

# Review of the year 2022

Annual General Meeting 4 April 2023

Enersense International Plc

Jussi Holopainen, CEO



 enersense

# Year 2022 in brief

## Operating environment

- Geopolitical situation and uncertainty in the global economy were reflected in the business.
  - High inflation increased costs especially in the Baltics.
- Minor impacts from COVID-19.

## Order backlog

- EUR 415 (291) million; growth of 42 %
  - Helen outsourcing.
  - First offshore wind power project.
  - EV charging technology delivery to Sweden.
  - FTTH-projects.

## Wind power project portfolio

- Onshore wind power project 8 000 MW.
  - Growth of 5 000 MW compared to end of September 2022 (3 000 MW).
  - Solar power project development was launched.

## Business operations

- Revenue grew by 12.1%
  - EUR 268 (239) million.
- Adjusted EBITDA EUR 13.7 (19.2) million.
  - + Recognitions in the EBITDA from the wind power projects.
  - Loss making projects in the Baltics.

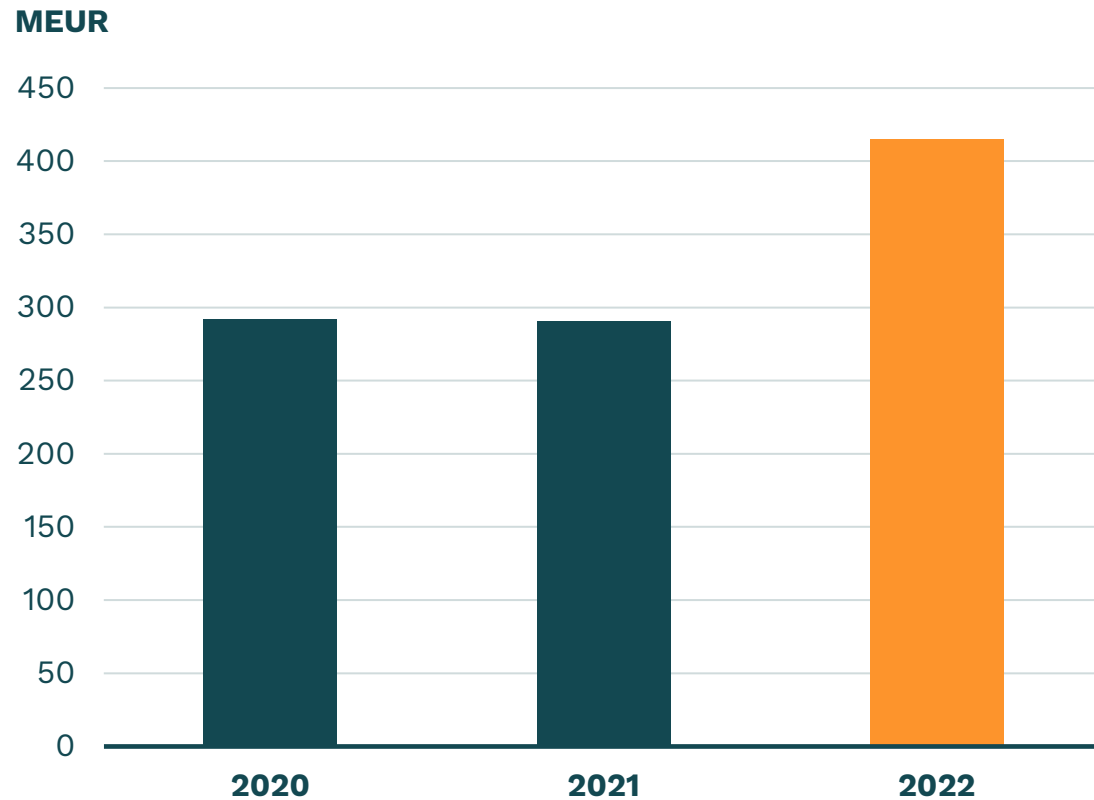
## Strategy

- Onshore and offshore wind power, solar power and zero-emission mobility were specified as focus areas.
- Expansion in the value chain was enhanced by significant M&A.

## Rahoitus

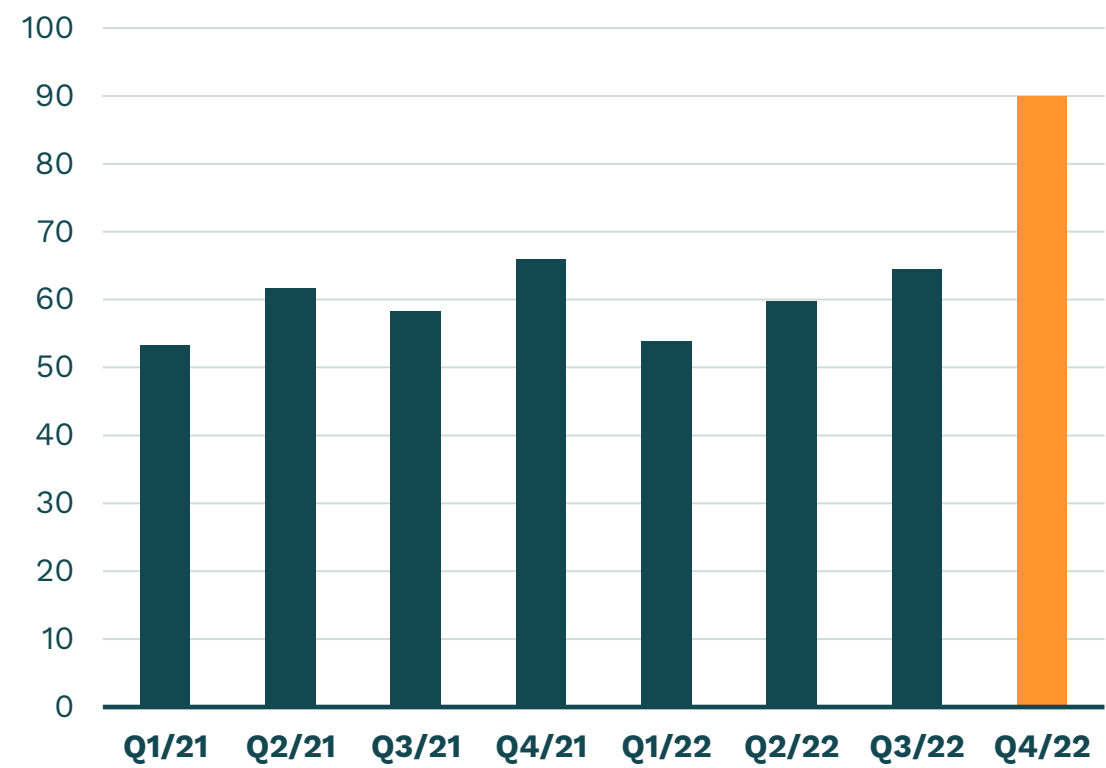
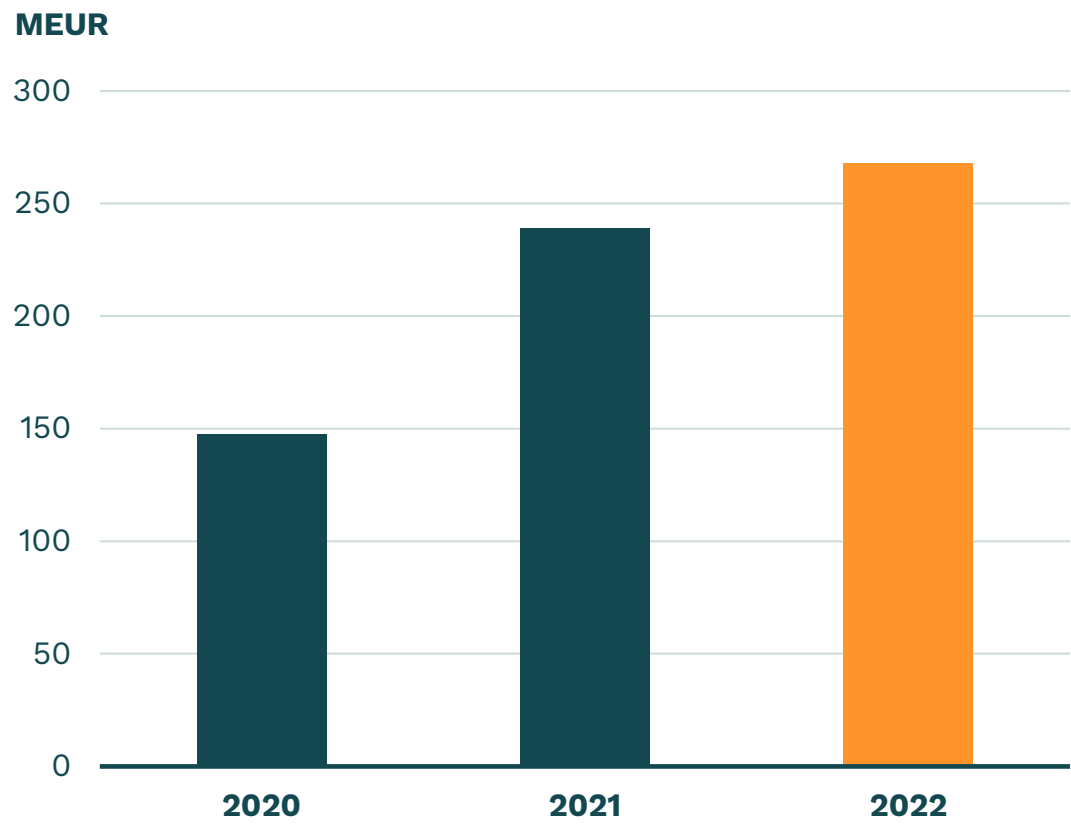
- New financing package.
  - EUR 44.2 million accounts receivable financing facilities.
  - EUR 45 million guarantee limits.
- Issuance of the EUR 26 million convertible bond.

# Very strong order backlog



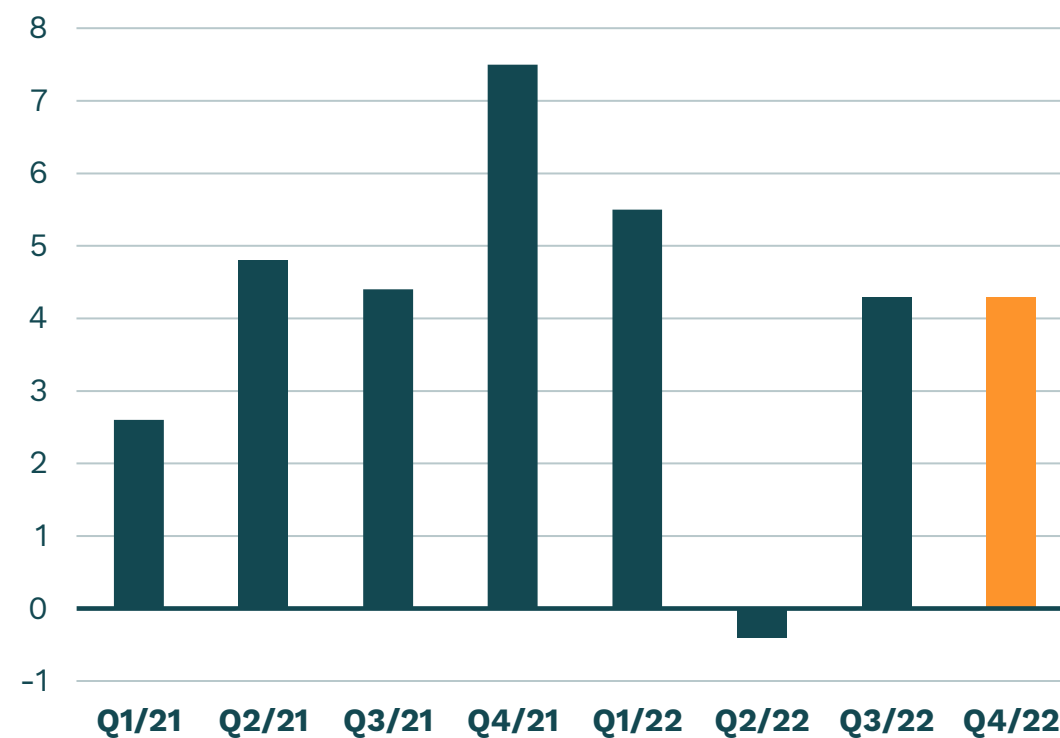
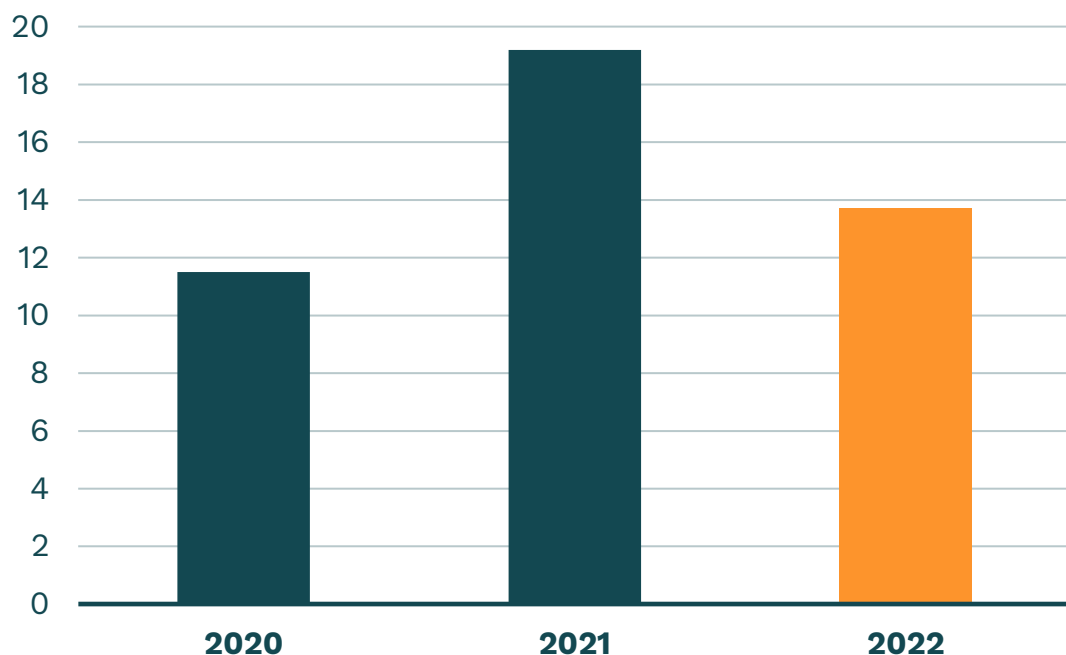
MEUR	2022	2021	Change, %
Smart Industry	172	56	207
Power	70	52	34
Connectivity	57	65	-12
International Operations	116	120	-3
Group	415	291	42

# Revenue increased especially in the Baltics in Q4

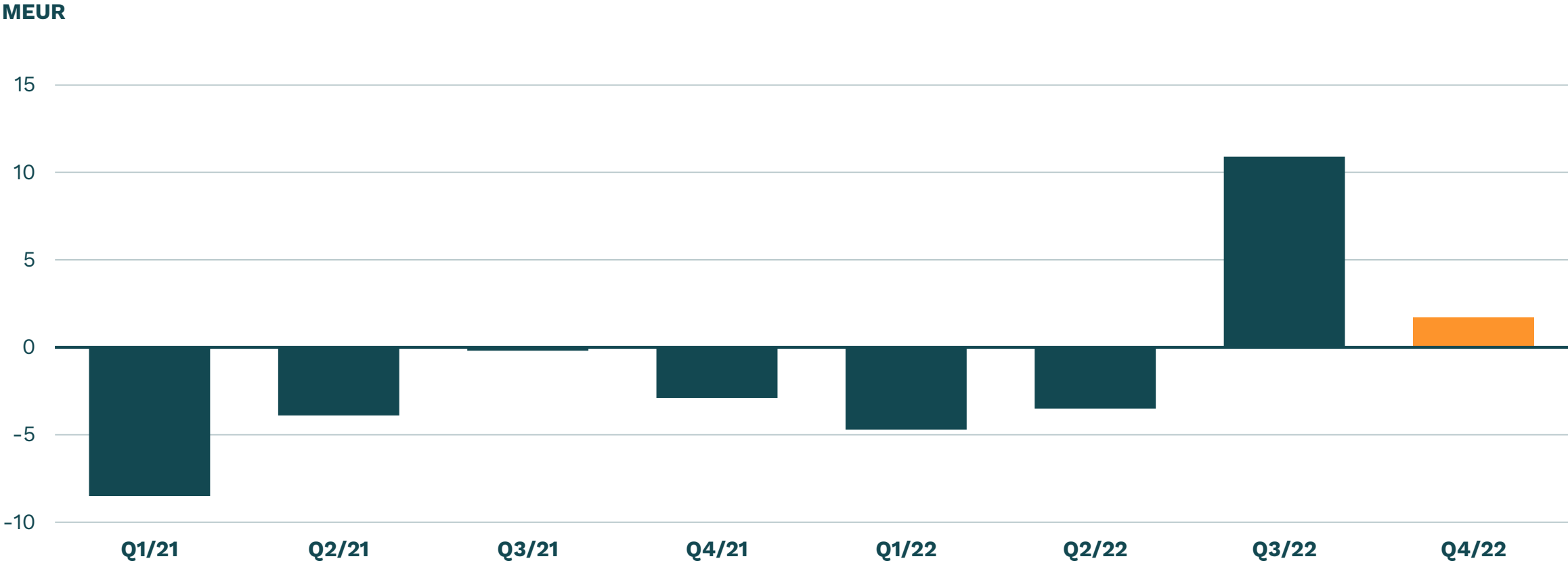


# Adjusted EBITDA decreased, but exceeded guidance

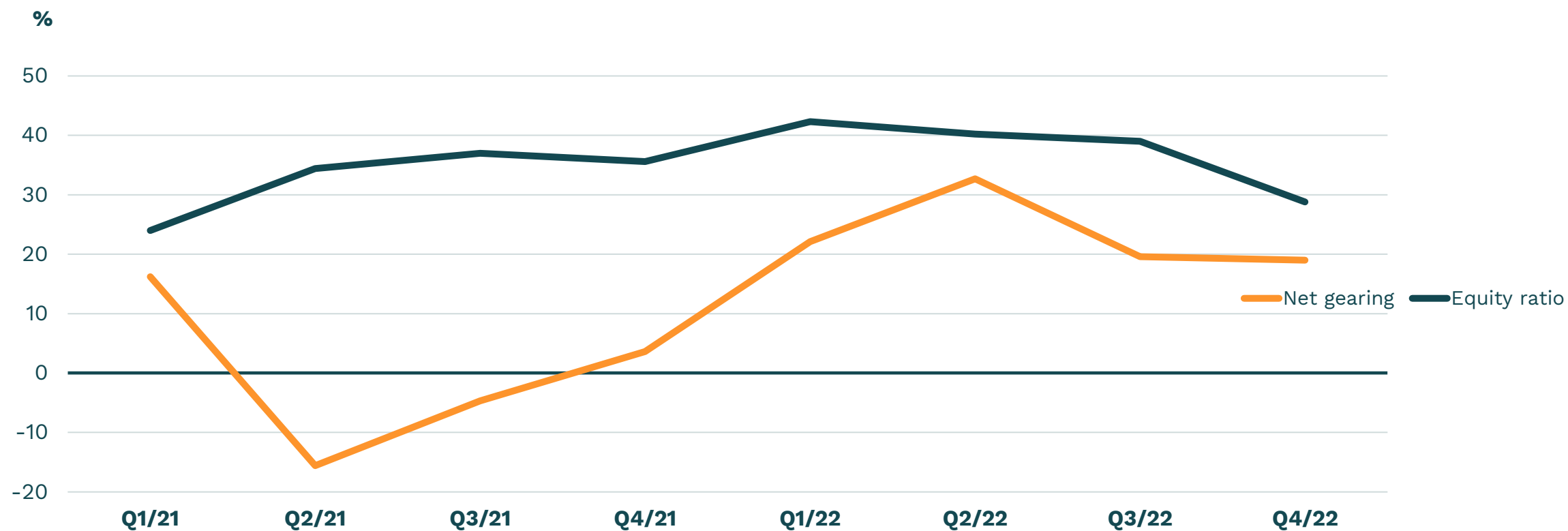
MEUR



# Positive net cash flow from operating activities in H2



# Balance sheet





A young evergreen tree, possibly a spruce or fir, is the central focus of the image. It is growing out of a thick layer of green moss that covers the forest floor. The background is a blurred forest scene with more trees and foliage, creating a sense of depth. The lighting is soft and natural, highlighting the textures of the needles and the moss.

# **Enersense as an investment**



# Profitable core business will support growth in the strategic focus areas

## Offshore wind foundations



- Construction of offshore wind power plant foundations
- EPC deliveries (Engineering, Procurement, Construction)

## Renewable energy



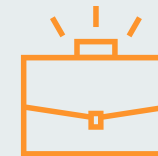
- Wind and solar PV project development
- Wind and solar PV power generation
- Energy storage (batteries, hydrogen)

## Sustainable mobility



- Electric vehicle charging solutions
- Hydrogen and e-fuel production<sup>\*)</sup>

## New business



- New business opportunities and acquisitions related to energy transition and digital solutions synergizing with current business portfolio

## Core business

- Project and O&M services for industrial, energy, marine, power and telecommunication sectors
- Our core business includes services focused on building a sustainable energy system, enhancing production efficiency for customers in the industrial sector, and building, servicing and maintaining telecommunications infrastructure

<sup>\*)</sup> Green hydrogen and e-fuel production in P2X Solutions of which Enersense owns 16.3%

## CASE: EV-CHARGING SYSTEMS

# Market opening in the electrification of heavy transport

At the end of the year, we received an order from Swedish Drivmedelsteknik for four heavy-duty fast-charging sites for e-trucks. The contract includes an option for a fifth site. The delivery will be in May and June 2023. This is a first order of its kind and the parties have started discussions about additional deliveries.

Drivmedelsteknik builds, installs, and maintains traffic station technology including e-mobility infrastructure. The total power of each charging site will be 1600 kW and it will enable simultaneous charging of eight e-trucks.

“Enersense has very interesting charging solutions for the fast-developing truck side of the e-mobility business. We’re looking forward to building a strong and long future together”, says Drivmedelsteknik’s CEO Peter Aronsson.

“Zero-emission transport is one of the spearheads of Enersense’s growth strategy. Alongside passenger cars, heavy transport is strongly going electric, and we want to do our part in enabling zero-emission logistics. In autumn 2022 we acquired Unified Chargers Oy, a Finnish start-up who manufactures fast and high-power charging stations for electric vehicles. Unified Chargers’s intelligent technology is applied in the charging stations to be delivered to Drivmedelsteknik. The Swedish e-mobility infrastructure market potential is substantial, and I am very pleased that so soon after the acquisition we have been able to get into speed with internationalising of our EV charging



A photograph of a single offshore wind turbine standing on a small, dark, rocky island in the middle of a blue sea. The sky is a clear, pale blue. The image is partially obscured by a white curved shape on the right side of the page.

## CASE: OFFSHORE WIND POWER

# Enersense receives its first offshore wind project

We took the first significant step in executing our offshore wind power strategy when Danish Bladt Industries AS ordered structural components for three offshore substations from Enersense. The structural components for the offshore substations will be manufactured at Enersense's fabrication yard in Mäntyluoto and will be transported to Denmark with Enersense's own barge. Bladt Industries is a leading European manufacturer of offshore wind power foundations whose activities cover offshore wind power projects globally.

"Offshore foundations are one of the three spearheads of Enersense's growth strategy. During the past year we have invested in the ramp-up of Enersense Offshore and this first offshore wind power project is a clear sign of our competitiveness and capabilities as a manufacturer of offshore foundations" say Jussi Holopainen, CEO of Enersense.



## CASE: TELECOMMUNICATIONS INFRASTRUCTURE

# 5G solutions are key in enabling the energy transition

Digitalisation and various energy-efficient IT solutions play a key role in enabling the energy transition in society and the achievement of emissions reductions in different sectors. The energy transition requires ever more real-time and faster data transfers, and the data network infrastructure of society is key in leading production industries in a more efficient and sustainable direction.

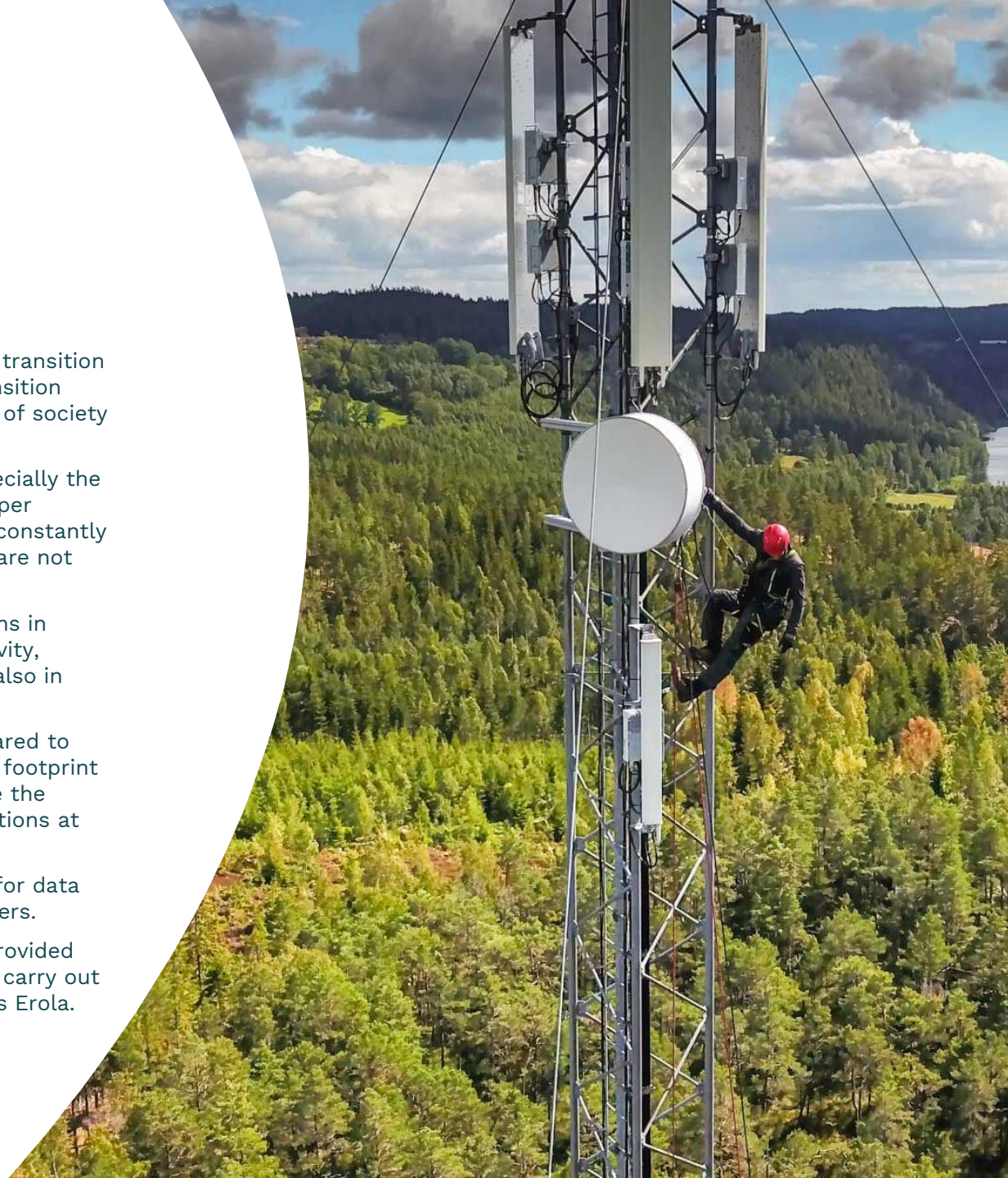
Internet connection technologies have massive differences in energy consumption, and especially the energy consumption of the 5G technology has been estimated to be as much as 90% lower per transferred bit than that of the previous generation's technologies. While data volumes are constantly increasing, the energy efficiency of the 5G technology ensures that data transfer emissions are not growing at the same rate.

Solutions based on 5G support sustainable development in society and help reduce emissions in various sectors. The 5G technology enables the use of more efficient data transfers, proactivity, automation and real-time data in decision making, producing savings not only in costs, but also in emissions.

“Energy-efficient IT solutions can reduce greenhouse gas emissions many times over, compared to the emissions they generate. For example, 5G solutions can replace activities whose carbon footprint would be many times larger. In addition, 5G enables various smart solutions that can reduce the environmental burden in many ways,” says Miika Erola, Vice President of Connectivity Operations at Enersense.

Enersense has a strong position and expertise as a provider of building and design services for data networks in Finland, and extensive experience in 5G networks in cooperation with our partners.

“In 2021, we entered into a framework agreement with Nokia, according to which we have provided 5G network building services in Eastern and Northern Finland this year as well. All in all, we carry out some 6,000 building projects of different sizes in mobile and fixed networks each year,” says Erola.







## CASE: POWER GRIDS

# Energy self-sufficiency increases in the Baltic electricity transmission system

The Baltic countries are to be connected to the European grid by the end of 2025, and Enersense has been involved in many of the synchronisation projects for a long time.

In the latest project, Enersense SIA, a Latvian subsidiary of Enersense, and the Latvian transmission system operator AS Augstsprieguma tīkls (AST) signed a new contract for the installation of synchronisation and inertial equipment in the electricity system at three different sites in Latvia. The assignment will be carried out in a consortium between Enersense and an international energy company.

The project to synchronise the Baltic and European electricity transmission systems will involve the installation of three synchronous condenser stations in Latvia. Each station will provide at least 1,900 MWs of inertial power. The consortium's energy company will manufacture the main equipment and transport it to the sites. Enersense's tasks include the design and construction of the synchronous condenser stations, the construction of the access roads, the supply of materials and the installation work.

"We are very pleased with the new agreement, which further deepens our partnership with AST and will enable us to strengthen energy self-sufficiency in the Baltics. The agreement is a significant package for Enersense SIA's business and will strengthen Enersense's order book until mid-2025," says Girts Galzons, Chief Operating Officer of Enersense SIA.



# M&A and investments enable profitable strategy implementation

						
<b>7/2020</b> 1000 %	<b>10/2021</b> 100 %	<b>2/2022</b> 100 %	<b>2/2022</b> 16,3 % investment	<b>8/2022</b> 10 % investment	<b>10/2022</b> 100 %	<b>11/2022</b> 100 %
→ Enersense Group	→ Enersense Offshore	→ Enersense Wind			→ Enersense Smart Industry  Business transfer/ O&M outsourcing	→ Enersense Charging

A photograph of a field of tall, golden-brown grass in the foreground, with a white wind turbine visible in the background under a blue sky with scattered white clouds. The text "Looking to the future" is overlaid in the center.

# Looking to the future

# Guidance for the year 2023

- 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.

# Thank you!

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