

Annual Financial Statements 2021

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Company profile

TELES AG Informationstechnologien is active in the business areas of telecommunications (TELES Carrier Solutions) and pharmaceuticals (pharmacy data center and drug suppliers).

TELES Carrier Solutions supplies digitization solutions for the development and maintenance of telecommunications networks to national and international carriers. TELES migrates traditional TDM/SDH networks to All-IP networks and offers cloud-based Unified Communication as a Service. In around fifty countries, millions of people call each other via TELES products.

TELES Pharma combines the management of large data volumes in the pharmaceutical industry and drug supply. What they have in common is digitization and process optimization along the pharmaceutical value chain.

GVL Rechenzentrum GmbH is a specialized pharmacy data center that is playing a pioneering role in the implementation of electronic prescriptions (eRezept). In the future, simpler billing variants will be possible between pharmacies and health insurance companies, which will also support health services research for the pharmaceutical industry.

The subsidiary EURO RX is a specialist pharmaceutical supplier that uses a digitized supply chain to guarantee optimal pharmaceutical care for patients throughout Europe. Due to the high degree of automation, EURO RX can deliver drugs for cancer, autoimmune deficits, and combination therapies of personalized medicine (specialty pharma) quickly and reliably. The Euro RX benefits from the increasing demand for indication-specific medicines.

TELES continues to actively pursue cooperation and acquisitions both in the software and service area of the telecommunications market and in the expansion field of pharmaceuticals and digitization.

Letter from the Management Board

Dear shareholders,

With the expansion field Pharma, TELES opened a new segment in 2021, in which, as in telecommunications software, the management of large amounts of data and the digitization of business processes lead to growth spurts. EURO RX is a Europe-wide drug supplier for special drugs for cancer, autoimmune deficits, and combination therapies of personalized medicine. Together with other medium-sized pharmacy data centers, the GVL data center develops products and tools that make the handling of electronic prescriptions for pharmacies and health insurance companies much easier and make new business models such as clinical health care research economical.

The development of software for telecommunications companies is and remains a pillar of the company and TELES will also actively look out for further acquisitions in this market.

The course for growth has been set. Driven by the two acquisitions GVL and EURO RX, I expect TELES to generate sales of well over EUR 55 million in 2022.

I would like to thank you, our shareholders, for accompanying us in this time of change and I am convinced that you will continue to do so in the future. I would also like to thank our employees, who, as always, did an excellent job in the 2021 financial year in a challenging environment that was not only shaped by Corona.

Kind regards
Oliver Olbrich

Management Report of TELES AG Informationstechnologien

TELES and the Market

In 2021, the trends of recent years have continued in the telecommunications market for network operators:

- Cost pressure on the part of network operators
- Further market consolidation
- Shutdown of legacy TDM infrastructure

The changes in the world of work and work organization have become permanent, home office, video conferences and modern tools for working together (collaboration) have gained a permanent place in everyday work. This leads to a further increase in data volume and the traffic volume of voice minutes at the network operators in the fixed network has stabilized after years of decline or has even increased slightly.

This once again clearly underscores the fundamental importance of traditional fixed network operators who can offer a stable basic service. This is where we continue to see our long-term customer base in Europe.

Another trend is the triumph of cloud-based communication solutions for business customers. The big winner here is Microsoft, which offers a powerful complete package with its Office suite and MS Teams. With our partner Communi5 Technologies GmbH, we are well positioned to position our UCaaS solution as an alternative and supplement that can implement the complex requirements of a grown telecommunications infrastructure. An integration with MS Teams enables heterogeneous installations and the use of the best of both worlds.

Here we were able to win another new customer in Switzerland in 2021 who would like to use our solution as the basis for his services in the business customer environment.

TDM as a technology for network interconnection only plays a niche role in Europe due to the existing infrastructure or special business models. The switch to All-IP in the connection to the customer is in the process of being implemented and here, too, TDM only plays a role for existing customers and is often no longer offered to new customers.

This does not apply to the Middle East. The replacement of "1. Generation NGN systems" is progressing. Service costs that are too high encourage a system change. The industry giants rely on IMS systems from the big old manufacturers. The requirements for network interconnections are increasing and require corresponding expansions of the SIP interface. It is precisely in this environment that we have been able to position TELES very well in recent years.

The saturated and partly shrinking carrier market and the consolidation of the big players place special demands on medium-sized manufacturers. One answer to this is intensified partnerships or the merger of manufacturers. We will continue our specific efforts here in 2022.

In 2022, too, the focus will be on securing the maintenance business, which has been very successful for many years. This is the only way that our existing customers will continue to rely on TELES and expand their networks together with us. With our partner Communi5 Technologies GmbH, Vienna, we will pay a lot of attention to the replacement of old NGN systems.

Control system

The operative business of the company is controlled via the most important financial performance indicators sales, period result and incoming orders, as well as downstream via the other parameters order backlog and costs. Non-financial key figures do not play a significant role in the management of the company. The result for the period represents the result after taxes and the financial result. It is therefore a central parameter of internal control and represents a good indicator of the company's operating cash flow.

In contrast to the previous year, the EBIT is no longer used as the most important financial performance indicator, since the most important financial performance indicators

mentioned here are now of greater relevance for the management of TELES and thus for the addressee of the balance sheet from the point of view of the management.

In addition, liquidity is monitored daily to be able to react promptly to deviations from the planned cash flows.

Economic situation of TELES AG Informationstechnologien

At EUR 2.8 million, sales decreased by 32% from EUR 4.2 million in the year under review. The reason for this is that after the last subsidiary was sold in 2019, only the Carrier Solutions business area remained. The cost of materials ratio fell disproportionately to 18.2% (previous year: 47.7%). The main reason for this is the sale of the last subsidiary (previous year: contribution to the cost of materials EUR 1.3 million). Sales for the remaining Carrier Solutions business area increased by 16% to EUR 2.5 million (previous year: 2.2 million). The income from subletting and charging from agency agreements amount to EUR 298 thousand (previous year sub-leasing EUR 106 thousand, reported as other operating income).

Carrier Solutions	2020	2021
	TEUR	TEUR
DACH	1.150	1.375
Europe	945	637
Middle East	350	314
Others	75	35
Total	2.520	2.362

We did not achieve our forecast made in the previous year for the 2021 financial year (sales growth of between 10% and 15% and a positive result (EBIT)). The reason for the decline in sales was the decline in sales in the project business compared to the previous year and the reduced income from subletting and onward billing. The focus in 2021 was on the financial restructuring of TELES.

Other operating income was EUR 153 thousand (previous year: EUR 1.4 million). In 2020, EUR 1.0 million was received from a loan waiver by a former related party. In 2021 there

was income from the reversal of provisions in the amount of EUR 18 thousand (previous year: EUR 84 thousand). Other income of EUR 130k (prior year: EUR 138k) relates to the passing on of costs to non-group companies.

Personnel expenses were reduced by 9% to EUR 1,480 thousand (previous year: EUR 1,634 thousand). This decline resulted primarily from the reduced number of employees. Other operating expenses were reduced by 16% to EUR 934 thousand (previous year: EUR 1.1 million).

In the annual financial statements of TELES, the annual deficit amounts to EUR 263 thousand (previous year: annual surplus of EUR 825 thousand).

The fully paid-up share capital consists of 6,233,418 no-par value shares with a notional value of EUR 1.00 each. As of December 31, 2020, the share capital consisted of 4,369,626 no-par value shares with a notional value of EUR 1.00 each. On November 29, 2021, the Management Board decided to increase the company's share capital by EUR 1,863,792.00 against a contribution in kind to EUR 6,233,418.00 by issuing 1,863,792 no-par value bearer shares. The new shares were subscribed to by Mr. Frank Riemer, Wedemark. With the contribution agreement dated November 30, 2021, Mr. Frank Riemer acquired 14,500 shares, serial numbers 2 to 14,501, with a nominal value of EUR 1.00 each in EURO RX Arzneimittel GmbH, based in Wedemark, entered in the commercial register of the district court of Hanover HRB 58532, transferred to the company as a contribution in kind.

The balance sheet total of TELES increased by EUR 1,672k compared to the previous year. This is due to the increase in equity by EUR 1,596 thousand. The equity ratio is 57% in 2021 (previous year: 1%). The level of indebtedness was reduced to 13% (previous year: >>100%).

In the annual financial statements of TELES, equity improved to EUR 1,610 thousand (previous year: EUR 13 thousand) due to the capital measure and despite the annual loss of EUR 268 thousand.

In the cash flow statement, the operating cash flow is EUR -281 thousand (previous year: EUR -986 thousand), particularly considering the annual loss. The investment activity of EUR 1,943 thousand is primarily characterized by investments in financial assets for EURO RX Arzneimittel GmbH in the amount of EUR 1,864 thousand and GVL Rechenzentrum GmbH in the amount of EUR 30 thousand. The capital increase through a contribution in kind in the amount of EUR 1,864 thousand can be seen in the financing activities. The company was able to always meet its financial obligations in the past financial year. Funds as of December 31, 2021, were EUR 391 thousand (PY: TER 752). Further details can be found in the detailed cash flow statement. As of December 31, 2021, there were neither derivative financial instruments nor loans at TELES. As part of the realignment of TELES AG, no dividends will be distributed soon.

Overall, the past financial year was satisfactory. At the same time, TELES AG has created new growth perspectives with two strategic acquisitions in a new field of expansion. Although the ambitious sales forecasts in the Carrier Solutions area were not achieved, the result for the 2021 financial year is satisfactory thanks to the successful implementation of the capital measure with the takeover of EURO RX Arzneimittel GmbH.

Human Resources

On average over the year, TELES had seventeen employees at the Berlin location (previous year: 18). At the end of 2021, TELES had eighteen employees (previous year: 18). In addition, TELES invests in employees who are completing university or vocational training. As of December 31, 2021, three students were working in cooperation with the Berlin School of Economics and Law (HWR) as part of a dual study program.

Research & Development

In the area of research and development, TELES focuses on quickly developing and launching new marketable products, constantly optimizing the development processes, and reducing the costs of developing and manufacturing high-quality, new, and reliable products. In the 2021 financial year, research and development expenses mainly reflect the further development of the soft switch (main product of Carrier Solutions) for mobile

network operators and virtual mobile network operators. In the past fiscal year, six employees (previous year: 7) worked in research and development.

Report on Opportunities and Risks

The telecommunications market is still being put under massive pressure by a whole range of factors, influences and new providers. The landscape of network operators and service providers, which has grown over decades, is subject to many changes. In the past year, the trends from previous years have continued: the cost pressure on the part of the network operators has increased, the deactivation of outdated TDM infrastructure is becoming even more important and there is ongoing market consolidation.

Opportunity report

Opportunities Carrier Solutions

The competition in some markets makes it difficult, especially for small and medium-sized providers like TELES, to absorb the price pressure, especially from the network operators. TELES responds to this development with services that restrict switching to competitors. Regulatory requirements, such as the technical guideline TR-Emergency Calls in Germany, give TELES the opportunity to supply customers with additional software. The expansion of the TELES soft switch to enable software-based recoding in customer networks (trans-coding) also brings further growth. The increased demand for geo-redundancy will continue in 2022.

From the point of view of the Management Board, the corona pandemic is acting as a catalyst for the digitization of the regions from which TELES customers come, which has already begun but is far from complete. In this respect, this acceleration offers the opportunity to gain a foothold with its own products or to expand market shares, especially in the growth markets of the Near and Middle East but also in Central Europe, where the company sees potential for its own business development. In addition to the markets DACH, Europe and the Middle East we have served so far, we will be involved in sales in the APAC region in Australia, Malaysia, and the Philippines in 2022 with UCaaS and

softswitch solutions to build up market shares. The opportunity to build up or expand market shares leads to a higher order intake and an increase in sales and earnings.

Risk report

Entrepreneurial activity is fundamentally also exposed to risks. For example, geopolitical and geostrategic conflicts can severely dampen demand even in regions that are not directly affected. The events on the financial markets and the imbalances in state budgets, especially in some European countries, are depressing the economy and impairing the economic development of companies. New providers can also jeopardize the competitive position of TELES. When considering the risks, we differentiate between environment, product, service and technology risks, personnel, regulatory, currency, financial, interest and IT risks and other risks.

TELES is currently recognizing an increased risk situation due to the corona pandemic and the Russia-Ukraine crisis. The Management Board cannot rule out a deterioration, for example in the macroeconomic environment, which would also have a negative impact on the company's sales and earnings situation. If necessary, they can additionally aggravate the risk situation and reduce opportunities.

In summary, TELES is convinced that the identified significant risks do not specifically endanger the continued existence of TELES, either individually or in their entirety. In 2022, TELES is building on the stable business model of EURO RX and the existing business model of Carrier Solutions. The new group-wide monitoring system is intended to identify risks quickly and enable them to react to them in good time and initiate countermeasures.

Environmental risks

Environment risks for TELES result from economic conditions and fluctuations in demand, from price changes and from the dependency on suppliers and contract manufacturers. Our activities in the markets outside the core market DACH and Europe limit the effects of a loss of demand on the result but cannot completely shield the risks. This makes

reliable forecasts for the further development of TELES more difficult. Economic risks from the corona virus are not foreseeable for TELES. Even after around two years of experience with the corona virus, planning is still only possible to a limited extent and a final risk assessment can therefore not be conducted. For the years 2020 and 2021 there was only a minor impact on the financial situation of the company. We cannot estimate to what extent our customers or potential new customers will be affected by the current Russia-Ukraine crisis and whether purchasing decisions will be postponed or changed.

The environmental risks mentioned here cannot be precisely and reliably quantified, which is why they have not been included. The risk management system provides for the categories "low", "medium" and "high".

Product, service, and technology risks

Product, service, and technology risks are among the most important that TELES must face. Product risks are caused by the late development, acceptance and/or delivery of products and by product defects. Regardless of market saturation, the telecommunications industry is characterized by short innovation cycles for services that enable network operators to acquire new customers. On the part of TELES, this requires a strong commitment to market observation and analysis during development. The earnings situation depends to a large extent on the ability to adapt to changing markets and their requirements, to quickly develop and launch new marketable products, to constantly optimize development processes and to reduce the costs of developing and manufacturing high-quality new and reliable products.

The punctual fulfillment of promised installation and service performances in the agreed quality are also essential success factors of TELES. Even more so because framework service agreements with our customers account for a significant proportion of sales and non-performance or poor performance can result in direct damage through claims for compensation, repairs or loss of sales. The share of sales for maintenance contracts has increased in recent years.

We rate the technology risks as low.

Personnel risks

TELES, like any other highly specialized, knowledge and development-intensive company, is subject to personnel risks that result from the departure of employees. The knowledge of the employees is a capital of TELES in many functions. The risk is that with the loss of employees, the corresponding knowledge and experience can also be lost, and processes can come to a standstill as a result. The company therefore pays particular attention to the long-term loyalty of its employees to the company. This is also the goal of the new stock option program 2021. TELES also recruits committed young employees through cooperation with universities as part of dual courses of study. In summary, we assess the personnel risks as low.

Regulatory risks

The telecommunications sector of the relevant market is still regulated by law in many countries. In individual cases, official regulations, or changes to them can significantly increase operating costs and/or have an impact on sales. In addition, changes in tax laws and regulations could lead to higher tax expenses and/or affect deferred tax assets and liabilities. Based on the experience of the past few years, we assess the regulatory risks as low.

Financial and interest rate risks

Delays in payment and payment defaults have problematic effects on the liquidity of TELES. Nevertheless, TELES is not directly dependent on individual customers. A volume of 21% (previous year: 11%) of total sales was generated with the single customer with the highest sales in the 2021 financial year.

In principle, TELES evaluates customers, projects in advance, and reduces financial risks by regularly agreeing on advance payments and, if necessary, with the help of payment security instruments. We therefore rate the financial and interest rate risks as low.

IT-risks

Development and quality assurance of products, but also all other processes of TELES, are highly dependent on IT hardware, software and systems, their availability and reliability. Data is also subject to external risks from infiltration, malware, unauthorized access to TC networks and servers and pirated copies. We counteract this by continuously improving the security of our systems, through redundant hardware and access restrictions.

Based on the experience of the past few years, we assess the IT risks as low.

Financing the continuation of the company

The company's liquidity has decreased over the course of 2021 due to less project business at Carrier Solutions and lower income from subleasing and charging on. With the Pharma expansion field, TELES has opened a new business area from 2022, in which, just like in the telecommunications software division, the management of large amounts of data and the digitization of business processes will lead to growth spurts. The acquisition of EURO RX Arzneimittel GmbH led to a significant improvement in equity through the implementation of the non-cash capital increase in December 2021. The Executive Board considers the available funds (TEUR 391), including the funds available through EURO RX since January 1, 2022, to be sufficient to cover the expected funds required by TELES in the forecast period. In doing so, the Management Board considers the possibility of profit distributions by EURO RX Arzneimittel GmbH.

GVL Rechenzentrum GmbH is a specialized pharmacy data center that is playing a pioneering role in the implementation of future electronic prescriptions. In the future,

simpler billing variants will be possible between pharmacies and health insurance companies, which can also support health services research for the pharmaceutical industry.

EURO RX is a specialist pharmaceutical supplier that uses a digitized supply chain to ensure the best possible pharmaceutical care for patients. Due to the high degree of automation, EURO RX can deliver drugs for cancer, autoimmune deficits, and combination therapies of personalized medicine quickly and reliably throughout Europe. Demand for indication-specific drugs is increasing across Europe and EURO RX GmbH is well positioned to benefit from this growth.

In the Carrier Solutions division, the trend towards constant upgrades and extended support for the software solutions will continue. In this business area we expect a slight increase in sales compared to 2021.

Business planning naturally involves risks and uncertainties. It is based on current assumptions, expectations, estimates and projections by TELES, which have been considered to the best of our knowledge and belief and taking commercial principles into account. In this respect, deviations from plan cannot be ruled out.

Forecast

Since January 1st, 2022, TELES has been active in the business areas of telecommunications (TELES Carrier Solutions) and pharmaceuticals (pharmacy data center and drug supplier). As a result, TELES will again prepare consolidated financial statements from 2022 and report according to IFRS in the group reporting from the first quarter of 2022. The main assumption on which the forecasts are based in general and our assessment for the year 2022 is stable macroeconomic conditions. In particular, the forecasts are based on the assessment that neither the corona pandemic nor the Russia-Ukraine crisis will have a significant impact on the business areas of TELES. However, the development outlined here is naturally subject to opportunities and risks, which are presented in the opportunity and risk report. Due to the current global developments (corona pandemic, Russia-Ukraine crisis), we believe that planning beyond the forecast period is not reliably

possible. The forecast period is therefore limited to the current calendar year 2022. The forecasts made in the 2021 annual financial statements could not be achieved due to the decline in sales in the project business compared to the previous year and the reduced income from subletting and on-charging.

The year 2022 will be challenging: To increase the visibility of TELES Carrier Solutions and to expand our presence in the market, we will actively work on cooperation's and acquisitions. There is still a growing need for high-performance softswitch solutions, especially in Europe and the Middle East.

With the pharmaceutical expansion field, TELES has opened a new business area from 2022, in which, as in telecommunications software, the management of large amounts of data and the digitization of business processes will lead to growth spurts.

In 2022 we expect a slight increase in sales and a positive result (EBIT) for TELES Carrier Solutions compared to the previous year and a slight increase in incoming orders.

The cost of materials will increase in relation to sales at the same rate as the company does not expect any price changes here. The most important partners in licenses and hardware have been reliable partners for years and have not given any indication that the conditions would change.

Personnel expenses will remain almost unchanged, there may be new hires in the areas of sales and development, so that there can be corresponding increases.

We do not expect any changes in other operating expenses compared to the previous year.

Overall statement on the prognosis

Due to the development in connection with the spread of the corona virus and the Russia-Ukraine crisis, the plans and forecasts made are subject to considerable uncertainty. Due

to the still high level of uncertainty that has gripped society, politics and the economy, it cannot be estimated to what extent this crisis could lead to a global recession. Against this background, the Management Board cannot foresee to what extent the assumed premises and the forecast derived from them will materialize.

Key Figures of TELES AG in Accordance with the German Commercial Code (HGB)

TELES AG Informationstechnologien (in Euro)	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	Change
Sales revenues	2,818,310	2,520,185	-11%
Other operating income	1,359,557	152,762	-89%
Personnel expenditures	1,634,165	1,480,142	-9%
Other operating cost	1,108,728	934,101	-16%
Operating result/EBIT	901,873	-266,363	-129%
Net income/loss	824,512	-267,510	-132%

Internal Control System

In accordance with § 289 Para. 4 HGB, TELES is obliged to describe the key features of the internal control and risk management system regarding the accounting process in the management report. The scope and design of the accounting-related internal control and risk management system and its adjustment to the specific requirements of TELES are at the discretion and responsibility of the Management Board. TELES has therefore established a "risk management" integrated into the operational processes. Management is responsible for monitoring and coordinating risk management. Risk reporting to management includes the regular and systematic identification, qualification and assessment of the relevant risks and security systems. The risk management system provides for the categories "low", "medium" and "high". In 2021, the assessment of the risks will not yet be based on the amount and the probability of occurrence of potential damage. These changes are planned for 2022.

Description of the Internal Control System

The accounting-related internal control system of TELES includes all principles, processes, and measures to ensure the effectiveness, efficiency, and correctness of the accounting as well as to ensure compliance with the relevant legal regulations.

Internal controls defined based on risk aspects are embedded in the accounting process. The accounting-related internal control system includes both preventive and detective controls, which include IT-supported and manual reconciliations, plausibility checks, the separation of functions, the four-eyes principle, general IT controls, such as B. Access authorizations in IT systems.

Within the framework of the organizational, control and monitoring structures defined in TELES, the internal control system supports the recording, processing and appraisal of company-related facts and their proper presentation in the accounting.

Accounting processes are controlled by the accounting department. Laws, accounting standards and other pronouncements are continuously analyzed regarding their relevance and impact on the annual financial statements. The accounting-related internal control system described is supplemented by controls at company level, which are conducted by the highest decision-making bodies.

However, personal discretionary decisions, faulty controls, criminal acts, or other circumstances cannot be ruled out due to the nature of the matter and then lead to limited effectiveness and reliability of the internal control system and risk management system used. As a result, the application of the systems used cannot guarantee absolute certainty regarding the correct, complete and timely recording of facts in the accounting.

Disclosures Pursuant to Sec. 289 Para. IV, Sec. 315 Para. IV German Commercial Code (HGB)

Composition of the Subscribed Capital

The fully paid-up share capital consists of 6,233,418 no-par value shares with a notional value of EUR 1.00 each. Each share grants one vote. There are no other classes of shares.

Restrictions regarding Voting Rights or the Transfer of Shares

The Management Board of the company is not aware of any restrictions affecting voting rights or the transfer of shares.

Direct or Indirect Shareholding in Capital which Exceeds 10% of the Voting Rights

Mr. Frank Riemer, Wedemark, Germany, holds 29.90% of the voting rights in TELES AG Informationstechnologien as of the balance sheet date.

TRONTEC SOLUTIONS GmbH, Berlin, Germany, held 16.04% of the voting rights of TELES AG Informationstechnologien as of the balance sheet date and is held 100% by Ms. Wietje Riemer, whereby her voting rights are attributed to her in accordance with Section 22 (1) Sentence 1 No. 1 WpHG will.

As of the balance sheet date, Dirado Vermögensverwaltungs GmbH, Berlin, Germany, held 14.32% of the voting rights in TELES AG Informationstechnologien and is held 100% by Mr. Wolfgang Schulz, which means that their voting rights are attributed to him in accordance with Section 22 (1) Sentence 1 No. 1 WpHG will.

As far as the company is aware, there are no other direct or indirect shareholdings that exceed 10% of the voting rights.

Shares Vested with Special Rights, Controlling Powers

There are no shares with special rights that confer control powers.

Voting Rights Control

There is no control of voting rights within the meaning of Section 315a (1) No. 5 HGB.

Regulations on the appointment and dismissal of the members of the Board of Directors and on changes to the Articles of Association

According to § 6 of the statutes, the board consists of one or more person (s). The supervisory board determines the number within the framework of the regulation, as well as the appointment and revocation of the appointment, as well as the appointment of a member of the executive board as chairman of the executive board. In addition, the appointment and dismissal of the members of the Executive Board is based on Sections 84 and 85 of the German Stock Corporation Act.

Changes to the Articles of Association are based on Sections 179, 133 AktG, whereby the Supervisory Board is authorized pursuant to Section 14 of the Articles of Association to resolve changes to the Articles of Association that only affect their wording.

Powers of the Management Board Regarding the Option to Issue or Redeem Shares

Authorized Capital

With the resolution of the Annual General Meeting on December 17, 2021, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital once or several times by up to a total of EUR 2,184,813.00 against cash and/or non-cash contributions by December 31, 2025 by up to 2,184,813 new no-par value bearer shares (Authorized Capital 2021/I).

Conditional Capital

With the resolution of the Annual General Meeting on December 17, 2021, the Management Board is authorized to exercise up to 436,962 subscription rights (“stock options”) by December 31, 2025, which in total can be used to purchase up to 436,962 no-par value bearer shares in TELES AG information technologies with entitled to issue a proportionate amount of the share capital of EUR 1.00 each (Conditional Capital 2021/I).

Material Agreements of the Company Conditional on a Change in Control as a Result of a Takeover Bid

Such agreements do not exist.

Corporate governance report and corporate governance statement

The Management Board and Supervisory Board report annually on the company's corporate governance in the Corporate Governance Report in accordance with Principle 22 of the German Corporate Governance Code in the version of December 16, 2019. Like the declaration of compliance pursuant to Section 161 AktG, this is part of the corporate governance declaration pursuant to Section 289 f HGB. The German Corporate Governance Code aims to make the rules for company management and monitoring that apply in Germany transparent for national and international investors.

The term corporate governance stands for responsible management and control of companies geared towards long-term value creation. Efficient cooperation between the Management Board and the Supervisory Board, respect for the interests of shareholders, openness and transparency in corporate communication are key aspects of good corporate governance.

The Management Board and the Supervisory Board of TELES see it as their duty to ensure the continued existence of the company and sustainable value creation through responsible and long-term corporate management. The recommendations of the German Corporate Governance Code in its currently valid version serve as a model. After a due examination, the Management Board and Supervisory Board last issued the following declaration of compliance in accordance with Section 161 AktG in December 2021:

Declaration by the management board and the supervisory board of TELES AG Informationstechnologien on the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act

TELES complies with all the recommendations of the “Government Commission on the German Corporate Governance Code” in the version dated December 16, 2019 (“Code 2019”) published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette and will also do so in the future, with the following exceptions:

- The recommendations in B.5 and C.2 on setting an age limit for the Management Board and the Supervisory Board are not complied with. TELES refrains from setting an age limit for the Management Board and the Supervisory Board, since the company should also have access to the expertise of experienced Management Board and Supervisory Board members and the Management Board, and the Supervisory Board do not consider age-related exclusion to be appropriate.
- The recommendations in D.2 to D.5 and D.11 are not followed. Accordingly, the supervisory board of the company should elect technically qualified committees. The Supervisory Board of TELES currently consists of three members and is therefore a very small body. Since the members as a whole - in addition to their other duties - also deal with the committee issues mentioned in the Code, the formation of committees is not considered suitable considered to increase the efficiency of the work of the Supervisory Board and is therefore not planned. In this respect, the Chairman of the Supervisory Board also chairs the Supervisory Board if the Supervisory Board as a whole is involved in monitoring the accounting process, the effectiveness of the internal control system, the risk management system and the internal auditing system as well as the audit, here in particular the independence of the auditor and the additional services provided by the auditor.
- The principle in recommendation G.6 that the variable remuneration resulting from the achievement of long-term goals should exceed the share of short-term goals in the remuneration of the Management Board is approved. The Supervisory Board is of the opinion that in the current development phase of the company, a stronger emphasis on short-term goals serves the sustainable and long-term development of the company.

Management and corporate structure

The company management of TELES as a listed German stock corporation is determined by the requirements of the German Stock Corporation Act and the German Corporate Governance Code in its currently valid version as well as by the provisions of the articles of association. In accordance with its legal form, TELES has a two-part management structure with its executive and supervisory bodies, which is characterized by a strict separation of personnel between the management and supervisory bodies. The third body is the general meeting, in which the shareholders exercise their rights. All three bodies are committed to the well-being of the company.

In accordance with the Articles of Association, the Supervisory Board elected by the Annual General Meeting consists of three members. The term of office of the Supervisory Board is usually five years. The supervisory board monitors and advises the management board on the conduct of business. The Supervisory Board discusses business development, planning, strategy, and its implementation at regular intervals. It discusses the quarterly and half-yearly reports with the Management Board before they are published and approves the annual planning and the annual financial statements. In doing so, it considers the audit report of the auditor. The tasks of the Supervisory Board also include the appointment of members of the Management Board and the determination of Management Board remuneration and its regular review. No separate committees are formed.

The Management Board is the company's management body and currently consists of one person. The Executive Board manages the company with the goal of sustainable value creation on its own responsibility. The principle of overall responsibility applies, i.e. The members of the Executive Board are jointly responsible for the entire management of the company, regardless of their area of responsibility. The Executive Board is bound by the provisions of the rules of procedure approved by the Supervisory Board. This regulates the matters reserved for the entire Management Board and contains a list of matters of fundamental importance that require the approval of the Supervisory Board. The Management Board develops the corporate strategy and ensures its implementation in

consultation with the Supervisory Board. It is also responsible for preparing the quarterly and annual financial statements and for filling key positions in the company.

The Annual General Meeting is the decision-making body of our shareholders. The annual financial statements are presented to our shareholders at the Annual General Meeting. The shareholders decide on the appropriation of the balance sheet profit and vote on other issues stipulated by law and the articles of incorporation. Each share has one vote. Those shareholders who register in good time and who are shareholders of the company at the beginning of the 21st day before the Annual General Meeting (record date) are entitled to participate in the Annual General Meeting. Our shareholders can also have their voting rights exercised at the Annual General Meeting by an authorized third party or by a proxy appointed by the company who is bound by instructions. You can also exercise your voting rights by postal vote.

Control systems

The internal control systems support the management in monitoring and controlling the company and the business areas. The systems consist of planning, actual and forecast calculations and are based on the company's strategic planning, which is revised annually. Market developments, technological developments and trends, their influence on the company's own products and services and the financial possibilities of the company are considered.

The reporting includes monthly income statements, the monthly order and liquidity situation as well as quarterly reports and shows the asset, financial and earnings situation of the company and the divisions. The financial reporting is supplemented by further detailed information for assessment and control of the operative business are necessary. Another component of the control systems are quarterly reports on the company's main risks. The reports mentioned are discussed in the meetings of the Board of Management and the Supervisory Board and represent the essential basis for assessment and decision-making.

The operative business of the company is controlled via the parameters incoming orders, sales and the result for the period.

Women in leadership positions

In accordance with Section 111 (5) AktG, the Supervisory Board has set a target of “zero” by June 30, 2022, for increasing the proportion of women on the Management Board and Supervisory Board.

In accordance with Section 76 (4) AktG, the Executive Board has also set targets for the two management levels below the Executive Board with a deadline of June 30, 2022. A target of “zero” was set for the first level below the Management Board. This reflects the status quo.

Due to the small size of the company with currently stagnating to falling employee numbers, which leads to increased personal union between different management functions across several hierarchical levels, and the current economic situation of TELES, an increase in the proportion of women in the current situation is up to unlikely as of June 30, 2022. Nevertheless, when filling vacancies, TELES will always endeavor to consider women who have the same professional qualifications.

Declaration by the legal representative

We assure to the best of our knowledge that, in accordance with the applicable accounting principles, the annual financial statements give a true and fair view of the company's asset, financial and earnings position and that the report on the company's position shows the course of business, including the business results and the situation of the company are presented in such a way that a picture that corresponds to the actual circumstances is conveyed, and the essential opportunities and risks of the expected development of the company are described.

Berlin, March 31, 2022

TELES Aktiengesellschaft Informationstechnologien

Oliver Olbrich

Chairman of the Board of Directors

Compensation report of TELES AG Informationstechnologien

This remuneration report describes the individually granted and owed remuneration of the incumbent members of the Management Board and Supervisory Board of TELES AG Information Technologies in the 2021 fiscal year. The report describes in detail and individually the structure and amount of the individual components of the Management Board and Supervisory Board remuneration. The remuneration report was prepared jointly by the Management Board and the Supervisory Board and is based on the requirements of the German Stock Corporation Act (Section 162 AktG) and corresponds to the applicable recommendations of the German Corporate Governance Code (DCGK). Clear, understandable, and transparent reporting is especially important to both the Management Board and the Supervisory Board.

A detailed description of the remuneration systems for the members of the Management Board and Supervisory Board of TELES AG Informationstechnologien can be found on our website <https://www.teles.com/investor-relations/corporate-governance>.

Berlin, March 31, 2022

Joachim Schwarzer
Chairman of Supervisory Board

Oliver Olbrich
Chief Executive Officer

1. Remuneration of the Management Board TELES

Considering the requirements of Section 87a, Paragraph 1 of the German Stock Corporation Act, the Supervisory Board decided on a new remuneration system for the Management Board members of TELES AG Informationstechnologien with effect from April 1, 2020, and the remuneration system for the Annual General Meeting on December 17, 2021, under an agenda item 7 submitted for approval. The Annual General Meeting approved the remuneration system for the members of the Management Board with a large majority of 99.24% of the valid votes cast. Pursuant to Section 120a (1) Sentence 1 AktG, the Annual General Meeting decides on the approval of the remuneration system for the members of the Management Board presented by the Supervisory Board for every significant change in the remuneration system, but at least every four years, based on the first listing in 2020, i.e., at the latest in the Annual General Meeting 2025.

2. Executive Board remuneration in the 2021 fiscal year briefly

The following table provides a general overview of the components of the compensation system applicable to the 2021 fiscal year for the members of the Management Board (2021: Oliver Olbrich, 2020: Oliver Olbrich), the structure of the individual compensation components and the underlying objectives for the promotion of change in the long-term development of the company:

Part	Objective	Arrangement
Non-performance-based remuneration (24% to 31% of target total remuneration)		
Base salary	Should reflect the role and area of responsibility in the board of directors. Should secure a reasonable basic income and prevent entering unreasonable risks	- Annual base salary - Payment in twelve monthly installments - Chairman of the Board EUR 180,000
Fringe benefits		- Company car
Performance-related remuneration (69% to 76% of target total remuneration)		

Annual variable compensation (STI)	Intended to support profitable growth, considering the overall responsibility of the board and the individual performance of board members	<ul style="list-style-type: none"> - Contribution margin growth versus target value (55%) - EBIT growth versus target (30%) - Revenue growth from maintenance contracts (15%) - Target amount for 100% target achievement in 2021 - CEO EUR 340,000
Multi-year variable remuneration (LTI)	Should be a sustainable absolute and promote a positive development of the company's value - while at the same time linking the interests of the board members with those of the shareholders	<ul style="list-style-type: none"> - Allocation of stock options with a term of at least four years (will not take place until 2022) - Exercise price EUR 2.00 - Success target EUR 4.00 - Performance dependent on the 30-day average price of the TELES share at the end of the term
Maximum remuneration according to Section 87a (1) sentence 2 no. 1 AktG	Should avoid uncontrollably high withdrawals	<p>Reduction of variable remuneration if the maximum limit for a fiscal year is exceeded:</p> <ul style="list-style-type: none"> - Chairman of the Board: EUR 750,000 - Full board member: EUR 500,000
Malus and Clawback rule	Serves to protect the corporate interest	Possibility for the Supervisory Board to withhold STI and LTI or to reclaim compensation already paid
Benefits in the event of termination of employment		
Consensual Termination	Should avoid unreasonably high severance payments	<ul style="list-style-type: none"> - Severance pay limited to the remaining term of the employment contract or a maximum of two annual salaries (severance pay limit)
Post-contractual non-competition clause	Serves to protect the corporate interest	<ul style="list-style-type: none"> - Currently no post-contractual non-competition clause - The Supervisory Board can provide for a post-contractual non-competition clause for up to two years for newly concluded or extended Management Board

		service contracts with the payment of a waiting allowance of 50% of the last contractual salary
Change of control	Should ensure independence in takeover situations	<ul style="list-style-type: none"> - The current Management Board contracts do not provide for any special regulations - When concluding new contracts with members of the Management Board (first appointment) or extending them, the following special regulations can be agreed in the event of a change of control, but no additional compensation can be agreed. - In the event of a change of control, the member of the Management Board has the right to resign from office with three months' notice. At this point, the employment contract also ends.

3. Variable Management Board remuneration in the 2021 fiscal year

The variable remuneration of the members of the Executive Board is intended to provide the right incentives for the Executive Board to act in the interest of corporate strategy and stakeholders and to achieve long-term goals in the long term. The performance-related variable remuneration components are the STI, each with a term of one (financial) year, and the LTI with a term of four years.

If the sum of the payments from a fiscal year exceeds the maximum remuneration, the last remuneration component to be paid out - usually a variable, performance-related remuneration component - is reduced accordingly.

3.1. Annual Variable Compensation (STI)

As part of the short-term incentive, a bonus payment to the members of the Executive Board is planned if certain ambitious goals set by the Supervisory Board are achieved.

a. Targets and Calculation

Each Management Board member can receive an amount of up to 100% of the agreed variable remuneration as an STI, depending on the achievement of the defined targets. The specific targets and the calculation of their share in the STI are structured as follows:

- Contribution margin growth: up to 55% of the STI can be earned by growing the contribution margin year-on-year by an ambitious percentage set by the Board of Directors;
- EBIT growth: a further 30% of the STI can be achieved by growing the EBIT (before special items) compared to the previous year by an ambitious percentage set by the Supervisory Board;
- Maintenance contract revenue growth: An additional 15% of the STI can be achieved by year-over-year growth in maintenance contract revenue by an ambitious percentage set by the Board of Directors.

The share of short-term variable compensation under the STI in the total target compensation is between 45% and 65%.

b. Key figures and other regulations

The annual financial statements prepared and audited in accordance with HGB are binding for TELES for the contribution margin growth and the EBIT growth. Payments under the STI are due pro rata temporis in the event of a contract term of a Management Board member beginning or ending during the year. The respective payment amount under the STI is due for payment by the last day of the month following the approval of the annual financial statements for the past fiscal year.

c. Achievement of targets for annual variable remuneration (STI)

At the end of the fiscal year, the Supervisory Board evaluates the achievement of the individual targets (contribution margin growth, EBIT growth, sales growth from maintenance contracts). Based on the targets achieved, the overall level of target achievement

for the members of the Executive Board for the 2021 fiscal year is 0.0%. This results in the annual bonus for 2021 shown in the table below for the individual members of the Management Board.

Amount of annual variable remuneration (STI)	
Chief Executive Officer	in EUR
Oliver Olbrich	0,00

3.2. Multi-year variable remuneration (stock option plan 2021)

The variable long-term compensation at TELES for Management Board members consists of a stock option plan (Long-Term Incentive Program, "LTIP" or "stock option plan"). The share of long-term variable compensation under the LTIP in the total target compensation is between 10% and 30%.

TELES pursues a remuneration policy geared to the interests of the shareholders in the sense of the "shareholder value principle". The aim is to increase the value of the shareholders' participation in the long term, expressed by increasing the value of the company's shares. Both managers and employees should be incentivized to achieve this goal. Because a sizable portion of the total target compensation consists of long-term variable compensation in the form of stock options, the corporate strategy is aligned with sustainable corporate growth, including the creation of added value for shareholders and all stakeholders.

a. Granting

As part of the stock option plan, members of the Management Board are entitled to options on shares in TELES. By means of a contractual agreement with each member of the Management Board ("Subscription Rights Agreement"), the Management Board member receives the right to purchase an individually agreed number of no-par value bearer shares in TELES ("No-par value shares") at an exercise price of EUR 2.00 ("exercise price")

after expiry of the respective waiting period and if the performance target has been met in accordance with the provisions of the subscription rights agreement ("stock options"). The performance target provides for a significant increase in the share price of the TELES share above the price at the time the options were granted.

The stock options can be issued annually in single or multiple tranches by the Supervisory Board. It is planned that the members of the Executive Board will be allocated the stock options from the already approved 2021 stock option plan for the years 2021 to 2025 in a uniform allocation in the 2021 fiscal year. For the purposes of the compensation system, these stock options are distributed annually in one-off or multiple tranches.

In the past fiscal year there were no changes to the conditions relating to the shares and stock options.

b. Exercisability and goal of success

The four-year waiting period ("waiting period") begins on the day the stock options are issued. The respective Management Board member can only exercise the stock options after the waiting period has expired. Exercise of the stock options is only permitted regarding a contractually agreed minimum number.

The stock options can be exercised within an exercise period of seven years, which begins when the waiting period expires ("exercise period"). If the option rights are not exercised by the beneficiary by the end of the exercise period, the option rights expire without replacement.

The prerequisite for exercising the stock options is that the performance target has been reached within a period of thirty stock exchange trading days before the end of the waiting period. The performance target is achieved when the closing price of the company share in XETRA trading (or a comparable successor system of the Frankfurt Stock Exchange) reaches or exceeds EUR 4.00 on thirty consecutive stock exchange trading days ("success target").

c. Miscellaneous

Further blocking periods or share holding periods (such as Share Ownership Guidelines) are not planned at TELES.

If the employment relationship is terminated by the company or the Management Board member or if the executive body or employment relationship is otherwise terminated for whatever reason ("termination"), that part of the stock options for which the respective waiting period is still valid expires has not expired. As part of the stock option plan, it is envisaged that the stock options allocated will be exercised by the end of December 31. one quarter of the total number of stock options granted vest after one year (so-called vesting).

d. Impact of the 2021 stock option plan in the 2021 fiscal year

No shares or stock options were issued in 2021.

4. Amount of Management Board remuneration in the 2021 fiscal year

4.1. Remuneration granted and owed as well as promised benefits in the 2021 fiscal year

The tables below show the remuneration (inflows) granted and owed to each individual member of the Management Board in the 2021 fiscal year, as well as the contractual remuneration Grants for the 2021 fiscal year presented individually. According to the provisions of Section 162 AktG, the amounts that were due in the reporting period and have already been received by the individual Management Board member or for which the payment due has not yet been made are to be stated as remuneration granted and owed (inflows). There were no deviations from the Management Board remuneration system in the past fiscal year.

Compensation granted and owed (allocation)

Oliver Olbrich, Chief Executive Officer

	2021		2020	
	in thousand EUR	in %	in thousand EUR	in %
Base salary	190	95	222	96
Fringe benefits	10	5	9	4
Total	200	100	231	100
Annual variable compensation	0	0	0	0
Multi-year variable remuneration	0	0	0	0
Total	0	0	0	0
Severance payment	0	0	0	0
Total Compensation	200	100	231	100

4.2. Contractual Benefits

As a "contractual benefit", the variable remuneration in the sense of the model table previously contained in the German Corporate Governance Code is shown with the value at the time of the commitment (corresponds to a target achievement of 100%) for the respective fiscal year. The remuneration elements are supplemented by details of individually achievable minimum and maximum remuneration. In the past fiscal year, there was no remuneration for a member of the Board of Management that was promised by a third party regarding his work as a member of the Board of Management or that was granted in the fiscal year.

Contractual Benefits	Oliver Olbrich, Chief Executive Officer			
	2021	2020	2021 (min.)	2021 (max.)
in thousand EUR				
Base salary	190	222	190	190
Fringe benefits	10	9	10	10
Total	200	231	200	200
Annual variable compensation	0	0	0	340
Multi-year variable remuneration	0	0	0	0
Total	0	0	0	340
Severance payment	0	0	0	0
Total Compensation	200	231	200	540

Information on the relative development of Executive Board remuneration, the remuneration of the other employees and the development of earnings of the company.

Development of the remuneration of the Management Board in relation to the remuneration of the workforce and the development of earnings of the company

in %	change 2021 to 2020
Vorstand	
Oliver Olbrich	-13,4
Earnings metrics	
EBIT	-129,1
Sales volume	-10,6
Workforce (all employees on a full-time basis (FTE))	+2,0

4.3. Compliance with remuneration caps

For the 2021 fiscal year, in addition to the maximum amounts for the one-year and multi-year variable remuneration in accordance with Section 87a (1) sentence 2 no. 1 AktG, there is also a maximum amount for the remuneration for the fiscal year (including fringe benefits). This maximum remuneration is EUR 750,000 for the CEO and EUR 500,000 for an ordinary member of the Management Board and relates to the actual expenditure or the actual payment of the remuneration promised for a fiscal year. If the remuneration for the 2021 fiscal year exceeds the stated maximum, the variable remuneration will be reduced accordingly.

Since the expense amount for the multi-year variable remuneration component is only available in the third year after the end of the reporting year due to the four-year performance period, compliance with the maximum remuneration for the 2021 fiscal year can only be finally reported in the remuneration report for the 2024 fiscal year.

The promised and granted remuneration components correspond to the agreed remuneration system.

4.4. Malus and Clawback Policy

The Supervisory Board has the option of reducing annual and multi-year variable remuneration in cases of intentional or grossly negligent violation of legal obligations or violation of internal company guidelines (compliance penalty and Clawback) or in cases in which variable remuneration components that are linked to the achievement of certain goals, have been wrongly paid out on the basis of incorrect data (performance Clawback), withheld or reclaimed.

The assertion of the claim for repayment or retention is at the due discretion of the Supervisory Board.

In the 2021 fiscal year, the Supervisory Board did not make use of the option to withhold or reclaim variable remuneration components.

4.5. Benefits in the event of termination of employment

a. severance pay cap

In the event of premature termination of the contract, which is not caused by an important reason or a change of control, the company will, in accordance with the recommendation of the German Corporate Governance Code, not pay more than the value of the claims for the remaining term of the contract, whereby the payments may not exceed two annual salaries (severance payment cap). The calculation of the maximum severance payment is based on the amount of the annual remuneration, which is made up of the basic remuneration and the target values for the one-year and multi-year variable remuneration; Benefits in kind and fringe benefits are not considered. This currently results in a maximum severance payment of EUR 1,000,000 per year for a full member of the Management Board and EUR 1,500,000 for the Chairman of the Management Board.

No additional benefits have been promised to the Management Board in the event of regular termination of their duties on the Management Board.

b. Post-contractual non-competition clause

No post-contractual non-competition clauses have been agreed in the current Management Board service contracts.

The Supervisory Board can provide for a post-contractual non-competition clause for up to two years for newly concluded or renewed Management Board service contracts. For the duration of the non-competition clause, a waiting allowance of 50% of the last contractual salary is to be paid to the respective member of the Management Board. Other income from work received during the period of the non-competition clause will be offset against the compensation, as far as the compensation, including other income, would exceed the last contractual remuneration received. In addition, other contractual severance payments to a member of the Management Board are offset against the waiting allowance.

The Supervisory Board has the option of agreeing such a clause – also in individual cases – in the future. If a post-contractual non-competition clause is agreed as part of the termination, it is contractually agreed that a severance payment will be offset against a waiting allowance.

c. Change of control

When concluding new contracts with members of the Management Board (first appointment) or extending them, the following special regulations can be agreed in the event of a change of control, but no additional severance payment can be agreed.

In the event of a change of control, the Management Board member has the right to resign from office with three months' notice. The employment contract also ends at this point in time.

A change of control occurs when:

- the company's shares are removed from stock exchange trading on a regulated market (delisting).
- the appointment of the Management Board member ends because of a change of legal form of the company or a merger of the company with another company unless the Management Board member is offered an appointment as a member of the Management Board in the new company on the same economic terms as before.
- a corporate agreement is concluded with TELES as a dependent company in accordance with Sections 291 et seq. AktG or the company is incorporated in accordance with Sections 319 et seq. AktG.

The current Management Board contracts do not provide for any of the special regulations presented.

5. Remuneration of the Supervisory Board of TELES

In accordance with Article 13 of the Company's Articles of Association, the Annual General Meeting determines the level of remuneration for the members of the Supervisory Board. Before 2021, the Annual General Meeting on August 28, 2007, had last decided on the remuneration of the Supervisory Board. In 2021, the Supervisory Board decided on an adjusted remuneration system for the members of the Supervisory Board with effect from January 1, 2021. The remuneration of the members of the Supervisory Board, including the system on which this remuneration is based, was approved in accordance with Section 113 (3) AktG by resolution of the ordinary general meeting on December 17, 2021, with a large majority of 99.24% of the valid given votes confirmed. All fixed and variable remuneration components correspond to the relevant remuneration system. Due to the current development phase of the company, the variable remuneration components are currently set to a short-term target (positive net income without extraordinary business events). The variable additional remuneration is limited to the amount of the basic remuneration. The Supervisory Board has no entitlement to shares or stock options.

5.1. Compensation system of the Supervisory Board

For fiscal years beginning January 1, 2021, the remuneration of the Supervisory Board is determined as follows:

- (1) Each member of the Supervisory Board receives a fixed basic annual fee of EUR 20,000 (in words: twenty thousand euros), payable after the end of the fiscal year. The Chairman of the Supervisory Board receives two and a half times, his deputy one and a half times the remuneration pursuant to sentence one.
- (2) In addition to the basic remuneration, each ordinary member receives a performance-related additional remuneration of 0.15% of a positive annual surplus without extraordinary business events. It is capped at the amount of the basic salary. The Chairman of the Supervisory Board receives two and a half times, his deputy one and a half times the remuneration pursuant to sentence one.
- (3) Members of the Supervisory Board who belong to the Supervisory Board or a committee of the Supervisory Board or hold the office of Chairman of the Supervisory Board or a committee for only part of a fiscal year receive a corresponding pro rata remuneration.
- (4) The company reimburses each member of the supervisory board for the expenses incurred and the sales tax due on their remuneration, as far as they are entitled to invoice the company for the sales tax separately and exercise this right.
- (5) The insurance premium for a pecuniary damage liability insurance (so-called D&O insurance) to be taken out by the company for the members of the Supervisory Board is borne by the company.

5.2. Compensation of the Supervisory Board in the 2021 fiscal year

For the individual members of the Supervisory Board, the remuneration shown below resulted in accordance with Section 162 (1) sentence 1 AktG for the 2021 and 2020 fiscal years %. The Supervisory Board remuneration for the 2021 fiscal year is therefore regarded as remuneration owed, and the remuneration for fiscal year 2020 as remuneration granted.

Remuneration granted and owed to the members of the Supervisory Board of TELES AG Informationstechnologien

(Amounts in EUR or in % of the total remuneration)

			Basic remuneration	Variable remuneration	Total remuneration
Joachim Schwarzer	2021	in EUR	50,000	0	50,000
		in %	100	0	100
	2020	in EUR	37,500	0	37,500
		in %	100	0	100
Markus Gernot Schmieta	2021	in EUR	30,000	0	30,000
		in %	100	0	100
	2020	in EUR	22,500	0	22,500
		in %	100	0	100
Hartmut Brandt	2021	in EUR	20,000	0	20,000
		in %	100	0	100
	2020	in EUR	15,000	0	15,000
		in %	100	0	100

In the 2021 fiscal year, the company did not make use of the option to withhold or reclaim variable remuneration components.

Information on the relative development of the remuneration of the Supervisory Board, the remuneration of the other employees and the development of earnings of the company.

Development of the remuneration of the Supervisory Board in relation to the remuneration of the workforce and the development of earnings of the company

in %	Change 2021 to 2020
<hr/>	
Supervisory Board	
Joachim Schwarzer	+33,3
Markus Gernot Schmieta	+33,3
Hartmut Brandt	+33,3
<hr/>	
Earnings metrics	
EBIT	-129,1
Sales volume	-10,6
<hr/>	
Workforce (all employees on a full-time basis (FTE))	+2,0
<hr/>	

Financial statements of TELES Aktiengesellschaft Informationstechnologien for 2021

Balance sheet

TELES Aktiengesellschaft Informationstechnologien, Berlin
Balance sheet as of December 31, 2021

Assets	31.12.2021		31.12.2020
	EUR	EUR	EUR
A. Fixed assets			
I. Tangible assets			
Fixtures, fittings, tools and equipment	63,681.00		42,430.00
II. Financial assets			
Shares in affiliated companies	1,893,792.00		0.00
		1,957,473.00	42,430.00
B. Current assets			
I. Stocks			
1. Roh-, Hilfs- und Betriebsstoffe	0.00		2,419.30
2. Finished goods and goods for resale	5,042.18		0.00
	5,042.18		2,419.30
II. Debtors and other assets			
1. Trade debtors	350,615.42		276,972.33
2. Receivables from affiliated companies	0.00		0.00
3. Other assets	95,707.17		67,348.98
	446,322.59		344,321.31
III. Cheque, Cash at bank and in hand	391,223.94		751,551.56
		842,588.71	1,098,292.17
C. Prepayments and accrued income		48,096.78	35,890.27
		2,848,158.49	1,176,612.44

TELES Aktiengesellschaft Informationstechnologien, Berlin
Balance sheet as of December 31, 2021

Liabilities	31.12.2021		31.12.2020
	EUR	EUR	EUR
A. Shareholders' equity			
I. Ordinary shares	6,233,418.00		4,369,626.00
(Conditional Capital 2021/I: EUR 436,962)			
II. Capital reserve	349,570.08		349,570.08
III. Revenue reserves			
1. loss carried forward	-4,705,894.13		-5,530,405.78
2. net income/loss for the period	-267,510.37		824,511.65
		-4,973,404.50	-4,705,894.13
		1,609,583.58	13,301.95
B. Provisions			
1. Steuerrückstellungen	624,797.08		624,797.08
2. Sonstige Rückstellungen	155,592.49		116,949.42
		780,389.57	741,746.50
C. Creditors			
1. Payment received on account	57,735.59		27,679.39
2. Trade creditors	210,298.60		234,435.37
3. Other creditors including taxation and social security	61,356.73		47,676.01
- of which EUR 16.810.89 (py: kEUR 21) is for taxes			
- of which EUR 0,00 (py: kEUR 0) is for social security			
		329,390.92	309,790.77
D. Deferred income		128,794.42	111,773.22
		2,848,158.49	1,176,612.44

Profit and loss account

TELES Aktiengesellschaft Informationstechnologien, Berlin
Profit and loss account
for January 01 - December 31, 2021

	EUR	2021 EUR	EUR	2020 EUR
1. Turnover		2,520,185.04		2,818,310.44
2. Other operating income		152,761.85		1,359,557.08
of which relates to currency translation EUR 490.61 (py kEUR 7)				
			2,672,946.89	4,177,867.52
3. Cost of materials				
a) Cost of raw materials, consumables	-255,102.63			-312,557.51
b) Cost of purchased services	-244,227.95			-201,013.34
		-499,330.58		-513,570.85
4. Gross profit			2,173,616.31	3,664,296.67
5. Staff costs				
a) Wages and salaries	-1,270,846.70			-1,382,544.57
b) Social security,	-209,295.31			-251,620.73
of which EUR 5,625.00 (py kEUR 6) is for pension costs				
		-1,480,142.01		-1,634,165.30
6. Depreciation				
a) written off tangible and intangible fixed assets	-25,736.01			-19,530.25
		-25,736.01		-19,530.25
7. Other operating expenses/charges		-934,101.48		-1,108,728.43
of which relate to currency translation EUR 8,039.80 (py kEUR 11)				
		-2,439,979.50		-2,762,423.98
8. Operating result (EBIT)			-266,363.19	901,872.69
9. Other interest receivable and similar income		157.31		1,467.27
10. Interest payable and similar charges		-145.00		-15,422.69
11. Financial result			12.31	-13,955.42
12. Tax on profit		-41.49		-62,051.89
13. Net earnings			-266,392.37	825,865.38
14. Other taxes		-1,118.00		-1,353.73
15. Profit or loss for the financial year			-267,510.37	824,511.65
16. Loss carryforward			-4,705,894.13	-27,961,156.98
17. Income from the capital reduction			0.00	22,430,751.20
18. Balance sheet loss			-4,973,404.50	-4,705,894.13

TELES Aktiengesellschaft

Informationstechnologien, Berlin

Notes to the annual financial statements for 2021

I. General information

The annual financial statements 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 nature of expense method is used for the income statement.

TELES AG Information Technologies is based in Berlin. The company is registered under number HRB 60781 in the register of the District Court of Charlottenburg.

As far as additional information is not included in the balance sheet or income statement, these are shown separately and explained in the notes.

Due to the sale of the last subsidiary, TELES Communications Systems GmbH, Vienna, in August 2019, the company is no longer a parent company within the meaning of Section 290 HGB. Against this background, there is no obligation to prepare consolidated financial statements in accordance with Section 290 ff. HGB and Section 315e HGB. To inform the capital market, the company will publish selected, unaudited key figures that were determined in accordance with international accounting regulations.

The annual financial statements have been prepared based on going concern. At this point, reference is made to the statements in the management report. There, in the chapter "Financing of corporate activities" in the "Opportunity and risk report", it is shown that the Management Board will use the available financial resources of the company itself, plus those provided by EURO RX Arzneimittel GmbH from January 1, 2022. available funds to be sufficient to cover the anticipated financial needs of the Company during the

forecast period. In doing so, the Management Board considers the possibility of profit distributions by EURO RX Arzneimittel GmbH.

II. Accounting and valuation methods

The following accounting and valuation methods continued to apply to the preparation of the annual financial statements.

A. Accounting methods

Leased assets for which TELES is not the economic owner are not accounted for.

B. Assessment methods

As before, intangible assets and tangible assets are stated at acquisition or production cost less scheduled straight-line depreciation, whereby a customary useful life of three to ten years is used as a basis. Fixed assets with a value of €250.00 to €1,000.00 are depreciated in accordance with tax regulations. In the absence of materiality, this procedure is adopted for the annual financial statements under commercial law.

Inventories are always valued at acquisition or production cost. Lower replacement prices or costs were considered in accordance with Section 253 (4) sentence 2 HGB. In addition, limitations regarding salability were considered through reasonable deductions; Corresponding individual assessments were carried out for this purpose. This considers the risk of future technological developments in the industry.

Apart from customary retention of title, the inventories are free of third-party rights.

Receivables and other assets are recognized at their nominal value. Recognizable default risks have been considered through appropriate individual value adjustments, which

were determined based on the known individual default risks. As far as special individual default risks were not recognizable, general value adjustments were determined in such a way that items with comparable risks were combined into valuation groups and based on the age structure proportionately with rates between 10% and 90%, in individual cases up to 100%.

The provision of § 256a HGB is observed when converting receivables in foreign currencies.

The balance of the bank account maintained in USD was valued at the middle spot exchange rate on the closing date (€1 = \$1.13).

Only deferred items (Section 250 (1) HGB) are recognized under active prepaid expenses.

The provisions cover all identifiable risks and uncertain obligations to an appropriate extent. They are recognized at the settlement amount necessary according to prudent business judgement.

Liabilities are recognized at their settlement amounts. The provision of § 256a HGB is observed for the conversion of amounts in foreign currency. The currency translation notes included in the income statement include both realized and unrealized exchange rate differences.

Income before the balance sheet date is shown as deferred income if it represents income for a certain period after this date. The deferred income recognized as of December 31, 2020, and 2021 relate to prepayments for deferred revenue from the provision of services.

For the determination of deferred taxes due to temporary or quasi-permanent differences between the commercial law valuations of assets, liabilities and prepaid expenses and their tax valuations or due to tax loss carryforwards, these are valued at the tax rate at the time the differences are reduced and the amounts the resulting tax inheritance and

relief is not discounted. A surplus of deferred taxes is not capitalized in exercising the existing recognition option.

All revenues resulting from the sale of company-typical goods or in connection with the provision of company-typical services are reported as sales.

III. Details of the items on the balance sheet and the profit and loss account ¹

A. Capital assets

The development of fixed assets (Section 284 (3) HGB) can be seen from the attached schedule of assets.

B. Current assets

Receivables and other assets

Trade receivables from third parties were written down by EUR 132 thousand in 2021 (previous year: EUR 370 thousand).

As in the previous year, all receivables and other assets have a term of up to one year.

Other assets include tax receivables of EUR 4 thousand (previous year: EUR 3 thousand).

Liquid Funds

All cash in the amount of EUR 391 thousand is freely available (previous year: EUR 752 thousand).

¹ For computational reasons, rounding differences to the mathematically exact values (monetary units, percentages, etc.) can occur in tables and in references.

C. Prepaid expenses and deferred charges

The prepaid expenses include payments, e. B. for rents and insurance, which only lead to expenses after the reference date.

D. Equity

Subscribed capital

The fully paid-up share capital consists of 6,233,418 no-par value shares with a notional value of EUR 1.00 each. As of December 31, 2020, the share capital consisted of 4,369,626 no-par value shares with a notional value of EUR 1.00 each. On November 29, 2021, the Management Board decided to increase the company's share capital by EUR 1,863,792.00 against a contribution in kind to EUR 6,233,418.00 by issuing 1,863,792 no-par value bearer shares. The new shares were subscribed to by Mr. Frank Riemer, Wedemark. With the contribution agreement dated November 30, 2021, Mr. Frank Riemer acquired 14,500 shares, serial numbers 2 to 14,501, with a nominal value of EUR 1.00 each in EU-RO RX Arzneimittel GmbH, based in Wedemark, entered in the commercial register of the district court of Hanover HRB 58532, transferred to the company as a contribution in kind.

Authorized capital

With the resolution of the Annual General Meeting on December 17, 2021, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital once or several times by up to a total of EUR 2,184,813.00 against cash and/or non-cash contributions by December 31, 2025 by up to 2,184,813 new no-par value bearer shares (Authorized Capital 2021/I).

Conditional capital

With the resolution of the Annual General Meeting on December 17, 2021, the Management Board is authorized to exercise up to 436,962 subscription rights ("stock options")

by December 31, 2025, which in total can be used to purchase up to 436,962 no-par value bearer shares in TELES AG information technologies with entitled to issue a proportionate amount of the share capital of EUR 1.00 each (Conditional Capital 2021/I).

E. Accruals

The provisions relate to uncertain liabilities. The provisions of EUR 780 thousand (previous year: EUR 742 thousand) include tax provisions of EUR 625 thousand (previous year: EUR 625 thousand), provisions for personnel costs of EUR 69 thousand (previous year: EUR 77 thousand), closing and auditing costs of EUR 62 thousand (previous year: EUR 19 thousand), Rental and operating costs EUR 0 thousand (previous year EUR 10 thousand), for invoices not yet received EUR 17 thousand (previous year EUR 3 thousand) and various other provisions EUR 7 thousand (previous year EUR 8 thousand).

F. Liabilities

Residual term

The liabilities have a remaining term of up to one year in the amount of EUR 300 thousand (previous year: EUR 310 thousand) and more than one year and more than 5 years in the amount of EUR 0 thousand (previous year: EUR 0 thousand). No liabilities are secured by liens or similar rights.

Other liabilities

In the previous year, other liabilities included wage tax liabilities of EUR 17 thousand (previous year: EUR 21 thousand), wage and salary liabilities of EUR 13 thousand (previous year: EUR 11 thousand), other liabilities of EUR 14 thousand (previous year: EUR 11 thousand). EUR 0 thousand) and accounts receivable in the amount of EUR 18 thousand (previous year: EUR 15 thousand).

G. Deferred tax liabilities

There are no deferred tax liabilities to be recognized as of the balance sheet date. The company does not exercise the right to choose pursuant to Section 274 (1) of the German Commercial Code (HGB) to recognize any resulting tax relief by recognizing deferred tax assets. The unrecognized deferred tax assets are based on corporate and trade tax loss carryforwards. The tax rate applicable to TELES AG is 30.2% (corporate income tax including solidarity surcharge 15.8% and trade tax 14.4%).

H. Sales revenue

Eighteen percent of Carrier Solutions revenues were generated domestically and the remainder in Europe and the Middle East.

The company's sales by sales market are as follows:

Carrier Solutions	2021	2020
	kEUR	kEUR
DACH	1,375	1,150
Europe	638	945
Middle East	313	350
Other	35	75
Total	2,362	2,520

Sales are allocated according to the customer's country of origin.

Other sales of EUR 159 thousand (previous year: EUR 298 thousand) relate to income from the subletting of office space.

I. Personnel expenses

Personnel expenses in 2022 were EUR 1,480 thousand (previous year: EUR 1,634 thousand).

J. Other operating income and other operating expenses

Other operating income

The other operating income of EUR 153 thousand (previous year: EUR 1,360 thousand) is due to non-operating income from on-charging in the amount of EUR 53 thousand (previous year: EUR 138 thousand) and income from the reversal of provisions in the amount of EUR 18 thousand (previous year EUR 84 thousand). The high other operating income in

the previous year of EUR 1,360 thousand is due to the waiver of a loan by a former related person in the amount of EUR 1,000 thousand.

The income from loan waivers by the former related person relates to a loan from 2020 that the related person finally waived without a debtor warrant.

IV. Contingent liabilities and other financial obligations

The other financial obligations that are not shown in the balance sheet break down as follows as of the balance sheet date:

Rental commitments for real estate (exercising the option right to non-automatic rental extension by a further 12 months and assuming a future change in the consumer price index for Germany, published by the Federal Statistical Office, Wiesbaden (base year 2010 = 100), compared to the month in which the rental began by less than 5 percent up or down)

	kEUR
on the total rental period	229
thereof with a term of up to one year	211

Leasing and rental leasing obligations for movables

	kEUR
on the total rental period (up to 36 months)	59
thereof with a maturity of up to one year	29

Furthermore, there are financial obligations of EUR 210 thousand for services and other services to be obtained in 2021.

V. Information about transactions with related parties and companies in accordance with Section 285 No. 21 HGB

The transactions conducted with closely related persons and companies in the 2021 financial year correspond to the customary market conditions.

VI. Supplementary information

A. Number of employees

The average number of employees in the company (excluding board members and trainees) is 17 (previous year: 18).

B. Management Board

In the past financial year, the Management Board included Mr. Oliver Olbrich, Chairman of the Management Board of TELELES AG Informationstechnologien.

Total remuneration of the Management Board for 2019 (in EUR thousand) and number of subscription rights:

Vorstand	2021 Fix*)	2021 variable	2020 fix	2020 variable	Number of all subscription rights
Oliver Olbrich	200	0	231	0	0
Total remuneration	200	0	231	0	0

*) incl. benefits

C. Supervisory Board

The following persons were members of the company's Supervisory Board in the year under review:

- Joachim Schwarzer, Berlin, graduate economist
Chairman of the Supervisory Board.
Managing Director JKS Consulting Berlin GmbH

- Markus Gernot Schmieta, Hanover, auditor, lawyer, and tax advisor
Deputy Chairman of the Supervisory Board
Managing partner of SK-Treuhand Dr. Schmieta + Partner mbB
Since 2017 member of the supervisory board of the "Gemeinde Wedemark Bau- und Entwicklungs-GmbH", Wedemark.
- Hartmut Brandt, Munich, lawyer

The expense allowances for the members of the Supervisory Board:

(in EUR)	2021	2020
Joachim Schwarzer	50,000	37,500
Markus Gernot Schmieta	30,000	22,500
Hartmut Brandt	20,000	15,000
Total remuneration	100,000	75,000

There were no performance-related payments in 2020 and 2021.

D. Subsequent events

TELES has controlled EURO RX Arzneimittel GmbH since January 1st, 2022. The company will thus prepare consolidated financial statements for the 2022 financial year.

TELES is currently recognizing an increased risk situation due to the Ukraine crisis. The Management Board cannot therefore rule out a deterioration in the macroeconomic environment, which would also have a negative impact on the company's sales and earnings situation, although the specific effects on the business areas are neither quantifiable nor foreseeable with certainty as of today.

E. Services of the auditing company

The fee of Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft / Steuerberatungsgesellschaft for the 2021 financial year for the final audit amounts to EUR 43 thousand (including travel expenses and expenses).

F. Declaration of Compliance

The Management Board and the Supervisory Board of TELES AG have issued a declaration of compliance in accordance with the German Corporate Governance Code (Section 161 AktG), which was published on the TELES AG website in November 2021 (www.teles.com).

G. List of shareholdings according to § 285 No. 11 HGB

As of December 31, 2021, there are shareholdings (direct investments) in the following companies:

Company	Domicile	Legal form	Equity* in EUR	Result* in EUR	TELES share in %
GVL Rechenzentrum GmbH	Berlin	GmbH	9,574	104,665	75,2
EURO RX Arzneimittel GmbH	Wedemark	GmbH	2,243,922	275,247	58,0

* Information is unaudited

EURO RX Arzneimittel GmbH was not controlled as of the balance sheet date. For the rest, reference is made to section D. Supplementary report.

H. Appropriation of profits

The Management Board proposes carrying the annual loss of EUR 263k forward to new account.

I. Notifications according to AktG and WpHG

By the time the annual financial statements were prepared, we had received the following notifications, which were still valid now, in accordance with Section 33 (1) WpHG about holdings in TELES Aktiengesellschaft Informationstechnologien.

Mr. Frank Riemer, Germany, informed us on December 14, 2021 in accordance with Section 33 (1) sentence 1 in conjunction with Section 34 (2) WpHG that his share of the voting rights in TELES AG Informationstechnologien, Berlin, Germany, on December 08, 2021 exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% and amounted to 29.90% (corresponding to 1,863,792 voting rights) on that day.

Dirado Vermögensverwaltungs GmbH, Germany, TRONTEC SOLUTIONS GmbH and SIMBLION GmbH are attributed voting rights from the following shareholders, whose share of the voting rights in TELES AG Informationstechnologien, Berlin, Germany, is 3% or more.

Mr. Christian Schmitz, Germany, informed us on December 14, 2021 in accordance with Section 33 (1) sentence 1 in conjunction with Section 34 (2) WpHG that the share of voting rights held by Dirado Vermögensverwaltungs GmbH, Germany, TRONTEC SOLUTIONS GmbH and SIMBLION GmbH of TELES AG Informationstechnologien, Berlin, Germany, fell below the threshold of 50% on December 08, 2021 and amounted to 38.78% (this corresponds to 2,417,088 voting rights) on that day.

Ms. Wientje Riemer, Germany, informed us on December 14, 2021 in accordance with Section 33 (1) sentence 1 in conjunction with Section 34 (2) WpHG that the share of voting rights held by Dirado Vermögensverwaltungs GmbH, Germany, TRONTEC SOLUTIONS GmbH and SIMBLION GmbH of TELES AG Informationstechnologien, Berlin, Germany, fell below the threshold of 50% on December 08, 2021 and amounted to 38.78% (this corresponds to 2,417,088 voting rights) on that day.

Mr. Wolfgang Schulz, Germany, informed us on December 14, 2021 in accordance with Section 33 (1) sentence 1 in conjunction with Section 34 (2) WpHG that the share of voting

rights held by Dirado Vermögensverwaltungs GmbH, Germany, TRONTEC SOLUTIONS GmbH and SIMBLION GmbH of TELES AG Informationstechnologien, Berlin, Germany, fell below the threshold of 50% on December 08, 2021 and amounted to 38.78% (this corresponds to 2,417,088 voting rights) on that day.

Mr. Thomas Lüllemann, Germany, informed us on December 15, 2021, in accordance with Section 33 (1) sentence one in conjunction with Section 34 (2) WpHG that his voting rights in TELES AG Informationstechnologien, Berlin, Germany, on December 8, 2021, exceeded the threshold of 5% and amounted to 4.41% (corresponding to 275,119 voting rights) on that day.

Berlin, March 31, 2022

TELES Aktiengesellschaft Informationstechnologien

Oliver Olbrich
Chairman of the Board of Directors

Schedule of fixed assets

TELES Aktiengesellschaft Informationstechnologien, Berlin
Development of Assets 2021
for January 01 - December 31, 2021

	Acquisition cost			Depreciation			Residual book values			
	as of	Additions	Disposals	as of	as of	Additions	Disposals	as of	as of	as of
	31.12.2020			31.12.2021	31.12.2020			31.12.2021	31.12.2021	31.12.2020
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1. Intangible Assets										
Concessions, patents, licences, trade marks and similar rights and assets	78,994	0	0	78,994	78,994	0	0	78,994	0	0
2. Tangible Assets										
Fixtures, fittings, tools and equipment	933,250	47,609	-756	980,103	890,820	25,736	-134	916,556	63,681	42,430
3. Financial Assets										
Shares in affiliated companies	0	1,893,792	0	1,893,792	0	0	0	0	1,893,792	0
	1,012,244	1,941,401	-756	2,954,401	969,814	25,736	-134	995,684	1,957,473	42,430

Development of Equity

TELES AG Informationstechnologien, Berlin
Development of Equity for 2021

	Nominal value of the shares	Capital reserve	accumulated loss	Total equity
	EUR	EUR	EUR	EUR
31.12.2019	23,304,676	2,330,468	-27,961,157	-2,326,013
Capital reduction	-20,391,592	-2,039,159	22,430,751	
Capital increase	1,456,542	58,262	0	
Net profit for the financial period	0	0	824,512	824,512
31.12.2020	4,369,626	349,570	-4,705,894	13,302
Capital increase	1,863,792	0	0	1,863,792
Net profit for the financial period	0	0	-267,510	-267,510
	<u>1,863,792</u>	<u>0</u>	<u>-267,510</u>	<u>1,596,282</u>
31.12.2021	6,233,418	349,570	-4,973,404	1,609,584

Cash Flow Statement

TELES AG Informationstechnologien, Berlin
Cash Flow Statement
for January 01 - December 31, 2021

	2021 EUR	2020 EUR
Cash flow from operating activities		
Net profit/loss for the financial year	-267,510	824,512
+ Depreciation	28,430	19,530
+/- Changes to provisions	38,643	-194,086
-/+ Changes to Stocks and Trade Receivables	-87,285	6,396
+/- Changes to Trade Payables and Other liabilities	7,076	-671,271
- Other expense / income of extraordinary amounts and meaning	0	-1,000,000
+ Income tax expense	0	28,501
	-280,647	-986,418
Cash flow from investing activities		
- Investments in property, plant and equipment	-49,681	-13,192
- Investments in financial assets	-30,000	0
	-79,681	-13,192
Cash flow from financing activities		
+ Cash received from capital contributions	0	1,514,804
+ Deposits from taking out of (financial) loans	0	700,000
- repayment of (financial) loans	0	-476,961
	0	1,737,843
Net change in cash and cash equivalents	-360,328	738,233
+ Cash and cash equivalents at beginning of period	751,552	13,319
Cash and cash equivalents at end of period	391,224	751,552

Report of the Supervisory Board for the financial year from January 1st to December 31st, 2021

In the 2021 financial year, the Supervisory Board duly performed the tasks incumbent on it according to the law and the Articles of Association and regularly monitored and advised the Management Board of TELES AG Informationstechnologien in the management of the company. It was promptly informed in writing and orally about the company's situation and business development. It participated in all decisions of fundamental importance.

Consulting focus 2021

In nine formal Supervisory Board meetings and a number of informal meetings, the Supervisory Board discussed the company's economic situation and made decisions on the strategic further development of TELES AG. All members of the Supervisory Board took part in the Supervisory Board meetings, which were held as video conferences due to the ongoing corona pandemic in 2021. In addition, the Chairman of the Supervisory Board was in regular contact with the Chairman of the Management Board. The consultations focused on the implementation of capital measures and the acquisition of two companies in the new "Pharma" expansion field. With these strategic investments, TELES AG combines its skills around managing large amounts of data with the increasing trend towards digitization in the pharmaceutical sector.

In the "Carrier Solutions" business area, the ambitious sales targets were not achieved in 2021. At the same time, new growth prospects were created for TELES AG with strategic acquisitions.

The Supervisory Board agrees with the Executive Board's comments in the "Financing the continuation of the company" section of the management report, according to which the company's continued existence depends not only on the achievement of targets in the "Carrier Solutions" business area, but above all on the new subsidiary EURO RX

Arzneimittel GmbH can be successfully integrated into the group and generate sufficient positive earnings and liquidity contributions.

Audit results

The auditor concludes that the annual financial statements as of December 31, 2021, have been properly derived from the accounting and the other audited documents, comply with the statutory provisions in all material respects and, overall, provide a true and fair view of the actual circumstances of the asset, financial and earnings situation. The audit also revealed that the management report complies with the statutory provisions in all material respects.

The auditor also determined that the monitoring system set up by the Management Board is suitable in all material respects for early detection of developments that endanger the future of the company with sufficient certainty.

Overall, the auditor of TELES AG Informationstechnologien gave an unqualified audit opinion.

Resolution

With a resolution dated April 8, 2022, the Supervisory Board approved the 2021 annual financial statements prepared by the company and audited by the auditor Rödl & Partner GmbH. The annual financial statements for the 2021 financial year have thus been adopted.

The Supervisory Board would like to thank the Management Board and all employees for their great personal commitment and the work they have done in 2020.

Translation –the German version is authoritative



Berlin, April 8th, 2022

The Supervisory Board

Joachim Schwarzer

Chairman of the Supervisory Board

Independent auditor's report

To TELES AG Informationstechnologien, Berlin:

NOTICE ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

We have the annual financial statements of TELES AG Informationstechnologien, Berlin, - consisting of the balance sheet as of December 31, 2021, the income statement, the cash flow statement, and the statement of changes in equity for the financial year from January 1, 2021, to December 31, 2021, and the Notes, including the presentation of the accounting and valuation methods – checked. In addition, we have audited the management report of TELES AG Informationstechnologien, Berlin, for the fiscal year from January 1st, 2021, to December 31st, 2021. In accordance with German legal requirements, we have not audited the content of the components of the management report and annual report listed in the “Other information” section.

According to our assessment based on the knowledge gained during the audit

- The attached annual financial statements comply in all material respects with the German commercial law regulations applicable to corporations and convey a true and fair view of the assets and financial position of the company as of December 31, 2021, in compliance with German accepted accounting principles their earnings situation for the financial year from January 1st, 2021, to December 31st, 2021.
- the attached management report conveys an overall correct picture of the company's situation. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not issue an audit opinion on the content of the sections mentioned above that have not been audited in terms of content.

In accordance with § 322 Para. 3 Clause 1 HGB, we declare that our audit has not led to any objections to the regularity of the annual financial statements and the management report.

Basis for the test results

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; hereinafter "EU-APrVO"), considering the German principles of proper auditing established by the Institute of Public Auditors (IDW). accomplished. Our responsibility under these regulations and principles is described in more detail in the "Auditor's responsibility for the audit of the annual financial statements and management report" section of our auditor's report. We are independent of the company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, we declare in accordance with Article 10 Paragraph 2 Letter f) EU-APrVO that we have not provided any prohibited non-audit services according to Article 5 Paragraph 1 EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Particularly important audit matters in the audit of the annual financial statements

Key audit matters are those matters that, based on our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1, 2021, to December 31, 2021. These matters were addressed in the context of our audit of the annual financial statements, and in forming our opinion thereon; we do not provide a separate audit opinion on these matters.

We have identified the following key audit matter.

Financing further business activity

The company has experienced an operational crisis in the past and was dependent on the successful implementation of various financial restructuring measures. The negative equity was only eliminated in 2020 by a capital reduction followed by a capital increase, whereby the operating cash flows were negative, and the annual results were characterized by waivers of loans by former related parties. Accordingly, the company has so far been characterized by a threat to its continued existence.

Due to a non-cash capital increase of EUR 1,863,792.00 conducted in the past financial year 2021, equity was significantly improved to EUR 1,609,583.58, taking into account the net loss for the year. At the same time, the company's liquidity decreased due to lower revenues in the course of 2021. Regarding the financing of the further continuation of the company, the Management Board sees the available financial resources of the company itself plus those available through EURO RX Arzneimittel GmbH since January 1, 2022, Funds sufficient to cover the anticipated financial needs of the company in the forecast period. In doing so, the Management Board considers the possibility of profit distributions by EURO RX Arzneimittel GmbH.

The risk for the financial statements and the management report is, on the one hand, that the Management Board incorrectly assumes that the total available funds are sufficient to cover the company's expected financial requirements in the forecast period. There is also a risk for the financial statements and the management report that the financing situation is not presented in the notes and in the management report.

Due to the importance of the financial statements as a whole and the position of the company, we consider the financing of further business activities to be a key audit matter.

Audit approach and reference to related disclosures

We have assessed the planning documents of the two companies regarding the expected financial requirements of the company, the planned available own liquid funds and the funds available through EURO RX Arzneimittel GmbH and held discussions with the

Management Board on the planned development. Regarding the basic ability of EURO RX Arzneimittel GmbH to contribute liquidity to the financing of the further business activities of TELES AG information technologies, we have recognized various audit evidence, such as audited and unaudited annual financial statements and annual financial statement documents. We critically assessed the relevant information in the notes and management report.

We refer to the information in the “Financing of corporate activities” section in the “Opportunity and risk report” of the management report and the information in section “I. General information” of the appendix. We consider the information to be comprehensible, complete, and appropriate.

Other Information

The Supervisory Board is responsible for the report of the Supervisory Board, the Supervisory Board, and the Management Board together for the declaration contained in the corporate governance declaration pursuant to Section 161 AktG and the corporate governance report contained therein. Otherwise, the legal representative is responsible for the other information. The other information includes

- the section “Report on corporate governance and declaration on corporate governance” contained in the management report and the declaration pursuant to Section 161 AktG,
- the assurances contained in the "Declarations by the legal representatives" section of the management report in accordance with §§ 264 Paragraph 2 Clause 3, 289 Paragraph 1 Clause 5 HGB on the annual financial statements and management report,
- the report of the Supervisory Board contained in the annual report, of which we received a version prior to issuing this auditor's report,
- the presentation of the company profile contained in the annual report and
- the “Letter to the Shareholders” contained in the Annual Report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, we have a responsibility to read the other information mentioned above and, in doing so, to evaluate whether the other information

- exhibit material inconsistencies with the annual financial statements, the management report or our knowledge obtained in the audit, or
- otherwise appear materially misrepresented.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the legal representative and the board of directors for the financial statements and the status report

The legal representative is responsible for the preparation of the annual financial statements, which comply with the German commercial law provisions applicable to corporations in all material respects, and for the fact that the annual financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the assets, financial and earnings situation of the company. Furthermore, the legal representative is responsible for the internal controls that he has determined to be necessary in accordance with the German principles of proper accounting to enable the preparation of annual financial statements that are free of material - intended or unintended - misrepresentation.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern. He also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, he is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

In addition, the legal representative is responsible for the preparation of the management report, which provides an accurate view of the company's position and is consistent with the annual financial statements in all material respects, complies with German legal requirements and describes the opportunities and risks of the future development

correctly. Furthermore, the legal representative is responsible for the precautions and measures (systems) that he has deemed necessary to enable the preparation of a management report in accordance with the applicable German statutory provisions and to provide sufficient suitable evidence for to be able to provide the statements in the management report.

The Supervisory Board is responsible for monitoring the company's accounting process for the preparation of the annual financial statements and the management report.

Responsibility of the auditor for the audit of the annual financial statements and the management report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatements - intentional or unintentional - and whether the management report as a whole provides a suitable view of the company's position and in all material respects is consistent with the annual financial statements and with the findings obtained during the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that contains our audit opinions on the annual financial statements and on the management report .

Adequate security is a high level of security but is no guarantee that an audit carried out in accordance with Section 317 HGB and the EU-APrVO, taking into account the German principles of proper auditing established by the Institute of Public Auditors (IDW) will constitute a materially false statement position always reveals. Misstatements can result from violations or inaccuracies and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these annual financial statements and management report.

During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore

- We identify and assess the risks of material misstatement – intentional or unintentional – in the annual financial statements and in the management report, plan and

perform audit procedures in response to these risks and obtain audit evidence that is sufficient and suitable as a basis to serve for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as violations may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- we gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report to plan audit procedures that are appropriate under the given circumstances, but not with the aim of to submit an audit opinion on the effectiveness of these systems of the company.
- we assess the appropriateness of the accounting methods used by the legal representative and the justifiability of the estimated values presented by the legal representative and the associated information.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that cast significant doubt on the Company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention to the relevant information in the annual financial statements and management report in the auditor's report or, if this information is inappropriate, to modify our respective audit opinion. We base our conclusions on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- We assess the overall presentation, the structure, and the content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements, taking German accepted accounting principles into account, give a true and fair view of the asset, financial and earnings situation of the company.
- We assess the consistency of the management report with the annual financial statements, its compliance with the law and the picture it conveys of the company's situation.
- we perform audit procedures on the future-oriented information presented by the legal representative in the management report. Based on sufficient appropriate audit

evidence, we evaluate the significant assumptions on which the future-oriented information is based by the legal representative and evaluate the proper derivation of the future-oriented information from these assumptions. We do not provide a separate audit opinion on the future-oriented information and the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the prospective information.

Among other things, we discuss the planned scope and timing of the audit and significant audit findings with those responsible for monitoring, including any deficiencies in the internal control system that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that can be expected to affect our independence, and the protective measures taken for this purpose.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Note on the audit of the electronic reproductions of the annual financial statements and the management report created for disclosure purposes in accordance with Section 317 (3a) HGB

Audit opinion

In accordance with Section 317 (3a) HGB, we have conducted an audit with sufficient certainty as to whether the data contained in the file provided with the audited ESEF documents TELES_AG_JA_2021-12-31.zip (hash value: 42074e891a35f95923186730ae6f3dba422aecc0d5a9b6d780bb92326fa329a8) and created for disclosure purposes of the annual financial statements and the management report (hereinafter also referred to as "ESEF documents" 3) the requirements of paragraph § 28 HGB conform to the electronic reporting format ("ESEF format") in all material respects. In accordance with the German legal requirements, this audit only covers the conversion of the information of the annual accounts and the management report into the ESEF format and therefore neither the information contained in these reproductions, nor any other information contained in the file mentioned above.

The reproductions of the annual financial statements and the management report contained in the file provided above and created for disclosure purposes comply in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We do not issue any audit opinions beyond this audit opinion and our audit opinions on the attached annual financial statements and on the attached management report for the financial year from January 1, 2021, to December 31, 2021, contained in the above "Comment on the audit of the annual financial statements and the management report". to the information contained in these reproductions as well as to the other information contained in the above file.

Basis for the audit opinion

We have audited the reproductions of the annual financial statements and the management report contained in the file provided above in accordance with Section 317 (3a) HGB

in compliance with the IDW auditing standard: Audit of the electronic reproductions of financial statements and management reports prepared for disclosure purposes in accordance with Section 317 Para. 3a HGB (IDW PS 410 (10.2021)). Our responsibilities thereafter are further described in the section “Responsibility of the auditor for the review of the ESEF documents”. Our auditing practice has applied the quality assurance system requirements of the IDW Quality Assurance Standard: Quality Assurance Requirements in Auditing Practice (IDW QS 1).

Responsibility of the legal representative and the board of directors for the ESEF documents

The legal representative of the company is responsible for the preparation of the ESEF documents with the electronic reproductions of the annual financial statements and the management report in accordance with Section 328 Paragraph 1 Sentence 4 No. 1 HGB.

Furthermore, the legal representative of the company is responsible for the internal controls that he deems necessary to enable the creation of ESEF documents that are free of material - intentional or unintentional - violations of the requirements of § 328 Para. 1 HGB to the electronic reporting format.

The Board of Directors is responsible for overseeing the process of preparing the ESEF documents as part of the accounting process.

Auditor's Responsibility for Reviewing ESEF Records

Our objective is to obtain sufficient certainty as to whether the ESEF documents are free from material - intentional or unintentional - violations of the requirements of Section 328 (1) HGB. During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore

- We identify and assess the risks of significant – intentional or unintentional – violations of the requirements of Section 328 (1) HGB, plan and conduct audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to serve as the basis for our audit opinion.

- Obtain an understanding of the internal controls relevant to the audit of the ESEF records to design audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.
- we assess the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable on the reporting date for the technical specification for this file.
- Evaluate whether the ESEF documentation allows for a consistent XHTML representation of the audited financial statements and audited management report.

Other information according to Article 10 EU APrVO

We were elected as auditors by the annual general meeting on December 17, 2021. we were commissioned by the Chairman of the Supervisory Board on December 17, 2021. We have been the auditor of TELES AG Informationstechnologien, Berlin, without interruption since the 2020 financial year. The auditor responsible for the audit has been the auditor of TELES AG Informationstechnologien, Berlin, since the 2019 financial year.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTERS - USE OF THE AUDIT OPINION

Our auditor's report should always be read in connection with the audited annual financial statements and the audited management report as well as the audited ESEF documents. The annual financial statements and management report converted to the ESEF format - including the versions to be published in the Federal Gazette - are merely electronic reproductions of the audited annual financial statements and the audited management report and do not replace them. In particular, the ESEF note, and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

Translation –the German version is authoritative



RESPONSIBLE AUDITOR

The auditor responsible for the audit is Mr. Stefan Mattner.

Berlin, April 8th, 2022

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

gez. Storbeck
Wirtschaftsprüfer

gez. Mattner
Wirtschaftsprüfer