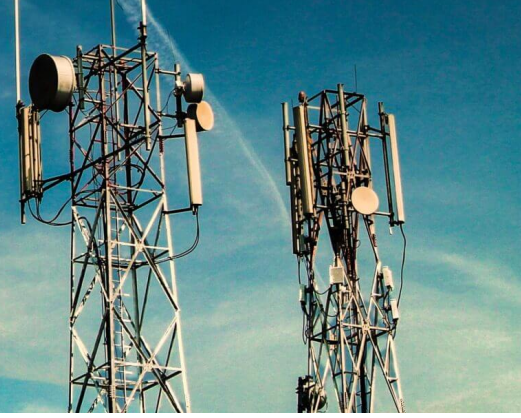


Q2

Interim Report

Jan-Jun 2022

talkpool



The quarter in brief

April 1st – Jun 30th 2022

- Net sales amounted to EUR 6 763 thousand (6 246), an 8.3 percent increase
- EBITDA of EUR 301 thousand (383) and EBITDA margin of 4.4 % (6.1)
- EBIT of EUR 194 thousand (286) and EBIT margin of 2.9% (4.6)
- Net earnings after tax of positive EUR 106 thousand (19)

Jan 1st – Jun 30th 2022

- Net sales amounted to EUR 12 899 thousand (11 937), an 8.1 percent increase
- EBITDA of EUR 365 thousand (432) and EBITDA margin of 2.8 percent (3.6)
- EBIT of EUR 157 thousand (238) and EBIT margin of 1.2 percent (2)
- Net earnings after tax of negative EUR 170 thousand (-320)

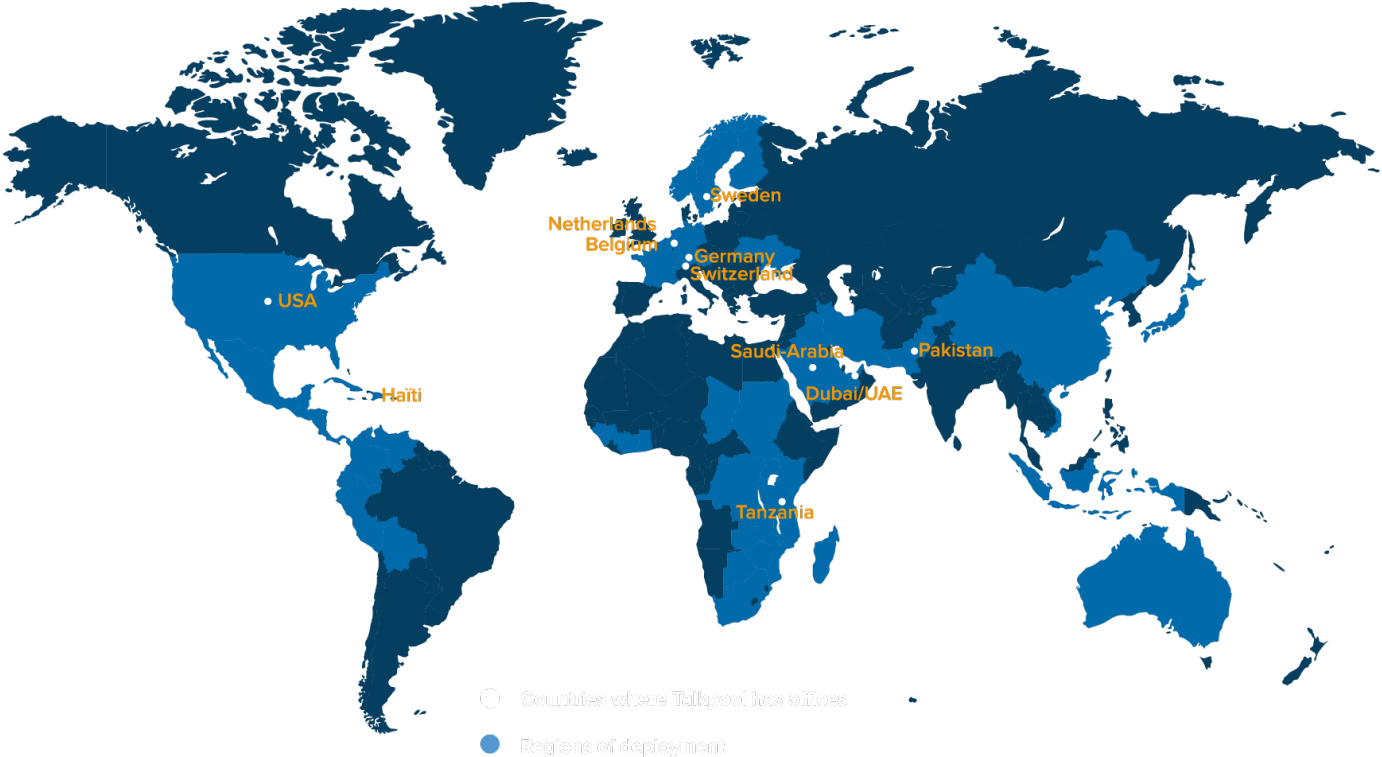
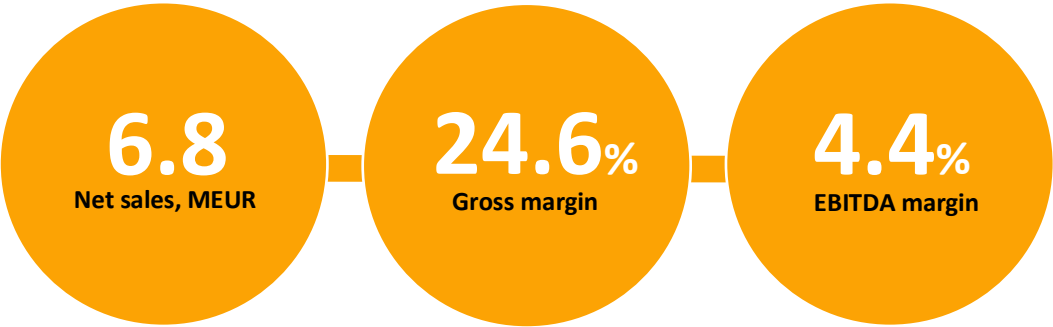
April – June key developments

- Fast growth to an all-time high quarterly Group Revenue of EUR 6.8m
- Significant Net Earnings of close to EUR 110k
- Gross Margin increased to almost 25%
- Fast growth in Germany to over EUR 800k Revenue with 43% GM and 22% EBITDA
- Germany, Belgium, the Netherlands, Haiti and Pakistan all beat their budgets
- New investments and positive business development in the USA
- NPTG received an order from B-meters for 15.000 water meters
- The Smart floor drain was launched at Nordbygg with great feedback from stakeholders
- High fuel and material cost in several countries due to the war in Ukraine
- First contract closed for car charging stations in Sweden and partner agreement with a European charging station supplier signed
- Talkpool launched its new revolutionary Radon sensor
- Talkpool and PAiC joined forces to launch PAiChain and its PAiC Token
- Initial slow IoT sales in Sweden due to projects delays

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 August 25, 2022.

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

Despite the ongoing global turmoil that is causing inflation and hampering investments, Talkpool made its best quarter ever in Q2 2022. Group Revenue reached an all-time high of EUR 6.8m and the Net Earnings of EUR 106k are the best since Talkpool's IPO in 2016. This breakthrough is the result of a focused and determined turnaround work that started in 2019 and steadily improved financial performance since then. Now when the operational costs are optimized in most existing markets, the next step will be to focus even more on deleveraging and cutting financial costs.

One of the main contributors to the growth and the net result in Q2 was Talkpool's German business unit, which grew to EUR 800k Revenue with over 43% Gross Margin and more than 22% EBITDA. The stable growth and performance in the other European and the American markets did also grant a successful quarter and a solid base for future growth and further profit improvements.

A good portion of resilience and hard work took us through two years of global pandemic with limited negative business impact. The global effects of the war in Ukraine are now creating new challenges. Soaring energy prices and inflation are increasing the operational costs for Talkpool, but it is also creating business opportunities for energy saving solutions for real estate owners, telecom operators and tower companies

Although ongoing customer negotiations and planned projects were unexpectedly delayed during the first months of the year, the high sales activity and the demand for energy-saving solutions clearly showed in our books during the second quarter.

Network Services

Covid-19 had a limited negative impact on the telecom industry and in a longer run it has only increased the demand for bandwidth and internet services.

The ongoing global crisis mainly caused by the war in Ukraine is not necessarily advantageous for the telecom and IT industry, but so far, the negative impact on our telecom network business and the demand for our expertise services has been close to zero.

Inflated fuel and power prices have increased the operational costs, but in most countries, we have been able to compensate this with cost reductions and price adaptations.

Talkpool's engagement in the US market continued to grow during the second quarter. The Ericsson USA 5G roll out services project in Puerto Rico remained our main project on the market, but the preparation for two new projects on the US mainland progressed well.

According to the market outlook the demand for communication networks expertise and services will just continue to grow and the big 5G and fibre network deployment projects in the USA have barely started. Hence Talkpool will continue to invest and grow in this expansive region to make it one of its key markets.

Talkpool has been well established on the German Telecom Network Services Market for many years, but the positive development of the company during the second quarter is unprecedented. The growth to a quarterly revenue of over EUR 800k makes it the fastest growing and the fourth biggest company in the group extrapolating the all-time high revenue in June. The German market demand for optical fiber planning and deployment services is bound to continue for many years to fulfill the political commitments and Talkpool is determined to continue growing to one of the major broadband Network Expert companies in the market.

IoT

In June the sales of IoT solutions and products in the Swedish market started picking up again after some slow first 4-5 month of the year when real estate companies and other customers were holding back on their investments, waiting for the turmoil in the world finance and politics to stabilize. Thanks to the resilience of our sales staff and the soaring energy prices, customer negotiations continued to progress, and we saw the orders booked increase already at the beginning of Q2. Having said that, the financial situation for real estate companies is challenging and the market forecast is uncertain, which will affect investments in the industry.

In Q2 the first contracts for car charging stations in Sweden were closed. Charging stations will be added to our smart buildings offering and the stations will be integrated in the IMD and local power management solutions offered by Nordic Proptech. To secure HW quality and supply a strategic partner agreement was signed with a major European charging station supplier in June.

In April B METERS placed an order for 15.000 of Talkpool's IoT communication devices, compatible with their water meters. The order shows that demand for the product, first launched in 2018, keeps increasing, and the rollout of the product is reaching large scale.

The partnership fits well in the 'Talkpool-inside' concept and the sale of 15.000 LoRaWAN modules is a sign of the success of the strategy. The smart water meters with Talkpool inside will be sold by B METERS to its end-customers, in various markets all over Europe.

The primary market driving use cases are submetering in real estate and smart metering by utility companies. Using smart meters for these applications allows for

strengthened control of water management systems, including the detection of leakages and the invoicing of consumption, based on real-time insights in actual consumption.

A couple of years ago, insurance company Folksam initiated a collaboration between Purus, Anticimex and Talkpool, to explore the opportunities to use new technology to reduce water damage costs. Folksam has run a pilot installation for one year with actual customers. Although the sample size was small, the smart floor drain was able to show a decrease of water damage related costs by 60%, through the enablement of partial repairs of the bathroom.

In April the floor drain was launched at the big construction fair Nordbygg in Stockholm. The product and the concept were met with an overwhelming interest from insurance companies, property owners, installers and industry associations, which indicates a great market potential.

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 last year Talkpool delivered the first international solution together with Myrspoven to a combined retail and office building in Prague. In Q2 Talkpool and Myrspoven initiated a joint effort to boost the sale of energy saving HVAC optimisation solution outside of the Nordic countries starting in Germany.

Talkpool also continued its focused efforts to sell the “air4schools” solution in Germany and Switzerland. The end-to-end solution is optimizing the air quality in classrooms while minimizing the energy cost for heating and ventilation. The solution has successfully tested at several schools in Germany and Switzerland 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.

Radon gas is another severe problem in buildings in many areas of the world, being the second most frequent cause of lung cancer. Good ventilation is crucial to prevent this. In June Talkpool launched its revolutionary Radon sensor. The device measures radon gas levels extremely fast and reports the data directly, online, which enables Smart Building Solutions, supports Green Building Certifications and allows for unique control of ventilation systems based on real-time Radon data.

As a result of this, ventilation systems can be activated when radon levels increase, thereby ensuring a safe

environment for the building users. On the other hand, when the building is not in use, like for example a school building at night, ventilation systems can be turned off to save energy, to be activated again in time before the day starts. This can thereby tackle key safety-, sustainability- and financial targets of real estate owners and facility managers.

Talkpool and PAiC have recently joined forces to launch PAiChain and its PAiC Token. This joint venture will deliver a unique combination of Telecommunications, IoT and m-Commerce products, that include blockchain technology in relevant use cases for these industries.

Through PAiChain, the companies are actively engaged in collaboration to identify innovative opportunities for blockchain technology to enhance security, transparency and database efficiency of key projects to the benefit of their current and continuously expanding customer base.

PAiChain is looking to add transactional value to all customers and partners in the PAiChain ecosystem – these values are expressed through the PAiC Token.

3rd Quarter 2022

During the third quarter Talkpool continued to evolve its incubator strategy. The successful acquisition and consolidation of Nordic PropTech in the Talkpool Group has created value which was proven in the new share emission in Nordic PropTech recently at a valuation several times higher than the acquisition price.

This and other valuable assets of Talkpool AG are not relevantly reflected in its share price as the current market cap of the group is only around SEK 50m. In its portfolio of holdings in IoT and com tech companies, Talkpool AG currently has assets worth several times this market cap. To unfold the hidden values and leverage on its strength as an incubator, Talkpool AG will increasingly focus on M&A and investments in innovative tech companies.

The IoT solutions development centre Capricorn in Chur did also progress well during the quarter as several solution test projects in live environments were launched. The products are developed in Switzerland and the IP will belong to Talkpool.



Erik Strömstedt, CEO

Financial development

Key figures

	Q2 22	Q2 21	1. HY 22	1. HY 21	FY 21
Sales, € thousand	6'763	6'246	12'899	11'937	24'502
Sales growth in %	8.3%	27.8%	8.1%	22.2%	15.5%
Gross profit, € thousand	1'664	1'407	3'065	2'681	5'770
Gross margin	24.6%	22.5%	23.8%	22.5%	23.5%
EBITDA, € thousand	301	383	365	432	1'139
EBITDA margin	4.4%	6.1%	2.8%	3.6%	4.6%
EBIT, € thousand	194	286	157	238	727
EBIT margin	2.9%	4.6%	1.2%	2.0%	3.0%

Sales and gross margin

April - June

Net sales increased by 8.3 percent to EUR 6 763 thousand (6 246) compared to the same quarter last year. Main contributors to the sales increase were fast growing Talkpool Germany and newly started USA, but also established markets like the Netherlands, Haiti and Pakistan.

The gross margin increased by 1.8 percentage points to 24.6 compared to Q1 2022 and 2.1 percentage points compared to Q2 2021. Germany made a fair share of the group gross profit as it generated an average gross margin of 43% during the quarter. Other high performers were Haiti and Belgium.

January - June

Net sales increased by 8.1 percent to EUR 12 899 thousand (11 937) compared to the same period last year.

The gross margin increased by 1.3 percentage points to 23.8 compared to the first half year 2021.

EBITDA

April - June

EBITDA for the period ends up to EUR 301 thousand compared to EUR 383 thousand in Q2 2021. Q2 2021 was a strong quarter with extraordinary profits in Talkpool AB and Pakistan and one-off projects in Africa. The performance in Q2 this year was overall positive, but Tanzania, Saudi didn't quite reach expectations and the investments in new projects in the USA also affected EBITDA.

January - June

EBITDA for the first half year decreased EUR 67 thousand to 365.

Net profit/loss

April - June

The net earnings in Q2 2022 amounted to positive EUR 106 thousand compared to negative EUR 276 in Q1 2022. The foreign exchange rate SEK/CHF as per 30.06. had a positive impact on the financial result as well as the high performance in Germany, the Netherlands and Haiti.

January - June

The net earnings in the first half year 2022 amounted to negative EUR 170 thousand compared to negative EUR 321 in the same period 2021.

Financial position and cash flow

Key figures

	Q2 22	Q2 21	1. HY 22	1. HY 21	FY 21
Equity ratio	-20.8%	-15.1%	-20.8%	-15.1%	-21.3%
Return on equity	-2.6%	2.1%	3.7%	14.3	13.8%
Net cash/debt, € thousand	-6'195	-5'413	-6'195	-5'413	-5'674
Operating cash flow, € thousand	-823	904	-804	768	2'519

Balance sheet and financial position

30 June 2022

As of 30 June, cash amounted to 1 033 thousand and net debt to EUR negative 6 195 thousand.

The consolidated net equity ratio was negative 20.8 percentage points at the end of the second quarter.

Cash-flow and investments

January - June

The cash flow from operating activities over the first half year 2022 amounted to negative EUR 804 thousand, mainly due to the investments in the US market.

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 28-32 in the Talkpool annual report 2021.

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, 25 August 2022

Erik Strömstedt

CEO Talkpool AG

Summary of financial reports

Consolidated income statement

EUR	Apr – Jun 2022	Apr – Jun 2021	Jan – Jun 2022	Jan – Jun 2021	Jan – Dec 2021
Net revenue from goods and services	6'762'981	6'246'289	12'899'108	11'937'019	24'501'565
Cost of sales	-5'098'725	-4'838'805	-9'834'000	-9'255'697	-18'731'757
Gross profit	1'664'256	1'407'484	3'065'108	2'681'322	5'769'808
Selling expenses	-320'060	-96'888	-636'549	-165'244	-851'7992
Administrative expenses	-1'163'705	-1'023'856	-2'289'316	-2'242'322	4'518'079
Other operating income & expenses	13'897	-796	17'419	-35'856	327'423
Operating result	194'388	285'945	156'662	237'899	727'360
Financial net	25'305	-224'323	-120'830	-441'337	-806'137
Profit/loss before income taxes	219'693	61'621	35'832	-203'438	-78'776
Income taxes	-113'954	-42'987	-206'070	-117'169	-255'694
Net profit/loss	105'739	18'634	-170'238	-320'607	-334'471
Net income attributable to:					
Stockholders of the parent company	93'797	-64'407	-133'924	-428'463	-494'873
Minority interests	11'942	-83'041	-36'314	-107'856	160'403
Other information					
Average number of shares	6'778'097	6'778'097	6'778'097	6'585'553	6'682'883
Earnings per share (no dilutive effects)	0.01	-0.01	-0.02	-0.07	-0.07
Number of shares, end of period	6'778'097	6'778'097	6'778'097	6'778'097	6'778'097
Earnings per share (no dilutive effects)	0.01	-0.01	-0.02	-0.06	-0.07

Consolidated balance sheet

EUR	Jun 30 2022	Jun 30 2021	Dec 31 2021
ASSETS			
<i>Current assets</i>			
Cash	1'032'991	1'743'845	1'509'324
Trade receivables	3'764'411	3'456'655	2'788'789
Other current receivables	2'472'367	2'847'481	2'121'354
Inventories and unvoiced services	2'253'978	2'333'309	2'197'473
Prepaid expenses and accrued income	477'056	351'026	388'124
Total current assets	10'000'803	10'732'316	9'005'064
<i>Non-current assets</i>			
Financial assets	423'221	875'207	520'570
Investments in associates and joint venture	8'737	7'976	8'449
Intangible assets	798'199	539'545	743'144
Property, plant and equipment	1'106'820	712'854	1'387'006
Total non-current assets	2'336'977	2'135'583	2'659'170
TOTAL ASSETS	12'337'779	12'867'899	11'664'234
LIABILITIES AND EQUITY			
<i>Current liabilities</i>			
Trade payables	1'808'046	1'708'801	2'410'782
Current interest-bearing liabilities	4'300'000	3'867'798	4'431'728
Other current liabilities	2'022'797	1'525'042	1'203'453
Accrued expenses and deferred income	3'392'144	3'925'009	2'927'238
Total current liabilities	11'522'987	11'026'650	10'973'201
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	2'928'229	3'288'685	2'751'263
Provision	448'052	489'897	428'904
Total non-current liabilities	3'376'280	3'778'582	3'180'167
Total liabilities	14'899'267	14'805'232	14'153'368
<i>Equity</i>			
Stockholders' equity	-3'576'884	-3'003'624	-3'579'069
Minority interest in equity of subsidiaries	1'015'396	1'066'291	1'089'936
Total equity	-2'561'488	-1'937'333	-2'489'134
TOTAL LIABILITIES AND EQUITY	12'337'779	12'867'899	11'664'234

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

Consolidated cash flow statement

EUR	Apr – Jun 2022	Apr – Jun 2021	Jan – Jun 2022	Jan – Jun 2021	Jan – Dec 2021
<i>Operating activities</i>					
Net profit/loss	105'739	18'634	-170'238	-320'607	-334'471
+/- adjustment for items not affecting cash flow	-586'743	192'696	156'968	301'582	800'141
+/- increase/decrease of working capital	-341'947	692'365	-790'558	786'779	2'053'466
Net cash flow from operating activities	-822'951	903'695	-803'828	767'754	2'519'136
<i>Investing activities</i>					
Investments in property, plant and equipment	243'946	-126'783	-	-210'173	-997'960
Sale/divestment of property, plant and equipment	71'943	-	71'943	-	7'484
Investments in intangible assets	-544'878	-55'416	55'055	-65'563	-361'504
Inflow/outflow from change of financial assets	8'145	-	97'349	-	-334'042
Dividends paid to minority	-	-68'706	-59'835	-68'706	-74'136
Acquisition of subsidiaries	-	-242'879	-	1'588'474	-7'306
Net cash flow from investing activities	-220'844	-8'026	164'512	1'932'912	-1'767'464
<i>Financing activities</i>					
Net proceeds from share issue	-	-	-	900'022	867'103
Net issuance (repayment) of interest-bearing liabilities	142'660	-1'413'058	64'385	944'052	-1'156'333
Net cash flow from financing activities	142'660	-1'413'058	64'385	1'844'074	-289'230
Currency translation effects	72'582	-184'448	98'597	-7'867	-25'918
Net change in cash	-828'553	-701'836	-476'334	671'045	436'524
Cash, beginning of period	1'861'543	2'445'681	1'509'324	1'072'799	1'072'799
Cash, end of period	1'032'991	1'743'845	1'032'991	1'743'845	1'509'324

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, 2021	257'725	7'501'119	-712'076	-5'963'661	-3'363'031	-2'279'924	631'800	-1'648'124
Net profit/loss	-	-	-	-428'463	-	-428'463	107'856	-320'607
Share issue	18'010	882'012	-	-	-	900'022	-	900'022
Acquisition of subsidiaries	-	-	-	158'246	-1'953'379	-1'795'133	326'635	-1'468'498
Foreign currency differences	-	-	871'272	-271'398	-	599'874	-	599'874
Jun 30, 2021	275'735	8'383'131	159'196	-6'505'276	-5'316'410	-3'003'624	1'066'291	-1'937'333
Jan 1, 2022	275'735	11'884'533	-679'229	-6'298'132	-8'761'977	-3'579'070	1'089'935	-2'489'135
Net profit/loss	-	-	-	-170'237	-	-170'237	36'314	-133'923
Share issue	-	-	-	-	-	-	-	-
Transactions with minorities	-	-139'107	-	-208'766	224'496	-123'377	-110'853	-234'230
Foreign currency differences	-	-	295'800	-	-	295'800	-	295'800
Jun 30, 2022	275'735	11'745'426	-383'429	-6'677'135	-8'537'481	-3'576'884	1'015'396	-2'561'488

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

Definitions 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

Further information

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Financial calendar

Interim report January - September 2022	18 Nov 2022
Year-end report January - December 2022	10 Mar 2023
Audited annual report January - December 2022	14 Apr 2023