



# Financial statements bulletin

January 1–December 31, 2018

Net sales increased by 10.2 percent – full-year growth was 25.7 percent

## Fiscal year 2018

- Net sales increased by 25.7 percent to EUR 45,590 thousand (36,259)\*. The effect of exchange rates on the comparison period's net sales was EUR -643 thousand. At comparable exchange rates, net sales increased thus by 28.0 percent.
- Net sales of distribution licenses grew by 27.6 percent to EUR 11,990 thousand (9,396).
- The operating result was EUR -2,322 thousand (-3,206).
- The operating margin (EBIT %) was -5.1 percent (-8.8%).
- Earnings per share were EUR -0.10 (-0.14).

## October–December 2018:

- Net sales increased by 10.2 percent to EUR 11,138 thousand (10,108)\*. The effect of exchange rates on the comparison period's net sales was EUR 274 thousand. At comparable exchange rates, net sales increased thus by 7.3 percent.
- The operating result was EUR -1,651 thousand (-701).
- The operating margin (EBIT %) was -14.8 percent (-6.9%).
- Earnings per share were EUR -0.06 (-0.03).

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

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 14 February 2019.

## BOARD OF DIRECTORS' DIVIDEND PROPOSAL

The Board of Directors of Qt Group Plc proposes to the Annual General Meeting that no dividend be paid for the fiscal year that ended on December 31, 2018.

## Business report

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### Financial performance:

Qt's net sales for the fourth quarter amounted to EUR 11,138 thousand (EUR 10,108 thousand), up 10.2 percent. License sales and consulting grew by 4.8 percent, while net sales of support and maintenance increased by 20.8 percent. The effect of exchange rates on the comparison period's net sales was EUR 274 thousand. At comparable exchange rates, net sales increased thus by 7.3 percent.

Full-year net sales for 2018 increased by 25.7 percent year-on-year and amounted to EUR 45,590 thousand (36,259). License sales and consulting grew by 33.0 percent, while net sales of support and maintenance increased by 13.0 percent. As part of license sales and consulting, the net sales of distribution licenses grew by 27.6 percent to EUR 11,990 thousand (9,396). The effect of exchange rates on the comparison period's net sales was EUR -643 thousand. At comparable exchange rates, net sales increased thus by 28.0 percent.

The strong growth of net sales took place unevenly during the fiscal year. During the first half of the year, net sales increased by 36.0 percent, with several significant license sales transactions taking place in the second quarter. However, the timing of these large transactions had a negative impact on net sales performance in the second half of the year, with the rate of growth being 16.3 percent. In the final quarter, in particular, there were only a few significant license sales transactions. As in previous financial years, we expect that the net sales and growth rates of individual quarters will continue to fluctuate to a significant degree due to the timing of major sales transactions.

Qt's operating result for October–December 2018 was EUR -1,651 thousand (EUR -701 thousand). The operating result for the financial year was EUR -2,322 thousand (EUR -3,206 thousand).

As expected, the operating result for the financial year showed a loss. We have continued to make investments in growth and recruited new personnel in line with our growth strategy, with a particular focus on expanding our sales and consulting network. Our growth strategy relies heavily on the market for embedded systems, where the sales cycles are long and require a local presence. We have made long-term investments in our biggest market areas, which are the United States, Germany, Japan, South Korea and China, and our newest target markets, France, the United Kingdom, Italy and India.

## Juha Varelius, President and CEO:

The financial year 2018 was a very successful one for Qt Group, further strengthening our confidence in our ability to achieve our strategic goals, namely annual net sales of EUR 100 million and operating profit of more than 15 percent in 2021.

Qt stands to benefit considerably from the global trend of increasing use of connected devices and touchscreens in both consumer and professional contexts. We provide technology and tools for various industries to use in building user interfaces and solutions on a variety of platforms. Qt can be used in the creation of light low-end as well as advanced high-end products, the value of which is increasingly derived from the customer experience created by the user interface. As before, we will continue to support the production of desktop applications and particularly the creation of graphical user interfaces in all types of environments.

Our most important customer segments are industrial automation, medical devices and automotive industry. We work with leading global brands in various industries, such as Omron, Bosch and LG. Increasing customer expectations are creating new demands on a wide range of industries. The number of displays is growing, while the number of developers designing the displays is not. One of the fundamental features of Qt is that our solutions are platform agnostic. For our customers, this means not having to rewrite code for different platforms. This creates cost savings and reduces time-to-market. These are our strengths and they will continue to be the cornerstones of our operations going forward.

We released several new products during the financial year, such as Qt Automotive Suite 2.0, an automotive industry solution for creating new digital experiences for drivers. It enables the creation of a consistent user experience across all in-vehicle displays. We deepened our cooperation with our significant customers. We already have several significant car manufacturers and their major suppliers among our customers. A number of high-profile brands, such as Peugeot and Daimler, released Qt-based solutions in 2018. As the development cycles in the automotive industry are several years long, we do not expect to recognize significant revenue from the related device sales until 2020.

In our product development, we have invested in facilitating a smoother design process for our customers. We released Qt Design Studio, a tool that significantly reduces time spent on UI design by improving cooperation between designers and developers. We also published Qt 3D Studio 2.0, a tool that makes it easy to introduce 3D graphics to applications.

In spring 2018, we released Qt Safe Renderer 1.0, a tool that significantly improves the software development process of automobile, medical devices, industrial automation and other safety-critical industries by providing our customers with the technology necessary for the development of reliable systems.

We also published Qt for Python, which allows software developers to visualize their Python development projects quickly and easily. This significantly expands the Qt ecosystem, as Python is the fourth most popular programming language worldwide. We also released Qt versions 5.11 and 5.12, further improving performance.

## 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 particularly focus on desktop applications as well as embedded systems in the automotive, 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 license revenue from these sales accumulates over the long term. The company estimates that the growth of volume-based distribution license revenue from the sale of embedded systems will accelerate to a more significant degree starting from 2020.

### Outlook 2019

We estimate that our net sales in 2019 will increase by more than 15 percent year-on-year at comparable exchange rates. We expect our operating result still in 2019 to show a loss due to growth investments.

## Financial reporting

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### Net sales

Qt's net sales in 2018 amounted to EUR 45,590 thousand (36,259), an increase of 25.7 percent. License sales and consulting grew by 33.0 percent, while net sales of support and maintenance increased by 13.0 percent. As part of license sales and consulting, the net sales of distribution licenses grew by 27.6 percent to EUR 11,990 thousand (9,396). The effect of exchange rates on the comparison period's net sales was EUR -643 thousand. At comparable exchange rates, net sales increased thus by 28.0 percent.

Qt's net sales for the fourth quarter amounted to EUR 11,138 thousand (EUR 10,108 thousand), up 10.2 percent. License sales and consulting grew by 4.8 percent and support and maintenance by 20.8 percent. The effect of exchange rates on the comparison period's net sales was EUR 274 thousand. At comparable exchange rates, net sales increased thus by 7.3 percent.

### Profit performance

Qt's operating result for October–December 2018 was EUR -1,651 thousand (EUR -701 thousand). The operating result for the financial year was EUR -2,322 thousand (EUR -3,206 thousand).

The other operating income for the financial year includes income derived from events organized by the company, as well as tax-free research and development investment grants received by the company in Norway, totaling

approximately EUR 436 thousand (EUR 389 thousand). The grants concern the applicable personnel expenses related to the research and development activities of Qt's Norwegian company, and they were paid to the company in the second half of 2018.

The company's operating expenses, including materials and services, personnel expenses, depreciation and other operating expenses, amounted to EUR 13,380 thousand (EUR 11,387 thousand) in the fourth quarter, up 17.5 percent year-on-year. Personnel expenses accounted for 61.7 percent (63.4%) of operating expenses, or EUR 8,262 thousand (EUR 7,214 thousand).

The company's net financial expenses in the fourth quarter amounted to EUR 54 thousand (EUR -134 thousand), due to translation differences in currency-denominated internal receivables and debts related to the financing of international subsidiaries.

Qt's earnings before tax for the fourth quarter totaled EUR -1,597 thousand (EUR -835 thousand) and the result was EUR -1,451 thousand (EUR -731 thousand). Taxes for the review period amounted to EUR 146 thousand positive (EUR 104 thousand), which was due to deferred tax assets recognized for losses.

Earnings per share totaled EUR -0.06 during the fourth quarter (EUR -0.03).

## Financing and investments

Cash flow from operating activities during the financial year was EUR -1,588 thousand (EUR -2,939 thousand) due to investments in growth and the subsequent loss-making operating result.

Qt's cash and cash equivalents totaled EUR 9,702 thousand (EUR 11,693 thousand) at the end of the financial year.

Qt Group's consolidated balance sheet total at the end of the financial year stood at EUR 38,760 thousand (EUR 37,485 thousand). Net cash flow from investments during the financial year was EUR -495 thousand (EUR -384 thousand).

The equity ratio was 71.2 percent (73.4%) and gearing was -49.5 percent (-54.2%). Interest-bearing liabilities amounted to EUR 630 thousand (EUR 686 thousand), of which short-term loans accounted for EUR 391 thousand (EUR 287 thousand).

The return on investment for the financial year was -11.6 percent (-18.1%) and return on equity was -12.4 percent (-22.6%).

## Research and development

Product development expenses are included in the result for the fiscal year in their entirety and the company has no capitalized product development expenses on its balance sheet.

Product development expenses during the fiscal year totaled EUR 10,863 thousand (EUR 9,055 thousand), accounting for 23.8 percent (25.0%) of net sales. Product development expenses increased by 20.0 percent year-on-year.

There were, on average, 118 people working in product development during the financial year (103).

## Personnel

The number of Group personnel was 303 (275) on average during the fourth quarter and 306 (276) at the end of the financial year. The Group's personnel expenses during the quarter amounted to EUR 8,262 thousand (EUR 7,214 thousand), up 14.5 percent year-on-year. Personnel expenses totaled EUR 32,896 thousand (EUR 26,975 thousand) during the financial year, up 22.0 percent.

At the end of the financial year, international personnel represented 72 percent (68%) of the total.

Juha Varelius has been Qt Group Plc's President and CEO since 1 May 2016.

## Other events in the review period

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### Governance

Qt Group Plc's Annual General Meeting (AGM) held on March 13, 2018, adopted the company's annual accounts, including the consolidated annual accounts for the accounting period January 1–December 31, 2017, and discharged the Members of the Board and the Chief Executive Officer from liability. The AGM 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, 2017.

The AGM 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, Leena Saarinen and Tommi Uhari were re-elected as members of Qt Group Plc's Board of Directors and Jaakko Koppinen and Mikko Marsio were elected as new members. At its organizing meeting held after the AGM, the Board of Directors elected Robert Ingman as its Chairman and Tommi Uhari as the Vice Chairman.

The Annual 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 AGM 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 13, 2019, 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 AGM 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 13, 2019, and it does not replace any earlier authorizations on share issues and the granting of special rights.

## Events after the end of the financial year

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

## Risks and uncertainties

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The company's short-term risks and uncertainties are related to potential significant changes in the company's business operations as well as the retention and recruitment of the personnel required for business development.

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 contract turnaround times which, in the major customer segment, are very long at up to 18 months.

The company's business risks and preparations for them are also described on the company website at [www.qt.io](http://www.qt.io).

Helsinki, February 15, 2019

Qt Group Plc  
Board of Directors

## Communications

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Qt Group will hold a briefing on this financial statement bulletin for analysts on Friday, February 15, 2019, at 10:00 a.m. in the Haven 3 room of Hotel Haven, Unioninkatu 17, 00130 Helsinki, Finland. Welcome!

The financial statement bulletin and presentation will be available in the Investors section at [www.qt.io](http://www.qt.io) from 10:00 a.m. on February 15, 2019.

## Further information

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# Summary of financial statements and notes to the financial statements January 1–December 31, 2018

## Consolidated income statement

EUR 1,000	10–12/2018	10–12/2017	Change, %	1–12/2018	1–12/2017	Change, %
Net sales	11,138	10,108	10.2%	45,590	36,259	25.7%
Other operating income	590	578	2.1%	1,205	1,128	6.8%
Materials and services	-552	-90	512.6%	-1,729	-1,130	53.0%
Personnel expenses	-8,262	-7,214	14.5%	-32,896	-26,975	22.0%
Depreciation, amortization and impairment	-288	-248	15.8%	-1,073	-914	17.3%
Other operating expenses	-4,278	-3,835	11.6%	-13,419	-11,574	15.9%
Operating result	-1,651	-701	135.6%	-2,322	-3,206	-27.6%
Financial expenses (net)	54	-134	-140.4%	-200	-488	-59.1%
Profit before taxes	-1,597	-835	91.2%	-2,521	-3,694	-31.7%
Income taxes	146	104	-41.0%	130	472	-72.4%
Net profit for the review period	-1,451	-731	98.3%	-2,391	-3,222	-25.8%
Other comprehensive income:						
Items which may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	-91	-105	-14.1%	-21	-88	-75.6%
Total comprehensive income for the review period	-1,541	-837	84.2%	-2,413	-3,310	-27.1%
Distribution of comprehensive income for the review period:						
Parent company shareholders	-1,451	-731	98.3%	-2,391	-3,222	-25.8%
Distribution of comprehensive income for the review period:						
Parent company shareholders	-1,541	-837	84.2%	-2,413	-3,310	-27.1%
Earnings per share, EUR	-0.06	-0.03		-0.10	-0.14	

## Consolidated statement of financial position

### Assets

EUR 1,000	December 31, 2018	December 31, 2017
Non-current assets		
Goodwill	6,562	6,562
Other intangible assets	4,555	4,995
Tangible assets	1,212	1,082
Long-term receivables	178	157
Deferred tax assets	2,985	2,049
Total non-current assets	15,492	14,845
Current assets		
Trade receivables	9,398	7,829
Other receivables	4,169	3,117
Cash and cash equivalents	9,702	11,693
Total current assets	23,268	22,639
Total assets	38,760	37,485

### Shareholders' equity and liabilities

EUR 1,000	December 31, 2018	December 31, 2017
Shareholders' equity		
Share capital	500	500
Unrestricted shareholders' equity reserve	23,651	23,651
Translation difference	524	545
Retained earnings	-3,965	-1,165
Net profit for the review period	-2,391	-3,222
Total shareholders' equity	18,318	20,308
Liabilities		
Long-term interest-bearing liabilities	239	399
Deferred tax liabilities	394	317
Other long-term liabilities	1,143	753
Total long-term liabilities	1,777	1,469
Short-term interest-bearing liabilities	391	287
Other short-term liabilities	18,275	15,420
Total short-term liabilities	18,665	15,707
Total liabilities	20,442	17,176
Total shareholders' equity and liabilities	38,760	37,485

## Consolidated cash flow statement

EUR 1,000	January 1–December 31, 2018	January 1–December 31, 2017
Result before taxes	-2,521	-3,694
Adjustments to net profit		
Depreciation and amortization	762	700
Other adjustments	622	910
Change in working capital		
Change in trade and other receivables	-2,614	-1,456
Change in accounts payable and other liabilities	2,385	1,118
Interest paid	-15	-204
Other financial items	209	55
Taxes paid	-416	-368
Cash flow from operations	-1,588	-2,939
Purchases of tangible and intangible assets	-495	-384
Cash flow from investments	-495	-384
Repayments of current loans	0	-6,000
Rights offering	0	14,931
Cash flow from financing	0	8,931
Change in cash and cash equivalents	-2,083	5,608
Cash and cash equivalents at the beginning of the review period	11,693	6,420
Net foreign exchange difference	91	-335
Cash and cash equivalents at the end of the review period	9,702	11,693

## Consolidated statement of changes in shareholders' equity

EUR 1,000	Share capital	Unrestricted shareholders' equity reserve	Translation difference	Retained earnings	Total shareholders' equity
Shareholders' equity January 1, 2017	500	8,720	633	-1,588	8,265
Comprehensive income for the period					
Net profit for the review period				-3,222	-3,222
Stock option program				422	422
Comprehensive income			-88		-88
Rights offering		14,931			14,931
Shareholders' equity December 31, 2017	500	23,651	545	-4,388	20,308
Shareholders' equity January 1, 2018					
Shareholders' equity January 1, 2018	500	23,651	545	-4,388	20,308
Comprehensive income for the period					
Net profit for the period				-2,391	-2,391
Stock option program				422	422
Other comprehensive income			-21		-21
Shareholders' equity December 31, 2018	500	23,651	524	-6,357	18,318

## Accounting principles

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.

Furthermore, the application of accounting policies requires consideration. As the estimates and related assumptions are based on the management's view on the balance sheet date, 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.

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 14, 2019.

Qt Group has applied IFRS 15 Revenue from Contracts with Customers effective from January 1, 2018. The company has assessed the impacts of IFRS 15 by analyzing its most significant customer contracts and revenue streams. The Group's revenue consists of contracts that include distribution licenses, developer licenses, related maintenance and support services as well as consulting services. Revenue is recognized when the customer obtains control of the product. As the company has not identified significant changes in revenue recognition, the new standard has not given rise to any changes in the company's revenue recognition principles.

Qt Group has applied IFRS 9 Financial Instruments effective from January 1, 2018. The standard concerns the classification, measurement and derecognition of financial assets and liabilities, amends the regulations governing

hedge accounting and introduces a new impairment model for financial assets. The Group's financial assets consist of trade receivables and other receivables as well as cash and cash equivalents, which still meet the conditions for measurement at amortized cost. As the company does not use hedge accounting, the new standard does not have a significant impact on the classification or measurement of financial assets and liabilities. The new impairment model included in IFRS 9, which allows the use of expected credit losses as criteria for recognizing impairment, concerns trade receivables. The company has analyzed the impacts of the new standard based on historical data and found that the new impairment model has not significantly changed the amount of the current provision for credit losses.

## IFRS amendments

The IFRS 16 Leases standard must be applied to financial periods beginning on or after 1 January 2019. The new standard replaces the current IAS 17 standard and related interpretations. IFRS 16 requires the lessees to recognise the lease agreements on the balance sheet as right-of-use assets and lease liabilities. The accounting model is similar to current finance lease accounting according to IAS 17. There are two exceptions available, these relate to either short-term contracts in which the lease term is 12 months or less, or assets of value USD 5,000 or less.

The group will adopt the standard starting from the effective date of the standard using a simplified approach, and the figures of the year before the adoption of the standard will not be amended. Qt Group has made a preliminary assessment of the impacts of IFRS 16 on financial statements. The assessment may change after the final assessment has been made. The most considerable identified impact is that Qt Group will recognise new assets and liabilities on its balance sheet, mainly business premises and vehicles. Based on the preliminary analysis the group expects to recognize right-of-use assets and respective lease liabilities of approximately in range of EUR 5 million to EUR 7 million as of 1 January 2019. In addition, the nature of expenses associated with said leases will change as IFRS 16 replaces rental expense with depreciation and interest expense arising from lease liability, reported as part of financial expenses. Qt Group will provide a more detailed estimate of the impacts of the standard in the first quarterly report in 2019.

Other standards or interpretations entering into force in 2019 are not considered to have a material impact on the Group's result for the financial year, financial position or presentation of financial statements.

## Alternative performance measures

Qt Group Plc has applied the new 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. 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 adjusting the net sales from the comparison period of 2017 to the realized rates of the reporting period of 2018 and by comparing the net sales realized in 2018 with the net sales of 2017 calculated at this comparable exchange rate.

EUR 1,000	10–12/2018	10–12/2017	Change, %	1–12/2018	1–12/2017	Change, %
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Net sales	11,138	10,108	10.2%	45,590	36,259	25.7%
Effect of exchange rates		274			-643	
Net sales at comparable exchange rates	11,138	10,382	7.3%	45 590	35,616	28.0%

## 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 include developer licenses and distribution licenses (runtimes). As additional information, Qt reports the net sales of distribution licenses separately for each period.

EUR 1,000	10–12/2018	10–12/2017	Change, %	1–12/2018	1–12/2017	Change, %
License sales and consulting	7,036	6,712	4.8%	30,635*	23,030*	33.0%
Maintenance revenue	4,102	3,395	20.8%	14,955	13,230	13.0%
Total net sales	11,138	10,108	10.2%	45,590	36,259	25.7%
*of which distribution licenses				11,990	9,396	27.6%

## Geographical information

As geographical information, Qt reports net sales and non-current assets for Finland, the rest of Europe and APAC, and North America. Non-current assets consist of goodwill, intangible and tangible assets and long-term receivables.

NET SALES	10–12/2018	10–12/2017	Change, %	1–12/2018	1–12/2017	Change, %
Finland	163	83	96.4%	589	216	172.7%
Rest of Europe and APAC	6,869	5,939	15.7%	26,427	21,038	25.6%
North America	4,106	4,086	0.5%	18,574	15,006	23.8%
Group total	11,138	10,108	10.2%	45,590	36,259	25.7%

NON-CURRENT ASSETS	December 31, 2018	December 31, 2017	Change, %
Finland	11,769	12,233	-3.8%
Rest of Europe and APAC	493	426	15.8%
North America	245	138	77.8%
Group total	12,508	12,797	-2.3%

## Geographical distribution of personnel:

PERSONNEL	10–12/2018	10–12/2017	Change, %	1–12/2018	1–12/2017	Change, %
(employed, on average)						
Finland	85	86	-1%	90	82	10%
Rest of Europe & APAC	171	150	14%	163	139	17%
North America	47	39	21%	42	34	24%
Group total	303	275	10%	295	255	16%

## The Group's contingent liabilities

EUR 1,000	December 31, 2018	December 31, 2017
Pledges given on own behalf		
Guarantees	527	540
Total	527	540
Other own commitments		
Other leases		
Lease liabilities maturing within one year	1,589	1,505
Lease liabilities maturing within one to five years	3,907	1,470
Total	5,496	2,975
Pledges, mortgages and contingent liabilities total	6,023	3,515

## Consolidated key figures

EUR 1,000	10–12/2018	10–12/2017	1–12/2018	1–12/2017
Net sales	11,138	10,108	45,590	36,259
Operating result	-1,651	-701	-2,322	-3,206
- % of net sales	-14.8%	-6.9%	-5.1%	-8.8%
Net profit for the review period	-1,451	-731	-2,391	-3,222
- % of net sales	-13.0%	-7.2%	-5.3%	-8.9%
Return on equity, %	-7.5%	-5.1%	-12.4%	-22.6%
Return on investment, %	-8.3%	-4.0%	-11.6%	-18.1%
Interest-bearing liabilities	630	686	630	686
Cash and cash equivalents	9,702	11,693	9,702	11,693
Net gearing, %	-49.5%	-54.2%	-49.5%	-54.2%
Equity ratio, %	71.2%	73.4%	71.2%	73.4%
Earnings per share, EUR*	-0.06	-0.03	-0.10	-0.14

\*Share issue Q2/2017

## Calculation formulas for key figures

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### Return on equity

$$\frac{\text{Profit/loss before taxes} - \text{taxes}) \times 100}{\text{Shareholders' equity} + \text{minority interest (average)}}$$

### Return on investment

$$\frac{(\text{Profit/loss before taxes} + \text{interest and other financing costs}) \times 100}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average)}}$$

### Gearing

$$\frac{\text{Interest-bearing liabilities} - \text{cash, bank receivables and financial securities} \times 100}{\text{Shareholders' equity}}$$

### Equity ratio

$$\frac{\text{Shareholders' equity} + \text{minority interest} \times 100}{\text{Balance sheet total} - \text{advance payments received}}$$

## Transactions with related parties

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The Group did not have transactions considered to be transactions with related parties during the financial year.

## Share and shareholders

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On December 31, 2018, the number of Qt Group Plc shares was 23,792,312 (23,792,312).

According to Euroclear Finland Ltd, the company had 4,312 shareholders on December 31, 2018.

### The ten largest shareholders on December 31, 2018

Shareholder	Percentage of shares and votes
INGMAN DEVELOPMENT OY AB	21.6%
ILMARINEN MUTUAL PENSION INSURANCE COMPANY	10.1%
VARMA MUTUAL PENSION INSURANCE COMPANY	4.7%
KARVINEN KARI JUHANI	4.2%
AKTIA CAPITAL INVESTMENT FUND	3.8%
HALLIKAINEN JYRKI SAKARI	3.6%
SAVOLAINEN MATTI ILMARI	3.1%
OP FINLAND SMALL CAP FUND	2.5%
EVLI FINNISH SMALL CAP FUND	2.4%



AKTIA NORDIC SMALL CAP FUND

2.2%

## Distribution of holdings by number of shares held on December 31, 2018

Number of shares	Percentage of shareholders	Percentage of shares and votes
1–100	24.5%	0.2%
101–1,000	55.4%	3.8%
1,001–10,000	17.6%	8.5%
10,001–100,000	1.9%	11.0%
100,001–1,000,000	0.6%	35.8%
1,000,001–9,999,999	0.1%	40.7%

## Shareholding by sector on December 31, 2018

Sector	Percentage of shareholders	Percentage of shares and votes
Non-financial corporations	4.1%	29.4%
Financial and insurance corporations	0.6%	20.6%
General government	0.0%	14.8%
Not-for-profit institutions serving households	0.2%	0.3%
Households	94.6%	34.8%
Foreign holding	0.4%	0.2%

The number of outstanding shares at the end of the review period was 23,792,312.