

A man with a full beard and long hair tied back, wearing large blue headphones, is sitting on a ledge and working on a silver laptop. He is wearing a black t-shirt with a graphic print that includes the text 'SEP 23 NYC' and 'WILLIAMS'. A green sticker with the Qt logo is on the back of the laptop. The background is a blurred outdoor setting with vertical architectural elements.

Interim statement January-March 2022

Interim Statement for January 1 – March 31, 2022: Strong revenue growth continued

January – March 2022

- Net sales increased 35.1 percent to EUR 31,572 thousand (EUR 23,362 thousand). The effect of exchange rates on the comparison period's net sales was EUR 1,114 thousand and at comparable exchange rates, net sales increased by 29.0 percent
- Operating profit (EBITA) was EUR 5,586 thousand (EUR 4,915 thousand), or 17.7 percent (21.0%) of net sales
- Operating profit (EBIT) was EUR 4,667 thousand (EUR 4,812 thousand), or 14.8 percent (20.6%) of net sales
- Earnings per share were EUR 0.15 (EUR 0.16)

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 2021 with the actual exchange rates of the reporting period of 2022 and by comparing the reported net sales in 2022 with the calculated 2021 net sales at comparable exchange rates.

Key figures

EUR 1,000	1-3/2022	1-3/2021	Change, %	1-12/2021
Net sales	31,572	23,362	35.1%	121,139
Operating profit (EBITA)	5,586	4,915	13.7%	31,534
EBITA, %	17.7%	21.0%		26.0%
Operating profit (EBIT)	4,667	4,812	-3.0%	28,812
EBIT, %	14.8%	20.6%		23.8%
Return on equity, %	7.9%	12.8%		55.0%
Return on investment, %	6.9%	14.8%		57.0%
Interest-bearing liabilities	20,472	2,328		17,028
Cash and cash equivalents	35,315	19,064	85.2%	17,374
Net gearing, %	-32.6%	-55.4%		-0.7%
Equity ratio, %	37.7%	65.3%		51.1%
Earnings per share (EPS), EUR	0.15	0.16		0.91
Diluted earnings per share, EUR	0.15	0.15		0.88
Personnel, on average	535	381	40.3%	445

Juha Varelius, President and CEO:

Qt had a strong start to the new growth strategy period. Net sales in the first quarter amounted to EUR 31.6 million, representing year-on-year growth of 35 percent. The effect of changes in exchange rates, in particular the US dollar, on the company's net sales was substantially positive for the review period at EUR 1.1 million. At comparable exchange rates, net sales increased by 29 percent. We continue to see growing interest in Qt's solutions and the near-term growth prospects are very good. We keep our net sales guidance unchanged: we estimate that our full-year net sales for 2022 will increase by 30–40 percent year-on-year at comparable exchange rates.

Qt's operating profit (EBIT) in the first quarter was EUR 4.7 million, or 15 percent of net sales. Our level of growth investments was exceptionally high in January–March, and the high recruitment activity seen in the early part of the year will level off during the year, for example. In addition, the operating profit is impacted by the amortization expenses of the intangible assets from acquisitions. At the end of March 2022, Qt had 555 employees, which is 164 more than in the comparison period, and 59 more than at the end of December 2021. We invested particularly in strengthening our sales organization, which supports our growth strategy. We expect profitability to develop favorably during the remainder of the year due to the scalability of our business, and we maintain our guidance of the full-year operating profit margin being 20–30 percent in 2022. Qt's business is characterized by potentially significant quarterly variation in both net sales and operating result.

A new update to the quality assurance tool Squish 7.0 was released in March 2022. The new software update includes the much-requested feature of recording video footage of the test execution. The video footage is linked directly to the test results and the user can easily view the point of failure on the footage. We also released updates to the user interface design tool Qt Design Studio 3.2 and the programming environment Qt Creator 7.0.

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 actively pursues inorganic growth through acquisitions that support its strategy.

Disruptions in 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. Logistics problems in international trade and the global shortage of components are likely to affect many of Qt's customers. Russia's armed attack on Ukraine, combined with the EU's sanctions against Russia, add to the general uncertainty in the operating environment. While the war does not have a significant direct impact on Qt's business operations, increasing energy prices and a general economic slowdown may reduce the demand for the products of Qt's customers and consequently slow down the growth of Qt's business.

The COVID-19 pandemic continues to cause increased uncertainty for the company's short-term outlook. It is obvious that recovery from the pandemic will be uneven between different industries and geographical regions and the recovery may be a long process. At the same time, the pandemic has created pent-up demand for many products. When this

pent-up demand is released, it may lead to increased demand for Qt's solutions. In spite of the challenges and uncertainties in the operating environment, Qt estimates that its chances of success in executing the growth strategy that extends to 2025 remain very good.

Outlook for 2022

We expect the very strong growth of development license sales to continue in 2022. However, the prolonged COVID-19 pandemic, the sanctions imposed in response to the war in Ukraine, the global component shortage and logistics problems slow down the growth of the embedded displays business, especially with regard to distribution license sales. In spite of the increased uncertainty, we maintain our guidance and estimate that our full-year net sales for 2022 will increase by 30–40 percent year-on-year at comparable exchange rates and our operating profit margin will be 20–30 percent. There may be significant quarterly variation in the development of net sales and the operating result. The figures for the second quarter, in particular, will be influenced by the exceptionally strong comparison figures for the previous year.

News conference

A news conference, where CEO Juha Varelius and CFO Jouni Lintunen will present the results, will be held on April 28, 2022, at 4:00 – 5:00 pm EEST. Analysts and investors can follow the news conference either at investors.qt.io or via conference call:

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Financial information

Net sales

EUR 1,000	1-3/2022	1-3/2021	Change, %	1-12/2021
License sales and consulting	27,055	18,775	44.1%	100,384
Maintenance revenue	4,516	4,587	-1.6%	20,755
Total	31,572	23,362	35.1%	121,139

Qt Group Plc's net sales for the first quarter amounted to EUR 31,572 thousand (EUR 23,362 thousand), up 35.1 percent. License sales and consulting increased 44.1 percent while maintenance revenue decreased 1.6 percent.

The effect of exchange rates on the comparison period's net sales was positive at EUR 1,114 thousand, at comparable exchange rates, net sales increased by 29.0 percent.

Financial performance

EUR 1,000	1-3/2022	1-3/2021	Change, %	1-12/2021
Net sales	31,572	23,362	35.1%	121,139
Other operating income	12	10	17.1%	424
Materials and services	-1,802	-1,400	28.7%	-6,435
Personnel expenses	-16,987	-11,986	41.7%	-60,595
Depreciation, amortization and impairment	-1,645	-460	258.0%	-4,515
Other operating expenses	-6,481	-4,715	37.5%	-21,206
Operating result (EBIT)	4,667	4,812	-3.0%	28,812

In January-March 2022 the operating profit (EBITA) of Qt amounted to EUR 5,586 thousand (EUR 4,915 thousand)

Operating profit (EBIT) in January-March was EUR 4,667 thousand (EUR 4,812 thousand). Personnel expenses increased as Qt strengthened its growth investments to sales organization in particular.

In January-March profit before taxes was EUR 4,925 thousand (EUR 4,827 thousand) and net profit amounted to EUR 3,845 thousand (EUR 3,833 thousand). Income taxes for the period amounted to EUR 1,080 thousand (EUR 994 thousand).

Earnings per share in January-March were EUR 0.15 (EUR 0.16).

Other events during the reporting period

Governance

Qt Group Plc's Annual General Meeting (AGM) held on March 15, 2022, adopted the company's annual accounts, including the consolidated annual accounts for the accounting period 1 January – 31 December 2021, 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, 2021, no dividend will be paid.

The AGM decided to elect five members to the Board. Robert Ingman, Leena Saarinen, Jaakko Koppinen and Mikko Marsio were re-elected and Mikko Välimäki was elected as a Board member. At the Organizing Meeting held after the General Meeting, Robert Ingman was elected as Chair of the Board and Leena Saarinen 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 September 15, 2023 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 September 15, 2023 and it replaces any earlier authorizations on share issue and granting of special rights.

By virtue of the authorization granted to it by the general meeting, the Board of Directors of Qt Group Plc resolved at its meeting on February 16, 2022, on the program for key persons' share rewards. Within this program, a reward corresponding to the value of 130,000 shares of the company at a maximum can be granted to key persons in the company or its group companies. The governance, security and execution of the incentive scheme has been outsourced to Evli Awards Management Oy. 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 Evli Awards Management shall independently perform the acquisition of such shares in the stock market. In relation to the company's previous incentive scheme, Evli Awards Management still holds 79,000 of the company's shares to be used for the payment of rewards under the company's future incentive schemes.

Espoo, April 28, 2022

Qt Group Plc

Board of Directors

Financial information for January 1 – March 31, 2022

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	1-3/2022	1-3/2021	Change, %	1-12/2021
License sales and consulting	27,055	18,775	44.1%	100,384
Maintenance revenue	4,516	4,587	-1.6%	20,755
Total	31,572	23,362	35.1%	121,139

Net sales at comparable exchange rates.

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 2021 with the actual exchange rates of the reporting period of 2022 and by comparing the reported net sales in 2022 with the calculated 2021 net sales at comparable exchange rates.

EUR 1,000	1-3/2022	1-3/2021	Change, %
Net sales	31,572	23,362	35.1%
Effect of exchange rates		1,114	
Net sales at comparable exchange rates		24,476	29.0%

Geographical information

Geographical distribution of personnel:

Personnel, on average	1-3/2022	1-3/2021	Change, %	1-12/2021
Finland	152	104	46.0%	123
Rest of Europe & APAC	296	217	36.6%	258
North America	87	60	43.6%	64
Total	535	381	40.3%	445

Consolidated income statement

EUR 1,000	1-3/2022	1-3/2021	Change, %	1-12/2021
Net sales	31,572	23,362	35.1%	121,139
Other operating income	12	10	17.1%	424
Materials and services	-1,802	-1,400	28.7%	-6,435
Personnel expenses	-16,987	-11,986	41.7%	-60,595
Depreciation, amortization and impairment	-1,645	-460	258.0%	-4,515
Other operating expenses	-6,481	-4,715	37.5%	-21,206
Operating result	4,667	4,812	-3.0%	28,812
Financial income (net)	257	15		472
Profit before taxes	4,925	4,827	2.0%	29,284
Income taxes	-1,080	-994	8.6%	-6,873
Net profit for the review period	3,845	3,833	0.3%	22,410
Other comprehensive income:				
Items which may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	39	133	-71.1%	176
Total comprehensive income for the review period	3,883	3,967	-2.1%	22,587
Distribution of net profit for the review period:				
Parent company shareholders	3,845	3,833	0.3%	22,410
Distribution of comprehensive income for the review period:				
Parent company shareholders	3,883	3,967	-2.1%	22,587
Earnings per share (EPS), EUR	0.15	0.16		0.91
EPS adjusted for dilution, EUR	0.15	0.15		0.88

Consolidated statement of financial position

Assets

EUR 1,000	31.3.2022	31.3.2021	31.12.2021
Non-current assets			
Goodwill	25,412	6,562	25,412
Other intangible assets	25,544	3,588	26,489
Tangible assets	6,654	3,062	3,046
Long-term receivables	298	313	338
Deferred tax assets	468	611	1,351
Total non-current assets	58,375	14,137	56,635
Current assets			
Trade receivables	27,596	21,569	29,116
Other receivables	16,090	7,963	14,091
Cash and cash equivalents	35,315	19,064	17,374
Total current assets	79,000	48,596	60,581
Total assets	137,376	62,733	117,216

Shareholders' equity and liabilities

EUR 1,000	31.3.2022	31.3.2021	31.12.2021
Shareholders' equity			
Share capital	500	500	500
Unrestricted shareholders' equity reserve	45,156	28,819	36,072
Own shares	-9,960	-11,137	-18,351
Translation difference	646	564	607
Retained earnings	5,391	7,606	10,331
Net profit for the review period	3,845	3,833	22,410
Total shareholders' equity	45,578	30,185	51,570
Liabilities			
Long-term interest-bearing liabilities	2,307	1,046	1,166
Deferred tax liabilities	7,475	518	7,504
Other long-term liabilities	5,707	2,416	4,836
Total long-term liabilities	15,490	3,980	13,506
Short-term interest-bearing liabilities	18,164	1,282	15,862
Other short-term liabilities	58,143	27,286	36,278
Total short-term liabilities	76,308	28,567	52,140
Total liabilities	91,798	32,548	65,646
Total shareholders' equity and liabilities	137,376	62,733	117,216

Consolidated key figures

EUR 1,000	1-3/2022	1-3/2021	1-12/2021
Net sales	31,572	23,362	121,139
Operating profit (EBITA)	5,586	4,915	31,534
EBITA, %	17.7%	21.0%	26.0%
Operating profit (EBIT)	4,667	4,812	28,812
EBIT, %	14.8%	20.6%	23.8%
Net profit	3,845	3,833	22,410
% of net sales	12.2%	16.4%	18.5%
Return on equity, %	7.9%	12.8%	55.0%
Return on investment, %	6.9%	14.8%	57.0%
Interest-bearing liabilities	20,472	2,328	17,028
Cash and cash equivalents	35,315	19,064	17,374
Net gearing, %	-32.6%	-55.4%	-0.7%
Equity ratio, %	37.7%	65.3%	51.1%
Earnings per share (EPS), EUR	0.15	0.16	0.91
Diluted earnings per share, EUR	0.15	0.15	0.88
Personnel, on average	535	381	445