

# Quarterly Financial Statements Q3-2022 of the TELES Group

(IFRS, unaudited)

## Key figures from January 1, 2022 to September 30, 2022

- Sales growth to EUR 58.8 million (previous year: EUR 1,680 thousand)
- Gross profit of EUR 3.8 million (previous year: EUR 1,288 thousand)
- EBITDA of EUR 149 thousand (previous year EUR -155 thousand)

Overview of the corporate key figures of TELES Group for Q3-2022  
(in accordance with IFRS, unaudited)

TELES Group	01.01.2021 - 30.09.2021	01.01.2022 - 30.09.2022	Change
in thousand Euro			
<b>Sales revenues</b>	<b>1,680</b>	<b>58,809</b>	<b>&gt; +500%</b>
Cost of materials	392	55,002	> +500%
Personnel expenses	1,123	2,475	120%
Gross profit	354	1,293	265%
<b>Operating result/EBIT</b>	<b>-290</b>	<b>-163</b>	<b>44%</b>
EBITDA	-155	149	196%
<b>Group result</b>	<b>-309</b>	<b>-484</b>	<b>-57%</b>

## Interim Management Report

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

The earnings situation of the TELES Group improved significantly in the first nine months of 2022 compared to the same period of the previous year. The reason for this is in particular the inclusion of EURO RX Arzneimittel GmbH in the consolidated financial statements since January 2022. The TELES Group achieved sales revenues of EUR 58.8 million (previous year: EUR 1,680 thousand). Gross profit increased accordingly to EUR 3.8 million (previous year: EUR 1,288 thousand).

Personnel expenses increased by 120 % to EUR 2.48 million (previous year: EUR 1,123 thousand). Depreciation was EUR 313 thousand (previous year: EUR 135 thousand). Other operating income was EUR 110 thousand (previous year: EUR 34 thousand). With the increase in other operating expenses of EUR 1,293 (previous year: EUR 354), the EBITDA was EUR 149 thousand (previous year: EUR -155 thousand) and the consolidated result at EUR -484 thousand (previous year: EUR -309 thousand).

The balance sheet total of TELES increased by EUR 10.3 million compared to the previous year. This is due in particular to the increase in current assets by EUR 9.4 million.

In the cash flow statement, the operating cash flow is EUR 2.0 million (previous year: EUR -24 thousand). The investment activity of EUR 1,870 thousand is primarily characterized by investments in fixed assets for EURO RX Arzneimittel GmbH and the extension of the lease at TELES. As of September 30, 2022, the funds were EUR 1.4 million (previous year: EUR 632 thousand).

## Risk Report

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

## Forecast

For the current fiscal year we expect sales of EUR 65 to 75 million and a neutral result (EBIT) for the TELES Group.

### TELES Aktiengesellschaft

Oliver Olbrich

Chief Executive Officer

October 2022

# Interim Financial Statements

## Consolidated Balance Sheet (IFRS, unaudited)

in thousand Euro	31.12.2021	30.09.2022
<b>Assets</b>		
<b>A. Fixed assets</b>		
I. Intangible assets	0	57
II. Tangible assets	64	1,054
III. Rights of use from leasing agreements	186	1,319
IV. Financial assets	1,894	582
<b>Total fixed assets</b>	<b>2,144</b>	<b>3,012</b>
<b>B. Current assets</b>		
I. Stocks	5	3,823
II. Trade receivables and other receivables	351	3,510
III. Other assets	95	1,509
IV. Cheque, Cash at bank and in hand	391	1,396
<b>Total current assets</b>	<b>842</b>	<b>10,237</b>
<b>Prepayments and accrued income</b>	<b>48</b>	<b>51</b>
<b>Total assets</b>	<b>3,034</b>	<b>13,300</b>

in thousand Euro	31.12.2021	30.09.2022
<b>Equity and liabilities</b>		
<b>A. Equity</b>		
I. Ordinary shares	6,233	6,233
II. Capital reserve	242	242
III. Revenue reserves		
Loss carried forward	-4,906	-4,906
Profit or loss for the period	0	-485
<b>Total equity</b>	<b>1,569</b>	<b>1,085</b>
<b>B. Minority interest</b>	<b>0</b>	<b>365</b>
<b>C. Provisions</b>		
I. Tax provisions	625	971
II. Other provisions	156	425
<b>Total provisions</b>	<b>780</b>	<b>1,396</b>
<b>D. Creditors</b>		
I. Financial liabilities	0	8,299
II. Payment received on account	58	28
III. Trade creditors	210	408
IV. Leasing liabilities	227	1,360
V. Other creditors	61	211
<b>Total creditors</b>	<b>556</b>	<b>10,306</b>
<b>E. Deferred income</b>	<b>129</b>	<b>144</b>
<b>F. Deferred taxes</b>	<b>0</b>	<b>4</b>
<b>Total equity and liabilities</b>	<b>3,034</b>	<b>13,300</b>

## Consolidated Statement of income (IFRS, unaudited)

TELES Group in thousand Euro	3rd Quarter		9 months	
	2021	2022	2021	2022
1. Sales revenues	456	19,322	1,680	58,809
2. Cost of materials	79	18,257	392	55,002
3. Gross profit	377	1,064	1,288	3,807
4. Personnel expenses	377	824	1,123	2,475
5. Depreciation	46	73	135	313
6. Other income	0	42	34	110
7. Other expenses	145	412	354	1,293
<b>8. Operating result/EBIT</b>	<b>-191</b>	<b>-204</b>	<b>-290</b>	<b>-163</b>
9. Other interest receivable and similar income	0	1	0	2
10. Interest payable and similar charges	6	58	19	163
11. Financial income	-197	-261	-309	-325
12. Taxes on income	0	-4	0	159
13. Profit or loss after taxes	-197	-257	-309	-484
14. Other taxes	0	1	0	1
<b>15. Group result</b>	<b>-197</b>	<b>-258</b>	<b>-309</b>	<b>-484</b>
to be allocated to TELES shareholders	-197	-236	-309	-581
to be allocated to minorities interest	0	-21	0	96
Number of shares	4,369,626	6,233,418	4,369,626	6,233,418
Result per share (in EURO)	-0.0045	-0.0041	-0.0071	-0.0078

## Statement of comprehensive income (IFRS, unaudited)

	Nominal value of the shares	Capital reserve	Revenue reserves	Total Equity
	EUR	EUR	EUR	EUR
<b>December 31, 2020</b>	<b>4,369,626</b>	<b>284,206</b>	<b>-4,661,177</b>	<b>-7,345</b>
Capital increase	0	0	0	0
Net profit/loss for the period	0	0	-308,786	-308,786
<b>September 30, 2021</b>	<b>4,369,626</b>	<b>284,206</b>	<b>-4,969,963</b>	<b>-316,131</b>
<b>December 31, 2021</b>	<b>6,233,418</b>	<b>241,551</b>	<b>-4,905,846</b>	<b>1,569,123</b>
Capital increase	0	0	0	0
Net profit/loss for the period	0	0	-484,595	-484,595
<b>September 30, 2022</b>	<b>6,233,418</b>	<b>241,551</b>	<b>-5,390,441</b>	<b>1,084,528</b>

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

TELES Group	01.01.2021 -	01.01.2022 -
in EUR	30.09.2021	30.09.2022
<b>Cash flow from operating activities</b>		
Net profit/loss for the financial year	-308,786	-484,595
+ Depreciation	135,022	312,904
+/- Changes to provisions	117,046	-55,388
-/+ Other Non-cash expenses and income	-18,937	121,074
-/+ Changes to Stocks and Trade Receivables	104,471	2,184,629
+/- Changes to Trade Payables and Other liabilities	-71,606	-398,503
+ Interest expenses	18,780	162,998
- interest income	157	1,525
+/- Income-tax expense/income	0	158,819
	<b>-23,854</b>	<b>2,003,463</b>
<b>Cash flow from investing activities</b>		
- Investments in fixed assets	-95,831	-1,870,356
	<b>-95,831</b>	<b>-1,870,356</b>
<b>Net change in cash and cash equivalents</b>	<b>-119,685</b>	<b>133,108</b>
+ Cash and cash equivalents at beginning of period	751,552	1,262,490
<b>Cash and cash equivalents at end of period</b>	<b>631,867</b>	<b>1,395,597</b>



## Summary of Significant Financial Reporting Policies and Standards

### Presentation Basis

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

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

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

### Audit Review

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

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

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