

Financial Statement Review
January–December

2019

Q4



A year of
international
growth

ETTEPLAN Oyj Financial Statement Review February 11, 2020, at 1:00 pm EET

ETTEPLAN 2019: A year of international growth

Review period October-December 2019

- The Group's revenue grew by 14.2 per cent and was EUR 71.8 million (10-12/2018: EUR 62.9 million). At comparable exchange rates, growth was 14.8 per cent.
- Organic growth was 0.7 per cent. At comparable exchange rates, organic growth was 1.4 per cent.
- Operating profit (EBITA) grew and amounted to EUR 6.5 (6.4) million or 9.0 (10.2) per cent of revenue.
- Operating profit (EBIT) decreased and was EUR 5.6 (5.7) million or 7.7 (9.1) per cent of revenue.
- The combined effect of non-recurring items on operating profit (EBITA) and operating profit (EBIT) was EUR 0.5 (0.0) million.
- The profit for the review period was EUR 3.9 (4.4) million.
- Operating cash flow improved and was EUR 17.5 (15.8) million.
- Basic earnings per share were EUR 0.16 (0.18).
- Etteplan renewed its strategy and updated its financial targets in December. Read more on page 13.

Review period January-December 2019

- The Group's revenue grew by 11.3 per cent and was EUR 263.3 (1-12/2018: 236.5) million. At comparable exchange rates, growth was 12.0 per cent.
- Organic growth was 3.4 per cent. At comparable exchange rates, organic growth was 4.1 per cent.
- Operating profit (EBITA) improved and amounted to EUR 26.0 (22.6) million or 9.9 (9.5) per cent of revenue.
- Operating profit (EBIT) improved and amounted to EUR 22.8 (20.2) million or 8.7 (8.5) per cent of revenue.
- The combined effect of non-recurring items on operating profit (EBITA) and operating profit (EBIT) was EUR 1.1 (-0.3) million.
- The profit for the review period was EUR 17.4 (15.3) million.
- Operating cash flow improved and was EUR 32.9 (23.1) million.
- Basic earnings per share were EUR 0.70 (0.62).
- The number of personnel increased by 12.8 per cent and the Group had 3,447 (3,055) employees at the end of December 2019.
- The Board of Directors' dividend proposal is EUR 0.35 (0.30) per share.

Etteplan also monitors non-IFRS performance measures, because they provide information on Etteplan's strategic and financial development in addition to other key indicators. More information on performance measures is provided on pages 20-21.

Etteplan renewed its organization and structure and made changes to its segment reporting effective from January 1, 2019. Starting from the beginning of 2019, the names of the service areas are Engineering Solutions, Software and Embedded Solutions, and Technical Documentation Solutions. Each service area forms a separate reporting segment. More information on the changes and the impacts of IFRS 16 "Leases" is provided in the January-March 2019 Interim Report and on pages 12-13 and 19-20.

Market outlook 2020

The most important factor affecting Etteplan's business is the global development of the machinery and metal industry. The year 2020 has got off to a slow start. In Finland, the labor market situation is affecting demand. In China, the coronavirus is influencing the market situation and increasing the uncertainty of the global market outlook. On the other hand, political uncertainty has decreased slightly and demand is expected to pick up during the early part of the year.

Financial guidance 2020

We expect the revenue for 2020 to increase clearly and operating profit (EBIT) to be at the same level or improve compared to 2019.

Key figures

(EUR 1,000)	10-12/2019	10-12/2018	1-12/2019	1-12/2018
Revenue	71,798	62,887	263,292	236,477
Operating profit (EBITA)	6,471	6,384	25,964	22,555
EBITA, %	9.0	10.2	9.9	9.5
Operating profit (EBIT)	5,553	5,731	22,819	20,184
EBIT, %	7.7	9.1	8.7	8.5
Basic earnings per share, EUR	0.16	0.18	0.70	0.62
Equity ratio, %	38.9	42.9	38.9	42.9
Operating cash flow	17,525	15,830	32,884	23,055
ROCE, %	19.1	21.9	19.9	21.3
Personnel at end of the period	3,447	3,055	3,447	3,055

President and CEO Juha Näkki:

Etteplan had another good year in 2019. Revenue growth continued for the 25th consecutive quarter, profitability was at the targeted level for the full year and cash flow was excellent. All our service areas performed general well, and I want to thank our personnel for their good work.

During the year, we accelerated our international growth through four acquisitions: we strengthened our position in Sweden by making two acquisitions, we strengthened our market leading position in technical documentation in the Netherlands and we started the Engineering Solutions business in Germany. The integration of all of the acquisitions has progressed according to our plans. We also continued our organic growth, although it did slow down toward the end of the year.

The demand situation development was twofold during the year. Demand grew in the first half of the year. In the second half of the year, demand growth slowed down, and it weakened toward the end of the year. In Finland, the strikes in December had a very negative effect on our business in all of our service areas. The strike in the engineering and consulting industry had a direct impact on our revenue and operating profit. In addition, the strikes in our customer industries had an indirect impact on our business as customers focused on minimizing strike effects instead of focusing on their normal business. In China, the trade war had a significant impact on local demand and, as a result, our business.

The implementation of our strategy progressed well during the year. The share of revenue represented by Managed Services exceeded 60 per cent for the first time during the year. The development of the project business was particularly strong. For example, we won the largest plant engineering project in Etteplan's history. We also continued to make investments in the development of our service offering, which supported our business development. We carried out several interesting projects around new technologies and launched our first SaaS service.

We updated our strategy and financial targets in late December. The key objective of our strategy, “Increasing value for customers”, is to increase the value we create for our customers by further developing our service solutions and increasingly incorporating new technologies into our service offering. We will also continue our international growth and we are aiming for revenue of more than EUR 500 million in 2024.

We entered the new year in a weaker market situation and the year has got off to a slow start. The Finnish labour market situation and the coronavirus outbreak are increasing uncertainty in the markets and making the development of our business more difficult to predict. However, at the same time, political uncertainty has eased slightly, so we believe the demand situation will pick up during the early part of the year and we expect the good development of our business to continue in 2020.

Operating environment

Etteplan’s business is affected by global megatrends as well as industry-specific developments. The Internet of Things (IoT), digitalization of machinery and equipment, climate change driving needs for products that are in line with the principles of sustainable development, and shorter product life cycles, are creating needs for intelligent and efficient engineering solutions in all industrial sectors. Companies continue to direct their investments to these areas, which creates opportunities for operators in the engineering industry. The continued trend of service outsourcing had a positive effect on the industry’s development and it supports Etteplan’s growth. The trend of centralizing service purchasing continued as customer demand became increasingly international, presenting growth opportunities for global engineering companies.

The most important factor in Etteplan’s development is the global development of the machinery and metal industry. The market situation weakened toward the end of the year. Unpredictable changes in Etteplan’s main markets and various customer industries, nevertheless, continued in the fourth quarter. In Finland, the strikes that took place in December influenced business in Etteplan’s customer industries and weakened the demand for services in the engineering industry.

The demand for our services weakened toward the end of the year. Customer-specific differences increased and were again considerable. Demand in the mining industry remained at a good level. Demand in the forest, pulp and paper industry remained good. Demand among lifting and hoisting equipment manufacturers weakened slightly. Demand in the energy and power transmission industry remained at a good level. Demand from aerospace and defense equipment manufacturers also weakened slightly. In the transportation and vehicle industry, demand weakened slightly. Demand in the ICT industry remained good.

Competition for employees and the limited availability of specialized experts in certain areas continued to affect the development of the sector in all market areas.

In Finland, market demand was generally at a good level, but the demand situation weakened toward the end of the year and the strikes that took place in December had a negative effect on demand.

The combined revenue of technology industry companies increased by six per cent in 2019 compared to 2018. The uncertainty in the global economy and the weakening of demand continued to have an impact, and the value of the orders received in the fourth quarter was largely unchanged except for an increase in the value of orders received by the shipbuilding industry. Based on the orders in the past few months, it is estimated that revenue during the first quarter of 2020 will be slightly higher compared to last year. The number of requests for tenders received by technology industry companies continued to decline.

The revenue of engineering and consulting companies in the technology industry grew by five per cent in 2019 compared to 2018. According to Technology Industries of Finland, new orders grew clearly in October-December compared to the previous quarter, while the order backlog was roughly at the same level as previously. In October-December, the euro-denominated value of new orders received by the engineering and consulting companies was 21 per cent higher than in July-September and roughly equal to the corre-

sponding period in 2018. Based on the orders in the past few months, we estimate that the revenue of engineering and consulting companies in the first quarter of 2020 will be slightly higher compared to the corresponding period last year.

In Sweden, the Netherlands and Poland, market demand weakened slightly further, compared to the previous good level. In Germany, demand in the process industry was at a good level. In China, demand began to recover slightly and the opening up of the service market continued.

Revenue

Etteplan's revenue grew by 14.2 per cent in October-December and was EUR 71.8 (10-12/2018: 62.9) million. Quarterly revenue exceeded EUR 70 million for the first time. Revenue increased by 14.8 per cent at comparable exchange rates. Organic growth was 0.7 per cent. At comparable exchange rates, organic growth was 1.4 per cent.

In January-December, Etteplan's revenue grew by 11.3 per cent and was EUR 263.3 (1-12/2018: 236.5) million. Revenue increased by 12.0 per cent at comparable exchange rates. Organic growth was 3.4 per cent. At comparable exchange rates, organic growth was 4.1 per cent.

Demand weakened toward the end of the year. In Finland, the strike in the engineering and consulting industry had a direct effect of approximately EUR 1.5 million on Etteplan's revenue. The strikes also had extensive indirect impacts as customers focused on minimizing their effects instead of focusing on their normal business.

Nevertheless, Etteplan continued to grow in the fourth quarter. Growth was accelerated by the acquisitions made during 2019.

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. Devex Mekatronik AB increased Etteplan's revenue effective from June 1, 2019, EMP Engineering Alliance from July 1, 2019, Teknifo AB from October 1, 2019, and Triview Technical Communication B.V. from November 1, 2019.

Result

Operating profit (EBITA) improved by 1.4 per cent in October-December and was EUR 6.5 (6.4) million, or 9.0 (10.2) per cent of revenue. In January-December, operating profit (EBITA) improved by 15.1 per cent and was EUR 26.0 (22.6) million, or 9.9 (9.5) per cent of revenue.

Operating profit (EBIT) weakened by 3.1 per cent in October-December and was EUR 5.6 (5.7) million, or 7.7 (9.1) per cent of revenue. In January-December, operating profit (EBIT) improved by 13.1 per cent and was EUR 22.8 (20.2) million, or 8.7 (8.5) per cent of revenue. The strikes in Finland had a significant effect on profitability.

The combined effect of non-recurring items on operating profit (EBITA) and operating profit (EBIT) was EUR 0.5 (0.0) million in October-December and EUR 1.1 (-0.3) million in January-December. The non-recurring items in October-December included personnel cost related adjustment as well as expenses related to acquisitions and the restructuring of operations.

At the beginning of 2019, Etteplan started to measure its profitability using operating profit (EBITA) instead of EBIT from business operations. The Company updated its financial target concerning profitability on April 4, 2019, and reiterated the target in connection with the strategy renewal on December 18, 2019. The target is to reach 10 per cent operating profit (EBITA) of revenue. More information is provided on pages 12-13.

In January-December, financial expenses amounted to EUR 1.6 (1.6) million.

Profit before taxes for January-December was EUR 21.9 (19.4) million. Taxes in the income statement amounted to 20.7 (21.2) per cent of the result before taxes. The amount of taxes was EUR 4.5 (4.1) million.

The profit for January-December was EUR 17.4 (15.3) million.

Basic earnings per share were EUR 0.16 (0.18) in October-December and EUR 0.70 (0.62) in January-December. Equity per share was EUR 3.09 (2.72) at the end of December. Return on capital employed (ROCE) before taxes was 19.1 (21.9) per cent in October-December and 19.9 (21.3) per cent in January-December.

Financial position and cash flow

The Group's cash and cash equivalents stood at EUR 15.9 (16.1) million at the end of December.

The Group's interest-bearing debt amounted to EUR 56.3 (36.3) million. At the time of adopting IFRS 16 *Leases*, an interest-bearing lease liability of EUR 12 million was recognized, corresponding to the discounted future rent payments of the leased items. Right-of-use assets were recognized in the balance sheet equal to the amount of the additional liability. More information is provided on pages 12-13 and 19-20.

The total of unused short-term credit facilities stood at EUR 14.2 (9.9) million.

Operating cash flow developed well and was EUR 17.5 (15.8) million in October-December and EUR 32.9 (23.1) million in January-December.

Cash flow after investments was EUR 10.1 (13.1) million in January-December.

The accrual of cash flow was affected by the good operational result and the adoption of IFRS 16 *Leases*. Operating cash flow increased and financing cash flow decreased by approximately EUR 7.2 million due to the repayment of the principal portion of the lease liability being classified as cash flow from financing activities. More information is provided on pages 12-13 and 19-20.

Operating cash flow accrues unevenly over the four quarters of the year due to periodic fluctuation in business.

Total assets on December 31, 2019 were EUR 202.9 (160.6) million. Goodwill on the balance sheet was EUR 79.0 (65.2) million.

At the end of December, the equity ratio was 38.9 (42.9) per cent. The equity ratio weakened by 2.5 percentage points in relation to the adoption of IFRS 16 *Leases*, which led to an increase in the Group's lease liabilities. More information is provided on pages 12-13 and 19-20.

Capital expenditure

The Group's gross investments in January-December were EUR 36.9 (16.5) million. The gross investments mainly consisted of acquisitions, an increase in lease obligations, growth-related equipment purchases and license fees for engineering software.

Personnel

The number of personnel increased by 12.8 per cent year-on-year and stood at 3,447 (3,055) at the end of December 2019. The Group employed 3,305 (2,995) people on average in January-December. International growth continued and, at the end of December, 1,382 (1,073) people were employed by the Group outside of Finland. One employee was temporarily laid off at the end of December.

Business review

The success of the outsourcing business and acquisitions strengthen Etteplan's market position and support the Company's growth. The demand for Managed Services and services related to the digitalization of machinery and equipment remained at a good level. Etteplan's customers are investing in digitalization and intelligent devices, which presents significant growth opportunities.

The demand for Etteplan's services weakened toward the end of the year. The demand for new product development and equipment engineering projects as well as plant engineering investments weakened slightly. The lower availability of specialized experts in certain areas affected the development of business. The demand situation in Finland remained relatively good, but the strike that took place in Finland in December weakened demand. In Sweden, the Netherlands and Poland, the demand situation has remained unchanged at a weaker level than in early 2019. In Germany, the general demand situation has weakened, but demand in the process industry has remained at a good level. The EMP Engineering Alliance acquisition and the measures taken in the technical documentation business support our development in Germany.

The opening up of the Chinese service market continued. Demand recovered slowly and we won new customers. The number of hours sold in the Chinese market, nevertheless, decreased by 11.0 per cent in October-December and by 5.0 per cent in January-December compared to the high level seen in the reference period.

Revenue from key accounts was at the previous year's level in October-December and grew by 4.8 per cent in January-December.

Etteplan is a growth company that has defined its most important growth areas as the continuous development of service solutions, digitalization and international growth.

Etteplan's target was to achieve a share of 65 per cent of revenue for Managed Services by the end of 2019. The share of revenue represented by Managed Services grew, particularly due to the growth of the project business, and stood at 60 (54) per cent in October-December and 60 (54) per cent in January-December. Etteplan updated its financial targets on December 18, 2019. Read more on page 13.

In the recent years, Etteplan has 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 its 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.

Etteplan's goal is to grow internationally and provide solutions in all of the Company's service areas in all of its market areas. A further goal is to strengthen competence and the market position through acquisitions. Etteplan made four acquisitions in 2019, with two of these taking place in the final quarter. The integration of the acquired companies into Etteplan has progressed according to plan.

In October, Etteplan continued to strengthen its position in Sweden by acquiring Teknifo AB, a company specializing in technical documentation. Teknifo is a specialist of digital spare part books and will strengthen our position in aftermarket solutions. It also gives us a stronger foothold in South East Sweden where we have a very interesting customer base. Teknifo AB, established in 1980, is located in Växjö and Ljungby in Southern Sweden and has some 20 employees.

In November, Etteplan strengthened its leading position in technical documentation in the Netherlands and acquired Triview Technical Communication B.V. Our customers operate in somewhat different industries, which allows us to offer a wider range of solutions to the customers of both companies. Triview Technical Communication B.V. is located in the city of Soesterberg and has some 30 employees.

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)	10-12/2019	10-12/2018	Change	1-12/2019	1-12/2018	Change
Revenue	40,848	34,601	18.1%	147,037	132,061	11.3%
Operating profit (EBITA)	3,571	3,280	8.9%	14,464	12,985	11.4%
EBITA, %	8.7	9.5		9.8	9.8	
Managed Services index	55	52		55	52	
Personnel at end of the period	1,995	1,735	15.0%	1,995	1,735	15.0%

The figures for Devex Mekatronik AB, acquired in June 2019, are included in the Engineering Solutions service area's figures starting from June 1, 2019.

The figures for EMP Engineering Alliance, acquired in July 2019, are included in the Engineering Solutions service area's figures starting from July 1, 2019.

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

The service area's revenue increased by 18.1 per cent in October-December and amounted to EUR 40.8 (34.6) million. In January-December, revenue increased by 11.3 per cent, amounting to EUR 147.0 (132.1) million.

The Engineering Solutions service area had 1,995 (1,735) employees at the end of December.

The Engineering Solutions service area developed well in the fourth quarter. The acquisitions of Devex Mekatronik AB and EMP Engineering Alliance supported the service area's growth. The strikes in Finland in December had a broad impact on the service area's development. The uncertainty caused by the prevailing political situation affected our business in China, although the general market situation showed emergent positive signs before the outbreak of the coronavirus epidemic. Sales of engineering solutions slowed in Sweden and remained slow in Poland. The lower availability of specialized experts in certain areas affected the business to some extent.

The Engineering Solutions service area's operating profit (EBITA) in October-December was EUR 3.6 (3.3) million, or 8.7 (9.5) per cent of revenue. In January-December, operating profit (EBITA) was EUR 14.5 (13.0) million or 9.8 (9.8) per cent of revenue. Profitability was at a good level thanks to good operational efficiency. The business of the acquired companies has also developed positively, and they supported the service area's profitability. The strikes in Finland in December weakened the service area's profitability.

The Managed Services Index (MSI), which reflects the share of revenue represented by Managed Services, increased thanks to good demand in the project business and acquisitions, amounting to 55 (52) per cent in October-December and 55 (52) per cent in January-December.

We continued the development of the service area's technology solutions. We are strengthening our expertise in areas such as additive manufacturing, digital twin solutions, artificial intelligence and other digital technologies. In additive manufacturing, we successfully developed 3D printed metal objects with embedded electronics inside the object in a way that enables mass production. This technology has enormous potential in the manufacturing industry. The first printed demo device has an integrated circuit board with sensors, and the metal shell of the piece acts as an antenna. To date, this kind of solution has been regarded as challenging, if not impossible, for conventional technology. The piece was created in cooperation with EOS GmbH, a German company that specializes in 3D printing.

Software and Embedded Solutions

Software and Embedded Solutions refer to product development services as well as software and technology solutions that allow the controlling of machines and equipment and enable their digital connectivity as part of the Internet of Things. A common challenge faced by our customers is the need to develop a service based on a new business model that takes advantage of digitalization.

(EUR 1,000)	10-12/2019	10-12/2018	Change	1-12/2019	1-12/2018	Change
Revenue	17,686	16,537	6.9%	67,481	60,017	12.4%
Operating profit (EBITA)	1,423	2,026	-29.8%	6,263	5,837	7.3%
EBITA, %	8.0	12.3		9.3	9.7	
Managed Services index	58	47		58	47	
Personnel at end of the period	713	650	9.7%	713	650	9.7%

The figures for Devex Mekatronik AB, acquired in June 2019, are included in the Software and Embedded Solutions service area's figures starting from June 1, 2019.

The share of the Group's total revenue represented by Software and Embedded Solutions was 25 (26) per cent in October-December and 26 (25) per cent in January-December.

The service area's revenue increased by 6.9 per cent in October-December and amounted to EUR 17.7 (16.5) million. The acquisition of Devex Mekatronik AB supported the service area's growth. In January-December, revenue increased by 12.4 per cent and was EUR 67.5 (60.0) million.

The Software and Embedded Solutions service area had 713 (650) employees at the end of December.

The service area's demand situation weakened slightly in the final quarter of the year in all market areas. The reduced availability of competent professionals, particularly in the software business, slowed growth to some extent.

The Software and Embedded Solutions service area's operating profit (EBITA) in October-December was EUR 1.4 (2.0) million or 8.0 (12.3) per cent of revenue. In January-December, operating profit (EBITA) was EUR 6.3 (5.8) million or 9.3 (9.7) per cent of revenue. Profitability was weakened by challenges in certain projects, certain projects ending in Sweden and the strikes in Finland. Operational efficiency was at a moderate level.

The Managed Services Index (MSI), which reflects the share of revenue represented by Managed Services, increased thanks to the growth of the project business, amounting to 58 (47) per cent in October-December and 58 (47) per cent in January-December.

Etteplan and Scanfil, a global contract manufacturer and systems supplier for the electronics industry, signed an agreement on November 14, 2019, regarding a strategic partnership in Finland. According to the agreement, Etteplan will be responsible for product development and Scanfil for manufacturing services in joint customer projects. The agreement covers the outsourcing of Scanfil's product development projects and resources in Finland to Etteplan.

Technical Documentation Solutions

Technical Documentation Solutions refer to the documentation of a product's technical attributes, such as manuals and service instructions for the users of a product, as well as related content management and distribution in print or digital form. For an industrial customer, technical documentation is typically a non-core operation that has a significant impact on the efficiency of the end customer's maintenance service operations.

(EUR 1,000)	10-12/2019	10-12/2018	Change	1-12/2019	1-12/2018	Change
Revenue	13,082	11,703	11.8%	48,218	44,305	8.8%
Operating profit (EBITA)	887	951	-6.7%	4,093	3,684	11.1%
EBITA, %	6.8	8.1		8.5	8.3	
Managed Services index	79	75		79	75	
Personnel at end of the period	651	586	11.1%	651	586	11.1%

The figures for Teknifo AB, acquired in October 2019, are included in the Technical Documentation Solutions service area's figures starting from October 1, 2019.

The figures for Triview Technical Communication B.V., acquired in November 2019, are included in the Technical Documentation Solutions service area's figures starting from November 1, 2019.

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

The service area's revenue increased by 11.8 per cent in October-December and amounted to EUR 13.1 (11.7) million. In January-December, the rate of growth was 8.8 per cent and revenue amounted to EUR 48.2 (44.3) million.

The Technical Documentation Solutions service area had 651 (586) employees at the end of December.

The service area's demand situation weakened toward the end of the year. The strikes in Finland weakened the service area's growth. The demand for outsourcing solutions was at a good level and we are continuing discussions on new outsourcing agreements with several customers. Etteplan strengthened its Technical Documentation Solutions business by making acquisitions in Sweden and in the Netherlands. The integration of the acquired companies into Etteplan has progressed according to plan. Operational efficiency was at a moderate level.

The Technical Documentation Solutions service area's operating profit (EBITA) in October-December was EUR 0.9 (1.0) million, or 6.8 (8.1) per cent of revenue. In January-December, operating profit (EBITA) was EUR 4.1 (3.7) million or 8.5 (8.3) per cent of revenue.

Our business in Germany developed in a positive direction, but a long-delayed project weakened profitability, as expected. In the Netherlands, Etteplan implemented organizational restructuring measures, which affected profitability. Profitability was also affected by the low number of software deals as our customers waited for the launch of the HyperSTE software's new SaaS service.

The Managed Services Index (MSI), which reflects the share of revenue represented by Managed Services, amounted to 79 (75) per cent in October-December and 79 (75) per cent in January-December.

On October 22, 2019, Etteplan launched its first cloud solution for technical documentation. It is the world's first SaaS solution for Simplified Technical English and a fully scalable digital service. Etteplan HyperSTE is a content checker tool for technical content written in English.

The HyperSTE SaaS version is working well and we have already acquired the first customers for the service.

GOVERNANCE

Annual General Meeting 2019

Etteplan Oyj's Annual General Meeting was held on April 4, 2019. 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 2018.

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 2018 and to leave the remaining funds in unrestricted equity. The dividend decided on by the Annual General Meeting was paid to the shareholders registered on the record date in the shareholders' register maintained by Euroclear Finland Ltd. The record date for the dividend payout was April 8, 2019, and the date of dividend payout April 15, 2019.

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 five members.

In accordance with the proposal of the Nomination and Remuneration Committee of the Board of Directors, the Annual General Meeting re-elected Cristina Andersson, Matti Huttunen, Robert Ingman, Leena Saarinen and Mikko Tepponen as members of the Board of Directors.

KPMG Oy Ab, Authorized Public Accountants 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. Leena Saarinen was elected the Chairman and Robert Ingman and Matti Huttunen as members of the Nomination and Remuneration Committee of Etteplan Oyj.

Board authorizations

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

The authorization includes the right for the Board to resolve on the repurchase of the Company's own shares through a tender offer made to all shareholders on equal terms and conditions and at the price determined by the Board, or in public trading organized by the NASDAQ OMX 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 4, 2019, and ending on October 4, 2020. The authorization replaces the corresponding previous authorization.

The Annual General Meeting 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 reserve of invested unrestricted equity.

The authorization is valid for two (2) years from the date of the resolution of the Annual General Meeting, starting on April 4, 2019, and ending on April 4, 2021.

Shares

Etteplan's shares are listed in Nasdaq Helsinki Ltd's Mid Cap market capitalization group in the Industrials sector under the ETTE ticker. Etteplan moved from the Small Cap group to the Mid Cap group on January 1, 2019. 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, 2019, was EUR 5,000,000.00 and the total number of shares was 24,963,308.

The number of Etteplan Oyj shares traded in January-December was 1,471,517 (1-12/2018: 1,151,274), for a total value of EUR 13.23 (9.72) million. The share price low was EUR 7.46, the high EUR 11.9, the average EUR 8.99 and the closing price EUR 10.15. Market capitalization on December 31, 2019, was EUR 251.79 (197.44) million.

Treasury shares

On February 7, 2019, 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 by the Annual General Meeting on April 5, 2018. 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 60,000 shares and the corresponding number of voting rights, which corresponds to approximately 0.24 per cent of the current total number of Etteplan's shares. The maximum repurchase price is EUR 9.5 per share. The repurchasing of shares began on February 8, 2019.

On April 4, 2019, Etteplan Oyj's Board of Directors decided to continue the share repurchase program of Etteplan's own shares initiated on February 7, 2019, in accordance with the authorization given to it by the Annual General Meeting on April 4, 2019. The terms of the program remained unchanged. On August 13, 2019, Etteplan's Board of Directors increased the maximum repurchase price to EUR 10.5 per share. On September 17, 2019, the repurchase program was concluded as the maximum number of repurchased shares was reached.

In January-December 2019, Etteplan repurchased a total of 60,000 of the Company's own shares. The Company held 156,203 of its own shares on December 31, 2019 (December 31, 2018: 96,203), which corresponds to 0.63 per cent of all shares and voting rights.

Incentive plan for key personnel

The Board of Directors of Etteplan Oyj decided on May 31, 2017, to establish a new share-based incentive plan for the Group's key personnel. The incentive plan includes one earning period comprising the calendar years 2017-2019. The earnings criteria are Etteplan Group's revenue increase and the development of Total Shareholder Return (TSR). The potential reward will be paid partly in the Company's shares and partly in cash. The proportion to be paid in cash is intended to cover taxes and tax-related costs arising from the reward to the key personnel. Approximately 20 people belong to the target group of the incentive plan. The rewards to be paid on the basis of the plan will correspond to the value of an approximate maximum total of 260,000 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 value of the share. The potential non-recurring reward of the incentive plan will be paid after the earning period in 2020. A separate release will be issued on the outcome of the incentive plan for key personnel.

Flaggings

Etteplan Oyj received no flagging notices in January-December 2019.

Changes in segment reporting on January 1, 2019

On January 1, 2019, Etteplan introduced a new global organization in which the service areas form the reporting lines instead of the previous country organization. Starting from the beginning of 2019, Etteplan has three service areas: Engineering Solutions; Software and Embedded Solutions; and Technical Documentation Solutions. More detailed information was published in Etteplan's Interim Report for January-March 2019.

Etteplan's business was previously conducted in one operating segment. With the organizational changes, Etteplan also changed the internal reporting provided for the chief operating decision-maker, i.e. Etteplan's Management Group, for decision-making. From the first Interim Report 2019 onwards, each of Etteplan's service areas formed an operating and reporting segment of its own. With the changes to the segment reporting, Etteplan increased the transparency of the implementation of the Company's business strategy and the realization of targets.

Starting from the Interim Report for the first quarter of 2019, Etteplan has reported, in addition to revenue and the MSI Index, Operating profit (EBITA), EBITA-% and the number of personnel for each reporting segment/service area. As the premeasurements of contingent considerations are only included at the Group level, the operating profit (EBITA) equals the previously reported EBIT from business operations at the reporting segment/service area level both for the quarters and the full year 2018.

Changes to Etteplan's financial reporting and financial and strategic targets on April 4, 2019

Etteplan started to measure its profitability with operating profit (EBITA) instead of EBIT from business operations both for the Group and for the service areas. Based on the decision of the Board of Directors, the financial target related to profitability was also updated. Etteplan's target is to reach 10 per cent operating profit (EBITA) of revenue. More detailed information was published in Etteplan's Interim Report for January-March 2019.

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

EBIT from business operations = Operating profit (EBIT) + amortization on fair value adjustments in acquisitions +/- premeasurements of contingent considerations

Both operating profit (EBITA) and EBIT from business operations are non-IFRS performance measures, which provide additional information on Etteplan's strategic and financial development.

Etteplan's strategic and financial targets as of April 4, 2019

- Growth: 15 per cent average annual revenue growth (unchanged)
- Profitability: 10 per cent operating profit (EBITA) of revenue (new target)
- Managed Services: 65 per cent of revenue represented by Managed Services (Managed Services Index, MSI) by the end of 2019 (unchanged)
- Balance sheet: >30 per cent equity ratio (unchanged)

Effects of the adoption of IFRS 16 Leases

IFRS 16 "Leases" -standard requires the lessees to recognize lease agreements on the balance sheet as lease liabilities and related right-of-use assets.

The new standard has an effect on the Group's balance sheet, cash flow statement and key figures, as the rental agreements for the Group's offices were previously classified as operating leases, which were not recognized in the balance sheet. The Group adopted the standard on January 1, 2019, and reported according to it for the first time in the first Interim Report of 2019.

Operating profit (EBIT) improved slightly because the interest on lease liabilities is treated as a financial expense. Operating cash flow increased and financing cash flow decreased by approximately the same amount due to the repayment of the principal portion of the lease liability being classified as cash flow from financing activities. The Group's total liabilities are also increased, which has the effect of reducing the equity ratio.

At the time of adoption, an interest-bearing lease liability of EUR 12 million was recognized, corresponding to the discounted future rent payments of the leased items. Right-of-use assets were recognized in the balance sheet equal to the amount of the additional liability. More information on the impact of the standard is provided on pages 19-20.

Renewed strategy and updated financial targets valid as of January 1, 2020

On December 18, 2019, Etteplan published its renewed strategy and updated financial targets, which took effect on January 1, 2020. The key objective of the strategy update is to create even higher value for our customers and support them in the industrial change. The three key elements of the "Increasing value for customers" strategy are Customer value, Service solutions and Success with people.

Customer value element: the target is to further increase customer value. By understanding the customer's business, utilizing our wide expertise, new innovations and technologies we can create even higher value service solutions for our customers and help them to improve their business.

Service solutions element: the target is to develop service solutions which combine technologies, efficient processes, versatile expertise and world-class engineering tools and methods. We strive to bring new technologies as part of our service solutions and through that improve the customer value.

Success with people element: the target is to maintain, develop and attract talented employees, with whom, and in collaboration with our customers and partners, we will succeed in executing our strategy.

Financial targets:

- Growth: revenue more than EUR 500 million in 2024
- International growth: the share of revenue coming from outside Finland more than 50 per cent of revenue in 2024
- Managed Services: the share of revenue coming from Managed Services (Managed Services Index, MSI) 75 per cent of revenue in 2024
- Profitability: Operating profit (EBITA) 10 per cent of revenue

Event after the review period: The Board of Directors of Etteplan Oyj resolved on key personnel incentive plan

On February 5, 2020 The Board of Directors of Etteplan Oyj 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 includes calendar years 2020-2022. The earning period covers the same years as Etteplan's strategy update published in December 2019. The plan is in line with Etteplan's strategy and supports the achievement of the Company's financial targets.

The earnings criteria are 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, continued to present a business risk.

Etteplan's risk management review was published on pages 67-97 of the Financial Review 2018.

Annual General Meeting 2020

Etteplan Oyj's Annual General Meeting will be held in Vantaa, Finland, on Thursday, April 2, 2020, starting at 10:00 a.m. The summons to the AGM will be published as a separate release.

The Board's proposal for distribution of 2019 profits

The parent company's distributable shareholders' equity according to the balance sheet on December 31, 2019, is EUR 50,824,371.87. The Board of Directors will propose to the Annual General Meeting, which will convene on April 2, 2020, that on the dividend payout date a dividend of EUR 0.35 per share be paid on the Company's externally owned shares, for a total amount of EUR 8,737,157.80 at most, and that the remaining profit be transferred to retained earnings.

Financial information in 2020

Etteplan Oyj will publish financial information as follows:

- Financial Statements and Annual Review: week 11/2020
- Annual General Meeting 2020: Thursday, April 2, 2020
- Interim Report 1-3/2020: Tuesday, May 5, 2020
- Half Year Financial Report 1-6/2020: Tuesday, August 11, 2020
- Interim Report 1-9/2020: Thursday, October 29, 2020

Vantaa, February 11, 2020

Etteplan Oyj

Board of Directors

Additional information:

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

Outi Tornainen, 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)	10-12/2019	10-12/2018	1-12/2019	1-12/2018
Revenue	71,798	62,887	263,292	236,477
Other operating income	394	458	2,582	1,172
Materials and services	-8,315	-5,921	-26,550	-21,822
Staff costs	-45,746	-40,826	-172,520	-156,183
Other operating expenses	-8,228	-9,253	-29,273	-33,667
Depreciation and amortization	-4,350	-1,615	-14,712	-5,792
Operating profit (EBIT)	5,553	5,731	22,819	20,184
Financial income	112	-356	695	791
Financial expenses	-554	106	-1,590	-1,580
Profit before taxes	5,111	5,480	21,924	19,396
Income taxes	-1,206	-1,053	-4,536	-4,116
Profit for the review period	3,905	4,427	17,387	15,280
Other comprehensive income, that may be reclassified to profit or loss				
Currency translation differences	833	152	-398	-1,200
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	-3	-75	3
Other comprehensive income, net of tax	843	149	-473	-1,197
Total comprehensive income for the review period	4,748	4,576	16,915	14,083
Profit for the review period attributable to				
Equity holders of the parent company	3,905	4,427	17,387	15,280
Total comprehensive income for the review period attributable to				
Equity holders of the parent company	4,748	4,576	16,915	14,083
Earnings per share calculated from the profit attributable to equity holders of the parent company				
Basic earnings per share, EUR	0.16	0.18	0.70	0.62
Diluted earnings per share, EUR	0.16	0.18	0.70	0.62

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR 1,000)	Dec 31, 2019	Dec 31, 2018
ASSETS		
Non-current assets		
Goodwill	79,044	65,165
Other intangible assets	27,472	20,856
Tangible assets	17,264	4,065
Investments at fair value through other comprehensive income	387	695
Other non-current receivables	54	54
Deferred tax assets	259	161
Non-current assets, total	124,480	90,995
Current assets		
Inventory	313	362
Work in progress	22,498	20,503
Trade and other receivables	39,332	32,367
Current tax assets	401	223
Cash and cash equivalents	15,878	16,115
Current assets, total	78,421	69,569
TOTAL ASSETS	202,901	160,564
EQUITY AND LIABILITIES		
Equity		
Share capital	5,000	5,000
Share premium account	6,701	6,701
Unrestricted equity fund	20,101	20,101
Own shares	-700	-452
Cumulative translation adjustment	-4,299	-3,901
Other reserves	108	231
Retained earnings	32,441	24,567
Profit for the review period	17,387	15,280
Equity, total	76,740	67,527
Non-current liabilities		
Deferred tax liabilities	6,481	4,518
Interest-bearing liabilities	33,116	24,105
Other non-current liabilities	27	2,036
Non-current liabilities, total	39,624	30,659
Current liabilities		
Interest-bearing liabilities	23,139	12,147
Advances received	5,378	3,064
Trade and other payables	55,588	45,386
Current income tax liabilities	2,433	1,782
Current liabilities, total	86,537	62,378
Liabilities, total	126,161	93,037
TOTAL EQUITY AND LIABILITIES	202,901	160,564

CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR 1,000)	10-12/2019	10-12/2018	1-12/2019	1-12/2018
Operating cash flow				
Cash receipts from customers	71,668	64,318	263,365	239,983
Operating expenses paid	-52,818	-47,420	-225,189	-212,081
Operating cash flow before financial items and taxes	18,850	16,898	38,176	27,903
Interest and payment paid for financial expenses	-363	-263	-1,192	-956
Interest received	21	14	162	59
Income taxes paid	-983	-819	-4,262	-3,950
Operating cash flow (A)	17,525	15,830	32,884	23,055
Investing cash flow				
Purchase of tangible and intangible assets	-391	-686	-2,063	-1,752
Acquisition of subsidiaries, net of cash acquired	-2,671	-95	-21,049	-8,262
Proceeds from sale of tangible and intangible assets	54	5	81	21
Proceeds from sale of investments	75	0	215	1
Investing cash flow (B)	-2,933	-776	-22,816	-9,992
Cash flow after investments (A+B)	14,592	15,053	10,068	13,063
Financing cash flow				
Purchase of own shares	0	-115	-519	-516
Expenses paid for directed share issue	0	0	0	-7
Issue of new current loans	552	-3,896	2,020	3,559
Repayments of current loans	-2,731	-14,903	-8,440	-24,743
Issue of new non-current loans	0	14,002	13,500	22,102
Payment of lease liabilities	-3,016	-467	-9,624	-1,765
Dividend paid	0	0	-7,454	-5,684
Financing cash flow (C)	-5,195	-5,379	-10,517	-7,054
Variation in cash (A+B+C) increase (+) / decrease (-)	9,397	9,674	-449	6,009
Assets at the beginning of the period	6,567	6,427	16,115	10,074
Exchange gains or losses	-86	14	212	32
Assets at the end of the period	15,878	16,115	15,878	16,115

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, 2018	5,000	6,701	18,524	228	-80	-2,701	30,251	57,923
Comprehensive income								
Profit for the review period	0	0	0	0	0	0	15,280	15,280
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	-1,200	0	-1,200
Total comprehensive income for the year	0	0	0	3	0	-1,200	15,280	14,083
Transactions with owners								
Dividends	0	0	0	0	0	0	-5,684	-5,684
Directed share issue	0	0	1,577	0	0	0	0	1,577
Purchase of own shares	0	0	0	0	-516	0	0	-516
Share-based incentive plan	0	0	0	0	144	0	0	144
Transactions with owners, total	0	0	1,577	0	-372	0	-5,684	-4,478
Equity Dec 31, 2018	5,000	6,701	20,101	231	-452	-3,901	39,846	67,527

(EUR 1,000)	A	B	C	D	E	F	G	H
Equity Jan 1, 2019	5,000	6,701	20,101	231	-452	-3,901	39,846	67,527
Comprehensive income								
Profit for the review period	0	0	0	0	0	0	17,387	17,387
Change in fair value of equity investments at fair value through other comprehensive income	0	0	0	-75	0	0	0	-75
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	0	0	0	-49	0	0	49	0
Cumulative translation adjustment	0	0	0	0	0	-398	0	-398
Total comprehensive income for the year	0	0	0	-123	0	-398	17,436	16,915
Transactions with owners								
Dividends	0	0	0	0	0	0	-7,454	-7,454
Purchase of own shares	0	0	0	0	-519	0	0	-519
Share-based incentive plan	0	0	0	0	271	0	0	271
Transactions with owners, total	0	0	0	0	-248	0	-7,454	-7,702
Equity Dec 31, 2019	5,000	6,701	20,101	108	-700	-4,299	49,829	76,740

NOTES

General

Etteplan provides solutions for industrial equipment and plant engineering, software and embedded solutions, 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 2019, Etteplan had a turnover of approximately EUR 263 million. The company currently has over 3,400 professionals in Finland, Sweden, the Netherlands, Germany, Poland 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 February 11, 2020.

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 Review has been prepared in accordance with the requirements in IAS 34 (Interim Financial Reporting) standard. The Financial Statement Review has been prepared according to the recognition and valuation principles presented in the 2018 Annual Financial Statements, except for the following change in standard, effective from January 1, 2019 onwards:

IFRS 16 "Leases" -standard requires the lessees to recognize lease agreements on the balance sheet as lease liabilities and related right-of-use assets.

The Group adopted the standard on January 1, 2019 using the simplified approach and does not restate comparative figures. The new standard has a material effect on the Group's balance sheet, cash flow statement and key figures, as the rental agreements for the Group's office premises were classified as operating leases, which were not recognized in the balance sheet before implementing the standard. At the time of implementing the standard a lease liability of EUR 12 million was recognized, corresponding to the discounted future rent payments. Right-of-use assets were recognized in the balance sheet equal to the amount of the additional liability. The table below describes the formation of IFRS 16 lease liability on Jan 1, 2019.

(EUR 1,000)	
Operating lease commitment at Dec 31, 2018 as disclosed in the Group's consolidated financial statements	9,758
Discounted with Group weighted average incremental borrowing rate, 2%	9,542
Extension and termination options reasonably certain to be exercised	2,795
Finance lease liability recognized as at Dec 31, 2018	3,899
IFRS 16 lease liability at Jan 1, 2019	16,236

In applying the IFRS 16 for the first time, the Group used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristic
- the exclusion of leases of low value assets in measurement of the right-of-use asset and lease liability

- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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 key sources of estimation uncertainty were the same as those that applied to the 2018 consolidated financial statements. Management pays special attention to fair value measurements in connection with acquisitions and revenue recognition for fixed price projects.

The Group's management may have to make judgement-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 Group's management has exercised judgment in implementing the new IFRS 16 standard effective in 2019. Management judgment is exercised, among other things, in determining the extent to which extension options included in lease agreements are used. The Group's management has determined the available extension options to be used in such a way that extension options are used up to 18 months in lease agreements with non-cancellable term of under 18 months and for lease agreements with non-cancellable term of 18 months or more no extension options are used, which the management believes to give the most accurate view of the Group's total lease liability.

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)	10-12/2019	10-12/2018	1-12/2019	1-12/2018
Operating profit (EBIT)	5,553	5,731	22,819	20,184
Amortization on fair value adjustments at acquisitions	918	652	3,146	2,371
Operating profit (EBITA)	6,471	6,384	25,964	22,555

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 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.

Key figures without effects of IFRS 16 implementation

To improve comparability between years 2018 and 2019 Etteplan provides during 2019 additional financial information without the effects of IFRS 16 "Leases" -standard on those of its key figures which are most affected by the implementation of the standard (on Jan 1, 2019).

(EUR 1,000)	1-12/2019	1-12/2019 without IFRS 16 effects
Operating profit (EBIT)	22,819	22,708
Operating cash flow	32,884	25,650
Financing cash flow	-10,517	-3,283
Gross interest-bearing debt	56,255	43,940
Equity ratio, %	38.9	41.4
Net gearing, %	52.6	36.6
Gross investments	36,908	29,203
Tangible assets	17,264	4,949

Key Figures

(EUR 1,000)	1-12/2019	1-12/2018	Change
Revenue	263,292	236,477	11.3 %
Operating profit (EBITA)	25,964	22,555	15.1 %
EBITA, %	9.9	9.5	
Operating profit (EBIT)	22,819	20,184	13.1 %
EBIT, %	8.7	8.5	
Profit before taxes	21,924	19,396	13.0 %
Profit before taxes, %	8.3	8.2	
Return on equity, %	24.1	24.4	
ROCE, %	19.9	21.3	
Equity ratio, %	38.9	42.9	
Gross interest-bearing debt	56,255	36,252	55.2 %
Net gearing, %	52.6	29.8	
Balance sheet, total	202,901	160,564	26.4 %
Gross investments	36,908	16,527	123.3 %
Operating cash flow	32,884	23,055	42.6 %
Basic earnings per share, EUR	0.70	0.62	12.9 %
Diluted earnings per share, EUR	0.70	0.62	12.9 %
Equity per share, EUR	3.09	2.72	13.9 %
Personnel, average	3,305	2,995	10.4 %
Personnel at end of the period	3,447	3,055	12.8 %

Revenue

The tables below present the division 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. Etteplan China operations sell their services both locally and through other Group companies thus this revenue is partly included in the revenue from other countries.

(EUR 1,000)	10-12/2019	10-12/2018	1-12/2019	1-12/2018
Primary geographical location				
Finland	43,864	43,551	173,789	161,571
Sweden	16,716	13,372	57,123	50,353
China	1,793	1,941	7,116	7,587
Central Europe	9,425	4,024	25,264	16,966
Total	71,798	62,887	263,292	236,477

Timing of revenue recognition				
Transferred at a point in time	540	655	2,339	1,969
Transferred over time	71,259	62,232	260,953	234,508
Total	71,798	62,887	263,292	236,477

Segment Information

The Group has three reportable segments, the revenue of which consist mainly of rendering of services. Etteplan renewed its organization and structure and made changes to its segment reporting effective from January 1, 2019. Starting from the beginning of 2019, the names of the service areas are Engineering Solutions, Software and Embedded Solutions, and Technical Documentation Solutions. Each service area forms a separate reporting segment.

Non-current assets are presented according to the location of the asset, because the Group's chief operating decision-maker follows asset items at country level.

(EUR 1,000)	Engineering Solutions	Software and Embedded Solutions	Technical Documentation Solutions	Reportable segments total	Other segments	Total
10-12/2019						
External revenue	40,848	17,686	13,082	71,616	182	71,798
Operating profit (EBITA)	3,571	1,423	887	5,881	590	6,471
Personnel at end of the period	1,995	713	651	3,359	88	3,447
10-12/2018						
External revenue	34,601	16,537	11,703	62,841	46	62,887
Operating profit (EBITA)	3,280	2,026	951	6,257	126	6,384
Personnel at end of the period	1,735	650	586	2,970	85	3,055
1-12/2019						
External revenue	147,037	67,481	48,218	262,736	555	263,292
Operating profit (EBITA)	14,464	6,263	4,093	24,820	1,144	25,964
Personnel at end of the period	1,995	713	651	3,359	88	3,447
1-12/2018						
External revenue	132,061	60,017	44,305	236,383	94	236,477
Operating profit (EBITA)	12,985	5,837	3,684	22,506	49	22,555
Personnel at end of the period	1,735	650	586	2,970	85	3,055

Reconciliation of Operating profit (EBITA) and Profit before taxes

(EUR 1,000)	10-12/2019	10-12/2018	1-12/2019	1-12/2018
Operating profit (EBITA)	6,471	6,384	25,964	22,555
Amortization on fair value adjustments at acquisitions	-918	-652	-3,146	-2,371
Operating profit (EBIT)	5,553	5,731	22,819	20,184
Financial income	112	-356	695	791
Financial expenses	-554	106	-1,590	-1,580
Profit before taxes	5,111	5,480	21,924	19,396

Non-current assets* by location of asset

(EUR 1,000)	31.12.2019	31.12.2018
Finland	63,498	58,983
Sweden	32,805	23,646
China	2,386	2,171
Central Europe	25,145	5,339
Total	123,834	90,140

*Other non-current assets excluding financial instruments and deferred tax assets.

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)	10-12/2019	10-12/2018	1-12/2019	1-12/2018
Other operating income	0	250	1,636	681
Staff costs and other operating expenses	487	-239	-539	-1,012
Operating profit (EBIT)	487	11	1,097	-331

Revenue and Operating profit (EBIT) by quarter

(EUR 1,000)	1-3/2019	1-3/2018	4-6/2019	4-6/2018	7-9/2019	7-9/2018	10-12/2019	10-12/2018
Revenue	65,625	58,964	64,329	62,031	61,539	52,595	71,798	62,887
Operating profit (EBIT)	5,772	4,415	5,801	5,653	5,693	4,385	5,553	5,731
EBIT, %	8.8	7.5	9.0	9.1	9.3	8.3	7.7	9.1

Business combinations

Devex Mekatronik AB

Etteplan strengthened its foothold in Sweden with the acquisition of engineering company Devex Mekatronik AB on June 12, 2019. Established in 1998, Devex Mekatronik specializes in mechanical and electrical engineering, software development, embedded systems and life science. Devex Mekatronik's turnover in 2018 amounted to approximately EUR 9.2 million, and the company's customers operate in a wide range of industries. Devex Mekatronik employs 120 experts in six locations in Sweden: Stockholm, Uppsala, Linköping, Karlstad, Lund and Sundsvall.

The acquisition consideration recognized at the time of the acquisition was EUR 6,724 thousand in total. The acquisition consideration consists of a cash payment and a contingent consideration. The cash consideration amounts to EUR 4,714 thousand. In addition, a contingent consideration of EUR 0 - 2,000 thousand (undiscounted amount) is agreed upon. The contingent consideration will be paid in full provided that the threshold set in the share transfer agreement for operating profit in year 2019 is met. The fair value of the contingent consideration is estimated by applying the income approach. At the time of acquisition the fair value of the contingent consideration was EUR 2,010 thousand.

The goodwill of EUR 3,949 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.

EMP Engineering Alliance

Etteplan expanded its operations in Germany to engineering services and acquired EMP Engineering Alliance, a company specializing in industrial automation and process engineering on July 4, 2019. Previously Etteplan was offering services for technical documentation in Germany. Established in 1984, EMP Engineering Alliance specializes in industrial automation and electrical engineering as well as process engineering, and has companies such as Bayer, Shell and ABB as well as numerous other process industry companies as customers. In 2018, EMP Engineering Alliance's revenue totaled EUR 16.8 million, and it employs more than 130 experts in process automation in four different cities: Leverkusen, Berlin, Bottrop and Frankfurt.

The acquisition consideration recognized at the time of the acquisition, paid in cash, was EUR 13,494 thousand in total.

The goodwill of EUR 8,730 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.

Teknifo AB

Etteplan continued to strengthen its position in Sweden by acquiring Teknifo AB, a company specializing in technical product documentation, on October 8, 2019. Teknifo AB, established in 1980, is located in Växjö and Ljungby in Southern Sweden and has some 20 employees. Teknifo is strong in technical documentation for heavy industry vehicles.

The acquisition consideration recognized at the time of the acquisition, paid in cash, was EUR 1,226 thousand in total.

The goodwill of EUR 599 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.

Triview Technical Communication B.V.

On November 15, 2019 Etteplan acquired Triview Technical Communication B.V., a Dutch company specializing in technical documentation. Triview Technical Communication B.V. is located in the city of Soesterberg and has some 30 employees. The acquisition fits well with Etteplan's growth strategy as it strengthens Etteplan's leading position in technical documentation in the Netherlands.

The acquisition consideration recognized at the time of the acquisition, paid in cash, was EUR 2,100 thousand in total.

The goodwill of EUR 900 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.

Acquisitions total

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

Consideration transferred:	(EUR 1,000)
Cash payment	21,535
Contingent consideration	2,010
Total consideration transferred	23,545
Assets and liabilities	
Tangible assets	2,843
Intangible assets	12
Customer relationships (intangible assets)	9,304
Contractual intangible assets	517
Trade and other receivables	6,000
Cash and cash equivalents	1,233
Total assets	19,908
Non-current liabilities	1,451
Current liabilities	6,742
Deferred tax liability	2,350
Total liabilities	10,543
Total identifiable net assets	9,365
Formation of Goodwill:	
Consideration transferred	23,545
Total identifiable net assets	-9,365
Goodwill	14,179

Trade and other receivables comprise gross contractual amounts of EUR 6,000 thousand, none of which was expected to be uncollectible at time of acquisition.

Costs related to acquisitions, EUR 383 thousand, are included in other operating expenses in the consolidated statement of comprehensive income.

The revenue included in the consolidated statement of comprehensive income contributed by the acquired companies was EUR 15,205 thousand and profit for the financial year EUR 2,086 thousand. Had the companies been consolidated from January 1, 2019, the consolidated statement of comprehensive income would show revenue of EUR 278,530 thousand and profit for the financial year of EUR 17,656 thousand.

Changes in contingent considerations

A profit of EUR 1,636 thousand was recognized in the income statement from premeasurements of a contingent consideration related to a previous acquisition.

Intangible assets

Intangible assets 2019

(EUR 1,000)	Intangible rights	Internally created intangible assets	Fair value adjustments in acquisitions	Intangible right-of-use assets*	Advance payments	Goodwill	Total
Acquisition cost Jan 1	10,992	2,265	26,419	3,966	657	65,165	109,464
Translation difference	2	0	2	-5	0	-344	-345
Acquisition of subsidiaries	12	0	9,790	0	0	14,224	24,026
Additions	836	49	0	857	37	0	1,778
Reclassifications between items	107	581	0	0	-581	0	107
Disposals	-489	-36	0	0	0	0	-525
Acquisition cost Dec 31	11,460	2,858	36,210	4,818	113	79,044	134,504
Cumulative amortization Jan 1	-9,079	-1,834	-9,314	-3,216	0	0	-23,443
Translation difference	0	0	6	5	0	0	10
Cumulative amortization on acquisitions	0	0	0	0	0	0	0
Cumulative amortization on disposals and reclassifications	489	33	0	0	0	0	522
Amortization for the financial year	-849	-309	-3,146	-773	0	0	-5,077
Cumulative amortization Dec 31	-9,440	-2,110	-12,454	-3,985	0	0	-27,988
Book value Dec 31, 2019	2,020	749	23,756	834	113	79,044	106,516

*2018: Other intangible assets, finance lease

Intangible assets 2018

(EUR 1,000)	Intangible rights	Internally created intangible assets	Fair value adjustments in acquisitions	Other intangible assets, finance lease	Advance payments	Goodwill	Total
Acquisition cost Jan 1	12 270	2 968	21 146	3 649	240	59 014	99 286
Translation difference	-21	0	-73	-12	0	-936	-1 042
Acquisition of subsidiaries	0	0	5 346	0	0	7 087	12 433
Additions	593	120	0	329	504	0	1 546
Reclassifications between items	712	-606	0	0	-87	0	19
Disposals	-2 562	-217	0	0	0	0	-2 779
Acquisition cost Dec 31	10 992	2 265	26 419	3 966	657	65 165	109 464
Cumulative amortization Jan 1	-10 998	-1 841	-6 964	-2 595	0	0	-22 398
Translation difference	20	0	21	10	0	0	52
Cumulative amortization on disposals and reclassifications	2 544	207	0	0	0	0	2 751
Amortization for the financial year	-644	-200	-2 371	-632	0	0	-3 847
Cumulative amortization Dec 31	-9 079	-1 834	-9 314	-3 216	0	0	-23 443
Book value Dec 31, 2018	1 913	431	17 105	750	657	65 165	86 021

Tangible assets

Tangible assets 2019

(EUR 1,000)	Right-of-use assets						Total
	Land and water	Buildings	Machinery and equipment	Other tangible assets	Machinery and equipment*	Premises	
Acquisition cost Dec 31, 2018	19	0	13,580	923	10,673	0	25,196
IFRS 16 implementation	0	0	0	0	1,835	10,502	12,337
Acquisition cost Jan 1	19	0	13,580	923	12,508	10,502	37,532
Translation difference	0	0	-53	0	-24	0	-78
Acquisition of subsidiaries	0	501	185	0	686	1,470	2,842
Additions	0	0	1,011	54	2,873	4,352	8,290
Reclassifications between items	0	0	-81	50	0	0	-31
Disposals	0	-5	-2,216	-48	-188	-306	-2,763
Acquisition cost Dec 31	19	495	12,426	979	15,855	16,017	45,792
Cumulative depreciation Jan 1	0	0	-11,841	-832	-8,457	0	-21,131
Translation difference	0	0	57	0	16	0	72
Cumulative depreciation on acquisitions	0	0	-28	0	0	0	-28
Cumulative depreciation on disposals and reclassifications	0	0	2,194	0	0	0	2,194
Depreciation for the financial year	0	0	-877	-45	-2,880	-5,833	-9,635
Cumulative depreciation Dec 31	0	0	-10,496	-878	-11,321	-5,833	-28,528
Book value Dec 31, 2019	19	495	1,930	101	4,534	10,184	17,264

*2018: Machinery and equipment, finance lease

Tangible assets 2018

(EUR 1,000)	Machinery and		Other tangible assets	Machinery and equipment, finance lease		Total
	Land and water	equipment				
Acquisition cost Jan 1	19	13 710	892	8 967		23 589
Translation difference	0	-106	0	-44		-151
Acquisition of subsidiaries	0	120	44	0		164
Additions	0	522	20	1 842		2 384
Reclassifications between items	0	78	0	-91		-13
Disposals	0	-744	-32	-1		-777
Acquisition cost Dec 31	19	13 580	923	10 673		25 196
Cumulative depreciation Jan 1	0	-11 851	-776	-7 438		-20 065
Translation difference	0	100	0	35		136
Cumulative depreciation on disposals and reclassifications	0	655	0	89		743
Depreciation for the financial year	0	-745	-57	-1 143		-1 945
Cumulative depreciation Dec 31	0	-11 841	-833	-8 457		-21 131
Book value Dec 31, 2018	19	1 739	91	2 216		4 065

Interest-bearing liabilities

(EUR 1,000)	Dec 31, 2019	Dec 31, 2018
Non-current		
Loans	24,900	22,302
Lease liabilities*	8,216	1,803
Non-current total	33,116	24,105
Current		
Loans	15,757	10,943
Lease liabilities*	7,381	1,204
Current total	23,139	12,147
Interest bearing liabilities total	56,255	36,252

*Lease liabilities in 2018 include only finance lease liabilities under IAS 17 due to IFRS 16 implementation on Jan 1, 2019 without restating comparatives.

Pledges, mortgages and guarantees

(EUR 1,000)	Dec 31, 2018	Dec 31, 2017
For own debts		
Business mortgages	320	320
Pledged shares	120	120
Other contingencies	591	106
For own debts total	1,031	545
Operating Lease liabilities*		
For payment under one year	0	4,786
For payment 1-5 years	0	4,972
Operating Lease liabilities* total	0	9,758
Pledges, mortgages and guarantees total	1,031	10,303

*Not recognized in balance sheet before IFRS 16 implementation on Jan 1, 2019.

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 personnel, that is, the members of the Board of Directors and Management Group including the CEO are included in the related-party. 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. The following transactions were carried out with related parties:

(EUR 1,000)	31.12.2019	31.12.2018
Sales and purchases of services and related receivables and payables		
Sales of services to other related parties	137	1,100
Purchases of services from other related parties	41	232
Trade receivables from other related parties	2	193
Trade payables to other related parties	11	5

Fair values of financial instruments

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs that are not based on observable market data (that is, unobservable inputs).

Financial assets recognized at fair value through OCI

(EUR 1,000)	2019				2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Quoted shares	237	0	0	237	185	0	0	185
Premises shares	0	120	0	120	0	480	0	480
Unquoted shares	0	0	30	30	0	0	30	30
Total Dec 31	237	120	30	387	185	480	30	695

Reconciliation of financial assets recognized at fair value through OCI

(EUR 1,000)	2019				2018			
	Quoted shares	Premises shares	Unquoted shares	Total	Quoted shares	Premises shares	Unquoted shares	Total
Opening balance at Jan 1	185	480	30	695	181	480	30	691
Gain/loss recognized in other comprehensive income	52	-145	0	-93	4	0	0	4
Disposals	0	-215	0	-215	0	0	0	0
Closing balance Dec 31	237	120	30	387	185	480	30	695

Financial liabilities recognized at fair value through profit or loss

(EUR 1,000)	2019				2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Contingent liability in acquisitions	0	0	2,430	2,430	0	0	2,860	2,860
Total Dec 31	0	0	2,430	2,430	0	0	2,860	2,860

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

(EUR 1,000)	2019		2018	
	Contingent liability in acquisitions	Total	Contingent liability in acquisitions	Total
Opening balance at Jan 1		2,860		1,368
Additions		2,030		3,425
Revaluation		-1,636		-681
Translation difference		0		-10
Payment		-824		-1,243
Closing balance Dec 31		2,430		2,860

Formulas for key figures

IFRS key figures

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