ENEDO OYJ

ANNUAL REPORT

1.1.2022 - 31.12.2022

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ENEDO IN BRIEF

POWER SUPPLY PRODUCTS AND SOLUTIONS TO DEMANDING APPLICATIONS

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 2022, the company's net sales amounted to EUR 46.8 million, and it had 334 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

Financial year 2021 in brief	**2022**	**2021**
Net sales	46,8	36,4
EBITDA	3,2	-3,2
Adjusted EBITDA	3,6	-0,8
Operating profit/loss	0,3	-6,6
Adjusted operating profit/loss	0,7	-4,2
Cash flows from operating activities	-1,0	-3,3
Earnings/share, eur	-0,02	-0,08
Equity/share, eur	0,05	0,07
Return on equity-%(ROE)	-28,6	-97,5
Retur on investment-%(ROI)	11,3	-15,5
Net interest bearing lliabilities, Meur	11,2	8,1
Solvency Ratio, %	11,2	14,9
Net gearing, %	389,2	173,1
Current ratio	0,7	0,7
Investments	2,0	2,1
Personnel average	334	350
Shares outstanding	68 454	68 454

REVIEW BY THE PRESIDENT AND CEO

Enedo's net sales in H2 2022 increased with 41% compared with the same period of 2021 and reached Eur 25,9 million (Eur 18,3 million). The net sales for the whole year 2022 was Eur 46,8 million (Eur 36,4 million). The adjusted operating profit was Eur 0,9 million (Eur -1,9 Million) for the H2 2022 and Eur 0,7 million (Eur -4,2 million) for the whole year 2022. The order intake continued strong during the second half of 2022, and was EUR 33.9 million, which is 10% higher than the order intake in the second half last year. The order book at the end of the year was Eur 40,3 million (Eur 28,7 million) an increase of 40% compared to the orderbook end of last year.

The groupwide turnaround program has been fully implemented by the end of Q3 2022 and the positive impacts can be seen on the financial performance of H2 2022. Enedo will continue improving operative processes, make capacity investetmens in Tunis and take actions on identified risks. The global shortage of components is still prevailing, however with some improvements on certain commodities.

Net sales in all product gategories increased in H2 2022 more than 30% compared the comparison period whereas the increase was strongest in Power supplies product gategory where the net sales increased 47% over the H2 2021.

Geographically the net sales increased during H2 2022, most in Asian market where the growth was 110% compared to H2 2021. The American market increased 22% and EMEA market 44% over H2 2021.

Actions to improve our logistic procedures have continued through H2 2022, and further actions will be taken during the year 2023.

On July 1, 2022 Inission AB increased ownership in Enedo to 80,43 % and has during H2 2022 decided to exercise its redemption right and to redeem all the remaining shares in Enedo. According to the ecurrent estimate Enedo shalle be delisted from Nasdaq Helsinki Ltd by the end of May 2023. At the end of the year 2022 Inission ownership in Enedo was 95,85%

Becoming a business area of Inission has strengthened our financial capabilities and possibilities to gain synergies with Inission, which is indeed promising for the future. The company will continue operating under Enedo Brand.

REPORT OF THE BOARD OF DIRECTORS 2022

Enedo Plc is an international Group that develops and produces demanding power products. In 2022, 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 the financial year Enedo 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 and Enedo Finland Oy both in Finland. Other subsidiaries were Efore (USA) Inc. in United States, and Enedo (Hongkong) Co. Ltd in China.

On July 1, 2022, Inission AB increased ownership in Enedo to 80,43 % and thus Enedo has become a subsidiary of Inission AB. On September 8, Inission AB launched a mandatory public tender offer with the aim of purchasing all issued and outstanding shares in Enedo Plc ("Enedo") that are not held by Inission or Enedo (the "Offer"). The acceptance period according to the Offer expired on September 29, 2022.

According to the final result of the Offer, the shares submitted in the Offer represent approximately 15.42% of all shares and votes in Enedo. Of these, a total of 295 Enedo shareholders (3,932,851 shares in Enedo) chose share consideration in the Offer and a total of 1,824 Enedo shareholders (6,630,428 shares in Enedo) chose cash consideration in the Offer.

Together with the Enedo shares that Inission already held before the offer, the shares submitted in the offer represent a total of approximately 95.85% of all shares and votes in Enedo. Therefore, Inission has during H2 2022 decided to exercise its redemption right in accordance with ch. 18. in the Finnish Companies Act and to redeem all the remaining shares in Enedo.

FULL YEAR NET SALES, OPERATING PROFIT AND ADJUSTED OPERATING PROFIT

The turnover for the fiscal year 2022 was 46.8 million EUR, which is EUR 10.4 million more compared to the turnover of 2021. The operating profit for the financial year was 0.3 million. euros (-6.6 million euros). The adjusted operating profit for the financial year was 0.7 million euros (-4.2 million euros).

	2022	2021
ADJUSTED OPERATING PROFIT/LOSS, EUR million	**12mo**	**12mo**
Operating profit/loss	**0,3**	**-6,6**
Adjustments in operating profit/loss		
Resctructuring costs related to personnel	0,2	1,6
Provision on bad debt	0,3	0,0
Cloud based ERP implementation expenses	0,0	0,3
Provision related to a claim	0,0	0,2
Sale of a subsidiary	0,0	0,3
Adjustments in operating profit/loss Total	0,5	2,4
Adjusted operating profit/loss Total	**0,7**	**-4,2**

BUSINESS DEVELOPMENT

Enedo's products are divided into three product categories, which are Power Supplies, Led-Drivers and Power Systems. The Power Supplies product category includes industrial power supplies, the Led Drivers category includes power supplies focused on lighting solutions, and the Systems category includes system products and rail power supply solutions.

The turnover of the Power Supplies product category was EUR 17.0 million in the second half of the year, EUR 5.4 million better than in the same period last year. The turnover of the Led Drivers product category was 6.1 million euros, an increase of 1.4 million euros compared to the same period last year. The turnover of Systems products in the second half of the year was 2.8 million euros compared to the turnover of 2.1 million euros in the same period last year.

The turnover of the Power Supplies product category was 30.0 million euros in the entire fiscal year 2022, 7.8 million euros better than in the same period last year. The turnover of the Led Drivers product category was 11.4 million euros, 2.2 million euros better than in 2021. The turnover of the Systems product category, on the other hand, increased by 0.3 million euros compared to last year and was 5.4 million euros.

SHORT TERM RISKS AND UNCERTAINTIES

General economic developments may affect the company's business environment. The war in Ukraine has led to increasing risks on economic growth which if continued may effect the demand for Enedo's products. Covid-19 is still affecting to uncertainty in the industry and, depending on the development of the pandemic, may have potential effects on our customers' ability to operate.

Certain business risk is related to the success of key customers' products in the market. The progress of Enedo's product development projects depends in part on the schedules of customers' own projects. In addition, the fluctuations in demand typical of the market cause rapid changes in Enedo's business.

A substantial risk is the required improvements of production planning and procurement procedures in Tunis and capacity constraints in respect of machine capacity, which in a growing market with shortage of components makes the situation even more challenging. Improvement actions are taken place in this respect, both investments and competence.

Due to the nature of the business, Enedo is subject to claims, of which the final solution cannot be predicted. Based on current information, there are no claims that are expected to have a material impact on the Group's financial position.

The delivery times of the components required by the company are partly long and there may be difficulties in obtaining certain components from time to time, which may affect the delivery capacity. The war in Ukraine and Covid-19 have increased the level of uncertainty in each country, which may affect our delivery capacity.

Enedo is carefully managing the short and long-term cash position by updating the cash forecasts on a weekly and monthly basis. Enedo is negotiating to sign a new long-term loan to cover the short-term loan amortization of Eur 3,9 million on 30th September 2023. At the balance sheet date there is not yet an agreement in place to sign a new loan, but management believes the company is able to agree on funding with support from the parent company Inission AB.

The war in Ukraine

The war in Ukraine has caused economic and geopolitical uncertainty globally. Economic bans concerning various goods and components are restricting the availability of raw materials and drive cost increases in supply chains all over the world.

Because of the EU bans to Russia Enedo has suspended all deliveries to Russia since the bans became effective. Enedo's export to Russia has earlier been around 1% of the total annual net sales.

Due to significant uncertainties related to export and receivables from Russia Enedo has during H2 2022 written off the remaining part of Eur 0,15 million of trade receivables from our customers in Russia. During H1 2022 Enedo has already written off the amount of Eur 0,15 million related to receivables from Russia.

Covid-19

The Covid-19 pandemic continues and business environment adjusts to the situation. It is challenging to differentiate the effects of the pandemic from other factors influencing business. Global recovery from Covid-19 has resulted in a global shortage of critical components in the market impacting lead-times and thereby our business growth.

Investments and product development

Investments during the financial year were EUR 2,0 million (EUR 2,1 million), of which product development capitalizations accounted for EUR 1,4 million (EUR 1,1 million). At the end of the financial year, capitalized product development costs in the balance sheet were EUR 4,2 million (EUR 4,2 million).

In total, product development costs during the financial year were EUR 4,0 million (EUR 4,5 million), of which EUR 1,4 million (EUR 1,1 million) were capitalized in the balance sheet and EUR 2,6 million (EUR 3,3 million) were recognized as expenses for the financial year thus 5,7 % (9,1 %) of net sales respectively.

Financing

The July – December cash flow from operating activities was EUR 2,1 million (EUR -1,5 million) and during the financial year EUR –1,0 million (EUR -3,3 million). During the year Enedo paid in total Eur 1,2 million in dismissal costs related to the executed turnaround plan and amortized loans to financial institutions with Eur 1,5 million. Investments into R&D projects and machinery and equipments was in total Eur 2,0 million. The cash flow after investing activities was EUR -3,1 million (EUR -5,8 million). The Group's solvency ratio was 11,2% (14,9 %) and the closing balance sheet was EUR 29,7 million (EUR 31,6 million).

The net interest-bearing liabilities were EUR 11,2 million (EUR 8,0 million) at the end of the financial year. The net interest-bearing liabilities include EUR 0,3 million (EUR 0,8 million) of IFRS 16 lease liabilities. The short-term interest-bearing liabilities amounted to EUR 8,6 million (EUR 8,1 million)

The cash position without undrawn credit facilities totaled EUR 1,0 million (EUR 2,7 million). At the end of the period, the Group had EUR 0,2 million (EUR 1,7 million) of undrawn credit facilities excluding factoring limits.

Enedo Oyj's Italian subsidiary has a loan which includes two covenants. The company breached slightly one of the covenants as per 31st December 2022. However, the company has received a waiver from the loan provider and thus the loan receivables will not be claimed. The amount of the loan on December 31st 2022 was EUR 0,9 million (Eur 1,4 million).

ENVIRONMENTAL POLICY AND LIABILITIES

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

Average number of the Enedo Group personnel during the year 2022 was 334 (350). At the end of the financial year group's number of personnel was 357 (330). The increase of the personnel at the end of financial year is based mainly on increased amount of production operators in our Tunis plant. The increase is due to increased production volumes in Tunis compared to year 2021.

BOARD OF DIRECTTORS AND EXECUTIVE MANAGEMENT TEAM

In the Annual General Meeting held on 23 May 2022, Olle Hulteberg, Fredrik Berghel and Antti Sivula were re-elected as members of the Board of Directors and Vesa Mäkelä and Martin Sjöstrand were elected as a new member of the Board of Directors. In its first meeting held after the Annual General Meeting, the Board of Directors elected Olle Hulteberg as 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 Francois Merienne (Enedo Operations).

AUDITOR

The annual general meeting on 23 May 2022 re-elected the auditing firm KPMG Oy Ab as the company's auditor. KHT Kim Järvi acts as the principal auditor.

SHARES, SHARE CAPITAL AND SHAREHOLDERS

Share prices of the corresponding period in the previous year are adjusted to correspond the number of shares after the completed share issues.

At the end of the period under review, the number of shares outstanding was 68 453 944 (68 453 944). At the end of the period under review the number of the Enedo's own shares was 69 249 (69 249) pcs.

The highest share price during the financial year was EUR 0,4 (0,8) and the lowest price was EUR 0,25 (0,23). The average price during the period under review was EUR 0,29 (0,39) and the closing price was EUR 0,26 (0,35). The market capitalization calculated at the final trading price at the end of the financial year was EUR 17,8 (23,8) million.

The total turnover value of Enedo shares traded on the Nasdaq Helsinki during the financial year was 16,4 (20,8) million pcs. This accounted for 24,0 % (30,4 %) of the total number of shares. The total number of fully paid-up shares was 68 523 193 pcs (68 523 193) and the number of shareholders totaled 2 492 (4 865) at the end of the financial year. Inission has decided to exercise its redemption right in accordance with ch. 18. in the Finnish Companies Act and to redeem all the remaining shares in Enedo.

FLAGGING NOTIFICATIONS

The share of Inission AB of the total number of shares and voting rights in Enedo Plc exceeded 50 per cent on July 1, 2022.

Kyösti Kakkonen controlled Joensuun Kauppa ja Kone Oy´s ownership of the total number of shares and voting rights in Enedo Plc went below 5 per cent on July 1, 2022.

The share of Rausanne Group (Rausanne Oy, Rausatum Oy) of the total number of shares and voting rights in Enedo Plc went below 5 per cent on July 1, 2022.

The share of Inission AB of the total number of shares and voting rights in Enedo Plc exceeded 90 per cent on October 5, 2022.

DECISIONS OF THE GENERAL MEETING

The Annual General Meeting of Enedo Plc held on 23 May 2022 in Vantaa:

The Annual General Meeting adopted the annual accounts of the Company for the financial period 1 January 2021 - 31 December 2021 and discharged the Board of Directors and the CEO from liability for their actions in the past financial period. Further, the Annual General Meeting resolved to adopt the Remuneration Report for 2021.

The Annual General Meeting approved the proposal of the Board of Directors not to distribute any dividend for the financial period that ended on 31 December 2021

The Annual General Meeting resolved on the proposal of the Shareholders' Nomination Board that the monthly remuneration paid to the members of the Board of Directors remain unchanged 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 Annual General Meeting set the number of the members of the Board of Directors at five. Olle Hulteberg, Fredrik Berghel and Antti Sivula were re-elected as members of the Board of Directors and Vesa Mäkelä and Martin Sjöstrand were elected as the new members of the Board of Directors. The Board of Directors was elected for a period ending at the end of the Annual General Meeting 2023.

Authorized Public Accountants KPMG Oy Ab was re-elected as the company's auditor. KPMG Oy Ab has informed that Authorized Public Accountant Kim Järvi will act as the responsible auditor. The auditor will 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 as well as the issuance of options and other special rights entitling to shares referred to in chapter 10 section 1 of the Companies Act as follows:

The number of shares to be issued based on the authorization may in total amount to a maximum of 6,850,000 shares, corresponding to approximately 10 % of all the shares in the Company.

The Board of Directors decides on all the terms and conditions of the issuances 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 cancels the authorization given by the Annual General Meeting on 17 May 2021 to decide on the issuance of shares and special rights entitling to shares.

The authorization is in force until the end of the next Annual General Meeting, however no longer than until 30 June 2023.

ESTIMATE OF THE FINANCIAL DEVELOPMENT IN 2023

The company has decided to continue its policy not to give an estimate for its financial development**.**

BOARD OF DIRECTOR’S PROPOSAL FOR DISTRIBUTION OF DIVIDEND

The Board of Directors will propose to the Annual General Meeting on May 4th, 2023 that no dividend will be distributed.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Enedo has signed a shareholder loan with Inission AB for the amount of Eur 1,62 million during January and February 2023.

Inission has decided to exercise its redemption right in accordance with ch. 18. in the Finnish Companies Act and to redeem all the remaining shares in Enedo. Enedo's board of directors has decided on March 8, 2023 to apply for the delisting of its shares from the Nasdaq Helsinki stock exchange list.

CONSOLIDATED FINANCIAL STATEMENTS, IFRS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1000 EUR	Note	1.1.2022-31.12.2022	1.1.2021-31.12.2021
NET SALES	1	**46 799**	**36 442**
Change in inventories of finished goods and work in progress		-222	-367
Work performed for own purposes and capitalised		751	191
Other operating income	4	305	316
Materials and services	5	-31 629	-24 269
Employee benefits expenses	6	-7 747	-10 918
Depreciation and amortization	7	-2 900	-3 058
Impairment	7	-13	-403
Other operating expenses	8	-5 093	-4 578
Operating profit/loss		**253**	**-6 644**
Financing income	9,11	1 466	3 702
Financing expenses	10,11	-2 809	-1 641
Profit/loss before taxes		**-1 090**	**-4 583**
Tax on income from operations	12	-42	82
PROFIT/LOSS FOR THE PERIOD		**-1 132**	**-4 501**

1000 EUR	Liite	1.1.2022-31.12.2022	1.1.2021-31.12.2021
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		-85	-13
Items that will not be reclassified to profit or loss		**-85**	**-13**
Items that may be reclassified subseguently			
Translation differences		-268	-15
Items that may be reclassified subsequently to profit or loss		**-268**	**-15**
TOTAL COMPREHENSIVE INCOME		**-1 315**	**-4 529**

1000 EUR	Note	1.1.2022-31.12.2022	1.1.2021-31.12.2021
Profit/loss, attributable to:			
Owners of the parent company		-1 130	-4 501
Non-controlling interests		-2	0
Profit/loss		**-1 132**	**-4 501**
Total comprehensive income attributable to:			
Owners of the parent company		-1 313	-4 529
Non-controlling interests		-2	0
Total comrehensive income		**-1 315**	**-4 529**

	Note	1.1.2022-31.12.2022	1.1.2021-31.12.2021
EARNINGS PER SHARE CALCULATED ON PROFIT/LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Earning per share, undiluted, eur *	13	-0,02	-0,08
Earning per share, diluted, eur *	13	-0,02	-0,08

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

GROUP BALANCE SHEET

1000 EUR	Note	31.12.2022	31.12.2021
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	14	**4 557**	4 854
Goodwill	14	**4 275**	4 275
Tangible assets	15	**2 811**	3 364
Other non-current financial assets	16	**8**	6
Non-current trade and other receivables	19	**264**	259
Deferred tax asset	17	**1 588**	1 544
NON-CURRENT ASSETS		**13 502**	**14 302**
CURRENT ASSETS			
Inventories	18	**9 530**	9 362
Trade receivables and other receivables	19	**5 452**	5 102
Tax receivable, income tax		**134**	106
Cash and cash equivalents	20	**1 040**	2 721
CURRENT ASSETS		**16 157**	**17 291**
ASSETS		**29 659**	**31 593**

	Note	31.12.2022	31.12.2021
EQUITY AND LIABILITIES			
Owners of the parent company			
Share capital	21	**100**	**100**
Reserve for invested unrestricted equity	21	**64 370**	**64 370**
Treasury shares	21	**-2 425**	**-2 425**
Other reserves	21	**699**	**699**
Translation differences	21	**2391**	**2 660**
Retained earnings		**-61 833**	**-60 787**
Owners of the parent company		**3 303**	**4 617**
Non-controlling interests		**-3**	**-1**
EQUITY		**3 301**	**4 616**
NON-CURRENT LIABILITIES			
Deferred tax liability	17	**51**	**59**
Non-current liabilities, interest-bearing	22,23	**3 590**	**2615**
Other non-current liabilities	24	**82**	**266**
Pension obligations	25	**617**	**1020**
Provisions	26	**78**	**89**
NON-CURRENT LIABILITIES		**4 418**	**4 049**
CURRENT LIABILITIES			
Current interest-bearing liabilities	22,23	**8 629**	**8 102**
Trade payables and other liabilities	24,27,28	**12 891**	**14 359**
Tax liability, income tax		**203**	**329**
Provisions	26	**217**	**138**
CURRENT LIABILITIES		**21 941**	**22 928**
LIABILITIES		**26 359**	**26 977**
EQUITY AND LIABILITIES		**29 659**	**31 593**

GROUP CASH FLOW STATEMENT

1000 EUR	Note	1.1.2022-31.12.2022	1.1.2021-31.12.2021
Cash flow from operating activities			
Customer payments received		**46 105**	37 102
Cash paid to suppliers and employees		**-45 350**	-38 886
Cash generated from operations		**755**	-1 784
Interest paid		**-684**	-530
Interest received		**2**	1
Other financing items		**-1 056**	-1044
Income taxes paid		**-50**	33
Net cash from operating activities (A)		**-1 034**	-3 324
Cash flows from investing activities			
Purchase of tangible and intangible assets		**-2 038**	-2 207
Proceeds from sale of tangible and intangible assets		**-10**	12
Acquisition of subsidiaries		**0**	0
Disposal of subsidiaries less cash and cash equivalents		**0**	-282
Net cash used in investing activities (B)		**-2 048**	-2 477
Cash flows from financing activities			
Proceeds from issue of share capital		**0**	11 283
Proceeds from short-term borrowings		**3 458**	5 500
Repayment of short-term borrowings		**-1 455**	-4 940
Working capital financing and credit limits		**-109**	-3 119
Proceeds from long-term borrowings		**0**	-836
Repayments from long-term borrowings		**-496**	-509
Cash flows from financing activities (C)		**1 398**	7 379
Net decrease (-) /increase (+) in cash and cash equivalents (A+B+C)		**-1 684**	1 578
Cash and cash equivalents at the beginning of the period		**2 721**	1 136
Net increase/decrease in cash and cash equivalents		**-1 684**	1 579
Effects of exchange rate fluctuations on cash held		**3**	6
Cash and equivalents at the end of the period	20	**1 040**	2 721

CONSOLIDETAD STATEMENT OF CHANGES IN EQUITY

1000 EUR	Note	Share capital	reserve fo invested unrestricted equity	Treasury shares	Reserves	Translation differences	Retained earings	Owners of the parent company	Non-controlling interest	Total equity
EQUITY JAN 1, 2022		**100**	**64 370**	**-2 425**	**699**	**2 660**	**-60 788**	**4 617**	**-1**	**4 616**
Profit/loss for the period						-1 131	-1 131		-2	-1 132
Other comprehensive income:										
							85	85		85
						-268		-268		-268
Total comprehensive income						**-268**	**-1 045**	**-1 313**	**-2**	**-1 315**
Share issue										
Reduction of reserves					**0**			**0**		**0**
EQUITY Dec 31, 2022	21	**100**	**64 370**	**-2 425**	**699**	**2 391**	**-61 833**	**3 303**	**-3**	**3 301**

1000 EUR	Liite	Share capital	Reserve for invested unrestricted equity	Treasury shares	Reserves t	Translation differences	Retained earings	Owners of the parent company	Non-controlling interest	Total equity
EQUITY JAN 1 2021		**100**	**53 087**	**-2 425**	**702**	**2 674**	**-56 273**	**-2 135**	**0**	**-2 135**
Profit/loss for rh eperiod							-4 501	-4 501	-1	-4 501
Other comprehensive income:										
Remeaseurement of the 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 reserves					-3			-3		-3
EQUITY Dec 31, 2021	21	**100**	**64 370**	**-2 425**	**699**	**2 660**	**-60 788**	**4 617**	**-1**	**4 616**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

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.

Enedo is a subsidiary of a Swedish Inission AB since July 1st 2022. The financials statements of Inission Group are available at internet www.inission.com.

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, 2022, to December 31, 2022 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 2022 and 2021 figures so that the sum of the figures rounded up in the tables gives the total of the table. Enedo's ESEF financial statements have not been verified by the auditor.

APPLICATION OF THE GOING CONCERN PRINCIPLE

In the assessment of the business continuity principle, the company's management has considered the working capital required for the increasing volumes of 2023, the related estimates, the available sources of financing as well as the risks and uncertainties related to the adequacy of financing. Management has used a 12-month cash flow forecast and sensitivity analysis in its judgment.

The renegotiation of the Eur 4,7 million loan is one of the main components of the financial planning of the year 2023. The loan has a maturity date of 30th September 2023 and is amortized with Eur 0,1 million monthly and thus final loan amount at the maturity date is Eur 3,9 million. The company aims in co-operation with the parent company Inission AB to renegotiate the loan structure and replace the current Eur 4,7 million loan with a new long-term loan.

The realization of the company's cash flow forecast for the next 12 months and thus ensuring the continuity of operations requires continued deliveries with the same pace than during H2 2022 and in accordance with the strong orderbook of Eur 40,3 million ant the end of th eyear 2022. This would ensure operative cash flows in line with the plans. The parent company Inission AB plans to support Enedo’s working capital needs by granting a shareholder loan with sufficient amount. Enedo has also received a signed a support letter from Inission AB to ensure the adequacy of funding for th enext 12 months.

The overall component shortage continues at least through the H1 2023 while the shortage is somewhat easing towards the end of 2023.

A significant part of the company's working capital financing comes from the financing of invoice receivables. This means that the development of net sales and the delivery capacity is a significant factor in the company's cash flow. In addition, the development of the gross margin and operating costs have a significant effect on the cash flows. Should the cash flow from operating activities be significantly weaker than forecasted, this would weaken the implementation of the company's strategy and increase liquidity risk over the next 12 months.

The management believes that by continuing to deliver products to customers with same pace than during H2 2022 and by restucturing the loan position the company has enough financial resources for the whole year of 2023. The above is supported by the signed parent company support letter. Based on the overall assessment of the company's position the management considers that by positive cash flows and the parent company support it justified to prepare the financial statements release of 2022 in accordance with the principle of going concern.

NEW AND AMENDED STANDARDS APPLIED IN THE PAST FINANCIAL YEAR

The group has complied with the new and amended standards that came into effect from the beginning of the 2022 financial year.

Changes and clarifications to the current IFRS standards and IFRIC interpretations have not had a material impact 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, 2022 or December 31, 2021.

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, 2022.

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

Buildings and constructions	20–40 years
Machinery & 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

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 countryspecific 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

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 other items of the comprehensive income statement.

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 2022 and 2021.

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, 2022.

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 noncurrent 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 firstmentioned 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.

The restrictions resulting from War in Ukraine and COVID-19 have an impact on the Group’s business environment. The duration and impact of the war 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 the War in Ukraine, 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 2022.

In the assessment of the business continuity principle, the company's management has considered the working capital required for the increasing volumes of 2023, the related estimates, the available sources of financing as well as the risks and uncertainties related to the adequacy of financing. Management has used a 12-month cash flow forecast and sensitivity analysis in its judgment.

The renegotiation of the Eur 4,7 million loan is one of the main components of the financial planning of the year 2023. The loan has a maturity date of 30th September 2023 and is amortized with Eur 0,1 million monthly and thus final loan amount at the maturity date is Eur 3,9 million. The company aims in co-operation with the parent company Inission AB to renegotiate the loan structure and replace the current Eur 4,7 million loan with a new long-term loan.

The realization of the company's cash flow forecast for the next 12 months and thus ensuring the continuity of operations requires continued deliveries with the same pace than during H2 2022 and in accordance with the strong orderbook of Eur 40,3 million ant the end of th eyear 2022. This would ensure operative cash flows in line with the plans. The parent company Inission AB plans to support Enedo's working capital needs by granting a shareholder loan with sufficient amount. Enedo has also received a signed a support letter from Inission AB to support its operations.

The overall component shortage continues at least through the H1 2023 while the shortage is somewhat easing towards the end of 2023.

A significant part of the company's working capital financing comes from the financing of invoice receivables. This means that the development of net sales and the delivery capacity is a significant factor in the company's cash flow. In addition, the development of the gross margin and operating costs have a significant effect on the cash flows. Should the cash flow from operating activities be significantly weaker than forecasted, this would weaken the implementation of the company's strategy and increase liquidity risk over the next 12 months.

The management believes that by continuing to deliver products to customers with same pace than during H2 2022 and by restucturing the loan position the company has enough financial resources for the whole year of 2023. The above is supported by the signed parent company support letter. Based on the overall assessment of the company's position the management considers that by positive cash flows and the parent company support it justified to prepare the financial statements release of 2022 in accordance with the principle of going concern.

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

Konserni ottaa uudet sovellettavat standardit käyttöön kunkin standardin ja tulkinnan voimaantulopäivästä lähtien tai mikäli voimaantulopäivä on muu kuin tilikauden ensimmäinen päivä, voimaantulopäivää seuraavan tilikauden alusta lukien.

- Definition of accounting estimates - Amendments to IAS 8 Principles of preparation of financial statements, changes and errors in accounting estimates Applicable for accounting periods starting on or after 1 January 2023, but earlier application is permitted. The changes clarify how companies should distinguish changes in accounting principles from changes in accounting estimates and focus on the definition of an accounting estimate and its clarification. The regulation has not been approved as applicable in the EU by 31 December 2022.

- • Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 Income taxes. Applicable in fiscal years starting on or after January 1, 2023. The changes narrow the exception rule for initial recording and clarify that the exception rule does not apply to individual transactions, such as lease agreements and demolition obligations, which result in equal and opposite temporary differences.
- • Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases Applicable for financial periods starting on or after 1 January 2024, but earlier application is permitted. The changes add a new accounting model for variable payments and require the lessee to reassess and possibly correct sales and leaseback transactions starting in 2019. The regulation has not been approved for application in the EU by 31 December 2022

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

1. SEGMENT INFORMATION (1 000 EUR)

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 decisionmakers, 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 2022	**Americas**	**EMEA**	**Finland**	**APAC**	**Non-alloated**	**Group**
Net sales	**9 907**	**23 773**	**3 970**	**9 149**	**0**	**46 799**
Assets	**80**	**20 497**	**9 082**	**0**	**0**	**29 659**
Georaphical areas 2021	**Americas**	**EMEA**	**Finlnad**	**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

About 28% (25%) of the Net sales in the fiscal year 2022 comes from the two largest customers, i.e. 7,128 (5,135) from customer A and 6,094 (3,960) from customer B, which makes a total of 13,222 (9,095) thousand euro.

The net sales for the financial year consists of goods sales of 46,669 (36,244) thousand euros and services sales of 130 (198) thousand euros.

2. BUSINESS COMBINATION (EUR 1,000)

No new businesses were acquired during the financial year

3. DISCONTINUED OPERATIONS

There has not been any discontinued operations during the fiscal year

4. OTHER OPERATING INCOME (EUR 1,000)

	2022	2021
Grants for product development	**39**	130
Other income	**266**	186
Total	**305**	**316**

5. MATERIALS AND SERVICES (EUR 1,000)

	2022	2021
Materials	**31 060**	25 982
Change in inventories	**-279**	-3 143
Services	**848**	1 430
Total	**31 269**	24 269

6. PERSONNEL EXPENSES (EUR 1,000)

	2022	2021
Salaries and wages *	**5 745**	8 547
Pension expenses, defined contribution plans	**1 596**	2 075
Pension expenses, defined benefit plans (TFR, Italy)	**320**	178
Other social security	**85**	118
Yhteensä	**7 746**	10 918

*) Information on management compensation, other employment benefits and shareholdings is provided in Note 33. Related party transactions

Personnel	2022	2021
Average number of personnel	**334**	350
Personnel at the end of year	**357**	330

The number of own personnel includes temporary personnel.

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

	2022	2021
Depreciation by asset class		
Development costs	**1 347**	1 460
Intangible rights	**5**	3
Other intangible assets	**329**	347
Machinery and equipment	**705**	707
Right -of-use assets	**477**	504
Other tangible assets	**36**	37
Total	**2 899**	3 058
Impairment on development costs	**13**	403

8. OTHER OPERATING EXPENSES (EUR 1,000)

	2022	2021
Rental costs	**207**	208
Non-statutory employee benefis	**61**	87
Administrative costs	**1 058**	943
Professional services	**176**	241
Usage	**563**	507
Travel	**179**	53
Changes in provisions	**67**	-55
Entertainment	**15**	10
Insurance	**206**	192
Marketing	**153**	249
Car expenses	**31**	19
Other fixed expenses	**1 572**	1 320
Audit fees	**170**	235
Credit losses	**316**	0
Sales services	**316**	279
Loss on subsidiary shares		283
Loss on sales of fixed assets	**1**	7
Total	**5 093**	4 578

Audit fees:		
KPMG Oy Ab		
Audit	**123**	110
Tax services		8
Other services	**3**	71
Total	**126**	189
KPMG abroad		
Audit	**29**	35
Tax services	**2**	3
Other services	**6**	2
Total	**36**	40
OTHER AUTHORIZED AUDIT FIRMS		
Audit	**7**	6
Tax services	**0**	0
Other services	**0**	0
Total	**7**	6
TOTAL		
Audit	**159**	151
Tax services	**2**	11
Other services	**9**	73
Total	**170**	235

9. FINANCIAL INCOME (EUR 1,000)

	2022	2021
Interest income from loans and other receivables	**2**	1
Exchange rate gains	**1 390**	348
Annulment of debt		3 339
Other income	**74**	112
Total	**1 466**	3 702

10. FINANCIAL EXPENSES (EUR 1,000)

	2022	2021
Interest expenses	**1 064**	518
Interest expenses for lease liabilities	**29**	43
Exchange rate losses	**1 461**	490
Other financial costs	**256**	590
Total	**2 809**	1 641

11.EXCHANGE RATE DIFFERENCES (1000 EUR)

		2022	2021
Itemization of net exchange rate gains (+) and losses (-) according to financial statement items			
Total	Gains	**1 390**	348
	Losses	**-1 461**	-490
	Net	**-70**	-142
Sales	Gains	**466**	133
	Losses	**-375**	-53
	Net	**91**	80
Purcha-ses	Gains	**449**	69
	Losses	**-750**	-284
	Net	**-300**	-215
Financial items	Gains	**129**	106
	Losses	**-273**	-142
	Net	**-144**	-36
Intra-group receivables and liabilities	Gains	**347**	40
	Losses	**-63**	-11
	Net	**284**	29

12. INCOME TAXES (EUR 1,000)

	2022	2021
Income taxes in statement of income		
Income tax for fiscal year	**-93**	-38
Deferred taxes	**51**	120
Total	**-42**	**82**

The differences between income tax expense calculated at the Finnish tax rate in the parent company and the tax expense in the income statements are:

Profit/loss before taxes	**-1090**	-4 583
Taxes calculated at tax rate of the parent company (20%)	**218**	917
Difference due to other tax rates in subsidiaries	**-51**	427
Non-deductible expenses	**-61**	-58
Change in deferred tax assets from losses in prior periods		0
Income taxes from prior periods		55
Use of unregnized tax losses		0
Unregognized deferred tax assets from tax losses	**-154**	-1 248
Other items	**-4**	-11
Tax expense in statement of income	**-42**	82

13. EARNINGS PER SHARE (1000 EUR)

	2022	**2021**
Result attributable to shareholders of the parent comapny	**-1 131**	-4 501
Weighted average number of shares (in thousands) *	**68 454**	53 637
Effect of adjustment for potential shares in the share- based incentive plans		
Weighted average number of diluted shares*	**68 454**	53 637

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

Earnings per share

Earnings per share, undiluted, EUR	**0,02**	0,08
Earnings per share, diluted, EUR	**0,02**	0,08

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.

14. INTANGIBLE ASSETS (EUR 1,000)

	Development costs	Immaterial rights	Other intangible assets	Advance payments for intangible assets	Goodwill	Total
Cost on 1 Jan.2022	15 464	2 887	4 653	0	4 275	27 279
Translation differences			1			1
Additions	1 393	1	2			1397
Disposals	-30					-30
Cost on 31 Dec 2022	16 828	2 888	4 656	0	4 275	28 649
Cumulative amortisation and impairment on 1 Jan 2022	-11 251	-2 880	-4 018			-18 150
Translation differences			-1			-1
Cumulative amortisation on disposals and reclassifications	30	0	0			30
Amortisation	-1 347	-5	-329			-1 681
Impairment	-13					-13
Cumulative amortisation and impairment on 31 Dec 2022	-12 582	-2 886	-4 348			-19 817
Carrying amount 1 Jan 2022	4 213	7	634	0	4 275	9 129
Carrying amount 31 Dec 2022	**4 247**	**2**	**308**	**0**	**4 275**	**8 832**

	Development costs	Immaterial rights	Other intangible assets	Advance payments for intangible assets	Goodwill	Total
Cost on 1 Jan.2021	15 404	3 179	4 638	74	4 276	27 571
Translation differences			1			1
Additions	1 137		14			1 151
Disposals	-1 077	-292	-1	-74		-1 444
Cost on 31 Dec 2021	15 464	2 887	4 652	0	4 276	27 279
Cumulative amortisation and impairment on 1 Jan 2021	-10 465	-3 171	-3 669		-1	-17 306
Translation differences			-1			-1
Cumulative amortisation on disposals and reclassifications	1 077	294	-1			1 370
Amortisation	-1 460	-3	-347			-1 810
Impairment	-403					-403
Cumulative amortisation and impairment on 31 Dec 2021	-11 251	-2 880	-4 018		-1	-18 150
Carrying amount 1 Jan 2022	4 939	8	969	74	4 275	10 265
Carrying amount 31 Dec 2022	**4 213**	**7**	**634**	**0**	**4 275**	**9 129**

DEVELOPMENT COSTS

On December 31, 2022, the carrying amount of unfinished development expenditure was EUR 856 (1.042) 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.

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GOODWILL IMPAIRMENT TESTING

For impairment testing, goodwill of EUR 4,277 thousand is allocated to the cashgenerating 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 on December 31, 2022, did not show any impairment of goodwill or intangible assets related to business acquisitions. The impairment test of capitalized development costs on 31.1.2022 did not show the need for impairment.

Key assumptions and sensitivity analysis

The group has two cash generating units, Enedo Spa and Enedo Finland. The discount rate used in the testing has been defined as weighted average cost of capital (WACC). Enedo SpA's discount rate, 14,93 % (14,49 %) and Enedo Finland's rate 11,09 % (11,51 %), are pre-tax rates. The long-term growth factor for Enedo Spa is 1,5 % (0,9 %) and for Enedo Finland 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 would be 45 % (26 %) lower for Enedo SpA and 39 % (54 %) lower for Enedo Finland during the years 2023–2027, or if the discount rate would be 19,57 % (9,64 %) higher for Enedo SpA and 13,87 % (15,87 %) higher for Enedo Finland.

Based on the impairment testing, Enedo SpA's value in use exceeds the tested book value of EUR 10,3 million by 106 % (103 %) and Enedo Finland's value in use exceeds the tested book value of EUR 4,1 million by 46 % (181%).

15. TANGIBLE ASSETS (1 000 EUR)

	Buildings and structures	Tangible right-of-use assets *)	Machinery and equipment	Other tangible assets	Work in progress	Total	Buildings and structures
Cost on 1 Jan.2022	25	1 471	16 179	712	1 148	3	19 538
Translation differences		7	5		8		19
Additions			639	0	28	8	674
Disposals			-468	-79	-249		-796
Reclassifications			3			-3	0
Cost on 31 Dec 2022	25	1 478	16 357	633	935	8	19 436
Cumulative depreciation on 1 Jan 2022	-9	-965	-13 725	-466	-1 009		-16 174
Translation differences		-4	-5		-8		-17
Cumulative depreciation on disposals			457	79	247		784
Depreciation	-3	-341	-705	-136	-34		-1 219
Cumulative depreciation on Dec 31 2022	-11	-1 310	-13 976	-523	-805		-16 625
Carrying amount 1 Jan 2022	16	506	2 454	246	139	3	3 364
Carrying amount 31 Dec 2022	**14**	**168**	**2 381**	**110**	**131**	**8**	**2 811**

	Buildings and structures	Tangible right-of-use assets *)	Machinery and equipment	Other tangible assets	Work in progress	Total	Buildings and structures
Cost on 1 Jan.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
Disposals			-153		-23		-176
Reclassifications			89			-89	0
Cost on 31 Dec 2021	25	1 471	16 179	712	1 148	3	19 538
Cumulative depreciation on 1 Jan 2021	-6	-633	-13 120	-289	-968		-15 016
Translation differences		-5	-29		-30		-64
Cumulative depreciation on disposals			131		23		154
Depreciation	-3	-327	-707	-177	-34		-1 248
Cumulative depreciation on Dec 31 2021	-9	-965	-13 725	-466	-1 009		-16 174
Carrying amount 1 Jan 2021	19	701	2 201	347	144	85	3 497
Carrying amount 31 Dec 2021	**16**	**506**	**2 454**	**246**	**139**	**3**	**3 364**

16. OTHER FINANCIAL ASSETS (1 000 EUR)

	Investments held to matrurity	Other re-ceivables	Non-current loan re-ceivables	Total
Cost Jan. 1, 2022	5	-1	-1	4
Translation differences	0	1	1	2
Cost Dec. 31, 2022	5	3	3	8
Carrying amount Jan. 1, 2022	5	1	1	6
Carrying amount Dec. 31, 2022	**5**	**3**	**3**	**8**

	Investments held to matrurity	Other re-ceivables	Non-current loan re-ceivables	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**

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

Deferred tax assets:	**1.1.2022**	Translation differences +/-	Change through income statement	Recorded into equiy	Other movements	Changes through business arrangements	**31.12.2022**
Unused tax losses	1 544	0	44	0	0	0	1 588
Total	**1 544**	**0**	**44**	**0**	**0**	**0**	**1 588**

Deferred tax liabilities:	1.1.2022	Translation differences +/-	Change through income statement	Recorded into equiy	Other movements	Changes through business arrangements	31.12.2022
Fair value evaluation of intanible assets in business combinations	59	0	-7	0	0	0	51
Total	**59**	**0**	**-7**	**0**	**0**	**0**	**51**

Deferred tax assets:	**1.1.2021**	Translation differences +/-	Change through income statement	Recorded into equiy	Other movements	Changes through business arrangements	31.12.2021
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	1.1.2021	Translation differences +/-	Change through income statement	Recorded into equiy	Other movements	Changes through business arrangements	31.12.2021
Fair value evaluation of intanible assets in business combinations	179	0	-120	0	0	0	59
Yhteensä	**179**	**0**	**-120**	**0**	**0**	**0**	**59**

The Group companies in Finland, Italy, Tunisia, and the United States had tax losses totaling EUR 46.1 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 6,6 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 2.6 million to the losses of the Italian company. The losses will expire in the years 2023–2042.

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 2022, the parent company had deferred tax 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

	2022	**2021**
Materials and supplies	**6 473**	6 769
Work in progress	**1 159**	1 129
Finished goods	**1 730**	1 632
Total	**9 530**	9 362

During the financial year, write-downs of inventory in order to decrease the value from historical to the lower net realizable value totaled EUR 0.7 million (EUR 0.1 million).

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

	2021	**2020**
Non-current:		
Non-current other receivables	**264**	**259**
Total	**264**	**259**
Current:		
Trade receivables	**5 276**	**4 910**
Credit loss provision	**-785**	**-521**
Other current receivables	**698**	**537**
Prepayments and accrued income	**263**	**176**
Total	**5 452**	**5 102**
Trade receivable and other receivables:	**5 716**	**5 361**

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

The group has recorded credit provision of 305 thousand euros (63 thousand euros) on trade receivables.

The impairment model according to IFRS 9 is based on assumed credit losses. The group has defined the accounting model for expected credit losses, which is based on the maturity of trade receivables and management's discretion. A provision for bad debts has been made on a case-by-case basis for receivables that are clearly overdue and, based on history, this has given a good picture of the expected bad debt. However, management uses judgment in applying the accounting model.

	2022	**2021**
Credit loss provision Jan. 1	**521**	458
Additions	**305**	63
Deductions	**-41**	0
Credit loss provision Dec. 31	**785**	521
Analysis of trade receivables past due:		
Neither past due nor impaired	**2 874**	3 575
Due not more than 30 days	**1 021**	429
Due 31 to 60 days	**589**	36
Due 61 to 90 days	**10**	81
Due 91 to 120 days	**1**	0
Due more than 120 days	**781**	789
Total	**5 276**	4 910
Trade and other receivables by currency:		
EUR	**3 092**	3 813
RMB		35
USD	**2 112**	1 457
Other currencies	**72**	56
Total	**5 276**	5 361
Material items in prepayments and accrued income:		
Prepaid expenses	**125**	155
Other items	**138**	21
Total	**263**	176

20. CASH AND CASH EQUIVALENTS (EUR 1,000

	2022	**2021**
Cash and cash equivalents	**1 040**	2 721

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

	2021	Cash flows	Classification	Non-cash changes: Acquisition of subsidiary	Non-cash changes: Acquisition of subsidiary	Non-cash changes: Acquisition of subsidiary	2022
Non-current liabilities	2 311	1 950					3 558
Non-current lease liabilities	304	-272					32
Current liabilities	7 611	682					8 293
Current lease liabilities	486	-221					265
Current derivatives	5					-5	0
Total	10 717	1 436	0	0	0	-3 352	12 148

	2020	Cash flows	Classification	Non-cash changes: Acquisition of subsidiary	Non-cash changes: Acquisition of subsidiary	Non-cash changes: Acquisition of subsidiary	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
Total	17 940	-3 871	0	0	0	-3 352	10 717

21. SHARE CAPITAL (EUR 1,000)

	Shares, pcs	Equity	Treasury shares	SVOP-fund	Total
Shares outstanding as of Jan.1.2022	**68 453 944**	**100**	**-2 425**	**64 370**	**62 045**
Shares outrstanding as of Dec 31.2022	**68 453 944**	**100**	**-2 425**	**64 370**	**62 045**
Total shares outsanding Dec 31,2022	**68 523 193**				
Own shares held by group as of Dec 31,2022	**69 249**				
Share outsanding as of Jan 1 2021.	8 363 486	100	-2 425	53 087	50 762
Shares outsanding as of Dec 31,2021	68 453 944	100	-2 425	64 370	62 045
Total shares outsanding Dec 31,2021	68 523 193				
Own shares held by group as of Dec 31,2021	69 249				

On December 31, 2022, the number of shares in the parent company was 68,523,193.

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). Pursu- ant 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 recog- nized 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 unre- stricted 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 recesves

Other reserves include amounts included in the resticted equity of consloidated subsidiaries.

Treasury shares

The reserve for own shares consists of the cost of own shares. On December 31, 2022, 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 paid for rhe siscal period.

22. INTEREST-BEARING LIABILITIES (1 000 EUR)

	2022	2021
Non-current		
Loans from financial institutions	**1 608**	**2 262**
Lease liabilities	**1 950**	**304**
Other liabilities	**32**	**49**
Total	**3 590**	2 615
Current		
Lease liabilities	**265**	486
Fair value of derivatives		5
Other liabilities	**71**	71
Loans from financial institutions	**7 954**	6 410
Working capital financing and overdraft facilities	**340**	1 130
Total	**8 629**	8 102
Interest -bearing liabilities, total	**12 220**	10 717

The interest-bearing liabilities are valued at initial value less installments, and the val- ues 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 (1 000 EUR)

Right of use assets	Buildings and structures	Equipment cars	Total
Carrying amount Jan 1, 2022	506	246	752
Additions			
Translation diffe- rences	3		3
Derpeciation of the period	-341	-136	-477
Carrying amount Dec 31,2022.	**168**	**110**	**278**

Right of use assets	Buildings and structures	Equipment cars	Total
Carrying amount Jan 1, 2022	701	347	1 048
Additions	129	76	205
Translation differences	3	0	-3
Derpeciation of the period	-327	-177	-504
Carrying amount Dec 31,2022.	701	246	752

Lease liabilitoest:

	2022	2021
Les than a year	265	304
1-5 yearsa	32	486
More than 5 years		
Total	**297**	790

Leases on income statements:

	2022	2021
Depreciation of right-of-use assets	-477	-504
Short-term leases and leases of low value	-206	-208
Interest expenses for lease liabili-ties	-29	-43
Total	**-713**	-755

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

	2022	2021
Non-current		
Trade payables	**5**	83
Other non-current liabilities	**77**	0
Total	**82**	266
Current		
Advances received	**305**	624
Trade payables	**10 572**	10 484
Other current liabilities	**954**	795
Accruals and deferred income	**1 060**	2 456
Total	**12 890**	14 359
Trade and other payables in total:	**12 973**	14 625

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

Material items included in accruals and deferred income

Accrued personnel expenses	**932**	2 276
Current interest payable	**64**	63
Other items	**64**	117
Total	**1 060**	2 456

25. PENSION OBLIGATIONS (1 000 EUR)

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 termi- nation, 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.

	2022	**2021**
Pension obligations on Jan 1.	**1 020**	1 211
Changes recognized in income statement		
Interest	**3**	5
Benefits paid	**-320**	-177
Remeasurements recognized in equity		
Actuarial gains and losses based on experience	**51**	-32
Actuarial gains and losses vbased on changes in financial assumptions	**-136**	13
Pension obligations on Jan 31	**617**	1 020

	2022	**2021**
The benefits expected to be paid to post-employment benefit plans in the next year	**44**	355
During years 2-5 the annual estimated benefit to be paid	**50**	47

Actuarial assumptions	**2022**	**2021**
Discount rate	**3,17** %	0,29 %
Salary rate	**2,10** %	1,75 %
Pension rate	**3,08** %	2,81 %

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

	2022	**2022**	**2021**	**2021**
	Muutos +0,25%	Muutos -0,25 %	Muutos +0,25%	Muutos -0,25 %
Discount rate	**625**	**647**	1 005	1 005
Salary rate	**642**	**629**	1 029	1 029
	Change +1,00%	Change-1,00%	Change +1,00%	Change -1,00%
Pension rate	**637**	**634**	1 013	1 027

26. PROVISIONS (EUR 1,000

	2022	**2021**
Non-current provisions		
Warranty provision Jan. 1	**35**	**75**
Provisions used	**-35**	**-40**
Warranty provision Dec. 31	**0**	**35**
Other provisions Jan. 1	**54**	**124**
Additions	**24**	**0**
Provisions used	**-0**	**-70**
Other provisions Dec. 31	**78**	**54**
Non-current provisions total	**78**	89
Current provisions		
Warranty provision Jan. 1	**138**	**153**
Provisions used	**28**	**-15**
Warranty provision Dec. 31	**166**	**138**
Orher provisions Jan. 1		
Additions		
Other provisions total		
Non-current provisions total	**217**	138
Provisions total Dec. 31	**295**	227

The products sold by the company typically have a warranty of 12–24 months. The cor- responding 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 (1 000 EUR)

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 par- ent company is responsible for the Group's liquidity risk management, funding and efficient cash management. Liquidity risk is managed by maintaining a balanced dis- tribution 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 11,2 million (EUR 8,0 million) at the end of the financial year. The net financial liabilities include EUR 0.3 million (EUR 0.8 million) of lease liabilities pursuant to IFRS 16.

Cash flow from operating activities in July–December was EUR 2.1 million (EUR -1.5 million) and in the entire financial year EUR -1.0 million (EUR -3.3 million). During the year 2022, Enedo paid a total of 1.2 million euros in severance costs related to the implemented turnaround program and loan amortizations to financial institutions for a total of 1.5 million euros. Investments in research and development projects and machines and equipment totaled 2.0 million euros. The cash flow for the whole year 2022 after investments was -3.1 million. EUR (-EUR 5.8 million). The group's solvency ratio was 11.2% (14.9%) and the balance on the closing date was DKK 29.7 million. EUR (EUR 31.6 million).

At the end of the financial year, the company's cash was 1.0 million without unused credit lines (EUR 2.7 million). At the end of the review period, the group had undrawn credit limits without factoring limits of EUR 0.2 million (EUR 1.7 million).

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 War in Ukraine and 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. Enedo has recorded a credit loss provision or EUR 305 thousand related to accounts recaivables from Russia.

FINANCIAL POSITION

The net interest-bearing liabilities were EUR 11,2 million (EUR 8,0 million) at the end of the financial year. The net interest-bearing liabilities include EUR 0,3 million (EUR 0,8 million) of IFRS 16 lease liabilities. The short-term interest bearing liabilities amounted to EUR 8,6 million (EUR 8,1 million)

The cash position without undrawn credit facilities totaled EUR 1,0 million (EUR 2,7 million). At the end of the period, the Group had EUR 0,2 million (EUR 1,7 million) of undrawn credit facilities excluding factoring limits.

Enedo Oyj's Italian subsidiary has a loan which includes two covenants. The company breached slightly one of the covenants as per 31st December 2022. However, the company has receive a waiver from the loan provider and thus the loan receivables will not be claimed. The amount of the loan on December 31st, 2022, was EUR 0,9 million (Eur 1,4 million).

Maturities of financial liabilitities 2022

	Carrying amount	Contractual- cash flow	6 months or less	6–12 months	Later
Trade payables	10 887	10 877	10 877		
Loans from financial institutions	11 852	12 632	3 533	4 632	4 151
Lease liabilities	297	305	203	66	36
Overdraft facilities and factoring	340	346	346		

Maturities of financial liabilitities 2021

	Carrying amount	Contractual cash flow	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

INTEREST RATE AND CURRENCY SENSITIVITY

	Operational transaction risk	
MEUR	**10 %**	**-10 %**
EUR/USD	-0,2	0,2

	Income staement	
Cash flow interest rate sensitivity analysis	**+100 bp**	**-100 bp**
Interest beasring iabilities	-0,1	0,1
Total	**-0,1**	**0,1**

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

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	**1 340**	1 900
Positive value	**0**	0
Negative value	**69**	4

29. OPERATING LEASE COMMITMENTS (1 000 EUR)

	2022	**2021**
Group as lessee		
Nn-cancellable minimum operating lease payments:		
Within one year	**122**	118
	122	118

The Group adopted the new IFRS 16 standard effective from January 1, 2019. Informa- tion 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 (1 000 EUR)

	2022	2021
Security given on own behalf		
Business mortgages; collateral for debt	**19 600**	13 008
Business morthages, available	**2 240**	2 240
Liabilities guaranteed by business mortgages		
Loans from financial institutions *	**4 700**	3 500
Subsidiaary loans		1 587

* Shares in subsidiaries and loans from subsidiaries with a carrying amount of EUR 5.3 million for the financial year 2022

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 paid compensation EUR 0.1 million out of this compensation. The remaining debt is EUR 0.2 million.

The former CEO of the Italian subsidiary, Alessandro Leopardi, has submitted claims for compensation aimed at Enedo Spa and Enedo Oyj in November 2018 and 2021 respectively. The legal processing of compensation claims has ended so that no payments were ordered to Enedo. compensation claims. The matter is under judicial review. Former managing director Alessandro Leopardi has submitted a new compensation claim targeted at Enedo Spa at the end of 2022.

Enedo Spa and Enedo Oyj consider the claim to be unfounded in all respects. The legal proceedings do not have a significant impact on the group's financial position.

33. RELATED PARTY TRANSACTIONS (1 000 EUR)

The Group's related parties include the Group companies, Inission AB holding 95,85 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	The parent and subsidiary relationships in the Group are:	Regis-tered office	**Home coun-try**
Parent company	Vantaa	Suomi			
ENEDO PLC					
Shares in subsidiaries owned by parent company Enedo Plc	Dallas TX	USA	100	100	100
Efore (USA), Inc.	Kowloon	Kiina	100	100	100
Enedo (Hongkong) Co., Limited	Osimo	Italia	100	100	100
Efore (Suzhou) Automotive Technology	Vantaa	Suomi	100	100	100
Enedo SpA					
Enedo Holding Oy					
	Vantaa	Suomi	100	100	
Shares in subsidiaries owned by Enedo Holding Oy:					
Enedo Finland Oy					
	Charguia	Tunisia	99,72	100	
Shares in subsidiaries owned by Enedo SpA:	Pennsylvania	USA	100	100	

Related party shareholders (Parent company)
Inission AB

	2022	2021
President and CEO, remuneration		
Mikael Fryklund	**180**	**88**
Vesa Leino		**240**
Members of the Board of Directors, remuneration		
Olle Hulteberg 1.1.2022-31.12.2022	**25**	16
Fredrik Berghel 1.1.2022-31.12.2022	**15**	9
Sivula Antti 1.1.2022–31.12.2022	**15**	18
Vesa Mäkelä 23.5.2022-31.12.2022	**9**	
Martin Sjöstrand 23.5.2022-31.12.2022	**9**	
Vesa Tempakka 1.1.2021-23.5.2022	**6**	9
Taru Narvanmaa 1.1.2021–23.5.2022	**6**	22
Lähdesmäki Tuomo 1.1.2011–17.5.2021		17
Michael Peters 1.1.2021- 17.5.2021		9
Miettunen Matti 1.1.2021–17.5.2021		9
	85	**110**
Executive team		
Wages, salaries & fees*	**247**	**651**
Consulting fees	**453**	**96**
Key management		
Salaries and short-term emlpoyee benefits	**891**	**1 026**
Benefits after termination of empöoyment	**74**	**159**
Paid wages, salariest and total benefits	**965**	**1 185**

No pension commitments with special terms have been granted nor have any other securities been granted on behalf of the related parties in 2022.

Enedo Oyj has signed a guarantee arrangement with Inission AB in connection with the EUR 5.0 million loan signed at the end of December 2021. According to the guarantee arrangement, Inission AB guarantees the total amount of the loan. The loan repayment period has been changed during the financial year so that the loan will be repaid on September 30, 2023. The capital of the loan was 4.7 million euros on 31 December 2022. If, based on the guarantee, Inission AB should be obliged to pay the loan, Inission AB would have the right to demand that Enedo Oyj pay the loan with interest back to Inission AB with an added annual interest of 16%. The guarantee commission is 2.5% and 119 thousand euros

On 23 May 2022, the company signed loan agreements with Inission AB for a maximum of 1.45 million euros, and on 29 November 2022, 0.5 million euros. The maturity date both loans is 29 March 2024. The interest costs (10%) of the loans concluded with Inission AB were 71 thousand euros and the loan arrangement fees 75 thousand euros during the year 2022.

Enedo has also paid Inission AB other consultant fees of 145 thousand euros and purchased materials and manufacturing services for a total of 67 thousand euros.

34. EVENTS AFTER THE END OF FINANCIAL YEAR

Enedo has signed a shareholder loan with Inission AB for the amount of Eur 1.62 million during January and February 2023.

Inission has decided to exercise its redemption right in accordance with ch. 18. in the Finnish Companies Act and to redeem all the remaining shares in Enedo. Enedo's board of directors has decided on March 8, 2023 to apply for the delisting of its shares from the Nasdaq Helsinki stock exchange list.

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

FAS **EUR**	**Note**	**1.1.-31.12.2022**	**1.1.-31.12.2021**
Net Sales	1	**638 000,00**	**634 000,00**
Other operating income	2		345 076,48
Presonnel expenses			
Wages and salaries	3	546 673,65	992 604,55
Social security expenses			
EPension expenses	3	12 777,50	107 749,36
Other social security expenses	3	6 263,50	14 381,09
		565 714,65	1 114 735,00
Depraciations			
Deåreciation accordingto plan	4	9 253,87	24 829,40
			24 829,40
Other operating expenses	5	782 943,52	628 179,11
Operating profit (loss)		**-719 912,04**	**-788 667,03**
Financial income and expenses			
Income from group companies	6	172 591,87	92 100,54
Other interest and financial income	6, 8	9 209,68	3 397 070,59
Interest expenses to group companies	7	-67 974,94	-151 361,28
Impairment on investments from group companies	7		-1 900 000,00
Interest and other financial expenses	7, 8	-603 934,62	-1 548 245,06
		-490 108,01	-110 435,21
Profit (loss) before appropriations and taxes		**-1 210 020,05**	**-899 102,24**
Income taxes			
Income taxes	9	-16 600,43	-6 810,78
PROFIT (LOSS) FOR THEPERIOD		**-1 226 620,48**	**-905 913,02**

PARENT COMPANY BALANCE SHEET

FAS	EUR	Liitetieto	31.12.2022	31.12.2021
ASSETS				
NON CURRENT ASSETS				
Intangible assest				
Intangible rights		10		426,62
Other intangible assets		10	16 023,80	23 030,87
			16 023,80	23 457,49
Tangible assets				
Machinery and equipment		10	1 541,75	3 361,93
			1 541,75	3 361,93
Investments				
Holdings in group companies		11,12	14 490 509,52	12 490 509,52
Other shares and holdings		11,12	1 681,88	1 681,88
			14 492 191,40	12 492 191,40
Non-current receivables				
Receivables forom group companies		13	297 600,00	531 600,00
			297 600,00	531 600,00
CURRENT ASSETS				
Trade receivables				
Receivables from group companies		13	5 319 330,81	3 573 028,93
Other current receivables		13		20 051,83
Prepayments and accrued income		13	37 830,36	44 251,52
			5 357 161,17	3 637 332,28
Cash and cash equivalents			57 505,27	1 542 833,93
TOTAL ASSETS			**20 222 023,39**	**18 230 777,03**

FAS EUR	Note	31.12.2022	31.12.2021
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	100 000,00	100 000,00
Other reserves	14	66 094 519,78	66 094 519,78
Retained earnings	14	-51 877 666,13	-50 971 753,11
Profit (loss) for the period	14	-1 226 620,48	-905 913,02
		13 090 233,17	14 316 853,65
LIABILITIES			
Non-current liabilities			
Liabilities to group companies	15	1 950 000,00	0,00
		1 950 000,00	0,00
Current liabilities			
Loans from financial institutions	15	4 700 000,00	3 500 000,00
Trade payables	15	160 396,94	107 938,01
Liabilities to group companies	15	157 631,28	0
Other current liabilities	15	95 041,01	58 355,83
Accruals and deferred income	15	68 720,99	247 629,54
	15	5 181 790,22	3 913 923,38
TOTAL EQUITY AND LIABILITIES		**20 222 023,39**	**18 230 777,03**

PARENT COMPANY CASH FLOW STATEMENTS

FAS EUR	1.1.-31.12.2022	1.1.-31.12.2021
Cash flow from operating activities		
Customer payments received	324 204,37	471 843,60
Cash paid to suppliers and employees	-1 277 455,90	-1 868 995,17
Cash generated from operations	-953 251,53	-1 397 151,57
Interest paid	-383 545,16	-414 844,97
Interest received	164 292,76	82 879,99
Other financing items	-263 824,30	-713 738,94
Income taxes paid	-16 600,43	-6 810,78
Net cash from operating activities (A)	-1 447 828,66	-1 731 200,90
Cash flow from investimg activities		
Purchase of tangible and intangible assets		-1 916,08
Disposal of subsidiaries	-0,00	-281 796,38
Increase in loans receivable	-3 920 000,00	-6 527 000,00
Decrease in loans receivable	725 000,00	314 800,00
Net cash used in investing activities (B)	-3 195 000,00	6 495 912,46
Cash flows from financing activities		
Proceeds from issue of share capital	0,00	11 282 875,00
Proceeds fron long term loans	1 950 000,00	
Repayment of long-term borrowings		-836 332,00
Proceeds from short-term borrowings	1 507 500,00	5 500 000,00
Repayment of short-term borrowings	-300 000,00	-5 486 840,98
Net cash used in financing activities (C)	3 157 500,00	10 459 702,02
Net decrease/increase in cash andequivalents (A+B+C)	-1 485 328,66	1 514 123,29
Cash and cash equivalents at the beginning of the period	1 542 833,93	28 710,64
Net increase/decrease in cash and cash equivalents	-1 485 328,66	1 514 123,29
Cash and equivalents at the end of the period	57 505,27	1 542 833,93

NOTES TO THE FINANCIAL STATEMENTS, PARENT COMPANY, EUR 1000

GENERAL

The financial statements of Enedo Plc have been prepared and presented in accor- dance 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 Consoli- dated 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 sheetdate are valued atthe 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 finan- cial 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 corre- sponds with the presentation in the consolidated financial statements.

EVALUATION OF NON-CURRENT ASSETS

Intangible and tangible assets are stated at historical cost less accumulated deprecia- tion and amortization. Planned deprecia- tion 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 intangibleassets	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 tan- gible 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 bal- ance sheetdate 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 impair- ment is recorded in profit or loss. An impairment recognized is subsequently reversed if there are changes in the estimates con- cerning the recoverable amount of the asset.

LEASING

All leasing charges are treated as rental expenses. The unpaid leasing commit- ments related to future finan- cial 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 STATENMENTS, PARENT COMPANY

	2022	2021
1. Net sales		
Service charges from Group companies	638 000,00	634 000,00
Total	638 000,00	634 000,00
2. Liiketoiminnan muut tuotot		
Gain on sale of shares in subsidiaries		317 829,09
Services not included in the ordnary course of business		16 872,00
Refund of purchase price related to loss of shares in subsidiaries		10 375,39
Other compensation received		345 076,48
Total		
3. Personnel expenses	546 673,65	992 604,55
Salaries and fees	12 777,50	107 749,36
Pension	6 263,50	14 381,09
Other social security expenses	565 714,65	1 114 735,00
Total		
Management salaries & fees		
CEO, Members of the Boatrd of Directors	265 200,00	437 909,67
Total personnel, average		
Salaried personnel	3	7
4. Depreciation, amortization and impairment		
Depreciation accoring to plan:		
Intangible rights	426,62	6 126,20
Other intangible assets	7 007,07	10 740,81
Machinery & equipment	1 820,18	4 795,89
Other tangible assets		3 166,50
Total	9 253,87	24 829,40
5. Other operating expenses		
Lossen on disposal of shares in subsidiaries		31 720,00
Other	782 943,52	596 459,11
Total	782 943,52	628 179,11
Audit fees:		
KPMG		
Audit	104 076,78	89 760,73
Other fees	2 950,00	78 963,68
Total	107 026,78	168 724,41

6. Financing income

	2022	2021
Interest income from group companies	167 491,87	92 100,54
Interest from others	312,13	23,88
Annulment of debt *)		3 338 668,00
Exchange rate gains	8 902,55	58 378,71
Total	181 806,55	3 489 171,13

*) During 2021 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 mil- lion 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

	2022	2021
Interest expenses to group companies	67 974,94	151 361,28
Other financial expenses to group companies	62 500,00	
Impairment on investments in Group companies		1 900 000,00
Interest expenses to others	335 030,65	95 473,22
Exchange rate losses	6 308,83	17 055,53
Cost of share issue		735 216,60
Other financial expenses	200 095,14	700 499,71
Interest expenses to group companies	671 909,56	3 599 606,34

8. Exchange rate dfferences

Itemization of net exchange rate gains (+) and losses (-) according to financial statement items

		2021	2020
Sales	Gains	0,00	0,00
	Losses	0,00	-2,92
	Net	0,00	-2,92
Purchases	Gains	0,00	8,97
	Losses	0,00	-116,85
	Net	0,00	-107,88
Financial items	Gains	8 902,55	3 097,48
	Losses	-6 308,83	-1 106,33
	Net	2 593,72	1 991,15
Intra-group receivables and liaboilities	Gains	0,00	55 272,26
	Losses	0,00	-15 829,43
	Net	0,00	39 442,83
Total	Gains	8 902,55	58 378,71
	Losses	-6 308,83	-17 055,53
	Net	2 593,72	41 323,18

9. Taxes	2022	2021
Tax at source	16 600,43	6 810,78
Total	16 600,43	6 810,78

Enedo Plc had tax losses totaling EUR 23.0 million on December 31, 2022. No deferred tax assets were recognized on these losses as they are unlikely to be used in the fore- seeable future. The losses will expire in the years 2023–2032. Unrecognized deferred tax assets from tax losses amount to EUR 4.6 million.

On December 31, 2022, the company had tax depreciation amounting to EUR 7.9 (7,9) million for which no deferred tax asset has been recognized. Unrecognized deferred tax assets from tax depreciation amount to EUR 1.6 (1,6) million.

On December 31, 2022, unrecognized deferred tax assets totaled EUR 6,0 (5.9) million.

10. Non-current assets	2022	2021
Intangible assets		
Intangibble rights		
Acquisitioon cost Jan 1.	25 600,00	279 716,00
Disposals Jan 1. Dec 31.		-254 116,00
Acquisition cost Dec 31.		25 600,00
Accumulated depreciation Jan 1	25173,38	273 163,18
Accumulated depreciation, disposals o Jan 1		-254 116,00
Depreciatuon for the period	426,62	6 126,20
Accumated depreciation Dec 31.		25 173,38
Book value Dec 31	0	426,62
Other intangible assets		
Acquisitioon cost Jan 1.	61 715,60	37 679,96
Reclassifications		24 035,64
Acquisition cost Dec 31	61 715,60	61 715,60
Accumulated depraciation Jan 1.	38 684,73	27 943,92
Depreciatuon for the period	7 007,07	10 740,81
Accumated depreciation Dec 31.	45 691,80	38 684,73
Book value Dec 31	16 023,80	23 030,87
Prepaid expenses		
Acquisitioon cost Jan 1.		73 990,49
Increases Jan1-Dec 31.		0,00
Disposals Jan 1. Dec 31..		-49 954,85
Reclassifications		-24 035,64
Acquisition cost Dec 31..		0,00
Book value Dec 31	0,00	0,00

Tangible assets	**2022**	**2021**
Equipment		
Acquisitioon cost Jan 1.	12 042,58	72 449,51
Increases Jan1-Dec 31.		1 916,08
Disposals Jan 1. Dec 31..		-62 323,01
Acquisition cost Dec 31.	12 042,58	12 042,58
Accumulated depreciation Jan 1	8 680,65	62 792,69
Accumulated depreciation, disposals o Jan 1		-58 907,93
Depreciatuon for the period	1 820,18	4 795,89
Accumated depreciation Dec 31.	8 680,65	8 680,65
Book value Dec 31	1 541,75	3 361,93
Other tangible assets		
Acquisitioon cost Jan 1..	0,00	19 000,00
Disposals Jan 1. Dec 31..	0,00	-19 000,00
Acquisition cost Dec 31.	0,00	0,00
Accumulated depreciation Jan 1	000	15 833,50
Accumulated depreciation, disposals o Jan 1	0,00	-19 000,00
Depreciatuon for the period	0,00	3 166,50
Accumated depreciation Dec 31.	0,00	0,00
Book value Dec 31	0,00	0,00

11. Investments

Holdings in group companies	**2022**	**2021**
Book value on Jan. 1	12 490 509,52	16 067 191,85
Additions during the financial year	2 000 000,00	4 529 158,51
Deductions	0,00	-6 205 840,84
Impairment	0,00	-1 900 000,00
Book value on Dec. 31	14 490 509,52	12 490 509,52

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 recov- erable amounts of the Italian cash-generating units' assets were lower than their book values.

Other shares and holdings		
Shares Jan 1.	1 681,88	1 681,88
Book vales Dec 31.	1 681,88	1 681,88

12. Holdings in group companies		**2022** Book value	**2021** book-value
Efore (USA), Inc., Dallas TX	USA	0,17	0,17
Enedo (Hongkong) Co. Limited, Kowloon	Kiina	951,22	951,22
Efore Automotive Technology Co., Ltd, Suzhou	Kiina	0,00	0,00
Enedo S.p.A, Osimo	Italia	10 892 397,57	8 892 397,57
Enedo Holding Oy, Vantaa	Suomi	3 597 160,56	3 597 160,56
		14 490 509,52	12 490 509,52

13. Receivables

	2022	2021
Non-current receivables from Group companies		
Loan receivables	297 600,00	531 600,00
Non-current receivables in total	297 600,00	531 600,00
Current receivables		
Other current receivables		20 051,83
Prepayments and accrued income	37 830,36	44 251,52
	37 830,36	64 303,35
Current receivables from group companies		
Trade receivables	1 188 719,89	853 059,40
Loan receivables	4 112 685,70	2 683 685,70
Interest receivables	17 925,22	14 418,98
Prepayments and accrued income	0	21 864,85
	5 319 330,81	3 573 028,93
Current receivables in total	5 357 161,17	3 637 332,28
Prepayments and accrued income		
Prepayments and accrued income include the following items:		
Prepaid expenses	6 870,19	40 024,85
Other items	30 960,17	4 226,67
	37 830,36	44 251,52

14. Equity

	2022	2021
Share capital Jan 1.	100 000,00	100 000,00
Share capital Jan 31.	100 000,00	100 000,00
Own shares Jan 1.	-2 424 749,68	-2 424 749,68
Own shares Dec 31.	-2 424 749,68	-2 424 749,68
Other reserves		
Unrestricted equity reserve on Jan. 1	66 094 519,78	54 076 428,18
Targeted share issue during the financial year	0,00	7 000 000,00
Rights issue during the financial year	0,00	5 018 091,60
Unrestricted equity reserve on Dec. 31	66 094 519,78	66 094 519,78
Retained earnings Jan 1.	-49 452 916,45	-48 547 003,43
Retained earnings Dec 31.	-49 452 916,45	-48 547 003,43
Profit for the period.	-1 226 620,48	-905 913,02
Total Equity	13 090 233,17	14 316 853,65

Distributable funds	2022	2021
Retained earnings	-49 452 916,45	-48 547 003,43
Profit/loss for the period	-1 226 620,48	-905 913,02
Reserve for invested unrestricted equity	66 094 519,78	66 094 519,78
Treasury shares	-2 424 749,68	-2 424 749,68
Distributable funds	12 990 233,17	14 216 853,65

Parent company share capital, one type of share	Pcs	Pcs
Outstanding shares on Jan. 1	68 453 944	8 363 486
Targeted share issue during the financial year	0	35 000 000
Rights issue during the financial year	0	25 090 458
Effect of reverse split 1/50 in the financial year	0	0
Outstanding shares on Dec. 31	68 453 944	68 453 944

Parent company shares at the end of the financial period, one type of share	Pcs	Pcs
Outstanding shares on Dec. 31	68 453 944	68 453 944
Own shares in total on Dec. 31	69 249	69 249
Shares in total Dec. 31	68 523 193	68 523 193

15. Liabilities

	2022	2021
Non-current liabilities		
Loans from others	1 950 000,00	0,00
	1 950 000,00	0,00
Non-current liabilities in total	1 950 000,00	0,00
Non-current liabilities, maturing		
1–5 years	1 950 000,00	0,00
	1 950 000,00	0,00

Current liabilities	2022	2021
Current liabilities to group companies		
Trade payables	103 924,27	
Other liabilities	53 707,01	
	157 631,28	
Current liabilities	4 700 000,00	3 500 000,00
Loans from financial institutions	160 396,94	107 938,01
Loans from others	95 041,01	58 355,83
Trade payables	68 720,99	247 629,54
Other liabilities	5 024 158,94	3 913 923,38
Accruals and deferred income		
Current liabilities total	5 181 790,22	3 913 923,38

Acruals and deferred incomet:		
Accrued personnel expenses	56 669,35	189 606,97
Accrued financial items		29 370,27
Other items	12 051,64	28 652,30
	68 720,99	247 629,54

16. Contingent liabilities

	2022	**2021**
Security given		
Security given on own behalf		
Business mortgages	6 300 000,00	5 000 000,00
Subsidiary loans		1 715 285,70
	Kpl	Kpl
Pledged subsidiary Enedo Holding Oy shares, pcs	24 091 404	24 091 404
Pledged subsidiary Enedo Holding Oy shares, pcs		
Liabilities guaranteed by business mortgages		
Loans from financial institutions	4 700 000,00	3 500 000,00
	4 700 000,00	3 500 000,00

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.

Enedo Oyj has signed a guarantee arrangement with Inission AB in connection with the EUR 5.0 million loan signed at the end of December 2021. According to the guarantee arrangement, Inission AB guarantees the total amount of the loan. The loan repayment period has been changed during the financial year so that the loan will be repaid on September 30, 2023. The capital of the loan was 4.7 million euros on 31 December 2022. If, based on the guarantee, Inission AB should be obliged to pay the loan, Inission AB would have the right to demand that Enedo Oyj pay the loan with interest back to Inission AB with an added annual interest of 16%. The guarantee commission is 2.5% and 119 thousand euros

On 23 May 2022, the company signed loan agreements with Inission AB for a maximum of 1.45 million euros, and on 29 November 2022, 0.5 million euros. The maturity date both loans is 29 March 2024. The interest costs (10%) of the loans concluded with Inission AB were 71 thousand euros in 2022.

Enedo has also paid Inission AB other consultant fees of 145 thousand euros and purchased materials and manufacturing services for a total of 67 thousand euros.

18. Events after the financial year

Enedo has signed a shareholder loan with Inission AB for the amount of Eur 1.62 million during January and February 2023.

Inission has decided to exercise its redemption right in accordance with ch. 18. in the Finnish Companies Act and to redeem all the remaining shares in Enedo. Enedo's board of directors has decided on March 8, 2023 to apply for the delisting of its shares from the Nasdaq Helsinki stock exchange list.

19. Board of director's proposal for ditsribution of dividend

The Board of Directors will propose to the Annual General Meeting on June 27th, 2023 that no dividend will be distributed.

SIGNATURES FOR THE FINANCIAL STATEMENTS AND THE REPORT BY THE BOARD OF DIRECTORS

Vantaa, April 25, 2023

Olle Hulteberg
Chairman

Fredrik Berghel

Vesa Mäkelä

Antti Sivula

Martin Sjöstrand

Mikael Fryklund
President & CEO

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

Auditor's Report

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 2022. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU

the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

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

Basis for Opinion

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

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

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

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

Materiality

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

Key Audit Matters

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

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

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
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 2022 the capitalised development costs in the consolidated balance sheet amounted EUR 4.2 million.
— At the end of 2022, the value of consolidated goodwill amounted EUR 4.3 million and allocated fair value to intangible assets to EUR 0.3 million.
— Parent company's investments in subsidiaries comprise a significant part of parent company assets. Valuation of these investments depends on the financial performance of the subsidiaries.
— 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
	— 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.
	— 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.

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.

Sufficiency of financing
(Consolidated balance sheet, Consolidated financial statements accounting principles and notes 22, 27 and 33)

- The Group's loss for the period was EUR 1.1 million and operating cash flow EUR -1.0 milion.
- The Group's interest-bearing liabilities exceeded cash and cash equivalents by EUR 11.2 million at year-end 2022.
- At the balance sheet date Group loans from financial institutions amounted to EUR 9.6 million, of which EUR 8.0 million will be due during the next 12 months.
- During the financial year 2022 Enedo Plc has received shareholder loan from Inission AB amounting to EUR 2.0 million and subsequent to year-end EUR 1.6 million. In addition Enedo Plc has received a letter of support from Inission AB, which ensures the sufficiency of financing.
- The preparation of financial statements on a going concern basis requires that the Group's financing be secured for at least a 12 month period from the balance sheet date. The company assesses that the financing is secured for a 12 month period from the balance sheet date.
- We considered the sufficiency of the financing as a key audit matter because of the losses and the amount of liabilities in due.

We have assessed:

- the evaluation and documentation prepared by board of directors regarding the applicability of the going concern principle, including received Support Letter from Inission AB.
- the effects of the terms and conditions of the financing arrangements to classification and recognition by reference to relevant accounting policies for the consolidated financial statements and applicable financial reporting framework and
- the appropriateness of the disclosures provided on the financing arrangements and interest-bearing liabilities in the consolidated financial statements.

Valuation of inventories
(Consolidated financial statements accounting principles and note 18)

- The value of Group's inventories amounted to EUR 9.5 million at the end of the financial year.
- Inventories are measured at the lower of historical cost or net realizable value.

- In our audit the key focus has been on the valuation and existence of inventories.
- We have made substantive audit procedures relating to valuation of inventories and monitoring the slow-moving items.

- Monitoring of the inventories is organized in several IT systems. It is essential from an accounting perspective that the internal control related to inventory accounting and valuation is appropriately organized.
- The valuation of inventories includes management estimates in respect of slow-moving and obsolescence assessment.
- Due to significance of the carrying amount and management judgement involved, valuation of inventories is determined as a key audit matter that our audit is focused on.

- On group level we have assessed the work performed by the auditors of the subsidiaries and on group level made an overall assessment of the valuation of inventories.
- We have participated to stocktakings.
- We have identified certain deficiencies in inventory controls, which we have reported to the Board of Directors. Because of the identified deficiencies we have performed test of details for certain areas in order to reduce the risk of material misstatement to the acceptable level.

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 16 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, 28 April 2023

KPMG OY AB

KIM JÄRVI
Authorised Public Accountant, KHT

GROUP KEY FIGURES

		2022	2021	2020
Income statement				
Net sales	MEUR	**46,8**	**36,4**	38,5
Adjusted EBITDA	MEUR	**3,6**	**-0,8**	-0,4
EBITDA	MEUR	**3,2**	**-3,2**	-0,8
Adjusted operating profit/loss	MEUR	**0,7**	**-4,2**	-3,9
Operating profit/loss MEUR	MEUR	**0,3**	**-6,6**	-4,3
Profit/loss before taxes	MEUR	**-4,6**	**-4,6**	-5,4
Profit/loss for the financial year	MEUR	**-1,1**	**-4,5**	-6,2
Gross investments in intangible and tangible assets	MEUR	**-1,1**	**2,1**	1,9
Profitability				
Return on equity (ROE) *	%	**-28,6**	**-97,5**	-278,3
Return on investment (ROI) *	%	**11,3**	**-15,5**	-26,5

* Comparison periods have not been adjusted to continuing operations.

Finance and financial position				
Net interest-bearing liabilities	MEUR	**11,2**	**8,1**	16,8
Net gearing **%		**389,2**	173,1	
Current ratio		**0,7**	0,7	0,7
Solvency ratio %		**11,2**	14,9	-7,4
Cash flows from operating activities		**-1,7**	-3,3	-2,3

Other Figures (2022–2020)

Personnel, average		**334**	**350**	371
Wages, salaries and fees	MEUR	**6,1**	8,7	7,0
Product development costs (expensed)	MEUR	**2,6**	3,3	2,9
Product development costs (capitalized in balance sheet)	MEUR	**1,4**	1,1	1,3

Product development costs total	MEUR	**4,0**	4,4	4,2

KEY FINANCIAL INDICATORS PER SHARE*		2022	2021	2020
Earnings per share		**-0,02**	-0,08	-0,31
Diluted earnings per share		**-0,02**	-0,08	-0,31
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	**0,05**	0,07	-0,11
Closing share price	EUR	**0,26**	0,35	0,39

Market value				
Market capitalization	MEUR	**17,8**	23,8	7,6

Trading				
Shares traded	million pcs	**16,4**	20,8	2,9
Trading %		**24,0**	30,4	33,8

Number of outsanding shares *				
Average on December 31	1,000 pcs	**68 454**	**53 637**	19 648
Diluted number of shares on December 31	1,000 pcs	**68 454**	**53 637**	19 648
Actual number of shares on December 31	1,000 pcs	**68 454**	**68 454**	8 363

Share prices				
Lowest	EUR	**0,25**	**0,23**	0,36
Highest	EUR	**0,40**	**0,80**	1,09
Closing price	EUR	**0,26**	**0,35**	0,39
Average price	EUR	**0,29**	**0,39**	0,62

Calculation of key figures

EBITDA	=	Operating Profit/loss + amortisations and depreciations of tangible and intangible assets + impairments
Adjusted EBITDA	=	EBITDA adjusted by items affecting comparability eg. acquisitions
Adjusted operating profit/loss	=	Operating profit/loss adjusted by items affecting comparability
Return on investment (ROI), %	=	$\frac{\text{Profit before taxes + interest and other financing expenses}}{\text{Equity + interest bearing liabilities (average)}} \times 100$
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	=	$\frac{\text{Profit or loss attributable to ordinary equity holders of the parent entity}}{\text{The weighted average number of shares outstanding}}$
Earnings per share (diluted)	=	$\frac{\text{Profit or loss attributable to ordinary equity holders of the parent entity}}{\text{The weighted average number of shares outstanding including dilutive effect}}$
Equity per share	=	$\frac{\text{Equity}}{\text{Number of shares at balance sheet date}}$
Market capitalization	=	Adjusted share price at balance sheet date x outstanding number of shares at balance sheet date
Average personnel	=	The average number of employees at the end of each calendar month during the accounting period

All share-specific figures are based on the outstanding number of shares.
Equity is the equity attributable to the shareholders of the parent company.
Result for the period is the result attributable to the shareholders of the parent company.

SHARES AND SHAREHOLDERS

CHANGES IN SHARE CAPITAL 2004–2021

Share capital Nov. 1, 2003				**8 135 104 pcs**		**13 830 (1 000 EUR)**	
	Subscription/	Subscrip-tion/ regis-tering-time	Sub-scription price	New shares	Change	Share Capital	Dividend right
Vuosi	share relationship		EUR	kpl	1 000 EUR	1 000 EUR	
2004	On basis of options	23.1.2004	7,79	600	1	13 831	2004
2004	Exchange and targeted issue for K-shareholders, 1K:1.5A	27.2.2004	0,85	529 616	450	14 281	2004
2004	Split 1:1, gratuitous	27.2.2004		8 135 704		14 281	2004
2004	On basis of options	21.4.2004	3,71	2 400	2	14 283	2004
2004	Targeted share issue	30.4.2004	6,95	3 240 000	2 754	17 037	2004
2004	On basis of options	22.6.2004	3,71	47 200	40	17 077	2004
2004	On basis of options	27.8.2004	3,71	11 000	9	17 086	2004
2004	On basis of options	28.10.2004	3,71	47 400	40	17 127	2004
2004	On basis of options	2.12.2004	3,71	46 000	39	17 165	2004
2004	Annulment of shares	21.12.2004		-238 400	-203	16 963	
2004	Bonus issue 1:1	21.12.2004		19 956 624	16 963	33 926	2005
2005	On basis of options	10.2.2005	1,7	616 400	523	34 450	2005
2010	Decreasing of share capital	19.7.2010			–19 450	15 000	
2010	Targeted share issue	18.10.2010	0,7	2 000 000	0	15 000	2010
2013	Targeted share issue	12.7.2013	0,74	5 243 243	0	15 000	2013
2013	Share issue	18.10.2013	0,69	8 000 000	0	15 000	2013
2018	Share issue	19.12.2018	0,03	365 863 897	0	15 000	2018
2020	Reverse split, gratuitous	28.2.2020		-413 204 053	0	15 000	
2020	Decreasing of share capital	23.6.2020			-14 900	100	
2021	On basis of options	1.4.2021	0,20	60 090 458	0	100	2021
Share capital 31.12.2022				68 523 193 kpl		100 (1 000 EUR)	

Share capital 31.12.2022	68 523 193 kpl	100 (1 000 EUR)
Own shares 31.12.2022	69 249 kpl	
Shares outstanding per December 31 2022	68 453 944 kpl	

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

Shares	Shares	Shareholders, number	Shareholders %	Number of shares	Shares %
1	100	1515	60,8	33 070	0,0
101	500	445	17,9	111 894	0,2
501	1 000	179	7,2	139 215	0,2
1 001	5 000	257	10,3	593 136	0,9
5 001	10 000	47	1,9	336 647	0,5
10 001	50 000	37	1,5	756 379	1,1
50 001	100 000	6	0,2	427 966	0,6
100 001	500 000	3	0,1	464 350	0,7
500 001	-	1	0,0	65 660 536	95,8
Total		2 490	100,0	68 523 193	100,0
Of which nominee registered		9		234429	0,3
On wait list		0		0	0,0
Joint account				0	0,0
Special accounts total				0	0,0
Total				68 523 193	100,0

	Shareholders	Shareholders %	Shares pcs	Votes %
Enterprises total	64	2,6	403 729	0,6
Financial and insurance institutions total	4	0,2	98 070	0,1
Households total	2 406	96,6	2 222 858	3,2
Non-profit organizations total	4	0,2	67	0,0
Outside Finland	12	0,5	65 798 469	96,0
Total	2 490	100,0	68 523 193	100,0
of which nominee registered			234 429	0,3
On wait list, total			0	0,0
In joint account			0	0,0
In special accounts total			0	0,0
Total			68 523 193	100,0

THE 20 LARGEST SHAREHOLDERS, DECEMBER 31, 2022

		Shares	Shares & votes
		pcs	%
1	INISSION AB	65 660 536	95,82
2	PÖYHÖNEN ILPO TAPIO	203 100	0,30
3	SUPERSORSA INVESTMENT OY	160 830	0,23
4	VÄHÄTALO VERNER JOHANNES	100 420	0,15
5	SEB AB (PUBL) HELSINGIN SIVUKONTTORI	87 062	0,13
6	NIEMELÄ JOHANNES	83 000	0,12
7	SAXO BANK A/S	79 511	0,12
8	ENEDO OYJ	69 249	0,10
9	TENNILÄ TUOMO JUHO JAAKKO	58 000	0,08
10	BALANCE CAPITAL OY	51 144	0,07
11	CITIBANK EUROPE PLC	49 260	0,07
12	DANIELSEN PEIK STEFFAN KJELLSON	40 543	0,06
13	LEHTONEN ARJA HELENA	40 000	0,06
	PELKONEN TERHO TAPANI	39 192	0,06
15	TAMMIVUORI LEENA MAIJA	33 685	0,05
16	TEMPO SCALE OY	32 434	0,05
17	SAARANLUOMA HEIKKI SAKARI	31 000	0,05
18	KALETON ESA ANTERO	31 000	0,05
19	LAAKSONEN KARI JUHANI	30 000	0,04
20	NIEMINEN JARKKO MANU OLAVI	26 566	0,04
		66 906 532	97,64

Shareholding of the management and the Board of Di-
rectors

No ownership as per De-
cenmber 31, 2022

ENEDO PLC's CORPORATE GOVERNANCE STATEMENT 2022

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 2022, 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 17, 2023, 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 ordi- nary 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 com- pany. 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 23, 2022, re-elected Olle Hulteberg, Fredrik Berghel and Antti Sivula as members of the Board of Directors and elected Vesa Mäkelä and Martin Sjöstrand as new members.

COMPOSITION OF THE BOARD OF DIRECTORS ON DECEMBER 31, 2022:

Olle Hulteberg, born 1962
Education: M.Sc. (Eng.)
Board member and Chairman since May 17, 2021
Primary occupation: Inission AB, Board member and Marketing Man- ager since 2017
Share ownership: no shares*

Fredrik Berghel, born 1967
Education: M.Sc. (Eng.)
Board member since May 17, 2021
Primary occupation: Inission AB, President and CEO since 2017
Share ownership: no shares*

Antti Sivula, b. 1961
Education: M.Sc. (EE.)
Board member since March 30, 2016
Primary occupation: Mekitec Group, Managing Director
Independent of the company and its significant shareholders
Share ownership: no shares*

Vesa Mäkelä, born 1964
Education: DI, MBA)
Board member since May 23, 2022
Primary occupation: Operations Director, Erikkila Oy
Independent of the company and its significant shareholders
Share ownership: no shares*

Martin Sjöstrand, born 1960
Education: Computer Sciences, Chalmers University of Technology
Board member since May 23, 2022
Primary occupation: Board professional, Leadership consulting
Independent of the company and its significant shareholders
Share ownership: no shares*

*Shareholdings as of December 31, 2022

Remuneration of the Board of Directors in 2022

The Chairman of the Board was paid a fee of EUR 2,100 per month and the members EUR 1250 per month.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors has general deci- sion-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 operat- ing 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 no female members in the Board of Enedo in December 2022.

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 board decided in the organizational meeting held after the general meeting that separate committees will not be established.

THE PRESIDENT AND CEO AND THEIR DUTIES

The Board of Directors appoints the com- pany's President and CEO and supervises his actions. The main terms and condi- tions governing the President and CEO's appointment are detailed in a written con- tract approved by the Board of Directors. The President and CEO manages and supervises the Group's business opera- tions 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 Mikael Fryklund acted as Enedo Plc's President and CEO.

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.

Membersofthe Executive Management Team and their areas of responsibility on December 31, 2022:

Mikael Fryklund, born 1963, M.Sc. (Eng.) B.Sc. in Business Administration
President and CEO
Share ownership: no shares*

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

Riccardo Buffa, born 1968, bachelor's degree in business administration
Vice President, Enedo Italy
Share ownership: no shares*

Francois Merienne, born 1970, Master's Degree in Mathematics
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, 2022

AUDITORS

The principal auditor of Enedo Plc is responsible for the Group's audit and the related directions and coordination. The principal auditor prepares the annual 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 addi- tion, the auditor reports their findings to the Audit Committee.

The Annual General Meeting held on May 23, 2022, re-elected KPMG Oy Ab as the company's auditor. Authorized Public Accountant Kim Järvi served as the responsible auditor during the financial year 2022.

The fees for auditing the official financial statements amounted to EUR 102 thousand in 2022. The auditing com-pany charged the Group a total of EUR 9 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 sys- tems for monitoring business operations, financial managementand risks. The Board of Directors has approved the manage- ment organization and principles, deci- sion-making authorizations and approval procedures, operating policies of the vari ous 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 inter- nal 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 manage- ment 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 develop- ment 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 report- ing, 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 hedg- ing 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 sys- tem is to identify the Group's strategic, operational and financing risks as well as any conventional risks of loss. In its opera- tions, the Group takes risks related to the pursuit of its strategy and goals. Risk man- agement 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 moni- tors 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 Compa- nies 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.

Enedo Oyj has signed a guarantee arrangement with Inission AB in connection with the EUR 5.0 million loan signed at the end of December 2021. According to the guarantee arrangement, Inission AB guarantees the total amount of the loan. The loan repayment period has been changed during the financial year so that the loan will be repaid on September 30, 2023. The capital of the loan was 4.7 million euros on 31 December 2022. If, based on the guarantee, Inission AB should be obliged to pay the loan, Inission AB would have the right to demand that Enedo Oyj pay the loan with interest back to Inission AB with an added annual interest of 16%. The guarantee commission is 2.5% and 119 thousand euros

On 23 May 2022, the company signed loan agreements with Inission AB for a maximum of 1.45 million euros, and on 29 November 2022, 0.5 million euros. The maturity date both loans is 29 March 2024. The interest costs (10%) of the loans concluded with Inission AB were 71 thousand euros in 2022.

Enedo has also paid Inission AB other consultant fees of 145 thousand euros and purchased materials and manufacturing services for a total of 67 thousand euros.

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 trad- ing restrictions. The Insider Guidelines have been confirmed by Enedo’s Board of Directors. The CFOof 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 Hel-sinki Guidelines for Insiders is prepared when Enedo has an ongoing project.

The persons discharging managerial responsibilities in the Group are the mem- bers of the Board of Directors, the Presi- dent 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 discharg- ing managerial responsibilities andpersons 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 fol- lowing 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 informa- tion 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.

On 23 May 2022, the company signed loan agreements with Inission AB for a maximum of 1.45 million euros, and on 29 November 2022, 0.5 million euros. The maturity date both loans is 29 March 2024. The interest costs (10%) of the loans concluded with Inission AB were 71 thousand euros in 2022. The arrangement was carried out on acceptable grounds for the Group's business interests and under ordinary market terms.

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 June 27, 2023.

THE BOARD OF DIRECTORS' PROPOSAL TO THE ANNUAL GENERAL MEETING

The Board of Directors proposes to the Annual General Meeting of June 27, 2023, that no dividend be distributed.

CHANGES OF ADDRESS

Shareholders are advised to report any changes of their address to their bookentry securities account provider.

FINANCIAL REPORTS IN 2023

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 2022

Week 17/2023

BUSINESS REVIEW FOR Q1/23

May 4, 2022

HALF-YEAR REPORT 2023

(January 1–June 30, 2022) August 11, 2022

BUSINESS REVIEW FOR Q3/23

October 27, 2023

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

Mikael Fryklund, President and CEO, tel. +358 9 478 466 e-mail: firstname.lastname@enedopower.com

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