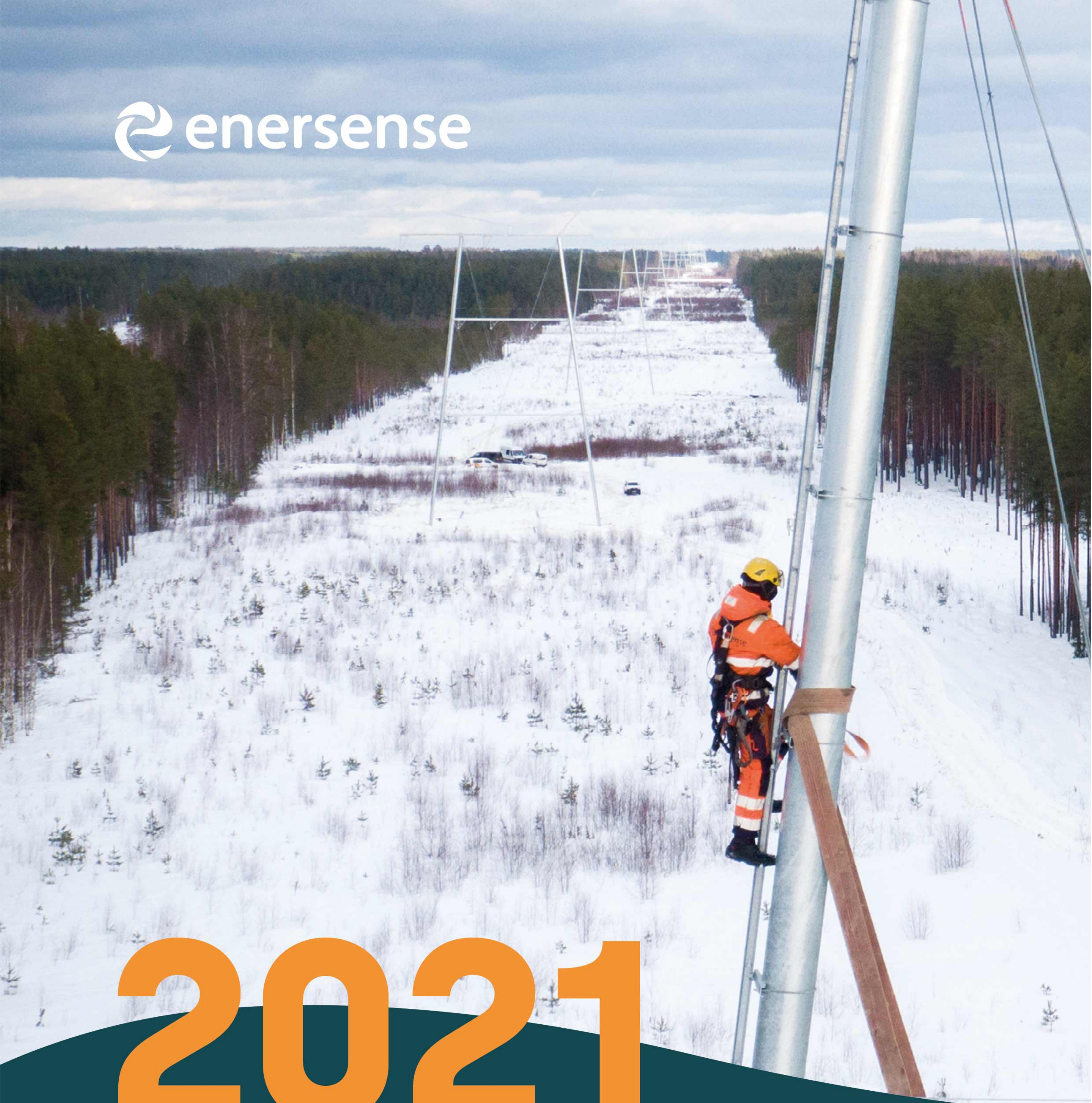

2021

The Board of Directors' Report and Financial Statements

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The figures in brackets refer to the comparison period (the corresponding period of the previous year), unless otherwise stated.

Board of Directors' report

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ENERSENSE INTERNATIONAL PLC
THE BOARD OF DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR 2021
(AUDITED)

Financial performance and position

REVENUE INCREASED MARKEDLY IN 2021 – THE BOARD OF DIRECTORS PROPOSES THAT A DIVIDEND BE PAID FOR THE FIRST TIME

- Revenue EUR 239.1 million (147.5), 62.2% year-on-year
- EBITDA EUR 16.6 million (9.8), EBITDA margin 7.0% (6.6)
- Operating profit EUR 6.8 million (4.8), profit margin 2.9% (3.2)
- Earnings per share EUR 0.35 (0.27)
- Total number of shares 13,397,729 (31 December 2021)
- Enersense's Board of Directors proposes to the Annual General Meeting to be held on 4 April 2022 that a dividend of EUR 0.1 per share be paid for the financial year that ended on 31 January 2021 (2020: no dividend).
- The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.
- Revenue from negative goodwill due to the acquisition of Enersense Offshore Oy (formerly Pori Offshore Construction Oy) was EUR 7.3 million.

ESTIMATE OF PROBABLE FUTURE DEVELOPMENTS

According to the company's guidance, revenue is expected to be between EUR 245–265 million in 2022. Its adjusted EBITDA is expected to be EUR 15–20 million in 2022. Compared to the previous year, investments in the new ERP system will weigh on the result of 2022. In addition, investments in growing offshore wind power will have an impact on the result. Due to the seasonal nature of the company's business operations, its revenue and profitability are usually at their highest during the second and third quarters and part of the fourth quarter.

The guidance and outlook are based on the information available to the company about the progress of ongoing customer projects and on the company's estimate of customer projects to be started in 2022. In the outlook for 2022, the global coronavirus pandemic and its spread must still be considered, as the pandemic continues to affect the company's operating environment, as well as the uncertainty in the global politics, and the weakening of the world economy, especially the tense geopolitical situation in Ukraine. Enersense monitors the impacts of the virus and communicates about the situation transparently with its customers. Delays in ongoing projects are possible. The coronavirus pandemic and the uncertainty in the global politics may affect the company's operations and performance.

Key indicators

	1–12/2021	1–12/2020	1–12/2019
Revenue (EUR 1,000)	239,110	147,460	58,057
EBITDA (EUR 1,000)	16,639	9,775	52
EBITDA, %	7.0	6.6	0.1
Operating profit (EUR 1,000)	6,834	4,780	-965
Operating profit, %	2.9	3.2	-1.7
Result for the period (EUR 1,000)	3,973	2,379	-1,371
Equity ratio, %	35.6	15.7	30.8
Gearing, %	3.6	52.3	64.8
Return on equity, %	8.3	19.3	-17.7
Earnings per share, EUR	0.35	0.27	-0.21

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

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SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

- 1 February Tommi Manninen was appointed SVP, Communications and Public Affairs, and a member of the Group Executive Team at Enersense.
- 4 February The company's Smart Industry business area renewed its plant maintenance contract with a major Finnish industrial company.
- 25 February Enersense complemented its long-term financial targets and further specified its plan for the possible transfer to the Nasdaq Helsinki.
- 1 March Enersense increased its holding in its Latvian associated company, Empower SIA, which became an Enersense Group company through an acquisition.
- 15 March Enersense secured a new significant long-term shareholder and raised EUR 15 million through a directed share issue.
- 19 March At its inaugural meeting, the Board of Directors of Enersense elected Markku Kankaala as its Chair and Herkko Plit as its Vice Chair. In addition, the Board elected the members of its Audit Committee from among its members: Sari Helander (Chair), Markku Kankaala and Petri Suokas. The Board also elected the members of the Remuneration Committee: Herkko Plit (Chair), Markku Kankaala and Sirpa-Helena Sormunen.
- 23 March Enersense signed an agreement with the Lithuanian company Litgrid AB on the modernisation of the Jurbarkas–Bitėnai power lines.
- 16 April At an Extraordinary General Meeting of Enersense, it was decided that the Board of Directors would consist of seven members, and that Jaakko Eskola be selected as a new member of the Board. At its meeting convened after the Extraordinary General Meeting on 16 April 2021, the Board of Directors decided to elect Jaakko Eskola as its Chair.
- 4 May The company completed negotiations on refinancing its operations. The company's new financing package consists of two senior loans and several bank guarantee and factoring facilities.
- 6 May Enersense agreed to sell the entire share capital of Värväämö Oy to Citywork.
- 6 May Enersense adopted IFRS reporting and published its new guidance for 2021
- 10 May The company published its pro forma IFRS financial information for 1 January to 31 December 2020 to describe the impacts of the Empower acquisition, which was completed on 31 July 2020.
- 2 June Enersense signed a significant agreement on the renewal of the Tsirguliina–Viru power lines.
- 3 June Enersense published its unaudited IFRS financial information for the first quarter of 2021 and the first quarter of 2020.
- 4 June The company announced that it was planning to execute a share issue, and that it would apply for its shares to be listed on the Nasdaq Helsinki.
- 7 June Enersense applied for its shares to be listed on the Nasdaq Helsinki.
- 10 June Enersense published the terms and conditions of its directed share issue.
- 10 June The company published its IFRS financial statements for 2020 and its interim report for the first quarter of 2021 in accordance with IAS 34.
- 10 June The Financial Supervisory Authority approved Enersense's Finnish-language listing prospectus.
- 18 June Enersense's public offering was oversubscribed, and the subscription period was discontinued.
- 21 June Enersense's institutional offering was oversubscribed, and the subscription period was discontinued.
- 22 June Enersense successfully executed a directed share issue of 1,775,000 new shares, raising around EUR 16 million.
- 24 June Enersense announced that Maija Kaski, SVP, HR, and a member of the Group Executive Team, would leave the company in September 2021.
- 30 June Enersense completed the sale of Värväämö's share capital to Citywork. Mika Linnamäki, EVP, Staff Leasing, retired from his position as a member of the Group Executive Team and left the company.
- 21 July Mikko Jaskari was appointed Chief Financial Officer of Enersense and a member of the Group Executive Team.
- 16 August Enersense announced that Anna Lindén, EVP, Connectivity, would leave the company, and that Juha Silvola, EVP, Power, would serve as acting EVP of the Connectivity segment.
- 30 August Enersense announced that Markku Kankaala, Vice Chair and member of the Board, would leave the Board on 30 August 2021. Kankaala also resigned from the Audit Committee and the Remuneration Committee.
- 31 August Enersense's Board of Directors elected Sirpa-Helena Sormunen as its new Vice Chair. Päivi Jokinen was elected as a new member of the Audit Committee, and Jaakko Eskola was elected as a new member of the Remuneration Committee.

- 31 August Hanna Reijonen was appointed SVP, HR of Enersense and a member of the Group Executive Team.
- 6 September The following people were appointed as members of the Shareholders' Nomination Committee: Risto Takkala, MBÅ Invest Oy; Alexander Ehrnrooth, Nidoco AB; and Kyösti Kakkonen, Joensuun Kauppa ja Kone Oy.
- 4 October Enersense acquired the share capital of Pori Offshore Constructions Oy, a company specialising in offshore wind power.
- 4 October Enersense updated its disclosure policy: in the future, the company will announce new orders or customer contracts as insider information by means of stock exchange releases when the expected value of the order or customer contract is more than ten per cent (10%) of the Enersense Group's revenue in the previous financial year, or if the company deems the order or customer contract to be material or strategically significant on other grounds.
- 8 December Enersense announced that it had agreed on an investment in and primary partnership with P2X Solutions Oy, Finland's first green hydrogen production company.
- 20 December Enersense announced it had signed an agreement on acquiring Megatuuli Oy, an onshore wind farm developer company.
- 20 December Enersense announced, through its corporate arrangements, that the company would proceed to the second phase of its strategy, and that it would expand in the value chain by also becoming a provider of zero-emission energy and a key green energy company. Its long-term targets will be reassessed if the corporate transactions are implemented.
- 20 December The Ministry of Economic Affairs and Employment granted support for building Finland's first green hydrogen production plant in Harjavalta – Enersense's investment in P2X is progressing.
- 22 December Enersense updated its financial guidance for 2021: the Group's adjusted EBITDA is expected to exceed EUR 19 million, and its adjusted operating profit is expected to exceed EUR 11 million.

EVENTS AFTER THE REVIEW PERIOD

3 January Enersense further specified the implementation schedule for its investment and partnership arrangement related to P2X. Preconditions are expected to be met at the end of January 2022, and the arrangement is expected to be implemented during February 2022.

10 January Enersense announced that its Megatuuli acquisition was progressing: Enersense had signed a letter of intent with Megatuuli's key project development partner on a precondition for the transaction.

11 January To implement the acquisition of Megatuuli Oy, Enersense's Extraordinary General Meeting decided, in accordance with the Board of Directors' proposal, to amend Section 3 of the Articles of Association, authorise the Board of Directors to decide on the issuance of no more than 2,675,000 shares for a directed share issue and, conditional on the completion of the acquisition, authorise the Board of Directors to accept no more than 668,750 of the company's own shares as a pledge and transfer shares accepted as a pledge.

17 January Enersense's Shareholders' Nomination Board submitted its proposal to the 2022 Annual General Meeting.

19 January Enersense announced that Johanna Nurkkala, SVP, Legal, and a member of the Group Executive Team, would leave the company in April 2022.

31 January Enersense announced, with the progress of its investment and partnership arrangement with P2X, that the amount of its investment has been confirmed and will be EUR 13 million if the arrangement is implemented.

31 January Enersense's Board of Directors decided on a directed share issue of 2,598,331 new shares in Enersense in connection with the Megatuuli acquisition. The shares were issued to Megatuuli's sellers and the share transaction was conditional on the completion of the acquisition.

1 February Enersense completed the Megatuuli transaction and the new Enersense shares have been registered with the Trade Register.

3 February Enersense announced that the wind farm projects developed by Enersense's subsidiary Megatuuli Oy and its partner are progressing, and that Megatuuli has agreed on a fee to be paid in instalments under the development cooperation agreement between 2022 and 2025.

14.2. Enersense carried through its investment to P2X Solutions Oy.

Jussi Holopainen, President and CEO

Energy transition is progressing rapidly in our society. New zero-emission energy solutions are gaining ground quickly, and there is demand for operators with broad-based expertise in the energy sector. This was reflected in many ways in Enersense's operations in 2021: there was great interest towards the company.

In 2021 our revenue increased by more than 60% year-on-year. This was largely due to the Empower acquisition. The figures for these businesses have been included in the Group's figures since August 2020. We also updated our financial guidance in December, and eventually achieved EUR 239.1 million in revenue. For the first time in Enersense's history as a listed company, its Board of Directors proposes a dividend to be paid for 2021.

The strong interest in zero-emission energy solutions and the trust in our operations were evident when we transferred to the main list of the Nasdaq Helsinki in June. Our share issue was oversubscribed, and thousands of new owners who are interested in responsible business operations joined us. Through our directed share issues, significant and committed owners joined our journey towards a lower-emission society. In addition, our new financing package, which was negotiated in May, significantly strengthened our operational capabilities. The trust in our operations was further increased when Jaakko Eskola joined our Board of Directors as its Chair.

The year 2021 brought changes to our business areas, and we further strengthened our focus on zero-emission energy solutions in line with our strategy. In the summer, we divested Värväämö, a staff leasing company, as well as the entire Staff Leasing business area, and centralised our efforts to scale resources under the Smart Industry business.

In addition, the year 2021 was a time of strong integration for Enersense. The integration after the Empower acquisition in 2020 continued throughout the organisation. The integration of ways of working and the brand reform had largely been completed by the end of 2021.

We implemented our strategy for inorganic growth. Towards the end of the year, we announced our acquisition of Enersense Offshore Oy (former Pori Offshore Constructions Oy), a company specialising in offshore wind power, and Megatuuli Oy, an onshore wind power project developer. In addition, we agreed on an investment in and a primary partnership with P2X Solutions, a green hydrogen production company.

Wind power production will increase significantly in the near future, and the expertise of the project development company Megatuuli will bring us synergy benefits in offshore wind power projects. We can also develop wind farms with Megatuuli's partners and participate in their construction. We will also seek to build wind farms, serve as their owners and produce zero-emission energy in the future.

The increase in wind power production alone will not be sufficient to meet the growing need for energy, unless energy storage is further developed. Hydrogen plays a significant role in energy storage and in replacing fossil fuels. Our primary partnership with P2X enables us to participate in the construction of Finland's first green hydrogen production plant. This offers us a vantage point into the development of energy storage.

In line with our strategy, we are seeking to become a provider of zero-emission energy and a green energy company, but we are also implementing zero-emission energy solutions, from design and implementation to maintenance, as before. Our long traditions and highly competent employees are a cornerstone of our operations, and this has not changed. Enersense's strategy focuses on organic and inorganic growth. We are working to be a significant enabler of a zero-emission society and to operate broadly in the various sectors of the energy transition.

Finally, I would like to thank all our staff for their commitment and good work. The work we carried out in 2021 makes us better prepared for this historic green transition, ready to respond to our customers' rapidly changing needs.

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Financial result

Revenue by segment

EUR thousand	1–12/2021	1–12/2020	1–12/2019
Smart Industry	85,499	78,371	51,629
Power	49,143	18,916	–
Connectivity	45,318	23,419	–
International Operations	58,999	26,754	6,429
Items not allocated to business areas	152	–	–
Total	**239,110**	**147,460**	**58,057**

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

Revenue by target area

EUR thousand	1–12/2021	1–12/2020	1–12/2019
Finnish sites	177,229	111,671	42,516
International sites	61,881	35,789	15,541
Total	**239,110**	**147,460**	**58,057**

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

Revenue was 239.1 million (147.5), which is EUR 91.6 million higher than in the corresponding period of 2020, with an increase of 62.2%. The increase was mainly due to the impact of the Empower acquisition. EBITDA was EUR 16.6 million (9.8). The operating profit was EUR 6.8 million (4.8). A total of EUR 7.3 million in negative goodwill was recognised from the favourable acquisition of Enersense Offshore Oy (formerly Pori Offshore Constructions Oy).

The order backlog stood at EUR 291.0 million (292.0) at the end of 2021.

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

The result before taxes was EUR 3.5 million (2.9) in January–December, and the result for the period was EUR 4.0 million (2.4). Earnings per share were EUR 0.35 (0.27). Net financial expenses in January–December were EUR -3.3 million (-1.9), and included EUR 0.4 million in non-recurring arrangement fees.

CASH FLOW AND FINANCING

Cash flow from operating activities in January–December was EUR -15.6 million. An increase in trade and other receivables as a result of revenue growth, as well as the payment of trade receivables and other liabilities, had an impact on the cash flow for the period.

Cash flow from investing activities in January–December was EUR 11.5 million, which includes the divestment of Värväämö Oy, an investment in Empower SIA, the sale and leaseback of vehicles, and pledges related to loan arrangements.

Cash flow from financing activities in January–December was EUR 15.5 million, which includes the funds raised through the share issues implemented on 22 June 2021 and 15 March 2021, as well as loan withdrawals and repayments related to the new loan arrangement.

On 4 May 2021, Enersense announced that it had completed negotiations on the financing of its operations. The company's new financing package consists of two senior loans and several guarantee and invoice financing facilities. The funding is used for operational development and working capital management. As part of its new financing, the company took out two senior loans in the second quarter. Each loan amounts to EUR 6.0 million and will mature in 2026.

The new financing agreement includes financial covenants concerning the Group's equity ratio and its ratio of interest-bearing debt to EBITDA. At the end of September, the equity ratio needed to be at least 30.0%, and the ratio of interest-bearing debt to 12-month EBITDA needed to be no more than 2.0. The company has obtained financiers' consent according to which the equity ratio at the end of December needed to be at least 29.0%, and the ratio of interest-bearing debt to 12-month EBITDA needed to be no more than 3.5. Without the financiers' consent, the equity ratio would have needed to be 32.5%, and the ratio of interest-bearing debt to 12-month EBITDA would have needed to be no more than 2.0.

The company's covenants were met in accordance with the calculation principles confirmed in the financing agreement.

Enersense has access to a total of EUR 36.9 million in guarantee facilities. The company also has access to invoice financing facilities totaling EUR 38.5 million.

On 15 March 2021, Enersense's Board of Directors decided to execute a share issue, through which 2,075,000 new shares were directed to Nidoco AB. Nidoco AB has subscribed to all the offered shares in the company, and its Board of Directors has approved the subscriptions. The share issue was executed based on the authorisation granted by the Annual General Meeting on 6 April 2020.

Through the share issue, Enersense raised around EUR 15.0 million in gross assets before fees and expenses. The number of shares in the company increased by 2,075,000 to a total of 11,622,729 shares. The shares offered through the share issue represented 21.7% of all shares in the company before the issue, and around 17.9 % of all shares in the company following the issue.

On 22 June 2021, Enersense's Board of Directors decided to execute a directed share issue. The company issued 1,775,000 new shares to institutions, the public and its personnel. The share issue was executed based on the authorisation granted by the Annual General Meeting on 19 March 2021.

Through the share issue, Enersense raised around EUR 16.0 million in gross assets before fees and expenses. The number of shares in the company increased by 1,775,000, which corresponds to around 13.2% of its outstanding shares following the share issue. The number of shares in the company increased to 13,397,729 following the issue of the new shares.

Segment reviews

The company's business operations grew in services for the energy and telecommunications sectors and industry in Finland and the Baltic countries as a result of the Empower acquisition, which was completed in July 2020. The figures concerning the business operations that were transferred to Enersense through the acquisition are included in the consolidated figures from August 2020.

Revenue by segment

EUR thousand	1–12/2021	1–12/2020	1-12/2019
Smart Industry	85,499	78,371	51,629
Power	49,143	18,916	—
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SMART INDUSTRY

The Smart Industry segment helps customers improve the reliability of their production plants and the efficiency of their maintenance operations. The segment develops digital solutions for improving productivity and provides resource and contracting services and subcontracting chain management services for domestic and international industry projects. The segment is divided into two units: Smart Services (maintenance and operation services and subcontracting chain management services) and Smart Operations (resource, project and contracting services).

The revenue of the Smart Industry segment was EUR 85.5 million (78.4). Its revenue increased mainly as a result of the Empower acquisition in August 2020 and the volumes of the Smart Operations unit, which were higher than expected. The business operations of the Smart Services unit progressed as planned during the review period. The Staff Leasing business, which was part of the Smart Industry segment, was divested at the end of June.

The order backlog of the Smart Industry segment increased in line with expectations in January–December. The significant increase in orders indicates a continued strong demand. The coronavirus pandemic caused delays in maritime industry projects, especially in the first quarter and towards the end of the year. The risk of the business impact of the pandemic continues to exist in all our business areas in the forthcoming review period.

The average number of personnel in the Smart Industry segment was 769 person-years during the review period.

The Smart Industry segment's EBITDA was EUR 15.4 million (6.2). The change in EBITDA resulted from the Empower acquisition, the improved profitability of business operations and the recognition of EUR 7.3 million in negative goodwill from the favourable acquisition of Enersense Offshore Oy (formerly Pori

Offshore Constructions Oy), which was completed in October. Enersense Offshore Oy specialises in offshore wind power. It is reported as part of the Smart Operations business.

The Smart Industry segment's order backlog increased in line with expectations during the financial year and amounted to EUR 56.0 million. The order backlog grew considerably through the corporate arrangement related to Enersense Offshore Oy. In addition, general market interest in Enersense's renewed range of services has further strengthened its quotation base and order backlog.

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, electric substations and wind farms. The segment also provides solutions for charging systems for electrically powered transport and electricity storage.

The Power segment's revenue was EUR 49.1 million (18.9). Its revenue increased as a result of the Empower acquisition. The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020. Demand for services remained strong, and projects progressed well. The impacts of the coronavirus pandemic were minor in the review period.

The average number of personnel in the Power segment was 156 person-years during the review period.

The Power segment's EBITDA was EUR 2.4 million (1.0). The change in its EBITDA was mainly due to the impact of the Empower acquisition. In addition, the Power segment has focused strongly on improving profitability, which resulted in a significant increase year-on-year.

The Power segment's order backlog was EUR 52.0 million. Its backlog increased by EUR 1.0 million year-on-year. Compared with the end of the third quarter of 2021, the order backlog increased by EUR 21.0 million. The order backlog is expected to develop favourably over the coming months, with demand remaining strong.

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.

The Connectivity segment's revenue was EUR 45.3 million (23.4). The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020. The volume of long-term framework agreements was lower than during the previous year. The impacts of the coronavirus pandemic on business operations were minor during the review period.

The average number of personnel in the Connectivity segment was 345 person-years during the review period.

The Connectivity segment's EBITDA was EUR 1.6 million (1.5). The change was due to the impact of the Empower acquisition.

The Connectivity segment's order backlog was EUR 64.0 million. Its order backlog decreased by EUR 25.0 million year-on-year, and by EUR 11.0 million compared with the end of the third quarter of 2021. 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.

INTERNATIONAL OPERATIONS

The International Operations segment includes Enersense's international business operations in Germany, France, the United Kingdom and the Baltic countries.

The International Operations segment's revenue was EUR 59.0 million (26.8). Its revenue increased mainly as a result of the Empower acquisition. The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020. Revenue has developed favourably. The first half of the year was difficult because of cold weather, which caused orders to be postponed. A major power line project was completed at the end of 2020, and new projects did not start until February 2021. The break was used for training and annual leave, which was reflected in the result for the first half of the year. Demand for services was high, and revenue growth was mainly limited by a lack of resources. The construction volume of the grid and electricity distribution networks ordered through framework agreements remained high throughout the year. The volume of installation and maintenance work continued to be high.

The average number of personnel in the International Operations segment was 579 person-years during the review period.

EBITDA was EUR 1.7 million (1.7). The winter of 2021 was colder than usual, and there was a break in January between the completion of a major power line project and the start of new projects. Furthermore, high demand led to a lack of competent employees, and significantly higher material and other costs in the Baltic countries also posed challenges.

The order backlog is at a record high at EUR 120.0 million as a result of agreements signed by the International Operations segment on several long-term construction projects in the Baltic countries. The order backlog will be distributed over the coming years. The capacity for 2022 in the Baltic countries is almost sold out. 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.

Operating environment

The ongoing energy transition is a global phenomenon that will change energy production, shifting its focus from fossil options to renewable energy sources. The impacts of the energy transition will be reflected in changes in energy production methods, but the transition will also shape society in various ways and affect many sectors of the economy.

With energy production moving towards renewable energy sources, the changes will be reflected in the geographical diversification of energy production in particular. This will require substantial investments in transmission grids, electric substations and energy storage. Renewable energy forms often use natural phenomena – such as hydropower, wind power and solar power – as sources of energy, which will make energy production more uneven in the future than energy produced from fossil fuels, for example, depending on weather conditions.

The energy transition will also require more real-time and high-speed data transmission, which in turn will require investments in telecommunication networks. In addition, the information network infrastructure will play a key role in society in the renewal of manufacturing industry towards higher efficiency and sustainability, and in maintaining its competitiveness. The energy transition and industrial renewal are supported by EU-level and national energy efficiency and emissions targets.

THE IMPACT OF THE CORONAVIRUS PANDEMIC ON ENERSENSE AND ITS BUSINESS OPERATIONS

The coronavirus pandemic continues to spread and may have both direct and indirect impacts on Enersense's business operations through the uncertainty that is affecting society as a whole. The impacts of the coronavirus pandemic on Enersense in 2021 have mainly consisted of the following: delays, interruptions or postponements related to projects; delays and challenges arising from travel restrictions, particularly in projects implemented abroad; hindrances or delays in foreign material purchases and subcontracting; and challenges caused by illness or quarantine among the company's own employees or employees in the subcontracting chain.

If the coronavirus pandemic continues, it can still affect project decisions and project operation chains in industry, in addition to delaying decisions to start projects or causing delays in ongoing projects. The coronavirus pandemic may also affect employees' willingness and ability to travel, which also highlights the risk related to the availability of employees. The coronavirus pandemic has already had a significant impact on the uncertainty of the global economy and financial markets. If the pandemic continues further, it may lead to a deeper or longer-term global recession or depression. This could have a negative impact on certain types of investment and generally reduce Enersense's business opportunities.

Similarly, weaker confidence in the economy and reduced economic activity among Enersense's customers may have a negative impact on Enersense's revenue, cash flows and solvency in the future. If the coronavirus pandemic continues further or the related restrictions become stricter, a deterioration in the financial position of Enersense's customers in the public and private sectors may lead to a decrease in demand for Enersense's services, slower-than-expected sales development and a decrease in the prices of its services.

The full impact (including the timing, duration and extent of the impact) of the coronavirus pandemic on the global economy and the economies in Enersense's area of operation, as well as on Enersense's business operations and customers, is difficult to predict, especially as the pandemic situation and the related public administration decisions and measures keep changing rapidly.

Enersense seeks to ensure the health and safety of its personnel through various measures, including travel restrictions and opportunities to work remotely. The coronavirus pandemic related team established by Enersense is monitoring the situation closely.

Market situation

We estimate that Enersense's total market in Finland is around EUR 4 billion. We are well positioned for the first quarter of 2022 in terms of both orders and offers. Our order backlog was EUR 291.0 million (292.0) at the end of December 2021. The order backlog is distributed over 2022–2023.

SMART INDUSTRY

The Smart Industry segment's market is expected to develop favourably. We seek new customers through the implementation of zero-emission and low-emission projects. Existing service contracts will continue at their normal level. The increase in orders indicates a continued good demand. We estimate that the total market in Finland is around EUR 2 billion.

Through the acquisition of Enersense Offshore Oy (formerly Pori Offshore Constructions Oy), Enersense takes part of the offshore industry and especially the offshore wind power market. The offshore wind power market is estimated at around EUR 3 billion in the Baltic Sea region. In accordance with the EU strategy on offshore renewable energy, the goal is to increase Europe's offshore wind capacity from its current level of 12 GW to 300 GW by 2050. Investments of nearly EUR 800 billion are needed to achieve this goal.

POWER

The business environment for the Power segment is expected to develop favourably, and demand for services is expected to remain at a good level in 2022. Profitability improvement and operational stabilisation have been successful. The overall market in Finland continues to grow, and the market size is currently estimated at more than EUR 500 million.

CONNECTIVITY

The moderate and stable growth of the Connectivity segment's market is driven by the need for high-speed connections in fixed and mobile networks. We estimate that the total market in Finland is around EUR 250 million. The market is growing with the construction of 4G and 5G networks.

INTERNATIONAL OPERATIONS

The business environment for the International Operations segment is expected to improve moderately in 2022. Performance development in the Baltic countries is expected to remain at the same level as in 2021. Positive performance development is expected to continue in France. Business development continues in the United Kingdom and Germany.

Near-term risks and uncertainties

In its operations, Enersense is exposed to strategic, operational and financial risks and external threats.

The uncertainty and unfavorable changes in the global politics, including the tense geopolitical situation in Ukraine and related measures, may have a negative impact on, among other things, the ability and willingness of Enersense's customers to invest and to obtain financing and thus, it may have a negative impact also on the demand of Enersense's services. The weakening of the world economy may have a negative impact on Enersense's business operations and projects within its order backlog which may be delayed or suspended. The governmental regulations and restrictions as well as related changes and uncertainty may also have essential impact within the customer field of Enersense's energy business operations.

The EUR 0.5 million investment in the associated company Yrittäjien Voima Oy contains uncertainty. The investment will be reviewed in the first quarter of the financial year 2022 and a write-down will be made if necessary. Ownership is indirectly linked to the Fennovoima project and the project risk has been found to be significant.

The impacts of the coronavirus pandemic and the ensuing economic downturn on Enersense, as well as the related risks and uncertainties, are described under "Operating environment".

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.

In addition, 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. 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 performance and financial position over a period of time longer than the order book. Increased competition may also have a negative impact on the development of Enersense's order backlog, and thereby also on its revenue and profitability.

Some of the prices of the materials used in Enersense's business operations are prone to changes. In addition, salary levels are expected to increase in the coming years. The risk associated with price and wage changes is estimated to be strongest in the Baltic countries. If Enersense fails to hedge against changes in prices and salaries by entering into fixed-price procurement agreements or transferring cost increases to its prices for customers, the materialisation of risks may have a significant impact on project profitability and Enersense's financial position.

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

Enersense's loss 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 loss 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.

The Group companies have ongoing legal disputes, some of which are in progress in general or administrative courts in Finland and abroad. The disputes are typically related to claims against 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. The end results of claims, disputes and legal processes are difficult to predict. However, they have no significant short-term impacts on the company's operations. The company has assessed the potential impacts of the disputes, and has recorded provisions based on these assessments.

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. 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.

On 1 February 2022, Enersense announced that it had completed the share transaction related to Megatuuli Oy, an offshore wind power development company. In Megatuuli, the most typical risks and uncertainties of project development operations and the related revenues include the approvability of projects, as well as complaints related to statutory land use planning processes and permit procedures in particular, which may delay or prevent the implementation of development projects. Megatuuli's operations also focus on early-stage development work in wind power projects, and the implementation of development projects, as well as the related revenue recognition and its schedule, depends on certain key partners and the continuity of contracts with these partners, which requires, for example, that Megatuuli is able to comply with the obligations included in such contracts.

The Enersense Group's financing agreement includes financial covenants concerning the Group's equity ratio and its ratio of interest-bearing debt to EBITDA. If the company fails to meet the terms of the covenants, the financiers have the right to change the terms and conditions of the financing agreement, or terminate the agreement in extreme cases.

FINANCIAL RISK AND CAPITAL MANAGEMENT

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

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

CREDIT RISK

Enersense's credit risk is related to customers with which the Group has open receivables or long-term agreements. The credit risk may materialise if the customer is unable to meet their contractual obligations. Enersense checks the credit history and solvency of its major new customers before entering into agreements, and actively monitors the creditworthiness and solvency of its customers. The Group also hedges against the credit risk by selling receivables to a third party that bears the credit risk related to the purchased trade receivables. No material interests in these receivables remain with Enersense. Enersense also manages the credit risk by means of advance payments and front-loaded project payment plans.

SOLVENCY RISK

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

On 4 May 2021, Enersense completed negotiations on a new financing package consisting of two senior loans and several bank guarantee and invoice financing facilities. The senior loans and bank guarantees negotiated as part of the new financing are available to Enersense. Each senior loan amounts to EUR 6.0 million and will mature in 2026. Enersense has access to a total of EUR 38.5 million in invoice financing facilities.

The liquidity risk is related to a circumstance in which Enersense does not have access to sufficient liquid assets to meet its obligations. To maintain sufficient liquidity, Enersense prepares short-term and long-term cash forecasts and makes arrangements for additional financing if necessary. Enersense is continuously seeking to predict and monitor its need for business financing to ensure sufficient liquid assets to finance its operations and meet its obligations. The Group's cash and cash equivalents totaled EUR 29.2 million on 31 December 2021 (EUR 17.7 million on 31 December 2020).

The cash and cash equivalents on Enersense's balance sheet totaled EUR 29.2 million on 31 December 2021 (EUR 17.7 million on 31 December 2020). Trade receivables totaled EUR 18.0 million on 31 December 2021 (EUR 24.2 million on 31 December 2020). Enersense had no unused financing facilities on 31 December 2021. Enersense had EUR 9.4 million in long-term loans from financial institutions and EUR 2.5 million in short-term loans from financial institutions on 31 December 2021. In addition, Enersense had EUR 12.7 million in long-term lease and facility liabilities and EUR 4.6 million in short-term liabilities in accordance with IFRS 16.

Enersense has also entered into a hire purchase agreement related to vehicles and the ERP system implementation project. Of its hire purchase liabilities, EUR 0.9 million was long term and EUR 0.7 million was short term on 31 December 2021.

Due to the coronavirus pandemic, Enersense has entered into payment arrangement agreements with the Finnish Tax Administration. These arrangements totaled EUR 1.1 million on 31 December 2021 (EUR 2.5 million on 31 December 2020).

In accordance with the special terms and conditions of the financing agreement signed on 4 May 2021, Enersense reported to its financiers on its equity ratio and its ratio of interest-bearing debt to EBITDA as financial covenants on 31 December 2021. The covenant limits on 31 December 2021 were a minimum of 29.0% for the equity ratio and a maximum of 3.5 for the ratio of interest-bearing debt to EBITDA. In accordance with the calculation formulas for the financial covenants, Enersense's equity ratio was 33.9%, and its ratio of interest-bearing debt to EBITDA was 1.8 on 31 December 2021.

CURRENCY RISK

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

The company is exposed to the translation risk when its subsidiaries' equity, goodwill or fair value adjustment is denominated in a currency other than the parent company's functional currency. The company's exposure to the translation risk is not significant. The company does not hedge against the translation risk.

INTEREST RATE RISK

In its operations, Enersense is exposed to the interest rate risk through the variable interest rates of existing financing agreements and the availability of financing. Changes in the macroeconomic environment or the general situation of the financial markets may have a negative impact on the availability, price and other conditions of financing. An increase in the interest rate level could have a material direct impact on the costs of available financing and the costs of the company's existing financing agreements. Enersense does not hedge against the interest rate risk, because the risk is not considered to be significant at the current interest rate level.

Enersense had EUR 11.6 million in variable-rate loans from financial institutions on 31 December 2021 (EUR 12.6 million on 31 December 2020). The amount of fixed-rate financing has been low. Interest rate sensitivity to profit after taxes for the 2021 financial period would have been EUR 58.0 thousand (2020: EUR 63 thousand), assuming an interest rate increase of 0.5% with all other factors remaining unchanged. Enersense has not presented the impact of a decrease, because the Euribor interest rates are negative.

General meetings

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of Enersense International Plc was held in Pori on 19 March 2021 by applying exceptional meeting practices in accordance with the temporary Act of Parliament (677/2020) adopted to limit the spread of the coronavirus pandemic. The company's shareholders and their proxies were able to participate in the AGM and exercise their rights only by voting in advance and presenting counterproposals and questions in advance. It was not possible to attend the meeting on-site.

The AGM adopted the company's financial statements for 2020 and decided that the profit for the period on the balance sheet should be recognised in retained earnings/losses, and that no dividend should be paid for the 2020 financial period. In addition, the AGM decided to discharge the members of the Board and the CEO of liability.

At the AGM, the number of members of the Board was confirmed at six. Markku Kankaala, Herkko Plit, Petri Suokas, Sari Helander and Päivi Jokinen were re-elected as Board members, and Sirpa-Helena Sormunen was elected as a new member to the Board. In addition, it was decided that the following fees be paid: EUR 3,000 per month for the Chair of the Board; EUR 2,000 per month for the Board members; EUR 700 per meeting for the Chairs of the Audit Committee and the Remuneration Committee; and EUR 500 per month for the members of the committees. KPMG Oy Ab was selected as the auditor, with Mauri Eskelinen, Authorised Public Accountant, as the principal auditor. The auditor will be paid a fee against a reasonable invoice.

The AGM also decided to establish a permanent Shareholders' Nomination Committee and confirm its rules of procedure. The Nomination Committee is responsible for preparing and presenting proposals on the remuneration, number and election of the members of the Board annually to the AGM and to any Extraordinary General Meetings. Its main duty is to ensure that the Board and its members have sufficient expertise, competence and experience in accordance with the company's needs. The Nomination Committee consist of three members. The three largest shareholders of the company are entitled to nominate one member each. The Nomination Committee will continue its work until otherwise decided by the AGM. Its members' term of office ends annually following the appointment of new members.

In accordance with a counterproposal presented to the AGM, the AGM decided to authorise the Board of Directors to decide on share issues, as well as the issue of option rights and other special rights entitling their holders to shares in accordance with chapter 10, section 1 of the Limited Liability Companies Act, or combinations of all or some of the above, in one or more instalments on the following conditions:

Based on the authorisation, a maximum of 3,000,000 new shares in the company and/or treasury shares (including shares issued based on special rights) can be issued, which corresponds to around 31.4% of the total number of shares in the company at the time of the notice of the Annual General Meeting. The Board is granted the right to decide, within the authorisation mentioned above, on the terms and conditions of the share issue, as well as the issue of option rights and special rights entitling their holders to shares. The Board is authorised to decide on the recognition of the subscription price, either as an increase in the share capital or in the invested unrestricted equity reserve, in part or in full.

The issue of shares and special rights can also be a directed issue in deviation from the shareholders' pre-emptive rights if there is a weighty financial reason for this in accordance with the Limited Liability Companies Act (directed issue). In such a case, the authorisation can be used to finance acquisitions or other investments included in the company's business operations, as well as to maintain and increase the Group's solvency, implement incentive schemes, expand the ownership base and develop the capital structure. The authorisation invalidates previous unused authorisations concerning share issues and the issue of option rights and special rights entitling their holders to shares. The authorisation is valid until the close of the next Annual General Meeting, but not beyond 30 June 2022.

The Annual General Meeting authorised the Board to decide on the acquisition and/or acceptance as a pledge of the company's own shares on the following conditions:

A maximum of 950,000 shares can be acquired and/or accepted as a pledge. The shares must be acquired as part of trading organised by Nasdaq Helsinki Oy at the market price at the time of acquisition. The company's own shares may be acquired and/or accepted as a pledge in a proportion other than that of the shareholders' current holdings in the company (directed acquisition and/or acceptance as a pledge). The acquisition and/or acceptance as a pledge of shares will reduce the company's unrestricted equity. The Board decides how the shares will be acquired and/or accepted as a pledge. The authorisation is valid until the close of the next Annual General Meeting, but not beyond 30 June 2022.

EXTRAORDINARY GENERAL MEETING

An Extraordinary General Meeting (EGM) of Enersense International Plc was held in Pori on 16 April 2021 by applying exceptional meeting practices in accordance with the temporary Act of Parliament (677/2020) adopted to limit the spread of the coronavirus pandemic. The company's shareholders and their proxies were able to participate in the EGM and exercise their rights only by voting in advance and presenting counterproposals and questions in advance. It was not possible to attend the meeting on-site. The EGM decided that the Board of Directors will consist of seven members, and that Jaakko Eskola be elected as a new member of the Board. At its meeting convened after the EGM on 16 April 2021, the Board of Directors decided to elect Jaakko Eskola as its Chair and Markku Kankaala as its Vice Chair.

SHAREHOLDERS' NOMINATION BOARD

The Annual General Meeting (AGM) of Enersense decided on 19 March 2021 to establish a Shareholders' Nomination Board. The board is responsible for preparing and presenting proposals on the remuneration, number and election of the members of the Board of Directors annually to the AGM and to any Extraordinary General Meetings. Its main duty is to ensure that the Board of Directors and its members have sufficient expertise, competence and experience in accordance with the company's needs.

The Nomination Board consist of three members. The three largest shareholders of the company are entitled to nominate one member each. If the Nomination Board so requests, the Chair of the Board of Directors can serve as an expert on the Nomination Board without membership or voting rights. Representatives or the company's executive management or the company's employees cannot be members of the Nomination Board, but they can nominate a member to the board as shareholders.

The right to nominate members to represent shareholders lies with those three shareholders whose proportions of the votes provided by all the shares in the company are the largest in accordance with the shareholders' register maintained by Euroclear Finland on the first business day of the September preceding the Annual General Meeting. In line with the shareholdings described above, the Chair of the

Board of Directors requests the three largest shareholders to nominate one member each to the Shareholders' Nomination Board. If two or more shareholders have an equal number of shares and votes and a member nominated by all shareholders cannot be appointed, the matter will be resolved through a lot.

The Nomination Board will continue its work until otherwise decided by the AGM. Its members' term of office ends annually following the appointment of new members.

In line with the situation on the record date for the AGM on 19 March 2021, the company's three largest shareholders nominated the following representatives to serve as members of the Nomination Board: Markku Kankaala (nominated by MBÅ Invest Oy), Kyösti Kakkonen (nominated by Joensuun Kauppa ja Kone Oy) and Janne Vertanen (nominated by Verman Group Oy).

In September 2021, the following representatives were nominated to serve as members of Enersense's Nomination Board: Risto Takkala (nominated by MBÅ Invest Oy), Alexander Ehrnrooth (nominated by Nidoco AB) and Kyösti Kakkonen (nominated by Joensuun Kauppa ja Kone Oy). At its first meeting, the Nomination Board elected Alexander Ehrnrooth as its Chair. Jaakko Eskola, Chair of the Board of Directors, serves as an expert for the Nomination Board.

Dividend policy

The company's goal is to distribute at least 30.0% of earnings per share as dividends. Performance development and outlook, as well as investments in organic growth or acquisitions in line with the strategy, among other factors, will affect the distribution of dividend in the future. In addition, the company's special condition agreement with its key financiers includes restrictions on the distribution of dividends in the event that the terms and conditions of the financing agreements under the special condition agreement are violated, the distribution of dividends leads to a breach of the terms and conditions, or the distribution of dividends may jeopardise the repayment of financing.

Even though Enersense is not planning to change its dividend policy, it cannot be guaranteed that dividends will be paid or capital repayments will be made in the future, and no guarantee can be given on the amount of dividends paid or capital repayments made in any specific year.

Dividend proposal for the 2021 financial year

Enersense's Board of Directors proposes to the Annual General Meeting to be held on 4 April 2022 that a dividend of EUR 0.1 per share be paid for the financial year that ended on 31 January 2021 (2020: no dividend). With the current count of shares, this totals EUR 1 599 606. The dividend shall be paid in two installments.

The first installment, of EUR 0.05 per share, will be paid to the shareholders registered in Enersense International Plc's shareholder register maintained by Euroclear Finland on the record date (6 April 2022). The Board of Directors proposes that the first installment of the dividend be paid on 6 May 2022.

The second installment, of EUR 0.05 per share, will be paid in November 2022. The second installment will be paid to shareholders who are registered in the company's shareholder register maintained by Euroclear Finland Oy on the record date for the dividend payment, as later decided by the Board of Directors. The Board of Directors will decide the record date and the payment date for the second installment at its meeting in October 2022. The record date is planned to be 1 November 2022, and the dividend payment date 8 November 2022 at the earliest. The Board of Directors is authorized to set a new dividend record date and payment date for the second installment of the dividend, in case the rules and regulations on the Finnish book-entry system would be changed, or otherwise so require.

The parent company's distributable funds amounted to EUR 46,554,137.3 on 31 December 2021 (EUR 17,915,483.2).

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There have been no significant changes in Enersense's financial position after the end of the financial year. The company's liquidity is good, and it is the Board of Directors' view that the proposed distribution of profits does not jeopardise the company's solvency.

Shares and shareholders

SHARE CAPITAL AND NUMBER OF SHARES

Shares in Enersense International Plc are traded on the Nasdaq Helsinki under ticker symbol ESENSE (ISIN code FI4000301585). At the end of review period, the company's share capital consisted of 13,397,729 shares, each of which provided its holder with one vote. The company's share capital was EUR 80,000 at the end of the review period. The company has no treasury shares.

Key ratios per share

	2021	2020	2019
Market value, EUR	91,640,466	79,246,151	10,586,958
Number of shareholders at the end of the period	6,957*)	1,980	710
Number of shares at the end of the period	6.84	8.30	1.78
Average share price, EUR	8.63	3.23	1.70
Highest share price, EUR	12.00	9.00	4.23
Lowest share price, EUR	5.96	1.21	1.12
Number of shares at the end of the period	13,397,729	9,547,729	5,947,729
The share issue-adjusted number of shares at the end of the period	13,397,729	13,397,729	13,397,729
The average share issue-adjusted number during the review period	12,140,606	7,432,975	5,947,729
Share trading, pcs	9,568,586	7,909,569	1,007,665
Turnover rate, %	78.81	106.41	16.94

**) In addition, 2 shareholders are involved in the joint ownership*

The 10 largest shareholders December 31, 2021*)

Share holder	Number of shares	% of shares
Nidoco AB	2,675,000	19.97
MBÅ Invest Oy	2,253,072	16.82
Joensuun Kauppa ja Kone Oy	1,382,449	10.32
Verman Group Oy**)	1,343,461	10.03
Taloustieto Incrementum Oy**)	737,005	5.50
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	569,053	4.25
Eläkevakuutusosakeyhtiö Veritas	345,292	2.58
Corporatum Oy	295,244	2.20
Siementila Suokas Oy****)	240,860	1.80
Holopainen Jussi Samuli	164,500	1.23
Total	**10,005,936**	**74.68**

**) Source Euroclear Finland Oy*

***) Janne Vertanen, who exercises control in Verman Group Oy, also directly owns 26,916 shares*

****) Tomi Hyttinen, who exercises control in Taloustieto Incrementum Oy, also directly owns 4,200 shares*

*****) Petri Suokas, who exercises control in Siementila Suokas Oy, also directly owns 12,210 shares*

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Distribution of shareholdings on December 31, 2021*)

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1–100	2,602	37.40	120,420	0.90
101–500	3,152	45.31	725,768	5.42
501–1 000	636	9.14	493,954	3.69
1001–5000	481	6.91	1,005,332	7.50
5 001–10 000	49	0.70	350,473	2.62
10 001–50 000	25	0.36	644,980	3.66
50 001–100 000	1	0.01	94,644	0.71
100 001–500 000	5	0.07	1,156,762	8.63
500 001–	6	0.09	8,960,040	66.88
Total	**6,957****)	**100.0**	**13,397,729**	**100.0**
Of which nominee registered	9	—	56,998	0.425

**) Source Euroclear Finland Oy*

***) In addition, 2 shareholders are involved in the joint ownership*

Shareholders by sector on 31 December 2021*)

Sector	Number of shares	% of shares
Companies	6,795,686	50.7
Abroad	2,696,168	20.1
Households	2,658,644	19.8
General government	1,025,211	7.7
Financial and Insurance institutions	92,462	0.7
Non-profit institutions	72,560	0.5
Nominee registered	56,998	0.4
Total	**13,397,729**	**100.0**

**) Source Euroclear Finland Oy*

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 459,395 shares on 31 December 2021, which represented 3.4% of all shares in the company on 31 December 2021. In addition, Petri Suokas, a member of the Board of Directors, Jussi Holopainen, President and CEO, and Jaakko Leivo, a member of the Group Executive Team, held a total of 2,253,072 shares through MBÅ Invest, their related party company, on 31 December 2021, which represented 16.8% of all shares in the company on 31 December 2021.

AUTHORISATIONS OF THE BOARD OF DIRECTORS

The share issue authorisations, as well as the authorisation concerning the acquisition and/or acceptance as a pledge of the company's own shares, granted by the Annual General Meeting to the Board, are discussed above under "General meetings".

SHARE ISSUES

Enersense's Board of Directors decided on 15 March 2021 to execute a share issue, with 2,075,000 new shares directed to Nidoco AB, a wholly owned subsidiary of Virala Oy Ab. With the share issue, Enersense has a significant and experienced new long-term shareholder with strong expertise and the will and ability to support Enersense's growth. The share issue was executed based on the authorisation granted by the Annual General Meeting on 6 April 2020.

Through the share issue, Enersense raised around EUR 15.0 million in gross assets before fees and expenses. The number of shares in the company increased by 2,075,000 to a total of 11,622,729 shares. The shares offered through the share issue represented 21.7% of all shares in the company before the issue, and around 17.9% of all shares in the company following the issue.

On 22 June 2021, Enersense's Board of Directors decided on the execution of a directed share issue based on the authorisation granted by the Annual General Meeting on 19 March 2021. Through the share issue, Enersense issued 1,775,000 new shares in the company, which corresponded to around 13.2% of the total number of its outstanding shares following the share issue. A total of 516,226 shares were allocated to private persons and entities in Finland (public offering), and a total of 1,140,000 shares were allocated to institutional investors in Finland, as well as internationally in accordance with the applicable laws (institutional offering). In addition, a total of 118,774 shares were allocated to employees in Finland, Estonia, Latvia, Lithuania and France who were in an employment relationship with the company or its Group companies during the subscription period, as well as to the members of the company's Board of Directors and Group Executive Team (share issue to employees).

Through the share issue, the company raised around EUR 16.0 million in gross assets, and the total number of shares in the company increased to 13,397,729. The company gained more than 2,000 new shareholders through the share issue.

More information about the share issues is provided in the releases published on the dates mentioned above.

FLAGGING NOTIFICATIONS

Enersense received five flagging notifications in 2021:

Enersense received a notification from Janne Vertanen under chapter 9, section 5 of the Securities Markets Act. According to the notification, the shareholding of Janne Vertanen and his controlled entities decreased below 10% of all shares and votes in Enersense on 22 June 2021.

Enersense received a notification from Verman Group under chapter 9, section 5 of the Securities Markets Act. According to the notification, the shareholding of Verman Group Oy decreased below 10% of all shares and votes in Enersense on 22 June 2021.

Enersense received a notification from MBÅ Invest Oy under chapter 9, section 5 of the Securities Markets Act. According to the notification, the shareholding of MBÅ Invest Oy decreased to 16.8% of all shares and votes in Enersense on 13 September 2021.

Enersense received a notification from Janne Vertanen under chapter 9, section 5 of the Securities Markets Act. According to the notification, the shareholding of Janne Vertanen and his controlled entities increased to more than 10% of all shares and votes in Enersense on 8 November 2021.

Enersense received a notification from Verman Group under chapter 9, section 5 of the Securities Markets Act. According to the notification, the shareholding of Verman Group Oy increased to more than 10% of all shares and votes in Enersense on 12 November 2021.

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Group personnel

Enersense mainly operates in Finland, Germany, France, the United Kingdom and the Baltic countries.

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from 1 August 2020.

Person-years (average over the period)

	1–12/2021	1–12/2020	1–12/2019
Smart Industry	769	885	788
Power	156	65	–
Connectivity	345	145	–
International	579	234	72
Other	93	67	24
Group total	**1,942**	**1,397**	**884**

Board of Directors, management and auditor

The 2021 Annual General Meeting (AGM) decided on 19 March 2021 to re-elect Markku Kankaala, Herkko Plit, Petri Suokas, Sari Helander and Päivi Jokinen as Board members. Sirpa-Helena Sormunen was elected as a new member of the Board. Kalervo Rötsä served as a Board member until the end of the AGM. At its first meeting, the Board of Directors elected Markku Kankaala as its Chair and Herkko Plit as its Vice Chair. An Extraordinary General Meeting on 16 April 2021 decided to elect Jaakko Eskola as a new member of the Board. At its first meeting after the EGM, Jaakko Eskola was elected as Chair of the Board, and Markku Kankaala was elected as its Vice Chair. Markku Kankaala resigned from the company's Board of Directors on 30 August 2021. Sirpa-Helena Sormunen was elected as Vice Chair of the Board on 31 August 2021.

At the end of 2021, Enersense's Group Executive Team consisted of the following members: Jussi Holopainen, President and CEO; Mikko Jaskari, CFO; Tommi Manninen, SVP, Communications and Public Affairs; Johanna Nurkkala, SVP, Legal; Hanna Reijonen, SVP, HR; Jaakko Leivo, EVP, Smart Industry; Juha Silvola, EVP, Power and acting EVP, Connectivity; and Margus Veensalu; EVP, International Operations. The following people also served as members of the Group Executive Team during 2021: Risto Takkala, CFO until 31 August 2021; Mika Linnamäki, EVP, Staff Leasing in the Smart Industry segment until 30 June 2021; Anna Lindén, EVP, Connectivity until 15 September 2021; Maija Kaski, SVP, HR until 24 September 2021; and Mikko Vaahersalo, who was responsible for supporting the Enersense-Empower integration until 28 February 2021.

KPMG Oy Ab served as the company's auditor from 1 January to 31 December 2021, with Mauri Eskelinen as the principal auditor.

Annual General Meeting 2022

Enersense's 2022 Annual General Meeting is scheduled for April 4, 2022.

Research and development

The Group's development expenses are related to improving production efficiency and enhancing and harmonising the working and operating methods of people and processes. No research activities have been carried out within the Group.

Development expenses in 2021 totaled EUR 330.7 thousand (1,043.2), or 0.1% (0.7) of revenue. Of the total, EUR 330.7 thousand (0.0) was recognised as an expense in the income statement, and EUR 0.0 thousand (1,043.2) was capitalised on the balance sheet. The development expenses in 2020 were related to Digi's business operations and were written down in 2021. Investments in research and development totaled EUR 0.0 thousand (0.0% of revenue) in 2019.

Changes in the Group structure

Enersense Services Oyj, a subsidiary of Enersense International Plc, acquired an additional stake in Empower SIA, its Latvian subsidiary, through a transaction completed on 1 March 2021.

Empower SIA specialises in the design, construction and maintenance of transmission grids, electric substations and wind farms. Its revenue in 2021 was around EUR 12.4 million (EUR 14.2 million in 2020), and its profit for the 2021 financial period was around EUR -0.8 million (EUR 0.5 million in 2020). Empower SIA has around 210 employees. Through the transaction, Enersense Services Oyj acquired a total of ten shares in Empower SIA, increasing its holding in the company from 49% to 59%. The purchase price of the shares was EUR 0.4 million. The purchase price has been paid in cash. The sellers in the transaction are two individuals belonging to Empower SIA's executive management. They will continue to work for the company and will remain minority shareholders in Empower SIA with a 41% holding. The acquisition of the additional stake has been recognised as an equity transaction.

The Group sold the entire share capital of Värväämö Oy to Citywork Oy in June 2021. The purchase price for the entire share capital will be at least EUR 2.0 million, but not higher than EUR 3.0 million. The basic purchase price of EUR 0.5 million was paid in June, and this will be adjusted in accordance with the terms and conditions of the contract of sale. The additional purchase price is linked to the EBITDA of Citywork's support and personnel services business for the construction industry in 2022 and 2023. The achievement of the maximum purchase price will also be affected by the revenue of Citywork's construction support and personnel services business and Värväämö in the 2021 financial year. Värväämö was part of the Smart Industry segment.

Enersense Technologies Oy, Liability Act Information Office Finland Oy and Process Communication Finland Oy were merged with Enersense Solutions Oy on 30 April 2021. Nordic Business Partners Oy merged with Enersense Works Oy on 31 August 2021. A branch was established for Enersense Engineering Oy in Italy on 28 September 2021.

Through a transaction completed on 4 October 2021, Enersense acquired the entire share capital of Enersense Offshore Oy (formerly Pori Offshore Constructions Oy), a company specialising in offshore wind power. The basic purchase price of the share capital was EUR 1.0. Any additional purchase price will be paid based on the EBITDA of Enersense Offshore for 2022–2025 in accordance with the terms and conditions of the deed of sale. The additional purchase price is estimated to be less than EUR 1.8 million.

Through a transaction completed on 1 November 2021, Enersense Engineering Oy, a subsidiary of Enersense International Plc, acquired a 10% minority interest in Enersense HSE Oy, a subsidiary. This caused the parent company's holding to increase to 100%.

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Foreign branches

Enersense International Oyj has a branch in Sweden: Enersense International filial Sweden, c/o Borealis AB, Stenungsund, registration number 516410-2336.

Enersense Works Oy has a branch in Germany: Enersense Works Oy, Blockmacherring 21, 18109 Rostock, registration number 079/147/01567.

Enersense PN Oy (formerly Empower PN Oy) has a branch in Sweden: Empower PN filial Sweden, Kungsgatan 56 4tr, 11122 Stockholm, registration number 516409-4210. The process to close the branch has begun and is expected to be completed during the second quarter of 2022 at the latest.

Enersense TN Oy (formerly Empower TN Oy) has a branch in Sweden: Empower Tele filial Sweden, Frösundaviks allé 15, 16970 Solna, registration number 516410-6402. The process to close the branch has begun and is expected to be completed during the second quarter of 2022 at the latest.

Enersense AS has a branch in Latvia: Empower AS filial Latvia, Sila iela 1a, Rīga, registration number 40103916578

Enersense Engineering Oy has a branch in Italy: Enersense Engineering Oy, Viale Monte Santo, 1/3, 20124 Milano, registration number 12021230961

Related party loans, liabilities and transactions

Enersense International Plc's related parties include the members of the Board of Directors, its CEO, the members of the Group Executive Team and its shareholders with significant influence over the company. Its related parties also include the close family members of these people, as well as the entities over which these people have control or joint control. In addition, its related parties include its Group companies, associates and joint ventures. Open balances and business transactions with the associated companies and the joint venture are presented in Note 14 ("Investments accounted for using the equity method").

During the financial period, Enersense International Plc had a management consulting service contract with a company controlled by a related party of the Group. The contract expired on 28 February 2021. The total value of the related party transactions related to the contract was EUR 10,000 in the financial period.

In addition, Risto Takkala, former CFO of Enersense International Plc, served as CFO under the consulting agreement. In accordance with the agreement, Takkala used 100% of his working time for his duties as the Group's CFO against a fixed-rate monthly fee. The agreement had been signed between Enersense Oy and a company owned by Takkala, and it was valid until 30 November 2021. The total value of the related party transactions related to the agreement was EUR 245,000 in the financial period.

Enersense AS, an Estonian Group company of Enersense International Plc, has an insignificant vehicle lease agreement with a company controlled by a person belonging to the company's related parties. The total value of the transactions related to the agreement was EUR 37,000 in the financial period.

On 8 December 2021, Enersense International Plc announced that it had signed an agreement on an equity investment of EUR 13–18 million in P2X Solutions Oy. The investment was implemented on 14 February 2022, at around EUR 13 million. Before the arrangement, Herkko Plit, a member of Enersense's Board of Directors, was one of the largest shareholders in P2X through a company in which he exercises control, and he exercises joint control in P2X. In connection with the investment, Enersense subscribed for new shares in P2X so that its holding in P2X is around 16.3% after any options. In connection with the investment, the company and P2X have also agreed on a partnership arrangement in which, if certain preconditions related to pricing, quality level and some other aspects are met, the company will have the status of the primary partner in the work to be carried out during the construction phase of Finland's first green hydrogen production plant, which P2X will build in Harjavalta, as well as in maintenance and operation after the plant has been completed. The value of the cooperation is estimated at around EUR 7–8 million, which will mainly be spread over 2022–2024, and will continue in terms of maintenance and operation. If the preconditions mentioned above are met, the primary partnership will also concern any other future projects of P2X, for which an agreement on partnership has been signed for three years. The parties will negotiate the terms and implementation of the cooperation in more detail during the spring of 2022.

Governance

Enersense's Corporate Governance Statement and remuneration report for 2021 as well as remuneration policy have been published separately from the Board of Directors' report and Financial Statements, and they are available on the company's website at enersense.com/investors.

Statement of non-financial information 2021

BUSINESS MODEL

Enersense's strategy supports the ongoing energy transition in society, whereby energy production will increasingly be based on renewable energy sources, with end users being more aware of the impacts of energy production on the environment and society. The need for clean electricity is growing rapidly, and investments are being made in energy transmission, substations and energy storage globally. The energy transition will also require more real-time and high-speed data transmission, which in turn will require investments in telecommunications networks.

Enersense is a provider of low-emission and zero-emission energy solutions. Our services and expertise support companies in industry and the energy, telecommunications and construction sectors, contributing to their successful transition towards a zero-emission future. Enersense has around 2,000 employees in 40 countries who are working towards a more sustainable and cleaner future. Our highly competent and committed employees lay the foundation for our service business operations.

Enersense's business operations are divided into four segments: Power, Connectivity, Smart Industry and International Operations, which support our goal to lead the way in low-emission and zero-emission energy solutions. A significant portion of our business operations contribute to the achievement of social and global goals in sustainable development.

Through a materiality analysis started in 2021, we have identified material sustainability themes for Enersense that represent the three dimensions of sustainability: social, environmental and economic responsibility. Taking care of people, profitable growth of our business and promoting the energy transition are material sustainability themes that guide our Group's operations.

Building a sustainable energy system and promoting renewable energy production through our services are at the core of our business operations. In December 2021, we agreed on an investment in and a partnership with P2X Solutions Oy, a green hydrogen production company. The investment promotes the hydrogen economy and energy storage, which contribute to ensuring energy availability as we move towards renewable energy production, which is exposed to weather-related disruptions. In the industrial sector, we serve as a partner for our customers, steering operations in a more efficient and sustainable direction. Customer satisfaction is high in all our business areas.

We are also building critical energy and information network infrastructure for society and are extending the life cycle of built infrastructure through service and maintenance operations. Enersense is a significant employer, which is why we have a positive impact on society. We provide jobs also in sparsely populated areas, as we have dozens of sites across Finland.

Safety at work is paramount to us, and we are working daily to ensure a safe working environment for our personnel. Employees' well-being at work, ability to work and competence development are an integral part of our working culture. Economic responsibility at Enersense means ensuring profitability and competitiveness in particular. Strong financial performance also contributes to environmental and social responsibility. The Group's risk management is also an essential part of economic responsibility.

Enersense's strategy involves an increasingly strong focus on low-emission and zero-emission energy solutions, for which the goal for 2021 was 55%, and the result was 62%.

Enersense's value creation model

CAPITAL AND CONTRIBUTIONS	BUSINESS OPERATIONS	CREATED VALUE AND IMPACTS
OUR MOST IMPORTANT CAPITAL • 2,000 professionals as a cornerstone of our service business • Extensive network of partners and customers • Operations in more than 40 countries • Leading operator with a strong market position in the energy, industrial, telecommunications and construction sectors. • Balance sheet total: EUR 146.7 million (115.9) • Equity ratio: 35.6% (15.7) • Net gearing: 3.6% (52.3)	**SERVICES IN FOUR SEGMENTS** • **Connectivity:** Life cycle services for telecommunications networks: design, construction and maintenance of wireless telecommunications networks; mobile and fixed network services and ensuring their functioning. • **Power:** Life cycle services for the energy sector: design, construction and maintenance of transmission grids, electric substations and wind farms; charging systems and electricity storage solutions for electric transport. • **Smart Industry:** Solutions to improve the reliability of customers' production plants and the efficiency of their maintenance operations • **International Operations:** Enersense's international operations in the Baltic countries, the UK, Germany and France. The segment's services mainly consist of the Connectivity and Power segments' offering, and partly of the Smart Industry segment's offering. **REVENUE, MEUR** • Connectivity 45.3 (23.4) • Power 49.1 (18.9) • Smart Industry 85.5 (78.4) • International Operations 59.0 (26.8) **EBITDA, MEUR** • Connectivity 1.6 (1.5) • Power 2.4 (1.0) • Smart Industry 15.4 (6.2) • International Operations 1.7 (1.7) • Items not allocated to business areas: -4.4 (-0.6)	**OUR SERVICES CREATE VALUE FOR SOCIETY AND STAKEHOLDERS** • Building critical energy and information network infrastructure in society and extending its life cycle through maintenance • Building a sustainable energy system and promoting renewable energy production • Promoting energy storage and transmission to contribute to ensuring energy availability • Maintaining the industrial sector and steering its operations in a more efficient and sustainable direction; promoting competitiveness • A significant employer also in sparsely populated areas, with dozens of sites across Finland • Positive impact on society through employment • Personnel expenses: EUR 97.9 million (70.0), of which - Salaries and fees: EUR 79.7 million (57.8) - Pension and other personnel expenses: EUR 18.2 million (12.2) - Person-years (average for the period): 1,942 (1,397) for the entire Group • In addition, the Group employed a significant number of people through purchased subcontracting services; purchased external services: EUR 69.2 million (46.8) • The company paid EUR 433,000 in corporate taxes in 2021. • The low amount of taxes paid is due to the Group's losses in previous years, through which the Group has accumulated significant tax receivables on the balance sheet. • The company has created significant value for shareholders. • The company's market value at the end of 2021 was EUR 91.6 million (79.3) • High customer satisfaction in all business units

RESPECT FOR HUMAN RIGHTS

Enersense's Code of Conduct specifies the common principles that Enersense's employees and management must follow in their daily activities. The Code defines our approach to ethical business practices, human and labour rights and environmental values. Every employee and the management must always comply with the Code and other instructions arising from the Code.

In accordance with its Code of Conduct, Enersense respects internationally recognised human and labour rights in all its operations and promotes their implementation. We do not condone any form of violation of human and labour rights. Enersense does not accept any form of forced labour or the use of child labour.

We respect employees' right to organise, join or not join associations and trade organisations, and to collectively negotiate with the employer. Equal treatment of all employees is one of Enersense's key principles. We aim to promote open, direct and respectful communication among all employees.

Enersense does not discriminate against anyone based on ethnic origin, age, gender, family situation, sexual orientation, conviction, functional limitations, political views or other similar factors. We also do not accept any form of bullying or harassment, such as violence, sexual harassment, inappropriate punishments or any kind of abuse. All employees must treat other employees with dignity and respect.

Enersense aims to actively promote compliance with its Code of Conduct by means of training and active communication to its employees, for example. Every employee is responsible for studying and following the Code of Conduct. Enersense's Board of Directors approved the updated Code of Conduct in 2021. The updated Code was implemented by means of training and internal communication, for example. Its implementation continues in 2022 through online training and other means. Each new employee must complete an online course related to the Code of Conduct at the beginning of their employment relationship.

Enersense also has a whistleblowing channel for reporting suspected misconduct confidentially. This is an important tool for reducing risks and maintaining trust, because it helps the company to detect and respond to potential misconduct at an early stage.

Enersense requires all its suppliers to comply with its Supplier Code of Conduct as it stands at the time in question. It includes guidelines on compliance with laws and rules, fair competition, anti-bribery and anti-corruption, respect for human and labour rights, and environmental considerations.

There were no suspected violations of human rights in the company in 2021. In Enersense's view, there are no significant risks related to human rights violations in its own operations. Any risks associated with human rights are related to the supply chain of Enersense and its Group companies. Enersense seeks to minimise these risks by selecting its partners carefully and requiring compliance with its Code of Conduct.

PREVENTION OF BRIBERY AND CORRUPTION

Enersense observes absolute zero tolerance regarding bribery and corruption. Bribery and corruption are unlawful practices and may cause serious legal consequences for Enersense and any individuals involved in them, and damage Enersense's reputation and the values we represent.

Enersense does not accept any kind of bribery or corruption that is direct or practised through third parties or intermediaries in any of its business operations. Enersense's personnel may not under any circumstances, by themselves or through third parties, promise or offer money or any other valuable benefits to anyone with the intention of seeking illegal business gains or influencing decisions, nor may they for these purposes request, accept or receive money or other valuable benefits from other people. Principles of transparency, equity and independence must be observed when offering and receiving business gifts, presents and entertainment.

Enersense only deals with reputable and reliable partners. We verify the backgrounds of our subcontractors and other partners and their business operations before starting any cooperation in accordance with Enersense's acquisition process.

Enersense's Code of Conduct and Supplier Code of Conduct provide guidelines on the prohibition of bribery and corruption. These guidelines are supplemented by Enersense's anti-bribery and anti-corruption instructions and principles. Enersense ensures the implementation of these guidelines through training and active communication to its employees and suppliers, for example.

There were no suspected cases of bribery or corruption in the company in 2021. In Enersense's view, there are no significant risks related to bribery or corruption in its own operations. Any risks associated with bribery or corruption are related to the supply chain of Enersense and its Group companies. Enersense seeks to minimise these risks by selecting its partners carefully and requiring compliance with its Code of Conduct.

THE ENVIRONMENT

Enersense is involved in all stages of the energy sector's life cycle, and we believe that our services are highly relevant to society's journey towards increasingly sustainable development. Enersense's goal is to continuously improve the eco-friendliness of our services by actively seeking means to reduce harmful impacts on the environment throughout the life cycle of the services.

Enersense's environmental management, operations and monitoring are based on an environmental system in accordance with the ISO 14001:2015 standard. In 2021, the environmental system was audited and the environmental certificates were renewed for Enersense International Plc, Enersense Oy and Enersense Engineering Oy, as well as for Enersense Services Oyj (formerly Empower Oyj), Enersense IN Oy (formerly Empower IN Oy), Enersense TN Oy (formerly Empower TN Oy) and Enersense PN Oy (formerly Empower PN Oy). In terms of revenue, 89% of Enersense's operations were covered by ISO 14001:2015 certification in 2021. In 2022, the goal is to audit nearly all operations of the Group in Finland and Estonia under common environmental certification, through the same accredited certification body.

The Group's new environmental policy was completed towards the end of the year. The policy lays the foundation and sets out the basic principles for environmental considerations in all Enersense's operations, and promotes environmentally sustainable and responsible operations as part of Enersense's business operations in Finland and internationally. The policy reflects our desire to reduce harmful environmental impacts in cooperation with our employees, customers and suppliers through the appropriate selection and use of materials and more efficient processes, and by minimising waste and emissions in our operations. In accordance with the policy, we are committed to the continuous improvement of the environmental system and our environmental efforts.

In Enersense's operations, environmental impacts and risks are mainly related to emissions from maintenance and other transport, waste management and the storage of chemicals, for example. Our operations comply with the applicable laws, environmental permits and other regulations. In transport, we invest in the planning of logistics and the selection of low-emission vehicles that are optimal for their purpose of use. We sort and recycle waste appropriately. We also expect our suppliers to comply with the statutory measures concerning waste management and the handling of chemicals.

In all its operations, Enersense seeks to promote environmentally friendly solutions and optimise environmental impacts. This is the strategy to which we adhere regarding vehicle purchase and usage decisions as well. In accordance with its vehicle policy, which was approved in late 2021, the company invests in lower emissions and higher energy efficiency in its purchases of vehicles. According to the policy, electric vehicles are preferred whenever they are suitable for the intended use, considering business conditions.

In vehicle purchase made in 2021, the goal was to choose a vehicle category with as low emissions as possible while also taking into account other factors causing environmental impacts, such as efficiency, and examining the purchase as a whole. Enersense's vehicle fleet has been renewed in recent years, and the procurement work continues. The number of vehicles has also been optimised.

In 2021, slightly more than 816,000 litres of fuel, mainly diesel, was consumed in Enersense's operations in Finland, generating 2,171 tonnes of carbon dioxide emissions. In relation to revenue from Enersense's operations in Finland, the carbon dioxide emissions were 12.4 CO_2e tonnes per million euros. The information concerning emissions and their development in relation to revenue for previous years is not fully comparable due to the corporate arrangements that have taken place in the Group, so comparison between different years is not relevant.

The Group's electricity consumption in 2021 was CO_2-free in terms of its own properties and its own electricity contract for leased properties. In these locations, electricity is 100% renewable, generated using hydropower and wind power, and guaranteed to be traceable to the country of origin.

Enersense provides its customers with services in the energy, telecommunications and construction sectors, and the Group's employees largely work in leased facilities or on customer sites. Due to this operating model, the Group has limited possibilities for monitoring the promotion of recycling and the reduction of waste, because waste recycling and disposal information is only available for sites that have a site-specific waste management contract. On Enersense's own sites, waste mainly consists of unpacking, household and office waste, and its amount is small in comprehensive examination. Guidelines and new practices have been developed to reduce the amount of mixed waste and to avoid unnecessary transport. Large sites have waste management plans in place, and the goal is to always recycle all recyclable waste. In 2021, Enersense's sites in Finland generated 397 tonnes of waste, of which 60% was recycled. The rest was largely reused in other ways, such as for energy production. The waste generated on Enersense's sites in Finland remained largely unchanged year-on-year, but the recycling rate increased by five percentage points during the reporting period.

No environmental incidents or accidents were detected in connection with Enersense's operations in 2021.

SOCIAL AND PERSONNEL ASPECTS

Enersense's success is based on highly competent, committed and motivated employees. Our goal is to be a workplace community that provides a good, healthy and safe working environment, as well as opportunities for competence development and learning. Through good management and the principle of continuous improvement, we are seeking to ensure that we are able to provide our customers with high-quality customer service, and that the success factors related to personnel are realised in the short and long term.

Personnel and a common working culture

The purpose of the Enersense Way of Working (eWow) project, which began in 2021, is to create a Group-wide working culture: a way of working together. Our goal is to create a strong and forward-looking workplace community that unites all employees: long-term personnel, new employees who have joined the company through acquisitions and colleagues in different countries. In late 2021, we started a Group-wide value process involving all our employees. We will determine Enersense's values in early 2022, and their purpose is to guide and support our efforts towards all stakeholders. We are also planning to create leadership principles that support our values and lay the foundation for leadership development.

In terms of personnel, we focused on post-acquisition integration in 2021, concerning the development of personnel processes and the harmonisation of various practices in particular. This work continues. During the autumn of 2021, we also started a major project related to renewing the company's personnel and occupational safety systems. Our goal is to abandon the use of multiple systems and support the practices, development and reporting of personnel management and occupational safety through modern digital and user-friendly solutions.

Occupational safety

Employees are our strongest resource, and our goal is to continuously improve the safety of our workplace community. We are seeking to provide all our employees, contractors and visitors with a safe and healthy working environment and to promote health and safety as part of Enersense's day-to-day work in all its projects and countries of operation. Our goal is for people to enjoy their work and retire in good health.

To achieve this goal, we are focusing our efforts on people, the working environment, the workplace community, processes and management.

The challenges posed by the coronavirus pandemic continued in 2021, and remote work continued extensively at Enersense. For this reason, most of our experts, for example, currently work remotely. In cases in which remote work is not possible, we have paid special attention to health security, and we have succeeded in this: the coronavirus pandemic has not had a significant impact on our business operations. Our coronavirus pandemic related team continues to meet regularly and monitor the constantly changing situation.

Following the Empower acquisition, we also started integration work in terms of occupational safety, aiming to benefit from both companies' best practices and ways of working across the Group. As a result of this integration, the Group's key policies (including its OHS policy) were updated. We also examined and updated practices and ways of working related to occupational safety and other guidelines and created new ones as necessary.

For example, Enersense uses a three-step HSE risk assessment model in which work-related risks are assessed specific to each location and task, as well as on a Group-wide basis before starting work. Employees' involvement is an integral part of HSE risk assessment and hazard identification, because our employees know their work best.

Monitoring occupational safety targets
Enersense's LTAF (lost time accident frequency, accidents leading to an absence of one day or more) in 2021 was 10.26, and our TRIF (total recordable injury frequency) was 19.14. According to the Finnish Workers' Compensation Centre, the average for all industries in Finland is projected to be around 26.5 in 2021.

We also renewed the certification of our occupational health and safety management system in accordance with ISO 45001 for all business operations covered by the system. The certification covered 81% of Enersense's business operations in 2021. In 2022, we are aiming to expand the certification to cover all Enersense's business operations in Finland and Estonia.

Well being at work and ability to work

Enersense is committed to responsibility and to fostering well-being and health in all our business operations. Our employees' health and safety are our top priority in our day-to-day work.

We carry out working capacity management systematically and actively in the Group's companies in Finland between internal operators and bodies and in close cooperation with partners. We monitor the effectiveness of measures and the development of our indicators, with the goal of addressing challenges related to ability to work at an earlier stage. We are seeking to develop management of ability to work throughout the life cycle of the employment relationship. Well being is related to healthy work and a healthy workplace community and working environment, as well as to a balance between work and leisure and healthy lifestyles.

In 2021, we provided our supervisors in Finland with training on management of ability to work. The training emphasised the importance of management of ability to work and goals and addressed concrete ways and models for supervisors for practical processes of ability to work and interaction. By strengthening the role of supervisory work in early-stage processes of ability to work, we can create extensive positive and preventive impacts on well-being at work and management of ability to work.

In 2021, we organised a series of briefings for all our employees in Finland in cooperation with healthcare experts on the impact of lifestyles and choices on health and disease. We also encouraged participants to make better choices in terms of sleep, nutrition, ergonomics and mental well-being, for example.

During the year, we also trained supervisors to identify psychosocial stress factors and prevent stress. We have a small number of mental health challenges compared with the general development in society, but we have prepared for this development trend by proactively improving the early availability of mental health services.

Musculoskeletal disorders are common in our industry, and we are paying special attention to their prevention and root causes and the early treatment of symptoms. We are also paying special attention to overall health security, as well as to the prevention, identification and monitoring of occupational exposure (e.g. vibration, radiation, noise) and its prevention. Our preventive work also includes a thorough annual workplace study. After the mergers of companies, we continue the development and implementation of consistent operating models.

Monitoring targets for well-being at work and ability to work
The sickness absence rate (proportion of days used for sick leave) for our companies in Finland was 3.2% in 2021, and the health rate (proportion of employees with no sickness absences) was 59%. In light of these figures, it can be stated that the favourable development of well-being, health and safety continued in the Group in 2021, despite the coronavirus pandemic.

We measure our employees' job satisfaction by means of pulse surveys carried out several times a year, and the results are used as the basis for development in the various units. Due to the corporate arrangements, there is no comparable eNPS indicator for 2021. As a whole, however, the results of the eNPS pulse survey developed favourably, and we achieved better results than in the previous year. Different countries and units may also use supplementary indicators for personnel satisfaction. We will continue to harmonise these practices in the Group in the future.

Competence and development at work

Highly competent employees are at the core of our operations and high-quality customer service. Our employees' competence is developed in line with business needs and each employee's job requirements. Employees can also promote competence development through their own activity.

The goals for development at work, as well as competence development needs, are discussed with employees as part of regular performance and well-being discussions. The ways in which the competence required currently and in the future will be developed are negotiated by means of discussions between the supervisor and the employee.

Maintaining and developing employees' professional skills is critical for ensuring Enersense's operational capacity and the quality of its services for customers, as well as employees' well-being and safety. We ensure that our personnel meet and maintain the competence and qualifications required for their tasks. In terms of business needs, competence development focuses on statutory and licensed training, as well as on the development of supervisory work. In addition to training, the competence necessary for work duties can be developed through learning on the job and online learning and by sharing information. By deepening and expanding competence, it is also possible to promote internal mobility and career opportunities within the Group.

At Group level, we have identified the systematic management of our employees' competence as a factor critical for future success, and will invest in competence management over the next few years.

Risks and their management

Enersense's risks related to personnel and social aspects are assessed as part of its risk management process. The main risks are related to Enersense's ability to recruit, train and motivate qualified employees and keep them in the company, which is a prerequisite for Enersense's competitiveness and strategy implementation. In addition, the risks are related to Enersense's ability to manage and prevent accidents at work.

To manage risks, we are focusing efforts on employees, the working environment, the workplace community, processes and management in the manner described above. We invest in employees' competence development and are continuously developing our recruitment and management processes based on the results of employee satisfaction surveys, for example. In terms of occupational safety, we have updated practices and operating methods, and created new ones when necessary. In addition, we use a three-step HSE risk assessment model in which work-related risks are assessed specific to each location and task, as well as on a Group-wide basis before starting work.

KEY NON-FINANCIAL INDICATORS

Reporting of EU taxonomy

The EU taxonomy includes six environmental objectives, two of which (climate change mitigation and climate change adaptation) are reported for 2021. The taxonomy concerns economic activities that are in line with these environmental objectives and can therefore be classified as sustainable.

Enersense's strategy supports the ongoing energy transition in society, and building a sustainable energy system is at the core of our business operations. With one exception, Enersense's taxonomy-eligible activities fall within the scope of the energy sector. The proportion of economic activities that were sustainable in terms of climate change mitigation and climate change adaptation was 39% of Enersense's revenue in 2021. In 2021, EUR 93.6 million of the Group's revenue was taxonomy-eligible. The non-eligible proportion of Enersense's revenue was EUR 61%, or EUR 145.6 million.

Of the Power business area's revenue, 100% (EUR 49.1 million) was taxonomy-eligible. These services include HVL (high-voltage line) construction and maintenance; the construction and maintenance of electric substations; HVL design; the design of electric substations; the construction, operation and maintenance of wind power; charging points for electric cars; the installation of electricity meters in distribution grids; and electricity storage maintenance.

Of the Smart Industry business area's revenue, 2.1% (EUR 1.8 million) was taxonomy-eligible. These services include the use and maintenance of hydropower.

Of the International Operations business area's revenue, 72.3% (EUR 42.7 million) was taxonomy-eligible. These services include HVL construction and maintenance; MLV (medium- and low-voltage line) construction and maintenance; the construction and maintenance of electric substations; HVL and MLV design; and the design of electric substations.

Enersense's Connectivity business area provides services throughout the life cycle of telecommunications networks, including 5G projects that improve energy efficiency. The Connectivity segment's operations are not considered taxonomy-eligible.

Enersense's operations that promote sustainable development are presented in more detail in the table below.

BUSINESS AREA	PRODUCT CATEGORY	DESCRIPTION	ACTIVITY
Power			
	HVL construction	Transmission and distribution of electricity	4.9
	HVL maintenance	Transmission and distribution of electricity	4.9
	Construction of electric substations	Transmission and distribution of electricity	4.9
	Maintenance of electric substations	Transmission and distribution of electricity	4.9
	HVL and electric substation design	Transmission and distribution of electricity	4.9
	Wind power construction	Electricity generation from wind power	4.3
	Wind power use and maintenance	Electricity generation from wind power	4.3
	Charging points for electric cars	Infrastructure enabling low-carbon road transport and public transport	6.15
	Installation of electricity meters in	Transmission and distribution of electricity	4.9
	Electricity storage maintenance	Storage of electricity	4.10
Connectivity			
Smart Industry			
	Hydropower use and maintenance	Electricity generation from hydropower	4.5
International Operations			
	HVL construction	Transmission and distribution of electricity	4.9
	HVL maintenance	Transmission and distribution of electricity	4.9
	MLV construction	Transmission and distribution of electricity	4.9
	MLV maintenance	Transmission and distribution of electricity	4.9
	Construction of electric substations	Transmission and distribution of electricity	4.9
	Maintenance of electric substations	Transmission and distribution of electricity	4.9
	HVL and MLV design	Transmission and distribution of electricity	4.9

Taxonomy-eligible and non-eligible proportion of the Group's revenue

EUR thousand	
The Group's revenue	239,110
Proportion of taxonomy-eligible business operations	93,564
Proportion of taxonomy-eligible business operations, %	39
Proportion of non-eligible business operations	145,546
Proportion of non-eligible business operations, %	61

Enersense had minor capital expenditure and operating expenditure concerning assets or processes related to environmentally sustainable operations. Their estimated proportion was 0% of capital and operating expenditure.

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

The taxonomy criteria and the scope of reporting may change in the coming years, meaning that the figures may not be comparable between reporting periods.

Key indicators

Key indicators

	1–12/2021	1–12/2020	1–12/2019
Revenue (EUR 1,000)	239,110	147,460	58,057
EBITDA (EUR 1,000)	16,639	9,775	52
EBITDA, %	7.0	6.6	0.1
Operating profit (EUR 1,000)	6,834	4,780	-965
Operating profit, %	2.9	3.2	-1.7
Result for the period (EUR 1,000)	3,973	2,379	-1,371
Equity ratio, %	35.6	15.7	30.8
Gearing, %	3.6	52.3	64.8
Return on equity, %	8.3	19.3	-17.7
Earnings per share, EUR	0.35	0.27	-0.21
Equity per share	3.7	2.4	1.2
Dividend per share	0.1	—	—
Dividend as a percentage of earnings	31.2	—	—
Effective dividend yield as percentage	1.5	—	—
Price to profit ratio	32.1	27.4	-21.2

The figures concerning the business operations that were transferred to Enersense through the Empower acquisition are included in the Group's figures from August 2020.

CALCULATION PRINCIPLES FOR KEY PERFORMANCE INDICATORS

EBITDA	=	Operating profit + depreciation, amortisation and impairment
EBITDA, % of revenue	=	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 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
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
Revenue (%)	=	Share trading (pcs) x 100 / The average number of shares issued during the period
Book value per share	=	Annual dividends per share / earnings per share
Dividend per share	=	Annual divided / Shares outstanding
Dividend as a percentage of earnings	=	(Annual dividends per share / earnings per share) x 100
Price / earnings ratio	=	Market value per share / Earnings per share
Effective dividend yield	=	(Dividend per share / market value per share) x 100

Financial statements

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

EUR thousand	Disclosure	1–12/2021	1–12/2020
Revenue	3	239,110	147,460
Change in inventories of finished goods and work in progress	4	2,060	302
Work performed for own purposes and capitalised		-35	461
Other operating income	4	10,514	1,804
Material and services	5	-115,011	-59,327
Employee benefits expense	6	-97,898	-69,973
Depreciation and amortisation	7	-9,806	-4,995
Other operating expenses	8	-22,196	-11,019
Share of profit /loss accounted for using the equity method	14	95	67
Operating profit		**6,834**	**4,780**
Finance income	9	41	50
Finance expense	9	-3,334	-1,972
Finance income and expense		-3,294	-1,921
Profit/loss before tax		**3,540**	**2,859**
Tax on income from operations	10	433	-480
Profit/loss for the period		**3,973**	**2,379**
Other OCI-items			
Items that may be reclassified to profit or loss			
Translation differences		382	-367
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	6	-117	-42
Other comprehensive income for the period, net of tax		**265**	**-409**
Total comprehensive income for the period		**4,238**	**1,970**
Profit (loss) for the period attributable to:			
Equity holders of the parent company		4,301	2,039
Non-controlling interests in net income		-328	340
Profit/loss for the period		**3,973**	**2,379**
Total comprehensive income for the period attributable to:			
Owners of the parent company		4,566	1,630
Non-controlling interests		-328	340
Total comprehensive income		**4,238**	**1,970**
Earnings per share attributable to the owners of the parent company			
Basic and diluted earnings per share	19	0.35	0.27

Consolidated income statement should be read together with disclosures.

CONSOLIDATED BALANCE SHEET

EUR thousand	Disclosure	1–12/2021	1–12/2020
Assets			
Non-current assets			
Goodwill	11	26,154	26,376
Other intangible assets	11	18,591	13,566
Property, plant, equipment	12, 13	21,706	18,784
Investments accounted for using the equity method	14	1,564	1,467
Loan receivables	14	—	150
Non-current trade and other receivables	16	3,919	960
Deferred tax-assets	10	1,096	570
Total non-current assets		**73,032**	**61,873**
Current assets			
Inventories	15	6,513	3,566
Trade receivables	16	21,501	24,184
Current income tax receivables	10	48	158
Other receivables	16	16,449	8,439
Cash and cash equivalents	17	29,166	17,694
Total current assets		**73,677**	**54,041**
Total assets		**146,709**	**115,914**
Equity and liabilities			
Equity			
Share capital	18	80	80
Unrestricted equity reserve	18	43,794	15,602
Other reserves	18	313	313
Translation differences	18	17	-363
Retained earnings	18	95	-1,794
Profit (loss) for the period	18	4,301	2,039
Total equity attributable to owners of the parent company		**48,599**	**15,877**
Non-controlling interests		1,064	1,768
Total equity		**49,664**	**17,645**
Liabilities			
Non-current liabilities			
Borrowings	21	10,095	3,717
Lease liabilities	21	12,825	5,517
Payment arrangement with the Tax administration	20	—	518
Other liabilities	23	2,206	12
Deferred tax liabilities	10	1,469	—
Employee benefit obligations	6	545	435
Provisions	22	852	481
Total non-current liabilities		**27,992**	**10,680**
Current liabilities			
Borrowings	21	3,072	14,224
Lease liabilities	21	4,427	3,473
Advances received	23	7,203	3,607
Trade payables	23	14,758	16,530
Payment arrangement with the Tax administration	20	963	1,926
Current income tax liabilities	10	28	257
Other payables	23	37,985	45,980
Provisions	22	618	1,592
Total current liabilities		**69,054**	**87,589**
Total liabilities		**97,046**	**98,269**
Total equity and liabilities		**146,709**	**115,914**

Consolidated balance sheet should be read together with disclosures.

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	Disclosure	1–12/2021	1–12/2020
Cash flow from operating activities			
Profit (loss) for the period		**3,973**	**2,379**
Adjustments:			
Depreciation, amortisation and impairment	7	9,806	4,995
Gains and losses on the sale of subsidiaries		-1,760	—
Gains and losses on the sale of associated companies		—	-220
Gains and losses on the sale of property, plant and equipment		-222	-75
Share of profits (losses) of associates	14	-95	-67
Interest income and other financial income and expenses	9	3,294	1,921
Income tax	10	-433	480
Other adjustments		-11,758	-129
Total adjustments		**-1,169**	**6,905**
Changes in working capital			
Change in trade and other receivables	16	-4,829	-2,628
Change in trade payables and other liabilities	23	-9,050	-956
Change in inventories	15	-2,615	-873
Change in provision		—	-950
Interest received		43	50
Interest paid		-1,379	-871
Other financial items		-1,957	-932
Income tax	10	1,376	-258
Net cash flow from operating activities		**-15,608**	**1,866**
Cash flow from investing activities			
Investments in tangible and intangible fixed assets	11	-1,406	-1,217
Sale of fixed assets		15,170	—
Acquisition of subsidiaries, less cash and cash-equivalents acquired	2	-151	12,966
Sale of subsidiaries, less cash and cash equivalents sold		281	—
Additional investments in associated companies	14	-104	—
Sale of associated companies	14	—	633
Withdrawals of loans granted to associated companies		100	-150
Repayments of loans granted to associated companies		—	443
Payment received from bank deposit accounts		600	—
Payments to bank deposit accounts	16	-3,053	-600
Dividends from associated companies		102	—
Net cash flow from investing activities		**11,539**	**12,075**
Cash flow from financing activities			
Issue of shares	18	28,218	7,312
Withdrawals of loans	20	14,964	1,539
Repayments of loans	20	-22,898	-4,288
Acquisition of subsidiaries less cash and cash equivalents acquired	20	-257	—
Payments of lease liabilities	20	-4,485	-2,112
Net cash flow from financing activities		**15,541**	**2,451**
Net change in cash and cash equivalents		11,472	16,391
Cash and cash equivalents at the beginning of the period		17,694	1,276
Impact of exchange rate changes on cash and cash equivalents		—	26
Cash and cash equivalents at the end of the period		**29,166**	**17,694**

Consolidated cash flow statement should be read together with disclosures.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent company							
EUR thousand	**Share capital**	**Invested unrestricted equity reserve**	**Other reserves**	**Translation differences**	**Retained earnings**	**Total equity attributable to owners of the parent company**	**Non-controlling interest**	**Total equity**
Equity at 1 Jan 2021	**80**	**15,602**	**313**	**-363**	**245**	**15,877**	**1,768**	**17,645**
Profit (loss) for the period	—	—	—	—	4,301	4,301	-328	3,973
Other comprehensive income						—		
Translation differences	—	—	—	382	—	382	—	382
Remeasurements of post-employment benefit obligations	—	—	—	—	-117	-117	—	-117
Total comprehensive income	—	—	—	382	4,184	4,566	-328	4,238
Transactions with owners:						—		—
Share issue	—	28,192	—	—	—	28,192	—	28,192
Transactions with non-controlling interests	—	—	—	—	18	18	-377	-359
Share issue to employees	—	—	—	—	150	150	—	150
Other transactions	—	—	—	-2	-203	-203	—	-203
Total transactions with owners	**—**	**28,192**	**—**	**-2**	**-35**	**28,156**	**-377**	**27,780**
Equity at 31 Dec 2021	**80**	**43,794**	**313**	**17**	**4,394**	**48,599**	**1,064**	**49,664**

	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 2020	**80**	**8,290**	**313**	**4**	**-1,324**	**7,363**	**-314**	**7,050**
Profit (loss) for the period	—	—	—	—	2,039	2,039	340	2,379
Other comprehensive income								
Translation differences	—	—	—	-367	—	-367	—	-367
Remeasurements of post-employment	—	—	—	—	-42	-42	—	-42
Total comprehensive income	—	—	—	-367	1,996	1,630	340	1,970
Transactions with owners:								
Share issue	—	7,312	—	—	—	7,312	—	7,312
Transactions with non-controlling interests	—	—	—	—	-428	-428	373	-54
Share of non-controlling interest of joint arrangements	—	—	—	—	—	—	1,369	1,369
Total transactions with owners	**—**	**7,312**	**—**	**—**	**-428**	**6,884**	**1,742**	**8,626**
Equity at 31 Dec 2021	**80**	**15,602**	**313**	**-363**	**245**	**15,877**	**1,768**	**17,645**

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Disclosures for the financial statements

1. ACCOUNTING PRINCIPLES FOR THE FINANCIAL STATEMENTS

Basic information about the Group

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

Enersense International Plc is a Finnish public limited liability company based in Pori. Its registered address is Konepajanranta 2, 28100 Pori. The parent company's shares are listed on the Main List Finland marketplace of Nasdaq Helsinki Ltd. Trading in Enersense shares began on 14 June 2021.

At its meeting, the Board of Directors of Enersense International Plc approved these consolidated financial statements for publication. A copy of the consolidated financial statements is available at www.enesense.com.

Basis for compilation

Enersense's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, as well as the IAS and IFRS standards as they stood on 31 December 2021 and the related SIC and IFRIC interpretations. The notes to the consolidated financial statements are also in line with the requirements of the Finnish accounting and business legislation that supplements the IFRS regulations.

In April 2021, the IFRS Interpretations Committee issued its final agenda decision on the accounting of configuration and customisation costs in a cloud computing arrangement (IAS 38 Intangible Assets). In this agenda decision, the Interpretations Committee examined whether customers should recognise the configuration and customisation of an application as an intangible asset in accordance with IAS 38, and if an intangible asset is not recognised, how customers should recognise such configuration and customisation costs. The IFRIC agenda decisions do not have a date of entry into force, and are therefore expected to be adopted as soon as possible. Because the Group has cloud computing arrangements in place, it has started an analysis of whether this agenda decision has an impact on the accounting principles applied to the implementation costs of cloud services. The analysis has been conducted during autumn 2021, and its impact has been taken into account retrospectively in the financial statements for 2021. These impacts are shown in greater detail in the notes section under intangible assets. These impacts are not significant.

Several new standards, amendments to standards and interpretations will enter into force later than for financial periods beginning on 1 January 2021 and have not been applied in preparing these consolidated financial statements. The Group does not expect these to have a material impact on the consolidated financial statements.

The consolidated financial statements have been prepared on the basis of historical costs unless otherwise stated. The consolidated financial statements are presented in thousands of euros, with the euro being the parent company's functional and presentation currency.

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

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

Translation of foreign currency items

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

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

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

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

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

Continuity of operations
The financial statements have been prepared on a going concern basis because the management of Enersense sees no material uncertainty related to the continuity of operations. The future development of the Group's activities is influenced in particular by, among other things, the development of the Group's results, the availability of financing for capital-intensive projects and the adequacy of liquidity. Group management has made estimates of the companies' future revenue, operating margins, investments, financial situation and working capital requirements. The Group tests goodwill annually for impairment. The significant uncertainty about the Company's ability to continue as a going concern reported in the 2020 statutory financial statements has been removed and the Company's management estimates that working capital will be sufficient to continue the Company's operations in accordance with its growth plan for the 12 months following the balance sheet date.

THE IMPACT OF THE CORONAVIRUS PANDEMIC ON ENERSENSE AND ITS BUSINESS OPERATIONS

The coronavirus pandemic continues to spread and may have both direct and indirect impacts on Enersense's business operations through the uncertainty that is affecting society as a whole. The impacts of the coronavirus pandemic on Enersense in 2021 have mainly consisted of the following: delays, interruptions or postponements related to projects; delays and challenges arising from travel restrictions, particularly in projects implemented abroad; hindrances or delays in foreign material purchases and subcontracting; and challenges caused by illness or quarantine among the company's own employees or employees in the subcontracting chain.

If the coronavirus pandemic continues, it can still affect project decisions and project operation chains in industry, in addition to delaying decisions to start projects or causing delays in ongoing projects. The coronavirus pandemic may also affect employees' willingness and ability to travel, which also highlights the risk related to the availability of employees. The coronavirus pandemic has already had a significant impact on the uncertainty of the world economy and the global financial markets. If the pandemic continues further, it may lead to a deeper or longer-term global recession or depression. This could have a negative impact on certain types of investment and generally reduce Enersense's business opportunities.

Similarly, weaker confidence in the economy and reduced economic activity among Enersense's customers may have a negative impact on Enersense's revenue, cash flows and solvency in the future. If the coronavirus pandemic continues further or the related restrictions become stricter, a deterioration in the financial position of Enersense's customers in the public and private sectors may lead to a decrease in demand for Enersense's services, slower-than-expected sales development and a decrease in the prices of its services.

The full impact (including the timing, duration and extent of the impact) of the coronavirus pandemic on the global economy and the economies in Enersense's area of operation, as well as on Enersense's business operations and customers, is difficult to predict, especially as the pandemic situation and the related public administration decisions and measures keep changing rapidly.

Enersense seeks to ensure the health and safety of its personnel through various measures, including travel restrictions and opportunities to work remotely. The Covid-19 team established by Enersense is monitoring the situation closely.

The full impact (including the timing, duration and extent of the impact) of the coronavirus pandemic on the global economy and the economies in Enersense's area of operation, as well as on Enersense's business operations and customers, is difficult to predict, especially as the pandemic situation and the related public administration decisions and measures keep changing rapidly.

Key estimates and decisions based on judgement

Disclosures	Key estimates and judgements
1. Acquisitions	Valuation of intangible assets
2. Revenue and business areas	Revenue recognition
6. Employee benefit expenses	Actuarial assumptions for defined benefit obligations
10. Income taxes	Recognition of income taxes and recognition of deferred tax assets from tax losses
11. Intangibles assets	Impairment testing
13. Leases	Determining the lease term and determining the interest rate for the
14. Investments accounted for using the equity method	Classification of associated companies
21. Borrowings	Financial liability recognised for the obligation to purchase shares
22. Provisions	Evaluation of the amount and timing of the reservation
24. Group structure	Classification of group companies

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

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2. ACQUISITIONS

Acquisition of Enersense Offshore Oy

Through a transaction completed on 4 October 2021, Enersense Works Ltd has acquired the entire share capital of Pori Offshore Constructions Ltd. Enersense Works is a subsidiary of Enersense International Plc and belongs to the Smart Industry segment of Enersense International.

The business operations of Pori Offshore Constructions, a Finnish company, are based on products related to offshore wind power and renewable energy. The company's intellectual property rights and its expertise in implementing complex steel and high-pressure pipeline networks enable Enersense to move up in the value chain for renewable energy production projects, from installation services to comprehensive deliveries. The acquisition will also provide Enersense with new business opportunities in bioenergy and in gas, hydrogen and hydropower projects, for example.

The basic purchase price of the share capital is EUR 1.0. Any additional purchase price will be paid based on the EBITDA of Pori Offshore Constructions for 2022–2025 in accordance with the terms and conditions of the deed of sale. The additional purchase price is estimated to be less than EUR 1.8 million.

The amount of cash flow generated by the acquisition of Pori Offshore Constructions is presented in the table below.

EUR thousand	
Paid acquisition price	–
Cash and cash equivalent acquired	15
Net of cash acquired	**15**

The acquired net assets and the goodwill arising from the transaction are presented in the table below:

EUR thousand	
Assets	
Non-current assets	
Other intangible assets	8,817
Property, plant, equipment	9,964
Investments accounted for using the equity method	–
Other shares and equity interests	–
Non-current trade and other receivables	–
Deferred tax-assets	–
Total non-current assets	**18,781**
Current assets	
Inventories	382
Trade receivables	318
Other receivables	291
Cash and cash equivalents	15
Total current assets	1,007
Total assets	**19,788**
Liabilities	
Non-current liabilities	
Borrowings	789
Employee benefit obligations	–
Deferred tax liabilities	1,750
Provisions	119
Total non-current liabilities	2,658
Current liabilities	
Borrowings	2,371
Advances received	1,446
Trade payables	1,570

Other payables	2,196
Current income tax liabilities	—
Provisions	679
Total current liabilities	8,262
Total liabilities	**10,920**
Total equity and liabilities	8,868
Non-controlling interests	—
Acquisition price	-1,583
Negative goodwill	-7,285

The fair value of identifiable intangible assets at the time of acquisition was EUR 8.8 million, including EUR 8.8 million in intangible assets based on technology.

The value of the identifiable tangible assets at the time of acquisition was EUR 10.0 million, including property valued at EUR 8.0 million.

The amount of the negative goodwill defined as residual value is EUR 7.3 million. The net amount of the fair values of the acquired assets and liabilities exceeded the acquisition cost. The amounts of assets and liabilities acquired in accordance with IFRS 3 have been reassessed. As the acquisition showed a profit even after the second assessment, it is recognised immediately, because IFRS 3 does not allow negative goodwill to be presented on the balance sheet. The negative goodwill is recognised in other operating income. Prior to the acquisition, Enersense specified the sale and leaseback of the property at the prices the company was seeking and the transfer of intangible rights in connection with the change of ownership as the most significant conditions to the completion of the acquisition. As regards intangible assets, Enersense commissioned an external expert to estimate their value. As a result, the net value of the sale and leaseback agreement and the value of intangible assets significantly exceeded the acquisition price. The merging of Enersense Offshore Oy with Enersense Group will bring synergies, financial support, expertise and the ability to turn the acquired company into a profitable business.

The costs related to the transaction (EUR 0.2 million) are included in other operating expenses in the consolidated income statement and in the net cash flow from operating activities in the cash flow statement.

Accounting principle

Business combinations are treated using the acquisition method. The consideration for the acquisition of a subsidiary consists of the fair value of the assets transferred.

The identifiable assets and the identifiable liabilities and contingent liabilities acquired in a business combination are initially measured at fair value at the time of acquisition, with a few exceptions. Any non-controlling interest in the acquired business has been recognised in the amount corresponding to the share of the non-controlling interest of the identifiable net assets of the acquired business.

The costs related to the acquisition have been recognised as expenses at their time of implementation and are presented in other operating expenses in the income statement, with the exception of expenses directly attributable to the issue of equity instruments, which are deducted from equity.

The amount by which the consideration provided, the non-controlling interest in the acquired business and the fair value of the previously held interest in the acquired company at the time of acquisition exceed the fair value of the acquired identifiable net assets is recognised as goodwill.

Key judgements

Measurement of intangible assets
The net assets acquired in a business combination are measured at fair value. Enersense's management has exercised judgement when determining the fair value of the identifiable intangible assets at the time of acquisition and when determining the amortisation period for the assets in question. In connection with the acquisition of Enersense Offshore Oy, intangible assets were recognised. Their valuation was carried out by an expert firm specialising in the valuation of these types of intangible assets. The management believes that the estimates and assumptions used are sufficiently reliable to determine fair values.

3. REVENUE AND BUSINESS AREAS

The CEO of Enersense (chief operating decision maker, CODM) monitors the Group's performance on the basis of the following business areas, which also are the Group's reporting segments: Smart Industry, Power, Connectivity and International Operations. The CEO mainly uses revenue and EBITDA to assess the operating result.

In its Smart Industry business, Enersense helps customers improve the reliability of their production plants and the efficiency of their maintenance operations. Enersense develops digital solutions for improving productivity, and is responsible for the total maintenance and reliable operation of its long-term customers' production plants. Enersense provides the special competence required for each phase of the project, such as resource and contracting services and subcontracting chain management services.

In its Power business, Enersense 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, electric substations and wind farms. The business also provides solutions for charging systems for electrically powered transport and electricity storage.

In its Connectivity business, Enersense helps customers deliver mobile and fixed network services and ensure their operability. Enersense is involved in all phases of the life cycles of data networks, as well as designing, building and maintaining fixed and wireless data networks.

In its International Operations business, Enersense provides services for the energy sector and mobile and fixed networks in the Baltic Countries, and industrial operating and maintenance services in Germany, France and the United Kingdom.

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

Revenue by business area

EUR thousand	1–12/2021	1–12/2020
Smart Industry	85,499	78,371
Power	49,143	18,916
Connectivity	45,318	23,419
International Operations	58,999	26,754
Items not allocated to business areas	152	–
Total	**239,110**	**147,460**

Enersense's revenue mainly consists of services, projects and resourcing in the Nordic countries and internationally operating industrial, energy and telecommunications companies. In Enersense's services, the customer simultaneously receives and uses the benefits arising from Enersense's services as Enersense provides the service, improves an asset controlled by the customer or creates an asset for which Enersense does not have an alternative use, and Enersense is entitled to receive payment for services provided up until the time of examination. Most of Enersense's sales revenue is recognised over time. In 2021, Enersense had two individual customers whose share of the Group's revenue was more than 10%. The total revenue from these customers was EUR 57.1 million.

Geographical distribution of revenue by target country

EUR thousand	1–12/2021	1–12/2020
Finland	177,229	111,671
Other countries	61,881	35,789
Total	**239,110**	**147,460**

Transaction price allocated to the remaining performance obligations

EUR thousand	1–12/2021	1–12/2020
Unrecognised transaction price	46,678	56,751
To be recognised as income the following year	35,920	46,218
To be recognised later	10,758	10,532

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

EBITDA by business area

EUR thousand	1–12/2021	1–12/2020
Smart Industry*)	15,388	6,208
Power	2,426	1,002
Connectivity	1,559	1,475
International Operations	1,672	1,730
Items not allocated to business areas	-4,405	-640
Total	**16,639**	**9,775**

**) Värväämö Oy's capital gain of EUR 1.8 million and Enersense Offshore Oy's negative goodwill recognition of EUR 7.3 million are included in the Smart Industry business area's EBITDA*

Reconciliation of EBITDA to operating profit

EUR thousand	1–12/2021	1–12/2020
EBITDA	16,639	9,775
Depreciation, amortisation and impairment	-9,806	-4,995
Total	**6,834**	**4,780**

Contract assets and liabilities

EUR thousand	1–12/2021	1–12/2020
Contract assets*)	5,257	5,488
Contract liabilities**)	7,203	3,607

**) For more information, disclosure 16. Trade- and other receivables*

***) For more information, disclosure 23. Trade- and other payables*

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

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Geographical breakdown of non-current assets

EUR thousand	1–12/2021	1–12/2020
Finland	65,696	55,488
Other Countries	6,239	5,003
Total[*)]	**71,936**	**60,491**

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

Accounting principle

Recognition of sales revenue
Enersense recognises revenue in accordance with the five-step model provided in IFRS 15 Revenue from Contracts with Customers. Sales revenue is recognised in the amount that is expected to be received from the customer in exchange for transferring the product or service. Sales revenue is recognised when control over the service or product is transferred to the customer, either over time or at a specific time.

Enersense's revenue consists of services, projects and resourcing. Enersense enters into an agreement with the customer, and the agreement specifies the rights and obligations of both parties. With major customers, Enersense may enter into a framework agreement which constitutes an agreement in accordance with IFRS 15, together with the order and order confirmation. With smaller customers, the order and order confirmation constitute the agreement.

Under Enersense's service agreements and resourcing services, the customer typically simultaneously receives and uses the service as it is provided by Enersense. Enersense applies a practical expedient provided by IFRS 15 which allows the company to recognise an amount that it is entitled to invoice if the company has the right to receive consideration from the customer in an amount that directly corresponds to the value of the performance completed by the company for the customer up until the time of examination.

In projects and other agreed total deliveries in which Enersense creates or improves an asset controlled by the customer or in which Enersense has no alternative use for the asset produced and Enersense has the right to receive payment for the performance produced, including the costs incurred and a reasonable margin, sales revenue is recognised over time. The level of fulfillment of performance obligations is typically determined on the basis of the costs incurred in relation to the total costs. Project forecasts, estimated total revenue and costs are assessed on every reporting date.

Customer agreements may include variable consideration such as sanctions, bonuses or discounts. The impact of variable consideration is assessed on a contract basis, and sales revenue is recognised in the amount to which Enersense is entitled when it is highly probable that a significant reversal in the amount of recognised cumulative revenue will not occur.

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

Key judgements

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

4. OTHER OPERATING INCOME

The items presented in other operating income include revenue from administrative and catering services and gains from the sale of fixed assets. On June 30, 2021, a gain of EUR 1.8 million was recorded in the Group from the sale of Värväämö Oy. On October 1, 2021, EUR 7.3 million of negative goodwill was recognised for the acquisition of Enersense Offshore Oy.

EUR thousand	1–12/2021	1–12/2020
Decrease in negative goodwill	7,285	–
Gain on disposal of investments in group companies	1,760	–
Subsidies received	450	538
Income from administrative services	313	442
Gains on the sale of associates	–	220
Income from restaurant services	235	181
Trade payables deregonised	–	115
Capital gains on property, plant and equipment	222	75
Gains on non-compete obligation	–	70
Other income	250	163
Total	**10,515**	**1,804**

Accounting principle

Public grants
Public grants are recognised through profit or loss for the periods during which the related expenses are recognised when it is reasonably certain that the conditions related to the grant will be fulfilled and the grants will be received. Public grants related to the acquisition of property, plant and equipment are deducted from the cost of acquisition of the asset. The profit and loss impact is recognised in the form of decreased depreciation of the acquired asset. During the financial year 2021, the Enersense Group's subsidiary received a total of EUR 450,000 thousand in government cost support related to the coronavirus pandemic.

5. MATERIALS AND SERVICES

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

EUR thousand	1–12/2021	1–12/2020
Purchases during period	-45,780	-12,536
Increase / decrease in inventories	16	-115
External services	-69,247	-46,676
Total	**-115,011**	**-59,327**

6. EMPLOYEE BENEFIT EXPENSES

The Enersense Group has a total of around 2,000 employees in 40 countries. The personnel benefits and defined benefit obligations related to employees are presented below. The personnel benefits granted to the members of the Group Executive Team, the managing directors and the members of the Board of Directors are presented in Note 26 ("Related parties").

Wages and salaries

EUR thousand	1–12/2021	1–12/2020
Wages and salaries	-79,676	-57,760
Pension costs - defined contribution plans	-11,171	-7,361
Pension costs - defined benefit plans	-8	-4
Other employee benefit expenses	-7,043	-4,848
Total	**-97,898**	**-69,973**

Full-time equivalent (FTE)

	1–12/2021	1–12/2020
Average number of employees at the end of the period	1,942	2,336

Defined benefit plans

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

The insurance covers 92 people, 8 of whom continue to be in an employment relationship with the Group. The employer may have to pay group pension insurance premiums if the insurance assets are not sufficient to cover the benefits promised to the beneficiaries.

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

Risks related to defined benefit obligations

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

Inflation

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

Life expectancy

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

Defined benefit plan obligations in the balance sheet

EUR thousand	2021	2020
Defined pension benefit plan liabilities	1,561	1,654
Defined pension benefit plan assets	-1,016	-1,219
Total	**545**	**435**

Changes in the present value of the defined benefit obligations

EUR thousand	2021	2020
Present value of the defined benefit plan obligations Jan 1	1,654	—
Business combinations	—	1,582
Interest cost	6	5
Current service cost	8	4
Benefits paid	-68	-46
Actuarial (gains) losses	6	109
Present value of the defined benefit plan obligations Dec 31	**1,606**	**1,654**

Change in the fair value of defined benefit plans

EUR thousand	2021	2020
Plan assets Jan 1	1,219	—
Business combinations	—	1,197
Interest income	5	4
Benefits paid	-68	-46
Actuarial (gains) losses	-108	56
Contributions by employer	14	8
Plan assets Dec 31	**1,062**	**1,219**

Items recognised in income statement

EUR thousand	2021	2020
Service cost	-8	-4
Net interest cost	-1	-1
Total	**-9**	**-5**

Remeasurement impact recognised in the other comprehensive income

EUR thousand	2021	2020
Actuarial gain (loss) on plan assets	-108	56
Actuarial gain (loss) on plan liabilities	-6	-108
Actuarial gain (loss) on change in asset ceiling	—	-1
Total	**-114**	**-53**

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

Enersense estimates its premiums for defined benefit plans to be EUR 23,000 in 2021. The weighted average of the duration of the defined benefit obligations is 18 years.

Principal actuarial assumptions

Assumption	2021	2020
Discount rate	1.0	0.4
Increase in pension	1.6	1.6
Inflation rate	2.1	1.3
Life expectancy for pensioners at the age of 65:		
Male	21	21
Female	25	25

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

EUR thousand	2021	2020
Change in pension increase:		
0.5 % increase	123	129
0.5 % decrease	-111	-116
Change in discount rate:		
0.5 % increase	-130	-136
0.5 % decrease	148	155

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

Accounting principle

Defined contribution pension plans

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

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

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

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

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

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

Key judgements

Actuarial assumptions related to defined benefit obligations
Actuarial assumptions (e.g. discount rate and inflation assumption) are needed in the calculation of pension obligations. The management's judgement is required to determine such assumptions. The assumptions used may differ materially from the actual results due to changes in market conditions, for example. Changes in these assumptions affect the amount of the pension liability and future pension expenses.

7. DEPRECIATION, AMORTISATION AND IMPAIRMENT

EUR thousand	1–12/2021	1–12/2020
Intangible assets		
Customer relationships	-966	-405
Development costs	-694	-152
Intangible rights	-61	-25
Other intangible assets	-963	-913
Total	**-2,684**	**-1,496**
Property, plant and equipment		
Land*)	-12	-5
Buildings and structures	-2,814	-1,580
Machinery and equipment	-3,343	-1,674
Other tangible assets	-119	-78
Total	**-6,288**	**-3,337**
Impairment by asset group		
Other intangible assets		
Other intangible assets	-800	-114
Property, plant and equipment	—	
Machinery and equipment	-33	-49
Total	**-833**	**-162**
Depreciation and amortisation total	**-9,805**	**-4,995**

**) Depreciation of land applies to leased land*

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Accounting principle

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

Depreciation periods

Property, plant and equipment	
Buildings and structures	10 - 30 years
Machinery and equipment	3 - 15 years
Other tangible assets	3 -5 years
Intangible asset	
Customer relationships	10 years
Development costs	3 - 5 years
Intangible rights	5 - 10 years
Other intangible assets	1 -10 years

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

8. OTHER OPERATING EXPENSES

Other operating expenses include costs arising from purchased administrative services, facility expenses, ICT software and hardware expenses and voluntary personnel expenses, for example. Other expenses include auditing and expert fees, office expenses and credit loss expenses, among other costs. Expenses related to employees' working capacity maintenance, recreational activities, training and hobbies are presented in voluntary indirect personnel expenses.

EUR thousand	1–12/2021	1–12/2020
ICT software and equipment expenses	-5,624	-2,237
Administration expenses	-1,011	-2,101
Other employee expenses	-7,043	-983
Vehicle expenses	-2,418	-852
Legal and other consulting expenses	-457	-846
Marketing expenses	-426	-548
Office and building expenses	-891	-484
Acquisition costs	-1,571	-324
Travel expenses	-86	-202
Other expenses	-2,669	-2,441
Total	**-22,196**	**-11,019**

The Annual General Meeting of Enersense International Plc elects the Group's auditor annually. At the Annual General Meeting in 2021, KPMG Oy Ab was elected as the Group's auditor.

Auditors fees

EUR thousand	1–12/2021	1–12/2020
Audit related services	-435	-225
Tax advisory services	-1,050	-173
Other services	-19	-27
Total	**-1,504**	**-425**

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

Non-audit services provided by KPMG Oy Ab for the companies of the Enersense Group totaled EUR 1.069 (200) thousand in the 2021 financial period. These services consisted of EUR 19 (27) thousand in tax advice and EUR 1.050 (173) thousand in other services. Other services included advisory services related to acquisitions and to main list transfer.

9. FINANCIAL INCOME AND EXPENSES

EUR thousand	1–12/2021	1–12/2020
Interest income and other finance income		
Interest income and other finance income	41	50
Total	**41**	**50**
Finance costs		
Interest expenses from installment debt	-47	-162
Interest expenses from borrowings	-2,250	-812
Interest expenses from lease liabilities	-361	-151
Foreign exchange losses	-62	-1
Commission fees	-615	-846
Total	**-3,335**	**-1,972**
Finance income and costs total	**-3,294**	**-1,921**

Interest expenses on other loans mainly include interest expenses on loans, guarantee commissions, factoring interest and fees, and interest on arrears. Commission expenses include non-recurring refinancing fees of EUR 374 thousand and other financing-related fees. For more information on the new financing arrangement, see Disclosure 21. Loans.

10. INCOME TAX

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

EUR thousand	1–12/2021	1–12/2020
Current tax on profit for the period	-143	-433
Adjustments for current tax of prior periods	17	1
Total current income tax expense	-127	-433
Change in deferred tax assets	560	322
Change in deferred tax liabilities	—	-370
Total deferred tax expense		
Income tax expense	433	-480

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

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Numerical reconciliation of income tax expense to prima facie tax payable

EUR thousand	1–12/2021	1–12/2020
Result before taxes	3,540	2,859
Tax calculated at Finnish tax rate 20 %	-708	-572
Effect of other tax rates for foreign subsidiaries	19	9
Effect of the expenses not deductible for tax purposes	-226	-75
Effect of the tax-free income	1,331	6
Valuation of deferred taxes	—	149
Adjustment in respect to prior years	17	1
Other adjustments	—	3
Income tax	**433**	**-480**

Deferred tax assets and liabilities

EUR thousand	1.1.	Recognised in income	Recognised in other comprehensive income	Business combinations	31.12.
2021					
Deferred tax assets					
Intangible assets and property, plant and equipment	328	605	—	—	933
Post-employment benefits	87	1	—	—	88
Tax losses	2,330	—	—	715	3,045
Lease contracts	6	8	—	—	14
Impairments of receivables	100	—	—	—	100
Other items	26	-87	—	—	-61
Total	**2,877**	**527**	**—**	**715**	**4,118**
Netting of deferred taxes	2,307				3,022
Deferred taxes, net	**570**				**1,096**
Deferred tax losses					
Intangible assets and property, plant and equipment	-2,266	33	—	-1,750	-3,983
Lease contracts	—	-9	—	—	-9
Other items	-41	—	—	-458	-499
Total	**-2,307**				**-4,491**
					—
Netting of deferred taxes	2,307			715	3,022
Deferred taxes, net	**—**				**-1,469**

The most significant temporary differences between accounting and taxation relate to the intangible assets recognised in connection with the acquisition of Enersense Offshore Oy. The acquisition of Enersense Offshore Oy is described in Note 2. Acquisitions. The Group has confirmed losses for which a deferred tax asset of EUR 3,045,000 has been recognised. The recognition of deferred tax assets is primarily based on the availability of taxable income that the temporary differences can be set against.

EUR thousand	1.1.	Recognised in income	Recognised in other comprehensive income	Business combinations	31.12.
2020					
Deferred tax assets					
Intangible assets and property, plant and equipment	1	-35	—	362	328
Post-employment benefits	—	-1	11	77	87
Tax losses	603	328	—	1,400	2,330
Lease contracts	1	4	—	—	6
Impairments of receivables	97	—	—	3	100
Other items	—	26	—	—	26
Total	**703**	**322**	**11**	**1,841**	**2,877**
Netting of deferred taxes	-17	—	—	—	2,307
Deferred taxes, net	685				570
Deferred tax losses					
Intangible assets and property, plant and equipment	-17	-364	—	-1,885	-2,266
Lease contracts	—	—	—	—	—
Other items	—	-6	—	-35	-41
Total	**-17**	**-370**	**—**	**-1,920**	**-2,307**
Netting of deferred taxes	17				2,307
Deferred taxes, net	—				—

	Unused losses		Recognised deferred tax receivables		Unrecognised deferred tax receivables	
EUR thousand	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Expires after 5 - 10 years	133,590	99,255	3,045	2,330	26,718	17,646
Total	**133,590**	**99,255**	**3,045**	**2,330**	**26,718**	**17,646**

Accounting principle

Income tax
The tax expense or income presented for the period is the tax arising from the taxable income for the period in accordance with the income tax rate of each country, adjusted for changes in deferred tax assets and liabilities arising from temporary differences. The tax based on taxable income is calculated on the basis of the prevailing tax rates in the Group's countries of operation.

Taxes are recognised through profit or loss, except when they are related to items of other comprehensive income or items recognised directly in equity. In such cases, the tax is recognised accordingly in items of other comprehensive income or directly in equity.

Tax assets and liabilities based on taxable income for the period are deducted from each other when there is a legal right to do so and when the payment is to be settled at the net amount or the asset and the liability are to be realised at the same time.

Deferred taxes
Deferred taxes are recognised for the temporary differences between the book values and tax values of assets and liabilities included in the consolidated financial statements. Deferred tax is not recognised for the initial recognition of goodwill or assets and liabilities when the transaction is not a business combination and does not affect the accounting result or taxable income at its time of implementation.

Deferred taxes are determined on the basis of the tax rates (and laws) that have been passed or adopted in practice by the end of the reporting period and that are expected to be applied when the deferred tax asset in question is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that there will be taxable income in the future against which temporary differences can be used.

Deferred tax assets and liabilities are deducted from each other when there is a legal right to deduct tax assets and liabilities based on taxable income from each other and when deferred tax assets and liabilities are related to income taxes levied by the same taxation authority.

Key judgements

Recognition of income tax
The tax expense in the income statement consists of taxes and deferred taxes based on taxable income for the financial period. Taxes are recognised in the income statement, except when they are related to other items of comprehensive income or items recognised directly in equity. The tax based on taxable income for the period is calculated on the basis of taxable income in accordance with the tax rates determined in each country by the balance sheet date. The tax is adjusted for any taxes related to previous financial periods.

The management assesses the practices applied to tax returns in cases where the tax legislation leaves room for interpretation. The tax liabilities recognised in such situations are based on the management's estimates. Significant judgement is required to assess the total amount of income tax at the Group level, meaning that the amount of the final tax involves uncertainty.

Recognition of deferred tax assets based on tax losses
The management's judgement is required to determine the extent to which deferred tax assets can be recognised. The Group's management has exercised judgement in deciding whether deferred tax assets are recognised for unused tax losses or unused tax credits. These are recognised to the extent that it is probable that taxable income will be generated in the future against which unused tax losses and unused taxation-related credits can be used.

The assessment of future taxable profits is based on Enersense's strategy, forecasts and the assessment of uncertainties. Enersense's management monitors the Group's financial position and assesses future developments monthly. The amount of deferred tax assets recognised for tax losses and unused credits is reviewed on the end date of each reporting period.

11. INTANGIBLE ASSETS

EUR thousand	Goodwill	Customer relationships	Development Costs	Immaterial rights	Other intangible assets	Advance payments for intangible assets	Other intangible assets total
2021							
Cost at 1 Jan	26,376	9,660	2,119	127	2,213	737	14,856
Business combinations	—	—	—	67	8,750	—	8,817
Additions	—	—	30	2	—	591	622
Disposals	-222	-13	-291	-1	-425	-215	-945
Reclassifications	—	—	991	—	—	-991	—
Exchange differences	—	—	—	-2	—	—	-2
Cost at 31 Dec	26,154	9,647	2,848	193	10,538	122	23,349
Accumulated depreciation and impairment at 1 January	—	-405	-255	-32	-597	—	-1,289
Depreciation	**—**	**-966**	**-694**	**-61**	**-963**	**—**	**-2,684**
Disposals	—	—	16	1	—	—	17
Reclassifications	—	—	—	—	—	—	—
Exchange differences	—	—	—	—	—	—	—
Impairment charge	—	—	-789	—	-12	—	-800
Accumulated amortisation and impairment at 31 December	**—**	**-1,371**	**-1,721**	**-92**	**-1,572**	**—**	**-4,757**
Net book value at 1 January	26,376	9,255	1,864	95	1,616	737	13,567
Net book value at 31 December	**26,154**	**8,276**	**1,127**	**101**	**8,966**	**122**	**18,592**

Other intangible assets consist mainly of customer relationships identified in connection with business acquisitions, development costs and intangible assets. For further information on acquisitions, see Disclosure 2. Acquisitions

In April 2021, the IFRS Interpretations Committee issued its final agenda decision on the accounting of configuration and customisation costs in a cloud computing arrangement (IAS 38 Intangible Assets). In this agenda decision, the Interpretations Committee examined whether customers should recognise the configuration and customisation of an application as an intangible asset in accordance with IAS 38, and if an intangible asset is not recognised, how customers should recognise such configuration and customisation costs. The IFRIC agenda decisions do not have a date of entry into force, and are therefore expected to be adopted as soon as possible. Because the Group has cloud computing arrangements in place, it has analysed whether this agenda decision has an impact on the accounting principles applied to the implementation costs of cloud services. The analysis was made within the Group during the autumn of 2021, and the impacts were taken into account retrospectively in the financial statements for 2021. The impacts were minor.

EUR thousand	Goodwill	Customer relationships	Development Costs	Immaterial rights	Other intangible assets	Advance payments for intangible assets	Other intangible assets total
2020							
Cost at 1 Jan	**4,244**	**—**	**227**	**43**	**107**	**17**	**395**
Business combinations	22,133	9,660	1,275	88	2,459	660	14,142
Additions	—	—	320	—	73	224	616
Disposals	—	—	-100	-3	-333	253	-181
Impairment charge	—	—	—	—	-114	—	-114
Reclassifications	—	—	397	—	20	-418	—
Exchange differences	—	—	—	-2	—	—	-2
Cost at 31 Dec	26,376	9,660	2,119	127	2,213	737	14,856
Accumulated depreciation and impairment at 1 January	**—**	**—**	**-128**	**-9**	**-29**	**—**	**-166**
Depreciation	—	-405	-152	-25	-931	—	-1,496
Disposals	—	—	25	3	344	—	372
Accumulated amortisation and impairment at 31 December	—	-405	-255	-32	-597	—	-1,290
Net book value at 1 January	4,244	—	99	34	78	17	229
Net book value at 31 December	**26,376**	**9,255**	**1,864**	**95**	**1,615**	**737**	**13,566**

Goodwill impairment testing

The management monitors goodwill at the level of the four business segments determined in Note 3. The Group tests annually whether the grounds for goodwill continue to exist and whether the predicted cash flows can be generated accordingly. Goodwill impairment testing has been performed for all test periods. The cash flow forecasts used in the calculations are based on the budget approved by the management and the forecast for the next four years.

The period after the forecast period has been determined by extrapolating cash flows using the estimated probable annual growth rate at the time of testing.

In connection with impairment testing, the Group has analysed the sensitivity of the test results to changes in key assumptions. The test results are most sensitive to changes in EBITDA forecasts and discount rates. The management estimates that there are no somewhat probable changes in the discount rate or the return level that would cause the book values of the goodwill tested to exceed the recoverable amounts in any of the tested business segments.

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

31/12/2021	Revenue growth, Forecast period	Terminal growth assumption	Operating profit% terminal value	Projected operating% terminal value	Discount rate before taxes
Smart Industry	12,2 % - 17,9%	1.0%	4,0% - 9,7%	9.6%	10.0%
Power	6,9% - 20,9%	1.0%	1,8% - 4,9%	4.8%	10.0%
Connectivity	0,9% - 4,0%	1.0%	-0,4% - 4,2%	4.2%	10.0%
International operations	-5,4% - 21,0%	1.0%	-0,3% - 3,0%	3.0%	10.0%
31/12/2020					
Smart Industry	-15,1% - 6,0%	1.0%	6,7% - 7,8%	7,1%	9,7%
Power	4,0% - 25,2%	1.0%	-1,4% - 4,4%	1,1%	9,5%
Connectivity	-13,2% - 13,7%	1.0%	-4,1% - 8,4%	3,4%	9,6%
International operations	2,0% - 67,6%	1.0%	2,8% - 3,8%	3,3%	10,5%

Accounting principle

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

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

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

- An intangible asset is technically feasible so that it can be completed and put into use or sold
- The Group intends to complete the intangible asset and use or sell it
- The Group is able to use or sell the intangible asset
- The Group is able to demonstrate how the intangible asset is likely to generate financial benefits
- The Group has sufficient technical, financial and other resources to complete the development work and use or sell the intangible asset, and
- The Group is able to reliably determine the costs incurred during the development phase of the intangible asset.

Direct expenses capitalised in development costs include direct personnel expenses arising from development, an appropriate portion of the related general expenses and direct purchases.

Capitalised development costs are recognised at acquisition cost in intangible assets on the balance sheet, excluding accumulated depreciation and impairment losses. Depreciation starts when the asset is ready for use.

Intangible rights and other intangible assets
Intangible rights and other intangible assets are recognised at acquisition cost on the balance sheet, excluding accumulated amortisation and impairment. In connection with the acquisition of Enersense Offshore Oy, intangible assets were recorded at fair value. The fair value of identifiable intangible assets at the time of acquisition was EUR 8.8 million, including EUR 8.8 million in intangible assets based on technology. An external expert was consulted for the assessment of fair value. The intangible assets based on technology are tested annually for impairment, or more frequently if events or changes in circumstances indicate that impairment may have occurred.

The estimated useful lives of intangible assets are as follows:

- Customer relationships: 10 years
- Development expenses: 3–5 years
- Intangible rights: 5–10 years
- Other intangible assets: 1–10 years
- Technology based intangible assets: the useful life is indefinite

Impairment
Amortisation is not recognised for goodwill or intangible assets with an indefinite useful life. These are tested for impairment annually, or more frequently if events or changes in circumstances indicate possible impairment. Other intangible assets and property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that it may not be possible to recover an amount corresponding to the book value.

The amount by which the book value of an asset exceeds its recoverable amount is recognised as an impairment loss. The recoverable amount is the fair value of the asset less the costs of disposal or its use value, depending on which is higher. For the purposes of assessing impairment, assets are grouped at the lowest levels that accumulate identifiable cash flows that are largely independent of the cash flows of other assets or asset groups (cash-generating units).

At the end of each reporting period, it must be reviewed whether the impairment of an asset, excluding goodwill, should be reversed. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Key judgements

Impairment testing
The Group's management has assessed the useful lives of customer relationships recognised in connection with acquisitions. The useful lives are assessed on each balance sheet date and adjusted if necessary.

The potential impairment of tangible assets is tested when there are indications that the value of an asset may be impaired (assessed at the end of each reporting period at the minimum). An impairment test is based on calculations that determine the recoverable amounts of cash-generating units. The recoverable amount of a cash-generating unit is its fair value less the costs of disposal or its use value, depending on which is higher. Use value calculations are based on discounted cash flows that the asset is estimated to generate.

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

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

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

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

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

The impacts of the coronavirus pandemic have been taken into account in determining projected cash flows. Enersense's management has estimated that it is unlikely that any change in the key assumptions would cause the book value of a cash-generating unit to exceed its recoverable amount.

12. PROPERTY, PLANT AND EQUIPMENT

EUR thousand	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Prepayments and construction in progress	Total
2021						
Acquisition 1 Jan	143	8,861	13,810	294	69	23,177
Business combinations	3,763	3,763	2,014	308	116	9,964
Increases	9	6,571	6,727	38	97	13,442
Divestments in subsidiaries	—	—	-108	-2	—	-109
Decreases	-3,556	-4,295	-5,863	-366	-180	-14,259
Transfers between items	—	11	—	—	—	11
Exchange rate differences	—	—	—	—	—	—
Acquisition cost 31 Dec	**359**	**14,910**	**16,580**	**273**	**102**	**32,225**
Accumulated depreciation and Impairment I Jan	-5	-2,183	-2,191	-14	—	-4,393
Depreciation	-12	-2,814	-3,285	-119	—	-6,230
Decreases	—	—	83	53	—	137
Impairment	—	-7	-25	—	—	-33
Transfers between items	—	—	—	—	—	—
Exchange rate differences	—	—	—	—	—	—
Accumulated depreciation and Impairment 31 Dec	**-17**	**-5,004**	**-5,418**	**-80**	**—**	**-10,519**
Book value 1 Jan	**126**	**3,857**	**8,392**	**214**	**69**	**12,658**
Book value 31 Dec	**342**	**9,906**	**11,163**	**193**	**102**	**21,705**

EUR thousand	Land areas	Buildings and structures	Machinery and equipment	Other tangible assets	Prepayments and construction in progress	Total
2020						
Acquisition 1 Jan	5	2,349	1,417	2	—	3,773
Business combinations	138	5,545	11,511	354	178	17,727
Increases	—	906	1,045	9	3	1,963
Decreases	—	—	-333	-71	-106	-510
Transfers between items	—	60	169	—	-5	224
Exchange rate differences	—	—	—	—	—	—
Acquisition cost 31 Dec	**143**	**8,861**	**13,810**	**294**	**69**	**23,177**
Accumulated depreciation and Impairment I Jan	—	-603	-545	—	—	-1,148
Depreciation	-5	-1,580	-1,674	-78	—	-3,337
Decreases	—	—	260	64	—	324
Impairment	—	—	-49	—	—	-49
Transfers between items	—	—	-183	—	—	-183
Exchange rate differences	—	—	—	—	—	—
Accumulated depreciation and Impairment 31 Dec	**-5**	**-2,183**	**-2,191**	**-14**	**—**	**-4,393**
Book value 1 Jan	**5**	**1,746**	**872**	**2**	**—**	**2,625**
Book value 31 Dec	**138**	**6,677**	**11,619**	**280**	**69**	**18,784**

Right-of-use assets are included in property, plant and equipment. More information about right-of-use assets is provided in Note 13 ("Leases"). Increases in the 2020 financial period are mainly related to new leases on buildings, structures, machinery and equipment.

Sale and leaseback

The Group carried out a car sale and leaseback arrangement in June 2021. A previous item of property, plant and equipment (EUR 5.4 million) was removed from the balance sheet, and a right-of-use asset (EUR 3.4 million) was recognised instead. A lease liability of EUR 3.8 million was recognised on the balance sheet. A capital gain of EUR 0.3 million on the sale and leaseback arrangement was recognised in other operating income in June 2021.

The Group carried out a real estate sale and leaseback arrangement in October 2021. A previous item of property, plant and equipment (EUR 8.0 million) was removed from the balance sheet, and a right-of-use asset (EUR 3.7 million) was recognised instead. A lease liability of EUR 3.7 million was recognised on the balance sheet. The sale and leaseback arrangement did not generate any capital gains to be recognised.

Accounting principle

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

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

- Buildings: 10–30 years
- Machinery and equipment: 3–15 years
- Other items of property, plant and equipment: 3–5 years

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

13. LEASES

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

The balance sheet shows the following amounts related to leases:

EUR thousand	31/12/2021	31/12/2020
Land	130	133
Buildings and structures	9,736	6,515
Vehicles	6,792	2,222
Other	0	74
Total	**16,658**	**8,944**
Lease liabilities		
Current	4,427	3,473
Non-current	12,825	5,517
Total	**17,251**	**8,990**

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

The income statement includes the following amounts related to leases:

EUR thousand	1–12/2021	1–12/2020
Depreciation charge of right-of-use assets*)		
Land	-12	-5
Buildings and structures	-2,732	-1,549
Vehicles	-1,693	-519
Other	—	-8
Total depreciation charge of right-of-use assets	-4,423	-2,082
Interest expense**)	-361	-151
Expense relating to short term leases***)	-1,103	-795
Expense relating to leases of low value***)	-1,374	-676
Cash outflow relating to leases in total	-7,261	-3,704

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

Enersense has entered into business premises and car lease agreements beginning in the next financial year 2022.

Accounting principle

At the time of entering into an agreement, Enersense assesses whether the arrangement includes a lease. An agreement is a lease or includes a lease if it provides the right to control the use of a specific asset against consideration for a specific period of time. For a lease in which Enersense acts as the lessee, Enersense recognises a right-of-use asset and the corresponding lease liability on the start date of the lease. The start date is the time when the underlying asset of the lease becomes available for use to the lessee.

Enersense measures the lease liability on the start date of the agreement by discounting expected future lease payments at their present value. The payments included in the measurement of the lease liability include fixed-rate payments, payments based on an index or other price level, the amounts of residual value guarantees that are expected to be payable by Enersense and the execution amount of the purchase option if its use is reasonably certain. Penalty payments for terminating a lease are included in the measurement of the lease liability if it has been taken into account in the lease period that Enersense will exercise the termination option.

Enersense discounts lease payments using the interest rate implicit in the lease. If this rate is difficult to determine, Enersense uses the lessee's incremental borrowing rate – that is, the interest rate that Enersense would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of use asset in a similar economic environment. The interest expense on the lease liability is presented in the cash flow from operating activities.

After the start date of the lease, the lease liability is measured at amortised cost using the effective interest method. The amount of the lease liability is redetermined when a change occurs in lease payments because of changes in the index, for example, or when the use of the options included in the agreement is reassessed, or to take account of other changes in the lease. Right-of-use assets are measured at acquisition cost, including the initial amount of the lease liability, lease payments made before the start date of the agreement, initial direct costs and restoration costs. Depreciation for right-of-use assets is usually recognised using the straight-line method over the useful life of the asset, or over the lease period if it is shorter than the useful life. If Enersense is reasonably certain that it will exercise the purchase option, right-of-use assets are depreciated over their useful life. For more information, see disclosure 12. Property, plant and equipment.

Enersense applies the exemptions provided by the standard concerning short-term and low-value leases. A short-term lease is an agreement with a lease period of 12 months or less. Low-value assets include tools and ICT equipment, for example. Payments for these leases are recognised as an expense using the straight-line method. Enersense does not separate components other than lease components from lease components in leases on facilities, apartments and vehicles.

Enersense has no significant operations as a lessor.

Key judgements

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

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

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Enersense's share of associated companies and joint ventures:

		% of ownership interest	
Name of entity	**Country of incorporation**	**31/12/2021**	**31/12/2020**
Empower 4Wind OÜ	Estonia	60.0%	60.0%
Suomi Teline Oy	Finland	25.0%	25.0%
Yrittäjien Voima Oy	Finland	40.0%	40.0%
Harku Sindi JV OÜ	Estonia	50.0%	50.0%

Empower 4Wind OÜ is an Estonian company providing maintenance and repair services for wind turbines. Suomi Teline Oy is Finnish supplier of scaffolding. Yrittäjien Voima Oy is a Finnish limited liability company providing electricity and other forms of energy to its shareholders. Yrittäjien Voima Oy holds an interest in Voimaosakeyhtiö SF, which in turn holds an interest in Fennovoima Oy.

Harku Sindi JV OÜ is an Estonian company that has been building a power line in Estonia. The company is currently inactive.

The share of the profits of associated companies and joint ventures consolidated using the equity method is recognised above the operating profit, because they are considered to be strategic holdings and an integral part of Enersense's business operations.

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

	Assets	Liabilities	Revenue	Profit / loss for the period
2021				
Empower 4Wind OÜ	1,586	273	2,682	230
Suomi Teline Oy	5,061	4,567	5,938	-171
Yrittäjien Voima Oy	1,294	7	7	—
Harku Sindi JV OÜ	2,376	2,373	—	—
2020				
Empower 4Wind OÜ	1,537	283	2,477	169
Suomi Teline Oy	4,616	3,950	6,413	46
Yrittäjien Voima Oy	1,036	—	11	-2
Harku Sindi JV OÜ	7,680	7,677	—	—

Investments in associates

Book value of associates	2021	2020
Carrying value 1 Jan	1,467	905
Business combinations	—	699
Additions	104	—
Disposals	—	-204
Share of the result for the period	-7	67
Carrying value 31 Dec	1,564	1,467

Transactions with associates

Sales of goods and services	2021	2020
Sales of goods and services	157	2
Purchases of goods and services	3	-103
Interest income	13	64

Balances with associates

Balances with associates	2021	2020
Loan receivables	150	150
Trade and other receivables	3,449	4,553

Main conditions for capital loan receivables

The capital of a capital loan can be repaid and interest can be paid only to the extent that the amount of all the capital loans in the company's unrestricted equity at the time of payment exceeds the amount of losses to be confirmed for the most recent financial period or included in the balance sheet in more recent financial statements. Capital loans are unsecured in accordance with the law. The agreements on capital loans have been made in writing.

Enersense had a capital loan receivable of EUR 150 thousand from Suomi Teline Oy on 31 December 2021 (EUR 150 thousand on 31 December 2020). The interest rate is 8% per year, and the interest and capital will be repaid in one installment on 31 December 2023 within the limits of the Limited Liability Companies Act.

Accounting principle

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

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

Capital loan receivables
Capital loan receivables are initially recognised at fair value. They are then measured at amortised cost using the effective interest method, because cash flows from capital loans consist exclusively of the payment of capital and interest and Enersense's business model related to capital loans is the

collection of cash flows. Impairment of capital loan receivables is calculated using a three-step model. If the credit risk related to a loan receivable has been found to be low or has not increased significantly, the loan receivable is in stage 1, and its impairment is recognised on the basis of the expected 12-month credit loss. If the credit risk has increased significantly, the receivable is transferred to stage 2.

KEY JUDGEMENTS

Classification of associated companies

Empower 4Wind OÜ
The management exercises judgement in assessing whether it has control, joint control or significant influence over companies in which its holding is less than 100%. Despite majority ownership, Empower 4Wind OÜ has been treated as a joint venture because of a decision-making process based on a consensus among shareholders. This decision-making process has been agreed upon in the shareholders' agreement of Empower 4Wind OÜ.

15. INVENTORIES

EUR thousand	1–12/2021	1–12/2020
Materials and supplies	2,238	1,892
Work in progress	3,557	1,673
Advance payments	**718**	**–**
Total	**6,513**	**3,565**

In the financial period, Enersense has recognised an inventory acquisition cost of EUR 45,764 thousand as an expense (2020: EUR 59,327 thousand). The expense is presented under "Materials and services" in the income statement. In the financial period, EUR 24 thousand was recognised in impairment for inventories (2020: EUR 35 thousand). No impairment entries were reversed during the financial period (2020: no reversals).

Accounting principle

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

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16. TRADE AND OTHER RECEIVABLES

EUR Thousand	31/12/2021	31/12/2020
Non-current		
Pledged account	875	600
Trade receivables	—	62
Other receivables	2,052	298
Total	**2,927**	**960**
Current		
Trade receivables	18,064	19,631
Factoring trade receivables	—	4,552
Other financial assets*)	2,177	1,539
Other receivables	1,849	216
Prepaid expenses and accrued income	12,372	6,684
Total	**34,462**	**32,623**
Material items under prepaid expenses and accrued income		
Accrued income related to revenue recognition over time	5,257	5,488
Prepaid expenses	7,097	1,058
Other	18	138
Total	**12,372**	**6,684**

**) Enersense has pledged accounts to its financiers to secure its commitments. Enersense's long-term pledged account of EUR 0.9 million is pledged for the duration of the commitment. Of the pledged accounts, EUR 2.2 million were short-term pledges for contractual obligations expiring during the financial year 2022*

Accounting policy

The Group's financial assets consist of trade receivables, other financial receivables, cash and cash equivalents (see Note 17: "Cash and cash equivalents") and loan receivables (see Note 14: "Investments accounted for using the equity method"). These are classified as financial assets measured at amortised cost, because these financial assets are held to collect contractual cash flows and their cash flows consist exclusively of the payment of capital and interest. The Group's financial assets are measured at amortised acquisition cost using the effective interest method. Loan receivables and other receivables are initially recognised at fair value. Trade receivables are initially recognised at transaction price. Interest income is included in financial income. An item included in financial assets is derecognised on the balance sheet when the rights to its cash flows have expired or have been transferred to another party and when a significant portion of the risks and benefits related to the ownership has been transferred to another party. Profit or loss arising from the derecognition of an asset on the balance sheet is recognised through profit or loss and presented in financial expenses.

Factoring
The book value of trade receivables includes receivables subject to a factoring arrangement. In accordance with this arrangement, Enersense has transferred the trade receivables in question to a factoring company against cash assets and is unable to sell or pledge these receivables. When the risk related to late payments and the credit risk remain with Enersense, the transferred trade receivables have still been fully recognised on the consolidated balance sheet. In accordance with the factoring agreement, the amount to be paid is presented as a secured loan. In the Group's view, the business model according to which receivables are held for the purpose of collecting cash flows continues to be suitable for these receivables, and therefore they continue to be measured at amortised cost.

Enersense also has factoring arrangements in which the material risks and benefits related to trade receivables have been transferred to the factoring company. Such trade receivables are included in the balance sheet only for a short time before sale, and are measured at fair value through profit or loss.

Their fair value is not based on observable inputs, meaning that their fair value is at Level 3 of the fair value hierarchy. Their fair value does not materially differ from the original acquisition cost. The fair value hierarchy is described in Note 21 ("Loans"). The change in fair value is presented in other income or expenses, and the financial expenses related to factoring are presented in financial expenses.

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

Receivables are derecognised on the balance sheet as final credit losses when they cannot reasonably be expected to be settled. Indications that payment cannot reasonably be expected include the debtor's inability to enter into a payment plan with the Group and the likelihood of bankruptcy, for example.

The credit risk related to financial assets, credit risk management and the provision matrix for trade receivables are described in Note 20 ("Financial risk and capital management").

17. CASH AND CASH EQUIVALENTS

EUR thousand	31/12/2021	31/12/2020
Cash in hand and at bank	29,166	17,694

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

18. EQUITY

EUR thousand	31/12/2021	31/12/2020
Share capital	80	80
Reserve for invested unrestricted equity	43,794	15,602
Legal reserve	313	313
Cumulative translation difference	17	-363
Retained earnings	95	-1,794
Profit (loss) for the period	4,301	2,039
Total equity attributable to owners of the parent company	**48,599**	**15,877**
Non-controlling interests	1,064	1,768
Total equity	**49,663**	**17,645**

Initial public offering expenses EUR 2,854 thousand are reduced from reserve for invested unrestricted equity.

Quantity of shares

Pcs	2021	2020
Shares 1 Jan	9,547,729	5,947,729
Directed share issue	3,850,000	3,600,000
Shares 31 Dec	**13,397,729**	**9,547,729**

Share Capital
Enersense International Plc has one series of shares. One share entitles its holder to one vote at a general meeting. On 31 December 2021, the share capital of Enersense International Plc was EUR 80,000 (31 December 2020: EUR 80,000) and the number of shares on 31 December 2021 was 13,397,729 (31 December 2020: 9,547,729; and 1 January 2020: 5,947,729). Enersense International Plc's share is listed on Nasdaq Helsinki Ltd and the shares are included in the book-entry system maintained by Euroclear Finland Ltd. The company holds no treasury shares. In accordance with the Limited Liability Companies Act, its invested unrestricted equity reserve includes the share subscription price, unless the company has expressly decided otherwise.

On 15 March 2021, Enersense's Board of Directors decided to execute a share issue, through which 2,075,000 new shares were directed to Nidoco AB. Through the share issue, the company raised around EUR 15.0 million in gross assets before fees and expenses. The subscription price was paid on 15 March 2021 and was recorded in full in the company's invested unrestricted equity reserve.

On 22 March 2021, the Board of Directors of Enersense decided on the implementation of a directed share issue in connection with the company's list transfer. A total of 1,775,000 new shares were issued. The subscription price EUR 16.0 million and the expenses of EUR 2.8 million related to the share issue were recognised in full in the company's invested unrestricted equity reserve.

On 22 June 2021, the Board of Directors of Enersense decided on a share issue to employees. A total of 118,774 new shares were subscribed in the share issue to employees. The subscription price paid by the subscribers, EUR 973,000 in total, is recognised in the invested equity reserve. The discount granted by the company to the subscribers, EUR 150,000 in total, is recognised in employee benefit expenses and retained earnings.

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

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

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

Accounting principle

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

19. EARNINGS PER SHARE

	1–12/2021	1–12/2020
Earning per share		
Profit operations attributable to the owners of the Company (EUR million)	4,301	2,039
Weighted average number of shares outstanding during the period	12,131	7,423
Earnings per share (EUR)	**0.35**	**0.27**

In the 2021 and 2020 financial periods, Enersense had no instruments that would have had a dilutive effect on earnings per share.

On 15 March 2021, Enersense's Board of Directors decided to execute a share issue, through which 2,075,000 new shares were directed to Nidoco AB. Through the share issue, the company raised around EUR 15.0 million in gross assets before fees and expenses. The subscription price was paid on 15 March 2021 and was recorded in full in the company's invested unrestricted equity reserve.

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On 22 June 2021, the Board of Directors of Enersense decided on a share issue to employees. A total of 118,774 new shares were subscribed in the share issue to employees. The subscription price paid by the subscribers, EUR 973,000 in total, is recognised in the invested equity reserve. The discount granted by the company to the subscribers, EUR 150,000 in total, is recognised in employee benefit expenses and retained earnings.

Accounting principle

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

20. FINANCIAL RISK AND CAPITAL MANAGEMENT

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

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

Credit risk

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

The Group also hedges against the credit risk by selling receivables to a third party that bears the credit risk related to the purchased trade receivables. No material interests in these receivables remain with Enersense. Enersense also manages the credit risk by means of advance payments and front-loaded project payment plans. In addition, the Group has credit insurance for some of its receivables. The insurance covers 90% of the credit risk related to insured receivables.

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

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

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

Estimated credit loss

	Not overdue	Under 30 days	30-60 days	61-90 days	Over 90 days	Total
31/12/2021						
Expected loss rate	—	—	—	—	—	
Gross carrying amount	14,521	1,671	207	2	397	16,796
Loss allowance	—	-1	-3	—	-53	-57
Net carrying amount	**14,521**	**1,670**	**204**	**1**	**344**	**16,739**

	Not overdue	Under 30 days	30-60 days	61-90 days	Over 90 days	Total
31/12/2020						
Expected loss rate	—	1%	3%	3%	14%	
Gross carrying amount	21,372	1,346	568	374	650	24,310
Loss allowance	—	-9	-16	-12	-89	-126
Net carrying amount	**21,372**	**1,337**	**551**	**362**	**561**	**24,184**

Reconciliation of estimated credit loss

	1–12/2021	1–12/2020
Opening loss allowance at 1 January	**126**	**112**
Increase in the allowance recognised in profit or loss during the period	173	61
Receivables written off during the year as uncollectible	-242	-47
Closing loss allowance at 31 December	**57**	**126**

Credit loss provision recognised for loan receivables

Enersense had loan receivables of EUR 150,000 on 31 December 2021 (EUR 153,000 on 31 December 2020), consisting of long-term subordinated loan receivables from associates. Enersense's management estimates that the credit risk related to loan receivables has not increased, and that the expected credit loss is not material. Loan repayments are expected to be received in accordance with the agreed payment schedule. Enersense's management monitors the probability of the repayment of loan receivables, and a credit loss provision is recognised if necessary. The amounts of and main conditions for capital loan receivables are provided in Note 14 ("Investments accounted for using the equity method").

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

Solvency risk

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

On 4 May 2021, Enersense completed negotiations on a new financing package consisting of two senior loans and several bank guarantee and invoice financing facilities. The senior loans and bank guarantees negotiated as part of the new financing are available to Enersense. Each senior loan amounts to EUR 6.0 million and will mature in 2026. Enersense has access to a total of EUR 38.5 million in invoice financing facilities.

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

Sources of financing

The cash and cash equivalents on Enersense's balance sheet totaled EUR 29.2 million (17.7) at the end of 2021. Trade receivables totaled EUR 18.0 million (24.2) at the end of 2021. Enersense had no unused financing facilities on 31 December 2021. Enersense had EUR 9.2 million in long-term loans from financial institutions and EUR 2.4 million in short-term loans from financial institutions on 31 December 2021. In addition, Enersense had EUR 12.8 million in long-term lease and facility liabilities and EUR 4.4 million in short-term liabilities in accordance with IFRS 16.

Enersense has also entered into a hire purchase agreement related to vehicles and the ERP system implementation project. Of its hire purchase liabilities, EUR 0.9 million was long term and EUR 0.7 million was short term on 31 December 2021.

Due to the coronavirus pandemic, Enersense has entered into payment arrangement agreements with the Finnish Tax Administration. These arrangements totaled EUR 1.1 million (2.5) at the end of 2021.

Maturities of financial liabilities

EUR thousand	2022	2023	2024	2025	2026	2027	Total contractual cash flows	Book value
31/12/2021								
Borrowings (excluding lease liabilities)	2,661	2,598	2,681	2,591	1,930	458	12,918	11,590
Instalment debt	350	656	573	—	—	—	1,579	1,577
Payment arrangement with the Tax administration	822	182	—	—	—	—	1,004	963
Lease liabilities	5,154	4,663	4,474	1,748	691	5	16,736	16,817
Trade and other payables*)	25,585	5	—	—	—	—	25,590	25,590
Total	**34,572**	**8,103**	**7,728**	**4,339**	**2,621**	**463**	**57,827**	**56,536**

**) Doesn't include other than borrowings (VAT liability excluded), such as employee benefit liabilities or accruals*

The amount of those are in the disclosure 23. Trade and other payables

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EUR thousand	2022	2023	2024	2025	2026	2027	Total contractual cash flows	Book value
31/12/2020								
Borrowings (excluding lease liabilities)	12,877	83	—	—	—	—	12,960	12,561
Instalment debt	1,769	1,634	1,897	241	9	—	5,551	5,380
Payment arrangement with the Tax administration	1,974	531	—	—	—	—	2,505	2,443
Lease liabilities	3,680	2,924	2,274	288	156	149	9,471	8,990
Trade and other payables*)	32,078	6	—	—	—	—	32,078	32,078
Total	**52,378**	**5,178**	**4,171**	**529**	**165**	**149**	**62,565**	**61,452**

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

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

Market risks

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

The company is exposed to the translation risk when its subsidiaries' equity, goodwill or fair value adjustment is denominated in a currency other than the parent company's functional currency. The company's exposure to the translation risk is not significant. The company does not hedge against the translation risk.

Interest rate risk.
In its operations, Enersense is exposed to the interest rate risk through the variable interest rates of existing financing agreements and the availability of financing. Changes in the macroeconomic environment or the general situation of the financial markets may have a negative impact on the availability, price and other conditions of financing. An increase in the interest rate level could have a material direct impact on the costs of available financing and the costs of the company's existing financing agreements. Enersense does not hedge against the interest rate risk, because the risk is not considered to be significant at the current interest rate level.

Enersense had EUR 11.6 million (12.6) in variable-rate loans from financial institutions at the end of 2021. The amount of fixed-rate financing has been low. Interest rate sensitivity to profit after taxes for the 2021 financial period would have been EUR 58.0 thousand (63.0), assuming an interest rate increase of 0.5% with all other factors remaining unchanged. Enersense has not presented the impact of a decrease, because the Euribor interest rates are negative.

Financial assets and liabilities by measurement category

		31/12/2021		31/12/2020	
	Disclosure	At amortised cost	At fair value through profit or loss	At amortised cost	At fair value through profit or loss
Financial assets					
Non-current					
Loan receivables	14	150	—	150	—
Pledged account	16	875	—	600	—
Other receivables		1,500			
Trade receivables	16	552	—	62	—
Total non-current assets		**3,077**	**—**	**812**	**—**
Current assets					
Trade receivables	16	18,064	—	19,631	—
Factored trade receivables - pledged as collateral for financial loans	16	—	—	2,230	—
Factored trade receivables - derecognised on the balance sheet	16	—	—	1,539	2,322
Other financial assets	16	4,076	—	1,539	—
Cash and cash equivalents	17	29,166	—	17,694	—
Total current assets		**51,306**	**—**	**41,094**	**—**
Total assets		**54,383**	**—**	**41,906**	**2,322**
Liabilities					
Financial liabilities Long-term liabilities					
Loans	21	10,095	—	9,233	—
Trade payables	23	5	—	6	—
Total non-current liabilities		10,099	—	9,239	—
Current liabilities					
Loans	21	3,072	—	17,697	—
Trade payables	23	21,813	—	18,964	—
Total current liabilities		**24,885**	**—**	**36,661**	**—**
Total liabilities		**34,984**	**—**	**45,900**	**—**

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Reconciliation liabilities from financing activities

	Borrowings	Leases	Total
Debt as at 1 January 2020	3,778	2,065	5,843
Business acquisitions	16,911	7,676	24,587
Cash flows from financing activities			
Proceeds from borrowings	1,539	—	1,539
Repayment of borrowings	-4,288	-2,112	-6,400
New leases	—	1,361	1,361
Debt as at 31 December 2020	**17,940**	**8,990**	**26,930**
Business acquisitions	3,160	752	3,912
Cash flows from financing activities			
Proceeds from borrowings	14,964	—	14,964
Repayment of borrowings	-22,898	-4,485	-27,383
New leases	—	11,994	11,994
Debt as at 31 December 2021	**13,166**	**17,251**	**30,418**

Capital management

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

Enersense's loans involve covenants related to the company's solvency and ability to service its debt. The covenants are calculated from the figures in accordance with the IFRS and are reported to the providers of financing four times a year.

The covenants are consistent with the key figures monitored by the management.

Enersense met the covenants on solvency and ability to service debt on 31 December 2021 and has confirmed the values of the covenants to the financiers. Enersense expects to continue to meet the covenants in its financing agreement during the financial year 2022 at all measurement dates.

Covenants

	Covenant value 31/12/2021	31/12/2021	Covenant value 31/12/2020	31/12/2020
Covenants for loan agreements				
Equity ratio	>29,0 %	33.9%	>35,0%	14.5%
Interest bearing debt *) / EBITDA	<3,5	1.8	<2,5	2.5

**) In the interest-bearing debts are not taken into account factoring liabilities*

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21. BORROWINGS

EUR thousand	31/12/2021 Book value	31/12/2020 Book value
Non-current borrowings		
Bank loans	9,189	–
Installment debt	906	3,717
Lease liabilities	12,825	5,517
Total non-current borrowings	22,919	9,233
Current borrowings		
Bank loans	2,400	11,000
Installment debt	671	1,663
Lease liabilities	4,427	3,473
Factoring liability	1	1,561
Total current borrowings	7,714	17,697
Total	**30,418**	**26,930**

The fair value of short-term bank loans corresponds to their book value, because they are payable on demand. Enersense has estimated that the fair value of other financial liabilities also materially corresponds to their book value, because the liabilities are based on market terms and the impact of discounting is immaterial. The interest rates on loans range from 2.25% to 3.5%. The fair value hierarchy level for bank loans is 3, because their fair values are not based on observable inputs.

The levels of the hierarchy are as follows:

Level 1: The fair values of financial instruments (such as listed derivatives and shares) subject to trading on an active market are based on market prices at the end of the reporting period and are classified at Level 1.

Level 2: If all significant inputs required to measure the fair value of an instrument are observable, but the price does not come directly from an active market, the instrument is classified at Level 2.

Level 3: If one or more significant inputs are not based on observable market data, the instrument is classified at Level 3.

Accounting principle

Enersense's loans are classified as financial liabilities recognised at amortised cost. Loans are initially recognised at fair value, less transaction costs. The loans are subsequently measured at amortised cost.

The difference between the amount received (less transaction costs) and the amount to be repaid is recognised in the income statement over the loan period using the effective interest method. Fees to be paid for loan facilities are recognised as transaction costs related to the loan to the extent to which the facility is likely to be partly or fully used. In such a case, the fee is capitalised on the balance sheet until the loan is withdrawn. If there is no evidence that the loans included in the facility are likely to be partly or fully withdrawn, the fee is capitalised as an advance payment for solvency services and is amortised over the duration of the facility in question.

Loans are derecognised on the balance sheet once the contractual obligation has been fulfilled or revoked or its validity period has expired. The difference between the book value of a financial liability that has been cancelled or transferred to another party and the consideration paid – which includes transferred assets other than cash assets or liabilities – is recognised through profit or loss and presented in financial items.

Loans are classified as short-term unless the Group has an unconditional right to repay them at least 12 months after the end of the reporting period.

Key judgements

Financial liability recognised for the obligation to purchase shares in Empower Fidelitas UAB
In accordance with the shareholders' agreement of Enersense UAB, the previous owner (100%) of the company has to sell their shares and is entitled to sell their shares to Enersense Services Oyj when they leave the company. Enersense owns 75% of the company. The pricing of the financial liability is based on the average EBIT multiplied by six. The change of EUR 33,000 in the liability recognised due to the effect of the purchase obligation in the shareholders' agreement of Enersense UAB is presented in other operating income for the period 1 January to 31 December 2021. A current liability of EUR 294,000 has been recognised in the balance sheet on 31 December 2021, in respect to the obligation.

Warranty work provisions mainly include provisions related to projects. Most of the provisions are expected to be realised within the next year.

Other provisions include costs related to dispute processes and legal proceedings. The Group will prepare for these costs when their amount can be estimated reliably and their materialisation is probable. For further information on the litigation and legal proceedings, see Note 27. ("Contingent liabilities and assets, and commitments").

22. PROVISIONS

EUR thousand	Warranty provisions	Loss provisions	Other provisions	Total
2021				
At 1 Jan	530	1,170	374	2,073
Business combinations	—	—	—	—
Additions	209	516	561	1,286
Used during the year	-2	—	—	-2
Unused provisions reversed	-153	-1,071	-664	-1,888
Exchange rate differences	—	—	—	—
At 31 Dec	**584**	**615**	**271**	**1,470**
Current	425	615	200	1,240
Non-current	159	—	71	231
Total	**584**	**615**	**271**	**1,470**

EUR thousand	Warranty provisions	Loss provisions	Other provisions	Total
2020				
At 1 Jan	—	—	—	—
Business combinations	1,534	1,039	424	2,997
Additions	237	1,056	—	1,293
Used during the year	-341	-950	-51	-1,342
Unused provisions reversed	-901	—	—	-901
Exchange rate differences	1	24	1	27
At 31 Dec	**530**	**1,170**	**374**	**2,073**
Current	370	1,170	52	1,592
Non-current	159	—	322	481
Total	**530**	**1,170**	**374**	**2,073**

Accounting principle

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

Warranty provisions

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

Loss provisions

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

Key judgements

Assessing the amount and timing of a provision

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

23. TRADE AND OTHER PAYABLES

EUR thousand	31/12/2021	31/12/2020
Non-current		
Trade payables	5	6
Other liabilities	2,746	7
Total	**2,751**	**12**
Current		
Trade payables	14,758	16,530
Advances received	7,203	3,607
Current income tax liabilities*)	11,355	13,012
Other liabilities	815	2,434
Accruals	26,563	30,534
Total	**60,694**	**66,118**
Material items under accruals		
Accrued personnel expenses	18,484	21,556
Accrued expense related to revenue recognition over time	7,869	8,613
Accrued interest expenses	57	164
Other accruals	153	201
Total	**26,563**	**30,534**

**) Doesn't include the coronavirus pandemic ancillary VAT refund liability presented in the line tax administration payment arrangement*

Other current liabilities include a financial liability of EUR 0.3 million related to the obligation to purchase shares held by non-controlling shareholders of Empower Fidelitas UAB. On the balance sheet date, the financial statements and tax return required by local legislation are still incomplete, so the estimate of the purchase obligation is also provisional.

Accounting principle

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

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

24. GROUP STRUCTURE

Subsidiaries

Subsidiary	Country of incorporation	Group ownership 31/12/2021 (%)	Group ownership 31/12/2020 (%)
Enersense AS (Empower AS)	Estonia	100%	100%
Empower Invest Oy	Finland	100%	100%
Empower SIA[1)]	Latvia	59%	49%
Enersense AS	Norway	100%	100%
Enersense Engineering Oy	Finland	100%	100%
Enersense GmbH	Germany	100%	100%
Enersense HSE Oy[2)]	Finland	100%	90.0%
Enersense Hungary Kft.	Hungary	80%	80%
Enersense IN Oy (Empower IN Oy)	Finland	100%	100%
Enersense Irmak Insaat Proje Yönetimi Sanayi ve Ticaret A.S.[*)]	Turkey	50%	50%
Enersense Ltd	UK	100%	100%
Enersense Offshore Constructions Oy (Pori Offshore Constructions Oy)[3)]	Finland	100%	–
Enersense Oy	Finland	100%	100%
Enersense Painting Oy	Finland	100%	100%
Enersense PN Oy (Empower PN Oy)	Finland	100%	100%
Enersense SAS	France	100%	100%
Enersense Services Oyj (Empower Oyj)	Finland	100%	100%
Enersense Solutions Oy	Finland	100%	100%
Enersense Technologies Oy[4)]	Finland	–	100%
Enersense TN Oy (Empower TN Oy)	Finland	100%	100%
Enersense Works Oy	Finland	100%	100%
Enersense UAB (Empower Fidelitas UAB)	Lithuania	75%	75%
Liability Act Information Office Finland Oy[5)]	Finland	–	100%
Nordic Business Partners Oy[6)]	Finland	–	100%
Process Communication Finland Oy[7)]	Finland	–	100%
Värväämö Oy[8)]	Finland	–	100%

1) Empower SIA: Acquisition of a minority shareholding 1/3/2021
2) Enersense HSE Oy: Acquisition of a minority shareholding 1/12/2021
3) Enersense Offshore Constructions Oy: Acquisition 4/10/2021
4) Enersense Technologies Oy: FUsion to Enersense Solutions Oy 30/4/2021
5) Liability Act Information Office Finland Oy: Fusion to Enersense Solutions Oy 30/4/2021

6) Nordic Business Partners Oy: Fusion to Enersense Works Oy 31/8/2021
7) Process Communication Finland Oy: Fusion to Enersense Solution Oy 30/4/2021
8) Värväämö Oy: Sale 30/6/2021
**) Enersense Irmak Insaat Proje Yönetimi Sanayi ve Ticaret A.S: Liquidation Estimate H1/2022*

Filials

Filials	County of incorporation
Empower PN filial Sweden*)	Sweden
Empower Tele filial Sweden*)	Sweden
Empower AS filial Latvia	Latvia
Enersense Engineering filial Italy**)	Italy
Enersense International filial Sweden	Sweden
Enersense Works filial Germany	Germany

**) Empower PN filial Sweden and Empower TN filial Sweden for which closure processes have been initiated and are expected to be completed during H1/2022*

***) Enersense Engineering filial Italy was founded 9/2021.*

Key judgements

Classification of Group companies
The Group's management exercises judgement in assessing whether Enersense has control, joint control or significant influence over companies in which its holding is less than 100%. Empower SIA is a Latvian company specialising in the design, construction and maintenance of transmission grids, electric substations and wind farms. Enersense owns 49% of the company. Despite Enersense's holding, Empower SIA is treated as a subsidiary in accordance with the IFRS, because Enersense has a call option that it can exercise at any time and thus obtain control over the company. The call option is not subject to any financial restrictions, for example. The treatment of Empower 4Wind OÜ is discussed in Note 14 ("Investments accounted for using the equity method").

25. SHARES ON NON-CONTROLLING INTERESTS AND TRANSACTIONS WITH NON-CONTROLLING ISSUES

Shares on non-controlling interest

EUR thousand	2021	2020
At 1 Jan	1,768	-314
Business combinations	—	1,369
Acquisitions	-235	373
Other changes	-142	—
Share of profit (loss) for the period	-328	340
At 31 Dec	**1,064**	**1,768**

Empower SIA specialises in the design, construction and maintenance of transmission grids, electric substations and wind farms. The company's revenue in 2020 was approximately EUR 12.4 (2020: EUR 14.2) million and the profit for the financial year 2021 was approximately EUR -0.8 million (2020: EUR 0.5 million on 31 December 2021). Empower SIA has around 210 employees. Through the transaction, Enersense Services Oyj acquired a total of ten shares in Empower SIA, increasing its holding in the company from 49% to 59%. The purchase price of the shares was EUR 0.4 million. The purchase price has been paid in cash. The sellers in the transaction are two individuals belonging to Empower SIA's executive management. They will continue to work for the company and will remain minority shareholders in Empower SIA with a 41% holding. The acquisition of the additional stake has been recognised as an equity transaction.

Through a transaction completed on 1 November 2021, Enersense Engineering Oy, a subsidiary of Enersense International Plc, acquired a 10% minority interest in Enersense HSE Oy, a subsidiary. This caused the parent company's holding to increase to 100%.

Transactions with non-controlling issues

EUR thousand	2021	2020
Carrying amount of non-controlling interests acquired	240	-428
Consideration paid to non-controlling interests	-306	—
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	**-66**	**-428**

Accounting principle

Completed business transactions with non-controlling interests that do not result in loss of control are treated as business transactions with shareholders. The difference between consideration for shares purchased from non-controlling interests and the book value of the acquired share of the net assets of a subsidiary is recognised in equity. Similarly, gains or losses from the sale of a holding to non-controlling interests are recognised directly in equity.

26. RELATED PARTY TRANSACTIONS

Enersense's related parties include its associated companies and joint venture, the members of the Board of Directors, its CEO, the members of the Group Executive Team and its shareholders with significant influence over the company. Its related party also includes the close family members of these people, as well as the entities over which these people have control or joint control.

Wages, salaries and benefits paid to chief executive officer and management team

EUR thousand	1–12/2021	1–12/2020
Management team (excluding chief executive officer)	-1,485	-1,052
Chief executive officer	-322	-300
Total	**-1,808**	**-1,352**

Board of directors remuneration

EUR thousand	1–12/2021	1–12/2020
Ahonen Sampo	—	-3
Eskola Jaakko	-28	—
Helander Sari	-26	-8
Jokinen Päivi	-24	-8
Kankaala Markku	-20	-18
Michelin Aaron	—	-6
Plit Herkko	-27	-14
Rötsä Kalervo	-5	-17
Schrey Asko	—	-3
Sormunen Sirpa-Helena	-25	—
Starck Ilkka	—	-3
Suokas Petri	-29	-14
Total	**-183**	**-92**

Board of directors and chief executive officer, other remuneration

EUR thousand	1–12/2021	1–12/2020
Statutory pensions	-265	-198
Supplementary pensions	—	—
Share-based benefits	-55	—
Total	**-320**	**-198**

Transactions with key management

EUR thousand	1–12/2021	1–12/2020
Sales of goods and services	-23	—
Purchases of goods and services	-258	-365
Total	**-282**	**-365**

Balances with key management

EUR thousand	1–12/2021	1–12/2020
Trade and other payables	—	-14

Enersense International Plc’s related parties include the members of the Board of Directors, its CEO, the members of the Group Executive Team and its shareholders with significant influence over the company. Its related parties also include the close family members of these people, as well as the entities over which these people have control or joint control. In addition, related party includes group companies, associated companies and joint ventures. Open balances and business transactions with the associated companies and the joint venture are presented in Note 14 (“Investments accounted for using the equity method”).

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During the financial period, Enersense International Oy had a management consulting service contract with a company controlled by a related party of the Group. The agreement expired on 28 February 2021. The total value of the related party transactions related to the contract was EUR 10,000 in the financial period.

In addition, Risto Takkala, former CFO of Enersense International Plc, served as CFO under the consulting agreement. In accordance with the agreement, Takkala used 100% of his working time for his duties as the Group's CFO against a fixed-rate monthly fee. The agreement had been signed between Enersense Oy and a company owned by Takkala, and it was valid until 30 November 2021. The total value of the related party transactions related to the agreement was EUR 245,000 in the financial period.

Empower AS, an Estonian Group company of Enersense International Plc, has an insignificant vehicle lease agreement with a company controlled by a person belonging to the company's related parties. The total value of the transactions related to the agreement was EUR 37,000 in the financial period.

On 8 December 2022 Enersense International Plc announced that it had signed a contract for EUR 13-18 million own equity investment in P2X Solutions Oy (¨P2X¨). Investment arrangement was completed on 14 February 2022 and Enersense's investment amount specified to be EUR 13 million. Enersense's board member Herkko Plit is one of the biggest share holders in P2X through his controlling interest company and exercises joint control in P2X. During the investment arrangement Enersense marked P2X's new shares with and amount that represents a holding around 16.3% in P2X after any potential options.

In connection with the investment, Enersense and P2X have agreed on a partnership arrangement in which, subject to the fulfilment of certain conditions under the investment agreement relating to pricing and quality levels, Enersense will have the status of the primary partner in the work to be carried out during the construction phase of Finland's first green hydrogen production plant, which P2X will build in Harjavalta, as well as in its maintenance and operation after the plant has been completed. The value of the cooperation is estimated at around EUR 7–8 million, which will mainly be spread over 2022–2024, and will continue in terms of maintenance and operation. If the preconditions mentioned above are met, the primary partnership will also concern any other future projects of P2X, for which an agreement on partnership has been signed for three years. The parties will negotiate the terms and implementation of the cooperation in more detail during the spring of 2022.

27. CONTINGENT LIABILITIES AND ASSETS, AND COMMITMENTS

Contingent liabilities

EUR thousand	1–12/2021	1–12/2020
Guarantees		
Company mortgages	584,800	606,000
Real estate mortgages	7,200	3,600
Contract and delivery guarantees	35,354	12,651
Bank guarantees	185	2,038
Other guarantees	20	95
Pledged assets		
For own commitments	61,782	100,079

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

Other off-balance sheet liabilities

Enersense has to an associated company Yrittäjien Voima Oy other off-balance sheet liability EUR 721 thousand.

Legal disputes

The Group companies have ongoing legal disputes, some of which are in progress in general or administrative courts in Finland and abroad. The disputes are typically related to claims against Enersense concerning alleged defective performance, delays or damage incurred by customers in project operations in particular, or to claims made by Enersense against its suppliers. Some of the disputes and claims relate to acquisitions made by Enersense and compensation obligations made in connection with them, or claims related to employment contracts. Enersense has received a request for clarification from employee unions regarding the Empower subgroup's 2020 performance bonus scheme, in respect of which Enersense's Board of Directors used its discretion under the terms of the performance bonus scheme and decided not to pay the bonuses in question. Enersense has responded to the request for clarification and is addressing the matter in cooperation with the employee unions.

The outcome of the claims, disputes and legal processes are difficult to predict. Write-downs and provisions are made in accordance with applicable accounting rules. To the extent that Enersense deems it unlikely that a dispute or legal proceedings will result in a loss of financial resources, Enersense has not recognised a provision.

In 2013, the Finnish Consumer and Competition Authority carried out an audit at Enersense IN Oy (formerly Empower IN Oy), a subsidiary of Enersense International Plc, concerning the possible involvement of Enersense IN Oy in power line construction and design operations that violated the Competition Act in Finland in the previous decade. The audit was initiated by Enersense IN Oy because of allegations it had been informed about. The companies of the Enersense Group, including Enersense IN Oy, are therefore exempted from any penalty payments. With its resolution (not final) issued on 30 March 2016, the Market Court rejected the penalty payment proposal issued by the Consumer and Competition Authority, because the Market Court considered the proposal to be outdated. The Consumer and Competition Authority appealed to the Supreme Administrative Court, which requested a preliminary ruling by the Court of Justice of the European Union on certain aspects related to outdating and determining the duration of the infringement period. On 14 January 2021, the Court of Justice of the European Union ruled that the impacts of a cartel that restrict competition cease to exist at the latest when the essential characteristics of the procurement agreement and the total price to be paid for the contract have been determined definitively. The Court of Justice of the European Union left the related dates to be checked by the Supreme Administrative Court. On 20 August 2021, the Supreme Administrative Court issued a decision upholding the decision of the Market Court, thus holding that the application for a penalty payment should be dismissed as time-barred. Enersense considers it unlikely that it will face any claims for damages.

Accounting principle

A contingent liability is a potential obligation arising from past events the existence of which is not confirmed until an uncertain event outside the Group's control is realised. Contingent liabilities also include existing obligations that are not likely to require meeting a payment obligation, or the amount of which cannot be reliably determined. Contingent liabilities are presented in the notes to the financial statements.

28. NEW AND AMENDED STANDARDS 31.12.2021

Coronavirus pandemic-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16 *Leases* (effective from 1 April 2021 for financial years starting, at the latest, on or after 1 January 2021)

The amendments allow the lessees not to account for rent concessions as lease modifications if the concessions are a direct consequence of the coronavirus pandemic and only if certain conditions are met.

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments*: Disclosures, IFRS 4 *Insurance Contracts* and IFRS 16 *Leases* (effective for financial years beginning on or after 1 January 2021)

Amendments address issues affecting financial statements when changes are made to contractual cash flows and hedging relationships as a result of interest rate benchmark reform. Amendments assist companies in providing useful information about the effects of interest rate benchmark reform on financial statements.

The amendments are not expected to have an impact on Enersense's consolidated financial statements.

Adoption of new and amended standards in future financial years

* = not yet endorsed for use by the European Union as of 31 December 2021

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (effective for financial years beginning on or after 1 January 2022)

When an onerous contract is accounted for based on the costs of fulfilling the contract, the amendments clarify that these costs comprise both the incremental costs and an allocation of other direct costs.

Annual Improvements to IFRS Standards 2018–2020 (effective for financial years beginning on or after 1 January 2022)

The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments clarify the following standards:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards* – Subsidiary as a first-time adopter: This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter later than its parent. A subsidiary may elect to measure cumulative translation differences at amounts included in the consolidated financial statements of the parent.
- IFRS 9 *Financial Instruments* – Fees in the '10 per cent' test for derecognition of financial liabilities: This amendment clarifies that – for the purpose of performing the ''10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
- IFRS 16 *Leases* – Lease incentives – Example 13. The amendment removes the illustration of payments from the lessor relating to leasehold improvements. The example was not clear as to why such payments are not a lease incentive.
- IAS 41 *Agriculture* – Taxation in fair value measurements. This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 *Fair Value Measurement*. When a present value technique is used to measure fair value, the assumptions used for the cash flows and discount rates should be internally consistent – i.e. using either after tax or pre-tax for both.

Property, Plant and Equipment — Proceeds before Intended Use – Amendments to IAS 16 *Property, Plant and Equipment* (effective for financial years beginning on or after 1 January 2022)

Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognised in profit or loss, together with the costs of producing those items.

Reference to the Conceptual Framework — Amendments to IFRS 3 *Business Combinations* (effective for financial years beginning on or after 1 January 2022)

The amendments update a reference in IFRS 3 and made further reference related amendments.

IFRS 17 *Insurance Contracts* (effective for financial years beginning on or after 1 January 2023, early application permitted for companies that also apply IFRS 9 *Financial Instrument*s and IFRS 15 *Revenue from Contracts with Customers*)

The new standard for insurance contracts will help investors and others better understand insurers' risk exposure, profitability and financial position. This standard replaces IFRS 4 standard.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1 *Presentation of Financial Statements*[*)] (effective for financial years beginning on or after 1 January 2023, early application is permitted)

The amendments are to promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

Disclosure of Accounting Policies – Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements*[*)] (effective for financial years beginning on or after 1 January 2023, early application is permitted)

The amendments clarify the application of materiality to disclosure of accounting policies.

Definition of Accounting Estimates – Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors[*)] (effective for financial years beginning on or after 1 January 2023, early application is permitted)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 *Income Taxes*[*)] (effective for financial years beginning on or after 1 January 2023, early application is permitted)

The amendments narrow the initial recognition exemption (IRE) and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations which give rise to equal and offsetting temporary differences.

Comparative Information – Amendments to IFRS 17 *Insurance contracts*: *Initial Application of IFRS 17 and IFRS 9*[*)] (effective for financial years beginning on or after 1 January 2023)

Amendment to IFRS 17 to alleviate mismatches in comparative information arising from the different transition requirements of IFRS 9 and IFRS 17.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 *Consolidated Financial Statement*s and IAS 28 *Investments in Associates and Joint Ventures*[*)] (available for optional adoption, effective date deferred indefinitely)

The amendments address the conflict between the existing guidance on consolidation and equity accounting and require the full gain to be recognised when the assets transferred meet the definition of a 'business' under IFRS 3 *Business Combinations.*

Future amendments to the standard are not expected to have a material impact on Enersense's consolidated financial statements.

Future amendments to the standard are not expected to have a material impact on Enersense's consolidated financial statements.

29. EVENTS AFTER THE FINANCIAL STATEMENTS

On February 1, 2022, Enersense acquired Megatuuli Oy, a development company for onshore wind power projects. In connection with the share transaction, Enersense's Board of Directors decided on a directed issue of a total of 2,598,331 new Enersense shares to the sellers of Megatuuli Oy, which was carried out on February 1, 2022. Megatuuli Oy will be reported as part of the Power business area. Enersense will continue to provide wind power design and construction services to its partners, but after the value chain expansion, with Megatuuli Oy's partners will also develop wind farms and in the future the goal is to build and remain owner of the parks and produce zero-emission energy.

Megatuuli Oy's Articles of Association were amended to create a new series of non-voting shares. Following the completion of the share transaction, the sellers will remain minority shareholders in Megatuuli Oy's new non-voting share series, which are entitled to dividends between Enersense and the minority shareholders on the basis of certain proceeds from the development of Megatuuli Oy and its partners. Minority shareholders have no other right to distribute funds from Megatuuli Oy or, with certain exceptions, other rights related to Megatuuli Oy. The minority shareholders' shareholding in Megatuuli Oy will cease when Megatuuli Oy has paid dividends based on the proceeds of the wind farms under development agreed for them.

The purchase price of the share transaction to EUR 18.5 million was paid in new issued Enersense shares. The total subscription price of the new shares was recorded in full in Enersense's invested unrestricted equity fund, and there were no changes in Enersense's share capital. After the new shares and subscription, the total number of Enersense shares is 15,996,060 and the number of new shares corresponds to approximately 16.24 percent of Enersense's share capital after the registration of the new shares. The transaction was completed on February 1, 2022, and the acquisition cost calculations are still in the early stages. At the time of the financial statements, Enersense estimates that the majority of the purchase price of EUR 18.5 million will be recognized in the balance sheet as goodwill or a goodwill-like item. According to Enersense's preliminary estimate, the value of the company's other balance sheet items is insignificant in relation to the transaction amount, being an individual hundreds of thousands of euros.

On February 14, 2022, Enersense made an equity investment of EUR 13.0 million in the green hydrogen producer P2X Solutions oy, based on which its holding in P2X is 16.3 percent. The investment will be paid in cash in three installments by October 2022 and will be funded by Enersense’s cash. In connection with the investment, Enersense and P2X will agree on a partnership arrangement in which Enersense will be the primary partner in the construction phase of P2X's first green hydrogen production plant in Harjavalta and in the maintenance and operation of the plant upon completion. The first financial year of P2X, which is in the early stages of its operations, ends on December 31, 2021, and therefore no revenue and balance sheet information is available for the company. P2X's business in 2021 is small. The investment and co-operation arrangement formed a related party transaction for Enersense, as Herkko Plit, a member of Enersense's Board of Directors, was one of P2X's largest shareholders through its controlled company 4HP Solutions Oy before the transaction and exercises joint control over P2X.

The investment of EUR 0.5 million in the associated company Yrittäjäin Voima Oy involves uncertainty. The investment will be reviewed in the first quarter of the financial year 2022 and a write-down will be made if necessary. The ownership is indirectly related to the Fennovoima project and the project risk has been identified as significant.

Parent company's financial statements, FAS

PARENT COMPANY – INCOME STATEMENT

EUR	1–12/2021	1–12/2020
Revenue	38,447,181	35,622,463
Other operating income	241,795	492,032
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	-1,901,879	-162,158
Variation in stocks	-4,783	-32,470
External services	-11,013,374	-10,252,314
Raw materials and services, total	**-12,920,035**	**-10,446,942**
Staff expenses		
Wages and salaries	-15,329,457	-15,787,097
Social security expenses		
Pension expenses	-2,516,697	-2,445,740
Other social security expenses	-698,705	-549,992
Staff expenses, total	**-18,544,859**	**-18,782,829**
Depreciation, amortisation and reduction in value		
Depreciation and amortisation according to plan	-12,072	-13,261
Depreciation, amortisation and reduction in value, total	**-12,072**	**-13,261**
Other operating expenses	-5,273,997	-3,911,680
Operating profit (loss)	**1,938,013**	**2,959,783**
Financial income and expenses		
Other interest income and other financial income		
from group undertakings	769,120	136,114
from others	36,363	64,386
Interest and other financial expenses		
from group undertakings	-48,995	-15,824
from others	-5,117,186	-792,266
Financial income and expenses, total	**-4,360,698**	**-607,591**
Profit (loss) before appropriations and taxes	**-2,422,685**	**2,352,192**
Appropriations		
Group contribution	—	-780,397
Income taxes	-15,071	-125,608
Profit (loss) for the financial year	**-2,437,756**	**1,446,187**

PARENT COMPANY – BALANCE SHEET

EUR	1–12/2021	1–12/2020
ASSETS		
Non-current assets		
Intangible assets		
Intangible rights	14,814	19,752
Intangible assets, total	**14,814**	**19,752**
Tangible assets		
Machinery and equipment	17,836	24,970
Advance payments and construction in progress	941,504	
Tangible assets, total	**959,341**	**24,970**
Investments		
Holdings in group undertakings	9,226,131	11,824,931
Participating interests	515,637	415,037
Investments, total	**9,741,768**	**12,239,968**
Non-current assets, total	**10,715,923**	**12,284,690**
Current assets		
Stocks		
Finished products/goods	51,629	56,412
Stocks, total	**51,629**	**56,412**
Receivables		
Long-term receivables		
Accounts receivable	—	30,037
Amounts owned by group undertakings	28,235,904	5,932,801
Other receivables	2,375,000	600,000
Long-term receivables, total	**30,610,904**	**6,562,838**
Short-term receivables		
Accounts receivable	4,150,835	6,530,155
Amounts owned by group undertakings	6,047,932	2,150,137
Other receivables	576,409	98,474
Accrued income	914,983	579,476
Short-term receivables, total	**11,690,159**	**9,358,242**
Cash at bank	11,676,433	3,059,493
Current assets, total	**54,029,125**	**19,036,985**
ASSETS, TOTAL	**64,745,048**	**31,321,675**
EQUITY AND LIABILITIES		
Equity		
Share capital	80,000	80,000
Other reserves	312,642	312,642
Reserve for invested non-restricted equity	47,326,876	14,560,210
Retained earnings (loss)	1,665,017	1,909,086
Profit (loss) for the financial year	-2,437,756	1,446,187
Equity, total	**46,946,779**	**18,308,125**
Provisions		
Other provisions	150,000	—
Provisions, total	**150,000**	**—**
Liabilities		
Long-term liabilities		
Liabilities to credit institutions	**8,400,000**	**—**
Other liabilities	—	419,491
Long-term liabilities, total	8,400,000	419,491
Short-term liabilities		
Liabilities to credit institutions	2,798,981	1,560,815
Trade creditors	1,689,145	1,894,478
Amounts owned to group undertakings	**2,102,197**	**4,457,097**
Other creditors	346,565	2,111,999

Accruals and deferred income	2,311,380	2,569,670
Short-term liabilities, total	**9,248,268**	**12,594,059**
Liabilities, total	**17,798,268**	**13,013,550**
EQUITY , PROVISIONS AND LIABILITIES, TOTAL	**64,745,048**	**31,321,675**

PARENT COMPANY – CASH FLOW STATEMENT

EUR	1–12/2021	1–12/2020
Net profit (loss) before taxation, and extraordinary items	-2,422,685	2,352,192
Adjustments for:		
Depreciation according to plan	12,072	13,216
Unrealised foreign exchange wins and losses (+/–)	-14,225	—
Other non-cash items (+/–)	150,000	—
Financial income and expenses	4,360,698	607,591
Other adjustments	1,219,799	-235,413
Working capital changes:		
Increase (–) or decrease (+) in trade and other receivables	135,100	-2,120,404
Increase (–) or decrease (+) in inventories	4,783	32,470
Increase (+) or decrease (–) in trade payables	-4,254,126	5,159,260
Interest paid	-2,272,378	-810,090
Dividends received	—	—
Interest received	-666	202,499
Income taxes paid	-137,718	—
Net cash from operating activities	-3,219,345	5,201,367
Net cash used in investing activities		
Purchase of tangible and intangible assets	—	—
Proceeds from sale of tangible and intangible assets	—	235,414
Proceeds from sale of subsidiary shares	500,000	—
Investments in associated companies	-283,774	-69,680
Purchase of subsidiary shares	-1,378,330	-1,002,444
Purchase of subsidiary shares/unrestricted capital	—	-7,990,400
Deposit paid	-752,250	—
Loans granted	-31,204,330	-733,701
Proceed from repayments of loans	7,343,521	—
Interest received	404,124	—
Dividends received	20,100	—
Net cash used in investing activities	**-25,350,939**	**-9,560,812**
Net cash used in financing activities		
Personnel share issue	972,759	—
Proceeds from issuance of share capital	30,073,907	7,990,000
Listing costs	-2,854,246	
Proceeds from long-term borrowings	9,600,000	—
Repayment of long-term borrowings (–)	-22,785	-601,342
Proceeds from short-term borrowings	2,400,000	—
Repayment of short-term borrowings (–)	-2,202,013	-89,061
Group contributions paid	-780,397	—
Net cash used in financing activities	**37,187,224**	**7,299,597**
Net increase/decrease in cash and cash equivalents	8,616,940	2,940,152
Cash and cash equivalents at beginning of period	3,059,493	119,341
Cash and cash equivalents at end of period	11,676,433	3,059,493
Net increase/decrease in cash and cash equivalents	8,616,940	2,940,152

PARENT COMPANY – DISCLOSURES TO THE FINANCIAL STATEMENTS

Accounting policies

Valuation and accrual principles and methods

Valuation of fixed assets
The acquisition cost of intangible and tangible assets entered in the balance sheet is subject to depreciation according to plan. The acquisition cost includes variable costs of acquisition and production. Scheduled depreciation is calculated on a straight-line basis over the useful lives of intangible and tangible assets. Depreciation has been recognised starting from the month when the asset was brought to use. During the financial year, the company has changed the depreciation plan, the declining-balance depreciation of 25% for equipment was changed to straight-line depreciation over 5 years. There have been no changes to the depreciation plan.

Depreciation periods
Other intangible assets 5 years

Machinery and equipment 5 years

The acquisition cost of fixed assets with a probable useful life of less than 3 years and minor purchases (less than EUR 1,000.00) are fully expensed in the acquisition period.

Valuation of inventories
Inventories are recognised in the balance sheet at cost, or at the acquisition price or probable selling price, if these are lower than the acquisition cost, in accordance with the FIFO principle.

Financial instruments included in inventories are valued at the acquisition cost.

Pension commitments
The pension cover of the company's employees is arranged through Tel insurance with a pension insurance company.

Sales revenue recognition principles and methods
Sales are recognised on an accrual basis. There was no fixed-price work in progress on the balance sheet date. If necessary, such work is allocated in accordance with its level of completion.

Revenue consists of the sale of resources.

Currency-denominated items
The company's foreign currency assets and liabilities are translated into euros at the exchange rate quoted by the European Central Bank on the balance sheet date.

Leasing
Lease payments have been treated as rental expenses.

Taxes
Income taxes include income taxes calculated on the basis of the profit for the financial year and taxes charged or refunded for previous financial years. Deferred taxes are not recognised in the parent company's income statement or balance sheet.

Accounting principles for the cash flow statement
The statement of cash flows has been prepared in accordance with the Finnish Accounting Board's general instructions (30 January 2007) as a cash flow statement using the indirect method of presentation.

Branch
The subsidiary has been consolidated in the accounts of Enersense International Plc and the mutual items have been eliminated

DISCLOSURES TO THE INCOME STATEMENT

Geographical distribution of revenue by target country

EUR	1–12/2021	1–12/2020
Finland	37,401,754	33,800,363
Other countries	1,045,428	1,822,100
Total	**38,447,181**	**35,622,463**

Other income

EUR	1–12/2021	1–12/2020
Restaurant services	229,141	180,930
Gain on sale of fixed asset shares	—	235,414
Other income	12,654	75,688
Total	**241,795**	**492,032**

Other operating expenses

EUR	1–12/2021	1–12/2020
Expenses related to listing and transition to IFRS reporting	372,986	—
Expenses related to strategic work	256,000	—
Group services fee expenses	2,547,602	2,952,860
Other expenses	2,097,410	958,820
Total	**5,273,997**	**3,911,680**

Auditor's fee

EUR	1–12/2021	1–12/2020
Audit	228,471	20,000
Auditors' statements	—	—
Tax advisory services	4,337	—
Other services	1,064,836	206,262
Total	**1,297,644**	**226,262**

Personnel

EUR	1–12/2021	1–12/2020
Average number of employees	308	291

Salaries and bonuses for management

EUR	1–12/2021	1–12/2020
Members of the Board of Directors and the President	183,305	92,152
CEO	322,453	300,429

Financial income and expenses

EUR	1–12/2021	1–12/2020
Other interest and financial income		
From Group companies	769,120	136,114
From associated companies	—	—
From others	36,363	64,386
Total	**805,483**	**200,499**
Interest and other financial expenses		
Loss on sale of fixed assets shares	1,219,799	—
Listing costs	2,854,246	—
Refinancing arrangement fees	373,877	—
To group companies	48,995	15,824
To associated companies	—	—
To other	669,264	792,266
Total	**5,166,181**	**808,090**

Appropriations

EUR	1–12/2021	1–12/2020
Group contributions	—	780,397
Total	**—**	**780,397**

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DISCLOSURES ON ASSETS IN THE BALANCE SHEET

Breakdown on fixed assets

Intangible assets

Intangible rights

EUR	31/12/2021	31/12/2020
Acquisition 1 Jan	**33,030**	**33,030**
Increases	—	—
Decreases	—	—
Transfers between items	—	—
Acquisition cost 31 Dec	**33,030**	**33,030**
Accumulated depreciation and Impairment I Jan	**-13,278**	**-8,340**
Depreciation	-4,938	-4,938
Impairment	—	—
Accumulated depreciation and Impairment 31 Dec	**-18,216**	**-13,278**
Book value 31 Dec	**14,814**	**19,752**

Tangible assets

EUR	31/12/2021	31/12/2020
Acquisition 1 Jan	**159,557**	**159,557**
Increases	—	—
Decreases	—	—
Transfers between items	—	—
Acquisition cost 31 Dec	**159,557**	**159,557**
Accumulated depreciation and Impairment I Jan	**-134,587**	**-126,264**
Accumulated depreciation and Impairment I Jan	-7,133	-8,323
Impairment	—	—
Accumulated depreciation and Impairment 31 Dec	**-141,720**	**-134,587**
Book value 31 Dec	**17,837**	**24,970**

Advance payments and construction in progress

EUR	31/12/2021	31/12/2020
Acquisition 1 Jan	**—**	**—**
Increases	941,504	—
Decreases	—	—
Transfers between items	—	—
Acquisition cost 31 Dec	**941,504**	**—**

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Investments

EUR	Participating interests	Holdings in group undertakings	Total
Acquisition 1 Jan 2021	**415,037**	**11,824,931**	**12,239,968**
Increases	100,600	703,024	803,624
Decreases	—	-3,301,824	-3,301,824
Transfers between items	—	—	—
Acquisition cost 31 Dec 2021	**515,637**	**9,226,131**	**9,741,768**
Accumulated impairment 1 Jan 2021	**—**	**—**	**—**
Impairment	—	—	—
Accumulated impairment 31 Dec 2021	—	—	—
Book value 31 Dec 2021	**515,637**	**9,226,131**	**9,741,768**
Book value 31 Dec 2020	**415,037**	**11,824,931**	**12,239,968**

LONG-TERM RECEIVABLES

Receivables from group companies

EUR	31/12/2021	31/12/2020
Loans receivables	19,650,000	3,200,000
Capital loans receivables	8,585,904	2,732,801
Total	**28,235,904**	**5,932,801**

Enersense International Oyj provides financing to the Group companies in a centralised manner. Loans granted by the parent company to subsidiaries totaled EUR 28,235,904.05, including EUR 8,585,904.00 in subordinated loans. The terms and conditions of the subordinated loans are in accordance with chapter 12, section 1 of the Limited Liability Companies Act. Other long-term interest-bearing loans granted by the parent company to subsidiaries totaled EUR 19,650,000.00 The interest rates of the loans vary from 3% to 5%.

Receivables from others

EUR	31/12/2021	31/12/2020
Accounts receivables	—	30,037
Other receivables	2,375,000	600,000
Total	**2,375,000**	**630,037**
Long-term receivables, total	**30,610,904**	**6,562,838**

SHORT-TERM RECEIVABLES

Receivables from group companies

EUR	31/12/2021	31/12/2020
Accounts receivables	2,480,248	927,018
Loans receivables	468,225	993,995
Other receivables	2,199,576	89,770
Interest receivables	540,379	139,355
Accrued income	358,504	—
Total	**6,046,932**	**2,150,137**

The amount of short-term interest-bearing loans granted by the parent company to subsidiaries totaled EUR 993,994.50. The interest rates of the loans vary from 2% to 5%. Short-term liabilities also include EUR 146,100.00 in unpaid dividend liabilities.

Receivables from others

EUR	31/12/2021	31/12/2020
Accounts receivables	4,150,835	6,530,155
Other receivables	576,409	98,474
Accrued income	914,983	579,476
Total	**5,642,228**	**7,208,105**
Short-term receivables, total	**11,689,159**	**9,358,242**

ACCRUED INCOME

Material items of accrued income

EUR	31/12/2021	31/12/2020
Material items of accrued income		
Compensation for occupational health care	76,530	48,121
Deferred income taxes	—	—
Unbilled revenue	760,753	509,444
Others	77,700	21,911
Total	**914,983**	**579,476**

EQUITY

Equity

EUR	31/12/2021	31/12/2020
Share capital 1 Jan	80,000	80,000
Share capital 31 Dec	**80,000**	**80,000**
Other reserves 1 Jan	312,642	312,642
Other reserves 31 Dec	**312,642**	**312,642**
Reserve for invested non-restricted equity 1 Jan	14,560,210	14,560,210
Share issue	30,073,907	—
Personnel share issue	972,759	—
Correction of an error in the previous financial year	1,720,000	—
Reserve for invested non-restricted equity 31 Dec	**47,326,876**	**14,560,210**
Retained earnings 1 Jan	3,355,273	1,909,086
Dividends paid	—	—
Correction of an error in the previous financial year	-1,690,256	—
Retained earnings 31 Dec	**1,665,017**	**1,909,086**
Net result for the period	**-2,437,756**	**1,446,187**
Equity, total	**46,946,779**	**18,308,125**

An error has been corrected in the company's retained earnings from previous financial years. The correction of the error relates to the acquisition of Värväämö Oy on 30 October 2018. In connection with the acquisition of Värväämö Oy's share capital, a directed share issue was made to the existing owners of Värväämö Oy. The share issue was erroneously recorded in the company's retained earnings from previous financial years and not in the unrestricted equity reserve in the balance sheet. In addition, the results and balance sheet of the company's branch in Sweden were not included in the results and balance sheet of the company in previous financial years. The impact of the consolidation of the branch on the company's retained earnings for the previous financial years in 2021 was EUR 29,744.37. Y

Calculation of distributable funds

EUR	31/12/2021	31/12/2020
Retained earnings	1,665,017	1,909,086
Net result for the period	-2,437,756	1,446,187
Reserve for invested non-restricted equity	47,326,876	14,560,210
Total	**46,554,137**	**17,915,483**

Enersense's Board of Directors proposes to the Annual General Meeting to be held on 4 April 2022 that a dividend of EUR 0.1 (2020: no dividend) per share be paid for the financial year that ended on 31 January 2021.

The first part of dividend will be paid to the shareholders registered in Enersense International Plc's shareholder register maintained by Euroclear Finland on the record date (6 April 2022). The Board of Directors proposes that the dividend be paid on 6 May 2022.

The second part of dividend EUR 0.05 per share will be paid in November 2022. The second part of dividend will be paid to a shareholder who is entered in the company's shareholder register maintained by Euroclear Finland Oy on the record date of the dividend payment later decided by the Board. At its meeting scheduled for October, the Board of Directors will decide on the record date and dividend payment date for the second part. The record date for the dividend payment is planned to be November 1, 2022 and the dividend payment date is November 8, 2022 at the earliest. If necessary, the Board of Directors is authorised to decide on a new dividend payment record date and payment date for the second dividend payment if the regulations or rules of the Finnish book-entry system change or otherwise require it.

The parent company's distributable funds at the end of 2021 totaled EUR 46,554,137.3 (17,915,483.2).

There have been no significant changes in Enersense's financial position after the end of the financial year. The company's liquidity is good, and it is the Board of Directors' view that the proposed distribution of profits does not jeopardise the company's solvency.

DISCLOSURES ON LIABILITIES IN THE BALANCE SHEET

Provisions

EUR	31/12/2021	31/12/2020
Other provisions	150,000	–
Total	**150,000**	**–**

The mandatory provisions relate to the company's pending legal dispute in an administrative court in the United States.

LONG-TERM CREDITORS

EUR	31/12/2021	31/12/2020
Capital loans to group companies	—	—
Liabilities to credit institutions	8,400,000	—
Other	—	419,491
Total	**8,400,000**	**419,491**

Liabilities falling due later than 5 years

EUR	31/12/2021	31/12/2020
Liabilities to credit institutions	—	—
Total	**—**	**—**

SHORT-TERM CREDITORS

Amounts owned to group undertakings

EUR	31/12/2021	31/12/2020
Trade creditors	1,520,195	2,681,602
Loans	586,769	70,000
Group contribution debt	—	780,397
Other creditors	-4,768	925,098
Accruals and deferred income	—	—
Total	**2,102,197**	**4,457,097**

To other than group companies

EUR	31/12/2021	31/12/2020
Liabilities to credit institutions	2,798,981	1,560,815
Trade creditors	1,689,145	1,894,478
Other creditors	346,565	2,111,999
Accruals and deferred income	2,311,380	2,569,670
Total	**7,146,072**	**8,136,962**

Accrued liabilities and deferred income

EUR	31/12/2021	31/12/2020
Wages and salaries debts	267,375	292,112
Holiday pay debt	1,356,797	1,493,262
Statutory insurance payments	109,508	220,410
Other	577,699	563,887
Total	**2,311,380**	**2,569,670**

COMMITMENTS AND CONTINGENT LIABILITIES

Debts secured by securities

EUR	31/12/2021	31/12/2020
Unused credit limits	–	3,148,036
Pledged securities at book value	–	–
Business mortgages provided as collateral	–	–
Loans from financial institutions	10,800,000	1,560,815
Pledged securities at book value	1,002,844	1,002,844
Other pledges provided as collateral	875,000	600,000
Business mortgages provided as collateral	7,000,000	7,000,000
Total secured debts	**10,800,000**	**4,708,851**
Total pledged securities	**1,002,884**	**1,002,844**
Total business mortgages provided as collateral	**7,000,000**	**7,000,000**

Other off-balance sheet liabilities

Enersense International Oyj has to an associated company Yrittäjien Voima Oy other off-balance sheet liability EUR 720,683.

Legal disputes

Security for debts of subsidiaries and other Group companies

EUR	31/12/2021	31/12/2020
Other pledges provided as collateral	477,250	–
Other guarantees	16,677,721	75,000

Other commitments

Leasing agreements	31/12/2021	31/12/2020
Payable in the following financial year	26,985	18,067
To be paid later	1,882	–
Total	**28,867**	**18,067**

The loans secured with collaterals include covenants. The specific conditions agreed relate to the company's solvency and ability to service its debt. Breach of the covenants may increase financing costs or lead to a termination of the loans. The company's management believes that the covenants have been met and are being monitored.

Signatures on the annual report and financial statement

Helsinki, 3 March, 2022

Jussi Holopainen
President and CEO

Jaakko Eskola
Chairman of the Board

Sirpa-Helena Sormunen
Board member

Petri Suokas
Board member

Herkko Plit
Board member

Päivi Jokinen
Board member

Sari Helander
Board member

FINANCIAL STATEMENT ENTRY

An audit report has been issued today

Helsinki, 8 March, 2022

Audit firm
KPMG Oy Ab

Mauri Eskelinen
Authorised Public Accountant, KHT

Auditor's Report

ENERSENSE INTERNATIONAL PLC
AUDITOR'S REPORT
FINANCIAL STATEMENTS FOR 2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Enersense International Plc (0609766-7) for the year ended 31 December 2021. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 8 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Goodwill, intangible assets and business restructurings (notes 2, 4 and 11 to the consolidated financial statements)	
• The Group has expanded its activities through acquisitions of companies. As a result, the consolidated balance sheet includes a significant amount of goodwill and other acquisition-related intangible assets. At 31 December 2021, goodwill totaled EUR 26.2 million, customer relationships EUR 8.3 million, and other intangible assets EUR 9.0 million, mainly resulting in from the business combinations. • During the financial year ended, the Group completed two significant transactions. The recognised gain on sale of Värväämö Oy totaled EUR 1.8 million, and the negative goodwill attributable to the acquisition of Pori Offshore Construction Oy amounted to EUR 7.3 million. Both items are included in the line item Other operating income in the consolidated statement of comprehensive income. • Goodwill is tested annually for impairment. Preparation of cash flow projections underlying impairment testing requires management make judgements over certain key inputs, for example revenue growth rate, profitability, long-term growth rate and discount rate. • Due to the high level of judgement related to the forecasts used, and the significant carrying amounts involved, valuation of goodwill and acquisition-related other intangible assets is considered a key audit matter.	In respect to impairment testing our audit procedures included, among others: • We assessed key inputs in the calculations such as profitability, discount rate and long-term growth rate. • We also assessed the appropriateness and consistency of the methodology and key assumptions used in the testing across years. • We utilised our own valuation specialists that tested the technical accuracy of the calculations and compared the assumptions used to market and industry information. We assessed the accounting treatment of the transactions. Furthermore, we considered the appropriateness of the disclosures provided in respect of the items referred to above.
Revenue and project revenue (note 3 to the consolidated financial statements)	
The company's revenue mainly comprises service revenue, project revenue and resourcing revenue. The majority of the company's revenues are recognised over time. Revenue recognition is considered a key audit matter due to a number of factors, including: • The company has a significant number of fixed-price long-term projects. When recognising revenue from fixed-price projects the progress of the stage of completion is monitored throughout the project delivery. Recognition of revenue accounted for using the percentage-of-completion method requires management judgement and assumptions, in particular regarding expected costs and workload forecasts.	We evaluated the company's revenue recognition principles and accounting policies by reference to applicable IFRS standards. In addition, we performed both analytical and substantive audit procedures. • Our audit procedures covered assessment of the internal control environment for sales processes, as well as testing of the key controls. • We tested the functionality of the processes to enter, record and invoice sales transactions. We also tested the accuracy of recognition of revenues on accrual basis. • In addition, we considered the company's project calculations for fixed-price long-term projects by examining changes in project margin levels, and cumulative cost and revenue amounts reported by project officers, as well as assessed the company's process for identifying any potential need for cost provisioning. • Furthermore, we considered the appropriateness of the Group's disclosures provided on revenues.
Adequacy of funding and financial arrangements (note 1 and 20 to the consolidated financial statements)	
On 4 May 2021, the parent company announced that it had concluded negotiations on the financing of its operations. The new financing package consists of two senior loans and several bank guarantee and invoice financing facilities. The financing will be used for developing operations and managing working capital. The new financing agreement contains financial covenants measuring the Group's equity ratio and the ratio of interest-bearing debt to EBITDA. • During the financial year, the company raised net funding amounting to EUR 28.2 million through share issues. The Group's management has made estimates of the companies' future revenue, EBITDA, investments, financial situation and working capital requirements. The company's management estimates that working capital will be sufficient to continue the company's operations in accordance with its growth plan for the 12 months following the balance sheet date. • The fulfilment of the covenant terms has a material impact on the financial situation of the company.	We assessed the terms, classification and accounting treatment of the financing agreements by reference to the accounting policies for the consolidated financial statements and applicable IFRS standards. • We gained an understanding of the company's financial forecasting process. To evaluate the adequacy of funding, we analysed, among others, the cash flow projections and sensitivity calculations prepared by the company, the reliability of the underlying data and the feasibility of management's plans. • We assessed the sensitivity calculations prepared by management to test the headroom for funding adequacy, in particular in relation to the covenants. We also considered the accuracy of the classification of financial liabilities and the appropriateness of the financing-related disclosures provided in the financial statements.

Responsibilities of the Board of Directors and the President and CEO for the Financial Statements

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the President and CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the President and CEO are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the President and CEO's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 18 December 2015 and our appointment represents a total period of uninterrupted engagement of 7 years. Enersense International Plc has become a public interest entity on 14 June 2021.

Other Information

The Board of Directors and the President and CEO are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 8 March 2022

KPMG OY AB
Mauri Eskelinen
Authorised Public Accountant, KHT

Information for investors

Enersense's 2021 reporting consists of the Board of Directors' report and financial statements, the corporate governance statement, the remuneration report and policy, and the annual report. All publications are available on Enersense's website at www.enersense.com/investors.

Annual General Meeting 2022

The Annual General Meeting 2022 of Enersense International Plc will be held on Monday, 4 April 2022, starting at 2pm. The notice of the Annual General Meeting has been published in the stock exchange release on 28 February 2022 and on Enersense's website at www.enersense.com/investors.

Payment of dividends

Enersense's Board of Directors proposes to the Annual General Meeting to be held on 4 April 2022 that a dividend of EUR 0.1 (2020: no dividend) per share, with the current number of shares totaling EUR 1,599,606.00, be paid for the financial year that ended on 31 January 2021.

The first installment, of EUR 0.05 per share, will be paid to the shareholders registered in Enersense International Plc's shareholder register maintained by Euroclear Finland on the record date (6 April 2022). The Board of Directors proposes that the first installment of the dividend be paid on 6 May 2022.

The second installment, of EUR 0.05 per share, will be paid in November 2022. The second installment will be paid to shareholders who are registered in the company's shareholder register maintained by Euroclear Finland Oy on the record date for the dividend payment, as later decided by the Board of Directors. The Board of Directors will decide the record date and the payment date for the second installment at its meeting in October 2022. The record date is planned to be 1 November 2022, and the dividend payment date 8 November 2022 at the earliest. The Board of Directors is authorized to set a new dividend record date and payment date for the second installment of the dividend, in case the rules and regulations on the Finnish book-entry system would be changed, or otherwise so require.

Results announcement in 2022

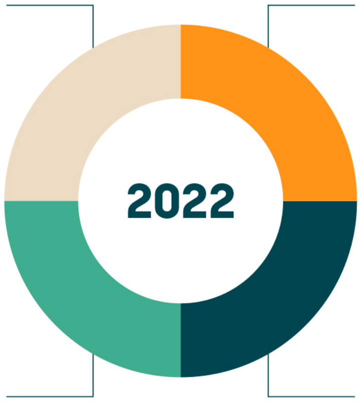
Enersense will publish two business reviews and a half-year report in 2022:

- Business review for January–March on 29 April 2022
- Half-year report for January–June on 4 August 2022
- Business review for January–September on 28 October 2022

The business reviews and half-year report are published in Finnish and English and are available on Enersense's website at www.enersense.com/investors. Enersense observes a 30-day silent period before publishing its results.

Business Review January–September 2022, 28 October 2022

Financial Statements Bulletin 2021, 28 February 2022
Financial Statements 2021, week 10



Half-year Financial Report January–June 2022, 4 August 2022

Annual General Meeting, 4 April 2022
Business Review January–March 2022, 29 April 2022

Capital Markets Day

A Capital Markets Day for shareholders, investors, analysts and representatives of banks and the media will be held on 3 May 2022.

Basic information on the Enersense share

Listed on: Nasdaq Helsinki
Trading ID: ESENSE
Shares outstanding 31 December 2021: 13,397,729

www.enersense.com
Enersense International Plc
Konepajanranta 2
FI-28100, Pori, Finland
+358 29 020 011
info@enersense.com