

Grand Master Plan 2021-2025

new financial targets

2021-05



CONNECTING
THINGS



Talkpool sets new financial targets

The second phase of Talkpool's grand master plan explains how Talkpool in the years 2021 until 2025 will develop into a leading technology *provider of services* for *sustainable buildings* and *telecom sites*. Fueled by improving market conditions, increased sales-focus and sustainable technology, the business is expecting to grow rapidly in coming years.

Talkpool sets a target of 48 million Euros revenues for 2025 with a corresponding EBITDA margin of 11%-14%.



The network services provided by Talkpool are required for connecting and managing things such as sensors, phones, and computers. Talkpool shall continue to provide network services, from planning to installation, management, optimization and repair of telecommunication sites and equipment.

Talkpool's IoT solutions make real estate infrastructure smarter and more sustainable. The efforts are focused on buildings and telecom network sites. New technologies such as artificial intelligence shall make client infrastructure smarter and resource usage more efficient.

The requirement for measuring and optimizing usage of natural resources such as water, energy and air is expected to grow quickly in coming years. Talkpool will increase individual metering (consumption measurement) from 50'000 homes in early 2021 to several hundred thousand of apartments and businesses in 2025 while up-selling services for:

- Air - creating a healthier and more sustainable in-door climate
- Energy - optimizing local power management including solar & batteries
- Water - reducing consumption, detecting leaks, avoiding mold and improving quality

The tenants and owners of buildings managed by Talkpool shall feel substantial improvements in living standards and environment. Talkpool will continue to improve its solutions while investing in additional sales resources to reach double-digit organic growth.



In addition to developing own solutions for buildings and telecom sites, Talkpool will integrate products and solutions made by other companies. We will come up with solutions to client problems, from design to integration of the different IoT building blocks. We will provide financed end-to-end solutions that allow our clients to charge for their service rather than selling the product.

In short we will;

- Make buildings and networks greener, healthier and more efficient by using internet technology
- Strengthen existing markets, mainly in Europe, by up-selling proven products

We will enter into a phase of rapid growth and increased transparency fueled by sustainable technology and environmental awareness. We plan to increase profit margins while growing fast and outperform markets as a listed company. We believe in thinking differently and challenging the status quo. We are building a green organization that will help clients make better decisions based on real-time data.

Targets for yes 2025

Of total 25 million Euros (m€) revenues in 2021, the network business is expected to generate 80% (20m€) and the building business is expected to reach 20% (5m€). Talkpool forecasts faster growth for the buildings business in coming years, but networks continue being largest business throughout 2025. Much of Talkpool's business is recurring and the company is striving to further increase recurring revenues.

	Revenue in million Euros		EBITDA margin	
	2020	2025	2020	2025
Sweden	1.7	11.0	6.3%	14%
Germany	1.6	7.2	22.1%	25%
Benelux	4.0	5.7	9.0%	12%
Other markets	8.3	13.5	9.6%	12%
Middle East	5.7	10.6	11.5%	15%
Total	21.3	48	4.5%	11%-14%



The industry outlook until 2025 is favorable. Smart building technology implementation is expected to speed up in coming years driven by increased environmental focus, technology advances and more sustainable handling of natural resources. The network industry is resurging from decades of price pressure with increased geopolitical interest in networks and new digitization technology such as 5G and fiber.

Talkpool has a history of building mobile telecommunication networks in many countries all around the world. Europe is becoming increasingly important to Talkpool, and the European markets are expected to surpass 50% of Talkpool's overall revenues in 2022. As hub for the smart building IoT business, Sweden expects a combination of in-country growth accompanied by exporting smart buildings technology to other markets, partly through in-house sales in markets and partly through integrators. Germany has the highest growth potential and profit margin forecast based on high demand for digitisation of German infrastructure. Benelux has established an efficient franchise in several niches and has recently launched a "sandy grounds" network tower innovation. Other markets, managed from Talkpool's headquarters, are expected to almost double from 2021 until 2025. We expect moderate growth in the Middle East, driven by providing Pakistani resources to other countries, mainly Saudi Arabia.



Most of Talkpool's growth is expected to be organic, but further acquisitions are part of the strategy. Acquisitions of network companies are possible, but acquisition efforts are mainly focused on smart building companies. Metering companies that measure consumption of water and electricity in Talkpool's markets represent potential acquisition targets. Technology companies specializing on either air, water or electricity are also in Talkpool's acquisition strategy. In this context, Talkpool will focus on businesses with proven technology that can be sold as a service to existing clients. Finally, Talkpool commits to expanding its number of metering clients from fifty thousand in year 2021 to several hundred thousand by 2025.

