



**Q3**

# Business Review

January – September 2021

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The figures in brackets refer to the comparison period  
(the corresponding period of the previous year), unless otherwise stated.

## Guidance remains unchanged – operations are progressing in line with the strategy

### JULY – SEPTEMBER 2021

- Turnover EUR 58.3 million (48.2), +21.0% year-on-year
- EBITDA EUR 2.9 million (4.6), EBITDA margin 5.1% (9.6)
- Operating profit EUR 0.4 million (2.8), profit margin 0.7% (5.8)
- Order backlog EUR 272.0 million at the end of the third quarter (30 September 2020: 160.0 million)
- Adjusted EBITDA EUR 4.4 million (4.9), or 7.5% (10.3) of turnover
- Adjusted operating profit EUR 2.6 million (3.5), or 4.5% (7.2) of turnover
- The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

### JANUARY – SEPTEMBER 2021

- Turnover EUR 173.2 million (79.4), +118.1% year-on-year
- EBITDA EUR 10.5 million (6.0), EBITDA margin 6.0% (7.6)
- Operating profit EUR 2.8 million (3.6), profit margin 1.6% (4.5)
- Adjusted EBITDA EUR 11.7 million (6.3), or 6.8% (8.0) of turnover
- Adjusted operating profit EUR 6.1 million (4.3), or 3.5% (5.4) of turnover
- Earnings per share EUR 0.07 (0.32)
- Total number of shares 13,397,729 (30 September 2021)
- The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

### GUIDANCE

- The company reiterates its guidance, according to which its turnover is expected to be EUR 215–245 million in 2021. Its adjusted EBITDA is expected to be EUR 17–20 million, and its adjusted operating profit is expected to be EUR 8–11 million in 2021.

### JANUARY – SEPTEMBER 2021 HIGHLIGHTS

- 1 February Tommi Manninen was appointed SVP, Communications and Public Affairs, and a member of the Group Executive Team at Enersense.
- 4 February The company's Smart Industry business area renewed its plant maintenance contract with a major Finnish industrial company.
- 25 February Enersense complemented its long-term financial targets and further specified its plan for the possible transfer to the Nasdaq Helsinki.
- 1 March Enersense increased its holding in its Latvian associated company, Empower SIA, which became an Enersense Group company through an acquisition.
- 15 March Enersense secured a new significant long-term shareholder and raised EUR 15 million through a directed share issue.
- 19 March At its inaugural meeting, the Board of Directors of Enersense elected Markku Kankaala as its Chair and Herkko Plit as its Vice Chair. In addition, the Board elected the members of its Audit Committee from among its members: Sari Helander (Chair), Markku Kankaala and Petri Suokas. The Board also elected the members of the Remuneration Committee: Herkko Plit (Chair), Markku Kankaala and Sirpa-Helena Sormunen.
- 23 March Enersense signed an agreement with the Lithuanian company Litgrid AB on the modernisation of the Jurbarkas–Bitėnai power lines.
- 16 April At an Extraordinary General Meeting of Enersense, it was decided that the Board of Directors consist of seven members, and that Jaakko Eskola be selected as a new member of the Board. At its meeting convened after the Extraordinary General Meeting on 16 April 2021, the Board of Directors decided to elect Jaakko Eskola as its Chair.
- 4 May The company completed negotiations on refinancing its operations. The company's new financing package consists of two senior loans and several bank guarantee and factoring facilities.
- 6 May Enersense agreed to sell the entire share capital of Värviäämö Oy to Citywork.

- 6 May Enersense adopted IFRS reporting and published its new guidance for 2021.
- 10 May The company published its pro forma IFRS financial information for 1 January to 31 December 2020 to describe the impacts of the Empower acquisition, which was completed on 1 July 2020.
- 2 June Enersense signed a significant agreement on the renewal of the Tsirguliina–Viru power lines.
- 3 June Enersense published its unaudited IFRS financial information for the first quarter of 2021 and the first quarter of 2020.
- 4 June The company announced that it was planning to execute a share issue, and that it would apply for its shares to be listed on the Nasdaq Helsinki.
- 7 June Enersense applied for its shares to be listed on the Nasdaq Helsinki.
- 10 June Enersense published the terms and conditions of its directed share issue.
- 10 June The company published its IFRS financial statements for 2020 and its interim report for the first quarter of 2021 in accordance with IAS 34.
- 10 June The Financial Supervisory Authority approved Enersense's Finnish-language listing prospectus.
- 18 June Enersense's public offering was oversubscribed, and the subscription period was discontinued.
- 21 June Enersense's institutional offering was oversubscribed, and the subscription period was discontinued.
- 22 June Enersense successfully executed a directed share issue of 1,775,000 new shares, raising around EUR 16 million.
- 24 June Enersense announced that Majja Kaski, SVP, HR, and member of the Group Executive Team, would leave the company in September 2021.
- 30 June Enersense completed the sale of Värväämö's share capital to Citywork. Mika Linnamäki, EVP, Staff Leasing, retired from his position as a member of the Group Executive Team and left the company.
- 21 July Mikko Jaskari was appointed Chief Financial Officer of Enersense and a member of the Group Executive Team.
- 16 August Enersense announced that Anna Lindén, EVP, Connectivity, would leave the company, and that Juha Silvola, EVP, Power, would serve as Interim EVP, Connectivity, in an acting capacity.
- 30 August Enersense announced that Markku Kankaala, Vice Chair and member of the Board, would leave the Board on 30 August 2021. Kankaala also resigned from the Audit Committee and the Remuneration Committee.
- 31 August Enersense's Board of Directors elected Sirpa-Helena Sormunen as its new Vice Chair. Päivi Jokinen was elected as a new member of the Audit Committee, and Jaakko Eskola was elected as a new member of the Remuneration Committee.
- 31 August Hanna Reijonen was appointed SVP, HR of Enersense and a member of the Group Executive Team.
- 6 September The following people were appointed as members of the Shareholders' Nomination Committee: Risto Takkala, MBÅ Invest Oy; Alexander Ehrnrooth, Nidoco AB; and Kyösti Kakkonen, Joensuun Kauppa ja Kone Oy.

## EVENTS AFTER THE REVIEW PERIOD

Through a transaction completed on 4 October 2021, Enersense acquired the entire share capital of Pori Offshore Constructions Ltd, a company specialising in offshore wind power. The basic purchase price of the share capital was EUR 1.0. Any additional purchase price will be paid based on the EBITDA of Pori Offshore Constructions for 2022–2025 in accordance with the terms and conditions of the deed of sale. The additional purchase price is estimated to be less than EUR 0.5 million.

Enersense updated its disclosure policy on 4 October 2021. A key change concerned the disclosure of orders and customer contracts by means of stock exchange releases. In the future, the company will announce new orders or customer contracts as insider information by means of stock exchange releases when the expected value of the order or customer contract is more than 10% of the Enersense Group's turnover in the previous financial year, or if the company deems the order or customer contract to be material or strategically significant on other grounds.

## The Group's financial result

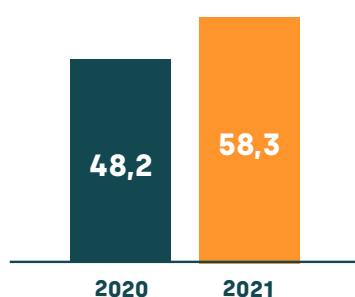
### Key indicators

	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Turnover (EUR 1,000)	58,271	48,168	173,200	79,407	147,460
EBITDA (EUR 1,000)	2,948	4,619	10,451	6,024	9,775
EBITDA, %	5.1	9.6	6.0	7.6	6.5
Adjusted EBITDA (EUR 1,000) *)	4,353	4,938	11,734	6,342	11,510
Adjusted EBITDA, % *)	7.5	10.3	6.8	8.0	7.8
Operating profit (1,000 EUR)	388	2,788	2,787	3,568	4,780
Operating profit, %	0.7	5.8	1.6	4.5	3.2
Adjusted operating profit (EUR 1,000) *)	2,600	3,489	6,138	4,269	7,474
Adjusted operating profit, % *)	4.5	7.2	3.5	5.4	5.1
Result for the period (EUR 1,000)	33	2,185	624	2,487	2,379
Equity ratio, %	37.0	16.6	37.0	16.6	15.7
Gearing, %	-4.7	106.1	-4.7	106.1	52.3
Return on equity, %	0.1	16.9	1.9	19.4	19.3
Earnings per share, EUR	0.01	0.22	0.07	0.32	0.27

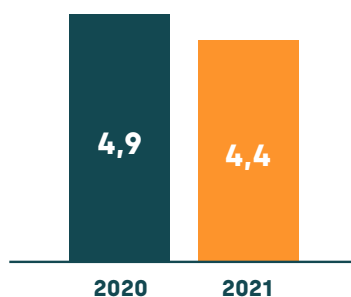
\*) Reconciliation of adjusted key indicators: Note 11

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

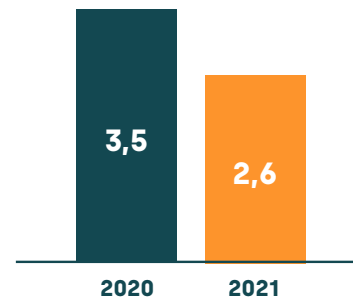
July–September  
**Turnover**  
(EUR million)



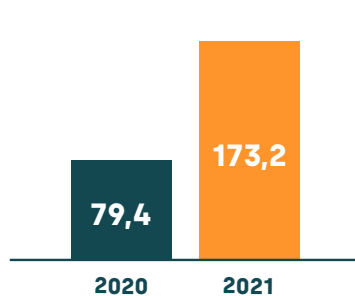
July–September  
**Adjusted EBITDA**  
(EUR million)



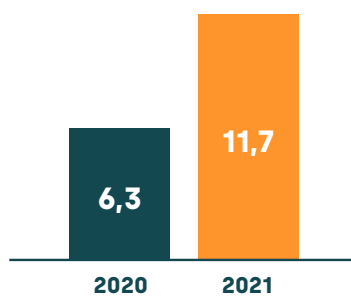
July–September  
**Adjusted EBIT**  
(EUR million)



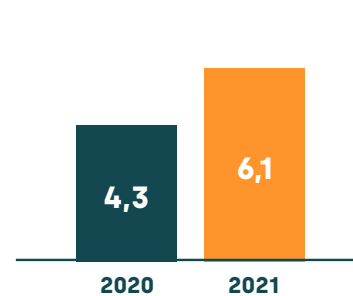
January–September  
**Turnover**  
(EUR million)



January–September  
**Adjusted EBITDA**  
(EUR million)



January–September  
**Adjusted EBIT**  
(EUR million)



## Jussi Holopainen, CEO

**"In line with our growth strategy, we are seeking growth both organically and inorganically, and we succeeded in both in the review period. The Empower integration has progressed as planned, and our joint operations have developed in accordance with the goals in all areas.**

In 2021, our performance and turnover are distributed more evenly between the second, third and fourth quarters. This is due to the cyclical nature of our project business: project start-ups and progress affect how turnover and profit are distributed between the quarters. Our full-year guidance remains unchanged: turnover EUR 215–245 million, adjusted EBITDA EUR 17–20 million, and the adjusted operating profit EUR 8–11 million.

Our order backlog has increased considerably during the year. Our order backlog stood at EUR 272 million at the end of September, compared with EUR 160 million at the end of September 2020. Our order backlog has increased by 70%.

After a quiet July, the results of our segments developed moderately during the review period. The increase in the Smart Industry segment's quotation base indicates a continued good demand. In the Power segment, the order backlog decreased year-on-year. We have maintained our profitability target, and the Power segment's EBITDA has improved by around 500% compared with the third quarter of 2020. In the Connectivity segment, demand is slightly lower than in the previous year. The International Operations segment's turnover increased from the first half of the year, which was due to a good order backlog and seasonal fluctuations in the Baltic countries.

Following our transfer to the main list of the Nasdaq Helsinki, we have continued to implement our growth strategy. At the beginning of October, we acquired the share capital of Pori Offshore Constructions Ltd, a company specialising in offshore wind power. At the same time, Enersense moved up in the value chain for renewable energy production projects, from installation services to comprehensive deliveries. Pori Offshore Constructions has significant expertise in project implementation related to offshore wind power,



which provides Enersense with an entirely new business opportunity. Investments of nearly EUR 800 billion are needed for the implementation of the EU strategy on offshore renewable energy by 2050.

The completed acquisitions and plans for inorganic growth in line with our strategy require a great deal from our organisation in terms of up-to-date, consistent and scalable systems, for example. We started an extensive ERP renewal project during the third quarter.

Highly competent and enthusiastic employees play a key role in our company's success and development opportunities. During the third quarter, two new members joined our Group Executive Team to further strengthen our expertise. Mikko Jaskari started as Chief Financial Officer of Enersense on 2 August 2021, and Hanna Reijonen as SVP, HR, on 6 September 2021. Anna Lindén, EVP, Connectivity, left the company in August, and Juha Silvola, EVP, Power, is serving as Interim EVP, Connectivity, in an acting capacity.

The energy transition and zero-emission energy solutions are progressing rapidly on many fronts in Finland and globally. This provides Enersense with plenty of opportunities now and in the future, thanks to our broad range of services."

## Financial result

### Turnover by segment

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Smart Industry	18,741	23,225	64,521	53,123	78,371
Power	12,530	6,702	35,348	6,702	18,916
Connectivity	12,282	8,817	32,130	8,817	23,419
International Operations	14,624	9,361	41,006	10,701	26,754
Items not allocated to business areas	94	63	196	63	-
<b>Total</b>	<b>58,271</b>	<b>48,169</b>	<b>173,200</b>	<b>79,407</b>	<b>147,460</b>

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

### Turnover by target area

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Finnish sites	48,344	39,641	135,438	65,526	111,671
International sites	9,927	8,527	37,762	13,880	35,789
<b>Total</b>	<b>58,271</b>	<b>48,169</b>	<b>173,200</b>	<b>79,407</b>	<b>147,460</b>

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

### JULY-SEPTEMBER 2021

Turnover was EUR 58.3 million (48.2), which is EUR 10.1 million higher than in the corresponding period of 2020, with an increase of 21.0%. The change in turnover was largely due to the impact of the Empower acquisition, which was completed in July 2020. As a result of the acquisition, the company's business operations grew in services for the energy and telecommunications sectors and industry in Finland and the Baltic countries.

EBITDA was EUR 3.0 million (4.6). The net impact of items affecting comparability was EUR 1.4 million. Adjusted EBITDA was EUR 4.4 million (5.0). The most significant single item affecting comparability was the ramp-down of the digital unit, which started in September and had an impact of EUR 0.4 million.

The operating profit was EUR 0.4 million (2.8). The net impact of items affecting comparability was EUR 2.2 million. The ramp-down of the loss-making digital unit had an impact of EUR 0.6 million on these items. The adjusted operating profit was EUR 2.6 million (3.5).

### JANUARY-SEPTEMBER 2021

Turnover was EUR 173.2 million (79.4), which is EUR 93.8 million higher than in the corresponding period of 2020, with an increase of 118.1%. The increase was mainly due to the impact of the Empower acquisition.

EBITDA was EUR 10.5 million (6.0). The net impact of items affecting comparability included in EBITDA was EUR 1.3 million. Adjusted EBITDA was EUR 11.7 million (6.3).

The operating profit was EUR 2.8 million (3.6). It includes EUR 2.0 million in items affecting comparability and a total of EUR 1.3 million in amortisation of intangible assets related to acquisitions. The adjusted operating profit was EUR 6.1 million (4.3).

### ORDER BACKLOG

The order backlog was EUR 272.0 million at the end of the third quarter (292.0 million at the end of 2020).

The segment-specific figures are presented under "Segment reviews".

## Financial position and cash flow

### PROFIT BEFORE TAXES, RESULT FOR THE PERIOD AND EARNINGS PER SHARE

The result before taxes was EUR 0.3 million (2.0) in July-September, and the result for the period was EUR 32.8 million (2.2). Earnings per share were EUR 0.01 (0.22).

The result before taxes was EUR 0.5 million (2.6) in January-September, and the result for the period was EUR 0.6 million (2.5). Earnings per share were EUR 0.07 (0.32). Net financial expenses in January-September were EUR 2.2 million (1.0), and included EUR 0.5 million in non-recurring arrangement fees.

## CASH FLOW AND FINANCING

Cash flow from operating activities in January–September was EUR -12.7 million. An increase in trade and other receivables as a result of turnover growth, as well as the payment of trade receivables and other liabilities, had an impact on the cash flow for the period.

Cash flow from investing activities in January–June was EUR 3.1 million, which includes the divestment of Värväämö Oy, an investment in Empower SIA, the sale and leaseback of vehicles, and pledges related to loan arrangements.

Cash flow from financing activities in January–September was EUR 19.3 million, which includes the funds raised through the share issues implemented on 22 June 2021 and 15 March 2021, as well as loan withdrawals and repayments related to the new loan arrangement.

On 4 May 2021, Enersense announced that it had completed negotiations on the financing of its operations. The company's new financing package consists of two senior loans and several bank guarantee and invoice financing facilities. The funding is used for operational development and working capital management. The new financing agreement includes financial covenants concerning the Group's equity ratio and its ratio of interest-bearing debt to EBITDA. At the end of September, the equity ratio needed to be at least 30%, and the ratio of interest-bearing debt to 12-month EBITDA needed to be no more than 2. The company's covenants were met in accordance with the calculation principles confirmed in the financing agreement. As part of its new financing, the company took out two senior loans in the second quarter. Each loan amounts to EUR 6.0 million and will mature in 2026.

Enersense has access to a total of EUR 36.9 million in guarantee facilities. The company also has access to invoice financing facilities totalling EUR 41.5 million.

On 15 March 2021, Enersense's Board of Directors decided to execute a share issue, through which 2,075,000 new shares were directed to Nidoco AB. Nidoco AB has subscribed to all the offered shares in the company, and its Board of Directors has approved the subscriptions. The share issue was executed based on the authorisation granted by the Annual General Meeting on 6 April 2020.

Through the share issue, Enersense raised around EUR 15.0 million in gross assets before fees and expenses. The number of shares in the company increased by 2,075,000 to a total of 11,622,729 shares. The shares offered through the share issue represented around 21.7% of all shares in the company before the issue, and around 17.9% of all shares in the company following the issue.

On 22 June 2021, Enersense's Board of Directors decided to execute a targeted share issue. The company issued 1,775,000 new shares to institutions, the

public and its personnel. The share issue was executed based on the authorisation granted by the Annual General Meeting on 19 March 2021.

Through the share issue, Enersense raised around EUR 16.0 million in gross assets before fees and expenses. The number of shares in the company increased by 1,775,000, which corresponds to around 13.2% of its outstanding shares following the share issue. The number of shares in the company increased to 13,397,729 following the issue of the new shares.

## Segment reviews

The company's business operations grew in services for the energy and telecommunications sectors and industry in Finland and the Baltic countries as a result of the Empower acquisition, which was completed in July 2020. The figures concerning the business operations that were transferred to Enersense through the acquisition are included in the consolidated figures from August 2020.

### SMART INDUSTRY

*The Smart Industry segment helps customers improve the reliability of their production plants and the efficiency of their maintenance operations. The segment develops digital solutions for improving productivity and provides resource and contracting services and subcontracting chain management services for domestic and international industry projects. The segment is divided into two units: Smart Services (maintenance and operation services and subcontracting chain management services) and Smart Operations (resource, project and contracting services).*

### July–September 2021

The Smart Industry segment's result developed favourably during the review period. The segment's turnover was EUR 18.7 million (23.2). The decrease in turnover compared with the previous year was mainly due to the divestment of the Staff Leasing business at the end of June 2021. The increase in the quotation base indicates a continued good demand. The risk of the business impact of the pandemic continues to exist in all our business areas in the forthcoming review period.

The Smart Industry segment's EBITDA developed in line with expectations in the review period and was EUR 2.2 million (2.6). The decrease in EBITDA compared with the previous year resulted from the divestment of the Staff Leasing business and changes in the agreement base.

### January–September 2021

The turnover of the Smart Industry segment was EUR 64.5 million (53.1). The increase in turnover was mainly due to the Empower acquisition in August 2020 and the higher volumes of the Smart Operations unit. The increase in the quotation base indicates a continued



strong demand. The risk of the business impact of the pandemic continues to exist in all our business areas in the forthcoming review period. The average number of personnel in the Smart Industry segment was 824 person-years during the review period.

The Smart Industry segment's EBITDA was EUR 8.8 million (4.6). The change in its EBITDA resulted from the Empower acquisition, the divestment of the Staff Leasing business, and the improved profitability of the Smart Services and Smart Operations units. The EBITDA includes EUR 1.8 million in gains from the sale of assets.

### Order backlog

The order backlog of the Smart Industry segment increased in line with expectations in January–September. Market interest in Enersense's renewed range of services has further strengthened its quotation base and order backlog.

### POWER

*The Power segment helps customers implement the energy transition through services that cover the entire life cycle of the energy sector. The services include the design, construction and maintenance of transmission grids, electric substations and wind farms. The segment also provides solutions for charging systems for electrically powered transport and electricity storage.*

### July–September 2021

The Power segment's result developed favourably during the review period. The segment's turnover was EUR 12.5 million (6.7). Its turnover increased as a result of the Empower acquisition. The business operations within the Power segment were transferred to Enersense in connection with the Empower acquisition in July 2020. Demand in the Power segment continued to be strong during the review period, and projects progressed as planned. The impacts of the coronavirus pandemic were minor in the review period.

The Power segment's EBITDA was EUR 1.1 million (0.2). The change was due to the Empower acquisition and successful project management.

### January–September 2021

The Power segment's turnover was EUR 35.3 million (6.7). Its turnover increased as a result of the Empower acquisition. The business operations within the Power segment were transferred to Enersense in connection with the Empower acquisition in July 2020. Demand for services remained strong, and projects progressed well. The impacts of the coronavirus pandemic were minor in the review period. The average number of personnel in the Power segment was 158 person-years during the review period.

The Power segment's EBITDA was EUR 2.5 million (0.2). The change was due to the impact of the Empower acquisition. In addition, project margins remained at their target levels.

### Order backlog

The Power segment's order backlog decreased by around EUR 5.0 million from the corresponding period of the previous year. This was due to the tight market situation and the Power segment's goal to protect its margin levels. Compared with the situation at the end of the second quarter of 2021, the order backlog decreased by around EUR 6.0 million, which was largely due to the goal mentioned above and a strong period in terms of turnover.

### CONNECTIVITY

*The Connectivity segment helps customers by providing mobile and fixed network services and ensuring their operability. The segment is involved in all phases of the life cycles of data networks, as well as designing, building and maintaining fixed and wireless data networks.*

### July–September 2021

The Connectivity segment's turnover was EUR 12.3 million (8.8). Its turnover increased as a result of the Empower acquisition. The business operations within the Connectivity segment were transferred to Enersense in connection with the Empower acquisition in July 2020. The volume of long-term framework agreements varies within the agreement period, and demand is slightly lower than in the previous year. The impacts of the coronavirus pandemic on business operations were minor during the review period.

The Connectivity segment's EBITDA was EUR 0.8 million (0.6). The change was due to the impact of the Empower acquisition. A profitability improvement programme is in progress.

### January–September 2021

The Connectivity segment's turnover was EUR 32.1 million (8.8). The business operations within the Connectivity segment were transferred to Enersense in connection with the Empower acquisition in July 2020. Demand is slightly lower than in the previous year, but is expected to increase towards the end of the year. The impacts of the coronavirus pandemic on business operations were minor during the review period. The average number of personnel in the Connectivity segment was 345 person-years during the review period.

The Connectivity segment's EBITDA was EUR 0.9 million (0.6). The change was due to the impact of the Empower acquisition. A profitability improvement programme is in progress.

### Order backlog

The Connectivity segment's order backlog increased by around EUR 50.0 million year-on-year through new framework agreements. Compared with the situation at the end of the second quarter of 2021, the order backlog decreased by around EUR 12.0 million. Due to the nature of the business operations, the order backlog does not grow steadily, because the majority of sales come from long-term framework agreements that are valid for several years.

## INTERNATIONAL OPERATIONS

*The International Operations segment covers Enersense's international business operations in Germany, France and the United Kingdom, as well as the Baltic business transferred as part of the Empower acquisition.*

### July–September 2021

The turnover of the International Operations segment was EUR 14.6 million (9.4). The increase was mainly due to the impact of the business operations in the Baltic countries that were transferred to Enersense in connection with the Empower acquisition in July 2020. Its turnover increased from the level achieved early in the year, which was due to a good order backlog and seasonal fluctuations in the Baltic countries. The majority of the turnover came from maintenance and construction projects in power grids and distribution grids in Estonia, Latvia and Lithuania. The turnover of the Industry unit in France decreased. Demand for services increased in the Baltic countries, and remained stable in other countries. The impacts of the coronavirus pandemic on business operations were minor during the review period.

The International Operations segment's EBITDA was EUR 0.3 million (1.2). EBITDA decreased year-on-year due to weak margin development in projects in Latvia.

### January–September 2021

The turnover of the International Operations segment was EUR 41.0 million (10.7). The increase was mainly due to the impact of the business operations in the Baltic countries that were transferred to Enersense in connection with the Empower acquisition in July 2020. Turnover has developed favourably. The first half of the year was difficult because of cold weather, which caused orders to be postponed. A major power line project was completed at the end of 2020, and new projects did not start until February 2021. The break was used for training and annual leave, which was reflected in the result for the first half of the year. Demand for services was high, and turnover growth was mainly limited by a lack of resources. The average number of personnel in the International Operations segment was 571 person-years during the review period.

The International Operations segment's EBITDA was EUR 1.4 million (0.8). A low EBITDA is typical of the beginning of the year because of reduced work efficiency in winter conditions. In addition, the winter of 2021 was colder than usual, and there was a break in January between the completion of a major power line project and the start of new projects. Furthermore, high demand led to a lack of competent employees, and higher costs in the Baltic countries also posed challenges.

### Order backlog

The order backlog is at a record high at around EUR 115.0 million as a result of agreements signed by the International Operations segment on several long-term construction projects in the Baltic countries. The or-

der backlog will be distributed over the coming years. Capacity is almost sold out for this year. Due to the nature of the business operations, the order backlog does not grow steadily, because the majority of sales come from major framework agreements and long-term projects that are valid for several years.

## Guidance for the 2021 financial period remains unchanged

The company reiterates its guidance, according to which its turnover is expected to be EUR 215–245 million in 2021. Its adjusted EBITDA is expected to be EUR 17–20 million, and its adjusted operating profit is expected to be EUR 8–11 million in 2021. Because of the seasonal nature of the company's business operations, its turnover and profitability are usually at their highest during the second and third quarters and part of the fourth quarter.

Our longer-term goal is to achieve EUR 300 million in turnover and an EBITDA of 10% organically by 2025, as well as increasing the proportion of low-emission and zero-emission energy solutions to 75% of total turnover. Enersense is also actively seeking acquisitions to implement its strategy, and any inorganic growth can increase its turnover significantly.

The guidance and outlook are based on the information available to the company about the progress of ongoing customer projects and on the company's estimate of customer projects to be started in 2021. In the outlook for 2021, the global coronavirus pandemic and its spread must still be considered, as the pandemic continues to affect the company's operating environment. Enersense monitors the impacts of the virus and communicates about the situation transparently with its customers. Delays in ongoing projects are possible. The coronavirus pandemic may affect the company's operations and performance.

## Operating environment

The ongoing energy transition is a global phenomenon that will change energy production, shifting its focus from fossil options to renewable energy sources. The impacts of the energy transition will be reflected in changes in energy production methods, but the transition will also shape society in various ways and affect many sectors of the economy.

With energy production moving towards renewable energy sources, the changes will be reflected in the geographical diversification of energy production in particular. This will require substantial investments

in transmission grids, electric substations and energy storage. Renewable energy forms often use natural phenomena – such as hydropower, wind power and solar power – as sources of energy, which will make energy production more uneven in the future than energy produced from fossil fuels, for example, depending on weather conditions.

The energy transition will also require more real-time and high-speed data transmission, which in turn will require investment in telecommunication networks. In addition, the information network infrastructure will play a key role in society in the renewal of manufacturing industry towards higher efficiency and sustainability, and in maintaining its competitiveness. The energy transition and industrial renewal are supported by EU-level and national energy efficiency and emissions targets.

### MARKET SITUATION

We estimate that Enersense's total market in Finland is around EUR 4 billion. We are well positioned for the final quarter of 2021 in terms of both orders and offers compared to the year 2020. Enersense's order backlog stood at EUR 272 million at the end of September 2021, compared with EUR 160 million at the end of September 2020. The order backlog is distributed over 2021–2023.

#### Smart Industry

The Smart Industry segment's market is expected to develop favourably. We seek new customers through the implementation of zero-emission and low-emission projects. Existing service contracts will continue at their normal level. The increase in orders indicates a continued good demand. We estimate that the total market in Finland is around EUR 2 billion.

#### Power

The business environment for the Power segment is expected to develop favourably, and demand for services is expected to remain at a good level in 2021. Multiple measures have been implemented to improve profitability, and the stabilisation of operations has progressed more rapidly than planned. The overall market in Finland continues to grow, and the market size is currently estimated at more than EUR 500 million.

#### Connectivity

The moderate and stable growth of the Connectivity segment's market is driven by the need for high-speed connections in fixed and mobile networks. We estimate that the total market in Finland is around EUR 250 million. The market is growing with the construction of 4G and 5G networks.

#### International Operations

The business environment for the International Operations segment is expected to improve moderately. Performance development in the Baltic countries is expected to remain at the same level as in 2020. The positive development in France in 2020 is expected to continue in 2021. Business development continues in the United Kingdom.

## Near-term risks and uncertainties

The spread of the coronavirus pandemic and the various coronavirus variants are continuing to reduce confidence in the economy, which may lead to an economic downturn or recession. The coronavirus pandemic can still affect project decisions and project operation chains in the industry, in addition to delaying start-up decisions and ongoing projects. The pandemic may affect employees' willingness to travel, which highlights the risk related to employee availability. In other words, the pandemic may have an impact on Enersense's operations, turnover and result in 2021 in many ways.

Enersense has a number of major key customers whose purchasing behaviour has a significant impact on its business performance. If a major customer transferred its purchases from Enersense to its competitors or significantly changed its operating model, or if a significant project ended, discontinued or decreased unexpectedly, the company would have limited opportunities to replace the customer volume over a short period of time.

In addition, large fixed-price projects are typical of Enersense's business operations, and the profitability of such projects requires Enersense to estimate the related contract risks and production costs, as well as the increase in the prices of materials, with sufficient accuracy, in addition to successful project management, technical implementation and schedule management. The company often enters into project-specific contracts, which involve uncertainty in terms of successful competitive bidding. This makes it more difficult to estimate the company's performance and financial position over a period of time longer than the order book.

If Enersense is not able to recruit, train, motivate and retain highly competent employees, it may not necessarily be able to compete effectively or fully implement its strategy.

The company has ongoing legal disputes, some of which are in progress in courts. There is currently no information available concerning the outcome of the disputes and legal proceedings, meaning that their adverse impact on the company's financial situation is uncertain. However, they have no significant short-term impacts on the company's operations. The company has assessed the potential impacts of the disputes, and has recorded provisions based on these assessments.

When the company completes acquisitions or expands its operations into new countries, it is possible that the turnover and profits of the target companies or Enersense's foreign subsidiaries and/or branches will

not meet its expectations. In addition, changes in customer relationships, local labour markets, political conditions and legislation, as well as changes in the company's locations, may have an adverse impact on Enersense's business operations, performance and financial position.

The Enersense Group's financing agreement includes financial covenants concerning the Group's equity ratio and its ratio of interest-bearing debt to EBITDA. If the company fails to meet the terms of the covenants, the financiers have the right to change the terms and conditions of the financing agreement, or terminate the agreement in extreme cases.

## General meetings

### ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of Enersense International Plc was held in Pori on 19 March 2021 by applying exceptional meeting practices in accordance with the temporary Act of Parliament (677/2020) adopted to limit the spread of the coronavirus pandemic. The company's shareholders and their proxies were able to participate in the AGM and exercise their rights only by voting in advance and presenting counterproposals and questions in advance. It was not possible to attend the meeting on-site.

The AGM adopted the company's financial statements for 2020 and decided that the profit for the period on the balance sheet should be recognised in retained earnings/losses, and that no dividend should be paid for the 2020 financial period. In addition, the AGM decided to discharge the members of the Board and the CEO from liability.

At the AGM, the number of members of the Board was confirmed at six. Markku Kankaala, Herkko Plit, Petri Suokas, Sari Helander and Päivi Jokinen were re-elected as Board members, and Sirpa-Helena Sormunen was elected as a new member to the Board. In addition, it was decided that the following fees be paid: EUR 3,000 per month for the Chair of the Board; EUR 2,000 per month for the Board members; EUR 700 per meeting for the Chairs of the Audit Committee and the Remuneration Committee; and EUR 500 per month for the members of the committees. KPMG Oy Ab was selected as the auditor, with Mauri Eskelinen, Authorised Public Accountant, as the principal auditor. The auditor will be paid a fee against a reasonable invoice.

The AGM also decided to establish a permanent Shareholders' Nomination Committee and confirm its rules of procedure. The Nomination Committee is responsible for preparing and presenting proposals on the remuneration, number and election of the members of the Board annually to the AGM and to any Extraordinary General Meetings. Its main duty is to ensure that the Board and its members have sufficient expertise,

competence and experience in accordance with the company's needs. The Nomination Committee consist of three members. The three largest shareholders of the company are entitled to nominate one member each. The Nomination Committee will continue its work until otherwise decided by the AGM. Its members' term of office ends annually following the appointment of new members.

In accordance with a counterproposal presented to the AGM, the AGM decided to authorise the Board of Directors to decide on share issues, as well as the issue of option rights and other special rights entitling their holders to shares in accordance with chapter 10, section 1 of the Limited Liability Companies Act, or combinations of all or some of the above, in one or more instalments on the following conditions:

Based on the authorisation, a maximum of 3,000,000 new shares in the company and/or treasury shares (including shares issued based on special rights) can be issued, which corresponds to around 31.4% of the total number of shares in the company at the time of the notice of the Annual General Meeting. The Board is granted the right to decide, within the authorisation mentioned above, on the terms and conditions of the share issue, as well as the issue of option rights and special rights entitling their holders to shares. The Board is authorised to decide on the recognition of the subscription price, either as an increase in the share capital or in the invested unrestricted equity reserve, in part or in full.

The issue of shares and special rights can also be a directed issue in deviation from the shareholders' pre-emptive rights if there is a weighty financial reason for this in accordance with the Limited Liability Companies Act (directed issue). In such a case, the authorisation can be used to finance acquisitions or other investments included in the company's business operations, as well as to maintain and increase the Group's solvency, implement incentive schemes, expand the ownership base and develop the capital structure. The authorisation invalidates previous unused authorisations concerning share issues and the issue of option rights and special rights entitling their holders to shares. The authorisation is valid until the close of the next Annual General Meeting, but not beyond 30 June 2022.

The Annual General Meeting authorised the Board to decide on the acquisition and/or acceptance as pledge of the company's own shares on the following conditions:

A maximum of 950,000 shares can be acquired and/or accepted as pledge. The shares must be acquired as part of trading organised by Nasdaq Helsinki Oy at the market price at the time of acquisition. The company's own shares may be acquired and/or accepted as a pledge in a proportion other than that of the shareholders' current holdings in the company (directed

acquisition and/or acceptance as pledge). The acquisition and/or acceptance as pledge of shares will reduce the company's unrestricted equity. The Board decides how the shares will be acquired and/or accepted as pledge. The authorisation is valid until the close of the next Annual General Meeting, but not beyond 30 June 2022.

### EXTRAORDINARY GENERAL MEETING

An Extraordinary General Meeting (EGM) of Enersense International Plc was held in Pori on 16 April 2021 by applying exceptional meeting practices in accordance with the temporary Act of Parliament (677/2020) adopted to limit the spread of the coronavirus pandemic. The company's shareholders and their proxies were able to participate in the EGM and exercise their rights only by voting in advance and presenting counterproposals and questions in advance. It was not possible to attend the meeting on-site.

The EGM decided that the Board of Directors consist of seven members, and that Jaakko Eskola be elected as a new member of the Board. At its meeting convened after the EGM on 16 April 2021, the Board of Directors decided to elect Jaakko Eskola as its Chair and Markku Kankaala as its Vice Chair.

## Dividend policy

The company's goal is to distribute at least 30.0% of earnings per share as dividends. Performance development and outlook, as well as investments in organic growth or acquisitions in line with the strategy, among other factors, will affect the distribution of dividends

in the future. In addition, the company's special condition agreement with its key financiers includes restrictions on the distribution of dividends in the event that the terms and conditions of the financing agreements under the special condition agreement are violated, the distribution of dividends leads to a breach of the terms and conditions, or the distribution of dividends may jeopardise the repayment of financing.

Even though Enersense is not planning to change its dividend policy, it cannot be guaranteed that dividends will be paid or capital repayments will be made in the future, and no guarantee can be given on the amount of dividends paid or capital repayments made in any specific year.

## Shares and shareholders

### SHARE CAPITAL AND NUMBER OF SHARES

Shares in Enersense International Plc are traded on the Nasdaq Helsinki under ticker symbol ESENSE (ISIN code FI4000301585). At the end of review period, the company's share capital consisted of 13,397,729 shares, each of which provided its holder with one vote. The company's share capital was EUR 80,000 at the end of the review period. The company holds no treasury shares.

### Enersense shares on the Nasdaq Helsinki

January–September 2021	Highest share price, EUR	Lowest share price, EUR	Closing price, EUR
ESENSE	12.00	6.60	8.18

The closing price of the share on the last trading day of the review period (30/09/2021) was EUR 8.18. A total of 6,904,827 shares in Enersense were traded during the review period.

	30 Sep 2021	30 Sep 2020	31 Dec 2020
Market value, EUR	109,593,452	43,155,735	79,246,151
Shareholders	6,999	951	1,980
Number of shares at the end of the period	13,397,729	9,547,729	9,547,729
Average number of shares during the period	11,724,533	6,722,911	7,432,975

### AUTHORISATIONS OF THE BOARD OF DIRECTORS

The share issue authorisations, as well as the authorisation concerning the acquisition and/or acceptance as pledge of the company's own shares, granted by the Annual General Meeting to the Board, are discussed above under "General meetings".

## Group personnel

Enersense mainly operates in Finland, Germany, France, the United Kingdom and the Baltic countries.

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from 1 August 2020.

### Person-years (average over the period)

	1-9/2021	1-9/2020	1-12/2020
Smart Industry	824	824	885
Power	157	26	65
Connectivity	345	58	145
International	571	138	234
Other	95	54	67
<b>Group total</b>	<b>1,996</b>	<b>1,099</b>	<b>1,397</b>

Pori 2 November 2021

Enersense International Plc  
Board of Directors

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This is not an interim report in accordance with IAS 34. The company follows a half-year reporting cycle in accordance with the Securities Markets Act, and it publishes business reviews with key financial performance information for the first three and nine months of the year. The financial information presented in the business review is unaudited.

#### Financial reporting in 2022

Enersense's financial statements bulletin for 2021 will be published on 28 February 2022.

#### Distribution:

Nasdaq Helsinki

Key media

[www.enersense.com](http://www.enersense.com)

#### More information is available on the Enersense website:

[www.enersense.com/investors](http://www.enersense.com/investors)

## Consolidated income statement

EUR thousand	7–9/2021	7–9/2020	1–9/2021	1–9/2020	1–12/2020
Revenue	58,271	48,168	173,200	79,407	147,460
Change in inventories of finished goods and work in progress	1,968	699	1,626	699	302
Work performed for own purposes and capitalised	-233	78	223	78	461
Other operating income	-25	854	3,084	1,237	1,804
Material and services	-30,804	-19,262	-80,406	-29,521	-59,327
Employee benefits expense	-21,421	-21,868	-72,228	-40,246	-69,973
Depreciation and amortisation	-2,560	-1,831	-7,665	-2,456	-4,995
Other operating expenses	-4,804	-4,115	-15,107	-5,719	-11,019
Share of profit/loss accounted for using the equity method	-5	66	58	89	67
<b>OPERATING PROFIT</b>	<b>388</b>	<b>2,788</b>	<b>2,787</b>	<b>3,568</b>	<b>4,780</b>
Finance income	3	18	176	44	50
Finance expense	-463	-761	-2,423	-1,021	-1,972
Finance income and expense	-460	-743	-2,247	-977	-1,921
<b>PROFIT/LOSS BEFORE TAX</b>	<b>-72</b>	<b>2,044</b>	<b>540</b>	<b>2,590</b>	<b>2,859</b>
Tax on income from operations	105	140	84	-104	-480
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>33</b>	<b>2,185</b>	<b>624</b>	<b>2,487</b>	<b>2,379</b>
Other OCI-items					
Items that may be reclassified to profit or loss					
Translation differences	89	422	214	438	-367
Items that will not be reclassified to profit or loss	0	0	0	0	0
Remeasurements of post-employment benefit obligations	-42	-42	-42	-42	-42
<b>Other comprehensive income for the period, net of tax</b>	<b>46</b>	<b>379</b>	<b>171</b>	<b>395</b>	<b>-409</b>
<b>Total comprehensive income for the period</b>	<b>79</b>	<b>2,564</b>	<b>795</b>	<b>2,882</b>	<b>1,970</b>
Profit (loss) for the period attributable to:					
Equity holders of the parent company	159	1,829	847	2,184	2,039
Non-controlling interests in net income	-126	355	-223	302	340
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>33</b>	<b>2,185</b>	<b>624</b>	<b>2,487</b>	<b>2,379</b>
Total comprehensive income for the period attributable to:					
Owners of the parent company	205	2,209	1,018	2,580	1,630
Non-controlling interests	-126	355	-223	302	340
<b>Total comprehensive income</b>	<b>79</b>	<b>2,564</b>	<b>795</b>	<b>2,882</b>	<b>1,970</b>
Earnings per share attributable to the owners of the parent company	0.01	0.22	0.07	0.32	0.27
Basic and diluted earnings per share	0.01	0.22	0.07	0.32	0.27

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

## Consolidated balance sheet

EUR thousand	30 September 2021	30 September 2020	31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	26,154	26,376	26,376
Other intangible assets	10,692	14,269	13,566
Property, plant, equipment	15,580	19,198	18,784
Investments accounted for using the equity method	1,582	1,394	1,467
Other shares and equity interests	1	1	-
Loan receivables	-	217	150
Non-current trade and other receivables	5,224	940	960
Deferred tax assets	780	335	570
<b>Total non-current assets</b>	<b>60,013</b>	<b>62,730</b>	<b>61,873</b>
<b>Current assets</b>			
Inventories	6,208	3,353	3,566
Trade receivables	20,312	24,901	24,184
Current income tax receivables	43	186	158
Other receivables	16,191	11,343	8,439
Cash and cash equivalents	27,435	11,131	17,694
<b>Total current assets</b>	<b>70,190</b>	<b>50,912</b>	<b>54,041</b>
<b>TOTAL ASSETS</b>	<b>130,203</b>	<b>113,642</b>	<b>115,914</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	80	80	80
Unrestricted equity reserve	43,794	15,602	15,602
Other reserves	313	313	313
Translation differences	-110	436	-363
Retained earnings	466	-1,650	-1,794
Profit (loss) for the period	847	2,184	2,039
<b>Total equity attributable to owners of the parent company</b>	<b>45,391</b>	<b>16,965</b>	<b>15,877</b>
Non-controlling interests	1,180	1,575	1,768
<b>Total equity</b>	<b>46,571</b>	<b>18,539</b>	<b>17,645</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	9,502	6,207	3,717
Lease liabilities	9,552	5,950	5,517
Payment arrangement with the Tax Administration	-	1,056	518
Other liabilities	10	10	12
Deferred tax liabilities	0	0	0
Employee benefit obligations	435	435	435
Provisions	736	771	481
<b>Total non-current liabilities</b>	<b>20,235</b>	<b>14,429</b>	<b>10,680</b>
<b>Current liabilities</b>			
Borrowings	2,870	15,122	14,224
Lease liabilities	3,333	3,519	3,473
Advances received	4,317	2,228	3,607
Trade payables	16,188	15,168	16,530
Payment arrangement with the Tax Administration	732	6,018	1,926
Current income tax liabilities	246	307	257
Other payables	35,712	36,282	45,980
Provisions	-0	2,029	1,592
<b>Total current liabilities</b>	<b>63,397</b>	<b>80,674</b>	<b>87,589</b>
<b>Total liabilities</b>	<b>83,632</b>	<b>95,102</b>	<b>98,269</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>130,203</b>	<b>113,642</b>	<b>115,914</b>

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.



## Consolidated cash flow statement

EUR thousand	1-9/2021	1-9/2020	1-12/2020
<b>Cash flow from operating activities</b>			
<b>Profit (loss) for the period</b>	624	2,487	2,379
Adjustments:			
Depreciation, amortisation and impairment	7,665	2,456	4,995
Gains and losses on the sale of subsidiaries	-1,760	-	-
Gains and losses on the sale of associated companies	-	-	-220
Gains and losses on the sale of property, plant and equipment	-204	289	-75
Share of the profits (losses) of associates	-58	-89	-67
Interest income and other financial income and expenses	2,247	977	1,921
Income tax	-84	104	480
Other adjustments	412	199	-129
<b>Total adjustments</b>	<b>8,216</b>	<b>3,935</b>	<b>6,905</b>
Changes in working capital:			
Change in trade and other receivables	-5,197	-6,179	-2,628
Change in trade payables and other liabilities	-9,699	-7,773	-956
Change in inventories	-2,692	-659	-873
Change in provisions	-1,338	-196	-950
Interest received	30	43	50
Interest paid	-1,119	-506	-871
Other financial items	-1,366	-515	-932
Income tax	-127	366	-258
<b>Net cash flow from operating activities</b>	<b>-12,667</b>	<b>-8,996</b>	<b>1,866</b>
<b>Cash flow from investing activities</b>			
Investments in tangible and intangible fixed assets	-1,372	-185	-1,217
Sale of fixed assets	6,538	-	-
Acquisition of subsidiaries, less cash and cash-equivalents acquired	-	12,966	12,966
Sale of subsidiaries, less cash and cash equivalents sold	281	-	-
Additional investments in associated companies	-31	-	-
Sale of associated companies	-	-	633
Withdrawals of loans granted to associated companies	-	-	-150
Repayments of loans granted to associated companies	-	-	443
Payments received from bank deposit accounts	600	-	-
Payments to bank deposit accounts	-3,053	-600	-600
Dividends from associated companies	102	-	-
<b>Net cash flow from investing activities</b>	<b>3,067</b>	<b>12,180</b>	<b>12,075</b>
<b>Cash flow from financing activities</b>			
Issue of shares	28,218	7,312	7,312
Withdrawals of loans	12,000	1,595	1,539
Repayments of loans	-17,866	-955	-4,288
Acquisition of subsidiaries less cash and cash equivalents acquired	-257	-	-
Payments of lease liabilities	-2,753	-1,281	-2,112
<b>Net cash flow from financing activities</b>	<b>19,342</b>	<b>6,670</b>	<b>2,451</b>
<b>Net change in cash and cash equivalents</b>	<b>9,742</b>	<b>9,854</b>	<b>16,391</b>
Cash and cash equivalents at the beginning of the period	17,694	1,276	1,276
Impact of exchange rate changes on cash and cash equivalents	-	-	26
<b>Cash and cash equivalents at the end of the period</b>	<b>27,435</b>	<b>11,131</b>	<b>17,694</b>

The net method has been replaced with the gross method in projects presented through partial revenue recognition from 1 January 2021. This increases the amount of short-term receivables and liabilities in these respects. The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

## Consolidated statement of changes in equity

### Equity attributable to owners of the parent company

EUR thousand	Share capital	Invested unrestricted equity reserve	Other reserves	Translation differences	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interest	Total equity
<b>Equity at 1.1.2021</b>	<b>80</b>	<b>15,602</b>	<b>313</b>	<b>-363</b>	<b>245</b>	<b>15,877</b>	<b>1,768</b>	<b>17,645</b>
Profit (loss) for the period	-	-	-	-	624	624	-223	401
Other comprehensive income								
Translation differences	-	-	-	253	-	253	-	253
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>253</b>	<b>624</b>	<b>877</b>	<b>-223</b>	<b>654</b>
<b>Transactions with owners:</b>								
Share issue	-	28,192	-	-	-	28,192	-	28,192
Transactions with non-controlling interests	-	-	-	-	295	295	-366	-71
Share issue to employees	-	-	-	-	150	150	-	150
<b>Total transactions with owners</b>	<b>-</b>	<b>28,192</b>	<b>-</b>	<b>-</b>	<b>445</b>	<b>28,637</b>	<b>-366</b>	<b>28,271</b>
<b>Equity at 30.9.2021</b>	<b>80</b>	<b>43,794</b>	<b>313</b>	<b>-110</b>	<b>1,314</b>	<b>45,391</b>	<b>1,180</b>	<b>46,571</b>

### Equity attributable to owners of the parent company

EUR thousand	Share capital	Invested unrestricted equity reserve	Other reserves	Translation differences	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interest	Total equity
<b>Equity at 1.1.2020</b>	<b>80</b>	<b>8,290</b>	<b>313</b>	<b>4</b>	<b>-1,324</b>	<b>7,363</b>	<b>-314</b>	<b>7,050</b>
Profit (loss) for the period	-	-	-	-	2,487	2,487	292	2,779
Other comprehensive income								
Translation differences	-	-	-	432	-	432	-	432
Remeasurements of post-employment benefit obligations	-	-	-	-	-42	-42	-	-42
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>432</b>	<b>2,444</b>	<b>2,876</b>	<b>292</b>	<b>3,168</b>
<b>Transactions with owners:</b>								
Share issue	-	7,312	-	-	-	7,312	-	7,312
Transactions with non-controlling interests	-	-	-	-	-587	-587	227	-360
Share of non-controlling interest of joint arrangements							1,369	1,369
<b>Total transactions with owners</b>	<b>-</b>	<b>7,312</b>	<b>-</b>	<b>-</b>	<b>-587</b>	<b>6,725</b>	<b>1,596</b>	<b>8,321</b>
<b>Equity at 30.9.2020</b>	<b>80</b>	<b>15,602</b>	<b>313</b>	<b>436</b>	<b>534</b>	<b>16,965</b>	<b>1,574</b>	<b>18,539</b>

## Notes to the consolidated business review

### 1. ACCOUNTING PRINCIPLES

This is not an interim report in accordance with IAS 34. The business review has been prepared in accordance with the accounting principles presented in the financial statements for 2020. The adjustments and annual improvements to the IFRS standards which came into force on 1 January 2021 do not have a significant impact on the figures presented.

In April 2021, the IFRS Interpretations Committee issued its final agenda decision on the accounting of configuration and customisation costs in a cloud computing arrangement (IAS 38 Intangible Assets). In this agenda decision, the Interpretations Committee examined whether customers should recognise the configuration and customisation of an application as an intangible asset in accordance with IAS 38, and if an intangible asset is not recognised, how customers should recognise such configuration and customisation costs. The IFRIC agenda decisions do not have a date of entry into force, and are therefore expected to be adopted as soon as possible. Because the Group has cloud computing arrangements in place, it has started an analysis of whether this agenda decision has an impact on the accounting principles applied to the implementation costs of cloud services. The analysis will be conducted in the Group during the autumn of 2021, and any impact will be taken into account retrospectively in the financial statements for 2021 at the latest.

The information presented in the business review is unaudited. All the figures presented have been rounded. Therefore, the sum of individual figures does not necessarily correspond to the total amount presented.

### 2. CHANGES IN THE GROUP STRUCTURE

Empower Oyj, a subsidiary of Enersense International Plc, acquired an additional stake in Empower SIA, its Latvian subsidiary, through a transaction completed on 1 March 2021.

Empower SIA specialises in the design, construction and maintenance of transmission grids, electric sub-

stations and wind farms. Its turnover in 2020 was around EUR 14.2 million (EUR 18.6 million in 2019), and its profit for the 2020 financial period was around EUR 0.5 million (EUR 1.2 million in 2019). The information for 2020 is unaudited. Empower SIA has around 210 employees. Through the transaction, Empower Oyj acquired a total of ten shares in Empower SIA, increasing its holding in the company from 49% to 59%. The purchase price of the shares was EUR 257,324, and this will be adjusted up or down based on the net assets of Empower SIA once the company's financial statements for 2020 have been adopted. The purchase price was paid in cash on 1 March 2021. The sellers in the transaction are two individuals belonging to Empower SIA's executive management. They will continue to work for the company and will remain minority shareholders in Empower SIA with a 41% holding. The payment for the shares has been recognised as an equity transaction.

The Group sold the entire share capital of Värväämö Oy to Citywork Oy in June 2021. The purchase price for the entire share capital will be at least EUR 2.0 million, but not higher than EUR 3.0 million. The basic purchase price of EUR 0.5 million was paid in June, and this will be adjusted in accordance with the terms and conditions of the contract of sale. The additional purchase price is linked to the EBITDA of Citywork's support and personnel services business for the construction industry in 2022 and 2023. The achievement of the maximum purchase price will also be affected by the turnover of Citywork's construction support and personnel services business and Värväämö in the 2021 financial year. Värväämö was part of the Smart Industry segment.

Enersense Technologies Oy, Liability Act Information Office Finland Oy and Process Communication Finland Oy were merged with Enersense Solutions Oy on 30 April 2021. Nordic Business Partners Oy merged with Enersense Works Oy on 31 August 2021. A branch was established for Enersense Engineering Oy in Italy on 28 September 2021.

### 3. TURNOVER AND BUSINESS AREAS

#### Turnover by business area

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Smart Industry	18,741	23,225	64,521	53,123	78,371
Power	12,530	6,702	35,348	6,702	18,916
Connectivity	12,282	8,817	32,130	8,817	23,419
International Operations	14,624	9,361	41,006	10,701	26,754
Items not allocated to business areas	94	63	196	63	-
<b>Total</b>	<b>58,271</b>	<b>48,169</b>	<b>173,200</b>	<b>79,407</b>	<b>147,460</b>

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

## Geographical distribution of turnover by target country

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Finland	48,344	39,641	135,438	65,526	111,671
Other countries	9,927	8,527	37,762	13,880	35,789
<b>Total</b>	<b>58,271</b>	<b>48,169</b>	<b>173,200</b>	<b>79,407</b>	<b>147,460</b>

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

## EBITDA by business area

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Smart Industry	2,158	2,605	8,753	4,555	6,208
Power	1,085	173	2,456	173	1,002
Connectivity	756	596	896	596	1,475
International Operations	344	1,205	1,370	829	1,730
Items not allocated to business areas	-1,395	39	-3,024	-130	-640
<b>Total</b>	<b>2,948</b>	<b>4,619</b>	<b>10,451</b>	<b>6,024</b>	<b>9,775</b>

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

## Reconciliation of EBITDA to operating profit

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
EBITDA	2,947	4,619	10,451	6,024	9,775
Depreciation, amortisation and impairment	-2,560	-1,832	-7,665	-2,456	-4,995
<b>Total</b>	<b>388</b>	<b>2,787</b>	<b>2,787</b>	<b>3,568</b>	<b>4,780</b>

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

## 4. SHARE ISSUE TO EMPLOYEES (IFRS 2)

In its stock exchange release on 10 June 2021, Enersense announced that its Board of Directors had decided on the detailed terms and schedule of a share issue to employees. The complete terms and conditions of the share issue to employees are provided as an attachment to the stock exchange release. In its stock exchange release on 22 June 2021, Enersense announced that its Board of Directors had approved the subscription of a total of 118,774 new shares through the share issue to employees, with a total subscription price of EUR 972,759.1. The shares subscribed for in the share issue to employees represent 1.0% of all shares and votes in the company before the share issue. A total of no more than 150,000 new shares in the company were offered for subscription in the share issue to employees. The subscription price was EUR 8.2 per share (10% lower than in the public offering).

Of those entitled to a subscription, 9.2% participated in the share issue to employees (207 people out of 2,238). The shares approved in the share issue to employees were entered into the Trade Register on 22 June 2021,

and became subject to public trading on the Nasdaq Helsinki on 23 June 2021. Following the registration of the new shares, the total number of shares in Enersense International Plc is 13,397,729. The share issue to employees is treated as an arrangement under IFRS 2. The subscription price paid by the subscribers, EUR 973,000 in total, is recognised in the invested unrestricted equity reserve. The discount granted by the company to the subscribers, EUR 150,000 in total, is recognised in employee benefit expenses and retained earnings.

## 5. PROPERTY, PLANT AND EQUIPMENT

### Sale and leaseback

The Group carried out a car sale and leaseback arrangement in June 2021. A previous item of property, plant and equipment (EUR 5.4 million) was removed from the balance sheet, and a right-of-use asset (EUR 3.4 million) was recognised instead. A lease liability of EUR 3.8 million was recognised on the balance sheet. A capital gain of EUR 0.3 million on the sale and leaseback arrangement was recognised in other operating income in June 2021.

EUR thousand	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Prepayments and construction in progress	Total
<b>2021</b>						
<b>Acquisition cost 1 Jan</b>	<b>143</b>	<b>8,861</b>	<b>13,810</b>	<b>294</b>	<b>69</b>	<b>23,177</b>
Business combinations	-	-	-	-	-	0
Increases	8	1,098	6,232	22	132	7,492
Divestments	0	0	-24	-2	0	-26
Decreases	-	-504	-5,547	-2	-69	-6,123
Transfers between items	-	-	-	-	-	0
Exchange rate differences	-	-	0	-	-	0
<b>Acquisition cost 30 Sep 2021</b>	<b>151</b>	<b>9,454</b>	<b>14,470</b>	<b>312</b>	<b>132</b>	<b>24,520</b>
<b>Accumulated depreciation and impairment 1 Jan</b>	<b>-5</b>	<b>-2,183</b>	<b>-2,191</b>	<b>-14</b>	<b>0</b>	<b>-4,393</b>
Depreciation	-9	-1,999	-2,432	-98	-	-4,537
Decreases	-	-	-	2	-	2
Impairment	-	-2	-25	-	-	-26
Transfers between items	-	-	-	-	-	0
Exchange rate differences	-	-	0	-	-	0
<b>Accumulated depreciation and impairment 30 Sep</b>	<b>-14</b>	<b>-4,183</b>	<b>-4,647</b>	<b>-110</b>	<b>0</b>	<b>-8,955</b>
<b>Book value 1 Jan</b>	<b>138</b>	<b>6,677</b>	<b>11,619</b>	<b>280</b>	<b>69</b>	<b>18,784</b>
<b>Book value 30 Sep</b>	<b>137</b>	<b>5,281</b>	<b>9,828</b>	<b>202</b>	<b>132</b>	<b>15,580</b>

EUR thousand	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Prepayments and construction in progress	Total
<b>2020</b>						
<b>Acquisition cost 1 Jan</b>	<b>5</b>	<b>2,349</b>	<b>1,417</b>	<b>2</b>	<b>-</b>	<b>3,773</b>
Business combinations	-	5,477	11,097	305	178	12,304
Increases	136	661	590	2	107	1,497
Decreases	-	-	-182	-14	-106	-302
Transfers between items	-	70	89	-	-	159
Exchange rate differences	-	-	0	-	-	0
Acquisition cost 30 Sep 2020	141	8,557	13,011	295	179	17,431
<b>Accumulated depreciation and impairment 1 Jan</b>	<b>-</b>	<b>-603</b>	<b>-545</b>	<b>-</b>	<b>-</b>	<b>-1,148</b>
<b>Depreciation</b>	<b>-2</b>	<b>-903</b>	<b>-1,035</b>	<b>-35</b>	<b>-</b>	<b>-1,975</b>
Decreases	-	-	-	-	-	0
Accumulated depreciation on decreases and transfers	-	-	126	11	-	137
Impairment	-	-	-	-	-	0
Transfers between items	-	-	-	-	-	0
Exchange rate differences	-	-	0	-	-	0
<b>Accumulated depreciation and impairment 30 Sep</b>	<b>-2</b>	<b>-1,506</b>	<b>-1,454</b>	<b>-24</b>	<b>0</b>	<b>-2,986</b>
<b>Book value 1 Jan</b>	<b>5</b>	<b>1,746</b>	<b>872</b>	<b>2</b>	<b>-</b>	<b>2,625</b>
<b>Book value 30 Sep</b>	<b>139</b>	<b>7,051</b>	<b>11,557</b>	<b>271</b>	<b>179</b>	<b>19,197</b>

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

## 6. SHARE ISSUES

### Directed share issue

Enersense's Board of Directors decided on 15 March 2021 to execute a share issue, with 2,075,000 new shares directed to Nidoco AB, a wholly owned subsidiary of Virala Oy Ab. Nidoco AB has subscribed to all

the offered shares in the company, and its Board of Directors has approved the subscriptions. The share issue was executed based on the authorisation granted by the Annual General Meeting on 6 April 2020. Through the share issue, the company raised around

EUR 15.0 million in gross assets before fees and expenses. The number of shares in the company increased by 2,075,000 to a total of 11,622,729 shares. The shares offered through the share issue represented around 21.7% of all shares in the company before the issue, and around 17.9% of all shares in the company following the issue. The subscription price was EUR 7.2 per share, which was around 5.5% lower than the volume weighted average price for the period between the publication of the financial statements bulletin and the share issue (26 February to 12 March 2021), and around 11.8% lower than the closing price on the trading day immediately preceding the share issue (12 March 2021).

The subscription price was paid on 15 March 2021 in accordance with the terms and conditions of the share issue, and was recognised in full in the company's invested unrestricted equity reserve. A total of 2,075,000 new shares were subscribed for in the directed share issue. The total number of shares in Enersense was 11,622,729 following the registration of the new shares.

### List transfer

On 19 March 2021, the Board of Directors of Enersense decided on the implementation of a directed share issue in connection with the company's list transfer. The final subscription price of the shares offered was EUR 9.1 per share in the institutional offering and public offering, and 10% lower in the share issue to employees, at EUR 8.2 per share. Enersense issued 1,775,000 new shares in the company, which corresponded to around 13.2% of the total number of its outstanding shares following the share issue. The company raised EUR 16.0 million through the share issue, and the expenses related to the share issue amounted to EUR 2.8 million. The subscription price and the expenses related to the share issue were recognised in full in the company's invested unrestricted equity reserve.

The total number of shares in the company increased to 13,397,729 following the entry of the new shares offered in the share issue into the Trade Register. The company gained more than 2,000 new shareholders through the share issue.

## 7. FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

	30 September 2021		30 September 2020		31 December 2020	
	At amortised cost	At fair value through profit or loss	At amortised cost	At fair value through profit or loss	At amortised cost	At fair value through profit or loss
<b>Financial assets</b>						
<b>Non-current</b>						
Loan receivables	150	-	217	-	150	-
Pledged account	3,052	-	600	-	600	-
Other receivables	1,500	-	-	-	-	-
Trade receivables	522	-	340	-	62	-
<b>Total non-current assets</b>	<b>5,224</b>	<b>-</b>	<b>1,157</b>	<b>-</b>	<b>812</b>	<b>-</b>
<b>Current assets</b>						
Trade receivables	16,961	-	15,502	-	19,631	-
Factored trade receivables – pledged as collateral for financial loans	-	-	1,800	-	2,230	-
Factored trade receivables – derecognised on the balance sheet	-	-	-	771	-	2,323
Other financial assets	5,324	-	1,179	-	1,539	-
Cash and cash equivalents	27,435	-	11,131	-	17,694	-
<b>Total current assets</b>	<b>49,720</b>	<b>-</b>	<b>29,611</b>	<b>771</b>	<b>41,093</b>	<b>2,323</b>
<b>Total assets</b>	<b>54,945</b>	<b>-</b>	<b>30,769</b>	<b>771</b>	<b>41,906</b>	<b>2,323</b>
<b>Financial liabilities</b>						
<b>Long-term liabilities</b>						
Loans	9,502	-	6,207	-	9,233	-
Trade payables	8	-	7	-	6	-
<b>Total non-current liabilities</b>	<b>9,509</b>	<b>-</b>	<b>6,214</b>	<b>-</b>	<b>9,239</b>	<b>-</b>
<b>Current liabilities</b>						
Loans	2,577	-	15,122	-	17,697	-
Trade payables	20,673	-	22,699	-	18,964	-
<b>Total current liabilities</b>	<b>23,251</b>	<b>-</b>	<b>37,821</b>	<b>-</b>	<b>36,661</b>	<b>-</b>
<b>Total liabilities</b>	<b>32,760</b>	<b>-</b>	<b>44,035</b>	<b>-</b>	<b>45,900</b>	<b>-</b>

## New financing arrangement

On 4 May 2021, the company announced that it had completed negotiations on the financing of its operations. The company's new financing package consists of two senior loans and several bank guarantee and invoice financing facilities. The funding is used for operational development and working capital management. The senior loans and bank guarantees negotiated as part of the new financing are available to Enersense as long as the standard preconditions for their use are met.

The company will replace its EUR 12.7 million short-term financial facilities with two senior loans as part of the new financing, totalling EUR 12.0 million. Each

loan amounts to EUR 6.0 million and will mature in 2026. In addition, Enersense will replace some of its earlier bank guarantee facilities with new bank guarantee facilities negotiated as part of its new financing. Enersense will have access to a total of EUR 36.9 million in bank guarantee facilities. The total amount of the new bank guarantee facilities negotiated as part of the new financing is EUR 20.0 million.

The company will also have access to invoice financing facilities totalling EUR 41.5 million. The new facilities account for EUR 27.0 million of the total.

## 8. RELATED PARTY TRANSACTIONS

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Sales of goods and services	-	-	23	-	2
Purchases of goods and services	-106	-59	-221	-256	-468
Interest income	-	-	-	-	64

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

## 9. CONTINGENT LIABILITIES AND ASSETS, AND COMMITMENTS

EUR thousand	30 September 2021	30 September 2020	31 December 2020
<b>Guarantees</b>			
Company mortgages	583,947	606,000	606,000
Real estate mortgages	7,200	3,600	3,600
Contract and delivery guarantees	22,145	8,907	12,651
Bank guarantees	310	1,554	2,038
Other guarantees	40	95	95
<b>Pledged assets</b>			
For own commitments	102,532	102,650	100,079

Enersense has pledged shares in its subsidiaries as collateral for its loans. Contract, delivery and bank guarantees mainly consist of guarantees provided by Enersense to its customers as collateral for projects.

## 10. RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
<b>Adjusted EBITDA</b>					
Operating profit (loss)	388	2,788	2,787	3,568	4,780
Depreciation, amortisation and impairment	2,560	1,831	7,665	2,456	4,995
<b>EBITDA</b>	<b>2,948</b>	<b>4,619</b>	<b>10,451</b>	<b>6,024</b>	<b>9,775</b>
Differences affecting comparability	1,405	319	1,283	319	1,735
<b>Adjusted EBITDA</b>	<b>4,353</b>	<b>4,938</b>	<b>11,734</b>	<b>6,342</b>	<b>11,510</b>

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
<b>Adjusted EBIT</b>					
Operating profit (loss)	388	2,788	2,787	3,568	4,780
Differences affecting comparability	1,970	319	2,072	319	1,735
Amortisation of intangible assets related to acquisitions	241	383	1,278	383	959
<b>Adjusted EBIT</b>	<b>2,600</b>	<b>3,489</b>	<b>6,138</b>	<b>4,269</b>	<b>7,474</b>

*The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.*

EUR thousand	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
<b>Items affecting comparability</b>					
+ Items outside the ordinary course of business	1,799	324	1,487	324	2,031
Gains (-) / losses (+) from the sale of fixed assets	171	-5	-204	-5	-296
<b>Total extraordinary items affecting the adjusted EBITDA</b>	<b>1,970</b>	<b>319</b>	<b>1,283</b>	<b>319</b>	<b>1,735</b>
Extraordinary item affecting the adjusted EBITDA	241	383	2,068	383	959
<b>Total extraordinary items affecting the adjusted operating profit</b>	<b>2,212</b>	<b>701</b>	<b>3,351</b>	<b>701</b>	<b>2,694</b>

*The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.*



## 11. EVENTS AFTER THE REPORTING PERIOD

Through a transaction completed on 4 October 2021, Enersense acquired the entire share capital of Pori Offshore Constructions Ltd, a company specialising in offshore wind power. The basic purchase price of the share capital was EUR 1.0. Any additional purchase price will be paid based on the EBITDA of Pori Offshore Constructions for 2022–2025 in accordance with the terms and conditions of the deed of sale. The additional purchase price is estimated to be less than EUR 0.5 million.

## 12. CALCULATION PRINCIPLES FOR KEY PERFORMANCE INDICATORS

<b>EBITDA</b>	=	Operating profit + Depreciation, amortisation and impairment
<b>EBITDA, % of turnover</b>	=	$\frac{\text{EBITDA}}{\text{Turnover}} \times 100$
<b>Adjusted EBITDA</b>	=	EBITDA + Items affecting comparability
<b>Adjusted EBITDA (%)</b>	=	$\frac{\text{Adjusted EBITDA}}{\text{Turnover}} \times 100$
<b>Operating profit (EBIT)</b>	=	Turnover + other operating income – materials and services – personnel expenses – other operating expenses + share of the result of associates – depreciation and impairment
<b>EBIT, % of turnover</b>	=	$\frac{\text{Operating profit}}{\text{Turnover}} \times 100$
<b>Adjusted EBIT</b>	=	Operating profit + Items affecting comparability + Amortisation of intangible assets related to acquisitions
<b>Adjusted EBIT (%)</b>	=	$\frac{\text{Adjusted operating profit}}{\text{Turnover}} \times 100$
<b>Profit (loss) for the period, % of turnover</b>	=	$\frac{\text{Profit (loss) for the period}}{\text{Turnover}} \times 100$
<b>Equity ratio</b>	=	$\frac{\text{Equity}}{\text{Balance sheet total – advances received}} \times 100$
<b>Gearing</b>	=	$\frac{\text{Interest-bearing debt – cash in hand and at bank}}{\text{Equity}} \times 100$
<b>Return on equity (%)</b>	=	$\frac{\text{Profit for the period}}{\text{Average equity during the review period}} \times 100$
<b>Earnings per share (EUR)</b>	=	$\frac{\text{Profit for the period}}{\text{Average number of shares}}$



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