

Q4

Year-end Report

January - December 2024

talkpool

The quarter in brief

OCT 1ST – DEC 31ST 2024

- Net sales of EUR 3 970 thousand (compared to EUR 4 538 thousand in Q4 2023)
- EBITDA of EUR 425 thousand (848) and EBITDA margin of 10.7% (18.7%)
- EBIT of EUR 378 thousand (791) and EBIT margin of 9.5% (17.0%)
- Net Earnings After Tax of EUR 406 thousand (247) and net EAT margin of 10.2% (5.4 %)

JAN 1ST – DEC 31ST 2024

- Net sales amounted to EUR 15 757 thousand (compared to EUR 15 607 in 2024)
- EBITDA of EUR 1 753 thousand (1 980) and EBITDA margin of 11.1% (12.7%)
- EBIT of EUR 1 576 thousand (1 806) and EBIT margin of 10.0% (11.6%)
- Net Earnings After Tax of EUR 869 thousand (788) and EAT margin 5.5% (5.05%)

OCTOBER – DECEMBER KEY DEVELOPMENTS

- The year ended with a stable performance in line with the “reduce to the MAX” motto. More conservative accounting practices were applied throughout the year 2024. The operational performance and profitability increased during the last months of the year.
- The German business had a slow ending of the year after very good performance in the first 9 months of 2024. The Swiss company and Pakistani company showed strong performance during October to December of 2024.
- Talkpool is returning to its telecom network services roots, building upon its legacy of bringing communication technology to diverse regions worldwide. The company has delayed publishing its new strategy as it continues to thoroughly evaluate strategic opportunities.
- Moving forward, Talkpool's primary focus is to grow and strengthen its companies in Germany, Switzerland, and Pakistan. This growth trajectory will be accelerated through the implementation of cutting-edge technology tools powered by artificial intelligence, enabling more efficient service delivery and expanded market reach.

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 14th of March 2025.

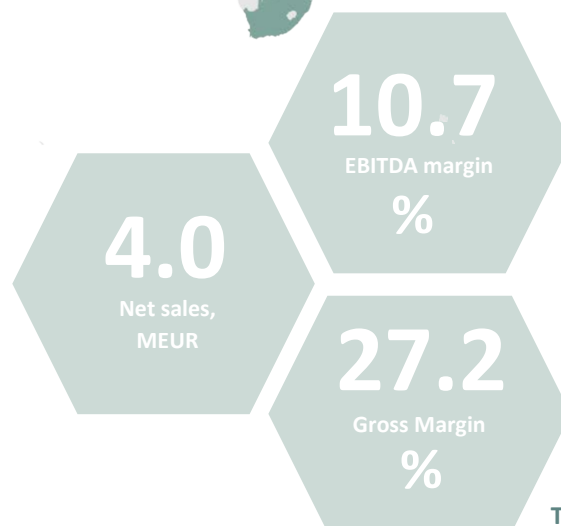
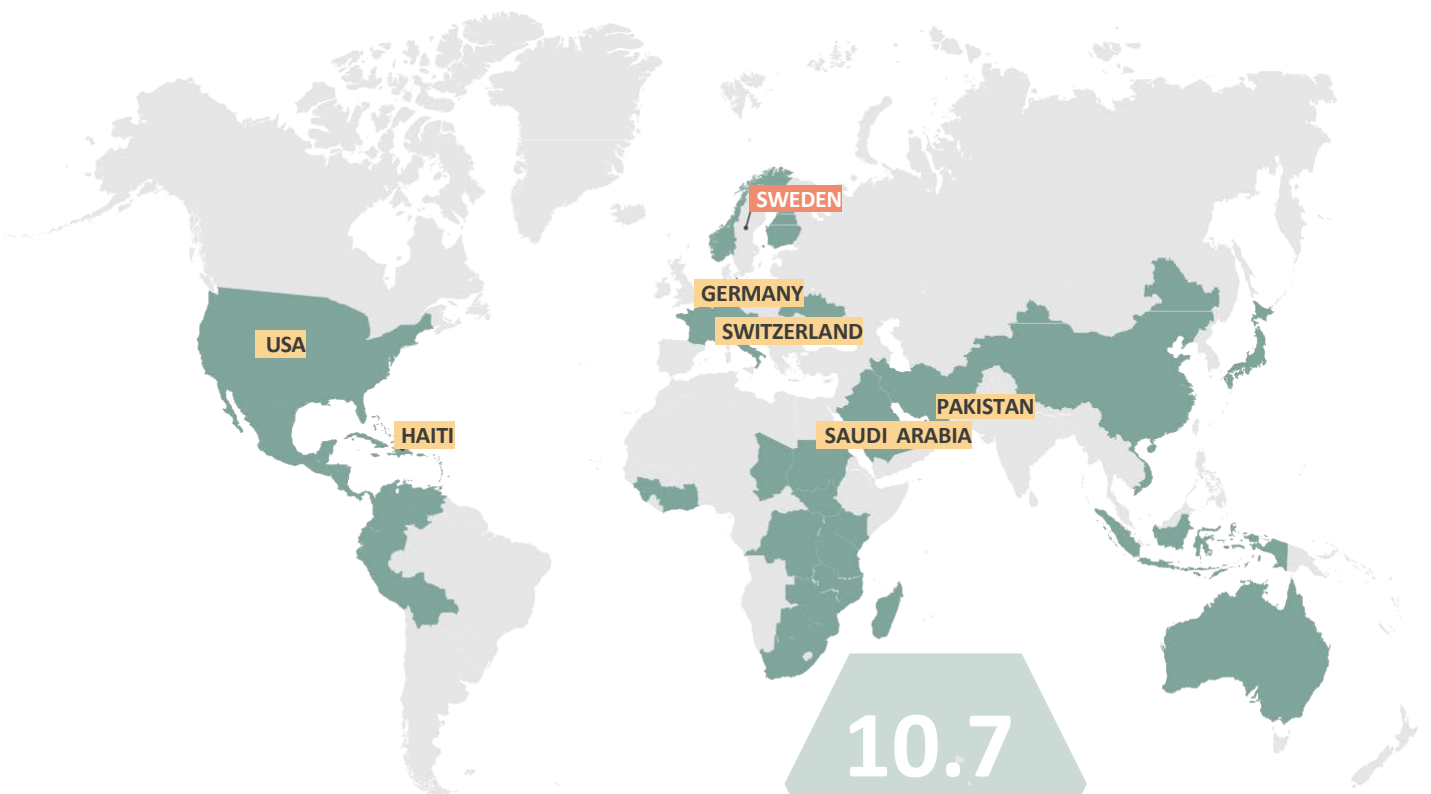
This is Talkpool

Talkpool works behind the scenes to plan, build and improve large communication networks. Competence includes implementation of new technology including hardware, software, project management and human resources management. The company partners with Original Equipment Manufacturers to distribute, integrate and maintain technology that enhances telecommunication infrastructure.

Talkpool has global geographical reach and experience. The business has three main companies:

- Germany: Fixed network planning of fibre and Copper technology performed by 40 staff
- Switzerland: One large Operation and Maintenance project of a complete mobile and fixed network in the Caribbean performed by approx. 400 staff
- Pakistan: Market leader with 45 projects to plan, implement, integrate, optimize and refurbish telecom sites performed by approximately 1 000 employees

Talkpool also owns businesses in the USA, Saudi Arabia and Sweden. The company is traded in Stockholm (Nasdaq First North) and Frankfurt (Deutsche Börse) with ISIN CH0322161768. The business has Swedish roots, is majority-owned by Swedish shareholders and managed by a Swedish team. A streamlined and efficient business is now emerging after a turnaround period that has taken several years.



Management Comments

Talkpool's business remained mainly unchanged during the fourth quarter of 2024, as the company maintained a steady course. In addition to continuing delivering good service quality in existing markets, a growth initiative intensified.

Artificial intelligence (AI) is rapidly surpassing human capabilities across numerous domains. While many telecommunications network operations are still in the early stages of this technological transformation, Talkpool is strategically positioning itself to harness the full potential of AI tools. By automating repetitive tasks currently performed by humans and optimizing use of infrastructure, Talkpool aims to drive efficiency, reduce costs, and deliver superior network performance for its clients.

Talkpool followed the motto "reduce to the MAX" in 2024 – keeping costs low while maximizing future opportunities. Additional resources have been allocated to sales and business development without increasing the cost base.

Germany has during 2024 developed into Talkpool's most important market. The German work volumes in the fourth quarter were however lower than previously, and accounting practices were further tightened.

The **Swiss** company continued to overperform based on operational profits from its Operation and Maintenance project in the Caribbean and low headquarter costs.

The business in **Pakistan** is going through big changes. An effort to export remote services and technology from Pakistan has been initiated. Pakistan has been in a crisis, but the business ended 2024 with a positive trend.

The TALK share price (ISIN CH0322161768) dived from just below SEK 8.0 (€0.62) per share in early October 2024 to SEK 6.3 (€0.45) at the end of the year, only to return to just below SEK 8.0 (€0.62) at the time of writing this text.

Beginning of the year 2025

The business has started the new year as stable as it finished 2024. After 8 years of absence, Talkpool visited the world's largest wireless show #MWC25 in Barcelona and signed two separate contracts for Artificial Intelligence tools. New sales managers have been hired while efforts to minimize costs continue.

Business development activities have increased in Talkpool's Miami office. Promising negotiations with optical fiber network operators are undergoing and a network services trial is evaluated in the USA.

Talkpool is considering re-entering the Swedish market to meet new demands for secure mobile communication technology.

Looking ahead, Talkpool is planning to accelerate growth while continuing to focus on cashflow and profit margins.

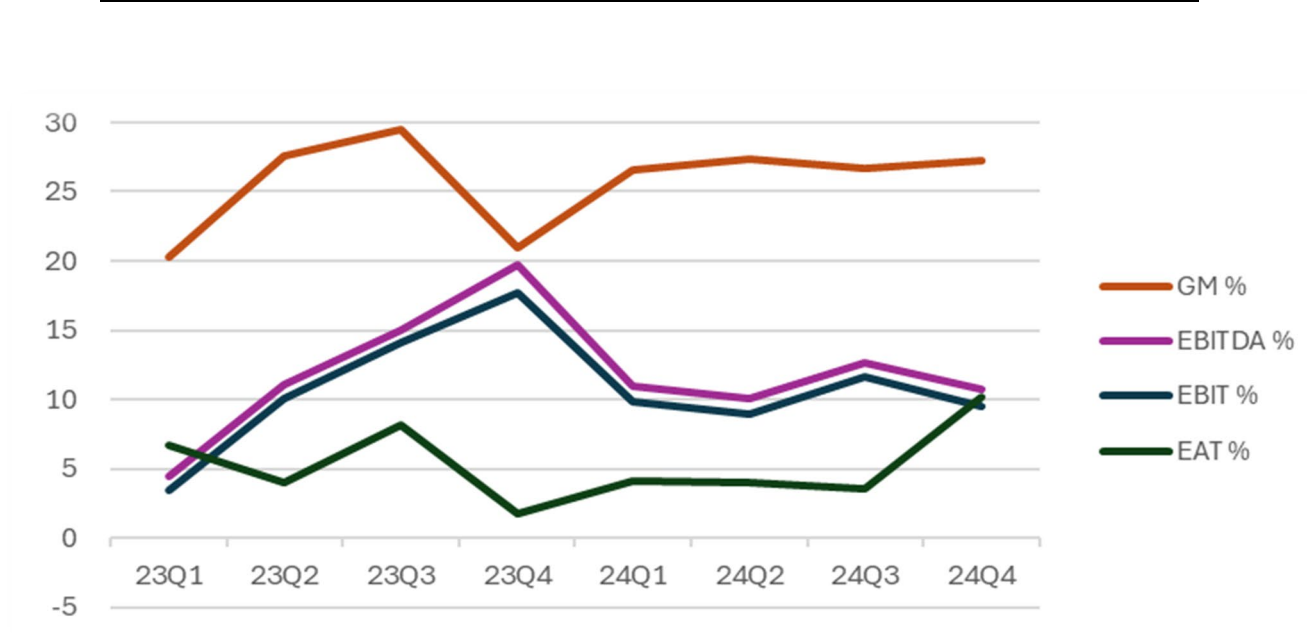
Despite economic uncertainties, demand for Talkpool's services remains resilient, with clients increasingly turning to innovation as a response to challenging market conditions. In this turbulent global landscape, Talkpool has established itself as a trusted anchor, providing stability and forward-thinking solutions when clients need them most.



Financial development

KEY FIGURES

	Q4 2024	Q4 2023	FY 2024	FY 2023
Sales, € thousand	3'970	4'538	15'757	15'607
Sales growth in %	-12.5%	-33.3%	1.0%	-38.8%
Gross profit, € thousand	1'082	964	4'246	3'822
Gross margin	27.2%	21.2%	26.9%	24.5%
EBITDA, € thousand	425	848	1'753	1'980
EBITDA margin	10.7%	18.7%	11.1%	12.7%
EBIT, € thousand	378	791	1'576	1'806
EBIT margin	9.5%	17%	10.0%	11.6%



Profit margin development

SALES AND GROSS MARGIN

OCT 1ST – DEC 31ST 2024

Sales in the last quarter of 2024 reached EUR 3'970 thousand. This 24Q4 Revenue of almost EUR 4.0 million is in line with revenue in previous quarters of 2024. The Revenue in Q4 2023 peaked at 12.5% higher than 24Q4, primarily due to seasonal fluctuations and more conservative revenue recognition practices in 2024.

The Gross Margin for Q4 2024 was 27.2%. This is much higher than the 21.2% Gross Margin in Q4 2023.

JAN 1ST – DEC 31ST 2024

The annual revenue for 2024 remained in line with 2023 levels, with a small increase to EUR 15.8 million in 2024 from EUR 15.6 million in the previous year.

The gross margin throughout 2024 remained stable at an average just below 27%. The Gross Margin in 2024 was approximately 2.5% higher than in the previous year.

Profit Margins per Quarter	24Q4	24Q3	24Q2	24Q1
Revenue [EUR million]	4.0	4.1	3.7	4.0
Gross Margin	27.2%	26.7%	27.3%	26.6%
EBITDA	10.7%	12.9%	10.1%	10.9%
EBIT	9.5%	11.9%	8.9%	9.8%
EAT	10.2%	3.8%	4.1%	4.2%

EBITDA

OCT 1ST – DEC 31ST 2024

EBITDA in Q4 2024 was EUR 425 thousand and the EBITDA Margin was 10.7%. The EBITDA in the same period in the previous year was heavily distorted by extraordinary impacts, mainly by a settlement in Pakistan and a dispute in Belgium. The EBITDA excluding extraordinary impacts was much higher in Q4 2024 than in the same period the previous years.

JAN 1ST – DEC 31ST 2024

EBITDA for the full year 2024 reached EUR 1 753 thousand and the EBITDA Margin was 10.7%. This is less than EUR 1 980 thousand and 12.7% in the calendar year of 2023, but the EBITDA in 2023 had a positive impact of approximately EUR 686 thousand from extraordinary events, so the underlying operational performance was much better in 2024.

NET PROFIT

OCT 1ST – DEC 31ST 2024

Net Earnings After Tax (EAT) amounted to EUR 406 thousand in the last quarter of 2024. This 10.2% net margin was positively impacted by foreign exchange gains of CHF 180 thousand. The net earnings in 24Q4 were much higher than the net earnings of EUR 247 thousand in the same period 2023. EAT in 24Q4 was also much higher than the previous quarters of 2024. Talkpool has hence succeeded in preparing for future growth without reducing the net profits in 24Q4.

JAN 1ST – DEC 31ST 2024

The full-year Net Earnings After Tax for the calendar year 2024 totaled EUR 869 thousand. This is somewhat more than the EUR 788 thousand net earnings in 2023 but less than the EUR 1 240 thousand earnings in 2022. Talkpool had no extraordinary income in 2024 from asset sales or settlements that improved profits in the previous years. The net profitability of the underlying business has consistently improved over the past years.

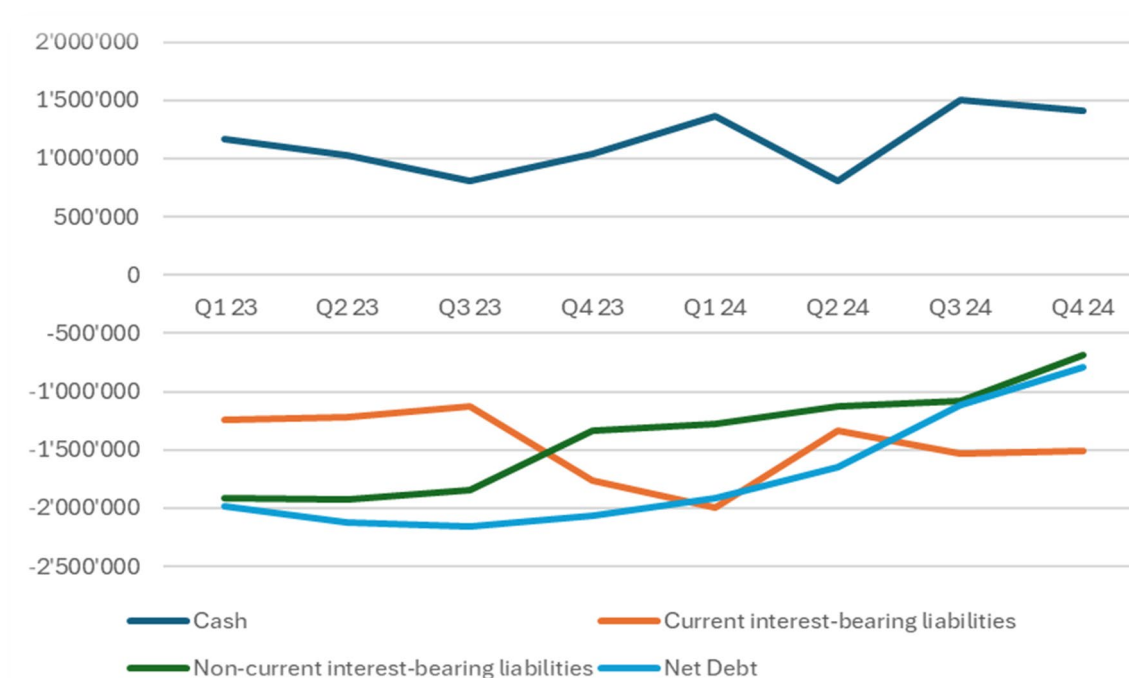
Financial position and cash flow

KEY FIGURES

	Q4 2024	Q4 2023	FY 2024	FY 2023
Equity ratio	17.4%	2.5%	17.4%	1.4%
Return on equity	45.3%	1070%	97.6%	-1'450%
Net cash/debt, € thousand	-786	-2'071	-786	-2'071
Operating cash flow, € thousand	490	-757	1'433	-32

BALANCE SHEET AND FINANCIAL POSITION

[EUR]



DECEMBER 31ST 2024

The consolidated balance sheet continued to strengthen, with an increasingly positive net debt trend. The Total interest-bearing liabilities declined due to ongoing loan amortization. The long-term loans, marked with green color as “non-current interest-bearing liabilities” in the graph above, have almost been reduced in half from 1'339 thousand to EUR 690 thousand.

The Net Debt of EUR 786 thousand is calculated by deducting Total Debt from the Cash and Cash Equivalents. For Talkpool at the end of 2024, the Net Cash amounted to 1.408m€ cash – 1.504m€ current liabilities – 690k€ long-term liabilities = -786 thousand. The net debt will be reduced by approximately EUR 450 thousand after validating the conversion of shares decided in 2024 and executed in 2025. If the current trend continues, Talkpool will reach zero net debt in the beginning of the year 2025.

EQUITY

The Total equity increased throughout 2024, reaching EUR 1 044 thousand by year-end. Talkpool is since 2016 using an unusual accounting practice, whereby goodwill is discounted from equity. This accounting method has led to drastically reduced equity levels. Equity cannot be negative when applying standard accounting practices, but Talkpool has during many years had a negative equity amounting to several million Euros. Equity incl. minority interest has recovered from negative EUR 1 156 136 at the end of 2022 to a positive equity of EUR 89 871 at the end of 2023 to (positive) EUR 1 044 487 at the end of 2024.

Talkpool has improved its Equity Ratio (=Total Shareholders' Equity / Total Assets) to 17.4% in 2024. This is a low Equity Ratio for an established service company. The main reason for the low Equity Ratio is Talkpool's unusual way of discounting goodwill from equity.

Return on Equity (ROE) measures how efficiently a company generates profits from its shareholders' investments. ROE is calculated as Net Income / Average Equity for the year. A Return of Equity of over 30% is considered as extremely high. This is however distorted in a similar way as described above.

CASH-FLOW AND INVESTMENTS

OCT 1ST – DEC 31ST 2024

Operating cash flow amounted to EUR 490 thousand, a significant improvement compared to the negative EUR 757 thousand recorded in Q4 2023. Strong cashflow will be a key priority in Talkpool's new strategy.

Working capital reached EUR 231 thousand in Q4 2024, compared to negative EUR 687 thousand in the same period last year.

JAN 1ST – DEC 31ST 2024

Operating cash flow totaled EUR 1 433 thousand for the full year 2024. This is a big improvement compared to previous years. No major extraordinary events occurred and the OCF trend was positive. Despite amortizing loans, Talkpool had more cash at the end of the year than it had at the beginning of 2024.

Talkpool has now reached a healthy level of cashflow generation and intends to intensely continue focusing on cashflow generation. Operating cash flow (OCF) for service companies varies by industry segment, size, and business model, but there are some general benchmarks. For healthy service companies, operating cash flow typically ranges from 8% to 20% of revenue, and this can be compared to Talkpool's OCF of 9.1% for 2024 and 12.3% for the last quarter.

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

The convertible bonds were converted in September 2024. The resulting capital increase will be completed in the first half year 2025. In this report, we've assumed that the validation day for the conversion will be in 2025.

CERTIFIED ADVISOR

G&W Fondkommission is Talkpool's Certified Advisor.

AUDITOR'S REVIEW

The company's auditors have not audited this report.

Chur, 14 March 2025
Magnus Sparrholm
Interim CEO Talkpool AG

Summary of financial reports

CONSOLIDATED INCOME STATEMENT

EUR	Oct - Dec		Jan-Dec	
	2024	2023	2024	2023
Net revenue from goods and services	3'970'165	4'538'192	15'756'871	15'606'987
Cost of sales	-2'888'552	-3'574'149	-11'510'760	-11'784'690
Gross profit	1'081'613	964'043	4'246'111	3'822'297
Selling expenses	-85'976	-85'655	-307'979	-352'004
Administrative expenses	-648'808	-791'434	-2'442'611	-2'436'185
Other operating income & expenses	31'353	704'533	80'910	771'947
Operating result	378'181	791'488	1'576'431	1'806'056
Financial net	65'121	-421'083	-118'870	-486'773
Profit before income taxes	443'303	370'404	1'457'561	1'319'282
Income taxes	-37'564	-123'656	-588'671	-531'090
Net profit	405'739	246'749	868'890	788'193
Net income attributable to:				
Stockholders of the parent company	399'339	231'549	859'727	790'705
Minority interests	6'400	15'200	9'162	-2'512
Other information				
<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>Earnings per share (no dilutive effects)</i>	<i>0.06</i>	<i>0.03</i>	<i>0.13</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>Earnings per share (no dilutive effects)</i>	<i>0.06</i>	<i>0.03</i>	<i>0.13</i>	<i>0.12</i>

Consolidated balance sheet

EUR	December 31 2024	December 31 2023
ASSETS		
<i>Current assets</i>		
Cash	1'407'778	1'035'045
Trade receivables	826'186	1'550'295
Other current receivables	1'240'347	1'187'972
Inventories and unvoiced services	1'200'340	1'168'190
Prepaid expenses and accrued income	123'533	70'719
Total current assets	4'798'184	5'012'221
<i>Non-current assets</i>		
Other financial assets	2'066	6'759
Investments in associates and financial assets	486'268	501'589
Intangible assets	88'437	116'453
Property, plant and equipment	611'927	605'917
Total non-current assets	1'188'698	1'230'718
TOTAL ASSETS	5'986'882	6'242'939
LIABILITIES AND EQUITY		
<i>Current liabilities</i>		
Trade payables	922'007	1'180'967
Current interest-bearing liabilities	1'503'735	1'766'856
Other current liabilities	397'901	415'781
Accrued expenses and deferred income	1'392'177	1'359'253
Total current liabilities	4'215'820	4'722'587
<i>Non-current liabilities</i>		
Non-current interest-bearing liabilities	690'434	1'338'765
Provision	36'141	91'716
Total non-current liabilities	726'575	1'430'480
Total liabilities	4'942'395	6'153'067
<i>Equity</i>		
Stockholders' equity	881'002	-54'540
Minority interest in equity of subsidiaries	163'485	144'411
Total equity	1'044'487	89'871
TOTAL LIABILITIES AND EQUITY	5'986'882	6'242'939

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

Consolidated cash flow statement

EUR	Oct - Dec		Jan-Dec	
	2024	2023	2024	2023
<i>Operating activities</i>				
Net earnings	405'739	246'749	868'890	788'193
+/- adjustment for items not affecting cash flow	-147'032	-316'956	221'615	-75'535
+/- change in working capital	231'216	-686'529	342'854	-744'865
Net cash flow from operating activities	489'923	-756'736	1'433'360	-32'207
<i>Investing activities</i>				
Investments in property, plant and equipment	-114'039	-259'240	-147'386	-109'199
Sales/divestment of property, plant and equipment		400'838		196'462
Investments in intangible assets	-6'919	-46'456	-6'919	-12'621
Sales/divestment of intangible assets				42'473
Inflow/outflow from change of financial assets	14'830	-1'459	20'013	892'101
Dividends paid to minority		-		-
Sales of subsidiaries		-		-
Net cash flow from investing activities	-106'128	93'683	-134'291	1'009'216
<i>Financing activities</i>				
Net Issuance (repayment) of interest-bearing liabilities	-423'941	791'878	-911'182	-1'463'968
Net cash flow from financing activities	-423'941	791'878	-911'182	-1'463'968
Currency translation effects	-50'203	98'836	-15'153	-4'851
Net change in cash	-90'349	227'661	372'733	-491'810
Cash, beginning of period	1'498'127	807'384	1'035'045	1'526'855
Cash, end of period	1'407'778	1'035'045	1'407'778	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
Jan 1, 2023	275'735	8'383'131	-1'773'186	-5'075'333	-3'136'239	-1'325'889	169'752	-1'156'136
Net earnings	-	-	-	790'705	-	790'705	-2'512	788'193
Disposal of subsidiaries	-	-	-	-176'595	662'087	485'492	-22'829	462'663
Foreign currency differences	-	-	-	-4'848	-	-4'848	-	-4'848
Dec 31, 2023	275'735	8'383'131	-1'773'186	-4'466'068	-2'474'152	-54'540	144'411	89'871
Jan 1, 2024	275'735	8'383'131	-1'773'186	-4'466'068	-2'474'152	-54'540	144'411	89'871
Net earnings	-	-	-	868'890	-	868'890	-9'162	859'728
Foreign currency differences	-	-	66'653	-	-	66'653	28'236	94'889
Dec 31, 2024	275'735	8'383'131	-1'706'533	-3'597'178	-2'474'152	881'003	163'484	1'044'487

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

Erika Loretz, Accounting & Finance Manager

Telephone: +41 79 333 59 71

erika.loretz@talkpool.com

Talkpool

Gäuggelistrasse 7

CH-7000 Chur

Switzerland

Telephone: +41 81 250 20 20

Mail: info@talkpool.com

Web: www.talkpool.com

Financial calendar

Annual Report 2024	25 April 2025
Interim Report January – March 2025	15 May 2025
Annual Shareholder's Meeting	10 June 2025
Interim Report January – June 2025	8 Aug 2025
Interim Report January – September 2025	14 Nov 2025
Year End Report January – December 2025	27 Mar 2026