

BOARD OF DIRECTORS' REPORT

REAKTOR GROUP OY

BOARD OF DIRECTORS' REPORT 2024

The industry and material events during the financial year

On the basis of its industry, the company may manage the organization, administration, financing, IT operations, company planning, and other financial administration tasks of the Group. The company may also own, purchase, sell, manage and rent flats, real estate, securities, shares, interests, and rights in Finland and abroad.

Reaktor Group Oy is the parent company of the Reaktor Group. In addition to the parent company, the Group included the following subsidiaries at the end of 2024: Reaktor Innovations Oy, Reaktor Advanced Technologies Oy, Fusion Ecosystem Oy, Reaktor Inc, Reaktor Japan kk, Reaktor B.V., Reaktor Sweden Ab, Reaktor Enterprises S.L., Reaktor Sociedade Unipessoal LDA, Fusion Technologies Oy, Reaktor Shanghai Computer Technology Co. Ltd, Nieve Consulting Services S.L., Mallow Oy and Splended Oy.

The following subsidiaries were consolidated as associated companies: Sevendos Oy, Good-In People Oy, Adventure Club Oy, Growberry Oy, Krosswise Oy, Sherpy Oy, 61 North Point Solutions Oy, Minna Learning Oy, Forge Digital Oy, Invite Oy, Codemate Oy, Codemate Singapore Pty Ltd, Brightly Works Oy, Robot Automation Group Oy, Feed A/S, Fraktal Oy, AI Think Group Oy, Witted Megacorp Oyj Group, Taival Advisory Oy, Voizy Oy, Allies Oü, Recright Oy and Spacent Oy.

Reaktor's subsidiary Freyja Agency Oy was merged with Reaktor Group Oy in December 2024. The company had no operations in 2024.

Structure and financial arrangements

The Annual General Meeting of May 29, 2024, resolved to grant the Board of Directors an authorization to acquire no more than 150,000 treasury shares and to decided on the terms related to the acquisition of the shares.

However, the purchase price must be at least EUR 1.00 and at most EUR 100.00 per share.

The Annual General Meeting further resolved to authorize the Board of Directors to decide on share issues corresponding to at most 300,000 shares. The authorizations supersede the previous authorization granted by the General Meeting of May 11, 2023, and is valid until June 30, 2025.

At the end of the financial year, the number of the company's outstanding shares was 1,382,331. Directed share issues related to the retention of personnel were carried out for a total of 115,189 shares. The number of treasury shares acquired was 92,636.

Material events after the close of the financial year

Ownership in Splended Oy has decreased, and Splended Oy will no longer be consolidated as a subsidiary from April 2025.

Estimate of likely future development

The company's future financial development will depend on the development of the business of the Group's subsidiaries. The company's management expects the Group's revenue to grow in 2025. No estimates on the profitability of the business are presented.

Scope of research and development activities

With support from Business Finland, Reaktor has been participating in the Eureka ITEA IML4E project taking place from the end of 2021 to 2024. The project studies methods and capabilities required for data-intensive solutions and the productization of machine learning.

In the Generative Artificial Intelligence (GenAI) research project, the company comprehensively investigates and explores the opportunities and impacts of generative artificial intelligence from the perspective of the company's business, customers, and the entire software industry. The project aims to explore new processes, offerings, expertise, and methods that will help us maximize the benefits of GenAI for our customers and the entire industry.

The Defence & Security business unit invested in the further development of the gateway product and other licensable solutions.

Estimate of the most significant risks and uncertainty factors affecting operations

The most significant risks in terms of the Group are related to the winning of customer projects and recruitment of skilled consultants. The most significant risks affecting the Group's operations are related to internal processes as well as economic cycles.

Estimate and key indicators related to the financial position and result

The Group's operating profit and liquidity were at a good level. Return on equity and equity ratio remained at an excellent level.

The company's organization, management and auditors

The members of the company's Board of Directors are Mika Sutinen, Taru Tujunen, Vesa Lauronen, Antti Mäkelä and Lara Saulo. Mika Sutinen was re-elected as the Chair of the Board of Directors on May 29, 2024.

The company's CEO is Pekka Horo.

KPMG Oy, Authorized Public Accountants, is the company's auditor, with Authorized Public Accountant (KHT) Turo Koila as the responsible auditor.