

Financial statement bulletin January – December 2023



Fourth quarter 2023: Revenue growth slightly lower than estimated, operating profit at a record level.

October-December 2023

- Net sales increased 15.4 percent to EUR 59.3 million (EUR 51.3 million). The effect of exchange rates on the comparison period's net sales was EUR -1.2 million and at comparable exchange rates, net sales increased by 18.3 percent.
- Operating profit (EBITA) was EUR 25.9 million (EUR 18.8 million) or 43.8 percent (36.6 %) of net sales.
- Operating profit (EBIT) was EUR 23.9 million (EUR 16.8 million) or 40.4 percent (32.7 %) of net sales.
- Earnings per share were EUR 0.70 (EUR 0.53).

January-December 2023

- Net sales increased 16,4 percent to EUR 180.7 million (EUR 155.3 million). The effect of exchange rates on the comparison period's net sales was EUR -2.8 million and at comparable exchange rates, net sales increased by 18.5 percent.
- Operating profit (EBITA) was EUR 55.4 million (EUR 42.2 million) or 30.6 percent (27.2%) of net sales.
- Operating profit (EBIT) was EUR 47.3 million (EUR 36.9 million) or 26.2 percent (23.7 %) of net sales.
- Earnings per share were EUR 1.40 (EUR 1.36).

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 2022 with the actual exchange rates of the reporting period of 2023 and by comparing the reported net sales in 2023 with the calculated 2022 net sales at comparable exchange rates.

Key figures

EUR 1,000	10- 12/2023	10- 12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Net sales	59,264	51,349	15.4 %	180,743	155,318	16.4 %
Operating profit (EBITA)	25,929	18,811	37.8 %	55,379	42,249	31.1 %
EBITA, %	43.8 %	36.6 %		30.6 %	27.2 %	
Operating profit (EBIT)	23,921	16,803	42.4 %	47,349	36,870	28.4 %
EBIT, %	40.4 %	32.7 %		26.2 %	23.7 %	
Return on equity, %	16.9 %	19.3 %		33.9 %	49.6 %	
Return on investment, %	17.6 %	16.2 %		35.6 %	41.5 %	
Interest-bearing liabilities ¹	20,513	28,159	-27.2 %	20,513	28,159	-27.2 %
Cash and cash equivalents ¹	33,595	8,815	281.1 %	33,595	8,815	281.1 %
Net gearing, % ¹	-10.7 %	22.3 %		-10.7 %	22.3 %	
Equity ratio, % ¹	64.4 %	52.8 %		64.4 %	52.8 %	
Earnings per share (EPS), EUR	0.70	0.53	31.5 %	1.40	1.36	2.5 %

Diluted earnings per share, EUR	0.69	0.53	31.8 %	1.39	1.36	2.7 %
Personnel, on average	769	675	14.0 %	732	603	21.5 %

¹ At the end of the period

Juha Varelius, President and CEO

The fourth quarter of 2023 was the best in the company's history in terms of net sales and operating profit. Qt Group's net sales in October–December 2023 amounted to EUR 59.3 million, representing an increase of 15.4 percent when compared to the record-breaking fourth quarter of the previous year. At comparable exchange rates, net sales increased by 18.3 percent. Operating profit (EBITA) for the fourth quarter was 43.8 percent of net sales and amounted to EUR 26 million.

Net sales for the full year increased by 16.4 percent to EUR 180.7 million. At comparable exchange rates, net sales increased by 18.5 percent. Net sales from distribution licenses amounted to EUR 44.1 million in 2023, representing year-on-year growth of 49.5 percent. Net sales growth for the full year was negatively impacted by the deceleration of the consulting business and one-year developer licenses representing a higher-than-expected share of total sales. In spite of the challenges, Qt Group had a moderate year in the prevailing market conditions, and we achieved clear growth with regard to larger transactions in particular. Our growth has been strong in the automotive, consumer electronics, security, defense and aerospace, and industrial automation industries. The total effect of exchange rate changes fluctuations on net sales in 2023 was negative at EUR -2.8 million.

In October 2023, we published our new growth strategy that extends to 2027. Transforming into a multi-product company is at the core of our growth strategy. In addition to the existing Qt Development tools for development and design, we have developed our Qt Quality Assurance product portfolio. We want to be involved in quality assurance and testing in our customers' product development activities right from the first stages. We provide our customers with tools that solve even the most complex quality assurance needs, and we help them to produce higher-quality software following an even faster schedule and at lower costs throughout the product development process.

The operating profit margin (EBITA %) was 30.6 percent, or EUR 55.4 million, in 2023. Our growth investments, especially in strengthening our sales and R&D organizations, were reflected in a substantial increase in the number of personnel. At the end of 2023, we had 775 employees, representing an increase of 12.6 percent compared to the end of 2022.

The global economic situation and potential changes in the maturities of developer licenses will continue to be a source of uncertainty for Qt Group's short-term growth prospects. We have made strong progress in our transformation into a multi-product company, and are increasingly involved in improving our customers' productivity throughout the product development process, from UI design and software development to quality assurance and deployment. Our ambition is to ensure that each of our products is independently competitive in the market. With our new products, we can also offer world-class solutions for product development processes that do not use the Qt development environment and tools.

Outlook for 2024

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.

Qt Group will hold an English-language news conference on February 16, 2024, at 12:30 EET at Sanomatalo 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 at <https://palvelu.flik.fi/teleconference/?id=50048455>.

Financial information

NET SALES

EUR 1,000	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
License sales and consulting	56,409	46,919	20.2%	167,776	136,355	23.0%
Maintenance revenue	2,855	4,430	-35.5%	12,967	18,963	-31.6%
Total	59,264	51,349	15.4%	180,743	155,318	16.4%
Of which distribution licenses				44,115	29,509	49.5%

Qt Group Plc's net sales for the fourth quarter amounted to EUR 59.3 million (EUR 51.3 million), up 15.4 percent. License sales and consulting increased by 20.2 percent and maintenance revenue decreased by 35.5 percent. The effect of exchange rates on the comparison period's net sales was at EUR –1,2 million, at comparable exchange rates, net sales increased by 18.3 percent.

Qt Group's net sales for full year 2023 amounted to EUR 180.7 million (EUR 155.3 million), up 16.4 percent. License sales and consulting grew by 23.0 percent and maintenance decreased by 31.6 percent. The effect of exchange rates on the comparison period's net sales was EUR –2.8 million. At comparable exchange rates, net sales increased by 18.5 percent.

FINANCIAL PERFORMANCE

EUR 1,000	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Net sales	59,264	51,349	15.4 %	180,743	155,318	16.4 %
Other operating income	333	13	2,401.8 %	356	64	455.7 %
Materials and services	-1,249	-1,919	-34.9 %	-4,544	-6,915	-34.3 %
Personnel expenses	-23,358	-21,701	7.6 %	-87,739	-74,816	17.3 %
Depreciation, amortization and impairment (excl. Intangible assets arising from business combinations)	-838	-753	11.2 %	-3,161	-3,003	5.2 %

Other operating expenses	-8,224	-8,179	0.6 %	-30,277	-28,400	6.6 %
Operating result (EBITA)	25,929	18,811	37.8 %	55,379	42,249	31.1 %
EBITA-%	43.8 %	36.6 %		30.6 %	27.2 %	
Depreciation (Intangible assets arising from business combinations)	-2,008	-2,008	-	-8,030	-5,378	49.3 %
Operating result (EBIT)	23,921	16,803	42.4 %	47,349	36,870	28.4 %
EBIT-%	40.4 %	32.7 %		26.2 %	23.7 %	

In the last quarter of 2023, the operating profit (EBITA) amounted to EUR 25.9 million (EUR 18.8 million).

Operating profit (EBIT) in the last quarter of 2023 was EUR 23.9 million (EUR 16.8 million). Qt continued its growth investments in sales and research and development organizations, which increased personnel expenses.

Other operating expenses increase consists of marketing and IT services expenses as well as increase in business travel.

Qt Group's profit before tax for the fourth quarter totaled EUR 22.5 million (EUR 14.7 million) and the result was EUR 17.7 million (EUR 13.3 million). Income taxes for October–December amounted to EUR 4.8 million (EUR 1.4 million).

Earnings per share in the fourth quarter amounted to EUR 0.70 (EUR 0.53).

In 2023, the operating profit (EBITA) amounted to EUR 55.4 million (EUR 42.2 million).

Operating profit (EBIT) in 2023 was EUR 47.3 million (EUR 36.9 million). Qt continued its growth investments in sales and research and development organizations, which increased personnel expenses. Other operating expenses increased due to IT services, investments in marketing and an increase in business travel.

Qt Group's earnings before tax for full year totaled EUR 44.8 million (EUR 37.6 million) and the result was EUR 35.5 million (EUR 34.3 million). Income taxes for the period amounted to EUR 9.4 million (EUR 3.3 million).

Earnings per share in 2023 amounted EUR 1.40 (EUR 1.36).

FINANCING AND INVESTMENTS

In 2023 cash flow from operating activities was EUR 40.0 million (EUR -3.9 million). Cash flow from operating activities in the comparison period was affected especially by the payment of share-based incentives to key personnel. Qt Group's cash and cash equivalents totalled EUR 33.6 million (EUR 8.8 million) at the end of December 2023.

Qt Group's consolidated balance sheet total at the end of December 2023 stood at EUR 206.5 million (EUR 178.1 million). Cash flow from investments in the fiscal year was EUR -4.9 million (EUR -27.0 million) mainly consisting of payments from 2022 acquisition of Axivion and 2021 acquisition of froglogic.

Equity ratio was 64.4 percent (52.8%) and gearing - 10.7 percent (22.3%). Interest-bearing liabilities amounted to EUR 20.5 million (EUR 28.2 million), of which short-term loans accounted for EUR 18.5 million (EUR 2.0 million).

In 2023, return on investment was 35.6 percent (41.5%) and return on equity was 33.9 percent (49.6%).

PERSONNEL

Geographical distribution of personnel:

Personnel, on average	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Finland	226	186	21.3 %	212	169	24.9 %
Rest of Europe & APAC	427	380	12.4 %	405	336	20.5 %
North America	116	108	7.4 %	115	97	18.4 %
Total	769	675	14.0 %	732	603	21.4 %

Other events during the reporting period

GOVERNANCE

Qt Group Plc's Annual General Meeting (AGM) held on March 14, 2023, adopted the company's financial statements, including the consolidated financial statements for the accounting period 1 January–31 December 2022, 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, 2022, no dividend will be paid.

The AGM decided to elect six members to the Board. Robert Ingman, Leena Saarinen, Mikko Marsio and Mikko Välimäki were re-elected and Marika Auramo and Matti Heikkonen were elected as Board members. 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 14, 2024 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 14, 2024 and it replaces any earlier authorizations on share issue and granting of special rights.

ACQUISITIONS

Qt Group did not carry out acquisitions in 2023.

Events after the reporting period

The company does not have any significant events after the end of the fiscal year that would have affected the financial statements.

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, 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.

Russia's armed attack on Ukraine, combined with the EU's sanctions against Russia, add to the general uncertainty in the operating environment. The war has not had significant impacts on the company's business, at least for the time being.

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.

Board of Directors' dividend proposal

Qt Group Plc's distributable funds on December 31, 2023 were EUR 44,803,542.16 of which the net result for 2023 was EUR -135,002.13. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the fiscal year that ended on December 31, 2023.

Espoo, February 15, 2024

Qt Group Plc

Board of Directors

Financial information for January 1– December 31, 2023

Accounting principles

This financial statement bulletin was prepared in compliance with IAS 34 Interim Financial Reporting. The amounts from the financial statements presented in this bulletin are based on the company's audited financial statements. The Auditor's Report was issued on February 15, 2024.

The preparation of IFRS financial statements requires the application of judgement by the management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the balance sheet date and the reported amounts of income and expenses for the financial year. The management also has to make judgements when applying the accounting policies of the Group. As the estimates and related assumptions are based on the management's view at the end of the review period, they include risks and uncertainties. Actual results may differ from the estimates and assumptions used. The figures shown in the income statement and balance sheet are consolidated figures. As the figures in this report are independently rounded, the sums of individual figures may deviate from the sum figures shown.

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	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
License sales and consulting	56,409	46,919	20.2%	167,776	136,355	23.0%
Maintenance revenue	2,855	4,430	-35.5%	12,967	18,963	-31.6%
Total	59,264	51,349	15.4%	180,743	155,318	16.4%
Of which distribution licenses				44,115	29,509	49.5%

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.

Net sales at comparable exchange rates. The purpose of this alternative performance measure 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 2022 with the actual exchange rates of the reporting period of 2023 and by comparing the reported net sales in 2023 with the calculated 2022 net sales at comparable exchange rates.

EUR 1,000	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Net sales	59,264	51,349	15.4 %	180,743	155,318	16.4 %
Effect of exchange rates		-1,242			-2,813	
Net sales at comparable exchange rates	59,264	50,107	18.3 %	180,743	152,505	18.5 %

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	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Operating profit (EBIT)	23,921	16,803	47,349	36,870
Amortization on fair value adjustments at acquisitions	2,008	2,008	8,030	5,378
Operating profit (EBITA)	25,929	18,811	55,379	42,249

Consolidated income statement

EUR 1,000	10-12/2023	10-12/2022	Change, %	1-12/2023	1-12/2022	Change, %
Net sales	59,264	51,349	15.4%	180,743	155,318	16.4%
Other operating income	333	13	2,401.8%	356	64	455.7%
Materials and services	-1,249	-1,919	-34.9%	-4,544	-6,915	-34.3%
Personnel expenses	-23,358	-21,701	7.6%	-87,739	-74,816	17.3%
Depreciation, amortization and impairment	-2,845	-2,761	3.1%	-11,191	-8,382	33.5%
Other operating expenses	-8,224	-8,179	0.6%	-30,277	-28,400	6.6%
Operating result	23,921	16,803	42.4%	47,349	36,870	28.4%
Financial income and expenses (net)	-1,461	-2,104	-30.6%	-2,528	776	
Profit before taxes	22,461	14,699	52.8%	44,820	37,646	19.1%
Income taxes	-4,787	-1,373	248.7%	-9,365	-3,345	180.0%
Net profit for the review period	17,674	13,326	32.6%	35,455	34,301	3.4%
Other comprehensive income:						
Items which may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	-154	110		-232	-162	42.6%
Total comprehensive income for the review period	17,519	13,436	30.4%	35,224	34,138	3.2%
Distribution of net profit for the review period:						
Parent company shareholders	17,674	13,326	32.6%	35,455	34,301	3.4%

Distribution of comprehensive income for the review period:						
Parent company shareholders	17,519	13,436	30.4%	35,224	34,138	3.2%
Earnings per share (EPS), EUR	0.70	0.53	31.5%	1.40	1.36	2.5%
EPS adjusted for dilution, EUR	0.69	0.53	31.8%	1.39	1.36	2.7%

Consolidated statement of financial position

ASSETS

EUR 1,000	31.12.2023	31.12.2022
Non-current assets		
Goodwill	44,370	43,383
Other intangible assets	47,197	55,362
Tangible assets	5,524	5,430
Long-term receivables	51	362
Contract assets*	6,257	6,207
Deferred tax assets	956	760
Total non-current assets	104,356	111,505
Current assets		
Trade receivables	47,901	39,916
Other receivables	11,204	10,863
Contract assets*	9,454	7,003
Cash and cash equivalents	33,595	8,815
Total current assets	102,154	66,597
Total assets	206,510	178,102

*Additional line items were added to provide more detailed information on contract assets

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR 1,000	31.12.2023	31.12.2022
Shareholders' equity		
Share capital	500	500
Unrestricted shareholders' equity reserve	54,769	54,742
Own shares	-9,960	-9,960
Translation difference	213	445
Retained earnings	41,376	6,700
Net profit for the review period	35,455	34,301
Total shareholders' equity	122,353	86,727
Liabilities		
Long-term interest-bearing liabilities	2,001	26,135
Deferred tax liabilities	13,826	16,237
Other long-term liabilities	11,325	12,567
Total long-term liabilities	27,151	54,939
Short-term interest-bearing liabilities	18,512	2,024
Accounts payable	2,249	2,575
Other short-term liabilities	36,244	31,838
Total short-term liabilities	57,005	36,436
Total liabilities	84,156	91,375
Total shareholders' equity and liabilities	206,510	178,102

Consolidated cash flow statement

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2023
Result before taxes	44,820	37,646
Adjustment to net profit		
Depreciation and amortization	11,191	8,382
Other adjustments	1,929	1,029
Settlement of share-based payment	-	-23,314
Change in working capital		
Change in trade and other receivables	-10,806	-15,331
Change in accounts payable and other liabilities	1,118	-5,763
Interest paid	-875	-260
Other financial items	478	527
Tax paid	-7,813	-6,812
Cash flow from operations	40,041	-3,896
Purchase of tangible and intangible assets	-807	-1,190
Payment for acquisition of subsidiary, net of cash acquired	-4,086	-25,826
Cash flow from investments	-4,893	-27,016
Changes in lease liabilities	-2,179	-2,238
Share subscriptions based on stock options 2016	27	739
Issue of treasury shares	-	14,511
Repayment of short-term borrowings	-	-15,000
Proceeds from long-term borrowings	-	24,000
Repayment of long-term borrowings	-8,000	-
Cash flow from financing	-10,152	22,012
Change in cash and cash equivalents	24,996	-8,900
Cash and cash equivalents at beginning of period	8,815	17,374
Net foreign exchange difference	-216	341
Cash and cash equivalents at end of period	33,595	8,815

Consolidated statement of changes in shareholders' equity

EUR 1,000	Share capital	Unrestricted shareholders' equity reserve	Own shares	Translation difference	Retained earnings	Total shareholders' equity
Shareholders' equity 1 Jan 2022	500	36,072	-18,351	607	32,742	51,570
Comprehensive income for the period						
Net profit for the review period					34,301	34,301
Comprehensive income				-162		-162
Stock option and equity incentive program		739	3,537		-26,042	-21,766
Issue of shares as consideration of a business acquisition		8,273				8,273
Issue of treasury shares		9,657	4,854			14,511
Shareholders' equity 31 Dec 2022	500	54,742	-9,960	445	41,001	86,727
Shareholders' equity 1 Jan 2023	500	54,742	-9,960	445	41,001	86,727
Comprehensive income for the period						
Net profit for the review period					35,455	35,455
Comprehensive income				-232		-232
Stock option and equity incentive program		27			376	403
Shareholders' equity 31 Dec 2023	500	54,769	-9,960	213	76,831	122,353

Group's contingent liabilities

EUR 1,000	31.12.2023	31.12.2022
Pledges given on own behalf		
Guarantees	705	615
Pledges and contingent liabilities total	705	615

Share and shareholders

At the end of the financial year, Qt Group held 79,000 treasury shares, representing 0.3 percent of the total number of listed shares. On December 29, 2023, the number of Qt Group Plc shares outstanding was 25,391,211 (25,319,398). On December 29, 2023, the company had a total of 42,712 shareholders, including nominee-registered shares, according to Euroclear Finland Oy.

The company received the following flagging notifications during the financial year 2023:

On November 2, 2023, Qt Group Plc received a flagging notification of a change in shareholding when the overall holding of Qt Group Plc shares and voting rights within the funds managed by Ilmarinen Mutual Pension Insurance Company exceeded the 5% flagging threshold. The change in shareholding took place on November 1, 2023

10 largest shareholders on December 29, 2023

Shareholder	Number of shares and votes	Percentage of shares and votes
Ingman Development Oy Ab	5,460,000	21.4
Skandinaviska Enskilda Banken Ab (Publ) Helsinki branch*	4,079,632	16.0
Ilmarinen Mutual Pension Insurance Company	1,512,655	5.9
Citibank Europe Plc*	1,062,503	4.2
Varma Mutual Pension Insurance Company	759,491	3.0
Karvinen Kari	600,049	2.4
Savolainen Matti	452,785	1.8
Elo Mutual Pension Insurance Company	412,000	1.6
Varelius Juha	400,982	1.6
Uhari Tommi	400,620	1.6
Total	15,140,717	59.4

*Nominee registered

Distribution of holdings by number of shares held on December 29, 2023

Number of shares	Percentage of shareholders	Percentage of shares and votes
1–100	80.9	3.8
101–1,000	17.0	8.2
1,001–10,000	1.9	7.3
10,001–100,000	0.2	10.5
100,001–1,000,000	0.0	22.6
1,000,001–9,999,999	0.0	47.6
Total	100.0	100.0

Shareholding by sector on December 29, 2023

Shareholder by sector	Percentage of shareholders	Percentage of shares
Non-financial corporations	4.3	25.9
Financial and insurance corporations*	0.2	24.3
General government	0.0	12.0
Not-for-profit institutions	0.4	1.0
Households	94.8	31.4
Foreign holding	0.3	5.4
*including nominee-registered	0.1	21.7

Information on shareholding is based on data by Euroclear Finland Oy.

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	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Net sales	59,264	51,349	180,743	155,318
Operating profit (EBITA)	25,929	18,811	55,379	42,249
EBITA, %	43.8 %	36.6 %	30.6 %	27.2 %
Operating profit (EBIT)	23,921	16,803	47,349	36,870
EBIT, %	40.4 %	32.7 %	26.2 %	23.7 %
Net profit	17,674	13,326	35,455	34,301
% of net sales	29.8 %	26.0 %	19.6 %	22.1 %
Return on equity. %	16.9%	19.3 %	33.9%	49.6 %
Return on investment. %	17.6%	16.2 %	35.6%	41.5 %
Interest-bearing liabilities ¹	20,513	28,159	20,513	28,159
Cash and cash equivalents ¹	33,595	8,815	33,595	8,815
Net gearing. % ¹	-10.7%	22.3 %	-10.7 %	22.3 %
Equity ratio. % ¹	64.4%	52.8 %	64.4 %	52.8%
Earnings per share (EPS), EUR	0.70	0.53	1.40	1.36
Diluted earnings per share, EUR	0.69	0.53	1.39	1.36
Personnel, on average	769	675	732	603

¹ At the end of the period