

## Stock Exchange Release

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### Bittium Corporation's strategic guidelines

The Board of Directors of Bittium Corporation has updated company's strategic guidelines after the sale of the Automotive business and the change of the company name on July 1, 2015. Bittium carries on its Wireless business according to the announcements made on February 19, 2015, and according to the strategic guidelines described below. The net sales of the business, previously reported as Wireless Business Segment, was EUR 53.0 million and operating profit was EUR 1.0 million in 2014.

Bittium offers products and product platforms, R&D services and customized solutions to companies and authorities in various industries. Bittium's offering is based on strong and extensive know-how in radio technology, embedded software, electronics and product integration. This know-how is a result of a long-term relationship with the world's leading mobile technology companies and with the Finnish defense forces as well as research programs started already in the 1980s on radio technology focusing on e.g. spread spectrum and software radio technologies.

Bittium provides R&D services and customized solutions for the wireless telecommunication market and for companies needing mobile connectivity in their products. Bittium offers products and customized products which are based on its product platforms for defense, public safety and other authorities as well as for industrial use. Manufacturing of the products has been outsourced to electronics manufacturing companies.

Rapid development of wireless technologies will continue. More radio spectrum is being allocated for public mobile networks and the use of frequencies varies from country to country. Data traffic in mobile networks continues to grow fast, which creates demand for smaller network cells and low power base stations. These drivers continue to drive the need for research and development services for mobile radio network equipment. In addition, the usage of mobile networks in industrial internet solutions will increase the need for wireless solutions for industrial customers. Mobile connectivity is related to people, as well as machines and things.

Defense, security and other government agencies require more wireless communications capacity and more developed solutions at lower price points compared to the previous generations of wireless communication devices. Modern and low cost commercial mobile communications technologies offer opportunities to develop advanced and cost efficient solutions for their needs. At the same time, the increasing need for secure mobile connectivity together with more advanced solutions creates demand for services as well as new business opportunities for companies that can combine both security and latest commercial technologies in their products. The markets for defense, public safety and other public authority applications in wireless sectors are slow to evolve due to their nature. Other typical market characteristics are long lead times for purchasing decisions, which is due to the long planning processes typical of government projects. Once a supplier has been selected, product deliveries are typically executed over several years.

The demand for Bittium's R&D services in wireless telecommunications and industrial markets is as a whole expected to remain rather stable in the coming years. Net sales growth is sought from the company's own products and product platforms, which Bittium is introducing to the international defense and public authority markets. Bittium continues to make product development and marketing investments for these markets. In defense applications, Bittium offers advanced and high capacity IP based tactical communication solutions (Bittium Tactical Wireless IP Network, Bittium Tough VoIP, Bittium Tactical LTE Access Point, Bittium Tough Mobile). For use of the public safety and other authorities, Bittium offers Bittium Tough Mobile LTE smartphone and tailored security solutions, which support LTE frequencies reserved for public safety authorities. These devices combine modern mobile technology with durability and high standards for information security. For IoT (Internet of Things) markets Bittium offers wireless connectivity solutions based on its own Bittium IoT (Internet of Things) Device Platform. The demand for these solutions is expected to grow especially for healthcare, wearable devices and industrial applications.

Bittium continues to make targeted R&D investments for products and product platforms as well as for technology development. Bittium is developing partnerships and will explore M&A opportunities that would strengthen its competitiveness and create new future market opportunities.

## Financial targets

The target during 2015 - 2017 is to grow the net sales at least 10 % annually and reach EBIT level 10 % of net sales at the latest in 2017.

Bittium targets, by the year 2017, to clearly increase the share of net sales generated from own products and product platforms, from the 26.7 % level of net sales in 2014

Oulu, July 1, 2015

Bittium Corporation  
Board of Directors

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## Bittium

Bittium is specialized in developing reliable and secure communications and connectivity solutions using the latest technologies and deep knowledge on radio technology. Bittium provides innovative products and customized solutions based on its product platforms, and R&D services for customers in various industries. Bittium also offers high quality information security solutions for mobile devices and portable computers. Net sales of continuing operations in 2014 was EUR 53.0 million and operating profit was EUR 1.0 million. Bittium is listed on Nasdaq Helsinki. [www.bittium.com](http://www.bittium.com)