FINANCIAL STATEMENT REVIEW
JANUARY-DECEMBER

2024/ Q4

In a difficult market situation, we prepared for future growth

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Etteplan 2024: In a difficult market situation, we prepared for future growth

KEY POINTS OCTOBER–DECEMBER 2024

- The Group's revenue decreased by 4.1 percent and was EUR 91.3 million (10–12/2023: EUR 95.2 million).
- Operating profit (EBITA) decreased by 32.7 percent and was EUR 6.4 (9.6) million, or 7.1 (10.0) percent of revenue.
- Operating profit (EBIT) decreased by 39.6 percent and was EUR 5.0 (8.2) million, or 5.4 (8.6) percent of revenue.
- The combined effect of non-recurring items on operating profit (EBITA) and operating profit (EBIT) in October–December was EUR -0.9 (-0.2) million.
- Operating cash flow improved and was EUR 14.2 (12.6) million.
- Basic earnings per share was EUR 0.12 (0.24).

KEY POINTS JANUARY–DECEMBER 2024

- The Group's revenue increased by 0.3 percent and was EUR 361.0 million (1–12/2023: EUR 360.0 million).
- Operating profit (EBITA) decreased by 21.1 percent and was EUR 24.4 (30.9) million, or 6.8 (8.6) percent of revenue.
- Operating profit (EBIT) decreased by 27.9 percent and was EUR 18.4 (25.5) million, or 5.1 (7.1) percent of revenue.
- Operating cash flow declined and was EUR 31.0 (35.6) million.
- The combined effect of non-recurring items on operating profit (EBITA) and operating profit (EBIT) in January–December was EUR -3.0 (-1.7) million.
- Basic earnings per share was EUR 0.41 (0.66).
- The Board of Directors' dividend proposal is EUR 0.22 (0.30) per share.

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	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Revenue	91,315	95,188	361,020	359,951
Operating profit (EBITA)	6,438	9,561	24,373	30,883
EBITA, %	7.1	10.0	6.8	8.6
Operating profit (EBIT)	4,953	8,199	18,410	25,540
EBIT, %	5.4	8.6	5.1	7.1
Basic earnings per share, EUR	0.12	0.24	0.41	0.66
Equity ratio, %	40.5	40.9	40.5	40.9
Operating cash flow	14,194	12,587	30,961	35,571
ROCE, %	10.1	16.8	9.4	13.3
Personnel at end of the period	3,803	3,902	3,803	3,902

PRESIDENT AND CEO JUHA NÄKKI:

The year 2024 was a very difficult period for us. Orders received by our customers, and their order backlogs, were generally on a declining trend throughout the year, and very few decisions on new investments were made in the highly uncertain market situation. This led to a weakening of the demand situation in all four quarters. The defense industry and the energy industry were the only customer industries that saw positive development. In Europe, the Finnish and German markets were particularly challenging, but demand was also weak in other markets. The Chinese market developed in the opposite direction in the second half of the year. The demand situation in China improved substantially, which supported the development of our business.

In a challenging market situation, our organic revenue decreased, but we achieved slight growth in total revenue supported by acquisitions. Our extensive adaptation measures, which continued in the fourth quarter, had a significant negative impact on our operating profit, which was modest for the year. Nevertheless, the adaptation measures were effective, as operational profitability in the fourth quarter improved across all of our service areas when compared to the preceding quarters. We were successful in managing our cash flow in the challenging situation, and our operating cash flow was at a good level throughout the year.

During the year, we continued to develop the company and invested in future growth. We acquired two companies, invested in the development of our service offering and implemented our first AI-powered service solutions for our customers. We also strengthened our cost competitiveness by acquiring a minority stake in the Bangladesh-based company BJIT. We worked on our strategy during the year and, at the end of the year, we published our updated strategy and strategic targets. Our updated strategy, which is strongly driven by artificial intelligence, will guide our operations over the next three years. We will transform as a company and again create new added value for our customers with the help of new technologies and AI.

Although we had to make difficult decisions in 2024, our organization was able to perform well even in difficult situations, and I would like to take this opportunity to thank everyone for their perseverance and good work. After the difficult decisions, we are ready to move forward and implement our new strategy. We enter 2025 in a market situation that is still difficult, but we got off to a strong start by acquiring Germany-based Novacon Powertrain in January. We also expect our customers' investments to get started, and we anticipate that the demand situation will improve over the course of the year. Consequently, we expect a clear year-on-year improvement in both revenue and operating profit.

MARKET OUTLOOK 2025

The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. Uncertainty is continuing in the markets due to geopolitical tensions and the global political situation. Order backlogs are generally on a downward trend, which affects our customers' willingness to invest and keeps our demand situation at a modest level at the start of 2025. Investments related to the defense industry are continuing at a good level, while investments related to the energy industry are at a moderate level. However, investments related to accelerating the green transition have slowed slightly. Nevertheless, we expect the market situation to take a turn for the better in 2025.

FINANCIAL GUIDANCE 2025

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

Revenue in 2025 is estimated to be EUR 365–400 (2024: 361.0) million, and

operating profit (EBIT) in 2025 is estimated to be EUR 23–30 (2024: 18.4) million.

OPERATING ENVIRONMENT 2024

The challenging market situation continued throughout 2024. The demand situation weakened further in the fourth quarter. Our customers' decision-making in the prevailing market situation was very slow, and very few new investment projects were started. Decisions were mainly made on investments related to direct cost savings. At the same time, demand in the defense industry remained at a good level, and demand in the energy industry remained at a moderate level. As the significance of cost competitiveness increases in global competition, there was also growing focus on our offshoring and nearshoring solutions, and we won several offshoring and nearshoring projects during the year.

The majority of Etteplan's customers are industrial companies with several global megatrends 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 growing need for highly competent employees. In particular, the utilization of artificial intelligence in various applications is accelerating. These trends are creating a need for intelligent and energy-efficient 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. The competition for employees has eased in the prevailing market situation, but there is continued competition for specialized experts in certain areas.

DEVELOPMENT OF DEMAND BY CUSTOMER INDUSTRY

Geopolitical tensions affect demand in all customer industries. Demand in the Defense industry was at a good level, and demand in the Energy industry was at a moderate level. Demand in the Forest industry and demand in the Metal and Mining industry were at a weak level. Demand in the ICT and Electronics industry remained at a weak level. Demand in the Automotive industry was at a moderate level. Demand in the Chemical industry remained at a weak level.

DEVELOPMENT OF DEMAND IN ETTEPLAN'S OPERATING COUNTRIES

The uncertainty caused by geopolitical tensions has affected demand in all of our operating countries in Europe. Our customers' order backlogs are generally on a downward trend, which affects their willingness to invest and keeps our demand situation at a modest level at the start of 2025. The demand situation is particularly challenging in Finland and Germany. Geopolitical tensions have also increased uncertainty in China, as a result of which Western investments are at a low level. However, China's internal market is still developing positively with regard to engineering services. This development is influenced by the strengthening of the trend of companies purchasing services instead of hiring employees of their own.

REVENUE

The weakening of demand due to market uncertainty, the challenges in the operating environment and customers' slow decision-making affected the accrual of revenue throughout the year. Revenue was increased by the acquisitions made during the year.

The weak demand situation continued in October–December. Revenue in all service areas was also affected by the large number of days off taken during the Christmas season, as the Christmas holidays fell in the middle of the week. Etteplan's revenue decreased by 4.1 percent in October–December and amounted to EUR 91.3 million (10–12/2023: EUR 95.2 million). Revenue decreased by 4.1 percent at comparable exchange rates. Organic revenue decreased by 7.2 percent. At comparable exchange rates, organic revenue decreased by 7.3 percent. Revenue from key accounts decreased by 10.0 percent in October–December.

In January–December, Etteplan's revenue increased by 0.3 percent and was EUR 361.0 million (1–12/2023: EUR 360.0 million). Revenue increased by 0.1 percent at comparable exchange rates. Organic revenue decreased by 4.7 percent. At comparable exchange rates, organic revenue decreased by 4.9 percent. Revenue from key accounts decreased by 8.5 percent in January–December.

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 of acquired companies is not included in organic revenue growth for 12 months following their acquisition. LAE Engineering GmbH is included in Etteplan's figures starting from July 1, 2023, High Vision Engineering Sweden AB starting from September 1, 2023, STRONGIT ApS from January 1, 2024, and AFFRA AB from June 1, 2024.

RESULT

The full-year result was negatively affected by the weakening of demand due to market uncertainty, the challenges in the operating environment and the customers' slow decision-making, as well as significant non-recurring items.

Operating profit (EBITA) decreased by 32.7 percent in October–December and was EUR 6.4 (9.6) million, or 7.1 (10.0) percent of revenue.

In January–December, operating profit (EBITA) decreased by 21.1 percent and was EUR 24.4 (30.9) million, or 6.8 (8.6) percent of revenue.

Operating profit (EBIT) decreased by 39.6 percent in October–December and was EUR 5.0 (8.2) million, or 5.4 (8.6) percent of revenue.

In January–December, operating profit (EBIT) decreased by 27.9 percent and was EUR 18.4 (25.5) million, or 5.1 (7.1) percent of revenue.

The combined effect of non-recurring items on operating profit (EBITA) and operating profit (EBIT) was EUR -0.9 (-0.2) million in October–December and EUR -3.0 (-1.7) million in January–December. Without the non-recurring items, the operating profit (EBITA) for January–December would have been 7.6 percent. The non-recurring items consisted mainly of expenses related to organizational restructuring and adaptation measures, costs related to the termination of the Building Technology business in Germany, and project write-downs.

The net amount of financial income and financial expenses came to EUR -4.8 (-4.7) million in January–December.

Profit before taxes for January–December was EUR 13.6 (20.8) million. Taxes in the income statement amounted to 23.5 (20.0) percent of the result before taxes. The amount of taxes was EUR 3.2 (4.2) million.

The profit for January–December was EUR 10.4 (16.6) million.

Basic earnings per share was EUR 0.12 (0.24) in October–December and EUR 0.41 (0.66) in January–December. Equity per share was EUR 4.67 (4.55) at the end of December. Return on capital employed (ROCE) before taxes was 10.1 (16.8) percent in October–December and 9.4 (13.3) percent in January–December.

CASH FLOW AND FINANCIAL POSITION

Operating cash flow improved and was EUR 14.2 (12.6) million in October–December. Cash flow after investments in October–December was EUR 13.5 (12.0) million.

In January–December, operating cash flow was EUR 31.0 (35.6) million. Cash flow after investments in January–December was EUR 9.0 (28.7) million. 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 25.2 (23.4) million at the end of December.

The Group's interest-bearing liabilities amounted to EUR 95.9 (86.6) million at the end of December. The amount of interest-bearing liabilities was affected by acquisitions made during the year. Lease liabilities represented EUR 19.2 (21.4) million of interest-bearing liabilities.

The total of unused short-term credit facilities stood at EUR 16.1 (14.1) million.

Total assets on December 31, 2024, were EUR 297.8 (284.6) million. Goodwill on the balance sheet was EUR 117.4 (109.7) million.

At the end of December, the equity ratio was 40.5 (40.9) percent.

CAPITAL EXPENDITURE

The Group's gross investments in January–December were EUR 29.2 (21.1) million. The gross investments mainly consisted of acquisitions, the acquisition of a minority stake in BJIT, increases in lease liabilities and equipment purchases.

PERSONNEL

The number of personnel stood at 3,803 (3,902) employees at the end of December 2024. The number of personnel decreased by 2.5 percent when compared to the end of 2023. Due to the unpredictable market situation, we have slowed down recruitment and implemented temporary layoffs during the review period. A total of 178 employees in Finland were temporarily laid off at the end of December 2024.

The Group employed 3,859 (3,949) people on average in January–December 2024.

The number of people employed by the Group outside of Finland stood at 1,921 (1,965) at the end of December, representing 51 (50) percent of the total number of employees.

BUSINESS REVIEW

The challenging market situation continued throughout 2024. The demand situation weakened further in the fourth quarter, resulting in a full-year decrease of 8.5 percent in revenue from key accounts. During the year, we shifted the focus of sales particularly to the defense industry and the energy industry, where the demand situation has been better than in other industries. In Europe, we had to implement adaptation measures to improve operational efficiency in almost all of our operating countries. In China, the market situation developed favorably in the second half of the year. Going forward, we will focus even more heavily on serving the internal market in China. The number of hours sold in the Chinese market increased by 23.9 percent in October–December and by 10.9 percent for the full year. As the significance of cost competitiveness increases in global competition, there was also growing focus on our offshoring and nearshoring solutions, and we won several offshoring and nearshoring projects during the year.

In spite of the challenging market situation, we continued the implementation of our strategy and investments to develop our business. In particular, we developed our service offering in relation to artificial intelligence, and implemented several customer projects that make use of AI for customers including Valmet and SFS. The market around us is changing, and the significance of AI, in particular, continues to grow strongly. With this in mind, utilizing AI plays a very central role in the new strategy period that started at the beginning of 2025. We also continued to implement our growth strategy by acquiring STRONGIT ApS, a Danish technology service company that focuses on product development solutions, and AFFRA AB, a Swedish consulting company specializing in testing. STRONGIT ApS was acquired in January, and AFFRA AB was acquired in May. In addition, in June, we acquired a minority stake of 19.99 percent in BJIT, a globally operating IT consulting enterprise that is the largest in its industry in Bangladesh and which will strengthen our cost competitiveness in the future.

We published Etteplan's renewed brand and values at the beginning of 2024. The company has developed and changed over the years from a traditional engineering company to a modern technology service company. With the renewed brand, the company is being developed to reflect its current status as a leading global technology service company in its field.

The objective of our strategy period *Increasing value for customers*, which concluded at the end of 2024, was to create even higher value for customers and support them in sustainable development, digitalization and the industrial transformation.
Our previous strategy has proven its effectiveness and our targets have steered us in the right direction. In creating our new strategy, we have further developed our previous strategy and, in connection with the update, kept elements of the strategy that have proven to be good for us.

Financial targets and outcomes for 2023–2024:

- Growth: revenue more than EUR 500 million
  - Outcome in 2024: EUR 361 million
  - Surprising changes in the operating environment (the pandemic, the war in Ukraine) significantly weakened the market situation during the strategy period
- International growth: the share of revenue coming from outside Finland is at least 55 percent
  - Outcome in 2024: 53 percent
  - Internationalization was supported by several acquisitions
- Managed Services: the share of revenue from Managed Services is 75 percent (Managed Services Index, MSI)
  - Outcome in 2024: 65 percent
  - The development of the MSI was affected by a decrease in the volume of engineering and documentation services related to customers' delivery projects
- Profitability: operating profit (EBITA) over 10 percent of revenue
  - Outcome in 2024: 6.8 percent
  - Due to the difficult market situation and costs related to adaptation measures, we fell clearly short of the target in 2024

Etteplan's new strategy period began on January 1, 2025

In December 2024, Etteplan's Board of Directors approved the company's renewed strategy and updated financial targets for the years 2025–2027. The strategy and targets came into effect on January 1, 2025. Digitalization, the growing importance of artificial intelligence (AI) and data, sustainability and the growing need for experts are key trends that affect the operations of both Etteplan and its customers. The main goal of the strategy update is to generate even more value for our customers and accelerate the transformation and development of customers' and Etteplan's business.

The strategy period 2025–2027 is called "*Transformation with AI*" and its three cornerstones are *Trusted Partner, AI and Technology-Empowered Service Solutions* and *Success with People*. Etteplan's AI-powered service solutions are at the core of the updated strategy, and the company's target is to increase the share of revenue derived from AI-driven service solutions developed by Etteplan to 35 percent by the end of 2027. AI and technologies, efficient processes, versatile know-how and world-class engineering methods are integrated into the service solutions. Based on a deep understanding of our customers' needs, we offer scalable solutions that bring people and technology together and create tangible business value for our customers. We develop services related to data management and data maintenance that enable the efficient use of AI. At the end of 2024, AI-driven service solutions developed by Etteplan represented 2 percent of total revenue.

We seek growth both organically and through acquisitions. The sources of organic growth include new service solutions that utilize AI and technologies that produce new added value for our customers. Current service solutions are also enhanced with the help of AI. We develop new data-related service solutions that enable the efficient use of AI for industrial product companies and companies in process industries, and support their data management and maintenance. The third source of organic growth is our global delivery model and the utilization of nearshoring and offshoring solutions to ensure competitiveness in the growing global competition.

Inorganic growth is created through acquisitions. Our goal is to offer services from all three of our service areas in all of our operating countries. We aim to grow in our current operating countries through acquisitions that strengthen our expertise, expand our service offering and improve our market position in selected markets and/or customer segments.

Etteplan's financial and strategic targets from January 1, 2025:

- Utilization of AI: The share of revenue derived from AI-driven service solutions developed by Etteplan will be 35 percent by the end of 2027

- Managed Services: 75 percent of revenue from managed services (Managed Services Index, MSI) by the end of 2027

- Growth: Revenue over EUR 500 million in 2027

- Profitability: Operating profit (EBITA) over 10 percent of revenue

ACQUISITIONS IN 2023-2024

On May 27, 2024, Etteplan acquired AFFRA AB, a Swedish consulting company specializing in testing. Based in Gothenburg, AFFRA is a consulting company that specializes in software testing and, in particular, Hardware in the Loop (HIL) testing for the automotive and transport industry. All 23 of AFFRA's professionals in testing, software development and embedded solutions were immediately transferred to Etteplan.

On January 8, 2024, Etteplan acquired STRONGIT ApS, a Danish technology service company that focuses on product development solutions. STRONGIT delivers its services with a team of 13 highly qualified engineering professionals and a network of around 70 freelancers in Copenhagen, Århus, and Gråsten in Denmark.

Acquisitions in 2023:

- In September 2023, Etteplan acquired High Vision Engineering Sweden AB, a company that provides engineering services across various phases of product development for the automotive and manufacturing industry in western Sweden. As a result of the acquisition, 40 High Vision Engineering employees transferred to Etteplan.

- In July 2023, Etteplan acquired LAE Engineering GmbH, a German engineering company with approximately 70 employees that offers specialized expertise across electrical engineering planning, power generation, building and industrial automation, as well as information management systems, and industrial IT. LAE Engineering is now part of our Engineering Solutions service area.

DEVELOPMENT OF THE SERVICE AREAS

ENGINEERING SOLUTIONS

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

EUR 1,000	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Revenue	48,910	54,627	-10.5%	192,796	202,441	-4.8%
Operating profit (EBITA)	3,591	5,887	-39.0%	13,421	19,940	-32.7%
EBITA, %	7.3	10.8		7.0	9.8	
Managed Services index	65	66		65	66	
Personnel at end of the period	2,114	2,190	-3.5%	2,114	2,190	-3.5%

The figures for LAE Engineering GmbH, acquired in July 2023, are included in the service area’s figures starting from July 1, 2023.

The share of Etteplan’s revenue represented by the Engineering Solutions service area was 54 (57) percent in October–December and 53 (56) percent in January–December.

The service area’s revenue decreased by 10.5 percent in October–December and amounted to EUR 48.9 (54.6) million. In January–December, revenue decreased by 4.8 percent and was EUR 192.8 (202.4) million.

The operating profit (EBITA) of Engineering Solutions decreased by 39.0 percent in October–December and amounted to EUR 3.6 (5.9) million, or 7.3 (10.8) percent of revenue. In January–December, operating profit (EBITA) was EUR 13.4 (19.9) million, or 7.0 (9.8) percent of revenue. The result was negatively affected by significant non-recurring items, which amounted to EUR 1.9 million in January–December. Without the non-recurring items, the service area's profitability (EBITA, %) for January–December would have been 8.0 percent.

The Engineering Solutions service area suffers from the prevailing investment slump, and the demand situation in the service area remained weak. Customers’ decision-making on new investments is still cautious, and new investments are very slow to start. As the customers' order backlogs have declined, the demand for engineering solutions related to project deliveries has also decreased further. Due to the weak demand situation, we have had to implement adaptation measures in the service area, which have caused significant non-recurring items. The non-recurring items consisted mainly of expenses related to organizational restructuring and adaptation measures, costs related to the termination of the Building Technology business in Germany, and project write-downs. Non-recurring items had a negative impact on the service area's result. The result for the period was weak. However, the adaptation measures enabled us to improve the service area's operational efficiency in the fourth quarter when compared to the preceding quarters.

Interest in our outsourcing solutions remained at a good level in the prevailing market situation as customers sought cost savings and looked to increase the efficiency of their operations. We carried out several outsourcing projects during the year.

The Engineering Solutions service area had 2,114 (2,190) employees at the end of December.

The Managed Services Index (MSI), which reflects the share of revenue represented by Managed Services, amounted to 65 (66) percent in October–December and 65 (66) percent in January–December.

SOFTWARE AND EMBEDDED SOLUTIONS

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

EUR 1,000	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Revenue	24,448	22,571	8.3%	97,356	86,886	12.1%
Operating profit (EBITA)	2,126	2,167	-1.9%	7,866	6,924	13.6%
EBITA, %	8.7	9.6		8.1	8.0	
Managed Services index	49	54		48	54	
Personnel at end of the period	689	704	-2.1%	689	704	-2.1%

The figures for High Vision Engineering Sweden AB, acquired in September 2023, are included in the service area's figures starting from September 1, 2023, the figures for STRONGIT ApS, acquired in January 2024, are included starting from January 1, 2024, and the figures for AFFRA AB, acquired in May 2024, are included starting from June 1, 2024.

The share of the Group's total revenue represented by Software and Embedded Solutions was 27 (24) percent in October–December and 27 (24) percent in January–December.

The service area's revenue increased by 8.3 percent in October–December and amounted to EUR 24.4 (22.6) million. In January–December, revenue increased by 12.1 percent and was EUR 97.4 (86.9) million. Acquisitions increased revenue.

The Software and Embedded Solutions service area's operating profit (EBITA) decreased by 1.9 percent in October–December and was EUR 2.1 (2.2) million, or 8.7 (9.6) percent of revenue. In January–December, operating profit (EBITA) increased by 13.6 percent and was EUR 7.9 (6.9) million, or 8.1 (8.0) percent of revenue. The result was negatively affected by non-recurring costs, which amounted to EUR 0.3 million in January–December. Without the non-recurring costs, the service area's profitability (EBITA, %) for January–December would have been 8.4 percent.

The market situation in the Software and Embedded Solutions service area remained challenging. Customers' decision-making was cautious and few new product development projects were started. However, we were able to take advantage of our global service model, which improved our competitiveness. The service area also managed to win new customer accounts outside Etteplan's operating countries, including Japan. In the difficult market situation, profitability in the fourth quarter was lower than in the previous year, but profitability for the full year was on a par with the previous year. We had to implement some adaptation measures in the service area. However, the adaptation measures enabled us to improve the service area's operational efficiency in the fourth quarter when compared to the preceding quarters.

The Software and Embedded Solutions service area had 689 (704) employees at the end of December. In addition to our own personnel, we currently have about 260 (230) subcontractors and partners. The acquisition of STRONGIT contributed to the increase in the number of subcontractors.

The Managed Services Index (MSI), which reflects the share of revenue represented by Managed Services, amounted to 49 (54) percent in October–December and 48 (54) percent in January–December. The decrease was mainly due to the STRONGIT acquisition and the company's service model.

TECHNICAL COMMUNICATION SOLUTIONS

We produce user manuals for individual products as well as the documentation of technical attributes and information management for entire production facilities, such as factories. The service includes content creation and distribution in print and digital form. For an industrial customer, good technical documentation can increase the value of their products and ensure their products are used in the right way. Our solutions enable our customers to improve their cost-efficiency, reduce delivery times and decrease their environmental footprint. The name of the service area was changed to Technical Communication and Data Solutions effective from January 1, 2025, to better reflect our renewed strategy and the importance of data as a driver of business.

EUR 1,000	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Revenue	17,853	17,836	0.1%	70,492	69,965	0.8%
Operating profit (EBITA)	1,060	1,678	-36.9%	4,296	4,946	-13.2%
EBITA, %	5.9	9.4		6.1	7.1	
Managed Services index	87	89		88	89	
Personnel at end of the period	841	842	-0.1%	841	842	-0.1%

The share of the Group’s total revenue represented by Technical Communication Solutions was 20 (19) percent in October–December and 20 (19) percent in January–December.

The Technical Communication Solutions service area’s revenue increased by 0.1 percent in October–December, amounting to EUR 17.9 (17.8) million. In January–December, revenue increased by 0.8 percent and was EUR 70.5 (70.0) million.

The Technical Communication Solutions service area’s operating profit (EBITA) decreased by 36.9 percent in October–December and was EUR 1.1 (1.7) million, or 5.9 (9.4) percent of revenue. In January–December, operating profit (EBITA) decreased by 13.2 percent and was EUR 4.3 (4.9) million, or 6.1 (7.1) percent of revenue. The result was negatively affected by significant non-recurring items, which amounted to EUR 0.5 million in January–December. Without the non-recurring costs, the service area's profitability (EBITA, %) for January–December would have been 6.9 percent.

The service area's demand is significantly affected by the number of customers' delivery projects. As customers' order backlogs decreased, the demand situation in the service area remained weak. The service area's operational efficiency and profitability were at a modest level during the review period, especially in the Netherlands. During the review period, we implemented adaptation measures to improve profitability. However, the adaptation measures enabled us to improve the service area's operational efficiency in the fourth quarter when compared to the preceding quarters. In the prevailing market situation, interest in our service solutions – particularly those that improve efficiency – has been at a good level as customers seek cost savings and look to increase the efficiency of their operations. The service area managed to win several outsourcing contracts.

Artificial intelligence has a significant impact on the service area. Our updated strategy guides the utilization of the opportunities brought by AI and technologies and the development of new services, where we see significant growth potential. In particular, the importance of data as a driver of business is constantly growing, and we are introducing new service solutions for the generation and management of new data, as well as for the maintenance and use of existing data. We have already implemented customer projects that make use of AI for customers including Valmet.

The Technical Communication Solutions service area had 841 (842) employees at the end of December.

The Managed Services Index (MSI), which reflects the share of revenue represented by Managed Services, amounted to 87 (89) percent in October–December and 88 (89) percent in January–December.

GOVERNANCE

GENERAL MEETING

The Annual General Meeting of Etteplan Oyj was held on April 9, 2024. 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 2023.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to pay a dividend of EUR 0.30 per share for the financial year 2023 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 of the payment of dividend was April 11, 2024, and the dividend was paid on April 18, 2024.

In accordance with the proposal of the Nomination and Remuneration Committee of the Board of Directors, the Annual General Meeting resolved that the Board of Directors shall consist of six (6) members. In accordance with the proposal of the Nomination and Remuneration Committee of the Board of Directors, the Annual General Meeting resolved on the annual remuneration of the members of the Board of Directors, the Chairman of the Board and the chairmen and 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, Tomi Ristimäki, Sonja Sarasvuo 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 Mikko Tepponen as members of the Nomination and Remuneration Committee of Etteplan Oyj. Päivi Lindqvist was elected the Chairman and Tomi Ristimäki and Sonja Sarasvuo as members of the Audit Committee of Etteplan Oyj.

BOARD AUTHORIZATIONS

The Annual General Meeting held on April 9, 2024, 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) percent of all the shares in the company. The minimum price for the shares to be repurchased is the lowest market price quoted for the shares in the company in public trading and, correspondingly, the maximum price is the highest market price quoted for the shares in the company in public trading during the validity of the authorization.

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

The authorization is valid for eighteen (18) months from the date of the resolution of the Annual General Meeting starting on April 9, 2024, and ending on October 8, 2025. The authorization replaces the corresponding previous authorization.

The Annual General Meeting held on April 9, 2024, authorized 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 a company acquisition, other arrangement in connection with the development of the company's business or equity or an incentive scheme for 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 eighteen (18) months from the date of the resolution of the Annual General Meeting starting on April 9, 2024, and ending on October 8, 2025. The authorization replaces the corresponding previous authorization.

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, 2024, was EUR 5,000,000.00 and the total number of shares was 25,350,793.

On January 8, 2024, Etteplan issued a stock exchange release announcing the acquisition of STRONGIT ApS. As part of the financing of the transaction, Etteplan Oyj's Board of Directors, in its meeting held on January 8, 2024, 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 5, 2023. 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 on January 8, 2024, and at the same time the sellers subscribed for 150,000 new Etteplan shares as a part payment for the purchase amount. The subscription price per share paid for the shares was EUR 14.048. The new shares carry the right to dividends starting from the financial year 2024.

The new shares subscribed for in the directed share issue were registered in the Trade Register on April 26, 2024, and in the book-entry system maintained by Euroclear Finland Oy on May 10, 2024. The shares were listed for trading on Nasdaq Helsinki on May 10, 2024. The total number of Etteplan shares after the issue is 25,350,793.

However, trading in the new shares will only be possible after three years, when the transfer restriction agreed upon in connection with the transaction has expired.

TRADING IN SHARES

The number of Etteplan Oyj shares traded in January–December was 429,697 (1–12/2023: 383,929), for a total value of EUR 5.34 (6.08) million. The share price low was EUR 9.86, the high EUR 14.35, the average EUR 12.43 and the closing price EUR 10.00. Market capitalization on December 31, 2024, was EUR 252.5 (346.38) million. On December 31, 2024, Etteplan had 3,483 (3,584) shareholders.

OWN SHARES

Etteplan did not purchase any of its own shares in January–December 2024. The company held 100,921 of its own shares at the end of December 2024 (December 31, 2023: 100,921), corresponding to 0.4 percent of all shares and voting rights.

FLAGGINGS

Etteplan Oyj received no flagging notices in January–December 2024.

ETTEPLAN OYJ'S INCENTIVE PLAN FOR KEY PERSONNEL 2023–2025

The Board of Directors of Etteplan Oyj decided on April 20, 2023, to establish a new share incentive plan for the Group's key personnel. The aim of the share incentive plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of Etteplan, to commit the key personnel to the company, and to offer them a competitive reward plan based on earning the company shares.

The plan includes one earning period which includes the calendar years 2023–2025. The plan is in line with Etteplan's strategy and supports reaching the company's financial targets.

The earnings criteria are Etteplan Group's revenue increase and earnings per share development. The potential reward will be paid partly in Etteplan's shares and partly in cash after the end of the earning period. The cash portion is intended to cover taxes and tax-related costs arising from the reward to the key personnel.

Approximately 35 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 a maximum total of 300,000 Etteplan Oyj shares (including also the portion 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 availability of personnel, particularly in certain expert disciplines, continues to present a business risk.

Increased geopolitical tensions and the global political situation make the future more difficult to predict and increase uncertainty in the markets, which has an impact on our customers' operations and supply chains and, consequently, Etteplan's demand.

Changes in legislation and regulations may have an impact on Etteplan. The reforms to labor market legislation that entered into force in Sweden in October 2024 may have an impact on our business.

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 2024.

THE BOARD'S PROPOSAL FOR THE DISTRIBUTION OF PROFITS

The parent company's distributable shareholders' equity according to the balance sheet on December 31, 2024, is EUR 95,332,173.56. The Board of Directors will propose to the Annual General Meeting, which will convene on April 8, 2025, that on the dividend payout date a dividend of EUR 0.22 per share be paid on the company's externally owned shares, for a total amount of EUR 5,577,174.46 at most, and that the remaining profit be transferred to retained earnings.

EVENTS AFTER THE REVIEW PERIOD

PRESS RELEASE ON JANUARY 16, 2025: ETTEPLAN STRENGTHENS ITS POSITION IN GERMANY BY ACQUIRING NOVACON POWERTRAIN, AN ENGINEERING COMPANY FOCUSED ON E-MOBILITY AND POWERTRAIN DEVELOPMENT

Etteplan strengthens its position in Central Europe by acquiring all shares in the German product engineering services company Novacon Powertrain GmbH, which focuses on electrification in the automotive industry and the development of engine technology. The acquisition brings Etteplan a new product development unit with strong expertise in the electrification of motoring and rail traffic as well as in the development of advanced powertrains.

The revenue of the company, which employs about 180 professionals, was approximately EUR 18 million in 2023. In the acquisition, the founder and CEO of Novacon Powertrain, Philipp Welz, sells his ownership of the company to Etteplan and continues to manage the acquired business. The purchase price to be paid in cash is not disclosed. The initial accounting process for the acquisition is still in progress, which is why other information required by IFRS 3 cannot be presented for the acquisition at this time.

FINANCIAL DISCLOSURES IN 2025

Financial Statements and Annual Report: week 12/2025 at the latest

Annual General Meeting 2025: Tuesday, April 8, 2025

Interim Report for January-March 2025: Monday, May 5, 2025

Half Year Financial Report for January-June 2025: Wednesday, August 6, 2025

Interim Report for January-September 2025: Wednesday, October 29, 2025

Espoo, February 12, 2025

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	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Revenue	**91,315**	**95,188**	**361,020**	**359,951**
Other operating income	291	613	749	1,742
Materials and services	-13,089	-12,520	-50,582	-43,320
Employee benefits expenses	-59,099	-59,531	-233,129	-233,736
Other operating expenses	-9,967	-10,651	-41,285	-40,259
Depreciation and amortization	-4,498	-4,900	-18,363	-18,839
Operating profit (EBIT)	**4,953**	**8,199**	**18,410**	**25,540**
Financial income	264	128	1,069	803
Financial expenses	-1,618	-1,711	-5,885	-5,537
Profit before taxes	**3,599**	**6,617**	**13,594**	**20,805**
Income taxes	-538	-694	-3,198	-4,158
Profit for the review period	**3,061**	**5,923**	**10,396**	**16,647**
Other comprehensive income, that may be reclassified to profit or loss				
Currency translation differences	-449	2,620	-1,318	787
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	-15	-5	-3	-30
Remeasurement of defined benefit plan	60	-157	60	-157
Other comprehensive income, net of tax	**-404**	**2,458**	**-1,261**	**599**
Total comprehensive income for the review period	**2,657**	**8,381**	**9,135**	**17,246**
Profit for the review period attributable to				
Equity holders of the parent company	3,061	5,923	10,396	16,647
Total comprehensive income for the review period attributable to				
Equity holders of the parent company	2,657	8,381	9,135	17,246
Earnings per share calculated from the profit attributable to equity holders of the parent company				
Basic earnings per share, EUR	0.12	0.24	0.41	0.66
Diluted earnings per share, EUR	0.12	0.24	0.41	0.66

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1,000	Dec 31, 2024	Dec 31, 2023
ASSETS		
Non-current assets		
Goodwill	117,436	109,737
Intangible assets	29,093	29,565
Tangible assets	4,482	3,402
Right-of-use of assets	19,110	21,322
Investments at fair value through other comprehensive income	9,534	2,376
Other non-current receivables	916	973
Deferred tax assets	263	250
Non-current assets, total	**180,834**	**167,624**
Current assets		
Inventory	658	806
Work in progress	28,406	30,662
Trade and other receivables	61,180	61,148
Current tax assets	1,432	933
Cash and cash equivalents	25,241	23,442
Current assets, total	**116,917**	**116,991**
TOTAL ASSETS	**297,751**	**284,615**
EQUITY AND LIABILITIES		
Equity		
Share capital	5,000	5,000
Share premium account	6,701	6,701
Unrestricted equity fund	26,073	23,966
Own shares	-1,719	-1,719
Cumulative translation adjustment	-8,233	-6,915
Other reserves	70	73
Retained earnings	89,910	86,984
Equity, total	**117,803**	**114,091**
Non-current liabilities		
Deferred tax liabilities	9,583	9,550
Loans from financial institutions	49,473	40,167
Lease liabilities	8,362	8,560
Defined benefit pension liability	4,905	5,069
Other non-current liabilities	176	526
Non-current liabilities, total	**72,499**	**63,873**
Current liabilities		
Loans from financial institutions	27,187	25,012
Lease liabilities	10,849	12,843
Advances received	6,660	5,818
Trade and other payables	60,843	60,849
Current income tax liabilities	1,910	2,128
Current liabilities, total	**107,449**	**106,651**
Liabilities, total	**179,948**	**170,524**
TOTAL EQUITY AND LIABILITIES	**297,751**	**284,615**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Operating cash flow				
Cash receipts from customers	93,460	93,232	367,806	366,970
Operating expenses paid	-75,740	-78,281	-326,651	-322,517
Operating cash flow before financial items and taxes	**17,720**	**14,951**	**41,155**	**44,454**
Interests and other payments for financial expenses	-2,104	-1,721	-5,656	-4,540
Interest received	167	272	745	496
Income taxes paid	-1,588	-915	-5,283	-4,839
Operating cash flow (A)	**14,194**	**12,587**	**30,961**	**35,571**
Investing cash flow				
Purchase of tangible and intangible assets	-359	-74	-2,437	-2,067
Acquisition of subsidiaries, net of cash acquired	-251	-50	-12,550	-5,496
Purchase of investments	-149	0	-7,183	0
Proceeds from sale of tangible and intangible assets	21	-424	234	675
Investing cash flow (B)	**-738**	**-548**	**-21,935**	**-6,888**
Cash flow after investments (A+B)	**13,457**	**12,039**	**9,026**	**28,683**
Financing cash flow				
Purchase of own shares	0	-99	0	-486
Proceeds from loans	17,607	11,500	37,956	28,583
Repayments of loans	-20,584	-15,895	-26,978	-32,332
Payment of lease liabilities	-2,504	-2,669	-10,644	-11,576
Dividend paid	0	0	-7,530	-9,015
Financing cash flow (C)	**-5,481**	**-7,163**	**-7,196**	**-24,826**
Variation in cash (A+B+C) increase (+) / decrease (-)	**7,976**	**4,875**	**1,830**	**3,857**
Assets at the beginning of the period	17,209	18,623	23,442	19,564
Exchange gains or losses	56	-56	-32	21
Assets at the end of the period	25,241	23,442	25,241	23,442

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1,000	Share Capital	Share Premium	Unrestricted Equity Fund	Other Reserves	Own Shares	Translation Differences	Retained Earnings	Total
Equity Jan 1, 2024	**5,000**	**6,701**	**23,966**	**73**	**-1,719**	**-6,915**	**86,984**	**114,091**
Profit for the review period	0	0	0	0	0	0	10,396	10,396
Change in fair value of equity investments at fair value through other comprehensive income	0	0	0	-3	0	0	0	-3
Cumulative translation adjustment	0	0	0	0	0	-1,318	0	-1,318
Remeasurement of defined benefit plan	0	0	0	0	0	0	60	60
Total comprehensive income for the review period	**0**	**0**	**0**	**-3**	**0**	**-1,318**	**10,456**	**9,135**
Transactions with owners								
Dividends	0	0	0	0	0	0	-7,530	-7,530
Acquisition of a subsidiary paid in shares	0	0	2,107	0	0	0	0	2,107
Equity Dec 31, 2024	**5,000**	**6,701**	**26,073**	**70**	**-1,719**	**-8,233**	**89,910**	**117,803**

EUR 1,000	Share Capital	Share Premium	Unrestricted Equity Fund	Other Reserves	Own Shares	Translation Differences	Retained Earnings	Total
Equity Jan 1, 2023	**5,000**	**6,701**	**23,966**	**103**	**-1,059**	**-7,702**	**79,302**	**106,311**
Profit for the review period	0	0	0	0	0	0	16,647	16,647
Change in fair value of equity investments at fair value through other comprehensive income	0	0	0	-30	0	0	0	-30
Cumulative translation adjustment	0	0	0	0	0	787	0	787
Remeasurement of defined benefit plan	0	0	0	0	0	0	-157	-157
Total comprehensive income for the review period	**0**	**0**	**0**	**-30**	**0**	**787**	**16,489**	**17,246**
Transactions with owners								
Dividends	0	0	0	0	0	0	-9,015	-9,015
Purchase of own shares	0	0	0	0	-486	0	0	-486
Share-based incentive plan	0	0	0	0	-173	0	209	35
Equity Dec 31, 2023	**5,000**	**6,701**	**23,966**	**73**	**-1,719**	**-6,915**	**86,984**	**114,091**

NOTES

GENERAL

Etteplan provides solutions for software and embedded solutions, industrial equipment and plant engineering and technical communication 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 2024, Etteplan had a revenue of EUR 361 million. The company currently has some 4,000 professionals in Finland, Sweden, the Netherlands, Germany, Poland, Denmark and China. Etteplan's shares are listed on Nasdaq Helsinki Ltd under the ETTE ticker.

Etteplan Oyj's Board of Directors has approved this Interim Report for publication at its meeting on February 12, 2025.

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 Financial Statement Release has been prepared in accordance with the requirements in IAS 34 (Interim Financial Reporting) standard. The Financial Statement Release has been prepared according to the recognition and valuation principles presented in the 2023 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 reflect-ed 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 2023 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	1-12/2024	1-12/2023	Change
Revenue	361,020	359,951	0.3%
Operating profit (EBITA)	24,373	30,883	-21.1%
EBITA, %	6.8	8.6	
Operating profit (EBIT)	18,410	25,540	-27.9%
EBIT, %	5.1	7.1	
Profit before taxes	13,594	20,805	-34.7%
Profit before taxes, %	3.8	5.8	
Return on equity, %	9.0	15.1	
ROCE, %	9.4	13.3	
Equity ratio, %	40.5	40.9	
Gross interest-bearing debt	95,872	86,583	10.7%
Net gearing, %	60.0	55.3	
Balance sheet, total	297,751	284,615	4.6%
Gross investments	29,216	21,077	38.6%
Operating cash flow	30,961	35,571	-13.0%
Basic earnings per share, EUR	0.41	0.66	-37.9%
Diluted earnings per share, EUR	0.41	0.66	-37.9%
Equity per share, EUR	4.67	4.55	2.6%
Personnel, average	3,859	3,949	-2.3%
Personnel at end of the period	3,803	3,902	-2.5%

SEGMENT INFORMATION

The Group's business operations are divided in three service areas, each of which forms a reportable segment of its own. The revenue of the reportable segments consist mainly of rendering of services.

EUR 1,000	Engineering Solutions	Software and Embedded Solutions	Technical Communica-tion Solutions	Reportable segments total	Eliminations and other	Total
10-12/2024						
External revenue	48,910	24,448	17,853	**91,211**	104	**91,315**
Operating profit (EBITA)	3,591	2,126	1,060	**6,777**	-338	**6,438**
Personnel at end of the period	2,114	689	841	**3,644**	159	**3,803**
10-12/2023						
External revenue	54,627	22,571	17,836	**95,035**	153	**95,188**
Operating profit (EBITA)	5,887	2,167	1,678	**9,733**	-172	**9,561**
Personnel at end of the period	2,190	704	842	**3,736**	166	**3,902**
1-12/2024						
External revenue	192,796	97,356	70,492	**360,645**	375	**361,020**
Operating profit (EBITA)	13,421	7,866	4,296	**25,582**	-1,209	**24,373**
Personnel at end of the period	2,114	689	841	**3,644**	159	**3,803**
1-12/2023						
External revenue	202,441	86,886	69,965	**359,292**	659	**359,951**
Operating profit (EBITA)	19,940	6,924	4,946	**31,810**	-926	**30,883**
Personnel at end of the period	2,190	704	842	**3,736**	166	**3,902**

RECONCILIATION OF OPERATING PROFIT (EBITA) AND PROFIT BEFORE TAXES

EUR 1,000	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Operating profit (EBITA)	**6,438**	**9,561**	**24,373**	**30,883**
Amortization on fair value adjustments at acquisitions	-1,485	-1,362	-5,963	-5,344
Operating profit (EBIT)	**4,953**	**8,199**	**18,410**	**25,540**
Financial income and expenses	-1,354	-1,583	-4,816	-4,735
Profit before taxes	**3,599**	**6,617**	**13,594**	**20,805**

NON-CURRENT ASSETS BY THE LOCATION

Segment´s non-current assets are presented by the location of the assets, as the Group’s chief operating decision-maker monitors these items at country level. Financial instruments and deferred tax assets are excluded from segment´s non-current assets.

EUR 1,000	2024	2023
Finland	55,598	58,814
Scandinavia	57,009	45,554
China	2,372	2,372
Central Europe	56,058	58,258
Total	**171,037**	**164,998**

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	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Primary geographical location				
Finland	42,978	46,751	170,666	182,320
Scandinavia	25,405	24,034	99,858	87,306
Central Europe	19,702	22,096	79,502	80,222
China	3,230	2,307	10,994	10,104
Total	**91,315**	**95,188**	**361,020**	**359,951**
Timing of revenue recognition				
Transferred at a point in time	1,056	1,598	4,248	4,604
Transferred over time	90,259	93,590	356,772	355,347
Total	**91,315**	**95,188**	**361,020**	**359,951**

REVENUE AND OPERATING PROFIT (EBIT) BY QUARTER

EUR 1,000	1-3/2024	4-6/2024	7-9/2024	10-12/2024
Revenue	97,118	92,623	79,964	91,315
Operating profit (EBIT)	6,695	5,335	1,426	4,953
EBIT, %	6.9	5.8	1.8	5.4

EUR 1,000	1-3/2023	4-6/2023	7-9/2023	10-12/2023
Revenue	94,954	89,849	79,961	95,188
Operating profit (EBIT)	6,259	6,114	4,967	8,199
EBIT, %	6.6	6.8	6.2	8.6

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	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Revenue	-87	0	-533	0
Employee benefits expenses and other operating expenses	-831	-182	-2,461	-1,717
Operating profit (EBIT)	**-918**	**-182**	**-2,994**	**-1,717**
Profit for the review period	**-918**	**-182**	**-2,994**	**-1,717**

BUSINESS COMBINATIONS

STRONGIT ApS (100%)
Etteplan, strengthened its market position in Denmark by acquiring STRONGIT on January 8, 2024, which focuses on product development solutions. The successful acquisition marks a continuation in Etteplan’s strategic growth journey as it complements our expertise and further expands our international operations. STRONGIT employs a team of 13 highly qualified engineering professionals and a vast network of about 70 freelancers working across Copenhagen, Århus and Gråsten. In 2023, STRONGIT’s revenue was approximately 13 million euros. The provisional goodwill of EUR 7,517 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. Costs related to the acquisition, EUR 105 thousand, are included in other operating expenses in the consolidated statement of comprehensive income.

AFFRA AB (100%)
Etteplan reinforced its position in Sweden by acquiring Gothenburg based AFFRA AB on May 27, 2024, which is a consulting company specializing in software testing and in particular Hardware in the Loop (HIL) testing for the automotive and transport industry. HIL testing ensures that quality assurance during software and hardware development is implemented efficiently and safely. With immediate effect all 23 AFFRA employees with competencies in testing, software development and embedded solutions transferred to Etteplan. The goodwill of EUR 758 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. Costs related to the acquisition, EUR 9 thousand, are included in other operating expenses in the consolidated statement of comprehensive income.

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	13,518
Directed share issue	2,107
Total consideration transferred	**15,625**
Assets and liabilities	
Tangible assets	37
Customer base (intangible assets)	5,995
Non-competition agreements (intangible assets)	320
Trade and other receivables	3,465
Cash and cash equivalents	1,216
Total assets	**11,032**
Other non-current liabilities	16
Other current liabilities	2,248
Deferred tax liability	1,417
Total liabilities	**3,681**
Total identifiable net assets	**7,351**
Formation of Goodwill:	
Consideration transferred	15,625
Total identifiable net assets	-7,351
Goodwill	**8,274**

GOODWILL

EUR 1,000	**2024**	**2023**
Acquisition cost Jan 1	109,737	105,385
Translation difference	-867	297
Acquisition of subsidiaries	8,565	4,056
Book value Dec 31	**117,436**	**109,737**

INTANGIBLE ASSETS

2024 EUR 1,000	Intangible rights	Development expenses	Customer base and non-competition agreements	Advance payments	Total
Acquisition cost Jan 1, 2024	13,951	3,116	58,953	266	76,285
Translation difference	46	0	-179	0	-133
Acquisition of subsidiaries	0	0	6,322	0	6,322
Additions	27	0	0	0	27
Disposals	-34	-4	0	0	-38
Reclassifications	11	-39	0	-266	-293
Acquisition cost Dec 31, 2024	**14,002**	**3,074**	**65,096**	**0**	**82,171**
Cumulative amortization Jan 1, 2024	-12,603	-2,954	-31,165	0	-46,721
Translation difference	-46	0	89	0	43
Amortization for the financial year	-394	-43	-5,963	0	-6,400
Cumulative amortizations Dec 31, 2024	**-13,042**	**-2,997**	**-37,039**	**0**	**-53,078**
Book value Dec 31, 2024	**959**	**77**	**28,057**	**0**	**29,093**

2023 EUR 1,000	Intangible rights	Development expenses	Customer base and non-competition agreements	Advance payments	Total
Acquisition cost Jan 1, 2023	13,175	3,060	56,374	89	72,698
Translation difference	-94	0	247	0	153
Acquisition of subsidiaries	80	0	2,332	0	2,412
Additions	703	11	0	266	980
Disposals	-9	0	0	-45	-53
Reclassifications	96	45	0	-45	96
Acquisition cost Dec 31, 2023	**13,951**	**3,116**	**58,953**	**266**	**76,285**
Cumulative amortization Jan 1, 2023	-12,004	-2,868	-25,753	0	-40,625
Translation difference	95	0	-68	0	26
Amortization for the financial year	-693	-86	-5,344	0	-6,122
Cumulative amortizations Dec 31, 2023	**-12,603**	**-2,954**	**-31,165**	**0**	**-46,721**
Book value Dec 31, 2023	**1,349**	**162**	**27,788**	**266**	**29,565**

TANGIBLE ASSETS

2024 EUR 1,000	Land and water	Buildings	Machinery and equipment	Other tangible assets	Total
Acquisition cost Jan 1, 2024	19	0	18,484	1,974	20,478
Translation difference	0	0	-3	1	-2
Acquisition of subsidiaries	0	0	0	1	1
Additions	0	0	791	1,598	2,389
Disposals	0	0	-267	-1	-268
Reclassifications between items	0	0	72	240	312
Acquisition cost Dec 31, 2024	**19**	**0**	**19,077**	**3,814**	**22,910**
Cumulative depreciation Jan 1, 2024	0	0	-15,471	-1,604	-17,075
Translation difference	0	0	-17	-2	-18
Depreciation for the financial year	0	0	-1,148	-186	-1,334
Cumulative depreciation Dec 31, 2024	**0**	**0**	**-16,636**	**-1,792**	**-18,428**
Book value Dec 31, 2024	**19**	**0**	**2,441**	**2,022**	**4,482**

2023 EUR 1,000	Land and water	Buildings	Machinery and equipment	Other tangible assets	Total
Acquisition cost Jan 1, 2023	19	495	17,417	1,834	19,766
Translation difference	0	0	-46	-4	-50
Acquisition of subsidiaries	0	0	249	0	249
Additions	0	0	900	149	1,048
Disposals	0	-495	-33	-4	-532
Reclassifications between items	0	0	-4	0	-5
Acquisition cost Dec 31, 2023	**19**	**0**	**18,484**	**1,974**	**20,478**
Cumulative depreciation Jan 1, 2023	0	-25	-14,303	-1,491	-15,819
Translation difference	0	0	53	2	55
Disposals	0	40	0	0	40
Depreciation for the financial year	0	-16	-1,221	-116	-1,352
Cumulative depreciation Dec 31, 2023	**0**	**0**	**-15,471**	**-1,604**	**-17,075**
Book value Dec 31, 2023	**19**	**0**	**3,013**	**370**	**3,402**

RIGHT-OF-USE OF ASSETS

2024 EUR 1,000	Leased software	Machinery and equipment	Premises	Total
Acquisition cost Jan 1	8,229	29,807	51,925	89,961
Translation difference	-14	-108	0	-122
Acquisition of subsidiaries	0	150	184	334
Additions	392	3,834	7,350	11,576
Disposals	0	-450	-3,017	-3,467
Acquisition cost Dec 31	**8,608**	**33,233**	**56,442**	**98,282**
Cumulative depreciation Jan 1	-7,544	-24,337	-36,759	-68,639
Translation difference	13	83	0	96
Depreciation for the financial year	-547	-3,653	-6,429	-10,629
Cumulative depreciation Dec 31	**-8,078**	**-27,907**	**-43,188**	**-79,172**
Book value Dec 31, 2024	**530**	**5,326**	**13,254**	**19,110**

2023 EUR 1,000	Leased software	Machinery and equipment	Premises	Total
Acquisition cost Jan 1	7,698	26,011	45,059	78,768
Translation difference	1	25	0	26
Acquisition of subsidiaries	0	230	542	772
Additions	530	3,663	7,367	11,560
Disposals	0	-123	-1,043	-1,165
Acquisition cost Dec 31	**8,229**	**29,807**	**51,925**	**89,961**
Cumulative depreciation Jan 1	-7,027	-20,690	-29,519	-57,236
Translation difference	-2	-20	0	-22
Depreciation for the financial year	-515	-3,626	-7,240	-11,381
Cumulative depreciation Dec 31	**-7,544**	**-24,337**	**-36,759**	**-68,639**
Book value Dec 31, 2023	**686**	**5,470**	**15,166**	**21,322**

PLEDGES, MORTGAGES AND GUARANTEES

EUR 1,000	Dec 31, 2024	Dec 31, 2023
Business mortgages	320	320
Pledged shares	120	120
Other contingencies	1,007	599
Total	**1,447**	**1,039**

RELATED PARTY TRANSACTIONS

The Group's related party includes such persons that have control, joint control or significant influence over the Group. Also, the Group's key management personnel is included in the related party. 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. Key management personnel also include individuals who are part of the management of the Group's ultimate parent company, Ingman Group Oy Ab. Ingman Group Oy Ab is the ultimate controlling party, and it belongs to the Group's related party alongside with its' group companies and associate companies. Spouses, wards and companies in control or joint control of the before mentioned persons are considered as other related parties. The ultimate controlling party, Ingman Group Oy Ab, and its group companies are also included in related parties.

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

The following transactions were carried out with related parties:

EUR 1,000	1-12/2024	1-12/2023
Sales of services to other related parties	36	42
Purchases of services from other related parties	36	37

FAIR VALUES OF FINANCIAL INSTRUMENTS

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

2024 EUR 1,000	Quoted shares (Level 1)	Premises shares (Level 2)	Unquoted shares and loan receivables (Level 3) [1]	Total
Opening balance at Jan 1	199	120	3,019	**3,339**
Investments in shares [2]	0	0	7,176	**7,176**
Gain/loss recognized in other comprehensive income	6	0	-8	**-2**
Translation differences	0	0	-63	**-63**
Closing balance Dec 31	**205**	**120**	**10,125**	**10,450**

[1] Ekkono Solutions AB and BJIT are valued based on forecasted discounted cash flows (Value-In-Use).
[2] Investment in BJIT shares.

2023 EUR 1,000	Quoted shares (Level 1)	Premises shares (Level 2)	Unquoted shares and loan receivables (Level 3)	Total
Opening balance at Jan 1	237	120	3,019	**3,376**
Gain/loss recognized in other comprehensive income	-38	0	0	**-38**
Closing balance Dec 31	**199**	**120**	**3,019**	**3,339**

FINANCIAL LIABILITIES RECOGNIZED AT FAIR VALUE THROUGH PROFIT OR LOSS

EUR 1,000	2024	2023
Opening balance at Jan 1	100	33
Additions	0	100
Revaluation	83	197
Payment	-183	-230
Closing balance Dec 31	**0**	**100**

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 that 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	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Operating profit (EBIT)	**4,953**	**8,199**	**18,410**	**25,540**
Amortization on fair value adjustments at acquisitions	1,485	1,362	5,963	5,344
Operating profit (EBITA)	**6,438**	**9,561**	**24,373**	**30,883**

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 PRESENTED BY MANAGED SERVICES

Etteplan measures the share of revenue represented by Managed Services (MSI Index). Managed Ser-vices 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 =

$$\frac{\text{(Profit for the review period attributable to equity holders of the parent company) x 100}}{\text{Issue adjusted average number of shares during the review period}}$$

Diluted earnings per share =

$$\frac{\text{(Profit for the review period attributable to equity holders of the parent company adjusted with dilutive effect) x 100}}{\text{Issue adjusted average number of shares during the review period adjusted with dilutive effect}}$$

NON-IFRS KEY FIGURES

Operating profit (EBITA) = Operating profit (EBIT) + amortization on fair value adjustments in acquisitions

Organic growth =

$$\frac{\text{(Revenue current year - Revenue comparison year - Revenue from acquirees current year) x 100}}{\text{Revenue comparison year}}$$

Revenue growth from key accounts =

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

The share of revenue represented by Managed Services =

$$\frac{\text{Revenue from Managed Services x 100}}{\text{Revenue}}$$

Return on equity (ROE), % =

$$\frac{\text{Profit for the review period x 100}}{\text{(Equity, total) average}}$$

Return on capital employed (ROCE), before taxes, % =

$$\frac{\text{(Profit before taxes + Financial expenses) x 100}}{\text{(Total equity and liabilities - non-interest bearing liabilities) average}}$$

Equity ratio, % =

$$\frac{\text{Equity, total x 100}}{\text{Total equity and liabilities - Advances received}}$$

Gross investments = Total investments made to non-current assets including acquisitions and capitalized development costs

Net gearing, % =

$$\frac{\text{(Interest-bearing liabilities - Cash and cash equivalents) x 100}}{\text{Equity, total}}$$

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