



WYLD NETWORKS

HALF-YEAR REPORT

1 JANUARY–30 JUNE 2021

Including Q2 2021



WYLD NETWORKS

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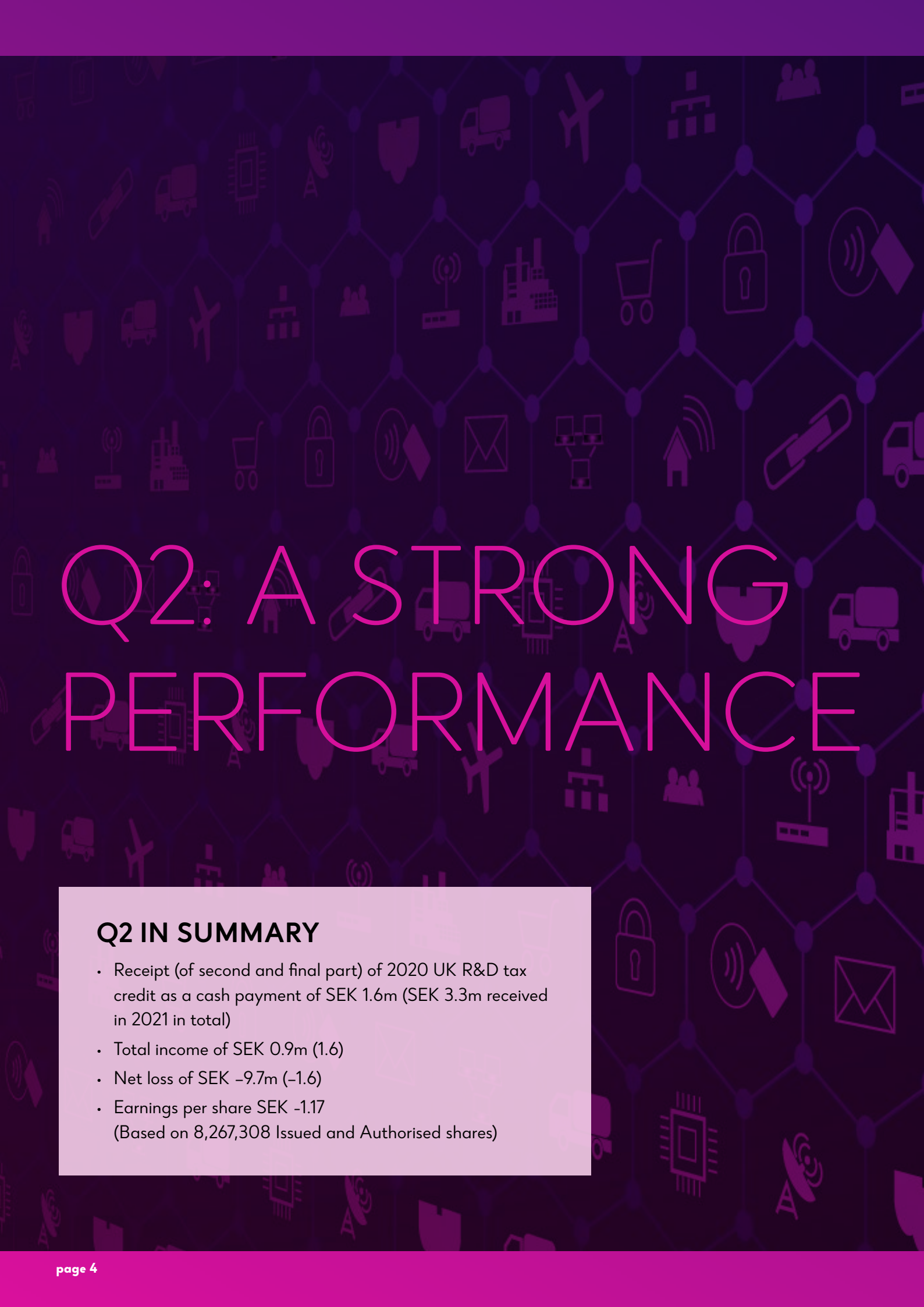
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Q2: A STRONG PERFORMANCE

Q2 IN SUMMARY

- Receipt (of second and final part) of 2020 UK R&D tax credit as a cash payment of SEK 1.6m (SEK 3.3m received in 2021 in total)
- Total income of SEK 0.9m (1.6)
- Net loss of SEK -9.7m (-1.6)
- Earnings per share SEK -1.17
(Based on 8,267,308 Issued and Authorised shares)

WYLD NETWORKS IS SIGNING CONTRACTS WITH GLOBAL COMPANIES AHEAD OF THE LAUNCH OF ITS SATELLITE IoT SOLUTION

The second quarter 2021 exceeded our expectations with us signing contracts with six new customers. These included Chevron, in the oil and gas sector, and Rijk Zwaan, in agricultural, who both signed up to test and demonstrate our satellite IoT solution ahead of its commercial launch.

Up until to the end of the Q2 2021 we have now secured agreements with nine companies to participate in the test phase of our IoT solution Wyld Connect.

The quarter also saw us deliver the first five satellite test terminals to Eutelsat, our satellite partner, as part of a commercial agreement valued at SEK 1.3 million.

As part of our product development activities, we are pleased to announce that in June, we received an R&D tax credit of SEK 1.6 million as a cash payment from the UK Government.

During preparations for the successful listing on the Nasdaq First North Growth Market, we strengthened the organisation at senior management level, with the appointment of Christopher J. Caswell, a PwC-trained chartered accountant and graduate engineer, who steps into the dual roles of Deputy CEO and CFO.

In June we completed an issue of units in connection with the listing on Nasdaq First North Growth Market. The offer was heavily oversubscribed, raising SEK 25 million before issue costs.

Preparations for the listing were resource intensive during this quarter, incurring non-recurring costs corresponding to SEK 4.1 million that are directly attributable to the listing process.

EVENTS POST Q2

Wyld Networks' shares began trading on the Nasdaq First North Growth Market.

In light of the strong response in establishing new contracts with significant customers and the associated growth expansion, the company has put in place an accelerated operating plan and obtained a loan of SEK 12 million. In conjunction with the loan, the company has established an additional warrant program TO3 provided free of charge to existing shareholders. This finance will bring forward the recruitment of sales and development resources, to accelerate the commercialisation of our solution in global markets. ■

COMMENTS FROM THE CEO

2022: THE YEAR OF SATELLITE IoT SOLUTIONS

We are very pleased to have been listed on the Nasdaq First North Growth Market this summer, realising funding that will allow Wyld Networks to further develop and commercialise our satellite Internet of Things (IoT) solution.

Our product Wyld Connect is currently in the pre-commercial test phase in advance of the commercial launch. Our strategy in this phase has been to focus on signing agreements with companies as test and launch partners.

In Q1, we signed contracts with Fujitsu, a global technology company, KWS, a global agricultural seed supplier, and Wezen in Brazil.

In Q2, we secured six new agreements with companies in global oil and gas, environment, and agriculture industries (read more on the next page).

We will continue to expand engagement with new partners in these markets, as well as in water and electricity utilities and in the maritime sector.

In the quarter we hit a major milestone and delivered to Eutelsat, our satellite partner, the first five satellite IoT modules for the test phase as part of our commercial agreement valued at SEK 1.3 million.

We have also continued to develop our technical solutions – the feedback from our partners in the test phase enabling us to ensure it will deliver optimal customer value in the commercial roll-out for each particular use case.

Our mission is to provide affordable wireless connectivity to those global markets where there is currently zero or very poor wireless coverage. Terrestrial wireless networks only cover around 15 percent of the Earth's surface, and this lack of global connectivity is preventing the growth of IoT networks from fulfilling contributing towards adding an anticipated USD 2–3 trillion increase to global GDP over the next decade.

Wyld Networks provides affordable wireless solutions that connects IoT devices and sensors wherever they are located in the world, providing data directly to low earth orbiting satellites to provide 100% global coverage. This means companies can make informed decisions about processes that will significantly improve their operational efficiencies.

A new forecast from Rethink Research* predicts the global market for IoT-focused satellite services will grow to USD 5.9 billion in 2025, with 30.3 million IoT modules deployed as the sector is expected to expand significantly in the next few years.

Our current focus is in the agriculture, environment, maritime, water/electricity utilities markets as well as the oil and gas industries. Companies in these markets often have large operational activities in remote locations and so suffer from lack of affordable wireless connectivity, hampering their ability to deploy effective IoT technology to help connect their locations and improve operational efficiencies.

We look forward to providing our shareholders and other stakeholders with further updates as we continue to commercialise our solution.

Alastair Williamson
CEO

* <https://rethinkresearch.biz/articles/nanosats-and-new-use-cases-will-propel-satellite-iot-to-5-9bn-by-2025/>



In principal

In the second quarter we signed agreements to test our solution with the following companies:

CHEVRON CORPORATION

One of the world's largest energy companies with revenues of approximately \$98bn in 2020.

RIJK ZWAAN

Dutch vegetable breeding and seed production company with a market share of 9% making it the number four vegetable breeding company worldwide.

EASTWEST SEEDS

Asian seed supplier in the agricultural sector.

CFG

An association of fruit producers in South America that focuses on leveraging technology to improve production yield in crops.

AGRISOUND

UK based IoT company, that combines acoustic technology with environmental sensors, to help maintain an optimal pollination environment to increase the yield from crops.

AGROCOGNITIVE

South American company that provides data analytics for the agricultural sector.

NEW THINGS

IoT'S GROWTH SPURT IS COMING





"ACCORDING TO
McKINSEY, THIS LACK
OF CONNECTIVITY IS
HOLDING BACK THE
GROWTH OF THE IOT
FROM ADDING USD 2-3
TRILLION TO GDP IN
THE NEXT DECADE"

A VIEW FROM THE MARKET ON SATELLITE IoT

The Internet of Things (IoT) can be described as a collection of devices and sensors that are connected to the internet either through wires, or in most cases wirelessly, to collect data that can be analysed, monitor equipment or track assets to improve operational efficiency and productivity and reduce wastage of precious resource such as water and power.

However lack of global wireless coverage is holding back the growth of the Internet of Things. Currently only 15% of the World's surface has wireless coverage from terrestrial networks; the other 85% of the World's surface lacks any wireless coverage to connect devices and sensors to the internet. According to McKinsey, this lack of connectivity is holding back the growth of the IoT from adding USD 2-3 trillion to GDP in the next decade.

CONT>>



Wyld Networks' satellite IoT solution focuses on combining affordable low power terminals on the ground to connect IoT devices and sensors directly to Low Earth Orbiting (LEO) satellites to provide connectivity in the 85% of the World surface where currently there is no wireless coverage. The solution supports both connection to the satellite and connection to the 15% of the Worlds surface where there is coverage; thus enabling a solution to provide 100% global connectivity.

ReThink Technology Research predicts the global market for IoT-focused satellite services will grow to US \$5.9 billion in 2025, taking into account end-device connectivity hardware and the annual connectivity fees, with the deployment of 30.3 million terminals once the sector starts to launch in 2021 to 2022.

The use cases of the our technology are focused on agriculture, environment, maritime and oil and gas sectors, specifically areas where there is currently no terrestrial wireless coverage.

SATELLITE IoT IN AGRICULTURE

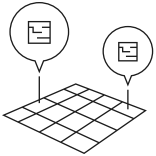
One of the oldest industries must embrace a digital, connectivity-fueled transformation in order to overcome increasing demand and several disruptive forces.

Agriculture is in the early days of a revolution, at the heart of which lie data and connectivity.

Artificial intelligence, analytics, connected sensors, and other emerging technologies could further increase yields, improve the efficiency of water and other inputs, and build sustainability and resilience across crop cultivation and animal husbandry.

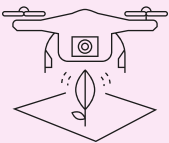
AGRICULTURE CONNECTIVITY USE CASES

Wyld Networks' satellite IoT solution provides the solid connectivity infrastructure to enable the following uses cases and help address the problems faced in agriculture.



SMART CROP MONITORING

Connected-irrigation and nutrient-distribution equipment based on connected-sensor data and imagery analysis, aimed at optimising resource usage and crop growth through real-time, precise, location-dependent adjustments.



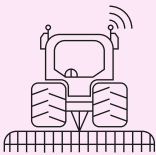
DRONE FARMING

Drone surveillance and remote interventions based on image analysis and connected sensors communicating data with the drone, aimed at providing more frequent, cost-effective remote monitoring of large areas and enabling remote interventions to boost yield and reduce losses from pests as well as optimising deployment costs.



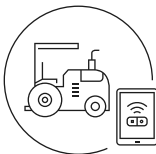
SMART LIVESTOCK MONITORING

Individualised feeding-and-care plans based on connected-body-sensor data and movement tracking, aimed at detecting illnesses early and providing each animal with its optimal feed and medicine mix to maximise growth.



AUTONOMOUS FARMING

Self-operated machinery and robots able to perform targeted interventions based on connected-sensor data, CPS data, and imagery analysis, aimed at optimising resource usage, reducing labor requirements, and boosting yield through more precise and individualised interventions.

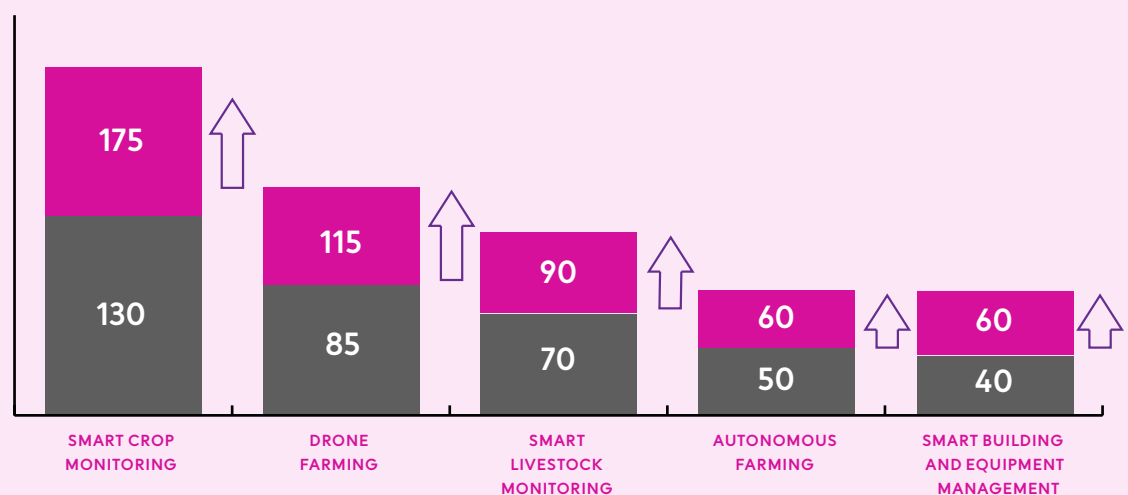


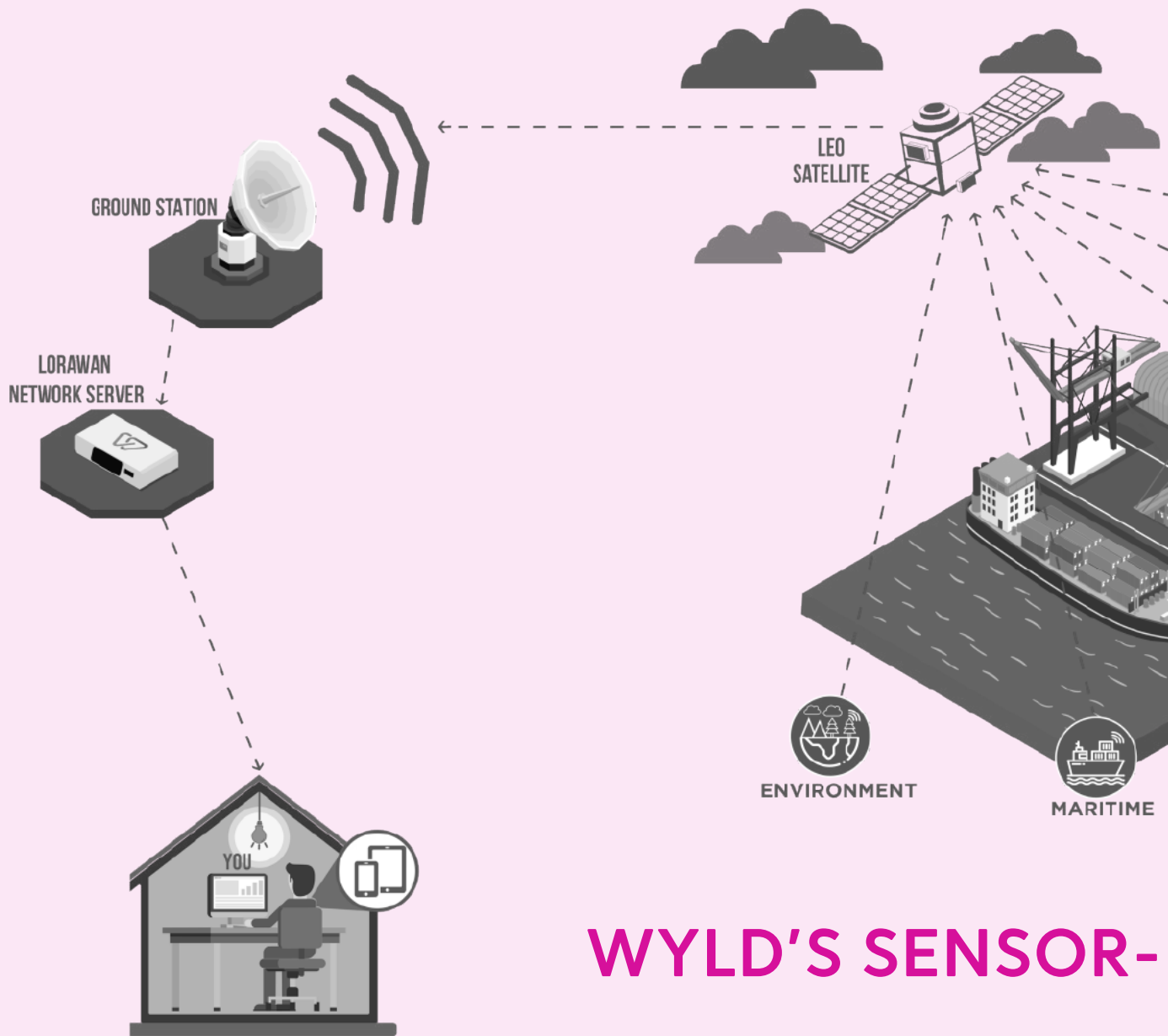
SMART BUILDING AND EQUIPMENT MANAGEMENT

Prescriptive maintenance and real-time environmental adjustments, aimed at improving performance and extending useful life of farm equipment and other assets as well as decreasing risk of mold, fire, and other threats.

ESTIMATED RANGE
OF POTENTIAL
ADDITIONAL NEW
GLOBAL GDP VALUE

\$ BILLION





WYLD'S SENSOR-

Demand for food is growing as the world's population is on track to grow from 7 billion to 9.7 billion by 2050, while even today we struggle to feed the existing population.

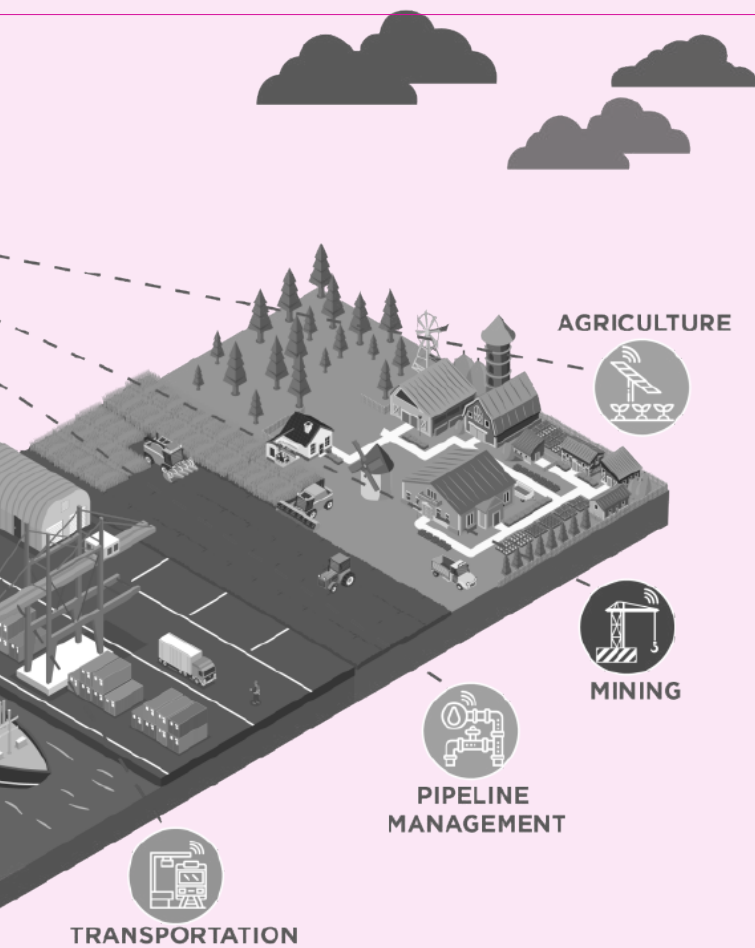
By 2030, the water supply will fall 40 percent short of meeting global water needs. It is reported that 30% of wasted water comes from agriculture.

About one-quarter of arable land is degraded and needs significant restoration before it can again sustain crops at scale. And then there are increasing environmental pressures, such as climate change and the economic impact of catastrophic weather events, and social pressures, including the push for

more ethical and sustainable farm practices, such as higher standards for farm-animal welfare and reduced use of chemicals and pesticides.

To address these problems agriculture must embrace a digital transformation enabled by IoT connectivity. Yet agriculture remains less digitised compared with many other industries globally.

Now much more sophisticated, digital tools are needed to deliver the next productivity leap. Some already exist to help farmers more efficiently and sustainably use resources, while more advanced ones are in development.



TO-SATELLITE SYSTEM

These new technologies can upgrade decision making, allowing better risk and variability management to optimise yields and improve economics.

Deployed in animal husbandry, they can enhance the well-being of livestock, addressing the growing concerns over animal welfare.

However without a solid connectivity infrastructure, none of this is possible. If connectivity is implemented successfully in agriculture, the industry could add on \$500 billion in additional value to the global gross domestic product by 2030, according to McKinsey research. ■

VERTICAL THINKING

ENVIRONMENT

Air quality
River, lake, sea quality
Deforestation
Flood risk
Global warming

MARITIME

Container monitoring
Location tracking
Entry to ports
Monitoring buoys

TRANSPORTATION

Goods' health (temp', vibration)
Roadside/trackside asset monitoring
Entry to ports

PIPELINE MANAGEMENT

Leak detection
Crack detection
Valve monitoring
Pressure & flow monitoring

MINING

Remote asset management
Safety monitoring
Strata movement
Dust & noise monitoring

AGRICULTURE

Soil Moisture
Pollination health
Asset management
Water wastage management
Livestock monitoring

"IF CONNECTIVITY IS IMPLEMENTED SUCCESSFULLY IN AGRICULTURE, THE INDUSTRY COULD ADD ON \$500 BILLION IN ADDITIONAL VALUE"



FINANCIAL RESULTS
COMMENTARY

In Q2 the company received SEK 1,584k from the UK government as the second part of the 2020 claim for support for Research and Development reported under Other Income. This followed a similar amount received in Q1 2021.

INCOME STATEMENT

Sales in Q2 were almost totally due to a continuing project with Eutelsat which will continue strongly in the second half of 2021. Other Income relates to the accrued R&D Tax Credit paid by the UK government which will be paid out in early 2022, the amount received in 2021 for financial year 2020 was SEK 3,283k.

Amounts reported in Q1 and Q2 2021 are conservative estimates of the amounts to be received.

The other income reported for 2020 is the actual amount received in 2021 for the 2020 claim spread equally across all quarters. As investment in development in 2021 is significantly higher than in 2020 we expect the final 2021 claim to be well above the amount received for 2020, underlining the conservative revenue recognition in Q2 2021. Any underreporting of this income in 2021 will be corrected in Q4 2021.

Other external expenses in Q2 were heavily influenced by the costs of advisors and professional fees during the IPO process totalling SEK 4,089k. Also other external expenses in 2021 include outside development costs totalling SEK 3,563k of which SEK 1,940k were in Q2. The Q2 outside development was provided by about 11 development engineers.

Staff costs in Q2 represent 16 employees of which 9 were in Development and 5 in Sales and Marketing.

BALANCE SHEET AT 30 JUNE 2021

The Other Receivables of SEK 28.2m include SEK 25.0m of funds raised in the IPO, which were paid into the company's bank account in the first days of July.

The accrued expenses mainly represent the fees of IPO advisors and other professionals which were invoiced in July 2021.

CHANGE IN EQUITY

The New Share Issue amount of SEK 54m, represents SEK 25m raised in the IPO in Q2 2021 and SEK 29m paid in by original shareholders prior to IPO in Q1 2021.

CASH FLOW

The Cash Flow statement covers the 6 months to 30 June 2021.

The Proceeds of SEK 28,778k relates to funds input by the pre IPO shareholders in January 2021.

Similarly the repayment of Shareholder loans relates to pre IPO shareholders.

The funds raised in the IPO will be shown in the Q3 report, as they did not arrive into the company's bank account till early July 2021.

BALANCE SHEET COMPARATIVES

The Wyld Networks Group has only been in existence in its current form since March 2021 when Wyld Networks AB was formed.

Management have not included in this report Balance Sheet comparatives at 31 December as they consider them having little relevance to the current group especially in the Equity structure. Such comparatives will be included in quarterly reports in 2022.

On the Wyld Networks website, audited Combined Financial Statements for 2019 and 2020 are available in the K3 format. ■

The background is a dark, abstract composition featuring various financial data visualizations. On the left, there are vertical red and blue bars resembling a candlestick chart. In the center and right, there are line graphs with red and blue lines, some showing upward trends. Faint binary code (0s and 1s) is scattered throughout the background, particularly on the right side. The overall color palette is dominated by deep blues, purples, and reds, creating a high-tech, digital atmosphere.

FINANCIAL DATA

GROUP CONSOLIDATED INCOME STATEMENT

Amounts in SEK k	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020
Income				
Net Sales	202	773	1,175	1,356
Other Income	713	817	1,401	1,671
Total Income	915	1,590	2,576	3,027
Costs				
Other External expenses	-7,400	-918	-11,218	-2,015
Staff costs	-3,057	-2,129	-5,750	-4,490
Depreciation	-68	-57	-133	-114
Other operating costs	-78	-7	-80	-9
Total	-10,603	-3,111	-17,181	-6,628
Result	-9,688	-1,521	-14,605	-3,601
Financial costs				
Impairment	0			-61
Interest	0	-36	-74	-36
Total financial costs	0	-36	-74	-97
Result after financial costs	-9,688	-1,557	-14,679	-3,699
Result before tax	-9,688	-1,557	-14,679	-3,699
Tax	0	0	0	0
Result for period	-9,688	-1,557	-14,679	-3,699

GROUP CONSOLIDATED BALANCE SHEET (1/2)

Amounts in SEK k		30 Jun 2021	31 Dec 2020	30 Jun 2020
Assets				
Intangible fixed assets				
Software		1,122	1,136	1,231
Total intangible fixed assets		1,122	1,136	1,231
Tangible fixed assets				
Computer equipment		207	226	152
Total tangible fixed assets		207	226	152
Total fixed assets		1,329	1,362	1,383
Current assets				
Trade receivables		1,114	413	453
Other receivables		26,630	3,232	2,985
Prepayments		140	178	51
Total current assets		27,884	3,823	3,489
Cash		2,969	685	4,875
Total current assets		30,853	4,508	8,364
Total assets		32,182	5,870	9,747

GROUP CONSOLIDATED BALANCE SHEET (2/2)

Amounts in SEK k		30 Jun 2021	31 Dec 2020	30 Jun 2020
Capital and liabilities				
Own capital				
Capital				
Share capital		500	0	0
Share capital - not registered		25,025		
Share capital		25,525	0	0
Other own capital				
Other paid in capital		29,031	491	134
Retained earnings prior years		-17,354	-5,889	-6,282
Current year loss		-14,679	-10,463	-3,699
Translation differences		-104		221
Subtotal other own capital		-3,105	-15,861	-9,625
Total own capital		22,420	-15,861	-9,625
Liabilities				
Trade payables		3,672	591	495
Shareholder loans		500	0	17,644
Convertible Loan Note		0	18,829	0
Other liabilities		1,186	676	981
Accrued expenses		4,404	1,635	252
Total liabilities		9,762	21,731	19,371
Total capital and liabilities		32,182	5,870	9,747

GROUP CONSOLIDATED CHANGE IN EQUITY

Amounts in SEK k		Jan-Jun 2021	Jan-Jun 2020
Opening balance		-15,861	-6,544
New share issue		54,036	0
Loss in purchase of minority shares		1	0
Current year loss		-14,679	-3,699
Translation differences PnL		-104	221
Translation differences equity		-973	397
Translation differences		-1,076	618
Closing balance		22,420	-9,625

GROUP CONSOLIDATED CASH FLOW

Amounts in SEK k		Jan-Jun 2021	Jan-Jun 2020
Cash flow from operations			
Profit (loss) after financial result		-14,679	-3,699
Adjustments for non-cash activities:			
Depreciation		133	113
Impairment		0	61
Cash flow before working capital		-14,546	-3,524
Changes in working capital			
Increase (-)/decrease(+) in trade receivables		-670	-116
Increase (-)/decrease(+) in prepayments		49	14
Increase (-)/decrease(+) in current receivables		1,924	506
Increase (+)/decrease(-) in trade payables		3,019	-181
Increase (+)/decrease(-) in other liabilities		462	356
Increase (+)/decrease(-) in accrued expenses		2,657	-360
Total change in working capital		+7,442	+219
Cash flow after working capital		-7,104	-3,306
Investing activity			
Acquisition of tangible assets		-19	-80
Acquisition of intangible assets		0	0
Cash flow due to investing		-19	-80
Financing activity			
Change in loan from shareholders		-19,323	8,355
Proceeds from issues of shares		28,778	0
Costs of share buy back of minority shareholders		1	0
Cash flow from financing activity		9,456	8,355
Total cash flow		2,333	4,970
Cash and cash equivalents at beginning of year		685	215
Exchange rate differences		-49	-310
Cash and cash equivalents at end of period		2,969	4,875

ADDITIONAL INFORMATION

FINANCIAL CALENDAR

30 November 2021

Interim report for the third quarter

28 February 2022

Year-End Report 2021

31 March 2022

Annual Report 2021

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 27.

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

SHAREHOLDERS AND SHARE CAPITAL

On 30 June 2021, Wyld Networks AB had 9 shareholders. On the 2 July 2021 at the time of the IPO Wyld Networks AB had 291 shareholders.

Wyld Networks's share capital per 30 June 2021 amounted to SEK 25,525,000 (including SEK 25,025,000 share capital not yet registered with the Swedish Companies Registration Office as of 30 June 2021).

At the beginning of the quarter there were 5,992,308 shares outstanding. During the Quarter 2,275,000 shares were issued. The number of shares outstanding as of 30 June 2021 was 8,267,308.

The average number of shares outstanding during the second Quarter was 6,242,308.

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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WYLD NETWORKS AB (PUBL)

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