

Q1 2021 Quarterly Financial Statements of TELES AG Informationstechnologien

(HGB, unaudited)

Key figures from January 1, 2021 to March 31, 2021

- Sales decline by 30% compared to previous year
- Reduction of personnel expenditures by 10%
- Reduction of other operating expenses by 23%
- Net loss for the period of EUR 99 thousand

Overview of the key figures of TELES for Q1 2021 (in accordance with HGB, unaudited)

TELES AG Informationstechnologien (in Euro)	01.01.2020 - 31.03.2020	01.01.2021 - 31.03.2021	Change
Sales revenues	830,339	580,767	-30%
Other operating income	58,444	42,569	-27%
Personnel expenditures	441,240	398,253	-10%
Other operating expenses	257,701	198,550	-23%
Operating result/EBIT	32,489	-97,173	-399%
Net income/loss	28,198	-98,609	-450%

Interim Management Report

The start of the new 2021 financial year was slow. In the seasonally weakest quarter of the year, it was possible to secure and further expand the maintenance business with existing customers. The demand for products was rather low in the first quarter. It was important to win netplus.ch (Switzerland) as a new customer for an UCaaS solution. The further development of the product families and the development of suitable solutions and products are still in focus. Requirements from the regulator, such as the technical guideline TR emergency call in Germany, gives TELES the opportunity to deliver additional software to customers in the second quarter. The expansion of the TELES soft switch to enable software-based recoding in customer networks (transcoding) will also bring further growth. In the second quarter, TELES will expand its marketing and communication activities in order to position TELES further on the market and to anchor it with customers as a competent, efficient and future-proof provider.

Summary Statement of the Economic Situation

At EUR 581 thousand, sales decreased by 30% from EUR 830 thousand in the reporting period. Sales for the Carrier Solutions business area fell by 28% to EUR 540 thousand (previous year: EUR 747 thousand). The cost of materials ratio increased to 20.8% (previous year: 18.2%). The income from subletting and charging on from agency agreements amounts to EUR 40 thousand (previous year: EUR 83 thousand, reported as other operating income). The other operating income is EUR 43 thousand (previous year: EUR 58 thousand). Personnel expenses were reduced by 10% to EUR 398 thousand (previous year: EUR 441 thousand). Other operating expenses were reduced by 23% to EUR 199 thousand (previous year: EUR 258 thousand). In the quarterly financial statements of TELES, the deficit for the period amounts to EUR 99 thousand (previous year: profit for the period EUR 28 thousand). The balance sheet total of TELES has increased by almost EUR 122 thousand compared to the annual financial statements. The operating cash flow amounts to EUR 52 thousand (previous year:

EUR -189 thousand) and has developed well. The company is always able to meet its financial obligations.

Risk Report

In the management report for the past financial year 2020, all relevant risks known to us were carefully listed. TELES is currently recognizing a heightened risk situation due to the corona pandemic. 100% of the TELES workforce is equipped with home workplaces. We ensure the liquidity of the company through very conscientious planning. We continue to monitor incoming payments very closely, thereby counteracting payment defaults on the part of customers. Apart from internal company factors, whether the sales and earnings targets are achieved depends largely on economic, political and industry-specific developments - especially in our core market of Europe.

Forecast

For the current financial year, the Management Board is sticking to the forecast for the full year made in the 2020 annual report. Accordingly, in 2021, compared to the previous year, total sales growth of between 10% and 15% and a positive result (EBIT) are expected for the company, which, however, will be lower than in 2020 due to the lack of special effects such as loan waivers.

TELES AG Informationstechnologien

The Management Board

May 2021

Profit and Loss Account (HGB, unaudited)

TELES Aktiengesellschaft Informationstechnologien, Berlin
Profit and Loss Account for January 01 - March 30, 2021 (not audited)

	31.03.2021		31.03.2020
	EUR	EUR	kEUR
1. Turnover	580,766.68		830
2. Other operating income of which relates to currency translation EUR 886.19 (Vj. kEUR 3)	42,569.22		58
		623,335.90	889
3. Cost of materials			
a) Cost of raw materials, consumables and of purchased merchandise	78,183.74		100
b) Cost of purchased services	42,822.81		51
4. Staff costs			
a) Wages and salaries	340,504.40		379
b) Social security, pensions and other benefit costs of which EUR 1,395.00 (Vj. kEUR 2) is for pension costs	57,749.04		62
5. Depreciation written off tangible and intangible fixed assets	2,699.00		6
6. Other operating expenses/charges of which relate to currency translation EUR 4,134.73 (Vj. kEUR 8)	198,550.19		258
		720,509.18	856
7. Operating result (EBIT)		-97,173.28	32
8. Other interest receivable and similar income	0.00		
9. Interest payable and similar charges	145.00		4
		145.00	4
10. Tax on profit	0.00		
11. Profit or loss after taxes		-97,318.28	28
14. Other taxes	1,291.00		
15. Profit or loss for the financial year		-98,609.28	28
16. Loss carryforward		-4,705,894.13	-27,961
17. Balance sheet loss		-4,804,503.41	-27,933

Development of Equity (HGB, unaudited)

(in EUR, number of ordinary shares: 4,369,626)

	Nominal value of the shares	Capital reserve	Revenue reserves	Total Equity
December 31, 2019	23,304,676	2,330,468	-27,961,157	-2,326,013
Net profit for the financial period	0	0	28,198	28,198
March 31, 2020	23,304,676	2,330,468	-27,932,959	-2,297,815
December 31, 2020	4,369,626	349,570	-4,705,894	13,302
Net loss for the financial period	0	0	-98,609	-98,609
March 31, 2021	4,369,626	349,570	-4,804,503	-85,307

Cash Flow Statement (HGB, unaudited)

EUR	2020	2021
operating activities		
Net profit/loss for the financial year	28,198	-98,609
+/- Depreciation of property, plant and equipment	6,318	2,699
+/- Changes to provisions	-56,887	-5,693
-/+ Changes to Stocks and Trade Receivables	-56,430	13,317
+/- Changes to Trade Payables and Other liabilities	-113,867	140,468
+/- Interest paid / received	4,290	145
= Cash flow from operating activities	-188,378	52,326
investing activities		
- Acquisition of property, plant and equipment	-1,938	-5,890
= Cash flow from investing activities	-1,938	-5,890
financing activities		
+ Deposits from taking out of (financial) loans	200,000	0
= Cash flow from financing activities	200,000	0
<u>Net change in cash and cash equivalents</u>	<u>9,684</u>	<u>46,436</u>
Cash and cash equivalents at beginning of period	13,319	751,552
Cash and cash equivalents at end of period	23,003	797,988

Summary of Significant Financial Reporting Policies and Standards

Presentation Basis

The annual financial statements of TELES as of December 31, 2020 were prepared in accordance with the commercial law provisions for large corporations within the meaning of Section 267 (3) sentence 2 HGB and in compliance with the special provisions of the German Stock Corporation Act. The total cost method is used for the profit and loss account.

Due to the sale of the last subsidiary, TELES Communication Systems GmbH, Vienna, in August 2019, the company is not a parent company i.S.d. § 290 HGB more. Against this background, there is no obligation to prepare consolidated financial statements in accordance with § 290 ff. HGB as well as § 315e HGB.

Audit Review

The interim financial statements and the interim management report were not subject to either an audit or an audit review by the statutory auditor.

Responsibility Statement by the Company Officers (Management)

To the best of our knowledge, we assure that, in accordance with the accounting principles to be used for the interim reporting, the interim financial statements provide a true and fair view of the net assets, financial position and results of operations of the company and in the interim management report the course of business including the business results and the situation of the company is presented in such a way that a picture corresponding to the actual situation is given, and the main opportunities and risks of the expected development of the company in the remaining financial year are described.