Wyld

Q1 | 22

INTERIM REPORT

1 January – 31 March 2022

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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 the Internet of Things (IoT) devices and sensors anywhere in the world – especially for the 85 percent of the world's surface where there are no cellular networks.

Read more on www.wyldnetworks.com

Q1: LAUNCHING WYLD CONNECT

Wyld enters into the commercialisation phase in the first quarter 2022, launching Wyld Connect to the market and receives purchase orders of SEK 28.3 million.

Significant events during Q1

- Wyld Networks has now formed 22 partnerships with prospective service launch partners of which a further 7 partnerships have been added in this quarter: Agrology (USA), Snow Acres (Canada), TrakAssure (USA), Axceta (Canada), Instituto Constanta De Inovação (Brazil), Hazera (Israel) and Treevia (Brazil).
- Wyld Networks' satellite IoT product range, Wyld Connect, was made commercially available. This will enable customers to integrate the technology into new IoT sensors, or retrofit to existing IoT sensors, ahead of the commercial launch of Wyld's full satellite network service in the second half of 2022.
- Wyld Networks received purchase orders totalling SEK 28.3 million for Wyld Connect its satellite IoT module from companies in Brazil and South Africa. These orders do not include the data plan fees which will provide additional recurring revenue to the company when the service is launched.
- The TO1 Warrants programme was subscribed at approximately 98.6 percent and Wyld Networks AB received SEK 25.2 million before costs.
- Wyld Networks has entered into a formal agreement with American Tower to distribute the satellite-based IoT solution Wyld Connect in Brazil and will focus on rural areas that are not covered by terrestrial networks.
- 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.

FINANCIAL SUMMARY

	Q1 (Jan–Mar)		Full-year (Jan–Dec)	
	2022	2021	2021	2020
Total income, SEK k	946	1,700	6,529	5,797
EBIT, SEK k	–7,067	–5,133	–26,386[1)]	–9,777
Earnings per share, SEK	–0.85	–0.86	–3.19	–3.47

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

Q1 IN SUMMARY

Significant events after Q1

- Wyld Networks and Brinja, a Swedish specialist IoT hardware and software company, sign an agreement as a launch partner to offer Wyld satellite connectivity for IoT solutions for the construction industry and dispersed asset infrastructure monitoring.
- The company forms a partnership with IMAE to deploy its Wyld IoT sensor-to-satellite technology with IMAE's wind turbine technology in the utility sector in Brazil. IMAE will pilot Wyld's solution and sign a commercial agreement.
- Wyld shares began trading on the OTCQB Venture Market in the U.S. under the symbol "WYLDF". Joining the OTCQB Venture Market allows over-the-counter trading in Wyld's ordinary shares listed on the Nasdaq First North Growth Market. The purpose is to increase visibility and accessibility in the US capital market thereby providing greater liquidity and value to the company's shareholders.

WYLD ENTERS INTO THE COMMERCIALISATION PHASE

In Q1 the Company launched Wyld Connect, its satellite IoT module in advance of the commercial satellite IoT service and secured Purchase Orders for Wyld Connect of over SEK 28.3 million. The combination of the first purchase orders, the additional funding from the TO1 warrant programme and continued growth in new partnerships put Wyld in a strong position to continue to deliver and accelerate its commercial offering.

"Wyld enters into the commercialisation phase in the first quarter 2022, launching Wyld Connect to the market and receiving purchase orders of SEK 28.3 million."

Wyld Connect is commercially available and converting launch partner agreements into purchase orders

After launching Wyld Connect in Q1, we have built upon the huge amount of momentum in signing launch partners during the last 12 months and have converted three of these launch partner agreements into purchase orders. Wyld Networks has received purchase orders from a South African Agricultural company with a total value of SEK 17 million for delivery of the Wyld Connect modules over a four-year period, starting in April 2022. We have also received a purchase order with a value of SEK 11.3 million from a Treevia – a Brazilian-based agricultural company. Additionally, we have received an initial purchase order from Axceta with significant potential for further orders.

This provides a total order book value of SEK 28.3 million generated in Q1. These orders do not include the purchase of data plans which will provide additional recurring revenue to the company. With the aim of converting all our launch partners agreements into purchase orders we are looking forward to the months ahead.

TO1 warrant programme success

In July 2021, in connection with the listing on Nasdaq First North Growth Market, Wyld Networks carried out a new issue of 2,275,000 units, each unit consisting of one (1) share, one (1) warrant of series T01, and one (1) warrant of series T02. In total, 2,243,999 warrants of series TO1 were exercised for a subscription of 2,243,999 shares, meaning that approximately 98.6 percent of all

outstanding warrants of series TO1 were exercised for subscription of shares. Wyld Networks AB received approximately SEK 25.2 million.

I would like to thank all new and existing shareholders for their support. The raised capital will enable the company to accelerate the commercialization of Wyld Connect.

Continuous flow of signed launch partner agreements

Our business development team has been continuously building a sales pipeline. Wyld Networks has now cultivated 22 alliances with launch partners including a further seven that have been added in this quarter: Agrology (USA), Snow Acres (Canada), TrakAssure (USA), Axceta (Canada), Instituto Constanta De Inovação (Brazil), Hazera (Israel) and Treevia (Brazil).

US-based Agrology is a leading actor in machine learning prediction and data analytics for the agricultural sector. The purpose of the partnership is to deploy Wyld's satellite IoT solution to enable data collection from remote and hard to reach areas.

Snow Acres is a Canadian company providing solutions for sustainable resource management in agriculture. The purpose of the collaboration is to provide Snow Acres sensor technology for measuring soil moisture in remote locations with data via satellite connection.

Wyld Networks and TrakAssure's partnership will provide terrestrial and satellite IoT connectivity to supply chain tracking solutions. TrakAssure will integrate Wyld Connect, a hybrid solution for satellite-based IoT connectivity via LoRaWAN, into IoT sensors tailored to track supply chain assets.

Axceta is a Canadian specialist in IoT hardware and software. They address applications that include grain storage monitoring currently hindered by connectivity challenges. The partnership with Wyld will allow Axceta to offer satellite connectivity for their IoT solutions to enable 100 percent global wireless coverage.

Instituto Constanta De Inovação is a Brazilian smart cities and smart utilities IoT company. It is funded by the Brazilian government and private institutes. The first use case will roll out the Wyld solution for utility hydrometers in locations with limited or no cellular coverage to ensure that private utility companies can deliver reliable domestic, industrial, and agricultural water supply.

Wyld Networks has partnered with Hazera Seeds, a global leader in the seed industry that develops, produces and markets seeds in a wide range of vegetable crops. Through the partnership, Hazera Seeds will test and deploy Wyld's satellite-based IoT solution in order to enable data delivery from anywhere in the world.

Wyld Networks partnership with Treevia will allow the deployment of IoT sensors in environmental monitoring and in the commercial forestry market to collect data from underserved areas in the world directly from satellites.

Looking ahead

Having received SEK 25.2 million of funding from the T01 warrant programme in the quarter; this will provide fuel to ramp up and fast track the commercial delivery of Wyld Connect as we now transition into the manufacturing and delivery phase. We will be boosting our business development team, so that they can tap into new geographical markets and regions to solve remote connectivity problems for more and more institutions. The support team will flourish and help nurture our existing crop of launch partners and smoothly onboard new customers as we expand.

We are clearly in a market that is forecast to grow substantially over the next years and in this quarterly report in our Future Markets section on page 9 we highlight the need for satellite IoT in the Energy sector in particular as the world looks to deal with huge increases in energy cost and a need for changing to a more environmentally sustainable source of energy.

I would like to thank the team at Wyld for all the tremendous work that has gone into the business to achieve the beginning of the commercialisation stage of the Company. We look forward to delivering on our strategy moving forward and will continue to keep our shareholders informed of our successes.

Alastair Williamson,
CEO

WYLD PRODUCTS AND SERVICES

Wyld Networks have developed Wyld Connect and Wyld Fusion to provide complete end-to-end hybrid satellite and terrestrial IoT connectivity solutions for customers to collect data from anywhere in the world.

The company generates revenue from single fees of Wyld Connect and reoccurring fees for data through Wyld Fusion on a monthly reoccurring basis.

WYLD CONNECT
Hardware for satellite and terrestrial IoT

SATELLITE
AM102 module
ATM01 terminal
STK102 starter kit
AE102 evaluation kit

Wyld Connect® Satellite Terminal (ATM01)

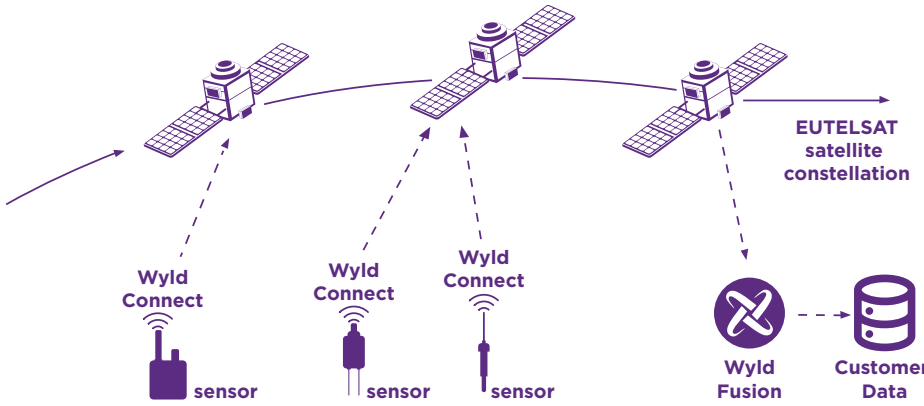
Wyld Connect® Satellite Module (AM102)

TERRESTRIAL
AM104
Evaluation kit

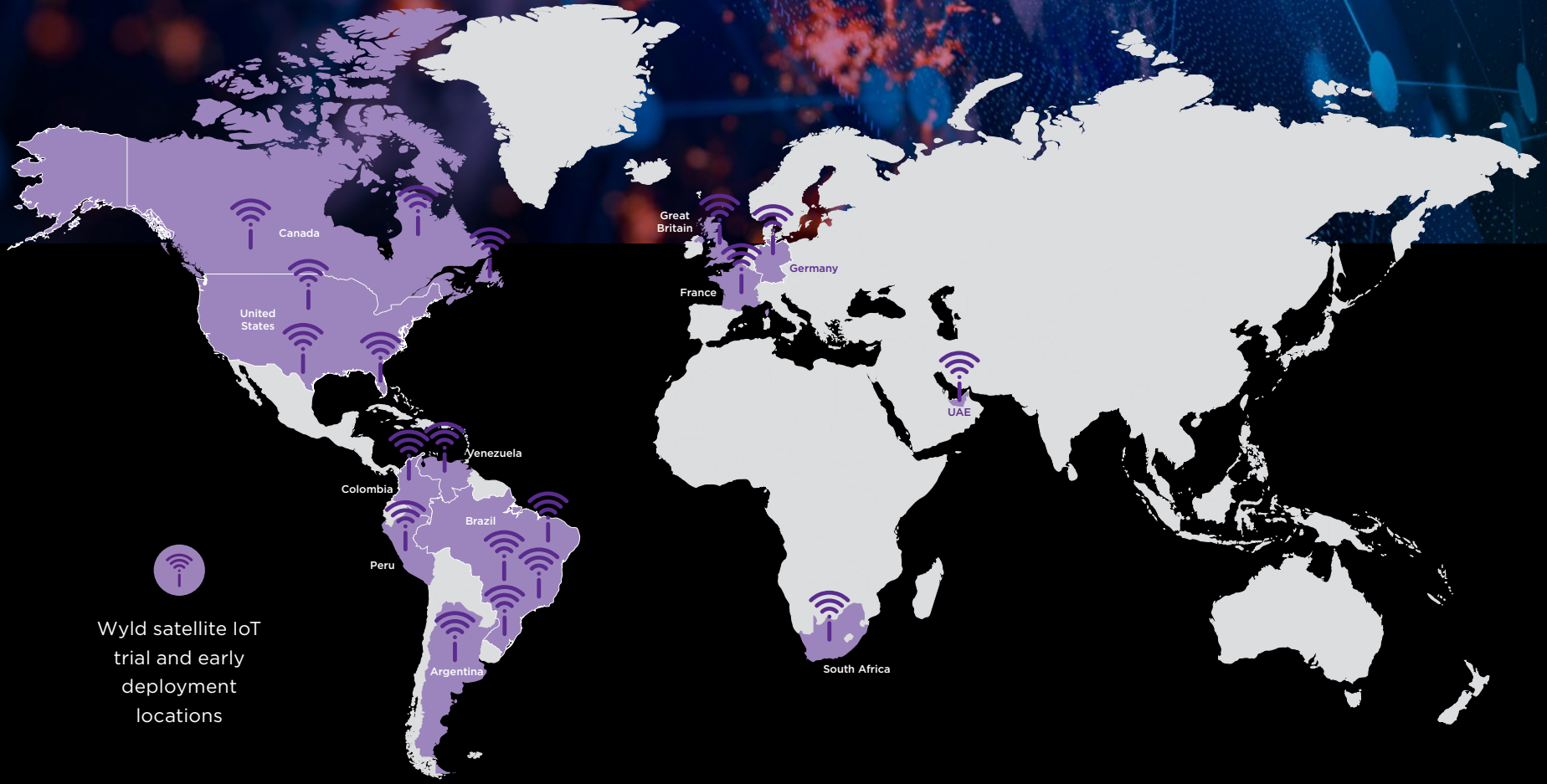
Terrestrial IoT Module (AM104)

Evaluation kit

WYLD FUSION
Provisioning and payment platform



COMMERCIALISATION STRATEGY



Wyld satellite IoT trial and early deployment locations

FUTURE MARKETS

Satellite IoT in the Energy Sector

SATELLITE IOT IN THE ENERGY SECTOR

In 2019 the world's total primary energy consumption reached 173,340 TeraWatt hours (TWh), up by 6,515 TWh from two years prior in 2017 (166,824 TWh). This means that in the space of two years, global energy usage rose by a total of 3.76 percent.

As the population grows and demand for technology increases, energy consumption is also set to grow. Current energy generation methods are extremely inefficient.

According to Our World In Data, in 2019 coal, oil and gas were used for 136,761 KWh, which is almost 79 percent of all energy consumed that year.[1] To reach net-zero carbon by the middle of the 21st century will require rapid changes in how we generate energy.

Energy efficiency is vital

Whilst scientists develop greener and more efficient ways of powering the planet with renewable sources of energy, there is a continued drive to focus on what can be done to manage the switch from fossil fuels by injecting efficiencies into fossil fuel power generation.

A report by Primary Energy indicate that industries waste 2/3 of their energy through heat loss alone.[2]

One way of combating this is utilising data collected from LEO satellites. With a network of satellites orbiting around the globe and collecting data, industries can deploy sensors to key points in their infrastructure to measure and optimise their energy efficiency.

The pipeline problem

Oil and gas pipelines cover millions of kilometers across the world. North America is projected to have a pipeline network extending to 834,152 kilometers by 2023. Pipelines are vulnerable to leaks and corrosion caused by weather erosion, natural disasters and usual wear and tear.

Detecting infrastructure defects is not an easy task either. Individual lines can stretch over 5,000 kilometers . IoT sensors do exist for monitoring these pipelines, but collecting data from remote locations and over huge distances often requires energy companies to take onsite in-person measurements – expensive methods for gathering sensor data.

Because of their location, many available wireless solutions are not viable. Wi-Fi does not have the necessary range, and mobile networks do not always provide a signal to these rural and depopulated areas.

Low Earth orbiting (LEO) satellites are a new revolution in IoT.

A single LEO satellite can collect data from IoT sensors from anywhere in the world once per day providing 100 percent global coverage. With a constellation of 24 satellites data can be collected anywhere in the world every hour facilitating the needs of the energy sector for most applications.

The infrastructure savings in this are huge as nearly all offshore oil and gas operations are conducted in remote locations. Physical visits and unplanned downtime can both be mitigated by improved connectivity of sensors and devices.

But the greatest strength of Wyld Networks satellite IoT solution and what separates it from the cumbersome

1) https://ourworldindata.org/energy-mix
2) https://www.primaryenergy.com/energy-recycling/

and expensive VSAT widely used currently, is how it handles low power communications and reduces operations costs by operating in a license-free spectrum to ensure a return on investment for end-users.

LoRaWAN® is a low power, wide area networking protocol that enables sensors to transmit their data over long distances for multiple years – all without needing any mains power.

The technology operates in the ISM band, a license free and regulated spectrum, taking the cost of acquiring spectrum out of the solution and making it affordable for a business to deploy.

Satellite IoT, the environment and sustainability

The mining, oil and gas sectors are under pressure to increase decarbonization. The Oil and Gas Climate Initiative (OGCI) has aims of cutting methane emissions by 45 percent by 2025.[3]

Measuring greenhouse gases in the industry is currently estimated using equipment efficiency. There is a goal to deploy environmental IoT sensors in upstream, midstream and downstream operations for the purpose of collecting and analysing real data to ensure this goal is accurately achieved.

Additionally, IoT sensors attached to energy infrastructure can monitor and understand the different types of asset behaviour under many condition scenarios such as structural loads, weather changes, crack monitoring and trust management. For older infrastructure, sensors can monitor the risk hazards and extend their lifetime.

These operational practices will accelerate trouble-shooting and response, enable predictive maintenance, automate manual tasks and optimize utilization and future design of oil and gas infrastructure. Quality data provided by satellite IoT will also ensure regulatory compliance and contribute to a reduced carbon footprint.

Satellite IoT is here to make the changeover to greener methods easier as the world transitions from fossil fuels to renewables. Direct sensor-to-satellite connectivity will increasingly manage data collection for wind farms, solar arrays, energy distribution infrastructure, renewable processing facilities and asset monitoring.

Wyld satellite IoT solution supporting wind turbines

In 2021 there was 743 GW of wind power capacity worldwide, helping to avoid over 1.1 billion tonnes of CO_2 globally – equivalent to the annual carbon emissions of South America.[4]

The world needs to be installing an average of 180 GW of new wind energy every year to limit global warming to well below two degrees centigrade above pre-industrial levels, and will need to install up to 280 GW annually from 2030 onwards to maintain a pathway compliant with meeting net-zero by 2050.[5]

Wyld is engaged with several companies deploying wind-generated energy solutions and recently signed a launch partner agreement with IMAE in Brazil to provide satellite IoT Connectivity to wind turbines to collect data to optimise the operational efficiency in the conversion of wind into usable energy.

3) https://www.ogci.com/
4) https://gwec.net/global-wind-report-2021/#:~:text=Today%2C%20there%20is%20now%20743,carbon%20emissions%20of%20South%20America
5) https://gwec.net/global-wind-report-2021/#:~:text=Today%2C%20there%20is%20now%20743,carbon%20emissions%20of%20South%20America.

Q1 | FINANCIAL RESULTS COMMENTARY

Income statement

Revenue for the quarter is small, but after launching Wyld Connects in March this year significant orders of over SEK 28.3 million have been received and booked in the quarter. Some of which will be invoiced in the year.

Other income is mainly the accrued UK R&D Tax Credit which was over SEK 4 million in 2021.

Other external costs include increased marketing spending and costs for external development.

Staff costs are higher than prior year due to increased headcount in Development and Sales & Marketing.

Interest expenses are related to the SEK 12 million loan but will decrease in Q2 as part of the loan was repaid in Q2.

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.

Other receivables mainly represents R&D tax credits for 2021 due to being paid by the UK Tax Office in 2022. Cash receipt expected in Q2 2022.

Cash total own capital is at the low end of Q1 but increases by SEK 25 million in Q2 due to the successful Warrant programme. Similarly, cash will increase in Q2 for the same reason.

Short-term liabilities of SEK 8 million will reduce to SEK 4 million in Q2.

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

			Full-year (Jan–Dec)	
Amounts in SEK k	Q1 2022	Q1 2021	2021	2020
INCOME				
Net sales	5	990	2,455	2,475
Other income	941	710	4,074	3,322
Total income	**946**	**1,700**	**6,529**	**5,797**
COSTS				
Raw material	-94	0	0	0
Other external expenses	-3,804	-3,978	-19,901	-6,176
Staff costs	-4,018	-2,785	-12,577	-9,155
Depreciation	-68	-67	-295	-232
Other operating costs	-29	-3	-142	-11
Total costs	**-8,013**	**-6,833**	**-32,915**	**-15,574**
Result	**-7,067**	**-5,133**	**-26,386**	**-9,777**
FINANCIAL COSTS				
Impairment	0	0	0	-110
Interest	-360	-74	-560	-576
Total financial costs	**-360**	**-74**	**-560**	**-686**
Result after financial costs	**-7,427**	**-5,207**	**-26,946**	**-10,463**
Result	**-7,427**	**-5,207**	**-26,946**	**-10,463**

GROUP CONSOLIDATED BALANCE SHEET

Amounts in SEK k	31 Mar 2022	31 Dec 2021	31 Dec 2020
ASSETS			
FIXED ASSETS			
Intangible fixed assets			
Software	1,031	1,075	1,136
Total intangible fixed assets	**1,031**	**1,075**	**1,136**
Tangible fixed asserts			
Computer equipment	192	165	226
Total	**192**	**165**	**226**
Total fixed assets	**1,223**	**1,240**	**1,362**
CURRENT ASSETS			
Trade receivables	370	365	413
Other receivables	6,853	4,726	3,232
Prepayments	1,989	1,641	178
	9,212	**6,732**	**3,823**
Cash	**12,074**	**18,172**	**685**
Total current assets	**21,286**	**24,904**	**4,508**
TOTAL ASSETS	**22,509**	**26,144**	**5,870**

Amounts in SEK k	31 Mar 2022	31 Dec 2021	31 Dec 2020
CAPITAL AND LIABILITIES			
OWN CAPITAL			
Capital			
Share capital	690	690	0
Share capital	**690**	**690**	**0**
OTHER OWN CAPITAL			
Other paid in capital	54,992	54,902	491
Retained earnings prior years	-45,718	-17,962	-5,889
Current year loss	-7,427	-26,947	-10,463
Translation differences	176	-513	0
Subtotal other own capital	**2,023**	**9,480**	**-15,861**
Total own capital	**2,713**	**10,170**	**-15,861**
Long-term liabilities			
Liabilities to credit institutions	4 000	4 000	0
Total long-term liabilities	**4 000**	**4 000**	**0**
Short-term liabilities			
Liabilities to credit institutions	8,000	8,000	0
Trade Payables	3,365	1,581	591
Convertible loan notes	0	0	18,829
Other liabilities	2,542	385	676
Accrued expenses	1,888	2,008	1,635
Total short-term liabilities	**15,795**	**11,974**	**21,731**
Total liabilities	**19,795**	**15,973**	**21,731**
TOTAL CAPITAL AND LIABILITIES	**22,509**	**26,144**	**5,870**

GROUP CONSOLIDATED CASH FLOW

Amounts in SEK k	Jan–Mar 2022	Jan–Dec 2021	Jan–Dec 2020
PROFIT (LOSS) AFTER FINANCIAL RESULT	–7,427	–26,947	–10,463
Adjustments for non–cash activities:			
Depreciation	68	295	232
Impairment	0	0	110
Cash flow before working capital	**–7,359**	**–26,652**	**–10,121**
CHANGES IN WORKING CAPITAL			
Increase (–)/decrease(+) in trade receivables	–5	86	–86
Increase (–)/decrease(+) in prepayments	–348	–1,409	317
Increase (–)/decrease(+) in current receivables	–2,127	–1,144	–323
Increase (+)/decrease(–) in trade payables	1,784	922	–55
Increase (+)/decrease(–) in other liabilities	2,158	–346	54
Increase (+)/decrease(–) in accrued expenses	–120	240	1,084
Total changes in working capital	**1,343**	**–1,651**	**991**
Cash flow after working capital	**–6,016**	**–28,303**	**–9,130**
INVESTMENTING ACTIVITY			
Acquisition of tangible assets	–50	–47	–227
Cash flow due to investing	**–50**	**–47**	**–227**
FINANCING ACTIVITY			
Change in loan from shareholders	0	–20,044	0
Proceeds from issues of shares	0	53,515	384
External loan	0	12,000	9,976
Costs of share buy back of minority shareholders	0	0	–484
Cash flow from financing activity	**0**	**45,471**	**9,876**
Total cash flow	**–6,066**	**17,121**	**519**
Cash and cash equivalents at beginning of year	18,172	685	215
Exchange rate differences	–30	366	–49
Cash and cash equivalents at end of period	**12,074**	**18,172**	**685**

GROUP CONSOLIDATED CHANGE IN EQUITY

Amounts in SEK k	Jan–Mar 2022	Jan–Dec 2021	Jan–Dec 2020
OPENING BALANCE	**10,170**	**–15,861**	**–6,544**
New share issue	0	53,100	361
Loss in purchase of minority shares	0	0	–455
Current year loss	**–7,427**	**–27,069**	**–10,463**
Translation differences	–31	0	1,240
Closing balance	**2,713**	**10,170**	**–15,861**

ADDITIONAL INFORMATION

Financial calendar

7 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 7 June 2022. More information is provided in the notice convening the AGM on the company website.

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 26.

The average number of employees (full-time positions excluding consultants) during and at the end of the fourth quarter was 15.

Shareholders and share capital

Wyld Networks' share capital per 31 March 2022 amounted to SEK 33,937,079. The number of shares outstanding was 8,267,308.

The total number of registered warrants was 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.

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This information is such that Wyld Networks AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU No 596/2014). The information was submitted for publication, through the agency of the contact person above, at 7:30 am CET on 31 May 2022.