



# Business Review

January – March 2024

# Contents

Enersense's growth continued and Q1 EBITDA at a good level even though offshore business weaker than expected .....	2
Key figures .....	3
President and CEO Jussi Holopainen .....	4
Additional information .....	5
Operating environment in the review period .....	6
Financial result .....	6
Financial position and cash flow .....	8
Segment reviews .....	9
Group personnel .....	12
Governance .....	13
Near-term risks and uncertainties .....	15
Guidance for the financial period 2024 .....	15
Significant events after the review period .....	16
<b>TABLES TO THE BUSINESS REVIEW .....</b>	<b>17</b>
Consolidated income statement .....	18
Consolidated balance sheet .....	19
Consolidated cash flow statement .....	20
Consolidated statement of changes in equity .....	21
Notes to the consolidated interim report .....	22
Calculation principles for key performance indicators .....	25

The figures in brackets refer to the comparison period (the corresponding period of the previous year), unless otherwise stated. All figures and amounts have been rounded off from exact figures, which may result in minor inaccuracies in additions or subtractions.

# Enersense's growth continued and Q1 EBITDA at a good level even though offshore business weaker than expected

The figures in this release are unaudited.

## January–March 2024

- Revenue was EUR 98.1 (75.0) million, 30.9% year-on-year.
- EBITDA was EUR 4.5 (0.1) million. The EBITDA margin was 4.6 (0.1)%.
- The operating profit was EUR 1.7 (-2.3) million. The profit margin 1.8 (-3.1)%.
- Undiluted earnings per share were EUR -0.34 (-0.23).
- The order backlog stood at EUR 445 (526) million at the end of the review period.
- On 9 January 2024, Enersense announced that it is merging the Power and International Operations business areas into a single business area. At the same time, the Smart Industry business area was renamed Industry. From the beginning of 2024, Enersense will report three business areas: Power, Industry, and Connectivity. In accordance with the planned organizational changes Margus Veensalu, a member of the Group Executive Team, will step down from the Group Executive Team but will continue at Enersense in another role.
- On 29 February 2024, the Board of Directors of Enersense decided on the group key employee incentive plan.
- Financiers approved a lower limit for the equity ratio covenant at the time of review at the end of the first quarter. Enersense is negotiating with financiers to further specify the covenant level for the full year 2024.

### After the review period:

- On 9 April 2024, Enersense announced that Mikko Jaskari, the company's CFO and a member of the Group Executive Team, will step down from his position. Jyrki Paappa has been appointed new CFO and member of the Group Executive Team from 22 July 2024.

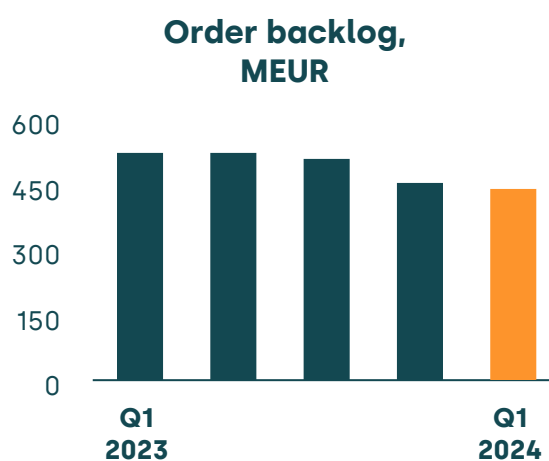
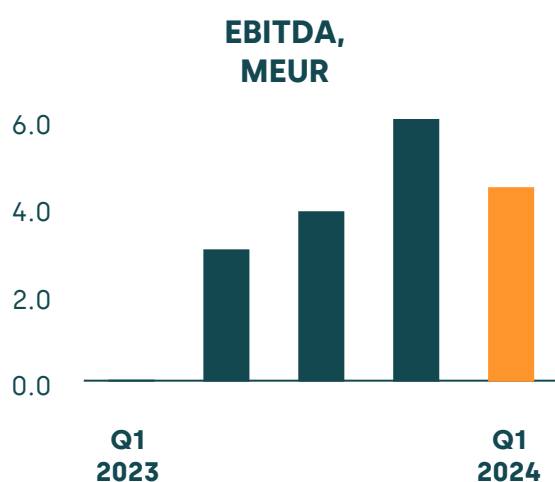
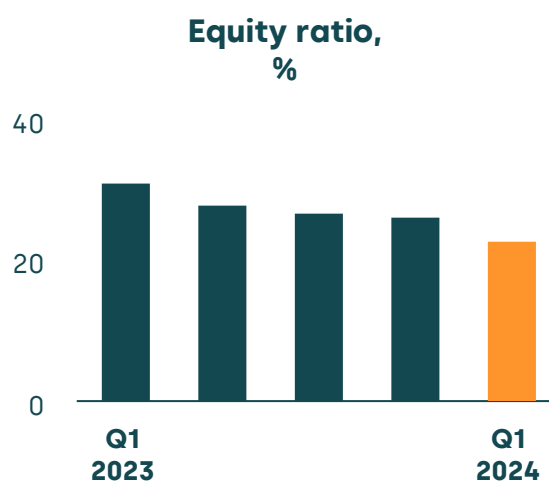
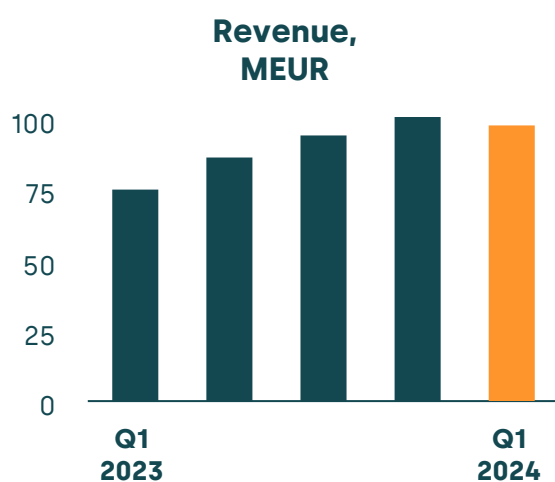
## Guidance for the financial period 2024 (issued on 29 February 2024)

In 2024, Enersense's revenue is expected to be in the range of EUR 365–435 million and EBITDA in the range of EUR 15–25 million.

The revenue is expected to grow in 2024. Outlook especially for the company's growth areas is favourable. The EBITDA is expected to grow. Profitability is expected to improve even if the investments in growth continue.

# Key figures

	1-3/2024	1-3/2023	1-12/2023
Revenue, (EUR 1,000)	98,143	74,998	363,318
EBITDA, (EUR 1,000)	4,489	58	14,704
EBITDA, %	4.6	0.1	4.0
Operating profit, (EUR 1,000)	1,734	-2,293	5,260
Operating profit, %	1.8	-3.1	1.4
Result for the period, (EUR 1,000)	-5,520	-3,778	-9,149
Equity ratio, %	22.8	30.6	26.0
Gearing, %	84.1	57.7	70.2
Return on equity, %	-10.5	-6.0	-16.0
Earnings per share, undiluted, EUR	-0.34	-0.23	-0.54
Earnings per share, diluted, EUR	-0.34	-0.23	-0.54





## President and CEO Jussi Holopainen

The beginning of 2024, too, has been marked by uncertainties related to the operating environment. However, Enersense's growth continued in the first quarter, supported by its strong order backlog. Our revenue increased by 31% year-on-year, increasing to EUR 98 (75) million. The Group's EBITDA, supported by a recognition of around EUR 7 million in revenue from wind power projects, was EUR 4.5 (0.1) million. In the core business operations, considering that profitability is typically low in the first quarter because of seasonality, our performance was partly even better than expected. Offshore business's weaker than expected Q1 burdened, however, the profitability for the entire Group. In total, investments in our strategic focus areas burdened the EBITDA by EUR -5.6 (-2,3) million in the review period. The Group's order backlog was EUR 445 (526) million at the end of March, almost at the same good level as at the end of 2023 (457).

Revenue increased significantly in the Power and Industry business areas. The Power business area's revenue includes sales from wind power projects, and revenue from core business operations also increased. This is the first time we are reporting the Power and International Operations business areas together. Very similar projects have been carried out in these business areas for customers in the electricity network and energy sectors, for example. We believe that by combining international projects under one Power business area, we will increase both our competitiveness and our efficiency. In the Industry business area, revenue from core business operations grew markedly, but the most significant portion of the growth came from offshore business operations. Revenue in the Connectivity business area decreased in the first quarter, which is seasonally slower than the rest of the year.

In the first quarter, EBITDA grew considerably year-on-year. Profitability in the core businesses was good, but the loss in the first quarter in the offshore business turned the Industry business area's EBITDA nearly EUR 3 million in the negative which weakened the profitability of the entire Group. The profitability development of the offshore business is being monitored closely by the management. Difficulties in resource management due to overlapping projects that have increased the realised costs have been identified as the reason for the

poor profitability. Necessary organisational replacements have been carried out in the business, and the measures have been initiated to reverse the profitability trend. The goal is for the EBITDA of the offshore business to become positive by the end of the year.

As a result of the poor performance of the offshore business, with the balance sheet treatment of wind power revenue, the equity ratio was lower than expected at the end of the review period. I am pleased that we reached an agreement with our financiers on lowering the equity ratio covenant limit at the time of review at the end of March. Despite increased uncertainty in the market environment, we believe that the profitability development for the rest of the year will be better, and we reiterate our guidance for 2024 from February.

Enersense's strategy work started in 2020 and is entering the next phase. Enersense's Board of Directors, elected in April, has established a Strategy Committee from among its members, and a review of Enersense's long-term strategy has been started under the leadership of the committee. The strategy work and the related action plans are expected to be completed during 2024. To strengthen and accelerate the implementation of the company's new development phase, Jyrki Paappa has been appointed as Enersense's CFO as of 22 July 2024. He is a highly experienced professional who will contribute to our growth journey and the achievement of our strategic targets.

## Additional information

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More information on the company's [website](#).

## Operating environment in the review period

Despite the on-going international conflicts that maintain geopolitical tensions and uncertainty about the development of the global economy, the market situation in Enersense's business areas remained favourable during the first quarter of the year 2024. Political strikes that were arranged in Finland in the beginning of the year were visible in the operating environment but they did not have any meaningful impact on Enersense's operations. Although the prices of raw materials, other materials and energy, which rose as a result of Russia's attack on Ukraine, have stabilised and partly returned to pre-war levels, overall inflation in some of the markets relevant to Enersense remained high.

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

## Financial result

### Order backlog

Compared with the comparison period, the order backlog decreased by 15% and was EUR 445 (526) million at the end of the first quarter of 2024.

Compared with the comparison period the order backlog decreased in the Industry and Power segments but increased in the Connectivity segment.

### Order backlog by segment

MEUR	31.3.2024	31.3.2023	Change-%	31.12.2023
Industry	120	187	-36	144
Power	204	243	-16	185
Connectivity	121	96	26	128
<b>Group</b>	<b>445</b>	<b>526</b>	<b>-15</b>	<b>457</b>

## Revenue and profitability

In 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 Jan 2024).

Comparison figures for 2023 are reported according to the new organisational structure. Smart Industry segment's name has been changed to Industry.

## Revenue by segment

EUR thousand	1-3/2024	1-3/2023	Change-%	1-12/2023
Industry	36,985	26,150	41.4	113,712
Power	51,102	38,079	34.2	191,691
Connectivity	10,056	10,774	-6.7	57,771
Items not allocated to business areas	—	-5	-100.0	144
<b>Total</b>	<b>98,143</b>	<b>74,998</b>	<b>30.9</b>	<b>363,318</b>

## EBITDA by segment

EUR thousand	1-3/2024	1-3/2023	Change-%	1-12/2023
Industry	-2,675	1,108	n.a.	5,262
Power	7,966	226	n.a.	14,733
Connectivity	-576	-40	n.a.	2,273
Items not allocated to business areas	-227	-1,236	-81.7	-7,564
<b>Total</b>	<b>4,489</b>	<b>58</b>	<b>n.a.</b>	<b>14,704</b>

## Revenue by target area

EUR thousand	1-3/2024	1-3/2023	Change-%	1-12/2023
Finnish sites	58,502	55,889	4.7	241,397
International sites	39,640	19,110	107.4	121,921
<b>Total</b>	<b>98,143</b>	<b>74,998</b>	<b>30.9</b>	<b>363,318</b>

## January–March 2024

The Group's revenue increased by 30.9% and was EUR 98.1 (75.0) million. The revenue includes EUR 6.9 (0) million of realised sales gains from completed wind power projects.

Revenue increased in Industry and Power segments but decreased in a seasonally low quarter in Connectivity segment.

EBITDA was EUR 4.5 (0.1) million. The EBITDA margin was 4.6 (0.1)%.

In the first quarter, EBITDA, that was supported by the realised sales gains from completed wind power projects, grew considerably year-on-year. Challenges in the ramp-up of the offshore business burdened the Industry business area's EBITDA and the profitability of the entire Group. In total, investments in our strategic focus areas burdened EBITDA by EUR -5.6 (-2.3) million in the review period.

The operating profit was EUR 1.7 (-2.3) million. The profit margin was 1.8 (-3.1)%.

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



# Financial position and cash flow

## Profit before taxes, result for the period and earnings per share

### January–March 2024

Net financial expenses were EUR -6.2 (-1.5) million, including distribution of funds, totalling EUR 4.4 million, to minority shareholders in Enersense Wind based on the shareholders' agreement, interest from the convertible bond as well as other loans and financing.

The result before taxes was -4.4 (-3.8) million, and the result for the review period was EUR -5.5 (-3.8) million.

Undiluted earnings per share were EUR -0.34 (-0.23).

## Cash flow and financing

### January–March 2024

Net cash flow from operating activities was EUR 0.6 (-15.7) million. In the comparison period, cash flow was impacted by projects in the Power segment's international operations that tied up working capital and high value added tax payments.

Net cash flow from investing activities was EUR -0.5 (-3.0) million.

Net cash flow from financing activities was EUR -2.4 (-2.3) million.

The Group's cash and cash equivalents totalled EUR 9.0 (17.7) million at the end of the review period. Cash and cash equivalents declined by EUR 8.7 million compared with the comparison period and by EUR 2.2 million from the end of 2023.

The Group's balance sheet total stood at EUR 213.6 (203.0) million at the end of the review period.

Equity stood at EUR 46.5 (58.8) million at the end of 2023. Liabilities amounted to EUR 167.1 (144.2) million. At the end of the review period, the equity ratio was 22.8 (30.6)%, and net gearing was 84.1 (57.7)%. Return on equity in the review period was -10.5 (-6.0)%.

## Covenants

Enersense's financing package that covers the company's senior loans and bank, leasing and financial guarantee facilities includes covenants concerning the equity ratio and the ratio of interest-bearing net debt to EBITDA, which are reviewed quarterly, and a minimum liquidity covenant, which is reviewed monthly, if the covenant for the ratio of interest-bearing net debt to EBITDA was not met.

At the time of review at the end of the review period, the company's equity ratio in accordance with the terms of its financing agreement was 34.12%, which is lower than the level specified in the financing agreement (37.5%). The financiers have given their consent to a lower equity ratio than that specified in the agreement at the time of review on 31 March 2024.

Enersense is negotiating with financiers to further specify the covenant level for the full year 2024.

At the time of review, the company met the requirements of the financial covenant measuring the ratio of interest-bearing net debt to EBITDA.

The covenants are explained in more detail in paragraph "Capital Management" in Note 20 to the Financial Statements. The Financial Statements are available on the company's [website](#).

## Segment reviews

### 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. As its strategic growth area, the segment also provides resource and project services for Finnish and international customers' onshore and offshore projects

MEUR	1-3/2024	1-3/2023	Change-%	1-12/2023
Revenue	37.0	26.1	41.4	113.7
EBITDA	-2.7	1.1	n.a.	5.3
EBITDA-%	-7.2	4.2		4.6
Order backlog	120	187	-36	144
Personnel (FTE)	757	775		716

#### January–March 2024

The Industry segment's market environment remained stable during the review period. The long-term outlook is positive, particularly in the offshore business.

The Industry segment's revenue increased by 41.4% and was EUR 37.0 (26.1) million.

Revenue increased especially in the offshore business, where the first major projects in progress increased business volumes from the comparison period. Revenue also increased markedly in the core business operations, which include the mechanical project business, the electricity and automation business, and the operation and maintenance business.

The Industry segment's EBITDA was EUR -2.7 (1.1) million.

EBITDA decreased significantly because of the challenges in the ramp-up of the offshore business. Difficulties in resource management, due to overlapping projects that have increased the realised costs, have been identified as the reason for the poor profitability. Necessary organisational replacements have been carried out in the business, and the measures have been initiated to reverse the profitability trend. The goal is for the EBITDA of the offshore business to become positive by the end of the year. The first quarter was strong in the Industry segment's resource and project services and operation and maintenance functions.

The average number of personnel (FTE) in the Industry segment was 757 (775) in the review period.

#### Order backlog

The Industry segment's order backlog developed according to expectations and stood at EUR 120 (187) million at the end of the review period. Order backlog decreased by EUR 67 million or 36% year-on-year. At the end of the review period, the order backlog decreased by EUR -25 million from the the year-end 2023.

## Power

In 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 Jan 2024). Comparison figures for 2023 are reported according to the new organisational structure.

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

MEUR	1-3/2024	1-3/2023	Change-%	1-12/2023
Revenue	51.1	38.1	34.2	191.7
EBITDA	8.0	0.2	n.a.	14.7
EBITDA-%	15.6	0.6		7.7
Order backlog	204	243	-16	185
Personnel (FTE)	824	814		812

### January–March 2024

Market environment in the Power segment remained stable during the review period.

The Power segment's revenue increased by 34.2% and was EUR 51.1 (38.1) million. The revenue includes EUR 6.9 (0) million of realised sales gains from completed wind power projects.

The Power segment's EBITDA was EUR 8.0 (0.2) million in the review period.

Realised sales gains from completed wind power projects strengthened the EBITDA. Profitability of the core businesses improved, too, year-on-year. However, investments in the EV charging business still burden the profitability.

The Power segment's average number of personnel (FTE) was 824 (814) in the review period.

### Order backlog

The progress of the energy transition is supporting demand in the Power segment. Due to the nature of the business operations in the Baltics, the order backlog does not grow steadily, because the majority of sales come from major framework agreements and long-term projects that are valid for several years. In the synchronisation projects between the Baltic countries' and European electricity distribution systems, the order intake reached its peak in early 2023, which is reflected in high comparison figures.

The Power segment's order backlog stood at EUR 204 (243) million at the end of the review period. The order backlog decreased by EUR 39 million or 16% from the comparison period. Compared with the end of 2023, the order backlog increased by 19 million.

Significant orders received during the review period:

- A project won in Fingrid's public bidding process to build three new 110 kV substations in the Harjavalta area (investor news 5 February 2024). The substations will be built as gas insulated switchgear (GIS) using

- a gas insulation solution that does not contain any SF6 gas which is a significant greenhouse gas. The value of the contract is roughly EUR 20 million and the project will continue until the summer of 2027.
- A follow-up agreement signed with the Estonian network operator, Elektrilevi, regarding the maintenance of electricity networks (investor news 12 February 2024). The total value of the contract for Enersense is approximately EUR 8 million. The agreement includes the maintenance of electricity distribution networks, troubleshooting and connecting solar parks in Estonia's West-Harju areas to the electricity distribution network. The contract will expire by the end of the first quarter of 2026.

## Connectivity

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

MEUR	1-3/2024	1-3/2023	Change-%	1-12/2023
Revenue	10.1	10.8	-6.7	57.8
EBITDA	-0.6	0.0	n.a.	2.3
EBITDA-%	-5.7	-0.4		3.9
Order backlog	121	96	26	128
Personnel (FTE)	358	344		355

### January–March 2024

Market environment in the Connectivity segment remained stable during the review period.

The Connectivity segment's revenue decreased by 6.7% and was EUR 10.1 (10.8) million. The revenue volume in the first quarter is typically the lowest of the year in the Connectivity segment.

The Connectivity segment's EBITDA was EUR -0.6 (0.0) million.

Seasonally low volumes burdened profitability during the review period. In addition, the focus in the early part of the year was on the segment's lower-margin projects.

The average number of personnel (FTE) in the Connectivity segment was 358 (344) in the review period.

### Order backlog

The Connectivity segment's order backlog stood at EUR 121 (96) million at the end of the review period. The order backlog grew by EUR 25 million or 26% year-on-year. Compared with the end of 2023, the order backlog decreased by EUR 7 million.

Due to the nature of the business operations, the order backlog does not grow steadily, because the majority of sales come from long-term framework agreements that are valid for several years.

# Group personnel

Enersense mainly operates in Finland, Estonia, Latvia and Lithuania. The Group had an average of 2,004 (1,993) employees during the review period.

## Number of personnel on average (Full Time Equivalent, FTE) by business area

	1-3/2024	1-3/2023	1-12/2023
Industry	757	775	716
Power	824	814	812
Connectivity	358	344	355
Other	65	60	59
<b>Group total</b>	<b>2,004</b>	<b>1,993</b>	<b>1,942</b>



# Governance

## Resolutions of Enersense International Plc's Annual General Meeting and the organizing meeting of the Board of Directors

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 Annual General Meeting resolved that the result for the financial period 1 January 2023 to 31 December 2023 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. In addition, the Annual General Meeting resolved to authorize the Board of Directors to decide on the distribution of funds to shareholders from the invested unrestricted equity reserve as a return of capital of at most EUR 0.10 per share, i.e. at most EUR 1,649,252.70 in total. The return of capital could be paid in up to two instalments during the period between July and December 2024 as determined by the Board of Directors.

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 and resolved to re-elect Jaakko Eskola, Sirpa-Helena Sormunen, Sari Helander, Petri Suokas, Anna Miettinen and Carl Haglund as members of the Board of Directors, and Ville Vuori and Anders Dahlblom as new members of the Board of Directors.

The Annual General Meeting resolved that auditing firm KPMG Oy Ab continues as the auditor of the Company. Heli Tuuri, Authorised Public Accountant, shall be the principally responsible auditor. The term of office of the auditor shall end at the end of the next Annual General Meeting following the election. The auditor's remuneration shall be paid according to a reasonable invoice approved by the Audit Committee. In addition the Annual General Meeting 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, and a fee for this duty will be paid according to an invoice approved by the Audit Committee.

The AGM authorised the Board to decide on the issue of shares against payment, as well as on the acquisition and/or acceptance as pledge of the company's own shares, according to the Board's proposal.

More information about the resolutions of the AGM is provided in a stock exchange release issued on 4 April 2024 and on the company's [website](#).

## Group Executive Team

On 9 January 2024, Enersense announced that in connection with the merger of the Power and International Operations businesses, Margus Veensalu, Executive Vice President, International Operations, will step down from the Group Executive Team.

After the review period on 9 April 2024, Enersense announced that CFO Mikko Jaskari would leave his position, and that Jyrki Paappa had been appointed as Enersense's CFO and a member of the Group Executive Team as of 22 July 2024. In the meantime, Risto Takkala is serving as Enersense's acting CFO.

## Flagging notifications

Enersense received, on 5 February 2024, from Virala Oy Ab a notification, pursuant to Chapter 9, Section 5 and 6 of the Finnish Securities Markets Act (SMA), about a change in their shareholding. According to the notification Virala Oy Ab's subsidiary Nidoco AB holds 21.98% of Enersense's total number of shares and votes. Virala Oy Ab's holding through financial instruments amounts to 800,000 shares, which corresponds to 4.85% of the total amount of Enersense's shares. The combined holding of Virala and Nidoco together is 4,425,000 shares, which corresponds to 26.83% of Enersense's shares and votes. Before the notification, Nidoco's holding was 4,425,000 shares, which corresponded to 26.83% of Enersense's shares and votes.

## Share-based incentive schemes

Enersense International Plc's Board of Directors decided on 29 February 2024 on new share-based incentive scheme for the Group's key personnel. The new incentive plan is a continuation of the Performance Share Plan 2023–2025 decided in February 2023.

### Share-based incentive 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 absolute total shareholder return of the company's share (TSR) for the financial years 2024–2026, on the Group's cumulative EBITDA in euro for the financial years 2024–2026, and on the execution of the Group's ESG program.

The potential rewards based on the plan will be paid after the end of the performance period, in spring 2027. The rewards will be paid partly in Enersense International Plc shares and partly in cash. The cash proportions of the rewards are intended for covering taxes and statutory social security contributions arising from the rewards to the participants. In general, no reward is paid if the participant's employment or director contract terminates before the reward payment. The rewards to be paid based on the plan correspond to the value of an approximate maximum total of 369,784 Enersense International Plc shares, also including the proportion to be paid in cash.

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

Additional information on remuneration is available on the company's [website](#).

# Near-term risks and uncertainties

In its operations, Enersense is exposed to strategic, operational and financial risks as well as to external threats. Enersense seeks to protect against the above risks through regular risk assessment and particularly in connection with the processing of its strategy and decisions related to business projects or investments significant for the Group. Compared with what was reported in the Board of Directors' report for 2023, no material changes have taken place in significant short-term risks and uncertainties.

The on-going international conflicts maintain geopolitical tensions and uncertainty about the development of the global economy. Inflation in some of the markets relevant to Enersense continues to be high and there is a risk that old contracts in particular cannot be renegotiated.

Increased uncertainty about economic development and the increase in operating and financial costs caused by high inflation have had a negative impact on investment environment and in the short term, the difficult predictability of the operating environment has begun to cause delays in investment decisions. This may lead to a deterioration in the financial position of customers and further to a decrease in demand for Enersense's services and slower-than-expected sales development. Changes in the investment environment may have a negative impact on Enersense's financial position, through factors such as the availability of financing, as well as 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.

A broader description of the company's major risks and uncertainties is available on the company's [website](#).

The risks related to the company's financing are explained in more detail in Note 20 Financial risk and capital management to the Financial Statements 2023, which is available on the company's [website](#).

## Guidance for the financial period 2024 (issued on 29 February 2024)

In 2024, Enersense's revenue is expected to be in the range of EUR 365–435 million and EBITDA in the range of EUR 15–25 million.

The revenue is expected to grow in 2024. Outlook especially for the company's growth areas is favourable. The EBITDA is expected to grow. Profitability is expected to improve even if the investments in growth continue.



# Significant events after the review period

## Stock exchange releases:

- On 9 April 2024, Enersense announced that Mikko Jaskari, the company's CFO and a member of the Group Executive Team, will step down from his position. Jyrki Paappa has been appointed new CFO and member of the Group Executive Team from 22 July 2024.

## Investor news:

- Enersense told on 12 April 2024 that a Swiss energy company Alpiq will invest approximately 47 million euros in P2X. With the investment, Alpiq becomes the majority owner of P2X. By its significant investment, Alpiq substantially strengthens P2X's position and ability to scale up their business. Enersense continues at the Board of P2X and thus treats it as an associated company. P2X's ownership arrangement does not have a cash flow impact on Enersense, nor has it any impact on the investment's balance sheet value.

Pori 26 April 2024  
ENERSENSE INTERNATIONAL PLC  
Board of Directors

A person wearing a high-visibility yellow-green safety vest and a dark jacket is working with a complex network of colorful fiber optic cables. The cables are bundled together and connected to a white plastic patch panel. The person's hands are visible, one holding a small white component. The background is blurred, showing more of the person's vest and the work area. The text "Tables to the Business review" is overlaid in white, bold, sans-serif font across the center of the image.

# Tables to the Business review

## Consolidated income statement

EUR thousand	1–3/2024	1–3/2023	1–12/2023
Revenue	98,143	74,998	363,318
Change in inventories of finished goods and work in progress	-4,524	-999	3,735
Work performed for own purposes and capitalised	-3	—	-14
Other operating income	77	337	1,957
Material and services	-50,480	-36,408	-202,874
Employee benefits expense	-29,116	-29,268	-114,729
Depreciation and amortisation	-2,755	-2,351	-9,444
Other operating expenses	-9,478	-8,571	-36,440
Share of profit /loss accounted for using the equity method	-131	-31	-249
<b>Operating profit</b>	<b>1,734</b>	<b>-2,293</b>	<b>5,260</b>
Finance income	149	—	43
Finance expense	-6,326	-1,498	-13,852
Finance income and expense	-6,177	-1,498	-13,809
<b>Profit/loss before tax</b>	<b>-4,443</b>	<b>-3,790</b>	<b>-8,549</b>
Tax on income from operations	-1,077	13	-600
<b>Profit/loss for the period</b>	<b>-5,520</b>	<b>-3,778</b>	<b>-9,149</b>
Other OCI-items			
Items that may be reclassified to profit or loss			
Translation differences	-27	-11	-14
Remeasurements of post-employment benefit obligations	—	—	45
Other comprehensive income for the period, net of tax	-27	-11	31
<b>Total comprehensive income for the period</b>	<b>-5,548</b>	<b>-3,788</b>	<b>-9,118</b>
<b>Profit (loss) for the period attributable to:</b>			
Equity holders of the parent company	-5,584	-3,745	-8,926
Non-controlling interests in net income	64	-32	-223
<b>Profit/loss for the period</b>	<b>-5,520</b>	<b>-3,778</b>	<b>-9,149</b>
Total comprehensive income for the period attributable to:			
Owners of the parent company	-5,612	-3,756	-8,895
Non-controlling interests	64	-32	-223
<b>Total comprehensive income for the period</b>	<b>-5,548</b>	<b>-3,788</b>	<b>-9,118</b>
Earnings per share attributable to the owners of the parent company, undiluted	-0.34	-0.23	-0.54
Earnings per share attributable to the owners of the parent company, diluted	-0.34	-0.23	-0.54

# Consolidated balance sheet

EUR thousand	31.3.2024	31.3.2023	31.12.2023
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	27,805	27,874	27,805
Other intangible assets	40,041	39,771	40,193
Property, plant, equipment	21,424	22,500	21,230
Investments accounted for using the equity method	13,750	13,506	13,881
Non-current investment and receivables	4,462	7,600	4,339
Deferred tax-assets	1,288	1,342	1,297
<b>Total non-current assets</b>	<b>108,768</b>	<b>112,592</b>	<b>108,744</b>
<b>Current assets</b>			
Inventories	14,294	13,417	18,127
Trade receivables	30,436	22,906	40,291
Current income tax receivables	6	9	2
Other receivables	51,130	36,387	35,327
Cash and cash equivalents	9,001	17,683	11,249
<b>Total current assets</b>	<b>104,867</b>	<b>90,401</b>	<b>104,996</b>
<b>Total assets</b>	<b>213,635</b>	<b>202,994</b>	<b>213,740</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	80	80	80
Unrestricted equity reserve	62,361	64,010	62,361
Other reserves	313	313	313
Translation differences	43	74	70
Retained earnings	-10,913	-2,247	-1,958
Profit (loss) for the period	-5,584	-3,745	-8,926
<b>Total equity attributable to owners of the parent company</b>	<b>46,300</b>	<b>58,484</b>	<b>51,940</b>
Non-controlling interests	232	358	167
<b>Total equity</b>	<b>46,531</b>	<b>58,842</b>	<b>52,108</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	28,482	31,369	28,270
Lease liabilities	8,716	10,674	9,266
Other liabilities	3	550	3
Deferred tax liabilities	5,916	6,556	5,973
Employee benefit obligations	356	381	356
Provisions	472	504	472
<b>Total non-current liabilities</b>	<b>43,945</b>	<b>50,034</b>	<b>44,340</b>
<b>Current liabilities</b>			
Borrowings	4,415	3,977	4,167
Lease liabilities	6,285	5,641	6,141
Advances received	9,931	10,692	12,973
Trade payables	25,385	25,505	25,992
Payment arrangement with the Tax administration	8,713	—	—
Current income tax liabilities	2,381	2,979	1,268
Other payables	65,173	44,909	66,518
Provisions	876	415	234
<b>Total current liabilities</b>	<b>123,159</b>	<b>94,118</b>	<b>117,292</b>
<b>Total liabilities</b>	<b>167,104</b>	<b>144,152</b>	<b>161,632</b>
<b>Total equity and liabilities</b>	<b>213,635</b>	<b>202,994</b>	<b>213,740</b>

# Consolidated cash flow statement

EUR thousand	1-3/2024	1-3/2023	1-12/2023
<b>Cash flow from operating activities</b>			
<b>Profit (loss) for the period</b>	<b>-5,520</b>	<b>-3,778</b>	<b>-9,149</b>
Adjustments:			
Depreciation, amortisation and impairment	2,755	2,351	9,444
Gains and losses on the sale of subsidiaries	—	—	-893
Gains and losses on the sale of property, plant and equipment	-15	—	-103
Share of profits (losses) of associates	131	31	249
Interest income and other financial income and expenses	6,177	1,498	13,809
Income tax	1,077	-13	600
Other adjustments	657	854	-789
<b>Total adjustments</b>	<b>10,781</b>	<b>4,721</b>	<b>22,316</b>
Changes in working capital			
Change in trade and other receivables	-6,275	8,697	-6,325
Change in trade payables and other liabilities	-741	-23,956	-807
Change in inventories	3,833	-293	-5,003
Interest received	37	—	39
Interest paid	-1,098	-383	-3,919
Other financial items	-375	-660	-9,463
Income tax	—	-29	-2,890
<b>Net cash flow from operating activities</b>	<b>642</b>	<b>-15,681</b>	<b>-15,201</b>
<b>Cash flow from investing activities</b>			
Investments in tangible and intangible fixed assets	-699	-624	-2,218
Sale of fixed assets	4	217	561
Sale of subsidiaries, less cash and cash equivalents sold	200	—	543
Additional investments in associated companies	—	-2,600	-3,228
Sale of associated companies	—	—	1,023
Repayments of loans granted to associated companies	—	—	218
Dividends from associated companies	—	—	36
<b>Net cash flow from investing activities</b>	<b>-495</b>	<b>-3,006</b>	<b>-3,065</b>
<b>Cash flow from financing activities</b>			
Issue of shares	—	—	—
Withdrawals of loans	3,699	159	19,280
Repayments of loans	-4,346	-754	-20,433
Paid distribution of funds	—	—	-1,649
Payments of lease liabilities	-1,748	-1,740	-6,387
<b>Net cash flow from financing activities</b>	<b>-2,395</b>	<b>-2,335</b>	<b>-9,190</b>
Net change in cash and cash equivalents	-2,248	-21,022	-27,455
Cash and cash equivalents at the beginning of the period	11,249	38,704	38,704
<b>Cash and cash equivalents at the end of the period</b>	<b>9,001</b>	<b>17,683</b>	<b>11,249</b>

# Consolidated statement of changes in equity

## Equity attributable to owners of the parent company

Equity attributable to owners of the parent company								
EUR thousand	Share capital	Invested unrestricted equity reserve	Other reserves	Translation differences	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interest	Total equity
<b>Equity at 1 Jan 2024</b>	<b>80</b>	<b>62,361</b>	<b>313</b>	<b>70</b>	<b>-10,885</b>	<b>51,940</b>	<b>167</b>	<b>52,108</b>
Profit (loss) for the period	—	—	—	—	-5,584	-5,584	64	-5,520
Translation differences	—	—	—	-27	—	-27	—	-27
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-27</b>	<b>-5,584</b>	<b>-5,612</b>	<b>64</b>	<b>-5,548</b>
<b>Transactions with owners:</b>								
Share based payments	—	—	—	—	-22	-22	—	-22
Other transactions	—	—	—	—	-8	-8	—	-8
<b>Total transactions with owners</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-30</b>	<b>-30</b>	<b>—</b>	<b>-30</b>
<b>Equity at 31 Mar 2024</b>	<b>80</b>	<b>62,361</b>	<b>313</b>	<b>43</b>	<b>-16,499</b>	<b>46,299</b>	<b>232</b>	<b>46,531</b>

## Equity attributable to owners of the parent company

Equity attributable to owners of the parent company								
EUR thousand	Share capital	Invested unrestricted equity reserve	Other reserves	Translation differences	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interest	Total equity
<b>Equity at 1 Jan 2023</b>	<b>80</b>	<b>64,010</b>	<b>313</b>	<b>84</b>	<b>-2,268</b>	<b>62,220</b>	<b>389</b>	<b>62,609</b>
Profit (loss) for the period	—	—	—	—	-3,745	-3,745	-32	-3,778
Translation differences	—	—	—	-11	—	-11	—	-11
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-11</b>	<b>-3,745</b>	<b>-3,756</b>	<b>-32</b>	<b>-3,788</b>
<b>Transactions with owners:</b>								
Share based payments	—	—	—	—	22	22	—	22
Other transactions	—	—	—	—	-1	-1	—	-1
<b>Total transactions with owners</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21</b>	<b>21</b>	<b>—</b>	<b>21</b>
<b>Equity at 31 Mar 2023</b>	<b>80</b>	<b>64,010</b>	<b>313</b>	<b>74</b>	<b>-5,993</b>	<b>58,484</b>	<b>358</b>	<b>58,842</b>

# Notes to the consolidated interim report

## 1. Accounting principles

This is not an interim report in accordance with IAS 34. The company complies with half-yearly reporting in accordance with the Securities Market Act and publishes business reviews for the first three and nine months of the year, which present key information describing the company's financial development.

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

## 2. Revenue and business areas

On 9 January 2024, Enersense announced that it is merging the Power and International Operations business areas into a single business area. At the same time, the Smart Industry business area was renamed Industry. From the beginning of 2024, Enersense will report three business areas: Power, Industry, and Connectivity.

### Revenue by segment

EUR thousand	1-3/2024	1-3/2023	1-12/2023
Industry	36,985	26,150	113,712
Power	51,102	38,079	191,691
Connectivity	10,056	10,774	57,771
Items not allocated to business areas	—	-5	144
<b>Total</b>	<b>98,143</b>	<b>74,998</b>	<b>363,318</b>

### Geographical distribution of revenue by target country

EUR thousand	1-3/2024	1-3/2023	1-12/2023
Finland	58,502	55,889	241,397
Other countries	39,640	19,110	121,921
<b>Total</b>	<b>98,143</b>	<b>74,998</b>	<b>363,318</b>

### EBITDA by segment

EUR thousand	1-3/2024	1-3/2023	1-12/2023
Industry	-2,675	1,108	5,262
Power	7,966	226	14,733
Connectivity	-576	-40	2,273
Items not allocated to business areas	-227	-1,236	-7,564
<b>Total</b>	<b>4,489</b>	<b>58</b>	<b>14,704</b>

## Reconciliation of (EBITDA) to operating profit

EUR thousand	1-3/2024	1-3/2023	1-12/2023
EBITDA	4,489	58	14,704
Depreciation, amortisation and impairment	-2,755	-2,351	-9,444
<b>Operating profit</b>	<b>1,734</b>	<b>-2,293</b>	<b>5,260</b>

### 3. Incentive scheme (IFRS 2)

The Board of Directors of Enersense International Plc has decided on new share-based incentive plan directed to the Group key employees. The aim is to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term, to retain the key employees at the company and to offer them competitive incentive plan that is based on earning and accumulating the company's shares. The new incentive plan is a continuation of the Performance Share Plan 2023–2025 decided in February 2023. The new 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 absolute total shareholder return of the company's share (TSR) for the financial years 2024–2026, on the Group's cumulative EBITDA in euro for the financial years 2024–2026, and on the execution of the Group's ESG program.

The potential rewards based on the plan will be paid after the end of the performance period, in spring 2027. The rewards will be paid partly in Enersense International Plc shares and partly in cash. The cash proportions of the rewards are intended for covering taxes and statutory social security contributions arising from the rewards to the participants. In general, no reward is paid if the participant's employment or director contract terminates before the reward payment.

The rewards to be paid based on the plan correspond to the value of an approximate maximum total of 369,784 Enersense International Plc shares, also including the proportion to be paid in cash. Approximately 40 persons, including the President and CEO and other members of the Group Executive Team, belong to the target group of the plan.

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

### 4. Financing

#### Covenants

Enersense's financing package that covers the company's senior loans and bank, leasing and financial guarantee facilities includes covenants concerning the equity ratio and the ratio of interest-bearing net debt to EBITDA, which are reviewed quarterly, and a minimum liquidity covenant, which is reviewed monthly, if the covenant for the ratio of interest-bearing net debt to EBITDA was not met.



At the time of review at the end of the review period, the company's equity ratio in accordance with the terms of its financing agreement was 34.12%, which is lower than the level specified in the financing agreement (37.5%). The financiers have given their consent to a lower equity ratio than that specified in the agreement at the time of review on 31 March 2024.

Enersense is negotiating with financiers to further specify the covenant level for the full year 2024.

At the time of review, the company met the requirements of the financial covenant measuring the ratio of interest-bearing net debt to EBITDA.

The covenants are explained in more detail in paragraph "Capital Management" in Note 20 to the Financial Statements. The Financial Statements are available on the company's [website](#).

## 5. Significant events after the reporting period

On 9 April 2024, Enersense announced that Mikko Jaskari, the company's CFO and a member of the Group Executive Team, will step down from his position. Jyrki Paappa has been appointed new CFO and member of the Group Executive Team from 22 July 2024.

# Calculation principles for key performance indicators

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



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