results is presented in the consolidated statement of income as a separate item before 'financial income and expenses'. Investments in associated companies are initially recognized at cost and the carrying amount is increased or decreased by the share of post-acquisition results. Distribution of profit received from an investment reduces the carrying amount of the results.

Non-controlling interests

The non-controlling interests' share of the result and of the comprehensive income for the financial year are presented in the consolidated statement of income and in the consolidated statement of comprehensive income. The non-controlling interests' share of the equity is presented as a separate item in the consolidated statement of financial position.

Foreign currency translation

Items relating to the consolidated result and financial position are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements have been presented in euros, which is the parent company's functional and presentation currency.

Transactions in foreign currencies are recorded in the functional currency using the exchange rate on the date of transaction. Receivables and payables in foreign currency have been valued at the rates quoted by European Central Bank on the last trading date of the financial year. Exchange rate differences resulting from the settlement of monetary items or from the presentation of items in the financial statements at different exchange rates from which they were originally recognized during the financial period or presented in the previous financial statements, are recognized as financial income or expenses in the financial period in which they arise.

Statements of financial position of subsidiaries in other functional currency than euro have been translated into euros using the rates quoted by European Central Bank on the last trading date of the financial year. Translating statements of income monthly average exchange rates have been used. Translating net income for the financial year using different exchange rates in the consolidated statements of income and in the consolidated statement of financial position, results in a translation difference, which is recognized in other comprehensive income. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and the translation of the accumulated equity items after the acquisition are recognized in other comprehensive income. When a foreign subsidiary or associated company is disposed of or partly disposed of, the translation difference is recognized in the consolidated statement of income as part of the gain or loss on the sale.

Goodwill or fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities in the functional currency of the foreign entity and are translated at the rate of the last trading date of the financial year.

Key Exchange Rates

	Average rates		Period end rates	
	2024	2023	Dec 31, 2024	Dec 31, 2023
USD	1.0741	1.0797	1.0389	1.1050
CNY	7.5135	7.6429	7.5833	7.8509
JPY	151.65	151.87	163.06	156.33
GBP	0.8542	0.8703	0.8292	0.8691

Climate-related matters

Climate-related matters have been considered from the point of view of both opportunities and risks.

Climate change provides Vaisala with business opportunities. Vaisala's solutions help our customers to adapt to, mitigate and increase understanding of climate change.

Vaisala's products and services support climate change adaptation by enabling customers and societies to better prepare for changing weather conditions. Vaisala's products also contribute to climate change mitigation for example by enabling energy savings in customers' processes, increasing renewable energy production, and improving transportation sustainability.

In 2024, the Science Based Targets initiative (SBTi) approved Vaisala's near-term science-based emission reduction targets. Vaisala commits to reduce absolute scope 1 and 2 GHG emissions 52% by 2030 from a 2021 base year. Vaisala also commits to reduce scope 3 GHG emissions from purchased goods and services, upstream transportation, and distribution, business travel, employee commuting and use of sold products 52% per million EUR value added within the same timeframe.

Climate change has been assessed to increase the likelihood of risks related to natural disasters, epidemics, civil unrest and terrorism (hazard risks) and business continuity risks related to suppliers (operational risks).

Above mentioned have been taken into account in the preparation of the financial statements. Identified risks and targets do not have a material impact on the financial statement items requiring management judgment and estimates. Vaisala has not yet identified significant investment needs related to risks and targets of climate change.

New and amended IFRS Accounting standards that are effective for the year 2024

Vaisala has adopted the following new or revised IFRS Accounting standards from January 1, 2024.

Supplier finance arrangements – Amendments to IAS 7 and IFRS 7

In 2024, the group has adopted the amendments to standards. The amendments add disclosure requirements regarding supplier financing arrangements (SFAs). The objective of the new disclosures is to provide information about the arrangements that enable investors and other users of the financial statements to assess the effects of the arrangements on an entity's liabilities, cash flows and the exposure to liquidity risk. In 2024, the group did not have supplier finance arrangements and therefore the adoption of the amendments had no impact on the disclosures in these financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants

In 2024, the group has adopted the amendments to standard. According to IAS 1, to classify a liability as non-current, an entity must have the right to defer settlement of the liability for at least twelve months after the reporting period. The amendments clarify that:

- covenants of loan arrangements which an entity must comply with only after the reporting date do not affect the classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.
- the classification of financial liabilities as current or non-current is unaffected by management intention or expectations about whether an entity will exercise its right to defer settlement of a liability or settlement of the liability between the end of the reporting period and the date the financial statements are authorised for issue
- the settlement refers to a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of cash or other economic resources or the entity's own equity instruments
- terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument, recognising it separately from the liability as an equity component of a compound financial instrument.

The amendments introduce additional disclosure requirements on loans which contain covenants including:

- a) the carrying amount of the liability
- b) information about the covenants, and
- c) facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments had no impact on the amounts reported in these financial statements. In addition, Vaisala has fulfilled the disclosure requirements related to the amendments.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

In 2024, the group has adopted the amendments to standard. The narrow-scope amendments to requirements for sale and leaseback transactions in IFRS 16 explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains in the sale and leaseback transaction.

The amendments could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate. In 2024, the group did not have sale and leaseback transactions and therefore the adoption of the amendments had no impact on the amounts reported or the disclosures in these financial statements.

In addition, IFRIC has issued the following agenda decisions in 2024:

- Merger between a Parent and Its Subsidiary in Separate Financial Statements (IAS 27 Separate Financial Statements)
- Payments Contingent on Continued Employment during Handover Periods (IFRS 3 Business Combinations)
- Climate-related Commitments (IAS 37 Provisions, Contingent Liabilities and Contingent Assets)
- Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments)

Except for the agenda decision related to IFRS 8 Operating segments, agenda decisions had no impact on the amounts reported or the disclosures in these financial statements. As a result of IFRS 8 Operating segments related agenda decision, the note to the consolidated financial statements "Reportable segments" has been updated on the revenues and expenses disclosed on reportable segments. Comparative information has been updated accordingly.

Accounting principles requiring management judgment and the main uncertainty factors relating to estimates

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make estimates and judgment in the application of the accounting policies. The financial statements are based on estimates and assumptions concerning the future, the outcome of which may differ from the estimates and assumptions made. The estimates and judgments made are based on past experience and other factors, such as assumptions about future events that may reasonably be expected to occur in the circumstances. Estimates and assumptions are reviewed on a regular basis.

Estimates and judgment have been used in particular in the following areas for which significant accounting policies and accounting estimates and judgments have been described in the accompanying notes:

- Revenue recognition (note 3) (judgment and estimate)
- Income taxes (note 10) (judgment and estimate)
- Allowances for excess and obsolete inventory (note 13) (estimate)
- Fair value allocation of purchase price in business combinations (notes 16 and 25) (estimate)
- Impairment testing (note 16) (estimate)
- Leases (note 17) from lessee's perspective (judgment)

In addition, estimates, judgment and assumptions are related to the following areas:

- With regard to pension obligations (note 6) assumptions in actuarial calculations related to e.g. discount interest rate, inflation and development of salary and pension indexes (assumption)
- With regard to share-based payments (note 7) estimate related to e.g. profitability forecasts and attrition of participants benefiting from the share-based payment plans (estimate)
- With regard to warranty provision (note 15) estimate related to future costs (estimate)
- With regard to leases (note 17) from lessor's perspective estimate related to exercise of extension and termination option (estimate)
- With regard to credit loss allowance for trade receivables and contract assets (note 21) estimate related to expected credit loss risk for different groups of receivables (estimate)

Financial development

1. REPORTABLE SEGMENTS

§ Accounting principles

Vaisala has two operating and reportable segments, which are based on the type of business operations: Industrial Measurements business area and Weather and Environment business area. Operating segments have not been aggregated to build the reportable segments.

Operating segments are based on the management reports reviewed by Vaisala Leadership Team, which is the chief operating decision-maker. Vaisala Leadership Team is responsible for allocating resources and assessing performance of the operating segments. Vaisala Leadership Team assesses the performance of the operating segment based on the operating result. The reporting provided to Vaisala Leadership Team is prepared in consistency with the principles of IFRS Accounting Standards consolidated financial statements. Income and expenses related to discontinued businesses are not allocated to operating segments and are presented in Other operations. Transfer pricing between segments is based on arm's length principle.

Industrial Measurements business area serves a wide range of industrial customers. It offers a broad range of accurate and reliable measurement instruments, continuous monitoring systems, and services that help the customers optimize processes, improve efficiency, minimize energy consumption, and ensure the high quality of the end-products. Main markets are high-end humidity and carbon dioxide measurements, continuous monitoring systems, liquid measurements, and new markets.

Weather and Environment business area serves selected weather-dependent customers where accurate, real-time, uninterrupted, and reliable weather data is essential to run efficient operations. Main markets are meteorology, aviation, ground transportation and renewable energy.

Revenue recognition principles are presented in note 3, Revenue from contracts with customers and 17, Leases.

Reportable segments

2024 EUR million	Industrial Measurements	Weather and Environment	Other operations	Vaisala total
Product sales	199.4	197.9		397.3
Project sales		77.7		77.7
Service sales	27.1	21.4		48.5
Subscription sales		39.0		39.0
Lease income		2.2		2.2
Net sales	226.5	338.2		564.6
Performance obligations satisfied at a point in time	223.8	203.4		427.2
Performance obligations satisfied over time	2.7	132.5		135.2
Lease income recognized on a straight-line basis		2.2		2.2
Net sales	226.5	338.2		564.6
Gross margin, %	61.9	52.6		56.3
EBITA	48.9	41,3	0.1	90,3
% of net sales	21.6	12.2		16,0
Operating result	47.9	34.8	0.1	82.9
Share of result in associated company				0.2
Financial income and expenses				-2.4
Result before taxes				80.8
Income taxes				-17.0
Result for the financial year				63.7
Research and development costs	26.6	42.0		68.6
Amortization*	1.0	6.5		7.5

*1 Amortization and impairment of intangible assets related to the business combinations and income and expenses related to (non-operative) earn-outs of business combinations

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Reportable segments

2023 EUR million	Industrial Measurements	Weather and Environment	Other operations	Vaisala total
Product sales	207.4	190.3		397.7
Project sales		69.5		69.5
Service sales	19.9	19.0		38.9
Subscription sales		32.5		32.5
Lease income		1.8		1.8
Net sales	227.3	313.1		540.4
Performance obligations satisfied at a point in time	223.5	211.3		434.8
Performance obligations satisfied over time	3.8	100.2		104.0
Lease income recognized on a straight-line basis		1.7		1.7
Net sales	227.3	313.1		540.4
Gross margin, %	61.8	51.5		55.8
EBITA	46.8	27.5	0.3	74.7
% of net sales	20.6	8.8		13.8
Operating result	45.2	21.1	0.3	66.6
Share of result in associated company				0.2
Financial income and expenses				-3.7
Result before taxes				63.1
Income taxes				-14.2
Result for the financial year				48.9
Research and development costs	25.9	41.8		67.7
Amortization*	1.7	6.4		8.1

*¹⁾ Amortization and impairment of intangible assets related to the business combinations and income and expenses related to (non-operative) earn-outs of business combinations

2. GEOGRAPHICAL SEGMENTS

Vaisala's reportable segments operate in geographical areas which are Americas, APAC and EMEA. ¹⁾

Geographical segments

2024 EUR million	Net sales, by destination country ²⁾	Net sales, by location country ³⁾	Non-current assets ³⁾
Americas	198.0	186.1	100.6
of which United States	156.3	168.8	96.4
APAC	173.2	105.3	6.3
EMEA	193.5	525.1	174.9
of which Finland	10.0	400.5	166.4
Eliminations		-251.9	
Total	564.6	564.6	281.8

2023 EUR million	Net sales, by destination country ²⁾	Net sales, by location country ³⁾	Non-current assets ³⁾
Americas	200.4	179.8	36.0
of which United States	161.7	171.5	35.8
APAC	160.2	103.2	5.9
EMEA	179.8	468.0	131.5
of which Finland	9.1	358.8	119.7
Eliminations		-210.6	
Total	540.4	540.4	173.4

¹⁾ Americas: North and South America, APAC: Asia Pacific, EMEA: Europe, Middle East and Africa

²⁾ Sales to external customers have been presented as net sales by destination country

³⁾ Net sales and non-current assets have been presented according to the group's and associated companies' countries

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

🔗 Accounting principles

Vaisala's net sales consist of revenue recognized from contracts with customers and lease income. Net sales from contracts with customers are divided into products, projects, services and subscription sales. Indirect taxes and discounts have been deducted from sales revenue. Exchange rate differences are recognized in the financial income and expenses.

Product net sales include revenue from products, spare parts and system deliveries. A system delivery contains a standard product delivery with limited amount of configuration. Each distinct product delivery is a performance obligation under IFRS 15. Revenue from the sale of products is recognized at a point in time when the control is transferred to the customer.

Projects are integrated projects, in which observation solutions, consisting of products, services and software, are delivered. Solutions are integrated to customer systems according to customer specifications. One project consists of one or multiple performance obligations under IFRS 15. Revenue for all projects is recognized over time using percentage of completion method. Progress is measured by cost-to-cost method, comparing incurred costs and forecasted costs, as it best describes the satisfaction of a performance obligation by transferring the promised asset to a customer. Projects meet the over-time revenue recognition criteria mainly by creating an asset without an alternative use and Vaisala having an enforceable right to payment for performance completed to date.

Services are divided into service contracts and one-off service deliverables. Services include among others maintenance, calibration and repair, modernization and extended warranties. Service contracts are continuous services including for example extended warranty, availability of customer support and availability of spare part delivery. One service contract or one service deliverable is one performance obligation. Service contracts are recognized over time or at a point of time depending on the nature of the service and content of a contract. In case of one-off request services, the revenue is recognized at a point in time when the service has been rendered.

Subscription sales includes mainly data-based solutions supporting decisions in weather-dependent operations. One subscription sales contract is one performance obligation. Revenue is recognized over time.

Standard warranty period for products is one year and 2, 5 or 10 years for selected products. Standard warranty period for services is 6 or 12 months. Extended warranty is a separately sold and priced service over a separately agreed period. Revenue for extended warranty is recognized over time starting at the time of standard warranty expiration. Provision for warranty costs is recognized as described in Note 15, Provisions.

Accounting principles requiring management judgment and the main uncertainty factors relating to estimates

Revenue recognition over time under IFRS 15 requires management judgment related to cost throughout the project delivery. When the outcome of a project cannot be estimated reliably, project costs are recognized as

expenses in the same period when they arise and project revenues only to the extent of project costs incurred where it is probable that those costs will be recoverable. When it is probable that total costs necessary to complete the project will exceed total project revenue, the expected loss is recognized as an expense immediately.

Additionally, judgment is exercised in defining the timing of revenue recognition, estimating the probability of payments related to contracts with customers, defining performance obligations and combining contracts. Judgment related to all of these factors may have an impact on timing and/or amount of revenue recognized.

Disaggregation of revenue

Disaggregation of revenue is presented in Note 1, Reportable segments and Note 2, Geographical segments.

Payment terms

Payment terms vary based on geographical areas. In product, service and subscription sales business, the standard payment term is 30 days net, but in some areas prepayments are commonly used. Project invoicing is based on milestones and typically follows the general project delivery terms (where 30% is advance payment, 60% against delivery documents and 10% after site acceptance test) or terms as per contract. In project business the most common payment terms are letter of credit or as per contract.

Vaisala takes advantage of IFRS 15 practical expedient related to the significant financing component. In those cases, in which Vaisala expects, at contract inception, that the period between when Vaisala transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, Vaisala does not adjust the promised amount of consideration for the effects of a significant financing component. Additionally, financing component is considered only if significant prepayment is received over one year in advance before related delivery.

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers included in the statement of financial position.

Assets and liabilities related to contracts with customers

EUR million	Dec 31, 2024	Dec 31, 2023
Trade receivables	86.2	69.9
Contract assets	31.7	24.2
Contract liabilities	27.9	30.6

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Contract assets include the balance of project, service and subscription sales related revenue recognized but not yet invoiced.

Most of project revenue is recognized after the product manufacturing as percentage of completion increases and most of the performance obligation is satisfied. According to general project delivery terms, majority of project is invoiced before the delivery. Therefore, the amount of contract assets is typically at its highest between product manufacturing phase of the project and delivery of the product to the customer. For services and subscription sales, which are satisfied over time, the customer is mainly invoiced in advance and only in some cases in arrears after the customer has received or consumed the service. Arrears invoicing generates contract asset balance as revenue is recognized before invoicing.

Contract liabilities include the balance of projects, products, services and subscription sales invoiced but revenue not yet recognized as well as customer payments related to contracts not yet invoiced. Project-related contract liabilities often arise in the early stages of a project, when the prepayment has been invoiced, but the project is only at an early stage and there is none or little revenue recognized under percentage of completion method. Services and subscription sales, which are recognized over time, are often invoiced in advance and therefore contract liability is generated in the beginning of service period. For products and services, which are recognized at a point in time, contract liability is generated when customer has been invoiced, but performance obligation has not been satisfied and consequently revenue has not been recognized.

In 2024, Vaisala recognized EUR 15 (16) million revenue that was included in the contract liability balance at the beginning of the financial year.

At the end of financial year 2024, the order book was EUR 215.0 (172.5) million, of which the performance obligations that were unsatisfied or partially unsatisfied amounted to EUR 213.9 (171.9) million and the amount related to lease income was EUR 1.1 (0.6) million. Of the performance obligations that were unsatisfied or partially unsatisfied EUR 163.5 (127.1) million is estimated to be recognized as revenue in 2025 and EUR 50.4 (44.8) million is estimated to be recognized later. The whole order book related to lease agreements is estimated to be recognized as revenue in 2025.

4. OTHER OPERATING INCOME AND EXPENSES

Other operating income

EUR million	2024	2023
Indemnities	0.3	0.6
Gain on the disposal of tangible assets	0.0	0.2
Other	0.3	0.1
Total	0.6	0.9

Other operating expenses

EUR million	2024	2023
Loss on the disposal of tangible assets	0.0	-
Total	0.0	-
Other operating income and expenses, net	0.6	0.9

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5. PERSONNEL EXPENSES AND NUMBER OF EMPLOYEES

Personnel expenses

EUR million	2024	2023
Salaries	183.8	171.3
Share-based payments	2.5	3.4
Social costs	16.4	14.9
Pensions		
Defined benefit plans	0.2	0.3
Defined contribution plans	22.3	21.0
Total	225.3	210.9

Personnel expenses by function

EUR million	2024	2023
Procurement and production	65.5	60.2
Sales, marketing and administration	96.2	88.0
Research and development	63.6	62.6
Total	225.3	210.9

Employees, average by business area

Persons	2024	2023
Industrial Measurements	636	606
Weather and Environment	871	870
Other operations	862	851
Total	2,368	2,327

Employees, average by geographical area

Persons	2024	2023
Americas	367	364
APAC	178	171
EMEA (excluding Finland)	280	252
Finland	1 544	1 540
Total	2,368	2,327

Information on share-based payments is disclosed in Note 7, Share-based payments.
Information on key management compensation is disclosed in Note 28, Related party transactions.

6. PENSION OBLIGATIONS

💰 Accounting principles

The group has several pension plans around the world based on local practices. These pension schemes are classified either as defined contribution or as defined benefit plans. In defined contribution plans expenses are recognized in the statement of income on an accrual basis. TyEL pensions managed in insurance companies are defined contribution plans.

In defined benefit pension plans, liability to be recognized is the net amount of the present value of the defined benefit obligation in the end of the financial year and the fair value of the plan assets. The defined benefit obligation is calculated by actuaries independent of Vaisala and it is based on the projected unit credit method in which the estimated future cash flows are discounted to their present value using the interest rates approximating high quality corporate bonds. Pension costs are recognized in the statement of income on an accrual basis over years of service. Actuarial gains and losses are recognized in statement of comprehensive income.

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Defined benefit plans

The defined benefit plans are in the parent company. The additional pension coverage of parent company personnel was arranged by Vaisala Pension Fund that was closed on January 1, 1983. The pension fund liability was transferred to a pension insurance company on December 31, 2005 and the fund was dissolved in 2006. The company retains an obligation under IAS 19 for the future index increases in terms of individuals covered by the Pension Fund who have been previously employed by the company. On December 31, 2024, there were no individuals covered by the Pension Fund employed by the company.

Defined benefit pension liability

EUR million	2024	2023
Fair value of funded obligations	3.2	3.4
Fair value of assets	-2.7	-2.7
Net liability in the statement of financial position at Dec 31	0.5	0.8

Post-employment benefits totaled EUR 2.1 (2.3) million in the balance sheet as of December 31, 2024. The amount includes the defined benefit plan recognized in the parent company amounting to EUR 0.5 (0.8) million and pension obligations recognized in other group companies amounting to EUR 1.6 (1.5) million.

Amounts recognized in the statement of income and the statement of other comprehensive income

EUR million	2024	2023
Current service cost	-	-
Interest	0.0	0.0
Expense recognized in the statement of income	0.0	0.0
Net actuarial gain and loss	0.0	-0.0
Total recognized in the statement of income and the statement of other comprehensive income	0.0	0.0

The actuarial gains and losses in the above table are excluding the impact of deferred taxes. In the consolidated statement of comprehensive income, the actuarial gains and losses include the impact of deferred taxes.

Pension costs in the statement of income have been recognized in sales, marketing and administrative costs.

Present value of obligation

EUR million	2024	2023
Changes in the present value of obligation		
Present value of obligation Jan 1	3.4	3.9
Current service cost	-	-
Interest cost	0.1	0.1
Remeasurements		
Actuarial gain (-) / loss (+) arising from changes in financial assumptions	0.1	-0.2
Experience adjustment	-0.2	-0.1
Benefits paid	-0.3	-0.3
Present value of obligation Dec 31	3.2	3.4

Changes in the fair value of plan assets

EUR million	2024	2023
Fair value of plan assets Jan 1	2.7	2.9
Interest income on assets	0.1	0.1
Remeasurements		
Net return on plan assets	-0.1	-0.3
Benefits paid	-0.3	-0.3
Contributions	0.2	0.3
Fair value of plan assets Dec 31	2.7	2.7

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Changes of liabilities presented in the statement of financial position

EUR million	2024	2023
Liabilities Jan 1	0.8	1.0
Expense (+) / income (-) recognized in statement of income	0.0	0.0
Total recognized in other comprehensive income	-0.0	0.0
Contributions paid	-0.2	-0.3
Liabilities Dec 31	0.5	0.8

Actuarial assumptions used

	2024	2023
Discount rate, %	3.00	3.60
Rate of salary increase, %	-	3.25
Rate of inflation, %	1.90	2.29
Annual adjustments to pensions, %	2.14	2.53

Sensitivity of the net liability changes in the principal assumptions

Assumption	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	2.00% decrease	2.08% increase
Pension increase rate	0.25%	12.82% increase	12.56% decrease

Assumption	Increase by one year	Decrease by one year
Life expectancy at birth	4.89% increase	4.66% decrease

The sensitivity analyses presented above are based on the assumption that if one assumption changes, all other assumptions remain unchanged. In practice, this is unlikely, and changes in some assumptions may correlate with each other. The sensitivity of defined benefit obligation to changes in significant actuarial assumptions has been calculated using the same method as that used to calculate the pension liability recognized in the statement of financial position.

7. SHARE-BASED PAYMENTS

🏷 Accounting principles

Group's share-based payments are related to share-based incentive plans. The related payment is net amount in shares after taxes have been deducted from the amount paid in shares. Share-based incentive plan including a net settlement feature, is treated in its entirety as an equity-settled share-based payment transaction.

Equity-settled share-based payment transactions are measured at fair value at the grant date, and those are not remeasured. Fair value of the grant date is recognized as costs in the statement of income and as additions to equity during the vesting period.

Other than market conditions are not taken into account when estimating the fair value at the grant date. Instead, other than market conditions are taken into account by adjusting the expensed number of equity instruments that are expected to vest. In terms of other than market conditions, cost is measured corresponding to the value of share (Vaisala's series A) closing price on the grant of the share-based incentive plan less expected dividends. Satisfaction of these conditions are estimated at each reporting date and updated whenever changes occur. The effect of changes is recognized in the statement of income.

Market conditions are taken into account when estimating the fair value of the equity-settled share-based payment transaction at the grant date. Expense is recognized irrespective of whether that market condition is satisfied, if service condition and other than market conditions are satisfied. In terms of market conditions (total shareholder return, TSR) a model based the probability-weighted values (Monte Carlo simulation) is used to estimate the fair value at the grant date.

As of January 1, 2024, Vaisala has amended the accounting policy related to the share-based payments and recognizes equity related bookings in retained earnings instead of former policy recognizing those in other reserves. This voluntary change in accounting principle based on market practice is applied retrospectively and retained earnings and other reserves are adjusted for the earliest prior period presented. The change in accounting policy does not have impact on consolidated statement of income or total equity.

Table below presents December 31, 2022 and 2023 comparative figures after amendments described above.

EUR million	Dec 31, 2023	
	Earlier reported	Restated
Other reserves	2.3	0.6
Retained earnings	261.3	263.0

Share-based incentive plans

Share-based incentive plans are targeted to the Group key employees. The performance criteria of the performance share plans are based on the development of the total shareholder return (TSR) and the group's profitability during the three-year plan period. Matching share plan consists of matching periods as decided by the Boards of Directors and the participants are given an opportunity to receive matching shares for the predetermined personal investment in Vaisala's series A shares. Restricted share plan consists of vesting periods as decided by the Board of Directors and the participants are given an opportunity to receive a pre-determined number of restricted shares. The rewards are paid partly in Vaisala's series A shares and partly in cash. The cash portion covers taxes and tax-related costs arising from the reward to a key employee. No reward is paid if a key employee's employment or service ends before the reward payment date. Vaisala's Board of Directors requires that the President and CEO and each member of the Management Group retains his/her ownership of shares received under this plan until the value of his/her ownership in Vaisala corresponds to at least his/her annual gross base salary.

On February 12, 2020, the Board of Directors resolved for a performance share-based incentive plan 2020–2022. On March 3, 2023 the reward corresponding to 145,022 series A shares, 83% of the maximum, was paid to 43 key employees. Closing price of Vaisala's series A share was EUR 28.65 on the grant date of the incentive plan. On March 10, 2021, the reward corresponding to 5,529 series A shares was paid to former President and CEO, Kjell Forsén.

On December 17, 2020, the Board of Directors resolved for a performance share-based incentive plan 2021–2023. On March 1, 2024, the reward corresponding to 97 517 series A shares, 54% of the maximum, was paid to 43 key employees. Closing price of Vaisala's series A share was EUR 32.10 on the grant date of the incentive plan.

On March 1, 2024, the reward corresponding to 2 465 series A shares was paid related to performance share-based incentive plans 2022–2024 and 2023–2025.

On February 17, 2022, the Board of Directors resolved for three share-based incentive plans.

Performance share-based incentive plan was resolved for the period 2022–2024 for approximately 40 key employees. The reward will be paid in spring 2025. The maximum amount of this plan originally corresponded to 161,000 series A shares. The expenses of this plan are accrued from May 2022 to March 2025. Closing price of Vaisala's series A share was EUR 41.45 on the grant date of the incentive plan.

Matching share-based incentive plan was resolved for the period 2022–2026 and shares are earned in matching periods lasting for 12 to 36 months. Restricted share-based incentive plan was resolved for the period 2022–2026 and shares are earned in vesting periods lasting for 12 to 36 months. The maximum amount of matching and restricted share-based incentive plans originally corresponded to 100,000 series A shares. The expenses of the matching share plan are accrued from May 2022 to March 2025. The expenses of the restricted share plan are accrued to the vesting period. On August, 21, 2024, the reward corresponding to 1,000 series A shares and on June 3, 2024, the reward corresponding to 3,500 series A shares were paid to persons participating in the restricted share unit plan 2022–2026 under the terms and conditions of the plan.

On February 15, 2023, the Board of Directors resolved for a performance share-based incentive plan 2023–2025 for approximately 60 key employees. The reward will be paid in spring 2026. The maximum amount of this plan originally corresponded to 222,100 series A shares. The expenses of this plan are accrued from May 2023 to March 2026. Closing price of Vaisala's series A share was EUR 38.15 on the grant date of the incentive plan.

On February 13, 2024, the Board of Directors resolved for a performance share-based incentive plan 2024–2026 for approximately 65 key employees. The reward will be paid in spring 2027. The maximum amount of this plan originally corresponded to 295,000 series A shares. The expenses of this plan are accrued from May 2024 to March 2027. Closing price of Vaisala's series A share was EUR 35.00 on the grant date of the incentive plan.

In 2024, expenses related to share-based incentive plans totaled EUR 2.5 (3.4) million.

8. RESEARCH AND DEVELOPMENT EXPENDITURE

§ Accounting principles

Research and development expenditure is recognized as costs in the financial year in which they incur, except for machinery and equipment acquired for research and development purposes, which are capitalized and depreciated on a straight-line basis.

According to IAS 38 no intangible asset arising from research shall be recognized and if an entity cannot distinguish the research phase from the development phase of an internal project, the entity treats the expenditure as if it were incurred in research phase only. According to IAS 38, an intangible asset is recognized in the statement of financial position only when it is probable that the expected future economic benefits will flow to the entity.

Vaisala does not capitalize costs related to the development of new products as it is not possible to distinguish the research phase of an internal project that aims to create an asset from its development phase. In addition, there is significant uncertainty in the amount and timing of future returns from the new products before the products enter the market.

The statement of income includes research and development costs of EUR 68.6 (67.7) million in 2024.

9. FINANCIAL INCOME AND EXPENSES

§ Accounting principles

Exchange rate differences resulting from settlement of monetary items or from presentation of items in the financial statements at different exchange rates from which they were originally recognized during the financial period or presented in the previous financial statements, are recognized as financial income or expenses in the financial period in which they arise.

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All derivative financial contracts are initially recognized at cost and subsequently remeasured at their fair value. Derivative financial contracts are valued at their fair value using the market prices of derivative financial contracts at the closing date of the financial year. Unrealized and realized gains and losses arising from changes in the fair value are recognized in the statement of income in 'financial income and expenses' in the period in which they arise.

Interest income and expenses related to financial assets and liabilities at amortized cost are recognized over time. Principles related to interest expenses related to lease liabilities are presented in note 17, Leases.

Financial income

EUR million	2024	2023
Interest income	2.2	1.7
Other financial income	0.0	0.0
Gains arising from changes in fair values of derivative financial contracts	1.1	3.2
Foreign exchange gains	6.1	3.3
Total	9.4	8.2

Financial expenses

EUR million	2024	2023
Interest expenses	2.1	2.2
Interest expenses on lease liabilities	0.6	0.4
Other financial expenses	0.2	0.5
Losses arising from changes in fair values of derivative financial contracts	4.1	2.4
Foreign exchange losses	4.8	6.3
Total	11.8	11.9
Financial income and expenses, net	-2.4	-3.7

Foreign exchange gains and losses include gains and losses mainly from revaluation of cash and cash equivalents, trade and other receivables, internal loans as well as trade and other payables.

10. INCOME TAXES

📌 Accounting principles

The group tax expense includes taxes of group companies based on taxable profit for the financial year, tax adjustments for previous years and changes in deferred taxes. Taxes are recognized in the consolidated statement of income except when they are related with items recognized in other comprehensive income or directly in shareholder's equity. Current taxes are calculated on the taxable corporate income based on the tax rates enacted or substantively enacted for each jurisdiction by the end of the financial year. Taxes are adjusted for the taxes of previous financial periods, if applicable.

Deferred taxes are calculated for all temporary differences between the carrying amount of an asset or a liability and its tax base, and those are measured with enacted or substantively enacted tax rates for each jurisdiction by the end of the financial year. Main temporary differences arise from depreciation and amortization, accruals for share-based incentive plans and tax losses carried forward. Other temporary timing differences consist mainly of provisions and accruals of operating expenses. Deferred tax assets are recognized to the extent that it is probable that these can be utilized against future taxable profits.

Accounting principles requiring management judgment and the main uncertainty factors relating to estimates

Defining income taxes and deferred tax assets and liabilities as well as to what extent deferred tax assets may be recognized require management judgment. Group is subject to income taxation in several jurisdictions, in which interpretation of tax legislation may require management judgment and uncertainty may relate to the applied interpretations. Each uncertain tax treatment is considered separately or together depending on which approach predicts the uncertainty the best way. All these effects of uncertainties are reflected in the tax accounting when it is not probable that the tax authorities or appeal courts will accept treatments. Group follows all tax legislation in its operating countries and has limited tax exposure to transactions between group entities located in different jurisdictions.

Management assumptions and estimates are needed especially in recognizing deferred tax assets related to tax losses carried forward. Key assumptions relate to the facts that recoverability periods for tax losses carried forward will not change and enacted tax laws and rates remain unchanged in the near future. When an entity has a history of recent losses the deferred tax asset arising from unused tax losses is recognized only to the extent that there are sufficient taxable temporary differences or there is convincing evidence that sufficient future taxable profit will be generated. At each balance sheet date, the expected utilization of deferred tax assets related to unused tax losses are assessed while considering the likelihood of a) expected future taxable profits including availability of tax credits, b) identifiable causes to unused tax losses to be unlikely recurred c) available tax planning opportunities

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Income taxes

EUR million	2024	2023
Tax based on taxable income for the financial year	19.9	14.7
Taxes from previous financial years	0.2	-0.1
Change in deferred tax assets and liabilities	-3.2	-0.4
Total	17.0	14.2

Reconciliation statement between the statement of income tax item and taxes calculated at the tax rate of the group country of domicile

EUR million	2024	2023
Result before taxes	80.8	63.1
Taxes calculated at the Finnish tax rate	16.2	12.6
Effect of foreign subsidiaries' tax rates	1.8	2.2
Non-deductible expenses	1.1	1.0
Tax credits	-0.8	-0.6
Deductible expenses not included in the accounting profit	-1.0	-0.6
Adjustments for current tax of prior periods	0.2	-0.1
Other	-0.4	-0.2
Total	17.0	14.2
Effective tax rate	21.1%	22.5%

Vaisala has not any carry forward tax losses for which deferred tax assets have not been recognized as of December 31, 2024 and December 31, 2023.

Deferred taxes in the statement of financial position

EUR million	2024	2023
Deferred tax assets	12.7	7.8
Deferred tax liabilities	-5.2	-2.9
Total	7.4	4.9

Gross change in deferred taxes recognized in the statement of financial position

EUR million	2024	2023
Deferred taxes Jan 1	4.9	5.2
Items recognized in the statement of income	3.1	0.4
Effect of business combinations	-0.6	0.0
Translation differences	0.0	-0.2
Items recognized in the statement of comprehensive income	0.0	-0.5
Deferred taxes Dec 31	7.4	4.9

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Changes in deferred taxes during 2024

EUR million	Jan 1, 2024	Reclassification	Recognized in the statement of income	Translation differences	Recognized in the statement of comprehensive income	Effect of business combinations	Dec 31, 2024
Deferred tax assets							
Internal margin of inventories, intangible assets and property, plant and equipment	1.3	-	-0.3	-	-	-	0.9
Employee benefits and share-based payments	2.7	-	-0.3	0.0	0.0	-	2.4
Unused tax losses	1.5	-	-0.2	0.0	-	-	1.3
Timing difference of amortization on intangible assets and depreciation on property, plant and equipment	4.0	-0.3	4.8	0.0	-	3.3	11.9
Other temporary timing differences	2.5	0.0	0.3	0.0	-	-	2.8
Netted against deferred tax liabilities	-4.2	-	-2.4	-	-	-	-6.6
Total	7.8	-0.3	1.9	0.0	0.0	3.3	12.7
Deferred tax liabilities							
Timing difference of amortization on intangible assets and depreciation on property, plant and equipment	6.6	-0.3	1.1	0.0	-	3.9	11.4
Other	0.4	0.0	0.0	0.0	-	0.0	0.5
Netted against deferred tax assets	-4.2	-	-2.4	-	-	-	-6.6
Total	2.9	-0.3	-1.2	0.0	0.0	3.9	5.2
Deferred tax assets, net	4.9	0.0	3.1	0.0	0.0	-0.6	7.4

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Changes in deferred taxes during 2023

EUR million	Jan 1, 2023	Reclassification	Recognized in the statement of income	Translation differences	Recognized in the statement of comprehensive income	Dec 31, 2023
Deferred tax assets						
Internal margin of inventories, intangible assets and property, plant and equipment	1.7	-	-0.4	-0.1	-	1.3
Employee benefits and share-based payments	3.0	0.9	-0.8	0.1	-0.5	2.7
Unused tax losses	2.0	-	-0.5	0.0	-	1.5
Timing difference of amortization on intangible assets and depreciation on property, plant and equipment	2.7	0.9	0.4	0.0	-	4.0
Other temporary timing differences	4.4	-1.8	0.4	-0.4	-	2.5
Netted against deferred tax liabilities	-4.2	-	-	-	-	-4.2
Total	9.5	0.0	-0.9	-0.3	-0.5	7.8
Deferred tax liabilities						
Timing difference of amortization on intangible assets and depreciation on property, plant and equipment	8.2	-	1.5	0.0	-	6.6
Other	0.3	-	-0.2	0.0	-	0.4
Netted against deferred tax assets	-4.2	-	-	-	-	-4.2
Total	4.3	0.0	1.3	0.0	0.0	2.9
Deferred tax assets, net	5.2	0.0	0.4	-0.3	-0.5	4.9

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11. EARNINGS PER SHARE

📄 Accounting principles

Earnings per share is calculated by dividing the result for the period attributable to the parent company's shareholders by weighted average number of issued shares during the financial year. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding during the financial year with the diluted effect of potential shares from the share-based payments.

Earnings per share

	2024	2023
Result attributable to the shareholders of the parent company, EUR million	63.7	48.9
Weighted average number of shares outstanding, 1,000 pcs	36,285	36 259
Effect of share-based incentive plans, 1,000 pcs	124	120
Weighted average diluted number of shares, 1,000 pcs	36,408	36 379
Earnings per share, EUR	1.76	1.35
Diluted earnings per share, EUR	1.75	1.35

Net working capital

12. TRADE RECEIVABLES AND OTHER RECEIVABLES

Accounting principles related to trade receivables and other receivables are presented in Note 21, Financial assets and liabilities.

Trade receivables and other receivables

EUR million	2024	2023
Trade receivables*	86.7	70.2
Bank acceptance drafts	4.5	
Advances paid	1.3	1.0
Value-added tax receivables	6.9	4.0
Other receivables**	2.4	2.1
Derivative financial contracts	0.1	0.4
Other prepaid expenses and accrued income**	9.0	7.8
Total	111.0	85.5

*1 In 2024, trade receivables included EUR 0.5 (0.3) million lease receivables.

**1 Other receivables and other prepaid expenses and accrued income include mainly grant related receivables as well as purchases and expenses related accruals

The fair value of trade and other receivables is, in all material respects, equivalent to their carrying amounts.

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Expected credit losses of trade receivables, Dec 31, 2024

EUR million	Trade receivables, gross amount	Credit loss allowance	Trade receivables, net amount
Current	63.4	0.2	63.2
Due less than 90 days	16.8	0.1	16.7
Due 91-180 days	1.5	0.3	1.1
Due over 180 days *	-0.2	0.4	-0.6
Credit loss allowance other than those based on age analysis	7.4	1.1	6.3
Total	88.8	2.1	86.7

Expected credit losses of trade receivables, Dec 31, 2023

EUR million	Trade receivables, gross amount	Credit loss allowance	Trade receivables, net amount
Current	49.8	0.2	49.6
Due less than 90 days	18.4	0.1	18.4
Due 91-180 days	1.0	0.1	0.8
Due over 180 days *	1.1	0.4	0.7
Credit loss allowance other than those based on age analysis	1.1	0.4	0.7
Total	71.3	1.2	70.2

*1 Due over 180 days contains unallocated payments and credit notes, which have not been included in calculation of the credit loss allowance.

Reconciliation of credit loss allowance of trade receivables

EUR million	2024	2023
Opening balance for credit loss allowance on Jan 1	1.2	2.0
Change in credit loss allowance recognized in profit or loss during the financial year, net	1.1	0.2
Receivables recognized as final credit losses during the financial year due to uncollectability	-0.2	-1.0
Exchange rate differences	0.0	0.0
Total	2.1	1.2

Credit losses and related reversals arising from trade receivables recognized for the financial year amounted to EUR -1.1 (-0.2) million.

Trade receivables by currency

EUR million	2024	2023
EUR	32.9	31.3
USD	27.5	21.7
GBP	5.3	3.5
JPY	5.4	6.0
AUD	0.6	0.9
CNY	3.9	3.4
CAD	2.6	3.0
KWD	8.3	0.0
Others	0.3	0.4
Total	86.7	70.2

13. INVENTORIES

§ Accounting principles

Inventories are stated at the lower of costs incurred on procurement and conversion on standard cost basis (cost) or net realizable value. Inventory cost includes the cost of purchase (including mainly raw materials, import duties and transport), direct labor and a proportion of production overhead. An allowance is recognized for excess inventory and obsolescence.

Accounting principles requiring management judgment and the main uncertainty factors relating to estimates
Allowance for inventory is recognized for possible excess, obsolescence and decrease in net realizable value below inventory cost. Estimates and judgment are required in determining the value of the allowance for excess and obsolete inventory. Management analyses estimates of demand and determines allowance for excess and obsolete inventory. Possible changes in the assumptions may cause revaluation of inventory valuation in the future periods.

Inventories

EUR million	2024	2023
Materials, supplies and finished goods	57.8	58.8
Total	57.8	58.8

The cost of inventories recognized in the statement of income as an expense corresponding to net sales was EUR 125.1 (151.6) million.
Write-offs and excess and obsolescence allowances for slow moving and obsolete inventory recognized during the financial year amounted to EUR 1.9 (1.1) million.

14. TRADE PAYABLES AND OTHER LIABILITIES

§ Accounting principles

Due to the short maturity of trade payables and other liabilities the carrying amount is considered to be the fair value. Trade and other payables are classified as current liabilities if they are due within 12 months from the balance sheet date or are to be settled within the normal operating business cycle. Accounting principles for derivative financial contracts are presented in note 21, Financial assets and liabilities.

Trade payables and other liabilities

EUR million	2024	2023
Trade payables	26.9	13.8
Personnel cost accruals	48.2	39.4
Derivative financial contracts	1.5	0.4
Other accrued expenses and deferred income*	11.7	7.6
Other current liabilities*	7.4	5.4
Total	95.7	66.5

*1) Other current liabilities and other accrued expenses and deferred income include mainly personnel expenses related liabilities, value added tax liabilities, accrued interests as well as purchases and expenses related accruals.

Trade payables arise from ordinary course of business, and they relate to purchases of inventories, intangible and tangible assets and other goods and services. Personnel cost accruals are mainly related to bonuses and unused vacations.

15. PROVISIONS

§ Accounting principles

A provision is recognized when group has a legal or constructive obligation as a result of a prior event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of reporting period. If the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount factor used in calculating the present value is selected so that it reflects the market view of the time value of money and the risks related to the obligations at the time of examination.
Where some or all of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.
The amount of provisions is reviewed at end of each reporting period and the amount is adjusted to reflect the current best estimate. A provision is reversed when the probability of financial settlement has been removed. A change in provision is recognized in the same item of the statement of income in which the provision was originally recognized.
Provisions can relate to restructuring of operations, loss-making contracts, warranties, legal disputes and other commitments.

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A restructuring provision is recognized when a detailed and appropriate plan for restructuring has been prepared and the company has started to implement the plan or has announced it to those affected by it. Restructuring provisions include mainly lease termination penalties and redundancy payments.

A provision for a loss-making contract is recognized when unavoidable costs of meeting the obligation exceed the economic benefits expected to be received from the contract.

A warranty provision covers the cost of repairing or replacing the products. The warranty provision is based on past experience and an estimate of future costs.

Non-current provisions

EUR million	2024	2023
Provisions Jan 1	0.4	0.3
Increase in provisions	0.3	0.1
Used provisions	-0.1	-
Provisions Dec 31	0.6	0.4

Current provisions

EUR million	2024	2023
Provisions Jan 1	2.5	2.7
Increase in provisions	0.3	0.1
Used provisions	-0.2	-0.2
Provisions Dec 31	2.7	2.5

In 2024 and 2023 provisions related to warranties and other contractual commitments.

Intangible and tangible assets

16. INTANGIBLE AND TANGIBLE ASSETS

Accounting principles

Goodwill

Goodwill represents the excess of the consideration transferred of an acquisition over the fair value of the group's share of the net assets of the acquired entity at the date of acquisition. Goodwill is calculated in the currency of the operating environment of the acquired entity. If the consideration transferred is lower than the net asset value of the acquired entity, the difference is recognized in the statement of income. Goodwill is not amortized but tested annually for possible impairment and whenever there is an indication that the value may be impaired. For this purpose, goodwill has been allocated to cash-generating units. Vaisala's total goodwill is allocated to the cash-generating unit formed by the Weather and Environment business area. Goodwill is valued at acquisition cost less impairment losses. Impairment losses are recognized in the statement of income.

Technology-based, marketing-related and customer-related intangible assets

Intangible assets identified in connection with business combinations are measured at the fair value at the acquisition date. In business combinations consideration transferred has been allocated to technology-based, marketing-related and customer related intangible assets. Initial measurement of technology-based, marketing-related and customer related intangible assets has been prepared by applying income and cost approach method. Intangible assets identified in connection with acquisitions are amortized over their delivery times or estimated useful lifetimes. Marketing-related intangible assets include mainly trademarks identified in connection with business combinations.

Other intangible assets

Other intangible assets include mainly patents, trademarks and licenses. Other intangible assets are recognized initially at acquisition cost and amortized using the straight-line method over their useful lifetime. Intangible assets that have an indefinite useful lifetime are not amortized, but are tested annually for impairment. The carrying amount of these intangible assets is not material.

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Estimated useful lifetimes for intangible assets are:

Technology-based intangible assets	5–10 years
Marketing-related intangible assets	3–10 years
Customer-related intangible assets	3–20 years
Intangible rights	3–20 years
Software licenses	3–5 years
Other intangible assets	3–5 years

Property, plant and equipment

Property, plant and equipment comprise mainly land and buildings as well as machinery and equipment. The carrying amount of assets is based on original acquisition cost less accumulated depreciation as well as possible impairment losses. The cost of self-constructed assets includes materials and direct labor as well as a proportion of overhead costs attributable to construction labor. If a tangible asset consists of several parts which have different useful lifetimes, these parts are treated as separate assets. Accordingly, expenses relating to the renewal of a part are capitalized and the remaining part is recognized as an expense. Otherwise, expenditures that incur later are included in the carrying amount of the tangible assets only if it is probable that the future economic benefit connected with the asset is for the benefit of group and that the acquisition cost can be reliably determined. Other repair and maintenance expenses are recognized in the statement of income when realized.

Depreciation is calculated using the straight-line method and is based on the estimated useful lifetime of the asset. Land is not depreciated. Estimated useful lifetimes for assets are:

Buildings and structures	5–40 years
Machinery and equipment	3–10 years
Other tangible assets	3–8 years

The residual values, depreciation methods and useful lifetimes of the assets are reviewed, and adjusted if necessary, in connection with each financial statement to reflect changes in the expectations of future economic benefit. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset and are included in the operating result.

Public grants received for investments are recognized as a reduction in the carrying amounts of tangible assets. Thus, grants are recognized in the form of lower depreciation over the useful lifetime of the asset.

Impairment

In the end of each reporting period, the group reviews assets for any indication of impairment. The need for impairment is reviewed at cash-generating unit level, i.e. at the lowest level of units which is mainly independent of other units and whose cash flows are separate and highly independent from the cash flows of other corresponding units. If there is an indication of impairment, the recoverable amount of the asset is assessed. Additionally, the recoverable amount is assessed annually for the following assets irrespective of whether there is indication of impairment: goodwill, intangible assets which have an indefinite useful lifetime, as well as incomplete intangible assets.

The recoverable amount is the higher of the asset's fair value less the cost arising from disposal and its value in use. In determining value in use, the estimated future cash flows are discounted to their present value using discount rates that reflect the average pre-tax cost of capital for the respective country and industry (WACC = weighted average cost of capital). The special risks associated with these assets are also taken into account in the discount rates. For an individual asset that does not independently generate future cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized as an expense when the carrying amount of the asset is greater than its recoverable amount. An impairment loss is reversed if there has been a change in the circumstances that led to the estimates and the recoverable amount of the asset has changed since the impairment loss was recognized. An impairment loss is not reversed more than the carrying amount of the asset (less depreciation) without an impairment loss recognized. Impairment losses recognized for goodwill are not reversed under any circumstances.

Accounting principles requiring management judgment and the main uncertainty factors relating to estimates

In business combinations, IFRS 3 requires the acquirer to recognize an intangible asset separately from goodwill, if the recognition criteria are met. Recognition of an intangible asset at fair value requires management estimates of future cash flows. To the extent possible, management has used available market values as the basis for allocating costs to determine fair values. When this is not possible, which is typical especially for intangible assets, valuation is mainly based on the expectations on returns of the asset and its intended use in the business. Valuations are based on discounted cash flows and require management's estimates and assumptions about the future use of the assets and their effect on the financial position of the company. Changes in the focus and direction of the company's business operations may, in the future, result in changes in the original valuation. Group tests goodwill annually for impairment and assesses indications of impairment of property, plant and equipment and intangible assets as described above. The recoverable amounts of cash-generating units are determined using value in use calculations. Although management believes that the assumptions used are appropriate, the estimated recoverable amounts might differ materially from those realized in the future.

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Intangible assets

EUR million	Goodwill	Marketing-related intangible assets	Technology-based intangible assets	Customer-related intangible assets	Other intangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan 1, 2024	45.9		42.2	16.8	27.8	0.4	133.0
Translation difference	1.7		0.2	0.2	0.6	0.0	2.7
Increases					0.2	0.2	0.4
Business combinations	52.1	2.6	23.2	16.6			94.5
Decreases					-14.7		-14.7
Transfers between items					0.2	-0.2	0.0
Acquisition cost Dec 31, 2024	99.7	2.6	65.6	33.6	14.0	0.4	215.9
Accumulated amortization and impairment Jan 1, 2024			29.5	14.3	26.8		70.6
Translation difference			0.1	0.0	0.5		0.6
Accumulated amortization of decreases and transfers					-14.7		-14.7
Amortization for the financial year		0.0	6.3	0.7	0.5		7.6
Impairment for the financial year							0.0
Accumulated amortization and impairment Dec 31, 2024		0.0	35.9	15.1	13.0		64.0
Carrying amount Dec 31, 2024	99.7	2.6	29.7	18.6	1.0	0.4	151.9

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Intangible assets

EUR million	Goodwill	Technology-based intangible assets	Customer-related intangible assets	Other intangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan 1, 2023	46.6	42.3	16.8	28.2	0.4	134.2
Translation difference	-0.7	-0.2		-0.3	0.0	-1.2
Increases		0.2		0.3	0.2	0.7
Decreases		-0.1		-0.6		-0.6
Transfers between items				0.1	-0.1	-0.0
Acquisition cost Dec 31, 2023	45.9	42.2	16.8	27.8	0.4	133.0
Accumulated amortization and impairment Jan 1, 2023		23.6	12.3	27.1		62.9
Translation difference		-0.0		-0.2		-0.3
Accumulated amortization of decreases and transfers		-0.1		-0.6		-0.6
Amortization for the financial year		6.1	2.0	0.5		8.6
Impairment for the financial year		-0.0		0.0		0.0
Accumulated amortization and impairment Dec 31, 2023		29.5	14.3	26.8		70.6
Carrying amount Dec 31, 2023	45.9	12.7	2.5	1.0	0.4	62.5

Impairment testing

Vaisala assesses the value of goodwill, intangible assets which have an indefinite useful lifetime, as well as incomplete intangible assets for impairment annually and whenever there is an indication that the unit may be impaired. The recoverable amount of the cash-generating unit is based on value in use calculations and cash flows are based on three year forecasts approved by Vaisala management. Vaisala's total goodwill is allocated to the cash-generating unit formed by Weather and Environment business area.

In Weather and Environment business area cash-generating unit the recoverable amount exceeds the carrying amount by EUR 322 (161) million. Weather and Environment business area sales are expected to grow annually on average 7 (6)% next three years. Terminal growth rate is 2 (2)% and Weighted Average Cost of Capital is 10.0 (12.2)%. Key assumptions in impairment testing are net sales, profitability and discount rate. Vaisala's management has estimated it to be unlikely that any expected change in key assumptions would lead to carrying amount of the cash-generating unit exceeding the recoverable amount.

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Property, plant and equipment

EUR million	Land and waters	Buildings and structures	Machinery and equipment	Leased assets	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan 1, 2024	4.7	101.4	90.6	2.0	0.1	7.5	206.3
Translation difference	0.1	1.7	0.8	0.0		0.0	2.6
Increases		3.6	3.4	1.4		14.6	22.9
Business combinations			0.2				0.2
Decreases		-1.2	-1.5			-0.1	-2.8
Transfers between items		4.6	4.7	0.0	-0.1	-9.2	0.0
Acquisition cost Dec 31, 2024	4.8	110.1	98.2	3.4	0.0	12.7	229.3
Accumulated depreciation and impairment Jan 1, 2024		52.0	58.8	0.5			111.4
Translation difference		0.5	0.7	0.0			1.1
Accumulated depreciation of decreases and transfers		-1.2	-1.4				-2.6
Depreciation for the financial year		4.4	8.4	0.5			13.4
Impairment for the financial year				0.4			0.4
Transfers between items			0.0	0.0			0.0
Accumulated depreciation and impairment Dec 31, 2024		55.8	66.5	1.4			123.7
Carrying amount Dec 31, 2024	4.8	54.4	31.7	2.0	0.0	12.7	105.6

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Property, plant and equipment

EUR million	Land and waters	Buildings and structures	Machinery and equipment	Leased assets	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan 1, 2023	4.8	99.2	85.0	2.0	0.1	8.7	199.7
Translation difference	-0.1	-0.8	-0.7			-0.0	-1.5
Increases		2.0	6.3	0.4		4.5	13.2
Decreases		0.8	-5.2	-0.3			-4.8
Transfers between items		0.3	5.2			-5.7	-0.2
Acquisition cost Dec 31, 2023	4.7	101.4	90.6	2.0	0.1	7.5	206.3
Accumulated depreciation and impairment Jan 1, 2023		47.2	56.4	0.1			103.7
Translation difference		-0.3	-0.6	0.0			-0.9
Accumulated depreciation of decreases and transfers		0.8	-5.1	0.0			-4.4
Depreciation for the financial year		4.3	8.1				12.5
Impairment for the financial year		0.0	0.1	0.3			0.4
Accumulated depreciation and impairment Dec 31, 2023		52.0	58.8	0.5			111.4
Carrying amount Dec 31, 2023	4.7	49.4	31.7	1.6	0.1	7.5	95.0

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Depreciation, amortization and impairment by function

EUR million	2024	2023
Procurement and production	6.1	5.0
Sales, marketing and administration	13.7	15.0
Research and development	1.4	1.5
Total	21.3	21.5

Depreciation, amortization and impairment by asset group 2024

EUR million	Depreciation and amortization	Impairment	Total
Technology-based intangible assets	6.3		6.3
Customer-related intangible assets	0.7		0.7
Other intangible assets	0.5		0.5
Buildings and structures	4.4		4.4
Machinery and equipment	8.4		8.4
Leased assets	0.5	0.4	0.9
Total	20.9	0.4	21.3

Depreciation, amortization and impairment by asset group 2023

EUR million	Depreciation and amortization	Impairment	Total
Technology-based intangible assets	6.1		6.1
Customer-related intangible assets	2.0		2.0
Other intangible assets	0.5	0.0	0.5
Buildings and structures	4.3	0.0	4.4
Machinery and equipment	8.1	0.1	8.2
Leased assets		0.3	0.3
Total	21.0	0.4	21.5

17. LEASES

Leases as lessee

§ Accounting principles

Vaisala acts as a lessee and its lease contracts consist mainly of offices, other premises, land area, apartments and cars.

Majority of Vaisala's lease contracts are fixed-term arrangements without one-sided extension or termination options and thus the lease term is defined based on the duration of the contract. If an arrangement includes extension, termination or purchase option management estimates the probable lease term for each arrangement based on an understanding of the business needs.

A contract may include both a lease component and other components (such as a service fee), for which the contract consideration is allocated on the basis of relative separate prices. Other components are excluded from IFRS 16 calculation, except for service fees for car leases, which are included in the lease component.

For leases, right-of-use asset and corresponding lease liability are recognized in the statement of financial position.

The cost of initial measurement of the right-of-use asset comprises the following items:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received (such as rent-free period);
- any initial direct costs incurred by the lessee; and
- the potential costs of restoring the underlying asset

Right-of-use assets are tested for impairment as described in Note 16, Intangible and tangible assets.

Subsequently right-of-use asset is measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of the future lease payments discounted by incremental borrowing rate. Incremental borrowing rate is the rate of interest that Vaisala would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Subsequently, in valuation of lease liability effective interest rate method is applied, according to which lease liability is recognized at amortized cost and interest expense is accrued over the lease term.

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Lease liabilities include the net fair value of the following payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Leases based on extension options that are reasonably certain to be exercised are also included in the liability. Subsequently, the amount of lease liability is affected by, among other things, the interest accrued by the lease liability, the leases paid, the index increases in leases and the effects of changes in contract. Depreciation and impairments of right-of-use assets, interest on lease liabilities and items arising from contractual changes are recognized in the consolidated statement of income.

Accounting principles requiring management judgment and the main uncertainty factors relating to estimates

The application of IFRS 16 in the situations, in which Vaisala acts as a lessee, requires management to consider the duration of the lease term if there is an option for extension, termination or purchase. When evaluating the likelihood of the option being exercised and, therefore, the duration of the lease term, management takes into account all known facts and circumstances that create a financial incentive to exercise, or not to exercise, the option on a contractual basis.

Management’s estimates of the business needs and hence the likelihood of the exercise of various options are based on known short- and long-term strategies and action plans and on the possible reorganization plans and investment decisions based on them. When evaluating the likelihood of the exercise of options, the decision is also influenced by, among other things, the purpose of the use of the premises and the extent of the investments made.

Amounts recognized in the statement of financial position related to leases

Carrying amounts of right-of-use assets

EUR million	2024	2023
Land and waters	1.3	1.3
Buildings and structures	19.5	11.4
Machinery and equipment	0.7	0.5
Total	21.4	13.1

Additions to the right-of-use assets during the financial year 2024 were EUR 11.5 (4.5) million.

Interest-bearing lease liabilities

EUR million	2024	2023
Non-current	21.4	9.3
Current	3.1	2.8
Total	24.5	12.1

Maturity of lease liabilities is presented in note 21, Financial assets and liabilities. Cash outflow for lease contracts not commenced on December 31, 2024 are presented in note 24. Contingent liabilities and pledges given.

Amounts recognized in the statement of income related to leases

Depreciation of right-of-use assets

EUR million	2024	2023
Buildings and structures	2.9	2.7
Machinery and equipment	0.4	0.3
Total	3.3	3.1

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Write-downs of right-of-use assets

EUR million	2024	2023
Buildings and structures	0.2	0.0
Total	0.2	0.0

Other items recognized in the statement of income

EUR million	2024	2023
Interest expense on lease liabilities	0.6	0.4

The total cash outflow for leases in 2024 was EUR 2.8 (3.5) million.

Leases as lessor

§ Accounting principles

In Vaisala, all lease agreements, in which Vaisala acts as a lessor, are classified as operating leases as the risks and rewards incidental to ownership of the underlying assets are not substantially transferred to the lessee. The lease payments are recognized on straight-line basis as lease income. Lease income is presented as part of net sales. Vaisala recognizes costs incurred in earning the lease income as an expense in the cost of goods sold.

The lease term is determined as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Leased assets are included in property plant and equipment. The estimated useful lifetime of the assets is three years.

Vaisala as lessor

Vaisala leases wind lidars for wind measurements. The lease terms are usually short-term, but maximum two years.

Lease income recognized in financial year 2024 was EUR 2.2 (1.8) million.

At the end of the financial year 2024 the undiscounted lease payments to be received were EUR 1.4 (0.7) million and will be received during the financial year 2025.

Capital structure

18. SHAREHOLDERS' EQUITY

§ Accounting principles

The group's equity consists of share capital, reserve fund, fund of invested non-restricted equity, translation differences and retained earnings.

Shares issued by the parent company are presented as share capital. Expenses related to the share issues or acquisition of own shares are presented as a reduction of equity. If the company acquires back its own shares, the consideration paid including direct costs is deducted from the equity.

The Board of Directors' proposal for dividend distribution is not recognized in the financial statements. The dividends are recognized only after the Annual General Meetings' approval.

Shares and share capital

Vaisala Corporation has 36,436,728 shares, of which 3,626,853 are series K shares and 32,809,875 series A shares. The shares do not have nominal value. Series A shares are listed on the Nasdaq Helsinki Ltd. The series K shares and A shares are differentiated by the fact that each series K share entitles its owner to twenty (20) votes at General Meeting of Shareholders while each series A share entitles its owner to one (1) vote. The shares have the same rights to dividend.

Series K shares can be converted to series A shares according to specific rules stated in the Articles of Association. Vaisala Corporation's Board of Directors decided in its meeting on May 2, 2024, that 3,089,416 Series K shares will be converted into series A shares. This conversion was registered into the Trade Register on May 10, 2024. Vaisala Corporation's Board of Directors decided in its meeting on October 23, 2024, that 14,823 series K shares will be converted into series A shares. This conversion was registered into the Trade Register on November 1, 2024.

On December 31, 2024 and 2023, the fully paid and registered share capital of Vaisala Corporation amounted to EUR 7,660,807.86.

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Share capital and reserves

EUR million	Number of shares 1,000	Share capital	Other reserves	Treasury shares	Total
Dec 31, 2022	36,228	7.7	3.5	-3.3	7.9
Transfer of share-based payments to retained earnings			-2.9		-2.9
Share-based payments	73			1.2	1.2
Purchase of treasury shares	-50			-2.1	-2.1
Translation differences			0.0		0.0
Dec 31, 2023	36,251	7.7	0.6	-4.2	4.1
Share-based payments	52			0.8	0.8
Purchase of treasury shares	-19			-0.8	-0.8
Transfers between items			0.1		0.1
Dec 31, 2024	36,285	7.7	0.7	-4.1	4.2
Own shares held by the company	152				
Total	36,437				

Other reserves

Other reserves consist of reserve fund and invested non-restricted equity. Share-based payments are also recognized in other reserves. The reserve fund, EUR 0.6 (0.5) million, includes items based on local rules of subsidiaries. Eligibility of the reserve fund is subject to restrictions based on local regulations.

Invested non-restricted equity includes funds transferred from the share premium fund. On December 31, 2024 the amount of other reserves totaled EUR 0.1 (0.1) million.

Own shares

Own shares (treasury shares) include the acquisition cost of own shares held by the group and are presented as a deduction from retained earnings.

	Number of shares	Purchase price EUR million
Treasury shares Dec 31, 2022	208,487	3.3
Distribution of treasury shares to key employees	-73,011	-1.2
Purchase of treasury shares	50,000	2.1
Treasury shares Dec 31, 2023	185,476	4.2
Distribution of treasury shares to key employees	-52,182	-0.8
Purchase of treasury shares	18,855	0.8
Treasury shares Dec 31, 2024	152,149	4.1

In 2024, Vaisala purchased treasury shares totaling 18,855 shares. The purchase price was EUR 0.8 million. On December 31, 2024 the company held 152,149 (185,476) series A shares representing 0.4% (0.5) of the total number of shares and 0.1% (0.1) of the voting rights. The consideration paid for the shares held by the company was EUR 4.1 million.

Treasury shares can be used as consideration in possible acquisitions or in other business-related arrangements, to finance investments, as part of the company's incentive program, or be retained, conveyed, or cancelled by the company.

Translation differences

Translation differences include the translation differences arising from the elimination of the acquisition cost of non-euro area group companies and from post-acquisition equity items, and the translation differences arising from translation of profit or loss for the period. The group has not hedged any equity denominated in foreign currency.

The result for the financial year is recognized in retained earnings.

Dividend

For the financial year 2023 a dividend of EUR 0.75 per share was paid, totaling EUR 27.2 million.

The Board of Directors proposes to the Annual General Meeting to be held on March 25, 2025 that a dividend of EUR 0.85 per share be paid for the financial year 2024, representing a total dividend of EUR 30.8 million. The proposed dividend has not been recognized as a dividend liability in these financial statements.

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19. FINANCIAL RISK MANAGEMENT

Vaisala is exposed to a number of financial risks in its operations of which key ones are currency risk, interest rate risk, refinancing and liquidity risks as well as financial counterparty risk and trade receivables credit risks. Vaisala's objective is to limit the impact of these risks on statement of income, statement of financial position and cash flow statement. The management of financial risks is based on the treasury and credit policies approved by the Board of Directors.

Currency risk

Currency risk refers to the uncertainty in statement of income, statement of financial position and cash flow statement arising from exchange rate fluctuations. Vaisala's business is global and is exposed to transaction and translation risks in multiple currencies. The transaction risk is related to the currency flows of sales and expenses. The translation risk arises from net investments in entities outside the euro area.

Vaisala's sales are denominated in various currencies. In 2024, 47% of the group's sales was in EUR, 31% in USD, 9% in CNY, 5% in JPY and 4% in GBP. Expenses and purchases occur mostly in EUR and USD. The group's policy is to hedge foreign currency positions which consists of the order book, purchase commitments, net receivables, cash and cash equivalents and intercompany loans. Vaisala does not hedge forecasted cash flows that are not in the order book. Vaisala does not apply hedge accounting in accordance with IFRS Accounting Standards and changes in fair value are recognized in the statement of income. Accounting principles and content related to derivative financial contracts are presented in the note 21. Financial assets and liabilities.

Intercompany loans and deposits are mainly initiated in subsidiaries' local currencies. Vaisala does not hedge equities of subsidiaries. Translation of subsidiaries' equities into euros caused translation difference of EUR 4.3 (-3.3) million. The most significant translation risk exposures are in USD.

The IFRS 7 currency risk sensitivity analysis is based on the group companies' foreign currency receivables, cash and cash equivalents and liabilities. The calculation does not include internal loans, order book or forecasted cash flows, but includes foreign exchange forward contracts in their nominal value. The effect of a 10% appreciation in all open net currency positions on Vaisala's result after taxes and equity would have been EUR -3.7 (0.0) million. Three largest foreign exchange net exposures in euro and their sensitivity analysis based on a 10% change (before taxes) are presented in the following table:

Foreign exchange net exposures against EUR

2024			2023		
EUR million	Net position	Sensitivity	EUR million	Net position	Sensitivity
USD	-32.3	+/- 3.1	USD	-2.3	+/- 0.2
GBP	-12.8	+/- 1.2	AUD	2.2	+/- 0.2
KWD	-4.7	+/- 0.4	SEK	-1.5	+/- 0.1

Interest rate risk

Interest rate risk refers to the uncertainty in statement of income, statement of financial position and cash flow statement arising from interest rate changes. The group is exposed to cash flow interest rate risk, if it has floating rate liabilities and/or cash and cash equivalents. At the end of the financial year 2024 Vaisala's interest-bearing liabilities and loans totaled EUR 129.5 (62.1) million, of which EUR 105.0 (50.0) million were at floating rates. EUR 24.5 (12.1) million of interest-bearing liabilities and loans related to lease liabilities.

In addition, interest paid on cash and cash equivalents is tied to floating rate.

Vaisala had net debt of EUR 40.6 (-28.2) million. An interest rate increase of one percentage point would have a negative impact on net result of EUR 0.2 (0.4 positive) million on the following year's net interest income and expenses, assuming that group's floating rate liabilities and cash and cash equivalents do not change. The calculation has taken into account liabilities with floating rates as well as cash and cash equivalents converted into euros. Foreign exchange derivatives are not taken into account in the calculation. Interest income and expenses are presented in the note 9. Financial income and expenses.

Refinancing and liquidity risks

Refinancing and liquidity risk refers to the uncertainty in the ability to maintain liquidity. In order to ensure liquidity, cash and cash equivalents and availability of credit facilities are maintained at a sufficient level.

On December 31, 2024 Vaisala's cash and cash equivalents amounted to EUR 88.8 (90.3) million. In April 2024 Vaisala conducted voluntary prepayment of EUR 15.0 million regarding EUR 50.0 million unsecured term loan initially signed on March 31, 2023. The loan is due in 2026 and has a financial covenant (gearing) tested semi-annually. On December 31, 2024, Vaisala was in compliance with the covenant. In December 2024 Vaisala signed a EUR 70 million unsecured term loan agreement with one of its core banks for general corporate and working capital purposes as well as to finance the acquisition transaction in the United States. The loan was fully utilized. The loan is due in 2027 and has a financial covenant (gearing) tested semi-annually as of 2025.

In addition, Vaisala has a domestic commercial paper program amounting to EUR 150 million. Vaisala had not issued any domestic commercial papers on December 31, 2024, as year before at the end of 2023.

Vaisala has also a EUR 50 million committed revolving credit facility, which was undrawn on December 31, 2024, as at the end of 2023. Vaisala exercised first of the two one-year extension options of the facility in 2024

and hence the revolving credit facility expires on October 5, 2027. The facility agreement includes a financial covenant (gearing) tested semi-annually. On December 31, 2024, Vaisala was in compliance with the covenant. The revolving credit facility was undrawn on December 31, 2024, as year before at the end of 2023.

Consequently, Vaisala had interest-bearing liabilities totaling EUR 129.5 (62.1) million on December 31, 2024. Vaisala has no loans that would mature after five years or more.

Financial counterparty risk

Financial counterparty risk refers to the uncertainty about the counterparty’s ability to assume the obligations related to the financing. Vaisala is exposed to financial counterparty risk in respect of cash and cash equivalents and derivative financial instruments. Vaisala’s cash and cash equivalents amounted to EUR 88.8 (90.3) million and the nominal value of derivative financial instruments to EUR 94.5 (43.7) million. Vaisala deposits its assets and concludes derivative financial contracts with counterparties with good creditworthiness and approved according to Vaisala’s treasury policy. The creditworthiness of banks is constantly assessed.

Trade receivables credit risk

Trade receivables credit risk means the customer related uncertainty about the collectability of receivables. These trade receivables credit risks are managed by using Letter of Credit, advance payments and bank guarantees as payment method. Additionally, trade receivables credit risk is managed by monitoring customer liquidity and payment behavior. Management estimates that the group does not have significant credit risk concentrations. No single customer or a group of customers constitutes a significant risk due to globally distributed customer base. During the financial year, credit losses and related reversals for trade receivables recognized in the statement of income amounted to EUR -1.1 (-0.2) million. Credit loss is recognized once it has been officially declared that the receivable will not be paid as a result of liquidation or bankruptcy. Trade receivables including expected credit losses are presented in the note 12. Trade receivables and other receivables. Accounting principles related to trade receivables are presented in the note 21. Financial assets and liabilities.

20. NON-CURRENT RECEIVABLES

EUR million	2024 carrying amounts	Fair values	2023 carrying amounts	Fair values
Non-current deposits	1.0	1.0	1.0	1.0
Other non-current receivables	0.2	0.2	0.2	0.2
Total	1.2	1.2	1.2	1.2

21. FINANCIAL ASSETS AND LIABILITIES

€ Accounting principles

Financial assets

Financial assets are classified into following categories: at amortized cost and at fair value through profit and loss. Financial assets are measured on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets or by applying fair value option in connection with the original acquisition. All purchases and sales of financial assets are recognized on the clearance date.

Financial assets measured at amortized cost are held to maturity date within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. Financial assets measured at amortized cost include mainly trade receivables, prepaid income, accrued income and other receivables.

In initial recognition of financial asset classified as at amortized cost, the asset is measured at fair value including transaction costs that are directly attributable to the acquisition. Due to their nature current trade receivables’ and other receivables’ carrying amount approximate to its fair value. Interest income related to these financial assets is measured with the effective interest rate method and is included in the financial income. Financial assets are derecognized from the statement of financial position when the contractual rights to the cash flows from the financial asset expire or the entity substantially transfers the risks and rewards outside the group. Profit or loss related to the derecognition of financial assets from the statement of financial position is recognized in the statement of income. Impairment losses are recognized in the statement of income.

Financial assets recognized at fair value through profit and loss are financial assets that are held for trading purposes such as derivative financial instruments for which Vaisala does not apply hedge accounting according to IFRS 9. Realized and unrealized gains and losses arising from changes in fair value are recognized in the statement of income in the period in which they arise. Financial assets held for trading as well as those maturing within 12 months are included in current assets.

Impairment of financial assets

Credit loss allowance for trade receivables and contract assets is measured applying simplified approach according to IFRS 9 as no significant financing component is included in those assets. Lifetime expected credit losses are determined based on the provision matrix, utilizing different credit risk across different receivable groups. The groupings are based on aging buckets, geographical regions, existence of collaterals and insolvency proceedings or other evidence of an increased credit risk of the receivables. Expected credit loss risks for different receivable groups are based on historical loss rates and management estimates. Changes in the credit loss allowance based on lifetime expected credit losses as well as final credit losses are recognized in the statement of income.

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Cash and cash equivalents are recognized in the statement of financial position at original cost. Cash and cash equivalents consist of cash on bank accounts and bank deposits.

Financial liabilities

Financial liabilities are classified into following categories: at amortized cost and at fair value through profit and loss. Financial liabilities are initially measured at fair value based on the original consideration received. Transaction costs are included in the original carrying amount of the financial liabilities. Subsequently all financial liabilities, except for derivative financial instruments, are measured applying the effective interest method at amortized cost. Financial liabilities are included both in current and non-current liabilities and those may be both interest-bearing and non-interest-bearing. Liabilities maturing in less than 12 months are presented in current liabilities. Financial liabilities are derecognized from statement of financial position when the obligation specified in the contract is discharged, cancelled or expires.

Derivative financial instruments

The group's all derivative financial contracts are foreign exchange forward contracts. The group has sales in a number of currencies. All derivative financial contracts are classified at fair value through profit and loss and are initially measured at fair value on the closing date of the derivative financial contract. Derivative financial contracts are subsequently measured at fair value through profit and loss at the end of each reporting date. The fair value of a foreign exchange forward contract is measured at the present value of the future cash flows. Unrealized and realized gains and losses arising from changes in the fair value are recognized in the statement of income in financial income and expenses in the period in which they arise. Derivative financial contracts are included in the statement of financial position in other receivables and payables. The group does not apply hedge accounting under IFRS 9 to foreign exchange forward contracts.

The fair value of the derivative financial contracts is based on information that is observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). In addition to the quoted prices, Vaisala prepares own assessment using commonly acceptable valuation techniques. Hence Vaisala's derivative financial contracts belong to the level 2 in fair value hierarchy. There were no transfers between the hierarchy levels in 2023 or 2024.

The group has a number of investments in foreign subsidiaries whose net assets are exposed to currency risk. The group does not hedge the currency risk related to subsidiaries' net assets.

Classification of financial assets and liabilities as of December 31, 2024

EUR million	Fair value through profit and loss	Amortized cost	Carrying amount of statement of financial position items	Fair value	Note
Financial assets					
Non-current receivables		1.2	1.2	1.2	20
Trade receivables and forward contracts	0.1	86.7	86.7	86.7	12
Bank acceptance drafts *)		4.5	4.5	4.5	12
Cash and cash equivalents		88.8	88.8	88.8	23
Total	0.1	181.2	181.2	181.2	
Financial liabilities					
Interest-bearing non-current loans from financial institutions		105.0	105.0	105.0	21
Interest-bearing non-current lease liabilities		21.4	21.4	21.4	17
Other non-current liabilities		6.7	6.7	6.7	21
Interest-bearing current lease liabilities		3.1	3.1	3.1	17
Interest-bearing current liabilities		0.0	0.0	0.0	21
Trade payables and forward contracts	1.5	26.9	26.9	26.9	14
Total	1.5	163.2	163.2	163.2	

*) Bank acceptance drafts are used as an alternative form of payment in China. Bank acceptance drafts are issued at a discount from their par value and are recognized at amortized cost. They can be held to maturity or redeemed prematurely at a discount.

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Classification of financial assets and liabilities as of December 31, 2023

EUR million	Fair value through profit and loss	Amortized cost	Carrying amount of statement of financial position items	Fair value	Note
Financial assets					
Non-current receivables		1.2	1.2	1.2	20
Trade receivables and forward contracts	0.4	70.2	70.2	70.2	12
Cash and cash equivalents		90.3	90.3	90.3	23
Total	0.4	161.8	161.8	161.8	
Financial liabilities					
Interest-bearing non-current loans from financial institutions		50.0	50.0	50.0	21
Interest-bearing non-current lease liabilities		9.3	9.3	9.3	17
Other non-current liabilities		4.2	4.2	4.2	21
Interest-bearing current lease liabilities		2.8	2.8	2.8	17
Interest-bearing current liabilities		0.0	0.0	0.0	21
Trade payables and forward contracts	0.4	13.8	13.8	13.8	14
Total	0.4	80.1	80.1	80.1	

In April 2024 Vaisala conducted voluntary prepayment of EUR 15.0 million regarding EUR 50.0 million unsecured term loan initially signed on March 31, 2023. The loan is due in 2026 and has a financial covenant (gearing) tested semi-annually. On December 31, 2024, Vaisala was in compliance with the covenant. In December 2024 Vaisala signed a EUR 70 million unsecured term loan agreement with one of its core banks for general corporate and working capital purposes as well as to finance the acquisition transaction in the United States. The loan was fully utilized. The loan is due in 2027 and has a financial covenant (gearing) tested semi-annually as of 2025.

In addition, Vaisala has a domestic commercial paper program amounting to EUR 150 million. Vaisala had not issued any domestic commercial papers on December 31, 2024, as year before at the end of 2023. Vaisala has also a EUR 50 million committed revolving credit facility, which was undrawn on December 31, 2024, as at the end of 2023. Vaisala exercised first of the two one-year extension options of the facility in 2024 and hence the revolving credit facility expires on October 5, 2027. The facility agreement includes a financial covenant (gearing) tested semi-annually. On December 31, 2024, Vaisala was in compliance with the covenant.

On December 31, 2024, Vaisala had interest bearing liabilities totaling EUR 129.5 (62.1) million. Group has no loans that would mature after five years or more.

Maturity of interest-bearing liabilities 2024

EUR million	2025	2026–2029	2030–2034	2035
Loans from financial institutions		105.0		
Revolving credit facility				
Other interest-bearing loans				
Lease liabilities	4.1	11.3	9.7	7.8
Total	4.1	116.3	9.7	7.8

Maturity of interest-bearing liabilities 2023

EUR million	2024	2025–2028	2029–2033	2034
Loans from financial institutions		50.0		
Revolving credit facility				
Other interest-bearing loans	0.0			
Lease liabilities	3.1	7.2	3.1	
Total	3.2	57.2	3.1	0.0

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Derivative financial contracts

EUR million	2024	2023
Nominal value of derivative financial contracts made to hedge against exchange rate risk		
Foreign exchange forward contracts	94.5	43.7
Nominal value, total	94.5	43.7

Nominal value of derivative financial contracts in currencies

	2024		2023	
	Currency million	EUR million	Currency million	EUR million
USD	64.5	60.7	22.0	20.0
CNH	50.5	6.5	60.0	7.7
JPY	750.0	4.6	750.0	4.7
SEK			27.5	2.3
KWD	4.2	12.5		
CAD	5.2	3.5	7.2	5.0
GBP	5.6	6.7	3.5	4.0
Total		94.5		43.7

Maturity of derivative financial contracts

EUR million	2024	2023
Less than 90 days	55.4	37.1
Over 90 days and less than 120 days	-	2.0
Over 120 days and less than 180 days	-	4.5
Over 180 days and less than 365 days	39.2	-
Total	94.5	43.7

Fair value of derivative financial contracts made to hedge against exchange rate risk

EUR million	2024	2023
Fair values of derivative financial contracts, assets	0.1	0.4
Fair values of derivative financial contracts, liabilities	1.5	0.4

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22. INTEREST-BEARING LIABILITIES AND OTHER ADJUSTMENTS IN CASH FLOW STATEMENT

Reconciliation of movements of interest-bearing liabilities to cash flow arising from financing activities

EUR million	Dec 31, 2023	Cash flow effect	Non-cash changes	Dec 31, 2024
Loans from financial institutions	50.0	55.0		105.0
Credit facility	0.0	0.0		0.0
Lease liabilities	12.0	-2.8	15.3	24.5
Other interest-bearing liabilities	0.1	-0.0		0.0
Exchange rate differences	0.0	0.0		0.0
Total	62.1	52.1	15.3	129.5

Reconciliation of movements of interest-bearing liabilities to cash flow arising from financing activities

EUR million	Dec 31, 2022	Cash flow effect	Non-cash changes	Dec 31, 2023
Loans from financial institutions	40.0	10.0		50.0
Credit facility	0.0			0.0
Lease liabilities	10.9	-3.1	4.3	12.0
Other interest-bearing liabilities	12.6	-12.5		0.1
Exchange rate differences	0.0	0.0		0.0
Total	63.4	-5.6	4.3	62.1

Specification of other adjustments in the cash flow from operating activities

EUR million	2024	2023
Change in bad debt provision	0.9	-0.8
Change in excess and obsolete provision in inventory	1.2	-0.5
Change in provisions	0.3	-0.3
Adjustment related to share-based incentive plans	0.7	0.4
Adjustment relating to business combinations	-3,3	-
Other adjustments	-0.2	0.3
Total	-0.4	-0.9

23. CASH AND CASH EQUIVALENTS

Accounting principles related to cash and cash equivalents are presented in Note 21, Financial Assets and Liabilities.

Cash and cash equivalents

EUR million	2024	2023
Cash and cash equivalents	88.8	90.3

The fair values of cash and cash equivalents are equivalent to their carrying amounts.

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24. CONTINGENT LIABILITIES AND PLEDGES GIVEN

Contingent liabilities and pledges given

EUR million	2024	2023
Bank guarantees issued for obligations	12.9	11.0

Investment commitments

On December 31, 2024, Vaisala had commitments related to intangible and tangible assets for EUR 12 (4) million.

Purchase commitments

On December 31, 2024, Vaisala had purchase commitments totaling EUR 28 (21) million. Additionally, the group had commitments under the purchase agreements totaling a maximum of EUR 28 (31) million, if realized.

In addition, on December 31, 2024, Vaisala had committed to lease contracts, the lease period of which had not yet commenced and related future cash outflows totaled to EUR 0.3 (13) million.

Consolidation

25. BUSINESS COMBINATIONS

On December 9, 2024, Vaisala acquired Maxar Intelligence’s US-based WeatherDesk business. Acquired WeatherDesk business is related to AI-led weather forecasting and it provides rapid access to global weather forecasts and observations. WeatherDesk serves customers focused on commodity and energy trading and energy demand planning. Through the acquisition Vaisala expands its position in AI-led weather forecasting and enhances its offering to the insurance, finance, and energy segment. The acquisition aligns with Vaisala’s strategy to expand in energy transition and build recurring revenue in data.

In 2023, WeatherDesk’s (part of Maxar Technologies’ audited financial statements) net sales were USD 12.8 million and the net amount of the assets acquired and liabilities related to the acquired business totaled USD -2.6 million on December 31, 2023.

Net sales of the acquired company between December 9, 2024, and December 31, 2024, were EUR 0.6 million and operating result EUR 0.1 million. If the acquisition had occurred on January 1, 2024, management estimates consolidated net sales during January–December 2024 would have been EUR 578 million and operating result EUR 90 million excluding the impact of other business combinations during the financial year.

The preliminary consideration transferred (paid in cash) was EUR 67 million.

Goodwill was preliminarily recognized for EUR 38 million and allocated to Weather and Environment business area cash generating unit. Goodwill of this acquisition reflects synergies that Vaisala expects to be realized especially from the following areas:

- Utilization of WeatherDesk’s forecasting platform on Vaisala Xweather level as part of Vaisala’s enhanced forecasting and analytics business
- Vaisala’s access to new customer segments and customers focusing especially on trading and energy

The total amount of goodwill is expected to be deductible for tax purposes.

Acquisition related costs are EUR 0.7 million and those have been included in the consolidated statements of income in 2024 as sales, marketing and administrative costs. WeatherDesk business is consolidated as part of Vaisala Group’s statement of comprehensive income and statement of financial position as of December 9, 2024.

As the acquisition was finalized during the last quarter of the year, the assets acquired, liabilities assumed and consideration transferred related to the business combination have been recognized provisionally.

The preliminary amounts of the assets acquired and liabilities assumed recognized and the cash flow from the acquisition were as follows:

EUR 1,000	Fair value recognized on acquisition
Goodwill	38.5
Technology-based intangible assets	14.2
Customer related intangible assets	10.6
Marketing-relateds intangible assets	2.4
Trade receivables and other receivables	1.5
Deferred tax assets	3.3
Total assets	70.5
Trade and other payables	0.0
Contract liabilities and other deferred revenue	3.7
Total liabilities	3.8
Net assets	66.7
Purchase price paid in cash	-66.7
Cash and cash equivalents acquired	-
Total net cash outflow on acquisition	-66.7

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On October 29, 2024, Vaisala acquired all the shares in UK-based Speedwell Associates Ltd. Speedwell Climate is specialized in climate and environmental risk transfer and provides data and software to structure, price, and settle index-based climate risk transfer contracts.

Through the acquisition Vaisala expands its subscription-based business into insurance segment with tools for organizations to protect themselves from financial losses caused by weather-related uncertainties. The acquisition aligns with Vaisala's strategy to build recurring revenue in data, creating opportunities to broaden offerings and scale growth within existing and new customer segments.

In 2023, Speedwell group's (audited) net sales were GBP 3.7 million and the statement of financial position totaled GBP 3.2 million on December 31, 2023.

Net sales of the acquired group between October 29, 2024, and December 31, 2024, were EUR 0.6 million and operating result EUR -0.2 million. If the acquisition had occurred on January 1, 2024, management estimates consolidated net sales during January–December 2024 would have been EUR 568 million and operating result EUR 83 million excluding the impact of other business combinations during the financial year.

The preliminary consideration transferred (paid in cash) was EUR 25 million. The preliminary consideration transferred includes EUR 3 million contingent consideration (fair value) based on the financial development after the consolidation date. The range of the outcome of the contingent consideration is from EUR 0 to 4.2 million.

Goodwill was preliminarily recognized for EUR 14 million and allocated to Weather and Environment business area cash generating unit. Goodwill of this acquisition reflects synergies that Vaisala expects to be realized especially from the following areas:

- Utilization of Speedwell Climate's data asset on Vaisala Xweather level as part of Vaisala's data and forecast portfolio
- Vaisala's access to new customer segments and customers focusing especially on parametric insurance, insurance and renewable energy.

The total amount of goodwill is expected to be non-deductible for tax purposes.

Acquisition related costs are EUR 1.3 million and those have been included in the consolidated statements of income in 2024 as sales, marketing and administrative costs. Speedwell is consolidated as part of Vaisala Group's statement of comprehensive income and statement of financial position as of October 29, 2024.

As the acquisition was finalized during the last quarter of the year, the assets acquired, liabilities assumed and consideration transferred related to the business combination have been recognized provisionally.

The preliminary amounts of the assets acquired and liabilities assumed recognized and the cash flow from the acquisition were as follows:

EUR 1,000	Fair value recognized on acquisition
Goodwill	13.6
Technology-based intangible assets	7.1
Customer related intangible assets	5.3
Marketing-relateds intangible assets	0.2
Tangible assets	0.1
Trade receivables and other receivables	1.0
Cash and cash equivalents	2.6
Total assets	29.7
Trade and other payables	0.2
Contract liabilities and other deferred revenue	1.1
Deferred tax liabilities	3.3
Total liabilities	4.5
Net assets	25.2
Purchase price paid in cash	-22.2
Cash and cash equivalents acquired	2.6
Total net cash outflow on acquisition	-19.6

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On October 29, 2024, Vaisala acquired all the shares in UK-based Nevis Technology Ltd. Nevis Technology is software, weather monitoring systems and services company specializing in providing and maintaining helideck and environmental monitoring systems and data portals for the offshore energy industry, with offshore wind parks as a growing customer segment. The acquisition enables Vaisala to further develop its business in the offshore wind area with solutions for installation, crew transfer, and service operations. The acquisition strengthens Vaisala's position as a weather systems and intelligence partner for the offshore wind market, in line with the company's strategic priority of expanding in energy transition.

In 2023, Nevis Technology's (unaudited) net sales were GBP 1.5 million and the statement of financial position totaled GBP 0.7 million on December 31, 2023.

Net sales of the acquired company between October 29, 2024, and December 31, 2024, were EUR 0.4 million and operating result EUR 0.2 million. If the acquisition had occurred on January 1, 2024, management estimates consolidated net sales during January–December 2024 would have been EUR 567 million and operating result EUR 83 million excluding the impact of other business combinations during the financial year.

The preliminary consideration transferred (paid in cash) was EUR 3 million. The preliminary consideration transferred includes EUR 0.9 million contingent consideration (fair value) based on the financial development after the consolidation date. The range of the outcome of the contingent consideration is from EUR 0 to 2.6 million.

Acquisition related costs are EUR 0.2 million and those have been included in the consolidated statements of income in 2024 as sales, marketing and administrative costs. Nevis Technology is consolidated as part of Vaisala Group's statement of comprehensive income and statement of financial position as of October 29, 2024.

As the acquisition was finalized during the last quarter of the year, the assets acquired, liabilities assumed and consideration transferred related to the business combination have been recognized provisionally.

The preliminary amounts of the assets acquired and liabilities assumed recognized and the cash flow from the acquisition were as follows:

EUR 1,000	Fair value recognized on acquisition
Goodwill	-
Technology-based intangible assets	1.9
Customer related intangible assets	0.7
Marketing-relateds intangible assets	0.0
Tangible assets	0.0
Trade receivables and other receivables	0.7
Cash and cash equivalents	0.4
Total assets	3.8
Trade and other payables	0.3
Contract liabilities and other deferred revenue	0.0
Deferred tax liabilities	0.6
Total liabilities	1.0
Net assets	2.8
Purchase price paid in cash	-1.7
Cash and cash equivalents acquired	0.4
Total net cash outflow on acquisition	-1.3

There were no business combinations during financial year 2023.

No contingent consideration relating to prior acquisitions was paid in 2024 (2023: EUR 0.1 million). The group had contingent liability related to acquisitions at the end of the financial year 2024 totaling EUR 3.9 million (on December 31, 2023 no contingent liability). In the financial year 2023 and 2024, no contingent consideration liability was recognized as income or expense based on the financial performance after the acquisition and based on the estimated future performance.

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26. SUBSIDIARIES

Name	Country	Group ownership %, Dec 31, 2024	Group ownership %, Dec 31, 2023
Vaisala Holding Oy	Finland	100	100
Vaisala Limited	United Kingdom	100	100
Vaisala Pty. Ltd.	Australia	100	100
Vaisala GmbH	Germany	100	100
Vaisala KK	Japan	100	100
Vaisala Inc.	United States	100	100
Vaisala China Ltd.	China	100	100
Vaisala Canada Inc.	Canada	100	100
Vaisala Sdn. Bhd.	Malaysia	100	100
Vaisala Servicos De Marketing Ltda	Brazil	100	100
3TIER R&D India Private Limited	India	100	100
Vaisala East Africa Limited	Kenya	100	100
Vaisala Mexico Limited, S. de R. L. de C.V.	Mexico	100	100
Vaisala France SASU	France	100	100

Name	Country	Group ownership %, Dec 31, 2024	Group ownership %, Dec 31, 2023
Upwind SASU	France	100	100
SCI Septentrion	France	100	100
Vaisala Shanghai Sensors Ltd.	China	100	100
Vaisala Korea Co. Ltd	South-Korea	100	100
Vaisala Sweden AB	Sweden	100	0
Vaisala India Private LTD	India	100	0
Speedwell Settlement Services	United Kingdom	100	0
weatherXchange Ltd	United Kingdom	100	0
ClearWeather Ltd	United Kingdom	100	0
Weather Risk Exchange Ltd	United Kingdom	100	0
Speedwell Climate Ltd	United Kingdom	100	0
Speedwell Associates Ltd	United Kingdom	100	0
Nevis Technology Ltd	United Kingdom	100	0
Speedwell Climate Corp	United States	100	0

In October 29, 2024 Vaisala acquired all shares in UK-based company Speedwell Associates Ltd and its UK-based subsidiaries Speedwell Settlement Services, weatherXchange Ltd, ClearWeather Ltd, Weather Risk Exchange Ltd, Speedwell Climate Ltd and US-based subsidiary Speedwell Climate Corp.

In October 29, 2024 Vaisala acquired all shares in UK-based Nevis Technology Ltd.

In addition, Vaisala established subsidiary Vaisala Sweden Ab to Sweden on April 3, 2024 and Vaisala India Private Limited to India on June 4, 2024.

On December 1, 2023 Whether or Knot LLC was merged into Vaisala Inc. K-Patents (Shanghai) Co., Ltd. was liquidated in 2023.

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27. ASSOCIATED COMPANY

Accounting principles related to associated companies are presented in Consolidation principles.

The group has one associated company, SAS Meteorage. SAS Meteorage is a French company, which maintains lightning detection networks and sells information related to lightning strikes. Ownership in Meteorage supports Vaisala's role in the global lightning detection community.

Company name	Place of incorporation and principal place of business	Share of ownership	Measurement method
SAS Meteorage	France	35%	Equity method

Summarized financial information of the associated company

EUR million	2024	2023
Non-current assets	3.2	2.8
Current assets	4.2	4.4
Liabilities	2.8	2.9
Net assets	4.6	4.3
Vaisala's share of net assets	1.6	1.5
Net sales	5.1	4.7
Result for the financial year	0.7	0.6

The information presented in the table is based on the latest available financial information.

Carrying amount of investments in associated company

EUR million	2024	2023
Carrying amount at Jan 1	1.5	1.4
Share of result	0.2	0.2
Dividend received	-0.1	-0.1
Carrying amount at Dec 31	1.6	1.5

The carrying value of the associated company does not include goodwill.

Transactions with associated company and receivables and liabilities

EUR million	2024	2023
Sales	0.2	0.2
Receivables	-	0.1

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28. RELATED PARTY TRANSACTIONS

Related parties of Vaisala group are the parent company, subsidiaries, associated company, key management employees of the group (members of Board of Directors, the President and CEO and Vaisala Leadership Team) and their close members of family and their controlled entities. Related party transactions are based on market prices of goods and services and on common market terms. Only transactions that are not eliminated in the consolidated financial statements are disclosed as related party information.

The subsidiaries are presented in note 26, Subsidiaries and the associated company in note 27, Associated company. Transactions with the associated company as well as receivables and liabilities are presented in note 27, Associated company.

Employee benefits of management

EUR thousand	2024	2023
Salary and bonuses of the President and CEO (payment basis)		
Öistämö Kai		
Salary	557	526
Short term incentives	120	288
Share-based payment	506	728
Statutory pension	113	134
Supplementary pension	85	122
Total	1,381	1,797

EUR thousand	2024	2023
Remuneration of the members of Vaisala Leadership Team (excl. the President and CEO) (payment basis)		
Salaries	2,045	1,935
Short term incentives	392	872
Share-based payment	1,371	2,527
Statutory pension	437	462
Supplementary pension	312	360
Total	4,557	6,156

The President and CEO Kai Öistämö is entitled to participate in a supplementary defined contribution pension plan with an annual fee corresponding to three month's base salary. The President and CEO's retirement age is 62 years. The notice period for both parties is six months. If the company terminates the agreement, there is an additional severance pay equaling six times the monthly salary.

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Remuneration of the Board of Directors 2024 (payment basis)

EUR thousand		Annual remuneration	Compensation, Audit Committee	Compensation, People and Sustainability Committee	Compensation, Nomination Committee	Compensation, Board of Director residing outside Finland	Total
Bresky Annica	Member of the Board	40		4	4	5	53
Castrén Petri	Member of the Board	40	6				46
Jääskeläinen Antti	Member of the Board	40	1	4			45
Lundström Petra	Member of the Board	0		1	1		2
Rinnevaara Jukka	Member of the Board	40		5			45
Rosenberg Lotte	Member of the Board	40	3			5	48
Ståhlberg Kaarina	Member of the Board	40	9		1		50
Syrjänen Tuomas	Member of the Board	40		5	4		49
Voipio Raimo	Vice Chair of the Board	40	6		5		51
Voipio Ville	Chair of the Board	55		5	5		65
Yhteensä		375	25	24	20	10	454

Remuneration of the Board of Directors 2023 (payment basis)

EUR thousand		Annual remuneration	Compensation, Audit Committee	Compensation, People and Sustainability Committee	Compensation, Nomination Committee	Compensation, Strategic Planning Committee	Total
Castrén Petri	Member of the Board	40	7			1	48
Jääskeläinen Antti	Member of the Board	40	6			1	47
Lundström Petra	Member of the Board	40		4	5		49
Rinnevaara Jukka	Member of the Board	40		4			44
Ståhlberg Kaarina	Member of the Board	40	9		5	1	55
Syrjänen Tuomas	Member of the Board	40		5			45
Voipio Raimo	Vice Chair of the Board	40	6		5		51
Voipio Ville	Chair of the Board	55		5	5	1	66
Total		337	27	18	20	4	406

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The Board established Strategic Planning Committee at the end of the year 2023. Board established Nomination Committee at the end of the year 2022 and the committee commenced its work in the beginning of 2023.

To the President and CEO and the members of the Board have not been granted loans nor have guarantees or commitments been given on their behalf.

29. AUDITOR’S FEES

Authorized Public Accountants PricewaterhouseCoopers Oy

EUR million	2024	2023
Audit	0.6	0.6
Tax advice	0.0	0.0
Statements	0.0	0.0
Other fees	0.2	0.1
Total	0.9	0.7

Other work than audit services given by the principal auditor PricewaterhouseCoopers Oy during the year 2024 were EUR 0.3 (0.1) million. Other work than audit services include among others assurance on sustainability reporting (CSRD).

30. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

IASB published the following new or revised IFRS Accounting standards which the group has not yet adopted and which may have an effect on the consolidated financial statements of the group. The group will adopt each IFRS Accounting standard as from the effective date, or if the effective date is other than the first day of the financial year, from the beginning of the next financial year after the effective date.

At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective and had not yet in some cases been adopted by the EU (marked with *):

- Amendments to IAS 21 – Lack of Exchangeability
- IFRS 18 Presentation and Disclosure in Financial Statements*
- IFRS 19 Subsidiaries without Public Accountability: Disclosures*
- Contracts Referencing Nature- dependent Electricity – Amendments to IFRS 9 and IFRS 7*
- Annual Improvements Volume 11*
- Targeted improvements to financial instruments standards – Amendments to IFRS 9 and IFRS 7*

Amendments to IAS 21 – Lack of Exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The amendments add application guidance on how to assess whether a currency is exchangeable or not.

When a currency is not exchangeable into another currency at a measurement date, an entity shall estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. The application of this amendment may have an impact on the group's consolidated financial statements in future periods should such transactions or operations arise.

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IFRS 18 Presentation and Disclosure in Financial Statements

The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:

- the structure and mandatory subtotals of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1, many of the other existing principles in IAS 1 are retained with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The standard is effective for annual reporting periods beginning on or after January 1, 2027 and is applied retrospectively to comparative information.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 is a voluntary IFRS Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements. These subsidiaries will continue to apply the recognition, measurement and presentation requirements in other IFRS Accounting Standards, but they can replace the disclosure requirements in those standards with reduced disclosure requirements. The standard is effective for annual reporting periods beginning on or after January 1, 2027.

Contracts Referencing Nature- dependent Electricity – Amendments to IFRS 9 and IFRS 7

Contracts for nature-dependent electricity sources, like wind or solar, are increasingly used in carbon mitigation efforts. These often involve long-term power purchase agreements (PPAs) which may be both physical or virtual. A key challenge is that electricity generation depends on nature, complicating accounting under some aspects of IFRS 9.

The IASB has amended the 'own use' and hedge accounting requirements of IFRS 9, and it has added targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions, described as 'contracts referencing nature-dependent electricity'.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The application of these amendments may have an impact on the group's consolidated financial statements in future periods should such transactions or operations arise.

Annual Improvements Volume 11

The 2024 amendments are to the following standards:

- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements;
- IAS 7 Statement of Cash Flows

The improvements are effective for annual reporting periods beginning on or after January 1, 2026. The application of these improvements may have an impact on the group's consolidated financial statements in future periods should such transactions or operations arise.

Targeted improvements to financial instruments standards – Amendments to IFRS 9 and IFRS 7

The amendments to IFRS 9 and IFRS 7:

- a) clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- d) make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. When an entity first applies the amendments, it is not required to restate comparative information, and is only permitted to do so if possible without the use of hindsight. The application of these improvements may have an impact on the group's consolidated financial statements in future periods should such transactions or operations arise.

Parent company financial statements*

Parent company income statement

EUR	Note	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Net sales	2	400,420,636.92	369,376,171.60
Cost of production and procurement	4, 5	-177,878,918.64	-175,099,149.56
Gross profit		222,541,718.28	194,277,022.04
Cost of sales and marketing	4, 5	-43,699,663.40	-40,569,570.87
Cost of administration			
Research and development costs	4, 5	-59,864,187.67	-53,177,534.57
Other administrative costs	4, 5	-55,621,511.60	-72,843,780.30
Other operating income and expenses	3	477,572.05	643,267.15
Operating result		63,833,927.66	28,329,403.45
Financial income	6	21,133,371.20	41,182,318.36
Financial expenses	6	-10,823,446.12	-12,318,687.27
Result before appropriations and taxes		74,143,852.74	57,193,034.54
Appropriations			
Change in depreciation difference		-3,894,294.66	-637,251.79
Result before taxes		70,249,558.08	56,555,782.75
Direct taxes	7	-12,009,149.06	-4,927,291.49
Result for the financial year		58,240,409.02	51,628,491.26

*) The parent company financial statements are prepared in accordance with the principles of Finnish Accounting Standards (FAS).

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Parent company balance sheet

EUR	Note	Dec 31, 2024	Dec 31, 2023
Assets			
Non-current assets			
Intangible assets	8		
Goodwill		0.00	13,228.48
Intangible rights		50,795,713.98	11,530,686.79
Other intangible assets		3,244,564.30	5,236,779.94
Advance payments and intangible assets in progress		350,698.62	352,534.91
Total intangible assets		54,390,976.90	17,133,230.12
Property, plant and equipment	8		
Land and waters		2,904,868.22	2,904,868.22
Buildings		39,332,935.15	41,048,425.61
Machinery and equipment		26,119,768.33	26,575,672.14
Other tangible assets		74,417.51	74,417.51
Advance payments and construction in progress		11,705,285.60	6,429,008.49
Total property, plant and equipment		80,137,274.81	77,032,391.97
Investments	8		
Holdings in group undertakings		101,289,951.11	74,526,706.17
Other shares and holdings		101,000.00	101,000.00
Total investments		101,390,951.11	74,627,706.17
Total non-current assets		235,919,202.82	168,793,328.26

EUR	Note	Dec 31, 2024	Dec 31, 2023
Current assets			
Non-current receivables			
Other receivables		149,115.16	114,423.60
Total long-term receivables		149,115.16	114,423.60
Inventories			
Materials, consumables and finished goods		42,230,539.66	42,979,758.91
Total inventories		42,230,539.66	42,979,758.91
Current receivables			
Loan receivables from group undertakings	17	36,101,620.00	-
Trade receivables		35,701,726.78	25,789,932.16
Trade receivables from group undertakings	17	46,884,824.97	33,963,655.89
Other receivables	9	7,870,703.55	4,099,303.22
Prepaid expenses and accrued income	10	23,936,343.62	20,103,946.76
Prepaid expenses and accrued income from group undertakings	10, 17	2,254,796.63	2,156,379.27
Total current receivables		152,750,015.55	86,113,217.30
Cash and cash equivalents		46,168,053.45	66,172,382.95
Total current assets		241,297,723.82	195,379,782.76
Total assets		477,216,926.64	364,173,111.02

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Parent company balance sheet

EUR	Note	Dec 31, 2024	Dec 31, 2023
Shareholders' equity and liabilities			
Shareholders' equity	13		
Share capital		7,660,807.86	7,660,807.86
Fund of invested non-restricted equity		422,379.29	422,031.15
Retained earnings		163,272,796.77	137,839,656.64
Result for the financial year		58,240,409.02	51,628,491.26
Total shareholders' equity		229,596,392.94	197,550,986.91
Appropriations			
Depreciation difference		8,352,381.67	4,458,087.01

EUR	Note	Dec 31, 2024	Dec 31, 2023
Liabilities			
Non-current			
Loans from financial institutions	15	105,000,000.00	50,000,000.00
Accrued expenses and deferred income	16	1,357,171.00	3,803,126.12
Other non-current liabilities	14	1,408,617.89	893.00
Non-current liabilities total		107,765,788.89	53,804,019.12
Current			
Advances received		-	1,388,253.03
Trade payables		22,068,954.03	11,310,080.70
Trade payables from group undertakings	17	12,836,024.66	1,681,655.85
Other current loans from group undertakings	17	23,644,337.84	40,914,549.80
Other current liabilities	14	8,883,174.09	1,983,002.78
Provisions	12	1,342,279.94	1,475,484.63
Accrued expenses and deferred income	16	56,084,761.14	44,883,567.51
Accrued expenses and deferred income from group undertakings	17	6,642,831.44	4,723,423.68
Current liabilities total		131,502,363.14	108,360,017.98
Total liabilities		247,620,533.70	166,622,124.11
Total shareholders' equity and liabilities		477,216,926.64	364,173,111.02

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Parent company cash flow statement

EUR thousand	Note	Jan 1– Dec 31, 2024	Jan 1–Dec 31, 2023
Result for the financial period		58,240	51,628
Depreciation, amortization and impairment	5	14,719	14,316
Financial income and expenses	6	-10,310	-28,864
Gains and losses on sale of intangible assets and property, plant and equipment	3	-	-
Depreciation difference		3,894	637
Income taxes	7	12,009	4,927
Other adjustments		1,381	226
Inventories, increase (-) / decrease (+)		-409	1,810
Non-interest bearing receivables, increase (-) / decrease (+)		-31,763	-2,260
Non-interest bearing liabilities, increase (+) / decrease (-)		27,464	-7,328
Changes in working capital		-4,708	-7,778
Financial items received	6	2,129	1,667
Financial items paid	6	-4,220	-5,518
Dividend received from business operations	6	12,524	33,555
Income taxes paid	7	-4,405	-4,630
Cash flow from operating activities		81,254	60,167

EUR thousand	Note	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Cash flow from investing activities			
Investments in shares	8	-23,721	-
Investments in intangible assets	8	-39,483	-640
Investments in property, plant and equipment	8	-12,325	-9,167
Divestments	8	59	-
Loans granted	17	-35,532	-
Repayments on loan receivables	17	17	-
Cash flow from investing activities		-110,985	-9,807
Cash flow from financing activities			
Proceeds from short-term borrowings	14	80,000	107,383
Repayment of short-term borrowings	14	-42,297	-100,877
Dividend paid	13	-27,226	-26,105
Purchase of treasury shares	13	-752	-2,123
Cash flow from financing activities		9,725	-21,722
Change in cash and cash equivalents increase (+) / decrease (-)		-20,005	28,638
Cash and cash equivalents at Jan 1		66,172	37,535
Change in cash and cash equivalents increase (+) / decrease (-)		-20,005	28,638
Cash and cash equivalents at Dec 31		46,168	66,172

Notes to the parent company financial statements

1. ACCOUNTING PRINCIPLES

The financial statements of the parent company Vaisala Corporation have been prepared according to the Finnish Accounting Standards (FAS). Financial statement data are based on original acquisition costs or nominal value, less possible impairment, if not otherwise stated in the accounting principles outlined below.

Net sales and revenue recognition principles

The parent company's net sales consist of revenue recognized from contracts with customers. Net sales are divided into products, projects, services and subscription sales. Indirect taxes and discounts have been deducted from sales revenue. Exchange rate differences are recognized in the financial income and expenses.

Product net sales include revenue from products, spare parts and system deliveries. A system deliveries contains a standard product delivery with limited amount of configuration. Revenue from the sale of product is recognized at a point in time when the control is transferred to the customer.

Projects are integrated projects, in which observation solutions, consisting of products, services and software, are delivered. Solutions are integrated to customer systems according to customer specifications. Revenue for all projects is recognized over time using percentage of completion method. Progress is measured by cost-to-cost method, comparing incurred costs and forecasted costs. Projects meet the over-time revenue recognition criteria, mainly by creating an asset without an alternative use and Vaisala having an enforceable right to payment for performance completed to date. The applied revenue recognition principles fulfill the Finnish Accounting Standard requirement related to the predictability of project margin.

Services are divided into service contracts and one-off service deliverables. Services may include among others maintenance, calibration and repair, modernization and extended warranties. Service contracts are continuous services including for example extended warranty, availability of customer support and availability of spare part delivery. Service contracts are recognized over time or at a point in time depending on the nature of the service and content of a contract. In case of one-off request services, the revenue is recognized at a point in time when the service has been rendered.

Subscription sales includes mainly data-based solutions supporting decisions in weather-dependent operations. Revenue is recognized over time.

Standard warranty period for products is one year and 2, 5 or 10 years for selected products. Standard warranty period for services is 6 or 12 months. Extended warranty is a separately sold and priced service over a separately agreed period. Revenue for extended warranty is recognized over time starting at the time of standard warranty expiration. Provision for warranty costs is recognized in the balance sheet.

Other operating income and expenses

Other operating income and expenses include income and expenses, which are not directly attributable to operational activities.

Other operating income consists mainly of gains on the disposal of assets as well as income other than revenue from contracts with customers, such as reversal of liabilities related to acquisitions and indemnities. Other operating expenses consist mainly of losses on disposal of assets.

Research and development expenses

Research and development expenses are booked as cost in the financial period in which they occur.

Share-based incentive plans

Parent company's share-based payments are related to share-based incentive plans. Share-based payments relating to share-based incentive plans commenced in the financial year 2023 or earlier are recognized as costs in the income statement and as accrued expenses in the balance sheet during the vesting period. Share-based payments based on share-based incentive plans are paid as net amount in shares after taxes have been deducted from the amount paid in shares.

Other than market conditions are not taken into account when estimating the fair value at the grant date. Instead, other than market conditions are taken into account by adjusting the expensed number of equity instruments that are expected to vest. In terms of other than market conditions, cost is measured corresponding to the value of share (Vaisala's series A) closing price on the grant of the share-based incentive plan less expected dividends. Satisfaction of these conditions are estimated at each reporting date and updated whenever changes occur. The effect of changes is recognized in the statement of income.

Market conditions are taken into account when estimating the fair value of the equity-settled share-based payment transaction at the grant date. Expense is recognized irrespective of whether that market condition is satisfied, if service condition and other than market conditions are satisfied. In terms of market conditions (total shareholder return, TSR) a model based the probability-weighted values (Monte Carlo simulation) is used to estimate the fair value at the grant date.

Share-based payments for share-based incentive plans, which relate to the transfer of shares, and that commence in and after the financial year 2024 do not result in an event that is recognized in the income statement or balance sheet. The shares related to the share-based incentive plans are transferred to the participant free of charge and the right to the share's vests irrevocably only at the end of the vesting period, when the employment condition related to the incentive plans has been met. The value of the employment

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condition cannot be allocated to the financial years during the vesting period, as the employee becomes irrevocably entitled to the reward just at the end of the vesting period. The taxes paid on behalf of the participant arising from share-based incentive plans are recognized as expenses in the financial year, when the obligation to pay the incentive takes place.

Pensions

The parent company's statutory pension insurance and voluntary pension plans are managed by external pension insurance companies. The pensions are all defined contribution plans and the contributions are expensed to the income statement as incurred.

The additional pension coverage of parent company employees was arranged by Vaisala Pension Fund that was closed on January 1, 1983. The pension fund liability was transferred to a pension insurance company on December 31, 2005 and the fund was dissolved in 2006. The pension liability of the fund is fully covered.

Income taxes

Tax expense includes taxes based on taxable profit for the financial year and tax adjustments for previous years. Current taxes are calculated on the taxable income on the basis of the tax rates enacted by the end of the financial year.

Non-current assets

Non-current assets consist of intangible assets, property, plant and equipment as well as investments. Carrying amounts of non-current assets are measured at cost less accumulated depreciation, amortization and impairment and plus revaluations. Depreciation and amortization according to plan is calculated on a straight-line basis over the expected useful lifetime of the asset. Land and investments are not depreciated. The cost of assets produced for own use includes also overhead costs attributable to the production work. No interest is capitalized in non-current assets. Estimated useful lifetimes for assets are:

Intangible rights	3–10 years
Buildings and structures	5–40 years
Machinery and equipment	3–10 years
Other tangible assets	3–8 years

Other intangible assets include assets that have an indefinite useful lifetime and are not amortized. Additionally, merger losses have been allocated to other intangible assets and their useful lifetime is 5-6 years.

Inventories

Inventories are stated at the lower of standard cost and probable purchase or selling price. Inventory cost includes the cost of purchase (including mainly purchase price, import duties and transport), direct labor and a proportion of production overhead. An allowance is recorded for excess inventory and obsolescence.

Provisions

Provisions are future expenditure and losses arising from obligations, for which the company is committed and for which it is not certain or likely that revenue will be generated in the future, which are likely to occur. A change in the provision is recognized in the same item of the income statement in which the provision was originally recognized.

Provisions can relate to restructuring of operations, loss-making contracts, warranties, legal disputes and other commitments.

Derivative financial contracts

Vaisala applies in its accounting of financial instruments valuation according to Accounting Act 5.2§ and follows Accounting Board's opinion December 13, 2016 ("KILA 1963/2016") on valuation of derivative financial instruments in fair value. All parent company's derivative financial contracts are foreign exchange forward contracts. The parent company has sales in several foreign currencies, of which the most significant in 2024 were USD, CNY and JPY. All derivative financial contracts are initially measured at fair value on the closing date of the derivative financial contract. Derivative financial contracts are subsequently measured at fair value through profit and loss at the end of the financial year. The fair value of a foreign exchange forward contract is measured at the present value of the future cash flows. Unrealized and realized gains and losses arising from changes in the fair value are recognized in the income statement in financial income and expenses in the period in which they arise. Derivative financial contracts are included in the balance sheet in prepaid and accrued expenses. The parent company does not apply hedge accounting.

Foreign currency translation

Transactions in foreign currencies are recorded using the exchange rate on the date of transaction. Receivables and payables in foreign currency have been valued at the rates quoted by European Central Bank on the last trading date of the financial year. Foreign exchange gains and losses arising from revaluation of cash and cash equivalents, trade and other receivables, loan receivables as well as trade and other payables are recognized as financial income and expense in the income statement.

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2. NET SALES

Disaggregation of revenue

Net sales by market area

EUR thousand	2024	2023
Americas	124,015	116,850
of which United States	90,511	86,241
APAC	126,971	115,539
EMEA	149,434	136,987
of which Finland	9,937	8,888
Total	400,421	369,376

Net sales by business area

EUR thousand	2024	2023
Weather and Environment		
Product sales	78,031	67,775
Project sales	51,854	42,129
Service sales	5,373	5,459
Subscription sales	6,694	3,181
Total	141,952	118,544
Industrial Measurements		
Product sales	52,257	49,631
Service sales	3,541	2,924
Total	55,798	52,555
Net sales from subsidiaries	202,671	198,277
Total	400,421	369,376

Net sales by timing of revenue recognition

EUR thousand	2024	2023
Revenue recognized at a point in time	134,946	121,985
Revenue recognized over time	62,804	49,114
Net sales from subsidiaries	202,671	198,277
Total	400,421	369,376

Net sales from subsidiaries are mainly recognized at a point in time.

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In 2024, net sales includes EUR 12.1 million of cost recharges to group companies related to the implementation of the enterprise resource planning system for the years 2021-2023. The enterprise resource planning system was taken into use on January 1, 2024.

The previous year's net sales has been adjusted by the amount of internal cost recharges (EUR 10.6 million) that were previously recorded as a reduction of costs but are included in internal revenue in 2024.

Payment terms

Payment terms vary based on geographical areas. In product, service and subscription sales business, the standard payment term is 30 days net, but in some areas, prepayments are commonly used. Project invoicing is based on milestones and typically follows the general project delivery terms (where 30% is advance payment, 60% against delivery documents and 10% after site acceptance test) or terms as per contract. In project business the most common payment terms are letter of credit or as per contract.

Assets and liabilities related to net sales

The following table provides information about receivables and liabilities from contracts with customers included in the balance sheet.

Assets and liabilities related to net sales

EUR thousand	Dec 31, 2024	Dec 31, 2023
Trade receivables	46,885	59,595
Accrued revenue	16,247	14,483
Advances received	1,735	1,388
Deferred revenue	12,169	13,586

Accrued revenue includes the balance of project, service and subscription sales revenue recognized but not yet invoiced. In general, most of project revenue is recognized after the product manufacturing as percentage of completion increases and most of the performance obligation is satisfied. According to general project delivery terms, majority of a project is invoiced before the delivery. Therefore, the amount of accrued revenue is typically at its highest between product manufacturing phase of the project and delivery of the product to the customer. For services, which are satisfied over time, the customer is mainly invoiced in advance and only in some cases in arrears after the customer has received or consumed the service. Arrears invoicing generates accrued revenue as the revenue is recognized before invoicing.

Advances received are customer payments related to contracts not yet invoiced.

Deferred revenue includes the balance of projects, services and products invoiced but revenue not yet recognized.

Project-related contract liabilities often arise in the early stages of a project, when the prepayment has been invoiced, but the project is only at an early stage and there is none or little revenue recognized under percentage of completion method. Services, which are recognized over time, are often invoiced in advance and therefore deferred revenue is generated in the beginning of the service period. For products and services, which are recognized at a point in time, deferred revenue is generated when customer has been invoiced, but performance obligation has not been satisfied and consequently revenue has not been recognized.

In the financial year 2024, the parent company recognized EUR 7 (5) million revenue that was included in the deferred revenue balance at the beginning of the period.

On December 31, 2024, the order book amounted to EUR 133.1 (97.8) million. Of the order book, EUR 98.4 (66.9) million is scheduled to be recognized as revenue in 2024 and EUR 34.7 (30.9) million is scheduled to be recognized later.

3. OTHER OPERATING INCOME AND EXPENSES

Other operating income

EUR thousand	2024	2023
Indemnities and other	478	643
Total	478	643

The parent company did not have other operating expenses in 2024 and 2023.

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4. PERSONNEL EXPENSES AND NUMBER OF EMPLOYEES

Personnel expenses

EUR thousand	2024	2023
Wages and salaries	112,378	108,747
Pension costs	18,759	18,301
Other personnel costs	2,155	3,440
Total	133,292	130,488

Employees average

Persons	2024	2023
In Finland	1,544	1,540
Outside Finland	10	9
Total	1,554	1,549

Employees Dec 31

Persons	2024	2023
In Finland	1,538	1,533
Outside Finland	10	9
Total	1,548	1,542

Salary and remunerations of the President and CEO (payment basis)

EUR thousand	2024	2023
Öistämö Kai (from Oct 1, 2020 on)		
Salary	557	526
Short term incentives	120	288
Share-based payment	506	728
Statutory pension	113	134
Supplementary pension	85	122
Total	1,381	1,797

The President and CEO Kai Öistämö is entitled to participate in a supplementary defined contribution pension plan with an annual fee corresponding to three month's base salary. The President and CEO's retirement age is 62 years. The notice period for both parties is six months. If the company terminates the agreement, there is an additional severance pay equaling six times the monthly salary.

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Remuneration of the Board of Directors 2024 (payment basis)

EUR thousand	Annual remuneration	Compensation, Audit Committee	Compensation, People and Sustainability Committee	Compensation, Nomination Committee	Compensation, Board of Director residing outside Finland	Total
Bresky Annica, Member of the Board	40		4	4	5	53
Castrén Petri, Member of the Board	40	6				46
Jääskeläinen Antti, Member of the Board	40	1	4			45
Lundström Petra (end of March 2024) Member of the Board			1	1		2
Rinnevaara Jukka, Member of the Board	40		5			45
Rosenberg Lotte, Member of the Board	40	3			5	48
Ståhlberg Kaarina, Member of the Board	40	9		1		50
Syrjänen Tuomas, Member of the Board	40		5	4		49
Voipio Raimo, Vice Chair of the Board	40	6		5		51
Voipio Ville, Chair of the Board	55		5	5		65
Total	375	25	24	20	10	454

Remuneration of the Board of Directors 2023 (payment basis)

EUR thousand	Annual remuneration	Compensation, Audit Committee	Compensation, People and Sustainability Committee	Compensation, Nomination Committee	Compensation, Strategic Planning Committee	Total
Castrén Petri, Member of the Board	40	7			1	48
Jääskeläinen Antti, Member of the Board	40	6			1	47
Lundström Petra, Member of the Board	40		4	5		49
Rinnevaara Jukka, Member of the Board	40		4			44
Ståhlberg Kaarina, Member of the Board	40	9		5	1	55
Syrjänen Tuomas, Member of the Board	40		5			45
Voipio Raimo, Vice Chair of the Board	40	6		5		51
Voipio Ville, Chair of the Board	55		5	5	1	66
Total	337	27	18	20	4	406

The Board established Strategic Planning Committee at the end of the year 2023. Board established Nomination Committee at the end of the year 2022 and the committee commenced its work in the beginning of 2023.

To the President and CEO and the members of the Board have not been granted loans nor have guarantees or commitments been given on their behalf.

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5. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

EUR thousand	2024	2023
Amortization of intangible assets	5,515	5,277
Depreciation of property, plant and equipment	9,171	8,985
Impairment of intangible and tangible assets	33	54
Total	14,719	14,316

In the financial year 2024 amortization of intangible assets included amortization EUR 3.5 (3.6) million related to merger losses included in other intangible assets.

6. FINANCIAL INCOME AND EXPENSES

EUR thousand	2024	2023
Financial income		
Dividend income		
From group companies	12,524	33,555
Interest income		
From group companies	147	-
From others	1,982	1,667
Other financial income		
From group companies	-	-
From others	1,111	3,158
Foreign exchange gains and losses	5,369	2,803
Total	21,133	41,182

EUR thousand	2024	2023
Financial expenses		
Interest expenses		
To group companies	-966	-1,694
To others	-1,990	-2,166
Other financial expenses		
To group companies	-	-
To others	-4,284	-2,788
Foreign exchange losses	-3,583	-5,671
Total	-10,823	-12,319

7. DIRECT TAXES

EUR thousand	2024	2023
Taxes from the financial year	11,969	4,931
Taxes from previous years	40	-4
Total	12,009	4,927

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8. NON-CURRENT ASSETS AND OTHER LONG-TERM INVESTMENTS

Intangible assets 2024

EUR thousand	Goodwill	Intangible rights	Other intangible assets	Advance payments and intangible assets in progress	Total
Acquisition cost Jan 1, 2024	88	33,558	20,568	353	59,327
Increases		45,842	1,557	145	42,783
Decreases		-14,704			-14,704
Transfers between items		147		-147	0
Acquisition cost Dec 31, 2024	88	64,843	22,125	351	87,405
Accumulated amortization and write-downs Jan 1, 2024	74	26,788	15,331		42,194
Accumulated amortization of decreases and transfers		-14,694			-14,694
Amortization and write-downs for the financial year	13	1,952	3,549		5,515
Accumulated amortization and write-downs Dec 31, 2024	88	14,047	18,880		33,015
Carrying value Dec 31, 2024	0	50,796	3,244	351	54,391

Intangible assets 2023

EUR thousand	Goodwill	Intangible rights	Other intangible assets	Advance payments and intangible assets in progress	Total
Acquisition cost Jan 1, 2023	88	33,720	20,361	340	59,269
Increases		282	207	151	640
Decreases		-535			-535
Transfers between items		91		-139	-48
Acquisition cost Dec 31, 2023	88	33,558	20,568	353	59,327
Accumulated amortization and write-downs Jan 1, 2023	55	25,693	11,694		37,442
Accumulated amortization of decreases and transfers		-535			-535
Amortization and write-downs for the financial year	20	1,630	3,637		5,286
Accumulated amortization and write-downs Dec 31, 2023	74	26,788	15,331		42,194
Carrying value Dec 31, 2023	13	11,531	5,236	353	17,133

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Property, plant and equipment 2024

EUR thousand	Land and waters	Buildings	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan 1, 2024	2,820	79,049	73,482	74	6,429	161,855
Increases		111	2,091		10,122	12,325
Decreases			-485			-485
Transfers between items		1,154	3,692		-4,846	0
Acquisition cost Dec 31, 2024	2,820	80,314	78,780	74	11,705	173,694
Accumulated depreciation and write-downs Jan 1, 2024		43,618	46,907			90,525
Accumulated depreciation of decreases and transfers			-436			-436
Depreciation for the financial year		2,980	6,190			9,171
Write-downs						0
Accumulated depreciation and write-downs Dec 31, 2024		46,599	52,660			99,259
Revaluation	84	5,618				5,702
Carrying value Dec 31, 2024	2,905	39,333	26,120	74	11,705	80,137

On December 31, 2024, the carrying amount of machinery and equipment used in production was EUR 22.9 (18.9) million.

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Property, plant and equipment 2023

EUR thousand	Land and waters	Buildings	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan 1, 2023	2,820	76,678	67,730	74	7,921	155,224
Increases		1,214	4,404		3,512	9,131
Decreases		817	-3,069			-2,252
Transfers between items		339	4,418		-5,005	-248
Acquisition cost Dec 31, 2023	2,820	79,049	73,482	74	6,429	161,855
Accumulated depreciation and write-downs Jan 1, 2023		39,760	43,987			83,747
Accumulated depreciation of decreases and transfers		817	-3,069			-2,252
Depreciation for the financial year		3,032	5,953			8,985
Write-downs		9	36			45
Accumulated depreciation and write-downs Dec 31, 2023		43,618	46,907			90,525
Revaluation	84	5,618				5,702
Carrying value Dec 31, 2023	2,905	41,048	26,576	74	6,429	77,032

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Investments 2024

EUR thousand	Holdings in group undertakings	Other shares and holdings	Total
Acquisition cost Jan 1, 2024	74,527	101	74,628
Increases	26,763		26,763
Carrying value Dec 31, 2024	101,290	101	101,390

Investments 2023

EUR thousand	Holdings in group undertakings	Other shares and holdings	Total
Acquisition cost Jan 1, 2023	74,651	101	74,752
Decreases	-124		-124
Carrying value Dec 31, 2023	74,527	101	74,628

9. OTHER RECEIVABLES

EUR thousand	2024	2023
Advances paid	871	327
Value added tax receivables	4,780	2,132
Grants	2,219	1,621
Other	-	20
Total	7,870	4,099

10. DEFERRED ASSETS

EUR thousand	2024	2023
Tax receivables	318	1,112
Deferred revenue	16,247	14,362
Derivative financial contracts	105	417
Other deferred assets	7,266	6,369
Total	23,936	22,260

Derivative financial contracts

EUR million	2024	2023
Nominal value of derivative financial contracts made to hedge against exchange rate risk		
Foreign exchange forward contracts	94.5	43.7
Nominal value, total	94.5	43.7

Nominal value of derivative financial contracts in currencies	2024		2023	
	Currency million	EUR million	Currency million	EUR million
USD	64.5	60.7	22.0	20.0
CNH	50.5	6.5	60.0	7.7
JPY	750.0	4.6	750.0	4.7
SEK	-	-	27.5	2.3
KWD	4.2	12.5	-	-
CAD	5.2	3.5	7.2	5.0
GBP	5.6	6.7	3.5	4.0
Total		94.5		43.7

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Maturity of derivative financial contracts

EUR million	2024	2023
Less than 90 days	55.4	37.1
Over 90 days and less than 120 days	-	2.0
Over 120 days and less than 180 days	-	4.5
Over 180 days and less than 365 days	39.2	-
Total	94.5	43.7

Fair value of derivative financial contracts made to hedge against exchange rate risk

EUR million	2024	2023
Fair values of derivative financial contracts, assets	0.1	0.4
Fair values of derivative financial contracts, liabilities	1.5	0.4

11. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets

EUR thousand	2024	2023
Share-based payments	780	943
Provisions	529	295
Total	1,309	1,238

Deferred tax assets and liabilities have not been recognized in the parent company's balance sheet. Deferred tax liabilities arising from revaluation and depreciation difference have not been taken into account. If realized, the tax effect would be EUR 1.1 million at the current tax rate of 20%. Other deferred tax liabilities were not material.

12. PROVISIONS

Non-current provisions

No non-current provisions at the end of fiscal years 2023 and 2024.

Current provisions

EUR thousand	2024	2023
Provisions Jan 1	1,475	1,631
Increases	215	1,475
Decreases	-349	-1,631
Provisions Dec 31	1,342	1,475

The provisions in the financial years 2024 and 2023 include mainly warranty provision and other contractual provisions.

13. SHAREHOLDERS' EQUITY

The parent company's shares are divided into series K shares and series A shares. Vaisala Corporation has 36,436,728 shares, of which 3,626,853 are series K shares and 32,809,875 series A shares. The shares do not have nominal value. Series A shares are listed on the Nasdaq Helsinki Ltd. The series K shares and A shares are differentiated by the fact that each series K share entitles its owner to twenty (20) votes at General Meeting of Shareholders while each series A share entitles its owner to one (1) vote. The shares have the same rights to dividend. Series K shares can be converted to series A shares according to specific rules stated in the Articles of Association.

On December 31, 2024 and 2023, the fully paid and registered share capital of Vaisala Corporation amounted to EUR 7,660,807.86.

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Shareholders' equity

EUR thousand	2024	2023
Share capital Jan 1	7,661	7,661
Share capital Dec 31	7,661	7,661
Fund of invested non-restricted equity Jan 1	422	422
Fund of invested non-restricted equity Dec 31	422	422
Retained earnings Jan 1	189,468	165,122
Dividend paid	-27,226	-26,137
Distribution of treasury shares	830	1,191
Gain/Loss on transfer of shares	953	-213
Purchase of treasury shares	-752	-2,123
Retained earnings Dec 31	163,272	137,840
Result for the financial year	58,240	51,628
Total equity	229,596	197,551

Distributable funds

EUR thousand	2024	2023
Retained earnings	163,272	137,840
Result for the financial year	58,240	51,628
Fund of invested non-restricted equity	422	422
Total	221,935	189,890

From the financial year 2023 a dividend of EUR 0.75 per share was paid, a total of EUR 27.2 million.

Vaisala Corporation's Board of Directors decided in its meeting on May 2, 2024, that 3,089,416 Series K shares will be converted into series A shares. This conversion was registered into the Trade Register on May 10, 2024.

Vaisala Corporation's Board of Directors decided in its meeting on October 23, 2024, that 14,823 series K shares will be converted into series A shares. This conversion was registered into the Trade Register on November 1, 2024.

The parent company purchased treasury shares totaling 18,855 shares in 2024. The purchase price was EUR 0.75 million. After purchase, the number of treasury shares owned by the company totaled to 152,149 shares.

14. OTHER NON-CURRENT AND CURRENT LIABILITIES

Parent company had on December 31, 2024 long-term liabilities EUR 105.0 (50.0) million. At the end of the financial year, the parent company had no non-current liabilities that will mature after five years.

On December 31, 2024, other current liabilities were EUR 8.9 (2.0) million. On December 31, 2024, other current liabilities included contingent consideration liability EUR 3.0 million relating to acquisitions.

15. LOANS FROM FINANCIAL INSTITUTIONS

In April 2024 the parent company conducted voluntary prepayment of EUR 15.0 million regarding EUR 50.0 million unsecured term loan initially signed on March 31, 2023. The loan is due in 2026 and has a financial covenant (gearing) tested semi-annually. On December 31, 2024, Vaisala was in compliance with the covenant. In December 2024 the parent company signed a EUR 70 million unsecured term loan agreement with one of its core banks for general corporate and working capital purposes as well as to finance the acquisition transaction in the United States. The loan was fully utilized. The loan has a financial covenant (gearing) tested semi-annually as of 2025.

In addition, the parent company has a domestic commercial paper program amounting to EUR 150 million. The company had not issued any domestic commercial papers on December 31, 2024, as year before at the end of 2023 .

The parent company has also a EUR 50 million committed revolving credit facility, which was undrawn on December 31, 2024, as at the end of 2023. The parent company exercised first of the two one-year extension options of the facility and hence the revolving credit facility expires on October 5, 2027. The facility agreement includes a financial covenant (gearing) tested semi-annually. On December 31, 2024, the company was in compliance with the covenant. The revolving credit facility was undrawn on December 31, 2024, as year before at the end of 2023.

Consequently, the company had non-current interest-bearing liabilities totaling EUR 105.0 (50.0) million on December 31, 2024. The company has no loans that would mature after five years or more.

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16. NON-CURRENT AND CURRENT ACCRUED EXPENSES AND DEFERRED INCOME

Short-term accrued expenses and deferred income

EUR thousand	2024	2023
Personnel expense accruals	32,408	28,516
Deferred revenue	12,169	13,586
Derivative financial contracts	1,513	380
Direct tax accruals	6,891	25
Other accrued expenses and deferred income	3,104	7,099
Total	56,085	49,607

Notes related to derivative financial contracts are presented in the note to the financial statements 10, Deferred assets.

Non-current accrued expenses and deferred income include personnel expense accruals totaling to EUR 1.4 (2.4) million and deferred revenue EUR 1.4 (1.4) million.

17. RECEIVABLES AND LIABILITIES FROM OTHER COMPANIES IN VAISALA GROUP

EUR thousand	2024	2023
Reveivables		
Loans receivables	36,102	-
Trade receivables	46,885	33,967
Prepaid expenses and accrued income	2,255	2,155
Total receivables	85,241	36,122
Liabilities		
Current loans	23,644	40,882
Trade payables	12,836	1,682
Accrued expenses and deferred income	6,643	4,723
Total liabilities	43,123	47,287

18. CONTINGENT LIABILITIES AND PLEDGES GIVEN

Contingent liabilities and pledges gives

EUR thousand	2024	2023
For own debt or liability		
Bank guarantees issued for obligations	11,865	10,297
For group companies		
Guarantees	905	522
Leasing commitments		
Payable during the following financial year	373	364
Payable later	459	751
Total leasing liabilities	832	1,115
Total contingent liabilities and pledges given	13,602	11,934

Investment commitments

On December 31, 2024, the parent company had commitments related to intangible and tangible assets for EUR 12 (3) million.

Purchase commitments

On December 31, 2024, the parent company had purchase commitments totaling to EUR 31 (16) million.

19. AUDITOR'S FEES

EUR thousand	2024	2023
Audit	421	444
Statements	13	8
Tax advice	8	-
Other fees	161	105
Total	603	557

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The financial statements of the parent company, Vaisala Corporation, prepared according to the Finnish Accounting Standards and consolidated financial statements prepared according to IFRS Accounting Standards give true and fair view of the parent company's as well as companies' included in its consolidated financial statements assets, liabilities, financial position and profit or loss.

The Board of Directors' Report includes an explanation that give true view on the development of the operations and profitability of the parent company and companies included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other conditions of the parent company.

Sustainability statement included in the Board of Directors' Report has been prepared in accordance with the reporting standards in the Accounting Act's chapter 7 and in accordance with article 8 in the taxonomy regulation.

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Signing of the Board of Directors' report and financial statements

Vantaa, February 17, 2025

Annica Bresky	Petri Castrén	Antti Jääskeläinen	Jukka Rinnevaara
Lotte Rosenberg	Kaarina Ståhlberg	Tuomas Syrjänen	
Raimo Voipio Vice Chair of the Board	Ville Voipio Chair of the Board	Kai Öistämö President and CEO	

Auditor's Report

(Translation of the Finnish Original)

To the Annual General Meeting of Vaisala Oyj

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of Vaisala Oyj (business identity code 0124416-2) for the year ended 31 December 2024. The financial statements comprise:

- the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, which include material accounting policy information and other explanatory information
- the parent company's balance sheet, income statement, cash flow statement and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 29 to the Financial Statements.

Our Audit Approach

Overview



- We have applied an overall group materiality of € 4 million which represents approximately 5% of profit before taxes.
- The group audit scope included all significant group companies in Europe, Asia and North America, covering the vast majority of net sales, assets and liabilities.
- Revenue recognition of product and project sales
- Inventory valuation
- Implementation of the new ERP- system

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

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Overall group materiality	€ 4 million
How we determined it	The group's materiality is defined as approximately 5% of Vaisala Group's profit before taxes.
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark for determining materiality because, in our view, it is the most commonly measured by users of the financial statements to assess the performance of the Group. In addition, profit before tax is a generally accepted benchmark. We choose a percentage of approximately 5% as the applicable percentage, which is within the range of acceptable quantitative materiality thresholds in auditing standards

How we tailored our group audit scope

We have determined our group audit scope to obtain sufficient audit coverage of Vaisala Group's consolidated financial statements. We tailored the scope of our audit, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Audits were performed in group companies that we considered significant due to risk or size. These audits covered the vast majority of net sales, assets and liabilities. We performed mainly analytical procedures in the remaining group companies.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition of product and project sales <i>Note 1, 2 and 3 in the consolidated financial statements.</i> <i>Note 1 and 2 in the financial statements of the parent company</i> Vaisala Group's net sales amounted to € 564,6 million and the parent company's to € 400,4 million. Net sales consist of products, project, service and subscription sales as presented in note 1. Revenue from sale of products is recognized at a point in time when the control is transferred to the customer. As product sales comprise a high volume of distinct product deliveries under various sales contracts and terms, there is a risk that revenue is recognised in the incorrect period. Revenue from projects is recognized over time using percentage of completion method. Progress is measured by cost-to-cost method, comparing incurred costs and forecasted costs. Revenue recognition over time requires management judgment related to forecasted project revenues and costs throughout the project delivery. Revenue recognition is considered a key audit matter in the audit of the consolidated financial statements and the financial statements of the parent company due to the management judgment related to revenue recognition of product and project sales and due to the significance of net sales to the financial statements.	Our audit procedures included, for example, the following: <ul style="list-style-type: none">• We obtained an understanding of different revenue streams and related contractual terms used• We assessed the accounting principles over revenue recognition• We obtained an understanding of the revenue recognition process and internal controls that the company uses to monitor the completeness, accuracy and correct timing of revenue recognition• We tested on a sample basis the revenue recognition of product sales whether the revenue is recognized in the correct period• We tested, on a sample basis, project accounting including estimated project revenues, estimated project costs, incurred costs and percentage of completion• We reviewed the project cost estimates prepared by the management and compared actual project outcomes to their related estimates• We evaluated the presentation and disclosures in the financial statements.
Inventory valuation <i>Note 13 in the consolidated financial statements.</i> <i>Note 1 in the financial statements of the parent company</i> Inventory in Vaisala Group's balance sheet amounted to € 58.8 million and in parent company to 42,2 million. In consolidated financial statement, the Inventories are stated at the lower of standard cost or net realizable value and in parent company financial statement the inventories are stated at the lower of standard cost or the probable replacement cost or selling price of stocks. Allowance for inventory is recognized for possible excess, obsolescence and decrease in net realizable value below inventory cost. Management estimates and judgment are required in determining the value of the allowance for excess and obsolete inventory. Inventory valuation is considered a key audit matter in the audit of the consolidated financial statements and the financial statements of the parent company due to the management judgment related to inventory valuation and due to the significance of inventory to the financial statements	Our audit procedures included, for example, the following: <ul style="list-style-type: none">• We obtained an understanding of accounting processes and practices related to inventory valuation• We assessed the accounting principles over inventory valuation• We tested internal controls related to inventory valuation• We tested on a sample basis that inventories have been valued in accordance with the accounting policies of the Group and the parent company.• We evaluated the allowance for excess and obsolete inventory and tested that the allowance is accounted for in accordance with the company's accounting principles• We reviewed the estimates of demand prepared by the management in determining the value of the allowance for excess and obsolete inventory• We evaluated the presentation and disclosures in the financial statements

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Key audit matter	How our audit addressed the key audit matter
<p>Implementation of the new Enterprise Resource Planning (ERP) system</p> <p>Vaisala Group has implemented a new ERP system at the beginning of the financial year 2024. The implementation of the new system involves inherent risks related to the correctness and continuity of the transferred financial information. The information produced by the ERP system has a wide-ranging impact on the accuracy of financial information. As a result, we have identified the complete and accurate migration of financial information from the legacy system environment to the new ERP system as a key audit matter in the audit of the consolidated financial statements and the financial statements of the parent company.</p>	<p>Our audit procedures included, for example, the following:</p> <ul style="list-style-type: none">• We obtained an understanding of the ERP system implementation process and related management controls• We assessed and tested project management and data migration controls related to the implementation• We tested the transfers of balance sheet and profit and loss data from the old system to the new system.• We responded to the risks arising from the system environment by testing the system's access, change management and business process controls.
<p>There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements</p>	

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Appointment

We were first appointed as auditors by the annual general meeting on 28 March 2023. Our appointment represents a total period of uninterrupted engagement of 2 years. Authorised Public Accountant Ylva Eriksson has acted as the principal auditor appointed by PricewaterhouseCoopers Oy starting from the Annual General Meeting on 26 March 2024.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Governance and Financial Review but does not include the financial statements or our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the treatment of distributable funds is in compliance with the Companies Act. We support that the members of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki 17 February 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Ylva Eriksson
Authorised Public Accountant (KHT)

Assurance Report on the Sustainability Report

(Translation of the Finnish Original)

To the Annual General Meeting of Vaisala Corporation

We have performed a limited assurance engagement on the group sustainability report of Vaisala Corporation (business identity code 0124416-2) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1.–31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability report does not comply, in all material respects, with

- 1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
- 2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Vaisala Corporation has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability report in accordance with Chapter 7, Section 22, of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorised Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability report of Vaisala Corporation that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the reporting period 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability report. Our opinion is not modified in respect of this matter.

Authorised Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Management ISQM 1, which requires the firm to design, implement and operate a system

of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Vaisala Corporation are responsible for:

- the group sustainability report and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified
- the compliance of the group sustainability report with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determines is necessary to enable the preparation of a group sustainability report that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Report

In reporting forward-looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of assumptions that have been disclosed in the sustainability report about events that may occur in the future and possible

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future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Responsibilities of the Authorised Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability report.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability report, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for example the following:

- We interviewed the company's management and the individuals responsible for collecting and reporting the information contained in the group sustainability report at the group level and in subsidiaries, as well as at different levels and business areas of the organization to gain an understanding of the sustainability reporting process and the related internal controls and information systems.
- We familiarised ourselves with the background documentation and records prepared by the company where applicable, and assessed whether they support the information contained in the group sustainability report.
- We performed site visits at the company's head office in Finland and at one site in France.
- We assessed the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided about the assessment process complies with the ESRS standards.

- We assessed whether the sustainability information contained in the group sustainability report complies with the ESRS standards.
- Regarding the EU taxonomy information, we gained an understanding of the process by which the company has identified the group's taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided with the regulations.

Helsinki 17 February 2025

PricewaterhouseCoopers Oy
Authorised Sustainability Auditors

Ylva Eriksson
Authorised Sustainability Auditor

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