



## QUARTER 1 IN BRIEF

### January 1<sup>st</sup> – March 31<sup>st</sup> 2021

- Net sales amounted to EUR 5 691 thousand (4 881)
- EBITDA of EUR 49 thousand (4) and EBITDA margin of 0.9 % (0.1)
- EBIT of negative EUR 48 thousand (-93) and EBIT margin of -0.8% (-1.9)
- Net earnings after tax of negative EUR 339 thousand (-527)

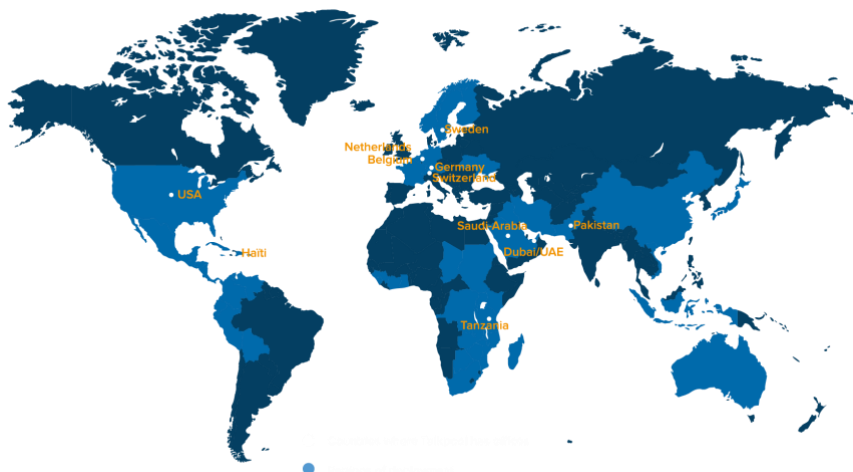
### January – March key developments

- Group performance exceeded expectations in spite of lingering Covid-challenges
- Total Revenue passed a EUR 2M in March
- The IoT Revenue reached 18% of the total Revenue
- Both IoT companies (TPAB and HS) showed profit
- Strong come back in Haiti after the currency challenges in 2020
- The acquisition of 100% of the shares in Nordic Proptech and Home Solutions was formally closed
- International investment fund Sacculus acquired 35% of the shares in Nordic Proptech from Talkpool AG
- High consulting costs for Talkpool AG related to the DD and acquisition of Home Solutions
- The sale of IoT network company Nordic IoT to IoT network operator Netmore was finalized
- Talkpool signed a cooperation agreement with SmartFront for the delivery of smart buildings solutions
- The “Sandy Grounds” towers foundation success continued as 5 towers were built in the Netherlands
- Talkpool Pakistan won the Managed Services contract for the maintenance of the Safecity network

*This information is inside information that Talkpool AG is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:30 CET on May 20, 2021.*

## THIS IS TALKPOOL

Talkpool enables the IoT ecosystem by offering professional services and solutions, comprising a comprehensive range of design, creation and realization of IoT solutions and products. Talkpool's core competences include telecom, radio and security and Talkpool has geographical reach in Europe, Latin America, the Middle East and Africa.



## CEO COMMENTS

**With the arrival of the vaccines at the beginning of 2021, the hope for a new normal life after Corona started spreading in the global society and the global economy, which fuelled a faster recovery than anticipated. Talkpool is also starting a new chapter in 2021 with the implementation of phase 2 in its digitization and growth strategy. Thanks to the acquisitions of Home Solutions, we hit the ground running in Q1.**

**The acquisition and integration of Home Solutions in the Talkpool group rendered a lot of attention during the quarter and with the consolidation of Home Solutions in the group, the IoT revenue now makes up close to 20% of the total group revenue.**

**January and February are normally slow months, but this year both sales and orders booked in Q1 exceeded our expectations and our budget. All 8 focus markets, after the divestment of Uganda and Mexico, performed well. In particular Germany and Sweden.**

**The cost cutting activities in the group continued in Q1, but the one-off costs related to the due diligence, acquisition and financing of NPTIS had a negative impact on net earnings. Lock downs in Saudi, Pakistan and other markets also still had a negative impact.**

### Network Services

The demand for more bandwidth continues to boost the deployment of broadband networks globally. In telecoms the adoption of the latest industry trends such as 5G, AI/ML and IoT constantly increases, which is shaping the future of the industry. The convergence of Network Services and IoT is one of the key drivers behind Talkpool's new digitisation strategy.

Since Deutsche Telecom, Talkpool's biggest key customer in Germany, centralized its procurement function Talkpool is invited to all tenders nationwide in Germany. This opportunity combined with Talkpool Germany's focused business development effort has multiplied the prospects in the sales funnel over the last few months. Our resources in Germany are already fully utilized so we will hire new network planning staff while

negotiating the new projects to improve broadband internet connections to schools and other buildings. In order to further prepare for the higher order volumes, negotiations with several potential partners and subcontractors are also in progress.

For more than 15 years Irish owned Caribbean mobile network provider Digicel has been one of Talkpool's most important clients. Talkpool was planning and building the network together with Ericsson in 2006 and has since then managed and continued to develop the complete nationwide mobile network including the fibre optic transmission network for Digicel. After the difficulties caused by the radical appreciation in Q4, Talkpool Haiti recovered as the Haitian Gourde returned to a more normal level in Q1. The close partnership continues, and the Haitian operations will remain one of Talkpool's cornerstones in the future.

In the Netherlands, Talkpool won several orders for its new telecom tower foundation technology, amounting to Euro 220'000. The innovation originates from work with Cellnex and these are the first commercial orders after successful trials, and at least six times as many towers are forecasted only for 2021. Furthermore, our first Dutch 5G orders were booked and the niche Camouflage business activity picked up speed.

In 2020 Talkpool Pakistan successfully deployed security and communication equipment on 500+ locations for the Punjab Safecity through Huawei. The project included civil works as well as electrical installation and commissioning of the complete IP Surveillance network. In March Talkpool Pakistan won the Managed Services contract for the management and maintenance of the complete Safecity network for one year to start with.

## IoT

With the acquisition of NPTIS/Home Solutions, Talkpool's smart building business reaches approximately EUR 5 million revenue on an annual basis. This makes up close to 20% of Talkpool's total revenue, which means that we have reached a critical mass and a significant footprint in the Swedish IoT market.

The acquisition of Home Solutions is an important milestone for Talkpool and the start of a new phase in our growth plan. Home Solutions provides a strong customer base, 20 years of experience and track record in residential properties automation and a strong sales

organisation. Talkpool contributes with leading edge technology knowledge, own IoT products and prime commercial real estate customers to the co-operation. Together the two companies will merge to a market leading high-tech Smart Building company with a strong sales force offering a complete eco-system for the digitisation of buildings. In Q1 Talkpool's and Home Solution's management spent significant time together on the integration of NPT in Talkpool and the preparation for scaling of the new common building digitization business.

The demand for Home Solutions' services of measuring and managing natural resources such as air, water and electricity and water in individual apartments and premises is rapidly increasing stimulated by new regulations and the building digitisation boom. Acquisitions of further metering companies and up-selling of sustainable technology "as a service" to the many existing clients is central in Talkpool's strategic plan going forward.

At the end of March international investment fund Sacculus acquired 35% of the shares in NPTIS/Home Solutions from Talkpool AG with the ambition to accelerate the growth of the company together with Talkpool.

At the beginning of March the sale of IoT network company Niot to Netmore was finalized. The hand-over of business and migration of the Niot Network to Netmore's network was initiated. Talkpool and Netmore will continue in a partnership relation whereby Netmore assumes the network operator role (providing national coverage in Sweden) and Talkpool provides smart building solutions and network services. Furthermore Talkpool can provide network services for 5G agreements with large multinationals.

In January SmartFront signed an agreement with Talkpool for the delivery of end-to-end smart buildings solutions. SmartFront uses Talkpool's solutions for the measurement of temperature, moisture and carbon dioxide in the building. SmartFront also uses Talkpool's moisture sensors to verify the moisture content of the façade in real time for early detection and prevention of damages to the building.

In November 2020 our Spanish IoT partner Redytel ordered 140.000 EUR worth of CO2 sensors from Talkpool. The IoT sensors were installed in public buildings in the Spanish cities Ponferrada, León and

Boadilla to monitor and control CO2 levels in indoor public environments such as schools, libraries, museums and medical centers and make them available via apps and web. The CO2 levels are being monitored to minimize the risk for the spread of COVID19 to the public. The CO2 values are measured by Talkpool's wireless sensors and sent to the cloud. The data is made accessible to the public by the placement of a QR code next to the sensor. Based on positive results plans are made to extend scope to private public places such as restaurants, cafes, gyms, etc.

With the public places monitored and controlled, the next objective has been the indoor environment of public transport. Since March Ponferrada is the first city with all its public buses monitored and CO2 levels made available to the public. Transport managers and bus drivers are now aware of the CO2 levels and can improve the use of ventilation system and keep doors open longer at bus stops. Passengers can plan their travels based on historical and current CO2 levels, and so the spread of Covid 19 is being reduced.

Talkpool's new sales strategy implementation was geared up in Q1 headed by the Group Chief Commercial Officer Aurelius Wosylus.

### 1st Quarter 2021

In April Talkpool, Redytel, Netmore and Senseair formed an indoor air quality alliance. IoT technology

has allowed large scale deployment of sensors monitoring air quality in real time.

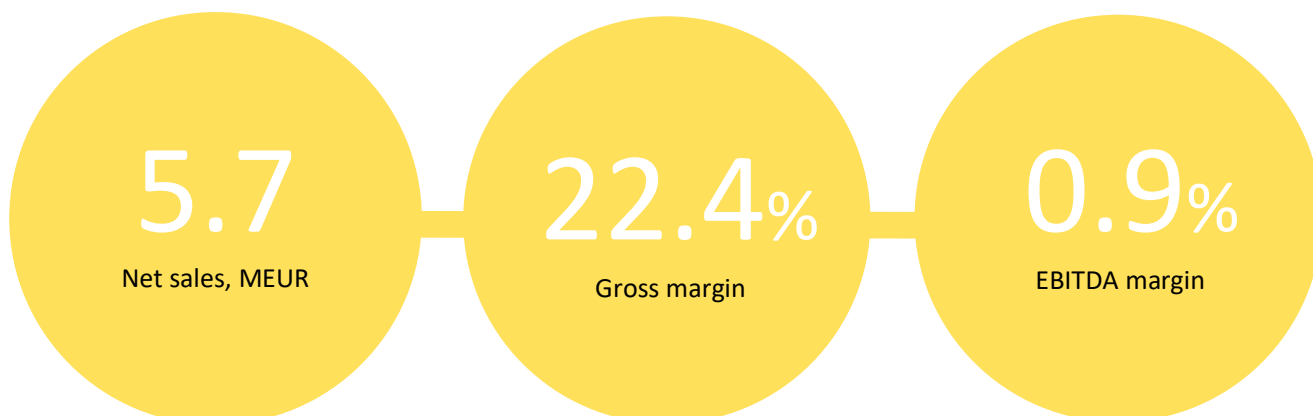
Based on positive initial results from the pilot projects in Spain and other locations, the parties have decided to form an indoor air quality alliance with the aim to provide solutions that can prevent the spread of Covid 19 and support a safe reopening of society.

The projects have so far improved the awareness and information about air quality levels and the risk of infection and actions have been taken to mitigate the risks.

In April Talkpool signed an agreement with Swedish real estate company Profi Fastigheter for the delivery of solutions for connecting smart properties and the services energy optimization, submetering and billing together with associated sensors and systems. Work is currently ongoing to connect about twenty of the company's properties in Stockholm and Gothenburg.



Erik Strömstedt, CEO



# FINANCIAL DEVELOPMENT

## Key figures

	Q1 21	Q1 20	FY 20	FY 19
Sales, € thousand	5'691	4'881	21'221	21'233
Sales growth in %	16.6%	-12.6%	-0.1%	-12.8%
Gross profit, € thousand	1'274	993	5'414	4'210
Gross margin	22.4%	20.3%	25.5%	19.8%
EBITDA, € thousand	49	4	957	-594
EBITDA margin	0.9%	0.1%	4.5%	-2.8%
EBIT, € thousand	-48	-93	492	-1'050
EBIT margin	-0.8%	-1.9%	2.3%	-4.9%

## Sales and gross margin

### January - March

Net sales increased with 16.6 percent to EUR 5 691 thousand (4 881) compared to the same quarter last year. The increase was driven by the acquisition of Home Solutions and higher sales volumes in Pakistan, Tanzania and Talkpool AB in Sweden.

The gross margin increased by 2.1 percentage points to 22.4 percentage. The gross margins in all European Markets were higher than in Q1 2020.

## EBITDA

### January – March

EBITDA for the period increased to EUR 49 thousand compared to EUR 4 thousand in Q1 2020.

## Net profit/loss

### January - March

The net earnings in Q1 2021 amounted to negative EUR 339 thousand compared to negative EUR 527 thousand in the same quarter 2020. The financial costs, especially in Talkpool AG are declining, but extraordinary costs for the Home Solutions acquisition had negative impact net earnings.

# FINANCIAL POSITION AND CASH FLOW

## Key figures

	Q1 21	Q1 20	FY 20	FY 19
Equity ratio	2.6%	-24.6%	-20.6%	-22.7%
Return on equity	85.0%	14.9%	50.1%	113.2%
Net cash/debt, € thousand	-6'348	-6'902	-5'225	-5'879
Operating cash flow, € thousand	-136	-915	-1'275	-795

## Balance sheet and financial position

### 31 March 2021

As of 31 March, cash amounted to 2 446 thousand and net debt to EUR -6 348 thousand.

The consolidated net equity ratio was 2.6% per end of the quarter due to the new acquisition and the capital increase.

## Cash-flow and investments

### January - March

The cash flow from operating activities over Q1 2021 amounted to negative EUR 136 thousand.

Talkpool AG received convertible loans of CHF 1.7 million in January 2021. Around CHF 900 thousand were converted to equity by end of March 2021.

## 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. For further information regarding applied accounting principles please refer to page 26-29 in the Talkpool annual report 2020.

### Significant events after the period

No significant events after the period.

### Certified advisor

Erik Penser Bank is Talkpool's Certified Advisor.

### Auditor's review

The company's auditors have not audited this report.

Chur, 20 May 2021  
Erik Strömstedt  
CEO Talkpool AG

# SUMMARY OF FINANCIAL REPORTS

## Consolidated income statement

EUR	Jan-Mar		Jan-Dec	
	2021	2020	2020	2019
Net revenue from goods and services	5'690'730	4'881'129	21'221'419	21'233'359
Cost of sales	-4'416'892	-3'888'241	-15'806'637	-
<b>Gross profit</b>	<b>1'273'838</b>	<b>992'888</b>	<b>5'414'782</b>	<b>4'210'171</b>
Selling expenses	-68'356	-116'846	-387'116	-677'334
Administrative expenses	-1'218'466	-974'260	-3'938'841	-4'431'055
Other operating income & expenses	-35'060	5'592	-597'033	-151'862
<b>Operating result</b>	<b>-48'045</b>	<b>-92'625</b>	<b>491'792</b>	<b>-1'050'080</b>
Financial net	-217'014	-323'009	-1'056'377	-1'626'005
Profit/loss before income taxes	-265'059	-415'634	-564'585	-2'676'085
Income taxes	-74'182	-111'553	-421'372	-699'476
Net profit/loss	-339'241	-527'187	-985'957	-3'375'561
<b>Net income attributable to:</b>				
Stockholders of the parent company	-364'056	-539'747	-1'142'265	-3'353'810
Minority interests	24'815	12'560	156'308	-21'751
<b>Other information</b>				
Average number of shares	6'388'682	4'930'784	5'375'392	4'930'784
Earnings per share (no dilutive effects)	-0.06	-0.11	-0.21	-0.68
Number of shares, end of period	6'778'097	4'930'784	6'379'730	4'930'784
Earnings per share (no dilutive effects)	-0.05	-0.11	-0.18	-0.68



# CONSOLIDATED BALANCE SHEET

EUR	March 31 2021	March 31 2020	December 31 2021
<b>ASSETS</b>			
<i>Current assets</i>			
Cash	2'445'681	1'997'154	1'072'799
Trade receivables	3'740'756	3'353'738	3'844'767
Other current receivables	3'150'876	2'570'248	2'450'315
Inventories and unvoiced services	2'412'938	2'890'995	2'002'848
Prepaid expenses and accrued income	404'739	789'579	309'439
<b>Total current assets</b>	<b>12'154'990</b>	<b>11'601'713</b>	<b>9'680'168</b>
<i>Non-current assets</i>			
Financial assets	3'550'290	502'053	186'528
Investments in associates and joint venture	7'909	10'891	8'084
Intangible assets	505'071	557'042	473'982
Property, plant and equipment	693'175	963'647	696'411
<b>Total non-current assets</b>	<b>4'756'446</b>	<b>2'033'633</b>	<b>1'365'005</b>
<b>TOTAL ASSETS</b>	<b>16'911'436</b>	<b>13'635'346</b>	<b>11'045'173</b>
<b>LIABILITIES AND EQUITY</b>			
<i>Current liabilities</i>			
Trade payables	2'051'441	2'770'258	2'079'282
Current interest-bearing liabilities	4'664'953	2'568'335	4'441'928
Other current liabilities	1'459'460	1'668'101	1'161'407
Accrued expenses and deferred income	3'676'424	3'260'809	2'750'282
<b>Total current liabilities</b>	<b>11'852'278</b>	<b>10'267'503</b>	<b>10'432'899</b>
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	4'129'025	6'331'392	1'855'644
Provision	493'442	395'798	404'756
<b>Total non-current liabilities</b>	<b>4'622'467</b>	<b>6'727'190</b>	<b>2'260'400</b>
<b>Total liabilities</b>	<b>16'474'745</b>	<b>16'994'693</b>	<b>12'693'299</b>
<i>Equity</i>			
Stockholders' equity	-428'469	-3'624'773	-2'279'926
Minority interest in equity of subsidiaries	865'160	265'426	631'800
Total equity	436'691	-3'359'347	-1'648'126
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>16'911'436</b>	<b>13'635'346</b>	<b>11'045'173</b>

As per 31 December 2016, goodwill acquired is no longer capitalized and depreciated, but offset against equity.



# CONSOLIDATED CASH FLOW STATEMENT

EUR	Jan-Mar		Jan-Dec	
	2021	2020	2020	2019
<i>Operating activities</i>				
Net profit/loss	-339'241	-527'187	-985'957	-3 375 561
+/- adjustment for items not affecting cash flow	108'886	112'995	720'994	740 621
+/- increase/decrease of working capital	94'414	-501'242	-1'009'690	1 840 190
<b>Net cash flow from operating activities</b>	<b>-135'941</b>	<b>-915'434</b>	<b>-1'274'653</b>	<b>-794 750</b>
<i>Investing activities</i>				
- purchase of property, plant and equipment	-83'390	-94'863	-191'924	-429 712
+ sale/divestment of property, plant and equipment	-	-	71'605	17 212
- purchase of intangible assets	-10'147	-	-86'265	-198 129
+/- inflow/outflow from change of financial assets	-	-	-	-
+ sale of shares in subsidiaries	-1'572'002	-	-	154 060
+/- transaction with minority	-	-	-75'614	-69 053
- acquisition of subsidiaries (added cash taken over)	-259'351	-	-	-
<b>Net cash flow from investing activities</b>	<b>-1'924'890</b>	<b>-94'863</b>	<b>-282'198</b>	<b>-525 622</b>
<i>Financing activities</i>				
+/- issuance/repayment of interest-bearing liabilities	2'585'092	1'837'040	1'307'453	1 665 116
<b>Net cash flow from financing activities</b>	<b>2'585'092</b>	<b>1'837'040</b>	<b>1'307'453</b>	<b>1 665 116</b>
Currency translation effects	98'356	13'280	165'065	17 999
Net change in cash	622'617	840'023	-84'332	362 743
Cash, beginning of period	1'072'799	1'157'131	1'157'131	794 388
Cash, end of period	2'445'681	1'997'154	1'072'799	1 157 131

## 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
<b>Jan 1, 2020</b>	<b>190'571</b>	<b>5'518'024</b>	<b>-186'604</b>	<b>-4'966'320</b>	<b>-3'517'897</b>	<b>-2'962'226</b>	<b>266'599</b>	<b>-2'695'627</b>
Net profit/loss	-	-	-	-539'747	-	-539'747	12'560	-527'187
Transactions with minority	-	-	-	-	-	-	-	-
Goodwill recognized in equity	-	-	-	-	-	-	-	-
Foreign currency differences	-	-	-136'538	-	-	-136'538	6	-136'532
<b>Mar 31, 2020</b>	<b>190'571</b>	<b>5'518'024</b>	<b>-323'142</b>	<b>-5'506'067</b>	<b>-3'517'897</b>	<b>-3'638'511</b>	<b>279'165</b>	<b>-3'359'347</b>
<b>Jan 1, 2021</b>	<b>257'725</b>	<b>7'501'119</b>	<b>-712'076</b>	<b>-5'963'661</b>	<b>-3'363'031</b>	<b>-2'279'924</b>	<b>631'800</b>	<b>-1'648'124</b>
Net profit/loss	-	-	-	-364'056	-	-364'056	24'815	-339'241
Share issue in Q1	18'010	882'012	-	-	-	900'022	-	900'022
Transactions with minority	-	-	-	-98'030	1'070'473	972'443	208'546	1'180'988
Foreign currency differences	-	-	343'047	-	-	343'047	-	343'047
<b>Mar 31, 2021</b>	<b>275'734</b>	<b>8'383'131</b>	<b>-369'029</b>	<b>-6'425'747</b>	<b>-2'292'558</b>	<b>-428'469</b>	<b>865'160</b>	<b>436'691</b>

As per 31 December 2016, goodwill acquired is no longer capitalized and depreciated, but offset against equity.

## 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
Equity ratio	Equity 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

**Erik Strömstedt, CEO** Telephone: +41 79 790 60 40  
erik.stromstedt@talkpool.com

**Erika Loretz, CFO (interim)** Telephone: +41 79 333 59 71  
erika.loretz@talkpool.com

### Talkpool

Gäuggelistrasse 7 Telephone: +41 81 250 20 20  
CH-7000 Chur Mail: info@talkpool.com  
Switzerland Web: www.talkpool.com

## FINANCIAL CALENDAR

Interim report January - June 2021	23 Aug 2021
Interim report January - September 2021	18 Nov 2021
Year-end report January – December 2021	10 Mar 2022
Audited annual report January - December 2021	14 April 2022
Annual Shareholder’s meeting	6 May 2022