

# Bittium Corporation Half-Year Financial Report January-June 2025

The background of the slide features a dark blue gradient with a faint, stylized financial chart. The chart includes vertical bars of varying heights and several numerical data points scattered across the upper right portion. The numbers are in a light blue, sans-serif font. A white diagonal line runs from the bottom left towards the middle right, separating the dark blue background from a white triangular area at the bottom right.

**Bittium**

# Half-Year Financial Report January-June 2025

Net sales increased and the order backlog improved significantly in the first half of the year.

Figures in parentheses refer to the corresponding period a year earlier, unless otherwise stated.

## Summary April-June 2025

- Net sales grew 15.6 percent from the previous year and were EUR 22.9 million (EUR 19.8 million).
- Product-based net sales were EUR 15.1 million (EUR 11.9 million), representing 66.0 percent (60.1 percent) of total net sales.
- Service-based net sales were EUR 7.8 million (EUR 7.9 million), representing 34.0 percent (39.9 percent) of total net sales.
- In the second quarter, a total of approximately EUR 0.9 million non-recurring costs, affecting EBITDA, operating result and result for the period, were recorded in the second quarter income statement, resulting from change negotiations held in the Finnish company of the Medical Business Segment and other measures aimed at streamlining operations and processes.
- EBITDA was EUR 2.9 million (EUR 4.2 million), representing 12.6 percent of net sales (21.2 percent).
- The operating result was EUR 1.1 million (EUR 1.9 million), representing 4.9 percent of net sales (9.6 percent).
- The result for the period was EUR 1.1 million (EUR 1.6 million) and earnings per share were EUR 0.032 (EUR 0.045).
- Cash flow from operating activities was EUR 0,0 million (EUR -2,3 million).
- Net cash flow was EUR -6,1 million (EUR -5,7 million).
- Order backlog was EUR 43,1 million (EUR 33,8 million).
- Number of personnel at the end of the period was 538 (502).
- The Annual General Meeting held on 7 May 2025 decided, in accordance with the Board of Directors' proposal, that a dividend of EUR 0.10 per share be distributed based on the approved balance sheet for the financial period January 1–December 31, 2024.
- Petri Toljamo started as the new CEO of Bittium Corporation on 1 April 2025. The previous CEO, Johan Westermarck, resigned from his position on 18 February 2025.
- Niina Huikuri was appointed as Senior Vice President, Medical Business Segment and a member of the Management Group as of 1 May 2025.
- Teemu Hannula was appointed as Vice President, Operations and a member of the Management Group as of 1 June 2025.
- The Board of Directors of Bittium Corporation decided on a one-time additional share program for the CEO and a new program in Bittium Corporation's management share-based incentive system.
- As a result of the change negotiations held at Bittium Biosignals Oy, the Finnish company of the Medical Business Segment, the company dismissed 18 employees for financial, production and operational restructuring reasons. If the dismissals are fully implemented and other measures aimed at improving the efficiency of operations and processes are taken the company estimates that it will achieve annual savings of approximately EUR 2.0 million. As a result of the decisions and measures taken, the company will record non-recurring expenses totaling approximately EUR 0.9 million in the income statement for the second quarter of 2025, which will burden the Medical Business Segment's operating result in that period.
- Bittium signed a new agreement to supply ECG monitoring devices to the US-based Boston Scientific.
- Bittium received an order from the Finnish Defence Forces for tactical software-based radio system products and accessories, as well as a new European customer for its tactical communication solutions.
- After the review period, Bittium and the Spanish Indra Group signed a letter of intent regarding strategic cooperation related to tactical radio communication solutions.
- Investments in implementing the growth strategy and delivery capability continued.
- The global geopolitical situation is causing general uncertainty and changes in the operating environment.

## Summary January-June 2025

- Net sales were EUR 42.2 million (EUR 37.9 million, representing 11.3 percent increase from last year).
- The share of product-based net sales was 61.4 percent (59.6 percent), totaling to EUR 25.9 million (EUR 22.6 million).
- The share of service-based net sales was 38.6 percent (40.4 percent), totaling to EUR 16.3 million (EUR 15.3 million).
- In the second quarter, a total of approximately EUR 0.9 million non-recurring costs, affecting EBITDA, operating result and result for the period, were recorded in the second quarter income statement, resulting from change negotiations held in the Finnish company of the Medical Business Segment and other measures aimed at streamlining operations and processes.
- EBITDA was EUR 4.8 million (EUR 7.4 million).
- Operating result was EUR 1.5 million (EUR 2.9 million), representing 3.6 percent of net sales (7.7 percent).
- Result of the period was EUR 1.5 million (EUR 2.3 million) and earnings per share were EUR 0.043 (EUR 0.064).
- Operating cash flow was EUR 9.2 million (EUR 3.0 million).

- Net cash flow was EUR 0.0 million (EUR -2.8 million).
- Order backlog was EUR 43.1 million (EUR 33.8 million).
- Personnel at the end of the period was 538 (502).

GROUP (MEUR)	2Q/2025 3 months	2Q/2024 3 months	1H/2025 6 months	1H/2024 6 months
Net sales	22.9	19.8	42.2	37.9
Change of net sales. %	15.6%	-4.4%	11.3%	6.5%
EBITDA	2.9	4.2	4.8	7.4
EBITDA, % of net sales	12.6%	21.2%	11.4%	19.5%
Operating profit / loss	1.1	1.9	1.5	2.9
Operating profit / loss, % of net sales	4.9%	9.6%	3.6%	7.7%
Result of the period	1.1	1.6	1.5	2.3
Cash and other liquid assets	21.7	5.5	21.7	5.5
Equity ratio (%)	70.7%	70.3%	70.7%	70.3%
Earnings per share (EUR)	0.032	0.045	0.043	0.064

## Bittium's CEO Petri Toljamo

Net sales for the second quarter of 2025 increased by 15.6 percent year-on-year to EUR 22.9 million. The growth was mainly driven by the Defense & Security Business Segment. Net sales in the Medical and Engineering Services Business Segments also increased slightly. The operating result for the second quarter was EUR 1.1 million, which corresponds to 4.9 percent of net sales. The operating result was impacted by investments made to enable future growth and non-recurring costs of EUR 0.9 million due to change negotiations held in the Finnish company of the Medical Business Segment and other measures aimed at improving the efficiency of operations and processes. The order backlog increased by 27.5 percent year-on-year to EUR 43.1 million.

Net sales for the first half of the year increased by 11.3 percent from the previous year and were EUR 42.2 million. The increase in net sales was mainly generated in the Defense & Security Business Segment. Net sales in the Engineering Services Business Segment increased slightly from the previous year. Medical Business Segment's net sales fell slightly from the previous year due to the exceptionally high net sales in the comparison period. Operating profit for the first half of the year was EUR 1.5 million, corresponding to 3.6 percent of net sales. The accumulation of operating profit was affected by investments in future growth and non-recurring costs recorded in the second quarter.

We continued to invest in accelerating international sales and in increasing customer focus across the organization. Our efforts are reflected in, among other things, a significant increase in the order book, especially in the Defense & Security Business Segment. We have renewed our organization to ensure the right capabilities to execute our strategy across all Business Segments. We established a subsidiary in London. A local presence in United Kingdom strengthens our position in tenders and supports our collaboration with our partner BAE Systems, a global defense industry operator.

We have continued to invest in strengthening our production capabilities and scalability. We are aiming for significant international growth and production scalability is key to building growth for us. We have, among other things, strengthened our organization, increased production testing capacity and expanded the number of potential manufacturing partners.

Each Business Segment has its own growth strategy. Common themes for all are developing international sales, renewing the offering and improving operational efficiency. We will update our growth strategy in the autumn and share more about the company's operations, market developments and long-term growth opportunities at the Capital Markets Day on 23 September 2025.

**In the Defense & Security Business Segment**, our demand is driven by the continued growth of the defense market due to increased defense funds. Our international customer portfolio expanded when we received an order for tactical radios from a new European country. The products ordered are being used for trial use by the special forces of the country's defense forces. After the review period, we signed a letter of intent with the Spanish defense industry operator Indra Group to start a strategic cooperation in the field of tactical software-defined radios. Indra is a familiar partner to us from the European ESSOR waveform development consortium.

Cooperation with the Finnish Defence Forces continued strong in the implementation of the Partnership Agreement, and product deliveries of tactical communication system products and radios have continued as planned. We demonstrated a future hybrid network to the Defence Forces in cooperation with Nokia, where several 4G/5G bubbles were connected to our tactical communication network, enabling communication also with other authorities within the tactical network.

We expanded our tactical service portfolio with lifecycle services for our systems and products. A comprehensive range of lifecycle services for our tactical communication solutions enables training for defense sector customers, local maintenance and repair

capabilities, and maximizes the operational runtime and performance of existing tactical communication solutions. Especially in military crisis situations, carrying out maintenance and repair measures locally is of great importance.

We will continue to strongly enhance international sales in order to be able to seize growth opportunities, especially in the European market. In addition, we will continue to invest in the scalability of production and delivery capabilities.

**In the Medical Business Segment,** we have not been able to grow our business despite operating in a growing market. We have taken measures to improve the situation and continue to work systematically to renew our product portfolio and increase our customer portfolio and market shares.

We have continued to renew our organization so that we have the right capabilities to implement our growth strategy. We held change negotiations in our Medical Business Segment's Finnish Company, as a result of which we laid off 18 employees. We are now focusing on reorganizing the segment and increasing industry expertise and focusing product development to strengthen competitiveness. The sales focus is on commercially competitive products and those market areas where growth enablers such as reimbursability and clinical practices, support success.

The cooperation with our significant customer Boston Scientific Cardiac Diagnostics strengthened and we signed a new agreement for the supply of ECG monitoring devices for the next three years. The total value of the new agreement is approximately USD 30-45 million, depending on the final order volumes. Our collaboration will also continue in the development of customized ECG technologies.

As the population ages, the most common arrhythmias, such as atrial fibrillation, are increasing significantly. Atrial fibrillation accounts for almost 70 percent of all arrhythmias, making it the most significant growth driver in the ECG diagnostics market. As atrial fibrillation becomes more common, the demand for ECG monitoring devices is also increasing, and we will focus our sales and product development efforts significantly on this product area in the coming years.

We have continued our sales efforts for the Respiro, used for diagnosing sleep apnea, in the European market and delivered small quantities of devices to our customers for commercial use. Our measuring device is particularly suitable for diagnosing obstructive sleep apnea, the prevalence of which has increased significantly. Today, 30 percent of the elderly suffer from sleep apnea, and the market for home sleep apnea monitoring devices is expected to grow in the future. We are now focusing on building sales channels and selecting strategic partners for the commercialization of Respiro.

We will continue to improve the competitiveness of our products and focus our operations on developing products and services that will bring us business in the near future. Our goal is to grow profitable international business. We will refine our strategy for the Medical Business Segment during the autumn.

**In the Engineering Services Business Segment,** co-operation with our customers continued well and we received follow-up orders for existing projects. The demand for R&D services has been affected by changes caused by geopolitical uncertainty for some time now and we do not expect the situation to change during the current year. Despite this, we managed to open new customer accounts, for example from the manufacturing industry markets, and the number of new orders increased significantly in the second quarter of the year. In line with our strategy, we also progressed in the defense industry markets and won our first development projects.

Earlier this year, we told about a customer project in which we were involved in designing a prototype of a next-generation satellite terminal. The project continued in the second quarter of the year when we received an order for the next development phase, which will enable direct satellite connection to mobile devices. The solution allows ordinary smartphones to establish a direct connection to satellites for, for example, text messages, chat, voice and email. The 3GPP-standardized 5G NTN technology used in the satellite terminal enables a major change in the satellite communications segment, enabling mainstream technological solutions for both the network and terminal side. This change can bring new players into the market, also expanding our customer potential.





## Outlook for 2025 (Unchanged)

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 Development in January-June 2025

Bittium's net sales in January-June 2025 grew by 11.3 percent year-on-year to EUR 42.2 million (EUR 37.9 million).

Product-based net sales were EUR 25.9 million (EUR 22.6 million), representing 61.4 percent of total net sales (59.6 percent). The growth in product-based net sales was particularly influenced by the increased delivery volumes of Tough SDR radios in the Defense & Security Business Segment.

Service-based net sales were EUR 16.3 million (EUR 15.3 million) representing 38.6 percent of total net sales (40.4 percent).

In the second quarter, a total of approximately EUR 0.9 million non-recurring costs, affecting EBITDA, operating result and result for the period, were recorded in the second quarter income statement, resulting from change negotiations held in the Finnish company of the Medical Business Segment and other measures aimed at streamlining operations and processes.

EBITDA was EUR 4.8 million (EUR 7.4 million).

R&D investments were EUR 7.7 million (EUR 7.9 million) representing a 18.2 percent of net sales (20.9 percent). EUR 2.2 million was capitalized, which was EUR 1.7 million less than a year ago.

The operating result was EUR 1.5 million (EUR 2.9 million), representing 3.6 percent of net sales (7.7 percent). The decline in operating profit from the previous year was due to investments made to enable growth, including improving production scalability and sales efficiency.

The result of the period was EUR 1.5 million (EUR 2.3 million) and earnings per share were EUR 0.043 (EUR 0.064).

Cash flow from operating activities was EUR 9.2 million (EUR 3.0 million). Net cash flow was EUR 0.0 million (EUR -2.8 million). Net cash flow included profit for the period of EUR 1.5 million, change in net working capital of EUR 5.1 million, R&D investments in own products of EUR 2.2 million, and a dividend payment of EUR 3.5 million (profit for the period of EUR 2.3 million, change in net working capital of EUR 3.9 million, product development investments in own products of EUR 3.9 million, and a dividend payment of EUR 1.1 million).

The equity ratio was 70.7 percent (70.3 percent).

Net gearing ratio was -0.9 percent (15.5 percent).

Order backlog at the end of June was EUR 43.1 million (EUR 33.8 million).

## Half-Year Figures

GROUP'S NET SALES AND OPERATING RESULT, MEUR	1H/25	2H/24	1H/24	2H/23
Net sales	42.2	47.2	37.9	39.6
Operating profit (loss)	1.5	5.7	2.9	-1.1
Result before taxes	1.6	5.1	2.3	-1.6
Result for the period	1.5	5.0	2.3	-1.8

DISTRIBUTION OF NET SALES BY PRODUCT AND SERVICES, MEUR AND %	1H/25	2H/24	1H/24	2H/23
Product-based net sales	25.9	29.3	22.6	24.4
	61.4%	62.1%	59.6%	61.6%
Services-based net sales	16.3	17.9	15.3	15.2
	38.6%	37.9%	40.4%	38.4%

**DISTRIBUTION OF NET SALES BY MARKET AREAS, MEUR AND %**

	1H/25	2H/24	1H/24	2H/23
Asia	0.4 0.9%	0.8 1.7%	0.4 1.1%	0.3 0.9%
North and South America	9.0 21.4%	8.9 18.9%	10.3 27.1%	10.7 27.0%
Europe	32.7 77.6%	37.5 79.4%	27.3 71.9%	28.6 72.1%

## Quarterly Figures

**GROUP'S NET SALES AND OPERATING RESULT, MEUR**

	2Q/25	1Q/25	4Q/24	3Q/24	2Q/24
Net sales	22.9	19.3	33.2	14.0	19.8
Operating profit (loss)	1.1	0.4	6.0	-0.3	1.9
Result before taxes	1.2	0.4	5.7	-0.6	1.6
Result for the period	1.1	0.4	5.6	-0.6	1.6

**DISTRIBUTION OF NET SALES BY PRODUCT AND SERVICES, MEUR AND %**

	2Q/25	1Q/25	4Q/24	3Q/24	2Q/24
Product-based net sales	15.1 66.0%	10.8 55.8%	22.3 67.2%	7.0 50.1%	11.9 60.1%
Services-based net sales	7.8 34.0%	8.5 44.2%	10.9 32.8%	7.0 49.9%	7.9 39.9%

**DISTRIBUTION OF NET SALES BY MARKET AREAS, MEUR AND %**

	2Q/25	1Q/25	4Q/24	3Q/24	2Q/24
Asia	0.2 0.7%	0.2 1.2%	0.4 1.1%	0.5 3.3%	0.1 0.6%
North and South America	4.6 20.1%	4.4 23.0%	5.2 15.6%	3.7 26.3%	4.7 23.8%
Europe	18.1 79.2%	14.6 75.8%	27.7 83.3%	9.9 70.4%	14.9 75.5%

## Statement of Financial Position and Financing

MEUR	Jun. 30. 2025	Jun. 30. 2024	Dec. 31. 2024
Non-current assets	85.0	84.3	82.8
Current assets	75.4	73.1	82.4
<b>Total assets</b>	<b>160.4</b>	<b>157.4</b>	<b>165.1</b>
Share capital	12.9	12.9	12.9
Other capital	97.7	95.8	99.9
Total equity	110.7	108.7	112.8
Non-current liabilities	18.0	19.7	18.4
Current liabilities	31.7	28.9	34.0
Total equity and liabilities	<b>160.4</b>	<b>157.4</b>	<b>165.1</b>

CASH FLOW OF THE REVIEW PERIOD, MEUR	1-6/2025	1-6/2024	1-12/2024
+ profit of the period +/- adjustment of accrual basis items	4.2	7.6	18.9
+/- change in net working capital	5.1	-3.9	7.1
- interest, taxes and dividends	-0.1	-0.8	-1.5
= net cash from operating activities	9.2	3.0	24.4
- net cash from financing activities	-5.2	-4.1	-6.7
- net cash from financing activities	-4.0	-1.7	-4.3
= net change in cash and equivalents	0.0	-2.8	13.4

Gross investments in the review period were EUR 5.6 million (EUR 4.7 million). Net investments in the review period were EUR 5.6 million (EUR 4.5 million). Total depreciation for the review period was EUR 3.3 million (EUR 4.5 million). The amount of interest-bearing debt, including finance lease liabilities, was EUR 20.8 million (EUR 22.3 million) at the end of the review period. At the end of the review period, Bittium's equity ratio was 70.7 percent (70.3 percent).

At the end of review period, Bittium had a EUR 18.0 million senior loan and a EUR 10.0 million overdraft credit facility agreement with Nordea Bank Finland Plc. 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 to invest in developing its own products and solutions. In January-June 2025 R&D costs were EUR 7.7 million (EUR 7.9 million), representing 18.2 percent of net sales (20.9 percent). The R&D investments were mainly focused on continuously improving competitiveness and developing the features of the products, systems and their software in the Medical and Defense & Security Business Segments.

R&D INVESTMENTS, MEUR	1-6/2025 6 months	1-6/2024 6 months
<b>Total R&amp;D investments</b>	<b>7.7</b>	<b>7.9</b>
Capitalized R&D investments	-2.2	-3.9
Depreciations and impairment of R&D investments	1.8	2.8
Cost impact on income statement	7.3	6.9
R&D investments, % of net sales	18.2%	20.9%

CAPITALIZED R&D INVESTMENTS IN THE BALANCE SHEET, MEUR	1-6/2025 6 months	1-6/2024 6 months
Balance sheet value in the beginning of period	50.5	50.5
Additions during the period	2.2	3.9
Depreciations and impairment of R&D investments	-1.8	-2.8
Balance sheet value at the end of the period	50.8	51.5

## Strategy Implementation and Other Significant Events in January-June 2025

At the end of 2024, Bittium updated its strategy for 2025–2028. The growth strategy has four fundamental pillars: 1) strengthening leading information security embedded technology expertise as a cornerstone of competitive advantage, 2) building the capabilities required for sales and commercialization to enable growth, 3) strengthening the technology base by focusing product development investments closer to customer needs, and 4) ensuring delivery capabilities to enable reliability and scalability. The growth strategy aims to achieve profitable growth in all three Business Segments.

During the first half of 2025, strategy implementation progressed strongly in the Defense & Security Business Segment. Demand has increased due to changes caused by geopolitical instability. The customer portfolio expanded to a new European country, where the company supplied software-defined radios for use by the country's special forces. Bittium has strengthened its international sales and operations and its ability to serve its customers increasingly locally. To support this, the company launched lifecycle services as part of its offering as a separate business and established a subsidiary in the United Kingdom. Measures to improve delivery capabilities have continued to strengthen the scalability of the business.

In the Medical Business Segment, operations were significantly reorganized and capabilities for business growth have been improved. Sales focus has been clarified, and sales channel retargeting has begun. A strategically significant cooperation agreement with Boston Scientific Cardiac Diagnostics, a provider of ECG services, was continued and the companies signed a new three-year agreement for the supply of ECG measurement devices. Timely development of products and systems has played an important role in planning future growth. The segment's strategy and plans will be updated during this autumn.

In the Engineering Services Business Segment, the company has made strong efforts in developing sales, with a particular focus on international customers in Europe. New customer accounts were won from, among others, the manufacturing and defense markets. Efforts in deepening partnerships with existing customers continued, but customers' cost-saving measures are currently creating uncertainty in the operating environment. Bittium's goal is to create value for its customers in the digital transformation, and to support this, the company will invest in strengthening its own artificial intelligence expertise.

More information about the strategy is available on the company's website: <https://www.bittium.com/investors/bittium-for-investors/strategy/>

## Seamless & Secure Connectivity - Development 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.

A total of seven co-innovation projects have been launched in connection with the program, which develop, among others, algorithms to reduce IoT security threats, optical identification methods for physical parameters and biomarkers, digital solutions for the LifeScience industry and contactless sensor solutions. Other topics include, among others, the further development of quantum-secure encryption methods, solutions to develop energy efficiency, productivity and competitiveness through new simulation and modelling methods, and the safe and effective application of artificial intelligence methods in both product development and products. The ecosystem projects involve more than 50 partner companies or research institutes, and 4 EU Defence Fund (EDF) development projects have been linked to the project.

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



# The Development of Operational Environment and Business Segments in January-June 2025

## Defense and Security Business Segment January-June 2025

Net sales of Defense & Security Business Segment in January-June 2025 grew 19.4 percent from last year and were EUR 25.0 million (EUR 21.0 million). Growth in the net sales was especially driven by the increased number of Bittium Tough SDR radio deliveries.

EBITDA was EUR 3.9 million (EUR 4.9 million), representing 15.6 percent of net sales.

R&D costs were EUR 4.0 million (EUR 4.0 million), representing 16.2 percent of net sales (19.1 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 on the balance sheet were EUR 1.3 million, which was EUR 1.4 million less than a year ago.

The operating result was EUR 2.0 million (EUR 2.4 million), representing 8.2 percent of net sales (11.4 percent). The decline in operating result from the previous year was due to investments made to enable growth, such as strengthening international sales and increasing production capacity to enable scalability.

The number of new orders in January-June 2025 was EUR 24.0 million (EUR 24.6 million). At the end of June, the order backlog was EUR 33.3 million (EUR 21.3 million).

DEFENSE & SECURITY BUSINESS SEGMENT, MEUR	2Q/25	2Q/24	1H/25	1H/24	2024
Net sales	14.3	11.7	25.0	21.0	51.6
EBITDA	2.8	3.2	3.9	4.9	13.6
EBITDA, % of net sales	19.4	27.7	15.6	23.3	26.4
Operating profit / Loss	1.7	1.9	2.0	2.4	8.6
Operating profit / loss, % of net sales	11.8	16.2	8.2	11.4	16.7
R&D expenses	2.2	2.1	4.0	4.0	6.3
Capitalized R&D expenses	-0.6	-1.3	-1.3	-2.7	-3.6
New orders	20.0	14.4	24.0	24.6	68.4
Order backlog	33.3	21.3	33.3	21.3	34.5
Personnel at the end of the period	257	229	257	229	233

## Development of the Business and Market Outlook

Uncertainty and changes in the global political situation have led to increased defense funds, which has affected the demand for defense industry products and services. The increased defense funds have been allocated in the first phase mainly to consumer goods and vehicle acquisition, but in the future, budgets will also be allocated to modernization and development projects for the defense forces' tactical communication. This has already been clearly reflected in the growing interest in Bittium's tactical communication solutions.

In particular increased defense funds in NATO countries are expected to increase the number of tactical communication modernization and development projects in the future, which is expected to have a positive impact on the demand for Bittium's defense and government products. Finland's NATO membership has enabled broader visibility of Bittium's products and systems in NATO exercises, which increases the awareness of the products in the international market.

Political uncertainty is also expected to be reflected in increased cooperation between different defense actors, especially within Europe. The desire to strive for Europe's own independent security of supply is also expected to increase cooperation between different countries.

Bittium products are involved in several international customer pilots and tenders, where customers test products for their tactical communications needs of various scales. Often, the first phase involves trial use of products by small forces, such as special forces or various units of the defense branches. Pilot use is often followed by a broader tendering phase, depending on the national process of each country. The long sales cycles of the defense industry have a slowing effect on sales development and make it difficult to predict.

Bittium's tactical communication system and radios are technologically state-of-the-art, developed and tested to operate in extremely harsh conditions. The system and radios are both modern and physically durable, as well as highly resistant to interference. In addition, Bittium's tactical communication system enables the integration of different technologies into it, such as 4G/5G bubbles. In the defense market, in tactical communications, national defense forces and other authorities need networks where increasingly mobile network users can reliably and securely transfer ever-increasing amounts of data.

To support its business growth, Bittium launched a comprehensive range of tactical communications lifecycle services at the end of June. The services maximize the operational runtime and performance of tactical communications solutions, enable onboarding and training for defense customers, and local maintenance and repair capabilities.

The implementation of the Partnership Agreement with the Finnish Defence Forces continued as planned. Under the Partnership Agreement, the Defence Forces ordered Bittium TACWIN software-defined radio system products and Tough Comnode devices and related equipment. The value of the purchase order is EUR 7.9 million and the products will be delivered during 2025 and 2026. In April, Bittium demonstrated a hybrid tactical communications network together with Nokia for the Defence Forces. The hybrid network enables the integration of multiple 4G/5G bubbles as part of the tactical communications network and cooperation with other authorities using 4G/5G networks.

The Defense & Security Business Segment's strategic goal is to grow in the international defense market and win new international customers. Efforts to accelerate international sales continued and Bittium received an order for a data transmission solution based on Tough SDR radios from the defense forces of a European country. The solution will be used for testing by the country's special forces and the products will be delivered during 2025.

The supply of new tactical communications solutions to the Croatian Navy and Army continued as planned, with Bittium receiving an order for Bittium TAC WIN software-defined radio system products and Bittium Tough SDR Vehicular radios. The order is part of a four-year Framework Agreement between Bittium's partner and the Croatian Armed Forces. In Austria, the implementation of Bittium's tactical communications system by the local army continued, and deliveries of system products, as well as their integration and testing, continued. Preparations with BAE Systems for the UK's first tactical communications product tender have continued as planned.

The general cybersecurity market is growing globally, which is also reflected in the market for secure smartphones and software solutions enabling secure mobile communication. The use of secure mobile solutions is increasing in the government market, which also creates demand for secure Bittium Tough Mobile™ smartphones, customer-specific special terminals based on Bittium's product platform, and Bittium's secure mobile communication software solutions. Bittium announced that the secure Bittium SafeMove Mobile VPN and Bittium Secure Call software are now also available for iOS operating system users in addition to Android and Windows operating systems. The company will strengthen its efforts related to the export of these software solutions to the market. Sales of terminals and software solutions are expected to develop moderately in line with the nature of the government market.

Cooperation with Mexican partner Inmosat continued as new government organizations adopted satellite communications as part of their communications systems. In June, a pilot batch of secure Bittium Tough Mobile 2 phones was delivered to Inmosat.

## Medical Business Segment in January-June 2025

Net sales of Medical Business Segment in January-June 2025 decreased by 2.6 percent year-on-year to EUR 9.5 million (EUR 9.7 million). The decrease in net sales was due to lower product deliveries, especially in Europe.

In the second quarter, a total of approximately EUR 0.9 million non-recurring costs, affecting EBITDA and operating result, were recorded in the second quarter income statement, resulting from change negotiations held in the Finnish company of the Medical Business Segment and other measures aimed at streamlining operations and processes.

EBITDA was EUR -0.5 million (EUR 1.1 million) representing -5.0 percent of net sales.

The operating result was EUR -0.8 million (EUR 0.2 million), representing -8.9 percent of net sales (2.4 percent).

R&D costs were EUR 3.2 million (EUR 2.8 million), representing 33.9 percent of net sales (28.9 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. EUR 0.9 million were capitalized in the balance sheet, same amount as last year.

The number of new orders during the first half of 2025 was EUR 8.1 million (EUR 10.0 million). At the end of June, the order backlog was EUR 3.5 million (EUR 5.7 million).

MEDICAL BUSINESS SEGMENT, MEUR	2Q/25	2Q/24	1H/25	1H/24	2024
Net sales	4.7	4.5	9.5	9.7	19.3
EBITDA	-0.5	0.4	-0.5	1.1	0.7
EBITDA, % of net sales	-10.6	9.3	-5.0	11.8	3.5
Operating profit / Loss	-0.8	0.0	-0.8	0.2	-0.9
Operating profit / loss, % of net sales	-17.7	-0.3	-8.9	2.4	-4.5
R&D expenses	1.8	1.3	3.2	2.8	5.3
Capitalized R&D expenses	-0.4	-0.5	-0.9	-0.9	-1.4
New orders	4.6	3.9	8.1	10.0	19.9
Order backlog	3.5	5.7	3.5	5.7	6.1
Personnel at the end of the period	106	99	106	99	103

## Development of the Business and Market Outlook

As the population ages, the prevalence of arrhythmias, especially atrial fibrillation and obstructive sleep apnea, increases significantly. Both diseases cause other cardiovascular diseases and stroke that are costly to society. Medical research findings have increased significantly in recent years, and with regard to atrial fibrillation, studies have shown, for example, that all people aged 65 and older should be screened for atrial fibrillation. This has also been mentioned in the new international clinical practice guideline. The diagnostic standard for screening is a single-channel long-term ECG measurement.

The prevalence of obstructive sleep apnea has increased significantly over the past couple of decades. Today, almost 30% of the elderly suffer from sleep apnea. The most significant factors contributing to the increase are age, obesity, and global warming. Untreated obstructive sleep apnea significantly increases the risk of cardiovascular disease, which is why its early diagnosis has begun to receive more attention. There has been a strong focus on diagnosing sleep apnea by healthcare professionals. The impact of early diagnosis has been seen initially in the United States and has slowly begun to grow in Europe as well.

The widespread use of artificial intelligence and new AI-based solutions for identifying arrhythmias and sleep apnea have made diagnosing diseases more efficient and faster. There is an emphasis on preventing diseases and health problems through early diagnostics, and the need for remote monitoring is growing.

Preventing health problems requires enabling accurate monitoring and measurement outside the hospital, which brings specialist diagnoses to use regardless of time and place. These needs are met by Bittium's Bittium Faros™ ECG measuring device for long-term heart measurement and monitoring, Bittium Respiro™ for home testing of sleep apnea, EMG measuring device for muscle activation measurement, and diagnostic software offered by Bittium. Bittium BrainStatus™ for measuring electrical activity of the brain is used in intensive care units.

The development of medical device sales is influenced by different treatment and reimbursement practices, which vary from country to country, affecting the pace of development of the remote diagnostics market. This affects Bittium's geographical focus on countries with good insurance reimbursement.

Regulatory authorities also play a major role in bringing medical devices to market, and requirements vary from country to country. The processes are demanding and time-consuming, and the company has invested in developing the necessary expertise over the past year. Bittium has several ongoing development projects aimed at medical device approvals in different countries.

A significant portion of the Medical Business Segment's net sales was generated from ECG measurement devices sold to the US customer Boston Scientific Cardiac Diagnostics. Boston Scientific is one of the leading providers of ECG measurement services in the US and despite geopolitical uncertainties, the cooperation continued well. In June, Bittium and Boston Scientific signed a new agreement under which Bittium will supply Boston Scientific with ECG devices for measuring cardiac arrhythmias. The cooperation will also continue in the development of customized ECG technologies. The total value of the new agreement is approximately USD 30–45 million, with revenue accruing during 2025–2028.

Although the market for ECG measuring devices is growing, the market is fragmented in Europe and Asia, which is why increasing volumes requires long-term work. Bittium is strongly focusing on accelerating international sales and commercializing products during the current strategy period.

Bittium has continued its sales efforts for Respiro in the European market, delivering products to its customers in small quantities for commercial use. Bittium is focusing on finding suitable strategic partners in the European market.

During the first half of the year, the company has strengthened its organization and regulatory expertise. Measures to improve operational efficiency have been continued. The company went through change negotiations in its subsidiary Bittium Biosignals Ltd, as a result of which the company laid off a total of 18 employees for financial, production and operational restructuring reasons. Operations were also streamlined in the Medical Business Segment in the United States. If the layoffs are fully implemented, as well as with other measures aimed at streamlining operations and processes, the company estimates that it will achieve annual savings of approximately EUR 2.0 million. The savings are estimated to realize in full from 2026 onwards. As a result of the decisions and measures taken, the company recorded non-recurring costs totaling approximately EUR 0.9 million in the income statement for the second quarter of 2025.

The strategy of the Medical business segment will be further specified during the autumn.

## Engineering Services Business Segment in January-June 2025

Engineering Services Business Segment's net sales in January-June 2025 grew by 6.3 percent year-on-year to EUR 7.7 million (EUR 7.3 million). The growth in net sales was affected by the challenging market situation, especially in the manufacturing industry, where customers have had to postpone or cancel R&D projects due to cost-cutting pressures. US trade policy has also delayed the start of new projects. As the volume of R&D service projects has been lower, some of the software engineers have been working on customer projects in the Defense & Security Business Segment, which has enabled the employment of personnel to remain at a good level.

EBITDA was EUR 0.5 million (EUR 0.5 million), representing 5.9 percent of net sales.

The operating result was EUR 0.4 million (EUR 0.5 million), representing 5.5 percent of net sales (6.4 percent). The development of operating profit was affected by the lower number of customer projects.

R&D costs were EUR 0.2 million (EUR 0.4 million), representing 3.0 percent of net sales (4.8 percent). The Engineering Services Business Segment's R&D expenses were related to the development of operations and expertise, with a focus on radio technology, the use of artificial intelligence in R&D, and the development of software expertise.

The number of new orders in the first half of 2025 was EUR 9.8 million (EUR 8.7 million). At the end of June, the order backlog was EUR 6.3 million (EUR 6.7 million).

ENGINEERING SERVICES BUSINESS SEGMENT, MEUR	2Q/25	2Q/24	1H/25	1H/24	2024
Net sales	3.8	3.5	7.7	7.3	14.3
EBITDA	0.3	0.2	0.5	0.5	1.2
EBITDA, % of net sales	6.9	4.4	5.9	6.4	8.3
Operating profit / Loss	0.2	0.2	0.4	0.5	1.2
Operating profit / loss, % of net sales	6.3	4.4	5.5	6.4	8.2
R&D expenses	0.1	0.1	0.2	0.4	0.5
Capitalized R&D expenses	0.0	0.0	0.0	0.0	0.0
New orders	6.0	3.0	9.8	8.7	14.0
Order backlog	6.3	6.7	6.3	6.7	4.5
Personnel at the end of the period	121	123	121	123	129

## Development of the Business 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, thereby creating demand for the development of product variants.

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

Cooperation with existing key customers has continued well. Customer projects included medical devices, embedded wireless IoT devices as part of a larger system, smart sensors, network-side radios, and satellite terminals. In the second quarter, Bittium received follow-up orders for existing projects, and we were able to gain new customers, e.g. from the manufacturing industry.

In line with the updated strategy, the Engineering Services Business Segment is also seeking growth in the defense industry market, where it offers engineering service expertise for products and services that require embedded and wireless device design expertise. Such products include, for example, various sensors, data links and antennas. Sales efforts in the defense market have continued and Bittium has won several small customer projects from the defense industry, mainly from Europe, during the past year.

Bittium has been involved in designing a next-generation satellite terminal prototype during the current year. The project continued in the second quarter of the year when the company received an order to promote the next development phase, which will enable direct satellite connection to mobile devices. The solution allows ordinary smartphones to establish a direct connection to satellites for, for example, text messages, chat, voice and email. The 3GPP-standardized 5G NTN technology used in the satellite terminal enables a major change in the satellite communications segment, enabling mainstream technological solutions for both the network and terminal side. This change can bring new players to the market, also expanding Bittium's customer potential.

With digitalization, 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 of companies to digitalize their operations, collect data wirelessly, transfer data to the Internet and cloud services, and monitor and control devices and systems remotely. To this end, the market needs secure devices for both demanding industrial use and leisure applications that collect information from the sensors used by the device and create a reliable wireless connection for the device to the Internet and cloud services.

The market situation for product development services has been challenging due to geopolitical uncertainty and the resulting changes in the market. In particular, customers in the manufacturing industry have had to postpone or cancel R&D projects due to cost-cutting pressures. US trade policy has caused uncertainty in the markets and thus delayed the start of new projects. As the number of R&D services projects has been lower, a portion of the Business Segment's software developers have been involved in customer projects in the Defense & Security Business Segment, which has enabled the employment of the personnel to remain at a good level.

The market situation is expected to remain challenging for the rest of the year. Visibility in the R&D services business is very short and fluctuations in the market situation can cause significant changes on a rapid schedule.

## Group Functions in January-June 2025

Net sales of Group Functions in January-June 2025 were EUR -0.1 million (EUR -0.2 million).

R&D costs were EUR 0.2 million (EUR 0.7 million). The amount of capitalized R&D expenses in the balance sheet were 0.0 million, EUR 0.3 million less than a year ago.

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, Chief Legal Officer, and Vice President, Operations are responsible for group functions.

GROUP FUNCTIONS, MEUR	2Q/25	2Q/24	1H/25	1H/24	2024
Net sales					
EBITDA	0.3	0.4	0.9	0.9	1.8
EBITDA, % of net sales					
Operating profit / Loss	-0.1	-0.1	-0.1	-0.2	-0.3
Operating profit / loss, % of net sales					
R&D expenses	0.0	0.4	0.2	0.7	1.5
Capitalized R&D expenses	0.0	-0.1	0.0	-0.3	-0.6
Personnel at the end of the period	54	51	54	51	45

## Personnel

In January-June 2025, the group had an average of 527 employees (509 employees). At the end of June 2025, the number of employees was 538 (502).

### Changes in the Company's Management

On 18 February 2025, Johan Westermarck, CEO of Bittium Corporation, resigned from his position. The Board of Directors of Bittium Corporation appointed Petri Toljamo as the new CEO, effective 1 April 2025.

On 6 March 2025, Niina Huikuri was appointed as the Senior Vice President of Bittium Corporation's Medical Business Segment and a member of the Management Group, effective 1 May 2025. The previous Senior Vice President of the Medical Business Segment and a member of the Management Group, Laura Kauppinen, resigned from her position.

On 15 April 2025, Teemu Hannula was appointed as the Vice President, Operations of Bittium Corporation and a member of the Management Group, effective 1 June 2025.

## Shares 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 nominal value. The Company's shares have been entered into the Euroclear Finland Ltd.'s book-entry securities system.

On 30 June 2025, 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 30 June 2025, the Company had 186,248 own shares in its possession, representing 0.52 percent of all Bittium Corporation shares.



MARKET VALUES OF SHARES (EUR)	1-6/2025 6 months	1-6/2024 6 months
Highest	8.90	9.30
Lowest	6.20	4.22
Average	7.50	6.08
At the end of period	8.53	8.86
Market value of the stock (MEUR)	303.0	314.4
Trading value of shares (MEUR)	37.1	20.6
Number of shares traded (1,000 pcs)	4,946	3,392
Related to average number of shares	13.9%	9.6%

## Incentive Systems

### Management Share-Based Incentive Plan

On 19 June 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.

On 28 May 2025, the Board of Directors of Bittium Corporation decided to start a new period in the long-term share-based incentive plan for the company's management, comprising a performance-based share plan (Performance Share Plan) for the calendar years 2025–2027 ("PSP 2025-2027").

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

### One-time additional share program for the CEO of Bittium Corporation and transfer of treasury shares

On 15 May 2025, the Board of Directors of Bittium Corporation decided to establish a one-off additional share program for the company's CEO. The goal of the program is to align the CEO's interests with the interests of the company's shareholders through share ownership and thus increase the company's shareholder value in the long term and to commit the CEO to the company.

The additional share program is a one-off program in which the CEO is expected to make an investment of approximately EUR 100,000 in Bittium Corporation shares. Based on his share investment, Bittium Corporation will issue additional shares to the CEO in a net amount of EUR 100,000 free of charge. Both measures were carried out on 19 May 2025.

More information can be found on the company's website [www.bittium.com](http://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

<b>LARGEST SHAREHOLDERS, 30 JUN. 2025</b>	<b>Number of shares</b>	<b>% of shares</b>
1. Veikkolainen Erkki, Chairman of the Board	1,825,243	5.1%
2. Ponato Oy	1,501,300	4.2%
3. Hulkko Juha	1,419,370	4.0%
4. Varma Mutual Pension Insurance Company	1,365,934	3.8%
5. Ilmarinen Mutual Pension Insurance Company	1,296,529	3.6%
6. Hildén Kai	658,000	1.8%
7. Jtel Oy	599,133	1.7%
8. Elo Mutual Pension Insurance Company	533,000	1.5%
9. Fondita Nordic Micro Cap investment fund	517,218	1.4%
10. Hirvilammi Hannu	432,763	1.2%

At the end of June 2025, Bittium Corporation had 25,299 shareholders. The ten largest shareholders owned 28.4 percent of the shares. Private ownership was 69.4 percent. The percentage of foreign and nominee-registered shareholders' ownership was 3.4 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 2025

The Annual General Meeting of Bittium Corporation was held on 7 May 2025 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 2024, discharged the company's members of the Board of Directors and the CEO from liability for the financial year ended December 31, 2024, 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

The Annual General Meeting decided, in accordance with the Board of Directors' proposal, that a dividend of EUR 0.10 per share be distributed based on the approved balance sheet for the financial period 1 January–31 December 2024. The dividend was paid to shareholders who were registered in the company's shareholder register maintained by Euroclear Finland Ltd on the dividend record date of 9 May 2025. The dividend payment date was 16 May 2025.

All shares of the company, excluding any treasury shares held by the company on the dividend record date, entitle them to a dividend.

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

The number of members of the Board of Directors of the Company was confirmed at six (6). Erkki Veikkolainen, Riitta Tiuraniemi, Veli-Pekka Paloranta, Raimo Jyväsjärvi and Pekka Kemppainen were re-elected as members of the Board of Directors for a term of office that will end at the end of the next Annual General Meeting. In addition, Jukka Harju was elected as a new member of the Board of Directors for the same term of office.

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

50 percent of the total monthly remuneration of the Board members shall be paid in a lump sum in Bittium Corporation shares acquired at a price determined in public trading or through a share issue, or in special circumstances, if the remuneration cannot

be paid in shares for some reason, in full in cash. The shares shall be acquired in accordance with the acquisition program prepared by the company. A Board member may not transfer the shares received as remuneration before his/her membership in the Board has ended.

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

The auditing firm PricewaterhouseCoopers Oy was elected as auditor for a term that ends at the end of the Annual General Meeting following the election. PricewaterhouseCoopers Oy has announced that Authorized Public Accountant Sami Posti will act as the principal auditor. It was decided to pay the auditor a fee in accordance with the auditor's reasonable invoice.

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

The sustainability reporting auditor PricewaterhouseCoopers Oy was elected as the sustainability reporting verifier for a term that will continue until the end of the next Annual General Meeting. PricewaterhouseCoopers Oy has announced that Tiina Puukkoniemi, Authorized Public Accountant, will serve as the main sustainability reporting auditor. It was decided to pay the sustainability reporting verifier a fee according to an invoice approved by the company.

### **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 10 April 2024, to decide on the repurchase of the company's own shares.

The authorization is valid until 30 June 2026.

### **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 10 April 2024, 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 20 June 2026.

### **Organizing Meeting of the Board of Directors**

The Board of Directors has elected Erkki Veikkolainen as Chairman of the Board at its organizing meeting on 7 May 2025. In addition, the Board of Directors has decided that the Board of Directors will continue to have an Audit Committee, the members of which are Riitta Tiuraniemi (Chairman of the Committee), Veli-Pekka Paloranta and Jukka Harju.

## **Significant Events after the Reporting Period**

On 11 July 2025, Bittium Corporation commented on information circulating in the market regarding the possible acquisition of tactical radios by the Spanish Armed Forces. According to the information received by the company, the Spanish Ministry of Defense has launched a project to acquire new national software-based tactical radios. Bittium was evaluating its possibility of offering Bittium's technology to the Spanish Armed Forces' tactical communication modernization project together with its Spanish partner. Negotiations on cooperation were only in the initial stage, and there were no commitments regarding the potential cooperation yet. The company also did not have more precise information about the size of the potential transaction at that stage. Bittium did not have an ongoing insider project related to the information circulating in the market.

On 18 July 2025, Bittium Corporation's subsidiary Bittium Wireless Ltd and Indra Group signed a letter of intent to initiate a strategic collaboration to develop a software-defined radio solution, a key technology in defense modernization, at the Spanish Ministry of Defense in Madrid. The collaboration aims to explore the possibility of licensing Bittium's software-defined radio technology for tactical communications to Indra. Negotiations on the collaboration are still in their early stages, and it is too early to assess the potential financial impact of the collaboration on Bittium or the size of any potential deals.

## 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. Global geopolitical instability and recent political discussions regarding import tariffs between the United States and Europe cause various risks related to demand and supply and increased uncertainty.

Further information on risks and uncertainties is presented on the company's internet pages at [www.bittium.com](http://www.bittium.com).

Risk category	Risk name	Risk description
<b>Strategic risks</b>		
	Geopolitics	Geopolitical uncertainty may affect demand for Bittium's products, services and solutions, for example, causing pricing pressures and affecting price competitiveness in different geographical areas. In the short term, it may particularly affect staff utilization, chargeability and average hourly rates in R&D services.
	Market changes in the industrial sector	Bittium's customer base includes, among others, defense and other authorities and companies that supply them with products, companies operating in the healthcare market, and companies operating in the telecommunications industry, so Bittium is exposed to market changes affecting these industrial sectors.
	Deviations related to business development in customer focus areas	<p>A significant portion of Bittium's revenue is generated from the sale of products and product development services to certain customer concentrations. Deviation from the anticipated development of business with such customer concentrations could result in significant deviations from Bittium's future outlook regarding revenue and operating profit during the current financial year and beyond.</p> <p>Bittium aims to expand its customer base over the longer term so that dependence on individual customers is reduced, whereby the company would be mainly affected by the general business environment of the industries of the companies in Bittium's customer base rather than the development of individual customer relationships.</p>
	Increasing regulation	<p>Bittium is increasingly exposed to legal, financial, political and regulatory risks related to the countries where the company's customers or other partners are located, which may lead to delays in deliveries or orders not being received in the predicted quantities, exchange rate losses, increased costs or litigation and related costs.</p> <p>The growing number of regulations and rules increases the need for resources for their monitoring, interpretation, implementation of changes and reporting.</p> <p>If the corporate culture or sustainability risk management does not take into account the growing stakeholder demands or react quickly enough to changes in legislation and regulations, it could cause significant harm to the company.</p>
<b>Operative risks</b>		
	Business operations	The company's operational business involves risks mainly in the following areas: uncertainty in customers' product program decisions and their choice between in-house development and purchased services, and on the other hand, their decision to continue, reduce or terminate their current product programs, implementation and management of large customer projects, increasing and winding down project resources, availability of personnel from the labor market, availability of key technologies and components on commercially acceptable terms and their successful utilization, competitive situation and possible market delays, timely conclusion of customer and subcontracting agreements on reasonable commercial terms, delays in product development projects, realization of return expectations on capitalized product development investments, inventory valuation risks and product development technology risks that cause higher than planned R&D costs, and risks related to the start of product manufacturing.
	Customers and markets	<p>The usual timing risks related to the accumulation of revenue for both existing and new products and customers. Bittium has some significant customer projects, the continuation of which, if not planned, could also lead to significant deviations in the future outlook.</p> <p>Typical risks related to the product business include significant dependence on actual order and delivery volumes, timing risks and possible market delays. The above-mentioned factors may manifest themselves in lower delivery volumes or higher production costs and thus lower revenue.</p> <p>The introduction of Bittium's products into the international defense and other government markets may take longer than expected, as projects are typically long and procurement programs are prepared under the guidance of national ministries and within the framework of available funding. In addition, the procurement of selected products is spread over several years.</p> <p>In addition, the sales of Bittium's products, solutions and services are subject to standard industry warranty and product liability risks.</p>

Intellectual property rights	Some of Bittium's businesses operate in highly patented industries, which poses risks to the management of intellectual property rights, both in terms of the availability of technologies used in Bittium's products and services on commercially acceptable terms, and in terms of the ability to defend against claims of infringement of protected intellectual property rights against technologies licensed from Bittium and third parties. Patent holders outside the industry are also more active in defending and commercializing the patents they hold, which in turn increases the risks associated with the management of intellectual property rights. In the worst case, claims arising from infringement of protected intellectual property rights could result in significant liability.
Component availability and export licenses	Potential challenges in the global availability of key technologies and components and in obtaining necessary export permits may affect the progress of customer projects and the ability to deliver products.
Responsible business	<p>If there are any breaches of sustainability in our own operations or supply chain, such as environmental damage or negative human rights impacts or breaches related to corruption and bribery, the company could face significant financial penalties and reputational damage.</p> <p>There may also be a competitive risk associated with conducting responsible business if competitors are able to respond more nimbly to taking responsibility into account in product development or if competitors have more responsible products through sustainable design, for example, longer product lifespans or reparability.</p>
Information security and privacy	If the company were to discover deficiencies in the information security or protection of its own operations or products, it could lead to legal sanctions, loss of reputation, and the termination of customer relationships.
People	Work stress poses a risk to employees' well-being and coping at work, and more broadly to the availability and stability of the workforce.
Quality	If the quality of Bittium's products and services does not meet customer requirements, it may have negative effects on customer satisfaction, customer and stakeholder perceptions, and consequently direct financial impacts. If deviations in product safety are detected that cause hazardous situations, it could cause significant harm.
Environment	<p>Possible exceptional weather extremes can cause disruptions in the supply chain, affecting, for example, the availability of components and thus increasing operational costs.</p> <p>Changing climate can cause costs and changes, for example, in the durability of equipment and products in special conditions and increase energy consumption, e.g. in connection with the cooling of data centers.</p>
<b>Financial risks</b>	
Geopolitics	Uncertainty in the international economy can lead to payment delays and increase the risk of credit losses, while also weakening the availability and terms of financing.
Financing	<p>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.</p> <p>Bittium has a EUR 18.0 million senior loan and a EUR 10.0 million overdraft credit facility agreement with Nordea Bank Finland Plc. 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.</p> <p>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.</p>

## 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 dual materiality analysis carried out in spring 2024. The ESG strategy aims 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 service life and recyclability of products, the overall life cycle impacts of products can be influenced. Bittium aims to minimize the environmental impacts of its operations and is committed to the EU Green Deal, which will help Europe become a climate-neutral continent by 2050. In 2024, the company reduced its total emissions for the first time and created the first version of its transition plan towards net zero. The refinement of the plan began during the first half of 2025 by specifying and identifying concrete actions that the company can take to reduce its emissions. Progress on the goals of the transition plan will be monitored annually in the company's CSRD-compliant sustainability report.



The company's most important business assets are skilled 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 work and is committed to supporting their development and investing in their well-being. In the innovative and developing people focus area, the company strives to improve the well-being of its own workforce and measures it with an annual personnel survey. The company also strives to influence the responsibility of its value chain. The sustainable operation of the value chain is described in the company's Supplier Code of Conduct for suppliers. Bittium assesses the responsibility of its suppliers, among other things, through supplier audits.

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 we operate, 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 – trust, courage, and innovation. Customer satisfaction is measured through 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 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 conduct is the foundation of the company's operations. The Corporate Citizenship and Responsible Business Conduct 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 actor for all its stakeholders and develop dialogue between different stakeholders.

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 issues in accordance with the standards of the EU CSRD (Corporate Sustainable Reporting Directive), which regulates sustainability reporting. The first sustainability statement was published on 15 April 2025 as part of the Board of Directors' report for 2024. More information about Bittium's sustainability can be found on the company's website: <https://www.bittium.com/about-bittium/sustainability/>

## Annual Report, Sustainability Statement, Corporate Governance and Remuneration Report from the Year 2024

On April 15, 2025, Bittium published its 2024 annual report, which included the financial statements, the Board of Directors' report, a sustainability statement in accordance with the EU CSRD (Corporate Sustainable Reporting Directive) standards, a statement of the company's governance system, and a remuneration report. The publications are available on the company's website at <https://www.bittium.com> and <https://annualreport.bittium.com> in both Finnish and English.

## 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: 18 February 2025, at 8.00 am (CET+1)
- Half Year Financial Report January-June 2025: 8 August 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: 29 April 2025, at 8.00 am (CET+1)
- Business Review January-September 2025: 24 October 2025, at 8.00 am (CET+1)

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

The annual general meeting was held in Oulu, Finland on 7 May 2025.

## Invitation to a Press Conference

Bittium will organize a webcast of the half-year report for the press, analysts and institutional investors on Friday, 8 August 2025 at 9:00 am. The conference will be held in English.

Link to the webcast: <https://bittium.videosync.fi/q2-2025>

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).

In Oulu, Finland, 8 August 2025  
Bittium Corporation  
The Board of Directors

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**Distribution:**

Nasdaq Helsinki  
Main Media

# Bittium Corporation Condensed Financial Statements and Notes January – June 2025

(unaudited)

The Half-year Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting.

## Consolidated Statement of Comprehensive Income

MEUR	1-6/2025 6 months	1-6/2024 6 months	1-12/2024 12 months
<b>NET SALES</b>	<b>42.2</b>	<b>37.9</b>	<b>85.2</b>
Other operating income	2.3	2.2	3.8
Change in work in progress and finished goods	-0.9	0.1	-1.0
Work performed by the undertaking for its own purpose and capitalized	0.1	0.0	0.2
Raw materials	-10.3	-9.4	-21.0
Personnel expenses	-21.0	-18.0	-35.7
Depreciation	-3.3	-4.5	-8.6
Other operating expenses	-7.5	-5.4	-14.0
Share of results of the associated companies	-0.1	-0.1	-0.1
<b>OPERATING PROFIT</b>	<b>1.5</b>	<b>2.9</b>	<b>8.6</b>
Financial income	0.3	0.2	0.3
Financial expenses	-0.2	-0.8	-1.6
Total financial income and expenses	0.0	-0.7	-1.2
<b>PROFIT BEFORE TAX</b>	<b>1.6</b>	<b>2.3</b>	<b>7.4</b>
Income tax	-0.1	0.0	-0.1
<b>PROFIT FOR THE YEAR</b>	<b>1.5</b>	<b>2.3</b>	<b>7.3</b>
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to the statement of income			
Exchange differences on translating foreign operations	-0.3	0.0	0.1
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>1.2</b>	<b>2.3</b>	<b>7.4</b>
<b>Earnings per share for profit attributable to the shareholders of the parent company:</b>			
<b>Earnings per share, EUR</b>			
Basic earnings per share	0.043	0.064	0.205
Diluted earnings per share	0.043	0.064	0.205
Average number of shares, 1000 pcs	35,494	35,486	35,486
Average number of shares, diluted, 1000 pcs	35,494	35,486	35,486

## Consolidated Statement of Financial Position

MEUR	Jun. 30. 2025	Jun. 30. 2024	Dec. 31. 2024
<b>Non-current assets</b>			
Property, plant and equipment	19.0	17.3	17.0
Goodwill	5.8	5.8	5.8
Intangible assets	51.4	52.2	51.0
Investments in associated companies	1.0	1.1	1.1
Other financial assets	0.1	0.1	0.1
Non-current receivables	0.2	0.4	0.3
Deferred tax assets	7.4	7.4	7.4
<b>Total</b>	<b>85.0</b>	<b>84.3</b>	<b>82.8</b>
<b>Current assets</b>			
Inventories	24.7	28.3	24.8
Trade and other receivables	28.9	39.4	35.8
Financial assets at fair value through profit or loss	0.0	0.0	0.0
Cash and short-term deposits	21.7	5.5	21.8
<b>Total</b>	<b>75.4</b>	<b>73.1</b>	<b>82.4</b>
<b>Total assets</b>	<b>160.4</b>	<b>157.4</b>	<b>165.1</b>
<b>Equity and liabilities</b>			
Equity attributable to equity holders of the parent			
Share capital	12.9	12.9	12.9
Translation differences	1.0	1.3	1.3
Invested non-restricted equity fund	26.1	26.0	26.0
Retained earnings	70.7	68.5	72.6
<b>Total</b>	<b>110.7</b>	<b>108.7</b>	<b>112.8</b>
Non-controlling interests			
<b>Total</b>	<b>110.7</b>	<b>108.7</b>	<b>112.8</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	0.1	0.1	0.1
Interest-bearing loans and borrowings (non-current)	17.8	19.3	18.0
Other non-current liabilities, non-interest bearing	0.2	0.3	0.3
<b>Total</b>	<b>18.0</b>	<b>19.7</b>	<b>18.4</b>
<b>Current liabilities</b>			
Trade and other payables	24.0	21.6	25.6
Provisions	4.6	4.3	5.5
Interest-bearing loans and borrowings (current)	3.0	3.0	2.9
<b>Total</b>	<b>31.7</b>	<b>28.9</b>	<b>34.0</b>
<b>Total liabilities</b>	<b>49.7</b>	<b>48.6</b>	<b>52.3</b>
<b>Total equity and liabilities</b>	<b>160.4</b>	<b>157.4</b>	<b>165.1</b>

## Consolidated Statement of Cash Flows

MEUR	1-6/2025 6 months	1-6/2024 6 months	1-12/2024 12 months
<b>Cash flow from operating activities</b>			
<b>Profit before tax</b>	<b>1.6</b>	<b>2.3</b>	<b>7.4</b>
Adjustments			
Share of results of the associated companies	0.1	0.1	0.1
Depreciation	3.3	4.5	8.6
Other adjustments	-0.7	0.2	1.5
Finance costs	0.2	0.8	1.6
Finance income	-0.3	-0.2	-0.3
Income tax			
Change in net working capital			
Change in short-term receivables	6.7	-0.9	2.8
Change in inventories	-0.1	-1.9	1.4
Change in interest-free short-term liabilities	-1.5	-1.1	2.9
Interest paid on operating activities	-0.3	-0.8	-1.6
Interest and dividend received from operating activities	0.3	0.2	0.3
Income taxes paid	-0.1	-0.2	-0.3
<b>Net cash from operating activities</b>	<b>9.2</b>	<b>3.0</b>	<b>24.4</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	-2.9	-0.1	-0.7
Purchase of intangible assets	-2.3	-4.0	-6.0
<b>Net cash from investing activities</b>	<b>-5.2</b>	<b>-4.1</b>	<b>-6.7</b>
<b>Cash flows from financing activities</b>			
Withdrawals of borrowing	1.1	0.0	0.0
Repayment of borrowing	-1.2	0.0	-1.0
Payment of finance lease liabilities	-0.5	-0.6	-1.1
Dividend paid and capital repayment	-3.5	-1.1	-2.1
Purchases of own shares	0.0	-0.1	-0.1
Proceeds from share issue	0.1	0.0	0.0
<b>Net cash from financing activities</b>	<b>-4.0</b>	<b>-1.7</b>	<b>-4.3</b>
<b>Net change in cash and cash equivalents</b>	<b>0.0</b>	<b>-2.8</b>	<b>13.4</b>
Cash and cash equivalents at 1 January	21.8	8.3	8.3
<b>Cash and cash equivalents at the end of the year</b>	<b>21.7</b>	<b>5.5</b>	<b>21.8</b>



## Consolidated Statement of Changes In Equity

MEUR	Equity attributable to equity holders of the parent				Total
	Share capital	Invested non-restricted equity fund	Translation difference	Retained earnings	
<b>Shareholders' equity 1 Jan. 2025</b>	<b>12.9</b>	<b>26.0</b>	<b>1.3</b>	<b>72.6</b>	<b>112.8</b>
<b>Comprehensive income for the period</b>					
Profit for the period				1.5	1.5
Exchange differences on translating foreign operations			-0.3		-0.3
<b>Total comprehensive income for the period</b>			<b>-0.3</b>	<b>1.5</b>	<b>1.2</b>
<b>Transactions between the shareholders</b>					
Dividend distribution				-3.5	-3.5
Purchases of own shares				0.0	0.0
Share-related compensation				0.1	0.1
		0.1			0.1
<b>Total transactions between the shareholders</b>		<b>0.1</b>		<b>-3.4</b>	<b>-3.3</b>
Other changes				0.0	0.0
<b>Shareholders equity 30 Jun. 2025</b>	<b>12.9</b>	<b>26.1</b>	<b>1.0</b>	<b>70.7</b>	<b>110.7</b>
<b>Shareholders' equity 1 Jan. 2024</b>	<b>12.9</b>	<b>26.0</b>	<b>1.3</b>	<b>67.4</b>	<b>107.6</b>
<b>Comprehensive income for the period</b>					
Profit for the period				2.3	2.3
Exchange differences on translating foreign operations			0.0		0.0
<b>Total comprehensive income for the period</b>			<b>0.0</b>	<b>2.3</b>	<b>2.3</b>
<b>Transactions between the shareholders</b>					
Dividend distribution				-1.1	-1.1
Purchases of own shares				-0.1	-0.1
Share-related compensation				0.1	0.1
<b>Total transactions between the shareholders</b>				<b>-1.1</b>	<b>-1.1</b>
Other changes				-0.1	-0.1
<b>Shareholders equity 30 Jun. 2024</b>	<b>12.9</b>	<b>26.0</b>	<b>1.3</b>	<b>68.5</b>	<b>108.7</b>
<b>Shareholders' equity 1 Jan. 2024</b>	<b>12.9</b>	<b>26.0</b>	<b>1.3</b>	<b>67.4</b>	<b>107.6</b>
<b>Comprehensive income for the period</b>					
Profit for the period				7.3	7.3
Exchange differences on translating foreign operations			0.1		0.1
<b>Total comprehensive income for the period</b>			<b>0.1</b>	<b>7.3</b>	<b>7.4</b>
<b>Transactions between the shareholders</b>					
Dividend distribution				-2.1	-2.1
Purchases of own shares				-0.1	-0.1
Share-related compensation				0.1	0.1
<b>Total transactions between the shareholders</b>				<b>-2.1</b>	<b>-2.1</b>
Other changes				0.0	0.0
<b>Shareholders equity 31 Dec. 2024</b>	<b>12.9</b>	<b>26.0</b>	<b>1.3</b>	<b>72.6</b>	<b>112.8</b>

## Notes to the Half Year Financial Reporting

### Accounting Principles for Half Year Financial Reporting:

The half-year report has been prepared in accordance with IAS 34 Interim Financial Reporting. The figures in the half-year report have been rounded, so the total of individual figures may differ from the total figure presented. In preparing the half-year report, Bittium Corporation has followed the same accounting principles as in the 2024 financial statements, except for new standard changes and interpretations that are applied to financial periods beginning on or after 1 January 2025. The IFRS financial reporting standards or interpretations that came into effect at the beginning of the 2025 financial period have not had a material impact on the Group's financial result, financial position or presentation of the financial statements.

### Segment information (MEUR)

The segments consist of the Group's business areas. Operations are divided into 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 reporting structure is consistent with how the chief operating decision maker monitors the operational development of Bittium's segments. The assessment of segment performance is based on the segment's operating profit. The chief operating decision maker does not monitor assets and liabilities on a segment-by-segment basis. Financial income and expenses, as well as income taxes, have not been allocated to segments.

Group functions provide services common to the business segments that are justified to be managed 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. However, the service charge is not adjusted to reflect the final result.

### Operating Segments

1 Jan.–30 Jun. 2025

MEUR	Defense & Security	Medical	Engineering Services	Group Functions	Unallocated items	Group Total
<b>Net sales, external</b>	<b>25.0</b>	<b>9.5</b>	<b>7.7</b>	<b>0.0</b>		<b>42.2</b>
Net sales, internal	0.0	5.0	0.0	4.4	-9.3	<b>0.0</b>
Other operating income	0.9	1.1	0.2	0.2		<b>2.3</b>
Operating expenses	-22.0	-10.9	-7.5	0.7		<b>-39.7</b>
<b>EBITDA</b>	<b>3.9</b>	<b>-0.5</b>	<b>0.5</b>	<b>0.9</b>		<b>4.8</b>
Depreciation	-1.9	-0.4	0.0	-1.0		<b>-3.3</b>
Share of results of the associated companies		-0.1				<b>-0.1</b>
<b>Operating profit/loss</b>	<b>2.0</b>	<b>-0.8</b>	<b>0.4</b>	<b>-0.1</b>		<b>1.5</b>
<b>Financial income and expenses</b>					<b>0.0</b>	<b>0.0</b>
<b>Profit before tax</b>						<b>1.6</b>

**1 Jan.–30 Jun. 2024**

MEUR	Defense & Security	Medical	Engineering Services	Group Functions	Unallocated items	Group Total
<b>Net sales, external</b>	<b>21.0</b>	<b>9.7</b>	<b>7.3</b>	<b>0.0</b>		<b>37.9</b>
Net sales, internal	0.1	5.6	0.0	3.0	-8.7	<b>0.0</b>
Other operating income	0.8	1.0	0.2	0.2		<b>2.2</b>
Operating expenses	-16.9	-9.5	-7.0	0.7		<b>-32.7</b>
<b>EBITDA</b>	<b>4.9</b>	<b>1.1</b>	<b>0.5</b>	<b>0.9</b>		<b>7.4</b>
Depreciation	-2.5	-0.9	0.0	-1.1		<b>-4.5</b>
Share of results of the associated companies		-0.1				<b>-0.1</b>
<b>Operating profit/loss</b>	<b>2.4</b>	<b>0.2</b>	<b>0.5</b>	<b>-0.2</b>		<b>2.9</b>
<b>Financial income and expenses</b>					<b>-0.7</b>	<b>-0.7</b>
<b>Profit before tax</b>						<b>2.3</b>

**1 Jan.–31 Dec. 2024**

MEUR	Defense & Security	Medical	Engineering Services	Group Functions	Unallocated items	Group Total
<b>Net sales, external</b>	<b>51.6</b>	<b>19.3</b>	<b>14.3</b>	<b>0.0</b>		<b>85.2</b>
Net sales, internal	0.0	10.5	0.0	9.7	-20.2	<b>0.0</b>
Other operating income	1.3	1.8	0.2	0.4		<b>3.8</b>
Operating expenses	-39.3	-20.3	-13.4	1.4		<b>-71.6</b>
<b>EBITDA</b>	<b>13.6</b>	<b>0.7</b>	<b>1.2</b>	<b>1.8</b>		<b>17.3</b>
Depreciation	-5.0	-1.5	0.0	-2.1		<b>-8.6</b>
Share of results of the associated companies		-0.1				<b>-0.1</b>
<b>Operating profit/loss</b>	<b>8.6</b>	<b>-0.9</b>	<b>1.2</b>	<b>-0.3</b>		<b>8.6</b>
<b>Financial income and expenses</b>					<b>-1.2</b>	<b>-1.2</b>
<b>Profit before tax</b>						<b>7.4</b>

## Related Party Transactions

MEUR	1-6/2025 6 months	1-6/2024 6 months	1-12/2024 12 months
Employee benefits for key management and stock options expenses total	1.0	0.8	1.7

## Management Share-Based Incentive Plan

The Board of Directors of Bittium Corporation has decided on the establishment of a one-off matching share plan for the Chief Executive Officer (CEO) of the company. The matching share plan is a one-off plan, in which the CEO is expected to make an investment of approximately EUR 100,000 in shares of Bittium Corporation. Bittium Corporation will match the share investment by way of delivering matching shares without consideration with a net value of EUR 100,000 to the CEO. The matching shares delivered to the CEO will be subject to a transfer restriction of two years.

**MANAGEMENT SHARE-BASED COMPENSATION**

Form of the reward	Shares
Grant date	May 15, 2025
Total expenses of the reward at the most, EUR million	0.1
Execution	In Shares

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 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.

The Board of Directors of Bittium Corporation has decided on the commencement of a new plan period within the share-based long-term incentive scheme for the Company's management, comprising a Performance Share Plan for the calendar years 2025–2027 ("PSP 2025–2027").

**PSP 2025–2027**

Form of the reward	Shares
Grant date	May 28, 2025
Total amount of the shares at the most	62,523
Share price at the grant date, EUR	6.89
Total expenses of the reward at the most, EUR million	0.4
Execution	In shares

	Jun. 30. 2025	Jun. 30. 2024	Dec. 31. 2024
<b>SECURITIES AND CONTINGENT LIABILITIES (MEUR)</b>			
Against own liabilities			
Guarantee limits	5.0	5.0	5.0
Guarantee limits (guarantees issued)	0.1	3.1	0.1
Rental liabilities			
Falling due in the next year	0.1	0.1	0.1
Falling due after one year	0.0	0.0	0.0
Other contractual liabilities			
Falling due in the next year	1.5	2.4	1.4
Falling due after one year	0.6	0.7	0.8
Material purchase commitments	18.5	6.8	12.0
<b>Other Liability</b>			
Group has made real estate investments as referred to in the value-added tax law, the adjustment periods for which, the value-added tax included in the investment, the value-added tax deducted from construction costs, and the amount subject to annual adjustment are presented in the attached table.			
10 year review period:			
Real estate investment (net)	13.0	13.0	13.0
Value Added Tax on real estate investment	3.1	3.1	3.1
Reduced VAT	3.1	3.1	3.1
Annual amount subject to review	0.3	0.3	0.3
Adjustment Liability	0.5	0.8	0.6

NOMINAL VALUE OF CURRENCY DERIVATIVES (MEUR)	Jun. 30. 2025	Jun. 30. 2024	Dec. 31. 2024
Foreign exchange forward contracts			
Market value	0.1	0.0	0.0
Nominal value	3.6	2.0	2.5



## Alternative Performance Measures

In this report, Bittium uses alternative performance measures in accordance with the guidelines issued by the European Securities and Markets Authority (ESMA). Alternative performance measures are derived from performance measures reported in accordance to International Financial Reporting Standards (IFRS). Alternative performance measures are used to better reflect the operational business performance and to enhance comparability between financial periods. They are reported in addition to, but not substituting, the performance measures reported in accordance with the IFRS. The definitions of the common alternative performance measures are listed below.

<b>EBITDA</b>	=	<u>Operating profit + depreciation</u>
<b>Net gearing, %</b>	=	<u>Interest-bearing liabilities - cash and cash equivalents x 100</u> Total equity

The image features a dark blue background with a diagonal split. The upper left portion is solid dark blue, while the lower right portion contains a faint, stylized financial candlestick chart with various numerical values. The Bittium logo is positioned in the upper left, in a light blue, sans-serif font.

# Bittium

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