

A woman with curly hair is looking at her smartphone in a modern, blue-lit environment. The background is blurred, showing a large number '140' on a wall and some lights. The overall scene is contemporary and professional.

FINANCIAL
STATEMENT
2024

JANUARY 1 – DECEMBER 31, 2024

TELESTE

TELESTE CORPORATION FINANCIAL STATEMENT RELEASE 1 JANUARY TO 31 DECEMBER 2024

TELESTE CORPORATION: IMPROVED ORDERS, NET SALES, AND ADJUSTED OPERATING RESULT. INCREASE IN ORDERS IN NORTH AMERICA.

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

October–December 2024 in brief

- Net sales grew by 19.0%, amounting to EUR 36.5 (30.7) million
- Adjusted EBITDA was EUR 2.1 (0.4) million, representing an increase of EUR 1.7 million, or 503.0%
- The adjusted operating result was EUR 0.8 (-1.4) million, an increase of EUR 2.3 million
- The operating result was EUR -5.7 (-2.3) million, representing a decrease of EUR 3.4 million that was primarily due to a one-time impairment on capitalised R&D expenses.
- Adjusted earnings per share were EUR 0.08 (-0.10), representing an increase of EUR 0.18
- Earnings per share were EUR -0.27 (-0.15), representing a decrease of EUR 0.12
- Cash flow from operations was EUR 1.8 (-1.9) million, representing an increase of EUR 3.7 million
- Orders received increased by 13.2% to EUR 36.3 (32.1) million

January–December 2024 in brief

- Net sales decreased by 12.4%, amounting to EUR 132.5 (151.3) million
- Adjusted EBITDA increased by 27.2%, amounting to EUR 9.2 (7.2) million
- The adjusted operating result was EUR 4.0 (1.2) million, an increase of EUR 2.8 million, or 248.2%
- The operating result was EUR -5.5 (-0.5) million, a decrease of EUR 5.0 million that was due to a one-time impairment on capitalised R&D expenses, and restructuring costs
- Adjusted earnings per share were EUR 0.20 (0.09), representing an increase of EUR 0.11
- Earnings per share decreased to EUR -0.32 (0.00)
- Cash flow from operations increased by 15.2%, amounting to EUR 12.4 (10.8) million
- Orders received decreased by 16.5% to EUR 124.9 (149.6) million.
- The order book decreased by 6.1% and amounted to EUR 118.3 (125.9) million

Outlook for 2025

Teleste estimates revenue for 2025 to be between 135 and 150 million euros, with adjusted operating profit in the range of 4 to 7 million euros. The result is expected to be primarily realized in the second half of the year. The potential implementation of import tariffs in the United States could negatively affect profitability in the short term.

Dividends

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.03 (0.00) be distributed on outstanding shares for the financial period that ended on 31 December 2024.

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	10–12 2024	10–12 2023	Change	1–12 2024	1–12 2023	Change
Net sales	36.5	30.7	19.0 %	132.5	151.3	-12.4%
Adjusted EBITDA ¹⁾	2.1	0.4	503.0%	9.2	7.2	27.2%
Adjusted EBITDA, % ¹⁾	5.8%	1.2%		6.9%	4.8%	
Adjusted EBIT ¹⁾	0.8	-1.4	n/a	4.0	1.2	248.2%
Adjusted EBIT, % ¹⁾	2.3 %	-4.6%		3.0 %	0.8%	
EBIT	-5.7	-2.3	n/a	-5.5	-0.5	n/a
EBIT, %	-15.6%	-7.6%		-4.2%	-0.3%	
Net result for the period	-5.0	-2.8	n/a	-6.1	-0.5	n/a
Adjusted earnings per share, EUR ¹⁾	0.08	-0.10	n/a	0.20	0.09	137.7%
Earnings per share, EUR	-0.27	-0.15	n/a	-0.32	0.00	n/a
Cash flow from operations	1.8	-1.9	n/a	12.4	10.8	15.2%
Orders received	36.3	32.1	13.2%	124.9	149.6	-16.5%
Order book				118.3	125.9	-6.1%
Net gearing, %				46%	52%	
Equity ratio, %				45%	45%	
Personnel at period-end				619	750	-17.5%

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

Comments by President & CEO Esa Harju:



“Our performance was solid and in line with our expectations in the last financial quarter of 2024. Orders received, revenue, and adjusted operating profit all saw a clear increase compared to the same period in the previous year. Despite a decrease in full-year 2024 revenue from the previous year, adjusted operating profit improved significantly, reaching the top end of our updated financial guidance. Both business segments made excellent progress, laying a strong foundation for future growth and success.

In the **Broadband Networks** business segment, orders increased significantly from the same period last year, with revenue and adjusted operating profit also exceeding last year's figures. The increase in orders was primarily due to achievements in North America, as announced in December, but the European market decline also appears to have stabilized. In November, we announced a multi-year cooperation agreement with Telia Finland, under which Teleste will take a full operating responsibility for the broadband and TV services carried over Telia Finland's cable network. It is also now confirmed that we will begin delivering the next-generation DOCSIS 4.0 technologies to a significant European operator in the latter half of 2025. We have successfully positioned ourselves as a leading technology supplier for multiple North American operators, and our revenue from this market is expected to continue growing.

In the **Public Safety and Mobility** business segment, revenue and profitability increased compared to the same period last year, although orders were lower due to the cancellation of a customer project. Several key train projects are in the commercialization phase, and significant project deliveries were scheduled for the end of the year, making the fourth quarter the highest in terms of revenue for the entire year. In November, we announced a master supply agreement with Siemens Mobility, one of the world's leading train manufacturers. Our goal is to increase our market share in passenger information and security systems supplied to train manufacturers. Volumes of video surveillance solutions and service and maintenance business were also at a good level.

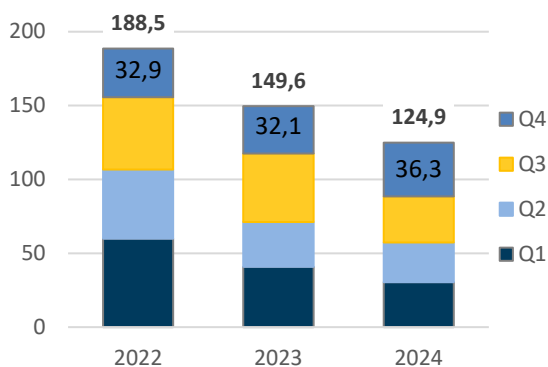
In the last financial quarter, we made a substantial one-time impairment of capitalized R&D in the Broadband Networks business segment, due to uncertainties in the technology direction of the industry, as well as slower adoption of DAA technology in the market. This impairment has no impact on cash flow.

The company's cost-saving measures have greatly reduced our expenses. We also completed the restructuring of the group legal structure, whereby the Broadband Networks and Public Safety and Mobility businesses are now carved out into their own legal entities.

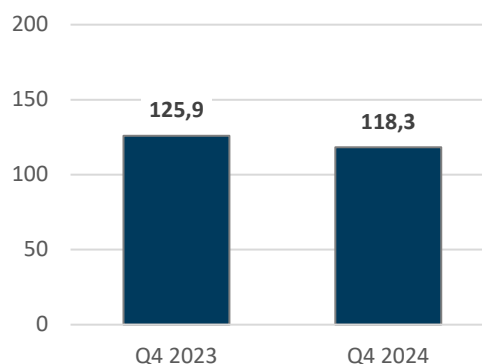
In 2025, Broadband Networks will focus on growing its North American business, whilst maintaining European revenue levels. Potential trade actions and import tariffs in the United States may reduce profitability in the short term, and the company is preparing a contingency plan for this. The Public Safety and Mobility business aims to achieve profitable growth across all product groups. Our renewed leadership team is fully aligned and committed to driving our strategic long-term growth objectives successfully.”

Key figures

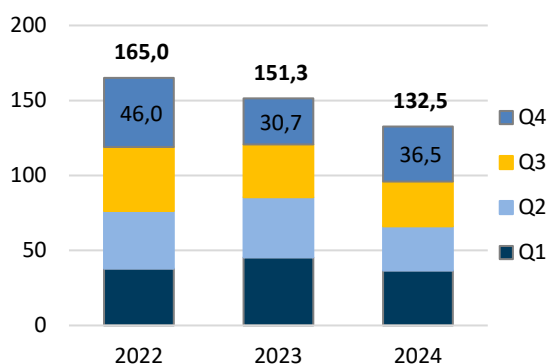
Orders received, EUR million



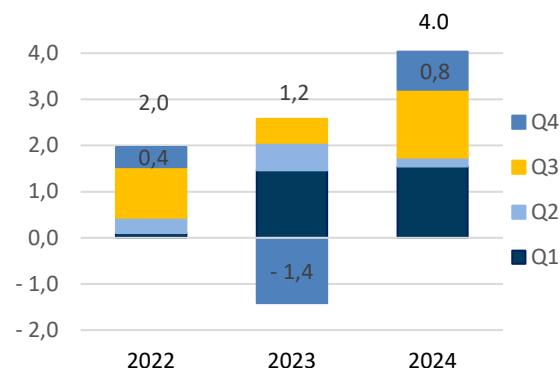
Order book (period-end), EUR million



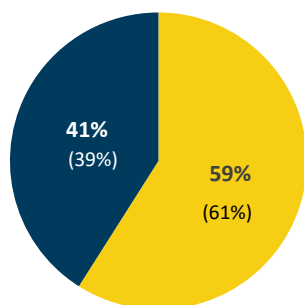
Net sales, EUR million



Adjusted operating result, EUR million

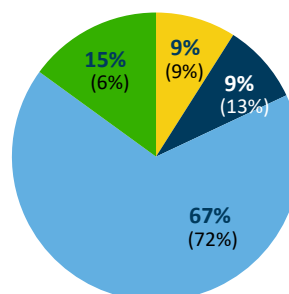


Net sales by business 1–12 2024 (1–12 2023)



■ Broadband Networks
■ Public Safety and Mobility

Net sales by market area 1–12 2024 (1–12 2023)



■ Finland
■ Other Nordic countries
■ Other Europe
■ North America and other countries

Net sales

EUR million	10–12 2024	10–12 2023	Change	1–12 2024	1–12 2023	Change
Broadband Networks	20.0	15.4	29.9%	78.2	92.5	-15.4%
Public Safety and Mobility	16.5	15.3	8.1%	54.3	58.9	-7.7%
Total	36.5	30.7	19.0 %	132.5	151.3	-12.4%

October–December

The net sales of the Group increased by 19.0% and amounted to EUR 36.5 (30.7) million, driven by growth in both business units. The net sales of the **Broadband Networks** business unit totalled EUR 20.0 (15.4) million, increase of EUR 4.6 million, or 29.9% towards the comparison period. The growth was primarily driven by the delivery of DOCSIS 4.0-compliant 1.8 GHz smart amplifiers for HFC networks to North America, while net sales growth in Europe was moderate. The comparison period included notable DAA deliveries to the DACH markets. The net sales of the **Public Safety and Mobility** business unit increased by EUR 1.2 million (8.1%) and amounted to EUR 16.5 (15.3) million. Particularly in deliveries to rolling stock manufacturers grew towards comparison period, as several projects were in the commercialisation phase and project volumes were large.

January–December

The net sales of the Group decreased by 12.4%, amounting to EUR 132.5 (151.3) million. Net sales decreased in both business units. Of the net sales, Finland accounted for 8.7% (9.0%), other Nordic countries for 9.2% (12.9%), the rest of Europe for 66.9% (72.2%), and North America and the rest of the world for 15.2% (5.9%). The net sales of the **Broadband Networks** business unit decreased by 15.4% in January–December, amounting to EUR 78.2 (92.5) million. Deliveries of HFC network products to Europe continued at a low level, although showed signs of recovery in the fourth quarter. The delivery volumes of 1.8 GHz smart amplifiers to North

America increased towards the end of the year, but they did not yet fully compensate for the decline in the European market. Deliveries of distributed access architecture products were lower than expected. The comparison period included EUR 2.8 million in deliveries in the services business in Switzerland, which was subsequently divested, and higher deliveries in the services business in the UK. The net sales of the **Public Safety and Mobility** business unit decreased by 7.7% in January–December, amounting to EUR 54.3 (58.9) million. Deliveries to video security and public transport operator customers decreased as orders were delayed due to fluctuations that are typical of the project business. This was compensated for by higher deliveries to rolling stock manufacturers, especially in the maintenance business.

Profitability

EUR 1,000	10–12 2024	10–12 2023	Change	1–12 2024	1–12 2023	Change
Adjusted EBITDA						
Broadband Networks	1,789	1,187	50.7%	8,869	8,902	-0.4 %
Public Safety and Mobility	1,451	313	363.9%	4,389	2,763	58.9%
Segments total	3,240	1,500	116.1%	13,258	11,665	13.7%
Non-allocated operations	-1,110	-1,146	n/a	-4,068	-4,441	n/a
Adjusted EBITDA, Group	2,130	353	503.0%	9,190	7,224	27.2%
Adjustment items	-438	-911	n/a	-2,906	-1,640	n/a
EBITDA	1,692	-558	n/a	6,284	5,584	12.5%

Percentage of net sales	10–12 2024	10–12 2023	Change, pp.	1–12 2024	1–12 2023	Change, pp.
Adjusted EBITDA margin						
Broadband Networks	9.0%	7.7%	1.2%	11.3%	9.6%	1.7 %
Public Safety and Mobility	8.8%	2.0%	6.7%	8.1%	4.7%	3.4 %
Segments total	8.9%	4.9%	4.0%	10.0%	7.7%	2.3 %
Adjusted EBITDA margin, Group	5.8%	1.2%	4.7%	6.9%	4.8%	2.2 %
EBITDA margin	4.6%	-1.8 %	6.5%	4.7%	3.7%	1.1%

EUR 1,000	10–12 2024	10–12 2023	Change	1–12 2024	1–12 2023	Change
Adjusted EBIT						
Broadband Networks	1,122	306	266.6%	6,201	5,989	3.5%
Public Safety and Mobility	809	-578	n/a	1,902	-389	n/a
Segments total	1,932	-271	n/a	8,102	5,600	44.7%
Non-allocated operations	-1,110	-1,146	n/a	-4,069	-4,441	n/a
Adjusted EBIT, Group	821	-1,418	n/a	4,033	1,158	248.2%
Adjustment items	-6,511	-911	n/a	-9,559	-1,640	n/a
EBIT	-5,690	-2,329	n/a	-5,525	-481	n/a

Percentage of net sales	10–12 2024	10–12 2023	Change, pp.	1–12 2024	1–12 2023	Change, pp.
Adjusted EBIT margin						
Broadband Networks	5.6 %	2.0%	3.6 %	7.9%	6.5%	1.5%
Public Safety and Mobility	4.9%	-3.8%	8.7%	3.5%	-0.7%	4.2%
Segments total	5.3%	-0.9%	6.2%	6.1%	3.7%	2.4%
Adjusted EBIT margin, Group	2.3%	-4.6%	6.9%	3.0%	0.8%	2.3 %
EBIT margin	-15.6%	-7.6%	-8.0%	-4.2%	-0.3%	-3.9 %

October–December

The Group's adjusted EBITDA was EUR 2.1 (0.4) million, representing an increase of EUR 1.7 million, or 503.0%. The Group's expenses for material and manufacturing services increased by 31.1% to EUR 19.4 (14.8) million due to higher net sales and a different product and market allocation when compared to the comparison period. Personnel expenses decreased by 10.0% due to personnel reductions and temporary layoffs under the cost-saving programme and amounted to EUR 9.9 (11.1) million. Depreciation decreased by 26.1% to EUR 1.3 (1.8) million. Other operating expenses were on the same level with the comparison period, amounting to EUR 5.6 (5.6) million. The company began implementing the cost-saving programme during the comparison period and continued the programme until the end of the reporting period.

The Group's adjusted EBIT increased by EUR 2.2 million and amounted to EUR 0.8 (-1.4) million, representing 2.3% (-4.6%) of net sales. The improvement in adjusted EBIT was due to significant cost-saving measures, which compensated for the decrease in net sales. The gross margin decreased by 2.4 percentage points due to a different product and market distribution when compared to the comparison period. EBIT decreased to EUR -5.7 (-2.3) million, representing -15.6% (-7.6%) of net sales. The decrease in EBIT was primarily due to one-time impairment of capitalized R&D of EUR 6.1 million, reported as an adjustment item. This was due to uncertainties in the technology direction of the cable industry, as well as slower adoption of DAA technology in the market. Expenses arising from personnel reductions, the change of the corporate structure and strategic development projects were also reported as adjustment items in both the comparison period and the period under review.

The Group's net financial expenses were EUR 0.3 (1.1) million, decreasing EUR 0.8 million due to a positive change in exchange rates. Direct taxes for the reporting period amounted to EUR 1.0 (0.6) million in tax assets, mainly due to the reversal of the tax liability for the write-down of capitalised R&D expenses. The net result for the review period was EUR -5.0 (-2.8) million. Adjusted earnings per share were EUR 0.08 (-0.10) and earnings per share were EUR -0.27 (-0.15).

The adjusted EBIT of the **Broadband Networks** business unit was EUR 1.1 (0.3) million, representing an increase of EUR 0.8 million. Adjusted EBIT increased due to higher net sales and cost-saving measures compared to the comparison period. The adjusted EBIT of the **Public Safety and Mobility** business unit was EUR 0.8 (-0.6) million, representing an increase of EUR 1.4 million that was due to net sales growth, an improved gross margin and cost savings.

January–December

The Group's adjusted EBITDA was EUR 9.2 (7.2) million, representing an increase of 27.2%. The Group's expenses for material and manufacturing services decreased by 14.3% to EUR 66.2 (77.3) million. Material expenses were reduced by lower sales volumes and greater share of net sales from products and software with higher gross margins. Personnel expenses decreased by 13.7% to EUR 41.0 (47.5) million. The decrease was due to personnel reductions and temporary layoffs under the cost-saving programme. Depreciation and amortisation decreased by 15.0% to EUR 5.2 (6.1) million. Other operating expenses decreased by 10.6% to EUR 19.6 (21.9) million.

The Group's adjusted EBIT for January–December was EUR 4.0 (1.2) million, an increase of 248.2%, or EUR 2.9 million. The adjusted EBIT represented 3.0% (0.8%) of net sales. The adjusted EBIT improved due to cost-saving measures and a 2.0 percentage point increase in the gross margin, which compensated for the decrease in net sales. The Group's operating result was -5.5 million euros (-0.5 million euros), representing -4.2% (-0.3%) of net sales. The decline was due to a 12.4% decrease in net sales, as well as a 6.7 million-euro R&D asset impairment reported as adjustment items, and 3.2 million euros in restructuring costs in Finland and abroad. The impairment consisted of 0.6 million-euro impairment of video surveillance software, and a 6.1 million euro impairment of R&D capitalizations, due to uncertainties in the technology direction of the cable industry, as well as slower adoption of DAA technology in the market.

The Group's net expenses from financial items amounted to EUR 1.5 (1.9) million. Direct taxes for the reporting period amounted to EUR +1.0 (+1.9) million. The direct taxes for the reporting period include a decrease in deferred tax assets related to R&D capitalizations. The direct taxes for the comparison period included a reversal of tax provisions and associated deferred tax assets, totaling EUR 1.7 million, following the cancellation of a tax reassessment decision for the Group's Belgian subsidiary in the 2023 financial year. The Group's net result for the review period was EUR -6.1 (-0.5) million. Adjusted earnings per share were EUR 0.20 (0.09) and earnings per share were EUR -0.32 (0.00).

The adjusted EBIT of the **Broadband Networks** business unit was EUR 6.2 (6.0) million, representing an increase of 3.5%. The decrease in net sales was offset by reductions in personnel expenses and other operating expenses, which were achieved as a result of significant cost-saving programmes. The impairment of EUR 6.1 million on capitalised R&D expenses was reported as an adjustment item. The adjusted EBIT of the **Public Safety and Mobility** business unit was EUR 1.9 (-0.4) million, representing an increase of EUR 2.3 million. The adjusted EBIT increased due to the gross margin rising to a substantially better level than in the comparison period, and also due to cost-saving measures. The impairment of EUR 0.6 million on capitalized video security software R&D expenses was reported as an adjustment item.

Cash flow and financial position

Cash flow

Cash flow from operations was EUR 12.4 (10.8) million in January–December 2024, representing an increase of 15.2%. Cash flow from operations was positive, as working capital was released from inventories.

Financial position

At the end of the period under review, the Group's interest-bearing debt stood at EUR 34.2 (37.8) million, with short-term loans from banks representing EUR 8.2 (5.8) million of that amount. Interest-bearing liabilities associated with leases capitalised in accordance with IFRS 16 amounted to EUR 4.5 (4.8) million, of which EUR 1.4 (1.5) million were short-term liabilities. The Group's cash and cash equivalents amounted to EUR 8.8 (6.2) million. At the end of December 2024, the amount of unused binding credit facilities was EUR 14.0 (14.7) million.

The Group's total assets at the end of the period under review stood at EUR 121.2 (132.2) million, and equity amounted to EUR 54.8 (60.9) million. The amount of total assets was mainly affected by a decrease in inventory levels due to the improvements in efficiency with regard to fixed assets, and the write-down recognised on capitalised R&D expenses. The Group's equity ratio was 45.4% (45.4%) and the net gearing ratio was 46.3% (51.9%).

During the third quarter, the company signed a syndicated refinancing arrangement that includes a repayable 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. Enterprise mortgages totalling EUR 68.9 million are used as collateral for the financing agreements.

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

- A EUR 26.0 million repayable loan maturing in August 2026, the principal of which was EUR 25.2 million on 31 December 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 31 December 2024:
 - EUR 5.0 million, maturing in March 2025
- A EUR 4.0 million binding credit limit, valid until August 2026. On 31 December 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	10–12 2024	10–12 2023	Change	1–12 2024	1–12 2023	Change
Broadband Networks	25.7	17.0	51.5%	74.8	88.3	-15.3%
Public Safety and Mobility	10.6	15.1	-29.9%	50.1	61.2	-18.2%
Total	36.3	32.1	13.2%	124.9	149.6	-16.5%

Orders received by the **Group** amounted to EUR 36.3 (32.1) million in the fourth quarter, representing a year-on-year increase of 13.2%. Orders received by the **Broadband Networks** business unit totalled EUR 25.7 (17.0) million, representing a year-on-year increase of 51.5%. Orders from North America increased significantly, compensating for demand in Europe being lower than in the comparison period. Orders received by the **Public Safety and Mobility** business unit totalled EUR 10.6 (15.1) million, representing a year-on-year decrease of 29.9%. The decrease was partly due to the fluctuation typical of the project business, particularly with regard to orders from rolling stock manufacturers, but it also included the cancellation of a customer project of EUR 2.2 million for a rolling stock manufacturer that was entered for the first quarter and was cancelled due to a change in the end customer's plans.

In January–December, orders received by the **Group** amounted to EUR 124.9 (149.6) million, representing a year-on-year decrease of 16.5%. Orders received by the **Broadband Networks** business unit totalled EUR 74.8 (88.3) million, representing a year-on-year decrease of 15.3%. The decline of HFC product orders in Europe was not fully compensated for by the substantial new orders received from customers in North America. 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 50.1 (61.2) million, representing a year-on-year decrease of 18.2%. The decrease was due to a lower order volume from rolling stock manufacturers in connection with major rolling stock deliveries. Orders received from public transport operators and video security customers, in turn, were higher than in the comparison period.

Order book

EUR million	31 Dec 2024	31 Dec 2023	Change
Broadband Networks	25.0	28.4	-11.9%
Public Safety and Mobility	93.3	97.5	-4.4%
Total	118.3	125.9	-6.1%

The order book of the **Group** amounted to EUR 118.3 (125.9) million at the end of the period, declining 6.1% to the comparison period. Approximately 57% of the deliveries in the order book are scheduled to take place during the 2025 financial period.

The order book of the **Broadband Networks** business unit totalled EUR 25.0 (28.4) million, representing a year-on-year decrease of 11.9%. The order book was reduced by weak order intake from European customers, which was compensated for by strong orders from North American customers.

The order book of the **Public Safety and Mobility** business unit totalled EUR 93.3 (97.5) million, representing a year-on-year decrease of 4.4%. The value of the order book for video security and public transport operator customers increased, while value for rolling stock manufacturers decreased towards comparison period. 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 restated downward by EUR 4.4 million during this reporting period.

Investments, research and product development

Investments by the Group totalled EUR 6.3 (8.0) million, representing 4.8% (5.3%) of net sales. Leases capitalised in accordance with IFRS 16 amounted to EUR 1.7 (1.1) million, while other investments in tangible and intangible assets came to EUR 0.3 (0.8) million. A total of EUR 4.3 (6.1) million of R&D expenses were capitalised during the period under review. Depreciation on capitalised R&D expenses was EUR 2.1 (3.0) million. In addition, a one time impairment of EUR 6.7 million was allocated to the Group's capitalised R&D expenses, as described in more detail above.

R&D expenses amounted to EUR 14.1 (17.7) million, representing 10.0% (11.7%) 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 for the North American 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 673 (803) people on average in January–December 2024. At the end of December, the Group employed 619 (750) people, of whom 29% (37%) worked abroad.

Personnel expenses decreased by 13.7% year-on-year to EUR 41.0 (47.5) million. The decrease in personnel expenses was due to a reduction in the number of personnel as well as 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 31 December 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 5,047 (5,408). Foreign shareholders accounted for 0.8% (1.0%) of the shares, while nominee-registered holdings accounted for 2.4% (2.8%).

On 31 December 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 31 December 2024.

In January–December 2024, the share turnover of Teleste on Nasdaq Helsinki was 1.3 (1.5) million shares and EUR 3.4 (5.2) million. The volume-weighted average price of the share was EUR 2.61 (3.37), the lowest share price of the review period was EUR 2.07 (2.55) and the highest EUR 3.45 (4.75). The closing price of the Teleste share on 31 December 2024 was EUR 2.64 (2.70) and market capitalisation was EUR 50.1 (51.3) million.

Corporate Governance

Leadership Team

At the end of December 2024, Teleste Corporation's Leadership Team included Esa Harju, President and CEO; Mervi Kerkelä-Hiltunen, 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.

On 2 December 2024, the company announced that it had appointed Ulf Andersson as EVP & GM of the Broadband Networks business unit and a member of the Leadership Team effective from January 1, 2025.

Annual General Meeting, Board of Directors

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 31 December 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.

Business 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 financial statement release 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.

Geopolitical tensions continued to escalate globally in 2024. In addition to the ongoing war in Ukraine, there were significant armed engagements in the Middle East, alongside heightened tensions in Asia, particularly concerning China and Taiwan. These geopolitical dynamics may lead to unpredictable changes in the company's operational environment and could impact the availability, utilization, and global supply chains of various materials and components.

The new administration in the United States has announced potential trade actions and increases to import tariffs. Such potential tariffs may impact company's short-term profitability, as the products are predominantly manufactured in Europe. The company has developed action plans to address various scenarios, both in the short term and the long term.

New technology standards, such as the DOCSIS 4.0 specification, often include alternative technology variants for different features. This has increased product development costs and the associated risks for suppliers. As commercial products enter the market, operators may change their technology choices from one standard variant to another. This could result in a scenario where not all product development investments align with the projected market size. This risk may be mitigated by attempting to negotiate customer commitments or shared risk-taking agreements.

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

Ulf Andersson was appointed as the EVP & GM of the Broadband Networks business unit and a member of the Leadership Team as of 1 January 2025. The company issued a press release on his appointment on 2 December 2024. Hanno Narjus will continue with the company in a new role as Senior Fellow, Industry Relations.

Operating environment

Broadband Networks

The demand for broadband services and network equipment is expected to grow due to competition among network operators to provide reliable high-speed connections to households and companies. Since 2023, market demand has decreased due to the weakened macroeconomic situation, the development of operators' net sales, cost-saving measures, and the optimisation of inventory levels among operators. Market demand remained soft also in 2024 as part of the transition to next-generation cable and fibre-based technologies. This had a negative impact on the business of many technology vendors.

Next-generation DOCSIS 4.0-compliant technologies provide subscribers with broadband access connectivity with speeds of up to 10 gigabits using existing network infrastructure. This enables cable broadband services to remain competitive and complementary with optical fibre. Network operators in North America started their deployment of new DOCSIS 4.0 technology in 2024. 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. In Europe, investments are set to begin in the latter half of 2025, targeting parts of the market whilst a larger investment cycle is expected on fibre-based technology. This will result in a smaller wave of DOCSIS 4.0 investments in Europe compared to previous cable infrastructure

upgrades. Potential U.S. trade actions and import tariffs may cause temporary disruptions in the market, but they are not expected to have a significant longer-term impact on the market growth.

Deliveries of Teleste's 1.8 GHz DOCSIS 4.0-compliant smart amplifiers began in the first half of 2024, 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. Possible import tariffs in the United States may impact the profitability of the business in the short term.

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 invest in information and security systems to ensure the efficient operation of services and infrastructure, as well as to ensure the safety of passengers. Public transport information systems are continuously developing to become 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. These investments are mainly executed through publicly funded projects with fixed or indexed prices.

The market for public transport information systems experienced steady growth in 2024. We expect moderate and steady market growth to continue in both information systems and security systems in the coming years. Teleste's strategic focus will particularly be on information and security solutions for public transport. To maintain competitiveness, Teleste must consistently invest in research and development for new intelligent solutions, as the proportion of real-time software systems in these solutions will continue to increase. Maximizing sales prices within the limits of contractual agreements, ensuring professional project management, enhancing overall profitability, and maintaining operational efficiency will remain top priorities.

Financial information in 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.

Teleste Corporation's Annual General Meeting is scheduled to be held on Wednesday, 23 April 2025, in Helsinki, Finland. Teleste's Board of Directors will send an invitation for the Annual General Meeting separately.

Results presentation call

Teleste will organise 2024 results earnings call for analysts, banks, investors and the media on 11 February 2025 at 9:30 a.m. Finnish time (eet). The event will feature presentations by CEO Esa Harju and CFO Mervi Kerkelä-Hiltunen. Registration for the results event is according to separately provided customary instructions.

Turku, 11 February 2025

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 2024, Teleste's net sales amounted to EUR 132.5 million and on average it had approximately 670 employees. Teleste is listed on Nasdaq Helsinki. For more information, please visit our website www.teleste.com.

This financial statement release 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)	10-12/2024	10-12/2023	Change %
Net Sales	36,504	30,667	19.0 %
Other operating income	117	204	-42.4 %
Materials and services	-19,405	-14,800	31.1 %
Personnel expenses	-9,945	-11,051	-10.0 %
Depreciation	-1,308	-1,771	-26.1 %
Impairment	-6,073	0	n/a
Other operating expenses	-5,580	-5,578	0.0 %
Operating profit	-5,690	-2,329	n/a
Financial income	607	-143	-523.4 %
Financial expenses	-912	-937	-2.7 %
Profit after financial items	-5,994	-3,409	n/a
Profit before taxes	-5,994	-3,409	n/a
Taxes	1,006	588	71.1 %
Net profit	-4,988	-2,821	n/a
Attributable to:			
Equity holders of the parent	-5,003	-2,747	n/a
Non-controlling interests	15	-74	n/a
	-4,988	-2,821	n/a
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in euro per share)			
Basic	-0.27	-0.15	n/a
Diluted	-0.28	-0.15	n/a
Total comprehensive income for the period (tEUR)			
Net profit	-4,988	-2,821	n/a
Possible items with future net profit effect			
Translation differences	-209	686	-130.4 %
Cash flow hedges	-11	-432	-97.4 %
Total comprehensive income for the period	-5,208	-2,567	n/a
Attributable to:			
Equity holders of the parent	-5,179	-2,509	n/a
Non-controlling interests	-28	-58	n/a

	-5,208	-2,567	n/a
STATEMENT OF COMPREHENSIVE INCOME (tEUR)	1-12/2024	1-12/2023	Change %
Net Sales	132,524	151,349	-12.4 %
Other operating income	607	961	-36.8 %
Materials and services	-66,244	-77,304	-14.3 %
Personnel expenses	-40,981	-47,479	-13.7 %
Depreciation and amortization	-5,157	-6,066	-15.0 %
Impairment	-6,653	0	n/a
Other operating expenses	-19,622	-21,943	-10.6 %
Operating profit	-5,525	-481	n/a
Financial income	991	946	4.8 %
Financial expenses	-2,532	-2,881	-12.1 %
Profit after financial items	-7,066	-2,416	n/a
Profit before taxes	-7,066	-2,416	n/a
Taxes	1,013	1,911	-47.0 %
Net profit	-6,053	-505	n/a
Attributable to:			
Equity holders of the parent	-5,853	-82	n/a
Non-controlling interests	-200	-423	n/a
	-6,053	-505	n/a
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in euro per share)			
Basic	-0.32	0.00	n/a
Diluted	-0.32	0.00	n/a
Total comprehensive income for the period (tEUR)			
Net profit	-6,053	-505	n/a
Possible items with future net profit effect			
Translation differences	-65	471	-113.8 %
Cash flow hedges	-306	114	-368.0 %
Total comprehensive income for the period	-6,424	81	-8,066.8 %
Attributable to:			
Equity holders of the parent	-6,189	494	-1,351.8 %
Non-controlling interests	-235	-414	n/a
	-6,424	81	-8,066.8 %

STATEMENT OF FINANCIAL POSITION (tEUR)	31.12.2024	31.2.2023	Change %
Non-current assets			
Intangible assets	8,839	13,474	-34.4 %
Goodwill	30,082	30,107	-0.1 %
Property, plant, equipment	11,516	12,488	-7.8 %
Other non-current financial assets	27	364	-92.6 %
Other non-current receivables	116	119	-2.4 %
Deferred tax asset*	3,163	1,873	68.8 %
	53,742	58,425	-8.0 %
Current assets			
Inventories	24,896	35,618	-30.1 %
Trade and other receivables	32,703	31,513	3.8 %
Tax Receivable, income tax	1,019	444	129.8 %
Cash and cash equivalents	8,808	6,228	41.4 %
	67,426	73,802	-8.6 %
Total assets	121,168	132,226	-8.4 %
Shareholder's equity and liabilities			
Share capital	6,967	6,967	0.0 %
Other equity	48,509	54,348	-10.7 %
Owners of the parent company	55,476	61,315	-9.5 %
Non-controlling interests	-669	-433	54.3 %
EQUITY	54,808	60,882	-10.0 %
Non-current liabilities			
Deferred tax liability*	50	99	-49.9 %
Non-current liabilities, interest-bearing	24,653	30,460	-19.1 %
Non-current interest-free liabilities	35	91	-61.7 %
Non-current provisions	560	310	80.6 %
	25,297	30,959	-18.3 %
Current liabilities			
Current interest-bearing liabilities	9,558	7,338	30.3 %
Trade Payables and Other Liabilities	29,569	31,389	-5.8 %
Advances received	365	675	-46.0 %
Tax liability, income tax	139	188	-25.8 %
Current provisions	1,433	796	79.9 %
	41,063	40,385	1.7 %
Total shareholder's equity and liabilities	121,168	132,226	-8.4 %

*A change has been made to the accounting practice for deferred tax assets and deferred tax liabilities, and items relating to the same taxpayer have been netted. A corresponding adjustment has also been made to the figures for the 2023 financial year.

CONSOLIDATED CASH FLOW STATEMENT (tEUR)	1-12/2024	1-12/2023	Change %
Cash flows from operating activities			
Profit for the period	-6,053	-505	n/a
Adjustments to cash flow from operating activities	21,398	13,638	56.9 %
Other finance items	-201	-318	-37.0 %
Paid interest and other finance expenses	-2,130	-1,595	33.6 %
Received interests and dividend payments	204	290	-29.5 %
Paid Taxes	-788	-723	9.0 %
Cash flow from operating activities	12,431	10,787	15.2 %
Cash flow from investing activities			
Purchase of tangible and intangible assets	-4,642	-6,842	-32.2 %
Proceeds from sales of PPE	91	28	223.3 %
Divestment of subsidiaries, net of cash acquired	0	2,407	-100.0 %
Purchase of investments	0	0	n/a
Net cash used in investing activities	-4,551	-4,407	n/a
Cash flow from financing activities			
Proceeds from borrowings	37,387	0	n/a
Payments of borrowings	-40,823	-11,633	250.9 %
Payment of leasing liabilities	-1,933	-1,920	0.7 %
Dividends paid	0	0	n/a
Net cash used in financing activities	-5,369	-13,552	n/a
Change in cash			
Cash in the beginning	6,228	13,405	-53.5 %
Effect of currency changes	71	-5	-1621.0 %
Change	2,510	-7,173	n/a
Cash at the end	8,808	6,228	41.4 %

OPERATING SEGMENTS (tEUR)	1-12/2024	1-12/2023	Change %
Broadband Networks			
Orders received	74,807	88,348	-15.3 %
Net sales	78,191	92,455	-15.4 %
Adjusted EBITDA	8,869	8,902	-0.4 %
Adjusted EBITDA %	11.3 %	9.6 %	17.8 %
Adjusted operating profit	6,201	5,989	3.5 %
Adjusted operating profit %	7.9 %	6.5 %	22.4 %
Public Security & Mobility			
Orders received	50,054	61,208	-18.2 %
Net sales	54,333	58,894	-7.7 %
Adjusted EBITDA	4,389	2,763	58.9 %
Adjusted EBITDA %	8.1 %	4.7 %	72.2 %
Adjusted operating profit	1,902	-389	n/a
Adjusted operating profit %	3.5 %	-0.7 %	n/a
Group reconciliation			
Adjusted operating profit from segments	8,102	5,600	44.7 %
Non-allocated items	-4,069	-4,441	n/a
Adjusted operating profit	4,033	1,158	248.2 %
Adjustment items	-9,559	-1,640	n/a
Operating profit	-5,525	-481	n/a
Finance items	-1,541	-1,935	-20.4 %
Profit before taxes	-7,066	-2,416	n/a

Information per quarter (tEUR)	10-12/24	7-9/24	4-6/24	1-3/24	10-12/23	1/2024-12/2024
Orders received						
Broadband Networks	25,699	15,952	17,255	15,901	16,969	74,807
Public Security & Mobility	10,579	15,386	9,461	14,628	15,090	50,054
Total	36,278	31,338	26,716	30,529	32,059	124,861
Net sales						
Broadband Networks	19,978	18,115	16,968	23,130	15,384	78,191
Public Security & Mobility	16,526	11,791	12,572	13,444	15,283	54,333
Total	36,504	29,906	29,540	36,574	30,667	132,524
Adjusted operating profit						
Broadband Networks	1,122	1,546	986	2,546	306	6,201
Public Security & Mobility	809	669	199	224	-578	1,902
Non-allocated items	-1,110	-741	-995	-1,222	-1,146	-4,069
Total	821	1,474	190	1,548	-1,418	4,033
Operating profit						
Adjusted operating profit	821	1,474	190	1,548	-1,418	4,033
Adjustment items	-6,511	-197	-952	-1,899	-911	-9,559
Total	-5,690	1,277	-762	-351	-2,329	-5,524

Net sales by category (tEUR)	1-12/2024	1-12/2023	Change %
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Goods	118,147	131,150	-9.9 %
Service	14,377	20,199	-28.8 %
Total	132,524	151,349	-12.4 %

KEY FIGURES

	1-12/2024	1-12/2023	Change %
Operating profit, tEUR	-5,525	-481	n/a
Earnings per share, EUR	-0.32	0.00	n/a
Earnings per share fully diluted, EUR	-0.32	0.00	n/a
Shareholders' equity per share, EUR	3.00	3.34	-10.0 %

Return on equity	-10.5 %	-0.8 %	n/a
Return on investment	-5.0 %	0.2 %	-2625.4 %
Equity ratio	45.4 %	45.4 %	0.0 %
Net gearing	46.3 %	51.9 %	-10.7 %

Investments, tEUR	6,311	7,966	-20.8 %
Investments % of net sales	4.8 %	5.3 %	-9.5 %
Order backlog, tEUR	118,263	125,926	-6.1 %
Personnel, average	673	803	-16.2 %

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 %
Highest share price, EUR	3.45	4.75	-27.4 %
Lowest share price, EUR	2.07	2.55	-18.8 %
Average share price, EUR	2.61	3.37	-22.6 %

Turnover, in million shares	1.3	1.5	-15.4 %
Turnover, in MEUR	3.4	5.2	-34.2 %

Impairment by category (tEUR)	1-12/2024	1-12/2023	Change %
Impairment of development costs	-6,653	0.0	n/a
Impairments total	-6,653	0.0	n/a

Inventories (tEUR)	31.12.2024	31.12.2023	Change %
Inventory at purchase value	33,954	43,436	-21.8 %
Provision for net realization value	-9,058	-7,818	15.9 %
Inventory total	24,896	35,618	-30.1 %

Treasury shares	Number of shares	% of shares	% of votes
Possession of company's own shares 31.12.2024	738,398	3.89 %	3.89 %

Contingent liabilities and pledged assets (tEUR)	31.12.2024	31.12.2023	Change %	31.12.2023
Leasing and rent liabilities	585	840	-30.3 %	840
Derivative instruments (tEUR)	31.12.2024	31.12.2023	Change %	31.12.2023
Value of underlying forward contracts	10,683	14,442	-26.0 %	14,442
Market value of forward contracts	-26	-274	-90.7 %	-274
Interest rate swap	8,750	31,250	-72.0 %	31,250
Market value of interest swap	257	478	-46.1 %	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)	10-12/2024	10-12/2023	Change %	1-12/2024	1-12/2023	Change %
Adjusted operating profit	821	-1,418	n/a	4,033	1,158	248.2 %
Adjusted earning per share, EUR	0.08	-0.10	n/a	0.20	0.09	137.7 %
BRIDGE OF CALCULATION						
Operating profit	-5,690	-2,329	n/a	-5,525	-481	n/a
Business reorganization	370	510	-27.5 %	2,742	725	278.2 %
Strategic development projects	68	401	-83.1 %	164	915	-82.0 %
Impairment of development costs	6,073	0	n/a	6,653	0	n/a
Adjusted operating profit	821	-1,418	n/a	4,033	1,158	248.2 %
Net profit/loss to equity holder	-5,003	-2,747	n/a	-5,853	-82	n/a
Outstanding shares during the quarter, weighted average	18,247	18,239	0.0 %	18,246	18,237	0.0 %
Earnings per share, basic (EUR)	-0.27	-0.15	n/a	-0.32	0.00	n/a
Net profit/loss to equity holder	-5,003	-2,747	n/a	-5,853	-82	n/a
Business reorganization	370	510	-27.5 %	2,742	725	278.2 %
Strategic development projects	68	401	-83.1 %	164	915	-82.0 %
Impairment of development costs	6,073	0	n/a	6,653	0	n/a
Change in deferred assets	0	0	n/a	0	0	n/a
Outstanding shares during the quarter	18,247	18,239	0.0 %	18,246	18,237	0.0 %
Adjusted earnings per share, EUR	0.08	-0.10	n/a	0.20	0.09	137.7 %

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	-5,853	0	0	-5,853	-200	-6,053
Other comprehensive items for the period	0	0	-175	145		-306	-336	-35	-372
Dividend	0	0	0	0	0	0	0	0	0
Equity-settled share-based payments	0	0	0	350	0	0	350	0	350
Shareholder's equity 31.12.2024	6,967	1,504	-2,329	46,234	3,140	-40	55,476	-669	54,808

	A	B	C	D	E	F	G	H	I
Shareholder's equity 1.1.2023	6,967	1,504	-1,850	50,458	3,140	152	60,372	-20	60,352
Net result	0	0	0	-82	0	0	-82	-423	-505
Other comprehensive items for the period	0	0	-304	766		114	576	10	586
Dividend	0	0	0	0	0	0	0	0	0
Equity-settled share-based payments	0	0	0	449	0	0	449	0	449
Shareholder's equity 31.12.2023	6,967	1,504	-2,154	51,591	3,140	266	61,315	-433	60,882

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 – December 31, 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 December 31, 2024

	Nbr. of shareholders	% of Owners	Shares	% of shares
Households	4,772	94.6	5,071,407	26.7
Public sector institutions	3	0.1	1,920,625	10.1
Financial and insurance institutions	16	0.3	3,184,129	16.8
Corporations	211	4.2	8,629,899	45.5
Non-profit institutions	18	0.4	33,468	0.2
Foreign	27	0.5	146,060	0.8
Total	5,047	100.0	18,985,588	100.0
Of which nominee registered	8	0.2	453,644	2.4

Major shareholders by distribution of shares December 31, 2024

Number of shares	Nbr. of shareholders	% of shareholders	Nbr. of shares	% of shares
1-100	1,555	30.8	78,717	0.4
101-500	1,944	38.5	512,571	2.7
501-1,000	660	13.1	535,296	2.8
1,001-5,000	672	13.3	1,444,815	7.6
5,001-10,000	103	2.0	732,035	3.9
10,001-50,000	86	1.7	1,827,868	9.6
50,001-100,000	8	0.2	531,021	2.8
100,001-500,000	11	0.2	2,271,403	12.0
500,001-& above	8	0.2	11,051,862	58.2
Total	5,047	100.0	18,985,588	100.0
of which nominee registered	8	0.2	453,644	2.4



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