

# Quarterly Financial Statements Q3-2023 of the TELES Group

(IFRS, unaudited)

## Key figures from 1 January 2023 to 30 September 2023

Overview of the corporate key figures of TELES Group for Q3-2023  
(in accordance with IFRS, unaudited)

TELES Group in thousand Euro	01.01.2023 - 30.09.2023	01.01.2022 - 30.09.2022	Change
<b>Sales revenues</b>	<b>44,978</b>	<b>57,479</b>	<b>-22%</b>
Cost of materials	42,600	54,762	-22%
Personnel expenses	1,630	1,759	-7%
Gross profit	1,550	1,128	37%
<b>Operating result/EBIT</b>	<b>-1,145</b>	<b>-431</b>	<b>-166%</b>
EBITDA	-729	-65	> -500%
Result from continuing activities	-1,602	-743	-116%
Result from discontinued activities	54	214	-75%
<b>Group result</b>	<b>-1,548</b>	<b>-529</b>	<b>-192%</b>

## Interim Management Report

The TELES Group will sell the telecommunications segment (TELES Carrier Solutions) in 2023 and will focus on the growth area of pharmaceuticals. Accordingly, this report presents the assets held for sale and the liabilities in connection with assets held for sale.

The TELES Group achieved sales revenues of EUR 45.0 million (previous year: EUR 57.5 million). The gross profit was therefore EUR 2.4 million (previous year: EUR 2.7). The pharmaceutical sector generates lower gross profit margins than the telecommunications sector.

Personnel expenses fell by 7% to EUR 1.6 million (previous year: EUR 1.8 million). The depreciation amounted to EUR 416 thousand (previous year: 365 thousand). Other operating income amounted to EUR 72 thousand (previous year: EUR 105 thousand). With the increase in other operating expenses of EUR 1,550 thousand (previous year: EUR 1,128 thousand), EBITDA was EUR -729 thousand (previous year: EUR -65 thousand) and the result from continuing operations was EUR -1,602 thousand (previous year: EUR -743 thousand). The result from discontinued operations is EUR 54 thousand (previous year: EUR 214 thousand). The consolidated result is TEUR -1,548 (previous year: TEUR -529).

The balance sheet total of TELES decreased by EUR 1.3 million compared to the previous year. This is due in particular to the decrease in current assets of EUR 2.0 million and an increase in long-term assets of EUR 0.8 million. The assets held for sale amount to EUR 46 thousand and the liabilities in connection with assets held for sale amount to EUR 271 thousand.

In the cash flow statement, the operating cash flow amounts to EUR 2.8 million (previous year: EUR 1.0 million). The financial resources amounted to EUR 2.5 million as of September 30, 2023 (previous year: EUR 1.4 million).

## Risk Report

In the management report for the past 2022 fiscal year, all relevant risks known to us were listed conscientiously. We ensure the company's liquidity through very conscientious planning. We continue to monitor incoming payments very closely and thus counteract payment defaults on the part of customers. Whether the sales and earnings targets will be achieved depends – apart from internal company factors – to a significant extent on economic, political, and industry-specific developments – particularly in our core market of Europe.

## Supplementary report

By contract dated September 29, 2023, TELES AG sold the TELES Carrier Solutions division with development, service and order management for existing customers (partial operation) as of October 1, 2023, as part of an asset deal without transfer of the liabilities belonging to the partial operation. The employees belonging to the part of the business have also been transferred to the purchaser.

## Forecast

Due to the disposal of the TELES Carrier Solutions during the year, no sales revenue or contribution to earnings is expected for the group from October 1, 2023.

For the current financial year, we expect sales for the TELES Group in a range of EUR 55 to 60 million and a slightly improved result (EBIT).

## TELES AG

Oliver Olbrich

Chief Executive Officer

November 2023

# Interim Financial Statements

## Consolidated Balance Sheet (IFRS, unaudited)

TELES-Group, Berlin

Consolidated balance sheet as of September 30, 2023 (IFRS, not audited)

in thousand Euro	30.09.2023	31.12.2022
<b>Assets</b>		
<b>A. Fixed assets</b>		
I. Intangible assets	604	583
II. Tangible assets	1,241	1,222
III. Rights of use from leases	2,096	1,370
IV. Financial assets	62	67
<b>Total fixed assets</b>	<b>4,003</b>	<b>3,242</b>
<b>B. Current assets</b>		
I. Stocks	5,017	5,178
II. Trade receivables and other receivables	510	3,375
III. Other assets	1,126	968
IV. Cash and cash equivalents	2,496	1,492
V. Assets held for sale	46	122
<b>Total current assets</b>	<b>9,194</b>	<b>11,135</b>
<b>Total assets</b>	<b>13,198</b>	<b>14,378</b>

TELES-Group, Berlin

Consolidated balance sheet as of September 30, 2023 (IFRS, not audited)

in thousand Euro	30.09.2023	31.12.2022
<b>Equity and liabilities</b>		
<b>A. Equity</b>		
I. Ordinary shares	6,233	6,233
II. Capital reserve	13,085	13,085
III. Revenue reserves		
IV. Loss carried forward	-21,543	-4,906
V. Profit or loss for the period	-1,548	-16,637
<b>Total equity</b>	<b>-3,772</b>	<b>-2,224</b>
<b>B. Non-current liabilities</b>		
I. Long-term loans	791	889
II. Long-term lease liabilities	1,693	1,120
III. Deferred tax assets	164	164
<b>Total non-current liabilities</b>	<b>2,648</b>	<b>2,173</b>
<b>C. Current liabilities</b>		
I. Short term loans	8,000	8,750
II. Short term lease liabilities	342	273
III. Trade payables	1,351	827
IV. Other provisions	776	441
V. Tax liabilities	293	664
VI. Other liabilities	3,289	3,220
VII. Liabilities associated with assets held for sale	271	253
<b>Total creditors</b>	<b>14,322</b>	<b>14,429</b>
<b>Total equity and liabilities</b>	<b>13,198</b>	<b>14,378</b>

## Consolidated Statement of income (IFRS, unaudited)

TELES-Group, Berlin

Consolidated profit and loss account for January 01 - September 30, 2023 (IFRS, not audited)

TELES Group in thousand Euro	3rd Quarter		9 months	
	2023	2022	2023	2022
<b>Sales revenues</b>	<b>14,828</b>	<b>18,907</b>	<b>44,978</b>	<b>57,479</b>
Cost of materials	13,962	18,208	42,600	54,762
<b>Gross profit</b>	<b>866</b>	<b>698</b>	<b>2,378</b>	<b>2,717</b>
Personnel expenses	524	591	1,630	1,759
Depreciation	140	110	416	365
of this depreciation for rights of use for Leasing	96	72	287	217
Other income	17	41	72	105
Other expenses	788	353	1,550	1,128
<b>Operating result/EBIT</b>	<b>-568</b>	<b>-314</b>	<b>-1,145</b>	<b>-431</b>
Other interest receivable and similar income	1	1	4	2
Interest payable and similar charges	190	54	454	156
Financial income	-189	-53	-450	-154
Earnings before tax (EBT)	-758	-367	-1,596	-584
Taxes on income	0	-4	6	159
Earnings after taxes from continued business units	-758	-362	-1,602	-743
Earnings after taxes from discontinued operations	-35	102	54	214
<b>Group result</b>	<b>-793</b>	<b>-260</b>	<b>-1,548</b>	<b>-529</b>
Number of shares	6,233,418	6,233,418	6,233,418	6,233,418
Result per share (in EURO) - undiluted	-0.13	-0.04	-0.25	-0.08
Result per share (in EURO) - diluted	-0.13	-0.04	-0.25	-0.08

## Statement of comprehensive equity (IFRS, unaudited)

TELES-Group, Berlin

Development of consolidated equity January 01 - September 30, 2023 (IFRS, not audited)

	Nominal value of the shares	Capital reserve	Revenue reserves	Total Equity
	k EUR	k EUR	k EUR	k EUR
December 31, 2021	6,233	242	-4,906	1,569
Takeover of pharma		12,394		12,394
Net loss for the period			-529	-529
September 30, 2022	6,233	12,635	-5,435	13,433
December 31, 2022	6,233	13,085	-21,543	-2,224
Net loss for the period			-1,548	-1,548
September 30, 2023	6,233	13,085	-23,091	-3,772

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

TELES-Group, Berlin

Consolidated cash flow statement January 01 - June 30, 2023 (IFRS, not audited)

TELES Group	01.01.2023 - 30.09.2023	01.01.2022 - 30.09.2022
in k EUR		
<b>Cash flow from operating activities</b>		
Net profit/loss for the financial year	-1,548	-529
+ Depreciation	416	365
+/- Changes to provisions	335	-48
-/+ Other Non-cash expenses and income	67	0
- Equity-settled share-based payments (Stock options)	0	0
-/+ Changes to Stocks and Trade Receivables	2,872	2,135
+/- Changes to Trade Payables and Other liabilities	593	-1,049
-/+ Profit and loss from the disposal of fixed assets	0	0
+ Interest expenses	454	156
- Interest income	-4	-2
+/- Income-tax expense/income	6	159
	<b>2,814</b>	<b>1,016</b>
<b>Cash flow from investing activities</b>		
- Investments in intangible assets	-54	-36
- Investments in fixed assets	-86	-732
- Investments in financial assets	5	-4
	<b>-221</b>	<b>-741</b>
<b>Cash flow from financing activities</b>		
+ Cash received from capital contributions	0	-1
-/+ Cash received from loans/repayment of loans	-848	299
- Repayment of leasing liabilities	-287	-284
- Interest expenses	-454	-156
	<b>-1,589</b>	<b>-141</b>
<b>Net change in cash and cash equivalents</b>	<b>1,003</b>	<b>133</b>
+ Changes in cash and cash equivalents due to consolidation group	0	871
+ Cash and cash equivalents at beginning of period	1,492	391
<b>Cash and cash equivalents at end of period</b>	<b>2,496</b>	<b>1,396</b>



## Summary of Significant Financial Reporting Policies and Standards

### Presentation Basis

The consolidated financial statements of TELES as of December 31, 2022, were prepared in accordance with the provisions of the guidelines of the International Accounting Standards Board (IASB) valid on the balance sheet date. The interim report as of September 30, 2023, was prepared based on the International Accounting Standard (IAS) 34 "Interim Financial Reporting". In principle, the same accounting and valuation methods are followed as in the consolidated financial statements for the 2022 financial year. Standards and interpretations that are mandatory from January 1, 2023, have not led to any different accounting and valuation methods.

All IAS and IFRS binding as of September 30, 2023, as well as interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), have been applied.

### Audit Review

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

### Responsibility Statement by the Company Officers (Management)

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