

INTERIM REPORT
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Q3 2022

**Forward with strong
operational performance**

ETTEPLAN Oyj Interim Report October 31, 2022, at 9:00 am

ETTEPLAN Q3 2022: Forward with strong operational performance

Key points July-September 2022

- The Group's revenue grew by 20.1 percent and was EUR 80.3 million (7-9/2021: EUR 66.9 million). At comparable exchange rates, revenue increased by 21.0 percent.
- Operating profit (EBITA) grew by 24.3 percent and was EUR 7.1 (5.7) million, or 8.8 (8.5) percent of revenue.
- Operating profit (EBIT) grew by 25.4 percent and was EUR 5.8 (4.6) million, or 7.2 (6.9) percent of revenue.
- The combined effect of non-recurring items on operating profit (EBITA) and operating profit (EBIT) was EUR -0.7 (-0.2) million in July-September and EUR -1.3 (-0.6) million in January-September. Non-recurring costs were exceptionally high due to the offer made for Semcon AB.
- Operating cash flow was EUR 4.1 (0.2) million.
- Basic earnings per share were EUR -0.03 (0.14).
- Etteplan issued a public offer to the shareholders of Semcon AB on August 23, 2022. The conditions of Etteplan's offer were not fulfilled due to a competing purchase offer. Etteplan did not raise its offer, and the offer consequently lapsed on October 6, 2022. Etteplan recognized significant non-recurring costs related to the preparation of the transaction in the third quarter. The fair value measurement of a currency hedge related to the preparation of the transaction had a significant negative impact on financing items and, consequently, earnings per share. The final effect of the currency hedge will be recognized in the result for the fourth quarter.
- Etteplan specifies its financial guidance for Revenue and Operating profit (EBIT) within the previously communicated range and estimates: revenue in 2022 to be EUR 345-360 (previously 340-370) million, and operating profit (EBIT) in 2022 to be EUR 28-31 (previously 28-32) million.

Key points January-September 2022

- The Group's revenue grew by 20.6 percent and was EUR 259.1 million (1-9/2021: EUR 214.9 million). At comparable exchange rates, revenue increased by 21.2 percent.
- Operating profit (EBITA) grew by 14.2 percent and was EUR 24.2 (21.2) million, or 9.3 (9.9) percent of revenue.
- Operating profit (EBIT) grew by 12.7 percent and was EUR 20.2 (17.9) million, or 7.8 (8.3) percent of revenue.
- Operating cash flow was EUR 17.1 (13.9) million.
- Undiluted earnings per share were EUR 0.43 (0.55).

Etteplan also monitors non-IFRS performance measures, because they provide additional information on Etteplan's development. More information on performance measures is provided at the end of the release.

Key figures

EUR 1,000	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Revenue	80,308	66,860	259,146	214,853	300,111
Operating profit (EBITA)	7,085	5,701	24,184	21,174	30,139
EBITA, %	8.8	8.5	9.3	9.9	10.0
Operating profit (EBIT)	5,766	4,597	20,204	17,921	25,754
EBIT, %	7.2	6.9	7.8	8.3	8.6
Basic earnings per share, EUR	-0.03	0.14	0.43	0.55	0.80
Equity ratio, %	36.7	42.1	36.7	42.1	39.7
Operating cash flow	4,085	227	17,075	13,937	27,093
ROCE, %	13.2	12.0	15.4	15.6	16.0
Personnel at end of the period	4,001	3,625	4,001	3,625	3,629

President and CEO Juha Näkki:

Our operational performance was strong in the third quarter. Strong revenue growth continued, and profitability and cash flow were at a good level for a third quarter. The results for the review period were weakened by significant non-recurring costs related to the public offer we made for Semcon AB. Our offer was ultimately not accepted due to a competing offer. We recognized transaction and financing costs related to the project in our result, with the most significant of these being related to currency hedge, and these costs pushed our earnings per share into negative in the third quarter.

The demand situation remained good during the review period in spite of the war started by Russia and its impacts. However, there were differences in demand between customer industries and customers.

All three of our service areas performed well in a good market situation. The result of Engineering Solutions was excellent thanks to good operational efficiency, while Software and Embedded Solutions substantially improved its profitability compared to the slightly weaker previous quarter. The strong growth of Technical Documentation Solutions continued, but profitability was slightly lower than expected. This was mainly due to challenges in the service area's business in Germany, and we have taken action to improve the situation.

We enter the final quarter of the year in an uncertain market situation. Russia's invasion of Ukraine as well as the related acceleration of inflation and the European energy crisis are affecting the willingness to invest and demand in certain customer industries. In these uncertain conditions, we have adopted a slightly more cautious policy with regard to recruitment in order to ensure good operational efficiency and, consequently, good profitability in all circumstances. At the same time, however, we also see many opportunities related to energy efficiency and the defense industry, for example.

It was naturally a setback that the Semcon acquisition did not materialize, but we have already turned our attention toward new opportunities and we will continue the determined execution of our strategy in order to achieve our financial targets.

Market outlook 2022

The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. The COVID-19 pandemic continues to affect the market situation, especially in China. The war started by Russia in Ukraine, and the related energy crisis in Europe, increase uncertainty in the markets and accelerate inflation, which slows down investments and affects the demand situation and supply chains. On the other hand, the unstable geopolitical climate increases the demand for investments related to the defense industry, energy efficiency and the green transition. Forecasting remains difficult and the demand situation is fluctuating. We, nevertheless, expect the general demand situation to remain fairly good throughout 2022.

Financial guidance 2022 (published on October 31, 2022)

Etteplan specifies its financial guidance for Revenue and Operating profit (EBIT) within the previously communicated range and estimates:

revenue in 2022 is estimated to be EUR 345-360 (2021: 300.1) million, and operating profit (EBIT) in 2022 is estimated to be EUR 28-31 (2021: 25.8) million.

Previous financial guidance 2022 (published on August 10, 2022)

Etteplan keeps its guidance for revenue and operating profit (EBIT) intact and issues the following estimate:

revenue in 2022 is estimated to be EUR 340-370 (2021: 300.1) million, and operating profit (EBIT) in 2022 is estimated to be EUR 28-32 (2021: 25.8) million.

Operating environment

The majority of Etteplan's customers are industrial companies with several global megatrends currently influencing the development of their operating environment. For example, structural changes in the global economy, urbanization, climate change and sustainability are all influencing companies, national economies and people's lives. In addition to these megatrends, the engineering industry is influenced primarily by three trends: digitalization, accelerating technological development and the lack of engineering resources. These trends are creating a need for intelligent and energy-efficient engineering solutions in all industrial sectors. The trend of centralizing service purchasing continues as customer demand becomes increasingly international, presenting growth opportunities for global engineering companies. The continued trend of service outsourcing has a positive effect on the industry's development and it supports Etteplan's growth. Competition for employees and specialized experts in certain areas is continuing, which affects the development of the sector as a whole in all market areas.

The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. The prolongation of the COVID-19 pandemic continues to affect the market situation, especially in China. The war started by Russia in Ukraine, the related energy crisis and the subsequent elevation in geopolitical tensions have increased uncertainty globally. Rising inflation reduces the willingness to invest and affects demand in certain industries and has an impact on supply chains. Investments related to the defense industry, energy efficiency and accelerating the green transition are growing. Forecasting remains difficult and the demand situation is fluctuating. Nevertheless, we expect the general demand situation to remain fairly good throughout 2022.

Development of demand by customer industry

The war started by Russia in Ukraine and the COVID-19 pandemic affect demand in all customer industries, but the effects of the pandemic on different customer segments vary. Demand in the Forest, Pulp and Paper industry was at a good level. Demand in the Energy industry was at a good level. Demand in the Mining industry was at a good level. Demand in the Lifting and Hoisting industry was at a moderate level. Demand in the ICT industry remained good. Demand in the Automotive and Transportation industry was at a good level. Demand in the Chemical industry was at a good level.

Development of demand in Etteplan's operating countries

The geopolitical tensions caused by Russia's invasion of Ukraine and the energy crisis have increased uncertainty and are accelerating inflation in all of our operating countries in Europe. Nevertheless, the general demand situation in Europe is still fairly good. In Finland, new orders received and the order backlogs of companies in the technology industry have remained at a good level. Revenues in the engineering and consulting industry increased by 8 percent during the first six months of the year compared to the corresponding period last year.

The war and geopolitical tensions are also increasing uncertainty in China and affecting Western investments and international trade. In addition, the COVID-19 pandemic and related shutdown measures are continuing to have an impact, and the demand situation in China has deteriorated slightly in general.

Revenue

The demand situation remained good during the review period, and growth was strong. Key accounts and acquisitions supported revenue growth. Organic growth was also at a good level.

Etteplan's revenue grew by 20.1 percent in July-September and was EUR 80.3 million (7-9/2021: EUR 66.9 million). Revenue increased by 21.0 percent at comparable exchange rates. The organic growth of revenue was 11.2 percent. At comparable exchange rates, organic growth was 12.0 percent. Revenue from key accounts grew by 8.8 percent in July-September.

Etteplan's revenue grew by 20.6 percent in January-September and was EUR 259.1 million (1-9/2021: EUR 214.9 million). Revenue increased by 21.2 percent at comparable exchange rates. The organic growth of revenue was 11.7 percent. At comparable exchange rates, organic growth was 12.3 percent. Revenue from key accounts grew by 9.0 percent in January-September.

Etteplan's business is subject to periodic fluctuation due to the number of working days, holiday seasons and the timing of product development and investment projects in customer companies, which mainly take place in the spring and the latter part of the year. The revenue in the third quarter is typically lower than that of other quarters.

The revenue of acquired companies is not included in the organic growth of revenue for the 12 months following the acquisition. Adina Solutions Oy increased revenue starting from August 1, 2021, and BST Buck Systemtechnik GmbH starting from October 1, 2021. Cognitas GmbH, which was acquired at the beginning of 2022, is included in Etteplan's figures starting from January 1, 2022, Syncore Technologies AB starting from February 1, 2022, LCA Consulting Oy starting from May 1, 2022, DDCom starting from June 1, 2022.

Result

We achieved good profitability for the third quarter. The good operational efficiency of Engineering Solutions improved profitability. Operational efficiency in the Software and Embedded Solutions service area and the Technical Documentation Solutions service area was not entirely in line with our targets, which had an impact on profitability. Etteplan recognized significant non-recurring costs related to the preparation of the offer made for Semcon AB in the third quarter of the year, which had a negative effect on profitability.

Operating profit (EBITA) grew by 24.3 percent in July-September and was EUR 7.1 (5.7) million, or 8.8 (8.5) percent of revenue.

Operating profit (EBITA) grew by 14.2 percent in January-September and was EUR 24.2 (21.2) million, or 9.3 (9.9) percent of revenue.

Operating profit (EBIT) grew by 25.4 percent in July-September and was EUR 5.8 (4.6) million, or 7.2 (6.9) percent of revenue.

Operating profit (EBIT) grew by 12.7 percent in January-September and was EUR 20.2 (17.9) million, or 7.8 (8.3) percent of revenue.

The combined effect of non-recurring items on operating profit (EBITA) and operating profit (EBIT) was EUR -0.7 (-0.2) million in July-September and EUR -1.3 (-0.6) million in January-September. Non-recurring costs were exceptionally high due to the offer made for Semcon AB. Other non-recurring items consisted of expenses related to organizational restructuring and previous acquisitions as well as a change in the valuation of a contingent liability related to a previous acquisition, which had a positive impact on the result.

The net amount of financial income and financial expenses came to EUR -6.6 (-0.7) million in January-September. The fair value measurement of the currency hedge related to the preparation of the Semcon transaction had a significant negative impact on financing items and, consequently, earnings per share in the third quarter. The final effect of the currency hedge will be recognized in the company's result for the fourth quarter.

Profit before taxes for January-September was EUR 13.6 (17.2) million. Taxes in the income statement amounted to 21.0 (20.5) percent of the result before taxes. The amount of taxes was EUR 2.9 (3.5) million.

The profit for January-September was EUR 10.7 (13.7) million.

Basic earnings per share were EUR -0.03 (0.14) in July-September and EUR 0.43 (0.55) in January-September. The fair value measurement of the currency hedge related to the preparation of the Semcon transaction had a significant negative impact on financing items and, consequently, earnings per share in the third quarter. Equity per share was EUR 3.93 (3.72) at the end of September. Return on capital employed (ROCE) before taxes was 13.2 (12.0) percent in July-September and 15.4 (15.6) percent in January-September.

Cash flow and financial position

Operating cash flow in the third quarter was good. Operating cash flow was EUR 4.1 (0.2) million in July-September. Cash flow after investments was EUR 2.1 (-1.8) million in July-September.

Operating cash flow was EUR 17.1 million (13.9) in January-September. Cash flow after investments was EUR -7.0 (-1.7) million in January-September due to acquisitions made in the first half of the year. Operating cash flow accrues unevenly over the four quarters of the year due to periodic fluctuation in business.

The Group's cash and cash equivalents stood at EUR 14.1 (9.2) million at the end of September.

The Group's interest-bearing debt amounted to EUR 87.7 (66.7) million at the end of September. The amount of interest-bearing liabilities was affected by acquisitions made by the Group. Lease liabilities represented EUR 22.4 (23.0) million of interest-bearing liabilities.

The total of unused short-term credit facilities stood at EUR 10.9 (7.8) million.

Total assets on September 30, 2022, were EUR 272.1 (223.8) million. Goodwill on the balance sheet was EUR 106.5 (93.0) million.

At the end of September, the equity ratio was 36.7 (42.1) percent.

Capital expenditure

The Group's gross investments in January-September were EUR 38.7 (27.0) million. The gross investments mainly consisted of acquisitions, increases in lease liabilities and equipment purchases.

Personnel

The number of personnel stood at 4,001 (3,625) employees at the end of September 2022. The number of personnel increased by 10.4 percent compared to the end of September 2021. Due to the unpredictable market situation, we have slowed down recruitment in all service areas.

The Group employed 3,937 (3,429) people on average in January-September 2022.

The number of people employed by the Group outside of Finland increased and stood at 1,988 (1,614) at the end of September, representing 50 (45) percent of the total number of employees.

Business review

The key objective of the company's strategy - Increasing value for customers - is to create even higher value for customers and support them in the industrial change. The three key elements of our strategy are customer value, service solutions and success with people. The most important focus areas of growth are the continuous development of service solutions, digitalization and international growth.

Etteplan's customers are investing in digitalization and intelligent devices, which presents significant growth opportunities for the company. In recent years, Etteplan has also invested in digitalization and software development with the aim of expanding its service offering and competence capital in order to respond to the digitalization needs of customers. At the same time, we are investing in organic growth as well as the development of our own business and increasing its rate of digitalization.

We continue the development of technology solutions as part of our service solutions. We are strengthening our expertise in areas such as additive manufacturing, digital twin solutions, artificial intelligence and other digital technologies. In August, we made a strategic investment in the Swedish start-up company Ekkono Solutions AB, a developer of machine learning and artificial intelligence technology, by acquiring a stake of approximately 20 percent in the company.

We have also invested in industrial digitalization and strengthened our smart industrial production offering to help our customers digitalize their production facilities and business operations. Etteplan's new Smart Factory offering consists of a wide range of expertise ranging from engineering to piping, automation, information systems and technical documentation.

Etteplan's target is to achieve revenue of EUR 500 million in 2024. We seek growth organically and by acquisitions. Etteplan's goal is to also grow internationally, provide solutions from all of the company's service areas in all of its market areas and increase the share of revenue accumulated outside Finland to 50 percent. In July-September, revenue accumulated outside Finland amounted to EUR 39.7 (29.7) million, or 49 (44) percent of the Group's total revenue. In January-September, revenue accumulated outside Finland amounted to EUR 124.9 (92.9) million, or 48 (43) percent of the Group's total revenue. During the review period, Etteplan strengthened its presence in the growing market of northern Sweden by opening a new office in Skellefteå.

A new wave of the COVID-19 pandemic and related restrictions and shutdown measures affected demand in China. The number of hours sold in the Chinese market decreased by 6.9 percent in July-September and by 4.3 percent in January-September. Our employees are currently mostly working remotely, in China, which reduces the impact of the shutdowns and restrictions on our business.

Etteplan's target is to increase the share of revenue represented by Managed Services to 75 percent. The share of Managed Services stood at 67 (63) percent in July-September and 66 (63) percent in January-September. The growth in the share of Managed Services enhances Etteplan's capacity management and improves profitability. Etteplan's operating profit (EBITA) target is 10 percent of revenue.

Acquisitions in 2021-2022

Etteplan issued a public offer to the shareholders of Semcon AB on August 23, 2022. The acceptance period stipulated by the offer began on September 1, 2022, and ended on October 6, 2022. The conditions of Etteplan's offer were not fulfilled due to a competing purchase offer. Etteplan did not raise its offer, and the offer consequently lapsed on October 6, 2022. Etteplan recognized significant non-recurring costs related to the preparation of the transaction in the third quarter. The fair value measurement of the currency hedge related to the preparation of the transaction had a significant negative impact on financing items and, consequently, earnings per share. The final effect of the currency hedge will be recognized in the result for the fourth quarter. Etteplan issued several stock exchange releases related to the offer between August 23 and October 7, 2022. The releases and more details on the offer are available on Etteplan's website at www.etteplan.com/investors.

Etteplan continued its expansion in the Netherlands in June 2022 by acquiring DDCom. The acquisition strengthened Etteplan's capabilities in 3D content-based animation and visualization services related to technical documentation. DDCom is located in the Eindhoven area and employs approximately 15 technical documentation specialists. Its customers operate in automotive, high tech, med-tech and product

manufacturing industries and include high-profile companies such as DAF Trucks, ASML, VDL, Philips & Shimano.

Etteplan strengthened its position as an expert in sustainable development and acquired LCA Consulting Oy, a provider of high-quality expert services, in May 2022. Founded in 2013 as a spin-off at LUT University, LCA Consulting focuses on life cycle assessment of companies, products and production, carbon footprinting and expert training. LCA Consulting, based in Lappeenranta, Finland, employs 11 experts and its customer base consists especially of customers in industrial production and manufacturing, construction industry and public sector.

Etteplan strengthened its position in Sweden and acquired Syncore Technologies AB, a technology services company focusing on advanced embedded systems, in February 2022. In 2020, Syncore's net sales were approximately EUR 5 million and it employs 46 embedded systems experts in Linköping, Sweden. The acquisition involved a directed share issue to the owners of the acquired company. More information is provided under Shares.

In January 2022, Etteplan acquired Cognitas GmbH, a German technical information life cycle management company, from Canon Deutschland GmbH. With the acquisition, Etteplan becomes a market-leading company in technical documentation in Germany and reinforces its leading position in Europe. Cognitas generates annual revenue of approximately EUR 15 million and employs 200 professionals in consulting and technical information authoring and management.

Acquisitions in 2021:

- September 2021 - BST Buck Systemtechnik GmbH in Germany. Over 30 specialists. Specializes in software development, process automation and hardware engineering.
- August 2021 - Adina Solutions Oy in Finland. A total of 13 content production and technical communications professionals.
- June 2021 - the software development company Skyrise.tech S.A. in Poland. In 2020, revenue of approximately EUR 3.5 million, with approximately 80 specialists and partners. The acquisition involved a directed share issue to the owners of the acquired company.
- May 2021 - F.I.T. Fahrzeug Ingenieurtechnik GmbH in Germany. Approximately 15 technical documentation specialists.
- January 2021 - the software development company TekPartner A/S in Denmark. In 2019, revenue of approximately EUR 8 million, with 19 in-house specialists and a network of project partners and freelancers.

Development of the service areas

Engineering Solutions

We innovate and engineer machinery, equipment and plants for customers. Our customer base typically uses our services for product development projects for a new product, plant engineering projects or Engineering-to-Order projects, involving the customization of the product in accordance with end customer standards and legislation in the market area.

EUR 1,000	7-9/2022	7-9/2021	Change	1-9/2022	1-9/2021	Change	1-12/2021
Revenue	41,876	36,931	13.4%	134,793	120,355	12.0%	167,433
Operating profit (EBITA)	4,309	3,040	41.7%	14,128	11,605	21.7%	16,555
EBITA, %	10.3	8.2		10.5	9.6		9.9
Managed Services index	66	64		64	64		64
Personnel at end of the period	2,124	2,071	2.6%	2,124	2,071	2.6%	2,062

The figures for BST Buck Systemtechnik GmbH, acquired in September 2021, are included in the service area's figures starting from October 1, 2021, and the figures for LCA Consulting Oy, acquired in May 2022, starting from May 1, 2022.

The share of Etteplan's revenue represented by Engineering Solutions was 52 (55) percent in July-September and 52 (56) percent in January-September.

Service area's demand situation remained good and the revenue increased by 13.4 percent in July-September and amounted to EUR 41.9 (36.9) million. In January-September, revenue increased by 12.0 percent and was EUR 134.8 (120.4) million.

The operating profit (EBITA) of Engineering Solutions improved in July-September and amounted to EUR 4.3 (3.0) million, or 10.3 (8.2) percent of revenue. In January-September, operating profit (EBITA) was EUR 14.1 (11.6) million, or 10.5 (9.6) percent of revenue. Profitability was at an excellent level for a third quarter thanks to good operational efficiency.

The Engineering Solutions service area had 2,124 (2,071) employees at the end of September.

The Managed Services Index (MSI), which reflects the share of the service area's revenue represented by Managed Services, was 66 (64) percent in July-September and 64 (64) percent in January-September.

The integration of LCA Consulting Oy, which was acquired by Etteplan in May 2022, into Etteplan is progressing well. The acquisition strengthens Etteplan's position as an expert in sustainable development. The integration of BST Buck Systemtechnik GmbH into Etteplan is in its final stages.

Software and Embedded Solutions

We provide product development services as well as software and technology solutions that enable the digitalization of our customers' business processes along with the intelligence and connectivity of machinery and equipment. Our customers often have a need to increase the efficiency of business processes or manufacturing, or create entirely new products for the market. Through system integration and utilization of digitalization, we can ensure better customer service, cost-efficiency, or the creation of new income streams.

EUR 1,000	7-9/2022	7-9/2021	Change	1-9/2022	1-9/2021	Change	1-12/2021
Revenue	21,956	18,081	21.4%	71,698	56,755	26.3%	80,123
Operating profit (EBITA)	2,176	1,638	32.9%	6,392	5,898	8.4%	8,316
EBITA, %	9.9	9.1		8.9	10.4		10.4
Managed Services index	53	49		52	49		47
Personnel at end of the period	837	762	9.8%	837	762	9.8%	771

The figures for Syncore Technologies AB, acquired in February 2022, are included in the service area's figures starting from February 1, 2022.

The share of the Group's total revenue represented by Software and Embedded Solutions was 28 (27) percent in July-September and 28 (27) percent in January-September.

The market situation in the Software and Embedded Solutions service area remained good in general, but product development investments were slowed down by the rising general cost level and uncertainty. Acquisitions and increased subcontracting affected the development of revenue. The service area's revenue increased by 21.4 percent in July-September and amounted to EUR 22.0 (18.1) million. In January-September, revenue increased by 26.3 percent and was EUR 71.7 (56.8) million.

The Software and Embedded Solutions service area's operating profit (EBITA) improved by 32.9 percent in July-September and was EUR 2.2 (1.6) million, or 9.9 (9.1) percent of revenue. In January-September, operating profit (EBITA) improved and amounted to EUR 6.4 (5.9) million. Profitability, in turn, declined to 8.9 (10.4) percent of revenue.

Profitability and operational efficiency improved slightly and were at a moderate level. Profitability was improved by success in projects and previously implemented organizational restructuring measures.

The number of personnel in the Software and Embedded Solutions service area increased year-on-year due to acquisitions and recruitment and stood at 837 (762) at the end of September. In addition to our own personnel, we currently have more than 250 subcontractors and partners.

The Managed Services Index (MSI), which reflects the share of the service area's revenue represented by Managed Services, was 53 (49) percent in July-September and 52 (49) percent in January-September.

The Syncore acquisition completed in February 2022 made Etteplan a significantly larger provider of software and embedded solutions in Sweden. The integration of the company into Etteplan is progressing as planned.

Technical Documentation Solutions

We produce user manuals for individual products as well as the documentation of technical attributes and information management for entire production facilities, such as factories. The service includes content creation and distribution in print and digital form. For an industrial customer, good technical documentation can increase the value of their products and ensure their products are used in the right way. Our solutions enable our customers to improve their cost-efficiency, reduce delivery times and decrease their environmental footprint.

EUR 1,000	7-9/2022	7-9/2021	Change	1-9/2022	1-9/2021	Change	1-12/2021
Revenue	16,323	11,762	38.8%	52,126	37,282	39.8%	51,650
Operating profit (EBITA)	1,329	1,202	10.5%	4,701	4,211	11.6%	5,879
EBITA, %	8.1	10.2		9.0	11.3		11.4
Managed Services index	91	83		88	83		82
Personnel at end of the period	894	669	33.6%	894	669	33.6%	669

The figures for Adina Solutions, acquired in August 2021, are included in the service area's figures starting from August 1, 2021, the figures for Cognitas GmbH, acquired in January 2022, starting from January 1, 2022, and the figures for DDCom, acquired in June 2022, starting from June 1, 2022.

The share of the Group's total revenue represented by Technical Documentation Solutions was 20 (18) percent in July-September and 20 (17) percent in January-September.

The Technical Documentation Solutions service area's demand situation remained good, and revenue increased by 38.8 percent July-September, amounting to EUR 16.3 (11.8) million. In January-September, revenue increased by 39.8 percent and was EUR 52.1 (37.3) million. Acquisitions and the success of the outsourcing business contributed to the growth figures.

In January 2022, we acquired Cognitas GmbH, a German technical information life cycle management company, from Canon. With the acquisition, Etteplan becomes a market-leading company in technical documentation in Germany and reinforces its leading position in Europe. However, the Cognitas business has not developed as planned, and we have taken measures to rectify the situation.

The Technical Documentation Solutions service area's operating profit (EBITA) in July-September was EUR 1.3 (1.2) million. Profitability declined to 8.1 (10.2) percent of revenue. In January-September, operating profit (EBITA) was EUR 4.7 (4.2) million. Profitability declined to 9.0 (11.3) percent of revenue. Operational efficiency was not at our targeted level. In addition, the weaker than expected profitability of Cognitas had an impact on the service area's profitability.

The Technical Documentation Solutions service area had 894 (669) employees at the end of September. The Cognitas acquisition contributed to the increase in the number of employees.

The Managed Services Index (MSI), which reflects the share of the service area's revenue represented by Managed Services, was 91 (83) percent in July-September and 88 (83) percent in January-September.

Etteplan continued its expansion in the Netherlands in June 2022 by acquiring DDCom. The acquisition strengthened Etteplan's capabilities in 3D content-based animation and visualization services related to technical documentation.

GOVERNANCE

GENERAL MEETING

Etteplan Oyj's Annual General Meeting was held on April 6, 2022. The Annual General Meeting approved the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2021.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to pay a dividend of EUR 0.40 per share for the financial year 2021 and to leave the remaining funds in unrestricted equity. The dividend decided on by the Annual General Meeting was paid to the shareholders registered on the record date in the shareholders' register maintained by Euroclear Finland Ltd. The record date for the dividend payout was April 8, 2022, and the date of dividend payout was April 19, 2022.

In accordance with the proposal of Etteplan's Nomination and Remuneration Committee, the Annual General Meeting resolved that the Board of Directors shall consist of five members. In accordance with the proposal of the Nomination and Remuneration Committee, the Annual General Meeting resolved on the annual remuneration of the members of the Board of Directors, the Chairman of the Board and the members of the Nomination and Remuneration Committee and the Audit Committee.

In accordance with the proposal of the Nomination and Remuneration Committee of the Board of Directors, the Annual General Meeting re-elected Matti Huttunen, Robert Ingman, Päivi Lindqvist, Leena Saarinen and Mikko Tepponen as members of the Board of Directors. KPMG Oy Ab, Authorized Public Accountants, with Authorized Public Accountant Kim Järvi as the main responsible auditor, was elected as the Company's auditor.

In its organization meeting subsequent to the Annual General Meeting, the Board of Directors of Etteplan Oyj elected Robert Ingman as Chairman of the Board of Directors. Matti Huttunen was elected the Chairman and Robert Ingman and Leena Saarinen as members of the Nomination and Remuneration Committee of Etteplan Oyj. Päivi Lindqvist was elected as the Chairman and Leena Saarinen and Mikko Tepponen as members of the Audit Committee of Etteplan Oyj.

Board authorizations

The Annual General Meeting held on April 6, 2022 decided to authorize the Board of Directors to resolve on the repurchase of the company's own shares in one or more tranches using the company's unrestricted equity. A maximum of 2,000,000 shares in the company may be repurchased. The company may deviate from the obligation to repurchase shares in proportion to the shareholders' current holdings, i.e. the Board has the right to decide on a directed repurchase of the company's own shares.

The authorization includes the right for the Board to resolve on the repurchase of the Company's own shares through a tender offer made to all shareholders on equal terms and conditions and at the price determined by the Board, or in public trading organized by the Nasdaq Helsinki Ltd at the market price valid at any given time, so that the company's total holding of own shares does not exceed ten (10) percent of all the shares in the company. The minimum price for the shares to be repurchased is the lowest market price quoted for the shares in the company in public trading and, correspondingly, the maximum price is the highest market price quoted for the shares in the company in public trading during the validity of the authorization.

Should the shares in the company be repurchased in public trading, such shares will not be purchased in proportion to the shareholders' current holdings. In that case, there must be a weighty financial reason for the company to repurchase its own shares. The shares may be repurchased in order to be used as consideration in potential acquisitions or in other structural arrangements. The shares may also be used for carrying out the company's incentive schemes for its personnel. The repurchased shares may be retained by the company, invalidated or transferred further.

The repurchase of the company's own shares will reduce the non-restricted equity of the company.

The authorization is valid for 18 months from the date of the resolution of the Annual General Meeting starting on April 6, 2022, and ending on October 5, 2023.

The Annual General Meeting 2021 decided to authorize the Board of Directors to resolve on the issuance of a maximum of 2,500,000 shares through issuance of shares, option rights or other special rights entitling to shares under Chapter 10, Section 1 of the Finnish Companies Act in one or more issues. The authorization includes the right to decide to issue either new shares or shares held by the company.

The authorization includes the right to deviate from the existing shareholders' pre-emptive subscription right as set forth in Chapter 9, Article 3 of the Companies Act. Therefore, the Board of Directors has the right to direct the share issue, or issuance of the option rights or other special rights conferring entitlement to shares. The authorization also includes the right to decide on all the terms of share issue, option rights or other special rights conferring entitlement to shares. The authorization therefore includes the right to determine share subscription prices, persons entitled to subscribe the shares and other terms and conditions applicable to the subscription. In order to deviate from the shareholders' pre-emptive subscription right, the company must have a weighty financial reason such as financing of a company acquisition, other arrangement in connection with the development of the company's business or equity or an incentive scheme to the personnel. In connection with the share issuance, the Board of Directors is entitled to decide that the shares may be subscribed against contribution in kind or otherwise under special terms and conditions. The authorization includes the right to determine whether the subscription price will be entered into the share capital or into the unrestricted equity fund.

The authorization is valid for two (2) years from the date of the resolution of the Annual General Meeting, starting on April 8, 2021, and ending on April 7, 2023.

SHARES

Etteplan's shares are listed in Nasdaq Helsinki Ltd's Mid Cap market capitalization group in the Industrials sector under the ETTE ticker. The company has one series of shares. All shares confer an equal right to a dividend and the company's funds. The company's share capital on September 30, 2022, was EUR 5,000,000.00 and the total number of shares was 25,200,793.

On February 2, 2022, Etteplan issued a stock exchange release announcing the acquisition of Syncore Technologies AB. As part of the financing of the transaction, Etteplan Oyj's Board of Directors, at its meeting held on February 1, 2022, made a conditional decision on a share issue based on the share issue authorization given to the Board of Directors by the Annual General Meeting on April 8, 2021. In accordance with the terms of the transaction, the purchase price was paid through a share issue to the sellers and cash. The contract of sale, which was a condition of the decision, was signed on February 2, 2022, and at the same time, the sellers subscribed for 117,485 new Etteplan shares as a part payment for the purchase amount. The subscription price per share paid for the shares was EUR 16.42. The new shares carry the right to dividends starting from the financial year 2022. The new shares subscribed for in the directed share issue were registered in the Trade Register on April 19, 2022, and in the book-entry system maintained by Euroclear Finland Oy on April 29, 2022. The shares were listed for trading on Nasdaq Helsinki on May 3, 2022. However, trading in the new shares will only be possible after three years, when the transfer restriction agreed upon in connection with the transaction has expired.

Trading in shares

The number of Etteplan Oyj shares traded in January-September was 436,077 (1-9/2021: 1,262,705), for a total value of EUR 6.87 (20.36) million. The share price low was EUR 11.65, the high EUR 18.75, the average EUR 15.76 and the closing price EUR 12.60. Market capitalization on September 30, 2022, was EUR 315.53 (450.18) million. On September 30, 2022, Etteplan had 3,713 (3,596) shareholders.

Own shares

Etteplan did not purchase any of its own shares in January-September 2022. The company held 159,046 of its own shares at the end of September 2022 (September 30, 2021: 142,815), which corresponded to 0.63 percent of all shares and voting rights.

Flaggings

Etteplan Oyj received no flagging notices in January-September 2022.

Etteplan Oyj's incentive plan for key personnel 2020-2022

On February 5, 2020, Etteplan's Board of Directors resolved to establish a new share-based incentive plan for the Group's key personnel. The aim of the plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer them a competitive reward plan based on holding the company shares.

The plan includes one earning period which comprises calendar years 2020-2022. The earning period covers the same years as Etteplan's strategy update published in March 2019. The plan is in line with Etteplan's strategy and supports the achievement of the company's financial targets.

The earning criteria are Etteplan Group's revenue increase and the development of Total Shareholder Return (TSR). The potential reward will be paid partly in the company's shares and partly in cash after the end of the earning period. The proportion to be paid in cash is intended to cover taxes and tax-related costs arising from the reward to the key personnel.

Approximately 25 people belong to the plan, including the Management Group of Etteplan. The rewards to be paid on the basis of the plan will correspond to the value of an approximate maximum total of 390,000 Etteplan Oyj shares (including also the proportion to be paid in cash). The shares to be paid out as potential rewards will be transferred from the shares held by the company or shares acquired from the market, and therefore the incentive plan will have no diluting effect on the share value.

Operating risks and uncertainty factors

Etteplan's financial results are exposed to a number of strategic, operational and financial risks. The uncertainties caused by the general economic development continue to constitute risks for Etteplan's business. The possibility of changes in customers' business operations is a significant risk to Etteplan's operations. The company's operations are based on skilled staff. The availability of competent professionals is an important factor for ensuring profitable growth and operations. The increased difficulties in recruiting professional staff, particularly in certain expert disciplines, continues to present a business risk.

The COVID-19 pandemic continues to have an impact on Etteplan's business and the prolongation of the situation has a negative impact on the company's development. The war started by Russia in Ukraine increases uncertainty in the markets, drives inflation and interest rates higher and has a negative impact on customers' operations and supply chains. Rising costs and interest rates have an impact on Etteplan's business and financial position. The unstable geopolitical situation and the energy crisis in Europe caused by the war makes the future more difficult to predict.

The development of the Swedish krona affects the final value of the currency hedge related to the preparation of the Semcon acquisition, which may have an impact on financial items and, consequently, earnings per share in the final quarter of 2022.

Etteplan assesses business risks annually and actively monitors their development during the year. The focus of the assessment is particularly on monitoring changes in already identified risks, identifying new business risks and developing proactive risk management. The results of the assessment are presented in Etteplan's Corporate Governance Statement.

Financial disclosures in 2023

Financial Statement Review: Friday, February 17, 2023

Financial Statements and Annual Report: week 11/2023 at the latest

Annual General Meeting 2023: Wednesday, April 5, 2023

Interim Report for January-March 2023: Thursday, May 11, 2023

Half Year Financial Report for January-June 2023: Thursday, August 10, 2023

Interim Report for January-September 2023: Tuesday, October 31, 2023

Espoo, October 31, 2022

Etteplan Oyj

Board of Directors

Additional information:

Juha Näkki, President and CEO, tel. +358 10 307 2077

Outi Torniainen, SVP, Communications and Marketing, tel. +358 10 307 3302

The information presented herein has not been audited.

Releases and other corporate information are available on Etteplan's website at www.etteplan.com.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Revenue	80,308	66,860	259,146	214,853	300,111
Other operating income	825	310	1,865	841	1,289
Materials and services	-9,526	-7,384	-29,982	-22,083	-31,685
Employee benefits expenses	-51,685	-44,045	-169,718	-142,883	-197,596
Other operating expenses	-9,067	-6,619	-26,107	-19,509	-28,527
Depreciation and amortization	-5,088	-4,524	-14,999	-13,299	-17,839
Operating profit (EBIT)	5,766	4,597	20,204	17,921	25,754
Financial income and expenses	-6,238	-174	-6,606	-714	-888
Profit before taxes	-472	4,423	13,598	17,206	24,867
Income taxes	-192	-981	-2,862	-3,531	-4,823
Profit for the review period	-664	3,442	10,737	13,675	20,044
Other comprehensive income, that may be reclassified to profit or loss					
Currency translation differences	-1,096	-332	-3,262	-487	-589
Other comprehensive income, that will not be reclassified to profit or loss					
Change in fair value of equity investments at fair value through other comprehensive income	-16	10	-43	29	32
Other comprehensive income, net of tax	-1,113	-322	-3,304	-458	-557
Total comprehensive income for the review period	-1,777	3,120	7,432	13,217	19,487
Profit for the review period attributable to					
Equity holders of the parent company	-664	3,442	10,737	13,675	20,044
Total comprehensive income for the review period attributable to					
Equity holders of the parent company	-1,777	3,120	7,432	13,217	19,487
Earnings per share calculated from the profit attributable to equity holders of the parent company					
Basic earnings per share, EUR	-0.03	0.14	0.43	0.55	0.80
Diluted earnings per share, EUR	-0.03	0.14	0.43	0.55	0.80

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1,000	Sep 30, 2022	Sep 30, 2021	Dec 31, 2021
ASSETS			
Non-current assets			
Goodwill	106,485	92,965	92,380
Other intangible assets	34,422	29,204	28,807
Tangible assets	25,487	24,825	24,759
Investments at fair value through other comprehensive income	2,398	414	418
Other non-current receivables	54	54	54
Deferred tax assets	646	648	731
Non-current assets, total	169,491	148,110	147,150
Current assets			
Inventory	517	358	376
Work in progress	39,466	31,017	26,810
Trade and other receivables	48,267	35,009	47,988
Current tax assets	252	43	273
Cash and cash equivalents	14,106	9,215	30,356
Current assets, total	102,607	75,642	105,803
TOTAL ASSETS	272,099	223,752	252,953
EQUITY AND LIABILITIES			
Capital attributable to equity holders			
Equity			
Share capital	5,000	5,000	5,000
Share premium account	6,701	6,701	6,701
Unrestricted equity fund	23,966	22,037	22,037
Own shares	-1,041	-1,050	-1,245
Cumulative translation adjustment	-6,734	-3,371	-3,473
Other reserves	90	130	133
Retained earnings	70,528	63,392	69,761
Equity, total	98,510	92,839	98,914
Non-current liabilities			
Deferred tax liabilities	9,170	7,227	7,408
Loans from financial institutions	50,837	8,100	30,350
Lease liabilities	8,576	8,726	8,777
Other non-current liabilities	7,064	1,236	827
Non-current liabilities, total	75,647	25,290	47,362
Current liabilities			
Loans from financial institutions	14,474	35,581	25,453
Lease liabilities	13,847	14,278	13,894
Advances received	3,759	3,060	3,891
Trade and other payables	63,765	50,450	61,673
Current income tax liabilities	2,096	2,254	1,766
Current liabilities, total	97,941	105,623	106,677
Liabilities, total	173,588	130,913	154,039
TOTAL EQUITY AND LIABILITIES	272,099	223,752	252,953

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Operating cash flow					
Cash receipts from customers	85,273	66,454	257,827	209,142	287,564
Operating expenses paid	-79,401	-64,888	-235,487	-190,328	-253,056
Operating cash flow before financial items and taxes	5,872	1,566	22,341	18,814	34,508
Interests and other payments for financial expenses	-586	-330	-1,359	-840	-1,289
Interest received	13	14	56	70	80
Income taxes paid	-1,214	-1,023	-3,963	-4,107	-6,205
Operating cash flow (A)	4,085	227	17,075	13,937	27,093
Investing cash flow					
Purchase of tangible and intangible assets	-227	-360	-1,145	-1,505	-2,157
Acquisition of subsidiaries, net of cash acquired	249	-1,624	-20,866	-14,255	-14,255
Purchase of investments	-2,033	0	-2,033	0	0
Proceeds from sale of tangible and intangible assets	9	2	18	65	17
Proceeds from repayment of loans	0	0	0	74	73
Investing cash flow (B)	-2,002	-1,983	-24,026	-15,622	-16,321
Cash flow after investments (A+B)	2,084	-1,756	-6,951	-1,685	10,772
Financing cash flow					
Proceeds from directed share issue	0	0	0	1,936	1,936
Purchase of own shares	0	-754	0	-1,085	-1,382
Proceeds from current loans	2,631	3,501	4,150	6,955	6,941
Repayments of current loans	-7,760	-2,273	-22,687	-15,175	-30,060
Proceeds from non-current loans	0	0	28,000	11,000	37,503
Repayments of non-current loans	-4	0	-13	0	-6
Payment of lease liabilities	-3,230	-2,603	-9,389	-8,666	-11,478
Dividend paid	21	0	-9,971	-8,461	-8,461
Financing cash flow (C)	-8,341	-2,129	-9,910	-13,496	-5,007
Variation in cash (A+B+C) increase (+) / decrease (-)	-6,257	-3,885	-16,860	-15,181	5,765
Assets at the beginning of the period	20,185	13,105	30,356	24,407	24,407
Exchange gains or losses	179	-5	611	-11	184
Assets at the end of the period	14,106	9,215	14,106	9,215	30,356

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Legends for table columns

A) Share Capital	E) Own Shares
B) Share Premium Account	F) Cumulative Translation Adjustment
C) Unrestricted Equity Fund	G) Retained Earnings
D) Other Reserves	H) Capital attributable to equity holders of the parent company, total

EUR 1,000	A	B	C	D	E	F	G	H
Equity Jan 1, 2021	5,000	6,701	20,101	101	-124	-2,884	58,178	87,074
Comprehensive income								
Profit for the review period	0	0	0	0	0	0	20,044	20,044
Other comprehensive income								
Change in fair value of equity investments at fair value through other comprehensive income	0	0	0	32	0	0	0	32
Cumulative translation adjustment	0	0	0	0	0	-589	0	-589
Other comprehensive income, net of tax	0	0	0	32	0	-589	0	-557
Total comprehensive income for the review period	0	0	0	32	0	-589	20,044	19,487
Transactions with owners								
Dividends	0	0	0	0	0	0	-8,461	-8,461
Directed share issue	0	0	1,936	0	0	0	0	1,936
Purchase of own shares	0	0	0	0	-1,382	0	0	-1,382
Share-based incentive plan	0	0	0	0	260	0	0	260
Transactions with owners, total	0	0	1,936	0	-1,122	0	-8,461	-7,647
Equity Dec 31, 2021	5,000	6,701	22,037	133	-1,245	-3,473	69,761	98,914

EUR 1,000	A	B	C	D	E	F	G	H
Equity Jan 1, 2022	5,000	6,701	22,037	133	-1,245	-3,473	69,761	98,914
Comprehensive income								
Profit for the review period	0	0	0	0	0	0	10,737	10,737
Other comprehensive income								
Change in fair value of equity investments at fair value through other comprehensive income	0	0	0	-43	0	0	0	-43
Cumulative translation adjustment	0	0	0	0	0	-3,262	0	-3,262
Other comprehensive income, net of tax	0	0	0	-43	0	-3,262	0	-3,304
Total comprehensive income for the review period	0	0	0	-43	0	-3,262	10,737	7,432
Transactions with owners								
Dividends	0	0	0	0	0	0	-9,970	-9,970
Directed share issue	0	0	1,929	0	0	0	0	1,929
Share-based incentive plan	0	0	0	0	205	0	0	205
Transactions with owners, total	0	0	1,929	0	205	0	-9,970	-7,836
Equity Sep 30, 2022	5,000	6,701	23,966	90	-1,041	-6,734	70,528	98,510

EUR 1,000	A	B	C	D	E	F	G	H
Equity Jan 1, 2021	5,000	6,701	20,101	101	-124	-2,884	58,178	87,074
Comprehensive income								
Profit for the review period	0	0	0	0	0	0	13,675	13,675
Other comprehensive income								
Change in fair value of equity investments at fair value through other comprehensive income	0	0	0	29	0	0	0	29
Cumulative translation adjustment	0	0	0	0	0	-487	0	-487
Other comprehensive income, net of tax	0	0	0	29	0	-487	0	-458
Total comprehensive income for the review period	0	0	0	29	0	-487	13,675	13,217
Transactions with owners								
Dividends	0	0	0	0	0	0	-8,461	-8,461
Directed share issue	0	0	1,936	0	0	0	0	1,936
Purchase of own shares	0	0	0	0	-1,085	0	0	-1,085
Share-based incentive plan	0	0	0	0	158	0	0	158
Transactions with owners, total	0	0	1,936	0	-927	0	-8,461	-7,452
Equity Sep 30, 2021	5,000	6,701	22,037	130	-1,050	-3,371	63,392	92,839

NOTES

General

Etteplan provides solutions for software and embedded solutions, industrial equipment and plant engineering and technical documentation solutions to the world's leading companies in the manufacturing industry. Our services are geared to improve the competitiveness of our customers' products, services and engineering processes throughout the product life cycle. The results of Etteplan's innovative engineering can be seen in numerous industrial solutions and everyday products.

In 2021, Etteplan had a turnover of approximately EUR 300 million. The company currently has 4,000 professionals in Finland, Sweden, the Netherlands, Germany, Poland, Denmark and China. Etteplan's shares are listed on Nasdaq Helsinki Ltd under the ETTE ticker.

Basis for preparation

Figures are presented in thousands or millions of euros as described in connection with each figure. The figures presented are rounded from exact figures and consequently, the sum of figures presented individually can deviate from the presented sum figure. Key figures have been calculated using exact figures.

This Interim Report has not been prepared in accordance with all the requirements in IAS 34 (Interim Financial Reporting) standard. The Interim Report has been prepared according to the recognition and valuation principles presented in the 2021 Annual Financial Statements.

Accounting policies requiring management's judgment and key sources of uncertainty concerning estimates

This release includes forward-looking statements, which are based on the current expectations, known factors, decisions and plans of the management. The management believes that the expectations reflected in such forward looking statements are reasonable. However, outcomes could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions as well as changes in the regulatory environment and fluctuations in exchange rates. The Group's management may also have to make judgment-based decisions relating to the choice and application of accounting policies. This particularly concerns situations, where effective IFRS standards allow alternative valuation, recording and presenting manners.

The key sources of estimation uncertainty, as well as areas requiring judgment-based decisions, were the same as those that applied to the 2021 consolidated financial statements.

Management pays special attention to fair value measurements in connection with acquisitions and revenue recognition for fixed price projects.

Key Figures

EUR 1,000	1-9/2022	1-9/2021	1-12/2021	Change
Revenue	259,146	214,853	300,111	20.6%
Operating profit (EBITA)	24,184	21,174	30,139	14.2%
EBITA, %	9.3	9.9	10.0	
Operating profit (EBIT)	20,204	17,921	25,754	12.7%
EBIT, %	7.8	8.3	8.6	
Profit before taxes	13,598	17,206	24,867	-21.0%
Profit before taxes, %	5.2	8.0	8.3	
Return on equity, %	14.5	20.3	21.6	
ROCE, %	15.4	15.6	16.0	
Equity ratio, %	36.7	42.1	39.7	
Gross interest-bearing debt	87,734	66,685	78,474	31.6%
Net gearing, %	74.7	61.9	48.6	
Balance sheet, total	272,099	223,752	252,953	21.6%
Gross investments	38,655	26,999	30,582	43.2%
Operating cash flow	17,075	13,937	27,093	22.5%
Basic earnings per share, EUR	0.43	0.55	0.80	-21.8%
Diluted earnings per share, EUR	0.43	0.55	0.80	-21.8%
Equity per share, EUR	3.93	3.72	3.97	5.7%
Personnel, average	3,937	3,429	3,480	14.8%
Personnel at end of the period	4,001	3,625	3,629	10.4%

Revenue

The table below presents the disaggregation of external revenue by geographical area and by timing of revenue recognition. The external revenue of each geographical area is presented according to the location of the seller. The Group's operations in China sell their services both locally and through other Group companies thus this revenue is partly included in the revenue from other areas.

EUR 1,000	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Primary geographical location					
Finland	40,640	37,198	134,257	121,953	169,996
Scandinavia	18,710	14,427	64,138	49,752	70,153
Central Europe	17,709	11,986	51,079	34,334	47,747
China	3,250	3,248	9,672	8,814	12,216
Total	80,308	66,860	259,146	214,853	300,111
Timing of revenue recognition					
Transferred at a point in time	541	560	1,730	1,666	2,241
Transferred over time	79,768	66,300	257,416	213,187	297,871
Total	80,308	66,860	259,146	214,853	300,111

Revenue and Operating profit (EBIT) by quarter

EUR 1,000	1-3/2022	1-3/2021	4-6/2022	4-6/2021	7-9/2022	7-9/2021
Revenue	89,586	72,950	89,252	75,043	80,308	66,860
Operating profit (EBIT)	7,622	6,594	6,817	6,729	5,766	4,597
EBIT, %	8.5	9.0	7.6	9.0	7.2	6.9

Non-recurring items

Items that are material either because of their size or their nature, and that are non-recurring, are considered as non-recurring items and are presented within the line items to which they best relate. The line items in which they are included in the income statement are specified in the table below.

EUR 1,000	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Other operating income	300	0	300	0	0
Employee benefits expenses and other operating expenses	-1,035	-180	-1,635	-572	-656
Operating profit (EBIT)	-735	-180	-1,335	-572	-656
Financial income and expenses	-6,003	0	-6,003	0	0
Profit for the review period	-6,738	-180	-7,338	-572	-656

Business combinations

Cognitas GmbH (100%)

Etteplan acquired Cognitas GmbH, a German technical information life cycle management company from Canon Deutschland GmbH on January 13, 2022. The acquisition strengthens Etteplan's position in Germany and continues our strategic investments in Central Europe. Cognitas is a leading German consulting and services company in with an annual turnover around EUR 15 million with 200 professionals in consulting and technical information authoring and management.

The provisional goodwill of EUR 8,446 thousand arising from the acquisition is attributable to the technical know-how of the acquiree's personnel, and the expected synergies arising from the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes.

Syncore technologies AB (100%)

Etteplan strengthened its position in Sweden and on February 2, 2022 acquired Syncore Technologies AB, a technology services company focusing on embedded systems. Founded in 2000, Syncore is specialized in advanced embedded systems projects such as design, hardware and software development, and product life cycle services, especially for customers in the industrial systems, aerospace and defense industries. In 2020, Syncore's net sales were approximately EUR 5 million and it employs 46 embedded systems experts in Linköping, Sweden.

The provisional goodwill of EUR 5,880 thousand arising from the acquisition is attributable to the technical know-how of the acquiree's personnel, and the expected synergies arising from the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes.

LCA Consulting Oy (100%)

Etteplan strengthened its position as an expert in sustainable development and acquired LCA Consulting Oy, a provider of high-quality expert services, on April 29, 2022. Founded in 2013 as a spin-off at LUT University, LCA Consulting focuses on life cycle assessment of companies, products and production, carbon footprinting and expert training. LCA Consulting, based in Lappeenranta, Finland, employs 11 experts and its customer base consists especially of customers in industrial production and manufacturing, construction industry and public sector.

The provisional goodwill of EUR 1,046 thousand arising from the acquisition is attributable to the technical know-how of the acquiree's personnel, and the expected synergies arising from the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes.

DDCom (100%)

Etteplan continued to expand its operations in the Netherlands through the acquisition of DDCom (Van Dulmen CAD-Illustraties B.V.) on May 30, 2022. The acquisition strengthens Etteplan's capabilities in 3D content-based animation and visualization services related to technical documentation. The company is located in the Eindhoven area and employs some 15 specialist. DDCom's customers operate in automotive, high tech, med tech and product manufacturing industries and include high profile companies such as DAF Trucks, ASML, VDL, Philips & Shimano.

The provisional goodwill of EUR 704 thousand arising from the acquisition is attributable to the technical know-how of the acquiree's personnel, and the expected synergies arising from the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes.

Acquisitions in total

The following table summarizes the provisional values of acquisition considerations, assets acquired and liabilities assumed for the acquisitions in total.

Consideration transferred:	EUR 1,000
Cash payment	24,357
Directed share issue	1,929
Contingent consideration	525
Total consideration transferred	26,811
Assets and liabilities	
Tangible assets	1,609
Intangible assets	129
Customer relationships (intangible assets)	10,618
Non-competition agreements (intangible assets)	327
Trade and other receivables	14,333
Cash and cash equivalents	3,506
Total assets	30,521
Non-current pension liabilities	6,902
Other non-current liabilities	482
Current dividend liabilities	6,500
Other current liabilities	3,112
Deferred tax liability	2,791
Total liabilities	19,787
Total identifiable net assets	10,734
Formation of Goodwill:	
Consideration transferred	26,811
Total identifiable net assets	-10,734
Goodwill	16,077

Costs related to the acquisitions, EUR 296 thousand, are included in other operating expenses in the consolidated statement of comprehensive income.

Changes in contingent considerations

A profit of EUR 300 thousand in total was recognized in the income statement from premeasurement of a contingent consideration related to a previous acquisition.

Non-IFRS key figures

Etteplan presents non-IFRS key figures to supplement its consolidated financial statements which are prepared in accordance with IFRS. These key figures are designed to measure growth and provide insight into the company's underlying operational performance. This section describes the most important non-IFRS key figures used by the Group. Formulas for key figures (IFRS and Non-IFRS) are presented at the end of this release.

Operating profit (EBITA) and EBITA, %

Operating profit (EBITA) is presented, because it reflects the Group's operational performance better than Operating profit (EBIT). Operating profit (EBITA) does not include amortization of fair value adjustments at acquisitions. EBITA, % presents Operating profit (EBITA) as a percentage share of revenue. The table below shows a reconciliation between Operating profit (EBITA) and Operating profit (EBIT).

EUR 1,000	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
Operating profit (EBIT)	5,766	4,597	20,204	17,921	25,754
Amortization on fair value adjustments at acquisitions	1,319	1,104	3,979	3,253	4,385
Operating profit (EBITA)	7,085	5,701	24,184	21,174	30,139

Organic/un-organic growth and growth in comparable currencies

Organic (revenue) growth is presented in addition to total revenue growth, because it improves the comparability of revenue growth between periods by presenting the revenue growth without the effects of the last 12 months' acquisitions. Organic growth is calculated by comparing revenue between comparison periods excluding revenue from acquisitions that have taken place in the past 12 months. The revenue growth created by the last 12 months' acquisitions is presented as un-organic growth. Revenue growth in comparable currencies is presented, because it improves the comparability of revenue growth between periods by presenting the revenue growth with comparable exchange rates. For the calculation of growth in comparable currencies, revenue for the current period is calculated by using the comparable period's exchange rates. The figure is presented for Group revenue and organic growth.

The share of revenue represented by Managed Services

Etteplan measures the share of revenue represented by Managed Services (MSI Index). Managed Services are service solutions, such as projects and continuous services, where the customer pays for results instead of resources. The share of revenue represented by Managed Services is presented, because it describes Etteplan's strategy implementation and explains, in part, the changes in profitability.

Formulas for key figures

IFRS key figures

Basic earnings per share =	$\frac{(\text{Profit for the review period attributable to equity holders of the parent company}) \times 100}{\text{Issue adjusted average number of shares during the review period}}$
Diluted earnings per share =	$\frac{(\text{Profit for the review period attributable to equity holders of the parent company adjusted with dilutive effect}) \times 100}{\text{Issue adjusted average number of shares during the review period adjusted with dilutive effect}}$

Non-IFRS key figures

Operating profit (EBITA) =	Operating profit (EBIT) + amortization on fair value adjustments in acquisitions
Organic growth =	$\frac{(\text{Revenue current year} - \text{Revenue comparison year} - \text{Revenue from acquirees current year}) \times 100}{\text{Revenue comparison year}}$
Revenue growth from key accounts =	$\frac{(\text{Revenue from key accounts current year} - \text{Revenue from key accounts comparison year}) \times 100}{\text{Revenue from key accounts comparison year}}$
The share of revenue represented by Managed Services =	$\frac{\text{Revenue from Managed Services} \times 100}{\text{Revenue}}$
Return on equity (ROE), %=	$\frac{\text{Profit for the review period} \times 100}{(\text{Equity, total}) \text{ average}}$
Return on capital employed (ROCE), before taxes, %=	$\frac{(\text{Profit before taxes} + \text{Financial expenses}) \times 100}{(\text{Total equity and liabilities} - \text{non-interest bearing liabilities}) \text{ average}}$
Equity ratio, %=	$\frac{\text{Equity, total} \times 100}{\text{Total equity and liabilities} - \text{Advances received}}$
Gross investments =	Total investments made to non-current assets including acquisitions and capitalized development costs
Net gearing, %=	$\frac{(\text{Interest-bearing liabilities} - \text{Cash and cash equivalents}) \times 100}{\text{Equity, total}}$
Equity per share =	$\frac{\text{Equity, total}}{\text{Adjusted number of shares at the end of the review period}}$
Market capitalization =	Number of outstanding shares at the end of the review period x last traded share price of the review period