Planning for a connected world

Ranplan grows 118% in 2018 vs 2017

Ranplan Group AB Annual report 2018

1 JANUARY - 31 DECEMBER 2018

Contents

The period in summary

Full year 2018

- Revenues increased substantially and amounted to SEK 22.2 million[1] (10.2)[2] a growth of 118%
- Gross Margin 96.8%[1] (90.6%)
- EBITDA amounted to SEK -28.3 million[1] (-21.0)
- Net Income for the period amounted to SEK -28.7 million[1] (-21.1)
- Earnings per share for the full year was SEK -1.43[1]

Legal Group 2018[3]

- Net sales SEK 14.6 million[3]
- Net income for year SEK -21.2 million[3]
- Cash and Cash Receivables amounted to SEK 38.1 million[4]
- Total Assets SEK 38.4 million[4]
- The Board of Directors recommend that no dividend be paid for the full year 2018.

Significant events during 2018

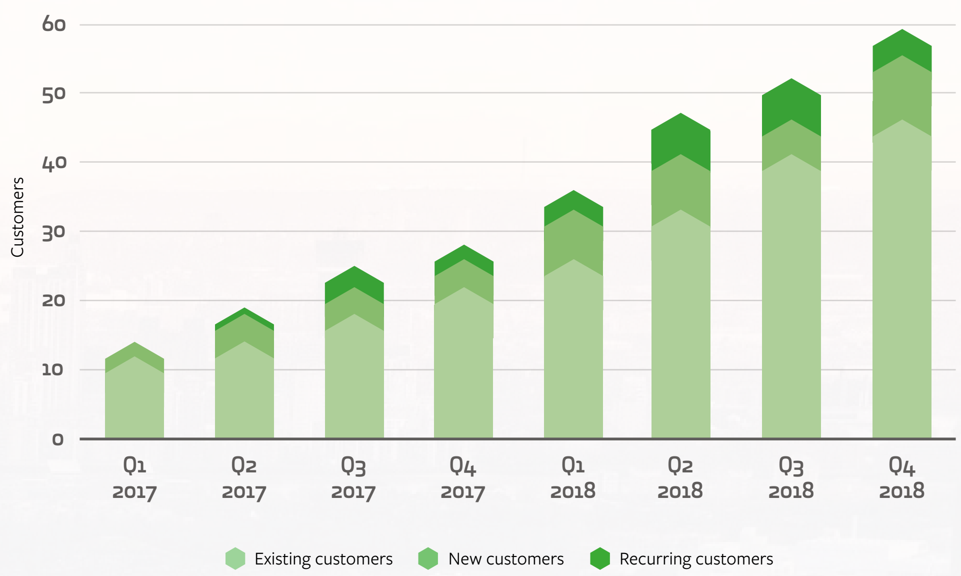
- Ranplan was awarded a contract valued at SEK 3.7 million for research into "Powering Urban Smart Mobility with Data Analytics"
- Ranplan signs a reseller agreement with Marubun, a Tokyo-based company, to sell Ranplan software solutions into the Japanese market.
- Ranplan launched the world's first 5G NR heterogeneous in-building and outdoor wireless network planning tool

Significant events after 2018

- Ranplan Wireless has secured a significant order with an initial value of USD 2.5 million (SEK 22.5 million) for its suite of network planning tools from Marubun Corporation, its reselling partner in Japan, for deployment by an ambitious mobile operator.

1. From Combined Financial Statements
2. Figures inside parentheses refer to the corresponding figures for the previous fiscal year throughout this annual report.
3. Consolidated Accounts 8 months to Dec 31 2018
4. From Consolidated Balance Sheet 31 Dec 2018

Customer aquisition 2017-2018



Full year 2017 vs Full year 2018[1]

1. From Combined Financial Statements

Alastair Williamson, CEO Ranplan Group AB

Words from the CEO

> Ranplan more than doubled its revenue[1] in 2018 versus 2017, in line with expectations of meeting its revenue target of US$ 25 million in 2022. To date, in 2019, we have received purchase orders of a value in excess of our total 2018 revenue.

Ranplan revenues for 2018 amounted to SEK 22.2 million[1], representing 118% growth compared with SEK 10.2 million in 2017, and improved gross margins from 90.6% to 96.8% in 2018. Losses from operations increased from SEK 21.1 million[1] in 2017 to SEK 28.6 million in 2018, reflecting the strategic investments the company made in 2018. Cash and cash receivables amounted to SEK 38.1 million[2] by end of December 2018.

Investments will continue to be made that will allow us to strengthen our current-product offering and broaden our solutions portfolio for the future.

The opening of the US office in 2018 has enabled us to get closer to our customers in this key market. Our sales team now has a global presence, with representation in the US, Europe, Middle East and Asia Pacific.

5G was a common theme being discussed among customers in 2018, in particular in relation to the challenges of planning these next generation mobile networks ahead of their deployment. To capitalise on the opportunities presented with 5G we decided to invest significant resources into developing the 5G functionality of our suite of tools and building on 4G (LTE) capabilities. This was positively welcomed by customers, and opens a pathway to future revenues.

In respect to the market segments that have shown a demand for wireless planning tools, we have focused the majority of our efforts into the mobile communication and public safety markets. We believe these markets will continue to provide a strong platform for revenue growth for 2019, primarily in respect to planning 4G networks with some initial 5G interoperability requirements.

As we progress into 2019, we will capitalise on the opportunities available in the other

1. From Combined Financial Statements
2. From Consolidated Balance Sheet 31 Dec 2018

22.2[3]
Revenue
MSEK
FY 2018

10.2[3]
Revenue
MSEK
FY 2017

90.6%[3]
gross margin
FY 2017

96.8%[3]
gross margin
FY 2018

two previously identified markets, namely the Industrial IoT and Smart Cities markets.

One of our core strengths lies in research and development. We will continue to undertake funded development programmes with other partners as this enables us to develop proprietary and innovative technologies that complimient our existing software solutions, further leading to expansion of our footprint in the 5G era.

We are excited with the progress and success we have made following the implementation of our strategy of gaining both a global presence and a market leading position. This is the embryonic start of the company's forward-looking vision.

The highlight of our endeavours in 2018 was the successful launch of our 5G (NR) planning tools, the doubling of our 2018 revenues compared with 2017, and the expansion of our footprint into Japan, resulting in a purchase order in early 2019 of SEK 22.5 million. We continue to work towards replicating this success globally.

Against this backdrop I wish to thank all of our teams in all parts of the world for their tremendous contribution to 2018.

Our recent advance and our future success hinge critically on the people we employ.

Alastair Williamson
CEO Ranplan Group AB

3. From Combined Financial Statements

Market in numbers

80%

of mobile traffic is in buildings 2016[1]

60%

of users unsatisfied with indoor coverage 2018[2]

Only 2%

of commercial buildings have indoor wireless networks 2017[3]

600%

In-building Mobile Data Traffic growth by 2020[1]

4.6 Billion

4G (LTE) Subscribers by 2022[4]

$1.7 Billion

In-building public safety network spend in 2021[5]

3.5 Billion

Wireless IoT connected devices by 2023[2]

1 Billion 5G

Subscribers by 2023[3]

1. https://www.voltimum.com.au/articles/building-mobile-data-traffic-grow
2. https://telecom.economictimes.indiatimes.com/news/ericsson-doubles-its-2023-forecast-for-iot-connections/64556042
3. Ericsson Mobility Report, 2017
4. https://www.ericsson.com/en/mobility-report/future-of-mobile-subscriptions
5. https://www.abiresearch.com/press/abi-research-forecasts-public-safety-das-spend-dou/

RANPLAN ADDRESSABLE MARKET IN 2023

Mobile Communication
$140 million

Public Safety
$133 million

Industrial IoT and Smart City
$50 million

THE SOLUTION

- Ranplan's suite of wireless network planning tools enable mobile operators and telecommunication equipment vendors to accurately and at a lower cost plan and design wireless networks both in-building and in outdoor urban environments
- Develop existing solutions to support 3G. 4G (LTE), 5G, Wi-Fi, NB-IoT, LoRa, Sigfox, P25, TETRA technologies, and any future technologies
- Secure additional government-backed research and development funding for commercialisation into related and complementary core solutions.

Ranplan Group

Ranplan is a leading provider of wireless network planning tools for in-building networks.

Ranplan is a software company that markets a suite of solutions that allow mobile operators and telecommunication equipment vendors to cost effectively and accurately plan, design and optimise 4G (LTE), 5G and Wi-Fi wireless networks in buildings and in outdoor urban environments.

The purpose of an in-building wireless network is to provide enhanced network coverage and/or capacity when the existing outdoor network is not able to adequately service the demand. Coverage may be poor due either to high penetration losses caused by the building structure or the latest materials used that are designed to improve thermal performance of the building. In dense urban environments, adjacent buildings may create an RF barrier that blocks coverage from nearby outdoor networks. Tall buildings typically have poor coverage on upper floors since outdoor antennas, many floors below, are specifically designed to suppress energy radiating above the horizon. Capacity may be an issue in venues such as stadiums and convention centres where many thousands of users may be trying to simultaneously access the network.

Today, over 80 % of mobile data traffic is generated in buildings with only approximately 2 % of commercial buildings having a dedicated in-building (cellular) wireless network. Research also shows that in-building wireless networks could increase the value of the property by 28 % on average. With the roll out of 4G (LTE) and 5G technologies, the need to build in-building wireless networks has increased and will continue to increase. In addition, the need for more accurate network planning to maintain customer satisfaction is expected to drive the growth in the wireless network planning tool market.

Ranplan Group AB has been listed on Nasdaq First North Stockholm since June 2018, trading with the ticker RPLAN, ISIN: SE0011178201.

Ranplan's operational ambition is to increase its position in the fast-emerging wireless market by providing quality software to enable mobile operators and telecommunications equipment vendors to plan wireless networks more accurately and cost effectively. Given the market climate is beneficial and that the company is delivering on its strategy, the company's aspiration is to increase sales to over USD 25 Million in 2022, with the aim of reaching an EBITDA margin of approximately 40 %.

5G : The platform for innovation

5G is the catalyst that will transform the use of mobile communications for the benefit of economies and societies. From people to people and people to information connections assured with past network generations, 5G NR is the new platform that will spur a new class of innovations and ensure ubiquitous connectivity between people and everything.

5G INDUSTRY IN NUMBERS

$12.3 trillion
global economic output enabled by 5G technology[1]

$3.5 trillion
revenue to be generated by 5G value chain in 2035[1]

$200 billion
value chain annual investment to develop 5G technology[1]

HOW 5G WILL BE USED

Enhanced Mobile Broadband (EMBB)

5G will enhance the quality of experience for consumers by offering deeper indoor coverage for places like shopping malls, office buildings, and other large venues; and improved capacity to handle an increased number of connected devices using high volumes of data for services such as multi-media content, immersive VR and AR applications.

Massive Internet of Things (MIoT)

5G is expected to offer economies of scale and be energy efficient. It will enable more flexible coverage and increased connection density so that networks can support the adoption of Machine-to-Machine and IoT.

Mission Critical Services (MCS)

The new opportunity for 5G is in the field of public safety or critical communications. These next generation networks will need to be robust and secure to deliver high reliability, ultra-low latency connectivity and constant availability across a range of environments.

1. Source: https://cdn.ihs.com/www/pdf/IHS-Technology-5G-Economic-Impact-Study.pdf

Board of Directors Report

Information regarding the operations

2018 was a seminal year for Ranplan Group AB. In the spring, the new Company was established as the parent company through issue of new shares as payment for the shares in the Group's previous company Ranplan Holdings Ltd. On 28 June, the company listed its shares on Nasdaq First North. The listing attracted circa 600 new shareholders and raised around SEK 62 million before and around SEK 48 million after transaction costs. As communicated in the IPO prospectus, the proceeds allowed the company to expand its organisation with a special emphasis on sales and marketing, and software development and research. The number of full time employees worldwide rose from 55 at the end of 2017 to 64 at the end of 2018. In May, the US office was inaugurated in Texas. In November, the company announced an important reseller agreement with Marubun of Japan. Extending its legacy of development work at the forefront of society's needs, the company was the proud recipient of several key research grants from government agencies in the EU and the UK. In conjunction with the publication of the third quarter report, the company transitioned to an accounting format (expenses by function) commonly adopted and preferred by listed software firms.

Economic development of the Group and parent company

As Ranplan Group AB has been in existence for less than one year, the numbers below take into account only the period May to December 2018.

	MAY-DEC 2018
Group[1]	
Net sales, KSEK	14 626
Profit/loss after financial items, KSEK	-21 239
Total assets, KSEK	38 384
Number of employees	61
Solidity, %	82,4
Return on Assets, %	Neg
Return on Equity, %	Neg
Parent company	
Net sales, KSEK	0
Profit/loss after financial items, KSEK	-1 642
Total assets, KSEK	51 271
Number of employees	0
Solidity, %	98,9
Return on Assets, %	Neg
Return on Equity, %	Neg

Key figures definitions are shown Note 1.

1. Consolidated Accounts to Dec 31 2018
2. From Combined Financial Statements

Financial summary for combined financial statements (see pages 29-30)

On a combined accounting basis, net sales of SEK 22.2 million[2] in calendar 2018 more than doubled (comparable like-for-like) from SEK 10.2 million recorded in calendar 2017. The gross margin rose to 96.8%[2] from 90.6%, levels typical of the more or less pure licensing model (without any third party software components) employed. Reflecting largely the effects of one-time administrative costs associated with the public offering of the share and investments in research and development and sales and marketing, net loss amounted to SEK 28.7 million[2], compared with SEK 21.1 million in the prior year. The operating loss rose to SEK 28.6 million[2] in 2018 from SEK 21.1 million in 2017. R&D grants in the amount of SEK 4.1 million[2] (SEK 3.7 million) were registered as other income. No tax on income was paid but Withholding Taxes on Sales affected the other expense line. Cash and cash equivalents stood at SEK 21.3 million[1] at the end of 2018. The Board of Directors proposes that no dividend for 2018 be paid.

Significant events during the year

Ranplan listed on NASDAQ First North on the 28th June 2018 raising SEK 62 million before and SEK 49 million after transaction costs. The IPO added approximately 600 new investors to Ranplan's shareholder register.

Ranplan opened its office in Dallas, USA, to support customer growth in the region.

Ranplan received SEK 4.0 million in cash as R&D Tax credit from UK Government for development work undertaken by the Company in 2017. Ranplan has received R&D Tax credits for the 6th year running.

Ranplan launched the latest release of its flagship wireless planning tool Ranplan Professional, the world's first heterogeneous in-building and outdoor wireless network planning tool.

Ranplan was awarded a contract valued at SEK 3.7 million for research into "Powering Urban Smart Mobility with Data Analytics".

Ranplan signed a reseller agreement with Marubun, a Tokyo-based company, to sell Ranplan software solutions into the Japanese market.

Customers

The company recognised revenues from 49[2] customers in 2018. No single account represented more than 14%[2] of the total base. More than 97%[1] of net sales are currently generated from clients with operations in the USA, Japan, China or Europe. Demand remains robust and the company continually explores opportunities to further expand its offerings in close liaison and partnership with customers.

Employees

On December 31, 2018 the company counted 64 people as full-time employees, a net increase of 9 from a year earlier. Approximately half the workforce is involved in research and development, which is conducted from the operational headquarters in Cambridge, UK.

Product – impetus of 5G

In the autumn of 2018, the company launched a 5G (NR) compliant planning and optimization tool which prompted significant interest from existing and prospective (new) customers on a global scale. The transition to higher frequency ranges, the release of far greater swathes of bandwidth and the exacting requirements epitomised by the industrial mobile internet (IoT) are factors spurring demand.

Accounting policies – fixed assets

Ranplan does not capitalise its own or third party software or computer devices (laptops, desk tops, servers); nor does it assign any visible value to its increasingly enhanced and enriched portfolio of patents. On the last day of 2018, the company's balance sheet held no intangible assets at all and a mere SEK0.3 million[3] of tangible fixed assets. Depreciation charges for 2018 amounted to SEK 261k.

Remuneration

Senior Management received no variable compensation for 2018. To align the longer-term financial interests of senior management and key employees with those of shareholders in the main, the Board of Directors will strive to introduce an Equity Warrant Program extending over three years.

Senior Management

Senior management, consisting of CEO Alastair Williamson, CFO Chris Caswell and CTO Hui Song, remains intact. In 2018, the Company recruited a Group Chief Accountant (GCA) in Cambridge, UK. Both the CFO and GCA are Chartered Accountants.

Board of Directors

Since April 2018, the Board consists of four members: Mats Andersson (Chairman), Jie Zhang (co-founder), Lars-Inge Sjöqvist and Per Lindberg. In compliance with the Swedish Companies Act, members of the board are elected in connection with the AGM after each calendar (fiscal) year.

Corporate Governance

Since the formation of Ranplan Group AB (in April 2018), the Board has held seven scheduled meetings. In addition, numerous other informal discussions or meetings have taken place between members of senior management and members of the Board. The work of the Board of Directors has centered, inter alia, on developing the organisation, its business plans and strategy with the aim, as explicitly laid out in the IPO prospectus, of generating annual revenues of USD 25 million or more by the end of 2022. The Board also regularly reviews the company's balance sheet, financial position, funding requirements, investment needs and risks; the latter of which covers both financial and operational matters. Further details can be found in the Risk Factor section contained in this report.

Legal proceedings

The Company is not involved in any legal proceedings or disputes of any materiality.

Significant events after the end of the financial year

In February 2019, the Company received an order worth USD2.5 million (SEK 22.5 million), via its local reseller Marubun, from a mobile operator customer in Japan. According to the terms of the agreement, the contract is expected to be converted into revenues in calendar 2019.

Proposed appropriation of profits

The following earnings are reported at the annual general meeting:

(KSEK)	
Share premium reserve	50 656
Retained earnings	896
Net loss for the year	-1 642
	49 910[4]

The board recommends the following allocation of the result:

carried over	49 910
	49 910

3. Consolidated Accounts 8 months to Dec 31 2018
4. Parent Company Balance Sheet 31 Dec 2018

Risk factors

An investment in the securities of Ranplan is associated with risks. The business of Ranplan is and can be affected by a number of factors which are not possible for the Company to control, either in part, or at all. These factors could have an adverse impact on the Company's business, financial position and profits, or could lead to a decrease in the price of its securities so that and as a result of that, the investors may lose their investment, in part or in full. Some of the risks are associated with the Company, while other risks do not have any particular connection to the Company.

Any investor considering an investment in Ranplan should carefully analyse the risk factors described below as well as any other information before deciding on whether to make an investment in Ranplan.

Risks relating to the Group's business and market

Risks relating to early stage of development and future funding

Historically, the Group has not been able to generate sufficient cash flow to satisfy its working capital requirements. The Group's activities have been funded by contributions from its existing shareholders. There is a risk that the Company will record operating losses, or at least not be able to generate enough profits to finance its activities. As a result, the Group would continue to be dependent on financing from external sources. There is a risk that external financing may not at all times be available or, if available, not offered on terms acceptable to the Company. If additional financing is raised through the issuance of new shares or equity related instruments, control of the Company may change and the interests of shareholders in the net assets of the Company may be diluted. If the Company is unable to secure financing on acceptable terms, the Company may have to cancel or postpone certain of its planned development or expansion activities. Reliance on external financing could adversely impact the Company's business, financial position and profits in the future.

Key personnel

The Company is highly dependent on its ability to retain and attract skilled personnel. Should the Group lose and not be able to replace any of its key personnel it may interrupt ongoing projects as well as other development plans laid out for the Group. Moreover, the Group is dependent on new hiring and retaining certain skilled personnel to continue its growth and to reach future success. If the Group cannot maintain its ability to attract skilled personnel then this may adversely impact the Company's business, financial position and profits in the future.

Risks relating to the quality of the product

The Company is reliant on its ability to develop and deliver products of a certain quality. Even if the Company deems the products to be of a certain quality, the demand from its customers may deviate from what the Group is producing. The Group's operations are currently expanding in order to meet the increasing demand from the market and enable delivery of a larger quantity and complementary set of products without losing quality. If the Company is unable to meet the demands of its customers in relation to quality and expectation, this may have an adverse impact on the Company's business, financial position and profits in the future. Furthermore, the demands on the market may change and cause the Company to adjust its products. Should the Company fail, inter alia, by taking the wrong direction on development projects, not develop the products or not reach the appropriate customers, then this may adversely impact the Company's business, financial position and profits in the future.

Competition

Competitors may be ahead of the Company and in addition new competitors could emerge. Competitors may have greater financial resources compared to the Company. There is also a risk that competitors develop products which are more efficient and may sell at a lower cost. Moreover, other technologies may arise, which proves to be better suited or superior to the products of the Company. Intense competition may lead to adverse price development and/or heightened quality requirements. Failure to address these market forces may lead to loss of revenue and market share. Any such circumstances may have an adverse impact on the Company´s business, financial position and profits in the future.

Risks relating to customers

The Group's customers consist of both public and private organisations. When dealing with public sector organisations there is a risk that the agreements entered into are customer friendly in terms of liabilities and obligations. Approximately 30% of the Group's turnover stems from tenders and procurement. Tenders and procurement processes can be both time consuming and complex and sometimes require involvement of external advisers. If the Company cannot participate in, or participate and lose, tenders and procurement processes, it may have an adverse impact on the Company's business, financial position and profits in the future.

Risks relating to intellectual property rights and trade secrets

Patents, licenses, trademarks and other registered intellectual property rights are an important foundation for the Group. Intellectual property rights are developed by employees and in some case with third parties. There is a risk of mis-assigning intellectual property rights or ownership. In addition, rights to certain intellectual property might be uncertain or contested in which case the Company could be forced to take legal action in order to asert its rights. Third party rights could prevent the Group from freely using a technology which may result in the Group being burdened with substantial cost and liability or possibly being forced to stop or restrict product development or commercialisation of one or more of the Group's products. In addition, it could lead to litigation which could have a negative effect on the Company's financial position and reputation even if the outcome of such process would be in favour of the Company. The Group could also be forced to acquire a license in order to continue developing or selling the product and there is a risk that such licenses may not be available on reasonable terms or available at all. If the Group develops products that are protected by intellectual property rights then these rights could be challenged by third parties. The Company is dependent on ensuring that trade secrets which are not covered by intellectual property rights can be protected but there is always a risk that someone who has access to information of great value to the Group disseminates or uses the information in a way which damages the Group from a competition perspective. The aforementioned circumstances may adversely impact the Company's business, financial position and profits in the future.

Litigations and disputes

During the ordinary course of business the Group may become involved in disputes. Such disputes may involve claims for payment and/or correction of work as well as other possible consequences connected to failure in providing products or services. Moreover, the Group may be subject to outstanding payments from customers as well as other situations which could force the Group to take legal actions. There are no guarantees that the Group will not be involved in material legal proceedings going forward which could have a significant effect on the Company's business, financial position or profitability.

Insurance risks

Claims which are not covered by the current insurance cover may arise. Moreover, even though a claim is fully covered such a claim may increase the Company's premiums paid to the insurance-company. The Company may in the future enter into new markets or develop new products which will require extended insurance coverage. Such extended coverage may not be possible to obtain on favourable terms, or at all. If the Company is unable to obtain sufficient insurance coverage or faces claims which are outside the current insurance cover, it may have an adverse impact on the Company's business, financial position and profits in the future.

Currency risks

The Group has and will continue to enter into agreements subject to payment in other currencies than SEK (mainly USD, GBP and EUR but also other local currencies). The currencies are ultimately recalculated into SEK for inclusion in the Group's consolidated financial statements, which are stated in SEK. As a result, the Company is subject to risks relating to exchange rates, such as fluctuations following from changes in the exchange rates from the point in time when the agreement has been entered into until payment pursuant to the agreement. In addition, costs arising out of changing the currency may be significant. Currently, the Group does not hedge against foreign exchange rate risks and the said currency risk may have an adverse impact on the Company's business, financial position and profits in the future.

Legal and political risks

The Company is a Swedish company and the main part of the Group's operational activities are carried out in the United Kingdom. However, the market on which the Company operates is a global market and the Company has partners, suppliers and customers around the world. Risks may arise as a result of differences in legal systems and changes to legislation and other relevant regulations relating to taxation, customs and excise duties and other conditions applying to the Group's activities on an international market. Rules, regulations and legal principles may differ both relating to matters of substantive law and in respect of such matters as court procedures and law enforcement proceedings. This means that the Company's ability to exercise or enforce its rights and obligations may differ between different countries and any disputes or related litigation may be costly, time consuming and the outcome may be uncertain. In addition, the Company may be affected by factors relating to political uncertainties, sanctions and prohibitions. All of the aforementioned may have an adverse impact on the Company's business, financial position and profits in the future.

Tax related risks

The Company is conducting its business pursuant to its interpretation and understanding of relevant tax legislations and tax agreements as well as other applicable regulations. However, the Company has partners, suppliers and customers in a various number of jurisdictions, and there is no guarantee that the relevant tax authority agrees with the Company's interpretation and understanding of relevant acts, regulations and tax authorities' practices. As a result, the Company's current tax situation may adversely change. In addition, the Company may be subject to possible retroactive adjustments, which will have an adverse effect on the Company's previous assessed taxation. This could have an adverse impact on the Company's business, financial position and profits in the future. It is not possible to predict if the

Company will be subject to any new or amended tax regulations, and if so, if the Company's interpretation and understanding of such regulations may be correct. Any non-compliance may, inter alia, lead to payment of additional taxes and/or fines, which may have an adverse impact on the Company's business, financial position and profits in the future.

Global economic factors

The Group is exposed to the general market environment such as supply and demand, inflation and interest rate fluctuations, upswings and downturns and the will to invest, etc. All these factors are outside the Company's control. If an economic downturn occurs, or the economic activity decreases, it may have an adverse effect on the Company's market and consequently have a negative effect on the Company's business, financial position and profits in the future.

Risks relating to the shares

The market price of the Company share

An investment in securities is always associated with risks and risk-taking. The price of a newly listed security is often volatile for a period subsequent to the listing. The securities market in general, and for smaller companies in particular, may be subject to significant price and volume fluctuations, which are not possible to predict based on the Company's development or disclosed results. Ranplan is not able to predict how liquid the market may become and to what extent the interest in investing in the Company´s shares will increase or maintain. The difference between the selling price and purchase price may from time to time be significant, making it difficult for a shareholder to sell shares at a given point in time and to a price deemed appropriate.

Existing owners selling their shares

Certain board members and shareholders have committed to lock-up restrictions under a period of 12 months for existing shares after the date of listing in relation to the shares held prior to the Offering, meaning that they may only sell, or in any other way transfer such shares during such period of time if the sale is approved by the Financial Adviser. However, such restrictions will no longer be applicable after 28th June 2019.

New issues

In order to, inter alia, raise capital or enable acquisitions the Company may in the future issue additional shares or share related instruments. Such issues may decrease the proportional ownership and share of voting power as well as profit per share of the shareholders in the Company. Moreover, such issues may adversely affect the market price of the shares. Shareholders in countries outside Sweden may be subject to restrictions that prevent them from participating in new share issues and/or limit and complicate their participation in other ways. Such restrictions may lead to that their shareholdings are diluted or reduced in value.

Future dividends

Payment of dividends is decided by the shareholders' meeting and proposed by the board of directors. Any future dividends depend on several factors, such as future results, financial position, working capital, liquidity and the Company's need of investments. Ranplan is in a phase where priority is put on exploiting the growth opportunities that have been identified. As a result, shareholders should not expect to receive any, or very low, dividends over the next few years.

Nasdaq First North

The company's shares is listed on Nasdaq First North ("First North"). First North is a multilateral trading facility, i.e. not a regulated marketplace. Companies with securities listed on First North are not obliged or forced to comply with the same rules as companies with securities traded on a regulated marketplace, but to less extensive rules and regulations. Such rules and regulations are preferably adapted for smaller and growth companies, why an investment in a company listed on First North may imply more risk than an investment in a company with securities traded on a regulated marketplace.

Increasing cost following the listing

As a listed company, Ranplan will be subject to additional rules and regulations. In order to be compliant, the Company may need to establish certain positions as well as adopt certain polices. This may have an impact on the Company's means and may increase its costs. Such increased costs may adversely impact the Company's business, financial position and profits in the future.

Group financials

Comments to the Group Financials

Group Income Statement

Research and development costs

Approximately 80% of these costs are the salaries and associated costs of employees working in R&D, most of whom are in Cambridge. Some of the work is contracted out to specialist consulting firms in UK. The cost of third party software and hardware used by the group in development is the second largest cost source. Patent registration and maintenance is significant. Office rent and services are low. R&D costs increased each quarter in 2018.

Sales Costs

Approximately 75% of these costs are the salaries and associated costs of employees working in Sales. Employees are spread geographically around the world. The biggest concentration is in North America. Travel expenses is the second largest cost source, followed by Marketing expenses. Office rent and services are low. Sales costs increased each quarter in 2018.

Administration Costs

Less than half of Administration costs are salary related. In 2018 there was an unusually high expenditure on professional advice due to the IPO, but this should reduce significantly in 2019.

Other Operating Income

This income is the cash subsidy from the UK government to the Cambridge centred Research activity. The subsidy for 2018 will be paid out during Q2 of 2019.

Other Operating Expenses

These unusual costs are non-income taxes paid to foreign governments on sales.

Group Balance Sheet

Accounts Receivable - trade

Over half of the Trade Accounts Receivable relate to the UK operating entity which bills customers all over the world except North America. The two biggest amounts owed (approx. SEK 4.3 million) were customers in APAC both of whom paid in full in February 2019. The biggest debt in North America was paid in early January 2019.

Other Current Receivables

Most of this amount relates to the R&D Tax Credit to be paid by the UK government in mid 2019.

Cash and bank

Based on the expectations to turn current assets into cash in the first half of 2019 and the strength of orders on hand, especially from Japan, management are confident that the company has sufficient cash on hand to finance its operations in 2019.

Group Cash Flow

Cash outflow in 2018 was particularly high due to the increase in trade and current receivables. There should be a considerable cash inflow from these assets in 2019.

GROUP INCOME STATEMENT (KSEK)	NOTE	MAY - DEC 2018
Operating income		
Net sales	2	14 626
Cost of services		-677
Gross profit		**13 949**
Research and development		-16 427
Sales costs		-12 828
Administration	3	-7 425
Other operating income		2 762
Other operating expenses		-1 113
Operating result	4,5	**-21 082**
Financial items		
Net interest income and expense	6	-157
Total financial items		**-157**
Income after financial items		**-21 239**
Earnings before taxes		**-21 239**
Net income for the year		**-21 239**
Income attributable to owners		-21 239

GROUP BALANCE SHEET (KSEK)	NOTE	31 DEC 2018
Assets		
Fixed assets		
Tangible fixed assets		
Equipment, tools, fixtures and fittings	7	302
Total fixed assets		**302**
Current assets		
Current receivables		
Accounts receivable - trade		9 982
Other current receivables		6 339
Prepaid expenses and accrued income	8	498
Total current receivables		**16 819**
Cash and bank balances		
Cash and bank	9	**21 263**
Total current assets		**38 082**
Total assets		**38 384**
Equity and liabilities		
Equity		
Share capital		805
Other paid-in capital		
Share premium reserve		50 656
Other capital, translation differences and result for the year		
Other capital, translation differences and result for the year		-19 825
Equity attributable to owners		**31 636**
Total equity		**31 636**
Current liabilities		
Accounts payable - trade		1 970
Other current liabilities		1 813
Accrued expenses	10	2 965
Total current liabilities		**6 748**
Total equity and liabilities		**38 384**

GROUP CHANGES IN EQUITY (SEK)

	SHARE CAPITAL	OTHER PAID-IN CAPITAL	TRANSLATION DIFFERENCES	RETAINED EARNINGS	TOTAL EQUITY
Equity 2018-03-14	-	-	-	-	-
Initial share issue	50 000	-	-	-	**50 000**
New share issue	1 409 840	1 986 415	-	-	**3 396 255**
Decrease of share capital	-895 904	-	-	895 904	**-**
New share issue	240 697	61 738 709	-	-	**61 979 406**
IPO related costs	-	-13 068 987	-	-	**-13 068 987**
Translation differences	-		518 160	-	**518 160**
Result of the year	-		-	-21 239 344	**-21 239 344**
Equity 2018-12-31	**804 633**	**50 656 137**	**518 160**	**-20 343 440**	**31 635 490**

GROUP CASH FLOW ANALYSIS (KSEK)

	NOTE	MAY-DEC 2018
Operating activities		
Operating result		-21 083
Adjustment for depreciation	11	488
Paid interest		-157
		-20 752
Increase/decrease in trade receivables		-6 975
Increase/decrease in current receivables		-4 956
Increase/decrease in trade payables		570
Increase/decrease in current liabilities		3 497
Cash flow from operating activities		**-28 616**
Investing activities		
Acquisition of tangible assets		-681
Acquisition of subsidiaries		1 627
Cash flow from investing activities		**946**
Financing activities		
Proceeds from issues of shares		48 960
Cash flow from financing activities		**48 960**
Cash flow of the year		**21 290**
Cash and cash equivalents at the beginning of the year		-
Exchange rate differences on cash and cash equivalents		-28
Cash and cash equivalents at the end of the year		**21 262**

Parent company financials

Comments to the Parent Company Financials

Parent Company Income Statement

Approx half of the Administration costs in 2018 were legal and accountancy expenses relating to the IPO, which will not be repeated in 2019.

PARENT COMPANY INCOME STATEMENT (KSEK)	NOTE	MAR - DEC 2018
Administration	3	-2 074
Other operating income		101
Operating result		**-1 973**
Financial items		
Net interest income and expense	6	331
Income before taxes		**331**
Income after financial items		**-1 642**
Net loss for the year		**-1 642**

PARENT COMPANY BALANCE SHEET (KSEK)	NOTE	31-DEC 2018
Assets		
Fixed assets		
Financial fixed assets		
Shares in subsidiaries	12	3 396
Total fixed assets		**3 396**
Current assets		
Current receivables		
Receivables from Group companies		28 375
Other current receivables		184
Prepaid expenses and accrued income	8	44
		28 603
Cash and bank balances		19 272
Total current assets		**47 875**
Total assets		**51 271**
Equity and liabilities		
Equity	13	
Restricted equity		
Share capital		805
Non-restricted equity		
Share premium reserve		50 656
Retained earnings		896
Net loss for the year		-1 642
		49 910
Total equity		**50 714**
Current liabilities		
Accounts payable - trade		56
Accrued expenses	10	500
Total current liabilities		**556**
Total equity and liabilities		**51 271**

PARENT COMPANY CHANGES IN EQUITY (SEK)

	SHARE CAPITAL	OTHER PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
Equity 2018-03-14	**0**	**0**	**0**	**0**
Initial share issue	50 000	-	-	**50 000**
New share issue	1 409 840	1 986 415	-	**3 396 255**
Decrease of share capital	-895 904	-	895 904	**-**
New share issue	240 697	61 738 709	-	**61 979 406**
IPO related costs	-	-13 068 987	-	**-13 068 987**
Result of the period	-	-	-1 642 376	**-1 642 376**
Equity 2018-12-31	**804 633**	**50 656 137**	**-746 472**	**50 714 298**

PARENT COMPANY CASH FLOW ANALYSIS (SEK)

	MAR - DEC 2018
Operating activites	
Operating result	-1 973
Interest received	350
Interest paid	-19
	-1 642
Increase/decrease in current receivables	-28 603
Increase/decrease in trade payables	56
Increase/decrease in current liabilities	500
Cash flow from operating activities	**-29 689**
Financing activities	
Proceeds from issues of shares	48 960
Cash flow from financing activites	**48 960**
Cash flow of the year	**19 271**
Cash and cash equivalents at beginning of the year	**-**
Cash and cash equivalents at end of the year	**19 271**

Notes, both for the parent company and the group

Note 1 - Accounting and valuation principles

Ranplan Group AB's (corp id nr 559152-5315) financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the general recommendations of the Swedish Accounting Standards Board, BFNAR 2012:1 Annual reports and consolidated accounts ("K3").

Consolidated financial statements

Ranplan Group AB prepares consolidated financial statements. Information about the Group companies is included in the note regarding fixed financial assets. Subsidiaries are included in the consolidated financial statements from the date on that significant incluence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the significant influence ceases.

Inter-company transactions between Group companies are eliminated in their entirety.

Subsidiaries in other countries prepare their annual accounts in foreign currency. At the time of consolidation, the items in these companies' balance sheets and transactions in their income statements are recalculated on the applicable exchange rate of the balance sheet day and transcation date exchange rate. The exchange rate differences that arise are reported in translations differences in the Group's equity.

Foreign currency

Monetary items in foreign currencies have been translated at the rates of exchange applicable on the balance sheet date. Transactions in foreign currency are translated at the transaction date exchange rate.

Revenue

Revenue has been recognized at the fair value of what has been received or will be received and reported to the extent that it is probable that the economic benefits will be utilized by the company and the revenues can be calculated reliably.

Leases

Ranplan Group AB is lessee and all agreements relate to premises. All leases are reported in accordance with the rules for operational leasing. Leasing fees for operational leases are reported as expenses on a straight-line basis during the lease term, provided that no other systematic method would better reflect the user's economic benefit during the period.

Employee benefits

Short-term benefits in the Group consist of salary, social security contributions, paid holiday, paid sick leave, healthcare and bonuses. Short-term benefits are recognized as an expense and a liability when there is a legal or informal obligation to pay compensation.

Income tax

Current tax is valued at the probable amount according to the tax rates and tax rules applicable at the balance sheet date. Deferred tax assets relating to tax loss carryforwards or other future tax deductions are reported to the extent that the deduction is deductible from surplus in future taxation.

Current tax is recognized in the income statement unless the tax is attributable to an event or transaction recognized directly in equity. Tax effects of items recognized directly in equity are reported against equity.

Intangible assets

The company applies the cost accounting model for internally generated intangible assets. The expenses for this are reported as costs when they arise.

Tangible assets

Tangible assets are reported at cost less depreciation. The acquisition value includes expenses directly attributable to the acquisition of the asset.

Additional expenses relating to assets that are not divided into components are added to the acquisition value if they are expected to give the company future economic benefits, to the extent that the asset's performance increases in relation to the asset's value at the time of acquisition.

Expenses for ongoing repair and maintenance are reported as costs.

Capital gains and losses on the sale of a fixed asset are reported as Other operating income and Other operating expenses.

Tangible assets are depreciated systematically over the asset's estimated useful life. When the depreciable amount of the assets is determined, the residual value of the asset will be taken into account.

The following depreciation periods are applied:

Equipment, tools, fixtures and fittings	2 years

Impairment of non-financial assets

When there is an indication that the value of an asset has decreased, an impairment test is performed. If the asset has a recoverable amount that is lower than the net book value, it is written down to the recoverable amount. When assessing impairment, the assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). For assets that have previously been written down, a review is made on each balance sheet date as to whether reversal should be made.

Financial instruments

Financial instruments recognized in the balance sheet include accounts receivable and other receivables, loan liabilities and trade payables. The instruments are reported in the balance sheet when Ranplan becomes a party to the instrument's contractual terms.

Financial assets are derecognized when the right to receive cash flows from the instrument has expired or transferred and the Group has transferred virtually all risks and benefits associated with ownership.

Financial liabilities are derecognized when liabilities have been canceled or otherwise terminated.

Trade receivables and other receivables
Receivables are reported as current assets with the exception of expiration dates more than 12 months after the balance sheet date, which are classified as non-current assets. Receivables are taken up to the amount that is expected to be paid after deduction of individually assessed doubtful claims. Receivables that are interest-free or which run at interest rates that differ from the market rate and have a maturity of more than 12 months are reported at a discounted present value and the change in time value is reported as interest income in the income statement.

Trade payables
Trade payables are initially recognized at cost less transaction costs. If the reported amount differs from the amount to be repaid at maturity date, the difference is recognized as interest expense over the term of the loan using the instrument's effective interest rate. As a result, at the maturity date, the reported amount and the amount to be repaid correspond.

Cash flow statement
The cash flow statement has been prepared using the indirect method. The reported cash flow only includes transactions involving inflows and outflows of cash.

Parent company accounting and valuation principles

The same accounting and valuation principles applies in the parent company as the group.

Key figures defenitions

Net sales
Operating income, invoiced expenses, side revenue and revenue adjustments.

Profit/loss after financial items
Profit after financial income and expenses but before appropriations and taxes.

Total assets
Total assets of the company.

Number of employees
The average numbers of employees of the period.

Solidity
Equity and untaxed reserves (less deferred tax) in relation to total assets.

Return on assets
Profit before deductions for interest expenses in relation to total assets.

Return on equity
Profit after financial items in relation to equity and untaxed reserves (less deferred tax).

Note 2 - Geographical distribution of net sales

GROUP (KSEK)	MAY-DEC 2018
Net sales are divided into geographic markets as follows:	
Asia/Pacific	7 766
North America	3 481
Europe	3 042
North Africa	337
Total	**14 626**

Note 3 - Remuneration to auditors

(KSEK)	GROUP AND PARENT COMPANY 2018
Audit fee	375
Audit related services	655
Tax services	
Other services	172
Total	**1 202**

Audit related services mainly consist of IPO related audit services.

Note 4 - Salaries, other remuneration and social security contributions

GROUP (KSEK)	MAY-DEC 2018
Average number of employees:	
Women	15
Men	46
Total	**61**
Salaries, social security expenses, remuneration, bonuses and pension	
Salaries, remuneration and bonus to board and managing directors	1 637
Salaries, remuneration and bonus to other employees	20 598
	22 235
Social security for both employees, board and managing directors	2 027
Pensions for board and managing directors	120
Pensions for other employees	1 013
Total	**25 395**
Board members and managing directors	
Number of board members at 2018-12-31	
Women	-
Men	4
Total	**4**
Number of managing directors at 2018-12-31	
Women	-
Men	1
Total	**1**

Note 5 - Operating lease agreements

GROUP (KSEK)	MAY-DEC 2018
Future minimum lease payments on non-cancellable operating leases.	
Within 1 year	726
Later than 1 year but within 5 years	136
Total	**862**
Expensed leasing fees during the period	754

In the consolidated accounts, the operational leasing consists essentially of leased premises

Note 6 - Net interest income and expense

(KSEK)	GROUP MAY-DEC 2018	PARENT COMPANY MAR-DEC 2018
Interest expense	-157	-19
Interest income	-	350
Total	**-157**	**331**

All of the interest income for the parent company are within the group.

Note 7 - Equipment, tools, fixtures and fittings

GROUP (KSEK)	MAY-DEC 2018
Changes during the year	
Acquisitions	681
Through acquisitions of subsidiaries	114
Cost at end of the year	**795**
Changes during the year	
Depreciation acquired and charge in year	-488
Translation differnce	-5
Accumulated depreciation	-493
Closing balance	**302**

Note 8 - Prepaid expenses and accrued income

(KSEK)	GROUP DEC 2018	PARENT COMPANY DEC 2018
Accrued income	454	-
Prepaid expenses	44	44
Total	**498**	**44**

Note 9 - Cash and cash equivalents

(KSEK)	GROUP MAY-DEC 2018	PARENT COMPANY MAR-DEC 2018
Bank balances	21 263	19 272
Cash and cash equivalents in cash flow analysis	21 263	19 272

Note 10 - Accrued expenses

(KSEK)	GROUP DEC 2018	PARENT COMPANY DEC 2018
Accrued salaries	1 553	-
Accrued foreign non income taxes	537	-
Accrued professional fees	500	500
Other	375	-
Total	**2 965**	**500**

Note 11 - Adjustments for items that are not included in the cash flow analysis

GROUP (KSEK)	MAY-DEC 2018
Depreciation	488
Total	**488**

Note 12 - Shares in subsidiaries

(KSEK)	MAR-DEC 2018
Acquisition Ranplan Holdings Ltd.	3 396
Cost at end of the year	3 396

GROUP	CORPORATE ID	REGISTERED OFFICE	CAPITAL SHARE (%)
Ranplan Holdings Ltd	9363975 UK	Cambridge, UK	100
Ranplan America LLC	802140893 TX	Dallas, USA	100
Ranplan Wireless Network Design Ltd	57766973 UK	Cambridge, UK	100
Shandong Ruixin Telecommunication Technology Ltd. (Ranplan China)	91370100MA3CDFB3XT	Jinan, P.R China	100

PARENT COMPANY	CAPITAL SHARE (%)	VOTING RIGHTS (%)	NET BOOK VALUE DEC 2018 (KSEK)
Ranplan Holdings Ltd	100	100	3 396
Total			**3 396**

Note 13 - Share capital

The share capital consists of 20 115 812 shares with a quota value of 0,04 kr.

Note 14 - Significant events after the end of the financial year

In February 2019, the Company received an order worth USD 2.5 million (SEK 22.5 million), via its local reseller Marubun, from a mobile operator customer in Japan. According to the terms of the Agreement, the contract is expected to be converted into revenues in calendar 2019.

KEY FIGURES		JAN-MAR 2018[1]	APR-JUN 2018[1]	JUL-SEP 2018	OCT-DEC 2018
Net sales	kSEK	6 652	5 020	5 101	5 461
Depreciation	kSEK	54	0	0	207
EBITDA	kSEK	-3 318	-7 630	-7 497	-9 872
Gross Profit	%	100,0%	92,6%	95,5%	98,0%
Number of employees at period end	FTE	55	58	58	64

Definition of key figures

EBITDA

Income before interest, tax, depreciation (including impairment) and amortization. EBITDA is a measure that the Group regards as relevant for investors who want to understand earnings generation before investments in non-current assets.

The Share

SHARE DATA	JAN-DEC 2018
Number of shares at period-end	20 115 812
Share price at the end of the period, SEK	4.78
Earnings per share[1], SEK	-1.43

SHAREHOLDERS AS OF 31 DEC 2018	%	SHARES
Jinxing Xue	40 %	8 085 887
Hongbing Li and Qimei Wu	13 %	2 624 070
Per Lindberg	11 %	2 125 750
Jie Zhang and Joyce Yuhua Wu	10 %	2 067 996
Other	26 %	5 213 109
Total	**100 %**	**20 115 812**

1. From Combined Financial Statements

The Board of Directors and CEO hereby assure that this Annual Report for 2018 provides a true and fair overview of the performance of the parent company's and the Group's operations, financial position and earnings, and that it describes the significant risks and factors of uncertainty to which the Parent Company and the companies included in the Group are exposed.

Stockholm, 29th of March 2019

Mats Andersson, Chairman of the board	Per Lindberg, Board member
Lars-Inge Sjöqvist, Board member	Jie Zhang, Board member
Alastair Williamson, CEO	

Other information

Proposed allocation of Ranplan´s profits

The Board of Directors recommend that no dividend be paid for the full year 2018.

2019 Annual General Meeting

The Annual General Meeting will be held on 29 April 2019 in Stockholm, Sweden.

Certified Adviser

FNCA Sweden AB
Address: Humlegårdsgatan 5, 102 48 Stockholm, Sweden
Telephone: +46 8 528 00 399

Questions regarding this report are answered by:

CEO Alastair Williamson
E-mail address: alastair.williamson@ranplanwireless.com
Telephone: +44 7824 997689

Auditor's report

To the general meeting of the shareholders of Ranplan Group AB, corporate identity number 559152-5315

Report on the annual accounts

Opinions

We have audited the annual accounts of Ranplan Group AB for the the financial year March 14, 2018 – Dec 31, 2018. The annual accounts of the company are included on pages 10-26 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Ranplan Group AB as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

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 Ranplan Group AB 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.

Other Information than the annual accounts

The Board of Directors and the Managing Director are responsible for the other information on pages 1-9 and 29-30.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 annual 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 annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company'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 intend to liquidate the company, 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 annual accounts as a whole are free from material misstatement, 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 annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Ranplan Group AB for the year the financial year March 14, 2018 – Dec 31, 2018 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Ranplan Group AB 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.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Stockholm March 29, 2019

PricewaterhouseCoopers AB

Magnus Lagerberg
AUTHORIZED PUBLIC ACCOUNTANT

Combined financial statements – income statement

(KSEK)	JAN - DEC 2018	JAN - DEC 2017
Net sales	22,234	10,179
Cost of sales	-706	-953
Gross profit	**21,528**	**9,226**
R&D expenses	-23,623	-18,308
Selling expenses	-18,683	-12,441
Administrative expenses	-10,702	-2,828
Other operating income	4,042	3,747
Other expenses	-1,139	-446
Operating income	**-28,578**	**-21,051**
Financial income and expenses	-156	0
Income before taxes	**-28,734**	**-21,051**
Net income for the period	**-28,734**	**-21,051**

Notes to the combined financial information

The Combined results represent the activity of the Ranplan Group before and after the creation of Ranplan Group AB.

For 2017 and Q1 2018 the statement represents the consolidation of the 4 Ranplan companies Ranplan Holdings Ltd, Ranplan Wireless Network Design Ltd, Ranplan America LLC and Ranplan China (from Q2 2017).

For Q2 2018 the results include Ranplan Group AB for the 2 months May and June 2018. For Q3 and Q4 2018, the results include all 5 current Ranplan companies and are based on the same local currency accounts as in the Consolidated Accounts.

Summary of significant accounting policies

This interim report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general regulations BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

Comments to the combined financial statement

Income Statement

For the 12 months to December the net sales in 2018 were SEK 22.2 million (2017 SEK 10.2 million) giving a growth over 2017 of 118%.

2018 Revenue had a wide geographic distribution with 30% in Europe, 29% APAC (Japan), 20% North America (including Ranplan's first order from Canada), 16% China and 5 % in Africa (Morocco) whereas 75% of Q4 2017 Revenue from APAC.

Gross Margin

For the 12 months to December 2018 the Gross Margin on Sales was 96.8%, a significant improvement over 2017 which was 90.6%.

Costs

R&D expenses 29% up on prior year for the 12 months to December.

Spending on Sales and Marketing activities for the 12 months were 50% up on prior year. Most of the increase is due to additional resources in North America which Ranplan sees as the market with fastest growing demand.

Administrative expenses in 2018 were exceptionally high partly due to accruals for professional assistance in preparing the Annual Report and Q4 and Q3 stock market reports and due to IPO direct and indirect costs.

Other Operating Income

Other Operating income is almost constant at an annual rate of approx. SEK 4.0 million being a long term subsidy from the UK government for Ranplan's development work paid out annually in arrears. The FY 2018 income represents 12 months of subsidy. In July 2018 over SEK 4.0 million cash was received by the company.

Depreciation

Ranplan does not capitalise its own or third party software or computer devices (laptops, desk tops, servers). The only Fixed Assets in the Balance Sheet relate to office furniture and improvements made in offices (walls, cabling, kitchens etc), which are written off over 24 months.

Depreciation for FY 2018 was not significant at SEK 261k, of which SEK 207k was charged in Q4.

Interest expenses

Ranplan has no external loans. There were no interest expenses in Q4.

Income Taxes/Withholding taxes

Ranplan pays no income taxes and will not do so for sometime. On sales to certain countries (China/Brazil etc) the buyer deducts a withholding passed to its local government. These withholdings may be recovered in the future but Ranplan does not recognise the asset and writes off the withholding but shows it on the Income statement line "Other Expenses" "Övriga rörelsekostnader". FY 2018 such costs were SEK 1,139k (2017 SEK 446k).

EBITDA

Operating income in the Income statement is almost identical to EBITDA and EBIT, the only adjustment being SEK 261k for depreciation in 2018 and SEK 94k in 2017.

Balance Sheet

The Balance Sheet at 31 December 2018 is the same as for the Consolidated Accounts.

Ranplan WIRELESS

Financial calendar

Interim report Q1 - May 22 2019

Contact

Ranplan Group AB
Address: Lutzengatan 7, 11520 Stockholm, Sweden
Operative office: Upper Pendrill Court, Ermine Street North, Papworth Everard, Cambridge, CB23, UK
Telephone: +44 1223-606-756

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