

TELIO GROUP

Financial Report

Q2 2026

Unaudited quarterly and year-to-date results — Q2 2026 and YTD June 2026

Unaudited interim figures · prepared under Dutch GAAP

Telio BidCo Germany GmbH — a member of the Telio Group



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Q2 and YTD June 2026 at a glance

Q2 2026

REVENUE

€33.5m

+9.5% vs PY

ADJ. EBITDA

€15.1m

45.2% margin

FREE CASH FLOW

-€3.9m

-25.8% conversion

NET LEVERAGE · 30 JUNE 2026

~3.9x

Net debt / PF EBITDA

~4.1x on adj. LTM EBITDA · cash of €33.1m at period end

YTD JUNE 2026

REVENUE

€66.7m

+11.6% vs PY

ADJ. EBITDA

€29.3m

43.9% margin

FREE CASH FLOW

€3.8m

13.0% conversion

Q2 2026 vs PY

- **Revenue growth:** Revenue increased **9.5% YoY to €33.5m**, driven by Telco (+13.3% to €30.1m), while D&N declined 16.1% to €3.3m.
- **Gross profit expansion:** GOP increased to **€23.6m**, with the **GOP margin improving by 3.1 pp to 70.4%**.
- **Operating leverage:** The **PEX ratio improved by 1.5 pp**, while the **OPEX ratio rose by 1.5 pp** on professional fees, maintenance and travel.
- **EBITDA growth:** Adj. EBITDA increased **17.1% YoY to €15.1m**, with the **margin expanding by 3.0 pp to 45.2%**.
- **Cash generation:** Free cash flow improved by **€6.6m YoY to -€3.9m (-25.8% conversion)**, compared with **-€10.5m in Q2 2025**.

YTD June 2026 vs PY

- **Revenue growth:** Revenue increased **11.6% YoY to €66.7m**, driven by Telco (+13.2% to €59.3m), while D&N remained broadly flat at €7.3m (+0.2%).
- **Gross profit expansion:** GOP rose to **€46.3m**, with the **GOP margin improving by 2.8 pp to 69.5%**.
- **Operating leverage:** PEX ratio improved by **2.2 pp**, while **OPEX ratio rose by 0.8 pp**, supporting margin expansion.
- **EBITDA growth:** Adj. EBITDA increased **20.1% YoY to €29.3m**, with the **margin up 3.1 pp to 43.9%**.
- **Cash generation:** Free cash flow improved materially to **€3.8m (13.0% conversion)** from **-€11.9m in the prior year**, with **period-end cash of €33.1m**.

Operational highlights of the quarter

Successful contract awards and new service rollouts in existing markets — and a first foothold in new ones.



Kenya

New market signed — six-month telephony pilot for ~5,000 inmates signed during the quarter.

Potential rollout to the whole country with ~60,000 inmates



Western Australia

Unity deployment under way across 18 prisons and 5 work camps, covering ~8,700 inmates.

Data centre build completed; Proof of Concept validation imminent



VoIP — Portugal & Spain

Portugal went live with video, voicemail, reverse charge calling and VoIP; Spain's VoIP app rollout started with high adoption.

*Usage day one in Portugal: ~1,000 video and ~2,300 VoIP calls
In Spain around 10% of voice traffic through App (~7,000 VoIP calls per day)*



Belgium

Telephony contract awarded (26 months, starting H2 2026) and further digital devices ordered, expanding the digital ecosystem.

~2,200 additional tablets under Avenant 5



ESG

Connecting Hearts projects for children of imprisoned parents — funding applications from 10+ countries across 4 continents in H1-2026

The Nest, Nairobi (~100 children); Upcoming projects in Spain and Hamburg



Czech Republic

Third consecutive tender awarded for five years — shift to over 1,600 in-cell phones and ~600 video kiosks.

Implementation currently starting

YTD operating leverage improved despite Q2 cost pressure

in €m	Q2 2026	Q2 2025	Δ %	YTD 2026	YTD 2025	Δ %
Revenue	33.461	30.565	9.5%	66.661	59.731	11.6%
Cost of materials / sales	(9.896)	(9.982)	(0.9%)	(20.329)	(19.897)	2.2%
Gross operating profit (GOP)	23.565	20.583	14.5%	46.331	39.834	16.3%
<i>GOP margin</i>	70.4%	67.3%	+3.1 pp	69.5%	66.7%	+2.8 pp
Other operating income	0.566	0.412	37.3%	0.605	0.707	(14.4%)
Own work capitalised	2.113	2.086	1.3%	4.003	4.098	(2.3%)
Personnel expenses (PEX)	(6.605)	(6.504)	1.5%	(12.810)	(12.782)	0.2%
Other operating expenses	(4.530)	(3.677)	23.2%	(8.870)	(7.500)	18.3%
Adjusted EBITDA	15.109	12.900	17.1%	29.259	24.358	20.1%
<i>Adj. EBITDA margin</i>	45.2%	42.2%	+3.0 pp	43.9%	40.8%	+3.1 pp
Depreciation	(2.159)	(2.773)	(22.1%)	(4.463)	(5.417)	(17.6%)
EBITA	12.950	10.127	27.9%	24.796	18.940	30.9%
Amortisation	(10.689)	(11.181)	(4.4%)	(21.283)	(22.310)	(4.6%)
EBIT	2.261	(1.054)	N/A	3.513	(3.369)	N/A
Financial result	(11.052)	(5.074)	117.8%	(14.528)	(8.404)	72.9%
Exceptional Items	(0.464)	(0.313)	48.1%	(1.155)	(1.675)	(31.0%)
EBT	(9.255)	(6.441)	43.7%	(12.170)	(13.448)	(9.5%)
Taxes	(1.943)	(1.207)	61.0%	(3.026)	(2.339)	29.4%
Net profit / loss	(11.198)	(7.648)	46.4%	(15.196)	(15.787)	(3.7%)
Minorities	(1.384)	(1.071)	29.3%	(2.859)	(1.779)	60.8%
Net profit — Group	(12.582)	(8.719)	44.3%	(18.055)	(17.565)	2.8%

Commentary

Revenue growth:

Revenue +11.6% YTD (+9.5% in Q2), driven by Telco (+13.2% YTD), while D&N remained broadly flat (+0.2%).

Margin expansion:

GOP margin +2.8 pp to 69.5% and adj. EBITDA margin +3.1 pp to 43.9% YTD, supported by lower PEX (–2.2 pp) and OPEX (–1.4 pp) ratios.

Cost development:

Other OPEX +23.2% to €4.5m in Q2 and +18.3% to €8.9m YTD, mainly from professional fees, maintenance and travel. Cost of materials (–0.9%) and PEX (+1.5%) grew well below revenue in Q2.

Q2 profitability:

Adj. EBITDA +17.1% YoY to €15.1m, with GOP margin +3.1 pp to 70.4% and adj. EBITDA margin +3.0 pp to 45.2%.

Below EBITDA:

D&A of €12.8m in Q2 mainly reflects goodwill and customer contract amortisation (€10.7m). The –€11.1m financial result mainly relates to the Nordic Bond transaction, resulting in a €12.6m Q2 net loss (€18.1m YTD).

Cash generation materially improved in 2026

in €m	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Adjusted EBITDA	15.109	12.900	29.259	24.358
Exceptional Items	(0.464)	(0.313)	(1.155)	(1.675)
Accounted EBITDA	14.646	12.587	28.104	22.683
Change in NWC (aggregate)	(2.099)	(7.595)	(2.196)	(12.480)
Net cash interest	(8.023)	(8.995)	(8.023)	(8.995)
Cash taxes	(3.126)	(1.603)	(3.495)	(2.406)
Operating cash flow	1.399	(5.606)	14.390	(1.198)
Capex	(3.178)	(2.788)	(6.590)	(6.592)
Own work capitalised	(2.113)	(2.086)	(4.003)	(4.098)
Free cash flow	(3.892)	(10.479)	3.797	(11.888)
Acquisitions	(1.715)	–	(3.715)	–
Debt financing	30.000	6.352	30.000	6.352
Other financing expenses ¹	(6.127)	–	(6.127)	–
Dividends to minorities	(1.474)	(0.692)	(1.919)	(0.963)
Net cash movement	16.793	(4.819)	22.037	(6.499)

¹ Primarily one-time financing fees related to the Nordic Bond transaction.

YTD FREE CASH FLOW CONVERSION

13.0%

+61.8 pp vs PY • FCF / adj. EBITDA • cash €33.1m at 30 June

Cash movements YTD



Operating cash flow:

Operating cash flow improved to **€14.4m YTD**, compared with **–€1.2m in PY**, representing a **€15.6m YoY improvement**, driven by higher adjusted EBITDA and lower cash interest payments.



Working capital:

Working capital resulted in a **€2.2m cash outflow YTD**, mainly due to higher receivables, but improved significantly by **€10.3m YoY** from a **€12.5m outflow in PY**.



Capex:

Total capex amounted to **€6.6m YTD**, comprising **€2.0m of maintenance capex** and **€4.6m of growth capex**. In addition, **€4.0m of own work capitalised** is reported separately.



Financing:

Net debt financing of **€30.0m YTD** primarily reflects the **Nordic Bond transaction**, including **€6.1m of related fees and discounts**. In addition, **€1.9m of dividends** were paid to minority shareholders YTD.

Financial position and leverage as of 30 June 2026

Balance Sheet — 30 June 2026

Assets — in €m	Mar 26	Jun 26	Δ
Non-current assets	263.548	253.587	(9.961)
Inventories	15.520	15.761	0.241
Trade receivables	17.841	21.935	4.094
Other current assets	10.105	17.287	7.182
Cash & cash equivalents	16.324	33.117	16.793
Total assets	323.339	341.687	18.349

Equity & liabilities — in €m	Mar 26	Jun 26	Δ
Equity	21.293	0.420	(20.873)
Non-current liabilities	251.418	284.077	32.659
Current liabilities	50.628	57.190	6.562
Total equity & liabilities	323.339	341.687	18.349

Net debt — 30 June 2026

in €m	Jun 2026
Nordic Bond (senior secured, nominal)	250.000
Finance leases ¹	0.184
Gerdes earn-out due in August 2026	2.000
Gross financial debt	252.184
less: Cash & cash equivalents	(33.117)
Net debt	219.068

PF EBITDA bridge

in €m	LTM June 2026
Reported EBITDA	48.726
+/- Exceptional Items — as reported	4.522
Adjusted EBITDA (under the bond terms)	53.249
PF run-rate adjustments — as reported	3.266
VOIP run-rate savings	1.924
CZ run-rate impact	1.342
less: disallowed above 5% cap	(0.830)
PF run-rate adjustments	2.436
PF EBITDA (under the bond terms)	55.685

NET LEVERAGE (ADJ. LTM)

~4.1x

NET LEVERAGE (PF)

~3.9x

¹ Primarily company car leasing

Disclaimer

- This Q2 2026 Financial Report has been prepared by Telio Group for information purposes only. Quarterly and year-to-date financial information is unaudited and has been prepared in accordance with Dutch GAAP. The Group will align its reporting with the requirements applicable upon admission of the Nordic Bond to trading on a regulated market, to be completed by May 2027.
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