

TELESTE CORPORATION FINANCIAL STATEMENT RELEASE 1 JANUARY TO 31 DECEMBER 2023

TELESTE CORPORATION: DIFFICULT LAST QUARTER DUE TO LOW DELIVERY VOLUME. MEASURES UNDERWAY TO REDUCE COSTS AND IMPROVE PROFITABILITY.

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

October-December 2023 in brief

- Net sales decreased by 33.4%, amounting to EUR 30.7 (46.0) million.
- Adjusted operating result decreased to EUR -1.4 (0.5) million.
- Operating result decreased to EUR -2.3 (-0.3) million.
- Adjusted earnings per share decreased to EUR -0.10 (0.02).
- Earnings per share decreased to EUR -0.15 (-0.01).
- Cash flow from operations decreased to EUR -1.9 (2.5) million.
- Orders received decreased by 2.6% to EUR 32.1 (32.9) million.

The Board of Directors proposes to the AGM that no dividend will be distributed on the basis of the balance sheet to be adopted for the financial period that ended on 31 December 2023.

January-December 2023 in brief

- Net sales decreased by 8.3%, amounting to EUR 151.3 (165.0) million.
- Adjusted operating result decreased by 41.2%, amounting to EUR 1.2 (2.0) million.
- Operating result increased to EUR -0.5 (-4.8) million; the result for the comparison period included impairment of development expenditure in the amount of EUR 5.4 million.
- Adjusted earnings per share increased to EUR 0.09 (-0.01).
- Earnings per share increased to EUR 0.00 (-0.31).
- Cash flow from operations increased significantly, amounting to EUR 10.8 (-7.8) million.
- Orders received decreased by 20.7% to EUR 149.6 (188.5) million.
- The order book decreased by 1.4% and amounted to EUR 130.4 (132.2) million.
- The Belgian tax reassessment decision issued in 2022 was overturned in March in accordance with Teleste's request, which resulted in a positive impact of EUR 1.7 million on income taxes in the income statement during the first quarter. This also had a positive impact on the result and earnings per share for the financial period (EUR +0.09).
- The engineering and services businesses of the Broadband Networks business in Switzerland were divested in June.

Outlook for 2024

Teleste estimates that net sales in 2024 will amount to EUR 140-165 million and that the adjusted operating result in 2024 will be EUR 3-6 million.

Key figures

EUR million	10-12/23	10-12/22	Change	1-12/23	1-12/22	Change
Orders received	32.1	32.9	-2.6%	149.6	188.5	-20.7%
Order book				130.4	132.2	-1.4%
Net sales	30.7	46.0	-33.4%	151.3	165.0	-8.3%
Adjusted EBIT 1)	-1.4	0.4	>-100%	1.2	2.0	-41.2%
Adjusted EBIT, % 1)	-4.6%	0.9%	-	0.8%	1.2%	
EBIT	-2.3	-0.3	n/a	-0.5	-4.8	n/a
EBIT, %	-7.6%	-0.6%	-	-0.3%	-2.9%	-
Result for the period	-2.8	-0.3	n/a	-0.5	-5.9	n/a
Adjusted earnings per share, EUR 1)	-0.10	0.02	>-100%	0.09	-0.01	n/a
Earnings per share, EUR	-0.15	-0.01	n/a	0.00	-0.31	n/a
Cash flow from operations	-1.9	2.5	>-100%	10.8	-7.8	n/a
Net gearing, %				51.7%	61.2%	-
Equity ratio, %				45.4%	39.7%	-
Personnel at period-end (FTE)				750	844	-11.1%

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

Comments by President & CEO Esa Harju:

"The last quarter of the year was difficult for us by several measures. In December, we revised our market guidance for the financial year 2023 due to lower-than-forecasted deliveries. We mentioned at the same time that due to the uncertainty in the market outlook we have initiated a series of measures to improve the profitability of the business and to re-prioritize activities. These measures aim to reduce costs and ensure positive cash flow. The company intends to achieve annual cost savings of 6 million euros, and we estimate that these savings will begin to be realized gradually from the first quarter of 2024 onwards, over the years 2024–25. We also initiated new employee change negotiations in Finland on January 9, 2024.

Delivery volume and revenue for the Broadband Networks business remained very modest in the last quarter of 2023, due to low market demand. This was due to the generally deteriorated economic situation, cost-saving measures by European operator customers, and their inventory optimization. The European market demand is expected to remain uncertain also in 2024, partially also due to the technology transition to next-generation cable and fiber-based technologies. The North American market demand also slowed down in the second half of 2023, as operators shifted and scaled down their planned investments. However, the North American market is expected to gradually recover during 2024. We will start commercial deliveries of our next generation 1.8G smart amplifiers to North American customers in the first quarter of 2024. North-American market is expected to progressively show in our revenue during 2024.

Also in the Public Safety and Mobility business, we fell short of end-of-year expectations and the revenue decreased in the last quarter, even though the market itself remained relatively resilient to macroeconomic challenges. However, orders received grew compared to the comparison period, and at the end of the year, the



order backlog was slightly higher than the previous year. Measures to improve profitability, both in terms of sales prices and variable costs, have produced positive results, and the worst problems caused by the component supply chain disturbances have begun to ease gradually. Many projects in our order book with rolling stock manufacturers will continue in 2024, and alongside this, we aim for growth especially with public transport operators and in the maintenance business.

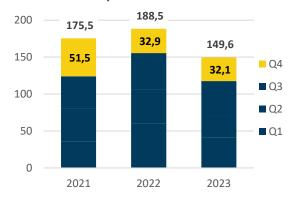
The clarification of the company's group structure and the separation of the business units under their own legal entities is proceeding as planned. This will improve the operational management of the business units and increase the operational flexibility of the business.

For 2024, the primary objective of the Broadband Networks business is growth in North America, which we expect to compensate for the more uncertain market outlook in Europe. In the Public Safety and Mobility business, we continue to develop our operations operationally and aim for a moderate increase in business volume in a controlled manner. As Teleste Group for 2024, we aim for better business profitability compared to the previous two years."

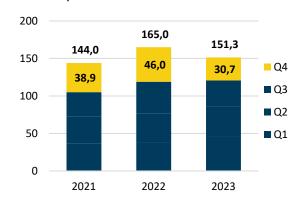


Key figures

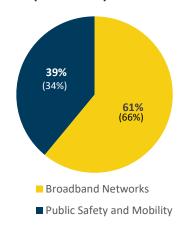
Orders received, EUR million



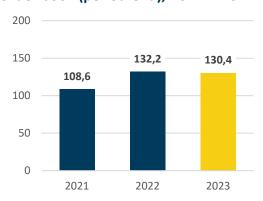
Net sales, EUR million



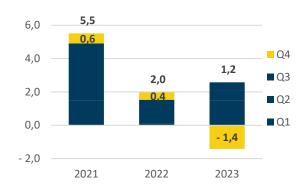
Net sales by business 1-12 2023 (1-12 2022)



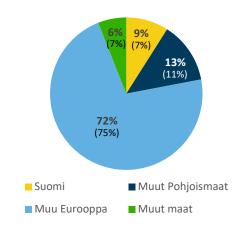
Order book (period-end), EUR million



Adjusted operating result, EUR million



Net sales by market area 1-12 2023 (1-12 2022)



Group Operations

Orders received and order book

Orders received

Orders received by the **Group** amounted to EUR 32.1 (32.9) million in the fourth quarter of 2023, representing a year-on-year decrease of 2.6%. Orders received by the **Broadband Networks** business unit totalled EUR 17.0 (21.0) million, representing a year-on-year decrease of 19.3%. The decrease was due to the optimization of operator inventories, project delays, including North America and both the traditional network and the next generation distributed architecture products. Passive orders received from the Benelux countries stayed at a good level. The orders received in the comparison period included EUR 1.4 million in orders for the Broadband Networks business in Switzerland, which was divested at the end of June. Orders received by the **Public Safety and Mobility** business unit totalled EUR 15.1 (11.9) million, representing a year-on-year increase of 27.1%. The increase was attributable to orders received from rolling stock manufacturers, which were significantly higher than the low order book of the comparison period. Orders received from the maintenance business and public transport operators, on the other hand, were lower than during the comparison period.

In January-December, orders received by the **Group** amounted to EUR 149.6 (188.5) million, representing a year-on-year decrease of 20.7%. Orders received in the comparison period were at a substantially higher level than normal. Orders received by the **Broadband Networks** business unit totalled EUR 88.3 (116.3) million, representing a year-on-year decrease of 24.0%. The decrease was due to the optimisation of operators' own inventories and the very large orders received in the comparison period in the Benelux countries. The divestment of the Swiss services business on 30 June 2023 also contributed to the decrease. Orders received by the **Public Safety and Mobility** business unit totalled EUR 61.2 (72.3) million, representing a year-on-year decrease of 15.3%. Orders from public transport operators and video security solution orders were lower than in the comparison period. Decisions of public transport operator customers were moved to 2024, and project delivery delays in video security solutions, over which Teleste had no control, caused a delay on further orders related to the following phases of the projects. New project orders from rolling stock manufacturers and additional orders for existing projects remained at the same level year-on-year.

Order book

The order book of the **Group** amounted to EUR 130.4 (132.2) million at the end of the financial period, representing a year-on-year decrease of 1.4%. The decrease in the order book was particularly due to deliveries for a large project won by the Broadband Networks business unit in the Benelux countries in 2022. Approximately 43% of the deliveries in the order book are scheduled to take place during the 2024 financial period.

The order book of the **Broadband Networks** business unit amounted to EUR 28.4 (32.5) million, representing a year-on-year decrease of 12.6%. The order book decreased as project deliveries in the Benelux countries progressed and customers in Europe normalised their buffer stocks. The order book also includes North American customers' DOCSIS 4.0 capable amplifiers.



The order book of the **Public Safety and Mobility** business unit amounted to EUR 102.0 (99.7) million, representing a year-on-year increase of 2.3%. The order book of rolling stock projects increased in 2023. Order books of public transport operator and video security solution customers decreased in 2023 as deliveries were made and orders received were quite moderate.

Net sales

EUR million	10-12/23	10-12/22	Change	1-12/23	1-12/22	Change
Broadband Networks	15.4	29.6	-48.0%	92.4	109.4	-15.5%
Public Safety and Mobility	15.3	16.5	-7.1%	58.9	55.6	+5.9%
Total	30.7	46.0	-33.4%	151.3	165.0	-8.3%

The net sales of the **Group** decreased by 33.4% in the fourth quarter of 2023, amounting to EUR 30.7 (46.0) million. Net sales decreased in both business units. The net sales of the **Broadband Networks** business unit decreased by 48.0%, amounting to EUR 15.4 (29.6) million. Net sales decreased for conventional HFC access network products and for next-generation distributed access architecture products as customers reduced their buffer stocks and delayed their projects. The comparison period included substantial deliveries to the Benelux countries. Net sales for the comparison period included EUR 1.4 million in net sales of the Broadband Networks business in Switzerland, which was divested at the end of June. The net sales of the **Public Safety and Mobility** business unit decreased by 7.1%, amounting to EUR 15.3 (16.5) million. Net sales decreased in video security solutions.

The net sales of the **Group** decreased by 8.3% in January-December, amounting to EUR 151.3 (165.0) million. Of the net sales, Finland accounted for 9.0% (7.0%), other Nordic countries for 12.9% (11.1%), the rest of Europe for 72.2% (74.5%) and countries outside Europe for 5.9% (7.3%). The net sales of the **Broadband Networks** business unit decreased by 15.5% in January-December, amounting to EUR 92.4 (109.4) million. Net sales decreased for conventional HFC access network products and remained at the same level as in the comparison period for next-generation distributed access architecture products. The net sales of the **Public Safety and Mobility** business unit increased by 5.9% in January-December, amounting to EUR 58.9 (55.6) million. Net sales increased as serial deliveries on rolling stock projects progressed and project-specific system deliveries were made. Net sales decreased in video security solutions.

Profitability

October-December

The Group's adjusted operating result for the last quarter of 2023 was EUR -1.4 (0.4) million, or -4.6% (0.9%) of net sales. The adjusted operating result decreased due to lower net sales, in spite of the gross margin level increasing by over seven percentage points. Operating result was EUR -2.3 (-0.3) million, or -7.6% (-0.6%) of net sales.

Expenses for material and manufacturing services decreased by 42.1% to EUR 14.8 (25.6) million. The cost development of raw materials and electronic components has continued to normalise. Increases to the selling prices of Teleste's products have compensated for the negative impact of increased costs. Personnel expenses decreased by 17.2% to EUR 11.1 (13.3) million. The decrease was due to the number of personnel being lower



than in the comparison period and the increase of capitalised R&D expenses. Depreciations increased by 11.2% to EUR 1.8 (1.6) million. Other operating expenses decreased by 5.6% to EUR 5.6 (5.9) million.

Net financial expenses amounted to EUR 1.1 (0.4) million. Financial expenses increased as a result of the higher interest expenses and the negative change in the value of currency and interest hedges. Income taxes for the reporting period totalled EUR +0.6 (+0.4) million. The result for the reporting period amounted to EUR -2.8 (-0.3) million. Adjusted earnings per share were EUR -0.10 (0.02). Earnings per share were EUR -0.15 (-0.01).

January-December

The Group's adjusted operating result decreased by 41.2% to EUR 1.2 (2.0) million, representing 0.8% (1.2%) of net sales. The adjusted operating result decreased due to lower net sales, in spite of the profitability increasing by over two percentage points. The company's cost reductions were not enough to compensate for the impact of the significantly reduced net sales of the Broadband Networks business unit at the end of the year. Operating result was EUR -0.5 (-4.8) million, or -0.3% (-2.9%) of net sales. In the comparison period, the company recognised impairment of EUR 5.4 million in capitalised development expenditure.

Expenses for material and manufacturing services decreased by 12.2% to EUR 77.3 (88.1) million. Personnel expenses decreased by 2.1% to EUR 47.5 (48.5) million. The decrease was due to a lower number of personnel than in the comparison period and to the changes in the capitalisation of performance rewards and R&D expenses. Depreciation and amortisation decreased by 16.1% to EUR 6.1 (7.2) million. Other operating expenses increased by 3.7%, amounting to EUR 21.9 (21.2) million. Other operating expenses include expenses related to strategic development projects, the Swiss divestment and the reorganization of operations, which were handled as adjusted items.

Net financial expenses amounted to EUR 1.9 (0.1) million. Financial expenses increased as a result of the higher interest expenses and the negative change in the value of currency and interest hedges. Income taxes for the reporting period amounted to EUR +1.9 (-0.9) million. The income taxes for the reporting period include the reversal of tax provisions of EUR 2.1 million recognised in the second quarter of 2022 and associated deferred tax assets of EUR -0.4 million, corresponding to a total of EUR 1.7 million. The entries relate to the tax reassessment decision received in Belgium in 2022, which was overturned by the Belgian tax authorities in March 2023 in accordance with Teleste's request. The result for the financial period amounted to EUR -0.5 (-5.9) million. Adjusted earnings per share were EUR 0.09 (-0.01) and earnings per share were EUR 0.00 (-0.31).

At the end of June, the company sold the Swiss subsidiary Teleste Network Services SA. This subsidiary has been responsible for Broadband Networks' engineering and services business in the Swiss market. The purchase price will be paid in cash. The majority of the purchase price was paid at the time of the transfer and the remainder will be paid in several instalments by the end of 2026. The purchase price receivable is measured at probable value. The divestment has not had a material impact on the operating result of the second quarter. In connection with the divestment, the company recognised other operating income of EUR 0.4 million. The net proceeds from the sale, totalling EUR 0.0 million, were classified as an adjustment item affecting comparability and eliminated from the adjusted operating result and adjusted earnings per share. In the financial period 2022, Teleste Network Services SA's net sales were EUR 5.4 million and operating result EUR -0.1 million.



Cash flow and financial position

Cash flow

Cash flow from operations was EUR 10.8 (-7.8) million in January-December. Cash flow from operating activities was improved by a decrease in working capital. In particular, working capital was released due to a decrease in sales receivables and inventories.

Net cash used in investing activities amounted to EUR -4.4 (-9.9) million. Cash flow from investing activities included a positive cash flow effect of EUR 2.4 million related to the sale of the Swiss services business.

Financial position

At the end of the period under review, the Group's interest-bearing debt stood at EUR 37.8 (50.4) million, with short-term loans from banks representing EUR 5.8 (4.2) million of that amount. Interest-bearing liabilities associated with leases capitalised in accordance with IFRS 16 amounted to EUR 4.8 (5.7) million, of which EUR 1.5 (1.8) million were short-term liabilities. The Group's cash and cash equivalents were EUR 6.2 (13.4) million. At the end of December 2023, the amount of unused binding credit facilities was EUR 14.7 (7.3) million.

The Group's total assets at the end of the period under review stood at EUR 134.7 (152.3) million, and equity amounted to EUR 60.9 (60.4) million. The Group's equity ratio was 45.4% (39.7%) and net gearing ratio 51.9% (61.2%).

The company negotiated changes in the financing agreements during the last quarter. The maturities of the bullet loan of EUR 3.5 million and a committed credit facility of EUR 4.0 million, which were due to mature in March 2024, were extended to March 2025. All financing agreements include financial covenants regarding the minimum equity ratio, the maximum net debt to adjusted EBITDA ratio and the minimum liquidity. Enterprise mortgages totalling EUR 50 million are used as collateral for the financing agreements.

At the end of the financial period, the company's financing agreements included:

- A EUR 6.0 million repayable loan maturing in August 2024, the principal of which was EUR 1.5 million on 31 December 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 16.25 million on 31 December 2023. The loan is amortised twice a year in instalments of EUR 1.25 million.
- A EUR 3.5 million repayable loan maturing in March 2025, the principal of which was EUR 3.5 million on 31 December 2023. The loan is amortised quarterly in instalments of EUR 0.3 million starting from June 2024.
- A EUR 7.5 million repayable loan maturing in March 2025, the principal of which was EUR 7.5 million on 31 December 2023. The loan is amortised quarterly in instalments of EUR 0.3 million starting from June 2024.
- A committed credit facility of EUR 4.0 million valid until March 2025, of which EUR 4.0 million was unused on 31 December 2023.
- A committed credit facility of EUR 15.0 million valid until March 2025, of which EUR 10.7 million was unused on 31 December 2023.



Investments, research and product development

Investments by the Group in January-December 2023 totalled EUR 8.0 (12.1) million, representing 5.3% (7.3%) of net sales. Leases capitalised in accordance with IFRS 16 amounted to EUR 1.1 (2.3) million, while other investments in tangible and intangible assets came to EUR 0.8 (4.0) million. During the comparison period, investments included the expansion of the Littoinen plant. A total of EUR 6.1 (5.8) million of R&D expenses were capitalised during the period under review. Depreciation on capitalised R&D expenses was EUR 3.0 (4.1) million.

R&D expenses amounted to EUR 17.7 (15.8) million, representing 11.7% (9.6%) of consolidated net sales in January-December 2023. Product development projects focused on next-generation distributed access architecture solutions and DOCSIS 4.0-compliant 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 materials.

Personnel

The Group employed 803 (861) people on average in January-December 2023. At the end of December, the Group employed 750 (844) people, of whom 37% (43%) worked abroad. Approximately 3% (3%) of the Group's employees were working outside Europe. The number of personnel is reported as full-time equivalents (FTE).

Personnel expenses decreased by 2.1% year-on-year to EUR 47.5 (48.5) million. The decrease in personnel expenses was attributable to the divestment of the Swiss services business, other personnel reductions, capitalisation of salaries related to R&D projects and the temporary layoffs of personnel implemented at the end of the year.

Group structure

The parent company has a branch office in the Netherlands and subsidiaries in 13 countries outside Finland.

Shares and share capital

On 31 December 2023, Tianta Oy was the largest single shareholder of Teleste with a holding of 25.2% (25.1%). According to Euroclear Finland Ltd, the number of Teleste shareholders at the end of the period under review was 5,408 (5,410). Foreign shareholders accounted for 1.0% (1.3%) of the shares, while nominee-registered holdings accounted for 2.8% (3.0%).

Pursuant to the authorisation issued by the General Meeting, Teleste Corporation's Board of Directors decided, on 8 March 2023, on a directed share issue without consideration. In the share issue, 10,656 Teleste Corporation shares held by the company were conveyed without consideration on 31 March 2023 to the key employees based on the performance periods 2020-2022 and 2021-2023 of the company's share-based incentive plan in accordance with the terms and conditions of the plan.



On 31 December 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 December 2023.

In January-December, the share turnover of Teleste on Nasdaq Helsinki was 1.5 (1.5) million shares and EUR 5.2 (6.3) million. The volume-weighted average price of the share was EUR 3.37 (4.34), the lowest share price of the review period was EUR 2.55 (3.13) and the highest EUR 4.75 (5.76). The closing price of the Teleste share on 31 December 2023 was EUR 2.70 (3.54) and market capitalisation was EUR 51.3 (67.2) million.

Governance

Company management

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

Annual General Meeting

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 2023, 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.



Authorisations

Valid authorisations at the end of the financial period on 31 December 2023, valid until 4 October 2024:

- 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.

Personnel and Remuneration Committee

Teleste Corporation's Board of Directors decided on 6 September 2023 to establish a personnel and remuneration committee to assist the Board in matters related to personnel and remuneration. Teleste Corporation's Board of Directors elected Timo Luukkainen as the Chair of the Personnel and Remuneration Committee and Heikki Mäkijärvi and Kai Telanne as its members.

The purpose of the committee is to promote the development and allocation of Teleste's strategically important capabilities and personnel resources and to generate relevant information on the current status and future objectives regarding the personnel for the Board of Directors.

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 risk factors described below may have an adverse effect on the company's business operations or financial position. However, other risks that the company is currently not aware of, or which are currently not estimated to be significant, may also become significant in the future.

The Board of Directors reviews essential business risks and their management quarterly and whenever necessary. 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.

Strategic risks

Economic cycles and, in particular, fluctuations in the level of investment activity among broadband network operators and public transport operators affect the demand for the company's products and services. High inflation and rising interest rates also affect the company's customers' financing, profitability, ability to make investments and, consequently, the demand for Teleste's products and services.

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 technologies 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. If those risks materialise, the value of the product development investments can decrease. In the Broadband Networks business unit in particular, R&D decisions are made without customer commitments, which is typical for the industry.

Expanding business operations to new markets is demanding and involves risks. The company's current investments in growth in the North American broadband market in particular will not necessarily lead to the desired results. Expanding into a new market requires significant investments without any guarantee of success.

The largest key customers represent a significant share of the net sales of each customer segment. Potential changes in technology investment decisions, procurement strategy or supplier selection by customers may lead to a contraction of business volumes and declining profitability.

Consolidation is possible in the company's operating industries among both customers and suppliers, which may weaken Teleste's competitive position.

In addition to the level of market demand, the competitiveness of the company's product and service offering is a key factor with regard to growth and profitability. Failure to anticipate or respond to changes in customer requirements, competitors' offerings or changes in business models may lead to a deterioration of Teleste's competitiveness.

Operational risks

The intermittent uncertain and limited availability of materials and components has resulted in additional costs and increased the working capital, which has reduced the company's profitability and liquidity. Delivery times are still long for many components critical to the company, especially in semiconductors, which exposes the company to product delivery delays and creates challenges in inventory management. High inventory levels may lead to the impairment of raw materials and components.

Customers' investment levels and order volumes vary significantly between different periods due to, for example, optimisation of the customers' own inventories and switches of technology generations. Fluctuations in volume are often difficult to predict and prepare for.

As a result, comprehensive system and project delivery pricing, planning and resourcing are partly based on estimates and therefore include risks during execution. Projects may be large in size and take place over several years, setting high demands for the project execution and management and involve technical, legal and financial risks. Some of the Public Safety and Mobility business unit's projects in the public transport segment are fixed-price projects or subject to limited price increases due to the nature of the industry, which means they involve a margin risk when costs increase. Project delays may lead to contractual penalties or credit losses. The delays may also be caused by reasons independent of the company. The company negotiates the effects of contractual terms concerning delays in project deliveries separately for each project.



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.

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.

Competent employees with the necessary qualifications and skills play a key role in the achievement of the company's objectives. The development of personnel competence, employee engagement and recruitment involves risks that influence how competitiveness is maintained and developed. Instability in the labour market may have a negative impact on the company's competitiveness, and labour action in export logistics, for example, may interrupt deliveries to customers. Cost and personnel reductions implemented and planned by the company are a source of uncertainty amongst personnel and may lead to employee turnover, which may complicate the company's operations.

Negative impacts on the company's brand and reputation could affect Teleste's business and financial performance. Potential reputational damage could arise due to significant problems related to deliveries, products or service quality, or a cyber security incident, for example.

Risks related to unexpected events and security

Physical damage caused by accidents (such as fire), extreme weather events, natural disasters, terrorism or other exceptional circumstances may disrupt the availability of raw materials or components, or interrupt the company's own manufacturing operations.

A potential new pandemic or mutations could lead to new and more extensive restrictions and uncertainty in the global market economy, causing impacts which are difficult to predict.

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. Increased geopolitical tensions have increased the likelihood of cyber attacks. Such attacks can cause local and global digital disruptions that have an adverse impact on the activities of Teleste or its customers or suppliers.

The company may also be targeted by illegal activities and attempted fraud, which 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.

Data leaks involving sensitive employee or customer data may lead to reputational damage or significant financial repercussions. A data leak could be caused by, for example, cyber crime, ransomware, data theft, fraud, misconduct or inadvertent mistakes by our employees.



Customs levies imposed by different countries and changes or restrictions on exports or imports may have a negative effect on the supply chains of raw materials and components and the profitability of products. Furthermore, global political impacts on the procurement and delivery logistics chains may be unexpected and sudden.

Financial risks

Disruptions in the availability of materials have significantly increased the company's inventories and the risk of write-downs of inventories. The increase in working capital has reduced the financial reserves available to the company. Problems with the availability of raw materials and components may continue to complicate manufacturing operations and cause delays in deliveries, leading to increased working capital and a higher liquidity risk for the company.

The company's financial development over the past two financial periods has increased the company's debt position, limiting the availability of financing and increasing the liquidity risk.

The higher interest rate level affects the company's financial expenses significantly to the extent that interest-bearing liabilities have not been hedged.

Part of the company's net sales and a significant proportion of raw material and component purchases are denominated in currencies other than the euro. Significant exchange rate fluctuations expose the company to currency risks. 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 company is exposed to risks related to its customers' liquidity and payment behaviour, which may affect Teleste's cash flow or lead to credit losses. Significant changes in the financial or tax regulations of different countries, or changes in the interpretation of such regulations, may also have an impact on Teleste's financial performance, liquidity or cash flow.

More detailed information on financial risks will be published in the notes to the financial statements 2023.

Legal proceedings and judicial procedures

Teleste's subsidiary in Germany has filed a claim for damages related to a project which the customer has terminated without a valid cause in Teleste's opinion. The deliveries of the terminated project included passenger information systems to a group of local public transport operators. Teleste estimates that the legal proceedings will not have any significant financial impact on the Group's operations.

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



Events after the end of the review period

On 9 January 2024, Teleste Corporation started change negotiations in accordance with the Act on Cooperation within Undertakings. The change negotiations concerned actions which target adjustments to the company's operations and improvement in profitability. The objective of the planned actions is to adjust the cost structure of the Group operations and the Broadband Networks business unit to the current market situation and to improve the company's profitability and conditions for growth in the long term as well.

The change negotiations concern Teleste Corporation's personnel at all its Finnish locations. The potential need for permanent personnel reductions is estimated to be 35 people at the most. Furthermore, the company seeks temporary cost savings which may cause impacts on temporary layoffs.

Operating environment

Broadband Networks

The data consumption of clients using broadband services continues 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.

Next-generation DOCSIS 4.0-compliant technologies provide subscribers with access broadband connections with speeds of up to 10 gigabits using existing coaxial cabling. This enables the competitiveness of the cable network infrastructure alongside optical fibre for years to come. Product development projects for Teleste's 1.8 GHz DOCSIS 4.0-compliant network products are continuing. The deliveries of passive products are under way, and smart amplifiers will be launched at the beginning of 2024. The products will require continuous product development.

The weakened macroeconomic situation, increased the market interest rate level and multi-system operators' cost-saving measures, investment cuts and optimisation of buffer stocks have weakened demand in the market from mid-2023 onwards. It is presently difficult to predict the timing of the recovery of the market. Data communications operators in North America are expected to invest strongly in new DOCSIS 4.0 technology starting from 2024. In Europe, investments in DOCSIS 4.0 are expected to begin somewhat later, and the market is expected to be significantly smaller than in North America. The European market is expected to continue to decrease in the long term, whereas the North American market is expected to return to growth.

The delivery times of components, especially semiconductors, remain long, which may continue to hinder the company's delivery capacity in the future. Cost inflation will require the company to continue to regularly adjust sales prices to protect profitability.

Public Safety and Mobility



Growing and increasingly digital urban environments and their safety, and the increase in environmentally sustainable public transport services, provide a foundation for a steadily growing market in video security and public transport information systems.

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 company expects moderate and steady market growth in both information systems and security systems in the coming years. Intense competition requires the company 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 2024

Teleste Corporation will publish financial information in 2024 as follows:

3 May 2024 Interim report January-March 2024

14 August 2024 Half year financial report January-June 2024

6 November 2024 Interim report January-September 2024

Results event

Teleste will organise a results event for analysts, investors and the media in Finnish on 9 February 2024 at 9:30 a.m. Finnish time. The event will feature presentations by the CEO Esa Harju and CFO Juha Hyytiäinen. Registration for the results event according to separately provided instructions.

Turku, 8 February 2024

Teleste Corporation Board of Directors



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About Teleste

Teleste's technologies and products are used to build a networked society. Our solutions bring high-speed broadband and television services to homes, secure your safety in public places and guide you in 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, both virtually and through our worldwide sales network. In 2023, Teleste's net sales reached EUR 151.3 million and on average it had approximately 800 employees. Teleste is listed on Nasdaq Helsinki. For more information, please visit our website www.teleste.com.



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, 1,000 euros	10-12/2023	10-12/2022	Change, %
	.0 .2,2025	.0 .2,2022	aage, 70
Net sales	30,667	46,042	-33.4%
Other operating income Raw material and consumables used Employee benefits expense Depreciation and amortization	204	75	173.0%
	-14,800	-25,567	-42.1%
	-11,051	-13,345	-17.2%
	-1,771	-1,592	11.2%
Impairment Other operating expenses Operating profit	0	0	n/a
	-5,578	-5,906	-5.6%
	-2,329	-292	n/a
Financial income	-143	364	-139.4%
Financial expenses	-937	-726	29.1%
Profit before taxes	-3,409	-654	n/a
Taxes	588	361	62.9%
RESULT FOR THE PERIOD	-2,821	-293	n/a
Profit attributable to: Owners of the parent company Non-controlling interests	-2,747	-256	n/a
	-74	-38	n/a
	-2,821	-293	n/a
Earnings per share for profit of the year attributable to the equity holders of the parent			
Undiluted earnings per share (EUR)	-0.15	-0.01	n/a
Diluted earnings per share (EUR)	-0.15	-0.01	n/a
Total comprehensive income for the period (EUR 1,000) Result for the period Items that may be reclassified to profit or loss:	-2,821	-293	n/a
Translation differences Fair value reserve Total comprehensive income for the period	686	86	699.9%
	-432	-1,527	-71.7%
	-2,567	-1,734	n/a
Total comprehensive income attributable to:	-2,509	-1,697	n/a
Owners of the parent company	-58	-38	n/a
Non-controlling interests	-2,567	-1,734	n/a



STATEMENT OF COMPREHENSIVE INCOME, 1,000 euros	1-12/2023	1-12/2022	Change, %
Net sales	151,349	165,009	-8.3%
Other operating income Raw material and consumables used Employee benefits expense Depreciation and amortization Impairment Other operating expenses Operating profit	961	538	78.7%
	-77,304	-88,070	-12.2%
	-47,479	-48,522	-2.1%
	-6,066	-7,228	-16.1%
	0	-5,400	-100.0%
	-21,943	-21,166	3.7%
	-481	-4,838	n/a
Financial income	946	1,360	-30.4%
Financial expenses	-2,881	-1,507	91.2%
Profit before taxes	-2,416	-4,985	n/a
Taxes	1,911	-898	-313.0%
RESULT FOR THE PERIOD	-505	-5,883	n/a
Profit attributable to: Owners of the parent company Non-controlling interests	-82	-5,669	n/a
	-423	-213	n/a
	-505	-5,883	n/a
Earnings per share for profit of the year attributable to the equity holders of the parent			
Undiluted earnings per share (EUR)	0.00	-0.31	n/a
Diluted earnings per share (EUR)	0.00	-0.31	n/a
Total comprehensive income for the period (EUR 1,000) Result for the period Items that may be reclassified to profit or loss: Translation differences Fair value reserve Total comprehensive income for the period	-505	-5,883	n/a
	471	-953	-149.4%
	114	150	-23.7%
	81	-6,686	n/a
Total comprehensive income attributable to:	494	-6,486	n/a
Owners of the parent company	-414	-200	n/a
Non-controlling interests	81	-6,686	n/a



CONSOLIDATED BALANCE SHEET, 1,000 euros	31 December 2023	31 December 2022	Change, %
NON-CURRENT ASSETS Intangible assets Goodwill Property, plant and equipment Other non-current financial assets Other non-current receivables Deferred tax assets NON-CURRENT ASSETS	13,474	10,548	27.7%
	30,107	30,581	-1.6%
	12,488	13,733	-9.1%
	364	348	4.6%
	119	0	n/a
	4,349	3,437	26.6%
	60,900	58,646	3.8%
CURRENT ASSETS Inventories Trade and other receivables Income tax receivables Cash CURRENT ASSETS	35,618	38,706	-8.0%
	31,513	41,194	-23.5%
	444	393	12.8%
	6,228	13,405	-53.5%
	73,802	93,699	-21.2%
Total assets	134,702	152,345	-11.6%
Equity and liabilities Equity attributable to equity holders of the parent Share capital Other equity Share of non-controlling interest EQUITY	6,967	6,967	0.0%
	54,348	53,405	1.8%
	-433	-20	2,111.7%
	60,882	60,352	0.9%
NON-CURRENT LIABILITIES Interest-bearing liabilities Non-current non-interest-bearing liabilities Deferred tax liabilities Provisions NON-CURRENT LIABILITIES	30,460	44,317	-31.3%
	91	92	-1.1%
	2,575	1,968	30.8%
	310	424	-26.9%
	33,435	46,801	-28.6%
CURRENT LIABILITIES Trade and other liabilities Advances received Current tax payable Provisions Interest-bearing liabilities CURRENT LIABILITIES	31,389	34,915	-10.1%
	675	473	42.9%
	188	578	-67.5%
	796	3,189	-75.0%
	7,338	6,038	21.5%
	40,385	45,192	-10.6%
Total liabilities	73,821	91,993	-19.8%



EQUITY AND LIABILITIES	134,702	152,345	-11.6%
CONSOLIDATED CASH FLOW STATEMENT, 1,000			
euros	1.131.12.	1.131.12.	Change, %
	2023	2022	
Cash flows from operating activities Result for the period	-505	-5,883	n/a
Adjustments for cash flow from operating activities	12 (20	C70	2 107 50
Other financial items	13,638 -318	-679 303	-2,107.5% -205.2%
Paid interests and other financial expenses	-1,595	-682	133.8%
Received interests and dividends	-1,393 290	157	85.2%
Paid taxes	-723	-1,054	-31.4%
	-125	-1,054	-51.470
Cash flow from operating activities	10,787	-7,839	n/a
Cash flow from investing activities			
Purchases of property, plant and equipment			
(PPE)	-1,876	-3,039	-38.3%
Proceeds from sales of PPE	28	75	-62.5%
Purchases of intangible assets	-4,967	-5,917	-16.1%
Purchase of investments	0	-145	-100.0%
Divestiture of subsidiaries, net of cash and cash equivalents at the time of divestment	2,407	0	n/a
Acquisition of subsidiary, net of cash acquired	·		_
	0	-889	-100.0%
Net cash used in investing activities	-4,407	-9,916	n/a
Cash flow from financing activities			
Proceeds from borrowings	0	42,908	-100.0%
Payments of borrowings	-11,633	-21,348	-45.5%
Payment of finance lease liabilities	-1,920	-2,031	-5.5%
Dividends paid	-1,920	-2,552	-100.0%
Net cash used in financing activities	-13,552	16,977	-179.8%
	-12,252	10,777	-177.090
Change in cash			
Cash and cash equivalents 1.1.	13,405	14,100	-4.9%
Effect of currency changes	-5	84	-105.5%
Cash and cash equivalents 31.12.	6,228	13,405	-53.5%



Geographical segments 2023, 1,000 euros

Sales by origin Total assets Capital expenditure for the per	riod		Finland 13,614 51,130 7,082	C		es Ot		Europe 19,303 3,975 687	Others 8,931 1,194 45		Total 151,349 56,551 7,966
Geographical segments 2022, euros	1,000					ı.					
Sales by origin Total assets Capital expenditure for the per	iod		Finland 12,409 47,158 10,084	C		es Ot	11	Europe 9,484 6,512 1,572	Others 12,316 1,249 57		Total 165,009 55,209 12,091
Information per quarter, 1,000 euro	10-12/23	7-	-9/23	4-6	/23	1-3/2	3	10-12/22	1-12/2	3	1-12/22
Orders received Net sales EBIT EBIT, %	32,059 30,667 -2,329 -7.6%		5,417 5,238 491 1.4%			40,80 45,34 1,24 2.79	1 5	32,907 46,042 -292 -0.6%	149,55 151,34 -48 -0.39	9 1	188,527 165,009 -4,838 -2.9%
Net sales by category Goods Services Total	10-12/23 26,763 3,903 30,667	30	-9/23 0,848 1,390 5,238	4-6. 34,4 5,6 40,1	149 554	1-3/2 39,08 6,25 45,34	9 2	10-12/22 39,657 6,385 46,042	1-12/2 131,15 20,19 151,34	0 9	1-12/22 141,650 23,360 165,009
Order backlog											
Thousand euro Order backlog end of period				2/23 ,364	12	9/23 28,972	1	6/23 17,793	3/23 127,623		12/22 132,157





KEY FIGURES	IFRS	IFRS	IFRS	IFRS	IFRS
Profit and loss account, balance sheet	2023	2022	2021	2020	2019
Net sales, Meur	151.3	165.0	144.0	145.0	235.5
Change, %	-8.3%	14.6%	-0.7%	-38.4%	-5.9%
Sales outside Finland, %	91.0%	92.5%	90.1%	92.8%	93.3%
Operating profit, Meur	-0.5	-4.8	8.7	4.5	0.8
% of net sales	-0.3%	-2.9%	6.1%	3.1%	0.3%
Profit after financial items, Meur	-2.4	-5.0	9.0	3.7	0.4
% of net sales	-1.6%	-3.0%	6.3%	2.5%	0.2%
Profit before taxes, Meur	-2.4	-5.0	9.0	3.7	0.4
% of net sales	-1.6%	-3.0%	6.3%	2.5%	0.2%
Profit for the financial period, Meur	-0.5	-5.9	6.9	-8.0	-1.7
% of net sales	-0.3%	-3.6%	4.8%	-5.5%	-0.7%
R&D expenditure, Meur	17.7	15.8	11.3	10.8	13.5
% of net sales	11.7%	9.6%	7.9%	7.4%	5.7 %
Gross investments, Meur	8.0	12.1	11.1	6.6	13.0
% of net sales	5.3%	7.3%	7.7%	4.5%	5.5%
Interest bearing liabilities, Meur	37.8	50.4	28.0	31.0	33.0
Shareholders' equity, Meur	60.9	60.4	69.0	63.1	72.8
Total assets, Meur	134.7	152.3	135.2	133.0	149.6
Personnel and orders:					
Average personnel	803	861	863	856	1,363
Order backlog at year end, Meur	130.4	132.2	108.6	77.1	73.2
Orders received, Meur	149.6	188.5	175.5	148.8	237.6
Key metrics:	2023	2022	2021	2020	2019
Return on equity, %	-0.8%	-9.1%	10.5%	-11.8%	-2.2%
Return on capital employed, %	0.2%	-3.5%	10.2%	-4.5%	1.6%
Equity ratio, %	45.4%	39.7%	53.3%	48.8%	49.5%
Net gearing, %	51.9%	61.2%	20.2%	17.0%	34.1%



Earnings per share, euro	0.00	-0.31	0.39	-0.43	-0.07
Earnings per share fully diluted, euro	0.00	-0.31	0.39	-0.43	-0.07
Shareholders' equity per share, euro	3.34	3.31	3.79	3.46	4.00



Adjusted operating profit Adjusted earnings per share (EUR) BRIDGE OF CALCULATION Operating profit Operating cost item caused by a crime Operating profit Operating cost item caused by a crime Operating profit Operating profi	ALTERNATIVE PERFORMANCE MEASURES	2023	2022	2021	2020	2019
SRIDGE OF CALCULATION Operating profit 481		1,158	1,969	5,514	5,066	8,832
Operating profit .481 .4,838 8,714 4,516 1,890 Non-recurring cost item caused by a crime 0 0 0 0 6,942 Business reorganization 725 879 0 550 0 Other non-recurring item 0 5,400 0 0 0 Impairment of development projects 915 529 0 0 0 Adjusted operating profit 1,158 1,969 5,514 5,066 8,832 Profit for the period attributable to equity holder of the parent -82 -5,669 7,089 -7,827 -1,327 Weighted average number of ordinary shares 0 0 0.31 0.39 -0.43 -0.07 Profit for the period attributable to equity holder of the parent 82 -5,669 7,089 -7,827 -1,327 Non-recurring cost item caused by a crime 0 0 0 0 6,942 Business reorganization 725 879 0 550 0 Other non-recurring item	Adjusted earnings per share (EUR)	0.09	-0.01	0.21	-0.06	0.31
Operating profit .481 .4,838 8,714 4,516 1,890 Non-recurring cost item caused by a crime 0 0 0 0 6,942 Business reorganization 725 879 0 550 0 Other non-recurring item 0 5,400 0 0 0 Impairment of development projects 915 529 0 0 0 Adjusted operating profit 1,158 1,969 5,514 5,066 8,832 Profit for the period attributable to equity holder of the parent -82 -5,669 7,089 -7,827 -1,327 Weighted average number of ordinary shares 0 0 0.31 0.39 -0.43 -0.07 Profit for the period attributable to equity holder of the parent 82 -5,669 7,089 -7,827 -1,327 Non-recurring cost item caused by a crime 0 0 0 0 6,942 Business reorganization 725 879 0 550 0 Other non-recurring item	BDIDGE OF CALCUL ATION					
Non-recurring cost item caused by a crime 0 0 0 0 0 6,942		401	4 0 2 0	0.714	4 F1C	1 000
Business reorganization 725 879 0 550 0 Other non-recurring item 0 0 -3,200 0 0 0 Other non-recurring item 0 5,400 0 0 0 Other non-recurring item 0 5,400 0 0 0 Other non-recurring item 0 5,400 0 0 0 Other non-recurring item 0 5,514 5,066 8,832 Profit for the period attributable to equity holder of the parent 8,225 18,226 18,216 18,204 18,181 1,000 10,30						
Other non-recurring item 0 0 -3,200 0 0 Impairment of development costs 0 5,400 0 0 0 Strategic development projects 915 529 0 0 0 Adjusted operating profit 1,158 1,969 5,514 5,066 8,832 Profit for the period attributable to equity holder of the parent -82 -5,669 7,089 -7,827 -1,327 Weighted average number of ordinary shares outstanding during the period 18,237 18,226 18,216 18,204 18,181 Undiluted earnings per share (EUR) 0.00 -0.31 0.39 -7,827 -1,327 Profit for the period attributable to equity holder of the parent -82 -5,669 7,089 -7,827 -1,327 Non-recurring cost item caused by a crime 0 0 0 0 6,07 Business reorganization 725 879 0 550 0 Business disposals 0 0 0 6,106 0 Other non-		_				
Impairment of development costs	5			_		_
Strategic development projects	<u> </u>		_		_	_
Adjusted operating profit	·		•			
Profit for the period attributable to equity holder of the parent of the parent of the parent Weighted average number of ordinary shares outstanding during the period Undiluted earnings per share (EUR) Profit for the period attributable to equity holder of the parent of the parent Profit for the period attributable to equity holder of the parent of the parent O O O O O O O O O O O O O				_	_	_
of the parent -82 -5,669 7,089 -7,827 -1,327 Weighted average number of ordinary shares outstanding during the period 18,237 18,226 18,216 18,204 18,181 Undiluted earnings per share (EUR) 0.00 -0.31 0.39 -0.43 -0.07 Profit for the period attributable to equity holder of the parent 82 -5,669 7,089 -7,827 -1,327 Non-recurring cost item caused by a crime 0 0 0 6,942 Business reorganization 725 879 0 550 0 Business reorganization 725 879 0 550 0 Other non-recurring item 0 0 3,200 0 0 Other non-recurring item 0 5,400 0 0 0 Strategic development projects 915 529 0 0 0 Change in deferred taxes 0 -1,332 0 0 0 Weighted average number of ordinary shares outstanding during the period 18,237 <td></td> <td>,,</td> <td>.,</td> <td>-,- :</td> <td>2,222</td> <td>-,</td>		,,	.,	-,- :	2,222	-,
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Sales, marketing and product management 92 98 -6.3% Administration 79 92 -14.5%	·					
Administration 79 92 -14.5%						
750 011 11:170	Total		-	750	844	-11.1%



Teleste share	2023	2022	2021	2020	2019
Highest price, euro	4.75	5.76	6.66	5.78	6.80
Lowest price, euro	2.55	3.13	4.47	3.51	5.04
Closing price, euro	2.70	3.54	5.24	4.49	5.34
Average price, euro	3.37	4.34	5.46	4.40	5.72
Earnings per share, diluted:	-603.1	-11.4	13.5	-10.4	-73.2
Market capitalization, Meur	51.3	67.2	99.5	85.2	101.4
Stock turnover, Meur	5.2	6.3	13.8	13.8	9.2
Turnover, number in millions	1.5	1.5	2.5	3.1	1.6
Turnover, % of share capital	8.1%	7.7%	13.3%	16.5%	8.5%
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	18,245,666	18,234,914	18,222,877	18,220,370	18,181,177
shares	10 220 562	10 227 006	10 217 204	10 210 502	10 207 700
Number of shares at the year-end, diluted w/o own shares	18,238,562	18,227,906	18,217,394	18,218,503	18,207,708
Dividends, Meur	* 0.0	0.0	2.6	2.2	1.8
Dividend per share, euro	* 0.00	0.00	0.14	0.12	0.10
Dividend per net result, %	0.0%	0.0%	36.0%	neg.	neg.
Effective dividend yield, %	0.0%	0.0%	2.7%	2.7%	1.9%
, ,					
* The Board's proposal					
Treasury shares	Number		% of sha	res	% of votes
		qty			
Shares owned/held by the Group 31.12.2023	7	47,026	3.9	3%	3.93%



Consolidated statement of changes in equity, 1,000 euros Attributable to equity holders of the parent (tEUR) Share capital Α В Share premium C Translation differences D Retained earnings Ε Invested free capital F Other funds G Total Н Share of non-controlling interest Total equity C D Ε F G Α В Н 6,967 152 Equity 1.1.2023 1,504 -1,850 50,458 3,140 60,372 -20 60,352 Result for the period -82 -82 -423 -505 Other items in comprehensive income for the -304 766 576 10 586 period 114 Dividends 0 0 0 Equity-settled share-based payments 449 449 449 Equity 31.12.2023 6,967 1,504 -2,154 51,591 3,140 61,315 -433 266 60,882 Equity 1.1.2022 6,967 1,504 -1,392 58,588 3,140 2 68,809 180 68,990 Result for the period -5,669 -5,669 -213 -5,883 Other items in comprehensive income for the period -509 13 -458 150 -817 -804 -2,552 -2,552 Dividends -2,552 Equity-settled share-based 600 600 600 payments 152 Equity 31.12.2022 6,967 1,504 -1,850 50,458 3,140 60,372 -20 60,352



CALCULATION OF KEY FIGURES

Profit/loss for the financial period Return on equity

----- * 100

Shareholders' equity (average for the period)

Profit/loss for the period after financial items + financing charges Return on capital employed

····· * 100

Total assets - non-interest-bearing liabilities (average for the period)

Equity ratio Shareholders' equity

----- * 100

Total assets - advances received

Gearing Interest bearing liabilities - cash in hand and in bank - interest bearing assets

* 100

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)

Weighted average number (diluted) of ordinary shares outstanding during the

period

ALTERNATIVE PERFORMANCE MEASURES

Teleste Corporation uses and publishes alternative performance measures to describe the development of its operational performance and to improve comparability between reporting periods. The alternative performance measures are reported in addition to the key indicators based on the IFRS.

In the alternative performance measure calculation, items affecting the comparability of the operational performance between reporting periods are not taken into account. Such items include, 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 Corporation 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.



Largest shareholders 31 December 2023

Number of Shares % of Sha	8		Number of shares	% of ch	aaroc
Mandatum Life Insurance Company Ilmited Ilmarinen Mutual Pension Insurance Company Kaleva Mutual Insurance Company Ray, 475 8.85 4.74 Kaleva Mutual Insurance Company Wipunen Varainhallinta Oy Wipunen Varainhallinta Oy 800,000 4.21 4.34 Wipunen Varainhallinta Oy 800,000 4.21 4.21 Mariatorp Oy 800,000 2.393 5.21 5.274 Teleste Corporation 747,026 3.93 5.21,150 2.74 Teleste Pension Fund 10 500,000 2.63 1.24 Ingman Finance Oy Ab 235,000 1.24 Total 11,795,490 62.13 Largest shareholders by sector 31 December 2023 Number of shareholders holders holders holders holders holders 4,999,803 26.33 Public sector institutions 3 0.06 1,920,625 10.12 Financial and insurance institutions 15 0.28 3,208,780 16.90 Corporations 227 4.20 8,639,557 45.51 Non-profit institutions 20 0.37 37,073 0.20 Foreign 5,408 100.00 18,985,588 100.00 <td< td=""><td>Tianta Ov</td><td></td><td></td><td></td><td></td></td<>	Tianta Ov				
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Total 11,795,490 62.13 Largest shareholders by sector 31 December 2023 Number of shareholders shareholders holders shareholders shareholders shareholders shareholders shareholders shareholders shareholders shares shares shares shareholders grouped by the number of shares, 31 December 2023 Number of shareholders shareholders shares shares Number of shareholders shareholders shares Number of shareholders			•		
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Households	Total		11,795,490	6	2.13
Households 5,117 94.62 4,999,803 26.33 Public sector institutions 3 0.06 1,920,625 10.12 Financial and insurance institutions 15 0.28 3,208,780 16.90 Corporations 227 4.20 8,639,557 45.51 Non-profit institutions 20 0.37 37,073 0.20 Foreign 26 0.48 179,750 0.95 Total 5,408 100.00 18,985,588 100.00 Of which nominee registered 9 0.17 522,715 2.75 Biggest shareholders grouped by the number of shareholders Number of shareholders Number of shareholders Number of shareholders % of shareholders % of shareholders \$ 0.00 \$ 0	Largest shareholders by sector 31 December 2023				% of shares
Public sector institutions 3 0.06 1,920,625 10.12 Financial and insurance institutions 15 0.28 3,208,780 16.90 Corporations 227 4.20 8,639,557 45.51 Non-profit institutions 20 0.37 37,073 0.20 Foreign 26 0.48 179,750 0.95 Total 5,408 100.00 18,985,588 100.00 Of which nominee registered 9 0.17 522,715 2.75 Biggest shareholders grouped by the number of shareholders Number of sharesholders Number of sharesholders Number of sharesholders % of sharesholders 1-100 1,651 30.53 84,011 0.44 101-500 2,127 39.33 560,958 2.95 501-1,000 679 12.56 549,935 2.90 1,001-5,000 749 13.85 1,611,070 8.49 5,001-10,000 78 1.44 1,677,757 8.84 50,001-100,000 79	Households				26.33
Financial and insurance institutions 15 0.28 3,208,780 16.90 Corporations 227 4.20 8,639,557 45.51 Non-profit institutions 20 0.37 37,073 0.20 Foreign 26 0.48 179,750 0.95 Total 5,408 100.00 18,985,588 100.00 Of which nominee registered 9 0.17 522,715 2.75 Biggest shareholders grouped by the number of shareholders Number of sharesholders Number of sharesholders % of sharesholders sharess 1-100 1,651 30.53 84,011 0.44 101-500 2,127 39.33 560,958 2.95 501-1,000 679 12.56 549,935 2.90 1,001-5,000 749 13.85 1,611,070 8.49 5,001-10,000 78 1.79 692,932 3.65 100,001-50,000 78 1.44 1,677,757 8.84 500,001-100,000 9 0.17 2					
Corporations 227 4.20 8,639,557 45.51 Non-profit institutions 20 0.37 37,073 0.20 Foreign 26 0.48 179,750 0.95 Total 5,408 100.00 18,985,588 100.00 Of which nominee registered 9 0.17 522,715 2.75 Biggest shareholders grouped by the number of sharees, 31 December 2023 Number of sharees holders shares holders Number of holders shares Number of sharees shares % of sharees shares 1-100 1,651 30.53 84,011 0.44 101-500 2,127 39.33 560,958 2.95 501-1,000 679 12.56 549,935 2.90 1,001-5,000 749 13.85 1,611,070 8.49 5,001-10,000 97 1.79 692,932 3.65 10,001-50,000 78 1.44 1,677,757 8.84 5,001-100,000 9 0.17 2,060,278 10.85 500,001- 8 0.15 </td <td></td> <td></td> <td></td> <td></td> <td></td>					
Non-profit institutions 20 0.37 37,073 0.20 Foreign 26 0.48 179,750 0.95 Total 5,408 100.00 18,985,588 100.00 Of which nominee registered 9 0.17 522,715 2.75 Biggest shareholders grouped by the number of shares, 31 December 2023 Number of shares holders holders shares Number of shares shares, 31 December 2023 84,011 0.44 101-500 1,651 30.53 84,011 0.44 101-500 2,127 39.33 560,958 2.95 501-1,000 679 12.56 549,935 2.90 1,001-5,000 749 13.85 1,611,070 8.49 5,001-10,000 97 1.79 692,932 3.65 10,001-50,000 78 1.44 1,677,757 8.84 50,001-100,000 9 0.17 2,060,278 10.85 500,001- 8 0.15 11,060,490 58.26					
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Biggest shareholders grouped by the number of shares, 31 December 2023 Number of shareholders holders % of shareholders holders shares % of shares shares 1-100 1,651 30.53 84,011 0.44 101-500 2,127 39.33 560,958 2.95 501-1,000 679 12.56 549,935 2.90 1,001-5,000 749 13.85 1,611,070 8.49 5,001-10,000 97 1.79 692,932 3.65 10,001-50,000 78 1.44 1,677,757 8.84 50,001-100,000 10 0.18 688,157 3.62 100,001-500,000 9 0.17 2,060,278 10.85 500,001- 8 0.15 11,060,490 58.26 Total 5,408 100.00 18,985,588 100.00	Total	5,408	100.00	18,985,588	100.00
shares, 31 December 2023 shareholders holders shares 1-100 1,651 30.53 84,011 0.44 101-500 2,127 39.33 560,958 2.95 501-1,000 679 12.56 549,935 2.90 1,001-5,000 749 13.85 1,611,070 8.49 5,001-10,000 97 1.79 692,932 3.65 10,001-50,000 78 1.44 1,677,757 8.84 50,001-100,000 10 0.18 688,157 3.62 100,001-500,000 9 0.17 2,060,278 10.85 500,001- 8 0.15 11,060,490 58.26 Total 5,408 100.00 18,985,588 100.00	Of which nominee registered	9	0.17	522,715	2.75
shares, 31 December 2023 shareholders holders shares 1-100 1,651 30.53 84,011 0.44 101-500 2,127 39.33 560,958 2.95 501-1,000 679 12.56 549,935 2.90 1,001-5,000 749 13.85 1,611,070 8.49 5,001-10,000 97 1.79 692,932 3.65 10,001-50,000 78 1.44 1,677,757 8.84 50,001-100,000 10 0.18 688,157 3.62 100,001-500,000 9 0.17 2,060,278 10.85 500,001- 8 0.15 11,060,490 58.26 Total 5,408 100.00 18,985,588 100.00	Biggest shareholders grouped by the number of	Number of	% of share-	Number of	% of shares
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501-1,000 679 12.56 549,935 2.90 1,001-5,000 749 13.85 1,611,070 8.49 5,001-10,000 97 1.79 692,932 3.65 10,001-50,000 78 1.44 1,677,757 8.84 50,001-100,000 10 0.18 688,157 3.62 100,001-500,000 9 0.17 2,060,278 10.85 500,001- 8 0.15 11,060,490 58.26 Total 5,408 100.00 18,985,588 100.00	1-100	1,651	30.53	84,011	0.44
1,001-5,000 749 13.85 1,611,070 8.49 5,001-10,000 97 1.79 692,932 3.65 10,001-50,000 78 1.44 1,677,757 8.84 50,001-100,000 10 0.18 688,157 3.62 100,001-500,000 9 0.17 2,060,278 10.85 500,001- 8 0.15 11,060,490 58.26 Total 5,408 100.00 18,985,588 100.00	101-500	2,127	39.33	560,958	2.95
5,001-10,000 97 1.79 692,932 3.65 10,001-50,000 78 1.44 1,677,757 8.84 50,001-100,000 10 0.18 688,157 3.62 100,001-500,000 9 0.17 2,060,278 10.85 500,001- 8 0.15 11,060,490 58.26 Total 5,408 100.00 18,985,588 100.00	501-1,000	679	12.56	549,935	2.90
10,001-50,000 78 1.44 1,677,757 8.84 50,001-100,000 10 0.18 688,157 3.62 100,001-500,000 9 0.17 2,060,278 10.85 500,001- 8 0.15 11,060,490 58.26 Total 5,408 100.00 18,985,588 100.00	1,001-5,000	749	13.85	1,611,070	8.49
50,001-100,000 10 0.18 688,157 3.62 100,001-500,000 9 0.17 2,060,278 10.85 500,001- 8 0.15 11,060,490 58.26 Total 5,408 100.00 18,985,588 100.00	5,001-10,000	97	1.79	692,932	3.65
50,001-100,000 10 0.18 688,157 3.62 100,001-500,000 9 0.17 2,060,278 10.85 500,001- 8 0.15 11,060,490 58.26 Total 5,408 100.00 18,985,588 100.00	10,001-50,000	78	1.44	1,677,757	8.84
100,001-500,000 9 0.17 2,060,278 10.85 500,001- 8 0.15 11,060,490 58.26 Total 5,408 100.00 18,985,588 100.00		10		688,157	
500,001- 8 0.15 11,060,490 58.26 Total 5,408 100.00 18,985,588 100.00	•				
	500,001-	8	0.15	11,060,490	58.26
	Total	5,408	100.00	18.985.588	100.00



