



# Interim Statement

January 1–March 31, 2021

First quarter:

Very strong growth in net sales and operating result

January–March 2021

- Net sales increased by 27.3 percent to EUR 23,362 thousand (18,356)\*. The effect of exchange rates on the comparison period's net sales was EUR -960 thousand and at comparable exchange rates, net sales increased by 34.3 percent.
- The operating result was EUR 4,812 thousand (2,174).
- The operating margin (EBIT-%) was 20.6 percent (11.8%).
- Earnings per share were EUR 0.16 (0.07).

\* the figures in brackets refer to the comparison period, i.e. the corresponding period in the previous year.

# Business Report

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## Financial performance:

Qt Group Plc's net sales for the first quarter amounted to EUR 23,362 thousand (EUR 18,356 thousand), up 27.3 percent. License sales and consulting grew by 40.1 percent, while maintenance revenue decreased by -7.3 percent. The effect of exchange rates on the comparison period's net sales was negative at EUR -960 thousand and, at comparable exchange rates, net sales increased by 34.3 percent.

Qt's operating result for January–March 2021 was EUR 4,812 thousand (EUR 2,174 thousand). Qt Group has made investments in growth and recruited new personnel in line with its growth strategy. The Group had 391 employees at the end of the first quarter of 2021, compared to 342 a year earlier.

The Group's financial position is good, but the development of the situation and the business forecasts for all of the Group's operations are being closely monitored.

## Juha Varelius, President and CEO:

Qt Group's business performance in the first quarter of 2021 was in line with expectations. The strong growth of our net sales continued in all geographical regions, with Asia and Europe being the strongest in this respect. Sales of developer licenses continued to see very strong growth and the favorable development of distribution licenses was another positive aspect of our performance. The company has been able to systematically increase the average value of the deals it has closed, but no individual transaction represented a particularly significant share of the net sales for the review period. The depreciation of the US dollar had a negative effect on the growth of net sales. About two-thirds of Qt's sales are USD-based.

Thanks to the growth of net sales, the company's business was highly profitable. The operating result was EUR 4,812 thousand and the operating profit margin was 20.6 percent in spite of the growth investments made during the period. The investments included a particularly strong focus on the recruitment of sales and consulting personnel, which went as planned during the period under review.

The COVID-19 pandemic continues to have a negative impact on many of our customers. Lately, challenges have begun to emerge in the market with regard to the availability of electronic components, such as circuit boards. If prolonged, this situation may lead to reductions in the production capacity of our customers and delays in deliveries. Restrictions on movement also slow down the progress of our consulting projects, especially in Asia. On the whole, however, the impacts of the COVID-19 pandemic on the company's business have thus far been relatively minor.

The company released Qt for MCUs 1.7 during the period under review.

## Future Outlook

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### Operating environment and market outlook

The company estimates the growth prospects for its business in the next few years as very promising. The Group's business development efforts will focus on desktop applications as well as embedded systems in the automotive industry, consumer electronics, medical devices, and industrial automation sectors. Product development efforts will also focus on the value-added features and tools needed in the creation of embedded systems. Sales growth associated with embedded systems will also reflect on the earnings logic. Volume-based distribution license revenue from these sales accumulates over the long term. Accordingly, it is typical of Qt as a company that quarterly net sales and growth may vary significantly between quarters. In addition to organic growth, the company also pursues growth opportunities through acquisitions that support its strategy.

The future outlook involves increased short-term uncertainty due to the COVID-19 pandemic. The COVID-19 pandemic has caused diverse negative impacts of varying degrees to the business of many companies globally. Recovery from these adverse impacts will be uneven between different industries and geographical regions and the recovery may be a long process. From the company's point of view, the impacts of the pandemic have, for the time being, been mainly reflected in the form of slower growth in net sales from distribution license sales and, lately, in the provision of consulting services to a slight degree.

### Outlook 2021

We maintain our previous forecast for 2021 and estimate that our full-year net sales for 2021 will increase by 25–35 percent year-on-year at comparable exchange rates and our operating profit margin will be at least 15 percent.

This estimate does not take into account the effect on the company's business of the froglogic GmbH acquisition, which was announced after the review period.

## Other Events in the Review Period

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### Governance

Qt Group Plc's general meeting held on March 16, 2021, adopted the company's annual accounts, including the consolidated annual accounts for the accounting period January 1–December 31, 2020, reviewed the Remuneration Report for company's governing bodies and discharged the Members of the Board and the Chief Executive Officer from liability. The general meeting resolved, in accordance with the Board's proposal, that no dividend will be paid based on the balance sheet adopted for the accounting period that ended on December 31, 2020.

The general meeting resolved on the remuneration of the company's Board of Directors and auditors, decided that the number of members on the Board of Directors would be five (5) and elected the company's Board of Directors. Robert Ingman, Jaakko Koppinen, Mikko Marsio, Leena Saarinen and Tommi Uhari were re-elected as members of Qt

Group Plc's Board of Directors. At its organizing meeting held after the general meeting, the Board of Directors elected Robert Ingman as its Chairman and Tommi Uhari as the Vice Chairman.

The general meeting granted the following authorizations to the Board of Directors of Qt Group Plc:

Authorizing the Board of Directors to decide on repurchasing the company's own shares and/or accepting them as collateral

The general meeting authorized the Board of Directors to decide on the repurchase and/or acceptance as collateral of a maximum of 2,000,000 of the company's own shares by using funds in the unrestricted equity.

According to the authorization, the Board will decide on how these shares are to be purchased. The shares may be repurchased in a proportion other than that of the shares held by 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.

Shares may be acquired in order to improve the company's capital structure, to finance or carry out acquisitions or other arrangements, to implement 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 is valid for 18 months from the issue date of the authorization, i.e. until September 16, 2022, and it replaces any earlier authorizations on the repurchase and/or acceptance as collateral of the company's own shares.

Authorizing the Board of Directors to decide on a share issue and the granting of special rights entitling to shares

The general meeting authorized the Board to decide on a share issue and the 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 the authorization is 2,000,000.

The authorization concerns both the issuance of new shares and the transfer of shares held by the company. By virtue of the authorization, the Board of Directors is entitled to decide on share issues and the 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 is valid for 18 months from the issue date of the authorization, i.e. until September 16, 2022, and it replaces any earlier authorizations on the granting of shares or special rights entitling to shares.

## Events after the review period

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On April 13, 2021, the company announced it had acquired the entire share capital of the Germany-based company froglogic GmbH for EUR 30 million, of which EUR 24 million will be paid in cash and EUR 6 million in Qt Group shares. By virtue of the share issue authorization of the Annual General Meeting held on March 16, 2021, the company's Board of Directors has decided to pay the agreed share purchase price by issuing shares in a directed share issue to the sellers. A total of 62,184 new Qt Group shares will be subscribed for by the sellers at a subscription price of EUR 96.49 per share. The subscription price corresponds to the volume-weighted average share price of Qt Group Plc's shares during the period April 1–April 9, 2021. The new Qt Group shares were entered in the Trade Register on April 15, 2021, and they were admitted to public trading together with the company's old shares on NASDAQ Helsinki Oy on April 16, 2021. Following the registration of the shares subscribed for in the share issue, the total number of Qt Group shares is 24,922,140, with the new shares representing approximately 0.25 percent of that total. The acquisition brings froglogic's test automation tools into the Qt product portfolio to provide customers with a more comprehensive product range that encompasses the entire software development process. At the same time, the acquisition makes it possible for Qt's global sales network to be used as a distribution channel for froglogic's products.

Espoo, April 22, 2021

Qt Group Plc

Board of Directors

## Communications

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The company does not hold briefings on interim statements.

The interim statement will be available in the Investors section at [www.qt.io](http://www.qt.io) from 3:00 pm on April 22, 2021.

## Further information

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## Financial information 1 January–31 March 2021

### Segment reporting

Qt 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 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	1-3/2021	1-3/2020	Change	1-12/2020
License sales and consulting	18,775	13,405	40.1%	59,494
Maintenance revenue	4,587	4,951	-7.3%	19,961
Group total	23,362	18,356	27.3%	79,455

### Geographical information

Geographical distribution of personnel:

PERSONNEL (in an employment relationship, on average)	1-3/2021	1-3/2020	Change	1-12/2020
Finland	104	97	7.6%	96
Rest of Europe & APAC	217	195	11.1%	199
North America	60	50	20.7%	54
Group total	381	342	11.5%	348

## Consolidated income statement

EUR 1,000	1-3/2021	1-3/2020	Change	1-12/2020
Net sales	23,362	18,356	27.3%	79,455
Other operating income	10	122	-91.9%	463
Materials and services	-1,400	-1,369	2.3%	-4,484
Personnel expenses	-11,986	-10,126	18.4%	-42,140
Depreciation, amortization and impairment	-460	-661	-30.5%	-2,432
Other operating expenses	-4,715	-4,147	13.7%	-13,845
Operating result	4,812	2,174	121.3%	17,017
Financial expenses (net)	15	27	-42.5%	-657
Profit before taxes	4,827	2,201	119.3%	16,360
Income taxes	-994	-582	70.8%	-3,534
Net profit for the review period	3,833	1,619	136.7%	12,826
Other comprehensive income:				
Items which may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	133	-218		-110
Total comprehensive income for the review period	3,967	1,401	183.1%	12,717
Distribution of comprehensive income for the review period:				
Parent company shareholders	3,833	1,619	136.7%	12,826
Distribution of comprehensive income for the review period:				
Parent company shareholders	3,967	1,401	183.1%	12,717

Earnings per share (EPS), EUR	0.16	0.07	0.53
EPS adjusted for dilution, EUR	0.15	0.06	0.51



## Consolidated statement of financial position

### Assets

EUR 1,000	31 March 2021	31 March 2020	31 December 2020
<b>Non-current assets</b>			
Goodwill	6,562	6,562	6,562
Other intangible assets	3,588	3,967	3,706
Tangible assets	3,062	4,181	3,180
Long-term receivables	313	255	306
Deferred tax assets	611	3,078	683
<b>Total non-current assets</b>	<b>14,137</b>	<b>18,043</b>	<b>14,438</b>
<b>Current assets</b>			
Trade and other receivables	29,532	23,127	24,932
Cash and cash equivalents	19,064	9,239	22,046
<b>Total current assets</b>	<b>48,596</b>	<b>32,366</b>	<b>46,978</b>
<b>Total assets</b>	<b>62,733</b>	<b>50,409</b>	<b>61,416</b>

### Shareholders' equity and liabilities

EUR 1,000	31 March 2021	31 March 2020	31 December 2020
<b>Shareholders' equity</b>			
Share capital	500	500	500
Unrestricted shareholders' equity reserve	28,819	23,890	28,714
Own shares	-11,137	-3,009	-7,284
Translation difference	564	322	431
Retained earnings	7,606	-5,676	-5,310
Net profit for the review period	3,833	1,619	12,826
<b>Total shareholders' equity</b>	<b>30,185</b>	<b>17,647</b>	<b>29,878</b>
<b>Liabilities</b>			
Long-term interest-bearing liabilities	1,046	2,001	1,373
Deferred tax liabilities	518	460	504
Other long-term liabilities	2,416	1,902	2,416
<b>Total long-term liabilities</b>	<b>3,980</b>	<b>4,363</b>	<b>4,292</b>
Short-term interest-bearing liabilities	1,282	1,623	1,282
Other short-term liabilities	27,286	26,776	25,964
<b>Total short-term liabilities</b>	<b>28,567</b>	<b>28,399</b>	<b>27,246</b>
<b>Total liabilities</b>	<b>32,548</b>	<b>32,762</b>	<b>31,538</b>
<b>Total shareholders' equity and liabilities</b>	<b>62,733</b>	<b>50,409</b>	<b>61,416</b>

## Consolidated key figures

EUR 1,000	1-3/2021	1-3/2020	1-12/2020
Net sales	23,362	18,356	79,455
Operating result	4,812	2,174	17,017
- % of net sales	20.6%	11.8%	21.4%
Net profit for the review period	3,833	1,619	12,826
- % of net sales	16.41%	8.8%	16.1%
Return on equity, %	12.8%	9.4%	54.8%
Return on investment, %	14.8%	10.3%	63.6%
Interest-bearing liabilities	2,328	3,625	2,655
Cash and cash equivalents	19,064	9,239	22,046
Net gearing, %	-55.4%	-31.8%	-64.9%
Equity ratio, %	65.3%	56.5%	66.6%
Earnings per share (EPS), EUR	0.16	0.07	0.53
EPS adjusted for dilution, EUR	0.15	0.06	0.51