



## QUARTER 3 IN BRIEF

### Jul 1<sup>st</sup> – Sep 30<sup>th</sup>, 2021

- Net sales amounted to EUR 5 831 thousand (5 112), a 14.1 percent increase
- EBITDA of EUR 352 thousand (282) and EBITDA margin of 6.0 percent (5.5)
- EBIT of EUR 285 thousand (172) and EBIT margin of 4.9 percent (3.4)
- Net earnings after tax of positive EUR 143 thousand (58)

### Jan 1<sup>st</sup> – Sep 30<sup>th</sup>, 2021

- Net sales amounted to EUR 17 768 thousand (14 883), a 19.4 percent increase
- EBITDA of EUR 783 thousand (486) and EBITDA margin of 4.4 percent (3.3)
- EBIT of EUR 523 thousand (183) and EBIT margin of 2.9 percent (1.2)
- Net earnings after tax of negative EUR 177 thousand (-733)

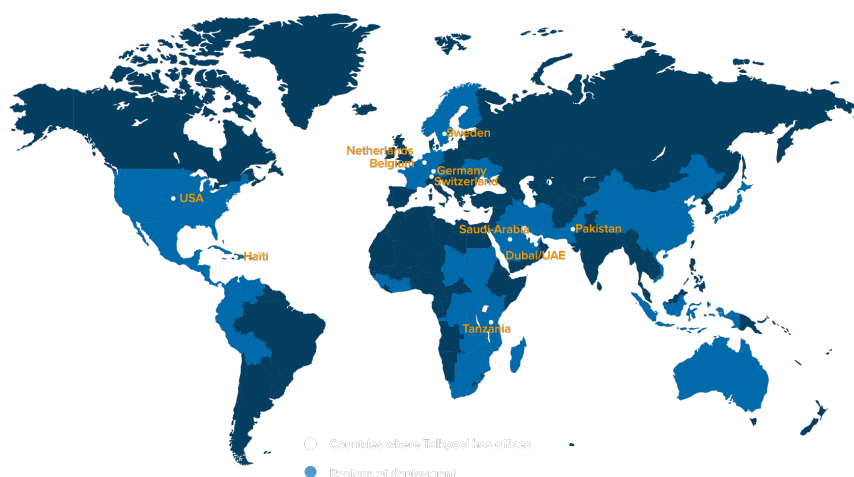
### July - September key developments

- Talkpool achieved its highest quarterly Net Income since the IPO in Mai 2016
- Sales increased with 14% and EBITDA increased 25% year on year
- Talkpool Germany was awarded two new planning frame agreements worth EUR 1m
- Talkpool Pakistan received new orders for drive test and swap projects worth EUR 1 m
- TP Germany initiated an air quality control solution pilot project in Leipzig called “air4 schools”
- Record sales generated in Talkpool AB in September thanks to high order intakes
- Talkpool Netherlands’ revenue was boosted by an add-on order for sandy ground towers
- Talkpool re-entered the US market and acquired 100% of the shares in the dormant Talkpool LLC
- A focused sales force hiring was conducted in several markets as a part of Talkpool’s growth strategy

*This information is inside information that Talkpool AG is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:30 CET on Nov 18, 2021.*

## THIS IS TALKPOOL

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



## CEO COMMENTS

**Talkpool continued to pursue its turnaround strategy and achieved the highest quarterly Net Earnings since the IPO in May 2016.**

**Thanks to a fast and efficient integration of Nordic PropTech in the group and significant investments in the global sales force, the implementation of the strategy communicated in the Grand Master Plan II in May already started in Q3. The plan states that Talkpool shall become a leading provider of digitization solutions and services for buildings and communications infrastructure, with focus on management of energy, water, and air.**

**Significant up sale orders in Germany, Pakistan, Sweden, Haiti, and the Netherlands, combined with new sales opportunities in the US and the Caribbean in Q3 constitute the basis for a sustainable organic growth during the coming quarters.**

### Network Services

Talkpool Germany secured new framework agreements for network planning and documentation, worth over EUR 1 million. The term extends into the 3rd quarter of 2023. Talkpool is thus further expanding its market

presence and range of services in Germany.

This now extends far beyond the planning and documentation of classic copper cable house connections to network planning and documentation of fibre optic house connections for private households, schools, offices and 5G sites.

Based on requests for cellular IoT network roll out services and a massive need for planning and construction services for 5G cellular sites and towers in Germany, Talkpool hired additional network services staff to drive business development and expand the delivery organization in country.

The convergence of Network Services and IoT in 5G is one of the key drivers in Talkpool's new digitization strategy and we expect the opportunities with operators and tower companies in Germany as well as the rest of Europe and the US to fuel the demand for cellular IoT connectivity and solutions.

As a step in Talkpool's strategy to focus on highly developed and industrialized markets, Talkpool is re-entering the US market. The 5G and fibre network implementations in the US is creating a high demand for network expertise and services. To meet client

requests for services on the US mainland and in the Caribbean, Talkpool has acquired 100% of the shares in Talkpool LLC, which fully owns the operational Talkpool Services LLC entity.

Talkpool has long experience of delivering mobile network services to vendors and operators in the Americas and we are glad to enter the US market again. To support both the US market and the Caribbean in the best way possible the operational company Talkpool Services LLC has been relocated to Miami, FL.

Talkpool Pakistan signed several promising business agreements during the quarter. In competition with strong competitors the company won a network testing contract with one of the largest mobile network operators in the country worth around EUR 700 thousand per year. Talkpool Pakistan also won a major contract for the installation of network devices with ZTE worth EUR 200 thousand and digitization orders worth EUR 100 thousand. Furthermore, the company is running several tests on digitization solutions which, if successful, can lead to major orders before the end of the year. To staff the new projects Talkpool increased the number of employees in Pakistan from around 800 to approximately 1 100 in Q3.

The 5G roll outs also continued to generate more niche work and opportunities for cellular tower construction work in the Netherlands. An add on order of sandy ground towers for 5G from a major tower company boosted revenue in Q3.

Amidst civil unrest, fuel shortage and a major earthquake in Haiti in Q3, Talkpool continued to support Digicel in its mission to guarantee reliable communication services to the Haitian people. Despite the challenges our business sustained and developed positively throughout the quarter.

## IoT

In Q3 the merger of the two businesses in Talkpool AB and Nordic PropTech Investment Services AB (NPTIS) progressed well under the management of the new CEO Andreas Göth. The business synergies between the Smart Buildings Solutions offering for commercial buildings from Talkpool AB and the offering for residential buildings from NPTIS will create a new market leading IoT company in the Swedish Smart Buildings market with international growth potential through its owners. The size and the market position of

the new company will open new doors and enable an attractive as-a-service offering.

As one of several large business opportunities, the new merged sales organization initiated promising negotiations regarding an as-a-Service solution with an existing customer during the third quarter.

The demand for NPTIS' services of measuring and managing natural resources such as air, water and electricity in individual apartments and premises is rapidly increasing, stimulated by new regulations and the upcoming building digitisation boom. Growth through acquisitions of further metering companies and up-selling of sustainable technology "as a service" to the many existing clients is central in Talkpool's strategic plan going forward.

A new inhouse IoT platform is under development in NPTIS to secure a scalable and sustainable IT environment for smart building solutions. The new platform is optimised for collection, processing, analysis, and visualisation of data and enables NPTIS to offer a range of end-to-end smart building solutions as a service to its customers. An inhouse platform creates independency and flexibility for NPTIS and secure, reliable, and efficient IoT services for customers and users. In a next step the platform will be used for all Talkpool's IoT solutions worldwide

## 4th Quarter 2021

The shareholders in Talkpool AB agreed to accept an offer from Nordic PropTech Investment Services AB (NPTIS) to acquire 100% of the shares in Talkpool AB. The shares were paid with newly emitted NPTIS shares.

Talkpool AG, the mother company of the international technology group Talkpool and majority owner of both Talkpool AB and NPTIS, will hold 51,9% of the new Swedish IoT company specialized in Smart Buildings. 48,1% is held by Talkpool's current co-owner Sacculus, together with the existing shareholders in Talkpool AB.

On October 19 Home Solutions signed an important Smart Buildings agreement with a large Housing Association (BRF) west of Stockholm regarding the upgrade of their engine heater solution. The order value is around 4 MSEK. Home Solutions will upgrade the existing engine heater system including individual metering and billing function and with local connectivity through wireless M-Bus. The contract includes delivery of components, installation, local

connectivity through wireless M-Bus, configuration of individual metering and billing and service agreement for around 400 engine heaters.

The 5G and fibre network projects in the US is creating a high demand for network expertise and services and Talkpool has received new client requests for services on the US mainland and in the Caribbean. To meet the client requests, Talkpool has acquired 100% of the shares in dormant US Talkpool LLC and started hiring staff. The potential of the US market is massive and Talkpool expects this market to become one of its most important in the future, next to Europe.

In addition to the significant demand for 5G services, the IoT market is booming in the US and Talkpool has received several requests for IoT products and solutions. Discussions about potential channel sales on the US market through existing partners are ongoing. US clients require certain adaptations of selected Talkpool IoT products to the US standard, and this modification and certification is already in progress.

During Corona schools have been particularly hard hit by infections. Indoor air control and cleaning systems can help contain the pandemic and allow for safe

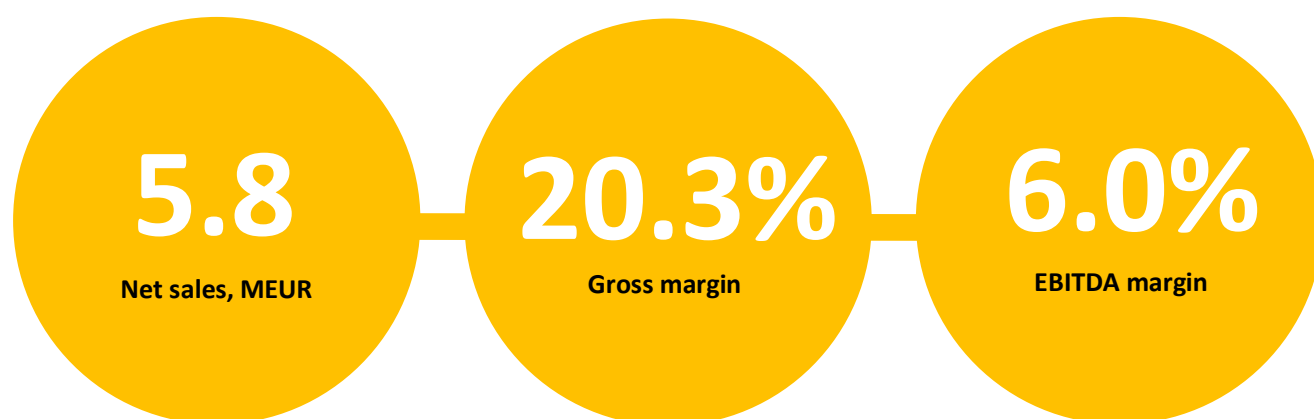
teachings in classrooms. Most schools have either traditional air conditioners or no air ventilation at all. Talkpool is now testing a fully automatic system that completely exchanges and filters the air in a classroom so that a healthy indoor environment is always guaranteed while heating costs are reduced.

The so called air4schools solution brings clean air into classrooms while reducing CO2 levels and improving sustainability footprint. The solution is currently installed at two schools in Leipzig, Germany and further deployments are planned.

While initially focusing on schools, the technology can also improve air quality in offices, conference rooms, public buildings, and private homes.



**Erik Strömstedt, CEO**





## FINANCIAL DEVELOPMENT

### Key figures

	Q3 21	Q3 20	9 Months 21	9 Months 20	FY 2020
Sales, € thousand	5'831	5'112	17'768	14'883	21'221
Sales growth in %	14.1%	-1.4%	19.4%	-8.9%	-0.1%
Gross profit, € thousand	1'183	981	3'864	2'963	5'414
Gross margin	20.3%	19.2%	21.7%	19.9%	25.5%
EBITDA, € thousand	352	282	783	486	957
EBITDA margin	6.0%	5.5%	4.4%	3.3%	4.5%
EBIT, € thousand	285	172	523	183	492
EBIT margin	4.9%	3.4%	2.9%	1.2%	2.3%

### Sales and gross margin

#### July – September

Net sales increased with 14.1 percent to EUR 5 831 thousand (5 112) year-on-year. The revenue was slightly smaller than in Q2, because the Projects in the Seychelles and Tanzania were finished during this quarter.

#### January - September

Net sales increased with 19.4 percent to EUR 17 768 thousand (14 883) compared to the same period last year. The increase stems from organic growth in Europe and Haiti as well as acquired growth from Home Solutions.

The gross margin for the period ended up at 21.7 percent.

### Net profit/loss

#### July – September

The net earnings in Q3 2021 amounted to positive 143 thousand (58). The improvement was driven by a significant growth of the high margin IoT business combined with global cost savings and the divestment of unprofitable market units

#### January - September

In the 9 Months of 2021, the net earnings amounted to negative EUR 177 thousand compared to negative EUR 733 thousand in the same period in 2020.

### EBITDA

#### July – September

EBITDA for the period increased to EUR 352 thousand (282) thanks to the increase in IoT business and focus on profitable niche services. The margin increased to 6 percentage.

#### January - September

EBITDA for the period increased to EUR 783 thousand compared to EUR 486 thousand in the same period 2021.

## FINANCIAL POSITION AND CASH FLOW

### Key figures

	Q3 21	Q3 20	9 Months 21	9 Months 20	FY 20
Equity ratio	-15.7%	-12.0%	-15.7%	-12.0%	-20.6%
Return on equity	-3.4%	-2.9%	10.3%	36.9%	50.1%
Net cash/debt, € thousand	-5'770	-4'897	-5'770	-4'897	-5'225
Operating cash flow, € thousand	441	-680	1'209	-172	-1'275

### Balance sheet and financial position

#### 30 September 2021

As of 30 September, cash amounted to 1 471 thousand and net debt to EUR -5 770 thousand.

The consolidated net equity ratio was -15.7 percentage as per end of September.

### Cash-flow and investments

#### July – September

Cashflow from operating activities over Q3 2021 amounted to positive EUR 441 thousand.

#### January - September

The cash flow from operating activities over the first half year 2021 amounted to positive EUR 1 209 thousand.

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

### Other disclosures

#### Accounting principles

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

As per 31 December 2016, the group changed its goodwill accounting from capitalization and

amortization to offsetting against equity. This accounting method results in a negative equity for the group. For further information regarding applied accounting principles please refer to page 26-29 in the Talkpool annual report 2020.

### Significant events after the period

The formal merger of the two IoT companies Talkpool AB and Home Solutions in Sweden was finalized in October.

### Certified advisor

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

### Auditor's review

The company's auditors have not audited this report.

Chur, 18 November 2021

Erik Strömstedt  
CEO Talkpool AG

# SUMMARY OF FINANCIAL REPORTS

## Consolidated income statement

	Jul-Sep		Jan-Sep		FY
EUR	2021	2020	2021	2020	2020
Net revenue from goods and services	5'831'193	5'112'371	17'768'212	14'882'857	21'221'419
Cost of sales	-4'648'572	-4'131'371	-13'904'270	-11'919'554	-15'806'637
<b>Gross profit</b>	<b>1'182'621</b>	<b>981'000</b>	<b>3'863'943</b>	<b>2'963'302</b>	<b>5'414'782</b>
Selling expenses	-173'249	-111'836	-338'493	-350'425	-387'116
Administrative expenses	-956'460	-685'769	-3'198'782	-2'360'586	-3'938'841
Other operating income & expenses	232'096	-11'437	196'239	-69'501	-597'033
<b>Operating result</b>	<b>285'008</b>	<b>171'958</b>	<b>522'907</b>	<b>182'791</b>	<b>491'792</b>
Financial net	-83'979	-39'506	-525'316	-639'794	-1'056'377
<b>Profit/loss before income taxes</b>	<b>201'029</b>	<b>132'452</b>	<b>-2'409</b>	<b>-457'004</b>	<b>-564'585</b>
Income taxes	-57'592	-74'236	-174'761	-275'532	-421'372
<b>Net profit/loss</b>	<b>143'437</b>	<b>58'216</b>	<b>-177'170</b>	<b>-732'536</b>	<b>-985'957</b>
<b>Net income attributable to:</b>					
Stockholders of the parent company	105'309	28'848	-323'155	-759'470	-1'142'265
Minority interests	38'129	29'368	145'985	26'934	156'308
<b>Other information</b>					
Average number of shares	6'778'097	5'249'234	6'650'678	5'036'934	5'375'392
Earnings per share (no dilutive effects)	0.02	0.01	-0.05	-0.15	-0.21
Number of shares, end of period	6'778'097	6'379'730	6'778'097	6'379'730	6'379'730
Earnings per share (no dilutive effects)	0.02	0.00	-0.05	-0.12	-0.18

## CONSOLIDATED BALANCE SHEET

EUR	Sep 30 2021	Sep 30 2020	Dec 31 2020
<b>ASSETS</b>			
<i>Current assets</i>			
Cash	1'471'054	1'110'961	1'072'799
Trade receivables	3'474'396	3'402'954	3'844'767
Other current receivables	2'896'978	2'269'896	2'450'315
Inventories and invoiced services	2'136'687	2'891'660	2'002'848
Prepaid expenses and accrued income	423'622	504'224	309'439
<b>Total current assets</b>	<b>10'402'737</b>	<b>10'179'695</b>	<b>9'680'168</b>
<i>Non-current assets</i>			
Financial assets	905'169	562'825	186'528
Investments in associates and joint venture	8'085	10'856	8'084
Intangible assets	639'119	577'775	473'982
Property, plant and equipment	977'149	837'089	696'411
<b>Total non-current assets</b>	<b>2'529'522</b>	<b>1'988'544</b>	<b>1'365'005</b>
<b>TOTAL ASSETS</b>	<b>12'932'259</b>	<b>12'168'238</b>	<b>11'045'173</b>
<b>LIABILITIES AND EQUITY</b>			
<i>Current liabilities</i>			
Trade payables	1'982'829	2'301'585	2'079'282
Current interest-bearing liabilities	3'961'685	4'203'786	4'441'928
Other current liabilities	1'605'094	1'757'764	1'161'407
Accrued expenses and deferred income	3'673'778	3'145'423	2'750'282
<b>Total current liabilities</b>	<b>11'223'387</b>	<b>11'408'558</b>	<b>10'432'899</b>
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	3'279'406	1'804'278	1'855'644
Provision	464'922	411'740	404'756
<b>Total non-current liabilities</b>	<b>3'744'328</b>	<b>2'216'018</b>	<b>2'260'400</b>
<b>Total liabilities</b>	<b>14'967'715</b>	<b>13'624'576</b>	<b>12'693'299</b>
<i>Equity</i>			
Stockholders' equity	-3'142'078	-1'986'955	-2'279'926
Minority interest in equity of subsidiaries	1'106'622	530'617	631'800
<b>Total equity</b>	<b>-2'035'456</b>	<b>-1'456'337</b>	<b>-1'648'126</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>12'932'259</b>	<b>12'168'238</b>	<b>11'045'173</b>

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



## CONSOLIDATED CASH FLOW STATEMENT

	Jul-Sep		Jan-Sep		FY
EUR	2021	2020	2021	2020	2020
<i>Operating activities</i>					
Net profit/loss	143'437	58'216	-177'170	-732'536	-985'957
+/- adjustment for items not affecting cash flow	137'939	-876'042	439'521	302'970	720'994
+/- increase/decrease of working capital	159'637	137'333	946'416	257'249	-1'009'690
<b>Net cash flow from operating activities</b>	<b>441'013</b>	<b>-680'493</b>	<b>1'208'767</b>	<b>-172'317</b>	<b>-1'274'653</b>
<i>Investing activities</i>					
– purchase of property, plant and equipment	-155'803	41'571	-365'976	-580'410	-191'924
+ sale/divestment of property, plant and equipment	-	-	-	-	71'605
– purchase of intangible assets	-99'574	-5'021	-165'137	408'557	-86'265
+/- inflow/outflow from change of financial assets	-	45'960	-	140'830	-
+ sale of shares in subsidiaries	-	-	-	-	-
+/- transaction with minority	-	-	-68'706	-	-75'614
+/- Investment in subsidiaries / acquisitions	-357'775	-	-1'946'249	-	-
<b>Net cash flow from investing activities</b>	<b>-613'152</b>	<b>-92'552</b>	<b>-2'546'068</b>	<b>-31'023</b>	<b>-282'198</b>
<i>Financing activities</i>					
+/- net proceeds form share issue	-	-	900'022	-	-
+/- issuance/repayment of interest-bearing liabilities	59'633	104'074	1'003'685	239'764	1'307'453
<b>Net cash flow from financing activities</b>	<b>59'633</b>	<b>104'074</b>	<b>1'903'707</b>	<b>239'764</b>	<b>1'307'453</b>
Currency translation effects	-160'285	-	-168'152	-82'595	165'065
<b>Net change in cash</b>	<b>-272'791</b>	<b>-483'867</b>	<b>398'255</b>	<b>-46'171</b>	<b>-84'332</b>
Cash, beginning of period	1'743'845	1'594'828	1'072'799	1'157'131	1'157'131
Cash, end of period	1'471'054	1'110'961	1'471'054	1'110'961	1'072'799

## CHANGES IN EQUITY

EUR	Share capital	Capital reserves	Cumulative foreign translation adjustment	Retained earnings	Goodwill recognized	Total equity excl. minority interests	Share of minority interests	Total equity incl. minority interests
<b>Jan 1, 2020</b>	<b>190'571</b>	<b>5'518'024</b>	<b>-186'604</b>	<b>-4'966'320</b>	<b>-3'517'897</b>	<b>-2'962'226</b>	266'599	<b>-2'695'627</b>
Net profit/loss	-	-	-	-790'752	-	<b>-759'470</b>	26'934	<b>-732'536</b>
Share issue in Q3	67'154	2'036'290	-	-	-	<b>2'103'444</b>	-	<b>2'103'444</b>
Transactions with minority	-	-	-	-	-	<b>-227'738</b>	237'084	<b>9'346</b>
Goodwill recognized in equity	-	-	-	-	-	-	-	-
Foreign currency differences	-	-	-140'094	-	-	<b>-140'094</b>	-	<b>-140'094</b>
<b>Sep 30, 2020</b>	<b>257'725</b>	<b>7'554'314</b>	<b>-327'568</b>	<b>-5'953'528</b>	<b>-3'517'897</b>	<b>-1'986'954</b>	530'617	<b>-1'456'337</b>

<b>Jan 1, 2021</b>	<b>257'725</b>	<b>7'501'119</b>	<b>-712'076</b>	<b>-5'963'661</b>	<b>-3'363'031</b>	<b>-2'279'924</b>	<b>631'800</b>	<b>-1'648'124</b>
Net profit/loss	-	-	-	-177'170	-	<b>-177'170</b>	-145'985	<b>-323'155</b>
Share issue in Q1	18'010	882'012	-	-	-	<b>900'022</b>	-	<b>900'022</b>
Transactions with minority/Goodwill	-	-	-	143'165	-1'946'249	<b>-1'803'084</b>	620'806	<b>-1'182'277</b>
Foreign currency differences	-	-	218'078	-	-	<b>218'078</b>	-	<b>218'078</b>
<b>Sep 30, 2021</b>	<b>275'735</b>	<b>8'383'131</b>	<b>-493'998</b>	<b>-5'997'666</b>	<b>-5'309'280</b>	<b>-3'142'077</b>	<b>1'106'622</b>	<b>-2'035'456</b>

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

## DEFINITION OF KEY INDICATORS

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

## FOR FURTHER INFORMATION, PLEASE CONTACT

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### Financial calendar

Year-end report January – December 2021	10 Mar 2022
Audited annual report January - December	14 April 2022
Annual Shareholder's meeting	6 May 2022