talkpool

YEAR-END REPORT

JANUARY – DECEMBER 2017

OCT 1st – DEC 31st 2017

- Net sales amounted to EUR 6 123 thousand (3 621), a 69.1 percent increase
- EBITDA of EUR 333 thousand (-67) and EBITDA margin of 5.4 percent (-1.8)
- EBIT of EUR 220 thousand (-80) and EBIT margin 3.6 percent (-2.2)
- Loss after tax of EUR -175 thousand (-145).
- Net cash flow amounted to EUR -2 871 thousand (113)

JAN 1st – DEC 31st 2017

- Net sales amounted to EUR 16 379 thousand (11 571), a 41.6 percent increase
- EBITDA of EUR 359 thousand (-364) and EBITDA margin of 2.2 percent (-3.1)
- EBIT of EUR 193 thousand (-409) and EBIT margin 1.2 percent (-3.5)
- Loss after tax of EUR -404 thousand (-664)
- Net cash flow amounted to EUR 453 thousand (-108)

OCTOBER-DECEMBER HIGHLIGHTS

- Talkpool's third new share issue in October was substantially over-subscribed
- The important LCC Pakistan acquisition was successfully finalized at the beginning of November
- LCC Pakistan was fully consolidated in the group financials from 1 November 2017
- Talkpool AG acquired another 30% of the shares in Talkpool AB and reached the majority with 55.6%
- Digicel signed a new 5 years O&M contract and a global 10 years frame agreement with Talkpool
- The Deutsche Telekom FTTH project ramped up substantially and improved profit margins
- Talkpool and Senseair initiated collaboration within IoT for better indoor environments.
- The volumes of network implementation and green energy projects in Haiti increased significantly

THIS IS TALKPOOL

Talkpool builds, maintains and improves telecommunication networks globally. Through its cutting-edge technical expertise, long experience and agile business model, Talkpool offers global telecom vendors and operators high-quality services on short notice no matter the location. Moreover, Talkpool is one of few companies with actual solutions and contracts in place in the exciting IoT-market.

CEO COMMENTS

Talkpool is specialised in connecting mobile phones, computers and other things to the internet. Towards the end of 2017, we noticed a clear trend of increasing client requests for connecting larger volumes of things to the internet. Many companies that are aspiring to play a leading role in the future internet architecture are currently lossmaking and cash flow negative. Talkpool has in this respect chosen a different approach. Through increased organic growth and strategic acquisitions, Talkpool has in 2017 become profitable again.

In the fourth quarter of 2017 Talkpool continued on its growth path and generated the highest quarterly revenue ever. Group revenue reached EUR 6 123 thousand, an increase with 82 percent from Q3. Some growth was acquired, in particular through the acquisition of LCC Pakistan, but a significant organic growth of close to EUR 800 thousand came from Haiti. EBITDA reached EUR 333 thousand or 5.4 percent, which means that the EBITDA trend has been clearly positive for over 5 quarters now. A major contributor to the positive profit development was Pakistan, but also Haiti, Belgium, Germany and Sweden performed well.

Haiti thriving

In 2006 Talkpool entered the Haitian market to support Digicel in building the first phase of its new Haitian Mobile Network. That was the start of a co-operation that has developed to a close partnership over the last 12 years. Digicel applied for many years a "two supplier-strategy", but based on trust and Talkpool's performance, Digicel decided to go all-in with Talkpool and make us their sole outsourced network service provider in Haiti. In October Digicel signed a five years O&M contract with Talkpool. Not only does this increase Talkpool's basic scope of work with 50 percent, it also gives Talkpool the right of first refusal for most of the network services required by Digicel in Haiti. Revenues increased with almost EUR 800 thousand in Q4 as we ramped up. Relating to awarding Talkpool the five years O&M contract for Haiti in October, Digicel Group signed a ten years global framework agreement with Talkpool for the delivery of telecom network operation and maintenance services to all Digicel's 33 markets worldwide.

Pakistan signed and sealed

The integration of LCC Pakistan that started in November is expected to take approximately half a year. We've started to align LCC Pakistan's processes, reporting, accounting, management structures and entrepreneurship with Talkpool's business methods. LCC Pakistan's result in November and December exceeded our expectations and it added totally EUR 1 621 thousand revenue to the group revenue in Q4. The lengthy and complex financing and acquisition activities did however require a lot of time from the management team and the significant transaction costs hit the net profit in Q4. Through the acquisition, Talkpool becomes the leading provider of network services in Pakistan and gains a strong hub in the Middle East region. LCC Pakistan has a long history of good stability and high profitability and the company generated revenues of approximately EUR 10 million in 2016 and has during many years generated surplus cash flow. The acquisition of LCC Pakistan will give Talkpool an extra push into its second strategy phase, adding an established IoT telecom site solution with an existing customer base.

European come back

Our projects with European operators such as Belgacom, Vodafone, Orange and Deutsche Telekom developed well and these customers now constitute a new important cornerstone in Talkpool's global growth strategy. The broadband network planning project for Deutsche Telekom in Germany also gained speed in Q4. Deutsche Telekom expanded Talkpool's scope of work into new technical areas and new regions.

Internet of Things

In December Talkpool AG delivered on its previously communicated plan to own the majority in Talkpool´s IoT company Talkpool AB as it acquired another 30 percent of the shares in Talkpool AB and reached a majority ownership with 55.6 percent of the shares.

Reports from Mobile Europe and others predict that our investment in unlicensed IoT technology such as LoRa is likely to pay off. It won't just bridge the period until 5G arrives but it is expected continue accelerating after 5G is launched. Talkpool increased its investment in Blockchain technology aimed at IoT and mobile advertisement during the fourth quarter of 2017. We're convinced that Blockchain technology will be used in internet to increase security, avoid fraud, determine origins of digital documents and assure trustful digital transactions. Talkpool is hence gearing up not just to connect the many new things to the internet but to collect and use the new internet data in smart and secure ways.

Talkpool also made an important step towards its goal to deliver smart IoT solutions "as a service" by winning a contract for site monitoring in Haiti to a total value of approximately USD 3 million. The solution combines the in-house IoT solution developed and owned by LCC Pakistan with network operation and maintenance services over five years. This represents an important proof that Talkpool's strategy regarding IoT and M&A makes sense.

Innovation

Talkpool's strategy of partnering with high quality sensor manufacturers both as assembly and sales channels, started to pay off in Q4. In addition to internet connectivity, Talkpool also provides management of the data in the cloud. Talkpool focus on control of indoor environment quality showed clearly in our order books. Towards the end of the year, Talkpool had developed and implemented several customized sensors and smart solutions measuring air quality at schools and office spaces, temperature and water consumption in apartments. The developments include a world's first and only smart floor drain that measures moisture in house foundations and wet rooms! Insurance companies and real-estate owners have shown much interest in our innovation and several proof-of-concepts were carried out in Q4. The building data is not only interesting for landlords and house owners, but also for construction companies guaranteeing the construction quality and insurance companies granting liability insurances. A small investment for landlords, construction companies and insurance companies that can make large savings thanks to early detection of damp and mold.

Start of a new year

Whereas this fourth quarter report carries large extraordinary costs and only partial consolidation of LCC Pakistan, we expect the Q1 report 2018 to be the first clean report with all companies consolidated. Most Talkpool markets have exceeded expectations in the beginning of the year. The LCC Pakistan acquisition opens growth opportunities in the Middle East region, and Talkpool has chosen to start a new market in Saudi Arabia. This organic expansion will be managed from our new hub in Pakistan. We expect large volumes of consulting and IoT orders to turn Saudi into one of Talkpool's largest and most profitable markets. Talkpool will initially concentrate its efforts in Saudi on providing consulting services before increasingly focusing on IoT. Saud Arabia is planning substantial investments in Internet of Things and the Saudi Vision 2030 includes smart city projects such as the planned city of Neom where Talkpool is already involved in an early stage. The Middle East host some of the worlds most advanced smart city projects and I believe Talkpool is well positioned to become technology supplier to these mega projects.

Talkpool also broke new technical ground as it co-founded a consortium called "JoorsChain" together with Joors and TrueChain to develop a blockchain platform to support telecom operators, media and ad-tech in transforming the mobile internet advertising industry. The fundamental idea is to create a modern ecosystem for managing micro-transactions involving several different parties in an easy, efficient and transparent way. There is a vast amount of potential future applications, while the initial focus is advertising management versus mobile users and publishers. Blockchains is a complementary technology to our IoT strategy where we use our network and security expertise. Blockchain technology adds a new dimension to internet and makes it possible to cut out expensive middle men and improve security and transparency for all kinds of transactions. After technical and commercial progress in the past months, it is becoming increasingly likely that Talkpool's blockchain technology will get a break-through assignment.

All in all, Talkpool has started off 2018 well over our expectations and we believe that the positive development will continue during 2018.

Erik Strömstedt, CEO

6.1	17.8%	5.4%
Net sales, MEUR	**Gross margin**	**EBITDA margin**

FINANCIAL DEVELOPMENT

KEY FIGURES

	Q4'17	Q4'16	FY'17	FY'16
Sales, € thousand	6 123	3 621	16 379	11 571
Sales growth in %	69,1%	30,0%	41,6%	11,8%
Gross profit, € thousand	1 093	682	3 390	2 142
Gross margin	17,8%	18,8%	20,7%	18,5%
EBITDA, € thousand	333	-67	359	-364
EBITDA margin	5,4%	-1,8%	2,2%	-3,1%
EBIT, € thousand	220	-80	193	-409
EBIT margin	3,6%	-2,2%	1,2%	-3,5%

NET SALES

October - December

In Q4 2017 net sales amounted to EUR 6 123 thousand, which is an increase with 69.1 percent, compared to the same quarter last year. The acquisition of Pakistan, consolidated from 1 November, contributed with revenue of EUR 1 621 thousand. The organic growth was close to zero mainly due to the adverse effect on revenue in Mauritius caused by delays in the project with Huawei. Haiti contributed with a revenue growth of 42 percent, EUR 706 thousand, compared to Q4 2016 due to the increased scope of work and new projects.

The gross margin is slightly lower compared to Q4 2016 and earlier quarters in 2017. This is mainly explained by Mauritius, that in Q4 2017 contributed with a negative gross margin. Excluding Mauritius, the gross margin amounted to 22.7 percent in Q4 2017.

January - December

For the full-year 2017 net sales amounted to EUR 16 379 thousand (11 571) corresponding to an increase of 41.6 percent compared to last year. Entities acquired in end of 2016 and in 2017 contributed with revenue of in total EUR 4 974 thousand.

EBITDA AND EBIT

October - December

EBITDA was positive by EUR 333 thousand in Q4 compared to the same quarter last year when EBITDA was negative by EUR -67 thousand. The EBITDA margin amounted to 5.4 percent, which is the highest reported EBITDA margin since the IPO. Newly acquired companies; Pakistan, Belgium and the Netherlands; contributes with strong margins but also Germany with the Deutsche Telecom project and the additional projects in Haiti added high margins.

EBIT for Q3 was EUR 220 thousand with an EBIT margin of 3.6 percent.

January - December

EBITDA for the full-year 2017 was EUR 359 thousand (-364), with an EBITDA margin of 1.2 percent.

NET PROFIT/LOSS

October - December

The net loss in Q4 2017 amounted to EUR -175 thousand, negatively affected by financial costs of EUR 301 thousand and a tax expense of EUR 94 thousand. The high financial costs mainly referred to interest expenses and exchange losses on liabilities in currencies other than the functional currency mainly in connection with the SEK loans in the parent company.

January - December

For the full-year 2017 the net loss amounted to EUR -404 thousand.

FINANCIAL POSITION AND CASH FLOW

KEY FIGURES

	Q4'17	Q4'16	FY'17	FY'16
Solidity	13,9%	21,8%	13,9%	21,8%
Adjusted solidity	27,5%	31,7%	27,5%	31,7%
Return on equity	-1,9%	-12,4%	-14,7%	-52,0%
Net cash/debt, € thousand	-2 935	-748	-2 935	-748
Operating cash flow, € thousand	-1 752	-192	-1 939	-1 337

* Calculated as if goodwill was capitalized and amortized.

BALANCE SHEET AND FINANCIAL POSITION

31 December 2017

As of 31 December, 2017 the net debt amounted to EUR -2 935 thousand, with cash amounting to EUR 940 thousand. The proceeds from the rights issue on 25 October 2017 were used to pay the purchase price for Pakistan in the beginning of November. Additional interest-bearing liabilities from Pakistan of EUR 1 221 thousand increased the net debt.

The solidity amounted to 13.9 percent as per 31 December 2017, a decrease compared to 31 December 2016. This is mainly explained by an increase in assets when consolidating Pakistan, but also by the effect of the rights issue in equity being, to a large extent, offset with goodwill related to the acquisition of Pakistan. The solidity calculated based on adjusted total assets and equity, as if goodwill was capitalized and amortized, amounts to 27.5 percent.

CASH FLOW AND INVESTMENTS

October - December

The cash flow from operating activities was negative EUR -1 752 thousand. The negative cash flow is due to increase in working capital, mainly an increase in accounts receivables and work in progress.

Two share issues were conducted in Q4 2017, 25 October and 20 December, rendering in additional net cash of EUR 1 232 thousand in Q4 after repayment of guarantor loans and conversion of prepayments of rights issue made in Q3 2017. The first installment of the purchase consideration for LCC Pakistan was paid in beginning of November, amounting to EUR 2 455 thousand.

January - December

For the full-year 2017 the operating cash flow was negative EUR -1 939 and the total cash flow positive by EUR 453 thousand.

OTHER DISCLOSURES

ACCOUNTING PRINCIPLES

The consolidated interim report is based on uniform accounting principles for all group companies. The parent company, Talkpool AG, is a Swiss company and is governed by Swiss law and accounting principles. The consolidated interim report has been prepared in compliance with the Swiss Code of Obligations (Art. 957 to 963b CO).

As per 31 December 2016, the group changed its goodwill accounting from capitalization and amortization to offsetting against equity. The figures from previous quarters have been restated and adjusted accordingly. The effects of the theoretical capitalization and amortization, including any impairment from valuation assessments are shown in section "Change in accounting principle".

For further information regarding applied accounting principles please refer to page 24-27 in the Talkpool annual report 2016.

RISKS

For information regarding risks please refer to page 24-26 in the Talkpool prospectus from September/October 2017.

EMPLOYEES

At December 31, the number of staff was 1 249 (226).

SIGNIFICANT EVENTS AFTER THE PERIOD

No significant events after the period.

CERTIFIED ADVISOR

Remium Nordic Holding AB is Talkpool's Certified Advisor.

AUDITOR'S REVIEW

The company's auditors have not audited this interim report.

Chur, 28 March 2018

Erik Strömstedt
CEO TalkPool AG

SUMMARY OF FINANCIAL REPORTS

CONSOLIDATED INCOME STATEMENT

	Oct-Dec		Jan-Dec	
EUR	**2017**	**2016**	**2017**	**2016**
Net revenue from goods and services	6 122 915	3 620 985	16 379 437	11 571 073
Cost of sales	-5 030 140	-2 938 558	-12 989 110	-9 428 625
Gross profit	**1 092 775**	**682 428**	**3 390 327**	**2 142 449**
Selling expenses	-128 932	-191 255	-215 073	-327 454
Administrative expenses	-861 064	-604 044	-2 780 170	-2 261 847
Other operating income & expenses	117 404	32 992	-202 078	38 250
Operating result	**220 182**	**-79 880**	**193 006**	**-408 602**
Financial net	-301 013	-4 280	-440 573	-261 448
Profit/loss before income taxes	**-80 831**	**-84 160**	**-247 567**	**-670 050**
Income taxes	-94 079	-60 563	-156 233	5 717
Net profit/loss	**-174 910**	**-144 723**	**-403 800**	**-664 333**
Net income attributable to:				
Stockholders of the parent company	-40 208	-164 699	-307 419	-693 445
Minority interests	-134 702	19 976	-96 381	29 112
Other information				
Average number of shares	*4 287 098*	*2 931 172*	*3 315 941*	*2 224 566*
Earnings per share (no dilutive effects)	*-0,01*	*-0,06*	*-0,09*	*-0,31*
Number of shares, end of period	*4 930 784*	*2 992 222*	*4 930 784*	*2 992 222*
Earnings per share (no dilutive effects)	*-0,01*	*-0,06*	*-0,06*	*-0,23*

As per 31 December 2016, goodwill acquired is no longer capitalized and depreciated, but offset against equity. The figures from previous quarters and previous years have been restated and adjusted accordingly. For the effects of the change in accounting principle, please see “Change of accounting principle”.

The registered number of shares at the beginning of the period and the year was 2 992 222 and at end 4 930 784. As per 25 October, based on an authorized share capital increase, 1 723 384 new shares were issued increasing the total number of shares to 4 715 606. As per 20 December, based on an authorized share capital increase, 215 178 new shares were issued increasing the total number of shares to 4 930 784.

CONSOLIDATED BALANCE SHEET

	December 31	
EUR	**2017**	**2016**
ASSETS		
Current assets		
Cash	940 063	486 928
Trade receivables	4 657 990	2 394 658
Other short-term receivables	2 518 700	476 926
Inventories and unvoiced services	4 898 768	1 636 393
Prepaid expenses and accrued income	265 582	167 061
Total current assets	**13 281 103**	**5 161 965**
Non-current assets		
Financial assets	664 944	580 568
Investments in associates and joint venture	-	107 633
Intangible assets	245 452	-
Property, plant and equipment	790 279	253 307
Total non-current assets	**1 700 675**	**941 509**
TOTAL ASSETS	**14 981 778**	**6 103 474**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	3 060 515	1 842 160
Short-term interest-bearing liabilities	2 421 390	210 024
Other short-term liabilities	895 801	559 676
Accrued expenses and deferred income	4 495 796	1 046 501
Total current liabilities	**10 873 502**	**3 658 360**
Non-current liabilities		
Long-term interest-bearing liabilities	1 453 814	1 051 331
Long-term interest-bearing liabilities	507 016	-
Total non-current liabilities	**1 960 831**	**1 051 331**
Total liabilities	**12 834 333**	**4 709 691**
Equity		
Stockholders' equtiy	2 089 748	1 332 398
Minority interest in equity of subsidiaries	57 697	61 385
Total equity	**2 147 445**	**1 393 783**
TOTAL LIABILITIES AND EQUITY	**14 981 778**	**6 103 474**

As per 31 December 2016, goodwill acquired is no longer capitalized and depreciated, but offset against equity. The figures from previous quarters and previous years have been restated and adjusted accordingly. For the effects of the change in accounting principle, please see “Change of accounting principle”.

CONSOLIDATED CASH FLOW STATEMENT

	Oct-Dec		Jan-Dec	
EUR	**2017**	**2016**	**2017**	**2016**
Operating activities				
Net profit/loss	-174 910	-144 723	-403 800	-664 333
+/– adjustment for items not affecting cash flow	146 215	86 339	337 807	117 539
+/– increase/decrease of working capital	-1 723 182	-134 001	-1 873 436	-790 126
Net cash flow from operating activities	**-1 751 877**	**-192 385**	**-1 939 429**	**-1 336 920**
Investing activities				
– purchase of property, plant and equipment	-34 422	-43 849	-113 985	-175 344
– purchase of intangible assets	-28 388	-	-28 388	-
+/– inflow/outflow from change of financial assets	38 228	-99 942	-72 564	-186 806
+ sale of shares in subsidiaries	50 000	-	50 000	-
– acquisition of subsidiaries (added cash taken over)	-2 634 788	-508 475	-3 108 724	-508 475
Net cash flow from investing activities	**-2 609 370**	**-652 266**	**-3 273 661**	**-870 625**
Financing activities				
+ net proceeds from rights issue	3 810 904	1 010 324	3 810 904	1 817 006
+/– issuance/repayment of liabilities	-2 188 689	-	-	-
+/– issuance/repayment of interest-bearing liabilities	-185 931	-49 935	1 848 195	289 398
Net cash flow from financing activities	**1 436 284**	**960 389**	**5 659 099**	**2 106 404**
Currency translation effects	53 919	-2 206	7 126	-7 346
Net change in cash	**-2 871 044**	**113 532**	**453 135**	**-108 487**
Cash, beginning of period	3 811 107	373 396	486 928	595 415
Cash, end of period	940 063	486 928	940 063	486 928

As per 31 December 2016, goodwill acquired is no longer capitalized and depreciated, but offset against equity. The figures from previous quarters and previous years have been restated and adjusted accordingly. For the effects of the change in accounting principle, please see “Change of accounting principle”.

CHANGES IN EQUITY

EUR	Share capital	Capital reserves	Cumulative foreign translation adjustment	Retained earnings	Goodwill recognized	**Total equity excl. minority interests**	Share of minority interests	**Total equity incl. minority interests**
Jan 1, 2016	**71 645**	**158 601**	**428 660**	**440 425**	**-307 093**	**792 238**	**-**	**792 238**
Share issue, 24 May	25 652	766 908	-	-	-	**792 560**	-	**792 560**
Share issue, 26 October	10 256	1 014 190	-	-	-	**1 024 446**	-	**1 024 446**
Net profit/loss	-	-	-	-693 445	-	**-693 445**	29 112	**-664 333**
Transactions with minority	-	-	-	-	-	**-**	31 193	**31 193**
Goodwill recognized in equity	-	-	-	-	-638 447	**-638 447**	-	**-638 447**
Foreign currency differences	-	-	55 045	-	-	**55 045**	1 080	**56 125**
Dec 31, 2016	**107 553**	**1 939 699**	**483 705**	**-253 020**	**-945 540**	**1 332 398**	**61 385**	**1 393 783**
Jan 1, 2017	**107 553**	**1 939 699**	**483 705**	**-253 020**	**-945 540**	**1 332 398**	**61 385**	**1 393 783**
Share issue, 25 October	73 815	3 133 246	-	-	-	**3 207 061**	-	**3 207 061**
Share issue, 20 December	9 202	594 640	-	-	-	**603 843**	-	**603 843**
Net profit/loss	-	-	-	-307 419	-	**-307 419**	-96 381	**-403 800**
Transactions with minority	-	-105 722	-	-	133 423	**27 701**	22 299	**50 000**
Acquisitions	-	43 532	-	-	-	**43 532**	72 042	**115 574**
Goodwill recognized in equity	-	-	-	-	-2 712 643	**-2 712 643**	-	**-2 712 643**
Foreign currency differences	-	-	-104 725	-	-	**-104 725**	-1 648	**-106 373**
Dec 31, 2017	**190 571**	**5 605 395**	**378 980**	**-560 439**	**-3 524 759**	**2 089 748**	**57 697**	**2 147 445**

As per 31 December 2016, goodwill acquired is no longer capitalized and depreciated, but offset against equity. The figures from previous quarters and previous years have been restated and adjusted accordingly. For the effects of the change in accounting principle, please see “Change of accounting principle”.

SALES BY COUNTRY

	Oct-Dec		Jan-Dec	
EUR	**2017**	**2016**	**2017**	**2016**
Haiti	2 372 440	1 666 651	6 476 986	6 333 441
Pakistan	1 621 440	-	1 621 440	-
Netherlands	591 869	96 868	1 564 888	96 868
Belgium	483 563	-	1 787 925	-
Germany	418 835	663 290	1 584 839	1 394 592
Uganda	182 101	215 253	607 098	726 138
Tanzania	167 267	252 453	946 643	1 166 369
Mexico	155 184	30 728	422 720	89 892
Botswana	125 122	122 412	357 651	292 144
Mauritius	-7 590	516 139	733 276	1 170 970
Kenya	0	1 282	8 436	162 918
Other	12 684	55 908	267 536	137 739
Total net sales by country	**6 122 915**	**3 620 985**	**16 379 437**	**11 571 073**

Currently the performance of the group is monitored on a country and region basis. The Board of Directors and management assess the business performance from a geographical point of view based on the country of each business operation, independent on legal entities. These segments are the basis of strategic decisions.

CHANGE OF ACCOUNTING PRINCIPLE

From 2016, and with previous years restated and adjusted, goodwill is recognized directly in equity at the time of purchase of a subsidiary or an investment in an associated company. The theoretical capitalization of goodwill, based on a useful life of 5 years, would have the following impact on equity and net income:

IMPACT ON INCOME STATEMENT

	Oct-Dec		Full-year	
EUR	**2017**	**2016**	**2017**	**2016**
Operating result (EBIT), per income statement	220 182	-79 880	193 006	-408 602
EBIT margin, %	*3,6%*	*-2,9%*	*1,2%*	*-3,5%*
Theoretical amortization of goodwill	-136 132	-37 747	-370 802	-81 062
Theoretical EBIT after goodwill amortization	**84 051**	**-117 627**	**-177 796**	**-489 664**
EBIT margin after goodwill amortization, %	*1,4%*	*-4,2%*	*-1,1%*	*-4,2%*
Net profit/loss, per income statement	-174 910	-144 723	-403 800	-664 333
Theoretical amortization of goodwill	-136 132	-37 747	-370 802	-81 062
Theoretical net profit/(loss) after goodwill amortization	**-311 041**	**-182 470**	**-774 602**	**-745 395**

Acquisitions were translated into CHF with the exchange rate applicable on their respective transaction dates. As a result of this procedure, no currency adjustments were necessary in the statement of changes in goodwill.

Had goodwill been capitalized and amortized, the theoretical effect on equity and net income would have been as follows:

IMPACT ON BALANCE SHEET

	December 31	
EUR	**2017**	**2016**
Equity as per balance sheet	2 147 445	1 393 783
Theoretical capitalization of net book value of goodwill	2 729 056	787 116
Theoretical equity including net book value of goodwill	**4 876 501**	**2 180 899**

DEFINITION OF KEY INDICATORS

Earnings per share	Period net profit/loss in relation to average number of shares for the period
EBITDA	Earnings Before Interest Tax Depreciation and Amortization
EBIT	Earnings Before Interest and Tax
Solidity	Equity in percentage of total assets
Adjusted solidity	Theoretical equity including net book value of goodwill in percentage of total assets
Return on equity	Net profit/loss in relation to equity
Net cash/debt	Net of interest-bearing liabilities minus cash and bank, excluding tax receivables/liabilities

FOR FURTHER INFORMATION, PLEASE CONTACT:

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TALKPOOL

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FINANCIAL CALENDAR

Annual report 2017	4 May 2018
Annual shareholders' meeting 2017	28 May 2018
Interim report January - March 2018	25 May 2018