TELIO GROUP

Financial Report

Q3 2026

Unaudited quarterly and year-to-date results — Q3 2026 and YTD September 2026



Unaudited interim figures · prepared under Dutch GAAP

Telio BidCo Germany GmbH — a member of the Telio Group

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Q3 and YTD September 2026 at a glance

Q3 2026

REVENUE
€33.4m
+10.8% vs PY

ADJ. EBITDA
€12.6m
37.7% margin

FREE CASH FLOW
€1.9m
15.4% FCF conversion (FCF / adj. EBITDA)

YTD SEPTEMBER 2026

REVENUE
€100.1m
+11.3% vs PY

ADJ. EBITDA
€41.9m
41.8% margin

FREE CASH FLOW
€5.7m
13.7% FCF conversion (FCF / adj. EBITDA)

NET LEVERAGE · 30 SEP 2026

~3.9x

Net debt / PF EBITDA
~4.1x on adj. LTM EBITDA · cash of €32.4m at period end

Q3 2026 vs PY

- **Revenue growth:** Revenue rose **10.8% YoY to €33.4m**. **Telco +6.0% to €29.3m** on Spain, DACH, Australia and Morocco; **D&N +63.8% to €4.1m**.
- **Gross profit:** GOP rose **3.8% to €21.0m**, but the **GOP margin fell 4.2 pp** as cost of materials rose, mainly on €1.4m higher D&N costs (rollout and a €0.6m stock adjustment).
- **Operating costs: PEX ratio improved 1.9 pp** as planned staffing for revenue growth and ongoing projects was not executed, partly reflected in higher professional fees; the **OPEX ratio rose 1.9 pp**, mainly on professional fees and IT expenses.
- **Adj. EBITDA: €0.3m (2.4%) below Q3 2025** due to phasing, not the underlying trend: Q3 2026 includes a −€0.6m stock adjustment and Q3 2025 a +€0.5m own work capitalised correction.
- **Cash generation:** Free cash flow of **€1.9m** vs **€6.9m in Q3 2025**, after €6.3m net cash interest incl. the first Nordic Bond coupon.

YTD September 2026 vs PY

- **Revenue growth:** Revenue rose **11.3% YoY to €100.1m**. **Telco +10.7% to €88.7m**, led by Spain, DACH and Australia; **D&N +16.3% to €11.4m**.
- **Gross profit expansion:** GOP rose to **€67.3m**, with the **GOP margin up 0.5 pp to 67.3%**.
- **Operating costs:** The **PEX ratio improved 2.1 pp** as headcount stayed below plan despite revenue growth and more projects; the **OPEX ratio rose 1.1 pp**, mainly on professional fees for external consultants supporting D&N and headquarter functions.
- **EBITDA growth:** Adj. EBITDA rose **12.3% YoY to €41.9m**, with the **margin up 0.4 pp to 41.8%**.
- **Cash generation:** Free cash flow improved to **€5.7m** from −€5.0m in PY; period-end cash of **€32.4m**.

Operational highlights of the quarter

Northern Ireland re-tender won, VoIP scaling in Germany, Portugal and Spain, and legacy systems retired in Lower Saxony.

Northern Ireland

Re-tender won: customer for 11 years, new contract runs until 2031 and covers all prisons and inmates in Northern Ireland

Upgrade of data center with the opportunity to introduce VoIP or video valling services in the future

VoIP

Germany: ~40% of international calls via VoIP at enabled sites; Portugal: VoIP pilot now live at 5 sites, country-wide in 2027

Spain VoIP app: ~48,000 users; ~25,000 voice calls (36% of daily total) and ~12,000 video calls (82%) per day

Legacy migration and upselling existing customer base

Lower Saxony: legacy telephony replaced by the Telio platform (95%+ retired). Upselling: video calling launched in the Portugal pilot in July; CYOU app reached 10,435 registered accounts

Lower Saxony: 5,000+ inmates at 20+ sites; Brandenburg: in-cell TV live; Portugal: 91,000 video-call min YTD; CYOU: 3.7 x 2025 users, 95% active

ESG

Connecting Hearts supports nine initiatives for children of imprisoned parents in 2026, across six countries on three continents

Incl. The Nest, Nairobi; own Christmas initiative 'A Heart's Desire' in Hamburg and Madrid in December

YTD adj. EBITDA up 12.3% despite a weaker Q3 margin

in €m	Q3 2026	Q3 2025	Δ %	YTD 2026	YTD 2025	Δ %
Revenue	**33.408**	**30.150**	**10.8%**	**100.068**	**89.881**	**11.3%**
Cost of materials / sales	(12.397)	(9.910)	25.1%	(32.727)	(29.807)	9.8%
Gross operating profit (GOP)	**21.010**	**20.240**	**3.8%**	**67.341**	**60.074**	**12.1%**
GOP margin	*62.9%*	*67.1%*	*−4.2 pp*	*67.3%*	*66.8%*	*+0.5 pp*
Other operating income	1.044	0.519	101.3%	1.649	1.225	34.6%
Own work capitalised	2.015	2.507	(19.6%)	6.018	6.606	(8.9%)
Personnel expenses (PEX)	(6.359)	(6.304)	0.9%	(19.169)	(19.085)	0.4%
Other operating expenses	(5.117)	(4.053)	26.2%	(13.987)	(11.553)	21.1%
Adjusted EBITDA	**12.594**	**12.909**	**(2.4%)**	**41.853**	**37.267**	**12.3%**
Adj. EBITDA margin	*37.7%*	*42.8%*	*−5.1 pp*	*41.8%*	*41.5%*	*+0.4 pp*
Depreciation	(2.109)	(2.872)	(26.6%)	(6.572)	(8.289)	(20.7%)
Adj. EBITA	**10.485**	**10.037**	**4.5%**	**35.280**	**28.978**	**21.7%**
Amortisation	(10.760)	(10.116)	6.4%	(32.043)	(32.426)	(1.2%)
Adj. EBIT	**(0.276)**	**(0.079)**	**n.m.**	**3.237**	**(3.448)**	**n.m.**
Financial result	(6.418)	(7.544)	(14.9%)	(20.945)	(15.948)	31.3%
Exceptional items	(0.705)	(0.855)	(17.6%)	(1.860)	(2.530)	(26.5%)
EBT	**(7.398)**	**(8.478)**	**(12.7%)**	**(19.568)**	**(21.926)**	**(10.8%)**
Taxes	(1.347)	(1.652)	(18.4%)	(4.373)	(3.991)	9.6%
Net profit / loss	**(8.746)**	**(10.130)**	**(13.7%)**	**(23.942)**	**(25.917)**	**(7.6%)**
Minorities	(2.789)	(0.902)	209.3%	(5.648)	(2.680)	110.7%
Net profit — Group	**(11.535)**	**(11.032)**	**4.6%**	**(29.590)**	**(28.597)**	**3.5%**

Commentary

Revenue growth:
Revenue +10.8% in Q3 (**+11.3% YTD**). Telco grew on Spain, DACH, Australia and Morocco; **D&N +63.8% in Q3**.

Margins:
GOP margin +0.5 pp to 67.3% and adj. EBITDA margin **+0.4 pp to 41.8% YTD**; PEX ratio (**−2.1 pp**), OPEX ratio (**+1.1 pp**).

Cost development:
Cost of materials +25.1% in Q3, driven by €1.4m higher D&N costs (rollout and a €0.6m stock adjustment). **Other OPEX +26.2% to €5.1m**, mainly on professional fees for legal and external consultants; PEX flat (**+0.9%**).

Q3 profitability:
Adj. EBITDA €0.3m (2.4%) below Q3 2025 (margin **−5.1 pp to 37.7%**): one-off effects, not the underlying trend. Q3 2026 includes a −€0.6m stock adjustment; Q3 2025 had a +€0.5m own work capitalised correction.

Below EBITDA:
D&A of €12.9m in Q3 mainly reflects goodwill and customer contract amortisation (€10.8m). With the **€6.4m net financial expense** (€7.5m in Q3 2025) and minorities of €2.8m (PY €0.9m; increase from ramp-up in Morocco), the **Q3 net loss attributable to the Group was €11.5m (€29.6m YTD).**

YTD free cash flow positive at €5.7m despite a weaker Q3

in €m	Q3 2026	Q3 2025	YTD 2026	YTD 2025
Adjusted EBITDA	**12.594**	**12.909**	**41.853**	**37.267**
Exceptional items	(0.705)	(0.855)	(1.860)	(2.530)
Reported EBITDA	**11.888**	**12.054**	**39.993**	**34.737**
Change in NWC (aggregate)	2.530	0.715	0.333	(11.765)
Net cash interest	(6.294)	(0.027)	(14.317)	(9.022)
Cash taxes	(1.410)	(0.904)	(4.905)	(3.310)
Operating cash flow	**6.713**	**11.838**	**21.104**	**10.641**
Capex	(2.755)	(2.458)	(9.344)	(9.050)
Own work capitalised	(2.015)	(2.507)	(6.018)	(6.606)
Free cash flow	**1.944**	**6.873**	**5.741**	**(5.015)**
FCF conversion (FCF / adj. EBITDA)[2]	*15.4%*	*53.2%*	*13.7%*	*(13.5%)*
Cash conversion (EBITDA less capex)[3]	*62.1%*	*61.5%*	*63.3%*	*58.0%*
Acquisitions	(2.000)	–	(5.715)	–
Debt financing	–	(2.602)	30.000	3.750
Other financing expenses[1]	–	–	(6.127)	–
Dividends to minorities	(0.620)	(0.353)	(2.539)	(1.316)
Net cash movement	**(0.677)**	**3.918**	**21.360**	**(2.580)**

[1] One-time financing fees (€3.627m) and issue discount (1% / €2.500m) related to the Nordic Bond transaction. [2] Free cash flow / adj. EBITDA, i.e. after working capital, interest and tax. [3] (Adj. EBITDA – capex – own work capitalised) / adj. EBITDA, i.e. before working capital, interest and tax.

YTD FCF CONVERSION (FCF / ADJ. EBITDA)

13.7%

+27.2 pp vs PY · cash €32.4m at 30 Sep

Cash movements YTD

Operating cash flow:
Operating cash flow rose to **€21.1m YTD** from **€10.6m in PY** on a **€12.1m working capital swing** and higher EBITDA, partly offset by higher interest after the Nordic Bond.

Working capital:
Working capital contributed a **€0.3m inflow YTD** (**€2.5m in Q3** as receivables fell) against an **€11.8m outflow in PY**, helped by customer pre-payments.

Capex:
Capex excl. own work capitalised: **€9.3m YTD** (€9.1m in PY), held back by the delayed Czech Republic tender rollout. Incl. **€6.0m own work capitalised**: €15.4m (PY €15.7m).

Financing:
Net debt financing of **€30.0m YTD** reflects the Nordic Bond; **€6.1m fees and issue discount** shown separately. Acquisitions of **€5.7m** (mainly €4.0m Gerdes earn-out); minority dividends **€2.5m**.

Financial position and leverage as of 30 September 2026

Balance Sheet — 30 September 2026

Assets — in €m	Jun 26	Sep 26	Δ
Non-current assets	253.587	245.457	(8.131)
Inventories	15.761	14.380	(1.381)
Trade receivables	21.935	15.660	(6.275)
Other current assets	17.287	19.407	2.119
Cash & cash equivalents	33.117	32.440	(0.677)
Total assets	**341.687**	**327.343**	**(14.344)**

Equity & liabilities — in €m	Jun 26	Sep 26	Δ
Equity	0.420	(5.197)	(5.617)
Non-current liabilities	284.077	280.778	(3.299)
Current liabilities	57.190	51.762	(5.428)
Total equity & liabilities	**341.687**	**327.343**	**(14.344)**

Net debt — 30 September 2026

in €m	Sep 2026
Nordic Bond (senior secured, nominal)	250.000
Finance leases[1]	0.156
Gross financial debt	**250.156**
less: Cash & cash equivalents	(32.440)
Net debt	**217.716**

PF EBITDA bridge

in €m	LTM Sep 2026
Reported EBITDA	**48.561**
+/- Exceptional items — as reported	4.372
Adjusted EBITDA (under the bond terms)	**52.933**
PF run-rate adjustments — as reported	3.164
VoIP run-rate savings	1.820
CZ run-rate impact	1.345
less: disallowed above cap (5% of reported EBITDA)	(0.736)
PF run-rate adjustments — allowed	**2.428**
PF EBITDA (under the bond terms)	**55.361**

NET LEVERAGE (ADJ. LTM)
~4.1x

NET LEVERAGE (PF)
~3.9x

[1] *Primarily company car leasing*
Additional RCF of €6.25m undrawn as at 30. September 2026

Disclaimer

- This Q3 2026 Financial Report has been prepared by Telio Group for information purposes only. Quarterly and year-to-date financial information is unaudited and has been prepared in accordance with Dutch GAAP. The Group will align its reporting with the requirements applicable upon admission of the Nordic Bond to trading on a regulated market, to be completed by May 2027.
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