



Teleste Annual General Meeting

5.4.2023, Scandic Park Helsinki

TELESTE

CEO's review

Esa Harju, President & CEO

TELESTE





Teleste

International technology group with an integrated product portfolio that makes it possible to build a networked and secure society while reducing negative impacts on the environment.

Our solutions

- enable ultra-fast broadband services
- secure safety in public places
- guide usage of public transport

TELESTE

Founded
1954

Leading
technology company
in its field

Net sales
165.0 M€
year 2022

Listed in
Nasdaq Helsinki
since
1999

Adjusted operating result
2.0 M€
year 2022

Headquarters in
Turku

Over
800
employees

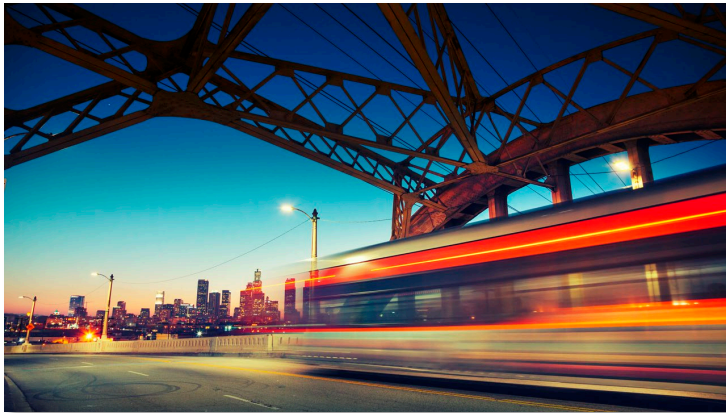


Teleste Business Units



Broadband Networks

Products, solutions and advanced services for the broadband network operators.



Public Safety and Mobility

Products and solutions to the public transport operators, rolling stock manufacturers and to the public security sector.

Broadband Networks

**“ Fast and reliable
internet for everybody”**

**“ Digital infrastructure
enabling
business and leisure time”**



Public Safety and Mobility

**“ Environmentally friendly
and smooth
public transport”**

**“ Intelligent and integrated
public security
infrastructure”**



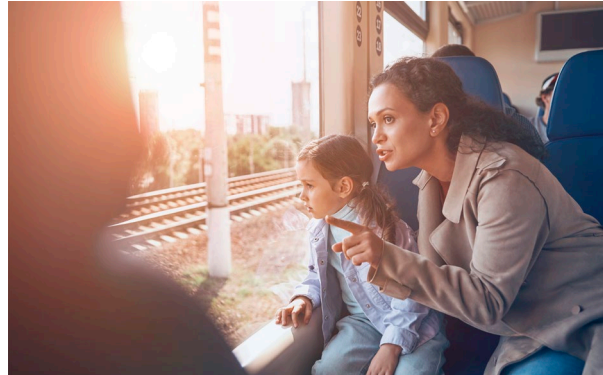
Megatrends support our business

Digitalization and technological development



Our technologies enable ultra-fast broadband networks, enabling e.g. building the IoT and increase of remote working.

Globalization and urbanization



Our solutions enable a safe living environment, building the basis for the networked digital society.

Climate change



Our solutions drive the use of the public transportation and intelligent communication networks, and we help our customers to achieve their own energy efficiency goals.

Corporate responsibility

Our goal is to be the leading ESG player in **our industry**.



Silver medal in Ecovadis business sustainability rating



Scope 1⁽¹⁾ / Scope 2⁽²⁾
- carbon dioxide emission targets⁽³⁾
year 2030

-100% / -50%

Share of **EU taxonomy eligible business** (% of turnover)

28%

ESG factored into **financing agreements** and **remuneration of the management team**



Diversity target⁽⁴⁾
for the Board of Directors

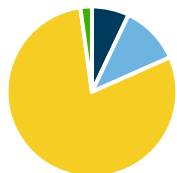
40%

Our customers

Broadband Networks



Geographic distribution of turnover



- Finland
- Other nordic countries
- Other Europe
- Other countries

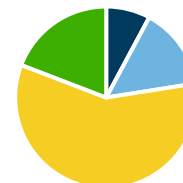
Our customers serve
100 million
Internet-users

TELESTE

Public Safety and Mobility



Geographic distribution of turnover



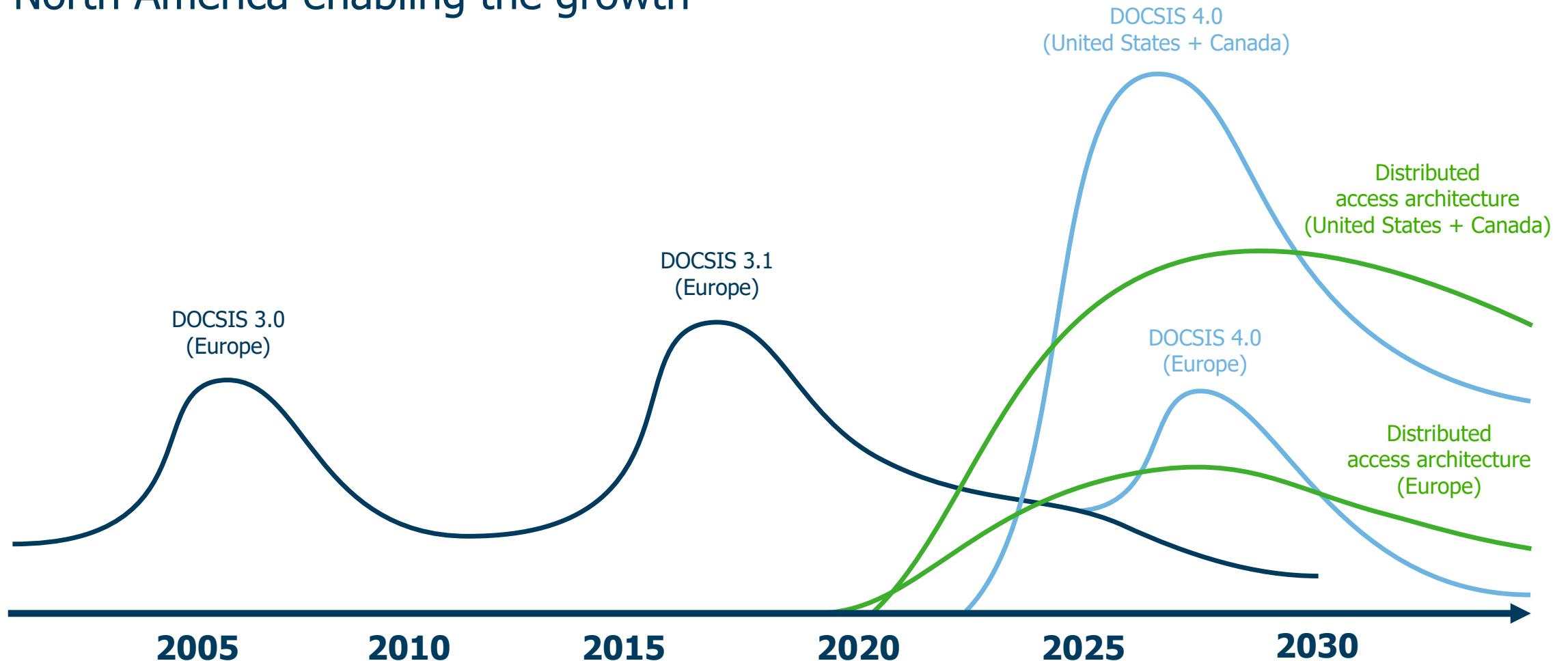
- Finland
- Other nordic countries
- Other Europe
- Other countries

In public transportation
1.5 billion
passengers using our technology
annually

Broadband Networks - market development:

Broadband network investment cycles

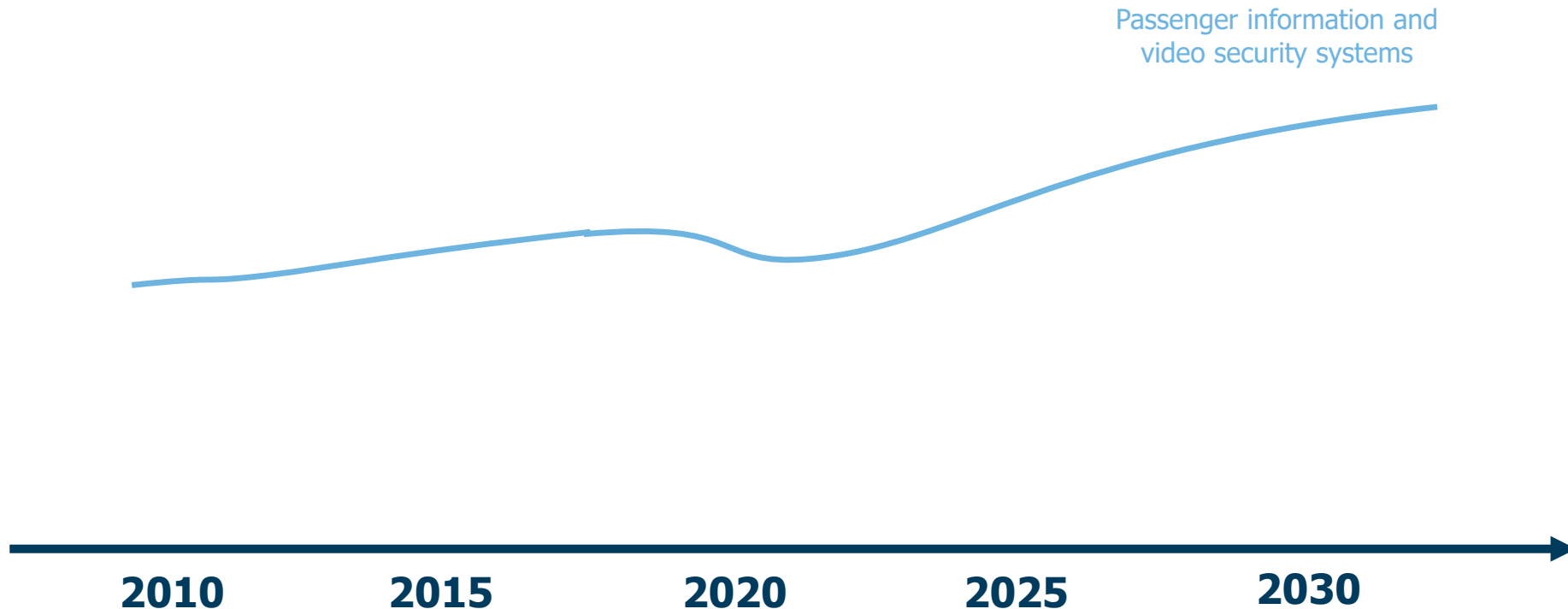
North America enabling the growth



Public Safety and Mobility – market development:

Steady technology demand

Market has turned to growth after pandemic



Cornerstones of our strategy



**Grow our business
in next generation
broadband network
technologies**



**GoWest – Penetrate
the US market**



**Become market leader
for public transport
information and
security solutions**



**Maintain solid position
with selected public
authorities' security
solutions**



**Provide high value-add
service for network
operators and public
transport industry**



**Drive lean operations
and quality by
passionate
professionals**

Key achievements in 2022



Grow our business
in next generation
broadband network
technologies



GoWest – Penetrate
the US market



Become market leader
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Maintain solid position
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Drive lean operations
and quality by
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professionals

Broadband Networks

- Solid progress in the next generation product maturation for North-American and European markets.
- Concrete achievements in North-American market – first orders and deliveries.

Public Safety and Mobility

- Renewed management structure and organization.
- Large project orders from the rolling stock manufacturers in Europe.
- Customer base in the video security business expanding also outside Europe.

Highlights of the year 2022

Broadband Networks



Intelligent network systems

The end of 2022 marked an incredible milestone in delivering intelligent network products: More than **one million devices** have now left our factory with **built-in Intelligent Networks technology** or remote control or monitoring enabled.



Walking the talk of the Cable Broadband 10G vision

The next generation **DOCSIS 4.0** technology demonstrations implemented with **Teleste prototypes** in some of the most important industry events in USA.

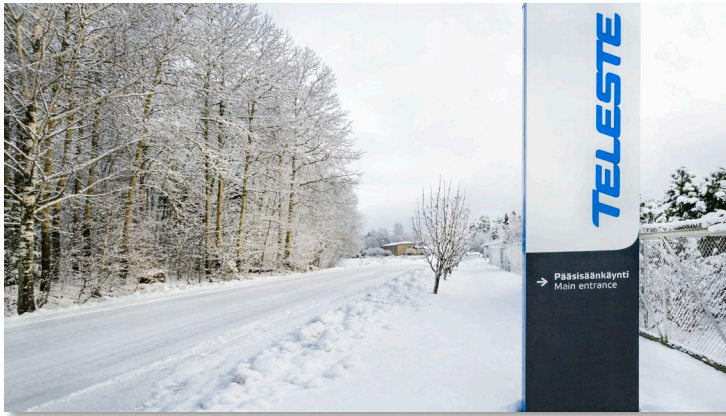
Highlights of the year 2022

Broadband Networks



Important milestones in North America

We signed our first **master supply agreement**, received first **orders**, made the first **product deliveries**, and many network operator customers **tested our technology**.



Factory expansion

Expansion of the Littoinen factory **significantly increased our manufacturing capacity**. The enlarged premises allows us to grow our delivery performance and volumes to Europe and North America.

Highlights of the year 2022

Public Safety and Mobility



S-ARRIVE®-software platform for uninterrupted on-board passenger information

We launched a well-productized **software platform** for rolling stock manufacturers and public transport operators, enabling **real-time passenger information delivery** across the public transport network.



Improved service capability in Italian region

Acquisition of the **technology company Ermetris** strengthened Teleste's position in Italian public transportation market. The acquisition will **increase our competences and help us offer our customers increased local presence** in Italy.

Key objectives in 2023



Grow our business
in next generation
broadband network
technologies



GoWest – Penetrate
the US market



Become market leader
for public transport
information and
security solutions



Maintain solid position
with selected public
authorities' security
solutions



Provide high value-add
service for network
operators and public
transport industry



Drive lean operations
and quality by
passionate
professionals

Broadband Networks

- Strengthen Teleste's presence in North America; secure 2–3 new network operator customers.
- Start deliveries of 10G-capable products.
- Maintain leadership in the intelligent networks technology.

Public Safety and Mobility

- Implement multiple parallel customer projects
- Increase software and services business
- Secure new customers
- Increase customer prices and gross margin

Advisory board established in North America

Current members



HANNO NARJUS

M.Sc. (Econ.)
Chairman of the Advisory Board

Teleste Network Products,
Senior Vice President
Joined Teleste in 2006
Member of the Management Group since 2007



ESA HARJU

M.Sc.(Eng.)

President and CEO of Teleste Corporation
Joined Teleste in 2016
Member of the Management Group since 2016



SANDY HOWE

B.Sc.

Board Director, Minim 2020 to present
Technetix, North America,
Executive Vice President & President 2018-2020
ARRIS, Senior Vice President & General Manager Consumer Products Group, Senior Vice President Global Marketing and Senior Vice President Strategic Market Development 2009-2018
Cisco, Director of Business Development 1999-2009



STEPHANIE MITCHKO BEALE

B.Sc. (E.Eng.)

Charter Communications
Executive Vice President, CTO 2019-2022
Cadent TV Chief Operating Officer/ Chief Technology Officer 2014-2019
Cablevision Systems Corp, Senior Vice President 1999-2014



NEIL TANG

M.Sc. (E.Eng.)

Antronix Inc., President/CEO 2013 –
Joined Antronix Inc. in 1997.



Financial Statements 2022: External environment

- Geopolitical climate changed significantly
(Russia - Ukraine, China – Taiwan - USA)
- Significant supply chain challenges and material shortages
- Inflation accelerated
- Covid pandemic stabilizing



Financial Statements 2022: Teleste

- Strong market demand continued in all business areas
- Delivery performance was maintained with increased buffer stocks
 - net working capital increased significantly
- Liquidity position was improved through additional credit lines
- Profitability declined due to higher costs
 - passing the higher costs on to selling prices requires continuous measures.
- Restructuring and strategic sharpening of company's operations was initiated

Orders received and order book

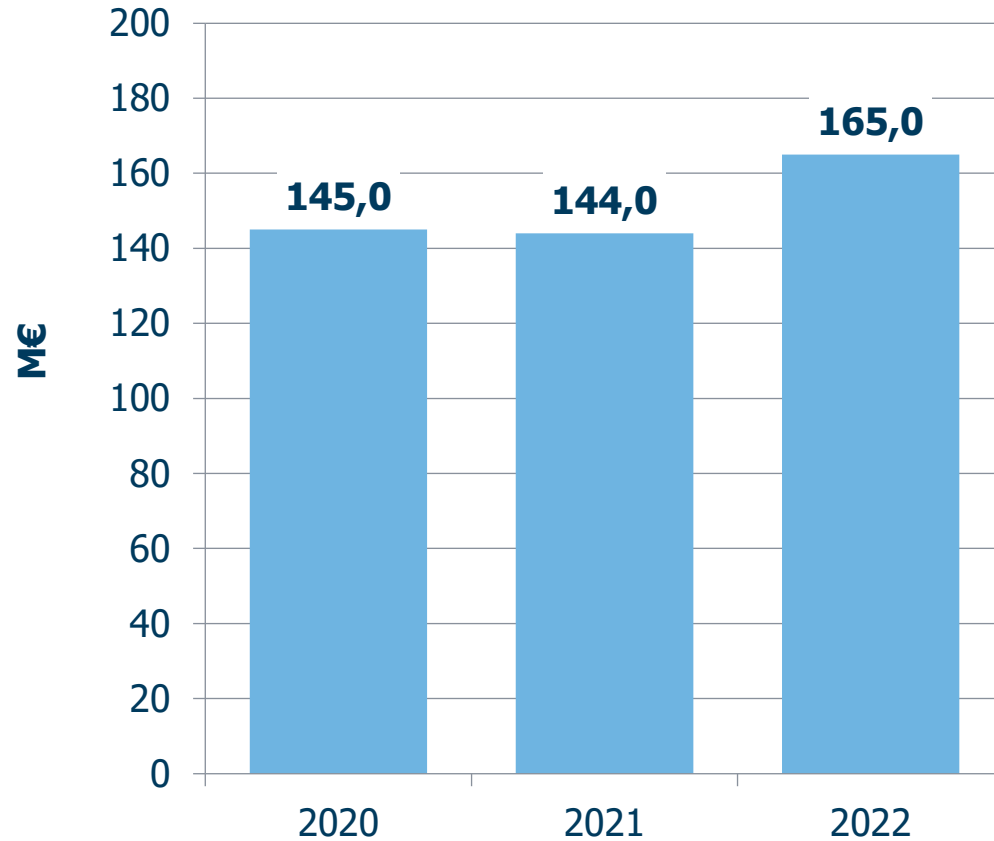
Group, M€



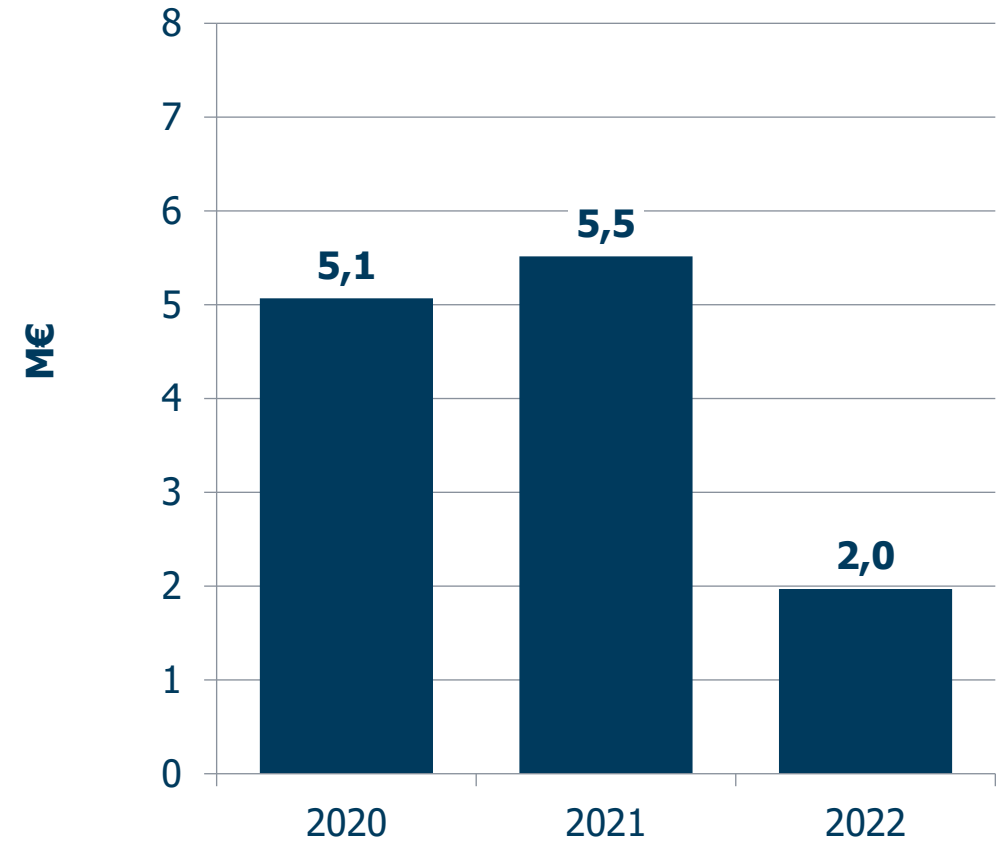
Net sales and adjusted operating result

Group, M€

Net sales



Adjusted EBIT



Financial Statements 2022

Report of the Board of Directors, consolidated Financial Statements and parent company's Financial Statements with notes have been published on company's internet pages on 14 March, 2023.

www.teleste.com/investors



**Financial
statements
2022**