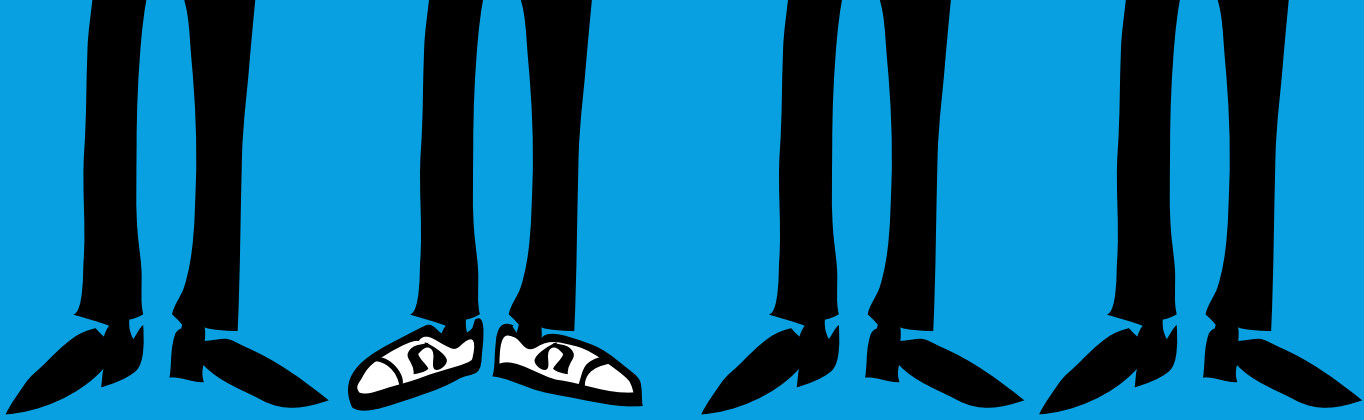


Annual Report 2015

Engineering with a difference





Etteplan launched its new brand promise at the end of 2015

Engineering with a difference

Our brand promise communicates the competence and service attitude of Etteplan's personnel, as well as the uniqueness of Etteplan's service solutions in the industry.

Our most important task is to anticipate our customers' needs and improve their competitiveness through high value-added service solutions.

We want to differentiate ourselves by expertise and lead the way in the development of services and methods in both engineering and technical documentation.

02-25

YEAR 2015

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ETTEPLAN

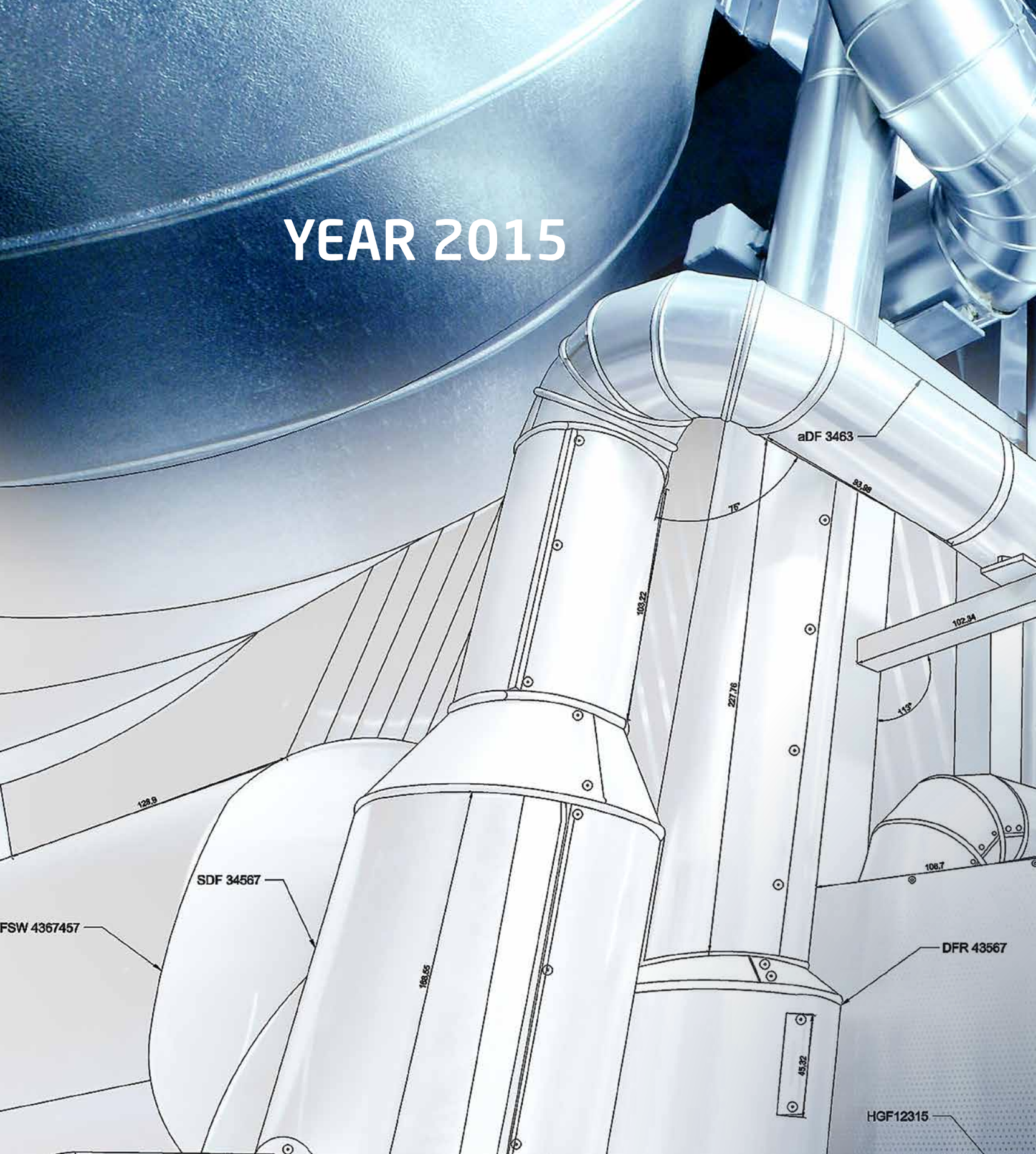
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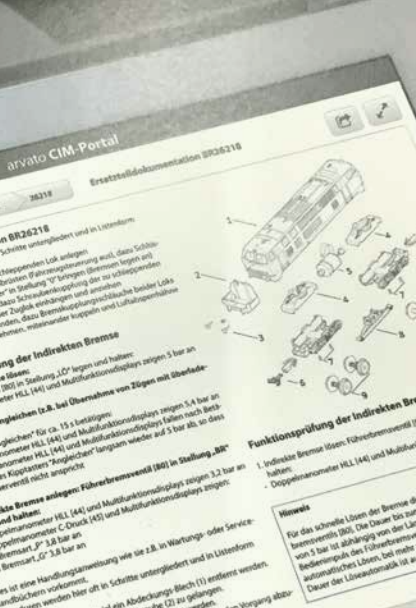
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YEAR 2015





Etteplan's plant engineering expertise increased significantly in 2015. Etteplan completed an acquisition that made it one of Finland's largest providers of plant engineering services. We also completed acquisitions that strengthened our market position in the Netherlands and established our business in Germany.



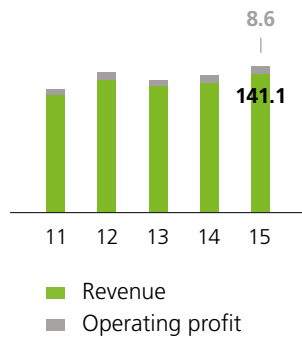
Revenue improved considerably

CASE / arvato AG

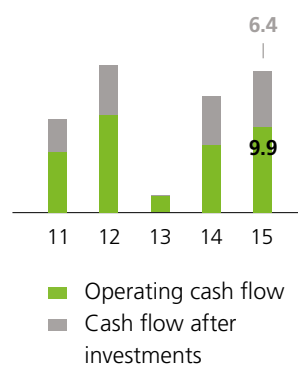
In the end of 2015 Etteplan acquired the technical documentation business of arvato AG, a Bertelsman Group company, in Germany and the Netherlands. arvato's customers include industrial machinery and equipment manufacturers as well as companies in the defense industry.

Technical documentation is Etteplan's fastest growing service area. As a result of the business acquisition Etteplan will commence business in the German market and strengthen its market position in Central Europe.

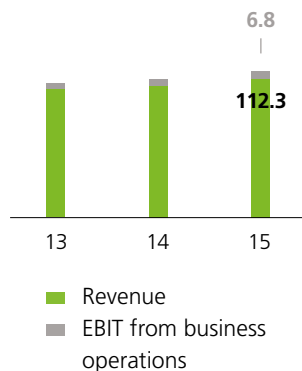
Revenue and operating profit 2011-2015, EUR million



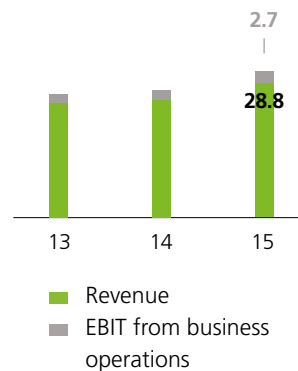
Cash flow 2011-2015, EUR million



Engineering services, EUR million



Technical documentation, EUR million



REVENUE BY GEOGRAPHICAL AREA IN 2015



THE MOST IMPORTANT EVENTS OF THE YEAR

Q1

- Etteplan signs global outsourcing agreement with Husqvarna Group

Q2

- Etteplan receives Advanced Technology status in China
- Patria to outsource technical documentation and design engineering to Etteplan
 - Etteplan involved in Outotec's plant project in Turkey
- Etteplan acquires a Dutch company

Q3

- Etteplan strengthens its position in plant engineering by acquiring SAV Oy

Q4

- Etteplan partner in AW-Energy's wave energy commercialization project
- Etteplan strengthens its position in the Central European market

Key figures

— **141.1**

GROUP'S REVENUE, EUR MILLION
(growth 7.0%)

— **8.6**

**GROUP'S OPERATING PROFIT,
EUR MILLION**
(growth 9.4%)

— **47**

OFFICES IN FIVE COUNTRIES

— **2,074**

THE NUMBER OF EMPLOYEES
(in 2014: 1,859)

— **0.15 €**

**THE BOARD OF DIRECTORS'
DIVIDEND PROPOSAL**
(in 2014: 0.15€)

Acquisitions spurred our growth

The year 2015 was a successful one for Etteplan in many ways: our operating profit and revenue grew, we achieved success in outsourcing and the share of revenue accounted for by high value-added services grew. Our growth in 2015 was particularly expedited by acquisitions.

We strengthened our position in Central Europe by making acquisitions to establish business operations in Germany and expand in the Netherlands. In Finland, we significantly strengthened our market position in plant engineering by buying the business operations and subsidiaries of Suunnittelu ja Asennusten Valvonta SAV Oy, a company with nearly 200 employees. Due to the acquisition, our amount of outstanding quotations in the area of plant engineering is currently at an excellent level.

The change of business model from temporary staffing towards high value-added services progressed well, which was reflected in our improved profitability. The share of revenue accounted for by high value-added services grew to 47 per cent. Our target is to achieve a share of revenue of 50 per cent in 2016.

The operating environment remained challenging in all of our market areas. In Finland, we

maintained our strong market position and even strengthened it. In Sweden, the demand situation was good, but competition was substantially tighter than in Finland. Nevertheless, our business in Sweden strengthened substantially compared to the previous years, particularly in the area of technical documentation. Our Chinese business was active in offshoring services, but in the local markets the development of our business was not in line with our expectations. This was attributable to increased uncertainty in the Chinese market and the resultant slowing down of decision-making in customer companies. Our business in Central Europe developed favorably throughout the year and strengthened further due to an acquisition concluded late in the year.

Our two service areas, engineering services and technical documentation services, developed at different rates. Revenue from engi-



A SIGNIFICANT RESULT
IMPROVEMENT

Q1

STABLE DEVELOPMENT
CONTINUED

Q2

REVENUE INCREASED
CLEARLY

Q3

A YEAR OF
PROFITABLE GROWTH

Q4

neering services grew in 2015, and the share of revenue accounted for by high value-added services increased moderately. The growth of revenue from technical documentation services was substantially faster than that of engineering services, and the share of revenue represented by high value-added services was at a higher rate than in engineering services. For this reason, technical documentation services were more profitable than engineering services. Also the software business contributed to the profitability of technical documentation. We secured several significant outsourcing agreements for technical documentation in 2015. Some of the agreements were global service agreements that involve Etteplan producing services on several continents.

In late 2015, we published Etteplan's new brand promise Engineering with a difference. We want to differentiate ourselves on the market as an engineering company with a difference – one that can improve its customers' competitiveness through its advanced high value-added service solutions.

The year 2016 will be the third straight year to begin in an uncertain market situation. Growth in Europe is slow on average, and there are considerable economic fluctuations in Asia. Due to our strong market position and good service portfolio, I am nevertheless confident

that Etteplan is well positioned for success in 2016 in spite of the uncertain market situation. I expect that the most significant growth potential in 2016 will come from acquisitions.

Digitalization and the Internet of Things are bringing major changes to design engineering of industrial machinery and equipment. We are working to take advantage of the opportunities presented by this change in our engineering operations to ensure that our customers' products will remain at the forefront of technological development in the decades to come.

I would like to thank our personnel for their good work and commitment to the Company and its objectives. I also wish to thank our owners for the opportunity to continue to implement the Company's growth strategy with determination. Finally, I want to thank our customers for their trust and long-term cooperation, which has provided us with a solid foundation for developing our services in response to our customers' future engineering needs. ■

Juha Näkki
President and CEO



Success in a challenging market

In spite of the difficult market situation, 2015 was a year of profitable growth for Etteplan.

CASE / SAV OY

Etteplan strengthened its market position in plant engineering by acquiring SAV Oy in August 2015.

The acquisition follows Etteplan's acquisition strategy, according to which we grow our knowledge base to meet our customers' needs even better.

Thanks to the acquisition Etteplan has gained a significant market position in plant engineering in Finland. It will also offer international growth opportunities.

In 2015, Etteplan's business developed favorably due to the Company's effective strategy and strong market position. The Company's business model offers an excellent response to the growing need for efficiency among customer companies. Etteplan further strengthened its position as an industry forerunner with the help of its service portfolio. Customers focused on their own core business, which created new demand for outsourcing solutions and other high value-added services. The demand for outsourcing services developed favorably in 2015 in all of Etteplan's market areas. The Company's growth and effective strategy were also reflected in the positive development of Etteplan's share price.

The entire year 2015 was characterized by the uncertainty of economic development. The leveling off of growth in global industrial production was evident in growth economies in China, South America and Russia. In Western economies, the recovery of demand was cautious and slow. Towards the end of the year, uncertainty regarding the demand for

engineering services and technical documentation services increased, particularly in Finland. However, the situation was improved slightly by favorable developments in European and North American economies. There were significant differences in demand throughout the year, specific to markets and customer industries.

The Chinese service market continued to open up during the year. Etteplan's strong position in China has been based on an effective offshoring service in which engineering and technical documentation services are produced cost-efficiently by the Company's Chinese units. Due to increased market uncertainty, the number of hours sold in the Chinese market decreased in 2015 compared to the previous year. Chinese offshoring as part of Etteplan's service solutions nevertheless remained at a good level throughout the year.

Etteplan is focused on growing its high value-added Managed Services, which have seen their share of the Company's revenue increase steadily in recent years. In 2015, they constituted 47 per cent of revenue. Etteplan's strategic

IN 2015, ETTEPLAN'S GROWTH WAS BOOSTED BY ACQUISITIONS

SAV OY
offers plant engineering and project services to industry.

THEBUS TALKING IMAGE
specializes in advanced visual instructions and high-quality technical illustrations.

ARVATO AG'S
acquired business operations comprise of technical documentation services in Central Europe.

target is to increase the share of revenue represented by Managed Services to 50 per cent in 2016.

Growth through acquisitions

Etteplan is a growth company that has set an average annual growth target of 15 per cent. The Company seeks organic growth through developing its existing key accounts and customer relationships. In 2015, Etteplan's growth was also boosted by several acquisitions.

Etteplan strengthened its position in plant engineering by acquiring Suunnittelu ja Asennusten Valvonta - SAV Oy's business and its subsidiaries in August. Founded in 1993, SAV Oy offers plant engineering and project services to industry. The acquired companies have a total of approximately 185 employees. With the acquisition, Etteplan achieved a significant market position in plant engineering in Finland, and it also creates better international growth opportunities for the company.

In June, Etteplan acquired Thesus Talking Image, a Dutch company that specializes in advanced visual instructions and high-quality technical illustrations.

In December, Etteplan acquired business operations from arvato AG, comprised of technical documentation services in Germany and the Netherlands. With the acquisition, Etteplan strengthens its position as a technical documentation service provider in the Central European market and starts business operations in Germany. The acquired business employs 35 people in the Netherlands and Germany. The

companies' business and personnel were transferred to Etteplan on January 1, 2016. Etteplan and arvato AG have also agreed on strategic cooperation as part of the transaction.

Closer customer relationships

Long-term cooperation creates added value for Etteplan's customers and new business opportunities for Etteplan. One example of expanding cooperation into a new area is the significant agreement signed with Outotec, one of Etteplan's key accounts, concerning the engineering of process piping for a digestion plant to be constructed in Turkey.

Etteplan's cooperation with AW-Energy continued with Etteplan taking charge of a development project for an entirely new type of product. Etteplan was chosen as the main engineering partner in a project to commercialize the Power Take Off (PTO) unit for AW-Energy's patented WaveRoller technology.

Etteplan also signed new outsourcing agreements, the most significant of which was the global service agreement signed with Husqvarna in January. The companies agreed on long-term cooperation whereby Husqvarna will outsource the production and maintenance of the technical documentation of all of its products and brands to Etteplan.

Significant technical documentation outsourcing agreements were also signed with Patria and Normet. The cooperation between Etteplan and Patria Land Systems Oy was expanded with Etteplan assuming responsibility for spare parts book production and part of



AS PART OF THE BRAND RENEWAL, ETTEPLAN'S VALUES WERE ALSO CLARIFIED:

Customer oriented

We always provide a solution that best meets the customer's needs. Our goal is to exceed the customer's expectations.

Proactive

We dare to question the status quo and look to the future, as only new and bold thinking can move us forward.

Attractive

Our attractiveness as an employer and service provider is based on our desire to support the individual talents of our employees and the success of our customers.

Patria's vehicle equipment engineering. Mining and tunneling equipment manufacturer Normet outsourced technical documentation and product management functions to Etteplan.

Operating environment

Growth in global industrial production leveled off gradually in 2015. Growth was primarily maintained by the Western European countries, except Finland, as well as the United States. Growth in industry and services in the euro zone maintained moderately strong demand for design engineering of machinery and equipment and plant engineering. In investment projects, the development of demand was slow in 2015. Nevertheless, demand remained at a slightly better level than in 2014, with the exception of Russian projects.

Etteplan's customers are significant global machinery and equipment manufacturers that serve industries including the transportation and vehicle industry, the aerospace and defense industry, the energy and power transmission industry, the mining industry, the forest industry and the steel industry. There were no significant changes in Etteplan's demand by customer industry in 2015. Revenue is quite evenly divided between different branches of industry, which diversifies the risks associated with individual industries.

Business development is affected by global megatrends such as the ageing of the population and Internet of Things, as well as segment-specific development. It is evident that

the need for engineering will grow. Products are becoming more technically advanced, the number of product variations is growing and product life cycles are becoming shorter. Requirements concerning the environmental friendliness of products are also increasing.

The demand for engineering and technical documentation follows the general global demand for industrial manufacturing. The development of the demand situation is also affected by the growing trend among machinery and equipment manufacturers to outsource services, particularly in the area of technical documentation.

The presence of global machinery and equipment manufacturers in emerging markets continued to maintain relatively stable demand for engineering and technical documentation services in all of Etteplan's markets.

Business strategy

The Company's strategy, which is based on increasing the share of high value-added services, has proved effective even in the prevailing weak market situation. High value-added services offer customers a cost-efficient and flexible approach to engineering and technical documentation.

In late 2015, we implemented a brand renewal based on the company's strategy, vision and values. Etteplan's new brand promise is Engineering with a difference. It reflects Etteplan's differentiated market position as an engineering company that actively seeks new

CLOSER CUSTOMER RELATIONSHIPS

OUTOTEC

Agreement concerning the engineering of process piping for a digestion plant to be constructed in Turkey.

AW-ENERGY

Agreement to commercialize the PTO unit for AW-Energy's patented WaveRoller technology.

HUSQVARNA GROUP

Outsourcing of the production and maintenance of the technical documentation of all products and brands.

OTHER SIGNIFICANT

OUTSOURCING AGREEMENTS signed with Patria and Normet.

solution models and has the ability to improve its customers' competitiveness through advanced high value-added service solutions that are unique to the industry.

Revenue, operating profit and profitability

Etteplan's business is divided into engineering services and technical documentation services. Starting from the first quarter of 2015, the Company has published key figures for its service areas. By publishing key figures for its service areas Etteplan wishes to increase the transparency of the Company's business strategy and the achievement of its targets. The new key figures published by service area include revenue, EBIT from business operations and the Managed Services Index (MSI), which reflects the share of revenue represented by high value-added services.

Etteplan's revenue grew by 7.0 per cent in 2015 and amounted to EUR 141.1 (2014: 131.9) million. The growth in revenue was attributable to Etteplan's strong market position, service portfolio and acquisitions.

The Company has successfully increased its profitability in spite of the challenging market situation. Profitability improved and EBIT from business operations in 2015 amounted to EUR 9.5 (2014: 7.4) million. The improvement in profitability was attributable to high value-added services representing a larger share of revenue. The proportion of revenue represented by Managed Services was 47 (2014: 40) per cent.

OPERATING ENVIRONMENT BY MARKET AREA



Finland

Finland is Etteplan's main market, and the company strengthened its market position further in Finland. Compared to other markets, Etteplan's customers in Finland are more prepared to enter extensive cooperation agreements and outsourcing arrangements.



Sweden

The market situation in Sweden has been better than that of Finland for the past 2–3 years. Etteplan has successfully strengthened its market position in Sweden, particularly in technical documentation, for which the company has signed agreements with global machine and equipment manufacturers.



Central Europe

Market development in the Netherlands has been similar to that of Finland. Demand in Central Europe showed signs of improvement in late 2015.



China

Uncertainty has increased in China and other growing markets. The uncertain economic situation is reflected in slower decision-making, which slowed down Etteplan's development in China.



The utilization rate of **engineering services** was at a relatively good level in 2015, in spite of the challenging market.

Technical documentation is a more profitable business than engineering services, and its importance is growing as manufacturers of machinery are increasingly focusing on the service and maintenance of machinery and equipment.

Business review by service area

Engineering services

Engineering services accounted for 79.6 (2014: 81.0) per cent of Etteplan's revenue in 2015. The service area's revenue grew by 5.4 per cent to EUR 112.3 (2014: 106.6) million.

The acquisition of SAV Oy's business and subsidiaries in September had a positive effect on the increase in revenue. The acquisition substantially strengthened Etteplan's competitive position in the plant engineering market.

In engineering services, EBIT from business operations improved in 2015 by 23.7 per cent compared to 2014, amounting to EUR 6.8 (2014: 5.5) million, or 6.1 (2014: 5.2) per cent of revenue. The improvement in profitability was attributable to high value-added Managed Services growing to account for a larger share of revenue.

The utilization rate of engineering services was at a relatively good level in spite of the challenging market. Etteplan has established its position in the market as a reliable partner, which is reflected in the Company's large amount of outstanding quotations and increased project size.

Technical documentation

Technical documentation accounted for 20.4 (2014: 19.1) per cent of Etteplan's revenue in 2015, and the service area's revenue grew by 14.4 per cent from the previous year, to EUR 28.8 (2014: 25.2) million. The growth in technical documentation revenue was attributable to new agreements for the outsourcing of technical documentation, which were concluded at a steady rate during the year.

In technical documentation, EBIT from business operations improved in 2015 by 33.6



Engineering services refer to the innovation, engineering and calculation of the technical attributes of the customer's machinery or equipment for the purpose of product development and manufacture. Assignments are typically related to product development of a new product or Engineer-to-Order projects, where the product is customized in accordance with end customer requirements and the legislation of the market area in question.



Technical documentation refers to product-related documentation, such as manuals and service instructions for the users of a product, as well as related content creation and distribution. Technical documentation services include the software business and SaaS services. For an industrial customer, technical documentation is typically a non-core operation that nevertheless has a significant impact on the end customer's user experience and the fluidity and efficiency of Etteplan's customer's maintenance service operations.

per cent, amounting to EUR 2.7 (2014: 2.0) million, or 9.4 (2014: 8.1) per cent of revenue. The significant improvement in profitability was attributable to high value-added Managed Services growing to account for a larger share of revenue, as well as the software business. High value-added services accounted for 64 (2014: 53) per cent of revenue in 2015.

Technical documentation is a more profitable business than engineering services, and its importance is growing as manufacturers of machinery are increasingly focusing on the service and maintenance of machinery and equipment.

Market outlook

The most important factor in the development of Etteplan's business is the global development of the machinery and metal industry. In 2016, there are signs of improvement of European growth. Uncertainty has increased in the Finnish market, and the market situation is expected to remain weaker than in the rest of Europe. In spite of the slowing down of growth in Asian markets and increased uncertainty, the service market development is expected to continue. We expect that the good market situation in North America will continue. The demand for engineering services and technical documentation services got off to a slow start at the beginning of the year.

Financial guidance 2016

We expect the revenue and operating profit for the year 2016 to grow clearly compared to 2015. ■



CASE / HUSQVARNA ENTRUSTS ETTEPLAN'S OUTSOURCING MODEL

Husqvarna is known for products such as chainsaws, garden tractors and robotic lawn mowers. It is important for Husqvarna that their products are used and maintained appropriately and safely. For this reason, the technical documentation, namely handbooks and manuals, must be first-class.

Husqvarna outsourced the global production and maintenance of its technical documentation to Etteplan in April 2015. One of the factors in the outsourcing decision was that technical documentation is not a core business for Husqvarna. The technical documentation function was previously handled locally in different countries, which left room for improvement in the efficiency and quality of the process.

The cooperation began in Jönköping, Sweden, but going forward, Etteplan will also assume responsibility for technical documentation in Germany, the United States, China and Japan.

"The simplification and harmonization of the process makes us faster, saves costs and improves quality. We are confident that we will quickly see concrete results", says Daniel Hanngren (in the picture), Director of Communitiy, Technical Office, Husqvarna Group.



Corporate responsibility guides our work

Corporate responsibility is a factor that guides all of Etteplan's business operations. We provide our customers with cost-efficient solutions that are environmentally friendly and energy efficient. Competent personnel are the most important resource in our business operations. We invest in the development of our employees to ensure that we can serve our customers even better in the future.



More than 95 per cent of Etteplan's employees had personal development discussions in 2015.

Business profitability is an essential part of corporate responsibility

Our goal is to operate profitably and continuously improve the Company's competitiveness. We have achieved our objectives well and our operations have been profitable in spite of the challenging economic situation. Our revenue in 2015 amounted to EUR 141.1 million, up 7.0 per cent from 2014. Our operating profit was EUR 8.6 million. We pay taxes on our profits in the countries we operate in.

As a financially solid company, and spurred on by our strong result, we can offer jobs to more and more people as well as various development opportunities for our employees.

Competent personnel as a competitive advantage

The economic situation is posing challenges to companies, particularly in Finland. Nevertheless, we employed more people in Finland in 2015 than ever before in the Company's history. At the end of the year, Etteplan Group employed 2,074 persons of whom 1,368 persons worked in Finland. We also employ people in Sweden, the Netherlands, Germany, China and the USA. Etteplan has offices in 23 locations in Finland, 12 locations in Sweden, two locations in the Netherlands and Germany, three locations in China, and one in the USA. Over 90 per cent of our employees in Finland work outside the Helsinki metropolitan area.

REDUCING ENVIRONMENTAL IMPACTS BY ENGINEERING

PRODUCTION OF MACHINE

Material and raw material choices that minimize environmental impacts.

USE AND MAINTENANCE OF MACHINE

Ecoefficient solutions in engineering and technical documentation to minimize carbon footprint.

RECYCLING OF MACHINE

Recycling and utilization of material.

Social responsibility, and professional development in particular, play an important role in our business. In the future, employees will increasingly pay attention to the corporate responsibility of the employer. We want to provide our current and future employees with an interesting work community.

In 2015, Etteplan invested in managerial development. We also monitor the professional development of employees closely using a career model that was implemented in 2013. Personal development discussions cover nearly all personnel. More than 95 per cent of Etteplan's employees had personal development discussions in 2015. The figure was 100% in the Netherlands, 99% in Finland, 98% in Sweden and 94% in China.

Due to the nature of the business, the Company does not have significant occupational safety risks.

In China, we cooperated with the HR specialist FESCO. Their support allows us to ensure that our practices remain up-to-date in the rapidly changing environment.

Environmental responsibility is emphasized in our work with customers

Due to the nature of our business our direct environmental impacts are minor. In addition to the electricity consumption of office work, our environmental footprint is primarily caused by business travel, which we have significantly

reduced by utilizing electronic meeting technology. We also monitor the emissions of our company cars closely.

The most significant event in 2015 from the perspective of environmental responsibility was the new Energy Efficiency Act, which entered into force at the start of the year. The purpose of the Act is to implement the measures required by the EU Energy Efficiency Directive (2012/27/EU) in Finland. The new legislation applies to all of Etteplan's premises in Finland.

In order to respond to the requirements of the new legislation, Etteplan launched an internal project that included energy audits for its Finnish premises. In 2016, Etteplan will prepare a four-year plan to improve its energy efficiency. The plan will be presented to the Energy Authority.

We operate in compliance with the standards specified in the ISO 14001 environmental system. The goals of our environmental policy include minimizing the environmental load caused by our own operations, training our personnel to recognize the environmental impacts of their work and helping our partners observe responsibility in environmental matters.

Our customer companies want to build environmentally friendly products, which means that environmental responsibility is increasingly emphasized in our work with customers. We develop environmentally friendly technologies and cleantech products, and use engineering solutions to contribute to the energy efficiency of our customers' equipment, machinery and production facilities.

Development of corporate responsibility reporting

Etteplan began a systematic corporate responsibility reporting effort in 2015. Etteplan's management has identified the key corporate responsibility aspects of the Company's operations and their impacts on Etteplan's operations. Stakeholder perspectives were also taken into consideration in the materiality assessment.

Interviews were conducted in fall 2015 with Etteplan's key stakeholders and among the Company's own personnel to survey stakeholder views regarding material corporate responsibility aspects.

The materiality assessment was carried out in accordance with the Global Reporting Initiative G4 process. The potential and material themes were collected based on the GRI guidelines, Etteplan's own business operations and publications by other relevant parties. Following the interviews, a report was compiled to discuss responsibility efforts in the industry as well as stakeholder views on the most material aspects of Etteplan's corporate responsibility. Etteplan's management confirmed the results of the matrix from the perspective of the Company's business operations in January 2016.

Based on the materiality assessment, stakeholders are satisfied with the current status of Etteplan's responsibility efforts. The Company looks after the well-being of its employees and provides them with development opportunities. It is likely that the competition for the most talented employees will become more intense in the future, in which case corporate responsibility efforts can help indicate that Etteplan is a responsible employer that takes the economic, environmental and social impacts of its business operations into account.

The stakeholders' future expectations for Etteplan are strong financial growth, the development of its employees' competencies and the quality of managerial work as well as new kinds of engineering services for all phases of the product life cycle.

Areas for improvement were highlighted with respect to corporate responsibility reporting. Going forward, we intend to report on responsibility in an even more systematic manner in connection with our Annual Reports. The EU approved a new Directive on Non-Financial Reporting, which must be implemented within 2016. The Directive also applies to Etteplan, and developing our reporting will allow us to respond to the requirements stipulated by the Directive in due time.

Based on these stages, the key corporate responsibility themes were highlighted as, among others, sustainable financial growth, personnel development and commitment and a positive employer image.

In 2016, Etteplan will define the specific GRI aspects and indicators that will form the basis of its corporate responsibility reporting going forward.

Stakeholder cooperation in 2015

Etteplan takes the views of stakeholders into account in its business operations where possible. The most important stakeholders, particularly with regard to corporate responsibility, are the Company's personnel, customers and investors.

The Company's business operations are guided by its Code of Conduct. For personnel, the Code of Conduct provides guidance in day-to-day operations, and for stakeholders, they communicate Etteplan's ethical values and busi-



Read more about
Etteplan's Code of
Conduct on
www.etteplan.com

ness principles. The Code of Conduct covers topics related to ethics and law, quality and the environment, the working environment, as well as equality and diversity. The Code of Conduct applies to all Etteplan companies, and all employees are obligated to comply with it.

With regard to personnel, the areas highlighted in 2015 included job creation and competence development. We continued on the path of growth, which allowed us to provide jobs to more people than ever before. We also offered our personnel opportunities to develop in their work, and we will continue to invest in competence development in the future.

In 2015, customers were interested particularly in cost savings and efficiency. Our service offering and solutions are aimed at responding to customer needs. We provide professional service and expertise to our customers, and we design solutions that meet the latest requirements. During the year, we carried out several significant projects for our customers that directly promote the realization of the principles of sustainability and the reduction of the environmental footprint.

For investors, we were able to show continued positive development in profitability in 2015.

Etteplan wants to be involved in the development of society. One example of this was the provision of financial support to the Red Cross in 2015 in response to the refugee crisis becoming critical and an unparalleled number of people migrating to Europe from crisis countries. In providing support to the Red Cross, we wanted to help people in distress.

Etteplan is an active participant in the development of its industry. The Company is a member of the Federation of Finnish Technology Industries and the Swedish Federation of Consulting Engineers and Architects. ■



CASE / COMPETENCE MAINTENANCE AGREEMENT

In 2015, Etteplan signed a 22-month competence maintenance agreement with Siemens to ensure that the competence level of the Company's employees is being maintained at an excellent level. Competent personnel are a competitive advantage in Etteplan's business operations.

The competence maintenance agreement is a clear message to the Company's current and potential employees that the Company invests in the development of its employees to a significant extent.

The competence maintenance agreement includes a systematic and cost-efficient training program that takes into account the Company's as well as the needs of the individuals.

Iiro Aalto, Regional Director at Etteplan, has worked with Siemens. He explains the importance of the competence maintenance agreement to Etteplan's business by emphasizing that employee competence is a tool for Etteplan and, as all tools, it must be maintained in good condition.

Photo: Siemens

Expert duties keep employees committed for the long term

The number of personnel at Etteplan continued to grow in 2015 and exceeded 2,000 employees. The increase in the number of personnel was attributable to both organic growth and acquisitions. In spite of the fluctuating market situation and sometimes quick customer-specific changes, personnel reductions – which were mostly implemented as temporary layoffs – remained at a low level.

Our goal at Etteplan is that our personnel enjoy their work and have the capacity to continue to carry out their expert duties until they reach retirement age. In 2015, the average age of employees retiring on old-age pension in Finland was 63.6 years, which means that the current official minimum retirement age was exceeded. In Sweden, our employees retired on old-age pension at approximately 68 years of age, with the minimum retirement age being 65. Etteplan has several employees who continue to work as hourly paid employees even after retiring on old-age pension.

Competence capital expanded

Increasing the competence capital is an integral part of Etteplan's acquisition strategy. In 2015, competence capital was expanded

particularly in plant engineering and related challenging calculation tasks, as well as the visualization of technical documentation. Etteplan's competence capital is also expanded through the continuous development of personnel, where the focus is on learning on the job.

Personnel structure and expenses

At the end of the year, Etteplan had a total of 2,074 (2014: 1,859) employees, of whom 1,368 (2014: 1,150) worked in Finland, 413 (2014: 410) in Sweden, 209 (2014: 218) in China and 84 (2014: 81) in the Netherlands. The number of employees in Finland was an all-time high for Etteplan. Etteplan obtained 35 new experts in Germany as a result of an acquisition completed at the end of 2015.



Read more about Etteplan as an employer on www.etteplan.com/careers

The personnel age structure remains relatively balanced. In Finland, Etteplan employed a growing number of employees who have exceeded retirement age. Etteplan paid a total of EUR 101.4 million in salary costs in 2015. Staff costs are the largest single expenditure.

Focus on management development

The development of human resource management was a special theme for Etteplan in 2015. The theme was derived from the results of the personnel survey conducted in the previous year. All managers at Etteplan participated in a coaching-based program that was followed up by personal coaching. The development of managers is measured regularly and the results improved somewhat in 2015.

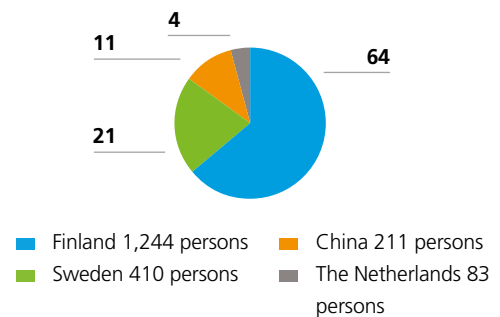
Local salary agreement reached in Finland

Etteplan has works councils in all of its operating countries, and particular attention was placed on the development of a cooperation model in China in 2015. In Finland, Etteplan reached agreement on a local salary agreement with the personnel representatives on the works council. The local salary agreement applied to all Finnish units except SAV Oy companies.

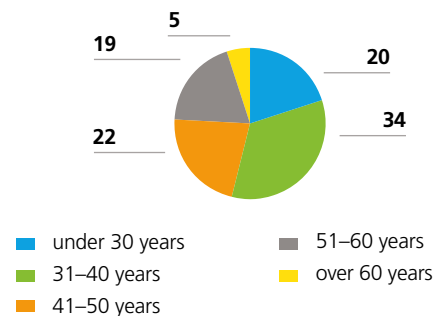
Personnel risks remained unchanged

In the expert service business, HR risks include the availability of labor and the required expertise, as well as attrition. Personnel risks are discussed in more detail on pages 23–25 of this Annual Report. ■

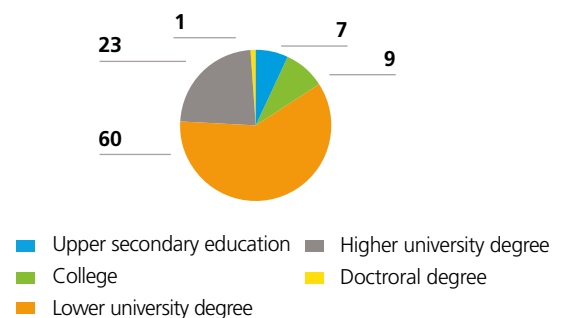
Geographical distribution and average number of personnel 2015, %



Age distribution 2015, %



Educational background 2015, %



Risk management ensures results, quality and continuity

Risk management is an integral part of Etteplan's business management and internal control framework. The objective is to ensure that the Company's operations are efficient and profitable, that the information produced is reliable and that it complies with the appropriate regulations and operating principles. Well managed risk management ensures the continuity of our operations.

Etteplan regularly conducts a thorough risk assessment covering the entire business operations. We systematically assess risks and adjust our operations when needed.

We focus particularly on monitoring changes in previously identified risks, identifying new business risks as well as developing proactive risk management.

The key aspects of the risk assessment include:

- proactive measures,
- securing operations,
- limiting adverse impacts and
- utilizing opportunities.

The risk level remained unchanged in 2015

In terms of the overall assessment of risk management, the risk level in 2015 was the same as in the previous year. Etteplan assesses

risks regularly, and there were shifts within the different risk categories during the year. Risk management identified new, more minor risks, but at the same time major risks were brought under better control, which kept the overall risk level unchanged.

Risk management principles

Organization

Etteplan's risk management process is led by Group President and CEO Juha Näkki together with Outi-Maria Liedes, the Management Group member responsible for risk management. The Management Group monitors the significant risks of the business units and oversees the development of the Group's risk management system and practices.

The primary responsibility for risk management rests with the business managers. The managers take responsibility for risk manage-



Risk management

- Anticipates future risks
- Ensures that targets are reached
- Secures operations in changing conditions

1.
STRATEGIC
RISKS

2.
OPERATIONAL
RISKS

3.
PERSONNEL
RISKS

4.
IT & SECURITY
RISKS

5.
FINANCIAL
RISKS

ment in their business areas by following the Group's risk management guidelines. The managers report on the major risks and overall risk status of the business area to the Management Group as part of the monthly business reporting. The Group's financial administration monitors and assesses operational and financial risks and takes measures to hedge against them in cooperation with the Board of Directors, the Management Group and the management responsible for engineering operations.

The Board of Directors oversees risk management and approves the risk management principles of the Group. Risk management actions and the most relevant Group-level risks are reported regularly to the Board of Directors.

Practices

Etteplan's risk management consists of a coordinated set of activities aiming to identify, evaluate, treat and control all major risk areas of the Group in a systematic and proactive manner.

Risks related to Etteplan Group's business operations are divided into five categories, and the risks are monitored according to this classification. These risks include both internal and external risks. A uniform Group-wide risk management assessment is conducted annually in connection with the strategy process. Etteplan complies with international risk management criteria (CAS and COSO) in its risk management.





Etteplan complies with international risk management criteria (CAS and COSO) in its risk management.

Description of risks

Etteplan Group's risks have been grouped into five risk categories:

- Strategic risks
- Operational risks
- Personnel risks
- IT & security risks
- Financial risks

According to the Company management's estimate, the greatest risks in the Company's business operations are related to the general economic development and unpredictable changes in customers' business. Since the Company's business is dependent on professional personnel, the availability of competent professionals constitutes a significant operational risk.

The typical risks of Etteplan's business operations are described in the following section. However, the Company's operations may also be subject to other risks. The most significant risks and uncertainties identified during the financial year are described in the report of the Board of Directors in the Annual Report 2015 on page 53.

Strategic risks

Strategic risks are related to aspects such as:

- Business development
- Markets
- Globalization
- Strategy implementation
- Mergers and acquisitions

Etteplan's strategic risks in 2015 were at a moderate level, as in the previous year. The overall level of strategic risks remained unchanged.

Strategic risks were diminished by the fact that the Company's business strategy corresponded well with market development and customer needs. However, the general economic uncertainty had the opposite effect on the risk level.

Etteplan's most significant strategic risks are related to the development of business operations and acquisitions. Etteplan's strategy involves expansion through acquisitions. Etteplan manages these risks by having carefully prepared procedures for acquisitions and integration.

In addition to acquisitions, organic growth is an important part of the growth objectives for Etteplan's business.

The most significant risk related to achieving this goal is the potential lack of competent professionals. Possible unpredictable changes in customers' business also constitute a risk for Etteplan's business operations.

The economic downturn can have a negative effect on investments and hence also on Etteplan's business and profitability. The Group aims to reduce its vulnerability to market risks and business cycles through a balanced customer base comprised of customers operating in different industries, markets and geographical areas. The engineering business is characterized by intense competition, particularly in an economic downturn.

Operational risks

Operational risks are related to aspects such as:

- Sales
- Projects and assignments
- Customer cooperation
- Financing

Etteplan's operational risk level decreased from the previous year. The number of risks identified was higher in 2015, but the risks were at a lower level than in the previous year.

Etteplan's greatest operational risks are related to assignments and personnel. The Company's assignments involve a risk that a service or deliverable involves, for example, a professional error or negligence, which could cause significant financial or other damage.

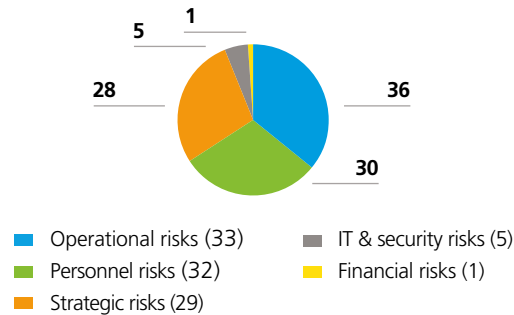
In order to manage operational risks, Etteplan emphasizes compliance with management systems, codes of practice and acceptance procedures, training of personnel and compliance with instructions concerning the management of quotes and contracts, particularly in the delimitation of contractual liability.

Etteplan aims to restrict the liability risks inherent to engineering services by using standardized contract terms and insurances.

Assignments can be carried out at a fixed price, at a ceiling fee or on an hourly-rated basis. Fixed-price and ceiling-fee assignments involve the risk that estimates regarding the work of professionals are exceeded. This can be caused by inaccurate time and cost estimates, performance delays, disputes about compensation for additional or changed services, human error or other unexpected circumstances. Quality management systems and project review processes are in use throughout the Group to avoid and mitigate such risks. Regular project reviews are conducted in major assignments and in assignments which are assessed to contain risks. Work in progress, changed and additional work, and receivables are assessed and recorded in the accounting and risk management system.

The project manager plays a key role in the risk management of assignments. The project manager is responsible for managing and con-

Risk distribution by risk category, %
(2014)



trolling the assignment from beginning to end: from tender preparation to final acceptance. To ensure the effectiveness of risk management, training is provided to project managers in all of their essential areas of activity, and supervision mechanisms are in place for both large and risky assignments.

The Company has a liability insurance program that encompasses the entire Group. However, the insurance does not cover all liability risks.

Personnel risks

Personnel risks are related to aspects such as:

- Competence management
- Management and organization
- Attrition
- Incapacity for work

Etteplan's personnel risks in 2015 were overall at the same level as in the previous year. The Company invested in HR management, for

example, by implementing a leadership program, which reduced personnel-related risks.

The availability of competent professionals is an important factor for ensuring profitability and operations. The most significant personnel risks at Etteplan are related to personnel competence management, attrition and appropriate staffing of assignments.

The realization of these risks are prevented among others by regular PDP discussions, a personnel data system covering the entire Group personnel, systematic follow-up on occupational health and welfare at work as well as by internal procedures and guidelines. The Group maintains the personnel's job satisfaction and welfare at work by developing Group-wide HR processes as well as by investing in the development of personnel.

The focus areas in HR management in 2015 are presented in the Annual Report on pages 18–19.

IT & security risks

IT & security risks are related to aspects such as:

- Networks
- System downtimes
- Information security
- Customers' IT connections

The effective functioning of information and communication systems is essential for Etteplan's business operations. The related IT & security risk level remained at a moderate level in 2015.

IT & security risks are examined carefully, as Etteplan's business operations are dependent on information and communication systems.

System failures or access limitations can negatively affect the operations of the Group.

Etteplan prevents the realization of information security related risks by internal procedures and guidelines as well as by internal control. Measures limiting the effects of external influences on the systems include backup copies, firewalls, system monitoring, virus scanners and managing access rights.

Financial risks

Financial risks are related to aspects such as:

- Business financing
- Currency and translation risks

Etteplan's financial risks remained unchanged and at a low level in 2015.

Etteplan Group's most significant financial risks are related to business financing as well as currency and translation risks. The financial risks are managed in accordance with the treasury policy approved by Etteplan's Board of Directors.

The aim is to hedge against significant financial risks, balance the cash flow and give the business time to adjust its operations to changing conditions.

Reviews concerning financing risks are presented in the notes to the consolidated financial statements in the Annual Report 2015 on pages 66–67.






Etteplan prevents the realization of financial risks through internal procedures and guidelines as well as through internal control. ■



Read more about Etteplan's risk management at www.etteplan.com/investors

ETTEPLAN'S RISK MAP 2015

Low  Extreme

| CATEGORY | RISK SCALE | EXAMPLES OF RISKS | EXAMPLES OF PREVENTIVE ACTIONS | RESPONSIBLE ORGAN |
|--------------------------------|---|---|--|--|
| STRATEGIC RISKS |  | Business development, business environment, market and M&A related risks | Strategy and business plans, diversified customer base, balanced personnel structure, compliance with M&A procedures, corporate governance, Code of Conduct and risk management policy | President and CEO, Management Group, Finance, Human Resources and Communications functions |
| OPERATIONAL RISKS |  | Organization and management, sales, assignment and customer relationship related risks | Compliance with management systems, sales process, quality policy and Key Account Management and service delivery processes, Group insurances | Business management, Quality, Human Resources and Finance functions |
| PERSONNEL RISKS |  | Competence management, resources and management, attrition, recruitment, staffing assignments, occupational health and well-being related risks | Use of competence management system, employee surveys, internal training, HR management, introduction process, compliance with Code of Conduct | Human Resources function, Business management, entire personnel |
| IT & SECURITY RISKS |  | Information security, network and system downtimes, computer viruses and customer IT connections related risks | Compliance with IT policies and IT security regulations, supplier SLA's | IT Director, Business management, entire personnel |
| FINANCIAL RISKS |  | Currency, interest, financing and liquidity, counterparty and credit risks | Compliance with payment & credit policies and Group treasury policy, internal control | CFO, Finance function, Business management |

*The risk scale reflects the level of the highest individual risk within the category, not the overall risk level.

A close-up photograph of a person's arm and hand. The person is wearing a dark, possibly black or dark blue, jacket with a ribbed cuff. They are holding a white tablet computer. The background is out of focus, showing a red fire hydrant and a grey wall. The text 'ETTEPLAN' is overlaid in white, bold, sans-serif font on the jacket.

ETTEPLAN



Etteplan was successful in outsourcing projects by signing several new global service agreements in both engineering services and technical documentation. One example is the agreement signed with Husqvarna Group, which covers the technical documentation of its Swedish units, to be followed by its units in Germany, the United States, Japan and China.



Engineering

[Innovation, design and technical calculation of the technical features of machinery or equipment for the purpose of product development and manufacturing.]

Technical documentation

[Product-related documentation, such as manuals and user guides for the users of the product, as well as their content creation and distribution.]

Facts about Etteplan

- Founded in 1983
- IPO in 2000
- Engineering operations in China since 2004

Engineering with a difference

Etteplan offers engineering and technical documentation services to global machinery and equipment manufacturers. Our business model is unique in the engineering industry: instead of the traditional expertise for hire business model, Etteplan focuses on high value-added service solutions, where the customer buys a complete service solution and pays for the results. The benefits of the service model to the customer are improved cost competitiveness and quality. For Etteplan the high value-added services mean better profitability.

Engineering services

Etteplan's engineering services cover all phases of the life cycle of the customer's product. Thanks to our engineering process expertise, a significant competitive advantage of Etteplan, we are able to improve the efficiency of our customers' design engineering.

Examples of our engineering services:

- Product development projects
- Engineer-to-Order projects
- Plant engineering
- Engineering analysis
- Project management
- Product safety
- Product cost analyses

Technical documentation services

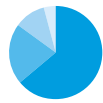
Etteplan is a forerunner in the development of technical documentation methods and services. Our service solutions help our customers improve the efficiency of their service and maintenance business by high-quality and online service information.

Examples of our technical documentation services:

- Technical writing and illustrations
- Animations and simulations
- Electronic systems for distributing technical documentation to service and maintenance personnel
- Software and methods for producing high-quality technical content



EMPLOYEES AT YEAR-END



Finland 1,368
Sweden 413
China 209
The Netherlands 84

2,074

**PLACES OF BUSINESS
ACROSS THE WORLD**

47

**REVENUE IN 2015,
EUR MILLION**

141.1

SWEDEN: Market challenger in Sweden

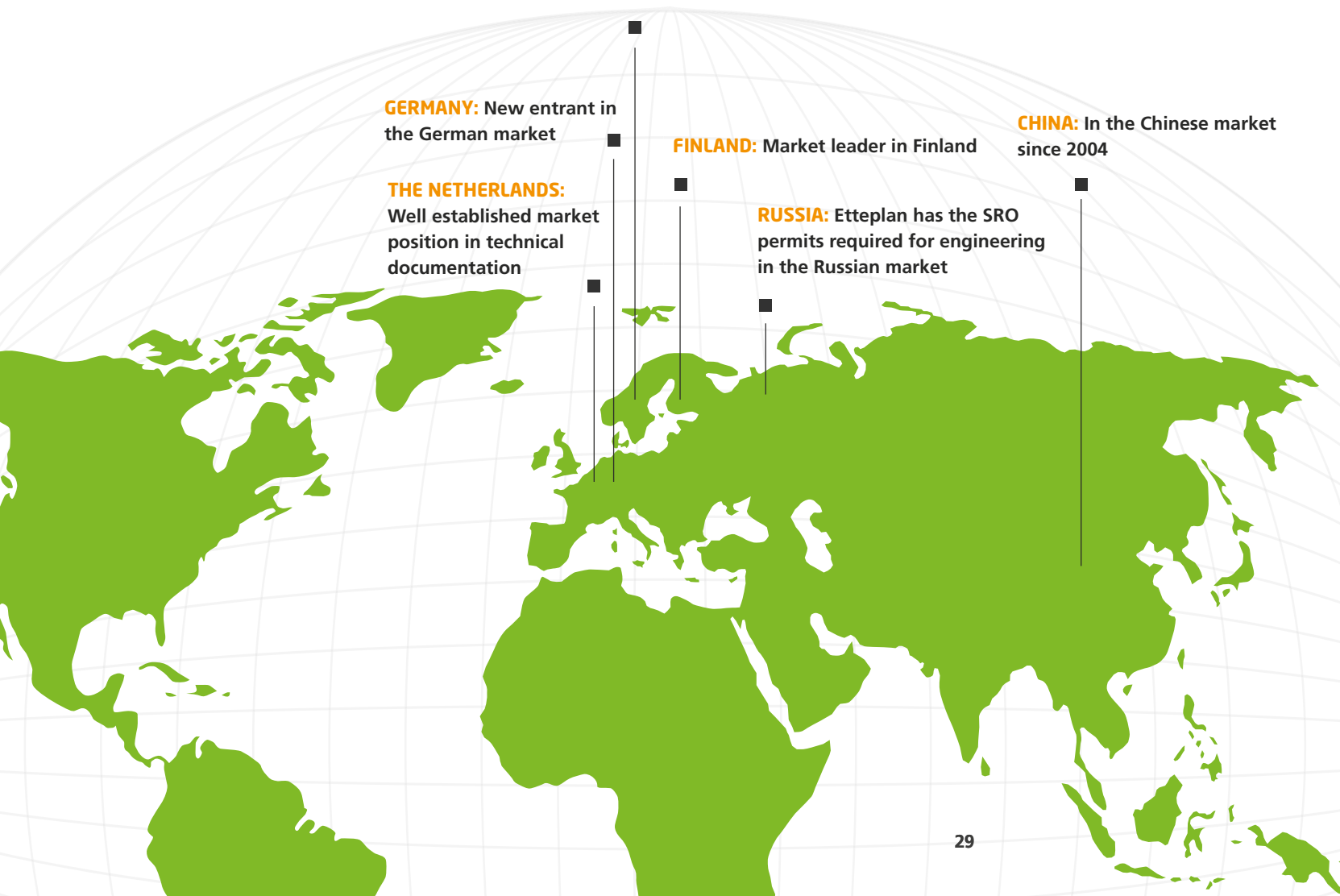
GERMANY: New entrant in the German market

FINLAND: Market leader in Finland

CHINA: In the Chinese market since 2004

THE NETHERLANDS: Well established market position in technical documentation

RUSSIA: Etteplan has the SRO permits required for engineering in the Russian market





High value-added services

[A service model in which Etteplan assume full responsibility of the solution produced for the customer and its results. Etteplan ensure that the service is produced cost-efficiently and that its results are quantifiable and satisfy all quality and safety requirements set for machinery and equipment.]

Internet of Things

[Networked devices that sense their environment, communicate with each other and operate intelligently.]

A growing need for engineering services

Etteplan's business is divided into engineering services and technical documentation services. While the two service areas are different in terms of their content and markets, they offer machinery and equipment manufacturers a full selection of services, ranging from product development to servicing and maintenance.

The majority of our customers are leading global manufacturing companies, but our customer base also includes innovative start-ups and medium-sized enterprises.

Etteplan differentiates itself on the market by its advanced high value-added services that are based on decades of experience and the best practices in the industry.

Engineering services

Engineering refers to the engineering, drawing and calculation of the attributes of the customer's machinery or equipment for the purpose of product manufacture. For example, assignments may be **product development projects** in which Etteplan is the customer's product development partner with full responsibility, or for which Etteplan supplies special technical expertise. Engineering services also include **Engineer-to-Order projects** in which the customer's product is customized according

to end customer requirements and local legislation. Engineer-to-Order projects are typical of customers whose products are often large and highly automated industrial machinery and equipment which are produced in low volumes.

Technical documentation services

Technical documentation refers to the documentation of a product's technical attributes for purposes such as end user manuals and spare part books used in servicing and maintenance. The quality of technical documentation is highly significant to the efficiency and fluidity of maintenance and service business. In practice, technical documentation comprises the production of texts and illustrations, as well as the distribution of content in the form of electronic or printed materials. Etteplan's advanced technical documentation distribution systems make the day-to-day tasks of maintenance personnel faster and easier. ■

30 EUR billion

GLOBAL MARKET FOR INDUSTRIAL TECHNOLOGY

GDP

DEMAND FOR ENGINEERING SERVICES GROWS FASTER THAN GLOBAL GDP

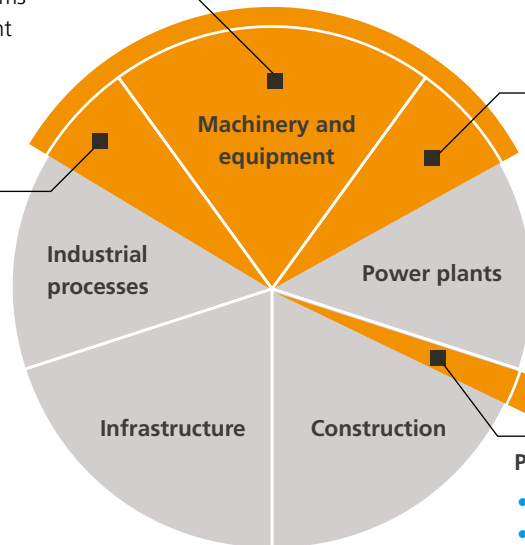
THOUSANDS OF BILLIONS

EUROS created by business involving Internet of Things

The engineering market

- Paper machines
- Mobile machinery
- Lifting and hoisting equipment
- Defense industry equipment
- Aerospace industry systems
- Transportation equipment

- Industrial automation systems
- Process equipment



Etteplan's expertise and service offering in the field of engineering and technical documentation is diverse and covers all of the customer's design engineering needs.

- Generators
- Distribution systems
- Wind turbine components
- Power transmission automation
- Frequency converters

Plant engineering

- Piping and steel structure engineering
- Electrical and automation engineering
- HVAC and plumbing engineering

ETTEPLAN'S CUSTOMERS ARE PRIMARILY:

- Transportation and vehicle industry companies
- Energy and power transmission industry equipment manufacturers
- Aerospace and defense industry equipment manufacturers
- Lifting and hoisting equipment manufacturers
- Mining equipment manufacturers
- Medical equipment manufacturers
- Steel industry equipment manufacturers
- Forest industry equipment manufacturers
- Industrial machinery and component manufacturers
- Steel industry companies



Outsourcing

[Transferring a function to a partner that delivers it as a service. Outsourcing may also involve the transfer of personnel to the partner.]

CASE / NORMET

Normet outsourced technical documentation and part of its product management tasks to Etteplan.

“In making the outsourcing decision, it was important for us that the partner is committed to developing the function and the expertise of personnel in a manner that is responsible and meets our needs. At Normet, we are very confident that partnering with Etteplan allows us to achieve a better result than continuing to perform these functions on our own.”

Timo Rask
Managing Director
Normet Oy

Trends create growth

Global megatrends and industry-specific developments have a favorable impact on Etteplan’s business. The Internet of Things, digitalization, requirements concerning environmentally friendly products and shorter product life cycles are creating a need for intelligent and efficient engineering solutions in all industrial sectors.

Outsourcing as a significant trend

Increasing cost competitiveness and developing the product to meet customer requirements concerning increasing intelligence in industrial machinery and equipment are examples of the typical challenges facing the engineering industry today. For the customer, these challenges often mean even tighter cost control and focusing the company’s resources on activities that promote its competitiveness and customer cooperation.

Several machinery and equipment manufacturers have decided to outsource their functions to Etteplan in recent years. Outsourcing often involves a function that is important and essential to the customer company, but not part of its core competence. One good example of an outsourced function is technical documentation.

Outsourcing decisions stem from recognizing the fact that the company cannot, and should not, do everything itself. For example,

developing technical documentation processes and methods to meet the requirements stipulated by new directives on machinery and equipment can be an almost impossible task for an equipment manufacturer.

Focusing resources on core competencies

Outsourcing allows the company to focus its resources on developing its core competencies. The cooperation partner delivers the outsourced function as a service while constantly improving its expertise and service.

Etteplan offers its customers a complete outsourcing solution in which the quality and costs of the results of the service are continuously measured. Our fluid outsourcing process makes the work of the customer organization easier, ensures an efficient transition and takes into account both personnel and customer needs. ■

**OUTSOURCING BECOMES
MORE COMMON**

**CUSTOMERS FOCUS ON
THEIR CORE BUSINESS**

**INDUSTRY IS
CONSOLIDATING**

**CUSTOMERS ARE REDUCING
NUMBER OF SUPPLIERS**

| TRENDS AFFECTING THE BUSINESS | | ETTEPLAN'S STRENGTHS |
|--|--|---|
| CONSOLIDATION OF INDUSTRY | <ul style="list-style-type: none"> Organic growth of large players and acquisitions More intense cooperation with the most important engineering partners | <ul style="list-style-type: none"> Long-term customer relationships Service solutions |
| GROWTH AND DEVELOPMENT OF MARKETS | <ul style="list-style-type: none"> Demand is growing faster than the global GDP Technology transfer, reverse innovation Adaptation to meet the local legislation | <ul style="list-style-type: none"> Market leader Service solutions Virtual collaboration model |
| INTERNET OF THINGS | <ul style="list-style-type: none"> Increased intelligence of machines and equipment Determines the allocation of resources and prioritization of product development projects of machine manufacturers | <ul style="list-style-type: none"> Extensive engineering know-how in various industries Service solutions which enable customers to focus on strategically important operations |
| SUSTAINABILITY | <ul style="list-style-type: none"> Energy efficiency Recyclability Life cycle thinking | <ul style="list-style-type: none"> Life cycle services Technology expertise in the development of new energy sources and materials |
| OUTSOURCING | <ul style="list-style-type: none"> Focus on core business Increased competition Cost efficiency | <ul style="list-style-type: none"> Superior outsourcing process Service solutions Customer references |

Etteplan's business is affected by global megatrends as well as by industry developments.



Competitive advantage through a different service model

CASE / ADVANCED TECNOLOGY STATUS IN CHINA

Etteplan's operations in Kunshan, China have received the Advanced Technology status. Companies who have received the status pay a 15% company income tax instead of 25%, and can apply for government subsidies.

The status is given to companies that the local government regards as contributing the most to growing the knowledge base of Chinese companies. Other criteria for Etteplan receiving the status include the proportion of offshore services in the offering, service quality, customer feedback and the high educational level of its engineers.

Etteplan's financial growth target is revenue growth of approximately 15 per cent per year. The growth target includes both organic growth and acquisitions. Acquisitions are a significant element of Etteplan's growth strategy. The focus in acquisitions remains on increasing the competence capital and geographical expansion.

Etteplan is a growth company

Etteplan's growth target is based on Etteplan's competitive advantages and long-term service development that takes into account the needs of customer industries regarding the flexibility and cost-efficiency of operations. Our growth is also supported by our strong market position, long-term customer relationships and pioneering expertise in engineering and technical documentation methods.

The Company's strategic cornerstones and primary sources of organic growth are:

- Key accounts
- High value-added services
- Technical documentation
- Business operations in China

Demand for high value-added services

One of Etteplan's strategic targets is to increase the share of revenue accounted for by high value-added services (Managed Services) to 50

per cent. High value-added services represent a new service model in the engineering industry, which has mainly involved temporary staffing in response to the customer's manpower needs.

In practice, high value-added services are packaged and productized solutions. This means that customers buy the complete solution and its results rather than temporary staff or working hours, as they would under the traditional operating model used in the engineering industry.

The service model offers an excellent response to the needs of customer companies in a challenging market situation that forces companies to carefully consider how to allocate their limited resources. High value-added services free up the customer's time and other resources for strategically important functions such as product development.

For the customer, the benefits of high value-added services are superior compared to the traditional model. For Etteplan, high value-added services provide the opportunity to serve customers in the best possible manner and to increase the profitability of its business. ■

7.5 %

Growth in key accounts in 2015

47 %

Share of revenue accounted for by high-value added services in 2015

14.4%

Growth of technical documentation service area in 2015

VALUES

CUSTOMER ORIENTED

PROACTIVE

ATTRACTIVE

VISION

Our customers get the best service anywhere at any time

FOCUS AREAS IN BUSINESS OPERATIONS

Growth in key accounts

Etteplan seeks organic growth in current key accounts.

Growth of share of high value-added services

Etteplan seeks growth of revenue by high value-added services.

Growth in sales of technical documentation

Etteplan's service solutions in technical documentation are unique in the industry.

Growth in business operations in China

Etteplan's processes make it easy to transfer work to China. Utilization of local markets.

STRATEGIC CORNERSTONES

01

Customer focus

02

Service solutions

03

One Etteplan

04

Engineering methods



Read on the next pages how Etteplan's strategic cornerstones show in our employees' work.

01 Customer focus

CUSTOMER FOCUS IS OUR FIRST STRATEGIC CORNERSTONE.

Long-lasting and trustful customer relationships are valuable capital for Etteplan. Growing current customer relationships further by offering larger and more comprehensive services is an important strategic goal for the Company.



EXPERIENCE THE DIFFERENCE/ CUSTOMER FOCUS

We are dedicated to understanding our customers' needs. In this process we learn to know what is important for their product in the future. Sharing this information with the customer in an early stage is key in the customer relation. It is our priority to keep the customer on top of the future developments.

This results in a very natural and active communication, which benefits both.

"My team works on high-end software and electronics development projects mainly for the aerospace and automotive industries. Assignments are both safety as well as business critical. Our success is based on our employees' superior expertise and excellent customer relationships.

Getting a customer genuinely interested in working with us is perhaps the best feedback you can get. This is a proof that we are truly making a difference to the customer."

Erica Dahlberg

Department Manager, Software and Electronics
Etteplan, Sweden

02 Service solutions

SERVICE SOLUTIONS IS OUR SECOND STRATEGIC CORNERSTONE.

Etteplan is an industry forerunner in providing productized engineering services. The service products are based on in-depth and versatile understanding of engineering processes and their development. The goal of the service products is to generate cost savings to customers and to improve efficiency of the different stages of the engineering processes. Etteplan focuses heavily on developing service products as part of its strategy.





EXPERIENCE THE DIFFERENCE/ SERVICE SOLUTIONS

When a customer buys a high value-added service solution from Etteplan, he or she can rest assured that the outcome is top quality and more cost-efficient than if done in-house. These two main benefits are based on our years' experience in machinery and equipment engineering and technical documentation in multiple industries.

The ultimate goal of equipment manufacturers is to ensure the competitiveness of their product. We help them achieve this goal by offering prepackaged service solutions: the customer knows the exact content of the service and what will be the final outcome.

"Etteplan's superior process efficiency in engineering and technical documentation shows in the way we work and apply methods and tools. As experts we know, for instance, how to create technical documentation that is reusable and can save the customer's money."

Kimmo Kallio
Regional Director
Etteplan, Finland

03

One Etteplan

ONE ETTEPLAN IS OUR THIRD STRATEGIC CORNERSTONE.

As a result of business acquisitions and positive growth development Etteplan's operations have in recent years expanded geographically and the service offering has grown. The development of internal processes and utilization of synergies is an important strategic goal for the Company. The development of operations will also create development opportunities for the personnel in a global business environment.





EXPERIENCE THE DIFFERENCE/ ONE ETTEPLAN

One of Etteplan's strengths lies in our ability to respond fast to customers' needs. For instance, a customer in the Netherlands could have a need for a specific engineering competence. Thanks to Etteplan's global competence management system and virtual collaboration model, we are able to set up the best expert team for the customer in no time.

"Etteplan has a very heterogeneous pool of experts. When people with varied educational backgrounds and experience share knowledge, there are always synergies. In addition to top-notch expertise we deploy truly some of the industry's most advanced tools, systems and methods, which enable us to deliver the same quality all over the world".

Charlot Verduijn

Director, Technical documentation
Etteplan, the Netherlands

04 Engineering methods

ENGINEERING METHODS IS OUR FOURTH STRATEGIC CORNERSTONE.

By engineering methods we mean methodologies, practices and processes that are deployed in engineering work. Etteplan's goal is to be a market leader in the development of advanced engineering methods. State-of-the-art engineering methods bring quality and cost savings to customers as engineering operations become more efficient.





EXPERIENCE THE DIFFERENCE/ ENGINEERING METHODS

The engineering discipline requires focused problem solving processes. At Etteplan the processes have been continuously improved over the years to meet different customer needs. Engineering methods are the foundation of Etteplan's high-quality engineering services.

Etteplan serves over 160 customers from its engineering units in China. In many cases the customer is interested in improving the cost competitiveness of its products by outsourcing engineering or technical documentation to Etteplan in China.

"Engineering methods mean several things to our customers. First, they make it easy for the customer to buy from us. We have proven ways of working and in this way we make our customer's life easier. Second, we are committed to finding the best solution to our customer's need and delivering the best quality. Our customers stay with us because they trust our expertise."

Star Chang

Operations Director
Etteplan, China



Organic growth

[Expansion of business and market share by developing the company's internal resources.]



Etteplan's shares are listed on Nasdaq Helsinki Ltd in the Small Cap market segment (Industrials) under the ETT1V ticker.

The total number of shares on December 31, 2015 was 20,665,559.

Market capitalization was at year end EUR 99.6 million. Growth compared to year 2014 was 65%.

Growing forerunner of engineering industry

The most important sources of Etteplan's organic growth are strong market position and unique service solutions. In acquisitions we focus on increasing our competence capital and geographical expansion.

Market outlook

The most important factor in the development of Etteplan's business is the global development of the machinery and metal industry. In 2016, there are signs of improvement of European growth. Uncertainty has increased in the Finnish market, and the market situation is expected to remain weaker than in the rest of Europe. In spite of the slowing down of growth in Asian markets and increased uncertainty, the service market development is expected to continue. We expect that the good market situation in North America will continue. The demand for engineering services and technical documentation services got off to a slow start at the beginning of the year.



Financial guidance

We expect the revenue and operating profit for the year 2016 to grow clearly compared to 2015.

LONG-TERM FINANCIAL TARGETS

15%

Revenue growth
(2015: 7%)

10%

Operating profit
(2015: 6.8%)

50%

Growth of Managed Services
as part of revenue

Strengthening
of Balance
Sheet to
improve cash
flow

Why to invest in Etteplan?

1

ADVANCED BUSINESS MODEL

- **Competitive advantage** from high value-added services
- **Goal** to increase the share of high-value added services as part of revenue to 50 per cent by end of 2016

2

STRONG MARKET POSITION

- **Engineering:** Market leader in Finland, one of the largest in Sweden and the largest Nordic engineering company in China
- **Technical documentation:** one of the largest service providers in Europe

3

STABLE DIVIDEND PAYMENT HISTORY

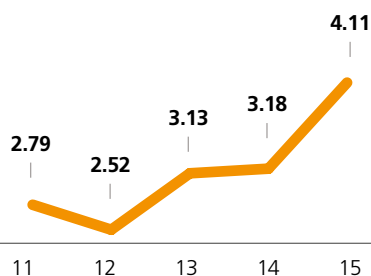
- **Dividends** approximately 50 per cent of earnings per share
 - EUR 0.15 in 2015 (Board of Directors' proposal)

4

GLOBAL AND LONG-TERM ACCOUNTS

- Customers are leading companies in their field
- Several customer relationships have lasted decades

Share price development* 2011–2015, EUR



Share price in 2015

- The highest value was EUR 4.93
- The lowest value was EUR 3.00

* Volume-weighted average price



INVESTOR CALENDAR

Annual
General Meeting

Apr

5

Q1

Apr

28

Q2

Aug

10

Q3

Oct

27



Read more at
www.etteplan.com

FINANCIAL STATEMENTS





Serving our customers from Etteplan's offices in China has enabled us to improve the cost competitiveness of numerous customers. Our strength lies in our efficient offshoring process, which we use to produce engineering and technical documentation services to our customers all over the world.

FINANCIAL STATEMENTS 2015

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corporate information
are available on
www.etteplan.com

Review by the Board of Directors January 1-December 31, 2015

Market review

The entire year 2015 was characterized by the uncertainty of economic development. Growth in global industrial production leveled off gradually in 2015. The leveling off of growth was evident in growth economies in China, South America and Russia. In Western economies, the recovery of demand was cautious and slow.

In the first quarter of 2015, the demand for engineering services and technical documentation services was at a slightly better level than in 2014. There was no change in demand in the second and third quarter of 2015 compared to the beginning of the year, and the year ended with uncertainty in demand increasing, particularly in Finland. However, demand was boosted slightly by favorable developments in European and North American economies. There were significant differences in demand throughout the year, specific to markets and customer industries.

The demand for outsourcing services developed favorably in 2015 in all market areas. Outsourcing offered companies improved efficiency and the opportunity to focus even more on the development of their core business.

In Finland, uncertainty in the development of demand for design engineering and technical documentation services grew in the second half of 2015, and the level of new investments remained low.

In Sweden, the demand situation for design engineering and technical documentation remained good throughout 2015 and even strengthened towards the end of the year. The demand for technical documentation, in particular, remained at a good level. The competitive situation in Sweden continued to be intense.

Demand was low in Russian projects. Some new projects were started, but the few projects that were started were related to the completion of investment projects in commerce and industry.

In the Netherlands, the demand for technical documentation showed steady improvement throughout 2015 after having been weak at the start of the year.

Uncertainty in the Chinese market grew in 2015. Local demand was maintained by service market development. The opening up of

the service market and local demand in China are expected to develop favorably in the long term. The currencies of growing markets weakened in summer 2015. This had the effect of slowing down exports in the engineering industry. The development of the Chinese export industry in January-June was affected by exchange rate fluctuations, with manufacturing operations in the engineering industry shifting to Europe for products whose end customers are in Europe.

The demand for engineering services was characterized throughout the year by polarized development among customer industries. Certain areas of the engineering industry developed quite steadily as customer companies successfully sought growth in the economies where demand developed favorably. The trends that maintained good demand for machinery and equipment manufacturers included urbanization, digitization, the aging of the population, as well as energy efficiency and the development of renewable energy. The development of the demand for engineering services was slow among companies that serve raw material production and are dependent on the price of oil.

The demand for engineering services and technical documentation among metal and mining industry equipment manufacturers was at a low level on average in 2015. The demand for engineering services among lifting and hoisting equipment manufacturers remained at a good level on average. The demand for engineering services in the energy and power transmission industry remained at a good level. The demand for design engineering services among forest industry equipment manufacturers was at a good level but weakened somewhat late in the year. In Sweden, the demand for engineering services in the aerospace and defense industry was at a good level, while in Finland demand improved slightly towards the end of the year after having been at a low level earlier in 2015. In the transportation and vehicle industry, testing and analysis services requiring special expertise continued to see good demand.

Revenue

Etteplan's revenue grew by 7.0 per cent in January-December and was EUR 141.1 million (1-12/2014: EUR 131.9 million).

Organic growth was 3.4 per cent. Revenue increased by 7.4 per cent at comparable exchange rates. The acquisition of the business of SAV Oy and its subsidiaries at the end of August contributed to the growth in revenue.

Etteplan's business is subject to periodic fluctuation. The periodic fluctuation is affected by holiday seasons and the timing of product development and investment projects in customer companies, mainly at the beginning of the year as well as in the fall. The revenue in the third quarter is typically lower than that of other quarters.

Result

EBIT from business operations improved by 29.0 per cent in January-December and was EUR 9.5 million (1-12/2014: EUR 7.4 million). EBIT from business operations includes non-recurring costs totaling EUR 1.0 million. The non-recurring costs include costs associated with acquisitions as well as restructuring measures related to the weakened workload in some of Etteplan's units. The operative EBIT margin was 6.8 per cent (1-12/2014: 5.6 per cent). The improvement in profitability was attributable to high value-added Managed Services representing a larger share of revenue than in the comparison period.

The company began to report EBIT from business operations from the start of 2015. EBIT from business operations does not include acquisition-related items, such as amortization on PPA allocations and earn out revaluations. The new indicator reflects operational performance better.

In January-December, operating profit (EBIT) improved by 9.4 per cent and amounted to EUR 8.6 million (1-12/2014: EUR 7.9 million). EBIT includes non-recurring costs totaling EUR 1.0 million. The comparison period 1-12/2014 included exceptional items which had a total positive effect of EUR 0.8 million. Operating profit was improved by revenue growth and high value-added services representing a higher share of revenue. The operational costs increased by 5.5 per cent. The operating profit margin improved to 6.1 per cent (1-12/2014: 6.0 per cent).

Financial expenses were EUR 1.3 million in January-December (1-12/2014: EUR 1.1 million).

Profit before taxes for January-December was EUR 7.9 million (1-12/2014: EUR 7.2 million). Taxes in the income statement amounted to 22.0 per cent (1-12/2014: 14.2 per cent) of the result before taxes. The amount of taxes was EUR 1.7 million (1-12/2014: EUR 1.0 million). Taxes in the comparison period were affected by tax-free items.

The profit for January-December was EUR 6.2 million (1-12/2014: EUR 6.1 million).

In January-December, earnings per share were EUR 0.31 (1-12/2014: EUR 0.30). Equity per share was EUR 1.73 (1-12/2014: EUR 1.45). Return on capital employed (ROCE) before taxes was 17.4 per cent (1-12/2014: 17.8 per cent).

Financial position and cash flow

Total assets on December 31, 2015 were EUR 92.5 million (December 31, 2014: EUR 75.5 million). The balance sheet total grew primarily due to acquisitions. Goodwill on the balance sheet was EUR 42.7 million (December 31, 2014: EUR 38.6 million).

The Group's cash and cash equivalents stood at EUR 8.8 million (December 31, 2014: EUR 2.6 million). The Group's financial liabilities amounted to EUR 23.2 million (December 31, 2014: EUR 18.8 million). The total of unused short-term credit facilities stood at EUR 9.1 million (December 31, 2014: EUR 8.3 million).

The equity ratio at the end of December was 37.8 per cent (December 31, 2014: 39.5 per cent). Operating cash flow improved and was EUR 9.9 million in January-December (1-12/2014: EUR 7.8 million). The improvement in cash flow was attributable to an increase in EBIT from business operations. Cash flow after investments was EUR 6.4 million (1-12/2014: EUR 5.6 million). Cash flow accrues unevenly over the four quarters of the year due to seasonality in business.

Capital Expenditures

The Group's gross investments in January-December were EUR 9.9 million (1-12/2014: EUR 3.6 million). Investments comprised, among other things, acquisitions and license fees for engineering software.

Personnel

The average number of personnel increased in January-December by 7.4 per cent from the previous year. The Group employed 1,948 (1-12/2014: 1,813) people on average during the year and 2,074 (December 31, 2014: 1,859) at the end of December. The growth in the number of personnel was attributable to acquisitions and organic growth. At the end of December, 706 people (December 31, 2014: 709) were employed by the Group abroad.

Business Review

The development of Etteplan's business was stable in 2015 in spite of market uncertainty. Measured in local currencies, busi-

ness grew in all of Etteplan's markets except China. The growth was attributable to Etteplan's strong market position, good service portfolio and acquisitions. Etteplan's excellent service portfolio enabled it to achieve growth even in low-growth industries such as mining industry equipment manufacturing. The rate of revenue growth was 7.0 per cent. In line with the Company's target, key accounts grew faster than other revenue throughout 2015, with the growth rate for key accounts being 7.5 per cent. The increase in revenue in the fourth quarter was attributable to an acquisition and the subsequent significant increase in the share of revenue represented by plant engineering.

The share of revenue represented by high value-added services grew in line with the Company's targets and stood at 47 per cent in 2015 (1-12/2014: 41 per cent).

Etteplan's market position in Finland remained strong. The number of temporarily laid off personnel decreased steadily in the first three quarters of 2015 but turned to an increase in the fourth quarter, amounting to approximately 60 employees. In Sweden, business developed favorably in the good market situation. However, attrition and the competition for experts burdened the business in Sweden. The development of business in the Netherlands was stable, and demand improved towards the end of the year. The number of working hours sold in the Chinese market in January-December decreased by 7.2 per cent compared to the previous year. Temporarily weaker demand for machinery and equipment by Western customers was a factor in the decline. Nevertheless, Etteplan's new Chinese accounts won in 2015 hold significant growth potential. Chinese offshoring as part of Etteplan's service solutions was at a good level in January-December. In Europe, Etteplan gained market share on the strength of its cost-efficient offshoring operating model.

Etteplan grew in 2015 in line with its targets, both organically and through acquisitions. The Company completed several acquisitions in 2015.

The agreement signed in June by Etteplan and the Dutch company Thesus Talking Image entered into force during the review period, and five Thesus Ti employees and the Company's business operations were transferred to Etteplan on July 1, 2015. Thesus Talking Image specializes in advanced visual instructions and high-quality technical illustrations.

Etteplan strengthened its position in plant engineering by acquiring Suunnittelu ja Asennusten Valvonta - SAV Oy and its subsidiaries in August. SAV Oy's business and subsidiaries were transferred to Etteplan on September 1, 2015. Founded in 1993, SAV Oy offers plant engineering and project services to industry. The acquired companies have a total of approximately 185 employees.

GOVERNANCE

Annual General Meeting

The Annual General Meeting of shareholders of Etteplan Oyj (the "Company") was held on March 27, 2015, at the premises of the Company in Vantaa. In accordance with the proposal of the Nomination and Remuneration Committee of the Board of Directors, the Annual General Meeting re-elected Robert Ingman, Patrick von Essen, Pertti Nupponen, Teuvo Rintamäki and Leena Saarinen as members of the Board of Directors and elected Matti Huttunen as a new member to the Board of Directors.

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 2014.

PricewaterhouseCoopers Oy, Authorized Public Accounting Firm, with Authorized Public Accountant Kaj Wasenius as the main responsible auditor and Certified Auditor Olli Wesamaa were elected as the Company's auditors. The auditors' fees were resolved to be paid according to invoice approved by the Company.

The Annual General Meeting authorized 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) per cent 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 as well be used for carrying out 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 March 27, 2015 and ending on September 26, 2016. The authorization will replace the corresponding previous authorization.

Dividend

The Annual General Meeting on March 27, 2015 passed a resolution, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.15 per share be paid for the financial year 2014 and the remaining funds shall be left to the unrestricted equity. The dividend was paid to the shareholders registered on the record date in the shareholders' register maintained by Euroclear Finland Ltd. The record date of the payment of dividend was March 31, 2015. The dividend was paid on April 9, 2015.

Shares

Etteplan's shares are listed in Nasdaq Helsinki Ltd's Small Cap market capitalization group in the Industrials sector under the ETT1V ticker.

The Company's share capital on December 31, 2015 was EUR 5,000,000.00, and the total number of shares was 20,665,559. The Company has one series of shares. All shares confer an equal right to a dividend and the Company's funds.

In relation to the acquisition of Suunnittelu ja Asennusten Valvonta - SAV Oy's design and installation supervision business and SAV Oy's subsidiaries, Etteplan carried out a directed share issue in September 2015, in which 486,145 new shares were subscribed. Dilution effect of the directed share issue was 2.41 per cent.

The Company held 324,283 of its own shares on December 31, 2015, which corresponds to 1.57 per cent of all shares and voting rights (December 31, 2014: 308,886). At its meeting on November 30, 2015, the Board of Directors of Etteplan Oyj decided to initiate a share repurchase program of own shares in accordance with the authorization given to it at the Annual General Meeting on March 27, 2015. The number of repurchased shares will not exceed 100,000 shares and the corresponding number of voting rights. In January-December, the Company acquired 15,397 of its own shares. The Company did not transfer any of its own shares in January-December 2015.

The number of Etteplan Oyj shares traded during the review period was 1,032,820, for a total value of EUR 4.3 million. The share price low was EUR 3.00, the high EUR 4.93, the average EUR 4.11 and the closing price EUR 4.90. Market capitalization on December 31, 2015 was EUR 99.7 million.

On December 31, 2015, the members of the Company's Board of Directors and the President and CEO owned or had

authority of a total of 13,691,907 shares (December 31, 2014: 41,876 shares), or 66.25 per cent of the total share capital.

Flaggings

On September 9, 2015, Ingman Group Oy Ab notified that Ingman Group Oy Ab's share of Etteplan Oyj's share capital and voting rights fell below two-thirds (2/3) when Etteplan Oyj's 486,145 new shares subscribed in the directed share issue were entered into the trade register.

Share-based incentive plans

The Board of Directors of Etteplan Oyj decided on February 12, 2014 on a new share-based incentive plan for the Company's President and CEO. The new Restricted Stock Plan includes one three year vesting period. The potential reward of the Plan is bound to the validity of the CEO's service. The reward from the vesting period will be paid partly in the Company's shares and partly in cash in February 2017. The reward to be paid on the basis of the Restricted Stock Plan 2014 will amount up to a maximum total of 25,000 Etteplan Oyj shares. In addition, the Company will pay taxes and tax-related costs arising from the reward to the CEO.

The Board of Directors of Etteplan Oyj decided on June 3, 2014 to establish a new share-based incentive plan for the Group key personnel. The Plan includes one earning period which includes calendar years 2014, 2015 and 2016. The earnings criteria are Etteplan Group's revenue increase and the development of Total Shareholder Return (TSR). Approximately 15 people belong to the target group of the Plan. The rewards to be paid on the basis of the plan will correspond to the value of an approximate maximum total of 450,000 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.

Major events after the review period

Etteplan strengthened its position as a technical documentation service provider in the Central European market and started business operations in Germany by concluding a business transfer agreement with arvato AG, a Bertelsmann Group company. The acquired business and shares include technical documentation services in Germany and the Netherlands. The companies' business and personnel were transferred to Etteplan on January 1, 2016. Etteplan and arvato AG agreed on strategic cooperation as part of the transaction.

Operating risks and uncertainty factors

Etteplan's financial results are exposed to a number of strategic, operational and financial risks.

Etteplan's risk management review will be included in the 2015 Annual Report on pages 20-25.

Operating risks and uncertainty factors in the review period

The uncertainty caused by the general economic development continued in 2015. The demand for engineering services and technical documentation remained at a relatively good level on average in the review period.

The Company's operations are based on skilled staff. The availability of competent professionals is an important factor for ensuring profitable growth and operations. In 2015, increased difficulties in recruiting professional staff in Sweden continued to present a business risk.

Estimate of operating risks and uncertainty factors in the near future

The uncertainty caused by the general economic development continues to be a risk for Etteplan's business. In particular, the uncertain political development in Europe and the resulting economic risks, as well as uncertainty in the Chinese market, is expected to continue. 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 availability of personnel in Sweden continues to present a business risk.

Risks related to business operations are still at a significant level, but they are not estimated to grow.

Change in financial targets

On October 29, 2015, the company announced that it had revised its financial targets by making a change to its operating profit target of 10 per cent. The new target is EBIT from business operations of 10 per cent. EBIT from business operations does not include acquisition-related items such as amortization on PPA allocations and earn out revaluations.

Market Outlook 2016

The most important factor in the development of Etteplan's business is the global development of the machinery and metal industry. In 2016, there are signs of improvement of European growth. Uncertainty has increased in the Finnish market, and the

market situation is expected to remain weaker than in the rest of Europe. In spite of the slowing down of growth in Asian markets and increased uncertainty, the service market development is expected to continue. We expect that the good market situation in North America will continue. The demand for engineering services and technical documentation services got off to a slow start at the beginning of the year.

Financial Guidance 2016

We expect the revenue and operating profit for the year 2016 to grow clearly compared to 2015.

The Board's proposal for distribution of 2015 profits

The Parent Company's distributable shareholders' equity according to the balance sheet on December 31, 2015, is EUR 16,879,472.70. The Board of Directors will propose to the Annual General Meeting, which will convene on April 5, 2016, that on the dividend payout date a dividend of EUR 0.15 per share be paid on the Company's externally owned shares, for a total amount of EUR 3,099,833.85 at most, and that the remaining profit be transferred to retained earnings. It is the Board's opinion that the proposed distribution of dividends will not endanger the Company's solvency. In accordance with the Board's proposal, the record date for the dividend payout is April 7, 2016, and the date of dividend payout is April 14, 2016.

Annual General Meeting 2016

Etteplan Oyj's Annual General Meeting (AGM) will be held in Vantaa, Finland, on April 5, 2016, starting at 1 p.m. Summons to the AGM will be published as a separate release.

Corporate Governance Statement

Etteplan is publishing the Corporate Governance Statement for 2015 separately from the Review by the Board of Directors. The statement will be available on the Company's website www.etteplan.com in section Investors as well as in the Annual Report on pages 102-109.

Etteplan Oyj

Board of Directors

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| EUR 1,000 | Note | 1.1.–31.12.2015 | 1.1.–31.12.2014 |
|---|--------|-------------------|-------------------|
| Revenue | 7 | 141,143 | 131,916 |
| Other operating income | 9 | 309 | 1,567 |
| Materials and services | 11 | -7,918 | -9,524 |
| Staff costs | 12 | -101,452 | -94,367 |
| Other operating expenses | | -20,384 | -19,108 |
| Depreciation and amortization | 19, 20 | -3,104 | -2,629 |
| Operating profit (EBIT) | | 8,594 6.1% | 7,856 6.0% |
| Financial income | 14 | 589 | 394 |
| Financial expenses | 15 | -1,251 | -1,082 |
| Profit before taxes | | 7,933 | 7,168 |
| Income taxes | 17 | -1,744 | -1,020 |
| Profit for the financial year | | 6,189 | 6,147 |
| Other comprehensive income, that may be subsequently reclassified to profit or loss | | | |
| Foreign subsidiary net investment hedge | 4.1.1 | -41 | 154 |
| Currency translation differences | | 650 | -1,599 |
| Change in fair value of investments available-for-sale | | 43 | 1 |
| Tax from items, that may be subsequently reclassified to profit or loss | 17 | 0 | -31 |
| Other comprehensive income for the year, net of tax | | 652 | -1,475 |
| Total comprehensive income for the year | | 6,841 | 4,673 |
| Income attributable to | | | |
| Equity holders of the parent company | | 6,122 | 5,930 |
| Non-controlling interest | | 67 | 218 |
| | | 6,189 | 6,147 |
| Total comprehensive income attributable to | | | |
| Equity holders of the parent company | | 6,779 | 4,466 |
| Non-controlling interest | | 62 | 207 |
| | | 6,841 | 4,673 |
| Earnings per share calculated from the result attributable to equity holders of the parent company | | | |
| Basic earnings per share, EUR | 18 | 0.31 | 0.30 |
| Diluted earnings per share, EUR | 18 | 0.31 | 0.30 |

The notes are an integral part of the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| EUR 1,000 | Note | 31.12.2015 | 31.12.2014 |
|----------------------------------|------|---------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Tangible assets | 19 | 2,179 | 1,866 |
| Goodwill | 21 | 42,734 | 38,642 |
| Other intangible assets | 20 | 9,418 | 5,876 |
| Investments available-for-sale | 22 | 687 | 642 |
| Other non-current receivables | 35 | 54 | 110 |
| Deferred tax assets | 34 | 161 | 0 |
| Non-current assets, total | | 55,232 | 47,136 |
| Current assets | | | |
| Trade and other receivables | 24 | 28,296 | 25,442 |
| Current tax assets | 25 | 177 | 321 |
| Cash and cash equivalents | 26 | 8,807 | 2,575 |
| Current assets, total | | 37,281 | 28,337 |
| TOTAL ASSETS | | 92,513 | 75,474 |

| EUR 1,000 | Note | 31.12.2015 | 31.12.2014 |
|---|------|---------------|---------------|
| EQUITY AND LIABILITIES | | | |
| Capital attributable to equity holders of the parent company | | | |
| Share capital | 27 | 5,000 | 5,000 |
| Share premium account | 27 | 6,701 | 6,701 |
| Unrestricted equity fund | 27 | 4,406 | 2,364 |
| Own shares | 27 | -949 | -912 |
| Cumulative translation adjustment | 27 | -863 | -1,472 |
| Other reserves | 27 | 225 | 177 |
| Retained earnings | 27 | 13,980 | 11,030 |
| Profit for the financial year | 27 | 6,122 | 5,930 |
| Capital attributable to equity holders of the parent company, total | | 34,621 | 28,818 |
| Non-controlling interest | | -3 | -65 |
| Equity, total | | 34,618 | 28,753 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 34 | 1,754 | 1,087 |
| Financial liabilities | 29 | 8,296 | 9,137 |
| Other non-current liabilities | 31 | 92 | 57 |
| Non-current liabilities, total | | 10,142 | 10,280 |
| Current liabilities | | | |
| Financial liabilities | 29 | 14,925 | 9,681 |
| Trade and other payables | 32 | 31,901 | 26,666 |
| Current income tax liabilities | 33 | 927 | 94 |
| Current liabilities, total | | 47,753 | 36,441 |
| Liabilities, total | | 57,895 | 46,721 |
| TOTAL EQUITY AND LIABILITIES | | 92,513 | 75,474 |

The notes are an integral part of the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

| EUR 1,000 | 1.1.–31.12.2015 | 1.1.–31.12.2014 |
|--|-----------------|-----------------|
| OPERATING CASH FLOW | | |
| Cash receipts from customers | 138,557 | 131,858 |
| Operating expenses paid | -126,897 | -121,506 |
| Operating cash flow before financial items and taxes | 11,659 | 10,352 |
| Interest and payment paid for financial expenses | -636 | -743 |
| Interest received | 40 | 24 |
| Income taxes paid | -1,131 | -1,879 |
| Operating cash flow (A) | 9,932 | 7,754 |
| INVESTING CASH FLOW | | |
| Purchase of tangible and intangible assets | -1,621 | -885 |
| Acquisition of subsidiaries | -1,907 | -1,396 |
| Proceeds from sale of tangible and intangible assets | 1 | 80 |
| Proceeds from sale of investments | 1 | 1 |
| Loan receivables, decrease | 1 | 1 |
| Investing cash flow (B) | -3,526 | -2,200 |
| Cash flow after investments (A+B) | 6,406 | 5,554 |
| FINANCING CASH FLOW | | |
| Purchase of own shares | -75 | 0 |
| Short-term loans, increase | 2,567 | 266 |
| Short-term loans, decrease | -8,687 | -4,562 |
| Long-term loans, increase | 10,000 | 3,048 |
| Payment of finance lease liabilities | -985 | -879 |
| Dividend paid and other profit distribution | -2,981 | -2,169 |
| Financing cash flow (C) | -160 | -4,295 |
| Variation in cash (A+B+C) increase (+) / decrease (-) | 6,246 | 1,258 |
| Assets at the beginning of the financial period | 2,575 | 975 |
| Exchange gains or losses on cash and cash equivalents | -14 | 341 |
| Assets at the end of the financial period | 8,807 | 2,575 |

The notes are an integral part of the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| EUR 1,000 | Share capital | Share premium account | Unrestricted equity fund | Other reserves | Own shares | Cumulative translation adjustment | Retained earnings | Total | Non-controlling interest | Equity total |
|--|---------------|-----------------------|--------------------------|----------------|---------------|-----------------------------------|-------------------|---------------|--------------------------|---------------|
| Equity 1.1.2014 | 5,000 | 6,701 | 2,614 | 189 | -1,912 | -21 | 13,180 | 25,753 | -272 | 25,481 |
| Comprehensive income | | | | | | | | | | |
| Profit for the financial year | | | | | | | 5,930 | 5,930 | 218 | 6,147 |
| Fair value reserve available-for-sale assets | | | | 1 | | | | 1 | | 1 |
| Foreign subsidiary net investment hedge | | | | | | 123 | | 123 | | 123 |
| Cumulative translation adjustment | | | | | | -1,588 | | -1,588 | -11 | -1,599 |
| Total comprehensive income for the year | 0 | 0 | 0 | 1 | 0 | -1,465 | 5,930 | 4,466 | 207 | 4,673 |
| Transactions with owners | | | | | | | | | | |
| Dividends | | | | | | | -2,169 | -2,169 | | -2,169 |
| Reclassifications | | | | -14 | | 13 | 19 | 19 | | 19 |
| Change in contingent consideration | | | -250 | | 747 | | | 497 | | 497 |
| Share-based incentive plan | | | | | 252 | | | 252 | | 252 |
| Transactions with owners, total | 0 | 0 | -250 | -14 | 999 | 13 | -2,150 | -1,401 | 0 | -1,401 |
| Equity 31.12.2014 | 5,000 | 6,701 | 2,364 | 177 | -912 | -1,472 | 16,960 | 28,818 | -65 | 28,753 |

| EUR 1,000 | Share capital | Share premium account | Unrestricted equity fund | Other reserves | Own shares | Cumulative translation adjustment | Retained earnings | Total | Non-controlling interest | Equity total |
|--|---------------|-----------------------|--------------------------|----------------|-------------|-----------------------------------|-------------------|---------------|--------------------------|---------------|
| Equity 1.1.2015 | 5,000 | 6,701 | 2,364 | 177 | -912 | -1,472 | 16,960 | 28,818 | -65 | 28,753 |
| Comprehensive income | | | | | | | | | | |
| Profit for the financial year | | | | | | | 6,122 | 6,122 | 67 | 6,189 |
| Fair value reserve available-for-sale assets | | | | 35 | | | | 35 | | 35 |
| Foreign subsidiary net investment hedge | | | | | | -33 | | -33 | | -33 |
| Cumulative translation adjustment | | | | | | 655 | | 655 | -5 | 650 |
| Total comprehensive income for the year | 0 | 0 | 0 | 35 | 0 | 622 | 6,122 | 6,779 | 62 | 6,841 |
| Transactions with owners | | | | | | | | | | |
| Dividends | | | | | | | -2,981 | -2,981 | | -2,981 |
| Directed share issue | | | 2,042 | | | | | 2,042 | | 2,042 |
| Purchase of own shares | | | | | -75 | | | -75 | | -75 |
| Reclassifications | | | | 14 | | -14 | | 0 | | 0 |
| Share-based incentive plan | | | | | 38 | | | 38 | | 38 |
| Transactions with owners, total | 0 | 0 | 2,042 | 14 | -37 | -14 | -2,981 | -976 | 0 | -976 |
| Equity 31.12.2015 | 5,000 | 6,701 | 4,406 | 225 | -949 | -863 | 20,101 | 34,621 | -3 | 34,618 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Parent Company of Etteplan Group is Etteplan Oyj ('the Company'), a Finnish public limited company established under Finnish law. The Company is domiciled in Vantaa. Etteplan's shares are listed on Nasdaq Helsinki Ltd under the ETT1V ticker.

Etteplan provides engineering services and technical documentation solutions to the world's leading companies in the manufacturing industry. The Company's services are geared to improve the competitiveness of customers' products 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.

A copy of the Consolidated Financial Statements can be obtained on the Company's website www.etteplan.com or from the office of the Group's Parent Company at the address Muovitie 1, 15860 Hollola, Finland.

The Etteplan Oyj Board of Directors approved these Financial Statements for publication at its meeting on February 11, 2016.

According to the Finnish Limited Liability Companies Act, the shareholders have the opportunity to approve or reject the Financial Statements at the Annual General Meeting held after the publication. Furthermore, the Annual General Meeting can decide on the modification of the Financial Statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis for preparation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union by Dec 31, 2015. The Consolidated Financial Statements have been prepared under the historical cost convention, except for land areas, available-for-sale financial assets and financial liabilities, which are recognized at fair value.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The amendments and interpretations which became effective on the financial year beginning on 1 January 2015 are not material to the Group.

(b) New standards, amendments and interpretations issued, but not effective for the financial year beginning January 1, 2015 and not early adopted

Standards and interpretations effective for annual periods beginning after January 1 are not expected to have a significant effect on the Consolidated Financial Statements of the Group, except the following:

IFRS 15, 'Revenue from contracts with customers' establishes principles for recognizing revenue from the entity's contracts with customers and for the related disclosures. Recognition of revenue can happen over time or at a certain point in time depending on when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of IFRS 15.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control over. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are

fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. A contingent consideration classified as liability is revalued to fair value at the end of each financial year and the resulting profit or loss is recognized in the income statement. Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between the Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. As the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified the Management Group that makes strategic decisions. The financial information, which the chief operating decision-maker uses as a basis for decision making, does not differ substantially from the information presented in the Consolidated Statement of Comprehensive Income and Statement of Financial Position. The Group's business is conducted in one operating segment.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currencies of the Group entities are the same as their home currencies. The Consolidated Financial Statements are presented in euros, which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign

currencies are recognized in the income statement, except when deferred in other comprehensive income as a net investment hedge. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'financial income' or 'financial expenses'. All other foreign exchange gains and losses are presented in the income statement within 'other operating expenses'.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in equity.

The net investment in the Groups' Swedish subsidiary is hedged by loans in the same currency. The exchange differences arising from these loans are recognized in other comprehensive income.

2.5 Tangible assets

Tangible assets, excluding land areas, are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land areas are shown at fair value, based on valuations by external independent valuers. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Land areas are not depreciated.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

| | |
|------------------------|--------------|
| computers | 3 years |
| vehicles | 5 years |
| office furniture | 5 years |
| renovation of premises | 5 to 7 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in other operating income or expenses in the income statement.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2.6 Intangible assets

(a) Goodwill

Goodwill corresponds to that part of the acquisition cost which exceeds the Group's share of the fair value, on the date of purchase, for the net asset value of the acquired subsidiary. Goodwill is measured at historical cost less impairment. Goodwill is not amortized but is tested for impairment annually and whenever there is objective evidence of goodwill impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose, taking into account the current organization structure and level of reporting.

(b) Other intangible assets

Other intangible assets include software licenses, software created internally, other intangible rights and intangible assets acquired in business combinations; customer base and technology. Other intangible assets are recorded in the balance sheet at historical cost. Intangible assets acquired in business combinations are recognized at fair value at the acquisition date.

Assets with limited useful lives are amortized on a straight-line basis over their useful lives. The depreciation periods of other intangible assets are:

| | |
|-------------------------|---------------|
| software | 3 to 7 years |
| other intangible assets | 3 to 10 years |

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed three years.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are sep-

arately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each financial period. The essential assumptions for impairment tests are presented in Note 23 to the Financial Statements ('Impairment testing').

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets as loans and other receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's loans and other receivables comprise 'Trade and other receivables' and 'Cash and cash equivalents' in the balance sheet.

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.8.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognized in other

comprehensive income in the fair value reserve taking into account the tax effect. When the investments are sold or their value is permanently impaired, the accumulated fair value adjustments are included in the income statement.

2.9 Impairment of financial assets

(a) Assets carried at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact, that can be reliably estimated, on the estimated future cash flows of the financial asset or group of financial assets.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the Consolidated Income Statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the Consolidated Income Statement.

(b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss.

2.10 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Items included under cash and cash equivalents have maturities of three months or less from the date of acquisition. Cash and cash equivalents are derecognized when the Group's contractual right to receive cash flows has expired or essentially all of the risks and rewards incident to ownership have been transferred from the Group.

2.12 Share capital

Etteplan Oyj has one series of shares. Share capital is classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such

shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the equity holders of the Parent Company.

2.13 Financial liabilities

2.13.1 Classification

Financial liabilities are classified as financial liabilities recognized at fair value through profit or loss or as other financial liabilities.

a) Financial liabilities recognized at fair value through profit or loss

Financial liabilities recognized at fair value through profit or loss are liabilities from contingent considerations related to acquisitions of subsidiaries. Changes in the fair value of contingent considerations are recognized in the income statement.

b) Other financial liabilities

Other financial liabilities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.14 Trade payables and other payables

Trade payables and other payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. They are classified as current liabilities unless payment is not due within one year or less after the reporting period.

2.15 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

2.16 Current and deferred income tax

The taxes in the consolidated income statement include the current tax for Group companies, corrections to taxes from previous financial periods, and the change in deferred taxes. Current tax is calculated on taxable income according to the tax rate in force in each country concerned. In the case of items entered directly in shareholders' equity, the tax effect is recognized in equity.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The most significant temporary differences arise from the depreciation and amortization of assets, and from lease agreements and the provisions of foreign subsidiaries. Deferred taxes are determined by using the tax base in force on the balance sheet date or the enacted tax base at the time of tax base transition.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. It is valued at the end of each financial period whether the conditions for recognizing a deferred tax asset are met.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

(a) Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive

obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. In Sweden and the Netherlands, the Group has defined benefit plans, which are so called multi-employer plans, of which there is not sufficient information available to use benefit accounting. These plans are accounted as defined contribution plans.

(b) Termination benefits

Termination benefits are recorded as a liability and an expense when employment is terminated before the normal retirement of the employee or when the employee is paid compensation as a consequence of voluntary redundancy. Termination benefits are recorded when the Company is demonstrably committed to the termination of employment in accordance with a detailed formal plan or has made a compensation proposal to the employee to promote voluntary redundancy. Benefits falling due later than 12 months from the balance sheet date are discounted to their present value.

(c) Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Share-based incentive plans

Share-based incentive plans are treated as arrangements that are settled partly as shares and partly as cash. The part of a remuneration earned that the participants receive as Etteplan Oyj shares is treated as an arrangement that is settled as shares and recorded in shareholders' equity; the part of a remuneration earned that is paid in cash to pay off taxes and other levies is recorded in liabilities. The fair value of the employee services received in exchange for the grant of the shares is recognized

as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted taking into account market performance conditions and non-vesting conditions. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-market vesting conditions and service conditions. The Group recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment in equity.

2.18 Recognition of income

Revenue includes income from design activities and sales of materials for projects, adjusted for indirect taxes and discounts. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

(a) Income from services

As a rule, services are recognized when the service is rendered.

(b) Income from sales of materials

Sales of materials are recognized when the risks and rewards incident to ownership have been transferred to the buyer. Generally this takes place on assignment of materials.

(c) Government grants

Government grants that are intended to compensate costs are recognized as income over the same period as the related costs are recognized. These government grants are presented in other operating income.

(d) Long-term projects

Contracts whose outcome can be assessed reliably are recognized as income and expenses on the basis of the percentage of completion at the time of calculation. A contract's percentage of completion is evaluated on the basis of project progress, which, in turn, is determined from the ratio of the costs that have materialized to the estimated total cost of the contract. In the case of contracts whose outcome cannot be assessed reliably, project expenditure is expensed for the period in which it arises. Likewise, the amount of income recognized from a project does not exceed expenditure. The total loss on a contract that will probably result in a loss is expensed immediately.

2.19 Interest and dividend income

Interest income is recognized using the effective interest method. When a loan or other receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan or other receivables is recognized using the original effective interest rate.

Dividend income is recognized when the shareholder gains the right to receive payment.

2.20 Lease agreements

Lease agreements in which all risks and rewards incident to ownership remain with the lessor are treated as other lease agreements (operating leases). Contractual lease payments are entered as expenses in the income statement over the lease period.

Leases that transfer essentially all risks and rewards incident to ownership to the Group are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in financial liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The assets acquired under finance leases are depreciated and amortized over the shorter of the useful life of the asset and the lease term.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's Financial Statements in the period in which the dividends are approved by the General Meeting of shareholders.

2.22 Foreign subsidiary net investment hedge

The Group documents at the inception of the transaction the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for

undertaking hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instrument that is used in hedging transactions is highly effective in offsetting changes in fair value of the hedged item.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

2.23 Exceptional items

Exceptional items are disclosed separately in the Financial Statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income and expense that have been shown separately due to the significance of their nature or amount.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

3.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Fair value measurement in connection with acquisitions

In business combinations, tangible assets have been compared with the market prices of equivalent assets, and decline in the value of acquired assets due to various factors has been estimated. The fair value measurement of intangible assets is based on estimates of asset-related cash flows. The management believes that the estimates and assumptions are sufficiently precise for use as the basis for fair value measurement. Any indications of impairment of tangible and intangible assets are reviewed annually.

(b) Impairment testing

The Group tests goodwill and intangible assets with unlimited useful lives for impairment annually. Indications of impairment are evaluated in the manner described in note 2.7. Recoverable amounts for cash-generating units are based on value-in-use calculations. Estimates are required in making these calculations. Values recorded in the balance sheet in the end of the financial year were 42,734 thousand euros (2014: 38,642 thousand euros). Additional information on the sensitivity of the recoverable amounts to changes in assumptions used is disclosed in Note 23 Impairment testing.

4 MANAGEMENT OF FINANCIAL RISKS

4.1 Financial risk factors

In its business operations, the Group is exposed to several types of financial risks: foreign-currency, interest, financing and liquidity, counterparty and credit risks.

The objective of financial risk management is to protect the Group from unfavorable changes in the financial market and thus contribute as much as possible to guaranteeing the Group's profit and equity, and to guarantee sufficient liquidity in a cost-efficient manner. Management of financial risks has been centralized with the Group's financial department, which is responsible for identification and evaluation of, and protection against, the Group's financial risks. Furthermore, the financial department is responsible, in a centralized fashion, for funding of the Group, and it provides the management with information about the financial situation of the Group and the business units.

4.1.1 Foreign-currency risk

Foreign-currency risk related to different currencies comes about as a result of foreign-currency-denominated commercial transactions and from translation of foreign-currency-denominated balance sheet items into the reporting currency.

(a) Transaction risk

The majority of the Group's business operations are handled in the currency of the project country of the respective group company. This means that both sales and costs are in the same currency. In the period under review, the Group did not have significant transaction risks generated from the currency flow in foreign currencies. The Group did not take steps to protect itself against transaction risks during the review period.

(b) Translation risk

The Group is exposed to a translation risk caused by fluctuations in foreign currency exchange rates, when it translates balance sheet items of subsidiaries based outside the euro area into its reporting currency. Main risk is with goodwill booked in Swedish Krona (SEK). Currency exposure arising from the net assets of the Group's Swedish operations is managed through borrowings denominated in SEK.

A proportion of the Group's SEK denominated borrowings amounting to EUR 1,873 thousand (2014: EUR 2,359 thousand) are designated as a hedge of the net investment in the Group's Swedish subsidiaries. The foreign exchange loss of EUR 41 thousand (2014: gain EUR 154 thousand) on translation of the borrowings to EUR currency at the end of the reporting period is recognized in other comprehensive income. The goodwill booked in SEK at December 31, 2015 was EUR 23,609 thousand (2014: EUR 23,098 thousand).

A sensitivity analysis in the main currency pair on the transaction and translation risk, i.e. the effect of reasonable potential changes in exchange rates on the Group's profit or loss before tax and equity at balance sheet date is presented in the table below. In the analysis, the change in exchange rate has been estimated to be +/- 10 per cent from reporting date, and other factors are estimated to remain unchanged.

| EUR 1,000 | Effect on EBIT | | Effect on equity | |
|-------------|----------------|--------|------------------|-------|
| | 2015 | 2014 | 2015 | 2014 |
| SEK +/- 10% | +/- 98 | +/- 26 | 2,115 | 2,069 |

4.1.2 Interest risk

The Group is exposed to interest risk in two ways: because of changes in value for balance sheet items (i.e., a price risk) and cash flow risk caused by changes in market interest rates.

The Group manages the interest risk by diversifying its loan portfolio to include loans based on different reference rates. On the balance sheet date, the total amount of interest-bearing debt excluding leasing liabilities was EUR 21,492 thousand (2014: EUR 17,411 thousand) covered with contracts in which the interest range is between 0.95 and 2.5 per cent (2014: between 1.25 and 5.0 per cent). All of the Group's loans have variable interest rates.

If interest rates increased by 1 percentage point, the Group's interest expenses would increase by EUR 83 thousand per annum.

4.1.3 Financing and liquidity risk

The Group aims to guarantee solid liquidity in all market conditions through efficient cash management. Credit limits tied to cash-pool arrangements are used for short-term financing. On the balance sheet date, the Group had EUR 9,104 thousand (2014: EUR 10,110 thousand) of available credit limits, of which EUR 0 thousand (2014: EUR 1,773 thousand) was in use. Refinancing risk is attempted to minimize by applying a balanced maturity schedule for its loan portfolio, ensuring sufficient maturity of loans, and using several banks as sources of financing.

The Group has financial covenants, which are tied to the equity ratio of the Group and to the debt/EBITDA -ratio of the Group. In case the Group's equity ratio at the time of the Financial Statement is below 25% or the debt/EBITDA -ratio is higher than 3.5, the financier has the right to demand immediate payment of all the Group's loans. According to Financial Statements in 2015 the terms of these covenants are not breached.

To balance the cash effect of the long payment terms typical to design business, the Group sells a part of its key customer receivables to a finance institution. There is no credit risk related to the sold receivables and these receivables are not included in the Consolidated Statement of Financial Position.

4.1.4 Counterparty and credit risk

Financing contracts have the associated risk of the counterparty being unable to fulfill its obligations under the contract. To minimize the counterparty risk financing contracts are concluded with leading Nordic banks that have a good credit rating.

Credit risk related to business operations arises out of a customer's inability to perform its contractual obligations. A considerable proportion of the Group's business operations focus on large, financially solid companies that operate internationally. Credit risk is also reduced by the customer companies being divided among several different sectors of operation. The Group aims to ensure that services are sold only to such customers that have an appropriate credit rating. Credit risk is controlled systematically, and overdue sales receivables are assessed on a weekly basis. The Company strives to control the effects of increased financial uncertainty by actively monitoring its receivables and by an efficient debt collection process.

For receivables that are more than 60 days past due a 50 per cent reservation for bad debt is made and a 100 per cent reservation for receivables that are more than 90 days past due. The maximum customer credit risk exposure at the end of the financial year is the book value of accounts receivable.

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

Consistent with others in the industry, the Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total gross interest-bearing debt less cash and cash equivalents. To ensure sufficient flexibility, the goal is to keep the net gearing ratio within 20-100%. The following table sets out the Group's net gearing ratio:

| EUR 1,000 | 2015 | 2014 |
|---------------------------------|--------------|--------------|
| Gross interest-bearing debt | 23,222 | 18,818 |
| Less: cash and cash equivalents | -8,807 | -2,575 |
| Net debt | 14,415 | 16,243 |
| Total equity | 34,618 | 28,753 |
| Net gearing ratio | 41.6% | 56.5% |

Fair value hierarchy

The tables below analyse financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Available for sale financial assets recognized at fair value through profit or loss

| EUR 1,000 | 2015 | | | | 2014 | | | |
|-----------------|------------|------------|-----------|------------|------------|------------|-----------|------------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Listed shares | 177 | 0 | 0 | 177 | 134 | 0 | 0 | 134 |
| Premises shares | 0 | 480 | 0 | 480 | 0 | 480 | 0 | 480 |
| Unlisted shares | 0 | 0 | 30 | 30 | 0 | 0 | 29 | 29 |
| Total | 177 | 480 | 30 | 687 | 134 | 480 | 29 | 642 |

Reconciliation of available for sale financial assets recognized at fair value through profit or loss

| EUR 1,000 | 2015 | | | | 2014 | | | |
|--|---------------|-----------------|-----------------|------------|---------------|-----------------|-----------------|------------|
| | Listed shares | Premises shares | Unlisted shares | Total | Listed shares | Premises shares | Unlisted shares | Total |
| Opening balance at Jan 1 | 134 | 480 | 29 | 642 | 133 | 480 | 29 | 641 |
| Gain/loss recognized in other comprehensive income | 43 | 0 | 0 | 43 | 1 | 0 | 0 | 1 |
| Additions | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 0 |
| Closing balance Dec 31 | 177 | 480 | 30 | 687 | 134 | 480 | 29 | 642 |

Financial liabilities recognized at fair value through profit or loss

| EUR 1,000 | 2015 | | | | 2014 | | | |
|--------------------------------------|----------|----------|----------|----------|----------|----------|------------|------------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Contingent liability in acquisitions | 0 | 0 | 0 | 0 | 0 | 0 | 434 | 434 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 434 | 434 |

Reconciliation of financial liabilities recognized at fair value through profit or loss

| EUR 1,000 | 2015 | | 2014 | |
|--|--------------------------------------|----------|--------------------------------------|------------|
| | Contingent liability in acquisitions | Total | Contingent liability in acquisitions | Total |
| Opening balance at Jan 1 | 434 | 434 | 1,823 | 1,823 |
| Additions | 0 | 0 | 226 | 226 |
| Gain/loss recognized in the income statement | 6 | 6 | -1,111 | -1,111 |
| Reclassification booked in equity | 0 | 0 | -505 | -505 |
| Payment | -440 | -440 | 0 | 0 |
| Closing balance Dec 31 | 0 | 0 | 434 | 434 |

Financial instruments by category

Financial assets 31.12.2015

| EUR 1,000 | Note | Loans and other receivables | Available-for-sale | Book value total | Fair value |
|--|------|--------------------------------|--------------------|------------------|---------------|
| Available-for-sale financial assets | 22 | | 687 | 687 | 687 |
| Accrued income (excluding prepayments) | 24 | 6,604 | | 6,604 | 6,604 |
| Trade and other receivables | 24 | 21,425 | | 21,425 | 21,425 |
| Cash and cash equivalents | 26 | 8,807 | | 8,807 | 8,807 |
| Financial assets total | | 36,837 | 687 | 37,524 | 37,524 |

Financial liabilities 31.12.2015

| EUR 1,000 | Note | Financial liabilities at fair value through profit and loss | Other financial liabilities | Book value total | Fair value |
|------------------------------------|--------|---|--------------------------------|------------------|---------------|
| Loans from financial institutions | 29 | | 21,492 | 21,492 | 21,492 |
| Finance lease liabilities | 29 | | 1,730 | 1,730 | 1,730 |
| Liability from acquisition* | 31, 32 | | 1,045 | 1,045 | 1,045 |
| Pension liabilities | 31 | | 66 | 66 | 66 |
| Trade payables | 32 | | 4,993 | 4,993 | 4,993 |
| Accrued expenses | 32 | | 17,405 | 17,405 | 17,405 |
| Other payables | 32 | | 3,114 | 3,114 | 3,114 |
| Financial liabilities total | | 0 | 49,846 | 49,846 | 49,846 |

* The liability concerned is not a contingent liability, but a fixed interest bearing liability.

Financial assets 31.12.2014

| EUR 1,000 | Note | Loans and other receivables | Available-for-sale | Book value total | Fair value |
|--|------|--------------------------------|--------------------|------------------|---------------|
| Available-for-sale financial assets | 22 | | 642 | 642 | 642 |
| Accrued income (excluding prepayments) | 24 | 7,627 | | 7,627 | 7,627 |
| Trade and other receivables | 24 | 17,540 | | 17,540 | 17,540 |
| Cash and cash equivalents | 26 | 2,575 | | 2,575 | 2,575 |
| Financial assets total | | 27,741 | 642 | 28,384 | 28,384 |

Financial liabilities 31.12.2014

| EUR 1,000 | Note | Financial liabilities at fair value through profit and loss | Other financial liabilities | Book value total | Fair value |
|---------------------------------------|------|---|--------------------------------|------------------|---------------|
| Loans from financial institutions | 29 | | 17,411 | 17,411 | 17,411 |
| Finance lease liabilities | 29 | | 1,407 | 1,407 | 1,407 |
| Contingent liability from acquisition | 32 | 434 | | 434 | 434 |
| Pension liabilities | 31 | | 57 | 57 | 57 |
| Trade payables | 32 | | 3,034 | 3,034 | 3,034 |
| Accrued expenses | 32 | | 14,390 | 14,390 | 14,390 |
| Other payables | 32 | | 2,138 | 2,138 | 2,138 |
| Financial liabilities total | | 434 | 38,436 | 38,870 | 38,870 |

Maturity analysis of financial liabilities

2015

| EUR 1,000 | Less than 1 year | 1-5 years |
|------------------------------------|---------------------|--------------|
| Borrowings | 13,978 | 7,514 |
| Finance lease payments | 947 | 782 |
| Interest payments | 211 | 179 |
| Liability from acquisition | 1,015 | 30 |
| Trade and other payables | 8,107 | 0 |
| Financial liabilities total | 24,258 | 8,505 |

2014

| EUR 1,000 | Less than 1 year | 1-5 years |
|---------------------------------------|---------------------|--------------|
| Borrowings | 8,977 | 8,434 |
| Finance lease payments | 883 | 824 |
| Interest payments | 172 | 95 |
| Contingent liability from acquisition | 434 | 0 |
| Trade and other payables | 5,172 | 0 |
| Financial liabilities total | 15,637 | 9,353 |

5 BUSINESS COMBINATIONS

SAV Oy

Etteplan acquired Suunnittelu ja Asennusten Valvonta – SAV Oy's business and subsidiaries on August 31, 2015. SAV Oy, founded in 1993, offers plant engineering and project services to industry. SAV Oy and its subsidiaries employ approximately 190 persons and the Group has offices in eight different locations in Finland. SAV Group's revenue in 2014 was approximately EUR 12.5 million. SAV Oy's services cover the entire range of engineering phases from pre-studies to the engineering and project management services required to implement the investment, as well as check and start-up of the plant. The Company serves more than 120 customers. SAV Oy's customers operate in several different industry domains. With this acquisition Etteplan gains a significant market position in the area of plant engineering in Finland and creates even better international growth possibilities for the Company.

In addition to SAV Oy's business Etteplan acquired 100% share of ownership and corresponding amount of voting rights in SAV Oy's subsidiaries. The purchase price was partly paid in cash and partly with Etteplan shares. For the payment of purchase price paid in shares, Etteplan arranged a directed share issue in which SAV Oy subscribed 486,145 new Etteplan shares.

The goodwill of EUR 3,448 thousand arising from the acquisition is attributable to the knowledge and competence acquired as well as the synergies expected from combining the operations of the Group and the acquired company. None of the goodwill recognized is expected to be deductible for income tax purposes. The following table summarizes the consideration paid for SAV Oy and the provisional amounts of assets acquired and liabilities assumed recognized at the acquisition date.

| Consideration transferred: | EUR 1,000 |
|--|--------------|
| Cash payment | 4,000 |
| Cash payment to be made one year from acquisition date | 1,000 |
| Share issue | 2,042 |
| Total consideration transferred | 7,042 |
| Fair value of identifiable assets acquired and liabilities assumed: | |
| Tangible assets | 105 |
| Intangible assets | 159 |
| Customer relations (intangible assets) | 3,670 |
| Trade and other receivables | 626 |
| Cash | 2,533 |
| Total assets | 7,093 |
| Current liabilities | 2,763 |
| Deferred tax liability | 737 |
| Liabilities total | 3,500 |
| Total identifiable net assets | 3,594 |
| Formation of Goodwill: | |
| Consideration transferred | 7,042 |
| Total identifiable net assets | 3,594 |
| Goodwill | 3,448 |

Acquisition-related costs, EUR 184 thousand, are included in other operating expenses in the consolidated statement of comprehensive income. The revenue included in the consolidated statement of comprehensive income since September 1, 2015 contributed by SAV Oy was EUR 4,795 thousand. SAV Oy contributed profit of EUR 515 thousand over the same period.

Had SAV Oy been consolidated from January 1, 2015 the consolidated income statement would show revenue of EUR 150,091 thousand and profit of EUR 6,792 thousand.

Thesus Talking Image

Etteplan acquired the business operations of Thesus Talking Image on July 1, 2015. The Dutch company's five experts became

Etteplan's employees from that date. The consideration transferred was EUR 150 thousand. The business transfer has no material effect on the Group.

6 SEGMENT REPORTING

The Group has one operating segment, the revenue of which consists of rendering of services. The Group operates mainly in four geographical areas; Finland, Sweden, China and the Netherlands. The external revenue of each geographical area is presented according to the location of the seller. Non-current assets are presented according to the location of the asset. Etteplan China operations mainly sell their services through other Group companies thus this revenue is included in the revenue from Finland and Sweden in the table below.

| EUR 1,000 | 2015 | 2014 |
|----------------------------|----------------|----------------|
| Revenue | | |
| Finland | 89,603 | 78,150 |
| Sweden | 40,978 | 43,095 |
| China | 3,601 | 4,091 |
| The Netherlands | 6,961 | 6,580 |
| Total | 141,143 | 131,916 |
| Non-current assets* | | |
| Finland | 20,535 | 13,200 |
| Sweden | 24,950 | 24,560 |
| China | 2,779 | 2,366 |
| The Netherlands | 6,068 | 6,259 |
| Total | 54,330 | 46,385 |

* Other non-current assets excluding financial instruments, deferred tax assets and assets related to compensation after termination of employment contract.

In financial year 2015 the revenue from one individual customer were EUR 16,811 thousand, which is over 10 per cent of the Group's total revenue.

7 REVENUE

| EUR 1,000 | 2015 | 2014 |
|------------------------------------|----------------|----------------|
| Revenue from rendering of services | 141,143 | 131,916 |
| Revenue from sales of goods | 0* | 0* |
| Total | 141,143 | 131,916 |

Revenue consists of engineering services business and the sales of materials related to projects adjusted with indirect taxes, discounts and differences in exchange rates.

* The Group does not have material revenue from sales of goods.

8 LONG-TERM PROJECTS

| EUR 1,000 | 2015 | 2014 |
|--|-------|-------|
| Amount of project revenue recognized during the period | 5,697 | 7,200 |
| Cumulative expenses and income recognized by the end of the financial year | 2,190 | 5,397 |
| Advances received | 853 | 2,362 |

9 OTHER OPERATING INCOME

| EUR 1,000 | 2015 | 2014 |
|--|------------|--------------|
| Revaluation of the contingent consideration | 0 | 1,271 |
| Sales profit of tangible and intangible assets | 1 | 2 |
| Other operating income | 308 | 294 |
| Total | 309 | 1,567 |

10 EXCEPTIONAL ITEMS

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

| EUR 1,000 | 2015 | 2014 |
|--|---------------|------------|
| Other operating income | 0 | 1,271 |
| Staff costs and other operating expenses | -1,007 | -508 |
| Operating profit (EBIT) | -1,007 | 763 |
| Financial expenses | -6 | -160 |
| Profit for the financial year | -1,014 | 603 |

11 MATERIALS AND SERVICES

| EUR 1,000 | 2015 | 2014 |
|----------------------|--------------|--------------|
| Materials | 1,984 | 1,716 |
| Services from others | 5,934 | 7,808 |
| Total | 7,918 | 9,524 |

12 NUMBER OF PERSONNEL AND STAFF COSTS

| EUR 1,000 | 2015 | 2014 |
|--|----------------|---------------|
| Personnel | | |
| Personnel at year-end | 2,074 | 1,859 |
| Personnel, average | 1,948 | 1,813 |
| Personnel by category | | |
| Engineering personnel | 1,985 | 1,772 |
| Administrative personnel | 89 | 87 |
| Total | 2,074 | 1,859 |
| Staff costs | | |
| Wages and salaries | 79,315 | 73,869 |
| Pension costs - defined contribution plans | 11,990 | 10,712 |
| Other indirect employee costs | 10,146 | 9,787 |
| Total | 101,452 | 94,367 |

Employee benefits of the Board of Directors and top management are disclosed in the note Related party transactions.

In Sweden and the Netherlands a part of the pension arrangements are multi-employer defined benefit plans, which are secured through an insurance. The plans pool the assets contributed by various entities that are not under common control. The assets provide benefits to employees of more than one entity. Sufficient information for the calculation of obligations and asset by employer is not available from the insurers. Therefore, these plans are treated in accounting as defined contribution plans. Total amount paid to the insurer in 2015 in Sweden is EUR 1,131 thousand (2014: EUR 1,116 thousand) and in the Netherlands EUR 414 thousand (2014: EUR 377 thousand).

13 AUDIT FEES

| EUR 1,000 | 2015 | 2014 |
|--------------------------------|------------|------------|
| PricewaterhouseCoopers: | | |
| Auditing | 68 | 61 |
| Other services | 55 | 33 |
| Other auditors: | | |
| Auditing | 30 | 23 |
| Other services | 6 | 7 |
| Total | 159 | 123 |

14 FINANCIAL INCOME

| EUR 1,000 | 2015 | 2014 |
|--|------------|------------|
| Dividend income from others | 0 | 1 |
| Dividend income from assets available-for-sale | 9 | 8 |
| Interest income from loans and other receivables | 31 | 15 |
| Foreign exchange gain | 549 | 370 |
| Total | 589 | 394 |

15 FINANCIAL EXPENSES

| EUR 1,000 | 2015 | 2014 |
|---|--------------|--------------|
| Interest on borrowings | 474 | 584 |
| Leasing interest expenses | 57 | 55 |
| Foreign exchange loss | 621 | 209 |
| Loss from reversal of liability discounting | 6 | 160 |
| Other financial expenses | 92 | 75 |
| Total | 1,251 | 1,082 |

16 TRANSLATION DIFFERENCES RECOGNIZED IN INCOME STATEMENT

| EUR 1,000 | 2015 | 2014 |
|--|------------|------------|
| Foreign exchange gain included in financial income | 549 | 370 |
| Foreign exchange loss included in financial expenses | -621 | -209 |
| Total | -71 | 161 |

17 INCOME TAXES

| EUR 1,000 | 2015 | 2014 |
|---|---------------|---------------|
| Tax on income from operations | -1,829 | -1,315 |
| Tax corrections for previous accounting periods | -95 | 66 |
| Change in deferred tax asset | 51 | 12 |
| Change in deferred tax liability | 128 | 216 |
| Total | -1,744 | -1,020 |

Reconciliation between income taxes in the income statement and the theoretical amount of tax that would arise using the Group's domestic tax rate (2015: 20.0%, 2014: 20.0%).

| EUR 1,000 | 2015 | 2014 |
|---|---------------|---------------|
| Accounting profit before tax | 7,933 | 7,168 |
| Income tax expense | | |
| Mathematical tax based on parent company's tax rate | -1,587 | -1,434 |
| Differences (net) | | |
| Effect of different tax rates in group companies | 23 | -56 |
| Taxes recognised at the Group level on loss for the period | -51 | -104 |
| Calculated tax based on non-deductible items on unit's tax rate | -49 | -178 |
| Calculated tax based on non-taxable items on unit's tax rate | 27 | 494 |
| Tax corrections for previous accounting periods | -95 | 66 |
| Use of previously unrecognized tax on confirmed losses | 66 | 198 |
| Unrecognized tax on loss for the period | -66 | -4 |
| Other tax difference | -14 | -2 |
| Income tax expense | -1,744 | -1,020 |

| EUR 1,000 | 2015 | | | 2014 | | |
|---|-------------------|-----------------|------------------|-------------------|-----------------|------------------|
| Tax charge (-) / credit (+) relating to components of other comprehensive income | Tax charge | | | Tax charge | | |
| | Before tax | / credit | After tax | Before tax | / credit | After tax |
| Change in fair value of investments available-for-sale | 43 | -9 | 35 | 1 | 0 | 1 |
| Foreign subsidiary net investment hedges | -41 | 8 | -33 | 154 | -31 | 123 |
| Currency translation differences | 650 | 0 | 650 | -1,599 | 0 | -1,599 |
| Other comprehensive income for the year, net of tax | 652 | 0 | 652 | -1,444 | -31 | -1,475 |

18 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the financial year attributable to equity holders of the Parent Company by the weighted average number of externally owned shares during the financial year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to reflect the conversion of all dilutive effect ordinary shares.

| | 2015 | 2014 |
|---|-------------|-------------|
| Profit for the financial year (EUR 1,000) | 6,189 | 6,147 |
| Non-controlling interest (EUR 1,000) | -67 | -218 |
| Profit attributable to equity holders of the Parent Company (EUR 1,000) | 6,122 | 5,930 |
| Weighted average number of shares (1,000 pcs) | 20,032 | 19,753 |
| Basic earnings per share (EUR/share) | 0.31 | 0.30 |
| The diluted weighted average number of shares for the calculation of earnings per share | 20,032 | 19,753 |
| Diluted earnings per share (EUR/share) | 0.31 | 0.30 |

19 TANGIBLE ASSETS

Tangible assets 2015

| EUR 1,000 | Land and water | Machinery and equipment | Machinery and equipment, finance lease | Other tangible assets | Total |
|--|----------------|-------------------------|--|-----------------------|--------------|
| Acquisition cost at 1.1. | 19 | 10,434 | 6,133 | 414 | 17,000 |
| Translation difference | 0 | 105 | 16 | 3 | 124 |
| Acquisition of subsidiaries | 0 | 928 | 0 | 378 | 1,306 |
| Additions | 0 | 286 | 882 | 36 | 1,205 |
| Reclassifications between items | 0 | 8 | 0 | 0 | 8 |
| Disposals | 0 | 0 | -9 | 0 | -9 |
| Acquisition cost 31.12. | 19 | 11,760 | 7,022 | 832 | 19,633 |
| Cumulative depreciation 1.1. | 0 | -9,661 | -5,147 | -326 | -15,134 |
| Translation difference | 0 | -88 | -11 | -1 | -100 |
| Cumulative depreciation on acquisitions | 0 | -842 | 0 | -359 | -1,200 |
| Cumulative depreciation on disposals | 0 | 0 | 9 | 0 | 9 |
| Cumulative depreciation on reclassifications | 0 | -7 | 0 | 0 | -7 |
| Depreciation for the financial period | 0 | -313 | -683 | -27 | -1,022 |
| Cumulative depreciation 31.12. | 0 | -10,910 | -5,832 | -713 | -17,454 |
| Book value 31.12.2015 | 19 | 850 | 1,191 | 119 | 2,179 |

Tangible assets 2014

| EUR 1,000 | Land and water | Machinery and equipment | Machinery and equipment, finance lease | Other tangible assets | Total |
|--|----------------|-------------------------|--|-----------------------|--------------|
| Acquisition cost at 1.1. | 19 | 10,327 | 5,317 | 918 | 16,581 |
| Translation difference | 0 | -74 | -33 | 0 | -107 |
| Acquisition of subsidiaries | 0 | 0 | 0 | 8 | 8 |
| Additions | 0 | 350 | 859 | 42 | 1,250 |
| Reclassifications between items | 0 | -12 | 0 | 12 | 0 |
| Disposals | 0 | -157 | -9 | -567 | -732 |
| Acquisition cost 31.12. | 19 | 10,434 | 6,133 | 414 | 17,000 |
| Cumulative depreciation 1.1. | 0 | -9,681 | -4,561 | -297 | -14,538 |
| Translation difference | 0 | 91 | 23 | 0 | 115 |
| Cumulative depreciation on disposals | 0 | 145 | 9 | 0 | 154 |
| Cumulative depreciation on reclassifications | 0 | 12 | 0 | -12 | 0 |
| Depreciation for the financial period | 0 | -229 | -618 | -17 | -864 |
| Cumulative depreciation 31.12. | 0 | -9,661 | -5,147 | -326 | -15,134 |
| Book value 31.12.2014 | 19 | 772 | 987 | 88 | 1,866 |

20 INTANGIBLE ASSETS

Intangible assets 2015

| EUR 1,000 | Intangible rights | Internally created intangible assets | Other intangible assets | Other intangible assets, finance lease | Advance payments | Total |
|---|-------------------|--------------------------------------|-------------------------|--|------------------|--------------|
| Acquisition cost at 1.1. | 8,729 | 1,588 | 5,696 | 1,573 | 0 | 17,585 |
| Translation difference | 43 | 0 | 45 | 5 | 0 | 93 |
| Acquisition of subsidiaries | 1,616 | 0 | 3,870 | 0 | 0 | 5,485 |
| Additions | 872 | 211 | 0 | 431 | 106 | 1,621 |
| Reclassifications between items | -48 | 0 | 0 | 0 | 0 | -48 |
| Disposals | 0 | 0 | 0 | -9 | 0 | -9 |
| Acquisition cost 31.12. | 11,212 | 1,799 | 9,610 | 2,000 | 106 | 24,728 |
| Cumulative amortization 1.1. | -7,448 | -837 | -2,208 | -1,216 | 0 | -11,710 |
| Translation difference | -32 | 0 | -20 | -4 | 0 | -57 |
| Cumulative amortization on acquisitions | -1,459 | 0 | 0 | 0 | 0 | -1,459 |
| Amortization for the financial period | -546 | -293 | -947 | -299 | 0 | -2,085 |
| Cumulative amortization 31.12. | -9,485 | -1,130 | -3,176 | -1,519 | 0 | -15,311 |
| Book value 31.12.2015 | 1,727 | 669 | 6,435 | 481 | 106 | 9,418 |

Intangible assets 2014

| EUR 1,000 | Intangible rights | Internally created intangible assets | Other intangible assets | Other intangible assets, finance lease | Advance payments | Total |
|---------------------------------------|-------------------|--------------------------------------|-------------------------|--|------------------|--------------|
| Acquisition cost at 1.1. | 8,469 | 1,398 | 4,512 | 1,429 | 0 | 15,808 |
| Translation difference | 24 | 0 | 28 | -12 | 0 | 40 |
| Acquisition of subsidiaries | 108 | 0 | 1,155 | 0 | 0 | 1,263 |
| Additions | 320 | 68 | 0 | 157 | 0 | 545 |
| Disposals | -122 | 122 | 0 | 0 | 0 | 0 |
| Reclassifications between items | -71 | 0 | 0 | 0 | 0 | -71 |
| Acquisition cost 31.12. | 8,729 | 1,588 | 5,696 | 1,573 | 0 | 17,585 |
| Cumulative amortization 1.1. | -7,004 | -572 | -1,378 | -960 | 0 | -9,914 |
| Translation difference | -17 | 0 | -21 | 11 | 0 | -27 |
| Amortization for the financial period | -427 | -265 | -809 | -267 | 0 | -1,769 |
| Cumulative amortization 31.12. | -7,448 | -837 | -2,208 | -1,216 | 0 | -11,710 |
| Book value 31.12.2014 | 1,281 | 751 | 3,488 | 357 | 0 | 5,876 |

21 GOODWILL

GOODWILL 2015

EUR 1,000

| | |
|--------------------------|--------|
| Acquisition cost at 1.1. | 38,642 |
| Translation difference | 642 |
| Additions | 3,449 |
| Acquisition cost 31.12. | 42,734 |

Book value 31.12.2015 **42,734**

GOODWILL 2014

EUR 1,000

| | |
|--------------------------|--------|
| Acquisition cost at 1.1. | 39,131 |
| Translation difference | -1,169 |
| Additions | 680 |
| Acquisition cost 31.12. | 38,642 |

Book value 31.12.2014 **38,642**

22 INVESTMENTS AVAILABLE-FOR-SALE

INVESTMENTS AVAILABLE-FOR-SALE 2015

| EUR 1,000 | 2015 | 2014 |
|--------------------------------|------------|------------|
| Acquisition cost 1.1. | 642 | 641 |
| Fair value adjustments | 43 | 1 |
| Additions | 2 | 0 |
| Acquisition cost 31.12. | 687 | 642 |

23 IMPAIRMENT TESTING

Goodwill is allocated to cash-generating units for determination of impairment. In impairment testing the recoverable amount is defined as value-in-use. The impairment test has been done in Q4 after budgets for 2016 were done and is based on goodwill as per September 30, 2015. Cash flows before tax are based on budget figures for year one and financials approved by management for a next five-year period. It is based on management assessment of the market demand and environment, which are examined against external information sources. When defining the cash flow, attention is paid on anticipated price and margin development, costs, net working capital and investment needs. Management determined these based on past performance and its expectations of market development.

Key assumptions used for value-in-use calculations

| | 2015 | 2014 |
|--------------------------------------|-------|-------|
| Aggregate growth percentage year 2-5 | | |
| Finland | 1.0% | 2.0% |
| Sweden | 2.0% | 2.0% |
| China | 5.0% | 15.0% |
| The Netherlands | 1.0% | 2.0% |
| Growth rate after 5 years | 1.0% | 1.0% |
| Discount rate | | |
| Finland | 9.2% | 6.7% |
| Sweden | 9.3% | 6.7% |
| China | 12.6% | 9.3% |
| The Netherlands | 9.8% | 6.7% |

The recoverable amount is compared with the book value of the cash-generating unit. An impairment loss is booked as cost in the income statement, if the recoverable amount is lower than the book value. No impairment loss has been booked during the financial year.

The discount rate is determined based on the weighted average cost of capital (WACC) that depicts the overall costs of shareholders' equity and liabilities. The discount rate applied to cash flow projections is the weighted average pre-tax cost of capital. The discount rate is based on the weighted average of 10-30 year government bond rates in the countries where the CGUs operate. The bond rates are adjusted for the general market risk and the business risk of the CGUs. In 2014 the discount rate was calculated post-tax.

Impairment testing has been executed for the CGUs in which Group's goodwill has been allocated. Basis for allocating goodwill is the lowest level where the goodwill is monitored for internal purposes, but no larger than any operating segment.

Cash Generating Units (CGUs) where goodwill has been allocated for 2014:

| EUR 1,000,000 | 2014 |
|-----------------|-------------|
| Sweden | 23.9 |
| Finland | 10.0 |
| China | 2.1 |
| The Netherlands | 3.6 |
| Total | 39.6 |

Cash Generating Units (CGUs) where goodwill has been allocated for 2015:

| EUR 1,000,000 | 2015 |
|-----------------|-------------|
| Sweden | 23.1 |
| Finland | 14.4 |
| China | 2.1 |
| The Netherlands | 2.7 |
| Total | 42.3 |

Sensitivity analysis

According to impairment testing in 2014 the recoverable amounts exceeded the carrying amounts as follows:

| EUR 1,000,000 | 2014 |
|-----------------|--------------|
| Sweden | 6.5 |
| Finland | 87.2 |
| China | 12.2 |
| The Netherlands | 10.3 |
| Total | 116.1 |

According to impairment testing in 2015 the recoverable amounts exceeded the carrying amounts as follows:

| EUR 1,000,000 | 2015 |
|-----------------|-------------|
| Sweden | 1.1 |
| Finland | 85.0 |
| China | 1.6 |
| The Netherlands | 5.0 |
| Total | 92.7 |

In connection with impairment testing sensitivity analyses have been performed using the following variables:

- 0-growth in net sales
- Decrease of profitability (EBIT) by 4 percentage points
- Increase of discount rate by 4 percentage points

A decrease in operating profit by 4 percentage points would lead to an impairment loss booking of EUR 17.3 million in Sweden and an impairment loss booking of EUR 0.2 million in China. An increase of discount rate by 4 percentage points would lead to an impairment loss booking of EUR 7.5 million in Sweden. 0-growth in net sales would lead to an impairment loss booking of EUR 2.5 million in Sweden. According to management understanding re-valuation of the variables used in the sensitivity analysis would not lead to impairment losses in other cash-generating units.

The recoverable amount in Sweden, EUR 27.1 million, is EUR 1.1 million above the carrying amount, and an increase in the WACC of 0.5 percentage points or negative change in growth

in years 2-5 with 1.3 percentage points or negative change in EBIT% with 0.3 percentage points would result in the recoverable amount being equal to the carrying amount. The recoverable amount in China, EUR 5.1 million, is EUR 1.6 million above the carrying amount, and a negative change in EBIT% with 3.5 percentage points would result in the recoverable amount being equal to the carrying amount. In the other CGUs the surplus between the recoverable amount and the carrying amount is substantial, and any likely change in the three parameters isolated would not result in the recoverable amount being equal to the carrying amount

24 TRADE AND OTHER RECEIVABLES

| EUR 1,000 | 2015 | 2014 |
|---|---------------|---------------|
| Trade receivables | 21,322 | 17,367 |
| Allowances for doubtful trade receivables | -302 | -206 |
| Other receivables | 406 | 380 |
| Prepayments and accrued income | 6,871 | 7,902 |
| Total | 28,296 | 25,442 |

Main items included in prepayments and accrued income

| | | |
|--|--------------|--------------|
| Accruals of personnel expenses | 9 | 28 |
| Prepaid office rents | 213 | 231 |
| Prepaid leasing | 53 | 44 |
| Other prepayments and accrued income on sales | 5,449 | 7,022 |
| Other prepayments and accrued income on expenses | 1,146 | 577 |
| Total | 6,871 | 7,902 |

| EUR 1,000 | 2015 | 2014 |
|---|---------------|---------------|
| Ageing analysis of trade receivables | | |
| Not due | 18,367 | 14,569 |
| Due 1 to 30 days | 2,082 | 2,121 |
| Due 31 to 60 days | 312 | 192 |
| Due 61 to 90 days | 69 | 46 |
| Due 91 to 120 days | 27 | 49 |
| Due more than 120 days | 464 | 391 |
| Total | 21,322 | 17,367 |

Ageing analysis of allowance for doubtful trade receivables

| | | |
|------------------------|-------------|-------------|
| Due 31 to 60 days | 0 | 0 |
| Due more than 120 days | -302 | -206 |
| Total | -302 | -206 |

| EUR 1,000 | 2015 | 2014 |
|--|---------------|---------------|
| Movements on the Group provision for impairment of trade receivables are: | | |
| 1.1. | -206 | -199 |
| Provision for impairment of receivables, decrease (+) / increase (-) | -96 | -7 |
| 31.12. | -302 | -206 |
| Analysis of receivables by currency | | |
| EUR | 18,335 | 15,768 |
| SEK | 8,240 | 7,936 |
| CNY | 1,597 | 1,686 |
| Other currencies | 125 | 51 |
| Total | 28,296 | 25,442 |

25 CURRENT TAX ASSETS

| EUR 1,000 | 2015 | 2014 |
|--------------------|------|------|
| Accrued income tax | 177 | 321 |

26 CASH AND CASH EQUIVALENTS

| EUR 1,000 | 2015 | 2014 |
|------------------------|--------------|--------------|
| Bank accounts and cash | 8,807 | 2,575 |
| Total | 8,807 | 2,575 |

Cash and cash equivalents in the balance sheet correspond with the financial assets in the Consolidated Statement of Cash Flows.

27 EQUITY

Shareholder's equity

Shareholders' equity consists of share capital, share premium account, unrestricted equity fund, own shares, cumulative translation adjustment, other reserves, retained earnings and non-controlling interest. Translation differences contains translation differences arising from the conversion of financial statements of foreign units and the foreign subsidiary net investment hedge. Other reserves include the fair value reserve, which consists of fair value adjustments of available-for-sale assets amounting to EUR 225 thousand (2014: EUR 190 thousand).

Shares and share capital

The fully paid and registered share capital of the Company at the end of the financial year was EUR 5,000,000 and number of

shares was 20,665,559 (2014: 20,179,414). No changes in share capital occurred during financial year. In connection to business combinations the Company issued 486,145 shares by a directed share issue. The Company has one series of shares. Each share entitles its holder to one vote in the shareholders' meeting and gives an equal right to dividends.

Shares are listed on Nasdaq Helsinki Ltd under the ETT1V ticker. The share has no nominal value and there is no maximum number of shares. All issued shares are fully paid. The number of company-held shares at the end of the financial year was 324,283 (2014: 308,886).

The Board of Directors' authorization to acquire and dispose own shares and to increase the share capital through a rights issue is disclosed in the section Shares and shareholders.

The Board of Directors has proposed to the Annual General Meeting a dividend of EUR 0.15 to be paid for the financial year 2015.

28 SHARE-BASED PAYMENTS

The Board of Directors of Etteplan Oyj decided on February 12, 2014 on a new share-based incentive plan for the Company's President and CEO. The new Restricted Stock Plan includes one three year vesting period. The potential reward of the Plan is bound to the validity of the CEO's service. The reward from the vesting period will be paid partly in the Company's shares and partly in cash in February 2017. The reward to be paid on the basis of the Restricted Stock Plan 2014 will amount up to a maximum total of 25,000 Etteplan Oyj shares. In addition, the Company will pay taxes and tax-related costs arising from the reward to the CEO.

The Board of Directors of Etteplan Oyj decided on June 3, 2014 to establish a new share-based incentive plan for the Group key personnel. The Plan includes one earning period which includes calendar years 2014, 2015 and 2016. The earnings criteria are Etteplan Group's revenue increase and the development of Total Shareholder Return (TSR). Approximately 15 people belong to the target group of the Plan. The rewards to be paid on the basis of the plan will correspond to the value of an approximate maximum total of 450,000 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.

Staff costs include equity-settled and cash-settled cash-based payments:

| EUR 1,000 | 2015 | 2014 |
|--|------------|------------|
| Settled in equity in future | 38 | 252 |
| Total | 38 | 252 |
| Settled in cash in future, taxes and tax-like payments | 216 | 267 |
| Total | 216 | 267 |

29 BORROWINGS

| EUR 1,000 | 2015 | 2014 |
|-----------------------------------|--------------|--------------|
| Non-current | | |
| Loans from financial institutions | 7,514 | 8,434 |
| Finance lease liabilities | 782 | 703 |
| Total | 8,296 | 9,137 |

Analysis by currency

| | | |
|--------------|--------------|--------------|
| EUR | 8,122 | 7,265 |
| SEK | 120 | 1,808 |
| CNY | 54 | 63 |
| Total | 8,296 | 9,137 |

| EUR 1,000 | 2015 | 2014 |
|-----------------------------------|---------------|--------------|
| Current | | |
| Loans from financial institutions | 13,978 | 8,977 |
| Finance lease liabilities | 947 | 705 |
| Total | 14,925 | 9,681 |

Analysis by currency

| | | |
|--------------|---------------|--------------|
| EUR | 9,175 | 6,557 |
| SEK | 2,019 | 652 |
| CNY | 3,731 | 2,472 |
| Total | 14,925 | 9,681 |

30 DUE DATES OF THE FINANCIAL LEASING LIABILITIES

| EUR 1,000 | 2015 | 2014 |
|--|--------------|--------------|
| Minimum lease payments | | |
| Within a year | 1,186 | 883 |
| More than one year, but not more than five years | 948 | 824 |
| More than five years | 0 | 0 |
| Total | 2,134 | 1,707 |
| Future financing cost | -53 | -57 |
| Present value | 2,081 | 1,651 |

Present value aging

| | | |
|---|--------------|--------------|
| Within a year | 1,145 | 843 |
| More than one year, but not more than 5 years | 936 | 808 |
| Total | 2,081 | 1,651 |

The average interest rate of the finance lease agreements in year 2015 was 3.1% (2014: 3.8%).

31 OTHER NON-CURRENT LIABILITIES

| EUR 1,000 | 2015 | 2014 |
|-------------------------------|-----------|-----------|
| Liability from acquisition | 30 | 0 |
| Pension liabilities | 66 | 57 |
| Other non-current liabilities | -5 | 0 |
| Total | 92 | 57 |

Analysis by currency

| | | |
|--------------|-----------|-----------|
| EUR | 43 | 15 |
| SEK | 49 | 41 |
| Total | 92 | 57 |

32 TRADE AND OTHER PAYABLES

| EUR 1,000 | 2015 | 2014 |
|---------------------------------------|---------------|---------------|
| Advances received | 171 | 366 |
| Advances received, long-term projects | 853 | 2,362 |
| Trade payables to others | 4,993 | 3,034 |
| Accrued expenses | 17,405 | 14,390 |
| Tax payables | 4,349 | 3,943 |
| Liability from acquisition | 1,015 | 434 |
| Other payables | 3,114 | 2,138 |
| Total | 31,901 | 26,666 |

Main items included in accrued expenses

| | | |
|---------------------------|---------------|---------------|
| Interest liabilities | 34 | 34 |
| Accrued employee expenses | 16,738 | 13,734 |
| Other accrued expenses | 633 | 622 |
| Total | 17,405 | 14,390 |

Analysis by currency

| | | |
|--------------|---------------|---------------|
| EUR | 24,141 | 19,038 |
| SEK | 6,844 | 6,720 |
| CNY | 904 | 940 |
| Other | 12 | -32 |
| Total | 31,901 | 26,666 |

33 CURRENT INCOME TAX LIABILITIES

| EUR 1,000 | 2015 | 2014 |
|----------------------|------|------|
| Income tax liability | 927 | 94 |

34 DEFERRED TAXES

DEFERRED TAXES 2015

Deferred tax assets 2015

| EUR 1,000 | 1.1.2015 | Translation difference | In income statement | In equity | Acquisitions | Reclassifications | 31.12.2015 |
|--------------------------|------------|------------------------|---------------------|-----------|--------------|-------------------|------------|
| Confirmed loss | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other timing differences | 110 | 0 | 51 | 0 | 0 | 0 | 161 |
| Total | 110 | 0 | 51 | 0 | 0 | 0 | 161 |

Deferred tax liabilities

| EUR 1,000 | 1.1.2015 | Translation difference | In income statement | In equity | Acquisitions | Reclassifications | 31.12.2015 |
|---|--------------|------------------------|---------------------|-----------|--------------|-------------------|--------------|
| Discretionary provisions | 118 | 3 | 92 | 1 | 1 | 0 | 215 |
| Intangible assets recognized in business combinations | 841 | 5 | -227 | 0 | 784 | 0 | 1,404 |
| Other timing differences | 127 | 0 | 9 | 0 | 0 | 0 | 135 |
| Total | 1,086 | 8 | -126 | 1 | 785 | 0 | 1,754 |

DEFERRED TAXES 2014

Deferred tax assets 2014

| EUR 1,000 | 1.1.2014 | Translation difference | In income statement | In equity | Acquisitions | Reclassifications | 31.12.2014 |
|--------------------------|------------|------------------------|---------------------|-----------|--------------|-------------------|------------|
| Confirmed loss | 92 | -2 | -89 | 0 | 0 | 0 | 0 |
| Other timing differences | 8 | 0 | 102 | 0 | 0 | 0 | 110 |
| Total | 100 | -3 | 12 | 0 | 0 | 0 | 110 |

Deferred tax liabilities

| EUR 1,000 | 1.1.2014 | Translation difference | In income statement | In equity | Acquisitions | Reclassifications | 31.12.2014 |
|---|--------------|------------------------|---------------------|-----------|--------------|-------------------|--------------|
| Discretionary provisions | 119 | 6 | -14 | 0 | 0 | 7 | 118 |
| Intangible assets recognized in business combinations | 767 | 2 | -172 | -2 | 230 | 17 | 841 |
| Other timing differences | 123 | 0 | 28 | 0 | 0 | -24 | 127 |
| Total | 1,010 | 8 | -159 | -1 | 230 | 0 | 1,086 |

At December 31, 2015 the Group had gross losses carried forward of EUR 1,239 thousand (2014: EUR 1,407 thousand) of which a deferred tax asset has not been recognized. These losses have no expiry date.

35 OTHER NON-CURRENT RECEIVABLES

| EUR 1,000 | 2015 | 2014 |
|---------------------------------------|-----------|----------|
| Receivables from pension arrangements | 54 | 0 |
| Total | 54 | 0 |

36 PLEDGES, MORTGAGES AND GUARANTEES

| EUR 1,000 | 2015 | 2014 |
|----------------------------|--------------|--------------|
| For own debts | | |
| Business mortgages | 320 | 320 |
| Pledged shares | 120 | 120 |
| Other contingencies | 104 | 50 |
| Leasing liabilities | | |
| For payment under one year | 1,685 | 1,450 |
| For payment 1-5 years | 1,544 | 1,527 |
| Total | 3,773 | 3,467 |

37 RELATED-PARTY TRANSACTIONS

In addition to the associated companies the Group's related-party includes such persons that have control, joint control or significant influence over the Group. Also the Group's key personnel, that is, the members of the Board of Directors and Management Group including the CEO are included in the related-party. Companies in control or joint control of the before mentioned persons are considered as other related parties. The ultimate controlling party Ingman Group Oy Ab and its group companies are also included in related-parties.

Related-party transactions are priced according to Group's normal pricing basis and sales conditions.

Group companies 31.12.2015

| Company | Domicile | Group's holding |
|--|----------------------------|-----------------|
| Parent company Etteplan Oyj | Vantaa, Finland | |
| Etteplan Design Center Oy | Hollola, Finland | 100% |
| SAV Oy Länsi-Suomi | Pori, Finland | 100% |
| Satakunnan Insinöörikeskus Oy | Pori, Finland | 100% |
| SAV Oy Itä-Suomi | Siilinjärvi, Finland | 100% |
| SAV Oy Kaakkois-Suomi | Kouvola, Finland | 100% |
| SAV Oy Pohjois-Suomi | Kemi, Finland | 100% |
| Etteplan Sweden AB | Västerås, Sweden | 100% |
| Etteplan Vataple Technology Centre, Ltd | Kunshan, China | 70% |
| Etteplan Consulting (Shanghai) Co., Ltd. | Shanghai, China | 100% |
| Etteplan B.V. | Eindhoven, the Netherlands | 100% |
| Etteplan Netherlands B.V. | Eindhoven, the Netherlands | 100% |
| Etteplan Deutschland GmbH | Köln, Germany | 100% |
| Etteplan Tedopres Inc. | Austin, USA | 100% |

The following Group companies have been merged in 2015:

| | Domicile | Merged to |
|--------------------|-------------------|----------------------|
| ProAvia Konsult AB | Stockholm, Sweden | Etteplan Industry AB |

The following Group companies have been liquidated in 2015:

| | Domicile |
|----------------------------------|-----------|
| Etteplan Tedopres Asia PTE, Ltd. | Singapore |

The following transactions were carried out with related parties:

| EUR 1,000 | 2015 | 2014 |
|--|-----------|----------|
| Sales of goods and services to related parties | | |
| Other related parties | 36 | 0 |
| Total | 36 | 0 |

| EUR 1,000 | 2015 | 2014 |
|--|-----------|----------|
| Purchases of goods and services from related parties | | |
| Other related parties | 36 | 0 |
| Total | 36 | 0 |

Key management compensation

Key management of Etteplan Oyj includes the Board of Directors, CEO and the Management Group.

Salaries, fees and fringe benefits paid

| EUR 1,000 | 2015 | 2014 |
|--|--------------|--------------|
| Members of the Board | | |
| Robert Ingman, Chairman of the Board | 58 | 54 |
| Tapio Hakakari, until Mar 26, 2014 | 0 | 8 |
| Heikki Hornborg, until Mar 26, 2014 | 0 | 8 |
| Matti Huttunen, Mar 27, 2015 onwards | 22 | 0 |
| Pertti Nupponen | 29 | 27 |
| Teuvo Rintamäki | 29 | 25 |
| Leena Saarinen | 30 | 30 |
| Patrick von Essen, Mar 26, 2014 onwards | 29 | 19 |
| | 198 | 171 |
| CEO and other members of the Management Group | | |
| Juha Näkki, salaries and fees paid | 415 | 252 |
| Juha Näkki, statutory pension costs | 69 | 42 |
| Other members of the Management Group | 1,020 | 822 |
| Total | 1,702 | 1,287 |

The Annual General Meeting annually resolves the remuneration for the members of the Board of Directors.

Stock options to the key management

Stock options have not been granted to the Company's management during 2015.

Information on key management holdings

| 1,000 pcs | Shares 31.12.2015 |
|---|----------------------|
| Juha Näkki, President and CEO | 12 |
| Robert Ingman, Chairman of the Board | 13,680 |
| Per-Anders Gådin, member of the Management Group | 3 |
| Petri Ikonen, member of the Management Group | 1 |
| Veikko Lamminen, member of the Management Group | 2 |
| Outi-Maria Liedes, member of the Management Group | 0 |
| Pertti Nupponen, member of the Board | 0 |
| Riku Riikonen, member of the Management Group | 3 |
| Teuvo Rintamäki, member of the Board | 0 |
| Leena Saarinen, member of the Board | 0 |
| Mikael Vatn, member of Management Group | 4 |
| Patrick von Essen, member of the Board | 0 |
| Yhteensä | 13,705 |

38 EVENTS AFTER THE BALANCE SHEET DATE

Etteplan strengthened its position as a technical documentation service provider in the Central European market and started business operations in Germany by signing an acquisition agreement with the German company arvato AG, a Bertelsmann Group company. The acquired business and shares include technical documentation services in Germany and the Netherlands. The acquisition was completed on December 31, 2015, and the business operations and personnel of the companies were transferred to Etteplan on January 1, 2016. Etteplan and arvato AG agreed on strategic cooperation as part of the transaction.

39 KEY FIGURES FOR FINANCIAL TRENDS

| EUR 1,000 financial period 1.1.-31.12. | 2015 IFRS | 2014 IFRS | 2013 IFRS |
|--|----------------------|----------------------|----------------------|
| Revenue | 141,143 | 131,916 | 128,647 |
| Change in revenue, % | 7.0 | 2.5 | -4.3 |
| EBIT from business operations* | 9,540 | 7,394 | 6,280 |
| % of revenue | 6.8 | 5.6 | 4.9 |
| Operating profit (EBIT) | 8,594 | 7,856 | 6,366 |
| % of revenue | 6.1 | 6.0 | 4.9 |
| Profit before taxes and non-controlling interest | 7,933 | 7,168 | 5,672 |
| % of revenue | 5.6 | 5.4 | 4.4 |
| Profit for the financial year | 6,189 | 6,147 | 4,390 |
| Return on equity, % | 19.5 | 22.7 | 17.5 |
| ROCE, % | 17.4 | 17.8 | 14.6 |
| Equity ratio, % | 37.8 | 39.5 | 35.9 |
| Gross investments | 9,867 | 3,565 | 2,344 |
| % of revenue | 7.0 | 2.7 | 1.8 |
| Net gearing, % | 41.6 | 56.5 | 73.4 |
| Personnel, average | 1,948 | 1,813 | 1,736 |
| Personnel at year end | 2,074 | 1,859 | 1,728 |
| Wages and salaries | 101,452 | 94,367 | 70,363 |

* EBIT excluding acquisition related items such as amortization on PPA allocations and earn out revaluations.

40 KEY FIGURES FOR SHARES

| Financial period 1.1.-31.12. | 2015 IFRS | 2014 IFRS | 2013 IFRS |
|--|----------------------|----------------------|----------------------|
| Earnings per share, EUR | 0.31 | 0.30 | 0.22 |
| Equity per share, EUR | 1.73 | 1.45 | 1.31 |
| Dividend per share, EUR (Proposal by the Board of Directors) | 0.15 | 0.15 | 0.11 |
| Dividend per earnings per share, % | 48 | 50 | 50 |
| Effective dividend return, % | 3.1 | 4.9 | 3.5 |
| P/E-ratio, EUR | 15.8 | 10.1 | 14.2 |
| Share price, EUR | | | |
| lowest | 3.00 | 2.91 | 2.69 |
| highest | 4.93 | 3.34 | 3.54 |
| average for the year | 4.11 | 3.17 | 3.13 |
| Market capitalization, EUR 1,000 | 99,672 | 60,406 | 61,717 |
| Number of shares traded, 1,000 pcs | 1,033 | 614 | 9,406 |
| Percentage of shares traded | 5 | 3 | 48 |
| Adjusted average number of shares during the financial year, 1,000 pcs | 20,032 | 19,753 | 19,718 |
| Adjusted average number of shares at year end, 1,000 pcs | 20,341 | 19,871 | 19,718 |

FORMULAS FOR THE KEY FIGURES

| | | |
|--|---|---|
| Organic growth | = | $\frac{(\text{Revenue current period} - \text{revenue comparison period} - \text{revenue from acquiree current period}) \times 100}{\text{Revenue comparison period}}$ |
| EBIT from business operations | = | Operating profit (EBIT) + amortization on PPA allocations - earn out revaluation items |
| Return on equity (ROE) | = | $\frac{(\text{Profit before taxes and non-controlling interest} - \text{taxes}) \times 100}{(\text{Shareholders' equity} + \text{non-controlling interest}) \text{ average}}$ |
| Return on capital employed (ROCE), before taxes | = | $\frac{(\text{Profit before taxes and non-controlling interest} + \text{interest and other financial expenses}) \times 100}{(\text{Balance sheet total} - \text{non-interest bearing debts}) \text{ average}}$ |
| Equity ratio, % | = | $\frac{(\text{Shareholders' equity} + \text{non-controlling interest}) \times 100}{\text{Balance sheet total} - \text{advances received}}$ |
| Net gearing, % | = | $\frac{(\text{Interest-bearing debts} - \text{cash and cash equivalents and marketable securities}) \times 100}{\text{Shareholders' equity} + \text{non-controlling interest}}$ |
| Earnings per share | = | $\frac{(\text{Profit before taxes and non-controlling interest} - \text{taxes} - \text{non-controlling interest})}{\text{Adjusted average number of shares during the financial year}}$ |
| Equity per share | = | $\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial year}}$ |
| Dividend per share | = | $\frac{\text{Dividend for year}}{\text{Adjusted number of shares during the financial year}}$ |
| Dividend as percentage of earnings | = | $\frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$ |
| Effective dividend yield, % | = | $\frac{\text{Dividend per share} \times 100}{\text{Adjusted last traded share price}}$ |
| Price/earnings ratio (P/E) | = | $\frac{\text{Adjusted last traded share price}}{\text{Earnings per share}}$ |
| Share price trend | = | For each financial year, the adjusted low and high actual traded prices are given as well as the average price for the financial year adjusted for share issues. Average price = $\frac{\text{Total turnover of shares in euros}}{\text{Number of shares traded during the financial year}}$ |
| Market capitalization | = | Number of outstanding shares at year-end x last traded share price of year |
| Trend in share turnover, in volume and percentage figures | = | The trend in turnover of shares is given as the number of shares traded during the financial year and as the percentage of traded shares relative to issued stock during the year. |

PARENT COMPANY'S INCOME STATEMENT

| EUR 1,000 | Note | 1.1.-31.12.2015 | 1.1.-31.12.2014 |
|--|-------|-----------------|-----------------|
| | | FAS | FAS |
| Revenue | 1 | 6,639 | 6,243 |
| Other operating income | 2 | 41 | 37 |
| Staff costs | 3 | -2,597 | -2,679 |
| Depreciation and amortization | 11,12 | -403 | -328 |
| Other operating expenses | 5 | -4,776 | -5,531 |
| Operating profit/loss | | -1,095 | -2,258 |
| Financial income and expenses | 6,7 | -441 | 41 |
| Profit/loss before extraordinary items | | -1,536 | -2,217 |
| Extraordinary items | 8 | 6,500 | 6,500 |
| Profit before appropriations and taxes | | 4,964 | 4,283 |
| Appropriations | 9 | -133 | 0 |
| Income taxes | 10 | -1,016 | -959 |
| Profit for the financial year | | 3,815 | 3,324 |

PARENT COMPANY'S BALANCE SHEET

| EUR 1,000 | Note | 1.1.-31.12.2015 | 1.1.-31.12.2014 |
|--|-------|-----------------|-----------------|
| | | FAS | FAS |
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 11 | 2,806 | 1,078 |
| Tangible assets | 12 | 37 | 44 |
| Investments | | | |
| Shares in group companies | 13 | 55,861 | 50,676 |
| Other investments | 13 | 19 | 20 |
| Investments, total | | 55,880 | 50,696 |
| Non-current assets, total | | 58,723 | 51,818 |
| Current assets | | | |
| Current receivables | 14 | 39,139 | 58,068 |
| Cash and cash equivalents | 15 | 5,958 | 389 |
| Current assets, total | | 45,097 | 58,457 |
| TOTAL ASSETS | | 103,821 | 110,274 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 16 | 5,000 | 5,000 |
| Share premium account | 16 | 6,701 | 6,701 |
| Unrestricted equity fund | 16 | 4,344 | 2,344 |
| Own Shares | 16 | -1,239 | -1,165 |
| Retained earnings | 16 | 9,960 | 9,616 |
| Net profit/loss for the financial year | 16 | 3,815 | 3,324 |
| Equity, total | | 28,581 | 25,821 |
| APPROPRIATIONS | 17 | 133 | 0 |
| Liabilities | | | |
| Non-current liabilities | 18 | 7,460 | 8,371 |
| Current liabilities | 19,20 | 67,647 | 76,083 |
| Liabilities, total | | 75,240 | 84,454 |
| TOTAL EQUITY AND LIABILITIES | | 103,821 | 110,274 |

PARENT COMPANY'S CASH FLOW STATEMENT

| EUR 1,000 | 1.1.-31.12.2015 | 1.1.-31.12.2014 |
|--|-----------------|-----------------|
| | FAS | FAS |
| OPERATING CASH FLOW | | |
| Cash receipts from customers | 6,213 | 7,692 |
| Operating expenses paid | -6,704 | -7,409 |
| Operating cash flow before financial items and taxes | -491 | 284 |
| Interest and payment paid for financial expenses | -278 | -410 |
| Dividends received | 7 | 6 |
| Income taxes paid | -938 | -1,014 |
| Operating cash flow (A) | -1,699 | -1,135 |
| INVESTING CASH FLOW | | |
| Purchase of tangible and intangible assets | -124 | -361 |
| Acquisition of subsidiaries | -4,625 | -1,572 |
| Proceeds from sale of tangible and intangible assets | 1 | 0 |
| Loans granted | -250 | 0 |
| Change of internal bank receivables | 19,749 | -8,676 |
| Investing cash flow (B) | 14,751 | -10,609 |
| FINANCING CASH FLOW | | |
| Purchase of own shares | -75 | 0 |
| Short-term loans, increase | 1,463 | 0 |
| Short-term loans, decrease | -8,440 | -3,964 |
| Change of internal bank liabilities | -13,828 | 9,846 |
| Long-term loans, increase | 10,000 | 3,000 |
| Dividend paid and other profit distribution | -2,981 | -2,169 |
| Group contribution | 6,500 | 4,600 |
| Financing cash flow (C) | -7,360 | 11,314 |
| Variation in cash (A+B+C) increase (+) / decrease (-) | 5,692 | -430 |
| Assets at the beginning of the period | 389 | 533 |
| Exchange gains or losses on cash and cash equivalents | -123 | 286 |
| Assets at the end of the period | 5,958 | 389 |

PARENT COMPANY'S ACCOUNTING POLICIES

Basis of preparation

The Financial Statements of the Parent Company, Etteplan Oyj, are prepared in accordance with Finnish accounting and company legislation (FAS).

Recognition of income

The Parent Company's accounting principles for recognition of income correspond to those applied in the Consolidated Financial Statements. Etteplan Oyj's revenue consists of software and management fees from Group companies.

Research and development expenditure

Research and development expenditure is expensed in the year in which it is incurred.

Measurement of non-current assets

Non-current assets are capitalized in the balance sheet at historical cost less depreciation according to plan and possible impairment loss. Depreciation according to plan is based on the estimated useful life of the asset. Land areas are considered to have an unlimited useful life. The useful lives of other non-current assets are:

- software 5 years
- computers 3 years
- office furniture 5 years
- renovation of premises 5 years
- goodwill 5 to 10 years

Maintenance and repair costs are expensed. Major basic improvement investments are capitalized and depreciated in the income statement over their useful life. Capital gains and losses arising on the retirement and sale of non-current assets are included either in other operating income or under expenses.

Income taxes

Taxes in the income statement include taxes based on taxable earnings for the financial period as well as corrections to taxes for previous periods. Taxes based on taxable earnings are calculated using the tax rate in force at the time of the Financial Statement.

Accumulated appropriations in the parent company

Postponed depreciations of machinery and equipment amount to a total of EUR 30 thousand. A deferred tax asset is not booked for the postponed depreciations.

Pension agreements

Pension security for the employees of the Parent Company is arranged with external pension insurance companies. Pension expenses are recorded as expenses in the year in which they are incurred.

Lease agreements

Contractual lease payments are expensed over the lease period.

NOTES TO THE INCOME STATEMENT, PARENT COMPANY

1 REVENUE

| EUR 1,000 | 2015 | 2014 |
|-----------|-------|-------|
| Finland | 6,639 | 6,243 |

Revenue consists of software and management fees from Etteplan Group companies.

2 OTHER OPERATING INCOME

| EUR 1,000 | 2015 | 2014 |
|------------------------|-----------|-----------|
| Other operating income | 41 | 37 |
| Total | 41 | 37 |

3 NUMBER OF PERSONNEL AND STAFF COSTS

| EUR 1,000 | 2015 | 2014 |
|-----------------------|------|------|
| Personnel | | |
| Personnel at year-end | 28 | 29 |
| Personnel, average | 29 | 29 |

| EUR 1,000 | 2015 | 2014 |
|--------------------------|-----------|-----------|
| Personnel by category | | |
| Administration personnel | 28 | 29 |
| Total | 28 | 29 |

| EUR 1,000 | 2015 | 2014 |
|--|--------------|--------------|
| Staff costs | | |
| Wages and salaries | 2,224 | 2,349 |
| Pension costs - defined contribution plans | 314 | 278 |
| Other indirect employee costs | 58 | 52 |
| Total | 2,597 | 2,679 |

| | | |
|---------------------------------|----|----|
| Fringe benefits (taxable value) | 35 | 38 |
|---------------------------------|----|----|

4 AUDIT FEES

| EUR 1,000 | 2015 | 2014 |
|----------------|-----------|-----------|
| Auditing | 43 | 42 |
| Other services | 51 | 14 |
| Total | 94 | 56 |

5 OTHER OPERATING EXPENSES

| EUR 1,000 | 2015 | 2014 |
|--------------------------|--------------|--------------|
| Audit fees | 94 | 56 |
| Other operating expenses | 4,682 | 5,475 |
| Total | 4,776 | 5,531 |

6 FINANCIAL INCOME

| EUR 1,000 | 2015 | 2014 |
|-----------------------------|----------|------------|
| Dividend income from others | 7 | 6 |
| Foreign exchange gain | 0 | 423 |
| Total | 8 | 429 |

7 FINANCIAL EXPENSES

| EUR 1,000 | 2015 | 2014 |
|--|------------|------------|
| Interest on borrowings from Group entities | 0 | 12 |
| Interest on borrowings from others | 264 | 364 |
| Foreign exchange loss | 172 | 11 |
| Other financial expenses | 12 | 1 |
| Total | 448 | 387 |

8 EXTRAORDINARY ITEMS

| EUR 1,000 | 2015 | 2014 |
|------------------------------|-------|-------|
| Group contributions received | 6,500 | 6,500 |

9 APPROPRIATIONS

| EUR 1,000 | 2015 | 2014 |
|---|------|------|
| Increase (-) / decrease (+) in depreciation in excess of plan | 133 | 0 |

10 INCOME TAXES

| EUR 1,000 | 2015 | 2014 |
|---|--------------|------------|
| Tax on income from operations | 1,012 | 952 |
| Tax corrections for previous accounting periods | 4 | 7 |
| Total | 1,016 | 959 |

11 INTANGIBLE ASSETS, PARENT COMPANY

Intangible assets 2015

| EUR 1,000 | Intangible rights | Goodwill | Other intangible assets | Advance payments | Total |
|---|-------------------|--------------|-------------------------|------------------|--------------|
| Acquisition cost at 1.1. | 4,149 | 500 | 153 | 0 | 4,802 |
| Additions | 8 | 2,000 | 0 | 106 | 2,114 |
| Reclassifications between items | 0 | 0 | 0 | 0 | 0 |
| Acquisition cost 31.12. | 4,157 | 2,500 | 153 | 106 | 6,916 |
| Cumulative amortization 1.1. | -3,269 | -387 | -67 | 0 | -3,724 |
| Cumulative amortization reclassifications | 0 | 0 | 0 | 0 | 0 |
| Amortization for the financial period | -286 | -79 | -22 | 0 | -386 |
| Cumulative amortization 31.12. | -3,555 | -466 | -89 | 0 | -4,110 |
| Book value 31.12.2015 | 602 | 2,034 | 64 | 106 | 2,806 |

Intangible assets 2014

| EUR 1,000 | Intangible rights | Goodwill | Other intangible assets | Advance payments | Total |
|---|-------------------|------------|-------------------------|------------------|--------------|
| Acquisition cost at 1.1. | 4,041 | 379 | 0 | 0 | 4,420 |
| Additions | 108 | 121 | 0 | 0 | 229 |
| Reclassifications between items | 0 | 0 | 153 | 0 | 153 |
| Acquisition cost 31.12. | 4,149 | 500 | 153 | 0 | 4,802 |
| Cumulative amortization 1.1. | -2,989 | -379 | 0 | 0 | -3,368 |
| Cumulative amortization reclassifications | 0 | 0 | -45 | 0 | -45 |
| Amortization for the financial period | -280 | -8 | -22 | 0 | -311 |
| Cumulative amortization 31.12. | -3,269 | -387 | -67 | 0 | -3,724 |
| Book value 31.12.2014 | 880 | 112 | 86 | 0 | 1,078 |

12 TANGIBLE ASSETS, PARENT COMPANY

Tangible assets 2015

| EUR 1,000 | Machinery and equipment | Other tangible assets | Total |
|---------------------------------------|----------------------------|-----------------------|-----------|
| Acquisition cost at 1.1. | 1,114 | 55 | 1,169 |
| Additions | 10 | 0 | 10 |
| Acquisition cost 31.12. | 1,124 | 55 | 1,180 |
| Cumulative depreciation 1.1. | -1,074 | -51 | -1,126 |
| Depreciation for the financial period | -16 | -1 | -17 |
| Cumulative depreciation 31.12. | -1,090 | -52 | -1,142 |
| Book value 31.12.2015 | 34 | 3 | 37 |

Tangible assets 2014

| EUR 1,000 | Machinery and equipment | Other tangible assets | Total |
|---------------------------------------|----------------------------|-----------------------|-----------|
| Acquisition cost at 1.1. | 1,094 | 51 | 1,145 |
| Additions | 20 | 4 | 24 |
| Acquisition cost 31.12. | 1,114 | 55 | 1,169 |
| Cumulative depreciation 1.1. | -1,057 | -50 | -1,108 |
| Depreciation for the financial period | -17 | -1 | -18 |
| Cumulative depreciation 31.12. | -1,074 | -51 | -1,126 |
| Book value 31.12.2014 | 40 | 4 | 44 |

13 INVESTMENTS, PARENT COMPANY

Investments 2015

| EUR 1,000 | Shares in Group companies | Other investments | Total |
|------------------------------|------------------------------|-------------------|---------------|
| Acquisition cost 1.1. | 50,676 | 20 | 50,696 |
| Increases | 5,185 | 0 | 5,185 |
| Decreases | 0 | -1 | -1 |
| Acquisition cost 31.12. | 55,861 | 19 | 55,880 |
| Book value 31.12.2015 | 55,861 | 19 | 55,880 |

Investments 2014

| EUR 1,000 | Shares in Group companies | Other investments | Total |
|------------------------------|------------------------------|-------------------|---------------|
| Acquisition cost 1.1. | 50,168 | 20 | 50,188 |
| Increases | 1,572 | 0 | 1,572 |
| Decreases | -1,065 | 0 | -1,065 |
| Acquisition cost 31.12. | 50,676 | 20 | 50,696 |
| Book value 31.12.2014 | 50,676 | 20 | 50,696 |

14 CURRENT RECEIVABLES

| EUR 1,000 | 2015 | 2014 |
|---|---------------|---------------|
| Current receivables from Group companies | | |
| Trade receivables | 1,559 | 1,106 |
| Loan receivables | 250 | 0 |
| Other receivables | 397 | 429 |
| Internal bank account receivables | 29,794 | 49,543 |
| Group contribution receivables | 6,500 | 6,500 |
| Total | 38,500 | 57,579 |
| Current receivables from others | | |
| Other short-term receivables | 32 | 0 |
| Current prepayments and accrued income | 607 | 489 |
| Total | 639 | 489 |
| Current receivables total | 39,139 | 58,068 |
| Main items included in prepayments and accrued income | | |
| Tax receivables | 0 | 21 |
| Accruals of personnel expenses | 2 | 20 |
| Other prepayments and accrued income on expenses | 605 | 448 |
| Total | 607 | 489 |

15 CASH AND CASH EQUIVALENTS

| EUR 1,000 | 2015 | 2014 |
|------------------------|--------------|------------|
| Bank accounts and cash | 5,958 | 389 |
| Total | 5,958 | 389 |

Cash and cash equivalents in the balance sheet correspond with the financial assets in the cash flow statement.

16 EQUITY

| EUR 1,000 | 2015 | 2014 |
|--|---------------|---------------|
| Share capital 1.1. | 5,000 | 5,000 |
| Share capital 31.12. | 5,000 | 5,000 |
| Share premium account 1.1. | 6,701 | 6,701 |
| Share premium account 31.12. | 6,701 | 6,701 |
| Unrestricted equity fund 1.1. | 2,344 | 2,614 |
| Business combinations | 2,000 | -270 |
| Unrestricted equity fund 31.12. | 4,344 | 2,344 |
| Treasury shares 1.1. | -1,165 | -1,912 |
| Additions | -75 | 0 |
| Business combinations | 0 | 747 |
| Treasury shares 31.12. | -1,239 | -1,165 |
| Retained earnings 1.1. | 12,940 | 11,785 |
| Dividends paid | -2,981 | -2,169 |
| Retained earnings 31.12. | 9,960 | 9,616 |
| Profit for the financial year | 3,815 | 3,324 |
| Shareholders' equity total | 28,581 | 25,821 |
| Distributable funds 31.12. | | |
| Retained earnings | 9,960 | 9,616 |
| Treasury shares | -1,239 | -1,165 |
| Unrestricted equity fund | 4,344 | 2,344 |
| Profit for the financial year | 3,815 | 3,324 |
| Distributable funds 31.12. | 16,879 | 14,120 |
| Number of shares 1.1. (1,000 pcs) | 20,179 | 20,179 |
| Directed share issue | 486 | 0 |
| Number of shares 31.12. (1,000 pcs) | 20,666 | 20,179 |

17 ACCUMULATED APPROPRIATIONS

| EUR 1,000 | 2015 | 2014 |
|--------------------------------|------|------|
| Depreciation in excess of plan | 133 | 0 |

18 NON-CURRENT LIABILITIES

| EUR 1,000 | 2015 | 2014 |
|-----------------------------------|--------------|--------------|
| Loans from financial institutions | 7,460 | 8,371 |
| Total | 7,460 | 8,371 |

19 CURRENT LIABILITIES

| EUR 1,000 | 2015 | 2014 |
|--|---------------|---------------|
| Current liabilities to others | | |
| Accrued liability on acquisition | 1,000 | 440 |
| Loans from financial institutions | 10,243 | 6,269 |
| Total | 11,243 | 6,709 |
| Current liabilities to group companies | | |
| Internal bank account liabilities | 53,682 | 67,510 |
| Total | 53,682 | 67,510 |

20 TRADE AND OTHER CURRENT LIABILITIES

| EUR 1,000 | 2015 | 2014 |
|--|--------------|--------------|
| Trade and other current liabilities to others | | |
| Trade payables | 788 | 330 |
| Other liabilities | 145 | 164 |
| Accrued expenses | 1,366 | 1,090 |
| Income tax liability | 57 | 0 |
| Total | 2,356 | 1,584 |
| Trade and other current liabilities to group companies | | |
| Trade payables | 271 | 140 |
| Other payables | 93 | 140 |
| Total | 365 | 280 |
| Current liabilities total | 67,647 | 76,083 |
| Main items included in accrued expenses | | |
| Interest liabilities | 34 | 28 |
| Accrued employee expenses | 1,332 | 1,063 |
| Total | 1,366 | 1,090 |

21 PLEDGES, MORTGAGES AND GUARANTEES

| EUR 1,000 | 2015 | 2014 |
|------------------------------------|--------------|--------------|
| Other contingencies | 320 | 320 |
| Guarantees for group companies | 3,785 | 2,535 |
| Leasing liabilities | | |
| For payment in next financial year | 1,208 | 927 |
| For payment later | 1,105 | 1,073 |
| Total | 6,419 | 4,855 |

Etteplan Oyj has given a Parent Company guarantee totalling EUR 4,823 thousand for loans, of which EUR 3,133 thousand is in use, for Etteplan Vatable Technology Centre, Ltd.

Etteplan Oyj has given a Parent Company guarantee totalling EUR 1,064 thousand for loans, of which EUR 653 thousand is in use, for Etteplan Consulting (Shanghai) Co., Ltd.

Etteplan Oyj has given a Parent Company guarantee totalling EUR 170 thousand for loans, of which EUR 0 is in use, for Etteplan B.V.

SHARES AND SHAREHOLDERS

Share capital and shares

On December 31, 2015, Etteplan Oyj's share capital, entered in the trade register and paid in full, was EUR 5,000,000 and the number of shares was 20,665,559. The Company has one series of shares. Each share confers the right to one vote at the General Meeting and the same right to a dividend.

Dividend

The Annual General Meeting on March 27, 2015 passed a resolution, in accordance with the proposal of the Board of Directors to pay a dividend for the 2014 financial year of EUR 0.15 per share. The remaining profit was retained in non-restricted equity. The record date of the payment of dividend was March 31, 2015. The dividend was paid on April 9, 2015.

Current authorizations

Authorization to raise the share capital

The Annual General Meeting on March 26, 2014 granted the Board of Directors the authorization to decide upon an issue of no more than 4,000,000 shares with a share issue or by granting option rights or other specific rights, referred to in Chapter 10, Article 1 of the Companies Act, giving entitlement to shares in one or more lots. The authorization includes the right to decide to issue either new shares or company held shares. The authorization is valid for two years from the time of the Annual General Meeting resolution – i.e., from March 26, 2014, through March 25, 2016. The authorization replaces the previous authorization.

In relation to the acquisition of Suunnittelu ja Asennusten Valvonta - SAV Oy's design and installation supervision business and SAV Oy's subsidiaries, Etteplan carried out a directed share issue in September 2015, in which 486,145 new shares were subscribed. Dilution effect of the directed share issue was 2.41 per cent.

Authorization to acquire and dispose own shares

The Annual General Meeting on March 27, 2015 authorized the Board of Directors to resolve to repurchase Company's own shares in one or more tranches using the Company's unrestricted equity. A maximum of 2,000,000 Company shares may be repurchased. The Company may deviate from the obligation to repurchase shares in proportion to the shareholders' holdings, i.e., the Board has the right to decide on a directed repurchase of Company shares. The authorization is valid for 18 months from the date of the decision of the Annual General Meeting starting on March 27, 2015 and ending on September 26, 2016. The authorization replaces the corresponding previous authorization.

In January-December 2015 the Company acquired 15,397 of its own shares. In January-September 2015 the Company did not transfer any company-held shares.

Option rights

The Company does not currently have a share option program.

Share-based incentive plans

The Board of Directors of Etteplan Oyj decided on February 12, 2014 on a new share-based incentive plan for the Company's President and CEO. The new Restricted Stock Plan includes one three-year vesting period. The potential reward of the Plan is bound to the validity of the CEO's service. The reward from the vesting period will be paid partly in the Company's shares and partly in cash in February 2017. The reward to be paid on the basis of the Restricted Stock Plan 2014 will amount up to a maximum total of 25,000 Etteplan Oyj shares. In addition, the Company will pay taxes and tax-related costs arising from the reward to the CEO.

The Board of Directors of Etteplan Oyj decided on June 3, 2014 to establish a new share-based incentive plan for the Group key personnel. The Plan includes one earning period which includes calendar years 2014, 2015 and 2016. The earnings criteria are Etteplan Group's revenue increase and the development of Total Shareholder Return (TSR). Approximately 15 people belong to the target group of the Plan. The rewards to be paid on the basis of the plan will correspond to the value of an approximate maximum total of 450,000 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.

Share quote

Etteplan's shares are listed in Nasdaq Helsinki Ltd.'s Small cap market capitalization group in the Industrials sector under the ETT1V ticker.

Share price trend and turnover

The number of Etteplan Oyj shares traded during the financial year was 1,032,820 to a total value of EUR 4.3 million. The share price low was EUR 3.00, the high EUR 4.93, the average EUR 4.11 and the closing price EUR 4.90. Market capitalization on December 31, 2015 was EUR 99.7 million.

Shareholders

At the end of 2015, the Company had 1,650 registered shareholders. In total, 315,202 shares, or 1.53 per cent of all shares, were nominee-registered.

The Company held 324,283 of its own shares on December 31, 2015, which corresponds 1.57 per cent of all shares and voting rights. On December 31, 2015, the members of the Company's Board of Directors and the President and CEO owned a total of 13,691,907 shares or 66.25 per cent of the total share capital (31.12.2014: 41,876).

Flaggings

On September 9, 2015, Ingman Group Oy Ab notified that Ingman Group Oy Ab's share of Etteplan Oyj's share capital and voting rights fell below two-thirds (2/3) when Etteplan Oyj's 486,145 new shares subscribed in the directed share issue were entered into the trade register.

Major shareholders, December 31, 2015

| Name | Number of shares | Proportion of shares and votes, % |
|--|-------------------------|--|
| Ingman Group Oy Ab | 13,650,000 | 66.05 |
| Oy Fincorp Ab | 2,106,663 | 10.19 |
| Varma Mutual Pension Insurance Company | 821,328 | 3.97 |
| VAS Invest Oy | 486,145 | 2.35 |
| Tuori Klaus | 351,000 | 1.70 |
| Etteplan Oyj | 322,483 | 1.56 |
| Sijoitusrahasto Taaleritehdas Mikro Markka | 300,000 | 1.45 |
| Tuori Aino | 256,896 | 1.24 |
| Kempe Anna | 220,000 | 1.06 |
| Kempe Lasse | 100,000 | 0.48 |
| Kempe Pia | 97,700 | 0.47 |
| Kylänpää Osmo | 53,200 | 0.26 |
| 4Capes Oy | 48,800 | 0.24 |
| Kurra Jorma | 36,300 | 0.18 |
| Ingman Robert | 30,000 | 0.15 |
| Burmeister Dorrit | 26,928 | 0.13 |
| Hemholmen Oy Ab | 26,000 | 0.13 |
| Otavan Kirjasäätiö | 24,772 | 0.12 |
| State Railway Pension Foundation | 21,546 | 0.10 |
| Lehtivuori Pauli | 20,000 | 0.10 |
| Other shareholders | 1,665,798 | 8.07 |
| Total | 20,665,559 | 100.00 |
| Nominee-registered shares | 315,202 | 1.53 |

Breakdown of shareholdings by owner group, December 31, 2015

| Name of the sector | Number of shareholders | Number of shares | Number of nominee-registered shares | Proportion of shares and votes, % |
|---|------------------------|-------------------|-------------------------------------|-----------------------------------|
| National economy total (domestic sector) | | | | |
| Companies | 76 | 17,023,282 | 0 | 82.38 |
| Financial and insurance institutions | 9 | 14,585 | 232,818 | 1.20 |
| Public sector entities | 3 | 843,374 | 0 | 4.08 |
| Households | 1544 | 2,430,043 | 0 | 11.76 |
| Non-profit institutions | 8 | 32,092 | 0 | 0.16 |
| Foreigners | | | | |
| European Union | 9 | 6,313 | 82,384 | 0.43 |
| Other countries and international organizations | 1 | 668 | 0 | 0.00 |
| Total | 1,650 | 20,350,357 | 315,202 | 100.00 |

Breakdown of shareholdings by size class, December 31, 2015

| Number of shares | Number of shareholders | Proportion of shareholders, % | Number of shares | Proportion of shares and votes, % |
|------------------|------------------------|-------------------------------|-------------------|-----------------------------------|
| 1–100 | 275 | 16.67 | 14,979 | 0.07 |
| 101–500 | 739 | 44.79 | 232,014 | 1.12 |
| 501–1,000 | 317 | 19.21 | 249,267 | 1.21 |
| 1,001–5,000 | 258 | 15.64 | 560,866 | 2.71 |
| 5,001–10,000 | 28 | 1.70 | 202,795 | 0.98 |
| 10,001–50,000 | 19 | 1.15 | 387,151 | 1.87 |
| 50,001–100,000 | 4 | 0.24 | 319,340 | 1.55 |
| 100,001–500,000 | 7 | 0.42 | 2,121,156 | 10.26 |
| 500,001– | 3 | 0.18 | 16,577,991 | 80.22 |
| Total | 1,650 | 100.00 | 20,665,559 | 100.00 |

BOARD OF DIRECTORS' DIVIDEND PROPOSAL

At December 31, 2015, the Parent Company's distributable shareholders' equity amounted to EUR 16.9 million, of which the net profit for the financial year was EUR 3.8 million.

The Board of Directors proposes that from the distributable funds at the disposal of the Annual General Meeting, a dividend of EUR 0.15 per share be paid on the Company's externally owned shares, for a total amount of EUR 3.1 million at most. Dividend will not be paid out to shares that are company-held on the record date of dividend payout, April 7, 2016.

No substantial changes have occurred in the financial position of the Company since the end of the financial year. The Company's liquidity is good and the Board of Directors judges that the proposed distribution of dividend will not endanger the Company's solvency.

It is proposed that the dividend be paid on April 14, 2016.

Vantaa, February 11, 2016

Robert Ingman
Chairman of the Board

Patrick von Essen
Member of the Board

Pertti Nupponen
Member of the Board

Teuvo Rintamäki
Member of the Board

Leena Saarinen
Member of the Board

Matti Huttunen
Member of the Board

AUDITOR'S REPORT

(Translation from the Finnish Original)

To the Annual General Meeting of Etteplan Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Etteplan Oyj for the year ended 31 December, 2015. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

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, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial

statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion on the Consolidated Financial Statements

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

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki 29 February 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Lauri Kallaskari
Authorised Public Accountant

GOVERNANCE





Etteplan's engineering services have left their mark on numerous innovative industrial machines, equipment and facilities around the world. Our task is to realize our customer's product vision by utilizing world-class engineering methods and expertise.

Governance accelerates our way of working



Etteplan complies Finnish Corporate Governance Code in its entirety



Read more on www.etteplan.com/investors

This Corporate Governance Statement has been prepared in accordance with recommendation 54 of the Finnish Corporate Governance Code. The Corporate Governance Statement has been prepared as a part of Annual Report and it is also available separately on the Company's website www.etteplan.com. Etteplan's Board of Directors' has reviewed this Corporate Governance Statement. Etteplan Oyj's external auditor, PricewaterhouseCoopers Oy, has checked that this statement has been issued and that the description of the main features of the internal control and risk management systems pertaining to the financial reporting process is consistent with Etteplan Oyj's Financial Statements.

General governance principles

Etteplan Oyj is a Finnish public limited company that in its decision-making and governance complies with the Finnish Companies Act, other legislation concerning publicly listed companies, and the Articles of Association of Etteplan Oyj.

The Company is a publicly listed company that abides by the regulations of Nasdaq Helsinki Ltd. Etteplan complies with the Finnish Corporate Governance Code 2010 published by the Securities Market Association. The Finnish Corporate Governance code is available on the Securities Market Association's website at www.cgfinland.fi.

Supervision and management of the Company is divided among the General Meeting of Shareholders, the Board of Directors, and the CEO.

General Meeting

The shareholders exercise their decision-making power at the General Meeting. The Company must hold one Annual General Meeting for shareholders annually, by the end of June. If necessary, an Extraordinary Meeting of Shareholders is held. A shareholder may exercise his/her right to speak, ask questions and vote at the General Meeting. The matters to be considered at the Annual General Meeting (AGM) are specified in section 8 of Etteplan's Articles of Association and in Chapter 5, Section 3 of the Companies Act.

Decisions by the General Meeting are published without delay after the meeting by a stock exchange release and on the Company's website at www.etteplan.com.

Information on General Meetings to Shareholders

The Board shall convene the Annual General Meeting or an Extraordinary General Meeting with a summons to be published on the Company's website www.etteplan.com. The summons must list the agenda for the meeting. The Board may also decide to publish the invitation to the General Meeting in a Finnish national newspaper, determined by the Board. The summons to a meeting and the Board's proposals for the meeting are also published as a stock exchange release.

The notice of the General Meeting includes a proposal for the agenda of the meeting. The notice of the General Meeting, documents to be submitted to the General Meeting and draft resolutions to the General Meeting will be available on the Company's webpage at least three weeks before the General Meeting.

The Company will disclose on its webpage the date by which a shareholder shall notify the Board of Directors of the Company of an issue that he or she demands to be included in the agenda of the Annual General Meeting.

The minutes of the General Meeting shall be posted on the Company's website within two weeks of the General Meeting. The documents related to the General Meeting shall be available on the Company's website at least for three months after the General Meeting.

Organization of the General Meeting

According to Company's Articles of Association the General Meeting shall be held in the Company's domicile or in Lahti or in Helsinki as decided by the Board of Directors of the Company.

To be able to participate in a General Meeting, a shareholder must be registered on the record date in the Etteplan Oyj's shareholder register, maintained by Euroclear Finland Ltd. A nominee-registered shareholder who intends to take part in the General Meeting is advised to request the necessary instructions regarding entry in the Company's shareholder register and the issuing of proxy documents from their account holder. A notification by a holder of nominee-registered shares for temporary inclusion in the Company's shareholders' register is perceived as prior notice of participation in the General Meeting.

Shareholders must register for a General Meeting in advance, within the time prescribed in the summons. A shareholder may participate in a General Meeting personally or through a duly authorized proxy. The proxy must present a power-of-attorney form for such authorization. Upon registration for a General Meeting,

the shareholder must report to the Company any powers of attorney issued. The shareholder and proxy may have an assistant present at the meeting.

Attendance of the Board of Directors, Managing Director and Auditor at the General Meeting

The Chairman of the Board of Directors and a sufficient number of members of the Board and its Committees as well as the CEO shall attend the General Meeting. In addition, the Auditor shall be present at the Annual General Meeting.

Attendance of a prospective Director at a General Meeting

A person proposed for the first time as Director shall participate in the General Meeting that decides on his or her election unless there are well-founded reasons for absence.

Shareholder agreements

A shareholder agreement is an agreement among the shareholders of a company on the company's governance and management. A shareholder agreement can be made when a company is established or during the time of its operation. A shareholder agreement is binding between the shareholders. A shareholder agreement does not bind the company itself unless the company is included in the agreement. In general the Board of Directors approves a shareholder agreement on behalf of the Company.

Etteplan has not made a shareholder agreement nor is the Company aware of possible shareholder agreements.

Board

The Board of Directors is responsible for the Company's management and for the due organization of the Company's operations in accordance with the relevant legislation and the Company's Articles of Association. The Board of Directors controls and monitors the Company's operational management; appoints and dismisses the CEO; and approves the major decisions affecting the Company's strategy, capital expenditures, organization, remuneration and bonus systems covering the management, and finances.

Charter of the Board

As part of the Company's corporate governance, the Etteplan Oyj Board of Directors has approved written rules of procedure to control Board work. The Board's rules of procedure complement the stipulations of the Finnish Companies Act and the Articles of Association of the Company. Charter of the Board is presented on the Company's website www.etteplan.com.

Meetings of the Board

The Board meets as often as appropriate fulfilment of its obligations requires.

The Etteplan Board of Directors met 12 times in 2015. In addition to the members of the Board, the Company's CEO attended Board meetings as the Secretary to the Board. All members of the Board attended all the meetings during 2015.

Performance evaluation of the Board

On an annual basis, the Board of Directors assesses its activities and work practices. The Board specifies the criteria to be used in the assessment, which is carried out as internal self-evaluation. The results of these activities are handled by the Board.

Composition of the Directors

The General Meeting elects the members of the Board of Directors. The Nomination and Remuneration Committee of the Board of Directors of Etteplan Oyj prepares a list of proposed members of the Board of Directors for consideration by the General Meeting. The Board-proposed candidates are reported upon in the summons to the meeting and on the Company's webpage.

According to the Articles of Association, the Board of Directors shall have a minimum of three and a maximum of seven

members. The Board of Directors shall be elected for a term of one year at a time.

In accordance with the proposal of the Board of Directors' Nomination and Remuneration Committee, the Annual General Meeting held on March 27, 2015 re-elected Robert Ingman, Patrick von Essen, Pertti Nupponen, Teuvo Rintamäki and Leena Saarinen as Board members. In addition Matti Huttunen was elected as a new member to the Board. The Board of Directors of Etteplan Oyj elected on March 27, 2015 in its organization meeting subsequent to the AGM Robert Ingman as Chairman of the Board.

Independence of Directors

The majority of the Directors shall be independent of the Company. In addition, at least two of the Directors representing this majority shall be independent of significant shareholders of the Company.

The Board shall evaluate the independence of the Directors and report which of them are independent of the Company and which are independent of significant shareholders.

Robert Ingman, Patrick von Essen, Matti Huttunen, Pertti Nupponen, Teuvo Rintamäki and Leena Saarinen are independent of the Company.

Patrick von Essen, Matti Huttunen, Pertti Nupponen, Teuvo Rintamäki and Leena Saarinen are independent of significant shareholders.

Information reported on Directors

Biographical details and information on the holdings of the Board of Directors are presented on the Company's website www.etteplan.com and partly in the Annual Report.

Board Committees

The Board of Directors of Etteplan Oyj has a Nomination and Remuneration Committee. The Board carries out the duties assigned for the Audit Committee since the Company does not have an Audit Committee.

Nomination and Remuneration Committee

The Board of Directors of Etteplan Oyj has appointed a Nomination and Remuneration Committee among the Directors. The Board has confirmed the central duties and operating principles

of the Committee in a written charter. Charter of the Committee is presented on the Company's website www.etteplan.com. The Nomination and Remuneration Committee reports regularly on its work to the Board.

The task of the Nomination and Remuneration Committee is to assist the Board of Directors in matters related to the appointment and compensation of the Company's CEO, the deputy CEO and other executives. In addition, the committee prepares for the Annual General Meeting a proposal on the number of Board members, Board composition and Board member compensation. The Committee also recommends, prepares and proposes to the Board the CEO's and the deputy CEO's nomination, salary and compensation, and further evaluates and provides the Board and the CEO with recommendations concerning management and employees rewards and compensation systems.

The committee consists of three members of the Board of Directors. It convenes on a regular basis at least once a year. The Committee Chairman provides the Board with the proposals made by the Committee.

Since the Annual General Meeting of 2015, Leena Saarinen has acted as the Chairman of the Nomination and Remuneration Committee and Robert Ingman and Pertti Nupponen as members of the Committee. All members of the Committee are independent of the Company.

The Nomination and Remuneration Committee met twice during 2015. All members of the Nomination and Remuneration Committee attended all the meetings.

CEO

The Board of Directors appoints the CEO and terminates this employment, as well as monitors the CEO's activities. The parent Company's CEO furthermore acts as the Group's Chief Executive Officer. The CEO is responsible for managing the Group's day-to-day operations in accordance with the rules and instructions issued by the Board of Directors. The CEO may take measures that are unusual and far-reaching with regard to the scope and nature of the Company's operations, but only with authorization from the Board of Directors. The CEO is responsible for ensuring that the Company's accounting complies with the applicable legislation and that its asset management is arranged in a reliable manner.

A written CEO agreement, which has been approved by the Board, has been drawn up for the CEO.

M.Sc. (Eng) Juha Näkki has been the Company's President and CEO from the beginning of 2012. He has not been a member of the Board of Directors but he has attended Board meetings as the Secretary to the Board. Juha Näkki's biographical details and information on the holdings are presented on the Company's website www.etteplan.com and partly in the Annual Report 2015.

Other executives

The CEO appoints members to the Management Group who are appropriate from the standpoint of line operations. The Management Group assists the CEO and also develops and monitors all matters entrusted to the Company's management, including those connected with the Group and business unit strategies, acquisitions and major capital expenditures, divestments, the Company's image, monthly reporting, interim Reports, investor relations, and the main principles of the human resource policy. The Board of Directors approves the appointment of the Management Group members. The members of the Management Group report to the President and CEO.

In addition to President and CEO Juha Näkki, Etteplan Oyj's Management Group has consisted as of January 1, 2015 of Per-Anders Gådin, Senior Vice President, Finance, Petri Ikonen, Senior Vice President, Technical Documentation Services, Veikko Lamminen, Senior Vice President, Operations Finland, Outi-Maria Liedes, Senior Vice President, HR & Communications, Riku Riikonen, Senior Vice President, Engineering Services and Mikael Vatn, Senior Vice President, Operations Sweden.

Biographical details and information on the holdings of the members of the Management Group are presented on the Company's website www.etteplan.com and partly in the Annual Report 2015.

Remuneration

Principles applied to remuneration schemes

The goal of remuneration schemes is to promote competitiveness and long-term financial success of the Company and to contribute to the favourable development of shareholder value.

Remuneration schemes are based on predetermined and measurable performance and result criteria.

The task of Board's Nomination and Remuneration Committee is to assist the Board of Directors in matters related to the remuneration of the Company's CEO, the deputy CEO and other executives and to prepare matters related to the reward schemes for employees.

Decision-making process

The General Meeting shall decide on the remuneration payable for Board and Committee work as well as the basis for its determination. The Nomination and Remuneration Committee has been assigned the duty of preparing the remuneration of the Board. The Board of Directors shall decide on the remuneration of the CEO as well as other compensation payable to him or her. The compensation principles for the Management Group are determined by the CEO in cooperation with the Board of Directors.

Remuneration of the Board of Directors

According to the resolution passed by the Annual General Meeting of 2015, the remuneration for each member of the Board of Directors is 600 euros per meeting and for the Chairman of the Board of Directors 1,200 euros per meeting. In addition, each member of the Board receives 24,400 euros per year and the Chairman of the Board of Directors 48,800 euros per year. Daily allowances and travel expenses are paid to the Board members according to the Company's travel policy.

According to the resolution passed by the Annual General Meeting of 2015, the remuneration for each member of the Nomination and Remuneration Committee is 600 euros per meeting and for the Chairman of the Nomination and Remuneration Committee 1,200 euros per meeting. In addition daily allowances and travel expenses are paid for the meetings to the committee members according to the Company's travel policy.

Remuneration for Board and Committee work is not paid in the form of Company shares and the Board members are not in the target group of Company's share-based incentive plan.

Remuneration of the CEO and other executives

The CEO's compensation consists of a basic salary and a yearly bonus decided annually by the Board on the basis of the

Group's financial result and other key targets. The maximum amount of yearly bonus is decided annually. In addition the CEO has car and phone benefits. The CEO has an agreement of a share-based incentive plan. Statutory retirement age applies to the CEO. In the event of dismissal, the CEO is at the most entitled to receive compensation equivalent to 18 months' salary which includes the salary for a six-month term of notice.

The system of compensation for the members of the Management Group includes a base salary and a performance based bonus. The principles for performance based bonus are decided annually. In 2015 the bonus was based on Company's operating profit, operative cash flow and strategic goals. The maximum of the yearly bonus is 50-100 percent of the recipient's annual salary depending on the member's duties. No separate agreement has been made regarding early retirement for members of the Management Group. In the event of dismissal, a Management Group member is at the most entitled to receive compensation equivalent to 10 months' salary which includes the salary for a four-month term of notice.

Information on the service contract of the CEO

In 2015 President and CEO Juha Näkki's basic salary was EUR 273,420. In 2015, his car, phone and medical expenses insurance benefits totaled to EUR 16,209.08. EUR 125,683.50 performance based bonus accrued from year 2014 was paid to President and CEO in 2015.

In 2014 a share-based incentive plan was created for the Company's President and CEO.

The Restricted Stock Plan includes one three year vesting period which includes calendar years 2014–2016. The potential reward of the Plan is bound to the validity of the CEO's service and will be paid in February 2017. In addition, the President and CEO is included in the share-based incentive plan for the Group key personnel. No company-held shares were disposed in 2015 for the share-based incentive plan.

In 2015 no additional accrual basis pension insurance policy was paid for the President and CEO Juha Näkki.

Share-based incentive plans

The Board of Directors of Etteplan Oyj decided in February 2014 on a new share-based incentive plan for the Company's Presi-

dent and CEO. The aim of the Plan is to combine the objectives of the shareholders and the CEO in order to increase the value of the Company, to commit the CEO to the Company, and to offer him a competitive reward plan based on earning the Company shares.

The new Restricted Stock Plan includes one three year vesting period. The potential reward of the Plan is bound to the validity of the CEO's service. The reward from the vesting period will be paid partly in the Company's shares and partly in cash in February 2017. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the CEO. No reward will be paid, if the CEO terminates his service contract before the reward payment.

The reward to be paid on the basis of the Restricted Stock Plan will amount up to a maximum total of 25,000 Etteplan Oyj shares. In addition, the Company will pay taxes and tax-related costs arising from the reward to the CEO.

The Board of Directors of Etteplan Oyj decided in June 2014 to establish a new share-based incentive plan for the Group 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 includes calendar years 2014, 2015 and 2016. The earnings 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. 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 15 people belong to the target group of the Plan.

The rewards to be paid on the basis of the plan will correspond to the value of an approximate maximum total of 450,000 Etteplan Oyj shares (including also the proportion to be paid in cash).

Remuneration Statement

A remuneration statement is available on Company's website www.etteplan.com. The statement is updated regularly.

Internal control, risk management and internal audit

The objective of Etteplan Oyj's internal control and risk management is to ensure that the Company's operations are efficient and profitable, its information is reliable, and it complies with appropriate regulations and operating principles. The objectives also include identification, assessment, and monitoring of risks related to business operations. Internal audit helps to improve the efficient fulfilment of the Board's supervision obligation.

Operating principles of internal control

The Board ensures that the Company has defined the operating principles of internal control and monitors the function of such control.

Organization of risk management

Management and mitigation of the impact of risks is one of the Etteplan Group's principles of operation. The Board of Directors and the Management Group monitor the development of risks and concentrations of risk. The Group's financial administration operations monitor and assess operational and financial risks and take measures to avert them in cooperation with the Board of Directors, the Management Group, and the management personnel responsible for engineering operations.

Risks and risk management are presented on the Company's webpage at www.etteplan.com and in the Annual report 2015.

Reviews concerning financing risks are presented in the notes to the consolidated Financial Statements in the Annual Report 2015 on pages 65–67.

Internal audit

Etteplan Group does not have a separate internal audit function. The Board can engage external advisors to perform evaluations relating to control environment or other activities.

Description of the main features of the internal control and risk management systems pertaining to the financial reporting process

Etteplan prepares Consolidated Financial Statements and interim reports in accordance with the International Financial

Reporting Standards, as adopted by the EU, the Securities Markets Acts as well as the appropriate Financial Supervision Authority Standards and Nasdaq Helsinki Ltd's rules. The Report of the Board of Directors of Etteplan and parent company Financial Statements are prepared in accordance with the Finnish Accounting Act and the opinions and guidelines of the Finnish Accounting Board.

Etteplan Group observes Group level accounting principles and instructions, which are applied in all Group companies and according to which the Group's financial reporting is prepared. Together with reporting calendar and schedules, accounting principles and instructions form the framework for timely and correct Group reporting. Etteplan's business operations are in all material respects located in Finland, Sweden, China and the Netherlands and all countries have local accounting and financial reporting organizations, systems and reporting to the Group. Internal control and risk management systems and practices as described below are designed to ensure that the financial reports as disclosed by the Company give essentially correct information about the Company finances.

Etteplan has a common Group consolidation system. Accounting data is transferred from the local accounting systems either automatically or manually and correctness is controlled by the Group's accounting team. Common chart of accounts forms the basis of Group reporting. The Group accounting, consolidation and published financial reports are prepared by the centralised team.

Internal control over financial reporting

Proper arrangement and monitoring of internal control is the responsibility of the local management in accordance with the Group framework. Etteplan Board of Directors has approved operating principles of internal control, which have been prepared in accordance with the Code recommendation 48. Operating principles include the main features of risk management process, summary of risks, control objectives and common control points for financial reporting as well as roles and responsibilities in executing and monitoring internal control in Etteplan.

Internal controls over financial reporting process at the country and Group level was a focus area in 2009. Since then the processes have been reviewed and updated annually. Etteplan's finance organization has analysed process risks and de-

finied control objectives for external financial reporting process. Existing control points in the process have been documented. These control points include for example reconciliations, authorisations, analysis, and segregation of key accounting duties. The work has been led by the Group CFO.

According to its annual clock, the Management Group has monthly meetings where also financial performance and financial reporting are analysed. Prior to these meetings, financial reports have been analysed in the business group level to detect any irregularities or errors. Group level financial reports are prepared to the Etteplan Board on a monthly basis. The Board also reviews and approves interim financial reports, annual results report and financial statements.

Etteplan does not have a separate internal audit function. The Board can engage external advisors to perform evaluations relating to control environment or other activities.

Insider administration

The Etteplan Oyj Board of Directors has approved insider regulations for the Company. The regulations are based on the Finnish Securities Markets Act, and they comply with the standards of Financial Supervision and the Guidelines issued by the Nasdaq Helsinki Ltd. In accordance with the Finnish Securities Markets Act, Etteplan Oyj's insiders are defined to consist of insiders with the duty to declare their interests, permanent company-specific insiders, and project-specific insiders.

Because of the nature of their position, also among Etteplan's statutory insiders are the members of the Board of Directors, the CEO, and the auditors. Moreover, the members of the Management Group are entered in the public insider register.

The Company maintains a permanent company-specific insider register, which includes front-line managers for business operations, financial administration personnel, and those working for the Company on the basis of an employment or other contract who receive insider information.

A project-specific insider register is created by decision of the Board of Directors, the CEO, or the Management Group.

The Company's insider guidelines direct insiders to restrict their trading in the Company's shares to times when the markets have as precise information as possible on the factors influenc-

ing the value of shares in the Company. Consequently, persons included in Etteplan's insider registers are always prohibited from trading with Company securities during 28 days before the publication of interim reports and financial statement release, including the day of publication (the closed window). During other times i.e. as of the day following the publication of interim reports and financial statement release there is an open window during which permanent insiders are allowed to trade. Even then it is provided that they do not possess insider information.

Maintenance of the public insider register of Etteplan Oyj is the responsibility of the Chief Financial Officer, who is responsible for compliance with insider regulations and fulfilment of duties to report. Etteplan Oyj's insider registers are maintained by the Company's Hollola office, which updates the information that, as required by law, is entered in the public insider register for Euroclear Finland Ltd pertaining to insiders with the duty to declare.

Information on insider holdings

Information about the holdings of Etteplan Oyj insiders with the duty to declare is retained at the Company's website www.etteplan.com. The insider registers of issuers are on public display at Euroclear Finland Ltd (previously Finnish Central Securities Depository), Urho Kekkosen katu 5 C, FI-00100 Helsinki, Finland.

Audit

The primary duty of statutory auditing is to verify that the Financial Statements give correct and sufficient information about the Group's profit and financial situation for the financial year. Etteplan Oyj's financial year is the calendar year. The auditor is responsible for auditing the Company's accounts and the correctness of its financial statements during the financial year, and for issuing an auditor's report to the Annual General Meeting.

A summary of the Group's audit report is compiled for the Board of Directors. Also, the auditors of all Group companies report separately to the management of each company within the Group. The auditor attends at least one meeting of the Board of Directors in the relevant financial year.

The Annual General Meeting elects one or two auditors to audit corporate governance and accounts. At least one of the auditors must be a firm of independent public accountants so

authorized by the Central Chamber of Commerce. In 2015, the Annual General Meeting elected PricewaterhouseCoopers Oy, a firm of authorized public accountants, with Kaj Wasenius, APA, acting as Chief Auditor. In addition, Olli Wesamaa, CPA, was elected as the second Auditor of the Company. The auditor's term ends at the conclusion of the first Annual General Meeting after the election.

In August 2015 PricewaterhouseCoopers Oy designated Authorized Public Accountant Lauri Kallaskari as the Main Responsible Auditor to replace Kaj Wasenius.

Audit fees and services not related to auditing

According to the resolution made by the Annual General Meeting 2015 the fees for the auditor are paid according to invoice approved by the Company.

The audit fees paid in 2015 totalled 97,950 euros (in 2014: 83,379 euros). In addition, 61,247 euros was paid to the firm for services not related to auditing (in 2014: 39,837 euros).

Communications

It is Etteplan Oyj's principle to be open, truthful and quick in all communications. The primary objective of the Company's investor information is to provide the market with information about the Group's operations and financial standing. The goal is to give all stakeholder groups correct and uniform information in a regular and balanced manner.

Silent period

Etteplan Oyj follows a so-called silent period before publication of interim reports and financial statement releases. The duration of the silent period is 28 days.

Distribution of investor information

Etteplan publishes all of its investor information on the Company's website www.etteplan.com. Financial releases will be made available immediately after publication. They will be published in Finnish and English. ■



Board of Directors

The Board of Directors controls and monitors the Company's operational management; appoints and dismisses the CEO; and approves the major decisions of the Company.

Management Group

The CEO appoints members to the Management Group who are appropriate from the standpoint of line operations. The Management Group assists the CEO and also develops and monitors all matters entrusted to the Company's management.



More detailed CV's on www.etteplan.com



ROBERT INGMAN

- b. 1961, M.Sc. (Eng.), M.Sc. (Economics)
- Chairman of the Board since 2013, Board member since 2009
- Member of Nomination and Remuneration Committee
- Independent of the Company
- Number of Etteplan shares, December 31, 2015: 30,000, holding of interest parties: 13,650,000



PATRICK VON ESSEN

- b. 1963, M.Sc. (Eng.)
- President and CEO of Dovre Group plc since 2014
- Board member since 2014
- Independent of the Company and significant shareholders
- Number of Etteplan shares, December 31, 2015: 0, no holdings of interest parties



MATTI HUTTUNEN

- b. 1967, B.Sc. (Eng.)
- Board member since 2015
- Independent of the Company and significant shareholders
- Number of Etteplan shares, December 31, 2015: 0, no holdings of interest parties



PERTTI NUPPONEN

- b. 1961, D.Sc. (Econ. & Bus. Adm.), M.Sc. (Tech.)
- Board member since 2005
- Member of Nomination and Remuneration Committee
- Independent of the Company and significant shareholders
- Number of Etteplan shares, December 31, 2015: 0, no holdings of interest parties



TEUVO RINTAMÄKI

- b. 1955, M.Sc. (Economics)
- Board member since 2010
- Independent of the Company and significant shareholders
- Number of Etteplan shares, December 31, 2015: 0, no holdings of interest parties



LEENA SAARINEN

- b. 1960, M.Sc. (Food Technology)
- Board member since 2013
- Chairman of Nomination and Remuneration Committee
- Independent of the Company and significant shareholders
- Number of Etteplan shares, December 31, 2015: 31, no holdings of interest parties



JUHA NÄKKI

b. 1973, M.Sc. (Eng.)

- Chairman of the Management Group since 2012, Management Group member since 2008
- President and CEO of Etteplan Oyj since 2012
- Number of Etteplan shares, December 31, 2015: 11,876, no holdings of interest parties



PER-ANDERS GÅDIN

b. 1965, M.Sc. (EP), BBA

- Management Group member since 2009
- CFO, Senior Vice President of Etteplan Oyj since 2009
- Number of Etteplan shares, December 31, 2015: 3,250, no holdings of interest parties



PETRI IKONEN

b. 1964, B.Sc. (Eng.)

- Management Group member since 2015
- Senior Vice President of Etteplan Oyj since 2015
- Number of Etteplan shares, December 31, 2015: 516, no holdings of interest parties



VEIKKO LAMMINEN

b. 1960, B.Sc. (Eng.)

- Management Group member since 2012
- Senior Vice President of Etteplan Oyj since 2012
- Number of Etteplan shares, December 31, 2015: 1,750, no holdings of interest parties



OUTI-MARIA LIEDES

b. 1956, M.Sc. (Eng.), MBA

- Management Group member since 2008
- Senior Vice President, HR and Communications since 2008
- Number of Etteplan shares, December 31, 2015: 0, no holdings of interest parties



RIKU RIIKONEN

b. 1977, M.Sc. (Eng.)

- Management Group member since 2015
- Senior Vice President of Etteplan Oyj since 2015
- Number of Etteplan shares, December 31, 2015: 3,344, no holdings of interest parties



MIKAEL VATN

b. 1967, B.Sc. (Eng.)

- Management Group member since 2012
- Senior Vice President of Etteplan Oyj since 2012
- Number of Etteplan shares, December 31, 2015: 4,000, no holdings of interest parties

Investor information

Etteplan as an investment

Etteplan provides engineering services and technical documentation solutions to the world's leading companies in the manufacturing industry.

Etteplan's shares are listed in Nasdaq Helsinki's Small cap market capitalization group in the Industrials sector under the ETT1V ticker. The total number of shares was 20,665,559 on December 31, 2015.

Periodic fluctuation

Etteplan's business is subject to periodic fluctuation. The periodic fluctuation is affected by holiday seasons and the timing of product development and investment projects in customer companies, mainly at the beginning of the year as well as in the fall. The revenue in the third quarter is typically lower than that of other quarters. Only the key figures in the Financial Statement for the entire year provide an appropriate description of the Company's financial situation.

A solid dividend payer

Etteplan's aim is to increase shareholder value and to be a stable dividend payer. The dividend has been approximately 50 per cent of earnings per share.

Etteplan's investor relations principles

The objective of Etteplan's investor relations is to produce accurate, sufficient and up-to-date information about Etteplan's strategy, business operations, markets and financial position to ensure that the capital markets have relevant information about the Company as an investment. To reach this objective Etteplan publishes annually three interim reports, a Financial Statement release, an Annual Report and stock exchange releases. The Company's website serves as an archive for all current and historical data that potentially affect the share price.

Publication of financial information

Etteplan Oyj publishes financial reports and releases in Finnish and English. Financial reports and releases are made available on www.etteplan.com immediately after their publication.

Outlook

Information on Etteplan's outlook and earnings forecast is published in the Financial Statements release for the financial year (and repeated also in the Annual Report) and in the interim reports. The outlook is approved by the Board of Directors. Etteplan does not publish quarterly earnings forecasts.

Market estimates

Upon request, the Group will review analyses or reports compiled by an analyst for factual errors, insofar as the reports and analyses are based on materials released by the Group. Etteplan does not comment or take any responsibility for estimates or forecasts published by capital market representatives.

Silent period

Etteplan observes a silent period of 28 days prior to the announcement of financial results. During this period Etteplan's management and personnel refrain from making any contacts or comments to investors, analysts and the media about the Company's business outlook, financial results or projections.

If any incident that arises during a closed period is subject to timely disclosure, Etteplan will, however, without undue delay disclose the information according to the disclosure regulations and may comment that particular matter.

Investor relations contacts

Juha Näkki, President and CEO, Outi-Maria Liedes, Senior Vice President, HR & Communications and Per-Anders Gådin, Chief Financial Officer are responsible for Etteplan's IR communications.

ANALYSTS FOLLOWING ETTEPLAN

| | | |
|-----------------------|-----------------------|-----------------------|
| Evli Bank Plc | Inderes Oy | Nordea Bank Plc |
| Antti Kansanen | Juha Kinnunen | Pasi Väisänen |
| Tel. +358 9 4766 9149 | Tel. +358 40 778 1368 | Tel. +358 9 1655 9943 |

Information for shareholders

General Meeting of shareholders

The Etteplan Oyj Annual General Meeting will be held on Tuesday, April 5, 2016, starting at 1 p.m. at the Company premises in Vantaa at Ensimmäinen savu, 01510 Vantaa.

Invitation to the General Meeting of shareholders shall be published according to Etteplan Oyj's Articles of Association on the Company website www.etteplan.com.

Right to attend

Every shareholder who on March 22, 2016, has been registered as a shareholder in the list of shareholders kept by Euroclear Finland Ltd has the right to participate in the Annual General Meeting.

Notification of attendees

To be able to participate in the Annual General Meeting, the shareholder must register for this no later than 12 p.m. on March 31, 2016 either by e-mail to [registration\(at\)etteplan.com](mailto:registration(at)etteplan.com) or by telephone to number +358 10 307 3706.

The shareholder may also register by sending a registration letter to Etteplan Oyj, Yhtiökokous, P.O. Box 216, 01511 Vantaa, Finland. The letter must arrive before the registration deadline.

Any proxy documents, identified and dated, must be delivered to the Company for inspection to the address mentioned above prior to the expiry of the registration period.

Payment of dividend

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.15 per share be paid for the 2015 fiscal year. If the Annual General Meeting approves the Board's proposal on the payment of dividends, a dividend will be paid to each shareholder who on the balance date of April 7, 2016, is registered in the list of shareholders maintained by Euroclear Finland Ltd. The dividend payment date proposed by the Board of Directors is April 14, 2016.

Shareholder register information

Shareholders should notify the bank, brokerage firm or other account operator with which they have a book-entry securities account about changes in address or account numbers for payment of dividends and other matters related to their holdings in the share.

Financial information 2016

Etteplan Oyj publishes financial reports and releases in Finnish and English. Financial reports and releases are made available at www.etteplan.com immediately after their publication.

Annual Report is available in electronic format in Finnish and English. The Annual Report is published on Company's website www.etteplan.com. A printed Annual Report can be ordered from Group Communications, tel. +358 10 307 3706 or by e-mail from [CorpComm\(at\)etteplan.com](mailto:CorpComm(at)etteplan.com).

Interim reports 2016

Etteplan Oyj will publish three interim reports in 2016:

Interim report for 1–3/2016 on Thursday, April 28, 2016
Interim report for 1–6/2016 on Wednesday, August 10, 2016
Interim report for 1–9/2016 on Thursday, October 27, 2016

Etteplan Oyj

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