

A woman with long brown hair, wearing a blue jacket and large headphones, is looking at her smartphone. She is standing in front of a window, and the background is blurred. The image is part of a financial report cover.

HALF YEAR
FINANCIAL
REPORT

H1 2024

JANUARY 1 – JUNE 30, 2024

TELESTE

TELESTE CORPORATION HALF-YEAR REPORT 1 JANUARY TO 30 JUNE 2024

TELESTE CORPORATION: NET SALES AND ADJUSTED OPERATING RESULT DECREASED. DEMAND IN THE EUROPEAN NETWORKS MARKET REMAINS LOW, DELIVERIES IN NORTH AMERICA HAVE INCREASED.

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

April–June 2024 in brief

- Net sales decreased by 26.3%, amounting to EUR 29.5 (40.1) million
- Adjusted EBITDA decreased by 35.7%, amounting to EUR 1.3 (2.0) million
- Adjusted operating result decreased by 68.1%, amounting to EUR 0.2 (0.6) million
- Operating result decreased to EUR -0.8 (0.1) million
- Adjusted earnings per share decreased to EUR -0.01 (0.02)
- Earnings per share decreased to EUR -0.06 (-0.01)
- Cash flow from operations decreased to EUR -0.2 (9.8) million
- Orders received decreased by 11.7% to EUR 26.7 (30.3) million

January–June 2024 in brief

- Net sales decreased by 22.6%, amounting to EUR 66.1 (85.4) million
- Adjusted EBITDA decreased by 12.1%, amounting to EUR 4.4 (5.0) million
- Adjusted operating result decreased by 15.5%, amounting to EUR 1.7 (2.1) million
- Operating result decreased to EUR -1.1 (1.4) million
- Adjusted earnings per share decreased by 53.3%, amounting to EUR 0.07 (0.16)
- Earnings per share decreased to EUR -0.08 (0.12)
- Cash flow from operations decreased by 39.5%, amounting to EUR 7.1 (11.7) million
- Orders received decreased by 19.5% to EUR 57.2 (71.1) million
- The order book decreased by 0.6% and amounted to EUR 117.1 (117.8) million
- Teleste's 1.8GHz DOCSIS 4.0-compliant smart amplifiers became the first in the industry to progress to the field deployment stage in North America.

Outlook for 2024 (specified)

Teleste estimates that net sales in 2024 will amount to EUR 140–150 million and that the adjusted operating result in 2024 will be EUR 3–6 million.

Previously, the company estimated that net sales in 2024 will amount to EUR 140–165 million and that the adjusted operating result in 2024 will be EUR 3–6 million.

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	4-6 2024	4-6 2023	Change	1-6 2024	1-6 2023	Change	1-12 2023
Net sales	29.5	40.1	-26.3%	66.1	85.4	-22.6%	151.3
Adjusted EBITDA ¹⁾	1.3	2.0	-35.7%	4.4	5.0	-12.1	7.2
Adjusted EBITDA, % ¹⁾	4.4%	5.1%	-	6.6%	5.8%		4.8%
Adjusted EBIT ¹⁾	0.2	0.6	-68.1%	1.7	2.1	-15.5%	1.2
Adjusted EBIT, % ¹⁾	0.6%	1.5%	-	2.6%	2.4%	-	0.8%
EBIT	-0.8	0.1	>-100%	-1.1	1.4	>-100%	-0.5
EBIT, %	-2.6%	0.3%	-	-1.7%	1.6%	-	-0.3%
Net result for the period	-1.1	-0.3	n/a	-1.6	2.0	>-100%	-0.5
Adjusted earnings per share, EUR ¹⁾	-0.01	0.02	>-100%	0.07	0.16	-53.3%	0.09
Earnings per share, EUR	-0.06	-0.01	n/a	-0.08	0.12	>-100%	0.00
Cash flow from operations	-0.2	9.8	>-100%	7.1	11.7	-39.5%	10.8
Orders received	26.7	30.3	-11.7%	57.2	71.1	-19.5%	149.6
Order backlog				117.1	117.8	-0.6%	125.9
Net gearing, %				46.9%	41.3%	-	51.9%
Equity ratio, %				46.7%	45.3%	-	45.4%
Personnel at period-end				688	811	-15.2%	750

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

Comments by President & CEO Esa Harju:



The second financial quarter of 2024 was challenging as expected. Orders and revenue decreased compared to the same period last year. Profitability was not satisfactory, but contrary to earlier expectations, the adjusted operating profit was slightly positive. The outlook for the full year remains overshadowed by uncertainty in the European network operator markets and related low market demand.

Orders and revenue in the Broadband Networks business unit decreased considerably compared to the same period last year, due to the continued very low demand in the European market. However, due to cost reductions, we were able to protect the profitability of the business. The European market demand is not expected to recover during 2024, but to remain at a low level throughout the year. The commercial delivery volumes of the 1.8GHz ICON smart amplifiers in North America have started to increase, partially compensating for the low demand in Europe. North America's share of the total Broadband Networks business volume in 2024 is still moderate but is expected to gradually increase.

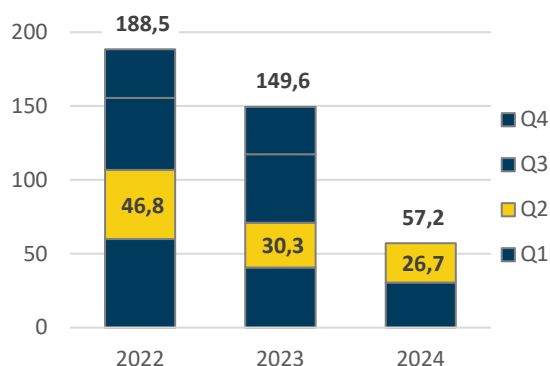
Orders and revenue also decreased in the Public Safety and Mobility business unit compared to the same period last year. The decline was most significant in the video surveillance and public transport operator businesses, but project and service volumes for train manufacturers increased. The adjusted operating profit was slightly positive and better than in the same period last year.

We continued to take measures to improve cost efficiency and to prioritize operations. The cost-saving measures target all company functions and will be implemented throughout 2024. The restructuring of the company's group structure, in which Broadband Networks and Public Safety and Mobility businesses are arranged under their own legal entities, is progressing to its final phase at the end of the year.

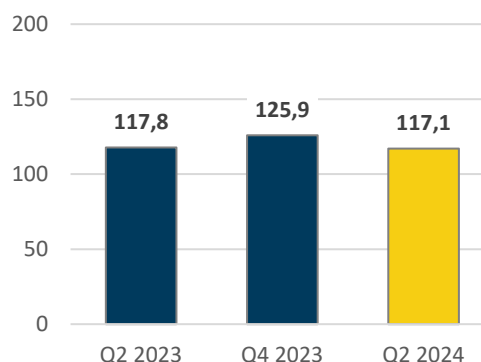
We are specifying our revenue guidance for the current financial year, as revenue is expected to be lower than last year. The global macroeconomic situation has become even more uncertain, reducing operators' readiness to invest. The main goal for the remainder of the year is to grow the Broadband Networks business and delivery volumes in North America. In the Public Safety and Mobility business, we are seeking growth particularly in the train manufacturers and public transport segments, where large project deliveries are expected to occur towards the end of the year. At the same time, we will continue to streamline our operational activities in both business units."

Key figures

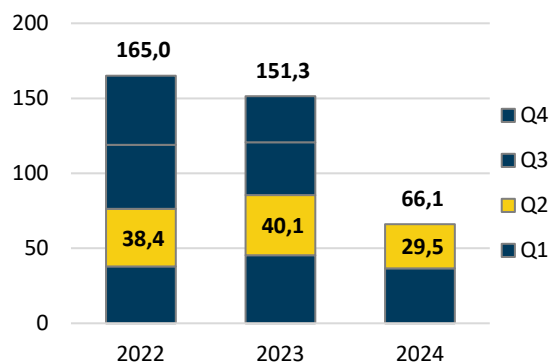
Orders received, EUR million



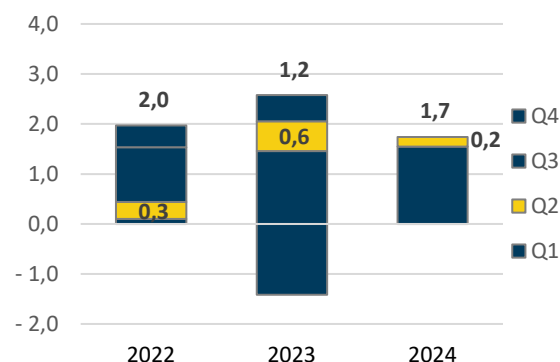
Order book (period-end), EUR million



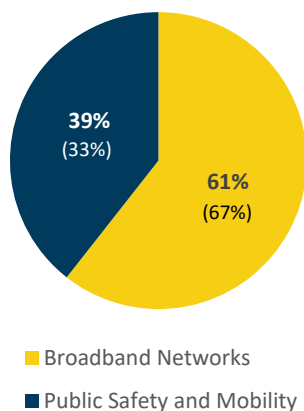
Net sales, EUR million



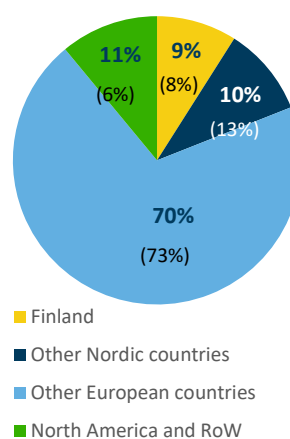
Adjusted operating result, EUR million



Net sales by business 1–6 2024 (1–6 2023)



Net sales by market area 1–6 2024 (1–6 2023)



Net sales

EUR million	4–6 2024	4–6 2023	Change	1–6 2024	1–6 2023	Change	1–12 2023
Broadband Networks	17.0	25.6	-33.7%	40.1	56.0	-28.4%	92.5
Public Safety and Mobility	12.6	14.5	-13.5%	26.0	29.4	-11.6%	58.9
Total	29.5	40.1	-26.3%	66.1	85.4	-22.6%	151.3

The net sales of the **Group** decreased by 26.3% in the second quarter, amounting to EUR 29.5 (40.1) million. Net sales decreased in both business units. The net sales of the **Broadband Networks** business unit decreased by 33.7%, amounting to EUR 17.0 (25.6) million. The demand for HFC access network products decreased significantly in Europe. Deliveries of 1.8 GHz DOCSIS 4.0-compliant smart amplifiers to North America continued on a rising trend, but they did not fully compensate for the decline in the European market. The net sales of the services business in England decreased year-on-year. The comparison period included EUR 1.6 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 13.5% in April–June, amounting to EUR 12.6 (14.5) million. Deliveries to video security and public transport operator customers decreased year-on-year due to fluctuations that are typical of the project business.

The net sales of the **Group** decreased by 22.6% in January–June, amounting to EUR 66.1 (85.4) million. Net sales decreased in both business units. Of the net sales, Finland accounted for 8.9% (8.3%), other Nordic countries for 9.8% (12.9%), the rest of Europe for 70.5% (73.5%) and North America and rest of the World for 10.8% (6.4%). The net sales of the **Broadband Networks** business unit decreased by 28.4% in January–June, amounting to EUR 40.1 (56.0) million. The demand for HFC access network products decreased significantly in Europe. Deliveries of 1.8 GHz DOCSIS 4.0-compliant smart amplifiers to North America began, but they did not fully compensate for the decline in the European market. Distributed access architecture products were delivered particularly to the Benelux countries. The net sales of the services business in England decreased year-on-year. 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 11.6% in January–June, amounting to EUR 26.0 (29.4) 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	4–6 2024	4–6 2023	Change	1–6 2024	1–6 2023	Change	1–12 2023
Adjusted EBITDA							
Broadband Networks	1,477	2,718	-45.6%	4,842	6,089	-20.5%	8,902
Public Safety and Mobility	822	800	2.9%	1,737	1,507	15.2%	2,763
Segments total	2,300	3,518	-34.6%	6,578	7,596	-13.4%	11,665
Non-allocated operations	-995	-1,490	-33.2%	-2,217	-2,637	-15.9%	-4,441
Adjusted EBITDA, Group	1,305	2,028	-35.7%	4,361	4,960	-12.1%	7,224
Adjustment items	-952	-484	96.7%	-2,272	-699	>100%	-1,640
EBITDA	353	1,544	-77.2%	2,089	4,261	-51.0%	5,584

Percentage of net sales	4–6 2024	4–6 2023	Change	1–6 2024	1–6 2023	Change	1–12 2023
Adjusted EBITDA margin							
Broadband Networks	8.7%	10.6%	-1.9 pp	12.1%	10.9%	1.2 pp	9.6%
Public Safety and Mobility	6.5%	5.5%	1.0 pp	6.7%	5.1%	1.6 pp	4.7%
Segments total	7.8%	8.8%	-1.0 pp	9.9%	8.9%	1.1 pp	7.7%
Adjusted EBITDA margin, Group	4.4%	5.1%	-0.6 pp	6.6%	5.8%	0.8 pp	4.8%
EBITDA margin	1.2%	3.9%	-2.7 pp	3.2%	5.0%	-1.8 pp	3.7%

EUR 1,000	4–6 2024	4–6 2023	Change	1–6 2024	1–6 2023	Change	1–12 2023
Adjusted EBIT							
Broadband Networks	986	2,020	-51.2%	3,532	4,679	-24.5%	5,989
Public Safety and Mobility	199	65	>100%	424	14	<100%	-389
Segments total	1,185	2,085	-43.2%	3,955	4,693	-15.7%	5,600
Non-allocated operations	-995	-1,490	n/a	-2,217	-2,637	n/a	-4,441
Adjusted EBIT, Group	190	596	-68.1%	1,738	2,056	-15.5%	1,158
Adjustment items	-952	-484	96.7%	-2,851	-699	>-100%	-1,640
EBIT	-762	112	>-100%	-1,113	1,357	>-100%	-481

Percentage of net sales	4–6 2024	4–6 2023	Change	1–6 2024	1–6 2023	Change	1–12 2023
Adjusted EBIT margin							
Broadband Networks	5.8%	7.9%	-2.1 pp	8.8%	8.4%	0.5 pp	6.5%
Public Safety and Mobility	1.6%	0.4%	1.1 pp	1.6%	0.0%	1.6 pp	-0.7%
Segments total	4.0%	5.2%	-1.2 pp	6.0%	5.5%	0.5 pp	3.7%
Adjusted EBIT margin, Group	0.6%	1.5%	-0.8 pp	2.6%	2.4%	0.2 pp	0.8%
EBIT margin	-2.6%	0.3%	-2.9 pp	-1.7%	1.6%	-3.3 pp	-0.3%

April–June

The Group's expenses for material and manufacturing services decreased by 30.8% to EUR 14.0 (20.2) million. Personnel expenses decreased by 17.0% to EUR 10.5 (12.7) million. Depreciation decreased by 22.1% to EUR 1.1 (1.4) million. Other operating expenses decreased by 22.2% to EUR 4.9 (6.3) million. Personnel expenses and other operating expenses decreased due to cost-saving measures implemented by the company.

The Group's adjusted EBIT decreased in the second quarter to EUR 0.2 (0.6) million, representing 0.6% (1.5%) of net sales. Adjusted EBIT decreased due to lower net sales, in spite of the gross margin increasing by 3.0 percentage points. EBIT decreased to EUR -0.8 (0.1) million, representing -2.6% (0.3%) of net sales. The decrease in EBIT was attributable to lower net sales and increased adjustment items. 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 0.3 (0.6) million. Direct taxes for the reporting period amounted to EUR -0.1 (+0.2) million. The net result for the review period was EUR -1.1 (-0.3) million. Adjusted earnings per share were EUR -0.01 (0.02) and earnings per share were EUR -0.06 (-0.01).

The adjusted EBIT of the Broadband Networks business unit decreased by 51.2% and amounted to EUR 1.0 (2.0) million. The adjusted EBIT decreased due to a significant decline in net sales, and cost-cutting measures were not sufficient to fully compensate for the impact of the 34% decrease in net sales.

The adjusted EBIT of the Public Safety and Mobility business unit increased to EUR 0.2 (0.1) million. The adjusted EBIT increased due to the gross margin rising to a higher level than in the comparison period.

January–June

The Group's expenses for material and manufacturing services decreased by 28.2% to EUR 32.1 (44.7) million. Material expenses were reduced by lower sales volumes and net sales being derived more from products and software with higher gross margins. Personnel expenses decreased by 12.6% to EUR 22.4 (25.6) million. The decrease was due to a reduction in the number of personnel and the temporary layoffs that were implemented in Finland during the first quarter. Depreciation decreased by 9.7% to EUR 2.6 (2.9) million. Other operating expenses decreased by 14.5% to EUR 9.9 (11.5) million.

The Group's adjusted EBIT decreased by 15.5% in January–June to EUR 1.7 (2.1) million, representing 2.6% (2.4%) of net sales. The adjusted EBIT decreased due to lower net sales, in spite of the gross margin increasing by 3.7 percentage points. The Group's EBIT decreased due to lower net sales and increased adjustment items, and amounted to EUR -1.1 (1.4) million, representing -1.7% (1.6%) of net sales. The reported adjustment items for the period included expenses of EUR 2.3 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 0.5 (0.9) million. Direct taxes for the reporting period amounted to EUR 0.1 (+1.5) 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 -1.6 (2.0) million. Adjusted earnings per share were EUR 0.07 (0.16) and earnings per share were EUR -0.08 (0.12).

The adjusted EBIT of the Broadband Networks business unit decreased by 24.5% and amounted to EUR 3.5 (4.7) million. The adjusted EBIT decreased due to the significant decline in net sales, in spite of 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 to EUR 0.4 (0.0) million. The adjusted EBIT increased due to the gross margin rising to a substantially higher level than in the comparison period. 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 proceeding to the maintenance phase earlier than expected. In the future, Teleste will focus increasingly on solutions integrated with rolling stock on-board systems and the public transport operator segment.

Cash flow and financial position

Cash flow

Cash flow from operations was EUR 7.1 (11.7) million in January–June 2024, representing a decrease of 39.5%. Cash flow from operations was positive, as working capital was released from inventories and trade receivables. In the comparison period, an even larger amount of working capital was released.

Financial position

At the end of the period under review, the Group's interest-bearing debt stood at EUR 36.9 (39.4) million, with short-term loans from banks representing EUR 13.7 (7.5) million of that amount. Interest-bearing liabilities associated with leases capitalised in accordance with IFRS 16 amounted to EUR 4.6 (5.1) million, of which EUR 1.4 (1.6) million were short-term liabilities. The Group's cash and cash equivalents were EUR 9.0 (13.3) million. At the end of June 2024, the amount of unused binding credit facilities was EUR 12.8 (15.5) million.

The Group's total assets at the end of the period under review stood at EUR 128.1 (141.8) million, and equity amounted to EUR 59.5 (63.1) million. The Group's equity ratio was 46.7% (45.3%) and the net gearing ratio was 46.9% (41.3%).

All financing agreements include financial covenants regarding the minimum equity ratio, the maximum netdebt to adjusted EBITDA ratio and the minimum liquidity. Enterprise mortgages totalling EUR 50 million are used as collateral for the financing agreements.

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

- A EUR 6.0 million repayable loan maturing in August 2024, the principal of which was EUR 0.75 million on 30 June 2024. The loan is amortised twice a year in instalments of EUR 0.75 million.
- A EUR 20.0 million repayable loan maturing in March 2026, the principal of which was EUR 15.0 million on 30 June 2024. The loan is amortised twice a year in instalments of EUR 1.25 million.
- A EUR 3.5 million repayable loan maturing in March 2025, the principal of which was EUR 3.2 million on 30 June 2024. The loan is amortised quarterly in instalments of EUR 0.3 million.
- A EUR 7.5 million repayable loan maturing in March 2025, the principal of which was EUR 7.2 million on 30 June 2024. The loan is amortised quarterly in instalments of EUR 0.3 million.
- A committed credit facility of EUR 4.0 million valid until March 2025, of which EUR 4.0 million was unused on 30 June 2024.
- A committed credit facility of EUR 15.0 million valid until March 2025, of which EUR 8.8 million was unused on 30 June 2024.

The company started refinancing negotiations in the second quarter for the financing agreements mentioned above. The negotiations are expected to lead to new financing agreements during the third quarter.

Orders received and order book

Orders received

EUR million	4–6 2024	4–6 2023	Change	1–6 2024	1–6 2023	Change	1–12 2023
Broadband Networks	17.3	16.6	4.1%	33.2	47.7	-30.5%	88.3
Public Safety and Mobility	9.5	13.7	-30.9%	24.1	23.3	3.2%	61.2
Total	26.7	30.3	-11.7%	57.2	71.1	-19.5%	149.6

Orders received by the **Group** amounted to EUR 26.7 (30.3) million in the second quarter, representing a year-on-year decrease of 11.7%. Orders received by the **Broadband Networks** business unit totalled EUR 17.3 (16.6) million, representing a year-on-year increase of 4.1%. Orders from North America for HFC access network products increased significantly. Orders for passive products in Europe and orders in the services business in England decreased year-on-year. The comparison period included EUR 1.6 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 9.5 (13.7) million, representing a year-on-year decrease of 30.3%. The decline was due to fluctuations that are typical of the project business.

In January–June, orders received by the **Group** amounted to EUR 57.2 (71.1) million, representing a year-on-year decrease of 19.5%. Orders received by the **Broadband Networks** business unit totalled EUR 33.2 (47.7) million, representing a year-on-year decrease of 30.5%. 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 24.1 (23.3) million, representing a year-on-year increase of 3.2%. Orders increased in the first quarter due to a significant order received in the maintenance business.

Order book

EUR million	30 Jun 2024	30 Jun 2023	Change	31 Dec 2023
Broadband Networks	21.4	24.2	-11.6%	28.4
Public Safety and Mobility	95.6	93.6	2.1%	97.5
Total	117.1	117.8	-0.6%	125.9

The order book of the **Group** amounted to EUR 117.1 (117.8) million at the end of the period, representing a year-on-year decrease of 0.6%. Approximately 37% 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 21.4 (24.2) million, representing a year-on-year decrease of 11.6%. The order book was reduced by the weak accumulation of new orders from European customers.

The order book of the **Public Safety and Mobility** business unit totalled EUR 95.6 (93.6) million, representing a year-on-year increase of 2.1%. The value of the order book for rolling stock manufacturers increased, while the

value of 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 3.5 (3.4) million, representing 5.4% (4.0%) of net sales. Leases capitalised in accordance with IFRS 16 amounted to EUR 0.7 (0.6) million, while other investments in tangible and intangible assets came to EUR 0.1 (0.1) million. A total of EUR 2.7 (2.6) million of R&D expenses were capitalised during the period under review. Depreciation on capitalised R&D expenses was EUR 1.2 (1.3) million.

R&D expenses amounted to EUR 7.9 (8.7) million, representing 12.0% (10.2%) of consolidated net sales. Product development projects in the Broadband Networks business were focused on distributed access architecture solutions and DOCSIS 4.0-compliant amplifiers, as well as network 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 699 (834) people on average in January–June 2024. At the end of June, the Group employed 688 (811) people, of whom 31% (36%) worked abroad. Approximately 2% (3%) of the Group's employees were working outside Europe.

Personnel expenses decreased by 12.6% year-on-year to EUR 22.4 (25.6) million. Personnel expenses were decreased by the reduction of the number of personnel and the temporary layoffs implemented during the first quarter. During the reporting period, 62 employment contracts were terminated due to redundancies. The annual salary and social security contribution costs of the terminated employment contracts amount to approximately EUR 3.0 million.

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 June 2024, Tianta Oy was the largest single shareholder of Teleste with a holding of 25.2% (25.1%). According to Euroclear Finland Ltd, the number of Teleste shareholders at the end of the period under review was 5,237 (5,565). Foreign shareholders accounted for 0.9% (1.1%) of the shares, while nominee-registered holdings accounted for 2.6% (2.8%).

On 30 June 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 June 2024.

In January–June 2024, the share turnover of Teleste on Nasdaq Helsinki was 0.6 (0.7) million shares and EUR 1.7 (2.8) million. The volume-weighted average price of the share was EUR 2.82 (3.87), the lowest share price of the review period was EUR 2.50 (3.33) and the highest EUR 3.45 (4.75). The closing price of the Teleste share on 30 June 2024 was EUR 2.66 (3.67) and market capitalisation was EUR 50.5 (69.7) million.

Governance

Company management

At the end of June 2024, Teleste's management team included Esa Harju, President and CEO; Juha Hyytiäinen, CFO; Pasi Järvenpää, Senior Vice President, Research and Development; Linda Kallas, Senior Vice President, 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.

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 June 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 few months, the macroeconomic situation in both Europe and North America has turned increasingly uncertain. This has reduced operators' willingness to invest and made it more difficult to predict the future outlook. Customers' willingness to invest has also been reduced by the slower-than-expected fall in interest rates. For these reasons, the forecast for net sales and profit performance in the second half of the year involves more uncertainty than normal.

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, M.Sc. (Econ.) was appointed as Teleste Corporation's new CFO on 11 July 2024. She will take up her post as CFO and a member of the Management Group in October 2024.

Operating environment

Broadband Networks

The demand for broadband services and the global market for network equipment are 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. The uncertainty of market demand is expected to continue in 2024 as part of the transition to next-generation cable-based or fibre-based products. Weak market demand has had a negative impact on the business of several technology suppliers.

Next-generation 1.8 GHz DOCSIS 4.0-compliant technologies provide subscribers with access to broadband connections with speeds of up to 10 gigabits using existing coaxial cabling. This enables the competitiveness of the cable network infrastructure alongside optical fibre for years to come. Data communications operators in North America, in particular, are expected to invest in new DOCSIS 4.0 technology starting from late 2024. In Europe, the expectation is that the investments will begin later, demand will remain low and the market will potentially not return to growth until 2026. It is also possible that, in Europe, investments by operators will be relatively more focused on fibre-based network solutions, which means that the cable market will not return to a growth trajectory. 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 growth from 2025 onwards. New DOCSIS standard includes alternative technology variants for different features, which has increased the product development investments and the associated risk for technology providers. As commercial products enter the market, North American operators may also change their technology choices from one standard variant to another.

Teleste's 1.8 GHz DOCSIS 4.0-compliant access network products are now ready for commercial deliveries. Deliveries of smart amplifiers to North America began in the first quarter of 2024. This is expected to have a gradual impact on net sales during 2024 and 2025. The relative share of the company's net sales derived from North America is expected to grow to a significant level by 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 data flows. The investments are largely driven by public funding and projects based on public funding, in which project prices are fixed or linked 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 solutions for rolling stock systems and 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 in 2024

Teleste Corporation will publish financial information in 2024 as follows:

6 November 2024 Interim report January-September 2024

Results event

Teleste will organise a results event for analysts, investors and the media on 14 August 2024 at 13:00 Finnish time. The event will feature presentations by CEO Esa Harju and CFO Juha Hyytiäinen. Registration for the results event will be according to separately provided instructions.

Turku, 13 August 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.

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.

STATEMENT OF COMPREHENSIVE INCOME (tEUR)	4-6/2024	4-6/2023	Change %	1-12/2023
Net Sales	29,540	40,103	-26.3 %	151,349
Other operating income	211	591	-64.3 %	961
Materials and services	-13,979	-20,188	-30.8 %	-77,304
Personnel expenses	-10,534	-12,687	-17.0 %	-47,479
Depreciation	-1,115	-1,432	-22.1 %	-6,066
Impairment	0	0	n/a	0
Other operating expenses	-4,884	-6,275	-22.2 %	-21,943
Operating profit	-762	112	-783.1 %	-481
Financial income	196	220	-11.0 %	946
Financial expenses	-469	-817	-42.6 %	-2,881
Profit after financial items	-1,035	-485	n/a	-2,416
Profit before taxes	-1,035	-485	n/a	-2,416
Taxes	-76	215	-135.4 %	1,911
Net profit	-1,112	-270	n/a	-505
Attributable to:				
Equity holders of the parent	-1,068	-114	n/a	-82
Non-controlling interests	-43	-156	n/a	-423
	-1,112	-270	n/a	-505
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in euro per share)				
Basic	-0.06	-0.01	n/a	0.00
Diluted	-0.06	-0.01	n/a	0.00
Total comprehensive income for the period (tEUR)				
Net profit	-1,112	-270	n/a	-505
Possible items with future net profit effect				
Translation differences	157	216	-27.2 %	471
Cash flow hedges	13	438	-97.0 %	114
Total comprehensive income for the period	-941	384	-345.1 %	81
Attributable to:				
Equity holders of the parent	-893	540	-265.4 %	494
Non-controlling interests	-49	-156	n/a	-414
	-941	384	-345.1 %	81

STATEMENT OF COMPREHENSIVE INCOME (tEUR)

	1-6/2024	1-6/2023	Change %	1-12/2023
Net Sales	66,114	85,444	-22.6 %	151,349
Other operating income	344	673	-48.9 %	961
Materials and services	-32,121	-44,711	-28.2 %	-77,304
Personnel expenses	-22,390	-25,622	-12.6 %	-47,479
Depreciation and amortization	-2,623	-2,904	-9.7 %	-6,066
Impairment	-579	0	n/a	0
Other operating expenses	-9,857	-11,523	-14.5 %	-21,943
Operating profit	-1,113	1,357	-182.0 %	-481
Financial income	456	436	4.4 %	946
Financial expenses	-918	-1,365	-32.7 %	-2,881
Profit after financial items	-1,575	429	-467.4 %	-2,416
Profit before taxes	-1,575	429	-467.4 %	-2,416
Taxes	-61	1,544	-104.0 %	1,911
Net profit	-1,636	1,972	-183.0 %	-505
Attributable to:				
Equity holders of the parent	-1,493	2,208	-167.6 %	-82
Non-controlling interests	-143	-236	n/a	-423
	-1,636	1,972	-183.0 %	-505
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in euro per share)				
Basic	-0.08	0.12	-167.6 %	0.00
Diluted	-0.08	0.12	-167.6 %	0.00
Total comprehensive income for the period (tEUR)				
Net profit	-1,636	1,972	-183.0 %	-505
Possible items with future net profit effect				
Translation differences	13	-3	-568.5 %	471
Cash flow hedges	138	640	-78.4 %	114
Total comprehensive income for the period	-1,485	2,609	-156.9 %	81
Attributable to:				
Equity holders of the parent	-1,326	2,842	-146.6 %	494
Non-controlling interests	-159	-233	n/a	-414
	-1,485	2,609	-156.9 %	81

STATEMENT OF FINANCIAL POSITION (tEUR)

	30.6.2024	30.6.2023	Change %	31.12.2023
Non-current assets				
Intangible assets	14,331	11,805	21.4 %	13,474
Goodwill	30,089	29,870	0.7 %	30,107
Property, plant, equipment	11,978	12,757	-6.1 %	12,488
Other non-current financial assets	364	348	4.6 %	364
Other non-current receivables	118	115	2.7 %	119
Deferred tax asset	4,737	3,643	30.0 %	4,349
	61,617	58,539	5.3 %	60,900
Current assets				
Inventories	28,731	34,373	-16.4 %	35,618
Trade and other receivables	28,522	35,235	-19.1 %	31,513
Tax Receivable, income tax	261	324	-19.5 %	444
Cash and cash equivalents	8,951	13,319	-32.8 %	6,228
	66,465	83,251	-20.2 %	73,802
Total assets	128,082	141,790	-9.7 %	134,702
Shareholder's equity and liabilities				
Share capital	6,967	6,967	0.0 %	6,967
Other equity	53,153	56,406	-5.8 %	54,348
Owners of the parent company	60,120	63,373	-5.1 %	61,315
Non-controlling interests	-592	-253	134.0 %	-433
EQUITY	59,527	63,120	-5.7 %	60,882
Non-current liabilities				
Deferred tax liability	2,708	2,274	19.1 %	2,575
Non-current liabilities, interest-bearing	15,697	30,268	-48.1 %	30,460
Non-current interest-free liabilities	35	40	-12.5 %	91
Non-current provisions	285	264	7.9 %	310
	18,725	32,846	-43.0 %	33,435
Current liabilities				
Current interest-bearing liabilities	21,193	9,094	133.0 %	7,338
Trade Payables and Other Liabilities	26,765	33,297	-19.6 %	31,389
Advances received	525	2,339	-77.5 %	675
Tax liability, income tax	340	339	0.2 %	188
Current provisions	1,006	755	33.2 %	796
	49,829	45,824	8.7 %	40,385
Total shareholder's equity and liabilities	128,082	141,790	-9.7 %	134,702

CONSOLIDATED CASH FLOW STATEMENT (tEUR)

	1-6/2024	1-6/2023	Change %	1-12/2023
Cash flows from operating activities				
Profit for the period	-1,636	1,972	-183.0 %	-505
Adjustments to cash flow from operating activities	9,562	11,123	-14.0 %	13,638
Other finance items	-58	-135	-56.9 %	-318
Paid interest and other finance expenses	-794	-791	0.5 %	-1,595
Received interests and dividend payments	106	167	-36.4 %	290
Paid Taxes	-88	-620	-85.7 %	-723
Cash flow from operating activities	7,091	11,718	-39.5 %	10,787
Cash flow from investing activities				
Purchase of tangible and intangible assets	-2,886	-2,777	3.9 %	-6,842
Proceeds from sales of PPE	50	18	185.4 %	28
Divestment of subsidiaries, net of cash acquired	0	2,407	-100.0 %	2,407
Purchase of investments	0	0	n/a	0
Net cash used in investing activities	-2,836	-353	n/a	-4,407
Cash flow from financing activities				
Proceeds from borrowings	1,884	0	n/a	0
Payments of borrowings	-2,600	-10,423	-75.1 %	-11,633
Payment of leasing liabilities	-830	-1,026	-19.1 %	-1,920
Dividends paid	0	0	n/a	0
Net cash used in financing activities	-1,546	-11,449	n/a	-13,552
Change in cash				
Cash in the beginning	6,228	13,405	-53.5 %	13,405
Effect of currency changes	15	-2	-756.3 %	-5
Change	2,709	-84	n/a	-7,173
Cash at the end	8,951	13,319	-32.8 %	6,228

OPERATING SEGMENTS (tEUR)

Broadband Networks

	1-6/2024	1-6/2023	Change %	1-12/2023
Orders received	33,156	47,731	-30.5 %	88,348
Net sales	40,098	56,003	-28.4 %	92,455
Adjusted EBITDA	4,842	6,089	-20.5 %	8,902
Adjusted EBITDA %	12.1 %	10.9 %	11.1 %	9.6 %
Adjusted operating profit	3,532	4,679	-24.5 %	5,989
Adjusted operating profit %	8.8 %	8.4 %	5.4 %	6.5 %

Public Security & Mobility

Orders received	24,089	23,349	3.2 %	61,208
Net sales	26,016	29,441	-11.6 %	58,894
Adjusted EBITDA	1,737	1,507	15.2 %	2,763
Adjusted EBITDA %	6.7 %	5.1 %	30.4 %	4.7 %
Adjusted operating profit	423	14	2958.1 %	-389
Adjusted operating profit %	1.6 %	0.0 %	3360.7 %	-0.7 %

Group reconciliation

Adjusted operating profit from segments	3,955	4,693	-15.7 %	5,600
Non-allocated items	-2,217	-2,637	n/a	-4,441
Adjusted operating profit	1,738	2,056	-15.5 %	1,158
Adjustment items	-2,851	-699	n/a	-1,640
Operating profit	-1,113	1,357	-182.0 %	-481
Finance items	-462	-928	-50.2 %	-1,935
Profit before taxes	-1,575	429	-467.4 %	-2,416

Information per quarter (tEUR)	4-6/24	1-3/24	10-12/23	7-9/23	4-6/23	7/2023- 6/2024
Orders received						
Broadband Networks	17,255	15,901	16,969	23,648	16,580	73,773
Public Security & Mobility	9,461	14,628	15,090	22,769	13,693	61,948
Total	26,716	30,529	32,059	46,417	30,273	135,721
Net sales						
Broadband Networks	16,968	23,130	15,384	21,068	25,576	76,550
Public Security & Mobility	12,572	13,444	15,283	14,170	14,527	55,469
Total	29,540	36,574	30,667	35,238	40,103	132,019
Adjusted operating profit						
Broadband Networks	986	2,546	306	1,004	2,020	4,843
Public Security & Mobility	199	224	-578	174	65	20
Non-allocated items	-995	-1,222	-1,146	-658	-1,490	-4,022
Total	190	1,548	-1,418	520	596	840
Operating profit						
Adjusted operating profit	190	1,548	-1,418	520	596	840
Adjustment items	-952	-1,899	-911	-30	-484	-3,792
Total	-762	-351	-2,329	491	112	-2,952

Net sales by category

1-6/2024	1-6/2023	Change %	1-12/2023
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Goods	59,644	73,538	-18.9 %	131,150
Service	6,470	11,906	-45.7 %	20,199
Total	66,114	85,444	-22.6 %	151,349
Impairment by category (kEUR)	1-6/2024	1-6/2023	Change %	1-12/2023
Impairment of development costs	-579	0	n/a	0
Impairments total	-579	0	n/a	0
Inventories (kEUR)	1-6/2024	1-6/2023	Change %	1-12/2023
Inventory at purchase value	37,179	42,185	-11.9 %	43,436
Provision for net realization value	-8,448	-7,812	8.1 %	-7,818
Inventory total	28,731	34,373	-16.4 %	35,618
KEY FIGURES	1-6/2024	1-6/2023	Change %	1-12/2023
Operating profit, MEUR	-1,113	1,357	-182.0 %	-481
Earnings per share, EUR	-0.08	0.12	-167.6 %	0.00
Earnings per share fully diluted, EUR	-0.08	0.12	-167.6 %	0.00
Shareholders' equity per share, EUR	3.26	3.46	-5.7 %	3.34
Return on equity	-5.4 %	6.4 %	-185.1 %	-0.8 %
Return on investment	-1.5 %	3.2 %	-146.4 %	0.2 %
Equity ratio	46.7 %	45.3 %	3.1 %	45.4 %
Net gearing	46.9 %	41.3 %	13.7 %	51.9 %
Investments, tEUR	3,538	3,402	4.0 %	7,966
Investments % of net sales	5.4 %	4.0 %	34.4 %	5.3 %
Order backlog, tEUR	117,053	117,793	-0.6 %	125,926
Personnel, average	699	834	-16.2 %	803
<i>Order backlog of 31.12.2023 has been restated by -4.4 ME</i>				
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	2.50	3.33	-24.9 %	2.55
Average share price, EUR	2.82	3.87	-27.1 %	2.70
Turnover, in million shares	0.6	0.7	-16.8 %	1.5
Turnover, in MEUR	1.7	2.8	-39.4 %	5.2
Treasury shares	Number of shares		% of shares	% of votes
Possession of company's own shares 30.6.2024	738,398		3.89 %	3.89 %

Contingent liabilities and pledged assets (tEUR)	30.6.2024	30.6.2023	Change %	31.12.2023
Leasing and rent liabilities	637	1,046	-39.1 %	840
Derivative instruments (tEUR)				
Value of underlying forward contracts	10,398	11,523	-9.8 %	14,442
Market value of forward contracts	-39	-201	-80.8 %	-274
Interest rate swap	30,000	32,500	-7.7 %	31,250
Market value of interest swap	609	1,065	-42.8 %	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)	4-6/2024	4-6/2023	Change %	1-6/2024	1-6/2023	Change %	1-12/2023
Adjusted operating profit	190	596	-68.1 %	1,738	2,056	-15.5 %	1,158
Adjusted earning per share, EUR	-0.01	0.02	-131.3 %	0.07	0.16	-53.3 %	0.09
BRIDGE OF CALCULATION							
Operating profit	-762	112	-783.1 %	-1,113	1,357	-182.0 %	-481
Business reorganization	861	160	439.3 %	2,181	187	1,068.3 %	725
Strategic development projects	91	324	-71.9 %	91	512	-82.2 %	915
Impairment of development costs	0	0	n/a	579	0	n/a	0
Adjusted operating profit	190	596	-68.1 %	1,738	2,056	-15.5 %	1,158
Net profit/loss to equity holder	-1,068	-114	n/a	-1,493	2,208	-167.6 %	-82

Outstanding shares during the quarter, weighted average	18,247	18,239	0.0 %	18,244	18,235	0.1 %	18,237
Earnings per share, basic (EUR)	-0.06	-0.01	n/a	-0.08	0.12	-1.68	0.00
Net profit/loss to equity holder	-1,068	-114	n/a	-1,493	2,208	-167.6 % 1,068.3 %	-82
Business reorganization	861	160	439.3 %	2,181	187		725
Strategic development projects	91	324	-71.9 %	91	512	-82.2 %	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 %	18,244	18,235	0.1 %	18,237
Adjusted earnings per share, EUR	-0.01	0.02	-131,3 %	0.07	0.16	-53.3 %	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	-1,493	0	0	-1,493	-143	-1,636
Other comprehensive items for the period	0	0	-97	126	0	138	167	-16	152
Dividend	0	0	0	0	0	0	0	0	0
Equity-settled share-based payments	0	0	0	130	0	0	130	0	130
Shareholder's equity 30.6.2024	6,967	1,504	-2,251	50,355	3,140	404	60,120	-592	59,527
	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	2,208	0	0	2,208	-236	1,972

Other comprehensive items for the period	0	0	-594	589		640	635	2	637
Dividend	0	0	0	0		0	0	0	0
Equity-settled share-based payments	0	0	0	159	0	0	159	0	159
Shareholder's equity 30.6.2023	6,967	1,504	-2,444	53,415	3,140	791	63,374	-253	63,120

CALCULATION OF KEY FIGURES

Return on equity:	Profit/loss for the financial period ----- * 100
Return on capital employed:	Shareholders' equity (average) Profit/loss for the period after financial items + financing charges ----- * 100
Equity ratio:	Total assets - non-interest-bearing liabilities (average) Shareholders' equity ----- * 100
Gearing:	Total assets - advances received 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 - June 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
Mariatorp Oy	800,000	4.2
Wipunen Varainhallinta 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 June 30, 2024

	Nbr. of shareholders	% of Owners	Shares	% of shares
Households	4,956	94.6	5,035,307	26.5
Public sector institutions	3	0.1	1,920,625	10.1
Financial and insurance institutions	16	0.3	3,202,682	16.9
Corporations	214	4.1	8,617,716	45.4
Non-profit institutions	20	0.4	36,968	0.2
Foreign	28	0.5	172,290	0.9
Total	5,237	100.0	18,985,588	100.0
Of which nominee registered	9	0.2	498,017	2.6

Major shareholders by distribution of shares June 30, 2024

Number of shares	Nbr. of shareholders	% of shareholders	Nbr. of shares	% of shares
1-100	1,611	30.8	81,160	0.4
101-500	2,034	38.8	536,106	2.8
501-1,000	668	12.8	544,383	2.9
1,001-5,000	714	13.6	1,534,205	8.1
5,001-10,000	98	1.9	703,100	3.7
10,001-50,000	84	1.6	1,757,751	9.3
50,001-100,000	11	0.2	719,560	3.8
100,001-500,000	9	0.2	2,057,461	10.8
500,001-& above	8	0.2	11,051,862	58.2
Total	5,237	100.0	18,985,588	100.0
of which nominee registered	9	0.2	498,017	2.6



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