



# Q2

# Half-year Financial Report

January – June 2023

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The figures in brackets refer to the comparison period (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.

## Strong growth continued – profitability improved in core businesses

The figures in this release are unaudited.

### APRIL–JUNE 2023

- Revenue EUR 86.3 million (59.8), 44.3% year-on-year.
- EBITDA EUR 3.0 million (-0.6), EBITDA margin 3.5% (-1.0).
- Adjusted EBITDA EUR 3.1 million (-0.4), or 3.6% of revenue (-0.7).
- Operating profit EUR 0.6 million (-2.8), profit margin 0.7% (-4.6).
- Undiluted earnings per share EUR -0.11 (-0.25).

### JANUARY–JUNE 2023

- Revenue EUR 161.3 million (120.0), 34.4% year-on-year.
- EBITDA EUR 3.1 million (4.8), EBITDA margin 1.9% (4.0).
- Adjusted EBITDA EUR 3.5 million (5.0), or 2.2% of revenue (4.2).
- Operating profit EUR -1.6 million (0.5), profit margin -1.0% (0.4).
- Undiluted earnings per share EUR -0.34 (-0.31).
- Onshore wind power project portfolio was approximately 8,100 MW at the end of the reporting period (at 12/2022: approximately 8,000 MW).
- The order backlog at EUR 527 million (295) at the end of the first half of the year.
- On 1 June 2023 Enersense announced that it has initiated an evaluation of options to further accelerate its growth ambitions within its Power segment, specifically the strategy to become a significant zero-emission energy producer.
- On 19 June 2023 Enersense announced that it has signed a 35-million euro add-on turnkey contract with Elisa, a Finnish telecommunications and digital services company, for the construction of Elisa's Fibre to the Home optic fibre network in Finland.

### After the review period:

- On 27 July 2023 Enersense announced that it changed the accounting of wind power projects from the beginning of 2023 and published comparison figures for 2022.

### Guidance for the financial period 2023 (issued on 8 May 2023)

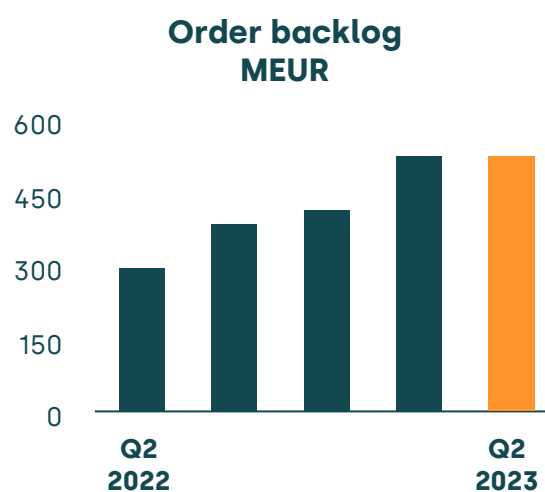
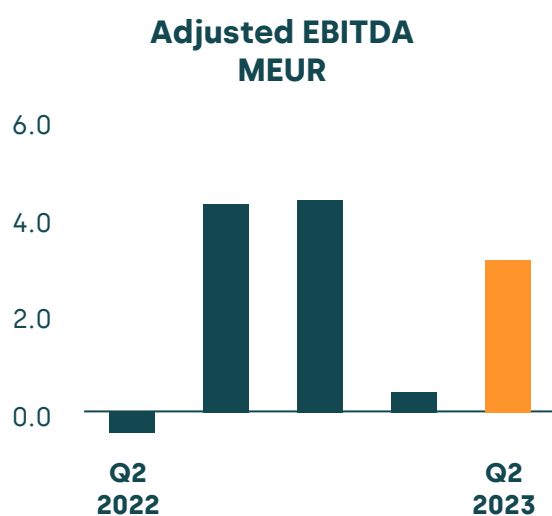
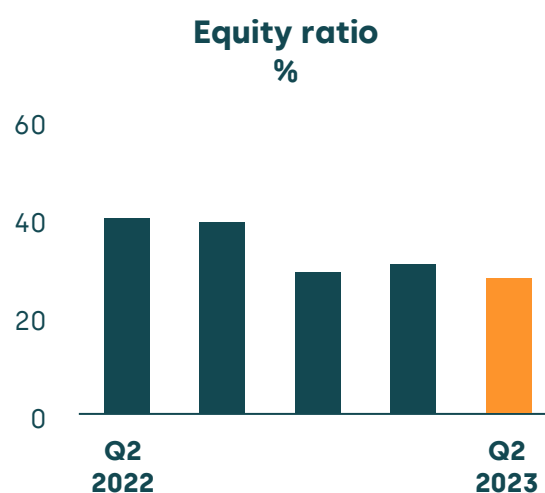
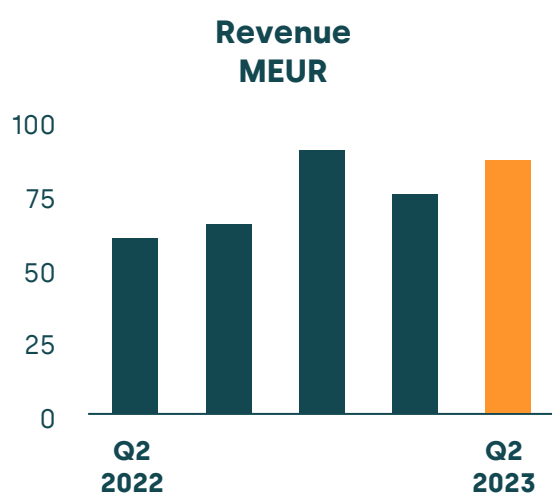
In 2023, Enersense's revenue is expected to be over EUR 300 million and adjusted EBITDA in the range of EUR 12–18 million.

Despite the general economic uncertainty, the market situation in Enersense's business areas has continued to be good in the beginning of the year and the favourable development is expected to continue. The company's strong order backlog gives a good basis for increasing revenue. 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.

## Key figures

Accounting of wind power projects was changed from the beginning of 2023. Comparison figures for 2022 are reported according to the new accounting principle.

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Revenue (EUR 1,000)	86,324	59,827	161,322	120,030	281,997
EBITDA (EUR 1,000)	3,046	-614	3,103	4,797	12,210
EBITDA, %	3.5	-1.0	1.9	4.0	4.3
Adjusted EBITDA (EUR 1,000)	3,122	-431	3,514	5,048	13,654
Adjusted EBITDA, %	3.6	-0.7	2.2	4.2	4.8
Operating profit (EUR 1,000)	645	-2,772	-1,648	455	3,479
Operating profit, %	0.7	-4.6	-1.0	0.4	1.2
Result for the period (EUR 1,000)	-1,886	-4,133	-5,663	-5,427	-9,835
Equity ratio, %	27.8	40.2	27.8	40.2	28.8
Gearing, %	66.6	32.7	66.6	32.7	19.0
Return on equity, %	-3.2	-6.3	-9.5	-9.9	-17.5
Earnings per share, undiluted, EUR	-0.11	-0.25	-0.34	-0.31	-0.57
Earnings per share, diluted, EUR	-0.11	-0.25	-0.34	-0.31	-0.57







## President and CEO Jussi Holopainen

Enersense's strong growth continued in the second quarter. The Group's revenue increased by 34.4% in January–June and was EUR 161.3 (120.0) million. The order backlog stood at EUR 527 (295) million. The Group's adjusted EBITDA was EUR 3.5 (5.0) million. The profitability of core business operations improved in all business areas, but investments in strategic focus areas had a negative impact of EUR 3.2 million on the EBITDA. In the comparison period, the recognition of EUR 8.5 million arising from the Enersense Wind acquisition had a positive impact on the EBITDA. On the other hand, the operating environment in early 2022 was very exceptional because of the Russian attack on Ukraine and the strike in the ICT sector in particular, which burdened the result for the comparison period.

Our work to improve the profitability of our core business operations has begun to produce results. In Smart Industry in particular, the growth of volumes in service and project business operations is reflected in improved profitability. In the International Operations and Connectivity business areas, the good volumes and profitability improvement measures produced results in the first half of the year. High activity in the construction of high-voltage power lines continues in the Baltic countries, and since the end of 2022, Connectivity has announced optical fibre connection construction contracts totalling around EUR 100 million, which will increase business volumes. The market situation in the Power business area continues to be good, and after the seasonally challenging first quarter, the profitability of core business operations improved in the second quarter. Enersense plays an important role in projects related to Finland's main grid, and in the first half of the year, we won projects totalling around EUR 40 million.

During the past five years, Enersense has been the strongest grower on Nasdaq Helsinki by revenue growth (CAGR). In line with our specified strategy, we are actively investing in strengthening our position also in our strategic focus areas. At the beginning of June, we announced that we had started an assessment of the options to accelerate the achievement of the Power business area's growth targets and especially our strategic target to become a significant producer of clean energy. Our own energy production target is 600–700 MW by 2027, which we have estimated will require investments of EUR 700–800 million. We are now looking for the best possible solution to boost the implementation of our growth strategy. At the end of the review period, our renewable energy project portfolio was around

8,100 MW (December 2022: 8,000 MW), which provides a good basis for our determined progress towards our own energy production target.

In charging solutions for zero-emission transport, we moved to industrial-scale production by starting cooperation with Scanfil during the review period. Enersense's new high-power charger makes it possible to increase the charging power of an individual charging device from 30 kW to 160 kW. We believe that this cooperation will offer us good growth opportunities. During summer 2023, we will deliver high-power charging solutions to Norway, Finland and Sweden, and we are seeing plenty of opportunities in the Nordic charging site market.

In June, we announced that the City of Pori had started to build an international centre of excellence and operations for offshore wind power. Enersense is involved in the project, and our expertise in offshore wind power as well as our production facilities (50,000 m<sup>2</sup>) in Mäntyluoto in Pori are playing an important role in building the centre of excellence. The Bothnian Sea region is one of the most favourable areas for the construction of wind power plants, even in international comparison: a total of 15 major power plant projects within a radius of 400 kilometres from Pori have been announced in Finland and Sweden. The centre of excellence supports Enersense's growth targets and enables Enersense to further strengthen its role as an EPCI supplier in offshore wind power projects. Investments in the ramp-up of Enersense Offshore, which we acquired in autumn 2021, are also beginning to materialise. At the beginning of July, Aker Solutions ordered steel structure modules from Enersense for the Hugin A production platform, which is part of the development of the Yggdrasil oil and gas field operated by Aker BP in the North Sea. We believe that a well-executed project will enable the expansion of our cooperation into the rapidly growing energy market, where Aker Solutions has strong experience.

Alongside strategic projects, we are continuing our work to streamline our core business portfolio. We are aiming to focus on our core competences and divest operations that are not integral to them. As part of this review, we sold all shares in Enersense Solutions to Eiconia, which is part of Administer Group. Enersense Solutions provides contractor liability services, and the transaction also included its E-Sense system. A capital gain of EUR 0.9 million from the transaction was recorded in the second quarter.

## Operating environment in the review period

Despite the impacts of the Russian attack on Ukraine and general economic uncertainty, the market situation in Enersense’s business areas as a whole remained favourable during the first half of the year. Although the prices of raw materials, other materials and energy, which have risen as a result of the war, have stabilised and partly returned to pre-war levels, overall inflation in the markets relevant to Enersense remains high, with a particular impact on material and salary costs and thus on the profitability of projects in a tight competitive environment.

Increased uncertainty about economic development and higher operational and financial costs had a negative impact on the investment environment of certain customers in some respects. On the other hand, given the changed geopolitical situation, energy solutions are becoming more self-sufficient in Europe, and this is expected to speed up the implementation of projects related to the energy transition. This trend is also supported by EU-level and national energy and climate policy.

## Financial result

### ORDER BACKLOG

The order backlog grew by 79% and was EUR 527 (295) million at the end of the review period. Order backlog remained at the same level as in the first quarter of 2023.

Compared with the comparison period strong demand supported the development of the order backlog in all segments. In the Smart Industry segment the level of order backlog is higher due to the fact that the third-quarter order backlog in 2022 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.

### Order backlog by segment

MEUR	30.6.2023	30.6.2022	Change-%	31.12.2022
Smart Industry	170	51	233	172
Power	103	66	56	70
Connectivity	127	56	126	57
International Operations	128	122	4	116
<b>Group</b>	<b>527</b>	<b>295</b>	<b>79</b>	<b>415</b>

## REVENUE AND PROFITABILITY

### Revenue by segment

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Smart Industry	26,839	18,703	52,989	35,306	72,721
Power	22,348	14,043	37,557	34,806	74,958
Connectivity	13,600	10,244	24,374	19,592	47,230
International Operations	23,483	16,837	46,353	30,327	87,007
Items not allocated to business areas	54	1	49	-2	81
<b>Total</b>	<b>86,324</b>	<b>59,827</b>	<b>161,322</b>	<b>120,030</b>	<b>281,997</b>

### EBITDA by segment

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Smart Industry	952	-127	2,060	-1,081	268
Power	1,591	599	1,670	9,355	19,237
Connectivity	-125	-528	-165	-1,229	362
International Operations	1,095	-133	1,243	-1,027	-3,930
Items not allocated to business areas	-468	-425	-1,703	-1,221	-3,726
<b>Total</b>	<b>3,046</b>	<b>(614)</b>	<b>3,103</b>	<b>4,797</b>	<b>12,210</b>

### Revenue by target area

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Finnish sites	53,413	41,600	109,302	87,919	192,279
International sites	32,911	18,227	52,020	32,110	89,717
<b>Total</b>	<b>86,324</b>	<b>59,827</b>	<b>161,322</b>	<b>120,030</b>	<b>281,997</b>

### April-June 2023

Revenue increased by 44.3% and was EUR 86.3 (59.8) million. The revenue includes EUR 1.0 (0) million of realised sales gains from completed wind power projects.

Backed by the strong order backlog, revenue increased in all segments.

EBITDA strengthened and was EUR 3.0 (-0.6) million. The EBITDA margin was 3.5 (-1.0)%. The EBITDA for the review period includes a capital gain of EUR 0.9 million from the sale of Enersense Solutions, a provider of contractor liability services, and a credit loss provision of EUR 0.4 million related to a customer's insolvency.

The EBITDA of core business operations improved in all segments. On the other hand, investments in the ramp-up of the offshore and electric vehicle charging solutions businesses and in a new ERP system continued to burden profitability. These had a total impact of EUR 1.6 (1.1) million. In the comparison period, the operating environment was very exceptional, especially because of the Russian attack on Ukraine and the strike in the ICT sector, which led to low profitability in the second quarter of 2022.

Adjusted EBITDA was EUR 3.1 (-0.4) million or 3.6 (-0.7)% of revenue.

The net impact of items affecting comparability was EUR 0.1 million, mainly arising from 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 0.2 million and were related to restructuring costs and the closing of the digital unit.

The operating profit was EUR 0.6 (-2.8) million. The operating profit margin was 0.7 (-4.6)%.

### January–June 2023

Revenue increased by 34.4% and was EUR 161.3 (120.0) million. The revenue includes EUR 1.0 (6.4) million of realised sales gains from completed wind power projects.

The revenue increased in all segments. The growth was particularly strong in Smart Industry and International Operations segments.

EBITDA decreased by -35.3% and was EUR 3.1 (4.8) million. The EBITDA margin was 1.9 (4.0)%. The EBITDA for the review period includes a capital gain of EUR 0.9 million from the sale of Enersense Solutions, a provider of contractor liability services, and a credit loss provision of EUR 0.4 million related to a customer's insolvency. In the comparison period, the EBITDA included a recognition of EUR 2.1 million in negative goodwill from the Enersense Wind acquisition.

The profitability of core business operations improved especially in the Smart Industry segment. Development in the International Operations and Connectivity segments has also been favourable. In the Power segment, the profitability of core business operations improved in the second quarter. On the other hand, investments in the ramp-up of the offshore and electric vehicle charging solutions businesses and in a new ERP system continued to burden profitability. These had a total impact of EUR 3.2 (2.4) million.

Adjusted EBITDA decreased by -31.9% and was EUR 3.5 (5.0) million or 2.2 (4.2)% of revenue.

The net impact of items affecting comparability was EUR 0.4 million, mainly arising from process integration costs related to the finalisation of the integration of Empower and Enersense and competition authority's processing costs regarding the Voimatel acquisition, which was cancelled in early 2023. In the comparison period, the most significant items affecting comparability totalled EUR 0.3 million and were related to restructuring costs and the closing of the digital unit.

The operating profit was EUR -1.6 (0.5) million. The operating profit margin was -1.0 (0.4)%.

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

## Financial position and cash flow

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

#### April–June 2023

Net financial expenses were EUR -2.6 (-0.7) million, including distribution of funds to minority shareholders in Energy Wind based on the shareholders' agreement as well as interests from the convertible bond.

The result before taxes was -1.9 (-3.5) million, and the result for the review period was EUR -1.9 (-4.1) million.

Undiluted earnings per share were EUR -0.11 (-0.25).

## January–June 2023

Net financial expenses totalled EUR -4.1 (-4.4) million.

The profit before taxes was EUR -5.7 (-3.9) million and the result for the period was EUR -5.7 (-5.4) million.

Undiluted earnings per share were EUR -0.34 (-0.31).

## CASH FLOW AND FINANCING

### April–June 2023

Cash flow from operating activities was EUR -2.8 (-6.0) million.

Cash flow from investing activities was EUR -0.8 (1.1) million.

Cash flow from financing activities was EUR -0.7 (-1.3) million.

### January–June 2023

Cash flow from operating activities was EUR -18.4 (-10.7) million. Cash flow was impacted by high value added tax payments that are typical for the first half of the year, as well as projects that tie up working capital.

Net cash flow from investing activities was EUR -3.8 (-7.4) million, where the change from the comparison period is related to smaller investments in P2X and the sale of Enersense Solutions.

Cash flow from financing activities was EUR -3.0 (-2.5) million, including loan withdrawals and dividends paid. The comparison period included a share issue of EUR 2.2 million.

The Group's cash and cash equivalents totalled EUR 13.5 (8.5) million at the end of the review period. Cash and cash equivalents increased by EUR 5.0 million year-on-year but decreased by EUR -25.2 million from the end of 2022.

The Group's balance sheet total stood at EUR 207.8 (164.4) million at the end of 2022. The increase in the balance sheet was mainly related to acquisitions, investments and the impact of revenue growth on working capital.

Equity stood at EUR 55.3 (63.4) million at the end of the review period. Liabilities amounted to EUR 152.4 (101.0) million. At the end of the review period, the equity ratio was 27.8 (40.2)%, and net gearing was 66.6 (32.7)%, which was impacted by EUR 26.0-million convertible bond issued in December 2022. Return on equity in the review period was -9.5 (-9.9)%.

## Segment reviews

### SMART INDUSTRY

The Smart Industry segment helps customers improve the reliability of their production plants and the efficiency of their maintenance operations, in addition to developing digital solutions that improve profitability. As its strategic growth area, the segment also provides resource and project services for Finnish and international customers' onshore and offshore projects.

MEUR	4-6/2023	4-6/2022	Change-%	1-6/2023	1-6/2022	Change-%	1-12/2022
Revenue	26.8	18.7	43.5	53.0	35.3	50.1	72.7
EBITDA	1.0	-0.1	—	2.1	-1.1	n.a.	0.3
EBITDA-%	3.5	-0.7		4.2	3.9		0.4
Order backlog				170	51	233	172
Personnel (FTE)				699	585		638

## April–June 2023

The market environment of the Smart Industry segment remained stable in the second quarter of the year.

The Smart Industry segment's revenue increased by 43.5% and was EUR 26.8 (18.7) million.

Higher volumes in both service and project businesses increased the revenue. Compared with the comparison period, certain operation and maintenance services that were transferred to Enersense from the energy company Helen in a business transfer in November 2022 impacted the increase in revenue.

The Smart Industry segment's EBITDA improved and was EUR 1.0 (-0.1) million. The EBITDA for the review period includes a capital gain of EUR 0.9 million from the sale of Enersense Solutions, a provider of contractor liability services, and a credit loss provision of EUR 0.4 million related to a customer's insolvency.

Higher volumes were visible in the increased profitability of the core operations in the review period. Activity has also increased in the offshore business, but the investments in growth continue to burden the whole segment's profitability.

## January–June 2023

Although general uncertainty continued in the global economy, the market environment of the Smart Industry segment began to return to normal in the first quarter of the year and remained stable in the second quarter. It seems that offshore projects in particular are being activated earlier than anticipated. Some customers have decided to manage part of their purchases of materials on their own. If this trend becomes more widespread, it may affect Smart Industry's ability to win projects in the future. The adjustment measures in progress in the Finnish paper industry may reduce service business volumes in the final quarter of 2023.

The Smart Industry segment's revenue increased by 50.1 % and was EUR 53.0 (35.3) million.

Higher volumes in both service and project businesses increased the revenue. Compared with the comparison period, certain operation and maintenance services that were transferred to Enersense from the energy company Helen in a business transfer in November 2022 impacted the increase in revenue.

The Smart Industry segment's EBITDA improved and was EUR 2.1 (-1.1) million. The EBITDA for the review period includes a capital gain of EUR 0.9 million from the sale of Enersense Solutions, a provider of contractor liability services, and a credit loss provision of EUR 0.4 million related to a customer's insolvency.

Higher volumes in both service and project businesses increased the revenue. Compared with the comparison period, certain operation and maintenance services that were transferred to Enersense from the energy company Helen in a business transfer in November 2022 impacted the increase in revenue.

The average number of personnel in the Smart Industry segment was 699 (585) person-years during the review period. The increase in the number of personnel was related, among other factors, to the transfer of more than 250 people from the energy company Helen to the Smart Industry segment in

connection with a business transfer in November 2022. Backed by the strong order backlog the segment continues to strengthen its organisation.

## Order backlog

The Smart Industry segment's order backlog stood at EUR 170 (51) million at the end of the review period. Order backlog grew by EUR 119 million or 233% year-on-year. At the end of the review period, the order backlog was EUR -17 million lower than at the end of the first quarter 2023.

Order intake development was good and the order backlog increased especially in the project businesses. The main reason for the significant increase in the level of the order backlog year-on-year was the transfer of operation and maintenance services from the energy company Helen in a business transfer in the third quarter of 2022.

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

An agreement with Boliden, a Swedish metals company, in a large development project at the Odda production plant in Norway (press release 24 Jan 2023). In the project, which aims for increasing sustainability and the production capacity of the plant, Enersense is responsible for the supply and installation of steel, equipment installations and insulation work in one of the project areas. The project was launched in early 2023.

An agreement with Q Power, a Finnish company specialising in Power-to-X technology deliveries, on the delivery of steel structures for reactor modules for a methanation plant (investor news 6 Mar 2023). The agreement is related to the synthetic methane production plant delivered by Q Power to P2X Solutions in Harjavalta. The plant is being built in connection with a green hydrogen production plant. The modular structures will be manufactured in Enersense's production facilities in Mäntyluoto.

## POWER

The Power segment helps customers implement the energy transition through services that cover the entire life cycle of the energy sector. The services include the design, construction and maintenance of transmission grids and electric substations. Additionally, the segment also covers, as its strategic growth areas, the design, construction, maintenance and project development of wind farms and solar farms as well as solutions for charging systems for electrically powered transport and electricity storage. In the future, the aim is also to invest in starting its own renewable energy production.

Accounting of wind power projects was changed from the beginning of 2023. Comparison figures for 2022 are reported according to the new accounting principle.

MEUR	4-6/2023	4-6/2022	Change-%	1-6/2023	1-6/2022	Change-%	1-12/2022
Revenue	22.3	14.0	59.1	37.6	34.8	7.9	75.0
EBITDA	1.6	0.6	160.6	1.7	9.4	-82.2	19.2
EBITDA-%	7.1	4.3		4.4	26.9		25.7
Order backlog				103	66	56	70
Personnel (FTE)				191	170		172

## April-June 2023

Demand in the Power segment continued to be strong during the review period.

Backed by the strong order backlog, the Power segment's revenue increased by 59.1% and was EUR 22.3 (14.0) million. The revenue includes EUR 1.0 (0) million of realised sales gains from completed wind power projects.

Higher volumes were also reflected in profitability. The Power segment's EBITDA increased by 160.6% and was EUR 1.6 (0.6) million. The profitability of core business operations improved. The segment's

profitability was burdened by investments in the development of the zero-emission charging solutions business.

### January–June 2023

Demand in the Power segment continued to be strong during the review period. Demand for services related to the construction transmission networks in particular has increased.

The Power segment's revenue increased by 7.9% and was EUR 37.6 (34.8) million. The revenue includes EUR 1.0 (6.4) million of realised sales gains from completed wind power projects.

The Power segment's EBITDA decreased by -82.2% and was EUR 1.7 (9.4) million. In the comparison period, significant sales revenue from wind power projects had a positive impact on the EBITDA, and the comparison period also includes the recognition of EUR 2.1 million in negative goodwill arising from the Enersense Wind acquisition. The profitability of core business operations was improved by transmission network projects in particular, but investments in the development of the zero-emission charging solutions business burdened the segment's profitability.

Power segment's average number of personnel was 191 (170) person-years in the review period.

#### Wind and solar power project development

The development of Enersense's onshore wind power project portfolio was continued during the review period. At the end of the review period, the total project portfolio was approximately 8,100 MW (12/2022: 8,000 MW), of which 1,500 MW will be developed in cooperation with Valorem. The projects in the feasibility study phase total around 6,300 MW, and projects totalling 1,450 MW are in the permit, land use and EIA phase.

The projects previously developed by Enersense's subsidiary Enersense Wind 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 continued during the review period. The size of the portfolio is approximately 60 MW (12/2022: 60 MW). Enersense's renewable energy project development portfolio of approximately 8,100 MW enables the company to develop energy production of its own.

In June 2023 an evaluation of options was initiated to further accelerate Power segment's growth ambitions and specifically the Group's strategy to become a significant zero-emission energy producer. Enersense's own energy production target by 2027 is 600–700 MW, of which 600 MW would be wind power and 100 MW solar power.

The options to be considered include creating a new, separate Enersense subsidiary for renewable energy development and production. An update will be given in due course, if any concrete outcome were to materialise.

#### Order backlog

The progress of the energy transition is supporting demand in the Power segment, and the order backlog increased year-on-year, thanks to successful sales work.

The Power segment's order backlog stood at EUR 103 (66) million at the end of the review period. The order backlog grew by EUR 37 million or 56% from the comparison period. Compared with the end of the first quarter 2023, the order backlog increased by 2 million.

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

A project won in Fingrid's public procurement tendering regarding adding capacitors into substations in order to improve transmission capacity (investor news 12 April 2023). The project will employ Enersense for approximately two years, and the value of the project is approximately EUR 6.6 million.

A project won in Fingrid's public procurement tendering regarding substation expansions in Huittinen-Forssa, Finland (investor news 14 April 2023). The project will employ Enersense for approximately three years and the value of the project is approximately EUR 13 million.

An agreement with Gigawatti Oy about construction of the Oosinselkä wind farm in Luvia at Eurajoki, Finland (investor news 17 April 2023). Oosinselkä wind farm consists of 13 turbines. According to plans, the project will be completed by the end of 2024. Enersense will provide construction of the wind farm's roads and platforms, foundations and internal network as a turnkey delivery. Gigawatti Oy is fully owned by S-Voima Oy, who is responsible for the S Group's electricity procurement. S-Voima Oy is owned by the cooperatives and SOK together.

A project won in Fingrid's public procurement tendering regarding substation contract to build a new transformer substation and expand the 110 kV switchgear in Nuojuankangas (investor news 6 June 2023). The project also includes the expansion of the substation in Pyhänselkä. The project will employ Enersense until spring 2026. The value of the contract is more than EUR 20 million.

## 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	4-6/2023	4-6/2022	Change-%	1-6/2023	1-6/2022	Change-%	1-12/2022
Revenue	13.6	10.2	32.8	24.4	19.6	24.4	47.2
EBITDA	-0.1	-0.5	n.a.	-0.2	-1.2	n.a.	0.4
EBITDA-%	-0.9	-5.2		-0.7	-6.3		0.8
Order backlog				127	56	126	57
Personnel (FTE)				346	347		347

### April-June 2023

Demand in the Connectivity segment continued to be strong, particularly in fibre-to-the home construction projects.

The Connectivity segment's revenue was backed by the strong order backlog and increased by 32.8% to EUR 13.6 (10.2) million.

The Connectivity segment's EBITDA was EUR -0.1 (-0.5) million.

Discussions with customers on transferring the increase in costs to sales prices were continued. In the comparison period, EBITDA was burdened by the impacts of the Russian attack on Ukraine and the strike in the ICT sector.

### January-June 2023

Demand in the Connectivity segment continued to be strong during the reporting period, particularly in fibre-to-the home construction projects.

The Connectivity segment's revenue was backed by the strong order backlog and increased by 24.4% to EUR 24.4 (19.6) million.

The Connectivity segment's EBITDA was EUR -0.2 (-1.2) million.



Profitability was supported by higher volumes and the segment's profitability improvement programme. Discussions with customers on transferring the increase in costs to sales prices have continued, but a full transfer to customer prices has not been possible. In the comparison period, EBITDA was burdened by the impacts of the Russian attack on Ukraine and the 6-week strike in the ICT sector.

The average number of personnel in the Connectivity segment was 346 (347) person-years during the review period.

## Order backlog

The Connectivity segment's order backlog stood at EUR 127 (56) million at the end of the review period. The order backlog grew by EUR 71 million or 126% year-on-year. Compared with the first quarter 2023, the order backlog grew by EUR 31 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.

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

An agreement with a Finnish optic fiber company Valoo on a turn-key project contract of construction of an optic fiber network (stock exchange release, insider information 17 Jan 2023). The total value of the contract that spans over four years is approximately EUR 35 million. Enersense is responsible for the turn-key delivery which contains project management, planning, construction and documentation of the network. In the first phase the focus of the construction works is in the South-Eastern part of Finland in Lappeenranta, Kotka and Hamina.

An add-on turnkey contract with Elisa, a Finnish telecommunications and digital services company, for the construction of Elisa's Fibre to the Home optic fibre network in Finland (stock exchange release, insider information 19 June 2023). The total value of the add-on contract is EUR 35 million, and it more than doubles the volume of optic fibre networks Enersense will construct for Elisa in 2024–2026. Enersense is responsible for the turnkey delivery, which contains the project management, planning and construction of the network, materials logistics, and customer deliveries.

## INTERNATIONAL OPERATIONS

The International Operations segment includes Enersense's international business operations mainly in Estonia, Latvia and Lithuania.

MEUR	4-6/2023	4-6/2022	Change-%	1-6/2023	1-6/2022	Change-%	1-12/2022
Revenue	23.5	16.8	39.5	46.4	30.3	52.8	87.0
EBITDA	1.1	-0.1	n.a.	1.2	-1.0	n.a.	-3.9
EBITDA-%	4.7	-0.8		2.7	-3.4		-4.5
Order backlog				128	122	4	116
Personnel (FTE)				620	585		590

### April–June 2023

Demand in the International Operations segment's business areas has remained good.

The International Operations segment's revenue increased by 39.5% and was EUR 23.5 (16.8) million.

The increase in revenue was mainly supported by high-voltage power line construction projects in progress in the Baltics. The majority of the segment's revenue comes from construction and maintenance projects in power grids and distribution grids.

The International Operations segment's EBITDA strengthened and was EUR 1.1 (-0.1) million.

## January–June 2023

Annual inflation level has remained high but it has been decreasing. Increase of prices for materials is even higher than for consumer prices mainly due to the reorganisation of supply chains because of the sanctions imposed on Russia. In addition to higher costs, this has been reflected in longer delivery times and in more complicated logistics arrangements, for example. All in all, demand in the International Operations segment's business areas has increased.

The International Operations segment's revenue increased by 52.8% and was EUR 46.4 (30.3) million.

The increase in revenue was mainly supported by high-voltage power line construction projects in progress in the Baltics. The majority of the segment's revenue comes from construction and maintenance projects in power grids and distribution grids.

The International Operations segment's EBITDA strengthened and was EUR 1.2 (-1.0) million.

Compensation regarding inflation has been agreed with most of the customers, and inflation is taken into account in new contracts.

The average number of personnel in the International Operations segment was 620 (585) person-years during the review period.

## Order backlog

The International Operations segment's order backlog stood at EUR 128 (122) million at the end of the review period. The order backlog grew by EUR 5 million from the comparison period but decreased by EUR -14 from the end of the first quarter 2023.

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. In the synchronisation projects between the Baltic countries' and European electricity distribution systems, the order intake has already reached its peak, which is why the segment's order backlog decreased compared with the first quarter of the year. The order intake has remained good in the segment's other business operations.

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

A contract with Estonian transmission system operator AS Elering (press release 3 Jan 2023). The contract covers the renewal of the 330-kV power line between Mustvee and Paide substations as well as construction of a new 110-kV power line between Mustvee and Kantkyla substations. The project includes preparatory and design works, demolition of the existing power line and construction of a 90-km-long new 330 kV and 110 kV power line. The project is expected to be completed in July 2025 at the latest. The total value of the contract is EUR 36.9 million. Enersense's share of the contract is approximately EUR 18.5 million. Enersense As and Leonhard Weiss Oü, who specializes in design, construction and maintenance of integrated transmission systems, will carry out the project in a consortium.

## Group personnel

Enersense mainly operates in Finland, Estonia, Latvia and Lithuania. The Group had an average of 1,911 (1,778) employees during the review period.

The growth in business volume was also reflected in the number of personnel, which increased by 7% year-on-year. The most significant growth was achieved in the Smart Industry segment with the transfer of more than 250 people from the energy company Helen in connection with a business transfer in November 2022.

## Person-years (average over the period)

	1-6/2023	1-6/2022	1-12/2022
Smart Industry	699	585	638
Power	191	170	172
Connectivity	346	347	347
International	620	585	590
Other	55	91	90
<b>Group total</b>	<b>1,911</b>	<b>1,778</b>	<b>1,836</b>



## Governance

### ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of Enersense International Plc was held in Helsinki on 4 April 2023.

The AGM adopted the financial statements for the financial period 1 January to 31 December 2022, including the consolidated financial statements and discharged the members of the Board of Directors and the CEO from liability.

The AGM decided that, based on the balance sheet adopted for the financial period 2022, 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. The return of capital shall be paid in two installments: in May and November 2023.

The AGM decided that no dividend is paid based on the balance sheet adopted for the financial period.

The AGM was in favour of all the proposals made to the AGM and approved the remuneration report. The resolution is advisory in accordance with the Finnish Companies Act.

The AGM authorised the Board to decide on the issue of shares against payment, as well as on the acquisition and/or acceptance as pledge of the company's own shares, according to the Board's proposal. 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 2023 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 2023 Annual General Meeting (AGM) decided that 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. The Board members' term of office ends at the close of the first AGM following their election.

At its organising meeting immediately after the AGM, in accordance with the recommendation of the Nomination Board, the Board re-elected Jaakko Eskola as its Chair and Sirpa-Helena Sormunen as its Vice Chair. The Board elected, from among its members, Sari Helander as Chair of the Audit Committee and Carl Haglund and Petri Suokas as the other members. Jaakko Eskola was elected as Chair of the Remuneration Committee, and Anna Miettinen and Sirpa-Helena Sormunen were elected as the other members.

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

- Annual fee of EUR 42,000 for the Chair
- Annual fee of EUR 32,000 for the Vice Chair
- Annual fee of EUR 27,000 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.

## AUTHORISATIONS OF THE BOARD OF DIRECTORS

### Authorisations to issue shares as well as option rights and other special rights entitling to shares

The Annual General Meeting 2023 authorised the Board of Directors to issue shares as well as option rights and other special rights entitling to shares in accordance with the Board's proposal. A total maximum of 1,649,250 new and/or treasury shares of the Company may be issued under the

authorization (including shares issued on the basis of special rights). Within the limits of the authorization, the Board of Directors is authorized to decide on all terms and conditions regarding the issuance of shares and the issuance of option rights and other special rights entitling to shares. The authorization revokes the authorizations granted by the Annual General Meeting on 4 April 2022 and by the Extraordinary General Meeting of 10 November 2022 concerning the issuance of shares and the issuance of option rights and other special rights entitling to shares, but not the authorization granted by the Extraordinary General Meeting on 23 December 2022 to decide on the issuance of special rights entitling to shares. The authorization is valid until the end of the next Annual General Meeting, but no later than 30 June 2024.

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

The Annual General Meeting 2023 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. A maximum of 824,630 shares may be repurchased and/or accepted as pledge. The Board of Directors decides how the shares are to be repurchased and/or accepted as pledge. The authorization revokes previous authorizations granted by the general meeting to repurchase and/or accept as pledge of own shares. The authorization is valid until the end of next Annual General Meeting, but no later than 30 June 2024.

### **OWNERSHIP STRUCTURE**

The number of registered shareholders in Enersense was 7,139 (6,882) at the end of the review period. The ten largest shareholders accounted for 63.51% of all shares on 30 June 2023. The proportion of nominee registered shareholders was 1.2%. More information about Enersense's largest shareholders is available on the company's website at [www.enersense.com/share/major-shareholders/](http://www.enersense.com/share/major-shareholders/).

The Boards of Directors of Enersense International Plc and MBÅ Invest Oy ("MBÅ Invest ") decided on 27 March 2023 to complete the merger of MBÅ Invest with Enersense in accordance with the merger plan signed on 23 September 2022. On the basis of the merger plan, a total of 2,176,068 new Enersense shares were issued as Merger Consideration to the shareholders of MBÅ Invest. The registration of the completion of the merger in the Trade Register took place on 1 April 2023. Following the registration of the new shares and of the cancellation of own shares transferred to the Company in the merger, the total number of Enersense's shares is 16,492,527.

### **RELATED PARTY TRANSACTIONS**

The Merger between MBÅ Invest Oy and Enersense International Plc constitute a related party transaction for Enersense since MBÅ Invest has been Enersense's related party exercising significant influence. Furthermore, Enersense's Board Member Petri Suokas, President and CEO Jussi Holopainen and Executive Team Member Jaakko Leivo have been MBÅ Invest's shareholders. Petri Suokas and Jussi Holopainen were also members of the Board of Directors of MBÅ Invest. According to the assessment by Enersense's Board of Directors, the related party transaction is in the best interest of the Company, and it has been conducted under customary commercial terms. Petri Suokas, Jussi Holopainen and Jaakko Leivo have not participated in the discussion concerning the merger or in the decision-making of Enersense's Board of Directors. The related party transaction was supported by all members of the Board of Directors of Enersense who are not in a related party relationship with MBÅ Invest or the matter to be resolved.

Additional information on the completion of the merger is available in the stock exchange release of 27 March 2023: [www.enersense.com/releases/enersense-international-plc-and-mba-invest-oy-complete-merger/](http://www.enersense.com/releases/enersense-international-plc-and-mba-invest-oy-complete-merger/).

## FLAGGING NOTIFICATIONS

On 3 April 2023 Enersense received a notification under chapter 9, section 5 of the Securities Markets Act according to which MBÅ Invest Oy's shareholding of Enersense International Plc's all shares and voting rights fell below the 5% threshold on 1 April 2023. MBÅ Invest Oy's shareholding in Enersense decreased to 0% due to its merger into Enersense International Plc as described in Enersense International Plc's stock exchange release on 27 March 2023.

On 3 April 2023 Enersense received a notification under chapter 9, section 5 of the Securities Markets Act according to which Petri Suokas's, who is a member of Enersense International Plc's Board of Directors, and entities' in which he exercises control, shareholding of Enersense's all shares and voting rights exceeded the 5% threshold on 1 April 2023. The entity, Suotuuli Oy, in which Petri Suokas exercises control, received a total of 680,020 shares in Enersense International Plc as a Merger Consideration due to the merger of MBÅ Invest Oy into Enersense International Plc as described in Enersense International Plc's stock exchange release on 27 March 2023.

## SHARE-BASED INCENTIVE SCHEMES

Enersense International Plc's Board of Directors decided on 27 February 2023 on new share-based incentive scheme for the Group's key personnel. The new incentive plan is a continuation of the Performance Share Plan 2022–2025 decided in February 2022.

### Share-based incentive scheme for 2023–2025

The Performance Share Plan 2023–2025 consists of one performance period, covering the financial years 2023–2025.

In the plan, the target group is given an opportunity to earn Enersense International Plc shares based on performance. The potential rewards based on the plan will be paid in one instalment after the end of the performance period, in 2026.

The rewards of the plan are based on the absolute total shareholder return of the company's share (TSR) for the financial years 2023–2025, on the Group's cumulative adjusted EBITDA in euro for the financial years 2023–2025, and on the Group's ESG development program. The rewards to be paid based on the plan correspond to the value of an approximate maximum total of 241 100 Enersense International Plc shares, also including the proportion to be paid in cash.

Approximately 40 persons, including the President and CEO and other members of the Group Executive Team, belong to the target group of the plan.

Additional information on remuneration is available on the company's website at: [www.enersense.com/investors/governance/remuneration/](http://www.enersense.com/investors/governance/remuneration/).

## Shares and share trading

### SHARE CAPITAL AND SHARES

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 review period, the company's share capital consisted of 16,492,527 shares, each of which provided its holder with one vote. The company's share capital was EUR 80,000 at the end of the review period.



## TREASURY SHARES

The company holds no treasury shares.

## MARKET VALUE AND SHARE TRADING

The market value of Enersense's shares was EUR 104 (124) million on 30 June 2023.

The closing price of the shares was EUR 6.30 (7.60) on 30 June 2023. The volume-weighted average price (VWAP) of the shares during the review period was EUR 5.66 (7.22). The highest price was EUR 6.99 (8.22), and the lowest price was EUR 4.70 (5.22). The price of the share decreased by -17.1% year-on-year. During the review period, around 1.9 million shares in Enersense were traded on the Nasdaq Helsinki stock exchange, which corresponds to a turnover of around EUR 10.8 million. The average daily share turnover was 15,429 shares, which corresponds to an average daily turnover of around EUR 0.1 million.

## Near-term risks and uncertainties

In its operations, Enersense is exposed to strategic, operational and financial risks and external threats. Enersense seeks to protect against these risks by means of a continuous and systematic risk assessment process, for example, and by fully considering risk factors when deciding on business projects or investments that are significant for the Group. Compared with what was reported in the Board of Directors' report for 2022, no material changes have taken place in significant short-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. Inflation in the markets relevant to Enersense continues to be markedly higher than usual, which is reflected especially in the Baltic countries, where high wage inflation is causing costs to increase. The prices of materials are also higher than usual, and there is a risk that old contracts in particular cannot be renegotiated. Geopolitical uncertainty may also be reflected in labour availability, especially in the Baltic countries and elsewhere in Eastern Europe. The risk of power outages arising from the energy availability issues caused by the war still exists during the coming winter. This may have a negative impact on the business operations of Enersense's customers and thereby also on Enersense's operations next winter.

Increased uncertainty about economic development and the increase in operating and financial costs caused by high inflation have had a negative impact on 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 and slower-than-expected sales development. Changes in the investment environment may have a negative impact on value measurement of certain items in the balance sheet.

The tight competitive situation in many of Enersense's business areas and the offerings of any new competitors may cause pressure in terms of project sales prices and profitability.

A broader description of the company's major risks and uncertainties is available on the company's website at [www.enersense.com/investors/governance/risk-management/](http://www.enersense.com/investors/governance/risk-management/).

The risks related to the company's financing are explained in more detail in Note 20 Financial risk and capital management to the Financial Statements 2022, which is available on the company's website at [www.enersense.com/press-releases/reports-and-presentations/](http://www.enersense.com/press-releases/reports-and-presentations/).

## Guidance for the financial period 2023

(issued on 8 May 2023)

In 2023, Enersense's revenue is expected to be over EUR 300 million and adjusted EBITDA in the range of EUR 12–18 million.

Despite the general economic uncertainty, the market situation in Enersense's business areas has continued to be good in the beginning of the year and the favourable development is expected to continue. The company's strong order backlog gives a good basis for increasing revenue. 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 review period

### STOCK EXCHANGE RELEASES:

- On 27 July 2023 Enersense announced that it changed the accounting of wind power projects from the beginning of 2023 and published comparison figures for 2022. Realised sales gains from completed wind power projects are recognised in revenue in the income statement, whereas they were previously included in other operating income. In addition, distribution of funds to minority shareholders which is based on a shareholder agreement are recognised in financial expenses in the income statement, while they were previously treated as decreases in equity.

### INVESTOR NEWS:

- On 7 July 2023, Enersense told that it will deliver steel structures to Aker Solutions in Norway. Aker Solutions is involved in various offshore projects internationally. Aker Solutions has ordered steel structure modules (pre-assembled units) from Enersense for the Hugin A production platform which is part of the Aker BP-operated Yggdrasil oil and gas development in the North Sea. The project will begin with engineering and planning in late summer 2023, and the fabrication of the modules will start in Enersense's production facilities in Mäntyluoto towards the end of the year. The last modules are scheduled to be delivered in December 2024.
- On 18 July 2023, Enersense told that it has signed an agreement with P2X on an equipment and pipeline contract for Finland's first renewable green hydrogen production plant. Enersense owns 16.3% of P2X Solutions. Through P2X, Enersense is involved in reducing the emissions of heavy transport using hydrogen and synthetic fuels and in enabling energy storage opportunities created by green hydrogen.

## Reconciliation of alternative performance measures

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Adjusted EBITDA</b>					
Operating profit (loss)	645	-2,772	-1,648	455	3,479
Depreciation, amortisation and impairment	2,401	2,158	4,751	4,341	8,731
<b>EBITDA</b>	<b>3,046</b>	<b>-614</b>	<b>3,103</b>	<b>4,797</b>	<b>12,210</b>
Differences affecting comparability	76	182	411	251	1,444
<b>Adjusted EBITDA</b>	<b>3,122</b>	<b>-431</b>	<b>3,514</b>	<b>5,048</b>	<b>13,654</b>

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Items affecting comparability</b>					
+ Items outside the ordinary course of business	76	182	411	251	1,444
Gains (-) / losses (+) from the sale of fixed assets	—	—	—	—	—
<b>Total extraordinary items affecting the adjusted EBITDA</b>	<b>76</b>	<b>182</b>	<b>411</b>	<b>251</b>	<b>1,444</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 report.

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.

Pori 3 August 2023  
 ENERSENSE INTERNATIONAL PLC  
 Board of Directors

## Additional information

Jussi Holopainen, President and CEO  
Tel. +358 44 517 4543  
Email: [jussi.holopainen@enersense.com](mailto:jussi.holopainen@enersense.com)

Mikko Jaskari, CFO  
Tel. +358 40 053 5337  
Email: [mikko.jaskari@enersense.com](mailto:mikko.jaskari@enersense.com)

**Media contacts:**

Tommi Manninen, SVP, Communications and Public Affairs  
Tel. +358 40 043 7515  
Email: [tommi.manninen@enersense.com](mailto:tommi.manninen@enersense.com)

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## Consolidated income statement

EUR thousand	4–6/2023	4–6/2022	1–6/2023	1–6/2022	1–12/2022
Revenue	86,324	59,827	161,322	120,030	281,997
Change in inventories of finished goods and work in progress	3,197	-829	2,198	-1,239	5,267
Work performed for own purposes and capitalised	-17	-29	-17	-29	-3
Other operating income	1,295	89	1,633	2,445	4,833
Material and services	-49,676	-30,760	-86,084	-56,366	-152,815
Employee benefits expense	-31,010	-21,973	-60,278	-46,459	-97,733
Depreciation and amortisation	-2,401	-2,158	-4,751	-4,341	-8,731
Other operating expenses	-6,984	-6,830	-15,556	-13,471	-29,147
Share of profit /loss accounted for using the equity method	-83	-108	-114	-113	-189
<b>Operating profit</b>	<b>645</b>	<b>-2,772</b>	<b>-1,648</b>	<b>455</b>	<b>3,479</b>
Finance income	51	98	51	101	476
Finance expense	-2,609	-776	-4,107	-4,486	-10,982
Finance income and expense	-2,558	-678	-4,056	-4,385	-10,507
<b>Profit/loss before tax</b>	<b>-1,913</b>	<b>-3,450</b>	<b>-5,703</b>	<b>-3,930</b>	<b>-7,027</b>
Tax on income from operations	27	-683	40	-1,497	-2,807
<b>Profit/loss for the period</b>	<b>-1,886</b>	<b>-4,133</b>	<b>-5,663</b>	<b>-5,427</b>	<b>-9,835</b>
Other OCI-items					
Items that may be reclassified to profit or loss					
Translation differences	-33	-211	-44	53	68
Remeasurements of post-employment benefit obligations	—	—	—	—	179
<b>Other comprehensive income for the period, net of tax</b>	<b>-33</b>	<b>-211</b>	<b>-44</b>	<b>53</b>	<b>247</b>
<b>Total comprehensive income for the period</b>	<b>-1,919</b>	<b>-4,344</b>	<b>-5,707</b>	<b>-5,374</b>	<b>-9,588</b>
Profit (loss) for the period attributable to:					
Equity holders of the parent company	-1,846	-3,944	-5,591	-4,855	-9,174
Non-controlling interests in net income	-39	-188	-72	-572	-661
<b>Profit/loss for the period</b>	<b>-1,886</b>	<b>-4,133</b>	<b>-5,663</b>	<b>-5,427</b>	<b>-9,835</b>
Total comprehensive income for the period attributable to:					
Owners of the parent company	-1,880	-4,156	-5,635	-4,802	-8,927
Non-controlling interests	-39	-188	-72	-572	-661
<b>Total comprehensive income for the period</b>	<b>-1,919</b>	<b>-4,344</b>	<b>-5,707</b>	<b>-5,374</b>	<b>-9,588</b>
Earnings per share attributable to the owners of the parent company, undiluted	-0.11	-0.25	-0.34	-0.31	-0.57
Earnings per share attributable to the owners of the parent company, diluted	-0.11	-0.25	-0.34	-0.31	-0.57

## Consolidated balance sheet

EUR thousand	30.6.2023	30.6.2022	31.12.2022
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	27,833	26,154	27,874
Other intangible assets	39,912	40,604	40,379
Property, plant, equipment	22,482	20,960	22,213
Investments accounted for using the equity method	13,423	10,135	10,937
Loan receivables	—	—	—
Non-current investment and receivables	7,684	4,276	6,890
Deferred tax-assets	1,247	1,099	1,338
<b>Total non-current assets</b>	<b>112,581</b>	<b>103,228</b>	<b>109,631</b>
<b>Current assets</b>			
Inventories	17,939	6,824	13,124
Trade receivables	27,913	21,356	33,696
Current income tax receivables	9	34	9
Other receivables	35,795	24,389	35,003
Cash and cash equivalents	13,518	8,534	38,704
<b>Total current assets</b>	<b>95,173</b>	<b>61,137</b>	<b>120,537</b>
<b>Total assets</b>	<b>207,754</b>	<b>164,366</b>	<b>230,168</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	80	80	80
Unrestricted equity reserve	62,361	62,820	64,010
Other reserves	313	313	313
Translation differences	40	70	84
Retained earnings	-2,176	4,490	6,906
Profit (loss) for the period	-5,591	-4,855	-9,174
<b>Total equity attributable to owners of the parent company</b>	<b>55,027</b>	<b>62,918</b>	<b>62,220</b>
Non-controlling interests	318	493	389
<b>Total equity</b>	<b>55,345</b>	<b>63,411</b>	<b>62,609</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	31,559	8,947	30,458
Lease liabilities	10,390	12,118	10,738
Other liabilities	424	2,217	550
Deferred tax liabilities	6,516	6,605	6,630
Employee benefit obligations	381	545	381
Provisions	432	1,271	543
<b>Total non-current liabilities</b>	<b>49,702</b>	<b>31,704</b>	<b>49,300</b>
<b>Current liabilities</b>			
Borrowings	2,620	3,485	3,439
Lease liabilities	5,828	4,291	5,968
Advances received	8,398	6,514	12,637
Trade payables	32,114	16,335	36,271
Payment arrangement with the Tax administration	—	393	—
Current income tax liabilities	3,078	1,444	2,990
Other payables	50,411	36,479	55,835
Provisions	258	309	1,119
<b>Total current liabilities</b>	<b>102,707</b>	<b>69,250</b>	<b>118,258</b>
<b>Total liabilities</b>	<b>152,409</b>	<b>100,954</b>	<b>167,559</b>
<b>Total equity and liabilities</b>	<b>207,754</b>	<b>164,366</b>	<b>230,168</b>



## Consolidated cash flow statement

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Cash flow from operating activities</b>					
<b>Profit (loss) for the period</b>	<b>-1,814</b>	<b>-4,133</b>	<b>-5,591</b>	<b>-5,427</b>	<b>-9,834</b>
Adjustments:	—	—	—	—	—
Depreciation, amortisation and impairment	2,401	2,158	4,751	4,341	8,731
Gains and losses on the sale of subsidiaries	-930	—	-930	—	—
Gains and losses on the sale of property, plant and equipment	—	-29	—	-32	-850
Share of profits (losses) of associates	83	108	114	113	189
Interest income and other financial income and expenses	2,558	678	4,056	4,385	10,507
Income tax	-27	683	-40	1,497	2,807
Other adjustments	-1,763	-89	-909	-1,978	-1,064
<b>Total adjustments</b>	<b>2,321</b>	<b>3,509</b>	<b>7,042</b>	<b>8,326</b>	<b>20,320</b>
Changes in working capital					
Change in trade and other receivables	-3,878	-6,948	4,819	-6,741	-32,342
Change in trade payables and other liabilities	13,062	2,178	-10,894	-2,229	35,795
Change in inventories	-4,522	32	-4,814	-310	-6,356
Change in provision	—	—	—	—	—
Interest received	8	—	8	4	52
Interest paid	-6,340	-301	-6,723	-3,058	-3,702
Other financial items	-1,590	-377	-2,249	-1,302	-1,919
Income tax	-3	—	-32	—	-102
<b>Net cash flow from operating activities</b>	<b>-2,755</b>	<b>-6,039</b>	<b>-18,436</b>	<b>-10,738</b>	<b>1,912</b>
<b>Cash flow from investing activities</b>					
Investments in tangible and intangible fixed assets	-1,053	-299	-1,676	-1,212	-3,268
Sale of fixed assets	154	-114	371	613	1,749
Acquisition of subsidiaries, less cash and cash-equivalents acquired	—	—	—	—	—
Sale of subsidiaries, less cash and cash equivalents sold	143	—	143	—	—
Additional investments in associated companies	—	—	-2,600	-7,799	-10,399
Sale of associated companies	—	1,000	—	1,000	1,100
Withdrawals of loans granted to associated companies	—	—	—	—	—
Repayments of loans granted to associated companies	—	486	—	486	566
Payment received from bank deposit accounts	—	—	—	—	—
Payments to bank deposit accounts	—	—	—	-450	1,728
Dividends from associated companies	—	—	—	—	93
<b>Net cash flow from investing activities</b>	<b>-756</b>	<b>1,074</b>	<b>-3,762</b>	<b>-7,362</b>	<b>-8,430</b>
<b>Cash flow from financing activities</b>					
Issue of shares	—	2,200	—	2,200	2,200
Withdrawals of loans	1,893	—	2,053	595	26,460
Repayments of loans	-474	-1,306	-1,228	-1,602	-3,466
Acquisition of subsidiaries less cash and cash equivalents acquired	—	—	—	—	-192
Investments in shares	—	—	—	—	-850
Paid distribution of funds	-825	-800	-825	-800	-1,614
Payments of lease liabilities	-1,248	-1,373	-2,989	-2,925	-6,481
<b>Net cash flow from financing activities</b>	<b>-654</b>	<b>-1,280</b>	<b>-2,989</b>	<b>-2,532</b>	<b>16,056</b>
Net change in cash and cash equivalents	-4,165	-6,245	-25,186	-20,632	9,538
Cash and cash equivalents at the beginning of the period	17,683	14,779	38,704	29,166	29,166
Impact of exchange rate changes on cash and cash equivalents	—	—	—	—	—
<b>Cash and cash equivalents at the end of the period</b>	<b>13,518</b>	<b>8,534</b>	<b>13,518</b>	<b>8,534</b>	<b>38,704</b>

## Consolidated statement of changes in equity

### Equity attributable to owners of the parent company

EUR thousand	Share capital	Invested unrestricted equity reserve	Other reserves	Translation differences	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interest	Total equity
<b>Equity at 1 Jan 2023</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>
Profit (loss) for the period	—	—	—	—	-5,591	-5,591	-71	-5,663
Translation differences	—	—	—	-44	—	-44	—	-44
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-44</b>	<b>-5,591</b>	<b>-5,635</b>	<b>-71</b>	<b>-5,707</b>
<b>Transactions with owners:</b>								
Share based payments	—	—	—	—	95	95	—	95
Distribution of funds	—	-1,649	—	—	—	-1,649	—	-1,649
Other transactions	—	—	—	—	-3	-3	—	-3
<b>Total transactions with owners</b>	<b>—</b>	<b>-1,649</b>	<b>—</b>	<b>—</b>	<b>92</b>	<b>-1,557</b>	<b>—</b>	<b>-1,557</b>
<b>Equity at 30 Jun 2023</b>	<b>80</b>	<b>62,361</b>	<b>313</b>	<b>40</b>	<b>-7,768</b>	<b>55,027</b>	<b>318</b>	<b>55,345</b>

### Equity attributable to owners of the parent company

EUR thousand	Share capital	Invested unrestricted equity reserve	Other reserves	Translation differences	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interest	Total equity
<b>Equity at 1 Jan 2022</b>	<b>80</b>	<b>43,794</b>	<b>313</b>	<b>17</b>	<b>4,394</b>	<b>48,598</b>	<b>1,064</b>	<b>49,662</b>
Profit (loss) for the period	—	—	—	—	-4,855	-4,855	-572	-5,427
Translation differences	—	—	—	53	—	53	—	53
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>53</b>	<b>-4,855</b>	<b>-4,802</b>	<b>-572</b>	<b>-5,374</b>
<b>Transactions with owners:</b>								
Share issue	—	20,626	—	—	—	20,626	—	20,626
Share based payments	—	—	—	—	93	93	—	93
Distribution of funds	—	-1,600	—	—	—	-1,600	—	-1,600
Other transactions	—	—	—	—	3	3	—	3
<b>Total transactions with owners</b>	<b>—</b>	<b>19,026</b>	<b>—</b>	<b>—</b>	<b>96</b>	<b>19,122</b>	<b>—</b>	<b>19,122</b>
<b>Equity at 30 Jun 2022</b>	<b>80</b>	<b>62,820</b>	<b>313</b>	<b>70</b>	<b>-366</b>	<b>62,918</b>	<b>493</b>	<b>63,411</b>

# Notes to the consolidated interim report

## 1. ACCOUNTING PRINCIPLES

Enersense changes the accounting of wind power projects from the beginning of 2023 so that realised sales gains from completed wind power projects are recognised in revenue in the income statement, whereas they were previously included in other operating income. In addition, distribution of funds to minority shareholders which is based on a shareholder agreement are recognised in financial expenses in the income statement, while they were previously treated as decreases in equity.

These changes are related to the specification of accounting principles the aim of which is to provide clearer and more comparable information about Enersense's wind power projects and their impact on the company's financial results.

The intangible assets related to Wind Farm projects is presented as a separate item in intangible assets. The data for the reference year have been reclassified accordingly.

The change had no impact on operating results for 2022. As a result of the change, revenue increased, but other operating income decreased correspondingly. The change weakened loss before taxes and net result. Therefore earning per share also decreased. Impact of the changes are published in separate stock exchange release at 27.7.2023.

This is an interim report in accordance with IAS 34. The half-year report has been prepared in accordance with the accounting principles presented in the financial statements for 2022. The adjustments and annual improvements to the IFRS standards which came into force on 1 January 2023 do not have a significant impact on the figures presented.

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

The risks are described earlier in the text section "Near-term risks and uncertainties".

## 2. CHANGES IN THE GROUP STRUCTURE AND ACQUISITIONS

Enersense International Plc informed in a press release on 27 June 2023 that it had signed an agreement selling its 100% owned subsidiary Enersense Solutions Oy. Sales price was EUR 1.0 million. The sales has minor impact on the Group balance sheet.

During the reference period Enersense International acquired Megatuuli Oy, which changed its name in June 2023 to Enersense Wind Oy.

### Acquisition of Enersense Wind Oy in 2022

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

The acquired net assets and the goodwill arising from the 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	2,400
Other shares and equity interests	—
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
Total current assets	277
<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>5,311</b>
<b>Current liabilities</b>	
Borrowings	150
Advances received	—
Trade payables	192
Other payables	137
Current income tax liabilities	—
Provisions	—
Total current liabilities	479
<b>Total liabilities</b>	<b>5,790</b>
Total equity and liabilities	8,868
Non-controlling interests	—
Acquisition price	-6,748
Negative goodwill	-2,120

The fair value of intangible assets at the time of acquisition was EUR 22.9 million, including EUR 22.8 million in wind farm projects at various stages of development.

The amount of the negative goodwill defined as residual value was EUR 2.1 million. The net amount of the fair values of the acquired assets and liabilities exceeded the acquisition cost. The amounts of assets and liabilities acquired in accordance with IFRS 3 have been reassessed. As the acquisition showed a profit even after the second assessment, it was recognised immediately, because IFRS 3 does not allow negative goodwill to be presented on the balance sheet. The negative goodwill was recognised in other operating income.

The costs related to the transaction were EUR 0.5 million in the first half of the year 2022 and were included in other expenses on the consolidated income statement and in the net cash flow from operating activities on the cash flow statement.

### 3. REVENUE AND BUSINESS AREAS

#### Revenue by business area

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Smart Industry	26,839	18,703	52,989	35,306	72,721
Power	22,348	14,043	37,557	34,806	74,958
Connectivity	13,600	10,244	24,374	19,592	47,230
International Operations	23,483	16,837	46,353	30,327	87,007
Items not allocated to business areas	54	1	49	-2	81
<b>Total</b>	<b>86,324</b>	<b>59,827</b>	<b>161,322</b>	<b>120,030</b>	<b>281,997</b>

#### Geographical distribution of revenue by target country

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Finland	53,413	41,600	109,302	87,919	192,279
Other countries	32,911	18,227	52,020	32,110	89,717
<b>Total</b>	<b>86,324</b>	<b>59,827</b>	<b>161,322</b>	<b>120,030</b>	<b>281,997</b>

#### EBITDA by business area

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Smart Industry	952	-127	2,060	-1,081	268
Power	1,591	599	1,670	9,355	19,237
Connectivity	-125	-528	-165	-1,229	362
International Operations	1,095	-133	1,243	-1,027	-3,930
Items not allocated to business areas	-468	-425	-1,703	-1,221	-3,726
<b>Total</b>	<b>3,046</b>	<b>-614</b>	<b>3,103</b>	<b>4,797</b>	<b>12,210</b>

#### Reconciliation of EBITDA to operating profit

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
EBITDA	3,046	-614	3,103	4,797	12,210
Depreciation, amortisation and impairment	-2,401	-2,158	-4,751	-4,341	-8,731
<b>Operating profit</b>	<b>645</b>	<b>-2,772</b>	<b>-1,648</b>	<b>455</b>	<b>3,479</b>

### 4. INCENTIVE SCHEME (IFRS 2)

Enersense International Plc's Board of Directors decided in February 2023 on new share-based incentive schemes for the Group's key personnel. The aim is to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term, to retain the key employees at the company and to offer them competitive incentive plan that is based on earning and accumulating the company's shares. The new incentive plan is a continuation of the Performance Share Plan 2022–2025 decided in February 2022. The new Performance Share Plan 2023–2025 consists of one performance period, covering the financial years 2023–2025.

### **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.

### **Share-based incentive scheme for 2023–2025**

The Performance Share Plan 2023–2025 consists of one performance period, covering the financial years 2023–2025.

In the plan, the target group is given an opportunity to earn Enersense International Plc shares based on performance. The rewards of the plan are based on the absolute total shareholder return of the company's share (TSR) for the financial years 2023–2025, on the Group's cumulative Operating Profit in euro for the financial years 2023–2025, and on the Group's ESG development program. The potential rewards based on the plan will be paid after the end of the performance period, in spring 2026. The rewards will be paid partly in Enersense International Plc shares and partly in cash. The cash proportions of the rewards are intended for covering taxes and statutory social security contributions arising from the rewards to the participants. In general, no reward is paid if the participant's employment or director contract terminates before the reward payment.

The rewards to be paid based on the plan correspond to the value of an approximate maximum total of 241,000 Enersense International Plc shares, also including the proportion to be paid in cash. Approximately 40 persons, including the President and CEO and other members of the Group Executive Team, belong to the target group of the plan.

The President and CEO of Enersense International Plc and the member of the Group Executive Team must own at least 50 per cent of the shares received as a net reward from the plan, until the value of the President and CEO's shareholding in Enersense International Plc equals to his annual base salary of the preceding year, and until the value of other Group Executive Team member's shareholding in Enersense International Plc equals to 50 per cent of their annual base salary of the preceding year. Such number of Enersense International Plc shares must be held as long as the membership in the Group Executive Team or the position as the President and CEO 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. OTHER INTANGIBLE FIXED ASSETS

EUR thousand	Goodwill	Customer relationships	Development Costs	Wind farm portfolio	Other intangible assets	Advance payments for intangible assets	Other intangible assets total
<b>2023</b>							
<b>Cost at 1 Jan</b>	<b>27,874</b>	<b>9,647</b>	<b>3,335</b>	<b>22,714</b>	<b>10,880</b>	<b>144</b>	<b>46,720</b>
Business combinations	—	—	—	—	—	—	—
Additions	—	—	52	—	1	626	678
Divestments in subsidiaries	-40	—	-200	—	-100	—	-300
Disposals	—	—	-227	—	-4	—	-231
Reclassifications	—	—	-49	—	49	—	—
Exchange differences	—	—	—	—	—	—	—
<b>Cost at 30 Jun</b>	<b>27,833</b>	<b>9,647</b>	<b>2,911</b>	<b>22,714</b>	<b>10,825</b>	<b>770</b>	<b>46,867</b>
<b>Accumulated depreciation and impairment at 1 Jan</b>							
	—	-2,337	-1,985	—	-2,018	—	-6,341
Depreciation	—	-483	-129	—	-263	—	-874
Divestments in subsidiaries	—	—	185	—	95	—	280
Disposals	—	—	10	—	4	—	14
Reclassifications	—	—	—	—	—	—	—
Exchange differences	—	—	—	—	—	—	—
Impairment charge	—	—	—	-34	—	—	-34
<b>Accumulated amortisation and impairment at 30 Jun</b>							
	—	-2,820	-1,919	-34	-2,182	—	-6,955
<b>Net book value at 1 Jan</b>	<b>27,874</b>	<b>7,310</b>	<b>1,349</b>	<b>22,714</b>	<b>31,540</b>	<b>144</b>	<b>40,379</b>
<b>Net book value at 30 Jun</b>	<b>27,833</b>	<b>6,827</b>	<b>992</b>	<b>22,679</b>	<b>8,644</b>	<b>770</b>	<b>39,912</b>

EUR thousand	Goodwill	Customer relationships	Development Costs	Wind farm portfolio	Other intangible assets	Advance payments for intangible assets	Other intangible assets total
<b>2022</b>							
<b>Cost at 1 Jan</b>	<b>26,154</b>	<b>9,647</b>	<b>2,848</b>	<b>—</b>	<b>10,731</b>	<b>122</b>	<b>23,349</b>
Business combinations	—	—	—	22,838	—	30	22,868
Additions	—	—	—	—	—	11	11
Disposals	—	—	—	—	—	—	—
Reclassifications	—	—	—	—	—	—	—
Exchange differences	—	—	—	—	—	—	—
<b>Cost at 30 Jun</b>	<b>26,154</b>	<b>9,647</b>	<b>2,848</b>	<b>22,838</b>	<b>10,731</b>	<b>164</b>	<b>46,229</b>
<b>Accumulated depreciation and impairment at 1 Jan</b>							
	—	-1,371	-1,721	—	-1,664	—	-4,756
Depreciation	—	-483	-146	—	-219	—	-848
Disposals	—	—	—	—	—	—	—
Reclassifications	—	—	—	—	—	—	—
Exchange differences	—	—	—	—	—	—	—
Impairment charge	—	—	-5	—	-14	—	-19
<b>Accumulated amortisation and impairment at 30 Jun</b>							
	—	-1,854	-1,872	—	-1,898	—	-5,624
<b>Net book value at 1 Jan</b>	<b>26,376</b>	<b>9,255</b>	<b>1,864</b>	<b>—</b>	<b>1,711</b>	<b>737</b>	<b>13,567</b>
<b>Net book value at 30 Jun</b>	<b>26,154</b>	<b>7,793</b>	<b>977</b>	<b>22,838</b>	<b>8,833</b>	<b>164</b>	<b>40,604</b>

## 6. PROPERTY, PLANT AND EQUIPMENT

During the first half of the year, EUR 2.2 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>2023</b>						
<b>Acquisition 1 Jan</b>	<b>355</b>	<b>17,390</b>	<b>20,995</b>	<b>315</b>	<b>357</b>	<b>39,412</b>
Business combinations	—	—	—	—	—	—
Increases	138	1,279	2,154	20	716	4,308
Divestments in subsidiaries	—	-24	-7	—	—	-32
Decreases	—	-57	-379	-1	-17	-455
Transfers between items	—	—	—	—	—	—
Exchange rate differences	—	—	—	—	—	—
<b>Acquisition cost 30 Jun</b>	<b>493</b>	<b>18,588</b>	<b>22,763</b>	<b>335</b>	<b>1,056</b>	<b>43,234</b>
<b>Impairment 1 Jan</b>	<b>-29</b>	<b>-8,035</b>	<b>-9,025</b>	<b>-109</b>	<b>—</b>	<b>-17,199</b>
Depreciation	-10	-1,557	-2,229	-46	—	-3,842
Decreases	—	10	255	1	—	266
Accrued depreciation on divestments in subsidiaries	—	24	—	—	—	29
Impairment	—	-5	-1	—	—	-6
Transfers between items	—	—	—	—	—	—
Exchange rate differences	—	—	—	—	—	—
<b>Accumulated depreciation and impairment 30 Jun</b>	<b>-39</b>	<b>-9,563</b>	<b>-10,995</b>	<b>-154</b>	<b>—</b>	<b>-20,752</b>
<b>Book value 1 Jan</b>	<b>325</b>	<b>9,355</b>	<b>11,970</b>	<b>206</b>	<b>357</b>	<b>22,213</b>
<b>Book value 30 Jun</b>	<b>454</b>	<b>9,024</b>	<b>11,768</b>	<b>180</b>	<b>1,056</b>	<b>22,482</b>

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	51	—	—	57
Increases	3	1,317	1,275	78	602	3,275
Divestments in subsidiaries	—	—	—	—	—	—
Decreases	—	-152	-247	-29	-322	-750
Transfers between items	—	—	—	—	—	—
Exchange rate differences	—	—	—	—	—	—
<b>Acquisition cost 30 Jun</b>	<b>362</b>	<b>16,080</b>	<b>17,659</b>	<b>322</b>	<b>383</b>	<b>34,807</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	-6	-1,579	-1,834	-47	—	-3,466
Decreases	—	—	116	25	—	141
Impairment	—	-2	—	—	—	-2
Accrued depreciation on divestments in subsidiaries	—	—	—	—	—	—
Exchange rate differences	—	—	—	—	—	—
<b>Accumulated depreciation and impairment 30 Jun</b>	<b>-23</b>	<b>-6,585</b>	<b>-7,136</b>	<b>-102</b>	<b>—</b>	<b>-13,846</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 30 Jun</b>	<b>339</b>	<b>9,496</b>	<b>10,523</b>	<b>220</b>	<b>383</b>	<b>20,960</b>

## 7. SHARE ISSUES AND RELATED PARTY TRANSACTIONS

### Directed share issue

The Boards of Directors of Enersense International Plc and MBÅ Invest Oy ("MBÅ Invest ") decided on 27 March 2023 to complete the merger of MBÅ Invest with Enersense in accordance with the merger plan signed on 23 September 2022. On the basis of the merger plan a total of 2,176,068 new Enersense shares were issued as Merger Consideration to the shareholders of MBÅ Invest. The registration of the completion of the merger in the Trade Register took place on 1 April 2023. Following the registration of the new shares and of the cancellation of own shares transferred to the Company in the merger, the total number of Enersense's shares is 16,492,527.

### Related party transactions

EUR thousand	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Sales of goods and services	20	31	40	71	79
Purchases of goods and services	—	1	—	4	2
Interest income	—	—	—	—	—

## 8. FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY

	30.6.2023		30.6.2022		31.12.2022	
	At amortised cost	At fair value through profit or loss	At amortised cost	At fair value through profit or loss	At amortised cost	At fair value through profit or loss
<b>Financial assets</b>						
<b>Non-current</b>						
Investments	—	2,251	—	—	—	2,251
Loan receivables	—	—	150	—	—	—
Pledged account	1,325	—	1,325	—	1,325	—
Other receivables	2,250	—	1,629	—	2,250	—
Trade receivables	782	—	330	—	703	—
<b>Total non-current assets</b>	<b>4,357</b>	<b>2,251</b>	<b>3,433</b>	<b>—</b>	<b>4,278</b>	<b>2,251</b>
<b>Current assets</b>						
Trade receivables	26,888	—	19,075	—	33,033	—
Other financial assets	3,002	—	3,850	—	2,289	—
Cash and cash equivalents	13,518	—	8,534	—	38,704	—
<b>Total current assets</b>	<b>43,408</b>	<b>—</b>	<b>31,459</b>	<b>—</b>	<b>74,026</b>	<b>—</b>
<b>Total assets</b>	<b>47,765</b>	<b>2,251</b>	<b>34,893</b>	<b>—</b>	<b>78,304</b>	<b>2,251</b>
<b>Financial liabilities, long-term liabilities</b>						
Loans	31,559	—	8,947	—	30,458	—
Trade payables	2	803	5	—	2	929
<b>Total non-current liabilities</b>	<b>31,561</b>	<b>803</b>	<b>8,952</b>	<b>—</b>	<b>30,460</b>	<b>929</b>
<b>Current liabilities</b>						
Loans	2,620	—	3,485	—	3,439	—
Trade payables	42,745	—	25,684	—	55,230	—
<b>Total current liabilities</b>	<b>45,365</b>	<b>—</b>	<b>29,169</b>	<b>—</b>	<b>58,670</b>	<b>—</b>
<b>Total liabilities</b>	<b>76,926</b>	<b>803</b>	<b>38,121</b>	<b>—</b>	<b>89,130</b>	<b>929</b>

## Financial arrangements

Enersense's financing arrangements are explained in more detail under "Financial position and cash flow" in this half-year report.

## 9. CONTINGENT LIABILITIES AND ASSETS, AND COMMITMENTS

EUR thousand	30.6.2023	30.6.2022	31.12.2022
<b>Guarantees</b>			
Company mortgages	591,200	585,200	591,200
Real estate mortgages	7,200	7,200	7,200
Contract and delivery guarantees	96,908	48,426	77,096
Bank guarantees	2,000	2,066	2,047
<b>Pledged assets</b>			
For own commitments	45,985	84,294	80,421

*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.*

### Claims

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 project operations. An arbitration procedure initiated in April regarding the cost indexation agreement for certain projects in the International Operations -segment continues. The group has recorded a loss provision for the projects in question in the 2022 financial statements.

## 10. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

## Key figures

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Revenue (EUR 1,000)	86,324	59,827	161,322	120,030	281,997
EBITDA (EUR 1,000)	3,046	-614	3,103	4,797	12,210
EBITDA, %	3.5	-1.0	1.9	4.0	4.3
Adjusted EBITDA (EUR 1,000)	3,122	-431	3,514	5,048	13,654
Adjusted EBITDA, %	3.6	-0.7	2.2	4.2	4.8
Operating profit (EUR 1,000)	645	-2,772	-1,648	455	3,479
Operating profit, %	0.7	-4.6	-1.0	0.4	1.2
Result for the period (EUR 1,000)	-1,886	-4,133	-5,663	-5,427	-9,835
Equity ratio, %	27.8	40.2	27.8	40.2	28.8
Gearing, %	66.6	32.7	66.6	32.7	19.0
Return on equity, %	-3.2	-6.3	-9.5	-9.9	-17.5
Earnings per share, undiluted, EUR	-0.11	-0.25	-0.34	-0.31	-0.57
Earnings per share, diluted, EUR	-0.11	-0.25	-0.34	-0.31	-0.57

### KEY FIGURES PER SHARE

	30.6.2023	30.6.2022	31.12.2022
Market value, EUR	103,902,920	123,829,513	93,842,501
Number of shareholders at the end of the period <sup>*)</sup>	7,139	6,882	6,844
Share price at the end of the period	6.30	7.60	5.69
Average share price (VWAP), EUR	5.66	7.22	6.80
Highest share price, EUR	6.99	8.22	8.22
Lowest share price, EUR	4.70	5.22	5.22
Number of shares at the end of the period, undiluted	16,492,527	16,293,357	16,492,531
Number of shares at the end of the period, diluted	19,897,331	16,439,156	19,897,335
Average number of shares during the period, undiluted	16,492,529	15,612,554	15,986,151
Average number of shares during the period, diluted	19,897,333	15,709,754	16,381,629
Share trading, pcs	1,913,171	2,473,521	5,712,374
Turnover rate, %	11.6	15.2	34.6

\*) Source: Euroclear Finland Oy

## 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 and impairment
<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>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>Revenue (%)</b>	=	Share trading (pcs) x 100 / The average number of shares issued during the period



[www.enersense.com](http://www.enersense.com)  
Enersense International Plc  
Konepajaranta 2  
FI-28100, Pori, Finland  
+358 29 020 011  
[info@enersense.com](mailto:info@enersense.com)