

INTERIM
REPORT
Q1 2021



JANUARY 1-MARCH 31, 2021

TELESTE

NET SALES ON PAR WITH THE REFERENCE PERIOD, ADJUSTED OPERATING RESULT INCREASED

First quarter of 2021

- Net sales amounted to EUR 37.0 (36.6) million, an increase of 1.2%
- Adjusted operating result stood at EUR 1.5 (1.4) million, an increase of 5.1%
- Operating result amounted to EUR 4.7 (1.4) million, including non-recurring income from insurance compensation of EUR 3.2 million, an increase of 230.0%
- Earnings per share were EUR 0.21 (-0.07), the figure for the comparison period includes discontinued operations
- Cash flow from operations was EUR 2.6 (0.1) million, the figure for the comparison period includes discontinued operations
- Orders received totalled EUR 36.0 (45.9) million, a decrease of 21.4%
- Order backlog totalled EUR 76.1 (82.6) million, a decrease of 7.8%

The income statement figures presented in this interim report only include continuing operations, except where otherwise noted. The figures in the balance sheet and the cash flow statement include both continuing and discontinued operations.

Outlook for 2021

Teleste estimates that the net sales of the continuing operations in 2021 will reach or exceed the level of 2020 and that the adjusted operating result will exceed the adjusted operating result of 2020. The net sales of the continuing operations in 2020 were EUR 145.0 million, and the adjusted operating result was EUR 5.1 million.

However, the COVID-19 pandemic continues to cause uncertainty among Teleste's customers and in the company's own operations in the 2021 financial period.

Comments by CEO Jukka Rinnevaara:

“In spite of the pandemic, the first quarter of 2021 started relatively favourably as net sales grew and adjusted operating result improved slightly year-on-year. Net sales grew in access network products and public transport information solutions but decreased in access network services. The adjusted operating result increased year-on-year due to lower fixed costs and as access network product deliveries were focused on products with higher gross margins. Fixed costs were reduced by the adaptation measures implemented last year as well as the reduction in marketing events and business travel caused by the COVID-19 pandemic. Orders received in the first quarter decreased from the high level seen in the comparison period in access network products for traditional HFC network infrastructure and public transport

information solutions. The order backlog was particularly affected by the postponement of certain decisions on orders by rail traffic customers. The order backlog remains at a good level in spite of the decrease in orders received.

The utilisation rate of broadband services by European data communications operators remained high due to the increase in teleworking during the COVID-19 pandemic and the increased consumption of streaming entertainment services. The operators' network capacity has mostly been sufficient for service delivery because networks in Europe have largely been upgraded in accordance with the requirements of the DOCSIS 3.1 standard. During periods of high utilisation rates, operators aim to avoid non-critical network investments. Nevertheless, the higher utilisation rate of broadband networks has activated operators to design next-generation network solutions with us. We have made progress in the deployment of distributed access architecture among our customer base, as exemplified by the cooperation with Liberty Global announced in April. We started the development of products in accordance with the DOCSIS 4.0 standard and we are continuing distributed access architecture product development.

The market for video security and public transport information systems decreased last year due the reduction in the use of public transport caused by the COVID-19 pandemic as well as delays in investments and projects. However, it is our view that the planned investments have not been cancelled. Rather, project start-ups have been delayed, which was reflected in the orders received in the first quarter. Our order backlog remains promising and we believe the market will turn to growth this year. One significant event in our customer base in the first quarter was Alstom's acquisition of Bombardier Transportation's rolling stock business. This created one of the world's leading suppliers of rolling stock, which represents a significant customer account and growth opportunity for Teleste. During the quarter, we managed to avoid significant problems arising from the global shortage of materials and components. Nevertheless, we expect the situation to remain challenging in several product categories. The order backlog for public transport information solutions for this year is at a good level and we are making efforts to ensure that problems associated with the availability of materials and components will not have a significant impact on our delivery capacity during the remainder of the year.”

The income statement figures presented in this interim report only include continuing operations, except where otherwise noted. The figures in the balance sheet and the cash flow statement include both continuing and discontinued operations.

Group Operations January-March 2021

Key figures	1-3/2021	1-3/2020	Change, %	1-12/2020
Net sales, EUR million	37.0	36.6	+1.2%	145.0
Adjusted EBIT, EUR million ¹⁾	1.5	1.4	+5.1%	5.1
Adjusted EBIT, % ¹⁾	4.0%	3.9%		3.5%
EBIT, EUR million	4.7	1.4	+230.0%	4.5
EBIT, %	12.7%	3.9%		3.1%
Result for the period, EUR million	3.7	1.2	+212.1%	2.8
Result for the period, EUR million ²⁾	3.7	-1.4		-8.0
Earnings per share, EUR	0.21	0.07	+203.3%	0.16

Earnings per share, EUR ²⁾	0.21	-0.07		-0.43
Cash flow from operations, EUR million ²⁾	2.6	0.1	+3,779.7%	13.1
Net gearing, % ²⁾	20.0%	39.6%		17.0%
Equity ratio, % ²⁾	52.3%	46.9%		48.8%
Orders received, EUR million	36.0	45.9	-21.4%	148.8
Order backlog, EUR million	76.1	82.6	-7.8%	77.1
Personnel at period-end	863	859	+0.5%	858

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

²⁾ Including discontinued operations

Orders received in the first quarter totalled EUR 36.0 (45.9) million, a decrease of 21.4% year-on-year. Orders received decreased in access network products for traditional HFC network infrastructure and public transport information solutions. The order backlog decreased by 7.8% compared to the end of the reference period and totalled EUR 76.1 (82.6) million. 50% of the deliveries in the order backlog will take place during the current financial period. Net sales amounted to EUR 37.0 (36.6) million, an increase of 1.2% year-on-year. Net sales grew in access network products and public transport information solutions but decreased in access network services.

Expenses for material and production services were EUR 17.9 (17.5) million, an increase of 2.6%. Personnel expenses increased by 3.4% to EUR 12.1 (11.7) million. Depreciations amounted to EUR 1.7 (1.7) million, an increase of 4.1%. Other operating expenses decreased by 14.4% to EUR 4.2 (4.9) million. Other expenses were particularly influenced by the decrease in marketing events and business travel caused by the COVID-19 pandemic. The adjusted operating result increased by 5.1% to EUR 1.5 (1.4) million, representing 4.0% (3.9%) of net sales. Operating profit amounted to EUR 4.7 (1.4) million, an increase of 230.0%. The operating result includes non-recurring insurance compensation in the amount of EUR 3.2 million, which is reported as an adjustment item. Net gains from financial items totalled EUR 0.1 (0.3) million. Direct taxes amounted to EUR 1.1 (0.6) million. The result for the period was EUR 3.7 (1.2) million, representing an increase of 212.1%. The result for the period, including discontinued operations, stood at EUR 3.7 (-1.4) million. Earnings per share were EUR 0.21 (0.07) per share, an increase of 203.3%. Earnings per share including discontinued operations were EUR 0.21 (-0.07).

Cash flow from operations, including discontinued operations, was EUR 2.6 (0.1) million. The increase in cash flow from operations was attributable to a non-recurring income item of EUR 3.2 million and the growth of net working capital.

R&D expenses amounted to EUR 2.8 (3.2) million, representing 7.6% (8.8%) of consolidated net sales. Product development projects focused on distributed access architecture and next-generation amplifiers, including solutions designed for the US market, situational awareness and video security solutions, passenger information systems and customer-specific projects. Capitalised R&D expenses amounted to EUR 1.2 (1.2) million. Depreciation on capitalised R&D expenses was EUR 0.9 (0.6) million.

Discontinued operations

The services business of the Germany-based Cableway companies were classified as an asset held for sale pursuant to IFRS 5 ("Non-current assets held for sale and discontinued operations"), and Teleste reported the business as a discontinued operation in accordance with the standard in the financial period 2020. The divestment was completed on 2 November 2020 and the final transaction price was the price reported in the financial statements of 31 December 2020. We estimate that the divested services business will not have an impact on the income statement for the financial period 2021. The income statement comparison figures for 2020 presented in interim reports in 2021 only include continuing operations, unless otherwise provided. The comparison figures in the balance sheet and the cash flow statement include both continuing and discontinued operations.

Personnel and organisation January-March 2021

The Group employed 862 (860) people on average during the period under review. At the end of the review period, the Group employed 863 (859) people, of whom 46% (45%) worked abroad. Approximately 3% of the Group's employees were working outside Europe.

Personnel expenses increased by 3.4% year-on-year to EUR 12.1 (11.7) million. The change in personnel expenses was attributable to salary and wage increases.

Investments and product development in January-March 2021, including discontinued operations

Investments by the Group totalled EUR 1.7 (2.8) million, representing 4.6% (5.3%) of net sales. Of the investments, EUR 0.4 (1.0) million were carried out under financing agreements.

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

Financing and capital structure January-March 2021, including discontinued operations

Cash flow from operations was EUR 2.6 (0.1) million. The increase in cash flow from operations was attributable to a non-recurring income item of EUR 3.2 million and the growth of net working capital.

Teleste Corporation has credit and loan facilities with a combined total value of EUR 56.0 million. The five-year loan facility of EUR 30.0 million will mature in August 2022. The loan is repaid in annual instalments of EUR 3.0 million. The EUR 20.0 million credit facility will run until the end of August 2021 and includes a one-year extension option. The loan of EUR 6.0 million has a maturity of 4 years, and it will be repaid in fixed instalments in six-month intervals by August 2024. At the end of the period under review, the amount of unused binding credit facilities was EUR 21.5 (18.8) million.

On 31 March 2021, the Group's interest-bearing debt stood at EUR 29.8 (34.1) million. The Group's equity ratio was 52.3% (46.9%) and net gearing ratio 20.0% (39.6%).

Key risks related to business operations

Europe is Teleste's main market and business area, but the company aims to expand its business in North America. Teleste's customers include cable operators, public transport operators, train manufacturers and specified organisations in the public sector.

Teleste's strategy involves risks and uncertainties, such as that new business opportunities may fail to be identified or successfully used. The company must anticipate market changes such as the significance of consolidation among customers or competitors. Periods of technological transformation, such as operators migrating to distributed access architecture in access networks, may significantly change the competitive positions of the current suppliers and attract new competitors to the market. Intensified competition may decrease the prices of products and solutions faster than we are able to reduce our products' manufacturing and delivery costs. Correct technological choices, product development and their timing are vital to success. Product development contains calculated risks and should they materialise, the value of the product development investments can decrease. Expanding business operations to new markets is demanding. The Group's investments in growth in the North American market will not necessarily lead to the desired results.

In the technology and product business, client-specific and integrated deliveries of solutions create favourable conditions for growth, even if the involved resource allocation and technical implementation pose a challenge and therefore also involve reasonable risks. Data communications operators' network investments vary according to the development of technology, customers' need to upgrade networks and their capacity to invest. The demand for video security and information solutions also fluctuates on the basis of large individual project deliveries. End-to-end deliveries of systems and projects may be large in size and take place over several years, setting high demands for the project quotation calculation and management and, consequently, involve risks. Increased competition created by the new service providers may undermine the cable operators' ability to invest. Various technologies are used in Teleste's products and solutions, and the intellectual property rights associated with the application of these technologies can be interpreted in different ways by different parties. Such difficulties of interpretation may lead to costly investigations or court proceedings. Customers have very demanding requirements for the performance of products, their durability in challenging conditions and their compatibility with other components of integrated systems. Regardless of careful planning and quality assurance, complex products and solutions may fail in the customer's operational environment and lead to expensive repair obligations. Teleste is also committed to its customers' high requirements for quality and delivery reliability in network services, which calls for a highly effective service process management system and continuous process development to ensure the quality and cost-efficiency of services. This, in turn, requires continuous development of the skills and knowledge of our personnel and subcontractors. In addition, the sufficiency and usage rates of our personnel and subcontractor network influence the delivery capacity and profitability of services. Subcontractors' costs may increase faster than it is possible for Teleste to increase the prices of its services to its own customers.

Various information systems are critical to the development, manufacture and supply of products to customers. The maintenance of information systems and deployment of new systems involve risks that may affect ability to deliver products and services. Information systems are also exposed to external threats and we strive to protect ourselves from these threats through technical solutions and by increasing the security competence of our personnel. Teleste Group may also be targeted by illegal activities and fraud attempts

that could have a significant effect on the financial result. The Group strives to minimise these risks by continuing to develop good governance practices and increasing the security competence of its personnel. Recruiting and maintaining skilled personnel requires encouragement, development and recruitment efforts, which can fail.

The consequences of natural phenomena and global disruptions, such as a pandemic, or accidents, such as a fire or a flood, may reduce the availability of components in the order-delivery chain of the electronics industry or suspend our own manufacturing operations. The challenges related to the availability of raw materials and components that began last year are still ongoing. The company estimates that the risks associated with availability may lead to delays in deliveries, but these delays are not expected to last long. Customs levies imposed by different countries and changes or restrictions on exports or imports may have a negative effect on component supply chains and the profitability of products. Many competitors in the provision of access network technologies come from the United States, which is why the exchange rate of the euro against the US dollar has an effect on competitiveness. In particular, the development of the exchange rates of the US dollar and the Chinese renminbi against the euro influences product costs and result. The company hedges against short-term currency exposure by means of forward exchange contracts and stock options.

The COVID-19 pandemic presents risks to Teleste's supply chain, the company's own operating capacity, the operating capacity of customers and the demand for Teleste's products and services. Thus far, in response to the restrictive measures imposed by the authorities in various countries due to the COVID-19 pandemic, operators have reduced or suspended their broadband network construction, while certain customers in public transport information solutions have been forced to close down their factories and delay projects. The effects of the pandemic on Teleste's supply chain and component availability have been limited. Our personnel and our in-house production activities have mainly remained operational. The company initiated measures in the first quarter of 2020 to safeguard its liquidity and financial position. The COVID-19 pandemic has had a negative impact on net sales and operating result from the second quarter of 2020 onwards.

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

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

Group structure, including discontinued operations

The parent company has a branch office in the Netherlands and subsidiaries in 14 countries outside Finland.

Shares and changes in share capital

Pursuant to the authorisation issued by the Annual General Meeting, Teleste Corporation's Board of Directors decided, on 10 March 2021, on a directed share issue without consideration, relating to the reward

payment for the performance period 2018-2020 of Teleste Group's share-based incentive plan 2018. In the share issue, 8,225 Teleste Corporation shares held by the company were conveyed without consideration to the key employees participating in the share-based incentive plan in accordance with the terms and conditions of the plan on 19 March 2021.

On 31 March 2021, Tianta Oy was the largest single shareholder with a holding of 24.2% (23.2%).

In the period under review, the lowest price of the company's share was EUR 4.47 (3.51) and the highest price was EUR 5.34 (5.78). The closing price on 31 March 2021 stood at EUR 5.14 (3.75). According to Euroclear Finland Ltd, the number of shareholders at the end of the period under review was 5,902 (5,474). Foreign and nominee-registered holdings accounted for 3.9% (5.5%) of the shares. From 1 January to 31 March 2021, a total of 0.9 (0.8) million Teleste shares were traded on Nasdaq Helsinki, and the value of the shares traded was EUR 4.5 (3.9) million.

On 31 March 2021, the Group held 768,194 (798,821) of its own shares, all held by the parent company Teleste Corporation. At the end of the review period, the Group's holding of the total number of shares amounted to 4.0% (4.2%).

On 31 March 2021, the company's registered share capital stood at EUR 6,966,932.80, divided into 18,985,588 shares.

Valid authorisations on 31 March 2021:

- The Board of Directors may acquire 1,200,000 own shares of the company otherwise than in proportion to the holdings of the shareholders with unrestricted equity through trading on the regulated market organised by Nasdaq Helsinki at the market price of the time of the purchase.
- The Board of Directors may decide on issuing new shares and/or transferring the company's own shares held by the company, so that the maximum total number of shares issued and/or transferred is 2,000,000.
- The total number of new shares to be subscribed for under the special rights granted by the company and 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 new authorisations resolved upon by the Annual General Meeting of 7 April 2021 overrode the previous authorisations.

Events after the end of the review period

General Meeting

The Annual General Meeting (AGM) of Teleste Corporation held on 7 April 2021 adopted the financial statements and consolidated financial statements for 2020 and discharged the members of the Board of Directors and the CEO from liability for the financial period 2020. In accordance with the proposal of the Board of Directors, the AGM resolved that, based on the adopted balance sheet, a dividend of EUR 0.12 per

share be paid for the financial period that ended on December 31, 2021 for shares other than those held by the Company. The dividend record date was 9 April 2021 and the dividend was paid out on 16 April 2021.

The AGM decided that the Board of Directors shall consist of six members. Jussi Himanen, Vesa Korpimies, Mirel Leino-Haltia, Timo Luukkainen, Heikki Mäkijärvi and Kai Telanne were elected as members of Teleste Corporation's Board of Directors. In its organisational meeting held after the AGM on 7 April 2021, the Board of Directors elected Timo Luukkainen as its Chairman. Mirel Leino-Haltia was elected Chair of the Audit Committee, with Jussi Himanen and Vesa Korpimies as members.

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

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

The AGM approved the company's Remuneration Report for 2020.

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

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

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

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

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

Operating environment in 2021

Teleste's goal is to maintain its strong market position in Europe and to strengthen the market position in North America.

The demand for broadband services by data communications operators continues to grow. Household broadband traffic has grown at an annual rate of 30-40% in recent years. Broadband traffic has increased sharply during the COVID-19 pandemic due to the growth of teleworking and online education and the higher consumption of streaming services. It is possible that part of the growth created by the pandemic will remain a permanent phenomenon, which could accelerate network investments when the restrictions imposed due to the pandemic are lifted. European cable operators have been able to competitively respond to the increasing demand by investing in DOCSIS 3.1 standard-compliant 1.2 GHz frequency range network upgrades during the past few years. Investments in the expansion of the traditional HFC network infrastructure frequency range continue, but with a lower volume than in the past few years. Operators are already planning investment in next-generation distributed access architecture network solutions as set out in the DOCSIS 4.0 standard. The vision is to offer up to 10 Gbps connections to households. For years now, the cable industry, including Teleste, has been preparing for the next technology wave with which investment in cable network infrastructure can be competitively continued also in the years to come. Operators' investments in distributed access architecture have been delayed compared with previous schedule estimates and the COVID-19 pandemic will cause further delays, with field testing by operators having to be postponed. We estimate that operators' distributed access architecture deployment projects will commence at the end of 2021. The R&D projects of 1.8 GHz access network products set out in the DOCSIS 4.0 standard have been launched. We estimate that the deployment projects of these products will begin in 2023. The growth is enabled by the increased value of access network optical products as well as the opportunity to take advantage of the technological transformation to expand business into the North American markets. Achieving interoperability with the cable network central systems is a significant risk. We estimate that the net sales of the access network products and services in 2021 will reach or exceed the level of the reference year. However, this estimate involves uncertainty caused by the pandemic and the timing of the technological transformation.

Growing urban environments and their safety, the increase of public transport services and the increasing popularity of smart digital systems for a smoother life provide a foundation for growing business in the coming years. Public transport operators and other authorities must ensure smooth operation of services and infrastructure as well as the safety of people. Public transport information systems are continuously developing to be increasingly smart and real-time. The intelligence of video security solutions increases and a need is arising in the market for comprehensive situational awareness systems that include management of other sensor-level data flows in addition to video and automate operating processes in exceptional situations. We estimate that the market of public transport information systems has decreased in 2020 by the reduction in the use of public transport caused by the COVID-19 pandemic as well as delays in investments and projects. However, the market is expected to return to growth at the end of 2021 provided that the prolongation of the pandemic does not lead to a new negative movement in the market. Ensuring competitiveness requires Teleste to continuously make R&D investments in new intelligent solutions. Improvement in project management and operational efficiency in business are also necessary. Teleste strengthened its market position in video security and information solutions during 2020. We estimate that the net sales in 2021 will

reach or exceed the level of the reference year. However, this estimate involves uncertainty caused by the pandemic and the timing of the projects.

Outlook for 2021

Teleste estimates that the net sales of the continuing operations in 2021 will reach or exceed the level of 2020 and that the adjusted operating result will exceed the adjusted operating result of 2020. The net sales of the continuing operations in 2020 were EUR 145.0 million, and the adjusted operating result was EUR 5.1 million.

However, the COVID-19 pandemic continues to cause uncertainty among Teleste's customers and in the company's own operations in the 2021 financial period.

5 May 2021

Teleste Corporation

Jukka Rinnevaara

Board of Directors

President and CEO

This interim report has been compiled in compliance with IAS 34, as it is accepted within EU, using the recognition and valuation principles with those used in the Annual Report. Teleste has prepared this interim report applying the same accounting principles as those described in detail in its the consolidated financial statements except for the adoption of new standards and amendments effective as of January 1, 2021. The data stated in this report is unaudited.

STATEMENT OF COMPREHENSIVE INCOME (tEUR)	1-3/2021	1-3/2020	Change %	1-12/2020
Continuing operations				
Net Sales	37,010	36,562	1.2 %	144,983
Other operating income	3,590	542	562.2 %	1,783
Materials and services	-17,905	-17,451	2.6 %	-72,039
Personnel expenses	-12,088	-11,687	3.4 %	-45,156
Depreciation	-1,739	-1,670	4.1 %	-7,241
Other operating expenses	-4,173	-4,874	-14.4 %	-17,814
Operating profit	4,695	1,423	230.0 %	4,516
Financial income	316	340	-7.1 %	836
Financial expenses	-198	-25	681.0 %	-1,670
Profit after financial items	4,814	1,738	177.0 %	3,681
Profit before taxes	4,814	1,738	177.0 %	3,681
Taxes	-1,137	-560	103.1 %	-905
Net profit of continued operations	3,677	1,178	212.1 %	2,777
Discontinued operations				
Net profit of discontinued operations	0	-2,590	n/a	-10,812
Net profit	3,677	-1,412	n/a	-8,035
Attributable to:				
Equity holders of the parent	3,756	-1,353	n/a	-7,827
Non-controlling interests	-79	-59	n/a	-209
	3,677	-1,412	n/a	-8,035
Earnings per share for result of the year attributable to the equity holders of the parent (expressed in euro per share)				
Basic	0.21	-0.07	n/a	-0.43
Diluted	0.21	-0.07	n/a	-0.43
Earnings per share for result of the year of continued operations attributable to the equity holders of the parent (expressed in euro per share)				
Basic	0.21	0.07	203.3 %	0.16
Diluted	0.21	0.07	203.3 %	0.16
Earnings per share for result of the year of discontinued operations attributable to the equity holders of the parent (expressed in euro per share)				
Basic	0.00	-0.14	n/a	-0.59
Diluted	0.00	-0.14	n/a	-0.59
Total comprehensive income for the period (tEUR)				
Net profit	3,677	-1,412	n/a	-8,035
Possible items with future net profit effect				

Translation differences	190	-1,167	n/a	-606
Cash flow hedges	0	11	-100.0 %	62
Total comprehensive income for the period	3,867	-2,567	n/a	-8,579

Attributable to:

Equity holders of the parent	3,934	-2,513	n/a	-8,344
Non-controlling interests	-67	-54	n/a	-235
Equity holders of the parent	3,867	-2,567	n/a	-8,579

STATEMENT OF FINANCIAL POSITION (tEUR)	31/3/2021	31/3/2020	Change %	31/12/2020
Non-current assets				
Intangible assets	12,930	13,229	-2.3 %	12,816
Goodwill	30,609	30,109	1.7 %	30,502
Property, plant, equipment	8,934	10,010	-10.8 %	9,052
Other non-current financial assets	748	650	15.1 %	698
Deferred tax asset	1,489	1,014	46.9 %	2,203
	54,711	55,011	-0.5 %	55,270
Current assets				
Inventories	30,254	22,687	33.4 %	28,225
Trade and other receivables	30,416	38,134	-20.2 %	28,867
Tax Receivable, income tax	531	657	-19.1 %	428
Cash and cash equivalents	16,380	6,080	169.4 %	20,224
	77,582	67,558	14.8 %	77,745
Assets reported in discontinued operations	0	27,957	-100.0 %	0
Total assets	132,293	150,526	-12.1 %	133,015
Shareholder's equity and liabilities				
Share capital	6,967	6,967	0.0 %	6,967
Other equity	59,957	63,239	-5.2 %	55,803
Owners of the parent company	66,924	70,205	-4.7 %	62,770
Non-controlling interests	253	152	66.5 %	320
EQUITY	67,177	70,356	-4.5 %	63,090
Non-current liabilities				
Deferred tax liability	1,740	1,611	8.0 %	1,518
Non-current liabilities, interest-bearing	23,894	25,250	-5.4 %	24,716
Non-current interest-free liabilities	813	73	1006.8 %	832
Non-current provisions	311	6	5535.4 %	119
	26,758	26,941	-0.7 %	27,184
Current liabilities				
Current interest-bearing liabilities	5,952	5,900	0.9 %	6,256
Trade Payables and Other Liabilities	30,666	31,869	-3.8 %	33,893
Tax liability, income tax	714	1,122	-36.4 %	880
Current provisions	1,026	1,337	-23.3 %	1,711
	38,357	40,228	-4.7 %	42,741
Liabilities reported in discontinued operations	0	13,001	-100.0 %	0
Total shareholder's equity and liabilities	132,293	150,526	-12.1 %	133,015
CONSOLIDATED CASH FLOW STATEMENT (tEUR)	1-3/2021	1-3/2020	Change %	1-12/2020
Cash flows from operating activities				
Profit for the period	3,677	-1,412	n/a	-8,035

Adjustments	2,159	3,545	-39.1 %	17,293
Interest and other financial expenses and incomes	0	315	-100.0 %	-993
Paid Taxes	-462	-518	-10.8 %	-1,255
Change in working capital	-2,756	-1,863	48.0 %	6,062
Cash flow from operating activities	2,617	67	3779.7 %	13,071
Cash flow from investing activities				
Purchase of tangible and intangible assets	-1,326	-2,129	-37.7 %	-5,130
Proceeds from sales of PPE	12	16	-22.1 %	171
Acquisition of subsidiaries. net of cash acquired	-3,749	0	n/a	6,276
Purchase of investments	0	101	n/a	-77
Net cash used in investing activities	-5,062	-2,012	151.6 %	1,239
Cash flow from financing activities				
Proceeds from borrowings	0	1,158	-100.0%	6,466
Payments of borrowings	-750	0	n/a	-3,569
Payment of leasing liabilities	-539	-1,224	-56.0 %	-3,794
Dividends paid	-135	0	n/a	-1,685
Capital investment by non-controlling interests	0	0	n/a	349
Net cash used in financing activities	-1,424	-67	2038.3 %	-2,232
Change in cash				
Cash in the beginning	20,225	8,249	145.2 %	8,249
Effect of currency changes	25	21	24.0 %	-103
Change	-3,870	-2,011	92.4 %	12,078
Cash at the end	16,381	6,258	161.8 %	20,225

KEY FIGURES

	1-3/2021	1-3/2020	Change %	1-12/2020
Operating profit	4,695	1,423	230.0 %	4,516
Earnings per share, EUR	0.21	-0.07	n/a	-0.43
Earnings per share fully diluted, EUR	0.21	-0.07	n/a	-0.43
Shareholders' equity per share, EUR	3.54	3.71	-4.5 %	3.46
Return on equity	22.6 %	-7.9 %	-385.8 %	-11.8 %
Return on capital employed	20.9 %	0.9 %	2332.7 %	-4.5 %
Equity ratio	52.3 %	46.9 %	11.4 %	48.8 %
Gearing	20.0 %	39.6 %	-49.4 %	17.0 %
Investments, tEUR	1,709	2,846	-39.9 %	6,588
Investments % of net sales	4.6 %	5.3 %	-13.6 %	4.5 %
Order backlog, tEUR	76,142	82,558	-7.8 %	77,086
Personnel, average	862	1,327	-35.1 %	856
Number of shares (thousands) including own shares	18,986	18,986	0.0 %	18,986
Highest share price, EUR	5.34	5.78	-7.6 %	5.78
Lowest share price, EUR	4.47	3.51	27.4 %	3.51
Average share price, EUR	4.97	4.79	3.8 %	4.40
Turnover, in million shares	0.9	0.8	16.0 %	3.1
Turnover, in MEUR	4.5	3.9	16.0 %	13.8

ALTERNATIVE PERFORMANCE MEASURES

Adjusted operating profit	1,495	1,423	5.1 %	5,066
Adjusted earning per share, EUR	0.03	-0.07	n/a	-0.06

BRIDGE OF CALCULATION

Operating profit	4,695	1,423	230.0 %	4,516
Other Non-recurring item	-3,200	0	n/a	0
Business reorganization	0	0	n/a	550
Adjusted operating profit	1,495	1,423	5.1 %	5,066
Net profit/loss to equity holder	3,756	-1,353	n/a	-7,827
Outstanding shares during the quarter	18,212	18,164	0.3 %	18,204
Earnings per share, basic	0.21	-0.07	n/a	-0.43
Net profit/loss to equity holder	3,756	-1,353	n/a	-7,827
Other Non-recurring item	-3,200	0	n/a	0
Business reorganization	0	0	n/a	550
Business disposals	0	0	n/a	6,106
Outstanding shares during the quarter	18,212	18,164	0.3 %	18,204
Adjusted earnings per share, EUR	0.03	-0.07	n/a	-0.06

Treasury shares

	Number of shares	% of shares	% of votes
Possession of company's own shares 31.3.2021	768,194	4.05 %	4.05 %

Contingent liabilities and pledged assets (tEUR)

Leasing and rent liabilities	966	903	6.9 %	921
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Derivative instruments (tEUR)

Value of underlying forward contracts	22,050	17,390	26.8 %	18,515
Market value of forward contracts	267	409	-34.7 %	-473
Interest rate swap	0	10,000	-100.0 %	0
Market value of interest swap	0	-50	-100.0 %	0

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

Net sales by category	1-3/2021	1-3/2020	Change %	1-12/2020
Goods	31,000	30,215	2.6 %	118,524
Service	6,010	6,347	-5.3 %	26,458
Total	37,010	36,562	1.2 %	144,983

Order backlog, tEUR	31/3/2021	31/3/2020	Change %	31/12/2020
	76,142	82,558	-7.8 %	77,086

Information per quarter (tEUR)

	1-3/21	10-12/20	7-9/20	4-6/20	1-3/20	4/2020- 3/2021
Orders received	36,042	43,186	29,770	30,032	45,857	139,030
Net sales	37,010	39,200	35,704	33,516	36,562	145,430
EBIT	4,695	1,274	2,223	-404	1,423	7,788
EBIT%	12.7 %	3.3 %	6.2 %	-1.2 %	3.9 %	5.4 %

Consolidated statement of changes in equity, 1000 euros
Attributable to equity holders of the parent (tEUR)

	A	B	C	D	E	F	G	H	I
A									
B									
C									
D									
E									
F									
G									
H									
I									
Shareholder's equity 1.1.2021	6,967	1,504	-1,557	52,716	3,140	0	62,770	319	63,090
Total comprehensive income for the period				3,756			3,756	-79	3,677
Equity-settled share-based payments				169			169		169
Translation differences			73	156			229	13	242
Shareholder's equity 31.3.2021	6,967	1,504	-1,484	56,797	3,140	0	66,925	253	67,177
Shareholder's equity 1.1.2020	6,967	1,504	-1,594	62,616	3,140	-62	72,573	206	72,779
Total comprehensive income for the period				-1,353			-1,353	-59	-1,412
Equity-settled share-based payments				146			146	0	146
Translation differences			-507	-665			-1,171	5	-1,167
Cash flow hedges						11	11	0	11
Shareholder's equity 31.3.2020	6,967	1,504	-2,101	60,744	3,140	-50	70,204	152	70,356

CALCULATION OF KEY FIGURES

Return on equity:	Profit/loss for the financial period ----- * 100 Shareholders' equity (average)
Return on capital employed:	Profit/loss for the period after financial items + financing charges ----- * 100 Total assets - non-interest-bearing liabilities (average)
Equity ratio:	Shareholders' equity ----- * 100 Total assets - advances received
Gearing:	Interest bearing liabilities - cash in hand and in bank - interest bearing assets ----- * 100 Shareholders' equity

Earnings per share: Profit for the period attributable to equity holder of the parent

 Weighted average number of ordinary shares outstanding during the period

Earnings per share, diluted: Profit for the period attributable to equity holder of the parent (diluted)
 ----- Average number of shares - own shares +
 number of options at the period-end

ALTERNATIVE PERFORMANCE MEASURES

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

Adjusted operating profit Operating profit is adjusted with items which are non-recurring or infrequently.

Adjusted earnings per share: Adjusted Profit for the period attributable to equity holder of the parent

 Weighted average number of ordinary shares outstanding during the period

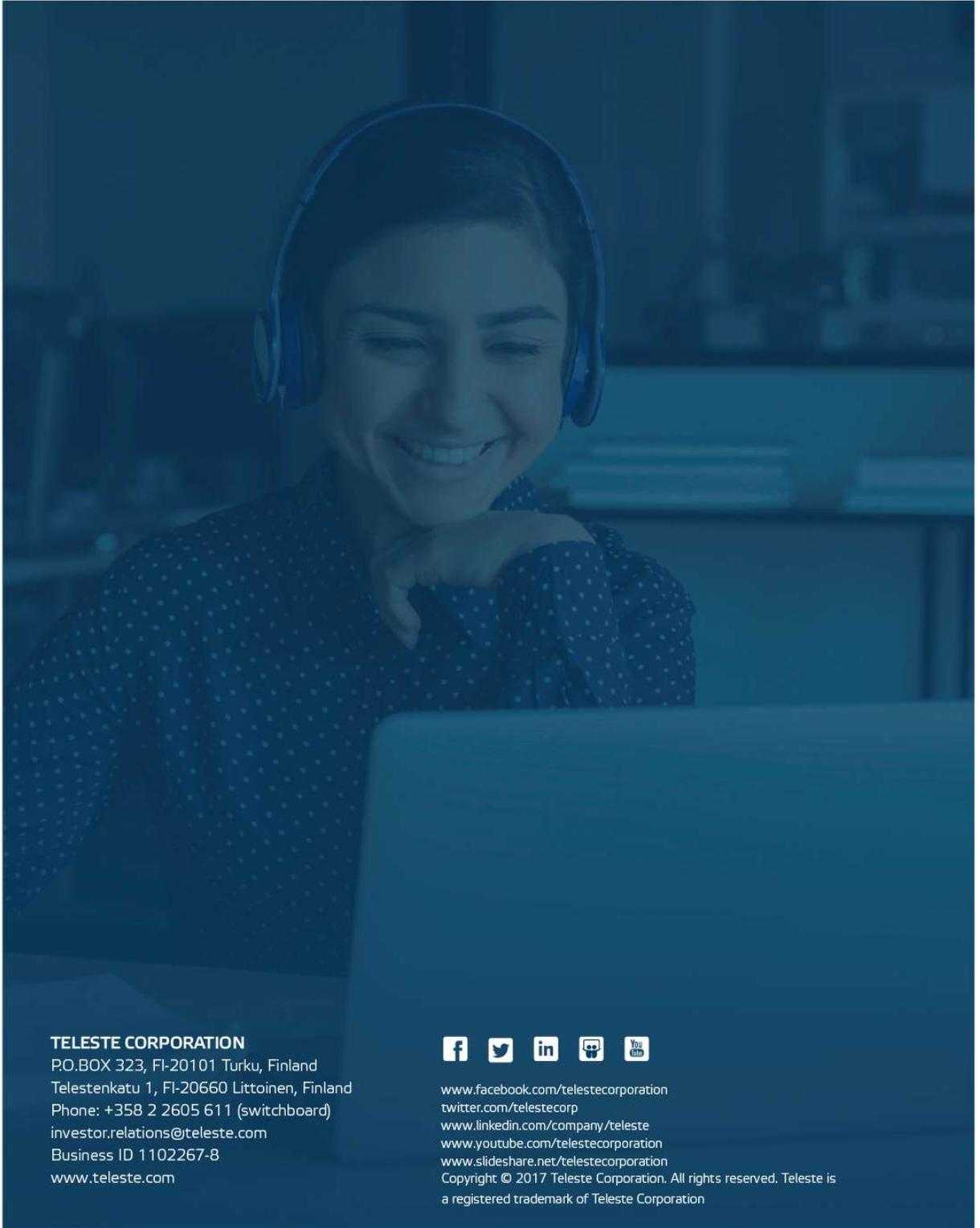
Major shareholders, as sorted by number of shares - March 31, 2021

	Number of shares	% of shares
Tianta Oy	4,595,277	24.2
Mandatum Life Insurance Company Limited	1,683,900	8.9
Ilmarinen Mutual Pension Insurance Company	899,475	4.7
Kaleva Mutual Insurance Company	824,641	4.3
Teleste Oyj	768,194	4.0
Mariatorp Oy	650,000	3.4
Varma Mutual Pension Insurance Company	521,150	2.7
The State Pension Fund	500,000	2.6
Wipunen varainhallinta Oy	500,000	2.6
OP-Finland Small Firms Fund	240,408	1.3

Shareholders by sector March 31, 2021	Nbr. of shareholders	% of Owners	Shares	% of shares
Households	5,560	94.2	5,291,424	27.9
Public sector institutions	3	0.1	1,920,625	10.1
Financial and insurance institutions	20	0.3	3,472,167	18.3
Corporations	270	4.6	8,061,488	42.5
Non-profit institutions	20	0.3	43,918	0.2
Foreign	29	0.5	195,966	1.0
Total	5,902	100.0	18,985,588	100.0
Of which nominee registered	10	0.2	542,242	2.9

Major shareholders by distribution of shares March 31, 2021

Number of shares	Nbr. of shareholders	% of shareholders	Nbr. of shares	% of shares
1-100	1,701	28.8	94,655	0.5
101-500	2,391	40.5	645,271	3.4
501-1,000	825	14.0	666,649	3.5
1,001-5,000	785	13.3	1,750,512	9.2
5,001-10,000	91	1.5	633,667	3.3
10,001-50,000	81	1.4	1,654,953	8.7
50,001-100,000	7	0.1	518,454	2.7
100,001-500,000	14	0.2	3,078,790	16.2
500,001-& above	7	0.1	9,942,637	52.4
Total	5,902	100.0	18,985,588	100.0
of which nominee registered	10	0.2	542,242	2.9



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