

Q3

2021

INTERIM REPORT
JANUARY-SEPTEMBER

Good growth continued

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ETTEPLAN Q3 2021: Good growth continued

Key points July-September 2021

- The Group's revenue grew by 21.1 per cent and was EUR 66.9 million (7-9/2020: EUR 55.2 million). At comparable exchange rates, revenue increased by 20.9 per cent.
- Operating profit (EBITA) improved by 9.2 per cent and was EUR 5.7 (5.2) million, or 8.5 (9.5) per cent of revenue.
- Operating profit (EBIT) improved by 7.6 per cent and was EUR 4.6 (4.3) million, or 6.9 (7.7) per cent of revenue.
- Operating cash flow was EUR 0.2 (0.2) million.
- Basic earnings per share were EUR 0.14 (0.13).

Key points January-September 2021

- The Group's revenue grew by 13.4 per cent and was EUR 214.9 million (1-9/2020: EUR 189.4 million). At comparable exchange rates, revenue increased by 12.6 per cent.
- Operating profit (EBITA) improved by 17.1 per cent and was EUR 21.2 (18.1) million, or 9.9 (9.5) per cent of revenue.
- Operating profit (EBIT) improved by 17.2 per cent and was EUR 17.9 (15.3) million, or 8.3 (8.1) per cent of revenue.
- Operating cash flow was EUR 13.9 (20.5) million.
- Basic earnings per share were EUR 0.55 (0.46).
- Etteplan specifies its financial guidance concerning Revenue for 2021: Revenue in 2021 is estimated to be EUR 295-310 million.

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

Key figures

EUR 1,000	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Revenue	66,860	55,221	214,853	189,408	259,702
Operating profit (EBITA)	5,701	5,222	21,174	18,087	26,172
EBITA, %	8.5	9.5	9.9	9.5	10.1
Operating profit (EBIT)	4,597	4,274	17,921	15,289	22,380
EBIT, %	6.9	7.7	8.3	8.1	8.6
Basic earnings per share, EUR	0.14	0.13	0.55	0.46	0.69
Equity ratio, %	42.1	40.1	42.1	40.1	40.5
Operating cash flow	227	206	13,937	20,485	37,997
ROCE, %	12.0	12.6	15.6	14.9	16.0
Personnel at end of the period	3,625	3,291	3,625	3,291	3,267

President and CEO Juha Näkki:

The third quarter of the year got off to a slower start than we expected. After a busy first half of the year, our personnel and customers took a lot of time off, which meant that the start of projects took longer than expected. The pandemic continued to have a slight impact on the market situation and the global shortage of components began to be reflected in the demand for engineering services. Some engineering projects were postponed and some were cancelled. Nevertheless, the general demand situation remained fairly good.

Our growth rate remained good in spite of minor hindrances in the market. We invested in organic growth by establishing several new teams and we continued to develop our service offering. We also made two acquisitions during the review period: we acquired Adina Solutions Oy in Finland and BST Buck Systemtechnik GmbH in Germany. Growth was particularly strong in the Software and Embedded Solutions service area, again exceeding 30 per cent.

Market hindrances and organic investments affected our operational efficiency and our profitability declined slightly. Managed services - and continuous services in particular - represent a large share of business in the Technical Documentation Solutions service area. For this reason, the impacts of the market conditions were minor and the service area again reached an excellent level of profitability that exceeded our target.

Even though the pandemic and the component shortage maintain uncertainty in the markets, the fourth quarter started in a relatively good market situation. In the beginning of the fourth quarter, pandemic-related restrictions have been lifted in most of our operating countries and the transition to the new normal has begun. Due to the slow start of the third quarter we are specifying our financial guidance regarding Revenue. Towards the end of the review period the number of new engineering projects grew at accelerated pace and our operating efficiency improved. This creates the conditions for continued profitable growth in the final quarter of the year.

Market outlook 2021

The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. The prolongation of the COVID-19 pandemic continues to have an impact on the global economy and market situation. In addition, the global component shortage is also reflected in the demand for engineering services. Our customers continue to invest in digital services and engineering solutions, which is why we expect the demand situation to remain at a fairly good level during the rest of the year in spite of the uncertainties.

Specified financial guidance 2021

Etteplan changed its financial guidance practice at the beginning of 2021. Going forward, Etteplan issues guidance for revenue and operating profit (EBIT) as a numerical range. Etteplan specifies its previous guidance for Revenue and issues the following estimate:

Revenue in 2021 is estimated to be EUR 295-310 million, and operating profit (EBIT) in 2021 is estimated to be EUR 25-28 million.

Previous financial guidance 2021 (updated on August 11, 2021)

Revenue in 2021 is estimated to be EUR 295-315 million, and operating profit (EBIT) in 2021 is estimated to be EUR 25-28 million.

Operating environment

The majority of Etteplan's customers are industrial companies, with several global megatrends currently influencing the development of their operating environment. For example, structural changes in the global economy, urbanization and climate change 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 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. As the market situation improves, competition for employees and specialized experts in certain areas is becoming tighter and affecting the development of the sector as a whole in all market areas.

The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. The prolongation of the COVID-19 pandemic continues to have an impact on the global economy and market situation. Although travel restrictions have been eased, the remaining travel restrictions affect the development of demand to some degree. The situation is improving as vaccination coverage improves. In addition, the global component shortage began to be reflected in the demand for engineering services as the focus of customers' operations shifted increasingly to deliveries.

While the pandemic and the component shortage maintain uncertainty in the markets, we expect the demand situation to remain fairly good.

Development of demand by customer industry

The pandemic continues to affect demand in all customer industries, but the effects of the component shortage on different customer segments vary. Demand in the Forest, Pulp and Paper industry was at a moderate level. Demand in the Energy industry was at a moderate level. Demand in the Mining industry was at a good level. Demand in the Lifting and Hoisting industry was at a good level. Demand in the ICT industry remained good. Demand in the Automotive and Transportation industry was at a moderate level. Demand in the Chemical industry was at a good level.

Development of demand in Etteplan's operating countries

The pandemic continued to affect the market situation in many European countries. In Finland, the overall market situation remained fairly good, although the pandemic and the global component shortage affected demand and increased uncertainty.

The amount of requests for quotes received by technology industry companies continued to grow during the summer and reached a record high level. Based on the order development in the early part of the year, it is estimated that the combined revenue of technology industry companies during the remainder of the year will be higher compared to last year.

Market uncertainty also affected demand slightly in Sweden, Denmark, the Netherlands, Germany and Poland. Demand was at a good level in China.

Revenue

Etteplan's revenue grew by 21.1 per cent in July-September and was EUR 66.9 million (7-9/2020: EUR 55.2 million). Revenue increased by 20.9 per cent at comparable exchange rates. The organic growth of revenue was 13.8 per cent. At comparable exchange rates, organic growth was 13.1 per cent. Revenue from key accounts grew by 12.0 per cent in July-September.

Etteplan's revenue grew by 13.4 per cent in January-September and was EUR 214.9 million (1-9/2020: EUR 189.4 million). Revenue increased by 12.6 per cent at comparable exchange rates. Organic growth was 6.7 per cent. At comparable exchange rates, organic growth was 5.7 per cent. Revenue from key accounts grew by 3.7 per cent in January-September.

The demand situation was fairly good during the review period. After a busy first half of the year, our personnel and customers took a lot of time off, which meant that the start of projects took longer than expected. The pandemic continued to have a slight impact on the market situation and the global shortage of components began to be reflected in the demand for engineering services. We invested in organic growth by recruiting personnel and establishing new teams. The number of subcontractors also increased, particularly in the software business. Previously completed acquisitions and outsourcing agreements had a positive effect on our development.

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. Tegema increased revenue starting from September 1, 2020, TekPartner starting from January 1, 2021, F.I.T. Fahrzeug Ingenieurtechnik GmbH starting from May 1, 2021, Skyrise.tech starting from June 1, 2021, Adina Solutions Oy starting from August 1, 2021, and BST Buck Systemtechnik GmbH starting from October 1, 2021.

Result

The slow start of projects after the summer and our investments in organic growth had an impact on our operational efficiency and profitability in the third quarter. The efficiency of our operations improved toward the end of the review period as projects got going again after the summer and holidays. At the same time, the transition to the new normal is under way and affects our cost structure.

Operating profit (EBITA) improved by 9.2 per cent in July-September and was EUR 5.7 (5.2) million, or 8.5 (9.5) per cent of revenue.

Operating profit (EBITA) improved by 17.1 per cent in January-September and was EUR 21.2 (18.1) million, or 9.9 (9.5) per cent of revenue.

Operating profit (EBIT) improved by 7.6 per cent in July-September and was EUR 4.6 (4.3) million, or 6.9 (7.7) per cent of revenue.

Operating profit (EBIT) improved by 17.2 per cent in January-September and was EUR 17.9 (15.3) million, or 8.3 (8.1) per cent of revenue.

The combined effect of non-recurring items on operating profit (EBITA) and operating profit (EBIT) was EUR -0.2 (-0.1) million in July-September and EUR -0.6 (-0.6) million in January-September. The non-recurring costs were related to acquisitions and organizational restructuring.

In January-September, financial expenses amounted to EUR 1.0 (1.1) million.

Profit before taxes for January-September was EUR 17.2 (14.5) million. Taxes in the income statement amounted to 20.5 (21.6) per cent of the result before taxes. The amount of taxes was EUR 3.5 (3.1) million.

The profit for January-September was EUR 13.7 (11.4) million.

Basic earnings per share were EUR 0.14 (0.13) in July-September and EUR 0.55 (0.46) in January-September. Equity per share was EUR 3.72 (3.18) at the end of September. Return on capital employed (ROCE) before taxes was 12.0 (12.6) per cent in July-September and 15.6 (14.9) per cent in January-September.

Cash flow and financial position

Operating cash flow in the third quarter was on a par with the comparison period, amounting to EUR 0.2 (0.2) million in July-September. Cash flow after investments was EUR -1.8 (-4.4) million in July-September.

Operating cash flow was EUR 13.9 million (20.5) in January-September. Cash flow after investments was EUR -1.7 (13.3) million in January-September. Operating cash flow was exceptionally strong in the second quarter in 2020 due to pandemic related adjustment measures.

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 9.2 (15.4) million at the end of September.

The Group's interest-bearing debt amounted to EUR 66.7 (66.9) million at the end of September. Lease liabilities represented EUR 23.0 (21.2) million of interest-bearing liabilities.

The total of unused short-term credit facilities stood at EUR 7.8 (13.0) million.

Total assets on September 30, 2021, were EUR 223.8 (201.3) million. Goodwill on the balance sheet was EUR 93.0 (82.0) million.

At the end of September, the equity ratio was 42.1 (40.1) per cent.

Capital expenditure

The Group's gross investments in January-September were EUR 27.0 (22.3) million. The gross investments mainly consisted of acquisition-related items, increases in lease liabilities and equipment purchases.

Personnel

The number of personnel stood at 3,625 employees at the end of September 2021 (September 30, 2020: 3,291 employees). The number of personnel increased by 11.0 per cent compared to the end of 2020 and by 10.1 per cent compared to the end of September 2020. The Group employed 3,429 (3,337) people on average in January-September.

The number of people employed by the Group outside of Finland increased and stood at 1,614 (1,340) at the end of September.

As the demand situation improved at the end of the 2020 and in 2021, we have called most of the temporarily laid off employees back to work. At the end of September 2021, only 17 employees were temporarily laid off. The number of temporarily laid off employees in Finland, Sweden and Germany reached 402 at its highest in 2020.

As vaccination coverage has improved and the remote work recommendations are no longer in effect, the transition to the new normal has begun. We expect our personnel to return partly to in-office work, but remote work will remain a part of our flexible work model. We have invested in the management and development of remote work and we will benefit from these investments as business settles into the new normal when the pandemic abates.

Business review

Etteplan published its renewed strategy, *Increasing value for customers*, and updated its financial targets in December 2019. Etteplan began preparations and planning related to the renewed strategy, but many projects were suspended due to attention being shifted to the COVID-19 pandemic. Measures aimed at implementing the strategy have continued again after the pandemic eased up slightly starting from late 2020. In the third quarter of 2021, investments in organic growth were continued by establishing several new teams and developing the service offering. We believe the renewed strategy will drive the success of the company also after the pandemic.

The key objective of the company's strategy 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.

Etteplan's target is to achieve revenue of EUR 500 million by 2024. We seek growth organically and by acquisitions. In the third quarter of the year, we continued recruitment and carried out two acquisitions.

Etteplan's goal is to 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. In July-September, revenue accumulated outside Finland amounted to EUR 29.7 (21.6) million, or 44 (39) per cent of the Group's total revenue. In January-September, revenue accumulated outside Finland amounted to EUR 92.9 (71.7) million, or 43 (38) per cent of the Group's total revenue.

The development of the Chinese market was excellent, with the number of hours sold increasing by 46.8 per cent in July-September and by 66.2 per cent in January-September.

Etteplan's target is to increase the share of revenue represented by Managed Services to 75 per cent. The share of Managed Services remained largely unchanged and stood at 63 (60) per cent in July-September and 63 (60) per cent in January-September.

The company targets an operating profit (EBITA) level of 10 per cent of revenue. The growth in the share of Managed Services enhances Etteplan's capacity management and improves profitability.

Acquisitions

In September 2021, Etteplan acquired BST Buck Systemtechnik GmbH, a company located in Brunsbüttel in the northern part of Germany. The company specializes in Software Development, Process Automation & Hardware Engineering and employs slightly more than 30 specialists. BST Buck Systemtechnik GmbH's customers operate in the Chemical, Pharmaceutical, Energy and Food & Beverage industries.

In August 2021, Etteplan strengthened its know-how in the technical documentation of software by acquiring Adina Solutions Oy from Finland. Established in 2016, Adina Solutions Oy specializes in the planning and implementation of technical documentation for 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 mainly of software companies and equipment manufacturers.

In June 2021, Etteplan acquired the Polish software development company Skyrise.tech. In 2020, Skyrise.tech's revenue amounted to approximately EUR 3.5 million and it employed approximately 80 specialists and partners. The acquisition involves a directed share issue to the owners of the acquired company. Read more on page 13.

In May 2021, Etteplan strengthened its position in the technical documentation market in Germany by acquiring F.I.T. Fahrzeug Ingenieurtechnik GmbH. The company employs approximately 15 specialists.

In January 2021, Etteplan acquired the Denmark-based software development company Tek-Partner. The company's revenue in 2019 amounted to approximately EUR 8 million and it delivers its services through a combination of its own team of 19 highly qualified professionals and a network of partners.

In September 2020, Etteplan started the provision of engineering services in the Netherlands by acquiring the Netherlands-based company Tegema, which employs approximately 100 people.

Development of the service areas

Engineering Solutions

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.

EUR 1,000	7-9/2021	7-9/2020	Change	1-9/2021	1-9/2020	Change	1-12/2020
Revenue	36,931	31,036	19.0%	120,355	108,292	11.1%	148,884
Operating profit (EBITA)	3,040	2,797	8.7%	11,605	10,430	11.3%	14,679
EBITA, %	8.2	9.0		9.6	9.6		9.9
Managed Services index	64	58		64	58		59
Personnel at end of the period	2,071	1,946	6.4%	2,071	1,946	6.4%	1,922

The figures for Tegema, acquired in September 2020, are included in the Engineering Solutions service area's figures starting from September 1, 2020, and BST Buck Systemtechnik GmbH starting from October 1, 2021.

The share of Etteplan's revenue represented by Engineering Solutions was 55 (56) per cent in July-September and 56 (57) per cent in January-September.

The service area's revenue increased by 19.0 per cent in July-September and amounted to EUR 36.9 (31.0) million. In January-September, revenue increased by 11.1 per cent and was EUR 120.4 (108.3) million.

The demand situation in the Engineering Solutions service area remained fairly good in the third quarter, although development was affected by the component shortage and the slow start of projects after the summer. We invested in recruitment and established new teams. We have also been successful in the sales of our outsourcing solutions and signed several outsourcing agreements during the year.

The Engineering Solutions service area's operating profit (EBITA) in July-September was EUR 3.0 (2.8) million, or 8.2 (9.0) per cent of revenue. The slow start of projects after the summer weakened operational efficiency and also affected the service area's profitability. Challenges in one project continued to affect profitability to a slight extent. In January-September, operating profit (EBITA) was EUR 11.6 (10.4) million, or 9.6 (9.6) per cent of revenue.

The Engineering Solutions service area had 2,071 (1,946) employees at the end of September.

The Managed Services Index (MSI), which reflects the share of the service area's revenue represented by Managed Services, was 64 (58) per cent in July-September and 64 (58) per cent in January-September.

Etteplan and Digital Metal, a global leader in the development and manufacturing of high-precision metal binder jetting systems for industrial use, have agreed to enter into a strategic partnership in additive manufacturing. The partnership aims to offer design optimization solutions for Digital Metal binder jetting processes and to offer manufacturing companies the full benefit of the technology – from idea to complete component with volume production in mind.

Software and Embedded Solutions

Software and Embedded Solutions provides product development services as well as software and technology solutions that enable the digitalization of customers' business processes along with the intelligence and connectivity of machinery and equipment. A typical challenge involves the need to increase the efficiency of business processes or manufacturing or create new products for the market. Through system integration, we can ensure better customer service, cost-efficiency or the creation of new income streams through digitalization.

EUR 1,000	7-9/2021	7-9/2020	Change	1-9/2021	1-9/2020	Change	1-12/2020
Revenue	18,081	13,814	30.9%	56,755	46,014	23.3%	63,694
Operating profit (EBITA)	1,638	1,441	13.7%	5,898	4,667	26.4%	7,101
EBITA, %	9.1	10.4		10.4	10.1		11.1
Managed Services index	49	52		49	52		51
Personnel at end of the period	762	627	21.5%	762	627	21.5%	628

The figures for TekPartner, acquired in January 2021, are included in the Software and Embedded Solutions service area's figures starting from January 1, 2021. The figures for Skyrise.tech, acquired in June 2021, are included in the service area's figures starting from June 1, 2021.

The share of the Group's total revenue represented by Software and Embedded Solutions was 27 (25) per cent in July-September and 27 (24) per cent in January-September.

The service area's revenue increased by 30.9 per cent July-September and was EUR 18.1 (13.8) million. In January-September, revenue increased by 23.3 per cent and was EUR 56.8 (46.0) million.

The demand situation in the Software and Embedded Solutions service area remained good, although development was affected to some degree by the component shortage and the slow start of projects after the summer. We invested in organic growth through recruitment and by establishing several new teams, in Sweden for example.

We acquired the Polish software development company Skyrise.tech in June 2021. The acquisition significantly strengthened our capability to deliver applications and cloud software solutions and opens up many interesting growth opportunities. The integration of the company into Etteplan is progressing as planned. TekPartner, which we acquired in Denmark in January, now operates under the Etteplan brand and the other aspects of integration are progressing as planned.

Our customers are investing in digital solutions and, for Etteplan, this represents a growth opportunity and an increased need for recruitment as the reduced availability of competent professionals influences the service area's business operations. For this reason, we have increased the use of subcontractors. We currently have over 200 subcontractors and partners. The operating models of TekPartner and Skyrise.tech have also increased the share of subcontracting of the service area's revenue.

The Software and Embedded Solutions service area's operating profit (EBITA) improved by 13.7 per cent in the third quarter and amounted to EUR 1.6 (1.4) million, or 9.1 (10.4) per cent of revenue, in July-September. Profitability was affected by our investments in growth and the increased use of subcontracting. Operational efficiency declined slightly from the previous good level due to the slow start of projects after the summer and the component shortage.

In January-September, operating profit (EBITA) improved by 26.4 per cent and amounted to EUR 5.9 (4.7) million.

The number of personnel in the Software and Embedded Solutions service area increased due to acquisitions and recruitment and stood at 762 (627) at the end of September.

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

Technical Documentation Solutions

Technical Documentation Solutions refer to the user manuals for individual products or the documentation and information management of the technical attributes of production facilities, such as factories. The service also covers content production and distribution in print and digital form. For an industrial customer, good technical documentation can lift the value of their products and ensure their products are used in the right way. We provide customers ways to improve cost efficiency and lead times, increase quality, and decrease the environmental footprint.

EUR 1,000	7-9/2021	7-9/2020	Change	1-9/2021	1-9/2020	Change	1-12/2020
Revenue	11,762	10,222	15.1%	37,282	34,661	7.6%	46,531
Operating profit (EBITA)	1,202	955	25.9%	4,211	3,279	28.4%	4,583
EBITA, %	10.2	9.3		11.3	9.5		9.8
Managed Services index	83	80		83	80		80
Personnel at end of the period	669	620	7.9%	669	620	7.9%	616

The figures for F.I.T. Fahrzeug Ingenieurtechnik GmbH, acquired in May 2021, are included in the Technical Documentation Solutions service area's figures starting from May 1, 2021, and the figures for Adina Solutions, acquired in August 2021, are included starting from August 1, 2021.

The share of the Group's total revenue represented by Technical Documentation Solutions was 18 (19) per cent in July-September and 17 (19) per cent in January-September.

The slow start of projects that affected the development of the other service areas did not have the same impact on the Technical Documentation Solutions service area due to the high share of Managed Services and continuous services in particular. The component shortage had a slight effect on the service area's development.

The Technical Documentation Solutions service area's demand situation was good and revenue increased by 15.1 per cent in July-September, amounting to EUR 11.8 (10.2) million. In January-September, revenue increased by 7.6 per cent and was EUR 37.3 (34.7) million.

The Technical Documentation Solutions service area's operating profit (EBITA) improved by 25.9 per cent in July-September and was EUR 1.2 (1.0) million, or 10.2 (9.3) per cent of revenue. In January-September, operating profit (EBITA) improved by 28.4 per cent and was EUR 4.2 (3.3) million, or 11.3 (9.5) per cent of revenue. Profitability was at a good level thanks to good operational efficiency. The Managed Services Index (MSI), which reflects the share of the service area's revenue represented by Managed Services, grew and amounted to 83 (80) per cent in July-September and 83 (80) per cent in January-September. The increased share of revenue represented by Managed Services had a positive effect on profitability.

We strengthened our know-how in the technical documentation of software in August by acquiring Adina Solutions Oy from Finland. The integration of Adina into Etteplan is progressing quickly as planned. In May 2021, we strengthened our position in the technical documentation market in Germany by acquiring F.I.T. Fahrzeug Ingenieurtechnik GmbH. The integration of F.I.T. into Etteplan is progressing as planned.

The Etteplan HowTo service we launched at the beginning of March has attracted widespread interest. We have created several test versions and implemented two full-scale solutions. This completely new cloud-based solution enables the efficient creation, secure hosting and on-demand multi-channel global distribution of technical information for industrial equipment and other needs of the manufacturing industry.

The Technical Documentation Solutions service area had 669 (620) employees at the end of September.

GOVERNANCE

Simplifying the Group structure

As a result of acquisitions made in the past few years, Etteplan has several legal entities in different countries. We aim to improve the efficiency of our operations by simplifying the Group's legal structure. We have started projects this year in the Netherlands, Germany and Finland. The changes will improve the efficiency of our internal operations, simplify the implementation of our customer projects and ensure equal treatment for our personnel.

GENERAL MEETING

Etteplan Oyj's Annual General Meeting was held on April 8, 2021. 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 2020.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to pay a dividend of EUR 0.34 per share for the financial year 2020 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 12, 2021, and the date of dividend payout was April 19, 2021.

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

Board authorizations

The Annual General Meeting 2021 authorized the Board of Directors to resolve on the repurchase of the company's own shares in one or more tranches using the company's unrestricted equity. A maximum of 2,000,000 shares in the company may be repurchased. The company may deviate from the obligation to repurchase shares in proportion to the shareholders' current holdings, i.e. the Board has the right to decide on a directed repurchase of the company's own shares.

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

Should the shares in the company be repurchased in public trading, such shares will not be purchased in proportion to the shareholders' current holdings. In that case, there must be a weighty financial reason for the company to repurchase its own shares. The shares may be repurchased in order to be used as consideration in potential acquisitions or in other structural arrangements. The shares may 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 8, 2021, and ending on October 7, 2022. The authorization replaces the corresponding previous authorization.

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

The authorization includes the right to deviate from the existing shareholders' pre-emptive subscription right as set forth in Chapter 9, Article 3 of the Companies Act. Therefore, the Board of Directors has the right to direct the share issue, or issuance of the option rights or other special rights conferring entitlement to shares. The authorization also includes the right to decide on all the terms of share issue, option rights or other special rights conferring entitlement to shares. The authorization therefore includes the right to determine share subscription prices, persons entitled to subscribe the shares and other terms and conditions applicable to the subscription. In order to deviate from the shareholders' pre-emptive subscription right, the company must have a

weighty financial reason such as financing of a company acquisition, other arrangement in connection with the development of the company's business or equity or an incentive scheme to the personnel. In connection with the share issuance, the Board of Directors is entitled to decide that the shares may be subscribed against contribution in kind or otherwise under special terms and conditions. The authorization includes the right to determine whether the subscription price will be entered into the share capital or into the unrestricted equity fund.

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

SHARES

Etteplan's shares are listed in Nasdaq Helsinki Ltd's Mid Cap market capitalization group in the Industrials sector under the ETTE ticker. The company has one series of shares. All shares confer an equal right to a dividend and the company's funds.

The company's share capital on September 30, 2021, was EUR 5,000,000.00 and the total number of shares was 25,083,308.

In a stock exchange release published on June 14, 2021, Etteplan announced it had acquired the Polish software development company Skyrise.tech and would carry out a directed share issue to the owners of the acquired company. In accordance with the terms of the share issue, Etteplan offered 120,000 new Etteplan shares for subscription to the owners of Skyrise.tech.

In its meeting on June 17, 2021, Etteplan's Board of Directors resolved on the final terms of the directed share issue pursuant to the share issue authorization granted to it by the Annual General Meeting of Shareholders held on April 8, 2021. The key terms of the share issue were announced in a stock exchange release on June 17, 2021.

The shares were entered in the trade register on August 18, 2021, and issued in the form of book-entry securities in the book-entry securities system maintained by Euroclear Finland Oy in the beginning of September.

The shares were conveyed and they bear all shareholder rights starting from their entry into the trade register. However, trading in the new shares will only be possible after the expiration of the three-year lock-up period agreed upon at the time of the transaction.

After the directed share issue, Etteplan's Board of Directors may, based on the authorization granted by the Annual General Meeting 2021, decide on the issuance of a maximum of 2,380,000 more shares through issuance of shares or in another manner specified in the authorization. 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 or option rights.

Trading in shares

The number of Etteplan Oyj shares traded in January-September was 1,263,705 (1-9/2020: 1,112,119), for a total value of EUR 20.36 (9.92) million. The share price low was EUR 12.95, the high EUR 19.45, the average EUR 16.13 and the closing price EUR 18.05. Market capitalization on September 30, 2021, was EUR 450.18 (230.43) million. On September 30, 2021, Etteplan had 3,596 shareholders (September 30, 2020: 3,319).

Share repurchase program

In its meeting on May 21, 2021, Etteplan Oyj's Board of Directors decided to initiate a share repurchase program of Etteplan's own shares in accordance with the authorization given to it at the Annual General Meeting on April 8, 2021. The shares are repurchased in order to be used to fulfill obligations pertaining to the share-based incentive plan for the Group's key personnel. The number of repurchased shares will not exceed 80,000 shares and the corresponding number of voting rights, which corresponds to approximately 0.32 per cent of the current total number of Etteplan's shares. According to the Board's decision, the maximum repurchase price is EUR 19.00 per share. Shares will be repurchased on NASDAQ OMX Helsinki at the market price quoted at the time of the repurchase, as provided by the regulations on public trading of shares.

The repurchasing of shares began on May 21, 2021, and ended on October 12, 2021, when the maximum amount of repurchased shares was reached.

Etteplan repurchased a total of 63,769 of the company's own shares in January-September 2021. The company held 142,815 of its own shares on September 30, 2021 (September 30, 2020: 79,046), which corresponds to 0.57 per cent of all shares and voting rights. After the end of the share repurchase program on October 12, 2021, the company holds 159,046 of its own shares, which corresponds to 0.63 per cent of all shares and voting rights.

Flaggings

Etteplan Oyj received no flagging notices in January-September 2021.

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 key personnel. The aim of the plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer them a competitive reward plan based on holding the company shares.

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

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

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

Operating risks and uncertainty factors

Etteplan's financial results are exposed to a number of strategic, operational and financial risks. The uncertainties caused by the general economic development continue to constitute risks for Etteplan's business. The possibility of changes in customers' business operations is a significant risk to Etteplan's operations. The company's operations are based on skilled staff. The availability of competent professionals is an important factor for ensuring profitable growth and operations. The increased difficulties in recruiting professional staff, particularly in certain expert disciplines, continues to present a business risk. The COVID-19 pandemic continues to have an impact on Etteplan's business and the prolongation of the situation would have a negative impact on the company's development. The component shortage prevailing around the world is slowing down the market.

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

Financial information in 2022

Financial Statements Release: Thursday, February 10, 2022

Financial Statements and Annual Report: week 11/2022

Annual General Meeting 2022: Wednesday, April 6, 2022

January-March 2022 Interim Report: Thursday, May 5, 2022

January-June 2022 Half Year Financial Report: Wednesday, August 10, 2022

January-September 2022 Interim Report: Friday, October 28, 2022

Espoo, October 28, 2021

Etteplan Oyj

Board of Directors

Additional information:

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

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

The information presented herein has not been audited.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Revenue	66,860	55,221	214,853	189,408	259,702
Other operating income	310	1,184	841	2,138	3,622
Materials and services	-7,384	-5,009	-22,083	-16,378	-23,317
Employee benefits expenses	-44,045	-37,935	-142,883	-130,499	-177,301
Other operating expenses	-6,619	-4,345	-19,509	-15,966	-22,300
Depreciation and amortization	-4,524	-4,842	-13,299	-13,415	-18,026
Operating profit (EBIT)	4,597	4,274	17,921	15,289	22,380
Financial income	77	118	302	286	422
Financial expenses	-251	-403	-1,016	-1,053	-1,722
Profit before taxes	4,423	3,989	17,206	14,521	21,080
Income taxes	-981	-740	-3,531	-3,135	-4,003
Profit for the review period	3,442	3,249	13,675	11,386	17,077
Other comprehensive income, that may be reclassified to profit or loss					
Currency translation differences	-332	-336	-487	-599	1,415
Other comprehensive income, that will not be reclassified to profit or loss					
Change in fair value of equity investments at fair value through other comprehensive income	10	-7	29	-2	-7
Other comprehensive income, net of tax	-322	-343	-458	-601	1,409
Total comprehensive income for the review period	3,120	2,906	13,217	10,785	18,486
Profit for the review period attributable to					
Equity holders of the parent company	3,442	3,249	13,675	11,386	17,077
Total comprehensive income for the review period attributable to					
Equity holders of the parent company	3,120	2,906	13,217	10,785	18,486
Earnings per share calculated from the profit attributable to equity holders of the parent company					
Basic earnings per share, EUR	0.14	0.13	0.55	0.46	0.69
Diluted earnings per share, EUR	0.14	0.13	0.55	0.46	0.69

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1,000	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
ASSETS			
Non-current assets			
Goodwill	92,965	82,002	83,685
Other intangible assets	29,204	27,206	26,011
Tangible assets	24,825	22,365	25,698
Investments at fair value through other comprehensive income	414	384	378
Other non-current receivables	54	54	54
Deferred tax assets	648	305	493
Non-current assets, total	148,110	132,315	136,320
Current assets			
Inventory	358	345	336
Work in progress	31,017	25,555	17,764
Trade and other receivables	35,009	27,460	38,883
Current tax assets	43	272	208
Cash and cash equivalents	9,215	15,353	24,407
Current assets, total	75,642	68,985	81,598
TOTAL ASSETS	223,752	201,300	217,918
EQUITY AND LIABILITIES			
Equity			
Share capital	5,000	5,000	5,000
Share premium account	6,701	6,701	6,701
Unrestricted equity fund	22,037	20,101	20,101
Own shares	-1,050	-347	-124
Cumulative translation adjustment	-3,371	-4,898	-2,884
Other reserves	130	106	101
Retained earnings	63,392	52,486	58,178
Equity, total	92,839	79,149	87,074
Non-current liabilities			
Deferred tax liabilities	7,227	6,457	6,502
Loans from financial institutions	8,100	14,600	12,900
Lease liabilities	8,726	8,660	8,608
Other non-current liabilities	1,236	27	27
Non-current liabilities, total	25,290	29,744	28,038
Current liabilities			
Loans from financial institutions	35,581	31,167	27,583
Lease liabilities	14,278	12,517	15,883
Advances received	3,060	3,777	2,770
Trade and other payables	50,450	42,847	54,608
Current income tax liabilities	2,254	2,098	1,962
Current liabilities, total	105,623	92,406	102,806
Liabilities, total	130,913	122,150	130,844
TOTAL EQUITY AND LIABILITIES	223,752	201,300	217,918

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Operating cash flow					
Cash receipts from customers	66,454	58,592	209,142	200,664	267,784
Operating expenses paid	-64,888	-57,502	-190,328	-175,620	-223,600
Operating cash flow before financial items and taxes	1,566	1,090	18,814	25,044	44,184
Interests and other payments for financial expenses	-330	-206	-840	-869	-1,257
Interest received	14	27	70	60	79
Income taxes paid	-1,023	-704	-4,107	-3,749	-5,010
Operating cash flow (A)	227	206	13,937	20,485	37,997
Investing cash flow					
Purchase of tangible and intangible assets	-360	-397	-1,505	-1,372	-1,639
Acquisition of subsidiaries, net of cash acquired	-1,624	-4,258	-14,255	-5,885	-5,885
Proceeds from sale of tangible and intangible assets	2	0	65	36	30
Proceeds from repayment of loans	0	0	74	0	0
Investing cash flow (B)	-1,983	-4,656	-15,622	-7,221	-7,494
Cash flow after investments (A+B)	-1,756	-4,450	-1,685	13,264	30,503
Financing cash flow					
Proceeds from directed share issue	0	0	1,936	0	0
Purchase of own shares	-754	0	-1,085	0	0
Proceeds from current loans	3,501	2,482	6,955	13,339	11,698
Repayments of current loans	-2,273	-4,572	-15,175	-8,587	-12,217
Proceeds from non-current loans	0	0	11,000	0	0
Repayments of non-current loans	0	-695	0	-695	-695
Payment of lease liabilities	-2,603	-3,370	-8,666	-9,077	-12,131
Dividend paid	0	0	-8,461	-8,682	-8,682
Financing cash flow (C)	-2,129	-6,155	-13,496	-13,702	-22,028
Variation in cash (A+B+C) increase (+) / decrease (-)	-3,885	-10,605	-15,181	-439	8,475
Assets at the beginning of the period	13,105	26,162	24,407	15,878	15,878
Exchange gains or losses	-5	-204	-11	-86	55
Assets at the end of the period	9,215	15,353	9,215	15,353	24,407

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Legends for table columns

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

EUR 1,000	A	B	C	D	E	F	G	H
Equity Jan 1, 2020	5,000	6,701	20,101	108	-700	-4,299	49,829	76,740
Comprehensive income								
Profit for the review period	0	0	0	0	0	0	17,077	17,077
Other comprehensive income								
Change in fair value of equity investments at fair value through other comprehensive income	0	0	0	-7	0	0	0	-7
Cumulative translation adjustment	0	0	0	0	0	1,415	0	1,415
Other comprehensive income, net of tax	0	0	0	-7	0	1,415	0	1,409
Total comprehensive income for the review period	0	0	0	-7	0	1,415	17,077	18,486
Transactions with owners								
Dividends	0	0	0	0	0	0	-8,682	-8,682
Share-based incentive plan	0	0	0	0	576	0	-45	531
Transactions with owners, total	0	0	0	0	576	0	-8,728	-8,152
Equity Dec 31, 2020	5,000	6,701	20,101	101	-124	-2,884	58,178	87,074

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

EUR 1,000	A	B	C	D	E	F	G	H
Equity Jan 1, 2020	5,000	6,701	20,101	108	-700	-4,299	49,829	76,740
Comprehensive income								
Profit for the review period	0	0	0	0	0	0	11,386	11,386
Other comprehensive income								
Change in fair value of equity investments at fair value through other comprehensive income	0	0	0	-2	0	0	0	-2
Cumulative translation adjustment	0	0	0	0	0	-599	0	-599
Other comprehensive income, net of tax	0	0	0	-2	0	-599	0	-601
Total comprehensive income for the review period	0	0	0	-2	0	-599	11,386	10,785
Transactions with owners								
Dividends	0	0	0	0	0	0	-8,682	-8,682
Share-based incentive plan	0	0	0	0	353	0	-45	307
Transactions with owners, total	0	0	0	0	353	0	-8,728	-8,375
Equity Sep 30, 2020	5,000	6,701	20,101	106	-347	-4,898	52,486	79,149

NOTES

General

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

In 2020, Etteplan had a turnover of approximately EUR 260 million. The company currently has over 3,600 professionals in Finland, Sweden, the Netherlands, Germany, Poland, Denmark and China. Etteplan's shares are listed on Nasdaq Helsinki Ltd under the ETTE ticker.

The Etteplan Oyj Board of Directors has approved this Interim Report for publication at its meeting on October 28, 2021.

Basis for preparation

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

This Interim Report has not been prepared in accordance with all the requirements in IAS 34 (Interim Financial Reporting) standard. The Interim Report has been prepared according to the recognition and valuation principles presented in the 2020 Annual Financial Statements.

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

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

The key sources of estimation uncertainty, as well as areas requiring judgment-based decisions, were the same as those that applied to the 2020 consolidated financial statements.

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

Key Figures

EUR 1,000	1-9/2021	1-9/2020	1-12/2020	Change
Revenue	214,853	189,408	259,702	13.4%
Operating profit (EBITA)	21,174	18,087	26,172	17.1%
EBITA, %	9.9	9.5	10.1	
Operating profit (EBIT)	17,921	15,289	22,380	17.2%
EBIT, %	8.3	8.1	8.6	
Profit before taxes	17,206	14,521	21,080	18.5%
Profit before taxes, %	8.0	7.7	8.1	
Return on equity, %	20.3	19.5	20.8	
ROCE, %	15.6	14.9	16.0	
Equity ratio, %	42.1	40.1	40.5	
Gross interest-bearing debt	66,685	66,944	64,974	-0.4%
Net gearing, %	61.9	65.2	46.6	
Balance sheet, total	223,752	201,300	217,918	11.2%
Gross investments	26,999	22,333	29,697	20.9%
Operating cash flow	13,937	20,485	37,997	-32.0%
Basic earnings per share, EUR	0.55	0.46	0.69	19.6%
Diluted earnings per share, EUR	0.55	0.46	0.69	19.6%
Equity per share, EUR	3.72	3.18	3.50	17.0%
Personnel, average	3,429	3,337	3,320	2.7%
Personnel at end of the period	3,625	3,291	3,267	10.1%

Revenue

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

EUR 1,000	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Primary geographical location					
Finland	37,198	33,608	121,953	117,678	159,277
Scandinavia	14,427	11,059	49,752	42,174	57,519
Central Europe	11,986	8,567	34,334	24,482	35,705
China	3,248	1,987	8,814	5,073	7,201
Total	66,860	55,221	214,853	189,408	259,702
Timing of revenue recognition					
Transferred at a point in time	560	530	1,666	1,454	2,044
Transferred over time	66,300	54,691	213,187	187,954	257,658
Total	66,860	55,221	214,853	189,408	259,702

Revenue and Operating profit (EBIT) by quarter

EUR 1,000	1-3/2021	1-3/2020	4-6/2021	4-6/2020	7-9/2021	7-9/2020
Revenue	72,950	71,292	75,043	62,895	66,860	55,221
Operating profit (EBIT)	6,594	5,656	6,729	5,359	4,597	4,274
EBIT, %	9.0	7.9	9.0	8.5	6.9	7.7

Non-recurring items

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

EUR 1,000	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Other operating income	0	318	0	318	652
Employee benefits expenses and other operating expenses	-180	-384	-572	-890	-1,568
Operating profit (EBIT)	-180	-66	-572	-572	-916

Business combinations

TekPartner A/S

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 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.

The provisional goodwill of EUR 3,530 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

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 some 15 technical documentation specialists.

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

The provisional 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.

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 some 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

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 on planning and implementation of technical documentation of software, localization of the content 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 provisional 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

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 & Hardware Engineering and employs slightly more than 30 specialists. BST Buck Systemtechnik GmbH 's customers operate in Chemical, Pharmaceutical, Energy and Food & 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 932 thousand in total, and it is recognized fully as goodwill until the provisional acquisition calculations are drawn up.

Acquisitions in total

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

Consideration transferred:	EUR 1,000
Cash payment	15,370
Contingent consideration	1,209
Total consideration transferred	16,579
Assets and liabilities	
Tangible assets	592
Intangible assets	7
Customer relationships (intangible assets)	6,776
Contractual intangible assets	250
Trade and other receivables	2,178
Cash and cash equivalents	1,249
Total assets	11,052
Non-current liabilities	394
Current liabilities	2,197
Deferred tax liability	1,482
Total liabilities	4,073
Total identifiable net assets	6,979
Formation of Goodwill:	
Consideration transferred	16,579
Total identifiable net assets	-6,979
Goodwill	9,601

Non-IFRS key figures

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

Operating profit (EBITA) and EBITA, %

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

EUR 1,000	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Operating profit (EBIT)	4,597	4,274	17,921	15,289	22,380
Amortization on fair value adjustments at acquisitions	1,104	949	3,253	2,799	3,791
Operating profit (EBITA)	5,701	5,222	21,174	18,087	26,172

Organic/un-organic growth and growth in comparable currencies

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

The share of revenue represented by Managed Services

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

Formulas for key figures

IFRS key figures

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

Non-IFRS key figures

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