

JANUARY 1-DECEMBER 31, 2021



## TELESTE CORPORATION FINANCIAL STATEMENTS BULLETIN 1 JANUARY TO 31 DECEMBER 2021

# NET SALES FOR THE FINANCIAL YEAR ON PAR WITH THE COMPARISON PERIOD, FULL-YEAR ADJUSTED OPERATING RESULT IMPROVED, ORDER BACKLOG CONTINUED TO GROW. COMPONENT SHORTAGES HAMPERED THE DEVELOPMENT OF NET SALES AND PROFIT.

### January-December 2021

- Net sales amounted to EUR 144.0 (145.0) million, a decrease of 0.7%
- Adjusted operating result was EUR 5.5 (5.1) million, an increase of 8.8%
- Operating result amounted to EUR 8.7 (4.5) million, an increase of 93.0%
- Earnings per share were EUR 0.39 (0.16) per share, an increase of 137.4%
- Earnings per share, including discontinued operations, amounted to EUR 0.39 (-0.43)
- Cash flow from operations, including discontinued operations, was EUR 13.5 (13.1) million, an increase of 3.3%
- Orders received totalled EUR 175.5 (148.8) million, an increase of 17.9%

The Board of Directors proposes a dividend of EUR 0.14 (0.12) per outstanding share.

#### Fourth quarter of 2021

- Net sales amounted to EUR 38.9 (39.2) million, a decrease of 0.9%
- Adjusted operating result stood at EUR 0.6 (1.3) million, a decrease of 52.7%
- Operating result amounted to EUR 0.6 (1.3) million, a decrease of 52.7%
- Earnings per share were EUR 0.03 (0.05), a decrease of 34.2%
- Earnings per share, including discontinued operations, amounted to EUR 0.03 (0.14), a decrease of 74.5%
- Cash flow from operations, including discontinued operations, was EUR -1.8 (4.6) million, a decrease of 138.1%
- Orders received totalled EUR 51.5 (43.2) million, an increase of 19.2%
- Order backlog at period-end totalled EUR 108.6 (77.1) million, an increase of 40.9%

The income statement figures presented in this financial statement release only include continuing operations, except where otherwise noted. The figures in the balance sheet and the cash flow statement include both continuing and discontinued operations.

## Outlook for 2022

Teleste estimates that net sales in 2022 will exceed the net sales of 2021 and that the adjusted operating result in 2022 will exceed the adjusted operating result of 2021. Net sales in 2021 were EUR 144.0 million, and the adjusted operating result was EUR 5.5 million.

Component shortage and increases in component prices will cause increasing uncertainty in the financial year 2022 affecting the production, net sales and adjusted operating result especially in the first quarter.

#### Comments by CEO Esa Harju:

"2021 was the second consecutive year of exceptional circumstances. The direct and indirect challenges caused by the pandemic continued, with problems associated with the availability of components and materials particularly characterising the past year. We also had to work under exceptional conditions for much of the year, as in-person meetings with customers, colleagues and other stakeholders were difficult and, at times, impossible.

Net sales in the fourth quarter were on par with the comparison period, but the adjusted operating result declined year-on-year. Orders received increased from both the previous quarter and the comparison period, and the order backlog reached a new all-time high at the end of the year.

Full-year net sales for 2021 were on par with the previous year and the adjusted operating result exceeded the previous year's level.

Broadband network operators continued to invest in access networks, and the share of orders and net sales represented by next-generation products is growing. We have been able to systematically increase our activities with operators in North America regarding the development and validation of distributed access infrastructure products as well as DOCSIS 4.0 products, and these activities will be further expanded in 2022. We see Teleste as a pioneer in the development of DOCSIS 4.0-compliant amplifiers.

Customer investments also continued in video security and public transport information systems, and the strengthened order backlog reached a new all-time high in the latter part of the year. The number of product development projects for customers was high. Combined with the exceptional circumstances, this also led to higher-than-expected resource allocation needs and additional project expenses. The production facility expansion project in Littoinen progressed according to plan, and we expect the expansion to be completed in late 2022.

Component availability problems and price increases also affected much of our business in the final quarter, and we do not expect these challenges to ease in the short term. It is very likely that 2022 as a whole will be a very challenging period in this respect, as delivery capacity and the development of component prices are difficult to predict.

Jukka Rinnevaara's term as Teleste's CEO came to an end on 31 December 2021. I want to extend my warmest thanks to Jukka for his contribution to the company. I am honoured to have the opportunity to continue to develop our strategy, driven by the needs of our customers, from this point on."

## Group Operations, October-December 2021

Key figures	10-12/2021	10-12/2020	Change
Net sales, EUR million	38.9	39.2	-0.9%
Adjusted EBIT, EUR million <sup>1)</sup>	0.6	1.3	-52.7%
Adjusted EBIT, % <sup>1)</sup>	1.6%	3.3%	
EBIT, EUR million	0.6	1.3	-52.7%
EBIT, %	1.6%	3.3%	
Result for the period	0.6	0.9	-34.4%
Result for the period, EUR million <sup>2)</sup>	0.6	2.4	-75.7%
Earnings per share, EUR	0.03	0.05	-34.2%
Earnings per share, EUR <sup>2)</sup>	0.03	0.14	-74.5%
Cash flow from operations, EUR million <sup>2)</sup>	-1.8	4.6	-138.1%
Orders received, EUR million	51.5	43.2	+19.2%

<sup>1)</sup> An alternative performance measure defined in the tables section of the report. <sup>2)</sup> Including discontinued operations

Orders received in the fourth quarter totalled EUR 51.5 (43.2) million, representing a year-on-year increase of 19.2%. Orders increased in access network products as well as public transport information solutions and video security solutions. Net sales reached the level of the comparison period and amounted to EUR 38.9 (39.2) million. Net sales increased in access network products but declined in public transport information solutions and video security solutions.

Expenses for material and production services decreased by 4.9% to EUR 18.9 (19.9) million. Personnel expenses increased by 0.7% to EUR 12.1 (12.0) million. Other operating expenses increased by 16.2% to EUR 5.5 (4.7) million. Depreciation and amortisation increased by 8.3% to EUR 2.1 (2.0) million. The adjusted operating result decreased by 52.7% to EUR 0.6 (1.3) million, representing 1.6% (3.3%) of net sales. No adjustments to the operating result were allocated to the reporting period and the comparison period. The adjusted operating result was reduced by higher other operating expenses, depreciation and amortisation, and personnel expenses. Net financial items came to EUR 0.1 (-0.4) million. Taxes were EUR 0.2 (0.0) million. Earnings per share amounted to EUR 0.03 (0.05), a decrease of 34.2%, while earnings per share including discontinued operations amounted to EUR 0.03 (0.14), representing a decrease of 74.5%. Cash flow from operations, including discontinued operations, was EUR -1.8 (4.6) million, a decrease of 138.1%. This was due to an increase in net working capital, which was caused by higher trade receivables and inventories.

R&D expenses amounted to EUR 2.8 (2.3) million, representing 7.3% (5.7%) of consolidated net sales. Capitalised R&D expenses amounted to EUR 1.8 (0.9) million. Depreciation on capitalised R&D expenses was EUR 1.1 (1.1) million. Product development projects focused on distributed access architecture and next-generation amplifiers, including solutions designed for the US market, situational awareness and video security solutions, passenger information systems and customer-specific projects.

## Group Operations, January-December 2021

Key figures	1-12/2021	1-12/2020	Change
Net sales, EUR million	144.0	145.0	-0.7%
Adjusted EBIT, EUR million <sup>1)</sup>	5.5	5.1	+8.8%
Adjusted EBIT, % 1)	3.8%	3.5%	
EBIT, EUR million	8.7	4.5	+93.0%
EBIT, %	6.1%	3.1%	
Result for the period, EUR million	6.9	2.8	+149.6%
Result for the period, EUR million <sup>2)</sup>	6.9	-8.0	
Earnings per share, EUR	0.39	0.16	+137.4%
Earnings per share, EUR <sup>2)</sup>	0.39	-0.43	
Cash flow from operations, EUR million <sup>2)</sup>	13.5	13.1	+3.3%
Net gearing, % <sup>2)</sup>	20.2%	17.0%	
Equity ratio, % <sup>2)</sup>	53.3%	48.8%	
Orders received, EUR million	175.5	148.8	+17.9%
Order backlog, EUR million	108.6	77.1	+40.9%
Personnel at period-end	847	858	-1.3%

<sup>1)</sup> An alternative performance measure defined in the tables section of the report.

<sup>2)</sup> Including discontinued operations

Orders received by the Group grew by 17.9% and amounted to EUR 175.5 (148.8) million. Orders increased in access network products as well as public transport information solutions and video security solutions. The order backlog increased by 40.9% compared to the end of the reference period and totalled EUR 108.6 (77.1) million at the end of the financial period. Net sales reached the level of the comparison period and amounted to EUR 144.0 (145.0) million.

Expenses for material and production services decreased by 6.1% to EUR 67.7 (72.0) million. Personnel expenses increased by 3.7% to EUR 46.8 (45.2) million. Depreciation and amortisation increased by 4.5% to EUR 7.6 (7.2) million. Other operating expenses increased by 3.3% to EUR 18.4 (17.8) million. The adjusted operating result increased by 8.8% to EUR 5.5 (5.1) million, representing 3.8% (3.5%) of net sales. The operating result totalled EUR 8.7 (4.5) million, an increase of 93.0%. The operating result includes non-recurring insurance compensation in the amount of EUR 3.2 million, which is reported as an adjustment item.

Net financial items came to EUR 0.3 (-0.8) million. Financial items were improved by the positive development of the value of currency hedges. The Group's income taxes stood at EUR 2.1 (0.9) million, and the effective tax rate was 23.3% (24.6%). Earnings per share amounted to EUR 0.39 (0.16), representing an increase of 137.4%, while earnings per share including discontinued operations amounted to EUR 0.39 (-0.43). Cash flow from operations, including discontinued operations, was EUR 13.5 (13.1) million, an increase of 3.3%. The increase in cash flow from operations was mainly attributable to the higher operating result for the financial period.

R&D expenses amounted to EUR 11.3 (10.8) million, representing 7.9% (7.4%) of consolidated net sales. Capitalised R&D expenses amounted to EUR 5.7 (3.9) million. Depreciation on capitalised R&D expenses was EUR 4.1 (3.4) million.

## Personnel and organisation January-December 2021

The Group's continuing operations employed 863 (856) people on average during the period under review. At the end of the review period, the Group employed 847 (858) people, of whom 45% (47%) worked abroad. Approximately 3% (3%) of the Group's employees were working outside Europe.

Personnel expenses amounted to EUR 46.8 (45.2) million, representing a year-on-year increase of 3.7%. The increase in personnel expenses was attributable to the higher average number of personnel, wage increases and the temporary layoffs implemented in the comparison period due to the COVID-19 pandemic. In addition, short-term performance-based bonuses increased year-on-year.

## Investments and product development in January-December 2021, including discontinued operations

Investments by the Group totalled EUR 11.1 (6.6) million, representing 7.7% (4.5%) of net sales. Of the investments, EUR 5.7 (3.9) million was related to product development. Leases capitalised in accordance with IFRS 16 amounted to EUR 3.5 (1.4) million, while other investments in tangible and intangible assets came to EUR 1.8 (1.3) million. Investments allocated to discontinued operations totalled EUR 0.8 million in the financial year 2020.

Product development projects focused on distributed access architecture and next-generation amplifiers, including solutions designed for the US market, situational awareness and video security solutions, passenger information systems and customer-specific projects.

## Financing and capital structure January-December 2021, including discontinued operations

Cash flow from operations was EUR 13.5 (13.1) million. The increase in cash flow from operations was mainly attributable to the higher operating result for the financial period.

On 31 December 2021, the Group's interest-bearing debt stood at EUR 28.0 (31.0) million, with short-term loans from banks representing EUR 19.5 million of that amount. The Group's cash and cash equivalents were EUR 14.1 (20.2) million. The Group's equity ratio was 53.3% (48.8%) and net gearing ratio 20.2% (17.0%).

Teleste Corporation has credit and loan facilities with a combined total value of EUR 46.0 million. The five-year loan facility of EUR 30.0 million will mature in August 2022. The loan has been repaid in annual instalments of EUR 3.0 million, with the final instalment of EUR 18.0 million scheduled for August 2022. The EUR 10.0 million credit facility will run until the end of August 2022. The company did not use the credit facility during the financial period. The loan of EUR 6.0 million has a maturity of 4 years, and it will be repaid in fixed instalments in six-month intervals by August 2024. At the end of the period under review, the amount of unused binding credit facilities was EUR 10.0 (21.5) million. The company has prepared a process by which the EUR 18.0 million loan maturing in August 2022 will be refinanced during the second quarter of 2022. All of the current financing providers have expressed their preliminary interest in participating in the refinancing.

## **Discontinued operations**

The services business of the Germany-based Cableway companies was classified as an asset held for sale pursuant to IFRS 5 ("Non-current assets held for sale and discontinued operations"), and, in accordance with the standard, Teleste reported the business of the Cableway companies as a discontinued operation in the financial period 2020. The divestment was completed on 2 November 2020 and the final transaction price was the price reported in the financial statements of 31 December 2020. The divested services business did not have an impact on the income statement for the financial period 2021. The income statement comparison figures for 2020 presented in the interim reports and financial statement release for 2021 only include continuing operations, except where otherwise noted. The comparison figures in the balance sheet and the cash flow statement include both continuing and discontinued operations.

#### **Key business risks**

Europe is Teleste's main market and business area, and the company aims to expand its business in North America. Teleste's customers include data communications operators, public transport operators, train manufacturers as well as certain public sector organisations and authorities.

Teleste's strategy involves risks and uncertainties, for example that new business opportunities may fail to be identified or successfully used. The company must strive to anticipate changes in the market and react to them. Periods of technological transformation, such as data communications operators migrating to next-generation distributed access architecture in access networks, may significantly change the competitive positions of the current suppliers and attract new competitors to the market. Increasing competition may also lead to intensifying price competition, which may affect the profitability of the business. Correct technology choices, product development investments and their timing are vital to success. Product development involves calculated risks and should they materialise, the value of the product development investments can decrease. Expanding business operations to new markets is demanding. The Group's investments in growth in the North American market will not necessarily lead to the desired results.

In the technology and product business, client-specific and integrated deliveries of solutions create favourable conditions for growth, even if the involved resource allocation and technical implementation pose a challenge and therefore also involve risks. Data communications operators' network investments vary according to the development of technology, customers' need to upgrade networks and their capacity to invest. Increased competition created by new service providers may reduce operators' ability to invest. The demand for video security and information solutions fluctuates in response to market cycles and the main clients' ability to invest. End-to-end deliveries of systems and projects may be large in size and take place over several years, setting high demands for the project quotation calculation and management and, consequently, involve risks. Various technologies are used in Teleste's products and solutions, and the intellectual property rights associated with the application of these technologies can be interpreted in different ways by different parties. Such difficulties of interpretation may lead to costly investigations or court proceedings. Customers have very demanding requirements for the performance of products, their durability in challenging conditions and their compatibility with other components of integrated systems. Regardless of careful planning and quality assurance, complex products and solutions may fail in the customer's operational environment and lead to expensive repair obligations. Teleste is also committed to its customers' high requirements for quality and delivery reliability in the services business, which requires a highly effective service process management system and continuous process development to ensure the quality and costefficiency of services. This, in turn, requires continuous development of the skills and knowledge of our personnel and subcontractors. In addition, the sufficiency and usage rates of our personnel and subcontractor network influence the delivery capacity and profitability of services. Subcontractors' costs may increase faster than it is possible for Teleste to increase the prices of its services to its own customers.

Several information systems are critical to the development, manufacture and supply of products to customers. The maintenance of information systems and deployment of new systems involve risks that may affect the ability to deliver products and services. Information systems may also be exposed to external cyber security threats, and we strive to protect ourselves from these threats through technical solutions and by increasing the security competence of our personnel. Teleste Group may also be targeted by illegal activities and fraud attempts that could have a significant effect on the financial result. The Group strives to minimise these risks by continuing to develop good governance practices and increasing the security competence of its personnel. The development of personnel competence, employee engagement and recruitment involves risks that influence how competitiveness is maintained and developed.

Natural phenomena, accidents (such as a fire or a flood) and other global disruptions, such as pandemics, may reduce the availability of various materials or components in the industry's order-delivery chain or suspend our own manufacturing operations. Fluctuations in demand in the global economy may lead to sudden price increases for raw materials, components and freight, whose negative impact on the gross margin Teleste cannot eliminate by increasing the prices of its products or project deliveries. The challenges related to the availability of raw materials

and components that began in 2020 have continued and further expanded. According to the company's assessment, risks and problems associated with component availability may continue to present significant delays in deliveries and business profitability challenges. Geopolitical changes, such as customs levies imposed by different countries and changes or restrictions on exports or imports, may have a negative effect on component supply chains and the profitability of products. Many competitors in the provision of access network technologies come from the United States, which is why the exchange rate of the euro against the US dollar has an effect on competitiveness. In particular, the development of the exchange rates of the US dollar and the Chinese renminbi against the euro influences product costs and result. The company hedges against short-term currency exposure by means of forward exchange contracts and stock options.

The COVID-19 pandemic continues to present risks to Teleste's supply chain, the company's own operating capacity, the operating capacity of customers and the demand for Teleste's products and services. Thus far, in response to the restrictive measures imposed by the authorities in various countries due to the COVID-19 pandemic, operators have reduced or suspended their broadband network construction, while certain customers in public transport information solutions have been forced to close down their factories and delay projects. Our personnel and our inhouse production activities have mainly remained operational. Although the direct impact of the pandemic on Teleste's operations has so far been limited, disruptions in the supply chain of electronic components and many other materials have affected and may continue to affect Teleste's delivery capacity.

The Board of Directors annually reviews essential business risks and their management. Risk management constitutes an integral part of the strategic and operational activities of the business areas. Risks are reported to the Audit Committee and the Board of Directors on a regular basis.

In the period under review, no legal proceedings or judicial procedures were pending that would have had any essential significance for the Group's operations.

## Group structure

The parent company has a branch office in the Netherlands and subsidiaries in 13 countries including Finland. During the financial year, the company simplified the group structure by merging its subsidiaries in Belgium and by dissolving the sub-group structure in England and starting the process of liquidating two English subsidiaries.

## Shares and changes in share capital

Pursuant to the authorisation issued by the Annual General Meeting, Teleste Corporation's Board of Directors decided, on 10 March 2021, on a directed share issue without consideration, relating to the reward payment for the performance period 2018-2020 of Teleste Group's share-based incentive plan 2018. In the share issue, 8,225 Teleste Corporation shares held by the company were conveyed without consideration to the key employees participating in the share-based incentive plan on 19 March 2021.

On 31 December 2021, Tianta Oy was the largest single shareholder with a holding of 25.0% (24.1%).

In the period under review, the lowest price of the company's share was EUR 4.47 (3.51) and the highest price was EUR 6.66 (5.78). The closing price on 31 December 2021 stood at EUR 5.24 (4.49). According to Euroclear Finland Ltd, the number of shareholders at the end of the period under review was 5,481 (5,863). Foreign and nominee-registered holdings accounted for 3.0% (2.9%) of the holdings. The value of Teleste's shares traded on Nasdaq Helsinki from 1 January to 31 December 2021 was EUR 13.8 (13.8) million. In the period under review, 2.5 (3.1) million Teleste shares were traded on the stock exchange. Teleste's share is quoted in the technology section of Nasdaq Helsinki.

On 31 December 2021, the Group held 768,194 (776,419) of its own shares, all held by the parent company Teleste Corporation. At the end of the review period, the Group's holding of the total number of shares amounted to 4.0% (4.1%).

On 31 December 2021, the company's registered share capital stood at EUR 6,966,932.80, divided into 18,985,588 shares.

Valid authorisations at the end of the review period:

- The Board of Directors may acquire 1,200,000 own shares of the company otherwise than in proportion to the holdings of the shareholders with unrestricted equity through trading on the regulated market organised by Nasdaq Helsinki at the market price of the time of the purchase.

- The Board of Directors may decide on issuing new shares and/or transferring the company's own shares held by the company, so that the maximum total number of shares issued and/or transferred is 2,000,000.

The total number of new shares to be subscribed for under the special rights granted by the company and own shares held by the company to be transferred may not exceed 1,000,000 shares, which number is included in the above maximum number concerning new shares and the Group's own shares held by the company.
These authorisations are valid until 6 October 2022.

Decisions by the Annual General Meeting

The Annual General Meeting (AGM) of Teleste Corporation held on 7 April 2021 adopted the financial statements and consolidated financial statements for 2020 and discharged the members of the Board of Directors and the CEO from liability for the financial period 2020. In accordance with the proposal of the Board of Directors, the AGM resolved that, based on the adopted balance sheet, a dividend of EUR 0.12 per share be paid for the financial period that ended on December 31, 2020 for shares other than those held by the Company. The dividend record date was 9 April 2021 and the dividend was paid out on 16 April 2021.

The AGM decided that the Board of Directors shall consist of six members. Jussi Himanen, Vesa Korpimies, Mirel Leino-Haltia, Timo Luukkainen, Heikki Mäkijärvi and Kai Telanne were elected as members of Teleste Corporation's Board of Directors. In its organisational meeting held after the AGM on 7 April 2021, the Board of Directors elected Timo Luukkainen as its Chairman. Mirel Leino-Haltia was elected Chair of the Audit Committee, with Jussi Himanen and Vesa Korpimies as members.

It was decided that the annual remuneration of the members of the Board of Directors will remain unchanged: EUR 66,000 per year for the chairman and EUR 33,000 per year for each member. The annual remuneration of the Board member who acts as the Chairman of the Audit Committee is to be EUR 49,000 per year. Of the annual remuneration to be paid to the Board members, 40% of the total gross remuneration amount will be used to purchase Teleste Corporation's shares for the Board members through trading on a regulated market organised by Nasdaq Helsinki Ltd and the rest will be paid in cash. However, a separate meeting fee shall not be paid to the members of the Board of Directors nor the Chairman of the Audit Committee. The members of the Board's Audit Committee are paid a meeting fee of EUR 400 for the meetings of the Audit Committee they attend.

The AGM decided to choose one auditor for Teleste Corporation. The audit firm PricewaterhouseCoopers Oy was chosen as the company's auditor. The audit firm appointed Markku Launis, APA, as the auditor in charge. It was decided that the auditor's fees will be paid according to the invoice approved by the Company.

The AGM approved the company's Remuneration Report for 2020.

The AGM decided to authorise the Board of Directors to decide on the purchase of the company's own shares in accordance with the proposal of the Board. According to the authorisation, the Board of Directors may acquire 1,200,000 own shares of the company otherwise than in proportion to the holdings of the shareholders with

unrestricted equity through trading on the regulated market organised by Nasdaq Helsinki Ltd at the market price of the time of the purchase.

The AGM decided to authorise the Board of Directors to decide on issuing new shares and/or transferring the company's own shares held by the company and/or granting special rights referred to in Chapter 10, Section 1 of the Limited Liability Companies Act, in accordance with the Board's proposal.

The new shares may be issued and the company's own shares held by the company may be conveyed either against payment or for free. New shares may be issued and the company's own shares held by the company may be conveyed to the company's shareholders in proportion to their current shareholdings in the company, or by waiving the shareholder's pre-emption right, through a directed share issue if the company has a weighty financial reason to do so. The new shares may also be issued in a free share issue to the company itself.

Under the authorisation, the Board of Directors has the right to decide on issuances of new shares and/or transferring the company's own shares held by the company, so that the maximum total number of shares issued and/or transferred is 2,000,000.

The total number of new shares to be subscribed for under the special rights granted by the company and own shares held by the company to be transferred may not exceed 1,000,000 shares, which number is included in the above maximum number concerning new shares and the Group's own shares held by the company.

The authorisations decided on by the AGM are valid for eighteen (18) months from the resolution of the AGM. The authorisations override any previous authorisations to decide on issuances of new shares and on granting stock option rights or other special rights entitling to shares.

## Events after the end of the review period

Esa Harju took up the post of CEO on 1 January 2022. The company announced the CEO appointment made by the Board of Directors in a stock exchange release on 3 November 2021.

Alstom has selected Teleste to deliver onboard systems for a significant train project in Europe. Teleste announced the agreement in a stock exchange release on 5 January 2022. The expected total value of the agreement is approximately EUR 16-20 million. Work on the project began in January. The serial system deliveries are expected to begin in 2023 and continue for several years.

## **Operating environment in 2022**

The demand for broadband services by broadband network operators continues to grow. Broadband traffic has increased sharply during the COVID-19 pandemic due to the growth of teleworking and online education and the higher consumption of streaming services. It is presumable that part of the growth created by the pandemic will remain a permanent phenomenon, which would maintain network investments when the restrictions imposed due to the pandemic are lifted. European cable operators have been able to competitively respond to the increasing demand by investing in DOCSIS 3.1 standard-compliant 1.2 GHz frequency range network upgrades during the past few years. Investments in traditional HFC network infrastructure continue, but with a lower volume than in the past few years.

We expect next-generation access network upgrades to expand in Europe in 2022. DOCSIS 3.1-compliant distributed architecture product ranges and the integration and testing activities by the most advanced operators have progressed to a point where network upgrades can increasingly be implemented using these solutions.

The cable network industry has also created a vision and roadmap pertaining to the next-generation DOCSIS 4.0 standard. This next generation of technology will enable households to access broadband connections with speeds up

to 10 gigabytes using existing coaxial cabling. DOCSIS 4.0 enables the competitiveness of the cable network infrastructure compared to optical fibre for years to come. We presume that North American operators, in particular, will invest heavily when DOCSIS 4.0 products enter the market, while European operators will partially switch to fibre investments to maintain their lead over other fixed network competitors.

Product development projects for Teleste's 1.8 GHz DOCSIS 4.0-compliant network products are under way. The deployment of passive products can begin in 2022, with the readiness to start amplifier upgrades to follow thereafter in 2023.

We estimate that the net sales of the access network products and services in 2022 will reach or exceed the level of net sales in the comparison year. However, this estimate involves uncertainty related to the availability of components and materials, the pandemic and level of investment among customers. Component availability issues and price increases will again require special attention in 2022.

Growing urban environments and their safety, the increase of public transport services and the increasing popularity of smart digital systems for a smoother life provide a foundation for growing business in video security and public transport information systems in the coming years.

Public transport operators and other authorities must ensure smooth operation of services and infrastructure as well as the safety of people. Public transport information systems are continuously developing to be increasingly smart and real-time. The intelligence of video security solutions is increasing and demand has emerged in the market for comprehensive situational awareness systems that include management of other sensor-level data flows in addition to video image and automate operating processes in exceptional situations.

The development of the market for public transport information systems was adversely affected in 2021 by not only the pandemic but also the global problems associated with the availability of components and materials. However, the market is expected to return to growth in 2022, provided that the availability of components and materials improves. Ensuring competitiveness requires Teleste to continuously make R&D investments in new intelligent solutions, and the share of software systems in these solutions will continue to grow. Improvements in project management and operational efficiency in business are essential, and we aim to improve profitability in this area.

We estimate that the net sales of video security and public transport information systems in 2022 will reach or exceed the level of net sales in the comparison year. However, this estimate involves uncertainty related to the availability of components and materials, the pandemic and the timing of projects.

## Outlook for 2022

Teleste estimates that net sales in 2022 will exceed the net sales of 2021 and that the adjusted operating result in 2022 will exceed the adjusted operating result of 2021. Net sales in 2021 were EUR 144.0 million, and the adjusted operating result was EUR 5.5 million.

Component shortage and increases in component prices will cause increasing uncertainty in the financial year 2022 affecting the production, net sales and adjusted operating result especially in the first quarter.

9 February 2022

Teleste Corporation Board of Directors Esa Harju President and CEO Teleste's Annual Report for 2021, which includes the audited financial statements, will be published no later than week 11 2022. The Company will issue a statement of its corporate governance as a separate report, which will be published together with the Annual Report, and will be simultaneously available on the Company's web site.

This interim report has been compiled in compliance with IAS 34, as it is accepted within EU, using the recognition and valuation principles with those used in the Annual Report. The data stated in this report is audited.

## STATEMENT OF COMPREHENSIVE INCOME, 1000 euros

Continuing operations	10-12/2021	10-12/2020	Change %
Net sales	38,858	39,200	-0.9 %
Other operating income Raw material and consumables used Employee benefits expense Depreciations Other operating expenses Operating profit	390 -18,885 -12,130 -2,130 -5,500 603	673 -19,850 -12,046 -1,967 -4,734 1,274	-42.0 % -4.9 % 0.7 % 8.3 % 16.2 % -52.7 %
Financial income	266	168	58.6 %
Financial expenses	-118	-518	-77.1 %
Profit before taxes	751	924	-18.8 %
Taxes	-166	-34	392.3 %
Net profit of continuing operations	584	890	-34.4 %
Discontinued operations			
Net profit of discontinued operations	0	1,512	-100.0 %
Net Profit	584	2,402	-75.7 %
Profit attributable to: Owners of the parent company Non-controlling interests	630 -46 584	2,469 -67 2,402	-74.5 % -31.8 % -75.7 %
Earnings per share for profit of the year attributable	e to the equity holders (	of the parent	
Basic (expressed in euro per share)	0.03	0.14	-74.5 %
Diluted (expressed in euro per share)	0.03	0.14	-74.5 %
Earnings per share for profit of the year from contin attributable to the equity holders of the parent	nued operations,		
Basic (expressed in euro per share)	0.03	0.05	-34.2 %
Diluted (expressed in euro per share)	0.03	0.05	-34.2 %
Earnings per share for profit of the year from discon attributable to the equity holders of the parent	ntinued operations,		
Basic (expressed in euro per share)	0.00	0.08	-100.0 %
Diluted (expressed in euro per share)	0.00	0.08	-100.0 %

Total comprehensive income for the period, 1000 eur	OS		
Net profit	584	2,402	-75.7 %
Items that may be reclassified subsequently to profit of Translation differences	or loss 516	E 4 9	E 0.9/
Fair value reserve	516	548 15	-5.9 % -91.4 %
Total comprehensive income for the period	1,101	2,965	-62.9 %
	_,	_);;;;;	0210 /0
Total comprehensive income attributable to:			
Owners of the parent company	1,143	3,043	-62.5 %
Non-controlling interests	-42	-78	0.0 %
	1,101	2,965	-62.9 %
STATEMENT OF COMPREHENSIVE INCOME, 1000			
euros	1-12/2021	1-12/2020	Change %
Continuing operations Net sales	143,966	144,983	-0.7 %
Net Sales	145,900	144,905	-0.7 %
Other operating income	5,209	1,783	192.1 %
Raw material and consumables used	-67,672	-72,039	-6.1 %
Employee benefits expense	-46,825	-45,156	3.7 %
Depreciation	-7,566	-7,241	4.5 %
Other operating expenses	-18,399	-17,814	3.3 %
Operating profit	8,714	4,516	93.0 %
Financial income	1,091	836	30.5 %
Financial expenses	-767	-1,670	-54.1 %
Profit before taxes	9,037	3,681	145.5 %
	3,037	5,001	113.3 /0
Taxes	-2,107	-905	132.9 %
Net profit of continuing operations	6,930	2,777	149.6 %
Discontinued operations			
Net profit of discontinued operations	0	10 912	
Net profit of discontinued operations	0	-10,812	
Net Profit	6,930	-8,035	
Profit attributable to:			
Owners of the parent company	7,089	-7,827	
Non-controlling interests	-159	-209	
	6,930	-8,035	
Earnings per share for profit of the year attributable to	o the equity holders of	the parent	
Basic (expressed in euro per share)	0.39	-0.43	
Diluted (expressed in euro per share)	0.39	-0.43	
	0.35	0.45	
Earnings per share for profit of the year from continue	ed operations,		
attributable to the equity holders of the parent		<b>.</b>	
Basic (expressed in euro per share)	0.39	0.16	137.3 %
Diluted (expressed in euro per share)	0.39	0.16	137.4 %

Earnings per share for profit of the year from discontin	ued operations.		
attributable to the equity holders of the parent			
Basic (expressed in euro per share)	0.00	-0.59	
Diluted (expressed in euro per share)	0.00	-0.59	
	0.00	0.00	
Total comprehensive income for the period (tEUR)			
Net profit	6,930	-8,035	
Items that may be reclassified to profit or loss:	-,	-,	
Translation differences	620	-606	
Fair value reserve	1	62	-97.9 %
Total comprehensive income for the period	7,552	-8,579	
· · · · · · · · · · · · · · · · · · ·	.,	-,	
Total comprehensive income attributable to:			
Owners of the parent company	7,691	-8,344	
Non-controlling interests	-140	-235	
0	7,552	-8,579	
	.,	-,	
STATEMENT OF FINANCIAL POSITION, 1000 euros			
Assets 1000 euros			
Assets 1000 euros	21 12 2021	21 12 2020	Change 0/
Non aurrent accets	31.12.2021	31.12.2020	Change %
Non-current assets	14.047	12.010	0.0%
Property, plant and equipment	14,047	12,816	9.6 %
Goodwill	30,707	30,502	0.7 %
Other intangible assets	11,284	9,052	24.7 %
Other non-current financial assets	458	698	-34.4 %
Deferred tax assets	1,700	2,203	-22.8 %
Total	58,195	55,270	5.3 %
Current accets			
Current assets Inventories	20 177	20 225	3.4 %
Trade and other receivables	29,177	28,225	16.0 %
	33,493 259	28,867 428	-39.6 %
Income tax receivables			
Cash	14,100	20,224	-30.3 %
Total	77,029	77,745	-0.9 %
Assets reported in discontinued operations	0	0	n/a
Total assets	135,224	133,015	1.7 %
Equity and liabilities			
Equity attributable to equity holders of the			
parent			
Share capital	6,967	6,967	0 %
Share premium	1,504	1,504	0 %
Translation differences	-1,392	-1,557	-11 %
Invested non restricted equity	3,140	3,140	0 %
Other reserves	2	0	n/a
Retained profits	58,588	52,716	11 %
Non-controlling interests	180	320	-44 %
Total	68,990	63,090	-44 %
iotai	00,990	05,090	3 70

Non-current liabilities			
Interest-bearing liabilities	6,856	24,716	-72.3 %
Other liabilities	737	832	-11.4 %
Deferred tax liabilities	1,988	1,518	31.0 %
Provisions	370	119	211.8 %
Total	9,951	27,184	-63.4 %
Current liabilities			
Trade and other liabilities	33,260	33,893	-1.9 %
Current tax payable	868	880	-1.4 %
Provisions	962	1,711	-43.8 %
Interest-bearing liabilities	21,193	6,256	238.7 %
Total	56,283	42,741	31.7 %
Liabilities reported in discontinued operations	0	0	
Total liabilities	66,234	69,925	-5.3 %
Equity and liabilities total	135,224	133,015	1.7 %
CONSOLIDATED CASH FLOW STATEMENT, 1000 euros			
curos	1.131.12.	1.131.12.	Change %
	2021	2020	
Cash flows from operating activities			
Profit for the period	6,930	-8,035	-186.2 %
Adjustments for cash flow from operating			
activities	7,567	23,322	-67.6 %
Other finance items	164	0	n/a
Paid interests and other financial expenses	-300	-993	-69.8 %
Received interests and dividends	76	33	130.8 %
Paid taxes	-935	-1,255	-25.6 %
Cash flow from operating activities	13,502	13,071	3.3 %
Cash flow from investing activities Purchases of property, plant and equipment			
(PPE)	-1,299	-1,214	7.0 %
Proceeds from sales of PPE	85	171	-50.5 %
Purchases of intangible assets	-5,689	-3,916	45.3 %
Purchase of investments	-142	-77	84.7 %
Disposal of discontinued operation, net of cash			
disposed of	-3,749	6,276	-159.7 %
Net cash used in investing activities	-10,795	1,239	-970.9 %
Cash flow from financing activities			
Proceeds from borrowings	0	6,466	-100.0 %
Payments of borrowings	-4,500	-3,569	26.1 %
Payment of finance lease liabilities	-2,120	-3,794	-44.1 %
Dividends paid	-2,321	-1,685	37.8%
Capital investment by non-controlling interests	0	349	-100.0 %
Net cash used in financing activities	-8,942	-2,232	300.6 %

Change in cash			
Cash and cash equivalents 1.1.	20,224	8,249	145.2 %
Effect of currency changes	109	-103	-205.9 %
Cash and cash equivalents 31.12.	14,100	20,224	-30.3 %

Consolidated state Attributable to equ A Share capita B Share prem C Translation D Retained ea E Invested free F Other funds G Total H Share of no I Total equity	ity holders of th al ium differences irnings ee capital s n-controlling int	ne parent (tE							
	А	В	С	D	Е	F	G	Н	I I
Equity 1.1.2021 Net Profit Other items in comprehensive income for the	6,967	1,504	-1,558	52,716 -7,089	3,140	0	62,771 7,089	319 -159	63,090 6,930
period			165	436		1	602	19	622
Dividends				-2,186			-2,186		-2,186
Equity-settled sha based payments Capital investment by non-controlling	t			534			534		534
interests				0			0		0
Equity 31.12.2021	6,967	1,504	-1,393	58,590	3,140	2	68,810	180	68,990

	А	В	С	D	Е	F	G	Н	I
Equity 1.1.2020	6,967	1,504	-1,595	62,618	3,140	-62	72,574	206	72,779
Net Profit				-7,827			-7,827	-209	8,035
Other items in									
comprehensive									
income for the									
period			37	-624		62	-525	-27	-553
Dividends				-1,821			-1,821		-1,821
Equity-settled share-									
based payments				370			370		370
Capital investment									
by non-controlling									
interests				0				349	349
Equity 31.12.2020	6,967	1,504	-1,558	52,716	3,140	0	62,771	319	63,090

		NL	Other				
Geographical segments	<b>Finless</b> d	Nordic	Other	Others	Discontin	l	Tatal
2021, 1000 euros Salos by origin	Finland 14,312	countries	Europe 101,631	Others 10,597	Discontin	ued 0	Total 143,966
Sales by origin Assets	53,041	17,426 102		10,397		0	56,495
Capital expenditure for	55,041	102	3,225	127		0	50,495
the period	9,133	148	1,766	8		0	11,056
the period	9,133	140	1,700	0		0	11,050
Geographical segments		Nordic	Other				
2020, 1000 euros	Finland	countries	Europe	Others	Discontin	ued	Total
Sales by origin	14,430	12,939	106,430	11,183	56,	291	201,273
Assets	48,381	648	3,587	451		0	53,067
Capital expenditure for							
the period	3,175	103	2,354	150		807	6,588
Information per quarter,							
1000 euro	10-12/21	7-9/21	4-6/21	1-3/21	10-12/20	1-12/21	1-12/20
Order intake	51,480	44,137	43,861	36,042	43,186	175,519	148,845
Net sales	38,858	32,316	35,782	37,010	39,200	143,966	144,983
EBIT	603	2,280	1,135	4,695	1,274	8,714	4,516
EBIT %	1.6 %	7.1 %	3.2 %	12.7 %	3.3 %	6.1 %	3.1 %
	,	,.	0.270		0.0 / 0	0.2 /0	012 /0
Net sales by category,							
1000 euro	10-12/21	7-9/21	4-6/21	1-3/21	10-12/20	1-12/21	1-12/20
Goods	32,651	26,829	29,740	31,000	33,429	120,220	118,525
Service	6,207	5,487	6,042	6,010	5,771	23,746	26,458
Total	38,858	32,316	35,782	37,010	39,200	143,966	144,983
Order backlog							
Thousand euro			12/21	9/21	6/21	3/21	12/20
Order backlog end of period	ł		108,639	-	, 84,196	, 76,142	77,086
5 1			,	,	,	,	,
Commitments and continge	ncies. 1000 euro	DS			2021	2020	Change %
Lease liabilities	<b>,</b>				951	921	3.3 %
Value of underlying forward	l contracts			1	18,128	18,515	-2.1 %
Market value of forward co					360	-473	-176.2 %
Interest rate swap					0	0	n/a
Market value of interest sw	ар				0	0	n/a
Guarantees					5,450	11,055	-50.7 %
The number of employees h	rakan dawa hu	following	agories				
The number of employees b 31.12.	DIOKEII UOWII DY	ionowing cate	Roues		2021	2020	Change %
Research and development					197	191	3.5 %
Production and material ma					450	461	-2.4 %
Sales and marketing	-0				105	112	-6.5 %
Administration					95	94	1.0 %
Total					847	858	-1.3 %

	IFRS	IFRS	IFRS	IFRS	IFRS
Key figures	2021	2020	2019	2018	2017
Profit and loss account, balance					
sheet					
Net sales, Meur	144.0	145.0	235.5	250.3	234.6
Change %	-0.7 %	-38.4 %	-5.9 %	6.7 %	-9.6 %
Sales outside Finland, %	90.1 %	92.8 %	93.3 %	93.9 %	94.3 %
Operating profit, Meur	8.7	4.5	0.8	9.7	-7.5
% of net sales	6.1 %	3.1 %	0.3 %	3.9 %	-3.2 %
Profit after financial items, Meur	9.0	3.7	0.4	9.1	-8.5
% of net sales	6.3 %	2.5 %	0.2 %	3.6 %	-3.6 %
Profit before taxes, Meur	9.0	3.7	0.4	9.1	-8.5
% of net sales	6.3 %	2.5 %	0.2 %	3.6 %	-3.6 %
Profit for the financial period, Meur	6.9	-8.0	-1.7	6.8	-9.1
% of net sales	4.8 %	-5.5 %	-0.7 %	2.7 %	-3.9 %
R&D expenditure, Meur	11.3	10.8	13.5	12.5	12.1
% of net sales	7.9 %	7.4 %	5.7 %	5.0 %	5.1 %
Gross investments, Meur	11.1	6.6	13.0	7.0	7.5
% of net sales	7.7 %	4.5 %	5.5 %	2.8 %	3.2 %
Interest bearing liabilities, Meur	28.0	31.0	33.0	26.8	33.2
Shareholder's equity, Meur	69.0	63.1	72.8	77.2	71.4
Total assets, Meur	135.2	133.0	149.6	159.0	153.5
Developed and endows					
Personnel and orders	963	956	1 262	1 202	1 402
Average personnel	863	856	1,363	1,393	1,492
Order backlog at year end, Meur	108.6	77.1	73.2	71.0	57.4
Orders received, Meur	175.5	148.8	237.6	264.0	262.9
Key metrics					
, Return on equity, %	10.5 %	-11.8 %	-2.2 %	9.2 %	-11.7 %
Return on capital employed, %	10.2 %	-4.5 %	1.6 %	9.3 %	-6.6 %
Equity ratio, %	53.3 %	48.8 %	49.5 %	51.7 %	48.3 %
Net gearing, %	20.2 %	17.0 %	34.1 %	5.9 %	16.8 %
Earnings per share, euro	0.39	-0.43	-0.07	0.38	-0.50
Earnings per share fully diluted, euro	0.39	-0.43	-0.07	0.38	-0.50
Shareholders equity per share, euro	3.79	3.46	4.00	4.25	3.94
ALTERNATIVE PERFORMANCE MEASURES					
Adjusted operating profit	5,514	5,066	8,832	9,721	-7,549
Adjusted earnings per share, EUR	0.21	-0.06	0.31	0.38	-0.50
BRIDGE OF CALCULATION					
Operating profit, continued					
operations	8,714	4,516	1,890	9,721	-7,549
Cost item caused by a crime	0	0	6,942	0	0
Business reorganization	0	550	0	0	0
Other non-recurring item	-3,200	0	0	0	0
Adjusted operating profit, continued	5,514	5,066	8,832	9,721	-7,549

Net profit/loss to equity holder Outstanding shares during the	7,089	-7,827	-1,327	6,975	-9,106
quarter	18,216	18,204	18,181	18,122	18,202
Earnings per share, basic	0.39	-0.43	-0.07	0.38	-0.50
Operating profit	7,089	-7,827	-1,327	6,975	-9,106
Cost item caused by a crime	0	0	6,942	0	0
Business reorganization	0	550	0	0	0
Business disposals	0	6,106	0	0	0
Other non-recurring item	-3,200	0	0	0	0
Outstanding shares during the	-,	-	-	-	-
quarter	18,216	18,204	18,181	18,122	18,202
Earnings per share, basic	0.21	-0.06	0.31	0.38	-0.50
Teleste share					
Highest price, euro	6.66	5.78	6.8	7.58	9.62
Lowest price, euro	4.47	3.51	5.04	5.12	6.51
Closing price, euro	5.24	4.49	5.34	5.26	6.68
Average price, euro	5.46	4.40	5.72	6.72	8.19
Price per earnings	13.5	-10.4	-73.2	13.8	-13.3
Market capitalization, Meur	99.5	85.2	101.4	99.9	126.8
Stock turnover, Meur	13.8	13.8	9.2	13.3	16.8
Turnover, number in millions	2.5	3.1	1.6	2.0	2.0
Turnover, % of share capital	13.3 %	16.5 %	8.5 %	10.4 %	10.8 %
Average number of shares	18,985,588	18,985,588	18,985,588	18,985,588	18,985,588
Number of shares at the year-end	18,985,588	18,985,588	18,985,588	18,985,588	18,985,588
Average number of shares, diluted	, ,	, ,	, ,		, ,
w/o own shares	18,222,877	18,220,370	18,181,177	18,168,088	18,202,396
Number of shares at the year-end,					
diluted w/o own shares	18,217,394	18,218,503	18,207,708	18,155,300	18,172,350
Paid dividend, Meur	2.6	2.2	1.8	3.6	1.8
Dividend per share, euro	0.14*	0.12	0.10	0.20	0.10
Dividend per net result, %	36.0 %	neg.	neg.	53.1 %	neg.
Effective dividend yield, %	2.7 %	2.7 %	1.9 %	3.8 %	1.5 %
* The Board's proposal to the AGM					
Treasury shares	Number of shares	% of shares			% of votes
Teleste companies own shares					
31.12.2021	768,194	4.05 %			4.05 %
Major shareholders 31.12.2021			Numb	per of shares	% of share capital
Tianta Oy				4,748,298	25.0
Mandatum Life Insurance Company Li	imited			4,748,298 1,683,900	25.0
Ilmarinen Mutual Pension Insurance C				899,475	8.9 4.7
Kaleva Mutual Insurance Company	Jompany			899,475 824,641	4.7
Teleste Oyj				768,194	4.3
releste Oyj				700,194	4.0

operations

Wipunen varainhallinta Oy	650,000	3.4
Mariatorp Oy	620,000	3.3
Varma Mutual Pension Insurance Company	521,150	2.7
The State Pension Fund	500,000	2.6
OP-Finland Small Firms Fund	240,408	1.3

Shareholders by sector 31.12.2021	Number of shareholders	% of Owners	Number of shares	% of shares
Shareholders by Sector 51.12.2021	Shareholders	owners	Shares	Shares
Households	5,168	94.3	5,005,274	26.4
Public sector institutions	3	0.1	1,920,625	10.1
Financial and insurance institutions	17	0.3	3,444,263	18.1
Corporations	243	4.4	8,324,373	43.8
Non-profit institutions	20	0.4	43,918	0.2
Foreign and nominee registered owners	30	0.5	247,135	1.3
Total	5,481	100.0	18,985,588	100.0
Of which nominee registered	9	0.2	575,238	3.0
	Number of	% of	Number of	% of
Number of shares 31.12.2021	shareholders sh	areholders	shares	shares
1 - 100	1,631	30	87,693	0.5
101 - 500	2,194	40	583,160	3.1
501 – 1,000	731	13	594,294	3.1
1,001 – 5,000	721	13	1,607,589	8.5
5,001 – 10,000	99	2	690,878	3.6
10,001 – 50,000	77	1	1,608,659	8.5
50,001 – 100,000	7	0	457,152	2.4
100,001 – 500,000	13	0	2,640,505	13.9
500,001 -	8	0	10,715,658	56.4
Total	5,481	100.0	18,985,588	100.0
of which nominee registered	9	0.2	575,238	3.0

## CALCULATION OF KEY FIGURES

Return on equity:	Profit/loss for the financial period** 100
	Shareholders' equity (average)
Return on capital employed:	Profit/loss for the period after financial items + financing charges
	Total assets - non-interest-bearing
	liabilities (average)
Equity ratio:	Shareholders' equity
	* 100
	Total assets - advances received
Gearing:	Interest bearing liabilities - cash in hand and in bank - interest bearing assets
	Shareholders' equity
Earnings per share:	Profit for the period attributable to equity holder of the parent
	 Weighted average number of ordinary shares outstanding during the period
Earnings per share, diluted:	Profit for the period attributable to equity holder of the parent (diluted)
	Average number of shares - own shares + number of options at the period-end
Equity per share:	Shareholders' equity
	Number of shares – number of own shares at year-end
Price per earnings (P/E):	Share price at year-end
	Earnings per share
Efective dividend yield:	Dividend per share
	Trading price at the end of the period

## ALTERNATIVE PERFORMANCE MEASURES

Effective from the beginning of 2019, Teleste has started to report non-IFRS alternative performance measures. The calculation of the alternative performance measures does not take into account income or expense items affecting comparability that are non-recurring or infrequently occurring and not part of the ordinary course of business. The purpose of presenting the alternative performance measures is to improve comparability, and they do not replace the performance measures and key figures presented in accordance with IFRS. The alternative performance measures reported by the Group are adjusted operating result and adjusted earnings per share. Adjusted operating result and adjusted earnings per share exclude material items affecting comparability that are not part of the ordinary course of business. The adjusted items are recognised in the income statement within the corresponding income or expense group.

Adjusted operating profit	Operating profit is adjusted with items which are non-recurring or infrequently.
Adjusted earnings per share:	Adjusted Profit for the period attributable to equity holder of the parent
	Weighted average number of ordinary shares outstanding during the period

## **TELESTE CORPORATION**

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