



 enersense

2022

# Financial Statement Bulletin

January – December 2022

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The figures in brackets refer to the corresponding period of the previous year unless otherwise stated. All figures and sums have been rounded off from the exact figures which may lead to minor discrepancies upon addition or subtraction.

## Record-high order backlog at EUR 415 million – onshore wind power project portfolio increased to 8,000 MW

The figures in this bulletin are unaudited.

### OCTOBER–DECEMBER 2022

- Revenue was EUR 90.0 (65.9) million, +36.6% year-on-year.
- EBITDA was EUR 3.4 (6.2) million. The EBITDA margin was 3.7 (9.4)%.
- Adjusted EBITDA was EUR 4.3 (7.5) million or 4.8 (11.4)% of revenue.
- The operating profit was EUR 1.1 (4.0) million. The profit margin was 1.2 (6.1)%.
- Undiluted earnings per share were EUR -0,04 (0.26).

### JANUARY–DECEMBER 2022

- Revenue was EUR 268.0 (239.1) million, +12.1% year-on-year.
- EBITDA was EUR 12.2 (16.6) million. The EBITDA margin was 4.6 (7.0)%.
- Adjusted EBITDA was EUR 13.7 (19.2) million, or 5.1 (8.0)% of revenue.
- The operating profit was EUR 3.5 (6.8) million. The profit margin was 1.3 (2.9)%.
- Undiluted earnings per share were EUR -0.11 (0.35).
- Onshore wind power project portfolio was approximately 8,000 MW at the end of the year 2022 (9/2022: 3,000 MW).
- The order backlog stood at EUR 415 (291) million.
- On 11 October 2022, the Finnish Competition and Consumer Authority approved a business transfer through which certain operation and maintenance services of Helen Oy would be transferred to Enersense.
- On 20 October 2022, Enersense announced that it had further specified the focus areas of its growth strategy and would focus on zero-emission transport alongside onshore and offshore wind power and solar energy. This supports the company's long-term financial targets, which remained unchanged.
- Enersense's acquisition of Unified Chargers Oy, a Finnish start-up which manufactures fast and high-power charging stations for electric vehicles, was completed on 15 November 2022.
- The offering of a EUR 26 million Senior Unsecured conditionally Convertible Note due January 2027 was completed on 2 December 2022.
- On 9 December 2022, Enersense and Elisa signed a project agreement of EUR 30 million on the construction of an optical fibre network in Finland.

### After the review period:

- On 13 January 2023, Enersense announced that the Finnish Competition and Consumer Authority had decided to extend the processing of the acquisition concerning Voimatel Oy.
- On 17 January 2023, Enersense announced that it had signed an agreement of around EUR 35 million on the construction of an optical fibre network in Finland with Valoo, a Finnish optical fibre company.
- On 23 January 2023, Enersense announced that its adjusted EBITDA would exceed its guidance (positive profit warning).
- On 26 January 2023, Enersense announced that the Shareholders' Nomination Board proposes that Anna Miettinen/Ensto Invest and Carl Haglund/Veritas will be elected as new board members.
- On 15 February 2023, Enersense announced that it withdraws from the acquisition of Voimatel Oy.

### DISTRIBUTION OF FUNDS TO THE SHAREHOLDERS

The Board of Directors of Enersense proposes to the General Meeting that the result for the financial period 1 January 2022 to 31 December 2022 be transferred to the profit and loss account for previous financial periods and that, based on the balance sheet to be adopted for the financial period, funds be

distributed to shareholders from the invested unrestricted equity reserve of the Company as a return of capital of EUR 0.10 per share, i.e. EUR 1,649,253.10 in total. The return of capital shall be paid in two instalments.

The first instalment, EUR 0.05 per share, shall be paid to shareholders that are registered in the Company's shareholders' register maintained by Euroclear Finland Oy on the record date of the first instalment of the return of capital on 6 April 2023. The Board of Directors proposes that the first instalment of the return of capital shall be paid as from 5 May 2023.

The second instalment, EUR 0.05 per share, shall be paid to shareholders that are registered in the Company's shareholders' register maintained by Euroclear Finland Oy on the record date for the second instalment of the return of capital, as later decided by the Board of Directors. The Board of Directors will decide the record date and the payment date for the second instalment of the return of capital at its meeting to be held in October 2023. The record date for the second instalment of the return of capital is planned to be on 1 November 2023, and the payment date as from 8 November 2023.

According to the proposal, no dividend would be paid based on the balance sheet to be adopted for the financial period.

## **GUIDANCE FOR THE 2023 FINANCIAL YEAR**

In 2023, Enersense's revenue is expected to be in the range of EUR 280–310 million and adjusted EBITDA in the range of EUR 12–18 million.

Enersense's business environment is estimated to be developing favourably and the revenue is expected to grow. We have managed to accelerate the wind power portfolio development and we assume that the same development continues. Profitability will be impacted by the implementation of the new ERP-system as well as on-going investments in developing the offshore wind power business and acceleration of onshore wind power project development. At the end of 2022 the company completed an offering of EUR 26 million convertible bond in order to implement these investments.

## **BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

The 2023 Annual General Meeting of Enersense International Plc is scheduled to take place on Tuesday 4 April 2023. The company's Board of Directors will convene the Annual General Meeting separately.

Enersense's Financial Statements and Board of Directors' Report (ESEF), Corporate Governance Statement and Remuneration Report for 2022 will be published during the week beginning 6 March 2023. All reports will be available on the company's website at [www.enersense.com/en/investors/](http://www.enersense.com/en/investors/).

## **WEBCAST**

A webcast for media representatives, investors and analysts will be held on 27 February 2023 at 2.45 p.m. The webcast is held in Finnish. The webcast can be followed live at [www.enersense.videosync.fi/q4-2022-result](http://www.enersense.videosync.fi/q4-2022-result).

## Key figures

	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Revenue (EUR 1,000)	90,033	65,909	268,037	239,110
EBITDA (EUR 1,000)	3,367	6,188	12,210	16,639
EBITDA, %	3.7	9.4	4.6	7.0
Adjusted EBITDA (EUR 1,000)	4,350	7,525	13,654	19,231
Adjusted EBITDA, %	4.8	11.4	5.1	8.0
Operating profit (EUR 1,000)	1,095	4,047	3,479	6,834
Operating profit, %	1.2	6.1	1.3	2.9
Result for the period (EUR 1,000)	-668	3,349	-2,429	3,973
Equity ratio, %	28.8	35.6	28.8	35.6
Gearing, %	19.0	3.6	19.0	3.6
Return on equity, %	-1.1	7.0	-4.3	8.3
Earnings per share, undiluted, EUR	-0.04	0.26	-0.11	0.35
Earnings per share, diluted, EUR	-0.04	0.26	-0.11	0.35

**October–December  
Revenue  
MEUR**



**INCREASE 36.6% ↗**

**October–December  
Adjusted EBITDA  
MEUR**



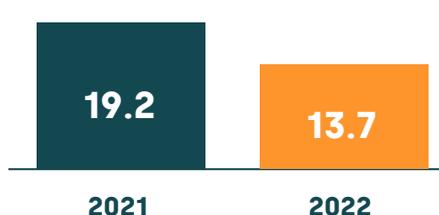
**DECREASE 42.2% ↘**

**January–December  
Revenue  
MEUR**



**INCREASE 12.1% ↗**

**January–December  
Adjusted EBITDA  
MEUR**



**DECREASE 29.0% ↘**



## President and CEO Jussi Holopainen

2022 was characterised by growing geopolitical tensions, global economic uncertainty, and the energy crisis in Europe, all of which are related to the aggressive Russian attack on Ukraine in February 2022. In this business environment, the past year was twofold for Enersense. Our revenue increased to EUR 268 (239) million and the order backlog increased significantly, but profitability was weakened, for instance, by multiplier effects of the war, which could not be offset by the increase in volumes.

In the summer, we were already anticipating that the full year would be challenging in terms of profitability. Although our adjusted EBITDA exceeded the updated guidance we issued in July, it stayed low at EUR 13.7 (19.2) million. The improvement of the profitability of our core business operations is at the top of the management's agenda, and we are actively continuing our measures to turn the trend around. At the same time, however, it is my pleasure to announce that the investments in our growth strategy have already begun to be reflected in orders received. Our order backlog increased by 42 per cent compared with the end of 2021 and grew to EUR 415 million.

The strong order backlog gives us a good starting point for the year. In the financial guidance we have published today we estimate that the business environment is developing favourably and the revenue for 2023 is expected to be in the range of EUR 280–310 million. The adjusted EBITDA is expected to be in the range of EUR 12–18 million. We have managed to accelerate the wind power portfolio development and we assume that the same development continues. Profitability will be impacted by the implementation of the new ERP-system as well as on-going investments in developing the offshore wind power business and acceleration of onshore wind power project development. We expect these development projects to proceed so that they will not burden our profitability in 2024 anymore and we can expect the EBITDA to continue to increase.

To our disappointment, the Finnish Competition and Consumer Authority's assessment of the Voimatel transaction led us to withdraw from it. According to our assessment the transaction would have been a good solution for creating, developing and maintaining critical telecommunications and network infrastructure for the whole of Finland. However, the non-implementation of the acquisition will have no effect on the objectives of our growth strategy and their attainment. In 2022, we proceeded in implementing our strategy in many fronts.

In the third quarter, our order backlog reached record levels with the inclusion of a service contract on the provision of the operation and maintenance services that were transferred from the Helen energy company to Enersense as part of a business transfer. In October, we acquired a Finnish start-up which manufactures fast and high-power charging stations for electric vehicles. In December, we announced its first significant order, a delivery of heavy-duty fast-charging sites for e-trucks to Sweden. In December, we also announced that Enersense will deliver structural components for three offshore substations to the Danish Bladt Industries, a leading European provider of foundations for offshore wind power plants. For around a year, we have been investing in the ramp-up of Enersense Offshore, and already this first project, running until the second quarter of 2024, will employ up to 300 people in our Mäntyluoto production facilities. Orders related to the core operations of all our business areas have also developed favourably.

In addition to strong core businesses, we want to focus on seeking growth from offshore wind power foundations, renewable energy, and zero-emission transport. Orders received at the end of last year in the offshore wind power and EV charging businesses are evidence of our great success within these focus areas of our specified growth strategy. Today, we have also reported on the significant advancement in the development of the onshore wind power project portfolio. At the end of 2022, the project portfolio was already approximately 8,000 MW whereas in September it was around 3,000 MW. With our solar power projects, the size of our renewable energy project portfolio is altogether over 8,000 MW, which gives us a solid ground on which to build our target to have our own 600 MW onshore wind and 100 MW solar power production.

Besides these Enersense projects, we are also a co-owner in P2X, a producer of green hydrogen. P2X Solutions' Harjavalta plant is Finland's first industrial-scale green hydrogen production plant that is progressing to the construction stage, and the foundation stone of the plant was laid in January 2023. We consider hydrogen to play a significant role in the green transition, both in storing electricity and enabling zero-emission heavy transport, and we are pleased to be able to support P2X in executing this development.

We have set ourselves ambitious financial targets of EUR 500 million in revenue and EUR 100 million in profitability (EBITDA) by 2027. This growth also requires financial investments. At the beginning of December, we issued Enersense's first convertible bond, raising a total of EUR 26 million for investments and other business developments, among additional purposes. We are delighted with the support that both new and former investors have shown through their investments in Enersense and its journey as an enabler of the European energy transition.

## Operating environment in 2022

The ongoing energy transition is a global phenomenon that will change the energy system towards low-emission and renewable energy solutions. The impacts of the energy transition will be reflected in changes in energy production methods, and the transition will also shape society in many ways in the future, with various sectors becoming more closely intertwined. In 2022, long-term business drivers that support Enersense's business remained unchanged despite uncertainties related to the macroeconomy and business in general.

The Russian attack on Ukraine in February 2022 caused global geopolitical tensions and uncertainty to increase, and had a negative impact on global economic development. This was also reflected in Enersense's operating environment during 2022. The availability of certain materials decreased, especially during the first half of the year, and the lack of supply caused prices to fluctuate considerably, which is why some customers postponed project starts. As a result of the war, electricity and fuel prices, in particular, increased significantly. Although prices began to decrease markedly towards the end of the year and some raw material prices are back at their pre-war levels, inflation continues to be elevated in the markets that are relevant to Enersense. This is particularly evident in the Baltic countries, where high wage inflation has increased costs.

Increased uncertainty about economic development and the increase in interest rates caused by high inflation have had a negative impact on customers' investment environment. On the other hand, self-sufficiency in zero-emission energy solutions is being increased in Europe, which may cause significant projects to start earlier than planned. Overall, the general market situation in Enersense's business areas remained good in 2022, despite the impacts of the Russian attack on Ukraine. After a calmer summer, coronavirus infections began to increase towards the end of the year, but their impacts on business operations have been limited.

## Financial result

### ORDER BACKLOG

The order backlog grew by 42% and was EUR 415 (291) million. The order backlog increased significantly in the Smart Industry segment, where the third-quarter order backlog includes EUR 100 million of the agreement with the energy company Helen. Including the options to extend the agreement, the agreement totals EUR 200 million. The order backlog also developed strongly in the Power segment. In the Connectivity and International Operations segments, the order backlog decreased.

#### Order backlog by segment

MEUR	12/31/2022	12/31/2021	Change-%
Smart Industry	172	56	207
Power	70	52	34
Connectivity	57	64	-11
International Operations	116	120	-3
<b>Group</b>	<b>415</b>	<b>291</b>	<b>42</b>

## REVENUE AND PROFITABILITY

### Revenue by segment

EUR thousand	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Smart Industry	22,100	20,978	72,721	85,499
Power	18,051	13,795	60,998	49,143
Connectivity	13,963	13,189	47,230	45,318
International Operations	35,836	17,993	87,007	58,999
Items not allocated to business areas	82	-45	81	152
<b>Total</b>	<b>90,033</b>	<b>65,909</b>	<b>268,037</b>	<b>239,110</b>

### EBITDA by segment

EUR thousand	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Smart Industry	-817	6,635	268	15,388
Power	8,735	-30	19,237	2,426
Connectivity	480	663	362	1,559
International Operations	-3,142	302	-3,930	1,672
Items not allocated to business areas	-1,889	-1,382	-3,726	-4,405
<b>Total</b>	<b>3,367</b>	<b>6,188</b>	<b>12,210</b>	<b>16,639</b>

### Revenue by target area

EUR thousand	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Finnish sites	53,056	41,791	178,319	177,229
International sites	36,976	24,119	89,717	61,881
<b>Total</b>	<b>90,033</b>	<b>65,909</b>	<b>268,037</b>	<b>239,110</b>

### October–December 2022

The Group's revenue increased by 36.6% and was EUR 90.0 (65.9) million. Revenue increased in all segments. Revenue increased particularly strongly in the International Operations segment.

EBITDA decreased by 45.6% and was EUR 3.4 (6.2) million. The EBITDA margin was 3.7 (9.4)%. EBITDA increased significantly in the Power segment, but decreased in all the other segments. EBITDA for the review period was improved by a recognition of EUR 7.5 million from wind power projects that progressed more rapidly than expected. On the other hand, EBITDA is burdened by a EUR 3.5 million loss booked related to certain projects, whose profitability was burdened mainly due to high inflation in the Baltics. As to other on-going projects, compensation regarding inflation has been agreed with customers, and inflation has been taken into account in new contracts. During the review period, EBITDA was also burdened by investments in offshore wind power and in a new ERP system, with a total impact of EUR 2.7 million. In the comparison period, EBITDA includes the recognition of EUR 7.3 million in negative goodwill from the favourable acquisition of Pori Offshore Constructions Oy.

Adjusted EBITDA decreased by 57.7% and was EUR 4.3 (7.5) million or 4.8 (11.4)% of revenue. The net impact of items affecting comparability was EUR 1.0 million, mainly arising from costs related to the competition authority's processing costs regarding the cancelled Voimatel acquisition, provisions in personnel costs related to redundancies and process integration costs related to the finalisation of the integration of Empower and Enersense. In the comparison period, the most significant items affecting comparability totalled EUR 1.6 million and were related to restructuring costs and the closing of the digital unit.

The operating profit decreased by 73.0% and was EUR 1.1 (4.0) million. The profit margin was 1.2 (6.1)%.

## January–December 2022

Revenue increased by 12.1% and was EUR 268.0 (239.1) million. Revenue increased in all segments except Smart Industry.

EBITDA decreased by 26.6% and was EUR 12.2 (16.6) million. The EBITDA margin was 4.6 (7.0)%. EBITDA decreased year-on-year in all segments except Power. EBITDA for the financial period includes a total of EUR 14.0 million recognised from wind power projects, EUR 4.2 million in items consisting of the recognition of negative goodwill from the acquisition of Megatuuli Oy, a gain from the sale of Suomi Teline Oy and an adjustment to the contingent consideration related to the acquisition of Pori Offshore Constructions Oy. EBITDA was burdened by investments in offshore wind power and a new ERP system, with a total impact of EUR 6.1 million, EUR 1.2 million costs related to M&A as well as a EUR 3.5 million loss that was booked in the fourth quarter related to certain projects, the profitability of which was burdened mainly due to high inflation in the Baltics. As to other on-going projects, compensation regarding inflation has been agreed with customers, and inflation has been taken into account in new contracts. The comparison figure for 2021 includes EUR 2.0 million in gains from the sale of fixed assets, as well as a recognition of EUR 7.3 million in negative goodwill arising from the favourable acquisition of Pori Offshore Constructions Oy.

Adjusted EBITDA decreased by 29.0% and was EUR 13.7 (19.2) million or 5.1 (8.0)% of revenue. The net impact of items affecting comparability was EUR 1.4 million, mainly arising from costs related to the competition authority's processing costs regarding the Voimatel acquisition, which was cancelled in early 2023, provisions in personnel costs related to redundancies and process integration costs related to the finalisation of the integration of Empower and Enersense. In the comparison period, the most significant items affecting comparability totalled EUR 2.6 million and were related to restructuring costs and the closing of the digital unit.

The operating profit decreased by 49.1% and was EUR 3.5 (6.8) million. The profit margin was 1.3 (2.9)%.

Some customers responded to the growing uncertainty in the global economy by postponing project starts, and the progress of some projects that had already started slowed down. The geopolitical situation and its ripple effects have also resulted in an increase in material costs. These factors arising from the global market situation contributed to lower profitability during the financial period.

The impacts of the coronavirus pandemic on Enersense's business operations decreased towards the summer, but sickness absences began to increase again towards the end of the year. The coronavirus pandemic has affected the company's profitability to some extent, but its impacts were minor in 2022.

More detailed segment-specific information is presented under "Segment reviews".

## Financial position and cash flow

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

#### October–December 2022

Net financial expenses in October–December were EUR -0.4 (-1.0) million.

The result before taxes was 0.7 (3.0) million in October–December, and the result for the review period was EUR -0.7 (3.3) million.

Undiluted earnings per share were EUR -0.04 (0.26).

## January–December 2022

Net financial expenses in January–December were EUR -3.1 (-3.3) million, including EUR 0.5 million in impairment related to the investment in Fennovoima by Yrittäjien Voima Oy, an associated company. The total liabilities related to Fennovoima may increase to EUR 1.2 million.

The result before taxes was EUR 0.4 million (3.5) in January–December, and the result for the period was EUR -2.4 million (4.0).

Undiluted earnings per share were EUR -0.13 (0.35).

## CASH FLOW AND FINANCIAL POSITION

### October–December 2022

Cash flow from operating activities in October–December was EUR 1.7 (-2.9) million. The increase was mainly due to a positive change in the result.

Cash flow from investing activities in October–December was EUR -0.8 (8.5) million.

Cash flow from financing activities in October–December was EUR 21.9 (-3.8) million. Cash flow from financing activities increased due to issuance of the convertible bond at the end of 2022.

### January–December 2022

Cash flow from operating activities in January–December was EUR 4.4 (-15.6) million.

Cash flow from investing activities in January–December was EUR -8.4 (11.5) million, including an EUR 10.4 million investment in P2X Solutions Oy.

Cash flow from financing activities in January–December was EUR 13.6 (15.5) million, which includes dividends paid, loan repayments and the convertible bond issued at the end of 2022, among other items.

The Group's cash and cash equivalents totalled EUR 38.7 (29.2) million at the end of the review period. Cash and cash equivalents increased by EUR 9.5 million compared with the comparison period and EUR 22.9 million from the end of September 2022.

The Group's balance sheet total stood at EUR 230,2 (146,7) million at the end of 2022. The growth is mainly explained by acquisitions.

Equity stood at EUR 62.6 (49.7) million at the end of 2022. Liabilities amounted to EUR 167,6 (97.0) million. At the end of the review period, the equity ratio was 28.8% (35.6), and net gearing was 19.0% (3.6). Return on equity in the review period was -4.3% (8.3).

## FINANCIAL ARRANGEMENTS

### New financing package

On 20 June 2022, Enersense announced that it had completed negotiations on a new financing package consisting of two senior loans, a revolving credit facility and several bank guarantee and accounts receivable financing facilities. The funding is used for operational development and working capital management.

The financing package includes two senior loans totalling EUR 10.5 million and maturing in 2026, as well as a committed revolving credit facility of EUR 5 million, which enables the company to reduce the impact of seasonal changes in working capital on its business operations.

In total, the company has access to accounts receivable financing facilities of EUR 44.2 million. The new facilities account for EUR 5.5 million of the total.

During the fourth quarter 2022, Enersense agreed on modifications on the covenant treatment in relation to the convertible bond with its financiers. It was agreed that the convertible bond is interpreted as subordinated loan and treated as equity when measuring adjusted equity. As regards to the covenant about interest bearing net debt to EBITDA, the convertible bond is treated as subordinated loan which is not accounted as interest bearing debt. In addition to this a minimum liquidity covenant (which will apply if the interest-bearing net debt to EBITDA -covenant is not fulfilled) will be applied alongside with the equity ratio covenant. Threshold value for the Minimum Liquidity covenant is 15 million euros and the company reports it to its financiers on a monthly basis. In addition, the company has the right to make adjustments of a maximum of 5 million euros during the year 2023 to Minimum Liquidity covenant related to certain adjustment items. The group fulfilled the covenants on 31 Dec 2022 and the management foresees that they will be fulfilled for 12 months forward.

In addition, the guarantee limit was increased by 5 million euros compared with the situation at the end of June and currently, Enersense has access to a total of EUR 45 million in guarantee limits.

At the end of 2022, Enersense had EUR 8.4 million in senior loans in use.

## Convertible bond

On 1 December 2022, Enersense International Plc offered Senior Unsecured conditionally Convertible notes with a nominal value of around EUR 20–30 million to be subscribed for by selected professional investors and eligible counterparties. The notes are due on 15 January 2027. On 2 December 2022, the company announced that it had completed its offering of a convertible bond of EUR 26 million.

On 23 December 2022, in accordance with the Board of Directors' proposal, Enersense's Extraordinary General Meeting decided to authorise the Board to decide on the issue of special rights entitling their holders to shares in the company to the original subscribers of the convertible bond mentioned above and/or those who had purchased convertible notes after subscription, so that the notes can be converted into shares in accordance with the terms and conditions of the notes.

After the Extraordinary General Meeting, the company's Board of Directors decided, based on the authorisation granted by the Extraordinary General Meeting, to issue 260 special rights entitling their holders to shares in accordance with chapter 10, section 1 of the Limited Liability Companies Act. The special rights are tied to the convertible notes and cannot be separated from them.

Each note, with a nominal value of EUR 100,000, provides its holder with one special right. Each special right entitles its holder to 12,500 new shares in the company. The initial exchange price per share has been set at EUR 8.00. If all the convertible notes are exchanged for new shares in the company at the initial exchange price, the number of new shares in the company to be issued based on special rights will be no more than 3,250,000, or around 19.7% of the total number of shares on the date of the General Meeting (around 16.5% when the dilution effect is considered). The exchange price may be adjusted in accordance with the terms and conditions. If the exchange price is adjusted and the number of shares issued based on the convertible notes needs to be increased, the increase in the number of shares to be issued will be determined separately in accordance with the Limited Liability Companies Act.

The special rights entitling their holders to shares were entered into the Trade Register on 27 December 2022.

## Segment reviews

### 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 also offers offshore wind power solutions. 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).

MEUR	10-12/2022	10-12/2021	Change-%	1-12/2022	1-12/2021	Change-%
Revenue	22.1	21.0	5.4	72.7	85.5	-14.9
EBITDA	-0.8	6.6	n.a.	0.3	15.4	n.a.
EBITDA-%	-3.7	31.6		0.4	18.0	
Order backlog				172	56	207,1
Personnel (FTE)				638	769	

### October–December 2022

Because of the uncertainty in the global economy, customers continued to postpone project starts, and the progress of some projects which had already started slowed down. After a calmer summer, coronavirus infections increased in the early autumn, but this did not have a significant impact on business operations.

The Smart Industry segment's revenue increased by 5.4% and was EUR 22.1 (21.0) million. The operation and maintenance services transferred from the energy company Helen in a business transfer in November managed to offset the impact of the lower volumes of the Olkiluoto 3 project.

The Smart Industry segment's EBITDA was in the negative at EUR -0.8 (6.6) million. The Smart Operations unit's operating EBITDA in the review period was burdened by the seasonality typical for project business, the postponement of certain projects, cost inflation related to materials, lower volumes in the Olkiluoto 3 project and the ramp-up costs related to the integration of Enersense Offshore. The Smart Services unit's profitability developed favourably. In the fourth quarter of 2021, EBITDA was strengthened by the recognition of EUR 7.3 million in negative goodwill from the favourable acquisition of Enersense Offshore Oy.

### January–December 2022

The Russian attack on Ukraine in February 2022 led to global economic uncertainty, to which some customers in the Smart Industry segment's field of operation responded by postponing project starts. In addition, the progress of certain projects which had already started slowed down. The coronavirus pandemic was reflected more strongly in the Smart Industry segment's business operations during the first months of the year, but its impact decreased towards the summer. After a calmer summer, coronavirus infections increased in the early autumn, but this did not have a significant impact on business operations. The long-term business drivers created by the energy transition have remained unchanged.

The Smart Industry segment's revenue decreased by 14.9% and was EUR 72.7 (85.5) million. Revenue was burdened by the postponement of certain customer projects and the slower progress of certain projects which had already started. In addition, the Smart Operations unit's revenue was burdened by the lower volumes of the Olkiluoto 3 project in particular and the seasonality typical for project business. The Smart Services unit's revenue developed favourably. The Smart Industry segment's revenue for 2021 includes the Staff Leasing business, which was divested in June 2021.

The Smart Industry segment's EBITDA decreased by 98.3% and was EUR 0.3 (15.4) million. The decrease in EBITDA year-on-year was caused by the multiplier effects of the war in Ukraine, lower volumes in the Olkiluoto nuclear power plant project, and partly by the ramp-up costs related to the integration of Enersense Offshore. In the comparison period, EBITDA includes the recognition of EUR 7.3 million in negative goodwill from the favourable acquisition of Enersense Offshore Oy.

The average number of personnel in the Smart Industry segment was 638 (769) person-years during the review period. The decline was mainly due to the decrease in the volumes of the Olkiluoto 3 project. In November 2022, Smart Industry segments head count increased by over 250 due to business transfer transaction with energy company Helen. This is not yet visible in the average number of head count for the full year. At the end of 2022, the head count of Smart Industry segment was 756.

## Order backlog

The Smart Industry segment's order backlog stood at EUR 172 (56) million. Order backlog grew by EUR 116 million or 207,1% year-on-year. The order backlog increased in all business units. The most significant growth came from the transfer of operation and maintenance services from the energy company Helen in a business transfer in the third quarter. In the fourth quarter, the company also received its first order related to offshore wind power projects. At the end of the year, the order backlog was EUR 16 million higher than at the end of the third quarter of 2022.

Significant orders received during the financial period included, for example, the following:

An order in December (press release on 23 December 2022) from the Danish Bladt Industries AS for structural components for three offshore substations. The project started with engineering and planning in December 2022, and the components will be delivered to Bladt Industries in Denmark in several batches between the fourth quarter of 2023 and the second quarter of 2024.

An extensive agreement (4 + 2 + 2 years) with the energy company Helen in August (stock exchange release on 31 August 2022) on strategic cooperation related to operation and maintenance, through which Helen will purchase operation and maintenance services for, for example, four power plants, 15 heating plants, six cooling and heat pump plants, more than 1,500 kilometres of district heating and cooling networks and around 60 kilometres of energy tunnels in the Helsinki metropolitan area. The maximum value of the acquisition is EUR 200 million, including the options to extend the agreement. On 11 October 2022, the Finnish Competition and Consumer Authority approved the business transfer related to the arrangement, and the agreement entered into force on 1 November 2022. The value of the agreement, excluding the optional years, has been recognised in the Smart Industry segment's order backlog.

A new agreement with Rauma Marine Constructions (RMC) in July (press release on 21 July 2022) on outfitting work for two new ferries at the Rauma shipyard. The agreement covers steel and pipeline installations and insulation work in the most demanding technical facilities (such as the main engine room and LNG tank area) of the ships ordered by TT-Line Company. The new agreement is a significant project for Enersense's Smart Works business. Its employment impact on the business operations is more than 150 person-years, and it strengthens Enersense's order backlog until the end of 2024.

In June (press release on 22 June 2022), an agreement with the Norwegian Drammen Yard, which sells and leases offshore wind power services, on the manufacture and delivery of four cable coil turntables to Norway. The turntables will be used for the manufacture and installation of electrical cables for wind power plants in demanding offshore conditions, for example. The cable coil turntables will be manufactured in Mäntyluoto in Pori and will be delivered in May–July 2023.

An agreement signed with Nordec Oy in April (press release on 28 April 2022) concerning surface treatment work related to steel structures and part of the welding work on the construction site of the Kruunuvuori bridge project in Helsinki. Nordec Oy serves as the steel structure contractor in the project.

## 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 project development, design, construction and maintenance of transmission grids, electric substations, wind farms and solar farms. The segment also provides solutions for charging systems for electrically powered transport and electricity storage and is making significant investments in starting its own renewable energy production.

MEUR	10-12/2022	10-12/2021	Change-%	1-12/2022	1-12/2021	Change-%
Revenue	18.1	13.8	30.9	61.0	49.1	24.1
EBITDA	8.7	0	n.a.	19.2	2.4	692.9
EBITDA-%	48.4	-0.2		31.5	4.9	
Order backlog				70	52	34,4
Personnel (FTE)				172	156	

### October–December 2022

Demand in the Power segment continued to be strong during the review period. The impacts of the coronavirus pandemic were minor.

The Power segment's revenue increased by 30.9% and was EUR 18.1 (13.8) million. The growth was driven by higher volumes and good project progress.

The Power segment's EBITDA increased to EUR 8.7 (0.0) million in the review period. It includes a recognition of approximately EUR 7.5 million in revenue from wind power projects that progressed more rapidly than expected.

### January–December 2022

The Power segment's business growth drivers are strong, which continued to be reflected in the good level of demand during the financial period. The impacts of the coronavirus pandemic on the Power segment's operating environment have been minor.

The Power segment's revenue increased by 24.1% and was EUR 61.0 (49.1) million. The growth was driven by higher volumes in high-voltage transmission grid projects in particular.

The Power segment's EBITDA increased by 692.9% and was EUR 19.2 (2.4) million. The growth was driven by higher revenue and successful project management, as well as the recognitions from wind power projects. Recognitions in the EBITDA from wind power projects totalled EUR 14 million. EBITDA includes also a EUR 2.1 million recognition of negative goodwill from the acquisition of Megatuuli Oy. The Power segment's profitability has been good despite the cost increases caused by inflation, and its improved result reflects its investments in renewable energy projects.

The average number of personnel in the Power segment was 172 (156) person-years during the review period.

### Wind and solar power project development

The development of Enersense's onshore wind power project portfolio was accelerated during 2022. At the end of 2022, the project portfolio was around 8,000 MW (9/2022: 3,000 MW), of which 1,500 MW will be developed in cooperation with Valorem. The projects in the feasibility study phase total around 6,500 MW, and projects totalling 1,400 MW are in the permit, land use and EIA phase.

The projects previously developed by Enersense's subsidiary Megatuuli Oy that have progressed to the construction and operation phase total 350 MW. For these projects, Enersense will receive development fees during 2022–2025, as announced on 3 February 2022.

Development of Enersense's solar power project portfolio was launched in 2022 and the size of the portfolio is around 60 MW. Enersense's renewable energy project development portfolio of approximately 8,000 MW enables the company to develop energy production of its own.

## Order backlog

Demand in the Power segment continued to be strong, and the order backlog increased as expected from 2021.

The Power segment's order backlog stood at EUR 70 (52) million at the end of 2022. Its order backlog grew by EUR 18 million or 34,4% year-on-year. At the end of the year, the order backlog was EUR 5 million higher than at the end of the third quarter of 2022.

Significant orders received during the financial period included, for example, the following:

An order from the Swedish Drivmedelsteknik in December (press release on 22 December 2022) for four heavy-duty fast-charging sites for e-trucks. The contract includes an option for a fifth site. Including the option, the total value of the contract is more than EUR 1 million. The sites will be delivered in May and June 2023. The order is the first significant opening in the international markets for Unified Chargers, a Finnish manufacturer of fast charging stations and high-performance charging stations for electric cars.

A contract won in Fingrid's public procurement tendering in November (press release on 11 November 2022) concerning the construction of the Framnäs substation in Kirkkonummi. The switchgear will be implemented using climate-friendly SF6-free technology. The value of the contract is around EUR 3.5 million.

A contract won in Fingrid's public procurement tendering in October (press release on 17 October 2022) concerning a power line project in the Oulu region. The project will improve transmission capacity in the Sea Lapland region and enable the connection of wind power to the grid. The project is estimated to take around two years to complete. The value of the contract is around EUR 7 million.

A main contractor agreement in September (press release on 7 September 2022) concerning Fingrid's Simojoki substation expansion project. The project is estimated to take around two years to complete, and its value is around EUR 12 million.

A contract won in Fingrid's tendering process in June (press release on 29 June 2022) concerning power line arrangements for the Valkeus substation and the replacement of the overhead earth wire for the Pirttikoski-Kokkosniva line. The construction work started at the beginning of 2023, and the project is scheduled to be handed over to the customer in the autumn of 2023.

A contract won in Elenia's tendering process in June (press release on 17 June 2022) concerning the construction of a new electricity transmission connection. The new power line will be around 24 kilometres long, and it will enable wind power to be connected to the electricity network in the region. The construction started in the autumn of 2022, and the project is scheduled to be handed over to the customer in late 2023.

A contract won in Fingrid's public procurement tendering in May (press release on 17 May 2022) concerning the Pyhänselkä–Herva section of the Aurora Line. The Aurora Line is a new electricity transmission link between Finland and northern Sweden. The construction started in the autumn of 2022, and the project is scheduled to be handed over to the customer in late 2024. The value of the contract is around EUR 16 million.

An agreement signed with the British renewable energy company Low Carbon in April (press release on 4 April 2022) concerning the construction of the Mörknässkogen wind farm in Vöyri. The wind farm consists of five power plants. Its construction began in the summer of 2022, and the project is scheduled to be completed in the autumn of 2023. Enersense's delivery includes the construction of roads and lifting areas in the farm, power plant foundations, the internal network and the substation as a turnkey delivery. The value of the contract is around EUR 7 million.

An agreement signed in March (press release on 17 March 2022) with Gigawatti Oy, the company responsible for S Group's wind power production, concerning maintenance and repair services for wind farms for 2022–2027. The agreement covers the wind farms' power lines and substations, as well as electrical and telecommunications networks. S Group is Finland's third largest producer of wind power, and Gigawatti Oy has a wind power portfolio of 271 MW. With the agreement, Enersense's maintenance operations will cover 1,600 MW, which is more than 50% of Finland's wind power.

A contract won in Fingrid's tendering process in January (press release on 21 January 2022) concerning power line arrangements in Savilahti, Kuopio. The contract includes the dismantling of the existing power lines of Fingrid and Kuopion Sähköverkko Oy and the construction of the new power lines, as well as the construction of a new landscape tower, 'Viäntö', which represents innovative design. The project was completed in November 2022.

## 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.

MEUR	10–12/2022	10–12/2021	Change-%	1–12/2022	1–12/2021	Change-%
Revenue	14.0	13.2	5.9	47.2	45.3	4.2
EBITDA	0.5	0.7	-27.7	0.4	1.6	-76.8
EBITDA-%	3.4	5.0		0.8	3.4	
Order backlog				57	65	-11.0
Personnel (FTE)				347	345	

### October–December 2022

Some of the impacts of the ICT strike in the spring continued to be reflected in the fourth quarter, but demand picked up during the reporting period, especially in fixed Fiber To The Home (FTTH) network projects.

The Connectivity segment's revenue increased by 5.9% and was EUR 14.0 (13.2) million. The increase in revenue was supported by the catch-up after the strike in the ICT sector in the spring and good progress in Fibre To The Home (FTTH) projects.

The Connectivity segment's EBITDA decreased by 27.7% and was EUR 0.5 (0.7) million. The Connectivity segment's costs increased due to higher labour and material costs caused by inflation, a shortage of materials caused by the Russian attack on Ukraine and the impact of the strike in the ICT sector. In addition to this, EBITDA was burdened by costs relating to Voimatel acquisition preparations.

### January–December 2022

In the first half of the year, operations were affected by the strike in the ICT sector, which caused major interruptions in production. The situation normalised during the final quarter of the year. Demand for fixed Fiber To The Home (FTTH) network projects increased considerably towards the end of the year.

The Connectivity segment's revenue increased by 4.2% and was EUR 47.2 (45.3) million.

The Connectivity segment's EBITDA decreased by 76.8% and was EUR 0.4 (1.6) million. Higher labour and material costs caused by inflation, a shortage of materials and the long strike in the ICT sector had a negative impact on EBITDA. In addition to this, EBITDA was burdened by costs relating to Voimatel acquisition preparations. Enersense announced in February 2023 that it withdraws from the acquisition.

Discussions have been carried out with customers on transferring the increase in costs to sales prices, but a full transfer to customer prices has not been possible. The transfer of price increases to customer prices is a key part of Connectivity's profitability improvement programme. In addition, the segment

continues to implement extensive measures to achieve smooth and uninterrupted production and project deliveries.

The average number of personnel in the Connectivity segment was 347 (345) person-years during the review period.

## Order backlog

The Connectivity segment's order backlog stood at EUR 57 (64) million at the end of 2022. Its order backlog decreased by EUR 8 million or 12.0% year-on-year. Compared with the end of the third quarter of 2022, its order backlog grew by EUR 14 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.

Demand picked up during the financial period, especially in fixed Fiber To The Home (FTTH) network projects. One of the most significant orders received was a project agreement signed in December (stock exchange release, insider information on 9 December 2022) with Elisa, a Finnish telecom operator and provider of digital services, concerning the construction of Elisa's optical fibre network as a turnkey delivery. The project is part of Elisa's optical fibre network construction programme, and is scheduled for 2023–2025. Enersense's turnkey delivery includes project management, network design and construction, materials logistics and customer deliveries. The total value of the project is around EUR 30 million.

## INTERNATIONAL OPERATIONS

The International Operations segment includes Enersense's international business operations in Germany, France, the United Kingdom and the Baltic countries.

MEUR	10–12/2022	10–12/2021	Change-%	1–12/2022	1–12/2021	Change-%
Revenue	35.8	18.0	99.2	87.0	59.0	47.5
EBITDA	-3.1	0.3	n.a.	-3.9	1.7	n.a.
EBITDA-%	-8.8	1.7		-4.5	2.8	
Order backlog				116	120	-2,9
Personnel (FTE)				590	579	

## October–December 2022

Price increases caused by the geopolitical situation continued in the Baltic countries. Annual inflation remains at a high level - almost 20% higher compared to the end of last year. The reorganisation of supply chains because of the sanctions imposed on Russia has also posed challenges in the operating environment. In addition to higher costs, this has been reflected in longer delivery times and in more complicated logistics arrangements, for example. However, demand in the International Operations segment's business areas remained stable. The impacts of the coronavirus pandemic on business operations were minor.

The International Operations segment's revenue doubled from the year before and was EUR 35.8 (18.0) million. The increase in revenue was mainly supported by high-voltage power line construction projects in progress in Lithuania and Estonia. The majority of the segment's revenue comes from maintenance and construction projects in power grids and distribution grids in the Baltic countries.

EBITDA fell into negative figures and was EUR -3.1 (0.3) million. In the fourth quarter a EUR 3.5 million loss was booked related to certain projects, the profitability of which was burdened mainly due to high inflation in the Baltics. As to other on-going projects, compensation regarding inflation has been agreed with customers, and inflation has been taken into account in new contracts.

## January–December 2022

The Russian attack on Ukraine in February 2022 and its impacts – such as the reduced availability of certain materials, the reorganisation of supply chains and high inflation rate – were reflected in the International Operations segment's operating environment in 2022. However, business demand drivers have remained unchanged, which kept short-term demand at a high level. Business growth was limited by a lack of resources.

The International Operations segment's revenue increased by 47.5% and was EUR 87.0 (59.0) million. Revenue increased in the Baltic countries.

EBITDA fell into negative figures and was EUR -3.9 (1.7) million. EBITDA was burdened by a weak first half of the year and a EUR 3.5 million loss was booked related to certain projects, the profitability of which was burdened mainly due to high inflation in the Baltics. As to other on-going projects, compensation regarding inflation has been agreed with customers, and inflation has been taken into account in new contracts.

The average number of personnel in the International Operations segment was 590 (579) person-years during the review period.

## Order backlog

The International Operations segment's order backlog stood at EUR 116 (120) million. Its order backlog decreased by EUR 4 million from the corresponding period of 2021 and EUR 5 from the third quarter of 2022. The level of orders received remained stable. 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.

Significant orders received during the financial period included, for example, the following:

Two follow-up agreements signed with Enefit Connect in November (press release on 15 November 2022) concerning the maintenance of electricity networks. The agreements include the maintenance of electricity distribution networks, as well as troubleshooting and connecting solar parks in Estonia's Pärnu and Tartu-Jõgeva areas to the electricity distribution network. The work began in January 2023 in cooperation with Clougrupp and Terasteenused, Estonian companies specialising in electrical installations. The total value of the contracts is EUR 10.1 million, of which Enersense accounts for around EUR 5–6 million. The contracts will expire by the end of 2025.

A new agreement signed with the Latvian transmission system operator AS Augstsprieguma tīkls (AST) in October (press release on 5 October 2022) concerning the installation of synchronisation and inertial equipment in the electricity system on three sites in Latvia. The assignment will be carried out by a consortium between Enersense and an international energy company. Enersense will be responsible for the design and construction of the synchronous condenser stations, the construction of the access roads, the supply of materials and the installation work. Enersense's share of the contract is more than EUR 15 million.

An agreement signed with Siemens Energy in July (press release on 14 July 2022) concerning coatings for the Leipheim remote-controlled gas power plant under construction in southern Germany. The gas power plant is scheduled to be commissioned in August 2023.

A framework agreement signed with Svenska kraftnät, Sweden's national grid operator, in July (press release on 5 July 2022) concerning renovation and renewal work covering almost 30% of the Swedish national grid over a period of eight years.

A follow-up agreement signed with Enefit Connect in June (press release on 23 June 2022) concerning the maintenance of the electricity networks of Elektrilevi, Estonia's largest network operator. The two-year agreement includes the maintenance of electricity distribution networks, as well as troubleshooting, in the Saaremaa and Hiiumaa regions. The work started in July 2022. The value of the agreement is around EUR 6.4 million.

## Group personnel

Enersense mainly operates in Finland, Germany, France, the United Kingdom and the Baltic countries. The Group had an average of 1,836 (1,942) employees during the review period.

The decrease in personnel was mainly due to a decline in the Smart Industry segment's volumes following the completion of the Olkiluoto 3 project. On the other hand, in November 2022, Smart Industry segments head count increased by over 250 due to a business transfer transaction which is not yet visible in the average number of head count.

At the end of 2022, the Group's total head count was 1,995.

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

	1-12/2022	1-12/2021
Smart Industry	638	769
Power	172	156
Connectivity	347	345
International	590	579
Other	90	93
<b>Group total</b>	<b>1,836</b>	<b>1,942</b>



## Governance

### ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of Enersense International Plc was held on 4 April 2022. The AGM was held by applying exceptional meeting practices in accordance with the temporary Act of Parliament (375/2021) adopted to limit the spread of the COVID-19 pandemic.

The AGM adopted the financial statements for the financial period 1 January to 31 December 2021, including the consolidated financial statements. The AGM discharged the members of the Board of Directors and the CEO from liability for the financial period 1 January to 31 December 2021.

The AGM decided that, based on the balance sheet adopted for the financial period 1 January to 31 December 2021, a dividend of EUR 0.10 per share should be paid from the distributable funds of the company for the total amount of EUR 1,599,606.00, calculated on the basis of the outstanding shares on the date of the notice convening the Annual General Meeting. The dividend was decided to be paid in two installments: in May and November 2022.

The AGM was in favour of all the proposals made to the AGM. It approved the remuneration report and the remuneration policy for the company's governing bodies, in terms of which the resolution is advisory under the Limited Liability Companies Act.

The AGM authorised the Board to decide on the issue of shares against payment, as well as the issue of option rights and other special rights entitling their holders to shares under chapter 10, section 1 of the Limited Liability Companies Act, or combinations of all or some of the above, in one or more installments.

The AGM authorised the Board to decide on the acquisition and/or acceptance as pledge of the company's own shares.

More information about the authorisations granted to the Board of Directors is provided under "Authorisations of the Board of Directors" in this report.

The AGM decided that the Board of Directors should consist of six (6) members.

The AGM decided that KPMG Oy Ab, Authorised Public Accountants, should continue as the auditor, with Heli Tuuri, APA, as the principal auditor. The auditor's term of office ends at the close of the next AGM. The auditor will be paid a fee against a reasonable invoice approved by the Audit Committee.

More information about the resolutions of the AGM is provided in a stock exchange release issued on 4 April 2022 and on the company's website at [www.enersense.com/investors/governance/general-meeting/](http://www.enersense.com/investors/governance/general-meeting/).

### BOARD OF DIRECTORS

In accordance with the proposal of the Shareholders' Nomination Board, the 2022 Annual General Meeting (AGM) decided to re-elect Jaakko Eskola, Sirpa-Helena Sormunen, Herkko Plit, Sari Helander, Päivi Jokinen and Petri Suokas as Board members. The Board members' term of office ends at the close of the first AGM following their election.

At its inaugural meeting immediately after the AGM, in accordance with the recommendation of the Nomination Board, the Board re-elected Jaakko Eskola as its Chair and elected Sirpa-Helena Sormunen as its Vice Chair.

In addition, from among its members, the Board elected Sari Helander as Chair of the Audit Committee and Päivi Jokinen and Petri Suokas as the other members of the Audit Committee.

Herkko Plit was elected as Chair of the Remuneration Committee, and Jaakko Eskola and Sirpa-Helena Sormunen were elected as the other members of the Remuneration Committee.

In accordance with the proposal of the Shareholders' Nomination Board, the AGM decided on the Board members' fees as follows:

- Annual fee of EUR 40,000 for the Chair
- Annual fee of EUR 30,000 for the Vice Chair
- Annual fee of EUR 25,000 for each member.

In addition, meeting fees for each meeting of the Board of Directors and its committees will be paid as follows:

- EUR 1,000 for Chairs of the Board of Directors and its committees
- EUR 500 for other members.

Travel expenses are reimbursed in accordance with the company's current travel policy.

## **EXTRAORDINARY GENERAL MEETINGS**

### **Extraordinary General Meeting on 11 January 2022**

Enersense International Plc held an Extraordinary General Meeting (EGM) on 11 January 2022. The EGM was held by applying exceptional meeting practices in accordance with the temporary Act of Parliament (375/2021) adopted to limit the spread of the COVID-19 pandemic.

The EGM decided, in accordance with the Board of Directors' proposal, to amend Section 3 of the Articles of Association, to authorise the Board of Directors to decide on the issue of shares for a directed share issue for the shareholders in Megatuuli Oy in proportion to the number of shares with voting rights in Megatuuli Oy that they sold in connection with the acquisition, to authorise the Board of Directors to accept the company's own shares as pledge and to transfer shares accepted as pledge.

More information about the authorisations granted to the Board of Directors is provided under "Authorisations of the Board of Directors" in this report.

### **Extraordinary General Meeting on 10 November 2022**

Enersense International Plc held an Extraordinary General Meeting (EGM) in Pori on 10 November 2022.

The EGM decided to amend Section 7 of the Articles of Association and approve the merger by absorption of MBÅ Invest Oy.

As merger consideration, the shareholders in MBÅ Invest will receive new shares in Enersense in proportion to their current holdings. The merger as a whole and the provision of shares as merger consideration are conditional and will enter into force in connection with the registration of the merger. The planned date of implementation of the merger is estimated at 1 April 2023.

More information about the merger of MBÅ Invest with Enersense International Plc is provided in a stock exchange release issued on 23 September 2022.

In accordance with the Board of Directors' proposal, the EGM authorised the Board to decide on the issue of shares against payment, as well as the issue of option rights and other special rights entitling their holders to shares under chapter 10, section 1 of the Limited Liability Companies Act, or combinations of all or some of the above, in one or more installments.

More information about the authorisations granted to the Board of Directors is provided under "Authorisations of the Board of Directors" in this report.

## Extraordinary General Meeting on 23 December 2022

Enersense International Plc held an Extraordinary General Meeting (EGM) in Helsinki on 23 December 2022. Its shareholders were also able to exercise their shareholder rights by voting in advance or by proxy.

In accordance with the Board of Directors' proposal, the EGM decided to authorise the Board to decide on the issue of special rights entitling their holders to shares in the company to the original subscribers of the company's EUR 26 million unsecured senior contingent convertible bond maturing on 15 January 2027 and/or those who had purchased convertible notes after subscription, so that the notes can be converted into shares in accordance with the terms and conditions of the notes.

More information about the authorisations granted to the Board of Directors is provided under "Authorisations of the Board of Directors" in this report.

The resolutions of the EGMs and the meeting documents are available on the company's website at [www.enersense.com/investors/governance/general-meeting/](http://www.enersense.com/investors/governance/general-meeting/).

## AUTHORISATIONS OF THE BOARD OF DIRECTORS

### Authorisations to issue shares

Enersense International Plc's Extraordinary General Meeting on 11 January 2022 authorised the Board of Directors to issue new shares in deviation from the shareholders' pre-emptive subscription right by means of a directed share issue to implement the acquisition of Megatuuli Oy. The maximum number of shares to be issued through the directed share issue is 2,675,000, which corresponds to around 19.9% of all the shares in the company on the date of General Meeting and 16.6% of all the shares in the company following the completion of the acquisition. The Board was granted the right to decide on all the terms and conditions of the directed share issue.

Enersense International Plc's Annual General Meeting on 4 April 2022 authorised the Board of Directors to decide on share issues in accordance with the Board's proposal. The maximum number of shares to be issued based on the authorisation is 1,599,600, which corresponds to around 10% of the total number of shares in the company at the time of the notice of the Annual General Meeting. The Board was granted the right to decide on all the terms and conditions of the share issue. 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 is valid until the close of the next AGM, but not beyond 30 June 2023.

Enersense International Plc's Extraordinary General Meeting on 10 November 2022 authorised the Board of Directors to decide on share issues in accordance with the Board's proposal. Based on the authorisation, a maximum of 500,000 new shares in the company and/or treasury shares (including shares issued based on special rights) can be issued, which corresponds to around 3.1% of the total number of shares in the company at the time of the notice of the General Meeting. The Board was granted the right to decide on all the terms and conditions of the share issue. 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 does not revoke previous unused authorisations concerning share issues. The authorisation is valid until the close of the next AGM, but not beyond 30 June 2023.

In accordance with the Board of Directors' proposal, Enersense's Extraordinary General Meeting on 23 December 2022 decided to authorise the Board to decide on the issue of special rights entitling their holders to shares in the company to the original subscribers of the company's EUR 26 million unsecured senior contingent convertible bond maturing on 15 January 2027 and/or those who had purchased convertible notes after subscription, so that the notes can be converted into shares in accordance with the terms and conditions of the notes. The maximum number of shares to be issued based on special

rights is 3,575,000, which corresponds to around 21.7% of the total number of shares in the company (around 18.1% when the dilution effect is taken into account).

### **Authorisations concerning the acquisition and/or acceptance as pledge of the company's own shares**

Enersense International Plc's Extraordinary General Meeting on 11 January 2022 authorised the Board of Directors to decide on the acceptance as pledge of the company's own shares and the transfer of shares accepted as pledge in accordance with the Board's proposal. Based on the authorisation, a maximum of 668,750 shares can be accepted, but not more than 10% of the total number of shares in the company. The Board decides how the shares will be accepted as pledge. The authorisation is valid until 29 June 2023.

Enersense International Plc's Annual General Meeting on 4 April 2022 authorised the Board of Directors to decide on the acquisition and/or acceptance as pledge of the company's own shares in accordance with the Board's proposal. Based on the authorisation, a maximum of 799,800 shares can be acquired and/or accepted as pledge, which corresponds to around 5% of the total number of shares in the company at the time of the notice of the Annual General Meeting. The Board decides how the shares will be acquired and/or accepted as pledge. The authorisation is valid until the close of the next AGM, but not beyond 30 June 2023. The Board of Directors did not use the authorisation during the financial period.

### **SHARE ISSUES**

On 31 January 2022, Enersense announced that it had carried out a directed share issue conditional on the completion of the acquisition of Megatuuli Oy. The completion of the acquisition was announced on 1 February 2022. In connection with the acquisition, a total of 2,598,331 new shares in Enersense were provided as consideration to the sellers and subscribed for against the transfer of voting shares in Megatuuli. Based on the decision of Enersense's Board of Directors, the share issue was carried out in deviation from the shareholders' pre-emptive right in accordance with the authorisation granted by the Extraordinary General Meeting on 11 January 2022.

Enersense announced on 20 June 2022 that it had signed an agreement to acquire all outstanding shares in Voimatel Oy, a company specialising in critical infrastructure and energy services, through an exchange of shares from KPY Cooperative, the owner of Voimatel Oy. The acquisition is conditional on approval from the Finnish Consumer and Competition Authority and the fulfillment of standard conditions for acquisitions. In connection with signing the deed of sale, Enersense carried out a directed share issue, through which Enersense's Board of Directors decided to issue, based on the authorisation granted by the Annual General Meeting on 4 April 2022, a maximum of 297,297 new shares to be subscribed for by KPY Cooperative in deviation from the shareholders' pre-emptive right. The share issue was executed on 28 June 2022.

On 15 November 2022, Enersense announced that it had completed the acquisition of the entire share capital of Unified Chargers Oy. To pay the purchase price, through a directed share issue carried out in connection with the transaction, Enersense issued a total of 199,174 new shares in Enersense through an exchange of shares to be subscribed for by the shareholders of Unified Chargers Oy. Based on the decision of Enersense's Board of Directors, the share issue was carried out in deviation from the shareholders' pre-emptive right in accordance with the authorisation granted by the Extraordinary General Meeting on 10 November 2022.

On 23 December 2022, Enersense announced that its Board of Directors had decided, based on an authorisation granted by the Extraordinary General Meeting held on 23 December 2022, to issue 260 special rights entitling their holders to shares in the company under chapter 10, section 1 of the Limited Liability Companies Act. The special rights were granted free of charge, in deviation from the shareholders' pre-emptive subscription right, to the original subscribers of the company's EUR 26 million unsecured senior contingent convertible bond maturing on 15 January 2027 and/or those who had purchased convertible notes after subscription. The special rights are tied to the convertible notes and cannot be separated from them. The new shares to be issued by the company based on the special

rights would be up to 3,250,000 shares, representing approximately 19.7% of the current total amount of Shares (approximately 16.5% on a fully diluted basis).

## Share issues and changes in the number of shares in 2022

Date of registration	Event	Increase, pcs	Number of shares after the change
16 November 2022	Directed share issue: Unified Chargers	199,174	16,492,531
28 June 2022	Directed share issue: KPY Cooperative	297,297	16,293,357
1 February 2022	Directed share issue related to the acquisition of Megatuuli Oy	2,598,331	15,996,060

## GROUP EXECUTIVE TEAM

At the end of 2022, Enersense's Group Executive Team consisted of the following members:

- Jussi Holopainen, President and CEO
- Mikko Jaskari, CFO
- Jaakko Leivo, EVP, Smart Industry
- Tommi Manninen, SVP, Communications and Public Affairs
- Hanna Reijonen, SVP, HR
- Juha Silvola, EVP, Power; Acting EVP, Connectivity
- Sami Takila, SVP, Legal, since 1 July 2022
- Margus Veensalu, EVP, International Operations

Johanna Nurkkala served as SVP, Legal, and a member of the Group Executive Team until 19 April 2022.

## Shares and share trading

Shares in Enersense International Plc are traded on the Nasdaq Helsinki under ticker symbol ESENSE (ISIN code FI4000301585).

## SHARE CAPITAL AND SHARES

At the end of the financial period, the company's share capital consisted of 16,492,531 shares, each of which provided its holder with one vote. The company's share capital was EUR 80,000 at the end of the financial period.

## OWNERSHIP STRUCTURE

The number of registered shareholders in Enersense was 6,844 (6,957) at the end of 2022. The ten largest shareholders accounted for 71.33% of all shares on 31 December 2022. The proportion of book-entry shares was 0.7%.

More information about Enersense's largest shareholders is available on the company's website at [www.enersense.com/share/](http://www.enersense.com/share/).

On 23 September 2022, Enersense International Plc and MBÅ Invest Oy signed an agreement on the merger of MBÅ Invest, Enersense's second largest shareholder, with Enersense International Plc. The purpose of the merger is to increase the transparency and equality of ownership and governance and simplify Enersense's ownership structure. MBÅ Invest's owners include members of Enersense's management and external investors. On 10 November 2022, Enersense International Plc's Extraordinary General Meeting decided to approve the merger by absorption of MBÅ Invest Oy in accordance with the merger plan registered on 23 September 2022 in the Trade Register maintained by the Finnish Patent

and Registration Office, with no amendments. It is estimated that the merger will be completed by 1 April 2023.

MBÅ Invest Oy's proportion of all the shares in Enersense was 13.19% on 31 December 2022.

More information about the merger is provided in a stock exchange release at [www.enersense.com/releases/enersense-international-plc-and-mba-invest-oy-have-signed-a-combination-agreement-concerning-the-merger-of-mba-invest-oy-with-enersense-international-plc/](http://www.enersense.com/releases/enersense-international-plc-and-mba-invest-oy-have-signed-a-combination-agreement-concerning-the-merger-of-mba-invest-oy-with-enersense-international-plc/).

## Management holdings

The members of the Board of Directors, the President and CEO, the members of the Group Executive Team and their controlled entities held a total of 464,945 shares at the end of the financial period, which represented 2.8% of all the shares in the Enersense International Plc on 31 December 2021.

In addition, Petri Suokas, a member of the Board of Directors, Jussi Holopainen, President and CEO, and Jaakko Leivo, a member of the Group Executive Team, held a total of 2,176,072 shares through MBÅ Invest, their related party company, at the end of the financial period, which represented 13.19% of all the shares in Enersense International Plc on 31 December 2022. More information about the management's and Board members' holdings is available on the company's website at [www.enersense.com/investors/governance/](http://www.enersense.com/investors/governance/).

## Flagging notifications

During the review period, Enersense received nine flagging notifications in accordance with chapter 9, section 5 of the Securities Markets Act.

1. The shareholding of Joensuun Kauppa ja Kone Oy, an entity controlled by Kyösti Kakkonen, decreased to 8.64% of all shares and votes in Enersense on 1 February 2022.
2. The shareholding of MBÅ Invest Oy decreased to 14.09% of all shares and votes in Enersense on 1 February 2022.
3. The shareholding of Janne Vertanen and his controlled entities decreased to 8.57% of all shares and votes in Enersense on 1 February 2022.
4. The shareholding of Tomi Hyttinen and Taloustieto Incrementum Oy, an entity controlled by Tomi Hyttinen, decreased to 4.77% of all shares and votes in Enersense on 1 February 2022.
5. The shareholding of Verman Group Oy decreased to 8.40% of all shares and votes in Enersense on 1 February 2022.
6. The shareholding of Nidoco Ab, which belongs to the Virala Oy Ab Group, increased to 23.88% of all shares and votes in Enersense on 22 March 2022.
7. The shareholding of Nidoco Ab, which belongs to the Virala Oy Ab Group, increased to 25.01% of all shares and votes in Enersense on 16 June 2022.
8. The shareholding of Joensuun Kauppa ja Kone Oy, an entity controlled by Kyösti Kakkonen, decreased to 4.81% of all shares and votes in Enersense International Plc on 31 August 2022.
9. The shareholding of Ensto Invest Oy increased to 5.22% of all shares and votes in Enersense International Plc on 7 September 2022.

## TREASURY SHARES

The company holds no treasury shares.

## MARKET CAPITALISATION AND SHARE TURNOVER

Shares in Enersense International Plc are traded on the Nasdaq Helsinki under ticker symbol ESENSE (ISIN code FI4000301585). The market value of Enersense's shares was EUR 93.8 (91.6) million 31 December 2022.

The closing price of the shares was EUR 5.69 (6.84) on 31 December 2022. The volume-weighted average price (VWAP) of the shares during the review period was EUR 6.80 (8.63). The highest price was EUR 8.22 (12.00), and the lowest price was EUR 5.22 (5.96). The price of the share decreased by 7.9% from the end of 2021. During the review period, around 5.7 million shares in Enersense were traded on the Nasdaq Helsinki stock exchange, which corresponds to a turnover of around EUR 38.8 million. The average daily share turnover was 22,579 shares, which corresponds to an average daily turnover of around EUR 0.15 million.

## SHARE-BASED INCENTIVE SCHEMES

Enersense International Plc's Board of Directors decided in February 2022 on two new share-based incentive schemes for the Group's key personnel. The purpose is to align the key personnel's goals with those of the shareholders to increase the company's value in the long term and to engage key personnel in the company and provide them with competitive incentive schemes based on earning and accumulating shares in the company.

### Share-based incentive scheme for 2022–2025

The share-based incentive scheme for 2022–2025 has one performance period, which consists of the 2022–2023 financial years. Rewards within the scheme will be based on the total absolute return on the company's share for the 2022–2023 financial years, the Group's cumulative euro-denominated adjusted EBITDA for the 2022–2023 financial years and the share of renewable and zero-emission energy of revenue. The rewards to be paid in accordance with the scheme are estimated at the value of a maximum of 211,000 shares in Enersense International Plc, including the cash portion.

The target group of the scheme consists of around 40 people, including the President and CEO and the other members of Enersense International Plc's Group Executive Team.

### Restricted share plan for 2022–2024

Rewards within the restricted share plan for 2022–2024 are based on a valid employment contract or executive agreement and the continuation of the employment or service relationship during the vesting period. Rewards will be paid after the vesting period, which lasts for 24 to 36 months. The plan is only intended for specifically designated key people.

The rewards to be allocated based on the restricted share plan for 2022–2024 correspond to the value of a maximum of 10,000 shares in Enersense International Plc, including the cash portion.

By end of the fiscal year this share plan was not in place.

More information about the company's share-based incentive schemes is provided in a stock exchange release issued on 28 February 2022.

## Related party transactions

### MBÅ Invest Oy

On 23 September 2022, Enersense International Plc and MBÅ Invest Oy signed an agreement on the merger of MBÅ Invest, Enersense's second largest shareholder, with Enersense International Plc. The merger constitutes a related party transaction for Enersense, because MBÅ Invest is a related party entity that exercises significant control over Enersense. In addition, Petri Suokas, a member of

Enersense's Board of Directors, Jussi Holopainen, Enersense's President and CEO, and Jaakko Leivo, a member of Enersense's Group Executive Team, are shareholders of MBÅ Invest. Petri Suokas and Jussi Holopainen also serve as members of MBÅ Invest's Board of Directors.

Enersense's Board of Directors has estimated that the related party transaction is in line with the company's interests and is subject to standard commercial terms. Petri Suokas, Jussi Holopainen and Jaakko Leivo have not participated in discussions or decision-making concerning the merger on Enersense's Board of Directors. The related party transaction is supported by all Board members who are not in a related party relationship with MBÅ Invest or the matter to be decided on. It is estimated that the merger will be completed by 1 April 2023.

#### **P2X Solutions Oy**

In December 2021, the company announced an agreement on an equity investment in P2X Solutions Oy, a producer of green hydrogen. The investment was implemented in February 2022 at around EUR 13 million, of which EUR 10.4 million was paid by 31 December 2022. In connection with the investment, Enersense subscribed for new shares in P2X so that its holding in P2X is around 16.3% after any options. Herkko Plit, a member of Enersense's Board of Directors, is one of the largest shareholders in P2X through a company in which he exercises control, and he exercises joint control in P2X. Enersense treats P2X as an associated company. In addition to its shareholding, Enersense holds a seat at P2X's Board.

More detailed description of related party transactions in Note 9 to this Bulletin.

## **Business strategy and long-term financial targets**

Enersense is a key contributor to the energy transition through its profitable and growing business operations. Enersense's strategic goal is to expand in the value chain from being a broad-based service company in the energy sector to being a producer of zero-emission energy and a key green energy company. Enersense's strategic focus areas for 2023–2027 are:

#### **Capture growth in energy transition**

Enersense focuses on growth in energy transition by building wind and solar PV generation business, penetrating offshore wind foundation markets, and ramping up EV charging business. Opportunities in energy storage are also examined.

#### **Develop and maintain efficient core business operations**

Continuous improvement of the end-to-end business operations are ensured in order to drive customer value, competitiveness and profitability. Smooth integration of acquired businesses is also ensured.

#### **Ensure skilled people and expertise to make a difference**

The best expertise and competences for current and new businesses is built, and new talents are acquired to join the company to fill the identified gaps.

#### **Develop and accelerate Enersense way of working (eWoW)**

Company wide leadership principles, common operational model, and digitalized processes across the businesses are built to provide solid foundation for growth.

#### **Develop ESG as core of Enersense's operations**

Environmental, social and governance targets and actions are developed and deployed in the core of business to foster responsibility, and to comply with regulatory, customer and investor requirements. In 2023, Enersense aims to create a carbon roadmap that gives guidelines to reaching carbon neutrality by 2030.

TARGET IN 2027	SITUATION IN 2022
Revenue of EUR 500 million, of which <ul style="list-style-type: none"> <li>• strategic development projects 100 MEUR</li> <li>• own energy production 100 MEUR</li> <li>• core business operations 300 MEUR.</li> </ul>	The Group's revenue, EUR 268 million, mainly consists of revenue from its core business operations.
EBITDA of EUR 100 million, of which <ul style="list-style-type: none"> <li>• strategic development projects 35 MEUR</li> <li>• own energy production 35 MEUR</li> <li>• core business operations 30 MEUR.</li> </ul>	The Group's adjusted EBITDA, EUR 13.7 million, mainly consists of EBITDA from its core business operations.
Proportion of zero-emission and low-emission projects <sup>1)</sup> of revenue: 75–80%.	Proportion of zero-emission and low-emission projects of revenue: 66%.
Own energy production in total 600–700 MW.	For the time being, the company has no energy production of its own. Onshore wind power project development portfolio increased to 8,000 MW (9/2022: 3,000 MW), which gives a solid ground on which to build our own production.
Dividend policy: The company's goal is to distribute at least 30% of earnings per share as dividends.	Enersense's Board of Directors proposes to the Annual General Meeting to be held on 4 April 2023 that funds be distributed as a return of capital of EUR 0.10 to shareholders.

<sup>1)</sup> Enersense's own Key Performance Indicator "Proportion of zero-emission and low-emission projects of revenue" includes all such Enersense's business activities which the company has defined as taxonomy eligible according to the EU taxonomy for sustainable finance. In addition to this, the KPI includes such Enersense's business activities which, according to the company's evaluation, contribute to the energy transition and improve the energy efficiency of Enersense's customers business activities, but which, according to current evaluation, are not taxonomy eligible. These activities include Enersense's business activities relating to nuclear power, mobile network services and LNG-projects. Analysis on the company's taxonomy eligible and taxonomy aligned activities will be presented in the Board of Directors' Report, which will be published in week beginning on 6 March 2023.

## Research and development

The Group's development expenses are related to improving production efficiency, harmonising and improving the efficiency of the ways of working and operating methods of people and processes, as well as product development through the acquisition of Unified Charger Oy. The Group has not had any research activities.

Development expenses in 2022 totalled EUR 0.7 (0.3) million, or 0.3% (0.1) of revenue. Of the development expenses, EUR 0.2 (0.3) million were recognised as costs in the income statement, and EUR 0.6 (0.0) million were capitalised on the balance sheet, of which EUR 0.6 million were through acquisitions.

## Investments and M&A

Investments in fixed assets excluding lease liabilities totalled EUR 1.6 (0.6) million in 2022 and were mainly related to machinery and equipment.

Two financial investments supporting the company's strategy were made during the year, totalling EUR 11.2 (0.1) million.

In December 2021, the company announced an agreement on an equity investment in P2X Solutions Oy, a producer of green hydrogen. The investment was implemented in February 2022. Through P2X Solutions, Enersense is involved in reducing the emissions of heavy transport using hydrogen and synthetic fuels and in enabling electricity storage opportunities created by green hydrogen. In the summer of 2022, Enersense acquired a 10% holding in Parkkisähkö Oy, which supplies charging systems for buildings, companies and public spaces.

In 2022, investments in company and business acquisitions totalled EUR 20.3 (1.6) million, of which EUR 19.6 million was carried out through an exchange of shares. The net assets of the acquired companies totalled EUR 20.7 million and increased Enersense's goodwill by EUR 1.7 million to EUR 27.9 million.

The acquisition of Megatuuli Oy, a developer of onshore wind power projects, and the related share transaction announced in December 2021 were completed in February 2022. With the acquisition of Megatuuli, Enersense continued to expand its role in the value chain for renewable energy production

projects. A business transfer between Enersense and the Helen energy company, through which certain operation and maintenance services were transferred to Enersense, was completed in October 2022. The service agreement negotiated in connection with the arrangement, through which Helen will purchase the services in question from Enersense, entered into force on 1 November 2022. In October, Enersense announced that it had further specified the focus areas of its growth strategy and would focus on zero-emission transport alongside onshore and offshore wind power and solar energy. At the same time, Enersense announced that it had acquired Unified Chargers Oy, a Finnish start-up manufacturing fast and high-power charging stations for electric vehicles. This strengthens Enersense's presence in the value chain for charging solutions for electric transport. The acquisition was completed in November 2022.

More information about acquisitions and changes in the Group's structure is provided in Note 2 to this bulletin.

## Market outlook

### SMART INDUSTRY

The Smart Industry segment's market is expected to develop favourably in 2023, and the increase in its quotation base indicates a continued good demand. New customers are sought through the implementation of zero-emission and low-emission projects, as well as operation and maintenance sites. The level of service contracts has increased significantly, which lays a good foundation for future business operations. The EU strategy for renewable energy supports the outlook for offshore wind power market.

### 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 2023. The overall market in Finland continues to grow, and the market size is currently estimated at more than EUR 500 million.

### CONNECTIVITY

The growth of the Connectivity segment's market is driven by the need for high-speed connections in fixed optical fibre networks and mobile networks. The total market in Finland is around EUR 280 million, and is growing strongly with the construction of optical fibre networks.

### INTERNATIONAL OPERATIONS

The business environment and performance development for the International Operations segment is expected to improve moderately in 2023.

## Major risks and uncertainties

In its operations, Enersense is exposed to strategic, operational and financial risks as well as to external threats. Enersense seeks to protect against the above risks through regular risk assessment and particularly in connection with the processing of its strategy and decisions related to business projects or investments significant for the Group.

## NEAR-TERM RISKS AND UNCERTAINTIES

The Russian attack on Ukraine, which began in February 2022, continues and maintains geopolitical tensions and uncertainty about the development of the global economy. The prices of electricity, fuels and certain raw materials, which increased significantly as a result of the war, have showed signs of stabilisation, but inflation continues to be high in markets relevant to Enersense. This is particularly evident in the Baltic countries, where high wage inflation is increasing costs. Geopolitical uncertainty may also be reflected in labour availability, especially in the Baltic countries and elsewhere in Eastern Europe. In addition, any interruptions in energy supply that may occur because of availability issues caused by the war may have an adverse impact on Enersense's business operations.

Increased uncertainty about economic development and the increase in interest rates caused by high inflation have had a negative impact on customers' investment environment. This may lead to a deterioration in the financial position of Enersense and its customers, through factors such as the availability of financing, and further to a decrease in demand for Enersense's services, slower-than-expected sales development and a decrease in the prices of the company's services.

The business impacts of Covid-19 cases were minor in 2022. However, it is possible that the coronavirus pandemic will be prolonged further, new waves will emerge and restrictions will be tightened again.

### Strategic risks

The company continues to implement its growth strategy based on the development of strategic competencies, services and/or customer accounts. Even if the strategy is competitive, it is possible that it may not be implemented according to plan. Enersense may not be able to successfully execute its strategy in the rapidly changing business environment as part of the energy transition, and it may be unable to recoup investment costs or may incur opportunity losses, fail in change management, or in its reskilling ability and speed, or lack the agility to respond to new entrants in the market. Due to possible insufficient resources, management, information management, monitoring and planning, Enersense may fail in executing its key strategic development projects. Enersense's strategy may prove to be misaligned in relation to the prevailing trends or fast changes occurring in the market or too modest with regard to its targets as compared to the services required by the energy transition.

The company strives to accelerate the development of strategic competencies, services and/or customer accounts with acquisitions. This involves a risk that the company may not identify suitable companies to acquire at favourable terms and conditions. Enersense may also incur significant acquisition, reorganisation and other expenses in connection with the acquisitions. Mergers and acquisitions also carry risks related to the integration of new businesses, and there can be no assurance that the estimated synergies can be achieved in full or within the contemplated schedule in relation to its already executed or future acquisitions.

Furthermore, Enersense's ability to complete mergers and acquisitions as planned and realize related synergies and other benefits may be dependent on the fulfillment of the conditions set for the transaction, such as receipt of authority approvals particularly from competition authorities.

When the company completes acquisitions or expands its operations into new countries, it is possible that the revenue 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.

### Operational risks

Enersense's customers are typically owners of construction or industrial projects, developers, main contractors or suppliers, with whom Enersense usually executes the project, service or framework agreement for the project. 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 business performance and financial position over a period of time longer than the order

backlog. Correspondingly, framework agreements do not guarantee that the company is successful in the tendering for individual deliveries falling within the scope of the framework agreement. Increased competition may also have a negative impact on the development of Enersense's order backlog, and thereby also on its revenue and profitability. Changes in official regulations and restrictions and the related uncertainty may also have a material impact, especially among customers in the energy business.

Although Enersense's business areas also generate continuous revenue from, among other things, the servicing and maintenance services provided by it, a significant part of Enersense's revenue is directly or indirectly related to significant long-lasting construction projects or other investments. 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 with sufficient accuracy, in addition to successful project management, technical implementation and schedule management. General economic uncertainty may reduce customers' willingness to invest and affect projects in Enersense's order backlog by causing delays or interruptions. Changes in trade flows due to the Russian war of aggression may complicate the procurement of materials Enersense needs for its project and service operations. The company may need to renegotiate agreements and agree to increased prices under existing and/or new delivery contracts in order to secure deliveries when competing with alternative purchasers for materials.

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.

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.

## Guarantees

Enersense's customers typically require, for example, work and delivery guarantees as well as warranty period guarantees. Granting such guarantees to a customer is often the prerequisite for Enersense's ability to submit a tender for a new project. However, the guarantee facilities do not oblige, for all parts, the issuer of the facility to provide a guarantee, but instead each guarantee requires specific approval by the issuer, and for example any previous negligence and failures by Enersense or, in particular, a deterioration of Enersense's solvency or financial position could lead to Enersense not being granted the guarantees it needs for executing new projects. This could lead to Enersense's inability to participate in new projects.

## Financing

Enersense Group's financing agreement includes financial covenants concerning the Group's equity ratio, its ratio of interest-bearing net debt to EBITDA, and minimum liquidity. Breaching the covenants may give a financier the right to demand accelerated or immediate repayment of the loans and simultaneous cancellation of any committed but undrawn amounts as well as any amounts under guarantee facilities.

## Partners

Enersense collaborates with subcontractors and other partners during the various phases of its projects and services. Typically, the outsourcing or subcontracting includes material deliveries, subcontracting (e.g. civil engineering), provision of resources and deliveries of equipment that Enersense does not offer or have the capacity to offer. However, Enersense may fail in evaluating and choosing its subcontractors. Subcontractors may fail to deliver on time or in accordance with the level, cost structure or quality that Enersense expects, or their activities may be otherwise defective or breach legislation or regulations. Enersense's subcontractors may also cease to deliver services to Enersense

due to an inability or unwillingness to deliver, or may increase prices significantly. Disruptions that affect Enersense, including delays or terminations of agreements or the inability of subcontractors to deliver services within a prescribed time or at an acceptable cost, can also lead to disputes regarding customer claims for compensation for any damages caused by Enersense.

### **Hazard risks**

Enersense's hazard and continuity risks are mainly related to people, property and IT systems. Although the company has protected its operations and property by means of insurance, the materialisation of hazard risks may result in damage to people and property or business interruption. In addition, the reliability and functioning of IT systems are essential for the continuity of Enersense's operations. Prolonged interruptions in key systems could limit Enersense's opportunities to operate profitably and efficiently. Cyberthreats can also pose threats to Enersense's data resources.

### **Disputes**

The Group companies have ongoing legal disputes, some of which are in progress in general or administrative courts in Finland and abroad. The disputes are typically related to claims against Enersense concerning alleged defective performance, delays or damage incurred by customers in project operations in particular, or to claims made by Enersense against its suppliers or customers. The end results of claims, disputes and legal processes are difficult to predict. 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.

## **Estimate of probable future developments**

In 2023, Enersense's revenue is expected to be in the range of EUR 280–310 million and adjusted EBITDA in the range of EUR 12–18 million.

Enersense's business environment is estimated to be developing favourably and the revenue is expected to grow. We have managed to accelerate the wind power portfolio development and we assume that the same development continues. Profitability will be impacted by the implementation of the new ERP-system as well as on-going investments in developing the offshore wind power business and acceleration of onshore wind power project development. At the end of 2022 the company completed an offering of EUR 26 million convertible bond in order to implement these investments.

## **Significant events after the financial period**

### **STOCK EXCHANGE RELEASES:**

On 13 January 2023, Enersense announced that the Finnish Competition and Consumer Authority had decided to transfer the acquisition between Enersense International Plc and Voimatel Oy to further processing, which may take up to 69 business days. During the first phase of the processing, the Competition and Consumer Authority has obtained information from competitors, customers and suppliers by means of requests for statements and reports. The Authority deems it necessary to continue the analysis of the competitive impacts of the acquisition.

On 17 January 2023, Enersense announced that it had signed an agreement on the construction of the optical fibre network (FTTH = Fibre to the Home) of Valoo, a Finnish optical fibre company, as a turnkey project. The agreement is part of Valoo's extensive optical fibre network construction projects in different parts of Finland. The total value of the four-year agreement is around EUR 35 million, which has been recognised in the order backlog of Enersense's Connectivity business for the first quarter of 2023. The implementation of the project will start at the beginning of the construction season in 2023.

On 23 January 2023, Enersense announced that its adjusted EBITDA would exceed its guidance (positive profit warning).

On 26 January 2023, Enersense announced that the Shareholders' Nomination Board proposes that, for the term of office lasting until the end of the Annual General Meeting 2024, Jaakko Eskola, Sirpa-Helena Sormunen, Sari Helander and Petri Suokas will be re-elected as board members, and Anna Miettinen and Carl Haglund will be elected as new board members. Current board members Herkko Plit and Päivi Jokinen will no longer continue as board members.

On 15 February 2023, Enersense announced that it withdraws from the acquisition concerning Voimatel Oy. Enersense told it had been informed by the FCCA that, according to the analyses carried out by the competition authority, the combined market share of the operators concerned would grow too large in several market segments. Neither did the FCCA consider, contrary to Enersense's views, the customers' bargaining power or countervailing buyer power a sufficiently countervailing factor in the competitive situation. For this reason, Enersense's Board of Directors considered it impossible to implement the acquisition in the desired form and decided to withdraw from the acquisition. The withdrawal occurs by consensus with Osuuskunta KPY, the owner of Voimatel.

## **PRESS RELEASES:**

On 3 January 2023, Enersense announced that its Estonian subsidiary Enersense AS had signed an agreement with the Estonian transmission system operator AS Elering on the renewal of the 330 kV power line between the Mustvee and Paide substations, as well as the construction of a new 110 kV power line between the Mustvee and Kantkyla substations. Enersense's share of the contract is around EUR 18.5 million, which has been recognised in the order backlog of Enersense's International Operations business area for the first quarter of 2023.

On 24 January 2023, Enersense announced that it had signed an agreement with Boliden, a Swedish metal company, concerning an extensive development project related to the Odda production plant in Norway. The project focuses on environmental sustainability and an increase in production capacity. Enersense Works Oy, which is part of the Smart Industry business area, will be responsible for steel deliveries and installations, equipment installations and insulation work related to one section of the project. The project will start in early 2023.

## **Distribution of funds to the shareholders**

The Board of Directors of Enersense proposes to the General Meeting that the result for the financial period 1 January 2022 to 31 December 2022 be transferred to the profit and loss account for previous financial periods and that, based on the balance sheet to be adopted for the financial period, funds be distributed to shareholders from the invested unrestricted equity reserve of the Company as a return of capital of EUR 0.10 per share, i.e. EUR 1,649,253.10 in total. The return of capital shall be paid in two instalments.

The first instalment, EUR 0.05 per share, shall be paid to shareholders that are registered in the Company's shareholders' register maintained by Euroclear Finland Oy on the record date of the first instalment of the return of capital on 6 April 2023. The Board of Directors proposes that the first instalment of the return of capital shall be paid as from 5 May 2023.

The second instalment, EUR 0.05 per share, shall be paid to shareholders that are registered in the Company's shareholders' register maintained by Euroclear Finland Oy on the record date for the second instalment of the return of capital, as later decided by the Board of Directors. The Board of Directors will decide the record date and the payment date for the second instalment of the return of capital at its meeting to be held in October 2023. The record date for the second instalment of the return of capital is planned to be on 1 November 2023, and the payment date as from 8 November 2023.

According to the proposal, no dividend would be paid based on the balance sheet to be adopted for the financial period.

## Reconciliation of alternative performance measures

EUR thousand	10-12/2022	10-12/2021	1-12/2022	1-12/2021
<b>Adjusted EBITDA</b>				
Operating profit (loss)	1,095	4,047	3,479	6,834
Depreciation, amortisation and impairment	2,272	2,141	8,731	9,806
<b>EBITDA</b>	<b>3,367</b>	<b>6,188</b>	<b>12,210</b>	<b>16,639</b>
Differences affecting comparability	983	1,337	1,444	2,592
<b>Adjusted EBITDA</b>	<b>4,350</b>	<b>7,526</b>	<b>13,654</b>	<b>19,231</b>

EUR thousand	10-12/2022	10-12/2021	1-12/2022	1-12/2021
<b>Items affecting comparability</b>				
+ Items outside the ordinary course of business	983	1,355	1,444	2,814
Gains (-) / losses (+) from the sale of fixed assets	—	-18	—	-222
<b>Total extraordinary items affecting the adjusted EBITDA</b>	<b>983</b>	<b>1,337</b>	<b>1,444</b>	<b>2,592</b>

### ALTERNATIVE PERFORMANCE MEASURES:

Enersense publishes certain commonly used alternative measures that can be derived from the IFRS financial statements. The calculation formulas for these alternative measures are presented in the section Calculation principles for key performance indicators of this Business Review.

Certain transactions that are not part of the ordinary course of business, or valuation items that do not have an impact on the cash flow but have a significant impact on the income statement for the period, have been adjusted as items affecting comparability if they arise from:

- Material items outside the ordinary course of business according to the management's judgement that are related to mergers and acquisitions that are not part of the strategy, such as acquisition-related transaction costs and employment termination expenses, and/or restructuring, as well as significant redundancy costs, or exceptional authority process costs
- Integration costs related to acquired companies
- Other than key business related gains and losses on the sale of fixed assets

By using adjusted performance measures, the company seeks to provide information about its business operations covered by its strategy. Profitable organic and inorganic growth is a key strategic goal of the company. For this reason, the company adjusts its result for transaction costs, significant redundancy costs and restructuring arising from mergers and acquisitions not covered by its strategy. All of these are costs arising from events outside the strategy. The company has not adjusted its result for transaction expenses or income arising from acquisitions made in line with its strategy, as acquisitions represent the core of the strategy.

Its result is also adjusted for integration costs related to mergers and acquisitions, because these costs are non-recurring by nature, as are gains from the sale of fixed assets and investments.

Pori 27 February 2023  
 ENERSENSE INTERNATIONAL PLC  
 Board of Directors

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## Consolidated income statement

EUR thousand	10–12/2022	10–12/2021	1–12/2022	1–12/2021
Revenue	90,033	65,909	268,037	239,110
Change in inventories of finished goods and work in progress	2,173	434	5,267	2,060
Work performed for own purposes and capitalised	—	-258	-3	-35
Other operating income	7,609	7,431	18,793	10,514
Material and services	-57,668	-34,605	-152,815	-115,011
Employee benefits expense	-29,377	-25,670	-97,733	-97,898
Depreciation and amortisation	-2,272	-2,141	-8,731	-9,806
Other operating expenses	-9,346	-7,089	-29,147	-22,196
Share of profit /loss accounted for using the equity method	-57	37	-189	95
<b>Operating profit</b>	<b>1,095</b>	<b>4,047</b>	<b>3,479</b>	<b>6,834</b>
Finance income	443	-136	476	41
Finance expense	-870	-911	-3,577	-3,334
Finance income and expense	-427	-1,047	-3,101	-3,294
<b>Profit/loss before tax</b>	<b>668</b>	<b>3,000</b>	<b>378</b>	<b>3,540</b>
Tax on income from operations	-1,336	349	-2,807	433
<b>Profit/loss for the period</b>	<b>-668</b>	<b>3,349</b>	<b>-2,429</b>	<b>3,973</b>
Other OCI-items				
Items that may be reclassified to profit or loss				
Translation differences	-2	168	68	382
Remeasurements of post-employment benefit obligations	179	-75	179	-117
<b>Other comprehensive income for the period, net of tax</b>	<b>177</b>	<b>94</b>	<b>247</b>	<b>265</b>
<b>Total comprehensive income for the period</b>	<b>-491</b>	<b>3,443</b>	<b>-2,182</b>	<b>4,238</b>
Profit (loss) for the period attributable to:				
Equity holders of the parent company	-644	3,454	-1,768	4,301
Non-controlling interests in net income	-24	-105	-661	-328
<b>Profit/loss for the period</b>	<b>-668</b>	<b>3,349</b>	<b>-2,429</b>	<b>3,973</b>
Total comprehensive income for the period attributable to:				
Owners of the parent company	-467	3,547	-1,521	4,566
Non-controlling interests	-24	-105	-661	-328
<b>Total comprehensive income for the period</b>	<b>-491</b>	<b>3,443</b>	<b>-2,182</b>	<b>4,238</b>
Earnings per share attributable to the owners of the parent company, undiluted	-0.04	0.26	-0.11	0.35
Earnings per share attributable to the owners of the parent company, undiluted	-0.04	0.26	-0.11	0.35

## Consolidated balance sheet

EUR thousand	31.12.2022	31.12.2021
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	27,874	26,154
Other intangible assets	40,379	18,591
Property, plant, equipment	22,213	21,706
Investments accounted for using the equity method	10,937	1,564
Non-current investment and receivables	6,890	3,919
Deferred tax-assets	1,338	1,096
<b>Total non-current assets</b>	<b>109,631</b>	<b>73,032</b>
<b>Current assets</b>		
Inventories	13,124	6,513
Trade receivables	33,696	21,501
Current income tax receivables	9	48
Other receivables	35,003	16,449
Cash and cash equivalents	38,704	29,166
<b>Total current assets</b>	<b>120,537</b>	<b>73,677</b>
<b>Total assets</b>	<b>230,168</b>	<b>146,709</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	80	80
Unrestricted equity reserve	64,010	43,794
Other reserves	313	313
Translation differences	84	17
Retained earnings	-500	95
Profit (loss) for the period	-1,768	4,301
<b>Total equity attributable to owners of the parent company</b>	<b>62,220</b>	<b>48,599</b>
Non-controlling interests	389	1,064
<b>Total equity</b>	<b>62,609</b>	<b>49,664</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	30,458	10,095
Lease liabilities	10,738	12,825
Other liabilities	550	2,206
Deferred tax liabilities	6,630	1,469
Employee benefit obligations	381	545
Provisions	543	852
<b>Total non-current liabilities</b>	<b>49,300</b>	<b>27,992</b>
<b>Current liabilities</b>		
Borrowings	3,439	3,072
Lease liabilities	5,968	4,427
Advances received	12,637	7,203
Trade payables	36,271	14,758
Payment arrangement with the Tax administration	—	963
Current income tax liabilities	2,990	28
Other payables	55,835	37,985
Provisions	1,119	618
<b>Total current liabilities</b>	<b>118,258</b>	<b>69,054</b>
<b>Total liabilities</b>	<b>167,559</b>	<b>97,046</b>
<b>Total equity and liabilities</b>	<b>230,168</b>	<b>146,709</b>

## Consolidated cash flow statement

EUR thousand	10-12/2022	10-12/2021	1-12/2022	1-12/2021
<b>Cash flow from operating activities</b>				
<b>Profit (loss) for the period</b>	<b>-668</b>	<b>3,349</b>	<b>-2,429</b>	<b>3,973</b>
Adjustments:				
Depreciation, amortisation and impairment	2,272	2,141	8,731	9,806
Gains and losses on the sale of subsidiaries	—	—	—	-1,760
Gains and losses on the sale of property, plant and equipment	-25	-18	-850	-222
Share of profits (losses) of associates	57	-37	189	-95
Interest income and other financial income and expenses	427	1,047	2,807	3,294
Income tax	1,336	-349	2,660	-433
Other adjustments	122	-12,170	-1,064	-11,758
<b>Total adjustments</b>	<b>4,188</b>	<b>-9,385</b>	<b>12,915</b>	<b>-1,169</b>
Changes in working capital			—	
Change in trade and other receivables	-21,468	368	-32,342	-4,829
Change in trade payables and other liabilities	22,759	649	35,795	-9,050
Change in inventories	-2,545	77	-6,356	-2,615
Change in provision	—	1,338	—	—
Interest received	23	13	52	43
Interest paid	-330	-260	-1,205	-1,379
Other financial items	-119	-591	-1,919	-1,957
Income tax	-102	1,503	-102	1,376
<b>Net cash flow from operating activities</b>	<b>1,738</b>	<b>-2,941</b>	<b>4,409</b>	<b>-15,608</b>
<b>Cash flow from investing activities</b>				
Investments in tangible and intangible fixed assets	-1,118	-34	-3,268	-1,406
Sale of fixed assets	502	8,632	1,749	15,170
Acquisition of subsidiaries, less cash and cash-equivalents acquired	—	-151	—	-151
Sale of subsidiaries, less cash and cash equivalents sold	—	—	—	281
Additional investments in associated companies	-2,600	-73	-10,399	-104
Sale of associated companies	90	—	1,100	—
Withdrawals of loans granted to associated companies	—	100	—	100
Repayments of loans granted to associated companies	80	—	566	—
Payment received from bank deposit accounts	—	—	—	600
Payments to bank deposit accounts	2,178	—	1,728	-3,053
Dividends from associated companies	93	—	93	102
<b>Net cash flow from investing activities</b>	<b>-775</b>	<b>8,472</b>	<b>-8,430</b>	<b>11,539</b>
<b>Cash flow from financing activities</b>				
Issue of shares	—	—	2,200	28,218
Withdrawals of loans	25,854	2,964	26,460	14,964
Repayments of loans	-1,258	-5,032	-3,466	-22,898
Paid distribution of funds	-813	—	-4,112	—
Acquisition of subsidiaries less cash and cash equivalents acquired	-163	—	-192	-257
Investments in shares	—	—	-850	—
Payments of lease liabilities	-1,720	-1,732	-6,481	-4,485
<b>Net cash flow from financing activities</b>	<b>21,900</b>	<b>-3,801</b>	<b>13,559</b>	<b>15,541</b>
Net change in cash and cash equivalents	22,863	1,730	9,538	11,472
Cash and cash equivalents at the beginning of the period	15,841	27,435	29,166	17,694
Impact of exchange rate changes on cash and cash equivalents	—	—	—	—
<b>Cash and cash equivalents at the end of the period</b>	<b>38,704</b>	<b>29,166</b>	<b>38,704</b>	<b>29,166</b>

## Consolidated statement of changes in equity

EUR thousand	Equity attributable to owners of the parent company					Total equity attributable to owners of the parent company	Non-controlling interest	Total equity
	Share capital	Invested unrestricted equity reserve	Other reserves	Translation differences	Retained earnings			
<b>Equity at 1 Jan 2022</b>	<b>80</b>	<b>43,794</b>	<b>313</b>	<b>17</b>	<b>4,394</b>	<b>48,599</b>	<b>1,064</b>	<b>49,664</b>
Profit (loss) for the period	—	—	—	—	-1,768	-1,768	-661	-2,429
Other comprehensive income	—	—	—	—	—	—	—	—
Translation differences	—	—	—	68	—	68	—	68
Remeasurements of post-employment benefit obligations	—	—	—	—	179	179	—	179
<b>Total comprehensive income</b>				<b>68</b>	<b>-1,588</b>	<b>-1,521</b>	<b>-661</b>	<b>-2,182</b>
<b>Transactions with owners:</b>								
Share issue	—	21,831	—	—	—	21,831	—	21,831
Transactions with non-controlling interests	—	—	—	—	-327	-327	-14	-341
Convertible note equity component	—	—	—	—	2,563	2,563	—	2,563
Share issue to employees	—	—	—	—	—	—	—	—
Share based payments	—	—	—	—	88	88	—	88
Distribution of funds <sup>*)</sup>	—	-1,614	—	—	-7,406	-9,020	—	-9,020
Other transactions	—	—	—	—	8	8	—	8
<b>Total transactions with owners</b>	<b>—</b>	<b>20,216</b>	<b>—</b>	<b>—</b>	<b>-5,074</b>	<b>15,142</b>	<b>-14</b>	<b>15,128</b>
<b>Equity at 31 Dec 2022</b>	<b>80</b>	<b>64,010</b>	<b>313</b>	<b>84</b>	<b>-2,268</b>	<b>62,220</b>	<b>389</b>	<b>62,609</b>

<sup>\*)</sup> Distribution of funds for shareholders were 1,6 million EUR and Megatuuli Oy shareholder agreement based payment to minority shareholders were 7,4 million EUR.

**Equity attributable to owners of the parent company**

EUR thousand	Share capital	Invested unrestrict ed 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 Jan 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	—	—	—	—	4,301	4,301	-328	3,973
Other comprehensive income	—	—	—	—	—	—	—	—
Translation differences	—	—	—	382	—	382	—	382
Remeasurements of post-employment benefit obligations	—	—	—	—	-117	-117	—	-117
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>382</b>	<b>4,184</b>	<b>4,566</b>	<b>-328</b>	<b>4,238</b>
<b>Transactions with owners:</b>								
Share issue	—	28,192	—	—	—	28,192	—	28,192
Transactions with non-controlling interests	—	—	—	—	18	18	-377	-359
Share issue to employees	—	—	—	—	150	150	—	150
Other transactions	—	—	—	-2	-203	-203	—	-203
<b>Total transactions with owners</b>	<b>—</b>	<b>28,192</b>	<b>—</b>	<b>-2</b>	<b>-35</b>	<b>28,157</b>	<b>-377</b>	<b>27,780</b>
<b>Equity at 31 Dec 2021</b>	<b>80</b>	<b>43,794</b>	<b>313</b>	<b>17</b>	<b>4,394</b>	<b>48,599</b>	<b>1,064</b>	<b>49,664</b>

# Notes to the consolidated financial statement bulletin

## 1. ACCOUNTING PRINCIPLES

This Financial Statement Bulletin is in accordance with IAS 34 and has been prepared in accordance with the accounting principles presented in the financial statements for 2021. The adjustments and annual improvement to the IFRS standards which came into force on 1 January 2022 do not have a significant impact on the figures presented. Enersense follows Securities Markets Act by publishing half-year report and publishing business reviews after first three and nine months of the year, where it presents most relevant financial figures.

Impacts of the Russian attack on Ukraine on the Group and the inflation as well as COVID-19 status have been described in the section "Operating environment in 2022" of the Board of Directors' Report.

The information presented in the business review is unaudited.

## 2. CHANGES IN THE GROUP STRUCTURE AND ACQUISITIONS

Through a directed share issue (EUR 18.5 million), Enersense International Plc acquired the entire share capital of Megatuuli Oy, an onshore wind farm developer. The share transaction was completed on 1 February 2022. The acquisition of Megatuuli Oy did not involve arrangements related to IFRS 16. The intangible assets' fair value is EUR 22.9 million, including EUR 22.8 million of wind farm projects. The value of acquired assets and liabilities exceeded the acquiring costs. Because even after second review it generated profit, the profit was booked as income immediately as according to IFRS 3 negative goodwill cannot be shown in assets. As residual value the negative goodwill of EUR 2.1 million was recorded as other operating income. Sales of project portfolio accumulated EUR 14.0 million for the year 2022. The acquisition calculation is preliminary.

Enersense International Plc announced on 8 December 2021 that it had signed an agreement on an equity investment of EUR 13 million in P2X Solutions Oy, a green hydrogen production company. Following the investment, Enersense's holding in P2X is around 16.3%. In accordance with the agreement, EUR 10.4 million of the investment had been paid by the end of year. The rest, EUR 2.6 million, was paid in January 2023. P2X is treated as an associated company in the Group. In addition to its shareholding, Enersense holds a seat at P2X's Board.

Enersense International Plc announced on 20 June 2022 that it had signed an agreement to acquire all outstanding shares in Voimatel Oy, a company specialising in critical infrastructure and energy services, through an exchange of shares. On 15 February 2023 Enersense informed that it withdraws from the acquisition of Voimatel Oy. The withdrawal occurs by consensus with Osuuskunta KPY, the owner of Voimatel.

The shareholding of the associated company Yrittäjien Voima Oy has been booked down, EUR 0.5 million, due to liabilities related to Fennovoima. Also the shares of associated company Suomi Teline Oy were sold on 14 September 2022. Profit from the deal, EUR 0.8 million, is reported under Other operating income.

Related to the purchase of Pori Offshore Constructions Oy, the purchase price debt was corrected by EUR 1.3 million, which is reported under Other operating income.

The business transfer between Enersense and the energy company Helen, through which certain operation and maintenance services were transferred to Enersense, was completed on 11 October 2022. The service agreement negotiated in connection with the arrangement, through which Helen will purchase the services in question from Enersense, entered into force on 1 November 2022. EUR 0.7 million was used for the business transfer and no goodwill was generated. The transfer did not cause any IFRS 16 related arrangements. The acquisition calculation is preliminary.

Enersense International Plc announced on 15 November 2022 that it had acquired the entire share capital of Unified Chargers Oy. To pay the purchase price (EUR 1.2 million), Enersense issued a total of 199,174 new Enersense shares in a directed share issue arranged in connection with the implementation of the share transaction to the shareholders of Unified Chargers Oy. There were no IFRS 16 related arrangements in connection with the acquisition of Unified Chargers Oy. The acquisition increases the Group's goodwill by EUR 1.7 million. According to IFRS 3, goodwill is not amortised and it will be impaired annually together with other goodwill. Enersense expects to achieve synergies in terms of sales and implementation of projects with the business being part of the Group. The acquisition calculation is preliminary.

The cash flows generated by the Megatuuli Oy acquisition are presented in the table below under the 2022 column.

<b>EUR thousand</b>	<b>2022</b>
Paid acquisition price	—
Cash and cash equivalent acquired	9
Net of cash acquired	9

The net assets and the goodwill arising from the Megatuuli Oy transaction are presented in the table below.

EUR thousand	2022
<b>Assets</b>	
<b>Non-current assets</b>	
Other intangible assets	22,868
Property, plant, equipment	58
Investments accounted for using the equity method	
Other shares and equity interests	2,400
Non-current trade and other receivables	704
Deferred tax-assets	—
<b>Total non-current assets</b>	<b>26,030</b>
<b>Current assets</b>	
Inventories	—
Trade receivables	207
Other receivables	61
Cash and cash equivalents	9
<b>Total current assets</b>	<b>277</b>
<b>Total assets</b>	<b>26,307</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Borrowings	123
Employee benefit obligations	—
Deferred tax liabilities	5,188
Provisions	—
<b>Total non-current liabilities</b>	<b>5,312</b>
<b>Current liabilities</b>	
Borrowings	150
Advances received	—
Trade payables	192
Other payables	137
Current income tax liabilities	—
Provisions	—
<b>Total current liabilities</b>	<b>479</b>
<b>Total liabilities</b>	<b>5,790</b>
<b>Total equity and liabilities</b>	<b>20,516</b>
Non-controlling interests	—
Acquisition price	-18,397
Positive goodwill	—
Negative goodwill	-2,120

The amount of cash flow generated by the Unified Chargers Oy acquisition and Helen business transfer are presented in the table below in column 2022. Comparable year includes corresponding information related to the acquisition of Enersense Offshore Oy.

EUR thousand	2022	2021
Paid acquisition price	-701	—
Cash and cash equivalent acquired	5	15
Net of cash acquired	-696	15

The net assets and the goodwill arising from the Unified Chargers Oy and Helen business transfer transaction are presented in the table below. The comparable year includes Enersense Offshore Oy's acquisition figures.

EUR thousand	2022	2021
<b>Assets</b>		
<b>Non-current assets</b>		
Other intangible assets	627	8,817
Property, plant, equipment	721	9,964
Investments accounted for using the equity method	—	—
Other shares and equity interests	—	—
Non-current trade and other receivables	—	—
Deferred tax-assets	—	—
<b>Total non-current assets</b>	<b>1,348</b>	<b>18,781</b>
<b>Current assets</b>		
Inventories	255	382
Trade receivables	-41	318
Other receivables	4	291
Cash and cash equivalents	5	15
<b>Total current assets</b>	<b>222</b>	<b>1,007</b>
<b>Total assets</b>	<b>1,570</b>	<b>19,788</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	578	789
Employee benefit obligations	—	—
Deferred tax liabilities	—	1,750
Provisions	—	119
<b>Total non-current liabilities</b>	<b>578</b>	<b>2,658</b>
<b>Current liabilities</b>		
Borrowings	42	2,371
Advances received	—	1,446
Trade payables	216	1,570
Other payables	548	2,196
Current income tax liabilities	—	—
Provisions	—	679
<b>Total current liabilities</b>	<b>806</b>	<b>8,262</b>
<b>Total liabilities</b>	<b>1,384</b>	<b>10,920</b>
<b>Total equity and liabilities</b>	<b>186</b>	<b>8,868</b>
Non-controlling interests	—	—
Acquisition price	-1,906	-1,583
Positive goodwill	1,720	—
Negative goodwill	—	-7,285

A summary of changes in associate and joint venture companies is presented in the table below:

EUR thousand	2022	2021
Carrying value 1 Jan	1,564	1,467
Business combinations	—	—
Additions	10,399	104
Disposals	-228	—
Impairments	-516	—
Share of the result for the period	-282	-7
Carrying value 31 Dec	10,937	1,564

### 3. REVENUE AND BUSINESS AREAS

#### Revenue by business areas

EUR thousand	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Smart Industry	22,100	20,978	72,721	85,499
Power	18,051	13,795	60,998	49,143
Connectivity	13,963	13,189	47,230	45,318
International Operations	35,836	17,993	87,007	58,999
Items not allocated to business areas	82	-45	81	152
<b>Total</b>	<b>90,033</b>	<b>65,909</b>	<b>268,037</b>	<b>239,110</b>

#### Geographical distribution of revenue by target country

EUR thousand	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Finland	53,056	41,791	178,319	177,229
Other countries	36,976	24,119	89,717	61,881
<b>Total</b>	<b>90,033</b>	<b>65,909</b>	<b>268,037</b>	<b>239,110</b>

#### EBITDA by business area

EUR thousand	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Smart Industry	-817	6,635	268	15,388
Power	8,735	-30	19,237	2,426
Connectivity	480	663	362	1,559
International Operations	-3,142	302	-3,930	1,672
Items not allocated to business areas	-1,889	-1,382	-3,726	-4,405
<b>Total</b>	<b>3,367</b>	<b>6,188</b>	<b>12,210</b>	<b>16,639</b>

#### Reconciliation of EBITDA to operating profit

EUR thousand	10-12/2022	10-12/2021	1-12/2022	1-12/2021
EBITDA	3,367	6,188	12,210	16,639
Depreciation, amortisation and impairment	-2,272	-2,141	-8,731	-9,806
<b>Operating profit</b>	<b>1,095</b>	<b>4,047</b>	<b>3,479</b>	<b>6,834</b>

#### **4. INCENTIVE SCHEME (IFRS 2)**

Enersense International Plc's Board of Directors decided in February on two new share-based incentive schemes for the Group's key personnel. The purpose is to align the key personnel's goals with those of the shareholders to increase the company's value in the long term and to engage key personnel in the company and provide them with competitive incentive schemes based on earning and accumulating shares in the company.

The rewards will be paid partly in shares in Enersense International Plc and partly in cash. The cash portion is intended to cover taxes and tax-like payments arising from the rewards for the participants. If a participant's employment contract or executive agreement ends before the date of payment, no reward will usually be paid.

##### **Share-based incentive scheme for 2022–2025**

The share-based incentive scheme for 2022–2025 has one performance period, which consists of the 2022–2023 financial years.

Within the scheme, the members of the target group can earn shares in Enersense International Plc based on their performance. The potential rewards within the scheme will be paid in two equal installments after the performance period in 2024 and 2025.

Rewards within the scheme will be based on the total absolute return on the company's share for the 2022–2023 financial years, the Group's cumulative euro-denominated adjusted EBITDA for the 2022–2023 financial years and the share of renewable and zero-emission energy of revenue. The rewards to be paid in accordance with the scheme are estimated at the value of a maximum of 211,000 shares in Enersense International Plc, including the cash portion.

The target group of the scheme consists of around 40 people, including the President and CEO and the other members of Enersense International Plc's Group Executive Team.

The President and CEO of Enersense International Plc and the members of its Group Executive Team must hold at least 50% of the shares they have received as net rewards within the scheme, until the total value of the President and CEO's shareholding in the company corresponds to their annual salary for the previous year or until the total shareholding of a member of the Group Executive Team corresponds to 50% of their annual salary for the previous year. They must hold this number of shares for as long as their membership of the Group Executive Team continues.

##### **Restricted share plan for 2022–2024**

Rewards within the restricted share plan for 2022–2024 are based on a valid employment contract or executive agreement and the continuation of the employment or service relationship during the vesting period. Rewards will be paid after the vesting period, which lasts for 24 to 36 months. The plan is only intended for specifically designated key people.

The rewards to be allocated based on the restricted share plan for 2022–2024 correspond to the value of a maximum of 10,000 shares in Enersense International Plc, including the cash portion.

## 5. INTANGIBLE ASSETS

EUR thousand	Goodwill	Customer relationships	Development Costs	Immaterial rights	Other intangible assets	Advance payments for intangible assets	Other intangible assets total
<b>2022</b>							
<b>Cost at 1 Jan</b>	26,154	9,647	2,848	193	10,538	122	23,348
Business combinations	1,720	—	618	1	22,838	38	23,495
Additions	—	—	16	2	36	1	55
Disposals	—	—	—	-37	-125	-17	-179
Reclassifications	—	—	-147	—	147	—	—
Exchange differences	—	—	—	—	—	—	—
<b>Cost at 31 Dec</b>	<b>27,874</b>	<b>9,647</b>	<b>3,335</b>	<b>159</b>	<b>33,435</b>	<b>144</b>	<b>46,720</b>
<b>Accumulated depreciation and impairment at 1 Jan</b>	—	-1,371	-1,721	-92	-1,572	—	-4,757
Depreciation	—	-966	-260	-54	-323	—	-1,603
Disposals	—	—	—	37	—	—	37
Reclassifications	—	—	—	—	—	—	—
Exchange differences	—	—	—	—	—	—	—
Impairment charge	—	—	-5	-14	—	—	-18
<b>Accumulated amortisation and impairment at 31 Dec</b>	—	-2,337	-1,985	-123	-1,895	—	-6,341
<b>Net book value at 1 Jan</b>	<b>26,154</b>	<b>8,276</b>	<b>1,127</b>	<b>101</b>	<b>8,966</b>	<b>122</b>	<b>18,592</b>
<b>Net book value at 31 Dec</b>	<b>27,874</b>	<b>7,310</b>	<b>1,349</b>	<b>36</b>	<b>31,540</b>	<b>144</b>	<b>40,379</b>

EUR thousand	Goodwill	Customer relationships	Development Costs	Immaterial rights	Other intangible assets	Advance payments for intangible assets	Other intangible assets total
<b>2021</b>							
<b>Cost at 1 Jan</b>	26,531	9,660	2,119	127	2,213	737	14,856
Business combinations	—	—	—	67	8,750	—	8,817
Additions	—	—	30	2	—	591	622
Disposals	-222	-13	-291	-1	-425	-215	-945
Reclassifications	—	—	991	—	—	-991	—
Exchange differences	—	—	—	-2	—	—	-2
<b>Cost at 31 Dec</b>	<b>26,154</b>	<b>9,647</b>	<b>2,848</b>	<b>193</b>	<b>10,538</b>	<b>122</b>	<b>23,349</b>
<b>Accumulated depreciation and impairment at 1 Jan</b>	—	-405	-255	-32	-597	—	-1,289
Depreciation	—	-966	-694	-61	-963	—	-2,684
Disposals	—	—	16	1	—	—	17
Reclassifications	—	—	—	—	—	—	—
Exchange differences	—	—	—	—	—	—	—
Impairment charge	—	—	-789	—	-12	—	-802
<b>Accumulated amortisation and impairment at 31 Dec</b>	—	-1,371	-1,721	-92	-1,572	—	-4,757
<b>Net book value at 1 Jan</b>	<b>26,376</b>	<b>9,255</b>	<b>1,864</b>	<b>95</b>	<b>1,616</b>	<b>737</b>	<b>13,567</b>
<b>Net book value at 31 Dec</b>	<b>26,154</b>	<b>8,276</b>	<b>1,127</b>	<b>101</b>	<b>8,966</b>	<b>122</b>	<b>18,592</b>

## 6. PROPERTY, PLANT AND EQUIPMENT

During the review period, EUR 6.5 million in new lease liabilities were recognised on the balance sheet.

EUR thousand	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Prepayments and construction in progress	Total
<b>2022</b>						
<b>Acquisition 1 Jan</b>	<b>359</b>	<b>14,910</b>	<b>16,580</b>	<b>273</b>	<b>102</b>	<b>32,225</b>
Business combinations	—	6	772	—	—	778
Increases	5	3,300	4,131	112	1,736	9,285
Divestments in subsidiaries	—	—	—	—	—	—
Decreases	-10	-820	-494	-70	-1,482	-2,876
Transfers between items	—	-5	5	—	—	—
Exchange rate differences	—	—	—	—	—	—
<b>Acquisition cost 31 Dec</b>	<b>355</b>	<b>17,390</b>	<b>20,995</b>	<b>315</b>	<b>357</b>	<b>39,412</b>
<b>Accumulated depreciation and impairment 1 Jan</b>	<b>-17</b>	<b>-5,004</b>	<b>-5,418</b>	<b>-80</b>	<b>—</b>	<b>-10,519</b>
Depreciation	-12	-3,130	-3,859	-94	—	-7,094
Decreases	—	106	260	64	—	431
Impairment	—	-8	-9	—	—	-16
Transfers between items	—	—	—	—	—	—
Exchange rate differences	—	—	—	—	—	—
<b>Accumulated depreciation and impairment 31 Dec</b>	<b>-29</b>	<b>-8,035</b>	<b>-9,025</b>	<b>-109</b>	<b>—</b>	<b>-17,199</b>
<b>Book value 1 Jan</b>	<b>342</b>	<b>9,906</b>	<b>11,163</b>	<b>193</b>	<b>102</b>	<b>21,705</b>
<b>Book value 31 Dec</b>	<b>325</b>	<b>9,355</b>	<b>11,970</b>	<b>206</b>	<b>357</b>	<b>22,213</b>

EUR thousand	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Prepayments and construction in progress	Total
<b>2021</b>						
<b>Acquisition 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	3,763	3,763	2,014	308	116	9,964
Increases	9	6,571	6,727	38	97	13,442
Divestments in subsidiaries	—	—	-108	-2	—	-111
Decreases	-3,556	-4,295	-5,863	-366	-180	-14,261
Transfers between items	—	11	—	—	—	11
Exchange rate differences	—	—	—	—	—	—
<b>Acquisition cost 31 Dec</b>	<b>359</b>	<b>14,910</b>	<b>16,580</b>	<b>273</b>	<b>102</b>	<b>32,225</b>
<b>Accumulated depreciation and impairment 1 Jan</b>	<b>-5</b>	<b>-2,183</b>	<b>-2,191</b>	<b>-14</b>	<b>—</b>	<b>-4,393</b>
Depreciation	-12	-2,814	-3,285	-119	—	-6,230
Decreases	—	—	83	53	—	137
Impairment	—	-7	-25	—	—	-33
Accrued depreciation on divestments in subsidiaries	—	—	—	—	—	—
Exchange rate differences	—	—	—	—	—	—
<b>Accumulated depreciation and impairment 31 Dec</b>	<b>-17</b>	<b>-5,004</b>	<b>-5,418</b>	<b>-80</b>	<b>—</b>	<b>-10,519</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 31 Dec</b>	<b>342</b>	<b>9,906</b>	<b>11,163</b>	<b>193</b>	<b>102</b>	<b>21,705</b>

## 7. SHARE ISSUES AND OWNERSHIP ARRANGEMENTS

### Directed share issue

Enersense International Plc carried out two share issues during the review period of 2022.

On 31 January 2022, Enersense International Plc announced that its Board of Directors had decided on a directed share issue in connection with the acquisition of Megatuuli Oy, an onshore wind farm developer, and on the schedule and impacts of the execution of the share transaction. The share transaction was completed on 1 February 2022.

In connection with the execution of the share transaction, a total of 2,598,331 new shares in Enersense (with a value of EUR 18.5 million) were provided as consideration to the sellers and subscribed for against the transfer of voting shares in Megatuuli. The new shares in Enersense were entered into the Trade Register on 1 February 2022. The new shares in Enersense are subject to a collateral arrangement and transfer restrictions concerning 50% of the shares provided as consideration to Megatuuli's shareholders. The restrictions will be lifted 24 months after the completion of the share transaction.

Following the registration of the new shares, the total number of shares in Enersense was 15,996,060 until 28 June 2022. All shares provide their holders with equal voting rights. Trading in the new shares on the Nasdaq Helsinki began on 3 February 2022.

In addition, on 20 June 2022, Enersense International Plc announced that Enersense's Board of Directors had decided to carry out a directed share issue of EUR 2.2 million to KPY Cooperative.

A total of 297,297 new shares in Enersense were entered into the Trade Register on 28 June 2022. Following the registration of the new shares, the total number of shares in Enersense is 16,293,357. Following the registration of the new shares, the number of new shares included in the directed share issue accounts for around 1.8% of all shares in Enersense. The shares entitle their holders in full to any dividend or other funds distributed by Enersense and provide them with all other shareholder's rights in the company. All shares provide their holders with equal rights. Trading in the new shares on the Nasdaq Helsinki began on 29 June 2022.

Enersense International Plc announced on 15 November 2022 that it had acquired the entire share capital of Unified Chargers Oy. To pay the purchase price, Enersense issued 199,174 new Enersense shares in a direct share issue arranged in connection with the share transaction for the subscription of the shareholders of Unified Chargers Oy. The share issue was carried out by the decision of the Board of Directors of Enersense in deviation from the shareholders' pre-emptive subscription right under the authorisation given by the Extraordinary General Meeting of Enersense on 10 November 2022.

### Ownership arrangements

Enersense International Plc and MBÅ Invest Oy have signed on 23 September 2022 a combination agreement and a merger plan on the basis of which Enersense's second largest shareholder MBÅ Invest Oy will merge with Enersense International Plc. The purpose of the merger is to increase the transparency and equality of the ownership and governance, and simplify the ownership structure of Enersense. MBÅ Invest's owners include Enersense executives and investors external to the company.

## 8. FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

	12.31.2022		12.31.2021	
	At amortised cost	At fair value through profit or loss	At amortised cost	At fair value through profit or loss
<b>Financial assets</b>				
Non-current				
Investments	—	2,251	—	—
Loan receivables	—	—	150	—
Pledged account	1,325	—	875	—
Other receivables	2,250	—	1,500	—
Trade receivables	703	—	552	—
<b>Total non-current assets</b>	<b>4,278</b>	<b>2,251</b>	<b>3,077</b>	<b>—</b>
Current assets				
Trade receivables	33,033	—	18,064	—
Other financial assets	2,289	—	4,076	—
Cash and cash equivalents	38,704	—	29,166	—
Total current assets	74,026	—	51,306	—
<b>Total assets</b>	<b>78,304</b>	<b>2,251</b>	<b>54,383</b>	<b>—</b>
Financial liabilities, long-term liabilities				
Loans	30,458	—	10,095	—
Trade payables	2	—	5	—
Total non-current liabilities	30,460	—	10,099	—
Current liabilities				
Loans	3,439	—	3,072	—
Trade payables	55,230	—	21,813	—
Total current liabilities	58,670	—	24,885	—
<b>Total liabilities</b>	<b>89,130</b>	<b>—</b>	<b>34,984</b>	<b>—</b>

### Financial arrangements

#### New financing package

On 20 June 2022, Enersense announced that it had completed negotiations on the financing of its operations. The company's new financing package consists of two senior loans, a financing facility and several bank guarantee and invoice factoring facilities.

In the financing package, two senior loans, totalling EUR 10.5 million, which mature in 2026, and the possibility to withdraw a EUR-5-million financing facility, were agreed. This will help the company to reduce seasonal changes in its operation.

The company has access to a total of EUR 44.2 million in invoice financing facilities, which include new limits totalling EUR 5.5 million.

During the 4th quarter, Enersense agreed changes to its covenants related to convertible notes. Regarding the convertible notes it was agreed, that it will be a less secured loan and treated as equity, when calculating adjusted equity. Interest bearing net debt/EBITDA -covenant together with convertible note is interpreted as non-interest bearing loan. In addition, it was agreed that a minimum liquidity covenant would be applied with equity ratio covenant if the company does not fulfill net the debt to EBITDA covenant. Threshold value for minimum liquidity covenant is EUR 15 million and the company reports it to its financiers on a monthly basis. In addition, the company has the right to make adjustments of a maximum of EUR 5 million during the year 2023 to the minimum liquidity covenant related to certain adjustment items. Enersense met the covenants on solvency and ability to service debt on 31 December 2022 and has confirmed the values of the covenants to the financiers. Enersense expects to continue to meet the covenants in its financing agreement during the financial year 2023 at all measurement dates.

Also guarantee limits were increased by EUR 5 million in June and Enersense has now a total of EUR 45 million in guarantee limits.

At the end of the financial year 2022, Enersense had EUR 8.4 million in senior loans.

### Convertible notes

Enersense International Plc offered on 1 Dec 2022 senior unsecured conditionally convertible notes to selected professional investors and eligible counterparties. The Notes are proposed to be issued at an expected nominal amount of EUR 20–30 million. Company completed an offering of EUR 26 million of senior unsecured conditionally convertible notes.

The Extraordinary General Meeting resolved, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide on the issuance of special rights entitling to shares of the Company to the initial subscribers of the Company's EUR 26 million senior unsecured conditionally convertible notes due 15 January 2027 and/or to any subsequent purchasers of the Notes, to enable the conversion of the Notes into Shares in accordance with the terms and conditions of the Notes. The value determined by the management for the interest rate on convertible notes without the conversion right would be 10.5%.

The Extraordinary General Meeting hold 23 Dec 2022 has resolved to authorize the Board of Directors to decide, in one or several installments, on the issuance of special rights entitling to Shares referred to in Chapter 10 Section 1 of the Finnish Companies Act in respect of the Notes as follows.

A special right is attached to each Note with a nominal value of EUR 100,000. Each special right entitles to 12,500 new Shares of the Company. The initial conversion price per share has been set at EUR 8.00. Should all of the Notes be converted into new Shares of the Company at the initial conversion price, the new Shares to be issued by the Company based on the special rights would be up to 3,250,000 Shares, representing approximately 19.7 % of the current total amount of Shares (approximately 16.5% on a fully diluted basis). The special rights entitling to Shares will be registered in the Finnish Trade Register on 27 Dec 2022.

### Covenants

	Covenant value, 31.12.2022	31.12.2022	Covenant value, 31.12.2021	31.12.2021
Covenants for loan agreements				
Equity ratio <sup>1)</sup>	>37,5 %	39.3%	>35,0%	33.9%
Interest bearing debt / EBITDA <sup>2)</sup>	<2,25	-0.8	<3,5	1.8
Minimum cash <sup>3)</sup>	>15 MEUR	38.7		

1) Adjusted equity include convertible notes

2) Convertible notes are not counted to interest bearing debt

3) Minimum cash is counted, when company do not full fill interest bearing debt / EBITDA -covenant

## 9. RELATED PARTY TRANSACTIONS

EUR thousand	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Sales of goods and services	-12	—	79	23
Purchases of goods and services	-2	37	2	258
Interest income	—	—	—	—

On 8 December 2021, Enersense International Plc announced that it had signed an agreement on an equity investment of EUR 13–18 million in P2X Solutions Oy. The investment was implemented on 14 February 2022, at around EUR 13 million, of which EUR 10.6 million was paid by 31 Dec 2022. The rest, EUR 2.6 million, was paid in January 2023. Before the arrangement, Herkko Plit, a member of Enersense's Board of Directors, was one of the largest shareholders in P2X through a company in which he exercises control, and he exercises joint control in P2X. In connection with the investment, Enersense subscribed for new shares in P2X so that its holding in P2X is around 16.3% after any options. In connection with the investment, the company and P2X have also agreed on a partnership arrangement in which, if certain preconditions related to pricing, quality level and some other aspects are met, the company will have the status of the primary partner in the work to be carried out during the construction phase of Finland's first green hydrogen production plant, which P2X will build in Harjavalta, as well as in maintenance and operation after the plant has been completed. The value of the cooperation is estimated at around EUR 7–8 million, which will mainly be spread over 2023–2024, and will continue in terms of maintenance and operation. If the preconditions mentioned above are met, the primary partnership will also concern any other future projects of P2X, for which an agreement on partnership has been signed for three years.

## 10. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

EUR thousand	31.12.2022	31.12.2021
<b>Guarantees</b>		
Company mortgages	591,200	5,848,000
Real estate mortgages	7,200	7,200
Contract and delivery guarantees	77,096	35,354
Bank guarantees	2,047	185
Other guarantees	—	20
<b>Pledged assets</b>		
For own commitments	80,421	61,782

*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.*

## 11. EVENTS AFTER THE REPORTING PERIOD

Enersense announced on 15 February 2023 that it withdraws from the merger concerning Voimatel Oy. On 13 January 2023, the Finnish Competition and Consumer Authority (FCCA) decided to initiate further proceedings regarding the acquisition, because it considered it necessary to continue investigating its competition impacts. The further proceedings may take a maximum of 69 working days.

Enersense has been informed by the FCCA that, according to the analyses carried out by the competition authority, the combined market share of the operators concerned would grow too large in several market segments. Neither did the FCCA consider, contrary to Enersense's views, the customers' bargaining power or countervailing buyer power a sufficiently countervailing factor in the competitive situation.

For this reason, Enersense's Board of Directors has considered it impossible to implement the merger in the desired form and decided to withdraw from the acquisition. The withdrawal occurs by consensus with Osuuskunta KPY, the owner of Voimatel.

## Calculation principles for key performance indicators

<b>EBITDA</b>	=	Operating profit + depreciation, amortisation and impairment
<b>EBITDA, % of revenue</b>	=	EBITDA / revenue x 100
<b>Adjusted EBITDA</b>	=	EBITDA + items affecting comparability
<b>Adjusted EBITDA (%)</b>	=	Adjusted EBITDA / revenue x 100
<b>Operating profit (EBIT)</b>	=	Revenue + other operating income – materials and services – personnel expenses – other operating expenses + share of the result of associates – depreciation, amortisation and
<b>EBIT, % of revenue</b>	=	Operating profit / revenue x 100
<b>Profit (loss) for the period, % of revenue</b>	=	Profit (loss) for the period / revenue x 100
<b>Equity ratio</b>	=	Equity / balance sheet total – advances received x 100
<b>Net Gearing</b>	=	Interest-bearing debt – cash in hand and at bank / equity x 100
<b>Return on equity (%)</b>	=	Profit for the period / average equity during the review period x 100
<b>Earnings per share (EUR)</b>	=	Profit for the period / average number of shares
<b>Average cost per share</b>	=	Total share revenue in euros / the issue-adjusted number of shares exchanged during the financial year
<b>The market value of the share capital</b>	=	(number of shares – own shares) x stock exchange rate on the closing date
<b>Share trading</b>	=	The number of shares traded during the financial year
<b>Turnover rate, (%)</b>	=	Share trading (pcs) x 100 / The average number of shares issued during the period



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