



Bittium Corporation Financial Statement Bulletin 2019

CEO Hannu Huttunen | CFO Pekka Kunnari
February 13, 2020

Bittium

Forward-looking Statements

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

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

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

Contents

- Main Events 2H 2019
- Financial Review 2019
- Outlook for 2020

Bittium

Highlights July- December 2019

CEO Hannu Huttunen

An aerial night view of a city skyline, likely Chicago, with a blue overlay on the left side. A network grid of white lines is overlaid on the city, and a bright blue beam of light emanates from a skyscraper. The word "Bittium" is written in white, bold, sans-serif font in the bottom right corner.

Bittium

Main Events 2H 2019

The deliveries of the tactical communication system products for the Austrian Defence Forces started

The deliveries of the new ultra secure Bittium Tough Mobile™ 2 smartphone started. The feedback has been excellent

Cooperation with the US cardiac monitoring services provider Preventice continued strong

A purchase order for software-defined Bittium Tough SDR™ radios and Bittium TAC WIN™ system's products from the Estonian Defence Forces

The deliveries of the first generation of the Bittium Tough Mobile™ smartphone continued

The product deliveries of Bittium Faros™ ECG device and Bittium Fast Fix™ patches continued

A purchase order for narrowband waveform development work for the Bittium Tough SDR™ radios from the Finnish Defence Forces

Continued R&D services for customers in 5G technology and other connectivity solutions

Product development for Bittium Tough SDR™ radios continued

Bittium started to offer RPA (Robot Process Automation) solutions

Bittium's Products and Services



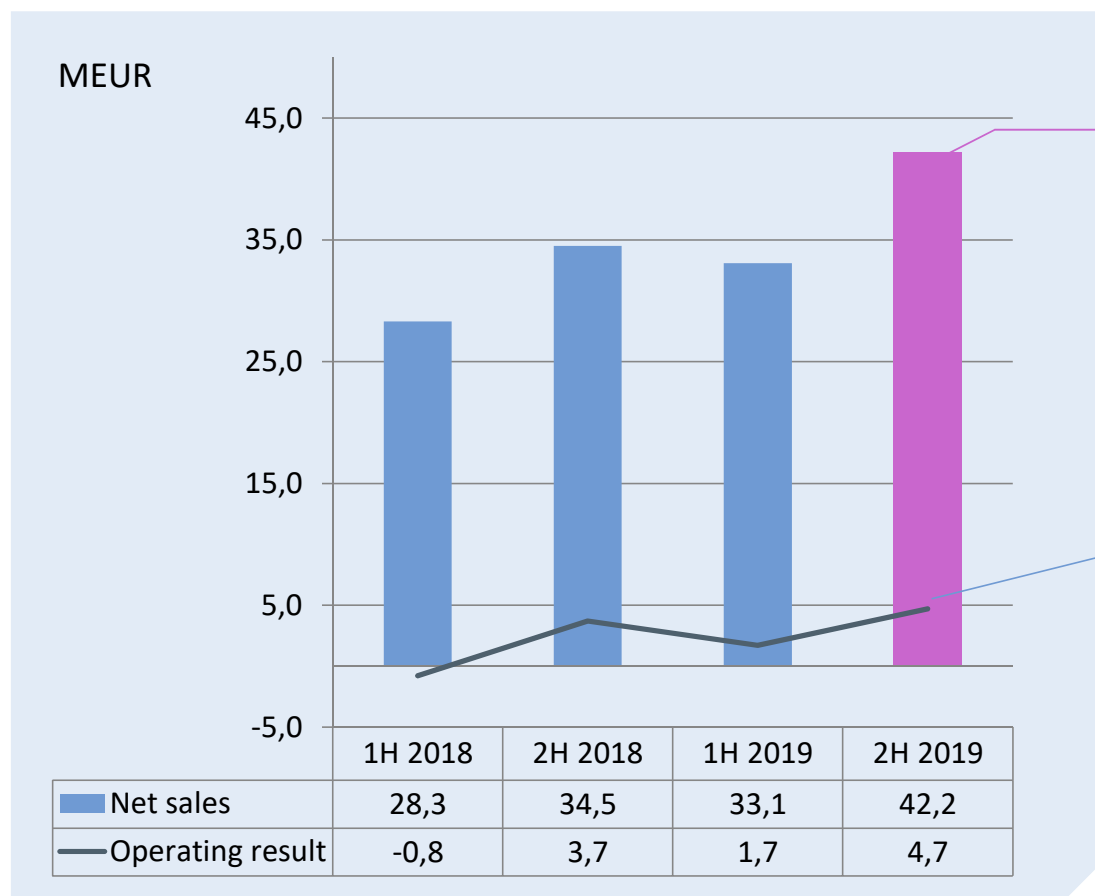
Financial Review

CFO Pekka Kunnari



Bittium

Net Sales and Operating Profit in 2H 2019 (2H 2018)

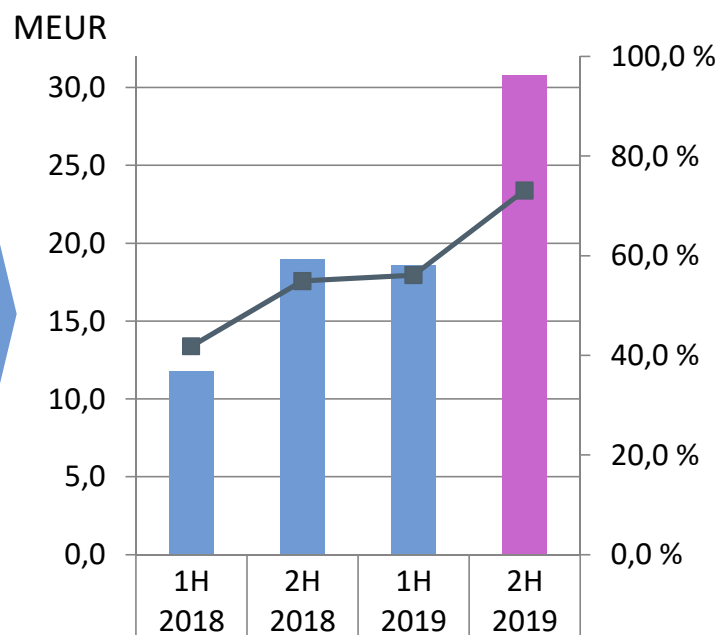


- Net sales grew by 22.0 % to MEUR 42.2 (MEUR 34.5)

- Operating result was MEUR 4.7 (MEUR 3.7) equaling 11.0 % of net sales (10.6 %)

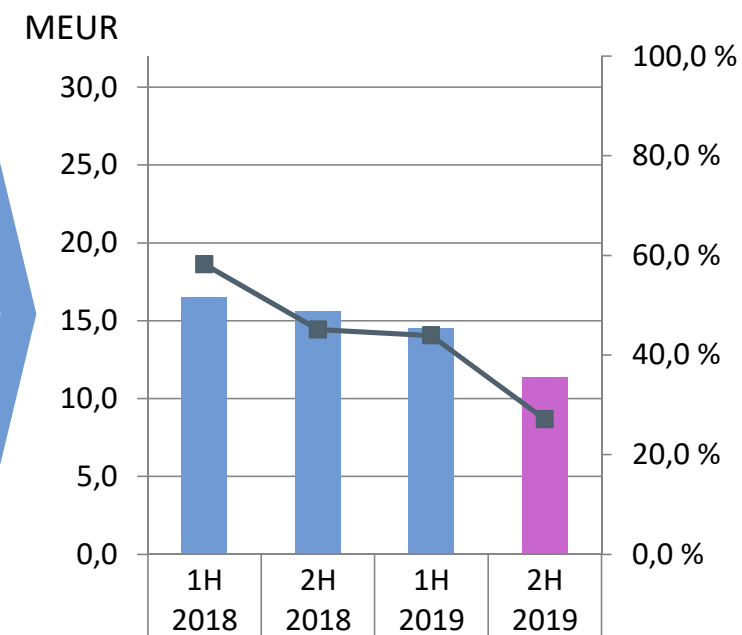
Half-Yearly Net Sales by Products and Services

Products



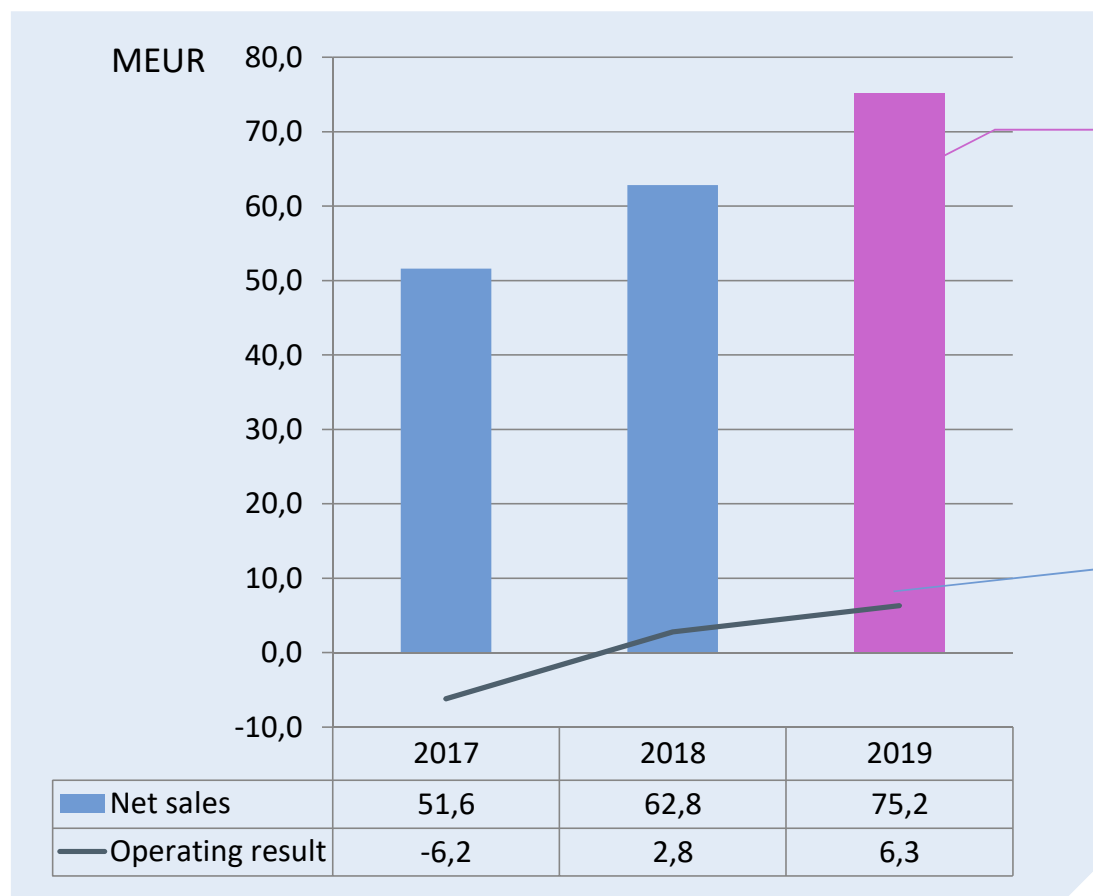
Products Net Sales	11,8	19,0	18,6	30,8
% of Net Sales	41,8 %	54,9 %	56,1 %	73,1 %

Services



Services Net Sales	16,5	15,6	14,5	11,4
% of Net Sales	58,2 %	45,1 %	43,9 %	27,1 %

Net Sales and Operating Profit in 2019 (2018)

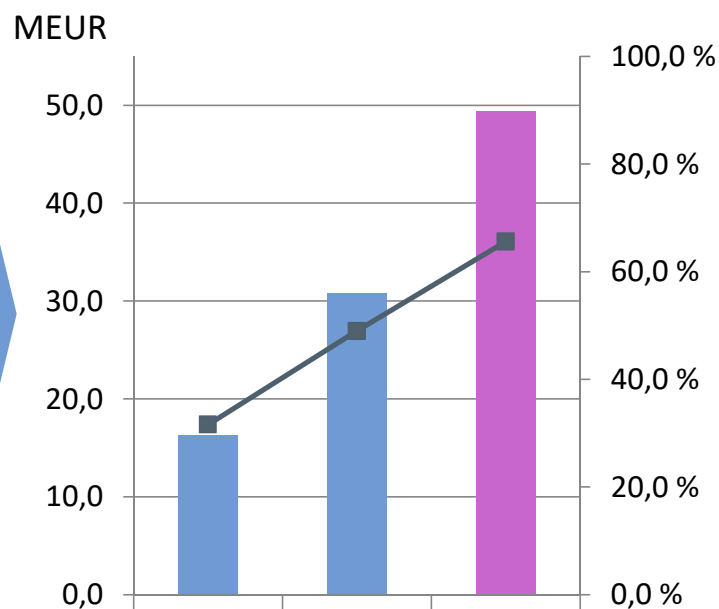


- Net sales grew by 19.7% to MEUR 75.2 (MEUR 62.8)

- Operating result improved to MEUR 6.3 (MEUR 2.8) equaling 8.4 % of net sales (4.5 %)

Product-Based Net Sales Continued to Grow in 2019

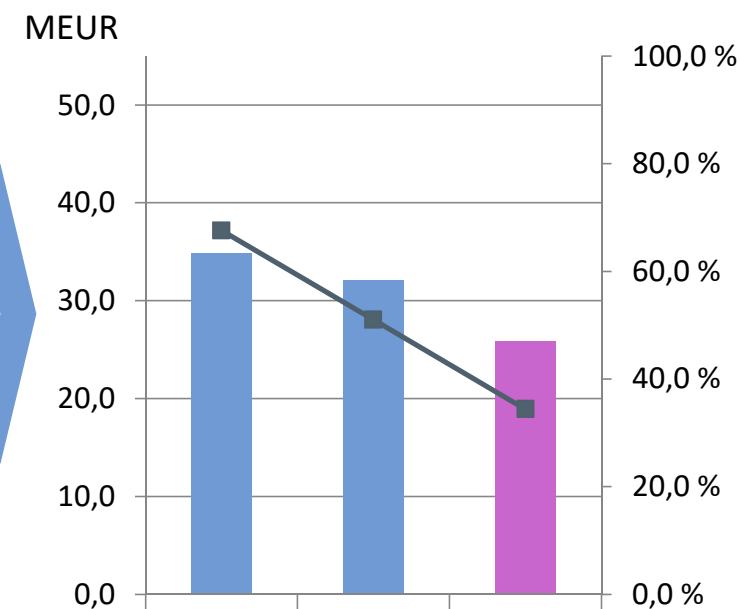
Products



Product-based net sales grew by 60.4 %

Products Net sales	16,3	30,8	49,4
% of Net Sales	31,6 %	49,0 %	65,6 %

Services



Service-based net sales declined by 19.1 %

Services Net sales	34,9	32,1	25,9
% of Net Sales	67,6 %	51,0 %	34,4 %

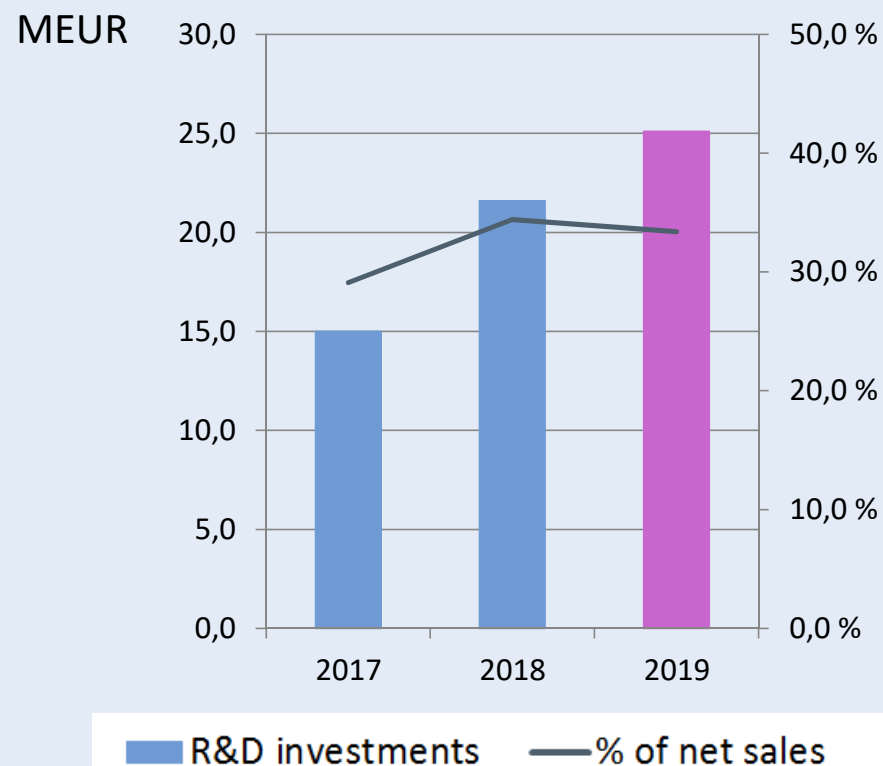
Strong R&D Investments

R&D investments stayed at high level and were MEUR 25.1 equaling 33.4% of the net sales (MEUR 21.6 equaling 34.4% of the net sales)

- MEUR 15.6 was capitalized (MEUR 15.1)
- Depreciations of R&D investments were MEUR 3.1 (MEUR 0.4)
- R&D costs in the P&L was MEUR 12.6 (MEUR 6.9)

The main focus in the R&D investments were

- The new Bittium Tough SDR™ soldier and vehicle radios
- Tactical communication system networks
- Bittium Tough Mobile™ 2 smartphone and related security software
- Biosignal measuring and monitoring products



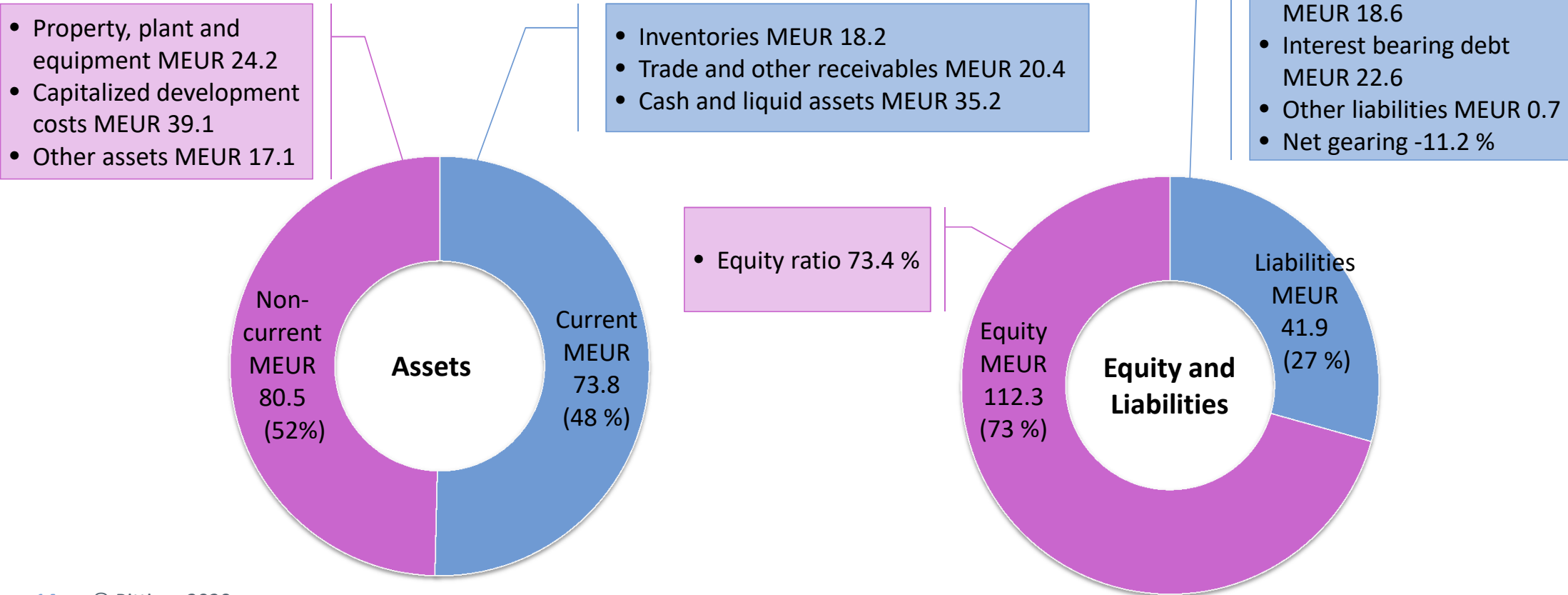
Cash Flow

MEUR	2019	2018
Net profit +/- adjustment of accrual basis items	14.3	7.9
Change in net working capital	-4.2	-8.4
Interests and taxes	-0.4	-0.0
NET CASH FROM OPERATING ACTIVITIES	9.6	-0.5
Net cash from investing activities	-18.6	-19.8
Net cash from financing activities	13.2	-11.7
NET CHANGE IN CASH AND CASH EQUIVALENTS	4.3	-32.0

- The net working capital in the operating cash flow increased because of the growth in inventories
- The net cash from investing activities include investments made into own product development of MEUR 15.6
- The net cash from financing activities include MEUR 20.0 borrowings and MEUR 5.4 dividend payment

Assets and Liabilities

Balance sheet per 31st of December, 2019 was total MEUR 154.2



Outlook for 2020

CEO Hannu Huttunen



Bittium

Outlook for 2020

The amount of wireless data transfer applications is expanding and diversifying. Also the amount of data transfer and the need for secure data transfer are growing. These create demand for Bittium's leading edge technology products and solutions.

The digitalization of healthcare and the increasing use of remote care, make the healthcare services more efficient, creating demand for Bittium's medical technology products and solutions.

In the coming years, Bittium aims at strong growth especially in the international markets.

Bittium expects that the net sales in 2020 will grow from the previous year (EUR 75.2 million in 2019) and the operating profit to be at the same level than in the previous year (6.3 million in 2019).

The level of the operating profit in 2020 will be impacted by the investments in the international growth and depreciations of the R&D investments.



Contact us.

www.bittium.com

investor.relations@bittium.com

Bittium