

# Q2

## Interim Report January - June 2024

The logo for Talkpool, featuring the word "talkpool" in a lowercase, sans-serif font. The letter "o" is stylized with a circular graphic element inside it.

## The quarter in brief

### APR 1<sup>ST</sup> – JUN 30<sup>TH</sup> 2024

- Net sales of EUR 3 685 thousand (compared to EUR 3 912 thousand in Q2 2023)
- EBITDA of EUR 371 thousand (EUR 432 thousand in 23Q2) and EBITDA margin of 10.1% (11.0%)
- EBIT of EUR 328 thousand (392) and EBIT margin of 8.9% (10.0%)
- Net Earnings After Tax of EUR 150 thousand (158) and net EAT margin of 4.1% (4.0%)

### JAN 1<sup>ST</sup> – JUN 30<sup>TH</sup> 2024

- Net sales amounted to EUR 7 659 thousand (compared to EUR 7 584 in H1 2023)
- EBITDA of EUR 805 thousand (594) and EBITDA margin of 10.5% (7.8% in 23H1)
- EBIT of EUR 718 thousand (520) and EBIT margin of 9.4% (6.9%)
- Net Earnings After Tax of EUR 316 thousand (405) and EAT margin of 4.1% (5.3%)

### APRIL– JUNE KEY DEVELOPMENTS

- Business as usual with no significant events or extraordinary influence.
- Talkpool's underlying operational business and order inflow continued to improve.
- Reduce to the MAX: Continued focus on day-to-day operational business. Cutting all kinds of avoidable costs while starting initial preparation for future growth.
- Talkpool discontinued its attempt to sell the Pakistani business. A management initiative for making optimal use of the Pakistani asset was initiated in June.
- The companies in Germany and Switzerland overperformed compared to the internal budget whereas the Pakistani business continued to underperform in the second quarter.
- Talkpool's first share options scheme was launched and the tax authorities in Switzerland issued a ruling approving the overall scheme until 2031. The option scheme intends to incentivize key staff and improve long-term profit margins

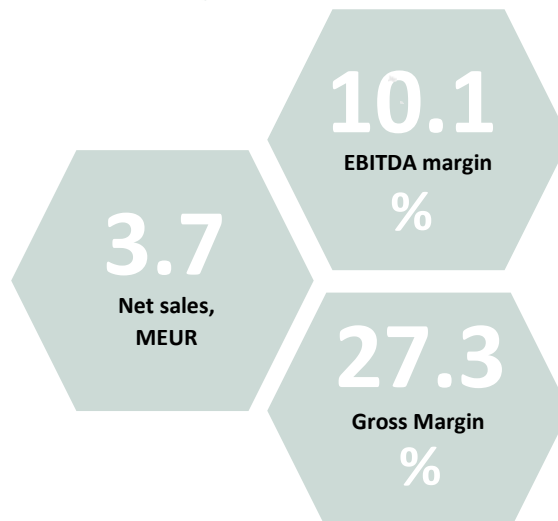
*This report contains insider information that Talkpool AG is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 08:30 o'clock Central European Time on Friday the 30<sup>th</sup> of August 2024.*

# This is Talkpool

Talkpool works behind the scenes to plan, build and improve large communication networks. The company partners with Original Equipment Manufacturers to distribute, integrate and maintain technology that enhances telecommunication infrastructure.

Talkpool has global geographical reach and experience, but it has reduced its geographical. The German operation is at the heart of future growth. The operations in the Caribbean and Pakistan employ over 1'000 technical staffs.

Competences include planning, implementation, project management, optimization and maintenance of fixed and mobile telecom networks. A small and efficient business is now emerging after a turnaround period that has taken several years.



# Management Comments

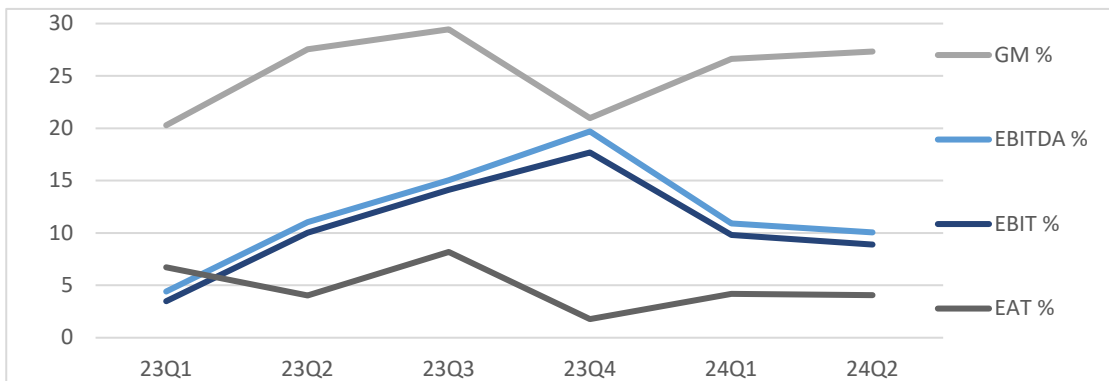
The second quarter of 2024 marked a period of stabilization for Talkpool, as the company maintained a steady course. Growth during the first half of the year was almost flat compared to the previous quarter and the same period in 2023. The company focused primarily on day-to-day operations and business administration, with limited resources allocated to strategic development or sales efforts. Consequently, growth initiatives were minimal, and no significant new business was pursued during this period.

Over the past few years, Talkpool has achieved a decent turnaround, revitalising both its operations and its financial health. Although Talkpool usually experiences a seasonal slowdown during the summer due to holidays, this year has been an exception, with no noticeable reduction in activity. Operational cashflow reached an all-time high in 24Q2, and order intake continued to improve. This positive trend has been ongoing since Talkpool pivoted back to its core competency in 2022, driving steady operational improvements over the past few years.

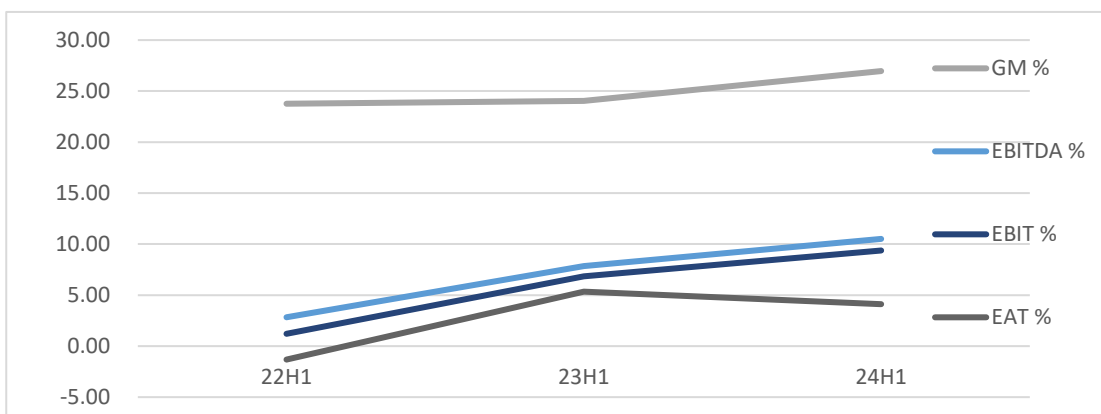
In preparation for future growth, Talkpool is expanding its fixed network planning operations in Germany by

adding capacity. It is also strengthening its businesses in Pakistan and Saudi Arabia to ensure they contribute more effectively to the overall group.

With its positioning in technology and the growing demand for Artificial Intelligence (AI) services, Talkpool is preparing to capitalize on these opportunities, having already secured its first AI order. Looking ahead, more resources will be allocated to business development and crafting a new business plan. After strategic recalibration work in the second half of 2024, the company is poised to embark on a dynamic new phase of growth, setting the stage for a more expansion-focused future.



Profit margin development



# Financial development

## KEY FIGURES

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Sales, € thousand	3'685	3'912	7'659	7'584	15'607
Sales growth in %	-5.8%	-42.2%	1.0%	-41.2%	-38.8%
Gross profit, € thousand	1'007	1'077	2'064	1'821	3'822
<i>Gross margin</i>	27.3%	27.5%	27.0%	24.0%	24.5%
EBITDA, € thousand	371	432	805	594	1'980
<i>EBITDA margin</i>	10.1%	11.0%	10.5%	7.8%	12.7%
EBIT, € thousand	328	392	718	520	1'806
<i>EBIT margin</i>	8.9%	10.0%	9.4%	6.9%	11.6%

## SALES AND GROSS MARGIN

### APR 1<sup>ST</sup> – JUN 30<sup>TH</sup> 2024

The gross margin of 27.3% was almost same as the 27.5% GM in Q2 2023. Revenues were slightly lower than in the same period last year. More conservative accounting practices were implemented in Germany and Switzerland in the second quarter.

### JAN 1<sup>ST</sup> – JUN 30<sup>TH</sup> 2024

Revenues for the first half of 2024 were slightly higher than those in the first half of 2023. From April 1st 2024, the accounting principles for booking revenues and cost of sales were more conservative.

## EBITDA

### APR 1<sup>ST</sup> – JUN 30<sup>TH</sup> 2024

The EBITDA margin slightly decreased to 10.1% compared to 11.0% in Q2 2023. The EBITDA amounted to EUR 371 thousand, down from EUR 432 thousand in Q2 2023.

### JAN 1<sup>ST</sup> – JUN 30<sup>TH</sup> 2024

The EBITDA margin improved compared to the first half of 2023. EBITDA increased to EUR 805 thousand, compared to EUR 594 thousand in the first half of 2023.

## NET PROFIT

### APR 1<sup>ST</sup> – JUN 30<sup>TH</sup> 2024

Net Earnings After Tax were EUR 150 thousand, slightly lower than EUR 158 thousand in Q2 2023. The net profit margin remained stable at 4.1%, nearly identical to the bottom-line margin in the same period last year.

### JAN 1<sup>ST</sup> – JUN 30<sup>TH</sup> 2024

Net Earnings After Tax totaled EUR 316 thousand, lower than EUR 405 thousand in the first half of 2023. The net profit margin of 4.1% was somewhat lower compared to 5.3% in the same period in 2023.

# Financial position and cash flow

## KEY FIGURES

	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Equity ratio	7.5%	-18.6%	7.5%	-18.6%	1.4%
Return on equity	50%	-12.5%	105.2%	-32.9%	-1'450%
Net cash/debt, € thousand	-1'652	-2'119	-1'652	-2'119	-2'071
Operating cash flow, € thousand	299	-1	403	1'369	-32

## BALANCE SHEET AND FINANCIAL POSITION

### 30 JUNE 2024

The balance sheet continued to strengthen. The equity reached EUR 450 thousand at the end of Q2. The consolidated equity reached above zero at the end of last year after many years of negative equity. Cash and current interest-bearing liabilities were lower at the end of June compared to three months earlier.

The net debt was reduced to (negative) EUR 1'652 thousand, down from EUR 1'918 thousand in Q1 and EUR 2'070 thousand at end of last year. All expensive loans have been repaid. The highest interest is currently 8%, paid on a convertible loan amounting to approximately EUR 475 thousand that expires at the end of January 2025.

## CASH-FLOW AND INVESTMENTS

### JANUARY – JUNE 2024

Cash decreased to EUR 810 thousand at the end of June 2024, down from EUR 1'361 thousand at the end of March 2024. The interest-bearing liabilities decreased during the quarter due to amortization of loans.

## OTHER DISCLOSURES

### Accounting principles

The consolidated interim report is based on uniform accounting principles for all group companies. The parent company, Talkpool AG, is a Swiss company and is governed by Swiss law and accounting principles. The consolidated interim report has been prepared in compliance with the Swiss Code of Obligations (Art. 957 to 963b CO).

As per 31 December 2016, the group changed its goodwill accounting from capitalization and amortization to offsetting against equity. For further information regarding applied accounting principles please refer to the Talkpool annual report 2023.

## SIGNIFICANT EVENTS AFTER THE PERIOD

No significant events after the period.

## CERTIFIED ADVISOR

G&W Fondkommission is Talkpool's Certified Advisor.

## AUDITOR'S REVIEW

The company's auditors have not audited this report.

Chur on the 30<sup>th</sup> of August 2024

Magnus Sparrholm

Interim CEO Talkpool AG

# Summary of financial reports

## CONSOLIDATED INCOME STATEMENT

EUR	Apr - Jun		Jan - Jun		
	2024	2023	2024	2023	2023
Net revenue from goods and services	3'685'468	3'912'047	7'659'197	7'583'759	15'606'987
Cost of sales	-2'678'948	-2'835'157	-5'595'071	-5'762'276	-11'784'690
<b>Gross profit</b>	<b>1'006'521</b>	<b>1'076'890</b>	<b>2'064'126</b>	<b>1'821'483</b>	<b>3'822'297</b>
Selling expenses	-70'120	-93'396	-153'443	-189'086	-352'004
Administrative expenses	-618'535	-630'330	-1'213'957	-1'168'708	-2'436'185
Other operating income & expenses	9'799	38'861	21'137	56'575	771'947
<b>Operating result</b>	<b>327'665</b>	<b>392'025</b>	<b>717'864</b>	<b>520'264</b>	<b>1'806'056</b>
Financial net	-61'191	-88'370	-119'711	140'080	-486'773
<b>Profit before income taxes</b>	<b>266'474</b>	<b>303'655</b>	<b>598'153</b>	<b>660'344</b>	<b>1'319'282</b>
Income taxes	-116'183	-145'987	-282'170	-255'448	-531'090
<b>Net profit</b>	<b>150'292</b>	<b>157'668</b>	<b>315'983</b>	<b>404'896</b>	<b>788'193</b>
<b>Net income attributable to:</b>					
Stockholders of the parent company	148'982	159'790	313'306	421'300	790'705
Minority interests	1'310	-2'095	2'677	-16'404	-2'512
<b>Other information</b>					
<i>Average number of shares</i>	<i>6'778'097</i>	<i>6'778'097</i>	<i>6'778'097</i>	<i>6'778'097</i>	<i>6'778'097</i>
<i>Earnings per share (no dilutive effects)</i>	<i>0.02</i>	<i>0.02</i>	<i>0.05</i>	<i>0.06</i>	<i>0.12</i>
<i>Number of shares, end of period</i>	<i>6'778'097</i>	<i>6'778'097</i>	<i>6'778'097</i>	<i>6'778'097</i>	<i>6'778'097</i>
<i>Earnings per share (no dilutive effects)</i>	<i>0.02</i>	<i>0.02</i>	<i>0.05</i>	<i>0.06</i>	<i>0.12</i>

Sales of assets and settlements had a positive impact on the results throughout 2023, both during the first half and second half of last year. Such extraordinary events had an even stronger impact on the results in 2022. No such one-off extraordinary events has impacted the results in the first half of this year.

# Consolidated balance sheet

EUR	June 30 2024	June 30 2023	December 31 2023
<b>ASSETS</b>			
<i>Current assets</i>			
Cash	809'902	1'025'365	1'035'045
Trade receivables	846'201	1'321'667	1'550'295
Other current receivables	1'672'956	1'460'934	1'187'972
Inventories and unvoiced services	1'246'444	1'025'744	1'168'190
Prepaid expenses and accrued income	235'274	224'016	70'719
<b>Total current assets</b>	<b>4'810'777</b>	<b>5'057'725</b>	<b>5'012'221</b>
<i>Non-current assets</i>			
Other financial assets	6'989	25'686	6'759
Investments in associates and financial assets	483'887	476'320	501'589
Intangible assets	82'101	117'400	605'917
Property, plant and equipment	596'008	596'599	116'453
<b>Total non-current assets</b>	<b>1'168'986</b>	<b>1'216'005</b>	<b>1'230'718</b>
<b>TOTAL ASSETS</b>	<b>5'979'763</b>	<b>6'273'730</b>	<b>6'242'939</b>
<b>LIABILITIES AND EQUITY</b>			
<i>Current liabilities</i>			
Trade payables	1'135'511	1'100'001	1'180'967
Current interest-bearing liabilities	1'336'412	1'219'847	1'766'856
Other current liabilities	355'876	649'719	415'781
Accrued expenses and deferred income	1'323'555	2'223'424	1'359'253
<b>Total current liabilities</b>	<b>4'151'353</b>	<b>5'192'990</b>	<b>4'722'587</b>
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	1'125'503	1'924'540	1'338'765
Provision	253'109	320'914	91'716
<b>Total non-current liabilities</b>	<b>1'378'611</b>	<b>2'245'454</b>	<b>1'430'480</b>
<b>Total liabilities</b>	<b>5'529'964</b>	<b>7'438'444</b>	<b>6'153'067</b>
<i>Equity</i>			
Stockholders' equity	297'767	-1'280'953	-54'540
Minority interest in equity of subsidiaries	152'032	116'238	144'411
<b>Total equity</b>	<b>449'799</b>	<b>-1'164'715</b>	<b>89'871</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5'979'763</b>	<b>6'273'730</b>	<b>6'242'939</b>

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

# Consolidated cash flow statement

EUR	Apr - Jun		Jan - Jun		
	2024	2023	2024	2023	2023
<i>Operating activities</i>					
Net earnings	150'292	157'668	315'983	404'896	788'193
+/- adjustment for items not affecting cash flow	206'536	42'110	251'425	746'620	-75'535
+/- change in working capital	-58'059	-200'950	-164'758	217'093	-744'865
<b>Net cash flow from operating activities</b>	<b>298'769</b>	<b>-1'172</b>	<b>402'650</b>	<b>1'368'609</b>	<b>-32'207</b>
<i>Investing activities</i>					
Investments in property, plant and equipment	-43'094	-	-43'094	-	-109'199
Sales/divestment of property, plant and equipment	-	56'780	-	330'952	196'462
Investments in intangible assets	-	-	-	42'138	-12'621
Sales/divestment of intangible assets	-	8'178	-	-	42'473
Inflow/outflow from change of financial assets	-5'673	-10'126	17'472	7'667	892'101
Dividends paid to minority	-	-	-	-	-
Sales of subsidiaries	-	-	-	-	-
<b>Net cash flow from investing activities</b>	<b>-48'767</b>	<b>54'832</b>	<b>-25'622</b>	<b>380'757</b>	<b>1'009'216</b>
<i>Financing activities</i>					
Net Issuance (repayment) of interest-bearing liabilities	-816'884	-13'875	-643'436	-2'225'519	-1'463'968
<b>Net cash flow from financing activities</b>	<b>-816'884</b>	<b>-13'875</b>	<b>-643'436</b>	<b>-2'225'519</b>	<b>-1'463'968</b>
Currency translation effects	15'606	-184'589	41'265	-25'336	-4'851
<b>Net change in cash</b>	<b>-551'276</b>	<b>-144'804</b>	<b>-225'143</b>	<b>-501'489</b>	<b>-491'810</b>
Cash, beginning of period	1'361'178	1'170'170	1'035'045	1'526'855	1'526'855
Cash, end of period	809'902	1025'365	809'902	1'025'365	1'035'045



# Changes in equity

EUR	Share capital	Capital reserves	Cumulative foreign translation adjustment	Retained earnings	Retained earnings - Goodwill recognized directly in equity	Total equity excl. minority interests	Share of minority interests	Total equity incl. minority interests
<b>Jan 1, 2023</b>	<b>275'735</b>	<b>8'383'131</b>	<b>-1'773'186</b>	<b>-5'075'333</b>	<b>-3'136'239</b>	<b>-1'325'889</b>	<b>169'752</b>	<b>-1'156'136</b>
Net earnings	-	-	-	421'300	-	<b>421'300</b>	-16'404	<b>404'896</b>
Foreign currency differences	-	-	335'961	-	-712'326	<b>-376'365</b>	-37'110	<b>-413'475</b>
<b>Jun 30, 2023</b>	<b>275'735</b>	<b>8'383'131</b>	<b>-1'437'225</b>	<b>-4'654'030</b>	<b>-3'848'565</b>	<b>-1'280'954</b>	<b>116'238</b>	<b>-1'164'717</b>
<b>Jan 1, 2024</b>	<b>275'735</b>	<b>8'383'131</b>	<b>-1'773'186</b>	<b>-4'466'068</b>	<b>-2'474'152</b>	<b>-54'540</b>	<b>144'411</b>	<b>89'871</b>
Net earnings	-	-	-	313'306	-	<b>313'306</b>	2'677	<b>315'983</b>
Foreign currency differences	-	-	39'002	-	-	<b>39'002</b>	4'944	<b>43'946</b>
<b>Jun 30, 2024</b>	<b>275'735</b>	<b>8'383'131</b>	<b>-1'734'184</b>	<b>-4'152'762</b>	<b>-2'474'152</b>	<b>297'767</b>	<b>152'032</b>	<b>449'799</b>

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

# Definitions of key indicators

Earnings per share	Period net profit/loss in relation to average number of shares for the period
EBITDA	Earnings Before Interest Tax Depreciation and Amortization
EBIT	Earnings Before Interest and Tax
EAT	Earnings After Tax
Equity ratio	Equity in percentage of total assets
Return on equity	Net earnings in relation to equity
Net cash/debt	Net of interest-bearing liabilities minus cash and bank, excluding tax receivables/liabilities

## Further information

### **Magnus Sparrholm, Interim CEO**

Telephone: +41 79 758 15 48

[magnus.sparrholm@talkpool.com](mailto:magnus.sparrholm@talkpool.com)

### **Erika Loretz, Group Reporting**

Telephone: +41 79 333 59 71

[erika.loretz@talkpool.com](mailto:erika.loretz@talkpool.com)

### **Talkpool**

Gäuggelistrasse 7

CH-7000 Chur

Switzerland

Telephone: +41 81 250 20 20

Mail: [info@talkpool.com](mailto:info@talkpool.com)

Web: [www.talkpool.com](http://www.talkpool.com)

## Financial calendar

Interim report January – September 2024

28 November 2024

Year-end report January – December 2024

14 March 2025