

# Report by the Board of Directors and Financial Statements



# Report by the Board of Directors 2024

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## The Year 2024 in Brief

### Net sales grew, profitability and cash flow improved significantly, growth strategy is progressing

Bittium Corporation started segment-based reporting as of the beginning of 2024. There are three reportable Business Segments: Defense & Security, Medical and Engineering Services, as well as separately reportable group functions.

Net sales in 2024 grew 13.2% year-on-year and operating profit was 10.1% from net sales. Cash flow improved significantly and the order backlog increased year-on-year.

The growth was driven by increased demand and product deliveries in the Defense & Security Business Segment. In the Medical Business Segment, growth was slowed by the lack of regulatory medical device approvals. In 2024, the company invested in increasing regulatory expertise in its organization to enable future growth. The growth of the Engineering Services Business Segment was slowed by cost-cutting pressures from customers and the resulting decline in demand.

At the end of 2024, Bittium updated its strategy for the next three-year period. The strategy aims to achieve profitable growth in all Business Segments. The company will focus more strongly on comprehensive customer orientation and sales growth. In addition, profitability and efficiency will be systematically continued to improve.

EUR 5.6 million were capitalized in the balance sheet, which was EUR 1.6 million less than in the previous year.

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

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

The equity ratio was 69.9 percent (69.6 percent).

Net gearing was -0.7 percent (13.2 percent).

The order backlog at the end of December was EUR 45.1 million (EUR 27.6 million).

## Group Financial Performance

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

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

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

Services-based net sales were EUR 33.2 million (EUR 29.5 million), representing 39.0 percent of the total net sales (39.1 percent). The growth resulted mainly from the increase of Defense & Security business' service projects.

EBITDA was EUR 17.3 million (EUR 5.2 million).

R&D costs were EUR 13.5 million (EUR 20.2 million), representing 15.9 percent of net sales (26.9 percent), of which

## Financial Performance in January–December 2024

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, MEUR</b>	<b>1-12/2024 12 months</b>	<b>1-12/2023 12 months</b>
Net sales	85.2	75.2
Operating profit/loss	8.6	-4.3
Financial income and expenses	-1.2	-1.0
Result before tax	7.4	-5.3
<b>Result for the period</b>	<b>7.3</b>	<b>-5.4</b>
<b>Total comprehensive income for the period</b>	<b>7.4</b>	<b>-5.5</b>
Earnings per share from continuing operations, EUR	0.205	-0.153

### Half-Year Figures

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

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

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



## Quarterly Figures

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

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

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

## Statement of Financial Position and Financing

<b>MEUR</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Non-current assets	82.8	84.6
Current assets	82.4	73.1
<b>Total assets</b>	<b>165.1</b>	<b>157.7</b>
Share capital	12.9	12.9
Other capital	99.9	94.6
Total equity	112.8	107.6
Non-current liabilities	18.4	1.8
Current liabilities	34.0	48.3
Total equity and liabilities	165.1	157.7

<b>CASH FLOW OF THE REVIEW PERIOD, MEUR</b>	<b>1-12/2024</b>	<b>1-12/2023</b>
+ profit of the period +/- adjustment of accrual basis items	18.9	5.1
+/- change in net working capital	7.1	-3.0
- interest, taxes and dividends	-1.5	-0.9
= net cash from operating activities	24.4	1.2
- net cash from financing activities	-6.7	-7.7
- net cash from financing activities	-4.3	-4.2
= net change in cash and equivalents	13.4	-10.7

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

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

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

## Research and Development

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

At the end of 2023, in the updated strategy Bittium aligned to seek a change from a R&D organization to a customer-oriented, growth-oriented operating model through its segment organizations. Between 2016 and 2023, the company's two Business Segments, Defense & Security and Medical, have invested strongly in the development of their own products. This has maintained the company's high average annual R&D investment level of around EUR 20 million, corresponding to an average of approximately 25 percent of the company's annual net sales. In these both product-oriented Business Segments the large product development projects have proceeded into commercial phase, and the focus will be on continuous improvement of the competitiveness of existing products and development of features.

<b>R&amp;D INVESTMENTS, MEUR</b>	<b>1-12/2024</b>	<b>1-12/2023</b>
<b>Total R&amp;D investments</b>	<b>13.5</b>	<b>20.2</b>
Capitalized R&D investments	-5.6	-7.2
Depreciations and impairment of R&D investments	5.6	5.6
Cost impact on income statement	13.5	18.6
R&D investments, % of net sales	15.9%	26.9%
<b>CAPITALIZED R&amp;D INVESTMENTS IN THE BALANCE SHEET, MEUR</b>	<b>1-12/2024</b>	<b>1-12/2023</b>
Balance sheet value in the beginning of period	50.5	48.8
Additions during the period	5.6	7.2
Depreciations and impairment of R&D investments	-5.6	-5.6
Balance sheet value at the end of the period	50.5	50.5

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

According to the strategy, updated on October 30, 2023, Bittium has three Business Segments: Medical, which focuses on measuring biosignals and remote monitoring, Defense & Security, which offers products and services to the defense and security markets, and Engineering Services, which offers R&D services. Previously centralized group functions were largely divided into these Business Segments, and the remaining group functions includes group administration, strategic projects, and stock market listing related functions, as well as renting premises owned by the group.

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

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

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

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

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

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

### Growth Strategy for 2025–2028

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

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

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

### Seamless and Secure Connectivity Program

At the end of March 2023, Bittium launched the Seamless and Secure Connectivity program, the purpose of which is to enable end-to-end connectivity in various operational areas with reliable, secure, and fault-tolerant connectivity architectures and products, including lifecycle services for products and solutions. Business Finland awarded development funding of EUR 10 million to the program in the challenger competition of Veturi-companies, and EUR 20 million to the ecosystem companies and research partners surrounding the program. The four-year program led by Bittium will last until 2026.

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

Four joint innovation projects have been launched in 2023 and 2024 related to the program, developing algorithms to reduce IoT security threats, optical identification methods for physical

parameters and biomarkers, and digital solutions for the LifeScience industry. In total, more than 50 partner companies and research institutes have been involved in ecosystem discussions so far, and several other joint innovation projects are expected to be launched in early 2025.

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

## Distribution of Extraordinary Dividend from 2023

In accordance with the proposal of the Board of Directors, the Annual General Meeting held on April 10, 2024, decided to authorize the Board of Directors to decide, at its discretion, on the distribution of an extraordinary dividend of EUR 0.03 per share, by October 31, 2024.

On October 18, 2024, the Board of Directors of Bittium Corporation decided to distribute the extraordinary dividend of EUR 0.03 per share with the authorizations granted to it by the Annual General Meeting. The dividend was paid to a shareholder who, on the record date for the dividend payment, October 22, 2024, was registered in the company's shareholders' register maintained by Euroclear Finland Ltd. The dividend was paid on October 29, 2024.

The Board of Directors evaluated that this discretionary extraordinary dividend can be paid, since there has been no significant deterioration in the business environment during 2024.

All the shares in the company are entitled to the dividend, except for own shares possibly held by the company on the dividend record date.

The minutes of the Annual General Meeting is available on the Bittium Corporation's website at <https://www.bittium.com/agm>.

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

### Defense and Security Business Segment

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

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

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

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

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



<b>DEFENSE &amp; SECURITY BUSINESS SEGMENT, MEUR</b>	<b>2024</b>	<b>2023</b>
Net sales	51.6	36.2
EBITDA	13.6	1.9
EBITDA, % of net sales	26.4	5.3
Operating profit / Loss	8.6	-3.2
Operating profit / loss, % of net sales	16.7	-8.7
R&D expenses	6.3	10.8
Capitalized R&D expenses	-3.6	-5.0
New orders	68.4	38.6
Order backlog	34.5	17.5
Personnel at the end of the period	233	230

### Development of the Business and Market Outlook

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

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

Bittium's products are being piloted in several international customer trials and competitions, where customers test products for their various tactical communication needs. In the defense market, in tactical data transfer, national defense forces and other authorities need networks where increasingly more mobile network users can reliably and securely transfer increasing amounts of data. This creates demand for tactical IP-based Bittium Tactical Wireless IP Network (TAC WIN) communication system, Bittium Tough SDR tactical radios and other Bittium IP-based tactical communication solutions. The long sales cycles in the defense industry affect the development of sales and make it difficult to predict.

Cooperation with the Finnish Defense Forces strengthened further when Bittium Corporation's subsidiary Bittium Wireless Ltd and the Defense Forces signed a Partnership Agreement for the years 2025–2036. The Partnership Services to be purchased under the Agreement apply to the life-cycle setup

and maintenance of the command-and-control systems manufactured by Bittium and used by the Finnish Defence Forces. These systems include tactical communication systems and related products (Bittium Tactical Wireless IP Network, Bittium Tough SDR, Bittium Tough VoIP), as well as their maintenance and further development.

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

Finnish Defence Forces started serial procurement of Bittium Tough SDR™ military and vehicle radios. The serial procurement enables expanding the usage of the new radios in all the military branches of the Finnish Defence Forces and the subordinate establishments operating under the Defence Command. Deliveries of the order began in 2024 and will be completed during 2025.

Also the Bittium TAC WIN communication system product deliveries and Tough Comnode deliveries to the Finnish Defence Forces continued. The Defence Forces also placed a system support order for the TAC WIN and Tough VoIP communication systems. The development of a new IP routing protocol for tactical data transmission for the Defence Forces' mobile and base-station-less networks, which began at the beginning of the year, progressed as planned.

The strategic goal of the Defense & Security Business Segment is to grow in the international defense market and win new

international customers. In 2024, Bittium announced new cooperation projects with global defense players. These cooperation projects with the world's biggest defense players are significant steps in the company's internationalization strategy and provide a good starting point for other potential cooperation projects in the future.

The members of the research and business consortium led by Bittium signed an indirect industrial cooperation framework agreement with the US company Lockheed Martin for the F-35 fighter jet procurement. The three-year project will develop methods and capabilities for spectrum management, which will improve the ability to create a tactical situational awareness, while also strengthening the data transmission capacity of Bittium's tactical communication systems in even more demanding combat situations. The consortium also signed another framework agreement with Lockheed Martin regarding the development of a cyber situational awareness for tactical networks. The consortium's leadership provides a good starting point for other potential cooperation projects in the future.

In June, Bittium and BAE Systems signed a framework agreement under which BAE Systems can offer Bittium's tactical communications products, services and systems to its customers in the United Kingdom and internationally. The agreement covers the years 2024–2027 and does not include a minimum purchase requirement or exclusivity for the sale of Bittium's products. As part of the framework agreement, the companies intend to participate in selected tenders for tactical communications products in the coming years.

The Croatian Ministry of Defense has approved Bittium's tactical communication system and Bittium Tough SDR vehicle radios for use by the Croatian Armed Forces. The approval follows a multi-year product piloting and deployment phase for the Croatian Navy, which was carried out in cooperation with Bittium's Croatian partner, information technology solutions provider IntelliByte INFO. In July, Bittium received an order for TAC WIN system products and Tough SDR radios for the Croatian Navy and Army. The order was part of a four-year framework agreement that IntelliByte INFO signed with the Croatian Ministry of Defense for the delivery and integration of tactical communication systems for use by the various branches of the Croatian Armed Forces. The tactical communication reform for the Croatian Navy and Army is part of the command and control system reform of the Croatian Armed Forces.

In Austria, the implementation of Bittium's tactical communication system by the local army continued and deliveries of system products,

as well as their integration and testing, continued.

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

The NATO Communications and Information Agency (NCIA) has listed the Bittium Tough Mobile 2 C communications solution in the NATO Information Assurance Product Catalogue (NIAPC). The highly secure communications solution, approved for use at the NATO Restricted level, is intended for communications between government administrations and authorities. Finland's NATO membership is believed to have a positive impact on the demand for Bittium's defense and authority products, especially in NATO countries.

The Windows version of Bittium SafeMove Mobile VPN encryption software has received national approval for encrypting TL IV security class data. Now, authorities using SafeMove VPN encryption software can transfer TL IV classified data wirelessly over the network. Bittium also implemented the Post-Quantum Cryptography (PQC) ML-KEM algorithm standardized by the US National Institute of Standards and Technology (NIST) in its Bittium SafeMove Mobile VPN software. This provides quantum-secure connections between a mobile device and an organization's services, thus protecting an organization's sensitive data from quantum computing threats.

Deliveries of secure Mexsat satellite phones developed for the Mexican government continued to Bittium's partner Inmosat in Mexico as new government organizations adopted satellite communications as part of their communication systems.

## Medical Business Segment

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

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

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

R&D costs were EUR 5.3 million (EUR 7.7 million), representing 27.4 percent of net sales (35.1 percent). R&D investments

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

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

<b>MEDICAL BUSINESS SEGMENT, MEUR</b>	<b>2024</b>	<b>2023</b>
Net sales	19.3	22.0
EBITDA	0.7	0.8
EBITDA, % of net sales	3.5	3.8
Operating profit / Loss	-0.9	-0.9
Operating profit / loss, % of net sales	-4.5	-4.0
R&D expenses	5.3	7.7
Capitalized R&D expenses	-1.4	-1.9
New orders	19.9	23.1
Order backlog	6.1	5.5
Personnel at the end of the period	103	107

### The Development of the Business and Market Outlook

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

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

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

In connection with the strategy update at the end of 2024, Bittium announced that it would bring a new EMG device for measuring the electrical activity of muscles to the market. EMG measurement has been in the company's product portfolio before, and this new product version is currently used by the company's customer to identify Parkinson's disease. Other application areas of the device intended for remote diagnostics include monitoring the progress of rehabilitation and identifying various muscle or movement disorders. Bittium continues to explore the market options and potential partners to provide a complete solution for its customers. The EMG measuring device is a medical device that complies with MDR requirements and does not require assessment by a notified body, which makes the sales process of the product easier in different countries.

Bittium continued to implement its partnership strategy and expanded its ECG analysis software offering to include artificial intelligence-based cardiac diagnostic software.

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

fragmented, which is why increasing the sales volumes requires continuous work.

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

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

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

During the past year, the company has invested in strengthening the necessary regulatory expertise through recruitment and using the expertise of external experts. This has resulted in additional costs for the company totaling approximately EUR 0.7 million during last year.

## Engineering Services Business Segment

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

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

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

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

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



<b>ENGINEERING SERVICES BUSINESS SEGMENT, MEUR</b>	<b>2024</b>	<b>2023</b>
Net sales	14.3	17.0
EBITDA	1.2	1.7
EBITDA, % of net sales	8.3	9.8
Operating profit / Loss	1.2	1.7
Operating profit / loss, % of net sales	8.2	9.7
R&D expenses	0.5	0.3
Capitalized R&D expenses	0.0	0.0
New orders	14.0	14.6
Order backlog	4.5	4.7
Personnel at the end of the period	129	131

### Development of 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 and thus creates demand for the development of product variants. Various satellite communication solution needs and new technologies increase the demand for Bittium's product development expertise as new players join the traditional supplier network. In 2024, Bittium began developing a satellite system terminal for testing purposes for its customer based on a new standardized satellite technology.

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

Cooperation with existing key customers has continued to be good. Customer projects included medical devices, embedded wireless IoT devices as part of a larger overall system, network-side radios and satellite terminals, a remote-controlled overall system and its connectivity solution, connectivity components for traffic control systems, and professional measuring devices and their connectivity solutions. We completed a project for our customer, who manufactures smart digital locking systems, and won new customers, including from the electric vehicle charging market.

In accordance with the updated strategy, the Engineering Services Business Segment will also seek growth from the defense industry market, where engineering service expertise is offered for products and services that require embedded wireless device design expertise. These include, for example, various sensors, data links and antennas. Bittium's long-term experience in the demand of defense industry's requirements regarding challenging conditions of operating environment and

experience in the industry's regulated environment combined with strong industry expertise provides a good starting point for Engineering Services business to offer cost-effective solutions to customer needs.

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

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

## Group Functions

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

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

Group Functions consist of group administration, strategic projects, and stock market listing related functions, as well as renting premises owned by the group. In addition to this, Group Functions offers common services for the Business Segments,

which are reasonable to be operated centrally. For these services, the Business Segments pay a service fee in proportion to the number of employees in the Segments. The

CEO, CFO, Vice President, Communications and Sustainability, and CLO are responsible for group functions.

<b>GROUP FUNCTIONS, MEUR</b>	<b>2024</b>	<b>2023</b>
Net sales		
EBITDA	1.8	0.8
EBITDA, % of net sales		
Operating profit / Loss	-0.3	-1.9
Operating profit / loss, % of net sales		
R&D expenses	1.5	1.3
Capitalized R&D expenses	-0.6	-0.4
Personnel at the end of the period	45	59

## Significant Events after the Reporting Period

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

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

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

On March 6, 2025, Niina Huikuri (Ms.Econ) has been appointed as Senior Vice President, Medical Business Segment and a member of Bittium Corporation's management group as of May 1, 2025. She will report to the CEO of Bittium Corporation. Laura Kauppinen, the current Senior Vice President, Medical Business Segment and a member of Bittium Corporation's management group has resigned from her position. She will continue in her position until April 30, 2025.

Niina Huikuri has over 20 years of international commercial experience in the medical devices sector. She joins Bittium

from her current position as Chief Commercial Officer of Askel Healthcare Ltd.

## Personnel

The Bittium group employed an average of 507 people in January-December 2024 (601 employees). At the end of December 2024, the company had 511 employees (526 employees).

## Changes in the Company's Management

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

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

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

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

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

As of January 7, 2025, Bittium Corporation's management group includes following persons: CEO Johan Westermarck (Chairman), CFO Petri Hiljanen, CLO Kari Jokela, Vice President Communications and Sustainability Karoliina Malmi, Vice President, Business Development Erik Ahnger, and the heads of Business Segments: Tommi Kangas, Senior Vice President, Defense & Security Business Segment, Jari Inget, Vice President, Engineering Services Business Segment, and Laura Kauppinen, Senior Vice President, Medical Business Segment.

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

On February 18, 2025, Bittium Corporation's current CEO Johan Westermarck resigned from his position. Bittium Corporation's Board of Directors appointed Petri Toljamo (M.Sc., eMBA) as the new CEO as of April 1, 2025. Westermarck continued in his position until March 31, 2025.

On March 6, 2025, Niina Huikuri (Ms.Econ) has been appointed as Senior Vice President, Medical Business Segment and a member of Bittium Corporation's management group as of May 1, 2025. She will report to the CEO of Bittium Corporation. Laura Kauppinen, the current Senior Vice President, Medical Business Segment and a member of Bittium Corporation's management

group has resigned from her position. She will continue in her position until April 30, 2025.

## Incentive Systems

### Management Share-Based Incentive Plan

On June 19, 2023, the Board of Directors of Bittium Corporation decided on the establishment of a new share-based long-term incentive scheme for the Company's management. It comprises a Performance Share Plan ("PSP"). The objectives of the PSP are to align the interests of Bittium's management with those of the Company's shareholders and, thus, to promote shareholder value creation in the long term, to commit the management to achieving Bittium's strategic targets and the retention of Bittium's management.

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

The commencement of the following two plans, PSP 2024-2026, and PSP 2025-2027, is, however, subject to a separate Board decision. In 2024 the Board of Directors of Bittium Corporation did not decide upon commencement of the PSP 2024-2026 share plan.

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

### Other Incentive Systems

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.

## Decisions of the Annual General Meeting 2024 and Resolutions of the Organizing Meeting of the Board of Directors

The Annual General Meeting of Bittium Corporation was held on April 10, 2024, at 1:00 pm (CEST+1) at the University of Oulu, Saalastinsali, Pentti Kaiteran katu 1, 90570 Oulu, Finland. The Annual General Meeting approved the annual accounts and the

consolidated financial statements for the year 2023, discharged the company's members of the Board of Directors and the CEO from liability for the financial year ended December 31, 2023, and gave an advisory resolution on the approval of the remuneration policy and remuneration report for governing bodies. The Annual General Meeting supported all the proposals of the Board of Directors and the three largest shareholders, in accordance with the notice to the Meeting.

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

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided that, based on the balance sheet for the financial year January 1, 2023 – December 31, 2023, a dividend of EUR 0.03 per share will be distributed. The dividend will be paid to a shareholder who, on the record date for the dividend payment, April 12, 2024, is registered in the company's shareholders' register maintained by Euroclear Finland Ltd. The dividend will be paid on April 19, 2024.

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

All the shares in the company are entitled to the dividend, except for own shares possibly held by the company on the dividend record date.

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

The Annual General Meeting decided that the Board of Directors shall comprise six (6) members. Mr. Erkki Veikkolainen, Ms. Riitta Tiuraniemi, Mr. Veli-Pekka Paloranta, Mr. Petri Toljamo, and Mr. Pekka Kempainen were re-elected as members of the Board of Directors for a term of office expiring at the end of the next Annual General Meeting. Further, Mr. Raimo Jyväsjärvi was elected as the new member of the Board of Directors for a corresponding term of office.

The Annual General Meeting resolved that the following monthly remuneration will be paid to the members of the Board of Directors: to the Chairman of the Board of Directors EUR

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

50 percent of the total monthly remuneration of the members of the Board of Directors will be paid in a single instalment in Bittium Corporation's shares to be purchased at a price formed in public trading or through a share issue or in special circumstances, if for some reason the remuneration cannot be paid in shares, entirely in cash. The shares will be acquired according to the share purchase program of the company. A member of the Board of Directors may not transfer the shares received as remuneration before his/her membership in the Board of Directors has ended.

## Election and Remuneration of the Auditor

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

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

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

## Amendment of the Articles of Association

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



## 7. Notice to the meeting and registration

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

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

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

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

## Organizing meeting of the Board of Directors

At its organizing meeting held on April 10, 2024, the Board of Directors elected Mr. Erkki Veikkolainen as the Chairman of the Board of Directors. Further, the Board of Directors resolved that it will continue to have an Audit Committee. Ms. Riitta Tiuraniemi (Chairman of the Committee), Mr. Petri Toljamo, and Mr. Veli-Pekka Paloranta were elected as members of the Audit Committee.

## Authorizations of the Board of Directors

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

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

The number of own shares to be repurchased shall not exceed 3,500,000 shares, which corresponded to approximately 9.80 percent of all the shares in the company as at the date of the General Meeting. Based on the authorization, the company's own shares may only be repurchased with unrestricted equity.

The company's own shares may be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors decides how the shares will be repurchased. Among other things, derivatives may be used in the acquisition. Own shares may be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

The authorization revokes the authorization given by the Annual General Meeting on April 12, 2023, to decide on the repurchase of the company's own shares.

The authorization is valid until June 30, 2025.

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

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

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

The authorization revokes the authorization given by the Annual General Meeting on April 12, 2023, to decide on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act.

The authorization is valid until June 30, 2025.

## Corporate Governance Statement

The Board of Directors has issued the corporate governance statement that is available as part of this annual report, as well as at the company's website.

## Risks and Uncertainties

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>Operational 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.

Risk category	Risk name	Risk description
	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	Possible exceptional weather extremes can cause disruptions in the supply chain, affecting, for example, the availability of components and thus increasing operational costs. A 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.
<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	To fund its operations, Bittium relies mainly on income from its operative business and may from time to time seek additional financing from selected financial institutions.  Bittium has a EUR 19.0 million senior loan and a EUR 10.0 million overdraft credit facility agreement with Nordea Bank Finland Plc. These agreements have been renegotiated on March 28, 2024, with the previous agreements between the parties expiring in May 2024. The maturity date for the senior loan is May 24, 2029, and it will be amortized by EUR 1.0 million every six months. The overdraft credit facility agreement is valid until May 25, 2026, after which it will continue to be valid indefinitely. At the end of the review, period no limit from the overdraft credit facility agreement was in use. These agreements include customary covenants related to, for example, equity ratio, interest-bearing debts and EBITDA, as well as the transfer and pledging of assets, the conditions of which were fulfilled at the end of the review period.  There is no assurance that additional financing will not be needed in case of investments, networking capital needs, or clearly weaker than expected development of Bittium's businesses. Customer dependency in some parts of Bittium's business may translate as an accumulation of risk with respect to outstanding receivables and ultimately with respect to credit losses.

## Outlook for 2025

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

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

## Proposal by the Board of Directors for the Distribution of the Dividend

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

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

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

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

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

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

### Flagging Notifications

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

<b>MARKET VALUES OF SHARES</b>	<b>1-12/2024</b>	<b>1-12/2023</b>
	<b>12 months</b>	<b>12 months</b>
Highest	9.30	5.20
Lowest	4.22	3.31
Average	6.55	4.22
At the end of period	6.36	4.81
Market value of the stock (MEUR)	225.69	170.69
Trading value of shares (MEUR)	40.1	17.0
Number of shares traded (1,000 pcs)	6,119	4,021
Related to average number of shares	17.2	11.3

### Breakdown of Shares by Shareholding, December 31, 2024

<b>Number of shares</b>	<b>Number of</b>	<b>Percentage of</b>	<b>Number of shares</b>	<b>Percentage of</b>
	<b>shareholders</b>	<b>shareholders</b>		<b>shares and votes</b>
1 - 100	11,164	48.9	464,393	1.3
101 - 500	6,779	29.7	1,770,766	5.0
501 - 1000	2,115	9.3	1,653,628	4.6
1001 - 5000	2,072	9.1	4,677,278	13.1
5001 - 10000	344	1.5	2,497,084	7.0
10001 - 50000	311	1.4	6,370,201	17.8
50001 - 100000	33	0.1	2,217,107	6.2
100001 - 500000	25	0.1	5,670,800	15.9
500001 - 999999999999	10	0.0	10,381,007	29.1
<b>Total</b>	<b>22,853</b>	<b>100.0</b>	<b>35,702,264</b>	<b>100.0</b>
nominee-registered	8		1,358,182	3.8

**Breakdown of Shareholders by Shareholder Type,  
December 31, 2024**

Shareholders by shareholder type	Number of shareholders	Percentage of shareholders	Number of shares	Percentage of shares and votes
Non-financial corporations	494	2.2	4,251,564	11.9
Financial and insurance corporations	24	0.1	2,013,630	5.6
General government	5	0.0	3,173,537	8.9
Non-profit institutions	29	0.1	115,611	0.3
Households	22,210	97.2	24,727,503	69.3
Foreign owners	83	0.4	62,237	0.2
Nominee-registered shares	8	0.0	1,358,182	3.8
<b>Total</b>	<b>22,853</b>	<b>100.0</b>	<b>35,702,264</b>	<b>100.0</b>

**Major Shareholders, December 31, 2024**

	Number of shares	Percentage of shares and votes
<b>Number of shares total</b>	<b>35,702,264</b>	<b>100.0</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. Fondita Nordic Micro Cap investment fund	517,218	1.4
8. Elo Mutual Pension Insurance Company	503,000	1.4
9. Hirvilammi Hannu	432,763	1.2
10. Aktia Nordic Micro Cap investment fund	410,389	1.1
<b>Total</b>	<b>9,929,746</b>	<b>27.8</b>
Others (incl. nominee-registered shares)	25,772,518	72.2

**The Board and CEO**

Veikkolainen Erkki, Chairman of the Board	1,825,243	5.1
Kemppainen Pekka, Member of the Board	10,115	0.0
Paloranta Veli-Pekka, Member of the Board	10,351	0.0
Tiuraniemi Riitta, Member of the Board	21,081	0.1
Toljamo Petri, Member of the Board	27,965	0.1
Jyväsjärvi Raimo, Member of the Board	1,789	0.0
Westermarck Johan, CEO	71,854	0.2
<b>Total</b>	<b>1,968,398</b>	<b>5.5</b>

## The Group's Key Ratios

	IFRS 2024	IFRS 2023	IFRS 2022	IFRS 2021	IFRS 2020
<b>INCOME STATEMENT, MEUR</b>					
Net sales, MEUR *)	85.2	75.2	82.5	86.9	78.4
Net sales change, %	13.2	-8.8	-5.1	10.8	4.2
Operating profit/loss, MEUR *)	8.6	-4.3	0.3	3.2	2.1
% of net sales	10.1	-5.7	0.4	3.7	2.7
Profit/loss for continuing operations before taxes, MEUR	7.4	-5.3	-0.4	2.5	1.6
% of net sales	8.7	-7.0	-0.5	2.9	2.1
Profit for the year from continuing operations, MEUR	7.3	-5.4	0.3	3.3	2.2
% of net sales	8.5	-7.2	0.0	3.8	2.8
Profit for the year attributable to equity holders of the parent, MEUR	7.3	-5.4	0.3	3.3	2.2
% of net sales	8.5	-7.2	0.0	3.8	2.8
<b>BALANCE SHEET, MEUR</b>					
Non-current assets	82.8	84.6	85.0	85.9	86.4
Inventories	24.8	26.6	24.2	18.8	20.9
Current assets	57.6	46.4	60.5	61.4	50.7
Shareholders' equity	112.8	107.6	115.8	116.8	114.2
Non-current liabilities	18.4	1.8	21.7	21.5	21.9
Current liabilities	34.0	48.3	32.2	27.8	21.8
Balance sheet total	165.1	157.7	169.7	166.1	158.0

	IFRS 2024	IFRS 2023	IFRS 2022	IFRS 2021	IFRS 2020
<b>PROFITABILITY AND OTHER KEY FIGURES</b>					
Return on equity % (ROE) *)	6.6	-4.9	0.2	2.9	1.9
Return on investment % (ROI) *)	6.6	-3.0	0.3	2.3	1.6
Interest-bearing net liabilities, (MEUR)	-0.8	14.2	3.4	0.2	-2.1
Net gearing, %	-0.7	13.2	3.0	0.2	-1.9
Equity ratio, %	69.9	69.6	69.7	72.4	73.1
Gross investments, (MEUR) *)	7.4	9.4	9.5	9.6	17.4
Gross investments, % of net sales	8.6	12.4	11.6	11.1	22.2
R&D costs, (MEUR) *)	13.5	20.2	22.3	19.8	22.8
R&D costs, % of net sales	15.9	27.0	27.0	22.8	29.1
Average personnel during the period, parent and subsidiaries *)	507	601	641	664	673



<b>STOCK-RELATED FINANCIAL RATIOS</b>	<b>IFRS 2024</b>	<b>IFRS 2023</b>	<b>IFRS 2022</b>	<b>IFRS 2021</b>	<b>IFRS 2020</b>
Earnings per share from continuing operations, EUR					
Basic earnings per share	0.205	-0.153	0.007	0.093	0.061
Diluted earnings per share	0.205	-0.153	0.007	0.093	0.061
Equity per share, EUR	3.18	3.03	3.24	3.27	3.20
Dividend per share EUR *)	0.10	0.03	0.05	0.04	0.03
Dividend per earnings, %	48.80	-19.67	704.52	42.95	50.90
P/E ratio	31.10	-31.54	560.10	56.92	94.76
Effective dividend yield, %	1.57	0.62	1.26	0.75	0.54
Market values of shares (EUR)					
Highest	9.30	5.20	6.08	7.89	7.67
Lowest	4.22	3.31	3.47	4.93	3.40
Average	6.55	4.22	4.71	6.18	5.74
At the end of period	6.36	4.81	3.98	5.30	5.79
Market value of the stock, (MEUR)	225.69	170.69	141.92	189.22	206.66
Trading value of shares					
MEUR	40.1	17.0	44.0	83.2	117.9
1000 PCS	6,119	4,021	9,346	13,464	20,557
Related to average number of shares %	17.2	11.3	26.2	37.7	57.6
Adjusted number of the shares at the end of the period (1000 PCS)	35,486	35,486	35,702	35,702	35,693
Adjusted number of the shares average for the period (1000 PCS)	35,486	35,609	35,702	35,700	35,693
Adjusted number of the shares average for the period diluted with stock options (1 000 PCS)	35,486	35,609	35,702	35,700	35,693

## Calculation of Key Ratios

<b>Return on equity % (ROE)</b>	=	$\frac{\text{Profit for the year} \times 100}{\text{Total equity (average for the accounting period)}}$
<b>Return on investment % (ROI)</b>	=	$\frac{\text{Profit before tax} + \text{interest and other financial expenses} \times 100}{\text{Balance sheet total} - \text{interest-free liabilities (average for the accounting period)}}$
<b>Net gearing, %</b>	=	$\frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents} \times 100}{\text{Total equity}}$
<b>Equity ratio, %</b>	=	$\frac{\text{Total equity} \times 100}{\text{Balance sheet total} - \text{advances received}}$
<b>Earnings per share</b>	=	$\frac{\text{Profit attributable to equity holders of the parent}}{\text{Share issue adjusted number of the shares average for the period}}$
<b>Equity per share</b>	=	$\frac{\text{Equity attributable to equity holders of the parent}}{\text{Share issue adjusted number of the shares at the end of the period}}$
<b>Dividend per share</b>	=	$\frac{\text{Dividend for the period (Board's proposal) per share}}{\text{Adjustment coefficient of post-fiscal share issues}}$
<b>Dividend per earnings, %</b>	=	$\frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$
<b>P/E ratio</b>	=	$\frac{\text{Share issue adjusted share price at the end of the period}}{\text{Earnings per share}}$
<b>Effective dividend yield, %</b>	=	$\frac{\text{Dividend per share} \times 100}{\text{Share issue adjusted share price at the end of the period}}$



# Sustainability Statement 2024



# Sustainability Statement 2024

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# ESRS 2 - General Information

## Basis for Preparation

### General Basis for Preparation of the Sustainability Statements (BP-1)

The reporting period for Bittium's sustainability statement is consistent with the financial year January 1–December 31, 2024, and the sustainability statement has been prepared with the same scope of consolidation as the financial statements. The sustainability statement has been prepared in accordance with chapter 7 of the Finnish Accounting Act (1336/1997). The scope of reporting covers the operations of the entire Group and its subsidiaries, as well as the suppliers of goods and services that are material to Bittium's operations. Where material, the reporting includes information on the impacts, risks and opportunities arising in the upstream and downstream value chain. The upstream and downstream value chain includes both direct and indirect suppliers.

Bittium has not used the option to omit information corresponding to intellectual property, know-how, the results of innovation, impending developments or matters in the course of negotiation.

### Disclosures in Relation to Specific Circumstances (BP-2)

This is Bittium's first sustainability statement prepared in accordance with the ESRS standards. Consequently, no comparative information in respect of previous reporting periods is reported. In its reporting, Bittium adopts the ESRS 1 definitions of short, medium and long term: short term is less than one year, medium term is 1–5 years, and long term is more than 5 years. The transitional provision has been applied in the descriptions of the anticipated financial effects for all of the topical standards.

With regard to the disclosure requirements under standards S2 and S4, the company decided to apply the transitional provision and report on the year 2024 in accordance with the minimum disclosure requirements stipulated by ESRS 1 Appendix C. Information related to the use of the transitional provision is provided under the topical standards. The reporting on the S2 and S4 standards for 2024 contains information on policies, targets, measures and metrics in accordance with the minimum disclosure requirements. Bittium will develop its data collection processes to further improve the quality of the collected and reported data and increase visibility throughout

the value chain. These targets have also been incorporated into Bittium's sustainability strategy for 2025–2028.

The metrics in this sustainability statement have been validated only by the sustainability statement's assurance provider in accordance with the statement on the assurance of the sustainability statement, and no other external parties have been used.

The following sources of uncertainty related to the sources used, results and measurements have been identified in Bittium's reporting process:

- In the GHG emission calculations in section E1, the best available emission factors for each emission category at the time of calculation were used. Assumptions were made in the calculation of the in-use emissions of sold products. The general emissions factors are often averages that do not take into account variations in operations or circumstances, which may increase uncertainty in the calculations.
- The in-use emissions for products sold, reported under Scope 3 in section E1, were obtained by estimating the utilization rate of the devices based on publicly available research data. This is a source of uncertainty in the calculations.
- Emissions caused by transport, reported under Scope 3 in section E1, were calculated on the basis of emissions reports obtained. Emissions reports accounted for approximately 12% of all transports, and 88% of transports were calculated using values obtained from the emissions reports. This is a source of some uncertainty, as it is not possible to be certain that the modes of transport are completely the same.
- With regard to purchased materials under Scope 3 in section E1, performing the calculations using a reference product is a source of uncertainty.
- Under Scope 3 in section E1, the sector-specific estimates and the values derived from emission databases, for example, always involve calculation uncertainty as they do not provide precise data.
- In section E5, the accuracy of waste volume reports and the consistency of waste categorization between the waste reports of Bittium's various operating locations were identified as sources of uncertainty. With regard to the information mentioned above, more detailed calculation methods related to the calculations and the boundaries, estimates and assumptions applied are described in more

detail in connection with the information that is referred to in the reporting.

#### Transitional Provisions Used

ESRS standards	Disclosure requirement	Basis for the transitional provision
ESRS 1	Applies to all comparative information provided in the report	10.3 Transitional provision regarding section 7.1 on presentation of comparative information
ESRS 2	SMB-1 40 (b) and (c) (Strategy, business model and value chain)	ESRS 1 Appendix C: List of disclosure requirements to be phased in
ESRS 2	SMB-3 48 (e) (Material impacts, risks and opportunities and their interaction with the strategy and business model)	ESRS 1 Appendix C: List of disclosure requirements to be phased in
ESRS E1	E1-9 (Anticipated financial effects from material physical and transition risks and potential climate-related opportunities)	ESRS 1 Appendix C: List of disclosure requirements to be phased in
ESRS E5	E5-6 (Anticipated economic impacts of impacts, risks and opportunities related to resource use and the circular economy)	ESRS 1 Appendix C: List of disclosure requirements to be phased in
ESRS S2	All disclosure requirements	ESRS 1 Appendix C: List of disclosure requirements to be phased in (exception for average number of employees (750))
ESRS S4	All disclosure requirements	ESRS 1 Appendix C: List of disclosure requirements to be phased in (exception for average number of employees (750))



## Governance

### The Role of the Administrative, Management and Supervisory Bodies (GOV-1, G1 GOV-1)

#### Board of Directors and Audit Committee

The Board of Directors is responsible for the administration of the Group and the appropriate organization of its operations. The members of the Board of Directors are elected annually at the Annual General Meeting. During the financial year that ended on December 31, 2024, the Group's Board of Directors had six members. The Board of Directors assesses the independence of its members annually. Of the members of the Board of Directors, 83.33% are independent. Of the members, only Raimo Jyväsjärvi is non-independent of the company. This is due to his previous position as an advisor to the company.

Men account for 83.33% of the Board members, while women account for 16.67%. The Board of Directors' average gender ratio between women and men is 1/5: the members comprise one woman and five men. The Board of Directors' self-assessment discussions have concluded that the Board members are diverse enough in terms of their special expertise, background, age and gender that the Board of Directors as a whole has been able to effectively support Bittium's business and its development. The diversity of the Board of Directors is supported by the members' experience in the international operating environment and different cultures, as well as taking the age and gender distribution into consideration. Bittium's target is for both genders to be represented on the Board of Directors.

The company's Board of Directors is responsible for the administration of the company and the appropriate organization of its operations. The Board of Directors has approved the principles applied by the Group's with regard to internal control, risk management and internal auditing.

Bittium's Board of Directors appoints the Chairman and members of the Audit Committee. At least one of the members of the committee must have expertise in accounting or auditing.

The members of the committee are independent of both the company and its significant shareholders, and they have extensive experience in the management of business operations. In addition to the members of the committee, the meetings of the committee are regularly attended by the CEO, the CFO and the CLO, who serves as the secretary to the committee, and, optionally, by the company's auditors. In 2024, the focus areas of the Audit Committee were the near-term changes in sustainability reporting, the cash flow forecasting

process and the development of working capital. The specification of tasks for the governance bodies or the Board of Directors' assignments have not specified how each body's responsibilities for impacts, risks and opportunities are taken into consideration.

The Board of Directors and the Audit Committee approve and review sustainability-related topics, commitments and targets annually. In 2024, the upcoming changes in sustainability reporting were one of the focus areas of the Audit Committee. The Audit Committee monitors the implementation of the company's strategy and compliance with sustainability requirements, and makes proposals to the Board of Directors for approval. The specification of tasks for the governance bodies or the Board of Directors' assignments have not specified how each body's responsibilities for impacts, risks and opportunities are taken into consideration.

Meetings of the Board of Directors are attended by the CEO, CFO and CLO. Other members of the company's senior management participate as necessary or when invited by the Board of Directors.

The members of Bittium's Board of Directors and Audit Committee are not employees of the company.

#### CEO and Management Group

The CEO is in charge of operational management in accordance with the Finnish Limited Liability Companies Act, the Articles of Association and the instructions and orders issued by the Board of Directors. The CEO is responsible for the preparation of Board meetings, the implementation of the Board's decisions, the legality of accounting and the reliability of asset management. The CEO is responsible for the preparation of the company's strategy, long-term plans, investments, mergers, acquisitions and divestments, and financing arrangements, and deciding on these to the extent that the decision-making power concerning the matter in question does not lie with the Board of Directors. The CEO is supported by the Management Group.

Bittium's Management Group is responsible for approving and evaluating the principles, commitments and targets related to sustainability. The Management Group is responsible for the implementation of plans and targets, as well as the integration of sustainability topics and corporate responsibility into the company's strategy. The Management Group is responsible for the realization of commitments and targets and monitors them on a monthly basis. The Management Group receives regular training on sustainability with regard to anti-corruption and

anti-bribery measures, for example. The Management Group has received training on the CSRD and ESRS standards.

With the exception of the CEO, the members of the Management Group are employees of the company. More information on the number of members of the Management Group and their gender distribution is provided in section S1-9.

**Sustainability Working Group**

Bittium has a separate sustainability working group, which develops, monitors, and assesses key sustainability indicators and the achievement of targets. The tasks of the working group include participating in the management and assessment of sustainability risks and the Group’s sustainability reporting. The sustainability working group is led by the Vice President, Communications and Sustainability. The group has six (6) members: the CEO; Vice President, Communications and Sustainability; Chief Legal Officer; CFO; Director, Human Resources; and Head of Quality and Research. The sustainability working group is led by the Vice President, Communications and Sustainability. The sustainability working group meets on a regular basis.

**Expertise with Regard to Sustainability Matters**

The expertise of the Board of Directors and the Management Group with respect to good corporate governance and sustainability mainly consists of previous work experience in different companies and participation in training activities. For example, some of the Board members have participated in training related to business management, value chain management, financial management and board membership, which promotes good corporate governance. The members of the Board of Directors and the Management Group have also accumulated expertise from the company’s internal anti-corruption and anti-bribery training activities, as well as seminars on the ESRS standards and the CSRD Directive aimed at board professionals.

The Board of Directors and the Audit Committee have discussed with the CEO and the Vice President, Communications and Sustainability in regular ESG reviews the need to ensure sufficient expertise in sustainability issues relevant to the company and have strengthened expertise where necessary, for example in relation to climate change adaptation.

**Sustainability Management at Bittium**



## Information Provided to and Sustainability Matters Addressed by the Undertaking's Administrative, Management and Supervisory Bodies (GOV-2)

Bittium's Board of Directors approves sustainability reporting annually. Bittium's Management Group discusses sustainability issues, monitors the effectiveness of sustainability measures, and sets sustainability targets in its twice-yearly management review. The Management Group is also responsible for implementing sustainability plans and actions in day-to-day operations.

The Audit Committee of Bittium Corporation's Board of Directors discusses sustainability issues on a regular basis and as needed. The Audit Committee oversees the Group's sustainability reporting process and reporting. The committee monitors the company's sustainability reporting and the assurance thereof. The Board of Directors of Bittium Corporation addresses sustainability matters on the basis of the Management Group's proposals and approves the company's sustainability statement annually.

In 2024, Bittium reported to the administrative, management and supervisory bodies on material impacts, risks and opportunities in accordance with sustainability reporting in connection with the double materiality assessment. Bittium documented its due diligence process in accordance with the OECD guidelines in 2024, and the company will continue to establish related policies, actions, metrics and targets in 2025. Bittium will report on the results and effectiveness of the process to the administrative, management and supervisory bodies from 2025 onwards. As the impacts, risks and opportunities addressed in the manner described in this sustainability statement were established in 2024, they were not taken into account during 2024 in overseeing the strategy, decisions on major transactions and the risk management process. In the future, they will be taken into consideration on a regular basis as part of the Management Group's normal reporting.

### A list of the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies, or their relevant committees, during the reporting period.

Impact, Risk and Opportunity (IRO)	Matters Addressed by the Administrative, Management and Supervisory Bodies
E1: Transitioning the company's own business premises to renewable energy and improving energy efficiency through ecological product design, which reduces the in-use emissions of products.	Expanding the emissions calculation process to include Scope 1-3 emissions categories under the GHG Protocol for the first time.
E1: Growing regulation increases the need to allocate resources to monitoring, interpretation, the implementation of changes, and reporting.	Monitoring the adequacy of sustainability reporting resources and related competence.
E1: The growing demand for products and solutions that support the green transition and are energy efficient will contribute to the reduction of the in-use emissions of products and the reduction of customers' emissions.	Monitoring and developing data collection for sustainability reporting. Creating a transition plan and monitoring its progress. Specifying the next steps of the plan for 2025.
E5: Engaging the commitment of manufacturing partners to production that is aligned with circular economy principles, material efficiency and regulatory compliance may reduce environmental impacts and improve stakeholder perceptions.	Monitoring the completion of sustainability reporting and the transition plan.
S1: Employee satisfaction improves the employer image, employee availability, retention and motivation, and contributes to the customer experience.	Monitoring of change negotiations concerning the personnel and the impacts of cultural change.
S4: Unclear or incomplete product information or labeling may affect customers' understanding of the use of products and indirectly affect their safety, as well as reduce customer satisfaction.	Reviewing customer feedback and approving measures.
S4: Negative impacts on customer satisfaction, customer and stakeholder perceptions and, consequently, direct financial effects if perceived quality does not correspond to customer requirements.	Approval of measures that are planned on the basis of customer feedback.
S4: A significant reputational risk if information security deficiencies were to be detected in the company's operations or products. Such deficiencies may also lead to legal consequences or the termination of customer relationships.	Regular monitoring of matters related to information security and data protection.
S4: The increase in information security threats and the tightening security climate increase the demand for secure products and lead to a situation where taking information security and data protection into consideration in product development is a key opportunity for Bittium in all of its businesses.	Assessing the company's resilience and topics related to the implementation of requirements stipulated by the NIS2 Directive.
G1: Ensuring the sustainability of the supply chain through supplier requirements, audits and surveys of materials, engaging the personnel's commitment to the principles of sustainable procurement, and also taking sustainability into account in the subcontracting of personnel.	Developing the quality of products and services.
G1: The potential to grow the business even in the short term due to the changed geopolitical climate and increased information security threats.	Assessing and understanding customer needs and integrating them even more closely into product strategies.



## Integration of Sustainability-Related Performance in Incentive Schemes (GOV-3)

The principles of Bittium’s remuneration policy guide the Group’s incentive structure and performance criteria. Bittium’s remuneration is designed to align the interests of employees and shareholders and to support remuneration based on the Group’s performance. The purpose of Bittium’s incentive schemes is to implement the Group’s strategy and develop long-term sustainable growth in line with increasing shareholder value.

Bittium’s remuneration policy does not include incentive and remuneration schemes linked to sustainability-related performance for the members of the administrative, management and supervisory bodies. Climate-related aspects are not taken into consideration in the remuneration of Bittium’s administrative, management or supervisory bodies.

## Statement on Due Diligence Process (GOV-4)

An overview of the information on the due diligence process provided in Bittium’s sustainability statement:

Core Elements of Due Diligence	Core Elements of Due Diligence
Embedding due diligence in governance, strategy and business model	ESRS2 GOV-2, ESRS2 SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	ESRS2 GOV-2, ESRS2 SBM-2, ESRS2 IRO-1, ESRS2 MDR-P (typical ESRS: reflecting the different stages and purposes of stakeholder engagement throughout the due diligence process)
Identifying and assessing adverse impacts	ESRS2 IRO-1, ESRS SBM-3
Taking actions to address those adverse impacts	ESRS2 MDR-A (typical ESRS: reflecting the range of actions, including transition plans, through which impacts are addressed)
Tracking and communicating the effectiveness of these efforts	ESRS MRD-M, ESRS MDR-T and topical ESRS regarding metrics and targets



## Risk Management And Internal Controls Over Sustainability Reporting (GOV-5)

The aim of risk management is to secure the company's profit performance and ensure business continuity by implementing risk management cost-efficiently and systematically in different business segments and support functions. Risk management is part of Bittium's strategic and operational planning, the day-to-day decision-making process and internal control system. Risk management integrates business targets, risks and risk management measures into a single chain.

The company has a policy approved by the Board of Directors for risk management. Risk management covers all activities relating to target-setting, risk identification, measurement, evaluation, processing, reporting, monitoring, oversight and risk response.

Risks are assessed using a scale of severity and probability, which is used to calculate the risk level. The risk assessment framework places more emphasis on severity than probability. In addition, the risks are given a time dimension and the economic impact of the risk is assessed.

Bittium developed its risk management process during 2024. Criteria for identifying potential risks related to the environment, human rights and good corporate governance were added to the risk assessment. Bittium's sustainability working group develops, monitors, and assesses key sustainability metrics and the achievement of set targets. The working group is also responsible for tasks related to the management and assessment of the Group's sustainability risks and sustainability reporting.

The sustainability-related risks identified by Bittium consist of environmental, social and governance risks. The risks of environmental damage in office work are minor. The most material risks from an environmental perspective are related to climate change adaptation, such as the potential need to

redesign products. Social risks include risks related to coping with the demands of work, which is caused by workload, as well as potential human rights violations in the value chain or risks related to health, safety or privacy with regard to consumers and end-users. Governance-related risks include risks related to the management of sustainability in the company's own operations and value chain, as well as reputational risk related to corruption and bribery, mainly with regard to the value chain.

The risks identified in the sustainability reporting process included the adequacy of resources, the schedule of reporting, and sufficient compliance-related expertise. To ensure the availability of high-quality information on a tight schedule, the company developed a systematic process and regularly monitored its implementation. The company also decided to use external experts to strengthen expertise and ease resource pressure. Risks were reported regularly to the Audit Committee and the Board of Directors.

The key aspects of targets and requirements related to sustainable operations, good corporate governance, internal control and risk management are specified in policies separately approved by the Board of Directors and the internal control framework, which includes instructions, guidelines and principles concerning internal control and risk management.

Compliance processes are in place at every organization level in order to ensure compliance with the applicable laws, regulations, internal guidelines, ethical values, and sustainable business practices. The company's management and businesses are responsible for monitoring the legislation and other regulation in their own areas and for communicating any changes to the organization. The company's Chief Legal Officer coordinates the appropriateness of, and adherence to, compliance processes.

## Strategy and Business Model

### Strategy, Business Model and Value Chain (SBM-1)

In line with its strategy in 2024, Bittium has three business segments: Medical, which focuses on the measurement and remote monitoring of biosignals; Defense & Security, which provides products and services for the defense and security markets; and Engineering Services, which provides product development services. In addition to the business segments, the company has Group Functions segment, which includes group administration, strategic projects, and stock market listing related functions, as well as the rental of premises owned by the Group. In addition to this, Group Functions produces common services for the business segments, which are reasonable to be managed centrally.

The customers of the Medical business segment include healthcare professionals, hospitals, health centers and service providers to whom Bittium offers healthcare products and services for biosignal measurement in the areas of cardiology, neurology and sleep apnea testing. At the end of 2024, the company announced that it would launch a device for muscle activation measurement. Products and services are offered globally, taking into account the regulatory approval processes for medical devices in each country.

The Engineering Services business segment focuses on product design, development and maintenance services implemented for customers. The business solutions offered by the contract customers include products and comprehensive solutions aimed at end-users. The services sold can largely be divided into the following categories: IoT/wireless communication, health services and mobile devices and systems. Bittium's customers are mainly in Europe and North America. The customer portfolio was expanded in 2024 with new customers in the transport, traffic and professional tool markets, among others.

The Defense & Security business segment's customer categories include the defense forces of different countries, governmental organizations and public authorities, and private mobile network providers. Products and services are offered globally. The products and services, and the tactical communication networks created with them, are managed by software products. In addition, the company sells various accessories that support the use of Bittium's products and systems. The services sold by Bittium include software and hardware development, product lifecycle services, i.e. maintenance services to support the use of Bittium's products

and systems, as well as the expertise of the company's specialists in various R&D projects.

At the end of 2024, Bittium had a total of 511 employees in Finland, Germany and the United States. 99% of the company's employees are based in Finland. Most of the employees are R&D engineers. More information on the personnel is provided in section "S1 Own workforce" in this sustainability statement. Bittium's operations have impacts on various stakeholders. The most significant stakeholders are investors and shareholders, customers in the private and public sectors, the personnel, partners and other suppliers, and the public authorities.

There were no changes to Bittium's product portfolio during 2024. Bittium's products are designed to have long life cycles and to be repairable and recyclable which aims to improve material and energy efficiency. For many products for the defense industry, for example, it is necessary to guarantee operational reliability, delivery reliability and maintenance, including service and updates, for several decades. Material cycles are created in relation to product repairs or returns related to the product life cycle, for example. The information security risks associated with the products must also be taken into account in this context. Bittium disassembles decommissioned products, sorts the components and recycles them appropriately. In production activities, Bittium's operating practices include ensuring delivery capacity, preparing for the growth of delivery volumes by having access to adequate business premises, and forecasting the volumes of products to be delivered. In addition to reducing the environmental impacts of its own operations, Bittium seeks to actively reduce environmental impacts throughout the value chain. The updated sustainability strategy emphasizes material impacts, risks and opportunities on the basis of the materiality assessment.

Bittium's value chain extends to several countries. The most significant of the downstream value chain countries are the United States and several European countries. The business premises related to the impacts of Bittium's value chain consist of component suppliers' production plants, factories and offices, most of which are located in Asia. Bittium aims to improve transparency in its supply chains in the coming years by acquiring, among other things, a tool for supplier management. The Bittium head office is located in Oulu. In Finland, Bittium also has sites in Espoo, Kajaani, Kuopio and Tampere. All of the premises are mainly offices, in addition to which there are production activities at two of the sites. Most of the environmental impacts of the company's own operations



arise at the two sites with production activities. In line with its transition plan, Bittium aims to switch to renewable energy at all its locations by 2030.

The inputs in Bittium’s business include labor, materials used in products, production and financing. The approach to workforce acquisition, development and retention includes recruitment, training, competitive pay, developing the meaningfulness of work tasks, and subcontracting. With regard to the materials used in products, the approach includes increasing independence from individual suppliers of materials. The approach to financing includes negotiating long maturities for loans, maintaining a sufficiently high equity ratio and adherence to the practices outlined in Bittium’s treasury policy with regard to securing financing.

Bittium’s health technology products deliver indirect benefits through improved quality of life. In addition, the products of Bittium’s Defense & Security business segment deliver benefits through improved information security. Benefits also

arise from the quality, safety and durability of Bittium’s products.

Bittium’s value chain includes suppliers, partners, public authorities, the company’s own employees, shareholders and customers. Bittium operates in a highly regulated operating environment, which is why cooperation with the public authorities plays a significant role. Suppliers of goods in the upstream value chain are of central importance to Bittium’s business operations. Most of them engage in the manufacturing of components required for production operations, their transport, or primary production activities that are indirectly linked to the components. Bittium’s value chain also includes people working in outsourced services and seasonal additional workforce acquired through outsourced services, such as consultants. Bittium’s downstream value chain includes customers, most of which are retailers that sell the products to end-users, as well as product suppliers.

## Bittium's Value Chain



## Interests and Views of Stakeholders (SBM-2, S1 SBM-2)

Bittium's operations affect a wide range of stakeholders. Understanding the views and expectations of stakeholders is important for the company's operations and success. Open dialogue with the stakeholders helps to develop Bittium's operations, products, and solutions, as well as a goal-driven approach to finding solutions to social challenges.

Bittium works in cooperation with national as well as international stakeholders. The major stakeholders include Bittium's employees, customers, various suppliers, cooperation partners, authorities and other parties regulating the operations, shareholders and investors, students and educational institutions, as well as various communities.

Bittium employs 511 specialists in its field, and investments in personnel well-being and competence development are seen as one component of the value creation model. Bittium's approach to taking human rights into consideration is discussed in section S1-1.

The double materiality assessment investigated stakeholder views concerning sustainability priorities. To determine the material topics, information was collected on a selective basis from customers, partners, investors, the personnel, the management, and other stakeholders. The materiality

assessment process is described in more detail under disclosure requirement IRO-1.

After establishing the priorities of the identified material aspects, the final outcome of the analysis was a materiality matrix confirmed by the Management Group and the Board of Directors. The matrix outlines the views of the company's internal and external stakeholders regarding Bittium's material aspects of sustainability as well as the company's impacts and areas of development.

The views of stakeholders have been taken into account in Bittium's sustainability strategy through information obtained from the materiality assessment process. Following the materiality assessment, a plan of measures has been drawn up for the years 2025-2030, the implementation of which will be monitored annually. Interaction with stakeholders is described in more detail in the table on the next page.

Bittium's stakeholder engagement is guided by good governance practice as well as the company's values and Code of Conduct. The Board of Directors reviews the investor relations strategy and the results of personnel surveys and customer satisfaction surveys once a year.

## Affected Stakeholders

Personnel	The personnel expect Bittium to offer interesting and meaningful work, as well as opportunities for professional growth.	<p>Bittium engages with its personnel on a continuous basis through various channels, including an annual personnel survey, a semi-annual pulse survey, an equality survey and a satisfaction survey concerning the orientation training process. Bittium also organizes many events for its personnel each year to provide opportunities for open dialogue and presenting questions directly to the company's management.</p> <p>Bittium surveys employee perceptions of the company before new recruits start their work, and after they have started work, by means of a separate survey. An exit interview is organized for people who resign from Bittium.</p> <p>Bittium's most recent equality survey was carried out in 2023. The next equality survey will take place in 2025.</p>
Customers	Our customers value competitive and reliable products and services as well as our sustainable and real-time approach to our operations.	<p>Customers feedback is received on a continuous basis, primarily by means of frequent communication and through various annual surveys. In 2024, surveys were conducted as online surveys. Feedback is collected from various levels of customer organizations, ranging from project personnel to senior management.</p> <p>Customers were invited to participate in the double materiality assessment conducted in 2024. Bittium's significant customers are leading international players in their respective fields, and they are also consulted in various meetings. Product and project reviews and approvals, in particular, are easier to carry out face-to-face.</p>
Suppliers and partners	Suppliers and partners expect fair and sustainable operations and long-term cooperation from Bittium.	<p>When it comes to our suppliers and other partners, we have often worked with them in close cooperation for a long time following established rules and ways of working. Bittium aims to verify the compliance of key suppliers as carefully as possible by means of supplier surveys, self-assessments, supplier visits and audits carried out by Bittium or a third party.</p> <p>Supplier cooperation will be developed further in 2025.</p>
Local cooperation	<p>Bittium is expected to participate in the work of educational institutions to enable students to familiarize themselves with the company (traineeships, thesis writing).</p> <p>Bittium is expected to actively cooperate and share its broad expertise in development projects that create common good.</p>	<p>Bittium regularly supports educational institutions and schools to provide young students – and teachers – to familiarize themselves with working life. This cooperation increases awareness of Bittium among students, which may attract them to work for Bittium after graduation.</p> <p>R&amp;D cooperation with companies and research institutes supports the broadening and sharing of expertise in both directions, and it also enables the collaborative advancement of technological development, for example. Research cooperation is carried out in the national context through the Seamless and Secure Connectivity project, for example, which is a Leading Company project led by Bittium. Bittium is also involved in numerous international programs, and the company also engages in active cooperation locally with the City of Oulu, among other entities.</p>
Shareholders and investors	Shareholders, investors and analysts expect that Bittium provides long-term value and acts in a sustainable manner.	<p>The Annual General Meeting provides shareholders with the opportunity to meet the company's management and Board of Directors and have discussions with them. The company's representatives also participate in events organized for various institutional investors. Bittium meets regularly with analysts who follow the Group.</p> <p>Bittium is committed to engaging in discussions with retail investors on a moderated forum aimed at investors. The aim is to maintain open dialogue with private investors.</p>
Authorities	The public authorities expect Bittium to comply with laws and regulations in a sustainable manner and to engage in effective cooperation.	Bittium maintains a regular line of communication with the authorities, for example, with regard to export control and information security issues. The Group monitors compliance with laws and regulations, and applying them to the Group's business operations requires open and ongoing interaction with various public authorities.

## Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model (SBM-3)

Bittium's material impacts, risks and opportunities on the environment and people, as well as financial effects, were identified in the double materiality assessment. During the year under review, Bittium incorporated these into its strategy, business model and operations and updated its sustainability strategy to correspond to the identified topics.

In 2025, Bittium will continue to integrate impacts, risks and opportunities into its business strategies in accordance with the ESRS standards.

Bittium's double materiality assessment identified the following types of impacts, risks and opportunities within the scope of the ESRS:

- Environmental impacts, risks and opportunities mainly arise from procurement and production activities related to Bittium's business operations.
- Impacts, risks and opportunities related to Bittium's own workforce and consumers and end-users mainly arise from the company's own operations.
- Impacts, risks and opportunities related to value chain workers mainly arise through the procurement of components.
- Impacts, risks and opportunities related to governance mainly arise in Bittium's own operations through management and decision-making, as well as in the value chain through procurement activities.
- All of the impacts related to components and the supply chain are material through Bittium's business relationships. The impacts, risks and opportunities related to the Group's personnel are material through Bittium's own business operations.
- The impacts related to Bittium's downstream value chain and sold products are material through Bittium's own operations.

Bittium will develop its processes related to supplier requirements by increasing and specifying its requirements during 2025. Bittium aims to increase visibility to the value chain by developing the scale, scope and consistency of information, for example.

Bittium has incorporated the risks identified in the double materiality assessment to its risk management system and, during 2025 the company will incorporate metrics that are aligned with the material impacts, risks and opportunities into its business strategies.

Bittium has identified several risks and uncertainties related to business operations, markets and the economy. These risks and uncertainties may affect the level of sales and profit. Global geopolitical instability has caused various risks related to supply and demand, and it has increased uncertainty. In the Defense & Security business, geopolitical instability has had a positive impact on the growth of demand for communication solutions for defense forces. The general awareness of information security risks has increased the sales of information security solutions. The weaker development of product development services has been influenced by the cost pressures experienced by customers, which have resulted in cuts to new product development projects and the postponement of project starts. In the Medical business, growth in the sales of biosignal measurement devices has been slowed down by the long approval processes for medical devices.

Bittium has not identified any risks or opportunities that would have a direct financial impact on the company's financial position, results or cash flows. Bittium has also not identified any risks or opportunities that would involve a significant risk that a material adjustment would have to be made to the carrying amounts of assets and liabilities reported in the financial statements in the next financial year.

Preparing for disruptions to normal operating conditions is part of Bittium's continuity management. Risks to the company's business operations and their continuity are assessed on an ongoing basis. Bittium's guidelines that support continuity management include a continuity management plan, rescue plan, crisis communication instructions and recovery plans for information systems and premises. Members of the Bittium organization participate in exercises and drills focused on crisis response and recovery. Internal and external audits and related drills are carried out. Bittium has an ISO 27001 certified information security management system, which has continuity management as one of its components. The resilience of Bittium's business models and strategy was assessed in 2024 in relation to physical risks and transition risks related to climate change which is described in more detail in Chapter E1, Section ESRS 2 SMB-3.

Aside from the physical risks and transition risks related to climate change, Bittium's resilience has not been assessed relative to the impacts, risks and opportunities.

## Material Impacts, Risks and Opportunities

### E1. Climate Change

Sub-topic	Description and materiality	Negative/ Positive/ Risk/ Opportunity	Stage of the value chain affected	Time horizon	Impact in relation to strategy, business model, value chain and decision*
<b>Climate change adaptation</b>	Potential supply chain disruption due to extreme weather phenomena, which may affect component availability, for example, and thus lead to operational costs.	Actual financial risk	Upstream Own operations Downstream	All	Bittium's business operations are dependent on component suppliers, and disruptions in the supply chain have an impact on Bittium's ability to deliver products to customers. Due to the nature of the business, the availability of special components and the technologies used, ensuring both contract manufacturing and the component supply chain are critical for delivery capability.
	Climate change can cause costs and changes in, for example, the durability of devices and products under special circumstances, as well as increase energy consumption associated with the cooling of data centers, for instance.	Potential financial risk	Own operations Downstream	Medium- to long- term	To maintain competitiveness, it is essential to take into account the minimization of the energy consumption of Bittium's own operations and products.
	The growing demand for products and solutions that support the green transition and are energy efficient will contribute to the reduction of the in-use emissions of products and the reduction of customers' emissions.	Actual opportunity	Downstream	All	Energy efficiency reduces the manufacturing costs of products, and energy-efficient products support growth. Eco-friendliness is a source of competitive advantage and growth potential.
<b>Climate change mitigation</b>	Growing regulation increases the need to allocate resources to monitoring, interpretation, the implementation of changes, and reporting.	Actual financial risk	Upstream Own operations Downstream	Short- to medium- term	The cost effects of adapting to the physical and transition risks related to climate change may be larger in scope (all operations) and duration than the default estimates, and thus affect the profit performance and development of the business.
<b>Energy</b>	Transitioning the company's own business premises to renewable energy and improving energy efficiency through ecological product design, which reduces the in-use emissions of products.	Actual positive impact	Own operations Downstream	All	Energy efficiency reduces costs, and energy-efficient products offered by the company can support the growth targeted in the strategy.

### E5. Circular Economy

Sub-topic	Description and materiality	Negative/ Positive/ Risk/ Opportunity	Stage of the value chain affected	Time horizon	Impact in relation to strategy, business model, value chain and decision*
<b>Resources inflows, including resource use</b>	Engaging the commitment of manufacturing partners to production that is aligned with circular economy principles, material efficiency and regulatory compliance may reduce environmental impacts and improve stakeholder perceptions.	Actual opportunity	Upstream Own operations	All	Strategic contract manufacturers and component suppliers play a key role in Bittium's business operations. Long product life cycles require long-term cooperation from partners and customers. Promoting material efficiency in the supply chain reduces costs and increases efficiency, which are strategic targets for Bittium.
<b>Resources outflows related to products and services</b>	Competition risk if competitors are able to respond to product development in a more agile manner, or if competitors have more sustainable products through sustainable design, such as longer functional life or reparability.	Potential financial risk	Own operations Downstream	Medium- to long- term	The redevelopment of products with long life cycles would require significant R&D investments. Failures in R&D projects increase costs and reduce competitiveness.
<b>Waste</b>	Extending the lifetime of products, ensuring serviceability and appropriate recycling instructions reduce the amount of waste.	Actual positive impact	Own operations Downstream	All	Sustainability has been taken into consideration as an enabler of business operations in Bittium's growth strategy. In the development and design of products and solutions, Bittium takes into account conformity with requirements throughout the entire life cycle of the solution, which improves the competitiveness of the products and increases demand for them.

\*Includes both current and projected impacts

## S1. Own Workforce

Sub-topic or/and sub-sub-topic	Description and materiality	Negative/ Positive/ Risk/ Opportunity	Stage of the value chain affected	Time horizon	Impact in relation to strategy, business model, value chain and decision*
<b>Working conditions:</b> Secure employment	Employee satisfaction improves the employer image, employee availability, retention and motivation, and contributes to the customer experience.	Actual positive impact	Own operations	All	Bittium's business is dependent on skilled and productive workforce. A workforce with a high level of well-being has a positive impact on the employer image and customer satisfaction by supporting the good quality of work.
<b>Working conditions:</b> Health and safety	Workload poses a risk to the well-being of employees and their ability to cope with the demands of work and, in a broader sense, the availability and retention of workers.	Actual financial risk	Own operations	All	Bittium's business is dependent on skilled and productive workforce. Problems related to working conditions would pose a significant risk to the commitment of the workforce and the recruitment of new employees. Potential sickness absences can have a negative impact on business operations. It can be difficult to quickly find replacements for critical specialists.
<b>Equal treatment and equal opportunities for all:</b> Training and skills development	The rapidly changing operating environment requires training and competence development, which also contributes to employee motivation, efficiency and competitiveness.	Actual positive impact	Own operations	All	In Bittium's strategy, competitiveness is based on high technological expertise, which requires continuous development to maintain the competitiveness of products, for example. Investing in the competence of the personnel and ensuring specialized expertise help to guarantee Bittium's position as a pioneer of technology. The competence of the personnel also contributes to efficiency and employee motivation, keeping the company's competitiveness at a good level.
<b>Equal treatment and equal opportunities for all:</b> Diversity	Active promotion of diversity, equality and non-discrimination and open communication can strengthen the external employer image and create a positive reputation, which can help to attract skilled workers and improve competitiveness.	Actual opportunity	Own operations	All	Bittium's business operations are dependent on the availability of skilled personnel, which is supported by a good employer image.

\*Includes both current and projected impacts

## S2. Workers in the Value Chain

Sub-topic or/and sub-sub-topic	Description and materiality	Negative/ Positive/ Risk/ Opportunity	Stage of the value chain affected	Time horizon	Impact in relation to strategy, business model, value chain and decision*
<b>Other work-related rights:</b> Forced labor	Potential human rights violations (child labor, forced labor, poor working conditions) in Bittium's value chain may lead to significant financial consequences and reputational damage to Bittium through changes in customer or supplier relationships, for example.	Actual financial risk and potential negative human rights impact	Upstream	All	Bittium operates in markets in which any negative issue or incident associated with reliability has a significant impact on the company's reputation and the development of business.

\*Includes both current and projected impacts



## S4. Consumers and End-Users

Sub-topic or/and sub-sub-topic	Description and materiality	Negative/ Positive/ Risk/ Opportunity	Stage of the value chain affected	Time horizon	Impact in relation to strategy, business model, value chain and decision*
<b>Personal safety of consumers or end-users:</b> Health and safety	Potential reputational risk if any deviations in product safety that cause hazardous incidents were to be detected.	Actual financial risk	Own operations Downstream	All	One of the cornerstones of Bittium's growth strategy is the commercialization of products and services, as well as customer orientation. Quality deviations could lead to a bad reputation and pose a negative risk to financial performance. Delivering high-quality and secure solutions to customers is essential for maintaining competitiveness.
	Negative impacts on customer satisfaction, customer and stakeholder perceptions and, consequently, direct financial effects if perceived quality does not correspond to customer requirements.	Actual financial risk	Own operations Downstream	All	
	Improving the health and safety of customers with Bittium's technology products that promote healthcare.	Actual opportunity	Own operations Downstream	All	
<b>Information-related impacts on consumers and/or end-users:</b> Privacy	A significant reputational risk if information security deficiencies were to be detected in the company's operations or products. Such deficiencies may also lead to legal consequences or the termination of customer relationships.	Actual financial risk	Own operations Downstream	All	Bittium operates in markets in which information security and data protection play a significant role as enablers of business operations.
	The increase in information security threats and the tightening security climate increase the demand for secure products and lead to a situation where taking information security and data protection into consideration in product development is a key opportunity for Bittium in all of its businesses.	Actual opportunity	Own operations Downstream	All	
<b>Information-related impacts on consumers and/or end-users:</b> Availability of high-quality information	Unclear or incomplete product information or labeling may affect customers' understanding of the use of products and indirectly affect their safety, as well as reduce customer satisfaction.	Actual negative impact	Own operations Downstream	All	Providing high-quality and secure products to customers is essential for Bittium's business operations and maintaining competitiveness. Significant quality deviations would cause risks to Bittium's reputation and customer satisfaction and thus have a negative impact on the progress of the growth strategy.

\*Includes both current and projected impacts

## G1. Business Conduct

Sub-topic and/or sub-sub-topic	Description and materiality	Negative/ Positive/ Risk/ Opportunity	Stage of the value chain affected	Time horizon	Impact in relation to strategy, business model, value chain and decision
<b>Corporate culture</b>	Operational risk and reputational risk if the corporate culture or the management of sustainability risks does not take into account increasing stakeholder requirements or if the company does not react to changes in legislation and regulations quickly enough.	Actual financial risk	Own operations	All	The potential negative impacts of unethical corporate culture, such as reputational damage and the termination of cooperation relationships, would pose challenges to the progress of the growth strategy if they were to materialize.
	A potential competitive advantage through favorable customer and stakeholder perceptions and innovations, if sustainability can be linked to the strategy and thus exceed the minimum requirements.	Opportunity	Own operations Downstream	Medium	Improving sustainability-related factors in Bittium's products may provide the company with an increasing competitive advantage in the future as sustainability regulations affect customer needs. Promoting sustainability perspectives in design work carried out for customers can grow Bittium's business.
	R&D cooperation with partners increases innovation, expands the competence of Bittium's own personnel and promotes business opportunities by improving stakeholder perceptions.	Actual opportunity	Own operations	All	The provision of new innovations that have been promoted through development cooperation supports the implementation of Bittium's growth strategy.
<b>Management of relationships with suppliers, including payment practices</b>	Ensuring the sustainability of the supply chain through supplier requirements, audits and surveys of materials, engaging the personnel's commitment to the principles of sustainable procurement, and also taking sustainability into account in the subcontracting of personnel.	Actual positive impact	Upstream Own operations	All	Suppliers play a significant role in Bittium's business, and taking sustainability into account in procurement promotes positive impacts on people and the environment. Training the personnel and engaging their commitment to the principles of sustainable procurement strengthens the company's competitiveness as a provider of sustainable products and services.
	Potential reputational risk if there were to be sustainability-related violations in the supply chain, such as adverse environmental incidents or negative human rights impacts.	Actual financial risk and potential negative human rights impact	Upstream Own operations	All	Suppliers play a significant role in Bittium's business, and potential sustainability-related violations in the supply chain could cause significant reputational damage to Bittium and thus slow down the progress of the growth strategy.
<b>Political influence and lobbying activities</b>	The potential to grow the business even in the short term due to the changed geopolitical climate and increased information security threats.	Actual opportunity	Own operations Downstream	All	The products and services of Bittium's Defense & Security business segment are used by national governments and public authorities. Participation in large development projects that involve several operators creates opportunities to utilize the company's expertise for the general development of political security.
<b>Corruption and bribery: Incidents</b>	Potential reputational risk if violations related to corruption and bribery were to occur in the company's own operations or supply chain.	Actual financial risk	Upstream Own operations	All	In Bittium's business, corruption or other similar violations would affect the company's reputation and thus have an impact on the implementation of the growth strategy.

\*Includes both current and projected impacts

## The Targets of Bittium's Sustainability Strategy 2025–2030

Bittium updated its sustainability strategy for 2025–2030 in 2024 on the basis of the results of the double materiality assessment. In updating the strategy, Bittium took into account the impacts, risks and opportunities identified in the materiality assessment. The targets, measures and metrics shown in the table below are emphasized in the updated strategy. (48b) The table also provides results in line with future targets for 2024.

	Topic	Measure	Metric	Target	2024	Report
<b>Responsibility for the environment</b>	Reducing the carbon footprint	<ul style="list-style-type: none"> <li>Switching Bittium's leased cars to electric vehicles</li> <li>Transitioning to renewable energy at all sites</li> </ul>	Scope 1 and 2 emissions	2030: Net zero emissions Scope 1 and 2 (base year 2023)	Scope 1: 0% Scope 2: -19%	E1
	Reducing the carbon footprint	<ul style="list-style-type: none"> <li>Improving material efficiency and energy efficiency</li> <li>Transport optimization and reducing emissions</li> <li>Engaging the commitment of identified critical suppliers to the carbon neutrality target</li> </ul>	Scope 3 emissions	2030: -42% reduction in Scope 3 emissions (base year 2023)	-0.1%	E1
<b>Innovative and developing people</b>	Personnel with a high level of well-being and commitment	<ul style="list-style-type: none"> <li>Development of personnel satisfaction</li> </ul>	Bittium Employee Survey (BES) result	2025: BES result >3.8	3.8	S1
	Strong sustainability culture	<ul style="list-style-type: none"> <li>We will integrate sustainability more strongly into our corporate culture and day-to-day operations</li> </ul>	New sustainability training	2027: 100% of the personnel have participated in the training	N/A	S1
	Diverse and competent personnel	<ul style="list-style-type: none"> <li>Strengthening the competence of the personnel through training</li> <li>We will update our equality plan based on the results of the equality survey</li> </ul>	Total training Gender distribution, %	2030: Amount of training completed: >5 days/employee 2030: Share of women among the personnel 20% 2030: Share of women among supervisors: 20%	1.4 days 15% 18%	S1
	Sustainable value chain	<ul style="list-style-type: none"> <li>Developing supplier audits</li> </ul>	Audits of critical suppliers	2030: Total number of audited suppliers 100% of identified critical suppliers audited	12.5%	S4
<b>Sustainable business conduct</b>	A reliable partner	<ul style="list-style-type: none"> <li>We develop an even more open dialogue between different stakeholders</li> </ul>	Customer recommendation index (NPS)	2030: Customer satisfaction NPS >45	48	G1
	Good governance	<ul style="list-style-type: none"> <li>We prevent corruption and improve our ethical operating models</li> </ul>	Updated Code of Conduct and Anti-Corruption training	2025: 95% of the personnel 2026: 100% of the personnel	N/A	G1
	Information security	<ul style="list-style-type: none"> <li>We will improve the information security of our products and develop new technology for improving information security</li> </ul>	Updated information security training	2025: Personnel training coverage 100%	N/A	G1

## Impact, Risk and Opportunity Management

### Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities (IRO-1, G1 IRO-1)

As part of the double materiality assessment, Bittium identified impacts, risks and opportunities, taking into account the Group's location, operations, sector and business structure. The assessment covers the Group's entire business operations, but not the operations of associated companies. The list of sustainability aspects covered by the subject-specific ESRS standards presented in ESRS 1 was used to identify impacts, risks and opportunities.

Bittium carried out a double materiality assessment in accordance with the ESRS standards in 2024 together with Bittium's management, the key personnel of the business segments and an external expert organization. External climate experts were utilized in the process of identifying transition risks and physical risks related to climate change.

In the double materiality assessment, Bittium's material sustainability matters were identified and prioritized from two perspectives: Bittium's impacts on people and the environment, and the financial risks and opportunities of the material sustainability matters in relation to Bittium. The risks and opportunities related to sustainability matters, and their likelihood, were taken into account in the assessment of the material impacts, risks and opportunities. The assessment of impacts also took into account different time horizons: short term (less than 1 year), medium term (1–5 years) and long term (more than 5 years).

In the double materiality assessment and the identification of Bittium's material impacts, risks and opportunities, the company utilized EFRAG guidelines, ESRS 1 standard, internal data and reports, publicly available materials, stakeholder interviews with Bittium's external stakeholders, the results of stakeholder surveys, and the results of meetings and workshops. The due diligence process was not taken into account at this stage of the assessment, as the extensive development of the process only began in the latter part of 2024. The material impacts, risks and opportunities were described, assigned scores and categorized into environmental, social and governance themes in accordance with the ESRS standards. In the process, impacts, risks and opportunities were identified throughout the entire value chain, including Bittium's most important suppliers, partners, regulatory authorities, customers, shareholders and personnel.

The views of the value chain participants were collected by means of external stakeholder interviews.

Views from the company's own personnel and operational activities were from internal key individuals in meetings and workshops and by means of an electronic survey aimed at the personnel. Based on interviews with value chain stakeholders and a survey commissioned for personnel, assumptions were made about the views of value chain stakeholders and personnel, as well as the material impacts, risks and opportunities affecting them. The assessment of impacts, risks and opportunities included the identification of the stage of the value chain in which the impact, risk or opportunity occurs.

Bittium's multidisciplinary working group assigned scores to the impacts, risks and opportunities in two workshops. The materiality of impacts was assessed on the basis of their severity and likelihood. Severity was based on the scale, scope and irremediable character of the impact. The scale, scope and likelihood of positive impacts was assessed. The impacts were also divided into actual and potential impacts. The assessment criteria were based on EFRAG guidelines.

After the assessment rounds, the impacts, risks and opportunities were discussed and the results were visualized in matrices. (53 a,c) Materiality was assessed separately for impacts on people and the environment and financial effects. In both dimensions of the assessment, the highest values assigned for negative or positive impacts were taken into account in the assessment of materiality.

Factors that may increase the risk of adverse impacts were identified in the double materiality assessment process. These factors include low visibility into the procurement chain and human rights impacts, and potential conflict minerals, among other things. With regard to the material sustainability matters, the company assessed how the identified negative and positive impacts may affect the sustainability-related risks and opportunities. Material impacts and risks related to sustainability matters were identified on the basis of the assessment. Dependencies were typically assessed for different sustainability matters from different perspectives, i.e. there may be dependencies in terms of personnel, finances and nature, and they were taken into account in the risk assessment.

A sustainability matter was identified as financially material if it has, or could potentially have, a material financial effect on the company over some time horizon. The materiality of financial risks and opportunities was assessed according to

their magnitude, type and likelihood. The likelihood of each identified impact, risk and opportunity, and the severity of the potential impact, was assessed on a scale of 1–5. The materiality of each impact, risk and opportunity was determined to be either low, moderate, high or critical according to the combined materiality score. Impacts, risks and opportunities with high (or critical) significance emerged as material topics. The results of the double materiality assessment process were validated together with Bittium’s key

individuals and discussed by the Management Group, Audit Committee and Board of Directors. The results of the double materiality assessment were discussed and the assessment was further specified together with the company’s key individuals again in late 2024, and the final results were approved by the company’s Audit Committee and Board of Directors at the beginning of 2025. The threshold of financial materiality is described below.

### Double Materiality Matrix



Bittium has a general risk management process into which the company has begun to incorporate the risks identified in the process of identifying, assessing and managing impacts and risks in accordance with sustainability reporting during 2024. The process will continue into 2025. Sustainability-related risks have thus far not been prioritized in relation to other risks. (53c iii.) Bittium’s materiality assessment was approved by the Board of Directors and its results have been approved by the Audit Committee and the Board of Directors. Bittium’s sustainability organization coordinates sustainability processes and their implementation in operations and

processes. The process of identifying, assessing and managing opportunities has thus far not been integrated into Bittium’s management process, but it will be integrated by 2027.

### Description of the Processes to Identify and Assess Material Climate-Related Impacts, Risks and Opportunities (E1 IRO-1)

Adverse environmental impacts are identified in connection with the annually reviewed double materiality assessment and on an ongoing basis in accordance with Bittium’s risk management process. This process of managing adverse

impacts is implemented at the management, control, product business and project levels, and in the supplier interface. In 2024, Bittium carried out a broader assessment of climate-related risks and a scenario analysis to assess the physical climate risks and transition risks related to its own operations and value chain.

Bittium reports on impacts over three time horizons: short term (0–1 years), medium term (1–5 years) and long term (more than 5 years). An applied approach was used in the assessment of physical risks by combining the short term and the medium term (comparison periods 2020–2040 and 1990–2020). Long-term changes were examined in the scenario for the period 2040–2060. The choice of the time horizon is based on the lifetime of Bittium’s products, which is approximately 15 years at its longest. In terms of geography, the assessment was carried out in relation to the activities and the characteristics of the phenomenon causing the risk.

Bittium’s climate risks have been assessed by calculating the Group’s total carbon footprint in accordance with the GHG Protocol guidelines. The aim was to identify the most significant risks and climate-related impacts. Actual emissions have been calculated in accordance with the E1-6 disclosure requirements. Potential future GHG emissions have been estimated by taking into consideration the company’s targeted annual growth in net sales. (20a, AR9a, b) Bittium’s physical climate risks have been assessed in an RCP8.5 (Representative Concentration Pathway) compliant scenario that corresponds to global warming of four degrees. In this scenario, climate change is the strongest, which means it has the largest impact on Bittium’s product design, covering the potential risks the best among the scenarios. The scenario was examined using the EU’s Copernicus information service and the information service of the Intergovernmental Panel on Climate Change (IPCC) under the United Nations. Other applicable sources were also used in the analysis, including materials from NGFS (Network for Greening the Financial System), which is a global network of central banks and supervisors. Risk sensitivity and adaptability at the present time was assessed using Bittium’s risk impact framework. Exposure was estimated on the basis of climate data by assessing the frequency and intensity of incidents and the magnitude of change as the climate warms.

Bittium’s transition risks were assessed according to the time horizons specified above and for the long term, extending to 2060, in accordance with the scenarios. Regional differences were taken into account in the assessment at the continental level. Transition events were assessed in the Paris Agreement scenario (global warming of less than 2°C). In the scenario,

transition risks consist of business activities that are not yet compatible with the transition to a climate-neutral economy. For Bittium’s product development, the transition to climate-neutral production causes the greatest change and thus provides the broadest coverage of potential risks compared to other scenarios. Bittium’s assessment of transition risks was based on the results of the latest scenario analyses created by institutions, such as the global network of central banks and supervisors. The results were categorized into transition risks and opportunities. Exposure assessment was carried out as a qualitative description, taking into account the duration of the transition event and the impact of the event on Bittium’s operations. Highly unlikely events were excluded from the scenario analysis.

The transitional provision is applied in the assessment of the anticipated financial effects, and the financial effects will be reported for the first time in the second year of reporting. For the time being, the financial materiality of the risks was defined so that only a phenomenon or event that affects product design or has previously caused significant financial effects is considered to be material. A scenario analysis was carried out for the material risks, based on which the likelihood of the events causing risks and opportunities during the specified time horizons was determined. Events assessed to be highly unlikely were excluded. The assignment of scores to physical risks took into account the frequency of the phenomenon in the region in question. The impact was defined as the vulnerability of the activity to the phenomenon in question, and the likelihood corresponds to exposure to a given natural phenomenon. In the first year of reporting, the material physical risks were assigned scores solely on the basis of technical performance. Financial effects will be taken into consideration in subsequent assessments. Qualitative descriptions were also provided for the impacts of physical risks, including information on how the event could affect cash flow.

Determining the exact likelihood was impossible for transition risks and opportunities. All of the identified transition risks, excluding highly unlikely risks and opportunities, were considered to be material. In the first year of reporting, material transition risks were assessed only in terms of a qualitative description, including the effects on cash flow. The descriptions also took into account Bittium’s dependencies on resources, such as natural resources and labor. The likelihood of the events for Bittium and the magnitude of the financial effects will be assessed in more detail in 2025–2026. The severity of material risks, i.e. the risk level, was determined by assigning scores according to the scoring methodology applied in Bittium’s double materiality assessment, in which



the impact and likelihood were assessed on a scale of 1–5 and multiplied with each other.

### Description on the Assessment of Non-Material Topics

The following topics were assessed as not material for Bittium: ESRS E2 Pollution, ESRS E3 Water and marine resources, ESRS E4 Biodiversity and ecosystems, and ESRS S3 Affected communities.

As part of the double materiality assessment, Bittium identified impacts, risks and opportunities, taking into account the Group's location, operations, sector and business structure. (E3 8a) Bittium operates globally. In Bittium's operations, components are sourced from suppliers and no significant amounts of water are used in Bittium's own production activities. Consequently, the company's own operations are not linked to significant water withdrawals or the deterioration of habitats through agriculture, forestry or construction. The partner used in connection with the materiality assessment organized two workshops in which Bittium's impacts on nature and society, and the risks and opportunities arising from these impacts, as well as risks and opportunities arising from nature and society, were identified and assessed (double materiality). Stakeholder interviews were also conducted. Based on these, a double materiality assessment was prepared, in which Bittium's key sustainability themes were identified. No specific stakeholder consultations have been organized for affected communities. During Bittium's reporting and assurance process, the E2 topical standard was identified as non-material due to the low amount of substances of concern.

Bittium's sites are located in Finland, mainly in urban areas, which are not classified as sensitive areas or protected areas for biodiversity, because the areas are areas zoned for office and commercial use and production facilities. During the planning phase, efforts are made to assess the natural values of the areas, and Bittium bases its scenarios on these studies commissioned by the planning authority. Bittium does not engage in activities related to construction, property development or agriculture and forestry. Impacts on water and marine resources and the deterioration of natural habitats and the habitats of species are possible in the upstream value chain, but Bittium is not aware of any significant environmental impacts related to the supply chain. The aforementioned impacts were assessed as minor in the materiality assessment, and it has not been considered necessary to implement any corrective biodiversity mitigation measures.

### Description of the Processes to Identify and Assess Material Resource Use and Circular Economy-Related Impacts, Risks and Opportunities (E5 IRO-1)

Value chain participants' views concerning resource use and the circular economy were collected by means of external stakeholder interviews, the participants of which included Bittium's suppliers, customers, partners, the occupational healthcare service provider and a shareholder. Views from the company's own personnel and operational activities were collected by engaging the participation of internal key individuals in workshops and by organizing a sustainability survey aimed at the personnel. Impacts on resource inflows and outflows as well as waste were identified throughout the value chain, including Bittium's most significant suppliers, most important partners, customers, shareholders and personnel. During the mapping of impacts, risks and opportunities, a business model was developed by examining assumptions about where in the value chain actual and potential impacts, risks or opportunities occur.

Regarding the E5 circular economy theme, the mapping of impacts, risks and opportunities has specifically taken into account the impacts of the manufacturing, processing and transportation of the components and raw materials contained in Bittium's products from the supply chain. Regarding the impacts, risks and opportunities of the company's own operations and the end of the value chain, the sustainability, recyclability and end use of Bittium's products have been taken into account. The amount of waste generated by the company's own operations was measured as a special method. Regarding the company's own operations and the end of the value chain, the mapping has assumed that the products are used and disposed of in accordance with the instructions provided by Bittium.

## Disclosure Requirements in ESRS Covered by the Undertaking's Sustainability Statement (IRO-2)

The double materiality analysis identified and prioritized the sustainability issues that are material to Bittium from two perspectives: Bittium's impacts on people and the environment, and the financial risks and opportunities of the sustainability issues in relation to Bittium. The assessment of material impacts, risks and opportunities took into account the risks and opportunities related to the sustainability issues and their probabilities. The probability of each identified impact, risk and opportunity and the severity of the potential impact have been assessed on a scale of 1–5. For each impact, risk and opportunity, an aggregate value has been obtained on the materiality significance scale of low, moderate, high and critical. The materiality threshold was high (and critical).

More information on the materiality assessment is provided under disclosure requirement IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities.

# ESRS Content Index

The ESRS content index lists all ESRS disclosure requirements according to ESRS 2 as well as six subject-specific standards that are material to Bittium based on the double materiality assessment conducted in 2024. Bittium has excluded disclosure requirements according to standards E2, E3, E4 and S3 because they did not emerge as material topics for the company in the materiality assessment.

Disclosure Requirements		Section/Report
<b>ESRS 2 General Information</b>		
Basis of preparation	BP-1	<a href="#">General basis for preparation of the sustainability statements</a>
Basis of preparation	BP-2	<a href="#">Disclosures in relation to specific circumstances</a>
Governance	GOV-1, G1	<a href="#">The Role of the Administrative, Management and Supervisory Bodies</a>
Governance	GOV-2	<a href="#">Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies</a>
Governance	GOV-3, E1	<a href="#">Integration of sustainability-related performance in incentive schemes</a>
Governance	GOV-4	<a href="#">Statement on Due Diligence Process</a>
Governance	GOV-5	<a href="#">Risk management and internal controls over sustainability reporting</a>
Strategy	SBM-1	<a href="#">Strategy, Business Model and Value Chain</a>
Strategy	SBM-2, S1	<a href="#">Interests and views of stakeholders</a>
Strategy	SBM-3	<a href="#">Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model</a>
Managing impacts, risks and opportunities	IRO-1, G1, E1, E2, E3, E4, E5	<a href="#">Description of the processes to identify and assess material impacts, risks and opportunities</a>
Managing impacts, risks and opportunities	IRO-2	<a href="#">Disclosure requirements in ESRS covered by the undertaking's sustainability statement</a>
<b>E1 Climate Change</b>		
Environmental Information	EU Taxonomy	<a href="#">EU Taxonomy</a>
Environmental Information	E1-1	<a href="#">Transition plan for climate change mitigation</a>
Environmental Information	ESRS 2 SBM-3	<a href="#">Material impacts, risks and opportunities and their interaction with strategy and business model</a>
Environmental Information	E1-2	<a href="#">Policies related to climate change mitigation and adaptation</a>
Environmental Information	E1-3	<a href="#">Actions and resources in relation to climate change policies</a>
Environmental Information	E1-4	<a href="#">Targets related to climate change mitigation and adaptation</a>
Environmental Information	E1-5	<a href="#">Energy consumption and mix</a>
Environmental Information	E1-6	<a href="#">Gross Scopes 1, 2, 3 and Total GHG emissions</a>
<b>E5 Resource Use and Circular Economy</b>		
Environmental Information	E5-1	<a href="#">Policies related to resource use and circular economy</a>
Environmental Information	E5-2	<a href="#">Actions and resources related to resource use and circular economy</a>
Environmental Information	E5-3	<a href="#">Targets related to resource use and circular economy</a>
Environmental Information	E5-4	<a href="#">Resource inflows</a>
Environmental Information	E5-5	<a href="#">Resource outflows</a>
<b>S1 Own Workforce</b>		
Social Information	ESRS 2 SBM-3	<a href="#">Material impacts, risks and opportunities and their interaction with strategy and business model</a>
Social Information	S1-1	<a href="#">Policies related to own workforce</a>
Social Information	S1-2	<a href="#">Processes for engaging with own workers and workers' representatives about impacts</a>
Social Information	S1-3	<a href="#">Processes to remediate negative impacts and channels for own workers to raise concerns</a>

Disclosure Requirements		Section/Report
Social Information	S1-4	<u>Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions</u>
Social Information	S1-5	<u>Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</u>
Social Information	S1-6	<u>Characteristics of the undertaking's employees</u>
Social Information	S1-7	<u>Characteristics of non-employee workers in the undertaking's own workforce</u>
Social Information	S1-9	<u>Diversity metrics</u>
Social Information	S1-11	<u>Social protection</u>
Social Information	S1-13	<u>Training and skills development metrics</u>
Social Information	S1-14	<u>Health and safety metrics</u>
Social Information	S1-16	<u>Remuneration metrics</u>
<b>S2 Workers in the Value Chain</b>		
Social Information	ESRS 2 BP-2-17	<u>Use of transitional provisions according to ESRS 1 Appendix C</u>
<b>S4 Consumers and End-Users</b>		
Social Information	ESRS 2 BP-2-17	<u>Use of transitional provisions according to ESRS 1 Appendix C</u>
<b>G1 Governance Information</b>		
Governance Information	G1-1	<u>Business conduct policies and corporate culture</u>
Governance Information	G1-2	<u>Management of relationships with suppliers</u>
Governance Information	G1-3	<u>Prevention and detection of corruption and bribery</u>
Governance Information	G1-4	<u>Incidents of corruption or bribery</u>
Governance Information	G1-5	<u>Political influence and lobbying activities</u>
Governance Information	G1-6	<u>Payment practices</u>

# Data Points that Derive from other EU Legislation

Disclosure Requirement and Related Data Point	SFDR Reference	Pillar 3 Reference	Benchmark Regulation Reference	EU Climate Law Reference	Page Number
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/181612 , Annex II		<a href="#">29</a>
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		<a href="#">29</a>
ESRS 2 GOV-4 Statement of sustainability due diligence process paragraph 30	Indicator number 10 Table #3 of Annex 1				<a href="#">32</a>
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245313 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181814 , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegoidun asetuksen (EU) 2020/1818 12 artiklan 1 kohta, delegoidun asetuksen (EU) 2020/1816 liite II		N/A
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	<a href="#">66</a>

Disclosure Requirement and Related Data Point	SFDR Reference	Pillar 3 Reference	Benchmark Regulation Reference	EU Climate Law Reference	Page Number
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		<a href="#">66</a>
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		<a href="#">71</a>
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				<a href="#">73</a>
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				<a href="#">73</a>
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				<a href="#">73</a>
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		<a href="#">74</a>
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		<a href="#">74</a>
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	N/A



Disclosure Requirement and Related Data Point	SFDR Reference	Pillar 3 Reference	Benchmark Regulation Reference	EU Climate Law Reference	Page Number
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Transitional provision, not published 2024
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Transitional provision, not published 2024
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Transitional provision, not published 2024
ESRS E1-9 Degree of exposure of the portfolio to climate related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Transitional provision, not published 2024
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1, Indicator numbers 1, 2, 3 Table #2 of Annex 1				Not relevant
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not relevant
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not relevant
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not relevant

Disclosure Requirement and Related Data Point	SFDR Reference	Pillar 3 Reference	Benchmark Regulation Reference	EU Climate Law Reference	Page Number
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not relevant
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not relevant
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not relevant
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not relevant
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not relevant
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not relevant
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not relevant
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not relevant
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				<a href="#">81</a>
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				<a href="#">81</a>
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				<a href="#">87</a>
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				<a href="#">38</a>
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				<a href="#">88</a>

Disclosure Requirement and Related Data Point	SFDR Reference	Pillar 3 Reference	Benchmark Regulation Reference	EU Climate Law Reference	Page Number
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		<a href="#">88</a>
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				<a href="#">88</a>
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				<a href="#">88</a>
ESRS S1-3 grievance/ complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				<a href="#">89</a>
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		<a href="#">93</a>
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				<a href="#">93</a>
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex I		<a href="#">94</a>
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				<a href="#">94</a>
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Not relevant
ESRS S1-17 Non respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not relevant
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				<a href="#">36</a>
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				<a href="#">97</a>

<b>Disclosure Requirement and Related Data Point</b>	<b>SFDR Reference</b>	<b>Pillar 3 Reference</b>	<b>Benchmark Regulation Reference</b>	<b>EU Climate Law Reference</b>	<b>Page Number</b>
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				<a href="#">97</a>
ESRS S2- 1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		<a href="#">97</a>
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		<a href="#">97</a>
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				<a href="#">96</a>
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not relevant
ESRS S3-1 non respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not relevant
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not relevant
ESRS S4-1 Policies related to consumers and end users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				<a href="#">100</a>
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		<a href="#">100</a>

<b>Disclosure Requirement and Related Data Point</b>	<b>SFDR Reference</b>	<b>Pillar 3 Reference</b>	<b>Benchmark Regulation Reference</b>	<b>EU Climate Law Reference</b>	<b>Page Number</b>
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				<a href="#">102</a>
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				<a href="#">106</a>
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				<a href="#">106</a>
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		<a href="#">111</a>
ESRS G1-4 Standards of anticorruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				<a href="#">111</a>

# Environmental Information

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# EU Taxonomy

The EU Taxonomy Regulation was published to support the achievement of the objective of the European Green Deal and the EU's climate and energy goals for 2030. The aim of the Taxonomy is to establish a classification system for economic activities based on their environmental sustainability. The Taxonomy Regulation specifies six environmental objectives and requires all companies falling within the scope of the EU's Corporate Sustainability Reporting Directive (CSRD) to report certain indicators detailing the extent to which their activities are sustainable according to the applicable objectives and criteria. EU Taxonomy reporting involves reporting the share of Taxonomy-eligible, Taxonomy-non-eligible and Taxonomy-aligned economic activities of turnover, capital expenditure and operating expenditure.

## Bittium's Approach to Taxonomy Alignment and Taxonomy Eligibility

Bittium has determined the Taxonomy-eligible and Taxonomy-aligned economic activities by the following process:

- Identifying the NACE classification of Bittium's economic activities and processes (statistical classification of economic activities in the European Community).
- Evaluating whether the identified economic activities correspond to the descriptions of economic activities included in Annex I and II of the Climate Delegated Act. Activities that correspond to the descriptions are identified as Taxonomy-eligible activities.
- Assessing whether the identified Taxonomy-eligible activities meet the substantial contribution criteria and the Do No Significant Harm (DNSH) criteria, and determining compliance with the minimum safeguards.
- An activity is Taxonomy-aligned if it substantially contributes to at least one environmental objective and does not significantly harm the other environmental objectives established in the technical screening criteria. An economic activity can only be considered to be Taxonomy-aligned if there is sufficient evidence. In addition, the company must comply with the minimum safeguards.

The minimum safeguards have been assessed at the Group level. Bittium's operations comply with the company's Code of Conduct, which lays down principles concerning human rights, corruption and bribery, fair competition and taxation. No violations of the minimum safeguards have been observed. Bittium's approach to the minimum safeguards is described in more detail in the sustainability statement.

In Bittium's operations, the Taxonomy-eligible activities with regard to turnover have been identified as follows: under environmental objective 1 (Climate change mitigation), category 8.1 Data processing, server space rental and related activities, and under environmental objective 2 (Climate change adaptation), category 8.2 Software, consulting and related activities, and under environmental objective 4 (Circular economy), categories 1.2 Manufacture of electrical and electronic equipment, 4.1 Provision of IT/OT data-driven solutions, 5.1 Repair, refurbishment and manufacturing, and 5.2 Sale of spare parts. With regard to operating expenditure, Taxonomy-eligible activities were identified as category 1.2 Manufacture of electrical and electronic equipment and 4.1 Provision of IT/OT data-driven solutions, both of which fall under environmental objective 4 (Circular economy).

Bittium's solutions related to data processing services and server space rental are assessed against the description of category 8.1. Solutions which utilize Bittium's own data center match the description and are Taxonomy-eligible.

In addition to the design and development of Bittium's own products related to programming, Bittium offers versatile IT expertise and services. Such activities related to computer programming and consulting are assessed against the description of category 8.2 and identified as Taxonomy-eligible. Examples of such activities include software development, the development of connectivity solutions, research and consulting services.

Bittium manufactures several of its own electrical and electronic devices for measuring biosignals and remote monitoring as well as for the defense and security markets. These activities are assessed against the description of category 1.2, and they include Bittium's own electrical and electronic equipment, the design, development, manufacture and maintenance of accessories, and the maintenance of device software in addition to the maintenance of the device structure.

Bittium offers various software products and solutions related to information technology. Such activities are assessed against the description of category 4.1. Activities in which the following are manufactured, developed, installed, put into use, maintained or repaired, or expert services are provided, including technical consulting on the design or monitoring of the following are defined as Taxonomy-eligible. Among Bittium's activities, production and delivery of its own software products and solutions related to information technology,

maintenance, implementation services for software products in the customer's environments, customer training related to implementation, support services and expert services have been defined as Taxonomy-eligible.

As part of product sales, Bittium offers repair services, which include the sale of spare parts for certain products. The activities were assessed in more detail for the financial year under review, and the separately identifiable spare part sales in question were defined as Taxonomy-eligible. These activities are assessed against the description of category 5.1.

Bittium was unable to establish with sufficient evidence that any of the Taxonomy-eligible activities meet the requirements defined in the criteria for substantial contribution. Consequently, Taxonomy-aligned turnover, Taxonomy-aligned CapEx and Taxonomy-aligned OpEx are all reported as 0%.

## Basis for Preparation Concerning the Financial Performance Indicator

### Turnover

- Bittium has calculated turnover in accordance with the Taxonomy Disclosures Delegated Act. The basis for preparation is consistent with the accounting policies stipulated by IFRS 15. The denominator in the table is Bittium's total net sales, which is included in Note 2.
- For category 8.2 Computer programming, consultancy and related activities, which falls under environmental objective 2 (Climate change adaptation), the turnover was not considered Taxonomy-eligible or Taxonomy-aligned in accordance with Commission Notice C/2023/305.

### Capital Expenditure

- Bittium has calculated CapEx in accordance with the Taxonomy Disclosures Delegated Act. At the same time, Bittium defined gross investments as absolute capital

expenditure used in taxonomy reporting. CapEx (the denominator) includes the costs incurred from the acquisition of the Group's intangible and tangible assets and right-of-use assets during the financial year and is presented in Notes 11 and 12.

- According to the EU Taxonomy Regulation guidelines, Bittium's CapEx amounted to EUR 7.24 million in 2024. Bittium had no Taxonomy-eligible CapEx in 2024.

### Operating Expenditure

- Bittium has calculated OpEx in accordance with the Taxonomy Disclosures Delegated Act. OpEx (the denominator) includes direct uncapitalized costs related to research and development, short-term leases (IFRS 16) and maintenance and repairs.
- The figures concerning OpEx include the costs included in Notes 4 and 7, even though the figures only include the share of costs that corresponds to the Taxonomy Regulation.
- The determination of OpEx was specified further during the financial year under review to correspond to the costs included in OpEx in the taxonomy, and the OpEx figures for the comparison period have been adjusted to correspond to the same accounting principles.

To avoid double counting in the reported figures, the figures have been allocated to activities in accordance with the company's reporting structure and subsequently reconciled with the Group's consolidated figures.

Bittium will continue to develop its taxonomy-related assessment and reporting practices in 2025. Bittium aims to increase the share of sustainable business practices. As the scope of reporting practices expands and the practices become clearer, we expect the share of Taxonomy-eligible and Taxonomy-aligned activities to increase in the future.

## Sales Revenue

Economic activities	Codes	2024		Substantial Contribution Criteria						DNSH Criteria						Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover	Category	Enabling activities	Category	Transitional activities
		Absolute turnover	Proportion of turnover	1. Climate change mitigation	2. Climate change adaptation	3. Water and marine resources	4. Circular economy	5. Pollution	6. Biodiversity and ecosystems	1. Climate change mitigation	2. Climate change adaptation	3. Water and marine resources	4. Circular economy	5. Pollution	6. Biodiversity and ecosystems						
		ME	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N						
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																					
<b>A.1 Environmentally sustainable activities (taxonomy-aligned)</b>																					
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.00	0.0																0%		
of which enabling		0.00	0.0	%	%	%	%	%	%										%		
of which transitional		0.00	0.0	%															%		
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																					
				EL;N/EL(f)	EL;N/EL(f)	EL;N/EL(f)	EL;N/EL(f)	EL;N/EL(f)	EL;N/EL(f)												
Data processing, hosting and related activities	CCM 8.1	0.34	0%	KEL																	
Manufacture of electrical and electronic equipment	CE 1.2	42.20	50%				KEL												48%		
Provision of IT/OT data-driven solutions	CE 4.1	12.79	15%				KEL												16%		
Sale of spare parts	CE 5.2	0.87	1%				KEL														
Repair, refurbishment and remanufacturing	CE 5.1	4.38	5%				KEL														
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		60.59	71%	0.3%	0%	0%	71%	0%	0%										65%		
<b>Total (A1 + A2)</b>		<b>60.59</b>	<b>71%</b>	<b>0.3%</b>	<b>0%</b>	<b>0%</b>	<b>71%</b>	<b>0%</b>	<b>0%</b>										<b>65%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																					
Turnover of Taxonomy-non-eligible activities		24.57	29%																		
<b>Total (A + B)</b>		<b>85.16</b>	<b>100%</b>																		

## Capital Expenditure

Economic activities	2024		Substantial Contribution Criteria						DNSH Criteria						Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover	Category Enabling activities	Category Transitional activities	
	Codes	Capital expenditure	Share of capital expenditure	1. Climate change mitigation	2. Climate change adaptation	3. Water and marine resources	4. Circular economy	5. Pollution	6. Biodiversity and ecosystems	1. Climate change mitigation	2. Climate change adaptation	3. Water and marine resources	4. Circular economy	5. Pollution					6. Biodiversity and ecosystems
	M€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N					Y/N
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmentally sustainable activities (taxonomy-aligned)</b>																			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.00	0.0																
of which enabling		0.00	0.0	%	%	%	%	%											
of which transitional		0.00	0.0	%															
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities</b>																			
				EL;N/EL(f)	EL;N/EL(f)	EL;N/EL(f)	EL;N/EL(f)	EL;N/EL(f)	EL;N/EL(f)										
Manufacture of electrical and electronic equipment	CE 1.2	0.00	0%				KEL											3.0%	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00	0%	0.0%	0.0%	0.0%	0	0.0%	0.0%									3.0%	
<b>Total (A1 + A2)</b>		<b>0.00</b>	<b>0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>									<b>3.0%</b>	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
CapEx of Taxonomy-non-eligible activities		7.24	100%																
<b>Total (A + B)</b>		<b>7.24</b>	<b>100%</b>																

## Operational Expenditure

Economic activities	Codes	2024		Substantial Contribution Criteria						DNSH Criteria						Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover	Category Enabling activities	Category Transitional activities
		Operational expenditure	Share of operational expenditure	1. Climate change mitigation	2. Climate change adaptation	3. Water and marine resources	4. Circular economy	5. Pollution	6. Biodiversity and ecosystems	1. Climate change mitigation	2. Climate change adaptation	3. Water and marine resources	4. Circular economy	5. Pollution	6. Biodiversity and ecosystems				
		M€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmentally sustainable activities (taxonomy-aligned)</b>																			
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.00	0.0																
of which enabling		0.00	0.0	%	%	%	%	%	%								%		
of which transitional		0.00	0.0	%													%		
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
				EL;N/ EL(f)	EL;N/ EL(f)	EL;N/ EL(f)	EL;N/ EL(f)	EL;N/ EL(f)	EL;N/ EL(f)										
Manufacture of electrical and electronic equipment	CE 1.2	7.89	72%				EL										62%		
Provision of IT/OT data-driven solutions	CE 4.1	1.39	13%				EL										32%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		9.28	85.0%	0%	0%	0%	85.0%	0%	0%								94%		
<b>Total (A1 + A2)</b>		<b>9.28</b>	<b>85%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>85%</b>	<b>0%</b>	<b>0%</b>								<b>94.0%</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
OpEx of Taxonomy-non-eligible activities		1.66	15%																
<b>Total (A + B)</b>		<b>10.94</b>	<b>100%</b>																

## Nuclear and Fossil Gas Related Activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO



# ESRS E1 – Climate Change

## Material Impacts, Risks and Opportunities

### E1. Climate Change

Sub-topic	Description (occurrence in the value chain)	Negative/ Positive/ Risk/ Opportunity	Stage of the value chain affected	Time horizon
<b>Climate change adaptation</b>	Potential supply chain disruption due to extreme weather phenomena, which may affect component availability and thus lead to operational costs.	Actual financial risk	Upstream Own operations Downstream	All
	Climate change can cause costs and changes in the durability of devices and products under special circumstances, as well as increase energy consumption associated with the cooling of data centers.	Potential financial risk	Own operations Downstream	Medium- to long-term
	The growing demand for products and solutions that support the green transition and are energy efficient will contribute to the reduction of the in-use emissions of products and the reduction of customers' emissions.	Actual opportunity	Downstream	All
<b>Climate change mitigation</b>	Growing regulation increases the need to allocate resources to monitoring, interpretation, the implementation of changes, and reporting.	Actual financial risk	Upstream Own operations Downstream	Short- to medium-term
<b>Energy</b>	Transitioning the company's own business premises to renewable energy and improving energy efficiency through ecological product design, which reduces the in-use emissions of products.	Actual positive impact	Own operations Downstream	All

## Transition Plan for Climate Change Mitigation (E1-1)

Bittium updated its business strategy in 2023 and 2024. In 2024, Bittium also revised its sustainability strategy, basing it on the updated business strategy. In 2024, Bittium calculated the company's carbon footprint for the first time, covering all emissions under Scopes 1–3. The calculation identified Bittium's significant emission sources and yielded the values for the base year 2023, on the basis of which Bittium will specify its emission reduction measures. During the reporting year, Bittium began to develop a transition plan for the period 2025–2030. Operating expenditures related to the transition plan are described in section E1-3. Bittium aims to increase the share of sustainable business practices. As the scope of reporting practices expands and the practices become clearer, we expect the share of Taxonomy-eligible and Taxonomy-aligned activities to increase in the future.

The targets of Bittium's previous sustainability strategy were set for the period 2022–2025. The sustainability strategy emphasized environmental responsibility, such as climate change mitigation and the development of resource-efficient solutions. The strategy took into account alignment with the UN Sustainable Development Goals.

In 2024, the company defined targets and measures for emission reductions in its own operations. Bittium's target is net zero for Scope 1 and Scope 2 emissions by 2030. Bittium's leased vehicles are the largest source of Scope 1 emissions. Bittium will transition to fully electric vehicles by 2030. With regard to Scope 2 emissions, the target is for 100% of the energy purchased by Bittium to be renewable energy by 2030. Bittium defined Scope 3 categories, of which the largest sources of emissions are purchased products and services, transportation, upstream leased assets, and use of sold products. In 2024, the company defined the total emission reduction need for Scope 3 emissions, which will be incorporated into the transition plan. More information on emission reduction targets is provided in section E1-4.

Reducing emissions requires improving the energy and material efficiency of products, engaging suppliers' commitment to renewable energy, optimizing transport routes and transitioning to low-emission modes of transport. Bittium will define more detailed actions and time horizons for the defined Scope 3 categories in 2025. The baseline value calculated in 2024 was used to identify the largest sources of emissions and to determine the amount of emission reductions needed, which are in line with the Paris Agreement goal of limiting global warming to 1.5°C. The GHG emission reduction

targets included in Bittium's transition plan comply with the minimum requirements set by the Science Based Targets initiative (SBTi). The targets have not been validated by the SBTi. Bittium did not identify any locked-in emissions in its operations.

In its sustainability strategy, Bittium has made a commitment to combating climate change by focusing on renewable energy in its energy procurement, reducing business travel and improving the recycling of waste from its own operations. The company monitors three key environmental impact indicators in its operations: GHG emissions (CO<sub>2</sub>eq) and the development of energy consumption (MWh), as well as the percentage of renewable energy of total energy consumption. In previous years, environmental responsibility metrics also included travel (flying and road transport) and the electricity consumption, heating and waste management of business premises. New policies and targets for 2025–2028 have been established in the updated sustainability strategy. With regard to climate change mitigation, the strategy sets targets for the adaptation of the entire business to lower emissions and the development of more energy-efficient products. The targets of the transition plan and the sustainability strategy are in alignment. The sustainability strategy will be updated as necessary once Bittium's transition plan has been specified further.

The targets of the transition plan are set for the medium term as defined by the ESRS standards (1–5 years). This means that the set targets will be achieved in 2030. The target is to start more detailed planning in 2025 to achieve emission reductions for products. The long lifetimes of the company's products and long product development times have been identified as risk factors, as they may delay the realization of the desired impacts in the product groups and products sold. The raw materials of the components, their availability and possibilities of influencing the selection of suppliers have also been identified as a risk factor in achieving emission reductions.

Bittium is not excluded from the EU Paris-aligned Benchmarks in accordance with the exclusion criteria stated in Commission Delegated Regulation (EU) 2020/1818. During 2024, Bittium did not yet produce quantitative estimates of the company's investments and financing to support the implementation of the transition plan. Bittium's Board of Directors approved the sustainability strategy on November 28, 2024, and the transition plan on December 20, 2024. Investments and financing will be determined in 2025.



## Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model (ESRS 2 SBM-3)

### Implementation of the Resilience Analysis

The resilience analysis is based on the material impacts, risks and opportunities related to climate change mitigation and adaptation, as well as energy, identified in Bittium's materiality assessment. During the process, it was observed that the list of impacts, risks and opportunities did not provide a sufficiently comprehensive picture of the climate risks related to Bittium's own operations and value chain. For this reason, Bittium carried out a climate risk assessment and scenario analysis in the fall of 2024, the scopes of which are consistent with each other. The relationships between the material impacts, risks and opportunities and the physical risks and transition risks identified in the climate risk assessment are examined in the table on the following page.

The resilience analysis was carried out in the fall of 2024. The time horizons (short-, medium- and long-term) are consistent with the ESRS 1 recommendations. The GHG emission reduction targets are in line with E1-4 and set to be implemented by 2030. With regard to information on disclosure requirement E1-9, Bittium applies the ESRS 1 Appendix C transitional provision concerning the information on the year 2024. Consequently, that information has not been taken into account.

The materiality of all potential risks was assessed. The scope of the analysis covers all of Bittium's own operations. This includes all sites and geographical regions with the exception of secret location data. The upstream analysis of physical risks extends to component suppliers and subcomponent manufacturers. For transition risks, raw materials have been taken into consideration in the analysis. The region of use of the products has been assessed in accordance with the targeted markets. The impacts of heatwaves on product design have been assessed for locations in accordance with the Military Standard (MIL) for the defense industry, and the impacts of heavy precipitation and storms have been assessed for seas and coastal areas relevant to Bittium's operations. The critical assumptions made on the basis of the scenario analysis with regard to the transition to a lower-carbon and more sustainable economy include potential increases in raw material prices, particularly for metals that play an integral part in the green transition, and potential future challenges in supplier selection. Rising logistics costs due to the elimination or reduction of emission reduction rights, particularly for air freight, was also identified as a market-related transition risk.

Increases in the prices of fossil and green energy are also seen as a risk.

### Results of the Resilience Analysis

In the low-warming scenario, Bittium's business strategy is adaptable, as the aspects that are most critical to Bittium's resilience in the short term are related to changing regulation and transition risks in supplier relationships. The impacts on product design, such as product durability and changes in physical conditions, are more moderate. Bittium's resilience with respect to transition risks has already been strengthened through measures to improve the transparency of the supply chain, developing the material and energy efficiency of products, and operating in accordance with the ISO 50001 and ISO 14001 requirements.

Physical changes related to climate change may cause disruptions to Bittium's component supply chain, particularly in the higher warming scenarios and in the medium and long term. Bittium's resilience is fairly good in this regard, as the company has identified supply chain disruption risks and begun to mitigate them. Bittium strengthens its resilience by diversifying component deliveries, among other things. These measures are likely to limit interruptions and financial effects on business operations.

In the medium and long term, and in scenarios of higher warming, physical climate-related risks are emphasized, particularly with regard to product design. Bittium's resilience is good in this respect, as the current products are designed in a manner that takes their long lifetime into account, and the selection of components takes into consideration the impacts of increasing heat, humidity or changes in wind conditions.

Bittium's resilience is at its weakest in terms of fluctuations in the prices of raw materials, rising logistics costs, changes in emission reduction rights and increases in the prices of fossil and green energy. Rising costs can have significant impacts on business. These unpredictable transition risks, which arise in all of the assessed time horizons and are emphasized in scenarios of higher warming, will be assessed at regular intervals and taken into account in Bittium's strategy work.

Changing market conditions, regulation and the impacts of various crises on suppliers require high resilience from supply chains. Bittium aims to protect its supply chains by ensuring, for example, the coverage of force majeure clauses in contracts and product development by selecting components and semiconductors in such a way that alternative suppliers can also be found for them. Supply chain management is implemented with the help of regular contract reviews. Market-related transition risks arise from the impacts of the green

transition and rising logistics and raw material costs, such as the price development of air freight and availability challenges associated with certain critical raw materials. Bittium will improve its resilience by building a control mechanism for the increase in raw material costs, carrying out competitive bidding processes for component suppliers in a manner that takes logistics costs into account, and by utilizing transports with carbon credits. Continuous improvement in building more ecologically sustainable business, the production of environmental information concerning Bittium's own operations and value chain, and transparency in reporting also support Bittium's ability to access financing on competitive terms from the market in the future.

Resilience with regard to responding to regulations, reporting obligations and customers' sustainability requirements can be strengthened by securing sufficient human and software resources, as well as competence related to the implementation of sustainability efforts and compliance with reporting requirements. Bittium processes customer feedback carefully and aims to communicate compliance-related perspectives, which mitigates transition risks related to stakeholder concerns and customer purchasing behavior. With regard to product development, Bittium ensures that sustainability actions do not have a detrimental effect on the performance and quality of products. If any harmful, prohibited or non-environmentally friendly substances or materials are observed, the alternatives for addressing such issues include changes in suppliers or product changes to ensure product safety, for example. Bittium aims to respond to supply chain transparency by investing in a supplier management tool and by increasing requirements concerning the provision of information for component suppliers during the contract negotiation stage. Changes in suppliers are also possible if suppliers fail to report the required information or prioritize green energy, for instance. There are challenges in this respect due to the special requirements associated with the production of defense and information security products, which limit the number of potential suppliers. In product development activities, low-emission solutions are actively sought.

The physical climate risks that are material to Bittium (particularly with regard to the impacts on the value chain) are shown in the table below. Product development and supply chain management also play a key role in resilience related to physical climate risks. With regard to climate risks, it is essential to select components in such a manner that there are multiple component suppliers, which reduces the impact of sudden climate events on supply chains. The impacts of increasing humidity and changes in wind conditions should also be taken into account in product design. Physical climate-related risks may have an impact on properties owned or leased by Bittium, as well as Bittium's personnel.

The scenario analysis involves uncertainties. The mitigation of emissions in accordance with the Paris Agreement may take place in many different ways in practice, but the common denominator is electrification and the related critical raw materials. Another fairly certain change is increasing regulation. Events related to stakeholder behavior are the most uncertain aspects of the analysis. The uncertainty of all transition events increases significantly in the long term when compared to the short and medium term. The scenarios are descriptive and it is not possible to establish exact timelines for events.

If the risks were to materialize, it could be necessary to move infrastructure away from at-risk areas or increase the cooling of the premises to mitigate the impacts of heatwaves. Bittium's resilience is strengthened by Bittium's environmental and quality systems, as well as sustainable development projects and networking with other companies (the environment and performance working group of Finnish Defence and Aerospace Industries PIA and the environmental working group of Kotel ry).

Active impact / risk	Physical / transition risk	Category	Climate risk	Opportunity / positive impact	
Growing regulation increases the need to allocate resources to monitoring, interpretation, the implementation of changes, and reporting. (upstream, own operations, downstream, risk)	Transition risk	Policies and legislation	Increase in GHG emission prices	Transitioning the company's own business premises to renewable energy and improving energy efficiency through ecological product design, which reduces the in-use emissions of products. (own operations, downstream, positive impact)	
		Technology	Replacing products and services with lower-emission alternatives		
	Costs incurred from switching to lower-emission technology				
	Transition risk	Policies and legislation	More comprehensive emissions reporting obligations	The growing demand for products and solutions that support the green transition and are energy efficient will contribute to the reduction of the in-use emissions of products and the reduction of customers' emissions. (downstream, opportunity)	
			Assignments and regulation concerning existing products and services or production processes		
		Reputation	Negative feedback from stakeholders		
			Growing concern among stakeholders		
	Market / reputation	Changes in customer behavior			
	Climate change can cause changes in, for example, the durability of devices and products under special circumstances (downstream, negative impact)	Transition risk	Technology		Failed investments in new technology
			Market		Uncertainty of market signals
Potential supply chain disruption due to extreme weather phenomena, which may affect component availability, for example, and thus lead to operational costs. (downstream, negative impact)	Transition risk	Market	Uncertainty of market signals		
		Market	Increased raw material costs		
		Market	Increased logistics costs		
	Physical risk	Temperature-related	Heat wave		
	Physical risk	Wind-related	Storm/hurricane/typhoon		
			Storms (including snow, dust, sand)		
		Water-related	Heavy rain (acute)		
			Sea level rise and flooding		

The table lists the identified material impacts, risks and opportunities and shows an explanation of whether the risk or opportunity is considered a climate change-related transition risk or physical risk.

## Policies Related to Climate Change Mitigation and Adaptation (E1-2)

Bittium's sustainability actions are guided by the company's Code of Conduct, sustainability strategy, ESG Policy and Environmental and Energy Efficiency Policy. In its environmental policy, Bittium has made a commitment to reducing negative environmental impacts. The policy lays down the key targets, which are to reduce GHG emissions, improve energy efficiency, ensure a sustainable supply chain and reduce waste. Bittium's operations are also guided by the Environmental and Energy Efficiency Policy, which is aligned with the requirements of the environmental management system (ISO 14001) and the energy management standard (ISO 50001), specifies the commitment to energy efficiency, the metrics monitored by the company and the commitment of personnel and suppliers to environmental issues and energy efficiency, as well as compliance. Bittium's policies cover all of its own operations, personnel and management in Finland, Germany and the United States. Bittium's policies are also taken into account in the requirements related to value chain management, which means that they also cover all of the relevant geographical areas to that extent. Bittium's Management Group is the most senior level in the organization in charge of the policies, and their implementation is monitored by the sustainability working group. Policies are reviewed annually, also taking into account stakeholder requirements. Such requirements can include new customer requirements and changes in legislation, for example. Policies related to climate change mitigation, climate change adaptation, energy efficiency and the adoption of renewable energy are listed on the following page in the table "Policies related to climate change mitigation, climate change adaptation, energy efficiency and the adoption of renewable energy".

## Actions and Resources in Relation to Climate Change Policies (E1-3)

In 2024, Bittium specified the time horizons defined in the 2024 materiality assessment and, with the help of an external party, defined its climate change-related physical and transition risks, carried out resilience and scenario analyses as part of the sustainability reporting and conducted its first more comprehensive emission calculations that include Scope 3 emissions. As a whole, the actions taken during the reporting year 2024 help establish a foundation for emission reduction actions in subsequent years. In the development of its sustainability strategy for 2025–2028, the company also developed its environmental targets to be more science-based and supportive of the targets of the transition plan.

Bittium's action plans related to the management of GHG emissions and GHG removals, and transition risks, have also been defined in the sustainability strategy for 2025–2028. Bittium's sustainability strategy establishes the strategic framework for Bittium's sustainability efforts in the coming years, and the environmental policy defines principles related to the management of environmental risks and environmental efforts related to Bittium's operations.

In 2025, Bittium plans to develop its emission calculation process, deploy an emission calculation tool and specify its transition plan for 2025–2030. Financial resources will be appropriately allocated to the deployment of the tool. Bittium also plans to take measures to improve Scope 3 information in 2025.

The targets of the transition plan prepared in 2024 have been set for 2030. Bittium will include the majority of its operational expenditure related to the transition plan, such as personnel expenses and software purchases, in its fixed operating expenses and processes, such as strategy work, product development and quality management. The most significant increases in operating expenditure are likely to be related to renewable energy, carbon-credited transport and the transition to greener transport, but these increases in operating expenditure were not realized during 2024. Bittium expanded the scope of its GHG calculations in 2024 to cover all of its sites and the company's value chain. In previous years, the company has not had emission reduction targets for the entire company and its value chain.

Bittium's policies and actions related to climate change mitigation, climate change adaptation, energy efficiency and the adoption of renewable energy are listed on the following page in the table "Policies related to climate change mitigation, climate change adaptation, energy efficiency and the adoption of renewable energy".

Bittium has an ISO 14001 certified environmental management system. The ISO 14001 standard sets out the resources, processes and methods by which an organization can meet its environmental targets and improve its level of environmental protection. Bittium also has an ISO 50001 certified energy management system.



## Policies Related to Climate Change Mitigation, Climate Change Adaptation, Energy Efficiency and the Adoption of Renewable Energy

	Impact, risk or opportunity	Policy	Actions
Climate change mitigation	Growing regulation increases the need to allocate resources to monitoring, interpretation, the implementation of changes, and reporting.	Sustainability Policy, Environmental and Energy Efficiency Policy	<ul style="list-style-type: none"> <li>• Sufficient resource allocation.</li> <li>• Maintenance of management systems in accordance with the ISO 14001 and ISO 50001 standards.</li> <li>• Implementation of the sustainability strategy and transition plan</li> </ul>
Climate change adaptation	The growing demand for products and solutions that support the green transition and are energy efficient will contribute to the reduction of the in-use emissions of products and the reduction of customers' emissions.	Sustainability Policy, Environmental and Energy Efficiency Policy	<ul style="list-style-type: none"> <li>• Improving the energy and material efficiency of products</li> </ul>
Energy efficiency and adoption of renewable energy	Transitioning the company's own business premises to renewable energy and improving energy efficiency through ecological product design, which reduces the in-use emissions of products.	Sustainability Policy, Environmental and Energy Efficiency Policy	<ul style="list-style-type: none"> <li>• Transitioning to renewable energy in own operations.</li> <li>• Improving the energy efficiency of products.</li> <li>• Developing the availability of product-specific emissions data</li> </ul>

## Targets Related to Climate Change Mitigation and Adaptation (E1-4)

Bittium is committed to combating climate change by setting targets concerning energy-efficient products and lower-emission business operations in accordance with its sustainability policy and environmental and energy efficiency policy. The policies are described in more detail in section E1-2. The energy efficiency metric is defined as the development of energy consumption (MWh) in the value chain, and the metric used for the company's own operations is the development of the share of renewable energy of total energy consumption (%). The implementation of the transition to lower-emission business operations is monitored in terms of the development of the organization's emissions annually compared to the target level and by examining the change in absolute emissions in relation to net revenue (tCO<sub>2</sub>eq/M€). The company uses a transition plan to guide its operations towards lower emissions.

The base year for Bittium's transition plan is 2023. The emissions calculation for the base year 2023 was carried out in accordance with the E1-6 disclosure requirements, and it includes Bittium's material indirect Scope 3 emissions in the value chain. The emissions in the base year are listed in table E1-6.

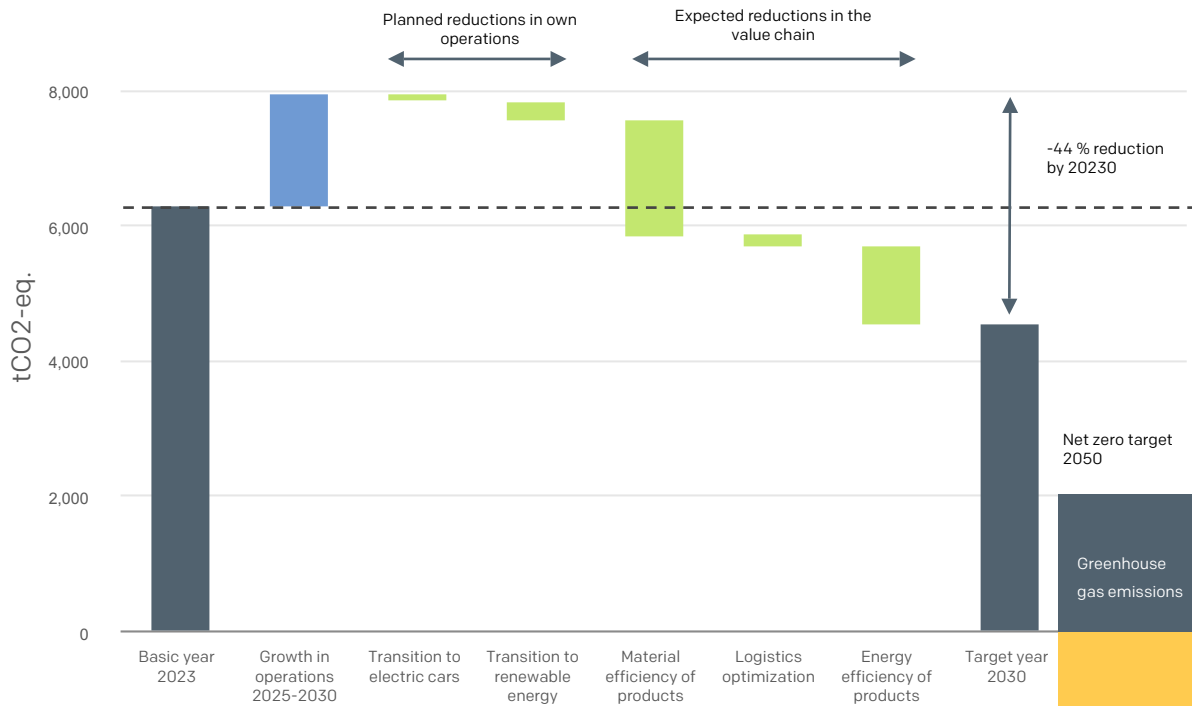
The guidelines provided in the "Pathways to Net-zero - SBTi Technical Summary" document (version 1.0, October 2021) have been utilized in the setting of emission reduction targets. The Science Based Targets initiative takes into account the requirements concerning the limiting of global warming to 1.5°C. No sector-specific decarbonization guidelines were

available at the time of reporting. The calculated emissions for the base year 2023, including Scope 1–3 emissions, amounted to 6510.7 tCO<sub>2</sub>eq.

Bittium's target is to achieve net zero in its own operations (Scope 1 and 2) by 2030. This target can be achieved by transitioning to district heating and electricity produced from 100% renewable and emission-free sources and by replacing leased vehicles under Bittium's control with fully electric vehicles by 2030. When examining the emission reduction measures, it should be noted that Scope 1 emissions represent approximately 0.4% of Bittium's total emissions, while Scope 2 emissions represent 4.8%. Market-based gross emissions have been used in setting the emission reduction targets. Bittium aims to reduce Scope 3 emissions by approximately 40% and total emissions by 44% by 2030. Scope 3 emission reductions will be allocated to the emission source categories identified as the most significant, namely purchased products and services, logistics and the energy and material efficiency of products. More detailed actions and time horizons will be specified in 2025.

Bittium engaged its personnel in the assessment of emission reduction measures by means of a survey. Emission reductions have been calculated as percentages relative to the 2030 targets. The company continuously monitors market developments, such as the adoption of new technologies and regulatory changes, to ensure that its emissions targets will be met and to remain competitive in climate action. No technologies related to the achievement of GHG emission reduction targets were adopted in 2024. Bittium's emission reduction target has been set to be achieved by 2030 and no milestones were set during the reporting year.

## Transition Plan for Climate Change Mitigation



## Energy Consumption

### Energy Consumption and Mix (E1-5)

72% of the electricity purchased by Bittium in 2024 was produced from renewable and emission-free energy sources. In addition, Oulun Energia's solar panels installed on the roof of the Oulu property produced 82.51 MWh of solar energy. Of the district heating purchased from local providers, 6% was renewable energy in 2024. Part of the heating used by the Oulu site was produced with a diesel-powered backup generator. The consumption data for electricity and district heating at the Finnish sites was obtained from the energy suppliers' invoices. For sites in Germany and the USA, energy data was not available, and the methods used to estimate consumption are described in the GHG emission calculation principles at the end of this section. Bittium's total consumption of purchased electricity and district heating was 3,302.73 MWh in 2024.

Bittium vehicles include both diesel and hybrid vehicles. During the reporting year, Bittium had six vehicles under its control in Finland and two in Germany. There were no vehicles under Bittium's control in the United States. The amount of energy generated by the combustion of fuels in leased vehicles in Scope 1 was 103,8 MWh (petrol and hybrid). The fuel consumption data for leased vehicles was obtained from the leasing companies.

Energy consumption is measured in megawatt hours (MWh). High climate impact sectors are defined in NACE Sections A to H and Section L in accordance with Commission Delegated Regulation (EU) 2022/1288. Based on the definitions, Bittium's Medical business segment belongs to the high climate impact sector NACE: C26.6.0 Manufacture of irradiation, electromedical and electrotherapeutic equipment. The denominator in the table is the total revenue of the Medical business segment, which is included in the note 1 in financial statements.

<b>Energy Consumption and Energy Mix</b>	<b>2024</b>
(1) Fuel consumption from coal and coal products	14.03
(2) Consumption of crude oil and petroleum products for energy and heat production (MWh)	16.31
(2) Fuel consumption of crude oil and petroleum products (MWh)	111.18
(2) Consumption of self-produced non-renewable energy (MWh)	7.38
(3) Fuel consumption from natural gas	39.93
(4) Fuel consumption from other fossil sources	444.15
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	514.42
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	625.60
Share of fossil sources in total energy consumption (%)	18%
(7) Consumption from nuclear sources (MWh)	1,296.17
Share of consumption from nuclear sources in total energy consumption (%)	37%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0.00
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	1,492.52
(10) The consumption of self-generated non-fuel renewable energy (MWh)	82.51
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	1,575.03
Share of renewable sources in total energy consumption (%)	45%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	3,496.80

<b>Energy intensity in relation to net revenue</b>	<b>2024</b>
Total energy consumption from activities in high climate impact sectors (MWh / MEUR)	11.7

<b>The relation between energy intensity based on turnover and financial statement data</b>	<b>2024</b>
Net revenue (other) MEUR	19.3
Total net revenue (financial statement) MEUR	85.2

## GHG emissions

### Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

Bittium's market-based Scope 1, 2 and 3 GHG emissions totaled 6328.51 tCO<sub>2</sub>eq in the reporting year 2024. Scope 1 emissions consist of a diesel-powered backup generator and the company's own vehicles. Scope 1 emissions totaled 28 tCO<sub>2</sub>eq, which is less than 1% of the company's total carbon footprint. Bittium's market-based Scope 2 emissions amounted to 259 tCO<sub>2</sub>eq, and they arose from the district heating and electricity consumption of the company's sites. Bittium uses electricity produced from renewable and emission-free energy sources at two sites. Scope 2 emissions account for 5% of the company's total carbon footprint.

The Scope 3 emissions caused by Bittium's value chain amounted to 6041.51 tCO<sub>2</sub>eq, which is 95% of the company's total emissions. There were no significant changes in Bittium's business operations between 2023 and 2024. All GHG emissions are broken down by emission source type in the emission table below.

The share of contractual instruments of Bittium's Scope 2 GHG emissions was 57% in 2024. The contractual instruments were certificates of origin for renewable energy.

#### GHG Emissions (E1-6 table)

	Retrospective					
	Base Year 2023	2024	%N / N-1	2030	2050	Annual % Target / base year
<b>Scope 1 GHG Emissions</b>						
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)	28	28	0%	-100%	N/A	-17%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	N/A	N/A				
<b>Scope 2 GHG Emissions</b>						
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	423	228			N/A	
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	313	259	-17%	-100%	N/A	-17%
<b>Significant scope 3 GHG emissions</b>						
Total Gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> eq)	6,170	6,042	-2%		N/A	
1 Purchased goods and services	2,883	2,587	-10%		N/A	
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	140	133	-5%		N/A	
4 Upstream transportation and distribution	176	187	7%		N/A	
5 Waste generated in operations	10	11	10%		N/A	
6 Business traveling	320	409	28%		N/A	
7 Employee commuting	87	79	-9%		N/A	
8 Upstream leased assets	940	1,196	27%		N/A	
9 Downstream transportation	64	55			N/A	
11 Use of sold products	1,390	1,235	-11%		N/A	
12 End-of-life treatment of sold products	6	7	24%		N/A	
15 Investments	155	142	-8%		N/A	
<b>Quantitative Reconciliation</b>						
Total GHG emissions location based (tCO <sub>2</sub> eq)	6,621	6,298			N/A	
Total GHG emissions market based (tCO <sub>2</sub> eq)	6,511	6,329	-3%		N/A	

Category	Description	Boundary	Calculation method
Scope 3.1.	Purchased goods and services	Included	The reported information has been combined with the best available emission factors
Scope 3.2.	Capital goods	Not applicable. Bittium does not have purchases of capital goods.	
Scope 3.3.	Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	Included	The reported information has been combined with the best available emission factors
Scope 3.4.	Upstream transportation and distribution	Included	The reported information has been combined with the best available emission factors
Scope 3.5.	Waste generated in operations	Included	The reported information has been combined with the best available emission factors
Scope 3.6.	Business travelling	Included	The reported information has been combined with the best available emission factors
Scope 3.7.	Employee commuting	Included	The reported information has been combined with the best available emission factors
Scope 3.8.	Upstream leased assets	Included	The reported information has been combined with the best available emission factors
Scope 3.9.	Downstream transportation	Included	The reported information has been combined with the best available emission factors
Scope 3.10.	Processing of sold products	Not applicable, the sold products are final products.	
Scope 3.11.	Use of sold products	Included	The reported information has been combined with the best available emission factors
Scope 3.12.	End-of-life treatment of sold products	Included	The reported information has been combined with the best available emission factors
Scope 3.13.	Downstream leased assets	Not applicable, Bittium does not have any downstream leased assets.	
Scope 3.14.	Franchising	Not applicable, Bittium does not engage in franchising activities.	
Scope 3.15.	Investments	Included	The reported information has been combined with the best available emission factors

## Basis for Preparation

### Scope 1 and 2 Calculation Principles

Bittium owns two business premises located in Oulu and Kuopio in Finland. The company rents business premises in Tampere, Espoo and Kajaani in Finland, as well as Dallas in the United States and Munich in Germany. Scope 1 and 2 emissions cover the direct emissions of Bittium's own operations and the indirect emissions of purchased energy. Scope 1 emissions were calculated on the basis of the motive power used by the vehicles under Bittium's control. For the vehicle used by the company's site in Germany, fuel consumption data was calculated based on kilometers driven. Bittium has petrol and hybrid cars under its control. The diesel consumption of the backup generator at Bittium's Oulu site was calculated on the basis of liters consumed. Fuel emissions were calculated using the emission factors of the Finnish Climate Panel. For the

company's sites in Finland, energy consumption data was obtained from the energy suppliers. The emissions of purchased energy were calculated using the emission factors reported by the suppliers (Fortum, Oulun Energia, Oomi, Loistelämpö, Tampereen Energia). At Bittium's Oulu site, part of the electricity is obtained from solar panels installed on the roof. In 2024, the solar panels produced a total of 83 MWh. Precise energy consumption data was not available for the company's sites in Germany and the United States. Scope 2 emissions were calculated based on the floor area of the premises. The average value used in the calculations was 166 kWh/m<sup>2</sup>/year. (Clevair, 2021). For Germany, the energy mix was determined using the Ember report (Germany – Electricity transition, 2024). For the United States, data published by the

EIA was used. (U.S. Energy Information Administration, 2023). The share of the sites in Germany and the United States is much lower than Bittium's other sites, which is why the assessment method used was considered to be sufficient. The volume-weighted average emission factor of the electricity produced was used in the calculation of location-based emissions (Fingrid 2023: 38 gCO<sub>2</sub>eq/kWh). Factors published by Ember and the EIA were used in the location-based calculation of emissions in the United States and Germany. The emission factors used in the calculations do not distinguish the percentages of biogenic emissions.

### Scope 3 Calculation Principles

All relevant emission categories were taken into account in the calculation of the Scope 3 emissions of Bittium's upstream and downstream value chain. The categories taken into consideration in GHG emission calculations are listed in table E1-6. Non-applicable categories include franchises, processing of sold products, capital goods and downstream leased assets. Primary emissions data on Scope 3 emissions was obtained for some transports. The primary emissions data obtained represented 0.4% of the company's total emissions. The emissions from purchased products and services include the component, product and service purchases made by the entire Group during 2024. The emissions of the Defense & Security business segment's products were calculated based on example products and on a component-specific basis using the Ecoinvent 3.10 database. For the Medical business segment, precise data based on the company's own calculations was not available, but the calculation was based on a product that represents 88% of the products sold by the Medical business segment. Part of the Medical business segment's products were calculated on a cost basis using emission factors obtained from the EXIOBASE database. Emissions from services were calculated by combining the reported data on volumes with an industry-appropriate emission factor from the EXIOBASE database.

The in-use emissions of products were calculated by estimating the full life-cycle energy consumption of the products and by calculating the raw material emissions of components required for maintenance, as well as the transport of products to and from the location where the maintenance service is provided. The life cycle of the products ranges from 3 to 15 years. The EPA (Environmental Protection Agency) emission factors for energy consumption in the United States and Europe were used to calculate the in-use emissions of the products. Maintenance operations take place in Finland, and the emissions from energy consumption in maintenance were calculated using the emission factor for electricity

consumption in Finland reported by Fingrid. Emissions from upstream leased assets consist of computers in use during the reporting year. Their emissions were calculated by combining the number of leased computers and device-specific life cycle emission factors (HP, 2017; Fujitsu, 2020; HP, 2023). Bittium's carbon footprint consists mainly of Scope 3 purchased products and services, the in-use emissions of products, and upstream leased assets. The most significant sources of emissions also arise in Scope 3. Of these, the largest share of the company's GHG emissions consists of purchased products and services (48%), the use of sold products (22%) and upstream leased assets (15%). Combined, these three categories account for 86% of the company's carbon footprint.

### Reporting Principles

Bittium's GHG emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting standard and the Corporate Value Chain (Scope 3) Accounting and Reporting standard. (GHG Protocol, 2004; GHG Protocol, 2011). Bittium uses CO<sub>2</sub>eq emission factors whenever possible. The emission factors used in the calculations do not distinguish the percentages of biogenic emissions. The calculation period corresponds to the financial year 2024 (January 1, 2024–December 31, 2024). The calculation was carried out in Excel without separate calculation tools. All Scope 1–3 emissions were taken into account in the calculation. An operational control boundary was applied in the calculation, and the calculation was implemented at the level of the consolidated accounting group. The GHG calculations are for the same reporting undertaking as the financial statements in accordance with ESRS 1 62–27. Bittium's net sales in 2024 amounted to EUR 85.2 million. Bittium's calculated location-based GHG emissions amounted to 6298 tCO<sub>2</sub>eq for the reporting year. The location-based GHG intensity based on net revenue was 74 tCO<sub>2</sub>eq/M€. Bittium's calculated market-based emissions for the reporting year came to 6329 tCO<sub>2</sub>eq. The market-based GHG emissions intensity was 74 tCO<sub>2</sub>eq/M€. The denominator in the table is the total revenue of the Medical business segment, which is included in to the note 1 in financial statements.

GHG emissions were calculated by combining volume data collected by Bittium for each emission category with the best available emission factors at the time of the calculation. The sources of the emission factors for the most significant categories are presented in the table below. Assumptions were made in the calculation of the in-use emissions of sold products. The in-use emissions for products sold were obtained by estimating the utilization rate of the devices based on publicly available research data. Transports were calculated



based on emissions reports obtained from logistics partners (Kaukokiito, Posti, Matkahuolto, DHL, UPS, DSV, FedEx, NTG and DBS-Schenker). The emission reports accounted for approximately 12% of all transports. The remaining transports were calculated using values obtained from the emissions reports. This is a source of some uncertainty, as it is not possible to be certain that the modes of transport are completely the same. Emission calculation for upstream leased assets was based to total amount of leased products, which causes uncertainty. With regard to purchased materials, performing the calculations using a reference product is also a source of uncertainty. In addition, the sector-specific estimates and the values derived from emission databases, for example, always involve calculation insecurity as they do not provide precise data. Bittium aims to refine the calculation process during 2025.

GHG Intensity in Relation to Net Revenue	2024
Total net revenue (in financial statements)	85.2

#### Sources of Emission Factors Used in the Calculations

Category	Source
Purchased goods and services	Ecoinvent 3.10, GWP 100, EXIOBASE Bittium internal LifeCycle -analysis Bittium Tough Comnode (2024) EPA (2024), <a href="#">Link</a> Fingrid (2024), <a href="#">Link</a>
Leased assets	Leased assets, <a href="#">Link</a>
Electricity	Mixed electricity, 2018. Saksa, <a href="#">Link</a> ja Mixed electricity, 2018 USA, <a href="#">Link</a> Fortum, 2023, <a href="#">Link</a> ja Oomi, 2023, <a href="#">Link</a> Clevair (2021), <a href="#">Link</a> Ember (2024), <a href="#">Link</a> EIA (2024), <a href="#">Link</a> Fingrid (2024), <a href="#">Link</a>
District heating	Oulun Energia, 2023, <a href="#">Link</a> ja Loiste Lämpö, 2023, <a href="#">Link</a> ja Tampereen Energia, 2023, <a href="#">Link</a> ja Fortum, <a href="#">Link</a> , Linkki ja Kuopion Energia, 2023, <a href="#">Link</a>
Waste	Ecoinvent 3.10, GWP 100, Päästötietokanta - <a href="#">OpenCO2.net</a> Tilastokeskus, <a href="#">Link</a>
Business travel	DEFRA, <a href="#">Link</a>
Fuel for company cars	DEFRA, <a href="#">Link</a> Autokalkulaattori, <a href="#">Link</a> Ilmastopaneeli, <a href="#">Link</a>
Use of sold products (reference products)	Cisco, <a href="#">Link</a> , <a href="#">Link</a> , <a href="#">Link</a> Ericsson, <a href="#">Link</a> , Cambium, <a href="#">Link</a> Samsung, <a href="#">Link</a> , <a href="#">Link</a> Trimble, <a href="#">Link</a> Goal Zero, <a href="#">Link</a> Motorola, <a href="#">Link</a> Hytera, <a href="#">Link</a> CAT, <a href="#">Link</a>

# ESRS E5 – Resource Use and Circular Economy

## Material Impacts, Risks and Opportunities

### E5. Resource Use and Circular Economy

Sub-topic	Description	Negative/ Positive/ Risk/ Opportunity	Stage of the value chain affected	Time horizon
<b>Resources inflows, including resource use</b>	Engaging the commitment of manufacturing partners to production that is aligned with circular economy principles, material efficiency and regulatory compliance may reduce environmental impacts and improve stakeholder perceptions.	Actual opportunity	Upstream Own operations	All
<b>Resources outflows related to products and services</b>	Competition risk if competitors are able to respond to product development in a more agile manner, or if competitors have more sustainable products through sustainable design, such as longer functional life or reparability.	Potential financial risk	Own operations Downstream	Medium- to long-term
<b>Waste</b>	Extending the lifetime of products, ensuring serviceability and appropriate recycling instructions reduce the amount of waste.	Actual positive impact	Own operations Downstream	All

## Policies Related to Resource Use and Circular Economy (E5-1)

Bittium's policies related to resource use and circular economy include the sustainability policy, environmental and energy efficiency, procurement policy and Supplier Manual. The Management Group is responsible for the implementation of these policies. As the majority of the customers who purchase Bittium's products and software require compliance with ISO standards, Bittium's environmental and energy efficiency policy is based on the ISO 14001 and ISO 50001 standards and the current legislation concerning the environment, energy efficiency and sustainability. Procurement plays a crucial role in Bittium's sustainability and success. The procurement policy sets out the basic principles, guidelines and procedures that guide Bittium's procurement and supply chain operations. The procurement policy covers 10 topics: an established procurement base, quality assurance in procurement, cost efficiency, risk management, ethics, sustainability, confidentiality and safety, local sourcing and diversity, compliance, governance and continuous improvement. Bittium Supplier Manual is a publicly available summary of the core requirements Bittium has for its suppliers, that has been established to enable the basis for transparent and productive collaboration with our suppliers. These requirements are applied to existing and new suppliers alike.

The sustainability policy, the environmental and energy efficiency policy and the procurement policy aim to minimize the environmental impacts of Bittium's operations, which arise throughout the value chain from products designed by Bittium. The aforementioned policies are available to stakeholders on Bittium's website. A description of Bittium's policies related to sustainable procurement and the use of counterfeit materials is described in the Supplier Manual, which is available for all Suppliers on Bittium's website. The procurement policy covers all of Bittium's operations and relevant geographical areas. The sustainability policy and the environmental and energy efficiency policy cover Bittium's own operations in all relevant geographical regions and the entire value chain. No direct stakeholder consultation procedure has been applied in the preparation of the policies, but the company aims to minimize social, health-related and pollution-related adverse impacts on stakeholders by means of operating guidelines related to topics such as primary production, the quality and origin of materials, component production methods, conditions and sustainable procurement, for example.

Bittium strives to minimize the environmental impacts of its operations and products. Bittium strives to identify, eliminate and reduce potentially hazardous substances used in products

and production activities. Bittium Supplier Manual requires its identified critical suppliers to have an environmental management system that meets the requirements of the ISO 14001 standard. Supplier Manual includes requirements also for energy efficiency, the use of renewable resources, the avoidance of harmful substances and the minimization of emissions from production processes.

Bittium operates in a strongly regulated business environment. The company monitors the global environmental requirements for products related to the Group's operations as well as the country-specific regulations derived from the global requirements. Compliance with these requirements and regulations is also required of the Group's identified critical suppliers. Examples include the RoHS Directive (use of hazardous substances in electronic equipment) and the REACH Regulation (use of hazardous chemicals), for which compliance is a requirement in the EU market. The requirements of the WEEE Directive, which governs the recycling of electrical and electronic equipment, have been taken into account and applied in product design since 2002.

Bittium's policies do not address transitioning away from the use of primary resources, nor do they address the use of secondary resources. The environmental policy guides the company to seek and define more environmentally sustainable and energy-efficient solutions related to product development and manufacturing, but these topics are not specifically addressed under it. The use of renewable resources is specified as a supplier requirement in the Supplier Manual, but Bittium's policies do not set requirements for the sustainable procurement of renewable resources. The link between Bittium's policies and the material resource use and circular economy-related impacts, risks and opportunities is described in the E5 summary table at the end of this section.

## Actions and Resources Related to Resource Use and Circular Economy (E5-2)

Bittium's actions related to resource use and circular economy in 2024 consisted of the implementation of continuous operating models for each reporting year. Product design activities, the procurement of parts and product maintenance activities, as well as appropriate recycling, are annual and regular processes that take into account the reduction of the environmental impacts of products over their entire life cycle.

Bittium's most significant continuous actions related to resource use and circular economy consist of sustainable product design, which includes designing products so that their lifespan is as long as possible, as well as the serviceability of products and their appropriate disposal or recycling. The

actions cover Bittium's suppliers, its own operations and maintenance and repair of delivered products in all relevant geographical areas. Bittium's products are designed for maintenance and repairability throughout the product life cycle. Maintenance and repairs are carried out either by Bittium's own maintenance and repair service or by the customer's organization. For products designed to be repairable, the aim is to make the structure modular and easily repairable in such a way that the product can be repaired at the component level. The same automatic testing equipment is used for repairs as in the product manufacturing process, which accelerates the repair process and makes it easier.

The product design takes into account potential future product features with regard to physical hardware and software products. For example, in product architecture design, the aim is to anticipate customer needs concerning different frequency variants of products and wireless and radio connectivity-related solutions, which extends the lifespan of the product family. Bittium extends the lifespan of certain critical product families and, consequently, the amount of waste through product lifecycle Mid Life Upgrade (MLU) programs, which enable customers to maintain their purchased systems by purchasing individual system components and thus avoid buying a new system.

The availability of the components used in the products is ensured by End of Life (EoL) purchases if necessary. This way, the potential withdrawal of a component from the market does not lead to unplanned changes in configuration for products in customer deliveries. EoL purchases also guarantee successful maintenance and spare parts deliveries in the long term, ensure long product lifetimes and reduce waste. At Bittium, reuse of technical solutions mainly takes place within product families, which means that selected sub-assemblies can be reused in several products sold as part of the product family in question. This reduces the number of component items used, which, in turn, increases material efficiency. Bittium also aims to implement the choices of materials for mechanical assemblies in such a way as to cover the technical specifications for as wide a product range as possible. For maintenance purposes, the company reserves components that enable the extension of the lifespan and life cycle of devices. As a rule, research and product development activities use the same components as Bittium's other products. The company also aims to utilize product sub-assemblies.

Products targeted at the defense market, in particular, are subject to strict requirements set by the defense industry. These requirements include durability and operability in varying temperature conditions, for example. The durability of Bittium's

products meets demanding standards, such as the MIL-STD-810 series of standards and the MIL-STD-461 standard (U.S. Department of Defense Test Method Standard and U.S. Military Standard).

Bittium also has an ISO 13485 certified quality management system for medical devices that meets the requirements of the EU Medical Device Regulation (MDR) and is certified according to the Medical Device Single Audit Program (MDSAP).

Bittium requires its suppliers to comply with the national and international environmental legislation applicable to their operations and the products supplied to Bittium. Evidence of compliance with the requirements must be provided to Bittium upon request. The supplier must, at Bittium's request, be able to verify the implementation of environmental actions and report information that can be used to assess the carbon footprint of the product. The supplier must ensure that it is able to provide, upon request, information on the substances contained in materials. The supplier must have a control and monitoring system to ensure the traceability of the finished product or product batch to the factory and the traceability of the materials used to their source. The supplier must obtain acceptance and approval for processes and materials, and changes thereto, in accordance with internally documented quality procedures. Changes must be communicated to Bittium before they are implemented. In the component selection stage, regulatory compliance is determined by means of surveys sent to the component supplier. If necessary, compliance is confirmed by conducting tests on the materials.

Action plans and actions related to ecologically sustainable product and service design, recycling and compliance are part of Bittium's continuous business operations and the personnel, administrative and material expenses involved. The implementation of the action plans has not required significant separate capital expenditure or operating expenditure.

Actions related to resource use and circular economy during the reporting period are described in the E5 summary table at the end of this section.

### Targets Related to Resource Use and Circular Economy (E5-3)

During the reporting year, Bittium did not set targets for resource use or circular economy in accordance with the ESRS standard. In spite of not having ESRS-compliant targets, Bittium monitors the effectiveness of the policies and actions relative to the material impacts, risks and opportunities with the help of targets and metrics that correspond to the



sustainability strategy and support the improvement of material efficiency and energy efficiency.

Bittium's recycling-related targets are based on compliance with the requirements set by current legislation. Bittium's operations are also influenced by producer responsibility and the related reporting obligations regarding packaging and electronic waste.

Bittium's recycling targets are linked to integrate circular economy principles into operational activities by 2027. For example, in packaging products, Bittium utilizes all suitable packaging waste collected from incoming deliveries. Some of the packaging material is also ordered directly to the contract manufacturer for use in Bittium's product deliveries all the way to the end customers.

Establishing targets related to resource inflows, resource outflows and waste in accordance with the ESRS standard, and metrics suitable for monitoring these targets, is part of a longer-term data collection and information management development effort, and Bittium has not yet set an exact schedule for the completion of this effort.

## Resource Inflows (E5-4)

Bittium's resource inflows consist largely of components purchased for Bittium's production activities, as well as sub-assemblies and other parts used product manufacturing. The inflows do not include raw materials as such, but raw materials are contained in components. Bittium also purchases materials required for product packaging and protection, as well as equipment required in production. Bittium's processes do not involve significant water consumption. No biological materials are used in Bittium's operations. Property, plant and equipment used in Bittium's own operations and its value chain include buildings, machinery and equipment required for production processes.

With regard to the environmental impacts of the value chain, the production of raw materials – such as metals and plastics – is emphasized in component production. As Bittium does not engage in direct procurement of raw materials, instead purchasing raw materials as part of components and sub-assemblies, the company's opportunities to influence raw material production are realized through supplier agreements and procurement policies.

<b>Resource Inflows</b>	<b>2024</b>
Overall total weight of products and technical and biological materials used during the reporting period (tonnes)	23.97
Percentage of sustainably sourced biological materials (and biofuels used for non-energy purposes) used to produce products and services (including packaging)	0.0%
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging) (tonnes)	0.00
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	0.0%

Resource inflows consist of metals, such as aluminum, steel and copper, as well as plastics and silicone seals, and electronics, such as resistors, capacitors, transistors, memory chips and batteries. The information provided does not include packaging materials, as exact information on packaging materials is not available and their quantity is relatively small.

Information on the European Union defined rare earth metals or critical elements used by Bittium is not available. The systems used by Bittium do not allow for the separation of these substances from the weight data of the incoming materials.

Reporting on the inflow of materials is based on the total number of products sold. The information on the Medical business segment has been collected from a report extracted from the company's ERP system (L7), and missing weight data has been partially estimated by buyers. The Defense & Security business segment's weight data has been compiled on the basis of the product database (PLM) and the number of products sold. The Engineering Services business segment does not engage in material procurement of its own, nor does it sell any products. The segment's business model is based on intangible assets provided by product design and software development services, in which know-how is transferred instead of physical products.

## Resource Outflows (E5-5)

### Products and Materials

Bittium's resource outflows consist of products designed and manufactured by Bittium for the measurement and remote monitoring of biosignals, as well as wireless and embedded solutions for the defense and security markets, related parts and packaging materials used for product transport and protection. The key elements from the perspective of product durability and reparability are the selection of End of Life (EoL) components, taking serviceability and reparability into account, and long product life cycles.

In Bittium's business, principles of circular economy are illustrated in the durability, reusability, repairability, dismantling, refurbishment and recycling of products. The long lifespan requirements for products targeted at the defense equipment sector illustrates product durability very well. Typically, the intended lifespans of defense industry products can be up to decades. The products are not designed for remanufacturing but are recycled through waste management.

The instructions for the medical devices created by the Medical business segment's production process include disposal and recycling instructions. The use of recycled materials is not allowed in medical devices, as the devices must have an equivalent level of performance to that of a corresponding new device (Regulation MDR 2017/745/EU). The estimated durability is determined by the durability of the batteries used in the devices. The legislation governing medical devices requires that the lifetime of each device be estimated and that tests be conducted to demonstrate that the device maintains its performance and safety for the specified lifetime.

If a product must be disposed of, components that are sensitive with regard to information security, such as circuit boards and memory cards, are processed in a manner that is appropriate for each product and agreed upon with the customer. Some mechanical components may also require separate processing. If the product is disposed of by Bittium, a separate certificate of disposal is sent to the customer. The recycling of medical devices manufactured by Bittium is mainly carried out by the customers who purchased the product, in accordance with the recycling instructions provided on the product packaging.

Due to the purpose and customer base of the Defense & Security business segment's product families, these products cannot be sorted and recycled in the same manner as normal consumer electronics. Bittium is committed to receiving and recycling the products it manufactures through appropriate channels, as required by producer responsibility. However, due to requirements related to the products' information security and customer base, only few products used in the defense sector or healthcare are returned to Bittium for disposal. The entities that have purchased the devices prefer to recycle or dispose of the products through their own channels.

The lifetime of products in the Defense & Security business segment is extended by Mid Life Upgrade programs. Customers can maintain the systems they have acquired by purchasing individual system components instead of having to buy an entire new system. Product design also takes into account the modularity of products within product families, which improves material efficiency, increases repairability and

reduces the potential amount of waste. Service agreements concluded with customers specify the level of service and maintenance. These agreements can be used to proactively estimate the amount of spare parts needed, which affects the amount of materials purchased. At present, the customer requirements do not allow for the use of recyclable materials in the products. Consequently, long lifespans and serviceability are the key circular principles for the Defense & Security business segment.

In 2024, Bittium further developed the life-cycle services and after-sales maintenance of its products.

The medical devices of the Medical business segment are designed and manufactured to be durable and repairable. Single-use accessories are used with reusable devices. Considering the safety requirements for medical devices (patient safety), a single-use device can be seen in some situations a better alternative in terms of durability than reusable devices that need to be cleaned using strong detergents. The aim of material choices is to minimize impacts on the environment and users. Bittium strives to dimension the availability of spare parts in such a way that serviceability for the intended lifespan can be ensured. Bittium offers a maintenance and repair service for some of its medical devices, in which the housing, battery and USB connector of the device are replaced.

The durability of Bittium's products has been calculated on the basis of the long service life of the product, including product maintenance and product support.

- Medical products: average life cycle 3 years/Bittium 3 years:
- Secure phones: average life cycle 4 years/Bittium 8 years.
- Tactical radios: average life cycle 25 years/Bittium 25 years.
- Field phones: average life cycle 25 years/Bittium 25 years

The information provided by Bittium on product durability and repairability is based on measurements, collected product lifecycle data and calculations. The information is not reported at a more precise level due to business and information security risks related to product information.

The metrics do not include the proportion of recyclable material in products or packaging. For products, the use of recyclable material is regulated either by specific regulations or by customer standard, and there is currently no precise data available for packaging to break down the information.



## Waste

The waste generated by Bittium's production activities mainly consists of sorted packaging waste, which is recycled with the help of a selected waste management and recycling partner.

The packaging waste consists mainly of cardboard, paperboard and various plastics, such as polystyrene and other plastic products used for product protection. Substances that are considered to be hazardous waste and used in production activities include various adhesives, pastes and epoxies. Waste volumes are monitored by waste category at the annual level.

Resource Outflows	2024
<b>Total amount of waste in metric tonnes</b>	36.84
<b>Total amount of waste diverted from final treatment</b>	36.55
<b>Conventional waste</b>	36.49
Preparation for reuse	0.02
Recycling	13.30
Other recovery options	23.17
<b>Hazardous waste</b>	0.06
Preparation for reuse	0.00
Recycling	0.00
Other recovery options	0.06
<b>Total amount of waste sent for final disposal</b>	0.29
<b>Conventional waste</b>	0.29
Incineration (without energy recovery)	0.00
Landfilling	0.29
Other disposal operations	0.00
<b>Hazardous waste</b>	0.00
Incineration (without energy recovery)	0.00
Landfilling	0.00
Other disposal operations*	0.00
<b>Total amount of non-recycled waste in metric tons</b>	23.54
<b>Percentage of non-recycled waste</b>	63.90%
<b>Total amount of hazardous waste in metric tons</b>	0.06
<b>Total amount of radioactive waste in metric tons</b>	0.00

The following calculation method has been used for all of the figures in the table above: Information on waste has been obtained from waste reports prepared by waste management partner. For Tampere and Espoo, waste data has been obtained for the entire property in which the premises are leased, and Bittium's share has been calculated on the basis of the the square footage of the rented space. For the business premises located in the United States and Germany the waste amounts have been calculated based on the total amount of waste per person in Finland and multiplied by the number of people working abroad.

Waste recovery types have been itemized in the reports received from different sites. The percentage of non-recycled waste has been calculated by dividing the amount of non-recycled waste by the total amount of waste. Other recovery operations for non-hazardous waste include the incineration of mixed waste as energy in waste-to-energy plants and biowaste from Bittium's Kajaani site, which is processed into biogas at a biogas plant. Of Bittium's waste, 0.02 metric tons of pallets are reused. Consequently, there is no overlap between recycling and reuse. Bittium's operations or products do not generate radioactive waste.

**E5 Summary Table of the Relationships Between Impacts, Risks, Opportunities, Policies, Actions and Targets**

Sub-topic	Related impacts, risks and opportunities	Related policy	Actions during the reporting period	Planned actions 2025
<b>Waste</b>	Extending the lifetime of products, ensuring serviceability and appropriate recycling instructions reduce the amount of waste. (Own operations, downstream, positive impact)			
<b>Resources inflows, including resource use</b>	Engaging the commitment of manufacturing partners to production that is aligned with circular economy principles, material efficiency and regulatory compliance may reduce environmental impacts and improve stakeholder perceptions. (Upstream, own operations, opportunity)	Procurement policy Environmental and energy efficiency policy Sustainability policy	Ecological design End of Life purchases Mid Life Upgrade programs	Improving material efficiency and energy efficiency <ul style="list-style-type: none"> <li>• Circularity principles part of the operational activities by 2027</li> </ul> Preparing a waste management plan <ul style="list-style-type: none"> <li>• Waste recycling rate 99% by 2030</li> </ul>
<b>Resources outflows related to products and services</b>	Competition risk if competitors are able to respond to product development in a more agile manner, or if competitors have more sustainable products through sustainable design, such as longer functional life or repairability. (Own operations, downstream, risk)			

# Social Information

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## ESRS S1 – Own Workforce

### Material Impacts, Risks and Opportunities

#### S1. Own Workforce

Sub-topic and sub-sub-topic	Description	Negative/ Positive/ Risk/ Opportunity	Stage of the value chain affected	Time horizon
<b>Working conditions:</b> Secure employment	Employee satisfaction improves the employer image, employee availability, retention and motivation, and contributes to the customer experience.	Actual positive impact	Own operations	All
<b>Working conditions:</b> Health and safety	Workload poses a risk to the well-being of employees and their ability to cope with the demands of work and, in a broader sense, the availability and retention of workers.	Actual financial risk	Own operations	All
<b>Equal treatment and equal opportunities for all:</b> Training and skills development	The rapidly changing operating environment requires training and competence development, which also contributes to employee motivation, efficiency and competitiveness.	Actual positive impact	Own operations	All
<b>Equal treatment and equal opportunities for all:</b> Training and skills development	Active promotion of diversity, equality and non-discrimination and open communication can strengthen the external employer image and create a positive reputation, which can help to attract skilled workers and improve competitiveness.	Actual opportunity	Own operations	All

## Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model (ESRS 2 SBM-3)

At the end of 2024, Bittium published its updated growth strategy for 2025–2028. In order to enable profitable growth, the company focused on transforming from a product development organization to a customer-oriented, growth-driven operating model through segment organizations in 2024. The personnel-related targets of the strategy are implemented and guided in more detail by a separate personnel strategy (valid for the period 2024–2025).

The policies related to the company's own workforce are guided by plans that are updated and reviewed on a regular basis. (Bittium's personnel-related policies and their relationship with the strategy are described in more detail in section S1-1. The relationship between Bittium's strategy and business model and personnel-related risks and opportunities is also described in section ESRS 2 SBM-2.)

At the end of 2024, Bittium had a total of 511 employees in Finland, Germany and the United States. 99% of the personnel work in Finland. The scope of the information published in Bittium's sustainability reporting covers all of the company's own workforce as well as non-employee workers who perform duties for Bittium that correspond to the duties of the company's own workforce.

A description of non-employee workers is provided in section S1-7. Most of Bittium's personnel are full-time and permanent employees. Product development engineers are the largest employee group. The average age of the workforce is 47 years and the average number of years of employment at Bittium is over 10 years. The age structure is taken into account in the implementation of orientation training and competence development. The maintenance of the competence of experienced employees is supported by providing training opportunities to deepen competence. The transfer of tacit experience-based knowledge to newcomers to the field is one of the most important aspects of developing the workplace community – similarly, new professionals can offer new kinds of competence to their work community. The employer is committed to supporting long careers, and Bittium has introduced development discussions for older employees (aged 58 and over) in accordance with the career agreement.

In stakeholder interviews related to the double materiality assessment process, Bittium's external stakeholders were requested to assess Bittium's material topics related to the environment, social impacts and good governance. The material impacts on the company's own workforce have not

arisen from transition plans, and no related potential impacts were identified in the materiality assessment. The following topics were assessed as material for Bittium:

Sub-topic	Sub-sub-topic	Impact, risk or opportunity
Working conditions	Secure employment	Employee satisfaction improves the employer image, employee availability, retention and motivation, and contributes to the customer experience. (Own operations, positive impact)
Working conditions	Health and safety	Workload poses a risk to the well-being of employees and their ability to cope with the demands of work and, in a broader sense, the availability and retention of workers. (Own operations, risk)
Working conditions	Diversity	Active promotion of diversity, equality and non-discrimination and open communication can strengthen the external employer image and create a positive reputation, which can help to attract skilled workers and improve competitiveness. (Own operations, opportunity)
Equal treatment and equal opportunities for all	Training and skills development	The rapidly changing operating environment requires training and competence development, which also contributes to employee motivation, efficiency and competitiveness. (Own operations, positive impact)

Bittium's high level of know-how and professionalism, particularly in information security matters, and the availability of labor and competence development, are integral aspects of Bittium's business operations. Investing in the competence of the personnel and ensuring specialized expertise help to guarantee Bittium's position as a pioneer of technology. Bittium's business is dependent on the company's own workforce and its availability. The importance of looking after the personnel's working conditions, diversity and well-being is also recognized at the strategic level. Investing in the personnel can attract skilled workers and improve competitiveness. Bittium's own workforce works in regions and a sector in which the risk of the use of forced labor or child labor is not material due to local legislation, industry-related competence requirements and the effective monitoring of working conditions.

All of the impacts, risks and opportunities described above are widespread in nature and cover almost all of the company's own workforce, or at least the majority of it. In some respects, the impacts concern particularly the following employee groups: employees who are young or have recently entered the industry, who need increased support in the early stages of their careers; older, more experienced employees who need special attention to deepen their skills; women, whose share in the male-dominated sector remains low. In these respects, the

groups that may be particularly vulnerable to the impacts are described separately in the descriptions of the impacts. The assessments are based on consulting the personnel and other stakeholders as part of the double materiality assessment process and on data obtained from personnel surveys. (Bittium's actions related to diversity and equality, training and competence development and the health and safety of Bittium's workforce are described in section S1-4 of this report.)

## Policies Related to Own Workforce (S1-1)

At Bittium, all of the policies related to the company's own workforce cover the entire workforce in all geographical operating regions. The policies aim to strengthen the well-being, competence and commitment of the personnel to the company and its values. Bittium's most significant policy related to its own workforce is the Code of Conduct, which describes Bittium's corporate culture and was updated in late 2024. According to its Code of Conduct, Bittium is committed to conducting its business safely, sustainably, ethically and honestly, adhering to laws and respecting human rights and internationally recognized human rights initiatives, such as the UN Guiding Principles on Business and Human Rights. If human rights violations occur in Bittium's own operations or value chain, they are investigated and sanctions are imposed as necessary, or contractual partnerships are re-evaluated.

According to the Code of Conduct, Bittium values diversity and does not tolerate any form of discrimination, sexual harassment or offensive or otherwise inappropriate behavior or verbal expression. This applies to physical, verbal, and written actions in any form or channel. Bittium is politically and religiously neutral. The company respects all individuals, regardless of age, gender identity, disability, personal characteristics or expression regardless of race, religion, belief, gender, sexual orientation, marital status, pregnancy or parental status, or any other characteristic protected by law. According to Bittium's Code of Conduct, all forms of bullying, harassment and discrimination are prohibited and addressed promptly, and Bittium fosters equal opportunity and ensures equitable pay and compensation for employees. Bittium's employment decisions are based on business needs and comply with the applicable labor laws and regulations.

According to the Code of Conduct, employees have the right to organize, join associations and negotiate collectively with the company. Bittium upholds the freedom of association and the right to belong to a trade union. Bittium's employees can freely support legal community, charity, political and religious organizations of their choosing, provided they clarify that their views and actions are personal and not representative of

Bittium. The Code of Conduct states that, as an employer, Bittium complies with the ILO Declaration on Fundamental Principles and Rights at Work, and that Bittium provides its employees with a healthy, safe and fair working environment. Bittium complies with international labor agreements and laws governing working hours, leave, wages and other terms of employment.

Bittium's personnel-related targets are guided in more detail by a separate personnel strategy, through which processes and actions for implementing and monitoring the relevant policies are defined (for 2024–2025). Bittium has confirmed policies on the prevention of workplace accidents and a related management system. Bittium does not have specific policy commitments related to inclusion or positive action for people from groups at particular risk of vulnerability in its own workforce. Bittium's Audit Committee and Board of Directors evaluate the policies, but the company has not observed a need to specifically examine them with regard to the areas of emphasis mentioned above. However, Bittium wants to increase the workplace community's awareness of diversity among the company's own personnel. Inspiring young women to enter the technology sector is also one of Bittium's actions to promote equality and diversity.

Bittium's policies related to the company's own workforce correspond to internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights. Bittium is also committed to the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. (21) Bittium condemns all forms of forced labor and child labor and does not tolerate slavery, human trafficking, or any form of servitude in any circumstance, in any operating region or in any part of its supply chain. The aforementioned commitments are included in Bittium's Code of Conduct.

Bittium's Code of Conduct is publicly available on the company's website and intranet. The company aims to communicate its policies to stakeholders and the personnel in the company's strategy, personnel strategy and workplace community development plan. The Group CEO and Management Group is the most senior level in the organization in charge of the implementation of all of Bittium's personnel-related policies.



## Processes for Engaging With Own Workers and Workers' Representatives About Impacts (S1-2)

Bittium organizes events for its personnel during the year as necessary to provide opportunities to ask questions and give feedback. Providing opportunities for open dialogue and presenting questions directly to the company's management have also been important aspects of the engagement of the personnel. To support the implementation of its strategy and new operating models, Bittium organized more personnel events and briefings in 2024 than usual.

In addition to giving feedback at personnel events, Bittium's personnel give feedback through the anonymous annual Bittium Employee Survey (BES). In addition to conducting the annual employee survey, the company also assessed personnel satisfaction by means of a pulse survey in 2024. The results of both surveys are available to the employees on the company's intranet.

The results of the survey are addressed by Bittium's Board of Directors and Management Group and at the business segment and team levels. The progress of the measures prepared on the basis of the results is reviewed in the business segments' quarterly briefings. KPIs and personnel-related indicators are reviewed on a monthly basis in the business segments' management teams, and they are reported to the Board of Directors. Themes related to diversity, discrimination and equality are evaluated by means of an equality survey when the equality plan is updated. The company's CEO has the highest operational responsibility for ensuring that engagement with the personnel takes place and that the results are taken into consideration in the company's operating practices.

## Processes to Remediate Negative Impacts and Channels for Own Workers to Raise Concerns (S1-3)

The company's whistleblowing channel provides the opportunity to confidentially report suspected misconduct to the organization. The channel and whistleblowing instructions are available to everyone on the internal website. All whistleblower reports are processed according to a uniform model, regardless of who the whistleblower is. (Descriptions of the whistleblowing channel and the whistleblower protection process are provided in section G1-1 of this report.)

Bittium aims to communicate to employees openly and directly, especially in matters concerning the employees themselves. Development needs, potential concerns and wishes arising from the personnel are discussed in

development discussions. Supervisors are responsible for monitoring the implementation of the agreed remedies and evaluating outcomes. The employer engages in cooperation with employee representatives in accordance with the Finnish Act on Co-operation within Undertakings. One form of cooperation is dialogue aimed at developing the company's operations and workplace community and increasing the personnel's opportunities to influence matters pertaining to opportunities or concerns related to the personnel. Employee representatives also have the opportunity to raise questions or concerns related to an individual person or personnel group in discussions with the employer's representative. The personnel also have a legal right to belong to a trade union and to contact their union in matters related to any problems that may arise at the workplace. No agreements were concluded with the personnel or their representatives in 2024.

An occupational safety organization and an occupational safety committee have been established at Bittium. The key target of occupational safety and health activities is to safeguard the occupational health and work ability of Bittium's personnel. Occupational safety risks and any changes made at the workplace that support work performance must be brought to the attention of all parties concerned and always also the occupational safety and health manager and occupational safety and health representative. Employees can raise concerns about work and the working environment by contacting the occupational safety and health officer so that their concerns are addressed by the company. Occupational safety and health is also subject to oversight and regulation at the national level by occupational safety and health authorities, whom the employees can also contact. (The occupational safety and health department of the Regional State Administrative Agency).

Bittium has built an early support model that describes how to act as a company and as individuals in situations where risks or changes in the well-being of personnel or individuals are observed. The early support model is supplemented by guidelines on referral to treatment in substance abuse cases and a model for the resolution of conflicts. The occupational healthcare provider serves as Bittium's partner regarding risks and problems related to health and work ability. Bittium has prepared guidelines entitled "Conflict prevention and resolution model". The employer must address inappropriate behavior at the workplace and strive to make consistent and fair decisions to investigate matters, remedy harm and, if necessary, impose sanctions. Bittium doesn't have any specific processes by which it evaluates staff trust or awareness of its channels.

## Taking Action on Material Impacts on Own Workforce, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of Those Actions (S1-4)

Personnel with a high level of competence and well-being has been identified as an opportunity and an important competitive factor for Bittium. Bittium's personnel-related plans are used to implement strategic targets that are guided in more detail by a separate personnel strategy (for the period 2024–2025). Personnel-related actions are guided by the equality plan, the workplace community development plan – the aim of which is to develop personnel systematically and with a long-term approach – and the occupational healthcare action plan. These plans are updated and reviewed on a regular basis. The workplace community development plan was most recently updated in 2024.

Most of the work performed at Bittium is product development. The employees primarily work in projects, in which schedules and workload may vary quickly depending on the business situation and needs. Work-related risks and stress factors are also surveyed in workplace surveys carried out by the occupational healthcare partner. These surveys highlighted psychosocial stress and static work postures as issues. In response to the results, Bittium has taken increased action with regard to ergonomics and working in an open-plan office, among other considerations. Reports are prepared on the basis of workplace surveys. The reports include recommended actions. In addition, the occupational safety and health guidelines describe methods for avoiding and managing work-related risks, and the internal website provides the personnel with instructions on what to do in the event of a workplace accident or commuting accident.

All Bittium sites have rescue plans in place to reduce occupational safety risks. The physical risks associated with work tasks at Bittium are generally fairly minor, but ensuring electrical work safety requires special attention. One of the targets of Bittium's occupational safety and health action plan for 2023–2024 was to increase personnel awareness of the internal channel for reporting close calls, develop its usability and, indirectly, to improve the safety of the personnel. No observations of close calls were reported via the channel in 2024. Bittium's HR management and OHS function examine occupational accidents at regular intervals and whenever particular risks emerge.

The principles concerning the diversity of Bittium's Board of Directors have been established as part of the company's Code of Conduct and the Corporate Governance Statement. Bittium also wants to present the technology industry as an attractive option for women, who are still under-represented in this field, and to non-binary persons. For the second consecutive year, Bittium participated in the Shaking Up Tech event, where Bittium's female employees talked to young people in general upper secondary education about their work as a product developer, test engineer or UI/UX designer, for example. The most material policies with respect to impacts related to a safe, diverse and equal workplace environment are laid down in Bittium's equality plan, which is based on the Finnish Non-Discrimination Act and the Finnish Act on Equality between Women and Men. The key measures under the equality plan are focused on equal pay and career opportunities, the openness of recruitment, and systematically supporting the careers of aging employees. As the most significant measure taken in 2024, special attention was paid to gender equality in the allocation of wage adjustments in accordance with the collective agreement. The equality plan is valid until January 2026.

Working conditions have been identified as an impact related to motivation and commitment in the materiality assessment. At Bittium, most employment contracts are permanent and the reason for the temporary employment is always specified in the employment contract. Bittium's HR function monitors the number and duration of temporary employment relationships and the number of hours worked, and addresses excessive workload issues at an early stage. Bittium strives to promote work-life balance by enabling flexible working time arrangements and hybrid work as applicable (approximately 75% of the personnel can take advantage of these). Bittium supports team spirit and cohesion-building activities by organizing recreational events and parties and by enabling various activities. Actions taken regarding impacts related to physical and mental well-being include a company bicycle benefit, lunch benefit and personnel discounts, as well as culture, sports, massage, dental care and commuting benefits offered via the E-passi employee benefit platform.

Bittium's actions to promote the well-being of the personnel include the provision of occupational healthcare services that exceed the legal requirements, as well as other personnel benefits. With regard to the impacts related to working conditions and the health and safety of employees, the company regularly identifies hazards and risks related to the health, safety and occupational well-being of its personnel as part of statutory occupational healthcare. The medical care provided by the occupational healthcare partner focuses on

occupational health, and aspects related to maintaining the employee's work ability are emphasized during appointments. The purpose of health examinations is to maintain and promote the employees' work ability and health. Health examinations are carried out at the start of the employment relationship if the employee so wishes, and always when an employee performs a task that poses a particular risk of illness. In addition, health monitoring examinations and health surveys are conducted on a targeted basis for certain age groups and workplace communities, for example. Follow-up examinations are also conducted for employees with a partial disability. Occupational healthcare participates in meetings of the occupational safety and health committee upon invitation. Workplace surveys are carried out in cooperation with the occupational safety and health organization at least once every five years and in connection with significant changes. No separate measures related to occupational healthcare were agreed upon by the occupational safety and health committee in 2024.

As targeted actions concerning impacts related to personnel competence development and training, Bittium organizes regular performance reviews various training activities and learning platforms, such as Pluralsight. Bittium also provides opportunities for professional growth through Bittium's training portal (Bittium Talent Academy), for example. Bittium's target is to maintain the competence of its personnel and ensure special competence. Bittium responds to changing information security requirements by training the personnel and by participating in Finnish and international information security development projects. Online training activities are an important part of the maintenance of the Group's common basic competencies related to processes, operating practices, systems and tools, for example. In the development of skills, examples of the current themes include topics related to information security, quality systems, programming languages, working in a cloud environment, and embedded systems. A Sales Excellence training program was introduced in 2024 for people working in sales. As part of the Sales Excellence program, the company also implemented training related to contract management and Key Account Management training.

Bittium assesses the necessity and appropriateness of various actions based on, for example, the results of personnel surveys and external audits. The adequacy of the actions and the need for additional actions are regularly assessed in connection with the updating of the occupational safety and health action plan and the workplace community development plan. The personnel are consulted on themes related to equality and non-discrimination as part of the equality and non-discrimination

survey. The expenses of actions that affect the personnel are considered to be normal operating expenses and they do not require significant additional investments. All of the actions concerning the personnel cover Bittium's own personnel. For individual employees working in the United States and Germany, benefits and local measures are implemented as applicable.

## Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities (S1-5)

The company carried out a materiality assessment in 2024. As the targets for 2024 were set in 2023, there was no interaction with the materiality assessment carried out in 2024. No base year or baseline was defined for these targets. The quantitative targets set for 2024 as part of the strategy process were as follows:

Targets set in the personnel strategy:

- The number of hours worked will be higher than in 2023.
- Personnel turnover will remain below 8%.
- The sickness absence target is less than five days per year.
- The target level for personnel satisfaction is 3.8.

In 2024, the company redefined its sustainability-related targets based on the strategy and the materiality assessment carried out by the company (base year 2024). The targets set for 2025–2028 were based on the material impacts, risks and opportunities identified in the materiality assessment (base year 2025). A materiality assessment carried out in cooperation with key stakeholders has been utilized in setting targets for 2024 and the years 2025–2028, and the participation of the HR function, among others, has also been engaged. The targets apply to all of Bittium's personnel regardless of geographical regions. The strategy and the related targets and KPIs are addressed as part of statutory employer–employee cooperation, in dialogue events with employee representatives. The achievement of targets is reviewed on a monthly basis in the business segments' management teams and reported to the Board of Directors. In 2024, the KPI targets were achieved in all respects. Consequently, no significant operational improvement needs were identified.

For the period 2025–2028, Bittium has set the improvement of the well-being of its own workforce as a personnel-related target as part of its strategy work. The quantitative metrics defined for the target "Personnel with a high level of well-being

and commitment” are the development of the results of the personnel survey statement concerning personnel satisfaction and workload. The quantitative metrics defined for the target “Strong sustainability culture” are based on employee participation in sustainability training. The quantitative metrics defined for the target “Diverse and highly competent personnel” are the age distribution, gender distribution and amount of training completed.

## Characteristics of the Undertaking’s Employees (S1-6)

At the end of 2024, Bittium had 511 employees, of whom 77 (15%) were female and 434 (85%) were male. There were 486 employees in permanent employment relationships, of whom 73 were female (15%) and 413 were male (85%). The workforce decreased by 46 persons during the reporting period due to resignation, retirement or death. Eight employees were dismissed during the reporting period. Employee turnover during the reporting period was 8.0%.

There were 29 part-time employment contracts, corresponding to 4% of all employment contracts (17% female, 83% male). Full-time employment contracts represented 94% of all employment contracts (15% female, 85% male). In most cases, the reasons for the part-time employment contracts were the personnel’s own wishes for flexible working time arrangements. The percentage of non-guaranteed hours employees was 1.6% (0.2% female, 1.4% male). There were 25 employees in temporary employment relationships, of whom 4 were female (16%) and 21 were male (84%).

The information covers all employees who work for an entity that is within the scope of the company’s sustainability reporting, regardless of the geographical region. The information has been collected from the company’s HR system and provided as the head count at the end of the reporting period. The number of employees reported in the financial statements at the end of the reporting period was 511.

<b>Gender</b>	<b>Number of Employees (Head Count)</b>
Male	434
Female	77
Other	0
Total Employees	511

### 1.1.–31.12.2024

<b>Male</b>	<b>Female</b>	<b>Other</b>	<b>Not Reported</b>	<b>Total Employees</b>
Number of employed employees (headcount)				
434	77	0	0	511
Number of permanent employees (number of people)				
413	73	0	0	486
Number of temporary employees (number of people)				
21	4	0	0	25
Number of employees with variable working hours (number of people)				
7	1			8
Number of full-time employees (number of people)				
410	72			482
Number of part-time employees (number of people)				
24	5			29

## Characteristics of Non-Employee Workers in the Undertaking's Own Workforce (S1-7)

Bittium's workforce also includes non-employee workers. In addition to its own employees, Bittium has leased workers, who include people provided by undertakings primarily engaged in employment activities, subcontractors and self-employed people. Leased workers may work in assembly duties in production, subcontractors may perform design tasks in product development, and self-employed people may serve in advisory and consulting roles, for example.

Bittium had 32 non-employee workers in 2024. The information has been collected from the company's HR system and provided as the head count at the end of the reporting period.

## Diversity Metrics (S1-9)

At the end of 2024, Bittium had a total of 511 employees in Finland, Germany and the United States. 99% of the company's employees are based in Finland. The age distribution of employees is as follows: under 30 years old, 39 persons (8.0%); 30–50 years old, 291 persons (57.0%); and over 50 years old, 180 persons (35.0%). Of the employees, 77 (15%) are female and 434 (85%) are male. Of supervisors, 9 (18%) are female and 40 (82%) are male. The Management Group has 2 female members (29%) and 5 male members (71%). The Board of Directors has 1 female member (17%) and 5 male members (83%). The gender and age distribution of Bittium's employees and management is determined on the basis of information obtained from the HR system.

## Social Protection (S1-11)

All of Bittium's employees in the Finnish companies are covered by social protection, through public programs and benefits, against loss of income due to any of the following major life events: sickness, unemployment starting from when the own worker is working for the undertaking, employment injury and acquired disability, parental leave, and retirement. In the United States, social security benefits are granted by the government based on eligibility for such programs. The company also has processes related to employee compensation, disability leave and return to work. In the United States, Bittium also offers employer-supported healthcare and pension schemes, sick leave and parental leave. All employees are eligible for benefits on the basis of legislation confirmed by governments or agencies and the plan documents of employer-supported schemes. Social security in Germany comprises five statutory areas: health insurance, long-term care insurance, pension insurance, accident insurance and

unemployment insurance. EU legislation safeguards the right to take parental leave, carers' leave and holidays.

The information related to S1-11 is based on the background assumption that the level of social protection established by Finnish national legislation is sufficient to cover the needs of social protection arising from significant life events. For persons working outside Finland, the information has been obtained from the party responsible for the personnel in the United States and, for Germany, the information is based on material provided by the auditor and accounting firm.

## Training and Skills Development Metrics (S1-13)

In 2024 the number of days of training was 750 which corresponds to an average of 1.5 days per worker. This includes both internal and external training as well as orientation training and independent study. Internal training may also involve on-the-job learning and the sharing of expertise, and external training may involve independent study.

Approximately 60 % of the personnel participated in training in 2024. Total participation in training amounted to 5,600 hours (11,0 hours per person on average). For women, training participation amounted to 1,600 hours (21.2 hours per person on average). For men, training participation amounted to 4000 hours (9.2 hours per person on average).

Performance reviews are conducted annually at Bittium. Of the personnel, 83% participated in regular performance reviews: 66% of women (51 persons) and 86% of men (372 persons, total 423 persons). Bittium employees' participation in training and performance reviews is documented and reported on the basis of the data obtained from the HR system.

## Health and Safety Metrics (S1-14)

All Bittium employees in the Finnish companies (100%) are covered by an occupational health and safety management system that takes into account the requirements of the Finnish Occupational Health Care Act. All Bittium sites in Finland have appropriate safety plans in place. Employees can report potential safety-related observations and close calls via a reporting channel provided specifically for reporting close calls. No observations of close calls were reported via the channel in 2024. Bittium did not have any recordable work-related ill health among its employees or cases subject to legal restrictions on the collection of data.

The number of safety observations and close calls reported in Bittium's Finnish companies in 2024 was zero. There were 6 reported work-related accidents or commuting accidents, one of which resulted in temporary disability, but no liability for

compensation pursuant to the legislation governing work-related accidents and occupational diseases. The rate of recordable occupational accidents was 6.2 (calculated per million working hours). There were no work-related fatalities. For the company's employees, the number of days lost due to work-related injuries and work-related ill health was 28.

## Remuneration Metrics (Pay Gap and Total Remuneration) (S1-16)

The gender pay gap for all Bittium Group employees in 2024 is 4.7%. The calculation is based on the employees' last day's salary, plus any external bonuses and bonuses paid during the year, as well as holiday pay. This includes all Bittium employees on the last day of the year from all countries including CEO of the company.

The annual total remuneration ratio between the highest-paid employee and the median salary is 5.7. This is calculated as the ratio of the highest-paid employee's base salary to the median base salary of all employees (excluding the highest-paid employee).

Bittium also analyses the implementation of pay equality according to the job's complexity and job profile.



# ESRS S2 – Workers in the Value Chain

## Material Impacts, Risks and Opportunities

### S2. Workers in the Value Chain

Sub-topic and sub-sub-topic	Description	Negative/ Positive/Risk/ Opportunity	Stage of the value chain affected	Time horizon
<b>Other work-related rights:</b> Forced labor	Potential human rights violations (child labor, forced labor, poor working conditions) in Bittium's value chain may lead to significant financial consequences and reputational damage to Bittium through changes in customer or supplier relationships, for example.	Actual financial risk and potential negative human rights impact	Upstream	All

## Use of Transitional Provisions According to ESRS 1 Appendix C

Bittium has decided to apply the transitional provision according to ESRS 1 Appendix C with regard to information under the S2 standard, and Bittium discloses that part of the sustainability topics under S2 have been assessed to be material on the basis of the company's materiality assessment. Bittium will provide a brief description of how the company's impacts related to these matters are taken into account in the business model and strategy. This reporting according to minimum disclosure requirements also includes a brief description of the following aspects of the matters in question: Bittium's time-bound targets and progress towards them; Bittium's policies and actions that have been taken to prevent, mitigate, remediate or eliminate the actual or potential adverse impacts; the results of such actions; and the metrics relevant to the matters in question.

## Material Sustainability Matters Related to Workers in the Value Chain

The workers in Bittium's value chain consist of workers employed by suppliers of goods. Most of them engage in the manufacturing of components required for production operations, their transport, or primary production activities that are indirectly linked to the components. Bittium's value chain also includes people working in outsourced services, such as cleaning, occupational healthcare and transport services, and seasonal additional workforce acquired through outsourced services, such as consultants.

The following risk emerged as material in the process of identifying and assessing Bittium's material impacts, risks and opportunities:

Sub-topic	Sub-sub-topic	Impact, risk or opportunity
Other work-related rights	Forced labor	Potential human rights violations (such as child labor, forced labor, poor working conditions) in Bittium's value chain may lead to significant financial consequences and reputational damage to Bittium through changes in customer or supplier relationships, for example. (Upstream, risk)

The materiality assessment found that human rights violations could occur in Bittium's supply chain, especially if the minerals used in the products originated from conflict or high-risk areas. A significant proportion of the components purchased by Bittium originate from China, where human rights violations have been identified by international human rights organizations among many operators involved in primary

production and further processing. The significance of monitoring is emphasized in high-risk areas, as insufficient visibility into the working conditions of value chain workers increases risks. Although information is required from suppliers, verifying its accuracy is challenging. (a more detailed description of the process to identify and assess material impacts, risks and opportunities is provided in section ESRS 2.)

The procurement of components is a key part of Bittium's business model. The large number of external suppliers and the significant number of procurements increase the risk of shortcomings in parts of the supply chain, such as human rights violations, even though Bittium's new supplier evaluation and continuous monitoring of previously approved suppliers includes the assessment of the suppliers' compliance with labor laws and regulations. Production volumes are expected to increase as Bittium's growth strategy is implemented, which may create a risk of increased work-related injuries or other health risks.

At the same time, pursuing more scalable production by investing in the automation of suppliers' production activities will lead to the streamlining of operations, which will presumably lead not only to productivity growth and the increased precision of work but also to reduced stress on workers and better working conditions. In the value chain, these impacts would apply to component production, and they would not affect operators in the downstream value chain, such as the employees of transport companies, to the same extent. With regard to the identified risk, the highlighted issues included taking human rights into account throughout the value chain, particularly through procurement, and the policies related to these. When Bittium ensures that workers in the supply chain are provided with training and instructions as appropriately as possible, the supply chain can become more flexible and adaptable to changes. Procurement-related policies are aimed at preventing the use of forced labor and child labor in the value chain and promote good working conditions. By seeing to the promotion of the well-being, working conditions and occupational safety of suppliers' workers, Bittium aims to enable the ethical operation of its supply chains, which may have positive impacts on the brand and Bittium's ability to attract customers.

## Targets Related to the Material Sustainability Matters

Bittium did not have any time-bound or outcome-oriented targets related to value chain workers in 2024. In its sustainability strategy, the company has set targets for its sustainability efforts for the period 2025–2028. Bittium's

management and persons in charge of various functions have been engaged in the company's strategy work and target-setting. Bittium has set a long-term target of safeguarding the working conditions and rights of value chain workers. The development of supplier relationships from a sustainability perspective is among the company's planned measures for 2025. Bittium's goal is for the sustainability strategy to guide the procurement strategy and for sustainability to be integrated into procurement functions and processes.

Bittium's time-bound and outcome-oriented target is to implement regular sustainability assessments of the entire supply chain by 2027. Ensuring sustainability and ethics in supply chains even more effectively through the appropriate implementation of assessment processes is an action that is related to this target. For 2025, Bittium has set a continuing the identification of risks related to the working conditions of value chain workers and safeguarding their rights for the company's identified critical suppliers. The metric that will be used to assess this target is the number of audits conducted and the number of audited suppliers. All targets related to Bittium's value chain workers cover the company's own operations and value chain and the related relevant geographical regions. The year 2024 will be used as the base year for assessing progress. In setting the targets, Bittium utilized the impacts related to its value chain based on the challenges identified in the double materiality assessment relating to the transparency of value chain impacts and data collection, among other things.

## Policies Related to the Material Sustainability Matters

Bittium is committed to operating in accordance with the policies and values described in its Code of Conduct. Identified critical suppliers of services and products are required to make a commitment to sustainable business practices and they must comply with Bittium's Code of Conduct as well as Bittium's supplier guidelines and the Bittium Supplier Manual. The guidelines include the key policies, practices, and requirements for Bittium's supply chain. The requirements laid down in the Code of Conduct and the Bittium Supplier Manual are related, among other things, to business practices, anti-corruption, the prohibition of child labor and forced labor, environmental issues, occupational safety and human rights, including material-specific requirements. The policies are part of Bittium's quality management, environmental management and information security management systems. The supplier's commitment to ethical conduct, compliance with the applicable national and international laws, and respecting human rights are prerequisites for supplier approval. Bittium's

Code of Conduct includes a commitment to complying with the International Labour Organization (ILO) Convention and the UN Convention on the Rights of the Child and the Universal Declaration of Human Rights.

Bittium's Code of Conduct and contractual terms cover the upstream and downstream value chain participants and all geographical regions from which Bittium makes purchases. Bittium's Code of Conduct and Supplier Manual are publicly available to all stakeholders on the company's website. The CEO, the Board of Directors and the operational management of the business segments are in charge of the implementation of Bittium's policies, but the entire organization participates in putting the policies into action. Bittium has integrated ethical and social perspectives into its procurement process. The company strives to promote social responsibility, which is also required of the company's identified critical supplier partners. Bittium has comprehensive procurement-related guidelines (Bittium Procurement Policy) in place, which specify aspects related to the ethical and sustainable perspectives of procurement and supply chain risk management, among other topics. The documents that guide the selection of suppliers of goods and services and their quality control include various supplier checklists, evaluation lists, manuals and general terms of agreement.

## Actions and Resources Related to the Material Sustainability Matters

Bittium has drawn up contractual terms for its identified critical suppliers of goods and services. The aim is to apply these contractual terms to purchase orders placed by Bittium. The degree of application depends on the degree of approval of the supplier's agreement. The general terms include, for example, terms pertaining to the avoidance of counterfeit materials, conflict minerals, certificates of conformity, the prevention of corruption and compliance with trade rules. In 2024, Bittium requested additional assurance from the identified critical suppliers to confirm that they do not use materials originating from Russia or Belarus in their production.

With regard to the material risks concerning Bittium's value chain workers and the management of these risks, the selection of identified critical suppliers plays a key role in ensuring that the selected suppliers are companies that operate sustainably and treat their workforce well, taking human rights perspectives into consideration. Bittium has a supplier selection process in place to support this. Supplier-related risks are monitored and managed on a continuous basis. As part of the continuous management of the supplier base, Bittium conducts audits mainly in response to identified



risks or performance deficiencies and whenever Bittium's needs or the supplier's offering and capabilities change. When it is deemed necessary, Bittium establishes a regular audit routine for a supplier.

To promote more effective management of the supplier base and supplier data, Bittium continued to develop its supplier management tool in 2024. Although the most significant human rights risks are concentrated in the upstream value chain, operators in the downstream value chain, such as transport service providers, are also required to provide reports on matters such as working conditions and safety. However, some requirements may not apply to all suppliers. In its supplier assessments, Bittium determines whether there are sector-specific requirements that cannot be applied due to the sector. Bittium was not informed of any human rights violations in its value chain in 2024.

The supplier is required to have an up-to-date and documented risk management system that is used to ensure that risks are effectively identified, analyzed, managed, prevented and monitored. Bittium's critical suppliers are required to have documented occupational safety methods and practices, as well as documented and implemented safety principles that cover buildings, employees, functions, documents and information systems. Bittium requires its identified critical suppliers to have an up-to-date, documented quality management system to ensure efficient planning, management and control of quality. The quality management system must satisfy the requirements of the ISO 9001, AQAP 2110 or ISO 13485 standard or other internationally recognized standard or regulation applicable to Bittium's business, such as ISO 27001 or the Medical Device Regulation (MDR). Suppliers are required to have a documented internal audit program for their quality management system and operations. Matters related to suppliers' workers are documented in the General Purchase Agreement concluded with identified critical suppliers or a corresponding agreement, and compliance with the provisions in question is assessed and evaluated in connection with supplier visits and audits (using the Bittium Supplier Audit Assessment Checklist, for example). The audit is initially carried out as a self-assessment against Bittium's supplier requirements, followed by a review of additional clarifications with the supplier. If necessary, the supplier may be audited on-site by Bittium. A total of six supplier audits and six self-assessments were conducted in 2024.

Bittium's whistleblowing channel also provides value chain workers with the opportunity to report suspected misconduct to Bittium confidentially. In 2024, one whistleblowing report was made concerning the value chain, and it was addressed by

taking appropriate measures. A more detailed description of the channel is provided in section G1.

## Metrics Related to the Material Sustainability Matters

Bittium's supplier engagement takes place both during the supplier selection process and subsequently in connection with quality monitoring activities, such as audits. This makes it possible to identify and measure any experiences and improvements related to value chain workers that may have been gained as a result of the activities. Compliance with Bittium's guidelines related to suppliers was assessed in 2024 by means of supplier self-assessments and audits of critical suppliers. Bittium has not been informed of any incidents related to workers in the upstream or downstream value chain that would involve non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises. In 2024, no violations or non-conformities related to the use of child labor, forced labor, inappropriate disciplinary action, physical punishment, or health-related discriminatory practices were observed in Bittium's or its subcontractors' operations.

Bittium audits its identified critical production material suppliers on a regular basis in accordance with the annual Supplier Audit Plan. The well-being, working conditions and occupational safety of the suppliers' workers are also assessed in connection with the supplier audits (Bittium Supplier Audit Assessment Checklist). If any shortcomings are observed in the aforementioned areas, the supplier is urged to provide remedy and verification for it. The metric used is the number of observed shortcomings. Supplier compliance is verified by means of supplier surveys, requested supplier self-assessments and audits conducted by Bittium or a third party. Bittium may conduct a supplier audit, which covers the management system, technology, process or product and the safety management system. Bittium has set a long-term target of safeguarding the working conditions and rights of value chain workers. The metric that will be used to assess this target is the number of audits conducted and the number of audited suppliers. The company will continue to review these systematically in 2025.

## ESRS S4 – Consumers and End-Users



### Material Impacts, Risks and Opportunities

#### S4. Consumers and End-Users

Sub-topic and sub-sub-topic	Description	Negative/ Positive/ Risk/ Opportunity	Stage of the value chain affected	Time horizon
<b>Personal safety of consumers or end-users:</b> Health and safety	Potential reputational risk if any deviations in product safety that cause hazardous incidents were to be detected.	Actual financial risk	Own operations Downstream	All
	Negative impacts on customer satisfaction, customer and stakeholder perceptions and, consequently, direct financial effects if perceived quality does not correspond to customer requirements.	Actual financial risk	Own operations Downstream	All
	Improving the health and safety of customers with Bittium's technology products that promote healthcare.	Actual opportunity	Own operations Downstream	All
<b>Information-related impacts on consumers and/or end-users:</b> Privacy	A significant reputational risk if information security deficiencies were to be detected in the company's operations or products. Such deficiencies may also lead to legal consequences or the termination of customer relationships.	Actual financial risk	Own operations Downstream	All
	The increase in information security threats and the tightening security climate increase the demand for secure products and lead to a situation where taking information security and data protection into consideration in product development is a key opportunity for Bittium in all of its businesses.	Actual opportunity	Own operations Downstream	All
<b>Information-related impacts on consumers and/or end-users:</b> Availability of high-quality information	Unclear or incomplete product information or labeling may affect customers' understanding of the use of products and indirectly affect their safety, as well as reduce customer satisfaction.	Actual negative impact	Own operations Downstream	All

## Use of Transitional Provisions According to ESRS 1 Appendix C

Bittium has decided to apply the transitional provision according to ESRS 1 Appendix C with regard to information under the S4 standard. In this reporting according to minimum disclosure requirements, Bittium will describe the sub-topics that have been assessed as material and provide a brief description of how the company's impacts related to these matters are taken into account in the company's business model and strategy. The reporting according to minimum disclosure requirements also includes a brief description of time-bound targets and Bittium's policies, actions and metrics related to the matters in question.

Sub-topic	Sub-sub-topic	Impact, risk or opportunity
Personal safety of consumers or end-users	Health and safety	Negative impacts on customer satisfaction, customer and stakeholder perceptions and, consequently, direct financial effects if perceived quality does not correspond to customer requirements. (Own operations, downstream, risk)
Personal safety of consumers or end-users	Health and safety	Potential reputational risk if any deviations in product safety that cause hazardous incidents were to be detected. (Own operations, downstream, risk)
Personal safety of consumers or end-users	Health and safety	Improving the health and safety of customers with Bittium's technology products that promote healthcare. (Own operations, downstream, opportunity)
Information-related impacts on consumers and/or end-users	Privacy	A significant reputational risk if information security deficiencies were to be detected in the company's operations or products. Such deficiencies may also lead to legal consequences or the termination of customer relationships. (Own operations, downstream, risk)
Information-related impacts on consumers and/or end-users	Privacy	The increase in information security threats and the tightening security climate increase the demand for secure products and lead to a situation where taking information security and data protection into consideration in product development is a key opportunity for Bittium in all of its businesses. (Own operations, downstream, opportunity)
Information-related impacts on consumers and/or end-users	Availability of high-quality information	Unclear or incomplete product information or labeling may affect customers' understanding of the use of products and indirectly affect their safety, as well as reduce customer satisfaction. (Own operations, downstream, negative impact)

Bittium has a broad customer base of consumers and end-users who use the defense industry products, communication and connectivity solutions and biosignal measurement and monitoring solutions developed by the company. Risks related to the health and safety of consumers and end-users are linked to Bittium's business through product quality and safety. At the same time, improving consumer and end-user health and safety with the help of Bittium's products that promote information security, communication solutions and healthcare create a business opportunity for the company. Bittium complies with product liability regulations in its operations, including requirements that are specific to the target markets of the products. The relationship of the impacts, risks and opportunities to the business model and strategy is described for individual impacts, risks and opportunities in section ESRS 2 SBM-3.

## Material Sustainability Matters Related to Consumers and End-Users

In the double materiality assessment process carried out in spring 2024, S4 Consumers and end-users was identified as a material sustainability matter at the level of the following sub-topics: Personal safety of consumers and end-users and Information-related impacts on consumers and/or end-users. A more detailed description of the process to identify and assess material impacts, risks and opportunities is provided in section ESRS 2 IRO-1.

With regard to the Medical and Defense & Security business segments, the strategy emphasizes the continuous improvement of product competitiveness and productivity, the development of quality and the efficiency of operations, as well as the utilization of development cooperation between companies. High-quality product information is also an integral part of quality. The absence or lack of clarity of product information would have a negative impact on the customers' understanding of the use of the product and an indirect impact on customer safety. The absence of high-quality product information would reduce customer satisfaction.

The significant change in patient care that is under way in healthcare technology is highlighted in Bittium's strategy. The development of early-stage diagnostics and the increasing use of early discharge practices increase the efficiency of healthcare processes and improve the care experience. Bittium



can promote the personal health and safety of consumers and end-users by enabling accurate monitoring and measurement in home conditions through remote monitoring solutions.

The development of the information security of Bittium's own products and new technology has an impact on the privacy of customers and end-users through information security and data protection, contributing to the prevention of threats to data and national security. In product development service projects, information security and confidentiality are important considerations right from the start of the design stage. The company is known for its information security expertise, secure products for the defense and security industry, and medical devices. For this reason, Bittium would incur a significant reputational risk if information security deficiencies were to be detected in the company's operations or products. The increase in information security threats and the tightening security climate increase the demand for secure devices, which means that the secure products offered by Bittium create business opportunities and a competitive advantage relative to other operators in the industry.

## Targets Related to the Material Sustainability Matters

Bittium's target is to maintain a high level of customer satisfaction. To achieve this target, Bittium continuously develops its processes and systems. Bittium is committed to comprehensive quality assurance to ensure that the company's products and related product information meet customer expectations and the requirements of the applicable regulations and standards. Confidential customer relationships and safety are part of Bittium's sustainability strategy, which has been updated for the period 2025–2028 and which aims to take into account the company's customers and health and safety.

Customer and project satisfaction are measured and monitored by means of customer satisfaction surveys and the project satisfaction NPS (Net Promoter Score). The achievement of targets and the agreed-upon development measures are monitored in quarterly personnel briefings for the company's entire personnel. The Board of Directors monitors the achievement of outcomes and targets annually. The NPS target for 2024 was set at 40, which is a very high customer satisfaction score. This target was achieved in both customer satisfaction and project satisfaction measurements. At Bittium, the most senior level in the organization that is responsible for the implementation of policies and processes related to customer satisfaction and customer cooperation is

the company's CEO and the members of the Management Group.

Bittium did not have any time-bound targets for 2024 with regard to promoting the quality of services and products. Bittium began surveying the life-cycle data of the company's products for the digital product passport in 2024. This will increase transparency in the supply chain and contribute to the availability of high-quality product information. Progress towards this target was made with regard to one key product in the Defense & Security and Medical business segments. This work will continue in 2025 with the target of expanding the number of products for which life-cycle data is collected. Product information has also been improved by developing the management of material databases.

Bittium's target is to have secure products and to strengthen its role in the identification of information security threats and the utilization of data. Bittium does not have time-bound targets related to information security threats. Bittium has defined four themes for the process of monitoring non-time-bound targets related to information security threats: 1) compliance with information security certificates and the information security of operations, 2) situational awareness of information security and the capacity to detect deviations, 3) business continuity management, and 4) information security of the company's own products and new technologies. Progress towards these targets is monitored in the annual management review.

Maintaining the personnel's information security and data protection competence and increasing special expertise has been highlighted as one of Bittium's key targets. Bittium aims to strengthen its role in the recognition of information security threats and in the utilization of information together with its stakeholders, and the company also aims to participate in the information security development projects and key forums of the EU and other parties. Information security training for the personnel is part of mandatory recurring training. Bittium began updating the information security training in 2024 and will start the monitoring of the new training in 2025. With regard to the policy concerning risk management, Bittium set a target of fulfilling the requirements of the international ISO 27001 information security certificate in 2024. This target was accomplished, and the achievement of the target was verified by means of an external audit.

## Policies Related to the Material Sustainability Matters

The policies that guide Bittium's operations in relation to consumers and end-users include the company's Code of

Conduct, sustainability policy, the Group's quality policy and the Medical business segment's own quality policy, which takes into account the specific needs of the sector in question. The Code of Conduct and the sustainability policy define Bittium's general principles for sustainable business conduct, such as respecting human rights, ensuring information security and data quality, as well as ensuring information security in the work environment and workplace atmosphere, environmental responsibility and the management of supplier relationships.

The target of Bittium's quality policy is to achieve customer satisfaction through the good quality of products and services. Bittium aims to ensure the successful implementation of its policies by means of certified management systems and the requirements established by them. According to the quality policy of the Medical business segment, Bittium complies with the Medical Devices Regulation (MDR (EU) 2017/745), which governs the design, development and production of medical devices as well as their life cycle management.

Bittium's key policies related to information security and data protection are the company's information security policy and its sub-policies. The policies define the company's approach to maintaining confidential customer relationships, manufacturing safe and secure products, and collecting, storing and using confidential or proprietary information. Bittium has drawn up business continuity plans to ensure that the company is able to continue its operations even during and after serious disruptions. The purpose of Bittium's Disaster Recovery Plan is to minimize the impacts of potential disasters and limit the duration of recovery in order to maintain business continuity.

## Actions Related to the Material Sustainability Matters

### Ensuring Product Safety

Bittium sees to the health and safety of consumers and end-users by ensuring the safety of the Bittium's products and, in product development, by systematically assessing the risks related to each product and its life-cycle, the safety of the materials and components used in the product and the information security aspects of the product. In Europe, Bittium's products are required to have CE marking and a related declaration of conformity. Actions related to consumers and end-users are assessed, reviewed or audited on a regular basis in accordance with internal practices as part of the internal requirements of Bittium's product development processes. Bittium trains its personnel on product liability.

All of Bittium's medical devices are designed with user safety (patient safety) in mind, and they comply with the requirements of either the EU Medical Device Regulation (MDR), which entered into force on May 26, 2021, or its predecessor, the Medical Device Directive (MDD), which is in force until 2028. In 2024, Bittium made progress as planned in obtaining product approvals for its products in accordance with the MDR. In 2024, Bittium focused on increasing its regulatory competence related to medical devices and began to systematically review and update product information as part of continuous quality management measures.

In order to ensure the information security of its product information, Bittium uses layered security methods that cover all areas of the infrastructure, from networks to terminal devices. Bittium monitors the availability and quality of product information through customer correspondence, an annual customer satisfaction survey and relevant quality and safety requirements.

### Audits, Compliance Monitoring and Management Review

In relation to compliance in quality management, the company conducts a regular management review. Feedback obtained from the management review is used in the development of Bittium's operations and processes. The focus of the management review conducted in 2024 was on updated business processes and policies. The management review also covers internal or customer-related operations, products and services and their quality.

Bittium conducts extensive external and internal audits to ensure the quality of its products and processes. Annual internal audits are carried out at Bittium on the ISO 9001 and ISO 13485 standards. Bittium is also audited or assessed by customers and by means of annual external audits of management systems. Bittium's external management system audits include Group-level ISO 9001, ISO 14001, ISO 50001, ISO 27001, ISO 13485 and AQAP 2110 audits carried out by KIWA (Inspecta), and ISO 13485, MDR 2017/745, MDSAP and MDR-M 75 audits carried out by Eurofins. The external auditing activities carried out in 2024 identified not only numerous positive quality-related factors but also areas for development. In addition, a few deviations were detected in relation to the Medical business segment's processes. These deviations currently being addressed.

### Training and Development Projects

In the development of customer service and customer cooperation skills, examples of the current themes include topics related to information security, quality management systems, programming languages, working in a cloud environment, and embedded systems. A Sales Excellence

training program was introduced in 2024 for people working in sales. In 2024, the company continued to use an online learning platform where employees can participate in high-quality mini webinars focused on information security and data protection. Bittium's target is to promote continuous on-the-job learning among its personnel with regard to the identification of information security threats and the utilization of information.

### Strengthening Information Security and Data Protection

Bittium has a comprehensive range of data protection and information security measures and methods in place to protect the business secrets and professional secrets of Bittium and its customers, as well as the privacy of customers. Examples of these measures and methods include firewall and endpoint security software, the encryption of data communications, multi-factor authentication and access management, regular information security updates, vulnerability scanning, an SIEM system and SOC services. Bittium has access to the company's own VPN encryption product, which has quantum security capabilities, and a NATO-approved secure phone that the company can use to leverage material opportunities related to information security and data protection.

In 2024, Bittium took the following actions to manage negative and positive impacts related to information security and data protection:

- Transitioning to the updated version of the ISO 27001:22 standard.
- Complementing information security training by participating in the national TAISTO exercise.
- Publication of the Post-Quantum Cryptography (PQC) ML-KEM algorithm standardized by the U.S. National Institute of Standards and Technology (NIST) for the Bittium SafeMove® Mobile VPN software used for the encryption of communications.
- Updating information security risk management by combining it with the management of other business risks.
- Starting the technology upgrade of network infrastructure.
- Decision on joining the Hyöky service and its deployment. The Hyöky service is the Finnish National Cyber Security Centre's attack surface survey service. Joining the service promotes the achievement of the goals of the policy that relates to risk management.

## Metrics Related to the Material Sustainability Matters

Bittium measures customer satisfaction by means of two different types of surveys: For customer satisfaction, the assessed areas are the smoothness of cooperation, Bittium's ability to understand the customer, and satisfaction with the quality of products and services. For project satisfaction, the key areas are the success of project management, the functioning and quality of technical solutions, and the outcome of the project. Both surveys provide information on deviations and product and service quality, which are measured by the number of severe defects in each business area. No severe quality defects were observed in 2024.

Bittium uses NPS (Net Promoter Score) to measure customer satisfaction. For 2024, the target NPS measured in both customer and project satisfaction surveys was set at 40, which is higher than the average NPS among technology companies. In 2024, the customer satisfaction survey NPS was 48 and the project satisfaction NPS was 73, which meant that the targets set for the year were exceeded.

Bittium's metrics related to consumer and end-user health and safety are based on monthly internal quality management reporting to the Quality Board. The realization of patient safety among Bittium's customers and end-users is measured by means of the quality and safety requirements of the ISO 13485 standard. Compliance with regard to the quality of product information is measured by means of various audits and other requirements. Feedback concerning the improvement of product information has also been obtained from the customer satisfaction survey and, in 2024, the company started updating product information to improve quality.

The privacy of consumers and end-users in terms of information security and data protection is measured by means of the ISO/IEC 27001:2013 information security certificate. A valid certificate demonstrates that the organization has adopted known best practices for securing its business operations and the information it processes and for managing information security risks. The validity of the certificate must be maintained on a continuous basis. The certificate also requires continuous and regular monitoring, measurement and analysis of data on information security, such as the number and nature of information security incidents, the effectiveness of risk management measures and the effectiveness of controls related to information security and data protection. No actual adverse information security incidents were identified in 2024.

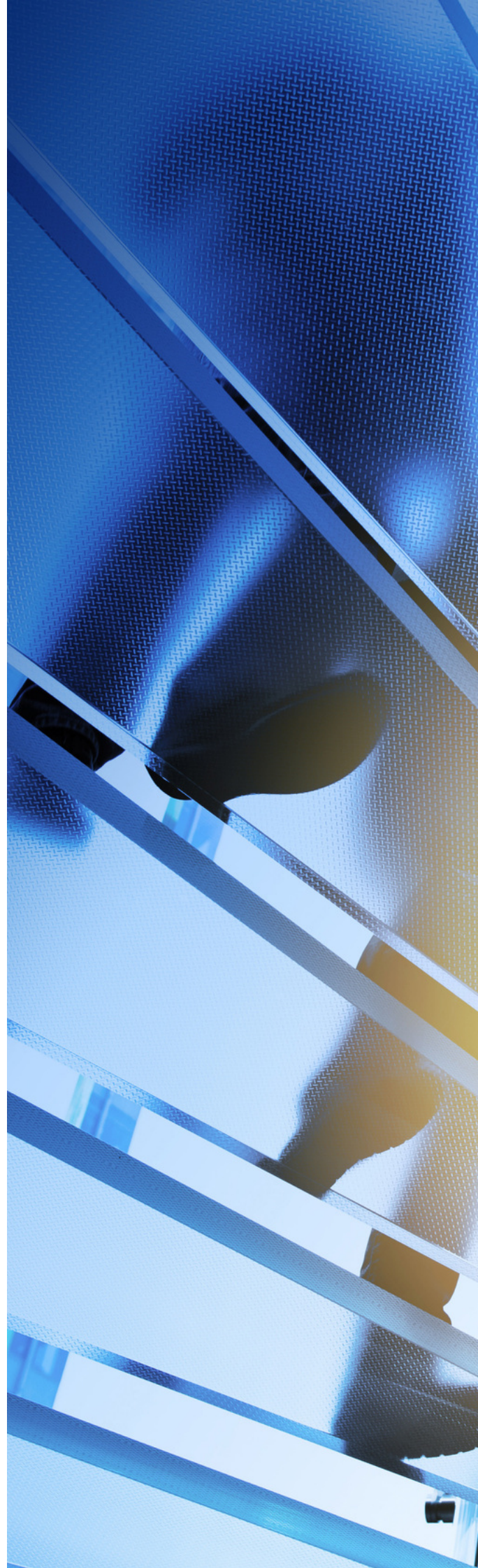


# Governance Information

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# ESRS G1 – Governance Information



## Material Impacts, Risks and Opportunities

### G1. Business Conduct

Sub-topic and sub-sub-topic	Description	Negative/Positive/Risk/Opportunity	Stage of the value chain affected	Time horizon
<b>Corporate culture</b>	Operational risk and reputational risk if the corporate culture or the management of sustainability risks does not take into account increasing stakeholder requirements or if the company does not react to changes in legislation and regulations quickly enough.	Actual financial risk	Own operations	All
	A potential competitive advantage through favorable customer and stakeholder perceptions and innovations, if sustainability can be linked to the strategy and thus exceed the minimum requirements.	Opportunity	Own operations Downstream	Medium
	R&D cooperation with partners increases innovation, expands the competence of Bittium's own personnel and promotes business opportunities by improving stakeholder perceptions.	Actual opportunity	Own operations	All
<b>Management of relationships with suppliers, including payment practices</b>	Ensuring the sustainability of the supply chain through supplier requirements, audits and surveys of materials, engaging the personnel's commitment to the principles of sustainable procurement, and also taking sustainability into account in the subcontracting of personnel.	Actual positive impact	Upstream Own operations	All
	Potential reputational risk if there were to be sustainability-related violations in the supply chain, such as adverse environmental incidents or negative human rights impacts.	Actual financial risk and potential negative human rights impact	Upstream Own operations	All
<b>Political influence and lobbying activities</b>	The potential to grow the business even in the short term due to the changed geopolitical climate and increased information security threats.	Actual opportunity	Own operations Downstream	All
<b>Corruption and bribery: Incidents</b>	Potential reputational risk if violations related to corruption and bribery were to occur in the company's own operations or supply chain.	Actual financial risk	Upstream Own operations	All



## Business Conduct Policies and Corporate Culture (G1-1)

In the double materiality assessment process carried out in spring 2024, a material corporate culture-related sustainability matter identified at the sub-topic level was the operational risk concerning the company's own operations and the reputational risk that would arise if the corporate culture or the management of sustainability risks did not take into account increasing stakeholder requirements or if the company did not react to changes in legislation and regulations quickly enough. As an opportunity related to corporate culture, Bittium identified R&D cooperation with partners, which increases innovation, expands the competence of Bittium's own personnel and promotes business opportunities by improving stakeholder perceptions. The opportunity applies to both Bittium's own operations and the upstream value chain. A potential competitive advantage was identified through favorable customer and stakeholder perceptions and innovations, if sustainability can be linked to the strategy and thus exceed the minimum requirements. This positive impact is realized in Bittium's own operations and the downstream value chain.

Bittium's guiding principles are divided into the company's strategy, values and Code of Conduct, as well as the mission and vision. Bittium's values are innovation, courage and trust. The company expects its personnel to act in accordance with its values. Customers and other stakeholders can also expect the company to act in accordance with its values. The extent to which the values are reflected in the company's operations is measured by means of annual personnel surveys and customer satisfaction surveys. Bittium's mission is to utilize world-class expertise and innovation to enable secure embedded technology for the benefit of people and societies. The company's vision is to become a global player in building embedded secure technology solutions within complex environments.

Good governance and ethical principles are the foundation of Bittium's operations and a prerequisite of business. It is vital for the company that its customers and other stakeholders have trust in Bittium, its product quality and sustainable development. Compliance has been taken into consideration at every level of the company's organization to ensure compliance with the applicable laws, regulations, internal guidelines, business sustainability requirements and ethical values. Bittium's corporate culture is developed regularly as part of the company's strategy work and evaluated as part of the monitoring of metrics related to the implementation of the strategy. The development of the corporate culture is the

responsibility of the Board of Directors, the CEO, the Management Group and the management of the business segments.

Bittium sees to the competence of its personnel by means of orientation training, needs-driven training (e.g. sales training) and leadership training, and by supporting the individual competence development needs of the personnel. Competence development is also supported by diverse work, job rotation, mentoring and learning while working. The maintenance of competence also includes mandatory recurring training courses that are primarily completed in an online learning environment. The recurring training courses are related to information security, legal compliance, anti-corruption and product safety. The implementation of the training programs is monitored on a regular basis. Competence development needs are assessed from the perspective of business needs and the competence strategy. Funds are budgeted for training each year. Decisions on the use of training budgets are ultimately made by the management of the business segments. Training is organized for all personnel groups and organizational levels according to work tasks and roles. The content of orientation training and recurring training is the responsibility of the designated owner of the subject or the function concerned. The high-level responsibility for maintaining the training register and the orientation training process lies with the HR function. A training register with information on all completed training activities is accessible via the HR information management tool.

All of Bittium's policies presented in connection with the G1 standard cover the entire company's operations and the value chain to the extent that they have an impact on the value chain. Bittium's Board of Directors is the highest body in the organization that has approved all of the company's policies.

### **The Functions Within the Undertaking that Are Most at Risk in Respect of Corruption and Bribery**

Bittium has a Group-wide management system that includes anti-corruption control methods applicable to all business segments, as well as anti-corruption guidelines that apply to the entire personnel. Bittium's anti-corruption policies are described in more detail in the following documents: Anti-Corruption Code of Conduct for Third Parties, which provides guidelines for value chain participants, such as suppliers of goods and services, and the Anti-Corruption Code of Conduct – Internal Use, which provides guidance to the company's own personnel with regard to the identification and prevention of corruption and bribery. The content of these policies is aligned with the UN Convention against Corruption. The personnel are required to complete a mandatory self-study module on this

subject (Legal - Anti-Bribery Training Self-Study). The company has a whistleblowing channel for reporting potential observations related to corruption or bribery.

Bittium recognizes that, due to its business strategy, the Defense & Security business segment is an attractive target for bribery attempts and, consequently, at risk of corruption or corporate espionage. The business segment provides the defense sector and government officials with communication systems and information security solutions, among other things. Stakeholders related to these products and services are also at risk in respect of corruption and bribery. According to the company's assessment, the assumed target of bribery attempts is business secrets related to Bittium's technical capabilities and, potentially, other confidential customer data or information on the public authorities that is in Bittium's possession. In Bittium's organization, the most significant personnel group at risk of bribery consists of those with access to technical know-how or other confidential information that provides a competitive advantage, such as executives, product managers, salespersons and possibly also system architects for security solutions and system administrators for IT services.

Corruption related to Bittium's procurement activities is considered unlikely. Procurement functions are well-controlled internally. In general, Bittium's risk of corruption and bribery related to products, services or technical solutions is considered to be low. A more significant likely risk is that familiar operators are unintentionally favored in cooperation with domestic stakeholders. Policies related to the prevention of corruption are described in more detail in section G1-3 of this report.

### **Research and Development Cooperation as Part of Corporate Culture**

R&D cooperation with companies and research institutes is an integral part of Bittium's corporate culture and operations. R&D cooperation projects generate innovations related to information security or well-being, for example. They also contribute to the development of personnel competence and promote business opportunities. Bittium's participation in domestic, European and international information security development projects may have an impact on stakeholders and provide the company with access to diverse know-how. Through R&D cooperation, Bittium aims to promote innovation and improve the industry's overall competitiveness through high-quality products. Bittium's cooperation with educational institutions promotes awareness of information security among students and teachers and provides the company with the opportunity to contribute to building a sustainable society.

The policies applicable to R&D cooperation are Bittium's Code of Conduct and sustainability policy.

The R&D roadmaps for Bittium's R&D cooperation are created in connection with the preparation of the company's strategy and published as part of the company's strategy. Bittium evaluates the results of R&D activities and related costs on a monthly basis, and R&D support is evaluated in research reports submitted to the company's Board of Directors. Selected representatives of the business segments meet on a monthly basis in the Research Board to review the status of new and ongoing research projects and any changes to the R&D roadmaps. Bittium's research projects are connected to the businesses' future technology needs.

Bittium also participates in research cooperation forums either through projects or through their management team work, such as ITEA4 (Secure eHealth), the European Defence Fund (EDF) 2021 and 5G Compad.

Bittium is an active member of its communities by participating in numerous steering groups in the following research or cooperation forums, for example: Finnish Defence and Aerospace Industries (PIA), Digital Defence Ecosystem (DDE), Finnish Information Security Cluster (FISC), ITEA4, Business Finland, the Digital Native Finland mission and the Faculty Board of the University of Oulu's Faculty of Information Technology and Electrical Engineering.

Bittium participated in several research and development projects in 2024. The most significant of these was Seamless and Secure Connectivity, which is a Leading Company project funded by Business Finland. The project's goal is to enable reliable, secure and trouble-tolerant connectivity architectures and products for end-to-end connections in various operational areas, including lifecycle services for products and solutions. The four-year project led by Bittium will last until 2026. The company also has dozens of research projects under way that include national and international parts.

Bittium's target related to R&D activities is to achieve the objectives of R&D projects in terms of both content and schedule. The scope of research and development activities is its own operations and is carried out both in Finland and internationally, involving the stakeholders described above. At Bittium, research and development activities are part of continuous development and improvement, and Bittium does not set measurable result-oriented targets for them in accordance with the definition of sustainability reporting or monitor the effectiveness of its operating principles and actions in relation to material sustainability-related impacts, risks or opportunities.

The results of R&D activities are evaluated on a monthly basis, also based on costs and support received. According to Bittium's sustainability strategy, the company is committed to international and national stakeholder cooperation in the identification of information security threats and the utilization of related information. The implementation of the strategy and its impacts are monitored monthly by the company's Management Group, and regularly, at least once a year, by the Audit Committee and the Board of Directors.

#### **Whistleblowing Channel and Whistleblower Protection**

Bittium's personnel and external stakeholders have access to feedback and reporting channels and a whistleblowing channel reporting misconduct. Instructions on the use of the channels have been provided to the personnel on Bittium's intranet and as part of orientation training. The whistleblowing service can be used to raise concerns about risks of serious misconduct concerning people, the organization, society or the environment. The whistleblowing channel is administered by the external service provider WhistleB. All messages are encrypted. WhistleB safeguards the anonymity of the whistleblower by removing all metadata, including IP addresses. The anonymity of the whistleblower is maintained even in subsequent discussions with the persons responsible for processing the report.

The service can be used to report conduct that may be inconsistent with Bittium's Code of Conduct or laws and regulations. The whistleblowing channel can also be used to report misconduct that falls within the scope of the Finnish Whistleblower Protection Act, which is based on the EU's Whistleblower Protection Directive. This includes public procurement (except defense and security procurement), financial services, products and markets, as well as product safety and compliance. If the matter concerns dissatisfaction at the workplace or other similar personnel-related matters, employees are advised to contact their supervisor, as these matters cannot be investigated in connection with the whistleblowing process.

There are several ways to raise concerns: by reporting the matter to one's direct supervisor or another supervisor within the organization, by exchanging anonymous or confidential messages with the Whistleblowing Team via the whistleblowing channel or, if the concern falls within the scope of the Whistleblower Protection Act and the report has been made in accordance with said legislation, the whistleblower may have the right to report their concern via the centralized external reporting channel of the Office of the Chancellor of Justice, or directly to the competent authority.

Access to messages received via the whistleblowing channel is restricted to designated persons who are authorized to handle whistleblowing cases. Their actions are logged and the handling of cases is confidential. At Bittium, reports received via the whistleblowing channel are investigated by the Whistleblowing Team, which consists of the Chairman of the Audit Committee and Chief Legal Officer as the administrators of the channel, and selected members of Bittium's sustainability working group who oversee or conduct the investigations. If necessary, the participation of the company's own experts, external experts or the public authorities can be engaged in the conduct of investigations. The whistleblower will receive an acknowledgment of receipt of the report within seven days. Upon receiving a message, the Whistleblowing Team decides whether to accept or decline the report.

The whistleblowing team will not investigate the reported misconduct if the alleged conduct does not constitute reportable conduct under the whistleblowing guidelines, if the report has not been submitted in good faith or is malicious, if there is insufficient information to allow for further investigation, or if the matter in question has already been resolved. If the report is declined, the whistleblower will be provided with the reasons for the decision. If the report is accepted, appropriate investigation measures will be taken. All messages are treated seriously and in accordance with the whistleblowing guidelines. None of the members of the Whistleblowing Team or any other person taking part in the investigation process will attempt, nor are allowed to attempt, to identify an anonymous whistleblower in any way. The Whistleblowing Team can, if necessary, submit follow-up questions via the anonymous communication channel. Reports are not investigated by anyone who may be involved with, or connected to, the misconduct. Whistleblowing messages are handled in strict confidence by the parties involved. Within three months of acknowledging receipt of the report, the Whistleblowing Team will inform the whistleblower of what measures will be taken in response to the report.

#### **Management of Relationships With Suppliers (G1-2)**

In the double materiality assessment process carried out in spring 2024, ensuring the sustainability of the supply chain through supplier requirements, audits and surveys of materials, engaging the personnel's commitment to the principles of sustainable procurement, and also taking sustainability into account in the subcontracting of personnel was identified as a material sustainability matter at the sub-topic level as a positive impact pertaining to relationships with suppliers in the company's own operations and the upstream value chain. Also

identified was a potential reputational risk if there were to be sustainability-related violations in the supply chain, such as adverse environmental incidents or negative human rights impacts. The risk concerns the company's own operations and upstream value chain. Supplier management and cooperation with supplier partners is part of Bittium's continuous development and improvement. Bittium does not set measurable, result-oriented targets related to supplier management in accordance with the definition of sustainability reporting or monitor the effectiveness of its operating principles and actions in relation to material sustainability-related impacts, risks and opportunities.

When it comes to Bittium's suppliers and other partners, the company has, in many cases, worked with them in close cooperation for a long time, in accordance with established rules and operating practices. Continuous communication enables open dialogue. Suppliers and partners expect fair and sustainable operations and long-term cooperation from Bittium. For its part, Bittium expects that the business operations of its suppliers and partners are sustainable, and this is monitored on a regular basis. Bittium takes due diligence into account in its operations. Together with its supply chain partners and other stakeholders, Bittium strives to identify both actual and potential adverse impacts on the environment and people, including human rights impacts, throughout the value chain. As part of its sustainability management and operations, the company prevents and mitigates adverse impacts by monitoring the effectiveness of actions related to due diligence. Bittium's external and internal stakeholders have access to a whistleblowing procedure aimed at mitigating potential risks to the company.

Bittium regularly audits its identified strategically important or otherwise critical suppliers of production materials in accordance with the annual audit plan and pre-defined criteria. Audits are carried out either as a self-assessment based on the Bittium Supplier Manual or as an audit conducted by Bittium. In 2024, Bittium continued to deepen its cooperation with critical manufacturing partners and component suppliers to identify common development areas and thereby improve quality and cost efficiency. In connection with these activities, Bittium continued to develop a supplier management tool in 2024.

Bittium is committed to operating in accordance with the values documented in Bittium's policies and also expects its partners to adhere to them. Bittium has established policies as part of its quality management, environmental management and information security management systems. Bittium has established contractual terms for suppliers of goods and services. The aim is to apply these contractual terms to

purchase orders placed by Bittium. The degree of application depends on the criticality of the supplier. The general terms include, for example, terms pertaining to the avoidance of counterfeit materials, conflict minerals, certificates of conformity, the prevention of corruption and compliance with trade rules. Bittium is committed to fulfilling its legal obligations and preventing, identifying and eliminating corrupt practices and cooperating with other parties to prevent bribery and corruption. Bittium also expects its suppliers and other external partners to take anti-bribery and anti-corruption measures as necessary. Bittium has issued an anti-corruption statement. As part of Bittium's general contractual terms, the supplier also undertakes to comply with the applicable anti-corruption laws and regulations. If terms other than Bittium's general contractual terms are applied, anti-corruption practices must not be compromised on.

Bittium has integrated ethical and social perspectives into its procurement policy. Procurement is carried out in accordance with the principles of legality and ethics. The same is required from Bittium's supplier partners. Bittium has procurement-related guidelines (Bittium Procurement Policy) in place, which specify aspects related to the ethical and sustainable perspectives of procurement and supply chain risk management, among other topics. The supplier's commitment to ethical conduct, compliance with the applicable national and international laws, respecting human rights and compliance with internationally recognized ethical standards, such as the SA8000 Social Accountability Standard, are applied as criteria for supplier approval.

Identified strategically significant or otherwise critical suppliers of services and products are required to make a commitment to sustainable business practices and they must comply with Bittium's Code of Conduct as well as Bittium's supplier guidelines and the Bittium Supplier Manual, the latest versions of which are available on Bittium's website. (MP-P) The Supplier Manual contains the key policies, practices and requirements for Bittium's supply chain. The requirements are related, among other things, to business practices, anti-corruption, the prohibition of child labor and forced labor, environmental issues, occupational safety and human rights, including material-specific requirements. The requirements also include assurances from suppliers that they do not engage in procurement from companies located in politically critical areas or subject to other national or international restrictions.

The documents that guide the selection of critical suppliers of goods and services and quality control are the Bittium Self-assessment Checklist, the Audit Assessment Checklist and the

General Purchase Agreement. Bittium must have access to evidence of compliance with the requirements, and the supplier of goods or services must be able to provide such evidence upon request. Engaging the entire personnel's commitment to the principles of sustainable procurement is an important part of ensuring the sustainability of the supply chain. Sustainable purchasing is a part of Bittium's mandatory environmental training, which employees complete through self-study. Bittium's Procurement Policy provides guidance on operating practices related to procurement and plays a key role in ensuring consistency, quality, cost-efficiency and compliance in the procurement process. Bittium does not systematically train persons working in the area of procurement in relation to the supplier requirements, but there are plans to increase this type of training in the coming years. (Policies related to payments and their impact on small and medium-sized undertakings in particular are described in more detail in section G1-6.)

### Prevention and Detection of Corruption and Bribery (G1-3)

In the double materiality assessment process carried out in spring 2024, potential reputational risk if violations related to corruption and bribery were to occur in the company's own operations or supply chain was identified as a material sustainability matter at the sub-topic level in relation to corruption and bribery. The impacts of the risk concern the upstream value chain and the company's own operations.

Bittium has customers in both the public and the private sector. The business environment involves constant changes in legislation and regulation, as well as increasing requirements from the stakeholders concerning sustainable operations and risk management. Bittium is committed to compliance with laws, regulations and ethical business practices in all of its operations. Bittium has zero tolerance of bribery and corruption. The company aims to ensure ethical business practices and compliance with the corporate culture and increase awareness of sustainable business practices through training. Bittium's corporate culture is based on commitment to shared values and transparency. At Bittium, prevention of corruption and bribery is part of continuous development and improvement and Bittium does not set measurable result-oriented targets for it as defined in sustainability reporting or monitor the effectiveness of its operating principles and actions in relation to material sustainability-related impacts, risks and opportunities.

Bittium adheres to sustainable business conduct and also requires the same from its identified critical suppliers of goods

and services. Bittium's Code of Conduct covers perspectives related to fair business conduct, including anti-corruption measures, good corporate citizenship, the protection of intellectual property rights, human rights and fairness, a safe workplace community, data protection and information security, insider rules, a sustainable future and ensuring ethics and transparency. Bittium's sustainability and anti-corruption and anti-bribery principles are communicated by keeping the material available on the external website (Anti-Corruption Statement, Code of Conduct, the Whistleblowing channel and its description) and by keeping material intended for the personnel up-to-date and available (Anti-Corruption Statement, Code of Conduct). Bittium expects its identified critical partners and suppliers of goods and services to comply with Bittium's Code of Conduct and Supplier Manual. The guidelines include the key policies, practices, and requirements for Bittium's supply chain. The requirements are related, among other things, to business practices, anti-corruption measures, environmental issues, occupational safety, and human rights, including material-specific requirements. The aforementioned guidelines and principles are publicly available on the company's website.

Mandatory anti-corruption training is organized for all of the company's personnel. The training includes a test that must be passed in order for the completion of the training to be entered in the training register. The training must be retaken at three-year intervals. The training is also part of the orientation training program for new employees. Of the new employees who started in 2024, 56% had completed the Legal Anti-Bribery Self-Study module included in orientation training by the end of 2024. The target of the training is to help the personnel understand corruption and bribery at a conceptual and practical level; grasp the threats and adverse impacts on society and business operations that result from corruption and bribery; recognize risks and situations related to corruption and bribery; and understand their responsibility as the organization's employee with regard to the prevention of corruption and bribery, the reporting of suspected incidents and reacting to concerns in a timely manner. All of Bittium's personnel, including those working in functions-at-risk and the company's senior executive management, are within the scope of the training. Anti-corruption and anti-bribery training is completed as a self-study module, and it covers 100% of the company's functions-at-risk.

Concerns related to corruption and bribery can be raised via the whistleblowing channel. At Bittium, reports received via the whistleblowing channel are investigated by the Whistleblowing Team, which consists of the Chairman of the Audit Committee and Chief Legal Officer as the administrators of the channel,



and selected members of Bittium's sustainability working group who oversee or conduct the investigations. If necessary, the participation of the company's own experts, external experts or the public authorities can be engaged in the conduct of investigations. Any party to whose actions or duties the whistleblower report relates to in some way cannot participate in the investigation of the matter. If the administrators of the whistleblowing channel receive a whistleblower report that mentions an administrator of the channel, a member of the sustainability working group, the CEO or a member of the Board of Directors, or if the link between the person who is the subject of the report and the aforementioned persons is indirectly implied in the whistleblower report, this may constitute a risk to an independent and objective investigation. In such a situation, the administrator who is the subject of the report will be excluded from the investigation and their right to use the whistleblower channel's case management tool will be suspended. If the CEO or a member of the Board of Directors were to be subject to a suspicion related to corruption or bribery, this would be communicated to all members of the Board of Directors via the digital work platform used by the Board of Directors. In other respects, the results are reported based on need and, depending on the severity of the reported issue, to the company's administrative, management and supervisory bodies. The whistleblowing channel and the process for handling reports received through it are described in more detail as part of disclosure requirement G1-1.

### Incidents of Corruption or Bribery (G1-4)

No suspected or confirmed incidents of corruption were reported at Bittium in 2024. No investigations were opened regarding violations of legislation concerning corruption and bribery, and no convictions were handed down. There were also no pending cases, convictions or fines concerning actions taken in previous years.

### Political Influence and Lobbying Activities (G1-5)

In the double materiality assessment process carried out in spring 2024, the potential to grow the business even in the short term due to the changed geopolitical climate and increased information security threats was identified as a material sustainability matter at the sub-topic level in the form of an opportunity related to political influence and lobbying activities. The opportunity concerns the company's own operations and downstream value chain.

Bittium does not have policies or guidelines directly related to political influence and lobbying activities, nor does the company have designated persons responsible for monitoring

the implementation of political influence and lobbying. Bittium has an Anti-Corruption Statement and a Code of Conduct, which address the principles of good business conduct in general. In 2025, Bittium will develop guidelines concerning political influence and lobbying activities and organize the division of responsibilities for internal control related to these topics. In 2024, Bittium did not make political contributions or engage in party-political lobbying by participating in the campaigns of political parties or individual candidates by making financial or in-kind contributions.

Bittium is not legally obliged to be a member of a chamber of commerce or other organization that represents its interests. As part of local community engagement, Bittium is a member of the Oulu Chamber of Commerce. Chambers of commerce are organizations that promote business and economic freedom and engage in advocacy for the business sector. Chambers of commerce also provide legal advice and organize training activities. Chamber of commerce membership is voluntary for all companies in Finland. Bittium is a member of Technology Industries of Finland. Technology Industries of Finland is a Finnish advocacy organization for the technology industry. Technology Industries of Finland discloses its lobbying activities in accordance with the Transparency Register Act. Bittium is not registered in the EU Transparency Register or an equivalent transparency register in a Member State.

Bittium has identified material impacts related to political influence. During 2024, Bittium's representatives participated in various events, such as trade fairs relevant to the company's business, events organized by the Chamber of Commerce, and events related to the operations of the Finnish Defence Forces. Bittium's representatives also participated in two export promotion trips organized by Business Finland. The destinations were Korea, Japan and Italy. Political decision-makers and operators, such as the Minister of Defence and the Minister of Transport and Communications, representatives of the Finnish Defence Forces and the Ministry of Defence, the wellbeing services counties, official organizations, various municipalities and regional operators, as well as ambassadors from different countries, have also visited Bittium to familiarize themselves with the company's operations. Bittium's goal for these meetings is to create visibility for the company and increase awareness of Bittium's special expertise and products both in Finland and abroad. An important goal of the visits and discussions is to meet potential customers in the areas of information security and defense, and to build relationships with them. In the meetings, Bittium aims to express its view that official approval processes related to regulation and political decisions should move ahead swiftly so that slow

processes would not significantly hinder the development of the company's business. Bittium's material sustainability topics have not been significantly taken into account or promoted in events aimed at political influence or lobbying.

Of the members of Bittium's administrative, management and supervisory bodies, Raimo Jyväsjärvi worked in the public administration during the two years preceding his election to the Board of Directors, as Director General of the Resource Policy Department and National Armaments Director. His responsibilities in that role included the development of the resources of military national defense resources in the area of defense materiel policy, matters related to the steering of companies that provide services to the Defence Administration, and the export control of defence materiel.

### Payment Practices (G1-6)

Approved purchase invoices submitted to Bittium are paid on Mondays and Thursdays. In accordance with Bittium's payment practices, invoices are always paid by the due date. This applies to companies of all sizes, including small and medium-sized undertakings and all supplier categories. 100% of payments have been made in accordance with the standard terms. On average, it takes 30 days from the date of the invoice to the due date. On average, it takes 32 days from the date of the invoice to the payment date. The calculation is based on a sample from the period 1.1.2024–31.12.2024. The calculation is based on extracting all purchase invoices paid during the year from the invoicing system. The total number of invoices and the number of days related to the term of payment have been taken into account in calculating the averages for the term of payment and the actual time of payment. There are no legal proceedings currently outstanding for late payments.

# Financial Statements 2024

# Financial Statements 2024

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# Consolidated Statement of Comprehensive Income

1000 EUR	Notes	1.1.–31.12.2024	1.1.–31.12.2023
<b>NET SALES</b>	1, 2	85,164	75,247
Other operating income	3	3,765	3,108
Change in work in progress and finished goods		-1,015	2,904
Work performed by the undertaking for its own purpose and capitalized		161	255
Raw materials		-21,034	-23,102
Personnel expenses	6	-35,663	-39,094
Depreciation	5	-8,631	-9,479
Other operating expenses	4	-14,004	-14,168
Share of results of the associated companies	14	-114	32
<b>OPERATING PROFIT</b>		<b>8,627</b>	<b>-4,296</b>
Financial income	8	318	488
Financial expenses	8	-1,560	-1,455
Total financial income and expenses		-1,242	-967
<b>PROFIT BEFORE TAX</b>		<b>7,385</b>	<b>-5,263</b>
Income tax	9	-118	-168
<b>PROFIT FOR THE YEAR</b>		<b>7,267</b>	<b>-5,431</b>
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to the statement of income			
Exchange differences on translating foreign operations		85	-61
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>7,353</b>	<b>-5,492</b>
<b>Earnings per share for profit attributable to the shareholders of the parent company:</b>	10		
<b>Earnings per share, EUR</b>			
Basic earnings per share		0.205	-0.153
Diluted earnings per share		0.205	-0.153
Average number of shares, 1000 pcs		35,486	35,609
Average number of shares, diluted, 1000 pcs		35,486	35,609

A classification change has been made to the change in inventories of finished and unfinished products, which are now presented on a separate line. For more information, see Note 17.



# Consolidated Statement of Financial Position

1000 EUR	Notes	31.12.2024	31.12.2023
<b>Non-current assets</b>			
Property, plant and equipment	11	16,969	18,221
Goodwill	12	5,842	5,828
Intangible assets	12	51,042	51,246
Investments in associated companies	14	1,126	1,042
Other financial assets	15	112	112
Non-current receivables	18	305	730
Deferred tax assets	16	7,380	7,415
<b>Total</b>		<b>82,776</b>	<b>84,595</b>
<b>Current assets</b>			
Inventories	17	24,804	26,621
Trade and other receivables	18	35,786	38,111
Cash and short-term deposits	19	21,775	8,332
<b>Total</b>		<b>82,364</b>	<b>73,064</b>
<b>Total assets</b>		<b>165,140</b>	<b>157,659</b>
<b>Equity and liabilities</b>			
Share capital	20	12,941	12,941
Translation differences		1,342	1,257
Invested non-restricted equity fund		25,953	25,953
Retained earnings		72,566	67,433
<b>Total</b>		<b>112,803</b>	<b>107,585</b>
<b>Total</b>		<b>112,803</b>	<b>107,585</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	16	74	114
Interest-bearing loans and borrowings (non-current)	23	18,025	1,470
Other non-current liabilities, non-interest bearing	25	268	200
<b>Total</b>		<b>18,367</b>	<b>1,785</b>
<b>Current liabilities</b>			
Trade and other payables	25	25,605	22,397
Provisions	22	5,454	4,795
Interest-bearing loans and borrowings (current)	23	2,910	21,098
<b>Total</b>		<b>33,969</b>	<b>48,290</b>
<b>Total liabilities</b>		<b>52,337</b>	<b>50,075</b>
<b>Total equity and liabilities</b>		<b>165,140</b>	<b>157,659</b>

# Consolidated Statement of Cash Flows

1000 EUR	Notes	31.12.2024	31.12.2023
<b>Cash flow from operating activities</b>			
<b>Profit before tax</b>		<b>7,385</b>	<b>-5,263</b>
Adjustments			
Share of results of the associated companies	14	114	-32
Depreciation		8,631	9,479
Other adjustments		1,506	-17
Finance costs	8	1,560	1,455
Finance income	8	-318	-488
Change in net working capital			
Change in short-term receivables	18	2,775	3,461
Change in inventories	17	1,430	-2,267
Change in interest-free short-term liabilities	25	2,894	-4,167
Interest paid on operating activities		-1,567	-1,381
Interest and dividend received from operating activities		318	488
Income taxes paid		-284	-57
<b>Net cash from operating activities</b>		<b>24,445</b>	<b>1,211</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	11	-720	-329
Purchase of intangible assets	12	-5,966	-7,391
<b>Net cash from investing activities</b>		<b>-6,686</b>	<b>-7,720</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowing	23	-1,000	0
Payment of finance lease liabilities	23, 24	-1,110	-1,344
Dividend paid and capital repayment		-2,129	-1,785
Purchases of own shares		-77	-1,046
<b>Net cash from financing activities</b>		<b>-4,316</b>	<b>-4,176</b>
<b>Net change in cash and cash equivalents</b>	19	<b>13,442</b>	<b>-10,684</b>
Cash and cash equivalents at 1 January		8,332	19,016
<b>Cash and cash equivalents at the end of the year</b>		<b>21,775</b>	<b>8,332</b>

# Consolidated Statement of Changes in Equity

1000 EUR	Equity attributable to equity holders of the parent				Total
	Share capital	Invested non-restricted equity fund	Translation difference	Retained earnings	
<b>Shareholders' equity 1.1.2024</b>	<b>12,941</b>	<b>25,953</b>	<b>1,257</b>	<b>67,433</b>	<b>107,585</b>
<b>Comprehensive income for the period</b>					
Profit for the period				7,267	7,267
Exchange differences on translating foreign operations			85		85
<b>Total comprehensive income for the period</b>			<b>85</b>	<b>7,267</b>	<b>7,353</b>
<b>Transactions between the shareholders</b>					
Dividend distribution				-2,129	-2,129
Purchases of own shares				-77	-77
Share-related compensation				74	74
<b>Total transactions between the shareholders</b>				<b>-2,132</b>	<b>-2,132</b>
Other changes				-2	-2
<b>Shareholders equity 31.12.2024</b>	<b>12,941</b>	<b>25,953</b>	<b>1,342</b>	<b>72,566</b>	<b>112,803</b>
<b>Shareholders' equity 1.1.2023</b>	<b>12,941</b>	<b>25,953</b>	<b>1,318</b>	<b>75,561</b>	<b>115,774</b>
<b>Comprehensive income for the period</b>					
Profit for the period				-5,431	-5,431
Exchange differences on translating foreign operations			-61		-61
<b>Total comprehensive income for the period</b>			<b>-61</b>	<b>-5,431</b>	<b>-5,492</b>
<b>Transactions between the shareholders</b>					
Dividend distribution				-1,785	-1,785
Purchases of own shares				-1,046	-1,046
Share-related compensation				165	165
<b>Total transactions between the shareholders</b>				<b>-2,666</b>	<b>-2,666</b>
Other changes				-31	-31
<b>Shareholders equity 31.12.2023</b>	<b>12,941</b>	<b>25,953</b>	<b>1,257</b>	<b>67,433</b>	<b>107,585</b>

# Notes to the Consolidated Financial Statements

## Corporate Information

The company's field of activities is the development, production and selling of software, equipment and other products for the automotive and electronics industry, the production of R&D services and other services as well as other industrial operations. The company may administer product and other rights and conduct research and development operations, hold and trade securities and real-estate and conduct other investment activities.

The parent company of the group is Bittium Corporation, which is a Finnish public company. The parent company is domiciled in Oulu and its registered address is Ritaharjuntie 1, 90590 Oulu, Finland.

## Accounting Principles for the Consolidated Accounts

### Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and have been prepared in accordance with IAS and IFRS accounting standards and SIC and IFRIC interpretations valid on 31 December 2024. The financial statements are presented in thousands of euros. The consolidated financial statements have been prepared based on original acquisition prices, unless otherwise stated in the accounting policies.

### Consolidation Principles

The consolidated financial statements of Bittium include the financial statements of the parent company Bittium Corporation and its subsidiaries.

### Subsidiaries

Subsidiaries are considered to be companies in which Bittium Corporation exercises control and in which it directly or indirectly owns more than 50% of the voting rights, or in which Bittium Corporation otherwise exercises de facto control. The existence of potential control has also been taken into account when assessing the conditions for the emergence of control when the instruments entitling to potential voting rights are exercisable at the time of review.

### Associated Companies

Associates are companies in which the Group has significant influence. Significant influence means the power to participate in the financial and operational decisions of the associate, but does not have control or joint control over such decisions. Investments in associates are accounted for using the equity method in accordance with IAS 28. At the time of acquisition, investments in associates are recorded at cost, adjusted by any change in the Group's share of the associate's profit or loss after the acquisition date. If the Group's share of the associate's losses exceeds the carrying amount of the investment, the investments are recorded in the balance sheet at zero and the excess losses are consolidated only if the Group is committed to fulfilling the associate's obligations. The investment in the associate includes goodwill arising from the acquisition. Unrealised gains or losses between the Group and the associate are eliminated in accordance with the Group's share of ownership.

The Group's share of the associated company's result, based on its ownership interest, is presented as a separate item in the income statement above operating profit or loss. The Group's share of the associated company's changes in other comprehensive income is presented in other comprehensive income.

The carrying amount of an investment in an associated company is tested by comparing it with the recoverable amount of the investment. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced by recognizing an impairment loss in profit or loss.

### Elimination of Intra-Group Transactions

The Group's mutual shareholdings are eliminated using the acquisition cost method. Acquired subsidiaries are consolidated in the consolidated financial statements from the moment the Group obtains control and disposed subsidiaries until the moment control ceases. The difference between the fair value of the subsidiary shares at the acquisition date and the net amount of the subsidiaries' identifiable assets and liabilities assumed at the acquisition date is partly allocated to the balance sheet items from which it is considered to arise. The excess is presented as consolidated goodwill. According to

IFRS, goodwill is not amortized, but goodwill is tested for impairment annually.

All intra-group transactions, receivables, liabilities and margins, as well as internal profit distribution, are eliminated when preparing the consolidated financial statements.

## Foreign Currency Transactions

Items related to the financial statements of the Group's units are valued in the currency of each unit's primary operating environment (functional currency). The consolidated financial statements are presented in euros, which is the functional currency of the Group's parent company.

Foreign currency transactions are translated into euros at the exchange rate on the transaction dates. Receivables and liabilities denominated in foreign currencies are translated into euros at the exchange rate of the European Central Bank on the balance sheet date. Exchange rate gains and losses arising from business operations and financial assets and liabilities are recognized in the income statement.

The income statements of Group companies whose functional currency is not the euro are translated into euros at the average exchange rates for the reporting period and the balance sheets at the exchange rates on the reporting date. The average exchange rate difference arising from the translation of the income statement and balance sheet into a different currency is recognised in equity. The translation difference arising from the elimination of the acquisition cost of a foreign subsidiary is recognised in equity. When a subsidiary is sold, the accumulated translation differences are recognised as part of the capital gain or loss in the income statement.

If long-term loans have been issued within the Group that are comparable in substance to equity, exchange rate differences on these loans have been treated as part of equity, like translation differences.

Goodwill arising from the acquisition of foreign units and fair value adjustments made to the carrying amounts of the assets and liabilities of those foreign units in connection with the acquisition have been treated as assets and liabilities of those foreign units and translated into euros using the exchange rates at the balance sheet date.

## Property, Plant and Equipment

Property, plant and equipment are valued at original acquisition cost less depreciation and impairment losses. Assets of acquired subsidiaries are valued at fair value at the time of

acquisition. Assets are depreciated on a straight-line basis over their useful lives.

The most common estimated useful lives are:

- Buildings and structures 40 years
- Machinery and equipment 3-10 years

The residual value and useful life of assets are reviewed at each balance sheet date and, if necessary, adjusted to reflect changes in the expected future economic benefits. Ordinary repairs and maintenance costs are expensed in the period in which they are incurred. Gains and losses on disposals and retirements are calculated as the difference between the net proceeds received and the carrying amount. Capital gains and losses are included in operating profit in the income statement.

## Intangible Assets

### Goodwill

Goodwill is tested for impairment annually or more frequently if, due to changes in circumstances, it is likely that the value may be reduced. Goodwill is allocated to cash-generating units. If there is any indication of impairment, the recoverable amount is determined for the cash-generating unit to which the goodwill belongs. The recoverable amount of the cash-generating unit is compared with its carrying amount and an impairment loss is recognised if the recoverable amount is lower than the carrying amount. An impairment loss is recognised in the income statement.

### Research and Development Expenditure

Research costs are recognised as an expense in the period in which they are incurred. Development costs are capitalised if they meet the criteria for capitalised development costs as defined in IAS 38. Capitalised development costs mainly include materials, supplies and direct labour costs. Capitalised development costs are amortised over their useful lives. The estimated useful lives of development costs are 3-5 years or depreciation based on the number of goods delivered.

Capitalized development costs are regularly tested for impairment by comparing their recoverable amount with their carrying amount. Changes in the technology environment are taken into account. Unamortized, capitalized development costs whose carrying amount is considered to be higher than their recoverable amount are immediately recognized as an expense.

### Other Intangible Assets

Patents, trademarks and licenses with finite useful lives are recognized in the balance sheet and amortized on a straight-



line basis in the income statement over their useful lives. If there is any indication that the asset is impaired, the recoverable amount of the intangible asset is determined and a corresponding impairment loss is recorded. Intangible assets with indefinite useful lives are not amortized but are tested annually for impairment.

The estimated useful lives are:

- Intangible rights 3-10 years
- Other intangible assets 3-4 years

## Inventories

Inventories are valued at the lower of cost or net realizable value. Net realizable value is estimated by deducting the selling price in the ordinary course of business less the costs of completing the product and the estimated costs necessary to make the sale.

The value of the material inventory is determined using the weighted average price. The acquisition cost of finished goods and work in progress consists of the purchase cost of raw materials, costs of direct labor, other direct costs, variable overheads for systematically allocated production and fixed overheads for systematically allocated portion of production.

## Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred in accordance with existing IFRS accounting standards.

## Government Grants

Government grants are recognized when it is reasonably certain that the company will meet the related conditions and the grants will be received. Financial grants provided by public entities for research and development expenses are presented in other operating income.

## Leases

According to IFRS 16 Leases, all leases of the Group are presented as assets or liabilities in the balance sheet. When the Group is the lessee, lease liabilities are measured at the inception of the lease at the present value of the rents that have not been paid on that date. The rents are discounted using the Group's incremental borrowing rate. The right-of-use asset corresponding to the lease liability is measured at cost at the inception of the lease. After the inception of the lease, the right-of-use asset is measured using the cost model. Under the cost model, the lessee measures the fixed asset at cost less

accumulated depreciation and impairment losses and adjusted by the amount resulting from the remeasurement of the lease liability.

The Group determines the lease term as the period during which the lease is not cancellable. When determining the lease term, any periods covered by an extension option and any financial incentives to exercise the lease option or not to exercise the termination option are taken into account. The Group adjusts the lease term if the period during which the lease is not cancellable changes. For short-term leases and leases where the underlying asset is of low value, the Group may recognize the rents related to such leases as expenses either on a straight-line basis over the lease term or on some other systematic basis.

Right-of-use assets under leases are included in fixed assets in the item in which the corresponding underlying assets would be presented if they were owned. Lease liabilities are included in the Group's interest-bearing liabilities.

## Impairment of Assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such an indication exists, the recoverable amount of the asset is estimated. The recoverable amount is also assessed annually for the following assets, regardless of whether there is any indication of impairment: investments, goodwill, intangible assets with indefinite useful lives and intangible assets in progress. The recoverable amount is generally based on the future discounted net cash flows that can be obtained from the corresponding asset.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognized in the income statement. An impairment loss is reversed if there has been a change in circumstances and the recoverable amount has changed since the impairment loss was recognized. However, impairment losses are not reversed in excess of what the carrying amount would have been without the impairment loss. An impairment loss recognized for goodwill is not reversed in any circumstances.

## Employee Benefits

### Pension Liabilities

The Group has pension plans to cover the retirement benefits of its employees around the world. The pension plans are based on local legislation and established practice in each country. These pension plans are classified as either defined contribution or defined benefit plans.

In Finland, the Group has arranged pension coverage for its personnel through external pension insurance companies. The Finnish employment pension system is classified as a defined contribution pension plan. In defined contribution plans, pension contributions are paid to insurance companies and recognised as an expense in the income statement of the period to which they are allocated, after which the Group has no further payment obligations. The Group's foreign pension plans are also classified as defined contribution plans.

### Share-Based Payment

The Group applies IFRS 2 Share-based Payments. The Group has a remuneration arrangement where part of the Board of Directors' remuneration is paid in shares. Bittium Corporation's management also has a share-based incentive plan where the fair value of the equity instruments granted is recognised in personnel expenses and the corresponding increase in equity. Cash-settled arrangements are measured at fair value in the financial statements and changes in the fair value of the liability are recognised in the income statement. The fair value of the instruments is determined on the grant date and is amortised over the period during which the employee receives full ownership of the instruments. Share-based payments are measured at fair value at the date of grant and recognised as an expense in the income statement when the right arises.

### Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, or an outflow of resources can be estimated reliably. Provisions may relate to restructuring of operations, onerous contracts, repair or replacement of products during the warranty period, environmental obligations, litigation and tax risks.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted.

When the Group expects to receive a refund for expenses incurred, the compensation is recognized as a receivable when it is virtually certain to be received.

### Taxes

Taxes in the consolidated income statement include direct taxes based on each company's taxable profit, calculated in accordance with local tax regulations, and changes in deferred tax liabilities and assets.

Deferred tax liabilities are calculated on all temporary differences between the carrying amount of an asset and its tax base. Deferred tax assets, including tax losses, are included in the financial statements only to the extent that it is probable that taxable income will be available against which the assets can be utilized. Tax liabilities and assets are calculated using the tax rates in effect at the time the financial statements are prepared or, if they have been approved, the tax rates for the year following the financial period.

### Revenue Recognition

Bittium identifies customer contracts and their performance obligation-specific revenue recognition principles using the five-step method required by the IFRS15 accounting standard. Bittium classifies signed contracts and purchase orders as customer contracts in accordance with IFRS15. Framework agreements and letters of intent may exceptionally be classified as customer contracts to be recognized as revenue only in situations where they can be demonstrated to otherwise meet the conditions of IFRS15.

Bittium's performance obligations under the accounting standard include product and license sales, product development services, product maintenance and support services, and extended product warranties. Bittium has list prices for products and related maintenance and support services and extended warranties. If the contract does not specify the price of an individual performance obligation, the price is estimated using the market price method or cost-based. Service prices are determined individually for each contract. Bittium has not capitalized the costs associated with achieving the contract in the balance sheet or allocated them to projects or products to be recognized as revenue. Such additional costs have been minor and the economic life of the asset resulting from the costs would be less than one year.

Revenue from services is recognized when the service is performed. In this case, the performance obligation is satisfied over time. In the case of a long-term service project with a percentage of completion, revenue from the sale of services is recognized based on the percentage of completion when the final outcome of the project can be reliably measured. The percentage of completion is measured by the proportion of costs already incurred to the estimated total costs of the project. Revenue recognition based on the percentage of completion requires accurate forecasting of future sales and costs for the entire duration of the contract. Forecasts are the basis for revenue recognition and include the latest estimates of contract sales, costs and risks. Forecasts may change significantly due to the stage of completion of the contract,

changes in the scope of the contract, cost estimates and customer plans, or other factors.

Revenue from the sale of goods is recognised when control of the goods sold has been transferred to the buyer and the Group no longer has a management role that is usually associated with ownership and no effective control over the goods sold. In this case, performance obligations are fulfilled at a single point in time. When calculating turnover, sales revenue is adjusted for indirect taxes and discounts.

If Bittium receives advance payments from the customer for services, they are recognized as revenue in accordance with the revenue recognition principles mentioned above. For product warranties, Bittium amortizes warranty provisions, which are released over time in accordance with the warranty period. Additional product warranties for a fee are recognized as revenue during the relevant warranty period over time.

The matrix described below is used to estimate revenue recognition:

Type of Contract	Contract Element	The Principle for Revenue Recognition and Possible Estimates
Sales of services	Customer contract, fixed price	Partial revenue is recognized based on estimated project costs according to the stage of completion.
Sales of services	Customer contract based on time, price per hours	Based on the work done for the customer and recognized upon invoicing.
Product/licence sales	Product, off the shelf	The contractual price of the product is recognized as revenue upon delivery, when control has been transferred to the customer. Customization performed as product development is recognized as revenue upon delivery of the product.
Product/licence sales	Product, customized	The contractual price of the product is recognized as revenue upon delivery, when control has been transferred to the customer. Customization performed as product development is recognized as revenue upon delivery of the product. Customization performed as a service is treated as a separate performance obligation and is recognized as revenue according to the above-mentioned service sales principles.
Product/licence sales	Product + maintenance	The contractual price of the product is recognized as revenue upon delivery, when control has been transferred to the customer, and maintenance is recognized during the maintenance period.
Product/licence sales	Product support services	Over time, based on the work done.
Other contracts	Rental agreements	During the rental period, according to the rental agreement.

## Assets Held for Sale and Discontinued Operations

Non-current assets held for sale and assets related to discontinued operations are classified as held for sale and are measured at the lower of carrying amount or fair value less costs to sell if the carrying amount will be recovered primarily from the sale of the asset rather than from continuing use. Depreciation on these assets is discontinued at the time of classification.

## Financial Assets and Financial Liabilities

Hedge accounting as defined in IFRS 9 Financial Instruments has not been applied in the Group in the current or previous financial years.

The Group classifies financial assets at initial recognition as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss. The classifications are made based on business models and an analysis of contractual cash flows. After initial recognition,

financial assets are not reclassified except in situations where the business model for managing the assets changes. At the balance sheet date, the Group has only a small number of financial assets other than those measured at amortized cost.

Financial assets are generally derecognized when:

- The contractual right to the cash flows of an item of financial assets ceases to exist or;
- The Group has either transferred substantially all the risks and rewards associated with the financial assets or has transferred control of the financial assets..

## The Impairment of Financial Assets

Based on the simplified model permitted by IFRS 9, the Group records a deduction for expected credit losses from trade receivables. The Group's trade receivables do not contain a significant financing component.

The Group uses management judgment to determine the expected credit losses on trade receivables. The provision is based on historical observed default rates over the life of the trade receivables and is adjusted for forward-looking estimates. Changes in the allowance for doubtful accounts are presented in expenses in the income statement.

## Cash and Short-Term Deposits

Cash and cash equivalents consist of cash on hand, bank deposits available for withdrawal on demand and other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Items classified as cash and cash equivalents have a maximum maturity of three months from the date of acquisition. Cash and cash equivalents are classified as financial assets measured at amortized cost.

## Financial Liabilities

The Group's financial liabilities, which include trade and other payables, loans and other financial liabilities, are measured at amortised cost. Loans are initially recognised at fair value. Transaction costs are included in the initial carrying amount of the financial liabilities. Subsequently, loans are measured at amortised cost using the effective interest method.

Financial liabilities are not reclassified after their initial recognition in the balance sheet. Financial liabilities that mature in more than one year are classified as non-current liabilities, and liabilities that mature in less than one year are classified as current liabilities.

A financial liability is derecognized when the contractual liability is discharged, cancelled or matures. When the contractual terms of a financial liability are materially changed or when a new loan agreement is entered into with an existing creditor, the change is treated as derecognition of the original loan and recognition of the new loan. The difference in carrying amounts is recognized in the income statement.

## Accounting Principles Requiring Management Judgment and Key Uncertainties Related to Values

When preparing the financial statements, estimates and assumptions regarding the future must be made, the results of which may differ from the estimates and assumptions made. The estimates and assumptions used are based on past experience and assumptions that are based on the circumstances and prospects at the time of preparation of the financial statements. The financial statements have been prepared in accordance with the materiality principle and judgment has been exercised in assessing the impact of uncertainties and in applying the accounting principles.

During the comparison period, management judgment has been used, among other things, in assessing future cost estimates in projects for the recognition of service sales as a percentage of revenue, in determining the value of intangible assets in business acquisitions, and in assessing the future prospects of group companies in connection with IAS 12 Income Taxes and IAS 36 Impairment of Assets. Management judgment has also been applied in the depreciation of development costs, which are largely based on the estimated useful lives of development costs. In these cases, depreciation is made on a straight-line basis over time. In some cases, depreciation of product development costs may also be based on the delivery volumes of goods.

The financial statements may include income and expenses that affect comparability that are not related to normal business operations or that occur only infrequently. Such items include, among others, gains or losses on the sale of assets, material changes in asset values, such as impairments or reversals of impairments, material costs related to the reorganization of operations, or other material items that management considers to affect comparability.

When assessing the materiality of items affecting comparability, the euro value of the item is taken into account, and in connection with a change in the value of assets, its share of the total value of the asset.

## The Application of New and Revised IFRS Regulations

The new IFRS 18 Presentation of Financial Statements and Disclosures standard was published in April 2024. The standard must be applied for financial periods beginning on or after 1 January 2027. The Group estimates that the new standard will potentially have an impact on the information presented in the financial statements and the presentation of the profit or loss statement. The Group will analyze the need for changes caused by the standard.

Other IFRS accounting standards or interpretations effective on or after January 1, 2025 are not expected to have a material impact on the Group's financial performance, financial position or presentation of the financial statements.



## 1. Operating segments

### Accounting Principles

Bittium has switched to segment-based financial reporting as of January 1, 2024. 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. The Group's chief operating decision maker is Bittium's Board of Directors, which is responsible for allocating resources and assessing their performance. 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.

Segment reporting follows the same accounting principles as the Group. The comparative period information has been adjusted, where applicable, to reflect the new reporting structure. Intra-group transactions are eliminated when preparing the consolidated financial statements. In segment reporting, costs related to common services provided by Group functions to business segments are allocated to 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.

### Bittium Operating Segments Include the following business operations

In the Defense & Security business segment, Bittium offers globally leading products, services and systems to its customers in the defense, information security and government markets with the goal of strengthening the national security of independent countries.

In the Medical business segment, Bittium offers its customers healthcare products and services for measuring biosignals in the areas of cardiology, neurology and sports medicine. By combining healthcare technologies with Bittium's long experience and expertise in wireless technology and information security technology.

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. The company has focused its product development service offering around radio technology and embedded devices.

Group operations include expenses related to group administration and property rental activities. Group operations charge rent to business segments for premises owned by the Group. In addition, Group operations provide services common to business segments that are justified to be provided centrally. For these services, business segments pay a service fee in proportion to the number of employees in the segments..

The operating segments described above do not include segments that are a combination of several smaller segments.

**Business Segment Results****1.1.–31.12.2024**

1000 EUR	Defense & Security	Medical	Engineering Services	Group Functions	Unallocated items	Group Total
<b>Net sales, external</b>	<b>51,563</b>	<b>19,263</b>	<b>14,324</b>	<b>14</b>		<b>85,164</b>
Net sales, internal	39	10,541	0	9,667	-20,248	<b>0</b>
Other operating income	1,283	1,833	242	407		<b>3,765</b>
Operating expenses	-39,254	-20,311	-13,377	1,386		<b>-71,555</b>
<b>EBITDA</b>	<b>13,593</b>	<b>671</b>	<b>1,188</b>	<b>1,807</b>		<b>17,259</b>
Depreciation	-5,004	-1,533	-7	-2,087		<b>-8,631</b>
Share of results of the associated companies		-114				<b>-114</b>
<b>Operating profit/loss</b>	<b>8,588</b>	<b>-862</b>	<b>1,181</b>	<b>-280</b>		<b>8,627</b>
<b>Financial income and expenses</b>					<b>-1,242</b>	<b>-1,242</b>
<b>Profit before tax</b>						<b>7,385</b>

**1.1.–31.12.2023**

1000 EUR	Defense & Security	Medical	Engineering Services	Group Functions	Unallocated items	Group Total
<b>Net sales, external</b>	<b>36,233</b>	<b>22,043</b>	<b>16,971</b>	<b>0</b>		<b>75,247</b>
Net sales, internal	93	10,824	0	15,884	-26,802	<b>0</b>
Other operating income	1,627	770	187	523		<b>3,108</b>
Operating expenses	-35,944	-22,008	-15,501	250		<b>-73,203</b>
<b>EBITDA</b>	<b>1,916</b>	<b>837</b>	<b>1,657</b>	<b>773</b>		<b>5,183</b>
Depreciation	-5,079	-1,723	-6	-2,671		<b>-9,479</b>
Share of result of the associated companies		32				<b>32</b>
<b>Operating profit/loss</b>	<b>-3,163</b>	<b>-886</b>	<b>1,651</b>	<b>-1,898</b>		<b>-4,296</b>
<b>Financial income and expenses</b>					<b>-967</b>	<b>-967</b>
<b>Profit before tax</b>						<b>-5,263</b>

**Geographical Areas**

Bittium operates in three geographical regions: Europe, the Americas and Asia. The revenue of the geographical regions is presented according to the customer's location.

**Geographical areas****1.1.–31.12.2024**

<b>1000 EUR</b>	<b>Finland</b>	<b>Europe</b>	<b>Americas</b>	<b>Asias</b>	<b>Group total</b>
<b>Net sales, external</b>	43,117	21,678	19,125	1,243	85,164

**1.1.–31.12.2023**

<b>1000 EUR</b>	<b>Finland</b>	<b>Europe</b>	<b>Americas</b>	<b>Asias</b>	<b>Group total</b>
<b>Net sales, external</b>	32,102	21,401	20,894	850	75,247

The Group had two customers from 1 January to 31 December 2024, each generating more than 10 percent of the Group's revenue. Revenue from these customers amounted to EUR 33.7 million in the Defense & Security business segment and EUR 13.6 million in the Medical business segment.

**2. Net sales**

<b>1000 EUR</b>	<b>2024</b>	<b>2023</b>
Services	33,211	29,456
Products	51,953	45,791
Other		
<b>Total</b>	<b>85,164</b>	<b>75,247</b>

The services include project sales with fixed prices and hourly rates. The product sales include all the sales affected by products: the sales of products, product maintenance, extended warranties, and license sales.

**Construction contracts**

The contract revenue is recognized in the income statement in proportion to the stage of completion of the contract. The stage of completion is defined as the ratio of costs incurred to total estimated costs. The turnover of construction contracts is, depending on the contract elements, recognized over time or at a point in time. The principles of revenue recognition based on IFRS 15 are presented in detail in the accounting principles of the consolidated financial statements.

<b>1000 EUR</b>	<b>2024</b>	<b>2023</b>
Income recognized from construction contracts	15,114	8,399
Net sales other	70,050	66,848
<b>Total</b>	<b>85,164</b>	<b>75,247</b>
Income recognized over time based on the stage of completion of long-term construction contracts	15,114	8,399
Revenue recognized from long-term construction contracts in progress amounted to	11,190	6,203
Advances received from long-term construction contracts recognized in the balance sheet amounted to	1,165	718
Receivables recognized from long-term construction contracts amounted to	3,633	2,162

The net sales by geographical areas is presented in the Note 1.

**3. Other operating income**

1000 EUR	2024	2023
Government grants	3,687	2,998
Other income	78	110
<b>Total</b>	<b>3,765</b>	<b>3,108</b>

The most significant single project to receive government grants is the Seamless and Secure Connectivity project, which Bittium launched on March 28, 2023. The purpose of the project is to enable reliable, secure and fault-tolerant connectivity architectures and products for end-to-end connections in various areas of operation, including lifecycle services for products and solutions. Business Finland awarded the project 10 million euros in development grants in the challenger competition for leading companies and 20 million euros in funding for ecosystem companies and research partners surrounding the project. The four-year project, led by Bittium, will last until 2026. The government grants is tied to the project's objectives and is a maximum of 10 million euros for Bittium, spread over a four-year period.

**4. Other operating expenses**

1000 EUR	2024	2023
External services	1,958	1,961
Voluntary staff expenses	469	1,597
Premises expenses	1,027	1,126
Travel expenses	940	1,111
IT expenses	3,086	3,304
Other expenses	6,524	5,070
<b>Total</b>	<b>14,004</b>	<b>14,168</b>
Expense relating to short-term leases under IFRS 16	123	163

More information about Leases in Note 11.

**Auditor's charges**

1000 EUR	2024	2023
<b>PricewaterhouseCoopers Oy/Ernst &amp; Young</b>		
Auditing	163	58
Tax advice		
Other services	67	13
<b>Total</b>	<b>230</b>	<b>71</b>
<b>Others</b>		
Auditing	40	29
Tax advice	10	10
Other services	40	1
<b>Total</b>	<b>89</b>	<b>40</b>



## 5. Depreciations and impairments

1000 EUR	2024	2023
Depreciation		
Intangible assets		
Capitalized development expenditure	4,884	5,608
Capitalized development expenditure, impairments	692	0
Intangible rights	297	525
Customer relations and technology	119	119
Other intangible assets	56	49
Tangible assets		
Buildings and constructions	763	759
Machinery and equipment	1,820	2,418
<b>Total</b>	<b>8,631</b>	<b>9,479</b>
<b>Depreciation on property, plant and equipment acquired by leases</b>		
Buildings and constructions	368	364
Machinery and equipment	756	978

More information about Leases in Note 11.

## 6. Employee benefit expenses and number of personnel

Number of personnel	2024	2023
Average number of personnel during the fiscal period	507	601
<b>Personnel expenses 1000 EUR</b>	<b>2024</b>	<b>2023</b>
Personnel expenses		
Managing director's salaries	357	539
Board of directors *	206	175
Other salaries and wages	33,303	36,672
Salaries capitalized to development expenses	-4,838	-6,037
<b>Total</b>	<b>29,028</b>	<b>31,350</b>
Pension expenses, defined contribution plans	5,838	6,411
Other personnel expenses	796	1,333
<b>Total</b>	<b>35,663</b>	<b>39,094</b>

\*Including the share-based incentives. Further information in the Note 29.

**7. Research and development expenses**

<b>1000 EUR</b>	<b>2024</b>	<b>2023</b>
The research and development expenses total	13,544	20,229
Capitalized to the balance sheet	-5,607	-7,244
Recognition as an asset	5,576	5,608
<b>The expensed research and development expenses recognized in the income statement amounted to</b>	<b>13,514</b>	<b>18,593</b>

**8. Financial expenses (net)**

<b>1000 EUR</b>	<b>2024</b>	<b>2023</b>
Financial income		
Interest income	297	191
Other financial income	21	297
<b>Total</b>	<b>318</b>	<b>488</b>
Financial expenses		
Interest expenses	-1,327	-890
Other financial expenses	-54	-235
Exchange gains and losses	-179	-330
<b>Total</b>	<b>-1,560</b>	<b>-1,455</b>
<b>Total financial income and expenses</b>	<b>-1,242</b>	<b>-967</b>
Interest expenses on lease liabilities under IFRS 16	-51	-50

More information about Leases in Note 11.

**9. Income taxes**

<b>1000 EUR</b>	<b>2024</b>	<b>2023</b>
Income taxes, current year	-128	-156
Other taxes	-5	-25
Income taxes, previous years	-14	-17
Deferred taxes	30	30
<b>Total</b>	<b>-118</b>	<b>-168</b>

A reconciliation between the effective tax rate and domestic tax rate (20.0 percent) of the Group:

1000 EUR	2024	2023
<b>Profit before taxes</b>	<b>7,385</b>	<b>-5,263</b>
Tax at the domestic tax rate	-1,473	1,053
Effect of tax rates of foreign subsidiaries	-9	-4
Taxes for prior years	-14	-17
Tax free income	469	808
Non-deductible expenses	-800	-908
Utilization of deferred tax assets from previous years	1,948	303
Reassessment of deferred tax assets	30	30
The deferred tax assets from tax losses	-264	-1,415
Others	-5	-18
<b>Income taxes in the consolidated income statement</b>	<b>-118</b>	<b>-168</b>

## 10. Earnings per share

### Basic

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

1000 EUR	2024	2023
Profit attributable to the equity holders of the parent (1,000 EUR)	7,267	-5,431
Weighted average number of ordinary shares during the financial year (1000 PCS)	35,486	35,609
<b>Basic earnings per share, EUR</b>	<b>0.205</b>	<b>-0.153</b>

### Diluted

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The Group had no share-based payment schemes which would have a diluting effect on the number of shares.

1000 EUR	2024	2023
Profit attributable to the equity holders of the parent (1,000 EUR)	7,267	-5,431
Weighted average number of ordinary shares during the financial year (1000 PCS)	35,486	35,609
Effect of dilution (1000 PCS)		
Weighted average number of ordinary shares during the financial year (1000 PCS)	35,486	35,609
<b>Diluted earnings per share, EUR</b>	<b>0.205</b>	<b>-0.153</b>

## 11. Property, plant, and equipment

The Group has not revalued property, plant, and equipment, hence the Group has not recognized any impairment losses directly to equity or recorded any reversals of those.

1000 EUR	31.12.2024	31.12.2023
<b>Land and water</b>		
Acquisition cost Jan. 1	1,091	1,091
Additions during the period		
<b>Acquisition cost at the end of the period</b>	<b>1,091</b>	<b>1,091</b>
<b>Carrying amount at the end of the period</b>	<b>1,091</b>	<b>1,091</b>
<b>Buildings and constructsures</b>		
Acquisition cost Jan. 1	20,932	20,170
Translation differences	-34	26
Additions during the period	0	776
Disposals during the period	0	-40
<b>Acquisition cost at the end of the period</b>	<b>20,898</b>	<b>20,932</b>
Accumulated depreciations Jan. 1	-7,401	-6,616
Translation differences	34	-26
Depreciation for the period	-763	-759
<b>Carrying amount at the end of the period</b>	<b>12,767</b>	<b>13,530</b>

No revaluations or capitalizations of interest costs have been done.

1000 EUR	31.12.2024	31.12.2023
<b>Machinery and equipment</b>		
Acquisition cost Jan. 1	65,370	64,288
Translation differences	-30	19
Additions during the period	1,388	1,149
Disposals during the period	-47	-86
<b>Acquisition cost at the end of the period</b>	<b>66,682</b>	<b>65,370</b>
Accumulated depreciations Jan. 1	-61,859	-59,357
Translation differences	30	-19
Depreciation for the period	-1,829	-2,483
<b>Carrying amount at the end of the period</b>	<b>3,023</b>	<b>3,511</b>
<b>Other tangible assets</b>		
Acquisition cost Jan. 1	88	88
Additions during the period		
Disposals during the period		
<b>Acquisition cost at the end of the period</b>	<b>88</b>	<b>88</b>
Accumulated depreciations Jan. 1		
Depreciation for the period		
<b>Carrying amount at the end of the period</b>	<b>88</b>	<b>88</b>

1000 EUR	31.12.2024	31.12.2023
<b>Property, plant and equipment total</b>		
Acquisition cost Jan. 1	87,481	85,637
Translation differences	-64	45
Additions during the period	1,388	1,925
Disposals during the period	-47	-126
<b>Acquisition cost at the end of the period</b>	<b>88,758</b>	<b>87,481</b>
Accumulated depreciations Jan. 1	-69,260	-65,973
Translation differences	64	-45
Depreciation for the period	-2,593	-3,242
<b>Carrying amount at the end of the period</b>	<b>16,969</b>	<b>18,221</b>

### Leases

The Group had the following amounts of property, plant and equipment acquired by finance leases:

1000 EUR	31.12.2024	31.12.2023
<b>Machinery and equipment</b>		
Acquisition cost	13,091	12,614
Accumulated depreciations	-12,153	-11,397
Carrying amount at the end of the period	938	1,216
<b>Buildings and constructsures</b>		
Acquisition cost	3,279	3,279
Accumulated depreciations	-2,318	-1,950
Carrying amount at the end of the period	961	1,329

Additions of property, plant, and equipment include assets acquired by leases of EUR 0,5 million in 1.1.–31.12.2024 (EUR 1.6 million in 2023).



## 12. Intangible assets

1000 EUR	31.12.2024	31.12.2023
<b>Capitalized development expenses</b>		
Acquisition cost Jan. 1	81,845	74,601
Additions during the period	5,607	7,244
<b>Acquisition cost at the end of the period</b>	<b>87,452</b>	<b>81,845</b>
Accumulated depreciations Jan. 1	-31,392	-25,784
Depreciation for the period	-5,576	-5,608
<b>Carrying amount at the end of the period</b>	<b>50,483</b>	<b>50,452</b>
<b>Intangible rights</b>		
Acquisition cost Jan. 1	6,172	6,032
Additions during the period	170	141
<b>Acquisition cost at the end of the period</b>	<b>6,342</b>	<b>6,172</b>
Accumulated depreciations Jan. 1	-5,566	-5,117
Depreciation for the period	-297	-450
<b>Carrying amount at the end of the period</b>	<b>479</b>	<b>606</b>
<b>Customer relations and technology</b>		
Acquisition cost Jan. 1	1,780	1,780
<b>Acquisition cost at the end of the period</b>	<b>1,780</b>	<b>1,780</b>
Accumulated depreciations Jan. 1	-1,647	-1,528
Depreciation for the period	-119	-119
<b>Carrying amount at the end of the period</b>	<b>14</b>	<b>133</b>
<b>1000 EUR</b>		
<b>Other intangible assets</b>		
Acquisition cost Jan. 1	4,878	4,882
Translation differences	7	-4
<b>Acquisition cost at the end of the period</b>	<b>4,951</b>	<b>4,878</b>
Accumulated depreciations Jan. 1	-4,824	-4,752
Translation differences	-7	4
Depreciation for the period	-56	-75
<b>Carrying amount at the end of the period</b>	<b>65</b>	<b>54</b>
<b>Intangible assets total</b>		
Acquisition cost Jan. 1	94,676	87,295
Translation differences	7	-4
Additions during the period	5,843	7,385
<b>Acquisition cost at the end of the period</b>	<b>100,526</b>	<b>94,676</b>
Accumulated depreciations Jan. 1	-43,430	-37,181
Translation differences	-7	4
Depreciation for the period	-6,048	-6,252
<b>Carrying amount at the end of the period</b>	<b>51,041</b>	<b>51,246</b>

1000 EUR	31.12.2024	31.12.2023
<b>Goodwill</b>		
Acquisition cost Jan. 1	5,828	5,836
Translation differences	14	-8
<b>Carrying amount at the end of the period</b>	<b>5,842</b>	<b>5,828</b>

**Impairment testing**

1000 EUR	2024	2023
Goodwill, Defense & Security	3,178	
Goodwill, Medical	1,992	
Goodwill, Engineering Services	672	
Goodwill, Group		5,828
<b>Total</b>	<b>5,842</b>	<b>5,828</b>

Goodwill has been reallocated to cash-generating units in 2024 in accordance with the new segment structure. Bittium's cash-generating units are the Defence & Security, Medical and Engineering Services business segments. Bittium determines the recoverable amount of a cash-generating unit based on its value in use. In the comparative period, impairment testing has been performed at the Group level.

The calculations underlying the impairment testing are based on numerous estimates. The determination of value is fundamentally based on judgment and it is quite possible that values will change from one financial year to another, as management has to anticipate the demand and supply related to individual business units, future selling prices and investment needs, and achievable cost levels.

The cash flow projections used in the impairment testing calculations are based on budgeted figures for 2025 and long-term financial plans (LRPs) for 2026–2028. Cash flows extending beyond four years have been calculated using the residual value method. The calculation uses a perpetual annual growth rate of 2%. At segment level, 83% of the value of Defence & Security, 92% of Medical and 80% of Engineering Service is comprised of residual value. The cash flow projections for the business are subject to the uncertainties described in the Board of Directors' Report: Risks and uncertainties.

The discount rate used in the impairment testing calculations is the pre-tax Weighted Average Cost of Capital (WACC), which describes the total cost of equity and debt capital, taking into account the specific risks associated with the assets. The calculation components of the return requirement are the risk-free interest rate, liquidity premium, market risk premium, beta coefficient, cost of debt, corporate tax rate and target capital

structure. The discount rate calculated based on these parameters was 9.5% (9.9% in 2023). The calculation components of the WACC have been compared with the calculation components determined by an external party.

At the business segment level, Defence & Security's cash flow was higher than forecast in the financial year 2024 due to higher than expected growth and profitability, improved working capital and lower than expected investments. The cash flow of the Medical and Engineering Services businesses was lower than forecast in the financial year 2024 mainly due to weaker than expected business growth and profitability.

Impairment testing is performed when necessary, but at least once a year. Based on the impairment tests performed for the financial statements 2024, no need for impairment has been identified. Recoverable amounts were significantly higher than the carrying amounts of assets at each business segment level.

In connection with the impairment testing, sensitivity analyses were performed, in which the net sales of future years were reduced by 20% or the discount rate was increased by 5 percentage points. The cash flows were found to be relatively sensitive to an increase in the discount rate. However, according to the management's assessment, no probable change in any of the key assumptions used would result in a situation where the recoverable amount of the cash-generating unit would be less than its carrying amount.

### 13. Acquisitions

Acquisitions in 2024

In 2024 or in the comparative period 2023 the Group did not have acquisitions to be reported according to the IFRS standards.

### 14. Shares in associated companies

Bittium Group owns 25% of Coronaria Analyysipalvelut Oy shares at the end of 2024. Through this joint ownership, Bittium and Coronaria aim at gaining synergies from Bittium's device and system development and the interfaces formed by Coronaria's clinical medicine and services. Coronaria Analyysipalvelut Oy has been consolidated using the equity method using the information that was available for the Bittium financial statements. The domicile of the company is Oulu.

Bittium Group owns 20% of evismo AG shares at the end of 2024. Evismo AG provides medical remote diagnostics services in Switzerland. Evismo AG has been consolidated using the equity method using the information that was available for the Bittium financial statements. The domicile of the company is in Zurich.

1000 EUR	2024	2023
<b>Shares in associated companies</b>		
Coronaria Analyysipalvelut Oy	1,002	1,021
evismo AG	101	0
Other associated companies	22	22
<b>Assets total</b>	<b>1,125</b>	<b>1,042</b>
<b>Coronaria Analyysipalvelut Oy</b>		
Current assets	959	688
Non-current assets	1,116	1,534
Current liabilities	270	327
Non-current liabilities	25	51
Turnover	3,015	3,631
Net profit	-65	154
<b>evismo AG</b>		
Current assets	537	532
Non-current assets	761	785
Current liabilities	620	415
Non-current liabilities	38	2,365
Turnover	1,331	1,172
Net profit	-506	-471
<b>Shares in associated companies</b>		
Acquisition cost Jan. 1	1,042	1,010
Translation differences	-18	0
Additions during the period	216	38
Disposals during the period	-114	-6
<b>Carrying amount at the end of the period</b>	<b>1,126</b>	<b>1,042</b>

**15. Other financial assets**

1000 EUR	2024	2023
At 1 January	112	112
Additions		
Disposals		
<b>At the closing date</b>	<b>112</b>	<b>112</b>

**16. Deferred tax liabilities and assets**

1000 EUR	1.1.2024	Recognized in the income statement	31.12.2024
<b>Deferred tax assets</b>			
Unutilized losses in taxation	526	-160	366
Non-depreciated depreciations	6,889	125	7,014
<b>Total</b>	<b>7,415</b>	<b>-35</b>	<b>7,380</b>

On December 31, 2024 the Group had 1,8 million euros tax losses and 58 million euros non-depreciated depreciation of which the deferred tax receivables is approximately 12.0 million euros. Tax assets have not been fully booked because the Group does not have sufficient certainty about the timing of future income, the tax treatment and the company in which the income will arise. The aging of these tax losses begins from year 2026.

1000 EUR	1.1.2024	Recognized in the income statement	31.12.2024
<b>Deferred tax liabilities</b>			
Customer and technology assets	114	-42	73
<b>Total</b>	<b>114</b>	<b>-42</b>	<b>73</b>

1000 EUR	1.1.2023	Recognized in the income statement	31.12.2023
<b>Deferred tax assets</b>			
Unutilized losses in taxation	526		526
Non-depreciated depreciations	6,890	-1	6,889
<b>Total</b>	<b>7,416</b>	<b>-1</b>	<b>7,415</b>

On December 31, 2023 the Group had 4,1 million euros tax losses and 59,1 million euros non-depreciated depreciation of which the deferred tax receivables is approximately 12.6 million euros. Tax assets have not been fully booked because the Group does not have sufficient certainty about the timing of future income, the tax treatment and the company in which the income will arise. The aging of these tax losses begins from year 2025.

1000 EUR	1.1.2023	Recognized in the income statement	31.12.2023
<b>Deferred tax liabilities</b>			
Customer and technology assets	156	-42	114
<b>Total</b>	<b>156</b>	<b>-42</b>	<b>114</b>

**17. Inventories**

1000 EUR	31.12.2024	31.12.2023
Raw materials and supplies	16,988	17,790
Work in progress	2,254	4,395
Finished products	5,561	4,436
Other inventories		
<b>Total</b>	<b>24,804</b>	<b>26,621</b>

During the financial year 1.1.-31.12.2024, group has booked non-recurring write-down of EUR 0,7 million due to the impairment of inventory. (EUR 2,5 million 2023)

In order to increase informativeness, a classification change has been made during the financial period to present the change in inventories of finished and unfinished products in the income statement. The change in inventories of finished and unfinished products is now presented in the income statement on a separate line, while the change in inventories was previously presented as a single item included in the use of materials and supplies. The change in inventories of finished and unfinished products in the financial period 1.1.-31.12.2024 is -1015 thousand euros (2904 thousand euros in 2023).

**18. Trade and other receivables (current)**

1000 EUR	31.12.2024	31.12.2023
Non-current receivables	305	730
<b>Non-current receivables total</b>	<b>305</b>	<b>730</b>
Current receivables:		
Trade receivables	27,351	32,813
Receivables from construction contracts	3,633	2,162
Prepaid expenses and accrued income	3,852	2,367
Other receivables	949	769
<b>Current receivables total</b>	<b>35,786</b>	<b>38,111</b>

1000 EUR	31.12.2024	31.12.2023
Prepaid expenses and accrued income		
Government grants	2,195	1,201
Advance payments	872	464
Other prepaid expenses and accrued income	784	702
<b>Prepaid expenses and accrued income total</b>	<b>3,852</b>	<b>2,367</b>

The Group has recorded a provision for expected credit losses of EUR 0,2 million. (EUR 0,3 million in 2023.)

During the financial year group has booked credit losses from accounts receivable EUR 0.0 million (EUR 0.0 million 2023)

1000 EUR	31.12.2024	31.12.2023
Age distribution of accounts receivable		
Current	26,057	31,196
Aged Overdue Amounts		
0-3 months	1,294	1,580
4-6 months	0	4
7-12 months	0	33
> 12 months		
<b>Total</b>	<b>27,351</b>	<b>32,813</b>

### 19. Cash and short-term deposits

1000 EUR	31.12.2024	31.12.2023
Cash and short-term deposits	21,775	8,332
<b>Total</b>	<b>21,775</b>	<b>8,332</b>
<b>Cash and cash equivalents at consolidated cash flow statement consist of:</b>		
Cash and short-term deposits	21,775	8,332
<b>Total</b>	<b>21,775</b>	<b>8,332</b>

### 20. Issued capital and reserves

	Shares 1000 PCS	Share premium 1000 EUR	Invested non-restricted equity fund 1000 EUR	Total 1000 EUR
31.12.2023	35,702	12,941	25,953	38,894
31.12.2024	35,702	12,941	25,953	38,894

#### Shares and the Share Capital

The shares of Bittium Corporation are listed on the NASDAQ OMX Helsinki Ltd. The Corporation has one series of shares. All the shares entitle their holders to dividends of equal value. Each share has one vote. The share does not have a nominal value. The company's shares have been entered into the Finnish Central Securities Depository Ltd's book-entry securities system.

At the end of the financial period, the fully paid share capital of the company entered into the Finnish Trade Register was EUR 12,941,269.00 and the total number of the shares was 35,702,264. The accounting per value of the company's share

is EUR 0.10. The company has 216,146 own shares in its possession

#### Translation Differences

The translation reserve comprises all foreign exchange differences arising from the transition of the financial statements of foreign subsidiaries.

#### Dividends

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.10 per share be paid based on the balance sheet to be adopted for the financial year ended December 31, 2024.



## 21. Share-based payment plans

### Board of Directors' share-based remuneration

During the financial year 2024, the Group paid part of the total remuneration of the Board of Directors with company shares. The parent company acquired the shares on the stock exchange. The key terms of the remuneration arrangement are presented in the table below.

#### Share-based remuneration of the board of directors paid in financial year 2024

Form of the reward	Shares
Payment date	May 2, 2024
Total amount of the executed shares	12,076
Share price at the grant date, EUR	6.03
Total expenses of the reward, EUR million	0.073
Vesting conditions	Ownership of the shares was transferred to the recipients at once but the recipients have agreed the lock-up undertaking until the membership in the board have ceased.
Execution	In shares

### Board of Directors' share-based remuneration

During the financial year 2023, the Group paid part of the total remuneration of the Board of Directors with company shares. The parent company acquired the shares on the stock exchange. The key terms of the remuneration arrangement are presented in the table below.

#### Share-based remuneration of the board of directors paid in financial year 2023

Form of the reward	Shares
Payment date	May 3, 2023
Total amount of the executed shares	14,611
Share price at the grant date, EUR	4.25
Total expenses of the reward, EUR million	0.062
Vesting conditions	Ownership of the shares was transferred to the recipients at once but the recipients have agreed the lock-up undertaking until the membership in the board have ceased.
Execution	In shares

### Share-based Remuneration of the Management

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

### Share-based Remuneration of the Management paid in financial year 2023

Form of the reward	Shares
Payment date	June 1, 2023
Total amount of the executed shares	23,854
Share price at the grant date, EUR	4.16
Total expenses of the reward, EUR million	0.099
Vesting conditions	Ownership of the shares was transferred to the CEO at once but the matching shares will be subject to a transfer restriction (lock-up) of three years.
Execution	In shares

### Share-based Remuneration of the Management, PSP 2023–2025

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

### Share-based Remuneration of the Management, PSP 2023–2025

Form of the reward	Shares
Grant date	June 19, 2023
Total amount of the shares at the most	250,000
Share price at the grant date, EUR	4.37
Total expenses of the reward at the most, EUR million	1.1
Execution	In shares

The performance measure for share-based incentive scheme PSP 2023–2025 was not reached and the reward was not booked in financial year 1.1.–31.12.2023.

## 22. Provisions

1000 EUR	Guarantee provisions	Expected credit losses	Others	Total
31.12.2023	4,478		9	4,487
Increase in provisions	2,168		7	2,175
Utilized provisions	-1,208			-1,208
Reversal of utilized provisions	0			0
<b>31.12.2024</b>	<b>5,438</b>	<b>0</b>	<b>16</b>	<b>5,454</b>
Current provisions	5,438	0	16	5,454
<b>Total</b>	<b>5,438</b>	<b>0</b>	<b>16</b>	<b>5,454</b>

**23. Financial liabilities**

<b>1000 EUR</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Non-current loans</b>		
Non-current loans from financial institutions	17,000	0
Lease liabilities	1,025	1,470
Other non-current loans	268	200
<b>Total</b>	<b>18,294</b>	<b>1,670</b>
<b>Current loans</b>		
Current loans from financial institutions	2,000	20,000
Lease liabilities	910	1,098
Trade and other payables	25,605	22,397
<b>Total</b>	<b>28,515</b>	<b>43,495</b>
Repayment schedule of loans:		
2024		44,072
2025	29,277	809
2026	3,366	445
2027	3,004	279
2028	2,638	64
Later	11,305	73
<b>Total</b>	<b>49,589</b>	<b>45,742</b>

The Group has a senior loan from Nordea Bank Plc in the amount of EUR 19 million and a credit limit agreement of EUR 10.0 million. These agreements were renegotiated on 28 March 2024, with the previous agreements between the parties expiring in May 2024. The senior loan matures on 24 May 2029 and is repaid semi-annually by EUR 1.0 million. The credit limit agreement is valid for a fixed term until 24 May 2026, after which it will continue to be valid indefinitely. At the end of the financial year, there was no credit limit in use. These agreements include customary covenants, including those related to the equity ratio, interest-bearing liabilities and EBITDA, and the transfer and pledge of assets, the terms of which were met at the end of the financial year.

The original carrying amount of the liabilities corresponds to their fair value, as the liabilities were renegotiated during the financial year and their interest rate corresponds to the market interest rate. In the comparative period, the effect of discounting is not material considering the maturity of the liabilities. The renegotiation of loans had no cash flow impact on financing cash flow.

Interest-bearing long-term liabilities are divided by currency as follows:

<b>1000 EUR</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
EUR	18,025	1,470
<b>Total</b>	<b>18,025</b>	<b>1,470</b>

Interest-bearing short-term liabilities are divided by currency as follows:

<b>1000 EUR</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
EUR	2,910	21,098
<b>Total</b>	<b>2,910</b>	<b>21,098</b>

## Maturity dates of lease liabilities:

<b>1000 EUR</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Lease liabilities - minimum lease payments		
Within one year	973	1,225
After one year but no more than five years	1,001	1,413
After five years	88	92
Lease liabilities - Present value of minimum lease payments	1,935	2,568
Within one year	910	1,098
After one year but no more than five years	954	1,397
After five years	71	73
Future finance charges	126	162
<b>Total amount of lease liabilities</b>	<b>2,061</b>	<b>2,730</b>

**24. Changes in liabilities arising from financing activities**

1000 EUR	1.1.2024	Cash flows	New leases	31.12.2024
Lease and financing contracts	22,568	-2,110	478	20,935
<b>Total</b>	<b>22,568</b>	<b>-2,110</b>	<b>478</b>	<b>20,935</b>

1000 EUR	1.1.2023	Cash flows	New leases	31.12.2023
Lease and financing contracts	22,446	-1,344	1,467	22,568
<b>Total</b>	<b>22,446</b>	<b>-1,344</b>	<b>1,467</b>	<b>22,568</b>

**25. Trade and other payables**

1000 EUR	31.12.2024	31.12.2023
Non-current liabilities		
<b>Other non-current liabilities, non-interest bearing</b>		
Non-current advances received	202	0
Other non-current liabilities, non-interest bearing	66	200
<b>Total</b>	<b>268</b>	<b>200</b>
<b>Current liabilities</b>		
<b>Trade and other payables</b>		
Trade liabilities	7,232	5,984
Advances received	3,581	3,075
Accrued liabilities, deferred income	10,925	10,342
Other liabilities	3,867	2,995
<b>Total</b>	<b>25,605</b>	<b>22,397</b>
<b>1000 EUR</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Accrued liabilities, deferred income</b>		
Personnel expenses	5,764	6,402
Taxes	129	138
Other accrued liabilities, deferred income	5,033	3,803
<b>Total</b>	<b>10,925</b>	<b>10,342</b>

Material of accrued expenses and deferred income consists of personnel expenses and other accruals.

The fair value of the liabilities doesn't significantly differ from the initial carrying value, because the impact on discounting is not significant when taking into account the maturities of the loans.

## 26. Financial risk management

The Group is exposed to several financial risks in the normal course of business. The main financial risks consist of currency, interest rate, investment and credit risks. The objective of the Group's financial risk management is to reduce the impact of price fluctuations and other uncertainties on the profit, balance sheet and cash flow and to ensure sufficient liquidity. The Group uses forward exchange contracts and interest rate swaps in risk management. Professional portfolio managers external to the Group are used in investment activities.

The general principles of the Group's financial risk management are approved by the Board of Directors, and their practical implementation is the responsibility of the Group's Finance Department together with the business units. The Group's Finance Department identifies and assesses risks and acquires the necessary instruments to hedge against risks in close cooperation with the operational units. The company's management assesses risk concentrations from a business perspective by taking into account the similarity of the characteristics of each concentration, which are affected in the same way by changes in economic or other circumstances. Operations and loan arrangements carried out in the financial markets are mainly centralized in the parent company. The financing of subsidiaries is mainly handled through intra-Group loans and group account limits.

The Group's financial risks are divided into market, credit and liquidity risks.

### Market Risks

Market risks arise from changes in the exchange rates or prices of currencies, interest rates and securities. These changes may have an impact on the Group's results, cash flows and balance sheet.

#### Currency risk

The Group operates internationally and is therefore exposed to transaction risks arising from different currency positions and

risks arising when investments in different currencies are translated into the parent company's functional currency. The most significant currencies for the Group are the euro and the USD. Foreign exchange risks arise from commercial transactions, monetary items on the balance sheet and net investments in foreign subsidiaries. The invoicing currency is either the functional currency of the unit or currencies in general use (EUR, USD). Further information on the functional currency and the translation of foreign currency items can also be found in the accounting policies of the consolidated financial statements.

The Group follows a currency strategy, the aim of which is to minimise the impact of exchange rates in order to secure the margin of the business in changing market conditions. According to the principles of the currency strategy, the net position is hedged against the future net cash flow in the relevant currency that is considered certain and most likely to occur, which is determined on the basis of trade receivables, trade payables, order backlog and forecasted net currency flow. According to the Group's currency strategy, the hedging ratio of the net position can vary between approximately 50–100% when the net position exceeds EUR 1.0 million in a currency. According to the currency strategy, the Group may also apply hedge accounting in accordance with IFRS 9 if necessary. Hedge accounting was not applied during 2024. At the end of the review period, the hedged net position had a countervalue of EUR 2.5 million. During the financial year, the amount of the hedged position has varied between EUR 1.3–2.5 million.

The transaction risk related to the income statement has been hedged, and the translation risk or economic risk related to the equity in the balance sheet has not been hedged. The total equity of the Group companies reported in foreign currencies on 31 December 2024 was EUR 2.1 million (EUR 2.5 million, 2023), of which the total equity of the Group companies denominated in dollars was EUR 1.9 million (EUR 2.2 million, 2023).



At the balance sheet date, the Group had the following nominal amounts of currency derivatives (the nominal amounts do not correspond to the cash payments exchanged between the parties):

#### Derivatives

1000 EUR	2024	2023
Forward contracts		
Market value	-45	19
Nominal value	2,500	2,200

Dollar-denominated assets and liabilities converted into euros at the exchange rate on the balance sheet date are as follows:

1000 EUR	2024	2023
Long-term assets	0	0
Long-term liabilities	0	0
Current assets	6,297	5,345
Current liabilities	4,384	3,118

The table below shows a 10% appreciation or depreciation of the euro against the US dollar, all other factors remaining constant. The sensitivity analysis is based on the foreign currency denominated assets and liabilities at the balance sheet date. The change in USD-denominated trade receivables and liabilities would have been primarily due to currency exchange rate changes.

1000 EUR	Changes in income statement before tax		Changes in equity before tax	
	2024	2023	2024	2023
EUR appreciates	-200	-200	-200	-200
EUR depreciates	200	200	200	200

#### Interest rate risk

Some of the Group's loans are tied to fixed interest rates. The Group had loans tied to fixed interest rates as follows on the balance sheet date:

1000 EUR	2024	2023
Fixed interest rate debts	1,935	2,568

The table below describes the interest rate risk of loans if there had been a +/- 1% change in the interest rates of loans tied to short-term reference rates, calculated as annual interest expense on the average loan principal at the beginning of the financial year and the balance sheet date, all other factors remaining unchanged.

1000 EUR	Changes in income statement before tax		Changes in equity before tax	
	2024	2023	2024	2023
Loan stock January, 1	22,600	22,400		
Loan stock December, 31	20,900	22,600		
Average loan stock	21,800	22,500		
Change in interest	+/- 200	+/- 200	+/- 200	+/- 200

**Credit risk**

The Group's credit risks are primarily related to trade receivables, cash and cash equivalents, investment activities and derivative contracts used for hedging. In deposit, investment and hedging activities, the Group only works with well-known partners with good creditworthiness.

Approximately 81% of the Group's trade receivables are from ten customers. Otherwise, trade receivables are spread across a wide customer base in different geographical areas. Where necessary, credit risk is reduced by, for example, letters of credit and bank guarantees. The concentration of credit risk related to trade receivables is assessed primarily as the share of individual customers in the Group's trade receivables, but also based on the maturity of the receivables.

The amount of credit losses recognized in profit or loss during the financial year was approximately EUR 0.0 million (EUR 0.0 million, 2023). The amount of loans granted to the Group's associated companies at the end of 2024 was EUR 0.0 million (EUR 0.2 million, 2023). The Group had no capital loans granted outside the Group at the end of 2024 (EUR 0.0 million, 2023).

The Group's maximum credit risk exposure corresponds to the carrying amount of financial assets at the end of the financial year. The aging of trade receivables is presented in Note 18.

**Liquidity risk**

The Group and business segments continuously assess and monitor the amount of financing required by the business so that the Group has sufficient liquid assets to finance operations and repay maturing loans. The Group seeks to ensure the availability and flexibility of financing through the

Group's strong financial position and liquid investments. The Group has a senior loan from Nordea Bank Plc in the amount of EUR 19.0 million and a binding credit limit agreement of EUR 10.0 million. The senior loan term expires on 24 May 2029 and is repaid semi-annually by EUR 1.0 million. The credit limit agreement is valid for a fixed term until 24 May 2026, after which it is valid indefinitely with a one-month notice period. These agreements include customary covenants, including those related to the equity ratio, interest-bearing liabilities and EBITDA, and the transfer and pledge of assets. Credit limits of EUR 0.0 million were in use at the end of the financial year. The age distribution of loans is presented in Note 23.

**Capital management**

The Group's capital management aims to support the business by ensuring normal operating conditions under all circumstances through an optimal capital structure. An optimal capital structure also ensures lower costs of capital.

The capital structure is influenced, among other things, through dividend distribution and share issues. The Group may vary and adjust the amount of dividends paid to shareholders or the amount of capital returned to them or the number of new shares issued, or decide on asset sales.

The company's management has regularly monitored the Group's net gearing and equity ratio. The Group's interest-bearing net debt was EUR -0.8 million at the end of 2024 (EUR 14.2 million at 31 December 2023) and the net gearing was -0.7% (13.2% at 31 December 2023). The Group's equity ratio was 69.9% at the end of 2024 (69.6% at 31 December 2023).

### Fair values of financial assets and liabilities

The fair value measurement policies used by the Group for all financial instruments are presented below. The table also details the carrying amounts of each item whose fair values are not considered to differ materially from those presented in the consolidated balance sheet.

1000 EUR	Note	Book value 2024	Fair value 2024	Book value 2023	Fair value 2023
Financial assets					
Other financial assets	15	112	112	112	112
Non-Current receivables	18	305	305	730	730
Trade receivables	18	27,351	27,351	32,813	32,813
Cash and cash equivalents	19	21,775	21,775	8,332	8,332
Currency forwards	18	0	0	19	19
Financial liabilities					
Bank loans	23	19,000	19,000	20,000	20,000
Trade payables and advances received	25	10,813	10,813	9,059	9,059
Currency forwards	25	45	45	0	0

#### Equity and fund investments and other investments

Available-for-sale financial assets consist mainly of fixed income funds, the fair value of which is based on the quotation on the balance sheet date (fair value level 1 in accordance with IFRS 13; quoted (unadjusted) prices in active markets for identical assets and liabilities).

#### Derivatives

The fair values of forward currency contracts are determined based on publicly quoted currency and interest rate data using generally accepted valuation techniques (fair value level 2 under IFRS 13; instruments whose fair value is observable either directly (i.e. as a price) or indirectly (i.e. derived)). The calculations have been prepared by an external expert.

#### Bank loans

The fair values are estimated to approximately correspond to the book values.

#### Accounts receivable

The original carrying amount of trade receivables corresponds to their fair value, as the effect of discounting is not material considering the maturity of the receivables.

#### Accounts payable and advances received

The original carrying amount of trade payables and advances received corresponds to their fair value, as the effect of discounting is not material considering the maturity of the liabilities.

## 27. Operating lease agreements

### The Group as Lessee

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

1000 EUR	31.12.2024	31.12.2023
Not later than one year	59	53
Later than one year and not later than five years		
Over five years		

The Group owns its facilities in Oulu and Kuopio. The facilities in other locations are rented. In average the maturities of the lease agreements are from 1 month to 5 years, and normally they include an option to extend the rental period from originally agreed end date. IFRS 16 Leases standard has come into force on 1st of January 2019. According to the standard, in principle all lease contracts of the Group are recognized as assets and liabilities in Group's Balance Sheet.

## 28. Securities and contingent liabilities

1000 EUR	31.12.2024	31.12.2023
Against own liabilities		
Floating charges		
Guarantee limits	5,000	10,000
Guarantee limits (guarantees issued)	89	2,989
Other contractual liabilities		
Falling due in the next year	1,391	2,311
Falling due after one year	823	861
Mortgages are pledged for liabilities totaled		
Loans from financial institutions		
Other liabilities (guarantees issued)		
Material purchase commitments	12,028	8,152
<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)	13,041	13,041
Value Added Tax on real estate investment	3,130	3,130
Reduced VAT	3,130	3,130
Annual amount subject to review	313	313
Adjustmet Liability	626	939

## 29. Related party disclosures

Bittium's related parties include subsidiaries, associated companies and joint ventures, and shareholders of the company who own at least 20 percent of the shares or votes in the Company.

Related parties also include executives (members of the Company's Board of Directors, CEO and members of the Management Group), as well as the spouse or common-law partner of the aforementioned and their children and other dependents regardless of age or place of residence, as well as entities in which the aforementioned related party, alone or together with their own related party, exercises significant influence or control, which is considered CEO or ownership of more than 20%.

The Group has the following structure:

	Country of incorporation	Owned by Parent %	Owned by Group %
<b>Parent</b>			
Bittium Corporation	Finland		
<b>Subsidiaries</b>			
Bittium Technologies Ltd	Finland	100.00	100.00
Bittium Wireless Ltd	Finland	0.00	100.00
Bittium Safemove Ltd	Finland	0.00	100.00
Bittium Biosignals Ltd	Finland	0.00	100.00
Bittium Medanalytics Ltd	Finland	0.00	100.00
Kiinteistöosakeyhtiö Oulun Ritaharjuntie 1	Finland	0.00	100.00
Kiinteistöosakeyhtiö Kuopion Pioneerinkatu 6	Finland	0.00	100.00
Bittium Germany GmbH	Germany	0.00	100.00
Bittium Mexico S.A. de C.V.	Mexico	0.00	100.00
Bittium USA, Inc.	USA	0.00	100.00

Information on the associated companies is presented in Note 14.

### Related party transactions and balances:

1000 EUR		2024	2023
Associated companies			
	Net sales	1,205	1,462
	Purchases	24	0
	Receivables	451	953
	Debts	100	150

Related party transactions have occurred based on market terms.

1000 EUR	2024	2023
<b>Employee benefits for key management</b>		
Salaries and remuneration		
Managing director of the parent		
Johan Westermarck, 1.4.-31.12.2023, 1.1.-31.12.2024	357	265
Hannu Huttunen 1.1.-31.3.2023	0	62
<b>Total</b>	<b>357</b>	<b>328</b>
Remuneration of the members of the board of the parent, the financial committee and the managing directors of the business segments		
Erkki Veikkolainen 1.1.-31.12.2023, 1.1.-31.12.2024	33	32
Riitta Tiuraniemi 1.1.-31.12.2023, 1.1.-31.12.2024	24	21
Pekka Kemppainen 1.1.-31.12.2023, 1.1.-31.12.2024	19	18
Raimo Jyväsjärvi 10.4.-31.12.2024	14	0
Petri Toljamo 14.4.-31.12.2023, 1.1.-31.12.2024	22	20
Veli-Pekka Paloranta 1.1.-31.12.2023, 1.1.-31.12.2024	22	20
<b>Total</b>	<b>132</b>	<b>112</b>
<b>Share-based incentives</b>		
Board of directors	73	62
Members of the group executive board	0	212
<b>Total</b>	<b>73</b>	<b>274</b>
Except for Remuneration of the Management and the Members of the Board Bittium has not had significant business transactions with its Board, Managing Director or Members of the Group Executive Board, including the companies that they have control or significant influence in. There have not been any business transactions or open balances between the related parties.		
<b>Members of the group executive board</b>	<b>1,100</b>	<b>1,069</b>

Except for management remuneration, Bittium has not had any significant business transactions with its Board of Directors, CEO or management team, including companies in which they have control or significant influence.

#### Loans and guarantees to related party

There are no loans or guarantees granted between the related parties.

#### 30. Events after the balance sheet date

On February 18, 2025, Bittium Corporation's current CEO Johan Westermarck resigned from his position. The Board of Directors of Bittium Corporation appointed Petri Toljamo (M.Sc., eMBA) as the new CEO as of April 1, 2025. Johan Westermarck will continue in his position until March 31, 2025.

On March 6, 2025, Niina Huikuri (M.Sc.) was appointed as the President of Bittium Corporation's Medical Business Segment and a member of the Management Team, effective May 1, 2025. The current President of the Medical Business Segment and a member of the Management Team, Laura Kauppinen, has resigned from her position. Kauppinen will continue in her position until April 30, 2025.



# Income Statement, Parent

1000 EUR	Notes	2024	2023
<b>NET SALES</b>	1, 2	634	1,316
Other operating income	3	0	0
Personnel expenses	4	-1,264	-1,878
Depreciation and reduction in value	5	-17	-15
Other operating expenses	6	-1,571	-1,150
<b>OPERATING PROFIT</b>		<b>-2,218</b>	<b>-1,728</b>
Financial income and expenses	7	4,923	4,809
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>		<b>2,705</b>	<b>3,081</b>
<b>Appropriations</b>	8	<b>0</b>	<b>-2,200</b>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>		<b>2,705</b>	<b>881</b>
	9	<b>0</b>	<b>0</b>
<b>NET PROFIT FOR THE FINANCIAL YEAR</b>		<b>2,705</b>	<b>881</b>

# Balance Sheet, Parent

1000 EUR	Notes	31.12.2024	31.12.2023
<b>ASSETS</b>			
Non-current assets			
Intangible assets	10	83	72
Tangible assets	11	71	71
Investments	12	39,750	39,750
Non-current assets total		39,904	39,893
Current assets			
Receivables			
Current receivables	13	96,478	109,883
Receivables total		96,478	109,883
Cash and bank deposits		18,858	6,200
Current assets total		115,336	116,083
<b>TOTAL ASSETS</b>		<b>155,240</b>	<b>155,976</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity			
Share capital	14	12,941	12,941
Invested non-restricted equity fund		25,953	25,953
Retained earnings		88,155	89,481
Net profit/loss for the year		2,705	881
Shareholders' equity total		129,755	129,256
Provisions			
Provisions, non-current			
Provisions, current			
Liabilities			
Non-current liabilities	15	17,000	0
Current liabilities		8,485	26,720
Liabilities total		25,485	26,720
<b>SHAREHOLDERS' EQUITY AND LIABILITIES TOTAL</b>		<b>155,240</b>	<b>155,976</b>

# Cash Flow, Parent

1000 EUR	2024	2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit (loss) before taxes +/-	2,705	881
Adjustments:		
Depreciations according to plan +	17	15
Effects of non-cash business activities	0	2,200
Financial income and expenses -/+	-4,923	-4,809
Cash flow before change in net working capital	-2,201	-1,713
Change in net working capital		
Change in interest-free short-term receivables	444	-581
Change in interest-free short-term payables	209	58
Cash flow before financing activities	-1,548	-2,235
Interest paid -	-1,365	-946
Dividends received +	0	0
Interest received +	6,281	5,828
<b>Net cash from operating activities</b>	<b>3,369</b>	<b>2,647</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible and intangible assets -	-28	-10
<b>Net cash used in investing activities</b>	<b>-28</b>	<b>-10</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
	-1,000	0
Change in interest-free short-term financial receivables in Group	12,961	-10,650
Change in interest-free short-term financial payables in Group	1,763	1,003
Received group contributions	-2,200	1,500
Dividend paid and capital repayment	-2,129	-1,785
	-77	-1,046
<b>Net cash used in financial activities</b>	<b>9,317</b>	<b>-10,978</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
	<b>12,658</b>	<b>-8,341</b>
Cash and cash equivalents at beginning of period	6,200	14,541
Cash and cash equivalents at end of period	18,858	6,200
Change in cash and cash equivalents in balance sheet	12,658	-8,341

# Accounting Principles for the Preparation of Financial Statements, Parent Company

The financial statements have been prepared in accordance with the Finnish Accounting Act.

## Valuation Principles

### Valuation of Non-current Assets

Non-current assets are capitalized in the balance sheet at the original acquisition cost deducted by accumulated depreciation. Depreciation according to the plan is calculated using the straight-line method, taking into consideration of the useful life of assets.

The depreciation periods are:

Intangible assets 3–10 years

Tangible assets 3–5 years

### Valuation of Financial Securities

Financial securities are valued at fair value. The fair value of forward exchange are defined based on forward exchange prices on balance sheet date and option contracts are defined based on market prices on balance sheet date.

### Pensions

The Company has organized pension coverage for its personnel through independent pension insurance companies. The pension insurance expenditures are included into personnel expenses.

### Leasing Agreements

Leasing agreements and fixed-term rental agreements are reported as contingent liabilities off the balance sheet.

### Income Tax

Taxes of the financial year have been reported in the income statement as income taxes. Deferred tax or liabilities or receivables has not been recorded on the financial statement.

### Foreign Currency Items

The transactions in the income statement have been converted into euro using the exchange rate of the transaction date. Receivables and payables denominated in foreign currency have been converted into euro by using the exchange rate of the European Central Bank at the balance sheet date.

### Net Sales

Sales of goods is recorded when goods have been handed over to the customer or the services have been rendered. Sales are shown net of indirect sales taxes and discounts.

# Notes to the Financial Statements of the Parent Company

1000 EUR	2024	2023
<b>1. Net sales by segments</b>		
Other functions	634	1,316
<b>Total</b>	<b>634</b>	<b>1,316</b>
<b>2. Net sales by market areas</b>		
Europe	430	1,158
America	204	158
Asia	0	0
<b>Total</b>	<b>634</b>	<b>1,316</b>
<b>3. Other operating income</b>		
Other operating income	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>4. Number of personnel and personnel expenses</b>		
Average number of personnel during the period		
Other functions	3	8
<b>Total</b>	<b>3</b>	<b>8</b>
Number of personnel at the end of the year		
	3	9
Personnel expenses *		
Management salaries	357	539
Board of Directors	206	175
Other salaries and wages	539	898
<b>Total</b>	<b>1,103</b>	<b>1,612</b>
Pension expenses	134	242
Other social expenses	28	24
<b>Total</b>	<b>1,264</b>	<b>1,878</b>
* The Board of Directors salaries include the share-based compensation.		
<b>5. Depreciation and reduction in value</b>		
Intangible rights	15	15
Other capitalized long-term expenditures	2	0
Machinery and equipment	0	0
<b>Total</b>	<b>17</b>	<b>15</b>

1000 EUR	2024	2023
<b>6. Other operating charges</b>		
IT equipment and SW expenses	40	55
Premises expenses	13	27
Administrative services	940	585
Travel expenses	74	102
Voluntary staff expenses	70	31
Other business expenses	434	351
<b>Total</b>	<b>1,571</b>	<b>1,150</b>
Auditors' charges		
Auditing	98	25
Tax advice	0	0
Other services	43	1
<b>Total</b>	<b>141</b>	<b>26</b>
<b>7. Financial income and expenses</b>		
Income from investments		
From Group companies		
From others	0	73
<b>Total</b>	<b>0</b>	<b>73</b>
Other interest and financial income		
From Group companies	5,931	5,471
From others	292	377
<b>Total</b>	<b>6,223</b>	<b>5,848</b>
Other interest and financial expenses		
To Group companies	10	4
To others	1,290	1,109
<b>Total</b>	<b>1,300</b>	<b>1,113</b>
Reduction in value of investment	0	0
<b>Net financial income and expenses</b>	<b>4,924</b>	<b>4,809</b>
Net financial income and expenses includes exchange gains and losses	-62	-6
<b>8. Appropriations</b>		
Received group contributions	0	-2,200
<b>9. Income tax</b>		
Other direct taxes	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



1000 EUR	31.12.2024	31.12.2023
<b>10. Intangible assets</b>		
<b>Intangible rights</b>		
Acquisition cost Jan. 1	355	345
Investments during the period	28	10
Disposals during the period	0	0
<b>Acquisition cost at the end of the period</b>	<b>383</b>	<b>355</b>
Accumulated depreciations Jan. 1	-283	-269
Depreciation for the period	-17	-15
<b>Book value at the end of the period</b>	<b>83</b>	<b>72</b>
<b>Intangible assets total</b>		
Acquisition cost Jan. 1	361	352
Investments during the period	28	10
<b>Acquisition cost at the end of the period</b>	<b>390</b>	<b>361</b>
Accumulated depreciations Jan. 1	-290	-275
Depreciation for the period	-17	-15
<b>Book value at the end of the period</b>	<b>83</b>	<b>72</b>

1000 EUR	31.12.2024	31.12.2023
<b>11. Tangible assets</b>		
<b>Other tangible assets</b>		
Acquisition cost Jan. 1	71	71
<b>Acquisition cost Dec. 31</b>	<b>71</b>	<b>71</b>
<b>Book value at the end of the period</b>	<b>71</b>	<b>71</b>
<b>Tangible assets total</b>		
Acquisition cost Jan. 1	77	77
Investments during the period	0	0
<b>Acquisition cost at the end of the period</b>	<b>77</b>	<b>77</b>
Accumulated depreciations Jan. 1	-6	-6
Depreciation for the period	0	0
<b>Book value at the end of the period</b>	<b>71</b>	<b>71</b>

1000 EUR	31.12.2024	31.12.2023
<b>12. Investments</b>		
<b>Investments in subsidiaries</b>		
Acquisition cost Jan. 1	39,749	39,749
<b>Book value at the end of the period</b>	<b>39,749</b>	<b>39,749</b>
<b>Investments in other shares</b>		
Acquisition cost Jan. 1	1	1
<b>Book value at the end of the period</b>	<b>1</b>	<b>1</b>
<b>Investments total</b>		
Acquisition cost Jan. 1	39,750	39,750
<b>Book value at the end of the period</b>	<b>39,750</b>	<b>39,750</b>

1000 EUR	31.12.2024	31.12.2023
<b>13. Current receivables</b>		
Accounts receivable		
From Group companies	4	547
<b>Total</b>	<b>4</b>	<b>547</b>
Other receivables		
From Group companies	96,296	109,257
From others	84	21
<b>Total</b>	<b>96,380</b>	<b>109,278</b>
Prepaid expenses and accrued income		
Advance payments	91	17
Other prepaid expenses and accrued income	2	40
<b>Total</b>	<b>94</b>	<b>58</b>
<b>Current receivables total</b>	<b>96,478</b>	<b>109,883</b>

1000 EUR	31.12.2024	31.12.2023
<b>14. Shareholders' equity</b>		
Share capital at the beginning of the period	12,941	12,941
<b>Share capital at the end of the period</b>	<b>12,941</b>	<b>12,941</b>
Invested unrestricted equity fund at the beginning of the period	25,953	25,953
Share issue		
<b>Invested unrestricted equity fund at the end of the period</b>	<b>25,953</b>	<b>25,953</b>
Retained earnings at the beginning of the period	90,362	92,312
Dividend distribution	-2,129	-1,785
	-77	-1,046
Net profit for the period	2,705	881
<b>Retained earnings at the end of the period</b>	<b>90,860</b>	<b>90,362</b>
Distributable earnings at the end of the period	116,814	116,315
Distributable funds from unrestricted equity as of 31.12	116,814	116,315
<b>Shareholders' equity total</b>	<b>129,755</b>	<b>129,256</b>

1000 EUR	31.12.2024	31.12.2023
<b>15. Liabilities</b>		
<b>Non-current liabilities</b>		
To Group companies		
To others	17,000	0
<b>Non-current liabilities total</b>	<b>17,000</b>	<b>0</b>
<b>Current liabilities</b>		
Accounts payable		
To Group companies	2	36
To others	265	49
<b>Total</b>	<b>267</b>	<b>85</b>
Other short-term liabilities		
To Group companies	5,636	6,073
To others	2,031	20,138
<b>Total</b>	<b>7,666</b>	<b>26,211</b>
Accrued expenses and deferred income		
To others		
Personnel expenses	375	319
Other accrued expenses and deferred income	177	104
<b>Total</b>	<b>552</b>	<b>424</b>
<b>Current liabilities total</b>	<b>8,485</b>	<b>26,720</b>

1000 EUR	31.12.2024	31.12.2023
<b>16. Securities and contingent liabilities</b>		
On behalf of Group companies		
Guarantee limits	5,000	10,000
of which guarantees in use total	89	2,989
Leasing liabilities		
Falling due in the next year	659	1,501
Falling due after one year	594	1,337
Other liabilities		
Credit Cards	5	1
Rental liabilities		
Falling due in the next year	9	11
Contractual liabilities		
Falling due in the next year	29	20
Falling due in 1-5 years	8	

On the balance sheet date, the company had the following nominal amounts of currency derivatives (the nominal amounts do not correspond to the cash payments exchanged between the parties):

1000 EUR	31.12.2024	31.12.2023
<b>17. Nominal value of currency derivatives</b>		
Foreign exchange forwards		
Market value	-45	19
Nominal value	2,500	2,200

The company has currency derivatives that hedge the net USD position in accordance with the group's currency strategy. Derivative contracts are valued at fair value. The fair values of forward currency contracts are based on forward prices at the balance sheet date. The fair values of forward currency contracts are determined based on publicly quoted currency and interest rate data using generally accepted valuation techniques. (Fair value level 2; instruments whose fair value can be determined either directly (i.e. as a price) or indirectly (i.e. derived)). The calculations have been prepared by an external expert. For more information, see Note 26 to the Group.

	Owned by Parent %	Owned by Group %	Book value 1000 EUR
<b>18. Shares and holdings</b>			
Subsidiaries			
Bittium Technologies Oy	100.00	100.00	39,749
Other holdings by Parent			
Partnera Oy			1

#### 19. Number of shares in the company and information regarding treasury shares

The company has one class of shares, the total number of which at the end of the financial period was 35,702,264. All shares entitle to the same dividend. The company holds 216,146 treasury shares.

#### 20. List of accounting books and types of documents and methods of storage

Balance sheet	electronic archive
Day and ledger	electronic archive
Ledger items	electronic archive
Bank documents	electronic archive
Purchase invoices	electronic archive
Sales invoices	electronic archive
Payroll accounting documents	electronic archive
Memo vouchers	electronic archive

# The Board of Directors' Proposal on the Use of the Profit Shown in the Balance Sheet and the Decision on the Payment of Dividends

The distributable funds in the parent company's balance sheet on 31 December 2024 were EUR 116,813,656, of which the profit for the financial period was EUR 2,705,058. The Board of Directors proposes to the Annual General Meeting to be held on May 7, 2025 that a dividend of EUR 0.10 per share be distributed based on the balance sheet to be approved for the financial period January 1 – December 31, 2024. The dividend will be paid to shareholders who are registered in the shareholder register maintained by Euroclear Finland Ltd on the dividend payment record date of May 9, 2025. The Board of Directors proposes that the dividend payment date is May 16, 2025.

Bittium Corporation follows a dividend policy that takes into account the Group's performance, financial position, capital needs, growth and required financing.



# Signatures on the Financial Statements, Annual Report and Sustainability Statement

Financial statements prepared in accordance with applicable accounting regulations give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the companies included in its consolidated financial statements.

The report of the Board of Directors contains a true and fair view of the development and results of the business of the company and of the companies included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other aspects of the company's status.

The sustainability statement included in the annual report has been prepared in accordance with the sustainability reporting standards referred to in Chapter 7 of the Accounting Act and Article 8 of the Taxonomy Regulation.

Oulu, April 14, 2025

Erkki Veikkolainen  
Chairman of the Board

Pekka Kempainen  
Member of the Board

Veli-Pekka Paloranta  
Member of the Board

Riitta Tiuraniemi  
Member of the Board

Raimo Jyväsjarvi  
Member of the Board

Petri Toljamo  
CEO

## Auditor's Note

Auditor's Report has been issued today.

In Oulu, April 14, 2025

PricewaterhouseCoopers Oy  
Authorised Public Accountants

Sami Posti  
KHT

# Auditor's Report (Translation of the Finnish Original)

To the Annual General Meeting of Bittium Oyj

## Report on the Audit of the Financial Statements

### Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

#### What we have audited

We have audited the financial statements of Bittium Oyj (business identity code 1004129-5) for the year ended 31 December 2024. The financial statements comprise:

- the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, which include material accounting policy information and other explanatory information
- the parent company's balance sheet, income statement, cash flow statement and notes.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 4 to the Financial Statements.

### Our Audit Approach

#### Overview

- Overall group materiality: € 850 thousand, which represents 1 % of group's revenue
- The scope of the audit of the consolidated financial statements included the parent company as well as the most significant other group companies, covering the majority of the group's revenue, assets, and liabilities.
- Valuation of Capitalized development expenses
- Valuation of Inventories
- Recognition of Revenue from long-term construction contracts

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall

group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative

considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

<b>Overall group materiality</b>	€ 850 thousand
<b>How we determined it</b>	1 % of group revenue 2024
<b>Rationale for the materiality benchmark applied</b>	We selected revenue as the benchmark for determining materiality because it is one of the most commonly used metrics by financial statement users when assessing the Group's performance and development. Revenue is also the metric used by Bittium Oyj in its future outlook guidance. We chose a percentage of 1%, which falls within the generally accepted quantitative thresholds in auditing standards.

### How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the Bittium Group, the accounting processes and controls, and the industry in which the group operates. The scope of the audit has included not only the parent company but also group companies in Finland and the United States. Through the audit procedures performed at the aforementioned companies and additional audit procedures conducted at the group level, we have obtained a sufficient amount of appropriate audit evidence as the basis for our opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
<p><b>Valuation of Capitalized development expenses</b></p> <p>The notes to the consolidated financial statements, 7 and 12 Group's capitalized development expenses as of December 31, 2024, amounted to 50.5 million euros.</p> <p>Development expenses are capitalized if they meet the criteria for capitalization as defined in the IAS 38 accounting standard. Capitalized development expenses include mainly materials, supplies, and direct labor costs. Capitalized development expenses are amortized over their economic useful lives.</p> <p>The capitalized development expenses and their revenue-generating ability are evaluated regularly, taking into account changes in the technological environment. If the carrying amount of unamortized capitalized development expenses is considered to exceed the recoverable amount, an impairment loss is recognized immediately.</p> <p>The amount of capitalized development expenses in the Group's balance sheet is significant, and its valuation involves management judgment. Due to these factors, we have identified the valuation of capitalized development expenses as a key audit matter.</p>	<p>Regarding the valuation of development expenses, our audit procedures have included, among others, the following actions:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the accounting and valuation principles related to development expenses</li> <li>• We inquired with management about the activation criteria as well as the revenue-generating capacity of the capitalized expenses</li> <li>• We assessed the useful lives of development expenses as defined by management</li> <li>• We evaluated management's forecasts regarding the future economic benefits of development expenses</li> <li>• We tested a sample of additions to development expenses during the reporting period.</li> </ul>

**Key audit matter in the audit of the group****How our audit addressed the key audit matter****Valuation of Inventories**

The notes to the consolidated financial statements, 17  
The Group's inventories as of December 31, 2024, amounted to 24.8 million euros.

Inventories are stated at the lower of initial cost or net realizable value. Net realizable value is the estimated selling price in the normal course of business less the estimated costs of sale.

The value of the raw materials and supplies is determined using the weighted average cost method. The acquisition cost of finished and work in progress products consists of raw material purchase costs, direct labour costs, other direct costs, and systematically allocated variable manufacturing overhead, as well as a systematically allocated portion of fixed manufacturing overhead.

The amount of inventories in the Group's balance sheet is significant, and its valuation involves management judgment. Due to these factors, we have identified the valuation of current assets as a key audit matter.

Our audit work included forming an understanding of the processes and controls that ensure the accuracy and existence of inventory valuation.

Additionally, our audit procedures included, among others, the following actions:

- We obtained an understanding of the accounting and valuation principles related to inventory and their appropriateness
- We tested the prices of raw materials and the determination of production costs for items included in work in progress and finished products
- We made a sample and reviewed the net realizable value of finished goods by comparing the acquisition cost to the actual selling price
- We assessed the adequacy of inventory write-downs and the related management judgment
- We participated in the physical inventory count and conducted independent audit sampling to confirm existence and the accuracy of the count performed
- We requested external confirmations regarding inventory held in third party premises.

**Recognition of Revenue from long-term construction contracts**

The notes to the consolidated financial statements, 2  
Revenues recognized from long-term projects amounted to 15.1 million euros in the Group's revenue.

Long-term project is accounted using the percentage-of-completion method, where the revenue from the sale is recognized based on the completion rate when the project's final output can be reliably measured. The completion rate is measured as the ratio of costs incurred to the estimated total costs of the project. Revenue recognition based on the completion rate requires accurate forecasting of future sales and costs for the entire lifetime of the contract. The forecasts serve as the basis for recognized revenue and include the latest estimates of contract revenues, costs, and risks associated with the contracts. These forecasts may change significantly due to the project's stage of completion, as well as changes in the estimates of costs, contract scope, and customer plans or other factors.

The recognition of revenue from long-term projects is a key audit matter due to the management's judgment involved in making estimates in the project forecasts.

Our audit work have included, among other actions, the following:

- We obtained an understanding of the accounting principles and processes related to long-term projects
- We ensured that the revenue recognition method applied is appropriate, taking the terms of the contract into account
- We reviewed the sales contracts for the projects and compared them to the revenue forecasts for those projects
- We interviewed the financial responsible parties for the projects and the company's management and discussed the progress of ongoing projects
- We assessed the reliability of the project forecasts made by management by inspecting the actual results of completed projects.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical

requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Reporting Requirements

### Appointment

We were first appointed as auditors by the annual general meeting on 10.4.2024.

### Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on

which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Oulu 14 April 2025

**PricewaterhouseCoopers Oy**  
Authorised Public Accountants

Sami Posti  
Authorised Public Accountant (KHT)



# Assurance Report on the Sustainability Statement (Translation of the Finnish Original)

## To the Annual General Meeting of Bittium Oyj

We have performed a limited assurance engagement on the group sustainability statement of Bittium Oyj (business identity code 1004129-5) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1.–31.12.2024.

### Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

- 1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
- 2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Bittium Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability report in accordance with Chapter 7, Section 22, of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of the ESEF regulation or other European Union legislation.

### Basis for Opinion

We performed the assurance of the group sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International

Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorised Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Authorised Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Management ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Bittium Oyj are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability re-ported standards and in which the information for reporting in accordance

with the sustainability reporting standards has been identified

- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

## Inherent Limitations in the Preparation of a Sustainability Statement

Bittium Oyj's sustainability statement, prepared in accordance with Chapter 7 of the Accounting Act, describes the company's approach to calculating Scope 3 greenhouse gas emissions. The calculation principles used involve management judgment and a significant number of estimates and assumptions, resulting in substantial uncertainty in the outcome.

In reporting forward-looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of assumptions that have been disclosed in the sustainability statement about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

## Responsibilities of the Authorised Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for example the following:

- We interviewed the company's management and the individuals responsible for collecting and reporting the information contained in the group sustainability statement at the group level, as well as at different levels and business areas of the organization to gain an understanding of the sustainability reporting process and the related internal controls and information systems.
- We familiarised ourselves with the background documentation and records prepared by the company where applicable, and assessed whether they support the information contained in the group sustainability report.
- We performed site visits at the company's head office in Finland
- We assessed the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided

about the assessment process complies with the ESRS standards.

- We assessed whether the sustainability information contained in the group sustainability statement complies with the ESRS standards.
- Regarding the EU taxonomy information, we gained an understanding of the process by which the company has identified the group's taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided with the regulations.

Helsinki 14.4.2025

**PricewaterhouseCoopers Oy**

Authorised Sustainability Auditors

Tiina Puukkoniemi

Authorised Sustainability Auditor

# Independent Auditor's Reasonable Assurance Report on Bittium Oyj's ESEF Financial Statements

## To the Management of Bittium Oyj

We have been engaged by the Management of Bittium Oyj (business identity code 1004129-5) (hereinafter also "the Company") to perform a reasonable assurance engagement on the Company's consolidated IFRS financial statements for the financial year 01 January - 31 December 2024 in European Single Electronic Format ("ESEF financial statements")

## Management's Responsibility for the ESEF Financial Statements

The Management of Bittium Oyj is responsible for preparing the ESEF financial statements so that they comply with the requirements as specified in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF requirements"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of ESEF financial statements that are free from material noncompliance with the ESEF requirements, whether due to fraud or error.

## Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Our Responsibility

Our responsibility is to express an opinion on the ESEF financial statements based on the procedures we have performed and the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the ESEF financial statements are free from material noncompliance with the ESEF requirements.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the ESEF financial statements compliance with the ESEF requirements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material noncompliance of the ESEF financial statements with the ESEF requirements, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Company's preparation of the ESEF financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Opinion

In our opinion, Bittium Oyj's ESEF financial statements for the financial year ended 31 December 2024 comply, in all material respects, with the minimum requirements as set out in the ESEF requirements.

Our reasonable assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except for Bittium Oyj for our work, for this report, or for the opinion that we have formed.

Oulu 14 April 2025

### **PricewaterhouseCoopers Oy**

Authorised Public Accountants

Sami Posti

Authorised Public Accountant (KHT)



# Bittium

Bittium / Ritaharjuntie 1, FI-90590 Oulu, Finland / t. +358 40 344 2000 / [www.bittium.com](http://www.bittium.com)

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