

TELESTE CORPORATION INTERIM REPORT 1 JANUARY TO 31 MARCH 2023

TELESTE CORPORATION: NET SALES AND ADJUSTED OPERATING RESULT INCREASED. FULL-YEAR OUTLOOK REMAINS UNCHANGED.

Unless otherwise specified, the figures in brackets refer to the year-on-year comparison period.

January-March 2023 in brief

- Net sales grew by 19.4%, amounting to EUR 45.3 (38.0) million.
- Adjusted operating result grew to EUR 1.5 (0.1) million.
- Operating result grew to EUR 1.2 (0.1) million.
- Adjusted earnings per share were EUR 0.14 (0.01).
- Earnings per share were EUR 0.13 (0.01).
- Cash flow from operations was EUR 2.0 (-4.8) million.
- Orders received decreased by 31.9% to EUR 40.8 (59.9) million.
- The order book decreased by 2.3% and amounted to EUR 127.6 (130.6) million.
- Significant volume deliveries in the Benelux countries early in the year increased net sales
- The Belgian tax reassessment decision issued in 2022 was overturned in accordance with Teleste's request, which resulted in a positive impact of EUR 1.7 million on income taxes in the income statement. Positive impact also on the result for the reporting period and earnings per share (0,09 €).

Outlook for 2023 (unchanged)

Teleste estimates that net sales in 2023 will amount to EUR 150-175 million and that the adjusted operating result in 2023 will be EUR 2-5 million.

This guidance is subject to supply chain problems not becoming worse in 2023 than they are at present.

Key figures

EUR million	1-3/2023	1-3/2022	Change	1-12/2022
Orders received	40.8	59.9	-31.9%	188.5
Order book	127.6	130.6	-2.3%	132.2
Net sales	45.3	38.0	+19.4%	165.0
Adjusted EBIT ¹⁾	1.5	0.1	+1,356%	2.0
Adjusted EBIT, % ¹⁾	3.2%	0.3%	-	1.2%
EBIT	1.2	0.1	+1,142%	-4.8
EBIT, %	2.7%	0.3%	-	-2.9%
Result for the period	2.2	0.1	+2,046%	-5.9
Adjusted earnings per share, EUR ¹⁾	0.14	0.01	+1,874%	-0.01
Earnings per share, EUR	0.13	0.01	+1,707%	-0.31
Cash flow from operations	2.0	-4.8		-7.8

Net gearing, %	58.4%	32.8%	-	61.2%
Equity ratio, %	41.6%	51.9%	-	39.7%
Personnel at period-end	842	862	-2.3%	844

¹⁾ An alternative performance measure defined in the tables section of the report.

Comments by CEO Esa Harju:



“On the whole, the year has commenced according to our expectations. Our net sales grew significantly from the comparison period and our profitability improved. As expected, orders received did not reach the exceptionally high level of the comparison period.

Net sales increased year-on-year in both businesses. Gross margin improved as updated customer prices better reflected the increased material costs. Cash flow from operations was positive, and we are continuing measures to optimise working capital.

We want to improve our investor communications, and we will from now on include the orders received, order book and net sales of our two business units in our financial reporting. Our **‘Broadband Networks’** business unit provides products, solutions and advanced services for the broadband network operators. Our **‘Public Safety and Mobility’** business unit provides products and solutions to the public transport operators, rolling stock manufacturers and to the public security sector.

Good delivery volumes continued in the Broadband Networks business, especially in Central Europe and the Nordic countries. Activities in the North American market progressed according to plan, and we continue to build readiness to start commercial deliveries of DOCSIS 4.0 products during the second half of 2023.

The Public Safety and Mobility business is currently engaged in several customer projects in Europe and the Middle East. Fixed-price projects in the delivery pipeline continue to burden profitability. In March, we signed an agreement on the system delivery of a new significant train project with a European rolling stock manufacturer.

We will maintain our full-year 2023 financial guidance. We expect the uncertainty of the operating environment to continue, with continued supply chain challenges particularly with regard to electronics components and semiconductors. Our delivery volumes in the coming months will also be affected by our

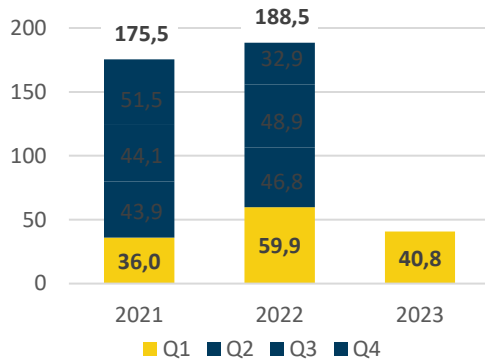
customers' current inventory levels and their possible optimisation. Passing the increased costs on to sales prices requires further measures in both of our businesses, and we will also continue to adapt all of the company's costs. In addition, certain public transport projects involve schedule and margin risk. These factors make it difficult to predict the full-year development.

The company will also continue to execute its programme aimed at sharpening the strategy. Linda Kallas will start as the new Head of Group Strategy on 1 June 2023, as previously announced.”

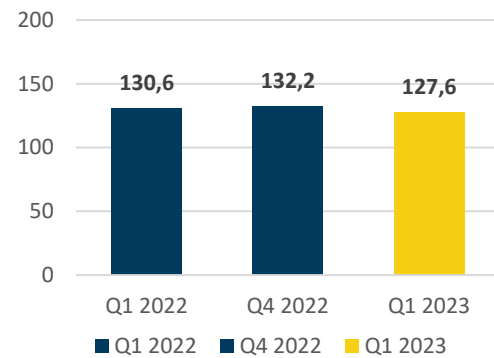


Key figures

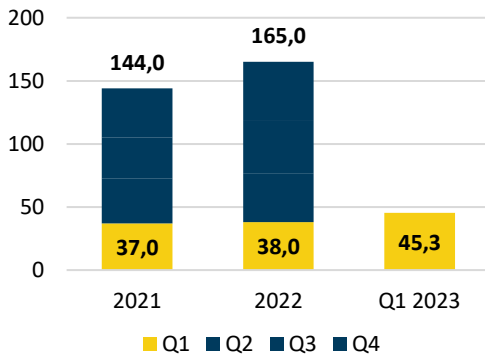
Orders received, EUR million



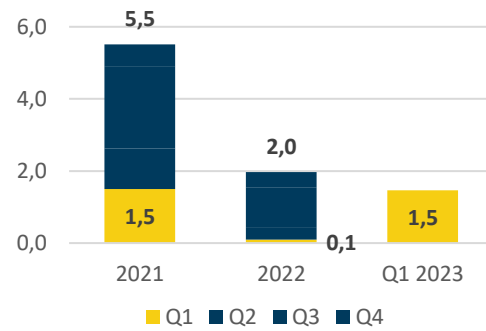
Order book (period-end), EUR million



Net sales, EUR million

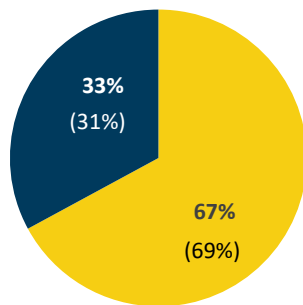


Adjusted operating result, EUR million



Net sales by business

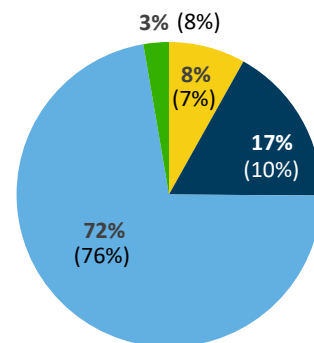
Q1 2023 (Q1 2022)



■ Broadband Networks
■ Public Safety and Mobility

Net sales by market area

Q1 2023 (Q1 2022)



■ Finland
■ Other Europe
■ Other Nordic
■ Rest of World

Group Operations

Orders received and order book

Orders received

Orders received by the **Group** amounted to EUR 40.8 (59.9) million in January-March 2023, representing a year-on-year decrease of 31.9%. The orders received in the comparison period were at a record-high level.

Orders received by the **Broadband Networks** business unit totalled EUR 31.2 (29.6) million, an increase of 5.1% on the comparison period. Investments in DOCSIS 3.1 and HFC infrastructure continue in Europe and, in particular, in upstream capacity of the network create demand for network equipment. Our customers in Americas placed additional orders for DOCSIS 4.0 and 3.1 capable intelligent amplifiers. In addition, we received product and project delivery orders related to video service platforms.

Orders received by the **Public Safety and Mobility** business unit totalled EUR 9.7 (30.3) million, a decrease of 68.1% on the comparison period. The decrease was due to normal fluctuation in the project business, and an order for a major European rolling stock project took place during the comparison period.

Order book

The order book of the **Group** amounted to EUR 127.6 (130.6) million at the end of the period, representing a year-on-year decrease of 2.3%. The decrease in the order book was partly due to deliveries of projects won by the Public Safety and Mobility business unit before 2023. Approximately 59% of the deliveries in the order book are scheduled to take place during the 2023 financial period.

The order book of the **Broadband Networks** business unit amounted to EUR 33.2 (28.9) million, representing a year-on-year increase of 14.9%. The order book was boosted by large orders of amplifier and passive products in the Benelux countries. Orders from American customers for DOCSIS 4.0 capable amplifiers also increased the order book.

The order book of the **Public Safety and Mobility** business unit amounted to EUR 94.4 (101.7) million, representing a year-on-year decrease of 7.2%. The decrease in the order book was due to normal fluctuation in orders received in the project business and an increase in delivery volume as material availability gradually normalised.

Net sales

EUR million	1-3/2023	1-3/2022	Change	1-12/2022
Broadband Networks	30.4	26.3	+15.8%	109.4
Public Safety and Mobility	14.9	11.7	+27.5%	55.6
Total	45.3	38.0	+19.4%	165.0

Net sales of the **Group** grew by 19.4% in January-March, amounting to EUR 45.3 (38.0) million. Net sales increased in both business units. Of the net sales, Finland accounted for 8.1% (6.9%), other Nordic countries for 17.0% (9.9%), the rest of Europe for 72.2% (75.6%) and other countries for 2.7% (7.6%).

Net sales of the **Broadband Networks** business unit grew by 15.8% in January-March, amounting to EUR 30.4 (26.3) million. Net sales increased especially due to DAA deliveries in the Nordic countries and HFC deliveries in the Benelux countries. In particular, amplifiers and passive products were delivered to Benelux countries.

Net sales of the **Public Safety and Mobility** business unit grew by 27.5% in January-March, amounting to EUR 14.9 (11.7) million. Net sales grew due to an increase in delivery volume as material availability gradually normalised.

Profitability

The Group's adjusted operating result increased significantly in January-March to EUR 1.5 (0.1) million, representing 3.2% (0.3%) of net sales. Operating result increased significantly to EUR 1.2 (0.1) million, representing 2.7% (0.3%) of net sales. Adjusted operating result and operating result increased especially due to growth in net sales.

Expenses for material and manufacturing services increased by 32.2% to EUR 24.5 (18.5) million. Besides sales volumes, the factors contributing to the increase in material expenses included higher purchasing prices and subcontracting. Products with lower gross margins were emphasised in the sales-mix during the review period. Increases to the selling prices of Teleste's products have a delayed compensating effect for the negative impact of increased costs, but a review by product category indicates a recovery of gross margins. Personnel expenses increased by 5.7% to EUR 12.9 (12.2) million. The increase was due to salary increases and performance-based bonuses, which were not paid in the first half of 2022. Depreciation and amortisation decreased by 17.9% to EUR 1.5 (1.8) million. Other operating expenses decreased by 2.5% to EUR 5.2 (5.4) million.

Net expenses from financial items amounted to EUR 0.3 (0.0) million. Direct taxes for the reporting period amounted to EUR +1.3 (-0.0) million. The direct taxes of the reporting period include the reversal of tax provisions of EUR 2.1 million recognised in the 2022 financial year and associated deferred tax assets of EUR -0.4 million, i.e. a total of EUR 1.7 million. The entries relate to the tax reassessment decision received in Belgium in 2022, which was cancelled by the Belgian tax authorities in March in accordance with Teleste's request. The result for the review period amounted to EUR 2.2 (0.1) million. Adjusted earnings per share were EUR 0.14 (0.01) and earnings per share were EUR 0.13 (0.01).

Cash flow and financial position

Cash flow

Cash flow from operations was EUR 2.0 (-4.8) million in January-March 2023. Cash flow from operating activities was improved by the positive development of operating result and decrease in working capital.

Financial position

At the end of the period under review, the Group's interest-bearing debt stood at EUR 50.6 (29.7) million, with short-term loans from banks representing EUR 15.0 (4.0) million of that amount. Interest-bearing liabilities associated with leases capitalised in accordance with IFRS 16 amounted to EUR 5.5 (5.9) million. The Group's cash and cash equivalents were EUR 14.0 (6.9) million. At the end of March 2023, the amount of unused binding credit facilities was EUR 4.9 (25.0) million.

The Group's total assets at the end of the period under review stood at EUR 153.1 (140.0) million and equity at EUR 62.7 (69.5) million. The Group's equity ratio was 41.6% (51.9%) and net gearing ratio 58.4% (32.8%).

The company's financing agreements include:

- A EUR 6.0 million repayable loan maturing in August 2024, the principal of which was EUR 2.25 million on 31 March 2023. The loan is amortised twice a year in instalments of EUR 0.75 million.
- A EUR 20.0 million repayable loan maturing in March 2026, the principal of which was EUR 17.5 million on 31 March 2023. The loan includes a one-year extension option. The loan is amortised twice a year in instalments of EUR 1.25 million.
- A EUR 3.5 million bullet loan maturing in March 2024, the principal of which was EUR 3.5 million on 31 March 2023.
- A EUR 7.5 million bullet loan maturing in March 2024, the principal of which was EUR 7.5 million on 31 March 2023.
- A committed credit facility of EUR 4.0 million valid until March 2024, of which EUR 4.0 million was unused on 31 March 2023.
- A committed credit facility of EUR 15.0 million valid until March 2025, of which EUR 0.9 million was unused on 31 March 2023.

The global shortage of components has made it more difficult for Teleste to procure materials. In 2022, in order to ensure security of supply, the company significantly increased the stock levels of critical components, which binds an exceptionally large amount of working capital. The company expects the turnover of working capital to normalise gradually in 2023.

Investments, research and product development

Investments by the Group totalled EUR 1.6 (3.8) million, representing 3.6% (10.1%) of net sales. Leases capitalised in accordance with IFRS 16 amounted to EUR 0.4 (1.0) million, while other investments in tangible and intangible assets came to EUR 0.0 (1.5) million. During the comparison period, other capital expenditures included the expansion of the Littoinen plant. A total of EUR 1.3 (1.4) million of R&D expenses were capitalised during the period under review. Depreciation on capitalised R&D expenses was EUR 0.7 (1.0) million.

R&D expenses amounted to EUR 4.3 (3.8) million, representing 9.5% (10.1%) of consolidated net sales. Product development projects focused on next-generation distributed access architecture solutions and DOCSIS 4.0-amplifiers, including products designed for the US market, situational awareness and video security solutions, passenger information systems and customer-specific projects. The product development function also evaluated alternative components to address shortages in component supply.

Personnel

The Group employed 840 (854) people on average in January-March 2023. At the end of March, the Group employed 842 (862) people, of whom 42% (44%) worked abroad. Approximately 3% (3%) of the Group's employees were working outside Europe.

Personnel expenses increased by 5.7% on the comparison period to EUR 12.9 (12.2) million. Personnel expenses were increased by higher wages and performance-based bonuses, which were not paid in the first half of 2022.

Group structure

The parent company has a branch office in the Netherlands and subsidiaries in 14 countries outside Finland.

Shares and share capital

On 31 March 2023, Tianta Oy was the largest single shareholder of Teleste with a holding of 25.1% (25.1%). According to Euroclear Finland Ltd, the number of Teleste shareholders at the end of the period under review was 5,577 (5,389). Foreign shareholders accounted for 1.1% (1.2%) of the shares, while nominee-registered holdings accounted for 2.9% (3.0%).

On 31 March 2023, the company's registered share capital stood at EUR 6,966,932.80, divided into 18,985,588 shares. The Group's parent company Teleste Corporation held 747,026 (757,682) treasury shares, representing 3.9% (4.0%) of all Teleste shares, on 31 March 2023.

In January-March 2023, the share turnover of Teleste on Nasdaq Helsinki was 0.5 (0.6) million shares and EUR 1.9 (2.8) million. The volume-weighted average price of the share was EUR 3.99 (5.11), the lowest share price of the period under review period was EUR 3.33 (4.10) and the highest EUR 4.75 (5.76). The closing price of the Teleste share on 31 March 2023 was EUR 3.55 (4.83) and market capitalisation was EUR 67.4 (91.7) million.

Governance

Company management

At the end of March 2023, Teleste's management team included Esa Harju, President and CEO; Juha Hyytiäinen, CFO; Hanno Narjus, Senior Vice President, Broadband Networks; Pasi Järvenpää, Senior Vice President, Research and Development; Markus Mattila, Senior Vice President, Operations, Logistics & Sourcing; Valerian Sand, Senior Vice President, Public Safety and Mobility; and Tuomas Vanne, Senior Vice President, People and Competence.

Authorisations

Valid authorisations at the end of the review period on 31 March 2023:

- 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 the company's 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.

Near-term risks and uncertainties

Teleste is exposed to risks that may be due to the company's operational activities or changes in the business environment. The most significant risks are described in the Report of the Board of Directors and the financial statements for 2022. This interim report mainly describes the most significant changes to the risks presented in the Report of the Board of Directors and financial statements for 2022.

Risk management constitutes an integral part of the strategic and operational activities of the business areas. The Board of Directors reviews essential business risks and their management quarterly and whenever necessary.

In 2022, Teleste's Belgian subsidiary received a tax reassessment decision for the tax year 2019, and the company appealed the decision in May 2022. The company recognised the income tax of EUR 2.1 million imposed by the tax reassessment decision and the deferred tax asset of EUR 0.4 million resulting from the decision, with a total profit impact of EUR 1.7 million in the first quarter of 2022. The Belgian tax authorities accepted Teleste's appeal in March 2023. As a result of the tax authorities' final decision, the risk of litigation and the negative cash flow impact of EUR 2.1 million was eliminated.

In some project deliveries of the Public Safety and Mobility business, the risk level of customers' compensation claims has increased due to dependencies between different parties in the projects and their schedules.

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

Events after the end of the review period

Annual General Meeting (AGM)

The Annual General Meeting (AGM) of Teleste Corporation held on 5 April 2023 adopted the financial statements and consolidated financial statements for 2022 and the company's remuneration report for 2022 and discharged the members of the Board of Directors and the CEO from liability for the financial period 2022. In accordance with the proposal of the Board of Directors, the AGM resolved that, based on the adopted balance sheet, no dividend be paid for the financial period that ended on 31 December 2022.

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 5 April 2022, 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.

The annual remuneration to be paid to the members of the Board of Directors were resolved on as follows: 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 shall be EUR 49,000 per year. Of the annual remuneration to be paid to the Board members, 40 per cent of the total gross remuneration amount will be used to purchase Teleste Corporation's shares for the Board members through trading on the 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 General Meeting resolved, in accordance with the proposal of the Board of Directors, to amend Article 8 and items 7 and 9 of Article 10 of the Company's Articles of Association in such a way that, from now on, the Company shall have one auditor, which must be an Authorised Public Accountant firm as referred to in the Finnish Auditing Act and which shall designate an Authorised Public Account as the auditor with principal responsibility. According to the current Articles of Association, the Company has 1-2 auditors.

The General Meeting further resolved, in accordance with the proposal of the Board of Directors, to amend Article 9 of the Company's Articles of Association by adding a new last paragraph to it, which enables the organisation of future General Meetings also entirely without a meeting venue as a remote meeting, and by making it voluntary for the Company to announce the time and place of a General Meeting as well as the address of the Company's website in at least one newspaper.

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 the company's 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 are valid for eighteen (18) months from the resolution of the Annual General Meeting. 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.

Operating environment

Broadband Networks

The demand for broadband services and the global market for network equipment are expected to continue to grow due to increased remote work, digital services and the growing consumption of streaming services that require increasing network capacity and faster connections. Data communications operators that provide broadband services have been able to respond competitively to the increasing demand in their cable-based network infrastructure by investing in DOCSIS 3.1-compliant 1.2 GHz network upgrades during the past few years. These investments are expected to continue in 2023.

Next-generation DOCSIS 4.0-compliant technologies provide subscribers with access broadband connections with speeds of up to 10 gigabytes using existing coaxial cabling. This enables the competitiveness of the cable network infrastructure alongside optical fibre for years to come. Data communications operators in North America, in particular, are expected to invest strongly in new DOCSIS 4.0 technology starting from late 2023. In Europe, investments are expected to begin somewhat later, and the market is expected to be smaller than in North America.

Product development projects for Teleste's 1.8 GHz DOCSIS 4.0-compliant network products are ongoing. The deliveries of passive products have begun, and amplifiers will be launched in the market in the second half of 2023.

Component availability problems - especially with regard to semiconductors - may continue to hinder the development of the broadband networks market, but we expect the growth of the market to continue, particularly in North America. Cost inflation will require Teleste to continue to regularly increase sales prices to protect profitability.

Public Safety and Mobility

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

Public transport operators and the public authorities make investments in their information and security systems to ensure the 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. Smart technology in video security solutions is also increasing, including real-time mobile video security systems and comprehensive situational awareness systems that include not only video but also the management and analysis of other data flows. The investments will be largely based on public funding.

The market for public transport information systems turned to growth again during 2022 after the pandemic, although the availability of components and materials has continued to limit growth. We expect steady market growth in both information systems and security systems in the coming years. 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. Increasing sales prices to the extent allowed by agreements, professional project management, improving overall profitability and ensuring operational efficiency will continue to be high priorities.

Financial information in 2023

Teleste Corporation will publish financial information in 2023 as follows:

10 August 2023 Half year financial report January-June 2023

2 November 2023 Interim report January-September 2023

Results event

Teleste will organise a briefing session for analysts, investors and the media on 4 May 2023 at 9:30 a.m. (EET). The event will feature presentations by the CEO Esa Harju and CFO Juha Hyytiäinen. The briefing session will be held in Finnish language. Registration for the briefing session happens according to separately provided instructions.

Turku, 4 May 2023

Teleste Corporation
Board of Directors

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Teleste in Brief

Teleste's technologies are used to build a networked society. Our solutions bring high-speed broadband and television services to homes, secure safety in public places and guide the use of public transport. With solid industry experience and a drive to innovate, we are a leading international company in broadband, security and information technologies and related services. We work in close cooperation with our customers worldwide. In 2022, Teleste's net sales reached EUR 165.0 million and on average it had approximately 860 employees. Teleste is listed on Nasdaq Helsinki. For more information, please visit our website www.teleste.com and follow our account @telestecorp on Twitter.

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. Teleste has prepared this interim report applying the same accounting principles as those described in detail in its the consolidated financial statements except for the adoption of new standards and amendments effective as of January 1, 2023. The data stated in this report is unaudited.

STATEMENT OF COMPREHENSIVE INCOME (tEUR)	1-3/2023	1-3/2022	Change %	1-12/2022
Net Sales	45,341	37,964	19.4 %	165,009
Other operating income	82	93	-12.6 %	538
Materials and services	-24,522	-18,549	32.2 %	-88,070
Personnel expenses	-12,935	-12,233	5.7 %	-48,522
Depreciation	-1,471	-1,792	-17.9 %	-7,228
Impairment	0	0	n/a	-5,400
Other operating expenses	-5,249	-5,382	-2.5 %	-21,166
Operating profit	1,245	100	1142.0 %	-4,838
Financial income	216	196	10.1 %	1,360
Financial expenses	-547	-168	226.2 %	-1,507
Profit after financial items	914	129	611.2 %	-4,985
Profit before taxes	914	129	611.2 %	-4,985
Taxes	1,328	-24	-5630.3 %	-898
Net profit	2,242	104	2045.6 %	-5,883
Attributable to:				
Equity holders of the parent company	2,321	128	1707.7 %	-5,669
Non-controlling interests	-79	-24	n/a	-213
	2,242	104	2045.6 %	-5,883
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in euro per share)				
Basic	0.13	0.01	1706.7 %	-0.31
Diluted	0.13	0.01	1706.7 %	-0.31
Total comprehensive income for the period (tEUR)				
Net profit	2,242	104	2045.6 %	-5,883
Possible items with future net profit effect				
Translation differences	-219	-67	225.6 %	-953
Cash flow hedges	201	257	-21.8 %	150
Total comprehensive income for the period	2,225	295	655.4 %	-6,686
Attributable to:				
Equity holders of the parent company	2,303	315	631.0 %	-6,486
Non-controlling interests	-78	-20	n/a	-200
	2,225	295	655.4 %	-6,686

STATEMENT OF FINANCIAL POSITION (tEUR)

Non-current assets	31.3.2023	31.3.2022	Change %	31.12.2022
Intangible assets	11,074	14,535	-23.8 %	10,548
Goodwill	30,432	31,065	-2.0 %	30,581
Property, plant, equipment	13,469	12,413	8.5 %	13,733
Other non-current financial assets	348	458	-24.1 %	348
Deferred tax asset	3,106	1,961	58.4 %	3,437
	58,430	60,432	-3.3 %	58,646
Current assets				
Inventories	36,440	32,415	12.4 %	38,706
Trade and other receivables	43,871	39,933	9.9 %	41,194
Tax Receivable, income tax	347	292	19.1 %	393
Cash and cash equivalents	14,005	6,890	103.3 %	13,405
	94,663	79,529	19.0 %	93,699
Total assets	153,093	139,961	9.4 %	152,345
Shareholder's equity and liabilities				
Share capital	6,967	6,967	0.0 %	6,967
Other equity	55,844	62,323	-10.4 %	53,405
Owners of the parent company	62,811	69,290	-9.4 %	60,372
Non-controlling interests	-97	160	-161.0 %	-20
EQUITY	62,714	69,450	-9.7 %	60,352
Non-current liabilities				
Deferred tax liability	2,082	2,095	-0.6 %	1,968
Non-current liabilities, interest-bearing	33,608	23,965	40.2 %	44,317
Non-current interest-free liabilities	79	705	-88.8 %	92
Non-current provisions	388	390	-0.7 %	424
	36,157	27,155	33.1 %	46,801
Current liabilities				
Current interest-bearing liabilities	16,996	5,723	197.0 %	6,038
Trade Payables and Other Liabilities	35,827	35,832	0.0 %	35,388
Tax liability, income tax	432	801	-46.1 %	578
Current provisions	968	1,000	-3.2 %	3,189
	54,222	43,356	25.1 %	45,192
Total shareholder's equity and liabilities	153,093	139,961	9.4 %	152,345
CONSOLIDATED CASH FLOW STATEMENT (tEUR)	1-3/2023	1-3/2022	Change %	1-12/2022
Cash flows from operating activities				
Profit for the period	2,242	104	2045.6 %	-5,883
Adjustments to cash flow from operating activities	443	-4,714	-109.4 %	-679
Other finance items	-4	211	-101.8 %	303
Paid interest and other finance expenses	-367	-66	455.8 %	-682
Received interests and dividend payments	76	15	397.5 %	157
Paid Taxes	-426	-322	32.2 %	-1,054
Cash flow from operating activities	1,965	-4,771	-141.2 %	-7,839
Cash flow from investing activities				
Purchase of tangible and intangible assets	-1,281	-2,284	-43.9 %	-8,956
Proceeds from sales of PPE	21	0	4166.2 %	75

Acquisition of subsidiaries, net of cash acquired	0	-819	-100.0 %	-889
Purchase of investments	0	0	n/a	-145
Net cash used in investing activities	-1,261	-3,103	-59.4 %	-9,916
Cash flow from financing activities				
Proceeds from borrowings	2,426	20,000	-87.9 %	42,908
Payments of borrowings	-2,000	-18,850	-89.4 %	-21,348
Payment of leasing liabilities	-514	-508	1.2 %	-2,031
Dividends paid	0	0	n/a	-2,552
Net cash used in financing activities	-89	642	-113.8 %	16,977
Change in cash				
Cash in the beginning	13,405	14,100	-4.9 %	14,100
Effect of currency changes	-16	22	-172.5 %	84
Change	616	-7,232	-108.5 %	-778
Cash at the end	14,005	6,890	103.3 %	13,405

KEY FIGURES

	1-3/2023	1-3/2022	Change %	1-12/2022
Operating profit	1,245	100	1142.0 %	-4,838
Earnings per share, EUR	0.13	0.01	1706.7 %	-0.31
Earnings per share fully diluted, EUR	0.13	0.01	1706.7 %	-0.31
Shareholders' equity per share, EUR	3.45	3.80	-9.4 %	3.31
Return on equity	14.6 %	0.6 %	2313.6 %	-9.1 %
Return on capital employed	5.1 %	0.9 %	448.1 %	-3.5 %
Equity ratio	41.6 %	51.9 %	-19.7 %	39.7 %
Gearing	58.4 %	32.8 %	77.9 %	61.2 %
Investments, tEUR	1,635	3,832	-57.3 %	12,091
Investments % of net sales	3.6 %	10.1 %	-64.3 %	7.3 %
Order backlog, tEUR	127,623	130,607	-2.3 %	132,157
Personnel, average	840	854	-1.7 %	861
Number of shares (thousands) including own shares	18,986	18,986	0.0 %	18,986
Highest share price, EUR	4.75	5.76	-17.5 %	5.76
Lowest share price, EUR	3.33	4.10	-18.8 %	3.13
Average share price, EUR	3.99	5.11	-21.9 %	4.34
Turnover, in million shares	0.5	0.6	-14.0 %	1.5
Turnover, in MEUR	1.9	2.8	-32.8 %	6.3

ALTERNATIVE PERFORMANCE MEASURES

Adjusted operating profit	1,460	100	1356.1 %	1,969
Adjusted earning per share, EUR	0.14	0.01	1873.8 %	-0.01

BRIDGE OF CALCULATION

Operating profit	1,245	100	1142.0 %	-4,838
Business reorganization	27	0	n/a	879
Strategic development projects	188	0	n/a	529
Impairment of development costs	0	0	n/a	5,400
Adjusted operating profit	1,460	100	1356.1 %	1,969

Net profit/loss to equity holder	2,321	128	1707.7 %	-5,669		
Outstanding shares during the quarter	18,231	18,221	0.1 %	18,226		
Earnings per share, basic	0.13	0.01	1706.7 %	-0.31		
Net profit/loss to equity holder	2,321	128	1707.7 %	-5,669		
Business reorganization	27	0	n/a	879		
Strategic development projects	188	0	n/a	529		
Impairment of development costs	0	0	n/a	5,400		
Change in deferred assets	0	0	n/a	-1,332		
Outstanding shares during the quarter	18,231	18,221	0.1 %	18,226		
Adjusted earnings per share, EUR	0.14	0.01	1873.8 %	-0.01		
Treasury shares						
	Number of shares		% of shares	% of votes		
Possession of company's own shares 31.3.2023	747,026		3.93 %	3.93 %		
Contingent liabilities and pledged assets (tEUR)						
Leasing and rent liabilities	1,037	804	29.0 %	981		
Derivative instruments (tEUR)						
Value of underlying forward contracts	17,578	18,958	-7.3 %	27,011		
Market value of forward contracts	-366	350	-204.3 %	-708		
Interest rate swap	32,500	15,000	116.7 %	13,750		
Market value of interest swap	798	50	1487.7 %	869		
Net sales by category						
Goods	39,089	32,215	21.3 %	141,650		
Service	6,252	5,749	8.7 %	23,360		
Total	45,341	37,964	19.4 %	165,009		
Order backlog, tEUR	31.3.2023 127,623	31.3.2022 130,607	Change % -2.3 %	31.12.2022 132,157		
Information per quarter (tEUR)						
	1-3/23	10-12/22	7-9/22	4-6/22	1-3/22	4/2022-3/2023
Orders received	40,807	32,907	48,880	46,804	59,936	169,398
Net sales	45,341	46,042	42,646	38,358	37,964	172,387
EBIT	1,245	-292	-4,839	193	100	-3,693
EBIT%	2.7 %	-0.6 %	-11.3 %	0.5 %	0.3 %	-2.1 %

Consolidated statement of changes in equity, 1000 euros

Attributable to equity holders of the parent (tEUR)

	A	B	C	D	E	F	G	H	I
A	Share capital								
B	Share premium								
C	Translation differences								
D	Retained earnings								
E	Invested free capital								
F	Other funds								
G	Owners of the parent company								
H	Non-controlling interests								
I	Total equity								
Shareholder's equity									
1.1.2023	6,967	1,504	-1,850	50,460	3,140	151	60,372	-20	60,353
Net result				2,321			2,321	-79	2,242
Other comprehensive items for the period			-223	3		201	-19	1	-17
Dividend							0		0
Equity-settled share-based payments				137			137		137
Shareholder's equity 31.3.2023	6,967	1,504	-2,073	52,920	3,140	353	62,812	-97	62,714
Shareholder's equity 1.1.2022	6,967	1,504	-1,392	58,588	3,140	2	68,809	180	68,990
Net result				128			128	-24	105
Other comprehensive items for the period			35	-105		257	187	3	190
Dividend							0		0
Equity-settled share-based payments				166			166		166
Shareholder's equity 31.3.2022	6,967	1,504	-1,358	58,778	3,140	259	69,290	160	69,450

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 ----- * 100 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 ----- * 100
Earnings per share:	Shareholders' equity Profit for the period attributable to equity holder of the parent -----
Earnings per share, diluted:	Weighted average number of ordinary shares outstanding during the period 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

ALTERNATIVE PERFORMANCE MEASURES

Teleste Oyj uses and publishes alternative performance measures to describe the operational development of the business and to improve comparability between reporting periods. Alternative performance measures are reported in addition to IFRS-based key figures.

In the calculation of alternative performance measures, items affecting the comparability of the operational performance of the reporting periods are not taken into account, such as profits or losses resulting from the sale or termination of business activities, profits or losses resulting from restructuring operations, impairment losses, costs related to significant strategic changes, or other exceptional revenues or costs not part of the operational business.

The alternative performance measures reported by Teleste Oyj are adjusted operating result and adjusted earnings per share. The adjusted items are recognised in the income statement within the corresponding income or expense group.

Major shareholders as sorted by number of shares - March 31, 2023

	Nbr. of shares	% of shares
Tianta Oy	4,768,298	25.1
Mandatum Life Insurance Company Limited	1,683,900	8.9
Ilmarinen Mutual Pension Insurance Company	899,475	4.7
Kaleva Mutual Insurance Company	824,641	4.3
Mariatorp Oy	800,000	4.2
Wipunen Varainhallinta Oy	800,000	4.2
Teleste Oyj	747,026	3.9
Varma Mutual Pension Insurance Company	521,150	2.7
The State Pension Fund	500,000	2.6
Ingman Finance Oy Ab	235,000	1.2

Shareholders by sector March 31, 2023

Shareholders by sector	Nbr. of		Nbr. of shares	
	shareholders	% of shareholders		% of shares
Households	5,270	94.5	4,909,485	25.9
Public sector institutions	3	0.1	1,920,625	10.1
Financial and insurance institutions	18	0.3	3,257,524	17.2
Corporations	235	4.2	8,644,133	45.5
Non-profit institutions	22	0.4	41,763	0.2
Foreign	29	0.5	212,058	1.1
Total	5,577	100.00	18,985,588	100.0
Of which nominee registered	10	0.2	550,022	2.9

Major shareholders by distribution of shares March 31, 2023

Number of shares	Nbr. of shareholders	% of shareholders	Nbr. of shares	% of shares
1-100	1,695	30.4	86,833	0.5
101-500	2,224	39.9	588,018	3.1
501-1,000	723	13.0	587,357	3.1
1,001-5,000	734	13.2	1,588,174	8.4
5,001-10,000	97	1.7	680,492	3.6
10,001-50,000	78	1.4	1,707,552	9.0
50,001-100,000	7	0.1	440,247	2.3
100,001-500,000	11	0.2	2,262,425	11.9
500,001-& above	8	0.1	11,044,490	58.2
Total	5,577	100.0	18,985,588	100.0
of which nominee registered	10	0.2	550,022	2.9



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