



Q3 21

INTERIM REPORT

1 January–30 September 2021

TABLE OF CONTENTS

BUSINESS OVERVIEW

Q3 in summary	3
Comments from the CEO	4
A view from the market on satellite IoT	6

FINANCIAL

Financial results commentary	11
Income statement	12
Balance sheet	13
Change in equity	14
Cash flow	14

Additional Information	15
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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

Q3: ACCELERATION INTO COMMERCIAL PHASE

During the third quarter Wyld Networks made significant progress both in product and market development, thus accelerating the company into the emerging commercial phase and strengthening its position as a virtual satellite network operator.

FINANCIAL SUMMARY

	Q3 (Jul-Sep)		9 months (Jan-Sep)	
	2021	2020	2021	2020
Total income, SEK k	726	1,603	3,302	4,630
EBIT, SEK k	-7,552	-2,126	-22,157	-5,727
Earnings per share, SEK	-0.93	-0.76	-3.31	-2.03

Significant events during Q3

- Wyld Networks successfully continued to secure partnerships and sign agreements with potential customers as launch partners. Up to the end of the Q3 2021 we have now secured agreements with eleven companies to participate in the test phase of our IoT solution.
- The company received an additional purchase order from Eutelsat, our satellite partner, for SEK 900,000 to deliver an additional 5 satellite IoT test terminals to continue the testing of the Wyld Connect product with the Eutelsat satellite constellation.
- Bayer Crop Science, a world leader in crop science placed a purchase order on the company to develop a bespoke satellite IoT terminal valued at SEK 320,000.

We expect that once we have completed the development of this bespoke solution, we will commence volume manufacturing.

- The company 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.
- Henrik Hedelius joined the board of directors of Wyld Networks AB to strengthen the company in its growth phase.

Significant events after Q3

- 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.



Comments from the CEO

We strengthen our position as a leading virtual satellite network operator

The third quarter saw Wyld Networks taking a big leap both technically and commercially. Advances in product development means that our Wyld Connect IoT terminals will be commercially ready by the end of 2021. We successfully continued to secure partnerships and sign agreements with potential customers as launch partners and in addition, we have now started to see a transition into receiving purchase orders for Wyld Connect test terminals ahead of the full commercial launch of our satellite IoT service planned for mid-2022.

Securing new partners and new orders

We were pleased to receive orders from Bayer Crop Science, the world leader in crop science, and Eutelsat, a global satellite operator, for a total order value of approximately SEK 1.2 million. The order received from our satellite partner Eutelsat was for five Wyld Connect satellite IoT test terminals to continue the engineering evaluation of Wyld Connect with Eutelsat's Low Earth Orbiting constellation. This order was in addition to the initial test units we supplied to Eutelsat in Q2. The purchase order we received from Bayer is to develop a bespoke satellite IoT terminal with embedded sensors to manage beehives. The purpose is to protect beehives, strengthen pollination and thereby increase yield.

We expect that once we have completed the development of this solution for Bayer, we will start volume manufacturing for this application. There are over 90 million commercial beehives globally and 70 out of the top

100 human food crops — which supply about 90 percent of the world's nutrition — are pollinated by bees.

Product development on plan

Development of Wyld Connect (satellite IoT terminal and module) and Wyld Fusion (provisioning and payment platform) is progressing rapidly. We are happy to announce we have completed the hardware development of Wyld Connect – 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. It is the key to providing direct data links from IoT sensors to satellites by leveraging the Industrial, Scientific and Medical (ISM) unlicensed band. LR-FHSS can support millions of IoT sensors and delivers a new level of reliability for IoT services. We continue with the development of Wyld Fusion over the next months.

Comments from the CEO

Satellite IoT supporting the environment and sustainability challenges

Following the COP26 summit in Glasgow earlier this month, where world leaders gathered with the purpose to accelerate action on climate change, we have included in this report some insightful use cases on how satellite IoT can help achieve the environmental and sustainability goals we need to attain for a greener planet. From carbon capture and water waste management to air quality monitoring and improving agricultural yields – enabling connectivity to collect data from IoT devices using satellites is set to play an ever-increasing role.

Protecting our IP and brand

Creating and reinforcing long-term value in Wyld is critical for the company and our shareholders. Protecting our brand and our intellectual property is a key part of that process. We are pleased to note that we have received approval to trademark the words Wyld, Wyld Connect, Wyld Mesh and Wyld Fusion and that our first international patent application, covering our core technology, was published in the third quarter. The patent application is published through the Patent Cooperation Treaty (PCT), which covers most of the major industrial countries of the world.

Strengthening our board of directors

In September, Henrik Hedelius joined the board of directors of Wyld Networks AB to strengthen the company in its growth phase. Henrik brings both expe-

rience in corporate finance and M&A, as well as board experience from developing companies in a rapid growth phase. This appointment signifies our commitment to build a leading company positioned as a front-runner of the burgeoning satellite IoT market.

An exciting year to come

Looking ahead, our focus is to continue deliver on our commercialisation strategy. 2021 has been a transformational year for the Wyld Networks as we continue to develop the solution and sign new launch partners. We want to thank our shareholders and other stakeholders for your support during the year. 2022 is set to be an even more exciting year for Wyld, with the commercial launch of the company as a virtual satellite network operator for IoT services.

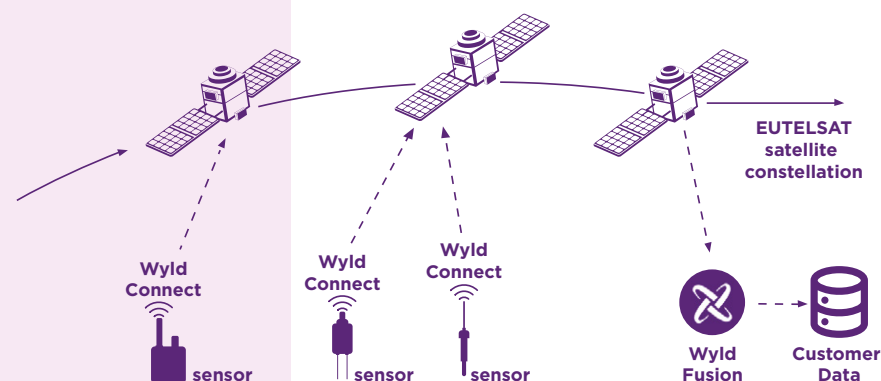
Alastair Williamson, CEO

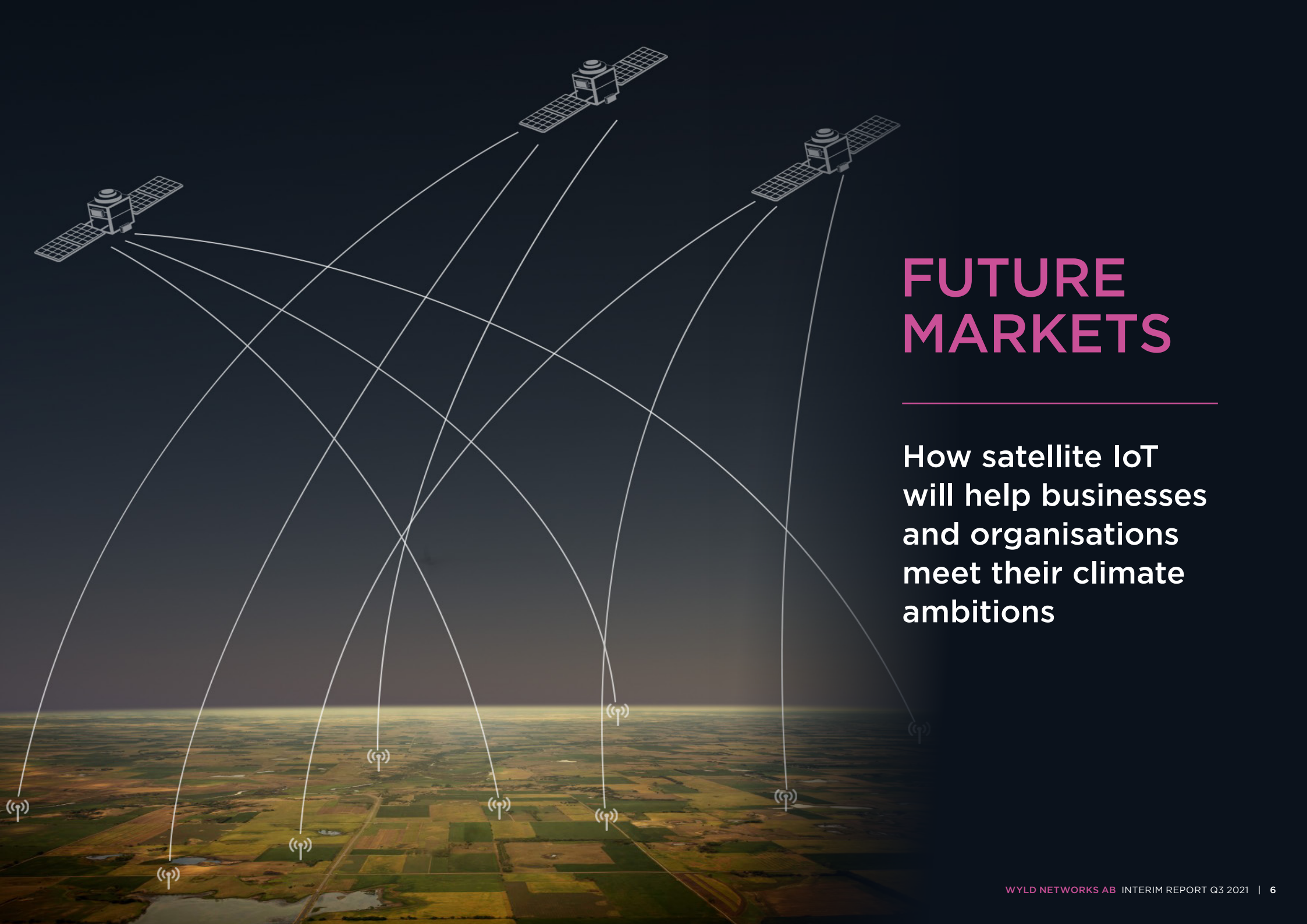
What is a Virtual Satellite Network Operator?

In the mobile world, Virtual Mobile Network Operator (VMNO) is a common business and there are hundreds of VMNOs around the world offering mobile services. They sell 4G and 5G mobile handsets and a service (data plan as a monthly fee or as PayGo – Pay As You Go) to their customers without having to own or build the network infrastructure.

All the flexibility and none of the burden and cost of owning the satellites

In the satellite world, Virtual Satellite Network Operators (VSNO) are a new paradigm. Wyld is launching as a VSNO for IoT services. We have teamed up with Eutelsat who will launch and own the Low Earth Orbiting (LEO) satellites, whilst Wyld will provide IoT terminals to connect IoT sensors to the satellites, as well as a service (data plan as a monthly fee) for customers to use the service to collect data from those IoT sensors.





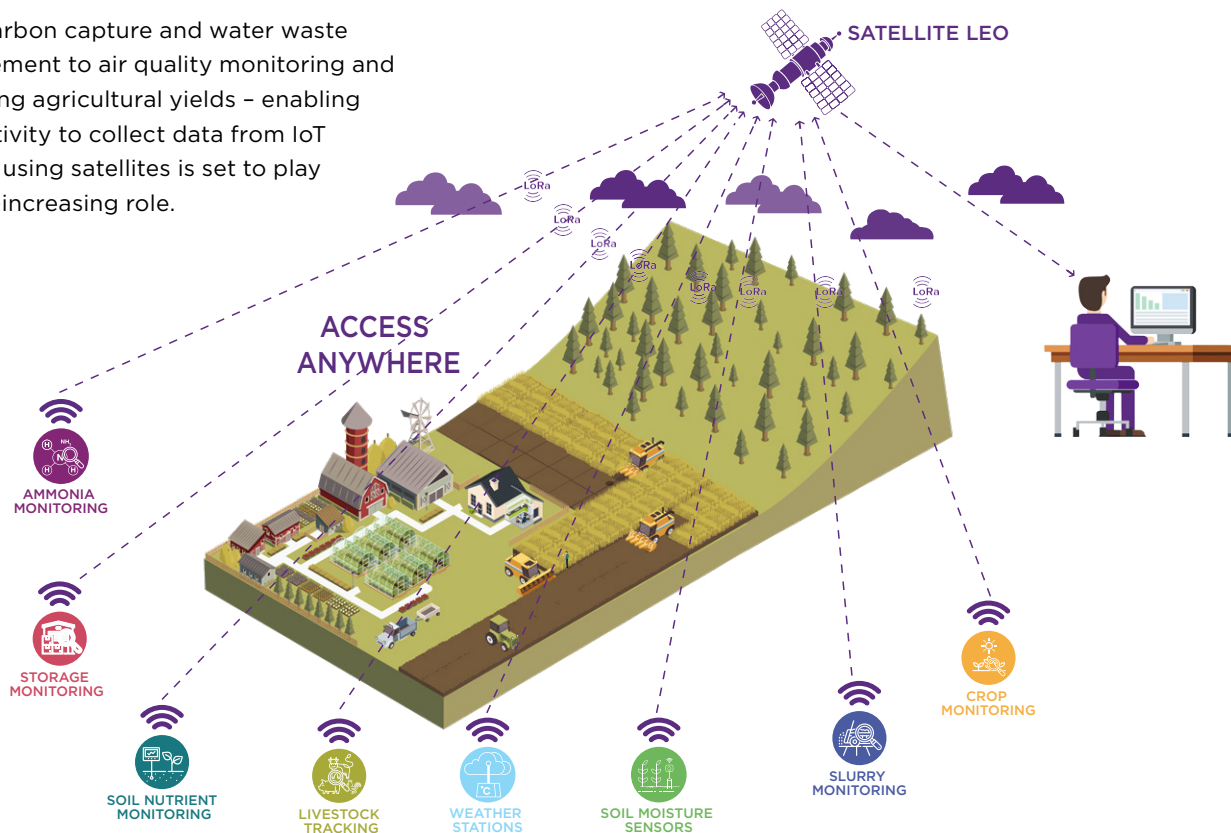
FUTURE MARKETS

How satellite IoT
will help businesses
and organisations
meet their climate
ambitions

SATELLITE IOT SUPPORTING THE ENVIRONMENT AND SUSTAINABILITY CHALLENGES

The world is in great need of innovative solutions – across all sectors – to combat global warming and climate change. On the following pages, we have highlighted some insightful use cases on how satellite IoT can help reach the environmental and sustainability goals we need to attain for a greener future.

From carbon capture and water waste management to air quality monitoring and improving agricultural yields – enabling connectivity to collect data from IoT devices using satellites is set to play an ever-increasing role.



REMOTE MONITORING FOR AGRICULTURE AND THE ENVIRONMENT

AGRICULTURE

- | | |
|--|--|
|  Soil moisture |  Water resources level/quality/flow |
|  Carbon Sequestration |  Beehive monitoring/pollination |
|  Well monitoring |  Livestock monitoring |
|  Ammonia monitoring |  Slurry monitoring |
|  Micro nutrients |  Soil nutrients NPK |
|  Grain Storage monitoring |  Crop monitoring |

ENVIRONMENT

- | | |
|--|--|
|  Deforestation |  Solar array infrastructure monitoring |
|  Drought monitoring |  Pipelines – flow, corrosion, crack detection |
|  Glacier/ice sheet |  Wind Power infrastructure |
|  Air quality/particulates |  Waterways management |
|  Ocean plastics |  Tidal/Tsunami |
|  Buoys/drifters |  Wildlife tracking |

Future markets

The agriculture sector is increasingly turning to the IoT to solve its most pressing problems. Due to the growing global population the UN Food and Agriculture Organization predicts that by 2050, the agriculture industry will need to produce 70% more food – while only expanding their land usage by 5%.¹⁾

This while at the same time dealing with limited natural resources, such as water and soil, as well as the complex challenges of climate change.

Satellite-connected IoT sensors can meet these challenges by providing the data needed for the agricultural sector to work more efficiently, productively, and sustainably.

Sensors connected to low earth orbit satellites powered by batteries with a life span of up to ten years will increasingly measure qualities like weather, soil conditions, erosion, pesticide levels and carbon sequestration even in the most remote locations where there is no cellular network option.



**2009-2050:
2.1B → 3B
TONNES CEREALS**



**2009-2050:
70% INCREASE IN
FOOD PRODUCTION**

Source: UNFAO

A study conducted by OnFarm found that the use of IoT on the average farm, increased yields by 17.5%. The U.S., where IoT is most widespread, produces 7,340 kgs of cereal per hectare of farmland, compared to the global average of 3,851 kgs of cereal per hectare.²⁾

1. https://www.fao.org/fileadmin/templates/wsfs/docs/expert_paper/How_to_Feed_the_World_in_2050.pdf
2. <https://www.fao.org/e-agriculture/news/why-iot-big-data-smart-farming-are-future-agriculture>



Food supply chain

Reducing the global impact of CO₂ emissions in the food supply chain using satellite IoT

The food supply chain is also a major contributor to global carbon emissions as it represents 18% of the food sector's global GHG emissions³. Reducing this impact is high on the agenda of governments and private organisations across the globe.

From the field through to storage, transportation, packaging and on to retail supply, there is an immense opportunity to measure and modify the causes of climate impact.

Key to the journey is data collection. From collecting crop quality data to monitoring ocean going vessels and containers, much of the logistics network is remotely located.

Satellite connected IoT resolves these data collection issues and has a significant role to play in the transition to a zero-carbon economy.

3. <https://ourworldindata.org/food-ghg-emissions>



TRADED GOODS
6.4B TONNES
- 23% OF GLOBAL EMISSIONS

Source: PNAS

Carbon sequestration

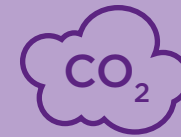
Measuring and commercialising carbon capture offset in agriculture

New carbon sequestration markets are developing to provide valuable additional income to producers whilst benefiting global air quality.

Global croplands and grasslands can capture and store the equivalent of up to 8.6 gigatons of carbon dioxide a year, according to a 2019 report from the Intergovernmental Panel on Climate Change.

Current methods for determining carbon content of soil are complex and expensive. This is changing as the market develops a new breed of sensors. Connected to LEO satellites these sensors will deliver

crucial data to those investing in carbon offsets. This is an opportunity for growers who will increasingly view carbon as a crop.

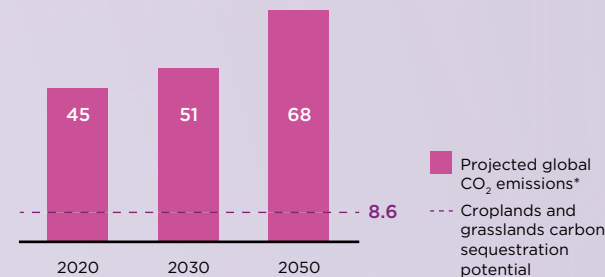


AGRICULTURE
POTENTIAL STORAGE:
8.6 GTs CO₂

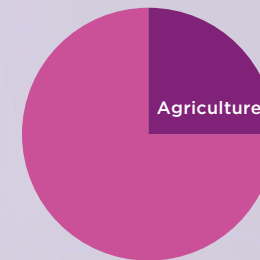
Source: IPCC

EMISSIONS AND CARBON SEQUESTRATION

Gt CO₂ per year



GLOBAL GREENHOUSE GAS EMISSIONS by economic sector



Water management

Reducing precious water wastage in agriculture using satellite IoT

Agriculture accounts for around 70% of all water withdrawals globally according to the World Bank, and approximately 60% of that is wasted, largely due to inefficient applications as reported by the UN's Food and Agriculture Organisation (FAO).

IoT sensors deployed in agriculture can collect data on moisture content in soil and analyse that data to optimise the amount of water required for an optimal yield of crop to help reduce the massive water was-

tage in the sector. Direct IoT sensor to satellite technology enables the capture of that data anywhere in the world.

○ A study conducted by OnFarm, found that the use of IoT on the average farm cut water use for irrigation by 8%.⁴⁾

4. <https://www.fao.org/e-agriculture/news/why-iot-big-data-smart-farming-are-future-agriculture>

Ocean monitoring

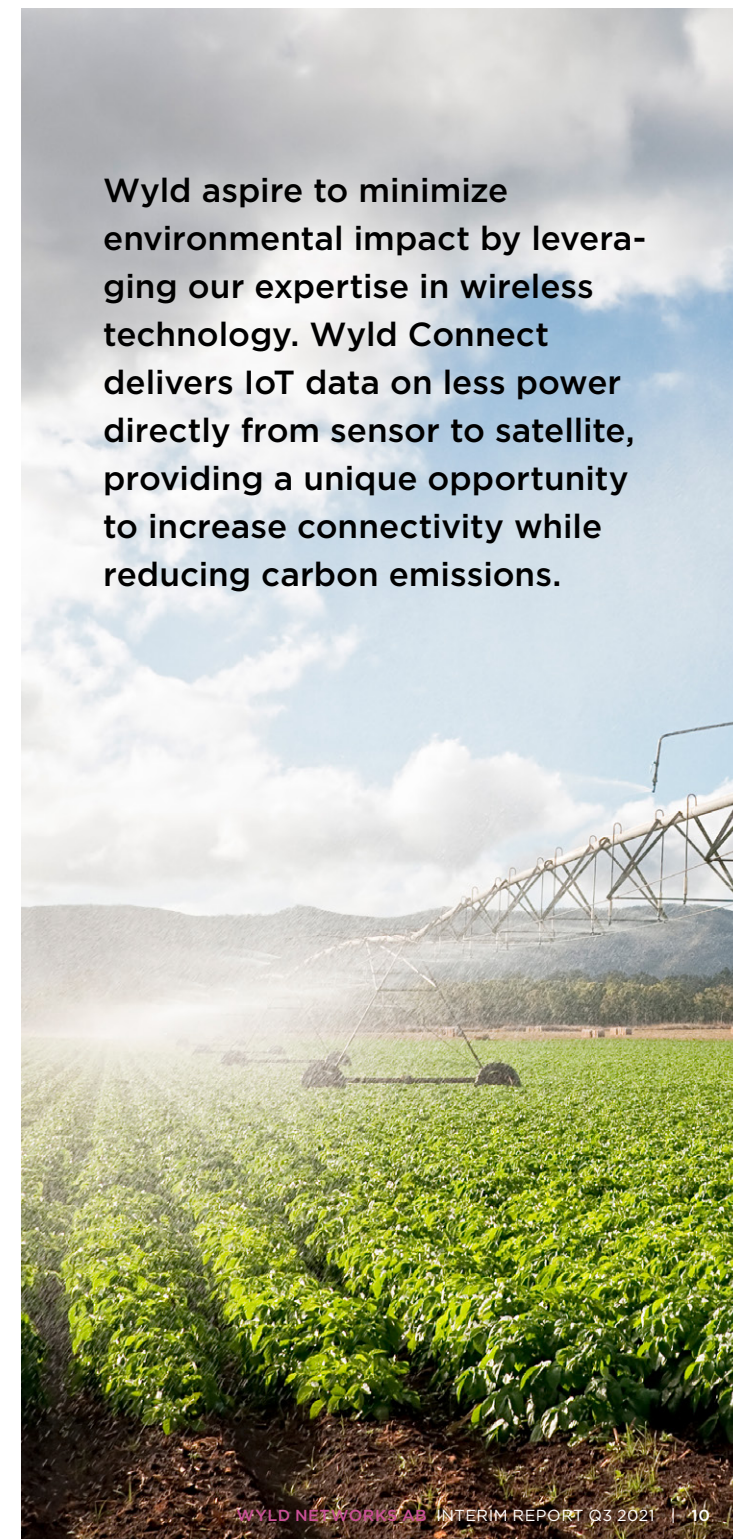
The oceans also help regulate climate and absorb carbon emissions. Moreover, oceans provide the primary protein source for over one billion people.

IoT sensors can be deployed to collect data on chemical composition, measure temperature change, monitor plastic in the ocean and changes in sea levels to allow governments and business to gain a better

insight into the pollution problem and direct resources more efficiently to tackle the issues we face.

Buoys are commonly used as indicators for boats and ships but also for environmental monitoring. By their very nature they are often located remotely and require satellite connectivity to collect the data.

Wyld aspire to minimize environmental impact by leveraging our expertise in wireless technology. Wyld Connect delivers IoT data on less power directly from sensor to satellite, providing a unique opportunity to increase connectivity while reducing carbon emissions.



Q3 | FINANCIAL RESULTS COMMENTARY

Income Statement

Net Sales

No new Revenue was recognized during the quarter although significant orders were received which will create revenue in subsequent quarters.

Other Income

As for Q1 and Q2, the Other Income in Q3 is a conservative estimate of a proportion of the R&D Tax Credit which will be recognized in the 2021 Tax Return and paid out in the first half of 2022. In 2020 the amount of such claims totaled over SEK 3,300k. We expect the total to be claimed for 2021 to be higher than in 2020. Therefore the income in the quarter of SEK 701k is a conservative estimate.

Other External costs

In the quarter, costs for external software development totaled SEK 1,203k. Costs related to the IPO were SEK 250k.

Staff costs

In the quarter, staff costs were similar to prior quarters.

Interest

The interest costs of SEK 120k relate the SEK 12m taken out in the quarter.

Balance Sheet

Trade Receivables

Of the Receivables balance end September of SEK 949k, over half was received in October 2021.

Other Receivables

Nearly all of the Other Receivables balance end September of SEK 3,062k relates to the 2021 R&D Tax Credits due from the UK Tax authorities, which will be received in the first half of 2022. In 2021, the UK tax authorities paid all of the 2020 claim of over SEK 3m by end June 2021.

Cash on Hand SEK 22m

The company is holding significant amounts of cash to ensure it can continue on its expansion course well into 2022. Part of the cash balance is due to a loan of SEK 12m taken out during the quarter.

Loan of SEK 12m

A SEK 12m loan was taken out during the third quarter. Interest is rolled up each month. Capital is to be repaid in three elements starting in April 2022.

Change in Equity

New shares have been issued twice during 2021:

- In January 2021, existing shareholders converted their loan note into share capital.
- At the IPO in July 2021, new shareholders financed additional capital.

Cash Flow

The major cash flow effects were:

- Outflows due to ongoing losses and repayment of shareholder loans pre-IPO.
- Inflows due to issue of new shares by pre-IPO shareholders by converting their loans, issue of new shares to new shareholders at the IPO and taking out a loan in August 2021.

GROUP CONSOLIDATED INCOME STATEMENT

Amounts in SEK k	Q3 (Jul-Sep)		9 months (Jan-Sep)	
	2021	2020	2021	2020
INCOME				
Net Sales	9	774	1,184	2,130
Other Income	717	829	2,118	2,500
Total Income	726	1,603	3,302	4,630
COSTS				
Other External expenses	-4,694	-1,450	-15,912	-3,465
Staff costs	-3,466	-2,222	-9,216	-6,712
Depreciation	-69	-57	-202	-171
Other operating costs	-48	-1	-128	-10
Total Costs	-8,278	-3,730	-25,459	-10,358
EBIT	-7,552	-2,126	-22,157	-5,727
FINANCIAL COSTS				
Impairment	0	0		-61
Interest	-120	-59	-194	-95
Total Financial costs	-120	-59	-194	-156
Result before tax	-7,672	-2,185	-22,351	-5,883
Tax	0	0	0	0
Result for the period	-7,672	-2,185	-22,351	-5,883

GROUP CONSOLIDATED BALANCE SHEET

Amounts in SEK k	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS			
FIXED ASSETS			
<i>Intangible Fixed Assets</i>			
Software	1,080	1,221	1,136
Total Intangible Fixed Assets	1,080	1,221	1,136
<i>Tangible Fixed Assets</i>			
Computer Equipment	185	180	226
Total Tangible Fixed Assets	185	180	226
Total Fixed Assets	1,265	1,401	1,362
CURRENT ASSETS			
Trade Receivables	949	553	413
Other Receivables	3,062	3,846	3,232
Prepayments	105	93	178
Total Current Assets	4,115	4,491	3,823
Cash	26,197	1,907	685
Total Current Assets	30,313	6,398	4,508
TOTAL ASSETS	31,577	7,799	5,870

Amounts in SEK k	30 Sep 2021	30 Sep 2020	31 Dec 2020
CAPITAL AND LIABILITIES			
OWN CAPITAL			
<i>Capital</i>			
Share Capital	690	0	0
Share Capital – not registered			
Share Capital	690	0	0
OTHER OWN CAPITAL			
Other paid in capital	53,638	143	491
Retained Earnings prior years	-16,356	-6,687	-5,889
Current year loss	-22,351	-5,883	-10,463
Translation differences	-1,042	575	
Subtotal Other own Capital	13,890	-11,852	-15,861
Total Own Capital	14,580	-11,852	-15,861
LIABILITIES			
Long-term liabilities	12,000		
Trade Payables	3,084	631	591
Shareholder Loans			
Convertible loan notes		17,722	18,829
Other Liabilities	1,007	1,133	676
Accrued expenses	906	165	1,635
Total Liabilities	16,997	19,651	21,731
TOTAL CAPITAL AND LIABILITIES	31,577	7,799	5,870

Financial results

GROUP CONSOLIDATED CASH FLOW

Amounts in SEK k	Jan-Sep 2021	Jan-Sep 2020
PROFIT (LOSS) AFTER FINANCIAL RESULT	-22,351	-5,883
Adjustments for non-cash activities :		
Depreciation	202	171
Impairment	0	61
Cash Flow before working capital	-22,149	-5,652
CHANGES IN WORKING CAPITAL		
Increase (-)/decrease(+) in trade receivables	-536	-184
Increase (-)/decrease(+) in prepayments	170	-409
Increase (-)/decrease(+) in current receivables	73	449
Increase (+)/decrease(-) in trade payables	2,493	120
Increase (+)/decrease(-) in other liabilities	331	396
Increase (+)/decrease(-) in accrued expenses	-729	21
Total Changes in working capital	1,803	392
Cash Flow after working capital	-20,346	-5,260
INVESTMENTING ACTIVITY		
Acquisition of tangible assets	-104	-116
Acquisition of intangible assets		
Cash Flow due to investing	-104	-116
FINANCING ACTIVITY		
Change in loan from shareholders	-19,323	10,061
Proceeds from issues of shares	53,837	
External Loan	12,000	
Costs of share buy back of minority shareholders	1	
Cash Flow from Financing activity	46,516	10,061
Total Cash Flow	26,065	4,685
Cash and cash equivalents at beginning of year	685	215
Exchange rate differences	-883	
Cash and cash equivalents at end of period	25,867	4,900

GROUP CONSOLIDATED CHANGE IN EQUITY

Amounts in SEK k	Jan-Sep 2021	Jan-Sep 2020
OPENING BALANCE	-15,861	-6,544
New share issue	53,837	
Loss in purchase of minority shares	1	
Current year loss	-22,351	-5,883
Translation differences PnL	-1,042	
Translation differences Equity	-5	575
Closing balance	14,580	-11,852

ADDITIONAL INFORMATION

Financial Calendar

- **28 February 2022**
Year-End Report 2021
- **15 May 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 23.

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

Shareholders and Share Capital

Wyld Networks' share capital per 30 September 2021 amounted to SEK 25,525,000. 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.

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