ANNUAL REPORT
Talkpool AG

Content

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, America, the Middle East and Africa.

Talkpool at a Glance

Millions of people in over 50 countries on all continents access internet and communicate through fixed- and mobile networks built by Talkpool. Talkpool is specialized in design, integration, management and optimization of communication networks and solutions. For seven years, the company pioneers "Internet of Things" solutions development. Talkpool's technology development is focused on making infrastructure and buildings energy efficient, sustainable and healthy.

NETWORK SERVICES (TNS)

Talkpool offers services for the complete communication network life cycle from planning and implementation of new networks, on to operation and optimization and finally repair and consulting. The service offering is designed to meet demand for efficient and flexible services from equipment vendors and telecom operators in Europe, Middle East and America.

The current client portfolio includes networks operators such as Deutsche Telekom, Telenor and Digicel as well as equipment vendors such as Ericsson, Nokia and Huawei.

Talkpool primarily engages in recurring work, which produces a predictable and stable cashflow. For many years, Talkpool's Telecom Network Services business portfolio was geared towards developing markets. As part of Talkpool's ongoing business portfolio management, the geographic focus has shifteed towards developed markets, primarily in Europe and the USA.

INTERNET OF THINGS (IOT)

The IoT offering spans end-to-end solutions including software, hardware, cloud and apps for Smart Buildings. Design and integration of complete IoT solutions include end-devices with sensors, a platform with graphical user interface and a network back-end system. In addition to in-house development, Talkpool also integrates equipment made by other companies into its offering. This includes new technology such as artificial intelligence and blockchain.

The current client portfolio includes real estate, construction, insurance, meter manufacturing and integrator companies.

Talkpool has expanded IoT activities from its original base in Scandinavia into several markets, where Talkpool already has an autonomously growing business. Furthermore, the shift from engineering towards business development (of proven solutions) progressed well.

THE YEAR IN BRIEF

25.5
Net sales, MEUR

3.9%
EBITDA margin

25.4%
Gross margin

Jan 1st – Dec 31st 2022

- Net sales amounted to EUR 25 498 thousand (24 502), a 4.1 percent increase
- EBITDA of EUR 999 thousand (1 223) and EBITDA margin of 3.9 percent (4.9)
- EBIT of EUR 603 thousand (727) and EBIT margin of 2.4 percent (3.0)
- Net earnings after tax of EUR 1 240 thousand (-334)

Significant events during the year

- All-time high Group Revenue of EUR 25 498 thousand
- Group Net Earnings of EUR 1 240 thousand
- Organic growth of over 60% to EUR 3 077 thousand in Talkpool Germany
- Repayment of 36.3% of interest-bearing loans on group level and 80% on Talkpool AG level
- Full repayment of the Nord SEK 24 million bond loan in cash and NPTIS shares
- Sale of NPTIS shares generated EUR 1 385 thousand profit
- Sale of Camouflage B.V. (Netherlands) shares generated EUR 681 thousand profit
- Total debt reductions of over EUR 2 599 thousand
- Total yearly interest cost reductions of EUR 500 thousand from 2023
- Focus on debt reduction and financing through asset realization

Erik Strömstedt
CEO Talkpool

CEO Comments

In 2022 Talkpool Group reached an all-time high revenue of EUR 25 498 thousand and an all-time high net profit of EUR 1 240 thousand. The increase in net earnings of EUR 254 thousand compared to the unaudited Year-End report stems from adjustments made to the calculations of the gains on sales of the Netherlands and shares in Nordic Proptech.

During the year Talkpool also made a giant leap in reducing debt, as 80% of all major interest-bearing loans were paid back either in cash or shares in subsidiaries. Not only does this reduce interest costs for partly very costly loans, but it also reduces risks and dependencies in a radical way. Furthermore, significant financial gains were achieved as the highly valued assets were realised.

Covid 19 never had a significant impact on Talkpool's Network Services business, but it created an uncertainty among our customers that hampered and delayed business decisions. A good portion of resilience and hard work took us through two years of global pandemic and the most significant remining effect from the Corona period is the use of home office and video conferencing, which both have increased the need for fast and stable internet connections.

The global effects of the war in Ukraine then created new challenges. High energy prices and inflation were increasing the operational costs for Talkpool, but also this crisis created new business opportunities for energy saving solutions for real estate owners, telecom operators and tower companies. Ongoing customer negotiations and planned projects were delayed during the beginning of the year, but the high sales activity and the demand for energy-saving solutions clearly showed in our books during the latter part of the year.

In October Talkpool AG signed a share purchase agreement for the sale of its shares in Talkpool Netherlands. Talkpool acquired the Dutch company, specialized in camouflaging mobile antenna sites, in October 2016 and developed the business towards towers and mobiles sites implementation and maintenance services. The full year revenue 2021 had grown from EUR 900 thousand in 2016 to EUR 3 730 thousand with 11% EBITDA. The transaction had a value of about EUR 1 250 thousand, which makes Talkpool's return on investment, including sales and operational profits since the acquisition exceed 320%. Talkpool AG used the proceeds to repay loans and provide working capital.

In December Talkpool AG paid back the outstanding bond loan of SEK 24 000 thousand plus interest to Nord. Talkpool performed a cash payment of SEK 7 million, that equals slightly more than half of the payment Talkpool AG received from the sale of its holding in the Netherlands. The remaining amount was repaid in Nordic Prop Tech Investment Services shares at a company post-valuation of SEK 86.3 million.

The total annual costs were reduced substantially when loans amounting to about EUR 2.6 million were repaid to the lenders, and assets worth of EUR 3.6 million were sold. These transactions, including the repayment of loans, were important steps in Talkpool's medium-term strategy to deleverage and concentrate on growth areas which offer an attractive bottom line.

NETWORK SERVICES

Despite the slowdown in the global economy, Talkpool AG continued to receive sizable requests for services and orders from prominent customers in Europe and the USA, markets with a significant demand for 5G and Glass Fibre Network services.

Major network deployment projects in the USA create a high demand for communication networks expertise and services. In December 2021 Talkpool signed a contract with Ericsson USA for a 5G roll out services project in Puerto Rico and in January 2022 Talkpool initiated the first service deliveries. Mid-year the growth pace in the USA was slowed down when the expected proceeds from the sale in Pakistan did not materialise. Ongoing projects continued whereas the mobilisation of resources for new projects was held back. We built relations to several new customer accounts in the USA throughout the year, and we will take care of strategic and profitable opportunities as far as the financing capacity admits.

Talkpool has a 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 long term plans to invest and grow in this expansive market again and we know that our services are in high demand.

Talkpool has been well established on the German Telecom Network Services Market for many years, but the positive development of the company during 2022 is unprecedented. The growth of over 60% year on year makes it the fastest growing and the third biggest company in the Talkpool group. Many new broadband planners were hired and trained, and the geographical footprint of our planning services was expanded to cover most of eastern and southern Germany. Investments in recruitment, staff competence development and software tools to increase the fibre network planning capacity and quality were done without service delivery interruption or earnings reduction. On the contrary operational costs were reduced through reorganisation and outsourcing. The steady increase in business volume, service areas and geographic footprint in Germany is the fruit of a long and close partnership between Germany's largest Telecom Network Operator, Deutsche Telekom and Talkpool. The German market's general 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.

Caribbean mobile network provider Digicel remained one of Talkpool's most important clients in 2022. Talkpool has been Digicel's preferred service partner company for operation and maintenance of its mobile and optical fibre transmission network since 2006 and amid the cumbersome security situation in country, Talkpool could continue supporting Digicel in maintaining a high grade of service in the countrywide network throughout 2022.

Pakistan is the world's fifth-most populous country, with a population of almost 243 million people. Talkpool's Pakistan operations continued to operate with high service quality, strengthening its position as Pakistan's market leader in telecom network services while generating higher profit margins compared to previous years.

IOT

The high inflation continued to create challenges in several countries. High energy prices are increasing the operational costs for Talkpool and its customers, but it is also creating new opportunities for energy saving solutions for real estate owners, telecom operators and tower companies.

The IoT solutions sales in Sweden soared in the fourth quarter and revenue reached an all-time high as the demand for Nordic Proptech's energy saving solutions and electrical car charging stations increased. For the full year 2022 the merged Swedish IoT company achieved a significant sales increase resulting in over SEK 48 million revenue and positive Earnings before Tax. This financial performance can not only be attributed to the surge of energy prices but also to the launch of a new data collection platform and the establishment of new and strengthened partnerships with prominent industry players such as HSB, Myrspoven, Fastighetsägarna, and KEBA. Furthermore, the competitive IoT device technology and knowledge around LoRa Radio Access, made the submetering solutions more cost competitive.

The primary IoT market driving use cases are still submetering in real estate and smart metering by utility companies. Using smart meters for these applications allows for strengthened control of power- and water management systems, including the detection of leakages and the invoicing service.

The sale of the energy optimization solution, developed together with AI partner Myrspoven, gained speed again also outside of the Nordic countries.

Outside of Sweden, Talkpool's market units, on the US and European markets in particular, were pursuing local IoT opportunities and initial orders started materialising.

1ST QUARTER 2023

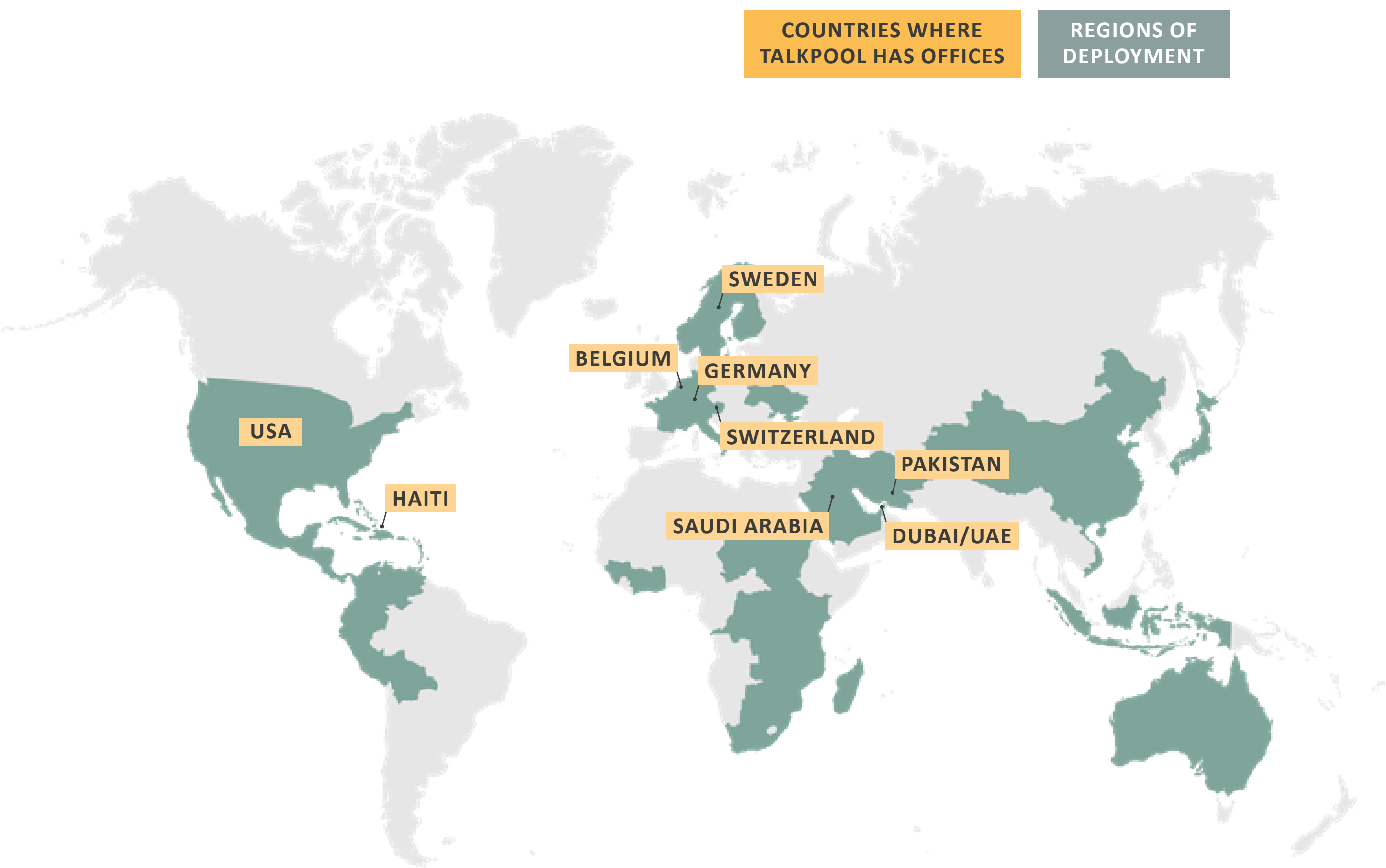
In January 2023 a 2-year convertible loan with 8% annual interest rate and an option to convert the loan to shares at SEK 6 per share valuation was launched. Four convertible loan contracts, totalling approximately to EUR 430 thousand were signed in February and the funds have been fully received. Talkpool's Chairman Magnus Sparrholm and CEO Erik Strömstedt contributed with more than half of the loan amount. The received cash from the convertible loan will mainly be used to amortize other loans according to existing agreements.

In March Talkpool AG signed an agreement to pay back an existing convertible loan of EUR 700 thousand plus interest to Matthias Winter. The whole amount will be repaid in Nordic Prop Tech Investment Services shares at a post-value of SEK 86.3 million. This transaction reduces the remaining debts and financial costs of Talkpool further and generates a significant capital gain.

In March 2022 an SPA for the sale of Talkpool's shareholding in Pakistan and Saudi Arabia was signed, but later not honoured by the buyer, ZT Group. Due to the challenges with the sale of the Pakistani entity, Talkpool started a process of finding buyers for alternative valuable assets to free up tied capital. In Q1 2023 Talkpool assigned an agent to actively search for a new investor or buyer of Talkpool Pakistan. The proceeds will be used to fuel a new growth phase in Talkpool Group with investments in organic growth as well as acquisitions of communication tech companies, primarily in Europe and the USA. If the sale of Talkpool Pakistan will be closed before August 1, Talkpool is considering using its option to buy back shares in Nordic Propeye in Sweden.

After a period of focus on deleveraging and strengthening the company financially, the management and the board of Talkpool are now looking ahead, revamping the strategy for an exciting future for Talkpool.

Erik Strömstedt, CEO



IoT Business Update

POSITIONING AND STATUS

Talkpool's IoT business is focused on green tech solutions saving energy and water, improving indoor climate, enhancing well-being, and preventing damage by measuring critical factors such as electricity and water consumption, temperature, humidity, CO_2, radon levels in residential and commercial buildings.

During 2022 Talkpool shareholding in Nordic Propeye was reduced as loans were repayed with the valuable Nordic Propeye shares, but the development and supply of communication technology to make infrastructure and real estate smart is and will continue to be an important pillar in Talkpool's offering. Thanks to Talkpool's profound understanding of communication technology in general and radio communication in particular, Talkpool was one of the first movers in the IoT networks and devices industry. Based on the long experience and market presence the company has developed to an advanced end to end IoT solutions provider.

Nordic Propeye consists of the former Nordic Proptech Group, acquired by Talkpool in 2021, and former Talkpool AB. During 2022 the synergies in the merged IoT company Nordic Propeye started showing clear results. The integration of former Talkpool AB's competitive device technology and knowledge around LoRa Radio Access, has improved Nordic Proptech's Smart Buildings solutions technically and has made them more cost efficient. The merger will hence enable the company to streamline its operations, enhance its overall competitiveness and finance future as-a-service contracts.

The launch of a new data collection platform and the establishment of new and strengthened partnerships with prominent industry players such as HSB, Myrspoven, Fastighetsägarna and charging station vendor KEBA contributed to a significant sales increase in 2022 resulting in over 48MSEK revenue and a positive Earnings before Tax of 0.25 MSEK.

Talkpool's market units all around the world are promoting and integrating the products and solutions from Nordic Propeye as well as other partner products, like the air4schools solution for air quality control in schools.

RESIDENTIAL PROPERTIES

In the residential buildings market Tenant Owner Associations are the primary target customers. Nordic Propeye has improved its offering to this market and reinforced the salesforce resulting in a highly skilled and motivated sales team.

The new partnership with car charging station provider KEBA, one of Europe's largest charging station manufacturers, has resulted in the addition of a new product line to the solutions portfolio and has made the offering to Tenant Owner Associations even more competitive.

The company has also developed its technology to measure moisture, CO_2, and smoke, as preventive measures against damages in condominiums, bringing it closer to the insurance industry. Several installations are currently being tested, and Nordic Propeye is collecting information to further improve the offerings. The company has connected more than 60,000 flats in Sweden, measuring and collecting data from over 1,500,000 square meters of office space, and processing more than 2,500,000 data points every day.

Overall Talkpool achieved important milestones in 2022 and remains committed to delivering innovative Green Tech solutions that benefit tenants, real estate companies, and the environment.

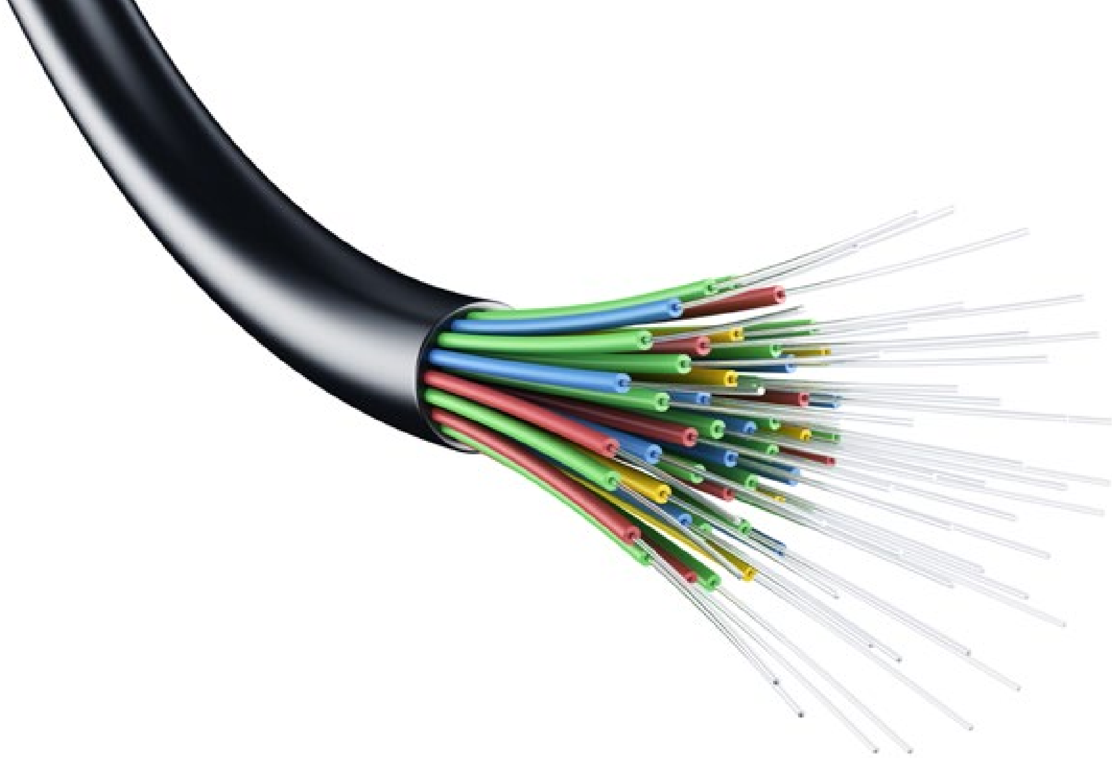
COMMERCIAL PROPERTIES

Nordic Propeye made good progress in its commercial real estate business during 2022. The company produced and sold a record number of sensors, approximately 20,000, and launched its first sensor device for the North American market.

The company also scaled up its energy optimization installations internationally, together with its long-term partner Myrspoven.

Finally, Nordic Propeye made development progress with its smart floor drain with leakage detection, indicating its commitment to innovation and creating sustainable solutions. Overall, the company's achievements in 2022 reflect its dedication to expanding its business, developing new markets and products, and delivering high-quality, environmentally friendly solutions to commercial real estate.

Nordic Propeye has shipped 60,000 sensors around the world in recent years, showcasing the company's global reach and reputation for high-quality products.



Smart Network Services

Talkpool's legacy business Network Services has experienced a renaissance after the Covid-19 pandemic. The demand for fast and stable internet connections has accelerated the global rollout of 5G networks and fiber optic networks, which provides Talkpool with significant opportunities and requests for Network Services worldwide to improved prices and contractual conditions for Talkpool.

MARKET

The global telecommunication services market is projected to grow at a CAGR of 5.1% and reach $2556.2 billion by 2031. The COVID-19 outbreak had low impact on the growth of the telecommunication services market, owing to the fact that the government and private sectors in emerging countries are working together to speed up the development of 5G infrastructure in the wake of the pandemic.

With the adoption and integration of cutting-edge communication technologies like 5G and IoT, the global telecommunications market has been undergoing constant transformation. Through a wired or wireless channel, telecommunication is an infrastructure that enables the movement of various forms of data, including speech, text, audio, and video, at anytime and anywhere in the world. The field of telecommunications has developed into a vibrant industry that has a big impact on global social and economic progress. The telecommunications industry is expanding its services and coverage throughout the world and securing its place in people's daily lives.

Furthermore, increased mobile data traffic, fiber deployment required for connectivity, and 5G network is boosting the telecommunication services market growth.

INCREASED MOBILE DATA TRAFFIC

Internet material is transported to different mobile consumer electronics, such as smartphones and tablets, through mobile data traffic. The industry is expanding due to the worldwide increase in mobile data traffic. It is anticipated that by 2024, 5G networks will handle almost one-third of all mobile data traffic worldwide. The demand for technologically advanced telecommunication networks is therefore projected to develop significantly as a result of the fast increase in mobile data traffic. The market for telecommunication service is anticipated to be driven by a rise in network upgrading needs as a result of the exponential growth in mobile data traffic. Customers will benefit from effective network quality thanks to the rollout of the 5G network.

OPTICAL FIBRE

Telecommunications companies are increasing its network capacity. Hence, fiber optics deployment is entering the largest investment cycle ever. The benefits provided by this astonishing technology can fulfill all customers' needs and expectations, given that it scores higher than any other broadband technology. With 3 billion internet users in the world, who are looking for higher speed connectivity, innovations such as 5G networks and fibre to the home have amplified the positioning of these network systems. Furthermore, this solution simplifies businesses processes and minimize costs in any sector if used efficiently.

Moreover, fiber deployment, being a key issue in the digital development of territories, provides widespread access for all to high-speed broadband.

TALKPOOL'S OFFERING

The product- and service offering, that Talkpool has defined over the last few years, fits perfectly well with the development of the market conditions.

The offering, from network planning up to operation, meets all the requirements of telecom network operators.

The planning of new networks, the obtaining of official certificates and the planning preparation for the construction and coordination with existing networks is a substantial task in highly cultivated expansion areas. Especially in urban areas, in which the infrastructure is to be updated from copper to fiber optics, such competencies form a decisive market advantage.

SMART NETWORK SERVICES

Considering that 2% of the global energy consumption is used for mobile communication infrastructure (and increasing by 10% annually), the supply of energy to telecom sites plays an increasingly important role in sustainability efforts. Talkpool anticipated this years ago with the introduction of its 'Smart Site Management' solution based on IoT technology. Among other things, the solution arranges dynamic energy selection of an antenna location in real-time, based on current energy supply conditions, considering availability, stability, sustainability and environmental impact. Additionally, the remote management system also allows for a large number of additional controls, alarms and automatic documentation applications to secure a reliable telecom network operation.

In the IoT market, Talkpool offers a comprehensive portfolio, from network planning to complete application solutions addressing professional end customer needs. A new generation of telecommunications providers is investing in these networks and is addressing a multitude of markets and applications, ranging from innovative to sustainable. In this market Talkpool is ideally positioned to take on a market leading role, by packaging the groups offerings. The strong network planning, implementation, installation and operating competence in combination with the IoT solutions is a clear and rare unique selling point.

FUTURE AND STRATEGY

The greatest added value is generated combining the diverse disciplines of Talkpool's two business units as well as external partners. In particular, the "full solution" approach and the full life cycle support is an important element in offering customers operational cost savings oriented sustainable products.

The networks and services offered by Talkpool provide the basis for an uncountable number of sustainable, energy-efficient applications and innovative future-oriented key technologies.

Therefore, the communication infrastructure becomes more and more critical to highly developed societies' goals for economy, environment, and sustainability.

Considering the global growth in data throughput and the associated increase in network markets, Talkpool is well positioned for the future.

Note from the Chairman

The financial results of the company improved substantially in 2022 and the financial results are expected to continue improving in 2023 as the business is focusing on its "cash cows" while costs are further reduced. The net earnings margin (After Tax) improved throughout last year. Talkpool's growth journey has come to a halt after selling and closing several businesses. I expect revenues to decrease to around Euro 15 million in 2023 after all-time-high of 25.5 million Euros in 2022.

To repay debt and improve financial results, Talkpool sold valuable assets in the Netherlands and Sweden in 2022, thereby receiving approximately three times more than it has invested in the assets. Almost all the proceeds have been used to repay debts. The debt level has been reduced from 7.2 million Euros early 2022 to approximately 3.9 million Euros when writing this note in May 2023. Interest payments for the parent company Talkpool AG have been reduced from approximately CHF 430 thousand in 2022 to a forecasted CHF 85 thousand interest in 2023.

We signed a Share Purchasing Agreement for selling the business in Pakistan and Saudi Arabia for US$3.7 million, but the buyer didn't fulfil its payment promise

so Talkpool still owns around 90% of the business in Pakistan. The decision to sell the business in Pakistan and Saudi Arabia remain unchanged.

The successful sales of shareholdings in the Netherlands and Sweden resulted in extraordinary profits including goodwill recycling. The shareholding in the Dutch entity Camouflage BV was sold to the local management. Talkpool's shareholding in the Swedish entity was reduced from just over 50% to below 20% at the end of 2022.

Talkpool's business was streamlined in 2022 to exclusively focus on operations with good profitability and positive liquidity. This focus resulted in selling the last entity in Africa to the local management in Tanzania for the book value. The cash-consuming growth in USA and the development of smart solutions were hal- ted in 2022. The streamlining process has continued in 2023 as further shares in the Swedish entity at a valuation of SEK 86.3 million have been sold.

The valuation of the company has dropped to from around EUR 7 million a year ago to approximately EUR 2.5 million while writing this note.

Looking into the future strategy, I want to improve capability to design and sell smart solutions that digitalize infrastructure.

High-quality internet connection is gaining importance in our everyday life. And I strongly believe that healthier, sustainable, and optimised buildings is key to reaching global sustainability goals.

Magnus Sparrholm,
Chairman of the Board

"I strongly believe that healthier, sustainable, and optimised buildings is key to reaching global sustainability goals."

Magnus Sparrholm, Chairman of the board

Remuneration Report Talkpool AG 2022

INTRODUCTION

This Remuneration Report outlines the principles underlying and the elements of the remuneration paid to the Board of Directors and Group Executive Board of Talkpool AG, as well as the decision-making powers. It discloses information as to the amount of remuneration paid to the Board of Directors and Group Executive Board. The Remuneration Report is based on Art. 13 to 16 of the Ordinance against Excessive Compensation in Listed Stock Companies (Ace). Talkpool AG is implementing the requirements of the OaEC. This Remuneration Report will be submitted to the Annual General Meeting on 21 June 2023 for a consultative vote.

COMPENSATION POLICY / GUIDING PRINCIPLES

Remuneration for Board of Directors and Group Executive Management is pursuant to the Company's articles of association resolved on by the Board of Directors. The Board Members have entered into agreements with the company governing their appointment as Board Members.

The purpose of Talkpool AG s compensation framework is to attract, engage, and retain employees. Talkpool is keen to ensure that compensation principles and system properly reward performance and stay closely aligned with the market and the interests of shareholders. Hence, salary and other fringe benefits to the Group Executive Management is considered to be in accordance with the market and based on the importance, requirement of competence, experience and performance of the duty.

ORGANISATION AND COMPETENCIES

Competencies regarding the determination of the remuneration

CHF	Board	Shareholders (AGM)
Chairman	Decision	Approval
Board remuneration	Decision	Approval
CEO remuneration	Decision	Approval
Other Executives remuneration	Decision	Approval

Say on pay vote at the annual general meeting

At the Annual General Meeting, the Board submits to the shareholders the maximum total remuneration amounts payable to the Board of Directors and the Group Executives for binding approval.

COMPENSATION COMPONENTS

Board of Directors

The Board Members (with exemption for Magnus Sparrholm) have entered into agreements with the company governing their appointment as Board Members. Each of the Board Members are entitled to a monthly board fee of CHF 1 000.

Group Executive Management

Remuneration for Group Executive Management may consist of salary and variable cash remuneration. The Group Executive Management is entitled to annual bonus linked to Group financial performance. Salary and other fringe benefits to the Group Executive Management is considered to be in accordance with the market and based on the importance, requirement of competence, experience and performance of the duties of the Group Executive Management.

COMPENSATION FOR FINANCIAL YEAR UNDER REVIEW

The Remuneration Report is based on Art. 13 to 16 of the OaEC. This chapter is subject to audit according to art. 17 OaEC.

Compensation of the members of the Board of Directors

The following remuneration has been paid in 2022:

CHF	Cash remunera-tion (gross)	Employer contributions to social security	Total
Magnus Sparrholm, Chairman	-	-	-
Constantinus Schreuder, Member	12 000	-	12 000
Dennis Rubner, Member *	5 000	320	5 320
Oliver Guggenheim, Member	12 000	768	12 768
Jaap Groot, Member *	5 000	-	5 000
Nico Tschanz, Member	12 000	768	12 768
Total remuneration to members of the Board of Directors	**46 000**	**1 856**	**47 856**

* Stepped down by End of May 2022

No loans or credits were granted to or are still outstanding with current or former Board Members or individuals who are closely related to the Board.

The following remuneration has been paid in 2021:

CHF	Cash remuneration (gross)	Employer contributions to social security	Total
Magnus Sparrholm, Chairman	-	-	-
Constantinus Schreuder, Member	12 000	-	12 000
Dennis Rubner, Member	12 000	768	12 768
Oliver Guggenheim, Member	12 000	768	12 768
Jaap Groot, Member	12 000	-	12 000
Nico Tschanz, Member *	8 000	512	8 512
Total remuneration to members of the Board of Directors	**56 000**	**2 048**	**58 048**

* Elected in May 2021

No loans or credits were granted to or are still outstanding with current or former Board Members or individuals who are closely related to the Board.

Compensation of the members of the Executive Management

The following remuneration has been paid in 2022:

CHF	Remuneration, fixed	Employer contributions to social security	Remuneration, variable	Employer contributions to social security	Total
Erik Strömstedt, CEO	216 000	56 149	-	-	272 149
Group Executive Board, others	206 160	27 625	-	-	233 785
Total remuneration to members of the Group Executive Board	**422 160**	**83 774**	**-**	**-**	**505 934**

No other loans or credits are given to the current and former Executive Management. Talkpool paid no remuneration or severance payments to members of the Executive Management who gave up their function.

The following remuneration has been paid in 2021:

CHF	Remuneration, fixed	Employer contributions to social security	Remuneration, variable	Employer contributions to social security	Total
Erik Strömstedt, CEO	216 000	55 590	30 000	2 070	303 660
Group Executive Board, others	254 400	34 418	-	-	288 818
Total remuneration to members of the Group Executive Board	**470 400**	**90 008**	**30 000**	**2 070**	**592 478**

No other loans or credits are given to the current and former Executive Management. Talkpool paid no remuneration or severance payments to members of the Executive Management who gave up their function.

Board of Directors and Management

Name (year of birth)	Position	Relevant experience
Erik Strömstedt (1965)	CEO	Many years of experience from leading positions in the IT and telecom industry.
Stefan Lindgren (1972)	CTO	Has been holding several leading positions within technology and is specialized in radio technology.
Aurelius Wosylus (1970)	CCO	General Manager (act) and CSO of Sigfox Germany GmbH and Sigfox Germany Unlimited GmbH.
Erika Loretz (1980)	Group Reporting	Many years of experience in accounting, reporting and auditing.
Magnus Sparrholm (1968)	Founder and Chairman of the Board	Entrepreneur within IT and telecom since 20 years.
Constantinus Schreuder (1962)	Board member	Many years of experience within the TNC market in the EMEA-region.
Oliver Guggenheim (1963)	Board member	Working in the finance sector for more than 35 years.
Nico Tschanz (1968)	Board member	Working in the Internet, Innovation and Software-Engineering industry since 1995. Partner and Member of the Executive Board of Crealogix AG and ti&m AG, leading Swiss Software-Engineering Companies. Holds a PhD (Dr.) of the Unsiversity of St.Gallen, Switzerland

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Report of the statutory auditor

To the General Meeting of the Shareholders of
TalkPool AG, Chur

Report on the Audit of the Remuneration Report

Opinion
We have audited the Remuneration Report of TalkPool AG (the Company) for the year ended December 31, 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables marked "audited" on pages 16 to 17 and page 18 of the Remuneration Report.

In our opinion, the information on remuneration, loans and advances in the accompanying Remuneration Report complies with Swiss law and Art. 14-16 VegüV.

Basis for Opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the tables marked "audited" in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements, and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Grant Thornton

Board of Directors' Responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Zurich, May 30, 2023
Grant Thornton AG

Hermann Caspers	Nina Beutler
Licensed audit expert	Licensed audit expert
Auditor in charge	

Consolidated Financial Statements

Consolidated income statement

EUR	Notes	Jan-Dec 2022	Jan-Dec 2021
Net revenue from goods and services	3	25 497 641	24 501 565
Cost of sales	4	-19 031 310	-18 731 757
Gross profit		**6 466 331**	**5 769 808**
Selling expenses	5	-1 246 994	-851 792
Administrative expenses	5	-4 554 320	-4 518 079
Other operating income	6	82 764	485 664
Other operating expenses	6	-144 986	-158 241
Operating result		**602 795**	**727 360**
Financial income	7	2 052 758	311 661
Financial expenses	7	-872 325	-1 117 798
Earnings before income taxes		**1 783 228**	**-78 776**
Income taxes	8	-543 091	-255 694
Net earnings		**1 240 137**	**-334 471**
Net earnings attributable to:			
Shareholders of the parent company		1 222 802	-494 873
Minority interests		17 335	160 403
Other information			
Average number of shares	17	6 778 097	6 682 883
Earnings per share (no dilutive effects)		0.18	-0.07
Number of shares, end of period	17	6 778 097	6 778 097
Earnings per share (no dilutive effects)		0.18	-0.07

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

EUR	Notes	December 31 2022	December 31 2021
ASSETS			
Current assets			
Cash		1 526 855	1 509 324
Trade receivables		1 447 271	2 788 789
Trade receivables related		0	173 216
Other current receivables	9	1 607 669	1 948 138
Inventory		41 619	698 779
Due from customers for contract work		1 115 712	1 498 694
Prepayments and accrued income		187 291	388 124
Total current assets		**5 926 416**	**9 005 064**
Non-current assets			
Financial assets	10	27 964	520 570
Investments in associates and joint venture	18	1 138 490	8 449
Property, plant and equipment	11	854 116	1 387 006
Intangible assets	12	159 538	743 144
Total non-current assets		**2 180 107**	**2 659 170**
TOTAL ASSETS		**8 106 524**	**11 664 234**

The above consolidated income statement should be read in conjunction with the accompanying notes.

EUR	Notes	December 31 2022	December 31 2021
Liabilities and equity			
Current liabilities			
Trade payables		1 312 880	2 410 782
Current interest-bearing liabilities	13	2 944 471	4 431 728
Other current liabilities	14	778 023	1 203 453
Accrued liabilities and deferred income	15	2 032 349	2 927 238
Total current liabilities		**7 067 724**	**10 973 201**
Non-current liabilities			
Non-current interest-bearing liabilities	13	1 624 848	2 736 307
Deferred tax liabilities, non-current		143 806	14 956
Provisions	16	426 281	428 904
Total non-current liabilities		**2 194 935**	**3 180 167**
TOTAL LIABILITIES		**9 262 660**	**14 153 368**
Equity			
Share capital	17	275 735	275 735
Capital reserves		8 383 131	11 884 533
Cumulative foreign translation adjustments		-1 773 186	-679 229
Retained earnings		-8 211 568	-15 060 109
Equity excl. minority interests		**-1 325 888**	**-3 579 069**
Share of minority interests	18	169 752	1 089 936
Equity incl. minority interests		**-1 156 136**	**-2 489 134**
TOTAL LIABILITIES AND EQUITY		**8 106 524**	**11 664 234**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

EUR	Notes	Jan-Dec 2022	Jan-Dec 2021
Operating activities			
Net earnings		1 240 137	-334 471
Adjustment for items not affecting cash flow	20	-1 087 168	800 141
Change in working capital		-46 257	2 053 466
Net cash flow from operating activities		**106 712**	**2 519 136**
Investing activities			
Investments in property, plant and equipment	11	-206 645	-997 960
Sale/divestment of property, plant and equipment	11	0	7 484
Investments in intangible assets	12	-53 763	-361 504
Inflow/outflow from change of financial assets		102 966	-334 042
Dividends paid to minority		-59 835	-74 136
Sale of subsidiaries		1 277 762	-
Acquisition of subsidiaries		-	-7 306
Net cash from investing activities		**1 060 485**	**-1 767 464**
Financing activities			
Net proceeds from share issue		-	867 103
Net issuance (repayment) of interest-bearing liabilities		-1 012 753	-1 156 333
Net cash flow from financing activities		**-1 012753**	**-289 230**
Currency translation effects		-136 914	-25 918
Net change in cash		**17 530**	**436 524**
Cash, beginning of period		1 509 324	1 072 799
Cash, end of period		1 526 855	1 509 324

The above (consolidated cash flow statement) should be read in conjunction with the accompanying notes.

Consolidated Changes of Equity

EUR	Share capital	Capital reserves	Cumulative foreign translation adjustment	Retained earnings	Retained earning - Goodwill recognized directly in equity	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 earnings	-	-	-	-334 471	-	-334 471	-160 403	-494 873
Share issue	18 010	4 383 414	-	-	-	4 401 424	-	4 401 424
Acquisition of subsidiaries	-	-	-	-	-5 398 946	-5 398 946	618 538	-4 780 408
Foreign currency differences	-	-	32 847	-	-	32 847	-	32 847
Dec 31, 2021	**275 735**	**11 884 533**	**-679 229**	**-6 298 132**	**-8 761 977**	**-3 579 070**	**1 089 935**	**-2 489 134**
Jan 1, 2022	**275 735**	**11 884 533**	**-679 229**	**-6 298 132**	**-8 761 977**	**-3 579 070**	**1 089 935**	**-2 489 134**
Net earnings				1 222 802		1 222 802	17 335	1 240 137
Disposal of subsidiaries		-3 501 402	-1 093 957		5 608 403	1 013 044	-937 518	75 526
Foreign currency differences					17 335	17 335	-	17 335
Dec 31, 2022	**275 735**	**8 383 131**	**-1 773 186**	**-5 075 330**	**-3 136 239**	**-1 325 889**	**169 752**	**-1 156 136**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Significant Accounting Principles

BASIS FOR PREPARATION

The consolidated financial statements are based on the annual accounts of the Group companies for the year ending 31 December 2022, applying consistent accounting principles throughout the Group. The parent company, TalkPool AG, is a Swiss company and is governed by Swiss law and accounting principles. The consolidated financial statements have been prepared in compliance with the Swiss Code of Obligations (Art. 957 to 963b CO). The consolidated financial statements are prepared on a going concern assumption.

For the accounting policies applied to individual items in the balance sheet and income statement, please see the corres- ponding sections of the notes.

DESCRIPTION OF BUSINESS

TalkPool delivers a comprehensive range of network design, engineering, implementation and managed services designs for the world's foremost telecommunications operators, system vendors and prime contractors. Talkpool enables the Internet-of-Things (IoT) ecosystem by providing professional services and solutions for Internet of Things and the emerging cloud infrastructures. Through global partnership, TalkPool is enabling IoT and network services worldwide.

CONSOLIDATION PRINCIPLES

Companies where TalkPool AG owns more than 50% of the shares and has significant influence and thus control are fully consolidated. Businesses where TalkPool AG has joint control under a joint venture agreement are proportionally consoli- dated. Associated companies are accounted for by using the equity method. Ownerships of less than 20% are shown as financial assets.

The consolidated financial statements are prepared in accordance with the purchase method.

The equity of the Group companies at the time of acquisition is offset against the carrying amount of the participating interest of the parent company. At this point in time, the assets and liabilities already recognised in the balance sheet of the Group companies are revalued at fair values, applying the accounting principles of the Group. Any difference remai- ning between purchase price and the equity of the acquired company is offset against retained earnings at the time of the acquisition. Assets and liabilities and income and expenses are recognised in their entirety for fully consolidated companies. Minority interests in the consolidated equity and the net result are disclosed separately (if material).

All internal transactions and relationships between the Group companies are eliminated. Intra-group profits on such transactions are eliminated in the income statement. The companies that constitute the scope of the consolidation are listed in the notes to the consolidated financial statements.

Associated companies are companies over which the Group exercises significant influence but over which it has no control or joint control. This influence is generally evident in the fact that the Group has a voting share representation of between 20 % and 50 % and also by having access to the company's up-to-date financial information is an indication of significant influence.

Shares in associated companies are recognised according to the equity method and initially reported at acquisition cost. They are recognised as the share of equity on the balance sheet date. The share in the profit or loss for the financial year is recognised in the consolidated income statement under "Financial result".

Participating interests of less than 20 % are valued at ac- quisition cost less any impairment. They are disclosed in the balance sheet as financial assets.

Foreign currency translation

The financial statements are presented in Euro (EUR). The parent company's functional currency is the Swiss franc (CHF). Transactions in foreign currencies are translated to the functional currency at the average rate of the month. At year-end, monetary assets and liabilities in foreign currencies are revalued with the effect to the income statement at year-end rates. Exchange rate differences arising from the revaluation of shares in associated companies are also recognised in the equity. Non-monetary assets and liabilities in foreign currencies are translated using the exchange rates at the time of each transaction.

Translation of annual financial statements for consolidation

The consolidated financial statements are presented in Euro (EUR). Assets and liabilities of Group companies denominated in a different currency are translated at year-end (reporting date) rates, equity at historical rates and the income statement and cash flow statement at the average exchange rates for the year. The translation differences, which arise, are recognised in the equity without an impact on the income statement.

Cash

Cash comprises cash in hand as well as the cash balances in postal and bank accounts. They are recognised at nominal values.

Receivables from goods and services

This item comprises current receivables from ordinary operations with a residual term to maturity of up to one year. Receivables from goods and services are reported at their nominal value less impairments necessary for business reasons, depending on the specific risk situation.

Inventories
Inventories refer to:

1. Products in stock – measured at the lower of cost and net realizable value based on first-in, first-out (FIFO) principle. Risks of obsolescence are measured by estimating the market value.
2. Work in progress – refers to projects started at year-end, which are not completed, measured at the lower of acquisition or production cost and fair value less cost to sell. When revenue is recognized, work in progress is derecognized and is instead recognized as Cost of sales. This accounting method applies for projects where the preconditions for applying the percentage of completion method (POCM) are not met.

DUE FROM CUSTOMERS FOR CONTRACT WORK

Due from customers for contract work refers to:

1. Completed work, unbilled – these are valued at purchase order value (selling price). Work is considered completed once the work completion note (WCN) has been received from the customer.
2. Work in progress, percentage of completion – the portion of work completed, fulfilling the requirements for percentage of completion method, is valued at purchase order value (selling price). The stage of com-pletion of the contract activity at the end of the reporting period is measured based on the proportion of the direct contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion.

The amount is presented as a net of contract work already invoiced.

For further information please see section "Revenue recognition".

Property, plant and equipment
Tangible assets are recognised in the consolidated accounts at cost, less accumulated depreciation and any impairment losses. Cost includes the purchase price and costs directly attributable to the asset to put it in place and in the right condition for the use for which it was acquired.

The carrying amount of an item of property, plant or equipment is derecognised from the balance sheet upon retirement or disposal of the asset or when no future economic benefits are expected from the asset s use, retirement, or disposal.

Gains or losses that arise from an asset s disposal or retirement comprise the difference between the selling price and the carrying amount, less direct selling expenses.

Depreciation of property, plant and equipment, is made according to the straight-line method over their estimated useful lives except for motor vehicles, as stated below:

Estimated useful lives:	
Furniture and fittings	5-8 years (12.5-20%)
Computers	3-5 years (20-30%)
Tools and equipment	4-5 years (20-25%)

For motor vehicles a 20% reducing balance method is applied for depreciation purposes.

INTANGIBLE ASSETS

Intangible assets consist of capitalized development costs and separately acquired intangible assets, mainly consisting of software. Intangible assets are recognised at cost, less accumulated depreciation and any impairment losses.

Costs incurred for development of products to be sold, leased, or otherwise marketed or intended for internal use are capitalized as from when technological and economic feasibility has been established until the product is available for sale or use. Research and development expenses directly related to orders from customers are accounted for as a part of cost of sales. Other research and development expenses are charged to income as incurred. Amortization of acquired intangible assets is made according to the straight-line method over their estimated useful lives, not exceeding ten years. Impairment tests are performed whenever there is an indication of possible impairment. However, intangible assets not yet available for use are tested annually.

Goodwill
As of 1 January 2016, the Group changed its goodwill accounting from capitalization and amortization to offsetting against equity. The goodwill resulting from acquisitions is offset against retained earnings at the time of acquisition. On a divestment of a business combination, the goodwill offset against equity at an earlier date is transferred to the income statement. The effects of the theoretical capitalization and amortization, including any impairment from valuation assessments is shown in note 19. The presentation of the effect of a capitalization in note 19 is based on a straight-line amortization over an estimated useful life of five years.

Current and non-current interest-bearing liabilities
Current and non-current interest-bearing liabilities are recognized at nominal value.

Current interest-bearing liabilities – maturity within 1 year
Non-current interest-bearing liabilities – maturity more than 1 year

Leasing
Leases on terms in which the company assumes substantially all the rewards and risks of ownership of the leased assets are accounted for as finance leases. The following conditions also needs to be met:

- At the signing date of the contract, the present value
- of the lease payments, including a possible final payment, approximates the acquisition cost or the market value
- of the leased asset, or
- The expected lease term does not differ substantially from the economically
- Useful life of the leased asset,
- The leased asset will become the property of the lessee at the end of the lease term
- A possible final payment at the end of the lease term is substantially below its respective current market value.

Initially, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. The asset is accounted for in accordance with the accounting policy applicable to that type of asset, although the depreciation period must not exceed the lease term. The corresponding liability to the lessor is recognized in the balance sheet as a liability against the asset subject

to finance lease. Lease payments are appropriated between finance charges and reduction of the lease liability so as to achieve constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit and loss account.

Other leases are accounted for as operating leases and are not recognized in the balance sheet. Costs under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

Provisions
Provisions are made when there are legal or constructive obligations as a result of past events and when it is probable that an outflow of resources will be required to settle the obligations and the amounts can be reliably estimated. When the effect of the time value of money is material, discounting is made of estimated outflows. However, the actual outflows because of the obligations may differ from such estimates.

Gratuity provision in Pakistan:
The company operates an unfunded gratuity scheme for its employees who have completed the qualifying period as defined under the respective scheme. The amount of liability is measured using a simplified approach and of each employee at year-end is computed by number of years completed multiplied by the last drawn monthly gross salary. The difference between the current and the previous liability is charged to profit and loss account as expense for the year.

Revenue recognition
Revenue from long-term contracts is recognised according to the percentage of completion method (POCM) when the following preconditions are met:

- There is a contractual basis for the project
- There is a high probability that the contractually agreed performance can be delivered
- Income attributable to the assignment can be reliably calculated
- The percentage of completion can be reliably calculated
- The expenses that have arisen and the expenses that remain to complete the assignment can be reliably calculated

Revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, under "Accrued liabilities and deferred income". Amounts billed for work performed but not yet paid by the customer are included in balance sheet under "Trade receivables".

For projects where the preconditions for applying the POCM are not met, revenue from customer projects is recognised in the profit and loss of the year based on projects completed. Projects started and not completed at year-end are recognised in the balance sheet and recognised in profit and loss upon completion of the project. Revenue is recognised if it is probable that the economic benefits will flow to the company. If there are material uncertainties about payment, related expenses, or guarantees, no revenue is recognised. Revenue comprises the fair value of services sold and work performed, excluding value added tax.

Projects completed but not fully invoiced at year-end: upon completion all revenues and expenses referable to completed projects are recognised as profit or loss on the services rendered and work performed, i.e., revenues and expenses are recognised in the period in which the work is completed. Earned but not invoiced fees on the reporting date are recognised as work performed but not invoiced under the "Due from customers for contract work".

Projects started not fully completed at year-end: work invoiced and expenses incurred for projects started but not fully completed at year-end are recognised in the balance sheet as work in progress under the heading "Inventories" and prepayments from customers under "Accrued liabilities and deferred income". The work in progress is measured at the lower of acquisition or production cost and fair value less cost to sell. Revenue of these projects is recognised upon full completion of the project.

Income taxes

The income tax expense or credit for the period is the tax payable on the current periods taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company operate and generate taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax receivables are included in ”Financial assets” and deferred income tax liabilities are included in ”Accrued liabilities and deferred income”.

1. Employees

The number of full-time equivalents exceeded 250 on an annual average basis in 2022 and 2021.

2. Audit fees

EUR	2022	2021
Audit services	-133 317	-78 428
Other services	-6 000	-
Total	**-139 317**	**-78 428**

3. Net revenue from goods and services

EUR	2022	2021
Net sales by country		
Haiti	6 425 245	5'851'362
Pakistan	6 304 275	6'051'300
Netherlands	2 714 697	3'730'312
Germany	3 076 648	1'856'955
Tanzania	657 895	1'883'750
Belgium	689 575	834'330
Sweden	4 533 254	3'717'495
Saudi Arabia	211 571	290'727
Kenya	-	11'534
USA	884 480	96'626
Seychelles	-	177'174
Total	**25 497 641**	**24 501 564**

4. Cost of sales

EUR	2022	2021
Direct cost of sales	-8 363 499	-7'660'078
Depreciation of property, plant and equipment	-222 968	-265'173
Cost of consultants	-5 675 558	-5'650'252
Salaries projects	-4 769 286	-5'156'254
Total	**-19 031 310**	**-18 731 757**

5. Selling and administrative expenses by nature

EUR	2022	2021
Depreciation of property, plant and equipment	-124 154	-142'677
Amortization intangible assets	-48 727	-88'047
Salaries including social charges	-3 286 242	-2'526'834
Other personnel expenses	-257 033	-111'233
Administration expenses	-1 188 909	-1'649'288
Selling expenses	-89 249	-851'792
Total	**-5 801 314**	**-5 369 870**

6. Other operating income and expenses

EUR	2022	2021
Release of prior year liabilities	-	119 259
Exchange gain	5 030	805
Other income	77 734	365 600
Total other income	**82 764**	**485 664**
Release of prior year receivables	-6 904	-
Exchange loss	-43 792	-
Other expenses	-94 290	-158 241
Total other expenses	**-144 986**	**-158 241**
Total	**-62 222**	**327 423**

7. Financial income and expenses

EUR	2022	2021
Currency translation gains	369 197	281 181
Sale of shares in subsidiaries	1 658 613	-
Other financial income	24 948	30 480
Total financial income	**2 052 758**	**311 661**
Interest expenses	-592 292	-501 105
Currency translation losses	-13 501	-729
Write-down of financial assets	-4 334	-386 630
Other financial expenses	-262 199	-229 334
Total financial expenses	**-872 325**	**- 1 117 798**
Total	**1 180 433**	**-806 137**

8. Taxes

EUR	2022	2021
Current tax expense/ income	-395 720	-218 900
Deferred tax expense/ income	-147 371	-36 792
Total	**-543 091**	**-255 692**

9. Other current receivables

EUR	December 31 2022	December 31 2021
VAT receivable	18 667	7 883
Other tax receivables	1 197 271	1 539 211
Prepayment to suppliers	12 118	101 145
Other short-term receivables	379 614	299 899
Total	**1 607 670**	**1 948 138**

Other tax receivables mainly relate to prepaid tax and withholding tax.

10. Financial assets

EUR	December 31 2022	December 31 2021
Deferred tax assets	-	29 935
Other third-party financial assets	27 964	490 635
Total	**27 964**	**520 570**

11. Property, plant and equipment

EUR	2022	2021
Cost		
Opening balance	2 275 370	1 513 892
Additions	206 645	997 960
Balances regarding acqui-red/divested businesses	-	1 427
Sales/disposals	-101 733	-162 285
Reclassifications	-	-73 079
Translation difference	3 448	-2 545
Closing balance	**2 383 730**	**2 275 370**
Accumulated depreciation		
Opening balance	-888 364	-817 481
Depreciation	-274 724	-309 256
Balances regarding acqui-red/divested businesses	-427 831	-
Sales/disposals	67 045	154 801
Reclassifications	-	72 837
Translation difference	-5 740	10 735
Closing balance	**-1 529 614**	**-888 364**
Net carrying value	**854 116**	**1 387 006**

12. Intangible assets

EUR	December 31 2022	December 31 2021
Cost		
Opening balance	1 139 028	698 434
Additions	53 763	361 504
Balances regarding sold business	-534 998	-
Reclassifications	-	73 079
Translation difference	392	6 011
Closing balance	**658 185**	**1 139 028**
Accumulated depreciation		
Opening balance	-395 884	-224 452
Amortization	-36 162	-98 593
Balances regarding acquired/sold businesses	-70 378	-
Sales/disposals	-	-72 839
Translation difference	3 777	-
Closing balance	**-498 647**	**-395 884**
Net carrying value	**159 538**	**743 144**

13. Current and non-current interest-bearing liabilities

EUR	December 31 2022	December 31 2021
Credit facility	761 970	758 850
Bank loans	109 869	214 247
Factoring	548 399	-
Financial lease liability, current	104 204	170 813
Other current interest-bearing liabilities shareholder	884 624	-
Other current interest-bearing liabilities related party	484 966	-
Other current interest-bearing liabilities*	50 439	3 287 818
Total current interest-bearing liabilities	**2 944 471**	**4 431 728**
Bank loans	912 512	442 585
Financial lease liability, non-current	58 472	157 899
Loans from third parties	-	1 066 895
Loans from related parties	543 354	57 942
Loans from shareholders	110 510	1 010 986
Total non-current interest-bearing liabilities	**1 624 848**	**2 736 307**
Total	**4 569 319**	**7 168 035**
Maturity of non-current interest-bearing liabilities		
1-5 years	1 394 134	2 631 071
More than 5 years	230 714	105 236
Total non-current financial liabilities	**1 624 848**	**2 736 307**

* In 2021, this included a bond of EUR 2 399 320 with an interest rate of 10%. The bond was due as per 01.08.2021 and extended until 31.12.2022. As per 31.12.2022, the bond has fully been repaid via the transfer of shares in NPTIS and cash.

To secure liquidity, TalkPool AG has received a guaranteed COVID-19 loan totaling CHF 0.5 million at an interest rate of 0.0%. The interest conditions can be adjusted to market developments on 31 March, for the first time on 31 March 2022 based on the requirements of the Federal Department of Finance. The first amortization was done as of end of 31 March 2023, the last one is planned on 30 September 2027.

For the duration of the use of the COVID-19 loan, no dividends or royalties can be distributed and no capital contributions may be repaid. In addition, there are further restrictions regarding the granting and redemption of loans to group companies and owners. It should also be noted that until 19 December 2020, the company was only able to make replacement investments in fixed assets for this financial year.

In connection with the provisions on capital loss or over-indebtedness according to art. 725 a and 725b SCO, the guaranteed COVID-19 credit of CHF 0.5 million has not to be considered as a liability (Art. 24 of the COVID-19 Solidarity Guarantee Ordinance).

14. Other current liabilities

EUR	December 31 2022	December 31 2021
VAT liability	154 334	86 014
Other tax liabilities	25 367	32 791
Other short-term liabilities	598 322	1 084 648
Total	**778 023**	**1 203 453**

Other tax liabilities mainly relate to withholding tax and payroll tax.

15. Accrued liabilities and deferred income

EUR	December 31 2022	December 31 2021
Accrued project expenses	260 738	519 842
Personnel related accruals	454 689	592 673
Income tax liability	51 112	35 884
Deferred income	-	-4 983
Other accrued costs	1 265 810	1 783 823
Total	**2 032 349**	**2 927 239**

In 2022 and 2021 other accrued costs include contingent liabilities from the acquisition of LCC Pakistan.

16. Provisions

EUR	December 31 2022	December 31 2021
Opening balance	428 904	404 756
Opening balance adjustments	-97 539	-
Opening balance adjustments	-	-6 270
Additions	115 879	87 572
Utilization / release of provisions	-42 974	-57 154
Translation difference	22 011	-
Closing balance	**426 281**	**428 904**

Provisions relate to employee benefits in Pakistan and Saudi Arabia and customer guarantees in the Netherlands in 2022 and 2021.

17. Share capital

As of 31.12.2022, 6 778 097 (31.12.2021: 6 778 097) registered shares at a nominal CHF 0.05 (31.12.2021: CHF 0.05) were outstanding.

The Board is authorized to increase the share capital of the Company by a maximum amount of CHF 169’452 by issuing a maximum of 3’389’040 fully paid-up registered shares with a nominal value of CHF 0.05 (authorized capital) until June 7, 2024.

Furthermore, the conditional capital has been increased to a maximum amount of CHF 169’452 by issuing a maximum of 3’389’040 fully paid-up registered shares with a nominal value of CHF 0.05 (conditional capital).

No change to share capital occurred in 2022.

Changes in share capital		Change in share capital, CHF	Capitalization, CHF	Change in number of shares	Nominal value, CHF	Total share capital, CHF	Total number of shares
Establishment	2000	110 000	110 000	110 000	1.00	110 000	110 000
Split 1:19	2016	-	-	2 090 000	0.05	110 000	2 200 000
Share issue	2016	28 500	1 396 570	570 000	0.05	138 500	2 770 000
Issue costs	2016	-	-543 161	-	-	-	-
Share issue	2016	11 111	1 121 021	222 222	0.05	149 611	2 992 222
Issue costs	2016	-	-22 283	-	-	-	-
Share issue	2017	86 169	4 492 203	1 723 384	0.05	235 780	4 715 606
Issue costs	2017	-	-670 557	-	-		-
Share issue	2017	10 759	810 828	215 178	0.05	246 539	4 930 784
Issue costs	2017	-	-30 229	-	-		-
Share issue	2020	72 447		1 448 946	0.05	318 986	6 379 730
Issue costs	2020	-	-57 387	-	-		-
Share issue	2021	19'918	881'998	398'367	0.05	338'905	6'778'097
Issue costs	2021	-	-3'959				
December 31, 2022		**338 905**				**338 905**	**6 778 097**
In EUR		**275 735**				**275 735**	

18. Summary of group companies, joint ventures and associated organisations

Financial assets

Company	Domicile	Purchased/ established	Currency	Capital share/ Voting share Dec 31, 2022	Book value in EUR	Dec 31, 2021	Book value in EUR
JoorsChain AG	Switzerland	2018	CHF	18%	8 873	-	8 449
Talkpool Network Services Ltd.	Mauritius	2016	MUR	19%	-	-	-
Nordic PropTech Investment Services AB	Sweden	2021	SEK	19%	1 129 617	-	-
					1 138 490		**8 449**

Investments in subsidiaries fully consolidated

Company	Domicile	Purchased/ established	Currency	Capital share/ Voting share Dec 31, 2022	Book value in CHF	Dec 31, 2021	Book value in CHF
Talkpool Deutschland AG	Germany	2014	EUR	100%	61 370	100%	61 370
LCC Pakistan (private) Limited	Pakistan	2017	PKR	89%	3 000 387	89%	3 000 387
Talkpool Network Services Ltd.	Tanzania	2015	TZS	-	-	99%	15 695
Talkpool Telecom Network Services Ltd.	Kenya	2014	KES	-	-	96%	-
Talkpool NV	Belgium	2017	EUR	80%	364 072	80%	664 072
Camouflage B.V.	Netherlands	2016	EUR	-		62%	689 845
Talkpool LLC	USA	2012	USD	100%	1	100%	1
Virtual Connect LLC	Saudia Arabia	2018	SAR	100%	-	100%	-
Nordic PropTech Investment Services AB	Sweden	2021	SEK	19%	-	52%	2 817 855

All the group companies and associated companies have the same year-end closing as the parent company, i.e. 31.12.2022.

In June 2022, all shares in Talkpool Telecom Network Services Ltd in Kenya and in Talkpool Network Services Ltd.

Tanzania were sold.

In October 2022, all shares in Camouflage B.V. Netherlands were sold.

In order to repay outstanding debt loans, shares in NPTIS had been transferred to major debt providers resulting in a loss of control and shareholding of 19%. Thus, the investment has been deconsolidated by end of 2022 and disclosed as an investment in associates for 2022.

19. Acquired goodwill

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:

EUR	December 31 2022	December 31 2021
Cost		
Opening balance	8 761 977	2 719 634
Additions		6 042 343
Sales/disposals	-6 797 211	
Reclassifications		
Translation difference	17 275	
Closing balance	**1 982 041**	**8 761 977**
Accumulated amortization		
Opening balance	-3 170 849	-1 962 380
Theoretical amortization	-1 208 469	-1 208 469
Sales/disposals	2 397 276	
Translation difference		
Theoretical closing balance	**-1 982 041**	**-3 170 849**
Theoretical net carrying value	**-**	**5 591 128**

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

Theoretical impact on income statement

EUR	2022	2021
Operating result		
Operating result (EBIT), per income statement	602 795	727 360
EBIT margin, %	2.4%	3.0%
Theoretical amortization of goodwill	-1 208 469	-1 208 469
Theoretical EBIT after goodwill amortization	**-605 674**	**-481 108**
EBIT margin after goodwill amortization, %	-2.4%	-2.0%
Net profit/loss		
Net profit/loss, per income statement	1 240 137	-334 471
Theoretical amortization of goodwill	-1 208 469	-1 208 469
Theoretical net profit/(loss) after goodwill amortization	**31 668**	**-1 542 939**

Theoretical impact on balance sheet

EUR	December 31 2022	December 31 2021
Equity		
Equity as per balance sheet	-1 156 136	-2 489 134
Theoretical capitalization of net book value of goodwill	-	5 591 128
Theoretical equity including net book value of goodwill	**-1 156 136**	**3 101 994**

20. Adjustment for items not affecting cash flow

EUR	December 31 2022	December 31 2021
Depreciation property, plant and equipment	274 724	309 256
Amortization intangible assets	36 162	98 593
Other non-cash items	-1 398 054	392 292
Closing balance	**-1 087 168**	**800 141**

21. Exchange rates

Company	Average rate 2022	Year-end rate December 31 2022	Average rate 2021	Year-end rate December 31 2021
EUR/CHF	0.99522	1.01403	0.92498	0.96564
EUR/USD	0.94913	0.93657	0.84531	0.88151
EUR/PKR	0.00467	0.00412	0.00520	0.00495
EUR/TZS	0.00040	-	0.00036	0.00038
EUR/KES	0.00795	-	0.00777	0.00773
EUR/SAR	0.25343	0.24940	0.22564	0.23474
EUR/SEK	0.09411	0.09741	0.09859	0.09741

22. Other disclosures

EUR	2022	2021
Leasing liabilities > 1 year (office rent)	422 161	435 579

23. Contingent liabilities

In the course of normal business operations, the Group is involved in a number of legal and tax disputes, but litigation is rare. LCC Pakistan runs a share-based incentive program that is linked to EBITDA and cash distributions to the Group. The program awards local management with shares in LCC Pakistan if the EBITDA and cash distribution targets are being met. In 2022 and 2021 the targets were not met.

24. Assets used to secure own liabilities

As of 31.12.2022, trade receivables of EUR 90 042 and a shareholder loan of EUR 110 509 were used to secure bank loans. As of 31.12.2021, trade receivables of EUR 207 728 and a shareholder loan of EUR 105 236 were used to secure bank loans.

25. Guarantees / Pledges

The loan from the related company Nordic PropTech Investment Services AB of SEK 9 000 000 (as of 31.12.2021: SEK 12 000 000) is secured by a pledge of the full loan amount to the Scandinavian Credit Fund I AB agreed.

The final installment of the repayment of the loan Silverlok is pledged by 1 416 shares in NPTIS.

TalkPool AG has the right to buy back the NPTIS shares until August 2023 at a valuation of SEK 86.3 million. Silverlok has the right to sell its shares in NPTIS and TalkPool AG is obliged to pay if TalkPool's lawyers are successful in enforcing the sale of TalkPool's Pakistan business before the end of 2024.

26. Events occurring after the balance sheet date

Events after the balance sheet date were considered until 25th May 2023. On this date, the statutory financial statements were approved by the Board of Directors of Talkpool AG.

The convertible loans from the shareholders M. Winter and R. Eide totalling to CHF 872'384 had been repaid in Q1 2023 via transfer of shares held by TalkPool AG in Swedish entity NPTIS.

In addition, a first installment to repay the outstanding Covid-19 loan was done by end of March 2023.

In Q1 2023, TalkPool AG received an amount of CHF 430'087 from convertible loan agreements signed in Q1 2023.

27. Material uncertainty related to going concern

The Board of Directors and the management regularly assess the Group's ability to continue as a going concern and is of the opinion that the Group is to be viewed as continuing in business for the foreseeable future. The Consolidated Financial Statements have been prepared on a going concern basis.

During 2022 Talkpool AG was striving to strengthen its liquidity situation through operational as well as financial actions. Operational costs and overhead costs were further reduced in the local market entities in order to safeguard positive cash flows and enough local surplus to leave headroom for management fee and didvidend payments to Talkpool AG.

The regular cash flow from Talkpool's Managed Services projects in Haiti is still quite important for the cash flow of Talkpool AG. Payments are now being done on a weekly basis which clearly facilitates the cash management.

The financial costs have been substantially reduced through the payback of the Nord Bond and the expensive loan from Silverlok, Eide and Winter.

The saving per month will not only improve the net earnings, but also the liquidity of Talkpool AG.

Further decentralization of project financing and distribution of group costs is ongoining and in particular the increased involvement of Talkpool AG in the management and administration of Talkpool Germany will offload SG&A costs from Talkpool AG. Talkpool AG will also gain from new financing opportunities in Germany.

The upfront financing of the project in the USA has already been performed and a positive revenue stream is exepected going forward. The growth financing in all other markets is secured through local financing and no significant additional financing support from Talkpool AG to Group entities is expected in 2023.

After the significant repayments of loans Talkpool AG has obviously exhausted most of it's liquid reserves, which means that cash management will be a challenge until a new capital raise, loan or asset sales will materialise. Our efforts to sell Talkpool AG's shares in LCC Pakistan have been resumed and a local agent has been assigned to lead the process. We have already identified at least one potential buyer who has expressed interest in buying 25% of the shares to start with. Actions have also been taken to repatriate dividends out of Pakistan over Saudi and Dubai. Talkpool Germany has a credit line of EUR 800.000 that has not been touched yet and this can be used as a temporary bridge financing solution for Talkpool AG if deemed necessary. Due to a cooled off climate on the stock market and the captial market in general, the timing and value of the next financing solution is uncertain and as we are well aware about the importance of a sound cash flow most of our energy is at the moment spent on securing finance for the next phase in Talkpool's development.

Our going concern assessment is based on the above assumptions about successful financing and a positive operational development the coming year. Those assumptions do contain material uncertainties regarding timing and market development.

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Report of the Statutory Auditor

To the General Meeting of the Shareholders of
TalkPool AG, Chur

Opinion

We have audited the consolidated financial statements of TalkPool AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2022, the consolidated statement of income, the consolidated statement of changes in equity and the consolidated cashflow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 21 to 33) comply with Swiss law, the articles of incorporation and the significant accounting policies as disclosed in the notes to the consolidated financial statements.

Basis for opinion

We conducted our audit in accordance with Swiss law, the Swiss Standards on Auditing (SA-CH) and the International Standards on Auditing (ISA's). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards (IEASBA Code)*, together with the ethical requirements and provisions of Swiss law, and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 27 in the consolidated financial statements describing the vulnerabilities with regards to the future net sales, the respective impact on net profits and future cash flows of TalkPool AG and its subsidiaries as well as funding constraints. The Group's ability to continue as a going concern is dependent upon its operations and additional successful fundraising as well as continuing support of its creditors. These facts indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Should the going concern assumption no longer be appropriate, the consolidated financial statements would have to be prepared based on liquidation values.

During our audit, we considered whether the preparation of the consolidated financial statements using the going concern basis of accounting and the presentation of the matters that may cast significant doubt on the

Group's ability to continue as a going concern set out in the notes to the consolidated financial statements are appropriate. Our procedures, amongst others, included the following:

- We reviewed plans for future financing and operational measures, cash flow forecasts and assessed whether these are reasonable, and whether the plans are feasible in the circumstances of the situation.
- We reviewed the liquidity forecasts and assessed whether the liquidity forecasts are plausible and whether the Board of Directors' plans are feasible in the circumstances of the situation.
- We critically reviewed the Management's formal assessment of going concern.
- We critically assessed the prospects for the successful fundraising.
- We made inquiries with Management and the Board of Directors.
- We critically reviewed the minutes of the Management and the Board of Directors and significant (financing) contracts.
- In addition, we satisfied ourselves of the appropriateness of the disclosure made in the consolidated financial statements.

Our opinion is not qualified in respect of this matter.

Report on key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the reporting period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the «Material uncertainty related to going concern» section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Reaction
Occurrence and accuracy of revenue recognition	
The Group provides services in the field of telecommunications (network services) and solutions in the field of IoT with a focus in the real estate market. In most countries, net revenues from goods and services are accounted for using the percentage-of-completion (POC) method. Hence, revenues from long-term contracts are recognized according to the POC-method. The recognition of revenue and the estimation of the outcome of long-term contracts require significant Management judgement, in particular with respect to estimation of the cost to complete and the amounts of variation orders to be recognized. In addition, significant Management judgement is required to assess the consequences of various legal proceedings in respect of construction contracts. • There is a risk that sales revenues are misstated due to fraud. • There is a risk that sales revenues are not recognized in the appropriate period, i.e. that the cut-off point at which risks and rewards are transferred is	Our audit procedures included an evaluation of the significant judgements made by Management, amongst others based on an examination of the associated project documentation and discussion on the status of projects under construction with finance and technical staff of the Group. We further performed the following audit procedures: • Substantive testing at year-end in order to ensure that risks and rewards of ownership relating to external sales revenues are properly recorded. • Substantive testing of existence and accuracy of revenues recognized. • Analytical review procedures to determine abnormal margins and fluctuations, which have to be explained by the Management. • We evaluated design of controls to ensure that the estimates used in determination of net revenues from goods and services, contract costs and margins are appropriate.

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not correctly reflected in the consolidated financial statements. • Regarding revenue recognition of long-term contracts, we identified the following risk with respect to the application of the POC-method: total contract costs may be estimated too optimistic. We identified revenue recognition (including revenue recognition from construction contracts) as a significant risk, requiring special audit consideration.	• We inspected a sample of underlying contracts or purchase orders to confirm estimated net revenues from goods and services. • We reconciled a sample of recognized contract costs to underlying invoices. • We performed a look-back analysis to verify the accuracy of assumptions in prior years. • We obtained the year end POC-calculations and tested these for accuracy.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements, the financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the provisions of Swiss law and the articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law, SA-CH and ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, SA-CH and ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for directing, supervising, and performing the audit of the consolidated financial statements. We are solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant professional ethical requirements regarding independence and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to address any threats or safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the period under review and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure of the matter, or in the extremely rare circumstances where we determine that a matter should not be disclosed in our report because it would be reasonably expected the negative consequences of such disclosure would outweigh its benefits to the public interest.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a paragraph 1 item 3 SCO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, May 30, 2023
Grant Thornton AG

Hermann Caspers Audit expert Auditor in charge	Nina Beutler Audit expert

Statutory Financial Statements – Talkpool AG

Income statement

CHF	Notes	Jan-Dec 2022	Jan-Dec 2021
Net revenue			
Services abroad		6 463 229	7 068 937
Management fees		213 880	246 159
Reduction in revenues		-7 143	-47 426
Total net revenue		**6 669 966**	**7 267 670**
Cost of sales			
Direct cost of sales		-3 365 810	-3 260 061
Costs consultants abroad		-2 443 321	-2 970 945
Total cost of sales		**-5 809 131**	**-6 231 006**
Gross profit		**860 835**	**1 036 664**
Operating income and expenses			
Selling & distribution expenses		-81 132	-54 995
Administrative expenses	3	-1 263 018	-1 463 306
Other income and expenses		0	326 381
Total operating income & expenses		**-1 344 150**	**-1 191 920**
Earnings before interest & taxes (EBIT)		**-483 316**	**-155 256**
Financial result			
Financial income		752 305	756 642
Financial expenses		-876 990	-783 647
Write-off financial assets	8	-763 918	-1 506 135
Total financial result		**-888 603**	**-1 533 139**
Extraordinary result			
Extraordinary income	4	1 246 898	175 946
Extraordinary expenses	4	-49 056	-275 501
Loss before income taxes		**-174 077**	**-1 787 950**
Income tax expenses		7 016	3 534
Net loss		-167 061	-1 784 417

The above income statement should be read in conjunction with the accompanying notes.

Balance sheet

CHF	Notes	December 31 2022	December 31 2021
ASSETS			
Current assets			
Cash		652 164	269 787
Trade receivables third	6	88 797	215 120
Other current receivables third		92 243	683 565
Other current receivables group companies		542 879	179 478
Other current receivables related parties		187 812	17 645
Uninvoiced services		3 118	26 149
Accrued income and prepaid expenses	7	101 345	83 470
Total current assets		**1 668 357**	**1 475 214**
Non-current assets			
Loans group companies		343 369	343 369
Loans related companies		-	89 166
Financial assets	8	1 122 738	-
Investments	8	3 425 831	7 257 976
Property, plant and equipment	12	101 707	255 952
Total non-current assets		**4 993 644**	**7 946 463**
TOTAL ASSETS		**6 662 001**	**9 421 677**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables third	9	722 034	678 264
Current interest-bearing liabilities group companies	10	736 789	559 203
Current interest-bearing liabilities third	10	686 858	2 985 878
Current interest-bearing liabilities shareholders	10	947 120	65 594
Other current liabilities		414 318	300 574
Accrued expenses		1 125 726	1 355 386
Total current liabilities		**4 632 844**	**5 944 900**
Non-current liabilities	11		
Long-term interest-bearing liabilities group companies		535 836	902 344
Long-term interest-bearing liabilities third		416 666	458 333
Long-term interest-bearing liabilities shareholders		108 981	981 365
Total non-current liabilities		**1 061 483**	**2 342 042**
TOTAL LIABILITIES		**5 694 327**	**8 286 942**
Shareholder's equity			
Share capital	12	338 905	338 905
Reserves from capital contribution		9 435 224	9 435 224
Statutory retained earnings		100 000	100 000
Accumulated loss		- 8 739 394	-6 954 977
Loss for the year		-167 061	-1 784 417
Total shareholder's equity		**967 674**	**1 134 735**
TOTAL LIABILITIES AND EQUITY		**6 662 001**	**9 421 677**

The above balance sheet should be read in conjunction with the accompanying notes.

Cash flow statement

CHF	Jan-Dec 2022	Jan-Dec 2021
Operating activities		
Net loss	-167 061	-1 784 417
Adjustment for items not affecting cash flow - depreciation and amortization of PPE and intangible assets	138 201	169 650
Adjustment for items not affecting cash flow - write-off and impairment of assets	763 918	1 506 135
Adjustment for items not affecting cash flow - gain on sale of subsidiaries	-1 246 898	-
Adjustment for items not affecting cash flow - foreign exchange gain/losses	515 069	-
Change in working capital	-15 265	14 620
Net cash flow from operating activities	**-12 036**	**-94 012**
Investing activities		
Investments in property, plant and equipment & intangible assets	-16 044	
Inflow/outflow from change of financial assets & loans	221 519	-1 688 853
Divestments of shares in subsidiaries	1 120 822	-
Investment in subsidiaries and associated companies	-	-96 625
Net cash from investing activities	**1 326 297**	**-1 920 159**
Financing activities		
Net proceeds from share issue	-	897 957
Issuance/repayment of interest-bearing liabilities	-931 884	975 112
Net cash flow from financing activities	**-931 884**	**1 873 069**
Net change in cash	**382 377**	**-141 102**
Cash, beginning of period	269 787	410 889
Cash, end of period	652 164	269 787

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Statutory Financial Statements

PLACE OF INCORPORATION

TalkPool AG, Gäuggelistrasse 7, 7000 Chur, Switzerland

SIGNIFICANT ACCOUNTING PRINCIPLES

Basis for preparation
These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO). Significant balance sheet and profit and loss items are accounted for as follows:

FX-Rates
The FX-Rates according ESTV were used as per year-end.

Account receivables
This item comprises current receivables from ordinary operations with a residual term to maturity of up to one year. Receivables from goods and services are reported at their nominal value less impairments necessary for business reasons, depending on the specific risk situation.

Uninvoiced services
Services rendered, but not yet invoiced are valued at the selling price, less impairments necessary for business reasons, depending on the specific risk situation.

Property, plant and equipment
Tangible assets are recognised at cost, less accumulated depreciation and any impairment losses. Costs include the purchase price and costs directly attributable to the asset to put it in place and in the right condition for the use for which it was acquired.

Depreciation of property plant and equipment, is made according to the straight-line method over their estimated useful lives, as stated below:

Estimated useful lives:	
Furniture and fittings	5-8 years (12.5-20%)
Computers	3-5 years (20-30%)
Tools and equipment	4-5 years (20-25%)

Financial assets
Financial assets include non-current financial receivables and shares held in other entities in which the Company has a share ownership of up to 20%. These are valued at acquisition cost less required impairments.

Short-term liabilities
Short-term liabilities are current liabilities with a residual term to maturity of up to one year. They are reported at their par value.

Long-term interest-bearing liabilities
Long-term interest-bearing liabilities include liabilities with a residual term to maturity of over one year. They are reported at their par value. Balances in foreign currency are converted to CHF using the year-end FX-rate or historical FX-rate. Only losses from the re-valuation are recorded through the profit and loss statement.

Net sales and revenue recognition
Revenue is recognised in the income statement when the risk and rewards of ownership have been transferred to the buyer. Income from services is posted in the period in which the services are rendered. Sales revenues and income from services are reported after deducting credit notes, discounts and sales taxes from the amounts billed for deliveries and services.

Revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the effective services provided and costs incurred for work performed and already invoiced to date. Revenues and costs are invoiced based on the effective hours spent and fees agreed (time & material).

1. Employees

The number of full-time equivalents did not exceed 10 on an annual average basis in 2022 and 2021.

2. Audit fees

CHF	2022	2021
Audit services	-100 000	-67 000
Total	**-100 000**	**-67 000**

3. Administrative expenses by nature

CHF	2022	2021
Depreciation of property, plant and equipment	-138 201	-145 907
Amortization of intangible assets	-	-6 305
Salaries including social charges	-629 825	-732 004
Other personnel expenses	-31 689	-28 903
Operating expenses	-97 628	-102 685
Administration expenses	-365 674	-447 502
Total	**-1 263 018**	**-1 463 306**

4. Extraordinary income / expenses

CHF	2022	2021
Gain on sale Camouflage	562 629	-
Gain on sale shares in NPTIS	684 269	-
Helsana provision 2018 - 2020 / SUVA, repayment	-	3 706
Sigfox, payment of bad debt allowance incl. Interest	-	67 355
Clearing of AP in Haiti from former years	-	104 885
Total extraordinary income	**1 246 898**	**175 946**

CHF	2022	2021
Prior period consulting, legal and professional and audit fees	-49 056	-
Clearing of WIP in Haiti from former years	-	-236 048
Comercializadora Ibcar SA, payment for closing Mexico in 2020	-	-20 343
Cancellation of a Nokia Invoice from 2020	-	-19 110
Total extraordinary expenses	**-49 056**	**-275 501**

5. Other disclosures

CHF	2022	2021
Leasing liabilities (motor vehicle e-tron 01.01.2023 - 13.05.2025)	19 750	28'214
Office rent (01.01.2023 - 31.03.2026)	177 294	231'846
Pension liability	277	783

6. Trade receivables

CHF	2022	2021
Trade receivables third	88 797	215 120
Allowance for doubtful trade receivables third	-	-148 727
Net amount trade receivables third	**88 797**	**215 120**

7. Accrued income

CHF	2022	2021
Accrued income and prepaid expenses	101 345	83 470
Accrued income and prepaid expenses	**101 345**	**83 470**

8. Financial assets and investments

Financial assets

Company	Domicile	Purchased/ established	Currency	Capital share/ Voting share Dec 31, 2022	Book value in CHF	Dec 31, 2021	Book value in CHF
JoorsChain AG	Switzerland	2018	CHF	18%	8 750	-	-
Talkpool Network Services Ltd.	Mauritius	2016	MUR	19%	-	-	-
Nordic PropTech Investment Services AB	Sweden	2021	SEK	19%	1 113 988	-	-
					1 122 738	-	-

Investments

Company	Domicile	Purchased/ established	Currency	Capital share/ Voting share Dec 31, 2022	Book value in CHF	Dec 31, 2021	Book value in CHF
JoorsChain AG	Switzerland	2018	CHF	-	-	18%	8 750
Talkpool Deutschland AG	Germany	2014	EUR	100%	61 370	100%	61 370
LCC Pakistan (private) Limited	Pakistan	2017	PKR	89%	3 000 387	89%	3 000 387
Talkpool Network Services Ltd.	Tanzania	2015	TZS	-	-	99%	15 695
Talkpool Telecom Network Services Ltd.	Kenya	2014	KES	-	-	96%	-
Talkpool NV	Belgium	2017	EUR	80%	364 072	80%	664 072
Camouflage B.V.	Netherlands	2016	EUR	-		62%	689 845
Talkpool LLC	USA	2012	USD	100%	1	100%	1
Virtual Connect LLC	Saudia Arabia	2018	SAR	100%	-	100%	-
Nordic PropTech Investment Services AB	Sweden	2021	SEK	19%	-	52%	2 817 855
					3 425 829		**7 257 976**

In order to repay outstanding debt loans, shares in NPTIS had been transferred to major debt provider resulting in a loss of control and shareholding of 19%. The gain from the share sale has been recognized through P&L and recorded as extraordinary income. The shares in Joorschain AG, Talkpool Network Services Ltd. Mauritius and Nordic PropTech Investment Services AB (NPTIS) are presented as financial assets for the financial period ended 2022.

Talkpool Network Services Ltd. Tanzania and Talkpool Telecom Network Services Ltd. Kenya were sold by end of June 2022. Any gains / losses from the sales were recognized through P&L

The investment in Camouflage B.V. Netherlands was sold by end of October 2022. The sale resulted in a gain which had been recognized through P&L and recorded as extraordinary income.

The impairment assessment 2022 performed by management revealed, that the investment in Talkpool NV Belgium is impaired by CHF 300’000. The impairment has accordingly been recorded through P&L.

9. Trade payables

CHF	2022	2021
Trade payables third	722 034	678 264
Total Trade payables third	**722 034**	**678 264**

10. Current interest-bearing liabilities

CHF	2022	2021
Current interest-bearing liabilities third	686 858	2'985'878
Current interest-bearing liabilities group companies	736 789	559'203
Current interest-bearing liabilities shareholders	947 120	65'594
Total	**2 370 766**	**3'610'676**

In 2021, the current interest-bearing liabilities due to group companies included a loan from Camouflage B.V. Netherlands in the amount of EUR 75’000 which was secured by shares held in the entity. The loan had been repaid in 2022.

11. Non current interest-bearing liabilities

CHF	2022	2021
Long-term interest bearing liabilities 1-5 years		
Long-term interest-bearing liabilities third	416 666	458'333
Long-term interest-bearing liabilities group companies	535 836	902'344
Long-term interest bearing liabilities >5 years		
Long-term interest-bearing liabilities shareholders	**108 981**	**981'365**
Total non-current interest-bearing liabilities	**1 061 483**	**2'342'042**

To secure liquidity, TalkPool AG has received a guaranteed COVID-19 loan totaling to CHF 0.5 million at an interest rate of 0.0%. The interest conditions can be adjusted to market developments. The interest rate for 2022 and 2021 was 0.0%.

The first installment was done as of end of March 2023, the last installment is planned for end of September 2027. In connection with the provisions on capital loss or over-indebtedness according to art. 725a and 725b SCO, the loan is not considered as borrowed capital.

12. Share capital

As of 31.12.2022, 6 778 097 (31.12.2021: 6 778 097) registered shares at a nominal CHF 0.05 (31.12.2021: CHF 0.05) were issued.

The Board is authorized to increase the share capital of the Company by a maximum amount of CHF 169’452 by issuing a maximum of 3’389’040 fully paid-up registered shares with a nominal value of CHF 0.05 (authorized capital) until June 7, 2024.

Furthermore, the conditional capital has been increased to a maximum amount of CHF 169’452 by issuing a maximum of 3’389’040 fully paid-up registered shares with a nominal value of CHF 0.05 (conditional capital).

No capital change occured in 2022.

Significant shareholders (above 5% voting shares) Talkpool AG:

31 December 2022 Shareholder	Number of shares	% of share capital
Magnus Sparrholm	1 510 000	22,3%
Matthias Winter	1 194 617	17,6%
Försäkringsaktiebolaget, Avanza Pension (approx. 1 000 persons)	413 120	6,1%

31 December 2021 Shareholder	Number of shares	% of share capital
Magnus Sparrholm	1 510 000	22,3%
Matthias Winter	1 253 400	18,5%
Försäkringsaktiebolaget, Avanza Pension (approx. 1 000 persons)	449 018	6,6%

Number and nominal value of shares and participation certif cates held by the board of directores, managent and employees:

31 December 2022 Name	Position	Number of shares	% of share capital	Nominal value
Magnus Sparrholm	Chairmain of the board	1'510'000	22.3%	75 500
Erik Strömstedt	CEO	266'545	3.9%	13 327
Erika Loretz	Group Reporting	100	0.0%	5

31 December 2021 Name	Position	Number of shares	% of share capital	Nominal value
Magnus Sparr-holm	Chairmain of the board	1'510'000	22.3%	75 500
Erik Strömstedt	CEO	266'545	3.9%	13 327

All remuneration distributed directly or indirectly to current members of the Board of directors and Management are disclosed in the remuneration report.

Capital surplus

Confirmed capital surplus by tax authority (ESTV) as per 31.12.2022 and 31.12.2021: CHF 8’557’185.11. The confirmation of the amount of CHF 878 039 from the capital increase in 2021 is outstanding. The ESTV confirmed the receipt of the From. 170 in 2022.

13. Exchange rates

CHF	2022	2021
USD/CHF	0.925228	0.911141
EUR/CHF	0.987450	1.036150
SEK/CHF	0.088797	0.100636
GBP/CHF		1.234099

14. Assets used to secure own liabilities

As of 31.12.2022, trade receivables of CHF 88 796.62 and a shareholder loan of CHF 100 000 were used to secure bank loans. Existing rent security deposit: CHF 24 000

As of 31.12.2021, trade receivables of CHF 97 944 and a shareholder loan of CHF 100 000 were used to secure bank loans. Existing rent security deposit: CHF 24 000

15. Own shares

As of 31.12.2022, no own shares were held.

As of 31.12.2021, no own shares were held.

16. Guarantees / Pledges

The loan from the related company Nordic PropTech Investment Services AB of SEK 9 000 000 (as of 31.12.2021: SEK 12 000 000) is secured by a pledge of the full loan amount to the Scandinavian Credit Fund I AB agreed.

The final installment of the repayment of the loan Silverlok is pledged by 1 416 shares in NPTIS.

TalkPool AG has the right to buy back the NPTIS shares until August 2023 at a valuation of SEK 86.3 million. Silverlok has the right to sell its shares in NPTIS and TalkPool AG is obliged to pay if TalkPool's lawyers are successful in enforcing the sale of TalkPool's Pakistan business before the end of 2024.

17. Events occurring after the balance sheet date

Events after the balance sheet date were considered until 25th May 2023. On this date, the statutory financial statements were approved by the Board of Directors of Talkpool AG.

The convertible loans from the shareholders M. Winter and R. Eide totalling to CHF 872'384 had been repaid in Q1 2023 via transfer of shares held by TalkPool AG in Swedish entity NPTIS.

In addition, a first installment to repay the outstanding Covid-19 loan was done by end of March 2023.

18. Material uncertainty related to going concern

The Board of Directors and the management regularly assess the Company's ability to continue as a going concern and is of the opinion that the Company is to be viewed as continuing in business for the foreseeable future. The Financial Statements have been prepared on a going concern basis.

During 2022 Talkpool AG was striving to strengthen its liquidity situation through operational as well as financial actions. Operational costs and overhead costs were further reduced in the local market entities in order to safeguard positive cash flows and enough local surplus to leave headroom for management fee and didvidend payments to Talkpool AG.

The sale of shares in Talkpool Netherlands and Nordic Proptech is part of a new strategy for Talkpool AG. The successful acquisition and consolidation of those entities in Talkpool Group has created values several times higher than the acquisition price. In its portfolio of holdings in IoT and com tech companies, Talkpool AG currently has assets in total 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. Beside the capital gain, the sale of selected assets will also provide Talkpool AG with significant cash injections that will be used for organic growth and new strategic acquisitions of selected tech companies.

The regular cash flow from Talkpool's Managed Services projects in Haiti is still quite important for the cash flow of Talkpool AG. Payments are now being done on a weekly basis which clearly facilitates the cash management.

Further decentralization of project financing and distribution of group costs is ongoining and in particular the increased involvement of Talkpool AG in the management and administration of Talkpool Germany will offload SG&A costs from Talkpool AG. Talkpool AG will also gain from new financing opportunities in Germany.

The upfront financing of the project in the USA has already been performed and a positive revenue stream and regular repayment of loans to Talkpool continued in Q1 2023 and

is expected going forward. The growth financing in all other markets is secured through local financing and no significant additional financing support from Talkpool AG to Group entities is expected in 2023.

Our going concern assessment is based on the above assumptions about successful financing and a positive operational development the coming year. Those assumptions do contain material uncertainties regardig timing and market development.

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Report of the Statutory Auditor

To the General Meeting of the Shareholders of
TalkPool AG, Chur

Qualified opinion

We have audited the financial statements of TalkPool AG (the Company), which comprise the balance sheet as at December 31, 2022, the income statement and the cashflow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the «Basis for qualified opinion» section of our report, the accompanying financial statements (pages 39 to 46) comply with Swiss law and the Company's articles of incorporation.

Basis for qualified opinion

The Company reports an intercompany loan due from Talkpool LLC USA which is carried at CHF 537'123 and included in the "Other current receivables group companies" in the financial statements as at December 31, 2022. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the loan receivable as at December 31, 2022. Consequently, we were unable to determine the valuation and the recoverability of the intercompany loan receivable and whether any adjustments to this amount was necessary.

We conducted our audit in accordance with Swiss law and the Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the «Auditor's Responsibilities for the Audit of the Financial Statements» section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern

We draw attention to note 18 in the financial statements describing the vulnerabilities with regards to the future net sales, the respective impact on net profits and future cash flows of TalkPool AG as well as funding constraints. The Company's ability to continue as a going concern is dependent upon its operations and additional successful fundraising as well as continuing support of its creditors. These facts indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Should the going concern assumption no longer be appropriate, the financial statements would have to be prepared based on liquidation values.

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During our audit, we considered whether the preparation of the financial statements using the going concern basis of accounting and the presentation of the matters that may cast significant doubt on the Company's ability to continue as a going concern set out in the notes to the financial statements are appropriate. Our procedures, amongst others, included the following:

- We reviewed plans for future financing and operational measures, cash flow forecasts and assessed whether these are reasonable, and whether the plans are feasible in the circumstances of the situation.
- We reviewed the liquidity forecasts and assessed whether the liquidity forecasts are plausible and whether the Board of Directors' plans are feasible in the circumstances of the situation.
- We critically reviewed the Management's formal assessment of going concern.
- We critically assessed the prospects for the successful fundraising.
- We made inquiries with Management and the Board of Directors.
- We critically reviewed the minutes of the Management and the Board of Directors and significant (financing) contracts.
- In addition, we satisfied ourselves of the appropriateness of the disclosure made in the financial statements.

Our opinion is not qualified in respect of this matter.

Report on key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the reporting period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the «Basis for qualified opinion» and «Material uncertainty related to going concern» section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Reaction
Valuation and accuracy of investments, financial assets, loans and receivables due from group entities	
As of December 31, 2022, total assets include investments in the amount of CHF 3'425'831 (2021: CHF 7'257'976), financial assets in the amount of CHF 1'122'738 (2021: CHF 0), loans due from group companies in the amount of CHF 343'369 (2021: CHF 343'369) and receivables due from group companies in the amount of CHF 542'879 (2021: CHF 683'565). This represents about 82% (2021: 88%) of the total assets. Due to the extent of these positions as well as significant Management judgement and estimates, we consider the impairment testing of investments, financial assets, loans, and receivables due from group companies to be a key audit matter. Management compares the net book values of the individual investments to the Company's share in the net assets of the respective companies. If the net book value exceeded the net assets or if other impairment indicators were identified, Management tests the respective investments, financial assets,	We adopted the following approach and performed the following audit procedures: • We obtained Management's impairment evaluation and obtained an understanding of the impairment and methodology applied. • We evaluated the reasonableness of the key judgments and estimates applied by Management during the impairment evaluation process. • We evaluated the completeness, accuracy and relevance of the input data used for the impairment evaluation. • We inspected the financial position and performance of the subsidiaries to evaluate the completeness of Management's impairment assessment and to identify whether there were any additional indicators of impairment. • We obtained and inspected relevant agreements. • We assessed the appropriateness of the disclosure made in the financial statements.

loans and receivables for impairment by using the discounted cash flow (DCF) method. The impairment evaluation involves judgement, in particular with regards to estimates concerning revenue growth, expectations about future market developments and assumptions about the development of macroeconomic factors are also taken into account. Discounting is performed using the weighted average cost of capital derived from observable market data inputs and specific factors pertaining the individual companies. The result of this assessment is highly dependent on the estimation of the Management with regard to the future cash flows of the respective companies, the growth rate, the discount rate used and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complexity of the valuation, this matter was of particular importance in the context of our audit. (Refer to note 8 of the financial statements)	
Key Audit Matter	**Auditor's Reaction**
Occurrence and accuracy of revenue recognition	
The company provides services in the field of telecommunications (network services) and solutions in the field of IoT with a focus in the real estate market. Revenues in the field of network services are primarily achieved through a customer contract in Haiti. These revenues represent more than 97% (2021: 94%) of the total revenues. The Company maintains the mobile communications network and receives – on a monthly basis – a purchase order from the client. The corresponding services are charged against these purchase orders. We consider revenue recognition from the customer contract in Haiti to be a key audit matter for the following reasons: • There is a risk that sales revenues are misstated due to fraud. • There is a risk that sales revenues are not recognized in the appropriate period, i.e. that the cut-off point at which risks and rewards are transferred is not correctly reflected in the financial statements. • The individual specific project with Haiti may include multiple performance obligations and the	Our audit procedures included among others: • Substantive testing at year-end in order to ensure that risks and rewards of ownership relating to external sales revenues are properly recorded. • Substantive testing of occurrence and accuracy of revenues recognized. • Analytical review procedures to determine abnormal margins and fluctuations which have to be explained by the Management. • We evaluated design of controls to ensure that the estimates used in determination of net revenues from goods and services, contract costs and margins are appropriate. • We reconciled a sample of recognized cost of goods sold to underlying invoices. • We performed journal entries testing to address the presumed significant risk of fraud in revenue recognition.

accounting treatment of this contract requires Management to estimate the transaction price and timing of revenue recognition. We identified revenue recognition as a significant risk, requiring special audit consideration.	

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements, the financial statements, the compensation report and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant professional ethical requirements regarding independence and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to address any threats or safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the period under review and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure of the matter, or in the extremely rare circumstances where we determine that a matter should not be disclosed in our report because it would be reasonably expected the negative consequences of such disclosure would outweigh its benefits to the public interest.

Report on Other Legal and Regulatory Requirements
In accordance with article 728a paragraph 1 item 3 SCO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

Despite the limitations outlined in the «Basis for qualified opinion» section of our report, we recommend that the financial statements submitted to you be approved, as the misrepresentation does not fundamentally change the overall picture conveyed.

Zurich, May 30, 2023
Grant Thornton AG

Hermann Caspers	Nina Beutler
Audit expert	Audit expert
Auditor in charge	

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