

# Bittium

---

## Bittium Corporation Financial Statement Bulletin January-December 2024

---

Net sales

Net sales growth

**85.2**

MEUR

**+13.2** %

---

Operating result

Operating result, % of net sales

**8.6**

MEUR

**10.1** %

---

## Financial Statement Bulletin January- December 2024

### Net Sales Grew, Profitability and Cash Flow Improved Significantly. Growth Strategy Proceeds.

*As of January 1, 2024, Bittium Corporation has started segment-based financial reporting. There are three reportable business segments; Defense & Security, Medical, and Engineering Services, and separately reportable Group Functions.*

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

#### Summary October-December 2024

---

- Net sales were EUR 33.2 million (EUR 25.7 million), representing a 29.2 percent increase year-on-year.
- Product-based net sales were EUR 22.3 million (EUR 16.8 million), representing 67.2 percent of the total net sales (65.3 percent).
- Services-based net sales were EUR 10.9 million (EUR 8.9 million), representing 32.8 percent of the total net sales (34.7 percent).
- Operating result was EUR 6.0 million (EUR 1.0 million), representing 18.0 percent of net sales (3.9 percent).
- The result for the period was EUR 5.6 million, and earnings per share were EUR 0.157 (result for the period EUR 0.6 million and earnings per share EUR 0.016).
- Cash flow from operating activities was EUR 13.8 million (EUR 0.6 million), including a non-recurring income payment of approximately EUR 7.2 million resulting from a long-term delivery project.
- Net cash flow was EUR 10.4 million (EUR -1.3 million).
- On October 18, 2024, the Board of Directors of Bittium Corporation resolved on the distribution of additional dividend, and dividend of EUR 0.03 per share was paid.
- Implementation of the strategy and measures to improve the profitability of the company proceeded systematically. The company has progressed to the profitable growth stage.
- Bittium and Finnish Defence Forces have signed a partnership agreement.
- The Finnish Defence Forces have started serial procurement of Bittium Tough SDR tactical radios.
- Growth strategy for the years 2025-2028 was published.
- Uncertainties in the operating environment are created by the medical device approval schedules in the Medical business, and cost-saving pressures of the customers in the Engineering Services business.

#### Summary January-December 2024

---

- Net sales were EUR 85.2 million (EUR 75.2 million), representing a 13.2 percent increase year-on-year.
- Product-based net sales were EUR 52.0 million (EUR 45.8 million), representing 61.0 percent of the total net sales (60.9 percent).
- Services-based net sales were EUR 33.2 million (EUR 29.5 million), representing 39.0 percent of the total net sales (39.1 percent).
- Operating result was EUR 8.6 million (EUR -4.3 million), representing 10.1 percent of net sales (-5.7 percent).

- Result for the period was EUR 7.3 million, and earnings per share were EUR 0.205 (result for the period EUR -5.4 million and earnings per share EUR -0.153).
- Cash flow from operating activities was EUR 24.4 million (EUR 1.2 million), including a non-recurring income payment of approximately EUR 7.2 million resulting from a long-term delivery project.
- Net cash flow was EUR 13.4 million (EUR -10.7 million).
- The order backlog was EUR 45.1 million (EUR 27.6 million)
- Personnel at the end of the period was 510 employees (526 employees).
- The Board of Directors of Bittium Corporation proposes to the Annual General Meeting to be held on May 7, 2025, that a dividend of EUR 0.10 per share be paid based on the balance sheet to be adopted for the financial year ended on December 31, 2024.

GROUP (MEUR)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
	3 months	3 months	12 months	12 months
NET SALES	33.2	25.7	85.2	75.2
Change of net sales, %	29.2 %	-7.0 %	13.2 %	-8.8 %
EBITDA	8.6	3.3	17.3	5.2
EBITDA, % of net sales	25.9 %	12.9 %	20.3 %	6.9 %
OPERATING PROFIT / LOSS	6.0	1.0	8.6	-4.3
Operating profit / loss, % of net sales	18.0 %	3.9 %	10.1 %	-5.7 %
RESULT OF THE PERIOD FROM CONTINUING OPERATIONS	5.6	0.6	7.3	-5.4
CASH AND OTHER LIQUID ASSETS	21.8	8.3	21.8	8.3
EQUITY RATIO (%)	69.9 %	69.6 %	69.9 %	69.6 %
EARNINGS PER SHARE (EUR)	0.157	0.016	0.205	-0.153

## Bittium's CEO Johan Westermarck

The last quarter was the strongest quarter of the year for Bittium, as typical. Net sales grew 29.2 percent from previous year and was EUR 33.2 million. Operating result was EUR 6.0 million representing a significant improvement in the profitability compared to the last year.

Net sales of year 2024 grew by 13.2 percent from previous year and operating result was 10.1 percent of net sales. Cash flow improved significantly, and order backlog grew to EUR 45.1 million year-on-year. The growth was driven by the increased demand and product deliveries in the Defense & Security Business Segment.

At the end of the year, we updated our strategy for the next three-year period. The strategy aims to achieve profitable growth in all Business Segments, and we will emphasize even more strongly on the comprehensive customer focus and sales growth. In addition, we will continue to systematically improve profitability and efficiency.

The company's long-term financial targets are to grow by an average of more than 10 percent per year and exceed an operating profit level of 10 percent. Achieving these targets last year proves that we have succeeded in turning the company onto a profitable growth path. On this basis, the company is in a good position to continue strong growth.

**Defense & Security Business Segment:** Net sales in the last quarter of the year grew by 47.3 percent year-on-year and was EUR 23.7 million. Operating result was EUR 6.5 million representing 27.5 percent of net sales. Net sales of the whole year 2024 grew by 42.3 percent to EUR 51.6 million year-on-year. Operating result was EUR 8.6 million representing 16.7 percent of net sales. This year's net sales development has been influenced by the general growth in demand in the defense sector and the increased number of product deliveries. The order backlog improved significantly from the previous year.

Cooperation with the Finnish Defence Forces strengthened and we signed a Partnership Agreement for the years 2025–2036. The aim of the agreement is for the partnership to become a solid part of the national defense, and for it to create mechanisms for joint planning in normal conditions and states of emergency. The agreement covers the tactical communication systems and related products used by the Finnish Defence Forces, as well as their maintenance and further development. We are very proud of this trust shown to us. Also, the serial deliveries of Bittium Tough SDR radios to the Finnish Defence Forces began at the end of the year when the Defence Forces placed an order for the radios for approximately EUR 25.6 million. The order is related to the additional purchase option included in the purchase agreement signed on December 12, 2018.

Our strategy to grow in the international defense market has progressed well during the past year. We delivered tactical communication system products to our customers in Croatia, Estonia and Austria, and cooperation with our new partners operating in the global defense market progressed well.

Increased awareness of information security threats has increased the demand for our information security products and the sales of secure Bittium Tough Mobile phones increased from the previous year. Implementing quantum secure algorithms in information security products has become relevant as quantum computers continue to develop and we developed our Bittium SafeMove Mobile VPN software to be quantum secure.

**Medical Business Segment:** Net sales in the last quarter of the year grew by 2.3 percent year-on-year and was EUR 5.5 million. Operating result was EUR -0.6 million corresponding to -11.5 percent of the net sales. Net sales of the whole year 2024 decreased by 12.6 percent to EUR 19.3 million affected by the slow progress of the regulatory medical device approvals slowing down the sales growth. Operating result was EUR -0.9 million corresponding to -4.5 percent of the net sales. Operating result was weakened by EUR -0.7 million extra costs resulting from strengthening in-house regulative expertise as well as from using external expertise. Order backlog improved year-on-year.

A significant portion of the sales of ECG measuring devices resulted from products sold to our US customer Boston Scientific Cardiac Diagnostics. ECG measurement devices were also sold to customers in Europe, Asia and Australia. For Bittium Respiro, which is used to diagnose sleep apnea, we have received the additional approvals required in certain European countries for the sale of medical devices in addition to the EU Medical Device Approval (MDR) and we are now focusing on increasing sales in Europe in line with our strategy.

In connection with the strategy update, we announced that we will launch an EMG device for measuring the electrical activity of muscles. EMG measurement device, designed for remote diagnostics, has already been in the company's product portfolio before, and the product version presented now is currently being used by our customer to identify Parkinson's disease. Other application area for the device could include monitoring the rehabilitation progress and identifying various muscle or movement disorders. We continue to explore the market opportunities with interest and to find potential partners to be able to provide a comprehensive solution.

**Engineering Services:** Net sales in the last quarter of the year decreased by 5.4 percent year-on-year and was EUR 4.1 million. Operating result was EUR 0.7 million, representing 16.7 percent of net sales. Net sales of the whole year 2024 decreased by 15.6 percent to EUR 14.3 million and operating result was EUR 1.2 million representing 8.2 percent of net sales. The decline in net sales was driven by the challenging market situation, especially in the manufacturing industry, and by a lower number of R&D projects than in the comparison period. The cost pressures in the operating environment were also reflected in the order backlog, which weakened slightly from the previous year.

Cooperation with our long-term key customers continued well and despite the challenging market situation, we managed to win new deals from, among others, the Telecom and manufacturing industries. The versatility of our expertise is reflected in the wide range of customer projects in different industries.

As the number of R&D service projects was smaller, some of the Business Segment's experts have been working flexibly on customer projects in the Defense & Security Business Segment throughout the year. The market situation for R&D services is still challenging and we do not expect any changes in demand, at least not during the first half of the year. Visibility in the R&D service business is very short and fluctuations in the market situation can cause significant changes on a short time frame.

Our goals for the last year were to turn Bittium into a sales-oriented product house and to improve profitability. We have made very good progress towards the goals, and I am proud of our achievements. I want to thank especially our talented personnel, who have despite the tough changes stayed committed making these results possible. I would also like to thank our customers and other stakeholders for their trust and good cooperation in the past year. The company is in a good position to continue implementing its growth strategy, focusing strongly on customer service, new customer sales, and building the growth.

## Outlook for 2025

Bittium expects the net sales in 2025 to be EUR 95 – 105 million (EUR 85.2 million in 2024) and the operating result to be EUR 10 – 13 million (EUR 8.6 million in 2024).

More information about Bittium’s market outlook is presented in this report under the chapter describing the development of the Business Segments, as well as on the company’s internet pages at [www.bittium.com](http://www.bittium.com).

## Financial Performance in January-December 2024

Bittium’s net sales in January-December 2024 grew by 13.2 percent year-on-year to EUR 85.2 million (EUR 75.2 million).

Product-based net sales were EUR 52.0 million (EUR 45.8 million), representing 61.0 percent of the total net sales (60.9 percent). The growth resulted from the increased deliveries of Bittium Tough SDR radios.

Services-based net sales were EUR 33.2 million (EUR 29.5 million), representing 39.0 percent of the total net sales (34.7 percent). The growth resulted mainly from the increase of Defense & Security business’ service projects.

EBITDA was EUR 17.3 million (EUR 5.2 million).

R&D costs were EUR 13.5 million (EUR 20.2 million), representing 15.9 percent of net sales (26.9 percent), of which EUR 5.6 million were capitalized in the balance sheet, which was EUR 1.6 million less than in the previous year.

Operating result was EUR 8.6 million (EUR -4.3 million), representing 10.1 percent of net sales (-5.7 percent). The improvement in the operating result year-on-year resulted from the measures taken to improve the efficiency of the operations and profitability, and lower R&D costs, in addition to the growth of the net sales.

Cash flow from operating activities was EUR 24.4 million (EUR 1.2 million). Net cash flow during the period was EUR 13.4 million (EUR -10.7 million), including EUR 7.3 million result for the period, EUR 7.1 million change in the net working capital including i.e. non-recurring income payment of approximately EUR 7.2 million resulting from a long-term delivery project, EUR 5.6 million R&D investments into own products, and EUR 2.1 million dividend payment (including result of the period EUR -4.3 million, EUR 3.0 million change in net working capital, EUR 7.2 million R&D investments into own products, EUR 1.8 million dividend payment).

The equity ratio was 69.9 percent (69.6 percent).

Net gearing was -0.7 percent (13.2 percent).

The order backlog at the end of December was EUR 45.1 million (EUR 27.6 million). In connection with the transition to segment reporting, the company has reviewed and specified the definition and processing of order backlog in its customer management system. The company’s order backlog consists of the undelivered portion of sales orders. In its financial reports in 2024 Bittium has corrected the order backlog key figures of the 2023 to reflect the calculation according to the new process.

GROUP ORDER BACKLOG IN 2023 (MEUR)	1Q/23	2Q/23	3Q/23	4Q/23
Corrected order backlog	25.6	23.1	21.3	27.6
Previously reported order backlog	28.7	28.0	25.3	27.6

## Half Year Figures

<b>GROUP'S NET SALES AND OPERATING RESULT, MEUR</b>	<b>2H/24</b>	<b>1H/24</b>	<b>2H/23</b>	<b>1H/23</b>
Net sales	47.2	37.9	39.6	35.6
Operating profit (loss)	5.7	2.9	-1.1	-3.2
Result before taxes	5.1	2.3	-1.6	-3.6
Result for the period	5.0	2.3	-1.8	-3.6

<b>DISTRIBUTION OF NET SALES BY PRODUCT AND SERVICES, MEUR AND %</b>	<b>2H/24</b>	<b>1H/24</b>	<b>2H/23</b>	<b>1H/23</b>
Product-based net sales	29.3 62.1 %	22.6 59.6 %	24.4 61.6 %	21.4 60.0 %
Services-based net sales	17.9 37.9 %	15.3 40.4 %	15.2 38.4 %	14.2 40.0 %

<b>DISTRIBUTION OF NET SALES BY MARKET AREAS, MEUR AND %</b>	<b>2H/24</b>	<b>1H/24</b>	<b>2H/23</b>	<b>1H/23</b>
Asia	0.8 1.7 %	0.4 1.1 %	0.3 0.9 %	0.5 1.4 %
North and South America	8.9 18.9 %	10.3 27.1 %	10.7 27.0 %	10.2 28.6 %
Europe	37.5 79.4 %	27.3 71.9 %	28.6 72.1 %	24.9 70.0 %

## Quarterly Figures

<b>GROUP'S NET SALES AND OPERATING RESULT, MEUR</b>	<b>4Q/24</b>	<b>3Q/24</b>	<b>2Q/24</b>	<b>1Q/24</b>	<b>4Q/23</b>
Net sales	33.2	14.0	19.8	18.2	25.7
Operating profit (loss)	6.0	-0.3	1.9	1.0	1.0
Result before taxes	5.7	-0.6	1.6	0.7	0.7
Result for the period	5.6	-0.6	1.6	0.7	0.6

<b>DISTRIBUTION OF NET SALES BY PRODUCT AND SERVICES, MEUR AND %</b>	<b>4Q/24</b>	<b>3Q/24</b>	<b>2Q/24</b>	<b>1Q/24</b>	<b>4Q/23</b>
Product-based net sales	22.3 67.2 %	7.0 50.1 %	11.9 60.1 %	10.7 59.1 %	16.8 65.3 %
Services-based net sales	10.9 32.8 %	7.0 49.9 %	7.9 39.9 %	7.4 40.9 %	8.9 34.7 %

<b>DISTRIBUTION OF NET SALES BY MARKET AREAS, MEUR AND %</b>	<b>4Q/24</b>	<b>3Q/24</b>	<b>2Q/24</b>	<b>1Q/24</b>	<b>4Q/23</b>
Asia	0.4 1.1 %	0.5 3.3 %	0.1 0.6 %	0.3 1.5 %	0.1 0.4 %
North and South America	5.2 15.6 %	3.7 26.3 %	4.7 23.8 %	5.6 30.6 %	6.0 23.5 %
Europe	27.7 83.3 %	9.9 70.4 %	14.9 75.5 %	12.3 67.8 %	19.6 76.2 %

## Statement of Financial Position and Financing

	<b>31.12.2024</b>	<b>31.12.2023</b>
Non-current assets	82.8	84.6
Current assets	82.4	73.1
Total assets	165.1	157.7
Share capital	12.9	12.9
Other capital	99.9	94.6
Total equity	112.8	107.6
Non-current liabilities	18.4	1.8
Current liabilities	34.0	48.3
Total equity and liabilities	165.1	157.7
Cash flow of the review period:	<b>1-12/2024</b>	<b>1-12/2023</b>
+ profit of the period +/- Adjustment of accrual basis items	18.9	5.1
+/- Change in net working capital	7.1	-3.0
- interest, taxes, and dividends	-1.5	-0.9
= net cash from operating activities	24.4	1.2
- net cash from investing activities	-6.7	-7.7
- net cash from financing activities	-4.3	-4.2
= net change in cash and cash equivalents	13.4	-10.7

The number of gross investments in the period under review was EUR 7.4 million (EUR 9.4 million). Net investments for the review period totaled to EUR 7.3 million (EUR 9.2 million). The total amount of depreciations during the period under review was EUR 8.6 million (EUR 9.5 million). The amount of interest-bearing debt including finance lease liabilities was EUR 20.9 million at the end of the reporting period (EUR 22.6 million). Bittium's equity ratio at the end of the period was 69.9 percent (69.6 percent).

At the end of review period, Bittium had a EUR 19.0 million senior loan and a EUR 10.0 million overdraft credit facility agreement with Nordea Bank Finland Plc. These agreements have been renegotiated on March 28, 2024, with the previous agreements between the parties expiring in May 2024. The maturity date for the senior loan is May 24, 2029, and it will be amortized by EUR 1.0 million every six months. The overdraft credit facility agreement is valid until May 24, 2026, after which it will continue to be valid indefinitely. At the end of the review, period no limit from the overdraft credit facility agreement was in use. These agreements include customary covenants related to, for example, equity ratio, interest-bearing debts and EBITDA, as well as the transfer and pledging of assets, the conditions of which were fulfilled at the end of the review period.

The company's financial loans and their changes are entered in the company's balance sheet as long-term and short-term loans in accordance with the repayment plan.

## Research and Development

Bittium continued investments in its own products and solutions. In January-December 2024 R&D investments were EUR 13.5 million (EUR 20.2 million) representing 15.9 percent of the net sales (26.9 percent). The R&D investments were mainly aimed at continuously improving the competitiveness and developing the features of the products, systems and their software of Medical and Defense & Security Business Segments.

At the end of 2023, in the updated strategy Bittium aligned to seek 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 these both product-oriented Business Segments the large product development projects have proceeded into commercial phase, and the focus will be on continuous improvement of the competitiveness of existing products and development of features.

### R&D INVESTMENTS, (MEUR)

	1-12 2024 12 months	1-12 2023 12 months
<b>Total R&amp;D investments</b>	13.5	20.2
Capitalized R&D investments	-5.6	-7.2
Depreciations and impairment of R&D investments	5.6	5.6
Cost impact on income statement	13.5	18.6
<b>R&amp;D investments % of net sales</b>	15.9 %	26.9 %

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

	1-12 2024 12 months	1-12 2023 12 months
Balance sheet value in the beginning of the period	50.5	48.8
Additions during the period	5.6	7.2
Depreciations and impairment of R&D investments	-5.6	-5.6
Balance sheet value at the end of the period	50.5	50.5

## Strategy Implementation and Other Significant Events in January-December 2024

According to the strategy, updated on October 30, 2023, Bittium 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. Previously centralized group functions were largely divided into these Business Segments, and the remaining group functions includes group administration, strategic projects, and stock market listing related functions, as well as renting premises owned by the group.

The strategy, updated at the end of 2023, had three focus areas: 1) Change from a product development organization to a customer-centric, growth-oriented operating model through segment organizations, 2) Strong focus on current products and on increasing their market shares, and focusing the R&D work mainly on further improving the competitiveness and productivity of the products, and 3) Increase of efficiency in own operating methods.



In 2024, the implementation of the strategy and measures towards a healthy company continued systematically. The company updated its operating methods and processes to support the growth-oriented operating model.

In the Defense & Security Business Segment, the company has taken important steps in its internationalization strategy after obtaining significant partnerships with the world's largest defense players. Strategically important Partnership Agreement with the Finnish Defense Forces was signed at the end of the year.

In the Medical Business Segment, the stricter requirements of medical device approvals and long schedules are slowing down the pace of strategy progress. To enable growth the focus was on strengthening competencies, improving operations and efficiency, and implementing new processes. The development of products and systems to meet stricter requirements also plays an important role in building future growth.

In the Engineering Services Business Segment, the ways of working and processes were developed, and efficiency of own operations were improved. Improving the customer experience continued and the focus was on entering new markets. Customers' cost-saving measures create uncertainty in the operating environment.

Allocating the R&D investments in accordance with the strategy to improving the competitiveness of existing products and developing features was reflected in declined R&D costs and in the improvement of operating profit. As a result of the change negotiations held at the end of 2023 and other cost-saving measures, the company achieved the planned cost savings in 2024.

### **Growth Strategy for 2025 – 2028**

On December 20, 2024, Bittium updated its strategy for the years 2025–2028. The growth strategy has four basic pillars: 1) strengthening the leading secure embedded technology expertise as the cornerstone of the competitive advantage, 2) building up the capabilities required for sales and commercialization to enable growth, 3) strengthening the technology base by focusing R&D investments closer to customer needs, and 4) ensuring the delivery capabilities to enable trust and scalability. The goal of the growth strategy is to achieve profitable growth in all Business Segments.

At the same time Bittium updated its **long-term financial targets**: Bittium's aims at an average annual net sales growth of more than 10 percent and an operating profit level of more than 10 percent.

More information about the growth strategy: <https://www.bittium.com/investors/bittium-for-investors/strategy/>

### **Seamless and Secure Connectivity Program**

At the end of March 2023, Bittium launched the Seamless and Secure Connectivity program, the purpose of which is to enable end-to-end connectivity 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.

Four joint innovation projects have been launched in 2023 and 2024 related to the program, developing algorithms to reduce IoT security threats, optical identification methods for physical parameters and biomarkers, and digital solutions for the LifeScience industry. In total, more than 50 partner companies and research institutes have been involved in ecosystem discussions so far, and several other joint innovation projects are expected to be launched in early 2025.

More information about Seamless and Secure Connectivity program at: <https://www.bittium.com/about-bittium/technology-innovation/seamless-and-secure-connectivity-program/>

## Development of Market Environment and Business Segments in January-December 2024

### Defense & Security Business Segment in January-December 2024

Defense & Security Business Segment's net sales in January-December 2024 grew by 42.3 percent year-on-year to EUR 51.6 million (EUR 36.2 million). The growth was especially driven by the increased numbers of product delivery of Bittium Tough SDR tactical radios, and service projects.

EBITDA was EUR 13.6 million (EUR 1.9 million), representing 26.4 percent of net sales.

R&D costs decreased to EUR 6.3million (EUR 10.8 million), representing 12.2 percent of net sales (29.8 percent). R&D investments focused on the further development of the competitiveness and features of Bittium TAC WIN tactical communication system and Bittium Tough SDR radios and their related software. R&D costs capitalized in the balance sheet were EUR 3.6 million, which was EUR 1.4 million less than a year ago.

The operating result was EUR 8.6 million (EUR -3.2 million), representing 16.7 percent of net sales (-8.7 percent). The operating result improvement resulted from the measures taken to improve the efficiency of the operations and profitability, and lower R&D costs, in addition to the net sales growth.

The number of new orders in 2024 was EUR 68.4 million (EUR 38.6 million). At the end of December, the order backlog was EUR 34.5 million (EUR 17.5 million).

DEFENSE & SECURITY BUSINESS SEGMENT, MEUR	4Q/24	4Q/23	2024	2023
NET SALES	23.7	16.1	51.6	36.2
EBITDA	8.2	3.2	13.6	1.9
EBITDA, % of net sales	34.8	19.8	26.4	5.3
OPERATING PROFIT / LOSS	6.5	2.0	8.6	-3.2
Operating profit / loss, % of net sales	27.5	12.5	16.7	-8.7
R&D EXPENSES	1.1	2.8	6.3	10.8
Capitalized R&D expenses	-0.5	-1.0	-3.6	-5.0
New orders	31.0	25.0	68.4	38.6
ORDER BACKLOG	34.5	17.5	34.5	17.5
PERSONNEL AT THE END OF THE PERIOD	233	230	233	230

### Development of the Business during the Fourth Quarter and Market Outlook

The uncertainty created by the world's political situation has led countries to increase their defense budgets, which has affected the demand for defense industry products and services. The increased defense budgets were in the first phase allocated mainly to consumables, but in the future, the budgets will also be aimed at the modernization and development projects of the defense forces of various countries. This has been reflected in increased interest in Bittium's tactical communication solutions.

Finland's NATO membership is seen to have a positive impact on the demand for Bittium's defense and security products, especially in NATO countries. NATO membership has also enabled the wide exposure of Bittium's products and systems in NATO exercises, which is expected to increase the awareness of the products in the international market.

Bittium's products are being piloted in several international customer trials and competitions, where customers test products for their various tactical communication needs.

In the defense market, in tactical data transfer, national defense forces and other authorities need networks where increasingly more mobile network users can reliably and securely transfer increasing amounts of data. This creates demand for tactical IP-based Bittium Tactical Wireless IP Network (TAC WIN) communication system, Bittium Tough SDR tactical radios and other Bittium IP-based tactical communication solutions. The long sales cycles in the defense industry affect the development of sales and make it difficult to predict.

Cooperation with the Finnish Defense Forces strengthened further when Bittium Corporation's subsidiary Bittium Wireless Oy and the Defense Forces signed a Partnership Agreement for the years 2025–2036. The Partnership Services to be purchased under the Agreement apply to the life-cycle setup and maintenance of the command-and-control systems manufactured by Bittium and used by the Finnish Defence Forces. These systems include tactical communication systems and related products (Bittium Tactical Wireless IP Network, Bittium Tough SDR, Bittium Tough VoIP), as well as their maintenance and further development.

The Partnership Agreement is an important achievement in Bittium's growth strategy and provides a framework for purchasing Bittium's products, software and services. Procurements will be planned together with the Finnish Defence Forces for each year, and the Finnish Defence Forces will place separate purchase orders for the products and services in several batches as agreed in the Partnership Agreement. The monetary value of the Partnership Agreement depends on the needs and funding of the Finnish Defence Forces' various projects, as well as the agreed maintenance and development services for each year.

In November, the Finnish Defence Forces started serial procurement of Bittium Tough SDR™ military and vehicle radios and related equipment and placed an order for approximately EUR 25.6 million related to the additional purchase option included in the purchase agreement signed on December 12, 2018. This was the third additional purchase. The serial procurement enables expanding the usage of the new radios in all the military branches of the Finnish Defence Forces and the subordinate establishments operating under the Defence Command. Deliveries of the order began in 2024 and will be completed during 2025.

The strategic goal of the Defense & Security Business Segment is to grow in the international defense market and win new international customers. In 2024, Bittium announced new cooperation projects with global defense players. These cooperation projects with the world's biggest defense players are significant steps in the company's internationalization strategy and provide a good starting point for other potential cooperation projects in the future.

The cooperation with Lockheed Martin is proceeding well. In the indirect industrial cooperation projects related to Finland's F-35 fighter procurement, a consortium led by Bittium will develop tactical networks for cyber situational awareness development and methods and capabilities for spectrum management, which will improve the capability of tactical situational awareness. Both projects will further strengthen the data transfer capacity of Bittium's tactical communication systems in the most demanding combat situations.

Under the framework agreement signed with BAE Systems in June, BAE Systems can offer Bittium's tactical communication products, services and systems to its customers in the United Kingdom and internationally.

The cooperation with the Croatian Armed Forces is proceeding according to plan. As part of a four-year framework agreement between Bittium's partner IntelliByte INFO and the Croatian Ministry of Defense, Bittium has started delivering Tough SDR radios to the Croatian Armed Forces. Deliveries of tactical communication system products and Tough SRD radios also continued to the Croatian Navy.

In Austria, the implementation of Bittium's tactical communication system by the local army continued and deliveries of system products, as well as their integration and testing, continued.

The use of smartphones and smartphone applications is increasing in the government market, which creates demand for secure Bittium Tough Mobile™ smartphones and customer-specific special terminals based on Bittium's product platform, as well as secure software solutions. General awareness of security threats to mobile solutions has increased and interest in secure mobile devices has grown. Sales of mobile terminals and software solutions are expected to develop moderately in line with the nature of the government market.

The security of Bittium SafeMove® Mobile VPN software, used to encrypt data connections, was further enhanced with the implementation of a quantum-secure algorithm standardized by the US standards agency NIST (National Institute of Standards and Technology). As a result, the VPN software provides quantum-secure connections between a mobile device and an organization's services, thus protecting the organization's sensitive information from quantum computing threats. Earlier this year, the Windows version of the SafeMove Mobile VPN received the national TL IV security level approval for data encryption from the Finnish Transport and Communications Agency's Cybersecurity Center Traficom.

The deliveries of secure Mexsat satellite phones developed for the Mexican government continued to our partner Inmosat in Mexico as new government organizations adopted satellite communications as part of their communication systems.

## Medical Business Segment in January-December 2024

Medical Business Segment's net sales in January-December 2024 decreased by 12.6 percent year-on-year to EUR 19.3 million (EUR 22.0 million). The decline in net sales was influenced by the slow progress of regulatory medical device approvals for new products and product variants, which has affected negatively to the sales growth.

EBITDA was EUR 0.7 million (EUR 0.8 million), representing 3.5 percent of net sales.

The operating result was EUR -0.9 million (EUR -0.9 million), representing -4.5 percent of net sales (-4.0 percent). The operating result was affected by the measures taken to improve the efficiency of the operations and profitability, and lower R&D costs. Further, additional costs of approximately EUR 0.7 million, cumulated from strengthening the in-house regulatory medical device expertise and from using external experts, affected the operating result.

R&D costs were EUR 5.3 million (EUR 7.7 million), representing 27.4 percent of net sales (35.1 percent). R&D investments focused on the development of the existing devices and diagnostics software and systems to even better meet the market development and customer needs, as well as the stricter demands of authorities. R&D costs capitalized in the balance sheet were EUR 1.4 million, which was EUR 0.5 million less than a year ago.

The number of new orders in 2024 was EUR 19.9 million (EUR 23.1 million). At the end of December, the order backlog was EUR 6.1 million (EUR 5.5 million).

MEDICAL BUSINESS SEGMENT, MEUR	4Q/24	4Q/23	2024	2023
NET SALES	5.5	5.3	19.3	22.0
EBITDA	-0.3	-0.3	0.7	0.8
EBITDA, % of net sales	-4.9	-5.6	3.5	3.8
OPERATING PROFIT / LOSS	-0.6	-0.8	-0.9	-0.9
Operating profit / loss, % of net sales	-11.5	-14.6	-4.5	-4.0
R&D EXPENSES	1.4	2.0	5.3	7.7
Capitalized R&D expenses	-0.2	-0.4	-1.4	-1.9
New orders	5.3	3.5	19.9	23.1
ORDER BACKLOG	6.1	5.5	6.1	5.5
PERSONNEL AT THE END OF THE PERIOD	103	107	103	107

## Development of the Business during the Fourth Quarter and Market Outlook

The healthcare technology market is undergoing significant developments in patient monitoring. The prevention of diseases and health problems is being invested through early diagnostics, patients are being discharged at an earlier stage to reduce hospital and treatment days, and the need for remote monitoring is growing. Reducing hospital days significantly increases the efficiency of healthcare, reduces costs, and improves the care experience.

Both the prevention of health problems and early discharge require accurate monitoring and measurement outside the hospital, which makes specialist diagnoses available regardless of time and place. These needs are met by Bittium's Bittium Faros ECG measuring device intended for long-term measuring and monitoring of the heart, Bittium Respiro intended for home sleep apnea testing (HSAT), EMG measuring device for muscle activation measurement, and diagnostic software offered by Bittium. Bittium BrainStatus EEG measuring device is used in intensive care units, but the measurement can, however, also be monitored remotely.

The development of medical device sales is affected by insurance policies related to the reimbursement of treatment, which vary from country to country, affecting the development rate of the remote diagnostics market. This has led Bittium to focus its sales efforts geographically on countries where insurance reimbursement is at a good level.

In connection with the strategy update at the end of 2024, Bittium announced that it would bring a new EMG device for measuring the electrical activity of muscles to the market. EMG measurement has been in the company's product portfolio before, and this new product version is currently used by the company's customer to identify Parkinson's disease. Other application areas of the device intended for

remote diagnostics include monitoring the progress of rehabilitation and identifying various muscle or movement disorders. Bittium continues to explore the market options and potential partners to provide a complete solution for its customers. The EMG measuring device is a medical device that complies with MDR requirements and does not require assessment by a notified body, which makes the sales process of the product easier in different countries.

The long-term cooperation with Boston Scientific Cardiac Diagnostics (CDx) has continued well, and a significant part of the sales of Bittium's ECG measurement device resulted from devices delivered to CDx. CDx is one of the leading service providers in the United States providing ECG measurement services. Bittium Faros ECG measurement devices were also sold in Europe, Asia and Australia, but in these markets the market for ECG measurement devices is significantly more fragmented, which is why increasing the sales volumes requires continuous work.

In addition to the EU's Medical Device Approval (MDR) Bittium has applied for additional country-specific regulatory approvals in Europe for its Respiro HSAT device, and these approvals have been largely received. In line with its strategy, the company is now focusing on the sale of Respiro in Europe. Fulfilling the requirements for obtaining the necessary sales approvals for the US market by the Food and Drug Administration (FDA) has continued in the background. These include, among others, the development of product algorithms and extensive clinical tests, which is why obtaining the authorization can take years. Respiro's sales are expected to strengthen and form a significant growth driver in the Medical Business Segment in the future.

The use of the BrainStatus EEG measuring device, which measures the electrical activity of the brain, in intensive care has continued and the feedback on the product is positive. Based on the feedback results, the product has been further developed to be more suitable for the operations and systems of intensive care units. The change towards more demanding recommendations for electroencephalogram measurement in intensive care units is expected to have a positive impact on the demand for BrainStatus.

The regulation of the authorities has a strong significance when bringing medical devices to the market and the requirements vary in different countries. The processes are demanding and long-term, and Bittium has invested in increasing the necessary expertise over the past year. Bittium has several development projects underway that aim to obtain medical device approvals in different countries. The most important development projects are obtaining European MDR (medical device approvals) for Bittium Faros ECG measuring device and Bittium BrainStatus EEG measuring device. The approvals must be obtained by the end of 2028, after which the products' current medical device approvals will no longer be valid.

## Engineering Services Business Segment in January-December 2024

Engineering Services Business Segment's net sales in January-December 2024 decreased by 15.6 percent year-on-year to EUR 14.3 million (EUR 17.0 million). The decrease was mainly caused by the challenging market situation especially in the manufacturing industry, where customers have had to postpone or even cancel R&D projects due to the cost saving pressures. While the number of R&D service projects have been lower, some of the specialists of Engineering Services Business Segment have been working on customer projects in the Defence & Security Business Segment throughout the year, and this has enabled the personnel's employment situation to remain at a good level.

EBITDA was EUR 1.2 million (EUR 1.7 million), representing 8.3 percent of net sales.

The operating result was EUR 1.2 million (EUR 1.7 million), representing 8.2 percent of net sales (9.7 percent). The operating result was affected by the lower number of R&D projects and measures taken to improve the efficiency of the operations and profitability.

R&D costs were EUR 0.5 million (EUR 0.3 million), representing 3.5 percent of net sales (2.0 percent). R&D costs in Engineering Services Business Segment were related to the development of operations and competencies with the focus on radio technology and software.

The number of new orders in 2024 was EUR 14.0 million (EUR 14.6 million). At the end of December, the order backlog was EUR 4.5 million (EUR 4.7 million).

ENGINEERING SERVICES BUSINESS SEGMENT, MEUR	4Q/24	4Q/23	2024	2023
NET SALES	4.1	4.3	14.3	17.0
EBITDA	0.7	0.3	1.2	1.7
EBITDA, % of net sales	16.7	6.3	8.3	9.8
OPERATING PROFIT / LOSS	0.7	0.3	1.2	1.7
Operating profit / loss, % of net sales	16.7	6.3	8.2	9.7

R&D EXPENSES	0.1	0.1	0.5	0.3
Capitalized R&D expenses	0.0	0.0	0.0	0.0
New orders	2.5	3.5	14.0	14.6
ORDER BACKLOG	4.5	4.7	4.5	4.7
PERSONNEL AT THE END OF THE PERIOD	129	131	129	131

## Development of the Business during the Fourth Quarter and Market Outlook

In mobile communications, the implementation of 5G technology is progressing on both the network and terminal side. The large number of radio frequencies allocated to 5G technology increases the number of frequency versions of the products needed and thus creates demand for the development of product variants. Various satellite communication solution needs and new technologies increase the demand for Bittium's product development expertise as new players join the traditional supplier network. In 2024, Bittium began developing a satellite system terminal for testing purposes for its customer based on a new standardized satellite technology.

Many of Bittium's customers develop their own products and services according to their needs varying seasonally. The need for a R&D partner varies in the same cycle, causing large annual differences in the number of projects carried out with the customer.

Cooperation with existing key customers has continued to be good. Customer projects included e.g. medical grade devices, embedded wireless IoT devices as part of a larger overall system, network-side radios and satellite terminals. During the fourth quarter new R&D projects were won from, among others, the Telecom and manufacturing industry markets.

In accordance with the updated strategy, the Engineering Services Business Segment will also seek growth from the defense industry market, where engineering service expertise is offered for products and services that require embedded wireless device design expertise. These include, for example, various sensors, data links and antennas. Bittium's long-term experience in the demand of defense industry's requirements regarding challenging conditions of operating environment and experience in the industry's regulated environment combined with strong industry expertise provides a good starting point for Engineering Services business to offer cost-effective solutions to customer needs.

With digitization, the secure Internet of Things (IoT) is a significant development area in almost all industries. Demand for Bittium's R&D services and customized solutions is created by the growing need for companies to digitize their operations, collect data wirelessly, transfer data to the internet and cloud services, and monitor and control devices and systems remotely. For this, the market needs secure devices intended for both demanding industrial use and leisure applications, which collect the information brought by the sensors used by the device and create a reliable wireless connection for the device to the internet and cloud services.

With the deployment of 5G and IoT radio technologies, the number of digitized devices is constantly increasing. The devices will also have new and more advanced features, which will create demand for design services. The integration of various systems and technologies plays an important role in enabling the overall service offered to the customer.

Uncertainties in the market are caused by cost-saving pressures, due to which customers' R&D budgets are under constant observation. Some new projects have had to be postponed, and some have been cancelled. The market situation is expected to continue challenging for at least during the first half of the year. In the R&D service business, the visibility is very short and fluctuations in the market situation can cause significant changes in a quick time frame.

## Group Functions in January-December 2024

The Group Functions' operating result in January-December 2024 was EUR -0.3 million (-1.9 million).

R&D costs were EUR 1.5 million (EUR 1.3 million). The amount of R&D expenses capitalized in the balance sheet were EUR 0.6 million, which was EUR 0.2 million more than in the previous year.

Group Functions consist of group administration, strategic projects, and stock market listing related functions, as well as renting premises owned by the group. In addition to this, Group Functions offers common services for the Business Segments, which are reasonable to be operated centrally. For these services, the Business Segments pay a service fee in proportion to the number of employees in the Segments. The CEO, CFO, Vice President, Communications and Sustainability, and CLO are responsible for group functions.

GROUP FUNCTIONS, MEUR	4Q/24	4Q/23	2024	2023
NET SALES				
EBITDA	-0.1	0.2	1.8	0.8
EBITDA, % of net sales				
OPERATING PROFIT / LOSS	-0.6	-0.5	-0.3	-1.9
Operating profit / loss, % of net sales				
R&D EXPENSES	0.4	0.2	1.5	1.3
Capitalized R&D expenses	-0.2	-0.1	-0.6	-0.4
PERSONNEL AT THE END OF THE PERIOD	45	59	45	59

## Personnel

The Bittium group employed an average of 507 people in January-December 2024 (601 employees). At the end of December 2024, the company had 510 employees (526 employees).

### Changes in the Company's Management

**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 continued as a member of Bittium Corporation's management group. In this role, Näykki focused on building Bittium's long-term growth. He was 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.

**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.

**On March 21, 2024, Petri Hiljanen** was appointed as Bittium Corporation's CFO and a member of Bittium Corporation's management group as of April 1, 2024. He reports to CEO Johan Westermarck. Petri Hiljanen was recently the CFO and a member of the management group of Detection Technologies Plc. The previous CFO of Bittium Corporation Antti Keränen resigned for personal reasons.

**On June 5, 2024, Antti Näykki**, Vice President, Group Business Development, and member of Bittium Corporation's management group, has decided to leave the company and continue his career outside of Bittium. Näykki has been responsible also for the management of the group's research activities, supply chains and quality, as well as human resources and information management. He will continue to work for the company to support the transition of the tasks and responsibilities, however, no later than until September 4, 2024.

**On October 10, 2024, Erik Ahnger** (M.Sc., Eng.) was appointed as Vice President, Business Development of Bittium Corporation and a member of Bittium Corporation's management group as of January 7, 2025. He reports to CEO Johan Westermarck. Ahnger has previously worked as Vice President, Group Business Development and M&A at Patria Plc being responsible for group strategy and M&A operations.

*As of January 7, 2024, Bittium Corporation's management group includes following persons: CEO Johan Westermarck (Chairman), CFO Petri Hiljanen, CLO Kari Jokela, Vice President Communications and Sustainability Karoliina Malmi, Vice President, Business Development Erik Ahnger, 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.

On December 31, 2024, the fully paid share capital of the Company entered into the Finnish Trade Register was EUR 12,941,270.00, and the total number of the shares was 35,702,264. The accounting par value of the Company's share is EUR 0.10.

On December 31, 2024, the Company had 216,146 own shares in its possession, representing 0.61 percent of all Bittium Corporation shares.

MARKET VALUES OF SHARES (EUR)	1-12/2024	1-12/2023
	12 months	12 months
Highest	9.30	5.20
Lowest	4.21	3.31
Average	6.50	4.22
At the end of period	6.36	4.81
Market value of the stock (MEUR)	232.0	170.7
Trading value of shares (MEUR)	39.8	17.0
Number of shares traded (1.000 pcs)	6 119	4 021
Related to average number of shares %	17.2	11.3

## 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. In 2024 the Board of Directors of Bittium Corporation did not decide upon commencement of the PSP 2024-2026 share plan.

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

### 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 31, 2024

	Number of shares	% of shares
1. Veikkolainen Erkki	1 825 243	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. Hilden Kai	658 000	1.8
7. Fondita Nordic Micro Cap investment fund	517 218	1.4
8. Mutual Pension Insurance Company Elo	503 000	1.4
9. Hirvilammi Hannu	432 763	1.2
10. Aktia Nordic Micro Cap investment fund	410 389	1.2

At the end of December 2024, Bittium Corporation had 22,853 shareholders. The ten largest shareholders owned 27.8 percent of the shares. Private ownership was 69.2 percent. The percentage of foreign and nominee-registered shareholders' ownership was 5.6 percent.

### 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 2024

The Annual General Meeting of Bittium Corporation was held on April 10, 2024, 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 2023, discharged the company's members of the Board of Directors and the CEO from liability for the financial year ended December 31, 2023, and gave an advisory resolution on the approval of the remuneration policy and 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, 2023 – December 31, 2023, a dividend of EUR 0.03 per share will be distributed. The dividend will be paid to a shareholder who, on the record date for the dividend payment, April 12, 2024, is registered in the company's shareholders' register maintained by Euroclear Finland Ltd. The dividend will be paid on April 19, 2024.

The Annual General Meeting furthermore authorized 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.

All the shares in the company are 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 six (6) 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. Further, Mr. Raimo Jyväsjarvi was elected as the new member of the Board of Directors for a corresponding term of office.

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.

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

PricewaterhouseCoopers Oy, authorized public accountants, was elected auditor of the company for a term of office ending at the end of the next Annual General Meeting. PricewaterhouseCoopers Oy has notified that Mr. Sami Posti, 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.

## **Election of the assurance firm for the Corporate Sustainability Reporting**

The audit firm PricewaterhouseCoopers Oy be elected for the assurance of the Corporate Sustainability Reporting for a term ending at the end of the next Annual General Meeting following the election. PricewaterhouseCoopers Oy has announced that APA Tiina Puukkoniemi will act as the principal assurer.

## **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 12, 2023, to decide on the repurchase of the company's own shares.

The authorization is valid until June 30, 2025.

## **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 12, 2023, 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, 2025.

## Amendment of the Articles of Association

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided that Article 7 of the Articles of Association be amended to enable holding a general meeting entirely without a meeting venue as a so-called remote meeting and, in addition to the company's domicile, in Helsinki, Espoo or Vantaa. The proposed additions to the current Articles of Association are underlined:

### 7. Notice to the meeting and registration

The notice convening a General Meeting shall be delivered not earlier than three months and not later than three weeks before the meeting, however no less than nine (9) days prior to the record date of the General Meeting, by publishing it on the company's website or in one or more newspapers decided by the Board of Directors or by delivering the notice to each shareholder by a letter posted to the address reported by the shareholder in the shareholders register.

A shareholder has the right to participate in the General Meeting when he/she has signed in for the meeting to the company not later than the day mentioned in the notice, which day may not be earlier than ten (10) days before the meeting.

A General Meeting can be held, in addition to the company' domicile, in Helsinki, Espoo or Vantaa.

The Board of Directors may decide that the General Meeting shall be held without a meeting venue so that shareholders can exercise their decision-making power fully and in real time during the meeting by means of a telecommunications connection and a technical device (remote meeting).

## Organizing meeting of the Board of Directors

At its organizing meeting held on April 10, 2024, 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.

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

---

On December 31, 2024, the parent company's distributable funds were EUR 116,813,656 of which the profit for the financial year is EUR 2 705,058. The Board of Directors proposes to the Annual General Meeting to be held on May 7, 2025, that a dividend of EUR 0.10 per share be paid based on the balance sheet to be adopted for the financial year ended December 31, 2024. The dividend will be paid to a shareholder who, on the record date for the dividend payment, on May 9, 2025, is registered in the shareholders' register maintained by Euroclear Finland Ltd. The Board of Directors proposes that the dividend payment date be May 16, 2025.

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 February 18, 2025, the current Chief Executive Officer of Bittium Corporation, Johan Westermarck, resigned from his position. The Board of Directors of Bittium Corporation appointed Petri Toljamo (M.Sc. Radio Engineering, eMBA) as the new Chief Executive Officer of the Company as of April 1, 2025. over 20 years of experience in executive positions at various international technology companies and in global business operations. He joins Bittium from his current position as Chief Executive Officer and founder of HT Growth Partners Oy.

Petri Toljamo has been serving as a Board Member of Bittium Corporation in 2018–2020 and from 2021 onwards. Upon assuming the role of Chief Executive Officer, he will step down from the Board. As of April 1, 2025, the Board of Directors of Bittium Corporation include Erkki Veikkolainen, the Chairman of the Board, and members of the Board: Pekka Kempainen, Veli-Pekka Paloranta, Riitta Tiuraniemi and Raimo Jyväsjärvi.

Johan Westermarck has been acting as the Chief Executive Officer of Bittium Corporation since 2023 and will continue in his position until March 31, 2025.

## 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. The global geopolitical instability has caused various risks related to demand and supply and increased uncertainty.

### 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 Business Segment based market outlook has been presented in this report in the Development of Business Segments and Market Environment in January-December 2024 sections.

### 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 19.0 million senior loan and a EUR 10.0 million overdraft credit facility agreement with Nordea Bank Finland Plc. These agreements have been renegotiated on March 28, 2024, with the previous agreements between the parties expiring in May 2024. The maturity date for the senior loan is May 24, 2029, and it will be amortized by EUR 1.0 million every six months. The overdraft credit facility agreement is valid until May 25, 2026, after which it will continue to be valid indefinitely. At the end of the review, period no limit from the overdraft credit facility agreement was in use. These agreements include customary covenants related to, for example, equity ratio, interest-bearing debts and EBITDA, as well as the transfer and pledging of assets, the conditions of which were fulfilled at the end of the review period.

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 strategy (ESG strategy). Bittium updated its ESG strategy in 2024. The strategy is based on the company's growth strategy, ethical principles and values, and stakeholder expectations, as it is in line with the double materiality analysis carried out in spring 2024. The goal of the ESG strategy is to steer the business towards a more energy-efficient, low-emission, safer, and more sustainable future. The strategy has four focus areas: 1) environmental responsibility, 2) innovative and developing people, 3) trustworthy customer relationships and security, and 4) corporate citizenship and responsible business practices.

The main goals of environmental responsibility are combating climate change, securing a clean environment, and promoting a circular economy. To advance its goals, Bittium strives for energy efficiency and low emissions in its operations and products. With safer products and less polluting logistics, the company aims to secure a cleaner future for the environment. Sustainable, recyclable and low-emission

products, in turn, aim to promote a circular economy. By maximizing the life cycle and recyclability of its products, the overall life cycle impacts of products can be influenced. Bittium intends to minimize the impact of its operations on the environment and is committed to the EU Green Deal, which will help Europe become a climate-neutral continent by 2050. In 2024, the company calculated its total emissions for the first time and created the first version of its transition plan towards net zero. The plan will be refined during 2025. Progress on the goals of the transition plan will be monitored annually.

The company's most important assets are its talented people, supported by a diverse and non-discriminatory work community, and taking care of the well-being and competence of its personnel. The company offers its employees challenging and inspiring jobs and is committed to supporting their development and investing in their well-being. In the Innovative and Developing People focus area, the company aims to improve the well-being of its own workforce and measures it with an annual personnel survey. The company also aims to influence the responsibility of its value chain. Sustainable operations in the value chain are described in the company's Supplier Code of Conduct. Bittium assesses the sustainability of its suppliers through supplier audits, among other things.

The goal of the Confidential Customer Relationships and Security focus area is satisfied customers and secure operations. In customer relationships, responsibility is reflected in the way the company operates, the quality of products and services, and confidential customer relationships. The foundation of the company's business is trust, which is also one of the company's three guiding values, which are trust, courage, and innovation. Customer satisfaction is measured with annual customer and project satisfaction surveys. Information security is continuously maintained and developed, and personnel are regularly trained to identify and prepare for information security threats. The company continuously develops and improves the information security of its products and technologies. The ISO 27001 information security certificate is an indication of the comprehensive quality of the company's information security.

Responsible business practices are the foundation of the company's operations. The Corporate Citizenship and Responsible Business Practices focus area aims to conduct responsible business and act as a reliable partner. Responsible operations help the company create long-term value. Bittium wants to be a reliable operator for all its stakeholders and develop dialogue between different stakeholders. Its operations are guided by good governance and ethical principles (Code of Conduct), which were updated in 2024. The Code of Conduct is available on the company's website: <https://www.bittium.com/about-bittium/sustainability/code-of-conduct/>

Bittium will monitor the progress of each focus area using selected metrics and continuously develop its operations and performance. From 2024, Bittium will report on its sustainability aspects in accordance with the standards of the EU CSRD (Corporate Sustainable Reporting Directive), which regulates sustainability reporting. The first sustainability report according to CSRD will be published no later than April 15, 2025, as part of the Board of Directors' report from 2024.

More information about Bittium's sustainability can be found on the company's internet pages at <https://www.bittium.com/about-bittium/sustainability/>.

## Financial Calendar 2025

---

In 2025, 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.

The financial reports from the first half of the year and the financial statements are published as follows:

- Financial Statement Bulletin 2024: February 18, 2025, at 8.00 am (CET+1)
- Half Year Financial Report January-June 2025: August 8, 2025, at 8.00 am (CEST+1)

The business reviews from the first quarter and from the third quarter are published as follows:

- Business Review January-March 2025: April 29, 2025, at 8.00 am (CET+1)
- Business Review January-September 2025: October 24, 2025, at 8.00 am (CET+1)

Bittium Corporation will publish the 2024 Annual Report at the latest on April 15, 2025. The annual report includes the Financial Statements, Report by the Board of Directors, sustainability report according to the Corporate Sustainability Reporting Standard (CSRD), and Corporate Governance Statement.

The actual general meeting will be held in Oulu, on May 7, 2025.

## Invitation to a Press Conference

---

Bittium will hold a webcast regarding the Financial Statement Bulletin January-December 2024 for media, analysts, and institutional investors on Tuesday, February 18, 2025, at 9.00 am (CET+1). The conference will be held in English.

Link to the webcast: <https://bittium.events.inderes.com/q4-2024>

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, Finland, February 18, 2025

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 2024

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (MEUR)	10-12/2024	10-12/2023	1-12/2024	1-12/2023
	3 months	3 months	12 months	12 months
<b>NET SALES</b>	<b>33.2</b>	<b>25.7</b>	<b>85.2</b>	<b>75.2</b>
Other operating income	0.7	0.9	3.8	3.1
Work performed by the undertaking for its own purpose and capitalized	0.1	0.1	0.2	0.3
Raw materials	-9.9	-8.7	-22.0	-20.2
Personnel expenses	-10.1	-10.6	-35.7	-39.1
Depreciation	-2.6	-2.3	-8.6	-9.5
Other operating expenses	-5.4	-4.1	-14.0	-14.2
Share of results of the associated companies	-0.1	0.0	-0.1	0.0
<b>OPERATING PROFIT (LOSS)</b>	<b>6.0</b>	<b>1.0</b>	<b>8.6</b>	<b>-4.3</b>
Financial income	0.1	0.1	0.3	0.5
Financial expenses	-0.3	-0.4	-1.6	-1.5
Net financial expenses	-0.3	-0.3	-1.2	-1.0
<b>PROFIT BEFORE TAX</b>	<b>5.7</b>	<b>0.7</b>	<b>7.4</b>	<b>-5.3</b>
Income tax	-0.1	-0.2	-0.1	-0.2
<b>PROFIT FOR THE PERIOD</b>	<b>5.6</b>	<b>0.6</b>	<b>7.3</b>	<b>-5.4</b>
Other comprehensive income:				
Items that may be reclassified subsequently to the statement of income				
Exchange differences on translating foreign operations	0.2	-0.1	0.1	-0.1
Other comprehensive income for the period total	0.2	-0.1	0.1	-0.1
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>5.7</b>	<b>0.4</b>	<b>7.4</b>	<b>-5.5</b>
Earnings per share calculated on the profit attributable to the shareholders of the parent company, EUR				
Basic earnings per share	0.157	0.016	0.205	-0.153
Diluted earnings per share	0.157	0.016	0.205	-0.153



CONSOLIDATED STATEMENT OF FINANCIAL POSITION (MEUR)	Dec 31, 2024	Dec 31, 2023
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	17.0	18.2
Goodwill	5.8	5.8
Intangible assets	51.0	51.2
Other financial assets	1.2	1.2
Other long-term receivables	0.3	0.7
Deferred tax assets	7.4	7.4
Non-current assets total	82.8	84.6
Current assets		
Inventories	24.8	26.6
Trade and other receivables	35.8	38.1
Cash and short term deposits	21.8	8.3
Current assets total	82.4	73.1
<b>TOTAL ASSETS</b>	<b>165.1</b>	<b>157.7</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	72.6	67.4
Total equity	112.8	107.6
Non-current liabilities		
Deferred tax liabilities	0.1	0.1
Interest-bearing liabilities	18.0	1.5
Other non-current liabilities	0.3	0.2
Non-current liabilities total	18.4	1.8
Current liabilities		
Trade and other payables	25.6	22.4
Provisions	5.5	4.8
Interest-bearing loans and borrowings	2.9	21.1
Current liabilities total	34.0	48.3
Total liabilities	52.3	50.1
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>165.1</b>	<b>157.7</b>

<b>CONSOLIDATED STATEMENT OF CASH FLOWS (MEUR)</b>	<b>1-12/2024</b>	<b>1-12/2023</b>
	<b>12 months</b>	<b>12 months</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year	7.3	-5.4
Adjustment of accrual basis items	11.6	10.6
Change in net working capital	7.1	-3.0
Interest paid on operating activities	-1.6	-1.4
Interest received from operating activities	0.3	0.5
Income taxes paid	-0.3	-0.1
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>24.4</b>	<b>1.2</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of business unit, net of cash acquired		
Purchase of property, plant and equipment	-0.7	-0.3
Purchase of intangible assets	-6.0	-7.4
Purchase of investments/associated companies		
Sale of property, plant and equipment		
Sale of intangible assets		
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-6.7</b>	<b>-7.7</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings		
Repayment of borrowing	-1.0	0.0
Payment of finance liabilities	-1.1	-1.3
Dividend paid and repayment of capital	-2.1	-1.8
Purchases of own shares	-0.1	-1.0
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-4.3</b>	<b>-4.2</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>13.4</b>	<b>-10.7</b>
Cash and cash equivalents at beginning of period	8.3	19.0
Cash and cash equivalents at end of period	21.8	8.3

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (MEUR)

A = Share capital

B = Invested non-restricted equity fund

C = Translation difference

D = Retained earnings

E = Total equity

	A	B	C	D	E
<b>Shareholders equity on Jan. 1, 2023</b>	<b>12.9</b>	<b>26.0</b>	<b>1.3</b>	<b>75.6</b>	<b>115.8</b>
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
<b>Shareholders equity on Dec. 31, 2023</b>	<b>12.9</b>	<b>26.0</b>	<b>1.3</b>	<b>67.4</b>	<b>107.6</b>

	A	B	C	D	E
<b>Shareholders equity on Jan. 1, 2024</b>	<b>12.9</b>	<b>26.0</b>	<b>1.3</b>	<b>67.4</b>	<b>107.6</b>
Comprehensive income for the period					
Profit for the period				7.3	7.3
Exchange differences on translating foreign operations			0.1		0.1
Total comprehensive income for the period			0.1	7.3	7.4
Transactions between the shareholders					
Distribution of dividends				-2.1	-2.1
Purchases of own shares				-0.1	-0.1
Share-related compensation				0.1	0.1
Total transactions between the shareholders				-2.1	-2.1
Other changes				0.0	0.0
<b>Shareholders equity on Dec. 31, 2024</b>	<b>12.9</b>	<b>26.0</b>	<b>1.3</b>	<b>72.6</b>	<b>112.8</b>

## 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). Bittium Corporation has applied the same accounting principles in the preparation of this Year End Report as in its Financial Statements for 2023, except for the adoption of new standards and interpretations effective during 2024. These standards and interpretations did not have significant impact on the consolidated financial statements.

### SEGMENT-INFORMATION (MEUR)

As of January 1, 2024, Bittium Corporation has started segment-based financial reporting. There are three Business Segments: Defense & Security, Medical, and Engineering Services, and Group Functions.

Bittium's segment information is based on the group's management structure and management reporting. The new reporting structure is consistent with how the company monitors the operational development of its segments. Assessment of segment performance is based on the segment's operating profit. The company does not follow assets and liabilities by segment. Financial income and expenses, as well as income taxes are not allocated to segments.

Group Functions offers common services for the business segments, which are justified to be operated centrally. The costs of these services are allocated to the business segments as a service fee in proportion to the number of employees in the segments. The service fee is determined annually based on the budget and is not equalized according to the final implementation.

BUSINESS SEGMENTS 1-12/2024 (MEUR)	Defense & Security	Medical	Engineering Services	Group Functions	Bittium group
Net sales, external	51.6	19.3	14.3	0.0	85.2
Net sales between segments	0.0	10.5	0.0	9.7	20.2
Other operating income	1.3	1.8	0.2	0.4	3.8
Operating expenses	-39.3	-20.4	-13.4	1.4	-71.6
EBITDA	13.6	0.7	1.2	1.8	17.3
Depreciation	-5.0	-1.5	-0.0	-2.1	-8.6
Share of results of the associated companies		-0.1			-0,1
Operating profit/loss	8.6	-0.9	1.2	-0.3	8.6
Financial income and expenses	-	-	-	-	-1.2
Profit before tax					7.4

BUSINESS SEGMENTS 1-12/2023 (MEUR)	Defense & Security	Medical	Engineering Services	Group Functions	Bittium group
Net sales, external	36.2	22.0	17.0	0.0	75.2
Net sales between segments	0.1	10.8	0.0	15.9	27.0
Other operating income	1.6	0.8	0.2	0.5	3.1
Operating expenses	-35.9	-21.8	-15.5	0.1	-73.1
EBITDA	1.9	0.8	1.7	0.8	5.2
Depreciation	-5.1	-1.9	-0.0	-2.5	-9.5
Share of results of the associated companies		0.0			0.0
Operating profit/loss	-3.2	-0.9	1.7	-1.9	-4.3

Financial income and expenses	-	-	-	-	-1.0
Profit before tax					-5.3

RELATED PARTY TRANSACTIONS	1-12/2024	1-12/2023
	12 months	12 months
Employee benefits for key management and stock options expenses total	1.5	1.8

SECURITIES AND CONTINGENT LIABILITIES (MEUR)	Dec. 31. 2024	Dec. 31. 2023
<b>AGAINST OWN LIABILITIES</b>		
Floating charges		
Mortgages are pledged for liabilities totaled		
Guarantees	0.1	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	2.3
Falling due after one year	0.9	0.9
Material purchase commitments	8.7	8.2

NOMINAL VALUE OF CURRENCY DERIVATIVES (MEUR)	Dec. 31. 2024	Dec. 31. 2023
Foreign exchange forward contracts		
Market value	0.0	0.0
Nominal value	2.5	2.2

## 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 = 
$$\frac{\text{Equity attributable to equity holders of the parent}}{\text{Share issue adjusted number of the shares at the end of the period}}$$