

Wyld Networks

Mangold Insight – Commissioned Research 29 November 2021

Connecting the world

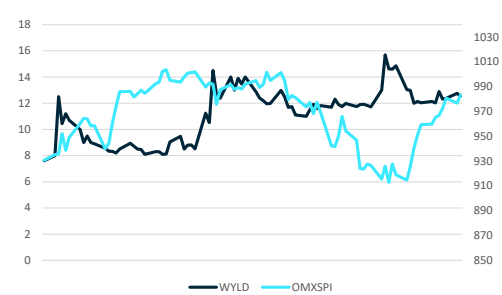
Mangold is initiating coverage of Wyld Networks with a Buy Recommendation and price target of SEK 25.25 over a 12-month period. Wyld Networks is a Virtual Satellite Network Operator company for the IoT (Internet of Things) which was listed on First North on 2 July 2021. The purpose of Wyld's solution is to connect Internet to IoT ("Internet of Things") devices and sensors to the internet using LEO ("Low Earth Orbiting") satellites and to deliver the data to its customers. Today only 15 percent of the world's surface is covered by terrestrial wireless networks to connect IoT devices to the internet. LEO satellites can provide 100 percent global wireless coverage for IoT networks through the Wyld Connect satellite technology.

Significant market growth

The market for IoT connections is growing rapidly and is expected to reach 5.9 billion in 2025, with an annual growth rate of 40 percent. Mangold estimates that the commercialisation of Wyld Connect, together with launch partners that have a total market capitalisation of more than USD 300 billion, is expected to provide the company with considerably higher revenues, driven by the underlying market demand.

Upside in the stock

Mangold has evaluated Wyld Networks with a DCF model. In a base scenario, the company is expected to report a profit in 2024 driven by the commercialisation of its products. The price target will therefore be SEK 25.25 per share, corresponding to an upside of approximately 80 percent.



Price trend %	1m	3m	IPO
WYLD	4.7	40.3	65.0
OMXSPI	3.0	-0.2	6.7

Information

Rec. price/Price target	Buy 25.25
Risk	High
Price (SEK)	13,98
Market value (MSEK)	115,6
No. of shares (million)	15.1*
Free float	22%
Ticker	WYLD
Next report	30 Nov 2021
Website	wyldnetworks.com
Analyst	Pontus Ericsson

*includes TO

Ownership structure	No. shares	Capital
Tern PLC	5 020 926	60,73%
Wardhaman Family	1 179 108	14,26%
Mangold	205 000	2,48%
Martin David	156 550	1,89%
Eugene Myers	96 768	1,17%
Avanza Pension	90 389	1,09%
Tuvedalen Ltd	79 162	0,96%
Mats Andersson	77 792	0,94%
Total	8 267 308	100%

Key ratios	2020	2021E	2022E	2023E	2024E
Net revenue (MSEK)	2,5	2,5	14,6	43,8	109,5
EBIT (TSEK)	-9,8	-23,0	-14,8	-4,4	29,7
Profit before tax (TSEK)	-10,5	-23,7	-15,2	-4,6	29,5
EPS (SEK)	-1,3	-2,9	-1,8	-0,6	2,8
EV/Sales	57,3	56,7	9,7	3,2	1,3
EV/EBITDA	neg	neg	neg	neg	4,8
EV/EBIT	neg	neg	neg	neg	4,8
P/E	neg	neg	neg	neg	5,2

Investment case

Connecting the world

Mangold is initiating coverage of Wyld Networks and recommends Buy with a price target of SEK 25.25 per share. This corresponds to an upside of over 80 percent over a 12-month period. Mangold's assessment is that Wyld Networks will initially be able to grow 484 percent in 2022 with the launch of Wyld Connect, and move towards the market growth rate of 40 percent per year (CAGR) in 2025.

Price target SEK 25.25 per share

Wide areas of application

Wyld Network's products Wyld Connect and Wyld Fusion work together to create an end to end satellite IoT solution. The solution uses satellites to provide global coverage. Since 85 percent of the Earth's surface is not covered by terrestrial connection, there is great potential to sell its solutions to companies operating in this coverage-free zone. The company's products could be used in a variety of sectors, such as agriculture, energy, the environment, shipping, retail, events, factories, hospitals, and more. The product is patent pending and the company has received trademarks for its brand, which strengthens its position for commercialisation. The company's use of unlicensed cost free frequency bands and cheaper LEO satellites is expected to contribute to an attractive price for customers.

85 percent of the Earth's surface lacks terrestrial connection

Rapidly growing markets

The market for IoT connections has an estimated annual growth rate (CAGR) of 40 percent between 2018 and 2025, according to the journal Rethink Technology Research. Mangold believes that the strong underlying demand for these technologies is expected to make a positive contribution to Wyld's growth journey.

Markets are expected to grow 40 percent per year

Large launch partners

The company's launch partners have a total market capitalisation of over USD 300 billion. Mangold believes that Wyld can partake in the network and thereby receive revenue through the commercialisation of Wyld Connect. Two of these companies, Eutelsat and Bayer Crop Science, have purchased solutions before launch, which indicates confidence in Wyld's products and services. The purpose of the launch partners is that they will be allowed to test the product before launch, with the hope that they will become paying customers when it is commercialised.

Launching among giants

Financing secured

Wyld's IPO was heavily oversubscribed at the initial listing in early July, which provided the company with MSEK 25 before issue costs. Previous shareholders also paid in MSEK 29 during the first quarter of 2021. Mangold believes that the capital injection gives the company good conditions to launch Wyld Connect. Subscription warrants have also been issued, which is expected to raise a total of MSEK 104.6 in 2022 and 2023 before issue costs.

Heavily oversubscribed IPO

Wyld Networks – About the company

The company in brief

The satellite IoT company Wyld Networks Ltd was formed in the UK in 2016 and became a Swedish limited company in early 2021. Wyld provides two products: Wyld Connect and Wyld Fusion - both combine to create an end to end satellite IoT solution. The solution is in the pre-commercial test phase. The purpose of the products is to provide Internet for IoT devices all over the whole Earth's surface through its patented technology. Alastair Williamson took over as CEO in 2019.

Connection over the whole Earth's surface

Upcoming launch

Commercialisation of the company's end to end satellite IoT service is expected to take place in early 2022. Wyld Connect, the IoT module is planned to be commercially available in the end of 2021 and Wyld Fusion development is ongoing. The company is currently building up a network of distributors and customers to be able to sell its Internet solutions globally. In order to launch Wyld Connect globally, Wyld is collaborating with 12 companies, which includes companies such as Chevron Corporation, Bayer, KWS Saat and Fujitsu, that together have a market capitalisation of approximately USD 300 billion. The purpose of partnerships and distribution agreements is to enable sales to take place as soon as the product is launched. As the company primarily sells a software solution, the relevance of geographical expansion is minimised as the solutions are provided online. In the event of a successful launch, the company's revenues are expected to increase significantly, given the underlying demand for Wyld's products and the size of the players.

Launch partner with market capitalisation in excess of USD 300 billion

International patents pending and trademarks registered

Certain Wyld Networks technology is currently patent pending and in the international phase in the PCT ("Patent Cooperation Treaty") process. The trademarks Wyld, Wyld Mesh, Wyld Connect and Wyld Fusion were also registered.

International patents pending

Global potential for Wyld's network solutions

The company will provide solutions that help businesses collect and analyse information over the entire surface of the Earth using LEO ("Low Earth Orbiting") satellites. Connecting IoT devices to the satellites shall meet the information needs that businesses require in order to be able to make informed decisions. As more and more people become connected to wireless networks, the demand for connection of technological devices, and thereby IoT, increases in a growing number of markets and industries. Wyld Network's products are intended to be used globally, and as such have no specific market that they target. The company has customers in the United Kingdom, France, the Czech Republic and Belgium, who use the terrestrial IoT module and software stack launched in 2019.

LEO satellites cover the entire surface of the Earth

Wyld Networks – About the company cont.

Wyld Connect

Wyld Connect both an IoT module (to be integrated into IoT sensors and devices) and an IoT terminal (externally connected to IoT sensors and devices) that wirelessly connects IoT devices and sensors to LEO satellites through LoRa (“Long Range”), an LPWAN (“Low-power wide-area network”) technology. Wyld Fusion is a platform that collects the data from the satellite and provides that data to Wyld customers. Products consist of IoT modules, IoT terminals, software, and a data service (to pay for the service). The technology enables IoT devices and sensors placed over long distances to receive and send data. The service can be used by everything from energy companies that need to keep track of wear and tear in oil pipelines through sensors, to farmers who need to monitor the water supply. Wyld Connect enables connection by connecting to the terrestrial IoT LPWAN network when available, and, when not available, the devices connect to the LEO satellites. It provides the service a global connection. Below are the partners the company is collaborating with for the launch of the Wyld satellite IoT service.

Widespread area of application

WYLD NETWORKS - LAUNCH PARTNERS WYLD SATELLITE IOT SERVICE

Company	Branch
Bayer Crop Science	Agriculture
Fujitsu	IT
Eutelsat	Satellite operator
Chevron	Oil/Energy
CFG	Agriculture
KWS Saat SE & Co.	Agriculture
Agrocognitive	Agriculture
Agrisound	Agriculture/Agritech
Rijk Zwaan	Agriculture
GSP	IoT/Satellite products
East-West Seed	Agriculture
Wezen	IT systems/Agriculture

Source: Mangold Insight

Example customer of Wyld

Bayer Crop Science was looking for a module specifically adapted for beekeeping, and consequently ordered a terminal and sensor under development by Wyld for SEK 320 000. Furthermore, Eutelsat has also ordered five satellite terminals to a value of SEK 900 000 to test their ELO (“Eutelsat LEO for Objects”) programme, which is the company's fleet of LEO satellites. It is these terminals that are tested in collaboration with the other partners in order to launch a commercial product.

Specially adapted sensors

Wyld Networks – About the company cont.

Revenue model

Wyld's revenue is expected to come from the customer buying the company's hardware and paying a monthly or annual fee to use the service (data service) as well as maintenance and support. A monthly or annual data service is offered to customers who can buy data from Wyld, which the company in turn bought at wholesale price from Eutelsat S.A. Wyld can therefore be described as a virtual satellite network operator collecting revenue from both hardware and also data on a recurring basis.

Virtual satellite operator

It is also possible to obtain global connection through GEO satellites with the help of licensed frequency bands. Since GEO satellites are 36 times farther from the earth than LEO satellites, the power consumption is approximately (36^2) 1 296 times higher, which increases the costs related to GEO satellites. Wyld Connect uses a free unlicensed frequency band for the connection between IoT devices and LEO satellites, which also means lower costs. The products that the company offers are presented below.

1 296 times lower power consumption than GEO satellites

WYLD NETWORKS - PRODUCTS IN WYLD CONNECT

Product	Areas of application
AM102	The world's first high-performance modem with support for all LoRa and LoRaWAN frequencies worldwide.
AM094, AM095, AM096, AM098	Modems and integrated communication on Wireless M-bus, LoRa LoRaWAN as well as 169, 490, 868, 915 and 2400 MHz TRIoT.
AWC10, VAB10, VMB10	Sensors with different analogue and digital applications. Temperature, humidity, impurities, and gas levels can be measured with these.
TRIoT software stack	Supports Wireless M-Bus, LoRa, and LoRaWAN sessions. It enables conversion between protocols, where there are benefits for construction automation, smart homes, lighting and measurement, as well as other IoT applications.

Source: Mangold Insight

Fusion - Platform is the engine

Fusion is an integration platform that handles the products within Wyld Connect. Through the Fusion platform, customers can monitor and manage remote devices to ensure that the equipment is working. Distribution of data to customers from various network sources, as well as uploading of paid data to Wyld Connect, takes place through Fusion. Invoicing, analysis of data, commissioning and the provision of IoT devices and sensors connected to Wyld Connect are also done through Fusion.

Integrating platform of Wyld's products

Wyld Networks – About the company cont.

Wyld distributors

Wyld have distributors in mostly Europe, but also in North and South America which are active in the agricultural, IT systems, IT and IoT sectors and are presented below.

Distributors on three continents

WYLD NETWORKS - DISTRIBUTORS

Company	Branch	Market
Alliance Corp	Agriculture	USA
Wezen	IT systems/Agriculture	South America
IoT Horizon	IoT/IT	Europe
Iris IoT	IoT/IT	Europe

Source: Mangold Insight

Customers

The company's customers are primarily those who use Wyld's terrestrial IoT module and software stack, which were launched in 2019. Cadis, Eltek, EnviroSystem, RCD radiokomunikace, Develco and Delta T Devices are the customers who receive revenue from the terrestrial connection. However, revenue has been generated from Bayer Crop Science and Eutelsat's orders for IoT terminals for satellite-based and terrestrial connection, where the goal is for the launch partners to also become paying customers when the solutions are commercialised. The size of the companies and the need for connection in hard-to-reach places are enormous, which can lead to sharply increased revenues if commercialisation is successful.

Begun receiving orders for the satellite-based service

WYLD NETWORKS - CUSTOMERS

Company	Type of solution	Branch
Bayer Crop Science	Satellite based/terrestrial	Agriculture
Eutelsat	Satellite based/terrestrial	Satellite operator
Cadis b.v.	Terrestrial	IoT
Eltek Ltd	Terrestrial	Measurement technology
EnviroSystems	Terrestrial	Agriculture
RCD Radiokomunikace	Terrestrial	Radio equipment
Develco	Terrestrial	IoT
Delta-T Devices	Terrestrial	Measurement technology

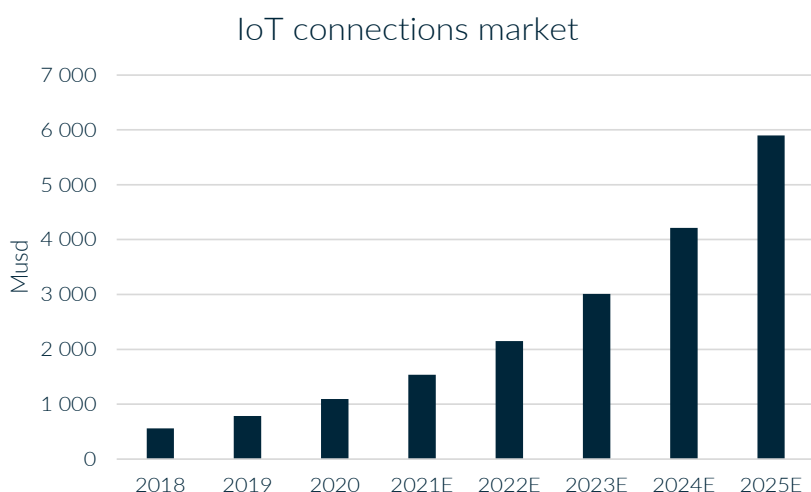
Source: Mangold Insight

Wyld Networks – Market

IoT connections market is growing rapidly

The company's strategy is to expand globally through the establishment of distributors worldwide. The IoT connections market is expected to grow annually (CAGR) by about 40 percent between 2018 and 2025, when the market is expected to be worth USD 5.9 billion. Growth is expected to pick up between 2021 and 2022, and then slow down around 2027 as a result of improved land-based alternatives. It is expected that there will be 30.3 million IoT units in 2025, compared with 2.5 million in 2019, according to the magazine Rethink Technology Research. As Wyld produces IoT devices, they can capitalise on market growth, and with the launch of Satellite-based IoT, they can do so to an increasing degree.

Annual growth rate of 40 percent



Source: Mangold Insight, Rethink Research

The majority of the Earth's surface lacks connection

Mobile and terrestrial networks are mainly concentrated in cities, as well as geographical places that are inhabited, which is where the majority of the world's population is located. This means that less than half of the Earth's land area is covered by either mobile networks or terrestrial connections, and as much as 85 percent of the Earth's total area. Smart devices in the form of IoT cannot be connected if they are installed in inaccessible places without access to the mobile network. In the past, the use of IoT devices has relied on terrestrial network connectivity, but the need for connectivity on the rest of the Earth's surface exists in many sectors.

85 percent of the Earth's surface lacks connection

Massive increase in small satellites

Market research specialists Frost and Sullivan estimate that approximately 10 000 small satellites will be launched into orbit by 2030, which is a large increase from the 873 launched between 2015 and 2018. Wyld's technologies and solutions can be applied to a variety of areas and markets across the globe.

More than 10 000 small satellites in orbit by 2030

Wyld Networks – Market cont.

Agricultural Industry

The world's population is expected to grow from 7.8 to 9.7 billion people by 2050, according to the UN. The increase in population places higher demands on efficient global agriculture, where Wyld Connect can contribute. By installing sensors with a connection to Wyld Connect, customers can collect data related to weather, soil moisture, and levels of pesticides. Irrigation can take place remotely, and the collected data can contribute to increased and improved harvests for agriculture.

Possibility of revolutionary more efficient agriculture

Energy Sector

Sensors can be connected to Wyld's IoT modules and, through smart measurement, collect data for cost minimisation and operational efficiency. For example, pipelines can be monitored and sensors can measure pressure and flows, but also detect cracks and leaks. It can also help oil and gas companies to minimise maintenance through preventive measures.

Minimises the risk of accidents

Environmental Industry

Radiation leaks and air quality can, for example, be measured through a network of sensors connected to Wyld Connect, which provides the opportunity to detect problems in time. It may also relate to reducing water consumption, detecting flood risks, and monitoring global warming, air quality, water quality, and deforestation.

Discovery of global environmental problems possible

Maritime Sector

In the maritime sector, areas of application can vary from monitoring containers and arrival at ports, to buoy monitoring and position determination.

More efficient logistics

Wyld Networks – Competitors

Competitors to Wyld Connect

There are several competitors to Wyld with somewhat similar business approaches but which differ in a number of aspects. SpaceX Starlink and Amazon's Kuiper offer Internet to consumers, but do not operate in the IoT sector. However, SpaceX acquired Swarm Technologies, a satellite IoT company, in August, but the purpose of the acquisition is not yet known. Kerlink and Miromico are also active in the IoT segment, but use only terrestrial connection. Orbcomm, Actility, Lacuna Space, and Hiber are the four competitors that have similar products and use LEO satellites like Wyld. A big difference with Wyld's competitors is that they do not use the license-free ISM band (Industry, Science and Medical) as Wyld does. The product is therefore unique compared to the competitors, as the frequency is free of charge, which means lower costs for Wyld, and as such the opportunity to maintain a lower price. With the launch of Connect, Wyld will have a competitive advantage over the IoT companies that only use terrestrial connections, as they cover a significantly smaller area.

License-free is expected to entail lower costs

WYLD NETWORKS - COMPETITORS CONNECT

Company	Market capitalisation (M)/Private funding (F) (MSEK)	EV/Sales	Focus	Branch
Hiber	260 (F)		IoT devices with satellite connection	Satellite IoT
Amazon Kuiper	15 047 782 (M)	4.45	Commercial internet via satellites	Internet
ORBCOMM	7 914 750 (M)	2.33	IoT devices with satellite connection	Satellite IoT
Kerlink	390 (M)	3.22	IoT devices and LPWAN ports IoT	IoT
Lacuna Space	51 (F)		IoT devices with satellite connection	Satellite IoT
Actility	865 (F)		Network connections to IoT devices	Satellite IoT
Space X Starlink	865 000 (F)		Commercial internet via satellites	Internet
Miromico	-		IoT devices and service of electronic systems	IoT
Wyld Networks	107 (M)	48.48	IoT devices with satellite connection	Satellite IoT

Source: Mangold Insight, Crunchbase, Factset

The majority of Wyld's competitors are not listed on the stock exchange, which means that data related to sales and other financial measures are unavailable. Capitalisation from private investors has, however, been collected to obtain an estimate of the size of the companies in relation to Wyld. Compared with the companies that are listed, it can be noted that Wyld's EV/sales are significantly higher compared to Amazon, Kerlink and ORBCOMM. The market's expectations that Wyld will succeed with its launch are accordingly high.

Many private players

Wyld Networks – Estimates

Growth Estimates

Mangold estimates that Wyld can take a market share of 0.28 percent in IoT connections in 2026, and as such achieve net revenue of MSEK 199. Initially, growth of 484 percent is expected in 2022, when Wyld Connect is expected to be commercialised and sales of IoT terminals to its launch partners are expected to take place. The market for IoT connections is estimated to grow by 40 percent annually (CAGR) until 2025, and Wyld is initially expected to exceed this growth and then move towards market growth in 2025. The EBIT margin is expected to reach 38 percent in 2026 when the base of terminals increases, and thereby the monthly revenues for the service and for the use of data. Since Wyld buys data in bulk from Eutelsat, they should be able to negotiate a better price with increasing amounts of data.

Expected to achieve revenue of MSEK 199 in 2026

WYLD NETWORKS - GROWTH ESTIMATES

	2020	2021E	2022E	2023E	2024E	2025E	2026E
Net revenue (MSEK)	2.5	2.5	14.6	43.8	109.5	153.3	199.3
Growth (%)	59%	1%	484%	200%	150%	40%	30%
EBIT margin (%)	-395%	-922%	-101%	-10%	27%	34%	39%

Source: Mangold Insight

Cost assumptions

The company's personnel costs are expected to grow as a result of new recruitments, where the forecast for 2021 is based on the average cost per employee during the first half of the year. The calculations are made on the average number of employees and do not include consultants. The company is expected to double the number of employees between 2020 and 2024, where the initial increase is higher as a result of the commercialisation of Wyld Connect, and the remaining staff additions as a result of a growing business. During the estimated years, personnel costs are also expected to increase by two (2) percent per year, attributable to inflation. If consultants are included the number of employees would be 27 during the first halfyear 2021 which means that 48 percent of Wylds personnel are consultants. If the distribution of personnel looks like earlier there would be a total of 41 employees in 2025. The company's other costs are expected to increase by two (2) percent annually, after an initial increase in 2021 due to listing costs.

Doubling the number of employees between 2020 and 2024

WYLD NETWORKS - ESTIMATES EMPLOYEES

	2019	2020	2021E	2022E	2023E	2024E	2025E	2026E
Average number of employees	7	10	14	16	18	20	21	21
Including consultants			27	31	35	39	41	41
Cost per employee (TSEK)	886	916	964	984	1 003	1 023	1 044	1 065
Cost per employee incl. consultants (TSEK)	886	916	500	508	516	525	535	545
Personnel costs (TSEK)	6 199	9 155	-13 500	-15 737	-18 058	-20 466	-21 919	-22 358

Source: Mangold Insight

Wyld Networks – Estimates cont.

Financing research and development

The company has historically received a tax credit from the UK government for research and development. The credit has been reported as other operating income by Wyld, and will continue to do so in the estimates. Revenues from the tax credit have averaged 25.7 percent of the costs, and the credit applies to 30 percent of the costs for research and development. The estimates use a lower measure of 13 percent of the costs, as research and development are assumed to constitute a lower proportion of the costs in 2022 and then it is not included as it is uncertain how much the credit will constitute.

Research support from the British government

Funding is secured

The company was listed in July 2021 and intends to use the issue proceeds of approximately MSEK 25 to build up a commercial team for direct sales, as well as with resale. An expansion of the engineering team and the establishment of North American and Asian functions are also planned.

Strengthened cash reserves by MSEK 25

Subscription warrants for financing

The company has issued three series of subscription warrants, TO1, TO2 and TO3. The subscription period for TO1 is between 22 March 22 and 4 April 2022. The subscription price amounts to 70 percent of the volume-weighted price between 7 and 18 March 2022, with a maximum of SEK 13.75 per share. The company can receive a maximum of MSEK 31.3 before issue costs, and the number of subscription warrants is 2 275 million.

TO1 is expected to contribute MSEK 31.3 during 2022

TO2 has a subscription period between 6 December and 19 December, where the measurement period is 21 November to 19 December 2022. The company will receive a maximum of MSEK 37.5 at SEK 16.5 per share, which represents 70 percent of the volume-weighted price during the measurement period. The number of subscription warrants is 2 275 million.

TO2 is expected to contribute MSEK 37.5 in 2022

The subscription period for TO3 is between 17 and 31 May 2023, with a measurement period of 2 to 15 May 2023, and the number of subscription warrants is 2 275 million, subscribed for a maximum of SEK 15.75 per share, which will provide the company with a maximum of MSEK 35.8. Mangold assumes that all options are signed and the number of shares are increased to 15.09 million.

TO3 is expected to contribute MSEK 35.8 in 2023

Investments

Mangold believes that Wyld needs to make continuous investments of MSEK 1 per year, as the company is expected to be in a growth phase and investments are considered necessary for the commercialisation of the products. The company has on average made investments of SEK 400 000 per year.

Investments of MSEK 1 per year

Wyld Networks – Estimates

Pricing and amount of terminals sold

The only competitor with available pricing information is Swarm which as mentioned was bought by Space X. Their pricing in preorder stage is 59 to 89 dollars per terminal depending on volume and 5 dollars per month for the data service. As Wyld is using a cost free frequency Mangold assumes that the price for a terminal will be 40 dollars. Mangold further assumes that only 50 percent of the customers choose to buy data from Wyld rather than a competitor. Mangold assumes that Wyld will have deployed 1,752 percent of all terminals globally by 2025.

1,752 percent of all deployed terminals 2025

WYLD NETWORKS - REVENUE ESTIMATES

50 % Data, Terminal 40 dollar	2022E	2023E	2024E	2025E	2026E
Number of terminals	42 204	94 958	213 657	180 025	177 948
Compounded terminals	42 204	137 162	350 819	530 844	708 792
Revenue dataplan (TSEK)		10 952	35 594	91 037	137 754
Revenue terminals (TSEK)	14 603	32 856	73 925	62 289	61 570
Total Revenue (TSEK)	14 603	43 808	109 519	153 326	199 324

Source: Mangold Insight

Alternative scenarios

If all variables are held at the same level but the average price of a terminal is increased to 89 dollars the revenue is significantly increased and thus the share price target per share. If all of the data is bought from Wyld with the same alternative price the share price target increases even more. As Wyld is in a precommercial stage and the pricing and quantity of data bought is unclear Mangold uses the more conservative estimates regarding price and quantity of data. If the price would be higher the number of terminals sold could reasonably be lower.

WYLD NETWORKS - REVENUE ESTIMATES

50 % Data, Terminal 89 dollar	2022E	2023E	2024E	2025E	2026E
Number of terminals	42 204	94 958	213 657	180 025	177 948
Compounded terminals	42 204	137 162	350 819	530 844	708 792
Revenue dataplan (TSEK)		10 952	35 594	91 037	137 754
Revenue terminals (TSEK)	32 491	73 104	164 483	138 593	136 993
Total Revenue (TSEK)	32 491	84 056	200 077	229 630	274 747

Source: Mangold Insight

Share price 44,42 SEK per share

WYLD NETWORKS - REVENUE ESTIMATES

100 % Data, Terminal 89 dollar	2022E	2023E	2024E	2025E	2026E
Number of terminals	42 204	94 958	213 657	180 025	177 948
Compounded terminals	42 204	137 162	350 819	530 844	708 792
Revenue dataplan (TSEK)		21 904	71 187	182 075	275 508
Revenue terminals (TSEK)	32 491	73 104	164 483	138 593	136 993
Total Revenue (TSEK)	32 491	95 008	235 671	320 667	412 502

Share price 73,42 SEK per share

Wyld Networks – Valuation

Undervalued stock

Mangold uses a DCF model to evaluate the company. A discount rate of 12 percent for Wyld Networks is considered appropriate. This is higher than the recommended discount rate of 10.9 percent in PWC's risk premium study for companies with market capitalisation around MSEK 100. The reason for this is the fact the company still has not commercialised its product, which contributes to increased risk. This results in a fair value of SEK 25.25 per share, corresponding to an upside of over 80 percent. In order for the rate to be realised, it is necessary for Wyld Networks to commercialise Wyld Connect in 2022, increase its sales and become profitable by 2024.

Price target SEK 25.25

WYLD NETWORKS - DCF

(TSEK)	2021E	2022E	2023E	2024E	2025E	2026E
EBIT	-23 038	-14 816	-4 443	29 664	52 462	77 503
Free cash flow	-21 954	-14 907	-6 595	19 708	38 954	58 787
Terminal value						653 188

Assumptions	Discount rate	Growth	Tax
	12%	3%	21%

Price target

Enterprise value	402 179
Equity value (TSEK)	381 133
Price target per share (SEK)	25,25

Source: Mangold Insight

Sensitivity analysis

Mangold has carried out a sensitivity analysis to test the model's outcome given different sales levels and discount rate. If Wyld only reports 90 percent of the estimated sales, the price target drops to SEK 14,76 per share. Similar outcomes are notable for an increase in sales of 10 percent, when the price target rises instead to SEK 37,96 per share. In summary, the model shows a range between SEK 12,43 and SEK 44,38 per share, where the variation in sales has the greatest impact on the price target.

Range between SEK 12,43 and 44,38 per share

WYLD NETWORKS - SENSITIVITY ANALYSIS

Discount rate (%)	0.9x	Base sales (x)	1.1x
11	17,70	29,76	44,38
12	14,76	25,25	37,96
13	12,43	21,67	32,86

Source: Mangold Insight

Wyld Networks – SWOT

Strengths

- Large launch partners
- Patented technology
- Technologically competent management

Weaknesses

- Not profitable
- Not commercialised its products

SWOT

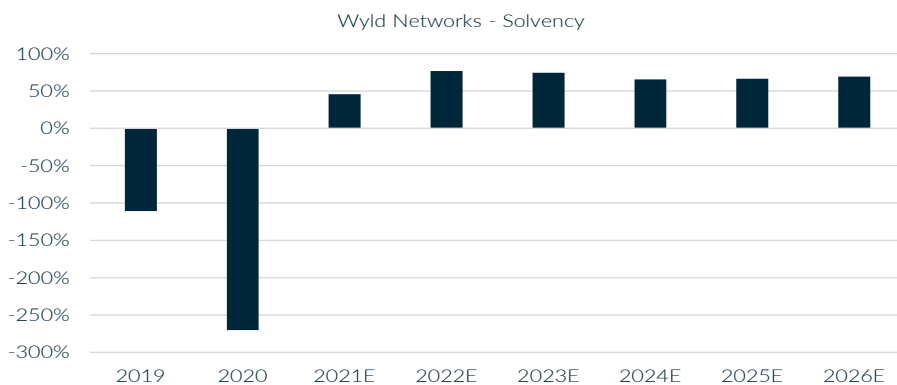
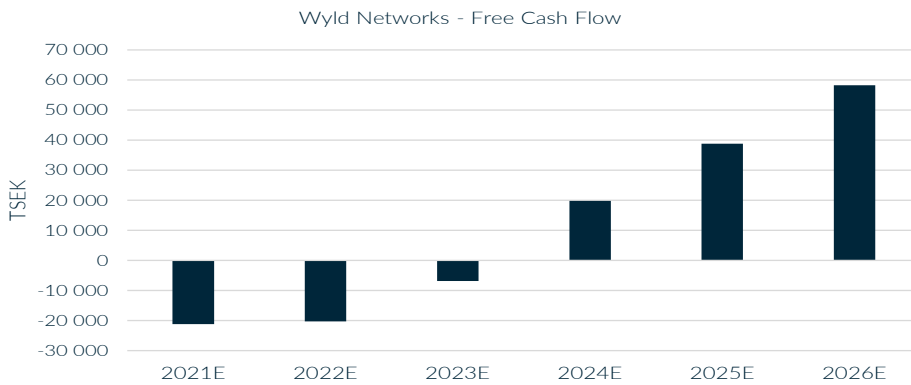
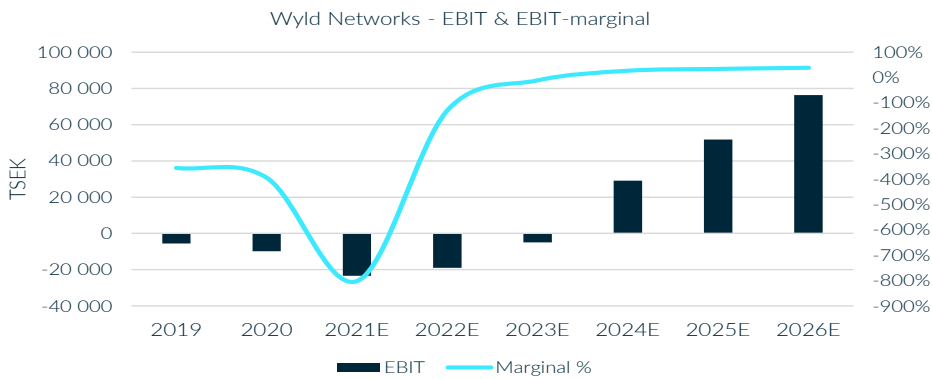
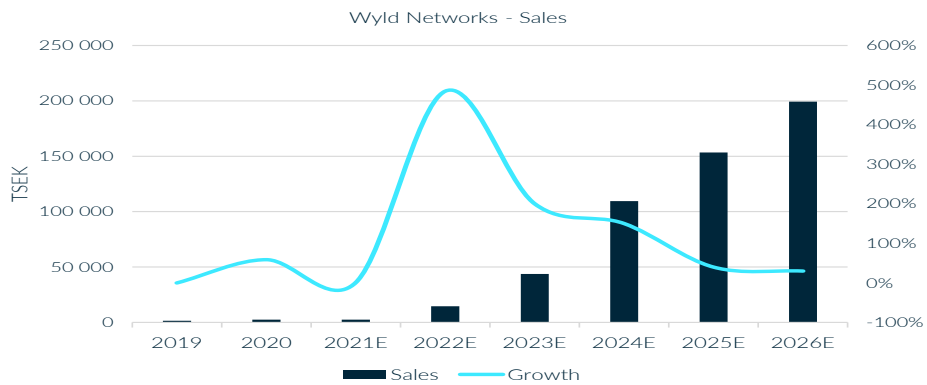
Opportunities

- Many potential areas of application
- Rapidly growing markets
- Global customer base

Threats

- Most major competitors are likely to be active in the same branch
- Failed commercialisation

Wyld Networks – Appendix



Wyld Networks – Appendix

Management

Alastair Williamson is the CEO of Wyld Networks and has over 25 years of experience in software and telecommunications. He has previously been CEO of the technology company Ranplan Group, and held a number of different positions as Vice President of sales in Krone, Alcatel-lucent, Cambridge Broadband Networks Limited. He holds a bachelor's degree in physics from Heriot-Watt University.

Christopher J. Caswell is Deputy CEO and CFO of Wyld Networks. He is a multilingual British Chartered Accountant, having qualified with PwC in UK and has a degree in Engineering from Nottingham University. He was European CFO of high-tech Corning Inc. in Germany and France and has been employed by leading PE firms, including JP Morgan, on M&A deals throughout Europe in the last 20 years including Vodafone acquisitions.

Stephen Clarke is Head of Operations and Senior Vice President of Engineering Connect, has worked as a senior BBC engineer, and has also been a lecturer at Salford University. He has extensive experience in electronics and software, with everything from smart energy meters to RF telemetry, EPOS, and the award-winning Tag McLaren AV processor. He has led the development team for the ACIS business, which helped them become the largest telematics company for buses in the UK. He holds a bachelor's degree in microelectronics from Newcastle University.

Eugene Myers is CTO and SVP of Enginnering Mesh. He has 20 years of experience in the software industry, as well as an entrepreneur. Eugene has held various leadership and technical roles in a number of organisations. This includes everything from British Telecom and Expedia.com to startup companies. He also founded Wyld Research in 2015, and has been the inventor/co-inventor of two patents. He is a graduate of the Rochester Institute of Technology.

Wyld Networks – Appendix

Board of Directors

Mats Andersson is currently Chairman of several Companies in Sweden, namely Dafo Brand AB, Bluetest AB, Eco Wave Power AB, Gefle TestTeknik AB, Dafo Security AB, Novo Ocean AB, and Haidrun AB. Before taking Chair positions, Mats was COO of the Swedish Telecom Administration Large account, and CEO for Aniticimex AB, Conductor AB, and Unitraffic AB

Mats R Andersson has over 35 years of international satellite and telecom experience. With 20 years at various engineering and management positions at Ericsson (in Canada, England and Sweden), he brings extensive expertise from the industry. He is the Chair of Forsway Scandinavia AB, Satcube AB and MUMIMO AB, and has also been CEO of Bluetest AB. He holds two degrees, Lic. Eng. in Astrophysics and M. Sc. in Engineering Physics, from Chalmers University of Technology as well as a B.A. in English literature from University of Gothenburg.

Al Sisto is the CEO of Tern Plc., which is the largest owner of Wyld Networks AB. He has over 40 years' experience in the high-tech industry and is the CEO of Sixth Bridge L.L.C, of which he is also the founder and partner, and is the CEO of Endymion Enterprises Inc. Al also served as Chair of the Board of Talking Medicines Limited-Scotland. Al is a trained engineer at the Stevens Institute of Technology.

Henrik Hedelius is Chair of the Board of FUUD and SASHED. He is a board member of Vembla, Bergman & Beving, Addtech and The Cloud Factory. He has previously worked as a senior advisor at UB markets, CEO of Hedelius & Berthelius, and Head of Private M&A at Kaupthing Bank. He has a degree in Business Administration and Economics from Stockholm University.

Wyld Networks - Income statement & balance sheet

Income statement (SEK)	2019	2020	2021E	2022E	2023E	2024E	2025E	2026E
Net revenue	1 559	2 475	2 500	14 603	43 808	109 519	153 327	199 325
Operating income	3 054	3 322	3 570	3 373	0	0	0	0
Cost of sold goods	0	0	-1 100	-6 425	-19 275	-48 188	-67 464	-87 703
Gross profit	4 613	5 797	4 970	11 551	24 532	61 331	85 863	111 622
Gross margin	296%	234%	199%	79%	56%	56%	56%	56%
Personnel costs	-6 199	-9 155	-13 500	-15 737	-18 058	-20 466	-21 919	-22 358
Other expenses	-3 777	-6 187	-14 236	-10 421	-10 629	-10 842	-11 059	-11 280
Depreciation	-190	-232	272	209	288	359	423	481
Operating result	-5 553	-9 777	-23 038	-14 816	-4 443	29 664	52 462	77 503
Operating margin	-356%	-395%	-922%	-101%	-10%	27%	34%	39%
Net interest	0	-686	-634	-417	-177	-177	-177	-177
Result after net financial items	-5 553	-10 463	-23 672	-15 233	-4 621	29 486	52 284	77 326
Taxes	0	0	0	0	0	6 074	10 771	15 929
Net profit	-5 553	-10 463	-23 672	-15 233	-4 621	23 412	41 514	61 397

Source: Mangold Insight

Balance sheet (TSEK)	2019	2020	2021E	2022E	2023E	2024E	2025E	2026E
Assets								
Cash & bank balances	215	685	20 393	65 868	94 896	114 426	153 203	211 813
Accounts receivable	4 180	3 823	4 500	6 001	18 003	45 008	63 011	81 914
Inventory	0	0	0	0	0	0	0	0
Fixed assets	1 505	1 362	2 090	2 881	3 593	4 233	4 810	5 329
Total assets	5 900	5 870	26 983	74 750	116 491	163 667	221 024	299 056
Liabilities								
Accounts payable	708	591	3 080	5 281	15 843	39 607	55 450	72 085
Liabilities	11 736	21 140	13 911	5 911	5 911	5 911	5 911	5 911
Total liabilities	12 444	21 731	16 991	11 192	21 754	45 518	61 361	77 996
Equity								
Restricted equity	0	0	49 525	118 325	154 125	154 125	154 125	154 125
Unrestricted equity	-6 544	-15 861	-39 533	-54 767	-59 387	-35 975	5 538	66 935
Total equity	-6 544	-15 861	9 992	63 558	94 738	118 150	159 663	221 060
Liabilities and equity	5 900	5 870	26 983	74 750	116 491	163 667	221 024	299 056

Source: Mangold Insight

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Mangold's analyst does not own shares in Wyld Networks.

Mangold owns shares in Wyld Networks.

Mangold has performed services for the Company and has received remuneration from the company for these services.

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Recommendation structure:

Mangold Insight grades its share recommendations over a 12-month period, according to the following structure:

Buy – An upside in the share of at least 20%

Increase – An upside in the share of 10–20%

Neutral – An upside and downside in the share of 0–10%

Decrease – A downside in the share of 10–20%

Sell – A downside in the share of at least 20%