



INTERIM  
REPORT  
Q3 2024

JANUARY 1-SEPTEMBER 30, 2024

**TELESTE**

## TELESTE CORPORATION INTERIM REPORT 1 JANUARY TO 30 SEPTEMBER 2024

### TELESTE CORPORATION: OPERATING PROFIT INCREASED DESPITE REVENUE DECLINE. DELIVERIES IN NORTH AMERICA ON THE RISE, LOW DEMAND IN EUROPE. CASH FLOW AT A GOOD LEVEL.

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

#### July–September 2024 in brief

- Net sales decreased by 15.1%, amounting to EUR 29.9 (35.2) million
- Adjusted EBITDA increased by 41.2%, amounting to EUR 2.7 (1.9) million
- Adjusted operating result increased by 183.4%, amounting to EUR 1.5 (0.5) million
- Operating result increased by 160.4%, amounting to EUR 1.3 (0.5) million
- Adjusted earnings per share increased by 72.3%, amounting to EUR 0.05 (0.03)
- Earnings per share increased to EUR 0.04 (0.03)
- Cash flow from operations increased by 277.1% to EUR 3.5 (0.9) million
- Orders received decreased by 32.5% to EUR 31.3 (46.4) million

#### January–September 2024 in brief

- Net sales decreased by 20.4%, amounting to EUR 96.0 (120.7) million
- Adjusted EBITDA increased by 2.8%, amounting to EUR 7.1 (6.9) million
- Adjusted operating result increased by 24.7%, amounting to EUR 3.2 (2.6) million
- Operating result decreased by 91.1%, amounting to EUR 0.2 (1.8) million
- Adjusted earnings per share decreased by 35.3%, amounting to EUR 0.12 (0.19)
- Earnings per share decreased to EUR -0.05 (0.15)
- Cash flow from operations decreased by 16.3%, amounting to EUR 10.6 (12.6) million
- Orders received decreased by 24.6% to EUR 88.6 (117.5) million
- The order book decreased by 8.1% and amounted to EUR 118.5 (129.0) million
- Teleste's 1.8GHz DOCSIS 4.0-compliant smart amplifiers are the first in the industry to be delivered to commercial networks in North America.

#### Outlook for 2024

In the updated guidance issued on 16 September 2024, the company estimates that the net sales in 2024 will amount to EUR 120–135 million and that the adjusted operating result in 2024 will be EUR 1–4 million.

## Segment reporting

As the company announced on 25 April 2024, Teleste reports its key financial figures according to a new segment structure starting from the first interim report of 2024. The operating segments are **Broadband Networks** and **Public Safety and Mobility**. The Group's reported segments correspond to the Group's operating segments. The Group's common functions are treated outside segment reporting.

## Key figures

EUR million	7-9 2024	7-9 2023	Change	1-9 2024	1-9 2023	Change	1-12 2023
Net sales	29.9	35.2	-15.1%	96.0	120.7	-20.4 %	151.3
Adjusted EBITDA <sup>1)</sup>	2.7	1.9	41.2%	7.1	6.9	2.8 %	7.2
Adjusted EBITDA, % <sup>1)</sup>	9.0%	5.4 %		7.4%	5.7 %		4.8%
Adjusted EBIT <sup>1)</sup>	1.5	0.5	183.4%	3.2	2.6	24.7%	1.2
Adjusted EBIT, % <sup>1)</sup>	4.9%	1.5%		3.3%	2.1%	-	0.8%
EBIT	1.3	0.5	160.4%	0.2	1.8	-91.1%	-0.5
EBIT, %	4.3 %	1.4%		0.2%	1.5%	-	-0.3%
Net result for the period	0.6	0.3	66.1%	-1.1	2.3	-146.0%	-0.5
Adjusted earnings per share, EUR <sup>1)</sup>	0.05	0.03	72.3%	0.12	0.19	-35.3%	0.09
Earnings per share, EUR	0.04	0.03	40.5%	-0.05	0.15	-131.9%	0.00
Cash flow from operations	3.5	0.9	277.1%	10.6	12.6	-16.3%	10.8
Orders received	31.3	46.4	-32.5%	88.6	117.5	-24.6%	149.6
Order backlog				118.5	129.0	-8.1%	125.9
Net gearing, %				44%	43%		52%
Equity ratio, %				46%	48%		45%
Personnel at period-end				642	789	-18.6%	750

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

## Comments by President & CEO Esa Harju:



Profitability improved in both business units, although orders and revenue decreased compared to the same period last year. The savings measures and prioritizations implemented in the company have been significant, resulting in a substantially lighter cost structure than before. The cash flow from operations was also at a very good level.

In the **Broadband Networks** business unit, the European market demand continued at a low level. It appears, however, that the market decline has now slowed down. There are now initial indications that investments in the next-generation DOCSIS 4.0 technology are commencing in parts of Europe in the latter half of 2025. Delivery volumes in North America continue on the rise. They will however not fully compensate for the reduced volume in Europe this year. We are solidifying our position as a key technology supplier to several North American operators, and volumes are expected to continue to increase during 2025 and 2026. The rise may involve seasonal variations depending on the timing of orders and deliveries.

In the **Public Safety and Mobility** business unit, several important projects have advanced to the commercialization stage, and large project deliveries are scheduled for the end of the year. The largest project volumes are still for train manufacturers, but we are also advancing new projects in the area of video security. The share of services and maintenance business is growing, which will provide stabilizing volumes for future project cycles. The improvement in business profitability is progressing as planned.

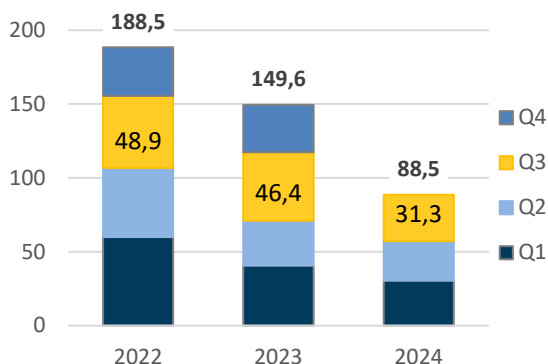
We announced on August 30, 2024, that we have signed a €53 million secured syndicated financing agreement with our three partner banks. The financing agreement is for two years and includes two one-year extension options. The financing arrangement supports the implementation of our strategy.

We updated our financial guidance in a stock exchange release on September 16, 2024. The main reason for the update was that the European market demand in the Broadband Networks business has continued at a lower level and longer than anticipated.

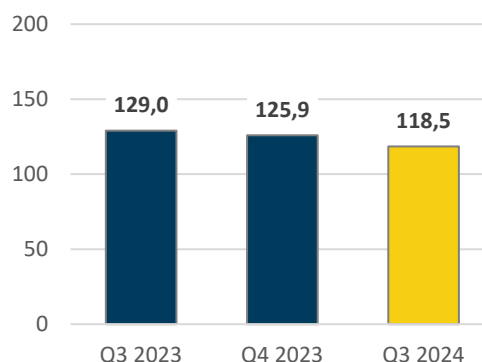
We have continued determined actions to improve cost efficiency and to prioritize operations. The savings measures have affected all company operations. The restructuring of the group's legal structure, whereby the Broadband Networks and Public Safety and Mobility businesses are carved out into their own legal entities, will be completed by the end of this year.

## Key figures

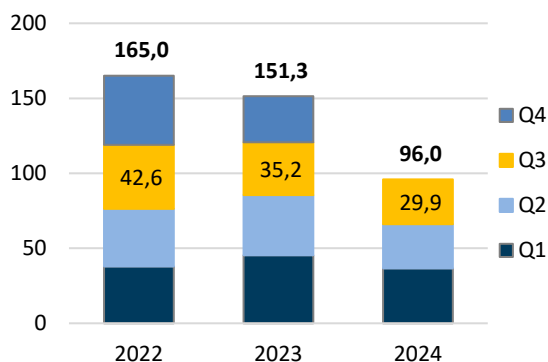
### Orders received, EUR million



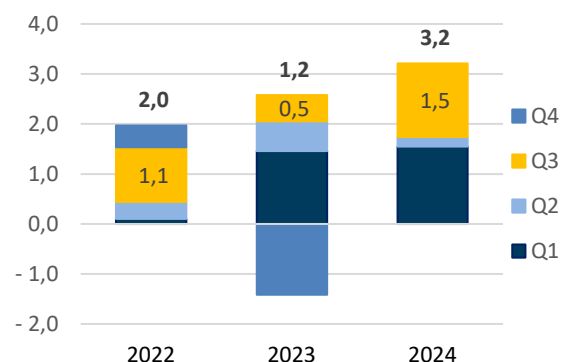
### Order book (period-end), EUR million



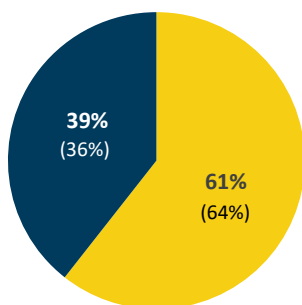
### Net sales, EUR million



### Adjusted operating result, EUR million

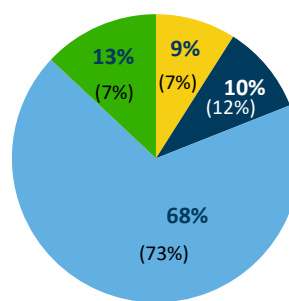


### Net sales by business 1–9 2024 (1–9 2023)



■ Broadband Networks  
■ Public Safety and Mobility

### Net sales by market area 1–9 2024 (1–9 2023)



■ Finland  
■ Other Nordic countries  
■ Other European countries  
■ North America and RoW

## Net sales

EUR million	7–9 2024	7–9 2023	Change	1–9 2024	1–9 2023	Change	1–12 2023
Broadband Networks	18.1	21.1	-14.0%	58.2	77.1	-24.5%	92.5
Public Safety and Mobility	11.8	14.2	-16.8%	37.8	43.6	-13.3%	58.9
<b>Total</b>	<b>29.9</b>	<b>35.2</b>	<b>-15.1%</b>	<b>96.0</b>	<b>120.7</b>	<b>-20.4 %</b>	<b>151.3</b>

### July–September

The net sales of the Group decreased by 15.1%, amounting to EUR 29.9 (35.2) million. Net sales decreased in both business units. The net sales of the **Broadband Networks** business unit decreased by 14.0%, amounting to EUR 18.1 (21.1) million. Deliveries of HFC access network products to Europe continued at a low level. Deliveries of 1.8 GHz DOCSIS 4.0-compliant smart amplifiers to North America grew significantly, but they did not fully compensate for the decline in the European market. The comparison period included large deliveries of amplifiers to the Benelux markets. The net sales of the **Public Safety and Mobility** business unit decreased by 16.8%, amounting to EUR 11.8 (14.2) million. Deliveries to video security and public transport operator customers decreased year-on-year due to fluctuations that are typical of the project business.

### January–September

The net sales of the Group decreased by 20.4%, amounting to EUR 96.0 (120.7) million. Net sales decreased in both business units. Finland accounted for 8.8% (8.1%) of the net sales, other Nordic countries for 9.6% (12.2%), the rest of Europe for 68.4% (73.0%), and North America and the rest of the world for 13.1% (6.7%). The net sales of the **Broadband Networks** business unit decreased by 24.5% in January–September, amounting to EUR 58.2 (77.1) million. Deliveries of HFC access network products to Europe continued at a low level. The delivery volumes of 1.8 GHz DOCSIS 4.0-compliant smart amplifiers to North America have increased, but they did not fully compensate for the decline in the European market. Deliveries of distributed access architecture products were on a par with the comparison period. The comparison period included large deliveries of amplifiers to the Benelux markets. The comparison period included EUR 2.8 million in deliveries in the services business in Switzerland, which was subsequently divested. The net sales of the **Public Safety and Mobility** business unit decreased by 13.3% in January–September, amounting to EUR 37.8 (43.6) million. Deliveries to video security and public transport operator customers decreased due to fluctuations that are typical of the project business. Deliveries to rolling stock manufacturers were on a par with the comparison period.

## Profitability

EUR 1,000	7–9 2024	7–9 2023	Change	1–9 2024	1–9 2023	Change	1–12 2023
<b>Adjusted EBITDA</b>							
Broadband Networks	2,238	1,627	37.6 %	7,080	7,716	-8.2%	8,902
Public Safety and Mobility	1,201	943	27.4%	2,938	2,450	19.9%	2,763
<b>Segments total</b>	<b>3,440</b>	<b>2,569</b>	<b>33.9%</b>	<b>10,018</b>	<b>10,166</b>	<b>-1.5%</b>	<b>11,665</b>

Non-allocated operations	-741	-658	n/a	-2,958	-3,295	n/a	-4,441
<b>Adjusted EBITDA, Group</b>	<b>2,699</b>	<b>1,911</b>	<b>41.2%</b>	<b>7,060</b>	<b>6,871</b>	<b>2.8%</b>	<b>7,224</b>
Adjustment items	-197	-30	n/a	-2,468	-729	n/a	-1,640
<b>EBITDA</b>	<b>2,502</b>	<b>1,881</b>	<b>33.0%</b>	<b>4,592</b>	<b>6,142</b>	<b>-25.2%</b>	<b>5,584</b>

	7–9 2024	7–9 2023	Change, pp.	1–9 2024	1–9 2023	Change	1–12 2023
<b>Adjusted EBITDA margin</b>							
Broadband Networks	12.4%	7.7%	4.6%	12.2 %	10.0%	2.2 %	9.6%
Public Safety and Mobility	10.2%	6.7%	3.5%	7.8%	5.6 %	2.2 %	4.7%
<b>Segments total</b>	<b>11.5%</b>	<b>7.3%</b>	<b>4.2%</b>	<b>10.4 %</b>	<b>8.4%</b>	<b>2.0%</b>	<b>7.7%</b>
<b>Adjusted EBITDA margin, Group</b>	<b>9.0%</b>	<b>5.4 %</b>	<b>3.6 %</b>	<b>7.4%</b>	<b>5.7 %</b>	<b>1.7 %</b>	<b>4.8%</b>
<b>EBITDA margin</b>	<b>8.4%</b>	<b>5.3%</b>	<b>3.0 %</b>	<b>4.8%</b>	<b>5.1%</b>	<b>-0.3%</b>	<b>3.7%</b>

EUR 1,000	7–9 2024	7–9 2023	Change	1–9 2024	1–9 2023	Change	1–12 2023
<b>Adjusted EBIT</b>							
Broadband Networks	1,546	1,004	53.9%	5,078	5,683	-10.6%	5,989
Public Safety and Mobility	669	174	284.0%	1,092	188	480.5%	-389
<b>Segments total</b>	<b>2,215</b>	<b>1,179</b>	<b>88.0%</b>	<b>6,171</b>	<b>5,871</b>	<b>5.1%</b>	<b>5,600</b>
Non-allocated operations	-741	-658	n/a	-2,959	-3,295	n/a	-4,441
<b>Adjusted EBIT, Group</b>	<b>1,474</b>	<b>520</b>	<b>183.4%</b>	<b>3,212</b>	<b>2,576</b>	<b>24.7%</b>	<b>1,158</b>
Adjustment items	-197	-30	n/a	-3,048	-729	n/a	-1,640
<b>EBIT</b>	<b>1,277</b>	<b>491</b>	<b>160.4%</b>	<b>164</b>	<b>1,848</b>	<b>-91.1%</b>	<b>-481</b>

Percentage of net sales	7–9 2024	7–9 2023	Change, pp.	1–9 2024	1–9 2023	Change	1–12 2023
<b>Adjusted EBIT margin</b>							
Broadband Networks	8.5%	4.8%	3.8%	8.7%	7.4%	1.3 %	6.5%
Public Safety and Mobility	5.7 %	1.2%	4.4 %	2.9%	0.4%	2.5%	-0.7%
<b>Segments total</b>	<b>7.4%</b>	<b>3.3%</b>	<b>4.1%</b>	<b>6.4%</b>	<b>4.9%</b>	<b>1.6%</b>	<b>3.7%</b>
<b>Adjusted EBIT margin, Group</b>	<b>4.9%</b>	<b>1.5%</b>	<b>3.5%</b>	<b>3.3%</b>	<b>2.1%</b>	<b>1.2%</b>	<b>0.8%</b>
<b>EBIT margin</b>	<b>4.3%</b>	<b>1.4%</b>	<b>2.9%</b>	<b>0.2%</b>	<b>1.5%</b>	<b>-1.4%</b>	<b>-0.3%</b>

## July–September

The Group's expenses for material and manufacturing services decreased by 17.3% to EUR 14.7 (17.8) million. Personnel expenses decreased by 20.0% to EUR 8.6 (10.8) million. Depreciation and amortisation decreased by 11.9% to EUR 1.2 (1.4) million. Other operating expenses decreased by 13.5% to EUR 4.2 (4.8) million. Personnel expenses and other operating expenses decreased due to cost-saving measures implemented by the company.

The Group's adjusted operating result improved to EUR 1.5 (0.5) million, representing 4.9% (1.5%) of net sales. The adjusted operating result improved due to significant cost-saving measures, which compensated for the decrease in net sales. The gross margin increased by 3.6 percentage points. The operating result improved to EUR 1.3 (0.5) million, representing 4.3% (1.4%) of net sales. The operating result improved despite the decreased net sales and adjustment items of EUR 0.2 million. Expenses arising from personnel reductions, the change of the corporate structure and strategic development projects were reported as adjustment items.

The Group's net financial expenses amounted to EUR 0.8 million. Net financial income of EUR 0.1 million was reported on the comparison period. Direct taxes for the reporting period amounted to EUR +0.1 (-0.2) million. The result for the review period was EUR 0.6 (0.3) million. Adjusted earnings per share were EUR 0.05 (0.03) and earnings per share were EUR 0.04 (0.03).

The adjusted EBIT of the **Broadband Networks** business unit improved to EUR 1.5 (1.0) million. The adjusted EBIT improved due to significant cost-saving measures, which compensated for the 14% decrease in net sales. The adjusted EBIT of the **Public Safety and Mobility** business unit increased to EUR 0.7 (0.2) million. The adjusted EBIT increased due to the gross margin rising to a higher level than in the comparison period.

## January–September

The Group's expenses for material and manufacturing services decreased by 25.1% to EUR 46.8 (62.5) million. Material expenses were lower due to decreased sales volumes, with a greater portion of net sales coming from products and software with higher gross margins. Personnel expenses decreased by 14.8% to EUR 31.0 (36.4) million. The decrease was due to a reduction in the number of personnel as well as temporary layoffs. Depreciation decreased by 10.4% to EUR 3.8 (4.3) million. Other operating expenses decreased by 14.2% to 14.0 (16.4) million.

The Group's adjusted EBIT increased by 24.7% in January–September to EUR 3.2 (2.6) million, representing 3.3% (2.1%) of net sales. The adjusted operating result improved due to cost-saving measures and a 3.0 percentage point increase in the gross margin, which compensated for the decrease in net sales. The Group's EBIT decreased due to lower net sales and increased adjustment items, and amounted to EUR 0.2 (1.8) million, representing 0.2% (1.5%) of net sales. The reported adjustment items for the period included expenses of EUR 2.5 million arising from operational restructuring in Finland and other countries, and impairment of EUR 0.6 million allocated to the capitalised development expenses of video security software.

The Group's net expenses from financial items amounted to EUR 1.2 (0.9) million. Direct taxes for the reporting period amounted to EUR 0 (+1.3) million. The direct taxes in the comparison period included the reversal of tax provisions recognised in the 2023 financial year and associated deferred tax assets, totalling EUR 1.7 million, due to the cancellation of a tax reassessment decision concerning the Group's Belgian subsidiary. The Group's net result for the review period was EUR -1.1 (2.3) million. Adjusted earnings per share were EUR 0.12 (0.19) and earnings per share were EUR -0.05 (0.15).

The adjusted EBIT of the **Broadband Networks** business unit decreased by 10.6% and amounted to EUR 5.1 (5.7) million. The adjusted EBIT decreased due to the significant decline in net sales, despite the gross margin increasing and personnel expenses and other operating expenses decreasing year-on-year due to cost-saving measures. The adjusted EBIT of the **Public Safety and Mobility** business unit increased substantially and amounted to EUR 1.1 (0.2) million. The adjusted EBIT increased due to the gross margin rising to a substantially



higher level than in the comparison period, and due to cost-saving measures. Impairment of EUR 0.6 million allocated to video security software was reported as an adjustment item. The impairment was due to the expected decline in the demand for older software versions and systems operated by customers moving to maintenance phase earlier than expected.

## Cash flow and financial position

### Cash flow

Cash flow from operations was EUR 10.6 (12.6) million in January–September 2024, representing a decrease of 16.3%. Cash flow from operations was positive, as working capital was released from inventories and trade receivables.

### Financial position

At the end of the review period, the Group's interest-bearing debt stood at EUR 42.1 (35.2) million, with short-term loans from banks representing EUR 15.2 (7.5) million of that amount. Interest-bearing liabilities associated with leases capitalised in accordance with IFRS 16 amounted to EUR 4.6 (4.9) million, of which EUR 1.5 (1.6) million were short-term liabilities. The Group's cash and cash equivalents were EUR 15.9 (8.1) million. At the end of September 2024, the amount of unused binding credit facilities was EUR 7.0 (17.5) million.

The Group's total assets at the end of the review period stood at EUR 131.8 (132.9) million, and equity amounted to EUR 59.9 (63.3) million. The Group's equity ratio was 45.6% (48.2%) and net gearing ratio 43.7% (42.8%).

During the third quarter, the company signed a syndicated refinancing arrangement that includes a term loan, credit limits and a non-binding guarantee limit. In connection with the new loan facilities arrangement, the company repaid its old loans and discontinued the related hedge accounting. The profit accumulated in the hedge reserve was reclassified to profit for the period. All financing agreements include financial covenants regarding the minimum equity ratio, the maximum net debt to adjusted EBITDA ratio and the minimum liquidity. The collateral for the financing agreements consists of corporate pledges totaling 68.9 million euros.

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

- A EUR 26.0 million term loan maturing in August 2026, the principal of which was EUR 26.0 million on 30 September 2024. The loan is amortised four times a year in instalments of EUR 0.8 million.
- A EUR 15.0 million binding Revolving Credit Facility (RCF) maturing in August 2026, of which the following items were in use on 30 September 2024:
  - EUR 5.0 million, maturing in March 2025
  - EUR 3.0 million, maturing in December 2024
  - EUR 4.0 million, maturing in October 2024
- A EUR 4.0 million binding credit limit, valid until August 2026. On 30 September 2024, EUR 4.0 million of the credit limit was unused.
- A EUR 8.0 million non-binding bank guarantee limit
- The financing agreement includes two conditional one-year extension options.

## Orders received and order book

### Orders received

EUR million	7–9 2024	7–9 2023	Change	1–9 2024	1–9 2023	Change	1–12 2023
Broadband Networks	16.0	23.6	-32.5%	49.1	71.4	-31.2%	88.3
Public Safety and Mobility	15.4	22.8	-32.4 %	39.5	46.1	-14.4%	61.2
<b>Total</b>	<b>31.3</b>	<b>46.4</b>	<b>-32.5%</b>	<b>88.6</b>	<b>117.5</b>	<b>-24.6%</b>	<b>149.5</b>

Orders received by the **Group** amounted to EUR 31.3 (46.4) million in the third quarter, decreasing 32,5% year-on-year. Orders received by the **Broadband Networks** business unit totalled EUR 16.0 (23.6) million, declining 32,5% from comparison period. Orders from North America increased significantly, compensating for the low demand in Europe. Orders for passive products in Europe and orders in the services business in England decreased year-on-year. Orders received by the **Public Safety and Mobility** business unit totalled EUR 15.4 (22.8) million, decreasing 32,4% from comparison period. The decline was due to timing fluctuations that are typical of the project business.

In January–September, orders received by the **Group** amounted to EUR 88.6 (117.5) million, declining 24,6% from comparison period. Orders received by the **Broadband Networks** business unit totalled EUR 49.1 (71.4) million, Decreasing 31,2% on year-on-year bases. Orders for passive products and HFC products in Europe decreased. Orders from North American customers increased significantly. Orders in the services business in England decreased. The comparison period included EUR 2.8 million in orders in the services business in Switzerland, which was subsequently divested. Orders received by the **Public Safety and Mobility** business unit totalled EUR 39.5 (46.1) million, representing a year-on-year decrease of 14.4%.

### Order book

EUR million	30 Sep 2024	30 Sep 2023	Change	31 Dec 2023
Broadband Networks	19.3	26.8	-28.1 %	28.4
Public Safety and Mobility	99.2	102.2	-2.9%	97.5
<b>Total</b>	<b>118.5</b>	<b>129.0</b>	<b>-8.1%</b>	<b>125.9</b>

The order book of the **Group** amounted to EUR 118.5 (129.0) million at the end of the period, representing a year-on-year decrease of 8.1%. Approximately 22% 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 totalled EUR 19.3 (26.8) million, representing a year-on-year decrease of 28.1%. The order backlog decreased due to low order intake from European customers.

The order book of the **Public Safety and Mobility** business unit totalled EUR 99.2 (102.2) million, decreasing 2,9% from comparison period. The value of the order book for rolling stock manufacturers increased, while the order book for video security and public transport operator customers decreased year-on-year. A key customer of the business unit has the right to transfer their orders from one project to another and change the timing of deliveries. In the latter part of last year, the key customer in question made a number of changes that involved transferring orders between projects and changing the timing of deliveries. Due to the changes, some of the orders were reported in the order book twice on the financial statements date of 31 December 2023. The value of the order book on 31 December 2023 was adjusted downward by EUR 4.4 million during this reporting period.

## Investments, research and product development

Investments by the Group totalled EUR 5.2 (5.3) million, representing 5.4% (4.4%) of net sales. Leases capitalised in accordance with IFRS 16 amounted to EUR 1.2 (0.8) million, while other investments in tangible and intangible assets came to EUR 0.2 (0.6) million. A total of EUR 3.7 (3.9) million of R&D expenses were capitalised during the period under review. Depreciation on capitalised R&D expenses was EUR 1.6 (2.0) million.

R&D expenses amounted to EUR 10.7 (13.1) million, representing 11.1% (10.9%) of consolidated net sales. Product development projects in the Broadband Networks business were focused on distributed access architecture solutions and DOCSIS 4.0-compliant smart amplifiers, as well as network telemetry and remote management solutions targeted at the US market. In the Public Safety and Mobility business, product development projects were focused on passenger information systems and customer-specific product platforms.

## Personnel

The Group employed 687 (817) people on average in January–September 2024. At the end of September, the Group employed 642 (789) people, of whom 31% (37%) worked abroad. Approximately 3% (3%) of the Group's employees were working outside Europe.

Personnel expenses decreased by 14.8% year-on-year to EUR 31.0 (36.4) million. The decrease in personnel expenses was due to a reduction in the number of personnel and temporary layoffs.

## Group structure

The parent company has a branch office in the Netherlands and subsidiaries in 12 countries outside Finland.

## Shares and share capital

Pursuant to the authorisation issued by the Annual General Meeting on 5 April 2023, Teleste Corporation's Board of Directors decided on a directed share issue without consideration, relating to the reward payment for the performance period 2021–2023 of Teleste Group's share-based incentive plan. In the share issue carried out on 28 March 2024, a total of 8,628 Teleste Corporation shares held by the company were conveyed

without consideration to the key employees participating in the share-based incentive plan in accordance with the terms and conditions of the plan. The start of the performance period and its key conditions were disclosed in a stock exchange release published on 11 February 2021.

On 30 September 2024, Tianta Oy was the largest single shareholder of Teleste with a holding of 25.2% (25.2%). According to Euroclear Finland Ltd, the number of Teleste shareholders at the end of the period under review was 5,169 (5,536). Foreign shareholders accounted for 0.9% (1.1%) of the shares, while nominee-registered holdings accounted for 2.5% (2.8%).

On 30 September 2024, 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 738,398 (747,026) treasury shares, representing 3.9% (3.9%) of all Teleste shares, on 30 September 2024.

In January–September 2024, the share turnover of Teleste on Nasdaq Helsinki was 0.9 (1.0) million shares and EUR 2.3 (3.6) million. The volume-weighted average price of the share was EUR 2.70 (3.78), the lowest share price of the review period was EUR 2.10 (3.12) and the highest EUR 3.45 (4.75). The closing price of the Teleste share on 30 September 2024 was EUR 2.17 (3.26) and market capitalisation was EUR 41.2 (61.9) million.

## Governance

### Company management

At the end of September 2024, Teleste's management team included Esa Harju, President and CEO; Pasi Järvenpää, Senior Vice President, Research and Development; Linda Kallas, Senior Vice President, Strategy, Communications & Sustainability; Esa Korolainen, 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 Culture. In addition, Tomi Närhinen served as interim CFO, supporting the CEO and the management team.

### Annual General Meeting

The Annual General Meeting (AGM) of Teleste Corporation held on 11 April 2024 adopted the financial statements and consolidated financial statements for 2023 and the company's remuneration report for 2023 and discharged the members of the Board of Directors and the CEO from liability for the financial period 2023. 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 2023.

The AGM decided that the Board of Directors shall consist of six members. Timo Luukkainen, Jussi Himanen, Vesa Korpimies, Mirel Leino-Haltia, Anni Ronkainen and Kai Telanne were elected as members of Teleste Corporation's Board of Directors.

It was resolved that the annual remuneration to be paid to the members of the Board of Directors is as follows: EUR 66,000 per year to the chairman and EUR 33,000 per year to 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. No separate meeting fee will be paid to the members of the Board of Directors or the chairmen of the Board of Directors' committees. A meeting fee of EUR 400 per meeting is to be paid to the members of the Board of Directors' committees for those committee meetings that they attend.

PricewaterhouseCoopers Oy, a firm of Authorised Public Accountants, was elected as the company's auditor. The audit firm has appointed Markku Launis, APA, as the auditor with principal responsibility. It was decided that the auditor's fees will be paid according to the invoice approved by the company. PricewaterhouseCoopers Oy was also elected as the sustainability reporting assurer, and it will be paid compensation for the task against an invoice approved by the company.

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 of the company's own shares 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 at the time of the purchase.

The share purchase authorisation is valid for eighteen (18) months from the date of the resolution of the Annual General Meeting. The authorisation overrides any previous authorisations to purchase the company's own shares.

The Annual General Meeting 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 review period on 30 September 2024:

- The Board of Directors may acquire 1,200,000 of the company's own shares 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 2023. 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.

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 2023. 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 and whenever necessary.

During the past months, the macroeconomic situation in both Europe and North America has remained uncertain. This has reduced operators' willingness to invest and made it more difficult to predict the market outlook. Customers' willingness to invest has also been reduced by the slow fall in interest rates. For these reasons, the forecast for net sales and profit performance during the remainder of the year involves more uncertainty than normal, which has been considered in the guidance issued by the company.

The geopolitical situation has also become increasingly tense. In addition to the war in Ukraine, which has a direct impact on Europe, geopolitical tensions have grown in the Middle East and Asia. The risk of escalating conflicts has increased, as has the risk related to trade policy measures such as customs levies and tariffs.

## 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 reason 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

Mervi Kerkelä-Hiltunen (MSc. Econ.) started in her position as the new Group CFO of Teleste Corporation in October 2024.

## Operating environment

### Broadband Networks

The demand for broadband services and the global market for network equipment is expected to continue to grow in the longer term, due to competition between network operators in providing high-speed broadband connections to households, increased remote work, digital services and the growing consumption of streaming services that require increasing network capacity and faster connections. The weakened macroeconomic situation, including increased interest rates, cost-saving measures by operators and the optimisation of inventory levels have, however, led to a decrease in market demand since 2023. Market demand has remained uncertain in 2024 as part of the transition to next-generation cable-based or fibre-based technologies. Weak market demand has had a negative impact on the business for many technology vendors in the sector.

Next-generation DOCSIS 4.0-compliant technologies provide subscribers with access to broadband connections with speeds of up to 10 gigabits, by combining and taking advantage of optical fibre and coaxial cabling. This enables the competitiveness of the cable network infrastructure alongside optical fibre for years to come. Data communications operators in North America have started their investments in new DOCSIS 4.0 technology in 2024. In Europe, the investments are expected to start in the second half of 2025, and the investments are expected to only take place in part of the market. In Europe, investments by operators will be relatively more focused on fibre-based network solutions, which means that the wave of DOCSIS 4.0 investments will be more modest than the previous waves of investment in cable infrastructure. The North American cable market is significantly larger than the European market, and investments in DOCSIS 4.0-compliant products are expected to turn the market to considerable growth from 2025 onwards. The DOCSIS 4.0 standard includes alternative technology variants, which has increased the product development investments and the associated risk for technology vendors. As commercial products enter the market, North American operators may also change their technology choices from one standard variant to another.

Deliveries of Teleste's 1.8 GHz DOCSIS 4.0-compliant smart amplifiers began in the first half of the year, and delivery volumes are rising. The relative share of the company's net sales derived from North America is expected to continue to grow in 2025 and 2026.

### 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 public transport information and security systems in the coming years.

Public transport operators 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 sensory data flows. Investments are broadly based on public funding, and the project entities built upon it, where the project prices are typically fixed or tied to cost indices.

The market for public transport information systems turned to growth again in 2023 after the pandemic. We expect moderate and steady market growth in both information systems and security systems in the coming years. Teleste's strategic focus will be on information and security solutions for public transport in particular. Ensuring competitiveness requires Teleste to continuously make R&D investments in new intelligent solutions, and the share of real-time 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 for 2025

Teleste Corporation will publish financial information in 2025 as follows:

11 February 2025	Financial statements bulletin 2024
7 May 2025	Interim report January–March 2025
14 August 2025	Half year financial report January–June 2025
5 November 2025	Interim report January–September 2025

The annual report for 2024 will be published during week 13/2025 at [www.teleste.com](http://www.teleste.com).

Teleste Corporation's Annual General Meeting is scheduled to be held on Wednesday, 23 April 2025, in Helsinki. Teleste's Board of Directors will convene the Annual General Meeting separately at a later date.

## Investor and analyst briefing

Teleste will organise a results event for analysts, investors and the media on 6 November 2024 at 9:30 a.m. Finnish time. The event will feature presentations by CEO Esa Harju, CFO Mervi Kerkelä-Hiltunen, and Tomi Närhinen, who previously served as interim CFO. Registration for the results event will be according to separately provided instructions.

Turku, 6 November 2024

Teleste Corporation  
Board of Directors



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**Teleste in brief**

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](http://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. 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, 2024. Audit principles can be found from the latest annual report. The data stated in this report is unaudited.

<b>STATEMENT OF COMPREHENSIVE INCOME (tEUR)</b>	7-9/2024	7-9/2023	Change %	1-12/2023
<b>Net Sales</b>	<b>29,906</b>	<b>35,238</b>	<b>-15.1 %</b>	<b>151,349</b>
Other operating income	146	84	73.6 %	961
Materials and services	-14,718	-17,793	-17.3 %	-77,304
Personnel expenses	-8,647	-10,806	-20.0 %	-47,479
Depreciation	-1,225	-1,391	-12.0 %	-6,066
Impairment	0	0	n/a	0
Other operating expenses	-4,186	-4,841	-13.5 %	-21,943
<b>Operating profit</b>	<b>1,277</b>	<b>491</b>	<b>160.4 %</b>	<b>-481</b>
Financial income	-71	653	-110.9 %	946
Financial expenses	-703	-579	21.2 %	-2,881
Profit after financial items	503	564	-10.8 %	-2,416
Profit before taxes	503	564	-10.8 %	-2,416
Taxes	68	-220	-130.8 %	1,911
<b>Net profit</b>	<b>571</b>	<b>344</b>	<b>66.1 %</b>	<b>-505</b>
Attributable to:				
Equity holders of the parent	643	457	40.5 %	-82
Non-controlling interests	-71	-113	n/a	-423
	571	344	66.1 %	-505
Earnings per share for result of the year attributable to the Equity holders of the parent (expressed in euro per share)				
Basic	0.04	0.03	40.5 %	0.00
Diluted	0.04	0.03	40.6 %	0.00
Total comprehensive income for the period (tEUR)				
Net profit	571	344	66.1 %	-505
Possible items with future net profit effect				
Translation differences	130	-212	-161.4 %	471
Cash flow hedges	-433	-94	362.6 %	114
Total comprehensive income for the period	268	38	596.7 %	81
Attributable to:				
Equity holders of the parent	316	161	96.4 %	494
Non-controlling interests	-48	-122	n/a	-414

	268	38	596.7 %	81
<b>STATEMENT OF COMPREHENSIVE INCOME (tEUR)</b>	1-9/2024	1-9/2023	Change %	1-12/2023
<b>Net Sales</b>	<b>96,020</b>	<b>120,682</b>	<b>-20.4 %</b>	<b>151,349</b>
Other operating income	490	757	-35.3 %	961
Materials and services	-46,839	-62,503	-25.1 %	-77,304
Personnel expenses	-31,036	-36,428	-14.8 %	-47,479
Depreciation and amortization	-3,848	-4,295	-10.4 %	-6,066
Impairment	-579	0	n/a	0
Other operating expenses	-14,042	-16,365	-14.2 %	-21,943
<b>Operating profit</b>	<b>164</b>	<b>1,848</b>	<b>-91.1 %</b>	<b>-481</b>
Financial income	384	1,089	-64.7 %	946
Financial expenses	-1,620	-1,944	-16.7 %	-2,881
Profit after financial items	-1,072	993	-207.9 %	-2,416
Profit before taxes	-1,072	993	-207.9 %	-2,416
Taxes	7	1,323	-99.5 %	1,911
<b>Net profit</b>	<b>-1,065</b>	<b>2,316</b>	<b>-146.0 %</b>	<b>-505</b>
Attributable to:				
Equity holders of the parent	-850	2,665	-131.9 %	-82
Non-controlling interests	-215	-349	n/a	-423
	-1,065	2,316	-146.0 %	-505
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in euro per share)				
Basic	-0.05	0.15	-131.9 %	0.00
Diluted	-0.05	0.15	-131.9 %	0.00
Total comprehensive income for the period (tEUR)				
Net profit	-1,065	2,316	-146.0 %	-505
Possible items with future net profit effect				
Translation differences	143	-215	-166.8 %	471
Cash flow hedges	-295	546	-154.1 %	114
Total comprehensive income for the period	-1,217	2,647	-146.0 %	81
Attributable to:				
Equity holders of the parent	-1,010	3,003	-133.6 %	494
Non-controlling interests	-207	-356	n/a	-414
	-1,217	2,647	-146.0 %	81

**STATEMENT OF FINANCIAL POSITION (tEUR)**

	30.9.2024	30.9.2023	Change %	31.12.2023
Non-current assets				
Intangible assets	14,785	12,420	19.0 %	13,474
Goodwill	30,095	29,937	0.5 %	30,107
Property, plant, equipment	11,884	12,679	-6.3 %	12,488
Other non-current financial assets	364	348	4.6 %	364
Other non-current receivables	116	116	0.4 %	119
Deferred tax asset	4,911	3,723	31.9 %	4,349
	62,155	59,223	5.0 %	60,900
Current assets				
Inventories	26,751	32,939	-18.8 %	35,618
Trade and other receivables	26,690	32,196	-17.1 %	31,513
Tax Receivable, income tax	278	446	-37.7 %	444
Cash and cash equivalents	15,881	8,129	95.4 %	6,228
	69,599	73,710	-5.6 %	73,802
<b>Total assets</b>	<b>131,755</b>	<b>132,933</b>	<b>-0.9 %</b>	<b>134,702</b>
Shareholder's equity and liabilities				
Share capital	6,967	6,967	0.0 %	6,967
Other equity	53,576	56,719	-5.5 %	54,348
Owners of the parent company	60,543	63,686	-4.9 %	61,315
Non-controlling interests	-640	-376	70.5 %	-433
EQUITY	59,903	63,311	-5.4 %	60,882
Non-current liabilities				
Deferred tax liability	2,672	2,430	10.0 %	2,575
Non-current liabilities, interest-bearing	25,385	26,116	-2.8 %	30,460
Non-current interest-free liabilities	35	23	54.0 %	91
Non-current provisions	289	258	12.0 %	310
	28,381	28,827	-1.5 %	33,435
Current liabilities				
Current interest-bearing liabilities	16,665	9,080	83.5 %	7,338
Trade Payables and Other Liabilities	24,867	28,764	-13.6 %	31,389
Advances received	420	1,600	-73.8 %	675
Tax liability, income tax	451	601	-24.9 %	188
Current provisions	1,068	749	42.6 %	796
	43,471	40,796	6.6 %	40,385
<b>Total shareholder's equity and liabilities</b>	<b>131,755</b>	<b>132,933</b>	<b>-0.9 %</b>	<b>134,702</b>

<b>CONSOLIDATED CASH FLOW STATEMENT (tEUR)</b>	1-9/2024	1-9/2023	Change %	1-12/2023
<b>Cash flows from operating activities</b>				
Profit for the period	-1,065	2,316	-146.0 %	-505
Adjustments to cash flow from operating activities	13,205	11,998	10.1 %	13,638
Other finance items	-233	-109	114.3 %	-318
Paid interest and other finance expenses	-1,328	-1,184	12.2 %	-1,595
Received interests and dividend payments	144	236	-38.7 %	290
Paid Taxes	-141	-614	-77.0 %	-723
<b>Cash flow from operating activities</b>	<b>10,582</b>	<b>12,643</b>	<b>-16.3 %</b>	<b>10,787</b>
<b>Cash flow from investing activities</b>				
Purchase of tangible and intangible assets	-3,954	-4,529	-12.7 %	-6,842
Proceeds from sales of PPE	89	23	289.6 %	28
Divestment of subsidiaries, net of cash acquired	0	2,407	-100.0 %	2,407
Purchase of investments	0	0	n/a	0
<b>Net cash used in investing activities</b>	<b>-3,865</b>	<b>-2,099</b>	<b>n/a</b>	<b>-4,407</b>
<b>Cash flow from financing activities</b>				
Proceeds from borrowings	37,387	0	n/a	0
Payments of borrowings	-33,023	-14,353	130.1 %	-11,633
Payment of leasing liabilities	-1,393	-1,479	-5.8 %	-1,920
Dividends paid	0	0	n/a	0
<b>Net cash used in financing activities</b>	<b>2,970</b>	<b>-15,832</b>	<b>n/a</b>	<b>-13,552</b>
<b>Change in cash</b>				
Cash in the beginning	6,228	13,405	-53.5 %	13,405
Effect of currency changes	-34	11	-412.2 %	-5
Change	9,687	-5,288	n/a	-7,173
<b>Cash at the end</b>	<b>15,881</b>	<b>8,129</b>	<b>95.4 %</b>	<b>6,228</b>

<b>OPERATING SEGMENTS (tEUR)</b>	1-9/2024	1-9/2023	Change %	1-12/2023
<b>Broadband Networks</b>				
Orders received	49,108	71,379	-31.2 %	88,348
Net sales	58,213	77,071	-24.5 %	92,455
Adjusted EBITDA	7,080	7,716	-8.2 %	8,902
Adjusted EBITDA %	12.2 %	10.0 %	21.5 %	9.6 %
Adjusted operating profit	5,078	5,683	-10.6 %	5,989
Adjusted operating profit %	8.7 %	7.4 %	18.3 %	6.5 %
<b>Public Security &amp; Mobility</b>				
Orders received	39,475	46,118	-14.4 %	61,208
Net sales	37,807	43,611	-13.3 %	58,894
Adjusted EBITDA	2,938	2,450	19.9 %	2,763
Adjusted EBITDA %	7.8 %	5.6 %	38.3 %	4.7 %
Adjusted operating profit	1,092	188	480.5 %	-389
Adjusted operating profit %	2.9 %	0.4 %	569.7 %	-0.7 %
<b>Group reconciliation</b>				
Adjusted operating profit from segments	6,171	5,871	5.1 %	5,600
Non-allocated items	-2,959	-3,295	n/a	-4,441
Adjusted operating profit	3,212	2,576	24.7 %	1,158
Adjustment items	-3,048	-729	n/a	-1,640
Operating profit	164	1,848	-91.1 %	-481
Finance items	-1,236	-855	44.6 %	-1,935
Profit before taxes	-1,072	993	-207.9 %	-2,416

Information per quarter (tEUR)	7-9/24	4-6/24	1-3/24	10-12/23	7-9/23	10/2023-9/2024
<b>Orders received</b>						
Broadband Networks	15,952	17,255	15,901	16,969	23,648	66,077
Public Security & Mobility	15,386	9,461	14,628	15,090	22,769	54,565
Total	31,338	26,716	30,529	32,059	46,417	120,641
<b>Net sales</b>						
Broadband Networks	18,115	16,968	23,130	15,384	21,068	73,597
Public Security & Mobility	11,791	12,572	13,444	15,283	14,170	53,090
Total	29,906	29,540	36,574	30,667	35,238	126,687
<b>Adjusted operating profit</b>						
Broadband Networks	1,546	986	2,546	306	1,004	5,384
Public Security & Mobility	669	199	224	-578	174	515
Non-allocated items	-741	-995	-1,222	-1,146	-658	-4,105
Total	1,474	190	1,548	-1,418	520	1,794
<b>Operating profit</b>						
Adjusted operating profit	1,474	190	1,548	-1,418	520	1,794
Adjustment items	-197	-952	-1,899	-911	-30	-3,959
Total	1,277	-762	-351	-2,329	491	-2,165

Net sales by category (tEUR)	1-9/2024	1-9/2023	Change %	1-12/2023
Goods	86,003	104,386	-17.6 %	131,150
Service	10,017	16,296	-38.5 %	20,199
Total	96,020	120,682	-20.4 %	151,349
<b>KEY FIGURES</b>	1-9/2024	1-9/2023	Change %	1-12/2023
Operating profit	164	1,848	-91.1 %	-481
Earnings per share, EUR	-0.05	0.15	-131.9 %	0.00
Earnings per share fully diluted, EUR	-0.05	0.15	-131.9 %	0.00
Shareholders' equity per share, EUR	3.28	3.47	-5.4 %	3.34
Return on equity	-2.4 %	5.0 %	-147.1 %	-0.8 %
Return on investment	0.6 %	3.6 %	-84.3 %	0.2 %
Equity ratio	45.6 %	48.2 %	-5.4 %	45.4 %
Net gearing	43.7 %	42.8 %	2.2 %	51.9 %
Investments, tEUR	5,213	5,346	-2.5 %	7,966
Investments % of net sales	5.4 %	4.4 %	22.5 %	5.3 %
Order backlog, tEUR	118,480	128,972	-8.1 %	125,926
Personnel, average	687	817	-15.9 %	803
Order backlog of 31.12.2023 was restated by -4.4 ME				
Number of shares (thousands) including own shares	18,986	18,986	0.0 %	18,986
Highest share price, EUR	3.45	4.75	-27.4 %	4.75
Lowest share price, EUR	2.10	3.12	-32.7 %	2.55
Average share price, EUR	2.70	3.78	-28.6 %	2.70
Turnover, in million shares	0.9	1.0	-10.2 %	1.5
Turnover, in MEUR	2.3	3.6	-35.9 %	5.2
Impairment by category (tEUR)	1-9/2024	1-9/2023	Change %	1-12/2023
Impairment of development costs	-579	0	n/a	0
Impairments total	-579	0	n/a	0
Inventories (tEUR)	30.9.2024	30.9.2023	Change %	31.12.2023
Inventory at purchase value	35,831	41,594	-13.9 %	43,436
Provision for net realization value	-9,080	-8,655	4.9 %	-7,818
Inventory total	26,751	32,939	-18.8 %	35,618
Treasury shares	Number of shares		% of shares	% of votes
Possession of company's own shares 30.9.2024	738,398		3.89 %	3.89 %

Contingent liabilities and pledged assets (tEUR)	30.9.2024	30.9.2023	Change %	31.12.2023
Leasing and rent liabilities	522	961	-45.7 %	840
Derivative instruments (tEUR)				
Value of underlying forward contracts	10,638	15,648	-32.0 %	14,442
Market value of forward contracts	-75	117	-164.0 %	-274
Interest rate swap	28,750	31,250	-8.0 %	31,250
Market value of interest swap	113	938	-87.9 %	478

## 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 recognized in the income statement within the corresponding income or expense group.

ALTERNATIVE PERFORMANCE MEASURES (tEUR)	7-9/2024	7-9/2023	Change %	1-9/2024	1-9/2023	Change %	1-12/2023
Adjusted operating profit	1,474	520	183.4 %	3,212	2,576	24.7 %	1,158
Adjusted earning per share, EUR	0.05	0.03	72.3 %	0.12	0.19	-35.3 %	0.09
BRIDGE OF CALCULATION							
Operating profit	1,277	491	160.4 %	164	1,848	-91.1 %	-481
Business reorganization	191	28	583.7 %	2,372	215	1,005.1 %	725
Strategic development projects	5	2	219.9 %	96	514	-81.2 %	915
Impairment of development costs	0	0	n/a	579	0	n/a	0
Adjusted operating profit	1,474	520	183.4 %	3,212	2,576	24.7 %	1,158
Net profit/loss to equity holder	643	457	40.5 %	-850	2,665	-131.9 %	-82



Outstanding shares during the quarter, weighted average	18,247	18,239	0.0 %	18,245	18,236	0.0 %	18,237
Earnings per share, basic (EUR)	0.04	0.03	40,5 %	-0.05	0.15	-131.9 %	0.00
Net profit/loss to equity holder	643	457	40.5 %	-850	2,665	-131.9 % 1,005.1 %	-82
Business reorganization	191	28	583.7 %	2,372	215		725
Strategic development projects	5	2	219.9 %	96	514	-81.2 %	915
Impairment of development costs	0	0	n/a	579	0	n/a	0
Change in deferred assets	0	0	n/a	0	0	n/a	0
Outstanding shares during the quarter	18,247	18,239	0.0 %	18,245	18,236	0.0 %	18,237
Adjusted earnings per share, EUR	0.05	0.03	72.3 %	0.12	0.19	-35.3 %	0.09

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (tEUR)

Attributable to equity holders of the parent

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

	A	B	C	D	E	F	G	H	I
Shareholder's equity 1.1.2024	6,967	1,504	-2,154	51,591	3,140	266	61,315	-433	60,882
Net result	0	0	0	-850	0	0	-850	-215	-1,065
Other comprehensive items for the period	0	0	-138	274		-295	-159	8	-152
Dividend	0	0	0	0	0	0	0	0	0
Equity-settled share-based payments	0	0	0	238	0	0	238	0	238
Shareholder's equity 30.9.2024	6,967	1,504	-2,292	51,253	3,140	-29	60,453	-640	59,903
	A	B	C	D	E	F	G	H	I
Shareholder's equity 1.1.2023	6,967	1,504	-1,850	50,460	3,140	151	60,372	-20	60,353
Net result	0	0	0	2,665	0	0	2,665	-349	2,316

Other comprehensive items for the period	0	0	-433	226		546	338	-7	331
Dividend	0	0	0	0		0	0	0	0
Equity-settled share-based payments	0	0	0	311	0	0	311	0	311
Shareholder's equity 30.9.2023	6,967	1,504	-2,284	53,662	3,140	697	63,687	-376	63,311

## 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

## Major shareholders, as sorted by number of shares - September 30, 2024

	Number of shares	% of shares
Tianta Oy	4,788,298	25.2
Mandatum Life Insurance Company Limited	1,679,900	8.8
Ilmarinen Mutual Pension Insurance Company	899,475	4.7
Kaleva Mutual Insurance Company	824,641	4.3
Wipunen Varainhallinta Oy	800,000	4.2
Mariatorp Oy	800,000	4.2
Teleste Oyj	738,398	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 September 30, 2024

	Nbr. of shareholders	% of Owners	Shares	% of shares
Households	4,892	94.6	5,046,922	26.6
Public sector institutions	3	0.1	1,920,625	10.1
Financial and insurance institutions	16	0.3	3,183,282	16.8
Corporations	211	4.1	8,628,837	45.4

Non-profit institutions	20	0.4	36,968	0.2
Foreign	27	0.5	168,954	0.9
Total	5,169	100.0	18,985,588	100.0
Of which nominee registered	9	0.2	475,711	2.5

### Major shareholders by distribution of shares September 30, 2024

Number of shares	Nbr. of shareholders	% of shareholders	Nbr. of shares	% of shares
1-100	1,598	30.9	80,768	0.4
101-500	1,992	38.5	525,736	2.8
501-1,000	660	12.8	535,491	2.8
1,001-5,000	703	13.6	1,512,415	8.0
5,001-10,000	102	2.0	733,176	3.9
10,001-50,000	87	1.7	1,852,180	9.8
50,001-100,000	10	0.2	650,299	3.4
100,001-500,000	9	0.2	2,043,661	10.8
500,001-& above	8	0.2	11,051,862	58.2
Total	5,169	100.0	18,985,588	100.0
of which nominee registered	9	0.2	475,711	2.5





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