



Financial Statement Bulletin 2023

January – December 2023

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

Strong performance in the whole Group – revenue grew by 29% in 2023

The figures in this bulletin are unaudited.

October–December 2023

- Revenue was EUR 107.8 (97.6) million, +10.5% year-on-year.
- EBITDA was EUR 7.7 (3.4) million. The EBITDA margin was 7.1 (3.5)%.
- There were no items affecting comparability in the fourth quarter. Adjusted EBITDA for the comparison period was EUR 4.3 million or 4.5% of revenue.
- The operating profit was EUR 5.3 (1.1) million. The profit margin was 4.9 (1.1)%.
- Undiluted earnings per share were EUR -0.15 (-0.34).

January–December 2023

- Revenue was EUR 363.3 (282.0) million, +28.8% year-on-year.
- EBITDA was EUR 14.7 (12.2) million. The EBITDA margin was 4.0 (4.3)%.
- Adjusted EBITDA was EUR 15.1 (13.7) million, or 4.2 (4.8)% of revenue.
- The operating profit was EUR 5.3 (3.5) million. The profit margin was 1.4 (1.2)%.
- Undiluted earnings per share were EUR -0.54 (-0.57).
- Renewable energy project portfolio was approximately 8,800 MW at the end of the year 2023 (6/2023: 8,100 MW) of which onshore wind power projects approximately 8,400 MW (6/2023: 8,100 MW).
- The order backlog stood at EUR 457 (415) million.

After 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 will be renamed Industry. From the beginning of 2024, Enersense will report three business areas instead of the current four: 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 2 February 2024, Enersense announced that the Shareholders' Nomination Board proposes that the current Board members will be re-elected as board members, and Ville Vuori and Anders Dahlblom will be elected as new board members.

Distribution of funds to the shareholders

The Board of Directors proposes to the General Meeting 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 Board of Directors proposes to the General Meeting that the Board of Directors be authorized 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 1.6 million 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 possible return of capital would be paid to shareholders who, on the record dates determined subsequently by the Board of Directors, are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd. The authorization is valid until 31 December 2024 at the latest.

Guidance for the 2024 financial year

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.

Board of Directors' Report and Financial Statements

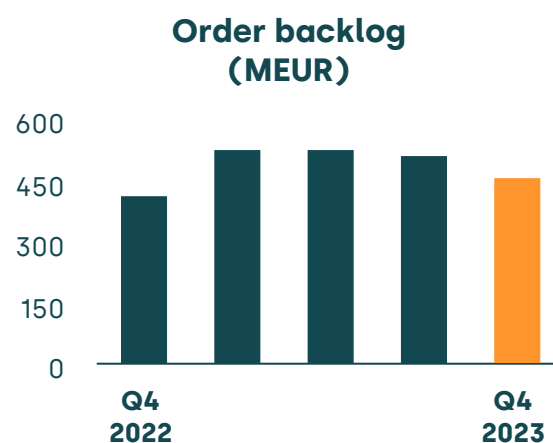
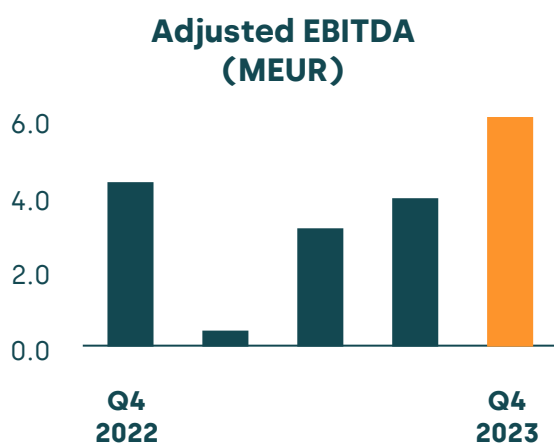
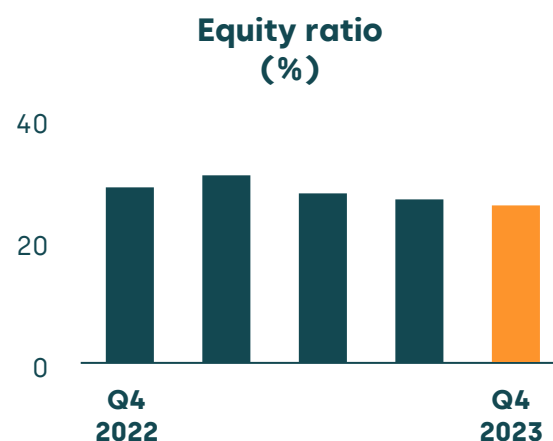
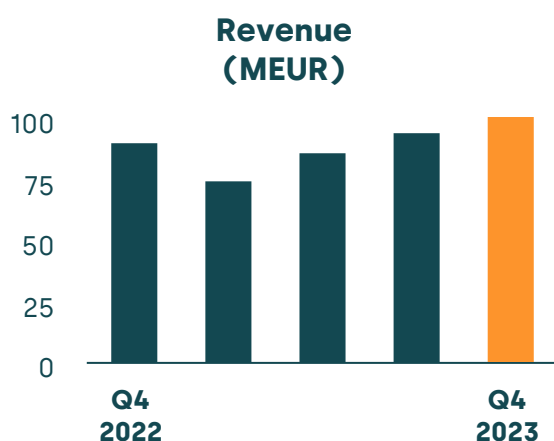
The 2024 Annual General Meeting of Enersense International Plc is scheduled to take place on Thursday 4 April 2024. The company's Board of Directors will convene the Annual General Meeting separately.

Enersense's Financial Statements and Board of Directors' Report (ESEF), Corporate Governance Statement and Remuneration Report for 2023 will be published during the week beginning 4 March 2024. All reports will be available on the company's [website](#).

Key figures

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

	10-12/2023	10-12/2022	Change-%	1-12/2023	1-12/2022	Change-%
Revenue (EUR 1,000)	107,827	97,578	10.5	363,318	281,997	28.8
EBITDA (EUR 1,000)	7,655	3,367	127.4	14,704	12,210	20.4
EBITDA, %	7.1	3.5		4.0	4.3	
Adjusted EBITDA (EUR 1,000)	7,655	4,350	76.0	15,115	13,654	10.7
Adjusted EBITDA, %	7.1	4.5		4.2	4.8	
Operating profit (EUR 1,000)	5,311	1,095	n.a	5,260	3,479	51.2
Operating profit, %	4.9	1.1		1.4	1.2	
Result for the period (EUR 1,000)	-2,356	-5,577		-9,149	-9,835	
Equity ratio, %	26.0	28.8		26.0	28.8	
Gearing, %	70.2	19.0		70.2	19.0	
Return on equity, %	-4.1	-9.9		-16.0	-17.5	
Earnings per share, undiluted, EUR	-0.15	-0.34		-0.54	-0.57	
Earnings per share, diluted, EUR	-0.15	-0.34		-0.54	-0.57	





President and CEO Jussi Holopainen

Our strong growth continued in 2023, and we improved the profitability of our core business operations. Our revenue increased by 28.8% from 2022 and was EUR 363.3 (282.0) million. The revenue includes EUR 7.6 million (14.0) in sales revenue from wind power projects. The Group's adjusted EBITDA was EUR 15.1 (13.7) million. The profitability of the core business operations improved in all business areas. However, investments in strategic focus areas continued to be significant, and had an impact of EUR -11.8 (-6.1) million on EBITDA. At the end of the year, the Group's order backlog was at a good level, at EUR 457 (415) million. The Group's cash flow turned positive in the last quarter of the year.

Implementing the energy transition through profitable and growing business operations is at the core of our strategy. In 2023, all our business areas increased their revenue significantly, supported by a strong order backlog. In the Baltic countries, the construction of high-voltage power lines continued at a good level. In Connectivity, there was strong activity in fixed optical fibre construction projects. In late 2022 and early 2023, we announced contracts totalling around EUR 100 million for the construction of optical fibre connections. In the Power business area, the market situation was good, particularly in services related to the construction of transmission networks. Enersense plays a significant role in implementing projects related to Finland's main grid. In Smart Industry, revenue increased as a result of higher volumes in service and project business operations.

We are particularly pleased with the significant increase in EBITDA in the Smart Industry, Connectivity and International Operations business areas. In the Power business area, EBITDA decreased year-on-year. Investments in strategic focus areas continued to be reflected in the profitability of the Smart Industry and Power business areas, and especially the ramp-up of the offshore-business has been slower than anticipated. However, both business areas have been able to improve the profitability of their core business operations, supported by strong volumes in particular. In the International Operations and Connectivity

business areas, higher volumes and profitability improvement measures have already yielded results. Our significant investment in the company's ERP system progressed to the next phase towards the end of the year, when the system was successfully implemented in the Smart Industry business area. The successful first phase lays a good foundation for the implementation of the system in other business areas.

To achieve our strategic growth targets, we are working to strengthen our position in our selected focus areas. We received our first significant orders for offshore projects during 2023. These projects increased business volumes, but the investments in the ramp-up of operations continued to burden profitability. We continued to develop our wind and solar power project portfolio. At the end of 2023, our onshore wind power project portfolio stood at around 8,400 MW (June 2023: 8,100 MW), and our solar power project portfolio totalled around 400 MW (June 2023: 60 MW). Our renewable energy project development portfolio of around 8,800 MW provides a good basis for the development of our own energy production. The assessment of the options related to our own energy production continues in line with the process announced in June 2023.

In charging solutions for zero-emission transport, we further specified our role as a developer and supplier of high-power charging technology. The market introduction of our advanced ECDC high-power charging equipment is progressing, and interest in the equipment has been at a good level, especially in the professional and commercial charging operator segments that are of interest to us. In November, as the first operator in Finland, we announced cooperation with electric transport payment and management platform developer Monta and started preparing integrations with several electric transport back-end system suppliers.

Towards the end of the year, we made a significant decision in the field of climate work by making a commitment to the near-term emissions reduction target of the Science Based Targets initiative. Through the commitment, we will determine science-based emissions reduction targets by the end of 2025 that support the Paris Agreement's guideline to limit global warming to 1.5 degrees. We also wanted to engage our supply chain in the discussion on the transition towards low-emission solutions in the steel industry. In late 2023, we joined WWF Finland's Ready for Green Steel campaign, which encourages steel industry companies to accelerate this positive change.

We have set ourselves ambitious financial targets for 2027. The strong growth in 2023 shows that we are on the right track in terms of our growth targets. Alongside growth, we will increasingly shift our focus to improving profitability. For example, we believe that the new ERP system will increase the efficiency of our operations. The work to streamline our business portfolio will also continue. At the beginning of 2024, we started preparatory work to merge the organisations of the Power and International Operations business areas. Very similar projects are being carried out in these two business areas in many respects, and we believe that by combining these operations we will improve both our competitiveness and our efficiency.

The outlook for 2024 is favourable and we expect both the revenue and EBITDA to grow. In 2024, we expect the revenue to be in the range of EUR 365–435 million and EBITDA in the range of EUR 15–25 million.

Additional information

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www.enersense.com/investors.

Operating environment in 2023

Despite the impacts of the Russian attack on Ukraine and general economic uncertainty, the market situation in Enersense's business areas as a whole remained favourable during 2023. Although the prices of raw materials, other materials and energy, which have risen as a result of the war, have stabilised and partly returned to pre-war levels, overall inflation in the markets relevant to Enersense remains high, with a particular impact on material and salary costs and thus on the profitability of projects in a tight competitive environment.

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

Since the beginning of 2023, the coronavirus pandemic has been treated as a normal virus disease and it no longer involves exceptional restriction measures.

Financial result

Order backlog

The order backlog grew by 10% and was EUR 457 (415) million at the end of the fiscal year. The order backlog decreased by EUR 54 million compared with the third quarter of 2023.

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

Order backlog by segment

MEUR	31.12.2023	31.12.2022	Change-%
Smart Industry	144	172	-16
Power	87	70	24
Connectivity	128	57	125
International Operations	98	116	-15
Group	457	415	10

Revenue and profitability

Revenue by segment

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

EUR thousand	10-12/2023	10-12/2022	Change-%	1-12/2023	1-12/2022	Change-%
Smart Industry	34,055	22,100	54.1	113,712	72,721	56.4
Power	27,982	25,596	9.3	87,487	74,958	16.7
Connectivity	17,033	13,963	22.0	57,771	47,230	22.3
International Operations	28,728	35,836	-19.8	104,204	87,007	19.8
Items not allocated to business areas	28	82	-65.4	144	81	76.9
Total	107,827	97,578	10.5	363,318	281,997	28.8

EBITDA by segment

EUR thousand	10-12/2023	10-12/2022	Change-%	1-12/2023	1-12/2022	Change-%
Smart Industry	720	-817	n.a.	5,262	268	n.a.
Power	7,900	8,735	-9.6	10,714	19,237	-44.3
Connectivity	1,075	480	124.2	2,273	362	n.a.
International Operations	1,867	-3,142	n.a.	4,019	-3,930	n.a.
Items not allocated to business areas	-3,907	-1,889	106.8	-7,564	-3,726	103.0
Total	7,655	3,367	127.4	14,704	12,210	20.4

Revenue by target area

EUR thousand	10-12/2023	10-12/2022	Change-%	1-12/2023	1-12/2022	Change-%
Finnish sites	67,333	60,676	11.0	241,397	192,317	25.5
International sites	40,494	36,902	9.7	121,921	89,680	36.0
Total	107,827	97,578	10.5	363,318	281,997	28.8

October–December 2023

The Group's revenue increased by 10.5% and was EUR 107.8 (97.6) million. The revenue includes EUR 6.6 (7.5) million of realised sales gains from completed wind power projects.

Revenue increased in all other segments except in International Operations.

EBITDA increased by 127.4% and was EUR 7.7 (3.4) million. The EBITDA margin was 7.1 (3.5)%.

EBITDA increased markedly in Smart Industry, Connectivity and International Operations segments. In the Power segment, EBITDA decreased compared with the corresponding period in 2022. Investments in the ramp-up of the offshore and electric vehicle charging solutions businesses and in a new ERP system continued. Their total impact on EBITDA was of EUR -5.5 (-2.7) million. In the comparison period, the EBITDA was burdened by a EUR 3.5 million loss booked related to certain projects in the Baltics.

There were no items affecting comparability in the fourth quarter. Adjusted EBITDA for the comparison period was EUR 4.3 million or 4.5% of revenue. In the comparison period, the net impact of items affecting comparability was EUR 1.0 million, mainly arising from costs related to the competition authority's processing costs regarding the cancelled Voimatel acquisition, provisions in personnel costs related to redundancies and process integration costs related to the finalisation of the integration of Empower and Enersense.

The operating profit increased and was EUR 5.3 (1.1) million. The profit margin was 4.9 (1.1)%.

January–December 2023

Revenue increased by 28.8% and was EUR 363.3 (282.0) million. The revenue includes EUR 7.6 (14.0) million of realised sales gains from completed wind power projects.

Revenue increased in all segments.

EBITDA increased by 20.4% and was EUR 14.7 (12.2) million. The EBITDA margin was 4.0 (4.3)%. EBITDA for the fiscal year includes EUR 0.4 million arising from a change in the contingent consideration related to the acquisition of Enersense Offshore, a capital gain of EUR 0.9 million from the sale of Enersense Solutions, a provider of contractor liability services, and a credit loss provision of EUR -0.4 million related to a customer's insolvency. In the comparison period, EBITDA was improved by significant sales revenue from wind power projects and EUR 4.2 million in items consisting of the recognition of negative goodwill related to the acquisition of Enersense Wind, a capital gain on the sale of Suomi Teline and a change in the contingent consideration related to the acquisition of Enersense Offshore. On the other hand, the EBITDA in the comparison period was burdened by a EUR 3.5 million loss booked related to certain projects in the Baltics and EUR 1.2 million costs that related to M&A.

EBITDA improved markedly in Smart Industry, Connectivity and International Operations segments. In the Power segment, EBITDA decreased compared with the comparison period. Investments in the ramp-up of the offshore and electric vehicle charging solutions businesses and in a new ERP system continued. Their total impact on EBITDA was of EUR -11.8 (-6.1) million.

Adjusted EBITDA increased by 10.7% and was EUR 15.1 (13.7) million or 4.2 (4.8)% of revenue. The net impact of items affecting comparability was EUR 0.4 million mainly arising from process integration costs related to the Empower-Enersense corporate arrangement. In the comparison period, the net impact of items affecting comparability was EUR 1.4 million, mainly arising from costs related to the competition authority's processing costs regarding the Voimatel acquisition, which was cancelled in early 2023, provisions in personnel costs related to redundancies and process integration costs related to the finalisation of the integration of Empower and Enersense.

The operating profit increased by 51.2% and was EUR 5.3 (3.5) million. The profit margin was 1.4 (1.2)%.

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

October–December 2023

Net financial expenses were EUR -7.0 (-5.3) million, including distribution of funds 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 -1.7 (-4.2) million, and the result for the review period was EUR -2.4 (-5.6) million.

Undiluted earnings per share were EUR -0.15 (-0.34).

January–December 2023

Net financial expenses were EUR -13.8 (-10.5) million including distribution of funds to minority shareholders in Enersense Wind based on the shareholders' agreement as well as interests from the convertible bond as well as other loans and financing.

The result before taxes was -8.5 (-2.8) and the result for the period was EUR -9.1 (-9.8) million. Undiluted earnings per share were EUR -0.54 (-0.57).

Cash flow and financial position

October–December 2023

Net cash flow from operating activities was EUR 4.4 (1.7) million. The cash flow from operating activities was impacted by release of working capital as well as distribution of funds to minority shareholders in Enersense Wind based on the shareholders' agreement.

Net cash flow from investing activities was EUR 0.1 (-0.8) million.

Net cash flow from financing activities was EUR -3.7 (21.9) million. The cash flow from financing activities was impacted by repayment of loans and lease liabilities.

January–December 2023

Net cash flow from operating activities was EUR -15.2 (1.9) million. Cash flow was impacted by projects that tie up working capital as well as distribution of funds to minority shareholders in Enersense Wind based on the shareholders' agreement.

Net cash flow from investing activities was EUR -3.1 (-9.3) million, where the change from the comparison period is related to smaller investments in P2X and the sale of Enersense Solutions.

Net cash flow from financing activities was EUR -9.2 (16.9) million, including repayment of loans and lease liabilities and distribution of funds paid. The comparison period included a share issue of EUR 2.2 million as well as issue of a EUR 26-million convertible bond.

The Group's cash and cash equivalents totalled EUR 11.2 (38.7) million at the end of the fiscal year. Cash and cash equivalents decreased by EUR 27.5 million compared with the comparison period and increased by EUR 0.9 million from the end of September 2023.

The Group's balance sheet total stood at EUR 213.7 (230.2) million at the end of 2023. The decrease in the balance sheet was mainly related to decrease in cash and cash equivalents and trade and other payables.

Equity stood at EUR 52.1 (62.6) million at the end of 2023. Liabilities amounted to EUR 161.6 (167.6) million. At the end of the fiscal year, the equity ratio was 26.0 (28.8)% and net gearing was 70.2 (19.0)%. Increase in net gearing was impacted mainly by the decrease in cash and cash equivalents. Return on equity in the fiscal year was -16.0 (-17.5)%.

Financing package

Enersense has access to a financing package consisting of a EUR 26-million convertible bond, two senior loans totalling EUR 6.3 million and maturing in 2026, R&D loans totalling EUR 1 million, installment debt totalling EUR 1.6 million, a EUR 5-million revolving committed credit facility, and a total of EUR 39.9 million factoring facilities, as well as bank guarantee facilities. The funding is used for operational development and working capital management.

In addition, the total amount of guarantee facilities was increased by EUR 10 million during 2023, and Enersense currently has access to a total of 55 million in guarantee facilities.

Convertible bond

On 1 December 2022, Enersense issued a EUR 26-million senior convertible bond, which will mature on 15 January 2027. If all the convertible notes are exchanged for new shares in the company at the initial exchange price, the number of new shares in the company to be issued based on special rights will be no more than 3,250,000, or around 19.7% of the total number of shares on 23 December 2022 (around 16.5% when the dilution effect is taken into account). The exchange price may be adjusted in accordance with the terms and conditions. If the exchange price is adjusted and the number of shares issued based on the convertible notes needs to be increased, the increase in the number of shares to be issued will be determined separately in accordance with the Limited Liability Companies Act. The special rights entitling their holders to shares were entered into the Trade Register on 27 December 2022.

Covenants

Enersense 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.

It has been agreed with the financiers that the convertible bond is interpreted as a subordinated loan and is treated as equity in the calculation of adjusted equity. In connection with the covenant concerning the ratio of interest-bearing net debt to EBITDA, the convertible loan is interpreted as a non-interest-bearing loan. It has also been agreed that in addition to the equity ratio covenant, a minimum liquidity covenant will be applied. This covenant will be reviewed if the requirements of the covenant concerning the ratio of interest-bearing net debt to EBITDA are not met. The threshold value for the minimum liquidity covenant is EUR 15 million, and the company reports on its implementation to the financiers on a monthly basis if the covenant concerning the ratio of interest-bearing net debt to EBITDA is not met. The company met the covenant requirements on 31 December 2023 and, according to the management's forecast, will continue to meet them for 12 months from the financial statements.

Segment reviews

Smart Industry

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

MEUR	10-12/2023	10-12/2022	Change-%	1-12/2023	1-12/2022	Change-%
Revenue	34.1	22.1	54.1	113.7	72.7	56.4
EBITDA	0.7	-0.8	n.a.	5.3	0.3	n.a.
EBITDA-%	2.1	-3.7		4.6	0.4	
Order backlog				144	172	-16.1
Personnel (FTE)				716	638	

October–December 2023

The market environment of the Smart Industry segment remained stable in the review period.

The Smart Industry segment's revenue increased by 54.1% and was EUR 34.1 (22.1) million.

Higher volumes in both service and project businesses increased the revenue.

The Smart Industry segment's EBITDA improved markedly and was EUR 0.7 (-0.8) million.

In the review period, the growth in volumes improved the profitability of both service and project business operations. The level of activity has also increased in offshore business operations, but investments in growth continued to burden the segment's overall profitability. In the comparison period, EBITDA was burdened by the seasonality typical for project business, the postponement of certain projects, cost inflation related to materials, and the ramp-up costs related to Enersense Offshore.

January–December 2023

Although general uncertainty continued in the global economy, the market environment of the Smart Industry segment began to return to normal in the first quarter of the year and has since remained stable. Some customers in the Offshore business line have decided to manage part of their purchases of materials on their own which has affected Smart Industry's projects. The anticipated impacts of the adjustment measures in progress in the Finnish paper industry were not meaningful in the final quarter of 2023.

The Smart Industry segment's revenue increased by 56.4% and was EUR 113.7 (72.7) million.

Higher volumes in both service and project businesses increased the revenue. On the other hand, revenue was lowered by the changed purchasing practices of some Offshore business line's customers.

The Smart Industry segment's EBITDA increased markedly and was EUR 5.3 (0.3) million. EBITDA for the fiscal year includes EUR 0.4 million arising from a change in the contingent consideration related to the acquisition of Enersense Offshore, a capital gain of EUR 0.9 million from the sale of Enersense Solutions, a provider of contractor liability services, and a credit loss provision of EUR -0.4 million related to a customer's insolvency. In the comparison period, EBITDA was improved by EUR 2.1 million in items consisting of a capital gain on the sale of Suomi Teline and a change in the contingent consideration related to the acquisition of Enersense Offshore.

In the fiscal year, the growth in volumes improved the profitability of both service and project business operations. The level of activity has also increased in offshore business operations, but investments in growth continued to burden the segment's overall profitability. The EBITDA was also lowered by the changed purchasing practices of certain Offshore business line's customers. In the comparison period, the multiplier effects of Russian attack on Ukraine, lower volumes in the Olkiluoto nuclear power plant project, and partly by the ramp-up costs related to Enersense Offshore. were burdening profitability.

The average number of personnel in the Smart Industry segment was 716 (638) person-years during the fiscal year.

Order backlog

The Smart Industry segment's order backlog stood at EUR 144 (172) million. Order backlog decreased by EUR 28 million or 16% year-on-year. At the end of the year, the order backlog was EUR 24 million lower than at the end of the third quarter of 2023.

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

- An agreement with Boliden, a Swedish metals company, in a large development project at the Odda production plant in Norway (press release 24 Jan 2023). In the project, which aims for increasing sustainability and the production capacity of the plant, Enersense is responsible for the supply and installation of steel, equipment installations and insulation work in one of the project areas. The project was launched in early 2023.
- An agreement with Q Power, a Finnish company specialising in Power-to-X technology deliveries, on the delivery of steel structures for reactor modules for a methanation plant (investor news 6 Mar 2023). The agreement is related to the synthetic methane production plant delivered by Q Power to P2X Solutions in Harjavalta. The plant is being built in connection with a green hydrogen production plant. The modular structures will be manufactured in Enersense's production facilities in Mäntyluoto.
- An agreement to deliver steel structures (pre-assembled units) to Aker Solutions, who is involved in various offshore projects internationally, for the Hugin A production platform which is part of the Aker BP-operated Yggdrasil oil and gas development in the North Sea (Investor News 7 July 2023). The fabrication of the modules started in Enersense's production facilities in Mäntyluoto towards the end of the year. The last modules are scheduled to be delivered in December 2024.
- An agreement with P2X on an equipment and pipeline contract for Finland's first renewable green hydrogen production plant. The plant is under construction in Harjavalta and is expected to be commissioned in 2024 (Investor News 18 July 2023).

Power

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

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

MEUR	10-12/2023	10-12/2022	Change-%	1-12/2023	1-12/2022	Change-%
Revenue	28.0	25.6	9.3	87.5	75.0	16.7
EBITDA	7.9	8.7	-9.6	10.7	19.2	-44.3
EBITDA-%	28.2	34.1		12.2	25.7	
Order backlog				87	70	24.5
Personnel (FTE)				203	172	

October–December 2023

In the review period, increased uncertainty related to economic development was reflected in some customers' investment decisions. The construction of transmission networks continued steadily.

Backed by the strong order backlog, the Power segment's revenue increased by 9.3% and was EUR 28.0 (25.6) million. The revenue includes EUR 6.6 (7,5) million of realised sales gains from completed wind power projects.

The Power segment's EBITDA decreased by 9.6% and was EUR 7.9 (8.7) million in the review period.

The segment's profitability was burdened by investments in the electric vehicle charging solutions business.

January–December 2023

The market situation, particularly in services related to the construction of transmission networks, was strong in the fiscal year. Uncertainty increased towards the end of the fiscal year and was reflected in some customers' investment decisions.

The Power segment's revenue increased by 16.7% and was EUR 87.5 (75.0) million. The revenue includes EUR 7.6 (14.0) million of realised sales gains from completed wind power projects.

The Power segment's EBITDA decreased by 44.3% and was EUR 10.7 (19.2) million. In the comparison period, significant sales revenue from wind power projects had a positive impact on the EBITDA, and the comparison period also includes the recognition of EUR 2.1 million in negative goodwill arising from the Enersense Wind acquisition.

The segment's profitability was burdened by investments in the electric vehicle charging solutions business.

The average number of personnel in the Power segment was 203 (172) person-years during the fiscal year.

Wind and solar power project development

The development of Enersense's wind and solar power project portfolio was continued. At the end of 2023, the onshore wind power project portfolio was approximately 8,400 MW (6/2023: 8,100 MW), of which 1,500 MW will be developed in cooperation with a partner. The projects in the feasibility study phase total around 6,600 MW, and projects totalling 1,800 MW are in the permit, land use and EIA phase.

The projects developed earlier by Enersense's subsidiary Enersense Wind that have progressed to the construction and operation phase total 314 MW. For these projects, Enersense will receive development fees during 2022–2025, as announced on 3 February 2022.

The size of Enersense's solar power portfolio is approximately 400 MW (6/2023: 60 MW). Enersense's renewable energy project development portfolio of approximately 8,800 MW enables the company to develop energy production of its own.

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

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

Order backlog

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

The Power segment's order backlog stood at EUR 87 (70) million at the end of 2023. Its order backlog grew by EUR 17 million or 24% year-on-year. Compared with the end of the third quarter 2023, the order backlog decreased by 6 million.

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

- A project won in Fingrid's public procurement tendering regarding adding capacitors into substations in order to improve transmission capacity (investor news 12 April 2023). The project will employ Enersense for approximately two years, and the value of the project is approximately EUR 6.6 million.
- A project won in Fingrid's public procurement tendering regarding substation expansions in Huittinen-Forssa, Finland (investor news 14 April 2023). The project will employ Enersense for approximately three years and the value of the project is approximately EUR 13 million.
- An agreement with Gigawatti Oy about construction of the Oosinselkä wind farm in Luvia at Eurajoki, Finland (investor news 17 April 2023). Oosinselkä wind farm consists of 13 turbines. According to plans, the project will be completed by the end of 2024. Enersense will provide construction of the wind farm's roads and platforms, foundations and internal network as a turnkey delivery. Gigawatti Oy is fully owned by S-Voima Oy, who is responsible for the S Group's electricity procurement. S-Voima Oy is owned by the cooperatives and SOK together.
- A project won in Fingrid's public procurement tendering regarding substation contract to build a new transformer substation and expand the 110 kV switchgear in Nuojuankangas (investor news 6 June 2023). The project also includes the expansion of the substation in Pyhänselkä. The project will employ Enersense until spring 2026. The value of the contract is more than EUR 20 million.
- An agreement with Ilmatar Energy on the construction of the Korpilevonmäki wind farm in Säkylä (investor news 29 November 2023). Ilmatar's Korpilevonmäki wind farm consists of six turbines. The construction project started in November, and the contract is expected to be completed in autumn 2024. Enersense's delivery includes the construction of roads and lifting areas in the farm, turbine foundations and the internal network as a turnkey delivery.

Connectivity

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

MEUR	10-12/2023	10-12/2022	Change-%	1-12/2023	1-12/2022	Change-%
Revenue	17.0	14.0	22.0	57.8	47.2	22.3
EBITDA	1.1	0.5	124.2	2.3	0.4	n.a.
EBITDA-%	6.3	3.4		3.9	0.8	
Order backlog				128	57	125
Personnel (FTE)				355	347	

October–December 2023

Demand in the Connectivity segment continued stable. Uncertainties in the market situation were reflected in certain customers' behaviour.

The Connectivity segment's revenue was backed by the strong order backlog and increased by 22.0% to EUR 17.0 (14.0) million.

The Connectivity segment's EBITDA increased by 124.2% and was EUR 1.1 (0.5) million.

Higher volumes in fiber-to-home construction projects and the segment's improved operational efficiency had a positive impact on profitability. Efforts to improve operational efficiency and discussions with customers to adjust price levels continued. In the comparison period the EBITDA was burdened by the multiplier effects of the Russian attack on Ukraine. Also the impacts of the lengthy strike in the ICT sector

in the spring were reflected in the profitability. In addition to this, EBITDA in the comparison period was burdened by costs relating to Voimatel acquisition preparations that was cancelled in early 2023.

January–December 2023

Demand in the Connectivity segment has been good in the fiscal year, during the early part of the year activity in fibre-to-the home construction projects, in particular, was strong.

The Connectivity segment's revenue increased, backed by the strong order backlog, by 22.3% and was EUR 57.8 (47.2) million.

The Connectivity segment's EBITDA increased markedly especially due to the strong second half of the year and was EUR 2.3 (0.4) million.

Profitability development was supported by higher volumes in fiber-to-home construction projects and the segment's profitability improvement programme. Higher costs have been successfully transferred to sales prices, but discussions with customers to adjust prices to healthier levels continue. In the comparison period, EBITDA was burdened by higher labour and material costs caused by inflation, a shortage of materials and the long strike in the ICT sector. In addition to this, EBITDA in the comparison period was burdened by costs relating to Voimatel acquisition preparations that was cancelled in early 2023.

The average number of personnel in the Connectivity segment was 355 (347) person-years during the fiscal year.

Order backlog

The Connectivity segment's order backlog stood at EUR 128 (57) million at the end of 2023. Its order backlog increased by EUR 71 million or 125% year-on-year. Compared with the end of the third quarter of 2023, its order backlog decreased by EUR 13 million.

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

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

- An agreement with a Finnish optic fiber company Valoo on a turn-key project contract of construction of an optic fiber network (stock exchange release, insider information 17 Jan 2023). The total value of the contract that spans over four years is approximately EUR 35 million. Enersense is responsible for the turn-key delivery which contains project management, planning, construction and documentation of the network. In the first phase the focus of the construction works is in the South-Eastern part of Finland in Lappeenranta, Kotka and Hamina.
- An add-on turnkey contract with Elisa, a Finnish telecommunications and digital services company, for the construction of Elisa's Fibre to the Home optic fibre network in Finland (stock exchange release, insider information 19 June 2023). The total value of the add-on contract is EUR 35 million, and it more than doubles the volume of optic fibre networks Enersense will construct for Elisa in 2024–2026. Enersense is responsible for the turnkey delivery, which contains the project management, planning and construction of the network, materials logistics, and customer deliveries.
- A one-year extension agreement between Enersense and Telia Finland on the provision of telecommunications network field services (investor news 22 August 2023). The value of the agreement is EUR 25 million. The agreement is a continuation of the companies' long-term cooperation, and its substance corresponds to the scope of their previous framework agreement on field services. The new agreement period will begin on 1 April 2024.

International Operations

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

MEUR	10-12/2023	10-12/2022	Change-%	1-12/2023	1-12/2022	Change-%
Revenue	28.7	35.8	-19.8	104.2	87.0	19.8
EBITDA	1.9	-3.1	n.a.	4.0	-3.9	n.a.
EBITDA-%	6.5	-8.8		3.9	-4.5	
Order backlog				98	116	-15.5
Personnel (FTE)				609	590	

October–December 2023

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

The International Operations segment's revenue decreased by 19.8% from the year before and was EUR 28.7 (35.8) million. The high revenue in the fourth quarter of 2022 was supported by some large high-voltage power line construction projects that were in their closing phase.

The majority of the segment's revenue comes from construction and maintenance projects in power grids and distribution grids.

The International Operations segment's EBITDA improved markedly and was 1.9 (-3.1) million.

The increase in EBITDA was supported by improved project profitability. In the comparison period, the EBITDA was burdened by a EUR 3.5-million loss that was booked related to certain projects, the profitability of which was burdened mainly due to high inflation in the Baltics.

January–December 2023

Annual inflation started leveling off during 2023 and prices for materials have stabilised.

The International Operations segment's revenue increased by 19.8% and was EUR 104.2 (87.0) million.

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

The International Operations segment's EBITDA strengthened markedly and was EUR 4.0 (-3.9) million.

The increase in EBITDA was supported by improved project profitability. Compensation regarding inflation has been agreed with most of the customers, and inflation is taken into account in new contracts.

The average number of personnel in the International Operations segment was 609 (590) person-years during the fiscal year.

Order backlog

The International Operations segment's order backlog stood at EUR 98 (116) million. Its order backlog decreased by EUR -18 million from the corresponding period. The order backlog decreased by EUR -11 million from the end of of the third quarter 2023.

Due to the nature of the business operations, the order backlog does not grow steadily, because the majority of sales come from major framework agreements and long-term projects that are valid for several years. In the synchronisation projects between the Baltic countries' and European electricity distribution systems, the order intake reached its peak in early 2023, which is why the segment's order backlog has decreased during 2023. The order intake has remained good in the segment's other business operations.

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

- A contract with Estonian transmission system operator AS Elering (press release 3 Jan 2023). The contract covers the renewal of the 330-kV power line between Mustvee and Paide substations as well as construction of a new 110-kV power line between Mustvee and Kantkyla substations. The project includes preparatory and design works, demolition of the existing power line and construction of a 90-km-long new 330 kV and 110 kV power line. The project is expected to be completed in July 2025 at the latest. The total value of the contract is EUR 36.9 million. Enersense's share of the contract is approximately EUR 18.5 million. Enersense As and Leonhard Weiss Oü, who specializes in design, construction and maintenance of integrated transmission systems, will carry out the project in a consortium.
- A follow-up agreement with Elektrilevi, the largest network operator in Estonia, regarding the maintenance of the electricity networks (investor news 24 November 2023). The two-year agreement includes maintenance and troubleshooting of electricity distribution networks in the Saaremaa and Hiiumaa area. The value of the agreement is approximately EUR 7.4 million.

Group personnel

Enersense mainly operates in Finland, Estonia, Latvia and Lithuania. The Group had an average of 1,942 (1,836) employees during the fiscal year.

The growth in business volume was also reflected in the number of personnel, which increased by 7% year-on-year.

At the end of 2023, the Group's total head count was 1,982.

Person-years (average over the period)

	1-12/2023	1-12/2022
Smart Industry	716	638
Power	203	172
Connectivity	355	347
International	609	590
Other	59	90
Group total	1,942	1,836



Governance

Annual General Meeting

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

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

The AGM decided that, based on the balance sheet adopted for the financial period 2022, funds be distributed to shareholders from the invested unrestricted equity reserve of the company as a return of capital of EUR 0.10 per share. The return of capital shall be paid in two installments: in May and November 2023. The AGM decided that no dividend is paid based on the balance sheet adopted for the financial period.

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

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

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

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

More information about the resolutions of the AGM is provided in a stock exchange release issued on 4 April 2023 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](#).

Board of Directors

In accordance with the proposal of the Shareholders' Nomination Board, the 2023 Annual General Meeting (AGM) decided that Jaakko Eskola, Sirpa-Helena Sormunen, Sari Helander and Petri Suokas will be re-elected as board members, and Anna Miettinen and Carl Haglund will be elected as new board members. The Board members' term of office ends at the close of the first AGM following their election.

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

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

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

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

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

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

Authorisations of the Board of Directors

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

The Annual General Meeting 2023 authorised the Board of Directors to issue shares as well as option rights and other special rights entitling to shares in accordance with the Board's proposal. A total maximum of 1,649,250 new and/or treasury shares of the Company may be issued under the authorization (including shares issued on the basis of special rights). Within the limits of the authorization, the Board of Directors is authorized to decide on all terms and conditions regarding the issuance of shares and the issuance of option rights and other special rights entitling to shares. The authorization revokes the authorizations granted by the Annual General Meeting on 4 April 2022 and by the Extraordinary General Meeting of 10 November 2022 concerning the issuance of shares and the issuance of option rights and other special rights entitling to

shares, but not the authorization granted by the Extraordinary General Meeting on 23 December 2022 to decide on the issuance of special rights entitling to shares. The authorization is valid until the end of the next Annual General Meeting, but no later than 30 June 2024.

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

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

Group Executive Team

At the end of 2023, Enersense's Group Executive Team consisted of the following members:

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

Ownership structure

The number of registered shareholders in Enersense was 6,973 (6,882). at the end of 2023. The ten largest shareholders accounted for 63.09% of all shares on 31 December 2023. The proportion of nominee registered shareholders was 0.87%. More information about Enersense's largest shareholders is available on the company's [website](#).

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.

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

MBÅ Invest Oy

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

Additional information on the completion of the merger is available in the [Stock Exchange Release](#) of 27 March 2023.

P2X Solutions Oy

Enersense's investment in the associated company P2X Solutions Oy in August 2023 increased Enersense's shareholding to 18.5%. Despite the minority shareholding, P2X Solutions Oy is treated as an associated company because Enersense is entitled to a board position in the company under the agreement.

More detailed description of related party transactions in [Note 9](#) to this Bulletin.

Flagging notifications

During the fiscal year, Enersense received nine 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, %
1.4.2023	MBÅ Invest	fell below 5%	0	-	0
1.4.2023	Petri Suokas and controlled entities ^{*)}	exceeded 5%	0.07	5.58	5.66

^{*)} Suotuuli Oy, a company controlled by a party subject to the flagging obligation, received a total of 680,020 shares in the target company as merger consideration after MBÅ Invest Oy merged with Enersense International Plc on 27 March 2023 in accordance with release issued by Enersense International Plc.

Share-based incentive schemes

Enersense International Plc's Board of Directors decided on 27 February 2023 on new share-based incentive scheme for the Group's key personnel.

Share-based incentive scheme for 2023–2025

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

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

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

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

Additional information on incentive schemes is available in [Note 4](#) to this Bulletin.

Shares and share trading

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

Share capital and shares

At the end of the financial period, the company's share capital consisted of 16,492,527 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.

Treasury shares

The company holds no treasury shares.

Market capitalisation and share turnover

The market value of Enersense's shares was EUR 72 (94) million on 31 December 2023.

The closing price of the shares was EUR 4.35 (5.69) on 31 December 2023. The volume-weighted average price (VWAP) of the shares during the fiscal year was EUR 5.36 (6.80). The highest price was EUR 6.99 (8.22), and the lowest price was EUR 3.87 (5.22). The price of the share decreased by 23.6% from the end of 2022. During the fiscal year, around 3.1 million shares in Enersense were traded on the Nasdaq Helsinki stock exchange, which corresponds to a turnover of around EUR 16.8 million. The average daily share turnover was 12,506 shares, which corresponds to an average daily turnover of around EUR 0.1 million.

Business strategy

Enersense is a key contributor to the energy transition through its profitable and growing business operations. The company's strategic goal is to expand in the value chain from being a broad-based service company in the energy sector to being a producer of zero-emission energy and a key green energy company. In addition to continuous development and improvement of own operations, the tools to achieve the goals also include investments, M&A as well as ensuring financing arrangements relating to the own energy production capacity. During the next few years, the goal is to actively seek various kinds of equity-based financing arrangements to enable value chain expansion. The Enersense's strategic focus areas for 2023–2027 are:

Capture growth in energy transition

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

Develop and maintain efficient core business operations

The company's core operations include design, installation, construction and operation and maintenance services in the fields of energy, maritime transport, industry and telecommunications infrastructure. Continuous improvement of the end-to-end business operations are ensured in order to drive customer value, competitiveness and profitability. Smooth integration of acquired businesses is also ensured.

Ensure skilled people and expertise to make a difference

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

Enersense way of working (eWoW)

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

Develop ESG as core of Enersense's operations

Environmental, social and governance targets and actions are developed and deployed in the core of business to foster responsibility, and to comply with regulatory, customer and investor requirements. In 2023, Enersense decided to make a commitment to the Science Based Targets initiative (SBTi). In connection with this, Enersense decided to align its previous carbon neutrality target up to 2030, concerning its own operations, with its near-term SBTi-compliant emissions reduction target. Enersense is committed to setting science-based near-term emissions reduction targets by the end of 2025.

Long-term financial targets

TARGET IN 2027	SITUATION IN 2023
Revenue of EUR 500 million, of which <ul style="list-style-type: none"> • strategic development projects 100 MEUR • own energy production 100 MEUR • core business operations 300 MEUR. 	The Group's revenue increased by 29%, y-o-y, and was EUR 363 million. Core business operations were the main contributor to the revenue.
EBITDA of EUR 100 million, of which <ul style="list-style-type: none"> • strategic development projects 35 MEUR • own energy production 35 MEUR • core business operations 30 MEUR. 	The Group's adjusted EBITDA EUR 15.1 million.
The share of revenue that belongs to the EU environmental taxonomy ¹⁾ : 65–70%.	The share of revenue that belongs to the EU environmental taxonomy: 55%.
Own renewable energy production in total 600–700 MW.	For the time being, the company has no energy production of its own. Wind and solar power project development portfolio increased to 8,800 MW (6/2023: 8,100 MW), which gives a solid ground on which to build own production.
Dividend policy: The company's goal is to distribute at least 30% of earnings per share as dividends.	The Board of Directors proposes to the AGM of 2024 that the Board of Directors be authorized 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.

1) The basis for the target was changed in 2023. The target is now based on revenue that belongs to the EU environmental taxonomy. Previously, the share of revenue included certain other Enersense's operations related to the energy transition and energy efficiency. Enersense's taxonomy report in accordance with the Taxonomy Regulation will be included in its 2024 Board of Directors' report, which will be published during the week beginning 4 March 2024.

Research and development

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

MEUR	2023	2022	Change, %
R&D expenses	2.2	0.7	n.a.
% of revenue	0.6	0.3	-

Development expenses in 2023 totalled EUR 2.2 (0.7) million, or 0.6 (0.3)% of revenue. Of the development expenses, EUR 0.7 (0.2) million were recognised as costs in the income statement, and EUR 1.5 (0.6) million were capitalised on the balance sheet.

Investments and M&A

In 2023, a total of EUR 4.0 (33.1) million were spent on investments and M&A.

MEUR	2023	2022	Change, %
Investments in fixed assets ^{*)}	0.8	1.6	-50.0
Equity investments	3.2	11.2	n.a.
Investments in company and business acquisitions	—	20.3	n.a.
Investments and M&A, total	4.0	33.1	n.a.

*) without lease agreements

Investments in fixed assets excluding lease liabilities totalled EUR 0.8 (1.6) million in 2023 and were mainly related to machinery and equipment.

A total of EUR 3.2 (11,2) million was used in investments in the associated company P2X Solutions. The comparison figure includes also investments in Parkkisähkö Oy.

In 2023, investments in company and business acquisitions totalled EUR 0.0 (20.3) million, In the comparison year, EUR 19,7 million was carried out through an exchange of shares. The net assets of the acquired companies during the comparison year totalled EUR 20.7 million and increased Enersense's goodwill, as stated in the Balance Sheet, by EUR 1.7 million to EUR 27.9 million.

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

Major risks and uncertainties

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

Near-term risks and uncertainties

The on-going international conflicts maintain geopolitical tensions and uncertainty about the development of the global economy. Inflation in the markets relevant to Enersense continues to be high, which is reflected especially in the Baltic countries, where wage inflation is causing costs to increase. The prices of materials are also higher than usual, and there is a risk that old contracts in particular cannot be renegotiated.

Increased uncertainty about economic development and the increase in operating and financial costs caused by high inflation have had a negative impact on investment environment. This may lead to a deterioration in the financial position of 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.

Strategic risks

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

The company seeks to digitalise its business operations as applicable and to adopt operational efficiency tools and practices. As digitalisation accelerates, failure or wrong choices in the introduction of new tools and operating methods may slow down business operations and their development or reduce the relative efficiency and competitiveness of operations.

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

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

When the company completes acquisitions or expands its operations into new countries, it is possible that the revenue and profits of the target companies or Enersense's foreign subsidiaries and/or branches will not meet its expectations, or the company would have to write down the value of its acquisitions. In addition, changes in customer relationships, local labour markets, political conditions and legislation, as well as changes in the company's locations, may have an adverse impact on Enersense's business operations, performance and financial position.

Operational risks

Enersense's customers are typically owners of construction or industrial projects, developers, main contractors or suppliers, with whom Enersense usually executes the project, service or framework agreement for the project. The company often enters into project-specific contracts, which involve uncertainty in terms of successful competitive bidding. This makes it more difficult to estimate the company's business performance and financial position over a period of time longer than the order backlog. Correspondingly, framework agreements do not guarantee that the company is successful in the tendering for individual deliveries falling within the scope of the framework agreement. Increased competition may also have a negative impact on the development of Enersense's order backlog, and thereby also on its revenue and profitability. Changes in official regulations and restrictions and the related uncertainty may also have a material impact, especially among customers in the energy business.

Although Enersense's business areas also generate continuous revenue from, among other things, the servicing and maintenance services provided by it, a significant part of Enersense's revenue is directly or

indirectly related to significant long-lasting construction projects or other investments. Large fixed-price projects are typical of Enersense's business operations, and the profitability of such projects requires Enersense to estimate the related contract risks and production costs with sufficient accuracy, in addition to successful project management, technical implementation and schedule management. General economic uncertainty may reduce customers' willingness to invest and affect projects in Enersense's order backlog by causing delays or interruptions.

General macroeconomic uncertainty may lead to a deterioration in the financial position of Enersense's customers or suppliers through access to financing, for example, which may result in insolvency or even bankruptcies that, if materialised, may result in losses and other negative consequences for the company.

As the company advances in digitalisation and the adoption of new tools, the quality of reliable data and the ability to collect, process and analyse data for the needs of data-driven management are very important. Failure in the selection and adoption of tools or in ensuring data quality may lead to failure in achieving planned benefits and higher efficiency.

Enersense has a number of major key customers whose purchasing behaviour has a significant impact on its business performance. If a major customer transferred its purchases from Enersense to its competitors or significantly changed its operating model, or if a significant project ended, discontinued or decreased unexpectedly, the company would have limited opportunities to replace the customer volume over a short period of time.

If Enersense is not able to recruit, train, motivate and retain highly competent employees, it may not necessarily be able to compete effectively or fully implement its strategy.

Guarantees

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

Financing

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

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 that will be published during the week starting on 4 March 2024.

Partners

Enersense collaborates with subcontractors and other partners during the various phases of its projects and services. Typically, the outsourcing or subcontracting includes material deliveries, subcontracting (e.g. civil engineering), provision of resources and deliveries of equipment that Enersense does not offer or have the capacity to offer. However, Enersense may fail in evaluating and choosing its subcontractors or have to accept partly unfavourable terms and conditions to ensure the acquisition of such services. Subcontractors may fail to deliver on time or in accordance with the level, cost structure or quality that Enersense expects, or their activities may be otherwise defective or breach legislation or regulations. Enersense's subcontractors may also cease to deliver services to Enersense due to an inability or unwillingness to deliver, or may increase prices significantly. Disruptions that affect Enersense, including delays or terminations of

agreements or the inability of subcontractors to deliver services within a prescribed time or at an acceptable cost, can also lead to disputes regarding customer claims for compensation for any damages caused by Enersense.

Sustainability risks

The acquisition of services and materials is an integral part of Enersense's business operations. Enersense only deals with reputable and reliable partners. The backgrounds and business operations of subcontractors and other partners are reviewed before starting cooperation. Failure in executing and monitoring the legality and sustainability requirements for subcontractors and suppliers of materials, as well as in addressing shortcomings, could result in additional contractual liabilities or even fines for the company.

Hazard risks

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

Disputes

The Group companies have ongoing legal disputes, some of which are in progress in general or administrative courts 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 or customers. The end results of claims, disputes and legal processes are difficult to predict. The company has assessed the potential impacts of the disputes, and has recorded provisions based on these assessments.

Estimate of probable future developments

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 financial period

Stock exchange releases:

- 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 will be renamed Industry. From the beginning of 2024, Enersense will report three business areas instead of the current four: 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 2 February 2024, Enersense announced that the Shareholders' Nomination Board proposes that the current Board members will be re-elected as board members, and Ville Vuori and Anders Dahlblom will be elected as new board members.

Investor News:

- Enersense told on 5 February 2024 that it has won Fingrid's public bidding process to build three new 110 kV substations in the Harjavalta area. 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.
- Enersense told on 12 February 2024, that it has signed a follow-up agreement with the Estonian network operator, Elektrilevi, regarding the maintenance of electricity networks. The total value of the contract for Enersense is approximately EUR 8 million. The order will be recognised in the order backlog of Enersense's Power business area for the first quarter of 2024.

Distribution of funds to the shareholders

The Board of Directors proposes to the General Meeting 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 Board of Directors proposes to the General Meeting that the Board of Directors be authorized 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 1.6 million 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 possible return of capital would be paid to shareholders who, on the record dates determined subsequently by the Board of Directors, are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd. The authorization is valid until 31 December 2024 at the latest.

Reconciliation of alternative performance measures

EUR thousand	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Adjusted EBITDA				
Operating profit (loss)	5,311	1,095	5,260	3,479
Depreciation, amortisation and impairment	2,344	2,272	9,444	8,731
EBITDA	7,655	3,367	14,704	12,210
Differences affecting comparability	—	983	411	1,444
Adjusted EBITDA	7,655	4,350	15,115	13,654

EUR thousand	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Items affecting comparability				
+ Items outside the ordinary course of business	—	983	411	1,444
Gains (-) / losses (+) from the sale of fixed assets	—	—	—	—
Total extraordinary items affecting the adjusted EBITDA	—	983	411	1,444

Alternative performance measures:

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

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

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

By using adjusted performance measures, the company seeks to provide information about its business operations covered by its strategy. Profitable organic and inorganic growth is a key strategic goal of the company. For this reason, the company adjusts its result for the above mentioned items.

The company has not adjusted its result for transaction expenses or income arising from acquisitions made in line with its strategy, as acquisitions represent the core of the strategy.

Pori 29 February 2024
 ENERSENSE INTERNATIONAL PLC
 Board of Directors



Tables to the Financial Statement Bulletin

Consolidated income statement

EUR thousand	10–12/2023	10–12/2022	1–12/2023	1–12/2022
Revenue ^{*)}	107,827	97,578	363,318	281,997
Change in inventories of finished goods and work in progress	-1,657	2,173	3,735	5,267
Work performed for own purposes and capitalised	4	—	-14	-3
Other operating income ^{*)}	39	64	1,957	4,833
Material and services	-57,165	-57,668	-202,874	-152,815
Employee benefits expense	-28,828	-29,377	-114,729	-97,733
Depreciation and amortisation	-2,344	-2,272	-9,444	-8,731
Other operating expenses	-12,503	-9,346	-36,440	-29,147
Share of profit /loss accounted for using the equity method	-61	-57	-249	-189
Operating profit	5,311	1,095	5,260	3,479
Finance income	-41	443	43	476
Finance expense ^{*)}	-6,937	-5,779	-13,852	-10,982
Finance income and expense	-6,978	-5,336	-13,809	-10,507
Profit/loss before tax	-1,667	-4,241	-8,549	-2,787
Tax on income from operations	-690	-1,336	-600	-2,807
Profit/loss for the period	-2,356	-5,577	-9,149	-9,834
Other OCI-items				
Items that may be reclassified to profit or loss				
Translation differences	17	-2	-14	68
Remeasurements of post-employment benefit obligations	45	179	45	179
Other comprehensive income for the period, net of tax	62	177	31	247
Total comprehensive income for the period	-2,294	-5,400	-9,118	-9,588
Profit (loss) for the period attributable to:				
Equity holders of the parent company	-2,456	-5,553	-8,926	-9,174
Non-controlling interests in net income	100	-24	-223	-661
Profit/loss for the period	-2,356	-5,577	-9,149	-9,835
Total comprehensive income for the period attributable to:				
Owners of the parent company	-2,395	-5,376	-8,895	-9,174
Non-controlling interests	100	-24	-223	-661
Total comprehensive income for the period	-2,294	-5,400	-9,118	-9,588
Earnings per share attributable to the owners of the parent company, undiluted	-0.15	-0.34	-0.54	-0.57
Earnings per share attributable to the owners of the parent company, diluted	-0.15	-0.34	-0.54	-0.57

*) The comparison year changed due to the clarification of the preparation principle

Consolidated balance sheet

EUR thousand	31.12.2023	31.12.2022
Assets		
Non-current assets		
Goodwill	27,805	27,874
Other intangible assets	40,193	40,379
Property, plant, equipment	21,230	22,213
Investments accounted for using the equity method	13,881	10,937
Non-current investment and receivables	4,339	6,890
Deferred tax-assets	1,297	1,338
Total non-current assets	108,744	109,631
Current assets		
Inventories	18,127	13,124
Trade receivables	40,291	33,696
Current income tax receivables	2	9
Other receivables	35,327	35,003
Cash and cash equivalents	11,249	38,704
Total current assets	104,996	120,537
Total assets	213,740	230,168
Equity and liabilities		
Equity		
Share capital	80	80
Unrestricted equity reserve	62,361	64,010
Other reserves	313	313
Translation differences	70	84
Retained earnings ^{*)}	-1,958	6,906
Profit (loss) for the period ^{*)}	-8,926	-9,174
Total equity attributable to owners of the parent company	51,940	62,220
Non-controlling interests	167	389
Total equity	52,108	62,609
Liabilities		
Non-current liabilities		
Borrowings	28,270	30,458
Lease liabilities	9,266	10,738
Other liabilities	3	550
Deferred tax liabilities	5,973	6,630
Employee benefit obligations	356	381
Provisions	472	543
Total non-current liabilities	44,340	49,300
Current liabilities		
Borrowings	4,167	3,439
Lease liabilities	6,141	5,968
Advances received	12,973	12,637
Trade payables	25,992	36,271
Current income tax liabilities	1,268	2,990
Other payables	66,570	55,835
Provisions	234	1,119
Total current liabilities	117,292	118,258
Total liabilities	161,632	167,559
Total equity and liabilities	213,740	230,168

^{*)} The comparison year changed due to the clarification of the preparation principle

Consolidated cash flow statement

EUR thousand	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Cash flow from operating activities				
Profit (loss) for the period^{*)}	-2,356	-5,577	-9,149	-9,834
Adjustments:				
Depreciation, amortisation and impairment	2,344	2,272	9,444	8,731
Gains and losses on the sale of subsidiaries	—	—	-893	—
Gains and losses on the sale of property, plant and equipment	-3	-25	-103	-850
Share of profits (losses) of associates	61	57	249	189
Interest income and other financial income and expenses ^{*)}	6,978	5,336	13,809	10,507
Income tax	690	1,336	600	2,807
Other adjustments	-146	122	-789	-1,064
Total adjustments	9,923	9,097	22,316	20,320
Changes in working capital				
Change in trade and other receivables	-1,904	-21,468	-6,325	-32,342
Change in trade payables and other liabilities	2,428	22,759	-807	35,795
Change in inventories	1,406	-2,545	-5,003	-6,356
Interest received	22	23	39	52
Interest paid	-1,087	-330	-3,919	-1,205
Other financial items ^{*)}	-1,158	-119	-9,463	-4,416
Income tax	-2,857	-102	-2,890	-102
Net cash flow from operating activities	4,417	1,738	-15,201	1,912
Cash flow from investing activities				
Investments in tangible and intangible fixed assets	-249	-1,118	-2,218	-3,268
Sale of fixed assets	190	502	561	1,749
Sale of subsidiaries, less cash and cash equivalents sold	200	—	543	—
Additional investments in associated companies	—	-2,600	-3,228	-10,399
Sale of associated companies	—	90	1,023	1,100
Repayments of loans granted to associated companies	—	80	218	566
Investments in shares	—	—	—	-850
Payments to bank deposit accounts	—	2,178	—	1,728
Dividends from associated companies	—	93	36	93
Net cash flow from investing activities	141	-775	-3,065	-9,280
Cash flow from financing activities				
Issue of shares	—	—	—	2,200
Withdrawals of loans	9,808	25,854	19,280	26,460
Repayments of loans	-10,950	-1,258	-20,433	-3,466
Acquisition of subsidiaries less cash and cash equivalents acquired	—	-163	—	-192
Paid distribution of funds ^{*)}	-825	-813	-1,649	-1,614
Payments of lease liabilities	-1,723	-1,720	-6,387	-6,481
Net cash flow from financing activities	-3,690	21,900	-9,190	16,906
Net change in cash and cash equivalents	868	22,863	-27,455	9,538
Cash and cash equivalents at the beginning of the period	10,381	15,841	38,704	29,166
Impact of exchange rate changes on cash and cash equivalents	—	—	—	—
Cash and cash equivalents at the end of the period	11,249	38,704	11,249	38,704

^{*)} The comparison year changed due to the clarification of the preparation principle

Consolidated statement of change 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 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	—	-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
Distribution of funds	—	-1,649	—	—	—	-1,649	—	-1,649
Other transactions	—	—	—	—	-7	-7	1	-6
Total transactions with owners	—	-1,649	—	—	265	-1,385	1	-1,384
Equity at 31 Dec 2023	80	62,361	313	70	-10,885	51,940	167	52,108

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 2022	80	43,794	313	17	4,394	48,599	1,064	49,664
Profit (loss) for the period ^{*)}	—	—	—	—	-9,174	-9,174	-661	-9,835
Translation differences	—	—	—	68	—	68	—	68
Remeasurements of post-employment benefit obligations	—	—	—	—	179	179	—	179
Total comprehensive income	—	—	—	68	-8,995	-8,927	-661	-9,588
Transactions with owners:								
Share issue	—	21,831	—	—	—	21,831	—	21,831
Transactions with non-controlling interests	—	—	—	—	-327	-327	-14	-341
Convertible notes equity component	—	—	—	—	2,563	2,563	—	2,563
Share based payments	—	—	—	—	88	88	—	88
Distribution of funds ^{*)}	—	-1,614	—	—	—	-1,614	—	-1,614
Other transactions	—	—	—	—	8	8	—	8
Total transactions with owners	—	20,216	—	—	2,333	22,549	-14	22,535
Equity at 31 Dec 2022	80	64,010	313	84	-2,268	62,220	389	62,609

^{*)} The comparison year changed due to the clarification of the preparation principle

Notes to the consolidated financial bulletin

1. Accounting principles

Enersense changed the accounting of wind power projects from the beginning of 2023 so that realised sales gains from completed wind power projects are recognised in revenue in the income statement (In year 2022 the revenue increased by EUR 14,0 million, where EUR 6,4 million in the first quarter and EUR 7,5 million in the fourth quarter), whereas they were previously included in other operating income. In addition, distribution of funds to minority shareholders which is based on a shareholder agreement are recognised in financial expenses in the income statement (in year 2022 financial costs increased EUR 7,4 million, where EUR 2,5 million in the first quarter and EUR 4,9 million in the fourth quarter), while they were previously treated as decreases in equity.

These changes are related to the specification of accounting principles the aim of which is to provide clearer and more comparable information about Enersense's wind power projects and their impact on the company's financial results. The intangible assets related to Wind Farm projects is presented as a separate item in intangible assets. Earlier those were included to other intangible assets. The data for the reference year have been reclassified accordingly.

The change had no impact on operating results for 2022 but other operating income decreased correspondingly. The change weakened loss before taxes and net result. Therefore earnings per share also decreased by 0,46 EUR, where in the first quarter 0,16 and fourth quarter 0,30 EUR. Impact of the changes are published in separate stock exchange release at 27.7.2023.

This Financial Statement Bulletin is in accordance with IAS 34 and has been otherwise prepared in accordance with the accounting principles presented in the financial statements for 2022. The adjustments and annual improvement to the IFRS standards which came into force on 1 January 2023 do not have a significant impact on the figures presented. Enersense follows Securities Markets Act by publishing half-year report and publishing business reviews after first three and nine months of the year, where it presents most relevant financial figures.

The information presented in the Financial Statement Bulletin is unaudited.

2. Changes in the group structure and acquisitions

Enersense International Plc did not execute any company acquisitions during 2023. During 2022 through a directed share issue (EUR 18.5 million), Enersense International Plc acquired the entire share capital of Megatuuli Oy (now Enersense Wind Oy), an onshore wind farm developer. The share transaction was completed on 1 February 2022. The acquisition of Megatuuli Oy did not involve arrangements related to IFRS 16. The intangible assets' fair value is EUR 22.9 million, including EUR 22.8 million of wind farm projects. The value of acquired assets and liabilities exceeded the acquiring costs. Because even after second review it generated profit, the profit was booked as income immediately as according to IFRS 3 negative goodwill cannot be shown in assets. As residual value the negative goodwill of EUR 2.1 million was recorded as other operating income. Sales of project portfolio accumulated EUR 14.0 million for the year 2022.

Enersense International Plc announced on 8 December 2021 that it had signed an agreement on an equity investment of EUR 13 million in P2X Solutions Oy, a green hydrogen production company. Following the investment, Enersense's holding in P2X was around 16.3%. In accordance with the agreement, the last portion EUR 2.6 million of the investment was paid in January 2023. In August 2023 Enersense invested an additional

EUR 0.6 million and the holding increased to 18,5%. P2X is treated as an associated company in the Group. In addition to its shareholding, Enersense holds a seat at P2X's Board.

Related to the purchase of Pori Offshore Constructions Oy (now Enersense Offshore Oy), the purchase price debt was corrected by EUR 0.4 million in 2023, which is reported under Other operating income.

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

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

The amount of cash flow generated by the Megatuuli Oy is presented in the table below in column 2022.

EUR thousand	2023	2022
Paid acquisition price	0	0
Cash and cash equivalent acquired	0	9
Net of cash acquired	0	9

The net assets and the goodwill arising from the Megatuuli acquisition is presented in the table below.

EUR thousand	2023	2022
Assets		
Non-current assets		
Other intangible assets	0	22,868
Property, plant, equipment	0	58
Investments accounted for using the equity method	0	
Other shares and equity interests	0	2,400
Non-current trade and other receivables	0	704
Deferred tax-assets	0	0
Total non-current assets	0	26,030
Current assets		
Inventories	0	0
Trade receivables	0	207
Other receivables	0	61
Cash and cash equivalents	0	9
Total current assets	0	277
Total assets	0	26,307
Liabilities		
Non-current liabilities		
Borrowings	0	123
Employee benefit obligations	0	0
Deferred tax liabilities	0	5,188
Provisions	0	0
Total non-current liabilities	0	5,312
Current liabilities		
Borrowings	0	150
Advances received	0	0
Trade payables	0	192
Other payables	0	137
Current income tax liabilities	0	0
Provisions	0	0
Total current liabilities	0	479
Total liabilities	0	5,790
Total equity and liabilities	0	20,516
Non-controlling interests	0	0
Acquisition price	0	-18,397
Positive goodwill	0	0
Negative goodwill	0	-2,120

The amount of cash flow generated by the Unified Chargers Oy acquisition and Helen business transfer are presented in the table below in column 2022.

EUR thousand	2023	2022
Paid acquisition price	0	-701
Cash and cash equivalent acquired	0	5
Net of cash acquired	0	-696

The net assets and the goodwill arising from the Unified Chargers Oy and Helen business transfer transaction are presented in the table below.

EUR thousand	2023	2022
Assets		
Non-current assets		
Other intangible assets	0	627
Property, plant, equipment	0	721
Investments accounted for using the equity method	0	0
Other shares and equity interests	0	0
Non-current trade and other receivables	0	0
Deferred tax-assets	0	0
Total non-current assets	0	1,348
Current assets		
Inventories	0	255
Trade receivables	0	-41
Other receivables	0	4
Cash and cash equivalents	0	5
Total current assets	0	222
Total assets	0	1,570
Liabilities		
Non-current liabilities		
Borrowings	0	578
Employee benefit obligations	0	0
Deferred tax liabilities	0	0
Provisions	0	0
Total non-current liabilities	0	578
Current liabilities		
Borrowings	0	42
Advances received	0	0
Trade payables	0	216
Other payables	0	548
Current income tax liabilities	0	0
Provisions	0	0
Total current liabilities	0	806
Total liabilities	0	1,384
Total equity and liabilities	0	186
Non-controlling interests	0	0
Acquisition price	0	-1,906
Positive goodwill	0	1,720
Negative goodwill	0	

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

EUR thousand	2023	2022
Carrying value 1 Jan	10,937	1,564
Business combinations	0	0
Additions	3,228	10,399
Disposals	0	-228
Amortisation	0	-516
Share of the result for the period	-285	-282
Carrying value 31 Dec	13,881	10,937

3. Revenue and business areas

Revenue by business area

EUR thousand	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Smart Industry	34,055	22,100	113,712	72,721
Power ^{*)}	27,982	25,596	87,487	74,958
Connectivity	17,033	13,963	57,771	47,230
International Operations	28,728	35,836	104,204	87,007
Items not allocated to business areas	28	82	144	81
Total^{*)}	107,827	97,578	363,318	281,997

*) The comparison year changed due to the clarification of the preparation principle

Geographical distribution of revenue by target country

EUR thousand	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Finland ^{*)}	67,333	60,676	241,397	192,317
Other countries	40,494	36,902	121,921	89,680
Total^{*)}	107,827	97,578	363,318	281,997

*) The comparison year changed due to the clarification of the preparation principle

EBITDA by business area

EUR thousand	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Smart Industry	720	-817	5,262	268
Power	7,900	8,735	10,714	19,237
Connectivity	1,075	480	2,273	362
International Operations	1,867	-3,142	4,019	-3,930
Items not allocated to business areas	-3,907	-1,889	-7,564	-3,726
Total	7,655	3,367	14,704	12,210

Reconciliation of EBITDA to operation profit

EUR thousand	10-12/2023	10-12/2022	1-12/2023	1-12/2022
EBITDA	7,655	3,367	14,704	12,210
Depreciation, amortisation and impairment	-2,344	-2,272	-9,444	-8,731
Operating profit	5,311	1,095	5,260	3,479

4. Incentive scheme (IFRS 2)

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

Share-based incentive scheme for 2022–2025

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

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

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

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

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

Share-based incentive scheme for 2023–2025

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

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

The rewards to be paid based on the plan correspond to the value of an approximate maximum total of 241,000 Enersense International Plc shares, also including the proportion to be paid in cash. Approximately 40 persons, including the President and CEO and other members of the Group Executive Team, belong to the target group of the plan. The President and CEO of Enersense International Plc and the member of the Group Executive Team must own at least 50 per cent of the shares received as a net reward from the plan, until the

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

Restricted share plan for 2022–2024

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

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

5. Intangible assets

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
Divestment in subsidiaries	-69	—	-200	—	-100	—	-300
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 Jan	—	-2,337	-1,985	—	-2,019	—	-6,341
Depreciation	—	-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 Dec	—	-3,303	-2,016	-45	-2,442	—	-7,806
Net book value at 1 Jan	27,874	7,310	1,349	22,714	31,540	144	40,379
Net book value at 31 Dec	27,805	6,344	1,795	22,556	9,354	144	40,193

EUR thousand	Goodwill	Customer relationships	Development costs	Wind farm portfolio	Other intangible assets	Advance payments for intangible assets	Other intangible assets total
2022							
Cost at 1 Jan	26,154	9,647	2,848	—	10,731	122	23,348
Business combinations	1,720	—	618	22,838	1	38	23,495
Additions	—	—	16	—	38	1	55
Disposals	—	—	—	-125	-37	-17	-179
Reclassifications	—	—	-147	—	147	—	—
Cost at 31 Dec	27,874	9,647	3,335	22,714	10,880	144	46,720
Accumulated depreciation and impairment at 1 Jan	—	-1,371	-1,721	—	-1,664	—	-4,757
Depreciation	—	-966	-260	—	-377	—	-1,603
Disposals	—	—	—	—	37	—	37
Impairment charge	—	—	-5	—	-14	—	-19
Accumulated amortisation and impairment at 31 Dec	—	-2,337	-1,985	—	-2,019	—	-6,341
Net book value at 1 Jan	26,154	8,276	1,127	—	9,067	122	18,592
Net book value at 31 Dec	27,874	7,310	1,349	22,714	8,862	144	40,379

Goodwill impairment testing

Annual impairment testing is done in the last quarter. The starting point is the situation in the third quarter of the year at the level of the four business segments. The cash flow forecasts used in the calculations are

based on the budget approved by the management and the forecast for the following four years. The discount rate used before taxes was 11.9% (11.1%) based on the 12-month Euribor. The period after the forecast period is defined by extrapolating the cash flows using the estimated probable annual growth at the time of testing. On average, the forecasted EBITDA will increase by 33%. According to management's assessment, there is no need for a write-down. In the sensitivity analysis, it was found that the EBITDA of the International Operations segment is sensitive to possible changes. If the EBITDA in the International Operations segment decreases by 1.5 percentage points annually, the accumulated cash flows correspond to the book value of the assets allocated to the segment.

Wind farm project base testing is performed at the project base level so, that projects are divided to three levels based on their progress: building phase, land use and permit phase and feasibility phase. The discount rate used before taxes for those were 11.9% (11.1%), 24% (24%) and 42% (42%). According to the management's assessment, there is no need to write down the tested projects. The recorded impairments are related to the feasibility phase projects.

6. Property, plant and equipment

During the year, EUR 5.2 million in new lease liabilities were recognised on the balance sheet.

EUR thousand	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Prepayments and construction in progress	Total
2023						
Acquisition 1 Jan	355	17,390	20,995	315	357	39,412
Business combinations	—	—	—	—	—	—
Increases	139	2,586	3,754	67	739	7,285
Divestments in subsidiaries	—	-24	-7	—	—	-32
Decreases	—	-225	-922	-75	-136	-1,357
Acquisition cost 31 Dec	494	19,727	23,820	308	960	45,308
Accumulated depreciation and impairment 1 Jan	-29	-8,035	-9,025	-109	—	-17,199
Depreciation	-37	-3,092	-4,443	-87	—	-7,660
Accrued depreciation on divestments in subsidiaries	—	24	5	—	—	29
Decreases	—	116	589	71	—	776
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

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

7. Share issues

Directed share issue

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

8. Financial assets and liabilities by measurement category

	31.12.2023		31.12.2022	
	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	—	2,251
Loan receivables	—	—	—	—
Pledged account	1,325	—	1,325	—
Other receivables	750	—	2,250	—
Trade receivables	1,036	—	703	—
Total non-current assets	3,111	1,228	4,278	2,251
Current assets				
Trade receivables	40,291	—	33,033	—
Other financial assets	3,627	—	2,289	—
Cash and cash equivalents	11,249	—	38,704	—
Total current assets	55,167	—	74,026	—
Total assets	58,278	1,228	78,304	2,251
Financial liabilities, long-term liabilities				
Loans	28,270	—	30,458	—
Lease liabilities	9,266	—	10,738	—
Trade payables	3	359	2	929
Total non-current liabilities	37,536	359	41,198	929
Current liabilities				
Loans	4,167	—	3,439	—
Lease liabilities	6,141	—	5,968	—
Trade payables and other liabilities	44,724	—	55,230	—
Total current liabilities	55,032	—	64,637	—
Total liabilities	92,568	359	105,835	929

Financial arrangements

Enersense signed a new financing agreement on June 1, 2023, where it was agreed on a financing package consisting of two senior loans, a financing limit and several bank guarantee and factoring financing limits. The funding is used for operational development and working capital management.

The financing package, which consists of an issued convertible bond of 26 million euros, two senior loans of a total of 6.3 million euros maturing in 2026, product development loans of a total of 1 million euros, installment debt of 1.6 million euros, a revolving committed credit facility of 5 million euros that can be withdrawn if necessary, and a total of 39,9 million euro factoring facility, as well as bank guarantee limits.

In addition, the total amount of guarantee limits was increased by 10 million euros during 2023, and Enersense currently has at its guarantee limits totaling 55 million euros.

The company has access to factoring facilities totalling EUR 39,9 million.

At the end of 2023, Enersense had EUR 6.3 million in senior loans. In February 2024, Enersense made a payment arrangement with the tax authorities relating to VAT debts totaling 12.2 million euros. Similar arrangements with the tax authorities Enersense has also made in 2021 and 2022.

Convertible notes

Enersense International Plc offered on 1 Dec 2022 senior unsecured conditionally convertible notes, due on 15 January 2027, to selected professional investors and eligible counterparties. Company announced on 2 December 2022, that it had completed the offering of the EUR 26-million convertible notes.

On 23 December 2022, in accordance with the Board of Directors' proposal, Enersense's Extraordinary General Meeting decided to authorise the Board to decide on the issue of special rights entitling to shares in the company to the original subscribers of the convertible bond mentioned above and/or those who had purchased convertible notes after subscription, so that the notes can be converted into shares in accordance with the terms and conditions of the notes. The value determined by the management for the interest rate on convertible notes without the conversion right would be 10.5%.

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

Each note, with a nominal value of EUR 100,000, provides its holder with one special right. Each special right entitles its holder to 12,500 new shares in the company. The initial exchange price per share has been set at EUR 8.00. If all the convertible notes are exchanged for new shares in the company at the initial exchange price, the number of new shares in the company to be issued based on special rights will be no more than 3,250,000, or around 19.7% of the total number of shares on the date of the General Meeting (around 16.5% when the dilution effect is considered). The exchange price may be adjusted in accordance with the terms and conditions. If the exchange price is adjusted and the number of shares issued based on the convertible notes needs to be increased, the increase in the number of shares to be issued will be determined separately in accordance with the Limited Liability Companies Act. The special rights entitling their holders to shares were entered into the Trade Register on 27 December 2022.

Covenants

Enersense's financing package, which includes the company's senior loans as well as bank guarantee, leasing and financing limits, includes financial covenants that measure the equity ratio and the ratio of interest-bearing net debt to EBITDA, which are reviewed on a quarterly basis, as well as a minimum liquidity covenant, which is reviewed monthly, in case the financial covenant measuring the ratio of interest-bearing net debt to EBITDA is not fulfilled.

The convertible bond has been agreed with the financiers that it will be interpreted as a subordinated loan and will be treated as equity when calculating the adjusted equity. In connection with the interest-bearing net liabilities/EBITDA covenant, the convertible bond is interpreted as an interest-free loan. In addition, it has been agreed that in addition to the equity ratio covenant, a minimum liquidity covenant will be applied, which will be reviewed if the interest-bearing net liabilities/EBITDA covenant is not met. The limit value of the minimum liquidity covenant is 15 million euros, and the company reports its realization to the financiers every month if the interest-bearing net debt/EBITDA covenant is not met. The covenants are consistent with the indicators followed by the management.

On December 31, 2023, Enersense fulfilled the covenant conditions related to solvency and debt management and has confirmed the values of the covenants to the financiers. Enersense estimates that it will fulfill the covenant conditions of its financing agreement also during the 2024 financial year at all measurement points.

	Covenant value, 31 Dec 2023	31.12.2023	Covenant value, 31 Dec 2022	31.12.2022
Covenants for loan agreements				
Equity ratio ¹⁾	>37,5%	37.7%	>37,5%	39.3%
Interest bearing debt/EBITDA ²⁾	<2,25	0.8	<2,5	-0.8
Minimum cash ³⁾	>15 MEUR			

1) Adjusted equity include convertible notes

2) Convertible notes are not counted to interest bearing debt

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

9. Related party transactions

EUR thousand	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Sales of goods and services	1,849	-12	1,889	79
Purchases of goods and services	2	-2	2	2
Interest income	—	—	—	—

Related party transactions are all with associated companies and they are agreed under usual conditions.

10. Contingent liabilities, assets and commitments

EUR thousand	31.12.2023	31.12.2022
Guarantees		
Company mortgages	591,200	591,200
Real estate mortgages	7,200	7,200
Contract and delivery guarantees	115,860	77,096
Bank guarantees	2,000	2,047
Other guarantees	—	20
Pledged assets		
For own commitments	45,336	80,421

Enersense has pledged shares in its subsidiaries as collateral for its loans. Contract, delivery and bank guarantees mainly consist of guarantees provided by Enersense to its customers as collateral for projects.

Claims

Group companies have ongoing legal disputes and disagreements, some of which are pending in general or administrative courts and in arbitration proceedings in Finland or abroad. Disputes are typically related to demands directed at Enersense regarding alleged incorrect performance, delays or damages caused to customers, especially in project activities, or correspondingly to demands directed by Enersense to its suppliers or customers. It is difficult to assess the outcome of claims, disagreements and legal processes. The company has assessed the potential effects of litigation and made provisions based on these assessments.

11. Events after the reporting 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 will be renamed Industry. From the beginning of 2024, Enersense will report three business areas instead of the current four: 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 2 February 2024, Enersense announced that the Shareholders' Nomination Board proposes that the current Board members will be re-elected as board members, and Ville Vuori and Anders Dahlblom will be elected as new board members.

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 cost per share	=	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



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