

Financial review

2022



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# Board of Directors' review January 1-December 31, 2022

## Operating environment

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

The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. The war started by Russia in Ukraine and the subsequent elevation in geopolitical tensions have increased uncertainty globally. Inflation reduces the willingness to invest and affects demand in certain industries. At the same time, investments related to the defense industry, energy efficiency and accelerating the green transition are growing. Uncertainty remains high and the demand situation is characterized by variation. The restrictions related to the COVID-19 in China have eased, but the sharp

increase in the number of infections towards the end of the year continues to affect the market situation. Nevertheless, we expect the general demand situation to remain fairly good throughout 2023.

## Development of demand by customer industry

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

## Development of demand in Etteplan's operating countries

The geopolitical tensions caused by Russia's invasion of Ukraine and the energy crisis have increased uncertainty and accelerated inflation in all of our operating countries in Europe. In Finland, the revenue of companies in the technology industry in 2022 increased by approximately 16 per cent compared to the previous year, based on preliminary data. However, based on the order development at the end of 2022, it is estimated that the revenue growth of companies in the technology industry will slow down or completely stagnate during the beginning of 2023. The orders received by companies in the engineering and consulting industry in October-December were 1 per cent fewer than in the corresponding period in the previous year. The war and geopolitical tensions are also increasing uncertainty in China and affecting Western investments and international trade. In addition, the large number of COVID-19 infections affects the demand situation and market activity in China.

## Revenue

Etteplan's revenue grew by 16.7 per cent and was EUR 350.2 million (2021: EUR 300.1 million). Revenue increased by 17.7 per cent at comparable exchange rates. The organic growth of revenue was 8.6 per cent. At comparable exchange rates, organic growth was 9.6 per cent. Revenue from key accounts grew by 6.9 per cent.

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

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

## Result

Profitability for the full year was at a good level, although it declined slightly from the previous year. Etteplan recognized significant non-recurring costs related to the preparation of the offer made for Semcon AB in the third quarter of the year, which had a negative effect on profitability for the full year. The increase in sickness-related absences also affected profitability, particularly in the fourth quarter.

Operating profit (EBITA) grew by 12.5 per cent and was EUR 33.9 (30.1) million, or 9.7 (10.0) per cent of revenue. Operating profit (EBIT) grew by 11.1 per cent and was EUR 28.6 (25.8) million, or 8.2 (8.6) per cent of revenue. The combined effect of non-recurring items on operating profit (EBITA) and operating profit (EBIT) was EUR -1.0 (-0.7) million. Non-recurring items were affected particularly by expenses related to the Semcon offer, expenses related to organizational restructuring and acquisitions, and changes in the valuation of contingent liabilities.

The net amount of financial income and financial expenses came to EUR -6.2 (-0.9) million. The Semcon offer had an effect of EUR -5.1 million on financial expenses.

Profit before taxes was EUR 22.4 (24.9) million. Taxes in the income statement amounted to 18.9 (19.4) per cent of the result before taxes. The amount of taxes was EUR 4.2 (4.8) million. The profit for the financial year was EUR 18.2 (20.0) million.

Basic earnings per share were EUR 0.73 (EUR 0.80). The expenses related to the preparation of the Semcon offer and the currency hedge had a significant negative effect on earnings per share. Equity per

share was EUR 4.25 (3.97) at the end of December. Return on capital employed (ROCE) before taxes was 15.9 (16.0) per cent.

## Cash flow and financial position

Operating cash flow was EUR 28.1 (27.1) million. Cash flow after investments was EUR 2.6 (10.8) million due to the acquisitions made in the first half of the year. Operating cash flow accrues unevenly over the four quarters of the year due to periodic fluctuation in business.

The Group's cash and cash equivalents stood at EUR 19.6 (30.4) million at the end of December.

The Group's interest-bearing liabilities amounted to EUR 90.6 (78.5) million at the end of December. The amount of interest-bearing liabilities was affected by acquisitions made by the Group. Lease liabilities represented EUR 21.6 (22.7) million of interest-bearing liabilities.

The total of unused short-term credit facilities stood at EUR 12.6 (14.5) million.

Total assets on December 31, 2022 were EUR 281.1 (253.0) million. Goodwill on the balance sheet was EUR 105.4 (92.4) million.

At the end of December, the equity ratio was 38.2 (39.7) per cent.

## Capital expenditure

The Group's gross investments were EUR 40.9 (30.6) million. The gross investments mainly consisted of acquisitions, increases in lease liabilities and equipment purchases.

## Personnel

The number of personnel stood at 3,951 (3,629) employees at the end of December 2022. The number of personnel increased by 8.9 per cent compared to the end of 2021. Due to the unpredictable market situation, we slowed down recruitment in all service areas in the second half of the year.

The Group employed 3,945 (3,480) people on average in 2022.

The number of people employed by the Group outside of Finland increased and stood at 1,963 (1,624) at the end of December, representing 50 (47) per cent of the total number of employees.

## Business review

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

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

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

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

Etteplan's target is to achieve revenue of EUR 500 million in 2024. We seek growth organically and by acquisitions. Etteplan's goal is to also grow internationally, provide solutions from all of the company's service areas in all of its market areas and increase the share of revenue accumulated outside Finland to 50 per cent. Revenue accumulated outside Finland amounted to EUR 169.1 (130.1) million, or 48 (43) per cent of the Group's total revenue.

The COVID-19 and thereto related restrictions and shutdown measures continued to affect demand in China. The lifting of restrictions in the fourth quarter significantly increased sickness-related absences. The number of hours sold in the Chinese market decreased by 5.4 per cent in 2022.

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

## Acquisitions

Etteplan issued a public offer to the shareholders of Semcon AB on August 23, 2022. The acceptance period stipulated by the offer began on September 1, 2022, and ended on October 6, 2022. The conditions of Etteplan's offer were not fulfilled due to a competing purchase offer. Etteplan did not raise its offer, and the offer consequently lapsed on October 6, 2022. Etteplan issued several stock exchange releases related to the offer between August 23 and October 7, 2022. The releases and more details on the offer are available on Etteplan's website at [www.etteplan.com](http://www.etteplan.com).

Etteplan continued its expansion in the Netherlands in June 2022 by acquiring DDCom B.V. The acquisition strengthened Etteplan's capabilities in 3D content-based animation and visualization services related to technical documentation. DDCom is located in the Eindhoven area and employs approximately 15 technical documentation specialists. Its customers operate in automotive, high tech, med-tech and product manufacturing industries and include high-profile companies such as DAF Trucks, ASML, VDL, Philips & Shimano.

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

Etteplan strengthened its position in Sweden and acquired Syncore Technologies AB, a technology services company focusing on advanced embedded systems, in February 2022. Syncore employs 46 embedded systems experts in Linköping, Sweden. The acquisition involved a directed share issue to the owners of the acquired company. More information is provided under Shares.

In January 2022, Etteplan acquired Cognitas GmbH, a German technical information life cycle management company, from Canon Deutschland GmbH. With the acquisition, Etteplan became a market-leading company in technical documentation in Germany and reinforces its leading position in Europe. Cognitas employs 200 professionals in consulting and technical information authoring and management.

## Governance

### General meeting

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

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

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

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

In its organization meeting subsequent to the Annual General Meeting, the Board of Directors of Etteplan Oyj elected Robert Ingman as Chairman of the Board of Directors. Matti Huttunen was elected

the Chairman and Robert Ingman and Leena Saarinen as members of the Nomination and Remuneration Committee of Etteplan Oyj. Päivi Lindqvist was elected as the Chairman and Leena Saarinen and Mikko Tepponen as members of the Audit Committee of Etteplan Oyj.

### Board authorizations

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

The authorization includes the right for the Board to resolve on the repurchase of the Company's own shares through a tender offer made to all shareholders on equal terms and conditions and at the price determined by the Board, or in public trading organized by the Nasdaq Helsinki Ltd at the market price valid at any given time, so that the company's total holding of own shares does not exceed ten (10) 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 also be used for carrying out the company's incentive schemes for its personnel. The repurchased shares may be retained by the company, invalidated or transferred further. The repurchase of the company's own shares will reduce the non-restricted equity of the company.

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

The Annual General Meeting 2021 decided to authorize the Board of Directors to resolve on the issuance of a maximum of 2,500,000 shares through issuance of shares, option rights or other special rights

entitling to shares under Chapter 10, Section 1 of the Finnish Companies Act in one or more issues. The authorization includes the right to decide to issue either new shares or shares held by the company.

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

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

## Shares

Etteplan's shares are listed in Nasdaq Helsinki Ltd's Mid Cap market capitalization group in the Industrials sector under the ETTE ticker. The company has one series of shares. All shares confer an equal right to a dividend and the company's funds. The company's share capital on December 31, 2022, was EUR 5,000,000.00 and the total number of shares was 25,200,793.

On February 2, 2022, Etteplan issued a stock exchange release announcing the acquisition of Syncore Technologies AB. As part of the financing of the transaction, Etteplan Oyj's Board of Directors, at its meeting held on February 1, 2022, made a conditional decision on a share issue based on the share issue authorization given to the Board of Directors by the Annual General Meeting on April 8, 2021. In accordance with the terms of the transaction, the purchase price was paid through a share issue to the sellers and cash. The contract of

sale, which was a condition of the decision, was signed on February 2, 2022, and at the same time, the sellers subscribed for 117,485 new Etteplan shares as a part payment for the purchase amount. The subscription price per share paid for the shares was EUR 16.42. The new shares carry the right to dividends starting from the financial year 2022. The new shares subscribed for in the directed share issue were registered in the Trade Register on April 19, 2022, and in the book-entry system maintained by Euroclear Finland Oy on April 29, 2022. The shares were listed for trading on Nasdaq Helsinki on May 3, 2022. However, trading in the new shares will only be possible after three years, when the transfer restriction agreed upon in connection with the transaction has expired.

## Trading in shares

The number of Etteplan Oyj shares traded during 2022 was 517,686 (2021: 1,539,757), for a total value of EUR 8.0 (25.15) million. The share price low was EUR 11.65, the high EUR 18.75, the average EUR 15.46 and the closing price EUR 14.60. Market capitalization on December 31, 2022, was EUR 365.61 (421.22) million. On December 31, 2022, Etteplan had 3,696 (3,604) shareholders.

## Own shares

Etteplan did not purchase any of its own shares in January–December 2022. The company held 159,046 of its own shares at the end of December 2022 (December 31, 2021: 159,046), which corresponded to 0.63 per cent of all shares and voting rights.

## Flaggings

Etteplan Oyj received no flagging notices in 2022.

## Etteplan Oyj's incentive plan for key personnel 2020–2022

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

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

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

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

## Events after the review period

No material events have occurred in the Group after the balance sheet date that would affect the financial statements.

## Operating risks and uncertainty factors

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

COVID-19 continues to have an impact on Etteplan’s business, and the associated sickness-related absences have a negative impact on the company’s development. The war started by Russia in Ukraine increases uncertainty in the markets, drives inflation and interest rates higher and has a negative impact on customers’ operations and supply chains. Rising costs and interest rates have an impact on Etteplan’s

business and financial position. The unstable geopolitical situation makes the future more difficult to predict.

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

## Market outlook 2023

The most important factor affecting Etteplan’s business is the global development of the machinery and metal industry. The war started by Russia in Ukraine and the subsequent elevation in geopolitical tensions have increased uncertainty globally. Inflation reduces the willingness to invest and affects demand in certain industries. At the same time, investments related to the defense industry, energy efficiency and accelerating the green transition are growing. Uncertainty remains high and the demand situation is characterized by variation. The restrictions related to the COVID-19 in China have eased, but the sharp increase in the number of infections towards the end of the year continues to affect the market situation. Nevertheless, we expect the general demand situation to remain fairly good throughout 2023.

## Financial guidance 2023

Etteplan issues guidance for revenue and operating profit (EBIT) as a numerical range and issues the following estimate:

- Revenue in 2023 is estimated to be 360–390 (2022: 350.2) million, and
- operating profit (EBIT) in 2023 is estimated to be EUR 28–33 (2022: 28.6) million.

## The Board’s proposal for distribution of 2022 profits

The parent company’s distributable shareholders’ equity according to the balance sheet on December 31, 2022, is EUR 59,076,673.28. The Board of Directors will propose to the Annual General Meeting, which will convene on April 5, 2023, that on the dividend payout date a dividend of EUR 0.36 per share be paid on the company’s externally owned shares, for a total amount of EUR 9,072,285.48 at most, and that the remaining profit be transferred to retained earnings.



## Annual General Meeting

Etteplan Oyj's Annual General Meeting will be held on Wednesday, April 5, 2023. The summons to the AGM is published as a separate release.

## Corporate Governance statement

Etteplan publishes the Corporate Governance Statement for 2022 separately from the Board of Directors' review. The statement is available on the Company's website [www.etteplan.com](http://www.etteplan.com).

## Statement of non-financial information

Etteplan publishes the Statement of non-financial information for 2022 separately from the Board of Directors' review. The statement is available on the Company's website [www.etteplan.com](http://www.etteplan.com).

## Non-IFRS key figures

Etteplan presents non-IFRS key figures to supplement its consolidated financial statements which are prepared in accordance with IFRS. These key figures are designed to measure growth and provide insight into the company's underlying operational performance. This section describes the most important non-IFRS key figures used by the Group. Formulas for key figures (IFRS and Non-IFRS) are presented on page 48.

## Operating profit (EBITA) and EBITA, %

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

EUR 1,000	2022	2021
<b>Operating profit (EBIT)</b>	<b>28,622</b>	<b>25,754</b>
Amortization on fair value adjustments at acquisitions	5,293	4,385
<b>Operating profit (EBITA)</b>	<b>33,915</b>	<b>30,139</b>

## Organic/un-organic growth and growth in comparable currencies

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

## The share of revenue represented by Managed Services

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

## Etteplan Oyj

Board of Directors

# Consolidated financial statements

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Note	Jan 1–Dec 31, 2022	Jan 1–Dec 31, 2021
<b>Revenue</b>	7	<b>350,170</b>	<b>300,111</b>
Other operating income	8	2,826	1,289
Materials and services	10	-40,395	-31,685
Employee benefits expenses	11	-227,823	-197,596
Other operating expenses	12	-36,140	-28,527
Depreciation and amortization	19, 20	-20,018	-17,839
<b>Operating profit (EBIT)</b>		<b>28,622</b>	<b>25,754</b>
		<b>8.2%</b>	<b>8.6%</b>
Financial income	14	1,044	593
Financial expenses	15	-7,280	-1,480
<b>Profit before taxes</b>		<b>22,386</b>	<b>24,867</b>
Income taxes	17	-4,235	-4,823
<b>Profit for the financial year</b>		<b>18,151</b>	<b>20,044</b>
<b>Other comprehensive income, that may be reclassified to profit or loss</b>			
Currency translation differences		-4,229	-589
<b>Other comprehensive income, that will not be reclassified to profit or loss</b>			
Change in fair value of equity investments at fair value through other comprehensive income		-31	32
Remeasurement of defined benefit plan		1,359	0
<b>Other comprehensive income for the year, net of tax</b>	17	<b>-2,900</b>	<b>-557</b>
<b>Total comprehensive income for the year</b>		<b>15,251</b>	<b>19,487</b>
<b>Profit for the financial year attributable to</b>			
Equity holders of the parent company		18,151	20,044
<b>Total comprehensive income attributable to</b>			
Equity holders of the parent company		15,251	19,487
<b>Earnings per share calculated from the profit attributable to equity holders of the parent company</b>			
Basic earnings per share, EUR	18	0.73	0.80
Diluted earnings per share, EUR	18	0.73	0.80

The notes are an integral part of the Financial Statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1,000	Note	Dec 31, 2022	Dec 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	22	105,385	92,380
Other intangible assets	19	32,745	28,807
Tangible assets	20	24,808	24,759
Investments at fair value through other comprehensive income	21	2,414	418
Other non-current receivables	21	1,016	54
Deferred tax assets	30	622	731
<b>Non-current assets, total</b>		<b>166,990</b>	<b>147,150</b>
<b>Current assets</b>			
Inventory	23	635	376
Work in progress	7	30,181	26,810
Trade and other receivables	24	62,405	47,988
Current tax assets		1,364	273
Cash and cash equivalents		19,564	30,356
<b>Current assets, total</b>		<b>114,149</b>	<b>105,803</b>
<b>TOTAL ASSETS</b>		<b>281,138</b>	<b>252,953</b>

EUR 1,000	Note	Dec 31, 2022	Dec 31, 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	25	5,000	5,000
Share premium account	25	6,701	6,701
Unrestricted equity fund	25	23,966	22,037
Own shares	25	-1,059	-1,245
Cumulative translation adjustment	25	-7,702	-3,473
Other reserves	25	103	133
Retained earnings	25	79,302	69,761
<b>Equity, total</b>		<b>106,311</b>	<b>98,914</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	30	9,758	7,408
Loans from financial institutions	27	47,852	30,350
Lease liabilities	27	8,478	8,777
Defined benefit pension liability	11	4,897	0
Other non-current liabilities	28	33	827
<b>Non-current liabilities, total</b>		<b>71,018</b>	<b>47,362</b>
<b>Current liabilities</b>			
Loans from financial institutions	27	21,139	25,453
Lease liabilities	27	13,114	13,894
Advances received	7	2,856	3,891
Trade and other payables	29	63,532	61,673
Current income tax liabilities		3,168	1,766
<b>Current liabilities, total</b>		<b>103,809</b>	<b>106,677</b>
<b>Liabilities, total</b>		<b>174,828</b>	<b>154,039</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>281,138</b>	<b>252,953</b>

The notes are an integral part of the Financial Statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	Note	Jan 1–Dec 31, 2022	Jan 1–Dec 31, 2021
<b>OPERATING CASH FLOW</b>			
Cash receipts from customers		341,201	287,564
Operating expenses paid		-306,220	-253,056
Operating cash flow before financial items and taxes		34,981	34,508
Interests and other payments for financial expenses	15	-1,721	-1,289
Interest received	14	113	80
Income taxes paid	17	-5,277	-6,205
<b>Operating cash flow (A)</b>		<b>28,095</b>	<b>27,093</b>
<b>INVESTING CASH FLOW</b>			
Purchase of tangible and intangible assets	19, 20	-1,711	-2,157
Acquisition of subsidiaries, net of cash acquired	5	-20,871	-14,255
Purchase of investments	21	-2,033	0
Proceeds from sale of tangible and intangible assets		52	17
Loans granted	21	-963	0
Proceeds from repayment of loans		0	73
<b>Investing cash flow (B)</b>		<b>-25,526</b>	<b>-16,321</b>
<b>Cash flow after investments (A+B)</b>		<b>2,570</b>	<b>10,772</b>

The notes are an integral part of the Financial Statements.

The total cash outflow for leases is presented in note 20.

Non-monetary changes in interest bearing liabilities is presented in note 4.1.3.

EUR 1,000	Note	Jan 1–Dec 31, 2022	Jan 1–Dec 31, 2021
<b>FINANCING CASH FLOW</b>			
Proceeds from directed share issue		0	1,936
Purchase of own shares		0	-1,382
Proceeds from current loans	27	13,144	6,941
Repayments of current loans*	27	-32,534	-30,060
Proceeds from non-current loans	27	27,999	37,503
Repayments of non-current loans	27	-16	-6
Payment of lease liabilities	20	-12,657	-11,478
Dividend paid	25	-9,970	-8,461
<b>Financing cash flow (C)</b>		<b>-14,034</b>	<b>-5,007</b>
<b>Variation in cash (A+B+C) increase (+) / decrease (-)</b>		<b>-11,464</b>	<b>5,765</b>
Assets at the beginning of the financial period		30,356	24,407
Exchange gains or losses on cash and cash equivalents		672	184
Assets at the end of the financial period		19,564	30,356

\* In the fiscal year of 2022, the item also includes a realized currency hedging loss of EUR 4.9 million.

## 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
<b>Equity Jan 1, 2021</b>	<b>5,000</b>	<b>6,701</b>	<b>20,101</b>	<b>101</b>	<b>-124</b>	<b>-2,884</b>	<b>58,178</b>	<b>87,074</b>
<b>Comprehensive income for the year</b>								
Profit for the financial year	0	0	0	0	0	0	20,044	20,044
<b>Other comprehensive income for the year</b>								
Change in fair value of equity investments at fair value through other comprehensive income	0	0	0	32	0	0	0	32
Cumulative translation adjustment	0	0	0	0	0	-589	0	-589
<b>Other comprehensive income for the year, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32</b>	<b>0</b>	<b>-589</b>	<b>0</b>	<b>-557</b>
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32</b>	<b>0</b>	<b>-589</b>	<b>20,044</b>	<b>19,487</b>
<b>Transactions with owners</b>								
Dividends	0	0	0	0	0	0	-8,461	-8,461
Directed share issue	0	0	1,936	0	0	0	0	1,936
Purchase of own shares	0	0	0	0	-1,382	0	0	-1,382
Share-based incentive plan	0	0	0	0	260	0	0	260
<b>Transactions with owners, total</b>	<b>0</b>	<b>0</b>	<b>1,936</b>	<b>0</b>	<b>-1,122</b>	<b>0</b>	<b>-8,461</b>	<b>-7,647</b>
<b>Equity Dec 31, 2021</b>	<b>5,000</b>	<b>6,701</b>	<b>22,037</b>	<b>133</b>	<b>-1,245</b>	<b>-3,473</b>	<b>69,761</b>	<b>98,914</b>
<b>Equity Jan 1, 2022</b>	<b>5,000</b>	<b>6,701</b>	<b>22,037</b>	<b>133</b>	<b>-1,245</b>	<b>-3,473</b>	<b>69,761</b>	<b>98,914</b>
<b>Comprehensive income for the year</b>								
Profit for the financial year	0	0	0	0	0	0	18,151	18,151
<b>Other comprehensive income for the year</b>								
Change in fair value of equity investments at fair value through other comprehensive income	0	0	0	-30	0	0	-1	-31
Cumulative translation adjustment	0	0	0	0	0	-4,229	0	-4,229
Remeasurement of defined benefit plan	0	0	0	0	0	0	1,359	1,359
<b>Other comprehensive income for the year, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-30</b>	<b>0</b>	<b>-4,229</b>	<b>1,358</b>	<b>-2,900</b>
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-30</b>	<b>0</b>	<b>-4,229</b>	<b>19,510</b>	<b>15,251</b>
<b>Transactions with owners</b>								
Dividends	0	0	0	0	0	0	-9,970	-9,970
Directed share issue	0	0	1,929	0	0	0	0	1,929
Share-based incentive plan	0	0	0	0	186	0	0	186
<b>Transactions with owners, total</b>	<b>0</b>	<b>0</b>	<b>1,929</b>	<b>0</b>	<b>186</b>	<b>0</b>	<b>-9,970</b>	<b>-7,855</b>
<b>Equity Dec 31, 2022</b>	<b>5,000</b>	<b>6,701</b>	<b>23,966</b>	<b>103</b>	<b>-1,059</b>	<b>-7,702</b>	<b>79,301</b>	<b>106,311</b>

The notes are an integral part of the Financial Statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

The Parent Company of Etteplan Group is Etteplan Oyj. Etteplan Oyj is a Finnish public limited company established under Finnish law. The Company is domiciled in Espoo, Finland and its registered office is located at Tekniikantie 4, 02150 Espoo, Finland. The company's principal place of business is also located at Tekniikantie 4, 02150 Espoo. Etteplan's shares are listed on Nasdaq Helsinki Ltd's Medium Cap market capitalization group in the Industrials sector under the ETTE ticker.

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

A copy of the Consolidated Financial Statements can be obtained from the Company's website [www.etteplan.com](http://www.etteplan.com) or from the office of the Group's Parent Company at the address Askonkatu 9 E, 15100 Lahti, Finland.

The Etteplan Oyj Board of Directors approved these Financial Statements for publication at its meeting on February 16, 2023.

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 A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis for preparation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS). They have been prepared in accordance with IAS and IFRS standards and SIC and IFRIC interpretations approved for implementation in EU directive N:o 1606/2002 at December 31, 2022. The notes to the Financial Statements are also prepared in accordance with the Finnish accounting and company regulation, which complements the IFRS requirements. The Consolidated Financial Statements have been prepared under the historical cost convention, except for certain financial assets and financial liabilities, which are recognized at fair value.

The preparation of the Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the 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.

Figures in the Financial Statements are presented in thousands of euros and are therefore rounded.

#### 2.1.1 Changes in accounting policy and disclosures

##### New and amended standards adopted by the Group

The new standards, amendments and interpretations effective for the financial year beginning January 1, 2022, did not have a significant effect on the Consolidated Financial Statements of the Group.

### **Forthcoming requirements**

The new standards, amendments and interpretations issued, but effective later than for the financial year beginning January 1, 2023, are not expected to have a significant effect on the Consolidated Financial Statements of the Group.

## **2.2 Consolidation**

Subsidiaries are all such entities over which the Group has control. 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. 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 noncontrolling 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.

Intercompany transactions, balances, income and expenses on transactions between the Group companies are eliminated. Profits and losses resulting from intercompany 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.

## **2.3 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Management Group is identified as the chief operating decision-maker. The chief operating decision-maker assesses the financial performance and position of the Group, and 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.

## **2.4 Foreign currency translation**

### **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 euro, which is the Group's presentation currency.

### **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 loans 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."

## 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 are translated at the closing rate. Exchange differences arising are recognized in equity.

## 2.5 Intangible assets

Intangible assets acquired in business combinations are recognized at fair value at the acquisition date. Other intangible assets are recorded in the balance sheet at historical cost considering accumulated amortizations. Assets with limited useful lives are amortized on a straight-line basis over their useful lives. The amortization periods of intangible assets are:

Software and other intangible rights	3 to 7	years
Internally created software	3 to 5	years
Customer base (acquisitions)	10	years
Non-competition agreements (acquisitions)	3	years
Other intangible assets	3	years

The residual value, useful life and amortization method of each asset is examined at the end of each financial year and adjusted, if necessary, to reflect changes in the expectations of the economic benefits to be gained from the asset.

Intangible assets are classified as follows:

**Intangible rights** mainly include software licenses owned by the Group.

**Internally created intangible assets** include activated development costs related to software products created by the Group. 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 so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs, which are capitalized as part of the software product include the software development employee costs and such overhead costs that are directly attributable to the development. 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 useful lives. Significant, unfinished intangible assets are tested for impairment annually. Research costs are recognized as an expense as incurred.

**Fair value adjustments in acquisitions** include intangible assets acquired in business combinations, i.e. customer base and non-competition agreements.

**Leased software** is activated as described in note 2.14.



**Goodwill** corresponds to the part of the acquisition cost that 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.

## 2.6 Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation and impairment loss. 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 a replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they occur.

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

Buildings	50	years
Leased office premises	1.5 to 7	years
Computers	3	years
Vehicles	4 to 5	years
Office furniture	5 to 10	years
Renovation of premises	5 to 7	years

Land areas are not depreciated.

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.

Tangible right-of-use assets consist of leased computers and cars as well as leased office premises activated as described in note 2.14.

## 2.7 Impairment of non-financial assets

The Group assesses at the end of each reporting period, whether there are indications of 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, as well as assets with unlimited useful life, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized through profit or loss 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 dispose and value-in-use. Value-in-use is defined as the discounted estimated future net cash flows generated by the asset or cash-generating unit. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows followed for internal management (cash-generating units).

The impairment loss recognized for non-financial assets other than goodwill is reversed, in case there has been a change in the estimates of recoverable amount. The impairment loss is only reversed to the amount of the book value of the asset before impairment. An impairment loss for goodwill is not reversed under any circumstances.

The essential assumptions for impairment tests are presented in note 22.

## 2.8 Financial instruments

Financial instruments and their fair values by measurement category are detailed in note 21.

## Recognition

Regular purchases and sales of financial instruments are recognized on the trade-date – the date on which the Group commits to purchase or sell the instrument. At initial recognition, the Group measures a financial instrument at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial instrument. Transaction costs of financial instruments carried at FVPL are expensed in 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. Financial liabilities are derecognized when the liability has ceased, that is, the obligation specified in the agreement is fulfilled or revoked or its validity has ended.

## Classification

The Group classifies its financial instruments in the following subsequent measurement categories:

### Categories of financial assets:

- measured at amortized cost
- measured at fair value through Other Comprehensive Income (FVOCI), and
- measured at fair value through profit or loss (FVPL).

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The classification changes only if the business model changes.

### Categories of financial liabilities:

- measured at amortized cost, and
- measured at fair value through profit or loss (FVPL).

## Subsequent measurement

Gains and losses for assets and liabilities measured at fair value will either be recorded in profit or loss or OCI.

The Group measures all its **equity investments** at FVOCI, because the Group's management has made an irrevocable election to present fair value gains and losses on equity investments in OCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of these investments. Only the dividends from these investments are recognized in profit or loss when the Group's right to receive payments is established.

**Trade receivables** are recognized initially at fair value and are subsequently measured at amortized cost, less provision for impairment. Trade receivables are classified as current assets if collection is expected in one year or less. Otherwise, they are classified as non-current assets. Expected credit losses are estimated as described in note 4.1.4. Trade receivables transferred to a financial institution in factoring arrangements are not included in the Consolidated Statement of Financial Position because the Group has transferred substantially all risks and rewards of ownership of the transferred trade receivables.

**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.

**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.

**Loans** are recognized initially at fair value, net of transaction costs incurred. Loans 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.

## Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. See note 4.1.4 for further details.

## 2.9 Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined using the FIFO method. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## 2.10 Current and deferred income tax

The taxes in the consolidated income statement include the current tax for the 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 on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. 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 the 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 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 evaluated 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.

## 2.11 Employee benefits

### *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 expenses 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. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, dependent on one or more factors, such as age, years of service and compensation. Under a defined benefit pension plan, the Group's obligation includes the actuarial and investment risks related to the plan in addition to the payments made under the plan. The pension expenses related to defined benefits are calculated using the Projected Unit Credit Method. Pension expenses are recognized as expenses by distributing them over the estimated period of service of the personnel concerned. The amount of the pension obligation is the present value of the estimated future pensions payable (Note 11).

In Sweden and the Netherlands, the Group has multi-employer defined benefit plans, of which there is not sufficient information available to use benefit accounting. These plans are accounted as defined contribution plans.

### *Bonus plans*

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

### 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.

## 2.12 Revenue recognition

Etteplan's revenue streams consist mainly of the following three service areas:

**Engineering Solutions** refer to the innovation, engineering and calculations of the technical attributes of machinery or equipment for the purpose of product development and manufacturing. Assignments are typically product development projects for a new product, plant engineering projects or Engineering-to-Order projects, involving the customization of the product in accordance with end customer requirements and the market area's legislation.

**Software and Embedded Solutions** refer to product development services and technology solutions that allow the controlling of machines and equipment and enable their digital connectivity as part of the Internet of Things.

**Technical Documentation Solutions** refer to the documentation of a product's technical attributes, such as manuals and service instructions for the users of a product, as well as related content management and distribution in print or digital form.

Revenue includes revenue from contracts with customers adjusted for indirect taxes and discounts. Revenue is recognized following a five-step model, on the basis of which the timing and amount of revenue to be recognized is determined. The model involves identifying the contract with the customer and its

performance obligations, determining transaction prices, allocating transaction prices to performance obligations and recognizing revenue. Revenue is recognized when the customer obtains control of the promised service or product; either over time or at a point in time. The Group recognizes revenue in a way that represents the rendering of the promised services or goods to the customer, and to such an amount that represents the compensation the Group expects to be entitled to in exchange for the goods and services. Contracts with customers do not include a significant financial component.

Etteplan divides its services into the following categories according to the applied method of revenue recognition:

- Design and consultancy projects, where either a fixed price or a target price limiting the amount of revenue that can be recognized for the project is set in the agreement with the customer. In this type of projects, revenue is recognized over time based on the per centage of completion method because the Group's performance creates an asset that has no alternative use for the Group and the Group has an enforceable right to payment for performance completed to date. The per centage of completion is measured as the costs of the project realized as a proportion to the total expected costs of the project because it is seen as the most accurate way of measuring the transfer of control to the customer. If the agreement includes separately identifiable performance obligations, revenue for each performance obligation is recognized separately. Dealing with separate performance obligations does not involve significant considerations. In the case of contracts whose outcome cannot be assessed reliably, project expenditure is expensed and revenue is recognized to an amount not exceeding the expenditure. The total loss on a contract that will probably result in a loss is expensed immediately. Incentives, additional work and changes related to the project are recognized in the revenue and costs of the project to the extent that can be estimated reliably, or that is agreed upon with the customer. The revenue for additional work and changes are recognized separately when they comprise a separate performance obligation and are priced according to stand-alone transaction prices.
- Design and consultancy projects, where all costs incurred can be invoiced to the customer without other limitations than the agreed invoicing price. In this type of projects, revenue is recognized over time as the service is being performed. The performance obligation in the agreement with the

customer is most typically one working hour and it is considered to be fulfilled over time because the customer simultaneously receives and consumes the benefits provided by the service.

- Arrangements where the customer buys a license to software created by Etteplan and maintenance related to the license. Revenue for the license itself is recognized when the customer obtains access to the license. Revenue for maintenance related to the license is recognized over time as the service is rendered.

Transaction prices are based on customer agreements, where separate prices are set for separate performance obligations. Generally, the pricing of separate performance obligations equals their standalone transaction prices. Changes to customer agreements, as well as additional work agreed on, are mainly recognized as separate customer agreements. The Group has an enforceable right to payment for performance completed to date, in case the project is terminated, in essentially all of its projects.

Costs incurred from work performed and transferred to customer, but not yet invoiced, are activated as contract assets and included in the balance sheet line item "Work in progress." Contract assets are transferred to Trade payables upon invoicing, which is generally done on a monthly basis. Invoices are most typically payable within 30 days. Payments received from customers in advance of work being transferred are recorded as contract liabilities in the balance sheet line item "Advance payments." These amounts are recognized as revenue as the work is being transferred to the customer.

In applying IFRS 15, the Group uses the practical expedient permitted by the standard and does not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as at the end of the reporting period or the estimated timing of satisfaction, as the unsatisfied performance obligations are either part of contracts that have an original expected duration of one year or less or the Group has the right to invoice a customer at an amount that corresponds directly with its performance to date.

## 2.13 Interest and dividend income

Interest income is recognized using the effective interest method. When a 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 receivables is recognized using the original effective interest rate. Dividend income is recognized when the shareholder gains the right to receive payment.

## 2.14 Lease agreements

The Group leases various premises, equipment, software and cars. Rental contracts are typically made for fixed periods of 3 to 10 years but may have extension options as described below.

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Lease liabilities (note 27) include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The interest expenses related to leases are presented in note 15.

Right-of-use assets (notes 19 and 20) are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

After the commencement date the right-of-use asset is measured at amortized cost less impairment. It is adjusted with certain remeasurements of the lease liability. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The right-of-use asset is tested for impairment, when necessary, and the possible impairment is recognized through profit or loss.

The Group uses the practical expedient included in the IFRS 16 standard and recognizes payments associated with leases of low-value assets on a straight-line basis as an expense in profit or loss. Low-value assets comprise IT equipment and items of office furniture (note 12).

Extension options are included in several of the Group's office premises rental agreements. These terms are used to maximize operational flexibility in terms of managing contracts. The Group's management uses judgment when determining the extent to which the extension options are used. The extension options are used in such a way that the lease term for lease agreements is at least 18 months also for lease agreements with a non-cancelable term of under 18 months, unless the lease agreement in question is canceled or a decision for a specific timing of cancellation has been made. For lease agreements in which the original non-cancelable term is 18 months or more, extension options are used up to 18 months when the remaining non-cancelable term is under 18 months. The management believes this gives the most accurate view of the Group's total lease liability. If the extension options were used up to 12 months instead of 18 months, the right-of-use assets and lease liability related to premises would decrease by approximately EUR 2.2 million. If the extension options were used up to 24 months, the corresponding effect in balance sheet items would be an increase of approximately EUR 2.6 million.

## 2.15 Non-recurring items

Non-recurring 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 are shown separately due to the significance of their nature or amount. Non-recurring items can include, among other things, costs and income related to business combinations as well as certain reorganization costs.

## 2.16 Government grants

Government grants that are intended to compensate costs are recognized as income over the same period as the related costs are recognized.

# 3

## CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENT-BASED DECISIONS

When preparing the Consolidated Financial Statements, estimates and assessments must be made concerning the future. These may affect assets and liabilities at the time of balance sheet preparation, as well as income and expenses in the reporting period. Actual figures may differ from those used in the financial statements. The Group's management may have to make judgment-based decisions relating to the choice and application of accounting policies for the financial statements. This particularly concerns the cases when effective IFRS standards allow alternative valuation, recording and presenting manners.

Judgments and estimates made in the preparation of the financial statements are based on the management's best judgment on the closing date. They are based on previous experience and future expectations considered to be most likely on the closing date. These include, in particular, factors related to the Group's financial operating environment affecting sales and the cost level. The Group monitors the realization of these estimates and assumptions. The effects of any changes in estimates and assumptions are recognized in the period in which they have been detected.

The 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.

### **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.

### **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 at the end of the financial year were EUR 105,385 thousand (2021: EUR 92,380 thousand). Additional information on the sensitivity of the recoverable amounts to changes in assumptions used is disclosed in Note 22 Impairment testing.

### **Contingent considerations**

The amount of a contingent consideration in a business combination is often dependent on the future economic development of the business acquired. The actual outcome may deviate from the assumptions made at initial recognition, which can lead to revaluation of the previously recognized contingent consideration.

### **Revenue recognition**

Revenue recognized over time is based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The percentage of completion is measured as the costs of

the project realized as a proportion to the total expected costs of the project. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change, and at each reporting date. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that trigger the revision become known by management.

## **4 MANAGEMENT OF FINANCIAL RISKS**

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

### **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 profitability 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 the identification and evaluation of, and protection against, the Group's financial risks. Furthermore, the financial department is responsible, in a centralized fashion, for the 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.

### 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 review period, the Group hedged a planned acquisition, which did not materialize, with a forward currency derivative. This resulted in a currency hedging loss for the review period, which is explained more in note 15 Financial expenses.

### 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. The main risk is with goodwill booked in Swedish Krona (SEK). The goodwill booked in SEK at the end of the financial year was EUR 30,088 thousand (2021: EUR 26,655 thousand).

A sensitivity analysis of the effect of reasonable potential changes in exchange rates on the Group's profit for the financial year, equity and goodwill at the balance sheet date is presented in the table below. In the analysis, the change in exchange rates has been estimated to be +/-10 per cent from the reporting date, and other factors are estimated to remain unchanged.

2022 EUR 1,000	Effect on profit for the financial year	Effect on other equity items	Effect on goodwill
EUR/SEK 10% increase	-414	-1,110	-2,735
EUR/SEK 10% decrease	506	1,356	3,343
EUR/PLN 10% increase	-131	-401	-371
EUR/PLN 10% decrease	160	490	453
EUR/CNY 10% increase	-67	-346	-181
EUR/CNY 10% decrease	82	423	221
EUR/DKK 10% increase	-75	-165	-284
EUR/DKK 10% decrease	91	202	347

2021 EUR 1,000	Effect on profit for the financial year	Effect on other equity items	Effect on goodwill
EUR/SEK 10% increase	-224	-1,104	-2,423
EUR/SEK 10% decrease	274	1,350	2,962
EUR/PLN 10% increase	-83	-275	-377
EUR/PLN 10% decrease	101	336	461
EUR/CNY 10% increase	-155	-288	-185
EUR/CNY 10% decrease	189	352	226
EUR/DKK 10% increase	-45	-127	-284
EUR/DKK 10% decrease	55	155	347

### 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., price risk) and cash flow risk caused by changes in market interest rates.

On the balance sheet date, the total amount of interest-bearing debt excluding lease liabilities was EUR 68,991 thousand (2021: EUR 55,803 thousand) covered with contracts in which the interest range is between 0.55 and 3.21 per cent (2021: between 0.55 and 0.8 per cent). All of the Group's loans have variable interest rates.

The Group monitors the interest risk by calculating the effect of one per centage point change in interest rates on the Group's next twelve months' interest expenses. The sensitivity of the interest position to changes in interest rates is determined by calculating how much an equal one per centage point change in interest rates throughout the Group's interest rate range would change yearly interest expenses. Only interest-bearing loans from financial institutions are included in the calculation. Lease liabilities are not included in the calculation. At the balance sheet date, the Group's sensitivity to an increase in interest rates of one per centage point was approximately EUR 549 thousand (2021: EUR 330 thousand).

### 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 14,238 thousand (2021: EUR 14,497 thousand) of available credit limits, of which



EUR 1,632 thousand (2021: none) were in use. Refinancing risk is attempted to be minimized by applying a balanced maturity schedule to the loan portfolio, ensuring sufficient maturity of loans, and using several banks as sources of financing. The level of financing is increased through additional loans when necessary.

The Group has financial covenants, which are tied to the equity ratio of the Group and to the debt/EBITDA ratio of the Group, and these mainly apply to all the group loans. In case the Group's equity ratio at the time of the Financial Statement is below 25 per cent 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 the Consolidated Financial Statements in 2022, the terms of these covenants were 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.

#### Maturity analysis of financial liabilities

2022 EUR 1,000	Less than 1 year	1–5 years
Borrowings	21,139	47,852
Lease liabilities	13,114	8,478
Interest payments	841	981
Liabilities from acquisitions	52	0
Trade and other payables	14,209	26
<b>Total</b>	<b>49,354</b>	<b>57,337</b>

2021 EUR 1,000	Less than 1 year	1–5 years
Borrowings	25,453	30,350
Lease liabilities	13,894	8,777
Interest payments	277	367
Liabilities from acquisitions	0	800
Trade and other payables	13,180	20
<b>Total</b>	<b>52,804</b>	<b>40,314</b>

*Liabilities from acquisitions in December 31, 2022 consist of TekPartner earn out liability of EUR 33 thousand and DCom additional purchase price of EUR 19 thousand.*

#### Non-monetary changes in interest-bearing liabilities

EUR 1,000	2022	2021
<b>Interest-bearing liabilities Jan 1</b>	<b>78,474</b>	<b>64,974</b>
Financing cash flow	830	2,900
Non-monetary changes		
Changes in lease agreements	10,344	8,893
Loans and lease liabilities assumed in business combinations	1,295	1,547
Translation differences and other changes	-360	160
Non-monetary changes, total	11,279	10,599
<b>Interest-bearing liabilities Dec 31</b>	<b>90,583</b>	<b>78,474</b>

#### 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. The maximum customer credit risk exposure at the end of the financial year is the book value of accounts receivable.

#### Expected credit loss allowance

To measure expected credit losses, the Group applies the IFRS 9 simplified approach, which uses a lifetime expected loss allowance for all trade receivables and contract assets ("Work in progress"), including amounts not due.

As described in the table below, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. The measurement of the expected credit losses includes

forward-looking information in the form of the estimated growth of the EU gross domestic product. In addition to the lifetime expected credit loss allowance, the Group's management estimates expected credit losses case by case according to management judgment. Generally, the Group recognizes a 50 per cent provision for impairment for receivables that are more than 60 days past due and a 100 per cent provision for receivables that are more than 90 days past due.

2022 EUR 1,000	Past due					Total
	Not due	1-30 d	31-60 d	61-90 d	> 90 d	
Expected loss rate	0.0%	0.1%	1.9%	5.2%	6.3%	
Trade receivables	48,641	5,097	629	56	746	55,169
Work in progress	30,181	0	0	0	0	30,181
Lifetime expected credit loss allowance	7	5	12	3	47	74
Case-by-case credit loss allowance					320	320
<b>Expected credit loss allowance</b>						<b>394</b>

2021 EUR 1,000	Past due					Total
	Not due	1-30 d	31-60 d	61-90 d	> 90 d	
Expected loss rate	0.0%	0.0%	0.9%	4.6%	6.6%	
Trade receivables	38,056	3,353	802	36	649	42,896
Work in progress	26,810	0	0	0	0	26,810
Lifetime expected credit loss allowance	20	1	7	2	43	73
Case-by-case credit loss allowance					286	286
<b>Expected credit loss allowance</b>						<b>359</b>

#### Movements of the allowance for impairment

EUR 1,000	2022	2021
Expected credit loss allowance Jan 1	-359	-364
Payments received	58	44
Expected credit loss allowance in acquirees	0	3
Expected credit loss allowance, decrease (+) / increase (-)	-93	-43
<b>Expected credit loss allowance Dec 31</b>	<b>-394</b>	<b>-359</b>

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group.

## 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 other companies 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 30-100 per cent. The following table sets out the Group's net gearing ratio:

EUR 1,000	2022	2021
Gross interest-bearing debt	90,583	78,474
Less: Cash and cash equivalents	-19,564	-30,356
Net debt	71,019	48,118
Total equity	106,311	98,914
<b>Net gearing ratio</b>	<b>66.8%</b>	<b>48.6%</b>

## 5 BUSINESS COMBINATIONS

### *Business combinations in financial year 2022*

#### **Cognitas GmbH (100%)**

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

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

#### **Syncore Technologies AB (100%)**

Etteplan strengthened its position in Sweden and on February 2, 2022 acquired Syncore Technologies AB, a technology services company focusing on embedded systems. Founded in 2000, Syncore is specialized in advanced embedded systems projects such as design, hardware and software development, and product lifecycle services, especially for customers in the industrial systems, aerospace and defense industries. Syncore employs 46 embedded systems experts in Linköping, Sweden.

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

#### **LCA Consulting Oy (100%)**

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

The provisional goodwill of EUR 521 thousand arising from the acquisition is attributable to the technical know-how of the acquiree's personnel, and the expected synergies arising from the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes.

#### **DDCom B.V. (100%)**

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

The provisional goodwill of EUR 723 thousand arising from the acquisition is attributable to the technical know-how of the acquiree's personnel, and the expected synergies arising from the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes.

## Acquisitions in total

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

<b>Consideration transferred:</b>	<b>EUR 1,000</b>
Cash payment	24,357
Directed share issue	1,929
Contingent consideration	19
<b>Total consideration transferred</b>	<b>26,305</b>
<b>Assets and liabilities</b>	
Tangible assets	1,609
Intangible assets	129
Customer relationships (intangible assets)	10,618
Non-competition agreements (intangible assets)	327
Trade and other receivables	14,333
Cash and cash equivalents	3,506
<b>Total assets</b>	<b>30,521</b>
Non-current pension liabilities	6,902
Other non-current liabilities	482
Current dividend liabilities	6,500
Other current liabilities	3,112
Deferred tax liability	2,791
<b>Total liabilities</b>	<b>19,787</b>
<b>Total identifiable net assets</b>	<b>10,734</b>
<b>Formation of Goodwill:</b>	
Consideration transferred	26,305
Total identifiable net assets	-10,734
<b>Goodwill</b>	<b>15,571</b>

Trade and other receivables comprise gross contractual amounts and equal fair value amounts of EUR 14,333 thousand.

The revenue included in the income statement contributed by the acquired companies was EUR 20,130 thousand and profit for the financial year was EUR 688 thousand. Had all the companies been consolidated from January 1, 2022, the income statement would show revenue of EUR 351,393 thousand and profit for the financial year of EUR 18,198 thousand.

## Changes in contingent considerations in financial year 2022

A profit of EUR 767 thousand in total was recognized in the income statement from premeasurements of contingent considerations related to previous acquisitions.

## Business combinations in financial year 2021

### TekPartner A/S (100%)

Etteplan expanded its business in the Nordics and opened up a new country, Denmark, by acquiring TekPartner, an engineering and IT company specialized in electronics and software on January 7, 2021. TekPartner, founded 2009, covers the development of all core disciplines within embedded software, intelligent electronics, FPGA (field-programmable gate array) and IoT (Internet of things). In 2019, TekPartner's revenue was approximately 8 million euros.

TekPartner delivers its services through a combination of its own team of 19 highly qualified engineering professionals and a vast network of international project partners and over 30 freelancers working in Denmark. TekPartner is located in Herlev and Odense in Denmark.

The acquisition consideration recognized at the time of the acquisition, paid in cash, was EUR 5,833 thousand in total. In addition to this payment a contingent consideration of EUR 0-1,900 thousand (undiscounted amount) is agreed upon. The contingent consideration will be paid in full provided that TekPartner A/S's result in the financial years 2021 and 2022 reaches the thresholds set in the share transfer agreement. The fair value of the contingent consideration is estimated by applying the income approach. At the time of the acquisition the fair value of the contingent consideration was EUR 800 thousand.

The goodwill of EUR 3,121 thousand arising from the acquisition is attributable to the technical know-how of the acquiree's personnel, and the company's operating model. None of the goodwill recognized is expected to be deductible for income tax purposes.

Costs related to the acquisition, EUR 99 thousand, were included in other operating expenses in the consolidated statement of comprehensive income for the financial year 2020.

#### **F.I.T. Fahrzeug Ingenieurtechnik GmbH (100%)**

Etteplan strengthened its position in technical documentation in Germany through the acquisition of F.I.T. Fahrzeug Ingenieurtechnik GmbH on May 17, 2021. Founded in 1972, F.I.T. specializes in technical documentation solutions for governmental utility vehicles and the defense industry. It is located in Koblenz and employs about 15 technical documentation specialists.

The acquisition consideration recognized at the time of the acquisition, paid in cash, was EUR 560 thousand in total.

The goodwill of EUR 456 thousand arising from the acquisition is attributable to the technical know-how of the acquiree's personnel, and the company's operating model. None of the goodwill recognized is expected to be deductible for income tax purposes.

Costs related to the acquisition, EUR 16 thousand, are included in other operating expenses in the consolidated statement of comprehensive income.

#### **Skyrise.tech Sp. z.o.o. sp.k. (100%)**

Etteplan acquired Skyrise.tech, a Polish software development company, on June 14, 2021. Through the acquisition, Etteplan will significantly strengthen its capability to deliver applications and cloud software solutions. Skyrise.tech, founded in 2008, is a fast-growing modern software development company working mostly with customers in logistics, mobility, healthcare and enterprise industries. In 2020, Skyrise.tech's revenue was some EUR 3.5 million. The acquired company has about 80 software specialists in Katowice and Gdansk in Poland.

The acquisition consideration recognized at the time of the acquisition, paid in cash, was EUR 7,105 thousand in total.

The provisional goodwill of EUR 4,226 thousand arising from the acquisition is attributable to the technical know-how of the acquiree's personnel, and the company's operating model. None of the goodwill recognized is expected to be deductible for income tax purposes.

Costs related to the acquisition, EUR 196 thousand, are included in other operating expenses in the consolidated statement of comprehensive income.

#### **Adina Solutions Oy (100%)**

Etteplan strengthened its know-how in technical documentation of software by acquiring Adina Solutions Oy from Finland on August 2, 2021. Adina Solutions Oy, founded in 2016 specializes in planning and implementation of technical documentation of software, content localization as well as consulting and training. Originating from Tampere, Finland, Adina Solutions Oy employs a total of 13 content producers and technical communications professionals. Its clientele consists of software companies and equipment manufacturers.

The acquisition consideration recognized at the time of the acquisition, paid in cash, was EUR 941 thousand in total.

The goodwill of EUR 457 thousand arising from the acquisition is attributable to the technical know-how of the acquiree's personnel, and the company's operating model. None of the goodwill recognized is expected to be deductible for income tax purposes.

Costs related to the acquisition, EUR 20 thousand, are included in other operating expenses in the consolidated statement of comprehensive income.

#### **BST Buck Systemtechnik GmbH (100%)**

Etteplan acquired BST Buck Systemtechnik GmbH in Brunsbüttel in the Northern part of Germany on September 29, 2021. The company specializes in software development, process automatization and

hardware engineering and employs slightly more than 30 specialists. BST Buck Systemtechnik GmbH 's customers operate in the chemical, pharmaceutical, energy, and food and beverage industries.

The acquisition of BST Buck Systemtechnik GmbH complements our current operations in industrial automation and process engineering and creates a stronger and wider growth platform for us in the important engineering market in Germany.

The acquisition consideration recognized at the time of the acquisition, paid in cash, was EUR 990 thousand in total.

The goodwill of EUR 873 thousand arising from the acquisition is attributable to the technical know-how of the acquiree's personnel, and the expected synergies arising from the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes.

Costs related to the acquisition, EUR 63 thousand, are included in other operating expenses in the consolidated statement of comprehensive income.

#### Acquisitions in total

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

<b>Consideration transferred:</b>	<b>EUR 1,000</b>
Cash payment	15,428
Contingent consideration	800
<b>Total consideration transferred</b>	<b>16,228</b>
<b>Assets and liabilities</b>	
Tangible assets	858
Intangible assets	7
Customer relationships (intangible assets)	7,466
Non-competition agreements (intangible assets)	355
Trade and other receivables	2,818
Cash and cash equivalents	1,249
<b>Total assets</b>	<b>12,753</b>
Non-current liabilities	917
Current liabilities	3,020
Deferred tax liability	1,720
<b>Total liabilities</b>	<b>5,657</b>
<b>Total identifiable net assets</b>	<b>7,096</b>
<b>Formation of Goodwill:</b>	
Consideration transferred	16,228
Total identifiable net assets	-7,096
<b>Goodwill</b>	<b>9,132</b>

Trade and other receivables comprise gross contractual amounts and equal fair value amounts of EUR 2,818 thousand.

The revenue included in the income statement contributed by the acquired companies was EUR 10,238 thousand and the profit for the financial year was EUR 1,450 thousand. Had all the companies been consolidated from January 1, 2021, the income statement would show revenue of EUR 302,873 thousand and profit for the financial year of EUR 19,581 thousand.

## 6 SEGMENT REPORTING

The Group has three reportable segments, the revenue of which consist mainly of the rendering of services.

**Engineering Solutions** refer to the innovation, engineering and calculations of the technical attributes of machinery or equipment for the purpose of product development and manufacturing. Assignments are typically product development projects for a new product, plant engineering projects or Engineering-to-Order projects, involving the customization of the product in accordance with end customer requirements and the market area's legislation.

**Software and Embedded Solutions** refer to product development services and technology solutions that allow the controlling of machines and equipment and enable their digital connectivity as part of the Internet of Things.

**Technical Documentation Solutions** refer to the documentation of a product's technical attributes, such as manuals and service instructions for the users of a product, as well as related content management and distribution in print or digital form.

EUR 1,000	Engineering Solutions	Software and Embedded Solutions	Technical Documentation Solutions	Reportable segments total	Eliminations and other	Total
<b>2022</b>						
External revenue	183,693	95,934	69,808	<b>349,436</b>	734	<b>350,170</b>
Operating profit (EBITA)	19,388	9,193	6,060	<b>34,641</b>	-726	<b>33,915</b>
Personnel at end of the period	2,092	815	886	<b>3,793</b>	158	<b>3,951</b>
<b>EUR 1,000</b>						
<b>2021</b>						
External revenue	167,433	80,123	51,650	<b>299,206</b>	905	<b>300,111</b>
Operating profit (EBITA)	16,555	8,316	5,879	<b>30,750</b>	-611	<b>30,139</b>
Personnel at end of the period	2,062	771	669	<b>3,502</b>	127	<b>3,629</b>

### Reconciliation of Operating profit (EBITA) and Profit before taxes

EUR 1,000	2022	2021
<b>Operating profit (EBITA)</b>	<b>33,915</b>	<b>30,139</b>
Amortization on fair value adjustments at acquisitions	-5,293	-4,385
<b>Operating profit (EBIT)</b>	<b>28,622</b>	<b>25,754</b>
Financial income	1,044	593
Financial expenses	-7,280	-1,480
<b>Profit before taxes</b>	<b>22,386</b>	<b>24,867</b>

### Segments' non-current assets

Segments' non-current assets exclude financial instruments and deferred tax assets. Non-current assets are presented according to the location of the asset because the Group's chief operating decision-maker follows asset items at the country level.

EUR 1,000	2022	2021
Finland	61,329	63,609
Scandinavia	45,017	39,820
China	2,805	2,931
Central Europe	54,802	39,640
<b>Total</b>	<b>163,953</b>	<b>146,001</b>

Disaggregation of revenue by geographical area is presented in note 7.

## 7 REVENUE FROM CONTRACTS WITH CUSTOMERS

### Disaggregation of revenue

The table below presents the disaggregation of revenue by geographical area and timing of revenue recognition. The external revenue of each geographical area is presented according to the location of the seller. The Group's operations in China sell their services both locally and through other Group companies, and therefore this revenue is partly included in the revenue from other areas. Revenue by service area is presented in note 6.

EUR 1,000	2022	2021
<b>Primary geographical location</b>		
Finland	181,114	169,996
Scandinavia	88,346	70,153
Central Europe	68,242	47,747
China	12,468	12,216
<b>Total</b>	<b>350,170</b>	<b>300,111</b>
<b>Timing of revenue recognition</b>		
Transferred at a point in time	2,288	2,241
Transferred over time	347,882	297,871
<b>Total</b>	<b>350,170</b>	<b>300,111</b>

### Assets and liabilities related to contracts with customers

The Group recognized the following contract assets and liabilities related to contracts with customers. For details on impairment loss allowance, please see note 4.1.4. Trade receivables are specified in note 24.

EUR 1,000	2022	2021
<b>Contract assets (Work in progress)</b>		
Work in progress Jan 1	26,810	17,764
Business combinations	785	6
Additions	304,791	262,259
Invoicing	-301,957	-252,290
Netting work in progress and advances received	-134	-785
Other changes	-114	-144
<b>Contract assets Dec 31</b>	<b>30,181</b>	<b>26,810</b>
<b>Contract liabilities (Advances received)</b>		
Advances received Jan 1	3,891	2,770
Additions	45,904	37,922
Revenue recognized that was included in the contract liability at the beginning of the period	-46,831	-35,967
Netting work in progress and advances received	-134	-785
Other changes	26	-50
<b>Contract liabilities Dec 31</b>	<b>2,856</b>	<b>3,891</b>

## 8 OTHER OPERATING INCOME

EUR 1,000	2022	2021
Premeasurement of contingent considerations in business combinations	767	0
Covid compensations received	249	132
Insurance compensations received	1	158
Other compensations received	564	60
Other operating income	1,244	938
<b>Total</b>	<b>2,826</b>	<b>1,289</b>



## 9 NON-RECURRING ITEMS

Items that are material either because of their size or their nature, and that are non-recurring are considered as non-recurring items. These items are presented within the line items to which they best relate, and are not deducted from other items in the income statement. The amount of non-recurring items and the line items in which they are included are specified in the table below as additional information. Non-recurring items relate to acquisitions and restructuring.

EUR 1,000	2022	2021
Other operating income	767	0
Employee benefits expenses and other operating expenses	-1,807	-656
<b>Operating profit (EBIT)</b>	<b>-1,040</b>	<b>-656</b>
Financial income and expenses	-5,133	0
<b>Profit for the financial year</b>	<b>-6,173</b>	<b>-656</b>

## 10 MATERIALS AND SERVICES

EUR 1,000	2022	2021
Materials	9,010	8,481
Services from others	31,384	23,204
<b>Total</b>	<b>40,395</b>	<b>31,685</b>

## 11 NUMBER OF PERSONNEL AND EMPLOYEE BENEFITS EXPENSES

	2022	2021
<b>Personnel</b>		
Personnel at year-end	3,951	3,629
Personnel, average	3,945	3,480
<b>Personnel by category</b>		
Design personnel	3,732	3,436
Administrative personnel	219	193
<b>Total</b>	<b>3,951</b>	<b>3,629</b>

EUR 1,000	2022	2021
<b>Employee benefits expenses</b>		
Wages and salaries	184,926	160,810
Pension costs - defined contribution plans	21,318	20,021
Pension costs - defined benefit plans	212	0
Other indirect employee benefits expenses	21,366	16,765
<b>Total</b>	<b>227,823</b>	<b>197,596</b>

Compensation of the Board of Directors and top management are disclosed in note 32 Related-party transactions.

### Defined Employee Benefits

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. Etteplan's share of the total premiums paid to the arrangement and the share of employees participating in the arrangements is less than 0.0 per cent. Total amount paid to the insurer in 2022 in Sweden was EUR 1,248 thousand (2021: EUR 1,191 thousand) and in

the Netherlands EUR 779 thousand (2021: EUR 594 thousand). The payment level is not expected to change materially in the next financial period compared to the period under review.

Cognitas GmbH, acquired in 2022, has a defined benefit pension plan. The expenses related to the plan are recognized as described in note 2.11. The payments to be made under the plan in the financial year 2023 are expected to be approximately EUR 0.3 million.

#### Net defined benefit liability

EUR 1,000	2022	2021
Present value of funded obligations	4,897	0
Fair value of plan assets	0	0
Deficit/surplus	0	0
<b>Net liability (+) / net asset (-)</b>	<b>4,897</b>	<b>0</b>

#### Change in defined benefit obligation and plan assets

EUR 1,000	Present value of funded obligation	Total
<b>Jan 1, 2022</b>	<b>0</b>	<b>0</b>
Acquisition of Cognitas GmbH Jan 13, 2022	6,902	6,902
Current service cost	26	26
Interest cost or income	76	76
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	-1,701	-1,701
Experience profits (-) or losses (+)	-168	-168
Contributions from plan participants	0	0
Benefits paid	-238	-238
<b>Dec 31, 2022</b>	<b>4,897</b>	<b>4,897</b>

#### Significant actuarial assumptions Dec 31

EUR 1,000	2022	2021
Discount rate, %	3.7	0
Salary increases, %	2.0	0
Pension increases, %	2.0	0

The table below presents a sensitivity analysis of the most significant actuarial assumptions. The effect of change in each assumption is calculated expecting the other assumptions to remain unchanged. In reality, the changes in assumptions may correlate with each other.

#### Sensitivity of the defined benefit obligation to changes in the most significant assumptions

Change in assumption	Effect on obligation
Decrease of discount rate by 0.5 per centage points	increase of 5.74 per cent
Increase of discount rate by 0.5 per centage points	decrease of 5.27 per cent
Increase in salaries by 0.5 per centage points	n.a
Increase in benefits by 0.5 per centage points	decrease of 4.21 per cent

## 12 OTHER OPERATING EXPENSES

EUR 1,000	2022	2021
Software and telecommunication expenses	10,952	9,430
Travel expenses	5,245	3,549
Premises expenses	1,314	1,891
Expenses related to leases of low-value assets	1,181	944
Voluntary personnel expenses	6,699	5,432
Change in credit loss allowance	86	36
Loss on disposals of fixed assets	0	1
Insurances	548	492
Costs related to acquisitions	297	296
Legal services	582	375
Other expenses	9,235	6,080
<b>Total</b>	<b>36,140</b>	<b>28,527</b>

## 13 AUDIT FEES

EUR 1,000	2022	2021
Auditing, KPMG-network	124	110
Auditor's statements based on laws and regulations, KPMG Oy Ab	7	0
Other services (tax services), KPMG Oy Ab	55	46
Other services (other services), KPMG-network	13	150
<b>Total</b>	<b>199</b>	<b>306</b>

## 14 FINANCIAL INCOME

EUR 1,000	2022	2021
Dividend income from investments	13	9
Interest income from loans and other receivables	100	70
Foreign exchange gain	931	513
<b>Total</b>	<b>1,044</b>	<b>593</b>

## 15 FINANCIAL EXPENSES

EUR 1,000	2022	2021
Interest on borrowings	1,150	622
Leasing interest expenses	407	267
Losses on foreign currency derivatives	4,878	0
Other foreign exchange loss	267	266
Other financial expenses	578	325
<b>Total</b>	<b>7,280</b>	<b>1,480</b>

In connection with the Semcon public offer, the Group took a currency hedge for hedging purposes to protect the possible purchase price from exchange rate fluctuations. The derivative was valued at its fair value before realization. However, the Semcon public offer was not fulfilled due to a competing purchase offer, and the currency hedge contract was already realized in the financial year, and thus at the time of the financial year end date, the Group has no derivative contracts in effect. Therefore, IFRS 9 standard on hedge accounting has not been applied.

## 16 TRANSLATION DIFFERENCES RECOGNIZED IN INCOME STATEMENT

EUR 1,000	2022	2021
Foreign exchange gain included in financial income	931	513
Foreign exchange loss included in financial expenses	-5,146	-266
<b>Total</b>	<b>-4,215</b>	<b>246</b>

## 17 INCOME TAXES

EUR 1,000	2022	2021
Tax on income from operations	-4,978	-5,793
Tax corrections for previous accounting periods	-1	-47
Change in deferred tax asset	-69	232
Change in deferred tax liability	812	786
<b>Total</b>	<b>-4,235</b>	<b>-4,823</b>

**Reconciliation between income taxes in the income statement and the theoretical amount of tax that would arise using the Group's domestic tax rate (2022: 20.0%, 2021: 20.0%)**

EUR 1,000	2022	2021
Accounting profit before tax	22,386	24,867
<b>Income tax expense</b>		
Theoretical amount of tax that would arise using the Group's domestic tax rate	-4,477	-4,973
<b>Differences (net)</b>		
Effect of different tax rates in Group companies	616	40
Effect of change in tax rate on deferred taxes	-9	38
Calculated tax based on non-deductible items on unit's tax rate	-526	-190
Calculated tax based on non-taxable items on unit's tax rate	342	233
Tax corrections for previous accounting periods	-1	-47
Use of previously unrecognized tax on confirmed losses	3	88
Use of recognized tax on confirmed losses	-36	0
Unrecognized tax on loss for the period	-326	-5
Other tax difference	179	-5
<b>Income tax expense</b>	<b>-4,235</b>	<b>-4,823</b>

**Tax charge (-) / credit (+) relating to components of other comprehensive income**

EUR 1,000	Before tax	Tax charge / credit	After tax
<b>2022</b>			
Change in fair value of equity investments at fair value through other comprehensive income	-37	7	-30
Currency translation differences	-4,229	0	-4,229
Deferred tax on remeasurement of defined benefit	1,942	-583	1,359
<b>Other comprehensive income for the year, net of tax</b>	<b>-2,324</b>	<b>-575</b>	<b>-2,899</b>
<b>2021</b>			
Change in fair value of equity investments at fair value through other comprehensive income	40	-8	32
Currency translation differences	-589	0	-589
<b>Other comprehensive income for the year, net of tax</b>	<b>-549</b>	<b>-8</b>	<b>-557</b>

## 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.

The shares to be paid out as rewards of the share-based incentive plan will be transferred from the shares held by the Company or shares acquired from the market, and therefore the incentive plan will have no diluting effect on the share value.

	2022	2021
Profit attributable to equity holders of the parent company (EUR 1,000)	18,151	20,044
Issue-adjusted weighted average number of shares (1,000 pcs) Jan 1	24,904	24,862
Effect of own shares	0	-31
Effect of shares issued	128	73
Issue-adjusted weighted average number of shares (1,000 pcs) Dec 31	25,032	24,904
<b>Basic earnings per share (EUR/share)</b>	<b>0.73</b>	<b>0.80</b>
<b>Diluted earnings per share (EUR/share)</b>	<b>0.73</b>	<b>0.80</b>

## 19 INTANGIBLE ASSETS

**Goodwill**

EUR 1,000	2022	2021
Acquisition cost Jan 1	92,380	83,685
Translation difference	-2,466	-387
Acquisition of subsidiaries (note 5)	15,470	9,082
<b>Book value Dec 31</b>	<b>105,385</b>	<b>92,380</b>

## Other intangible assets

EUR 1,000	Intangible rights	Internally created intangible assets	Fair value adjustments in acquisitions*	Leased software	Advance payments	Total
<b>2022</b>						
Acquisition cost Jan 1	12,674	2,965	46,056	7,547	273	69,516
Translation difference	-59	0	-572	-35	-1	-667
Acquisition of subsidiaries	154	0	10,890	0	0	11,044
Additions	206	9	0	186	9	411
Disposals	0	0	0	0	0	0
Reclassifications	200	86	0	0	-193	93
Acquisition cost Dec 31	13,175	3,060	56,374	7,698	89	80,396
Cumulative amortization Jan 1	-11,278	-2,690	-20,679	-6,060	0	-40,709
Translation difference	58	0	220	30	0	308
Acquisition of subsidiaries	-24	0	0	0	0	-24
Disposals	0	0	0	0	0	0
Amortization for the financial year	-761	-178	-5,293	-996	0	-7,227
Cumulative amortization Dec 31	-12,004	-2,868	-25,753	-7,027	0	-47,652
<b>Book value Dec 31</b>	<b>1,171</b>	<b>192</b>	<b>30,621</b>	<b>672</b>	<b>89</b>	<b>32,745</b>

EUR 1,000	Intangible rights	Internally created intangible assets	Fair value adjustments in acquisitions*	Leased software	Advance payments	Total
<b>2021</b>						
Acquisition cost Jan 1	12,114	2,945	38,362	6,661	129	60,211
Translation difference	141	0	-88	-9	0	44
Acquisition of subsidiaries	7	0	7,782	0	0	7,789
Additions	373	20	0	895	188	1,475
Disposals	-50	0	0	0	0	-50
Reclassifications	90	0	0	0	-44	46
Acquisition cost Dec 31	12,674	2,965	46,056	7,547	273	69,516
Cumulative amortization Jan 1	-10,417	-2,504	-16,306	-4,974	0	-34,200
Translation difference	-139	0	11	7	0	-121
Disposals	41	0	0	0	0	41
Amortization for the financial year	-762	-187	-4,385	-1,094	0	-6,428
Cumulative amortization Dec 31	-11,278	-2,690	-20,679	-6,060	0	-40,709
<b>Book value Dec 31</b>	<b>1,396</b>	<b>274</b>	<b>25,377</b>	<b>1,487</b>	<b>273</b>	<b>28,807</b>

\*Valuations of the fair value adjustments in acquisitions consist of acquired customer bases of EUR 30,182 thousand (EUR 24,889 thousand) and non-competition agreements of EUR 439 thousand (EUR 478 thousand).

## 20 TANGIBLE ASSETS

EUR 1,000	Right-of-use assets						Total
	Land and water	Buildings	Machinery and equipment	Other tangible assets	Machinery and equipment	Premises	
<b>2022</b>							
Acquisition cost Jan 1	19	495	15,860	1,597	22,061	37,832	77,864
Translation difference	0	0	-113	-1	-215	0	-330
Acquisition of subsidiaries	0	0	509	0	118	1,177	1,804
Additions	0	0	1,185	239	4,157	6,779	12,360
Disposals	0	0	-23	0	-109	-729	-861
Reclassifications	0	0	0	0	0	0	0
Acquisition cost Dec 31	19	495	17,418	1,834	26,011	45,059	90,837
Cumulative depreciation Jan 1	0	-22	-13,111	-1,204	-17,408	-21,360	-53,105
Translation difference	0	0	62	1	161	0	225
Disposals	0	0	3	0	0	0	3
Depreciation for the financial year	0	-3	-1,133	-289	-3,443	-8,160	-13,028
Cumulative depreciation Dec 31	0	-25	-14,304	-1,491	-20,690	-29,519	-66,030
<b>Book value Dec 31</b>	<b>19</b>	<b>471</b>	<b>3,114</b>	<b>343</b>	<b>5,321</b>	<b>15,539</b>	<b>24,808</b>

EUR 1,000	Right-of-use assets						Total
	Land and water	Buildings	Machinery and equipment	Other tangible assets	Machinery and equipment	Premises	
<b>2021</b>							
Acquisition cost Jan 1	19	495	14,386	1,261	18,623	32,554	67,339
Translation difference	0	0	94	5	-47	0	51
Acquisition of subsidiaries	0	0	7	86	23	754	870
Additions	0	0	1,331	245	3,840	5,951	11,366
Disposals	0	0	-1	0	-378	-1,427	-1,806
Reclassifications	0	0	44	0	0	0	44
Acquisition cost Dec 31	19	495	15,860	1,597	22,061	37,832	77,864
Cumulative depreciation Jan 1	0	-11	-12,089	-1,110	-14,436	-13,995	-41,641
Translation difference	0	0	-85	-5	36	0	-55
Disposals	0	0	1	0	0	0	1
Depreciation for the financial year	0	-11	-938	-88	-3,008	-7,365	-11,410
Cumulative depreciation Dec 31	0	-22	-13,111	-1,204	-17,408	-21,360	-53,105
<b>Book value Dec 31</b>	<b>19</b>	<b>473</b>	<b>2,749</b>	<b>394</b>	<b>4,652</b>	<b>16,472</b>	<b>24,759</b>

## Tangible and intangible right-of-use assets in total

EUR 1,000	2022	2021
<b>Book value Jan 1</b>	<b>22,611</b>	<b>24,434</b>
Translation difference	-60	-13
Acquisition of subsidiaries	1,295	777
Additions	11,123	10,685
Disposals and reclassifications	-838	-1,805
Depreciation for the financial year	-12,599	-11,467
<b>Book value Dec 31</b>	<b>21,532</b>	<b>22,611</b>

The total cash outflow for leases in the financial year 2022 was EUR 13,986 thousand (2021: EUR 12,702 thousand).

Additional information on right-of-use assets and lease liabilities in notes 2.1.1 and 2.14.

## 21 FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORY

Financial assets 2022 EUR 1,000	Note	Amortized cost	Fair value through OCI	Book value total
Quoted and unquoted shares	21		2,414	<b>2,414</b>
Trade and other receivables	21, 24	57,994		<b>57,994</b>
Cash and cash equivalents		19,564		<b>19,564</b>
<b>Financial assets Dec 31</b>		<b>77,558</b>	<b>2,414</b>	<b>79,972</b>

Financial liabilities 2022 EUR 1,000	Note	Amortized cost	Fair value through profit and loss	Book value total
Loans from financial institutions	27	68,991		<b>68,991</b>
Lease liabilities	27	21,592		<b>21,592</b>
Liabilities from acquisitions	5,28		52	<b>52</b>
Trade and other payables	29	14,235		<b>14,235</b>
<b>Financial liabilities Dec 31</b>		<b>104,818</b>	<b>52</b>	<b>104,870</b>

Financial assets 2021 EUR 1,000	Note	Amortized cost	Fair value through OCI	Book value total
Quoted and unquoted shares	21		418	<b>418</b>
Trade and other receivables	24	43,542		<b>43,542</b>
Cash and cash equivalents		30,356		<b>30,356</b>
<b>Financial assets Dec 31</b>		<b>73,898</b>	<b>418</b>	<b>74,316</b>

Financial liabilities 2021 EUR 1,000	Note	Amortized cost	Fair value through profit and loss	Book value total
Loans from financial institutions	27	55,803		<b>55,803</b>
Lease liabilities	27	22,670		<b>22,670</b>
Liabilities from acquisitions	5, 28		800	<b>800</b>
Trade and other payables	29	13,200		<b>13,200</b>
<b>Financial liabilities Dec 31</b>		<b>91,674</b>	<b>800</b>	<b>92,474</b>

The fair values of financial instruments materially correspond to their book values.

### Fair value hierarchy

The tables below analyze financial instruments carried at fair value, by valuation method. The different levels are 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 as prices or indirectly, derived from prices.

**Level 3:** Unobservable inputs that are not based on observable market data.

### Financial assets recognized at fair value through OCI

2022 EUR 1,000	Quoted shares (Level 1)	Premises shares (Level 2)	Unquoted shares and loan receivables (Level 3)	Total
<b>Opening balance at Jan 1</b>	<b>275</b>	<b>120</b>	<b>24</b>	<b>418</b>
Ekkono AB investment	0	0	2,034	2,034
Loan given to Ekkono AB	0	0	963	963
Gain/loss recognized in other comprehensive income	-37	0	0	-37
Disposals	0	0	-1	-1
<b>Closing balance Dec 31</b>	<b>237</b>	<b>120</b>	<b>3,019</b>	<b>3,376</b>

2021 EUR 1,000	Quoted shares (Level 1)	Premises shares (Level 2)	Unquoted shares and loan receivables (Level 3)	Total
<b>Opening balance at Jan 1</b>	<b>235</b>	<b>120</b>	<b>24</b>	<b>378</b>
Gain/loss recognized in other comprehensive income	40	0	0	40
<b>Closing balance Dec 31</b>	<b>275</b>	<b>120</b>	<b>24</b>	<b>418</b>

Financial assets recognized at fair value through OCI (level 3) consist of an investment in Ekkono Solutions AB in the financial year 2022, which is a Swedish start-up company developing machine learning and artificial intelligence technology. The investment supports Etteplan's strategy and goal of bringing modern technology into Etteplan's service solutions. The valuation method for shares and loan receivables is based on completed transactions or the present value of discounted cash flows.

### Financial liabilities recognized at fair value through profit or loss

#### Contingent liability in acquisitions (Level 3)

EUR 1,000	2022	2021
<b>Opening balance at Jan 1</b>	<b>800</b>	<b>132</b>
Additions	0	1,209
Revaluation	-767	-409
Payment	0	-132
<b>Closing balance Dec 31</b>	<b>33</b>	<b>800</b>

Additional information regarding contingent liabilities in acquisitions is provided in note 5 Business combinations.

## 22 IMPAIRMENT TESTING

Goodwill is allocated to cash-generating units (CGUs) for determination of impairment. In impairment testing, the recoverable amount is defined as value-in-use. Value-in-use is defined as the discounted estimated future net cash flows generated by the asset or cash-generating unit.

The Group's management has defined the CGUs to be the three service areas in which the Group's operations are organized.

The impairment test is done in the fourth quarter after budgets for the next year were done and it is based on goodwill as per September 30. Cash flows after tax are based on budget figures for year one and financials approved by management for the next five-year period. The management makes estimations on the market demand and market environment, which are checked against external information sources. When defining the cash flow, attention is paid to anticipated price and margin development as well as costs, net working capital and investment needs. The management determines these based on past performance and expectations for market development.



The discount rate applied to cash flow projections is determined based on the post-tax weighted average cost of capital (WACC) that depicts the overall costs of shareholders' equity and liabilities. The discount rate is based on the weighted average of 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.

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 or the comparison year.

### Goodwill Sep 30

MEUR	2022	2021
Engineering Solutions	55.3	55.8
Software and Embedded Solutions	35.8	30.8
Technical Documentation Solutions	15.4	6.4
<b>Total</b>	<b>106.5</b>	<b>93.0</b>

### Key assumptions used for value-in-use calculations

	2022	2021
Aggregate growth per centage year 2-5	1.0%	1.0%
Growth rate after 5 years	1.0%	1.0%
Discount rate before tax		
Engineering Solutions	11.5%	9.5%
Software and Embedded Solutions	11.7%	9.1%
Technical Documentation Solutions	10.9%	8.9%
Discount rate after tax		
Engineering Solutions	9.1%	7.6%
Software and Embedded Solutions	9.5%	7.4%
Technical Documentation Solutions	8.7%	7.1%

### The recoverable amount exceeds the book value as follows:

MEUR	2022	2021
Engineering Solutions	122.6	141.1
Software and Embedded Solutions	63.5	94.3
Technical Documentation Solutions	57.3	60.0
<b>Total</b>	<b>243.4</b>	<b>295.4</b>

### Sensitivity analysis

In connection with impairment testing, sensitivity analyses were performed using the following variables:

- Zero growth in net sales
- Decrease of profitability (EBIT) by 4 per centage points
- Increase of discount rate by 4 per centage points

According to the management's understanding, realization of the variables used in the sensitivity analysis would not lead to impairment losses in cash-generating units.

## 23 INVENTORY

EUR 1,000	2022	2021
Inventory at the beginning of the financial year	376	336
Additions/Deductions	258	41
<b>Total</b>	<b>635</b>	<b>376</b>

## 24 TRADE AND OTHER RECEIVABLES

EUR 1,000	2022	2021
Trade receivables	55,169	42,896
Credit loss allowance	-394	-359
Other receivables	2,203	951
Prepayments and accrued income	5,428	4,500
<b>Total</b>	<b>62,405</b>	<b>47,988</b>

### Main items included in prepayments and accrued income

Accruals of employee benefits expenses	53	19
Prepaid rents	497	470
Other prepayments and accrued income on expenses	4,877	4,011
<b>Total</b>	<b>5,428</b>	<b>4,500</b>

### Analysis of receivables by currency

EUR	41,028	31,682
SEK	14,286	9,454
CNY	3,321	3,864
PLN	1,094	740
DKK	2,504	1,921
Other currencies	171	327
<b>Total</b>	<b>62,405</b>	<b>47,988</b>

## 25 EQUITY

### Shareholders' equity

Shareholders' equity consists of share capital, share premium account, unrestricted equity fund, own shares, cumulative translation adjustment, other reserves and retained earnings.

**Share premium account** contains the emission gain from the original stock listing as well as funds raised in bonus issues. **Unrestricted equity fund** includes funds raised in share issues and decided to be recorded in the Unrestricted equity fund. **Translation differences** contain translation differences arising from the conversion of financial statements of foreign units and the foreign subsidiary net investment hedge. The aggregate amount of the net investment hedge (EUR 149 thousand) related to the Swedish unit is recorded in the profit and loss statement upon disposal of the unit. **Other reserves** include the fair value reserve, which consists of fair value adjustments of investments at fair value through other comprehensive income, amounting to EUR 103 thousand (2021: EUR 133 thousand). The aggregate amount of fair value adjustments are recorded in Retained earnings upon disposal of the investments.

### 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 the number of shares was 25,200,793 (2021: 25,083,308). No changes in share capital occurred during the financial year. 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 ETTT 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 159,046 (2021: 159,046).

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 Board of Directors' review.

The Board of Directors has proposed to the Annual General Meeting a dividend of EUR 0.36 to be paid for the financial year 2022.

## 26 SHARE-BASED PAYMENTS

### Key personnel incentive plan 2020–2022

The Board of Directors of Etteplan Oyj resolved on February 5, 2020 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 the calendar years 2020–2022. The earning period covers the same years as Etteplan's strategy update published in December 2019. The plan is in line with Etteplan's strategy and supports the achievement of the Company's financial targets. The earnings criteria are the Group's revenue increase and the development of Total Shareholder Return (TSR). The potential reward will be paid partly in the Company's shares and partly in cash after the end of the earning period. The proportion to be paid in cash is intended to cover taxes and tax-related costs arising from the reward to the key personnel. Approximately 25 people belong to the plan, including the Management Group of Etteplan. The rewards to be paid on the basis of the plan will correspond to the value of an approximate maximum total of 390,000 Etteplan Oyj shares (including also the proportion to be paid in cash). The shares to be paid out as potential rewards will be transferred from the shares held by the Company or shares acquired from the market, and therefore the incentive plan will have no diluting effect on the share value.

The number of shares expected to be granted to the key personnel at the measurement date was 85,131 (104,049). The fair value of the services provided by the key personnel are determined indirectly from the fair value of the Company's share. The fair value at the measurement date was EUR 14.77 (17.29). Expected dividends or any other features of the shares are excluded from the calculation of fair value.

### Employee benefits expenses include share-based payments related to the key personnel incentive plans:

EUR 1,000	2022	2021
To be settled in equity in future financial periods	1,005	819
To be settled in cash in future financial periods	1,379	1,315
<b>Total</b>	<b>2,383</b>	<b>2,134</b>

## 27 INTEREST-BEARING LIABILITIES

### Loans from financial institutions

#### Analysis by currency

EUR 1,000	2022	2021
<b>Non-current loans from financial institutions</b>		
EUR	47,852	30,350
<b>Total</b>	<b>47,852</b>	<b>30,350</b>

#### Current loans from financial institutions

EUR	19,720	23,996
CNY	1,419	1,458
<b>Total</b>	<b>21,139</b>	<b>25,454</b>

### Lease liabilities

#### Non-current lease liabilities

EUR	6,355	6,187
SEK	1,766	1,980
CNY	357	369
PLN	0	115
DKK	0	124
<b>Total</b>	<b>8,478</b>	<b>8,777</b>

#### Current lease liabilities

EUR	10,836	11,208
SEK	1,984	1,809
CNY	293	286
PLN	0	500
DKK	0	91
<b>Total</b>	<b>13,114</b>	<b>13,894</b>

## 28 OTHER NON-CURRENT LIABILITIES

EUR 1,000	2022	2021
Liability from acquisitions	0	800
Other non-current liabilities	33	27
<b>Total</b>	<b>33</b>	<b>827</b>

## 29 TRADE AND OTHER PAYABLES

EUR 1,000	2022	2021
Trade payables	14,209	13,180
Accrued liabilities	33,713	33,353
Tax payables	15,532	15,174
Liability from acquisitions	52	0
Other payables	2	-55
<b>Total</b>	<b>63,508</b>	<b>61,652</b>

### Main items included in accrued expenses and income

Interest liabilities	307	95
Accrued employee benefits expenses	30,132	29,984
Other accrued expenses and income	3,274	3,273
<b>Total</b>	<b>33,713</b>	<b>33,353</b>

### Analysis by currency

EUR	46,266	46,219
SEK	12,942	11,692
CNY	1,913	1,863
PLN	1,344	1,050
DKK	954	773
Other	89	55
<b>Total</b>	<b>63,508</b>	<b>61,652</b>

## 30 DEFERRED TAXES

### Deferred taxes 2022

#### Deferred tax assets

EUR 1,000	Jan 1, 2022	Translation difference	In income statement	In equity	Acquisitions	Dec 31, 2022
Confirmed loss	134	0	-34	0	0	101
Leases	12	0	0	0	0	12
Share-based incentive plan	345	0	31	0	0	376
Other timing differences	240	0	-67	0	0	173
<b>Total</b>	<b>731</b>	<b>0</b>	<b>-69</b>	<b>0</b>	<b>0</b>	<b>662</b>

#### Deferred tax liabilities

EUR 1,000	Jan 1, 2022	Translation difference	In income statement	In equity	Acquisitions	Dec 31, 2022
Discretionary provisions	1,282	-121	325	0	169	1,656
Fair value adjustments in acquisitions	5,596	-84	-1,199	0	2,622	6,935
Other timing differences	531	0	62	575	0	1,167
<b>Total</b>	<b>7,409</b>	<b>-204</b>	<b>-812</b>	<b>575</b>	<b>2,791</b>	<b>9,758</b>

## Deferred taxes 2021

### Deferred tax assets

EUR 1,000	Jan 1, 2021	Translation difference	In income statement	In equity	Acquisitions	Dec 31, 2021
Confirmed loss	32	0	103	0	0	134
Leases	12	0	0	0	0	12
Share-based incentive plan	211	0	133	0	0	345
Other timing differences	238	0	-4	0	6	240
<b>Total</b>	<b>493</b>	<b>0</b>	<b>232</b>	<b>0</b>	<b>6</b>	<b>731</b>

### Deferred tax liabilities

EUR 1,000	Jan 1, 2021	Translation difference	In income statement	In equity	Acquisitions	Dec 31, 2021
Discretionary provisions	1,205	-25	103	0	0	1,282
Fair value adjustments in acquisitions	4,876	1	-990	0	1,709	5,596
Other timing differences	422	0	101	8	0	531
<b>Total</b>	<b>6,502</b>	<b>-25</b>	<b>-786</b>	<b>8</b>	<b>1,709</b>	<b>7,409</b>

At the end of the financial year, the Group had gross losses carried forward of EUR 3,290 thousand (2021: EUR 1,400 thousand), for which a deferred tax asset has not been recognized. These losses are usable to offset future taxable gains a minimum of five years.

## 31 PLEDGES, MORTGAGES AND GUARANTEES

EUR 1,000	2022	2021
Business mortgages	320	320
Pledged shares	120	120
Other contingencies	363	418
<b>Total</b>	<b>803</b>	<b>858</b>

## 32 RELATED-PARTY TRANSACTIONS

The Group's related parties include such persons that have control, joint control or significant influence over the Group. Also, the Group's key management personnel are included in the related parties. Key management personnel refers to persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. Spouses, wards and companies in control or joint control of the aforementioned persons are considered as other related parties. The ultimate controlling party, Ingman Group Oy Ab, and its group companies are also included in the related parties.

Related-party transactions are priced according to the Group's normal pricing basis and purchase conditions, which are equivalent to those that prevail in arm's length transactions.

## Group companies Dec 31, 2022

Company	Domicile	Group's / Parent company's holding
Emoyhtiö Etteplan Oy	Espoo, Finland	
Cognitas GmbH	Ottobrunn, Germany	100% / 100%
Etteplan Germany GmbH	Leverkusen, Germany	100% / 100%
Etteplan Finland Oy	Lahti, Finland	100% / 100%
Etteplan Poland sp.z.o.o.	Wroclaw, Poland	100% / 0%
Etteplan Tech Poland S.A.	Katowice, Poland	100% / 0%
Etteplan Sweden AB	Västerås, Sweden	100% / 100%
Etteplan Technology Center Ltd.	Kunshan, China	100% / 0%
Etteplan Consulting (Shanghai) Co., Ltd.	Shanghai, China	100% / 100%
Etteplan B.V.	Eindhoven, the Netherlands	100% / 100%
Etteplan Netherlands B.V.	Eindhoven, the Netherlands	100% / 0%
Etteplan Deutschland GmbH	Neukirchen-Vlyun, Germany	100% / 0%
F.I.T. Fahrzeug Ingenieurtechnik GmbH	Koblenz, Germany	100% / 0%
Etteplan USA Inc.	Austin (TX), USA	100% / 0%
LCA Consulting Oy	Lappeenranta, Finland	100% / 100%
Syncore technologies AB	Linköping, Sweden	100% / 100%
Etteplan Engineering Solutions Netherlands B.V.	Eindhoven, the Netherlands	100% / 100%
MA3 solutions B.V.	Eindhoven, the Netherlands	100% / 0%
Etteplan Denmark A/S	Herlev, Denmark	100% / 100%

## The following Group companies have been merged in 2022:

Company	Domicile	Merged to
Etteplan Embedded Finland Oy	Espoo, Finland	Etteplan Finland Oy
Etteplan MORE Oy	Tampere, Finland	Etteplan Finland Oy
Adina Solutions Oy	Tampere, Finland	Etteplan Finland Oy
DDCom B.V. (Van Dulmen CAD-Illustraties B.V.)	Eindhoven, the Netherlands	Etteplan Netherlands B.V.
BST Buck Systemtechnik GmbH	Brünsbüttel, Germany	Etteplan Germany GmbH

## The following transactions were carried out with related parties:

EUR 1,000	2022	2021
<b>Sales and purchases of services and related receivables and payables</b>		
Sales of services to other related parties	30	94
Purchases of services from other related parties	36	36
Trade receivables from other related parties	0	0

## Key management compensation

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

## Salaries, fees and fringe benefits paid to key management

EUR 1,000	2022	2021
<b>Members of the Board</b>		
Robert Ingman, Chairman of the Board	83	85
Matti Huttunen	44	45
Päivi Lindqvist	45	44
Leena Saarinen	46	49
Mikko Tepponen	43	44
<b>CEO and other members of the Management Group</b>		
Juha Näkki, salaries and fees paid	749	519
Juha Näkki, statutory pension costs	124	88
Other members of the Management Group, salaries and fees paid	2,324	1,913
Other members of the Management Group, statutory pension costs	434	382
<b>Management compensation total</b>	<b>3,892</b>	<b>3,169</b>

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

### 33 EVENTS AFTER THE BALANCE SHEET DATE

No material events have occurred in the Group after the balance sheet date that would affect the financial statements.

### 34 KEY FIGURES FOR FINANCIAL TRENDS

EUR 1,000	Jan 1–Dec 31, 2022	Jan 1–Dec 31, 2021	Jan 1–Dec 31, 2020
Revenue	350,170	300,111	259,702
Change in revenue, %	16.7	15.6	-1.4
Operating profit (EBITA)	33,915	30,139	26,172
% of revenue	9.7	10.0	10.1
Operating profit (EBIT)	28,622	25,754	22,380
% of revenue	8.2	8.6	8.6
Profit before taxes	22,386	24,867	21,080
% of revenue	6.4	8.3	8.1
Profit for the financial year	18,151	20,044	17,077
Return on equity, %	17.7	21.6	20.8
ROCE, %	15.9	16.0	16.0
Equity ratio, %	38.2	39.7	40.5
Gross investments	40,940	30,582	29,697
% of revenue	11.7	10.2	11.4
Net gearing, %	66.8	48.6	46.6
Personnel, average	3,945	3,480	3,320
Personnel at year end	3,951	3,629	3,267
Employee benefits expenses	227,823	197,596	177,301

### 35 KEY FIGURES FOR SHARES

	Jan 1–Dec 31, 2022	Jan 1–Dec 31, 2021	Jan 1–Dec 31, 2020
Earnings per share, EUR	0.73	0.80	0.69
Equity per share, EUR	4.25	3.97	3.50
Dividend per share, EUR (Proposal by the Board of Directors)	0.36	0.40	0.34
Dividend per earnings per share, %	49	50	49
Effective dividend return, %	2.5	2.4	2.6
P/E-ratio, EUR	20.0	21.1	18.8
Share price, EUR:			
lowest	11.65	12.95	6.50
highest	18.75	19.45	13.30
average for the year	15.46	16.33	9.46
closing	14.60	16.90	12.95
Market capitalization, EUR 1,000	365,610	421,220	322,251
Number of shares traded, 1,000 pcs	518	1,540	1,564
Shares traded, %	2	6	6
Adjusted average number of externally owned shares during the financial year, 1,000 pcs	25,032	24,904	24,862
Adjusted number of externally owned shares at year end, 1,000 pcs	25,050	24,924	24,884

## FORMULAS FOR THE KEY FIGURES

### IFRS KEY FIGURES

$$\text{Basic earnings per share} = \frac{\text{(Profit for the financial year attributable to equity holders of the parent company)}}{\text{Issue-adjusted average number of shares during the financial year}} \times 100$$

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

### NON-IFRS KEY FIGURES

$$\text{Operating profit (EBITA)} = \text{Operating profit (EBIT) + amortization on fair value adjustments in acquisitions}$$

$$\text{Organic growth} = \frac{\text{(Revenue current year - Revenue comparison year - Revenue from acquirees current year)}}{\text{Revenue comparison year}} \times 100$$

$$\text{Revenue growth from key accounts} = \frac{\text{(Revenue from key accounts current year - Revenue from key accounts comparison year)}}{\text{Revenue from key accounts comparison year}} \times 100$$

$$\text{The share of revenue represented by Managed Services} = \frac{\text{Revenue from Managed Services}}{\text{Revenue}} \times 100$$

$$\text{Return on equity (ROE), \%} = \frac{\text{Profit for the financial year}}{\text{(Equity, total) average}} \times 100$$

$$\text{Return on capital employed (ROCE), before taxes, \%} = \frac{\text{(Profit before taxes + Financial expenses)}}{\text{(Total equity and liabilities - non-interest bearing liabilities) average}} \times 100$$

$$\text{Equity ratio, \%} = \frac{\text{Equity, total}}{\text{Total equity and liabilities - Advances received}} \times 100$$

$$\text{Gross investments} = \text{Total investments made to non-current assets including acquisitions and capitalized development costs}$$

$$\text{Net gearing, \%} = \frac{\text{(Interest-bearing liabilities - Cash and cash equivalents)}}{\text{Equity, total}} \times 100$$

$$\text{Equity per share} = \frac{\text{Equity, total}}{\text{Adjusted number of shares at the end of the year}}$$

$$\text{Market capitalization} = \text{Number of outstanding shares at the end of the year} \times \text{last traded share price of the year}$$

$$\text{Dividend per share} = \frac{\text{Dividend for the financial year}}{\text{Adjusted number of shares during the financial year}}$$



**Dividend as per centage of earnings** =  $\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$

**Effective dividend yield, %** =  $\frac{\text{Dividend per share}}{\text{Adjusted last traded share price}} \times 100$

**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** =  $\frac{\text{Total turnover of shares in euros}}{\text{Number of shares traded during the financial year}}$

**Trend in share turnover, in volume and per centage figures** = The trend in turnover of shares is given as the number of shares traded during the financial year and as the per centage of traded shares relative to issued stock during the year.

# Parent Company's Financial Statements

## PARENT COMPANY'S INCOME STATEMENT

EUR 1,000	Note	Jan 1–Dec 31, 2022 FAS	Jan 1–Dec 31, 2021 FAS
<b>Revenue</b>	1	<b>17,992</b>	<b>16,265</b>
Other operating income	2	145	15
Staff costs	3	-6,164	-6,299
Depreciation and amortization	10, 11	-452	-469
Other operating expenses	5	-13,558	-8,503
<b>Operating profit/loss</b>		<b>-2,036</b>	<b>1,009</b>
Financial income and expenses	6, 7	-1,355	783
<b>Profit/loss before appropriations and taxes</b>		<b>-3,391</b>	<b>1,792</b>
Appropriations	8	14,922	12,980
Income taxes	9	-2,158	-2,916
<b>Profit for the financial year</b>		<b>9,373</b>	<b>11,856</b>

## PARENT COMPANY'S BALANCE SHEET

EUR 1,000	Note	Dec 31, 2022 FAS	Dec 31, 2021 FAS
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	10	913	1,209
Tangible assets	11	180	169
Shares in Group companies	12	156,917	140,104
Other investments	12	2,052	20
Non-current receivables	13	7,668	4,455
<b>Non-current assets, total</b>		<b>167,730</b>	<b>145,956</b>
<b>Current assets</b>			
Current receivables	14	21,287	21,397
Cash and cash equivalents	15	11,242	23,718
<b>Current assets, total</b>		<b>32,529</b>	<b>45,115</b>
<b>TOTAL ASSETS</b>		<b>200,259</b>	<b>191,071</b>

EUR 1,000	Note	Dec 31, 2022 FAS	Dec 31, 2021 FAS
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	5,000	5,000
Share premium account	16	6,701	6,701
Unrestricted equity fund	16	24,079	22,150
Own Shares	16	-2,064	-2,064
Retained earnings	16	27,688	25,802
Profit for the financial year	16	9,373	11,856
<b>Equity, total</b>		<b>70,778</b>	<b>69,445</b>
<b>APPROPRIATIONS</b>			
	17	<b>359</b>	<b>282</b>
<b>Liabilities</b>			
Non-current liabilities	18	47,500	30,800
Current liabilities	19	81,622	90,544
<b>Liabilities, total</b>		<b>129,122</b>	<b>121,344</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>200,259</b>	<b>191,071</b>

## PARENT COMPANY'S CASH FLOW STATEMENT

EUR 1,000	Jan 1–Dec 31, 2022 FAS	Jan 1–Dec 31, 2021 FAS
<b>OPERATING CASH FLOW</b>		
Cash receipts from Group companies	18,156	16,614
Operating expenses paid	-16,470	-14,374
Operating cash flow before financial items and taxes	1,686	2,240
Interest and payment paid for financial expenses	-988	-451
Dividends and interest received	4,254	1,021
Income taxes paid	-2,790	-3,529
<b>Operating cash flow (A)</b>	<b>2,162</b>	<b>-717</b>
<b>INVESTING CASH FLOW</b>		
Purchase of tangible and intangible assets	-168	-261
Acquisition of subsidiaries	-22,951	-14,326
Sale of subsidiaries	4,117	0
Purchase of investments	-2,033	0
Loans granted to Group companies	-2,250	-2,620
Loans granted to others	-963	0
Change of internal bank account receivables	2,777	3,897
<b>Investing cash flow (B)</b>	<b>-21,470</b>	<b>-13,310</b>

EUR 1,000	Jan 1–Dec 31, 2022 FAS	Jan 1–Dec 31, 2021 FAS
<b>FINANCING CASH FLOW</b>		
Proceeds from directed share issue	0	1,936
Purchase of own shares	0	-1,382
Issue of new current loans	12,588	6,653
Repayments of current loans*	-31,834	-28,653
Change of internal bank account liabilities	-5,362	2,163
Issue of new non-current loans	28,000	37,500
Dividend paid	-9,970	-8,461
Group contribution	13,000	11,000
<b>Financing cash flow (C)</b>	<b>6,423</b>	<b>20,756</b>
<b>Variation in cash (A+B+C) increase (+) / decrease (-)</b>	<b>-12,886</b>	<b>6,729</b>
Assets at the beginning of the period	23,718	16,989
Exchange gains or losses on cash and cash equivalents	410	0
Assets at the end of the period	11,242	23,718

\*In the fiscal year of 2022, the item also includes a realized currency hedging loss of EUR 4.9 million.

# NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

## PARENT COMPANY'S ACCOUNTING POLICIES

The financial statements of the parent company, Etteplan Oyj, are prepared in accordance with Finnish accounting and company legislation (FAS).

Etteplan Oyj's revenue consists of software and management fees from Group companies.

### Activated development costs

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company 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, which 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.

### 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.

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

Maintenance and repair costs are expensed. Major basic improvement investments are capitalized and depreciated 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 other operating 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.

### 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	2022	2021
Finland	17,992	16,265

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

### 2 OTHER OPERATING INCOME

EUR 1,000	2022	2021
Other operating income	145	15
<b>Total</b>	<b>145</b>	<b>15</b>

### 3 NUMBER OF PERSONNEL AND STAFF COSTS

	2022	2021
<b>Personnel</b>		
Personnel at year-end	69	64
Personnel, average	69	63
<b>Personnel by category</b>		
Administration personnel	69	64
<b>Total</b>	<b>69</b>	<b>64</b>

EUR 1,000	2022	2021
<b>Staff costs</b>		
Wages and salaries	5,231	5,435
Pension costs - defined contribution plans	790	737
Other indirect employee costs	143	127
<b>Total</b>	<b>6,164</b>	<b>6,299</b>

Employee benefits of the Board of Directors and top management are disclosed in point 32 "Related-party transactions" of the notes to the consolidated financial statements.

### 4 AUDIT FEES

EUR 1,000	2022	2021
Auditing, KPMG Oy Ab	50	39
Auditor's statements based on laws and regulations, KPMG Oy Ab	7	5
Other services (tax services), KPMG Oy Ab	55	38
Other services (other services), KPMG Oy Ab	0	8
<b>Total</b>	<b>112</b>	<b>89</b>

### 5 OTHER OPERATING EXPENSES

EUR 1,000	2022	2021
Leasing and rents	1,897	1,885
IT costs	4,558	4,144
Services from Group companies	941	620
Loss on disposal of subsidiary shares	3,184	0
Other operating expenses	2,978	1,854
<b>Total</b>	<b>13,558</b>	<b>8,503</b>

During the fiscal year of 2022, the company has sold the shares of Etteplan Tech Poland s.a. to the subsidiary Etteplan Finland Oy. The sale of the shares resulted in a sales loss of EUR 3,184 thousand.

### 6 FINANCIAL INCOME

EUR 1,000	2022	2021
Intra-Group dividend income	4,205	1,000
Dividend and interest income from others	47	10
Interest and other financial income, Intra-Group	48	40
Foreign exchange gain	429	181
<b>Total</b>	<b>4,730</b>	<b>1,230</b>

## 7 FINANCIAL EXPENSES

EUR 1,000	2022	2021
Intra-Group interest expense	140	-2
Interest expense on borrowings from others	1,027	433
Foreign exchange loss	4,917	16
<b>Total</b>	<b>6,084</b>	<b>447</b>

The realized currency hedging loss related to the preparation of the Semcon deal, EUR 4.9 million, had a significant negative impact on financing items.

## 8 APPROPRIATIONS

EUR 1,000	2022	2021
Group contributions received	15,000	13,000
Increase (-) / decrease (+) in depreciation in excess of plan	-78	-20
<b>Total</b>	<b>14,922</b>	<b>12,980</b>

## 9 INCOME TAXES

EUR 1,000	2022	2021
Tax on income from operations	2,159	2,915
Tax corrections for previous accounting periods	-1	1
<b>Total</b>	<b>2,158</b>	<b>2,916</b>

## NOTES TO THE BALANCE SHEET, PARENT COMPANY

### 10 INTANGIBLE ASSETS, PARENT COMPANY

2022 EUR 1,000	Intangible rights	Other intan- gible assets	Advance payments	Goodwill	Total
Acquisition cost Jan 1	5,631	153	77	2,500	8,360
Additions	115	0	0	0	115
Reclassifications between items	77	0	-77	0	0
Acquisition cost Dec 31	5,822	153	0	2,500	8,475
Cumulative amortization Jan 1	-5,260	-153	0	-1,739	-7,151
Amortization for the financial year	-198	0	0	-212	-410
Cumulative amortization Dec 31	-5,458	-153	0	-1,951	-7,562
<b>Book value Dec 31</b>	<b>364</b>	<b>0</b>	<b>0</b>	<b>549</b>	<b>913</b>

2021 EUR 1,000	Intangible rights	Other intan- gible assets	Advance payments	Goodwill	Total
Acquisition cost Jan 1	5,514	153	0	2,500	8,167
Additions	116	0	77	0	193
Acquisition cost Dec 31	5,631	153	77	2,500	8,360
Cumulative amortization Jan 1	-5,033	-153	0	-1,527	-6,713
Amortization for the financial year	-226	0	0	-212	-438
Cumulative amortization Dec 31	-5,260	-153	0	-1,739	-7,151
<b>Book value Dec 31</b>	<b>371</b>	<b>0</b>	<b>77</b>	<b>761</b>	<b>1,209</b>

## 11 TANGIBLE ASSETS, PARENT COMPANY

2022 EUR 1,000	Machinery and equipment	Other tangible assets	Total
Acquisition cost Jan 1	1,350	64	1,414
Additions	53	1	53
Acquisition cost Dec 31	1,403	65	1,468
Cumulative depreciation Jan 1	-1,190	-56	-1,246
Depreciation for the financial year	-39	-2	-41
Cumulative depreciation Dec 31	-1,229	-58	-1,287
<b>Book value Dec 31</b>	<b>174</b>	<b>7</b>	<b>180</b>

2021 EUR 1,000	Machinery and equipment	Other tangible assets	Total
Acquisition cost Jan 1	1,288	59	1,347
Additions	62	6	68
Acquisition cost Dec 31	1,350	64	1,414
Cumulative depreciation Jan 1	-1,160	-55	-1,215
Depreciation for the financial year	-30	-1	-31
Cumulative depreciation Dec 31	-1,190	-56	-1,246
<b>Book value Dec 31</b>	<b>160</b>	<b>8</b>	<b>169</b>

## 12 INVESTMENTS, PARENT COMPANY

2022 EUR 1,000	Shares in Group companies	Other investments	Total
Acquisition cost Jan 1	140,104	20	140,124
Increases	24,881	2,033	26,913
Decreases	-8,068	0	-8,068
Acquisition cost Dec 31	156,917	2,052	158,969
<b>Book value Dec 31</b>	<b>156,917</b>	<b>2,052</b>	<b>158,969</b>

2021 EUR 1,000	Shares in Group companies	Other investments	Total
Acquisition cost Jan 1	125,110	20	125,129
Increases	14,994	0	14,994
Acquisition cost Dec 31	140,104	20	140,124
<b>Book value Dec 31</b>	<b>140,104</b>	<b>20</b>	<b>140,124</b>

The parent company's direct holdings in Group companies are listed in point 32 "Related-party transactions" of the notes to the consolidated financial statements.

## 13 NON-CURRENT RECEIVABLES

EUR 1,000	2022	2021
<b>Non-current receivables</b>		
Loan receivables from Group companies	6,705	4,455
Loan receivables from Others	963	0
<b>Non-current receivables, total</b>	<b>7,668</b>	<b>4,455</b>



## 14 CURRENT RECEIVABLES

EUR 1,000	2022	2021
<b>Current receivables from Group companies</b>		
Trade receivables	2,192	2,117
Internal bank account receivables	0	2,777
Group contribution receivables	15,000	13,000
Other receivables	1,493	1,556
<b>Current receivables from others</b>		
Current prepayments and accrued income	1,845	1,822
Tax receivables	756	124
Other short-term receivables	0	0
<b>Current receivables, total</b>	<b>21,287</b>	<b>21,397</b>
<b>Main items included in prepayments and accrued income</b>		
Prepayments of IT costs	1,700	1,531
Other prepayments and accrued income on expenses	145	291
<b>Total</b>	<b>1,845</b>	<b>1,822</b>

## 15 CASH AND CASH EQUIVALENTS

EUR 1,000	2022	2021
Bank accounts and cash	11,242	23,718
<b>Total</b>	<b>11,242</b>	<b>23,718</b>

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

## 16 EQUITY

EUR 1,000	2022	2021
<b>Restricted equity</b>		
Share capital Jan 1	5,000	5,000
<b>Share capital Dec 31</b>	<b>5,000</b>	<b>5,000</b>
Share premium account Jan 1	6,701	6,701
<b>Share premium account Dec 31</b>	<b>6,701</b>	<b>6,701</b>
<b>Restricted equity, total</b>	<b>11,701</b>	<b>11,701</b>
<b>Unrestricted equity</b>		
Unrestricted equity fund Jan 1	22,150	20,215
Share issue	1,929	1,936
<b>Unrestricted equity fund Dec 31</b>	<b>24,079</b>	<b>22,150</b>
Treasury shares Jan 1	-2,064	-682
Additions	0	-1,382
<b>Treasury shares Dec 31</b>	<b>-2,064</b>	<b>-2,064</b>
Retained earnings Jan 1	37,658	34,262
Dividends paid	-9,970	-8,461
Share-based incentive plan	0	0
<b>Retained earnings Dec 31</b>	<b>27,688</b>	<b>25,802</b>
<b>Profit for the financial year</b>	<b>9,373</b>	<b>11,856</b>
<b>Unrestricted equity total</b>	<b>59,077</b>	<b>57,744</b>
<b>Shareholders' equity, total</b>	<b>70,778</b>	<b>69,445</b>

EUR 1,000	2022	2021
<b>Distributable funds Dec 31</b>		
Retained earnings	27,688	25,802
Treasury shares	-2,064	-2,064
Unrestricted equity fund	24,079	22,150
Profit for the financial year	9,373	11,856
<b>Distributable funds Dec 31</b>	<b>59,077</b>	<b>57,744</b>
Number of shares Jan 1 (1,000 pcs)	25,201	25,083
<b>Number of shares Dec 31 (1,000 pcs)</b>	<b>25,201</b>	<b>25,083</b>

Additional information regarding the shares is presented in point 25 "Shares and share capital" of the notes to the consolidated financial statements.

## 17 ACCUMULATED APPROPRIATIONS

EUR 1,000	2022	2021
Depreciation in excess of plan	359	282
<b>Total</b>	<b>359</b>	<b>282</b>

## 18 NON-CURRENT LIABILITIES

EUR 1,000	2022	2021
Loans from financial institutions	47,500	30,000
Accrued liabilities on acquisitions	0	800
<b>Total</b>	<b>47,500</b>	<b>30,800</b>

## 19 CURRENT LIABILITIES

EUR 1,000	2022	2021
<b>Current liabilities to Group companies</b>		
Trade payables	112	96
Other payables	0	0
Internal bank account liabilities	55,340	60,701
<b>Current liabilities to others</b>		
Trade payables	1,693	1,760
Other liabilities	375	366
Accrued expenses	4,436	4,121
Income tax liability	0	0
Accrued liability on acquisitions	33	0
Loans from financial institutions	19,633	23,500
<b>Current liabilities total</b>	<b>81,622</b>	<b>90,544</b>
<b>Main items included in accrued expenses</b>		
Interest liabilities	240	55
Accrued employee expenses	3,629	3,657
Other accrued expenses	568	408
<b>Total</b>	<b>4,436</b>	<b>4,121</b>

## 20 PLEDGES, MORTGAGES AND GUARANTEES

EUR 1,000	2022	2021
<b>Guarantees given</b>		
Other contingencies	320	320
Guarantees for Group companies	186	155
<b>Finance Lease liabilities</b>		
For payment in next financial year	2,501	2,995
For payment later	2,285	2,680
<b>Operating Lease liabilities</b>		
For payment in next financial year	597	556
For payment later	173	707
<b>Credit limits</b>		
Total credit limit available	6,616	8,439
<b>Pledges, mortgages and guarantees total</b>	<b>12,676</b>	<b>15,853</b>

Etteplan Oyj has given a Parent Company guarantee totaling EUR 141 thousand for loans, of which EUR 0 is in use, for Etteplan Poland sp.z.o.o.

# Shares and shareholders

## Share capital and shares

On December 31, 2022, 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 25,200,793. 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.

## Share quote

Etteplan's shares are listed on Nasdaq Helsinki Ltd's Mid Cap market capitalization Group in the Industrials sector under the ETTE ticker (FI0009008650).

## Share price trend and turnover

The number of Etteplan Oyj shares traded in 2022 was 517,686 (2021: 1,539,757), for a total value of EUR 8.0 (25.15) million. The share price low was EUR 11.65, the high EUR 18.75, the average EUR 15.46 and the closing price EUR 14.60. Market capitalization on December 31, 2022 was EUR 365.61 (421.22) million.

Etteplan Oyj and Lago Kapital Ltd have a market making agreement in compliance with the Liquidity Providing (LP) requirements issued by Nasdaq Helsinki Ltd. The liquidity providing in accordance with the agreement commenced on February 17, 2020. According to the agreement, Lago Kapital Ltd will provide Etteplan's share with bids and offers so that the maximum spread is 4 per cent, calculated from the bid quotation. Both the bid and offer side shall include a number of shares corresponding to the value of at least EUR 3,000. Lago Kapital Ltd undertakes to submit bids and offers for the share of Etteplan Oyj on the trading system maintained by Nasdaq Helsinki Ltd on each trading day for at least 85 per cent of the time of continuous trading. The market making agreement aims at increasing the share's liquidity and decreasing the share price volatility, thus facilitating trading for private investors in particular.

## Shareholders

At the end of 2022, the Company had 3,696 (3,604) registered shareholders. In total, 1,080,018 shares, or 4.29 (2.22) per cent of all shares, were nominee-registered.

## Flaggings

Etteplan Oyj received no flagging notices in 2022.

## Treasury shares

Etteplan did not purchase any of its own shares in 2022. The Company held 159,046 of its own shares on December 31, 2022 (December 31, 2021: 159,046), which corresponded to 0.63 per cent of all shares and voting rights. The Company does not currently have a share repurchase program in effect.

## Board authorizations

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

The authorization includes the right for the Board to resolve on the repurchase of the Company's own shares through a tender offer made to all shareholders on equal terms and conditions and at the price determined by the Board, or in public trading organized by 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 also be used for carrying out the company's incentive schemes for its personnel. The repurchased shares may be retained by the company, invalidated or transferred further. The repurchase of the company's own shares will reduce the non-restricted equity of the company.

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

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

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

authorization includes the right to determine whether the subscription price will be entered into the share capital or into the unrestricted equity fund.

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

### **Directed share issue to the owners of Syncore Technologies AB in 2022**

On February 2, 2022, Etteplan issued a stock exchange release announcing the acquisition of Syncore Technologies AB. As part of the financing of the transaction, Etteplan Oyj's Board of Directors, at its meeting held on February 1, 2022, made a conditional decision on a share issue based on the share issue authorization given to the Board of Directors by the Annual General Meeting on April 8, 2021. In accordance with the terms of the transaction, the purchase price was paid through a share issue to the sellers and cash. The contract of sale, which was a condition of the decision, was signed on February 2, 2022, and at the same time, the sellers subscribed for 117,485 new Etteplan shares as a part payment for the purchase amount. The subscription price per share paid for the shares was EUR 16.42.

The new shares carry the right to dividends starting from the financial year 2022. The new shares subscribed for in the directed share issue were registered in the Trade Register on April 19, 2022, and in the book-entry system maintained by Euroclear Finland Oy on April 29, 2022. The shares were listed for trading on Nasdaq Helsinki on May 3, 2022. However, trading in the new shares will only be possible after three years, when the transfer restriction agreed upon in connection with the transaction has expired.

### **Option rights**

The Company does not currently have a share option program.

### **Etteplan Oyj's incentive plan for key personnel 2020–2022**

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

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

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

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

## Major shareholders, December 31, 2022

Name	Number of shares	Proportion of shares and votes, %
Ingman Group Oy Ab	16,661,384	66.11
Oy Fincorp Ab	2,529,058	10.04
Varma Mutual Pension Insurance Company	985,593	3.91
Tuori Klaus Tapani	309,134	1.23
Tuori Aino Mirjami	308,275	1.22
Ilmarinen Mutual Pension Insurance Company	288,311	1.14
Elo Mutual Pension Insurance Company	209,662	0.83
VAS Invest Oy	194,035	0.77
Taaleritehdas Mikro Markka Fund	164,048	0.65
Etteplan Oyj	159,046	0.63
OP-Finland Small Firms Fund	111,436	0.44
Näkki Juha Antti Ilmari	110,848	0.44
Mäkelä Esa Tapio	58,818	0.23
Ingman Robert Carl	55,000	0.22
Kylänpää Osmo Olavi	53,200	0.21
Säästöpankki Small Cap Mutual Fund	49,241	0.20
Kurra Jorma	41,841	0.17
Burmeister Dorrit Elisabeth	32,313	0.13
Hemholmen Oy Ab	31,200	0.12
Kempe Anna Carita	30,000	0.12
Other shareholders	1,738,332	6.90
Nominee-registered shares	1,080,018	4.29
<b>Total</b>	<b>25,200,793</b>	<b>100.00</b>

## Breakdown of shareholdings by size class, December 31, 2022

Number of shares, pcs	Number of shareholders	Proportion of shareholders, %	Number of shares	Proportion of shares and votes, %
1-100	1,845	49.92	67,502	0.27
101-1,000	1,495	40.45	560,008	2.22
1,001-10,000	313	8.47	856,550	3.40
10,001-100,000	30	0.81	779,145	3.09
100,001-1,000,000	11	0.30	3,747,146	14.87
> 1,000,000	2	0.05	19,190,442	76.15
<b>Total</b>	<b>3,696</b>	<b>100</b>	<b>25,200,793</b>	<b>100</b>

## Breakdown of shareholdings by owner Group, December 31, 2022

Name of the sector	Number of shareholders	Number of shares	Proportion of shares and votes, %
National economy total (domestic sector)			
Companies	119	17,223,080	68.34
Financial and insurance institutions	18	2,894,284	11.48
Public sector entities	5	1,487,279	5.90
Households	3,520	2,473,567	9.82
Non-profit institutions	12	19,375	0.08
Foreigners	22	23,190	0.09
Nominee-registered shares		1,080,018	4.29
<b>Total</b>	<b>3,696</b>	<b>25,200,793</b>	<b>100</b>

# Board of Directors' dividend proposal

On December 31, 2022, the parent company's distributable shareholders' equity amounted to EUR 59.1 million, of which the net profit for the financial year was EUR 9.4 million.

The Board of Directors proposes that, from the distributable funds at the disposal of the Annual General Meeting, a dividend of EUR 0.36 per share be paid on the Company's externally owned shares, for a maximum amount of EUR 9.1 million. The dividend will not be paid out to shares that are company-held on the record date of the dividend payout, April 11, 2023.

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 the dividend will not endanger the Company's solvency.

It is proposed that the dividend be paid on April 18, 2023.

Espoo, February 16, 2023

Robert Ingman  
Chairman of the Board

Matti Huttunen  
Member of the Board

Päivi Lindqvist  
Member of the Board

Leena Saarinen  
Member of the Board

Mikko Tepponen  
Member of the Board

Juha Näkki  
CEO



# Auditor's Report

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

To the Annual General Meeting of Etteplan Oyj

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Etteplan Oyj (business identity code 0545456-2) for the year ended December 31, 2022. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

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

Our opinion is consistent with the additional report submitted to the Board of Directors.

### Basis for Opinion

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

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

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and Group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 13 to the consolidated financial statements.

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

### Materiality

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

## Key Audit Matters

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

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

### THE KEY AUDIT MATTER

### HOW THE MATTER WAS ADDRESSED IN THE AUDIT

#### Valuation of goodwill – Accounting Policies and Note 22 to the Consolidated Financial Statements

- Goodwill, totaling EUR 105.4 million, has increased by EUR 13.0 million during the financial period as a result of acquisitions, and is a significant individual item in the consolidated balance sheet.
  - Goodwill is tested for impairment when indicators of impairment exist, or at least annually. Goodwill impairment testing is conducted by comparing the carrying value with the recoverable amount using a discounted cash flow model. Estimating future cash flows underlying the impairment tests involves a significant element of management judgment, particularly in respect of growth in net sales, profitability and discount rates.
  - Valuation of goodwill is considered a key audit matter due to the significant carrying value and high level of management judgement involved.
- We critically analyzed the management's assumptions that form the basis on which the cash flow projections for future years are prepared.
  - We involved KPMG valuation specialists to assess the appropriateness of the discount rate used and the technical integrity of calculations as well as for comparison of the assumptions used to the market and industry-specific data.
  - In addition, we assessed the adequacy of the sensitivity analyses and the appropriate presentation of notes related to impairment tests in the consolidated financial statements.

### THE KEY AUDIT MATTER

### HOW THE MATTER WAS ADDRESSED IN THE AUDIT

#### Revenue Recognition – Accounting Policies and Note 7 to the Consolidated Financial Statements

- Revenue recognition consists mainly of revenue from rendering of services. Total revenue amounted to EUR 350.2 million.
  - Revenue recognition is a key audit matter due to the significance of revenue when assessing the size of business, growth and profitability of Etteplan. Revenue recognition involves a risk of revenue being recognized in the incorrect period and at inaccurate amount due to related management estimates and large volumes of transaction data.
  - For projects, where either a fixed price or a target price has been determined, revenue is recognized over time based on the per centage of completion method. The per centage of completion is determined as the proportion of actual costs to the total estimated project costs. Inaccurate cost estimates lead to erroneous revenue recognition.
- We evaluated the company's revenue recognition and accounting policies by reference to the principles of revenue recognition determined under IFRS.
  - We tested the effectiveness of key internal controls in place over the completeness and accuracy of revenue. We also assessed the operative effectiveness of relevant IT systems for financial reporting purposes.
  - We compared total revenue estimates to customer contracts for projects where revenue is recognized over time based on the project's per centage of completion. In addition, we analyzed working hours recorded for work in progress projects in comparison to total hours estimated by the management. We also considered the appropriateness of the process for updating estimated project costs and per centages of completion.
  - In addition, we performed substantive audit procedures to evaluate the completeness and accuracy of revenue recorded and assessed the effect of other events which require management judgment.

## **Responsibilities of the Board of Directors and the Managing Director for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

### **Other Reporting Requirements** **Information on our audit engagement**

KPMG Oy Ab was first appointed as auditors by the Annual General Meeting on April 4, 2017, and our appointment represents a total period of uninterrupted engagement of 6 years.

### **Other Information**

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

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

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

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

Helsinki, February 28, 2023

KPMG OY AB

Kim Järvi

Authorized Public Accountant, KHT

# Investor information

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

## Etteplan's investor relations principles

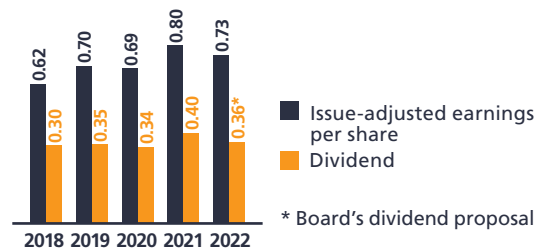
According to the Disclosure Policy approved by Etteplan's Board of Directors, Etteplan is committed to active and open communication with all parties, regardless of whether the information in question is positive or negative for the Company. The Company's communications are transparent, credible, proactive and consistent under all circumstances. The principle is to be open, truthful and quick in all communications. The aim is to provide truthful, sufficient and up-to-date information on the Company's strategy, businesses, markets and financial situation to provide the capital markets with relevant information on Etteplan as an investment. Etteplan's Disclosure Policy is available on the Company's website at [www.etteplan.com](http://www.etteplan.com).

Investor relations are always part of the Company's other communications. Investor relations are based on the same core messages and values as the Company's other operations and communications. In all of its communications, Etteplan emphasizes consistency and a high standard of ethics and complies with the guidelines and regulations concerning listed companies.

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

## Earnings per share and Dividend



## Share price development 2018–2022



The Board of Directors proposes to the Annual General Meeting of April 5, 2023, that a dividend of EUR 0.36 per share be paid for the financial year 2022. If the Annual General Meeting approves the Board's proposal on the payment of dividend, the dividend shall be paid to the shareholders registered on the record date of the payment of dividend, April 11, 2023, in the shareholders' register maintained by Euroclear Finland Ltd. The dividend payment date proposed by the Board of Directors is April 18, 2023.

## Outlook

Etteplan may issue estimates of its market outlook and the development of the Company's revenue and result in its Financial Statement Review, Half Year Financial Report and Interim Reports. Outlook statements are approved by Etteplan's Board of Directors. Etteplan does not publish quarterly forecasts. Future outlook statements and result estimates may be numerical or verbal and they may concern the development of revenue, the result, the balance sheet or cash flow. The estimates published by the Company are based on the views of future development at the time of publication and they are generally issued for the current financial year.

## Periodic fluctuation

Etteplan's business is subject to periodic fluctuation due to the number of working days, holiday seasons and the timing of product development and investment projects in customer companies, which mainly take place in the spring and the latter part of the year. The revenue in the third quarter is typically lower than that of other quarters. Only the key figures in the Financial Statements for the entire year provide an appropriate description of the Company's financial situation.

## Silent period

Etteplan observes a silent period of 30 days prior to the announcement of financial results. During this period, the Company's representatives do not meet or otherwise make contact with shareholders, investors, analysts, other market participants or the financial media. The Company's representatives do not comment on financial development, the market situation or the future outlook during the silent period. At other times, we are pleased to respond to inquiries and arrange meetings.

## Analysts following Etteplan

Evli Bank Plc, Jerker Salokivi, tel. +358 9 4766 9149

Inderes Oy, Juha Kinnunen, tel. +358 40 778 1368

Carnegie Investment Bank AB, Robin Nyberg, tel. +358 9 6187 1237

Upon request, the Company 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 Company. Etteplan does not comment on or take any responsibility for estimates or forecasts published by capital market representatives.

## Investor relations contacts

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

Helena Kukkonen, CFO, tel. +358 10 307 2003

Outi Torniainen, Senior Vice President, Communications and Marketing, tel. +358 10 307 3302

## Important dates in 2023

Financial Statement Review: February 17, 2023

Record date for participation in the General Meeting: March 24, 2023

Publication of the Financial Statements and Annual Review: week 11/2023 at the latest

Deadline for registration for the General Meeting: March 31, 2023 at 10 a.m.

Annual General Meeting 2023: Wednesday, April 5, 2023 at 9 a.m.

Record date for the payment of dividend: April 11, 2023

Dividend payment date: April 18, 2023

Interim Report for January–March 2023: May 11, 2023

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

Interim Report for January–September 2023: October 31, 2023

Etteplan Oyj publishes its Annual Review and other financial reports and stock exchange releases in Finnish and English. Financial reports, webcasts of the announcement of financial results and releases are made available at **www.etteplan.com** immediately after their publication.

## General Meeting of Shareholders

Etteplan Oyj's Annual General Meeting will be held on Wednesday, April 5, 2023, starting at 9 a.m. in Espoo, Finland at Innopoli 1 (Leonardo auditorium), Tekniikantie 12, 02150 Espoo. The 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](http://www.etteplan.com).

### *Right to attend*

Every shareholder who, on March 24, 2023, is registered as a shareholder on the list of shareholders maintained 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 10 a.m. on March 31, 2023 either by e-mail to [registration@etteplan.com](mailto:registration@etteplan.com) or by telephone at +358 10 307 3222. Shareholders may also register by sending a registration letter to Etteplan Oyj, Yhtiökokous 2023, Tekniikantie 4, 02150 Espoo, 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.

## 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 the payment of dividends and other matters related to their holdings in the share.