

Half-yearly Financial Statements 2022 of the TELES Group

(IFRS, unaudited)

Key figures from January 1, 2022 to June 30, 2022

- Sales HY-2022 of EUR 39.5 million (previous year: EUR 1.224 thousand)
- Gross profit HY-2022 of EUR 2.7 million (previous year: EUR 911 thousand)
- EBITDA HY-2022 of EUR 244 thousand (previous year: EUR -10 thousand)
- Operating cash flow HY-2022 of EUR 741 thousand (previous year EUR -10 thousand)

Overview of the corporate key figures of TELES Group for the first six months of 2022 (in accordance with IFRS, unaudited)

TELES Group in thousand Euro	01.01.2021 - 30.06.2021	01.01.2022 - 30.06.2022	Change
Sales revenues	1,224	39,486	> +500%
Cost of materials	313	36,744	> +500%
Personnel expenses	746	1,651	121%
Gross profit	209	916	339%
Operating result/EBIT	-99	47	147%
EBITDA	-10	244	> +500%
Group result	-112	-234	-109%

Interim Management Report

With the Pharma expansion field, TELES opened a new segment at the end of 2021, in which, as in telecommunications software, the management of enormous amounts of data and the digitization of business processes lead to growth spurts.

The earnings situation of the TELES Group improved significantly in the first half of 2022 compared to the same period of the previous year. The reason for this is the inclusion of EURO RX Arzneimittel GmbH in the consolidated financial statements since January 2022. The TELES Group achieved sales revenues of EUR 39.5 million (previous year: EUR 1,224 thousand). The gross profit increased accordingly to EUR 2.7 million (previous year: EUR 911 thousand).

Personnel expenses increased by 121% to EUR 1,651 thousand (previous year: EUR 746 thousand). Depreciation amounted to EUR 197 thousand (prior year: EUR 89 thousand). Other operating income was EUR 69 thousand (previous year: EUR 34 thousand). With the increase in other operating expenses of EUR 916 thousand (previous year: 209 thousand), the EBITDA was EUR 244 thousand (previous year: -10 thousand) and the consolidated result at EUR -234 thousand (previous year: EUR -112 thousand).

The balance sheet total of TELES increased by EUR 10.3 million compared to the previous year. This is due to the increase in current assets by EUR 10.0 million.

In the cash flow statement, the operating cash flow is EUR 741 thousand (previous year: EUR -70 thousand). The investment activity of EUR 721 thousand is primarily characterized by investments in fixed assets for EURO RX Arzneimittel GmbH. As of June 30, 2021, the financial resources were EUR 1.3 million (previous year; EUR 644 thousand).

Risk Report

In the management report for the past 2021 fiscal year, all relevant risks known to us were listed conscientiously. Nothing to add now. We ensure the company's liquidity through very conscientious planning. We continue to monitor incoming payments very closely and thus counteract payment defaults on the part of customers. Whether the sales and earnings targets will be achieved depends – apart from internal company factors – to a significant extent on economic, political and industry-specific developments – particularly in our core market of Europe.

Forecast

For the current fiscal year, we expect sales of EUR 60 to 70 million and a positive result (EBIT) of EUR 300 to 500 thousand for the TELES Group.

TELES AG Informationstechnologien

Oliver Olbrich

Chief Executive Officer

August 2022

Interim Financial Statements

Consolidated Balance Sheet (IFRS, unaudited)

in thousand Euro	31.12.2021	30.06.2022
Assets		
A. Fixed assets		
I. Intangible assets	0	32
II. Tangible assets	250	1,829
III. Financial assets	1,894	582
Total fixed assets	2,144	2,443
B. Current assets		
I. Stocks	5	4,068
II. Trade receivables and other receivables	351	4,440
III. Other assets	95	1,031
IV. Cheque, Cash at bank and in hand	391	1,283
Total current assets	842	10,822
Prepayments and accrued income	48	73
Total assets	3,034	13,337

in thousand Euro	31.12.2021	30.06.2022
Equity and liabilities		
A. Equity		
I. Ordinary shares	6,233	6,233
II. Capital reserve	242	242
III. Revenue reserves		
Loss carried forward	-4,906	-4,906
Profit or loss for the period	0	-235
Total equity	1,569	1,334
B. Minority interest	0	365
C. Provisions		
I. Tax provisions	625	1,006
II. Other provisions	156	348
Total provisions	780	1,354
D. Creditors		
I. Financial liabilities	0	7,799
II. Payment received on account	58	25
III. Trade creditors	210	1,197
IV. Other creditors	288	1,046
Total creditors	556	10,067
E. Deferred income	129	213
F. Deferred taxes	0	4
Total equity and liabilities	3,034	13,337

Consolidated Statement of income (IFRS, unaudited)

TELES Group in thousand Euro	2nd Quarter		Half-year	
	2021	2022	2021	2022
1. Sales revenues	684	19,982	1,224	39,486
2. Cost of materials	192	18,589	313	36,744
3. Gross profit	492	1,393	911	2,741
4. Personnel expenses	373	829	746	1,651
5. Depreciation	45	73	89	197
6. Other income	35	20	34	69
7. Other expenses	105	558	209	916
8. Operating result/EBIT	3	-46	-99	47
9. Other interest receivable and similar income	0	0	0	1
10. Interest payable and similar charges	7	46	13	119
11. Financial income	-3	-92	-112	-71
12. Taxes on income	0	81	0	163
13. Profit or loss after taxes	-3	-172	-112	-234
14. Other taxes	0	0	0	0
15. Group result	-3	-172	-112	-234
result to be allocated to TELES shareholders	-3	-231	-112	-349
result to be allocated to minorities interest	0	59	0	115
Number of shares	4,369,626	6,233,418	4,369,626	6,233,418
Result per share (in EURO)	-0.0001	-0.0028	-0.0026	-0.0038

Statement of comprehensive income (IFRS, unaudited)

	Nominal value of the shares	Capital reserve	Revenue reserves	Total Equity
	EUR	EUR	EUR	EUR
December 31, 2020	4,369,626	284,206	-4,661,177	-7,345
Capital increase	0	0	0	0
Net profit/loss for the period	0	0	-111,813	-111,813
June 30, 2021	4,369,626	284,206	-4,772,990	-119,158
December 31, 2021	6,233,418	241,551	-4,905,846	1,569,123
Capital increase	0	0	0	0
Net profit/loss for the period	0	0	-235,007	-235,007
June 30, 2022	6,233,418	241,551	-5,140,853	1,334,116

Development of the consolidated cash flow statement (IFRS, unaudited)

TELES Group	01.01.2021 -	01.01.2022 -
in EUR	30.06.2021	30.06.2022
Cash flow from operating activities		
Net profit/loss for the financial year	-111,813	-235,007
+ Depreciation	44,245	96,098
+/- Changes to provisions	46,166	-97,676
-/+ Other Non-cash expenses and income	0	-179,436
-/+ Changes to Stocks and Trade Receivables	-115,181	1,465,722
+/- Changes to Trade Payables and Other liabilities	60,330	-451,832
+ Interest expenses	6,363	60,529
- interest income	0	285
+/- Income-tax expense/income	0	82,339
	-69,890	741,021
Cash flow from investing activities		
- Investments in fixed assets	-37,904	-720,807
	-37,904	-720,807
Net change in cash and cash equivalents	-107,794	20,214
+ Cash and cash equivalents at beginning of period	751,552	1,262,490
Cash and cash equivalents at end of period	643,758	1,282,703

Summary of Significant Financial Reporting Policies and Standards

Presentation Basis

The annual financial statements of TELES as of December 31, 2021, were prepared in accordance with the commercial law regulations for large corporations within the meaning of Section 267 (3) sentence 2 HGB and in compliance with the special provisions of the German Stock Corporation Act. The total cost method is used for the income statement.

The interim report as of June 30, 2022, was prepared based on the International Accounting Standard (IAS) 34 "Interim Reporting".

All IAS and IFRS binding as of June 30, 2022, as well as interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), have been applied.

Audit Review

The interim financial statements and the interim management report were neither audited nor reviewed by the auditor.

Responsibility Statement by the Company Officers (Management)

To the best of our knowledge, we assure you that, in accordance with the applicable accounting principles for interim reporting, the interim consolidated financial statements give a true and fair view of the group's net assets, financial position and results of operations, and the interim group management report gives a true picture of the course of business including the business result and the position of the group are presented in such a way that a picture is given that corresponds to the actual circumstances, and the main opportunities and risks of the probable development of the group in the remaining financial year are described.