

# Year-End Report

January – December 2021



## Oct1<sup>st</sup> – Dec 31<sup>st</sup>, 2021

- Net sales amounted to EUR 6 606 thousand (6 370), a 4.2 percent increase
- EBITDA of EUR 288 thousand (484) and EBITDA margin of 4.4 percent (7.6)
- EBIT of EUR 156 thousand (297) and EBIT margin of 2.4 percent (4.7)
- Net earnings after tax of negative EUR 164 thousand (-272)

## Jan 1<sup>st</sup> – Dec 31<sup>st</sup>, 2021

- Net sales amounted to EUR 24 427 thousand (21 221), a 15.1 percent increase
- EBITDA of EUR 1 124 thousand (957) and EBITDA margin of 4.6 percent (4.5)
- EBIT of EUR 732 thousand (492) and EBIT margin of 3 percent (2.3)
- Net earnings after tax of negative EUR 288 thousand (-986)

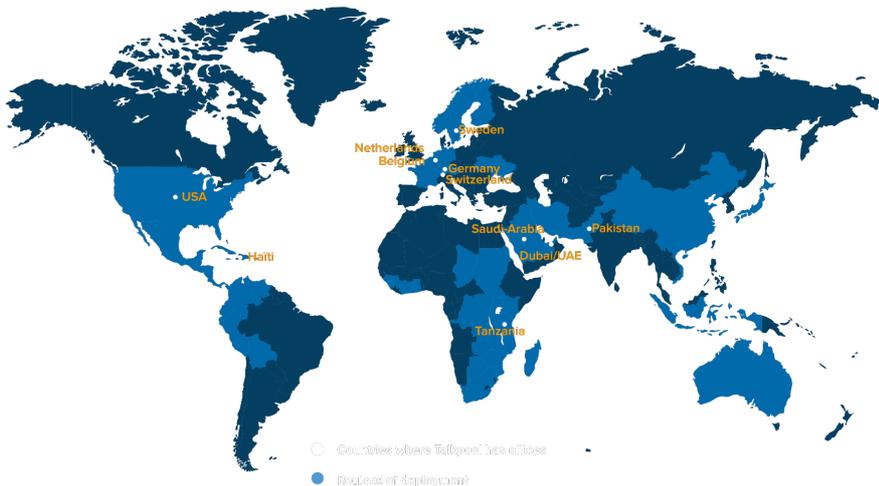
## October - December key developments

- Talkpool achieved its highest quarterly revenue since the IPO in Mai 2016
- Adjusted for extraordinary costs net earnings were positive in Q4 and in 2021
- Talkpool Germany reached a new all-time high revenue during the quarter
- Deutsche Telekom awarded Talkpool Germany a contract for a new region in the north of Germany
- Very positive results from the IoT air4schools trials in Germany
- Large tower service orders for Talkpool Netherland's from major Tower company Cellnex
- Increasing Camouflage solutions sales as Vodafone and T-Mobile built new sites
- All year high revenue and strong sales in Nordic Proptech thanks to extraordinary sales efforts
- Talkpool formally consolidated its IoT companies Talkpool AB and Nordic Proptech in Sweden
- TPAB delivered the first international energy optimization solution together with Myrspoven to Prague
- Talkpool AG acquired 100% of the shares in Talkpool LLC and relocated the US service company to Miami
- A new significant customer contract was signed with Ericsson USA for 5G roll out services in Puerto Rico

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 Mar 10, 2022.

## THIS IS TALKPOOL

Talkpool enables the IoT ecosystem by offering professional services and solutions, with a comprehensive range of design, creation, and realisation of IoT solutions and products. Talkpool’s core competences include telecom, radio, and security and Talkpool has geographical reach in Europe, the Americas, the Middle East and Africa.



## CEO COMMENTS

**The successful acquisition and consolidation of Nordic Proptech in the Talkpool Group has created value for Talkpool’s shareholders. For different reasons the value has still not been reflected in the Talkpool AG share price. Talkpool has over the years started and grown companies organically and in addition made 4 major acquisitions. In its portfolio of holdings in IoT and com tech companies, Talkpool AG currently has assets worth several times its market cap. In order to unfold the hidden values and leverage on its strength as an incubator, Talkpool AG will from now on increasingly focus on M&A and investments in innovative tech companies. In the search for innovations within IoT and digitization with focus on sustainability and ESG, Talkpool will cooperate with leading academic institutes in Europe and the USA. Talkpool will offer professional support in industrialization and go-to-market and an ecosystem of investors, sales partners and customers, to fuel the growth of the acquired companies. When the timing and the valuation is right Talkpool will exit, fully or partially, and reinvest the returns in new acquisition targets. Selling the Pakistani business to free up capital for new and more strategic investments is a first step in this new direction – and there is more to come.**

### Network Services

The global demand for internet connectivity over telecom- and data communication networks seems to be insatiable, and many countries are still lagging behind in their deployment of optical fiber, 5G and IoT infrastructure. Hence the demand for traditional network services will continue to grow. Talkpool is one of few independent professional services companies that offer a complete network services portfolio, including smart network services, to operators and vendors worldwide.

After having expanded its delivery capacity throughout the whole year Talkpool Germany reached all time high revenues in November. In addition to the new framework agreements for network planning and documentation, worth over EUR 1 million, that were signed in Q3, Deutsche Telekom awarded Talkpool Germany a planning contract for a new region in the north of Germany in Q4. The steady increase in business volume, service areas and geographic footprint in Germany is the fruit of a long and close partnership between Deutsche Telekom and Talkpool.

The countrywide 5G and fibre network projects in the US are also creating a high demand for network expertise and services. Talkpool's decision to acquire 100% of the shares in Talkpool LLC and relocate the operational Talkpool Services LLC entity to Miami was a strategic step to get a foothold in the US leading edge tech market. Huawei is banned on the US market which has made it possible to maintain a healthy price level on communication network services.

In December Talkpool signed a significant service contract with Ericsson USA for the delivery of 5G roll out services in Puerto Rico. The project will run at least until the end of 2022 and the contract value for Talkpool will be at least USD 1,5m.

Talkpool has long history of delivering mobile network services to vendors and operators in the Americas, and we are glad to be back and work with the latest technology in the region. We have big plans to invest and grow in this expansive region again and we know from several request that our services are in high demand in the region.

Several add on orders from major tower company Cellnex made Talkpool Netherlands clearly overachieve its sales targets in Q4. The increase of 5G sites construction work from operators like Vodafone and T-Mobile also increased sales of the Camouflage concept solutions in the Netherlands.

Despite the continued unrest in Haiti, our staff continued to indefatigable maintain and improve the mobile network of Digicel. The previously announced optical fiber project worth USD 420k was initiated and in addition Talkpool was awarded a new small densification project by Digicel Haiti. Although the amount of extra work during the quarter was limited, business exceeded expectations.

## IoT

In March 2021 Talkpool AG acquired the Swedish IoT company Nordic Proptech (NPTIS). The acquisition was a strategic step to complement and reinforce Talkpool's existing Smart Buildings business. We spent Q2 and Q3 strengthening and restructuring the company and the efforts showed positive result already in Q3. In October NPTIS acquired 100% of the shares in Talkpool AB. The shares were paid with newly emitted NPTIS shares. Talkpool AG, majority owner of both Talkpool AB and NPTIS, now holds the majority of the new Swedish IoT company specialized in Smart Buildings. Together the

two companies have been merged to a valuable market leading Smart Building company offering a complete eco-system for the digitization of buildings

Growth through 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.

Thanks to extraordinary sales activities in NPTIS during Q2 and Q3 an all-time-high order intake as well as all year high monthly revenues were generated in Q4.

On October 19 NPTIS signed an important as-a-Service agreement with a large Housing Association (BRF) west of Stockholm regarding the upgrade of their engine heater solution. The order value was around 4 MSEK. The contract includes delivery of components, installation, local internet connectivity, configuration of individual metering and billing and service agreement for around 400 engine heaters.

The steadily increasing energy prices have made many real estate companies take action to adopt innovations that make their buildings more efficient. It has become abundantly clear to many that now is the right time to invest in sustainable, energy saving innovations. This is particularly relevant for the real estate sector, which stands for 40% of global energy consumption.

Talkpool offers an HVAC optimization solution resulting in 10-25% energy savings. The Internet of Things has made it possible to equip existing buildings with wireless connected sensor devices. These sensor devices collect real-time data of parameters such as temperature, humidity, CO2 and particulate matter and this data is the foundation for a game changing innovation for the real estate industry: Talkpool's HVAC optimization solution. When the sensor data is combined with energy tariffs, weather forecasts and additional external data and is fed into an Artificial Intelligence (AI) model the building heating/cooling and ventilation can be optimized based on the inputs, resulting in energy savings up to 25%, providing a strong financial- as well as environmental incentive. Apart from the energy savings, the indoor climate is also significantly improved, as the heating, ventilation and cooling of the building is controlled in real-time based on actual sensor feedback from the building.

The energy optimization solution developed together with AI partner Myrspoven is well proven and already installed to control over 1 million square meters of indoor building space. In Q4 Talkpool delivered the

first international solution together with Myrspoven to a combined retail and office building in Prague.

In November Talkpool Germany launched its first end-to-end IoT solution for smart buildings. The so called air4schools solution is optimizing the air quality in classrooms while minimizing the energy cost for heating and ventilation. Wireless sensors measuring the CO2 and particles levels in the indoor air are connected to the air4schools ventilator that is installed directly in the windows of the classroom. The fans supply fresh air while letting out air with higher CO2 levels. The fans are equipped with ceramic cores that ensure 90 percent heat recovery. When designing “air4schools”, care was taken to ensure that the system works draft-free and almost noiselessly. This ensures that the students aren’t distracted by noise or low oxygen levels. The solution is successfully tested at two schools in Leipzig, Germany and further deployments are planned. While initially focusing on schools, the technology can also improve air quality in offices, conference rooms, public buildings, and private homes.

**1st Quarter 2022**

During the quarter Talkpool has continued to ramp up its 5G project activities in the USA with additional teams. New business opportunities with existing and new customers in the region keep emerging, so it’s up to our growth ambitions and capacity how much work we chose to accept.

In February Talkpool signed an agreement to sell 100% of the shares in its Pakistani business to ZT Group for total USD 3.7 million. The parties have agreed on terms and are expecting closing conditions to be met latest by the 30<sup>th</sup> of June 2022.

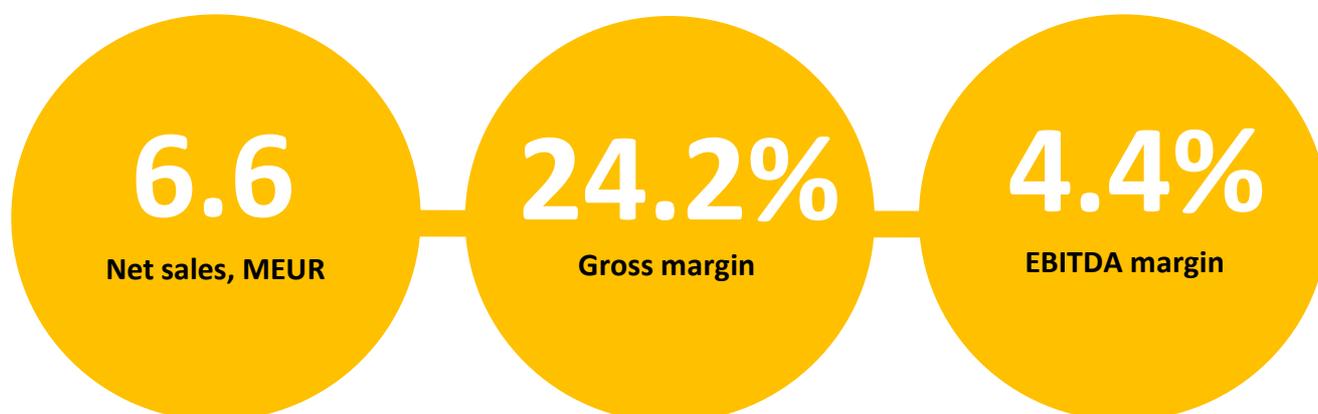
This transaction is an important step in Talkpool’s strategy to increasingly focus on investments in and growth of innovative technology companies in developed markets, mainly in western Europe and the USA. Talkpool AG will step by step develop into an incubator that is building value in its investments by offering an ecosystem of investors, R&D companies, tech partners and customers in the communications and property digitization industry.

The returns from the divestments will also be used to deleverage and lower the financial costs through payback of bonds and loans.

On March 3 it was decided that Talkpool's Swedish bond loan will be extended to December 31, 2022, with an option to repay on an ongoing basis. Half of the funds received from asset sales will go to amortization of the bond loan.



**Erik Strömstedt, CEO**



## FINANCIAL DEVELOPMENT

### Key figures

	Q4 2021	Q4 2020	FY 2021	FY 2020
Sales, € thousand	6'606	6'370	24'427	21'221
Sales growth in %	4.2%	30.1%	15.1%	-0.1%
Gross profit, € thousand	1'602	2'406	5'519	5'414
Gross margin	24.2%	37.8%	22.6%	25.5%
EBITDA, € thousand	288	484	1'124	957
EBITDA margin	4.4%	7.6%	4.6%	4.5%
EBIT, € thousand	156	297	732	492
EBIT margin	2.4%	4.7%	3.0%	2.3%

### Sales and gross margin

#### October - December

Net sales increased with 4.2 percent to EUR 6 606 thousand year-on-year. The revenue was slightly better than expected.

#### January - December

Net sales increased with 15.1 percent to EUR 24 427 thousand compared to the same period last year. The increase stems from organic growth in Europe and Haiti as well as acquired growth from Home Solutions.

The gross margin for the period ended up at 22.6 percent.

### EBITDA

#### October - December

EBITDA for the period ended up at EUR 288 thousand.

#### January - December

EBITDA for the period increased to EUR 1 124 thousand compared to EUR 957 thousand in 2020.

### Net profit/loss

#### October - December

The net earnings in Q4 2021 amounted to negative 163 thousand. Extra ordinary costs in Germany and Sweden as well as write offs of a loan in Africa had an adverse impact on the result.

#### January - December

In 2021, the net earnings amounted to negative EUR 288 thousand compared to negative EUR 986 thousand in 2020. Adjusted for extraordinary costs net earnings were positive in 2021.

## FINANCIAL POSITION AND CASH FLOW

### Key figures

	Q4 2021	Q4 2020	FY 2021	FY 2020
Equity ratio	-30.6%	-19.5%	-30.6%	-20.6%
Return on equity	4.5%	7.0%	11.9%	50.1%
Net cash/debt, € thousand	-5'654	-5'415	-5'654	-5'225
Operating cash flow, € thousand	637	533	1'846	-1'275

### Balance sheet and financial position

#### 31 December 2021

As of 31 December, cash amounted to 1 509 thousand and net debt to EUR -5 654 thousand.

The consolidated net equity ratio was -30.6 percentage as per end of 2021.

### Cash-flow and investments

#### October - December

Cashflow from operating activities over Q4 2021 amounted to positive EUR 637 thousand.

#### January - December

The cash flow from operating activities over the year 2021 amounted to positive EUR 1 846 thousand.

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

### 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. This accounting method results in a negative equity for the group. For further information regarding

applied accounting principles please refer to page 26-29 in the Talkpool annual report 2020.

### Significant events after the period

The SPA for the sales of Talkpool Pakistan and Saudi Arabia was signed in February 2022. The closing conditions are expected to be met latest by the 30<sup>th</sup> of June 2022. Talkpool will keep 30% of the shares in Talkpool Saudi Arabia. The parties have agreed to jointly invest USD 1 000 000 in proportion of 30:70 (seller:buyer) over a period of three years.

### Certified advisor

Erik Penser Bank, +46 8 463 80 00, [www.penser.se](http://www.penser.se), is Talkpool's Certified Advisor.

### Auditor's review

The company's auditors have not audited this report.

Chur, 10 March 2022

Erik Strömstedt  
CEO Talkpool AG

## SUMMARY OF FINANCIAL REPORTS

### Consolidated income statement

EUR	Oct - Dec		Jan - Dec	
	2021	2020	2021	2020
Net revenue from goods and services	6'605'821	6'369'695	24'426'931	21'221'419
Cost of sales	-5'003'975	-3'963'259	-18'908'244	-
<b>Gross profit</b>	<b>1'601'847</b>	<b>2'406'436</b>	<b>5'518'687</b>	<b>5'414'782</b>
Selling expenses	-345'275	-36'691	-683'768	-387'116
Administrative expenses	-1'191'300	-1'413'158	-4'390'083	-3'938'841
Other operating income & expenses	90'498	-659'816	286'737	-597'033
<b>Operating result</b>	<b>155'769</b>	<b>296'772</b>	<b>731'574</b>	<b>491'792</b>
Financial net	-275'890	-338'021	-801'206	-1'056'377
<b>Profit/loss before income taxes</b>	<b>-120'120</b>	<b>-41'249</b>	<b>-69'632</b>	<b>-564'585</b>
Income taxes	-43'802	-230'807	-218'563	-421'372
<b>Net profit/loss</b>	<b>-163'922</b>	<b>-272'056</b>	<b>-288'195</b>	<b>-985'957</b>
<b>Net income attributable to:</b>				
Stockholders of the parent company	-166'513	-154'115	-436'770	-1'142'265
Minority interests	2'591	-117'941	148'576	156'308
<b>Other information</b>				
Average number of shares	6'778'097	6'379'730	6'682'883	5'375'392
Earnings per share (no dilutive effects)	-0.02	-0.02	-0.07	-0.21
Number of shares, end of period	6'778'097	6'379'730	6'778'097	6'379'730
Earnings per share (no dilutive effects)	-0.02	-0.02	-0.06	-0.18

## CONSOLIDATED BALANCE SHEET

EUR	Dec 31 2021	Dec 31 2020
<b>ASSETS</b>		
<i>Current assets</i>		
Cash	1'508'921	1'072'799
Trade receivables	2'902'128	3'844'767
Other current receivables	2'571'988	2'450'315
Inventories and unvoiced services	2'418'515	2'002'848
Prepaid expenses and accrued income	320'770	309'439
<b>Total current assets</b>	<b>9'722'322</b>	<b>9'680'168</b>
<i>Non-current assets</i>		
Financial assets	174'982	186'528
Investments in associates and joint venture	8'449	8'084
Intangible assets	914'215	473'982
Property, plant and equipment	1'151'115	696'411
<b>Total non-current assets</b>	<b>2'248'761</b>	<b>1'365'005</b>
<b>TOTAL ASSETS</b>	<b>11'971'083</b>	<b>11'045'173</b>
<b>LIABILITIES AND EQUITY</b>		
<i>Current liabilities</i>		
Trade payables	2'669'551	2'079'282
Current interest-bearing liabilities	4'005'868	4'441'928
Other current liabilities	1'300'690	1'161'407
Accrued expenses and deferred income	2'976'706	2'750'282
<b>Total current liabilities</b>	<b>10'952'816</b>	<b>10'432'899</b>
<i>Non-current liabilities</i>		
Non-current interest-bearing liabilities	3'156'633	1'855'644
Provision	457'024	404'756
<b>Total non-current liabilities</b>	<b>3'613'657</b>	<b>2'260'400</b>
<b>Total liabilities</b>	<b>14'566'473</b>	<b>12'693'299</b>
<i>Equity</i>		
Stockholders' equity	-3'664'463	-2'279'926
Minority interest in equity of subsidiaries	1'069'073	631'800
<b>Total equity</b>	<b>-2'595'390</b>	<b>-1'648'126</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>11'971'083</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	Oct - Dec		Jan - Dec	
	2021	2020	2021	2020
<i>Operating activities</i>				
Net profit/loss	-111'025	-272'056	-288'195	-985'957
+/- adjustment for items not affecting cash flow	339'083	186'203	778'604	720'994
+/- increase/decrease of working capital	409'116	619'258	1'355'532	-1'009'690
<b>Net cash flow from operating activities</b>	<b>637'174</b>	<b>533'405</b>	<b>1'845'941</b>	<b>-1'274'653</b>
<i>Investing activities</i>				
- purchase of property, plant and equipment	-218'247	48'508	-584'223	-191'924
+ sale/divestment of property, plant and equipment	-	-	-	71'605
- purchase of intangible assets	-285'270	-1'170	-450'407	-86'265
+/- inflow/outflow from change of financial assets	-	6'912	-	-
+/- transaction with minority	-35'069	-	-103'775	-75'614
+/- Investment in subsidiaries / acquisitions	-	-	-1'946'249	-
<b>Net cash flow from investing activities</b>	<b>-538'586</b>	<b>-42'766</b>	<b>-3'084'654</b>	<b>-282'198</b>
<i>Financing activities</i>				
+/- net proceeds form share issue	-	-	900'022.00	-
+/- issuance/repayment of interest-bearing liabilities	-86'488	-793'200	917'197.00	1'307'453
<b>Net cash flow from financing activities</b>	<b>-86'488</b>	<b>-793'200</b>	<b>1'817'219.00</b>	<b>1'307'453</b>
Currency translation effects	25'768	259'899	-142'384.00	165'065
<b>Net change in cash</b>	<b>37'868</b>	<b>-42'662</b>	<b>436'122</b>	<b>-84'332</b>
Cash, beginning of period	1'471'054	1'110'961	1'072'799	1'157'131
Cash, end of period	1'508'921	1'068'299	1'508'921	1'072'799

## 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	-	-	-	-1'142'265	-	-1'142'265	-156'309	-732'536
Share issue	67'154	1'983'095	-	-	-	2'050'249	-	2'050'249
Transactions with minority	-	-	-	144'924	154'866	299'790	208'892	508'682
Foreign currency differences	-	-	-525'472	-	-	-525'472	-	-525'472
<b>Dec 31, 2020</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>
<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	-	-	-	-288'195	-	-288'195	-148'576	-436'770
Share issue	18'010	882'012	-	-	-	900'022	-	900'022
Transactions with minority/Goodwill	-	-	-	-3'741'816	2'000'179	-1'741'637	585'849	-1'155'787
Foreign currency differences	-	-	-254'729	-	-	-254'729	-	-254'729
<b>Dec 31, 2021</b>	<b>275'735</b>	<b>8'383'131</b>	<b>-966'805</b>	<b>-9'993'672</b>	<b>-1'362'852</b>	<b>-3'664'463</b>	<b>1'069'074</b>	<b>-2'595'389</b>

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

## DEFINITION OF KEY INDICATORS

<b>Earnings per share</b>	Period net profit/loss in relation to average number of shares for the period
<b>EBITDA</b>	Earnings Before Interest Tax Depreciation and Amortization
<b>EBIT</b>	Earnings Before Interest and Tax
<b>Equity ratio</b>	Equity in percentage of total assets
<b>Return on equity</b>	Net profit/loss in relation to equity
<b>Net cash/debt</b>	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, Group Reporting** 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

Audited annual report January - December 14 April 2022  
Annual Shareholder's meeting 6 May 2022