

Interim Statement

January – September 2024



Third quarter 2024: Net sales growth weaker than estimated. Specification to the full-year net sales guidance.

July-September 2024

- Net sales increased 10.9 percent to EUR 42.2 million (EUR 38.0 million). The effect of exchange rates on the comparison period's net sales was EUR -0.5 million and at comparable exchange rates, net sales increased by 12.5 percent.
- Operating profit (EBITA) was EUR 10.3 million (EUR 9.2 million) or 24.5 percent (24.1%) of net sales.
- Operating profit (EBIT) was EUR 8.3 million (EUR 7.2 million) or 19.7 percent (18.8 %) of net sales.
- Earnings per share were EUR 0.30 (EUR 0.22).

January -September 2024

- Net sales increased 15.7 percent to EUR 140.6 million (EUR 121.5 million). The effect of exchange rates on the comparison period's net sales was EUR -0.8 million and at comparable exchange rates, net sales increased by 16.5 percent.
- Operating profit (EBITA) was EUR 39.8 million (EUR 29.4 million) or 28.3 percent (24.2%) of net sales.
- Operating profit (EBIT) was EUR 33.8 million (EUR 23.4 million) or 24.0 percent (19.3 %) of net sales.
- Earnings per share were EUR 1.13 (EUR 0.70).

The figures in brackets refer to the comparison period, i.e., the corresponding period in the previous year. The percentage of change in net sales at comparable exchange rates is calculated by translating the net sales from the comparison period 2023 with the actual exchange rates of the reporting period 2024 and by comparing the reported net sales in 2024 with the calculated 2023 net sales at comparable exchange rates.

Key figures

EUR 1,000	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	1-12/2023
Net sales	42,176	38,039	10.9%	140,583	121,479	15.7 %	180,743
Operating profit (EBITA)	10,330	9,158	12.8%	39,816	29,450	35.2 %	55,379
EBITA, %	24.5%	24.1%		28.3%	24.2 %		30.6 %
Operating profit (EBIT)	8,323	7,150	16.4%	33,794	23,427	44.2 %	47,349
EBIT, %	19.7%	18.8%		24.0%	19.3 %		26.2 %
Return on equity, %	5.6%	5.7%		21.0%	18.6 %		33.9 %
Return on investment, %	6.9%	6.1%		24.5%	19.3 %		35.6 %
Interest-bearing liabilities ¹	4,168	20,923	-80.1%	4,168	20,923	-80.1 %	20,513
Cash and cash equivalents ¹	44,925	31,289	43.6%	44,925	31,289	43.6 %	33,595
Net gearing, % ¹	-27.1%	-9.9%		-27.1%	-9.9 %		-10.7 %
Equity ratio, % ¹	78.2%	60.0%		78.2%	60.0 %		64.4 %

Earnings per share (EPS), EUR	0.30	0.22	40.1%	1.13	0.70	61.3 %	1.40
Diluted earnings per share, EUR	0.30	0.22	40.0%	1.13	0.70	61.2 %	1.39
Personnel, on average	848	740	14.5%	824	719	14.7 %	732

¹ At the end of the period

Juha Varelius, President and CEO

The third quarter of 2024 was weaker than expected for the company. Net sales growth for the quarter, at comparable exchange rates, was 12.5 percent. Net sales amounted to EUR 42 million. The moderate growth of net sales was mainly due to the weaker-than-estimated sales of distribution licenses, as well as challenges in the American business. License sales have otherwise continued their steady growth. In terms of geographic regions, Europe and Asia developed according to plan.

Operating profit (EBITA) for the third quarter came to EUR 10.3 million, representing 24.5 percent of net sales. The year-on-year increase was 12.8 percent. During the review period of January–September, our number of personnel increased by 15 percent year-on-year. We had 858 employees at the end of September.

In spite of the challenges in the third quarter, our view is that we are in a stable position to significantly increase net sales growth in the fourth quarter.

We specify our previously published guidance for 2024 regarding net sales growth.

Outlook for 2024

We have specified our guidance for 2024 to indicate that the full-year 2024 revenue will grow by 20–25 percent at comparable exchange rates year-on-year. Our guidance for the operating profit margin (EBITA %) remains unchanged.

We specify our previously published guidance for 2024 as follows:

Previous guidance:

We estimate that our full-year net sales for 2024 will increase by 20–30 percent year-on-year at comparable exchange rates and that our operating profit margin (EBITA %) will be 25–35 percent in 2024.

Specified guidance:

We estimate that our full-year net sales for 2024 will increase by 20–25 percent year-on-year at comparable exchange rates and that our operating profit margin (EBITA %) will be 25–35 percent in 2024.

News conference

Qt Group will hold an English-language news conference on October 31, 2024, at 11:00–12:00 EET at Itämerentorni in Helsinki, Finland, and as a webcast at www.qt.io/investors. CEO Juha Varelius and CFO Jouni Lintunen will present the

results at the news conference. Analysts and investors can participate in the news conference in person or via conference call: <http://palvelu.flik.fi/teleconference/?id=10012333>.

Financial information

NET SALES

EUR 1,000	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	1-12/2023
License sales and consulting	39,133	35,236	11.1%	131,813	111,367	18.4 %	167,776
Maintenance revenue	3,044	2,802	8.6%	8,770	10,112	-13.3 %	12,967
Total	42,176	38,039	10.9%	140,583	121,479	15.7 %	180,743

Qt Group Plc's net sales for the third quarter amounted to EUR 42.2 million (EUR 38.0 million), up by 10.9 percent. License sales and consulting increased by 11.1 percent and maintenance revenue increased by 8.6 percent. The effect of exchange rates on the comparison period's net sales was EUR -0.5 million, and at comparable exchange rates, net sales increased by 12.5 percent.

Qt Group's net sales for January-September 2024 amounted to EUR 140.6 million (EUR 121.5 million), up by 15.7 percent. License sales and consulting grew by 18.4 percent, and maintenance decreased by 13.3 percent. The effect of exchange rates on the comparison period's net sales was EUR -0.8 million. At comparable exchange rates, net sales increased by 16.5 percent.

FINANCIAL PERFORMANCE

EUR 1,000	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	1-12/2023
Net sales	42,176	38,039	10.9 %	140,583	121,479	15.7 %	180,743
Other operating income	1	7	-86.5 %	13	23	-45.2 %	356
Materials and services	-1,038	-1,003	3.5 %	-2,787	-3,295	-15.4 %	-4,544
Personnel expenses	-22,848	-20,247	12.8 %	-72,819	-64,382	13.1 %	-87,739
Depreciation, amortization and impairment (excl. Intangible assets arising from business combinations)	-794	-798	-0.6 %	-2,447	-2,323	5.3 %	-3,161
Other operating expenses	-7,167	-6,840	4.8 %	-22,727	-22,053	3.1 %	-30,277
Operating result (EBITA)	10,330	9,158	12.8 %	39,816	29,450	35.2 %	55,379
EBITA-%	24.5 %	24.1 %		28.3 %	24.2 %		30.6 %
Depreciation (Intangible assets arising from business combinations)	-2,008	-2,008	0.0 %	-6,023	-6,023	0.0 %	-8,030
Operating result (EBIT)	8,323	7,150	16.4 %	33,794	23,427	44.2 %	47,349
EBIT-%	19.7 %	18.8 %		24.0 %	19.3 %		26.2 %

In the third quarter of 2024, the operating profit (EBITA) amounted to EUR 10.3 million (EUR 9.2 million).

Operating profit (EBIT) in the third quarter of 2024 was EUR 8.3 million (EUR 7.2 million).

Qt Group's earnings before tax for the third quarter totaled EUR 10.3 million (EUR 7.0 million) and the result was EUR 7.7 million (EUR 5.5 million). Income taxes expenses for July-September amounted to EUR 2.6 million (EUR 1.5 million).

Earnings per share in the third quarter amounted to EUR 0.30 (EUR 0.22).

In January-September 2024 the operating profit (EBITA) amounted to EUR 39.8 million (EUR 29.4 million).

Operating profit (EBIT) in January-September 2024 was EUR 33.8 million (EUR 23.4 million).

Qt Group's earnings before tax in January-September 2024 totaled EUR 36.3 million (EUR 22.4 million) and the result was EUR 28.7 million (EUR 17.8 million). Income taxes expenses for the period amounted to EUR 7.6 million (EUR 4.6 million).

Earnings per share in January-September 2024 amounted to EUR 1.13 (EUR 0.70).

FINANCING AND INVESTMENTS

In January-September 2024, cash flow from operating activities was EUR 33.4 million (EUR 34.3 million). Qt Group's cash and cash equivalents totaled EUR 44.9 million (EUR 31.3 million) at the end of September 2024.

Qt Group's consolidated balance sheet total at the end of September 2024 stood at EUR 213.8 million (EUR 188.5 million). Net cash flow from investments in January-September 2024 was EUR -4.3 million (EUR -2.4 million). In 2024, EUR 3.3 million was paid as the rest of the earn-out from the Axivion acquisition in 2022. During the third quarter, the earn-out liabilities were adjusted by EUR 3.4 million, which is presented in other financial income.

Equity ratio was 78.2 percent (60.0%) and gearing -27.1 percent (-9.9%). Interest-bearing liabilities amounted to EUR 4.2 million (EUR 20.9 million), of which short-term loans accounted for EUR 2.3 million (EUR 18.4 million).

In January-September 2024, return on investment was 24.5 percent (19.3%) and return on equity was 21.0 percent (18.6%).

PERSONNEL

Geographical distribution of personnel:

Personnel, on average	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	1-12/2023
Finland	265	217	21.8 %	254	207	22.7 %	212
Rest of Europe & APAC	461	409	12.8 %	451	398	13.4 %	405
North America	122	114	7.0 %	120	114	4.7 %	115
Total	848	740	14.5 %	824	719	14.7 %	732

Other events during the reporting period

CHANGES IN THE MANAGEMENT TEAM

Laura Kilemet (b. 1979, Master of Science, Economics and Business Administration), was appointed as Qt Group's Senior Vice President, People & Culture, and member of the Management Team effective from August 26, 2024. The previous SVP, People & Culture, Mari Heusala moved to other position outside the Company from August 23, 2024.

Events after the reporting period

The company had no events deviating from normal business operations after the end of the review period.

Risk and business uncertainties

Qt Group's risks and uncertainties are related to potential significant changes in the operating environment of the company and its customers, and Qt Group's ability to execute its strategy.

Qt Group's solutions increase productivity in the product development process of mobile and desktop applications, and embedded devices with graphical user interfaces from user interface design to software development, quality assurance and deployment. Qt Group operates in a highly competitive industry that is characterized by the rapid emergence and development of various new technologies. The emergence and widespread adoption of significant new technology can potentially reduce the demand for Qt's technology.

Qt Group's distribution license revenue depends on the ability and capacity of the company's customers to manufacture products and devices with graphical user interfaces for the market. Disruptions in the customers' global supply chains may create delays in the production processes of equipment manufacturers and reduce their production volume, which particularly affects net sales accrued from distribution licenses.

In addition to organic growth, the company also actively pursues inorganic growth through acquisitions that support its strategy. Qt Group may be subject to risks related to new markets as a result of acquisitions. The integration of acquired products, business operations and personnel also involve various risks.

Exchange rate fluctuations, particularly between the US dollar and euro, may have a large impact on the development of the company's net sales. Another factor contributing to considerable fluctuation in quarterly net sales and profitability in particular is the contract turnaround times which, in the major customer segment, are very long at up to 18 months.

Operating environment and market outlook

The company estimates the growth prospects for its business in the next few years as very promising. Qt Group expects that there will be strong demand for software design, development and quality assurance tools, especially in the automotive, consumer electronics, security, defense and aerospace, medical devices and industrial automation industries.

Qt's solutions for improving the productivity of software development and user interface design provide companies with the ability to respond to the growing requirements in the software market, driven by the exponential growth of the IoT market and the increasing speed of software development life cycles. As software becomes increasingly complex and incorporated into millions of everyday devices, the demand for quality assurance tools will grow. Qt Group expects that the quality assurance and testing automation markets will continue to grow in the future. Growth in the sales of developer licenses for devices with graphical user interfaces will also be reflected in the growth of net sales from distribution licenses. Distribution license revenue is based on the customer's production volume, which is why Qt Group's net sales can vary significantly from one quarter to the next.

Increasing energy prices and a general economic slowdown may reduce the demand for the products of Qt's customers and, consequently, slow the growth of Qt Group's business. The weakening of the global economic situation may also affect the solvency of the company's customers. Also, geopolitical risks add to the general uncertainty in the operating environment.

Espoo, October 30, 2024

Qt Group Plc

Board of Directors

Financial information for January 1– September 30, 2024

Accounting principles

This interim report is not prepared according to the IAS Interim Financial Reporting standard. Qt Group applies the statutes of the Finnish Securities Markets Act for half-yearly financial reporting and publishes interim reports in the first and third quarter of the year to present the key information of its financial development. The information presented in the interim report has not been audited.

SEGMENT REPORTING

Qt Group reports one business segment. The reported segment covers the entire Group, and its figures are congruent with the consolidated figures.

INFORMATION ON PRODUCTS AND SERVICES

Qt Group reports its net sales by type as follows: License sales and consulting, and support and maintenance revenue. License sales includes developer licenses and distribution licenses (runtimes).

EUR 1,000	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	1-12/2023
License sales and consulting	39,133	35,236	11.1%	131,813	111,367	18.4 %	167,776
Maintenance revenue	3,044	2,802	8.6%	8,770	10,112	-13.3 %	12,967
Total	42,176	38,039	10.9%	140,583	121,479	15.7 %	180,743

NET SALES AT COMPARABLE CURRENCIES

Qt Group Plc has applied the guidance from ESMA (European Securities and Markets Authority) on Alternative Performance Measures and presents the following alternative performance measures in addition to its consolidated IFRS financial statements: Net sales at comparable exchange rates and EBITA.

The alternative performance measure, 'net sales at comparable exchange rates', provides investors with information for comparison between reporting periods by illustrating the company's operative net sales development independent of exchange rates. The percentage of change in net sales at comparable exchange rates is calculated by translating the net sales from the comparison period 2023 with the actual exchange rates of the reporting period 2024 and by comparing the reported net sales in 2024 with the calculated 2023 net sales at comparable exchange rates.

EUR 1,000	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %
Net sales	42,176	38,039	10.9 %	140,583	121,479	15.7 %
Effect of exchange rates		-542			-802	
Net sales at comparable exchange rates	42,176	37,497	12.5 %	140,583	120,677	16.5 %

OPERATING PROFIT EBITA AND EBITA-%

Operating profit (EBITA) and EBITA %. Operating profit (EBITA) is presented because it reflects the Group's operational performance better than Operating profit (EBIT). Operating profit (EBITA) does not include amortization of fair value adjustments at acquisitions. EBITA, % presents Operating profit (EBITA) as a percentage share of the revenue. The table below shows a reconciliation between Operating profit (EBITA) and Operating profit (EBIT).

EUR 1,000	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Operating profit (EBIT)	8,323	7,150	33,794	23,427	47,349
Amortization on fair value adjustments at acquisitions	2,008	2,008	6,023	6,023	8,030
Operating profit (EBITA)	10,330	9,158	39,816	29,450	55,379

Consolidated income statement

EUR 1,000	7- 9/2024	7- 9/2023	Change, %	1- 9/2024	1- 9/2023	Change, %	1- 12/2023
Net sales	42,176	38,039	10.9%	140,583	121,479	15.7 %	180,743
Other operating income	1	7	-86.5%	13	23	-45.2 %	356
Materials and services	-1,038	-1,003	3.5%	-2,787	-3,295	-15.4 %	-4,544
Personnel expenses	-22,848	-20,247	12.8%	-72,819	-64,382	13.1 %	-87,739
Depreciation, amortization and impairment	-2,801	-2,806	-0.2%	-8,470	-8,346	1.5 %	-11,191
Other operating expenses	-7,167	-6,840	4.8%	-22,727	-22,053	3.1 %	-30,277
Operating result	8,323	7,150	16.4%	33,794	23,427	44.2 %	47,349
Financial income and expenses (net)	1,930	-137		2,472	-1,068		-2,528
Profit before taxes	10,253	7,013	46.2%	36,266	22,359	62.2 %	44,820
Income taxes	-2,566	-1,525	68.2%	-7,588	-4,578	65.7 %	-9,365
Net profit for the review period	7,687	5,488	40.1%	28,677	17,781	61.3 %	35,455
Other comprehensive income:							
Items which may be reclassified subsequently to profit or loss:							
Exchange differences on translation of foreign operations	-273	340		-319	-77		-232
Total comprehensive income for the review period	7,413	5,828	27.2%	28,358	17,704	60.2 %	35,224
Distribution of net profit for the review period:							
Parent company shareholders	7,687	5,488	40.1%	28,677	17,781	61.3 %	35,455
Distribution of comprehensive income for the review period:							
Parent company shareholders	7,413	5,828	27.2%	28,358	17,704	60.2 %	35,224
Earnings per share (EPS), EUR	0.30	0.22	40.1%	1.13	0.70	61.3 %	1.40
EPS adjusted for dilution, EUR	0.30	0.22	40.0%	1.13	0.70	61.2 %	1.39

Consolidated statement of financial position

ASSETS

EUR 1,000	9/30/2024	9/30/2023	12/31/2023
Non-current assets			
Goodwill	44,370	44,370	44,370
Other intangible assets	41,176	49,200	47,197
Tangible assets	5,695	5,989	5,524
Long-term receivables	111	29	51
Contract assets	3,717	3,402	6,257
Deferred tax assets	685	693	956
Total non-current assets	95,755	103,683	104,356
Current assets			
Trade receivables	45,733	35,780	47,901
Other receivables	17,683	9,563	11,204
Contract assets	9,736	8,191	9,454
Cash and cash equivalents	44,925	31,289	33,595
Total current assets	118,077	84,823	102,154
Total assets	213,832	188,507	206,510

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR 1,000	9/30/2024	9/30/2023	12/31/2023
Shareholders' equity			
Share capital	500	500	500
Unrestricted shareholders' equity reserve	54,769	54,769	54,769
Own shares	-9,960	-9,960	-9,960
Translation difference	-106	367	213
Retained earnings	76,585	41,005	41,376
Net profit for the review period	28,677	17,781	35,455
Total shareholders' equity	150,465	104,462	122,353
Liabilities			
Long-term interest-bearing liabilities	1,890	2,485	2,001
Deferred tax liabilities	11,992	14,383	13,826
Other long-term liabilities	4,961	10,707	11,325
Total long-term liabilities	18,843	27,576	27,151
Short-term interest-bearing liabilities	2,278	18,438	18,512
Accounts payable	1,858	2,741	2,249
Other short-term liabilities	40,388	35,289	36,244
Total short-term liabilities	44,524	56,468	57,005
Total liabilities	63,367	84,044	84,156
Total shareholders' equity and liabilities	213,832	188,507	206,510

Consolidated cash flow statement

EUR 1,000	1.1.-30.9.2024	1.1.-30.9.2023	1.1.-31.12.2023
Result before taxes	36,266	22,359	44,820
Adjustment to net profit			
Depreciation and amortization	8,470	8,346	11,191
Other adjustments	-3,543	1,189	1,929
Change in working capital			
Change in trade and other receivables	-2,513	7,017	-10,806
Change in accounts payable and other liabilities	2,185	-2,503	1,118
Interest paid	-524	-832	-875
Other financial items	562	32	478
Tax paid	-7,508	-1,314	-7,813
Cash flow from operations	33,394	34,295	40,041
Purchase of tangible and intangible assets	-996	-543	-807
Payment for acquisition of subsidiary, net of cash acquired	-3,278	-1,835	-4,086
Cash flow from investments	-4,274	-2,377	-4,893
Changes in lease liabilities	-1,674	-1,384	-2,179
Share subscriptions based on stock options 2016	-	27	27
Repayment of short-term borrowings	-16,000	-	-
Repayment of long-term borrowings	-	-8,000	-8,000
Cash flow from financing	-17,674	-9,357	-10,152
Change in cash and cash equivalents	11,446	22,561	24,996
Cash and cash equivalents at beginning of period	33,595	8,815	8,815
Net foreign exchange difference	-117	-86	-216
Cash and cash equivalents at end of period	44,924	31,289	33,595

Calculation formulas for key figures

RETURN ON EQUITY

$$\frac{(\text{PROFIT/LOSS BEFORE TAXES} - \text{TAXES})}{\text{Shareholders' equity} + \text{minority interest (average)}} \times 100$$

RETURN ON INVESTMENT

$$\frac{(\text{PROFIT/LOSS BEFORE TAXES} + \text{INTEREST AND OTHER FINANCING COSTS})}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average)}} \times 100$$

GEARING

$$\frac{\text{INTEREST-BEARING LIABILITIES} - \text{CASH, BANK RECEIVABLES AND FINANCIAL SECURITIES}}{\text{Shareholders' equity}} \times 100$$

EQUITY RATIO

$$\frac{\text{SHAREHOLDERS' EQUITY} + \text{MINORITY INTEREST}}{\text{Balance sheet total} - \text{advance payments received}} \times 100$$

Consolidated key figures

EUR 1,000	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Net sales	42,176	38,039	140,583	121,479	180,743
Operating profit (EBITA)	10,330	9,158	39,816	29,450	55,379
EBITA, %	24.5 %	24.1 %	28.3 %	24.2 %	30.6 %
Operating profit (EBIT)	8,323	7,150	33,794	23,427	47,349
EBIT, %	19.7 %	18.8 %	24.0 %	19.3 %	26.2 %
Net profit	7,687	5,488	28,677	17,781	35,455
% of net sales	18.2 %	14.4 %	20.4 %	14.6 %	19.6 %
Return on equity. %	5.6 %	5.7 %	21.0 %	18.6 %	33.9 %
Return on investment. %	6.9 %	6.1 %	24.5 %	19.3 %	35.6 %
Interest-bearing liabilities ¹	4,168	20,923	4,168	20,923	20,513
Cash and cash equivalents ¹	44,925	31,289	44,925	31,289	33,595
Net gearing. % ¹	-27.1 %	-9.9 %	-27.1 %	-9.9 %	-10.7 %
Equity ratio. % ¹	78.2 %	60.0 %	78.2 %	60.0 %	64.4 %
Earnings per share (EPS), EUR	0.30	0.22	1.13	0.70	1.40
Diluted earnings per share, EUR	0.30	0.22	1.13	0.70	1.39
Personnel, on average	848	740	824	719	732

¹ At the end of the period