Inside Information: Bittium Corporation Updates its Long-Term Financial Targets and Refines Its Strategy for 2026-2028

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Bittium Corporation, Stock Exchange Release, 23 September 2025, at 8.30 am (CEST+1)

The Board of Directors of Bittium Corporation has today approved the company's updated long-term financial targets. The update is driven by the strong growth in the defense market in recent years, which has accelerated the development of Bittium's Defense & Security business.

Bittium aims for an average annual revenue growth of 20–30% and an operating profit level of 10–20% in the long-term. During the years 2025–2026, the operating profit level will be affected by the company's measures to accelerate international growth, such as investing in the growth of international sales, strengthening technological expertise, and scaling production. The company is also exploring inorganic growth opportunities in all its Business Segments, particularly to expand the tactical communication product portfolio in the Defense & Security Business Segment.

Bittium seeks profitable growth in all three of its Business Segments, which are **Defense & Security**, which offers products and services to the defense and governmental markets; **Medical**, which provides solutions focused on measuring biosignals; and **Engineering Services**, which offers R&D services and wireless embedded solutions.

To achieve its long-term growth targets, the company has refined its strategic focus areas. The pillars of the strategy period 2026–2028 are:

1. accelerating international sales and developing strategic partnerships to support growth,
2. ensuring technological leadership by strengthening software and AI capabilities,
3. expanding business into new markets and verticals in the Defense and Security sector and exploring inorganic growth opportunities, and
4. transforming the operating model to be data-driven and scalable.

"Bittium has achieved a strong position as a technological leader in wireless and embedded products and services through long-term development work. Together with the Finnish Defence Forces, we have developed battle-proven tactical communication solutions for the defense industry, which are now ready for delivery. Global political uncertainty and related market changes have significantly increased defense budgets, and many countries have launched new projects to modernize their command-and-control systems. The momentum is very interesting for Bittium, and we believe we are in an excellent position to meet market needs with both our modern products and R&D services," says Petri Toljamo, CEO of Bittium Corporation. "The development and growth of remote diagnostics markets also create a significant opportunity for our medical technology products to accelerate international business growth in the coming years. The company's good financial situation and balance sheet support our goal of achieving an average annual growth of 20–30% in the long term."

Defense & Security Business Segment

The Defense & Security Business Segment consists of two business areas: tactical and secure communication solutions for the defense market (Defense business area) and communication solutions offering the highest level of security for government, public safety, and critical infrastructure markets (Security business area).

Global geopolitical instability and resulting changes have increased defense funds and the need to modernize tactical communication systems. Finland's accession to the defense alliance NATO has increased the visibility of Bittium's products in international defense and security markets, and the partnership agreement with the Finnish Defence Forces creates a significant reference for the company's internationalization through both system solutions and the operating environment.

Bittium's tactical communication system and radios are extremely competitive in terms of technical features. The company has a strong competitive advantage thanks to its extremely resilient and secure wireless technology for tactical communication, which is integrated into hardware and software intended for military and public safety use. The company will continue to develop its performance with software-based AI solutions, and to strengthen this, Bittium has today acquired a 24.9% stake in MarshallAI, a provider of AI solutions (link to the press release).

The modern software-based Bittium Tactical Wireless IP Network system and the related software-based Bittium Tough SDR™ radios have been developed in collaboration with the Finnish Defence Forces. Bittium's solutions are used in five European countries as part of the defense forces' command-and-control system, and their piloting is underway in several countries. Bittium may consider licensing its software-based radio technology to third parties on a case-by-case basis to enable the sale of its technology to countries with strong domestic defense industry players, where Bittium's software-defined radio technology can be integrated into the overall systems.

For government, public safety, critical infrastructure operators, and defense markets, Bittium offers both hardware and software-based secure communication solutions. Bittium's expertise in security is world-class, and the company is internationally recognized as a manufacturer of secure mobile phones. The increasing number of cyberattacks and the high computing power enabled by quantum computers have increased the need to develop even stronger, quantum-safe mobile security. The recently launched next-generation ultra-secure Bittium Tough Mobile 3 (link to the press release) addresses the growing security and performance needs of mobile communications.

Bittium focuses particularly on its strong expertise in security technologies and software and creates partnerships with leading players in the field, for example, in the product manufacturing such as Tough Mobile 3 secure phones. As part of its updated software strategy, Bittium's secure hardware and application software can also be licensed to other hardware platforms.

The focus areas for the strategy period 2026–2028 for the Defense & Security Business Segment are:

- ensuring technological leadership by strengthening software and AI capabilities,
- accelerating international sales and developing strategic partnerships to support growth,
- expanding business into new markets, and verticals and exploring inorganic growth opportunities, and
- sharper market focus by utilizing the operational directions of defense alliances with unified solutions.

Medical Business Segment

The Medical Business Segment's offering focuses on solutions for measuring biosignals. The business is divided into four product areas: diagnostics of the heart's electrical activity (EKG) (Cardiac), measurement and analysis of the brain's electrical activity (EEG) (Neuro), home sleep apnea testing, HSAT (Sleep), and measurement of muscle activation (EMG).

To focus and streamline the operations and improve the ability to bring new innovative products to market, the company will focus on two product areas, Cardiac and Sleep, during the upcoming strategy period, where the markets are expected to grow significantly in the coming years. EEG and EMG solutions will remain in the company's portfolio, but as the markets for these products are still developing, the company will continue to analyse the market potential, which is mainly in the US and develop the product portfolio accordingly.

The remote diagnostics market is expected to grow significantly in the coming years, as diagnostics need to be done at an increasingly early stage and at-home-environments rather than hospital settings. Reducing hospital and care days increases the efficiency of healthcare processes and lowers costs. Accurate and high-quality measurement in home environments is a prerequisite for remote diagnostics.

In the remote diagnostics market for EKG, Bittium's competitive advantage is based on high-quality and reliable biosignal measurement using embedded wireless technology. The Bittium Faros™ EKG device, which has achieved gold standard status in clinical studies, is designed to be easy-to-use and patient-friendly, enabling both short-term Holter measurements and long-term EKG monitoring. Bittium's customers in the EKG market are global device manufacturers, service providers, and traditional medical device distributors.

During the upcoming strategy period, Bittium will focus on growing its Cardiac business by bringing new competitive devices to market in the short and medium-term in collaboration with existing international key customers and partners. The company also aims to expand its overall offering by bringing competitive disposable electrodes to market and creating partnerships with companies offering AI-based analytics software.

The prevalence of sleep apnea has increased significantly in recent decades, with nearly a billion people already suffering from sleep apnea. The home sleep apnea monitoring market has developed since the late 2000s, and awareness of the severity of the disease has increased significantly. The disease is internationally underdiagnosed, and many people suffer from it without knowing it. The prevalence of sleep apnea is significant among overweight adults and the elderly, with over half of the elderly and up to 70% of overweight people suffering from sleep apnea.

Bittium offers its customers the HSAT device (Home Sleep Apnea Testing), Bittium Respiro™ for diagnosing sleep apnea at home. The device has medical device approval in accordance with the European MDR requirements, and during the upcoming strategy period, the company will focus on building sales channels and strategic partnerships in Europe. The company is also analyses the requirements for obtaining FDA (US Food and Drug Administration) sales approval for the US market together with its partners.

The market for long-term EEG measurement is in its early stages of development. The operating environment and customer base differ from Cardiac and Sleep solutions, and the device is designed for use in intensive care. The greatest market potential for Bittium BrainStatus EEG devices is in the United States, but the product does not currently have FDA approval. Bittium continues to analyse the market and develop the product in the long-term to meet market requirements.

At the end of last year, Bittium launched an EMG device for measuring muscle activation to the market. The device is based on Bittium's Faros technology and is intended for monitoring the progress of rehabilitation or identifying various muscle or movement disorders, such as Parkinson's disease. Bittium continues to sell the device to its current customer but has decided not to make any broader commitments in this product area.

The medical device markets are driven by regulatory approvals, international and local treatment recommendations, and reimbursement practices. Recommendations vary by country and are key to enabling broader distribution and use of products. Remote EKG monitoring has good treatment and reimbursement practices in the United States, while in Europe, reimbursement is lacking from the public healthcare sector, limiting the large-scale scaling of products in the region. Reimbursement practices for home sleep apnea tests are more advanced, and HSAT measurements are well reimbursed in both the United States and the Europe in both public and private healthcare.

The focus areas for the strategy period 2026–2028 for the Medical Business Segment are:

- strengthening international growth in the remote EKG diagnostics market by bringing new product innovations to market,
- expanding the market area for the HSAT sleep apnea test device internationally and strengthening the clinical validation of the product,
- building the company's recognition in the United States in markets other than remote EKG diagnostics, and
- focusing the sales channel on strategic partnerships.

Engineering Services Business Segment

In the Engineering Services Business Segment, Bittium offers its customers product development services and wireless connectivity solutions to develop innovative products in a secure and evolving wireless environment.

With digitalization, secure IoT (Internet of Things) is a significant development area in almost all industries. IoT demand is driven by companies' growing need to digitize their operations, collect data wirelessly, transfer data to the internet and cloud services, and monitor and control devices and systems remotely. Bittium has focused its product development service offering around radio technology and embedded devices, and the company has world-class expertise in the comprehensive development of products for demanding customers.

Embedded AI technology has developed to the point where sufficient computing power can be achieved in small, relatively low-power devices. This increases the possibilities for using AI and grows the demand for embedded AI. Embedded AI builds intelligence into devices, enhancing and expanding the device's functionality.

Bittium is investing in strengthening its AI expertise in its own operations, focusing particularly on AI computing performed in embedded devices. Embedded AI strengthens the comprehensive R&D services offering of Engineering Services, which takes into account electronics, software, and connectivity. The next generation of smart devices must be designed from the ground up as a whole, including embedded AI. The collaboration announced today with Edge Impulse, a Qualcomm company, is the first step in developing AI offerings and partnerships (link to the press release).

The need for European countries to strengthen common defense has also created new business opportunities for the Engineering Services Business Segment. Demand has increased for various products and solutions manufactured in Europe and NATO member countries. Bittium is uniquely positioned to meet the demand for R&D services in the defense market thanks to its reputation, strong expertise, and market knowledge. The company focuses on industrial players in the defense industry in Europe, which have various high-tech smart devices serving the defense sector in their product portfolios.

Developing a more customer-centric offering and productizing services has strengthened customers' understanding of the company's comprehensive service offering in creating added value throughout the product lifecycle. Bittium complements its existing partner network with companies that complement its expertise, for example, by providing cloud software services to customers.

The focus areas for the strategy period 2026–2028 for the Engineering Services Business Segment are:

- strengthening embedded AI expertise and expanding the offering,
- leveraging strong defense market growth,
- developing a more customer-centric offering through productized services, and
- building comprehensive value creation through partnerships.

Capital Markets Day 2025

Bittium is organizing a Capital Markets Day for investors, analysts, and media representatives today, September 23, 2025. During the day, Bittium's CEO Petri Toljamo and the company's Business Segment leaders will provide more detailed information on the development of markets essential to the company, long-term growth opportunities, and refined strategies.

The event will be held at Sanomatalo in Helsinki, and it can be followed via a livestream broadcast.

Register and follow the event live stream: http://bittium.videosync.fi/cmd-2025

The recording of the event and presentation materials can be found after the event at Bittium’s Investor Relation internet pages at http://www.bittium.com/investors. The presentations are held in English.

Oulu, Finland,
23 September 2025

Bittium Corporation
The Board of Directors

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Bittium

As a trusted supplier in the Defense & Security market with 40 years of experience in advanced radio communication technologies, we provide next-generation resilient and mobile tactical communications systems for defense forces and secure communication solutions for governments and authorities. Our products and systems for tactical communications bring broadband data and voice seamlessly to all troops across the battlefield. The offering is completed by mobile devices and cyber security solutions certified up to CONFIDENTIAL and NATO Restricted levels. In addition to the products and systems supplied to the Defense & Security market, Bittium offers solutions focused on measuring and processing of biosignals as well as R&D services and wireless embedded solutions. Bittium’s net sales in 2024 were EUR 85.2 million and operating profit EUR 8.6 million. Bittium is listed on Nasdaq Helsinki. www.bittium.com