

# Bittium

---

## Bittium Corporation Financial Statement Bulletin January-December 2023

Net sales

**75.2** MEUR

Net sales growth

**-8.8** %

Operating result

**-4.3** MEUR

Operating result, % of net sales

**-5.7** %

---

## Financial Statement Bulletin 2023

### **Net Sales and Operating Profit in 2023 Decreased Year-on-Year. Actions Taken to Improve the Financial Performance Will Be Effective from 2024 onwards.**

*Unless otherwise mentioned, the figures in brackets refer to the corresponding period in the previous year.*

#### **Summary October-December 2023**

---

- Net sales were EUR 25.7 million (EUR 27.6 million), representing a 7.0 percent decrease year-on-year.
- The share of product-based net sales was EUR 16.8 million (EUR 20.9 million), representing 65.3 percent of the net sales. The share of Medical products was EUR 5.3 million (EUR 5.1 million), and the share of Defense & Security products was EUR 11.4 million (EUR 15.8 million).
- The share of services-based net sales was EUR 8.9 million (EUR 6.7 million), representing 34.7 percent of the net sales. The share of Engineering Services' R&D services was EUR 4.3 million (EUR 4.2 million).
- In the fourth quarter, there were non-recurring items of EUR 3.2 million in total, including non-recurring costs of EUR 0.7 million resulting from the change negotiations, and non-recurring write-down of EUR 2.5 million due to the impairment of inventory.
- EBITDA was EUR 3.3 million (EUR 5.8 million), including above-mentioned non-recurring items of EUR 3.2 million.
- The operating result was EUR 1.0 million (EUR 3.0 million), including above-mentioned non-recurring items of EUR 3.2 million.
- The result for the period was EUR 0.6 million, and earnings per share were EUR 0.016, including above-mentioned non-recurring items of EUR 3.2 million (result for the period EUR 3.5 million and earnings per share EUR 0.098).
- Resulting from the change negotiations and other cost measures taken, Bittium will achieve approximately EUR 6.0 million annual cost savings in total, from which EUR 0.8 million realized during 2023. The total cost savings the company estimates to achieve in 2024 in full.
- Cash flow from operating activities was EUR 0.6 million (EUR 0.1 million).
- Net cash flow was EUR -1.3 million (EUR -2.7 million).

#### **Summary January-December 2023**

---

- Net sales were EUR 75.2 million (EUR 82.5 million), representing an 8.8 percent decrease year-on-year.
- The share of product-based net sales was EUR 45.8 million (EUR 57.4 million), representing 60.9 percent of the net sales. The share of Medical products was EUR 21.8 million (EUR 22.6 million), and the share of Defense & Security products was EUR 24.0 million (EUR 34.8 million).
- The share of services-based net sales was EUR 29.5 million (EUR 25.1 million), representing 39.1 percent of the net sales. The share of Engineering Services' R&D services was EUR 17.0 million (EUR 15.2 million).
- In the fourth quarter, there were non-recurring items of EUR 3.2 million in total, including non-recurring costs of EUR 0.7 million resulting from the change negotiations and non-recurring write-down EUR 2.5 million due to the impairment of inventory.
- EBITDA was EUR 5.2 million (EUR 11.0 million), including above-mentioned non-recurring items of EUR 3.2 million.
- Operating result was EUR -4.3 million (EUR 0.3 million), including above-mentioned non-recurring items of EUR 3.2 million.

- Result for the period was EUR -5.4 million, and earnings per share were EUR -0.153, including above-mentioned non-recurring items of EUR 3.2 million (result for the period EUR 0.3 million and earnings per share EUR 0.007).
- Resulting from the change negotiations and other cost measures taken, Bittium will achieve approximately EUR 6.0 million annual cost savings in total, from which EUR 0.8 million realized during 2023. The total cost savings the company estimates to achieve in 2024 in full.
- Cash flow from operating activities was EUR 1.2 million (EUR 8.0 million).
- Net cash flow was EUR -10.7 million (EUR -3.0 million).
- The order backlog was EUR 27.6 million (EUR 28.1 million)
- The Board of Directors of Bittium Corporation proposes to the Annual General Meeting to be held on April 10, 2024, that a dividend of EUR 0.03 per share be paid based on the balance sheet to be adopted for the financial year ended on December 31, 2023. The Board of Directors furthermore proposes that the Annual General Meeting would authorize the Board of Directors to decide, at its discretion, on the payment of an extraordinary dividend of EUR 0.03 per share, by October 31, 2024. The Board of Directors expects that this discretionary extraordinary dividend will be paid, unless there is a significant deterioration in the business environment during 2024.

| GROUP (MEUR)                                    | 10-12/2023 | 10-12/2022 | 1-12/2023 | 1-12/2022 |
|---|------------|------------|-----------|-----------|
|   | 3 months   | 3 months   | 12 months | 12 months |
| NET SALES                                       | 25.7       | 27.6       | 75.2      | 82.5      |
| Change of net sales, %                          | -7.0 %     | -8.1 %     | -8.8 %    | -5.1 %    |
| EBITDA  | 3.3        | 5.8        | 5.2       | 11.0      |
| EBITDA, % of net sales                          | 12.9 %     | 21.1 %     | 6.9 %     | 13.4 %    |
| OPERATING PROFIT / LOSS                         | 1.0        | 3.0        | -4.3      | 0.3       |
| Operating profit / loss, % of net sales         | 3.9 %      | 10.7 %     | -5.7 %    | 0.4 %     |
| RESULT OF THE PERIOD FROM CONTINUING OPERATIONS | 0.6        | 3.5        | -5.4      | 0.3       |
| CASH AND OTHER LIQUID ASSETS                    | 8.3        | 19.0       | 8.3       | 19.0      |
| EQUITY RATIO (%)                                | 69.6 %     | 69.7 %     | 69.6 %    | 69.7 %    |
| EARNINGS PER SHARE (EUR)                        | 0.016      | 0.098      | -0.153    | 0.007     |

## Bittium's CEO Johan Westermarck

The year 2023 was a year of changes at Bittium. There were changes in the Company's Management Group, we updated our strategy and started a large-scale process with the aim of turning the company onto the path of profitable growth.

The updated strategy focuses on the years 2024 and 2025 and has three very essential priorities: 1. change from R&D organization to a customer- and growth-oriented operating model through segment organizations, 2. focusing on current products and increasing their market shares, and 3. increasing efficiency and lightening the cost structure, which is expected to improve the company's profitability and cash flow significantly.

In accordance with the updated strategy, Bittium has three Business Segments: Defense & Security, Medical, and Engineering Services. We reorganized our operations to optimize the operations of the independent Business Segments and went through change negotiations in the Finnish subsidiaries. In addition, previously centralized group functions are now largely divided into Business Segments, meeting the needs of each Segment best. As a result of the reorganization and change negotiations, the number of personnel in group operations dropped from approximately 130 to 50. In connection with the transition to the new reporting structure, we decided to separate the remaining

group functions into own segment in order to further improve transparency into the development of the company's Business Segments. Financial reporting based on these - altogether four segments - will start this year.

The net sales and operating result in 2023 decreased from previous year. The fourth quarter was the strongest, as typical, but also there the net sales remained lower than in the corresponding period the year before. There were also non-recurring costs of EUR 0.7 million resulting from the change negotiations and a non-recurring write-down of EUR 2.5 million due to the impairment of inventory both scheduled for the fourth quarter. With non-recurring costs the operating result of the fourth quarter was EUR 1.0 million positive. The annual cost savings of EUR 6.0 million, resulting from the change negotiations, will fully affect the 2024 figures.

The net sales of 2023 decreased by 8.8 percent. The financial development was affected by Medical business' delays in product deliveries in the beginning of the year, caused by the component shortage, and slower than estimated sales development outside of US markets, as well as by the slowness of medical device regulatory approvals. Also, the slower-than-estimated progress of multi-year projects in the Defense business last year, and thus the timing of the product orders affected the 2023 net sales.

In the Defense & Security business, pilot projects with our customers abroad progressed well, but slower than expected. With the Finnish Defense Forces we renewed a significant framework agreement regarding the tactical communication system and products. This cooperation is very important for Bittium in terms of the development of the entire tactical communication product portfolio, and this framework agreement confirms the continuation of the cooperation in the coming years. The deployment of Bittium Tough SDR™ software-defined radios has progressed according to the plans of the Defence Forces, with the aim of ensuring the performance of the equipment during 2024 to start a wider deployment of the radios. NATO adopted the ESSOR waveform developed by the a4ESSOR consortium as a standard for tactical communications, which enables faster and more secure data transmission of NATO member countries in both national and coalition force operations. Our Tough SDR radios also use the ESSOR waveform.

The importance of secure communication has emphasized, and the interest, especially among authorities, increased. We delivered secure Bittium Tough Mobile™ phones and secure software solutions to several European countries. We applied for a NATO information security listing for the Bittium Tough Mobile 2 C solution last year, and according to the feedback we received, the solution meets all the necessary requirements, but the listings are delayed due to the work backlog of authorities.

In medical technology products, we continued our good cooperation with our key customer Boston Scientific regarding ECG measuring devices. In the beginning of the year, we joined forces to solve the challenges related to the availability of components of the devices and were able to deliver all product deliveries planned for this year. We signed a distributor agreement for Bittium Respiro™, a home sleep apnea test and analysis solution, with ResMed, a leading provider of innovative medical devices and solutions to improve respiratory health and well-being. The piloting of Respiro solution in Europe has progressed well, and recent clinical studies have shown positive feedback on the solution's technical properties, analysis quality, and ease of use. We have an ongoing process for medical device sales license from the FDA (Food and Drug Administration) needed for the US market. The regulatory requirements have tightened and increased during the last couple of years. The duration of these new studies is estimated to be at least one year. We expect the good development of the remote diagnostics market to continue, positively affecting the development of Bittium's net sales and profitability during 2024.

Despite the prevailing cost-saving needs in the markets among our customers, the sales of Bittium's R&D services grew during 2023. The growth was driven by the accelerating digitization in various industries increasing the need for design services in several industries, as well as the increase of European companies' product design work in Europe. We were able to win new customers, and I am particularly pleased with the work we have done in the past year to increase sales, especially in the international markets.

Bittium's goal is to be a major international supplier of secure and reliable communication solutions for the defense and security markets, a leading supplier of industrial connectivity solutions and R&D services, and a major supplier of measurement and remote diagnostics solutions for measuring and analyzing biosignals.

In this context, I would like to thank our customers and partners for the past year and for the trust that prevails between our companies. I thank our personnel for their good work, commitment, and resilience, especially in the middle of all these changes. I would also like to thank all our shareholders for their trust and perseverance.

In 2024, we will focus on achieving the goals set for us in the new segment organization model, along with new operating methods and processes. We have published our main strategic focus points for the next two years to get the company on a healthy profitable growth path. With systematic work and the right prioritizing we have every opportunity to achieve the goals set for us.

## Outlook for 2024

---

### Financial Outlook 2024

Bittium expects the net sales in 2024 to be EUR 85 – 95 million (EUR 75.2 million in 2023) and the operating result to be EUR 7.0 – 9.5 million (operating loss of EUR -4.3 million in 2023).

More information about Bittium's market outlook is presented in this report in the section "Market Outlook" as well as on the company's internet pages at [www.bittium.com](http://www.bittium.com).

## Strategy Implementation and Other Significant Events in 2023

---

At the beginning of 2022, Bittium started developing its operations towards independent business units with the aim of starting business-specific segment reporting by the beginning of 2024 at the latest. With the change, the company seeks a clearer focus for its operations, growth, and improvement of its ability to generate results. The renewal was completed during 2023, and the company will start segment reporting based on the new structure from the beginning of 2024.

The technological know-how needed in all the company's businesses is similar, but the businesses, customers and market dynamics are very different. The stronger independence of the businesses strengthens Bittium's ability to serve its customers in a more customer-oriented manner and improves the speed of decision-making in each business, strengthening the company's position in each market. It also speeds up the responsiveness of business operations to the surrounding market changes, enabling the production of ever-increasing added value for customers.

During 2023, the company continued to work to strengthen its business functions to enable the formation of independent businesses. As part of this development, the company changed its organizational structure to serve its independent business units more efficiently. The operations of the entire group were reorganized by transferring, among other things, the previously jointly centralized group functions to a large extent to the Business Segments in accordance with the needs of each segment. This significantly lightened the company's cost structure at the group level.

In the second half of the year, the company went through significant change negotiations due to production, financial and reorganization related reasons. Change negotiations started on August 23, 2023, as part of the company's measures to improve its profitability and develop its operations towards independent business units. The negotiations concerned all of the company's subsidiaries in Finland and included approximately 600 employees. As a result of the negotiations, the company dismissed 61 employees and laid off 8 employees for the time being.

As part of the company's actions to improve financial performance, all the company's processes, operating methods, and cost structure were reviewed and modified to enable profitable growth. The company also decided to close its offices in Mexico and Singapore and terminate the activities of its subsidiaries operating in these countries (Bittium Mexico S.A. de C.V. and Bittium Singapore Pte. Ltd.). The closure of the offices has not had an impact on the company's ability to serve its customers or deliver its products to its customers in South America or Asia.

Through dismissals and temporary layoffs and other cost-saving measures, the company will achieve annual savings of approximately EUR 6.0 million in total, of which EUR 0.8 million were realized during 2023. The company estimates to achieve the cost savings in full during 2024. As a result of the decisions and measures taken, the company recorded a total of EUR 0.7 million in non-recurring costs resulting from the changes in its income statement for the fourth quarter of 2023.

### Profit Warning (announced on September 15, 2023)

On September 15, 2023, Bittium Corporation lowered its financial outlook for the year 2023. The company expected the net sales in 2023 to be at the same level or lower than in the previous year (EUR 82.5 million in 2022), and the operating result to be lower than in the previous year (EUR 0.3 million in 2022). Cash flow in 2023 was expected to be negative.

The main reason for the decrease in net sales and operating result was the delivery volumes of tactical communication products and security solutions in the Defense & Security business unit, which were realizing along the year at a slower pace and with lower volumes than earlier expected. Due to the decrease in the net sales and operating result, the cash flow in 2023 was expected to be negative.

## Updated Strategy – from R&D House towards Profitable Growth Company

On October 30, 2023, Bittium announced its updated strategy concerning the years 2024 and 2025. Bittium's main goals are to achieve an average annual net sales growth of more than 10 percent and an operating profit level of 10 percent. The updated strategy will enable the achievement of the set goals.

In accordance with the updated strategy, the company has three Business Segments: **Medical**, which focuses on measuring biosignals and remote monitoring, **Defense & Security**, which offers products and services to the defense and security markets, and **Engineering Services**, which offers R&D services. Group operations that were previously centralized are now also largely divided into the company's three Business Segments, best meeting the needs of each segment. This was an essential change to optimize the operation of more independent businesses.

The company's updated strategy has three main focus areas. The first one is a change from a product development organization to a customer-centric, growth-oriented operating model through its segment organizations. Secondly, the company focuses strongly on its current products and increasing their market shares. The R&D work is mainly concentrated on further improving the competitiveness and productivity of these products. Thirdly, the company seeks to increase efficiency in its own operating methods and has streamlined its cost structure, which is expected to significantly improve the company's profitability and cash flow.

Between 2016 and 2023, the company's two Business Segments, Defense & Security and Medical, have strongly invested in the development of their own products. This has maintained the company's high average annual R&D investment level of around EUR 20 million, corresponding to an average of approximately 25 percent of the company's annual net sales. Both product-oriented Business Segments will now focus on continuous improvement of the competitiveness of existing products and development of their features. Continuous product improvement is highly important to competitiveness of both Business Segments. In addition, the company will use development cooperation with other companies in its product development in the future. In the R&D oriented operational model the cost structure in the company has been heavy due to the large R&D projects.

## Medical Business Segment

The Medical Business Segment consists of three business areas, which are the measurement and analysis of the electrical activity of the heart (ECG), the measurement and analysis of the electrical activity of the brain (EEG), and the measurement and analysis of sleep apnea. In business, the focus is specifically on further improving the competitiveness, and productivity of the products, as well as on the efficiency of operations.

In the medical technology market, significant development is taking place regarding the treatment of patients, especially outside hospitals. Increasing efforts are being made to prevent diseases and health problems with the help of early diagnostics. The aim is to discharge patients at an even earlier stage to reduce hospital and treatment days. These significantly increase the efficiency of healthcare processes, reduce costs, and improve the treatment experience. The prerequisite for the prevention of health problems and early discharge is enabling accurate monitoring and measurement in home conditions with the help of remote monitoring.

The offering of the Medical Business Segment focuses on remote monitoring solutions. Bittium has solid and proven world-class biosignal processing technology expertise. In the coming years, the company will focus on its product business to also increase the amount of recurring net sales, both with the help of software and various multi- and single-use products. In the medical business, the focus will be on cooperation with existing international key customers to increase market shares together, and on acquiring new customers.

## Defense & Security Business Segment

The Defense & Security Business Segment consists of three business areas that are defense industry products (Defense Products), defense industry product development services (Defense Services) and secure products and services (Security). Bittium's business consists of tactical communication solutions aimed at the defense market and high security communication solutions aimed at authorities and the professional user market.

Russia's war of aggression against Ukraine has increased the defense budgets of various countries and increased the states' interest to modernize their tactical communication systems. The defense forces of different countries and other authorities need networks for tactical data transmission, where increasingly mobile network users can reliably and securely transfer growing amounts of data. Finland's NATO membership is also expected to have a positive effect on the demand for Bittium's defense and secure products, especially in NATO countries. Bittium has superior waveform quality and secure wireless technology integrated with hardware and software intended for defense and authorities' use.

Over the past years, the company has made significant investments to expand its product portfolio. The products and systems are now at an internationally very competitive level, both in terms of coverage and technical characteristics. In the future, the company will focus on the continuous improvement of the competitiveness of existing products and the development of features to ensure the preservation of competitiveness. The company will put emphasize strongly in its key customers and invest in international sales and marketing to pursue new customers. The company's goal is to grow significantly the international product business and achieve an internationally significant position as a provider of tactical communication and high security communication solutions.

### Engineering Services Business Segment

In the Engineering Services Business Segment, Bittium offers its customers R&D services and wireless connectivity solutions for the development of innovative products in a secure and evolving wireless environment. The company has focused its R&D service offering around radio technologies and embedded devices. Bittium has world-class expertise in wireless technologies and comprehensive product development throughout the whole product life cycle.

In the mobile telecommunications, investments in the development of new features continue, and the importance of software development regarding the development of 5G networks is strengthened. Along with digitization, secure IoT (Internet of Things) is a significant development area in almost all industries, where the demand is created by the growing need of companies to digitize their operations, collect data wirelessly and transfer data to cloud services, as well as monitor and control devices and systems remotely. Also, the goal of western companies to shift the focus of R&D to an increasing extent, e.g., to Europe, creates more demand for companies offering R&D services and wireless connectivity solutions.

In the coming years, Bittium will continue to grow its international customer base, especially in the Industry IoT market segment. The company will also invest in developing strategic partnerships with its current customers.

### Long-term financial goals (announced on October 30, 2023)

Bittium kept its long-term financial goals unchanged. The company aims for an average annual net sales growth of more than 10 percent and an operating profit level of 10 percent and estimated to achieve these goals in 2024.

### Capital Markets Day 2023

Bittium organized a Capital Markets Day on October 30, 2023, where the company's updated strategy was reviewed. A recording of the event and the materials of the presentations are available on Bittium's IR pages at: <https://www.bittium.com/investors>.

### Segment-based Financial Reporting

In December 2023, the Board of Directors of Bittium Corporation decided that the company will change its financial reporting to be based on a new segment structure as of January 1, 2024. The new segment reporting is based on the updated strategy.

In the new reporting structure, there will be four reporting segments: the three Business Segments (Defense & Security, Medical, and Engineering Services), and, in addition, the company decided to report the Group Functions as a separate, fourth segment. The goal of adopting the new reporting structure is to improve the transparency into the company's Business Segments and their development.

The new Group Functions segment includes group administration, strategic projects, and stock market listing related functions, as well as renting premises owned by the group. Group Functions charge rent from Business Segments for the premises. In addition to this, Group Functions produces common services for the Business Segments, which are reasonable to be managed centrally. For these services, the Business Segments pay a service fee in proportion to the amount of each segments' personnel. The CEO, CFO, CDO, Vice President,

Communications and Sustainability, and CLO are responsible for the Group Functions. Altogether, there are approximately 50 employees in Group Functions.

The reportable financial indicators of the new segments are net sales, EBITDA, EBITDA % of net sales, operating result, operating result % of net sales, R&D investments, capitalized R&D investments, new orders and order backlog, and the amount of personnel. The first financial report based on these new segments will be Bittium Corporation's Business Review January-March 2024, to be published on April 26, 2024, at 8.00 am (CET+1). Adjusted comparative segment information from 2023 will be published in the same Business Review report.

### Seamless and Secure Connectivity Program

At the end of March, Bittium launched the Seamless and Secure Connectivity program, the purpose of which is to enable end-to-end connections in various operational areas with reliable, secure, and fault-tolerant connectivity architectures and products, including life-cycle services for products and solutions. Business Finland awarded development funding of EUR 10 million to the program in the challenger competition of Veturi-companies, and EUR 20 million to the ecosystem companies and research partners surrounding the program. The four-year program led by Bittium will last until 2026.

The Seamless and Secure Connectivity program enables comprehensive development of strategically important themes for Bittium. These themes include, e.g., encryption and information security technologies and remote medical diagnostics (ECG, EEG, and sleep apnea) including measuring of biosignals, digitalization of services, increase in wireless connectivity and data secure connections.

In connection with the program, the first two co-innovation projects were launched during 2023: CISSAN, which is part of the EU CELTIC-Next program, creating algorithms to reduce IoT security threats, and Photon-Wear, which aims to develop optical detection methods for physical parameters and biomarkers. In total, there have been around 50 partner companies or research institutes in the ecosystem discussions so far, and several co-innovation projects are expected to be launched from the projects also during 2024.

## Market Environment and Business Development in January-December 2023

---

### Defense & Security Business

The world's political situation changed significantly in February 2022 as Russia attacked Ukraine. The outbreak of war caused several countries to increase their defense budgets, which has had an increasing effect on the demand for defense sector products and services. The interest in modernizing the states tactical communication systems to meet the needs of modern warfare has also grown.

Interest in Bittium's tactical communication solutions has remained on a high level, and the ongoing international customer pilots have progressed well. Bittium is involved in several tenders regarding tactical communication products and systems, which may take several years, depending on the scope of each project. The feedback on Bittium's products in the field tests has been positive, and we expect the results of the ongoing tenders during the current year.

Close cooperation with the Finnish Defense Forces continued. Bittium's tactical backbone network and the related products and radios are used by all defense branches of the Defense Forces, supporting the modern way of fighting, where the mobility and management of the forces on the move and effective communication are essential. In 2023, product delivery volumes remained low compared to the corresponding time of the previous year caused by the slow progress in several customer projects during last year. This is typical in multi-year customer projects, where the annual delivery quantities vary between the different phases of the project.

On November 14, 2023, Bittium and Finnish Defense Forces signed a new framework agreement for the purchase of products intended for tactical communication. The contract concerns the purchase of Bittium Tactical Wireless IP Network™ (TAC WIN) software radio system products and Bittium Tough Comnode™ communication equipment and related accessories during the years 2023–2028. The Framework Agreement has a maximum value of EUR 51.6 million, and based on the Agreement, the Finnish Defence Forces will issue separate purchase orders in several batches during the validity period of the Agreement. The first order based on this Framework Agreement was placed on December 21, 2023, with a value of EUR 3.7 million. The delivery of the ordered products started in 2023.

The deployment of Bittium Tough SDR™ software-defined radios has progressed according to the plans of the Defence Forces, with the aim of ensuring the performance of the equipment during 2024 to start a wider deployment of the radios. The waveform development of the radios and the development of new functionalities for the customer continued as planned.



In December, the Finnish Defense Forces ordered development work from Bittium for a new software-based router intended for tactical communication. The software router enables the formation of even larger network entities for the tactical communication needs of the mobile forces. The value of the order was approximately EUR 4.4 million and the development work will be carried out during the years 2024 and 2025.

In Austria, the deployment of Bittium's tactical communication systems by the local army continued and the delivery of system products and the integration and testing of products and systems continued.

The discussions about cooperation with international companies developing air defense and sensor systems progressed.

In November, NATO approved the ESSOR High Data Rate Waveform, developed by the a4ESSOR consortium, as a standard for tactical communication interoperability (STANAG 5651). Bittium has been one of the partners of the industrial a4ESSOR consortium since its foundation. With the ratification of the standard, the waveform will be available to all NATO member countries, thus enabling faster and more secure data transfer in both national and coalition forces' operations. Bittium provides the waveform to its customers together with Bittium Tough SDR™ product family radios.

With Finland's NATO membership, interest in Bittium's products has increased, and the membership is expected to strengthen the company's competitive position, especially in tenders for NATO countries. The membership also enables Bittium to implement NATO waveforms and encryption solutions, if necessary, and offers the opportunity to participate in the research programs of NATO countries.

Bittium has applied for a NATO information security listing for its secure Bittium Tough Mobile™ 2 C solution. The solution meets the criteria required for information security listing, but the listing is delayed due to the work backlog of the authorities updating the listing. Bittium has currently no information on the progress of the list update. Entering the list of NATO-approved devices is expected to have a positive effect on the sales of the solution.

Interest in secure Bittium Tough Mobile™ mobile phones and information security-related software has increased due to numerous data security attacks. The sales volume of the devices increased during 2023. Phones, their background systems and software were delivered to several European countries for authorities' usage. The Bittium Tough Mobile™ 2 Tactical solution developed for military use has also aroused interest among the defense administration authorities of different countries, and several system pilots started during 2023.

## Medical Business

A component shortage significantly slowed down the manufacturing and deliveries of medical technology products at the beginning of the year, and the production of Bittium Faros™ ECG devices was very limited for several months. In April-May, production volumes were increased, and the manufacturing of products continued with better capacity in May-June. The deliveries continued in the second quarter as planned, and the shortage of components eased towards the end of the year, as expected. In the second half of the year, the sales of medical technology devices outside of US market developed slower than estimated. The development of sales is affected by the insurance policies related to treatment reimbursement, which vary between different countries affecting the development pace of remote diagnostics market. In addition, entering new markets is affected by obtaining the medical device regulatory approvals, that may take up to more than a year depending on the approval.

Most product deliveries of Faros ECG devices were still made to the US customer Boston Scientific Cardiac Diagnostics (CDx) (previously known as Preventice). CDx is one of the leading providers of ECG measurement services in the US.

In the neurophysiology market, the piloting of Bittium BrainStatus™ EEG measuring devices in intensive care units continued in Finland and abroad. The change in recommendations for intensive care regarding EEG measurement is expected to have a positive effect on the demand for BrainStatus.

Product deliveries of the home sleep apnea test and measurement solution Bittium Respiro™ continued in Europe, and the feedback from our customers' clinical trials has been positive. Respiro's sales are expected to strengthen during the current year and form one significant growth driver in the Medical Business Segment in the future. In November, Bittium and ResMed started a collaboration regarding the distribution of Bittium Respiro to hospitals and treatment centers. The signed distributor agreement concerns the Bittium Respiro™ measuring device and its accessories as well as the Bittium Respiro Analyst™ analysis software and service platform, giving ResMed the right to resell them. The agreement does not include exclusive rights and it covers the right to resell the solution in Great Britain, Ireland, Switzerland, Finland, Norway, and Sweden. ResMed is a leading provider of cloud-based medical devices whose solutions are transforming the care of people with sleep apnea, COPD, and other chronic respiratory diseases.

Bittium is applying for a sales license for Respiro for the US market from the Food and Drug Administration (FDA). The current estimate of the amount of work and the time needed for it is at least one year. The requirements of the FDA authority have grown and become stricter

in recent years. The overall duration of the sales license process is affected by the authority's further interpretation of possible additional material needs.

Bittium is undergoing regulatory approval processes for its medical devices in several different countries. As necessary, the company will apply for a new European medical device approval (MDR) for its medical technology products already in production, which are approved according to the current standard (MDD). Decisions on applying for MDR approvals for existing products will be made on a business basis or if significant changes are made to the products that require a new approval process.

### **Engineering Services Business (previously Connectivity Solutions)**

Despite the prevailing cost-saving pressure in the markets among our customers, Bittium's R&D services sales grew during 2023. The accelerating digitalization in various industries increased the need for design services. Especially in the Industrial IoT technology market, the growing need for cloud communication creates a need for companies to add wireless connectivity to their products. The increase of European companies focusing their R&D geographically on Europe, has also had a positive effect on the sales growth of Bittium's R&D services, especially of the device design.

Cooperation with customers continued well. While some customer projects were successfully completed, the company's customer portfolio expanded during the past year with several new customers in the transport, traffic, and professional tool markets, among others. Customer projects include, for example, the designing of a remotely controlled system and its connectivity solution, designing of connectivity parts for a traffic control system, and designing of measuring devices and their connectivity solutions intended for professional use.

## **Financial Performance in January-December 2023**

---

Bittium's net sales in January-December 2023 decreased by 8,8 percent year-on-year to EUR 75.2 million (EUR 82.5 million).

The share of product-based net sales was EUR 45.8 million (EUR 57.4 million), representing 60.9 percent of the net sales. The share of Medical products was EUR 21.8 million (EUR 22.6 million), and the share of Defense & Security products and systems was EUR 24.0 million (EUR 34.8 million). The decline in the product-based net sales was mainly caused by the delays in Medical technology product deliveries resulting from the component shortage in the beginning of the year, weaker than expected development of product sales outside of US, and delays in regulatory approvals of medical devices. In addition, the slower-than-estimated progress of multi-year projects in the Defense business and thus the timing of orders and product deliveries affected negatively to the development of net sales.

The share of services-based net sales was EUR 29.5 million (EUR 25.1 million), representing 39.1 percent of the net sales. The share of Engineering Services' R&D services was EUR 17.0 million (EUR 15.2 million), resulting from the progressing digitalization in our customers' businesses and the new customers won last year.

R&D investments were EUR 20.2 million (EUR 22.3 million), representing 26.9 percent of net sales (27.0 percent), of which EUR 7.2 million were capitalized in the balance sheet (EUR 6.6 million).

In the fourth quarter, there were non-recurring items of EUR 3.2 million in total, including non-recurring costs of EUR 0.7 million due to changes negotiations and non-recurring write-down of EUR 2.5 million due to the impairment of inventory. The inventory write-down was aimed, in accordance with the principle of prudence, at those components of the Defense & Security and Medical Business Segments whose minimum order quantity has been too large compared to the current demand forecast or the turnover rate has been very low.

EBITDA was EUR 5.2 million (EUR 11.0 million), including above-mentioned EUR 3.2 million non-recurring costs.

The operating result was EUR -4.3 million (EUR 0.3 million). In addition to the decline in the net sales, the operating result was affected by the above-mentioned non-recurring costs of EUR 3.2 million.

Resulting from the change negotiations and other cost measures taken, Bittium will achieve approximately EUR 6.0 million annual cost savings in total, from which EUR 0.8 million realized during 2023. The total cost savings the company estimates to achieve in 2024 in full.

Cash flow from operating activities was EUR 1.2 million (EUR 8.0 million). Net cash flow during the period was EUR -10.7 million, including EUR -4.3 million operating loss, EUR 7.2 million R&D investments into own products, EUR 3.0 million increase in the net working capital, and EUR 1.8 million dividend payment as the most significant items weakening the cash flow (EUR -3.0 million, including EUR 6.6 million R&D investments into own products, and EUR 1.4 million dividend payment as the most significant items).

The equity ratio was 69.6 percent (69.7 percent).

Net gearing was 13.2 percent (3.0 percent).

The order backlog at the end of the year was EUR 27.6 million (EUR 28.1 million).

## Half Year Figures

| <b>GROUP'S NET SALES AND OPERATING RESULT, MEUR</b> | <b>2H/23</b> | <b>1H/23</b> | <b>2H/22</b> | <b>1H/22</b> |
|---|--------------|--------------|--------------|--------------|
| Net sales   | 39.6         | 35.6         | 41.4         | 41.0         |
| Operating profit (loss)                             | -1.1         | -3.2         | 0.6          | -0.2         |
| Result before taxes                                 | -1.6         | -3.6         | 0.2          | -0.7         |
| Result for the period                               | -1.8         | -3.6         | 0.9          | -0.6         |

| <b>DISTRIBUTION OF NET SALES BY PRODUCT AND SERVICES, MEUR AND %</b> | <b>2H/23</b>   | <b>1H/23</b>   | <b>2H/22</b>   | <b>1H/22</b>   |
|--|----------------|----------------|----------------|----------------|
| Product-based net sales  | 24.4<br>61.6 % | 21.4<br>60.0 % | 30.2<br>72.9 % | 27.2<br>66.3 % |
| Services-based net sales   | 15.2<br>38.4 % | 14.2<br>40.0 % | 11.2<br>27.1 % | 13.8<br>33.7 % |

| <b>DISTRIBUTION OF PRODUCT-BASED NET SALES, MEUR AND %</b> | <b>2H/23</b>   | <b>1H/23</b>   | <b>2H/22</b>   | <b>1H/22</b>   |
|--|----------------|----------------|----------------|----------------|
| Defense & Security products                                | 13.8<br>56.4 % | 10.2<br>47.9 % | 18.9<br>62.6 % | 15.9<br>58.5 % |
| Medical products   | 10.7<br>43.6 % | 11.1<br>52.1 % | 11.3<br>37.4 % | 11.3<br>41.5 % |

| <b>DISTRIBUTION OF SERVICES-BASED NET SALES, MEUR AND %</b>           | <b>2H/23</b>  | <b>1H/23</b>  | <b>2H/22</b>  | <b>1H/22</b>  |
|---|---------------|---------------|---------------|---------------|
| Engineering Services R&D services (previously Connectivity Solutions) | 8.1<br>53.2 % | 8.9<br>62.3 % | 7.2<br>64.0 % | 8.0<br>57.8 % |
| Other service-based net sales   | 7.1<br>46.8 % | 5.4<br>37.7 % | 4.0<br>36.0 % | 5.8<br>42.2 % |

| <b>DISTRIBUTION OF NET SALES BY MARKET AREAS, MEUR AND %</b> | <b>2H/23</b>   | <b>1H/23</b>   | <b>2H/22</b>   | <b>1H/22</b>   |
|--|----------------|----------------|----------------|----------------|
| Asia   | 0.3<br>0.9 %   | 0.5<br>1.4 %   | 0.7<br>1.8 %   | 0.5<br>1.3 %   |
| North and South America                                      | 10.7<br>27.0 % | 10.2<br>28.6 % | 12.9<br>31.1 % | 10.4<br>25.4 % |
| Europe   | 28.6<br>72.1 % | 24.9<br>70.0 % | 27.8<br>67.1 % | 30.1<br>73.3 % |

## Quarterly Figures

| <b>GROUP'S NET SALES AND OPERATING RESULT, MEUR</b> | <b>4Q/23</b> | <b>3Q/23</b> | <b>2Q/23</b> | <b>1Q/23</b> | <b>4Q/22</b> |
|---|--------------|--------------|--------------|--------------|--------------|
| Net sales   | 25.7         | 13.9         | 20.7         | 14.9         | 27.6         |
| Operating profit (loss)                             | 1.0          | -2.1         | 0.3          | -3.5         | 3.0          |
| Result before taxes                                 | 0.7          | -2.4         | 0.1          | -3.7         | 2.8          |
| Result for the period                               | 0.6          | -2.4         | 0.1          | -3.7         | 3.5          |

| <b>DISTRIBUTION OF NET SALES BY PRODUCT AND SERVICES, MEUR AND %</b> | <b>4Q/23</b> | <b>3Q/23</b> | <b>2Q/23</b> | <b>1Q/23</b> | <b>4Q/22</b> |
|--|--------------|--------------|--------------|--------------|--------------|
| Product-based net sales  | 16.8         | 7.6          | 13.3         | 8.0          | 20.9         |
|  | 65.3 %       | 54.9 %       | 64.5 %       | 53.7 %       | 75.8 %       |
| Services-based net sales   | 8.9          | 6.3          | 7.3          | 6.9          | 6.7          |
|  | 34.7 %       | 45.1 %       | 35.5 %       | 46.3 %       | 24.2 %       |

| <b>DISTRIBUTION OF PRODUCT-BASED NET SALES, MEUR AND %</b> | <b>4Q/23</b> | <b>3Q/23</b> | <b>2Q/23</b> | <b>1Q/23</b> | <b>4Q/22</b> |
|--|--------------|--------------|--------------|--------------|--------------|
| Defense & Security products                                | 11.4         | 2.3          | 5.8          | 4.5          | 15.8         |
|  | 68.2 %       | 30.5 %       | 43.2 %       | 55.6 %       | 75.5 %       |
| Medical products   | 5.3          | 5.3          | 7.6          | 3.6          | 5.1          |
|  | 31.8 %       | 69.5 %       | 56.8 %       | 44.4 %       | 24.5 %       |

| <b>DISTRIBUTION OF SERVICES-BASED NET SALES, MEUR AND %</b>           | <b>4Q/23</b> | <b>3Q/23</b> | <b>2Q/23</b> | <b>1Q/23</b> | <b>4Q/22</b> |
|---|--------------|--------------|--------------|--------------|--------------|
| Engineering Services R&D services (previously Connectivity Solutions) | 4.3          | 3.8          | 4.3          | 4.6          | 4.2          |
|   | 48.2 %       | 60.4 %       | 59.1 %       | 65.8 %       | 62.4 %       |
| Other service-based net sales   | 4.6          | 2.5          | 3.0          | 2.4          | 2.5          |
|   | 51.8 %       | 39.6 %       | 40.9 %       | 34.2 %       | 37.6 %       |

| <b>DISTRIBUTION OF NET SALES BY MARKET AREAS, MEUR AND %</b> | <b>4Q/23</b> | <b>3Q/23</b> | <b>2Q/23</b> | <b>1Q/23</b> | <b>4Q/22</b> |
|--|--------------|--------------|--------------|--------------|--------------|
| Asia   | 0.1          | 0.3          | 0.3          | 0.2          | 0.5          |
|  | 0.4 %        | 1.8 %        | 1.3 %        | 1.5 %        | 1.8 %        |
| North and South America                                      | 6.0          | 4.7          | 6.9          | 3.3          | 7.6          |
|  | 23.5 %       | 33.6 %       | 33.2 %       | 22.2 %       | 27.7 %       |
| Europe   | 19.6         | 9.0          | 13.5         | 11.4         | 19.5         |
|  | 76.2 %       | 64.6 %       | 65.5 %       | 76.2 %       | 70.6 %       |

## Statement of Financial Position and Financing

The figures presented in the statement of financial position of December 31, 2023, are compared with the statement of the financial position of December 31, 2022 (MEUR).

|                    | <b>Dec 31, 2023</b> | <b>Dec 31, 2022</b> |
|--------------------|---------------------|---------------------|
| Non-current assets | 84.6                | 85.0                |

|  |                  |                  |
|--|------------------|------------------|
| Current assets   | 73.1             | 84.6             |
| Total assets   | 157.7            | 169.7            |
| Share capital  | 12.9             | 12.9             |
| Other capital  | 94.6             | 102.8            |
| Total equity   | 107.6            | 115.8            |
| Non-current liabilities                                      | 1.8              | 21.7             |
| Current liabilities  | 48.3             | 32.2             |
| Total equity and liabilities                                 | 157.7            | 169.7            |
| Cash flow of the review period:                              | <b>1-12/2023</b> | <b>1-12/2022</b> |
| + profit of the period +/- Adjustment of accrual basis items | 5.1              | 11.7             |
| +/- Change in net working capital                            | -3.0             | -2.9             |
| - interest, taxes, and dividends                             | -0.9             | -0.8             |
| = net cash from operating activities                         | 1.2              | 8.0              |
| - net cash from investing activities                         | -7.7             | -8.0             |
| - net cash from financing activities                         | -4.2             | -3.0             |
| = net change in cash and cash equivalents                    | -10.7            | -3.0             |

The number of gross investments in the period under review was EUR 9.4 million (EUR 9.5 million). Net investments for the review period totaled to EUR 9.2 million (EUR 9.4 million). The total amount of depreciation during the period under review was EUR 9.5 million (EUR 10.7 million). The amount of interest-bearing debt, including finance lease liabilities, was EUR 22.6 million at the end of the reporting period (EUR 22.4 million). Bittium's equity ratio at the end of the period was 69.6 percent (69.7 percent).

The group's liquidity remained good despite that the business developed weaker than expected, and the cash flow was clearly negative. Inventories and accounts receivable were at a high level at the end of the financial year. Securing cash flow has not required special adjustment measures, and no significant changes have been identified in the credit risks of customer receivables.

Cash and other liquid assets at the end of the reporting period were EUR 8.3 million (EUR 19.0 million). Net cash flow during the period was EUR -10.7 million. The net cash flow resulted from EUR -4.3 million operating loss, EUR 7.2 million investments made into own R&D, EUR 3.0 million increase in net working capital, and EUR 1.8 million dividend payment as the most significant items weakening the cash flow (EUR -3.0 million including EUR 6.6 million investments made into own product development, and EUR 1.4 million dividend payment).

Bittium has a EUR 20.0 million senior loan and a EUR 10.0 million committed overdraft credit facility agreement with Nordea Bank Finland Plc. The maturity date for the senior loan is May 24, 2024, and the credit limit agreement is valid until May 24, 2024. Bittium has EUR 10.0 million committed overdraft credit facility agreement with OP Corporate Bank Plc, valid until September 30, 2025. At the end of the review period, no limits from these facilities were in use. The company has started negotiations to arrange refinancing for financial instruments maturing on May 24, 2024.

Bittium follows a hedging strategy that has the objective to ensure the business margins in changing market circumstances by minimizing the influence of exchange rates. According to the hedging strategy principles, the net position in the currency is hedged when it exceeds the euro limit defined in the hedging strategy. The net position is determined based on accounts receivable, accounts payable, order book, and budgeted net currency cash flow.

## Research and Development

Bittium continued to make significant investments to develop its own products and product platforms. In January-December 2023, the R&D investments were EUR 20.2 million (EUR 22.3 million), representing 26.9 percent of the net sales (27.0 percent).

The R&D investments focused mainly on developing medical technology products, developing tactical communication system and its products for the defense industry, and special terminal products and their related security software targeted for authorities.

The capitalized R&D investments are related to the investments in developing Bittium Tough SDR™ software-defined radio-based tactical radio product family, further development of tactical communication networks, and development of medical technology products.

## R&D INVESTMENTS, (MEUR)

|   | 1-12 2023<br>12 months | 1-12 2022<br>12 months |
|---|------------------------|------------------------|
| <b>Total R&amp;D investments</b>                | 20.2                   | 22.3                   |
| Capitalized R&D investments                     | -7.2                   | -6.6                   |
| Depreciations and impairment of R&D investments | 5.6                    | 5.9                    |
| Cost impact on income statement                 | 18.6                   | 21.5                   |
| <b>R&amp;D investments, % of net sales</b>      | 26.9 %                 | 27.0 %                 |

## CAPITALIZED R&D INVESTMENTS IN BALANCE SHEET, MEUR

|  | 1-12 2023<br>12 months | 1-12 2022<br>12 months |
|--|------------------------|------------------------|
| Balance sheet value in the beginning of the period | 48.8                   | 48.1                   |
| Additions during the period                        | 7.2                    | 6.6                    |
| Depreciations and impairment of R&D investments    | -5.6                   | -5.9                   |
| Balance sheet value at the end of the period       | 50.5                   | 48.8                   |

On October 30, 2023, Bittium announced its updated strategy concerning years 2024 and 2025. In the strategy the company is seeking a change from a R&D organization to a customer-oriented, growth-oriented operating model through its segment organizations.

Between 2016 and 2023, the company's two Business Segments, Defense & Security and Medical, have invested strongly in the development of their own products. This has maintained the company's high average annual R&D investment level of around EUR 20 million, corresponding to an average of approximately 25 percent of the company's annual net sales. In both product-oriented Business Segments the large product development projects have proceeded into commercial phase. During the next two years period, these segments will now focus on continuous improvement of the competitiveness of existing products and development of features, which is the highly important to competitiveness in both Business Segments. In addition, the company will use development cooperation with other companies in its product development in the future.

## Personnel

The Bittium group employed an average of 601 people in January-December 2023 (641 employees). At the end of December 2023, the company had 526 employees (625 employees).

### Changes in the Company's Management

**Laura Kauppinen** (PhD. Psychology) was appointed as Chief Development Officer (CDO) of Bittium Corporation and a member of the management group as of June 1, 2023. In addition, her areas of responsibility include human resources, information management, operations including purchasing, logistics and production, as well as quality and environmental functions, and corporate technology

services. She reports to CEO Johan Westermarck. Laura Kauppinen has previously worked as a Chief Development Officer at Citec and in several group management positions for the past 20 years, e.g., Executive Vice President, Corporate Development and Administration at Maintpartner and Vice President, HR and Communications at Eltel.

**Antti Keränen** (M.Sc. Econ) was appointed as Chief Financial Officer (CFO) of Bittium Corporation and a member of the management group as of June 1, 2023. He reports to CEO Johan Westermarck. Keränen joins Bittium from the capital investment company Sentica Partners, where he has worked for almost 15 years and served as Investment Director for the last 9 years. Before this, he has worked in corporate finance positions at Kaupthing Bank.

**Pekka Kunnari**, CFO of Bittium Corporation and a member of the management team, decided to leave the company and continue his career outside Bittium. **Jari-Pekka Innanen**, Vice President, Engineering Services of Bittium Corporation, and a member of the management group, continued at Bittium in another assignment.

*As of June 1, 2023, Bittium Corporation's management group included the following persons: CEO Johan Westermarck (Chairman), CFO Antti Keränen, CLO Kari Jokela, Vice President, IR, Communications and Marketing Karoliina Malmi, CDO Laura Kauppinen, and the heads of business units: Jari Sankala (Defense & Security), Tommi Kangas (Connectivity Solutions) and Antti Näykki (Medical Technologies).*

On August 14, 2023, **Jari Sankala**, Senior Vice President, Defense & Security Business Unit of Bittium Corporation, and member of Bittium Corporation's management group, decided to leave the company and continue his career outside of Bittium. **Tommi Kangas** (Master of Engineering, machine automation), Senior Vice President, Connectivity Solutions Business Unit and a member of Bittium Corporation's management group took over to lead the Defense & Security Business Unit for the time being. While Kangas is focusing on the Defense & Security Business Unit, **Jari Inget** (MSc. Electrical Engineering) was appointed as the interim Vice President, Connectivity Solutions Business Unit. Inget represented the Connectivity Solutions Business Unit in Bittium Corporation's management group. Inget has a long history in the Connectivity Solutions Business Unit in various management positions, most recently as business director. Both Tommi Kangas and Jari Inget report to Johan Westermarck, CEO of Bittium Corporation.

*As of August 14, 2023, Bittium Corporation's management group included following persons: CEO Johan Westermarck (Chairman), CFO Antti Keränen, CLO Kari Jokela, Karoliina Malmi Vice President, Investor Relations, Communications and Marketing, CDO Laura Kauppinen, and the heads of business units: Antti Näykki, Senior Vice President, Medical Technologies; Tommi Kangas, Senior Vice President, Defense & Security (acting); and Jari Inget, Vice President, Connectivity Solutions (acting).*

On December 21, 2023, the company announced that the nominations announced on August 14, 2023, of **Tommi Kangas** as interim Head of the Defense & Security Business Segment and **Jari Inget** as interim Head of the Engineering Services Business Segment, are no longer temporary, as both continue heading their respective Business Segments and as members of Bittium Corporation's Management Group.

*As of December 21, 2023, Bittium Corporation's Management Group included CEO Johan Westermarck, CFO Antti Keränen, CLO Kari Jokela, Vice President, Communications and Sustainability Karoliina Malmi, CDO Laura Kauppinen, and the heads of the Business Segments: Antti Näykki, Senior Vice President, Medical Business Segment, Tommi Kangas, Senior Vice President, Defense & Security Business Segment, and Jari Inget, Vice President, Engineering Services Business Segment.*

## Changes in the Company's Management after the Review Period

**On January 24, 2024, Antti Näykki**, Senior Vice President, Medical Business Segment, Bittium Corporation (Engineer, Embedded Systems) was appointed as Vice President, Group Business Development as of February 1, 2024. He continues as a member of Bittium Corporation's management group. In this role, Näykki focuses on building Bittium's long-term growth. He is also responsible for the management of the group's research activities, supply chains and quality, as well as human resources and information management. Näykki was responsible for Bittium Corporation's business development during the years 2019–2021 and in his new role continues to advance the company's profitable growth strategy. Näykki reports to CEO Johan Westermarck.

**On January 24, 2024, Laura Kauppinen**, Bittium Corporation's Chief Development Officer (PhD, Psychology) was appointed as Senior Vice President, Medical Business Segment as of February 1, 2024. Kauppinen continues as a member of Bittium Corporation's management group. Kauppinen started at Bittium in June 2023 as Chief Development Officer, leading the group's strategy update and a significant change process with the target to turn Bittium into a healthy company. In her new role, Kauppinen focuses on implementing the updated strategy to enable profitable growth in the Medical business. Kauppinen reports to CEO Johan Westermarck.

As of February 1, 2024, Bittium Corporation's management group includes following persons: CEO Johan Westermarck (Chairman), CFO Antti Keränen, CLO Kari Jokela, Vice President Communications and Sustainability Karoliina Malmi, Vice President Group Business Development Antti Näykki, and the heads of Business Segments: Tommi Kangas, Senior Vice President, Defense & Security Business

Segment, Jari Inget, Vice President, Engineering Services Business Segment, and Laura Kauppinen, Senior Vice President, Medical Business Segment.

## Share and Share Capital

The shares of Bittium Corporation are quoted on Nasdaq Helsinki. The Company has one series of shares. All shares entitle their holders to dividends of equal value. Each share has one vote. The share does not have a nominal value. The Company's shares have been entered into the Euroclear Finland Ltd.'s book-entry securities system.

At the end of the financial period, the fully paid share capital of the Company entered into the Finnish Trade Register was EUR 12,941,269.00, and the total number of the shares was 35,702,264. The accounting par value of the Company's share is EUR 0.10. The Company does not have its own shares in its possession.

### Share Buy-Back Program

The Board of Directors of Bittium Corporation has decided on May 17, 2023, to launch a share buy-back program concerning Bittium's own shares based on the authorization to repurchase own shares granted by the Annual General Meeting held on April 12, 2023.

Acquisitions of own shares started on May 19, 2023, and ended on October 3, 2023. The repurchases of the own shares began on May 19, 2023, and ended on October 3, 2023. During that period, Bittium repurchased 240,000 of its own shares for the total value of EUR 980,112.00 and an average price per share EUR 4.0838. The shares were acquired at the market price quoted at the time of acquisition in trading organized by Nasdaq Helsinki Ltd on a regulated market. The shares acquired through the buy-back program are intended to be used for meeting obligations arising from share-based rewards to the Company's management under the Company's current and possible future incentive arrangements.

On December 31, 2023, Bittium held 216,146 treasury shares, which corresponds to around 0.61 percent of all the shares in the Company.

| MARKET VALUES OF SHARES (EUR)         | 1-12/2023 | 1-12/2022 |
|---------------------------------------|-----------|-----------|
|                                       | 12 months | 12 months |
| Highest                               | 5.20      | 6.08      |
| Lowest                                | 3.31      | 3.47      |
| Average                               | 4.22      | 4.71      |
| At the end of period                  | 4.81      | 3.98      |
| Market value of the stock (MEUR)      | 170.7     | 141.9     |
| Trading value of shares (MEUR)        | 17.0      | 44.0      |
| Number of shares traded (1.000 pcs)   | 4 021     | 9 346     |
| Related to average number of shares % | 11.3      | 26.2      |

### Incentive Systems

#### Management Share-Based Incentive Plan

On June 19, 2023, the Board of Directors of Bittium Corporation decided on the establishment of a new share-based long-term incentive scheme for the Company's management. It comprises a Performance Share Plan ("PSP"). The objectives of the PSP are to align the interests



of Bittium's management with those of the Company's shareholders and, thus, to promote shareholder value creation in the long term, to commit the management to achieving Bittium's strategic targets and the retention of Bittium's management.

The PSP consists of three annually commencing three-year performance share plans, PSP 2023-2025, PSP 2024-2026, and PSP 2025-2027, each with a one-year performance period, which is followed by the payment of the share reward and a two-year transfer restriction period. The commencement of the following two plans, PSP 2024-2026, and PSP 2025-2027, is, however, subject to a separate Board decision.

Eligible to participate in the first plan, PSP 2023-2025, are the members of Bittium's Management Group. The performance measure based on which the potential share reward under the first plan, PSP 2023-2025, will be paid is the revenue growth of Bittium. A precondition for the payment of the share reward is, in addition, that the employment relationship of the participant with Bittium continues at the time the reward is paid. The potential reward will be paid in shares of Bittium and in cash.

The aggregate maximum number of shares to be paid based on the whole PSP is 750,000 shares (gross before the withholding of the applicable taxes). The aggregate gross value of the plan, estimated based on the volume-weighted average quotation of Bittium's share during the year 2022, is approximately EUR 3.5 million.

More information about the share-based incentive system can be found on the company's website at <https://www.bittium.com>.

### A One-Off Matching Share Plan for the CEO of Bittium Corporation

On April 27, 2023, the Board of Directors of Bittium Corporation decided on the establishment of a one-off fixed Matching Share Plan for the Chief Executive Officer (CEO) of Bittium. The aim of the Plan is through share ownership to align the interests of the CEO with those of the company's shareholders and to promote shareholder value creation in the long term as well as the retention of the CEO with the company.

The fixed Matching Share Plan was a one-off plan, in which the CEO was expected to purchase shares of Bittium Corporation with at least the value of 200,000 euros at a price formed in public trading on Nasdaq Helsinki. The shares were purchased after the publication date of Bittium Corporation's Business Review January-March 2023. Bittium Corporation matched the share investment by way of the CEO received matching shares without consideration with a net value of 100,000 euros. The matching shares were paid in listed shares of Bittium Corporation. In addition to the matching shares, the company paid the payroll tax and other taxes and tax-like charges payable in connection with the Plan. Based on the current value of the company's share the estimated aggregate number of matching shares to be delivered under the Plan was approximately 25,000 shares. The matching shares received by the CEO based on the Plan will be subject to a transfer restriction (lock-up) of three years.

On June 1, 2023, Bittium Corporation announced that it had transferred a total of 23,854 of its own shares held by the company free of charge as a share bonus to the company's CEO based on a fixed-amount additional share program. The transfer of own shares was carried out as a directed free share issue decided by Bittium Corporation's Board of Directors. The Board's decision was based on the share issuance authorization given by the annual general meeting on April 12, 2023.

### Other Incentive Systems

In addition, the company has a **performance bonus system**, the reward of which is paid based on the achievement of goals, as well as a **profit-sharing plan**, which applies to all personnel, excluding those covered by other short-term bonus systems.

### Shareholders

#### Largest Shareholders, December 29, 2023

|   | Number of<br>shares | % of<br>shares |
|---|---------------------|----------------|
| 1. Veikkolainen Erkki                         | 1 822 112           | 5,1 %          |
| 2. Ponato Oy                                  | 1 501 300           | 4,2 %          |
| 3. Hulkko Juha                                | 1 419 370           | 4,0 %          |
| 4. Mutual Pension Insurance Company Varma     | 1 365 934           | 3,8 %          |
| 5. Mutual Pension Insurance Company Ilmarinen | 1 296 529           | 3,6 %          |

|   |         |       |
|---|---------|-------|
| 6. Investment Fund Taaleritehdas Mikro Markka | 700 000 | 2,0 % |
| 7. Skandinaviska Enskilda Banken AB           | 698 499 | 2,0 % |
| 8. Hilden Kai Jalmari                         | 658 000 | 1,8 % |
| 9. Citibank Europe PLC                        | 592 844 | 1,7 % |
| 10. Mutual Pension Insurance Company Elo      | 503 000 | 1,4 % |

At the end of December 2023, Bittium Corporation had 22,030 shareholders. The ten largest shareholders owned 29.6 percent of the shares. Private ownership was 69.6 percent. The percentage of foreign and nominee-registered shareholders was 4.0 percent at the end of December 2023.

### Flagging Notifications

During the review period, there were no changes related to ownership relationships that would have led to the notification obligation required by Section 2:9 of the Securities Market Act, i.e., the so-called flagging notification.

## Decisions of the Annual General Meeting 2023

The Annual General Meeting of Bittium Corporation was held on April 12, 2023, at 1:00 pm (CEST+1) at the University of Oulu, Saalastinsali, Pentti Kaiteran katu 1, 90570 Oulu, Finland. The Annual General Meeting approved the annual accounts and the consolidated financial statements for the year 2022, discharged the company's members of the Board of Directors and the CEO from liability for the financial year ended December 31, 2022, and gave an advisory resolution on the approval of the remuneration report for governing bodies. The Annual General Meeting supported all the proposals of the Board of Directors and the three largest shareholders, in accordance with the notice to the Meeting.

### Use of the Profits Shown on the Balance Sheet and Authorizing the Board of Directors to Decide on the Distribution of Dividend

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided that, based on the balance sheet for the financial year January 1, 2022 – December 31, 2022, a dividend of EUR 0.05 per share will be distributed. The dividend was paid to a shareholder who, on the record date for the dividend payment, April 14, 2023, was registered in the company's shareholders' register maintained by Euroclear Finland Ltd. The dividend was paid on April 21, 2023. All the shares in the company were entitled to the dividend, except for own shares possibly held by the company on the dividend record date.

### Election and Remuneration of the Members of the Board of Directors

The Annual General Meeting decided that the Board of Directors shall comprise five (5) members. Mr. Erkki Veikkolainen, Ms. Riitta Tiuraniemi, Mr. Veli-Pekka Paloranta, Mr. Petri Toljamo, and Mr. Pekka Kemppainen were re-elected as members of the Board of Directors for a term of office expiring at the end of the next Annual General Meeting.

The Annual General Meeting resolved that the following monthly remuneration will be paid to the members of the Board of Directors: to the Chairman of the Board of Directors EUR 3,150 and to the other members of the Board of Directors EUR 1,800 each. In addition, the members of the Board of Directors are entitled to a fee for attending Board meetings as follows: Chairman of the Board EUR 875 per meeting and other members of the Board of Directors EUR 500 per meeting. In addition, the members of the Board of Directors are entitled to a fee for attending the meetings of the Board committees as follows: the Chairman of the Committee EUR 600 per meeting and the other members of the Committee EUR 400 per meeting. Travel expenses of the members of the Board of Directors shall be reimbursed in accordance with the company's travel policy.

50 percent of the total monthly remuneration of the members of the Board of Directors will be paid in a single instalment in Bittium Corporation's shares to be purchased at a price formed in public trading or through a share issue or in special circumstances, if for some reason the remuneration cannot be paid in shares, entirely in cash. The shares will be acquired according to the share purchase program of

the company. A member of the Board of Directors may not transfer the shares received as remuneration before his/her membership in the Board of Directors has ended.

At its organizing meeting held on April 12, 2023, the Board of Directors elected Mr. Erkki Veikkolainen as the Chairman of the Board of Directors. Further, the Board of Directors resolved that it will continue to have an Audit Committee. Ms. Riitta Tiuraniemi (Chairman of the Committee), Mr. Petri Toljamo, and Mr. Veli-Pekka Paloranta were elected as members of the Audit Committee.

#### **Election and Remuneration of the Auditor**

Ernst & Young Oy, authorized public accountants, was re-elected auditor of the company for a term of office ending at the end of the next Annual General Meeting. Ernst & Young Oy has notified that Mr. Jari Karppinen, APA, will act as the principal auditor. It was decided that the remuneration to the auditor shall be paid against the auditor's reasonable invoice.

#### **Authorizing the Board of Directors to Decide on the Repurchase of the Company's own Shares**

The General Meeting authorized the Board of Directors to decide on the repurchase of the company's own shares as follows.

The number of own shares to be repurchased shall not exceed 3,500,000 shares, which corresponded to approximately 9.80 percent of all the shares in the company as at the date of the General Meeting. Based on the authorization, the company's own shares may only be repurchased with unrestricted equity. The company's own shares may be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors decides how the shares will be repurchased. Among other things, derivatives may be used in the acquisition. Own shares may be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

The authorization revokes the authorization given by the Annual General Meeting on April 6, 2022, to decide on the repurchase of the company's own shares.

The authorization is valid until June 30, 2024.

#### **Authorizing the Board of Directors to Decide on the Issuance of Shares as well as the Issuance of Special Rights Entitling to Shares**

The General Meeting authorized the Board of Directors to decide on the issuance of shares and special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act as follows.

The number of shares to be issued based on the authorization shall not exceed 3,500,000 shares in total, which corresponded to approximately 9.80 percent of all the shares in the company as at the date of the General Meeting. The Board of Directors decides on all the terms and conditions of the issuance of shares and special rights entitling to shares. The authorization concerns both the issuance of new shares and the transfer of the company's own shares. The issuance of shares and special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive subscription rights (directed issue).

The authorization revokes the authorization given by the Annual General Meeting on April 6, 2022, to decide on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act.

The authorization is valid until June 30, 2024.

## **Proposal by the Board of Directors on the Use of the Profit Shown on the Balance Sheet and the Payment of the Dividend**

---

On December 31, 2023, the parent company's distributable funds were EUR 116,314,733.29, of which the profit for the financial year is EUR 880,995.75. The Board of Directors proposes to the Annual General Meeting to be held on April 10, 2024, that a dividend of EUR 0.03 per share be paid based on the balance sheet to be adopted for the financial year ended December 31, 2023. The dividend will be paid to a shareholder who, on the record date for the dividend payment, on April 12, 2024, is registered in the shareholders' register maintained by Euroclear Finland Ltd. The Board of Directors proposes that the dividend payment date be April 19, 2024.

The Board of Directors furthermore proposes that the Annual General Meeting would authorize the Board of Directors to decide, at its discretion, on the payment of an extraordinary dividend of EUR 0.03 per share, by October 31, 2024. The Board of Directors expects that this discretionary extraordinary dividend will be paid, unless there is a significant deterioration in the business environment during 2024. The company will publish any possible decisions on dividend payment by the Board of Directors separately, and simultaneously confirm the dividend record and payment dates.

Bittium Corporation follows a dividend policy that takes into account the Corporation's net income, financial status, need for capital, and financing of growth.

## Significant Events after the Reporting Period

---

On January 24, 2024, Antti Näykki, Senior Vice President, Medical Business Segment, Bittium Corporation (Engineer, Embedded Systems) was appointed as Vice President, Group Business Development as of February 1, 2024. He continues as a member of Bittium Corporation's management group. In this role, Näykki focuses on building Bittium's long-term growth. He is also responsible for the management of the group's research activities, supply chains and quality, as well as human resources and information management. Näykki reports to CEO Johan Westermarck.

Laura Kauppinen, Bittium Corporation's Chief Development Officer (PhD, Psychology) was appointed as Senior Vice President, Medical Business Segment as of February 1, 2024. Kauppinen continues as a member of Bittium Corporation's management group. Kauppinen focuses on implementing the updated strategy to enable profitable growth in the Medical business. Kauppinen reports to CEO Johan Westermarck.

As of February 1, 2024, Bittium Corporation's management group includes following persons: CEO Johan Westermarck (Chairman), CFO Antti Keränen, CLO Kari Jokela, Vice President Communications and Sustainability Karoliina Malmi, Vice President Group Business Development Antti Näykki, and the heads of Business Segments: Tommi Kangas, Senior Vice President, Defense & Security Business Segment, Jari Inget, Vice President, Engineering Services Business Segment, and Laura Kauppinen, Senior Vice President, Medical Business Segment.

On January 31, 2024, following the recommendation of the Audit Committee, Bittium Corporation's Board of Directors proposes to the Annual General Meeting to be held on April 10, 2024, that, based on the competitive tendering of the audit, the audit firm PricewaterhouseCoopers Oy be appointed as the Company's auditor for the financial year 2024. If PricewaterhouseCoopers Oy is selected as the auditor of the Bittium Corporation, Sami Posti, Authorized Public Accountant, will act as the principal auditor, as stated by the firm. PricewaterhouseCoopers Oy will also serve as the assurance provider for the Bittium Corporation's sustainability reporting for the financial year 2024.

## Risks and Uncertainties

---

Bittium has identified several business, market, and finance-related risk factors and uncertainties that can affect the level of sales and profits.

Russia's war of aggression against Ukraine and the subsequent global geopolitical instability combined with high inflation, increased interest rates, challenges in supply chains and problems in the European energy market have caused various risks related to demand and supply and increased uncertainty.

The global disruption in the availability of electronic components and their price development caused changes in the company's ability to deliver products to its customers still in the beginning of 2023. The company continues to monitor the development of the situation and actively strives to ensure the availability of components required for product deliveries.

### Market Risks

The global economic uncertainty may affect the demand for Bittium's services, solutions, and products and provide pressure on, e.g., pricing. In the short term, such uncertainty may affect, in particular, the utilization and chargeability levels and average hourly prices of

R&D services. Growing political uncertainty may also affect the demand for Bittium's services, solutions, and products and the price competitiveness in the different geographical areas. Bittium is also increasingly exposed to legal, economic, political, and regulatory risks related to the countries in which its suppliers and other cooperation partners are located. Such risks may result in delays in deliveries or in situations where there will be no orders in the forecast quantities, currency losses, elevated costs, or litigations and related costs.

As Bittium's customer base includes, among others, companies operating in the field of telecommunication, defense, and other authorities, as well as companies delivering products to them and companies operating in the healthcare sector, the company is exposed to market changes in these industries.

A significant part of Bittium's net sales accumulate from selling products and R&D services to defense and other authorities, as well as companies delivering products to them. Deviation in anticipated business development with such customer concentrations may translate as a significant deviation in Bittium's outlook, both in terms of net sales and operating result, during the ongoing financial period and thereafter.

Bittium seeks to expand its customer base in the longer term and reduce dependence on individual companies, and hence the company would thereby be mainly affected by the general business climate in the industries of the companies belonging to Bittium's customer base instead of the development of individual customer relationships. The more specific market outlook has been presented in this report in the "Market outlook" section.

## Business Related Risks

Bittium's operative business risks are mainly related to the following items: uncertainties and short visibility on customers' product program decisions, their make or buy decisions and, on the other hand, their decisions to continue, downsize or terminate current product programs, execution and management of large customer projects, ramping up and down project resources, availability of personnel in labor markets, accessibility on commercially acceptable terms and, on the other hand, successful utilization of the most important technologies and components, competitive situation and potential delays in the markets, timely closing of customer and supplier contracts with reasonable commercial terms, delays in R&D projects, a realization of expected return on capitalized R&D investments, obsolescence of inventories and technology risks in product development causing higher than planned R&D costs, and risks related to the ramp-up of product manufacturing. Revenues expected to come from either existing or new products and customers include normal timing risks. Bittium has certain significant customer projects, and deviation in their expected continuation could also result in significant deviations in the company's outlook. In addition, there are typical industry warranty and liability risks involved in selling Bittium's services, solutions, and products.

Bittium's product delivery business model faces such risks as high dependency on actual product volumes, timing risks, and potential delays in the markets. The above-mentioned risks may manifest themselves as lower amounts of products delivered or higher costs of production, and ultimately, as lower profit. Bringing Bittium's products to international defense and other authorities' markets may take longer than anticipated because the projects are typically long, and the purchasing programs are prepared in the lead of national governments and within the available financing. Once a supplier has been selected, product deliveries are typically executed over several years. Access to the medical device market requires and may be delayed due to required regulatory approvals.

Some of Bittium's businesses operate in industries that are heavily reliant on patent protection and therefore face risks related to the management of intellectual property rights, on the one hand, related to accessibility on commercially acceptable terms of certain technologies in Bittium's products and services, and on the other hand, related to an ability to protect technologies that Bittium develops or licenses from others from claims that third parties' intellectual property rights are infringed. Additionally, parties outside of the industries operate actively to protect and commercialize their patents and therefore in their part increase the risks related to the management of intellectual property rights. At worst, claims that third parties' intellectual property rights are infringed could lead to substantial liabilities for damages. In addition, the progress of the customer projects and delivery capability may also be affected by potential challenges in global accessibility of key technologies and components on commercially acceptable terms, as well as by the acceptance of the necessary export licenses. The company changed its name to Bittium Corporation on July 1, 2015, and started using the new trademark. The registration and the use of the new trademark can include customary risks involved when taking a new trademark into use.

## Financing Risks

Global economic uncertainty may lead to payment delays, increase the risk of credit losses, and weaken the availability and terms of financing, including increased interest rates. To fund its operations, Bittium relies mainly on income from its operative business and may

from time to time seek additional financing from selected financial institutions. Bittium has a EUR 20.0 million senior loan and EUR 10.0 million committed overdraft credit facility agreement with Nordea Bank Plc. The maturity date for the senior loan is May 24, 2024, and the credit limit agreement is valid until May 24, 2024. Bittium has EUR 10.0 million committed overdraft credit facility agreement with OP Corporate Bank Plc valid until September 30, 2025. The company has started negotiations to arrange refinancing for financial instruments maturing on May 24, 2024.

These agreements include customary covenants related to, among other things, equity ratio, transferring property, and pledging. There is no assurance that additional financing will not be needed in case of investments, networking capital needs, or clearly weaker than expected development of Bittium's businesses. Customer dependency in some parts of Bittium's business may translate as an accumulation of risk with respect to outstanding receivables and ultimately with respect to credit losses.

## Sustainability and Corporate Responsibility

---

Bittium is committed to responsible and sustainable business through its sustainability program. The sustainability program is based on the company's strategy, values, stakeholders' expectations, and megatrends in the operating environment. General uncertainty in the world has grown significantly over the last few years, creating constant uncertainty in the market. In such a time, responsibility and safety are important values in all activities.

Bittium focuses on three central themes in its sustainability work: personnel, customers and information security, and the environment. Ethical principles and responsible business practices are the basis of all activities. Sustainability is part of Bittium's organizational culture and way of working. The company identifies and manages liability-related risks as part of the company's risk management, which emphasizes the role of the company's management team and the Board of Directors in implementing measures in daily operations.

The company has started preparing for EU sustainable development reporting. In response to the effects of the CSRD (Corporate Sustainable Reporting Directive) regarding product-specific information, the company has developed environmental information management during the whole product's life cycle. This helps to prepare for future life cycle data reporting requirements, for example, for the digital product passport. In 2024, the company will carry out a double materiality assessment, based on which the company will update its sustainability program.

Bittium's Sustainability Report 2023 will be published as part of the Annual Report on March 20, 2024. The company will start sustainability reporting in accordance with the requirements of the new CSRD standards from January 1, 2024.

More information about Bittium's sustainability can be found on the company's internet pages at [www.bittium.com](http://www.bittium.com).

## Market Outlook

---

Bittium's customers operate in various industries, each having its own industry-specific factors driving the demand. A common factor creating demand among the whole customer base is the growing need for higher quality and secure data transfer. Due to the technology competencies accrued over time and the long history of developing mobile communication solutions, Bittium is in a good position to offer customized connectivity solutions to its customers. Over thirty years of experience and extensive competence in measuring biosignals also act as a basis for medical technology solutions.

The world's geopolitical situation, problems in logistics chains, inflation and deteriorating economic development create uncertainty in the market outlook.

The factors affecting the demand for Bittium's products and services are described below:

### Defense, Public Safety, and Information Security Markets

- In the defense market's tactical communications sector, the governments' defense forces and other authorities need networks that troops, who are more and more constantly on the move, can use and transfer growing amounts of data securely. This

creates demand for Bittium Tactical Wireless IP Network™ (TAC WIN) broadband network, Bittium Tough SDR™ handheld and vehicular radios, and for other Bittium's IP-based (Internet Protocol) tactical communication solutions that fulfill the needs of data transfer of moving troops and individual soldiers.

- Russia's war of aggression against Ukraine has also increased the defense budgets of various countries and has had a favorable effect on demand in the defense market. In the first phase, the increased defense appropriations have been allocated mainly to consumables. In the future, the increased budgets will also be aimed at the modernization and development projects of the defense forces of different countries, which may have a positive effect on the demand for Bittium's tactical communication solutions.
- Finland's NATO membership is expected to have a positive effect on the demand for Bittium's defense and official products, especially among NATO member countries.
- Bittium continues its efforts to export tactical communications' products to international markets and aims to get new international customers during 2024. The long sales cycles of the defense industry affect sales development and forecasting.
- The use of LTE technology, smartphones, and applications continue to increase in special verticals, such as public safety, creating demand for Bittium Tough Mobile™ secure smartphone and other customized special terminals based on Bittium's own product platform, as well as for secure software solutions. The awareness of mobile security risks is growing, and the interest in secure mobile devices and software solution is increasing. The sales of secure terminal products are expected to develop moderately according to the nature of public safety markets.

## Telecommunication and Digitalization

- In mobile telecommunications, the implementation of 5G is accelerating. There is a wide range of frequencies allocated for the 5G technology, thus creating the need to develop multiple products to cover the market and creating demand for R&D services for the development of product variants. Different needs for satellite communication solutions increase the demand for Bittium's product development know-how with the addition of new players to the traditional supplier network. The demand for Bittium's R&D services is also increased by the need to develop new devices utilizing 5G technology.
- As digitalization evolves, secure IoT (Internet of Things) has become a significant development area in almost every industry. The increasing need for companies to digitalize their operations, collect data wirelessly, and transfer it to the internet and cloud services generate a need for Bittium's services and customized solutions. To this end, the market needs secure devices, for both demanding industrial and leisure applications, which collect information from the sensors used by the device and create a reliable wireless connection to the Internet and cloud services. The deployment of 5G and IoT radio technologies are expanding, and the number of digitalized devices increases continuously. The devices will also feature new and more advanced features that will create demand for design services. Therefore, the integration of different systems and technologies plays an important role in enabling complete digitalization services. There are several learning systems and devices under development that use different kinds of artificial intelligence (AI) technologies to ease and speed up the processing of large data amounts.
- Focusing the R&D work of Western companies to Europe, can be seen as an increase in demand for Bittium's R&D services, especially in terms of device design.
- Demand for R&D services is affected by customers' cost-saving pressures in various industry segments.

## Medical ECG, EEG, and Sleep Apnea Remote Monitoring Market

- The medical technology market is undergoing significant development in patient care, especially outside hospitals. There is an increasing focus on the prevention of diseases and health problems through early diagnosis and the discharge of patients at an earlier stage to reduce hospital and treatment days. These actions significantly increase efficiency in health care processes and lower costs.
- A prerequisite for early hospital discharge is the enabling of accurate and precise follow-up and measurement opportunities in home conditions, which would be enabled through remote monitoring. Remote monitoring and remote diagnostics also enable specialists' diagnoses regardless of time and place. Also, evolving artificial intelligence-based algorithms become more common in supporting physicians in making diagnoses. Remote monitoring and remote diagnostics make it possible and faster to obtain more accurate diagnoses, which, in turn, speeds up the start of the right kind of treatment. The market change will enable several new providers to join the overall care service chain, without compromising the quality of specialist services.

- For measuring biosignals, as well as remote monitoring and diagnostics, Bittium provides its Bittium Faros™ product family for remote ECG monitoring, Bittium BrainStatus™ for measuring the electrical activity of the brain, home sleep apnea test solution Bittium Respiro™, and different kinds of diagnostics software offered by Bittium.
- Regulation by the authorities has a strong role in bringing medical devices to the market. The requirements vary for different countries and the processes are long-term. Bittium has several regulatory approvals for its medical devices in progress in different countries. The company has achieved medical device approval of the new MDR standard level in the EU region for the Bittium Respiro™ product family that measures sleep apnea. Bittium has also applied for a medical device sales license for the Respiro product family from the US Food and Drug Administration (FDA). The schedule is affected by additional clinical studies determined by the FDA authority. The estimated duration of the additional work is at least one year.

## Financial Calendar 2024

---

In 2024, Bittium Corporation will publish financial reports for half a year and the entire financial year and business reviews for the reporting periods January-March and January-September. The structure of the business reviews is lighter than the structure of financial reports.

- Financial Statement Bulletin 2023: February 9, 2024, at 8.00 am (CET+1)
- Business Review January-March 2024: April 26, 2024, at 8.00 am (CET+1)
- Half Year Financial Report January-June 2024: August 9, 2024, at 8.00 am (CEST+1)
- Business Review January-September 2024: October 18, 2024, at 8.00 am (CET+1)

Bittium Corporation will publish the 2023 Annual Report including the Financial Statements, Report by the Board of Directors, and Auditor's Report, as well as Corporate Governance Statement and Sustainability Report on March 20, 2024.

The actual general meeting is planned to be held on Wednesday, April 10, 2024, at 1:00 pm (CET+1). Materials related to the general meeting are compiled on Bittium's website.

## Invitation to a Press Conference

---

Bittium will hold a webcast regarding the Financial Statements 2023 for media, analysts, and institutional investors on Friday, February 9, 2024, at 9.00 am (CET+1). The conference will be held in English.

Link to the webcast: <https://bittium.videosync.fi/q4-2023>

Recording the webcast and the presentation will be available after the conference on Bittium's website at [www.bittium.com/investors](http://www.bittium.com/investors).

Oulu, February 9, 2024

Bittium Corporation  
The Board of Directors

### Further Information:

Johan Westermarck  
CEO  
Tel. +358 40 344 2789 (group communications)

Karoliina Malmi  
Vice President, Communications & Sustainability  
Tel. +358 40 344 2789



**Distribution:**

Nasdaq Helsinki

Major media

## Bittium Corporation Condensed Financial Statements and Notes January – December 2023

The consolidated financial statement has been prepared in accordance with International Financial Reporting Standards (IFRS). The Financial Statement of 2023 has been audited and the auditing report has been dated on February 9, 2024.

| <b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MEUR)</b>           | <b>1-12/2023</b> | <b>1-12/2022</b> |
|--|------------------|------------------|
| <b>Continuing operations</b>   | <b>12 months</b> | <b>12 months</b> |
| NET SALES  | 75.2             | 82.5             |
| Other operating income   | 3.1              | 2.7              |
| Work performed by the undertaking for its own purpose and capitalized  | 0.3              | 0.5              |
| Raw materials  | -20.2            | -20.2            |
| Personnel expenses   | -39.1            | -39.5            |
| Depreciation   | -9.5             | -10.7            |
| Other operating expenses   | -14.2            | -14.8            |
| Share of results of the associated companies                           | 0.0              | -0.2             |
| <b>OPERATING PROFIT (LOSS)</b>   | <b>-4.3</b>      | <b>0.3</b>       |
| Financial income and expenses  | -1.0             | -0.8             |
| <b>PROFIT BEFORE TAX</b>   | <b>-5.3</b>      | <b>-0.4</b>      |
| Income tax   | -0.2             | 0.7              |
| <b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>                | <b>-5.4</b>      | <b>0.3</b>       |
| <b>Discontinued operations</b>   |                  |                  |
| Profit for the year from discontinued operations                       |                  |                  |
| <b>PROFIT FOR THE PERIOD</b>   | <b>-5.4</b>      | <b>0.3</b>       |
| <b>Other comprehensive income:</b>                                     |                  |                  |
| Items that may be reclassified subsequently to the statement of income |                  |                  |
| Exchange differences on translating foreign operations                 | -0.1             | 0.2              |
| Other comprehensive income for the period total                        | -0.1             | 0.2              |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                       | <b>-5.5</b>      | <b>0.5</b>       |
| Profit for the year attributable to                                    |                  |                  |
| Equity holders of the parent   | -5.4             | 0.3              |
| Total comprehensive income for the period attributable to              |                  |                  |

|   |        |        |
|---|--------|--------|
| Equity holders of the parent  | -5.5   | 0.5    |
| Earnings per share from continuing operations, EUR                  |        |        |
| Basic earnings per share  | -0.153 | 0.007  |
| Diluted earnings per share  | -0.153 | 0.007  |
| Earnings per share from discontinued operations, EUR                |        |        |
| Basic earnings per share  |        |        |
| Diluted earnings per share  |        |        |
| Earnings per share from continuing and discontinued operations, EUR |        |        |
| Basic earnings per share  | -0.153 | 0.007  |
| Diluted earnings per share  | -0.153 | 0.007  |
| Average number of shares, 1000 pcs                                  | 35 609 | 35 702 |
| Average number of shares, diluted, 1000 pcs                         | 35 609 | 35 702 |

| <b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR)</b> | <b>Dec 31,<br/>2023</b> | <b>Dec 31,<br/>2022</b> |
|--|-------------------------|-------------------------|
| <b>ASSETS</b>  |                         |                         |
| Non-current assets   |                         |                         |
| Property, plant, and equipment                             | 18.2                    | 19.7                    |
| Goodwill   | 5.8                     | 5.8                     |
| Intangible assets  | 51.2                    | 50.1                    |
| Other financial assets                                     | 1.2                     | 1.1                     |
| Other long-term receivables                                | 0.7                     | 0.9                     |
| Deferred tax assets  | 7.4                     | 7.4                     |
| Non-current assets total                                   | 84.6                    | 85.0                    |
| Current assets   |                         |                         |
| Inventories  | 26.6                    | 24.2                    |
| Trade and other receivables                                | 38.1                    | 41.4                    |
| Financial assets at fair value through profit or loss      | 0.0                     | 5.7                     |
| Cash and short-term deposits                               | 8.3                     | 13.3                    |
| Current assets total                                       | 73.1                    | 84.6                    |
| <b>TOTAL ASSETS</b>  | <b>157.7</b>            | <b>169.7</b>            |
| <b>EQUITY AND LIABILITIES</b>                              |                         |                         |
| Equity attributable to equity holders of the parent        |                         |                         |
| Share capital  | 12.9                    | 12.9                    |
| Invested non-restricted equity fund                        | 26.0                    | 26.0                    |
| Translation difference                                     | 1.3                     | 1.3                     |

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| Retained earnings                     | 67.4         | 75.6         |
| Total equity                          | 107.6        | 115.8        |
| Non-current liabilities               |              |              |
| Deferred tax liabilities              | 0.1          | 0.2          |
| Provisions                            |              |              |
| Interest-bearing liabilities          | 1.5          | 21.3         |
| Other non-current liabilities         | 0.2          | 0.2          |
| Advances received                     |              |              |
| Non-current liabilities total         | 1.8          | 21.7         |
| Current liabilities                   |              |              |
| Trade and other payables              | 22.4         | 26.4         |
| Provisions                            | 4.8          | 4.7          |
| Interest-bearing loans and borrowings | 21.1         | 1.1          |
| Current liabilities total             | 48.3         | 32.2         |
| Total liabilities                     | 50.1         | 53.9         |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>157.7</b> | <b>169.7</b> |

| <b>CONSOLIDATED STATEMENT OF CASH FLOWS (MEUR)</b> | <b>1-12/2023</b> | <b>1-12/2022</b> |
|--|------------------|------------------|
|  | <b>12 months</b> | <b>12 months</b> |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>         |                  |                  |
| Profit for the year from continuing operations     | -5.4             | 0.3              |
| Profit for the year from discontinued operations   |                  |                  |
| Adjustment of accrual basis items                  | 10.6             | 11.5             |
| Change in net working capital                      | -3.0             | -2.9             |
| Interest paid on operating activities              | -1.4             | -0.9             |
| Interest received from operating activities        | 0.5              | 0.1              |
| Income taxes paid                                  | -0.1             | -0.0             |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>          | <b>1.2</b>       | <b>8.0</b>       |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>         |                  |                  |
| Acquisition of business unit, net of cash acquired |                  |                  |
| Purchase of property, plant and equipment          | -0.3             | -1.0             |
| Purchase of intangible assets                      | -7.4             | -7.1             |
| Purchase of investments/associated companies       |                  |                  |
| Sale of property, plant and equipment              |                  |                  |
| Sale of intangible assets                          |                  |                  |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>          | <b>-7.7</b>      | <b>-8.0</b>      |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>         |                  |                  |

|  |             |             |
|--|-------------|-------------|
| Borrowings                                       |             |             |
| Repayment of borrowing                           |             |             |
| Payment of finance liabilities                   | -1.3        | -1.4        |
| Dividend paid and repayment of capital           | -1.8        | -1.4        |
| Purchases of own shares                          | -1.0        | -0.1        |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>        | <b>-4.2</b> | <b>-3.0</b> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS          | -10.7       | -3.0        |
| Cash and cash equivalents at beginning of period | 19.0        | 22.0        |
| Cash and cash equivalents at end of period       | 8.3         | 19.0        |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (MEUR)

A = Share capital

B = Invested non-restricted equity fund

C = Translation difference

D = Retained earnings

E = Non-controlling interests

F = Total equity

|  | A    | B    | C   | D    | E | F     |
|--|------|------|-----|------|---|-------|
| Shareholders equity on Jan. 1, 2022                    | 12.9 | 26.0 | 1.1 | 76.8 |   | 116.8 |
| Comprehensive income for the period                    |      |      |     |      |   |       |
| Profit for the period                                  |      |      |     | 0.3  |   | 0.3   |
| Exchange differences on translating foreign operations |      |      | 0.2 |      |   | 0.2   |
| Total comprehensive income for the period              |      |      | 0.2 | 0.3  |   | 0.5   |
| Transactions between the shareholders                  |      |      |     |      |   |       |
| Distribution of dividends                              |      |      |     | -1.4 |   | -1.4  |
| Purchases of own shares                                |      |      |     | -0.1 |   | -0.1  |
| Share-related compensation                             |      |      |     | 0.1  |   | 0.1   |
| Total transactions between the shareholders            |      |      |     | -1.5 |   | -1.5  |
| Other changes  |      |      |     | -0.0 |   | -0.0  |
| Shareholders equity on Dec. 31, 2022                   | 12.9 | 26.0 | 1.3 | 75.6 |   | 115.8 |

|  | A    | B    | C    | D    | E | F     |
|--|------|------|------|------|---|-------|
| Shareholders equity on Jan. 1, 2023                    | 12.9 | 26.0 | 1.3  | 75.6 |   | 115.8 |
| Comprehensive income for the period                    |      |      |      |      |   |       |
| Profit for the period                                  |      |      |      | -5.4 |   | -5.4  |
| Exchange differences on translating foreign operations |      |      | -0.1 |      |   | -0.1  |
| Total comprehensive income for the period              |      |      | -0.1 | -5.4 |   | -5.5  |
| Transactions between the shareholders                  |      |      |      |      |   |       |
| Distribution of dividends                              |      |      |      | -1.8 |   | -1.8  |
| Purchases of own shares                                |      |      |      | -1.0 |   | -1.0  |
| Share-related compensation                             |      |      |      | 0.2  |   | 0.2   |
| Total transactions between the shareholders            |      |      |      | -2.7 |   | -2.7  |
| Other changes  |      |      |      | -0.0 |   | -0.0  |
| Shareholders equity on Dec. 31, 2023                   | 12.9 | 26.0 | 1.3  | 67.4 |   | 107.6 |

## NOTES TO FINANCIAL STATEMENTS

### ACCOUNTING PRINCIPLES FOR THE FINANCIAL STATEMENT:

The consolidated financial statement has been prepared in accordance with International Financial Reporting Standards (IFRS).

### ALTERNATIVE PERFORMANCE MEASURES

In addition to the key ratios defined in the IFRS standards, Bittium may use some alternative performance measures in the financial reporting.

IAS 1 Presentation of Financial Statements standard does not specify the concept of operating profit. Bittium has defined the operating profit as follows: The operating profit is the net of turnover added with other operating income, subtracted with the raw materials and external services, adjusted with the change in stocks and work performed by the undertaking for its own purpose, subtracted with the personnel expenses, depreciation, and possible reductions in value as well as other business expenses. All other items are presented below the operating profit. The share of profits in associated companies, currency changes and changes in derivative instruments are included in the operating profit if they arise from the business; otherwise, they are presented in the financial income and expenses.

The definitions of the other common alternative performance measures are listed below.

EBITDA = Operating profit + depreciations

Net gearing % = 
$$\frac{\text{Interest-bearing liabilities - cash and deposits and short-term investments} \times 100}{\text{Total equity}}$$

Equity per share = Equity attributable to equity holders of the parent  
Share issue adjusted number of the shares at the end of the period

## SEGMENT-INFORMATION (MEUR)

Bittium Corporation does not have segments that require reporting according to IFRS 8 standard.

| NET SALES OF GEOGRAPHICAL AREAS (MEUR) | 1-12/2023 | 1-12/2022 |
|--|-----------|-----------|
|  | 12 months | 12 months |
| Net sales                              |           |           |
| Europe                                 | 53.5      | 57.9      |
| Americas                               | 20.9      | 23.3      |
| Asia                                   | 0.9       | 1.3       |
| Net sales total                        | 75.2      | 82.5      |

| RELATED PARTY TRANSACTIONS   | 1-12/2023 | 1-12/2022 |
|--|-----------|-----------|
|  | 12 months | 12 months |
| Employee benefits for key management and stock options expenses total, continuing operations | 1.8       | 1.6       |

## SHARE-BASED REMUNARATION OF THE MANAGEMENT

The Board of Directors of Bittium Corporation has decided on the establishment of a one-off fixed Matching Share Plan for the Chief Executive Officer (CEO) of Bittium. The fixed Matching Share Plan is a one-off plan, in which the CEO is expected to purchase shares of Bittium Corporation with at least the value of 200,000 euros at a price formed in public trading on Nasdaq Helsinki. Bittium Corporation will match the share investment by way of the CEO receiving matching shares without consideration with a net value of 100,000 euros. The matching shares will be paid in listed shares of Bittium Corporation. The matching shares received by the CEO based on the Plan will be subject to a transfer restriction (lock-up) of three years.

|   |           |
|---|-----------|
| Form of the reward                        | Shares    |
| Payment date                              | 1.6.2023  |
| Total expenses of the reward, EUR million | 0.1       |
| Execution                                 | In shares |

The Board of Directors of Bittium Corporation has decided on the establishment of a new share-based long-term incentive scheme for the Company's management. It comprises a Performance Share Plan ("PSP"). The PSP consists of three annually commencing three-year performance share plans, PSP 2023-2025, PSP 2024-2026, and PSP 2025-2027, each with a one-year performance period, which is followed by the payment of the share reward and a two-year transfer restriction period. The commencement of the following two plans, PSP 2024-2026, and PSP 2025-2027, is, however, subject to a separate Board decision. Eligible to participate in the first plan, PSP 2023-2025, are the members of Bittium's Management Group. The performance measure based on which the potential share reward under the first plan, PSP 2023-2025, will be paid is the revenue growth of Bittium. A precondition for the payment of the share reward is, in addition, that the employment relationship of the participant with Bittium continues at the time the reward is paid. The potential reward will be paid in shares of Bittium and in cash.

## PSP 2023-2025

|   |                          |
|---|--------------------------|
| Form of the reward                                    | Shares                   |
| Grant date  | 22.6.2023                |
| Total amount of the shares at the most                | 250 000                  |
| Share price at the grant date, EUR                    | 4 365                    |
| Total expenses of the reward at the most, EUR million | 1.1                      |
| Execution   | In shares<br>and in cash |

| <b>CONSOLIDATED STATEMENT OF COMPREHENSIVE<br/>INCOME BY QUARTER (MEUR)</b> | <b>10-12/2023</b> | <b>7-9/2023</b> | <b>4-6/2023</b> | <b>1-3/2023</b> | <b>10-12/2022</b> |
|---|-------------------|-----------------|-----------------|-----------------|-------------------|
| <b>Continuing operations</b>  | <b>3 months</b>   | <b>3 months</b> | <b>3 months</b> | <b>3 months</b> | <b>3 months</b>   |
| NET SALES   | 25.7              | 13.9            | 20.7            | 14.9            | 27.6              |
| Other operating income  | 0.9               | 0.6             | 0.8             | 0.8             | 0.9               |
| Work performed by the undertaking for its own purpose<br>and capitalized    | 0.1               | 0.0             | 0.1             | 0.1             | 0.0               |
| Raw materials   | -8.7              | -3.4            | -5.0            | -3.1            | -8.2              |
| Personnel expenses  | -10.6             | -8.2            | -10.1           | -10.2           | -9.9              |
| Depreciation  | -2.3              | -2.4            | -2.3            | -2.5            | -2.9              |
| Other operating expenses  | -4.1              | -2.7            | -3.8            | -3.6            | -4.7              |
| Share of profits in associated companies                                    | 0.0               | 0.0             | 0.0             | 0.0             | 0.0               |
| OPERATING PROFIT (LOSS)   | 1.0               | -2.1            | 0.3             | -3.5            | 3.0               |
| Financial income and expenses   | -0.3              | -0.3            | -0.2            | -0.2            | -0.1              |
| PROFIT BEFORE TAX   | 0.7               | -2.4            | 0.1             | -3.7            | 2.8               |
| Income tax  | -0.2              | 0.0             | -0.0            | -0.0            | 0.7               |
| PROFIT FOR THE PERIOD FROM CONTINUING<br>OPERATIONS                         | 0.6               | -2.4            | 0.1             | -3.7            | 3.5               |
| <b>Discontinued operations</b>  |                   |                 |                 |                 |                   |
| Profit for the period from discontinued operations                          |                   |                 |                 |                 |                   |
| PROFIT FOR THE PERIOD   | 0.6               | -2.4            | 0.1             | -3.7            | 3.5               |
| Other comprehensive income  | -0.1              | 0.1             | 0.0             | -0.1            | -0.5              |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD                                   | 0.4               | -2.3            | 0.1             | -3.8            | 3.0               |
| Profit for the period attributable to:                                      |                   |                 |                 |                 |                   |
| Equity holders of the parent  | 0.6               | -2.4            | 0.1             | -3.7            | 3.5               |
| Total comprehensive income for the period attributable<br>to:               |                   |                 |                 |                 |                   |
| Equity holders of the parent  | 0.4               | -2.3            | 0.1             | -3.8            | 3.0               |



| CONSOLIDATED STATEMENT OF CASH FLOWS BY QUARTER | 10-12/2023 | 7-9/2023 | 4-6/2023 | 1-3/2023 | 10-12/2022 |
|---|------------|----------|----------|----------|------------|
|   | 3 months   | 3 months | 3 months | 3 months | 3 months   |
| Net cash from operating activities              | 0.6        | 5.2      | -5.7     | 1.1      | 0.1        |
| Net cash from investing activities              | -1.6       | -1.4     | -2.3     | -2.4     | -2.4       |
| Net cash from financing activities              | -0.4       | -0.9     | -2.5     | -0.4     | -0.3       |
| Net change in cash and cash equivalents         | -1.3       | 2.9      | -10.6    | -1.6     | -2.7       |

| FINANCIAL PERFORMANCE RELATED RATIOS                       | 1-12/2023 | 1-12/2022 |
|--|-----------|-----------|
|  | 12 months | 12 months |
| STATEMENT OF COMPREHENSIVE INCOME (MEUR)                   |           |           |
| Net sales  | 75.2      | 82.5      |
| Operating profit (loss)                                    | -4.3      | 0.3       |
| Operating profit (loss). % of net sales                    | -5.7      | 0.4       |
| Profit before taxes  | -5.3      | -0.4      |
| Profit before taxes. % of net sales                        | -7.0      | -0.5      |
| Profit for the period from continuing operations           | -5.4      | 0.3       |
| PROFITABILITY AND OTHER KEY FIGURES                        |           |           |
| Interest-bearing net liabilities. (MEUR)                   | 14.2      | 3.4       |
| Net gearing. -%  | 13.2      | 3.0       |
| Equity ratio. %  | 69.6      | 69.7      |
| Gross investments. (MEUR)                                  | 9.4       | 9.5       |
| Average personnel during the period. continuing operations | 601       | 641       |
| Personnel at the period end. continuing operations         | 526       | 625       |

| AMOUNT OF SHARE ISSUE ADJUSTMENT (1.000 pcs)      | Dec. 31. 2023 | Dec. 31. 2022 |
|---|---------------|---------------|
| At the end of period                              | 35 486        | 35 702        |
| Average for the period                            | 35 608        | 35 702        |
| Average for the period diluted with stock options | 35 608        | 35 702        |

| STOCK-RELATED FINANCIAL RATIOS (EUR) | 1-12/2023 | 1-12/2022 |
|--------------------------------------|-----------|-----------|
|                                      | 12 months | 12 months |

|   |        |       |
|---|--------|-------|
| Earnings per share from continuing operations. EUR                  |        |       |
| Basic earnings per share  | -0,153 | 0.007 |
| Diluted earnings per share  | -0,153 | 0.007 |
| Earnings per share from discontinued operations. EUR                |        |       |
| Basic earnings per share  |        |       |
| Diluted earnings per share  |        |       |
| Earnings per share from continuing and discontinued operations. EUR |        |       |
| Basic earnings per share  | -0.153 | 0.007 |
| Diluted earnings per share  | -0.153 | 0.007 |
| Equity *) per share   | 3.03   | 3.24  |
| *) Equity attributable to equity holders of the parent              |        |       |

| MARKET VALUES OF SHARES (EUR)         | 1-12/2023 | 1-12/2022 |
|---------------------------------------|-----------|-----------|
|                                       | 12 months | 12 months |
| Highest                               | 5.20      | 6.08      |
| Lowest                                | 3.31      | 3.47      |
| Average                               | 4.22      | 4.71      |
| At the end of period                  | 4.81      | 3.98      |
| Market value of the stock. (MEUR)     | 170.7     | 141.9     |
| Trading value of shares. (MEUR)       | 17.0      | 44.0      |
| Number of shares traded. (1.000 pcs)  | 4 021     | 9 346     |
| Related to average number of shares % | 11.3      | 26.2      |

| SECURITIES AND CONTINGENT LIABILITIES (MEUR)  | Dec. 31.<br>2023 | Dec. 31.<br>2022 |
|---|------------------|------------------|
| AGAINST OWN LIABILITIES                       |                  |                  |
| Floating charges                              |                  |                  |
| Mortgages are pledged for liabilities totaled |                  |                  |
| Guarantees                                    | 3.0              | 3.0              |
| Rental liabilities                            |                  |                  |
| Falling due in the next year                  | 0.1              | 0.1              |
| Falling due after one year                    |                  |                  |
| Other contractual liabilities                 |                  |                  |
| Falling due in the next year                  | 2.3              | 2.5              |

|                               |     |      |
|-------------------------------|-----|------|
| Falling due after one year    | 0.9 | 0.7  |
| Material purchase commitments | 8.2 | 13.9 |

| <b>NOMINAL VALUE OF CURRENCY DERIVATIVES (MEUR)</b> | <b>Dec. 31.<br/>2023</b> | <b>Dec. 31.<br/>2022</b> |
|---|--------------------------|--------------------------|
| Foreign exchange forward contracts                  |                          |                          |
| Market value  | 0.0                      | 0.0                      |
| Nominal value                                       | 2.2                      | 1.4                      |