

INTERIM
REPORT
Q1 2022



JANUARY 1–MARCH 31, 2022

TELESTE

ORDER BACKLOG INCREASED, WHILST PROFITABILITY DECLINED IN A CHALLENGING OPERATING ENVIRONMENT

First quarter of 2022

- Net sales amounted to EUR 38.0 (37.0) million, an increase of 2.6%
- The adjusted operating result was EUR 0.1 (1.5) million, a decrease of 93.3%
- The operating result was EUR 0.1 (4.7) million, a decrease of 97.9%
- Adjusted earnings per share were EUR 0.01 (0.03), a decrease of 76.9%
- Earnings per share were EUR 0.01 (0.21), a decrease of 96.6%
- Cash flow from operations was EUR -4.8 (2.6) million
- Orders received totalled EUR 59.9 (36.0) million, an increase of 66.3%
- The order backlog at period-end totalled EUR 130.6 (76.1) million, an increase of 71.5%

Outlook for 2022

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

The indirect impacts of war in Ukraine, worsening component shortage and rising inflation may have an adverse effect on company's operations.

Comments by CEO Esa Harju:

"The first quarter orders increased significantly from the comparison period, resulting in a new record order backlog. Net sales were on par with the comparison period, but the adjusted operating result declined considerably. Achieving net sales growth in this exceptionally challenging component availability situation has proven to be more challenging than expected, whilst investments into growth and operational delivery capability assurance have increased costs in various areas.

The first months of year 2022 have been characterized by three major changes in our operating environment: The rapidly changed geopolitical situation in Europe, worsening pandemic outbreak in China, and rising inflation.

Whilst the direct business impact from the war situation in Ukraine has so far been limited for Teleste, it might have many consequences in the near future. The pandemic outbreak in China is further disrupting global supply chains, which is already leading to longer and increasingly uncertain component lead times. Inflation is raising all costs.

Broadband network operators continued to invest in their access networks, and our order book grew during the first months of the year. We have largely succeeded in transferring increased material costs into our customer prices, thereby protecting our product margins. We have also succeeded in maintaining adequate delivery capability despite the component crisis. Service business requires further efforts in process development and operational efficiency. Our next generation product tests in North America are proceeding as planned, and we intend to showcase our technology to several customers this year. We also introduced new DOCSIS 4.0 compliant passives products to the markets.

Customer investments also continued in video security and public transport information systems, which further strengthened our order book. Several public transport projects have fixed prices, as is customary for the industry, which has impacted project profitability. This was partially compensated by software sales. Component crisis is causing further uncertainty to our business forecasting, as delivery capability is difficult to reliably estimate. We continue to pay special attention to project resourcing, critical component availability, and pricing terms of new customer contracts.

The new geopolitical environment in Europe, as well as worsening pandemic outbreak in China continue to add uncertainty to material and component availability. Rising inflation is putting pressure on all costs. New ways of working and shortage of e.g. skilled software developers require an increasing amount of management attention. The year 2022 continues under altered exceptional circumstances, but we have confidence in our capability to make progress towards our strategic goals".

Group Operations, January-March 2022

Key figures	1-3/2022	1-3/2021	Change, %	1-12/2021
Net sales, EUR million	38.0	37.0	+2.6%	144.0
Adjusted EBIT, EUR million 1)	0.1	1.5	-93.3%	5.5
Adjusted EBIT, % 1)	0.3%	4.0%		3.8%
EBIT, EUR million	0.1	4.7	-97.9%	8.7
EBIT, %	0.3%	12.7%		6.1%
Result for the period, EUR million	0.1	3.7	-97.2%	6.9
Adjusted earnings per share, EUR 1)	0.01	0.03	-76.9%	0.21
Earnings per share, EUR	0.01	0.21	-96.6%	0.39
Cash flow from operations, EUR million	-4.8	2.6	-282.3%	13.5
Net gearing, %	32.8%	20.0%		20.2%
Equity ratio, %	51.9%	52.3%		53.3%
Orders received, EUR million	59.9	36.0	+66.3%	175.5
Order backlog, EUR million	130.6	76.1	+71.5%	108.6
Personnel at period-end	862	863	-0.1%	847

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

The Group's orders received in the first quarter totalled EUR 59.9 (36.0) million, representing a year-on-year increase of 66.3%. Orders increased in access network products as well as public transport information solutions. The order backlog grew by 71.5% compared to the end of the reference period and totalled EUR 130.6 (76.1) million. Approximately 51% of the deliveries in the order backlog are scheduled to take place during the current financial period. Net sales amounted to EUR 38.0 (37.0) million, an increase of 2.6% year-on-year. Net sales increased in video security and public transport information solutions but declined in access network products.

Material and production service costs came to EUR 18.5 (17.9) million, an increase of 3.6%. Personnel expenses increased by 1.2% to EUR 12.2 (12.1) million. Depreciation amounted to EUR 1.8 (1.7) million, an increase of 3.0%. Other operating expenses increased by 29.0% to EUR 5.4 (4.2) million. Other expenses were increased by the higher use of subcontracting and business travel, as well as the end of cost savings related to the pandemic. The higher level of costs partially reflects the company's growth target. The adjusted operating result was EUR 0.1 (1.5) million, representing 0.3% (4.0%) of net sales. The operating result was EUR 0.1 (4.7) million, or 0.3% (12.7%) of net sales. The operating result for the comparison period included non-recurring insurance compensation in the amount of EUR 3.2 million. Net gains from financial items totalled EUR 0.0 (0.1) million. Direct taxes amounted to EUR 0.0 (1.1) million. The result for the reporting period came to EUR 0.1 (3.7) million, a decrease of 97.2%. The adjusted earnings per share were EUR 0.01 (0.03), a decrease of 76.9%. Earnings per share were EUR 0.01 (0.21), a decrease of 96.6%.

Cash flow from operations was EUR -4.8 (2.6) million. Cash flow from operations was reduced by working capital, which was increased by forward-looking material purchases and the growth of trade receivables. Cash flow from operations for the comparison period included a non-recurring income item of EUR 3.2 million.

R&D expenses amounted to EUR 3.8 (3.5) million, representing 10.1% (9.4%) of consolidated net sales. The company has specified the definition of R&D expenses used in reporting. The new definition does not have an impact on profit or loss, but it provides a better illustration of the total amount of R&D expenses. The figures for the comparison period have been restated to reflect the new definition. Product development projects focused on distributed access architecture and next-generation amplifiers, including solutions designed for the US market, situational awareness and video security solutions, passenger information systems and customer-specific projects. Capitalised R&D expenses amounted to EUR 1.4 (1.2) million. Depreciation on capitalised R&D expenses was EUR 1.0 (0.9) million.

Personnel and organisation January-March 2022

The Group employed 854 (862) people on average during the period under review. At the end of the review period, the Group employed 862 (863) people, of whom 44% (46%) worked abroad. Approximately 3% (3%) of the Group's employees were working outside Europe.

Personnel expenses increased by 1.2% year-on-year to EUR 12.2 (12.1) million. The change in personnel expenses was attributable to wage increases.

Investments and product development January-March 2022

Investments by the Group totalled EUR 3.8 (1.7) million, representing 10.1% (4.6%) of net sales. Of the investments, EUR 1.0 (0.4) million were carried out under financing agreements.

Investments in product development amounted to EUR 1.4 (1.2) million. Product development projects focused on distributed access architecture and next-generation amplifiers, including solutions designed for the US market, situational awareness and video security solutions, passenger information systems and customer-specific projects.

Financing and capital structure January-March 2022

As planned, the company signed new financing agreements on 29 March 2022. The new financing agreements include a bank loan of EUR 20.0 million and a binding credit facility of EUR 15.0 million. The bank loan of EUR 20.0 million will fall due in March 2026 and includes a one-year extension option. The loan will be amortised twice a year in instalments of EUR 1.25 million. The credit facility of EUR 15.0 million will run until the end of March 2025.

The old financing agreements include a credit facility of EUR 10.0 million, which has been terminated effective at the end of June 2022, and a four-year loan of EUR 6.0 million, which will be amortised in fixed instalments every six months by August 2024.

At the end of the period under review, the amount of unused binding credit facilities was EUR 25.0 (21.5) million. On 31 March 2022, the Group's interest-bearing debt stood at EUR 29.7 (29.8) million, including IFRS 16 lease liabilities. The Group's equity ratio was 51.9% (52.3%) and the net gearing ratio was 32.8% (20.0%).

Key risks related to business operations

The most significant changes to the risks presented in the Report of the Board of Directors and financial statements for 2021 are related to the war started by Russia in Ukraine, the worsening pandemic situation in China, and accelerating inflation. At the end of February, the company decided to suspend deliveries to Russia and Belarus. While the direct impacts of the war in Ukraine on Teleste's business have thus far been limited, the war does have a significant impact on the availability of certain materials, logistics costs and the delivery times of materials. The worsening pandemic situation in China may lead to the closure of component manufacturers' factories and cargo ports. Accelerating inflation increases operating costs across the board.

The shortages of materials and components caused delays in deliveries in the first quarter. Problems associated with the availability of materials, and the increase in purchasing prices, are expected to continue during the remainder of the year.

Teleste's Belgian subsidiary has received a tax reassessment decision for the tax year 2019. The company intends to appeal against the tax reassessment decision. The tax reassessment decision and related risks are described in the events after the review period.

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

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

Group structure

The parent company has a branch office in the Netherlands and subsidiaries in 14 countries outside Finland. Teleste Information Solutions Oy acquired the Italian technology company Ermetris S.r.l. in January. Ermetris strengthens Teleste's position as a supplier in the Italian market.

Shares and changes in share capital

Pursuant to the authorisation issued by the Annual General Meeting, Teleste Corporation's Board of Directors decided, on 9 March 2022, on a directed share issue without consideration, relating to the reward payment for the performance period 2019-2021 of Teleste Group's share-based incentive plan 2018. In the share issue, 10,512 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 on 18 March 2022.

On 31 March 2022, Tianta Oy was the largest single shareholder with a holding of 25.1% (24.2%). According to Euroclear Finland Ltd, the number of shareholders at the end of the period under review was 5,389 (5,902). Foreign and nominee-registered holdings accounted for 4.2% (3.9%) of the shares.

On 31 March 2022, the Group held 757,682 (768,194) of its own shares, all held by the parent company Teleste Corporation. At the end of the review period, the Group's holding of the total number of shares amounted to 4.0% (4.0%).

On 31 March 2022, the company's registered share capital stood at EUR 6,966,932.80, divided into 18,985,588 shares.

In the period under review, the lowest price of the company's share was EUR 4.10 (4.47) and the highest price was EUR 5.76 (5.34). The closing price on 31 March 2022 stood at EUR 4.83 (5.14). From 1 January to 31 March 2022, a total of 0.6 (0.9) million Teleste shares were traded on Nasdaq Helsinki, and the value of the shares traded was EUR 2.8 (4.5) million.

Valid authorisations on 31 March 2022:

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

Events after the end of the review period

General Meeting

The Annual General Meeting (AGM) of Teleste Corporation held on 6 April 2022 adopted the financial statements and consolidated financial statements for 2021 and discharged the members of the Board of Directors and the CEO from liability for the financial period 2021. In accordance with the proposal of the Board of Directors, the AGM resolved that, based on the adopted balance sheet, a dividend of EUR 0.14 per share be paid for the financial period that ended on December 31, 2021 for shares other than those held by the Company. The dividend record date was 8 April 2022 and the dividend was paid out on 19 April 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 6 April 2022, the Board of Directors elected Timo Luukkainen as its Chairman. Mirel Leino-Haltia was elected Chair of the Audit Committee, with Jussi Himanen and Vesa Korpimies as members.

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

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

The AGM approved the company's Remuneration Report for 2021.

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

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

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

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

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

Tax reassessment decision for Belgian subsidiary

Teleste's Belgian subsidiary has received a tax reassessment decision for the tax year 2019. The decision concerns an error in the tax return prepared by a local tax advisor used by the company. The tax reassessment decision imposes a payment of EUR 2.1 million in total, consisting of additional taxes EUR 1.7 million and tax penalties and late payment interests EUR 0.4 million. The company considers the decision unfounded and intends to appeal the decision.

Operating environment in 2022

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

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

The cable network industry has also created a vision and roadmap pertaining to the next-generation DOCSIS 4.0 standard. This next generation of technology will enable households to access broadband connections with speeds up to 10 gigabytes using existing coaxial cabling. DOCSIS 4.0 enables the competitiveness of the cable network infrastructure compared to optical fibre for years to come. We presume that North American operators, in particular, will invest heavily when DOCSIS 4.0 products enter the market, while European operators will partially switch to fibre investments to maintain their lead over other fixed network competitors.

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

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

Public transport operators and other authorities must ensure smooth operation of services and infrastructure as well as the safety of people. Public transport information systems are continuously developing to be increasingly smart and real-time. The intelligence of video security solutions is increasing and demand has emerged in the market for comprehensive situational

awareness systems that include management of other sensor-level data flows in addition to video image and automate operating processes in exceptional situations.

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

Outlook for 2022

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

The indirect impacts of war in Ukraine, worsening component shortage and rising inflation may have an adverse effect on company's operations.

4 May 2022

Teleste Corporation
Board of Directors

Esa Harju
President and CEO

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, 2022. The data stated in this report is unaudited.

STATEMENT OF COMPREHENSIVE INCOME (tEUR)	1-3/2022	1-3/2021	Change %	1-12/2021
Net Sales	37,964	37,010	2.6 %	143,966
Other operating income	93	3,590	-97.4 %	5,209
Materials and services	-18,549	-17,905	3.6 %	-67,672
Personnel expenses	-12,233	-12,088	1.2 %	-46,825
Depreciation	-1,792	-1,739	3.0 %	-7,566
Other operating expenses	-5,382	-4,173	29.0 %	-18,399
Operating profit	100	4,695	-97.9 %	8,714
Financial income	196	316	-38.0 %	1,091
Financial expenses	-168	-198	-15.1 %	-767
Profit after financial items	129	4,814	-97.3 %	9,037
Profit before taxes	129	4,814	-97.3 %	9,037
Taxes	-24	-1,137	-97.9 %	-2,107
Net profit	104	3,677	-97.2 %	6,930
Attributable to:				
Equity holders of the parent company	128	3,756	-96.6 %	7,089
Non-controlling interests	-24	-79	n/a	-159
	104	3,677	-97.2 %	6,930
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in euro per share)				
Basic	0.01	0.21	-96.6 %	0.39
Diluted	0.01	0.21	-96.6 %	0.39
Total comprehensive income for the period (tEUR)				
Net profit	104	3,677	-97.2 %	6,930
Possible items with future net profit effect				
Translation differences	-67	242	-127.7 %	620
Cash flow hedges	257	0	n/a	1
Total comprehensive income for the period	295	3,919	-92.5 %	7,552
Attributable to:				
Equity holders of the parent company	315	3,986	-92.1 %	7,691
Non-controlling interests	-20	-67	n/a	-140
	295	3,919	-92.5 %	7,552
STATEMENT OF FINANCIAL POSITION (tEUR)				
	31.3.2022	31.3.2021	Change %	31.12.2021
Non-current assets				
Intangible assets	14,535	12,930	12.4 %	14,047
Goodwill	31,065	30,609	1.5 %	30,707
Property, plant, equipment	12,413	8,934	38.9 %	11,284
Other non-current financial assets	458	748	-38.8 %	458
Deferred tax asset	1,961	1,489	31.7 %	1,700
	60,432	54,711	10.5 %	58,195
Current assets				
Inventories	32,415	30,254	7.1 %	29,177
Trade and other receivables	39,933	30,416	31.3 %	33,493
Tax Receivable, income tax	292	531	-45.1 %	259
Cash and cash equivalents	6,890	16,380	-57.9 %	14,100
	79,529	77,582	2.5 %	77,029

Total assets	139,961	132,293	5.8 %	135,224
Shareholder's equity and liabilities				
Share capital	6,967	6,967	0.0 %	6,967
Other equity	62,323	59,957	3.9 %	61,843
Owners of the parent company	69,290	66,924	3.5 %	68,809
Non-controlling interests	160	253	-36.8 %	180
EQUITY	69,450	67,177	3.4 %	68,990
Non-current liabilities				
Deferred tax liability	2,095	1,740	20.4 %	1,988
Non-current liabilities, interest-bearing	23,965	23,894	0.3 %	6,856
Non-current interest-free liabilities	705	813	-13.3 %	737
Non-current provisions	390	311	25.6 %	370
	27,155	26,758	1.5 %	9,951
Current liabilities				
Current interest-bearing liabilities	5,723	5,952	-3.8 %	21,193
Trade Payables and Other Liabilities	35,832	30,666	16.8 %	33,260
Tax liability, income tax	801	714	12.2 %	868
Current provisions	1,000	1,026	-2.6 %	962
	43,356	38,357	13.0 %	56,283
Total shareholder's equity and liabilities	139,961	132,293	5.8 %	135,224
CONSOLIDATED CASH FLOW STATEMENT (tEUR)	1-3/2022	1-3/2021	Change %	1-12/2021
Cash flows from operating activities				
Profit for the period	104	3,677	-97.2 %	6,930
Adjustments to cash flow from operating activities	-4,714	-644	632.2 %	7,567
Other finance items	211	123	72.2 %	164
Paid interest and other finance expenses	-66	-80	-17.2 %	-300
Received interests and dividend payments	15	3	369.8 %	76
Paid Taxes	-322	-462	-30.3 %	-935
Cash flow from operating activities	-4,771	2,617	-282.3 %	13,502
Cash flow from investing activities				
Purchase of tangible and intangible assets	-2,284	-1,326	72.3 %	-6,988
Proceeds from sales of PPE	0	12	-96.1 %	85
Divestment of subsidiaries, net of cash acquired	0	-3,749	-100.0 %	-3,749
Acquisition of subsidiaries, net of cash acquired	-819	0	n/a	0
Purchase of investments	0	0	n/a	-142
Net cash used in investing activities	-3,103	-5,062	-38.7 %	-10,795
Cash flow from financing activities				
Proceeds from borrowings	20,000	0	n/a	0
Payments of borrowings	-18,850	-750	2413.3 %	-4,500
Payment of leasing liabilities	-508	-539	-5.6 %	-2,120
Dividends paid	0	-135	-100.0 %	-2,321
Capital investment by non-controlling interests	0	0	n/a	0
Net cash used in financing activities	642	-1,424	-145.1 %	-8,942
Change in cash				
Cash in the beginning	14,100	20,224	-30.3 %	20,224
Effect of currency changes	22	25	-12.9 %	109
Change	-7,232	-3,870	86.9 %	-6,234
Cash at the end	6,890	16,380	-57.9 %	14,100
KEY FIGURES	1-3/2022	1-3/2021	Change %	1-12/2021
Operating profit	100	4,695	-97.9 %	8,714
Earnings per share, EUR	0.01	0.21	-96.6 %	0.39
Earnings per share fully diluted, EUR	0.01	0.21	-96.6 %	0.39
Shareholders' equity per share, EUR	3.66	3.54	3.4 %	3.79

Return on equity	0.6 %	22.6 %	-97.3 %	10.5 %
Return on capital employed	0.9 %	20.9 %	-95.5 %	10.2 %
Equity ratio	51.9 %	52.3 %	-0.7 %	53.3 %
Gearing	32.8 %	20.0 %	63.6 %	20.2 %
Investments, tEUR	3,832	1,709	124.2 %	11,063
Investments % of net sales	10.1 %	4.6 %	118.6 %	7.7 %
Order backlog, tEUR	130,607	76,142	71.5 %	108,635
Personnel, average	854	862	-0.9 %	863
Number of shares (thousands) including own shares	18,986	18,986	0.0 %	18,986
Highest share price, EUR	5.76	5.34	7.9 %	6.66
Lowest share price, EUR	4.10	4.47	-8.3 %	4.47
Average share price, EUR	5.11	4.97	2.8 %	5.46
Turnover, in million shares	0.6	0.9	-38.6 %	2.5
Turnover, in MEUR	2.8	4.5	-37.4 %	13.8
ALTERNATIVE PERFORMANCE MEASURES				
Adjusted operating profit	100	1,495	-93.3 %	5,514
Adjusted earning per share, EUR	0.01	0.03	-76.9 %	0.21
BRIDGE OF CALCULATION				
Operating profit	100	4,695	-97.9 %	8,714
Other Non-recurring item	0	-3,200	-100.0 %	-3,200
Adjusted operating profit	100	1,495	-93.3 %	5,514
Net profit/loss to equity holder	128	3,756	-96.6 %	7,089
Outstanding shares during the quarter	18,221	18,212	0.0 %	18,216
Earnings per share, basic	0.01	0.21	-96.6 %	0.39
Net profit/loss to equity holder	128	3,756	-96.6 %	7,089
Other Non-recurring item	0	-3,200	-100.0 %	-3,200
Outstanding shares during the quarter	18,221	18,212	0.0 %	18,216
Adjusted earnings per share, EUR	0.01	0.03	-76.9 %	0.21
Treasury shares				
	Number of shares		% of shares	% of votes
Possession of company's own shares 31.3.2022	757,682		3.99 %	3.99 %
Contingent liabilities and pledged assets (tEUR)				
Leasing and rent liabilities	804	966	-16.8 %	951
Derivative instruments (tEUR)				
Value of underlying forward contracts	18,958	22,050	-14.0 %	18,128
Market value of forward contracts	350	267	31.2 %	360
Interest rate swap	15,000	0	n/a	0
Market value of interest swap	50	0	n/a	0

Taxes are computed on the basis of the tax on the profit for the period.

Net sales by category	1-3/2022	1-3/2021	Change %	1-12/2021
Goods	32,215	31,000	3.9 %	120,220
Service	5,749	6,010	-4.3 %	23,746
Total	37,964	37,010	2.6 %	143,966

Order backlog, tEUR	31.3.2022 130,607	31.3.2021 76,142	Change % 71.5 %	31.12.2021 108,635
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Information per quarter (tEUR)	1-3/22	10-12/21	7-9/21	4-6/21	1-3/21	4/2021- 3/2022
Orders received	59,936	51,480	44,137	43,861	36,042	199,413
Net sales	37,964	38,858	32,316	35,782	37,010	144,919
EBIT	100	603	2,280	1,135	4,695	4,119
EBIT%	0.3 %	1.6 %	7.1 %	3.2 %	12.7 %	2.8 %

Consolidated statement of changes in equity, 1000 euros

Attributable to equity holders of the parent (tEUR)

	Attributable to equity holders of the parent (tEUR)								
	Total equity								
	A	B	C	D	E	F	G	H	I
Shareholder's equity									
1.1.2022	6,967	1,504	-1,392	58,588	3,140	2	68,809	180	68,990
Net result				128			128	-24	105
Other comprehensive items for the period			35	-105		257	187	3	190
Dividend							0		0
Equity-settled share-based payments				166			166		166
Shareholder's equity 31.3.2022	6,967	1,504	-1,358	58,778	3,140	259	69,290	160	69,450
Shareholder's equity									
1.1.2021	6,967	1,504	-1,557	52,716	3,140	0	62,770	319	63,090
Net result				3,756			3,756	-79	3,677
Other comprehensive items for the period			73	156		0	229	13	242
Dividend							0		0
Equity-settled share-based payments				169			169		169
Shareholder's equity 31.3.2021	6,967	1,504	-1,484	56,797	3,140	0	66,925	253	67,177

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 Shareholders' equity
Earnings per share:	Profit for the period attributable to equity holder of the parent ----- Weighted average number of ordinary shares outstanding during the period
Earnings per share, diluted:	Profit for the period attributable to equity holder of the parent (diluted) ----- Average number of shares - own shares + number of options at the period-end

ALTERNATIVE PERFORMANCE MEASURES

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

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

Major shareholders, as sorted by number of shares - March 31, 2022

	Number of shares	% of shares
Tianta Oy	4,768,298	25.1
Mandatum Life Insurance Company Limited	1,683,900	8.9
Ilmarinen Mutual Pension Insurance Company	899,475	4.7
Kaleva Mutual Insurance Company	824,641	4.3
Teleste Oyj	757,682	4.0
Wipunen Varainhallinta Oy	700,000	3.7
Mariatorp Oy	650,000	3.4
Varma Mutual Pension Insurance Company	521,150	2.7
The State Pension Fund	500,000	2.6
OP-Finland Small Firms Fund	240,408	1.3

Shareholders by sector	Nbr. of	% of	% of
March 31, 2022	shareholders	Owners	Shares
Households	5,084	94.3	4,915,950
Public sector institutions	3	0.1	1,920,625
Financial and insurance institutions	17	0.3	3,472,615

Corporations	235	4.4	8,410,946	44.3
Non-profit institutions	20	0.4	43,918	0.2
Foreign	30	0.6	221,534	1.2
Total	5,389	100.00	18,985,588	100.0
Of which nominee registered	9	0.2	576,926	3.0

Major shareholders by distribution of shares March 31, 2022

Number of shares	Nbr. of shareholders	% of shareholders	Nbr. of shares	% of shares
1-100	1,609	29.9	85,879	0.5
101-500	2,163	40.1	570,805	3.0
501-1,000	709	13.2	574,436	3.0
1,001-5,000	705	13.1	1,557,021	8.2
5,001-10,000	100	1.9	706,000	3.7
10,001-50,000	75	1.4	1,620,376	8.5
50,001-100,000	8	0.1	539,552	2.8
100,001-500,000	12	0.2	2,526,373	13.3
500,001-& above	8	0.1	10,805,146	56.9
Total	5,389	100.0	18,985,588	100.0
of which nominee registered	9	0.2	576,926	3.0

ADDITIONAL INFORMATION:

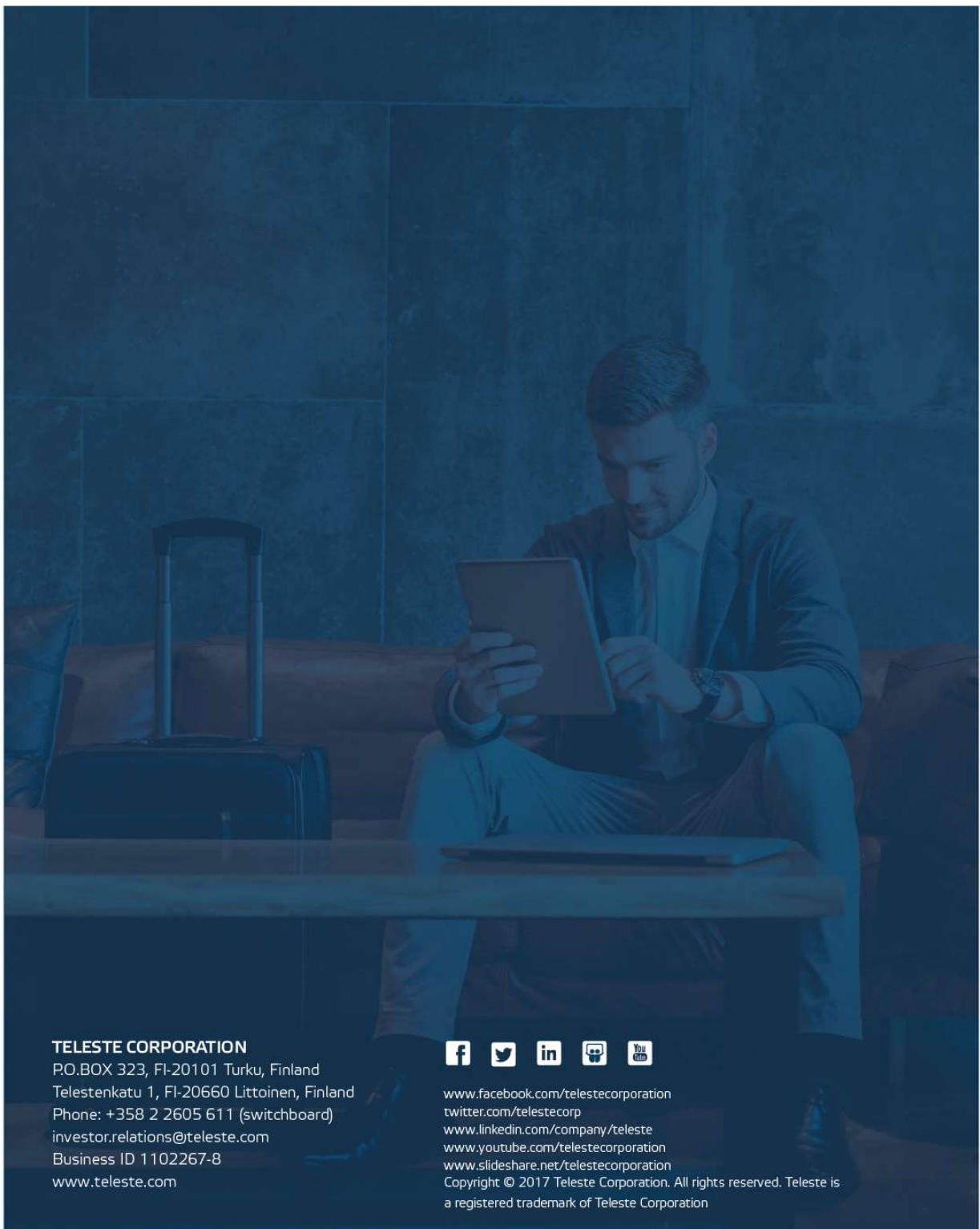
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