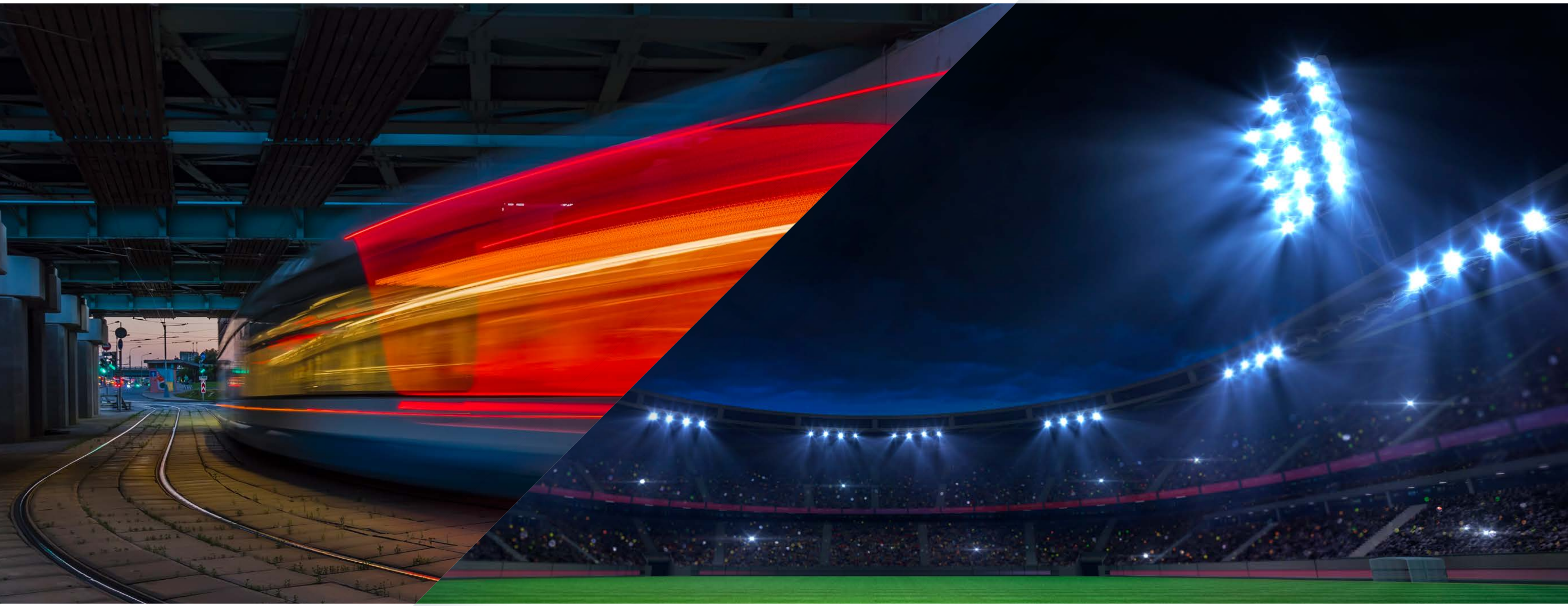
Enedo's year 2021



Enedo
RESHAPING ELECTRICITY

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Enedo in brief

POWER SUPPLY PRODUCTS AND SOLUTIONS TO DEMANDING APPLICATIONS

Enedo is an international Group that designs, develops and produces demanding power systems and power supplies. A power supply is used to convert electrical energy into a different form needed by the end application or device. Its customers include, among others, Original Electronic Manufacturers (OEM) as well as wholesalers and distributors in the field. The company's main markets are in Europe and the United States.

Enedo also produces system solutions for power conversion and energy storage. The company's power supplies are either standard solutions or customer-specific customizations, and they observe the current and future needs of the customers

Electrification and digitalization is one of the current and future megatrends. Electricity can be converted for many uses with a good efficiency, such as mechanical movement, heat or chemical energy. Likewise, kinetic energy will be converted or returned into electricity more and more in the future. Enedo is involved in the electrification and digitalization of its customers' businesses and operating environments, helping to create more favorable conditions for sustainable development.

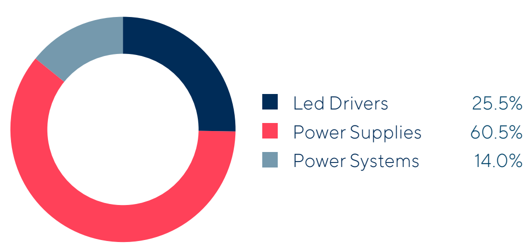
All the Enedo units hold ISO 9001 quality certifications and ISO 14001 environmental certifications.

In 2021, the company's net sales amounted to EUR 36.4 million, and it had 350 employees on average.

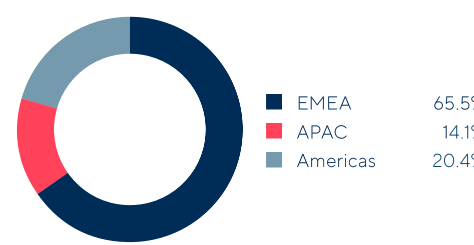
Enedo has three product categories. The Power Supplies product category includes industrial power supplies, the LED Drivers product category contains power supplies focusing on lighting applications and the Power Systems product category includes system products and rail power systems.

ENEDO OPERATES IN TUNISIA, ITALY, FINLAND AND THE UNITED STATES

The company's net sales by product category in 2021, total EUR 36.4 million



Net sales by areas

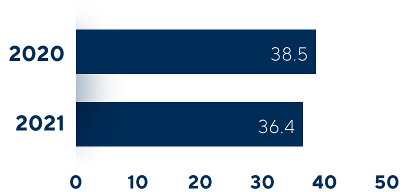


Financial year 2021 in brief

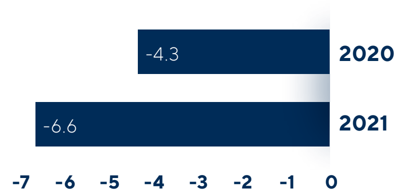
Group key figures in brief		2021	2020
Net sales	MEUR	**36.4**	38.5
Adjusted EBITDA	MEUR	**-0.8**	-0.4
EBITDA	MEUR	**-3.2**	-0.8
Adjusted operating profit/loss	MEUR	**-4.2**	-3.9
Operating profit/loss	MEUR	**-6.6**	-4.3
Profit/loss before taxes	MEUR	**-4.6**	-5.4
Profit/loss for the period	MEUR	**-4.5**	-6.2
Return on equity (ROE)	%	**-97.5**	-278.3
Return on investment (ROI)	%	**-15.5**	-26.5
Cash flows from operating activities (including discontinued operations)	MEUR	**-3.3**	-2.3
Net interest-bearing liabilities	MEUR	**8.1**	16.8
Solvency ratio	%	**14.9**	-7.4
Net gearing*	%	**173.1**	
Earnings per share for continuing operations**	EUR	**-0.08**	-0.31
Equity per share**	EUR	**0.07**	-0.26
Dividend per share**	EUR	**-**	-
Share price on December 31**	EUR	**0.35**	0.39
Market capitalization on December 31	MEUR	**23.8**	7.6
Personnel, average		**350**	371

* Net gearing is not calculated for 2020 due to the negative equity.
** The number of outstanding shares has been adjusted for the impact of the share issue of 2021.

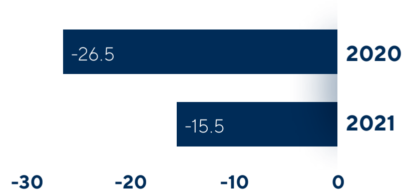
Net sales, MEUR



Operating profit/loss, MEUR



Return on investment (ROI), %



Review by the President and CEO

Enedo's net sales for the second half of 2021 were EUR 18.3 million, which was slightly better than the net sales of EUR 18.1 million for the first half of the year. The adjusted operating result of EUR -1.9 million was slightly better than the adjusted operating result of EUR -2.3 million for the first half of the year. The intake of new orders increased significantly in the second half of 2021, totaling EUR 30.9 million, which is 74% higher than the order intake in the second half of the previous year. The order backlog at the end of the year totaled EUR 28.7 million, which is 184% higher than the order backlog at the end of the previous year. The increase in the order backlog was mainly due to the strong demand for Enedo's products. The general shortage of components in the market and the previously communicated cash flow difficulties prior to the EUR 5.0 million loan facility limited the growth in net sales and operating result.

The Enedo Group's turnaround program is progressing, but it has turned out to be more challenging than planned, both in terms of time and funding, and the company implemented significant restructuring measures in the last quarter of 2021. The turnaround program is estimated to reduce the company's operating expenses by approximately EUR 3.0 million compared to the comparison year.

Net sales in both the Power Supply and led Drivers product categories increased on the first half of the year, while the net sales of the Power Systems product category decreased compared to the first half of the year. The increase in Power Supply was mainly due to the strong demand in the lighting and digital display markets as well as in the testing and measurement markets. The growth in the LED Drivers product category was mainly driven by improved demand in the public lighting market, which had temporarily decreased last year and in early 2021 due to the impact of the COVID-19 pandemic.

Geographically, the Group's net sales from Americas and Asia developed well, but sales in EMEA decreased both from the comparison period and the first half of 2021.

The Group's net sales from Americas increased by 6% from the previous year and by 26% in the second half of the year. The Group's net sales from Asia showed similar growth, growing by 3% compared to the previous year and by 24% in the second half of the year. EMEA net sales decreased by 10% both from the previous year and the first half of 2021.

The Group's new unified ERP system was introduced in the finance function at the beginning of May. The work continued to introduce the other areas of the new ERP system and as of January 1, 2022, the new system has been fully deployed in Finland. Deployment in other units will continue during 2022.

At the end of December 2021, Enedo signed a new EUR 5.0 million loan arrangement to secure the implementation of the turnaround program and the payment of trade payables. The maturity date of the loan facility is September 30, 2022. On the basis of the current strong order backlog and the reduced expenses under the turnaround program, the company will seek either to agree with the lender on an extension of the loan period or to negotiate a new loan with another financial institution, or alternatively to obtain sufficient equity financing to repay the loan. The final solution may also be a combination of the above options.

Mikael Fryklund
President and CEO

LED Drivers

In 2021, LED Drivers accounted for approximately 25 percent of Enedo's net sales. The products of this product category are low or high power LED drivers used in different lighting products. Enedo's portfolio used to focus on low power LED drivers used in indoor lighting solutions in particular, but the company has been moving its focus to the high power LED driver market and succeeded in increasing its share and sales in this market.

In the low power LED drivers, Enedo's key strength lies in the solid development and recognized status of the Strato product range, and the company has been able to utilize this in its transfer towards the high power LED driver market. Furthermore, Enedo launched a new next-generation Strato Evo product range in 2018, providing the possibility to program the driver's characteristics as the main added value to the customer. This reduces the customers' need for storage and decreases the capital invested in the inventory.

In the high power LED drivers, Enedo is able to utilize its key strengths, such as its long experience, project capabilities and the reliability, robustness and product intelligence of its products even better.

Examples of final products using LED drivers include stadium, airport and industrial lighting, among others.

Power Supplies

In 2021, Power Supplies accounted for approximately 61 percent of Enedo's net sales. The products manufactured in this category include standard solutions sold to all the customers as well as customer-specific customized power supply solutions. The products of this product category are mainly sold to the North American and European markets, but also to the Far East. The products are either produced in our Tunisian plant or procured from contract suppliers.

The customer-specific customizations are based on the product platforms developed by Enedo that can be used in other products offered to customers.

In Power Supplies, Enedo's strength lies in long-term customer relationships based on years of experience and expertise in the different sub-segments of the industry. The most important customers include, among others, the leading US testing and instrumentation industry company, a leading Czech stage lighting manufacturer, a Finnish telecommunications company, a Finnish paper and energy industry system supplier, a Belgian high-tech company providing visual solutions and a leading US manufacturer of large video screens.

The products of the Power Supplies category are used in different kinds of demanding applications, such as industrial automation, industrial testing, LED displays, transport equipment and healthcare equipment.

Power Systems

In 2021, Power Systems accounted for approximately 14 percent of Enedo's net sales. Its products include power supply products, customized power supply packages and turnkey delivery projects for the railway industry, among others. Enedo also develops IoT-enabled condition monitoring of power supply and power distribution packages, which is utilized in smart battery chargers, for example.

About half of the sales of this product category come from power supply systems and half from individual power supply products. The DC reserve power system is a key product in the category, taking care of the necessary storage of energy and energy supply in situations when the normal energy supply fails. Enedo's next-generation Modular High Efficiency (MHE) rectifier product is a high-efficiency power supply. The MHE is based on passive cooling. The product does not require any kind of a fan or other forced circulation of cooling air. With an efficiency of over 97 percent, the company estimates that Enedo's MHE products are at the very top of this sector of industry.

The Power Systems product category focuses on the North European, Russian and East European markets where Enedo is a recognized power supply brand and the competition mainly consists of local system integrators or device manufacturers.

Enedo's strengths in this product category include its comprehensive power supply competence and technological expertise, ranging from individual power supplies to system-level design and maintenance over the product's service life. Enedo's competence gives a competitive advantage over other operators in the field with many companies solely focusing on system integration using third-party power supply products and components. Enedo's particular strength lies in its own solutions based on its passive cooling products suitable for demanding industrial conditions.

Growth areas in this product category in the nearby markets include energy production and distribution as well as IT and data communications. Railway customers provide growth opportunities in Central Europe. In these growth areas, Enedo is able to utilize its comprehensive competence ranging from the design of power supply solutions to lifecycle maintenance services.

The products of the Power Systems category are used especially in demanding environments, such as the monitoring and control of transmission and distribution of electricity, oil and gas production and processing, automation, rail traffic, data communications and maritime transport.

Report of the Board Of Directors 2021

Enedo Plc is an international Group that develops and produces demanding power products. In 2021, the company complied with the Insider Guidelines issued by Nasdaq Helsinki Ltd as well as the Finnish Corporate Governance Code 2021 for Listed Companies issued by the Securities Market Association.

The Corporate Governance Statement and Remuneration Report will be published as a separate report on the Group's website and in the Annual Report.

GROUP STRUCTURE

At the end of the financial year, the Group consisted of the parent company Enedo Plc and its directly or indirectly wholly owned operational subsidiaries Enedo S.p.A. in Italy, Enedo Sarl in Tunisia, Enedo, Inc. in the United States, Enedo Holding Oy in Finland and Enedo Finland Oy in Finland. The other subsidiaries were Efore (USA), Inc. in the United States, Efore (Suzhou) Automotive Technology Co., Ltd in China, and Enedo (Hongkong) Co. Ltd. in China.

CONTINUING OPERATIONS' FULL-YEAR NET SALES, OPERATING PROFIT AND ADJUSTED OPERATING PROFIT

Net sales for the financial year 2021 totaled EUR 36.4 million, which is EUR 2.1 million less than net sales for the previous year. Operating profit (loss) totaled EUR -6.6 million (EUR -4.3 million). Adjusted operating profit (loss) for the year was EUR -4.2 million (EUR -3.9 million). Operating profit includes impairment of EUR 0.4 million recognized on capitalized development expenses.

ADJUSTED OPERATING PROFIT/LOSS (MEUR)

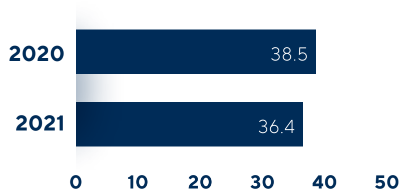
	1–12/2021 12 months	1–12/2020 12 months
Operating profit/loss	**-6.6**	-4.3
Adjustments to operating profit/loss		
Restructuring costs related to personnel	**1.6**	
Production reorganization		0.2
Costs relating to Enedo planning and implementation		0.2
Cloud ERP, deployment costs	**0.3**	
Provision relating to a claim	**0.2**	
Sale of subsidiary	**0.3**	
Adjustments to operating profit/loss total	**2.4**	0.4
Adjusted operating profit/loss total	**-4.2**	-3.9

BUSINESS DEVELOPMENT

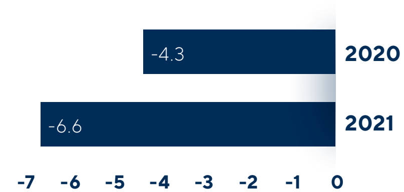
Enedo's products are divided into three product categories: Power Supplies, Led-Drivers and Power Systems. The Power Supplies product category includes industrial power supplies, the Led Drivers product category contains power supplies focusing on lighting applications and the Power Systems product category includes system products and rail power systems.

The net sales of the Power Supplies product category were EUR 11.6 million

Net sales, MEUR



Operating profit/loss, MEUR



Return on investment (ROI), %

for the second half of the year, an improvement of EUR 0.2 million from the corresponding period last year. The net sales of the Led Drivers product category were EUR 4.7 million, an improvement of EUR 0.3 from the corresponding period last year. The Systems product category, on the other hand, decreased by EUR 0.9 million compared to the corresponding period last year. The net sales of Systems products in the second half of the year were EUR 2.1 million compared to EUR 3.0 million in the corresponding period last year.

The net sales of the Power Supplies product category were EUR 22.2 million for the second half of the year, a decrease of EUR 1.9 million from the corresponding period last year. The net sales of the Led Drivers product category were EUR 9.2 million, an improvement of EUR 0.5 compared to 2020. The net sales of the Systems product category decreased by EUR 0.6 year-on-year.

SHORT-TERM RISKS AND UNCERTAINTIES

The general economic development may affect the company's operating environment. Due to the nature of the business, Enedo is exposed to risks relating to component shortages, which are expected to continue at least in the first half of 2022. COVID-19 continues to cause uncertainty for the security of supply of certain suppliers, and the uncertainty in the market caused by COVID-19 continues. The pandemic may also affect the performance of our customers, the demand for end products and the general market environment.

Certain business risks relate to the market success of key customers' products, and also the progress of Enedo's product development projects depends partly on customers' project schedules. In addition, fluctuations in demand typical of the market may lead to rapid changes in Enedo's business. In order to manage the risks involved in the product offering the company has started actions to upgrade the product portfolio specially for the Finnish subsidiary.

There are risks associated with the development of the production planning and procurement processes required by the Tunisian production facility and the increase in production capacity. High market demand and the general shortage of components increase these risks. The company has initiated corrective actions to eliminate the above-mentioned risks.

The delivery times for the components that the company requires are partly long and there may be occasional difficulties in the availability of certain components, which may affect the company's delivery capability. COVID-19 has also raised the level of country-specific uncertainty, which may affect our ability to deliver.

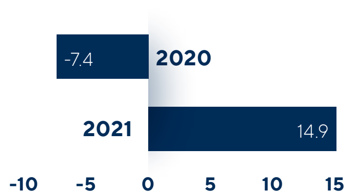
Due to the nature of its business, Enedo faces some notices of defects, and their final outcome cannot be predicted. Based on the current information, these claims are not expected to have a material impact on the Group's financial position.

There are some risks related to the adequacy of financing, and the company aims to manage these risks by actively planning and implementing diverse options. In December 2021, the company signed a EUR 5.0 million loan arrangement with a loan period of 9 months. The company does not expect to be able to repay the loan by maturity using its cash flow from operating activities. Due to the current strong order backlog and the reduced expenses under the turnaround program, the company will seek either to (i) agree with the lender on an extension of the loan period or (ii) negotiate a new loan with another financial institution, and/or (iii) to obtain sufficient equity financing to repay the loan. According to the terms of the loan arrangement, Inission AB has guaranteed the repayment of the loan if none of the above three alternatives are implemented by September 30, 2022.

COVID-19

Throughout the review period, we have continued to take active internal measures to ensure the health of our employees and the continuity of our business. We have adopted internal guidelines and followed the guidelines of the local authorities in each country. Enedo operates in Tunisia (production), Italy (product development, sales), Finland (head office, product development, sales), and the United States (sales). Our management team monitors

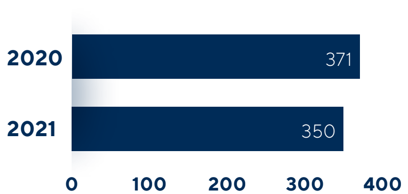
Equity ratio, %



Gearing, %

* Net gearing is not calculated for 2020 due to the negative equity.

Personnel, average



the development of the COVID-19 situation through weekly calls and reacts immediately to any changes, if necessary.

Investments and product development
Investments in the Group's continuing operations during the year amounted to EUR 2.1 million (EUR 1.9 million), which includes capitalization of product development costs amounting to EUR 1.1 million (EUR 1.3 million). Capitalized product development expenses totaled EUR 4.2 million (EUR 4.9 million) at the end of the financial year.

During the financial period, a total of EUR 0.4 million (EUR 0.2 million) of capitalized R&D expenses were written down, mainly due to changes in the volume expectations of individual customers of certain Italian products.

Product development expenses during the financial year totaled EUR 4.5 million (EUR 4.2 million), of which EUR 1.1 million (EUR 1.3 million) was capitalized. During the financial period, EUR 3.3 million (EUR 2.9 million) was recognized as expenses, which was 9.1% (7.6%) of net sales.

Financial position
Cash flow from operating activities in July–December was EUR -1.5 million (EUR -0.4 million) and in the entire financial year EUR -3.3 million (EUR -2.3 million). In addition to the loss-making result, the negative cash flow was caused by the increased need for component purchases resulting from the general component shortage in order to secure and ensure customer deliveries. Cash flow after investments was EUR -5.8 million (EUR -3.7 million). The Group's equity ratio was EUR 14.9% (-7.4%) and balance sheet total on the closing date amounted to EUR 31.6 million (EUR 29.2 million).

Interest-bearing net debt amounted to EUR 8.0 million (EUR 16.8 million) at the end of the year, which includes EUR 0.8 million (EUR 1.1 million) of IFRS 16 lease liabilities.

On the closing date, the company's cash and cash equivalents excluding unused credit facilities amounted to EUR 2.7 million (EUR 1.1 million). At the end of the financial period, the Group had undrawn credit facilities, excluding factoring limits, amounting to EUR 1.7 million (EUR 1.3 million). Current interest-bearing financial liabilities totaled EUR 8.1 million (EUR 8.1 million).

In April 2021, Enedo completed a rights and directed share issue, raising a total of EUR 12 million in gross income. The loan facility was completed after the registration of the new shares on April 9, 2021. As a result, Enedo repaid EUR 5.3 million in loans and loans of EUR 3.3 million were cut, which is presented in financial income on the income statement. The share issues and loan facilities improved Enedo's cash flow by a total of EUR 5.5 million net after the payment of loans, commissions and transaction costs. The share issues together with the loan facility improved the company's balance sheet position.

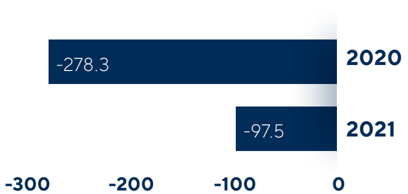
In a stock exchange release dated December 23, 2021, the Group announced that it had signed a EUR 5.0 million loan facility and repaid the EUR 2.0 million bridge loan signed with Inission AB. Of the above-mentioned loan, EUR 3.5 million was drawn on December 31, 2021. The maturity date of the EUR 5.0 million loan is September 30, 2022. The company does not expect to be able to repay the loan by maturity using its cash flow from operating activities. Based on the reduced costs due to the current strong order backlog and the turnaround program, the company will, however, seek either to (i) agree with the lender on an extension of the loan period or (ii) negotiate a new loan with another financial institution, and/or (iii) to obtain sufficient equity financing to repay the loan. According to the terms of the loan arrangement, Inission AB has guaranteed the repayment of the loan if none of the above three alternatives are implemented by September 30, 2022.

A loan of Enedo Plc's Italian subsidiary includes covenants that the company did not meet on December 31, 2021. In March 2022, the company received a waiver from the financier from the covenants and the loan receivables were not claimed. The loan amounted to EUR 1.4 million on December 31, 2021.

ENVIRONMENTAL POLICY AND LIABILITIES

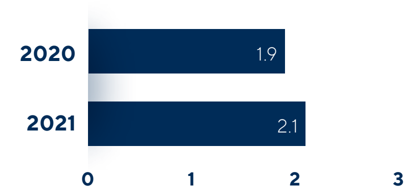
The Group's environmental systems are developed and maintained according to the international ISO 14001: 2004 standard. All of the Group's product develop-

Return on equity (ROE), %



Product development costs, MEUR

Gross investments, MEUR



ment and production sites are certified according to the standard.

The products are designed to meet the requirements of the European Union's WEEE (Waste Electrical and Electronic Equipment) Directive. Product development is based on the guidelines of the EuP (Energy-using Products) Directive in order to minimize the use of natural resources related to the products.

The Group's production facility is equipped for lead-free production in accordance with the RoHS (Restriction of the use of certain Hazardous Substances) Directive. Lead-based production processes can also be employed, if necessary, to meet product requirements.

The recycling of electronics and metal waste is carried out in partnership with specialized service providers. Chemical waste is collected and transported to service providers who specialize in hazardous waste disposal.

No environmental risks or obligations having an impact on the company's financial position have emerged by the date of publication of the financial statements.

PERSONNEL

The Group's continuing operations had 350 (371) employees during the financial year on average. The number of employees at the end of the year was 330 (354).

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT TEAM

The Annual General Meeting of May 17, 2021 re-elected Antti Sivula and Taru Narvanmaa as members of the Board of Directors and elected Olle Hulteberg, Fredrik Berghel and Vesa Tempakka as new members. In its first meeting held after the Annual General meeting, the Board of Directors elected Olle Hulteberg as its Chairman.

The members of the Executive Management Team and their global responsibilities at the end of the financial year were as follows: Mikael Fryklund (President and CEO), Hannu Hiillos (Finance and ICT), Riccardo Buffa (Enedo Italy), Paul Vuolle (Enedo Finland) and Giampiero Tasselini (Enedo Operations).

AUDITOR

The Annual General Meeting held on May 17, 2021, re-elected KPMG Oy Ab as the company's auditor. Authorized Public Accountant Henrik Holmbom served as the responsible auditor.

SHARE, SHARE CAPITAL AND SHAREHOLDERS

Enedo Plc organized a rights issue and directed share issue during the first half of the financial year and the number of shares added was registered in the Trade Register on April 9, 2021.

The figures in brackets refer to the end of the corresponding period in the previous year. The share prices of the corresponding period in the previous year are adjusted to correspond the number of shares after the share issues.

At the end of the period under review, the number of outstanding shares was 68,453,944 (8,363,486).

At the end of the period under review, the number of treasury shares held by Enedo was 69,249 (69,249).

The highest share price during the period under review was EUR 0.80 (1.09) and the lowest price was EUR 0.23 (0.36). The average price during the period under review was EUR 0.39 (0.62) and the closing price was EUR 0.35 (0.39). The market capitalization calculated at the closing price at the end of the financial year was EUR 23.8 (7.6) million.

The total turnover of Enedo's shares traded on the Nasdaq Helsinki during the period under review was 20.8 (2.9) million shares. This represented 30.4% (33.8%) of the total number of shares. The total number of fully paid-up shares was 68,523,193 (8,432,735) and the number of shareholders was 4,865 (4,336) at the end of the financial period.

FLAGGING NOTIFICATIONS

Soinitilat Oy's share of ownership and votes in Enedo Plc fell below the 5 per cent threshold on April 12, 2021.

The share of Joensuun Kauppa ja Kone Oy, a company under the control of Kyösti Kakkonen, of ownership and votes in Enedo Plc exceeded the 10 per cent threshold on April 12, 2021.

Jaakko Heininen's, Pekka Heininen's, Arvojyvä Oy's, Tulos-Jyvä Oy's, Mandan Oy's and Heininen Invest Oy's share of ownership and votes in Enedo Plc fell below the 10 percent threshold on April 9, 2021.

Rausanne Group's (Rausanne Oy, Rausatum Oy) share of ownership and votes in Enedo Plc fell below the 10 percent threshold on April 9, 2021.

Jussi Capital Oy's share of ownership and votes in Enedo Plc fell below the 5 percent threshold on April 9, 2021.

Inissio AB's share of ownership and votes in Enedo Plc exceeded the 30 percent threshold on April 9, 2021.

DECISIONS BY THE GENERAL MEETING

Enedo Plc's Extraordinary General Meeting on March 9, 2021 in Vantaa:

In accordance with the Board's proposal, the Extraordinary General Meeting resolved to authorize the Board of Directors to decide on a share issue based on which a maximum of 25,298,205 new shares may be issued at a subscription price of EUR 0.20 per share. The authorization for the rights issue is valid until December 31, 2021. The authorization does not revoke previous authorizations granted to the Board of Directors. Each share entitles its holder to subscribe for three new shares. According to the final results of the rights issue, a total of 39,320,336 new shares were subscribed for, corresponding to approximately 156.7% of the 25,090,458 shares offered. A total of 23,340,992 new shares, or 93.0% of the 25,090,458 new shares offered in the rights issue, were subscribed for using the subscription rights and 15,979,344 new shares were subscribed without subscription rights.

In accordance with the Board's proposal, the Extraordinary General Meeting resolved to authorize the Board of Directors to decide on a targeted share issue based on which a maximum of 35,000,000 new shares may be issued. In deviation from the pre-emptive rights of the Company's shareholders, the shares are offered to Inission AB (publ) ("Inission") and Joensuun Kauppa ja Kone Oy at subscription price of EUR 0.2 per share. The authorization for the directed share issue is valid until December 31, 2021. The authorization does not revoke previous authorizations granted to the Board of

Directors. All 35,000,000 shares of the directed issue were subscribed for.

Enedo Plc's Annual General Meeting on May 17, 2021 in Vantaa:
The Annual General Meeting adopted the financial statements of the company for the financial year January 1, 2020–December 31, 2020 and discharged the Board of Directors and the President and CEO from liability. In addition, the Annual General Meeting decided to approve the remuneration policy for 2020.

The Annual General Meeting approved the proposal of the Board of Directors that no dividend be paid for the financial period ended December 31, 2020.

Based on the proposal of the Shareholders' Nomination Board, the Annual General Meeting resolved that the monthly fees paid to the members of the Board of Directors remain unchanged as follows:

Chairman of the Board of Directors:
EUR 3,750 per month
Other members of the Board of Directors:
EUR 2,000 per month
Chairman of the Audit Committee:
EUR 750 per month

In accordance with the proposal of the Shareholders' Nomination Board, the Annual General Meeting set the number of the members of the Board of Directors at five. Antti Sivula and Taru Narvanmaa were re-elected as members of the Board of Directors and Olle Hulteberg, Fredrik Berghel and Vesa Tempakka were elected as new members. The Board of Directors was elected for a term ending at the close of the Annual General Meeting of 2022.

In its first meeting, the Board of Directors decided that the fees paid to members of the Board of Directors will be reduced from the level proposed by the Nomination Board and approved by the Annual General Meeting. The monthly fees paid to members of the Board of Directors will correspondingly be as follows:

Chairman of the Board of Directors:
EUR 2,100 per month
Other members of the Board of Directors:
EUR 1,250 per month

The Board of Directors also decided not to establish a separate Board of Directors' Audit Committee.

Authorized Public Accountants KPMG Oy Ab was re-elected as the company's auditor. KPMG Oy Ab has announced that Authorized Public Accountant Henrik Holmbom will serve as the responsible auditor. The elected auditor shall be reimbursed according to the reasonable invoice of the auditor.

The Annual General Meeting resolved on the proposal of the Board of Directors to authorize the Board of Directors to, in one or more transactions, decide on the issuance of shares and options and other special rights entitling to shares referred to in chapter 10, section 1 of the Limited Liability Companies Act as follows:

The number of shares to be issued under the authorization may in total amount to a maximum of 6,850,000 shares, corresponding to approximately 10 percent of all the shares in the company.

The Board of Directors decides on all the terms and conditions of the issuance of shares, options and other special rights entitling to shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. The issuance of shares, options and other special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

The authorization replaces the authorization given by the Annual General Meeting on April 24, 2020, to decide on the issuance of shares and special rights entitling to shares and the authorizations granted by the Extraordinary General Meeting on March 9, 2021, to decide on a share issue and directed share issue.

The authorization is valid until the close of the following Annual General Meeting, however, no longer than until June 30, 2022.

Enedo Plc's Extraordinary General Meeting on December 23, 2021 in Vantaa:
The Extraordinary General Meeting decided according to the Board of Directors proposal to authorize the Board of Directors to decide on a directed share issue for Inission Ab for a maximum amount of 55,000,000 new shares at a subscription price of EUR 0.10 per share. The directed share issue can only take place if Inission AB becomes liable for the loan (including interests and expenses) on the basis of the guarantee liability and the Enedo Plc has not paid the recourse claim to Inission Ab despite its request.

The loan arrangement is also subject to the Financial Supervisory Authority granting Inission Ab a permanent exemption from the mandatory tender offer obligation pursuant to chapter 11, section 26 of the Securities Markets Act even if Inission Ab's ownership would increase from the current 49.6% up to 72.1% as a result of Inission Ab converting its recourse receivables based on the above guarantee to new shares in the Company. Enedo Plc announced on December 15, 2021, that Inission AB has received the above-mentioned permanent exemption.

ESTIMATE OF FINANCIAL DEVELOPMENT IN 2022

The company does not provide an estimate of its financial development in 2022 due to the Group's turnaround plan and the uncertainty caused by COVID-19.

THE BOARD'S DIVIDEND PROPOSAL

The Board of Directors proposes to the Annual General Meeting of May 3, 2022, that no dividend be distributed.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

The war in Ukraine, which broke out in late February, could, if prolonged, cause increasing uncertainty in the market, which could also affect Enedo's operations. The Group does not have any significant customers in Russia or Belarus.

Otherwise the war in Ukraine has not had so far any significant effects on Group's operations.

The Group has on the balance sheet date receivables from the Russian market with a book value of approximately EUR 0.3 million.

In the end of financial year 2021, the parent company's signed loan arrangement included undrawn amount EUR 1.5 million. The loan was drawn during February–March 2022.

Consolidated statement of comprehensive income, EUR 1,000

Continuing operations	Note	Jan. 1–Dec. 31, 2021	Jan. 1–Dec. 31, 2020
NET SALES	1	**36,442**	38,491
Change in inventories of finished goods and work in progress		**-367**	-710
Work performed for own purposes and capitalised		**191**	374
Other operating income	4	**316**	361
Materials and services	5	**-24,269**	-25,453
Employee benefits expenses	6	**-10,918**	-9,087
Depreciation and amortization	7	**-3,058**	-3,307
Impairment	7	**-403**	-171
Other operating expenses	8	**-4,578**	-4,768
Operating profit/loss		**-6,644**	-4,270
Financing income	9, 11	**3,702**	692
Financing expenses	10, 11	**-1,641**	-1,809
Profit/loss before taxes		**-4,583**	-5,387
Tax on income from operations	12	**82**	-796
Profit/loss of from continuing operations		**-4,501**	-6,183
Discontinued operations			
Profit/loss of discontinued operations	3	**0**	350
PROFIT/LOSS FOR THE PERIOD		**-4,501**	-5,833
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		**-13**	13
Items that will not be reclassified to profit or loss		**-13**	13
Items that may be reclassified subsequently to profit or loss			
Translation differences, continuing operations		**-15**	11
Items that may be reclassified subsequently to profit or loss		**-15**	11
Total comprehensive income from continuing operations		**-4,529**	-6,159
Total comprehensive income from discontinued operations			350
TOTAL COMPREHENSIVE INCOME		**-4,529**	-5,809

Continuing operations	Note	Jan. 1–Dec. 31, 2021	Jan. 1–Dec. 31, 2020
Profit/loss from continuing operations, attributable to:			
Owners of the parent company		**-4,501**	-6,182
Non-controlling interests			-1
Profit/loss from discontinued operations, attributable to:			
Owners of the parent company		**0**	350
Non-controlling interests			0
Profit/loss, attributable to:			
Owners of the parent company		**-4,501**	-5,832
Non-controlling interests		**0**	-1
Profit/loss		**-4,501**	-5,833
Total comprehensive income from continuing operations, attributable to:			
Owners of the parent company		**-4,529**	-6,158
Non-controlling interests		**0**	-1
Total comprehensive income from discontinued operations, attributable to:			
Owners of the parent company		**0**	350
Non-controlling interests		**0**	0
Total comprehensive income attributable to:			
Owners of the parent company		**-4,529**	-5,808
Non-controlling interests		**0**	-1
Total comprehensive income		**-4,529**	-5,809
EARNINGS PER SHARE CALCULATED ON PROFIT/LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Earnings per share from continuing operations, eur*		**-0.08**	-0.31
Earnings per share from discontinued operations, eur *		**0.00**	0.02
Earning per share, undiluted, eur*		**-0.08**	-0.30
Earning per share, diluted, eur*		**-0.08**	-0.30

* The number of outstanding shares of comparison periods have been revised with the effect of the 2021 share issue.

Consolidated statement of financial position, EUR 1,000

	Note	Dec. 31, 2021	Dec. 31, 2020
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	14	**4,854**	5,990
Goodwill	14	**4,275**	4,275
Tangible assets	15	**3,364**	3,497
Other non-current financial assets	16	**6**	4
Non-current trade and other receivables	19	**259**	259
Deferred tax asset	17	**1,544**	1,544
NON-CURRENT ASSETS		**14,302**	15,569
CURRENT ASSETS			
Inventories	18	**9,362**	6,586
Trade receivables and other receivables	19	**5,102**	5,754
Tax receivable, income tax		**106**	108
Cash and cash equivalents	20	**2,721**	1,136
CURRENT ASSETS		**17,291**	13,584
ASSETS		**31,593**	29,153

Consolidated statement of financial position, EUR 1,000

	Note	Dec. 31, 2021	Dec. 31, 2020
EQUITY AND LIABILITIES			
Owners of the parent company			
Share capital	21	**100**	100
Reserve for invested unrestricted equity	21	**64,370**	53,087
Treasury shares	21	**-2,425**	-2,425
Other reserves	21	**699**	702
Translation differences	21	**2,660**	2,674
Retained earnings		**-60,787**	-56,273
Owners of the parent company		**4,617**	-2,135
Non-controlling interests		**-1**	0
EQUITY		**4,616**	-2,135
NON-CURRENT LIABILITIES			
Deferred tax liability	17	**59**	179
Non-current liabilities, interest-bearing	22, 23	**2615**	9841
Other non-current liabilities	24	**266**	42
Pension obligations	25	**1020**	1211
Provisions	26	**89**	199
NON-CURRENT LIABILITIES		**4,049**	11,472
CURRENT LIABILITIES			
Current interest-bearing liabilities	22, 23	**8,102**	8,099
Trade payables and other liabilities	24, 27, 28	**14,359**	11,304
Tax liability, income tax		**329**	260
Provisions	26	**138**	153
CURRENT LIABILITIES		**22,928**	19,816
Liabilities		**26,977**	31,288
EQUITY AND LIABILITIES		**31,593**	29,153

Consolidated statement of cash flows, EUR 1,000

	Note	Jan. 1–Dec. 31, 2021	Jan. 1–Dec. 31, 2020
Cash flow from operating activities			
Customer payments received		**37,102**	37,604
Cash paid to suppliers and employees		**-38,886**	-38,729
Cash generated from operations		**-1,784**	-1,125
Interest paid		**-530**	-494
Interest received		**1**	2
Other financing items		**-1044**	-603
Income taxes paid		**33**	-67
Net cash from operating activities (A)		**-3,324**	-2,287
Cash flows from investing activities			
Purchase of tangible and intangible assets		**-2,207**	-1,904
Proceeds from sale of tangible and intangible assets		**12**	126
Acquisition of subsidiaries		**0**	112
Disposal of subsidiaries less cash and cash equivalents		**-282**	326
Net cash used in investing activities (B)		**-2,477**	-1,340
Cash flows from financing activities			
Proceeds from issue of share capital		**11,283**	
Proceeds from short-term borrowings		**5,500**	679
Repayment of short-term borrowings		**-4,940**	-1,611
Working capital financing and credit limits		**-3,119**	1,592
Proceeds from long-term borrowings		**0**	5,021
Repayments from long-term borrowings		**-836**	-1,500
Payment of lease liabilities		**-509**	-485
Net cash used in financing activities (C)		**7,379**	3,696
Net decrease (-)/increase (+) in cash and cash equivalents (A+B+C)		**1,578**	69
Cash and cash equivalents at the beginning of the period		**1,136**	1,076
Net increase/decrease in cash and cash equivalents		**1,578**	69
Effects of exchange rate fluctuations on cash held		**7**	-9
Cash and equivalents at the end of the period	20	**2,721**	1,136

The effect of discontinued operations on the cash flow in 2020 is presented in note 3.

Consolidated statement of changes in equity, EUR 1,000

	Note	Share capital	Reserve for invested unrestricted equity	Treasury shares	Other reserves	Translation differences	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
EQUITY Jan. 1, 2021		**100**	**53,087**	**-2,425**	**702**	**2,674**	**-56,273**	**-2,135**	**0**	**-2,135**
Profit/loss for the period							-4,501	-4,501	-1	-4,501
Other comprehensive income:										
Remeasurement of defined benefit plan							-13	-13		-13
Translation differences						-14		-14		-15
TOTAL COMPREHENSIVE INCOME						**-14**	**-4,514**	**-4,528**	**-1**	**-4,529**
Share issue			11,283					11,283		11,283
Reduction of other reserves					-3			-3		-3
TOTAL EQUITY Dec. 31, 2021	**21**	**100**	**64,370**	**-2,425**	**699**	**2,660**	**-60,787**	**4,617**	**-1**	**4,616**

	Note	Share capital	Reserve for invested unrestricted equity	Treasury shares	Other reserves	Translation differences	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
OMA PÄÄOMA 1.1.2020		**15,000**	**38,187**	**-2,427**	**702**	**2,663**	**-50,452**	**3,673**	**1**	**3,674**
Share capital reduction		-14,900	14,900							0
Own shares transferred without compensation				2			-2			0
Profit/loss for the period							-5,832	-5,832	-1	-5,833
Other comprehensive income:										
Remeasurement of defined benefit plan							13	13		13
Translation differences						11		11		11
TOTAL COMPREHENSIVE INCOME						**11**	**-5,821**	**-5,808**	**-1**	**-5,809**
TOTAL EQUITY Dec. 31, 2020	**21**	**100**	**53,087**	**-2,425**	**702**	**2,674**	**-56,273**	**-2,135**	**0**	**-2,135**

Notes to the consolidated financial statements

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

BASIC INFORMATION ON THE GROUP

The Group is an international Group developing and producing demanding power products. The Group's head office is based in Finland and the R&D functions are located in Finland and Italy. Sales and marketing operations are located in Europe and the United States. The production unit is located in Tunisia.

The Group's parent company is Enedo Plc. The parent company is domiciled in Vantaa with its registered office at Martinkyläntie 43, 01720 Vantaa, Finland. The parent company's share has been quoted on the Nasdaq Helsinki Stock Exchange since 1989. Copies of the consolidated financial statements are available online at www.enedopower.com or from the parent company.

The consolidated financial statements were authorized for issue by the Board of Directors of Enedo Plc on March 25, 2022. In accordance with the Finnish Companies Act, the shareholders can approve, amend or reject the financial statements in the Annual General Meeting held after the publishing of the financial statements.

GENERAL

The consolidated financial statements for the financial period from January 1, 2021 to December 31, 2021 are prepared in accordance with the International Financial Reporting Standards (IFRS) complying with the IAS and IFRS standards as well as the SIC and IFRIC interpretations in force on December 31, 2021. In the Finnish Accounting Act and other regulations issued pursuant to the Act, IFRSs refer to the standards and to their interpretations adopted in accordance with the procedures laid down in the EU regulation (EC) No 1606/2002. The notes to the consolidated financial statements are also prepared in accordance with the Finnish accounting and company legislation.

The consolidated financial statements are prepared under the historical cost convention except for financial assets and financial liabilities, which are recognized at fair value through profit or loss, derivative financial instruments and share-based payments measured at fair value at the grant date. Unless otherwise stated, all the figures in these financial statements are presented in thousands of euros.

The Group has introduced ESEF reporting by changing the calculation method of the financial statements tables for the 2021 and 2020 figures so that the sum of the figures rounded up in the tables gives the total of the table.

APPLICATION OF THE GOING CONCERN PRINCIPLE

In assessing the going concern principle, the management of the company has taken into account the working capital required for the implementation of the company's strategy and the related estimates, the available sources of financing and the risks and uncertainties related to the adequacy of financing. The management has used a 12-month cash flow forecast and sensitivity analysis in its assessment.

The realization of the company's cash flow plan for the next 12 months and thus ensuring the continuity of operations requires that the company's turnaround program decided in 2021 is implemented successfully and that the company is able to successfully carry out the deliveries based on the strong order book, which would lead to increased net sales and improved profitability in 2022.

At the end of the financial period, the Group had loans from financial institutions totaling EUR 7.8 million, of which EUR 6.1 million in repayments are due within the next 12 months. The company signed a new loan of EUR 5.0 million at the end of December 2021. Of this loan, EUR 3.5 million was drawn on December 31, 2021 and EUR 1.5 million was drawn during Febuary - March 2022. The maturity date of the loan is September 30, 2022. The company does not expect to be able to repay the loan with its cash flow from operations, but the company expects to be able to either renegotiate the terms of the loan or repay the loan by signing a new loan facility with another lender or arranging a share issue during the third quarter of 2022. According to the terms of the loan arrangement, Inission AB has guaranteed the repayment of the loan if none of the above three alternatives are implemented by September 30, 2022.

A significant part of the company's working capital financing comes from factoring, so the development of net sales and ability to deliver is significant to the company's cash flows. In addition, the development of sales margin has a significant impact on the cash flow from operating activities. If the turnaround program were to fail, the cash flow from operating activities would be significantly weaker than expected, which would weaken the company's financial position and increase the liquidity risk over the next 12 months.

The company aims to manage financial risks by actively planning and implementing operational and financing options.

Uncertainties about securing sufficient long-term funding, continuing shortage of components and its impact on business, and the successful completion of the turnaround program are some of the key uncertainties that may give rise to significant doubts about the entity's ability to continue as a going concern. However, due to the strong order book and the reduction in costs already decided as part of the turnaround program, the company considered it justified to prepare financial statements as a going concern.

NEW AND AMENDED STANDARDS APPLIED IN THE PAST FINANCIAL YEAR

Starting from the beginning of the financial year 2021, the Group has applied the following new and amended standards that have come into effect:

In April 2021, the International Financial Reporting Interpretations Committee (IFRIC) issued a final agenda decision on accounting for the configuration and customization costs of cloud computing (IAS 38 Intangible Assets). In the decision, IFRIC considered whether application configuration and customization is recognized as an intangible asset under IAS 38 and, if not recognized as an intangible asset, how those configuration and customization costs are to be recognized. The Group has re-evaluated the accounting method of the cloud-based ERP implementation costs based on the IFRIC agenda decision published in April 2021 and recognized the implementation costs as annual expenses.

Other new or amended standards or interpretations did not have a significant effect on the consolidated financial statements.

SUBSIDIARIES

The consolidated financial statements include the financial statements of the parent company Enedo Plc and its subsidiaries. Subsidiaries are companies in which the parent company holds, through direct or indirect shareholding, over 50 percent of the voting rights or in which it has the position to govern the financial and operating policies (control). Potential voting rights have been taken into account in assessment whether the control exists, when such instruments are exercisable at the balance sheet date. Mutual shareholdings are eliminated using the acquisition method. Subsidiaries are consolidated from the date when the Group acquired control commences and are included up to the date control ceases.

All intercompany transactions, receivables, liabilities, unrealized gains or losses on intercompany transactions and distribution of profits within the Group are eliminated in the consolidation process. Unrealized losses due to impairment are not eliminated. The distribution of profit or loss for the financial period to the shareholders of the parent company is disclosed in the statement of income.

ASSOCIATED COMPANIES

Associated companies, in which the Group holds, through direct or indirect shareholding, usually between 20 percent and 50 percent of the voting rights and in which it exercises significant influence but not control, are consolidated using the equity method. If the Group's share of the associated company's losses exceeds the acquisition cost of the company, the investment has no value in the balance sheet. No consideration is given to losses in excess of the acquisition amount unless the Group has other obligations relating to the associated company. Unrealized profits between the parent company and its associates are eliminated in proportion to the share ownership. The profit or loss for the associated companies in the Group is presented as a separate line below operating profit. The Group had no associated companies on the financial statements date on December 31, 2021 and December 31, 2020.

FOREIGN CURRENCY TRANSLATION

Figures for the performance and financial position of the Group entities are recorded at the currency that is the primary currency used in the primary operating environment of the entities (functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the parent company.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the respective functional currencies using the exchange rates at the date of the transaction. In practice, an exchange rate that approximates the rate at the date of the transaction is often used. Monetary foreign currency balances at the balance sheet date are translated into functional currency using the exchange rates prevailing at the balance sheet date. Non-monetary foreign currency item recognized at fair value are translated into functional currency using the exchange rates at the dates when the fair value was calculated. Otherwise non-monetary items are translated using the exchange rate at the transaction date. Gains and losses arising from foreign currency transactions and translation of monetary balances are recognized in profit or loss.

Exchange rate differences arising from the translation of balance sheet items in foreign currency and sales, purchases, expenses and financial items as well as from intra-group receivables and liabilities are recognized as exchange rate gains and losses in financial income and expenses. Exchange rate differences on used for hedging net positions in foreign currency are recognized as financial items. The Group had no currency derivatives on December 31, 2021.

TRANSLATION OF THE FINANCIAL STATEMENTS OF THE FOREIGN GROUP COMPANIES

The statements of income of the foreign group companies are translated into euro at the average exchange rate of the average rates of the European Central Bank for the calendar months in the financial period, while the balance sheets are translated at the exchange rates at the balance sheet date. The use of different exchange rates for translating the result for income statement and balance sheet results in translation differences, which are recognized in equity. Translation differences arising from the elimination of the cost of foreign subsidiaries and from the translation of the accumulated post-acquisition equity balances are recognized in equity. At disposal of a subsidiary, the relevant accumulated translation differences are transferred to profit or loss as part of the gain or loss on the sale. Translation differences due to consolidation are presented in equity as a separate item.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

At disposal of an item of the property, plant and equipment may consist of several parts with different useful lives that are in accounting treated as separate items. In such cases, replacement of such an item is capitalized and the carrying amount of the replaced parts is expensed. In other situations subsequent costs are recognized in the carrying amount of the property, plant and equipment only if it is probable that the future income of the item will profit the Group and the cost of the item can be determined reliably. Normal maintenance, repair and renewal costs are expensed as incurred. Land and water are not depreciated. Property, plant and equipment are depreciated on a straight-line basis over the estimated economic lives of the assets. The estimated useful lives are as follows:

Buildings and constructions	20–40 years
Machinery and equipment	3–10 years
Other tangible assets	5 years
Right-of-use assets	1–5 years

Other tangible assets include improvement expenditure in rental premises. The residual values and useful lives are reviewed at least annually at year-end and where they differ from previous estimates, depreciation periods are changed accordingly to reflect changes in the expectations of future economic lives.

Gains and losses on scrapping and disposal of property, plant and equipment is recorded in other operating income or expenses.

Depreciation ends when the item of property, plant or equipment is classified as a non-current asset held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

GOVERNMENT GRANTS

The recognition method for grants received from the Government or other entities subject to public law depends on the nature of the grant. Grants relating to expenses incurred are recognized as revenue in other operating income when the expenses occur. Such grants are presented in other operating income. Grants relating to the acquisition of property, plant and equipment are deducted from the cost of the asset. The latter grants are recognized as income through lower depreciation and amortization charges during the useful lives of the asset. Government grants are recognized when there is reasonable assurance that the grants are received and the Group company complies with the conditions associated with them.

INTANGIBLE ASSETS

Goodwill

Goodwill from the business combinations is the excess of the cost over the net identifiable assets, liabilities and contingent liabilities measured at fair value. Goodwill is not amortized, it is subject to an annual procedure of impairment testing. The testing is done or more frequent if there is an indication that it might be impaired. For this purpose goodwill is allocated to the cash generating unit (CGU) it relates to. An impairment loss is recognized in the consolidated income statement, if the impairment test shows that the carrying amount of the goodwill exceeds the estimated recoverable amount, and the carrying amount is reduced to the recoverable amount. Impairment losses on goodwill cannot be reversed.

Research and development costs

Research costs are recognized as an expense in profit or loss. Development expenditure arising from designing new or more advanced products are capitalized in the balance sheet as intangible assets from the moment the product is technically feasible, it can be applied commercially and it is expected to generate future economic benefits. Capitalized development costs comprise the material, labor and testing cost that are directly attributable to the process of completing the product for its intended use.

The Group's product development process proceeds gradually. The capitalization of development costs starts when the capitalization conditions in IAS 38 are met. An asset is amortized from the date it is available for use. An asset that is not yet available for use is tested annually for impairment. Capitalized development costs are recognized subsequently at cost less accumulated amortization and impairment. Capitalized development costs are amortized on a straight-line basis over their useful life of 5 years.

Intangible rights

The intangible rights include licenses for IT software.

Other intangible assets

Other intangible assets comprise the capitalized costs concerning IT projects. An intangible asset is initially stated at cost and only if the cost can be recorded reliably, and the expected future profits are probable.

Intangible assets are amortized on a straight-line basis over their expected useful lives. Intangible assets with indefinite useful lives are not amortized but tested annually for impairment.

Other intangible assets may also contain intangible assets acquired through business acquisitions such as intangible assets related to customer relations and product rights.

Amortization periods for the other intangible assets are as follows:

Customer relationships	5–7 years
Product rights	7 years
Development expenditure	5 years
Intangible rights	3–5 years
Intangible assets (financing)	5 years
Other intangible assets	3–10 years

DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

In the statement of comprehensive income, the discontinued operations, including the loss on disposal, are presented in a single line. The cash flow impact of the standard is presented in note 3. No depreciation or amortization is recognized on discontinued operations after their classification pursuant to the standard. The Group's general expenses are also not allocated to the discontinued operations after their classification.

INVENTORIES

Inventories are stated at the lower of historical cost or net realizable value. The cost of raw materials is calculated on the weighted average cost basis. The cost for finished goods and work in progress consists of raw materials, direct labor, other direct cost and an appropriate part of the variable and fixed production overhead based on the normal operating capacity. The net realizable value is the estimated sales price in the normal course of business less the cost of completion and realization. An allowance for excess inventory and obsolescence is recorded when the impairment occurs.

LEASES

For leases for right-of-use assets, the Group assesses whether the contract meets the criteria for a lease as defined in IFRS 16. Leases under IFRS 16 are defined as identifiable assets whose use the Group can control during a non-cancellable lease term in exchange for consideration. The standard provides two recognition exemptions concerning short-term leases and leases for which the underlying asset is of low value.

In assessing the lease term, the option to extend the lease or terminate the lease before the contractual expiration date are considered if exercising the said option is reasonably certain. Leases whose probable term is less than 12 months are classified as short-term leases and they are not recognized as fixed assets. Leases that do not have a binding contractual term and which provide the Group with the right to terminate the lease without the counterparty's consent with insignificant consequences are also classified as short-term leases.

In determining the value of a lease, the present value of the lease payments over the probable term of the lease is taken into consideration. When the implicit interest rate of the lease cannot be determined, the incremental borrowing rate is used. The estimates are company-specific and they are based on risk-free interest, expected inflation, estimated premium and country-specific risk. Leases for which the underlying asset is valued at EUR 5,000 or less are not recognized on the balance sheet.

The Group recognizes on the balance sheet both a right-of-use asset and a lease liability whose value corresponds to the present value of future lease payments. The right-of-use asset is depreciated and the lease liability amortized over the lease term. The values of the right-of-use asset and lease liability are adjusted if there is a change in the lease term or lease payments. The lease payments for short-term leases and leases for which the underlying asset is of low value are recognized through profit or loss. The Group does not act as a lessor.

IMPAIRMENT

Tangible and intangible assets

The carrying values of assets are tested annually at the balance sheet date to identify any impairment. If indications of impairment exist, the recoverable amount of the asset is estimated. Estimation is also made concerning the recoverable amount for the following assets at least annually irrespective of whether there are any indications of impairment: intangible assets with indefinite useful lives and capitalized development expenditure (unfinished intangible assets). The need for impairment is considered at the lowest unit level for which separately identifiable, mainly independent, cash inflows and outflows can be defined – the cash-generating unit level.

The recoverable amount of the asset is the disposal value less costs of disposal or the value in use, whichever is higher. The value in use represents the discounted future net cash flows expected to be derived from an asset or cash-generating unit. The discount rate is a pretax discount rate that is reflecting current market assessments and the risks specific to the asset.

Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment is recognized immediately in profit or loss. At recognition of the impairment the useful life of a depreciable or amortizable asset is reviewed. Impairment recognized on assets other than goodwill is reversed subsequently if there are changes in the estimates concerning the recoverable amount of the asset. The impairment to be reversed may not, however, exceed the carrying value the asset had before the recognition of the impairment.

EMPLOYEE BENEFITS

Pension loans

The Group has entered into several pension schemes in different countries according to local regulations and practices. The pension schemes are classified as defined contribution plans, with the exception of the Italian company. The Group pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further contributions if the payee of the contributions does not have sufficient assets to pay the pension benefits in question. Payments made into defined contribution pension plans are expensed in the period to which they apply.

Defined benefit obligations

As a result of the acquisition of the Group's Italian subsidiary, the Group also has a defined benefit obligation, which is due when the employment of the employees concerned ceases in the future. The related liability is recognized in the consolidated balance sheet. The valuation of this liability is based on actuarial calculations. The contributions to the fund are recognized as personnel expenses in the income statement and the interest cost as financial expense. Remeasurements of the fund are recognized in equity.

Share-based payments

Benefits paid as equity-based instruments are measured at fair value on the grant date and expensed on a straight-line basis over the vesting period with corresponding entries in retained earnings in equity.

The Group had no realized share-based incentive programs during the financial years 2021 and 2020.

FINANCIAL ASSETS AND LIABILITIES

The Group's financial assets are classified upon their initial acquisition on the basis of their intended use. Acquisitions and sales of financial assets are recognized at the trade date. In the case of financial assets not held at fair value through profit or loss, the transaction cost is included in the cost. The Group derecognizes financial assets when a financial asset no longer generates income or when all the risks and rewards of the item are transferred substantially to an external party.

Financial assets measured at fair value through profit or loss

In the Group, financial assets held for trading are classified into this category. Financial assets held for trading comprise quoted shares and funds acquired primarily for earning profit from short-term fluctuations in market prices. Derivative financial instruments that are neither financial guarantees contracts nor qualify for hedge accounting are classified as held for trading. Both realized and unrealized gains and losses arising from fluctuations in market value are recognized in profit or loss as incurred. Financial assets held for trading are included in current assets. The Group did not have such financial assets at December 31, 2021.

Financial assets measured at amortized cost

The Group applies the simplified approach provided by IFRS 9, according to which impairment is recognized at an amount equal to lifetime expected impairment.

The trade receivables and other receivables classified as financial assets measured at amortized cost are non-derivative assets for which the payments are fixed or measurable and which are not quoted in active markets and not held by the Group for trading. Trade receivables and other receivables are measured at amortized cost. They are included in current or non-current financial assets depending on their maturity. At each balance sheet date the Group reviews objective evidence for the need for impairment recognition regarding both individual receivables and groups of receivables. The unrecoverable amount is assessed primarily on the basis of the risk involved in each item. The amount of impairment is determined primarily based on the risks of individual receivables. Impairment losses are recognized as expenses in profit or loss. The Group uses a factoring arrangement concerning trade receivables. To the extent that the liquidity risk lies with the Group, the trade receivables are recognized in the balance sheet at their original invoicing value and stated less any credit losses. The assessment of the amount of unrecoverable receivables and any need for impairment is based on the risk involved in each item.

Trade receivables are recognized at their probable value at a maximum. An impairment loss on trade receivables is recognized if there is objective evidence that the Group will not recover the receivables on the original terms. The Group recognizes impairment from trade receivables when there is objective evidence that the receivable cannot be collected in full. Significant economic difficulties, probability of liquidation, default in payments or delays in payments over 90 days are evidence of impairment in trade receivables. The impairment loss is recognized in the income statement as amounting to the difference between the carrying amount of the receivable and the present value of the estimated future cash discounted at the effective interest rate. Credit losses recognized as an expense are included in other operating expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, call deposits and other highly liquid current investments convertible to known amounts of cash, without significant risk of changes in value. Items qualifying as cash and cash equivalents have initial maturities of three months or less. Bank overdrafts relating to the cash pool accounts in the Group are included in current liabilities.

Financial liabilities

The Group's financial liabilities are classified into the following categories: financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost. The first-mentioned category includes derivative financial liabilities and the latter includes loans from credit institutions. Financial liabilities are initially recognized at fair value. Transaction costs are included in the initial cost of the financial liabilities measured at amortized cost. Financial liabilities are included in both non-current and current liabilities and can be either interest-bearing or non-interest-bearing. Financial liabilities are classified as current if the Group does not have an unconditional right to defer the settlement of the liability for at least twelve months after the balance sheet date.

Both realized and unrealized exchange gains and losses are recognized in profit or loss in financial income and expenses as incurred. Financial costs concerning liabilities are expensed as incurred.

Derivative financial instruments

Derivative financial instruments are recognized both initially and subsequently at fair value. The company may use interest rate derivatives to hedge interest rate risk. According to its currency risk hedging principles, the group does not use derivatives for hedging cash flows against currency risk. All gains and losses, both realized and unrealized, arising from the fair value changes of derivatives are recognized in profit and loss as incurred regardless of the fact that the hedged item has not an effect on profit or loss until in the future period. Changes in the fair value are reported in financial items in the income statement. Derivatives used for hedging against exchange rate risks are recorded as current receivables or liabilities in the balance sheet.

TRADE PAYABLES

Trade payables are recognized at the initial invoiced amount, which reflects their fair value due to the short maturity of these payables.

PROVISIONS

Provisions are recognized in the balance sheet when the Group has, as a result of a past event, a present legal or constructive obligation and the settlement is expected to occur and the amount of the obligation can be estimated reliably. Provisions may relate to restructuring costs, onerous contracts, legal cases and warranty costs, among other costs. A reimbursement from a third party relating to a part of the provision is recognized as a separate asset only when the reimbursement is virtually certain.

A warranty provision is recognized when the underlying product is sold. The amount of the provision is based on historical warranty information. Warranty provisions are expected to be used within two years. A restructuring provision is recognized when the Group has drawn up a detailed restructuring plan and the implementation of the plan has started or the plan is announced. A provision for onerous contracts is recognized when the minimum costs for meeting the contract obligation exceeds the expected income from the contract.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are potential obligations arising from past events where the existence will be confirmed at the occurrence of an uncertain event uncontrolled by the Group. Contingent liabilities are also present obligations that due to past events even if a settlement will not probably be required, or the amount of the obligation cannot be estimated with sufficient certainty. Contingent liabilities are presented in the notes to the financial statements.

A contingent asset is a potential asset arising from past events where the existence of the asset will be confirmed at the occurrence of an uncertain uncontrolled by the Group. A contingent asset is presented in the notes to the financial statements if it is probable that the economic benefits associated with the asset will flow to the Group.

INCOME TAXES

Accrual-based taxes based on the taxable income are calculated in accordance with the local tax legislation and present tax rate in force for each company. Tax adjustments for prior years and changes in deferred taxes are recognized as income taxes in the consolidated income statement. Income tax relating to items charged or credited directly in equity is recognized in equity, respectively.

Deferred tax liabilities and assets are recognized due to the temporary differences between the carrying amounts in the balance sheet and tax bases of assets and liabilities of the Group companies and on the differences arising from Group eliminations. The tax rate used for determining the deferred tax liabilities and assets is the prevailing tax rate at the balance sheet date for the following year in the country in question.

The most significant part of the total deferred tax receivable in the Group consists of the tax losses in Group companies. No deferred taxes are recognized for the undistributed profits in the Group companies, as this will unlikely affect group accounts in the foreseeable future.

Deferred tax liabilities are recognized at the full amount. Deferred tax assets are recognized only to the extent they are estimated to generate taxable income in future periods, and can be utilized against the temporary difference.

PRINCIPLES FOR REVENUE RECOGNITION

Revenue from product sales is recognized when the control of the sold products is transferred to the buyer. This typically occurs when the significant risks and rewards of ownership are transferred to the buyer. Revenue is mainly recognized upon delivery in accordance with the terms of delivery of the products. Revenue from services is recognized in the financial period during which the services are rendered to the customer. Net sales is calculated by deducting from revenue discounts granted, indirect taxes and exchange rate differences from trade receivables.

The Group has applied IFRS 15 "Revenue from contracts with customers" effective from January 1, 2018. The Group's revenue from contracts with customers consists of the sale of goods and they does not include significant service sales. Accordingly, revenue from performance obligations is recognized at a point in time under the standard.

Interest income is recognized using the effective interest method and dividend income when the right to the dividend is established.

ITEMS AFFECTING COMPARABILITY

Items affecting comparability are highly infrequent and extraordinary income or expenses with a material effect on the financial statements. Revaluations and reassessments are not treated as items affecting comparability. Reassessments include, for example, changes in depreciation plans or principles.

OPERATING PROFIT

IAS 1 Presentation of Financial Statements does not define the concept of operating profit. The Group has defined it as follows: the operating profit is total net sales and other operating income deducted by expenses for materials and services adjusted by change in work in progress, manufacturing for own use, personnel costs, depreciation and amortization, impairment losses charges on non-current assets and other operating expenses. All other income statement items are presented under operating profit.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The Group's management makes decisions concerning the adoption and application of accounting principles. This concerns specially cases, where applicable IFRS standards allow alternative recognition, measurement or presentation. Decisions made by the management that relate to sufficiency of financing, deferred tax assets, impairment of capitalized development expenditure, impairment of the Group's goodwill and purchase price allocations, impairment of inventories and credit losses are based on generally applied models and case by case estimates. Historical information and present management views of the markets are used in the models. Assessments of individual events are based on the best available information when the financial statements are prepared.

Estimates made in the preparation of financial statements are based on the best view of the management at the balance sheet date and when authorizing the financial statements for issue. The estimates are based on experience and assumptions at the balance sheet date that relate to e.g. expected development of sales and cost levels in the Group's economic environment. The Group follows the actual outcome of estimates and assumptions as well as changes in factors on a regular basis together with the business using several internal and external information sources. Potential adjustments in estimates and assumptions are recognized during the period in which the estimate or assumption is adjusted as well as in the following periods.

The major judgments and estimates relating to the uncertainties at the balance sheet date and have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are presented below. The management of the Group has assessed that the following areas are most important concerning the accounting principles as the applicable accounting principles concerning these are the most complex and the application requires use of significant estimates and assessments, e.g. valuation of assets. Additionally, the effects of the estimates and assessments concerning these items are expected to be the most significant:

- adequacy of financing and assumption of ability to continue as a going concern
- probability of future taxable profits against which tax-deductible temporary differences can be utilized,
- measurement of capitalized development expenditure, goodwill and purchase price allocations,
- estimates of the future development of business and other issues related to impairment testing,
- net realizable value of inventories,
- fair value (collectable amount) of trade receivables.

COVID-19 and the resulting restrictions have an impact on the Group's business environment. The duration and impact of the epidemic cannot be foreseen, so its impact on profit, financial position and cash flows may differ from current estimates and assumptions made by the management.

The company has taken into account the effects of COVID-19 and the general component shortage on business in the short and medium term and the increased uncertainty as a whole in the impairment tests of the financial statements for 2021.

The realization of the company's cash flow plan for the next 12 months and thus ensuring the continuity of operations requires that the company's turnaround program decided in 2021 is implemented successfully and that the company is able to successfully deliver carry out the deliveries based on the strong order book, which would lead to increased net sales and improved profitability in 2022.

At the end of the financial period, the Group had loans from financial institutions totaling EUR 7.8 million, of which EUR 6.1 million in repayments are due within the next 12 months. The company signed a new loan of EUR 5.0 million at the end of December 2021. Of this loan, EUR 3.5 million was drawn on December 31, 2021. The maturity date of the loan is September 30, 2022. The company does not expect to be able to repay the loan with its cash flow from operations, but the company expects to be able to either renegotiate the terms of the loan or repay the loan by signing a new loan facility with another lender or arranging a share issue during the third quarter of 2022. According to the terms of the loan arrangement, Inission AB has guaranteed the repayment of the loan if none of the above three alternatives is implemented by September 30, 2022.

A significant part of the company's working capital financing comes from factoring, so the development of net sales and ability to deliver is significant to the company's cash flows. In addition, the development of sales margin has a significant impact on the cash flow from operating activities. If the turnaround program were to fail, the cash flow from operating activities would be significantly weaker than expected, which would weaken the company's financial position and increase the liquidity risk over the next 12 months.

The company aims to manage financial risks by actively planning and implementing operational and financing options.

Uncertainties about securing sufficient long-term funding, continuing shortage of components and its impact on business, and the successful completion of the turnaround program are some of the key uncertainties that may give rise to significant doubts about the entity's ability to continue as a going concern. However, due to the strong order book and the reduction in costs already decided as part of the turnaround program, the company considered it justified to prepare financial statements as a going concern.

ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS APPLICABLE IN FUTURE FINANCIAL YEARS

The Group will adopt new applicable standards as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

- 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 January 1, 2022). The amendments clarify when a provision for an onerous contract is recognized on the basis of inevitable costs that these costs include not only the additional direct costs but also the allocated share of other direct costs. The changes are not expected to have an impact on the consolidated financial statements.
- Reference to the Conceptual Framework – Amendments to IFRS 3 *Business Combinations* (effective for financial years beginning on or after January 1, 2022). The amendment updates the reference in IFRS 3 and includes amendments that avoid unintended consequences of updating the reference. The changes are not expected to have an impact on the consolidated financial statements.
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 *Presentation of Financial Statements* * (effective for financial years beginning on or after January 1, 2023, early application is permitted) The purpose of the amendments is to promote consistency in application and clarify the requirements on determining if a liability is current or non-current. The changes are not expected to have an impact on the consolidated financial statements.
- 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 January 1, 2023, early application is permitted) The amendments clarify the application of materiality to notes to accounting policies in order to assist companies in presenting useful accounting policies. The changes are not expected to have an impact on the consolidated financial statements.
- Definition of Accounting Estimates – Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors** (effective for financial years beginning on or after January 1, 2023, early application is permitted). The amendments clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The amendments focus mainly on the definition and clarification of accounting estimates. The changes are not expected to have an impact on the consolidated financial statements.
- 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 January 1, 2023). The amendments narrow down the initial recognition exception rule (IRE) and clarify that the exception rule is not applicable to events such as leases and winding-up obligations, which give rise to temporary differences of equal and opposite magnitudes. The changes are not expected to have an impact on the consolidated financial statements.

Other new or amended standards or interpretations will not have an impact on the consolidated financial statements.

1. SEGMENT INFORMATION (EUR 1,000)

The Group reports one business segment and, therefore, the business segment information below refers to the consolidated figures of whole Group. The products and services sold by the Group are based on a single technology platform. The President and CEO and the Executive Management Team are the highest operational decision-makers, who monitor the operating profit as a basis for profitability analysis and resource allocation in the Group.

The geographical areas are divided into four groups: The Americas (North, Central, and South America), EMEA (Europe, Middle East, and Africa), Finland and APAC (Asia and the Pacific Region). Assets and investments are reported according to the location of the items in question.

Geographical areas 2021	Americas	EMEA	Finland	APAC	Non-allocated	Group
Net sales	**7,442**	**19,255**	**4,609**	**5,136**	**0**	**36,442**
Assets	**106**	**20,431**	**10,990**	**66**	**0**	**31,593**

Geographical areas 2020	Americas	EMEA	Finland	APAC	Non-allocated	Group
Net sales	7,002	21,143	5,374	4,972	0	38,491
Assets	311	18,336	10,437	69	0	29,153

In 2021, approximately 25% (21%) of net sales in the Group consisted of income from the two largest customers: from customer A, EUR 5,135 (4,395) thousand and, from customer B, EUR 3,960 (3,748) thousand, totaling EUR 9,095 (8,143) thousand.

Net sales for the financial year consist of sales of goods in the amount of EUR 36,244 (38,330) thousand and sales of services totaling EUR 198 (161) thousand.

2. BUSINESS COMBINATION (EUR 1,000)

No new businesses were acquired during the financial year.

3. DISCONTINUED OPERATIONS (EUR 1,000

In the financial year 2021, the Group did not have discontinued operations. On the income statement, the discontinued operations, including the loss on disposal, are presented in a single line. No depreciation or amortization is recognized on discontinued operations after their classification pursuant to the standard. The Group's general expenses are also not allocated to the discontinued operations after their classification.

In the financial year 2019, the Group's discontinued operations were comprised of the Telecom business classified as a discontinued operation according to IFRS 5. The transaction was closed on November 28, 2019. The result of EUR 350 thousand of discontinued operations generated in the financial year 2020 consists of the escrow release related to the divestment, the costs of the divestment and the dissolution of the complaint provision.

The table below illustrates the key figures for discontinued operations for the financial year 2021 and the comparison period in 2020 as well as the impact of the discontinued operations on the Group's cash flow.

	2021	2020
Discontinued operations:		
Adjustment to the loss on the disposal of shares		350
Profit/loss before taxes		350
Tax on income from operations		
Profit/loss of discontinued operations		350

	2021	2020
Discontinued operations		
Cash flow from operating activities		
Cash flows from investing activities		350
Cash flows from financing activities		
Total cash flow		350

4. OTHER OPERATING INCOME (EUR 1,000)

	2021	2020
Grants for product development	**130**	105
Other income	**186**	256
Total	**316**	361

5. MATERIALS AND SERVICES (EUR 1,000)

	2021	2020
Materials	**25,982**	24,323
Change in inventories	**-3,143**	315
Services	**1,430**	815
Total	**24,269**	25,453

6. PERSONNEL EXPENSES (EUR 1,000)

	2021	2020
Salaries and wages *)	**8,547**	6,951
Pension expenses, defined contribution plans	**2,075**	1,917
Pension expenses, defined benefit obligations (TFR in Italy)	**178**	54
Other social security expenses	**118**	165
Total	**10,918**	9,087

*) Information on management compensation, other employment benefits and shareholdings is provided in Note 32. Related party transactions.

Personnel	2021	2020
Average number of personnel during fiscal year	**350**	371
Average number of personnel at the end of year	**330**	354

The number of own personnel includes temporary personnel.

7. DEPRECIATION, AMORTIZATION AND IMPAIRMENTS (EUR 1,000)

	2021	2020
Depreciation and amortization by asset class		
Development costs	**1,460**	1,559
Intangible rights	**3**	157
Other intangible assets	**347**	374
Machinery and equipment	**707**	697
Intangible assets/right-of-use assets	**504**	480
Other tangible assets	**37**	40
Total	**3,058**	3,307
Impairment on development costs	**403**	171

8. OTHER OPERATING EXPENSES (EUR 1,000)

	2021	2020
Rental costs	**208**	200
Non-statutory employee benefits	**87**	70
Administrative costs	**943**	835
Professional services	**241**	574
Usage and maintenance	**507**	561
Travel expenses	**53**	153
Changes in provisions	**-55**	-163
Entertainment expenses	**10**	10
Insurance expenses	**192**	171
Marketing expenses	**249**	297
Car expenses	**19**	35
Other fixed expenses	**1,320**	1,345
Audit fees	**235**	128
Credit losses	**0**	124
Sales services	**279**	416
Loss on sales of shares in subsidiaries	**283**	0
Losses on sales of fixed assets	**7**	12
Total	**4,578**	4,768

Audit fees:	2021	2020
KPMG Oy Ab		
Audit	**110**	78
Tax services	**8**	8
Other services	**71**	0
Total	**189**	86
KPMG outside Finland		
Audit	**35**	34
Tax services	**3**	3
Other services	**2**	2
Total	**40**	39
OTHER AUTHORIZED AUDIT FIRMS		
Audit	**6**	4
Tax services	**0**	0
Other services	**0**	0
Total	**6**	4
TOTAL		
Audit	**151**	115
Tax services	**11**	11
Other services	**73**	2
Total	**235**	128

9. FINANCIAL INCOME (EUR 1,000)

	2021	2020
Interest income from loans and other receivables	**1**	2
Exchange rate gains from loans and other receivables	**348**	578
Annulment of debt	**3,339**	
Other financial income	**14**	112
Total	**3,702**	692

10. FINANCIAL EXPENSES (EUR 1,000)

	2021	2020
Interest expenses for financial liabilities measured at amortized cost	**518**	813
Interest expenses for lease liabilities	**43**	55
Exchange rate losses	**490**	526
Other financial expenses	**590**	415
Total	**1,641**	1,809

11. EXCHANGE RATE DIFFERENCES (EUR 1,000)

		2021	2020
Itemization of net exchange rate gains (+) and losses (-) according to financial statement items			
Total	Gains	**348**	578
	Losses	**-490**	-526
	Net	**-142**	52
Sales	Gains	**133**	70
	Losses	**-53**	-178
	Net	**80**	-108
Purchases	Gains	**69**	123
	Losses	**-284**	-38
	Net	**-215**	85
Financial items	Gains	**106**	314
	Losses	**-142**	-200
	Net	**-36**	114
Intra-group receivables and liabilities	Gains	**40**	71
	Losses	**-11**	-110
	Net	**29**	-39

12. INCOME TAXES (EUR 1,000)

	2021	2020
Income taxes in statement of income		
Income tax for fiscal year	**-38**	-39
Deferred taxes	**120**	-757
Total	**82**	-796
The differences between income tax expense calculated at the Finnish tax rate in the parent company and tax expense in the income statement are:		
Profit/loss before taxes	**-4,583**	-5,038
Taxes calculated at tax rate of the parent company (20.0%)	**917**	1,007
Difference due to other tax rates in subsidiaries	**427**	298
Non-deductible expenses	**-58**	-276
Change in deferred tax assets from losses in prior periods	**0**	-847
Income taxes from prior periods	**55**	0
Use of previously unrecognized tax losses	**0**	7
Unrecognized deferred tax assets from tax losses	**-1,248**	-985
Other items	**-11**	0
Tax expense in statement of income	**82**	-796

13. EARNINGS PER SHARE (EUR 1,000)

	2021	2020
Result for the financial year attributable to shareholders of the parent company	**-4,501**	-5,832
Weighted average number of shares (in thousands) *	**53,637**	19,648
Effect of adjustment for potential shares in the share-based incentive plans		
Weighted average number of diluted shares*	**53,637**	19,648
Earnings per share: Continuing operations		
Earnings per share, undiluted, EUR	**-0.08**	-0.31
Earnings per share, diluted, EUR	**-0.08**	-0.31
Earnings per share: Discontinued operations		
Earnings per share, undiluted, EUR	**0.00**	0.02
Earnings per share, diluted, EUR	**0.00**	0.02
Earnings per share, EUR: Group total		
Earnings per share, undiluted, EUR	**-0.08**	-0.30
Earnings per share, diluted, EUR	**-0.08**	-0.30

UNDILUTED

Diluted earnings per share are calculated by dividing the profit or loss attributable to the shareholders of the parent company by the average number of shares during the fiscal year.

DILUTED

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential shares. These payments are treated as share options in the calculation for diluted earnings per share even though they remain contingent. Options have a diluting effect, as the exercise price is lower than the market value of the company share. Not yet recognized option expenses are accounted for in the exercise price.

* The number of outstanding shares has been adjusted to correspond to the number of shares after the share issue of 2021.

14. INTANGIBLE ASSETS (EUR 1,000)

Intangible assets 2021	Development costs	Intangible rights	Other intangible assets	Advance payments for intangible assets	Goodwill	Total
Cost Jan. 1, 2021	15,404	3,179	4,638	74	4,276	27,571
Translation differences			1			1
Additions	1,137		14			1,151
Divestments	-1,077	-292	-1	-74		-1,444
Cost Dec. 31, 2021	15,464	2,887	4,652	0	4,276	27,279
Accumulated amortization and impairment Jan. 1, 2021	-10,465	-3,171	-3,669		-1	-17,306
Translation differences			-1			-1
Accumulated amortization on disposals and reclassifica-tions	1,077	294	-1			1,370
Depreciation and amortization	-1,460	-3	-347			-1,810
Impairment	-403					-403
Accumulated amortization and impairment Dec. 31, 2021	-11,251	-2,880	-4,018		-1	-18,150
Carrying amount Jan. 1, 2021	4,939	8	969	74	4,275	10,265
Carrying amount Dec. 31, 2021	4,213	7	634	0	4,275	9,129

Intangible assets 2020	Development costs	Intangible rights	Other intangible assets	Advance payments for intangible assets	Goodwill	Total
Cost Jan. 1, 2020	14,735	3,180	4,653	102	4,276	26,946
Translation differences			-1			-1
Additions	1,268		12	74		1,354
Divestments	-599	-1	-26	-102		-728
Cost Dec. 31, 2020	15,404	3,179	4,638	74	4,276	27,571
Accumulated amortization and impairment Jan. 1, 2020	-9,334	-3,015	-3,322		-1	-15,672
Translation differences			1			1
Accumulated amortization on disposals and reclassifica-tions	599	1	26			626
Depreciation and amortization	-1,559	-157	-374			-2,090
Impairment	-171					-171
Accumulated amortization and impairment Dec. 31, 2020	-10,465	-3,171	-3,669		-1	-17,306
Carrying amount Jan. 1, 2020	5,401	165	1,331	102	4,275	11,274
Carrying amount Dec. 31, 2020	4,939	8	969	74	4,275	10,265

DEVELOPMENT COSTS

During 2021, development expenses have been impaired by EUR 403 (171) thousand mainly due to weaker than expected demand.

On December 31, 2021, the carrying amount of unfinished development expenditure was EUR 1,042 (485) thousand. Development costs are tested for impairment annually. The test is a comparison between the carrying amount of the development cost and the recoverable amount, which is defined as the present value of the future cash flows expected to be derived from the asset.

GOODWILL IMPAIRMENT TESTING

For impairment testing, goodwill of EUR 4,275 thousand is allocated to the cash-generating units, namely the sub-groups of Enedo SpA and Enedo Holding Oy. In impairment testing, the recoverable amount of the unit is the value in use. Cash flow forecasts are based on five-year plans approved by the management.

IMPAIRMENT TESTING

Impairment testing at 31 December 2021 did not show impairment of intangible assets related to goodwill or acquisitions. On the basis of the measurement, the deferred tax asset relating to the losses of the Italian subsidiary will remain at the same value as in the financial statements for 2020.

Based on the testing of capitalized development expenditure for impairment, the company recognized a write-down of EUR 0.2 million in the second half of 2021, in addition to the EUR 0.2 million write-down in the first half of 2021. The main reason for the impairment of development expenditure is changes in the volume of the Italian subsidiary's customers.

Key assumptions of the sensitivity analyses

The Group has two cash-generating units, Enedo Spa and Enedo Finland. The company-specific discount rate used in the test is determined by means of weighted average cost of capital (WACC). The discount rate used for Enedo SpA is 14.49% (14.93%), the discount rate used for Enedo Finland is 11.51% (11.09%), the discount rates are pre-tax. Enedo SpA's long-term growth factor is 1.5% (0.9%) and Enedo Finland's 1.3% (1.4%).

According to the sensitivity analysis, the present value of discounted cash flow would equal the carrying amount of the tested assets if EBITDA was 26% (12%) lower for Enedo SpA and 54% (48%) lower for Enedo Finland during the years 2022–2026, or if the discount rate was 9.64% (8.96%) higher for Enedo SpA and 15.87% (11.78%) higher for Enedo Finland. From the tested cash generating units, Enedo Spa is more sensitive to changes in profitability.

Based on the impairment testing, Enedo SpA's value in use exceeds the tested book value of EUR 8.4 million by 103% (42%) and Enedo Finland's value in use exceeds the tested book value of EUR 5.0 million by 181% (127%).

15. TANGIBLE ASSETS (EUR 1,000)

Tangible assets 2021	Buildings and structures	Buildings and structures, right-of-use assets	Machinery and equipment	Machinery and equipment, right-of-use assets	Other tangible assets	Advance payments and work in progress	Total
Cost Jan. 1, 2021	25	1,334	15,321	636	1,112	85	18,513
Translation differences		8	30		30		68
Additions		129	892	76	29	7	1,133
Divestments			-153		-23		-176
Reclassifications			89			-89	0
Cost Dec. 31, 2021	25	1,471	16,179	712	1,148	3	19,538
Accumulated amortization and impairment Jan. 1, 2021	-6	-633	-13,120	-289	-968		-15,016
Translation differences		-5	-29		-30		-64
Accumulated amortization on disposals and reclassifications			131		23		154
Depreciation and amortization	-3	-327	-707	-177	-34		-1,248
Accumulated amortization and impairment Dec. 31, 2021	-9	-965	-13,725	-466	-1,009		-16,174
Carrying amount Jan. 1, 2021	19	701	2,201	347	144	85	3,497
Carrying amount Dec. 31, 2021	16	506	2,454	246	139	3	3,364

Tangible assets 2020	Buildings and structures	Buildings and structures, right-of-use assets	Machinery and equipment	Machinery and equipment, right-of-use assets	Other tangible assets	Advance payments and work in progress	Total
Cost Jan. 1, 2020	25	1,330	14,960	1,127	1,119	21	18,582
Translation differences		-9	-6		-12		-27
Additions		201	543	289	9	72	1,114
Divestments		-188	-176	-780	-4	-8	-1,156
Cost Dec. 31, 2020	25	1,334	15,321	636	1,112	85	18,513
Accumulated amortization and impairment Jan. 1, 2020	-3	-482	-12,519	-911	-949		-14,864
Translation differences		3	6		12		21
Accumulated amortization on disposals and reclassifications		168	90	780	6		1,044
Depreciation and amortization	-3	-322	-697	-158	-37		-1,217
Accumulated amortization and impairment Dec. 31, 2020	-6	-633	-13,120	-289	-968		-15,016
Carrying amount Jan. 1, 2020	22	848	2,441	216	170	21	3,718
Carrying amount Dec. 31, 2020	19	701	2,201	347	144	85	3,497

16. OTHER FINANCIAL ASSETS (EUR 1,000)

	Investments held to maturity	Non-current other receivables	Non-current loan receivables	Total
Cost Jan. 1, 2021	**5**	**-1**	**-1**	**4**
Translation differences	**0**	**2**	**2**	**2**
Cost Dec. 31, 2021	**5**	**1**	**1**	**6**
Carrying amount Jan. 1, 2021	**5**	**-1**	**-1**	**4**
Carrying amount Dec. 31, 2021	**5**	**1**	**1**	**6**

	Investments held to maturity	Non-current other receivables	Non-current loan receivables	Total
Cost Jan. 1, 2020	5	1	1	6
Translation differences	0	-2	-2	-2
Cost Dec. 31, 2020	5	-1	-1	4
Carrying amount Jan. 1, 2020	5	1	1	6
Carrying amount Dec. 31, 2020	5	-1	-1	4

17. DEFERRED TAX ASSETS AND LIABILITIES (EUR 1,000)

	Jan 1, 2021	Translation differences +/-	Changes through income statement	Recorded directly into equity	Other movements	Changes through business arrangements	Dec. 31, 2021
Deferred tax assets:							
Unused tax losses	**1,544**	**0**	**0**	**0**	**0**	**0**	**1,544**
Total	**1,544**	**0**	**0**	**0**	**0**	**0**	**1,544**
Deferred tax liabilities:							
Fair value evaluation of intangible assets in business combinations	**179**	**0**	**-120**	**0**	**0**	**0**	**59**
Total	**179**	**0**	**-120**	**0**	**0**	**0**	**59**

	Jan 1, 2020	Translation differences +/-	Changes through income statement	Recorded directly into equity	Other movements	Changes through business arrangements	Dec. 31, 2020
Deferred tax assets:							
Unused tax losses	2,391	0	-847	0	0	0	1,544
Total	2,391	0	-847	0	0	0	1,544
Deferred tax liabilities:							
Fair value evaluation of intangible assets in business combinations	270	0	-91	0	0	0	179
Total	270	0	-91	0	0	0	179

The Group companies in Finland, Italy, Tunisia, and the United States had tax losses totaling EUR 46.4 million (EUR 42.6 million) on December 31, 2021. A deferred tax asset was not recognized on these losses as their use is uncertain in the foreseeable future. Of the unrecognized deferred tax assets, EUR 4.9 million is allocated to the losses of Finnish companies, EUR 3.3 million to the companies in the United States, EUR 0.3 million to the Tunisian company and EUR 2.8 million to the losses of the Italian company. The losses will expire in the years 2022–2041.

A deferred tax liability on the undistributed earnings in the subsidiaries has not been recorded in the consolidated accounts as the tax is not expected to be realized in the foreseeable future.

In 2021, the parent company had deferred depreciation amounting to EUR 7.9 million (EUR 7.9 million) and Enedo Finland Oy for EUR 0.3 million (EUR 0.0 million) for which no deferred tax asset has been recognized. No deferred tax assets have been recognized for the unused tax depreciation.

18. INVENTORIES (EUR 1,000)

	2021	2020
Materials and supplies	6,473	3,330
Work in progress	1,159	606
Finished goods	1,730	2,650
Total	9,362	6,586

During the financial year, write-downs of inventory in order to decrease the value from historical to the lower net realizable value totaled EUR 0.1 million (EUR 0.0 million).

19. TRADE RECEIVABLES AND OTHER RECEIVABLES (EUR 1,000)

	2021	2020
Non-current:		
Non-current other receivables	259	259
Total	259	259
Current:		
Trade receivables	4,910	5,552
Credit loss provision	-521	-458
Other current receivables	537	476
Prepayments and accrued income	176	184
Total	5,102	5,754
Trade receivables and other receivables total:	5,361	6,013

The book values of trade receivables does not significantly differ from their fair value.

During the financial year, the Group recognized realized credit losses of EUR 0 thousand (EUR 124 thousand), released credit loss provisions of EUR 0 thousand (EUR 144 thousand) and recognized an impairment of EUR 63 thousand (EUR 3 thousand) on trade receivables.

The IFRS 9 impairment model is based on the expected credit losses. The Group has defined a model to recognize credit losses based on due dates of trade receivables and the management's consideration. A credit loss allowance has been made on a case-by-case basis on receivables that are substantially overdue. This has historically proven to provide a good view of expected credit losses. However, the management applies judgment in applying the recognition model.

	2021	2020
Credit loss provision Jan. 1	458	599
Additions	63	3
Deductions	0	-144
Credit loss provision Dec. 31	521	458
Analysis of trade receivables past due:		
Neither past due nor impaired	3,575	3,743
Due not more than 30 days	429	904
Due 31 to 60 days	36	95
Due 61 to 90 days	81	5
Due 91 to 120 days	0	2
Due more than 120 days	789	803
Total	4,910	5,552
Trade and other receivables by currency:		
EUR	3,813	5,172
RMB	35	32
USD	1,457	736
Other currencies	56	73
Total	5,361	6,013
Material items in prepayments and accrued income:		
Prepaid expenses	155	19
Other items	21	165
Total	176	184

20. CASH AND CASH EQUIVALENTS (EUR 1,000)

	2021	2020
Cash and cash equivalents	2,721	1,136

Change of cash and non-cash borrowings borne in financing activities.

				Non-cash changes			
	2020	Cash flows	Classification	Acquisition of subsidiary	Exchange rate changes	Fair value changes	2021
Non-current liabilities	9,236	-1,044	-2,542			-3,339	**2,311**
Non-current lease liabilities	605	-301					**304**
Current liabilities	7,596	-2,527	2,542				**7,611**
Current lease liabilities	485	1					**486**
Current derivatives	18					-13	**5**
Financial liabilities total	17,940	-3,871	0	0	0	-3,352	**10,717**

				Non-cash changes			
	2019	Cash flows	Classification	Acquisition of subsidiary	Exchange rate changes	Fair value changes	2020
Non-current liabilities	5,804	3521	-89				**9,236**
Non-current lease liabilities	663		-58				**605**
Current liabilities	6,748	659	89	100			**7,596**
Current lease liabilities	427		58				**485**
Current derivatives						18	**18**
Financial liabilities total	13,642	4,180	0	100	0	18	**17,940**

21. SHARE CAPITAL (EUR 1,000)

	Number of shares	Share capital	Treasury shares	Reserve for invested unrestricted equity	Total
Shares outstanding as of January 1, 2021	**8,363,486**	**100**	**-2,425**	**53,087**	**50,762**
Shares outstanding as of December 31, 2021	**68,453,944**	**100**	**-2,425**	**64,370**	**62,045**
Total number of shares December 31, 2021	**68,523,193**				
Own shares held by the group as of December 31, 2021	**69,249**				
Shares outstanding as of January 1, 2020	418,130,168	15,000	-2,427	38,187	50,760
Shares outstanding as of December 31, 2020	8,363,486	100	-2,425	53,087	50,762
Total number of shares as of December 31, 2020	8,432,735				
Own shares held by the group as of December 31, 2020	69,249				

On December 31, 2021, the number of shares in the parent company was 68,523,193 and the total share capital was EUR 100,000. During the financial year, the company organized a rights issue and directed share issue during the first half of the financial year and the number of shares added was registered in the Trade Register on April 9, 2021.

The Articles of Association do not state the maximum amount of shares or share capital. The issued shares have all been fully paid. The shares have no nominal value. The company has one type of shares. The voting right for each share is one vote per share.

DESCRIPTION OF THE RESERVES WITHIN EQUITY:

OTHER RESERVES

Reserve for invested unrestricted equity

The total value EUR 1,400,000 of the new shares issued in the directed share issue by the parent company was recognized in the reserve for invested unrestricted equity. On February 9th, 2010 the Annual General Meeting decided to decrease the share capital by EUR 19,450,000.00. The decreased amount was transferred to the reserve for unrestricted equity. The sales of own shares in the parent company amounting to EUR 14,547.36 was entered in the reserve for unrestricted equity (year 2010). Pursuant to a decision by the Annual General Meeting on February 9, 2012, a total of EUR 2,097,097.75 was distributed from the reserve for invested unrestricted equity during that financial year. The distribution of assets amounted to EUR 0.05 per share. In the financial year 2013, a share issue of EUR 9,399,999.82 was recognized in the reserve for invested unrestricted equity. Transaction costs related to the share issue were recognized in the reserve for invested unrestricted equity in the amount of EUR -195,887.94. In financial year 2018, a share issue of EUR 10,975,916.91 has been recorded to unrestricted equity. In addition, transaction costs of EUR -760,201.84 were recognized in the reserve for invested unrestricted equity. On February 25, 2020, the Annual General Meeting decided to decrease the share capital by EUR 14,900,000.00. The decreased amount was transferred to the reserve for unrestricted equity. In the financial year 2021, a share issue of EUR 12,018,091.60 was recognized in the reserve for invested unrestricted equity. In addition, transaction costs of EUR -735,216.60 were recognized in the reserve for invested unrestricted equity.

Other reserves

Other reserves include amounts included in the restricted equity of consolidated subsidiaries.

Treasury shares

The reserve for own shares consists of the cost of own shares. On December 31, 2021, Group held 69,249 shares in the parent company. The acquisition cost for the shares was EUR 2,424.749.68, and this amount is reported as a reduction in the equity of the Group. The company's shares are recognized in the balance sheet as acquisition of own shares.

Translation differences

The translation reserve contains translation adjustments arising from the translation of the financial statements of foreign operations.

Dividends

No dividend was distributed for the fiscal period.

22. INTEREST-BEARING LIABILITIES (EUR 1,000)

	2021	2020
Non-current		
Loans from financial institutions	**2,262**	9,236
Lease liabilities	**304**	605
Other liabilities	**49**	0
Total	**2,615**	9,841
Current		
Lease liabilities	**486**	485
Fair value of derivatives	**5**	18
Other liabilities	**71**	0
Loans from financial institutions	**6,410**	2,358
Working capital financing and overdraft facilities	**1,130**	5,238
Total	**8,102**	8,099
Interest-bearing liabilities total	**10,717**	17,940

The interest-bearing liabilities are valued at initial value less installments, and the values do not differ materially from the fair values. Factors concerning the uncertainty of financing are disclosed in Note 27, including the presentation of the maturities of financial liabilities.

23. LEASES (EUR 1,000)

Right-of-use assets 2021:	Buildings and structures	Machinery, equipment and vehicles	Total
Carrying amount Jan. 1, 2021	**701**	**347**	**1,048**
Additions	**129**	**76**	**205**
Translation differences	**3**		**3**
Depreciation for the period	**-327**	**-177**	**-504**
Carrying amount Dec. 31, 2021	**506**	**246**	**752**

Right-of-use assets 2020:	Buildings and structures	Machinery, equipment and vehicles	Total
Carrying amount Jan. 1, 2020	848	216	1,064
Additions	201	289	490
Divestments	-20	0	-20
Translation differences	-6	0	-6
Depreciation for the period	-322	-158	-480
Carrying amount Dec. 31, 2020	701	347	1,048

Lease liabilities Dec. 31	2021	2020
Less than 1 year	**304**	485
1–5 years	**486**	605
More than 5 years		0
Total	**790**	1,090

Leases on income statement:	2021	2020
Depreciation of right-of-use assets	**-504**	-480
Short-term leases and leases of low value	**-208**	-200
Interest expenses for lease liabilities	**-43**	-55
Total	**-755**	-735

24. TRADE PAYABLES AND OTHER LIABILITIES (EUR 1,000)

	2021	2020
Non-current		
Trade payables	**83**	42
Other non-current liabilities	**183**	0
Total	**266**	42
Current		
Advances received	**624**	118
Trade payables	**10,484**	8,809
Other current liabilities	**795**	1,038
Accruals and deferred income	**2,456**	1,339
Total	**14,359**	11,304
Trade payables and other liabilities total:	**14,625**	11,346

The book values of trade payables do not differ materially from their fair value.

Material items included in accruals and deferred income	**2021**	**2020**
Accrued personnel expenses	**2,276**	1,048
Current interest payable	**63**	100
Other items	**117**	191
Total	**2,456**	1,339

25. PENSION OBLIGATIONS (EUR 1,000)

The Group has a post-employment defined benefit obligation in Italy, where IAS standard 19 is applicable. The Italian legislation provides that, at employment contract termination, each employee receives a severance indemnity (Trattamento Fine Rapporto, TRF), which is paid from a fund held in the company or held in an external institution. The amount of each annual contribution equals approximately 6.9% of the gross annual salary which is accrued monthly to the personnel expenses. The contributions to the fund are recognized as personnel expenses in the income statement and the interest from the fund as financial items. The remeasurement of the fund is recognized in equity. The liability represents the accumulated benefit payment obligation at employment contract termination. The value of this liability is a fair value index-adjusted annually. This value is based on actuarial calculations taking into account demographic assumptions in the future concerning current and future employees and financial assumptions based on market expectations.

	2021	2020
Pension obligations on Jan. 1	**1,211**	1,271
Changes recognized in income statement		
Interest expense	**5**	6
Benefits paid	**-177**	-54
Remeasurements recognized in equity:		
Actuarial gains (+)/ losses (-) based on experience	**-32**	0
Actuarial gains (+)/ losses (-) based on changes in financial assumptions	**13**	-12
Pension obligations on Dec. 31	**1,020**	1,211

	2021	2020
The benefits expected to be paid to post-employment benefit plans in the next financial year (year 1) are as follows:	**355**	133
During years 2–5 the annual estimated benefits to be paid are, on average:	**47**	51

Actuarial assumptions	**2021**	**2020**
Discount rate	**0.29 %**	0.44%
Salary rate	**1.75%**	1.20%
Pension rate	**2.81%**	2.40%

The following table is a sensitivity analysis for the actuarial assumptions, showing the estimated value of the obligation if the actuarial assumptions change:

	2021		**2020**	
	Change +0.25%	**Change -0.25%**	**Change +0.25%**	**Change -0.25%**
Discount rate	**1,005**	**1,035**	1,183	1,238
Salary rate	**1,029**	**1,010**	1,228	1,194
	Change +1%	**Change -1%**	**Change +1%**	**Change -1%**
Pension rate	**1,013**	**1,027**	1,200	1,222

26. PROVISIONS (EUR 1,000)

	2021	**2020**
Non-current provisions		
Warranty provision Jan. 1	**75**	136
Provisions used	**-40**	-61
Warranty provision Dec. 31	**35**	75
Other provisions Jan. 1	**124**	75
Additions	**0**	49
Provisions used	**-70**	0
Other provisions Dec. 31	**54**	124
Non-current provisions total	**89**	199
Current provisions		
Warranty provision Jan. 1	**153**	166
Provisions used	**-15**	-13
Warranty provision Dec. 31	**138**	153
Current provisions total	**138**	153
Provisions total Dec. 31	**227**	352

The products sold by the company typically have a warranty of 12–24 months. The corresponding anticipated warranty costs related to delivered products are recognized in the warranty reserve. Realized warranty costs are recognized in the income statement in the financial year in which they arise.

27. FINANCIAL RISK MANAGEMENT

The principles and objectives of the Group's financial risk management are determined in the financing risk policy, which is updated when necessary, and approved by the Board of Directors. The financial risk management aims at avoiding risks and providing cost-effective arrangements for protecting the Group from factors that may affect its performance and cash flows in a negative way. Financial risks are managed by foreign exchange and interest rate hedging using only financial instruments with a market value and risk profile that can be reliably monitored. Approximately 21% of the Group's net sales comes from the two largest customers. Key customers are included in a factoring facility.

The maturity analysis of trade receivables and currency exposure of trade and other receivables are presented in note 19. Trade receivables and other receivables.

FOREIGN EXCHANGE RISK

Foreign exchange risks refer to the risks caused by changes in foreign exchange rates, which can affect business performance or Group solvency. Most of the Group's sales are denominated in EUR and USD. The operating expenses are generated in EUR, USD and TND.

In 2021, the primary hedging method was to match foreign currency income and expense flows. According to its currency risk hedging principles, the group does not use derivatives for hedging cash flows against currency risk.

In the financial statements, the equity of foreign subsidiaries is translated at the European Central Bank's closing rate on the balance sheet date. Exchange rate differences are presented in the consolidated financial statements as translation differences. The net investments in foreign operations have not been hedged. The equity of the subsidiaries is not hedged.

INTEREST RATE RISK

Interest rate risks are caused by fluctuations in interest rates affecting the income, loan portfolio and cash reserves in the Group. Interest rate risks are also dependent on whether financing is made by fixed rate or variable rate agreements. Interest rate risks are managed by making correct decisions concerning the interest periods of the liabilities and by using different types of derivative financial instruments to hedge interest rate risks. On the balance sheet date, the Group had an interest rate hedge in a loan of the Italian subsidiary.

LIQUIDITY RISK

According to the financing policy, the parent company is responsible for the Group's liquidity risk management, funding and efficient cash management. Liquidity risk is managed by maintaining a balanced distribution of loan maturities, adequate cash assets, the partial sale of trade receivables and the use of credit limits.

The net interest-bearing liabilities were EUR 8.0 million (EUR 16.8 million) at the end of the financial year. The net financial liabilities include EUR 0.8 million (EUR 1.1 million) of lease liabilities pursuant to IFRS 16. Cash flow from operating activities in July–December was EUR -1.5 million (EUR -0.4 million) and in the entire financial year EUR -3.3 million (EUR -2.3 million). In addition to operating losses, the negative cash flow from operating activities was due to an increase in working capital requirements while sales volumes remained low. Cash flow for the financial year after investments was EUR -5.8 million (EUR -3.7 million). The Group's equity ratio at the end of the financial year was 14.9% (-7.4%) and the balance sheet total was EUR 31.6 million (EUR 29.2 million). At the end of the financial year, the Group's equity was EUR 4.6 million (EUR -2.1 million).

At the end of the financial period, the Group had loans from financial institutions totaling EUR 7.8 million, of which EUR 6.1 million in repayments are due within the next 12 months.

CREDIT RISK AND OTHER COUNTERPARTY RISKS

The management of credit risk is primarily the responsibility of the operating units. The management of credit risk is based on the Group's credit policy and the aim is to obtain security when the customer's creditworthiness requires it. Impairment related to trade receivables is evaluated for significant receivables on a counterparty-specific basis to estimate impairment losses. Credit risks related to the investment of liquid assets and the signing of derivative agreements are minimized by establishing credit limits on counterparties and only signing agreements with leading domestic and international banks and financial institutions.

Due to the COVID-19 pandemic, credit risk monitoring has been intensified to identify risky customers and to ensure that credit decisions are based on up to date information of customers' liquidity and recent changes in liquidity. Credit losses for the financial year were EUR 0.0 million. Substantial portion of group's receivables are within factoring financing. The group had in total EUR 4.9 million of unused supplier financing and factoring limits. The group bears risks relating to possible cancellation of factoring and supplier financing or a reduction to granted limits.

FINANCIAL POSITION

The net interest-bearing liabilities were EUR 8.0 million (EUR 16.8 million) at the end of the financial year. The net financial liabilities include EUR 0.8 million (EUR 1.1 million) of lease liabilities pursuant to IFRS 16.

Cash flow from operating activities in July–December was EUR -1.5 million (EUR -0.4 million) and in the entire financial year EUR -3.3 million (EUR -2.3 million). In addition to operating losses, the negative cash flow from operating activities was due to an increase in working capital requirements while sales volumes remained low. Cash flow for the financial year after investments was EUR -5.8 million (EUR -3.7 million). The Group's equity ratio at the end of the financial year was 14.9% (-7.4%) and the balance sheet total was EUR 31.6 million (EUR 29.2 million). At the end of the financial year, the Group's equity was EUR 4.6 million (EUR -2.1 million).

At the end of the financial period, the Group had loans from financial institutions totaling EUR 7.8 million, of which EUR 6.1 million in repayments are due within the next 12 months.

The liquidity reserves of the group consist of undrawn credit facilities in the amount of EUR 1.7 million (EUR 1.3 million). The cash position at the end of the financial year was EUR 2.7 million (EUR 1.1 million).

All loans of the Italian subsidiary have been guaranteed by state backed MCC institution. One of the loans includes covenants that the company breached as of December 31, 2021. In March 2022, the company received a waiver from the financier from the covenants and the loan receivables were not claimed.

In April 2021, Enedo completed a rights and directed share issue, raising a total of EUR 12 million in gross income. The loan facility was completed after the registration of the new shares on April 9, 2021. As a result, Enedo repaid EUR 5.3 million in loans and loans of EUR 3.3 million were cut, which is presented in financial income on the income statement. The share issues and loan facilities improved Enedo's cash flow by a total of EUR 5.5 million net after the payment of loans, commissions and transaction costs. The share issues together with the loan facility considerably improved the company's financial position.

In a stock exchange release dated December 23, 2021, the Group announced that it had signed a EUR 5.0 million loan facility and repaid the EUR 2.0 million bridge loan signed with Inission AB. Of the above-mentioned loan, EUR 3.5 million was drawn on December 31, 2021. The maturity date of the EUR 5.0 million loan is September 30, 2022. The company does not expect to be able to repay the loan by maturity using its cash flow from operating activities. Based on the reduced costs due to the current strong order backlog and the turnaround program, the company will, however, seek either to (i) agree with the lender on an extension of the loan period or (ii) negotiate a new loan with another financial institution, and/or (iii) to obtain sufficient equity financing to repay the loan. According to the terms of the loan arrangement, Inission AB has guaranteed the repayment of the loan if none of the above three alternatives are implemented by September 30, 2022.

Maturities of financial liabilities, 2021	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6–12 months**	**Later**
Trade payables	**11,191**	**11,191**	**11,108**	**0**	**83**
Loans from financial institutions	**7,807**	**8,744**	**2,051**	**4,003**	**2,690**
Lease liabilities	**790**	**822**	**270**	**246**	**306**
Overdraft facilities and factoring	**2,119**	**2,159**	**2,159**	**0**	**0**

Maturities of financial liabilities, 2020	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6–12 months**	**Later**
Trade payables	8,926	8,926	8,856	70	0
Loans from financial institutions	11,594	13,666	528	2,363	10,775
Lease liabilities	1,090	1,123	267	253	603
Working capital financing and overdraft facilities	5,238	5,336	5,336	0	0

INTEREST RATE AND CURRENCY SENSITIVITY

	Operational transaction risk	
MEUR	**+10%**	**-10%**
EUR/USD	-0.6	0.7
EUR/JPY	0.0	0.0

	Income statement	
Cash flow interest rate sensitivity analysis	**+100 bp**	**-100 bp**
Non-current liabilities	-0.1	0.1
Current liabilities	0.0	0.0
Other interest-bearing liabilities	0.0	0.0
Total	-0.1	0.1

28. FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS (EUR 1,000)

The company had no currency derivatives in use.

A loan of the Italian subsidiary includes an interest rate swap contract, the fair value of which is presented below:

	2021	2020
Derivatives		
Nominal value	**1,900**	1,900
Positive value	**0**	0
Negative value	**4**	18

29. OPERATING LEASE COMMITMENTS (EUR 1,000)

	2021	2020
Group as lessee		
Non-cancellable minimum operating lease payments:		
Within 1 year	**118**	111
1–5 years	**0**	17
Later	**0**	0
Total	**118**	128

The Group adopted the new IFRS 16 standard effective from January 1, 2019. Information on leases subject to the new standard is presented in note 23.

30. OTHER CONTRACTS

The Group has certain significant customer contracts that include a condition normal for the branch of industry, where one of the contracting parties may terminate the agreement, if the control in the group is transferred to a party which is a competitor of the customer.

31. CONTINGENT LIABILITIES (EUR 1,000)

	2021	2020
Security given on own behalf		
Business mortgages; collateral for debt	**13,008**	15,248
Business mortgages; available	**2,240**	
Liabilities guaranteed by business mortgages		
Loans from financial institutions *	**3,500**	6,932

* Shares in subsidiaries and loans from subsidiaries with a carrying amount of EUR 5.3 million for the financial year 2021 and subsidiary shares amounting to EUR 3.6 million for the financial year 2020 have been pledged as collateral for the parent company's loans from financial institutions.

32. LEGAL PROCEEDINGS

The Italian subsidiary is involved in proceedings concerning the employer's compensation of the company's subcontractor's employees to INPS (Istituto nazionale della previdenza sociale). The Italian subsidiary won the case at the local Ancona court's first instance, but lost at second instance and the case is still pending. Enedo Spa has recognized a debt of EUR 0.3 million in connection with the trial.

At the end of November 2018, Alessandro Leopardi, the former CEO of the Italian subsidiary, filed a claim against Enedo Spa and Enedo Plc for various matters related to the employment and service relationship. The case is pending. The former CEO Alessandro Leopardi also filed a new claim against Enedo Spa in late 2021. Enedo Spa and Enedo Plc consider the claims to be unfounded in all respects. These legal proceedings do not have a material effect on the Group's financial position.

33. RELATED PARTY TRANSACTIONS (EUR 1,000)

The Group's related parties include the Group companies, Inission AB holding 49.6% in Enedo Plc and the key employees, consisting of the members of the Board of Directors, the President and CEO as well as the Executive Management Team as well as the family members of previously mentioned.

The parent and subsidiary relationships in the Group are:	Registered office	Home country	Group ownership %	Share of voting rights %	Parent company ownership %
Parent company					
ENEDO PLC	Vantaa	Finland			
Shares in subsidiaries owned by parent company Enedo Plc					
Efore (USA), Inc.	Dallas TX	USA	100	100	100
Enedo (Hongkong) Co., Limited	Kowloon	China	100	100	100
Efore (Suzhou) Automotive Technology	Suzhou	China	100	100	100
Enedo SpA	Osimo	Italy	100	100	100
Enedo Holding Oy	Vantaa	Finland	100	100	100
Shares in subsidiaries owned by Enedo Holding Oy:					
Enedo Finland Oy	Vantaa	Finland	100	100	
Shares in subsidiaries owned by Enedo SpA:					
Enedo Sarl	Charguia	Tunisia	99.72	100	
Enedo Inc.	Pennsylvania	USA	100	100	
Related party shareholders					
Inission AB					

	2021	2020
President and CEO, remuneration		
Mikael Fryklund	**88**	
Vesa Leino	**240**	234
Members of the Board of Directors, remuneration		
Olle Hulteberg May 17, 2021–December 31, 2021	**16**	
Fredrik Berghel May 17, 2021–December 31, 2021	**9**	
Vesa Tempakka May 17, 2021–December 31, 2021	**9**	
Sivula Antti January 1, 2021–December 31, 2021	**18**	24
Narvanmaa Taru January 1, 2021–December 31, 2021	**22**	33
Lähdesmäki Tuomo January 1, 2021–May 17, 2021	**17**	45
Michael Peters January 1, 2021–May 17, 2021	**9**	16
Miettunen Matti January 1, 2021–May 17, 2021	**9**	24
	110	142
Executive Management Team		
Wages, salaries and fees*	**651**	539
Consulting fees	**96**	0
Key management		
Salaries and other short-term employment benefits	**1,026**	915
Benefits after termination of employment	**159**	
Paid wages, salaries and benefits total	**1,185**	915

No pension commitments with special terms have been granted nor have any other securities been granted on behalf of the related parties in 2021.

On November 26, 2021, the company signed a bridge loan agreement with Inission AB for a maximum of EUR 2.0 million, which the company withdrew in full. The bridge loan was repaid to Inission AB by the end of December 2021. The interest expenses (10%) of the bridge loan were EUR 14 thousand.

Enedo Plc has also signed a guarantee arrangement with Inission AB in relation to the EUR 5.0 million loan signed in late December 2021. Under the guarantee arrangement, Inission AB guarantees the total amount of the loan. If Inission Ab were to be obliged to repay the loan on the basis of the guarantee, Inission Ab would have the right to demand that Enedo Plc repay the loan to Inission Ab added with the annual interest rate of 16%. If the company were unable to pay the said amount on request, Inission Ab has the right to exchange the said amount for Enedo Plc shares at a price of EUR 0.10 per share. Guarantee fee is 2.5%. In addition the arrangement fee EUR 75 thousand was paid and other professional fees of EUR 5 thousand.

34. EVENTS AFTER THE END OF THE FINANCIAL YEAR

The war in Ukraine, which broke out in late February, could, if prolonged, cause increasing uncertainty in the market, which could also affect Enedo's operations. The Group does not have any significant customers in Russia or Belarus. Otherwise the war in Ukraine has not had so far any significant effects on Group's operations.

The Group has on the balance sheet date receivables from the Russian market with a book value of approximately EUR 0.3 million.

In the end of financial year 2021, the parent company's signed loan arrangement included undrawn amount EUR 1,5 million. The loan was drawn during February - March 2022.

Income statement for the parent company, EUR 1,000

	Note	January 1–December 31, 2021	January 1–December 31, 2020
NET SALES	1	**634**	634
Other operating income	2	**345**	547
Personnel expenses			
Wages, salaries and fees	3	**993**	817
Social security expenses			
Pension expenses	3	**108**	68
Other social security expenses	3	**14**	12
		1,115	897
Depreciation, amortization and impairments			
Depreciation and amortization according to plan	4	**25**	32
		25	32
Other operating expenses	5	**628**	941
OPERATING PROFIT (LOSS)		**-789**	-689
Financial income and expenses	6		
Income from group companies	6, 8	**92**	40
Other interest and financial income	7	**3,397**	2
Interest expenses to group companies	7	**-151**	-156
Impairment on investments from group companies	7	**-1,900**	-5,333
Interest and other financial expenses	7, 8	**-1,548**	-757
		-110	-6,204
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		**-899**	-6,893
Income taxes			
Tax on income from operations	9	**-7**	-2
PROFIT (LOSS) FOR THE PERIOD		**-906**	-6,895

Balance sheet for the parent company, EUR 1,000

ASSETS	Note	Dec. 31, 2021	Dec. 31, 2020
NON-CURRENT ASSETS			
Intangible assets			
Intangible rights	10	**0**	7
Other intangible assets	10	**23**	10
Prepaid expenses	10	**0**	73
		23	90
Tangible assets			
Machinery and equipment	10	**3**	10
Other tangible assets	10	**0**	3
		3	13
Investments			
Holdings in group companies	11, 12	**12,491**	16,067
Other shares and holdings	11, 12	**2**	2
		12,493	16,069
CURRENT ASSETS			
Non-current receivables			
Receivables from group companies	13	**532**	0
		532	0
Current receivables			
Trade receivables	13	**0**	4
Receivables from group companies	13	**3,573**	1,733
Other current receivables	13	**20**	27
Prepayments and accrued income	13	**44**	23
		3,637	1,787
Cash and cash equivalents		**1,543**	29
TOTAL ASSETS		**18,231**	17,988

Balance sheet for the parent company, EUR 1,000

EQUITY AND LIABILITIES	Note	Dec. 31, 2021	Dec. 31, 2020
EQUITY			
Share capital	14	**100**	100
Other reserves	14	**66,095**	54,076
Retained earnings	14	**-50,972**	-44,076
Profit (loss) for the period	14	**-906**	-6,895
		14,317	3,205
LIABILITIES			
Non-current liabilities			
Loans from financial institutions	15	**0**	4,350
Loans from others	15	**0**	500
Liabilities to group companies	17	**0**	1,434
		0	6,284
Current liabilities			
Loans from financial institutions	15	**3,500**	2,212
Loans from others	15	**0**	600
Trade payables	15	**108**	212
Liabilities to group companies	15	**0**	5,194
Other current liabilities	15	**58**	112
Accruals and deferred income	15	**248**	169
		3,914	8,499
TOTAL EQUITY AND LIABILITIES		**18,231**	17,988

Parent company cash flow statements, EUR 1,000

	January 1–December 31, 2021	January 1–December 31, 2020
Cash flow from operating activities		
Customer payments received	**472**	878
Cash paid to suppliers and employees	**-1,869**	-2,017
Cash generated from operations	**-1,397**	-1,139
Interest paid	**-415**	-172
Interest received	**83**	41
Other financing items	**-714**	-459
Income taxes paid	**-7**	-2
Net cash from operating activities (A)	**-2,450**	-1,731
Cash flows from investing activities		
Purchase of tangible and intangible assets	**-2**	-76
Acquisition of subsidiaries	**0**	184
Disposal of subsidiaries	**-282**	326
Increase in loans receivable	**-6,526**	-580
Decrease in loans receivable	**314**	873
Net cash used in investing activities (B)	**-6,496**	727
Cash flows from financing activities		
Proceeds from issue of share capital	**11,283**	0
Repayment of long-term borrowings	**-836**	0
Proceeds from short-term borrowings	**5,500**	1,525
Repayment of short-term borrowings	**-5,487**	-518
Net cash used in financing activities (C)	**10,460**	1,007
Net decrease (-)/increase (+) in cash and cash equivalents (A+B+C)	**1,514**	3
Cash and cash equivalents at the beginning of the period	**29**	26
Net increase/decrease in cash and cash equivalents	**1,514**	3
Cash and equivalents at the end of the period	**1,543**	29

Accounting policies for the financial statements of parent company

GENERAL

The financial statements of Enedo Plc have been prepared and presented in accordance with the Finnish Accounting Act and other applicable laws and regulations in effect in Finland (Finnish Accounting Standards, FAS).

APPLICATION OF THE GOING CONCERN PRINCIPLE

The assumption of ability to continue as a going concern is presented in the Accounting principles for the Consolidated Financial Statements.

FOREIGN CURRENCY ITEMS

Transactions in foreign currencies are recognized at the exchange rate valid on the date of transaction. Foreign currency receivables and liabilities on the balance sheet date are valued at the exchange rates on the balance sheet date. Exchange rate differences arising from the translation of balance sheet items in foreign currency and sales, purchases, expenses and financial items as well as from receivables and liabilities are recognized as exchange rate gains and losses in financial income and expenses. The presentation in the parent corresponds with the presentation in the consolidated financial statements.

EVALUATION OF NON-CURRENT ASSETS

Intangible and tangible assets are stated at historical cost less accumulated depreciation and amortization. Planned depreciation on intangible and tangible assets is made on a straight-line basis over their estimated useful lives. Gains and losses on sale of intangible and tangible assets are included in the operating result.

The estimated useful lives for different groups of assets are as follows:

Intangible rights	3–5 years
Other intangible assets	5–10 years
Machinery and equipment	3–10 years
Other tangible assets	5 years

An impairment is recognized on the book value of an item in intangible and tangible assets, if it is evident that earnings expectations do not cover the book value of the asset.

HOLDINGS IN GROUP COMPANIES AND NON-CURRENT RECEIVABLES FROM GROUP COMPANIES

The carrying values of holdings in group companies and loans granted to group companies are tested annually on the balance sheet date to identify any impairment. The need for impairment is considered at the cash generating unit level of the group companies.

In impairment testing, the recoverable amount of the unit is the value in use. The value in use represents the discounted future net cash flows expected to be derived from a cash-generating unit. The discount rate is a pretax discount rate that is reflecting current market assessments and the risks specific to the asset.

Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. An impairment is recorded in profit or loss. An impairment recognized is subsequently reversed if there are changes in the estimates concerning the recoverable amount of the asset.

LEASING

All leasing charges are treated as rental expenses. The unpaid leasing commitments related to future financial periods are presented as lease obligations in the notes to the financial statements.

PENSIONS

The pension cover of the company's employees is arranged through insurance policies in pension insurance companies. Pension costs are expensed as incurred.

INCOME TAXES

Taxes at source are recognized as income taxes in the profit and loss statement.

Notes to the financial statements, parent company, EUR 1,000

1. NET SALES

	2021	2020
Service charges from Group companies	**634**	634
Total	**634**	634

2. OTHER OPERATING INCOME

	2021	2020
Gain on sale of shares in subsidiaries	**318**	0
Services not included in the ordinary course of business	**17**	187
Refund of purchase price related to loss of sale of shares in subsidiaries	**0**	360
Other compensation received	**10**	0
Total	**345**	547

3. PERSONNEL EXPENSES

	2021	2020
Wages, salaries and fees	**993**	817
Pension expenses	**108**	68
Other social security expenses	**14**	12
Total	**1,115**	897
Management salaries and fees		
President and CEO, Members of the Board of Directors	**438**	376
Total personnel, average		
Salaried employees	**7**	7

4. DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

	2021	2020
Depreciation and amortization according to plan:		
Intangible rights	**6**	10
Other intangible assets	**11**	8
Machinery and equipment	**5**	11
Other tangible assets	**3**	3
Total	**25**	32

5. OTHER OPERATING EXPENSES

	2021	2020
Losses on the disposal of shares in subsidiaries and costs of sale	**32**	34
Other ordinary business expenses	**596**	907
Total	**628**	941
Audit fees:		
KPMG		
Audit	**90**	59
Other services	**79**	9
Total	**169**	68

6. FINANCING INCOME

	2021	2020
Interest income from Group companies	**92**	40
Interest income from others	**0**	2
Financing income from others, annulment of debt *)	**3,338**	0
Exchange rate gains from loans and other receivables	**58**	0
Total	**3,488**	42

*) During the financial year, the company agreed on an overall arrangement for its loans totaling EUR 8.6 million. In connection with the arrangement, a total of EUR 3.3 million was written off from the company's current debt. The financial arrangement was subject to the company realizing a rights issue and a directed issue of EUR 12.0 million.

7. FINANCING EXPENSES

	2021	2020
Interest expenses to group companies	**151**	156
Impairment on investments in Group companies	**1,900**	5,333
Interest expenses to others	**95**	252
Exchange rate losses	**17**	51
Cost of share issue	**735**	0
Other financial expenses	**701**	454
Total	**3,599**	6,246

8. EXCHANGE RATE DIFFERENCES

		2021	2020
Itemization of net exchange rate gains (+) and losses (-) according to financial statement items			
Sales	Gains	**0**	0
	Losses	**0**	-1
	Net	**0**	-1
Purchases	Gains	**0**	0
	Losses	**0**	-6
	Net	**0**	-6
Financial items	Gains	**3**	0
	Losses	**-1**	0
	Net	**2**	0
Intra-group receivables and liabilities	Gains	**55**	0
	Losses	**-16**	-43
	Net	**39**	-43
Total	Gains	**58**	0
	Losses	**-17**	-50
	Net	**41**	-50

9. TAXES

	2021	2020
Taxes at source	**7**	2
Total	**7**	2

Enedo Plc had tax losses totaling EUR 21.8 million on December 31, 2021. No deferred tax assets were recognized on these losses as they are unlikely to be used in the foreseeable future. The losses will expire in the years 2022–2031. Unrecognized deferred tax assets from tax losses amount to EUR 4.4 million.

On December 31, 2021, the company had tax depreciation amounting to EUR 7.9 million for which no deferred tax asset has been recognized. Unrecognized deferred tax assets from tax depreciation amount to EUR 1.6 million.

On December 31, 2021, unrecognized deferred tax assets totaled EUR 5.9 million.

10. NON-CURRENT ASSETS

	2021	2020
Intangible assets		
Intangible rights		
Acquisition cost on Jan. 1	**280**	280
Disposals Jan. 1–Dec. 31	**-254**	0
Acquisition cost on Dec. 31	**26**	280
Accumulated planned depreciation on Jan. 1	**273**	263
Accumulated depreciation on disposals	**-253**	0
Depreciation for the period	**6**	10
Accumulated planned depreciation on Dec. 31	**26**	273
Book value on Dec. 31	**0**	7
Other intangible assets		
Acquisition cost on Jan. 1	**38**	38
Reclassifications Jan. 1–Dec. 31	**24**	0
Acquisition cost on Dec. 31	**62**	38
Accumulated planned depreciation on Jan. 1	**28**	20
Depreciation for the period	**11**	8
Accumulated planned depreciation on Dec. 31	**39**	28
Book value on Dec. 31	**23**	10
Prepaid expenses		
Acquisition cost on Jan. 1	**73**	0
Additions Jan. 1–Dec. 31	**0**	73
Disposals Jan. 1–Dec. 31	**-49**	0
Reclassifications Jan. 1–Dec. 31	**-24**	0
Acquisition cost on Dec. 31	**0**	73
Book value on Dec. 31	**0**	73

	2021	2020
Tangible assets		
Machinery and equipment		
Acquisition cost on Jan. 1	**72**	70
Additions Jan. 1–Dec. 31	**2**	3
Disposals Jan. 1–Dec. 31	**-62**	0
Acquisition cost on Dec. 31	**12**	73
Accumulated planned depreciation on Jan. 1	**63**	52
Accumulated depreciation on disposals	**-59**	0
Depreciation for the period	**5**	11
Accumulated planned depreciation on Dec. 31	**9**	63
Book value on Dec. 31	**3**	10
Other tangible assets		
Acquisition cost on Jan. 1	**19**	19
Disposals Jan. 1–Dec. 31	**-19**	0
Acquisition cost on Dec. 31	**0**	19
Accumulated planned depreciation on Jan. 1	**16**	12
Accumulated depreciation on disposals	**-19**	0
Depreciation for the period	**3**	4
Accumulated planned depreciation on Dec. 31	**0**	16
Book value on Dec. 31	**0**	3

11. INVESTMENTS

	2021	2020
Holdings in group companies		
Book value on Jan. 1	**16,067**	21,584
Additions during the financial year	**4,529**	0
Deductions	**-6,205**	-184
Impairment	**-1,900**	-5,333
Book value on Dec. 31	**12,491**	16,067

The additions during the financial year are due to the conversion of Group receivables and loans into investments. The Group regularly tests assets for impairment. The recoverable amounts of the Italian cash-generating units' assets were lower than their book values. As a result, the parent company Enedo Plc recognized an impairment of EUR 1.9 million on shares in subsidiaries.

	2021	2020
Other shares and holdings		
Shares on Jan. 1	**2**	2
Book value on Dec. 31	**2**	2

12. HOLDINGS IN GROUP COMPANIES

		2021	2020
		Book value	**Book value**
Efore (USA), Inc., Dallas TX	USA	**0**	0
Enedo (Hongkong) Co. Limited, Kowloon	China	**1**	1
Efore Automotive Technology Co., Ltd, Suzhou	China	**0**	0
Enedo S.p.A, Osimo	Italy	**8,893**	6,263
Enedo Holding Oy, Vantaa	Finland	**3,597**	3,597
		12,491	9,861
Divested during the financial year: Efore Oü, Tallinn	Estonia		6,206
		12,491	16,067

13. RECEIVABLES

	2021	2020
Non-current receivables from Group companies		
Loan receivables	**532**	0
Non-current receivables in total	**532**	0
Current receivables		
Trade receivables	**0**	4
Other current receivables	**20**	27
Prepayments and accrued income	**44**	23
	64	54
Current receivables from group companies		
Trade receivables	**853**	627
Loan receivables	**2,684**	1,101
Interest receivables	**14**	5
Prepayments and accrued income	**22**	0
	3,573	1,733
Current receivables in total	**3,637**	1,787
Prepayments and accrued income		
Prepayments and accrued income include the following items:		
Prepaid expenses	**40**	19
Other items	**4**	4
	44	23

14. EQUITY

	2021	2020
Share capital on Jan. 1	**100**	15,000
Share capital reduction into unrestricted equity reserve	**0**	-14,900
Share capital on Dec. 31	**100**	100
Own shares on Jan. 1	**-2,425**	-2,427
Disposal of own shares (without compensation)	**0**	2
Own shares on Dec. 31	**-2,425**	-2,425
Other reserves		
Unrestricted equity reserve on Jan. 1	**54,076**	39,176
Targeted share issue during the financial year	**7,000**	0
Rights issue during the financial year	**5,019**	0
Share capital reduction into unrestricted equity reserve	**0**	14,900
Unrestricted equity reserve on Dec. 31	**66,095**	54,076
Retained earnings on Jan. 1	**-48,547**	-41,649
Disposal of own shares (without compensation)	**0**	-2
Retained earnings on Dec. 31	**-48,547**	-41,651
Result for the period Dec. 31	**-906**	-6,895
Equity total	**14,317**	3,205

DISTRIBUTABLE FUNDS

	2021	2020
Retained earnings	**-48,547**	-41,651
Profit/loss for the period	**-906**	-6,895
Reserve for invested unrestricted equity	**66,095**	54,076
Treasury shares	**-2,425**	-2,425
Distributable funds	**14,217**	3,105
Parent company share capital, one type of share	**Pcs**	pcs
Outstanding shares on Jan. 1	**8,363,486**	418,130,168
Targeted share issue during the financial year	**35,000,000**	0
Rights issue during the financial year	**25,090,458**	0
Effect of reverse split 1/50 in the financial year	**0**	-409,766,682
Outstanding shares on Dec. 31	**68,453,944**	8,363,486
Parent company shares at the end of the financial period, one type of share	**Pcs**	pcs
Outstanding shares on Dec. 31	**68,453,944**	8,363,486
Own shares in total on Dec. 31	**69,249**	69,249
Shares in total Dec. 31	**68,523,193**	8,432,735

The company's Board of Directors approved the subscriptions made in the targeted and rights issue on April 7, 2021, for a total of 60,090,458 shares at a price of EUR 0.20 each.

15. LIABILITIES

	2021	2020
Non-current liabilities		
Loans from financial institutions	**0**	4,350
Loans from others	**0**	500
	0	4,850
Non-current liabilities to group companies		
Other liabilities	**0**	1,200
Accruals and deferred income	**0**	234
	0	1,434
Non-current liabilities in total	**0**	6,284
Non-current liabilities, maturing		
1–5 years	**0**	4,850
more than 5 years	**0**	1434
	0	6,284
Current liabilities		
Loans from financial institutions	**3,500**	2,212
Loans from others	**0**	600
Trade payables	**108**	212
Other liabilities	**58**	112
Accruals and deferred income	**248**	169
	3,914	3,305

Loans from financial institutions with covenants

Enedo Plc did not have any loans from financial institutions with covenants in the financial year 2021.

	2021	2020
Loans from financial institutions	**0**	5,200
Credit limits in use	**0**	1,362
Total	**0**	6,562
Current liabilities to group companies		
Other liabilities	**0**	4,125
Accruals and deferred income	**0**	1,069
	0	5,194
Current liabilities total	**3,914**	8,499
Accruals and deferred income		
External accruals and deferred income include the following items:		
Accrued personnel expenses	**190**	93
Accrued financial items	**29**	66
Other items	**29**	10
	248	169

16. CONTINGENT LIABILITIES

	2021	2020
Security given		
Security given on own behalf		
Business mortgages	**5,000**	5,000
Subsidiary loans	**1,715**	0
	Pcs	pcs
Pledged subsidiary Enedo Holding Oy shares, pcs	**24,091,404**	24,091,404
Liabilities guaranteed by business mortgages		
Loans from financial institutions	**3,500**	6,562
Liability engagements and other contingent liabilities		
Rent and leasing commitments on own behalf		
Payable in the following financial year	**0**	3
Payable later	**0**	0

17. RELATED PARTY TRANSACTIONS

The company's net sales of EUR 0.6 million consist of intra-group invoicing, which is charged to the subsidiaries for the management of administrative services. In addition, the company has receivables and liabilities from Group companies, as disclosed in the financial statements.

During the financial year, the company agreed with Inission AB on a bridge loan of EUR 2.0 million, which was repaid during the financial year. The interest expenses of the bridge loan (10%) amounted to EUR 14 thousand. Inission AB is the guarantor of the company's financial institution loan, and Inission AB's guarantee fee (2.5%) and arrangement fees for the financial year totaled EUR 76 thousand. In addition, professional fees of EUR 5 thousand were paid.

18. EVENTS AFTER THE END OF THE FINANCIAL YEAR

The impacts of the crisis in Ukraine, which escalated after the balance sheet date, are set out in the notes to the consolidated financial statements.

In the end of financial year 2021, the parent company's signed loan arrangement included undrawn amount EUR 1,5 million. The loan was drawn during February - March 2022.

19. BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF DIVIDEND

The Board of Directors proposes to the Annual General Meeting of May 3, 2022, that no dividend be distributed.

Signatures for the financial statements and the report by the Board of Directors

Vantaa, March 25, 2022

Olle Hulteberg
Chairman

Fredrik Berghel

Taru Narvanmaa

Antti Sivula

Vesa Tempakka

Mikael Fryklund
President and CEO

Auditor's Report

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of Enedo Plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Enedo Plc (business identity code 0195681-3) 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN BASIS

We would like to draw attention to the accounting principles for the consolidated financial statements "application of the going concern principle" section stating amongst other that:

- The realization of the company's cash flow plan for the next 12 months and thus ensuring the continuity of operations requires that the company's turnaround program decided in 2021 is implemented successfully and that the company is able to successfully carry out the deliveries based on the strong order book, which would lead to increased net sales and improved profitability in 2022.
- At the end of the financial period, the Group had loans from financial institutions totaling EUR 7.8 million, of which EUR 6.1 million in repayments are due within the next 12 months. The company signed a new loan of EUR 5.0 million at the end of December 2021. Of this loan, EUR 3.5 million was drawn on December 31, 2021 and EUR 1.5 million in February-March 2022. The maturity date of the loan is September 30, 2022. The company does not expect to be able to repay the loan with its cash flow from operations, but the company expects to be able to either renegotiate the terms of the loan or repay the loan by signing a new loan facility with another lender or arranging a share issue during the third quarter of 2022. According to the terms of the loan arrangement, Inission AB has guaranteed the repayment of the loan if none of the above three alternatives are implemented by September 30, 2022.
- Uncertainties about securing sufficient long-term funding, continuing shortage of components and its impact on business, and the successful completion of the turnaround program are such material uncertainties that may give rise to significant doubts about the entity's ability to continue as a going concern.

In our opinion, the abovementioned events and circumstances involve such material uncertainty that may cast significant doubt upon Enedo Plc and the Group to continue as a going concern.

Our opinion has not been qualified by this matter.

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
Valuation of capitalized development costs, goodwill and allocated fair value to intangible assets / parent company investments in subsidiaries (Consolidated financial statements accounting principles and note 14 and parent company's financial statements accounting principles and notes 11, 12 and 13)	

— The Research and Development function is significant for the industry Enedo Group operates in. The development expenditures are capitalised in the consolidated balance sheet to the extent that they meet the capitalisation criteria set out in the relevant accounting standard (IAS 38) and are assessed to contribute future economic benefits. The assessment may change even in a rather short term, e.g. as a result of technical development. The amortization period for the capitalized development costs is five years. At the end of 2021 the capitalised development costs in the consolidated balance sheet amounted EUR 4.2 million.
— At the end of 2021, the value of consolidated goodwill amounted EUR 4.3 million and allocated fair value to intangible assets to EUR 0.5 million.
— Parent company's investments in subsidiaries comprise a significant part of parent company assets. Valuation of these investments depend on the financial performance of the subsidiaries. During the financial year 2021 the parent company's shares in the Italian subsidiary has been impaired by EUR 1.9 million.
— The capitalised development costs, goodwill, fair values allocated to intangible assets and parent company investments in subsidiaries are tested for impairment at least annually.
— Management makes several estimates of assumptions used in the impairment calculations. The future cash flow projections require management judgement in regard to eg. sales growth, profitability, terminal growth and discount rates applied.
— We considered the valuation of capitalized development costs, goodwill and allocated fair value to intangible assets and parent company investments in subsidiaries as a key audit matter because of the management judgement involved in the assumptions used in the impairment testings and the significance of their balance sheet values.
	— We have assessed the appropriateness of the capitalisation process and amortization period of development expenditures and considered whether the development costs capitalised during the year had met the capitalisation criteria under the relevant accounting standard.
	— We have assessed the appropriateness of the impairment tests carried out for the goodwill in the consolidated financial statements and the parent company investments in subsidiaries and considered the appropriateness of the impairments recognized to subsidiary shares in parent company.
	— Our audit procedures on the impairment testings included, among others, the following:
	  - We have evaluated the future cash flow estimates for future financial periods and the key assumptions used in the impairment tests, such as profitability, discount rates and terminal growth.
	  - We involved KPMG valuation specialists to test the arithmetical accuracy of the impairment calculations and to compare the assumptions used against market and industry specific data.
	— In addition, we assessed the adequacy and appropriateness of the disclosures presented.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with 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 Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as 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 FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance on 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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- 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 in 2007 and our appointment represents a total period of uninterrupted engagement of 15 years.

OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. 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 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, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 7 April 2022
KPMG OY AB

HENRIK HOLMBOM
Authorised Public Accountant, KHT

Group key figures

GROUP KEY FIGURES, MEUR		IFRS 2021	IFRS 2020	IFRS 2019
Income statement				
Net sales	MEUR	**36.4**	38.5	43.3
Adjusted EBITDA	MEUR	**-0.8**	-0.4	1.2
EBITDA	MEUR	**-3.2**	-0.8	1.1
Adjusted operating profit/loss	MEUR	**-4.2**	-3.9	-2.4
Operating profit/loss	MEUR	**-6.6**	-4.3	-2.6
Profit/loss before taxes	MEUR	**-4.6**	-5.4	-2.7
Profit/loss for the financial year	MEUR	**-4.5**	-6.2	-2.6
Gross investments in intangible and tangible assets	MEUR	**2.1**	1.9	3.2
Profitability				
Return on equity (ROE) *	%	**-97.5**	-278.3	-39.2
Return on investment (ROI) *	%	**-15.5**	-26.5	-9.2
* comparison periods have not been adjusted to continuing operations.				
Finance and financial position				
Net interest-bearing liabilities	MEUR	**8.1**	16.8	12.6
Net gearing **	%	**173.1**		342.1
Current ratio		**0.7**	0.7	0.7
Solvency ratio	%	**14.9**	-7.4	11.5
Cash flows from operating activities (incl. discontined operations)		**-3.3**	-2.3	-0.5
** Net gearing is not presented from financial year 2020 because of the negative equity				
Other key figures				
Personnel, average		**350**	371	388
Wages, salaries and fees	MEUR	**8.7**	7.0	7.2
Product development costs (expensed))	MEUR	**3.3**	2.9	2.4
Product development costs (capitalized in balance sheet)	MEUR	**1.1**	1.3	2.1
Product development costs total	MEUR	**4.4**	4.2	4.5

KEY FINANCIAL INDICATORS PER SHARE*		IFRS 2021	IFRS 2020	IFRS 2019
Earnings per share for continuing operations		**-0.08**	-0.31	-0.13
Diluted earnings per share for continuing operations		**-0.08**	-0.31	-0.13
Earnings per share	EUR	**-0.08**	-0.30	-0.25
Diluted earnings per share	EUR	**-0.08**	-0.30	-0.25
Dividend/share	EUR	**0**	0	0
Dividend payout ratio	%	**-**	-	-
Effective dividend yield	%	**-**	-	-
Distribution of assets from reserve of invested unrestricted equity	EUR	**-**	-	-
Equity per share, adjusted for share issue	EUR	**0.07**	-0.11	0.19
Closing share price	EUR	**0.35**	0.39	1.12
P/E ratio		**-4.38**	-1.3	-4.48
Market value				
Market capitalization	MEUR	**23.8**	7.6	21.9
Trading				
Shares traded	million pcs	**20.8**	2.9	1.6
Trading, %	%	**30.4**	33.8	19.3
Number of outstanding shares*				
Average on December 31	1,000 pcs	**53,637**	19,648	19,648
Diluted number of shares on December 31	1,000 pcs	**53,637**	19,648	19,648
Actual number of shares on December 31	1,000 pcs	**68,454**	8,363	8,363
Share prices				
Lowest	EUR	**0.23**	0.36	0.84
Highest	EUR	**0.80**	1.09	1.47
Closing share price	EUR	**0.35**	0.39	1.12
Average price	EUR	**0.39**	0.62	1.22

* The number of outstanding shares has been adjusted to correspond to the number of shares after the share issue of 2021.

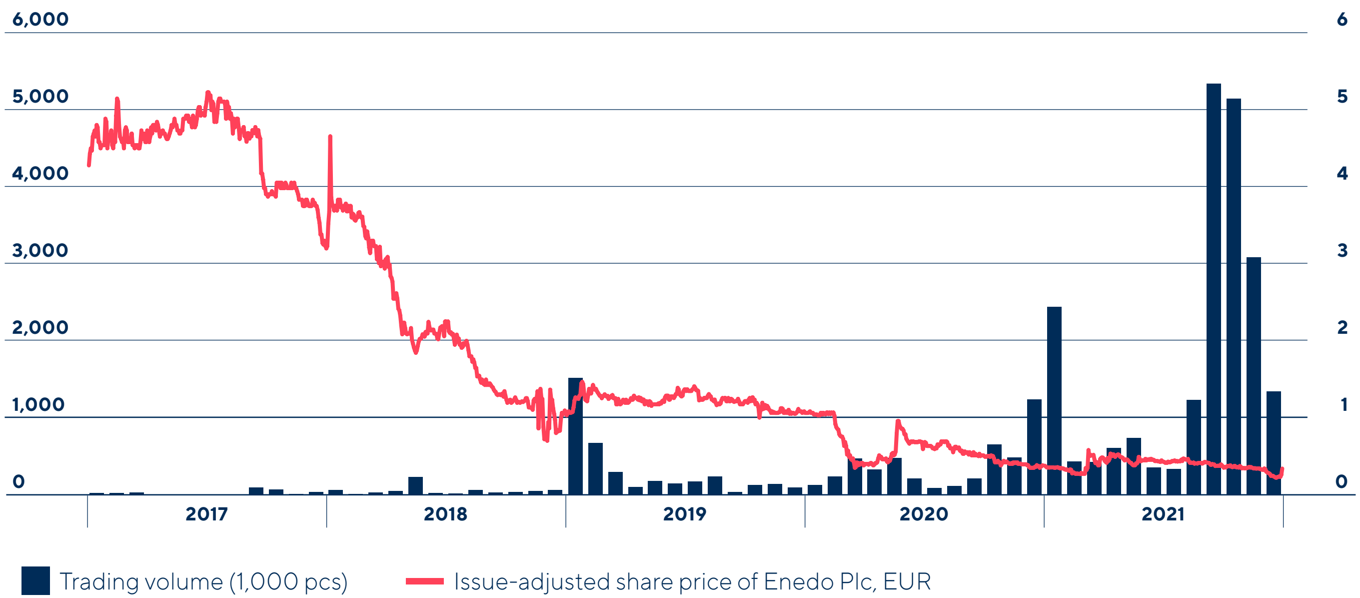
Calculation of key figures and ratios

EBITDA	=	Operating profit/loss + depreciation and amortization of tangible and intangible assets + impairment
Adjusted EBITDA	=	EBITDA adjusted by items affecting comparability, related to e.g. restructuring measures
Adjusted operating profit/loss	=	Operating profit/loss adjusted by the items affecting comparability, related to restructuring measures, for example
Return on investment % (ROI)	=	$\frac{\text{Profit/loss before taxes + interest and other financing expenses}}{\text{Equity + interest-bearing liabilities (average)}} \times 100$
Return on equity (ROE), %	=	$\frac{\text{Profit/loss for the period}}{\text{Equity (average)}} \times 100$
Current ratio	=	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Solvency ratio, %	=	$\frac{\text{Equity}}{\text{Total assets - advance payments received}} \times 100$
Net interest-bearing liabilities	=	Interest-bearing liabilities - financial assets at fair value through profit or loss - cash and cash equivalents
Gearing, %	=	$\frac{\text{Net interest-bearing liabilities}}{\text{Equity}} \times 100$
Earnings per share	=	$\frac{\text{Profit or loss attributable to ordinary equity holders of the parent entity}}{\text{The weighted average number of outstanding shares}}$
Earnings per share (diluted)	=	$\frac{\text{Profit or loss attributable to ordinary equity holders of the parent entity}}{\text{The weighted average number of shares (adjusted for dilution)}}$
Dividend/share	=	$\frac{\text{Dividend distributed}}{\text{Number of shares}}$
Dividend/Profit or loss %	=	$\frac{\text{Dividend/share}}{\text{Earnings per share}} \times 100$
Effective dividend yield, %	=	$\frac{\text{Dividend/share}}{\text{Closing share price}} \times 100$
Equity per share	=	$\frac{\text{Total equity}}{\text{Number of shares at balance sheet date}}$
Market capitalization	=	Number of outstanding shares on the balance sheet date x share price
Personnel, average	=	The average number of employees at the end of each calendar month during the financial year
Profit/loss before taxes	=	Profit or loss from continuing operations – tax on income from operations
Operating profit or loss	=	Profit or loss from continuing operations – financing income – financing expenses - tax on income from operations

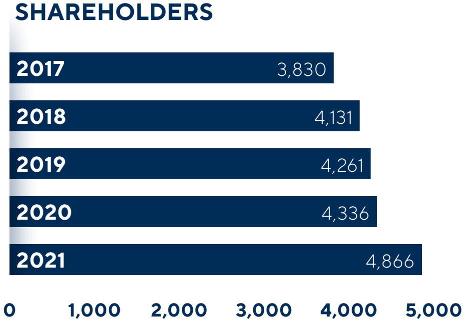
The number of outstanding shares is used in all key figures expressed per share.
Equity is the equity attributable to the owners of the parent company.
The profit or loss for the period is the result attributable to the owners of the parent company.

Shares and shareholders

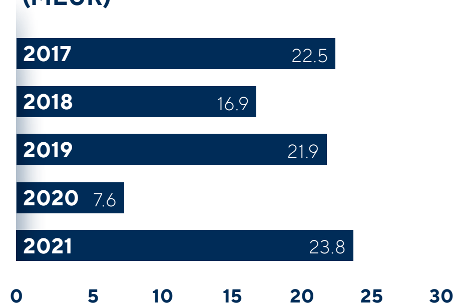
ENEDO PLC'S SHARE PRICE AND TRADING VOLUME IN 2017–2021



NUMBER OF REGISTERED SHAREHOLDERS



MARKET CAPITALIZATION, (MEUR)



Shares and shareholders

CHANGES IN SHARE CAPITAL 2004–2021

Year	Subscription/ share relationship	Subscription/ registering time	Subscription price EUR	New shares pcs	Change EUR 1,000	Share capital EUR 1,000	Dividend right
Share capital Nov. 1, 2003				**8,135,104 pcs**		**13,830 (EUR 1,000)**	
2004	On basis of options	Jan. 23, 2004	7.79	600	1	13,831	2004
2004	Exchange and targeted issue for K-shareholders, 1K:1.5A	Feb. 27, 2004	0.85	529,616	450	14,281	2004
2004	Split 1:1, gratuitous	Feb. 27, 2004		8,135,704		14,281	2004
2004	On basis of options	Apr. 21, 2004	3.71	2,400	2	14,283	2004
2004	Targeted share issue	Apr. 30, 2004	6.95	3,240,000	2,754	17,037	2004
2004	On basis of options	Jun. 22, 2004	3.71	47,200	40	17,077	2004
2004	On basis of options	Aug. 27, 2004	3.71	11,000	9	17,086	2004
2004	On basis of options	Oct. 28, 2004	3.71	47,400	40	17,127	2004
2004	On basis of options	Dec. 2, 2004	3.71	46,000	39	17,165	2004
2004	Annulment of shares	Dec. 21, 2004		-238,400	-203	16,963	
2004	Bonus issue 1:1	Dec. 21, 2004		19,956,624	16,963	33,926	2005
2005	On basis of options	Feb. 10, 2005	1.70	616,400	523	34,450	2005
2010	Decreasing of share capital	Jul. 19, 2010			-19,450	15,000	
2010	Targeted share issue	Oct. 18, 2010	0.70	2,000,000	0	15,000	2010
2013	Targeted share issue	Jul. 12, 2013	0.74	5,243,243	0	15,000	2013
2013	Share issue	Oct. 18, 2013	0.69	8,000,000	0	15,000	2013
2018	Share issue	Dec. 19, 2018	0.03	365,863,897	0	15,000	2019
2020	Reverse split, gratuitous	Feb 28, 2020		-413,204,053	0	15,000	
2020	Decreasing of share capital	Jun 23, 2020			-14,900	100	
2021	Directed and rights issue	Apr 1, 2021	0.20	60,090,458	0	100	2021
Share capital Dec. 31, 2021				68,523,193 pcs		100 (EUR 1,000)	

Share capital Dec. 31, 2021	68,523,193 pcs	100 (EUR 1,000)
Own shares Dec 31, 2021	69,249 pcs	
Shares outstanding per December 31, 2021	68,453,944 pcs	

Shares and shareholders

DISTRIBUTION OF SHAREHOLDINGS BY SIZE OF HOLDING, DECEMBER 31, 2021

Shares	Number of shareholders	Proportion of shareholders, %	Total number of shares and votes	Shares and votes, %
1–100	2,203	45.29	55,373	0.08
101–500	1,047	21.53	273,332	0.40
501–1,000	447	9.19	343,220	0.50
1,001–5,000	798	16.41	1,941,243	2.83
5,001–10,000	157	3.23	1,165,726	1.70
10,001–50,000	163	3.35	3,391,122	4.95
50,001–100,000	26	0.54	1,855,628	2.71
100,001–500,000	11	0.23	2,595,944	3.79
500,001–	12	0.25	56,901,605	83.04
Total	4,864	100	68,523,193	100
of which nominee registered	10		34,765,972	50.74
On wait list, total	0		0	0
In joint account			0	0
In special accounts total			0	0
Total			68,523,193	100

DISTRIBUTION OF SHAREHOLDINGS BY SHAREHOLDER CATEGORY, DECEMBER 31, 2021

	Number of shareholders	Proportion of shareholders, %	Shares, pcs	Shares and votes, %
Enterprises total	159	3.27	20,517,364	29.94
Financial and insurance institutions total	11	0.23	35,227,182	51.41
Households total	4,672	96.05	12,568,112	18.34
Non-profit organizations total	5	0.10	71	0
Outside Finland	17	0.35	210,464	0.31
Total	4,864	100	68,523,193	100
of which nominee registered			34,765,972	50.74
On wait list, total			0	0
In joint account			0	0
In special accounts total			0	0
Total			68,523,193	100

Shares and shareholders

THE 20 LARGEST SHAREHOLDERS, DECEMBER 31, 2021

	Shares pcs	Shares and votes %
NORDEA BANK ABP	34,001,281	49.62
JOENSUUN KAUPPA JA KONE OY	8,010,126	11.69
RAUSANNE OY	4,914,959	7.17
SOINITILAT OY	2,228,682	3.25
4CAPES OY	2,146,143	3.13
HEININEN JAAKKO MAURI	1,428,728	2.09
HEININEN INVEST OY	1,023,666	1.49
HEININEN PEKKA TAPANI	928,560	1.36
SJÖBLOM KARI TAPIO	572,588	0.84
KIVINEN HARRI JUHANI	560,000	0.82
LAAKKOSEN ARVOPAPERI OY	548,612	0.80
ARVOJYVA OY	538,260	0.79
LAAKKONEN MIKKO KALERVO	480,036	0.70
DANSKE BANK A/S HELSINKI BRANCH	457,412	0.67
GRIPENBERG JARL DÖDSBO	280,000	0.41
TULOS-JYVÄ OY	267,396	0.39
PÖYHÖNEN ILPO TAPIO	203,100	0.30
AHOMÄKI TIMO ANTERO	189,172	0.28
RAUSATUM OY	179,200	0.26
SORMUNEN MARTTI JUHANI	168,342	0.25
Total	59,126,263	86.29

SHAREHOLDINGS OF THE MANAGEMENT AND THE BOARD OF DIRECTORS ON DECEMBER 31, 2021

Total shareholdings	30,000 pcs
Shares	68,523,193 pcs
Proportion of shares and votes	0.04%

Enedo Plc's corporate governance statement 2021

The obligations of Enedo's decision-making bodies are defined in accordance with Finnish legislation and the principles established by the Board of Directors. Enedo's corporate governance complies with the provisions of the Finnish Companies Act. Enedo complies with the Insider Guidelines issued by Nasdaq Helsinki Ltd and the Finnish Corporate Governance Code 2021 issued by the Securities Market Association. This Corporate Governance Statement has been prepared in accordance with the Finnish Corporate Governance Code 2021, and the statement has been issued separately from the report by the Board of Directors. The Corporate Governance Code is publicly available at www.cgfinland.fi. This statement was approved for publication by the Board of Directors of Enedo Plc on week 13, 2022, and it is included in the Annual Report and also available on the company website at www.enedopower.com.

COMPOSITION AND OPERATIONS OF THE BOARD OF DIRECTORS

As set out in the Articles of Association, the Board of Directors shall have no fewer than three and no more than ten ordinary members. The company's President and CEO is not a member of the Board of Directors. The composition shall take into account the company's operational needs and development phase. A person to be elected to the Board shall have the qualifications required by the duties as well as sufficient knowledge of financial matters and business operations. A person to be elected to the Board shall have the possibility to devote a sufficient amount of time to the work.

The majority of the members of the Board shall be independent of the company. In addition, at least two of the members representing this majority shall be independent of the company's significant shareholders.

The Annual General Meeting of May 17, 2021 re-elected Taru Narvanmaa and Antti Sivula as members of the Board of Directors and Olle Hulteberg, Fredrik Berghel and Vesa Tempakka as new members.

COMPOSITION OF THE BOARD OF DIRECTORS ON DECEMBER 31, 2021:

Olle Hulteberg, born 1962

- Education: M.Sc. (Eng.)
- Board member and Chairman since May 17, 2021
- Primary occupation: Inission AB, Board member and Marketing Manager since 2017
- No shareholding

Fredrik Berghel, born 1967

- Education: M.Sc. (Eng.)
- Board member since May 17, 2021
- Primary occupation: Inission AB, President and CEO since 2017
- No shareholding

Taru Narvanmaa, b. 1963

- Education: M.Sc. (Econ.)
- Board member since April 12, 2018
- Primary occupation: Board professional
- Independent of the company and its significant shareholders
- Share ownership: no shares*

Antti Sivula, b. 1961

- Education: M.Sc. (Eng.)
- Board member since March 30, 2016
- Primary occupation: Mekitec Group, Managing Director
- Independent of the company and its significant shareholders
- Owns 30,000 Enedo shares*

Vesa Tempakka, born 1963

- Education: M.Sc. (Econ.)
- Board member since May 17, 2021
- Primary occupation: Neuva Group, CEO since 2017
- Independent of the company and its significant shareholders
- Share ownership: no shares*

*Shareholdings as of December 31, 2021

Remuneration of the Board of Directors in 2021

The Chairman of the Board was paid a fee of EUR 3,750 during January 1–May 17, 2021 and the members EUR 2,000 per month. During May 17–December 31, 2021, the Chairman of the Board was paid a fee of EUR 2,100 per month and the members EUR 750 per month. During January 1–May 17, 2021, the Chairman of the Audit Committee was paid a fee of EUR 750 per month.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors has general decision-making authority in all company matters that are not stipulated (by law or under the Articles of Association) to be decided or acted on by another party. The Board is responsible for the governance of the company and for duly organizing its operations. It also approves the corporate strategy, the risk management principles, the Group's corporate values, the operating plan and related annual budget, and decides on major investments.

The main duties and operating principles of the Board of Directors are laid out in a separate Charter, which covers the declaration of a quorum at Board meetings, the writing and approval of minutes, and the preparations needed on matters for decision.

More specifically, the Board:

- approves the company's values and strategy
- approves annually the company's main targets of business operations and monitors the Group's profit performance
- decides on the Group's major investments and reorganization measures
- reviews and approves interim reports and financial statements
- appoints and discharges the President and CEO and decides on the conditions of the President and CEO's service contract and remuneration principles
- decides on the compensation scheme of the management and personnel
- monitors the major risks and their management as well as approves the principles of risk management

The Board of Directors reviews its own working procedures by means of an annual self-evaluation process or in co-operation with an external party.

BOARD MEMBERS' ELECTION PROCEDURES AND THE BOARD'S DIVERSITY PRINCIPLES

The Annual General Meeting elects the members of the Board of Directors by a simple majority vote for a term of office that ends at the close of the next Annual General Meeting following their election. The Board of Directors elects a Chairman and a Vice Chairman from among its members.

The composition of the Board of Directors must take into account the company's operational objectives and stage of development. The Board of Directors is composed of members whose skills, education and experience complement each other and who have the possibility to devote sufficient amount of time to the work. The diversity of the Board of Directors supports the development of the business. The objective is that both genders are represented on the Board as well as the members at different ages and with a different educational background and experience.

Out of the five members, there was one female member in the Board of Enedo in December 2021.

BOARD COMMITTEES

The Board of Directors decides on establishing committees as necessary and appoints the members and chairmen of committees from among its members. The committees regularly report to the Board of Directors on their work.

The Audit Committee 2021

The Audit Committee shall consist of at least three Board members who are independent of the company. In addition, at least one member shall be independent of the company's significant shareholders. The members shall have the qualifications required for the performance of the responsibilities of the committee, and at least one member shall have special expertise in accounting, bookkeeping or auditing.

In the financial year 2021, the members of the Audit Committee were Taru Narvanmaa (Chairman of the Audit Committee), Tuomo Lähdesmäki and Matti Miettunen until May 17, 2021. In its constitutive meeting held after the Annual General Meeting on May 17, 2021, the Board of Directors decided that no separate committees would be established.

The Audit Committee elected in 2020 consisted of Taru Narvanmaa (Chairman of the Audit Committee), Tuomo Lähdesmäki and Matti Miettunen until May 17, 2021.

Attendance in Board and Audit Committee meetings in 2021.

A total of 29 Board meetings and 2 Audit Committee meetings were held during the financial year 2021.

	Board meetings	Audit Committee meetings
Olle Hulteberg	14/14	
Fredrik Berghel	14/14	
Taru Narvanmaa	21/29	2/2
Vesa Tempakka	14/14	
Antti Sivula	20/29	

SHAREHOLDERS' NOMINATION BOARD

Shareholders' Nomination Board 2021

The Annual General Meeting 2017 decided to establish a permanent Shareholders' Nomination Board to prepare proposals concerning the election and remuneration of the members of the Board of Directors to the General Meetings. The Annual General Meeting also adopted the charter of the Shareholders' Nomination Board.

The Nomination Board consists of four (4) members, with the company's three (3) largest shareholders each having the right to nominate one member. The Chairman of the Board of Directors of the company shall serve as the fourth member. The company itself cannot be a member of the Shareholders' Nomination Board.

THE PRESIDENT AND CEO AND THEIR DUTIES

The Board of Directors appoints the company's President and CEO and supervises his actions. The main terms and conditions governing the President and CEO's appointment are detailed in a written contract approved by the Board of Directors. The President and CEO manages and supervises the Group's business operations within the guidelines and directives issued by the Board of Directors, and ensures that the company's accounting accords with the law and that the financial management system is reliable.

In the financial year, Vesa Leino acted as Enedo Plc's President and CEO during January 1–June 7, 2021 and Mikael Fryklund since June 8, 2021.

OTHER MANAGEMENT

The corporate management of Enedo Group consists of the Chief Executive Officer (CEO) and the Executive Management Team.

The Executive Management Team has no powers based on law or the Articles of Association. The Executive Management Team assists the CEO in the development of the Group's business. The Executive Management Team's duty is to prepare strategy proposals for the Board and execute the approved strategy. The Executive Management Team members are accountable for the performance and development of their respective areas of responsibility and they supervise the operations of the units belonging to their areas.

Members of the Executive Management Team and their areas of responsibility on December 31, 2021:

Mikael Fryklund, born 1963, M.Sc. (Eng.) B.Sc. in Business Administration
- President and CEO

Hannu Hiillos, born 1960, M.Sc. (Econ.)
- CFO
- Share ownership: no shares*

Riccardo Buffa, born 1968, Bachelor degree in Business Administration
- Vice President, Enedo Italy
- Share ownership: no shares*

Giampiero Tasseli, born 1963, Bachelor Degree in Business Administration
- Vice President, Operations
- Share ownership: no shares*

Paul Vuolle, born 1965, M.Sc. (Eng.)
- Vice President, Enedo Finland
- Share ownership: no shares*

* shareholding information as of December 31, 2021

AUDITORS

The principal auditor of Enedo Plc is responsible for the Group's audit and the related directions and coordination. The principal auditor prepares an yearly audit plan and presents it to the Board of Directors. The plan specifies the focus areas of the audit and is subject to approval by the audit Committee. The auditor issues an auditor's report on the consolidated financial statements and the report of the Board of Directors to the company's shareholders as required by law. In addition, the auditor reports their findings to the Audit Committee.

The Annual General Meeting held on May 17, 2021, re-elected KPMG Oy Ab as the company's auditor. Authorized Public Accountant Henrik Holmbom served as the responsible auditor during the financial year 2021.

The fees for auditing the official financial statements amounted to EUR 110 thousand in 2021. The auditing company charged the Group a total of EUR 79 thousand for other services during the financial year.

THE MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

Internal control systems

The Board of Directors is responsible for ensuring that the internal control and risk management are adequately and effectively arranged. In addition, it is the responsibility of the Board to ensure that the internal control of the company's accounting and financial management is appropriately arranged. The financial management function communicates its findings to the relevant members of the management.

The Group has financial reporting systems for monitoring business operations, financial management and risks. The Board of Directors has approved the management organization and principles, decision-making authorizations and approval procedures, operating policies of the various areas of the company's administration, financial planning and reporting as well as remuneration principles.

The Group does not have a separate internal audit function. Instead, the internal audit is part of the Group's financial administration. Representatives of the Group's financial administration perform certain control functions when they visit the subsidiaries. The financial management reports these findings to the President and CEO and the Board of Directors.

The Group's financial management, together with the other management, prepares a monthly financial report. The report contains a summary of the net sales, gross profit, costs level, results, net working capital, cash flow and personnel development for the previous month, the year to date and a forecast for the remainder of the year. The report also includes the company's key risks and opportunities. The above-described report is monthly delivered to the Board of Directors, the Executive Management Team as well as to the auditors in connection with the interim reports. In addition to the monthly reporting, the management follows certain items more actively in monthly meetings. The Group aims to continuously improve the effectiveness of its financial processes and main business processes as well as reduce risks related to maintaining several parallel systems.

The Group's financial management oversees the centralized interpretation and application of accounting standards (IFRS). The Group's financing and hedging against currency risks are centralized in the head office in Finland. The Board's Audit Committee evaluates the financial statements and interim statements as well as certain other areas that are of significance to the result of the Group's business operations and monitors that necessary measures are taken.

Risk management

The aim of Enedo's risk management system is to identify the Group's strategic, operational and financing risks as well as any conventional risks of loss. In its operations, the Group takes risks related to the pursuit of its strategy and goals. Risk management seeks to control these risks in a proactive and comprehensive manner. The measures taken can include risk avoidance, risk reduction or risk transfer by insurance or agreement. Risk management forms an integral part of the Group's business processes in all of its operational units. In this way, the risk management process is tied to internal controls. The Group and its operational units assess the risks of their operations, prepare risk management plans and report risks in accordance with the organizational structure. The Group CFO oversees that risk management is arranged efficiently and that the effectiveness of its performance is ensured. The CFO is responsible for the general development of Enedo's risk management. The CFO reports the company's risk status to the Board of Directors.

The Board of Directors address risks in connection with addressing other business operations. Risk management is taken into consideration in the Group's quality systems, which also include contingency plans. A more detailed statement on the Group's risks and their management is available in the Investors section of the company's website.

RELATED PARTY TRANSACTIONS

The company maintains a list of its related parties. The company evaluates and monitors transactions carried out between the company and its related parties and ensures that it identifies, decides on, approves, reports, and monitors related party transactions in accordance with appropriate procedures. Related party transactions to be reported in accordance with the Finnish Limited Liability Companies Act and regulations concerning the drawing up of accounting decision and published, when certain conditions are satisfied, in accordance with the rules of the Helsinki Stock Exchange. In decision-making pertaining to potential related party transactions, the company ensures that decisions are based on exceptionally careful preparatory work and appropriate reports, opinions and/or assessments. In arranging preparatory work, decision-making, and the evaluation and approval of individual transactions, the company takes into account all relevant disqualification provisions and the appropriate decision-making body in each individual matter to ensure that a representative of a related party does not participate in the decision-making.

During the financial year, the company agreed with Inission AB on a bridge loan of EUR 2.0 million, which was repaid during the financial year. The interest expenses of the bridge loan amounted to EUR 14 thousand. Inission AB is the guarantor of the company's financial institution loan, and Inission AB's guarantee fee and arrangement fees for the financial year totaled EUR 76 thousand. The arrangement was carried out on acceptable grounds for the Group's business interests and under ordinary market terms.

INSIDER ADMINISTRATION

Enedo has drawn up Group-level Insider Guidelines, which cover topics including the prohibition on unlawful disclosure and the abuse of inside information, insider lists, notification requirements and trading restrictions. The Insider Guidelines have been confirmed by Enedo's Board of Directors. The CFO of Enedo is responsible for insider administration.

The Group does not maintain a list of permanent insiders. A project-specific insider list according to the Nasdaq Helsinki Guidelines for Insiders is prepared when Enedo has an ongoing project.

The persons discharging managerial responsibilities in the Group are the members of the Board of Directors, the President and CEO and the CFO. The persons discharging managerial responsibilities in the Group and persons closely associated with them have an obligation to notify the Group and the FIN-FSA about transactions relating to the Group's financial instruments. The Group then discloses the information as a separate stock exchange release.

Enedo has organized regular supervision of the trading and the notification requirement concerning persons included in insider lists as well as persons discharging managerial responsibilities and persons closely associated with them in such a way that the company annually checks the information to be notified with the persons discharging managerial responsibilities and the persons closely associated with them. Enedo's duty of supervision also extends to any external advisors registered in the insider list who have taken on the duty of drawing up and maintaining the insider list. It is therefore recommended that the company agree in writing (e.g. by e-mail) with such external advisors on the maintenance of the insider list and assure that such parties are aware of the obligations and duties under MAR and the Group's Insider Guidelines.

The persons discharging managerial responsibilities at Enedo are not allowed to trade in Enedo's financial instruments for their own account or for the account of a third party during the closed period, which begins 30 days before the disclosure of financial statement releases and half-year financial reports and ends on the day following the disclosure of such information. In the exceptional event that the financial statements release does not include all of the relevant information regarding the financial position of the company, in which case the closed period also applies during the 30 days prior to the publication of the financial statements, the company will separately inform the parties concerned. Trading in Enedo's financial instruments is allowed outside closed periods, provided that the person in question is not entered into a project-specific insider list and they do not otherwise possess inside information at the time. Prior to trading, the person in question also needs to have received a statement, in writing by e-mail, from the person responsible for insider administration at Enedo, indicating that there is no obstacle to trading.

Persons in the service of the company may, via an independent channel, report any suspected infringements of rules and regulations concerning the financial market, including violations of the company's Insider Guidelines and the Nasdaq Helsinki Guidelines for Insiders. Such reports are made by a freeform letter (anonymously, if necessary) addressed to the President and CEO.

Enedo Plc's Board of Directors on December 31, 2021

Olle Hulteberg
b. 1962
Education: M.Sc. (Eng.)
Board member since 2021
Chairman of the Board

Primary occupation:
Inission AB, Board member and Marketing Manager since 2017

Primary work experience:
In his career as entrepreneur, he has several successful start-ups as track record, and he has also held various positions within Ericsson and Tieto.

Primary board memberships:
Inission AB, Board member since 2007

Independent of the company

Fredrik Berghel
b. 1967
Education: M.Sc. (Eng.)
Board member since 2021

Primary occupation:
Inission AB, CEO and President since 2017

Primary work experience:
Inission AB, Managing Director 2007–2017
Incap Oyj, President and CEO 2013–2014
Robust Steel doors, Managing Director 2003–2006
Hydro Aluminium, Production manager 2001–2003
Constructor Group AS, Production Director 1999–2001

Primary board memberships:
Inission AB, Chairman of the Board of Directors since 2014

Independent of the company

Taru Narvanmaa
b. 1963
Education: M.Sc. (Econ.)
Board member since 2018

Primary occupation:
board professional

Primary work experience:
Aktia Plc, Deputy Managing Director 2011–2017 and Managing Director's alternate 2015–2017
Aktia/Veritas Life Insurance, Managing Director, 2007–2011
Raisio Plc, Director Communication & IR and member of Management Team 2001–2007
Sampo Plc, Several expert and management positions 1989–2001

Primary board memberships:
Sievi Capital Plc, Board member since 2019
Pohjantähti Mutual Insurance Company, Board member since 2018
Puutarhaliike Helle, Chairman of the Board since 2015
Veritas Pension Insurance, member of Supervisory Board since 2014
Stiftelsen Eschnerska Frilasaretten, member of Supervisory Board since 2009

Independent of the company and major shareholders

Antti Sivula
b. 1961
Education: M.Sc. (Eng.)
Board member since 2016

Primary occupation:
Mekitec Group, CEO since 2015

Primary work experience:
Bluegiga Technologies Oy, CEO, 2011–2015
Elektrobit Corporate, Executive Vice President & Senior Vice President , 2007–2011
Orbis Group, Finland/Orbis International Technologies, USA, VP of Sales and Marketing, 2004–2007

Primary board memberships:
Monidor Oy, Chairman of the Board of Directors since 2020

Independent of the company and major shareholders

Vesa Tempakka
b. 1963
Education: Civilekonom
Board member since 2021

Primary occupation:
Vapo Group, CEO since 2017

Primary work experience:
K.Hartwall Oy, CEO 2012–2017
DeLaval Finland, Managing Director 2008–2012
Tetra Pak Packaging Solutions Spa, Italy, Director Product Strategy and Planning 2005–2007
Tetra Pak Canada Inc, Carton Division Director 2000–2005
Tetra Pak, Tetra Rex Packaging Systems, Director
Tetra Rex Europe & Africa 1998-2000
Tetra Pak Oy (Finland) Sales Manager, Marketing Manager, Sales Director 1993–1998
Kansallis Osake Bank, Manager – Structured Finance 1989–1993

Primary board memberships:
Kekkilä-BVB, Chairman of the Board of Directors
Scandbio Ab, Board member
SVOT Capital, Chairman of the Board of Directors
Finnish Forest Industries Association, Board member

Independent of the company and the company's major shareholders

* Shareholding information as of December 31, 2021

Executive Management Team as of December 31, 2021

Mikael Fryklund
b. 1963, M. Sc. (Eng.), B. Sc. in Business Administration

Interim President and CEO of Enedo Group

Mikael Fryklund has been CEO of Hexpol AB (Publ, Large Cap) from 2017 to 2020, and before that President of Trelleborg Industrial Solutions and member of Group Management Trelleborg AB (Publ, Large Cap) from 2012 to 2017. Mikael has experience from other management positions within the Trelleborg Group since 2002, and the Bosch Group.

Hannu Hiillos
b. 1960, M.Sc. (Econ.)

Enedo Group CFO

Employed by the company since June 2019

Hannu Hiillos was previously Enedo Finland Oy's Financial Director. Prior to joining Enedo, he worked as Financial Director in Pibond Oy and as Group Controller in Aspocomp Group Plc.

Riccardo Buffa
b. 1968, Bachelor degree in Business Administration

Vice President, Enedo Italy

Employed by the company since September 2021

Before joining Enedo Riccardo Buffa worked as Managing Director at Exterran Italy Srl, as Site Manager and Business Development Manager at ASIT Srl/AGC Inc and as CEO at Perstorp Polialcoli Srl and at Belleli Energy CPE Srl.

Giampiero Tasseli
b. 1963, Bachelor Degree in Business Administration

Vice President, Operations

Employed by the company since December 2020

Giampiero Tasseli was previously Enedo Sarl's General Manager. Prior to joining Enedo, he worked as General Manager at OCAP Chassis pvt Ltd and as Operations Manager at A.Abete Srl.

Paul Vuolle
b. 1965, M.Sc. (Eng.)

Vice President, Enedo Finland

Employed by the company since October 2021

Before joining Enedo, Paul Vuolle held various international executive positions at ABB Group in Switzerland and at A+P Group.

Information for shareholders

INFORMATION
Enedo Plc's registered office is in Vantaa, Finland. The company's Business ID is 0195681-3.

ANNUAL GENERAL MEETING
The Annual General Meeting of Enedo Plc will be held on Tuesday, May 3, 2022.

THE BOARD OF DIRECTORS' PROPOSAL TO THE ANNUAL GENERAL MEETING
The Board of Directors proposes to the Annual General Meeting of May 3, 2022, that no dividend be distributed.

CHANGES OF ADDRESS
Shareholders are advised to report any changes of their address to their book-entry securities account provider.

FINANCIAL REPORTS IN 2022
Each year, Enedo publishes a financial statements release, an annual report, a half-year report and business reviews. Stock exchange releases are made available on the company website after their publication. The annual report is published only in PDF format on the company website.

ANNUAL REPORT 2021
Week 14/2022

BUSINESS REVIEW FOR Q1/22
May 3, 2022

HALF-YEAR REPORT 2022
(January 1–June 30, 2022) August 12, 2022

BUSINESS REVIEW FOR Q3/22
October 26, 2022

BASIC INFORMATION ABOUT THE SHARE
Exchange listing:
Nasdaq OMX Helsinki, The Nordic Exchange (Small Cap)
Trading code ENEDO Trading lot 1 share
Number of shares on December 31, 2021: 68,523,193 pcs
Number of treasury shares on December 31, 2021: 69,249 pcs
Number of outstanding shares on December 31, 2021: 68,453,944 pcs
Share capital: EUR 100,000

ANALYSTS MONITORING ENEDO
Information on analysts monitoring Enedo Plc is available on the company website at https://enedopower.com/investors/share-and-shareholders/analysts/. The list may be incomplete and Enedo Plc accepts no responsibility for evaluations or recommendations published by analysts.

INVESTOR RELATIONS
The objective of the company's investor relations is to provide accurate and up-to-date information on the Enedo Group's business operations and financial development. Enedo publishes all investor information on its website in Finnish and English. Enedo observes a 30-day silent period before the publication of results. During quiet periods, Enedo will not issue any comments on its financial position or business development.

CONTACT INFORMATION FOR INVESTOR RELATIONS
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