

# Q2

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INTERIM REPORT  
JANUARY – JUNE 2024



## Significant events during the second quarter

### MobilityXLab

Terranet has been selected from over 100 applicants to participate in the MobilityXlabs accelerator program, collaborating with leading car manufacturers and major suppliers in the automotive industry. The program aims to introduce new innovations and offers Terranet a unique opportunity to conduct Proof of Concept and projects together with one or more potential customers.

### Prototype demo in vehicle

Initial system integration in the car has been completed, and the first prototype tests of BlincVision in the car outdoors have been successfully conducted. The integration work included sensor placements, adaptation of vehicle communication, and optimization of the system for use in a mobile environment.

### Warrant TO7B was exercised to approximately 95%

A total of 173,029,725 warrants of series TO7, corresponding to approximately 95 percent of the outstanding warrants of series TO7B, were exercised for subscription of 173,029,725 Class B shares at a subscription price of SEK 0.073 per Class B share. Through the exercise of the warrants of series TO7, Terranet will receive approximately SEK 12.6 million before issue costs.

## Significant events after the end of the period

No significant events have occurred after the end of the period.

## Financial overview

	Apr – Jun 2024	Apr – Jun 2023	Jan – June 2024	Jan – June 2023	Jan – Dec 2023
Revenue (TSEK)	0	205	380	413	834
Operating result (TSEK)	-9,985	-10,540	-18,266	-18,782	-35,926
Financial items (TSEK)	-1,176	-1,790	-2,063	-2,767	-37,190
Earnings per share (SEK)	-0,01	-0,04	-0,02	-0,06	-0,15
Closing cash (TSEK)	20,863	22,388	20,863	22,388	29,006

## Comment from the CEO

*“An eventful second quarter where we successfully tested BlincVision outdoors and were selected to conduct projects with potential customers”*

The second quarter has been eventful, and we have delivered according to plan. This means we are taking significant steps toward developing BlincVision to meet market demands and needs. In the first quarter, the product was tested as a functioning prototype in a lab environment, and now, in the second quarter, we have successfully tested the system in a car outdoors.

### **Selected by MobilityXlab and potential customers**

Starting in August, we will participate in MobilityXlab’s prestigious accelerator program. MobilityXlab matches the needs of industry companies with the expertise of smaller firms. The extensive selection process, with over 100 applicants from 14 countries, confirms the relevance and interest in our product. The program provides Terranet with a unique opportunity to conduct a Proof of Concept and projects with one or more of MobilityXlab’s partners, such as Ericsson, Magna Electronics, Volvo Group, Polestar, Zenseact, and Zeekr Technology Europe.

### **Deepening dialogues with potential customers and partners**

Our tests and demonstrations during the second quarter now enable us to deepen our dialogues with potential customers and partners, which was crucial for winning the MobilityXlab project, for example. We can now initiate projects with potential customers and partners to integrate BlincVision into their vehicles. Through upcoming collaborations, the value of BlincVision, such as its

speed leading to fewer accidents and more lives saved, will be confirmed. By integrating BlincVision into car manufacturers’ vehicles, our ambition is to add further value. Through a sensor fusion model, BlincVision is integrated with an existing driver assistance system, and it can then contribute to improving the performance of existing sensors as well. The company’s focus this fall is to begin the integration of BlincVision into car manufacturers’ vehicles, while we continue to develop and optimize our solution and its performance.

To manage the increasing interest from the automotive industry, we have recently strengthened our organization by hiring Jonas Renander as a strategic business developer. His extensive industry knowledge and broad network will be an invaluable asset to us

### **Set goals achieved**

BlincVision has progressed from the concept stage to being successfully demonstrated both in a lab environment and in a moving vehicle outdoors. The initial test results show that we have achieved the set goals. The evaluation will be completed shortly.

### **New Vinnova-funded project**

In May, the collaborative project 'Verdas' (Verification Methods for Robust Driver Assist System Performance) was launched, led by AstaZero (RISE) together with leading car manufacturers and suppliers. The project will run for a year, with the goal of significantly improving traffic safety for automated vehicles. This is an

important collaboration and an opportunity for us to both evaluate existing anti-collision solutions and demonstrate the value of BlincVision.

### **Continued strong confidence from our shareholders**

We would like to take this opportunity to thank our shareholders for their continued confidence. A total of 95% of the warrants in the T07 program were exercised by our shareholders, including the board and management.

### **Exciting phase ahead**

We have finally reached the moment we have long been waiting for – to showcase, together with potential customers and partners, the difference BlincVision can make for the automotive industry. An incredibly exciting phase in the company's history has begun.



**Magnus Andersson**  
CEO

Lund August 15, 2024



## Bringing our loved ones home

Every day, our loved ones venture out into the world, and we expect them to return home safely. Many accidents happen due to human factors. A ball rolls out onto the road. Clothes that aren't visible in the dark. A tempting sandwich when hunger strikes. A long workday stealing focus. Countless human factors can put your loved ones at risk.

Our mission is to hit the brakes, ensuring everyone comes home safely.



# Statistics and global initiatives drive road safety forward

According to the World Health Organization (WHO), road traffic crashes kill about 1.19 million people globally each year and injure 20 to 50 million more. Over half of these deaths involve vulnerable road users like pedestrians, cyclists, and motorcyclists. The primary cause of death for children and young adults aged 5-29 is traffic injuries. Additionally, two-thirds of traffic fatalities affect people between the ages of 18 and 59. \*

Already in the 1990s, the Vision Zero strategy was introduced in Sweden with the goal that no one should be seriously injured or killed in traffic. With the understanding that people make mistakes, roads and vehicles should be adapted to human conditions. Vision Zero has been successful throughout Europe and is now gaining traction in major American cities.

In 2020, UN member states agreed to support and implement measures to improve global road safety. This marked the start of the Decade of Action for Road Safety 2021-2030, aiming to reduce road traffic deaths and injuries by at least 50% by 2030. The World Health Organization (WHO) and UN regional commissions developed a Global Plan to support this initiative.

Together, statistics and global initiatives are driving road safety forward.

\*[https://www.who.int/health-topics/road-safety#tab=tab\\_1](https://www.who.int/health-topics/road-safety#tab=tab_1)

## Market potential and BlincVision's competitive advantages

In 2023, the global advanced driver assistance systems market (ADAS) had a turnover of approximately 340 billion SEK. With an expected annual growth rate of 17.20%, the market is projected to exceed 1,400 billion SEK by 2032.\*

# 17,2 %

Annual growth rate for  
the global ADAS market

The National Highway Traffic Safety Administration (NHTSA) in the USA regularly conducts studies on traffic safety.\*\* These studies show that ADAS technologies are not yet fully reliable in complex traffic environments. The sensors struggle to function correctly in adverse weather conditions and in complex, realistic traffic environments that include unexpected obstacles, varying road quality, and unpredictable factors. The software algorithms that interpret the sensors' data and make decisions can also make misjudgements. Together, this affects the systems' efficiency and reliability.

NHTSA highlights technical limitations such as deficiencies in sensors and software algorithms, as well as drivers' excessive reliance on the systems, which can lead to misuse and increased risk of accidents. They emphasize that these systems require continued development and thorough testing to become more reliable.

BlincVision's strength is its ability to deliver speed and precision in complex urban environments, where there is a need for improved performance.

With advanced sensors and AI-trained software, BlincVision navigates challenging traffic scenarios effectively.

By using event-based cameras, real-time decisions are enabled with minimal data processing, making the system unique in the market. This makes BlincVision an invaluable complement to existing technologies and a reliable choice for integration, strengthening our market position and improving traffic safety.

\*<https://www.expertmarketresearch.com/reports/advanced-driver-assistance-systems-adas-market>

\*\*Summary Report: Standing General Order on Crash Reporting for Level 2 Advanced Driver Assistance Systems (nhtsa.gov)





## Product development of BlincVision

During the first half of 2024, the company has made significant progress.

Our Advanced Driver Assistance System, BlincVision, has developed from the concept stage to being successfully demonstrated both in a laboratory environment and in a moving vehicle outdoors. These prototype demonstrations mark a crucial step forward towards a finished product.



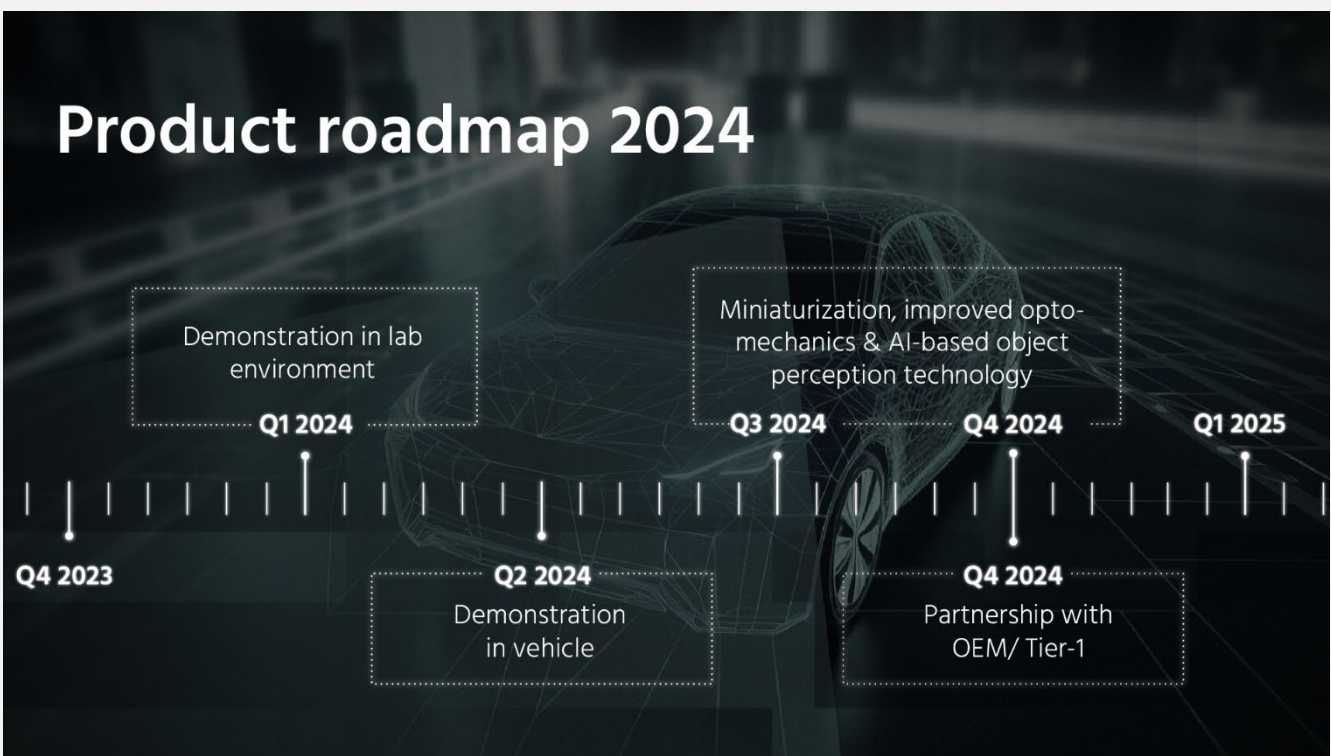


During the first quarter, prototype tests were conducted in a laboratory environment. During this period, measurements were taken of reaction time, object identification, object classification, robustness in sunlight, and eye safety. By classifying objects, the system can better predict their behavior. For example, a pedestrian behaves differently from a car. By understanding the type of object, the system can make more accurate predictions and adjust its behavior accordingly.

During the second quarter, the first integration into a vehicle was carried out. Part of the integration work included evaluating sensor placements, adapting communication interfaces for vehicle communication, and optimizing the system for use in a moving environment. We have progressed from using prototype software on laptops to a fully integrated solution in vehicles. To ensure the system operates reliably while the vehicle is in motion, specific adjustments for motion compensation have been made. The range has increased in the

laboratory environment, and work is ongoing to further improve the range in both laboratory and outdoor environments.

The third quarter will be significant. The collaboration program with MobilityXlab is gaining momentum. It provides the company with a unique opportunity to conduct a Proof of Concept to confirm feasibility, as well as tests in a real-world environment together with a partner. Testing on an authorized test track will also take place to identify the system's capabilities and limitations in various traffic scenarios in a more realistic environment. Analysis of completed prototype tests in the car and upcoming testing on an authorized test track will together provide valuable data for further system integration in the car. Verification of the system in more complex environments, along with miniaturization, improved optomechanics, and AI-based object perception technology, will be an important part of the development work during the third quarter.



# The share

## General information

Terranet's B-share was listed on Nasdaq First North Premier on 30 May 2017 and is traded on Nasdaq First North Premier Growth Market. The ticker symbol of the share is TERRNT B and ISIN code B share: SE0009806045.

On June 30, 2024, Terranet's total market capitalization was MSEK 144. The share capital amounted to SEK 10,710,327.32 divided into 1,083,063 Class A shares and 1,069,949,669 Class B shares.

Each share has a nominal value of SEK 0.01. No shares are held by the company itself or its subsidiaries.

The share price at the end of the quarter was SEK 0.14 per share, compared to the share price of SEK 0.06 SEK per share at the beginning of the year. The number of shareholders at the end of the quarter was 11,882.

## Development of the share capital

	Number of shares	Share capital (TSEK)
At the beginning of the year	755 145 869	7,551
Directed share issue (January-February)	142 857 138	1,429
TO7B	173 029 025	1,730
<b>Per 30<sup>th</sup> of Juni, 2024</b>	<b>1 071 032 072</b>	<b>10,710</b>

## Ownership structure

The 10 largest shareholders as of June 30, 2024

	Total	A Shares	B Shares	Ownership %
Maida Vale Capital	181 241 577		181 241 577	16,92%
Oliver Aleksov	55 007 972		55 007 972	5,14%
Barsum Hanna	20 210 000		20 210 000	1,89%
Mario Pereira	19 533 288		19 533 288	1,82%
Emmanuel Sabelsjö	12 178 708		12 178 708	1,14%
Knutsson Holdings AB	10 315 570		10 315 570	0,96%
SKIPSAB AB	9 251 712		9 251 712	0,86%
Anders Lindström	8 786 948		8 786 948	0,82%
IBKR Financial Services	8 744 643		8 744 643	0,82%
Kristofer Sandström	8 705 139		8 705 139	0,81%
Others	737 057 175	1 083 063	735 974 112	68,82%
	<b>1 071 032 732</b>	<b>1 083 063</b>	<b>1 069 949 669</b>	<b>100,00%</b>

## Operations

Terranet develops technical solutions for advanced driver assistance systems (ADAS) and self-driving vehicles (AV) that make roadways safer for drivers and pedestrians.

### Business concept

Terranet's business concept centres around the development of solutions for advanced driver assistance systems and self-driving vehicles that it primarily markets to vehicle manufacturers, subcontractors and other actors in transport and mobility as a service in order to save lives among unprotected road users. Terranet offers solutions that respond to the rapidly expanding global market for advanced driver assistance systems. Terranet's business model is based on the sale of the company's solutions through licensing to OEMs (Original Equipment Manufacturers) and Tier1 suppliers, who supply components to OEMs in the automotive industry. In addition to licensing revenue, product sales can generate revenue through customer-specific adaptations, as well as service and upgrades.

### Operations

The company is currently engaged in the development of BlincVision, an anti-collision system that prevents road accidents between vehicles and unprotected road users. Product development is carried out in a close partnership with leading actors in software and hardware development, as well as actors in the automotive industry. BlincVision is based on cutting edge sensor technology that uses four-dimensional image analysis to identify objects in traffic. BlincVision is a complete "turnkey" system consisting of three main components: a laser scanner module, ultra-fast sensors and AI-based object identification. Together, these components

allow BlincVision to identify objects in record time and enable vehicles to take actions to avoid dangerous situations with unprotected road users. Terranet tests and evaluates a variety of sensor technologies. What these technologies have in common is that they must meet the company's high demands for ultra-fast reaction time, and they must be able to be optimally integrated into the BlincVision system. In its most advanced form, BlincVision is based on VoxelFlow technology, which is a patented triangulation method based on event sensors. Terranet holds an exclusive global license to develop this technology for the automotive industry. The ADAS technology that is currently available on the market is primarily developed to protect vehicle users in the event of accidents with other vehicles. BlincVision, on the other hand, is developed to ensure the safety of all unprotected road users in city traffic. BlincVision's unprecedented speed and precision offer a significant advantage over short distances in traffic. It places Terranet in a unique position in the market since it has the potential to save more lives in city traffic, unlike existing ADAS systems. The company also develops collision-warning software and algorithms for positioning using 5G technology, as well as for communication between vehicles and between vehicles and other objects (V2X).

Read more at: [www.terrannet.se](http://www.terrannet.se)

Terranet AB (publ)

Corp. reg. no. 556707-2128

Mobilvägen 10, 223 62 Lund



## Staff

The number of employees in the Group as of June 30, 2024 was 16 (12). Temporary workers, full-time consultants and those on parental leave have been excluded. The company continues to recruit more engineers.

## Risks and uncertainties

The Group's and the Parent Company's business risks and risk management, as well as financial risk management, are described in detail in the Annual Report for 2023, which was submitted in April 2024. No events of material importance to Terranet have occurred since then that affect or change these descriptions of the Group's or the Parent Company's risks and their management.

The company has a negative cash flow from operating activities and will have a need for future capital injections until positive cash flows are achieved. Through the directed share issue during the first quarter of 2024 and the capital injection from TO7 B during the second quarter of 2024, the Company has received cash and cash equivalents that ensure operations at least until warrant TO8 B. Subscription of shares with the support of TO8 B is made at a predetermined price (SEK 0.14) and there are no guarantees that TO8 will generate a capital injection.

In connection with the receipt of the proceeds from TO7 B, a partial repayment of the loan was made by the external lender. Furthermore, an agreement was reached on an extension of the remaining loan, MSEK 8, until June 30, 2025.

A prerequisite for continued operations during the coming twelve-month period is that the company continues to succeed in its work with raising capital. This can be done in various ways, and the Board of Directors is still working to secure financing for continued operations. It is the Board's assessment that this will be possible to implement. In the event that the Company does not succeed with future capital raising, there may be a significant uncertainty factor regarding the Company's ability to continue operations.

## The parent company

Terranet AB (publ), having corporate identification number 556707-2128, is a limited company registered in Sweden with its registered office in Lund. The company's B shares are listed on Nasdaq First North Premier Growth Market. The address of the main office is Mobilvägen 10, 223 62 Lund.

During the first six months, the parent company made a shareholder contribution to Terranet Tech AB of TSEK 17,500, corresponding to a write-down of the shares in Terranet Tech AB. The write-down does not affect the Group's balance sheet or cash flow.

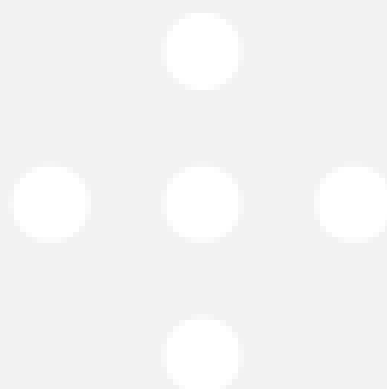
The parent company leads and administrates operations and financing activities and does not conduct any operating activities; reference is therefore made to information for the group in general.

## **Accounting principles**

This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting". Disclosures in accordance with IAS 34 are disclosed in notes or elsewhere in the interim report.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, "Accounting for Legal Entities". In doing so, the Parent Company applies the same accounting principles as the Group where applicable.

The accounting principles and calculation methods applied are in accordance with those described in the Annual Report for 2023. New standards and interpretations that entered into force on January 1, 2024 have not had any effect on the Group's or the Parent Company's financial statements for the period.



# Financial overview

*(Comparison values relates to Q2 2023)*

## Revenue

Revenues for the second quarter amounted to TSEK 0 (205). For the six-month period, revenues amounted to TSEK 380 (413) and consist of contributions from Vinnova.

## Operating profit/loss

Capitalized development expenses during the second quarter amounted to TSEK 964 (701) and to TSEK 1,662 (1,348) for the six-month period and consists entirely of capitalized expenses for own personnel.

Personnel costs for the second quarter amounted to TSEK 6,398 (4,324) and for the six-month period, personnel costs amounted to TSEK 11,169 (8,200), the increase is mainly due to an increase in the number of employees compared to the same period last year. Other external costs decreased compared with the previous year and amounted to TSEK 4,195 (6,716) during the quarter and to TSEK 8,412 (11,488) during the six-month period. The decrease is partly due to the hiring of resources instead of the purchase of consulting services, as well as to projects of a one-off nature that were carried out during the first half of 2023.

Operating profit for the second quarter amounted to TSEK -9,985 (-10,540) and for the six-month period to TSEK -18,266 (-18,782).

Depreciation of intangible assets during the second quarter amounted to TSEK 57 (57), depreciation of property, plant and equipment amounted to TSEK 58 (65) and depreciation of assets with rights of use amounted to TSEK 243 (226).

Depreciation of intangible assets during the six-month period amounted to TSEK 113 (114), depreciation of property, plant and equipment amounted to TSEK 129 (155) and depreciation of assets with rights of use amounted to TSEK 486 (453).

## Financial expenses

The financial costs, TSEK 1,176 (1,780) during the second quarter and TSEK 2,439 (2,767) during the six-month period, mainly related to interest expenses on the loan of MSEK 35.0 originally raised in April 2021 to finance the acquisition of shares in holoride.

Interest expenses attributable to right-of-use assets amounted to TSEK 67 (83) for the second quarter and for the six-month period to TSEK 139 (171).

## Taxes

The Group's effective tax rate was 0% (0%). The Group has significant accumulated pre-income deductions, but no deferred tax assets are recognized in respect of these.

## Profit/loss for the period

Profit for the second quarter amounted to TSEK -10,983 (-12,320) and for the six-month period to TSEK -20 329 (-21 549).

Earnings per share before and after dilution amounted to SEK -0.01 (-0.04) for the second quarter and to SEK -0.02 (-0.06) for the six-month period.



**Cash flow**

Cash flow from operating activities during the second quarter amounted to TSEK -11,641 (-11,438) and for the six-month period to TSEK -20,697 (-19,330).

Cash flow from investing activities during the quarter amounted to TSEK -1,279 (-775) and during the six-month period to TSEK -2,120 thousand (-1,650) and consists of capitalization of development expenses, costs for patents and acquisition of equipment.

Cash flow from financing activities amounted to TSEK 4,881 (16,835) during the quarter and to TSEK 14,648 (16,637) during the six-month period. The inflow during the quarter pertained to MSEK 12.6 from the issue of shares in connection with the redemption of warrants of series TO7B. During the first quarter of the year, a directed share issue of MSEK 10 was carried out. During the second quarter, the outstanding loan was amortized by MSEK 6.9.

**Financial position and liquidity**

*(Comparison values as of 31/12/2023)*

At the end of the period, total assets amounted to TSEK 53,659 (60,227), equity amounted to TSEK 30,392 (28,749) and the equity/assets ratio amounted to 56.6% (47.7%).

Financial fixed assets amount to TSEK 5,430 (5,430), which refers to the investment of shares in Summer Robotics Inc. made in 2022. In connection with the preparation of the annual report for 2023, depending on the insolvency situation in which

holoride has ended up, a write-down of the value of the company's holding in holoride was made by TSEK 32,658 in the Group and by TSEK 33,545 in the Parent Company to TSEK 0. The opening balances for the Company's financial assets have thus been adjusted compared to the Year-end report for 2023. The financial outcome of holorides' situation is not yet finalized.

The carrying amount of the Group's loan liabilities amounted to TSEK 7,600 (15,538), which in its entirety refers to the loan of MSEK 35 (nominal amount) that was raised to finance the investment in holoride GmbH in 2021. In connection with receiving the proceeds from warrant series TO7 B, a partial repayment of the loan debt of approximately SEK 9.5 million including accrued interest was made. During June, a refinancing of the remaining part of the loan was also agreed with 30<sup>th</sup> of June 2025 as new maturity date.

Of the interest-bearing liabilities, lease liabilities amount to TSEK 994 (958). No new leases were signed during the interim period.

At the end of the period, the Group's cash and cash equivalents amounted to TSEK 20,863 (29,006). For risks related to financing and going concern, see the section Risks and uncertainties.

**Related party transactions**

Purchases of SEK 163 thousand were made from Prevas Development AB during the interim period. Magnus Edman is a member of the Board of Directors of Terranet AB and CEO of Prevas Development AB

# Key figures

(Amounts in TSEK unless otherwise indicated)

	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>3 months</b>	<b>3 months</b>	<b>6 months</b>	<b>6 months</b>	<b>12 months</b>
	<b>April</b>	<b>April</b>	<b>January-</b>	<b>January-</b>	<b>January-</b>
	<b>June</b>	<b>June</b>	<b>June</b>	<b>June</b>	<b>December</b>
Undiluted EPS (SEK)	-0,01	-0,04	-0,02	-0,06	-0,15
Diluted EPS (SEK)	-0,01	-0,04	-0,02	-0,06	-0,15
Number of shares on balance sheet date	1 071 032 732	628 021 425	1 071 032 732	628 021 425	755 145 869
Average number of shares	932 228 667	344 865 325	881 942 700	336 611 236	493 404 984
Equity/asset ratio (%)	56,6	72,7	56,6	72,7	47,7
Operating profit/loss	-9 985	-10 540	-18 266	-18 782	-35 926
Profit/loss for the period	-10 983	-12 320	-20 329	-21 549	-73 153

## Definitions

Undiluted EPS	The profit/loss after tax for the period attributable to the parent company's shareholders divided by the weighted average of outstanding shares during the period.
Diluted EPS	The profit/loss after tax for the period attributable to the parent company's shareholders divided by the weighted average of outstanding shares during the period plus shares that are added if all potential shares which can cause a dilutive effect are converted into shares. If the result is negative, the dilutive effect is not factored into the calculation, as this would mean that earnings per share would improve. Only option programs with an issue price below the average share price for the period can cause a dilutive effect.
Average number of shares	Calculated as the volume-weighted average quantity during the period
Average number of shares	The average number of outstanding shares during the period
Equity/asset ratio	Equity at the close of the period as a percent of total assets at the close of the period.
Earnings before interest and taxes (EBIT)	Profit/loss before financial items and tax.
Profit/loss for the period	Profit/loss after tax for the period.

# Summary consolidated income statement

(Amounts in TSEK)	2024	2023	2024	2023	2023
	3 months April June	3 months April June	6 months January- June	6 months January- June	12 months January- December
Other operating revenue	0	205	380	413	834
Activated work for own account	964	701	1 662	1 348	2 564
<i>Operating expenses</i>					
Other external expenses	-4 195	-6 716	-8 412	-11 488	-18 668
Staff costs	-6 398	-4 324	-11 169	-8 200	-18 195
Depreciation and write-offs of tangible and intangible fixed assets	-356	-348	-727	-722	-2 331
Other operating costs	0	-58	0	-133	-130
<b>Operating profit/loss</b>	<b>-9 985</b>	<b>-10 540</b>	<b>-18 266</b>	<b>-18 782</b>	<b>-35 926</b>
Write-down long term investments	0	0	0	0	-32658
Financial income	178	0	376	0	600
Financial costs	-1 176	-1780	-2 439	-2 767	-5 132
<b>Profit/loss before tax</b>	<b>-10 983</b>	<b>-12 320</b>	<b>-20 329</b>	<b>-21 549</b>	<b>-73 116</b>
Tax on profit/loss for the period	0	0	0	0	-37
<b>Profit/loss for the period attributable to the parent company's shareholders</b>	<b>-10 983</b>	<b>-12 320</b>	<b>-20 329</b>	<b>-21 549</b>	<b>-73 153</b>
<b>Earnings per share, SEK</b>					
Undiluted EPS	-0,01	-0,04	-0,02	-0,06	-0,15
Diluted EPS	-0,01	-0,04	-0,02	-0,06	-0,15



# The Group's summary statement of comprehensive income

(Amounts in TSEK)

	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>3 months</b>	<b>3 months</b>	<b>6 months</b>	<b>6 months</b>	<b>12 months</b>
	<b>April</b>	<b>April</b>	<b>January-</b>	<b>January-</b>	<b>January-</b>
	<b>June</b>	<b>June</b>	<b>June</b>	<b>June</b>	<b>December</b>
Profit/loss for the period	-10 983	-12 320	-20 329	-21 549	-73 153
Other comprehensive income	-10	16	-23	22	-7
<b>Comprehensive income for the period attributable to the parent company's shareholders</b>	<b>-10 993</b>	<b>-12 304</b>	<b>-20 352</b>	<b>-21 527</b>	<b>-73 160</b>

# Summary consolidated statement of financial position

(Amounts in TSEK)	2024-06-30	2023-12-31	2023-06-30
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalised development costs	18 543	16 881	16 488
Patents and trademarks	2 152	1 954	2 099
<i>Property, plant and equipment</i>			
Right of use assets	2 609	3 095	3 417
Equipment	350	331	404
<i>Financial assets</i>			
Long-term securities	5 430	5 430	38 088
Other long-term receivables	168	164	0
<b>Total fixed assets</b>	<b>29 252</b>	<b>27 855</b>	<b>60 496</b>
<b>Current assets</b>			
Other receivables	1047	874	14385
Prepaid expenses and accrued revenue	2 497	2 492	2 317
Cash and cash equivalents	20 863	29 006	22 388
<b>Total current assets</b>	<b>24 407</b>	<b>32 372</b>	<b>39 090</b>
<b>TOTAL ASSETS</b>	<b>53 659</b>	<b>60 227</b>	<b>99 586</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10 710	7 551	6 280
Other capital contribution	468 198	449 362	442 678
Translation reserve	-30	-7	22
Profit/loss carried forward	-428 157	-355 004	-355 004
Profit/loss for the period	-20 329	-73 153	-21 549
<b>Equity attributable to the parent company's shareholders</b>	<b>30 392</b>	<b>28 749</b>	<b>72 427</b>
<b>Long-term liabilities</b>			
Lease liabilities	1 893	2 398	2 785
<b>Total long-term liabilities</b>	<b>1 893</b>	<b>2 398</b>	<b>2 785</b>
<b>Current liabilities</b>			
Loans payable	7 600	15 538	16 418
Lease liabilities	994	958	855
Accounts payable	1216	1178	2083
Tax liabilities	38	38	0
Other liabilities	8 315	7 229	2 472
Accrued expenses and prepaid revenue	3 211	4 139	2 546
<b>Total current liabilities</b>	<b>21 374</b>	<b>29 080</b>	<b>24 374</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>53 659</b>	<b>60 227</b>	<b>99 586</b>

## Summary consolidated statement of changes in equity

(Amounts in TSEK)	2024-06-30	2023-12-31	2023-06-30
<b>Opening balance</b>	<b>28 749</b>	<b>48 382</b>	<b>48 382</b>
Profit/loss for the period	-20 329	-73 153	-21 549
Other comprehensive income	-23	-7	22
New cash issue	22 631	62 813	56 562
Offset issue	0	2045	0
Received option premiums	0	0	0
Issue costs	-636	-11331	-10990
<b>Closing balance</b>	<b>30 392</b>	<b>28 749</b>	<b>72 427</b>



# Summary consolidated cash flow statement

(Amounts in TSEK)	2024	2023	2024	2023	2023
	3 months	3 months	6 months	6 months	12 months
	April	April	January-	January-	January-
	June	June	June	June	December
<b>Operating activities</b>					
Operating profit/loss	-9 985	-10 540	-18 266	-18 782	-35 926
Adjustments for items not included in the cash flow:					
Depreciation and write-offs	356	348	727	722	2 331
Other non-cash items	103	103	206	206	451
Interest received	178	0	376	0	600
Paid interest and other financial expenses	-3107	-885	-3 303	-972	-2444
<b>Cash flow from operations before changes in working capital</b>	<b>-12 455</b>	<b>-10 974</b>	<b>-20 260</b>	<b>-18 826</b>	<b>-34 988</b>
<b>Changes in working capital</b>					
Changes in operating receivables	572	-307	-384	-505	-665
Change in operating liabilities	242	-157	-53	1	1544
<b>Cash flow from operations</b>	<b>-11 641</b>	<b>-11 438</b>	<b>-20 697</b>	<b>-19 330</b>	<b>-34 109</b>
<b>Investing activities</b>					
Capitalisation of development costs	-964	-701	-1 662	-1 348	-2 564
Capitalisation of patents and trademarks	-256	-31	-311	-58	-75
Acquisition of tangible assets	-59	-43	-147	-244	-310
Investment in financial assets	0	0	0	0	0
Paid deposit	0	0	0	0	-170
<b>Cash flow from investing activities</b>	<b>-1 279</b>	<b>-775</b>	<b>-2 120</b>	<b>-1 650</b>	<b>-3 119</b>
<b>Financing activities</b>					
New share issue	12 631	36582	22 631	40 390	62 813
Issue costs	-636	-5346	-636	-5548	-9286
Received option premiums	0	0	0	0	0
New loans	0	0	0	0	6318
Repaid loans	-6879	-14199	-6 879	-17 805	-19 479
Amortisation of lease liabilities	-235	-202	-468	-400	-848
<b>Cash flow from financing activities</b>	<b>4 881</b>	<b>16 835</b>	<b>14 648</b>	<b>16 637</b>	<b>39 518</b>
<b>Cash flow for the period</b>	<b>-8 039</b>	<b>4 622</b>	<b>-8 169</b>	<b>-4 343</b>	<b>2 290</b>
Cash and cash equivalents at the start of the period	28 918	17 754	29 006	26 715	26 715
Exchange rate differences in cash and cash equivalents	-16	12	26	16	1
<b>Cash and cash equivalents at the close of the period</b>	<b>20 863</b>	<b>22 388</b>	<b>20 863</b>	<b>22 388</b>	<b>29 006</b>

## Summary parent company income statement

(Amounts in TSEK)	2024	2023	2024	2023	2023
	3 months	3 months	6 months	6 months	12 months
	April	April	January-	January-	January-
	June	June	June	June	December
Other operating revenue	1 046	0	2 091	0	0
<i>Operating expenses</i>					
Other external expenses	-2 134	-1 396	-3 932	-2 008	-3 207
Staff costs	-2 014	0	-3 832	0	0
<b>Operating profit/loss</b>	<b>-3 102</b>	<b>-1 396</b>	<b>-5 673</b>	<b>-2 008</b>	<b>-3 207</b>
Financial income	177	0	375	0	509
Depreciation of shares in group companies	-8 500	-11 800	-17 500	-20 800	-25 800
Write down of long-term investments	0	0	0	0	-33 545
Financial costs	-1 011	-1 696	-2 105	-2 596	-4 681
<b>Total financial items</b>	<b>-9 334</b>	<b>-13 496</b>	<b>-19 230</b>	<b>-23 396</b>	<b>-63 517</b>
<b>Profit/loss before tax for the period</b>	<b>-12 436</b>	<b>-14 892</b>	<b>-24 903</b>	<b>-25 404</b>	<b>-66 724</b>
Tax on profit/loss for the period	0	0	0	0	0
<b>Profit/loss for the period</b>	<b>-12 436</b>	<b>-14 892</b>	<b>-24 903</b>	<b>-25 404</b>	<b>-66 724</b>

## Summary parent company statement of comprehensive income

(Amounts in TSEK)	2023	2022	2023	2022	2022
	3 months	3 months	6 months	6 months	12 months
	April	April	January-	January-	January-
	June	June	June	June	December
Profit/loss for the period	-12 436	-14 892	-24 903	-25 404	-66 724
Other comprehensive income	0	0	0	0	0
<b>Comprehensive income for the period</b>	<b>-12 436</b>	<b>-14 892</b>	<b>-24 903</b>	<b>-25 404</b>	<b>-66 724</b>

# Summary parent company balance sheet

(Amounts in TSEK)

	2024-06-30	2023-12-31	2023-06-30
<b>ASSETS</b>			
<b>Financial assets</b>			
Shares in group companies	57 011	57 011	57 011
Other long-term securities	5 430	5 430	38 975
Other long-term receivables	0	0	0
<b>Total fixed assets</b>	<b>62 441</b>	<b>62 441</b>	<b>95 986</b>
<b>Current assets</b>			
Rreceivables group companies	871	0	0
Other receivables	182	8	13245
Prepaid expenses and accrued revenue	578	223	311
Cash on hand	17 702	28 268	18 846
<b>Total current assets</b>	<b>19 333</b>	<b>28 499</b>	<b>32 402</b>
<b>TOTAL ASSETS</b>	<b>81 774</b>	<b>90 940</b>	<b>128 388</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	10 710	7 551	6 280
<i>Non-restricted equity</i>			
Share premium reserve	468 199	449 362	442 678
Profit/loss carried forward	-381 719	-314 995	-314 995
Profit/loss for the period	-24 903	-66 724	-25 404
<b>Total equity</b>	<b>72 287</b>	<b>75 194</b>	<b>108 559</b>
<b>Current liabilities</b>			
Loans payable	7 600	15 538	16 418
Accounts payable	575	7	1085
Liabilities to group companies	94	94	94
Other short-term liabilities	1191	0	2046
Accrued expenses and prepaid revenue	27	107	186
<b>Total current liabilities</b>	<b>9 487</b>	<b>15 746</b>	<b>19 829</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>81 774</b>	<b>90 940</b>	<b>128 388</b>

# Not 1 Equity

## Warrant program 2022/2025:1

The 2022 Annual General Meeting resolved to introduce incentive program 2022/2025:1 through the issue of warrants to the company, which would then be transferred to employees within the company and the group. A total of 9,850,000 warrants of series 2022/2025:1 was issued to the company for transfer to employees, with each warrant entitling the holder to the subscription of one new B share during the period 1 October 2025 through 31 October 2025, or an earlier date stipulated in the terms of the warrants, at a subscription price of SEK 2.50. The CEO has the option to acquire a maximum of 2,500,000 warrants; other members of the management (max 3 people) may acquire up to 1,250,000 warrants, and other employees (max 12 people) may acquire a maximum of 300,000 warrants each.

The warrants are acquired at market value, which has been calculated by an independent valuation institute at SEK 0.12 per warrant. CEO Magnus Anderson has fully exercised his warrant rights totaling 2,500,000 warrants at SEK 0.17. The difference between the subscription prices within the program was due to the fact that external valuation was performed at the time of the respective acquisition. In addition, 315,000 warrants of series 2022/2025:1 have been acquired by individuals in non-executive positions. In total, the company raised TSEK 613 from the program in the previous financial year.

## Warrant program 2022/2025:2

In accordance with the proposal by shareholder Maida Vale Capital AB, the 2022 Annual General Meeting resolved to adopt incentive program 2022/2025:2 through the issue of warrants to the company, which would then be transferred to the company's board members. A total of 5,000,000 warrants were issued to the company for transfer to board members. Each warrant entitles board members to the subscription of one new B share between 1 May 2025 through 31 May 2025, or an earlier date as stipulated in the terms of the warrants, at a subscription price of SEK 1.75.

Excluding Anders Blom, the company's board consists of five members, each of whom is entitled to acquire a maximum of 1,000,000 Print name- Options. The warrants were acquired at market value, which has been calculated by an independent valuation institute at SEK 0.16 per warrant. Magnus Edman and Göran Janson have exercised 100% of their warrant rights and Karolina Bjurehed has exercised 87.5%. Anders Blom was not eligible for the program as he is a representative for the shareholder Maida Vale Capital AB, which submitted the proposal to the meeting. In total, the company raised TSEK 460 from the program in the previous financial year.

## Directed issue of units

On 12 January, the company announced that the board had adopted a resolution to carry out a directed issue of units amounting to approximately MSEK 10 to a number of previously consulted investors, including existing shareholders. A total of 71,428,569 units were issued, with each unit consisting of two (2) B shares and one (1) warrant of series T08. The subscription price per unit amounted to SEK 0.14, which corresponds to SEK 0.07 per share. The subscription price in the directed issue was set after negotiations with the subscribers and corresponded to a discount of approximately 9.23 percent in relation to the volume-weighted average price of the company's share on the Nasdaq First North Premier Growth Market between 27 December 2023 and 10 January 2024. The board considers the subscription price to be in line with the market. The directed issue was decided in two stages. The first part was decided with the authorization of the AGM on 10 May 2023 and corresponds to approximately MSEK 7.75 (the "first issue"). The second part was decided by a resolution of the board (subject to the approval of the general meeting) and corresponds to approximately MSEK 2.25. ("the second issue"). The shareholder Maida Vale Capital AB has the right to subscribe to units in the second issue (a company partially controlled by board member Anders Blom). The Second Issue was approved by the extraordinary general meeting on 31 January.

## Warrant program T07 B.

The warrants of series T07 B were issued in connection with the rights issue 2023 where one unit consisted of one share of series B, one warrant of series T06 B and one warrant of series T07 B. The exercise period for the exercise of the warrants of series T07 took place during the period 20 May 2024 up to and including 3 June 2024. The subscription price per Class B share upon exercise of the warrants of series T07 was set at SEK 0.073. A total of 173,029,725 warrants of series T07 were exercised for subscription of 173,029,725 Class B shares, meaning that approximately 95 percent of the outstanding warrants of series T07 were exercised for subscription of Class B shares. Through the exercise of the warrants of series T07, Terranet will receive approximately SEK 12.6 million before issue costs.

## Warrant program T08 B.

The warrants that the company transferred free of charge to all shareholders in order to provide partial compensation to shareholders for the dilution resulting from the directed issue, can be exercised for the subscription of new shares from 18 November 2024 to 29 November 2024. Each warrant of series T08 B entitles the holder to the subscription of one (1) new B share in the company. The subscription price for the subscription of shares through the exercise of warrants of series T08 B amounts to SEK 0.14.



## Financial calendar

### 2024

31 January	Extra General Meeting	21 May	Annual General Meeting 2024
22 February	Year-end report 2023	15 August	Interim Report Q2
30 April	Annual Report 2023	7 November	Interim Report Q3
7 May	Interim Report Q1 2024		

### 2025

13 February	Year-end report 2024	21 May	Annual General Meeting 2025
8 May	Interim Report Q1 2025		

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

The Board of Directors and the CEO certify that the interim report gives a true and fair view of the Parent Company's and the Group's operations, financial position and results and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

**Lund August 15 2024**

Torgny Hellström  
Chairman

Anders Blom  
Board member

Magnus Edman  
Board member

Mats Fägerhag  
Board member

Nils Wollny  
Board member

Tarek Shoeb  
Board member

Magnus Andersson  
CEO

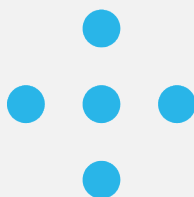
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This information is information that Terranet AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8.30 a.m. CET on May 7.



## Safety at the blink of an eye

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