

Planning for
a connected
world

Ranplan
reports first
ever profitable
quarter in
Q1 2019

Ranplan Wireless Interim report Q1 2019

1 JANUARY - 31 MARCH 2019

The period in summary

First quarter 2019

- Revenues increased substantially and amounted to SEK 12.8 million¹ (6.7)^{2,3}
- Gross Margin 99.3%¹
- EBITDA amounted to SEK 0.2 million¹ (-3.3)³
- Net Income for the period amounted to SEK 0.2 million¹ (-3.4)³
- Earnings per share for the quarter was SEK 0.01¹
- Cash and cash receivables at the end of period amounted to SEK 38.9 million⁴

Significant events during the first quarter 2019

- 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
- Ranplan was awarded a contract valued at SEK 1.2 million for research into 5G
- Ranplan signs a reseller agreement with Tricomtek, a Seoul-based company, to sell Ranplan software solutions into the South Korean market.

1. From Consolidated Financial Statements 3 months to 31 March 2019

2. Figures inside parentheses refer to the corresponding figures for the previous fiscal year throughout this Q1 report.

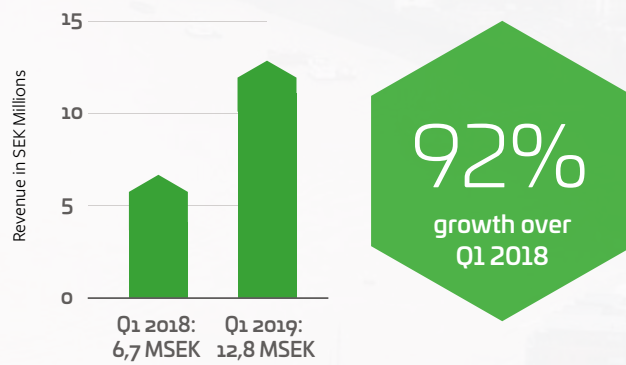
3. From Combined Financial Statements


4. From Consolidated Balance Sheet 31 March 2019

Customer acquisition 2017-Q1 2019



Q1 2018 vs Q1 2019





"We are proud to present a profit for Q1 2019 on the back of record high revenues approximately doubling from the year-earlier period"

Alastair Williamson, CEO Ranplan Group AB

Words from the CEO

Ranplan reports the company's first ever profitable period in Q1 2019 and received a Purchase Order in Q1 for SEK 22.5 million from our partner Marubun in Japan, creating a solid platform for continued revenue growth in 2019.

Ranplan revenues for first quarter amounted to SEK 12.8 million¹, with a gross margin of 99.3%. On a comparative quarter-on quarter basis for the first 3 months of 2019 we have grown our revenues by 92% over the same period in 2018, from SEK 6.7 million² in 2018 to SEK 12.8 million¹ in 2019.

The Company delivered a profit from operations of SEK 0.2 million¹ in Q1 2019 compared with losses from operations of SEK -3.4 million² in Q1 2018 demonstrating the positive strategic direction the company has embarked on in the last 12 months. The company will continue to make the strategic investments in strengthening its current product offering, broadening its portfolio for the future and above all expanding its global sales reach.

Cash and cash receivables amounted to SEK 38.9 million³ by end of this period, largely on level with SEK 38.1 million⁴ at the end of calendar 2018.

We are very pleased to report that the Company essentially doubled its revenue intake on a year-on-year basis in Q1 2019 and we see solid opportunities for strong growth for the remainder of this year, courtesy of the recently registered purchase order for SEK 22.5 million from our partner in Japan.

The Company maintains a robust gross margin of 99.3% in the quarter just ended, once again reflecting the pure licensing nature of our business model.

In 2018 the Company invested in developing 5G functionality in our products and we are now reaping the benefit of that investment as 5G has become a reality in 2019. We expect 5G to further fuel the expansion of Ranplan as it has prompted significant interest from existing and prospective customers alike. It should be stressed, though, that we – 5G notwithstanding - still experience rich demand also for tools aimed at planning and optimising 4G (LTE) networks in the most challenging conditions within buildings and in dense outdoor urban environments. On a regional basis, the Company generated more than 90% of its revenues in Q1 2019 from Japan, Europe, the USA and China.

1. From Consolidated Financial Statements 3 months to 31 March 2019
2. From Combined Financial Statements

3. From Consolidated Balance Sheet 31 March 2019
4. From Consolidated Balance Sheet 31 December 2018



Ranplan Secured 8 new customers in Q1 2019 and received repeat business from several existing customers, demonstrating key clients' belief in and satisfaction with the productivity, quality and usefulness of our planning and optimization solutions.

As of the end of 2018, 192 operators in 81 countries are trialling or actually deploying 5G networks suggesting that a major new investment wave is well underway. Ranplan anticipates that the initial phase of deployments will be focused on in-buildings and dense urban environments – areas perfectly matching its centre of expertise.

The most robust 5G momentum is currently witnessed in the United States, China, Japan and South Korea, followed by Europe, all regions where Ranplan already has invested and will seek to continually invest to build a lasting presence.

Ranplan appointed a reseller in South Korea in early 2019 to ensure that the company can fully support our ongoing activities in the country.

In summary, in we are very pleased to report our first ever profitable quarter and growth in revenues of over 92% compared with Q1 2018 while maintaining a gross margin a shade below 100%. The PO we received in this quarter for SEK 22.5 million provides a strong foundation for continued

expansion of commercial capabilities. We envisage that with 5G gaining momentum across the globe, further development of our product portfolio and go-to-market activities, our stated objective of sales at or in excess of US\$ 25 million by the end of 2022 is within reach.

Alastair Williamson
CEO Ranplan Group AB

¹ From Consolidated Financial Statements
² From Combined Financial Statements

Market

80%

of mobile traffic is in buildings 2016¹

60%

of users unsatisfied with indoor coverage 2018²

Only 2%

of commercial buildings have indoor wireless networks 2017³

600%

In-building Mobile Data Traffic growth by 2020¹

4.6 Billion

4G (LTE) Subscribers by 2022⁴

\$1.7 Billion

In-building public safety network spend in 2021⁵

3.5 Billion

Wireless IoT connected devices by 2023²

1 Billion 5G

Subscribers by 2023³

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 %.

Strong growing market

The deployment of 3G and in particular 4G (LTE) mobile networks has resulted in an explosion of mobile data consumption enabled through smartphones with access to internet. This will be further fueled by the deployment of 5G.

With 5G technology on the horizon even more data will be consumed by users. The mobile communication sector will continue to be the largest market for Ranplan. Mobile operators are striving to provide complete coverage and capacity within buildings, and the emerging need to densify mobile networks to cope with the increase in mobile data increases the demand for Ranplan solutions.

The public safety market is evolving as older wireless networks used by the emergency services such as the police, ambulance and fire services are being migrated over to 4G (LTE). The need for excellent in-building wireless coverage is critical for the emergency services, leading to significant requirement for our products for planning and designing the wireless

networks. This is a market that is set to grow significantly over the next few years.

In the smart city segment many cities are building wireless networks that enable connectivity to control a variety of applications such as traffic control, parking systems, smart lighting, as well as providing Wi-Fi access for citizens. Ranplan's solutions are well suited for making smart cities a reality.

The industrial IoT is also an addressable market as enterprises are increasing automation of production facilities using new IoT technologies to connect machine to machines. The demand to design and plan these wireless networks is a growth area for Ranplan.

*Ranplan's solutions are
well suited for planning a
range of 5G environments*

Financial disclosure

In the following pages Ranplan will show the development of the consolidated Ranplan Group, the combined financials of the group and the parent company financials.

Comments to the consolidated financial development

Ranplan Group AB, a Swedish company was legally set up in April 2018 and acquired the existing Ranplan operating companies as of that date.

The financial data shown below represents a full consolidation of the newly formed Ranplan Group.

The results of Q1 cover trading activity of the 3 months January to March 2019.

Income Statement

For the first time, in Quarter 1 2019 Gross Profit exceeded all costs which resulted in a positive operating result. This positive result came earlier than planned in the company budget for 2019.

Ranplan revenues for the first quarter amounted to SEK 12.8 million, with a gross margin of 99 %.

Over 80% of Revenue came from 5 customers in APAC. On a comparative year-on-year basis for the first 3 months of 2019 revenues grew by 92 % over the same period in 2018, from SEK 6.7 million in 2018 to SEK 12.8 million in 2019 and by 134% over the previous three months.

Operating Costs for Quarter 1 2019 were on or slightly below planned levels.

R&D costs in Q1 at SEK 6.1 million were as planned and above the levels of Q1 to Q3 2018.

Sales costs were below plan but on an increasing trend as the sales team increases.

Administrative expenses were lower than in Q4 2018.

Other Operating Income represents the subsidy paid by the UK government for Ranplan's R&D activity and has an annual value of approx. SEK 4.0 million. Other Expenses relate to withholding taxes on revenue and exchange gains or losses.

Balance Sheet

There was no investment in fixed assets in the quarter.

Trade Receivables increased in Q1 due to high sales. Collections from customers in Q1 were significant.

Other Receivables end Q1 mainly represents the 2018 R&D Tax Credit due from the UK government which should be received by the end of Q2.

Cash reduced by over SEK 6 million in Q1 due to increased Trade Receivables.

Personnel

The total number of full time equivalents in the Group on 31 March 2019 was unchanged at 64 despite 3 new positions being created due to leavers who were replaced early in Q2.

Risk factors

The Ranplan Group is exposed to several global and Group specific risks that can impact operations and the financial performance, as well as the financial position of the Group. The foreseeable risks are identified and monitored centrally on the basis of established policies. Risk management in the Group aims at positioning the Group to be able to correctly respond to possible risk events. Below is a non-exhaustive list of risks, without regards to their level of significance, which the Group consider to be material. Further details can be found in the IPO prospectus, available on the company's web-site.

- Risks related to an early stage of development and future financing
- Staff
- Risks related to product quality
- Competition
- Risks related to customers
- Risks related to intellectual property and business secrets
- The market price of the company's shares

Group consolidated financials

GROUP CONSOLIDATION INCOME STATEMENT (KSEK)	JAN-MAR 2019
Net Sales	12,794
Cost of Sales	-90
Gross profit	12,704
R&D Expenses	-6,062
Selling expenses	-5,205
Administrative Expenses	-2,201
Other Operating income	1,041
Other expenses	-107
Operating Result	170
Financial income and expenses	0
Income after financial items	170
Net Income for the period	170

GROUP CONSOLIDATION BALANCE SHEET (KSEK)	31 MAR 2019	31 DEC 2018
Net Tangible fixed assets		
Equipment, tools, fixtures and fittings	299	302
Net Fixed Assets	299	302
Current assets		
Trade Receivables	15,049	9,982
Other Receivables	8,985	6,837
Cash & Cash equivalents	14,856	21,263
Total Current Assets	38,891	38,082
Total Assets	39,190	38,384
Equity & Liabilities		
Equity		
Share Capital	805	805
Other paid-in Capital	50,656	50,656
Retained Earnings (incl result for period)	-19,549	-19,825
Total Equity	31,912	31,635
Current liabilities		
Trade payables	3,609	1,970
Other payables	3,669	4,779
Total current Liabilities	7,278	6,748
Total Equity & Liabilities	39,190	38,384

GROUP CONSOLIDATION CHANGE OF EQUITY (KSEK)					
	SHARE CAPITAL	OTHER PAID-IN CAPITAL	TRANSLATION DIFFERENCES	RETAINED EARNINGS	TOTAL EQUITY
Starting balance 2019-01-01	805	50,656	518	-20,343	31,635
Result of the period	-	-	-	170	170
Translation differences	-	-	106	-	106
Ending balance 2019-03-31	805	50,656	624	-20,173	31,912

GROUP CONSOLIDATION CASH FLOW ANALYSIS (KSEK)	JAN-MAR 2019
Operating activities	
Operating Result	170
Adjustment for Depreciation	18
	189
Paid interest	0
	189
Increase in trade receivables	-5,067
Increase in other receivables	-2,148
Increase in trade payables	1,639
Decrease in other payables	-1,109
Cash from operating activities	-6,497
Investing Activities	
Acquisition of tangible assets	0
Acquisition of subsidiaries	0
Cash flow from investing activities	0
Financing Activities	
Proceeds from issues of shares	0
Cash flow from financing activities	0
Cash flow for the period	-6,497
Cash and cash equivalents at beginning of period	21,263
Exchange rate differences	90
Cash and cash equivalents at end of period	14,856

Notes to the consolidated financial information

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).

Important estimates and judgments regarding the accounting

Estimates and judgments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations regarding future events which are seen to be reasonable under the circumstances in place. Company management deems that there is no significant information or judgments in the accounts regarding future developments or other important sources of uncertainty in the estimates undertaken at balance sheet date which would imply a significant risk of a major adjustment in the reported values of the assets and liabilities during the foreseeable future.

Comments to the parent company financial statements

Parent Company Financial Statements

The accounts set out below relate to the group parent company Ranplan Group AB which was registered in March 2018 and is the owner of all Ranplan operating companies.

Income Statement

The administrative expenses in Q1 relate to Directors fees and other fixed costs required to operate the listed company and were significantly less than in Q4 2018.

Balance Sheet

The shares in subsidiaries represent the cost of acquiring the activity of Ranplan Holdings Ltd. Group Receivables represent advances made to Group subsidiaries to fund operations.

Change in Equity

This schedule reflects the small losses caused by costs in the quarter.

PARENT COMPANY INCOME STATEMENT (KSEK)	JAN-MAR 2019
Administration	-512
Operating Result	-512
Interest Expense and similar items	
Earnings before Tax	-512
Net Income for the period	-512

PARENT COMPANY BALANCE SHEET (KSEK)	31 MAR 2019	31 DEC 2018
Assets		
Financial Assets		
Shares in subsidiaries	3,396	3,396
Net Financial Assets	3,396	3,396
Current assets		
Group Receivables	36,941	28,375
Other Receivables	678	228
Cash & Cash equivalents	10,400	19,272
Total Current Assets	48,018	47,875
Total Assets	51,415	51,271
Equity & Liabilities		
Equity		
Share Capital	805	805
Other paid-in Capital	50,656	50,656
Retained Earnings (incl result for period)	-1,259	-746
Total Equity	50,202	50,715
Trade payables	1,213	56
Group payables	0	500
Total current Liabilities	1,213	556
Total Equity & Liabilities	51,415	51,271

PARENT COMPANY CHANGE OF EQUITY (KSEK)				
	SHARE CAPITAL	SHARE PREMIUM	OTHER EQUITY	TOTAL
Starting balance 2019-01-01	805	50,656	-746	50,714
Result of the period	-	-	-512	-512
Ending balance 2019-03-31	805	50,656	-1 259	50,202

Comments to the combined financial statement

Income Statement

The comparison of the last 5 quarters shows how the significant increase in Revenue in Q1 2019 over 2018 flows through to the Operating Result as costs only grow slowly.

Q1 2019 Revenue was heavily weighted to APAC as mentioned in the comments to the consolidated results.

Gross Margin

Gross Margin in Q1 2019 continued at a very high level as in 2018 and was a significant improvement over 2017 which was 90.6%.

Gross Margin in Q1 2019 was 99.3%.

Costs

R&D expenses in Q1 2019 were below Q4 2018 where a number of exceptional costs incurred but above the levels in the first 9 months of 2018.

Spending on Sales and Marketing activities for the quarter was slightly below plan but will increase in Q2 2019.

Administrative expenses in Q1 were below Q4 2018 and on plan.

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.

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 Q1 2019 was very low reflecting the low value of fixed assets.

Interest expenses

Ranplan has no external loans. There were no interest expenses in Q1.

Income Taxes/Withholding taxes

Ranplan pays no income taxes and will not do so for some time. 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".

EBITDA

Operating income in the Income statement is almost identical to EBITDA and EBIT, the only adjustment being SEK 18k for depreciation in Q1 2019.

Balance Sheet

The Quarter end Balance Sheets at end March 2019 and end December 2018 are the same as for the Consolidated Accounts.

Combined financial statements

– income statement

(KSEK)	JAN-MAR 2018	APR-JUN 2018	JUL-SEP 2018	OCT-DEC 2018	JAN-MAR 2019
Net Sales	6,652	5,020	5,101	5,461	12,794
Cost of Sales	0	-370	-230	-107	-90
Gross profit	6,652	4,650	4,871	5,354	12,704
R&D Expenses	-4,998	-5,528	-5,527	-7,570	-6,062
Selling expenses	-4,072	-3,890	-5,671	-5,050	-5,205
Administrative Expenses	-1,857	-3,605	-1,723	-3,517	-2,201
Other Operating income	961	1,002	989	1,091	1,041
Other expenses	-57	-259	-436	-387	-107
Operating Result	-3,372	-7,630	-7,497	-10,079	170
Financial income and expenses		-119	-37		
Income after financial items	-3,372	-7,749	-7,534	-10,079	170
Net Income for the period	-3,372	-7,749	-7,534	-10,079	170

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).

KEY FIGURES		JAN-MAR 2018	APR-JUN 2018	JUL-SEP 2018	OCT-DEC 2018	JAN-MAR 2019
Net Sales	kSEK	6,652	5,020	5,101	5,461	12,794
Depreciation	kSEK	54	0	0	207	18
EBITDA	kSEK	-3,318	-7,630	-7,497	-9,872	188
Gross Profit	%	100,0%	92,6%	95,5%	98,0%	99,3%
Number of employees at period end	FTE	55	58	58	64	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	OCT-DEC 2018	JAN-MAR 2019
Number of shares at period end	20,116	20,116
Share price at end of period, SEK	4,78	7,14
Earnings per share, SEK	-0,50	0,01

SHAREHOLDERS AS OF 31 MAR 2019	%	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 Yuhau Wu	10 %	2 067 996
Other	26 %	5 213 109
Total	100 %	20 115 812

The Board of Directors and CEO hereby assure that this Interim report Q1 2019 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.

The English version of this report takes precedence over the Swedish version, should any differences be found.

Stockholm, 20th of May 2019

Mats Andersson, Chairman of the board

Per Lindberg, Board member

Lars-Inge Sjöqvist, Board member

Jie Zhang, Board member

Alastair Williamson, CEO

Wendy Yang, Board Member

Other information

Auditor's review

This interim report has not been reviewed by the company's auditors.

Certified Adviser

FNCA Sweden AB

Address: Humlegårdsgatan 5, 102 48 Stockholm, Sweden

Telephone: +46 8 528 00 399

Questions regarding this interim report are answered by:

CEO Alastair Williamson

E-mail address: alastair.williamson@ranplanwireless.com

Telephone: +44 7824 997689

Financial calendar

Interim report Q2 - August 20 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

Follow us:



Subscribe for corporate news:

ranplanwireless.com/investors/subscription