

Bittium Corporation's Half-Year Financial Report January-June 2024

CEO Johan Westermarck
August 9, 2024

Bittium

Forward- Looking Statements

Some statements made in this material relating to future circumstances or status, including, without limitation, the future performance of the company, expectations regarding market growth, trend projections as well as any statements preceded by the words “expect”, “believe”, “foresee” or similar expressions are forward-looking statements.

By their nature, forward-looking statements involve risk and uncertainty and actual results may, therefore, differ materially from the results that are expressed or implied by these forward-looking statements.

Bittium Corporation disclaims all obligations to update such forward-looking statements except as required by mandatory law.

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Summary 1H 2024

1H 2024 net sales grew and operating result improved

- Net sales in 1H 2024 were MEUR 37.9, increase of 6.5 % y-on-y
- Net sales in 2Q 2024 were MEUR 19.8, decrease of 4.4 % y-on-y
- Operating result in 1H 2024 was MEUR 2.9, representing 7.7 % of net sales
- Operating result in 2Q 2024 was MEUR 1.9, representing 9.6 % of net sales

From R&D house towards profitable growth

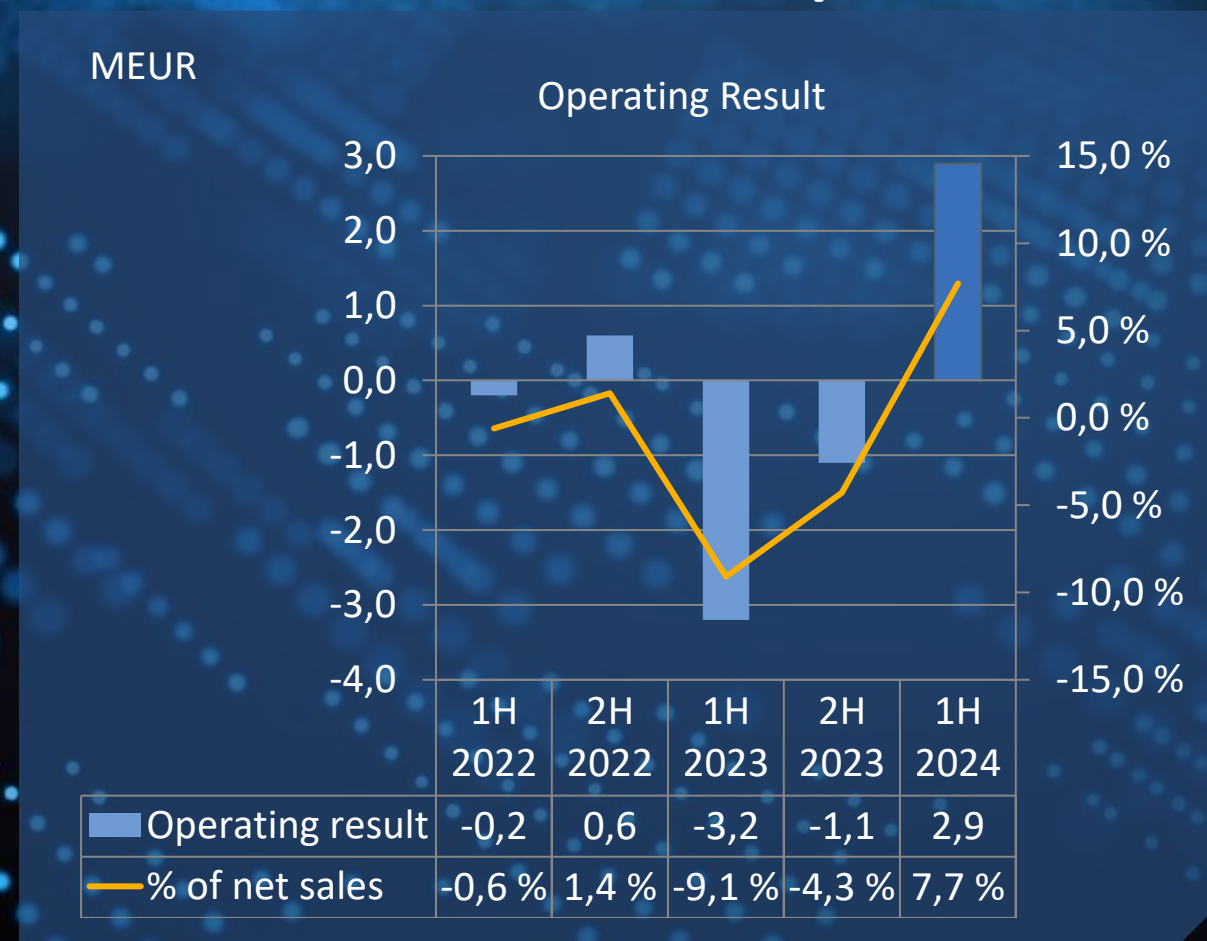
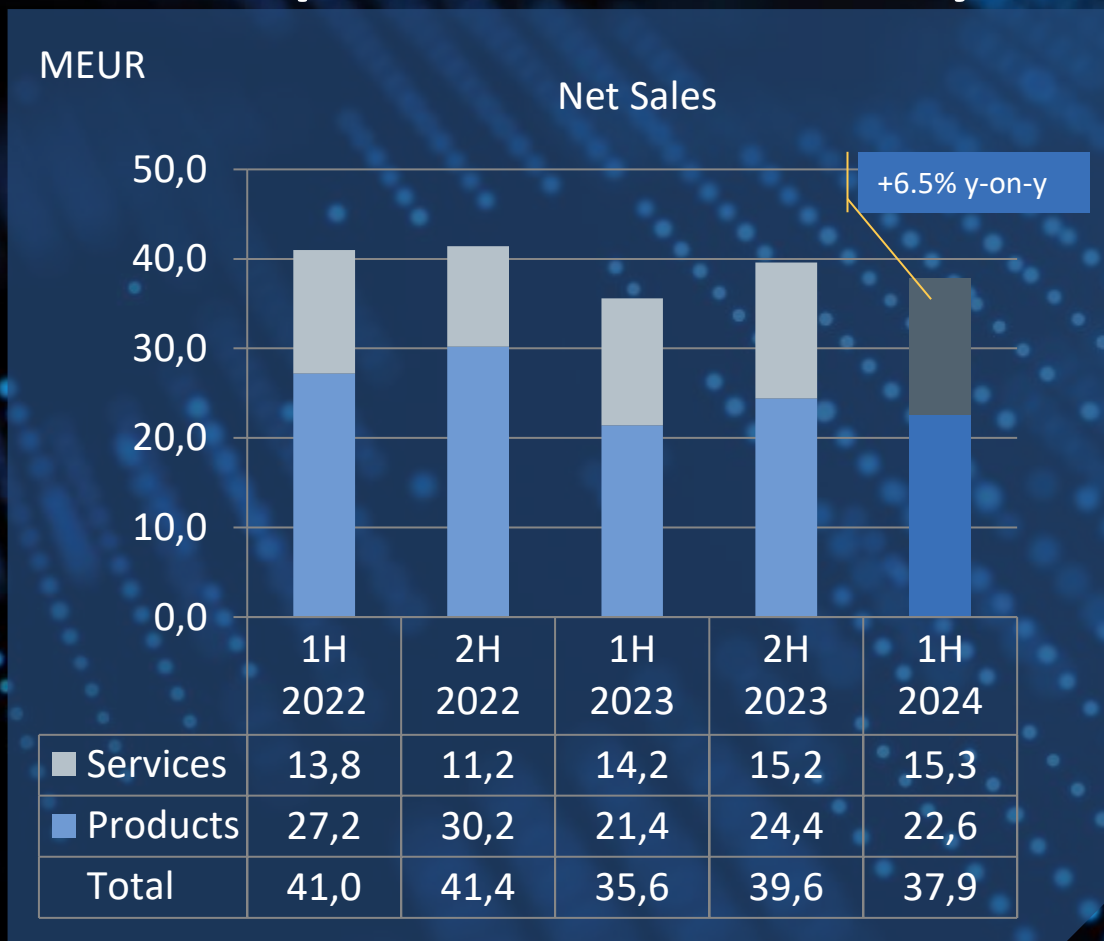
- Defense & Security's business grew by 36.6 % y-on-y
- Medical business was affected by the extended schedules in regulatory approval processes
- Engineering Services business was affected by the challenging market situation
- Results from the cost saving measures are starting to show
- R&D investments decreased y-on-y
- Order book was MEUR 33.8, increase of 46.3 % y-on-y

Financial Review

A background image featuring a blue gradient on the left and a dark blue area on the right containing a candlestick chart. The chart has various data points labeled with numbers such as 98.952, 79.609, 71.007, 92.490, 45.161, 92.595, 3.244, 58.236, 44.353, 22.242, 26.073, 83.712, 69.648, 50.267, and 30.254.

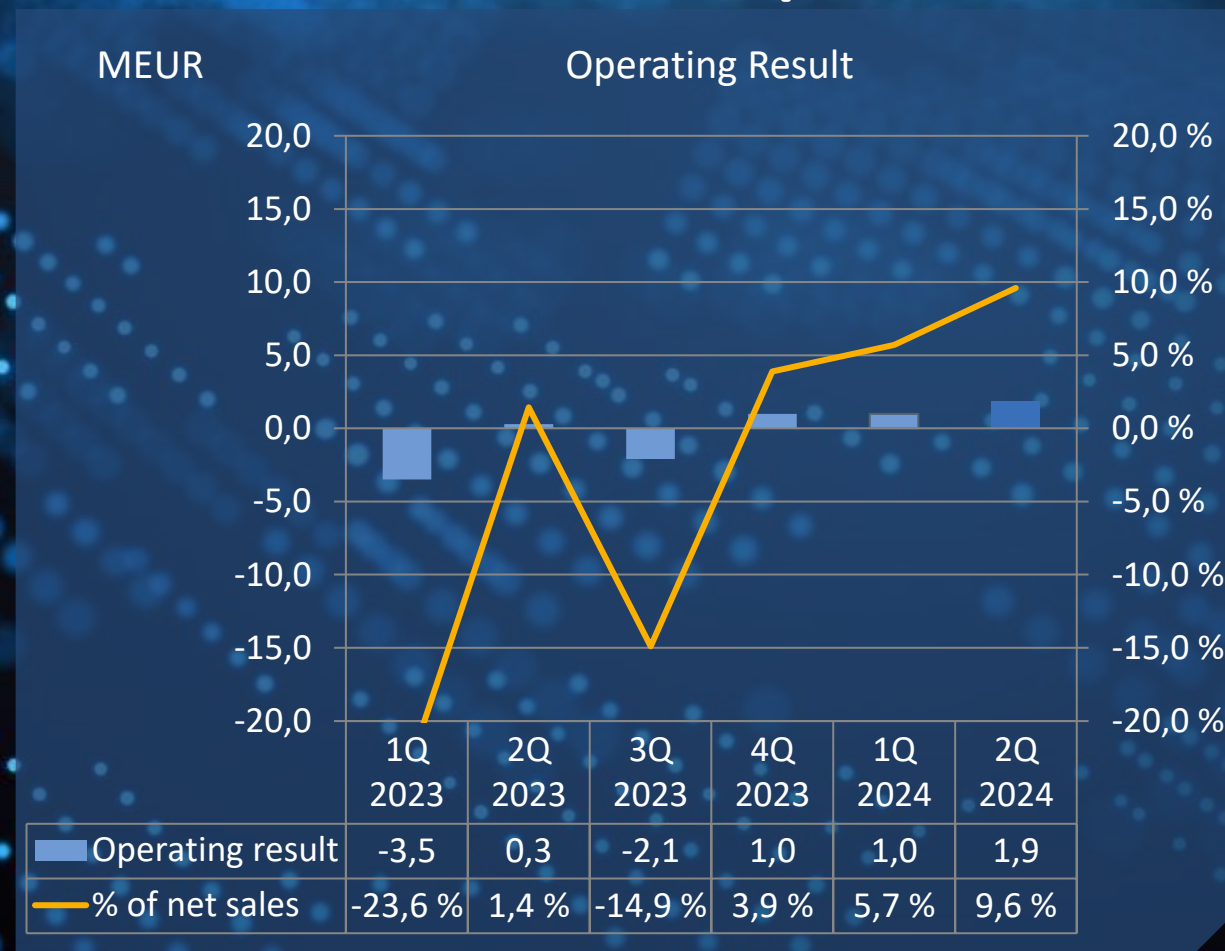
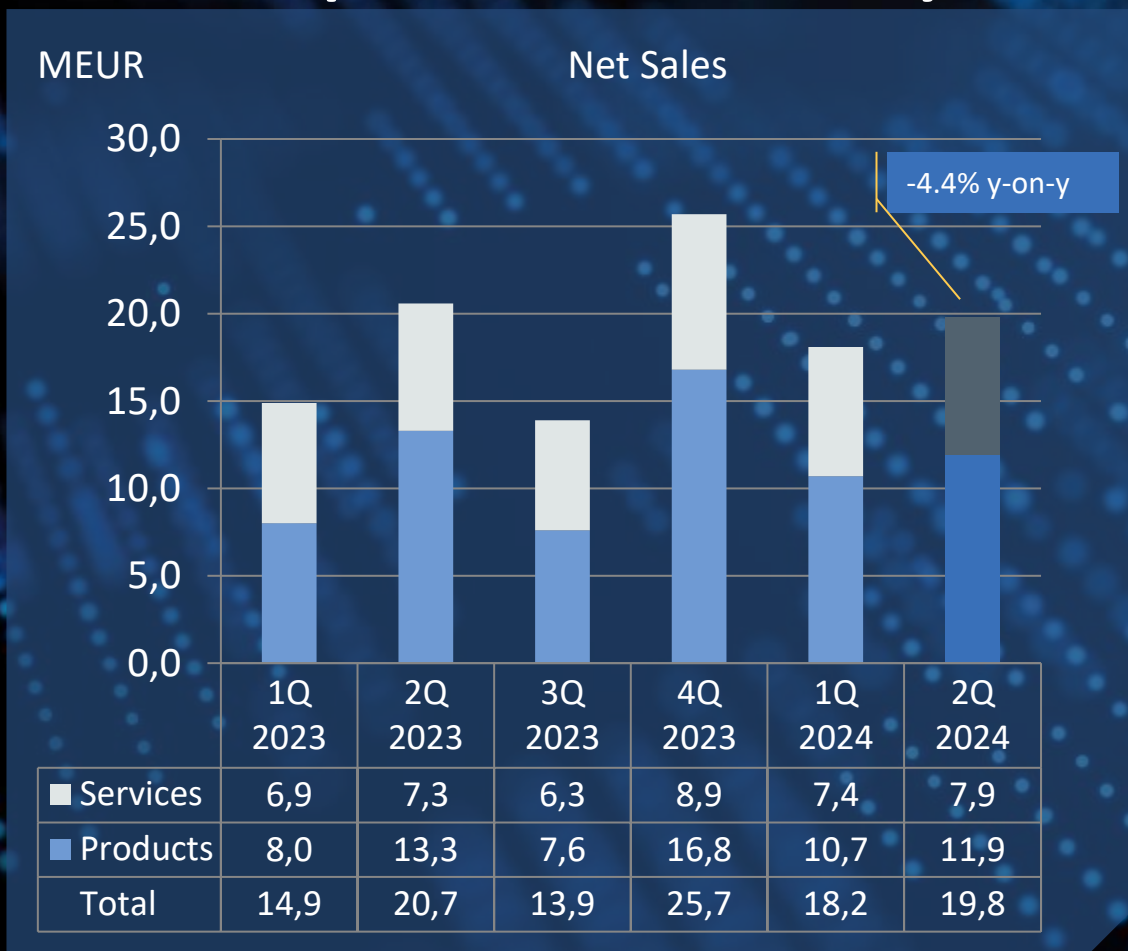
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Group Half-Yearly Financial Development



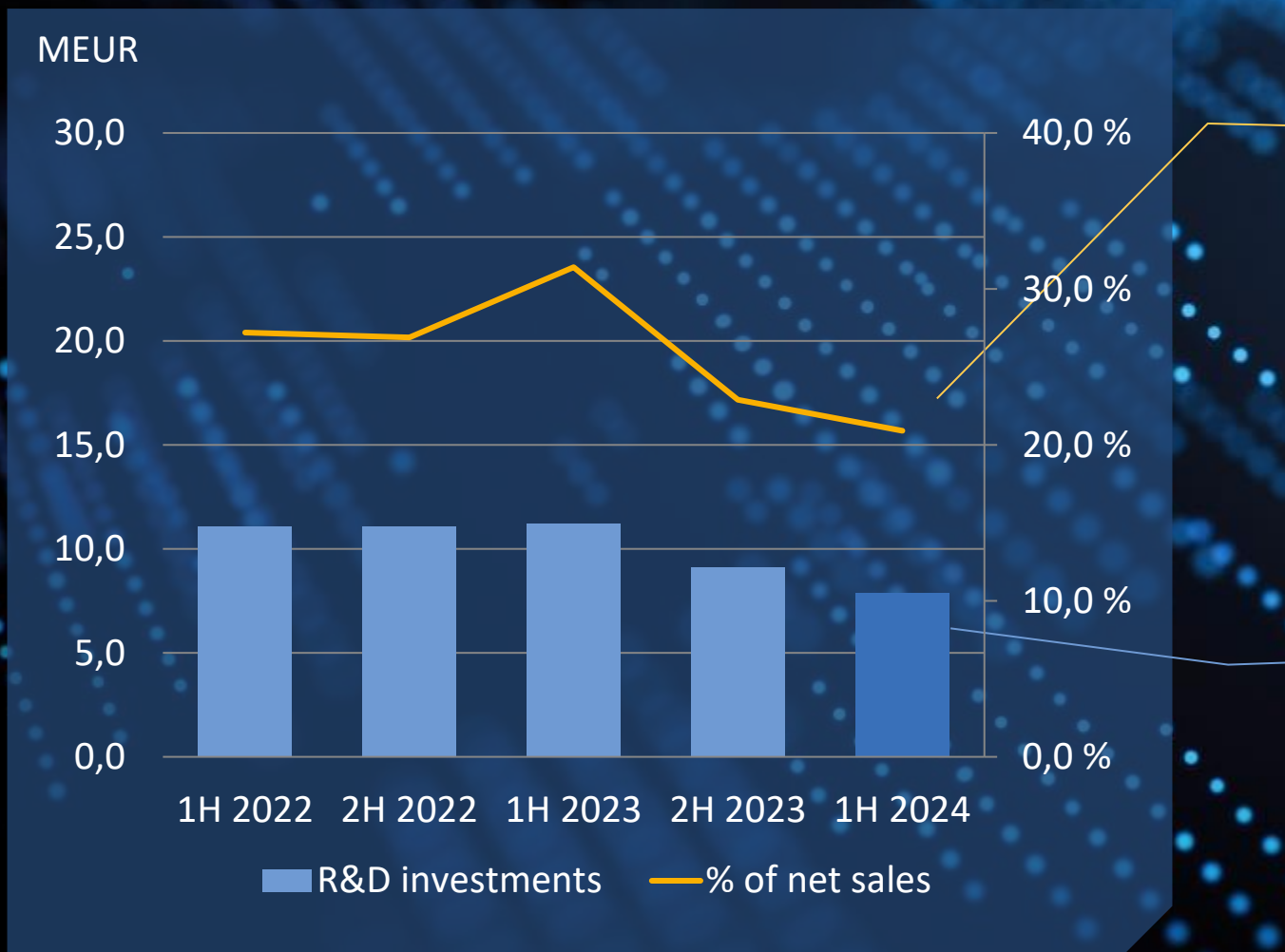
2H 2023 operating result was weakened by **non-recurring items of EUR 3.2 million in total**, including non-recurring costs of EUR 0.7 million related to changes negotiations and EUR 2.5 million of non-recurring write-down of inventory.

Group Quarterly Financial Development



4Q 2023 operating result was weakened by **non-recurring items of EUR 3.2 million in total**, including non-recurring costs of EUR 0.7 million related to changes negotiations and EUR 2.5 million of non-recurring write-down of inventory.

R&D Investments



- Level of R&D investments decreased
 - MEUR 7.9 equaling 20.9% of the net sales (MEUR 11.2 equaling 31.4% of the net sales)
 - MEUR 3.9 was capitalized (MEUR 4.4)
 - Depreciations of R&D investments were MEUR 2.8 (MEUR 2.8)
 - Total R&D costs and depreciations in the P&L was MEUR 6.9 (MEUR 9.6)

- In 1H 2024, the main focus in the R&D investments was on increasing the competitiveness of
 - medical technology products and software, and
 - tactical communications' systems and radios

Cash Flow

MEUR	1H 2024	1H 2023	2023
Net profit +/- adjustment of accrual basis items	7.7	1.2	5.1
Change in net working capital	-3.9	-5.5	-3.0
Interests and taxes	-0.8	-0.3	-0.9
NET CASH FROM OPERATING ACTIVITIES	3.0	-4.6	1.2
Net cash from investing activities	-4.1	-4.7	-7.7
Net cash from financing activities	-1.7	-2.9	-4.2
NET CHANGE IN CASH AND CASH EQUIVALENTS	-2.8	-12.2	-10.7

The net cash from investing activities include investments made into own product development of MEUR 3.9
 The net cash from financing activities include dividend payment of MEUR 1.1

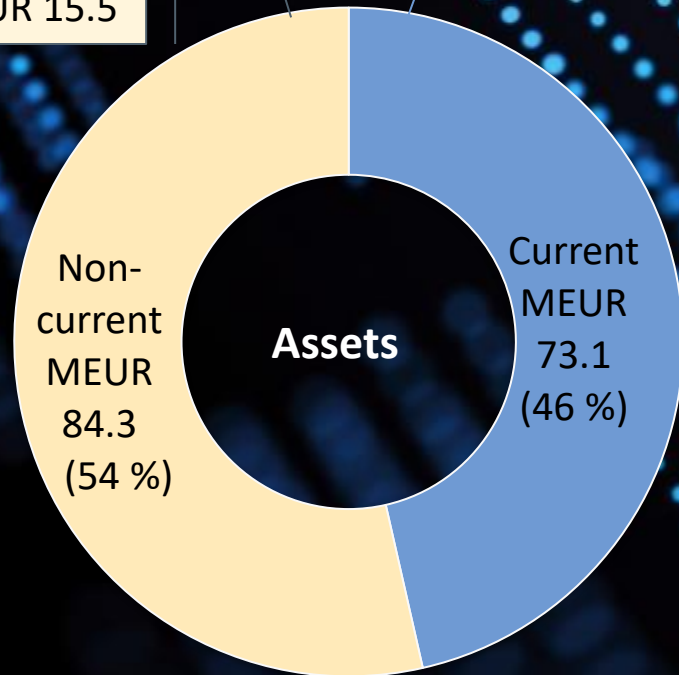
Assets and Liabilities

The balance sheet of June 30, 2024 was total of MEUR 157.4

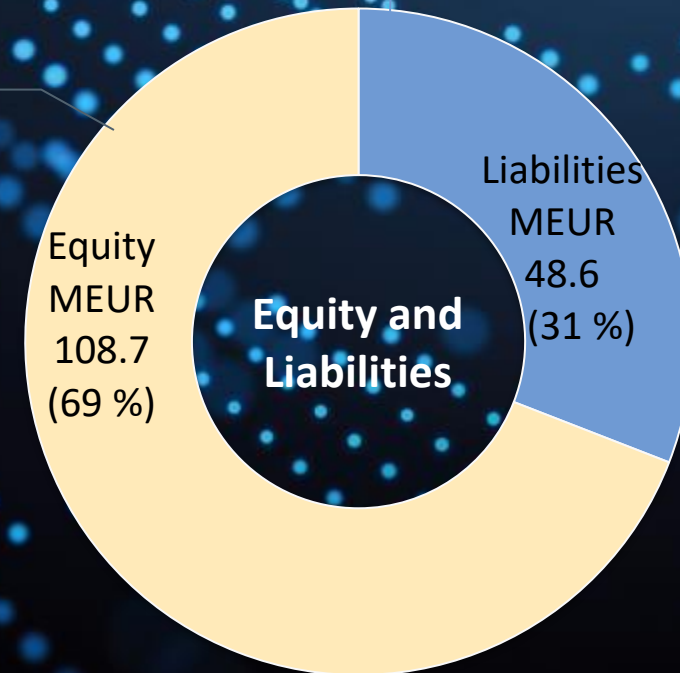
- Property, plant and equipment MEUR 17.3
- Capitalized development costs MEUR 51.5
- Other assets MEUR 15.5

- Inventories MEUR 28.3
- Trade and other receivables MEUR 39.4
- Cash and liquid assets MEUR 5.5

- Trade and other payables MEUR 21.6
- Interest-bearing debt MEUR 22.3
- Other liabilities MEUR 4.7
- Net gearing 15.5 %



• Equity ratio 70.3 %

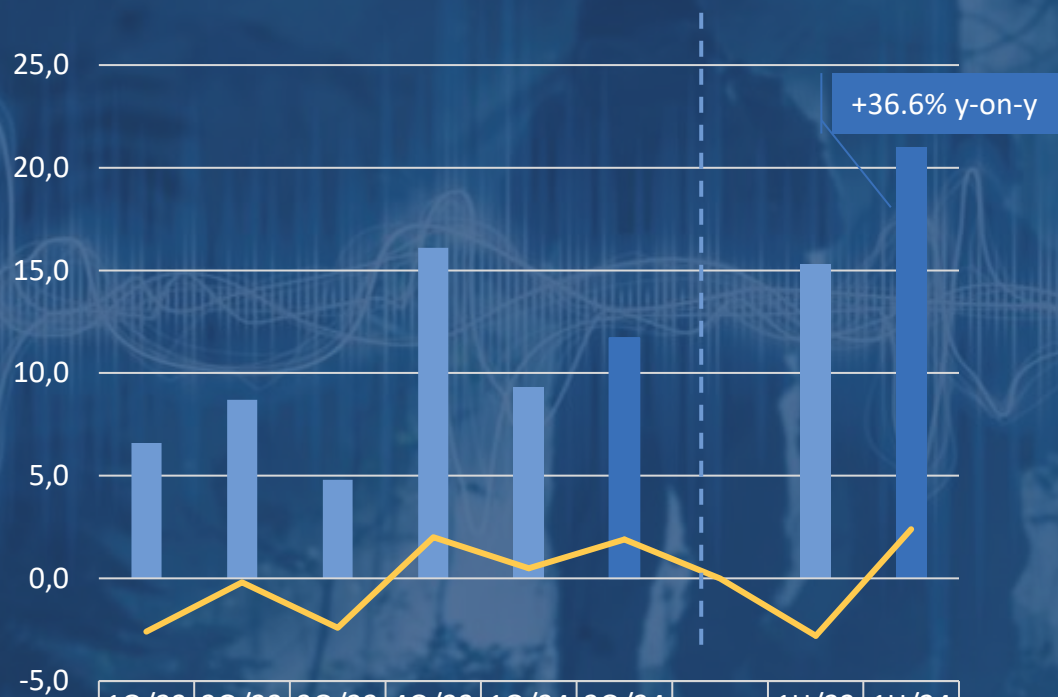


Development of Business Segments

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Defense & Security Business Segment

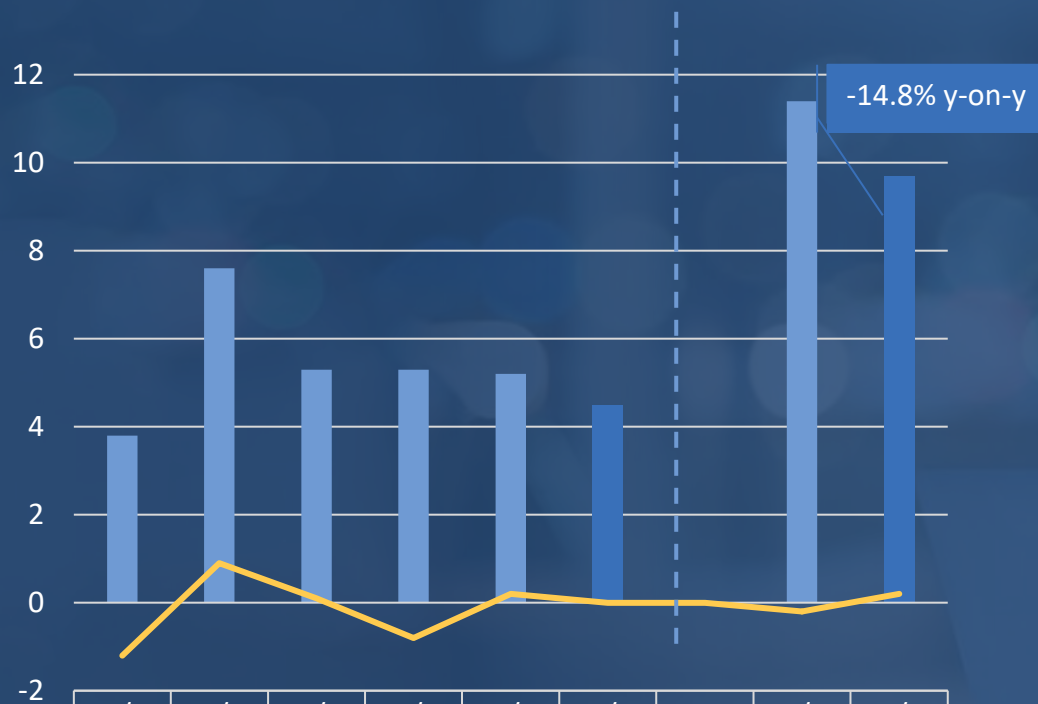
MEUR



- 1H 2024 financial development was good
- Geopolitical uncertainty has led the states to increase their budgets to modernize their defense forces
- Good cooperation with Finnish Defence Forces
 - Partnership agreement under work
 - Orders: Tough SDR and TAC WIN products, system support, new IP protocol development
- Internationalization strategy is progressing as planned
 - Frame agreements signed with Lockheed Martin and with BAE Systems
 - Croatian Armed Forces ordered Bittium tactical communication products and system products
 - Tough Mobile 2C listed as NATO approved mobile device for restricted level communication

Medical Business Segment

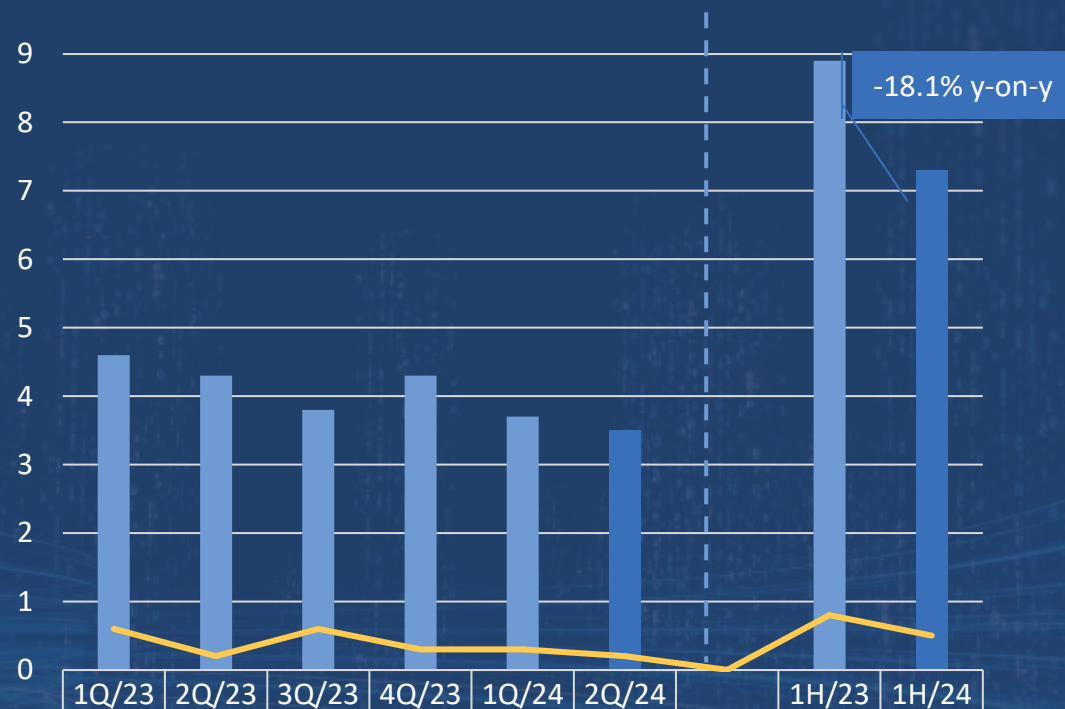
MEUR



- 1H 2024 net sales decreased y-on-y, operating result improved
- The stricter requirements in the regulatory approvals for medical devices and subsequent lengthening schedules are causing delay in building the growth
- To meet the current requirements, the organization in regulatory affairs is being strengthened
- Positive feedback from clinical trials of Respiro device
- Cooperation with Boston Scientific continued well
- The remote diagnostics market continues to grow

Engineering Services Business Segment

MEUR



- 1H 2024 net sales decreased y-on-y, however, operating result remained positive
- Customers are cautious to start new development projects due to the challenging market situation
- Market situation is expected to remain challenging in 2024
- Despite the market situation, 5G implementation creates demand for different product variants and accelerating digitalization increases the need for different IoT solutions
- New customers in telecom and construction markets
- New project started to design test terminal for satellite communication system testing

Outlook 2024

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On Track towards Profitable Growth

Megatrends supporting the growth

Strong customer base – serving customers well is priority

World-class products and services – focus on increasing competitiveness

Committed and highly skilled people – strengthened organization

Strategy towards profitable growth – implementation in full speed

Financial Outlook 2024

Net Sales

Bittium expects the net sales in 2024 to be EUR 85 – 95 million
(net sales EUR 75.2 million in 2023)

Operating Result

Bittium expects the operating result to be EUR 7.0 – 9.5 million
(operating result EUR -4.3 million in 2023)

More Information

More information about Bittium's market outlook is presented
on the company's internet pages at www.bittium.com.

Investor Calendar in 2024



Questions & Answers

www.bittium.com
investor.relations@bittium.com

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