

Terranet AB (publ)

Year-end report

1 January 2022 – 31 December 2022

This is a translation of the original Swedish Terranet Year-end report 2022. In the event of any discrepancies between the two versions, the original Swedish version shall apply.

Safety at the blink of an eye

Significant events during the fourth quarter

- The company updated the market in two CEO letters stating that it is following the set schedule and that the goals for 2023 remain.
- Terranet presented its Q3 report with business update to shareholders in a webcast.
- Agreement was signed between Terranet and Prevas Development regarding the manufacturing of laser scanner prototype.
- Holoride GmbH launched its first XR/VR product for in-car entertainment to the market.
- Terranet participated in Redeye's well-attended investor day for Autotech companies where CEO Magnus Andersson presented the Company.

Significant events after the close of the period

- Terranet was presented by CEO Magnus Andersson at Aktiespararna's popular investor day in Lund.
- CEO Magnus Andersson visited CES in Las Vegas.
- Holoride GmbH launched a retrofit version of its unique XR/VR product that can be used in all vehicle manufacturers' models.

Fourth quarter, 1 October – 31 December 2022

- Revenue amounted to TSEK 310 (161).
- Operating profit/loss amounted to TSEK -7,431 (-16,710).
- Diluted and undiluted earnings per share amounted to SEK -0.03 (-0.06).

Full year, 1 January–31 December 2022

- Revenue amounted to TSEK 748 (1,369).
- Operating profit/loss amounted to TSEK -29,371 (-41,708).
- Profit/loss for the year amounted to TSEK -32,287 (-44,732).
- Diluted and undiluted earnings per share amounted to SEK -0.10 (-0.17).
- Cash and cash equivalents for the Group amounted to TSEK 26,715 (62,788).
- The Board proposes that no dividend is paid for the 2022 financial year.

Comments from the CEO

A successful end of 2022 paves the way for great possibilities 2023

Dear shareholders,

In September, I got the opportunity to take on the role of CEO and since then I have gotten to know our partners, potential customers, and most importantly, our competent workforce. Together, we have methodically driven the development of BlincVision towards new positive results, achieved our goals, and I am proud to say that our team consists of some of the world's leading developers and innovators.

During these past few months, we have ticked off several important points in the development of our product. The completion of specifications for our laser scanner module, the agreement with Prevas who will manufacture scanner prototype, as well as the start of feasibility studies for our second product component, the vision sensor, are all important steps in bringing BlincVision to market.

These steps would not have been possible if Terranet did not already had initiated a process of expanding the scope of product development. Looking back a few years, the priority was to develop software for Advanced Driver Assistance Systems (ADAS). This development continues, and now with even greater progress. Meanwhile, the hardware development, i.e. the scanner and vision sensor, has become more of the focus in our project plans. We are now a developer of a complete technology solution and not just a software developer. The choice is strategic and gives us several advantages, such as a wider protection of BlincVision through future patents for the unique hardware and a fully customized and integrated technology solution for potential customers. The broader grasp on hardware should give us increased revenue potential and simplified sales in the market vertical. With this we are also creating a logical and attractive link between BlincVision and the automotive industry's development of autonomous vehicles. Furthermore, the hardware opens up for a horizontal expansion to other market areas.

Terranet operates in a rapidly growing market. Three factors are driving this growth. Increased electrification and digitalization of vehicles and government regulations with stricter safety requirements as a result. ADAS is the third fastest growing segment in the automotive industry and is expected to reach 124 billion US dollars in 2029, a growth of 235% from 2021 (Fortune Business Insights. Report ID: FBI101897). As a result, Terranet finds itself in a highly desirable position, with a rapid technology that is directly aimed at addressing the challenges faced by the automotive industry. This is also confirmed by the OEMs and Tier1s that I have been in contact with. There is a significant interest in our solution. It is now crucial to me that Terranet soon can show a "pre-production" prototype for partners and potential customers, in order to intensify commercial discussions and prepare for a successful launch of our A-sample.

Considering the recent results that we have demonstrated and the fact that we will receive the first prototype of the scanner module from Prevas any day now and according to plan, it is apparent that the potential of BlincVision remains promising. As such, we persist in our aim to test its integration into vehicles during 2023.

Over the past 12 months, we have chosen to build the Terranet development team by prioritizing the addition of in-house personnel with specialized skills, rather than relying on external consultants. This approach ensures the retention of expertise within the company and lays a strong foundation for future growth. Additionally, this strategy has resulted in reduced expenses compared to prior periods and improved development outcomes. We have had low turnover among our staff, and we are continuously recruiting to complement specific expertise. Meanwhile, we have chosen to outsource parts of product development to specialist companies such as Prevas Development, who work according to Terranet's specifications. The objective of this decision is to optimize the allocation of our internal resources and leverage the expertise of specialist companies in order to achieve efficient results and optimize time management.

Our participation at CES in Las Vegas in January this year confirmed that Terranet has chosen the right segment in the automotive industry. ADAS and vehicles dominated the event, and we have secured several important contacts for Terranet's future. At CES, holoride launched a so-called "retrofit" version of its XR/VR in-car entertainment product. Terranet, together with Audi, is a co-owner of holoride, and will be an important collaboration partner for us when we target the automotive industry in Germany. Holoride's new product significantly broadens the market as it easily can be mounted by the end consumer in all types of vehicles, regardless of model or year of manufacture. The launch received great attention in the international press and holoride won the "CES Innovation Awards Honoree" award. We are thrilled with holoride and eagerly anticipate a bright future together, where their expertise in launching products within the automotive industry will be of immense value.

During the beginning of 2023, the work on our feasibility studies for our vision sensor module has continued. The preliminary results have been obtained, but we are waiting for additional data to verify details before making a final decision on our sensor solution. The studies have given us valuable insights, and we will shortly be able to provide a more comprehensive update on the findings.

A prerequisite to continue the development at a high pace is for Terranet to secure a long-term stable cash flow. The two previous subscription option programs reached a good utilization rate of 80-99 percent, and we look forward to a high participation in the TO5B subscription option program with a subscription period from the 13th to the 24th of March. The board continues to actively work on the company's finances. Terranet has a strong base of owners, which, combined with the ongoing dialogues I have with external actors, makes me confident that the willingness to finance our continued product development and commercialization exists.

We monitor the market continuously. It gives us energy to further improve ourselves and the features of our product. We still see that we have a unique opportunity to revolutionize the standard for urban traffic safety and accelerate the Advanced Driver Assistance Systems (ADAS) and launch of self-driving vehicles in the automotive industry. The future is undoubtedly ahead of us, and we look forward to reaching our ambitious goals in 2023.

Magnus Andersson

CEO

Lund, 23 February 2023

Significant events during the period

The company updated the market in two CEO letters

On 20 December and 17 October 2022, Terranet updated the market in two separate CEO letters. In the letters, the Company stated that the product development follows the previously set timetable for all three of BlincVision's main components, i.e. the scanner module, the sensor module and the software unit. Furthermore, it was noted that the work with Prevas Development, that manufactures a prototype of the laser scanner module, has been very successful and that the company has also managed to begin feasibility studies of the sensor module together with two international specialists. Overall, it was stated that the Company will maintain its aim on testing the first prototype of BlincVision in vehicles during 2023 and that it will thus be natural to focus on commercial discussions about BlincVision with Tier1 and OEM in the future.

Terranet presented the Q3 report in a webcast

On 17 November 2022, CEO Magnus Andersson and CTO Nihat Kucuk presented the Company's Q3 report with business update to shareholders in a webcast. Magnus noted how important it is for the Company to quickly bring a product to the market and that the initial contacts with market participants have generated positive feedback

Agreement was signed with Prevas Development on the manufacturing of a laserscanner prototype

On 9 November 2022, the market was informed that Terranet, through a strategic partnership, had taken decisive steps towards a complete prototype for its Advanced Driver Assistance System, BlincVision. Prevas was commissioned to build the first prototype of BlincVision's laser scanner module. The prototype that Prevas will develop is based on Terranet's specifications and is based on the technological advances made by Terranet during the past year, including the laser's effective detection range and how safe it is for the human eye.

Holoride launched its first in-car-entertainment XR/VR product to market

On 2 November 2022, holoride launched its unique and award-winning XR/VR product for integration into cars manufactured by Audi. Terranet owns 10.4% in holoride and holoride is at the same time an important partner for Terranet when establishing contacts in the automotive industry in Germany.

Terranet participated in Redeye's Autotech investor day

On 6 October 2022, Terranet's CEO Magnus Andersson presented the company at Redeye's well attended Investor Day.

Significant events after the close of the period

Magnus Andersson presented Terranet at Aktiespararna's investor day

On 31 January 2023, Magnus Andersson made an appreciated presentation of Terranet at Aktiespararna's popular investor day in Lund.

Magnus Andersson visited CES in Las Vegas

During the beginning of January 2023, Magnus Andersson visited CES in Las Vegas where he made new valuable contacts in an automotive industry, which together with the ADAS segment, has a prominent presence at the event.

Holoride launched a retrofit version of its unique XR/VR product

On 4 January 2023, Holoride launched a retrofit version of its product, which opens up a significantly larger market as the new version can easily be retrofitted directly by the end consumer in all vehicles regardless of manufacturer and model. The launch was made under great attention in conjunction with CES in Las Vegas and Holoride received the "CES Innovation Awards Honoree".

Activities and notes

Terranet develops technical solutions for Advanced Driver Assistance Systems (ADAS) and self-driving vehicles.

Business strategy

Terranet's business concept centres around the development of solutions for Advanced Driver Assistance System (ADAS) and self-driving vehicles (AV) that it primarily markets to vehicle manufacturers, subcontractors and other actors in transport and mobility as a service. 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 can be generated through customer-specific adaptations as well as service and upgrades.

Operations

Terranet develops tech solutions for Advanced Driver Assistance System (ADAS) and for self-driving vehicles (AV). The technology is called VoxelFlow™ and is an event camera-based system that generates voxels unlike pixel-based cameras. VoxelFlow is the technology behind the company's product BlincVision. BlincVision combines multi-beam lasers, sensor cameras and advanced image analysis into a system that reads the road surface in record time and detects objects, regardless of the weather and time of day. Terranet has a global license to use and further develop VoxelFlow towards the automotive industry. The company also develops software algorithms for positioning using 5G technology, as well as for communication between different vehicles and between vehicles and other objects, so-called V2X.

Read more at www.terranel.se

Terranet AB (publ)

Corp. reg. no. 556707-2128

Mobilvägen 10

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Staff

As of 31 December 2022, the number of employees in the group was 13 (13). Temporary staff, full-time consultants and staff on parental leave have been excluded. The comparable number from 2021 includes two administration positions which have been substituted by product development positions during 2022. The recruitment process to bring in additional developers is ongoing.

Risks and uncertainties

Significant risks and uncertainties are described in the company's annual report for 2021. The company has a negative cash flow from the operational activities, and should a capital need arise, the plan is to carry out financing measures or rights issue to finance the company. The Board works continuously with the financing of the company and it is the Board's assessment that such measures can be implemented.

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 financial year, the parent company made a shareholder contribution to Terranet Tech AB of TSEK 31,000; a corresponding write-off has been made on the shares in Terranet Tech AB. The write-off does not have an impact on 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

The consolidated financial statements for Terranet AB (publ.) have been established in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Board's recommendations, RFR 1 "Supplementary accounting rules for groups". The parent company's financial reports have been established in accordance with the Swedish Annual Accounts Act and RFR 2, "Accounting for Legal Entities". The parent company applies the same accounting principles as the group, where applicable.

This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting". Disclosures required under IAS 34 are provided in notes and elsewhere in the interim report.

The accounting principles and calculation methods applied are in agreement with those described in the annual report for 2021.

New standards and interpretations that entered into force as of 1 January 2022 have not had any significant effect on the Group's or Parent Company's financial reports for the year.

Equity

Warrant programme T04B.

The subscription of B shares through warrants of series T04B occurred from 28 February 2022 to 11 March 2022. Each warrant of series T04B entitled the holder to the subscription of one (1) new B share in the company against cash payment corresponding to 70 percent of the volume-weighted average price of the company's share on Nasdaq First North Premier Growth Market between 11 February 2022 to 24 February 2022, which amounted to a subscription price of SEK 0.56 per B share. The outcome was 79.9%, and the company raised TSEK 6,065 in equity after issue costs.

The proceeds from the issue were used in their entirety to pay off loan debt.

The total number of shares increased by 11,436,473 shares in March 2022 with the warrant programme T04B. At the beginning of the 2022 financial year, the number of shares amounted to 314,852,930, and at the close of the year, 326,289,403.

Warrant programme T05B.

The subscription of B shares through warrants of series T05B will occur from 13 March 2023 to 24 March 2023. Each warrant of series T05B entitles the holder to the subscription of one (1) new B share in the company against cash payment corresponding to 70 percent of the volume-weighted average price of the company's share on Nasdaq First North Premier Growth Market between 24 February 2023 to 9 March 2023, however, no less than the value corresponding to the quotient value for Terranet's share during the subscription period and a maximum of SEK 4.20 per B share. In the event of full exercise of all warrants of series T05B and at the maximum share price, the company would raise a maximum of TSEK 51,750 before Issue costs.

Warrant programme 2022/2025:1

The Annual General Meeting 2022 resolved to introduce incentive programme 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 were 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.

CEO had the option to acquire a maximum of 2,500,000 warrants, other members of the management (max 3 people) up to 1,250,000 warrants, and other employees (max 12 people) a maximum of 300,000 warrants each.

The warrants were acquired at market value, which was calculated by an independent valuation institute at SEK 0.12 per warrant. In the management group, Nihat Kucuk, CTO, fully acquired his warrant rights totalling 1,250,000 warrants. CEO Magnus Andersson fully acquired his warrant rights totalling 2,500,000 warrants at SEK 0.17. The difference between the prices within the programme was due to the fact that the external valuations was performed at the time of the respective acquisition. Thomas Falkenberg, CFO, is a consultant and thus not covered by the programme. In addition, 315,000 warrants of series 2022/2025:1 was acquired by individuals in non-executive positions. The Company raised a total of TSEK 613 through the programme.

Warrant programme 2022/2025:2

In accordance with the proposal by shareholder Maida Vale Capital AB, the Annual General Meeting 2022 resolved to adopt incentive programme 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 entitled 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 was entitled to acquire a maximum of 1,000,000 warrants. The warrants were acquired at market value, which was calculated by an independent valuation institute at SEK 0.16 per warrant. Magnus Edman and Göran Janson acquired 100% of their warrant rights and Karolina Bjurehed acquired 87.5%. Anders Blom was not eligible for the programme as he is a representative for the shareholder Maida Vale Capital AB, which submitted the proposal to the meeting. The Company raised a total of TSEK 460 through the programme.

Financial overview

Fourth quarter 1 October 2022 – 31 December 2022

Revenue

Revenue for the quarter amounted to TSEK 310 (161), which consists exclusively of grants from Vinnova.

Operating profit/loss

Capitalised development costs amounted to TSEK 621 (1,396) and consists entirely of capitalised staff costs. Capitalisation for the previous financial year includes consulting costs of TSEK 662.

The reduction in other external costs is mainly attributable to lower operating expenses for travel and marketing, as during the comparable period in the previous financial year, the Company arranged a capital markets day and also incurred costs of TSEK 887 linked to an adjustment for the acquisition costs for the shares in holotide.

Operating profit/loss for the quarter amounted to TSEK -7,431 (-16,710). The previous year's operating profit included a write-off of older development projects of TSEK 7,635.

Amortisation of intangible assets amounted to TSEK 57 (91) TSEK, depreciation of fixed assets amounted to TSEK 51 (54) and impairment of right-of-use assets amount to TSEK 227 (123).

Financial costs

Financial costs consist mainly of interest on the loan TSEK 35,000, which was taken in April 2021 to fund the acquisition of shares in holotide.

Interest costs attributable to right-of-use assets amount to TSEK 92 (43) for the period.

Taxes

The group's effective tax amounted to 0 (0) percent. The group has a substantial accumulated tax loss carryforward, however, no deferred tax assets are reported with respect to this.

Profit/loss for the period

Profit/loss for the period amounted to TSEK -8,309 (-17,620). Diluted and undiluted earnings per share amounted to SEK -0.03 (-0.06).

Cash flow

Cash flow from operating activities amounted to TSEK -7,395 (-8,695)

Cash flow from investing activities amounted to TSEK -660 (-1,422), which consists exclusively of capitalisation of development costs and patents.

Cash flow from financing activities amounted to TSEK -190 (-107), which consists exclusively of amortisation of lease liabilities.

Full year 1 January 2022–31 December 2022

Revenue

Revenue for the year amounted to TSEK 748 (1,369), which consists exclusively of grants from Vinnova.

Operating profit/loss

Capitalised development costs amounted to TSEK 3,091 (9,421), where TSEK 2,465 (3,971) is attributable to capitalised staff costs and the remainder is attributable to consulting costs.

Other external costs amounted to TSEK 14,237 (27,960). The lower costs are attributable to the fact that the Company used external consultants for its product development to a lesser extent, instead relying on internal staff during the financial year.

Payroll amounted to TSEK 17,682 (16,014). The increase is attributable to a higher number of developers on the payroll and the fact that the company incurred costs of TSEK 995 linked to a settlement with the company's former CEO.

Operating profit/loss for the financial year amounted to TSEK -29,371 (-41,708). The previous year's operating profit includes a write-off of older development projects of TSEK 7,635.

Financial income

Financial income included a foreign exchange rate gain of TSEK 679 for the revaluation of the company's long-term receivables (convertible loans of TUSD 500 to Summer Robotics Inc. in the second quarter) in USD. In November, the convertible loan was converted into shares in Summer Robotics Inc.

Financial costs

Financial costs consist mainly of interest on the loan of TSEK 35,000, which was taken in April 2021 to fund the acquisition of shares in Holoride.

Taxes

The group's effective tax amounted to 0 (0) percent. The group has a substantial accumulated tax loss carryforward, however, no deferred tax assets are reported with respect to this.

Profit/loss for the year

Profit/loss for the year amounted to TSEK -32,287 (-44,732). Diluted and undiluted earnings per share amounted to SEK -0.10 (-0.17).

Cash flow

Cash flow from operating activities amounted to TSEK -28,116 (-41,589). The reduced cash outflow is attributable to interest payments during the previous financial year and a reduced operating loss, as well as lower tie-up of working capital.

Cash flow from investing activities amounted to TSEK -8,437 (-42,863). During the period, TSEK 3,594 (9,633) was invested in development and patents and TSEK 91 (572) was invested in tangible fixed assets. Investments in financial assets of TSEK 4,752 consist of a convertible loan issued to Summer Robotics, which was converted to shares in November representing 1,7% ownership. An investment was made in holoride during the corresponding period of the previous financial year.

Cash flow from financing activities amounted to TSEK 480 (102,745). During the first quarter, proceeds from TO4B amounting to TSEK 6,065 were received, which were used in their entirety for the repayment of loans. Option premiums of TSEK 1,073 (0) were received and lease liabilities of TSEK 593 (407) were amortised. In the previous financial year, a loan of TSEK 35 was taken and warrant program TO2B and TO3B was completed.

Financial position and liquidity

As of 31 December 2022, total assets amounted to TSEK 89,435 (115,900), equity amounted to TSEK 48,382 (73,531) and the equity/assets ratio amounted to 54.1 % (63.4%).

Financial assets amounted to TSEK 38,088 (32,658), of which TSEK 32,658 is linked to the investment in holoride in 2021 and TSEK 5,430 is linked to the convertible loan to Summer Robotics Inc., which was converted to shares in Q4.

The carrying value of the group's interest-bearing liabilities amounts to TSEK 36,468 (36,926).

During the year, TSEK 6,065 was paid on the loan of TSEK 35,000 (nominal amount), which was taken to finance the investment in holoride in 2021. The next repayment will take place when the funds from TO5B are received (see above under Warrants). The loan falls due 31 May 2023 and is reported as a short-term loan.

Of the interest-bearing liabilities, lease liabilities amount to TSEK 4,040 (1,972). The increase is primarily attributable to the lease for the office in Stuttgart.

At the start of the period, the group's cash and cash equivalents amounted to TSEK 26,715 (62,788).

Transactions with related parties

Transactions with related parties, other than transactions with senior executives in the capacity of their positions, included purchases from Prevas Development AB corresponding to TSEK 622 during the financial year. Magnus Edman is a board member in Terranet AB and CEO of Prevas Development AB.

Key figures

(Amounts in TSEK unless otherwise indicated)	2022	2021	2022	2021
	3 months	3 months	12 months	12 months
	October– December	October– December	January– December	January – December
Undiluted EPS (SEK)	-0.03	-0.06	-0.10	-0.17
Diluted EPS (SEK)	-0.03	-0.06	-0.10	-0.17
Number of shares on the balance sheet date prior to dilution	326,289,403	314,852,930	326,289,403	314,852,930
Number of shares on the balance sheet date after dilution	326,289,403	314,852,930	326,289,403	314,852,930
Weighted average number of shares before dilution	326,289,403	314,852,930	323,939,443	268,413,390
Weighted average number of shares after dilution	326,289,403	314,852,930	323,939,443	268,413,390
Equity/asset ratio (%)	54.1	63.4	54.1	63.4
Operating profit/loss	-7,431	-16,710	-29,371	-41,708
Profit/loss for the period	-8,309	-17,620	-32,287	-44,732

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 programmes with an issue price below the average share price for the period can cause a dilutive effect.
Number of shares after dilution	Only option programmes with an issue price below the share price on the balance sheet date/average share price for the period can cause a dilutive effect.
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)	2022	2021	2022	2021
	3 months October– December	3 months October– December	12 months January– December	12 months January – December
Other operating revenue	310	161	748	1,369
Activated work for own account	621	1,396	3,091	9,421
<i>Operating expenses</i>				
Other external expenses	-3,675	-5,822	-14,237	-27,960
Staff costs	-4,329	-4,524	-17,682	-16,014
Depreciation and write-offs of tangible and intangible fixed assets	-335	-7,903	-1,255	-8,506
Other operating costs	-23	-18	-36	-18
Operating profit/loss	-7,431	-16,710	-29,371	-41,708
Financial income	81	109	891	109
Financial costs	-959	-1,019	-3,807	-3,133
Profit/loss before tax	-8,309	-17,620	-32,287	-44,732
Tax on profit/loss for the period	0	0	0	0
Profit/loss for the period attributable to the parent company's shareholders	-8,309	-17,620	-32,287	-44,732
Earnings per share, SEK				
Undiluted EPS	-0.03	-0.06	-0.10	-0.17
Diluted EPS	-0.03	-0.06	-0.10	-0.17

Consolidated statement of comprehensive income

(Amounts in TSEK)	2022	2021	2022	2021
	3 months October– December	3 months October– December	12 months January– December	12 months January – December
Profit/loss for the period	-8,309	-17,620	-32,287	-44,732
Other comprehensive income	-	-	-	-
Comprehensive income for the period attributable to the parent company's shareholders	-8,309	-17,620	-32,287	-44,732

Summary consolidated statement of financial position

(Amounts in TSEK)	31/12/2022	31/12/2021
ASSETS		
Fixed assets		
<i>Intangible fixed assets</i>		
Capitalised development costs	15,140	12,049
Patents and trademarks	2,155	1,992
<i>Property, plant and equipment</i>		
Right of use assets	3,870	1,895
Equipment	315	450
<i>Financial assets</i>		
Long-term securities	38,088	32,658
Total fixed assets	59,568	49,044
Current assets		
Accounts receivables	0	481
Other receivables	1,114	786
Prepaid expenses and accrued revenue	2,038	2,801
Cash and cash equivalents	26,715	62,788
Total current assets	29,867	66,856
TOTAL ASSETS	89,435	115,900
EQUITY AND LIABILITIES		
Equity		
Share capital	3,263	3,149
Other capital contribution	400,124	393,100
Profit/loss carried forward	-322,718	-277,986
Comprehensive income for the period	-32,287	-44,732
Equity attributable to the parent company's shareholders	48,382	73,531
Long-term liabilities		
Loans payable	0	34,954
Lease liabilities	3,222	1,515
Total long-term liabilities	3,222	36,469
Current liabilities		
Loans payable	32,428	0
Lease liabilities	818	457
Accounts payable	1,223	1,997
Other liabilities	514	803
Accrued expenses and prepaid revenue	2,848	2,643
Total current liabilities	37,831	5,900
TOTAL EQUITY AND LIABILITIES	89,435	115,900

Summary consolidated statement of changes in equity

(Amounts in TSEK)	Attributable to the parent company's shareholders	
	31/12/2022	31/12/2021
Opening balance	73,531	43,913
Profit/loss for the period	-32,287	-44,732
Other comprehensive income	0	0
New cash issue	6,404	78,277
Received option premiums	1,073	0
Issue costs	-339	-3,927
Closing balance	48,382	73,531

Summary consolidated cash flow statement

(Amounts in TSEK)	2022	2021	2022	2021
	3 months	3 months	12 months	12 months
	October– December	October– December	January– December	January – December
Operating activities				
Operating profit/loss	-7,431	-16,710	-29,371	-41,708
Adjustments for items not included in the cash flow:				
Depreciation and write-offs	335	7,903	1,255	8,506
Other non-cash items	103	102	409	412
Interest received	213	109	213	109
Paid interest and other financial expenses	-93	-44	-268	-3,137
Cash flow from operations before changes in working capital	-6,873	-8,640	-27,762	-35,818
Changes in working capital				
Changes in operating receivables	-243	-60	503	-2,854
Change in operating liabilities	-279	5	-857	-2,917
Cash flow from operations	-7,395	-8,695	-28,116	-41,589
Investing activities				
Capitalisation of development costs	-621	-1,396	-3,091	-9,422
Capitalisation of patents and trademarks	-39	0	-503	-211
Acquisition of tangible assets	0	-26	-91	-572
Investment in financial assets	0	0	-4,752	-32,658
Cash flow from investing activities	-660	-1,422	-8,437	-42,863
Financing activities				
New share issue	0	0	6,404	78,277
Issue costs	0	0	-339	-3,927
Received option premiums	0	0	1,073	0
Loans taken	0	0	0	35,000
Repaid loans	0	0	-6,065	-6,198
Amortisation of lease liabilities	-190	-107	-593	-407
Cash flow from financing activities	-190	-107	480	102,745
Cash flow for the period	-8,245	-10,224	-36,073	18,293
Cash and cash equivalents at the start of the period	34,960	73,012	62,788	44,495
Cash and cash equivalents at the close of the period	26,715	62,788	26,715	62,788

Summary parent company income statement

(Amounts in TSEK)	2022	2021	2022	2021
	3 months	3 months	12 months	12 months
	October–	October–	January–	January –
	December	December	December	December
Other operating revenue	0	0	0	0
<i>Operating expenses</i>				
Other external expenses	-485	-284	-2,271	-1,910
Operating profit/loss	-485	-284	-2,271	-1,910
Financial income	81	109	891	109
Depreciation of shares in group companies	-9,000	-44,807	-31,000	-44,807
Financial costs	-866	-975	-3,539	-2,866
Total financial items	-9,785	-45,673	-33,648	-47,564
Profit/loss before tax for the period	-10,270	-45,957	-35,919	-49,474
Tax on profit/loss for the period	0	0	0	0
Profit/loss for the period	-10,270	-45,957	-35,919	-49,474

Summary parent company statement of comprehensive income

(Amounts in TSEK)	2022	2021	2022	2021
	3 months	3 months	12 months	12 months
	October–	October–	January–	January –
	December	December	December	December
Profit/loss for the period	-10,270	-45,957	-35,919	-49,474
Other comprehensive income	0	0	0	0
Comprehensive income for the period	-10,270	-45,957	-35,919	-49,474

Summary parent company balance sheet

(Amounts in TSEK)	31/12/2022	31/12/2021
ASSETS		
Financial assets		
Shares in group companies	57,011	56,733
Other long-term securities	38,975	33,545
Total fixed assets	95,986	90,278
Current assets		
Prepaid expenses and accrued revenue	206	212
Cash on hand	24,787	61,773
Total current assets	24,993	61,985
TOTAL ASSETS	120,979	152,263
EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	3,263	3,149
<i>Non-restricted equity</i>		
Share premium reserve	400,124	393,100
Profit/loss carried forward	-279,077	-229,603
Profit/loss for the period	-35,919	-49,474
Total equity	88,391	117,172
Long-term liabilities		
Loans payable	0	34,954
Total long-term liabilities	0	34,954
Current liabilities		
Loans payable	32,428	0
Accounts payable	36	13
Liabilities to group companies	94	94
Accrued expenses and prepaid revenue	30	30
Total current liabilities	32,588	137
TOTAL EQUITY AND LIABILITIES	120,979	152,263

The Board of Directors and the CEO certify that the year-end report provides a fair overview 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 23 February 2023

Göran Janson
Board Chair

Anders Blom
Board Member

Karolina Bjurehed
Board Member

Magnus Edman
Board Member

Nils Wollny
Board Member

Tarek Shoeb
Board Member

Magnus Andersson
CEO

This year-end report has not been reviewed by the company's auditor.

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Mangold Fondkommission AB

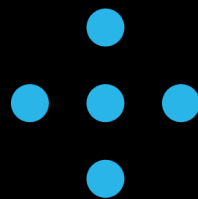
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Calendar 2023:

Year-end report 2022	23 February 2023
Annual report 2022	13 April 2023
AGM 2023	4 May 2023
Interim report January–March	17 May 2023
Interim report January–June	17 August 2023
Interim report January–September	16 November 2023

This information constitutes the information that Terranet AB (publ) is required to publish under the EU Market Abuse Regulation (MAR). The information was submitted for publication through the agency of the above-named contact person on 23 February at 8.00 am CET.



Safety at the blink of an eye

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