enersense

The Board of Directors' Report and Financial Statements 2024

Contents

The figures in brackets refer to the corresponding period of the previous year unless otherwise stated. All figures and sums have been rounded off from the exact figures which may lead to minor discrepancies upon addition or subtraction. This is a voluntary non-official English translation of Enersense's Board of Directors' Report and Financial Statements for 2024 in pdf-format. The official xHTML document in Finnish that complies with the ESEF (European Single Electronic Format) regulation has been published attached to a stock exchange release on 26 March 2025 and it is available on the company's website.

The Board of Directors' Report

Operating environment 2024

Despite the geopolitical tensions caused by ongoing international conflicts and uncertainties related to the development of the global economy, the overall market situation in Enersense's business areas as a whole remained reasonably good in 2024. The strikes in Finland during the first part of the year did not have a significant impact on Enersense's operations.

Uncertainty about economic development and higher operating and financial costs have had a negative impact on some customers' investment and business environments. On the other hand, given the changed geopolitical situation, energy solutions are being made more self-sufficient in Europe, and this is expected to speed up the implementation of projects related to the energy transition and critical infrastructure maintenance. This trend is also supported by long-term energy and climate policies at EU and national levels. However, in the short term, shifts in international politics, decision-making and changes in the regulatory environment create uncertainty in the market.

Financial result

Order backlog

The order backlog decreased by 14% and was EUR 393 (457) million at the end of 2024.

The order backlog increased in the Connectivity segment compared to the same period last year. The order backlog decreased in the Industry and Power segments.

Order backlog by segment

MEUR	31.12.2024	31.12.2023	Change, %
Power	158	185	-15
Industry	77	144	-67
Connectivity	158	128	23
Group	**393**	**457**	**-14**

Revenue and profitability

Revenue by segment

At the beginning of 2024, Enersense changed its organisational structure by combining the Power and International Operations segments into one Power segment (Stock Exchange Release 9 January 2024). Comparison figures for 2023 have been restated to reflect the new reporting structure. The segment Smart Industry was renamed Industry.

EUR thousand	1–12/2024	1–12/2023	Change, %
Power	188,880	191,691	1.5
Industry	159,567	113,712	40.3
Connectivity	76,251	57,771	32.0
Items not allocated to business areas	20	144	-86.3
Total	**424,718**	**363,318**	**16.9**

EBITDA by segments

EUR thousand	1–12/2024	1–12/2023	Change, %
Power	16,477	14,733	11.8
Industry	363	5,262	—
Connectivity	4,239	2,273	86.5
Items not allocated to business areas	-6,568	-7,564	-13.2
Total	**14,511**	**14,704**	**-1.3**

Adjusted EBITDA for the core business and items affecting comparability

On 19 June 2024, Enersense announced that it would revise its strategy and focus on its core business. For this reason, adjusted EBITDA for the core business has been introduced as a new key figure in reporting. This key figure will improve the transparency of the profitability of the core business in the revised strategy. EBITDA has been adjusted for the non-recurring items presented below, which are largely related to events in previous years. The core businesses do not include the three businesses which were under strategic assessment in 2024, namely the Industry segment's Marine and Offshore Unit and the Power segment's onshore wind and solar power project development and the Power segment's zero-emission transport solutions.

EUR thousand	1–12/2024	1–12/2023
Adjusted EBITDA, core business	**19,942**	**18,345**
Year 2019 related indemnity	-701	16
Cost of closing down the Hamina unit	-140	—
Sales gain, Enersense Solutions	—	921
Change in the contingent consideration of Enersense Offshore	—	420
Enersense/Empower integration costs	—	-271
Write-down of the receivable in Lithuania, including expenses	-6,071	-153
Unrealized M&A	-134	-123
New ERP system	-826	-4,271
Reassessment of the strategy	-1,005	—
Non-recurring personnel expenses	-643	—
EBITDA, core business	**10,422**	**14,884**
EBITDA, Non-Core business	4,089	-180
EBITDA	**14,511**	**14,704**

In the above breakdown, the proceeds from the capital gain and the additional purchase price have been recognised in other operating income, the cost of closing down the Hamina unit and non-recurring personnel expenses have been recognised in personnel expenses, and other items have been recognised in other operating expenses.

Revenue by target area

EUR thousand	1–12/2024	1–12/2023	Change, %
Finland	254,350	241,397	5.4
Other countries	170,368	121,921	39.7
Total	**424,718**	**363,318**	**16.9**

January–December 2024

Revenue increased 16.9% to EUR 424.7 (363.3) million. Increased projects and contract changes drove revenue growth in the Industry and Connectivity segments. Project volume in the Power segment decreased, which had a negative impact on revenue.

EBITDA was EUR 14.5 (14.7) million, of which EUR 10.1 million related to the termination of the cooperation agreement of wind power project development, which has no net income or cash flow impact. The EBITDA margin was 3.4 (4.0)%. EBITDA increased significantly in the Connectivity segment. EBITDA in the Industry and Power segments decreased year-on-year, excluding a write-off of EUR 10.1 million. The financial period's EBITDA was significantly impacted by the loss-making early year of the Marine and Offshore Unit and by write-downs, the biggest of which related to a receivable from a Lithuanian subsidiary, zero-emission transport solutions and a year 2019 related indemnity.

Adjusted EBITDA for the core businesses increased by 8.7% to EUR 19.9 (18.3) million, or 5.9 (5.5)% of the core businesses' revenue. The net impact of items affecting comparability totalled EUR 9.5 million, the largest of which were the write-down on receivables of the Lithuanian subsidiary, the 2019 indemnity and investments in the strategy renewal and ERP system. The EBITDA improvement was mainly driven by growth in the Connectivity segment's construction of fibre networks and wireless network, and the Power segment's transmission projects and Baltic services.

Operating profit was EUR -14.1 (5.3) million. Operating profit margin was -3.3 (1.4)%.

The segment-specific figures are presented under Segment reviews.

Financial position and cash flow

January–December 2024

Net financial expenses totalled EUR -14.3 (-13.8) million including distribution of funds to minority shareholders in Enersense Wind based on the shareholders' agreement as well as interests on the convertible bond, other loans and financing.

Result before tax was -28.4 (-8.5) million and result for the review period was EUR -28.9 (-9.1) million. Undiluted earnings per share were EUR -1.83 (-0.54).

Cash flow was EUR 16.3 (-15.2) million due to improved profitability and working capital management. Cash flow from investing activities amounted to EUR -1.3 (-3.1) million. Cash flow from financing activities was EUR -6.4 (-9.2) million, including payments of loans and lease liabilities.

At the end of the financial period, the Group's cash and cash equivalents totalled EUR 19.8 (11.2) million. Cash and cash equivalents increased EUR 8.6 million from the comparison period.

At the end of the financial period, the Group's balance sheet total stood at EUR 194,5 (213.7) million.

Equity was EUR 22.5 (52.1) million at the end of the financial period. Interest-bearing liabilities totalled EUR 50.4 (47.8) million and net interest-bearing debt totalled EUR 30.6 (36.6) million. The equity ratio at the end of the financial year was 12.7 (26.0)% and the net gearing ratio 122.7 (70.2)%. The increase in the net gearing ratio was due to lower equity. Return on equity in the financial period was -77.6 (-16.0)%

Revolving credit facility

In June 2024, Enersense entered into an agreement with its financing providers on a new EUR 10 million senior unsecured revolving credit facility (RCF) to support the implementation of the company's strategy. The company will pay Euribor interest plus an annual margin of 3.5% on the new financing. The new RCF will expire on 31 March 2025, and it is guaranteed until its expiry by Virala Oy Ab and Ensto Invest Oy companies, to which a 5% guarantee fee will be paid on market terms for the duration of the guarantee.

Since the granting of the guarantee, the company's financial position has clearly improved. Net interest-bearing debt decreased by EUR 16.1 million from the end of June to the end of 2024. Enersense finalised negotiations on a one-year financing after the end of the financial year at the end of March.

Covenants

Enersense's financing package, consisting of its senior loans and bank guarantee, leasing and financial facilities, includes quarterly covenants measuring the equity ratio and the ratio of net interest-bearing debt to EBITDA, as well as a minimum liquidity covenant, reviewed on a monthly basis.

As regards the convertible bond, it has been agreed with the financiers that it is interpreted as a subordinated loan and treated as debt in the equity ratio calculation. In the context of the interest-bearing net debt/EBITDA covenant, the convertible bond is treated as an interest-bearing loan. It has also been agreed that, in addition to the equity ratio covenant, a minimum liquidity covenant is applied and reviewed on a monthly basis.

In connection with the RCF, changes were made to the company's financial package related covenants concerning the Group's equity ratio, the ratio of net interest-bearing debt to EBITDA and the minimum liquidity ratio. Enersense finalised negotiations on a one-year financing after the end of the financial year at the end of March. The table below shows the covenants for 2025 that came into force at the end of March. On 31, December 2024, the company fulfilled the covenants and according to the management's forecast, they will be fulfilled 12 months after the financial statements.

See note 9 and 20 for more information on Enersense's financial package.

	Actual value	Covenant value				
Covenants in the financing package	31 Dec 2024	31 Dec 2024	31 Mar 2025	30 Jun 2025	30 Sep 2025	31 Dec 2025
Equity ratio[1]	12.0%	>10%	15%	16,5%	18%	19,5%
Interest bearing net debt/EBITDA[2]	1.96x	<6,0x	2,25x	2,25x	2,25x	2,25x
Minimum liquidity[3]	19.8 MEUR	5 MEUR	8 MEUR	8 MEUR	8 MEUR	8 MEUR

1) As a change to the previous practice, convertible bonds are treated as debt in the equity ratio calculation. The covenant is reviewed on a quarterly basis.
2) The covenant is reviewed on a quarterly basis.
3) Minimum liquidity is measured on a monthly basis.

Segment reviews

Power

The Power segment focuses on project and service business operations for the green energy transition. Its core activities include design, construction and maintenance of transmission grids, electric substations, wind farms and solar farms. Enersense's international operations in Estonia, Latvia and Lithuania are part of the Power segment.

On 19 December 2024, Enersense announced the sale of its wind and solar project development business to Fortum. The transaction was closed on 26 February 2025 and its financial effects are disclosed in the Strategic Assessments section of this report. After the financial period, the company announced that it had completed a strategic assessment of its zero-emission transport solutions business, which the company decided to ramp down.

MEUR	1–12/2024	1–12/2023	Change, %
Revenue	188.9	191.7	-1.5
Revenue core business	169.7	179.3	-5.3
EBITDA	16.5	14.7	11.8
EBITDA-%	8.7	7.7	
EBITDA core business	13.5	8.3	63.9
Order backlog	158	185	15
Personnel (FTE)	812	156	

January–December 2024

The market situation has been good, especially for transmission network construction services. Towards the end of the financial year, a slight upturn was also seen in the renewable energy construction market. The International Operations segment was integrated into the Power segment at the beginning of the financial year and the figures reported have been adjusted to reflect the new structure also for the comparison year.

Revenue for the Power segment decreased by 1.5% to EUR 188.9 (191.7) million, due to the reduced project portfolios for power transmission grids and wind power construction.

The Power segment's EBITDA fell by 11.8% to EUR 16.5 (14.7) million, of which EUR 10.1 million related to the termination of the cooperation agreement of wind power project development, which has no net income or cash flow impact. EBITDA was negatively impacted by the write-down of a receivable EUR 6.1 million from the Lithuanian subsidiary and cost provisions totalling EUR 2.1 million for zero-emission transport solutions.

Adjusted EBITDA for the Power segment's core businesses was EUR 13.5 (8.3) million or 8.0 (4.6)% of the core businesses' revenue. EBITDA improved in particular due to growth in transmission grid projects and the Baltic service business.

The average number of personnel in the Power segment was 812 (812) person-years during the financial year.

Order backlog

The Power segment's order backlog was EUR 158 (185) million at the end of the fiscal year. The backlog fell by EUR 27 million or 15% from the comparison period.

SIGNIFICANT ORDERS RECEIVED DURING THE PERIOD INCLUDED:

- Enersense won Fingrid's public bidding process for the construction of three new 110 kV substations in the Harjavalta area (Investor news 5 February 2024). The project will occupy Enersense until the summer 2027 and is worth around EUR 20 million.
- A follow-up agreement signed with Elektrilev in Estonia for the maintenance of the electricity distribution networks (Investor news 12.2.2024). The value of the agreement is approximately EUR 8 million. The agreement began in March 2024 and will be completed by the end of the first quarter of 2026.
- The cooperation with OX2 for the wind park maintenance continued for the maintenance of the Lestijärvi wind farm (Press release 20 May 2024). Lehtijärvi is the largest wind farm in Finland with a total capacity of more than 455 MW from 69 wind turbines.
- Enersense will build three new 110 kV substations for Fingrid using low-emission steel (Press release 6 June 2024).
- The construction of a new electricity transmission connection between Herva and Nuojuankangas was agreed with Fingrid (Investor news 24 June 2024). The project will occupy Enersense for just under three years and is worth EUR 26.5 million.
- Enersense selected as main contractor for Fingrid's Lemmensaari and Sydänmaa substation project (Investor news 9 October 2024). The project will occupy Enersense until the end of 2026 and is worth around EUR 13 million.
- Enersense and EPV Aurinkovoima Oy entered into an agreement on the maintenance of the Heinineva solar power park (Investor news 8 November 2024). Heinineva in Lapua is one of Finland's largest solar power parks with a capacity of around 86 MWp and annual energy production of more than 80 GWh.

Industry

The 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. The Industry segment's core businesses include the mechanical project business, the electricity and automation business, and the operation and maintenance business.

On 19 June 2024, Enersense announced that it is conducting a strategic assessment of its Marine and Offshore Unit that the company previously called the offshore wind business. The assessment will be continued to ensure the best possible outcome, given the rapidly evolving nature of offshore wind power and other arctic marine industries.

MEUR	1–12/2024	1–12/2023	Change, %
Revenue	159.6	113.7	40.3
Revenue core business	89.5	94.6	-5.4
EBITDA	0.4	5.3	—
EBITDA-%	0.2	4.6	
EBITDA core business	5.9	11.0	-46.0
Order backlog	77	144	-67.3
Personnel (FTE)	700	769	

January–December 2024

The market environment for the Industry segment's services and project businesses remained stable during the review period.

The Industry segment's revenue increased 40.3% to EUR 159.6 (113.7) million, driven in particular by project contracts in the Marine and Offshore Unit. The segment's project business grew while service business declined from the comparison period.

The Industry segment's EBITDA weakened significantly to EUR 0.4 (5.3) million, mainly due to losses on projects in the Marine and Offshore Unit in the first half of the year and indemnity related to 2019. The segment's volume growth improved the profitability of projects, but profitability in service activities weakened due to the planned reductions in some customer contracts. The Marine and Offshore Unit was loss-making in the first half of the year, but project contracts renegotiated in the summer improved profitability for the rest of the year.

Adjusted EBITDA for the Industry segment's core businesses was EUR 5.9 (11.0) million or 6.6 (11.6)% of the core businesses' revenue. Adjusted EBITDA for the core businesses weakened due to a decrease in the services business. Enersense has initiated measures to grow the service business and improve profitability.

The average number of personnel in the Industry segment was 700 (716) person-years during the financial year.

Order backlog

The Industry segment's order backlog was EUR 77 (144.3) million at the end of the financial year. The backlog decreased by EUR 67 million or 47% compared to the same period in 2023.

SIGNIFICANT ORDERS RECEIVED DURING THE PERIOD INCLUDED:

- The agreement with Andritz Oy for the mechanical installation work of a new debarking line at Stora Enso's Oulu cardboard factory (press release 18 March 2024). Enersense's installation work will start during the first quarter of the year and is estimated to be completed during the third quarter.
- A partnership agreement signed with P2X Solutions to deepen the cooperation between the parties in the operation and maintenance of the new production plant in Harjavalta (press release 31 May 2024).
- A further cooperation agreed with Fortum Power and Heat Oy regarding the installation and maintenance services of energy meters for the district heating and cooling networks in Espoo, Kauniainen and Kirkkonummi (press release 28 June 2024).
- An agreement signed with Boliden, a Swedish metal company, concerning an extensive development project related to the Odda production plant in Norway (press release 20 September 2024). The agreement covers the installation and manufacture of process pipelines in the same areas where Enersense has already completed equipment and steel installation work.
- A contract signed with the hydropower producer Koskienergia for the local operation and maintenance of 28 hydropower plants (press release 26 November 2024). Koskienergia plants have a total production capacity of about 160 gigawatt hours per year. The contract is for five years and entered into force after the review period on 1 January 2025.
- The extension of the maintenance partnership with Vattenfall for the hydropower plants agreed (press release 20 December 2024). The plants have an annual production of around 410 gigawatt hours. The contract is for five years and entered into force after the review period on 1 January 2025.

Connectivity

The Connectivity segment helps customers by providing mobile and fixed network services and ensuring their operability. The segment's services include the design, construction and maintenance of fixed and mobile data networks at all stages of their life cycle. The entire segment is part of Enersense's core businesses.

MEUR	1–12/2024	1–12/2023	Change, %
Revenue	76.3	57.8	32.0
Revenue core business	76.3	57.8	32.0
EBITDA	4.2	2.3	86.5
EBITDA-%	5.6	3.9	
EBITDA core business	4.4	2.3	92.4
Order backlog	158	128	23
Personnel (FTE)	360	345	

January–December 2024

Demand in the Connectivity segment has been good in the reporting period, especially for fixed fibre construction projects. Enersense succeeded in expanding its customer base during the financial period.

Supported by a strong order book, revenue in the Connectivity segment increased, by 32.0% to EUR 76.3 (57.8) million, driven in particular by increased construction of fibre and mobile networks.

EBITDA in the Connectivity segment increased significantly to EUR 4.2 (2.3) million as a result of a strong second half of the year. Increased construction of fibre optic and mobile networks and investments in operational efficiency improved profitability.

The average number of personnel in the Connectivity segment was 360 (355) person-years during the financial year.

Order backlog

At the end of 2024, the Connectivity segment's order backlog amounted to EUR 158 (128) million. The backlog grew by EUR 30 million or 23% from the end of 2023. Due to the nature of the business, the order backlog does not grow steadily, as the majority of sales come from long-term framework contracts with a duration of several years.

SIGNIFICANT ORDERS RECEIVED DURING THE PERIOD INCLUDED:

- A two-year agreement with Valoo Oy for the maintenance of fibre-optic network in Southern Finland (Investor news 30 April 2024). The cooperation can be extended by exercising a two-year option.
- An agreement with GlobalConnect for the construction of fibre-optic network in the Helsinki metropolitan area (Investor news 23 May 2024). The agreement covers the design of routes for the fibre-optic networks, licensing, as well as earth-moving, telecom and project management stages following the turnkey principle.
- An agreement with Telia Towers Finland Oy for the maintenance of mast and equipment room infrastructure (Investor news 11 October 2024). The four-year agreement includes maintenance work on Telia Towers' mast and equipment room infrastructure throughout Finland.
- A three-year extension with Telia Finland Oyj on the provision of telecommunications network field services (Insider information 10 December 2024). The value of the agreement is EUR 70 million and includes one option year. The agreement covers mobile and fixed network construction services, customer delivery and fault repair services, and preventive maintenance services in Finland.

Group personnel

Enersense mainly operates in Finland, Estonia, Latvia and Lithuania. The Group had an average of 1,946 (1,942) employees during the fiscal year. At the end of 2024, the Group's total head count was 1,883.

Personnel

Person-years (average over the period)	1–12/2024	1–12/2023
Industry	700	716
Power	812	812
Connectivity	360	355
International		
Other	75	59
Group total	**1,946**	**1,942**

Governance

Annual General Meeting

The Annual General Meeting (AGM) of Enersense International Plc was held in Helsinki on 4 April 2024. The AGM adopted the financial statements for the financial period 1 January to 31 December 2023, including the consolidated financial statements and discharged the members of the Board of Directors and the CEO from liability.

The AGM decided that the profit for the financial period 1.1.2023–31.12.2023 will be transferred to the profit and loss account of previous financial periods and that no dividend will be paid to shareholders on the basis of the balance sheet for the financial period. In addition, the AGM authorised the Board of Directors to decide on the distribution of funds from the reserve of unrestricted equity as a capital repayment to shareholders up to a maximum of EUR 0.10 per share, i.e. a maximum of EUR 1,649,252.70. On 19 June 2024 Enersense announced that the Board of Directors has decided not to use the authorisation of the AGM to distribute funds as a return of capital.

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 decided that the Board of Directors should consist of eight (8) members. The Annual General Meeting also resolved to amend the Articles of Association of the Company so that the Board of Directors consists of a minimum of three (3) and a maximum of eight (8) 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. In addition, the AGM resolved that auditing firm KPMG Oy Ab will also act, in accordance with the transitional provision of the Act amending the Companies Act (1252/2023), as the Company's CSRD assurance provider for a term ending at the close of the Company's next Annual General Meeting.

The AGM authorised the Board of Directors to decide on the issuance of shares and the repurchase of the Company's own shares in accordance with the proposal of the Board of Directors.

Further information on the resolutions of the AGM can be found in a stock exchange release of 4 April 2024 and on the company's website.

More detailed description of the authorisations of the Board of Directors is available in section Authorisations of the Board of Directors.

In 2025, the AGM of Enersense International Plc is scheduled to be held on Wednesday 16 April 2025. The Board of Directors will convene the AGM separately.

Board of Directors

In accordance with the proposal of the Shareholders' Nomination Board, the 2024 Annual General Meeting (AGM) decided that Jaakko Eskola, Sirpa-Helena Sormunen, Sari Helander, Petri Suokas, Anna Miettinen and Carl Haglund will be re-elected as board members, and Ville Vuori and Anders Dahlblom 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. Anders Dahlblom was elected as the Chairman of the Board on 11 July 2024, following Jaakko Eskola's resignation. Enersense's Board of Directors will continue to consist seven members until the next AGM.

The Board elected, from among its members, Sari Helander as Chair of the Audit Committee. Carl Haglund, Petri Suokas and Anders Dahlblom were elected as the other members. Jaakko Eskola was elected as Chair of the Remuneration Committee, and Anna Miettinen, Sirpa-Helena Sormunen and Ville Vuori were elected as the other members. Anders Dahlblom acted as the Chair of the Remuneration Committee following Jaakko Eskola's resignation. The Board also decided to establish a Strategy Committee to assist the Board in strategy-related decision-making. Carl Haglund was elected as Chairman of the Strategy Committee and Anders Dahlblom, Anna Miettinen and Ville Vuori as the other members. The Strategy Committee completed its work with the publication of the strategic guidelines on 19 June 2024 and ended its activities.

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 AGM 2024 authorised the Board of Directors to issue shares as well as option rights and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act, or all or a combination of some or all of the above in one or more instalments under the following conditions:

A total maximum of 1,649,250 new and/or treasury shares of the company may be issued under the authorisation (including shares issued on the basis of special rights). The Board of Directors is authorised to decide to subscribe the subscription price either as an increase of the share capital or in full or in part to the reserve of invested unrestricted equity. The share issue and the granting of special rights entitling to shares can also be made in a directed manner, deviating from the shareholder's pre-emptive right, if there is a weighty financial reason for the company in accordance with the Companies Act (directed issue). In such cases, the authorisation may be used to finance acquisitions or other investments in the company's business, to maintain and increase the Group's solvency, to implement an incentive scheme and to expand the ownership base and develop the capital structure. The authorisation does not revoke the authorisation granted by the Extraordinary General Meeting of 23 December 2022 to decide on the exercise of special rights entitling to shares in the company. The authorisation is valid until the end of the next AGM, but not later than 30 June 2025.

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

The AGM 2024 authorised the Board of Directors to decide on the acquisition and/or acceptance as pledge of the company's own shares under the following conditions:

A maximum of 824,630 shares may be repurchased and/or accepted as pledge. Shares are acquired in trading on Nasdaq Helsinki Ltd at the market price on the date of acquisition. Own shares may be repurchased and/or pledged in a proportion other than that of the shareholders' holdings (directed repurchase and/or pledge). The acquisition of shares reduces the Company's unrestricted equity. The Board of Directors decided how the shares are to be repurchased and/or accepted as pledge. The authorisation is valid until the end of the next AGM, but not later than 30 June 2025.

Group Executive Team

In connection of the integration of the Power and International Operations businesses, Margus Veensalu, EVP International Operations, left the Executive Team on 9 January 2024.

Mikko Jaskari left his position as CFO on 9 April 2024. Jyrki Paappa started as CFO on 22 July 2024. Risto Takkala served as interim CFO during the transition period.

CEO Jussi Holopainen left the company on 3 May 2024. Kari Sundbäck started as CEO on 23 September 2024. Juha Silvola, EVP for Power and Connectivity segments, served as interim CEO from 3 May to 22 September 2024.

Jaakko Leivo, EVP Industry, left his position on 31 December 2024. Sami Lahtinen started as interim EVP for the Industry segment on 1 January 2025.

At the end of 2024, Enersense's Group Executive Team consisted of the following members:

- Kari Sundbäck, CEO
- Jyrki Paappa, CFO
- Jaakko Leivo, EVP, Industry
- Hanna Reijonen, SVP, HR
- Juha Silvola, EVP, Power and Connectivity
- Sami Takila, SVP, Legal

Ownership structure

At the end of the financial period, the number of registered shareholders in Enersense was 6,503 (6,973). The ten largest shareholders accounted for 62.9% of all shares on 31 December 2024. The proportion of nominee registered shareholders was 1.2%. More information about Enersense's largest shareholders can be found on this report's section Shares and Shareholders.

Management holdings

The members of the Board of Directors, the President and CEO, the members of the Group Executive Team and their controlled entities held a total of 1,481,905 shares at the end of the financial period, which represented 9.0% of all the shares in the Enersense International Plc on 31 December 2023.

Related party transactions

April 2024, the associated company P2X Solutions Oy agreed on a financial arrangement with the Swiss energy company Alpiq, making Alpiq the main shareholder of P2X. Enersense's holding was reduced to 9% as a result of the arrangement. Despite the minority shareholding, P2X Solutions Oy is treated as an associated company because Enersense is entitled to two board positions in the company under the agreement.

More information on related party transactions in Note 26 to the Financial Statements.

Flagging notifications

During the fiscal year, Enersense received one flagging notifications in accordance with chapter 9, section 5 of the Securities Markets Act.

Date of registration	Shareholder	Reason for flagging	Direct ownership, %	Indirect ownership, %	Total shareholding, %
5.2.2024	Virala Oy Ab	over 5%	22.0%	4.9%	26.8%

Share-based incentive schemes

On 29 February, Enersense International Plc's Board of Directors decided on a new share-based incentive scheme for the Group's key personnel. The new incentive scheme is a continuation of the 2023–2025 share-based incentive scheme, which was decided in February 2023 and is still valid.

Share-based scheme for 2024–2026

The Performance Share Plan 2024–2026 consists of one performance period, covering the financial years 2024–2026. 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 total return on the company's share for the financial years 2024–2026, on the Group's cumulative EBITDA in euro for the financial years 2024-2026 and on the implementation of the company's corporate responsibility program.

Any rewards under the plan will be paid after the end of the performance period in spring 2027, partly in Enersense International Plc shares and partly in cash. The cash part of the rewards is intended to cover taxes and tax-related costs arising from the reward to the participant. If a participant's employment or management contract is terminated before the payment of the reward, the reward will generally not be paid.

The total estimated value of the rewards payable under the plan is equivalent to a maximum of 369,784 Enersense International Plc shares, also including the proportion to be paid in cash.

Approximately 40 persons, including the CEO and other members of the Enersense International Plc Executive Team, belong to the target group of the plan.

Additional information on this and other incentive schemes is available in Note 27 to the Financial Statements.

Shares and share trading

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

At the end of the financial 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 financial period.

The company holds no treasury shares.

Market capitalisation and share turnover

The market value of Enersense's shares was EUR 44 (72) million on 31 December 2024.

The closing share price was EUR 2.65 (4.35) on 31 December 2023. The volume-weighted average price (VWAP) of the shares during the fiscal year was EUR 3.3 (5.36). The highest price was EUR 4.59 (6.99), and the lowest EUR 2.27 (3.87). The price of the share fell by 39% compared to the same period in 2023. During the financial period, approximately 3.5 million Enersense shares were traded on the Nasdaq Helsinki stock exchange, corresponding to a turnover of approximately EUR 11.7 million. The average daily share turnover was 14,096 shares.

Strategy

On 19 June 2024, Enersense announced that it would focus on its core businesses in project and service operations for the green energy transition in its Power, Industry and Connectivity segments. With the revised direction, Enersense started in late 2024 to update its core business strategy to create sustainable growth. The company will provide more details on its new strategy by summer 2025.

At the end of the year 2024, Enersense started a Value uplift -program to improve efficiency and support profitable growth. The program will continue throughout the year 2025, and the company is planning to gradually renew its procurement performance, evaluate its fixed costs and resources to support the implementation of the strategy as well as improve its commercial management. With the program, Enersense is targeting an annual profit improvement of around EUR 5 million from the second half of 2026 onwards, and is estimating that the positive impact on profit will be seen gradually from 2026 onwards. The cost of the Value uplift program is treated as an item affecting comparability.

Enersense promotes the sustainability of its business through three themes: sustainable work, sustainable business and the environment. Enersense is committed to the Science Based Targets initiative (SBTi) and will set science-based targets to reduce greenhouse gas emissions by 2025. In 2024, key results of responsibility work included a 33% reduction in greenhouse gas emissions from the company's own operations (Scope 1 and 2) and a 34% reduction in the frequency of lost time injuries from the year 2023. Enersense's Sustainability Report is published as a part of this Report of the Board of Directors.

Strategic assessments

As part of the strategic alignment defined in the summer 2024, Enersense launched a strategic assessment of three businesses: wind and solar power project development, zero-emission transport solutions and the Marine and Offshore Unit.

On 19 December 2024, Enersense announced the sale of its wind and solar project development business to Fortum, which completed on 26 February 2025. With the completion of the transaction, Fortum paid Enersense a fixed debt-free cash price of EUR 9.25 million. At the same time, Enersense recorded a profit of approximately EUR 19 million, and its equity ratio increased by approximately 10 percentage points. The transaction also includes Earn-Out up to EUR 74 million, which is based on the progress of the wind and solar power development projects covered by the Transaction, and any payment will be subject to individual projects reaching a final investment decision made by Fortum. Any payment related to the Earn-Out would be paid in instalments on a per project basis. No Earn-Out will be paid for any projects that do not reach the final investment decision in 15 years from the closing date. Enersense estimates a probability-weighted Earn-Out of EUR 33 million. Further, Enersense estimates that the potential Earn-Out cash flow of the Transaction could be generated earliest starting from 2027.

After the review period, on 28 February 2025, Enersense announced that it had completed a strategic assessment of its business focused on zero-emission transport solutions. The company is ramping down the business under assessment and estimates to record costs and a write-down totalling approximately EUR 2–3 million related to the ramp-down in the first quarter of 2025.

In its Marine and Offshore Unit, Enersense has unique expertise in offshore wind power and other arctic marine industries, e.g. related to constructing icebreaker vessels. These sectors are evolving rapidly, so the company will continue the strategic assessment to ensure the best possible outcome. Due to the long production cycles in the marine industry and the uncertainty about the duration of the upcoming quieter period, Enersense revised the value of the Marine and Offshore Unit downwards by EUR 5 million in 2024.

Investments and M&A

In 2024, a total of EUR 3.2 (4.0) million were spent on investments and M&A. Investments in fixed assets excluding lease liabilities totalled EUR 3.8 (0.8) million and were mainly related to machinery and equipment. Investments in company and business acquisitions totalled EUR 0.7 (0.0) million. In the fourth quarter, Enersense acquired its Latvian subsidiary entirely from minority shareholders.

On 19 December, Enersense announced the sale of its wind and solar power project development business to Fortum. The transaction closed on 26 February and its terms are described above in the Strategic Assessments section.

Major risks and uncertainties

In its operations, Enersense is exposed to strategic, operational and financial risks as well as to external threats. Enersense seeks to protect itself against the risks, for example through continuous and systematic assessment and by taking risk factors into account comprehensively when deciding on business projects or investments that are significant for the Group.

Near-term risks and uncertainties

The on-going international conflicts maintain geopolitical tensions and uncertainty about the development of the global economy. Shifts in international policy may change the market environment, and the green energy transition projects may be slowed down. Inflation, on the other hand, has levelled off in the markets relevant to Enersense, close to the European Central Bank's long-term target level.

Uncertainty about economic developments continues to have a negative impact on the investment climate. It may lead to a decline in the financial position of customers and weaker demand for Enersense's services. The change in the investment environment may also have a negative impact on Enersense's financial situation, for example through the availability of financing and 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. Challenges in availability of skilled workforce may impact Enersense's operation, if realised.

Strategic risks

In June 2024, Enersense announced that it would conduct strategic assessments of its non-core businesses, the implementation and timing of which are subject to uncertainty. Two of the three assessments were completed after the financial year in early 2025. The remaining assessment may not lead to the desired outcome. The company may fail to manage change or to re-train sufficiently quickly or to implement its key strategic development projects due to insufficient resources or inadequate management, information management, monitoring and planning. Strategy failure can also lead to reduced cash flow and insufficient funding.

The company aims to digitalise its business where appropriate and to adopt operational efficiency tools and practices. As digitalisation accelerates, failure or wrong choices in adopting new tools and practices may slow down the business and its development or reduce the relative efficiency and competitiveness of operations.

Unless Enersense is able to recruit, train, motivate and retain qualified staff, it may be unable to compete effectively and fully implement its strategy

Operational risks

Enersense's customers are typically owners of construction or industrial projects, developers, main contractors or suppliers, with whom Enersense usually implements a project, service or framework contract. The company often enters into project-specific contracts, which involve uncertainty in terms of successful competitive bidding. This makes it difficult to make reliable estimates of the company's business performance and financial position over a period of time longer than the order backlog. Correspondingly, framework agreements do not guarantee that the company is successful in the tendering for individual deliveries falling within the scope of the framework agreement. The profitability of large fixed-price projects requires accurate pricing estimates and project management. In addition, changes in regulatory requirements and restrictions and the associated uncertainty can have a material impact, particularly on the customer base in the energy business.

Enersense serves its customers throughout the life cycle of projects, for example with operation, maintenance and repair services. For long-term service contracts, operational efficiency is the key; it has a significant impact on the profitability of the contracts.

General economic uncertainty may reduce customers' willingness to invest and can affect projects already in Enersense's backlog, which may be subject to delays or interruptions. It may also lead to a deterioration in the financial position of Enersense's customers or suppliers, which, if realised, could result in losses and other negative consequences for the company.

Enersense has some large key customers whose purchasing behaviour has a significant impact on the performance of the business. If one of these key customers were to switch their purchases from Enersense to its competitors, or drastically changed their operating model, or if projects of importance to the company were to be terminated, interrupted or scaled down unexpectedly, the company's ability to find a replacement customer volume would be limited in the short term.

Guarantees

Enersense's customers typically require guarantees for, e.g. work, deliveries and warranty periods. Granting such guarantees to a customer is often a prerequisite for Enersense to be able to bid for a new project. However, the guarantee arrangements do not oblige the issuer; the issuer decides on each guarantee individually. For example, any previous negligence and failures by Enersense or, in particular, a deterioration of Enersense's solvency or financial position could lead to Enersense not being granted the guarantees it needs for executing new projects

Financing

Enersense Group's financing package includes covenants on the Group's equity ratio, the ratio of interest-bearing net debt to EBITDA, and minimum liquidity. A breach of the covenants may entitle the financier to demand accelerated or immediate repayment of the loans and simultaneously cancel any amounts committed but not drawn by the financier and any amounts under the guarantee arrangements. Sufficiency of funding and success of funding negotiations are key factors for the continuity of Enersense's operations.

A more detailed explanation of the risks associated with the company's financing is provided in Note 20 Financial risk and capital management to the Financial Statements to be published on 26 March 2025.

Partners

Enersense collaborates with subcontractors and other partners during the various phases of projects and services. Typically, the outsourcing or subcontracting includes material deliveries, subcontracting (e.g. civil engineering), provision of resources and deliveries of equipment that Enersense does not or cannot provide. Enersense may fail in evaluating and choosing subcontractors or may be required to accept partially unfavourable contract terms to ensure the acquisition of such services. Subcontractors may not be able to deliver on time or to the level, cost structure or quality expected by Enersense, or may otherwise perform inadequately or in violation of laws or regulations. Enersense's subcontractors may also cease to provide services to Enersense due to their inability or unwillingness to do so, or they may increase prices significantly.

Disruptions affecting Enersense, such as delays or terminations of agreements or the inability of subcontractors to provide services within the specified time or at an acceptable cost, can lead to disputes regarding customer claims for compensation for any damages Enersense may have caused.

The procurement of services and materials is an essential part of Enersense's business. Enersense deals only with reputable and reliable partners. Subcontractors and other partners are subject to background and business checks prior to entering into cooperation. Failure to enforce and monitor the legality and responsibility requirements of subcontractors and material suppliers and to address irregularities could expose the company to additional contractual liabilities or even result in fines.

Hazard risks

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

Disputes

The Group companies have ongoing legal disputes and disagreements, some of which are in progress in general or administrative courts or in arbitration in Finland and abroad. Disputes are typically related to claims against Enersense for alleged defective performance, delays or damages caused to customers, particularly in project activities, or to claims made by Enersense against its suppliers or customers. The outcome of claims, disputes and legal processes is difficult to predict. The company has assessed the potential impacts of the disputes, and has recorded provisions based on these assessments.

Guidance for 2025

Enersense expects its core businesses' EBITDA to improve from 2024 (2024: EUR 10.4 million) and its core businesses' adjusted EBITDA to be at the same level as in 2024 (2024: EUR 19.9 million). The Marine and Offshore Unit, which is under strategic assessment, is not part of the core businesses and no guidance is given for it.

Events after the financial period

- **Stock Exchange Release 27 January 2025:** *Enersense's Shareholders' Nomination Board's proposals to the 2025 Annual General Meeting.*
- **Press release 27 January 2025:** *Enersense to supply state-of-the-art pipelines to Gothenburg.* Enersense announced that it had signed an agreement with Valmet for a piping contract including prefabrication and installation of demanding process piping. The order is part of a project in which Valmet will supply Göteborg Energi AB with a biomass power plant in Gothenburg, which will generate electricity and district heat from renewable and recycled fuels.
- **Inside information 28 January 2025:** *Positive profit warning: Enersense raises its 2024 revenue estimate and gives preliminary information on its 2024 financial performance.*
- **Press release 26 February 2025:** *Transaction of Enersense's wind and solar power project development business completed.* The financial impact of the transaction is disclosed in the Strategic Assessments section of the Financial Statements Bulletin.
- **Inside information 28 February 2025:** *Inside information: Enersense to discontinue its business of zero-emission transport solutions.* The financial effects of the completion of the strategic assessment and the ramp-down are disclosed in the Strategic Assessments section of the Financial Statements Bulletin.
- **Stock Exchange Release 28 February 2025:** *Changes to the publication dates of Enersense's financial reports 2025.* Enersense will publish its January–March Business Review on 28 April 2025 (previously announced date 30 April 2025) and January–June Half-Year Financial Report on 12 August 2025 (previously announced date 5 August 2025).

Distribution of funds to the shareholders

The Board of Directors proposes to the Annual General Meeting that the profit for the financial year 1.1.–31.12.2024 be transferred to the profit and loss account of previous financial periods and that no funds be distributed to shareholders on the basis of the balance sheet for the financial period.

Key figures

Key figures for operating activities

	1–12/2024	1–12/2023	1–12/2022
Revenue (EUR 1,000)	424,718	363,318	281,997
EBITDA (EUR 1,000)	14,511	14,704	12,210
EBITDA, %	3.4	4.0	4.6
Operating profit (EUR 1,000)	-14,100	5,260	3,479
Operating profit, %	-3.3	1.4	1.2
Result for the period (EUR 1,000)	-28,921	-9,149	-9,835
Equity ratio, %	12.7	26.0	28.8
Gearing, %	122.7	70.2	19.0
Return on equity, %	-77.6	-16.0	-17.5
Earnings per share, undiluted, EUR	-1.83	-0.54	-0.57
Earnings per share, diluted, EUR	-1.83	-0.54	-0.57
Equity per share	1.4	3.2	3.8
Distribution of funds	—	0.11	0.1
Distribution of funds as a percentage of earnings	—	-20.3	-14.6
Effective dividend yield as percentage	—	2.8	1.8
Price to profit ratio	-1.4	-8.0	-11.9

Share information

	2023	2022	2021
Market value, EUR	43,705,197	71,742,492	93,842,501
Number of shareholders at the end of the period	6,503	6,973	6,844
Share price at the end of the period	2.65	4.35	5.69
Average share price (VWAP), EUR	3.30	5.36	6.80
Highest share price, EUR	4.59	6.99	8.22
Lowest share price, EUR	2.27	3.87	5.22
Number of shares at the end of the period, undiluted	16,492,527	16,492,527	16,492,531
Number of shares at the end of the period, diluted	19,969,153	19,990,949	19,897,335
Average number of shares during the period, undiluted	16,492,527	16,492,528	15,986,151
Average number of shares during the period, diluted	19,968,416	19,970,469	16,381,629
Share trading, pcs	3,538,147	3,138,895	5,712,374
Turnover rate, %	21.5	19.0	34.6

Calculation principles for key performance indicators

EBITDA	=	Operating profit + depreciation, amortisation and impairment
EBITDA, % of revenue	=	EBITDA / revenue x 100
Adjusted EBITDA	=	EBITDA + items affecting comparability
Adjusted EBITDA (%)	=	Adjusted EBITDA / revenue x 100
Operating profit (EBIT)	=	Revenue + other operating income – materials and services – personnel expenses – other operating expenses + share of the result of associates – depreciation, amortisation and impairment
EBIT, % of revenue	=	Operating profit / revenue x 100
Profit (loss) for the period, % of revenue	=	Profit (loss) for the period / revenue x 100
Equity ratio	=	Equity / balance sheet total – advances received x 100
Net Gearing	=	Interest-bearing debt – cash in hand and at bank / equity x 100
Return on equity (%)	=	Profit for the period / average equity during the review period x 100
Earnings per share (EUR)	=	Profit for the period / average number of shares
Average share price	=	Total share revenue in euros / the issue-adjusted number of shares exchanged during the financial year
The market value of the share capital	=	(number of shares – own shares) x stock exchange rate on the closing date
Share trading	=	The number of shares traded during the financial year
Turnover rate, (%)	=	Share trading (pcs) x 100 / The average number of shares issued during the period
Book value per share	=	Equity belonging to owners of the parent company /share issue-adjusted number of shares at the end of the year
Distribution of funds per share	=	Annual distribution of funds / Shares outstanding
Distribution of funds as a percentage of earnings	=	(Annual distribution of funds per share / earnings per share) x 100
Price / earnings ratio	=	Market value per share / Earnings per share
Effective distribution of funds yield	=	(Distribution of funds per share / market value per share) x 100

Shares and shareholders

The 10 largest shareholders December 31, 2024*)

Share holder	Number of shares	% of shares
Nidoco AB	3,830,000	23.2
Ensto Invest Oy	1,471,125	8.9
Verman Group Oy**)	1,343,461	8.1
Suotuuli Oy***)	800,000	4.9
Suotuuli Oy	680,022	4.1
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	569,053	3.5
Holopainen Jussi	436,509	2.6
Danske Invest Finnish Equity Fund	435,463	2.6
Taloustieto Incrementum Oy	415,983	2.5
Eläkevakuutusosakeyhtiö Veritas	395,292	2.4
Total	**10,376,908**	**62.9**

*) Source Euroclear Finland Oy.
**) Janne Vertanen, who exercises control in Verman Group Oy, also directly owns 27,626 shares.
***) Petri Suokas, who exercises control in Suotuuli Oy,also directly owns 12 210 shares and 240 860 shares via his controlling company Siementila Suokas Oy. Petri Suokas is a member of the Board in Enersense International Plc.

Distribution of shareholdings on December 31, 2024*)

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1–100	2,770	42.6	119,572	0.7
101–500	2,620	40.3	616,534	3.7
501–1 000	556	8.5	435,260	2.6
1001–5000	452	7.0	953,214	5.8
5 001–10 000	44	0.7	323,947	2.0
10 001–50 000	29	0.4	587,712	3.6
50 001–100 000	10	0.2	747,992	4.5
100 001–500 000	16	0.2	4,014,635	24.3
500 001–	6	0.1	8,693,661	52.7
Total	**6,503**	**100.0**	**16,492,527**	**100.0**
Of which nominee registered	8	—	192,997	1.2

*) Source Euroclear Finland Oy.

Shareholders by sectors on December 31 2024*)

Sector	Number of shares	% of shares
Companies	6,562,304	39.8
Abroad	3,773,752	22.9
Households	3,387,394	20.5
General government	1,353,577	8.2
Financial and insurance institutions	1,075,211	6.5
Nominee registered	192,997	1.2
Non-profit institutions	147,292	0.9
Total	**16,492,527**	**100.0**

*) Source Euroclear Finland Oy.

Sustainability Report

Introduction

Enersense is an enabler of green energy transition and promotes the sustainability of its operations through three themes: sustainable work; sustainable business; and the environment. In 2024, key results of sustainability activities included the reduction of greenhouse gas emissions from the company's operations by 33 per cent, and the decrease of 34 per cent in the lost-time injury frequency rate from 2023. Enersense is committed to reducing its climate impact under the Science Based Targets initiative (SBTi).

Enersense's Sustainability Report describes how Enersense manages environmental, social and governance impacts, risks and opportunities. The report follows the arrangement and content set out in the European Sustainability Reporting Standards (ESRS).

Contents of the Sustainability Report:

General Disclosures (ESRS2)

Environmental Information
- EU Taxonomy
- E1 Climate Change
- E2 Pollution

Social Information
- S1 Own workforce

Governance Information
- G1 Business Conduct

General Disclosures

ESRS2

BP-1 – General basis for preparation of sustainability report

This Sustainability Report has been prepared in accordance with the Finnish Accounting Act and the European Sustainability Reporting Standards (ESRS), as well as Article 8 of the EU Taxonomy Regulation. The scope of consolidation is the same as in the company's financial statements and covers all subsidiaries of the Group. The report covers the financial period from 1 January to 31 December 2024.

The Sustainability Report covers Enersense's own operations, and where applicable, the upstream and downstream value chain. The double materiality assessment, based on which the content of this Sustainability Report has been defined, addresses the value chain on the basis of the company's knowledge at the time of the assessment. The process of double materiality assessment is described in the *IRO-1 Description of the process to identify and assess material impacts, risks and opportunities* section. Topic-specific standards describe in more detail if the information provided concerns the upstream or downstream value chain.

Enersense has not used the opportunity to exclude information related to intellectual property, expertise, or innovation results from the Sustainability Report. Comparative data for the year 2023 has not been verified.

BP-2 – Disclosures in relation to specific circumstances

Adjustments to previous reporting periods

Enersense has made a significant change compared to the data reported for 2023 regarding taxonomy reporting. Until 2023, Enersense interpreted that its actions related to human rights due diligence met the requirements of the minimum safeguards set out in the EU Taxonomy. The company reviewed the requirements in 2024 and concluded that its human rights due diligence activities did not meet the requirements of the minimum safeguards. Enersense therefore reports on the taxonomy compliance of its activities, but the taxonomy alignment of the activities is not met, and the company will adjust its taxonomy reporting for 2023 regarding taxonomy alignment. Additionally, Enersense has adjusted operating expenses for the year 2023 due to the refinement of calculations to maintain comparability.

Disclosure based on other legislation or generally accepted provisions on sustainability reporting

This Sustainability Report includes information in accordance with Article 8 of the EU Taxonomy Regulation under EU Taxonomy in the Environmental information section.

The estimates have been used for the calculation of greenhouse gas emissions and are described in section *E1-6.*

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

Composition of the Board of Directors and the Group Executive Team

At the end of 2024, Enersense's Board of Directors consisted of seven members and the Group Executive Team of six members.

There are no employees or employee representatives in the Board of Directors. The members of the Group Executive Team are employees of the company.

The company's Board of Directors members have experience in corporate management positions in several industries. Most of them have a university degree in engineering or business.

The Group Executive Team have extensive experience in Enersense's sectors, products and operating areas. Most members have completed a degree in technology or economics and have worked in industry companies for a significant part of their career.

The composition of the company's Board of Directors is diverse, and qualified persons of different ages with different professional and educational backgrounds are represented. Diversity in the Board of Directors aims to enable a Board of Directors that can work and cooperate effectively, respond to the requirements arising from the company's business goals and strategic targets, and support and challenge the company's executive management proactively and constructively.

Of the Board's members, 43 per cent are women, and 57 per cent are men, meaning that the ratio between women and men is 3:4, or 0.75. Of the Group Executive Team's members, 17 per cent are women, and 83 per cent are men, meaning that the ratio between women and men is 1:5, or 0.20.

All Board members (100 per cent) are independent of the company. One Board member (14 per cent) is independent of the company but dependent on a significant shareholder.

Tasks and responsibilities of the Board of Directors and the Group Executive Team related to impacts, risks and opportunities

The administrative, management and supervisory bodies responsible for monitoring impacts, risks and opportunities consist of the company's Board of Directors and the Group Executive Team. In 2024, three (3) committees operated under the Board of Directors: the Audit Committee, the Remuneration Committee, and the Strategy Committee. The Strategy Committee was established at the Annual General Meeting on 4 April 2024 and closed in June 2024. The committees established by the Board of Directors report their operations regularly to the Board of Directors. The Board of Directors has approved written rules of procedure for the committees to determine their duties and policies.

The special task of the Audit Committee is to assist the Board of Directors in sustainability reporting and monitoring the implementation of its certification, to monitor and assess the company's reporting system and procedures in sustainability reporting, and to monitor compliance with the law and regulations, and the policies established by Enersense Group.

The Board of Directors' Audit Committee, whose members in 2024 were Sari Helander (Chair), Anders Dahlblom, Carl Haglund and Petri Suokas, is responsible for monitoring Enersense's impacts, risks and opportunities.

The Audit Committee monitors Enersense's risk management process and the implementation of the double materiality assessment. The Board of Directors approves the results of the assessment.

Enersense's Group Executive Team is responsible for the implementation of the double materiality assessment process. The Group Executive Team reports to the Board of Directors.

Enersense's sustainability management model

BOARD OF DIRECTORS

- Sets strategic ambition level for Enersense's sustainability work as part of the strategy process
- Approves the Sustainability Statement as part of the Board of Directors' Review
- Responsible for organizing internal control

AUDIT COMMITTEE

- Monitors Enersense's sustainability reporting process and internal control
- Monitors the effectiveness, adequacy, and appropriateness of internal control
- Oversees the Enterprise Risk Management (ERM) process and analysis of impacts, risks and opportunities related to sustainability topics

GROUP EXECUTIVE TEAM

- Sets Enersense's sustainability targets and ensures sufficient resources in sustainability work
- Ensures progress in sustainability development and alignment with Enersense's policies

SUSTAINABILITY TEAM

- Prepares Group-level sustainability targets, actions, roadmaps, metrics, processes and policies together with topic owners (e.g. HR, procurement, HSEQ, finance)
- Supports divisions in implementing the sustainability plan
- Coordinates Sustainability Statement preparation

DIVISIONS

- Implement the sustainability plan and ensure alignment with Group policies
- Define roadmaps and actions for division level

The Board of Directors is responsible for organising internal control. The Audit Committee of the Board of Directors is responsible for monitoring the effectiveness, adequacy and appropriateness of internal control. Responsibility for internal control lies not only with management but also with all employees. In 2024, an internal audit was conducted for sustainability management, based on which sustainability processes were developed. The company will continue to develop the management of impacts, risks and opportunities as part of the preparation of the double materiality assessment in 2025.

The Board of Directors sets the target level for Enersense's sustainability activities, and the Group Executive Team is responsible for setting the targets. Targets have yet to be set for all the material impacts, risks and opportunities identified in the double materiality assessment. The company's sustainability targets have thus far been related to steering the company's internal activities, and regarding material matters, they concern climate change mitigation, and occupational health and safety. The achievement of the targets is reported annually to the Board of Directors. The company will review its sustainability programme and related targets during 2025. At the same time, the company will define a process to monitor progress towards the targets.

Competence and expertise related to sustainability matters

Most members of Enersense's Group Executive Team and Board of Directors have several years of experience in the company's industry and in leading the sustainability activities of listed companies. In addition, they use the sustainability expertise of the company's internal sustainability specialists, internal audit function and auditors.

The Board of Directors and the management also have sustainability expertise in relation to Enersense's material impacts, risks and opportunities, including climate change mitigation, occupational health and safety, and sustainable practices. Enersense's management also has industry expertise in impacts, risks and opportunities.

G1-GOV-1 –The role of the administrative, management and supervisory bodies related to business conduct

The Board of Directors approves Enersense's Code of Conduct and is responsible for matters related to it, including defining principles related to corporate culture and whistleblower protection. The Board of Directors discusses risks related to sustainability in the supply chain.

Regarding business conduct, the roles of the Board of Directors' committees are as follows: The purpose of the Audit Committee is to assist the Board of Directors in its supervisory duties related to the Group's financial reporting, internal control system, risk management, and internal audit. In addition, it monitors the fulfilment of the certification of auditing and sustainability reporting. The duties of the Audit Committee are in accordance with the recommendations of the Corporate Governance Code.

The main purpose of the Board of Directors' Remuneration Committee is to assist the Board in matters related to the preparation of the company's remuneration principles and practices, remuneration schemes and programmes, as well as matters related to the performance and remuneration of senior management members reporting directly to the CEO. The Remuneration Committee also processes succession planning methods appropriate to senior management, and assesses and monitors the status and development of the corporate culture and strategically significant remuneration matters.

The company's Group Executive Team is responsible for assisting the CEO in operational planning and management, and for preparing matters for processing by the Board of Directors. The Group Executive Team is responsible for promoting the company's sustainability activities and corporate culture. In addition, the Group Executive Team is responsible for promoting sustainability in the supply chain and ensuring whistleblower protection.

The Board of Directors also has the necessary expertise in matters related to business conduct through its previous work experience. Six of the members of the Board of Directors have a university degree. Its members have work experience in various managerial positions in companies that operate in Finland and internationally in sectors and key markets that are relevant for Enersense.

All members of the committees appointed by the Board of Directors have the expertise and experience required for the committee's tasks. During 2024, the Audit Committee consisted of four members (three members before the Annual General Meeting), many of whom have expertise in accounting, bookkeeping or auditing. The members of the Remuneration Committee must have a good understanding of Enersense Group's business operations and industries, as well as of matters related to remuneration and its development.

GOV-2 – Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies

Enersense's Board of Directors, Audit Committee and Group Executive Team regularly discuss matters related to material sustainability matters. Once a year, the Board of Directors is provided with an overview of the progress of Enersense's sustainability activities and key risks. In addition, the Board of Directors approves the results of the double materiality assessment and the Sustainability Report and processes the sustainability reporting certification plan. Once a year, the Audit Committee reviews sustainability reporting systems and processes, as well as the certification plan. In addition, the Audit Committee addresses sustainability issues as necessary and supervises the preparation of the double materiality assessment and reviews the Sustainability Report.

Enersense's Group Executive Team discusses material sustainability matters several times a year and f approves the company's sustainability targets on their behalf. Since the end of 2024, the Group Executive Team has discussed occupational health and safety at each meeting. No regular model has been defined for handling other sustainability matters. The Board of Directors discusses material sustainability matters several times a year and approves the company's sustainability targets, which in 2024 were related to climate change mitigation and occupational safety. In 2025, sustainability targets will be linked to material impacts, risks and opportunities. The results of the double materiality assessment were approved at the end of 2024.

The aim is to already address the impacts, risks and opportunities related to sustainability in the preparation of the strategy. Preparatory work is carried out in interaction with the company's Board of Directors and personnel. Targets and metrics are set for the implementation of the strategy, which will be monitored in the Group Executive Team and the Board of Directors. Currently, the targets have not been linked to the material impacts identified in the double materiality assessment, and their monitoring has not been systematic. This will be changed during the ongoing strategy process. In business development projects, risks and opportunities are considered on a case-by-case basis, and they will be reviewed by the Group Executive Team and the Board of Directors if necessary.

In 2024, the following material impacts, risks and opportunities related to sustainability were discussed:

Board of Directors:
- Double materiality assessment
- Approval of sustainability targets
- Risk management (supplier relations)
- EU Taxonomy (climate change mitigation and adaptation)
- Sustainability priorities for 2025 (e.g. climate change mitigation in the company's operations and value chain, occupational health and safety)

Audit Committee:
- Double materiality assessment
- Risk management (supplier relations)
- Observations of internal audit for sustainability management (supplier relations, impact management action plans)

Group Executive Team
- Progress of sustainability activities in business operations (climate change mitigation in the company's operations and value chain, climate change adaptation, occupational health and safety)
- HSEQ reviews (occupational health and safety)
- Results of personnel surveys (corporate culture, wellbeing at work)

GOV-3 – Integration of sustainability-related performance in incentive schemes

Incentive and remuneration schemes for the Board of Directors and management related to sustainability matters

Enersense's remuneration policy aims to attract, engage and motivate employees, and to provide remuneration elements that are in the best interests of the shareholders and promote the company's long-term financial success and value creation. The purpose of Enersense's remuneration system is to promote the company's competitiveness and the achievement of its goals and strategy. Incentive schemes also aim to reward good performance and support commitment to sustainable development.

Sustainability-related impacts are included in the short- and long-term incentive plans for Enersense's management and key employees as shown in the following table. The implementation of the sustainability programme is measured by targets related to climate change mitigation and adaptation, as well as personnel diversity.

Incentive scheme	Metric	Weighted value
Short-term incentive 2024	Group's occupational safety	10%
Share-based bonus plan 2023–2025	Implementation of the company's sustainability programme	15%
Share-based bonus plan 2024–2026	Implementation of the company's sustainability programme	20%

Climate-related perspectives have also been addressed in the share-based bonus plan for Enersense's Group Executive Team. In 2023–2025, one of the metrics representing the implementation of the sustainability programme is the reduction of emissions from the company's cars in Finland (a quarter of the weighted value of 15 per cent) and in the share-based bonus plan for 2024–2026, the share of business related to renewable energy (a third of the weighted value of 20 per cent).

The Board of Directors decides on the remuneration of the CEO and other members of the Group Executive Team, as well as on the grounds for their remuneration.

GOV-4 – Statement on due diligence

Enersense's operations take due diligence into account, for example by complying with the Finnish Corporate Governance Code for listed companies and by including sustainability considerations in the Code of Conduct and policies. Enersense's Code of Conduct defines the company's principles in relation to ethical business practices, human and labour rights and environmental values. Online Code of Conduct training has been prepared, which is mandatory for the entire personnel. *The Code of Conduct is described in more detail in section E1-2*. More detailed information about training is provided in section *G1-1* of the Sustainability Report.

In addition, the company's sustainability principles have been defined in policies described in the topic-specific standards, such as the environmental, personnel, occupational health and safety, information security and procurement policies as well as in the supplier code of conduct.

Dialogue with affected stakeholders, such as employees and suppliers, is described in sections *SBM-2*, *S1-2*, and *G1-2*.

Enersense has a whistleblowing channel through which internal and external stakeholders can report any suspected misconduct. The whistleblowing channel is described in more detail in section *G1-1* of the Sustainability Report. Processes for addressing negative impacts on own personnel are also described in section *S1-3*.

Enersense will further specify its identification and assessment of adverse human rights impacts. For personnel and contractors, occupational health and safety impacts and risks are identified through the ISO 45001 certification process as part of Enersense's workforce-related risk mitigation measures , which are described in section *S1-4*. Regarding the environment, Enersense identifies impacts through the ISO 14001 certification process, as described in section Topic-specific IRO-1 information. Enersense will develop the human rights due diligence process in 2025 by conducting an assessment of adverse human rights impacts. Measures will be developed on the basis of the results of the assessment. The actions related to personnel health and safety and the monitoring of their effectiveness are described in sections *S1-4* and *S1-5*. In addition, the company will develop its environmental impact assessment process and prepare, for example, a transition plan for climate change mitigation by the end of 2025, as described in section *E1-1*. Other environmental actions and monitoring of their effectiveness are described in sections *E1-3*, *E1-4*, *E2-2* and *E2-3*. Supplier relations activities are described in section *G1-2*.

GOV-5 – Risk management and internal controls over sustainability reporting

At Enersense, sustainability reporting has been implemented centrally at the Group level. To support the compilation of the report in accordance with the sustainability reporting standards, a reporting system has been implemented in which specialists in each area supplement information.

Enersense has defined roles and responsibilities for the Group's sustainability reporting so that the persons responsible for content production and data collection for the report are not the same as the persons responsible for checking the content. Sustainability-related data are collected from the organisation's different systems, and the designated responsible persons compile the data at the Group level.

The company's Board of Directors is responsible for internal auditing. The Audit Committee of the Board of Directors is responsible for monitoring the effectiveness, adequacy and appropriateness of internal control. Each year, internal control is focused on different activities. An internal audit on sustainability management was conducted in 2023, and a monitoring report on the progress of development actions made on its basis was prepared in 2024.

The Sustainability Report has been assured (limited assurance) by an independent third party, KPMG Oy Ab.

Enersense's sustainability reporting risks were assessed in 2024 as part of an internal audit. Processes related to risk management will be developed later.

The internal audit identified shortcomings in sustainability reporting regarding the definition of roles and responsibilities, as well as the reporting system. Ensuring the correctness of data has also been identified as a risk related to sustainability reporting. In addition, there were significant personnel changes in the reporting team during the reporting year.

To mitigate risks, the company has developed its internal sustainability data collection and certification processes, defined reporting responsibilities, implemented a reporting system, and started document reporting processes. Regarding the accuracy of data, separate content producers and reviewers have been designated for all sections of the Sustainability Report.

The Audit Committee of the Board of Directors monitors Enersense's sustainability reporting process and discusses the progress of sustainability reporting and any risk assessment findings several times a year. The Board and management also discuss sustainability reporting at their meetings.

SBM-1 – Strategy, business model and value chain

Enersense focuses on project and service operations for the green energy transition. The company has three segments: Power, Connectivity and Industry.

In the Power segment, Enersense helps customers implement the energy transition through services that cover the entire life cycle of the energy sector. The company designs and builds power transmission networks, substations, wind power and solar energy farms, and provides maintenance services for the energy sector. The Power segment also includes project development for wind power and solar energy. The company announced its sale to Fortum on 19 December 2024. The transaction was completed after the financial year on February 26, 2025. In addition, Enersense decided to ramp down its business focusing on zero-emission transport solutions within the Power business on 28 February 2025.

In the Connectivity segment, Enersense provides its customers with mobile and fixed telecommunications network services and ensures their operation. In addition, the company provides services related to the design, construction, maintenance and fault repair of telecommunications networks.

In the Industry segment, Enersense helps its customers improve the reliability of their production plants and the efficiency of their maintenance operations. Key services include industrial operation and maintenance services, maintenance centre services, annual maintenance, and surface treatment, steel, and pipeline services. In addition, the Industry segment includes the Marine and Offshore Unit, for which the company is conducting a strategic assessment.

Enersense's customers include energy, telecommunications and industrial companies. Enersense's customers are not direct consumer customers, nor do consumers directly use its products or services or are linked to them. The company mainly operates in the Nordics and the Baltics.

Information about the number of employees at Enersense, broken down by geographical area, is provided in section *S1-6* of the Sustainability Report.

Enersense has not set sustainability targets for product and service groups, customer categories, geographical areas, or stakeholder relations. The targets concern the reduction of GHG emissions from the company's operations and occupational safety, and they are described in sections *E1-4* and *S1-4*. Reducing emissions from the company's own operations will reduce emissions from the services provided by Enersense.

In the summer of 2024, Enersense made a strategic decision to focus on project and service operations for the green energy transition. During 2024, there were no challenges, new deployable solutions or projects that would affect sustainability reporting.

Business model and value chain

Enersense's key production inputs include steel, concrete and subcontracting services. The company's procurement policy guides procurement processes.

Procurement is seen as an important part of the Group's strategic operations and risk management, competitiveness, total costs consideration, reliability, knowledge of materials, ensuring quality and product safety, R&D and partnerships and it requires an in-depth understanding of business operations. Enersense's procurement policy defines that procurement must adhere to fair competition and procurement decisions must be planned so that they promote the effectiveness and competitiveness of the markets. The management, competitive tendering and continuous development of the supplier network seek to ensure a cost-effective and high-quality service level, the use of new products and technologies, and compliance with sustainable procurement principles. The centralised procurement organisation is responsible for the strategic planning of procurement operations and the development of the procurement process.

The procurement policy is described in more detail in section *G1-1*, and information about procurement-related responsibility criteria is provided in section *G1-2*.

Enersense's operations provide customers with products and services related to the green energy transition and infrastructures in society. For investors, Enersense seeks to provide an attractive investment opportunity. Enersense's operations have a significant impact on employment.

Enersense's value chain

Tier 3 suppliers	Tier 2 suppliers	Direct suppliers	Enersense's operations	Direct customers	Tier 2 customers	Consumers and end-users
Raw materials	**Raw materials and intermediate products**	**Raw materials and sub-contractors**	**Functions**	**Customers**	**Customers' customers**	
• Mining of raw materials • Oil drilling and refining	Key raw materials: • steel • concrete • copper • aluminium • plastic • fossil fuels	• Wholesalers • Metal processors • Builders • Installation providers • Service providers • Steel products • Concrete products • Electrical equipment • Electricity suppliers • Heat suppliers	• Design and construction of energy, telecommunications and industrial infrastructures, as well as operation and maintenance services	• Electricity network companies • Telecom operators • Power plants • Project developers • Industrial customers (e.g. nuclear power, hydrogen plants and marine industry) • Optical fibre companies	• Power plants • Project developers • Industrial customers • Shipping companies	• Consumers • Dismantling services

SBM-2 – Interests and views of stakeholders

Stakeholder group	Means and purpose of interaction	Views of stakeholders	Impact on operations and strategy
Customers	• Collecting feedback through regular meetings and surveys. • Interaction aims to understand customers' short- and long-term expectations.	• Professional high-quality services and solutions, rapid responses to unexpected situations, innovation, digitalisation. Sustainable ways of working (e.g. occupational safety), ensuring sustainable business and environmental sustainability. Durable materials. Regular status updates.	• Close cooperation with customers, addressing customers' expectations in business planning and development.
Employees	• Open and regular communication regarding the Group's strategy, situation, results and future direction. Opportunities to give feedback through job satisfaction and other surveys, as well as personal performance appraisals. Representation of the personnel in segmental management teams. • The purpose of interaction is to communicate the company's operations and to understand the views of employees.	• The personnel's views of customer needs and business development. Professional development, wellbeing and safety at work, understanding the strategy, staying updated on the company's situation and progress. Ensuring sustainable ways of working, sustainable business and environmental sustainability.	• Continuous actions to promote safety and wellbeing at work. Addressing the personnel's views in business planning and development.
Shareholders	• Annual General Meeting and open communication regarding the Group's strategy, finances and future outlook. • The purpose of interaction is to communicate the company's operations to shareholders.	• Increasing the shareholder value. Transparency concerning the Group's strategy and results. Ensuring sustainable ways of working (e.g. occupational safety), sustainable business and environmental sustainability.	• Integrating any change needs into operations.
Suppliers	• Email, calls, meetings, audits, contracts • The purpose of interaction is to communicate the company's needs, wishes and requirements, and to hear what kind of development suppliers can offer.	• Transparency concerning future expectations, the market situation and competitiveness. The need to understand sustainability issues and expectations in the longer term.	• Close relationships with suppliers and contractors, the presentation of long-term plans, and the introduction of policies to promote sustainable procurement.
Trade unions	• Regular meetings with trade unions, communication in change projects.	• Conducting business in accordance with the law and regulations, employer sustainability.	• Enersense as a responsible employer.
Analysts, funding providers, Nasdaq Helsinki	• Communication in accordance with the disclosure obligation, meetings, webcasts, capital markets day. • The purpose of dialogue is to communicate Enersense as an investment opportunity.	• Open and regulatory communication regarding the company's operations and financial situation.	• Increasing understanding of Enersense's operations and increasing the company's attractiveness as an investment opportunity by communicating the Group's strategy, finances and future outlook.
Media	• Interviews, media events, media releases. The purpose of communication is to promote openness and understanding among external stakeholders.	• Communication to external stakeholders regarding business and strategy. Innovation, skilled personnel and sustainable growth.	• Developing Enersense's reputation, increasing understanding of the company's operations, increasing dialogue with stakeholders.
Authorities	• Implementing and reporting regulatory requirements. Dialogue and cooperation with the authorities.	• Compliance with regulatory requirements and the reporting of necessary information. The authorities' views of the development of different sectors and future needs.	• Regular monitoring of new regulations and communication regarding the company's operations. Strengthening Enersense's role in infrastructure development.
Associations	• Dialogue and cooperation with industry associations, companies and organisations.	• Promoting the exchange of information between companies, the development of the sector and business opportunities through cooperation and the creation of effective mechanisms and processes. Dialogue with non-governmental organisations.	• Promoting future solutions for common challenges.

Enersense engages in continuous dialogue with its stakeholders. The methods of interaction, stakeholders' views, and their impacts on Enersense's operations and strategy are described in the table above.

The views of shareholders, customers and the personnel have an impact on the development of Enersense's operations, products and services.

The stakeholders' views of sustainability impacts are discussed by the Board of Directors and management in the context of decision making.

S1-SMB-2 – Interests and views of the company's own workforce

The personnel's views are heard, and their rights are addressed in the development of the strategy and business model. The methods of consultation are discussed in section *S1-2.*

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

Results of the double materiality assessment

The material impacts, risks and opportunities identified as a result of the double materiality assessment are described in the table below:

	Sustainability topic	Description of the impact, risk or opportunity	Nature of the impact risk/opportunity	Stage in the value chain	Time horizon
Environmental information					
E1	Climate change mitigation	Most GHG emissions are generated in Enersense's customer projects and in the manufacture of the steel and concrete used in the company's production activities.	Actual, negative impact	Upstream value chain	Short to long
		Most of Enersense's own direct GHG emissions come from the fuel consumption of vehicles and machines. The increase in greenhouse gas emissions intensifies climate change. This can cause material damage to society, impair human health, food security, and water availability, and lead to the degradation of ecosystems and biodiversity.	Actual, negative impact	Own operations	Short to medium
		GHG emissions are generated in the operations of Enersense's customers and other parties in the downstream value chain.	Actual, negative impact	Downstream value chain	Medium
	Climate change adaptation	Growing demand for environmentally friendly energy solutions, increase in revenue through increased sales. Environmentally friendly energy solutions can reduce greenhouse gas emissions and thus mitigate the impacts of climate change on people and the environment.	Opportunity	Own operations	Short to medium
	Energy	Impacts of energy intensity in steel production on GHG emissions	Actual, negative impact	Upstream value chain	Medium to long
		Energy consumption is the second largest contributor to GHG emissions in Enersense's operations, and it mainly consists of the electricity used at the Marine and Offshore Unit.The increase in greenhouse gas emissions intensifies climate change. This can cause material damage to society, impair human health, food security, and water availability, and lead to the degradation of ecosystems and biodiversity.	Actual, negative impact	Own operations	Short to long
E2	Pollution: air pollution	Volatile organic compounds (VOC) are released from operations, mainly at the Marine and Offshore Unit. VOC emissions can cause health issues such as eye and respiratory irritation, and they contribute to the formation of ground-level ozone, which is harmful to humans and the environment.	Actual, negative impact	Own operations	Short to medium
		Emissions to air from the forest and shipyard industries	Actual, negative impact	Downstream value chain	Short to medium
Social information					
S1	Working conditions: health and safety	Dangerous working conditions may lead to occupational accidents and have an impact on employees' health and safety.	Potential, negative impact	Own operations	Short to medium

	Sustainability topic	Description of the impact, risk or opportunity	Nature of the impact risk/opportunity	Stage in the value chain	Time horizon
	Other work-related rights: privacy	Fines for data breaches can be high and add to other operating costs.	Risk	Own operations	Short to medium
Governance information					
G1	Business conduct and corporate culture	The Code of Conduct and policies promote Enersense's corporate culture themes, including regarding suppliers.	Actual positive impact	Upstream value chain	Short to medium
		The most significant themes promoted by Enersense's corporate culture include sustainable work, sustainable business and environmental sustainability.	Actual positive impact	Own operations	Short to medium
		The Code of Conduct and policies promote Enersense's corporate culture themes, including regarding customers.	Actual positive impact	Downstream value chain	Short to medium
	Whistleblower protection	Suspicions of misconduct are reported through the whistleblowing channel and can be addressed in a timely manner.	Actual positive impact	Upstream value chain	Short to medium
		Suspicions of misconduct are reported through the whistleblowing channel and can be addressed in a timely manner.	Actual positive impact	Own operations	Short to medium
		Suspicions of misconduct are reported through the whistleblowing channel and can be addressed in a timely manner.	Actual positive impact	Downstream value chain	Short to medium
	Relationship with suppliers of goods and services	Failure in executing and monitoring the sustainability requirements for subcontractors and suppliers of materials, as well as in addressing shortcomings, could result in additional contractual liabilities, the loss of key customers or the competitive edge, or even fines for the company.	Risk	Upstream value chain	Short to medium
		Failure in executing and monitoring the sustainability requirements for subcontractors and suppliers of materials, as well as in addressing shortcomings, could result in additional contractual liabilities, the loss of key customers or the competitive edge, or even fines for the company.	Risk	Own operations	Short to medium

Impacts of results on the business model, value chain, strategy and decision making

The company will further develop processes to analyse the impacts of the identified impacts, risks and opportunities on decision making and the strategy, business model and value chain.

Using the opportunities offered by the sustainable energy transition is an important part of Enersense's strategy and business. These business opportunities are regularly identified, assessed and managed as part of Enersense's strategy and planning processes. More information about actions related to the green transition is available in section *E1.*

A risk associated with Enersense's supply chain has already been identified earlier as a significant sustainability risk in the company's risk management process. The procurement of materials and services is an integral part of Enersense's business, and the company aims to interact only with reputable and trusted partners. The backgrounds and business operations of subcontractors and other partners are reviewed before engaging in cooperation. More information about supplier relations is available in section *G1-2.*

Impacts related to the health and safety of the personnel are connected to Enersense's strategy, and the company's goal is to continuously evolve into a safer working community. Occupational health and safety is part of Enersense's strategy. To manage information security risks, Enersense provides its personnel with training regarding the company's practices as set out in the Information Security Policy. The policy is based on Enersense's strategy and corporate security policy. Personnel training and the maintenance of skills are important considering risk management. More information about impacts and risks related to the personnel is available in section *S1*.

Interaction of material impacts with the strategy and business model

Enersense's business focuses on project and service operations for the green energy transition. Reducing GHG emissions is one of the main drivers of the energy transition, laying the foundation for Enersense's strategy.

Because of the nature of Enersense's business, most GHG emissions are generated in the upstream value chain in the production of steel and concrete. The most significant part of Enersense's direct GHG emissions come from the fuel consumption of vehicles and machines. Emissions in the downstream value chain are generated in the operations of Enersense's customers.

Impacts related to air pollution arise in customer relationships through the forest and shipyard industries, as well as at the production plant in the Marine and Offshore Unit.

A significant number of Enersense's employees work in construction, maintenance and installation tasks that involve a greater occupational safety risk. Addressing occupational safety is therefore essential in the company's operations.

Compliance with the Code of Conduct is central in Enersense's business, and the protection of any whistleblowers is therefore essential.

Financial impacts of material risks and opportunities

Enersense has identified growth in demand for green energy as a material opportunity that could increase the company's revenue. Enersense is widely involved in various green energy generation projects through design, construction, operation and maintenance services. These projects include electricity networks, substations, green hydrogen plants, and hydropower, wind power, and solar power plants.

At the end of 2024, Enersense announced that it would sell its wind and solar power project development business to Fortum. The transaction was completed after the financial year on February 26, 2025. However, as the company will continue to design, build and maintain green wind and solar power farms, demand for green energy will have an impact on Enersense's financial situation.

Possible data breaches related to personal data and violations related to cybersecurity may result in significant financial sanctions, which if materialised would have an impact on the company's results. Sustainability in procurement decisions and supplier selections has an impact on the company's profitability.

Enersense has yet to implement a resilience analysis for its strategy and business model or assess its ability to address material impacts, risks and opportunities. However, as the company's business portfolio is broad, it can balance risks and use opportunities in different business areas and models.

Changes compared to the previous reporting period, and reporting results

Material impacts, risks and opportunities were identified through a double materiality assessment for the first time during the reporting period. Risks related to the sustainability of Enersense's operations, including sustainability risks related to the supply chain and the company's personnel, have previously been analysed at the upper level as part of the company's risk management process. The company's impacts and opportunities related to sustainability have not been assessed or reported before.

All impacts, risks and opportunities identified as material are within the scope of the ESRS disclosure requirements.

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

In the autumn of 2023, Enersense conducted its first double materiality assessment in compliance with the ESRS, which was used to assess the Group's impacts, risks and opportunities in relation to various sustainability topics. The double materiality assessment covered all the sub-topics and sub-sub-topics for sustainability matters listed in *ESRS 1 General information AR 16*. The expertise of Enersense's management and key employees, as well as the expertise of external consulting companies regarding sector-specific potential impacts, risks, and opportunities were used in the double materiality assessment.

The assessments were specified in November–December 2024, and the final assessment was validated at the Board of Directors' meeting in December 2024. The process was carried out in five stages: mapping and value chain definition, identification and assessment of impacts, identification and assessment of financial risks and opportunities, setting assessment thresholds and validation of results.

1. Mapping and value chain definition

In the mapping phase, Enersense's value chain description was defined, and the knowledge level of Enersense's key employees was ensured by providing them with training regarding the CSRD and double materiality assessment process. The mapping phase defined that the value chain description and double materiality assessment would be conducted on a consolidated basis at the Enersense Group level, addressing all functions and subsidiaries. The process addressed all of Enersense's operating countries (the Nordics and the Baltics). As the Group's businesses are similar, and its units are small, an assessment at the Group level was considered sufficient.

2. Identification, assessment and prioritisation of impacts

At the first workshop, the company's impacts on different sustainability topics were identified. The process also aimed to identify the impacts in which Enersense is involved through its value chain. During the assessment, the need to develop the company's due diligence processes related to human rights and environmental impacts was identified, in order to refine the assessments, especially regarding the impacts identified at the beginning of the value chain. Further investigations will also examine whether the risk of adverse impacts increases in relation to certain actions, business relationships, or geographical areas, potentially revealing significant impacts that have not yet been identified. The assessments related to the value chain were based on expert evaluations and industry-specific information.

Enersense does not yet have a human rights due diligence process, but the company is committed to its development. As no comprehensive human rights risk assessment has yet been conducted, it was identified that the risks of child labour and forced labour in the value chain had not been assessed. Furthermore, as no analysis of value chain workers in different operations and the greater risks of losses associated with them has been conducted, the understanding of impacts on value chain workers remains incomplete. The materiality assessment will be specified through the implementation of the human rights assessment.

For affected communities, it was noted that communities could be subject to adverse impacts, especially farther in the upstream value chain. Raw materials are mainly sourced through reliable wholesalers, and the risk of communities being affected by raw material sourcing is considered low. As no systematic analysis of communities living in different circumstances and their associated greater risks has yet been conducted, the understanding of the impacts may be insufficient. The materiality assessment will be specified through the implementation of the human rights assessment.

In terms of the environment, Enersense identifies potential and actual impacts through the ISO 14001 certification process. Impacts related to the environment were assessed based on the expert knowledge of the company's key employees. Enersense will complement its environmental impact assessment. Once a more detailed assessment of the severity and likelihood of impacts has been conducted, it is possible that other matters related to the environmental aspects will emerge as material in addition to matters related to climate change and pollution. The processes for identifying environmental impacts are described in more detail under *Topical IRO-1 information*. The double materiality assessment will be specified through the implementation of additional assessments.

Stakeholders' views were taken into account in the process in conjunction with the impact assessment by discussing the position of affected stakeholders during a workshop. In addition, key employees validated the results of the assessment during the process in conjunction with the scoring of impacts, risks and opportunities, and the setting of thresholds. External stakeholders were not directly consulted during the process, but their perspectives were brought to the fore by engaging with representatives of Enersense's different business areas who maintain regular contact with key stakeholders. In addition, feedback received from stakeholders was used in the process. Specialists from the participating consulting companies were also consulted in the assessment.

At the second workshop, a total of 45 impacts were assessed. The identified actual and potential impacts were evaluated based on their severity and likelihood. For negative impacts, severity was determined by the scale, scope, and remediability of the impacts, while for positive impacts, it was determined by the scale and scope of the impacts. Likelihood was assessed only for potential impacts.

The dimensions of severity were scored as follows:

- Scale on a scale of 1 (very low impact on people and the environment) to 5 (very high impact on people and the environment),
- Scope on a scale of 1 (local impact) to 5 (extremely widespread impact), and
- Irremediability on a scale of 1 (easily remediable in the short term) to 5 (irremediable, permanent impacts).

Likelihood was assessed on the following scale:

1. The event may occur under exceptional circumstances 0–9%
2. The event may occur at some point 10–30%
3. The event is likely to occur under most circumstances 31–50%
4. Likely to occur under most circumstances 51–80%
5. The event is expected to occur under most circumstances 81–100%

The processes for monitoring identified potential and actual impacts are described in the topical standards.

3. Identification and assessment of financial risks and opportunities

At the first workshop, risks and opportunities related to sub-topics and sub-sub-topics for sustainability matters were identified. The sustainability impacts identified in the previous phase were addressed when identifying and defining risks and opportunities in business operations. Representatives of internal stakeholders were involved in the scoring process and impact assessment.

When potential financial risks and opportunities related to business operations were first identified, the process started by assessing whether the identified impacts were directly linked to the company's financial performance, reputation and long-term profitability, and whether any legal or regulatory risks were associated with the impacts. In addition, it was assessed whether Enersense could continue to use its resources, whether the markets were secure, and whether suppliers could secure the use of their key resources. The impacts on business operations identified through the assessment were divided into risks and opportunities. Regarding the identified risks and opportunities, it should be noted that Enersense will conduct further assessments of environmental and human rights impacts, as described under *Identification, assessment and prioritisation of impacts*. As risks and opportunities may arise from impacts, additional assessments may also reveal significant new risks and opportunities.

At the second workshop, in total, 20 business risks and opportunities were identified and scored. For the risks and opportunities, the magnitude and likelihood of the financial impacts were assessed.

Each risk and opportunity were scored on a scale of 1 (very low impact on individual products or transactions < MEUR 0.5) to 5 (very significant, fundamental impact on the company's overall operations > MEUR 2).

Likelihood was assessed on the following scale:

1. The event may occur under exceptional circumstances 0–9%
2. The event may occur at some point 10–30%
3. The event is likely to occur under most circumstances 31–50%
4. Likely to occur under most circumstances 51–80%
5. The event is expected to occur under most circumstances 81–100%

The business opportunity related to climate change adaptation as well as the sustainability risk related to supply chain management and sustainability were added to the results of the materiality assessment after the Group Executive Team compared the results of the double materiality assessment with the results of the company's risk management process and the generally identified business opportunities.

Enersense's overall risk management process identifies, reviews and assesses sustainability related risks based on their impact and likelihood using similar tools and methods as for other risks. The risks related to sustainability identified in the 2024 risk assessment were taken into account in the context of the validation of the results of the double materiality assessment.

4. Setting assessment thresholds

The materiality of impacts, risks, and opportunities was determined based on materiality thresholds in a separate internal meeting at Enersense.

The impact materiality threshold was set at 3.25 for environmental topics, and 3.5 for social and governance topics. The threshold for environmental topics was set lower, as it was considered important based on the company's industry that environmental topics already become material with a lower threshold.

In the impact materiality assessment, it was noted that one part of the severity assessment could make an impact severe. However, no impacts were identified as material as a result of this. For human rights impacts, the severity of impacts was primarily addressed.

The threshold for financial materiality was set at 3.0 for all matters.

5. Validation of results

The thresholds for the assessments, as well as the results of the double materiality assessment, were validated at an internal meeting of Enersense's management. During the validation, changes were made to some of the assessed impacts, risks and opportunities based on a comparison of the assessment with the company's existing risk management processes and strategic goals. The results were then presented to the Group Executive Team, and later to the Audit Committee and the Board of Directors for approval.

Decision-making process and internal controls

Internal control related to the decision-making process was ensured by inviting a broad range of specialists from Enersense's various operations to workshops and by engaging senior management. The results of each workshop were sent to all participants for review before the next meeting. In addition, certain members of the Group Executive Team convened at separate meetings to validate the results of the process.

Certain members of the Group Executive Team (SVP, Communications and Public Affairs; SVP, HR; SVP, Legal; and CFO) validated the results of the double materiality assessment before it was handed over to all members of the Group Executive Team, who approved it in December 2023.

The first summary of the materiality assessment and the IRO assessment were presented to the Audit Committee, which further presented the results of the materiality assessment to the Board of Directors for approval in April 2024. The Board of Directors approved the final results after updates in December 2024.

Sustainability risks were already identified prior to the double materiality assessment as part of Enersense's risk management process, and the opportunity related to climate change adaptation and the risk related to sustainability in the supply chain had been identified as part of it, as described in the previous section. The company will develop processes to integrate the process of identifying, assessing, and managing impacts and risks into the company's risk management process, and into the general management process where possible.

The double materiality assessment process was carried out for the first time. The assessment will be specified during 2025 using the additional assessments described earlier in this section.

Topical IRO1 information

Process to identify and assess material impacts, risks and opportunities related to the climate

Impacts, risks and opportunities related to the climate were identified based on the nature of business operations: project and service operations for the green energy transition are at the core of Enersense's strategy. In conjunction with the identification of risks and opportunities, future regulation was also examined.

The results of a previous emission calculation were used in the impact assessment, and GHG emissions in the company's operations and in the upstream and downstream value chain were identified. GHG emissions and emission calculations are described in section *E1-6*.

Enersense has yet to systematically identify physical risks related to the climate. Furthermore, Enersense has yet to assess how its assets and business operations may be exposed to, and how sensitive they are to risks related to the climate. Transition events have been identified as part of risk management processes and in conjunction with the double materiality assessment in the short and medium terms. Stricter regulation, carbon tariffs and emissions reduction targets have been identified to present potential transition risks by increasing investment or other costs, or by reducing sales due to the loss of customers. In contrast, the green energy transition has been identified to offer potential business opportunities through increased sales. No scenario analysis has yet been conducted, and if realised, it is expected to specify the results in terms of both physical and transition risks.

Process to identify and assess material impacts, risks and opportunities related to pollution

Enersense has addressed the locations of its sites and the nature of its business operations to identify actual and potential impacts, risks and opportunities related to pollution in its operations, and in the upstream and downstream value chain. The use of paints and thinners releases volatile organic compounds (VOC) into the air, especially at the Mäntyluoto site in the company's Marine and Offshore Unit.

In terms of the value chain, the assessment addressed the fact that Enersense provided projects and services on a broad scale for the construction industry, and energy and telecommunications companies. In the downstream value chain, a material impact related to air pollution was identified in relation to customer relationships in the forest and shipyard industries. In addition, impacts on water and soil pollution were identified, but the severity and likelihood of potential impacts were considered low as a result of customer compliance with environmental permits and environmental impact management.

In the upstream value chain, the most significant procurement was addressed, but no impacts, risks or opportunities were identified.

Regarding the company's operations, its various functions were addressed, and a material impact related to air pollution was identified at the production plant in the Marine and Offshore Unit. In addition, other impacts not regarded as material were identified.

The locations of the construction sites where Enersense operates were addressed in the assessment. The locations are examined and selected carefully, which is why the potential impacts of pollution were considered to be below the materiality threshold.

In addition, the substances used in processes were taken into account. While plastics are used in processes, they are not a significant material for Enersense, and no impacts related to microplastics were identified. Enersense uses different types of oils, solvents, lubricants and paints in different locations, but the quantities stored are small, and the risk of material leakage is minimal.

However, in its Marine and Offshore Unit and Projects business line, as well as in its customer relationship with Helen, Enersense stores and uses large volumes of substances of concern. All these activities take place under the supervision of the relevant authorities (e.g. the Finnish Safety and Chemicals Agency, Tukes). Enersense is aware of the risk associated with the use of substances of concern, but the likelihood of such an incident occurring is considered very low.

Enersense only provides services in the nuclear sector for Olkiluoto 3, but its services are unrelated to the actual nuclear energy process. The risk of a possible accident at a nuclear power plant in which uranium would leak into the environment is considered highly unlikely.

When conducting the assessments, it was also taken into account that Enersense assesses the environmental risks of its operations in accordance with the ISO 14001 standard, and the company's operations in Finland have the ISO 14001 certification.

Regarding the contamination of living organisms and food, no impacts, risks and opportunities were identified based on available information, but at the same time, a need for further assessments was identified.

No impacts of pollution on communities have been identified, and no consultations have been held.

Process to identify and assess material impacts, risks and opportunities related to water and marine resources

The nature of Enersense's activities was assessed to identify actual and potential impacts, risks, and opportunities related to water resources, but none was regarded as material. Water consumption in Enersense's operations is at a very low level (offices), and Enersense does not use water in any areas at water risk. The most significant impact on water consumption comes from customers' processes and production processes in the upstream value chain (steel production, copper cable production). No impacts to be assessed were identified in any of the four sub-sub-topics (water withdrawals; water discharges; water discharges in the oceans; and extraction and use of marine resources). No impacts related to water and marine resources on communities have been identified, and no consultations have been held.

Process to identify and assess material impacts, risks and opportunities related to biodiversity and ecosystems

Enersense's operations and value chain have been identified to have impacts on biodiversity loss and the state of ecosystems. Enersense designs and builds energy solutions, develops wind power projects (the project development business was sold to Fortum after the reporting period in 2/2025) and participates in various construction projects located in nature. The impacts did not emerge as material in the double materiality assessment because, regarding the projects in which Enersense participates, building permits are only granted for locations in which impacts on biodiversity are considered minor.

Currently, the impacts have been assessed based on expert information concerning the company's operations. Enersense will refine an assessment of its impacts on biodiversity.

Enersense recognises that its business relies on natural raw materials such as sand for concrete and iron for steel. Renewable energy solutions, which are at the core of Enersense's business, also depend on wind, sun and water. The financial risk associated with natural resources and ecosystem services was identified and assessed but was not considered material. Dependencies on natural raw materials and ecosystem services were assessed as part of the double materiality assessment, i.e. based on the magnitude and likelihood of the risk. Transition and physical risks and opportunities related to biodiversity have yet to be systematically assessed. Systemic risks related to the company's business model and society have yet to be systematically assessed.

Enersense has not conducted sustainability assessments of shared biological resources and ecosystems and has therefore not consulted affected communities. The company has not conducted a scenario analysis related to biodiversity and ecosystems.

Enersense's sites are not located in or near biodiversity-sensitive areas such as nature reserves. Enersense has not conducted a site-specific assessment of biodiversity or ecological status at each site or the impacts of its activities on threatened species. The environmental impact assessment (EIA) of wind power projects addresses the biodiversity impacts of each project. An environmental permit must be applied for if significant impacts on biodiversity are identified in a project. The impacts of wind power projects on biodiversity are prevented by the careful siting of turbines.

Enersense has defined practices to verify potential biodiversity values in the areas selected for wind power projects with the aim of mitigating the impacts as much as possible in the early stages of the planning process. In addition, all potential impacts are assessed during land-use planning and the EIA procedure. If material impacts are identified, including in relation to biodiversity, the planning process will be suspended.

For mitigation measures related to biodiversity, national legislation is followed regarding the EIA procedure based on the EU Directive on the assessment of the effects of certain plans and programmes on the environment (2001/42/EC).

Process to identify and assess material impacts, risks and opportunities related to the circular economy

Enersense's operations, as well as activities in the upstream and downstream value chain, were assessed during double materiality assessment workshops from the perspective of the circular economy, but no impacts were identified regarding the inflows and outflows of resources. One impact was identified concerning waste, but it did not exceed the threshold to be considered material. One opportunity was identified in the inflows, but it also did not become material in the assessment. Enersense operates in project and service operations in the energy and construction sectors. Its key production inputs are steel, concrete, and subcontracting services. The amount of waste is minimal, and Enersense aims to recycle reusable materials. The material impacts of the use of natural resources in the upstream value chain have been identified as part of Enersense's emissions, and no additional impacts have been identified. Communities have not been consulted regarding resource use and the circular economy, and no impacts on communities have been identified.

Process to identify and assess material impacts, risks and opportunities related to business conduct

In identifying the impacts, risks and opportunities related to business conduct, the entire Group's operations, the countries in which it is located, the company's industry and the structure of the business were addressed. These are described in more detail in the *ESRS 2 SBM-1 section*.

In addition, the risks associated with business conduct that emerged in the company's risk management process were addressed, of which the risk related to procurement and supplier selections emerged as material. Potential supplier risks have been identified, especially in relation to subcontracting chains and non-EU suppliers.

IRO-2 – Disclosure requirements in ESRS covered by the company's sustainability report

Content index

Data points based on other EU legislation listed in Appendix B to ESRS 2 standard

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		24
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		24
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				28
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		29
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		29
ESRS 2 SBM-1 Involvement in activities related to controversial weapons para-graph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818(7), Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II		29
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II		29
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	59
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		59
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		61

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				62
ESRS E1-5 Energy consumption and mix para-graph 37	Indicator number 5 Table #1 of Annex 1				62
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				62
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		63
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		63
ESRS E1-7 GHG removals and carbon credits para-graph 56				Regulation (EU) 2021/1119, Article 2(1)	Non-material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Transition rule applied
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			Transition rule applied
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes para-graph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Transition rule applied

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportuni-ties paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Transition rule applied
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				66
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Non-material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Non-material
ESRS E3-1 Sustainable oceans and seas para-graph 14	Indicator number 12 Table #2 of Annex 1				Non-material
ESRS E3-4 Total water recycled and reused para-graph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Non-material
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Non-material
ESRS 2-SBM 3-E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Non-material
ESRS 2-SBM 3-E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Non-material
ESRS 2-SBM 3-E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Non-material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Non-material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Non-material
ESRS E4-2 Policies to address deforestation para-graph 24 (d)	Indicator number 15 Table #2 of Annex 1				Non-material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Non-material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Non-material
ESRS 2-SBM3-S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				67
ESRS 2-SBM3–S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				67
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				68

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		68
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				68
ESRS S1-1 workplace accident prevention policy or management system para-graph 23	Indicator number 1 Table #3 of Annex I				68
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				70
ESRS S1-14 Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		75
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Transition rule applied
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Non-material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Non-material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				76
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		76
ESRS 2-SBM3-S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Non-material
ESRS S2-1 Human rights policy commitments para-graph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Non-material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Non-material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines para-graph 19	ESRS S2–1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines para-graph 19		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material

Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page number
ESRS S2-1 Due diligence policies on issues ad-dressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Non-material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Non-material
ESRS S3-1 Human rights policy commitments para-graph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Non-material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO princi-ples or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material
ESRS S3-4 Human rights issues and incidents para-graph 36	Indicator number 14 Table #3 of Annex 1				Non-material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Non-material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material
ESRS S4-4 Human rights issues and incidents para-graph 35	Indicator number 14 Table #3 of Annex 1				Non-material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				77
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				78
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Non-material
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Non-material

The material information provided in this Group Sustainability Report has been determined based on the results of the double materiality assessment and the materiality of the information as defined in ESRS 1 section *3.2 Material matters and materiality of information*. For all sustainability matters exceeding the materiality assessment threshold, information in accordance with the topical standard has been provided regarding metrics and targets from the perspectives of material impacts, risks and opportunities.

Environmental information

EU Taxonomy

INFORMATION PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

EU Taxonomy for sustainable economy activities

The EU Taxonomy is a classification system for sustainable economic activities, the objective of which is to direct funding to activities that contribute to the achievement of the EU's climate and energy objectives..

Enersense has identified activities that are taxonomy-eligible in terms of climate change mitigation. The company has also identified taxonomy-eligible activities in terms of significant promotion of the transition to a circular economy. The company has assessed that it does not have any taxonomy-eligible activities related to climate change adaptation, the sustainable use and protection of water and marine resources, pollution prevention and control, or biodiversity.

Enersense has made a significant change compared to the data reported for 2023 regarding taxonomy alignment. Until 2023, Enersense interpreted that its actions related to human rights due diligence met the requirements of the minimum safeguards set out in the EU Taxonomy. The company reviewed the requirements in 2024 and concluded that its human rights due diligence activities did not meet the requirements of the minimum safeguards. Enersense therefore has no taxonomy-aligned activities, and the company will adjust its taxonomy reporting for 2023 regarding taxonomy alignment.

Enersense will develop its human rights due diligence practices in 2025 to meet the requirements of the minimum safeguards and to be able to report the taxonomy alignment of its activities.

Representatives of Enersense's businesses have assessed the fulfilment of the EU Taxonomy eligibility criteria as follows:

Climate change mitigation

3.10. Manufacture of hydrogen

The maintenance services provided by the company for one of its customers at a hydrogen plant have been assessed to qualify as taxonomy-eligible. At the hydrogen plant, Enersense provides services to ensure safe operations and uninterrupted production at the plant.

3.20. Manufacture, installation, and servicing of high-, medium- and low-voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation.

The company's charging solutions for electric vehicles and manufacturing activities for high-power charging stations for electric vehicles have been assessed to be taxonomy-eligible. Enersense provides charging solutions as a comprehensive service, ranging from initial investigations to the installation and deployment of charging systems. The device-independent service covers the products of several manufacturers, including equipment manufactured by the company. In accordance with the new regulation adopted by the EU in the summer of 2023, supplementing Regulation (EU) 2021/2139, only the taxonomy eligibility of the charging solution business will be reported for 2024. Enersense announced on February 28, 2025, that it will discontinue its business focused on zero-emission transport solutions.

3.3. Manufacture of low carbon technologies for transport

The company's equipping services related to the LNG vessels ordered by a customer have been assessed to qualify as taxonomy-eligible.

4.1. Electricity generation using solar photovoltaic technology

The company's maintenance operations for solar farms have been assessed as being taxonomy-eligible. Enersense's activities support the operational reliability of solar power plants.

4.3. Electricity generation from wind power

The company's activities related to onshore wind power project development, construction and maintenance after commissioning, as well as the construction of offshore wind turbine foundations, have been assessed to be taxonomy-eligible. Enersense participates in onshore wind power projects, ranging from their preliminary investigation, permit, land-use and EIA stages to the construction of wind turbine infrastructure and foundations and to maintenance, upkeep and monitoring activities following turbine commissioning. Enersense has a production facility in Finland that enables the company to build offshore wind turbine foundations based on both the company's own technology and the customer's designs.

Enersense does not generate electricity with wind power through its activities but provides services for the promotion and construction of wind power projects, as well as for energy generation after their commissioning. Enersense sold its wind power project development business to Fortum after the reporting period in February 2025.

4.5. Electricity generation from hydropower

The company's activities related to the operation and maintenance of hydropower have been assessed to be taxonomy-eligible. Enersense does not generate electricity with hydropower through its own activities, but the company provides local operating services for run-of-the-river hydropower plants to ensure the operation of the plants.

4.9. Transmission and distribution of electricity

The company's power line design, construction and maintenance, substation design, construction and maintenance, distribution network design, construction and maintenance, as well as electricity meter installation activities have been assessed to be taxonomy-eligible.

4.10. Storage of electricity

The company's maintenance activities for the storage of electricity have been assessed to be taxonomy-eligible. Enersense acts as a partner for major megawatt category equipment suppliers for electricity storage in preventive and corrective maintenance for electricity storage. The company's activities ensure the operation of electricity storage facilities.

4.11. Storage of thermal energy

The company's activities related to the local operation of heat pump plants have been assessed to be taxonomy-eligible. Enersense provides predictive and corrective maintenance services for large megawatt category electric pumps. The company's activities ensure the operation of heat pump plants.

4.15. Distribution of district heating or cooling

The company's activities related to the operation and maintenance of the district heating and cooling network have been assessed to be taxonomy-eligible. Enersense's operation and maintenance activities cover more than 1,400 km of district heating networks and more than 90 km of district cooling networks, as well as roughly 60 km of district heating and cooling lines in energy tunnels.

4.24. Production of heat/cool from bioenergy

The company has assessed that its operation and maintenance activities at a customer's bioenergy heating plant are taxonomy-eligible. The plant was brought into operation in 2023.

4.25. Production of heat/cool using waste heat

The company's activities related to the local operation of heat pump plants have been assessed to be taxonomy-eligible. Enersense is responsible for the local operation of a customer's heat pump plant. The heat pump plant consists of five heat pumps that generate heat and cooling from purified wastewater and water returned from district cooling, as well as from electricity.

4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels

The company's activities related to the local operation of combination power plants that mainly generate electricity and district heating from natural gas have been assessed to be taxonomy-eligible. In addition, the plants include auxiliary boilers fuelled by natural gas or light fuel oil that are mainly used during the start-up of gas turbines and maintenance stoppages. In 2024, these plants used light fuel oil in addition to natural gas.

7.6. Installation, maintenance and repair of renewable energy technologies

The company's maintenance operations for solar power plants installed in connection with customers' properties have been assessed to qualify as taxonomy-eligible. Enersense is responsible for servicing and maintaining customers' solar power plants to ensure safe operation and uninterrupted production.

Transition to a circular economy

5.1. Repair, refurbishment and remanufacturing

The motor repair and refurbishment business operations carried out by the company for its customers have been assessed to be taxonomy-eligible. Enersense maintains and repairs customers' motors, thus significantly extending the service life of the equipment.

Nuclear power and fossil gases

Enersense provides a customer with local operation services at the customer's combination power plants, which generate electricity and district heating mainly from natural gas. This activity has been assessed as taxonomy-eligible. The plants also have auxiliary boilers powered by light fuel oil, which were in use in 2024. The activity is reported in Section *4.30*, which is described under "Assessment of compliance with Regulation (EU) 2020/852" in this report.

Enersense provides operation and maintenance services for a customer's heating plants, where both natural gas and light fuel oil are used as fuel. The company has therefore assessed that the activity is not covered by the taxonomy.

4.27. Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies

The specialist services provided by the company for one of its customers at a nuclear power plant have been assessed to qualify as taxonomy-eligible. At the nuclear power plant, Enersense provides services to ensure safe operation and uninterrupted production.

Taxonomy reporting principles

Enersense has defined the key performance indicators (KPIs) defined in regulation (EU) 2021/2178 (turnover, capital expenditure (CapEx) and operating expenditure (OpEx)) in accordance with Annex I, section 1 of the regulation. The KPIs have been calculated using information presented in Enersense's IFRS financial statements. The determination of performance indicators takes the amendments that the EU issued in June 2023 into account by means of an act amending Delegated Regulation (EU) 2021/2178 in terms of the provision of specific information concerning economic activities.

Revenue

Net revenue (denominator) corresponds to the revenue presented in Enersense's consolidated financial statements. The taxonomy-eligible revenue (numerator) includes only the revenue generated by the activities within the scope of the taxonomy (taxonomy-eligible turnover).

The taxonomy-eligible revenue has been calculated through Enersense's project monitoring, in which projects are clearly identified, and each revenue item is used only once. The proportions of revenue have been calculated by dividing taxonomy-eligible revenue by Enersense Group's reported net revenue.

Capital expenditure (CAPEX)

Total capital expenditure (denominator) corresponds to the gross investments presented in Enersense's consolidated financial statements, including investments in fixed assets, investments that support the strategy, and business acquisitions.

Enersense's business model only requires very few investments in fixed assets. The company has estimated that its investments made to electricity generation activities related to wind power,the manufacturing of high-power charging stations for electric vehicles and transmission and distribution of electricity, will accrue taxonomy-eligible capital expenses related to climate change mitigation. The taxonomy report presents information about these investments in accordance with the company's IFRS financial statements.

Operating expenditure (OPEX)

Total operating expenditure (denominator) covers direct non-capitalised costs related to research and development, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditures related to the day-to-day servicing of assets of property, plant and equipment by the company or a third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

In the company's view, its electricity generation activities related to wind power,the manufacturing of high-power charging stations for electric vehicles and transmission and distribution of electricity, will accrue operating expenses related to climate change mitigation within the scope of the taxonomy. Otherwise, the company has assessed that it does not accumulate any taxonomy-eligible operating expenditure.

The taxonomy-eligible operating expenses have been calculated through Enersense's project monitoring, in which projects are clearly identified, and each operating expense item is used only once. The proportions of operating expenditure have been calculated by dividing taxonomy-eligible operating expenditure by Enersense Group's reported total operating expenditure.

KPIs

Comparative data for 2023 are shown in brackets.

Revenue

Of Enersense's revenue in 2024, a total of EUR 223 (201) million, or 52 (55) per cent, is taxonomy-eligible. The Group's total revenue in 2024 was EUR 425 (363) million.

Capital expenditure

Of Enersense's capital expenditure in 2024, a total of EUR 3 (5) million, or 76 (85) per cent of the Group's gross investments, is taxonomy-eligible. Of the Group's gross investments, EUR 1 (1) million, or 24 (15) per cent, is not taxonomy-eligible. The Group's gross investments in 2024 totalled EUR 4 (5) million.

Operating expenditure

Of Enersense's operating expenditure, a total of EUR 3(2) million, or 50 (44) per cent of the Group's total operating expenditure, is taxonomy-eligible. Of the Group's total operating expenditure, 50 (56) per cent, or EUR 3 (3) million, is not taxonomy-eligible. The Group's total operating expenditure in 2024 was EUR 6 (5) million.

Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 1.1.–31.12.2024	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code	Turnover	Proportion of turnover, 2023	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular Economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover,2022	Category enabling activity	Category transitional activity
		Me	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**K**	**K**	**K**	**K**	**K**	**K**	**K**	**0**		
Of which Enabling		0	0	0	0	0	0	0	0	K	K	K	K	K	K	K	0	M	
Of which Transitional		0	0	0						K	K	K	K	K	K	K	0		S
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL										
Production of hydrogen	CCM 3.10	0	0	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								0		
Manufacturing, installation and maintenance of high, medium and low-voltage electricity transmission and distribution equipment that significantly contribute to or enable mitigation of climate change	CCM 3.20	1	0	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								1		
Manufacturing of low-carbon technologies for transportation	CCM 3.3	10	2	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								0		
Electricity generation using solar photovoltaic technology	CCM 4.1	0	0	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								0		
Electricity generation from wind power	CCM 4.3	40	9	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								9		

Electricity generation from hydropower	CCM 4.5	2	1	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								1		
Electricity transmission and distribution	CCM 4.9	149	35	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								43		
Storage of electricity	CCM 4.10	0	0	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								0		
Storage of thermal energy	CCM 4.11	0	0	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								0		
District heating/cooling distribution	CCM 4.15	4	1	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								1		
Production of heat/cool from bioenergy	CCM 4.24	3	1	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								1		
Production of heat/cool using waste heat	CCM 4.25	0	0	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL							K	0		
Construction and safe operation of new nuclear power plants	CCM 4.27	7	2	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								0		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	5	1	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								1		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0	**KEL**	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL							K	0		
Repair, refurbishment and remanufacturing	CE 5.1	1	0	E/KEL	E/S	E/S	E/S	**KEL**	E/S							K	0		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**223**	**52**	**52**	**0**	**0**	**0**	**0**	**0**								**55**		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**223**	**52**														**0**		
B.TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		192	48																
TOTAL		**425**	**100**																

Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 1.1.–31.12.2024	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code	CapEx	Proportion of CapEx, 2023	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular Economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, 2022	Category enabling activity	Category transitional activity
		Me	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0**																
Of which Enabling		0	0													Y	0	E	
Of which Transitional		0	0													Y	0		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation from wind power	CCM 4.3	2	42	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Electricity transmission and distribution	CCM 4.9	1	34	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Manufacture of hydrogen	CCM 3.10	0	0	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								58		
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	0	0	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								27		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**3**	**76**	**76**	**0**	**0**	**0**	**0**	**0**								**85**		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**3**	**76**	**76**	**0**	**0**	**0**	**0**	**0**								**85**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		1	24																
TOTAL		**4**	**100**																

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 1.1.–31.12.2024	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code	OpEx	Proportion of OpEx, 2023	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular Economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, 2022	Category enabling activity	Category transitional activity
		Me	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which Enabling		0	0	0	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0	E	
Of which Transitional		0	0							Y	Y	Y	Y	Y	Y	Y	0		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	0	0	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Electricity generation from wind power	CCM 4.3	1	20	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								16		
Electricity transmission and distribution	CCM 4.9	2	31	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								28		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**3**	**50**	**50**	0	0	0	0	0								**44**		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**3**	**50**	**50**	0	0	0	0	0								**44**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**3**	**50**																
TOTAL		**6**	**100**																

Enersense does not have taxonomy-eligible economic activities related to nuclear or natural gas.

Enersense does not have non-eligible economic activities related to nuclear or natural gas.

Hence Template 5 Taxonomy non-eligible economic activities (Complementary Climate Delegated Act, Annex III) is not presented below.

Nuclear and fossil gas related activities

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes

Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Taxonomy-eligible but not taxonomy-aligned economic activities

	Revenue											
	Amount and proportion 2024						Amount and proportion 2023					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	**Me**	**%**	**Me**	**%**	**Me**	**%**	**Me**	**%**	**Me**	**%**	**Me**	**%**
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the revenue	7	2%	7	2%	0	0	0	0	0	0	0	0
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the revenue	5	1%	5	1%	0	0	5	1%	5	1%	0	0
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows above in the denominator of the revenue	211	50%	211	50%	0	0	196	54%	196	54%	0	0
Total	**223**	**54%**	**223**	**54%**	**0**	**0**	**201**	**55%**	**201**	**55%**	**0**	**0**

	Capital expenses											
	Amount and proportion 2024						Amount and proportion 2023					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic activities	**Me**	**%**	**Me**	**%**	**Me**	**%**	**Me**	**%**	**Me**	**%**	**Me**	**%**
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capital expenses	0	0	0	0	0	0	0	0	0	0	0	0
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capital expenses	0	0	0	0	0	0	0	0	0	0	0	0
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows above in the denominator of the capital expenses	1	37%	1	37%	0	0	5	85%	5	85%	0	0
Total	**1**	**37%**	**1**	**37%**	**0**	**0**	**5**	**85%**	**5**	**85%**	**0**	**0**

	Operating expenses											
	Amount and proportion 2024						Amount and proportion 2023					
	CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**		**CCM + CCA**		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
Economic activities	**Me**	**%**	**Me**	**%**	**Me**	**%**	**Me**	**%**	**Me**	**%**	**Me**	**%**
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the operating expenses	0	0	0	0	0	0	0	0	0	0	0	0
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the operating expenses	0	0	0	0	0	0	0	0	0	0	0	0
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows above in the denominator of the operating expenses	3	50%	3	50%	0	0	3	44%	3	44%	0	0
Total	**3**	**50%**	**3**	**50%**	**0**	**0**	**3**	**44%**	**3**	**44%**	**0**	**0**

E1 – Climate Change

E1-1 – Transition plan for climate change mitigation

Enersense is committed to setting science-based targets for reducing greenhouse gas emissions in line with the Science Based Targets initiative (SBTi) by the end of 2025. As part of setting these targets, Enersense will develop a transition plan for climate change mitigation.

E1-SBM-3 – Material impacts, risks and opportunities related to climate change

The double materiality assessment identified material negative impacts related to climate change mitigation and energy consumption in Enersense's operations, and in the upstream and downstream value chain. The assessment also identified climate-related risks, but none of them emerged as material in the assessment. Regarding transition events, an opportunity related to an energy transition was identified. These are described in more detail in Table: *Results of the double materiality assessment under SBM-3 Material impacts, risks and opportunities*

The climate resilience of the strategy and business model has yet to be assessed through a resilience analysis. Furthermore, no climate scenario analysis has yet been conducted. The resilience analysis and climate scenario analysis are aimed to be conducted during 2025.

E1-2 – Policies related to climate change mitigation and adaptation

Enersense has defined the policies described below to manage and assess material impacts and opportunities related to climate change mitigation and adaptation. The policies cover the following matters: climate change mitigation; climate change adaptation; energy efficiency.

The following policies cover impacts related to GHG emissions in Enersense's operations and in the upstream and downstream value chain, impacts related to energy consumption in Enersense's operations and in the downstream value chain, as well as the opportunity related to climate change adaptation. The policies apply to all Enersense employees, subsidiaries and businesses throughout the value chain and must be followed in all countries where Enersense operates:

Code of Conduct

- *Key content and goal:* practices, climate change mitigation, human and labour rights, and environmental values. Because of Enersense's important role in the energy transition and green transition, it is especially important to reduce GHG emissions throughout the value chain, to take environmental impacts in all activities into account, to continuously improve environmental efficiency, to promote the circular economy and waste management, to take biodiversity into account, and to promote sustainability in the entire supply chain. Enersense employees and stakeholders must comply with legislation related to the environment, environmental permits and other applicable orders, and Enersense's guidelines related to the environment. Enersense is committed to mitigating climate change and promoting the UN's sustainable development principles.
- *Highest responsible body:* Enersense's Board of Directors confirms the content of the Code of Conduct, and the Group Executive Team is responsible for its implementation.

Environmental policy

- *Key content and goals:* Enersense complies with environmental law and other requirements and obligations. Environmental actions are guided by an environmental management system in accordance with ISO 14001:2015. Environmental aspects related to operations are identified, and any adverse environmental impacts are continuously minimised. Enersense is committed to the following general goals: reducing GHG emissions throughout the value chain, reducing energy consumption and improving environmental efficiency, reducing emissions affecting air pollution, reducing waste and improving material recycling, taking biodiversity considerations into account in its projects and those of its customers. In addition, Enersense is committed to the Science Based Targets initiative and to setting science-based emissions reduction targets by the end of 2025.
- *Highest responsible body:* Group Executive Team

Because most of Enersense's direct GHG emissions come from the fuel consumption of vehicles and machinery, Enersense has implemented an internal policy to mitigate this impact. The policy applies to all Enersense employees, subsidiaries and businesses in all countries where Enersense operates:

Vehicle policy

- *Key content and goals*: In vehicle purchases, Enersense focuses on reducing emissions and improving energy efficiency. According to the policy, hybrid and electric vehicles are preferred whenever they are suitable for the intended use, considering business conditions. If a diesel car is selected for justified reasons, the aim is to select the best option for low emissions in the vehicle category. Vehicles are increasingly transitioning to renewable fuels. Vehicles are also subject to energy efficiency measures, including the selection of correctly dimensioned cars for

each purpose, the optimisation of the vehicle fleet, and logistics planning and economical driving.
- *Highest responsible body:* Group Executive Team

To control GHG emissions in the upstream value chain, Enersense has developed the following policy, which applies to procurement in Enersense Group as a whole:

Supplier Code of Conduct
- *Key content and goals:* Principles with which Enersense's suppliers must comply in their operations. The Supplier Code of Conduct defines our approach to ethical business practices, human and labour rights, and environmental values. The aim of the Supplier Code of Conduct is to promote profitable business operations and a culture of responsibility and integrity, prevent unlawful and unethical practices, and strengthen confidence in our stakeholders. Enersense requires its suppliers – in cooperation with its employees, customers, suppliers and other stakeholders – to reduce the environmental impact of their operations and to be proactive in environmental matters. Suppliers must comply with environmental law, environmental permits and other applicable regulations, as well as Enersense's guidelines. Suppliers must constantly seek ways to reduce their environmental impact. Such an environmental impact should be reduced through the appropriate selection and use of materials, processes, and by minimising the amount of waste and emissions generated during operations. Suppliers must ensure that their employees are aware of environmental requirements and provided with related training.
- *Highest responsible body:* Group Executive Team

The implementation of all the policies described above is monitored through management reviews, carbon footprint calculations and audits under the ISO 14001 environmental management system. The implementation of the Supplier Code of Conduct is also monitored through supplier inspections and audits, which are described in more detail in section *G1-2*. The views gained through continuous stakeholder cooperation were addressed when preparing the policies.

The Code of Conduct, the environmental policy and the Supplier Code of Conduct are available to employees in the company's intranet, as well as to other stakeholders on the company's external website. The Code of Conduct is also included in the personnel induction programme, and the Supplier Code of Conduct in all procurement agreements. The vehicle policy is only available to the company's personnel.

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

Enersense took actions in its own operations and in its value chain to promote the goals of the policies described in section *E1-2* and to achieve the goal described in section *E1-4* below. The key actions implemented in 2024 and the most significant plans for 2025 are described below:

Actions and action plans in the upstream and downstream value chain:

Reducing GHG emissions in the value chain
- *Actions in 2024:* Enersense calculated the GHG emissions (Scope 3) of its entire value chain for the first time for 2023. Emissions from fuel and purchased energy consumption (Scopes 1 and 2) had already been calculated earlier.
- *Planned actions:* In 2025, the company will set science-based climate targets and prepare a transition plan. The implementation of the actions requires human resources: At the end of 2024, Enersense recruited a Sustainability Manager and a Head of Communications and Sustainability, who are responsible for the implementation of the actions in cooperation with business specialists. The planned action concerns all Enersense operating countries and the value chain.

Accelerating decarbonisation in the supply chain
- *Actions in 2024:* In 2023, Enersense joined WWF Finland's Ready for Green Steel campaign. In 2024, the dialogue continued with stakeholders to accelerate the green transition in steel production.
- *Planned actions*: During 2025, Enersense will continue the dialogue to improve the availability of green steel. The impacts of the action have yet to be assessed. The action concerns all Enersense operating countries and the value chain and does not require any significant resources.

Actions and action plans in Enersense's operations:

Increasing the use of renewable energy
- *Actions in 2024:* Enersense decided that all new electricity and heating agreements must cover zero-emission or renewable energy. The electricity agreement for the Marine and Offshore Unit was changed to zero-emission (the heating agreement was already zero-emission). In 2024, 92 per cent of Enersense's purchased electricity and 86 per cent of heat were either renewable or zero-emission.

- *Planned actions:* In 2025, Enersense will plan to set a target to reduce GHG emissions in the entire Group's purchased electricity and heat. The impacts of the future action have yet to be assessed. The implementation of the action requires operational investments, the amount of which has not been estimated, but the impacts on expenses will not be significant. The actions concern Enersense's all operations in Finland.

Actions related to climate change adaptation:

Promoting technical and technological solutions to mitigate climate change

- *Actions in 2024:* Enersense, in cooperation with Fingrid, tested the use of low-emission steel in substation structures. The pilot project investigated the availability of low-emission steel globally, and about 90 different suppliers across the world were contacted to find recycled steel for the project. We also investigated the opportunity to acquire and use lower-carbon concrete, thereby increasing our readiness to provide our customers with a more environmentally friendly solution, including for concrete.
- *Planned actions:* In 2025, Enersense will continue to provide more sustainable solutions for its customers. The impacts of future actions have yet to be assessed. The implementation of the actions requires human resources and was part of the Executive Vice President's responsibilities in 2024.

The implementation of the actions does not require significant operating or capital expenditure, and Enersense's ability to carry out the planned actions does not depend on the availability and allocation of resources. Enersense is not planning to apply for green funding to implement the actions.

E1-4 – Targets related to climate change mitigation and adaptation

In 2024, Enersense set the following GHG reduction target to promote the goals of the climate change mitigation and adaptation policy described in section *E1-2:*

- **Target:** Reducing absolute emissions from Enersense's operations (Scopes 1 and 2) by 30 per cent compared to 2023.
- **Results:** Emissions from operations decreased by 33 per cent from 2023.

The target applies to the entire Group. It is not based on scientific evidence, and stakeholders were not consulted when setting the target. Progress towards the target is measured based on the figures obtained from emission calculations. The related methods and assumptions are described in section *E1-6*. The Board of Directors approved the target in the spring of 2024, and it only applied to 2024. The realised emissions reduction has been achieved by procuring zero-emission electric energy the Mäntyluoto Marine and offshore Unit in Pori. The company will set new science-based targets in accordance with the Science Based Targets initiative during the year 2025

E1-5 – Energy consumption and mix

This section describes the total energy consumption related to Enersense's operations.

Total energy consumption from fossil and nuclear sources

	2023 (Base year)	2024	Change (2023–2024), %
Fuel consumption (MWh)			
Coal and coal products	0	0	0
Crude oil and petroleum products	0	0	0
Natural gas	9	11	27
Other fossil sources	29,449	29,760	1
Purchased or acquired electricity, heat, steam and cooling from fossil sources	7,592	1,657	-78
Total fossil energy consumption (MWh)	37,050	31,428	-15
Percentage of fossil energy sources in total consumption (%)	69	55	-21
Total nuclear energy consumption (MWh)	1,560	12,732	716
Percentage of nuclear energy sources in total consumption (%)	3	22	659
Renewable sources, including biomass	1,497	1,686	13
Purchased or acquired electricity, heat, steam and cooling from renewable sources	14,904	13,342	-10
Self-generated non-fuel renewable energy	0	0	0
Total renewable energy consumption (MWh)	16,401	15,029	-8
Percentage of renewable energy sources in total consumption (%)	0	0	-15
Total energy consumption – total fossil and renewable energy sources (MWh)	53,521	57,503	7

Energy intensity

	2023 (Base year)	2024	Change (2023–2024), %
Total energy consumption per revenue (MWh per MEUR) of activities in sectors with a significant climate impact.	147	135	-8
Revenue used to determine energy intensity from activities in sectors with a significant climate impact	363	425	8
Revenue (other)	0	0	
Total revenue (financial statements)	363	425	

E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

GHG emissions

	2023 (Base year)	2024	Change (2023–2024), %
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions ($tnCO_2eq$)	7,049	7,207	2
Percentage of GHG emissions from regulated emission trading schemes (Scope 1).	0	0	0
Scope 2 GHG emissions			
Location-based ($tnCO_2eq$)	4,278	3,585	-16
Market-based ($tnCO_2eq$)	4,974	835	-83
Scope 3 GHG emissions			
Total gross Scope 3 GHG emissions ($tnCO_2eq$)	88,749	87,923	-1
1. Purchased goods and services	83,051	81,854	-1
2. Capital goods	328	475	45
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2 emissions)	1,530	1,648	8
4. Upstream transportation and distribution	1,874	1,239	-34
5. Waste generated in operations	484	1,115	130
6. Business travel	854	978	15
7. Employee commuting	52	49	-6
8. Upstream leased assets	573	559	-2
11. Use of sold products	2	3	50
12. End-of-life treatment of sold products	2	3	69
Total GHG emissions			
Total GHG emissions (location-based) ($tnCO_2eq$)	100,077	98,716	-1
Total GHG emissions (market-based) ($tnCO_2eq$)	100,773	95,966	-5

GHG intensity per net revenue

	2023 (Base year)	2024	Change (2023–2024), %
Total GHG emissions (lo-cation-based) per net revenue ($tnCO_2eq$ /MEUR)	276	232	-16
Total GHG emissions (market-based) per net revenue ($tnCO_2eq$/MEUR)	278	226	-19
Revenue to calculate GHG intensity	363	425	17
Revenue (other)	0	0	0
Revenue in the financial statements, total	363	425	17

Biogenic emissions

	2023	2024
Biogenic scope 1 emissions ($tnCO_2eq$)	327	357

Note: For Scope 2 and 3, there is insufficient emissions data available for biogenic CO_2.

INDICATOR CALCULATION PRINCIPLES

The measurement and calculation of Enersense's energy and greenhouse gas emissions is based on the GHG Protocol Corporate Standard (2004 version) and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011 version). The consolidation method for compiling data on indicators is operational control. Data were collected from different systems, consolidated in subsidiaries and businesses, and compiled at Group level. The data were validated and put together in a single file. Emissions were calculated by combining the baseline data with emission factors. The indicators were validated separately by an external consultant who is not the verifier of the Sustainability Report.

The base year for the Enersense GHG calculation is 2023, which is the first representative year for which a GHG inventory report was conducted. The base year was recalculated in 2025 as the data collection methods evolved and the coverage of the baseline data improved.

Scope 1 & 2

Scope 1 energy consumption covers the Enersense Group's renewable and non-renewable fuels (diesel, petrol, fuel oil), production gases (LPG, natural gas) and natural gas for heating. The data are taken from the suppliers' reports. Lithuania's 12/2024 fuel volumes are estimated based on other months. Lithuania's Scope 1 emissions represent 4% of total emissions. For production gases, acetylene and propane are included in the carbon footprint, but excluded from energy consumption as they are not used for energy purposes. Scope 1 emissions have been calculated using energy consumption data from the UK Department for Environment, Food and Rural Affairs (DEFRA 2024) and national emission factors. Average biofuel volumes were estimated for petrol, diesel and fuel oil based on DEFRA Methodology Paper 2023. The emission factor for acetylene was obtained from the report of the British Columbia Ministry of Environment (2011).

Scope 2 energy consumption covers the electricity and heating consumption of Enersense's sites. For those sites where Enersense has its own energy contracts, the consumption data was collected from energy company reports. For the sites where energy consumption is part of the rent, consumption was estimated on the basis of average consumption per m² of floor area, using Motiva's average consumption factors for offices in the service sector and assuming a room height of 3.5 metres. Electricity consumption in the Lithuanian office was estimated based on invoices. The amount of heating was not available. These estimated emissions account for 6 % of Scope 2 location-based emissions and 40 % of market-based emissions.

Market-based emissions

Contract-specific emission factors (Paikallisvoima ry) were used for all purchased heat. If no contract-specific emission factors were available, the average factor from Statistics Finland (2023) was used. For district heating, the energy method was used as the basis for the allocation of emissions.

In all cases where there was no separate contract for zero-emission energy, either proven by a certificate of origin or otherwise, a factor based on the residual mix of electricity generation was used. The source of the emission factors was the Association of Issuing Bodies (AIB) European Residual Mix Report (2023).

For emission-free electricity, Enersense has purchased both renewable energy certificates of origin and zero emission electricity from the electricity company. The company has certificates for electricity purchased by both ways. Enersense has also purchased emission-free district heating and has a certificate from the district heating company.

Location-based emissions

Average national emission factors were used for all purchased heat and electricity. For electricity, Carbon Footprint Ltd (2023) was the source of the emission factors. For district heating in Finland, the Statistics Finland's (2023) energy distribution factor was used, and the average heating factor for Europe (Ecoinvent 3.10) was used for the Baltics.

Scope 3

Scope 3 calculation includes all material Scope 3 emissions. The following are excluded: downstream transport (category 9), processing of goods sold (category 10), downstream leased assets (category 13), franchising (category 14) and investments (category 15). Enersense has no reportable activities under these categories. The materiality of the various categories is assessed annually and updated as necessary.

Emissions from purchased goods and services (category 1) are calculated based on Enersense's purchase invoices. For purchase invoices over EUR 50,000, purchased goods and services were defined based on supplier or purchase invoice row. For invoices below EUR 50,000, emissions were calculated based on the average of the emissions from purchases. For Lithuania and Norway, data for goods and services were available until 11/2024, so 12/2024 was estimated based on the average for other months. The significance of the estimate is below 1 % of the total emissions from purchased goods and services. The calculation is based on cost-based emission factors with a high degree of uncertainty. The emission factors are from the UK Department for Environment, Food and Rural Affairs (DEFRA 2021) cost-based emission factor file. The factors were converted to emissions per euro and adjusted for inflation to 2024.

Capital goods (category 2) include all emissions from the manufacture of cars taken into service in 2024. Average manufacturing emission factors for internal combustion engine cars, electric cars and hybrid cars were used in the emissions calculation. The factors are obtained from Autokalkulaattori (2024).

For the emission calculation of fuel production and energy transfer (category 3), Scope 1 and Scope 2 fuel and energy data are used as baseline data. Upstream emissions of purchased fuel and natural gas were calculated using DEFRA (2024) factors. Upstream electricity emissions were calculated using Carbon Footprint Ltd (2023) factors. For upstream emissions of purchased heat fuels, a weighted average emission factor was calculated based on the emission factors of blended fuels and the production chain. The calculation was made using Defra (2023) factors and Eurostat (2022) data on electricity and derived heat generation by fuel type. Emissions from electricity transmission losses were calculated using Carbon Footprint Ltd (2023) factors. For transmission losses in district heating, Statistics Finland's (2023) energy method emission factor was used for Finland, an average European heating factor for the Baltic countries, and the Finnish Energy's (2023) estimate of losses.

The calculation of upstream emissions from transport and distribution (category 4) was based on euros paid to logistics companies. The costs include both upstream and downstream transport, with transport being mainly goods transported to Enersense. Cost-based emission factors with a high degree of uncertainty were used in the calculation. Emission factors are from the DEFRA (2021) cost-based emission factor file. The factors were converted to emissions per euro and adjusted for inflation to 2024.

The emission calculation for waste generated in operations (category 5) is based on the total waste volume by waste type obtained from waste management companies. Waste volumes for Estonia were estimated based on invoices and those for Lithuania for 12/2024 based on the average of other months. The significance of the estimate is less than 2 % of the total waste emissions. The emission factors used are those of the Julia 2030 project of the Finnish Environment Institute (2011). The same emission factors were used to calculate waste emissions in all the countries.

Business travel emissions (category 6), were calculated using travel costs by transport type in euros, kilometre allowances in euros, hotel nights in euros and CO2 emissions reports from the travel company. Emissions from flights were taken directly from the travel company's report. Other travel costs, including hotel accommodation and flights purchased from outside the travel company, were calculated using DEFRA (2021) cost-based emission factors. The factors were converted into emissions per euro and adjusted for inflation to 2024. These cost-based emission factors have a high degree of uncertainty. The kilometre allowances were first converted into kilometres based on the 2024 passenger car kilometre allowance. The kilometres were then calculated into emissions using the DEFRA (2024) average car factor.

The emissions calculation for commuting (category 7) is based on a commuting survey that takes into account typical travel modes, distances and remote/office days. The data was collected using a questionnaire in March 2024, with 597/1,883 respondents from Finland and the Baltics. The results were extended to cover all employees. The number of working days and holidays was assumed to correspond to the typical number in Finland. The emission factors used were those from DEFRA (2024) for other modes of transport except for trains, where VR (2023) data on train emissions were used, and for electric bicycles, where the emission factor is from MODMO (2024) e-bike shop website. The same factors were used to calculate commuting emissions for both Finland and the Baltic countries.

Emissions from upstream leased assets (category 8) were calculated using the number and type of leased assets that generate emissions and the amount of leasing costs in euro. For leased IT equipment, the quantities and types of leased equipment were used. For leased machinery and equipment, the amounts in euro of leasing costs were used. IT equipment emissions were calculated using the emission data for Apple (2024) equipment and the study by the Ministry of Transport and Communications (2020) on material, energy and climate issues related to ICT terminal equipment. Emissions from machinery and equipment were calculated using DEFRA (2021) cost-based emission factors with high uncertainty. The factors were converted into emissions per euro and adjusted for inflation to 2024.

Emissions from the electricity consumption and waste generation of the electric vehicle chargers sold by Enersense were calculated under the categories of use of sold products (category 11) and end-of-life treatment of sold products (category 12). The initial data was based on the number of charging stations sold during the year in the Nordic and Baltic countries. The emission factor for both energy consumption and waste was obtained from the calculation made by an external consultant. Only the energy used by the charging equipment in stand-by mode was included in the calculation.

E2 – Pollution

E2-1 – Policies related to pollution

In the double materiality assessment, the actual negative impact related to air pollution in Enersense's operations and the downstream value chain emerged as material. As no other pollution-related topics emerged as material, this section only covers air pollution.

Enersense has defined the following policies to manage these impacts: The Code of Conduct, the environmental policy and the Supplier Code of Conduct address the mitigation, limitation and prevention of negative impacts of air pollution in Enersense's operations and the value chain. These policies are described in more detail in section E1-2 Policies related to climate change mitigation and adaptation.

Hazards and emergencies have not been addressed in the policy, as separate guidelines have been prepared for them. In the event of environmental damage, the emergency number and the occupational safety manager are called immediately. When the immediate danger has passed, the incident is entered in Enersense's risk reporting system. For each HSE damage and observation, the potential severity of the incident is assessed based on a risk assessment. Remedies are determined during investigations. Remedies are carried out based on their hierarchy: elimination; replacement; technical solutions/isolation; administrative solutions/warning; protection using safety equipment/devices.

E2-2 – Actions and resources related to pollution

Enersense did not take specific action to mitigate air pollution in 2024 but continued to identify and manage environmental impacts in accordance with the ISO 14001 environmental management system in its operations and the value chain.

In 2025, Enersense will seek solutions to reduce emissions of volatile organic compounds (VOCs) into the air by investigating the opportunities to use more paints thinned with water. The impacts of the future action have yet to be assessed. The implementation of the action mainly requires human resources and operating expenditure for the maintenance and audits of the environmental system. The impacts on expenditure are insignificant.

Enersense's ability to implement the action plan described above does not depend on the availability and allocation of resources. Enersense is not planning to apply for green funding to implement sustainability actions.

E2-3 – Targets related to pollution

Enersense has not set measurable, time-bound and outcome-oriented targets to mitigate material impacts related to air pollution. Enersense monitors the effectiveness of the policies described in section *E2-1* and the actions that support them through ISO 14001 system audits and management reviews. No target level has been defined, but data on VOC volumes is collected annually. No targets have been defined, as it has been considered that monitoring the volumes has been a sufficient action. Enersense's VOC emissions are below the thresholds set in the E-PRTR regulation.

E2-4 – Pollution of air

Enersense's VOC emissions are below the thresholds set in the E-PRTR regulation.

Social information

S1 – Own workforce

S1-SBM-3 – Material impacts, risks and opportunities, and their interaction with own workforce

In the double materiality assessment, a potential negative impact on health and safety, as well as a financial risk arising from data breaches, was identified.

The materiality assessment addressed all employees in Enersense's own workforce likely to be subject to material impacts. Impacts may be targeted at all types of employees: permanent and fixed-term employees and leased employees. Enersense's employees work in design, construction, maintenance and installation services at production plants and worksites and in customer facilities. In addition, some employees work in offices.

Material negative impacts related to occupational health and safety are connected to individual incidents. Occupational health and safety risks and the likelihood of risks have increased for employees working in certain working conditions. Such conditions include heights, challenging weather conditions, confined spaces and welding. These risks are investigated using workplace surveys, for example. *More information is available in section S1-2.*

Because a significant percentage of Enersense's employees work in challenging conditions with an increased occupational health and safety risk, addressing occupational health and safety and developing management systems are essential in the company's operations. Impacts related to the health and safety of the personnel are connected to Enersense's strategy, and the company's goal is to continuously evolve into a safer working community.

As Enersense has yet to prepare transition plans to reduce environmental impacts, no impacts related to its own workforce were identified in the analysis. Furthermore, no positive impacts on employees emerged as material in the analysis.

A financial risk related to the retention of employee data and privacy protection resulting from data breaches was identified as a material risk related to the entire workforce. Information security risk management is guided by the information security policy, which is based on Enersense's strategy and corporate security policy. Personnel training and the maintenance of skills are important considering risk management. No other risks or opportunities arising from impacts and dependencies emerged as material.

S1-1 – Policies related to own workforce

Enersense is committed to promoting the work ability, wellbeing at work, and occupational health and safety of its personnel. Enersense's occupational health and safety management system has been certified and is audited annually by an accredited certification body. Impacts related to occupational health and safety are managed through the following policies:

Personnel policy

- *Key content and goals:* The purpose of the policy is to define the general principles related to personnel management to support joint successes, and responsible and values-driven activities. In addition to these principles, it includes procedures and commitments related to local and international law and conventions. Regarding occupational health and safety, the most significant topics in the policy include sustainable work, which entails Enersense's commitment to providing a safe working environment for everyone, leadership and supervisory work, occupational safety and wellbeing, in which the goal is an accident-free and safe working environment. When the policy was prepared, stakeholders were not directly consulted, but discussions concerning occupational safety and wellbeing held as part of cooperation in occupational health and safety were addressed.
- *Scope:* The personnel policy covers the entire Group, as well as all its operations and operating countries.
- *Highest responsible body:* The Group's SVP, HR is responsible for the implementation of the policy.
- *Monitoring:* The HR function, together with the occupational health and safety function, is responsible for monitoring and interpreting the application of the policy.

- **The Code of Conduct** complements the personnel policy and includes the following topics related to the company's own workforce: sustainable work, respect for human and labour rights, equal opportunities, non-discrimination, and prevention of inappropriate ill-treatment, violations and reporting. *The policy is described in more detail in section E1-2.*

Occupational health and safety policy

- *Key content and goals:* The purpose of the occupational health and safety policy is to lay the foundation and basic principles for a healthy and safe working environment, and to promote health and safety as part of Enersense's daily activities. The policy specifies the key principles that guide operations applying the ISO 45001 standard. When the policy was prepared, the matter was discussed with the personnel as part of cooperation in occupational health and safety.
- *Scope:* The policy covers the entire Group, as well as all its operations and operating countries, and applies to all persons, subsidiaries and businesses under Enersense's supervisory authority.
- *Highest responsible body:* The policy is approved by the Group CEO and implemented by the Group Executive Team.
- *Monitoring*: The occupational health and safety function is responsible for monitoring and interpreting the application of the policy.

The policies described above are in line with relevant international recognised instruments, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, EU and national law, as well as national and international conventions and agreements on cooperation regarding employees' rights. The personnel policy addresses matters related to human trafficking, forced labour and the use of child labour.

Enersense's policies (personnel policy, code of conduct, and the equality and non-discrimination plan in Finland) entail zero tolerance for harassment and discrimination. In preventing incidents, the aforementioned contact channels are used, alongside guidelines regarding the parties who receive various notifications. In Finland, there are also guidelines regarding the processing and resolution of harassment incidents. In addition, Enersense is engaged in cooperation and dialogue with personnel representatives and/or trade unions in accordance with national practices.

Enersense has no specific policy commitments regarding the inclusion of or positive action in favour of persons belonging to particularly vulnerable groups.

The policies are available to the entire personnel in the internal intranet. In addition, the WeLearn learning platform was launched during 2024, and policy training is mandatory for the entire personnel. The platform is used to monitor how many individuals have completed policy training.

All Group employees and designated subcontractors have access to the learning platform. An exception to this is Latvia, where only office employees have access to the system.

No significant changes were made to Enersense's policies during the reporting year.

To manage the identified material risk related to privacy protection and information security, the following policy is used. It applies to and obliges the entire Enersense personnel, as well as stakeholder representatives who, within the scope of their assignments, process information held by or entrusted to Enersense, in any format:

Information security policy

- *Key content and goals:* The information security policy defines Enersense's information security principles and goals, and is based on the company's strategy, corporate security policy and the ISO/IEC 27001:2017 standard, the principles of which are to be followed, even though there is no commitment to implementing it comprehensively. The information security policy applies to all Enersense Group companies and all countries in which Enersense or its personnel operate. Enersense's Board of Directors and CEO are jointly responsible for ensuring that Enersense's information security is at a sufficient level, and that sufficient resources are allocated to information security.
- *Highest responsible body:* The Board of Directors approves the information security policy and has the highest responsibility for its implementation.

For external stakeholders, including subcontractors and service providers, the requirements of the information security policy are included in agreements where applicable. In addition, Enersense has prepared guidelines under the information security policy regarding the information security practices applied to subcontractors, as well as a separate information security appendix to be attached to subcontractor agreements.

Human rights policy commitments

The Code of Conduct and the personnel policy entail a commitment to respecting the internationally recognised UN Guiding Principles on Business and Human Rights, and to comply with the ILO Declaration on Fundamental Principles and Rights at Work, as well as EU and national law, national and international conventions, and agreements on cooperation related to employees' rights. The commitments will also be included in the human rights policy, which Enersense will prepare during 2025.

The implementation of the policies related to international human and labour rights is monitored through training, instructions and personnel processes, in addition to which Enersense also uses contact channels and investigation processes, through which any violations will be investigated and remedied.

In addition to general human rights policy commitments, Enersense promotes the labour rights of its personnel by respecting and complying with nationally binding working life regulations and collective agreements applicable to the company's operations, and by negotiating and agreeing with the personnel locally. In accordance with the principles of sustainable work, Enersense provides a safe working environment that supports the wellbeing of the personnel. Enersense diligently complies with international and national law related to data and privacy protection, and related actions also ensure a safe working environment from this perspective.

In conjunction with its human rights policy commitments, Enersense communicates to its personnel through an internal channel, as well as in a targeted manner in different businesses through different practices and at various frequencies (e.g. monthly meetings, briefings, notice boards, information screens). Communication is the responsibility of the management of each business and is assisted by Enersense's communication team. In addition, employees are engaged through various separate surveys (e.g. in conjunction with occupational health and safety). A larger personnel survey is conducted twice a year, which also includes questions related to wellbeing at work. Performance appraisals and wellbeing discussions are held twice a year with the personnel. A dialogue process with employee representatives and a shared occupational safety forum, which meets at least four times a year as part of cooperation in occupational health and safety, are also used in Finland. An occupational health and safety forum, including representatives of the personnel, is held in Estonia and Lithuania.

Enersense uses contact channels for its own workforce to submit notifications (whistleblowing channel, ethics email, personnel services email, and the HSEQ system), as well as instructions on who to contact (supervisor, HR, shop steward, occupational health and safety). Any incidents that have led to a potential negative impact are investigated, their root causes are identified, and remedies are carried out to eliminate the causes. The whistleblowing channel can also be accessed on Enersense's external website.

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

Enersense addresses the views of its own workforce in decisions and actions aimed to manage their related actual and potential impacts. From the perspective of occupational health and safety, the perspectives of Enersense's own workforce are addressed through cooperation in occupational health and safety, and action plans are discussed in these forums. If required, proposals will be made to the management for a decision, and further investigations will be conducted. Employee representatives are also involved in practical actions, including risk assessments and workplace surveys. Based on employee surveys, development areas related to occupational health and safety are identified, and they are addressed in the preparation of action plans at both the Group level and in individual teams. Contact is maintained directly with the company's own workforce and its legal representatives.

Enersense is engaged in a continuous dialogue with its personnel at Group, segment and team level. The personnel are regularly represented in different situations, including the Group's dialogue, segments, and forums for cooperation in occupational health and safety at least four times a year. In addition, employees are consulted and engaged through surveys (WeSense) at least once a year. The company is engaged in a dialogue with legal representatives at least four times a year in Finland, and in an occupational health and safety and environmental dialogue, and conducts personnel surveys in the Baltic countries. Enersense's management holds briefings and discussions at various levels, during which the personnel are given the opportunity to ask questions, and the segment management team is also represented by the personnel (governance representatives).

At a segment level, the Executive Vice Presidents of each segments are responsible for maintaining contact and addressing related results. In Finland, the Group's SVP, HR is responsible for Group-level cooperation in occupational health and safety, as well as personnel surveys, and in the Baltic countries, the Head of HR in the Baltics is responsible for cooperation in occupational health and safety.

In addition to the commitments described in section *S1-1*, employees' human rights are addressed in Finland as part of collective agreements and related bargaining obligations. Enersense applies the main collective agreements of three sectors, which are the collective agreements of the technology industry, the collective agreements of the energy sector, and the collective agreements of the electricity and ICT sector. All agreements include provisions on the implementation and representation of a dialogue regarding cooperation in occupational health and safety. Collective agreements also include provisions on the processing of any disputes in companies. Based on national law, Finland uses collective bargaining in various change situations. Regarding occupational health and safety, the obligation to negotiate with the personnel and their representatives is laid down by law. Regular occupational health and safety cooperation forums in the Baltic countries work with the personnel.

As a result of contact related to occupational health and safety, the following development projects were agreed in 2024: promoting non-smoking and shifting to the smoke-free workplace model in Finnish operations, updating the information system supporting HSEQ management throughout the Group, and developing the workplace survey process towards task-specific surveys, as well as verifying the up-to-date implementation of the surveys.

Specific occupational health and safety risks have been identified in relation to the following groups of employees: minors, pregnant women, employees who have passed the retirement age, and employees with disabilities. In addition, occupational health and safety risks have increased for employees working in certain working conditions. Such conditions include heights, challenging weather conditions, confined spaces and welding. The views of these groups are addressed in work planning, the necessary instructions and risk assessments. The perspectives of personnel representatives are also heard for these employee groups as part of country-specific occupational health and safety cooperation forums. In addition, workplace surveys are conducted in cooperation with occupational healthcare in Finland. They serve to review the views of employee groups, and expert information provided by occupational healthcare services is used when preparing risk assessments.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

Enersense has adopted various processes to remedy the negative impacts related to its own workforce. These include HSE risk assessment guidelines (including remedies and their hierarchy), reporting instructions for HSEQ incidents (including losses) and the related system (WeCare), practices for the development of occupational health and safety across organisations (HSEQ Network), cooperation in occupational health and safety, and the 2024 action plan.

Any incidents that have led to a potential negative impact are investigated, their root causes are identified, and remedies are carried out to eliminate the causes. After remedies have been carried out in relation to occupational health and safety, a risk assessment is conducted again (residual risk), and whether the effectiveness of the remedies is sufficient is assessed. If the effectiveness of the remedies is found to be insufficient, additional remedies are taken to achieve the necessary level. Enersense uses defined metrics to monitor the development of occupational health and safety which helps assess the effectiveness of development measures at a general level. Own workforce is covered by insurance for occupational accidents, and according to national practices, the personnel are paid wages for the period of incapacity for work. Enersense always complies with at least the national minimum level of compensation.

Enersense uses several different reporting channels and a grievance mechanism to allow the personnel to raise their concerns or needs directly with the company. Channels established by Enersense include the whistleblowing channel, ethics email for concerns related to ethical business conduct, HR email for matters related to harassment or other inappropriate conduct, and the HSEQ management and reporting system for general contact related to the personnel. In addition, available tools include occupational safety observations, and the management and resolution of occupational safety incidents.

Information about channels and their purposes and uses is available in the internal intranet and the shared training platform. In addition, descriptions of processes and channels are included in Enersense's policies.

Enersense monitors the issues raised and processed through the occupational health and safety management and reporting system. Processes for the classification and processing of the reported issues have been created in the system, including the scheduling of remedies and the monitoring of their progress. Employees can share their development ideas for operations in general or for the development of the channel directly through the system.

Enersense aims to ensure that people in its own workforce are aware of the above processes and perceive them as reliable ways to raise concerns. Mandatory training on the learning platform includes user instructions for the use of channels, in addition to which issues related to the use of channels are introduced to the personnel through intranet bulletins, separate newsletters and training, team meetings, and safety briefings. Enersense is also engaged in a regular dialogue with personnel representatives (e.g. shop stewards and industrial safety delegates) to raise any concerns. The whistleblowing channel can be accessed in all operating countries. Notifications can also be submitted anonymously through the channels. Regarding the information system supporting HSEQ management, the number of reported incidents and inspections is actively monitored. Observations and their number are reviewed at different organisational levels as part of operational management and meeting practices. A new system was deployed in October 2024, and since then, observations have been actively recorded by the personnel throughout the entire Group. *The processes for protecting whistleblowers from retaliation are described in section G1-1.*

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of these actions

Enersense takes the following actions to prevent and mitigate negative impacts on the health and safety of employees – to avoid accidents and to enable the smooth flow of work:

Updating HSE risk assessments

- *Scope:* The company's own personnel in all businesses and operating countries.
- *Time horizon:* Annually
- *Results:* Risk assessments are addressed as part of the action plan, work instructions and the planning process for development areas.

Developing HSEQ management and reporting practices, and deploying a new system

- *Scope:* The company's own personnel in all businesses and operating countries.
- *Time horizon:* 2024
- *Results:* New practices and a system supporting them were deployed in October 2024. As a result, the company has an easy-to-use channel for reporting HSE issues and monitoring related actions. The system supports the development of an even healthier and safer working environment.

Training for leaders(Leader's daily and separate training)

- *Scope:* All leaders
- *Time horizon:* Continuous
- *Results:* Leaders having better competence in and awareness of different elements of training leads to a better managed working environment.

The deployment of a new training platform also supports a healthy and safe working environment (including training related to the induction process)

- *Scope:* Entire personnel
- *Time horizon:* 2024
- *Results:* A new and modern learning tool for internal training in use, easier to certify and verify skills.

Conducting workplace surveys:

- *Scope:* All locations and personnel in Finland
- *Time horizon:* Continuous systematic activity
- *Results*: Risks and hazards in workplaces/tasks are identified in cooperation with occupational healthcare; the implementation of proposed actions improves health and safety in the working environment.

Developing models for replacement work:

- *Scope:* Entire personnel
- *Time horizon:* 2024–2025
- *Results:* The more efficient use of replacement work reduces sick leave and allows employees to return to work more quickly.

Working community development plan:

- *Scope:* Entire personnel in Finland
- *Time horizon:* 2024–2025
- *Results:* The development plan acts as a tool in developing the personnel's competence, and supporting and promoting wellbeing at work.

The effectiveness and impact of the actions described above are measured by the following means:

- Employee satisfaction is monitored through various surveys.
- The development of work ability and safety is monitored regularly using various metrics, including lost-time injury frequencies, accident severity and sick leave rate, that are monitored in cooperation with the insurance company and occupational healthcare services.

- In addition, various proactive metrics are monitored, including the number and quality of observations related to occupational health and safety, inspections, near miss incidents, and safety briefings.

To measure the effectiveness of the actions, targets have also been set, which are described in section *S1-5*.

The actions aim to avoid accidents and enable the smooth flow of work. To define the actions, an annual Group-level occupational health and safety action plan is prepared, which is verified to be in line with the company's strategy and longer-term targets. When the plan is prepared, all businesses will be represented. In addition, the Group's companies in Finland have an occupational health and safety action plan approved by the management, and each business has more detailed occupational health, safety, environmental and quality plans. Actions are also identified and set based on risk assessments, workplace surveys, observations made by the organisation, inspections and the processing of accidents.

In addition, other actions include internal management system audits, safety walks, occupational health and safety risk assessments, and audits conducted by customers. Based on the metrics, inspection results and observations arising from the organisation, the necessary development actions are taken. Improvement actions and their progress are communicated openly, and the personnel are encouraged to address any safety observations and shortcomings without delay.

Enersense ensures that the company's policies do not cause any material negative impacts on its own workforce or contribute to them. Risks related to work are identified and understood, and appropriate actions are taken regarding all the company's operations, including by using the aforementioned actions and metrics. The scope of investigations due to incidents related to occupational health and safety depends on the risk assessment conducted. During the investigation, the root causes leading to the incident are identified the necessary corrective actions are defined, and the investigation is documented. If the potential severity of an incident is greater than small or moderate, a separate investigation is always conducted in conjunction with the incident.

Managers play a significant role in maintaining and developing a well-managed and safe working environment. In addition, the company has separately appointed responsible specialists at a Group and business/unit level who are responsible for advancing, planning, monitoring, and supervising occupational health and safety issues, promoting corrective actions, and reporting. The company encourages its personnel to select representatives from among themselves for occupational health and safety cooperation (industrial safety delegates in Finland, and individuals acting in similar roles in other operating countries in accordance with the national legislation of each country). These representatives or other personnel representatives are engaged in occupational safety and health cooperation and participate in practical actions, including workplace surveys and risk assessments. Arranging occupational healthcare services in accordance with legislation in Finland and the other Nordic countries also enables well-functioning and effective occupational healthcare cooperation with the occupational healthcare service provider. While there is no similar legislation in the Baltic countries, Enersense is engaged in cooperation with healthcare service providers when necessary to ensure healthy and safe working conditions.

Enersense has identified a material risk in relation to the privacy of its own workforce and information security, and several actions are being planned or are in progress. The development of administrative information security started in 2024 and will be a continuous activity. The Finnish Transport and Communications Agency's (Traficom) Cyber Weather metric has been deployed as a framework for an information security management system (ISMS). In addition, the development of information security training is in progress. During 2024, completely new information security training was implemented in Enersense's training environment. The target group for this training is all Enersense employees, and it is also part of the training programme for new employees. During 2025, continuous information security training will be provided for Enersense's personnel. In addition to this information security training, a regularly updated mandatory supplementary training for Enersense personnel will be established. Attack simulation-based cybersecurity training will be started during the second half of 2025.

The effectiveness of actions related to administrative information security is discussed at administrative information security meetings, where the aim is to determine the development areas to be discussed next, and to analyse the progress of previous development areas. In terms of technical information security, Enersense receives a weekly report on the security status and trends from an external service provider. The service provider holds an extended monthly information security meeting, at which the overall state of technical information security and the development of trends are discussed, and the most significant information security incidents occurred during the review period, and their lessons learned are also addressed. *The metrics for monitoring the effectiveness of actions are described in section S1-5.*

Enersense did not identify any material opportunities related to its own workforce in its assessment of double materiality.

Enersense has prepared guidelines for the processing of incidents related to occupational health and safety. In accordance with these guidelines, actions have been taken to eliminate root causes and develop occupational health and safety. In summary, the process proceeds as follows: incidents are reported, processed and investigated, remedies and improvement actions are created and processed for the incidents, and the organisation's learning is ensured.

The implementation of the actions and action plans presented in this section does not require significant operating or capital expenditure.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In 2024, Enersense had the following targets to reduce negative impacts on occupational safety and to promote the objectives of the policies related to occupational health and safety, as described in *section S1-1*:

- Number of serious accidents: 1. Results: 1
- Lost-time injury frequency (LTIF) < 7.5. Results: 8.0
- Total recordable incident frequency (TRIF) < 14. Results: 14.9

The general principle at Enersense is that there are no serious accidents. However, at the time of setting the 2024 targets, there had already been one serious accident at the beginning of the year. As a result, the target was defined so that there could be no new serious accidents during the rest of the year. An accident is serious if it causes permanent or serious injury. Only accidents leading to an absence are included in the LTIF metric, while the TRIF metric also includes minor accidents. *The methods and assumptions related to the metrics are described in section S1-14*. The target level was set relative to the figures for 2023. The targets apply to the entire Group.

The Board of Directors approved the targets in the spring of 2024, and they only applied to 2024. Stakeholders were not consulted in the setting or monitoring of the targets. To identify experiences or improvements resulting from the activity, employees are consulted as described in section *S1-2*.

Enersense came close to the defined target level of occupational safety and achieved a significant improvement compared to 2023. The company has systematically improved its proactive and active safety work. Measures are ongoing with the aim of further improving occupational safety.

For 2025, targets have been set for the frequency of accidents leading to an absence (less than 6.5), the frequency of accidents (less than 8) and serious accidents (0). As regards accident frequency, from 2025 onwards, the calculation will be changed so that accidents resulting in the use of health care services without actual medical treatment will be classified as first aid accidents. These will no longer be included in the calculation of the accident frequency rate. The 2025 target is set accordingly. Enersense will set longer-term sustainability targets in 2025 as part of its strategy update process.

At Enersense, the effectiveness of policies and actions related to material information security risks is monitored using the following metrics:

In terms of technical information security, Microsoft Secure Score has been selected as a metric because the identities of employees, the devices they use, and access control systems are the most critical elements to be protected. The target level is set at 68 per cent. The target level was set using the Secure Score values in industries close to Enersense regarding energy companies, for example. Currently, Enersense is significantly above its own target level, at 76 per cent. An external service provider produces weekly reports on the information security status, and an extended monthly information security meeting is held to review the overall state of technical information security.

Administrative information security is monitored using Traficom's Cyber Weather metric, which is based on the ISO 20071 information security management standard and the measurement of its maturity level. The ISO 20071 standard has been defined in Enersense's information security policy as one of the key frameworks guiding information security activities. The actions serve to reach a level at which Enersense could be ready for ISO 20071 information security certification. In this respect, Enersense is still well below the target level and will continue its work to achieve the target level. The effectiveness of the actions is monitored at bi-weekly administrative information security meetings. Information security metrics are not separately validated by an external body.

S1-6 – Characteristics of the company's employees

1. Number of employees by gender

Gender	Number of personnel
Men	1,653
Women	230
Other	
Not reported	
Total employees	**1,883**

- Table 1 shows the number of employees by gender as of 31 December 2024.
- The gender category "Other" is not used as an official gender in Finland, Estonia, Lithuania or Latvia.
- The total number of employees in the financial statements on 31 December 2023 was 1,946.

2. Number of employees by country

Country	Number of personnel
Finland	1,251
Estonia	315
Latvia	254

- Table 2 shows the number of employees by country as of 31 December 2024.
- Enersense also has employees in Lithuania, but they account for less than 10 per cent of the total number of employees.

3. The number of employees by geographical region

Country	Number of personnel
Finland	1,251
Baltics	632

- Table 3 shows the number of employees as of December 31, 2024.
- The Baltic figure includes the number of employees in Estonia, Latvia, and Lithuania.

4. Number of employees by employment contract type by gender (number of personnel)

Type of employment	Women	Men	Other	Not reported	Total
Total number of employees (head count)	230	1,653			1,883
Number of permanent employees (head count)	212	1,577			1,789
Number of fixed-term employees (head count)	0	0			0
Number of employees with non-guaranteed hours (head count)	4	29			33
Number of full-time employees (head count)	211	1,589			1,809
Number of part-time employees (head count)	19	55			74

- Table 4 shows the number of employees as of 31 December 2024.
- The number of part-time employees includes employees with non-guaranteed hours.
- Fixed-term employees can be recruited for temporary or seasonal needs, including projects, substitute positions and training periods.
- The gender category "Other" is not used as an official gender in Finland, Estonia, Lithuania or Latvia.

5. Employee turnover during the reporting period

	Total
Employees who have left the company	265
Average number of personnel	1,990.7
Employee turnover	13.3%

- The information has been gathered from the local personal data systems of Finland, Estonia, Lithuania and Latvia. Country-specific figures have been collected in a single file and added together.
- The number of employees who have left the company includes employees who have given notice, employees who have been dismissed, and employees who have retired. During the reporting period, no employees died at work.
- The employee turnover has been calculated by dividing the number of employees who have left the company by the average number of personnel during the reporting period. The average has been calculated by adding the number of employees on the last day of the month and dividing it by twelve.
- As of 1 September 2024, 81 employees in Finland transferred to another company as a result of a transfer of business. They are not included in the number of employees who have left the company. However, this can be seen as a decrease in the total number of employees during the reporting period.
- The number of fixed-term employees has been highest in the summer months during the annual holidays. From September, the number has decreased significantly.

The information in Tables 1 to 5 above has been gathered from the local personal data systems of Finland, Estonia, Lithuania and Latvia. The local person in charge has saved country-specific figures in a consolidated file, based on which both country-specific and Group-level figures have been calculated. The metrics have not been separately validated by an external body.

S1-14 – Health and safety metrics

Occupational health and safety statistics

	2024	2023
Percentage of employees covered by the occupational health and safety management system	100%	100%
Number of fatalities resulting from work-related injuries and work-related ill health	0	0
Number of work-related injuries	54	77
Percentage of recordable work-related accidents (accident rate)	15	21
Number of cases of recordable work-related ill health	0	2
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	1,590	1,783

- In the table, the percentage of employees covered by the occupational health and safety management system has been estimated based on the percentage of employees who comply with occupational health and safety guidelines, policies, and the local legislation of each country. The percentage of employees covered by the occupational health and safety management system has been estimated according to the situation on the last day of the year.
- The number of work-related accidents has been obtained from the HSE reporting system. The Baltic countries before October 2024 are an exception, regarding which the information is based on notifications provided by local HS managers and supervisors, and on data compiled as a result in an Excel spreadsheet.
- The following have been regarded as work-related accidents: accidents that have caused an absence of at least one full day, accidents that have required medical treatment, accidents that have led to the use of healthcare services without actual medical treatment, and accidents that have led to replacement work.
- The accident rate has been calculated according to the instructions (1,000,000 × number of accidents divided by working hours); total recordable incident frequency (TRIF, per million working hour). The number of working hours has been obtained from the company's payroll software.
- The cases mentioned in the ILO List of Occupational Diseases have been taken into account in the calculation as cases of work-related ill health. The number of cases of work-related ill health has been obtained from national compensation offices.

- The number of days lost as a result of work-related injuries is based on: 1) in Finland, the days of absence resulting from incidents recorded as lost-time accidents have been calculated for at least three days of absences based on the insurance company's report, and for one to two days of absence based on the information recorded in the HSEQ management system; 2) in the Baltic countries, information reported by local personnel administration and supervisors.
- The number of days lost as a result of work-related injuries and work-related ill health has been allocated to the reporting year based on the date of absence, not according to the date of the work-related accident.
- Calculation of the number of days lost: the number of days lost, including the first full day and the last day of absence. Calendar days have been taken into account in the calculation (including weekends and public holidays).
- The metrics have not been separately validated by an external body.

S1-17 – Incidents, complaints and severe human rights impacts

There have been no cases of discrimination, harassment, or serious human rights violations in Enersense's activities. There have also been no fines, penalties or damages paid in this context. There have been three reports of discrimination or harassment in 2024. The reports have been investigated, and no discrimination or harassment was identified in the cases.

Information about complaints has been obtained from the whistleblowing channel and HR contact people (Finland and the Baltic countries). The number of complaints includes any contact concerning experienced discrimination or harassment. The metrics have not been separately validated by an external body.

Governance information

G1 – Business conduct

G1-1 – Business conduct policies and corporate culture

Enersense has defined policies to identify, assess, manage and remedy material impacts and risks related to business conduct. The policies are binding on the Group and all its subsidiaries.

Policies regarding impacts on the corporate culture and whistleblower protection:

Code of Conduct

- *Key content and goals:* The company's Code of Conduct specifies the common principles that Enersense's employees and management must follow in their daily activities. The Code of Conduct applies to the whole Group. It defines the company's approach to ethical business practices, climate change mitigation, human and labour rights, and environmental values. The company's Code of Conduct includes guidelines for compliance with law, fair competition, the prohibition of bribery and corruption, conflicts of interest, procurement, sustainable work, human rights, and the environment. In addition, it sets a commitment to the UN Guiding Principles on Business and Human Rights and provides information about the whistleblowing channel and the protection of whistleblowers. To monitor the Code of Conduct, it has been communicated to the personnel in the intranet, and related training is part of the mandatory induction programme. Any abuse is monitored and addressed through the whistleblowing or ethics channel. *The policy is described in more detail in section E1-2.*

To manage risks related to supplier relationships, Enersense uses the following policies that apply to procurement made by the Group and all its companies in all countries in which Enersense operates. The views gained through continuous stakeholder cooperation were addressed when preparing the policies.

Procurement policy

- *Key content and goals:* The procurement policy describes the general principles and practices applied to procurement activities. Its goal is to establish principles and practices that guide Enersense's procurement activities as a whole, and are used to execute a high-quality procurement process, and develop an effective supplier network and supply chain. The procurement policy also defines the basic criteria for the approval of new suppliers, including the approval of Enersense's Supplier Code of Conduct. In addition, the policy describes the assessment of suppliers through audits. The policy is internal and available to Enersense's personnel.
- *Highest responsible body*: Enersense's Director of Procurement is responsible for the implementation, timeliness, interpretation and monitoring of the policy.

Supplier Code of Conduct

- *Key content and goals:* The Supplier Code of Conduct obliges suppliers to commit to the environmental and social requirements defined by Enersense, which are described in more detail in section *G1-2*. The policy is attached to all procurement agreements. *This policy is described in more detail in section E1-2 .*

In addition, Enersense has a policy in accordance with the UN Convention against Corruption. The policy is intended for the company's internal stakeholders, whose views were addressed during the internal round of comments. The policy is also available to external stakeholders on the company's website.

Anti-corruption and anti-bribery policy

- *Key content and goals:* The anti-corruption and anti-bribery policy defines the company's guidelines for what is meant by corruption and bribery, how they should be dealt with in the company at a practical level, and how to identify situations where corruption or bribery occurs or may occur, as well as how to report any abuse. The policy aims to increase knowledge and understanding of the risk of corruption and bribery in business activities. The policy is intended for Enersense's personnel. To monitor the anti-corruption and anti-bribery policy, the guidelines have been communicated to the personnel in the intranet, and its content is also included in training regarding the Code of Conduct. Any abuse is monitored and addressed through the whistleblowing or ethics channel.
- *Highest responsible body:* The policy is maintained and updated by the company's legal department if required, and implemented by the Group Executive Team.
- For the supply chain, the prohibition of bribery and corruption is included in the Suppliers' Code of Conduct.

The following sections describe the key actions that Enersense takes to promote the goals of these policies and to manage material related to the corporate culture and whistleblower protection. The described actions are continuous and cover the Group and all Group companies. The implementation of the actions does not require any significant operating and capital expenditure. No actual losses resulting from material impacts were identified during the year.

Enersense has not set measurable, outcome-oriented targets regarding sustainability issues related to business operations. The double materiality assessment was conducted only after the 2024 target setting. The company will set the targets for its material sustainability topics during 2025.

Corporate culture

The company's corporate culture is based on the company's Code of Conduct and its three core values: *Be brave*, *Grow responsibly* and *Together*. In addition, the corporate culture is built on the company's policies and guidelines, which specify ethical principles at a practical level. The most significant themes promoted and communicated by the company's corporate culture include sustainable work, sustainable business and environmental sustainability. The company's administrative, management and supervisory bodies especially address elements related to occupational health and safety, the reduction of greenhouse gas emissions, and enabling a more sustainable energy system.

The company's administrative, management and supervisory bodies regularly discuss corporate culture themes at their meetings, and assess the progress, development and compliance of practical actions. Information about the corporate culture and Code of Conduct is provided for the company's entire personnel in conjunction with induction and later during the employment relationship through e-training. Effective communication seeks to ensure that information reaches all employees in the Group. The ability of managers to deal with in shortcomings is developed through special training. No targets have been set for the realisation of the corporate culture, but the effectiveness of the actions is assessed through annual employee surveys, which measure employee engagement, among other factors. No target level has been set.

The company uses an electronic learning platform, through which various courses are provided for the personnel. Some courses are mandatory for the entire personnel and are completed as part of induction. To advance the goals of the Code of Conduct, each Enersense employee must complete Code of Conduct training during induction, which covers various practices, guidelines and rules related to the conduct of responsible business in detail. The training also includes information about what to do in the event of any abuse. The company's personnel must complete the training once, and by the end of 2024, 66 per cent of the personnel had completed it. The company will specify any changes regarding the frequency of completing and recompleting the training.

Identifying, reporting and investigating concerns, and protecting whistleblowers

Every member of the personnel has an obligation to express their concerns about illegal actions or actions that are in violation of the company's Code of Conduct. The personnel can report any illegal activities and activities that are in violation of the company's Code of Conduct confidentially to their manager. The company also has an open and anonymous whistleblowing channel for internal and external stakeholders, through which any shortcomings can be reported. The channel is available on the company's public website, and Enersense's related whistleblowing instructions are available in the company's intranet.

In addition, the company has its own Ethics Board, to which employees can report misconduct via email. These reporting channels are communicated to the personnel as part of the induction programme. Information about the reporting channels, instructions for their use and information about anonymity are also available in the company's intranet, to which all employees have access.

When a notification is received in the whistleblowing tool, it notifies the Enersense whistleblowing team, i.e. the Ethics Board, by email. The Ethics Board consists of the SVP, Legal, the SVP, HR, and the CFO, and has been appointed by the company's management and Board of Directors. Enersense has not provided specific training for those who receive notifications, but they have been deemed capable of performing the task. The whistleblowing team determines whether and how each notification will be investigated.

All notifications are taken seriously and in accordance with the whistleblowing guidelines. No member of the whistleblowing team or any other person engaged in the investigation process is permitted to seek to identify the identity of those who submit notifications. If necessary, the whistleblowing team asks further questions through an anonymous reporting channel. The person concerned by or connected to the suspicion cannot participate in the investigation of the case. Depending on the nature and context of the case, one of the team members assumes responsibility for investigating and responding to the case, with the assistance and support of other members if required.

If a person reports their concerns directly to their manager or the whistleblowing team in their own name, the case will be processed in accordance with the whistleblowing guidelines.

Those who submit notifications through the whistleblowing channel are protected against retaliation in accordance with the corresponding EU directive (EU 2019/1937) implemented in national law, as defined in Enersense's Code of Conduct. Only designated Enersense whistleblowing team members have access to notifications submitted through the whistleblowing channel. Their actions are saved in a log, and all actions are confidential. During the investigation process, the team may request information and expertise from other individuals in confidence.

If a whistleblower expresses a genuine suspicion, they will not be at risk of losing their job and will not suffer any consequences or personal harm as a result of their notification. The accuracy of the whistleblower's notification is irrelevant, provided that they have acted in good faith. If appropriate, non-anonymous whistleblowers will be notified of the results of the investigation regarding their suspicions, while addressing the privacy of the persons against whom the suspicions have been expressed, as well as other confidentiality factors.

Enersense investigates corruption and bribery cases in accordance with the whistleblowing procedure described above, and no other procedures are in place to investigate cases.

Corruption and bribery risks are related to Enersense's operations, especially in those businesses where Enersense has close customer relationships with local suppliers, as well as in situations where Enersense's activities depend heavily on subcontractors. Close business relations with local suppliers are particularly emphasised in the service centre business. Each Enersense segment is engaged in activities in which subcontractors are used to a significant extent. In the Power business, activities in the Baltic countries are more vulnerable to corruption and bribery. The small size of the markets in the region, the ambiguity of local regulations and practices, and the practices potentially included in business activities, including the use of unofficial networks and different negotiation methods, increase susceptibility.

G1-2 – Relationships with suppliers

Policy to prevent late payments

The payment of invoices and the payment term is based on the procurement agreements signed between suppliers and Enersense, as well as the agreement terms and conditions they specify. For the invoicing process, Enersense seeks to ensure that accounts payable have sufficient resources and monitors the defined P2P process. This aims to ensure successful payments to both large and small suppliers. The financial situation of small and medium-sized enterprises is addressed when assessing the payment term.

Management of relationships with suppliers and supplier criteria

Suppliers are an integral part of Enersense's supply chain and have a significant impact on the overall quality of the company's activities. Supplier relationships are mainly managed through joint meetings between Enersense and suppliers, supplier selection processes, and audits. With these actions, Enersense aims to identify and address risks and potential impacts on sustainability matters related to the supplier chain at the earliest possible stage. The purpose of audits is to verify the conformity of each supplier's operations or system, identify development areas, and strengthen partnerships. Actions are targeted at all the Group's suppliers, but the aim is to target them especially at high-risk areas that have been identified in relation to subcontracting chains and non-EU suppliers.

When selecting new suppliers, a background check is carried out, and it is ensured whether the supplier meets the supplier criteria defined by Enersense, which are defined in the Supplier Code of Conduct. In addition, the Supplier Code of Conduct, with which each supplier commits to complying, is attached to supplier agreements. The Supplier Code of Conduct defines social and environmental criteria which Enersense's suppliers must meet, and which thereby guide supplier selection:

- *Regarding environmental criteria:* Enersense requires its suppliers to reduce the environmental impact of their operations and to be proactive in environmental matters. Suppliers must comply with environmental law, environmental permits and other applicable regulations, as well as Enersense's guidelines. In addition, suppliers must constantly seek ways to reduce environmental impact. Through supplier selections, Enersense expands its product and service range in a more

environmentally friendly direction by acquiring lower-emission steel and concrete. The environmental criteria also guide the company in its search for alternative suppliers.
- *Regarding social criteria:* The Supplier Code of Conduct includes obligations related to occupational health and safety, working conditions, respect for human and labour rights, and non-discrimination. Every supplier is responsible for ensuring their own safety and that of others, and for promoting a proactive occupational safety culture. Suppliers must respect internationally recognised human and labour rights in all their activities and promote their realisation. In addition, suppliers undertake to provide their employees with fair and reasonable working conditions, as well as an atmosphere free of harassment and violence.

The fulfilment of the criteria is monitored through audits defined in segmental audit plans. Procurement managers prepare audit plans for suppliers based on the supplier classification. The supplier classification is implemented based on criticality and risks. Strategic suppliers are audited once every three years, including an assessment of compliance with the Supplier Code of Conduct and HSEQ assessments. Other suppliers undergo statutory checks and are audited if required. If any irregularities are discovered during audits, Enersense agrees further measures with the supplier in question and monitors their implementation.

The described actions cover the Group and all Group companies. In terms of supplier relationships, the actions extend to the upstream value chain. The actions are taken as part of supplier relationship processes, and their implementation does not require any significant operating or capital expenditure. It is expected that suppliers pass the audits, and sustainability and its development are increasingly part of supplier auditing.

Enersense has not set any measurable, time-bound and result-oriented targets for supplier risks. Enersense monitors the effectiveness of policies and actions related to sustainable procurement by regularly monitoring the results of audits. The company can therefore monitor whether all suppliers comply with the requirements of the Supplier Code of Conduct.

Financial Statements

Consolidated financial statement

Consolidated income statement

EUR thousand	Disclosure	1–12/2024	1–12/2023
Revenue	3	424,718	363,318
Change in inventories of finished goods and work in progress		-1,779	3,735
Work performed for own purposes and capitalised		-3	-14
Other operating income	4	825	1,957
Material and services	5	-242,273	-202,874
Employee benefits expense	6	-117,823	-114,729
Depreciation and amortisation	7	-28,611	-9,444
Other operating expenses	8	-48,440	-36,440
Share of profit /loss accounted for using the equity method	14	-714	-249
Operating profit		**-14,100**	**5,260**
Finance income	9	663	43
Finance expense	9	-14,993	-13,852
Finance income and expense		-14,330	-13,809
Profit/loss before tax		**-28,430**	**-8,549**
Tax on income from operations	10	-491	-600
Profit/loss for the period		**-28,921**	**-9,149**

EUR thousand	Disclosure	1–12/2024	1–12/2023
Other OCI-items			
Items that may be reclassified to profit or loss			
Translation differences		-39	-14
Remeasurements of post-employment benefit obligations	6	99	45
Other comprehensive income for the period, net of tax		60	31
Total comprehensive income for the period		**-28,861**	**-9,118**
Profit (loss) for the period attributable to:			
Equity holders of the parent company		-30,159	-8,926
Non-controlling interests in net income		1,238	-223
Profit/loss for the period		**-28,921**	**-9,149**
Total comprehensive income for the period attributable to:			
Owners of the parent company		-30,099	-8,895
Non-controlling interests		1,238	-223
Total comprehensive income		**-28,861**	**-9,118**
Earnings per share attributable to the owners of the parent company, undileded	19	-1.83	-0.54
Earnings per share attributable to the owners of the parent company, undileded	19	-1.83	-0.54

Consolidated balance sheet

EUR thousand	Note	1–12/2024	1–12/2023
Non-current assets			
Goodwill			
Intangible assets	11	26,085	27,805
Property, plant, equipment	11	11,100	40,193
Investments accounted for using the equity method	12, 13	20,058	21,230
Loan receivables	14	13,110	13,881
Non-current investment and receivables	16, 20	3,725	4,339
Deferred tax-assets	10	1,251	1,297
Total non-current assets		**75,330**	**108,744**
Current assets			
Inventories	15	15,836	18,127
Trade receivables	16	28,427	40,291
Current income tax receivables	10	0	2
Other receivables	16	34,172	35,327
Cash and cash equivalents	17	19,830	11,249
Total current assets		**98,266**	**104,996**
Assets held for Sale	11	20,942	0
Total assets		**194,537**	**213,740**
Equity and liabilities			
Equity			
Share capital	18	80	80
Unrestricted equity reserve	18	62,361	62,361
Other reserves	18	313	313
Translation differences	18	32	70
Retained earnings	18	-10,176	-1,958
Profit (loss) for the period	18	-30,159	-8,926
Total equity attributable to owners of the parent company		**22,451**	**51,940**
Non-controlling interests		0	167
Total equity		**22,451**	**52,108**

EUR thousand	Note	1–12/2024	1–12/2023
Liabilities			
Non-current liabilities			
Borrowings	21	26,227	28,270
Lease liabilities	21	7,462	9,266
Other liabilities	23	—	3
Deferred tax liabilities	10	509	5,973
Employee benefit obligations	6	275	356
Provisions	22	3,027	472
Total non-current liabilities		**37,500**	**44,340**
Current liabilities			
Borrowings	21	7,577	4,167
Lease liabilities	21	5,639	6,141
Advances received	23	17,981	12,973
Trade payables	23	24,188	25,992
Payment arrangement with the Tax administration	20	3,510	0
Current income tax liabilities	10	1,780	1,268
Other payables	23	68,505	66,518
Provisions	22	523	234
Total current liabilities		**129,702**	**117,292**
Total liabilities		**167,202**	**161,632**
Liabilities held for Sale	11	4,885	0
Total equity and liabilities		**194,537**	**213,740**

Consolidated cash flow statement

EUR thousand	Note	1–12/2024	1–12/2023
Cash flow from operating activities			
Profit (loss) for the period		**-28,921**	**-9,149**
Adjustments:		—	—
Depreciation, amortisation and impairment	7	28,611	9,444
Gains and losses on the sale of subsidiaries		—	-893
Gains and losses on the sale of associated companies		—	—
Gains and losses on the sale of property, plant and equipment		-124	-103
Share of profits (losses) of associates	14	714	249
Interest income and other financial income and expenses	9	14,330	13,809
Income tax	10	491	600
Other adjustments		-2,163	-789
Total adjustments		**41,859**	**22,316**
Changes in working capital			
Change in trade and other receivables	16	5,009	-6,325
Change in trade payables and other liabilities	23	7,736	-807
Change in inventories	15	3,390	-5,003
Interest received		126	39
Interest paid		-5,113	-3,919
Other financial items		-7,262	-9,463
Income tax	10	-518	-2,890
Net cash flow from operating activities		**16,305**	**-15,201**

EUR thousand	Note	1–12/2024	1–12/2023
Cash flow from investing activities			
Investments in tangible and intangible fixed assets	11	-2,787	-2,218
Sale of fixed assets		250	561
Sale of subsidiaries, less cash and cash equivalents sold		1,150	543
Additional investments in associated companies	14	—	-3,228
Sale of associated companies	14	—	1,023
Repayments of loans granted to associated companies		—	218
Dividends from associated companies		56	36
Net cash flow from investing activities		**-1,331**	**-3,065**
Cash flow from financing activities			
Withdrawals of loans	20	20,806	19,280
Repayments of loans	20	-20,494	-20,433
Paid distribution of funds	20	—	-1,649
Payments of lease liabilities	20	-6,704	-6,387
Net cash flow from financing activities		**-6,392**	**-9,190**
Net change in cash and cash equivalents		8,581	-27,455
Cash and cash equivalents at the beginning of the period		11,249	38,704
Impact of exchange rate changes on cash and cash equivalents		—	—
Cash and cash equivalents at the end of the period		**19,830**	**11,249**

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
Equity at 1 Jan 2024	**80**	**62,361**	**313**	**70**	**-10,885**	**51,940**	**167**	**52,108**
Profit (loss) for the period	—	—	—	—	-30,159	-30,159	1,238	-28,921
Translation differences	—	—	—	-39	—	-39	—	-39
Remeasurements of post-employment benefit obligations	—	—	—	—	99	99	—	99
Total comprehensive income	—	—	—	-39	-30,060	-30,099	1,238	-28,861
Transactions with owners:							—	
Transactions with non-controlling interests	—	—	—	—	686	686	-1,405	-720
Share based payments	—	—	—	—	-82	-82	—	-82
Other transactions	—	—	—	—	7	7	—	7
Total transactions with owners	**—**	**—**	**—**	**—**	**610**	**610**	**-1,405**	**-795**
Equity at 31 Dec 2024	**80**	**62,361**	**313**	**32**	**-40,335**	**22,451**	**—**	**22,451**

	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
Equity at 1.1.2023	**80**	**64,010**	**313**	**84**	**-2,268**	**62,220**	**389**	**62,609**
Profit (loss) for the period	—	—	—	—	-8,926	-8,926	-223	-9,149
Translation differences	—				—	-14	—	-14
Remeasurements of post-employment benefit obligations	—	—	—	—	45	45	—	45
Total comprehensive income	—	—	—	-14	-8,881	-8,895	-223	-9,118
Transactions with owners:								
Share based payments	—	—	—	—	271	271	—	271
Dividend		-1,649			—	-1,649	—	-1,649
Other transactions	—	—	—	—	-7	-7	—	-7
Total transactions with owners	**—**	**-1,649**	**—**	**—**	**265**	**-1,384**	**—**	**-1,384**
Equity at 31.12.2023	**80**	**62,361**	**313**	**70**	**-10,885**	**51,940**	**167**	**52,108**

Notes to the financial statements

1. Accounting principles for the financial statements

Basic information about the Group

Enersense International Plc (hereinafter the "parent company" or the "company"), together with its subsidiaries ("Enersense" or the "Group"), is a provider of zero-emission energy solutions. The company is involved in supporting the ongoing energy transition and enabling a zero-emission society. Enersense offers sustainable solutions and delivers expertise to Nordic and international industrial, energy, telecommunications and construction companies, contributing to its customers' successful transition towards a zero-emission future.

Enersense International Plc is a Finnish public limited liability company based in Pori. Its registered address is Konepajanranta 2, 28100 Pori. The parent company's shares are listed on the Main List Finland marketplace of Nasdaq Helsinki Ltd with ticker ESENSE.

At its meeting, the Board of Directors of Enersense International Plc approved these consolidated financial statements for publication. A copy of the consolidated financial statements is available on the company's **website.**

Basic for compilation

Enersense's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, as well as the IAS and IFRS standards as they stood on 31 December 2024 and the related SIC and IFRIC interpretations. The notes to the consolidated financial statements are also in line with the requirements of the Finnish accounting and business legislation that supplements the IFRS regulations.

Several new standards, amendments to standards and interpretations will enter into force later than for financial periods beginning on 1 January 2025 and have not been applied in preparing these consolidated financial statements. The Group does not expect these to have a material impact on the consolidated financial statements.

The consolidated financial statements have been prepared on the basis of historical costs unless otherwise stated. The consolidated financial statements are presented in thousands of euros.

The figures presented in the financial statements have been rounded. Therefore, the sum of individual figures does not necessarily correspond to the total amount presented.

The comparison information is presented in brackets after the figure for the financial period.

Translation of foreign currency items

Functional currency and presentation currency

Items included in the Group companies' financial statements are measured in the currency of the economic environment in which the company principally operates (functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of Enersense International Plc.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rate that was valid on the date of the transaction. Foreign currency receivables and liabilities are translated into the functional currency using the exchange rate that was valid on the balance sheet date.

Exchange rate gains and losses arising from foreign currency transactions and the translation of monetary receivables and liabilities are generally recognised through profit or loss. They are recognised in equity if the items are included in a net investment made in a foreign unit. Exchange rate gains and losses related to normal business operations are presented in the relevant items above the operating profit in the income statement. Exchange rate gains and losses related to financial items are presented in financial expenses in the income statement.

Group companies

The income statements of Group companies whose functional currency is different from the presentation currency are translated into euros using the average exchange rate for the period. Their balance sheets are translated using the exchange rate that was valid on the balance sheet date. All exchange rate differences arising from the translation of the result and the balance sheet are recognised in other comprehensive income.

Exchange rate differences arising from net investments made in foreign units are recognised in other comprehensive income when preparing the consolidated financial statements. When a foreign operation is sold, the related exchange rate differences are transferred to gains or losses on sale.

Continuity of operations

The full-year financial report has been prepared on a going concern basis because the management of Enersense sees no material uncertainty related to the continuity of operations. The future development of the Group’s activities is influenced in particular by, among other things, the development of the Group’s results, the availability of financing for capital-intensive projects and the adequacy of liquidity. The Group management has, together with the Board of Directors, made estimates of the companies’ future revenue, EBITDA, investments, financial situation and working capital requirements. The Group has done impairment tests for both goodwill and projects annually, for which the amortisation period is unlimited. In addition, their calculations are verified quarterly.

Enersense finalised negotiations on a one-year financing after the end of the financial year at the end of March. The company fulfilled the covenants on 31 December 2024, and according to management's forecast, they will be fulfilled 12 months after the financial statements.

The company's management estimates that the working capital is sufficient to continue operations in accordance with the company's strategy for at least the next 12 months from the balance sheet date, provided that the business develops in accordance with the forecasts prepared by the management.

Impacts of the war on Enersense and its business

Ongoing international conflicts maintain geopolitical tensions and uncertainty about the development of the world economy. Inflation is still high in the markets relevant to Enersense, which can be seen especially in the Baltic countries, where wage inflation raises costs. The prices of materials are also high, and the risk, especially with regard to old contracts, is that they cannot be renegotiated.

The increased uncertainty about economic development and operational and financial costs that have risen with high inflation have affected the investment environment negatively. This may lead to a weakening of the financial position of Enersense and its customers, for example through the availability of financing, and further weakening of the demand for Enersense's services, as well as a slower-than-expected development of sales. A change in the investment environment may have a negative impact on certain items valued on the balance sheet.

Estimates and judgements

Financial statements prepared in accordance with the IFRS require the management to make accounting estimates and decisions based on judgement which affect the amounts of assets and liabilities presented in the financial statements and the amounts of income and expenses presented for the financial periods. Estimates and judgements are based on the management’s best knowledge, previous experience and expectations of future events. The actual results of events may differ from the estimates and judgements. In addition, the management must exercise judgement when applying accounting principles. Key estimates and judgements are presented in the following disclosures:

Key estimates and decisions based on judgement

Note	Key estimate and judgements
3. Revenue and reported segments	Revenue recognition
10. Income taxes	Recognition of income taxes and recognition of deferred tax assets from tax losses
11. Intangible assets	Impairment testing
13. Leases	Determining the lease term and determining the interest rate for the incremental borrowing rate
21. Borrowing	Convertible notes interest without exchange rights
22. Provision	Classification of group companies

2. Acquisitions

Enersense International Plc did not do any company acquisitions during 2024.

3. Revenue and reported segments

The CEO of Enersense (chief operating decision maker, CODM) monitors the Group's performance from the beginning of 2024 based on simplified business areas, where the Power and International Operations business areas were merged into one. At the same time, the Smart Industry business area was renamed Industry. From the beginning of 2024, Enersense reports from three business areas instead of the previous four, which are also the Group's reportable segments: Power, Industry and Connectivity. Partial income from revenue was in year 2024 201.3 (182,7) million euros.

Power

The Power segment focuses on project and service business operations for the green energy transition. Its core activities include design, construction and maintenance of transmission grids, electric substations, wind farms and solar farms. Enersense's international operations in Estonia, Latvia and Lithuania are part of the Power segment.

Enersense announced on December 19, 2024 that it would sell its wind and solar energy project development operations to Fortum. The deal was closed 26.2.2025. In addition, Enersense announced on February 28, 2024 that it would discontinue its zero-emission transportation solutions business.

Industry

The 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. The Industry segment's core businesses include the mechanical project business, the electricity and automation business, and the operation and maintenance business.

On 19 June 2024, Enersense announced that it is conducting a strategic assessment of its Marine and Offshore Unit that the company previously called the offshore wind business. The assessment will be continued to ensure the best possible outcome, given the rapidly evolving nature of offshore wind power and other arctic marine industries.

Connectivity

The Connectivity segment helps customers by providing mobile and fixed network services and ensuring their operability. The segment's services include the design, construction and maintenance of fixed and mobile data networks at all stages of their life cycle. The entire segment is part of Enersense's core businesses.

Costs arising from the following functions are presented in items and eliminations not allocated to the segments: Group finance, ICT, procurement, personnel, legal affairs, quality and communications.

Revenue by segments

EUR thousand	1–12/2024	1–12/2023
Power	188,880	191,691
Industry	159,567	113,712
Connectivity	76,251	57,771
Items not allocated to business areas	20	144
Total	**424,718**	**363,318**

Enersense's revenue mainly consists of services, projects and resourcing in the Nordic countries and internationally operating industrial, energy and telecommunications companies. In Enersense's services, the customer simultaneously receives and uses the benefits arising from Enersense's services as Enersense provides the service, improves an asset controlled by the customer or creates an asset for which Enersense does not have an alternative use, and Enersense is entitled to receive payment for services provided up until the time of examination. Most of Enersense's sales revenue is recognised over time. In 2024, Enersense did not have any customer whose share of the Group's revenue was over 10%. In year 2023, Enersense had one customer whose share of the Group's revenue was over 10%, total revenue EUR 50.6 million.

Geographical distribution of revenue by target country

EUR thousand	1–12/2024	1–12/2023
Finland	254,350	241,397
Other countries	170,368	121,921
Total	**424,718**	**363,318**

Transaction price allocated to the remaining performance obligation

EUR thousand	1–12/2024	1–12/2023
Unrecognised transaction price	219,072	267,188
To be recognised as income the following year	142,380	160,826
To be recognised later	76,692	106,362

The unrecognised transaction price at the end of the financial period corresponds to the total transaction price allocated to performance obligations that remain fully or partly unsatisfied. The unconsolidated transaction price will be recognised over the next 1–3 years.

EBITDA by segments

EUR thousand	1–12/2024	1–12/2023
Power	16,477	14,733
Industry	363	5,262
Connectivity	4,239	2,273
Items not allocated to business areas	-6,568	-7,564
Total	**14,511**	**14,704**

Reconciliation of EBITDA to operating profit

EUR thousand	1–12/2024	1–12/2023
EBITDA	14,511	14,704
Depreciation, amortisation and impairment	-28,611	-9,444
Total	**-14,100**	**5,260**

Contract assets and liabilities

EUR thousand	1–12/2024	1–12/2023
Contract assets*)	18,756	19,886
Contract liabilities**)	17,681	12,973

*) Consists mainly of uninvoiced project receivables.
**) Consists mainly of advances received

Contract assets include sales related to project deliveries that have not yet been invoiced.

Geographical breakdown of non-current assets

EUR thousand	1–12/2024	1–12/2023
Finland	63,292	97,394
Other Countries	10,787	10,105
Total*)	**74,079**	**107,499**

*) Non-current assets in the balance sheet less deferred tax assets and non-current financial assets. More information, in Note 10. Income taxes and 20. Financial risk and capital management.

ACCOUNTING PRINCIPLES

Recognition of sales revenue

- Enersense recognises revenue in accordance with the five-step model provided in IFRS 15 Revenue from Contracts with Customers. Sales revenue is recognised in the amount that is expected to be received from the customer in exchange for transferring the product or service. Sales revenue is recognised when control over the service or product is transferred to the customer, either over time or at a specific time.
- Enersense's revenue consists of services, projects and resourcing. Enersense enters into an agreement with the customer, and the agreement specifies the rights and obligations of both parties. With major customers, Enersense may enter into a framework agreement which constitutes an agreement in accordance with IFRS 15, together with the order and order confirmation. With smaller customers, the order and order confirmation constitute the agreement.
- Under Enersense's service agreements and resourcing services, the customer typically simultaneously receives and uses the service as it is provided by Enersense. Enersense applies a practical expedient provided by IFRS 15 which allows the company to recognise an amount that it is entitled to invoice if the company has the right to receive consideration from the customer in an amount that directly corresponds to the value of the performance completed by the company for the customer up until the time of examination.
- In fixed-price long-term projects and other agreed total deliveries in which Enersense creates or improves an asset controlled by the customer or in which Enersense has no alternative use for the asset produced and Enersense has the right to receive payment for the performance produced, including the costs incurred and a reasonable margin, sales revenue is recognised over time. The level of fulfillment of performance obligations is typically determined on the basis of the costs incurred in relation to the total costs. Project forecasts, estimated total revenue and costs are assessed on every reporting date. Customer agreements may include variable consideration such as sanctions, bonuses or discounts. The impact of variable consideration is assessed on a contract basis, and sales revenue is recognised in the amount to which Enersense is entitled when it is highly probable that a significant reversal in the amount of recognised cumulative revenue will not occur.
- When a wind farm project is sold, Enersense recognizes the amount to which it is entitled based on the transfer of ownership at the time of sale. The wind farm projects usually also involves a variable consideration, the amount of which the Group estimates based on the probable amount of money. Related services are recognized as revenue over time.

Segments

The segments have been determined based on the information that Enersense's chief operating decision maker (CODM) monitors to allocate resources and assess the performance of the segments. Enersense assesses the performance of its segments based on revenue and EBITDA. Enersense also monitors customer satisfaction, the order backlog and occupational safety by segment. Enersense defines EBITDA as the operating profit before depreciation, amortisation and impairment. The operating profit is defined as the profit (loss) for the period added with income tax and the net effect of financial income and expenses. The CEO of Enersense assesses the financial performance and financial position of the Group and its segments and makes strategic decisions. The CEO is Enersense's chief operating decision maker.

KEY JUDGEMENTS

Recognition of revenue

Assessments are required to measure expected sales revenue and costs and the level of completion. As part of the assessment, the management takes into account key contractual obligations, the fixed-price long-term project schedule, identified risks and opportunities and changes in estimates of revenue and expenses. Actual costs may differ from predicted costs because of price increases, delays or a need for additional materials and work. The estimates made are reviewed on each reporting date, and any changes are recognised through profit or loss in the period during which the change occurs. As a rule, actual revenue and costs differ from estimated revenue and costs.

4. Other operating income

The items presented in other operating income include revenue from sales of subsidiary (Enersense Solutions Oy), change in contingent consideration related to Enersense Offshore Oy and gains from the sale of fixed assets.

EUR thousand	1–12/2024	1–12/2023
Gain on disposal of investments in group companies	—	893
Rental income	45	97
Change in contingent consideration	—	420
Income from administrative services	—	22
Income from restaurant services	—	41
Capital gains on property, plant and equipment	604	117
Other income	176	367
Total	**825**	**1,957**

5. Materials and services

Materials and services include purchases of materials, supplies and goods, change in inventories and external services in the financial period. Enersense's purchases consist of the following: tools used for general and plant maintenance; pre-processed steel products; land construction materials; mechanical equipment; steel and pipe supplies; and spare parts for transmission grids, power plants and wind power plants. External services mainly include subcontracting costs related to digital and mobile services, electrical and automation installation, excavation, design, inspection and temporary agency workers.

EUR thousand	1–12/2024	1–12/2023
Purchases during period	-88,283	-100,002
Increase / decrease in inventories	-488	1,618
External services	-153,502	-104,490
Total	**-242,273**	**-202,874**

6. Employee benefit expenses

The Enersense Group has a total of round 2,000 employees. The personnel benefits and defined benefit obligations related to employees are presented below. The personnel benefits granted to the members of the Group Executive Team, the managing directors and the members of the Board of Directors are presented in Note 26 ("Related parties"). Incentive plans are presented in Note 27 ("Share-based incentive plans").

Wages and salaries

EUR thousand	1–12/2024	1–12/2023
Wages and salaries	-99,367	-95,909
Pension costs – defined contribution plans	-13,573	-13,275
Pension costs – defined benefit plans	-6	-6
Other employee benefit expenses	-4,877	-5,539
Total	**-117,823**	**-114,729**

Full-time equivalent (FTE)

	1–12/2024	1–12/2023
Average number of employees at the end of the period	1,946	1,942

Defined benefit plans

The Group has defined benefit group pension insurance plans in Finland with life insurance companies (Mandatum Life and OP). The defined benefit elements of group pension insurance include an old-age pension based on the final salary, a funeral allowance and an annual index-based increase in the pension.

The insurance covers 87 people, 6 of whom continue to be in an employment relationship with the Group. The employer may have to pay group pension insurance premiums if the insurance assets are not sufficient to cover the benefits promised to the beneficiaries.

The assets of group pension insurance plans are based on the insurance premiums paid by the employer and on the returns on such premiums. The annual contribution is determined on the basis of the new annual accumulated pension and the annual index-based increases in pensions.

Risks related to defined benefit obligations

Changes in bond yields

If the yields of the underlying bonds of the discount rate change, the Group may have to adjust the discount rate. This affects both the net defined benefit liability and the item to be recognised in other comprehensive income because of the remeasurement.

Inflation

The pensions covered by the group pension insurance plans are linked to inflation development, and an increase in inflation increases the defined benefit obligations.

Life expectancy

The Group's defined benefit obligations are related to both working-age people and pensioners. An increase in life expectancy can thus increase the pension obligation.

Defined benefit plan obligation in the balance sheet

EUR thousand	2024	2023
Defined pension benefit plan liabilities	1,045	1,133
Defined pension benefit plan assets	-770	-777
Total	**275**	**356**

Change in the precent value of the defined benefit obligations

EUR thousand	2024	2023
Present value of the defined benefit plan obligations Jan 1	1,133	1,114
Business combinations	—	—
Interest cost	37	42
Current service cost	6	6
Benefits paid	-57	-50
Actuarial (gains) losses	-74	21
Present value of the defined benefit plan obligations Dec 31	**1,045**	**1,133**

Change in the fair value of defined benefit plans

EUR thousand	2024	2023
Plan assets Jan 1	777	733
Business combinations	—	—
Interest income	25	28
Benefits paid	-57	-50
Actuarial (gains) losses	-27	20
Contributions by employer	52	46
Plan assets Dec 31	**770**	**777**

Items recognised in income statement

EUR thousand	2024	2023
Service cost	-6	-6
Net interest cost	-12	-14
Total	**-18**	**-20**

Remeasurement impact in the other comprehensive income

EUR thousand	2024	2023
Actuarial gain (loss) on plan assets	27	-20
Actuarial gain (loss) on plan liabilities	-41	37
Actuarial gain (loss) on change in asset ceiling	-33	-16
Total	**-47**	**1**

The arrangement is an insurance policy compliant with IAS 19.8, and it is not possible to prepare a more detailed itemisation of the assets of the arrangement.

Enersense estimates its premiums for defined benefit plans to be EUR 14 thousand in 2025. The weighted average of the duration of the defined benefit obligations is 14 years.

Principal actuarial assumptions

Assumption	2024	2023
Discount rate	3.4	3.3
Increase in pension	2.2	2.4
Inflation rate	2.0	2.2
Life expectancy for pensioners at the age of 65:		
Male	21.4	21.4
Female	25.4	25.4

Sensitivity analysis (an impact of a change of a single assumption on the defined benefit obligation)

EUR thousand	2024	2023
Change in pension increase:		
0.5% increase	64	72
0.5% decrease	-58	-64
Change in discount rate:		
0.5% increase	-31	-32
0.5% decrease	43	38

The described sensitivity analysis is based on a change in the presented assumption, while the other assumptions remain unchanged. In reality, this is unlikely to happen, but a change in one assumption may also affect a change in other assumptions. The sensitivity of the defined benefit obligation to significant actuarial assumptions has been calculated using the same method as for calculating the pension obligation recognised in the balance sheet.

ACCOUNTING PRINCIPLE

Defined contribution pension plans

In defined contribution plans, the payments are made to an insurance company or a similar party, after which the Group no longer has any other payment obligations. Payments to defined contribution plans are recognised in the income statement as an expense for the financial period during which the payment is charged.

Defined benefit plans

The Group has defined benefit pension plans with Mandatum Life and OP Life Assurance Company, to which the Group pays premiums to finance pension security.

Items arising from remeasurement that include actuarial gains and losses are recognised immediately on the balance sheet through other comprehensive income in the period during which they occur. Remeasurement items are not transferred to profit or loss in subsequent financial periods. Expenses based on previous work performance are recognised through profit or loss using the earlier of the following dates:

- Date when the plan was amended or reduced
- Date when the Group recognises the related restructuring costs in accordance with IAS 37 or the benefits related to the termination of the employment relationship. The net interest rate is calculated by applying the discount rate to the net liability or asset arising from the defined benefit arrangement. The Group recognises the following changes in net debt arising from a defined benefit plan in the consolidated income statement:
- Expenses based on work performance that cover the expenses arising from work performance for the period, expenses based on previous work performance, and gains and losses arising from reducing or supplementing the obligation are recognised in employee benefit expenses
- Net interest expenses or income are recognised in financial expenses.

The obligations related to the Group's defined benefit plan, as well as the related expenses arising from work performance, have been calculated using the projected credit unit method.

The obligation related to defined benefit pension arrangements is the value of the defined benefit obligation on the balance sheet date minus the fair value of the assets of the arrangement. The discount rate has been determined using the Bloomberg € EU corporate yield curve. The estimated duration of the obligation related to the benefit has been taken into account. Market-based inflation expectations have been determined using inflation-linked swaps in the eurozone.

7. Depreciation, amortisation and impairment

A write-down of EUR 5.0 million was made on technology assets belonging to non-core business based on impairment testing. Goodwill of EUR 1.7 million and development costs of EUR 1.7 million related to the acquisition of Enersense Charging Oy, which is part of non-core business, were fully written down.

Depreciation

EUR thousand	1–12/2024	1–12/2023
Intangible assets		
Customer relationships	-966	-966
Development costs	-465	-226
Intangible rights	-197	-57
Other intangible assets*)	-10,604	-465
Total	**-12,232**	**-1,714**
Property, plant and equipment		
Land**)	-50	-37
Buildings and structures	-3,134	-3,092
Machinery and equipment	-4,580	-4,443
Other tangible assets	-126	-87
Total	**-7,890**	**-7,660**

*) Includes depreciation of wind power portfolio of EUR 10.2 million, which is presented in Note 11 as a deduction from the acquisition cost.

**) Depreciation of land applies to leased land.

Impairment

EUR thousand	1–12/2024	1–12/2023
Impairment by asset group		
Goodwill	-1,720	—
Other intangible assets	-6,697	-45
Property, plant and equipment		
Machinery and equipment	-72	-25
Total	**-8,489**	**-69**

EUR thousand	1–12/2024	1–12/2023
Depreciation and amortisation total	**-28,611**	**-9,444**

ACCOUNTING PRINCIPLE

Amortisation and depreciation are recognised as straight-line items in the income statement over the useful life of intangible assets and property, plant and equipment. Tangible right-of-use assets are depreciated over their useful life, or over their lease period if it is shorter than their useful life. If Enersense is reasonably certain that it will exercise the purchase option, right-of-use assets are depreciated over their useful life.

Depreciation periods

Property, plant and equipment	
Buildings and structures	10–30 years
Machinery and equipment	3–15 years
Other tangible assets	3–12 years

Intangible asset	
Customer relationships	10 years
Development costs	3–10 years
Intangible rights	5–10 years
Other intangible assets	1–15 years

Expected useful lives are reviewed on the end date of each reporting period, and the depreciation periods are adjusted accordingly if the expected useful lives differ significantly from previous estimates.

8. Other operating expenses

Other operating expenses include costs arising from purchased administrative services, facility expenses, ICT software and hardware expenses and voluntary personnel expenses, for example. Other expenses include auditing and expert fees, office expenses and credit loss expenses, among other costs. Expenses related to employees' working capacity maintenance, recreational activities, training and hobbies are presented in voluntary indirect personnel expenses. The costs related to the terminated contract are related to the Litgrid case, which was informed on April 29, 2024.

EUR thousand	1–12/2024	1–12/2023
ICT software and equipment expenses	-9,917	-12,180
Administration expenses	-1,523	-841
Other employee expenses	-2,082	-1,722
Vehicle expenses	-10,115	-7,244
Legal and other consulting expenses	-2,685	-823
Write-down of the receivable in Lithuania, including expenses	-6,071	—
Marketing expenses	-543	-521
Office and building expenses	-4,911	-3,565
Acquisition costs	-72	-179
Travel expenses	-175	-181
Other expenses	-9,910	-9,183
Total	**-48,006**	**-36,440**

The Annual General Meeting of Enersense International Plc elects the Group's auditor annually. At the Annual General Meeting in 2024, KPMG Oy Ab was elected as the Group's auditor.

Auditors fees

EUR thousand	1–12/2024	1–12/2023
Audit related services	-346	-327
Sustainability reporting	-53	—
Auditor's certificates and statements	-16	—
Other services	-20	-15
Tax advisory services	—	-8
Total	**-435**	**-350**

The auditors' fees include the fees paid to the auditor of each Group company.

Non-audit services provided by KPMG Oy Ab for the companies of the Enersense Group totalled EUR 20 (23) thousand in the 2024 financial period.

9. Financial income and expenses

EUR thousand	1–12/2024	1–12/2023
Interest income and other finance income		
Interest income and other finance income	663	43
Total	**663**	**43**
Finance costs		
Interest expenses from installment debt	-2	-2
Interest expenses from borrowings	-7,018	-6,441
Distribution of funds to minority	-4,438	-6,098
Impairment on financial items	-1,488	8
Interest expenses from lease liabilities	-396	-515
Foreign exchange losses	-61	-23
Commission fees	-1,590	-782
Total	**-14,993**	**-13,852**
Finance income and costs total	**-14,330**	**-13,809**

Interest expenses on other loans mainly include interest expenses on loans, guarantee commissions, factoring interest and fees, and interest on arrears. Commission expenses include non-recurring refinancing fees of EUR 0.8 million and other financing-related fees. For more information on the new financing arrangement, see Disclosure 21. Loans.

10. Income tax

Income tax expenses consist of the tax expense based on taxable income for the period and deferred tax liabilities.

EUR thousand	1–12/2024	1–12/2023
Current tax on profit for the period	-1,753	-1,215
Adjustments for current tax of prior periods	30	-2
Total current income tax expense	-1,723	-1,217
Change in deferred tax assets	-46	-41
Change in deferred tax liabilities	1,278	657
Total deferred tax expense	1,232	616
Income tax expense	-491	-600

Reconciliation between the tax expense recognised in the consolidated income statement and the taxes calculated at the Finnish tax rate (20% for all financial periods) is presented below:

Numerical reconciliation of income tax expense to prima facie tax payable

EUR thousand	1–12/2024	1–12/2023
Result before taxes	-28,430	-8,549
Tax calculated at Finnish tax rate 20 %	5686	1,710
Effect of other tax rates for foreign subsidiaries	16	29
Effect of the expenses not deductible for tax purposes	-45	-33
Effect of the tax-free income	—	99
Tax based on separate company	-2,675	-2,407
Adjustment in respect to prior years	-30	2
Other adjustments	—	—
Income tax	-491	-600

Deferred tax assets and liabilities

EUR thousand	1.1.	Recognised in income	Recognised in other comprehensive income	Liabilities held for sales	31.12.
2024					
Deferred tax assets					
Intangible assets and property, plant and equipment	950	-25	—	—	925
Post-employment benefits	91	4	—	—	95
Tax losses	3,045	—	—	—	3,045
Lease contracts	3,106	-428	—	—	2,678
Impairments of receivables	100	—	—	—	100
Other items	135	-25	—	—	109
Netting of deferred taxes	-6,129	429			-5,700
Total	**1,297**	**-46**	**—**	**—**	**1,251**
Deferred tax losses					
Intangible assets and property, plant and equipment	-8,497	1,213	—	4,186	-3,098
Lease contracts	-3,081	461	—	—	-2,620
Other items	-498	6	—	—	-492
Netting of deferred taxes	6,103	-403			5,700
Total	**-5,973**	**1,278**	**—**	**4,186**	**-509**

The most significant temporary differences between accounting and taxation relate to lease contracts. The Group has confirmed losses for which a deferred tax asset of EUR 3.0 million has been recognised. The recognition of deferred tax assets is primarily based on the availability of taxable income that the temporary differences can be set against.

EUR thousand	1.1.	Recognised in income	Recognised in other comprehensive income	Liabilities held for sales	31.12.
2023					
Deferred tax assets					
Intangible assets and property, plant and equipment	951	-2	—	—	950
Post-employment benefits	91	—	—	—	91
Tax losses	3,045	—	—	—	3,045
Lease contracts	3,341	-235	—	—	3,106
Impairments of receivables	100	—	—	—	100
Other items	172	-38	—	—	135
Netting of deferred taxes	-6,363	234			-6,129
Total	**1,338**	**-41**	**—**	**—**	**1,297**
Deferred tax losses					
Intangible assets and property, plant and equipment	-8,991	494	—	—	-8,497
Lease contracts	-3,287	206	—	—	-3,081
Other items	-661	163	—	—	-498
Netting of deferred taxes	6,309	-206			6,103
Total	**-6,630**	**657**	**—**	**—**	**-5,973**

	Unused confirmed losses		Recognised deferred tax receivables		Unrecognised deferred tax receivables	
EUR thousand	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Expires in 1–10 years	166,676	154,272	3,045	3,045	33,335	30,855
Total	**166,676**	**154,272**	**3,045**	**3,045**	**33,335**	**30,855**

Unconfirmed unused losses for 2024 were EUR 22.5 million.

ACCOUNTING PRINCIPLES

Income tax

- The tax expense or income presented for the period is the tax arising from the taxable income for the period in accordance with the income tax rate of each country, adjusted for changes in deferred tax assets and liabilities arising from temporary differences. The tax based on taxable income is calculated on the basis of the prevailing tax rates in the Group's countries of operation.
- Taxes are recognised through profit or loss, except when they are related to items of other comprehensive income or items recognised directly in equity. In such cases, the tax is recognised accordingly in items of other comprehensive income or directly in equity.
- Tax assets and liabilities based on taxable income for the period are deducted from each other when there is a legal right to do so and when the payment is to be settled at the net amount or the asset and the liability are to be realised at the same time.

Deferred taxes

- Deferred taxes are recognised for the temporary differences between the book values and tax values of assets and liabilities included in the consolidated financial statements. Deferred tax is not recognised for the initial recognition of goodwill or assets and liabilities when the transaction is not a business combination and does not affect the accounting result or taxable income at its time of implementation.
- Deferred taxes are determined on the basis of the tax rates (and laws) that have been passed or adopted in practice by the end of the reporting period and that are expected to be applied when the deferred tax asset in question is realised or the deferred tax liability is settled.
- Deferred tax assets are recognised only to the extent that it is probable that there will be taxable income in the future against which temporary differences can be used.
- Deferred tax assets and liabilities are deducted from each other when there is a legal right to deduct tax assets and liabilities based on taxable income from each other and when deferred tax assets and liabilities are related to income taxes levied by the same taxation authority.

KEY JUDGEMENT

Recognition of income tax

- The tax expense in the income statement consists of taxes and deferred taxes based on taxable income for the financial period. Taxes are recognised in the income statement, except when they are related to other items of comprehensive income or items recognised directly in equity. The tax based on taxable income for the period is calculated on the basis of taxable income in accordance with the tax rates determined in each country by the balance sheet date. The tax is adjusted for any taxes related to previous financial periods.
- The management assesses the practices applied to tax returns in cases where the tax legislation leaves room for interpretation. The tax liabilities recognised in such situations are based on the management's estimates. Significant judgement is required to assess the total amount of income tax at the Group level, meaning that the amount of the final tax involves uncertainty.

Recognition of deferred tax assets based on tax losses

- The management's judgement is required to determine the extent to which deferred tax assets can be recognised. The Group's management has exercised judgement in deciding whether deferred tax assets are recognised for unused tax losses or unused tax credits.
- These are recognised to the extent that it is probable that taxable income will be generated in the future against which unused tax losses and unused taxation-related credits can be used.
- The assessment of future taxable profits is based on Enersense's strategy, forecasts and the assessment of uncertainties. Enersense's management monitors the Group's financial position and assesses future developments monthly. The amount of deferred tax assets recognised for tax losses and unused credits is reviewed on the end date of each reporting period.

11. Goodwill and intangible assets

EUR thousand	Goodwill	Customer relationships	Development Costs	Wind farm portfolio	Other intangible assets	Advance payments for intangible assets	Other intangible assets total
2024							
Cost at 1 Jan	27,805	9,647	3,811	22,601	11,796	144	47,999
Additions	—	—	113	10,090	—	3	10,206
Disposals	—	—	—	-10,198	-15	—	-10,213
Reclassifications	—	—	707	—	76	-114	668
Moved to assets held for sale	—	—	—	-21,034	—	—	-21,034
Cost at 31 Dec	**27,805**	**9,647**	**4,630**	**1,459**	**11,857**	**33**	**27,626**
Accumulated depreciation and impairment at 1 January	—	-3,303	-2,016	-45	-2,442	—	-7,806
Depreciation	—	-966	-465	—	-603	—	-2,034
Disposals	—	—	—	—	15	—	15
Impairment charge	-1,720	—	-1,746	-57	-5,000	—	-6,803
Moved to assets held for sale	—	—	—	101	—	—	101
Accumulated amortisation and impairment at 31 December	**-1,720**	**-4,269**	**-4,228**	**—**	**-8,029**	**—**	**-16,526**
Net book value at 1 January	**27,805**	**6,344**	**1,795**	**22,558**	**9,354**	**144**	**18,592**
Net book value at 31 December	**26,085**	**5,378**	**403**	**1,459**	**3,827**	**33**	**11,100**

Other intangible assets mainly consist of a technology-based intangible asset, totaling 3.0 million euros, intangible rights, and other intangible assets. A write-down of 5.0 million euros was made on the technology asset that is not part of the core business. Customer relations have been formed in connection with the Empower business acquisition in 2020.

Assets and liabilities classified as held for sale

Enersense announced on December 19, 2024, that it is selling its wind and solar power project development business to Fortum. The transaction was completed on February 26, 2025. From the wind power project portfolio, 20.9 million euros are reported on the balance sheet as held for sale. Additionally, short-term receivables of 0.0 million euros, deferred tax liabilities of 4.2 million euros, and short-term liabilities of 0.7 million euros are reported as held for sale. The transaction was completed on February 26, 2025.

EUR thousand	Goodwill	Customer relationships	Development Costs	Wind farm portfolio	Other intangible assets	Advance payments for intangible assets	Other intangible assets total
2023							
Cost at 1 Jan	27,874	9,647	3,335	22,714	10,880	144	46,720
Additions	—	—	1,117	—	1	939	2,057
Disposals	—	—	-362	-113	-4	—	-478
Reclassifications	—	—	-79	—	1,019	-939	—
Cost at 31 Dec	**27,805**	**9,647**	**3,811**	**22,601**	**11,796**	**144**	**47,999**
Accumulated depreciation and impairment at 1 January	—	-2,337	-1,985	—	-2,019	—	-6,341
Depreciation	—	-966	-465	—	-603	—	-2,034
Disposals	—	-966	-226	—	-522	—	-1,714
Divestment in subsidiaries			185		95		280
Disposals	—	—	10	—	4	—	14
Impairment charge	—	—	—	-45	—	—	-45
Accumulated amortisation and impairment at 31 December	**—**	**-3,303**	**-2,016**	**-45**	**-2,442**	**—**	**-7,806**
Net book value at 1 January	**27,874**	**8,276**	**1,127**	**22,714**	**8,861**	**122**	**18,592**
Net book value at 31 December	**27,805**	**6,344**	**1,795**	**22,556**	**9,354**	**144**	**40,193**

Impairment testing

Management monitors goodwill mainly at the level of the three segments defined in Note 3, which were redefined at the beginning of 2024. In addition to these three, a fourth non-core business, Enersense Charging Oy, has been tested. The group tests annually whether the basis for goodwill still exists and whether the projected cash flows are recoverable. The cash flow forecasts used in the calculations are based on the management-approved budget and the forecast for the following four years.

The timing of impairment testing in the annual test, based on the fourth quarter, is based on the situation at the end of the third quarter of the year.

The period after the forecast period is defined by extrapolating the cash flows using the estimated probable annual growth at the time of testing.

In connection with impairment testing, the group has analysed the sensitivity of the test results to changes in key assumptions. The test results are most sensitive to changes in EBITDA forecasts and discount rates. According to management's estimate, no reasonably possible change in the discount rate or return level would cause the carrying amounts of the tested goodwill to exceed the recoverable cash flows in the tested Power and Connectivity business segments. The 1.7 million euro impairment related to the goodwill of Enersense Charging Oy, which is not part of the core business, is related to the acquisition of the company. Sensitivity analysis found that the EBITDA in the Industry segment is sensitive to potential changes. If the EBITDA in the Industry segment decreases by 2.0 percentage points annually, the recoverable cash flows would equal the carrying value of the assets allocated to the segment. The test value exceeds the carrying value by 29 million euros (83%).

The wind power project portfolio sold to Fortum on February 26, 2025, which is classified as held for sale and valued at carrying value, which is lower than the likely disposal price, was tested separately. The remaining wind power project portfolio testing is carried out at the project portfolio level using the value-in-use method, where the remaining project is valued according to its progress. It is in the construction phase, where the present value of the future cash flows uses a pre-tax discount rate of 10.2% (11.9%). According to management's estimate, any change in the discount rate would not cause the carrying amounts of the tested projects to exceed the recoverable cash flows. Impairments recorded during the period are related to cancelled projects.

Goodwill per segment:

EUR thousand	2024
Industry	11,181
Power	10,318
Connectivity	4,586
Total	**26,085**

The assumptions used to calculate value in use by time of testing:

2024	Revenue growth %, forecast period	Terminal growth assumption, %	Operating profit%, forecasted period	Projected operating% terminal value	Discount rate before taxes, %
Industry	-36,2–5,2	1.0	-0,4–7,8	7.7	10.2
Power	2,0–4,5	1.0	1,5–8,9	8.3	10.2
Connectivity	2,0–4,7	1.0	3,4–8,2	8.1	10.2
2023					
Industry	5,5–23,2	1.0	2,1–8,5	8.3	11.9
Power	-13,8–39,1	1.0	2,7–8,9	7.6	11.9
Connectivity	0,0–15,7	1.0	2,7–4,5	4.4	11.9

ACCOUNTING PRINCIPLE

Goodwill

Goodwill arises in connection with the acquisition of subsidiaries when the consideration provided exceeds the fair value of the net assets acquired. Goodwill is recognised on the balance sheet, excluding accumulated impairment losses. Amortisation is not recognised for goodwill, but goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate potential impairment.

Customer relationships

Customer agreements acquired in a business combination are recognised at fair value at the time of acquisition. They have a limited useful life, so they are recognised at acquisition cost on the balance sheet, excluding accumulated depreciation and impairment losses.

Development expenses

Development costs directly arising from the planning, testing and implementation of identifiable and unique assets controlled by the Group are recognised as intangible assets on the balance sheet if the following criteria are met:

- An intangible asset is technically feasible so that it can be completed and put into use or sold
- The Group intends to complete the intangible asset and use or sell it
- The Group is able to use or sell the intangible asset
- The Group is able to demonstrate how the intangible asset is likely to generate financial benefits
- The Group has sufficient technical, financial and other resources to complete the development work and use or sell the intangible asset, and
- The Group is able to reliably determine the costs incurred during the development phase of the intangible asset.
- Direct expenses capitalised in development costs include direct personnel expenses arising from development, an appropriate portion of the related general expenses and direct purchases.
- Capitalised development costs are recognised at acquisition cost in intangible assets on the balance sheet, excluding accumulated depreciation and impairment losses. Depreciation starts when the asset is ready for use.

Intangible rights and other intangible assets
Intangible rights and other intangible assets are recognised at acquisition cost on the balance sheet, excluding accumulated amortisation and impairment. The intangible assets based on technology are tested annually for impairment, or more frequently if events or changes in circumstances indicate that impairment may have occurred.

The estimated useful lives of intangible assets are as follows:

- Customer relationships: 10 years
- Development expenses: 3–10 years
- Intangible rights: 5–10 years
- Other intangible assets: 1–15 years

When selling a project its asset value is amortised through deducting sales value. If project is cancelled, it is amortised through impairment costs. Impairment of win farm projects are tested on a project-by-project basis annually, in addition to which their book values are regularly assessed to detect possible indications of impairment. Estimates of future cash flows used in value-in-use calculations are based on project-specific financial plans, and the time periods from which cash flows are taken into account in the forecasts vary depending on the project.

Impairment
- Amortisation is not recognised for goodwill or intangible assets with an indefinite useful life. These are tested for impairment annually, or more frequently if events or changes in circumstances indicate possible impairment. Other intangible assets and property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that it may not be possible to recover an amount corresponding to the book value.
- The amount by which the book value of an asset exceeds its recoverable amount is recognised as an impairment loss. The recoverable amount is the fair value of the asset less the costs of disposal or its use value, depending on which is higher. For the purposes of assessing impairment, assets are grouped at the lowest levels that accumulate identifiable cash flows that are largely independent of the cash flows of other assets or asset groups (cash-generating units).
- At the end of each reporting period, it must be reviewed whether the impairment of an asset, excluding goodwill, should be reversed. Impairment losses recognised for goodwill are not reversed in subsequent periods.

KEY JUDGEMENTS

Impairment testing
- The Group's management has assessed the useful lives of customer relationships recognised in connection with acquisitions. The useful lives are assessed on each balance sheet date and adjusted if necessary.
- The potential impairment of intangible assets is tested when there are indications that the value of an asset may be impaired (assessed at the end of each reporting period at the minimum). An impairment test is based on calculations that determine the recoverable amounts of cash-generating units. The recoverable amount of a cash-generating unit is its fair value less the costs of disposal or its use value, depending on which is higher. Use value calculations are based on discounted cash flows that the asset is estimated to generate.

Key estimates and acquisitions related to use value calculations are described below:

- Forecasting future cash flows – these are based on the most recent five-year forecasts approved by the management and reflect expectations concerning sales revenue growth, business expenses, the EBITDA margin (%), investments and cash flows, and are based on previous experience and the management's expectations regarding future changes in the markets.
- Discount rates applicable to the cash flows – the discount rates used are determined before taxes and are based on the weighted average of capital costs that has been determined on the basis of inputs received from the markets at the time of examination and adjusted to take account of the specific risks related to the cash-generating unit. The adjusted discount rate determined after tax is converted into an interest rate before tax for each cash-generating unit based on the tax rate applicable where the cash-generating unit operates.
- Expected long-term growth rate – cash flows after the five-year period are extrapolated using estimated growth rate. The growth rate is based on the expected long-term performance of each cash-generating unit in the market in which it operates, and correspond to the average long-term growth rates of the markets for energy solutions.

Estimates and judgements may change as financial and operational conditions change. Actual cash flows may therefore differ from forecasts, and this may result in changes in the recognition of impairment losses in future periods.

The book value of goodwill is reduced if its book value is higher than the estimated recoverable amount. Impairment is recognised in the income statement if the book value of a cash-generating unit exceeds its recoverable amount. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Other intangible assets are tested by estimating the recoverable amount of each individual asset, or if this is not possible, by estimating the recoverable amount of the cash-generating unit to which the asset belongs. Cash-generating units are the lowest level at which assets are grouped and which generates separately identifiable cash flows.

12. Property, plant and equipment

EUR thousand	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Prepayments and construction in progress	Total
2024						
Acquisition 1 Jan	494	19,727	23,820	308	960	45,309
Increases	—	1,764	5,049	194	1,819	8,827
Divestment in subsidiaries	—	—	—	—	—	—
Decreases	—	-1,072	-1,347	-61	—	-2,479
Transfers between items	—	88	274	1,246	-2,424	-816
Acquisition cost 31 Dec	**494**	**20,507**	**27,796**	**1,687**	**355**	**50,840**
Accumulated depreciation and Impairment I Jan	-67	-11,010	-12,876	-126	—	-24,079
Depreciation	-50	-3,134	-4,580	-126	—	-7,890
Divestment in subsidiaries	—	—	—	—	—	—
Decreases	—	291	909	60	—	1,259
Impairment	—	-35	-37	—	—	-72
Accumulated depreciation and Impairment 31 Dec	**-117**	**-13,888**	**-16,584**	**-192**	**—**	**-30,782**
Book value 1 Jan	**427**	**8,717**	**10,944**	**182**	**960**	**21,230**
Book value 31 Dec	**377**	**6,620**	**11,212**	**1,495**	**355**	**20,058**

EUR thousand	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Prepayments and construction in progress	Total
2023						
Acquisition 1 Jan	355	17,390	20,995	315	357	39,412
Increases	139	2,586	3,754	67	739	7,285
Decreases	—	-225	-922	-75	-136	-1,357
Transfers between items	—	-5	5	—	—	—
Divestments in subsidiaries	—	-24	-7	—	—	-32
Acquisition cost 31 Dec	**355**	**17,390**	**20,995**	**315**	**357**	**45,308**
Accumulated depreciation and Impairment I Jan	-29	-8,035	-9,025	-109	—	-17,199
Depreciation	-37	-3,092	-4,439	-90	—	-7,658
Decreases	—	116	584	74	—	774
Divestments in subsidiaries	—	24	5	—	—	29
Impairment	—	-23	-2	—	—	-25
Accumulated depreciation and Impairment 31 Dec	**-67**	**-11,010**	**-12,876**	**-126**	**—**	**-24,079**
Book value 1 Jan	**325**	**9,355**	**11,970**	**206**	**357**	**22,213**
Book value 31 Dec	**427**	**8,717**	**10,944**	**182**	**960**	**21,230**

Right-of-use assets are included in property, plant and equipment. More information about right-of-use assets is provided in Note 13 ("Leases").

ACCOUNTING PRINCIPLE

Land areas are recognised at original cost in property, plant and equipment on the balance sheet. Other items of property, plant and equipment are recognised at acquisition cost less depreciation in property, plant and equipment on the balance sheet. The acquisition cost includes expenses arising directly from the acquisition of assets. Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

The estimated useful lives of property, plant and equipment are as follows:

- Buildings: 10–30 years
- Machinery and equipment: 3–15 years
- Other items of property, plant and equipment: 3–12 years

The residual values and useful lives of assets are reviewed on the end date of each reporting period and adjusted if necessary. If there is references, that the book value of an asset is higher than its estimated recoverable amount, it is tested and the book value is after that immediately reduced to correspond to the recoverable amount. Gains and losses from sales are determined by comparing sales revenue with the book value, and are recognised in the income statement. Information about impairment is presented in Note 11 ("Intangible assets").

13. Leases

Enersense mainly leases facilities, apartments, passenger cars, vans, lorries and tools. Its leases on facilities and apartments are typically agreements of indefinite duration, which are determine 3 year long. Its leases on vehicles and tools are typically fixed-term. The agreements may include extension and termination options. Most facility leases include index-based increase conditions, which are typically linked to a consumer price index or a property maintenance cost index. These are not included in lease liabilities until they are executed.

The balance sheet shows the following amounts related to leases:

EUR thousand	Land	Buildings and structures	Vehicles	Total
2024				
Book value 1 Jan	**215**	**8,686**	**6,630**	**15,531**
Increases	—	1,694	3,246	4,940
Decreases	—	-792	-367	-1,159
Depreciation	-50	-3,079	-2,790	-5,920
Impairment	—	-4	-1	-4
Book value 31 Dec	**165**	**6,505**	**6,718**	**13,388**

EUR thousand	Land	Buildings and structures	Vehicles	Total
2023				
1 Jan	**113**	**9,258**	**7,066**	**16,437**
Increases	139	2,586	2,503	5,228
Decreases	—	-109	-122	-231
Depreciation	-37	-3,026	-2,815	-5,878
Impairment	—	-23	-2	-25
Book value 31 Dec	**215**	**8,686**	**6,630**	**15,531**

EUR thousand	31.12.2024	31.12.2023
Lease liabilities		
Current	5,639	6,141
Non-current	7,462	9,266
Total	**13,101**	**15,407**

The maturity of lease liabilities is presented in Note 20 ("Financial risk and capital management").

The income statement includes the following amounts related to leases:

EUR thousand	1–12/2024	1–12/2023
Depreciation charge of right-of-use assets*)		
Land	-50	-37
Buildings and structures	-3,079	-3,026
Vehicles	-2,790	-2,815
Total depreciation charge of right-of-use assets	**-5,920**	**-5,878**
Interest expense**)	-396	-515
Expense relating to short term leases***)	-1,078	-926
Expense relating to leases of low value***)	-1,271	-928
Cash outflow relating to leases in total	**-9,449**	**-8,756**

*) Included in the line item Depreciation and amortisation in the income statement.
**) Included in the line item Finance expenses in the income statement.
***) Included in the line item Other expenses in the income statement.

ACCOUNTING PRINCIPLE

- At the time of entering into an agreement, Enersense assesses whether the arrangement includes a lease. An agreement is a lease or includes a lease if it provides the right to control the use of a specific asset against consideration for a specific period of time. For a lease in which Enersense acts as the lessee, Enersense recognises a right-of-use asset and the corresponding lease liability on the start date of the lease. The start date is the time when the underlying asset of the lease becomes available for use to the lessee.
- Enersense measures the lease liability on the start date of the agreement by discounting expected future lease payments at their present value. The payments included in the measurement of the lease liability include fixed-rate payments, payments based on an index or other price level, the amounts of residual value guarantees that are expected to be payable by Enersense and the execution amount of the purchase option if its use is reasonably certain. Penalty payments for terminating a lease are included in the measurement of the lease liability if it has been taken into account in the lease period that Enersense will exercise the termination option.
- Enersense discounts lease payments using the interest rate implicit in the lease. If this rate is difficult to determine, Enersense uses the lessee's incremental borrowing rate – that is, the interest rate that Enersense would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of use asset in a similar economic environment. The interest expense on the lease liability is presented in the cash flow from operating activities.
- After the start date of the lease, the lease liability is measured at amortised cost using the effective interest method. The amount of the lease liability is redetermined when a change occurs in lease payments because of changes in the index, for example, or when the use of the options included in the agreement is reassessed, or to take account of other changes in the lease. Right-of-use assets are measured at acquisition cost, including the initial amount of the lease liability, lease payments made before the start date of the agreement, initial direct costs and restoration costs. Depreciation for right-of-use assets is usually recognised using the straight-line method over the useful life of the asset, or over the lease period if it is shorter than the useful life. If Enersense is reasonably certain that it will exercise the purchase option, right-of-use assets are depreciated over their useful life. For more information, see disclosure 12. Property, plant and equipment.

KEY JUDGEMENTS

Determining the lease period
Enersense's leases may be valid for an indefinite period or include extension or termination options. In determining the lease period, Enersense takes account of all the facts and circumstances that create a financial incentive to continue the lease. These include, but are not limited to, the necessity of the asset for Enersense's business operations, major improvements to the leased property and any costs associated with the lease of a substitute asset. The lease period is reassessed when a significant event or change in circumstances takes place.

Determining the incremental borrowing rate
The Group determines the incremental borrowing rate for leases on the basis of its interest rates for loans granted by financial institutions and in accordance with the requirements of IFRS 16, meaning that the borrowing rate to be used takes account of the start dates and lease periods of leases and the impacts of the sites and the operating environment.

14. Investments accounted for using equity method

Enersense's share of associated companies and joint ventures.

		% of ownership interest	
Name of entity	**Country of incorporation**	**31.12.2024**	**31.12.2023**
Empower 4Wind OÜ	Estonia	60.0%	60.0%
Yrittäjien Voima Oy	Finland	40.0%	40.0%
Harku Sindi JV OÜ	Estonia	50.0%	50.0%
P2X Solution Oy	Finland	8.9%	18.5%

Empower 4Wind OÜ is an Estonian company providing maintenance and repair services for wind turbines. Despite majority ownership, Empower 4Wind OÜ has been treated as a joint venture because of a decision-making process based on a consensus among shareholders. This decision-making process has been agreed upon in the shareholders' agreement of Empower 4Wind OÜ. Suomi Teline Oy is Finnish supplier of scaffolding. Yrittäjien Voima Oy is a Finnish limited liability company providing electricity and other forms of energy to its shareholders. Yrittäjien Voima Oy holds an interest in Voimaosakeyhtiö SF, which in turn holds an interest in Fennovoima Oy and therefore the book value of Yrittäjien Voima Oy is written down in year 2022. Additionally Enersense has other off-balance sheet liability EUR 1.2 million to Yrittäjien Voima Oy.

Harku Sindi JV OÜ is an Estonian joint venture that has been building a power line in Estonia. The company is currently inactive.P2X Solution Oy, which is engaged in the production of green hydrogen, acquired a new main shareholder, the Swiss Alpiq AG, in April 2024, reducing Enersense's ownership to 8.9 percent.Despite the minority stake, P2X Solutions Oy has been treated as an associated company because Enersense also has the right to two out of five board seats in the company under the agreement.

The share of the result of the associated companies and the joint venture combined using the equity method is recorded above the operating profit, because they are considered to be strategic holdings and an essential part of Enersense's business.

A summary of the financial information of associated companies and joint ventures is presented below. The figures presented correspond to the figures presented in the financial statements of the associated companies and joint ventures, and not to Enersense's share.

2024	**Assets**	**Liabilities**	**Revenue**	**Profit/loss for the period**
Empower 4Wind OÜ	1,751	389	3,309	95
Yrittäjien Voima Oy	7	6	23	—
Harku Sindi JV OÜ	14,745	14,740	—	—
P2X Solution Oy	74,228	17,363	—	-7,998
2023				
Empower 4Wind OÜ	1,718	358	3,320	164
Yrittäjien Voima Oy	10	9	20	—
Harku Sindi JV OÜ	14,841	14,838	—	—
P2X Solution Oy	41,705	21,033	197	-1,876

Investments in associates

EUR thousand	2024	2023
Carrying value 1 Jan	13,881	10,937
Business combinations	—	—
Additions	—	3,228
Disposals	—	—
Amortisation	—	—
Share of the result for the period	-770	-285
Carrying value 31 Dec	**13,110**	**13,881**

Transactions with associates

EUR thousand	2024	2023
Sales of goods and services	3,401	1,889
Purchases of goods and services	2	2
Interest income	—	—

Balance with associates

EUR thousand	2024	2023
Loan receivables	—	—
Trade and other receivables	4,710	9,553

At the end of the 2024 financial year, there were no capital or other loans with associated companies and joint ventures.

ACCOUNTING PRINCIPLE

Associated companies

Associated companies are companies in which the Group has significant influence, but not control or joint control. This is usually based on share ownership corresponding to 20–50% of the voting rights. Investments in associated companies are initially recognised at acquisition cost and then accounted for using the equity method. The Group's share of profits or losses after the acquisition is recognised in the income statement, and its share of changes in other comprehensive income after the acquisition is recognised in items of other comprehensive income. The book value of the investment is adjusted accordingly. If the Group's share of the losses of an associated company exceeds the book value of the investment, the losses in excess of the book value are recognised unless the Group has legal or actual obligations related to associated companies or it has made payments on behalf of associated companies. The Group's share of the result of the associated companies for the financial period has been calculated in accordance with the Group's holding and is presented as part of the operating profit in the consolidated income statement. At the end of each reporting period, it is determined whether there is objective evidence that the value of an investment made in an associated company has decreased.

Joint ventures

Joint ventures are companies in which the parties with joint control have rights to the net assets of the arrangement. Shares in joint ventures are initially recognised at acquisition cost in the consolidated income statement and then accounted for using the equity method.

Capital loan receivables

Capital loan receivables are initially recognised at fair value. They are then measured at amortised cost using the effective interest method, because cash flows from capital loans consist exclusively of the payment of capital and interest and Enersense's business model related to capital loans is the collection of cash flows. Impairment of capital loan receivables is calculated using a three-step model. If the credit risk related to a loan receivable has been found to be low or has not increased significantly, the loan receivable is in stage 1, and its impairment is recognised on the basis of the expected 12-month credit loss. If the credit risk has increased significantly, the receivable is transferred to stage 2.

15. Inventories

EUR thousand	1–12/2024	1–12/2023
Materials and supplies	12,199	12,975
Work in progress	2,320	3,288
Finished goods	514	907
Advance payments	803	957
Total	**15,836**	**18,127**

In the financial period, Enersense has recognised an inventory acquisition cost of EUR -88.3 (-100.0) million as an expense. The expense is presented under "Materials and services" in the income statement. In the financial period, EUR 1.1 (0.0) million was recognised in impairment for inventories. No impairment entries were reversed during the financial period (2023: no reversals).

ACCOUNTING PRINCIPLE

Inventories are measured at acquisition cost, or at net realisable value if it is lower than the acquisition cost. The acquisition cost is determined using the FIFO (first in, first out) method or the weighted average price method, depending on the nature of the inventories. The acquisition cost of materials and supplies includes the purchase price and transport costs. Work in progress includes direct salaries and other social security costs, as well as a share of the general costs related to work in progress. Net realisable value means the estimated actual selling price in normal business operations, less the estimated costs necessary to complete the sale.

16. Trade and other receivables

EUR Thousand	31.12.2024	31.12.2023
Non-current		
Pledged account	1,325	1,325
Account receivables	1,135	1,036
Other receivables	37	750
Total	**2,497**	**3,111**
Current		
Pledged account	28,427	40,291
Other financial assets*)	3,166	3,627
Prepaid expenses and accrued income	31,006	31,700
Total	**62,599**	**76,519**
Material items under prepaid expenses and accrued income		
Accrued income related to revenue recognition over time	18,756	19,886
Prepaid expenses	5,240	11,801
Wind Farm portfolio related	6,934	—
Other	76	14
Total	**31,006**	**31,700**

*) Other financial assets include, among other things, guarantee payments.

ACCOUNTING PRINCIPLE

The Group's financial assets consist of trade receivables, other financial receivables, cash and cash equivalents (see Note 17: "Cash and cash equivalents"). These are classified as financial assets measured at amortised cost, because these financial assets are held to collect contractual cash flows and their cash flows consist exclusively of the payment of capital and interest. The Group's financial assets are measured at amortised acquisition cost using the effective interest method. Loan receivables and other receivables are initially recognised at fair value. Trade receivables are initially recognised at transaction price. Interest income is included in financial income. An item included in financial assets is derecognised on the balance sheet when the rights to its cash flows have expired or have been transferred to another party and when a significant portion of the risks and benefits related to the ownership has been transferred to another party. Profit or loss arising from the derecognition of an asset on the balance sheet is recognised through profit or loss and presented in financial expenses.

Factoring

- Enersense uses a factoring arrangement, where the essential risks and benefits of trade receivables have been transferred to the factoring company. Such trade receivables are presented in the balance sheet until payment has been received from the factoring company and they are valued in the balance sheet at the amortized acquisition cost. Enersense mainly receives payment as soon as the receivables have been transferred to the factoring company. In the Group's view, the business model according to which receivables are held to collect cash flows is still applicable to these receivables, and therefore they continue to be measured at amortised cost.
- The fair value of these is not based on observable input data, in which case their fair value is at level 3 of the fair value hierarchy. The fair value does not essentially differ from the original acquisition cost. The fair value hierarchy is described in Appendix 21. Loans. The change in fair value is presented in other income or expenses, and the financial costs of factoring are presented in financial costs.

Impairment of financial assets

- Expected credit losses related to financial assets are estimated proactively.
- The measurement of trade receivables and assets arising from customer agreements is based on a simplified model: credit loss is recognised on the basis of expected credit losses over the lifetime of trade receivables or assets arising from customer agreements. Enersense has determined expected credit loss rates for trade receivables of different ages in accordance with their age distribution, taking account of the special characteristics and risks of the receivables. The amount of expected credit loss is based on the management's best estimate of foreseeable default. The credit loss model takes account of customers' past payment behaviour and the available future forecasts and their potential impact on customers' credit ratings and payment behaviour, in addition to any collateral and credit insurance.
- The credit risk related to financial assets, credit risk management and the provision matrix for trade receivables are described in Note 20 ("Financial risk and capital management").

17. Cash and equivalents

EUR thousand	31.12.2024	31.12.2023
Cash in hand and at bank	19,830	11,249

ACCOUNTING PRINCIPLE

Cash and cash equivalents consist of cash assets and demand deposits.

18. Equity

EUR thousand	31.12.2024	31.12.2023
Share capital	80	80
Reserve for invested unrestricted equity	62,361	62,361
Legal reserve	313	313
Cumulative translation difference	32	70
Retained earnings	-10,176	-1,958
Profit (loss) for the period	-30,159	-8,926
Total equity attributable to owners of the parent company	**22,451**	**51,940**
Non-controlling interests	—	167
Total equity	**22,451**	**52,108**

Quantity of shares

	Date	Pcs
Shares 1 Jan 2023		**16,492,531**
Merge of MBÅ Invest Oy	1.4.2023	-4
Shares 31 Dec 2023		**16,492,527**
		—
Shares 31 Dec 2024		**16,492,527**

Share capital

Enersense International Plc has one series of shares. One share entitles its holder to one vote at a general meeting. On 31 December 2024, the share capital of Enersense International Plc was EUR 80,000 (80,000) and the number of shares on 31 December 2024 was 16,492,527 (31 Dec 2023:16,492,531 and 31 Dec 2022: 13,397,729). Enersense International Plc's share is listed on Nasdaq Helsinki Ltd and the shares are included in the book-entry system maintained by Euroclear Finland Ltd. The company holds no treasury shares. In accordance with the Limited Liability Companies Act, its invested unrestricted equity reserve includes the share subscription price, unless the company has expressly decided otherwise.

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.

Reserve

The reserve includes the portion transferred from unrestricted equity in accordance with the Articles of Association or by decision of a general meeting.

Translation differences

Translation differences arising from the conversion of the financial statements of a foreign subsidiary are recognised in other comprehensive income and are accumulated in a separate equity reserve. The accumulated amount is transferred to profit or loss when the net investment is divested.

ACCOUNTING PRINCIPLE

Expenses directly attributable to the issue of new shares are presented as a decrease in payments received in equity.

19. Earnings per share

	1–12/2024	1–12/2023
Earnings per share		
Profit operations attributable to the owners of the Company, (EUR million)	-30,159	-8,926
Weighted average number of shares outstanding during the period, undiluted	16,493	16,493
Weighted average number of shares outstanding during the period, diluted	19,971	19,970
Earnings per weighted average share, undiluted, (EUR)	-1.83	-0.54
Earnings per weighted average share, diluted, (EUR)	-1.83	-0.54

Enersense has during 2024 two instruments (Convertible notes and share based payments), which dilute earnings per share. The total amount was 3,498,422 pcs at the end of the year. During year 2023 Enersense had the same instruments in place.

ACCOUNTING PRINCIPLE

Earnings per share (EPS) are calculated by dividing the profit attributable to the owners of the parent company by the weighted average number of outstanding shares during the financial period. Earnings per share adjusted for the dilutive effect are calculated on the same basis as undiluted earnings per share, except that the Group's possible commitments to issuing new shares in the future are taken into account.

20. Financial risk and capital management

Enersense is exposed to liquidity, credit, currency and interest rate risks in its business operations. The purpose of Enersense's financial risk management is to reduce the impact of factors arising from changes in financial markets on the company's performance, operations and balance sheet structure.

Enersense's financial management regularly reports to the Group's management on identified financial risks and measures that the Group intends to take to hedge against potential risks. The Group's financial management also supports the segments in their financial risk management. The segments provide the Group's financial management with up-to-date information about their financial position and cash management, so that the financial management can ensure effective financial, liquidity and risk management.

Credit risk

Enersense's credit risk is related to customers with which the Group has open receivables or long-term agreements. The credit risk may materialise if the customer is unable to meet its contractual obligations. Enersense checks the credit history and solvency of its major new customers before entering into agreements and actively monitors the creditworthiness and solvency of its customers.

The Group also hedges against the credit risk by selling receivables to a third party that bears the credit risk related to the purchased trade receivables. No material interests in these receivables remain with Enersense. Enersense also manages the credit risk by means of advance payments and front-loaded project payment plans.

Trade receivables and assets arising from agreements

Trade receivables are recognised on the balance sheet at the original invoice value, less any impairment. For the purpose of determining expected credit losses, trade receivables and assets arising from agreements are grouped on the basis of common credit risk characteristics and delayed payment. The expected loss model is based on a provision matrix in which expected credit losses are calculated by applying historical credit losses and the business management's estimates of future developments with regard to different maturity distributions of open trade receivables. The expected credit loss provision is recognised immediately through profit or loss.

Enersense derecognises trade receivables on the balance sheet as final credit losses when their collection has proved unsuccessful. For example, a final credit loss is recognised when the collection partner issues a credit loss recommendation, the debtor files for bankruptcy or agreement on a payment plan cannot be reached with a customer experiencing payment difficulties.

Assets arising from agreements are related to uninvoiced work in progress and have the same risk characteristics as trade receivables arising from agreements of the same type. Enersense's management has therefore assumed that the expected loss rate of non-overdue trade receivables is relatively close to the loss rate of assets arising from agreements.

Estimated credit loss

	Not overdue	Under 30 days	30–60 days	61–90 days	Over 90 days	Total
31.12.2024						
Expected loss rate	—%	—%	2%	7%	100%	
Gross carrying amount	27,616	632	139	51	1,079	29,516
Loss allowance	-4	-1	-2	-3	-1,079	-1,089
Net carrying amount	**27,612**	**631**	**137**	**48**	**—**	**28,427**

	Not overdue	Under 30 days	30–60 days	61–90 days	Over 90 days	Total
31.12.2023						
Expected loss rate	—%	—%	1%	5%	51%	
Gross carrying amount	36,940	1,804	205	84	1,258	40,291
Loss allowance	-3	-3	-3	-4	-644	-656
Net carrying amount	**36,937**	**1,802**	**202**	**81**	**613**	**39,635**

Reconciliation of estimated credit loss

	1–12/2024	1–12/2023
Opening loss allowance at 1 January	656	247
Increase in the allowance recognised in profit or loss during the period	581	464
Receivables written off during the year as uncollectible	-148	-55
Closing loss allowance at 31 December	**1,089**	**656**

Credit loss provision recognised for loan receivables

Enersense had loan receivables of EUR 110 (228) thousand on 31 December 2024. Enersense's management monitors the probability of the repayment of loan receivables, and a credit loss provision is recognised if necessary.

Cash and cash equivalents and other deposits have been placed in banks with a high capital adequacy ratio, and the company does not consider them to involve a material credit risk. These are highly liquid investments, and no expected credit losses have been recognised for them.

Solvency risk

Enersense's solvency risk is divided into refinancing and liquidity risks. The refinancing risk is related to a circumstance in which Enersense does not have sufficient liquid assets to repay its loans or in which refinancing s not available on favourable terms. Enersense seeks to protect against the refinancing risk by diversifying the maturity distribution of its loan portfolio and by assessing the share of short-term financing and the Group's need for long-term financing.

The liquidity risk is related to a circumstance in which Enersense does not have access to sufficient liquid assets to meet its obligations. To maintain sufficient liquidity, Enersense prepares short-term and long-term cash forecasts and makes arrangements for additional financing if necessary. Enersense is continuously seeking to predict and monitor its need for business financing to ensure sufficient liquid assets to finance its operations and meet its obligations.

Sources of financing

The cash and cash equivalents on Enersense's balance sheet totalled EUR 19.8 (11.2) million at the end of 2024. Trade receivables totalled EUR 28.4 (40.3) million at the end of 2024. On 31 December 2024, Enersense had an undrawn financing limit of EUR 5 million. Enersense had EUR 1.9 million non-current loans and EUR 7.6 million current loan from financial institutions. Enersense had IFRS 16 related leasing loans, of which was non-current EUR 7.5 million and current EUR 5.6 million

Enersense has agreed instalment debts for vehicles and ERP implementation project.

Enersense's financing consists of R&D loans granted by the State Treasury, a convertible bond, two senior loans, a revolving committed credit facility that can be withdrawn if necessary, and several guarantee, leasing and factoring facilities limits. The funding is used for operational development and working capital management.

The company has 0.8 million euros in R&D loans granted by the State Treasury. The loans fully mature in 2031. Enersense also has two senior loans, of which 3.6 million euros were drawn on 31 December 2024, which mature in 2026. In addition, Enersense has issued an unsecured tranche of convertible bonds of 26 million euros, which matures in 2027. In addition, Enersense had available, if necessary, to increase the revolving committed credit facility of EUR 5 million, which was not in use on 31 December 2024.

The company also has at its disposal factoring facility totalling EUR 38.4 million of which EUR 23.1 million was used at the end of the year. Enersense has closed its factoring facility with a total of 1.5 million euros during the 2024 fiscal year.

The company has a total of EUR 55 million in guarantee limits.

Enersense also agreed on a 2.5 million euro leasing financing limit during the financial year, of which 2.3 million euro was used on 31 December 2023.

In February 2025, Enersense made a payment arrangement with the tax authorities related to VAT debts totalling 13.7 million euros. Similar arrangements with the tax authorities Enersense has also made in 2022 and 2024.

Enersense finalised negotiations on a one-year financing after the end of the financial year at the end of March.

Maturities of financial liabilities

EUR thousand	2025	2026	2027	2028	2029	2030	Total contractual cash flows	Book value
31.12.2024								
Convertible notes	1,820	1,820	26,910		—		30,550	24,350
Borrowings (excluding lease liabilities)	7,804	1,403	167	116	115	114	9,720	9,465
Instalment debt	4	7	—	—	—	—	12	12
Payment arrangement with the Tax administration	3,394	—	—	—	—	—	3,394	3,394
Lease liabilities	3,955	3,172	1,891	—	—	—	9,017	13,101
Trade and other payables*)	45,584	—	—	—	—	—	45,584	45,584
Total	**62,461**	**6,403**	**28,968**	**116**	**115**	**114**	**98,177**	**96,581**

*) Doesn't include other than borrowings, such as employee benefit liabilities or accruals. The amount of those are in the disclosure 23. Trade and other payables.

EUR thousand	2023	2024	2025	2026	2027	2028	Total contractual cash flows	Book value
31.12.2023								
Convertible notes	1,820	1,820	1,820	26,910	—		32,370	23,525
Borrowings (excluding lease liabilities)	2,998	2,977	1,615	253	172	121	8,136	7,342
Instalment debt	1,570	—	—	—	—	—	1,570	1,570
Payment arrangement with the Tax administration	—	—	—	—	—	—	—	—
Lease liabilities	7,318	7,160	3,001	—	—	—	17,479	15,369
Trade and other payables*)	43,989	—	—	—	—	—	43,989	43,989
Total	**57,695**	**11,957**	**6,436**	**27,163**	**172**	**121**	**103,544**	**91,795**

*) Doesn't include other than borrowings, such as employee benefit liabilities or accruals. The amount of those are in the disclosure 23. Trade and other payables.

Figures above are not discounted including interest payments and other contract based payments to creditors.

Market risks

Currency risk

Enersense is exposed to currency risks. Its most significant currency risks are related to the Swedish and Norwegian kronas, which have trade receivables and trade payables denominated in a foreign currency. Enersense does not have foreign currency loans. Enersense does not actively hedge against currency risks, because the income and expenses arising from its business operations are usually in the same currency, which gives rise to natural hedging. The transaction risk is not material.

Interest rate risk

In its operations, Enersense is exposed to the interest rate risk through the variable interest rates of existing financing agreements and the availability of financing. Changes in the macroeconomic environment or the general situation of the financial markets may have a negative impact on the availability, price and other conditions of financing. An increase in the interest rate level could have a material direct impact on the costs of available financing and the costs of the company's existing financing agreements. Enersense does not hedge against the interest rate risk, because the risk is not considered to be significant at the current interest rate level. Enersense has protected around 80 % of its variable interest loans with interest swap. The interest swap's nominal value is EUR 5.0 million and the fair value of EUR 0.1 million has been recognised through profit and loss.

Enersense had EUR 8.4 million (6.3) in variable-rate loans from financial institutions at the end of 2024. Interest rate sensitivity to profit after taxes for the 2024 financial period would have been EUR 132 (146) thousand, assuming an interest rate increase of 0.5% with all other factors remaining unchanged.

Financial assets and liabilities by measurement category

		31.12.2024		31.12.2023	
	Disclosure	**At amortised cost**	**At fair value through profit or loss**	**At amortised cost**	**At fair value through profit or loss**
Financial assets					
Non-current					
Investments		—	1,228	—	1,228
Loan receivables	14	—	—	—	—
Pledged account	16	1,325	—	1,325	—
Other receivables	16	37		—	
Trade receivables	16	1,135	—	1,036	—
Total non-current assets		**2,497**	**1,228**	**2,361**	**1,228**
Current assets					
Trade receivables	16	28,427	—	40,291	—
Other financial assets	16	3,166	—	3,627	—
Cash and cash equivalents	17	19,830	—	11,249	—
Total current assets		**51,423**	**—**	**55,167**	**—**
Total assets		**53,920**	**1,228**	**57,528**	**1,228**
Liabilities					
Financial liabilities Long-term liabilities					
Loans	21	26,243	—	28,270	—
Lease liabilities	13	7,462		9,266	
Trade payables	23	—	141	3	359
Trade payables		**—**	**141**	**3**	**359**
Current liabilities					
Loans	21	7,577	—	4,167	—
Lease liabilities	13	5,639		6,141	
Trade and other payables	23	63,135	—	44,724	—
Total current liabilities		**76,350**	**—**	**55,032**	**—**
Total liabilities		**110,039**	**141**	**92,571**	**359**

Investments include 10% or less ownership in companies. These are Parkkisähkö Oy (10%) and Enersense Wind Oy's project related ownership in one wind farm company (10%). Investments book value are based on investment agreements and acquired price.

Reconciliation liabilities from financing activities

EUR thousand	Borrowings	Leases	Total
Debt as at 1 January 2023	**33,897**	**16,706**	**50,603**
Business acquisitions	—	—	—
Cash flows from financing activities			
Proceeds from borrowings	19,280	—	19,280
Repayment of borrowings	-20,740	-6,529	-27,269
Other changes:			
New leases	—	5,230	5,230
Debt as at 31 December 2023	**32,437**	**15,407**	**47,844**
Business acquisitions	—	—	—
Cash flows from financing activities			
Proceeds from borrowings	20,806		20,806
Repayment of borrowings	-19,440	-7,515	-26,959
Other changes:			
New leases		5,209	5,209
Debt as at 31 December 2024	**33,803**	**13,101**	**46,905**

Capital management

The purpose of Enersense's capital management is to ensure a high return on the capital invested by shareholders and support the company's business operations through an optimal capital structure. Enersense's management and Board of Directors monitor the Group's solvency and net gearing on a monthly basis. Enersense affects its capital structure by collecting equity and debt financing and directing investments and working capital tied up in business operations.

Enersense's loans involve covenants related to the company's solvency, ability to service its debt and liquidity. In addition, the agreement includes conditions for the distribution of funds, investments, business arrangements and indebtedness. The covenants are calculated from the figures in accordance with the IFRS by applying the calculation formulas specified in the agreement and are reported to the providers of financing four times a year, and with regard to the covenant following the liquidity, on a monthly basis, if the covenant related to debt servicing is not fulfilled.

Enersense met the covenants on 31 December 2024 and has confirmed the values of the covenants to the financiers.

In case terms of covenants are not fulfilled, must parties negotiate for the actions to correct situation. The covenants are related to senior and financial limit loans and at 31 Dec 2024 Enersense had those in total EUR 8.6 million. Enersense finalised negotiations on a one-year financing after the end of the financial year at the end of March. The table below shows the covenants, that concern senior loans and bank guarantee limits, for 2025 that will come into force at the end of March 2025. According to management's forecast, they will be fulfilled 12 months after the financial statements.

Covenants

	Actual value	**Covenant value**				
Covenants in the financing package	31 Dec 2024	31 Dec 2024	31 Mar 2025	30 Jun 2025	30 Sep 2025	31 Dec 2025
Equity ratio[1)]	12.0%	>10%	15%	16,5%	18%	19,5%
Interest bearing net debt/EBITDA[2)]	1.96x	<6,0x	2,25x	2,25x	2,25x	2,25x
Minimum liquidity[3)]	19.8 MEUR	5 MEUR	8 MEUR	8 MEUR	8 MEUR	8 MEUR

1) As a change to the previous practice, convertible bonds are treated as debt in the equity ratio calculation. The covenant is reviewed on a quarterly basis.
2) The covenant is reviewed on a quarterly basis.
3) Minimum liquidity is measured on a monthly basis.

Reconciliation of covenants

EUR thousands	2024	2023
Interest bearing debt/EBITDA		
Interest bearing debts	50,414	24,281
Cash	19,830	11,249
EBITDA	14,511	14,704
Adjustments	1,000	1,000
Interest bearing debt/EBITDA	**1.96**	**0.83**
Equity ratio		
Equity	21,241	75,633
Total balance	194,537	213,740
Received advances	17,981	12,973
Equity ratio	**12.0%**	**37.7%**

21. Borrowings

EUR thousand	31.12.2024 Book value	31.12.2023 Book value
Non-current borrowings		
Loans	26,243	28,281
Instalment debt	7	-11
Lease liabilities	7,462	9,266
Total non-current borrowings	**33,713**	**37,536**
Current borrowings		
Bank loans	7,564	2,564
Instalment debt	4	1,581
Lease liabilities	5,639	6,141
Factoring liability	8	22
Total current borrowings	**13,215**	**10,308**
Total	**46,928**	**47,843**

Convertible notes

Enersense International Plc offered on 1 Dec 2022 senior unsecured conditionally convertible notes to selected professional investors and eligible counterparties. The Notes are proposed to be issued at an expected nominal amount of EUR 20–30 million. Company completed an offering of EUR 26 million of senior unsecured conditionally convertible notes. The Extraordinary General Meeting resolved, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide on the issuance of special rights entitling to shares of the Company to the initial subscribers of the Company's EUR 26 million senior unsecured conditionally convertible notes due 15 January 2027 and/or to any subsequent purchasers of the Notes, to enable the conversion of the Notes into Shares in accordance with the terms and conditions of the Notes. The value determined by the management for the interest rate on convertible notes without the conversion right would be 10.5%.

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

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

Hierarchy levels

Enersense has estimated that the fair value of other financial liabilities also materially corresponds to their book value, because the liabilities are based on market terms and the impact of discounting is immaterial. The interest rates on loans range from 1.00% to 7.00%. The fair value hierarchy level for bank loans is 3, because their fair values are not based on observable inputs.

The levels of the hierarchy are as follows:

- **Level 1:** The fair values of financial instruments (such as listed derivatives and shares) subject to trading on an active market are based on market prices at the end of the reporting period and are classified at Level 1.
- **Level 2**: If all significant inputs required to measure the fair value of an instrument are observable, but the price does not come directly from an active market, the instrument is classified at Level 2.
- **Level 3:** If one or more significant inputs are not based on observable market data, the instrument is classified at Level 3.

ACCOUNTING PRINCIPLE

- Enersense's loans are classified as financial liabilities recognised at amortised cost. Loans are initially recognised at fair value, less transaction costs. The loans are subsequently measured at amortised cost. The difference between the amount received (less transaction costs) and the amount to be repaid is recognised in the income statement over the loan period using the effective interest method. Fees to be paid for loan facilities are recognised as transaction costs related to the loan to the extent to which the facility is likely to be partly or fully used. In such a case, the fee is capitalised on the balance sheet until the loan is withdrawn. If there is no evidence that the loans included in the facility are likely to be partly or fully withdrawn, the fee is capitalised as an advance payment for solvency services and is amortised over the duration of the facility in question.
- Convertible bond is treated as a composite instrument consisting of two components: a financial debt and an equity instrument. The fair value of the financial debt at the time of issuance is determined by discounting the future cash flows of the convertible bond with the market interest rate of the corresponding loan, which does not include a conversion right. The value of an equity instrument is determined by subtracting the fair value of the financial debt from the payment received by the entity. An equity-based instrument is a connected option that gives the right to exchange the issuer's debt for equity.
- Loans are derecognised on the balance sheet once the contractual obligation has been fulfilled or revoked or its validity period has expired. The difference between the book value of a financial liability that has been cancelled or transferred to another party and the consideration paid – which includes transferred assets other than cash assets or liabilities – is recognised through profit or loss and presented in financial items.
- Loans are classified as short-term unless the Group has an unconditional right to repay them at least 12 months after the end of the reporting period.

KEY JUDGEMENTS

Convertible notes

The value determined by the management for the interest rate on convertible notes without the conversion right would be 10.5%.

22. Provisions

EUR thousand	Warranty provisions	Loss provisions	Other provisions	Total
2024				
At 1 Jan	317	146	243	706
Business combinations	—	—	—	—
Additions	913	208	2,110	3,231
Used during the year	—	-327	-60	-387
Unused provisions reversed	—	—	—	—
Exchange rate differences	—	—	—	—
At 31 Dec	**1,231**	**26**	**2,293**	**3,550**
Current	398	26	98	523
Non-current	833	—	2,195	3,027
Total	**1,231**	**26**	**2,293**	**3,550**

EUR thousand	Warranty provisions	Loss provisions	Other provisions	Total
2023				
At 1 Jan	244	524	359	1,127
Business combinations	—	—	—	—
Additions	88	48	—	136
Used during the year	—	-425	-60	-485
Unused provisions reversed	-15	—	-56	-71
Exchange rate differences	—	—	—	—
At 31 Dec	**317**	**146**	**243**	**706**
Current	234	—	—	234
Non-current	83	146	243	472
Total	**317**	**146**	**243**	**706**

For year 2024, other provisions mainly include expenses related to preparing for legal cases.

ACCOUNTING PRINCIPLE

A provision is recognised on the balance sheet when the Group has a valid legal or actual obligation arising from a previous event, when it is likely that meeting the obligation will require the transfer of assets from the Group and when the amount of the obligation can be reliably estimated. Provisions are not recognised for future business losses. Provisions are presented as short-term if the related payments are expected to be made within 12 months of the end of the reporting period. Otherwise, provisions are presented as long-term. The amount recognised as a provision is the present value of the expenses that meeting the obligation is expected to require at the end of the reporting period according to the management's best estimate.

Warranty provisions
The Group grants warranty periods for products sold under customer agreements. The warranty period is usually 24 months. The amount of the warranty provision is estimated on the basis of historical warranty costs. The amount of the warranty provision is assessed specific to each project on each reporting date.

Loss provisions
The Group recognises a provision for loss-making agreements when the expected total costs, including material and labour costs and external services, arising from the agreement exceed the total revenue generated by the agreement. The probable loss is recognised as an expense as soon as it is identified. The amount of the provision is the amount of the expenses necessary to meet the contractual obligation or the amount of compensation and penalties arising from neglecting contractual obligations, depending on which is smaller. The amount of the loss provision is assessed specific to each agreement on each reporting date.

KEY JUDGEMENTS

Assessing the amount and timing of a provision
An estimate of the financial impact of a previous event requires the Group's management to exercise judgement based on past similar events, and on statements issued by an external expert in some cases. Provisions are reviewed regularly and adjusted as necessary to reflect the best estimate at the time of examination. Actual costs may differ from estimates.

23. Trade and other payables

EUR thousand	31.12.2024	31.12.2023
Non-current		
Other liabilities	–	3
Total	**–**	**3**
Current		
Trade payables	24,188	25,992
Advances received	17,981	12,973
Current income tax liabilities	17,749	16,825
Other liabilities	12,076	1,144
Accruals	42,189	48,641
Total	**114,833**	**105,575**
Material items under accruals		
Accrued personnel expenses	21,185	23,765
Accrued expense related to revenue recognition over time	19,687	19,128
Accrued interest expenses	1,089	5,652
Other accruals	228	96
Total	**42,189**	**48,641**

On the balance sheet date, the financial statements and tax return required by local legislation are still incomplete, so the estimate of the purchase obligation is also provisional.

ACCOUNTING PRINCIPLE

Trade payables and other financial liabilities included in the item are classified as financial liabilities measured at amortised cost. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. The book values of trade and other payables are considered to correspond to their fair value because of their short maturity. The liabilities are unsecured and are normally settled within 30 days of their initial recognition. The book value of trade payables and other financial liabilities included in this balance sheet item is presented in Note 20 ("Financial risk and capital management").

Trade and other payables are classified as current liabilities if they fall due within 12 months of the end of the reporting period. Advances received are contractual liabilities until the Group meets the performance obligation promised to the customer.

24. Group structure

Subsidiaries

Subsidiary	Country of incorporation	Group ownership 31.12.2023, %	Group ownership 31.12.2022, %
Enersense AS	Estonia	100	100
Ensersense SIA	Latvia	100	59
Enersense AS	Norway	100	100
Enersense Engineering Oy	Finland	100	100
Enersense GmbH	Germany	100	100
Enersense IN Oy	Finland	100	100
Enersense Ltd	UK	100	100
Enersense Offshore Oy	Finland	100	100
Enersense Oy	Finland	100	100
Enersense PN Oy	Finland	100	100
Enersense SAS	France	100	100
Enersense Services Oyj	Finland	100	100
Enersense TN Oy	Finland	100	100
Enersense Works Oy	Finland	100	100
Enersense UAB	Lithuania	100	100
Enersense Wind Oy	Finland	100	100
Ensersense Charging Oy	Finland	100	100
Lehtivuoret Wind Farm Oy	Finland	100	100
Pohjoismäki Wind Farm Oy	Finland	100	100
Joupinkangas Wind Farm Oy	Finland	100	100
Kurikka Energy Oy	Finland	100	100
Lakkasuo Wind Farm Oy	Finland	100	—
Ala-Korpivaara Wind Farm Oy	Finland	100	—
Enersense Hungary Kft.	Hungary	—	100

Filials

Filials	County of incorporation
Empower AS filial Latvia	Latvia
Enersense International filial Sweden	Sweden
Enersense Works filial Norway	Ruotsi

ACCOUNTING PRINCIPLE

Subsidiaries

Subsidiaries are companies in which the group has control. The group has control over the company when, by being part of it, it is exposed to its variable returns or is entitled to its variable returns and is able to influence this return by using its power over the company to direct its operations. Subsidiaries are combined in the consolidated financial statements in their entirety from the day the group acquires control over them. The merger is terminated when control ceases. Business transactions between group companies, including internal receivables and payables, income and expenses and unrealized profits are eliminated. Unrealized losses are eliminated, unless the transaction gives indications of impairment of the transferred asset. The share of non-controlling owners in the profit and equity of subsidiaries is presented as a separate item in the consolidated income statement, the comprehensive income statement, the statement of changes in equity and the balance sheet. Enersense owns Enersense SIA 59% and it was considered according IFRS as subsidiary.

25. Share on non-controlling interest and transactions with non-controlling issues

Shares on non-controlling interest

EUR thousand	2024	2023
At 1 Jan	167	389
Business combinations	—	—
Acquisitions	-1,405	—
Other changes	—	1
Share of profit (loss) for the period	1,238	-223
At 31 Dec	**—**	**167**

Enersense SIA specialises in the design, construction and maintenance of transmission grids, electric substations and wind farms. The company's revenue in 2024 was approximately EUR 33.7 (21.8) million and the profit for the financial year 2024 was approximately EUR 3.2 (-0.5) million. Enersense SIA has around 200 employees. Enersense redeemed the minority shareholders' share in accordance with the shareholders' agreement at the end of 2024.

A summary of the impacts of acquisitions on equity attributable to Enersense International Plc's equity holders.

Transactions with non-controlling issues

EUR thousand	2024	2023
Carrying amount of non-controlling interests acquired	1,405	—
Consideration paid to non-controlling interests	-720	—
Undercut of consideration paid recognised in the transactions with non-controlling interests reserve within equity	**686**	**—**

ACCOUNTING PRINCIPLE

Completed business transactions with non-controlling interests that do not result in loss of control are treated as business transactions with shareholders. The difference between consideration for shares purchased from non-controlling interests and the book value of the acquired share of the net assets of a subsidiary is recognised in equity. Similarly, gains or losses from the sale of a holding to noncontrolling interests are recognised directly in equity

26. Related party transactions

Enersense's related parties include its associated companies and joint venture, the members of the Board of Directors, its CEO, the members of the Group Executive Team and its shareholders with significant influence over the company. Its related party also includes the close family members of these people, as well as the entities over which these people have control or joint control.

Wages, salaries and benefits paid to chief executive officer and management team

EUR thousand	1–12/2024	1–12/2023
Management team (excluding chief executive officer)	-1,315	-1,189
Chief executive officer, Jussi Holopainen – 3.5.2024	-488	-353
Chief executive officer, Juha Silvola 4.5.–22.9.2024	-107	—
Chief executive officer, Kari Sundbäck 23.9.2024–	-92	—
Total	**-2,002**	**-1,542**

Board of directors remuneration

EUR thousand	1–12/2024	1–12/2023
Dahlblom Anders	-49	—
Eskola Jaakko	-39	-59
Haglund Carl	-45	-26
Helander Sari	-46	-38
Jokinen Päivi	—	-9
Miettinen Anna	-42	-26
Plit Herkko	—	-10
Sormunen Sirpa-Helena	-46	-40
Suokas Petri	-42	-35
Vuori Ville	-34	—
Total	**-343**	**-243**

Board of directors and chief executive officer, other remuneration

EUR thousand	1–12/2024	1–12/2023
Statutory pensions	-333	-280
Supplementary pensions	—	—
Share-based benefits	—	—
Total	**-333**	**-280**

Transactions with key management

EUR thousand	1–12/2024	1–12/2023
Sales of goods and services	–	–
Purchases of goods and services	-91	–
Total	**-91**	**–**

Balances with key management

EUR thousand	1–12/2024	1–12/2023
Trade and other payables	–	–

Open balances and business transactions with the associated companies and the joint venture are presented in Note 14 ("Investments accounted for using the equity method").

Virala Oy Ab (owns 100% of Nidoco Oy AB) has guaranteed Enersense's bridge loan, for which Enersense has paid EUR 0.2 million in guarantee costs.

27. Share-based incentive plans

The Board of Directors's of Enersense has decided to launch long-term share-based incentive plans to the key employees in two structures: a Performance Share Plan and a Restricted Share Plan.

The reward from the Restricted Share Plan is based on a valid employment or director contract and on the continuity of the employment or service during a vesting period. The reward will be paid after the end of a 24–36-month vesting period. The plan is intended for selected key employees only. No restriction period within the Restricted Share Plan has been launched yet.

In the Performance Share Plan shares can be earned on the basis of performance criteria set for a 36-month performance period. The targets for the performance period are based on the absolute total shareholder return of the company's share (TSR), on the Group's cumulative adjusted EBITDA and on the share of renewable and zero emission energy of revenue. The shares possibly earned in the plan are paid to the the participants partly after the performance period, provided that the employment precondition until the reward payment is fullfilled as stipulated by the plan terms and conditions.

The purpose of the plans is to retain key management, as well as to motivate and reward the management for good performance that supports the company's profitability and the implementation of the company's strategy. The plan also encourages the key management to further acquire and own shares in Enersense, which will contribute to aligning the interests of the management, the company and the shareholders. 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 continues.

During the financial year 2024 Enersense had the performance periods 2023–2025 and 2024–2026 in operation within the Performance Share Plan. The targets set for the performance period 2022–2023 were not met and no rewards will be paid from the plan period 2022 and 2023. Key characteristics and terms of Enersense share plans are listed in the table below.

Key characteristics and terms of Enersense share plans

Basic description and general terms	Performance Period 2022–2023	Performance Period 2023–2025	Performance Period 2024–2026
Type	Share	Share	Share
Maximum amount, pcs	211,000	241,000	369,784
Initial allocation date	17.03.22	6.4.2023	12.4.2024
Start of the performance period	1.1.2022	1.1.2023	1.1.2024
End of the performance period	31.12.2023	31.12.2025	31.12.2026
Vesting date approximation	50%: 15/03/2024 and 50%: 28/02/2025	15.03.2026	31.03.2027
Maximum contractual life, yrs	2.96	2.94	2.97
Remaining contractual life, yrs	0.16	2.21	2.25
Vesting conditions	Total Shareholder Return, the Group's cumulative Operating Profit and the Group's ESG development program	Total Shareholder Return, the Group's cumulative Operating Profit and the Group's ESG development program	Total Shareholder Return, the Group's cumulative Operating Profit and the Group's ESG development program
Number of persons at the end of reporting year	22	22	25
Method of settlement	Cash and equity (net settlement)	Cash and equity (net settlement)	Cash and equity (net settlement)

Changes during period, pcs

The amounts include the cash portion of the programs.

	Performance Period 2022–2023	Performance Period 2023–2025	Performance Period 2024–2026
01.01.2024			
Outstanding in the beginning of the period	183,267	221,944	—
Granted	—	30,000	409,349
Forfeited	133,946	110,231	144,220
Exercised	—	—	—
31.12.2024			
Outstanding at the of the period	49,322	141,713	265,129

Fair value determination

The weighted average of the inputs used in the valuation of the share based incentives granted during the period are listed in the below table. The fair value of share based incentives has been determined at the grant date and expensed until vesting.

Effect of Share-based Incentives on the result and financial position during period:

Share price at grant, €	3.54
Expected dividends total during the plan life time, discounted €	0.13
Expected volatility, %	0.40
Discount rate, %	0.03
Effect of market condition in fair value, %	-0.21
Valuation model	Binomial model
Fair Value per share, €	2.70

Expected volatility was determined by calculating the historical volatility of the Group`s share using monthly observations over corresponding maturity.

Effect of share-based incentives on the result and financial position during the period:

Expenses for the financial year, share-based payments, €	-82,281
Expenses for the financial year, share-based payments, equity-settled, €	-77,381
Liabilities arising from share-based payments on the reporting date, €	566
An estimated amount of the settlement of the employee’s tax obligation, €	40,653

ACCOUNTING PRINCIPLE

Share-based incentive is booked as cost during the vesting period to personnel costs in income statement. Amount booked to costs is based on estimated vesting conditions, which are expected to be realized. Estimate of vested shares is recalculated each balance sheet date. When estimate is changed, the impact is booked to the period it is noticed. From share-based incentives portion of payment paid in shares is included to non-restricted equity.

28. Contingent liabilities, assets and commitments

Contingent liabilities

EUR thousand	1–12/2024	1–12/2023
Guarantees		
Company mortgages	591,200	591,200
Real estate mortgages	7,200	7,200
Contract and delivery guarantees	99,952	99,563
Bank guarantees	2,000	2,000
Other guarantees	–	–
Pledged assets		
For own commitments	46,822	45,336

Enersense has pledged the shares of 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 the projects.

Other off-balance sheet liabilities

Enersense has to an associated company Yrittäjien Voima Oy other off-balance sheet liability EUR 1.2 million.

Legal disputes

The Group companies have ongoing legal disputes, some of which are in progress in general or administrative courts or in arbitration in Finland and abroad. The disputes are typically related to claims against Enersense concerning alleged defective performance, delays or damage incurred by customers in project operations in particular, or to claims made by Enersense against its suppliers. Some of the disputes and claims relate to acquisitions made by Enersense and compensation obligations made in connection with them, or claims related to employment contracts. Enersense has received a request for clarification from employee unions regarding the Empower subgroup’s 2020 performance bonus scheme, in respect of which Enersense's Board of Directors used its discretion under the terms of the performance bonus scheme and decided not to pay the bonuses in question. Enersense has responded to the request for clarification and is addressing the matter in cooperation with the employee unions.

The outcome of the claims, disputes and legal processes are difficult to predict. Write-downs and provisions are made in accordance with applicable accounting rules. To the extent that Enersense deems it unlikely that a dispute or legal proceedings will result in a loss of financial resources, Enersense has not recognised a provision.

ACCOUNTING PRINCIPLE

A contingent liability is a potential obligation arising from past events the existence of which is not confirmed until an uncertain event outside the Group's control is realised. Contingent liabilities also include existing obligations that are not likely to require meeting a payment obligation, or the amount of which cannot be reliably determined. Contingent liabilities are presented in the notes to the financial statements.

29. New and amended standards 31 December 2024

*) = not yet endorsed for use by the European Union as of 31 December 2024

Current status: Endorsement – EFRAG

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases (effective for financial years beginning on or after 1 January 2024).

The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since the implementation of IFRS 16 in 2019.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for financial years beginning on or after 1 January 2024).

The amendments are to promote consistency in application and clarify the requirements for determining if a liability is current or non-current. The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments require to disclose information about these covenants in the notes to the financial statements. The amendments also clarify transfer of a company's own equity instruments is regarded as settlement of a liability. Liability with any conversion options might affect classification as current or non-current unless these conversion options are recognized as equity under IAS 32.

Supplier Finance Arrangements – Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (effective for financial years beginning on or after 1 January 2024).

The amendments enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. Amendments require to disclose quantitative and qualitative information about supplier finance programs.

Applicable new and amended standards for future periods

Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates*) (effective for financial years beginning on or after 1 January 2025, early application is permitted)

The amendments require to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

Classification and Measurement of Financial Instruments – Amendments to IFRS 9: Financial Instruments and IFRS 7: Financial Instruments: Disclosures (applicable for periods beginning on or after 1 January 2026; early application is permitted)

The amendments clarify that an entity must apply a settlement date based approach when derecognizing a financial asset or financial liability. Additionally, the amendments permit an entity to consider a financial liability as settled before the settlement date, provided specific conditions are met, such as the use of an electronic payment system. The amendments also refine the guidance on evaluating the characteristics of cash flows for financial assets based on the contractual terms, including financial assets where the terms may alter the timing or amount of contractual cash flows. This includes financial assets with ESG-related features, financial assets without recourse, and financial assets that are contractually bound to other instruments.

Annual improvements to IFRS Accounting Standards – Volume 11*) (applicable for periods beginning on or after 1 January 2026; early application is permitted)

The Annual Improvements process consolidates minor and non-urgent amendments to IFRS accounting standards into a single entity, which is implemented annually. The amendments provide clarifications to the following standards:

- IFRS 1 First-time Adoption of IFRS: Hedging for First-time Adopters
- IFRS 7 Financial Instruments: Disclosures – De recognition gains or losses; Amortized cost difference between fair value and transaction price; Credit risk disclosures
- IFRS 9 Financial Instruments – De recognition of lease liabilities; Transaction price
- IFRS 10 Consolidated Financial Statements – Defining de facto agent
- IAS 7 Statement of Cash Flows – Acquisition-based consolidation
- IFRS 18 Presentation and Disclosure in Financial Statements*) (applicable for periods beginning on or after 1 January 2027; early application is permitted) IFRS 18 replaces IAS 1.

Presentation of Financial Statements. The key new requirements under IFRS 18 are as follows:

- In the income statement, revenues and expenses are to be classified into three newly defined categories: operating, investing, and financing, with two new subtotals: "Operating profit or loss" and "Profit or loss before financing and taxes."
- Disclosures are required in the financial statements for performance indicators defined by management. These indicators represent intermediate totals of revenues and expenses, used in public communication to express management's view on the company's financial performance.
- The presentation of information in the financial statements must adhere to updated general requirements on information aggregation and disaggregation. Furthermore, entities that break down expenses in the income statement by function must present certain expense breakdowns in the notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures*) (applicable for periods beginning on or after 1 January 2027; early application is permitted)

The new standard allows certain subsidiaries that meet specific conditions to apply IFRS accounting standards while preparing more limited disclosures in the financial statement notes. Under this standard, subsidiaries can maintain a single set of accounting records that meets the needs of both their parent company and the users of the subsidiaries' financial statements, thereby reducing the requirements for disclosures in the financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*) (voluntary application is permitted, effective date deferred indefinitely)

The amendments eliminate the conflict between current guidance on consolidation and the equity method and require the full recognition of profit when transferred assets meet the definition of a business under IFRS 3 Business Combinations.

30. Events after the financial statements

- **Stock Exchange Release 27 January 2025:** *Enersense's Shareholders' Nomination Board's proposals to the 2025 Annual General Meeting.*
- **Press release 27 January 2025:** *Enersense to supply state-of-the-art pipelines to Gothenburg.* Enersense announced that it had signed an agreement with Valmet for a piping contract including prefabrication and installation of demanding process piping. The order is part of a project in which Valmet will supply Göteborg Energi AB with a biomass power plant in Gothenburg, which will generate electricity and district heat from renewable and recycled fuels.
- **Inside information 28 January 2025:** *Positive profit warning: Enersense raises its 2024 revenue estimate and gives preliminary information on its 2024 financial performance.*
- **Press release 26 February 2025:** *Transaction of Enersense's wind and solar power project development business completed.* With the completion of the transaction, Fortum paid Enersense a fixed debt-free cash price of EUR 9.25 million. At the same time, Enersense recorded a profit of approximately EUR 19 million, and its equity ratio increased by approximately 10 percentage points. The transaction also includes Earn-Out up to EUR 74 million, which is based on the progress of the wind and solar power development projects covered by the Transaction, and any payment will be subject to individual projects reaching a final investment decision made by Fortum. Any payment related to the Earn-Out would be paid in instalments on a per project basis. No Earn-Out will be paid for any projects that do not reach the final investment decision in 15 years from the closing date. Enersense estimates a probability-weighted Earn-Out of EUR 33 million. Further, Enersense estimates that the potential Earn-Out cash flow of the Transaction could be generated earliest starting from 2027.
- **Inside information 28 February 2025:** *Enersense to discontinue its business of zero-emission transport solutions.* Enersense estimates to record costs and a write-down totalling approximately EUR 2–3 million related to the ramp-down in the first quarter of 2025.
- **Stock Exchange Release 28 February 2025:** *Changes to the publication dates of Enersense's financial reports 2025.* Enersense will publish its January–March Business Review on 28 April 2025 (previously announced date 30 April 2025) and January–June Half-Year Financial Report on 12 August 2025 (previously announced date 5 August 2025).

Parent company's financial statements, FAS

Parent company's income statement

EUR	1–12/2024	1–12/2023
Revenue	8,545,596.15	13,436,384.00
Other operating income	—	1,213,667.23
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	-7,792.27	-24,089.36
Variation in stocks	—	-13,463.96
External services	-1,101,625.54	-3,072,562.39
Raw materials and services, total	**-1,109,417.81**	**-3,110,115.71**
Staff expenses		
Wages and salaries	-4,987,775.89	-6,502,846.15
Social security expenses		
Pension expenses	-813,982.04	-1,011,461.16
Other social security expenses	-93,591.77	-241,672.43
Staff expenses, total	**-5,895,349.70**	**-7,755,979.74**
Depreciation, amortisation and reduction in value		
Depreciation and amortisation according to plan	-7,078.62	-13,580.29
Write offs on loan receivables	-5,734,539.92	—
Depreciation, amortisation and reduction in value, total	**-5,741,618.54**	**-13,580.29**

EUR	1–12/2024	1–12/2023
Other operating expenses	-6,755,861.96	-3,243,645.99
Operating profit (loss)	**-10,956,651.90**	**526,729.50**
Financial income and expenses		
Other interest income and other financial income		
from group undertakings	2,326,999.74	2,434,272.02
from others	86,171.90	167,657.83
Interest and other financial expenses		
from group undertakings	-1,248,936.43	-491,476.37
from others	-4,308,451.22	-3,885,735.61
Write offs on investments	-1,284,405.75	-2,390,568.70
Financial income and expenses, total	**-4,428,621.76**	**-4,165,850.83**
Profit (loss) before appropriations and taxes	**-15,385,273.62**	**-3,639,121.33**
Appropriations		
Group contribution	—	2,893,237.43
Income taxes	43,230.92	-21,387.36
Profit (loss) for the financial year	**-15,342,042.70**	**-767,271.26**

Parent company's balance sheet

EUR	31.12.2024	31.12.2023
Assets		
Non-current assets		
Intangible assets		
Intangible rights	—	2,769.79
Intangible assets, total	**—**	**2,769.79**
Tangible assets		
Machinery and equipment	49,574.32	3,468.59
Tangible assets, total	**49,574.32**	**3,468.59**
Investments		
Holdings in group undertakings	28,692,964.40	30,029,091.34
Participating interests	13,812,809.73	13,812,809.73
Other long term investments	850,000.00	850,000.00
Investments, total	**43,355,774.13**	**44,691,901.07**
Non-current assets, total	**43,405,348.45**	**44,698,139.45**
Current assets		
Receivables		
Long-term receivables		
Amounts owned by group undertakings	21,320,945.82	22,572,068.54
Other receivables	1,325,000.00	1,325,000.00
Long-term receivables, total	**22,645,945.82**	**23,897,068.54**
Short-term receivables		
Accounts receivable	22,597.89	1,281,789.62
Amounts owned by group undertakings	51,408,182.09	52,510,953.32
Other receivables	406,168.40	2,085,633.00
Accrued income	611,576.17	1,472,767.03
Short-term receivables, total	**52,448,524.55**	**57,351,142.97**
Cash at bank	6,781,116.17	5,258,319.36
Current assets, total	**81,875,586.54**	**86,506,530.87**
Assets, Total	**125,280,934.99**	**131,204,670.32**

EUR	31.12.2024	31.12.2023
Equity and liablities		
Equity		
Share capital	80,000.00	80,000.00
Other reserves	312,642.01	312,642.01
Reserve for invested non-restricted equity	65,968,128.54	67,617,381.24
Distribution of funds	—	-1,649,252.70
Retained earnings (loss)	-4,968,469.51	-4,192,257.17
Profit (loss) for the financial year	-15,342,042.70	-767,271.26
Equity, total	**46,050,258.34**	**61,401,242.12**
Provisions		
Other provisions	640,000.00	100,000.00
Provisions, total	**640,000.00**	**100,000.00**
Liabilities		
Long-term liabilities		
Liabilities to credit institutions	1,200,000.00	3,900,000.00
Convertible bond	26,000,000.00	26,000,000.00
Long-term liabilities, total	**27,200,000.00**	**29,900,000.00**
Short-term liabilities		
Liabilities to credit institutions	7,400,000.00	2,400,000.00
Trade creditors	499,446.32	455,398.60
Amounts owned to group undertakings	40,764,583.54	34,085,626.50
Other creditors	224,652.03	323,682.29
Accruals and deferred income	2,501,994.76	2,538,720.81
Short-term liabilities, total	**51,390,676.65**	**39,803,428.20**
Liabilities, total	**79,230,676.65**	**69,803,428.20**
Equity, Provisions and liabilities, Total	**125,280,934.99**	**131,204,670.32**

Parent company's cash flow statement

EUR	1–12/2024	1–12/2023
Net profit (loss) before taxation, and extraordinary items	-15,385,273.62	-3,639,121.33
Adjustments for:		
Depreciation according to plan	7,078.62	13,580.29
Write offs on investments	8,518,945.67	2,390,568.70
Other non-cash items (+/-)	51,721.19	-1,017,904.84
Financial income and expenses	3,144,216.01	1,775,282.13
Working capital changes:		
Increase (-) or decrease (+) in trade and other receivables	4,219,415.02	477,577.15
Increase (-) or decrease (+) in inventories	—	-13,463.96
Increase (+) or decrease (-) in trade payables	743,638.25	-325,470.51
Interest paid	845,548.24	-217,690.32
Interest received	94,600.49	189.05
Income taxes paid	79,018.06	—
Net cash from operating activities	**2,318,907.93**	**-556,453.64**
Net cash used in investing activities		
Proceeds from sale of subsidiary shares	400,004.00	599,997.00
Investments in other investments	—	-3,328,253.73
Loans granted	-2,015,200.00	-20,195,000.00
Proceed from repayments of loans	3,600,200.00	21,321,700.00
Cash pool change	-6,521,155.32	-32,702,469.17
Interest paid	709,976.77	-234,371.55
Interest received	1,364,682.37	1,830,391.11
Dividends received	—	624,277.00
Net cash used in investing activities	**-2,461,492.18**	**-32,083,729.34**

EUR	1–12/2024	1–12/2023
Net cash used in financing activities		
Repayment of long-term borrowings (-)	-2,400,000.00	-2,100,000.00
Proceeds from short-term borrowings	31,350,000.00	4,900,000.00
Repayment of short-term borrowings (-)	-34,551,959.84	-2,200,000.00
Cash pool change	8,635,973.30	16,449,513.60
Group contributions received	2,851,959.84	—
Interest and fee paid	-4,220,592.24	-3,113,009.13
Dividend paid	—	-1,649,252.70
Net cash used in financing activities	**1,665,381.00**	**12,287,251.77**
Net increase/decrease in cash and cash equivalents	1,522,796.81	-20,352,931.21
Cash and cash equivalents at beginning of period	5,258,319.36	25,611,250.57
Cash and cash equivalents at end of period	6,781,116.17	5,258,319.36
Net increase/decrease in cash and cash equivalents	**1,522,796.81**	**-20,352,931.21**

Parent company's disclosure to the financial statements

Accounting policies

Valuation and accrual principles and methods

Valuation of fixed assets

The acquisition cost of intangible and tangible assets entered in the balance sheet is subject to depreciation according to plan. The acquisition cost includes variable costs of acquisition and production. Scheduled depreciation is calculated on a straight-line basis over the useful lives of intangible and tangible assets. Depreciation has been recognised starting from the month when the asset was brought to use.

Subsidiary shares and loans receivable from group companies

The carrying amounts of subsidiary shares and loans granted to group companies are assessed at each balance sheet date to identify any potential impairment. The recoverable amount of subsidiaries is based on value in use in impairment testing. Value in use refers to the estimated future net cash flows available from the company, which are discounted to their present value. In addition, the performance and financial situation of subsidiaries are assessed based on the actual performance and balance sheet position at the company level and the financial performance of the subsidiaries over a longer period. An impairment is recognised when the carrying amount of an asset exceeds its recoverable amount and the impairment is estimated to be permanent.

Depreciation periods

Other intangible rights 5 years.

Machinery and equipment 5 years.

The acquisition cost of fixed assets with a probable useful life of less than 3 years and minor purchases (less than EUR 1,000.00) are fully expensed in the acquisition period.

Pension commitments

The pension cover of the company's employees is arranged through TyEL -insurance with a pension insurance company.

Sales revenue recognition principles and methods

Revenue consists of the sale of resources based on delivery.

Currency-denominated items

The company's foreign currency assets and liabilities are translated into euros at the exchange rate quoted by the European Central Bank on the balance sheet date.

Leasing

Lease payments have been treated as rental expenses.

Taxes

Income taxes include income taxes calculated on the basis of the profit for the financial year and taxes charged or refunded for previous financial years. Deferred taxes are not recognised in the parent company's income statement or balance sheet.

Accounting principles for the cash flow statement

The statement of cash flows has been prepared in accordance with the Finnish Accounting Board's general instructions (30 January 2007) as a cash flow statement using the indirect method of presentation.

Branch

The subsidiary Enersense International Filial Sweden has been consolidated in the accounts of Enersense International Plc and the mutual items have been eliminated.

Related parties

Enersense International Plc's related parties include the members of the Board of Directors, its CEO, the members of the Group Executive Team and its shareholders with significant influence over the company. Its related parties also include the close family members of these people, as well as the entities over which these people have control or joint control. In addition, related party includes group companies, associated companies and joint ventures.

Subsidiaries

Subsidiary	Country of incorporation	Ownership 31.12.2024,%	Group ownership 31.12.2023, %
Enersense Engineering Oy	Finland	100	100
Enersense GmbH	Germany	100	100
Enersense Ltd	UK	100	100
Enersense AS	Norway	100	100
Enersense Oy	Finland	100	100
Enersense SAS	France	100	100
Enersense Services Oyj	Finland	100	100
Enersense Works Oy	Finland	100	100
Enersense Wind Oy	Finland	100	100
Enersense Charging Oy	Finland	100	100

Associates and joint ventures

	% of ownership interest		
Name of entity	Country of incorporation	31.12.2024	31.12.2023
Yrittäjien Voima Oy	Finland	40.0%	40.0%
P2X Solution Oy	Finland	8.9%	18.5%

P2X Solutions Oy has been treated as an associated company, because Enersense in particular also has the right to two out of five board seats in the company, according to the agreement.

Disclosures to the income statement

Geographical distribution of revenue by target country

EUR	1–12/2024	1–12/2023
Finland	8,407,110.93	13,209,190.59
Other countries	138,485.22	227,193.41
Total	**8,545,596.15**	**13,436,384.00**

Other income

EUR	1–12/2024	1–12/2023
Catering service	–	22,072.10
Gain on sale of subsidiary	–	967,015.60
Other income	–	224,579.53
Other income, total	**–**	**1,213,667.23**

Other operating expenses

EUR	1–12/2024	1–12/2023
Expenses related to business acquisitions	–	206,954.21
Demolition expenses and impairment losses of the subsidiary	50,460.28	2,390,568.70
Administrative and other group service expenses	639,298.18	1,037,121.39
Write offs on purchase price receivables	1,500,000.00	–
Consulting fees	1,102,989.34	74,287.92
Other expenses	3,463,114.16	1,925,282.47
Other operating expenses, total	**6,755,861.96**	**5,634,214.69**

Auditor's fee

EUR	1–12/2024	1–12/2023
Audit	-108,240.00	-99,750.00
Sustainability reporting	-53,109.00	—
Auditor's certificates and statements	-15,647.00	—
Other services	-19,500.00	-20,277.00
Audit fees, total	**-196,496.00**	**-120,027.00**

Personnel

	1–12/2024	1–12/2023
Average number of employees	72	109

In the financial year 2024, business transfers have been made. Enersense International Plc carried out a business transfer in which personnel were transferred to Enersense Engineering Oy. Enersense Services Plc made a business transfer in which personnel were transferred to Enersense International Plc. In addition, on 1 January 2025, a business transfer was carried out, in which Enersense Oy's personnel were transferred to Enersense International Plc.

Salaries and bonuses for management

EUR	1–12/2024	1–12/2023
Members of the board of directors and the President	-342,807.00	-243,000.00
CEO*)	-687,216.00	-352,876.80

*) includes also the share paid by the subsidiary

Financial income and expenses

EUR	1–12/2024	1–12/2023
Other interest and financial income		
From Group companies	2,326,999.74	2,434,272.02
From others	86,171.90	15,958.42
Total	**2,413,171.64**	**2,450,230.44**
Interest and other financial expenses		
Refinancing arrangement fees	-151,875.00	-112,500.00
To group companies	-1,248,936.43	-491,476.37
Interest expenses to others	-2,635,160.67	-3,621,536.20
Other financial expenses to others	-1,521,415.55	—
Write offs on investments	-1,284,405.75	-2,390,568.70
Total	**-6,841,793.40**	**-6,616,081.27**

Appropriations

EUR	1–12/2024	1–12/2023
Group contributions	—	2,893,237.43
Income taxes	43,230.92	-21,387.36
Total	**43,230.92**	**2,871,850.07**

Disclosures on assets in the balance sheet

Breakdown on fixed assets

Intangible assets

EUR	31.12.2024	31.12.2023
Acquisition 1 Jan	**33,030.16**	**33,030.16**
Increase	—	—
Acquisition 31 Dec	**33,030.16**	**33,030.16**
Accumulated depreciation and Impairment I Jan	**-30,260.37**	**-23,913.72**
Depreciation	-2,769.79	-6,346.65
Accumulated depreciation and Impairment 31 Dec	**-33,030.16**	**-30,260.37**
Book value 31 Dec	**—**	**2,769.79**

Tangible assets

EUR	31.12.2024	31.12.2023
Acquisition 1 Jan	**159,557.04**	**159,557.04**
Increase	50,414.56	—
Decrease	—	—
Transfers between items	—	—
Acquisition 31 Dec	**209,971.60**	**159,557.04**
Accumulated depreciation and Impairment I Jan	**-156,088.45**	**-148,854.81**
Depreciation	-4,308.83	-7,233.64
Impairment	—	—
Accumulated depreciation and Impairment 31 Dec	**-160,397.28**	**-156,088.45**
Book value 31 Dec	**49,574.32**	**3,468.59**

Investments

EUR	Participating interests	Holdings in group companies	Other long term investments	Total
Acquisition 1 Jan	14,328,445.37	30,060,299.04	850,000.00	45,238,745.41
Increase	—	—	—	—
Decrease	—	-51,721.19	—	-51,721.19
Transfers between items	—	—	—	—
Acquisition 31 Dec	**14,328,446.37**	**30,008,577.85**	**850,000.00**	**45,187,024.22**
Accumulated impairment 1 Jan	**-515,636.64**	**-31,207.70**	**—**	**-546,844.34**
Impairment	—	-1,284,405.75	—	-1,284,405.75
Accumulated impairment 31 Dec	-515,636.64	-1,315,613.45	—	-1,831,250.09
Book value 31 Dec 2024	**13,812,809.73**	**28,692,964.40**	**850,000.00**	**43,355,774.13**
Book value 31 Dec 2023	**13,812,809.73**	**30,029,091.34**	**850,000.00**	**44,691,901.07**

Long-term receivables

Receivables from group companies

EUR	31.12.2024	31.12.2023
Loans receivables	3,200,000.00	3,200,000.00
Capital loans receivables	18,120,945.82	19,372,068.54
Total	**21,320,945.82**	**22,572,068.54**

Enersense International Plc provides financing to the Group companies in a centralised manner. Loans granted by the parent company to subsidiaries totalled EUR 18,120,945.82. The terms and conditions of the subordinated loans are in accordance with chapter 12, section 1 of the Limited Liability Companies Act. Other long-term interest-bearing loans granted by the parent company to subsidiaries totalled EUR 3,200,000.00 The interest rates of the loans vary from 5,4% to 6,9%.

Long-term capital loan receivables of EUR 4,915,000 have been granted to Enersense Oy; EUR 241,000 to Enersense Engineering Oy; EUR 813,000 to Enersense Works Oy; EUR 11,600,000 to Enersense Offshore Oy; EUR 551,945.82 to Enersense GmbH.

In the financial year 2024, EUR 4,521,000 of the long-term capital loan receivables have been written down to Enersense Charging Oy, EUR 355,593.55 to Enersense Ltd and EUR 551,945.82 to Enersense GmbH.

EUR 3,200,000 of the long-term loan receivables have been granted to Enersense Works Oy.

Receivables from others

EUR	31.12.2024	31.12.2023
Accounts receivables	—	—
Other receivables	1,325,000.00	1,325,000.00
Total	**1,325,000.00**	**1,325,000.00**
Long-term receivables, total	**22,645,945.82**	**23,897,068.54**

Short-term receivables

Receivables from group companies

EUR	31.12.2024	31.12.2023
Accounts receivables	315,317.82	61,314.51
Loans receivables	8,774,000.00	14,274,823.10
Other receivables	39,502,504.50	35,874,586.61
Interest receivables	2,608,615.14	1,706,382.13
Accrued income	207,744.63	593,846.97
Total	**51,408,182.09**	**52,510,953.32**

The amount of short-term interest-bearing loans granted by the parent company to subsidiaries totalled EUR 8,774,000.00. The interest rates of the loans vary from 5,4% to 6,9%.

EUR 2,800,000 of short-term loan receivables have been granted to Enersense SIA; EUR 5,959,000 to Enersense Services Plc; EUR 10,000 to Enersense Engineering Oy and EUR 5,000 to Enersense AS.

In the financial year 2024, EUR 40,000 of the short-term loan receivables have been written down to Enersense Ltd and EUR 54,000 to Enersense SAS.

Receivables from others

EUR	31.12.2024	31.12.2023
Accounts receivables	22,597.89	1,281,789.62
Other receivables	406,168.40	2,085,633.00
Accrued income	611,576.17	1,472,767.03
Total	1,040,342.46	4,840,189.65
Short-term receivables, total	**52,448,524.55**	**57,351,142.97**

Accrued income

Material items of accrued income

EUR	31.12.2024	31.12.2023
Material items of accrued income		
Compensation for occupational health care	15,419.25	26,664.19
Unbilled revenue	2,730.22	989,999.54
Accrued expenses	308,332.03	281,459.41
Advance payments	165,039.61	—
Others	120,055.06	174,643.89
Total	**611,576.17**	**1,472,767.03**

Equity

Equity

EUR	31.12.2024	31.12.2023
Share capital 1 Jan	80,000.00	80,000.00
Share capital 31 Dec	**80,000.00**	**80,000.00**
Other reserves 1 Jan	312,642.00	312,642.00
Other reserves 31 Dec	**312,642.00**	**312,642.00**
Reserve for invested non-restricted equity 1 Jan	65,968,128.55	67,617,357.48
MBÅ Invest Oy merge	—	22.76
Correction of an error in the previous financial year	—	1.01
Distribution of funds	—	-1,649,252.70
Reserve for invested non-restricted equity 31 Dec	**65,968,128.55**	**65,968,128.55**
Retained earnings 1 Jan	**-4,959,528.43**	**-4,195,355.90**
Translation difference	-8,941.08	3,098.73
Retained earnings 31 Dec	**-4,968,469.51**	**-4,192,257.17**
Net result for the period	**-15,342,042.70**	**-767,271.26**
Equity, total	**46,050,258.34**	**61,401,242.12**

Calculation of distributable funds

EUR	31.12.2024	31.12.2023
Retained earnings	-4,968,469.51	-4,192,257.17
Net result for the period	-15,342,042.70	-767,271.26
Reserve for invested non-restricted equity	65,968,128.55	65,968,128.55
Total	**45,657,616.34**	**61,008,600.12**

The Board of Directors proposes to the General Meeting that the result for the financial period 1 January 2024 to 31 December 2024 be transferred to the profit and loss account for previous financial periods and that, based on the balance sheet to be adopted for the financial period, no dividends be paid to shareholders.

Disclosures on liabilities in the balance sheet

Provisions

EUR	31.12.2024	31.12.2023
Other provisions	640,000.00	100,000.00
Total	**640,000.00**	**100,000.00**

Mandatory provisions relate to the company's pending compensation and the related provision is EUR 340,000. Mandatory provisions include EUR 300,000 in legal expense provisions that are not pending in the courts.

Long-term creditors

EUR	31.12.2024	31.12.2023
Liabilities to credit institutions	1,200,000.00	3,900,000.00
Convertible note	26,000,000.00	26,000,000.00
Total	**27,200,000.00**	**29,900,000.00**

Liabilities falling due later than 5 years

EUR	31.12.2024	31.12.2023
Liabilities to credit institutions	–	–
Total	**–**	**–**

Short-term creditors

Amounts owned to group companies

EUR	31.12.2024	31.12.2023
Trade creditors	2,193,770.83	1,159,862.54
Loans	4,677,829.08	7,579,788.92
Cash pool liabilities	33,308,516.90	24,672,543.60
Accruals and deferred income	584,466.73	673,431.44
Total	**40,764,583.54**	**34,085,626.50**

To others

EUR	31.12.2024	31.12.2023
Loans	7,400,000.00	2,400,000.00
Trade creditors	499,446.32	455,398.60
Other creditors	224,652.03	175,822.72
Accruals and deferred income	2,501,994.76	2,686,580.38
Total	**10,626,093.11**	**5,717,801.70**

Accrued liabilities and deferred income

EUR	31.12.2024	31.12.2023
Wages and salaries debts	6,058.58	27,312.06
Holiday pay debt	326,312.55	558,298.85
Statutory insurance payments	126,029.42	321,295.07
Convertible note accrued interests	854,388.89	869,555.56
Financial commission accrual	196,000.13	140,000.09
Other	993,205.19	770,118.75
Total	**2,501,994.76**	**2,686,580.38**

Commitments and contingent liabilities

Debts secured by securities

EUR	31.12.2024	31.12.2023
Loans from financial institutions*)	8,600,000.00	6,300,000.00
Pledged securities at book value	20,589,191.31	20,589,191.31
Business mortgages provided as collateral	7,000,000.00	7,000,000.00
Unsecured debts total	26,000,000.00	26,000,000.00

*) Loans from financial institutions include EUR 5 million of available credit limit. The unused credit limit was EUR 10 million.

Other off-balance sheet liabilities

Enersense International Plc has to an associated company Yrittäjien Voima Oy other off-balance sheet liability EUR 1 200 683.

Security for debts of subsidiaries and other group companies

EUR	31.12.2024	31.12.2023
Other pledges provided as collateral	1,325,000.00	1,325,000.00
Other guarantees	89,319,137.84	86,830,609.07

Other pledges pledged as collateral have been pledged in the factoring agreement on behalf of the subsidiaries. Due to the transfer of business to Enersense Engineering Oy, the parent company does not have invoicing within the scope of factoring. Other guarantees include contract and delivery guarantees issued on behalf of subsidiaries, parent company guarantees and bank guarantees.

Enersense's loans are subject to covenants on the company's solvency, debt servicing capacity and liquidity. In addition, the financing agreement includes terms and conditions regarding the distribution of assets, investments, mergers and acquisitions and indebtedness. The covenants are calculated from the figures in accordance with IFRS accounting principles by applying the calculation formulas specified in the financing agreement, and they are reported to the financiers on a quarterly basis and, in the case of the next liquidity covenant, on a monthly basis if the covenant related to debt servicing capacity is not met.

Enersense fulfilled the covenants related to solvency and debt servicing capacity on 31 December 2024 and has confirmed the values of the covenants to financiers. Enersense completed negotiations on one-year follow-up funding after the financial year at the end of March 2025. The company estimates that it will meet the covenants under the new financing agreement in 2025 on all monitoring days.

Leasing commitments

EUR	31.12.2024	31.12.2023
Payable in the following financial year	6,252.61	6,203.47
To be paid later	12,505.22	18,610.40

Convertible notes

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

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

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

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

Signatures and the Financial Statement Entry

Confirmation of the Board of Directors and the CEO

We confirm that

- The consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the financial statements of the parent company prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- The management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face and
- That the sustainability report within management report is prepared in accordance with sustainability reporting standards referred to in Chapter 7 of the Accounting Act and with the Article 8 of Taxonomy Regulation.

Signatures on the Report of the Board of Directors and the Financial Statements

Helsinki, 26 March 2025

Kari Sundbäck
CEO

Anders Dahlblom
Chair of the Board

Sirpa-Helena Sormunen
Board member

Petri Suokas
Board member

Carl Haglund
Board member

Anna Miettinen
Board member

Sari Helander
Board member

Financial statement entry

An audit report has been issued today.

Helsinki, 26 March, 2025

Audit company
KPMG Oy Ab

Heli Tuuri
Authorised Public Accountant, KHT

Auditor's Report

TO THE ANNUAL GENERAL MEETING OF ENERSENSE INTERNATIONAL PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Enersense International Plc (0609766-7) for the year ended 31 December 2024. The financial statements comprise the consolidated balance sheet, comprehensive income statement, statement of changes in equity, cash flow statement and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, cash flow statement and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee and Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 8 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Goodwill and acquisition-related intangible assets (note 11 to the consolidated financial statements)	
At 31 December 2024, the goodwill balance totalled EUR 26.1 million. The other acquisition-related intangible assets comprise the wind farm portfolio EUR 1.5 million, technology-based intangible asset EUR 3.0 million and customer relationships EUR 5.4 million. Goodwill and the wind farm portfolio are tested at least annually for impairment. Preparation of cash flow projections underlying impairment testing requires management to make judgements and assumptions over profitability, long-term growth rate and discount rate. Wind farm projects related to business combinations are recorded as a cost when the projects are sold. Other acquisition-related intangible assets are amortised over their estimated useful lives. EUR 20.9 million of the wind farm portfolio has been classified as held-for-sale assets and measured at the carrying amount lower than the probable sale price. As a result of the impairment tests, impairment losses on goodwill amounting to EUR 1.7 million, and on the technology-based intangible asset amounting to EUR 5.0 million have been recognised. Valuation of goodwill and other acquisition-related intangible assets is considered a key audit matter due to the significance of the carrying amounts and high level of management judgement related to forecasts and assumptions.	In respect to impairment testing, we assessed key inputs in the calculations such as profitability, discount rate and long-term growth rate in relation to the budgets approved by the Board of Directors, external sources and our own views. • We tested the technical accuracy of the calculations and compared the assumptions used to market and industry information. • We assessed the appropriateness of the impairment losses recorded. Our audit procedures also included an assessment of the appropriateness of the amortisation policy for intangible assets. Furthermore, we considered the presentation of goodwill and intangible assets in the balance sheet and the appropriateness of the disclosures provided in respect of the items referred to above.
Revenue and project revenue (note 3 to the consolidated financial statements)	
The company's revenue, EUR 424.7 million, mainly comprises service revenue, project revenue and resourcing revenue. A significant part of the company's revenues is recognised over time. The company has a significant number of fixed-price long-term projects with revenues recognised over time. The company uses an input method to determine the measure of progress for these projects, which requires management to make judgements and use assumptions, particularly with respect to the methods used to determine the measure of progress, expected costs and workload forecasts. Revenue recognition is considered a key audit matter due to the significant number of sales transactions and management judgement related to the project revenue recognition.	We evaluated the revenue recognition principles and policies by reference to applicable IFRS Accounting Standards. In addition, we performed both analytical and substantive audit procedures. • Our audit procedures covered assessment of the internal control environment for sales processes, as well as testing of the key controls. • We tested the functionality of the processes to enter, record and invoice sales transactions. We also assessed the accuracy of revenue recognition on accrual basis. • We considered the company's project calculations for fixed-price long-term projects by examining changes in project margin levels, and cumulative cost and revenue amounts reported by project officers, as well as assessed the company's process for identifying any potential need for cost provisioning. • Furthermore, we considered the presentation of these items, and the appropriateness of the Group's disclosures provided on revenues.

Adequacy of funding and financing arrangements (Accounting principles for the consolidated financial statements and note 20 and 21 to the consolidated financial statements)	
The Group's operating loss totals EUR 14.1 million. At the balance sheet date, the Group's current liabilities are EUR 15.4 million higher than its current assets, taking into account the held-for-sale assets and liabilities. In March 2025, the company has signed a new financing agreement, consisting of a one-year continued financing and a bank guarantee facility. The financing agreement includes, among other things, financial covenants based on the equity ratio and the ratio of interest-bearing debt to EBITDA monitored quarterly, and the covenant for minimum cash monitored monthly. The covenants under the financing agreement in force at the balance sheet date were met at year-end. Based on the budget prepared by management for the financial year 2025 and approved by the Board of Directors, the company assessed it will be in compliance with the covenant terms set in the new financing agreement in the financial year 2025. The company management estimates that the Group's financing is secured for at least the next 12 months after the end of the financial year, provided that the business develops in line with the forecasts prepared by the management. Due to the loss-making operations and the importance of the financing arrangements, the adequacy of funding and financing arrangements are considered a key audit matter.	We assessed management's view on the applicability of the going concern assumption and gained an understanding of the company's financial forecasting process. • To evaluate the adequacy of funding, we analysed the cash flow projections and sensitivity calculations prepared by the company, as well as the reliability of the underlying data. • We assessed the sensitivity calculations prepared by management to test the headroom for funding adequacy, in particular in relation to the covenants. • In addition, we considered the accuracy of the classification of the financial liabilities as well as the appropriateness of the related disclosures.

Valuation of investments in subsidiaries in the parent company financial statements (parent company's accounting policies)	
The parent company's investments in subsidiaries include subsidiary shares as well as loan and capital loan receivables in total EUR 58.8 million. The carrying amounts of investments in subsidiaries are reviewed annually using a discounted cash flow model. In addition, the earnings development and financial status of the subsidiaries are evaluated based on the company-level actual performance and balance sheet position and their financial performance over longer term. As a result, a write-down totalling EUR 7.0 million has been recognised on the carrying amounts of both the subsidiary shares and the receivables from subsidiaries. Due to management judgements related to future cash flows and the significant carrying amounts involved, valuation of investments in subsidiaries is considered a key audit matter.	Our audit procedures included, among others: • We assessed the reasonableness of the key assumptions used by management in the impairment calculations, such as revenue growth rate, profitability and discount rate. • We analysed the valuation of investments in subsidiaries based on the actual performance and balance sheet position of the subsidiaries. • We assessed the appropriateness of the write-downs recognised on subsidiary shares and capital loan receivables in the parent company. • Furthermore, we considered the appropriateness of the disclosures concerning the investments in subsidiaries.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 18 December 2015 and our appointment represents a total period of uninterrupted engagement of 10 years. Enersense International Plc has become a public interest entity on 14 June 2021.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors, but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 26 March 2025
KPMG OY AB

Heli Tuuri
Authorised Public Accountant, KHT

Assurance report on the Sustainability Report

TO THE ANNUAL GENERAL MEETING OF ENERSENSE INTERNATIONAL PLC

We have performed a limited assurance engagement on the group sustainability report of Enersense International Plc (business identity code 0609766-7) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability report does not comply, in all material respects, with

1. the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2. the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Enersense International Plc has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability report with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the *Responsibilities of the Authorized Group Sustainability Auditor section of our report.*

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability report of Enersense International Plc that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability report. Our opinion is not modified in respect of this matter.

Authorized Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorized group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorized sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Enersense International Plc are responsible for:

- the group sustainability report and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability report with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability report that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Report

Preparation of the sustainability report requires company to make materiality assessment to identify relevant matters to report. This includes significant management judgement and choices. It is also characteristic to the sustainability reporting that reporting of this kind of information includes estimates and assumptions as well as measurement and estimation uncertainty.

Furthermore, when reporting forward looking information company has to disclose assumptions related to potential future events and describe company´s possible future actions in relation to these events. Actual outcome may differ as forecasted events do not always occur as expected.

Responsibilities of the Authorized Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability report.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability report, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures included for ex. the following:

- We interviewed company's management and persons responsible for the preparation and gathering of the sustainability information.
- We familiarized with interviews to the key processes related to collecting and consolidating the sustainability information.
- We got acquainted with the relevant guidances and policies related to the sustainability information disclosed in the sustainability report.
- We acquainted ourselves to the background documentation and other records prepared by the company, as appropriate and assessed how they support the information included in the sustainability report.
- In relation to the double materiality assessment process, we interviewed persons responsible for the process and familiarized ourselves with the documentation prepared of the double materiality assessment and background materials.
- In relation to the EU taxonomy information we interviewed the management of the company and persons with key roles in reporting taxonomy information to understand how taxonomy eligible activities have been identified, we obtained evidence supporting the interviews and reconciled the reported EU taxonomy information to supporting documents and to the bookkeeping, as applicable.
- We assessed the application of the ESRS sustainability reporting standards reporting principles in the presentation of the sustainability information.

Helsinki, 26 March 2025

KPMG OY AB
Authorized Sustainability Audit Firm

Heli Tuuri
Authorized Sustainability Auditor, KRT

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