

APRIL 24, 2025

JANUARY–MARCH 2025

# Interim statement



# First quarter 2025: Challenging operating environment slowed down net sales growth

January–March 2025

- Net sales increased 4.8 percent to EUR 47.2 million (EUR 45.1 million). The effect of exchange rates on the comparison period's net sales was EUR 0.6 million, and at comparable exchange rates, net sales increased by 3.4 percent.
- Operating profit (EBITA) was EUR 8.5 million (EUR 11.0 million) or 17.9 percent (24.3%) of net sales.
- Operating profit (EBIT) was EUR 6.5 million (EUR 9.0 million) or 13.7 percent (19.9 %) of net sales.
- Earnings per share were EUR 0.20 (EUR 0.30).

*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 of 2024 with the actual exchange rates of the reporting period of 2025 and by comparing the reported net sales in 2025 with the calculated 2024 net sales at comparable exchange rates.*

## Key figures

EUR 1,000	1-3/2025	1-3/2024	Change, %	1-12/2024
Net sales	47,236	45,078	4.8%	209,063
Operating profit (EBITA)	8,460	10,961	-22.8%	71,199
EBITA, %	17.9%	24.3%		34.1%
Operating profit (EBIT)	6,452	8,954	-27.9%	63,169
EBIT, %	13.7%	19.9%		30.2%
Return on equity, %	2.7%	6.0%		38.1%
Return on investment, %	3.4%	6.9%		43.4%
Interest-bearing liabilities <sup>1</sup>	7,599	4,463	70.3%	4,316
Cash and cash equivalents <sup>1</sup>	80,570	34,436	134.0%	64,861
Net gearing, % <sup>1</sup>	-39.8%	-23.1%		-33.9%
Equity ratio, % <sup>1</sup>	82.3%	71.6%		81.6%
Earnings per share (EPS), EUR	0.20	0.30	-34.8%	2.26
Diluted earnings per share, EUR	0.20	0.30	-34.6%	2.26
Personnel, on average	878	797	10.1%	834

<sup>1</sup> At the end of period

## Juha Varelius, President and CEO

Geopolitical tensions cause significant uncertainty to Qt Group's operating environment and global trade in general, which slowed down the company's net sales development during the first quarter. Net sales increased 3.4 percent at comparable exchange rates and was EUR 47.2 million. Weak economic situation and uncertain outlook increased companies' caution to start new product development projects or make additional investments in on-going projects. Quality assurance and testing business grew in line with our expectations.

Operating profit (EBITA) was EUR 8.5 million or 17.9 percent of net sales in January-March 2025. Operating profit development was burdened by weaker than estimated net sales growth. The company continued long-term strategic investments as planned, and in January-March 2025 personnel increased especially with marketing and R&D experts in quality assurance and testing business. Total personnel were 888 at the end of the quarter.

Qt Group lowers its net sales outlook for 2025 due to significant uncertainty caused by geopolitical risks. Possible tariffs and trade wars may, if realized, cause considerable harm to companies' willingness to invest and business commerce in the short and medium term at least. Despite the challenging market environment, the company's long term growth outlook is still very positive. The increase in the number of displays and devices is a significant growth driver to Qt development tools, while the growing use of AI in software development increases the need for quality assurance tools and test automation.

## Outlook for 2025

Outlook for 2025 (issued on April 23, 2025):

We estimate that our full-year net sales for 2025 will increase by 10–20 percent year-on-year at comparable exchange rates and that our operating profit margin (EBITA %) will be 30–40 percent in 2025.

## News conference

Qt Group will organize an English-language news conference on April 24, 2025, at 1:00 – 2:00 pm EEST in Helsinki, Finland, and as a live webcast at [www.qt.io/investors](http://www.qt.io/investors). CEO Juha Varelius and CFO Jouni Lintunen will be presenting the results. Analysts and investors can participate in the news conference in person or via conference call at <https://palvelu.flik.fi/teleconference/?id=50051503>.

# Financial information

## NET SALES

EUR 1,000	1-3/2025	1-3/2024	Change, %	1-12/2024
License sales and consulting	44,147	42,223	4.6%	197,141
Maintenance revenue	3,089	2,856	8.2%	11,922
Total	47,236	45,078	4.8%	209,063

Qt Group Plc's net sales for the first quarter amounted to EUR 47.2 million (EUR 45.1 million), up 4.8 percent. License sales and consulting increased by 4.6 percent, and maintenance revenue increased by 8.2 percent. The effect of exchange rates on the comparison period's net sales was EUR 0.6 million; at comparable exchange rates, net sales increased by 3.4 percent.

## FINANCIAL PERFORMANCE

EUR 1,000	1-3/2025	1-3/2024	Change, %	1-12/2024
Net sales	47,236	45,078	4.8%	209,063
Other operating income	0	2	-100.0%	20
Materials and services	-1,436	-1,029	39.6%	-3,920
Personnel expenses	-26,825	-24,352	10.2%	-98,022
Depreciation, amortization and impairment (excl. Intangible assets arising from business combinations)	-937	-775	20.9%	-3,426
Other operating expenses	-9,578	-7,963	20.3%	-32,515
Operating result (EBITA)	8,460	10,961	-22.8 %	71,199
EBITA-%	17.9 %	24.3 %		34.1 %
Depreciation (Intangible assets arising from business combinations)	-2,008	-2,008	0.0 %	-8,030
Operating result (EBIT)	6,452	8,954	-27.9%	63,169
EBIT-%	13.7 %	19.9 %		30.2 %

In the first quarter of 2025, the operating profit (EBITA) amounted to EUR 8.5 million (EUR 11.0 million).

Operating profit (EBIT) in the first quarter was EUR 6.5 million (EUR 9.0 million).

Qt Group's earnings before tax for the first quarter totaled EUR 6.2 million (EUR 9.4 million). The result was EUR 5.0 million (EUR 7.6 million). Income taxes for January-March amounted to EUR 1.3 million (EUR 1.8 million).

Earnings per share in the first quarter amounted to EUR 0.20 (EUR 0.30).

## FINANCING AND INVESTMENTS

In January-March 2025, cash flow from operating activities was EUR 16.7 million (EUR 17.7 million). Qt Group's cash and cash equivalents totaled EUR 80.6 million (EUR 34.4 million) at the end of March 2025.

Qt Group's consolidated balance sheet total at the end of March 2025 stood at EUR 242.7 million (EUR 198.7 million). Net cash flow from investments in January-March 2025 was EUR -0.2 million (EUR -0.5 million).

The equity ratio was 82.3 percent (71.6%), and the gearing was -39.8 percent (-23.1%). Interest-bearing liabilities amounted to EUR 7.6 million (EUR 4.5 million), of which short-term loans accounted for EUR 3.0 million (EUR 2.3 million).

In January-March 2025, the return on investment was 3.4 percent (6.9%), and the return on equity was 2.7 percent (6.0%).

## PERSONNEL

Geographical distribution of personnel:

Personnel, on average	1-3/2025	1-3/2024	Change, %	1-12/2024
Finland	282	241	17.2%	259
Rest of Europe	321	297	8.2%	305
APAC	158	143	10.5%	151
North America	117	116	0.6%	120
Total	878	797	10.1%	834

## Other events during the reporting period

## GOVERNANCE

During the review period, the Board of Directors of Qt Group Plc consisted of Robert Ingman, Marika Auramo, Matti Heikkonen, Mikko Marsio, Mikko Välimäki and Elina Anckar, who were elected by the Annual General Meeting (AGM) held on March 12, 2024. During the review period, the Board had following authorizations in force, as decided by the AGM: 1) authorization to decide on the repurchase and/or acceptance as pledge of a maximum of 2,000,000 of the company's own shares by using funds in the unrestricted equity, and 2) authorization to decide on share issue and granting of special rights pursuant to Chapter 10 Section 1 of the Companies Act, subject to or free of charge, in one or several tranches, for up to 2,000,000 shares.

At its meeting on February 13, 2025, the Board of Directors of Qt Group Plc, under the authorization received from the AGM, decided on a share-based incentive plan for key employees, under which key personnel of the company may be granted a reward corresponding to the value of up to 214,000 company shares. The administration, hedging, and implementation of the incentive scheme has been outsourced to Allshares Oy. The Board estimates that no new shares will be issued as a reward under the share incentive plan, and thus the incentive plan will not have a dilutive effect on the company's registered number of shares. According to the outsourcing arrangement, the company shall fund the acquisition of shares required for paying out rewards in the manner permitted by Chapter 13, Section 10, Clause 2 of the Limited Liability Companies Act, and

Allshares Oy shall independently perform the acquisition of such shares in the stock market. In relation to the company's previous incentive scheme, Allshares Oy still holds 79,000 of the company's shares to be used for the payment of rewards under the company's future incentive schemes.

## Changes in the management team

Qt Group's Senior Vice President, Sales and member of the Management Team Steffan Schumacher moved to other position outside the Company from March 31, 2025. Victor Dembovsky, Vice President of EMEA Sales will serve as interim SVP, Sales until a permanent SVP, Sales is appointed.

## Events after the reporting period

Qt Group Plc's Annual General Meeting (AGM) held on April 9, 2025, adopted the company's financial statements, including the consolidated financial statements for the accounting period 1 January – 31 December 2024, reviewed the Remuneration Report for company's governing bodies and discharged the Members of the Board and the Chief Executive Officer from liability. The AGM decided that based on the balance sheet to be adopted for the accounting period ended December 31, 2024, no dividend will be paid.

The AGM decided to elect five members to the Board. Elina Anckar, Marika Auramo, Matti Heikkonen, Robert Ingman and Mikko Marsio were re-elected as Board members. At the Organizing Meeting held after the General Meeting, Robert Ingman was elected as Chair of the Board and Mikko Marsio was elected as Vice Chair of the Board.

The AGM authorized the Board to decide on the repurchase and/or acceptance as pledge of a maximum of 2,000,000 of the company's own shares by using funds in the unrestricted equity. The Board shall decide on how the shares will be repurchased. The shares may be repurchased otherwise than in proportion to the shareholdings of the current shareholders. The authorization also includes the acquisition of shares through public trading organized by Nasdaq Helsinki Ltd in accordance with its and Euroclear Finland Ltd's rules and instructions, or through offers made to shareholders. The shares may be repurchased in order to improve the capital structure of the company, to finance or carry out acquisitions or other arrangements, to carry out the company's share-based incentive schemes, to be transferred for other purposes, or to be cancelled. The shares shall be repurchased for a price based on the fair value quoted in public trading. The authorization shall be valid for 18 months from the issue date of the authorization, i.e. until October 9, 2026 and it replaces any earlier authorizations on repurchase and/or acceptance as pledge of company's own shares.

The AGM authorized the Board to decide on share issue and granting of special rights pursuant to Chapter 10 Section 1 of the Companies Act, subject to or free of charge, in one or several tranches on the following terms: The maximum total number of shares to be issued by virtue of authorization is 2,000,000. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. By virtue of the authorization, the Board of Directors is entitled to decide on share issues and granting of special rights waiving the pre-emptive subscription rights of the shareholders (directed issue). The authorization may be used in order to finance or carry out acquisitions or other arrangements, to carry out the company's share-based incentive schemes and to improve the capital structure of the company, or for other purposes decided by the Board of Directors. The authorization includes the Board of Directors' right to decide on all terms relating to the share issue and granting of special rights including the subscription price, its payment and its entry into the company's balance sheet. The authorization shall be valid for 18 months from the issue date of the authorization, i.e. until October 9, 2026 and it replaces any earlier authorizations on share issue and granting of special rights.

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

## Risks 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, defence 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.

Fluctuating 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. Increased geopolitical risks generally add uncertainty to global trade, which affects companies' investment decisions and inventory management. The weakening of the global economic situation may also affect the solvency of the company's customers.

Espoo, April 23, 2025

Qt Group Plc

Board of Directors



# Financial information for January 1 – March 31, 2025

## Accounting principles

This interim report is not prepared according to the IAS 34 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.

## 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	1-3/2025	1-3/2024	Change, %	1-12/2024
License sales and consulting	44,147	42,223	4.6%	197,141
Maintenance revenue	3,089	2,856	8.2%	11,922
Total	47,236	45,078	4.8%	209,063

## NET SALES AT COMPARABLE EXCHANGE RATES

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

The purpose of the alternative performance measure, 'net sales at comparable exchange rates', is to provide 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 of 2024 with the actual exchange rates of the reporting period of 2025 and by comparing the reported net sales in 2025 with the calculated 2024 net sales at comparable exchange rates.

EUR 1,000	1-3/2025	1-3/2024	Change, %
Net sales	47,236	45,078	4.8%
Effect of exchange rates		583	
Net sales at comparable exchange rates	47,236	45,661	3.4%

## 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	1-3/2025	1-3/2024	1-12/2024
Operating profit (EBIT)	6,452	8,954	63,169
Amortization on fair value adjustments at acquisitions	2,008	2,008	8,030
Operating profit (EBITA)	8,460	10,961	71,199

## Consolidated income statement

EUR 1,000	1-3/2025	1-3/2024	Change, %	1-12/2024
Net sales	47,236	45,078	4.8%	209,063
Other operating income	0	2	-100.0%	20
Materials and services	-1,436	-1,029	39.6%	-3,920
Personnel expenses	-26,825	-24,352	10.2%	-98,022
Depreciation, amortization and impairment	-2,945	-2,782	5.8%	-11,456
Other operating expenses	-9,578	-7,963	20.3%	-32,515
Operating result	6,452	8,954	-27.9%	63,169
Financial income and expenses (net)	-208	480		7,189
Profit before taxes	6,244	9,434	-33.8%	70,359
Income taxes	-1,278	-1,819	-29.7%	-13,045
Net profit for the review period	4,966	7,615	-34.8%	57,314
Other comprehensive income:				
Items which may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	-479	-98		-49
Total comprehensive income for the review period	4,487	7,517	-40.3%	57,264
Distribution of net profit for the review period:				
Parent company shareholders	4,966	7,615	-34.8%	57,314
Distribution of comprehensive income for the review period:				
Parent company shareholders	4,487	7,517	-40.3%	57,264
Earnings per share (EPS), EUR	0.20	0.30	-34.8%	2.26
EPS adjusted for dilution, EUR	0.20	0.30	-34.6%	2.26

## Consolidated statement of financial position

### ASSETS

EUR 1,000	31.3.2025	31.3.2024	31.12.2024
Non-current assets			
Goodwill	44,370	44,370	44,370
Other intangible assets	37,136	45,194	39,159
Tangible assets	8,955	5,873	5,781
Long-term receivables	121	50	129
Contract assets	3,052	4,873	3,250
Deferred tax assets	878	870	867
Total non-current assets	94,512	101,231	93,556
Current assets			
Trade receivables	43,846	38,142	54,353
Other receivables	15,653	14,345	16,763
Contract assets	8,137	10,552	9,230
Cash and cash equivalents	80,570	34,436	64,861
Total current assets	148,206	97,475	145,207
Total assets	242,719	198,707	238,763

## SHAREHOLDERS' EQUITY AND LIABILITIES

EUR 1,000	31.3.2025	31.3.2024	31.12.2024
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	- 316	115	164
Retained earnings	133,175	76,836	75,647
Net profit for the review period	4,966	7,615	57,314
Total shareholders' equity	183,135	129,875	178,433
Liabilities			
Long-term interest-bearing liabilities	4,572	2,170	2,199
Deferred tax liabilities	10,815	13,224	11,386
Other long-term liabilities	5,566	4,078	5,654
Total long-term liabilities	20,952	19,471	19,239
Short-term interest-bearing liabilities	3,028	2,294	2,117
Accounts payable	3,210	2,322	2,275
Other short-term liabilities	32,395	44,745	36,699
Total short-term liabilities	38,632	49,360	41,090
Total liabilities	59,584	68,832	60,330
Total shareholders' equity and liabilities	242,719	198,707	238,763

## Consolidated cash flow statement

EUR 1,000	1.1.- 31.3.2025	1.1.- 31.3.2024	1.1.- 31.12.2024
Result before taxes	6,244	9,434	70,359
Adjustment to net profit			
Depreciation and amortization	2,945	2,782	11,456
Other adjustments	-599	28	-7,712
Change in working capital			
Change in trade and other receivables	12,912	6,587	-9,845
Change in accounts payable and other liabilities	-708	259	2,680
Interest paid	-78	-437	-579
Other financial items	273	163	472
Tax paid	-4,308	-1,164	-13,168
Cash flow from operations	16,681	17,652	53,663
Purchase of tangible and intangible assets	-176	-450	-1,255
Payment for acquisition of subsidiary, net of cash acquired	0	0	-3,278
Cash flow from investments	-176	-450	-4,533
Changes in lease liabilities	-637	-507	-2,330
Repayment of short-term borrowings	0	-16,000	-16,000
Cash flow from financing	-637	-16,507	-18,330
Change in cash and cash equivalents	15,868	695	30,800
Cash and cash equivalents at beginning of period	64,861	33,595	33,595
Net foreign exchange difference	-158	146	466
Cash and cash equivalents at end of period	80,570	34,436	64,861

# 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	1-3/2025	1-3/2024	1-12/2024
Net sales	47,236	45,078	209,063
Operating profit (EBITA)	8,460	10,961	71,199
EBITA, %	17.9%	24.3%	34.1%
Operating profit (EBIT)	6,452	8,954	63,169
EBIT, %	13.7%	19.9%	30.2%
Net profit	4,966	7,615	57,314
% of net sales	10.5%	16.9%	27.4%
Return on equity, %	2.7%	6.0%	38.1%
Return on investment, %	3.4%	6.9%	43.4%
Interest-bearing liabilities <sup>1</sup>	7,599	4,463	4,316
Cash and cash equivalents <sup>1</sup>	80,570	34,436	64,861
Net gearing, % <sup>1</sup>	-39.8%	-23.1%	-33.9%
Equity ratio, % <sup>1</sup>	82.3%	71.6%	81.6%
Earnings per share (EPS), EUR	0.20	0.30	2.26
Diluted earnings per share, EUR	0.20	0.30	2.26
Personnel, on average	878	797	834

<sup>1</sup> At the end of period