

H & D Wireless Sweden Holding AB (publ), also parent company in the new group, was formed September 1, 2016, and did not engage in any business before the acquisition of H & D Wireless Sweden on June 28, 2017. The parent company consisted solely of cash at the acquisition date. The Group's first quarter was thus 1 July to 30 September 2017, which is reported in the company's description published on the company's website on December 20, 2017. This in connection with the listing of the company's share series B on Nasdaq First North in Stockholm.

## FOURTH QUARTER 2017 IN SUMMARY

- Operating revenues increased by 0.3 MSEK compared to quarter 3 2017, mainly due to the sale of the HDG 205 module to existing customer in internet radio and pilot projects for indoor positioning where a joint project with Vinnova is included. Operating expenses increased by SEK 1.1 million compared with Q3 2017, mainly due to the resignation of a development project, increased R & D investments and sales efforts of GEPS™ platform and pilot projects, impairment of older components in stock and costs related to the listing of share B on Nasdaq First North. Operating income was SEK 0.8 million worse than Q3 2017 for these reasons.
- In December, a new share issue of SEK 24 million was executed, where existing shareholders took precedence. The issue was heavily over-subscribed when shares were notified of 170 percent of the shares available in the issue. In total, cash and cash equivalents of SEK 24.0 million were added to the preferential issue and SEK 2.4 million in a targeted issue for overdraft.
- In November, an innovation support of 0.5 MSEK was received from Vinnova. The funds are used to investigate different needs and benefits for larger Swedish companies of H & D Wireless Industrial IoT solution for real time real-time tracking (RTLS) of Returnable Transport Packaging (RTP).
- In November, a two-year agreement with Europe's largest indoor entertainment center, Exploria, was signed. The 20,000 square foot experience center now becomes H & D Wireless's first customer positioning service within the fast-growing IoT segment indoor positioning. The business is organized in the Enterprise business unit.
- In December, a pilot project with the European rental group Cramo was announced. The project involves the positioning of Cramo's rental products, within a depot, and lasts for four months and then evaluated. The business is organized in the Enterprise business unit.
- In December, a distribution agreement was signed with Macnica Europé, which is part of Macnica Inc, a Japanese company that is the top 10 of component distributors in the world. The business is organized in the Connectivity business unit, and Magnica will sell the company's new generation of wireless modules.
- In December, a volume order was obtained on the HDG205 Wi-Fi SIP module including design services and support from the ODM company, TQ Group. TQ Group delivers to a market leader in Internet radio products. The deal belongs to the Connectivity business area and is part of the agreement signed with MSC Technology after the end of the quarter.
- H & D Wireless Sweden Holding AB (publ) share series B was approved for listing on Nasdaq First North on 20 December with first day of trading on December 22.

### Events after the end of the quarter

- In January 2018, the Company announced a new module, SPB228 WLAN at the Las Vegas fair and received the company's first strategic order on this module. The deal belongs to the business area Connectivity.
- In February 2018, a three-year agreement with MSC Technology was signed on warehousing and distribution of HDG205 / HDG200 modules for specific customers. The deal belongs to the Connectivity business area and has a market value of MSEK 3.4.

### KEY FIGURES GROUP

Amounts in thousands of kronor	Quarter 4 2017	Quarter 3 2017	Year 2017*
Sales (tkr)	610	302	912
Net Income (tkr)	-8 661	-7 830	-16 491
Balance sheet total (tkr)	55 793	36 436	55 793
Equity (tkr)	44 488	29 882	44 488
Solidity (%)	80	82	80

\*) The Group was founded on June 28th and the group fiscal year includes 6 calendar months.

#### H&D Wireless

H & D Wireless is a Swedish provider of services in the Internet of Things (IoT) and Real-Time Placement (RTLS) cloud platforms. The company's IoT Cloud Platform Griffin is an end-to-end system solution and consists of wireless modules, cloud services and smart phone applications for smart homes and businesses. Since 2016, the company offers Griffin Enterprise Positioning System (GEPS™) as a cloud service for indoor positioning of physical things in corporate business processes. H & D Wireless was founded in 2009 and is one of Sweden's fastest growing and most award-winning IoT companies, with over 1 100 000 wireless products delivered so far for IoT, M2M solutions worldwide. H & D Wireless shares have been listed on Nasdaq First North in Stockholm since December 2017. The company has received close to 70 million in capital injection 2016-2017 to invest in developing solutions for digitization of industry, commonly referred to as Industry 4.0 and Smart Factory. FNCA Sweden AB is appointed Certified Adviser.

## SUMMARY PER PERIOD - GROUP

Ksek	3 months at period end		6 months at period end
	Dec 31, 2017	Sep 30, 2017	Dec 31, 2017
Sales	610	302	912
Operational costs	-9 268	-8 094	-17 362
<b>Operational result</b>	<b>-8 658</b>	<b>-7 792</b>	<b>-16 450</b>
Net financials	-3	-38	-41
<b>Net Income</b>	<b>-8 661</b>	<b>-7 830</b>	<b>-16 491</b>
Fixed Assets	24 667	22 173	24 667
Short term Assets	31 126	14 263	31 126
Equity	44 488	29 882	44 488
Short term Debts	11 305	6 554	11 305
<b>Balance Sheet total</b>	<b>55 793</b>	<b>36 436</b>	<b>55 793</b>
Cashflow			
-from operations	-6 233	-8 050	-14 283
-change in working capital	6 263	-72	6 191
-investments	-6 022	-187	-6 209
-financing	22 226	-1 050	21 176
<b>Cashflow for the period</b>	<b>16 234</b>	<b>-9 359</b>	<b>6 875</b>
<b>Cash beginning of period</b>	<b>10 992</b>	<b>20 351</b>	<b>20 351</b>
<b>Cash at end of the period</b>	<b>27 226</b>	<b>10 992</b>	<b>27 226</b>
Solidity	80%	82%	80%

## RESULT PER SHARE

Kronor	3 months at period end		6 months at period end
	Dec 31, 2017	Sep 30, 2017	Dec 31, 2017
<b>Before dilution</b>			
Number of shares	15 212 153	14 004 232	15 212 153
Weighted average of shares	14 608 193	14 004 232	14 608 193
Net Income	-8 661 000	-7 830 000	-16 491 000
Weighted average of shares	14 608 193	14 004 232	14 608 193
<b>Result per share before dilution</b>	<b>-0,59</b>	<b>-0,56</b>	<b>-1,13</b>
<b>After dilution</b>			
Subscribed not registered shares	2 365 038	—	2 365 038
Warrants equivalent to number of shares	4 429 755	4 429 755	4 429 755
Weighted average of shares after dilution	21 402 986	18 433 987	21 402 986
Net Income	-8 661 000	-7 830 000	-16 491 000
Weighted average of shares after dilution	21 402 986	18 433 987	21 402 986
<b>Result per share after dilution</b>	<b>-0,40</b>	<b>-0,43</b>	<b>-0,77</b>

## INCOME STATEMENT – GROUP

Amounts in thousands of kronor	Quarter 4 - 17	Quarter 3 - 17	Year 2017*
Sales	610	302	912
Other external costs	-3 492	-2 431	-5 923
Cost of personell	-4 176	-5 404	-9 580
Depreciations/write downs of fixed assets	-865	-41	-906
Other operational costs	-735	-218	-953
Operational result	-8 658	-7 792	-16 450
Financials net, external	-3	-38	-41
Result after net financials	-8 661	-7 830	-16 491
Year end dispositions	0	0	
<u>Net income for the period (RR)</u>	<u>-8 661</u>	<u>-7 830</u>	<u>-16 491</u>

\*) The Group was founded on June 28th and the group fiscal year includes 6 calendar months.

## BALANCE SHEET – GROUP

Amounts in thousands of kronor	2017-12-31	2017-09-30
<b>Fixed Assets, immaterial</b>		
Activated development costs	23 894	21 640
Licencies	227	
<b>Fixed Assets, material</b>		
Equipment	546	533
<b>Fixed Assets, total</b>	<b>24 667</b>	<b>22 173</b>
<b>Short term Assets</b>		
Inventories	684	1 196
Accounts Receivables	263	389
Tax receivables	—	172
Other receivables	1 930	928
Prepayments and accrued income	1 023	586
<i>Short term assets</i>	<i>3 216</i>	<i>2 075</i>
Cash	27 226	10 992
<i>Short term assets, total</i>	<i>31 126</i>	<i>14 263</i>
<b>Assets, total</b>	<b>55 793</b>	<b>36 436</b>
<b>Equity</b>		
Registered sharecapital	879	700
Other contributed capital	60 100	37 012
Result for the period	-16 491	-7 830
<i>Equity, total</i>	<i>44 488</i>	<i>29 882</i>
<b>Short term debts</b>		
Debts to financial institutions	504	511
Prepayment from customers	—	29
Accounts payables	6 908	1 797
Other debts	1 280	1 256
Accrued costs and prepaid income	2 613	2 961
<i>Short term debts, total</i>	<i>11 305</i>	<i>6 554</i>
<b>Equity and liabilities, total</b>	<b>55 793</b>	<b>36 436</b>

## CONSOLIDATED CHANGE IN EQUITY

Tkr	Period jul-dec 2017
Equity at beginning of period	39 361
Change in registered share capital	61
Other contributed capital	21 557
Net income for period	-16 491
Equity at end of period	44 488

## CASHFLOW ANALYSIS - GROUP

Amounts in thousands of kronor	Quarter 4 - 17	Quarter 3 - 17
<b>Operations</b>		
Result after net financials	-8 661	-7 830
Adjustments for items not included in cash flow	2 428	-220
Cash flow from operating activities before changes in working capital	-6 233	-8 050
Changes in operating receivables	-1 556	-128
Changes in operating liabilities	7 819	56
<b>Cashflow from operations</b>	<b>30</b>	<b>-8 122</b>
<b>Investments</b>		
Acquisition of intangible fixed assets	-5 769	—
Acquisition of tangible fixed assets	-253	-187
<b>Cashflow from investments</b>	<b>-6 022</b>	<b>-187</b>
<b>Financing</b>		
Share issue	26 434	—
Issue costs	-2 689	-1 050
Amortization of debts	-1 519	—
<b>Cashflow from financing</b>	<b>22 226</b>	<b>-1 050</b>
Cashflow, period	16 234	-9 359
Cash at beginning of period	10 992	20 351
<b>Cash at end of period</b>	<b>27 226</b>	<b>10 992</b>

Wireless

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