



Q4 21

INTERIM REPORT

1 January–31 December 2021

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WYLD NETWORKS IN BRIEF

Wyld Networks is a virtual satellite network operator that develops and delivers innovative wireless technology solutions that enable affordable connectivity for Internet of Things (IoT) devices and sensors anywhere in the world – especially for the 85% of the world's surface where there are no cellular networks.

Wyld Networks Ltd was formed in Cambridge, UK in 2016 and is a wholly owned subsidiary of Wyld Networks AB. The Wyld Networks share (WYLD) is traded on the Nasdaq First North Growth Market. Certified Adviser is Mangold Fondkommission AB.

Read more on
www.wyldnetworks.com

Q4: INCREASED CUSTOMER DEMAND

The fourth quarter saw an increase in customer demand for Wyld Networks as the company continued to secure significant partner agreements ahead of the commercial launch of Wyld's LoRaWAN® satellite IoT solution.

FINANCIAL SUMMARY

	Q4 (Oct-Dec)		Full year (Jan-Dec)	
	2021	2020	2021	2020
Total income, SEK k	3,227	1,167	6,529	5,797
EBIT, SEK k	-4,230	-4,050	-26,387 ¹⁾	-9,777
Earnings per share, SEK	-0,51	-1,44	-3,19	-3,47

1) Includes one-off costs of SEK 6.23m mainly related to the company's IPO.

Significant events during Q4

- Wyld Networks strengthened its technical and commercial position, protecting its IP and brand, with a published patent application for its cutting-edge technology and secured trademarks for the Wyld brand.
- The company joined the LoRa Alliance®, the global association of companies backing the open LoRaWAN® standard for the Internet of Things (IoT), to ensure the company participates in the standardisation process within the industry for its solutions.
- Wyld Networks entered a partnership with the acoustic technology innovator AgriSound to develop solutions to aid in the maintenance and optimization of the pollination environment.
- Navigator Group of Companies and Wyld Networks initiated a partnership through which Navigator will pilot Wyld's satellite IoT connectivity ahead of the commercial launch of Wyld Connect.
- The company partnered with Glas Data and Overbury Enterprises to deploy satellite-connected soil moisture and water flow IoT sensors. The collaboration aims to deliver and visualise critical data to meet Overbury's digitisation targets and to showcase economic and environmental sustainability benefits of IoT in agriculture.



Significant events after Q4

- Wyld Networks announced it has partnered with Eutelsat Communications, Senet, and TrakAssure, forming a global consortium to bring integrated and interoperable terrestrial and satellite LoRaWAN® IoT connectivity to customers across the globe.
- The company entered a partnership with American Tower to deploy the Wyld Connect solution in Brazil. The companies will implement a pilot of Wyld Connect in advance of a commercial agreement.
- Wyld Networks announced a partnership with Treevia to deploy its IoT sensor-to-satellite technology with Treevia SmartForest solution, a digital platform for automated management of forest operations.
- A partnership with US-based Agrolgy was entered to deploy Wyld's satellite IoT solution to combine affordable satellite IoT and predictive data analytics for agriculture.
- Wyld Networks entered a partnership with Snow Acres to bring satellite-connected data to Snow Acre's remote soil moisture sensing technology.
- Wyld and TrakAssure formed a partnership to offer global LoRaWAN® satellite based IoT connectivity for asset tracking solutions.
- An agreement was signed with Axceta, a Canadian specialist IoT hardware and software company, to offer satellite connectivity for IoT solutions to enable 100% global wireless coverage.



Comments from the CEO

Increased customer demand and foundation in place for a successful commercial launch

In the fourth quarter we continued our focus on both the technical development of the solution as well as commercial engagement with new launch customers as we complete the foundations for a successful commercial launch.

New commercial partners and the creation of a global Internet of Things (IoT) consortium

In our commercial negotiations we have started to engage customers from a new market segment compared to those we signed so far in 2021. Previously we focused our launch partner agreements with end-users in Energy and Agriculture with customers such as Chevron and Bayer, as well as with system integrators such as Fujitsu and Wezen. In the fourth quarter we expanded our engagement to sign agreements – and form a consortium – with some of the world's largest terrestrial LoRaWAN® IoT operators such as American Tower and Senet.

These are companies that already operate a terrestrial LoRaWAN® network and who want to offer their existing and new customers the Wyld Connect satellite IoT solution to complement their terrestrial offer to include provision for 100% global coverage.

Consortium formed to deliver first-to-market LoRaWAN® network services

The Multimodal IoT Infrastructure Consortium™ (MMIIC) consortium was formed through the partnership of Wyld, Senet Inc, Eutelsat and TrakAssure. The agreement is to combine Senet's terrestrial LoRaWAN® network with Wyld's and Eutelsat's satellite LoRaWAN® network capabilities to provide 100% global LoRaWAN® coverage.

Senet currently operates the largest terrestrial LoRaWAN® network in the US and also provides operations in another 80 countries. The combined network will be commercially available in September 2022 with pilots starting in February 2022. In the first instance the consortium will support global asset tracking for supply chain management in particular in logistics and transportation. We estimate that the market for IoT solutions for the asset tracking use case could grow to a total addressable market of USD 33 billion by 2025.

Comments from the CEO



Asset tracking will be followed by the prioritization and delivery of additional use case solutions designed to extend the adoption of LoRaWAN® connectivity into markets that can benefit from the combination of Low Earth Orbit (LEO) satellites and terrestrial network connectivity. And we expect new companies to join the consortium moving forward.

Creating 100% LoRaWAN® IoT coverage in Brazil combining terrestrial and satellite networks

We established an agreement with American Tower in Brazil, part of a global corporation with a market capital in excess of USD 114 billion, to pilot and commercialise our satellite LoRaWAN® IoT solution to complement their current terrestrial LoRaWAN® IoT network.

Currently the American Tower terrestrial network provides coverage in 286 towns and cities in Brazil. However, this leaves a huge area of the country with no wireless IoT coverage for use cases in agriculture, transportation, logistics as well as utilities and oil and gas that only satellite IoT solutions can solve.



According to McKinsey, the potential for IoT in terms of productivity and improving critical services in Brazil could reach USD 200 billion in 2025, of which the rural environment could account for up to USD 21 billion. IoT generates this return by adding value to export products and reducing expenses on low-value activities involving the country's products and services.

In addition to both the American Tower agreement and the creation of the MMIIC consortium, we have continued to sign partnerships with companies ahead of the commercial launch. This includes agreements with the Navigator Group, AgriSound, Treevia and Agrolgy.

Joining the LoRa Alliance®

We joined the LoRa Alliance®, the global association of companies backing the open LoRaWAN® standard for the IoT. It is extremely important that Wyld participates in the standardisation process within the industry for its solutions. And we are very pleased that, in December 2021, LoRaWAN® was officially approved as a standard by the International Telecommunication Union, the United Nations specialized agency for information and communication technologies. The LoRa Alliance® also provides a platform for Wyld to showcase our technology to over 500 members companies such as Alibaba, Comcast's MachineQ, Google, Cisco, IBM, and countless others who work together to bring LoRa®-based solutions to life through webinars, events, and special interest groups.

Foundation in place for a successful commercial launch

We are making good progress in the development of Wyld Connect (satellite IoT terminal and module) and Wyld Fusion (provisioning and payment platform).

As previously reported, we have completed the hardware development of Wyld Connect in the quarter – the world's first Long Range-Frequency Hopping Spread Spectrum (LR-FHSS) sensor-to-satellite modem. LR-FHSS enables satellites to connect vast remote areas around the globe.

We continue with the development of Wyld Fusion over the next months in preparation for the commercial launch of Wyld's end-to-end satellite IoT solution. We have initiated two pilot phases prior to launch: Phase 1 starting in February with five partners and Phase 2 starting in April/May with 20 or more partners.

Further, we continue to add new talent to the organisation both technical and commercial, recently appointing a Sales Manager in Brazil to support the South American region and a global Head of Sales and Marketing to support all our commercial activities.

Well positioned to leverage on growing customer needs

All in all, the Wyld team continue to make terrific progress as we complete the foundations for a successful commercial launch of our satellite IoT solution planned for later this year. As a leading virtual satellite network operator, we are well positioned to leverage on the growing customer needs in global IoT connectivity.

Alastair Williamson, CEO

What Is LoRaWAN®?

LoRaWAN® is a Low Power, Wide Area networking protocol (LPWAN) designed to wirelessly connect battery operated 'things' to the internet in terrestrial and global satellite connected networks. LoRaWAN® enables key IoT requirements such as low-power communication, end-to-end security, mobility and localization services.

LoRaWAN® connected sensors solve some of the biggest challenges facing our planet: energy management, food supply, natural resource reduction, pollution control, and infrastructure efficiency.

LoRaWAN® is suitable for transmitting small size payloads (like sensor data) over long distances. LoRa modulation provides a significantly greater communication range with low bandwidths than other competing wireless data transmission technologies.

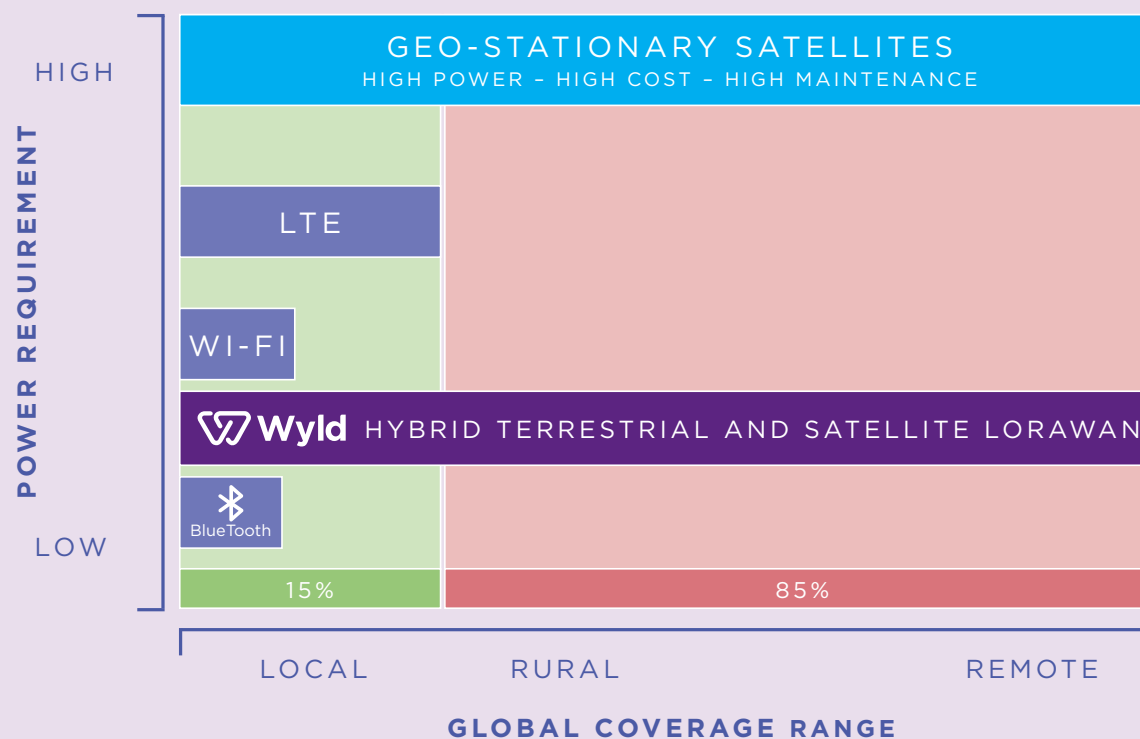
LoRaWAN® leverages the unlicensed radio spectrum in the Industrial, Scientific and Medical (ISM) band. The LoRa Alliance®, a nonprofit association and fast-growing technology alliance, drives the standardization and global harmonization of the LoRaWAN® standard.

WHY LORAWAN® ?

Wyld have developed a new sensor-to-satellite module suite with LoRaWAN® allowing IoT sensors to communicate directly from sensor to Low Earth Orbit (LEO) satellites or in conjunction with terrestrial LoRa networking. Wyld's modems and devices and embedded technology can communicate with the cloud, no matter the location, providing 100% global coverage.



How the current market compares





FUTURE MARKETS

How satellite IoT
can fix the
supply chain

How satellite connected IoT and the MMIIC Consortium can fix the supply chain

With over 10 billion devices worldwide connected to the internet, the 'Internet of Things' (IoT) has become more than a buzzword. The use of IoT devices can be seen everywhere; from smart sensors, and asset trackers, to satellite navigation systems. In fact, the global IoT market is expected to exceed a total worth of \$1.5 trillion by 2025¹⁾.

With the potential to drastically cut business expenses, make more accurate data-driven decisions, and even kick-start a fourth industrial revolution, the Internet of Things (IoT) has become an essential addition for organisations and their processes.

A key application is that of logistics and asset tracking within the supply chain, the first use case that the MMIIC consortium partners of Senet, Eutelsat Wyld and Trakassure intend to deploy.

The supply chain, logistics and asset tracking application

The process of bringing products from raw materials to shelves with as little waste and as much efficiency as

possible is a massive challenge for those involved in the supply chain network. However, lean manufacturing practices have pushed the supply chain to its limits, making it vulnerable to the smallest disruptions.

Research from Gartner²⁾ forecasts that \$33 billion will be spent on asset tracking in logistics and supply chain in 2025 globally; up from \$10 billion in 2020. Investment in tracking solutions provides enterprises with a strong return on investment, through the improvement of customer experiences and reduction of attrition. Small enterprises that rely on customer retention to offset initial onboarding costs will find these solutions particularly beneficial.



A key application is that of logistics and asset tracking within the supply chain, the first use case that the MMIIC consortium partners of Senet, Eutelsat Wyld and Trakassure intend to deploy.

1) <https://iot-analytics.com/state-of-the-iot-update-q1-q2-2018-number-of-iot-devices-now-7b/>

2) <https://www.juniperresearch.com/press/asset-tracking-to-be-used-by-90-million-globally>

Future markets

Enabling uninterrupted 100% global connectivity

Superefficient supply chains are both necessary and desired for sectors from manufacturing to agriculture, from energy to fast-moving consumer goods. However, the smallest stress or unexpected demand or shortage could break an entire chain. The recent pandemic dramatically increased strain on healthcare and food supply chains and had major global impacts on the supply of semiconductors especially in relation to the computer, electronics and automotive sectors.

Uninterrupted 100% connectivity along the entire supply chain allows producers and manufacturers, air, sea and rail transportation and logistic providers as well as all other enterprises in the supply chain to receive insight into the true supply, location, physical condition and demand trends in near real-time and adjust production to meet and stay ahead of those needs dynamically.

Only satellite IoT networks can truly provide uninterrupted 100% global connectivity. Terrestrial IoT networks barely cover 15% of the earth's surface. That said, combining existing terrestrial and satellite networks allows existing IoT operators, such as Senet Inc and American Tower, to create a hybrid network and thereby offer their customers 100% global connectivity.

BENEFITS OF TRACKING ASSETS

Reducing in-transit damage



\$2.4bn

of cargo is lost or damaged each year just at sea

Eliminating delays



81%

of businesses experience one supply chain disruption a year

Cutting costs



Cargo theft costs companies more than

\$30bn

a year

Innovation



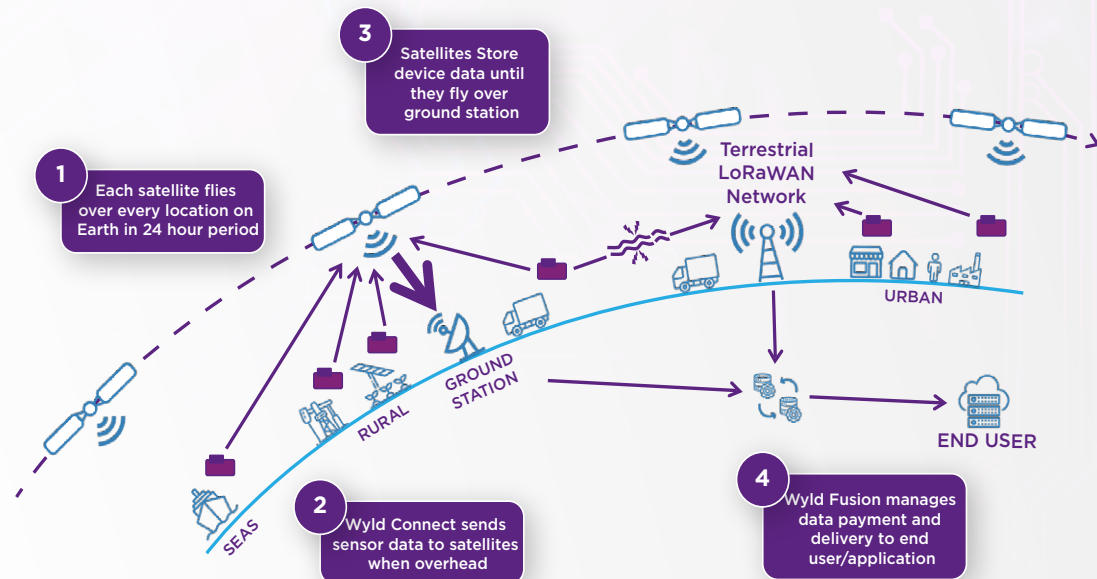
IoT could generate

\$2.1trn

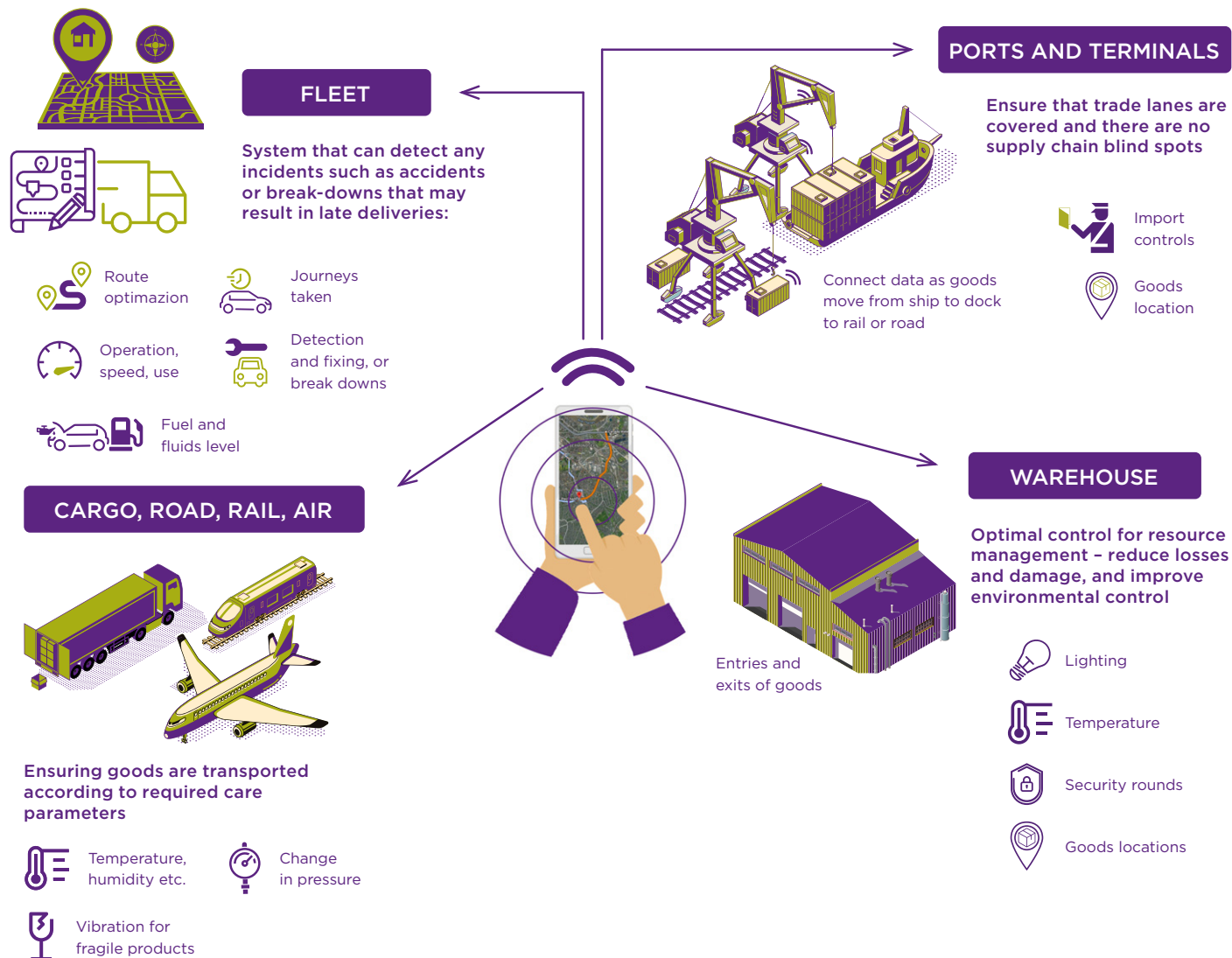
globally by enabling new business models

Source: Sierra Wireless

A HYBRID ARCHITECTURE



IoT applications for asset tracking logistics in the supply chain



Q4 | FINANCIAL RESULTS COMMENTARY

Income Statement

Net Sales in Q4 were higher than the total sales for the 9 months to September 2021. Eutelsat is the biggest customer for the year.

Other Income of SEK 4.1m relates to the expected R&D Tax Credit to be received from the UK government. Tax Credit for 2021 is 23% higher than in 2020 and has been reviewed by an external expert as well as our tax advisors.

Other External costs in Q4 at SEK 4.0m were much lower than in Q2 and Q3 which included many costs related to the IPO and were similar to Q1 2021.

Staff costs in Q4 at SEK 3.4m were at a similar run rate to prior months.

Depreciation in Q4 were low and at a steady rate reflecting low capital investment.

Interest in Q4 of SEK 366k are related to the SEK 12m Loan taken out in August 2021.

Balance Sheet

Tangible Fixed Assets – this only represents computer equipment mainly for the development team.

Intangible Fixed Assets – this represents Intellectual Property acquired in prior years.

Trade Receivables is only one recent invoice to Delta T.

Prepayments mainly represents work done for Eutelsat in line with a Purchase Order not yet invoiced.

Other Receivables mainly represents R&D Tax Credits for 2021 due to be paid by the UK Tax Office in 2022. Cash Receipt expected in Q2 2022.

Cash – cash on hand at end of December was SEK 18.2m. Warrants due in April 2022 could generate a cash inflow in excess of SEK 20m.

Loan of SEK 12m – third party loan taken out in August 2021. A part repayment of SEK 4.0m is planned for April 2022.

Trade Payables SEK 1.6m is the lowest value for several years and is all within agreed terms. The biggest creditor is the external development center in an EU country.

Accrued expenses mainly represents estimated professional fees related to the production of the annual report and accounts and employee bonuses.

Proposed allocation of result

The Board of Directors proposes to the 2022 Annual General Meeting that no dividend is paid and that earnings at the disposal of the AGM are carried forward.

GROUP CONSOLIDATED INCOME STATEMENT

Amounts in SEK k	Q4 (Oct-Dec)		Full year (Jan-Dec)	
	2021	2020	2021	2020
INCOME				
Net Sales	1,271	345	2,455	2,475
Other Income	1,956	822	4,074	3,322
Total Income	3,227	1,167	6,529	5,797
COSTS				
Other External expenses	-3,989	-2,711	-19,901	-6,176
Staff costs	-3,361	-2,443	-12,577	-9,155
Depreciation	-93	-61	-295	-232
Other operating costs	-14	-1	-142	-11
Total Costs	-7,457	-5,216	-32,915	-15,574
EBIT	-4,230	-4,050	-26,387	-9,777
FINANCIAL COSTS				
Impairment	0	-49		-110
Interest	-366	-481	-560	-576
Total Financial costs	-366	-530	-560	-686
Result before tax	-4,596	-4,580	-26,947	-10,463
Tax	0	0	0	0
Result for the period	-4,596	-4,580	-26,947	-10,463

GROUP CONSOLIDATED BALANCE SHEET

Amounts in SEK k	31 Dec 2021	31 Dec 2020
ASSETS		
FIXED ASSETS		
<i>Intangible Fixed Assets</i>		
Software	1,075	1,136
Total Intangible Fixed Assets	1,075	1,136
<i>Tangible Fixed Assets</i>		
Computer Equipment	165	226
Total Tangible Fixed Assets	165	226
Total Fixed Assets	1,240	1,362
CURRENT ASSETS		
Trade Receivables	365	413
Other Receivables	4,726	3,232
Prepayments	1,641	178
Total Current Assets	6,732	3,823
Cash	18,171	685
Total Current Assets	24,903	4,508
TOTAL ASSETS	26,144	5,870

Amounts in SEK k	31 Dec 2021	31 Dec 2020
CAPITAL AND LIABILITIES		
OWN CAPITAL		
<i>Capital</i>		
Share Capital	690	0
Share Capital	690	0
OTHER OWN CAPITAL		
Other paid in capital	54,902	491
Retained Earnings prior years	-17,962	-5,889
Current year loss	-26,947	-10,463
Translation differences	-513	
Subtotal Other own Capital	9,480	-15,861
Total Own Capital	10,170	-15,861
LIABILITIES		
Long-term liabilities	12,000	
Trade Payables	1,581	591
Convertible loan notes		18,829
Other Liabilities	385	676
Accrued expenses	2,008	1,635
Total Liabilities	15,973	21,731
TOTAL CAPITAL AND LIABILITIES	26,144	5,870

Financial results

GROUP CONSOLIDATED CASH FLOW

Amounts in SEK k	Jan-Dec 2021	Jan-Dec 2020
PROFIT (LOSS) AFTER FINANCIAL RESULT	-26,947	-10,463
Adjustments for non-cash activities:		
Depreciation	295	232
Impairment		110
Cash Flow before working capital	-26,652	-10,121
CHANGES IN WORKING CAPITAL		
Increase (-)/decrease(+) in trade receivables	86	-86
Increase (-)/decrease(+) in prepayments	-1,409	317
Increase (-)/decrease(+) in current receivables	-1,144	-323
Increase (+)/decrease(-) in trade payables	922	-55
Increase (+)/decrease(-) in other liabilities	-346	54
Increase (+)/decrease(-) in accrued expenses	240	1,084
Total Changes in working capital	-1,651	991
Cash Flow after working capital	-28,303	-9,130
INVESTMENTING ACTIVITY		
Acquisition of tangible assets	-47	-227
Acquisition of intangible assets		
Cash Flow due to investing	-47	-227
FINANCING ACTIVITY		
Change in loan from shareholders	-20,044	9,976
Proceeds from issues of shares	54,124	384
Capital Contribution Reserve	-610	
External Loan	12,000	
Costs of share buy back of minority shareholders	1	-484
Cash Flow from Financing activity	45,471	9,876
Total Cash Flow	17,121	519
Cash and cash equivalents at beginning of year	685	215
Exchange rate differences	366	-49
Cash and cash equivalents at end of period	18,171	685

GROUP CONSOLIDATED CHANGE IN EQUITY

Amounts in SEK k	Jan-Dec 2021	Jan-Dec 2020
OPENING BALANCE	-15,861	-6,544
New share issue	55,053	361
Loss in purchase of minority shares		-455
Current year loss	-26,947	-10,463
Translation differences	-2,075	1,240
Closing balance	10,170	-15,861

ADDITIONAL INFORMATION

Financial Calendar

16 May 2022	Annual Report 2021
31 May 2022	Interim Report Q1 2022
2 June 2022	Annual General Meeting 2022
31 Aug 2022	Half-Year Report 2022
30 Nov 2022	Interim Report Q3 2022

Wyld Network's financial reports are made available on the company's website.

Annual General Meeting

Wyld Networks' Annual General Meeting will be held on 2 June 2022. More information will be provided in the notice convening the AGM.

Transactions with related parties

No transactions with related parties have taken place.

Employees

The average number of employees in the Group, including consultants, during and at the end of the quarter was 21.

The average number of employees (full-time positions excluding consultants) during and at the end of the fourth quarter was 14.

Shareholders and Share Capital

Wyld Networks' share capital per 31 December 2021 amounted to SEK 33,937,079. The number of shares outstanding was 8,267,308.

Total number of registered warrants were 6,825,000 divided into three warrants programs each comprising 2,275,000 warrants. More information on the warrants programs is available on the company's website.

Auditor

The company's auditor is Mazars AB. This report has not been subject to review by the company's auditor.

Accounting Principles

Wyld Networks prepares its accounts in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3) Annual Accounts and Consolidated Accounts.

Additional note

In the event of any discrepancy between the English and the Swedish versions of the report, the Swedish version takes precedent.

Forward-looking statements

This interim report may contain statements concerning, among other things, Wyld Networks' financial situation and profitability, as well as statements about growth and long-term market potential that may be forward-looking.

Wyld Networks believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions. However, forward-looking statements include risks and uncertainties, and the actual results or consequences may differ significantly from those made.

In addition to what is required by applicable law, forward-looking statements apply only on the day they are made and Wyld Networks does not undertake to update any of them in the light of new information or future events.

Certified adviser

Mangold Fondkommission AB is acting as the company's Certified Adviser and can be reached on +46 8-5030 1550 and ca@mangold.se.

Contact

Alastair Williamson, CEO
E-mail: alastair.williamson@wyldnetworks.com
Tel: +44 7 824 997 689

Wyld Networks AB (publ)
Corporate registration number: 559307-1102
Registered office: Stockholm
www.wyldnetworks.com

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