

Wyld Networks AB (publ)

Organization number 559307-1102

**Combined financial
statements for
financial year 2019 and
2020**

Table of contents

| | |
|------------------------|---|
| Income statement | 3 |
| Balance sheet | 4 |
| Change in equity | 6 |
| Cash flow analysis | 7 |
| Additional information | 8 |

Income statement

| <i>Amount in T Kr</i> | Note | 31/12/2020 | 31/12/2019 |
|----------------------------------------------------------------------|-------------|-------------------|-------------------|
| Operating income etc. | | | |
| Net sales | | 2,475 | 1,559 |
| Other operating income | 3 | 3,322 | 3,054 |
| Total operating income | | 5,797 | 4,613 |
| Operating expenses | | | |
| Other external expenses | | -6,176 | -3,775 |
| Staff costs | 4 | -9,155 | -6,199 |
| Depreciation and write-downs of tangible and intangible fixed assets | 6.7 | -232 | -190 |
| Other operating expenses | | -11 | -2 |
| Total operating expenses | | -15,574 | -10,166 |
| Operating profit | | -9,777 | -5,553 |
| Results from financial investments | | | |
| Impairment losses on financial assets | | -110 | 0 |
| Interest expense and similar profit income items | 5 | -576 | 0 |
| Total financial post | | -686 | 0 |
| Results after financial items | | -10,463 | -5,553 |
| Results before tax | | -10,463 | -5,553 |
| Tax on the results for the year | | 0 | 0 |
| Result for the year | | -10,463 | -5,553 |

Balance sheet

| <i>Amount in T Kr</i> | <i>Note</i> | 31/12/2020 | 31/12/2019 |
|------------------------------------|-------------|-------------------|-------------------|
| ASSETS | | | |
| Fixed assets | | | |
| Intangible fixed assets | | | |
| Other intangible assets | 6 | 1,136 | 1,423 |
| | | 1,136 | 1,423 |
| Material fixed assets | | | |
| Inventory, tools and installations | 7 | 226 | 82 |
| | | 226 | 82 |
| Total fixed assets | | 1,362 | 1,505 |
| Current assets | | | |
| Short term receivable | | | |
| Accounts receivable | | 413 | 366 |
| Other receivables | | 3,232 | 3,289 |
| Prepayments and accrued income | | 178 | 525 |
| | | 3,823 | 4,180 |
| Cash and bank | | 685 | 215 |
| Total current assets | | 4,508 | 4,395 |
| TOTAL ASSETS | | 5,870 | 5,900 |

Balance sheet

| <i>Amount in T Kr</i> | <i>Note</i> | <i>31/12/2020</i> | <i>31/12/2019</i> |
|-------------------------------------|-------------|-------------------|-------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Restricted equity | | | |
| Share capital | 10 | 0 | 0 |
| | | 0 | 0 |
| Unrestricted equity | | | |
| Share premium reserve | | 491 | 143 |
| Prior year losses | | -5,889 | -1,134 |
| Result for the year | | -10,463 | -5,553 |
| | | -15,861 | -6,544 |
| Total equity | | -15,861 | -6,544 |
| Current liabilities | | | |
| Accounts payable | | 591 | 708 |
| Liabilities to shareholders | | 0 | 10,419 |
| Convertible loan note | 11 | 18,829 | 0 |
| Other liabilities | | 676 | 688 |
| Accrued expenses and prepaid income | | 1,635 | 629 |
| Total current liabilities | | 21,731 | 12,444 |
| TOTAL EQUITY AND LIABILITIES | | 5,870 | 5,900 |

Equity changes

| <i>Amount in T Kr</i> | 31/12/2020 | 31/12/2019 |
|----------------------------------------------|-------------------|-------------------|
| Amount at the beginning of the period | -6,544 | -858 |
| New share issue | 361 | 0 |
| Loss on the purchase of minority shares | -455 | 0 |
| Conversion difference | 1,240 | -133 |
| Results for the period | -10,463 | -5,553 |
| Amount at the end of the period | -15,861 | -6,544 |

Cash flow statement

| <i>Amount in T Kr</i> | 31/12/2020 | 31/12/2019 |
|---------------------------------------------------------------------------------------|-------------------|-------------------|
| The day-to-day operations | | |
| Results after financial items | -10,463 | -5,553 |
| Depreciation | 232 | 190 |
| Impairment of financial assets | 110 | 0 |
| Cash flow from the day-to-day operations before changes from operating capital | -10,121 | -5,363 |
| Cash flow from changes of operating capital | | |
| Increase(-)/decrease(+) from customer receivable | -86 | -362 |
| Increase(-)/decrease(+) from prepaid costs | 317 | -498 |
| Increase(-)/decrease(+) from short term receivables | -323 | -3,114 |
| Increase(-)/decrease(+) from accounts payable | -55 | 678 |
| Increase(-)/decrease(+) from other liabilities | 54 | 543 |
| Increase(-)/decrease(+) from accrued expenses | 1,084 | 559 |
| Cash flow from the day-to-day operations | -9,130 | -7,557 |
| Investment operations | | |
| Acquisition of intangible fixed asset | 0 | -524 |
| Acquisition of tangible fixed assets | -227 | -61 |
| Cash flow from investment operations | -227 | -585 |
| Financing operations | | |
| Change in financial liabilities | 9,976 | 8,303 |
| Repurchase of shares for minority owners | -484 | 0 |
| Changes in share issue | 384 | 0 |
| Cash flow from financing operations | 9,876 | 8,303 |
| The year's cash flow | 519 | 161 |
| Liquid assets at the beginning of the year | 215 | 47 |
| Exchange rate differences | -49 | 7 |
| Liquid assets at the end of the year | 685 | 215 |

Cash flow analysis

The cash flow analysis is prepared according to an indirect method. The presented cash flow only includes transactions that brought in or pay-outs

INFORMATION FOR INDIVIDUAL POST

Note 2 Estimates and assessments

Wyld Networks AB makes certain estimates and assessments about the future. The estimates for accounting purposes as a result of these will, by definition, rarely represent reality

The estimates and assumptions which may lead to a risk of essential adjustments mainly in the reported values for assets and liabilities valuation of intangible assets

Note 3 Other operating income

| | 31/12/2020 | 31/12/2019 |
|---------------------------|--------------|--------------|
| Exchange rate differences | 24 | 0 |
| Government grants | 3,298 | 3,054 |
| Total | 3,322 | 3,054 |

Note 4 Staff

| | 31/12/2020 | 31/12/2019 |
|------------------------------------------------|---------------|---------------|
| Salaries and compensation to the board and CEO | -3,056 | -1,691 |
| Salaries and compensation to other employees | -4,962 | -3,790 |
| Social cost | -864 | -605 |
| Pension costs | -219 | -112 |
| Other staff costs | -54 | 0 |
| Total | -9,155 | -6,198 |
| Average number of employees | 10 | 7 |

Note 5 Interest expenses and similar income post

| | 31/12/2020 | 31/12/2019 |
|-----------------------------------------|-------------|------------|
| Interest on convertible debt securities | -576 | 0 |
| Total | -576 | 0 |

Note 6 Other intangible asset

| | 31/12/2020 | 31/12/2019 |
|-----------------------------------------|--------------|--------------|
| Incoming acquisition value | 1,727 | 1,112 |
| Purchases | 0 | 524 |
| Conversion difference | -158 | 91 |
| Closing accumulated acquisition | 1,569 | 1,727 |
| Depreciation | -304 | -130 |
| This year depreciations | -167 | -162 |
| Conversion difference | 38 | -12 |
| Closing accumulated depreciation | -433 | -304 |
| Reported value | 1,136 | 1,423 |

Note 7 Inventory, tools and installations

| | 31/12/2020 | 31/12/2019 |
|-----------------------------------------|-------------|-------------|
| Incoming acquisition value | 285 | 207 |
| Purchase | 227 | 61 |
| Conversion difference | -40 | 17 |
| Closing accumulated acquisition | 472 | 285 |
| Depreciation | -203 | -162 |
| This year depreciations | -65 | -28 |
| Conversion difference | 23 | -13 |
| Closing accumulated depreciation | -245 | -203 |
| Reported value | 227 | 82 |

Note 8

Overall risk management

Through its operations, the group is exposed to various financial risks, mainly currency risk, liquidity risk and credit risk.

Wyld Networks group is exposed to several global and group specific risks that may affect the business and the financial result and the group's financial position. The foreseeable risks are identified and centrally monitored on the basis of establishing guidelines. The group risk management aims to position the group so that it can react correctly to any risk events. Below is a non-exhaustive list of risks that the group considers to be significant, without any consideration for its meaning.

Credit risk

The group credit risks are mainly accounts receivable. The maximum exposure corresponds to the carrying amount. The group assesses the risk of losses on an ongoing basis, and if necessary, write-downs are made according to the group's policy.

Currency risk

The group sales, costs and expenses mainly arise in British pounds (GBP).

The group also conducts transactions in other currencies, but the exposure in these currencies are not significant.

Liquidity risk

Financing and sufficient liquidity are fundamental factors when it comes to running an expanding business and the management of financing and liquidity is an integrated part in the group's ongoing budget and forecasting process.

Other risks

- Risks associated with early stage of development and future
- financing
- Key staff
- Risks associated with product quality
- Risks associated with intangible rights and trade secrets

Note 10 Equity Change

Wyld Networks AB was formed 15th of March 2021. The report contains a merger of the group's historical financial information. Share capital in Wyld Networks Ltd as of 31 December 2020 amounts to GBP 1.03 (1.0), which converted to SEK thousands amounts to 0.01 (0.01).

Mats Lennart Andersson
President

Alastair Williamson
CEO

Mats Rustan Andersson

Albert Sisto

Our audit report has been submitted the

Mazars AB

Åsa Andersson Eneberg
Authorized public accountant

This is a literal translation of the Swedish original report

Independent auditor's report

To the Board of Directors of Wyld Networks AB (publ), corporate identity number 559307-1102

Report on the combined accounts

Opinions

We have audited the combined accounts of Wyld Networks AB (publ) that includes the Balance sheet as at the 31st of December 2019 and the 31st of December 2020 and the Profit/Loss account, cash flow analysis and the report regarding changes in Equity for the financial years 2019 and 2020 and a summary of the significant accounting principles and other additional information.

In our opinion, the combined accounts have been prepared in accordance with the Swedish Accounting Standards Boards general advise BFNAR 2012:1 Års- och koncernredovisning (K3) and the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of the 31st of December 2019 and 31st of December 2020 and their financial performance and cash flow for each of the financial years.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Material uncertainty relating to going concern

Without affecting our statements above, we would like to draw attention to the report in the Note 9 Future financing and going concern where it appears that the board's assessment is that the company needs further financing to be able to implement the group's strategic and global expansion plan. The board has thus begun a process for raising capital in connection with planned listing on Nasdaq First North. If the company does not succeed in obtaining sufficient capital in the planned new share issue, the board assesses that financing can be obtained from the company's existing major shareholders. At the time of submitting this financial report, however, no commitment from the existing major shareholders has been formalized. In each financing round there is a risk that capital cannot be raised when the need arises. This fact indicates that there is a material uncertainty factor that creates significant doubts relating to the company's ability to continue operations.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the combined accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of combined accounts that are free from material misstatement, whether due to fraud or error.

In preparing the combined accounts, The Board of Directors and the Managing Director are responsible for the assessment of the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the group, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the combined accounts as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of the group's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the combined accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined accounts or, if such disclosures are inadequate, to modify our opinion about the combined accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the combined accounts, including the disclosures, and whether the combined accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the combined accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Malmö the 31st of May 2021

Mazars AB

Åsa Andersson Eneberg

Authorized Public Accountant